



Walsun

Walsun Tech & Trade Co., Ltd.
2025 CSR REPORT

January 4, 2026

Contents

I. Report Preface	3
(I) Reporting Standards	3
About This Report	3
Reporting Scope and Boundary	3
Report Data Notes	3
Preparation Process	3
Publication Format	4
Basis of Preparation	4
(II) Message from the General Manager	5
(III) Responsibility Focus	6
Annual ESG Progress	6
(IV) Company Profile	6
Strategy and Culture	7
Company Development History	8
Business Overview	8
II. Governance Responsibility	8
Digital Empowerment and Intelligent Transformation	10
Integrity Management	11
Diverse and Inclusive Employee Communication and Grievance Mechanism	11
Fair Competition	12
Lawful and Compliant Operations	13
Information Disclosure Management	13
(II) ESG Management	13
III. Environmental Risk Management	15
(I) Environmental Management	15
1. Environmental Management System	15
2. Environmental Management System Certification	15
3. Environmental Initiatives	15
4. Environmental Non-compliance Incidents and Penalties	16
(II) Resource Utilization	16
1. Energy Consumption	16
2. Water Resource Use	17
3. Paper Consumption	17
4. Green Office Initiatives	17
(III) Addressing Climate Change Challenges	18
Greenhouse Gas Emissions	19
IV. Social Risk Management	19
(I) Employment	19
Equal Employment	19
Improving the Management System	20
Optimizing Compensation and Benefits	20
Practicing Democratic Management	21

Employee Benefits	22
Employee Satisfaction.....	22
(II) Development and Training.....	23
Improving Mechanisms and Supporting Development.....	23
Career Development System.....	24
Training Management	24
Building Cohesion and Sharing a Better Future.....	25
Core Philosophy.....	25
Care System and Measures	26
Implementation in 2025	26
Team Building.....	27
(III) Occupational Health and Safety	28
Occupational Health Management.....	28
Occupational Health and Safety Management System Certification	30
Number of New Occupational Diseases.....	30
Safety Implementation and Training	30
Office Safety Performance	30
(IV) Customer Responsibility	31
Product/Service Quality Management	31
Product Qualification Rate	31
Product Marketing.....	32
Handling Customer Complaints.....	32
Information Security and Privacy Protection	32
Customer Satisfaction	33
Complaint Resolution Rate	33
Customer Health and Safety Negative Incidents During the Reporting Period	33
(V) Responsible Supply Chain Management.....	33
Sustainable Supply Chain Management System.....	33
Supplier ESG Performance Assessment.....	34
Number of Suppliers Reviewed	35
Number of Suppliers Suspended Due to Non-compliance.....	35
Number of Potential Suppliers Rejected Due to Non-compliance.....	35
V. Value Creation	36
Social Value.....	36
Industry Value	36
Creating Shared Value and Leading the Future.....	38
Appendix: Feedback	39

I. Report Preface

(I) Reporting Standards

About This Report

This report is the third Corporate Social Responsibility Report issued by Walsun Tech & Trade Co., Ltd. (hereinafter referred to as "Walsun", "Walsun" or the "Company") to its stakeholders. Through objective, standardized, transparent and comprehensive disclosure, it aims to present truthfully the Company's efforts, practices and performance in governance, environmental and social responsibility. The textual information and performance data in this report mainly cover the period from January 1, 2025 to January 3, 2026, while some information may relate to previous years.

Reporting Scope and Boundary

Unless otherwise stated, this report covers Walsun Tech & Trade Co., Ltd. In this report, "Walsun" and the "Company" refer to Walsun Tech & Trade Co., Ltd.

Report Data Notes

The data used in this report are sourced from public data released by government departments, the Company's internal statistics, administrative documents and reports, and third-party assessments. Unless otherwise stated, all monetary amounts in this report are denominated in RMB. In the event of any inconsistency with the financial report, the financial report shall prevail.

Preparation Process

Based on the Company's ESG practices, this report was prepared through the process of project approval, material collection, drafting and revision, senior management

review, and external disclosure. During project approval, drafting and revision, the Company actively communicated with relevant stakeholders to study and validate the report framework and content.

Publication Format

This report is published in electronic form and can be accessed on the Company's official website (www.walsun.cn). The Company plans to publish the report annually. For questions or suggestions, please email greenchem@walsun.cn or call 0731-82229318 ext. 624.

