

# NEWTECHWOOD CORPORATION

## 2024 | NEWTECHWOOD CORPORATION SUSTAINABILITY REPORT



# CONTENTS

<b>About This Report</b>	<b>01</b>
Message from the Chairman	02

## **About NewTechWood** **03**

---

Major Business Operations	03
History	03

## **Sustainable Development Policy** **04**

---

ESG Governance	04
Risk Management	05
Materiality Assessment	05

## **Appendix**

Index Table of the Guidelines for Self-Regulation of Listed Companies No. 17—Sustainable Development Report (Trial) issued by the Shenzhen Stock Exchange	52
Reader Feedback Form	53

# 01

## **Green Ecology · Environment Commitment** **06**

---

Circular Economy	07
Environmental Compliance Management	08
Pollutant Emissions	10
Waste Management	12
Energy Utilization	13
Water Resource Utilization	15
Climate Action	16
Ecosystem and Biodiversity Protection	16

# 02

## **Harmony and Inclusion · Social Commitment** **17**

---

Innovation-Driven Growth	18
Product and Service Safety & Quality	23
Data Security & Customer Privacy	28
Supply Chain Security	31
Employees	33
Social Contribution and Rural Revitalization	45

# 03

## **Excellence and Integrity · Governance Commitment** **46**

---

Due Diligence	47
Stakeholder Engagement	48
Anti-Bribery and Anti-Corruption	49
Anti-Unfair Competition	51

# About This Report

This is the first annual Sustainability Report of NEWTECHWOOD CORPORATION. The Report systematically addresses the key concerns of various stakeholders based on the Company’s sustainable development concepts, practices and performance.

## ◆ About This Report

This Sustainability Report covers the information on how NEWTECHWOOD CORPORATION and its subordinate business units are fulfilling their responsibilities in the aspects of economy, society, environment, and corporate governance from January 1, 2024, to December 31, 2024. However, some information extends beyond this time range.

## ◆ Reference Explanation

“NEWTECHWOOD CORPORATION” will hereinafter be referred to as “NewTechWood”, or “the Company”, or “we”.

## ◆ Data Explanation

The information and data used in this Report are sourced from NEWTECHWOOD CORPORATION and its subordinate business units. Unless otherwise stated in the Report, all figures are presented in CNY.

## ◆ Standards and Framework

This Report is prepared in accordance with the *Self-Regulatory Supervision Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 17 - Sustainability Report (Trial)*.

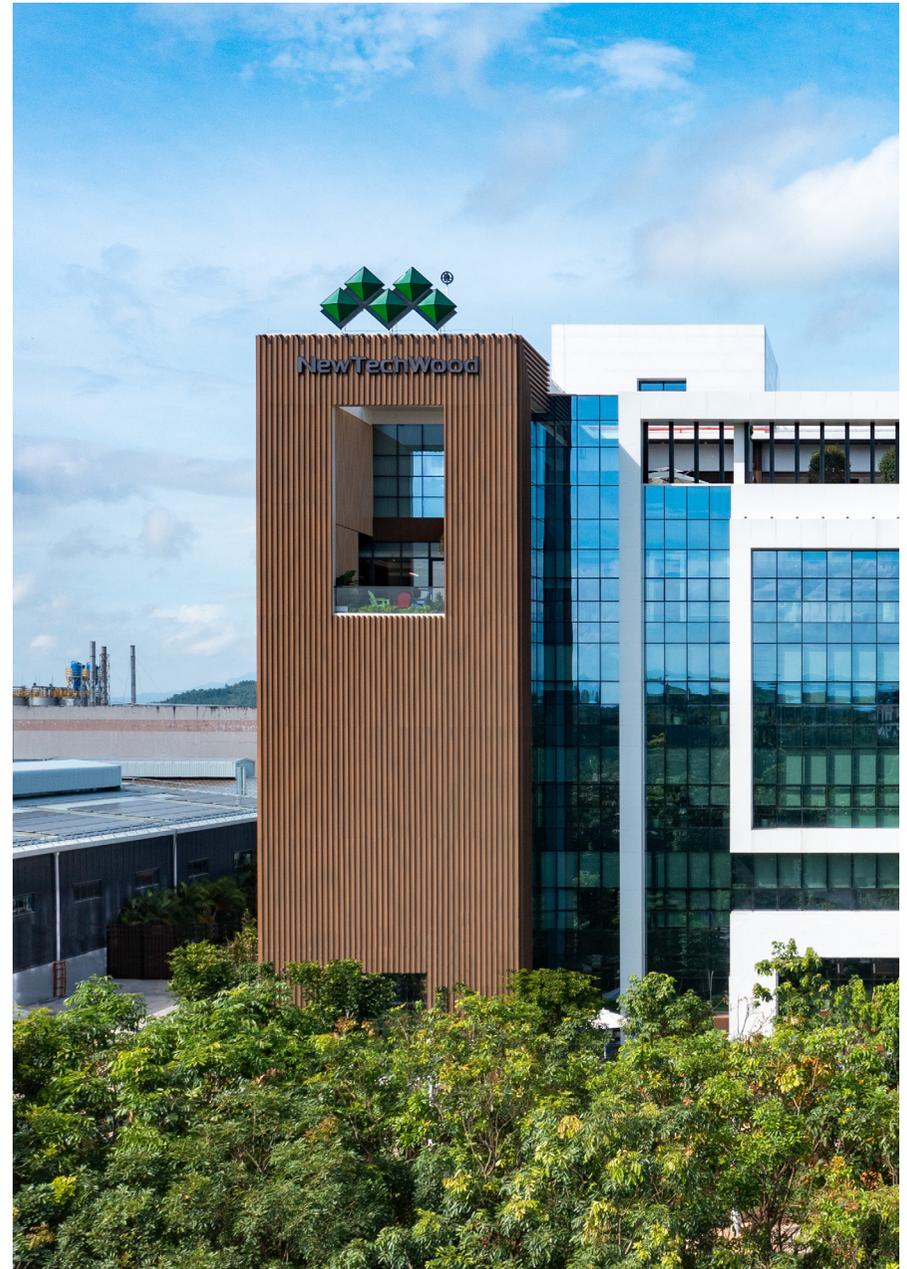
## ◆ Report Access and Feedback

This Report is presented in Simplified Chinese and is made available as an electronic document. The Chinese version prevails in case of discrepancy. You can access it on Company website at [www.newtechwood.cn](http://www.newtechwood.cn) or at [www.cninfo.com.cn](http://www.cninfo.com.cn) Should you have any suggestions about this Report, please contact us as follows:

Address: Wutang Section, 12 Tuo, Daling, Huidong, Huizhou, Guangdong, China

Email: [xmzou@meixin-wpc.com](mailto:xmzou@meixin-wpc.com)

Tel: 0752-6531633



# Message from the Chairman



Chairman of the Board:



April 28, 2025

In the context of global climate action and China’s Dual Carbon Strategy (peaking carbon emissions by 2030 and achieving carbon neutrality by 2060), curbing pollution and improving resource efficiency have become vital measures for energy conservation and emission reduction. These efforts are crucial for transitioning to a circular economy, with plastic recycling emerging as a major part of sustainable development practices. NewTechWood, guided by its global and brand-oriented strategy, focuses on advancing eco-friendly wood-plastic composite (WPC) material technologies. On March 13, 2024, the Company successfully listed on the ChiNext board of Shenzhen Stock Exchange.

In 2024, NewTechWood advances circular economy through eco-conscious innovation. The Company specializes in wood-plastic composite (WPC) products primarily made from recycled materials, and employs advanced manufacturing techniques to blend traditional industrial processes with modern eco-friendly materials. Over 85% of our products’ composition comes from recycled resources like used plastic films, plastic bottles, and wood scraps. This green closed-loop system spans the entire lifecycle - from material sourcing and production to end-use, vividly embodying our sustainable principles of environmental protection, health consciousness, and safety.

In 2024, NewTechWood drives growth through technological innovation. Leveraging years of technical expertise and independent R&D, the Company has built competitive advantages in formula design, co-extrusion molding, and installation techniques. These innovations endow our products with exceptional weather resistance, wear resistance, aesthetic appeal, and special features like scratch-proof, anti-static, and stain-resistant properties. The Company has developed the globally recognized wood-plastic composite brand “NewTechWood”, while tailoring localized product series such as “NewTechWood Balcony” and “NewTechWood Garden” to meet evolving consumer needs. This strategic approach has established a comprehensive global market presence, supported by a diverse product portfolio and a robust network of premium clients.

In 2024, NewTechWood rigorously anchors its operations in uncompromising compliance and corporate responsibility. Aligned with national policies and social priorities, the Company encourages every employee to engage in community initiatives that deliver tangible social impact. As the core driver of sustainable development, our workforce benefits from continuous skills enhancement programs, comprehensive well-being initiatives and optimized workplace experience. These investments fuel our sustainable and high-quality growth. Grounding its operations in unwavering business ethics, NewTechWood systematically builds a culture of integrity and transparency, progressively extending its integrity ecosystem from core governance to external partnerships.

Currently, NewTechWood is actively pursuing global and domestic growth, with a dual focus on expanding overseas markets and strengthening local sales networks. To further enhance supply chain resilience, the Company is accelerating the establishment of new production hubs in China and Southeast Asia. As we navigate this new era, sustainability drives every decision and action. By harnessing cutting-edge innovation and fostering worldwide partnerships, we are committed to advancing low-carbon technologies and co-creating green solutions that deliver lasting environmental and economic value.

# About NewTechWood

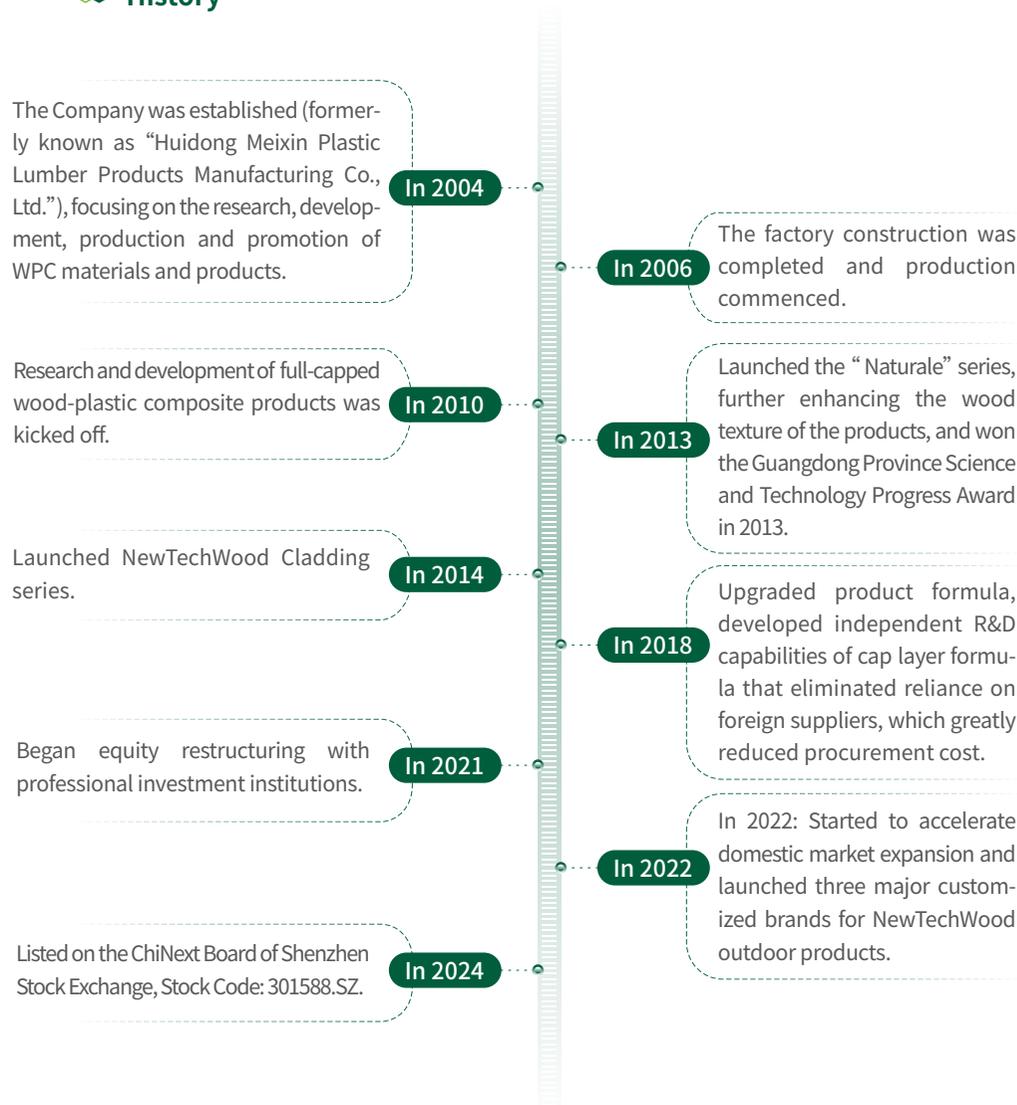
NewTechWood (Stock Code: 301588.SZ), a pioneer in wood-plastic composite (WPC) solutions since 2004, became a ChiNext-listed company on the Shenzhen Stock Exchange in March 2024. Specializing in eco-friendly WPC R&D, manufacturing and distribution, the Company has developed proprietary technologies through sustained innovation. Our breakthroughs in formula design, co-extrusion molding, and installation techniques deliver superior products featuring enhanced durability and weather resistance, scratch/mold/stain resistance, anti-static performance, minimal cracking risks and premium aesthetic finishes.

Over 85% of the raw materials of NewTechWood’s wood-plastic composites (WPC) products are recycled plastics and plant fibers, with zero adhesives or toxic substances. The VOC emissions and formaldehyde levels of our products are far below industry standards, and the heavy metal content complies with EU RoHS. Internationally recognized certifications obtained by the Company include: China Green Product Certification, China Green Building Material Certification, Child-Safety Certification, Green Design Product Certification, Healthy Building Material Product Certification, FSC Forest Management Certification, SCS Recycled Content Certification (Global), South Korea Eco-label Certification, Singapore Green Label, EPD (Environmental Product Declaration), LEED(Leadership in Energy and Environmental Design), WELL Health Building Standard, BREEAM (Building Research Establishment Environmental Assessment Method) in the UK, and France’s HQE (High Quality Environment) Standards. This robust certification portfolio validates the recyclability, reusability, and sustainability of NewTechWood WPC solutions.

## Major Business Operations

NewTechWood operates under a global-oriented, brand-focused strategy to develop high-performance wood-plastic composites (WPC) that serve diverse markets. Our core products include outdoor decking, wall panels, and modular tiles, which are engineered for residential gardens, public facilities, and landscaping projects. Leveraging years of technological expertise and independent R&D, we have pioneered breakthroughs in proprietary formulas, advanced co-extrusion techniques and installation systems. Trusted globally, our full-capped series combines natural wood aesthetics with weather-resistant performance, delivering low-maintenance solutions for outdoor living spaces.

## History



# Sustainable Development Policy

NewTechWood’s mission is to “pursue circular utilization, reduce resource waste, drive technology innovation, and create durable, nature-integrated outdoor wood-alternative products to enhance family outdoor living spaces within a harmonious ecosystem.” Our WPC products, mainly using recycled materials, blend traditional industry with eco-friendly technology for sustainable solutions.

## ESG Governance

NewTechWood has established a robust ESG governance framework to ensure strategic planning, execution, and oversight of sustainability initiatives. A dedicated ESG team drives strategy implementation across departments and subsidiaries through weekly leadership alignment meetings chaired by senior executives and participated by department heads, facility managers, and EHS (Environment, Health, Safety) officers, guaranteeing high-level prioritization of ESG priorities and an integrated ESG management. The team also submits annual progress reports to the board, strengthening board oversight in driving ESG governance.

### ESG Organizational Structure

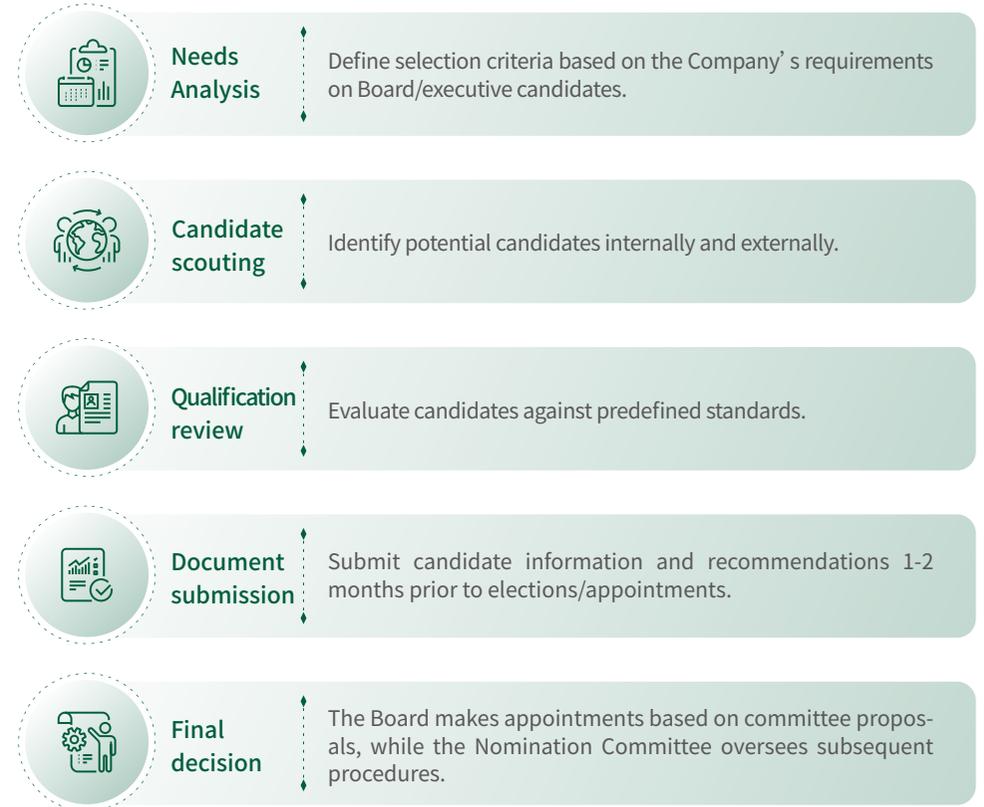


## Board Diversity



The Board of Directors of NewTechWood is appointed through formal, transparent procedures to ensure a fair and efficient selection. The Board has a dedicated Nomination Committee tasked with scouting and recommending qualified candidates for Board and shareholder review. The Nomination Committee is composed of 5 directors, with 3 of them being independent directors, ensuring independence and objective decision-making of the Committee. An independent director chairs the Committee, reinforcing its governance leadership.

The Nomination Committee fulfills its responsibilities following a structured process:



The Committee operates in strict compliance with laws, regulations and corporate bylaws. By optimizing Board composition and enhancing governance frameworks, this governance mechanism lays a robust foundation for sustainable growth of the Company.

## ➤ Risk Management

NewTechWood’s steady business expansion drives growth in assets and revenue, yet poses challenges in scaling management infrastructure and workforce development. To counter this, we have established scalable governance frameworks and adaptive internal control systems to address internal and external risks stemming from business expansion. By integrating flexible market strategies with diversified growth initiatives, the Company proactively adjusts its risk management mechanisms to mitigate market uncertainties. Collaborative partnerships with industry alliances further strengthen our adaptability and risk resilience, ensuring sustainable scaling amid evolving market demands.

NewTechWood secures its competitive edge in the WPC sector through continuous tech-driven innovation and product upgrades, strategic alignment with China’s circular economy priorities in R&D of WPC materials and products, and global risk diversification by establishing operational presence in over 50 countries and regions globally.

We maintain operational agility amid industry fluctuations by implementing lean operations and optimizing financial health. By continuously enhancing our core competitiveness and expanding our market share, NewTechWood demonstrates strong resilience and agility to outperform market volatility.

## ➤ Materiality Assessment

NewTechWood conducted a materiality assessment in compliance with Self-Regulatory Supervision Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 17 – Sustainability Report (Trial), evaluating 21 prescribed ESG factors. Through enterprise-wide analysis spanning corporate, divisional, and subsidiary operations, “Technology Ethics” and “SME Equity” were identified as non-material to business activities and consequently excluded from disclosure under this Report.



# 01

## Green Ecology · Environment Commitment

### PART ONE · ENVIRONMENTAL

NewTechWood embeds sustainability through advanced eco-friendly innovations. Our wood-plastic composites (WPC) pioneer circular economy solutions by utilizing recycled plastics and wood fibers, demonstrating remarkable environmental advantages as sustainable alternatives to timber and conventional materials. Operationally, we lay emphasis on reducing energy consumption, ensuring pollutant discharge compliance and minimizing our carbon footprint, which positions sustainability as the cornerstone of our business evolution.

# Circular Economy

In July 2021, the National Development and Reform Commission (NDRC) issued the 14th Five-Year Plan for Circular Economy Development, identifying circular economy as a major strategy for China's economic and social development. NewTechWood pioneers China's circular economy transition under 14th Five-Year-Plan. Our core competency lies in the R&D, production and distribution of new environmentally friendly WPC solutions. Our WPC products primarily utilize recycled materials, transforming traditional industrial practices into sustainable solutions with advanced manufacturing technologies and eco-conscious material innovation. Over 85% of raw materials of our products are recycled content, and we implement a closed-loop material innovation from raw materials to production, sales and end-use, maintaining a strategic alignment with the “green-low carbon-circular” principles, and contributing to national carbon neutrality targets.



## Recycled Materials Utilization



NewTechWood's WPC solutions blend recycled plastics (e.g., PP/ PE sourced from widely collected waste materials) and plant fibers, which are transformed through advanced recycling processes into raw materials for WPC production. About 13,000 metric tons of recycled plastics were repurposed by the Company in 2024.

By blending recycled plastics with plant fibers sourced from agro-industrial waste streams, including wood powder, rice husks and straw, we produce a new building material with the aesthetics of natural wood grain replication and the durability of plastics, which not only reduces deforestation, but also promotes agricultural waste valorization, elevating the ecological value of WPC materials.

## Material Recycling



All WPC products are fully recyclable. To maximize resource utilization and minimize waste, the Company operates grinding workshops equipped with advanced equipment and technology to reprocess production scraps and defective materials. Regrinded residues are reintegrated into the production line as raw materials for new WPC products, achieving near-zero waste in production cycles.



**13,000** tons

The Company utilized 13,000 tons of recycled plastics in 2024.



**100%**

Achieving 100% closed-loop recyclability.

# Environmental Compliance Management

NewTechWood prioritizes environmental compliance and integrates it into core operations through a comprehensive and multi-tiered compliance management system. We have also established a risk-driven emergency management system for environmental incidents to enhance incident response capabilities.

NewTechWood maintains full compliance with environmental regulations across all operational jurisdictions, including Environmental Protection Law of the People’s Republic of China, Environmental Impact Assessment Law of the People’s Republic of China, Measures for the Administration of Emergency Response Plans for Unexpected Incidents, Interim Measures for Filing Emergency Plans for Unexpected Environmental Incidents by Enterprises and Institutions (Trial), etc. We have also formulated a series of internal procedures concerning Environmental Factor Identification & Evaluation, Environmental Objectives, Indicators and Initiatives Management, Solid Waste Management, Emergency Preparedness & Response Control, Operational Control, and Environmental Monitoring and Measurement Control under our certified ISO 14001:2015 Environmental Management System, which drives proactive environmental stewardship and resource efficiency initiatives of the Company in management and operation.



NewTechWood Environmental Management System Certification

The Company has established a three-tiered governance structure to ensure accountability, with the CEO assuming primary responsibility for environmental protection work at the executive level, designated EHS officers responsible for coordinating, executing, and overseeing all environmental protection management tasks to ensure the effective implementation of relevant rules and regulations at the operation level, and production teams at all levels implementing daily protocols, including equipment maintenance, routine pollution monitoring, waste disposal, and efficient utilization of resources and energy, etc. This three-tiered management system guarantees the continuity and standardization of our environmental protection efforts.

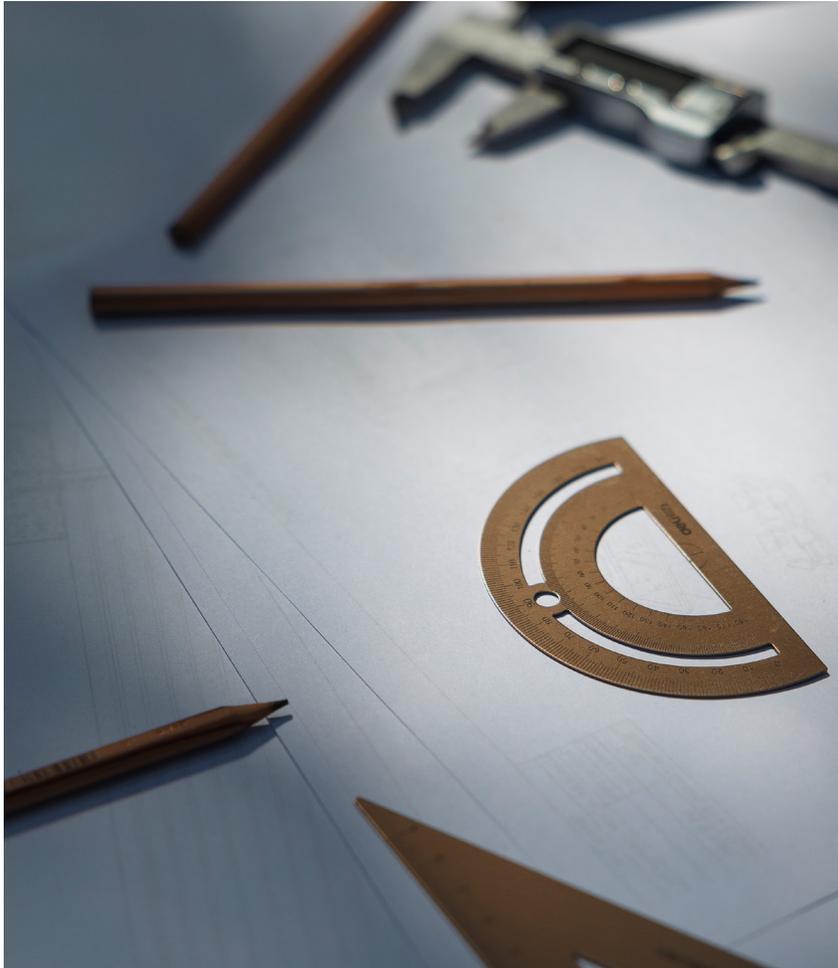
To safeguard environmental safety, NewTechWood has formulated the Emergency Response Plan for Unexpected Environmental Incidents in line with relevant regulations and established an emergency response team led by the CEO manages environmental and safety contingency infrastructure (e.g., containment pools, firefighting systems). The Company commissions third-party experts to update the Environmental Emergency Plan triennially to ensure its suitability, adequacy, and effectiveness, as well as its alignment with regional risk protocols.



## Emergency Drills



Annual simulated drills are planned, implemented and recorded to assess response effectiveness, with post-drill evaluations identifying improvement areas. This ensures that the Company and our employees are well-equipped to handle unexpected environmental incidents.



## Training Programs



Regular workshops are held by NewTechWood to educate employees on emissions control, waste management and energy conservation, fostering a culture of environmental accountability.

Since 2015, NewTechWood has conducted weekly environmental inspections, followed by reviewing findings and developing corrective actions. Incident responses follow predefined protocols, with performance evaluations tied to event severity. A centralized incident log is maintained to ensure traceability.

The Company maintains open communication with local communities and government agencies, addressing public concerns and accepting public supervision on environmental compliance. Through public participation initiatives and information disclosures, we enhance mutual understanding and trust and mitigate disputes with the public.

In 2024, NewTechWood maintained a record of zero major environmental incidents. The Company received no administrative penalties from ecological authorities or criminal prosecution related to environmental compliance.



In, 2021-2022, 20 products of the Company were certified under China's Green Design Product List.



In 2022, the Company was recognized as a National Green Factory.

# Pollutant Emissions

NewTechWood enforces strict compliance with emission standards, ensuring that all pollutants meet national and local regulations through robust pollution control infrastructure.



The Company strictly complies with environmental laws and regulations in the countries/regions where its business operates, including the Environmental Protection Law, Air/Water/Soil/Noise Pollution Prevention Laws of the People's Republic of China, and maintains effective controls over the discharge of various pollutants.

Subsidiaries in Hong Kong and the U.S. have no production facilities, thus generating no wastewater, air emissions, or noise. Huizhou and Jianou (under construction) facilities primarily address VOC and particulate emissions, while the direct impact of domestic sewage and noise on environment is relatively small. NewTechWood maintains valid emission permits and permit renewals, and all operations comply with environmental disclosure requirements and local environmental protection laws and regulations.

## Waste Gas Emissions



The Company's major air pollutants include non-methane hydrocarbons (VOCs) from co-extrusion processes, and particulates from material crushing and grinding. VOC is collected by gas-collecting hood and treated by water spray plus activated carbon adsorption. Particulates are collected through pipelines and treated through bag filter dust removal. The Company conducts daily inspections of the operation of air pollutant treatment facilities and maintains a record. Should a malfunction be detected, production is immediately stopped for emergency repair to ensure its safe and effective operation. During the reporting period, third-party tests were conducted biannually (organized emissions) and annually (unorganized emissions), and the testing results all meet the relevant requirements of the Integrated Emission Standard for Air Pollutants (GB 16297-1996) and the Emission Control Standard for Volatile Organic Compounds in Unorganized Emissions (GB 37822-2019). The test results have been uploaded to the government platform for filing as required.

## Wastewater



Except for domestic water and cooling circulating water, there is no industrial wastewater discharge in the Company's production process. Cooling water is 100% recycled. Domestic sewage undergoes rain and sewage diversion and pretreatment in the septic tank before entering municipal pipelines.

## Noise Control



For noise control, NewTechWood adopted preventive design to reduce noise impact before building the production workshop, including low-noise equipment procurement and facility layout optimization. The Company takes mitigation measures such as vibration dampeners, silencers, and acoustic enclosures for high-noise machinery (such as compressors, air compressors, vacuum pumps, etc.) to minimize noise impact on the environment, and strengthens daily maintenance of equipment and facilities. Quarterly third-party noise tests are conducted to confirm adherence to the limits specified in the Emission Standard for Industrial Enterprise Boundary Environmental Noise (GB 12348 - 2008).

NewTechWood ensures all required permits, including pollutant discharge licenses and urban sewage drainage permits, remain valid and compliant with applicable regulations. The Company conducts routine inspections to monitor emission levels and pollution control facility operations. Identified non-conformities trigger corrective measures by responsible departments, with implementation progress being systematically tracked. Regular statistical analysis and monitoring of pollutant discharges are performed, with annual testing records maintained for regulatory review. Emission performance metrics are incorporated into departmental evaluations, directly affecting personnel assessments and compensation outcomes.

In 2024, NewTechWood was neither classified as a key pollutant-discharging entity nor included in the mandatory environmental disclosure registry. The Company maintained full compliance and received no administrative penalties, legal proceedings, or community complaints related to emission standards throughout the year.



NewTechWood upholds its “100% Emission Compliance” commitment as operational policy. 2024 monitoring data confirmed full adherence to wastewater, airborne emissions, and noise control standards, with zero non-compliance incidents recorded. Detailed performance metrics include:

NewTechWood Pollutant Emissions			
	Indicators	Year 2024	Unit
Waste Gas	VOCs Emissions	363	Kg
	SO <sub>2</sub> Emissions	N/A	Kg
	NOx Emissions	N/A	Kg
	Particulates emissions	900	Kg
Wastewater	Industrial wastewater discharge	N/A	Ton
	Domestic sewage discharge	67,229	Ton

**0** incident

Administrative penalties/Criminal liabilities for pollutant emissions



**0** incident

Community complaints for pollutant emissions



# Waste Management

NewTechWood maintains systematic protocols for industrial solid waste management, executing standardized classification, segregated storage, and authorized transportation through licensed partners for final utilization/disposal. This operational framework fulfills generator responsibility obligations while maximizing prevention of environmental contamination.

NewTechWood maintains multi-tiered regulatory alignment with Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste and operational standards including Technical Guideline for Hazardous Waste Management Planning & Record-keeping (HJ 1259-2022), Pollution Control Standards for Hazardous Waste Storage (GB 18597-2023) and other relevant laws and regulations of countries/regions where its business operates. Through internal policies like the Hazardous Waste Disposal Management Protocols and Pollution Accountability System for Hazardous Materials, the Company implements full lifecycle control from waste generation to final treatment. This framework puts a dual emphasis on both primary pollution prevention and prioritized resource recovery through circular utilization strategies.

## Non-Hazardous Waste

NewTechWood's non-hazardous waste streams, primarily plastic packaging, scrap metal, and wood byproducts, are governed through source control, maintaining dedicated and clearly labeled storage areas, and systematic digital record-keeping. The Company also implements supplier recycling partnerships to reclaim packaging materials and curb resource depletion, and contracts with licensed third-party recyclers for recoverable materials while routing non-recyclables to municipal waste systems.