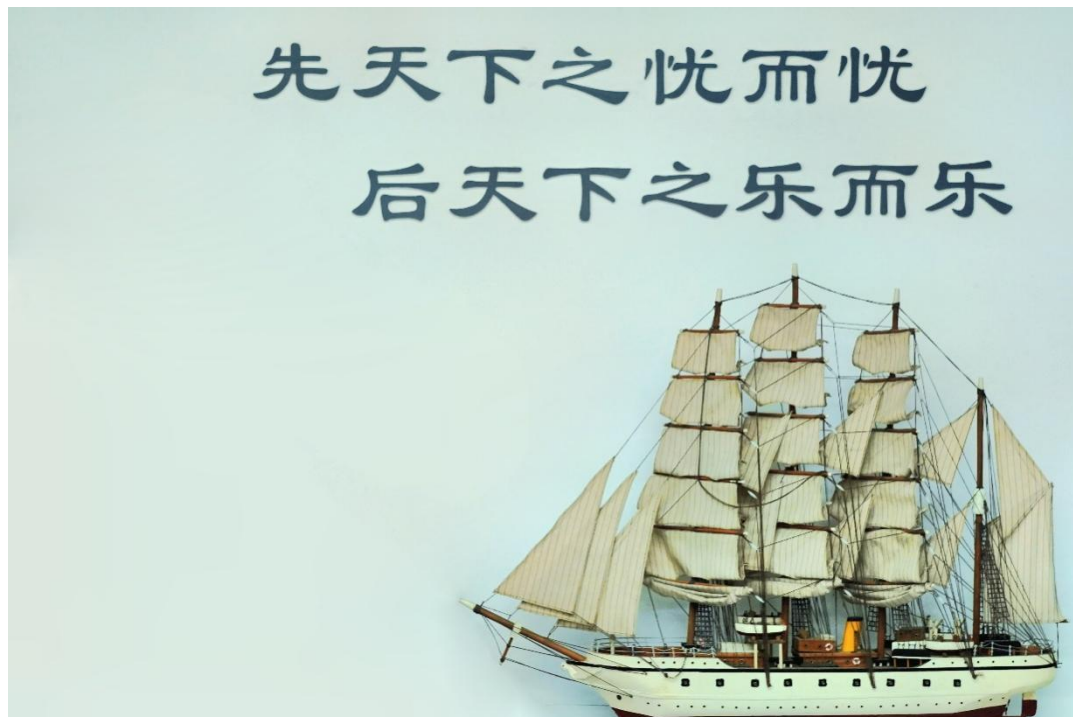
Basis of Preparation

- Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 5.0) by the Chinese Academy of Social Sciences
- United Nations 2030 Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards)

(II) Message from the General Manager

Dear customers, employees and shareholders: Truly outstanding enterprises should be important forces driving the progress of human society. Walsun has chosen sustainable development. We fully understand that although the Company is small, its responsibilities are significant. We hope that Walsun's business philosophy and practices will continue to create a positive impact on the environment, society and employees. The future development level of Walsun will depend on its social value. Actions speak louder than words; Walsun will continue to move forward with perseverance.

General Manager of Walsun: Yu Guo



(III) Responsibility Focus

Annual ESG Progress

We continued to optimize corporate governance, vigorously promoted the development of a modern enterprise system, further standardized governance practices, and enhanced risk prevention and control capabilities. We improved investor relations management and continued to create stable value returns for shareholders. We built quality, environmental, and occupational health management systems, and successfully completed the annual audits for ISO 14001, ISO 45001, and ISO 9001 during the year. We also updated our supplier compliance and ESG performance assessment model, improved the sustainable supplier management system, and strengthened service quality to ensure consistent delivery of excellent products and high-quality services to customers. During the reporting period, the Company achieved operating revenue of RMB 19.85 million. Among the products sold, 42 products had relatively green attributes, accounting for 31.06% of the total number of products sold and 31.80% of total sales value.

We continued to practice the concept of green development, contribute to society within our capacity, increase the proportion of products with green attributes in sales, and pay attention to public welfare.