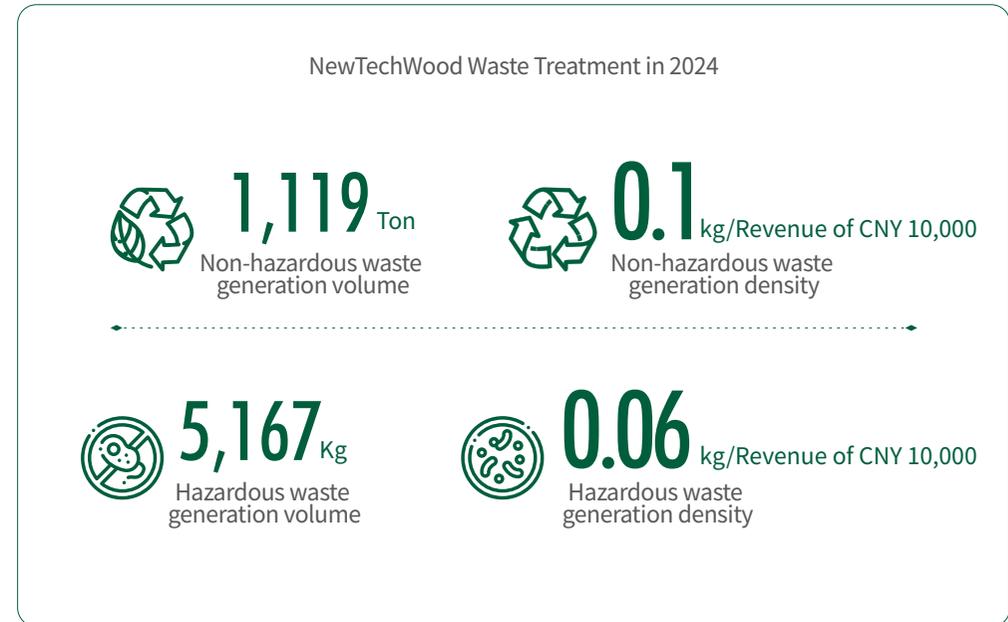
## Hazardous Waste

Hazardous waste generated from production process, including waste oils, spent activated carbon, and paint containers, is mandatorily separated from general/office waste streams at generation points, stored in dedicated containers with hazard-specific signage/labeling in compliance with relevant regulations, and transferred to licensed third-party recyclers for collection and disposal using chain-of-custody documents, digitally tracked in waste ledgers. Annual reports on solid waste generation and disposal are submitted to the Guangdong Solid Waste Environmental Management Information Platform, with Hazardous Waste Management Plans uploaded and supporting documents such as weighbridge tickets, transport manifests, and disposal certificates filed. Proactive pollution mitigation initiatives include transitioning from water-based ink coding to laser marking systems, eliminating VOC emissions from conventional ink coding processes.



NewTechWood mandates systematic classification, recycling, and reuse of production waste to minimize resource consumption and discharge. Compliance is ensured through real-time tracking and supervision of disposal processes, supplemented by routine inspections from local environmental agencies validating the compliance of hazardous waste management.

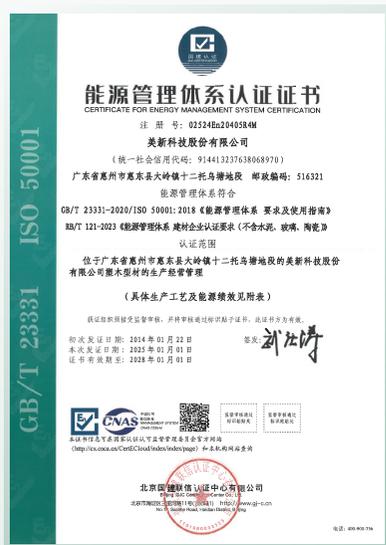
NewTechWood maintains full regulatory compliance across hazardous waste classification, collection, storage, and disposal operations. In 2024, the Company achieved zero non-compliant disposal incidents while implementing systematic solid waste reduction strategies. Waste generation specifics include:



# Energy Utilization

NewTechWood prioritizes energy efficiency and clean energy transition as strategic pillars in its operation, fostering sustainable energy consumption models to maximize carbon reduction benefits.

NewTechWood strictly adheres to the Energy Conservation Law of the People's Republic of China and jurisdictional regulations. We enforce comprehensive energy governance by formulating an institutional framework, including Energy Conservation Awareness & Training Protocols, Duties of Energy Management Organizations, Conservation Incentive Mechanism, Water/Electricity Optimization Guidelines, and Energy Procurement Control Procedures, etc. We make continuous efforts in upgrading energy-efficient infrastructure and accelerating clean energy transition, and conduct real-time energy consumption monitoring integrated with ISO 50001:2018-certified management systems. This multilayered approach ensures compliance while advancing institutionalized, high-efficiency energy governance across production operations.



NewTechWood Energy Management System Certification

## Promoting Building Energy Efficiency



From the initial design phase, our construction buildings incorporate energy-efficient solutions including optimized natural lighting, high-performance thermal insulation, and LED lighting systems. In 2022, both our new office complex and laboratory facility achieved One-Star certification under China's Green Building Evaluation Standard (2014 edition).

To advance our lighting systems, we have implemented energy-efficient LED fixtures as the primary illumination solution across facilities. These fixtures combine energy efficiency with environmental benefits, extended lifespan, and superior luminous efficacy, delivering optimal lighting quality for both workspaces and lab environments. Furthermore, we ensure full compliance with national building codes and lighting regulations<sup>1</sup>, maintaining lighting power density (LPD) within mandated thresholds for all manufacturing zones and offices. This systematic approach reinforces our commitment to establishing eco-conscious, low-carbon operational environments.

<sup>1</sup>[(GB50052-2009)] Including the Building Lighting Design Standard (GB50034 - 2013), the Urban Road Lighting Design Standard (CJJ45 - 2006), and the Design Code for Power Supply Systems (GB50052 - 2009)]

## Precision Energy Measurement Infrastructure



Our Huizhou production facilities operates a three-level energy metering framework in full compliance with China's GB17167-2006 standard for energy measurement instrumentation deployment. This system spans from the primary substation feed into the facility through multiple distribution hierarchies to designated energy accounting nodes, with calibrated metering devices installed at each critical juncture. The architecture ensures measurement accuracy across all energy flow paths. Continuous real-time monitoring and data analytics enables precise tracking of consumption patterns, allowing proactive identification of efficiency deviations. These datasets drive targeted maintenance interventions and inform capital retrofit planning, thus promoting the improvement of energy efficiency.

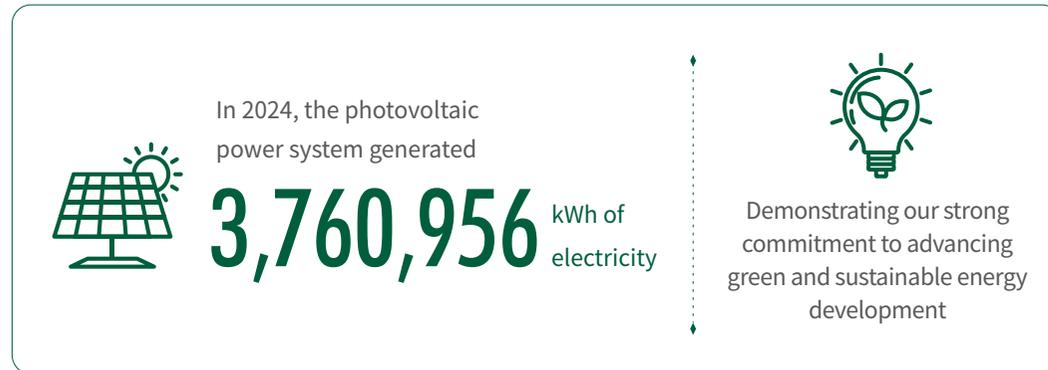


## Accelerated Energy Transition Initiatives



In recent years, the Company has significantly advanced its clean energy transition through strategic infrastructure upgrades. Key milestones include: (1) 2023 Rooftop PV Installation: Commissioned a 3.5 MW photovoltaic array generating 5% of the facility's annual electricity demand. (2) 2024 Solar Integration: Implemented solar-powered lighting systems across workshops and parking areas while transitioning from diesel forklifts to electric forklift fleets, further increasing the utilization of renewable energy. (3) Current Operations: The Huizhou compound now sources power from on-site PV systems, delivering 3,760,956 kWh of renewable electricity in 2024 alone. With plans to expand solar capacity and reduce grid reliance, we aim to progressively increase the share of clean energy in our operational energy mix.

Complementing our energy transition strategy, we have commissioned a 9MW/20.1MWh containerized battery energy storage system (BESS) featuring high-density battery modules. This infrastructure enables intelligent energy dispatch through a market-driven peak load management system, with automated storage during off-peak periods when electricity prices fall and controlled discharge during grid stress events. This system provides voltage regulation to regional power grid, and reduces manufacturing costs through the peak-valley arbitrage.



Designated as a major energy consumer in 2024 under Guangdong Province's regulatory framework, the Company prepares and submits mandatory annual Energy Utilization Reports, and undergoes third-party compliance audits by accredited verification bodies.

Structured monthly energy data workflows of the Company include collection and validation, submission and archival, and analytics. The Intellectual Property and Legal Affairs Department conducts internal energy audits annually and the audit results are tied to departmental and personal KPIs. This governance model enables real-time tracking of the progress of our energy management and reduction targets.

The Company establishes plant-level energy intensity benchmarks and efficiency targets anchored to unit product energy consumption metrics. Key 2024 metrics include:

NewTechWood Energy Use in 2024



# Water Resource Utilization

NewTechWood prioritizes efficient and circular water use while fostering a water-saving culture internally.

NewTechWood strictly adheres to water management regulations across its operational jurisdictions, including China's Water Resources Law, Water Conservation Regulations, and Urban Water Efficiency Management Guidelines. Our manufacturing processes require no significant industrial water consumption, utilizing exclusively freshwater sources from non-water-stressed regions. Consequently, water stewardship prioritizes domestic usage monitoring and discharge control. We actively promote responsible water usage through employee engagement programs and have implemented targeted initiatives for this purpose.



As a cornerstone of our water conservation strategy, we've commissioned an advanced mandrel water reuse system. This closed-loop infrastructure substitutes all the municipal freshwater previously used in mandrel treatment with recycled process water, achieving a daily municipal water savings of 150 metric tons and a process water recycling rate of 95%. Building on this infrastructure, we've retrofitted production line piping networks and implemented greywater treatment systems, enabling annual water conservation exceeding 50,400 m<sup>3</sup>, which further reduces municipal water consumption and enhances water efficiency.

Our cooling infrastructure now operates with circulating water systems that recycle thermal management process water, slashing freshwater replenishment needs. Complementing this, we've deployed a rainwater collection system which harvests annual rainfall for applications like equipment rinsing and landscape irrigation, effectively reducing water consumption and enhancing water-saving efficiency.



In 2024, NewTechWood maintained sustainable water stewardship, key metrics are as follows:



# Climate Action

Guided by China's Dual Carbon Strategy (peaking carbon emissions by 2030 and achieving carbon neutrality by 2060), NewTechWood systematically addresses climate-related risks and opportunities by aligning with UN Sustainable Development Goals (SDGs) in operations and complying with the United Nations Framework Convention on Climate Change (UNFCCC) and Paris Agreement frameworks. The Board oversees strategic climate governance, including risk identification/assessment, while the executive team develops mitigation strategies. Meanwhile, joint regular reviews are conducted to validate strategic efficacy of climate strategies of the Company.

NewTechWood acknowledges climate change as both a strategic risk vector and catalyst for low-carbon innovation. Market-driven opportunities emerge through shifting consumer demand for eco-certified products and policy incentives under China's circular economy framework.

Moving forward, we will enhance the evaluation of climate-related risks by assessing their severity and impacts, while regularly quantifying and monitoring indicators such as carbon emissions. Based on these analyses, practical carbon reduction targets will be established to enable measurable progress tracking. Concurrently, we will deepen the integration of risk management with sustainable business opportunities, uphold green development principles, and implement technological innovations and process optimizations to reduce emissions, committing fully to climate action initiatives.

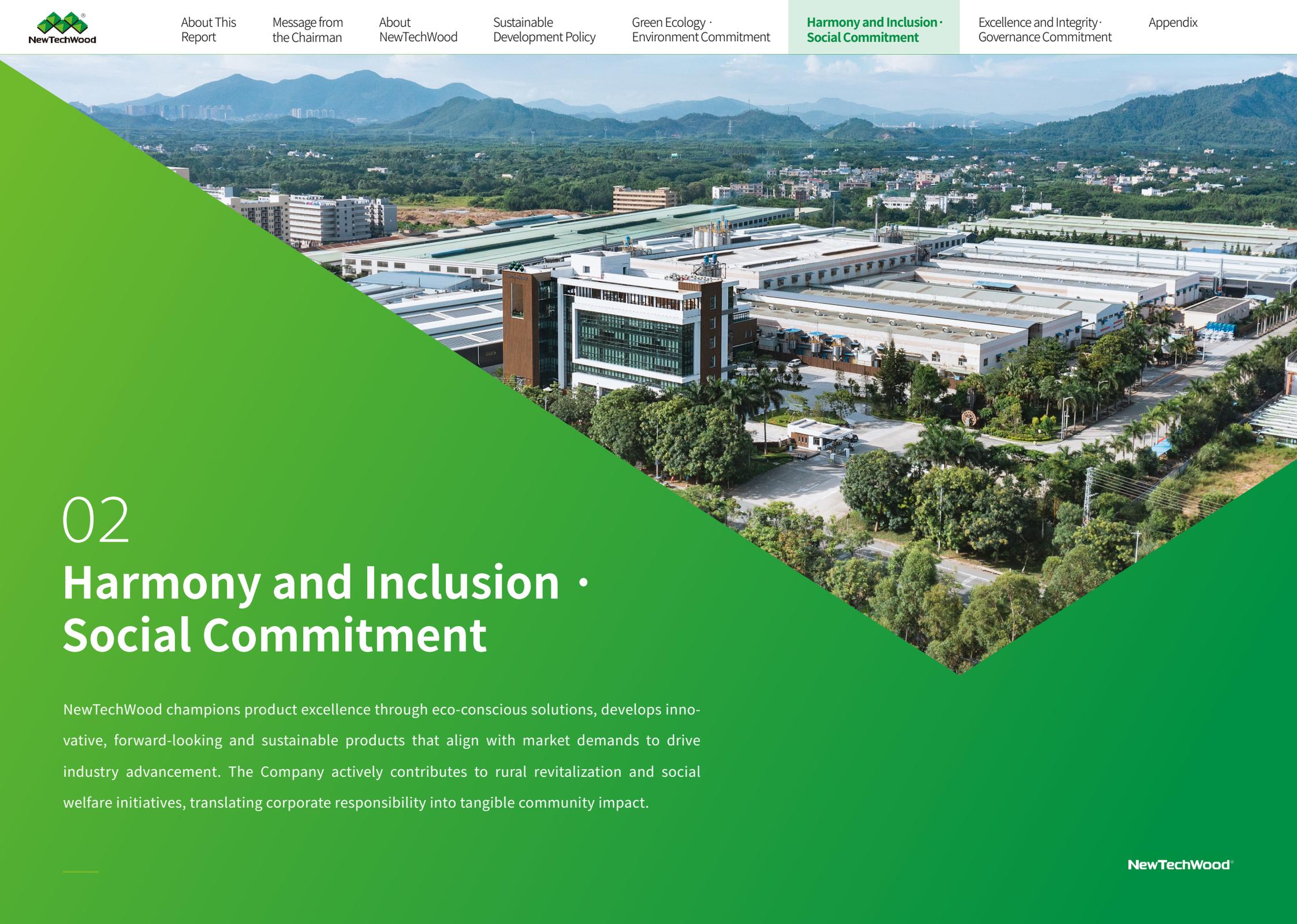


# Ecosystem and Biodiversity Protection

NewTechWood safeguards ecosystem integrity through proactive avoidance in site selection and process optimization. Our site selection protocol strictly adheres to China's Environmental Impact Assessment Law and Construction Project Environmental Protection Regulations, ecological conservation redlines boundaries and environmental zoning requirements, with priority placement within designated industrial clusters, excluding sensitive areas like critical ecological zones, fragile habitats and buffer regions. The Company conducts pre-construction assessments to investigate, predict and evaluate comprehensive environmental impact on ecosystem vulnerability, vegetation cover, biodiversity indices, etc. from site selection to post-operation phases, and formulates customized mitigation plans derived from the assessment findings. During project construction and operation, NewTechWood adheres to synchronized construction/commissioning of pollution control systems with main facilities, continuous operation of emission treatment equipment, and strict compliance with discharge permit parameters for all emission pathways to mitigate ecological impacts throughout the process.

In 2024, zero operational activities occurred within nationally demarcated ecological conservation redlines.





# 02 Harmony and Inclusion · Social Commitment

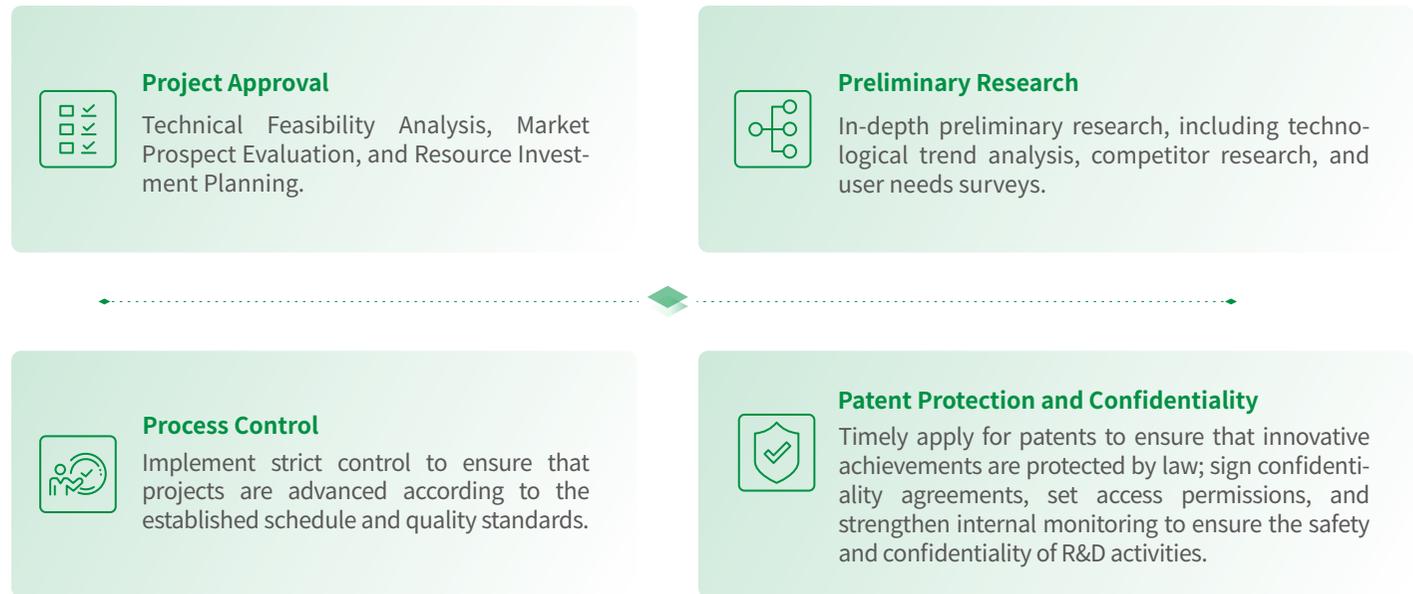
NewTechWood champions product excellence through eco-conscious solutions, develops innovative, forward-looking and sustainable products that align with market demands to drive industry advancement. The Company actively contributes to rural revitalization and social welfare initiatives, translating corporate responsibility into tangible community impact.

# Innovation-Driven Growth

NewTechWood positions innovation as the core driver for its global and brand-oriented strategic vision. Anchored in the development of eco-friendly wood-plastic composite (WPC) profiles, the Company leverages decades of technical expertise and robust in-house R&D capabilities to intensify product research and development, optimize manufacturing processes, accelerate automation and digital transformation, and explore emerging markets and business models. Through pioneering next-generation WPC technologies, NewTechWood is in the leading position of the industry moving into a new phase of development.

## NewTechWood Innovation Lifecycle Management Framework

NewTechWood has established a structured innovation lifecycle management framework. This system covers all stages from R&D project approval, preliminary research, development protocol compliance, to patent protection and confidentiality management, ensuring continuous alignment with strategic objectives. During project initiation stage, rigorous approval protocols ensure that each R&D initiative maintains direct alignment with the Company's core strategies and market demands.



## Innovation and R&D Team



NewTechWood has built an innovation-driven R&D team aligned with its core business. The R&D center comprises three departments: Technology, Product Development, and Equipment & Mold Development. Technology Department focuses on enhancing overall production quality and performance through in-depth research, technical optimization and upgrading of raw materials and formulas. Product Development Department is dedicated to designing and developing new market-aligned products and helping the Company maintain a competitive edge. Equipment & Mold Development Department specializes in designing and developing efficient and precise supporting equipment and molds, providing strong technical support for production processes. As of the reporting period, the R&D team consists of 94 members. The close collaboration across departments enables NewTechWood to respond quickly to market changes and launch competitive innovative products, reinforcing its leading edge in the industry.

## R&D Platform Development



To enhance refined management of innovation projects, NewTechWood has, through internal innovation, developed two dedicated platforms: R&D Time Tracking Platform and R&D Material Management Platform. The R&D Time Tracking Platform monitors researchers' working hours, enables real-time tracking of project progress and optimizes resource allocation. The R&D Material Management Platform records the requisition of raw materials, equipment and supplies during R&D processes, ensuring transparent material management and cost control. The synergistic operation of both platforms integrates and analyzes time-log and material data, providing comprehensive oversight of project resource allocation. This system ensures end-to-end project control while standardizing post-project reporting procedures and closure criteria.

NewTechWood actively advances technological innovation through strategic implementation and achievement transformation. By fostering industry-academia partnerships, talent development programs and incentive mechanism, the Company aligns workforce capabilities with organizational growth while cultivating an innovation-driven culture. A standardized intellectual property management framework is established to ensure comprehensive protection of innovative outcomes.

## Product R&D Innovation



As a leader in the WPC sector, NewTechWood remains dedicated to advancing innovation through R&D initiatives focused on new technologies, formulations, products and processes to maintain its technological leadership. In 2024, NewTechWood is advancing multiple innovative R&D initiatives, including automated four-sided log milling and intelligent palletizing technologies. These projects span critical areas from raw material optimization to production process upgrades. Additionally, multiple shorter-cycle, small to medium-sized R&D projects are underway internally to rapidly address evolving market and client demands.

**Key Performance**

In 2024, total investment of NewTechWood in innovative R&D was approximately

**CNY 24.43** million yuan.

**Table: 2024 NewTechWood Innovative R&D Projects**

R&D Projects
Automated Log Four-Side Cutting and Palletizing Technology
Fully Automatic Aluminum-Plastic Co-Extrusion Production and Grinding Technology
High Installation Span and High-Strength Wood-Plastic Composite Panel
High Antibacterial and Mildew-Proof Wood-Plastic Composite Material
Anti-Rot and Anti-Mildew High-Strength Co-Extruded Aluminum Profile Grape Trellis
Efficient Grid External Quick Installation Buckle System
High-Precision Co-Extruded Aluminum Profile Wall Panel Edge Sealing Process
Detachable and Freely Adjustable Louver Profile
High-Strength Flame-Retardant Wood-Plastic Board

While strengthening internal innovation, NewTechWood actively collaborates with external institutions, industry value-chain partners, and academic entities to conduct comprehensive technical exchanges and co-development initiatives. This dual-drive innovation mechanism synergizes internal R&D capabilities with external expertise, continuously propelling technological advancements and industrial upgrading. In 2024, the Company has initiated joint R&D projects with research institutions like The Hong Kong Polytechnic University, Nano and Advanced Materials Institute Ltd. (NAMI), and Hong Kong Productivity Council (HKPC), leveraging their niche technical expertise to expedite market-ready solutions. Concurrently, NewTechWood collaborates closely with upstream suppliers on in-depth exchanges and joint research into raw material formulations and production machinery optimization, further enhancing product performance and manufacturing efficiency. This open, collaborative innovation framework not only solidifies the Company's competitive edge but also drives sector-wise sustainable development through knowledge spillover effect.

## Intellectual Property Rights Protection



To maintain competitive and innovation leadership, NewTechWood strictly complies with the Patent Law and the Trademark Law of the People's Republic of China and other domestic and international IP laws and regulations. The Company implements tailored IP Control Procedures covering all R&D and product development stages, ensuring systematic innovation evaluation and protection. In 2024, the Company further enhanced its IP management system by updating its Intellectual Property Acquisition Procedure, Intellectual Property Maintenance Procedure, Intellectual Property Utilization Procedure, Intellectual Property Risk Management Procedure, Intellectual Property Dispute Resolution Procedure and Intellectual Property Contract Procedure, alongside one confidentiality protocol.

NewTechWood's IP & Legal Department conducts regular IP audits and market monitoring to track industry developments, identify emerging technologies, and proactively screen for infringement risks. Upon identifying violations, the Company engages external counsel for enforcement. IP protection clauses are embedded in confidentiality agreements, mandating compliance from suppliers and partners to safeguard mutual interests.

In 2024, NewTechWood carried out ISO internal auditor training program that integrated IP compliance modules, further elevating staff awareness of IP protection. 25 employees completed the 100-hour training program. As of the reporting period, the Company holds an active certificate of IP management system certification (GB/T29490:2013).



Certificate of NewTechWood IP Management System Certification

## Talent Recruitment and Retention



To enhance R&D team vitality and optimize talent structure, NewTechWood implemented 2024 policy upgrades to better motivate innovative talents, covering equity incentives for key R&D staff, the performance-based rewards system and the remuneration system. The Company also implemented a mentoring program led by supervisors and team leaders to accelerate new employee onboarding, which effectively improved the overall efficiency of the team. In terms of talent cultivation, NewTechWood has established a structured training framework and formulated Training Management Standards, Employee Training Procedures and other institutional documents. Comprehensive guidelines covers application procedures, training methods, and training assessments etc., which continuously enhances the overall technical level of the R&D center. Concurrently, the Company is improving human resources management system and actively enhancing university partnerships to build a talent cultivation system while launching an in-house quality engineer certification program to build technical talent pipelines for NewTechWood.

To further clarify the direction of innovation and gather consensus on innovation, NewTechWood integrates innovation into its strategic roadmap with short-, medium-, and long-term R&D targets to drive measurable progress and employee engagement.

In 2024, NewTechWood has gradually introduced innovative technologies into key products to deliver enhanced performance attributes, including fire retardancy, slip resistance, and anti-static performance for diversified applications. NewTechWood is also gradually expanding its product lines to include WPC-based pergolas, gazebos and outdoor furniture etc.

### NewTechWood's Innovative R&D Goals

Phases	Innovation Focus	Innovation Content
Short-Term Goals (1-2 years)	Optimize Core Products	Integrate innovative technologies into core product lines to enhance product performance and user experience, and reduce production costs.
Medium-Term Goals (3-5 years)	Develop New Product Types	Launch multiple new products with industry-leading technologies, expand into new market areas, and achieve a steady growth of annual operating income
Long-Term Goals (5+ years)	Improve the Innovation System	Achieve leadership in industry technological innovation, establish a complete technological innovation system, and make multiple major breakthroughs in cutting-edge technologies.

As a member of China's National Technical Committee on Standardization of Lightweight & Decorative Building Materials and Vice Chair of the China Plastics Processing Industry Association's WPC Committee, NewTechWood has been invited to participate in the drafting of national, local or industrial standards of the WPC industry. As of the end of 2024, the Company had led or contributed to the drafting of 13 national standards, including the Test Method for Density Measurement of WPC Materials and Products (GB/T 35463-2017), 7 industry standards and 6 local standards. During the reporting period, the Company revised the national standard Green Product Evaluation - WPC Products" (GB/T 35612-2024), further promoting the sustainable development of the industry.

As a Top-10 enterprise in China's light industry plastics sector (WPC products), NewTechWood has earned multiple provincial and industry honorary titles for its technological excellence and contributions, including: Guangdong Provincial SRDI SME (Specialized, Refined, Differential, Innovative), Guangdong Intellectual Property Demonstration Enterprise, Guangdong Provincial High-Tech Enterprise Certification, Guangdong Science & Technology Bronze Medal, China Light Industry Federation Science & Technology Progress Award Bronze Medal. These accolades underscore NewTechWood's leadership in WPC material innovation and its pivotal role in advancing industry standardization and technological development.

As of the end of 2024, NewTechWood has a total of 202 valid patents, including 11 inventions, 36 utility models, and 155 design patents. During the reporting period, 35 patent applications have been filed, and 22 patents have been granted.



## NewTechWood's Innovative R&D Achievements

Indicator	Year 2024	Unit
Total investment in R&D and innovation-related activities	24.43	million CNY
Proportion of R&D and innovation-related investment to sales revenue	2.93	%
Total number of R&D personnel	94	persons
Proportion of R&D personnel	10.39	%
Total number of new patent applications filed	35	Items
Total number of new patent granted	22	Items
Total number of valid patents	202	Items
Invention patents	11	Items
Design patents	155	Items
Utility model patents	36	Items
<i>Number of industry association participations</i>	2	(N/A)
Number of newly developed standards	10	Items
Total number of standards developed	27	Items
National standards	13	Items
<i>Industry standards</i>	7	Items
Local standards	6	Items
Enterprise standards	1	Items

## NewTechWood Honors

Serial No.	Name	Issued by
1	Guangdong Wood-Plastic Composite Engineering Technology Research and Development Center	Guangdong Provincial Department of Science and Technology, Guangdong Provincial Development and Reform Commission, Guangdong Provincial Department of Economy and Information Technology
2	Guangdong Science & Technology Bronze Medal	Guangdong Provincial People's Government
3	China Light Industry Federation Science & Technology Progress Award Bronze Medal	China Light Industry Federation
4	Top 10 Enterprises in China's Light Industry Plastic Industry (Wood-Plastic Products)	China Light Industry Federation
5	Guangdong Provincial SRDI SME (Specialized, Refined, Differential, Innovative)	Guangdong Provincial Department of Industry and Information Technology
6	Guangdong Intellectual Property Demonstration Enterprise	Guangdong Intellectual Property Protection Association
7	High-Tech Enterprise Certificate	Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, Guangdong Provincial State Tax Bureau, Guangdong Provincial Local Tax Bureau
8	Guangdong Provincial Intellectual Property Demonstration Enterprise	Guangdong Intellectual Property Protection Association

# Product and Service Safety & Quality

NewTechWood prioritizes product and service excellence as the cornerstone for its growth. We formulate and implement rigorous quality control protocols aligned with regulatory standards and laws to deliver maximum value to clients.

NewTechWood strictly complies with the Product Quality Law of the People’s Republic of China and other relevant laws and regulations. The implementation of internal standards like Product Content Restriction Control Procedure and Raw Material Inspection Criteria ensures end-to-end production and service compliance. During the reporting period, NewTechWood maintains ISO 9001 Quality Management System certification, ensuring the continuous effective operation of its internal quality management system.



Certificate of Quality Management System Certification

## Product Certifications



NewTechWood, guided by a commitment to sustainability, specializes in developing high-quality eco-friendly composite materials. In designing wood-plastic products, the Company prioritizes safety, sustainability, and circularity in material and process innovation to enhance both environmental and safety performance. With over 85% recycled content (including plastics and wood fibers) in WPC materials, NewTechWood’s product comply with the EU RoHS (Restriction of Hazardous Substances) standards for heavy metal restriction.

As of the reporting period, NewTechWood’s products have obtained multiple authoritative domestic and international certifications, including China Green Product Certification, China Green Building Materials Product Certification, Child-Safety Product Certification, Healthy Building Materials Product Certification, US ICC-ES Certification, and Canada CCMC Certification.

## NewTechWood Product Certification

Certification Type	Certification Name
Domestic Certifications	China Green Product Certification
	China Environmental Labeling Certification (Ten Rings Certification)
	China Green Building Materials Product Certification
	Child-Safety Product Certification
	Healthy Building Materials Product Certification
	Green Product Design Certification
International Certifications	US ICC-ES Certification
	Canada CCMC Certification
	Singapore Green Label Certification
	Korea Eco-Label
	SCS Recycled Content Certification
	FSC-Forest Certification
	EPD-Environmental Product Declaration
	LEED-Leadership in Energy and Environmental Design
	WELL-Healthy Building Standards
	BREEAM-Building Research Establishment Environmental Assessment Method
HQE-French High-Quality Environmental Sustainable Building Certification	

## Product Lifecycle Quality Assurance

To ensure full compliance with the Company's product quality and safety policies, NewTechWood has established a comprehensive lifecycle quality control process spanning material sourcing, production, testing, and recall management.

### ◀▶ Incoming Material Management

Raw material testing is a cornerstone of quality assurance at NewTechWood. The Company treats material quality as foundational to product performance, closely monitoring incoming material specifications. The Technology Department establishes comprehensive inspection criteria for every raw material type and enforces rigorous batch-by-batch sampling checks. Through a systematic process for qualified and unqualified materials, NewTechWood guarantees full compliance of all materials, ensuring quality control at the source. For marginally substandard materials that pose no risk to final product integrity, the Company implements conditional acceptance procedures to optimize both efficiency and quality objectives. Materials with critical deviations are rejected outright, preventing any defective inputs from entering the manufacturing process.

For non-raw materials like hardware and packaging materials, NewTechWood strictly follows documented QC protocols to conduct comprehensive inspections. Acceptance is determined against approved samples, technical drawings, and inspection standards to ensure production readiness. Non-conforming items are handled through sorting, restricted use, or returns per non-conforming material management procedures, enabling traceability and prompt corrective actions.

### ◀▶ Production Process Control

NewTechWood continues to refine production processes and elevate product quality by systematically implementing automation and smart technologies across all manufacturing stages, effectively reducing human error-related defects. Leveraging big data analytics for quality management enables intelligent oversight of production workflows. Prior to adopting new or specialized materials, the Company conducts prototype testing to ensure they meet both internal and industry safety and quality standards.

## ◆ Finished Product Quality Testing

NewTechWood employs a multi-stage internal-external testing model to ensure premium product standards.

(1) Initial production line inspection: On-site inspectors perform initial appearance and dimension checks directly on production lines. Approved batches are sampled and sent to the company laboratory for advanced tests. (2) Laboratory performance validation: Technical teams perform rigorous assessments including aging resistance, bending resistance, strength test, and extreme condition performance tests, to ensure operational excellence across diverse environments. (3) Pre-warehousing inspection: Batch-based resampling for a second laboratory inspection ensures consistency prior to inventory storage. (4) Third-party verification: The Company regularly engages qualified third-party institutions to test samples and issue certified test reports. During the reporting period, NewTechWood obtained ISO 10012 Measurement Management System certification, validating the sustained effective operation of its measurement management system.