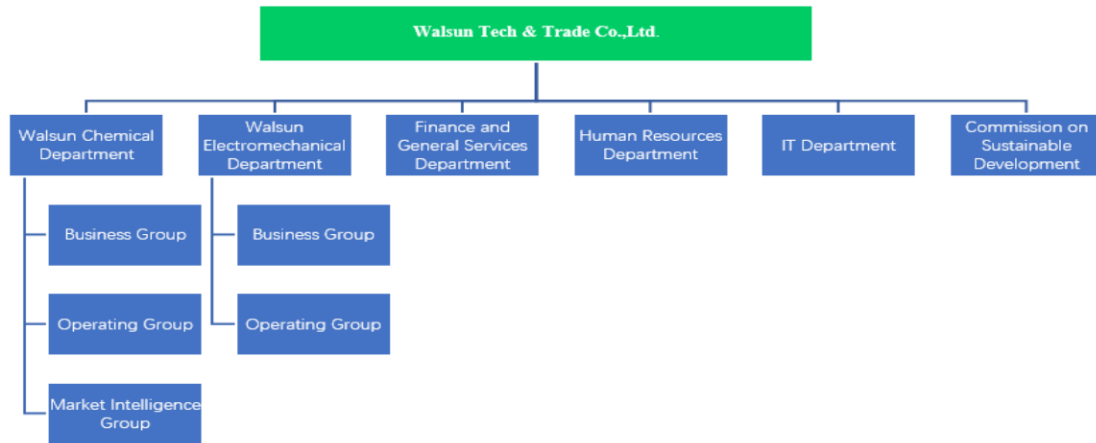
(IV) Company Profile

Walsun Tech & Trade Co., Ltd. (abbreviated as "Walsun"), website: www.walsun.cn, was established in 2004 and is located at Room 608, First Avenue, No. 2 Wuyi West Road, Furong District, Changsha. It is an integrated trading company mainly engaged in chemical and mechanical & electrical import and export business, with more than 21 years of development history. Walsun's import and export team has long provided high-quality services to well-known Chinese and international companies, including Brenntag, 3M and Sinopec. The Walsun team pursues excellence and sincerely creates

value for partners.

Walsun has obtained ISO 9001/14001/45001 integrated management system certification and has continuously received the EcoVadis Bronze Medal.

Organizational Structure Chart of Walsun Tech & Trade Co., Ltd.



Strategy and Culture

Mission: To promote the physical and mental well-being of all employees and strive to create value for society.

Vision: To become a respected international enterprise and achieve sustainable development.

Core Values:

Customer-centricity, integrity and honesty, embracing change, and innovation.

Pursue outstanding achievements and contributions, and achieve common goals through teamwork.

Company Development History



Business Overview

Walsun is an integrated trading company mainly engaged in chemical and mechanical & electrical import and export business, primarily focusing on the export of chemical products and the import of mechanical and electrical products.

II. Governance Responsibility

Corporate Governance: Building a scientific and balanced governance structure to safeguard long-term value

We firmly believe that sound corporate governance is the cornerstone of sustainable development and the core guarantee for protecting the legitimate rights and interests of all stakeholders. In accordance with the Company Law and other laws and regulations, as well as the Articles of Association, the Company has established a modern governance structure with clearly defined powers and responsibilities, checks and balances, scientific decision-making, and efficient operations, and is committed to improving standardized operations and transparency.

1. Governance Structure and Responsibilities

The Company has established a shareholders' meeting, a board of directors and a board of supervisors, forming a governance system in which decision-making, execution and supervision are separated from and coordinated with each other.

- **Shareholders' Meeting:** As the highest authority of the Company, it consists of all shareholders and is responsible for determining the Company's major policies and strategies. We have formulated the Rules of Procedure for the Shareholders' Meeting to ensure that its convening, holding and voting procedures are lawful and compliant. During the reporting period, the Company held four shareholders' meetings, and the meeting procedures fully complied with relevant requirements, ensuring the equal rights of all shareholders.
- **Board of Directors:** As the Company's core decision-making body, the Board is accountable to the shareholders' meeting. During the reporting period, the Board consisted of four members and held four meetings, with a 100% attendance rate of all directors. All directors fulfilled their duties faithfully, honestly and diligently, providing strong support for the Company's scientific decision-making.
- **Board of Supervisors:** As the Company's dedicated supervisory body, it is responsible for supervising and inspecting the Company's finance and the performance of duties by directors and senior management, and for protecting the legitimate rights and interests of the Company, shareholders (especially minority shareholders) and employees.