Certificate of Measurement Management System Certification

### Key Performance



In 2024, NewTechWood carried out a total of 17,122 batches of finished product sampling inspections, with a finished product compliance rate of **99%**.



NewTechWood provides a maximum **25-year** product warranty for household customers and a maximum **10-year** warranty for commercial customers.

## ◆ Product Traceability and Recall

NewTechWood attaches great importance to customer feedback on product quality concerns. To safeguard consumer health and safety, the Company maintains a Product Recall Procedure and implements laser coding to label all products (excluding selected special profiles) to ensure full traceability. This labeling system enables granular tracking of manufacturing workflows, allowing speedy identification of problem sources, root cause analysis, and targeted resolution of issues raised through customer feedback or internal quality controls.

Upon identifying quality or safety concerns, NewTechWood immediately activates the recall procedure to ensure prompt response and systematic resolution. The recall process is as follows: (1) The Sales team collects detailed information about the quality issues and retrieves product samples from affected clients. (2) The Technology and Quality Control teams collaborate on comprehensive testing and evaluation of samples to verify the non-conformance and determine root causes. (3) Executive resolution: Once quality issues are verified, relevant departments develop and submit corrective action plans for executive authorization prior to implementation. (4) Precision recall execution: The Company precisely identifies the affected batches via coding information and initiates the recall process. (5) Concurrently, NewTechWood offers compensation to affected clients to mitigate impact and maintain trust.

### 01 Customer Feedback

- Sales team receive customer feedback related to product quality and safety.
- Sales team contacts customer to retrieve corresponding products.

### 02 Internal Evaluation

- Technical department and quality assurance department conduct internal testing against issues raised by customers.
- Conduct internal audits and evaluations to analyze the causes of the issues.

### 03 Solution plan development

- Jointly develop solution plans and compensation plans with the sales department.
- Submit the plans to the management for approval.

### 04 Product Recall

- Recall relevant batches of products based on product coding.
- The sales department communicates compensation with customers concerned.

NewTechWood Product Recall Process

### Key Performance



## Zero product recall

In 2024, NewTechWood did not have any product recall arising from quality and safety issues.

## Quality & Safety Culture



NewTechWood cultivates a robust quality and safety culture by enhancing employees' quality and safety awareness and their expertise in quality management and safety compliance. In 2024, the Quality Assurance Department launched comprehensive training initiatives, including onboarding programs on quality and safety for new hires, ongoing training workshops reinforcing daily practices and annual specialized sessions driving continuous improvement. These programs strengthen staff proficiency in understanding and applying quality benchmarks while elevating their prioritization of product quality and safety.

### Quality Inspection Employee Onboarding Training

The Quality Assurance Department implements structured onboarding programs for new hires to ensure that they master essential competencies before taking independent works. During the mandatory 30-day training period, trainees rigorously apply the Position Safety Checklist to internalize daily tasks, operational protocols, workplace safety standards, and area-specific requirements. They can only be authorized for independent work upon successful completion of quality inspection proficiency evaluations administered by the Quality Assurance Department.



### Annual Training

In addition to onboarding programs, the Quality Assurance Department develops an annual in-house training curriculum for all quality inspection staff at the beginning of each year. Throughout 2024, the department conducted 32 hours of quarterly quality and safety training sessions covering over 30 critical subjects. Key focus areas included: ISO 9001 system implementation, inspection competency enhancement, anomaly resolution in material/product testing, defect management protocols, and comprehensive quality control methodologies.

### Daily Promotion and Implementation

NewTechWood cultivates quality and safety consciousness through continuous education and voluntary employee engagement, integrating these principles into daily workflows. The Quality Assurance Department implements monthly structured training programs covering finished goods and raw materials inspection. Critical quality incidents undergo root-cause analysis during month-end reviews, with insights systematically documented to strengthen preventive measures and refine staff competencies in risk mitigation. Additionally, the department maintains dedicated communication channels for quality assurance. Potential issues are flagged during shift handovers, enabling swift cross-team coordination. Real-time updates on quality alerts, safety protocols, and policy changes are disseminated through internal platforms, with strict tracking mechanisms to verify task ownership and resolution progress.



NewTechWood Quality Assurance Department Shift Handovers

NewTechWood operates a dedicated After-Sales Division with multi-channel support through its official website, email, dedicated 400 hotline, and social media platforms. This infrastructure ensures real-time monitoring of customer concerns, feedback, and complaints. Additionally, the company implements a biennial customer satisfaction survey assessing sales team performance metrics, product reliability and post-purchase support effectiveness, complaint resolution efficiency, and actionable improvement suggestions from clients.

### Key Performance



In 2024, NewTechWood achieved **100%** customer complaint resolution rate.



In 2024, NewTechWood conducted customer satisfaction surveys on 39 customer enterprises, with a customer satisfaction rate of **95%**.

NewTechWood established clear 2024 quality targets:  $\geq 98\%$  material acceptance rate and  $\geq 99\%$  finished product compliance rate. To achieve these benchmarks, the Company implemented a real-time online feedback system, enabling swift identification and correction of production quality issues. During the reporting period, no significant customer health or safety incidents involving NewTechWood products or services have occurred.

### NewTechWood Product and Service Safety and Quality

Indicator	Year 2024	Unit
Total number of major product safety and quality liability accidents	0	Cases
Total economic loss from major product safety and quality liability accidents	0	CNY



# Data Security & Customer Privacy

NewTechWood prioritizes information security and privacy protection through a structured governance framework and robust management systems. The Company has established an integrated data protection ecosystem, implementing multi-layered safeguards to comprehensively secure stakeholder information.

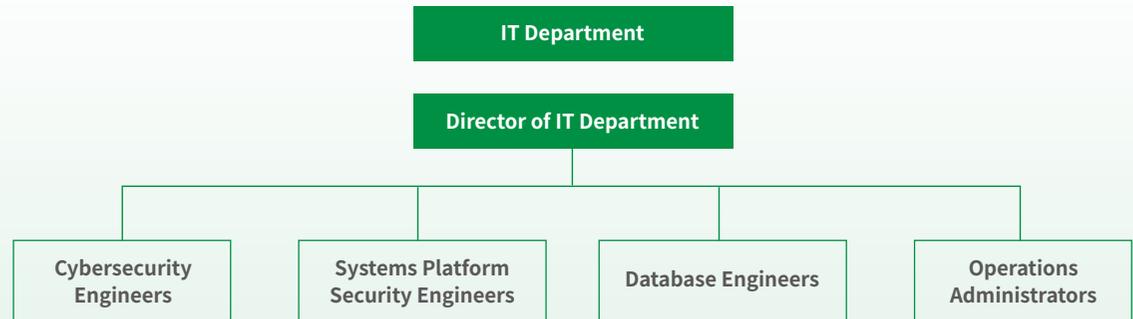


NewTechWood's IT department, led by a Director of Information Technology with specialized teams including Cybersecurity Engineers, Systems Platform Security Engineers, Database Engineers, and Operations Administrators, maintains and monitors the Company's information security management framework.



Director of Information Technology leads enterprise-wide information security governance. Cybersecurity Engineers design and manage network infrastructure, monitor internal/external data traffic and enforce security protocols. Systems Platform Security Engineers oversee server lifecycle management, including planning, maintenance and updates, implement access controls and mitigate cross-server vulnerabilities. Database Engineers design, maintain and optimize critical business databases (e.g. ERP, SCM, MES, HRM). Operations Administrators retrieve database content, execute data governance protocols, process authorized data requests and manage data distribution.

## Data Security Governance Structure



NewTechWood rigorously adheres to data protection legislation across its operational jurisdictions, including China's Cybersecurity Law, Data Security Law, and Personal Information Protection Law. The Company continuously refines its information security governance framework to ensure lifecycle compliance management. In 2024, NewTechWood updated existing protocols and implemented new controls such as the Video Surveillance System Guidelines, GIT System Management Regulations, and Laptop Management Policy to systematically mitigate risks in data handling, transmission, and retention.

## Security Framework

NewTechWood enforces robust safeguards under its information security and HR policies to protect employee, applicant, and customer data privacy. The Company implements multi-layered controls to secure all devices, networks, and digital assets, including physical security protocols, network segmentation, access controls, backup systems, and database governance. In 2024, NewTechWood initiated Level 3 Cybersecurity Classification Protection certification per China's Information Security Technology - Classification Guide for Classified Protection of Cybersecurity (GB/T 22240-2020), strengthening systemic defenses across its information infrastructure.

Management Type		Management Content
Physical Management	Data Center Operations	Ensure stable power supply with backup emergency power
		Compliant fire protection system
		24/7 cooling system and monitoring alarm system
	Retired Computer Equipment Management	Standardized access control for responsible personnel
		Retired computers need to be reformatted by the IT department, and be handed in to a compliant and certified recycling agency for processing, with a recycling certificate from the relevant agency upon completion
Network Segregation Management	Independent Platform	Isolate the development and operational database networks, ensuring that developers and business personnel can only access their respective databases to avoid database misconnections
Access Management	Computer Management	Install Kaspersky End Point (KEP) on each computer
		All computers are used in accordance with management policies issued by the KEP server
		All computers can only use software approved under the endpoint management policy
	Network Management	Install network behavior management systems and firewalls
		The behavior management system records external network access logs
		Restrict file publishing permissions for unapproved users
	System Access Management	Manage user access to data through the OA system and personnel management processes
		New access permissions must be applied for through the OA system to ensure accurate permission distribution
		IT operations personnel conduct an annual comprehensive system review to ensure timely updates and corrections of access permissions
		IT operations initiate access rights revocation procedures upon receiving employee offboarding notifications through the HR management process
Backup Management	Data Backup	Regularly back up databases
	Backup Review	Test backup data recovery to ensure that backup data can be restored and used
Database Management	Permission Management	Databases and their contents can only be directly accessed by designated and approved personnel
		Major changes to database contents require approval from the director
Other Management	Fire Management	Regularly inspect the effectiveness of fire equipment use by the company's safety office

### 🔗 Risk Mitigation

NewTechWood conducts annual third-party cybersecurity audits, including network vulnerability scanning, system penetration testing, and comprehensive evaluations, thereby systematically enhancing data protection capabilities. Penetration tests simulate real-world attacks, identifying system weaknesses and securing business data throughout its lifecycle. Comprehensive vulnerability assessments evaluate network infrastructure, access controls, and data storage and transmission, enabling rapid threat detection and remediation to safeguard critical data assets and maintain operational continuity.

### 🔗 Awareness Enhancement

NewTechWood requires regular structured cybersecurity training for all employees, covering data protection fundamentals, leakage risk mitigation strategies, cybersecurity protocols and incident response protocols, to elevate employees' information security awareness and skills. This program ensures new employees' rapid mastery and daily application of security essentials. The Company also executes NDAs with technical partners and staff in sensitive roles, clearly defining security obligations across all data-handling operations.

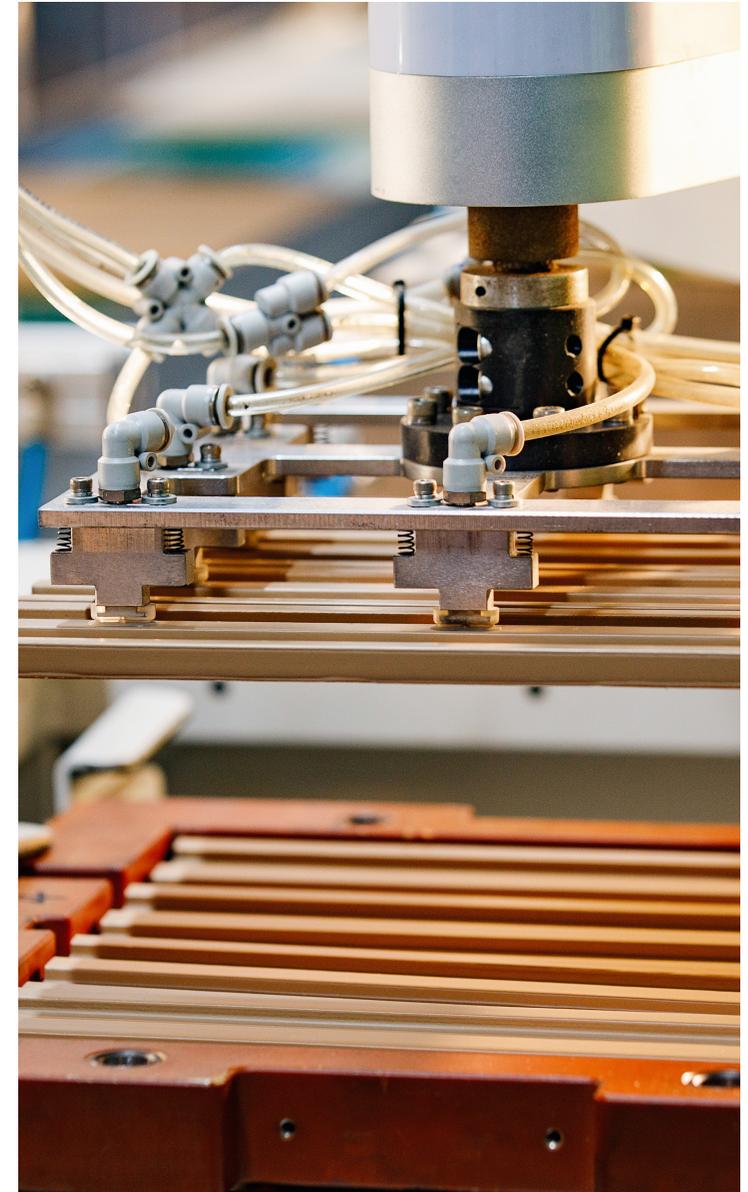


In 2024, NewTechWood conducted 88 information security training sessions, engaging 273 participants and achieving a coverage rate of **100%**.

No data security breaches or information leakage incidents occurred during the year.

### NewTechWood Data Security and Privacy Protection

Indicator	Year 2024	Unit
Total Number of Data Security Incidents	0	Cases
Total Economic Loss Caused by Data Security Incidents	0	CNY



# Supply Chain Security

NewTechWood prioritizes supply chain security as a cornerstone of its operations, and builds a reliable supply network through rigorous supplier selection criteria and continuous optimization of supplier management.

NewTechWood prioritizes sustainability and responsible supply chain management, aiming to establish a green, efficient, and transparent supply chain system. In 2024, the Company introduced the Supplier and Subcontractor Security Review Management System, implementing comprehensive, systematic and standardized controls over suppliers through rigorous admission standards and evaluation mechanisms. This ensures all supply chain links comply with Environmental, Social, and Governance (ESG) requirements.

## Supply Chain Security Management System

### ◆ AEO Management System

NewTechWood has secured AEO (Authorized Economic Operator) Advanced Certification per the Measures for the Credit Management of Enterprises Registered and Filed with the Customs of the People's Republic of China and the Customs Advanced Certification Criteria. This accreditation strengthens global supply chain integrity while ensuring operational efficiency.

Aligned with AEO requirements, NewTechWood implements an end-to-end supply chain security framework addressing physical access controls, personnel security, business partner security, cargo security, and transportation vehicle security. Proactive maintenance of surveillance systems (video surveillance, access control systems and GPS cargo tracking systems) ensures operational reliability. Continuous system upgrades optimize performance while strengthening cybersecurity across supply chain data ecosystems.

### ◆ Diversified Supply Chain

NewTechWood fortifies supply chain resilience through a diversified global supply network. The Company strategically expands its global supplier base to prevent over-reliance on single/regional suppliers, while fostering long-term collaborations with multiple high-quality suppliers to guarantee uninterrupted access to raw and critical materials.



Certificate for AEO-Certified Enterprise

## Supplier Lifecycle Management



NewTechWood advocates a green and sustainable supply chain ecosystem by incorporating suppliers' ESG performance into procurement lifecycle management. The Company implements rigorous supplier compliance protocols, spanning from due diligence audits to performance metrics tracking and to data maintenance, ensuring that suppliers not only meet product requirements but also strictly comply with regulations and actively fulfill social responsibilities.

### Due Diligence Assessment

During the pre-qualification phase, the Procurement Department verifies potential suppliers' qualifications, certifications and regulatory compliance through background checks and telephone inquiries, ensuring alignment with company standards. The Technology Department conducts performance testing on product samples provided by suppliers.

### On-Site Audits

During on-site supplier audits, NewTechWood comprehensively evaluates suppliers' environmental, social and operational compliance. The audit of governance focuses on compliance documentation, quality management systems, etc.; the audit of environment aspect examines environmental facility operations, waste disposal processes, etc.; and the audit of social aspects reviews labor practices, employee rights and welfare, etc. This multidimensional and comprehensive audits help identify potential risks.

### Performance Evaluation

NewTechWood conducts regular supplier performance evaluations using its internally developed Supplier Evaluation Scorecard. For non-conformities identified, the Company proactively engages suppliers to implement corrective actions and optimization.

## Data Maintenance

To streamline supplier data management, NewTechWood has established a supplier evaluation system that aggregates multi-dimensional metrics such as on-time delivery (OTD), quality compliance, corporate social responsibility (CSR) adherence, and sustainability metrics) for systematic oversight. The system drives annual data updates and supplier performance assessments based on supplier information inputs.

## Distributor Management

NewTechWood primarily utilizes authorized distributors under its proprietary brand for sales. This exclusive brand distribution network is governed by a multi-tier vetting process. Prospective partners undergo multi-criteria assessments during selection, including executive-led site inspections by the Sales Director. During the sales phase, NewTechWood maintains real-time distributor order tracking and KPI monitoring, with contractual non-compliance triggering immediate termination of the distribution agreements in order to maintain brand integrity and protect consumer rights and interests. The Company empowers distributors through blended learning programs (virtual workshops, hands-on demos) and facility tours. Strategic alliances are further reinforced through global partner summits hosted by the Company every one or two years.

## Sustainable Procurement

NewTechWood prioritizes sustainable supply chain stewardship through three strategic pillars: (1). The Company implements a 300km sourcing radius policy when feasible, reducing transport emissions via localized procurement. (2) All suppliers are required to sign a binding Supplier Environmental Compliance Agreement, mandating compliance with national, local, and industry-specific environmental regulations, adoption of low-emission manufacturing processes/equipment, and use of recyclable packaging materials. Environmental, social, and governance (ESG) vettings are integrated into supplier selection, and all suppliers are encouraged to obtain eco-label certifications, with ISO 14001 compliance mandated for strategic suppliers. (3) As of the reporting period, NewTechWood has secured SCS Recycled Content Certification (by SGS Global) and FSC Chain of Custody (CoC) certification (by SGS Hong Kong), evidencing its leadership in sustainable procurement.



NewTechWood SCS Recycled Content Certification

FSC Chain of Custody Certification

## Supply Chain Anti-Corruption

NewTechWood fortifies ethical supply chain governance through collaboration with upstream and downstream partners. The Company institutionalizes compliance via a mandatory Supplier Anti-Corruption Agreement that defines zero-tolerance mandates for bribery or corrupt practices and full adherence to ethical standards and legal obligations. Through training and awareness campaigns, NewTechWood promotes adherence to business ethics and integrity across its supply chain.

As of the reporting period, NewTechWood works with 2,363 suppliers, including 684 raw material suppliers, 922 hardware suppliers, and 71 packaging material suppliers. In 2024, the Company conducted 13 on-site supplier audits, with a 100% signing rate for both anti-corruption agreements and confidentiality agreements.

# Employees

NewTechWood anchors its corporate governance in a people-first ethos, constructing a sustainable ecosystem built on equitable compliance, talent development, employee engagement, and stringent workplace safety protocols. The Company sustains this framework through market-competitive remuneration packages, holistic wellbeing initiatives, rigorous health and safety systems. This strategic alignment cultivates a positive workplace culture, boosts organizational loyalty, sparks workforce innovation, and generates perpetual momentum for sustainable excellence.



NewTechWood operates in full compliance with China's labor legislation, including the Labor Law, Employment Contract Law, and Social Insurance Law, etc. Through institutionalized protocols including Onboarding Protocols, Training Frameworks, Compensation Frameworks, etc., the Company safeguards employees' legal rights and interests across ethical hiring, contractual obligations, professional development and occupational health and safety. The Company also prioritizes employee work experience, offering Mandatory Five Social Insurances (including Pension Insurance, Medical Insurance, Unemployment Insurance, Work-related Injury Insurance and Maternity Insurance) and Housing Provident Fund (HPF), free meals and accommodation, paid leaves, preventive health screenings, and festival allowances. This holistic approach cultivates workplace respect while driving shared employee-organization advancement.

## Standardized Employment Practices



NewTechWood provides equal employment opportunities through a dual-track recruitment mechanism (online/off-line and internal/external channels). The Company actively creates job opportunities for veterans and individuals with disabilities, offering tailored training and suitable roles to ensure their full integration and value realization. As of the reporting period, NewTechWood has employed 7 veterans and 4 individuals with disabilities.

Throughout the recruitment process, the Company adheres strictly to labor law requirements, maintaining an Onboarding Documentation Checklist that mandates employees review and sign key documents before hire, including employment contracts, employee code of conduct, confidentiality agreements, intellectual property declarations and attendance policies, ensuring clarity on employee rights and company and job requirements. To prohibit child labor, NewTechWood has formulated policy documents such as the Child Labor Rescue and Juvenile Protection Procedures and Prohibition of Forced Labor Procedure. Pre-employment background checks and identity verification are conducted to eliminate child labor risks. A robust remediation mechanism is in place: any suspected violations are immediately reported to HR, administrative heads, or the CEO, followed by strict disciplinary action and corrective measures.

### Key Performance



As of 2024, the Company has a total of 905 employees, with a **100%** labor contract signing rate and a **100%** employee social security participation rate.

### Zero incident of child labor or forced labor

As of 2024, no incidents of child labor or forced labor has occurred in the Company.

## Diversity, Equity, and Inclusion (DEI)



NewTechWood champions workplace diversity through daily cross-cultural synergy, cultivating an inclusive ecosystem that fuels operational excellence and sustainable growth. Governed by an EEO (Equal Employment Opportunity) framework including the Non-Discrimination Protocol, the Company enforces equal opportunities across talent lifecycle stages from recruitment to leadership development, while strictly prohibiting workplace discrimination or harassment grounded in ethnicity, faith, gender, age, nationality, or other protected characteristics.

## Employee Care Initiatives



NewTechWood has launched a series of initiatives centered on employee engagement, well-being and communication to strengthen team cohesion and foster a positive corporate culture. The Company organizes festive celebrations and invites employees' families to participate. These activities not only provide relaxation but also foster interaction among colleagues, enhancing teamwork and organizational unity.

### Barbecue Party of NewTechWood Employees in 2024

Case

On January 12, 2024, NewTechWood held a garden barbecue-themed activity in the company park.



### NewTechWood 2024 New Year Celebration

Case

At the beginning of the 2024 Lunar New Year, NewTechWood held a grand celebrating ceremony, with Chairman Lin Dongrong and all employees gathering together to open a new chapter in development.



The Company offers a diverse benefits program to safeguard employees' work-life balance, physical health and mental well-being, including: annual occupational health checkups; free access to sports facilities (e.g., gym, basketball courts, tennis courts); free meals and accommodation with housing subsidies for off-site employees; provision of adequate protective gear and seasonal workwear; holiday bonuses, travel benefits, employer liability insurance, social insurance, and housing provident fund contributions.

NewTechWood has established specialized measures such as the Protection Regulations for Women during Pregnancy, Maternity, and Lactation Periods and the Pregnancy-Related Job Risk Assessment Procedures to safeguard the health and rights of female employees. There are also dedicated rest areas in workplaces for pregnant employees, and the Company strictly complies with legal requirements for maternity leave, marriage leave, and childcare leave.

The Company has formed an employee labor union to advocate for rationalization suggestions and provide support to staff in need. In cases of family emergencies, employees may apply for financial aid, and the union organizes fundraising activities to offer additional support.



### Festival gifts convey warmth and care - NewTechWood 2024 Festival Welfare Activities

Case

On June 7, 2024, NewTechWood held a Dragon Boat Festival celebration. The Company prepared festival gifts for every employee.



At the end of 2024, NewTechWood held a warm year-end thanksgiving party and presented thoughtfully prepared New Year gifts, expressing deep thanks to all employees.



## Employee Communication



NewTechWood prioritizes open and effective communication with employees. The company has established the Employee Opinion, Suggestion, Grievance, and Feedback Management Procedure to ensure structured and productive dialogue. Multiple channels are available for employees to voice their concerns, including onsite suggestion boxes, a dedicated complaint hotline and direct communication with departmental employee representatives.

To further institutionalize engagement, the Company implements Employee Representative Management Procedure and convenes regular employee congresses. During these sessions, management reports on annual occupational health and safety performance, engages in discussions with employee representatives, recognizes outstanding contributions, and collaboratively addresses employee concerns.

### Key Performance



In 2024, NewTechWood achieved **100%** resolution rate for employee complaints and reports.



NewTechWood 2024 Annual Employee Congress

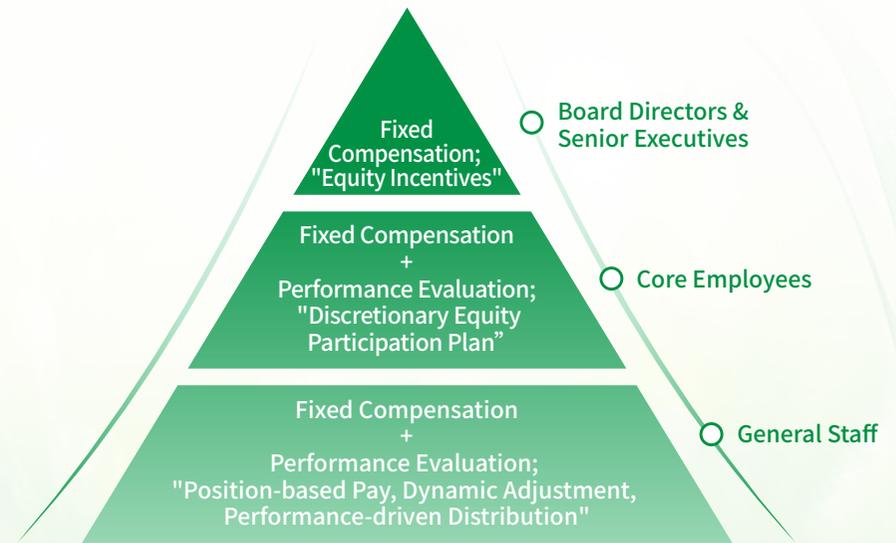
## Competitive Compensation System



NewTechWood's Compensation and Assessment Committee, operating under the Board of Directors, ensures a fair, compliant, and market-aligned compensation system through policies such as the Compensation and Performance Management System and Salary and Allowance Management Procedures. The compensation structure combines fixed salaries and floating rewards to incentivize performance while maintaining transparency and fairness in distribution.

Employee compensation: Salaries are determined through a "role-based, position-aligned" approach, with fixed pay reflecting job responsibilities, complexity and value. Through annual salary reviews, the Company adjusts compensation based on individual performance and market benchmarks. Executive compensation: Directors and senior executives receive fixed salaries, evaluated by the Remuneration Committee against industry benchmarks, time commitment, duty fulfillment and performance metrics. The Committee recommends compensation adjustments to the Board, ensuring alignment with corporate operation results and individual contributions to drive long-term growth.

Selective equity incentive plans are offered to core employees and critical roles, linking personal rewards to long-term company success to attract and retain top talent for sustainable growth.



NewTechWood's Remuneration Structure

For talent development and retention, NewTechWood focuses on internal growth complemented by strategic external recruitment, offering clear career progression paths from entry-level roles to team leaders, department managers and executive positions. Development initiatives include structured trainings, job rotations and mentorship programs, enhancing professional skills, management capabilities and overall competencies. In 2024, the Company launched a Professional Title Evaluation Program for R&D and production managers to clarify career trajectories and identify high-potential leaders.

Additionally, the annual Awards Ceremony of NewTechWood recognizes excellence. The 2024 Excellence Awards include Outstanding Employee Award, Outstanding Manager Award, Good Hand at Risk Identification and Mitigation Award, etc. Winners are invited to share best practices to inspire organizational learning and innovation.



NewTechWood 2024 Annual Excellence Awards

Throughout the reporting period, NewTechWood reported zero incidents of recruitment discrimination, forced labor, child labor, or other human rights violations. As of the end of 2024, the Company employed 905 full-time staff, with 100% coverage of labor contracts and statutory benefits (including five social insurances and housing provident fund), effectively safeguarding employees' legal rights and dignity.

## Vigorously Promoting Training



NewTechWood understands that talent development is the core driver to achieve sustainable and high-quality growth. To ensure systematic and stable workforce upskilling, the Company has formulated the Employee Training Management Procedure, standardizing training processes across dimensions to guarantee the scientific, standardized, and effective delivery of training programs.

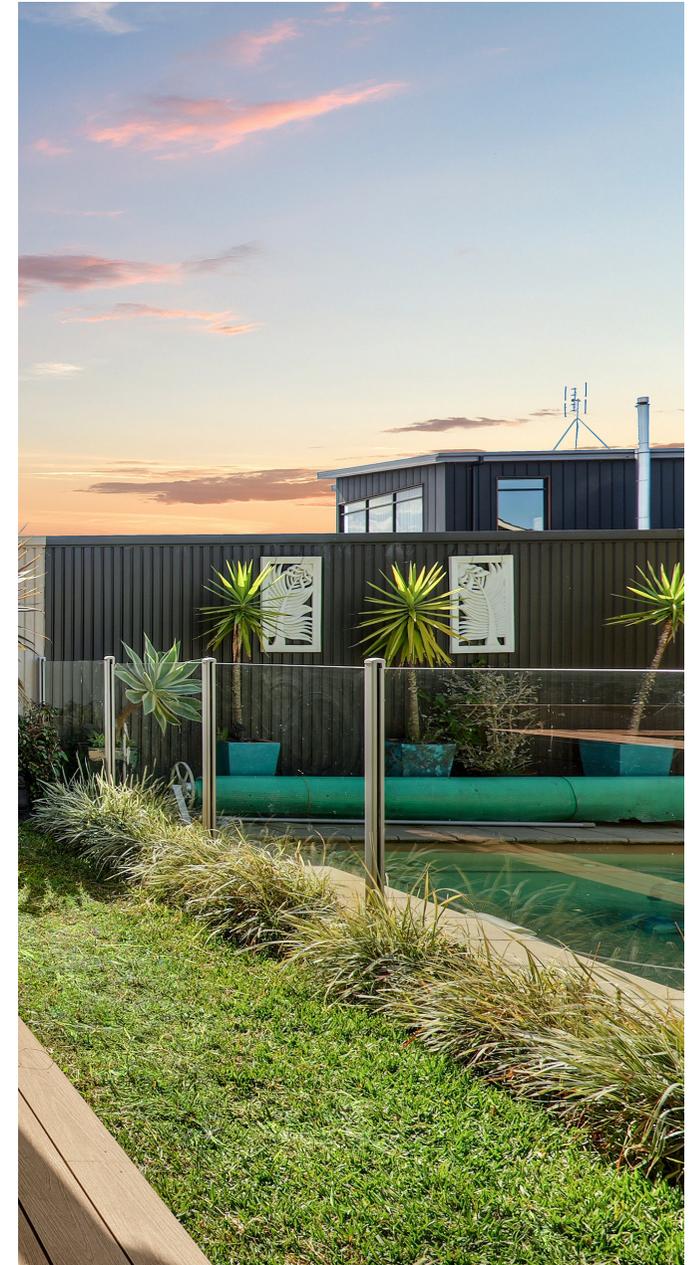
In 2024, NewTechWood designed a comprehensive professional training program tailored to departmental and role-specific needs, structured into two streams: (1) General training: For new hires, this covers corporate culture, employee handbooks, intellectual property guidelines, workplace safety, occupational health, and internal policies. All employees receive ongoing training in social responsibility and anti-corruption to enhance ethical awareness and accountability. (2) Specialized Training: Department-specific modules tailored to the professional requirements of different departments and positions address technical skill enhancement, pre-job operational training, safety protocols, system compliance and capability development. After training, employees undergo written and oral assessments to validate knowledge retention and application.



NewTechWood Training System

### Staff and staff Training in 2024

Indicators		Year 2024	Unit
Total number of employees as of Period-End		905	person
Employee composition as of Period-End	By affiliation	Patent company	806 person
		Subsidiaries	99 person
	By position	Production staff	601 person
		Sales staff	69 person
		Technical staff (including R&D)	127 person
		Financial staff	19 person
		Administrative staff	89 person
	By educational attainment	Bachelor's degree and above	106 person
		Associate diploma education	103 person
Secondary vocational school and below		696 person	
Employee turnover rate (ETR)		7.94	%
Proportion of labor contracts signed		100	%
Statutory Benefits Coverage Rate		100	%
Number of labor litigation, arbitration and employee dispute cases		2	cases
Resolution rate of labor litigation, arbitration and employee dispute cases		50	%
Employee training	Number of employee training person-times		5,702 time
	Employee training hours		21,348.50 hour
	Average training hours per employee		26.49 hour
	Total investment in employee training		66,796.21 CNY



Key Performance



In 2024, **273** new employees participated in training, with each person's training duration exceeding **24** hours.