2. Operational Practices and Independence

- **Independence:** The Company has independent and complete principal business operations and autonomous operating capabilities. It remains independent from the controlling shareholder in personnel, assets, finance, organization and

business, ensuring independent operations and decision-making and effectively preventing the risk of improper intervention.

- **Standardized Operations:** The controlling shareholder strictly exercises shareholder rights and fulfills obligations in accordance with the law. All governance bodies of the Company operate strictly within the authorization scope of the Articles of Association and various rules of procedure, forming an effective internal checks-and-balances and accountability mechanism.

Through the above governance structure and practices, we ensure scientific decision-making, compliant operations and effective supervision, providing a solid institutional guarantee for the Company's steady development and long-term value creation.

Digital Empowerment and Intelligent Transformation

The Company regards digital transformation as a key engine for enhancing core competitiveness and continues to explore the deep integration of digital technologies with business development.

Since launching its transformation strategy in 2020, we have achieved phased results: Infrastructure stage (2021): We successfully launched the OA Chemical Management System 1.0, realizing digital management of the full order process and laying a solid foundation for efficient operations.

Data empowerment stage (2023): We independently built key data templates such as product market analysis, chemical product GS profiles and supplier ESG performance assessment, applying data insights to market forecasting and sustainable supply chain management.

Intelligent exploration stage (2024-2025 and beyond): We proactively established an AI task force to actively explore new models for AI-enabled business. In 2025, the team focused on core business and developed automated processes to further improve decision-making efficiency and operational agility, driving sustainable development through technological innovation.

Integrity Management

Walsun strengthens the screening of personnel and suppliers to prevent dishonest individuals and entities from entering the Company, thereby reducing fraud risks. We foster a clean and upright working environment and prohibit all forms of corruption and bribery. To further promote anti-corruption and integrity work, the Company has established the Walsun Supplier Code of Conduct and the Walsun Business Conduct Standards, defining clear integrity red lines. In 2024, anti-corruption and anti-bribery clauses were added to procurement contracts. In 2025, we continued to strengthen integrity management for suppliers, distributors and other partners, and established channels and handling mechanisms for commercial fraud complaints and reports.

During the reporting period, the coverage rate of employee training on business conduct standards (including business ethics) was 100%, and there were zero corruption or bribery-related incidents.

Diverse and Inclusive Employee Communication and Grievance Mechanism

We firmly believe that respecting and protecting employees' legitimate rights and interests and creating an open, transparent and trust-based workplace are core foundations for sustainable development. To this end, we have established a diversified and multi-dimensional communication and grievance mechanism to ensure that every employee's voice can be heard, respected and responded to.

1. Diversified communication channels: We provide flexible and convenient grievance channels to meet employees' communication needs in different situations.

Direct communication: Employees are encouraged to communicate directly and efficiently with their immediate supervisors, department heads or the Human Resources Center through face-to-face discussions.

Written grievances: Employees may submit detailed grievance materials through formal written letters or emails, ensuring seriousness and traceability of communication.

Digital voice platform: As an important measure in the digitalization of corporate governance, we launched the "Voice Community" on the internal OA system. The platform allows employees to publish opinions, suggestions or grievances anonymously or under their real names at any time. This innovative measure not only protects employees' privacy and freedom of expression, but also broadens the breadth and depth of management's access to front-line voices.

2. Fair and transparent handling process: All grievances and feedback are investigated and handled seriously, fairly and promptly. After receiving a grievance, each responsible department initiates an independent investigation and makes a decision as soon as possible based on facts and company rules. The handling result is formally communicated to the complainant and relevant management, and a clear escalation path is provided to ensure proper resolution.

Through this comprehensive mechanism, we are committed to building a workplace culture based on trust and respect and promoting the common growth of the Company and its employees.

Fair Competition

We strictly comply with the Anti-Unfair Competition Law of the People's Republic of China and other laws, regulations and relevant requirements, and always conduct sales in accordance with the Company's established procurement processes and standards. During the reporting period, the Company operated in compliance with relevant laws and regulations and was not subject to penalties by national competent authorities for tying arrangements, commercial bribery, unfair competition or similar issues, nor was it involved in legal proceedings related to unfair competition or antitrust matters caused by the Company.

Lawful and Compliant Operations

The Company strictly complies with laws, regulations and regulatory requirements to ensure lawful operations. We continuously improve management systems, strengthen rules and procedures for legal governance, and standardize contract review and other workflows to provide legal support for operations. At the same time, we continuously enhance employees' awareness of laws and regulations, regularly organize internal legal compliance training, intensify efforts to govern the enterprise according to law, and translate compliance capabilities into a driving force for modernizing corporate governance.

Since its establishment in 2004, the Company has had no abnormal business operations, no dishonest judgment debtor record, and no major negative public opinion during its operations.

Information Disclosure Management

The Company strictly fulfills its information disclosure obligations in a truthful, accurate, complete and timely manner in accordance with relevant laws and regulations and the Articles of Association. Each month, the Company sends its operating status to shareholders in the form of financial statements, thereby improving the level and quality of information disclosure management and protecting shareholders' rights and interests.

(II) ESG Management

In 2020, Walsun established the Walsun Green Sustainability Committee and formulated ESG strategic goals, further clarifying the strategic direction, specific objectives and key tasks for advancing ESG work in key areas and promoting the integration of ESG into operations and management. To implement these goals, the Sustainability Team breaks down ESG work into company management, sustainable

supply chain development, and GreenChem green chemical website development according to Walsun's annual green sustainability objectives. In 2024, Walsun Chemical issued its HSE policy, which set the following HSE objectives:

Walsun Chemical HSE Objectives

1. Zero workplace injuries and zero workplace accidents for employees;
2. Promote paperless office practices; per capita paper use shall decrease year by year from 2024, and by the end of 2030, per capita paper use shall decrease by at least 40% compared with the 2023 baseline;
3. Ensure that 100% of transacted partner suppliers pass Walsun's legality compliance audit;
4. From 2025, no less than 30% of transacted partner suppliers shall pass Walsun's On-site Audit, and no less than 30% of transacted partner suppliers shall complete the Walsun Supplier ESG Assessment Questionnaire.

Completion of 2025 targets:

1. Zero workplace injuries and zero workplace accidents for employees; completion rate: 100%;
2. Per capita paper use decreased by 7% compared with 2024.
3. 100% of transacted partner suppliers passed Walsun's legality compliance audit; completion rate: 100%;
4. Twenty-two transacted partner suppliers passed Walsun's On-site Audit, accounting for 12.2% of 2025 partner suppliers; 18 suppliers completed the Walsun Supplier ESG Assessment Questionnaire, accounting for 10% of 2025 partner suppliers.

III. Environmental Risk Management

(I) Environmental Management

1. Environmental Management System

Walsun attaches importance to the development of its environmental management system, strictly complies with the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China and other laws and regulations, and has formulated general environmental management systems, including the Environmental Protection, Health and Safety Incident Reporting and Investigation Procedure, the Environmental Factors Identification, Evaluation and Control Procedure, and the Environmental Management Operation Control Procedure.

At present, the updated system documents implemented by Walsun include the Quality, Environmental and Occupational Health and Safety Management Manual, the Hazard Identification and Evaluation Control Procedure, and the Environmental Factors Identification and Evaluation Control Procedure.

2. Environmental Management System Certification

Walsun first obtained ISO 14001 environmental management system certification in 2020, organizes annual surveillance audits, obtained re-certification in 2023, and successfully passed the annual audits in 2024 and 2025.

3. Environmental Initiatives

- Maintain green and low-carbon office practices
- Operate and maintain the GreenChem website and advocate green chemicals
- Search for more sustainable alternatives for chemical products, assess Walsun

suppliers' ESG performance, and provide customers with product alternative information and supplier ESG assessment results to help them make more sustainable choices.

- Revamp the GreenChem website to provide potential alternative searches for chemical products
- Build the new Walsun Chem website to enable forward-looking chemical procurement and provide sustainable solutions.

4. Environmental Non-compliance Incidents and Penalties

During the reporting period, the Company recorded zero environmental complaints and pollution incidents.

(II) Resource Utilization

The main energy and resources used in the Company's daily operations include electricity and water, all of which are stably supplied by relevant local institutions.

There were no shortages of demand or excessive use and waste.