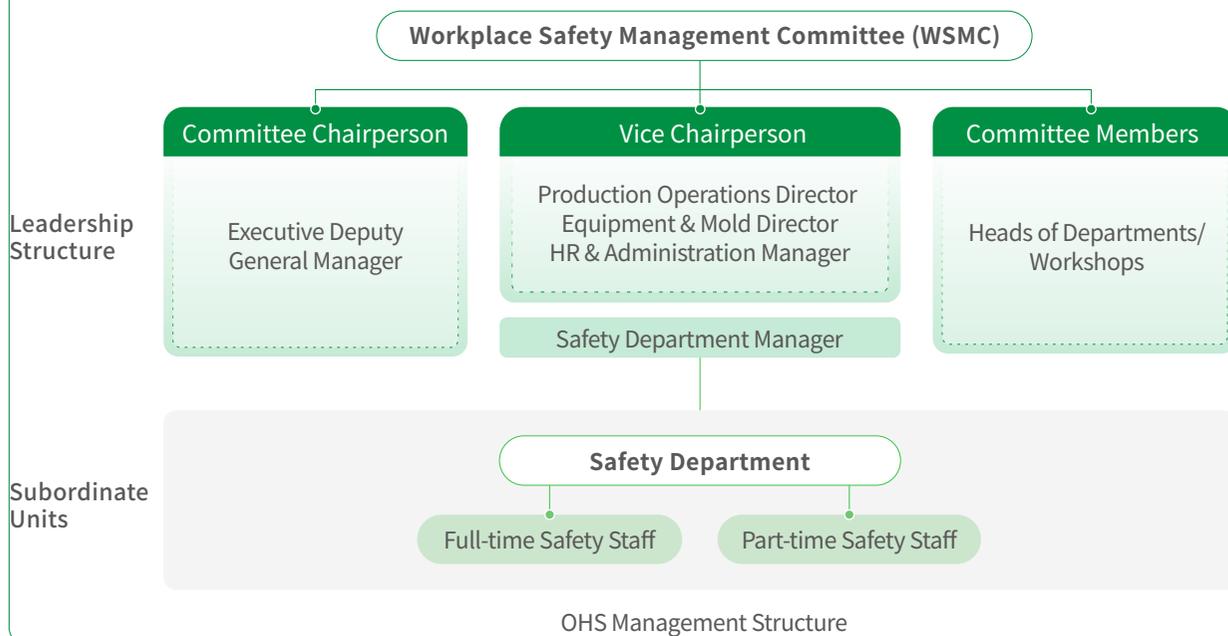


In 2024, 730 people participated in workshop/on-the-job training, with a total training duration of **3,708** hours.

## Occupational Health & Safety



As a responsible manufacturer, NewTechWood prioritizes occupational health safety (OHS) and maintains a Workplace Safety Management Committee (WSMC) to oversee workplace safety and occupational health initiatives. Restructured for the third time in July 2024, the WSMC leadership includes the Executive Vice President as the Chair, Production Director, Equipment & Mold Director, Safety Department Head, and HR & Administration Manager as Vice Chairs, IP & Legal Affairs manager as the Secretary, and other department/workshop heads as standing members. The committee drives enterprise-wide safety accountability, supported by a dedicated OHS team with full-time specialists.



Committed to embedding safety into core operations, Newtechwood maintains rigorous management systems to elevate safety standards to a strategic level. By integrating workplace safety principles into every aspect of production and operations, the Company aims to create a safe and healthy work environment, protecting employee well-being and enabling sustainable development. NewTechWood fully complies with relevant laws and regulations, such as the Workplace Safety Law and the Occupational Disease Prevention Law of the People's Republic of China.

In 2024, NewTechWood comprehensively reviewed and updated its OHS management documents. The Company revised 23 workplace safety management regulations, 75 safety operation procedures, 13 occupational health management regulations and 4 occupational hygiene operation procedures. During the reporting period, the Company secured ISO 45001 Occupational Health and Safety Management System certification and GB/T 33000-2016 Safety Production Standardization certification.



OHS Management System Certification



Work Safety Standardization Certificate

### Workplace Safety Management

NewTechWood upholds a safety-first philosophy encapsulated in its guiding principle: "Prioritize safety and prevention; Engage all employees in people-centered practices; Pursue sustainable development through continuous improvement; Cultivate a culture where everyone prioritizes safety and prepares for emergency." To translate this vision into action, the Company has established a comprehensive safety management system with organization-wide safety accountability. This includes systematically upgrading safety infrastructure, enhancing workforce safety competencies, and implementing robust management protocols to minimize workplace incidents and strengthen operational resilience. In January 2024, the Company rolled out 14 measurable safety objectives addressing critical operational priorities: injury rate reduction, catastrophic accident prevention, 100% safety training compliance, and dedicated safety funding. To reinforce individual accountability, NewTechWood implemented tiered safety responsibility agreements signed by every employee. This layered accountability framework clarifies role-specific safety obligations across all levels, fostering greater ownership and proactive safety engagement throughout the organization.

**Key Performance**

2024: **100%** Completion Rate of Work Safety Goals.

---

2024: **100%** Signing Rate of Employee Safety Responsibility Agreements.

---

2024: 48 Company-level Work Safety Meetings Held with **1,381** Total Attendances.

### Completion of 2024 NewTechWood Safety Production Goals Set

Serial No.	Safety Production Goal	Actual Situation	Goal Achievement
1	No Work-related Deaths/Serious Injuries (Including Traffic Accidents)	No incident	Achieved
2	No Major Fire (Explosion) Accidents	No incident	Achieved
3	No Major Equipment Accidents	No incident	Achieved
4	No Major Liability Accidents	No incident	Achieved
5	Annual Work-Related Injury Rate Less than 3%	2.35%	Achieved
6	No Occupational Disease Incidents during the Year	No incident	Achieved
7	100% Availability of All Safety Funds	100%	Achieved
8	100% compliance of Full-Staff Safety Training	100%	Achieved
9	Good Condition Rate of Safety Protection Equipment and Facilities higher than 98%	100%	Achieved
10	100% Equipped Rate of Labor Protection Facilities and Equipment	100%	Achieved
11	100% compliance of major accident hazards rectification	100%	Achieved
12	100% compliance of safety Hazards rectification	100%	Achieved
13	100% Certification Rate for specialized position operators	100%	Achieved
14	100% regular inspection rate of special equipment	100%	Achieved

## 🔍 Safety Risk Control

NewTechWood elevates risk governance through a dual-control framework integrating tiered risk classification with proactive hazard detection. The Company implements scheduled audits and targeted inspections to conduct systematic risk assessments across production processes and ensure sustained operational safety.

In 2024, NewTechWood implemented systematic hazard identification and control in compliance with its Dual Prevention Guidelines for Risk Classification and Hazard Management. Frontline production and logistics teams conducted daily six-point self-inspections before shifts, supplemented by multi-tiered checks that include team-level self-inspections and cross-team mutual inspections, workshop/departmental audits, inter-departmental reviews, specialized inspections on fire safety, dust control, electrical systems, equipment integrity, etc. led by EHS and Equipment departments, as well as monthly cross-functional audits headed by top executives. All findings were documented in detailed registers with closed-loop tracking covering progress monitoring, accountability assignment, root cause analysis, and corrective actions. Throughout the reporting period, 771 safety hazards were identified and rectified at a 100% resolution rate, with no major safety hazards detected.

2024 corporate-level safety inspections include:

- EHS Department: 52 weekly plant-wide inspections;
- Equipment Department: 12 monthly equipment safety audits + 46 electrical safety checks;
- Top Executive-led: 12 monthly comprehensive audits;

Total: 122 Company-level inspections (Excluding daily team-level self/mutual inspections, workshop/departmental reviews, and routine fire/dust patrols).

## 🔍 Emergency Management

NewTechWood operationalizes the philosophy of “everyone prioritizes safety and prepares for emergency”. It strictly complies with national laws and regulations, including the Emergency Management Law, Workplace Safety Law, and Contingency Plan Administration Rules. In 2024, the Company updated its Workplace Safety Emergency Plan, specifying fire-fighting and evacuation protocols and enabling systematic crisis response. Holistic fire safety governance features strategic infrastructure deployment aligned with national and industrial standards, monthly system evaluations covering fire suppression equipment, unobstructed evacuation pathways and exits, and hazard mitigation, and weekly operational audits by safety engineers on fire-fighting equipment.

NewTechWood maintains a certified auxiliary fire brigade staffed by employees screened for physical fitness and emergency response aptitude, and equipped with fire engines and suppression gear. Complementing this capability, municipal fire authorities are invited to conduct quarterly tactical drills covering incipient-stage fire containment techniques, and emergency communication protocols with regional fire stations. The fire command center currently deploys 7 certified technicians, all having completed mandatory Fire Service Instructor qualifications during the reporting period.

### Key Performance

In 2024, NewTechWood conducted: **240 hours** of Intermediate Fire Equipment Operator Training, and **296 hours** of First Aid Certification Training.

In 2024, NewTechWood provided **40 hours** of Initial Fire Safety Education for managers and key personnel, **96 hours** of Fire Safety Refresher Training for managers and key personnel, and **32 hours** of Safety Management Refresher Training for safety managers and key personnel.

### NewTechWood's professional fire brigade

### Case

A fire control room has been set up with a 24-hour all-weather duty system implemented. All the on-duty fire control room staff are certified. Fire trucks are equipped within the factory area and a fire brigade of 8 persons has been established internally for emergency rescue. This system ensures compliance with the principle of dispatching within 1 minute, arriving at the scene within 3 minutes, and extinguishing the initial fire within 5 minutes in case of a sudden fire. The fire brigade participates in each fire drill. Furthermore, a fire emergency team has been established in each workshop to strengthen the Company's fire rescue force. Key fire protection areas are marked and monitored 24 hours a day through routing inspections and monitoring devices connected to the fire control room.



NewTechWood places paramount commitment on workforce health and safety. To proactively mitigate occupational hazards in compliance with China's Occupational Disease Prevention Law and Workplace Occupational Health Regulations, the Company has established a dedicated Occupational Health Governance Committee. This framework enforces comprehensive occupational hazard control protocols and mandates individualized health surveillance profiles for all employees.

### Occupational Hazard Prevention

NewTechWood engages certified third-party agencies annually to monitor occupational hazards and submits assessment reports to government authorities for record. In 2024, the Company conducted occupational risk evaluations across 87 positions at 204 monitoring points, identifying primary hazards including dust, noise, and high-temperature exposure in production areas such as equipment & molding, assembly, co-extrusion molding workshops, and material preparation lines. Mitigation measures include providing comprehensive PPE tailored to job-specific risks, installing hazard notification signs in all work areas, and requiring new hires and transferred employees to sign hazard acknowledgement forms.

### Occupational Health Checks

NewTechWood provides comprehensive health checks for employees, including pre-employment health checks and occupational health examinations, ensuring meticulous health protection at all stages. Pre-employment checks focus on verifying physical fitness for job requirements and identifying potential health risks, establishing a health baseline for career development and supporting role allocation. Annual occupational health examinations follow the principle of comprehensive coverage for all employees, with tailored check-ups based on job-specific risks.

#### Key Performance

In 2024, no cases of occupational contraindications or diseases were reported at NewTechWood.



In 2024, NewTechWood achieved 100% coverage of occupational health examinations.

### Training and Education

To foster a robust health and safety culture, NewTechWood has established a training system to equip employees with essential safety knowledge and skills at all stages. The Company provides comprehensive workplace safety training and occupational health and safety training through internal onboarding and on-the-job programs. In 2024, 273 new employees received 24-hour mandatory training on job safety and occupational health, and 730 employees received a total of 3,708 hours of on-the-job safety training. Beyond internal training, NewTechWood extends its safety principles externally. Contractors and external workers undergo safety training before project commencement, covering site-specific safety requirements and emergency protocols. Safety agreements are mandatory for all contractors and individuals, regardless of project scale, to ensure strict compliance with company safety regulations.

#### Key Performance



In 2024, NewTechWood provided safety training for totally **311** external workers.

To sustain OHS awareness and cultivate a "safety-first culture", the Company prominently displays safety slogans in offices, workshops, and warehouses, and posts Weekly Safety Alerts in cafeterias and break rooms. These alerts summarize recent internal/external incidents to heighten risk awareness.

#### Key Performance



In 2024, the Company has set up **9** Weekly Safety Alerts billboards and **1** safety promotion board.



NewTechWood Weekly Safety Alerts Billboard



NewTechWood safety promotion board

## Emergency Drills

To enhance employees' emergency response capabilities, NewTechWood develops annual drill plans aligned with operational realities. In 2024, the Company conducted 14 safety-related drills, including 2 comprehensive drills, 2 evacuation drills, and 10 specialized drills, a total of 804 employees participated in the drills, ensuring swift and orderly implementation of emergency procedures in case of emergency.

### 2024 NewTechWood Emergency Drills

Serial No.	Emergency Drill Project	Drill Type	Number of Participants
1	Fire Accident Emergency Drill	Specialized Drill	24
2	Electric Shock Accident Emergency Drill	Specialized Drill	22
3	Dust Explosion Accident Emergency Drill	Specialized Drill	16
4	Chemical Leakage Emergency Drill	Specialized Drill	19
5	Confined Space Accident Emergency Drill	Specialized Drill	19
6	Kitchen Fire Accident Emergency Drill	Specialized Drill	12
7	Warehouse Fire Accident Emergency Drill	Specialized Drill	12
8	Vehicle Injury Accident Emergency Drill	Specialized Drill	14
9	Fire Accident Emergency Drill	Specialized Drill	45
10	Pressure Vessel Accident Emergency Drill	Specialized Drill	15
11	Emergency Evacuation Drill	Emergency Evacuation	117
12	Fire Evacuation Drill for Dormitory B1	Emergency Evacuation	35
13	Comprehensive Safety Production Emergency Drill (I)	Comprehensive Drill	214
14	Comprehensive Safety Production Emergency Drill (II)	Comprehensive Drill	241

### 2024 NewTechWood Comprehensive Emergency Drill

#### Case

At 15:00 on June 21, 2024, NewTechWood organized a comprehensive emergency drill in the post-processing workshop, simulating an emergency where the dust collection pipeline suddenly caught fire due to dust accumulation and abnormal equipment operation.



Guided by the principle of "zero incidents and full coverage", the Safety Department of NewTechWood set 15 overarching objectives in 2024 for workplace safety and occupational health, including zero major equipment accidents, zero major liability accidents, zero occupational disease cases, 100% completion of safety training, 100% remediation of identified hazards, and 100% certification compliance for specialized operation roles. By the end of 2024, NewTechWood and its branches and subsidiaries achieved all safety and occupational health targets with no major safety incidents reported. Key performance summary is detailed below:

### NewTechWood Work Safety and Occupational Health Status

Indicator	Year 2024	Unit
Number of employees participated in occupational health and work safety training	913	persons
Total hours of occupational health and work safety training	7,832	hours
Number of work safety managers trained	5	persons
Total training hours for work safety managers	136	hours
Total number of work safety drills	14	times
<ul style="list-style-type: none"> <li>▮ Specialized Drills</li> <li>▮ Comprehensive Drills</li> <li>▮ Emergency Evacuation Drills</li> </ul>	10 2 2	times
Total number of participants of work safety drills	804	persons
Total investment in work safety	4.17	million CNY
Total number of risk identifications and hazard remediations	770	times
Number of work safety risks and hazards identified	771	cases
Remediation rate of worksafety risks and hazards	100	%

Indicator	Year 2024	Unit
Annual work-related injury incidence rate	2.35	%
Compliance rate of employee safety training	100	%
Certification rate for special post operators	100	%
Number of work-rated fatal and severe injuries	0	persons
Number of major fire (explosion) accidents	0	cases
Number of major equipment accidents	0	cases
Number of major safety liability accidents	0	cases
Number of positions monitored for occupational hazard factors	87	cases
Proportion of employees undergoing physical examinations for occupational hazard factors	100	%
Number of employees with occupational contraindications	0	persons
Number of suspected occupational disease cases	0	persons
Number of confirmed occupational disease cases	0	persons

# Social Contribution and Rural Revitalization

NewTechWood actively aligns with national policies and social development priorities, advancing its own high-quality growth while demonstrating corporate social responsibility (CSR) through philanthropy and rural revitalization efforts.

In 2024, NewTechWood answered Guangdong Province's call for coordinated urban-rural development by getting actively engaged in the High-Quality Development Project for 100 Counties, 1,000 Towns, and 10,000 Villages (Hereinafter referred to as the Bai-Qian-Wan Project) initiated by Guangdong Province. Through financial contributions, in-kind donations, and procurement support with fellow enterprises, NewTechWood contributed to rural planning, industrial development, and infrastructure improvement.



## NewTechWood Public Welfare Initiatives in 2024

### Case

In 2024, our company actively fulfilled its social responsibilities through targeted donation programs designed to improve community living environments, enhance public safety, and advance sustainable social development.

#### (I) Engagement in the Bai-Qian-Wan Project

To help create a better community environment and improve the safety of nighttime pedestrians, our company installed 25 streetlights in Wenbu Village, Daling subdistrict, Huidong County as a part of our efforts in supporting the Bai-Qian-Wan Project.

#### (II) Support for Huidong Fire-Fighting Services

To enhance the service capacity of Huidong Fire and Rescue Brigade, our company funded the repair and renovation of part of the training field, camp roads and fire garages, with a construction area of approximately 2,170 square meters and a cost of nearly CNY270,000.

#### (III) Marathon Event Sponsorship

Our company actively participated in community initiatives by sponsoring the Huidong Xunliao Half-Marathon with a contribution of approximately CNY90,000.