The Company's production and operating activities do not directly emit greenhouse gases such as carbon dioxide. Indirect greenhouse gas emissions mainly come from electricity used in daily office operations, tap water consumption, wastewater treatment, waste disposal, employee commuting, business travel and other activities.

1. Energy Consumption

During the reporting period, Walsun consumed 8,100 kWh of electricity and 455 m³ of natural gas for the year.

2. Water Resource Use

During the reporting period, Walsun consumed 205 tonnes of water for the year.

Domestic wastewater was uniformly managed by the property management company and discharged through appropriate wastewater treatment facilities to the wastewater treatment plant designated by the local management center.

3. Paper Consumption

During the reporting period, Walsun consumed 75 kg of A4 paper for the year.

Walsun promotes energy and low-carbon awareness among employees, improves awareness of energy and water conservation, and contributes to reducing greenhouse gas emissions.

4. Green Office Initiatives

Promoting green operations and building a low-carbon office environment

Walsun is committed to integrating the concept of sustainable development into every aspect of daily operations. Through systematic green office initiatives, it effectively reduces resource consumption and carbon emissions and creates an environmentally friendly, healthy and efficient working atmosphere.

1. Refined energy management: We implement comprehensive energy management strategies to improve energy efficiency and reduce our carbon footprint.

- **Lighting optimization:** We prioritize natural lighting and implement the energy-saving rule of turning off lights when leaving. We also regularly clean and maintain lighting equipment to ensure optimal energy efficiency.
- **Temperature control:** We optimize the operation of the air-conditioning system, require timely shutdown in unoccupied areas, and reduce building heat loads through measures such as installing sunshades to lower cooling energy consumption.

- 2. Resource conservation and recycling:** We advocate the concept of circular economy and promote the conservation and efficient use of office resources.
- **Paperless office:** We fully promote electronic processes and online collaboration, encourage double-sided printing, and reduce paper consumption at source.
 - **Water resource protection:** We have established a water-saving management mechanism and encourage employees to promptly report leaking facilities to eliminate water waste.
- 3. Green culture and low-carbon travel:** We actively cultivate a green culture within the Company and guide employees to practice low-carbon lifestyles.
- **Green commuting advocacy:** We encourage employees to commute by public transport, bicycle and other green means, and advocate taking stairs more often and reducing elevator use within the Company.
 - **Optimizing business travel:** We prioritize online meetings as substitutes for non-essential business travel, and when travel is necessary, we encourage the choice of lower-carbon transport options such as high-speed rail.
 - **Environmental awareness enhancement:** We regularly conduct environmental publicity and education and promote the use of personal carbon footprint calculators, helping the idea of "low-carbon office starts with me" take root.

(III) Addressing Climate Change Challenges

1. Improving energy and resource efficiency: Through both technology upgrades and management optimization, we continue to reduce operational energy consumption.

- **Lighting system optimization:** Office lighting has been fully upgraded to energy-saving fixtures, and the energy-saving rule of turning off lights and equipment when leaving is strictly implemented.

- **Paperless office:** We vigorously promote electronic processes and encourage double-sided use of paper to reduce resource consumption at source.

2. Green travel and culture building: We actively advocate low-carbon lifestyles and guide employees to participate through cultural development.

- **Green commuting advocacy:** We encourage employees to give priority to public transport, bicycles and other green ways of travel, with notable results. According to an employee commuting survey, more than 80% of employees choose public transport, far higher than private car use, effectively reducing carbon emissions from commuting.
- **Low-carbon culture communication:** Through continuous publicity and education, environmental concepts such as turning off lights and saving water have become employees' conscious actions, creating a green office atmosphere with participation by all employees.

Greenhouse Gas Emissions

During the reporting period, Walsun's greenhouse gas emissions were 28.558 tCO₂e.

IV. Social Risk Management

(I) Employment

Equal Employment

Walsun strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Regulations on Work-Related Injury Insurance and other national laws and regulations to ensure lawful and compliant recruitment and employment. We standardize recruitment procedures and requirements, provide employees with fair and reasonable employment opportunities, adhere to democratic management, create a fair, just, comfortable and positive working

environment, oppose all forms of forced labor, prohibit child labor, and ensure that employees are entitled to statutory holidays.

Improving the Management System

We strictly comply with relevant laws and regulations, formulate personnel rules and systems through democratic and lawful procedures, and create a sound employment environment. The Company adheres to the principles of just, fair and open employment, opposes all discrimination based on race, gender, age, family background, religious belief or other grounds, and ensures that all employees receive equal treatment in recruitment, work, compensation, training, promotion and benefits.

Summary of employee composition as of the end of the reporting period

Category	Description	Number
Gender Composition	Total male employees (persons)	10
	Total female employees (persons)	25
Age Composition	Total employees under 20 (persons)	0
	Total employees aged 20-30 (persons)	5
	Total employees aged 30-50 (persons)	23
	Total employees over 50 (persons)	7
Education Composition	Employees with bachelor's degree or above (persons)	21
	Employees with college diploma (persons)	12
	Employees with high school education or below (persons)	2
Ethnic Composition	Han ethnicity	34
	Ethnic minorities	1

Optimizing Compensation and Benefits

Value-oriented and shared compensation incentive system

Walsun's compensation system is closely centered on job value, personal capability and performance contribution, while taking into account regional market levels to

ensure external competitiveness and internal fairness. Through compensation incentives, we are committed to ensuring that every contribution made by employees receives due reward.

Key measures include:

- **Long-term incentives:** We launched a virtual equity incentive plan, enabling employees to become beneficiaries of the Company's growth and share in development benefits.
- **Structural optimization:** In 2025, we updated the bonus system and established a more reasonable bonus calculation structure and clear career-grade promotion path, paving the way for employees' career development.

Through continuous optimization, we are committed to making compensation a core driving force for motivating employees to create value and share results.

Practicing Democratic Management

We firmly protect employees' rights to participate in company decision-making and management in accordance with company rules, advocate equality for all, and encourage employees to actively express work and life needs and ideas through weekly Monday meetings. We promptly understand, respond to and resolve these needs, fully safeguarding employees' rights to democratic management.

Overall employee statistics of Walsun as of the end of the reporting period

Category	Result
Total employees (persons)	35
Proportion of female managers (%)	60
Employee labor contract signing rate (%)	100
Employee social insurance coverage rate (%)	100
Employee turnover rate during the reporting period (%)	8.57
Average paid annual leave per employee (days)	8.94

Employee Benefits

Walsun provides a multi-level and multi-dimensional benefits package to comprehensively protect employees' rights and enhance employee well-being.

- Basic benefits: Full payment of five social insurances and housing fund, statutory paid annual leave, maternity leave, paternity leave, parental leave and other types of leave.
- Incentive benefits:
 - Long-term incentives: Implementation of the Employee Stock Ownership Plan (ESOP) and the TUP profit-sharing plan.
 - Short-term incentives: Payment of competitive year-end bonuses.
- Care benefits:
 - Health care: Annual medical checkup allowance.
 - Cultural life: Birthday benefits, holiday benefits, annual trips, afternoon tea snacks every day and other benefits.



Employee Satisfaction

During the reporting period, employee satisfaction was 97.4%.

(II) Development and Training

Improving Mechanisms and Supporting Development

We continue to deepen and improve the employee development mechanism, actively carry out employee training suited to the needs of various positions, promote capability improvement, clarify career advancement paths, optimize incentive systems, fully stimulate employees' enthusiasm for self-learning, and improve self-learning capabilities.



Career Development System

We have designed a comprehensive career development system and created different career development paths for employees with different capability orientations, namely professional development and management development paths.

Training Management

During the reporting period, the Company built a tiered and multi-dimensional training system, with the following implementation:

1. New employee onboarding: integrating online and offline training to strengthen foundations

A dual-track model of face-to-face instruction plus online self-study was adopted. Offline training totaled 20 class hours and focused on basic practical operations; online training totaled 25 class hours and covered courses such as Dedao OKR System Learning, Communication Training Camp, Walsun Business Conduct Standards and the Employee Handbook. During the reporting period, two new employees successfully completed a total of 90 class hours of onboarding training.

2. General competency training for all employees: internal development and external practice for comprehensive empowerment

Regular mechanism: Relying on daily department meetings and weekly reviews, we aim to improve employees' execution and leadership capabilities and promote the in-depth implementation of corporate culture and the ISO integrated management systems.