#### (IV) Environmental Protection Donation

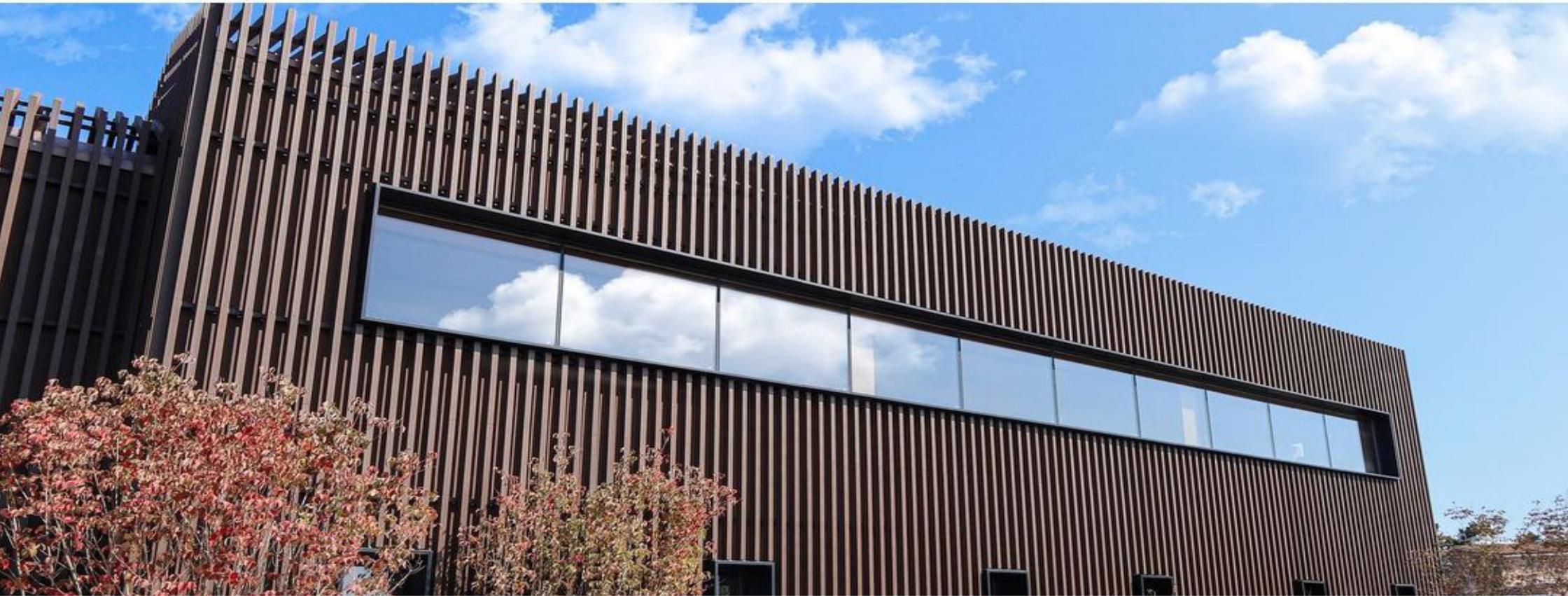
In 2024, our company contributed CNY300,000 to the Guangdong Environmental Protection Fund, specifically designated for environmental protection projects in Huidong County.

# 03 Excellence and Integrity · Governance Commitment

## PART THREE · GOVERNANCE

NewTechWood upholds the highest standards of business ethics and corporate governance, striving to create a transparent, compliant operational environment. The Company actively combats corruption, bribery, and anti-competitive practices through comprehensive risk management and well-defined governance structures that ensure full regulatory compliance. Meanwhile, NewTechWood maintains open dialogue and close collaboration with stakeholders, actively participates in industry forums and social responsibility initiatives, driving sustainable growth that benefits both business and society.





# Due Diligence

NewTechWood maintains a robust due diligence system that evolves with regulatory landscapes, ensuring risk control and compliance across all transactions and strategic decisions. Our framework incorporates legal, financial, operational, and market analyses in compliance with industry benchmarks. The process combines document audits, site verification, and third-party independent evaluations to ensure data integrity. Governed by principles of independence, objectivity, and comprehensiveness, this systematic approach delivers reliable and actionable insights.

## Principle of Due Diligence



Independence



Objectivity



Comprehensiveness

# Stakeholder Engagement

NewTechWood attaches great importance to stakeholder communication, proactively addressing market concerns and showcasing its development strategies and operational performance through regular surveys and investor exchanges. The Company maintains close interactions with all stakeholders to enhance mutual understanding and trust, and to drive steady corporate growth.

A systematic stakeholder engagement framework has been implemented, featuring multi-dimensional interaction and continuous information sharing mechanisms as well as dynamic response systems. For core stakeholders including suppliers, clients, and investors, NewTechWood employs regular meetings, targeted research, and collaborative projects to integrate stakeholder feedback into decision-making, achieving balanced and mutually beneficial outcomes.

NewTechWood adopts tailored communication strategies aligned with stakeholder priorities, dynamically adjusting engagement depth and formats to ensure precise information delivery on strategic planning, project execution, and other topics. This approach enhances stakeholder participation in governance and fosters a sustainable cooperation ecosystem.

Table: NewTechWood Stakeholder Communication

		Stakeholders	Communication Channels			Stakeholders	Communication Channels				
External	Government and regulatory authorities	Government information disclosure platforms Work meetings	External	Suppliers/Contractors and Partners	Supplier sales meetings Global distributor conferences Annual and interim reports Press releases, announcements, and notification letters Social events Company website Social media (e.g., WeChat, LinkedIn)	Employees	New employee orientation Training programs Employee engagement activities Annual performance reviews				
								Shareholders and Investors	Annual General Meeting for Shareholders Annual and interim reports Press releases, announcements, and notification letters Investor meetings Company website Emails	Community	Local recruitment Support for local infrastructure Volunteer services and public welfare activities
	Board of Directors	Board meetings									
			Board of Supervisors	Supervisory board meetings							

# Anti-Bribery and Anti-Corruption

NewTechWood upholds integrity and compliance as core principles, strictly adhering to the Criminal Law and Anti-Money Laundering Law of the People’s Republic of China and international anti-corruption standards. The Company maintains a comprehensive anti-bribery and anti-corruption management system covering governance, operations, and supply chains. Annual assessments identify and mitigate ethical risks to ensure transparency and fairness in operations.

NewTechWood also strictly complies with the BSCI Code of Conduct (2021) and ICS Code of Conduct, requiring all directors, managers, employees, and third-party representatives (advisers, agents, intermediaries, etc.) to uphold ethical standards to ensure healthy, compliant operations across the supply chain and foster fair competition and a responsible corporate image.

Note: BSCI: Business Social Compliance Initiative, it is a unified social responsibility and ethical standard adopted by major European retailers and purchasers.

The Board of Directors actively fulfills governance responsibilities by establishing a comprehensive anti-corruption program with rigorous enforcement mechanisms. Through continuous monitoring of high-risk sectors and regular assessments of compliance systems effectiveness, the Board ensures management accountability for ethical operations. Enhanced internal training and communication programs cultivate company-wide compliance awareness, maintaining transparency and fairness across global operations.



## Education and Training



NewTechWood rigorously enforces anti-bribery protocols by integrating compliance training into daily operations. The Company implements a tiered training framework targeting high-risk functions (procurement, sales, finance, supply chain) through regular workshops combining anti-bribery training, case studies, regulatory guidance, and risk identification exercises. Directors and executives are required to complete accredited anti-corruption courses to ensure governance alignment with global compliance benchmarks, reinforcing ethical leadership across decision-making processes.

NewTechWood delivered 565 employee training hours on anti-corruption protocols during the reporting period, with an average duration of 1 hour per person, targeting high-risk positions and business units. All of the [14] board members completed accredited anti-bribery compliance programs to enhance governance integrity. The Company will expand program coverage and enhance curriculum design in the next cycle to ensure thorough enforcement of business ethics standards.

## Supplier Management



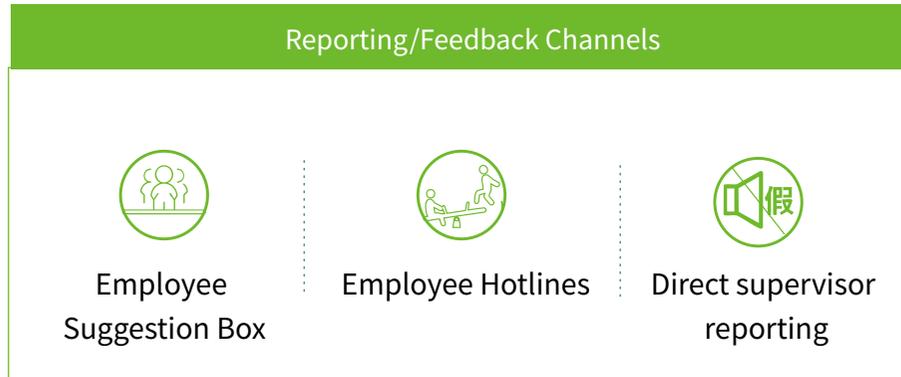
NewTechWood enforces a fair and transparent supplier management system to ensure partners meet its social responsibility and ethical standards. The Supplier and Subcontractor Safety Evaluation Guidelines governs end-to-end supplier selection, evaluation, and collaboration, requiring compliance with Basic Code of Ethical Operations and amfori BSCI standards to eliminate unethical practices.

Suppliers must sign “Anti-Corruption Commitment Letters” and undergo rigorous social responsibility assessments during selection and annual reviews. Anti-corruption and business ethics clauses are embedded in updated supplier contracts, with partners required to sign an Anti-Corruption and Anti-Bribery Commitment outlining mandatory ethical standards. Supplier social responsibility performance is rigorously evaluated and scored during screening and annual reviews.

## Complaints and Reporting



NewTechWood's Whistleblowing Policy establishes secure reporting channels for corruption, bribery, and conflict of interest disclosures. The framework includes (1) Physical suggestion boxes for written submissions which are cleared daily by authorized personnel; (2) Dedicated hotlines with scheduled response windows; (3) Direct supervisor reporting lines, all processed through centralized intake protocols by the Administrative Division. The Company guarantees whistleblower anonymity and non-retaliation through encrypted documentation systems.



All cases reported are tracked via standardized case registries (Employee Complaint Record), with resolutions ranging from corrective actions to disciplinary actions or legal escalations. Regular program audits enhance transparency and enforcement, cultivating a culture of integrity.

Table: Integrity Construction Overview

	Indicator	Year 2024	Unit
Commercial Bribery/ Corruption Incidents	Number of commercial bribery /corruption incidents	0	case
	Case closure rate for commercial bribery /corruption incidents	n/a	%
	Number of commercial bribery /corruption litigation cases	0	case
Integrity Training	Total number of integrity awareness sessions held	1	time
	Total integrity training hours	565	hour
	Average integrity training hours per participant	1	hour
	Total integrity training participants	Directors:9 Employees:565	person-time
	Integrity training coverage rate	Directors:100 Employees:70.10	%
	Integrity Whistleblowing Reports	Total number of whistleblowing reports received	Real-name:0 Anonymous:0
Integrity Whistleblowing Reports	Response rate for whistleblowing reports	n/a	%
	Resolution rate for whistleblowing reports	n/a	%

# Anti-Unfair Competition

NewTechWood strictly complies with the Anti-Unfair Competition Law and Patent Law of the Peoples Republic of China, enforcing a Fair Competition Control Procedure to combat malicious competition, defamation, and intellectual property infringement, and to safeguard a fair market environment and promote industry sustainability.

Anti-unfair competition clauses are included in partnership agreements to ensure fair market practices and prevent malicious competition, false advertising or defamation. Distribution contracts specify trademark usage boundaries and authorized sales regions, prohibiting unauthorized product operations to maintain market fairness.

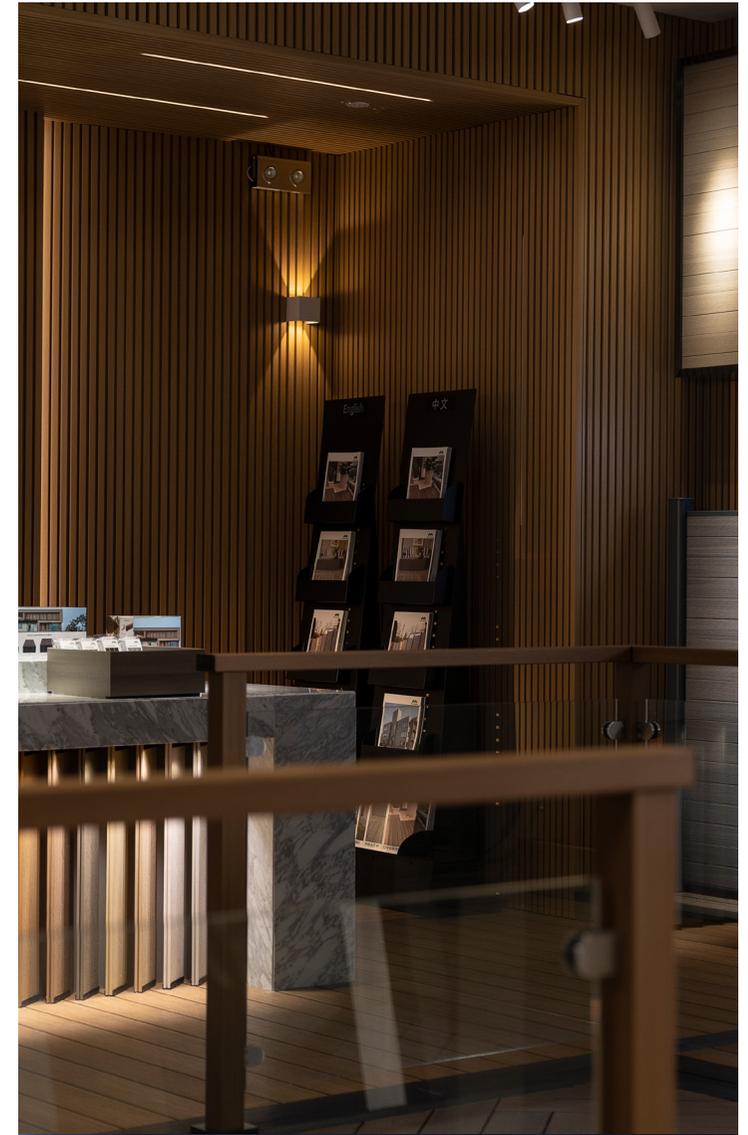
In 2024, NewTechWood and its subsidiaries faced no litigation or major administrative penalties related to unfair competition, no non-compliance in product/service labeling/advertising, and no IP infringement incidents.



# Appendix

Index Table of the Guidelines for Self-Regulation of Listed Companies No. 17—Sustainable Development Report (Trial) issued by the Shenzhen Stock Exchange

Dimension	No.	Topics	Chapter/Section Reference
Environment	1	Climate Change Response	16
	2	Pollutant Emissions	10
	3	Waste Management	12
	4	Ecosystem and Biodiversity Protection	16
	5	Environmental Compliance Management	08
	6	Energy Utilization	13
	7	Water Resource Utilization	15
	8	Circular Economy	07
Social	9	Rural Revitalization	45
	10	Social Contribution	45
	11	Innovation-Driven Development	18
	12	Technology Ethics	Not applicable
	13	Supply Chain Security	31
	14	Equal Treatment of SMEs	Not applicable
	15	Product and Service Safety & Quality	23
	16	Data Security & Customer Privacy Protection	28
	17	Employees	33
Sustainable Development-Related Governance	18	Due Diligence	47
	19	Stakeholder Engagement	48
	20	Anti-Bribery & Anti-Corruption	49
	21	Anti-Unfair Competition	51



## Reader Feedback Form



Dear Reader,

Thank you for taking the time to read the NEWTECHWOOD CORPORATION 2024 Sustainability Report. We sincerely welcome your comments and suggestions on the report and our work. Please mail or email the completed questionnaire to share your valuable insights to:

Address: Wutang Section, 12 Tuo, Daling, Huidong, Huizhou, Guangdong, China  
Email: xmzou@meixin-wpc.com  
Tel: 0752-6531633

### Multiple-choice questions (please tick in the corresponding section)

① Which category does your workplace belong to in relation to NewTechWood:

- Government/Regulatory Authority  Shareholder/Investor
- Industry Researcher  Customer Supplier/Contractor  Employee
- Community  Non-profit Organization  Other (please specify) \_\_\_\_\_

② Are all the information you are interested in included in the report?

- Yes  No

③ Your comprehensive evaluation of NewTechWood 2024 Sustainability Report:

Readability (easy to understand, visually appealing, engaging, easy to find information)

- 3 points (good)  2 points (average)  1 point (poor)

Credibility (information is truthful and reliable)

- 3 points (good)  2 points (average)

Information Completeness (covers both positive and negative aspects and meets your information needs)

- 3 points (good)  2 points (average)  1 point (poor)

④ Can you easily find the information you are concerned about in the report?

- Yes  Average  No

⑤ What other information would you like to see in addition to what has been disclosed in the report?

---



---



---