Mandatory courses for all employees: For all Walsun employees, we conducted Marketing Training: Business Expert Course (80 class hours), Oriental Wisdom Academy: The Art of War (30 class hours), and the continuously updated AI Learning Manual, comprehensively improving employees' overall competencies.

3. Training for middle and senior management: focusing on strategy and improving effectiveness

Focusing on core topics such as corporate strategy development, realization of mission and vision, process control and goal achievement, we strengthened the management team's core management skills and strategic vision through a combination of online courses and in-depth discussions.

4. Specialized business skills training: department-specific customization and targeted improvement

Targeted training was carried out according to the needs of different departments: Chemical Department: Conducted the Bangke Foreign Trade Course (50 class hours) and SGS certification training series (including EcoVadis sustainable procurement, business ethics, information disclosure standards and CSDDD response, totaling 4

class hours), focusing on enhancing practical foreign trade capabilities and sustainable development compliance.

IT Department: Conducted the one-academic-year Dedao AI Learning Circle course to continuously deepen the technical team's professional capabilities.

Statistics on Walsun Online Course Training during the reporting period

Training Content	Class Hours	Training Participants
Dedao OKR System Learning	1 class hour	New employees
Dedao Communication Training Camp	24 class hours	New employees
Bangke Foreign Trade Course	50 class hours (updating)	Chemical Department business team
AI Learning Manual	Continuously updated	All Walsun employees
Marketing Training: Business Expert Course	80 class hours	All Walsun employees
Oriental Wisdom Academy: The Art of War	30 class hours	All Walsun employees
Dedao AI Learning Circle Course	1 academic year	All IT Department employees
SGS: EcoVadis Sustainable Procurement	1 class hour	Chemical Department Green Sustainability Team
SGS: Business Ethics in EcoVadis Corporate Social Responsibility Assessment	1 class hour	All employees
SGS: Progress of Domestic Sustainability Information Disclosure Standards and Corporate Response	1 class hour	Chemical Department Green Sustainability Team
SGS: How Overseas-Expanding Enterprises Respond to the Corporate Sustainability Due Diligence Directive (CSDDD)	1 class hour	Chemical Department Green Sustainability Team

Building Cohesion and Sharing a Better Future

Core Philosophy

Walsun is committed to building a supportive and inclusive work environment. We believe that employee well-being is the cornerstone of the Company's sustainable development. By providing targeted and effective care measures, we aim to enhance employees' sense of belonging, strengthen team cohesion, and achieve the common growth of employees and the Company.

Care System and Measures

The Company has established a systematic employee care program, jointly implemented by the Human Resources Department and the Finance & Administration Department. Specific measures are as follows:

Care Category	Specific Measures	Purpose
Health and Family Care	Hospitalization condolence payments for employees/family members	Respond to unexpected health issues and convey organizational warmth
Financial Support	Interest-free employee loans	Relieve temporary financial pressure on employees
Emotional Connection	Spring Festival red envelopes for family members	Enhance the sense of belonging and honor of employees and their families

Implementation in 2025

In 2025, the Company visited and extended condolences to six employees and family members, including one employee and five family members. Condolence payments totaled RMB 7,000 and condolence materials were approximately RMB 1,500, totaling approximately RMB 8,500.

Team Building

The Company improves employees' physical fitness and enhances cohesion and centripetal force through annual trips, occasional outdoor hiking or gatherings, and weekly badminton activities.



(III) Occupational Health and Safety

Occupational Health Management

Creating a workplace with health, vitality and a sense of belonging

We firmly believe that employees' physical and mental health is the cornerstone of corporate sustainable development. Upholding the people-oriented core value, Walsun has established a systematic and multi-level occupational health management system. From institutional safeguards and cultural and sports activities to cultural immersion, we protect employees' physical and mental health in all aspects and enhance their happiness and sense of belonging.

Institutional health protection: from passive treatment to proactive prevention

We encourage employees to put health management first and, through institutional support, shift from treating illness after it occurs to preventing illness before it occurs.

- **Annual health allowance:** The Company provides each employee with a special medical checkup allowance of RMB 1,200 per year, urges employees to undergo regular checkups, and establishes personal health records. This is not only an investment in employee health, but also care for the happiness of every family.

Diversified cultural and sports activities: enhancing team cohesion and work enjoyment

We believe that active team activities are an effective way to relieve stress, build friendships and stimulate vitality. During the reporting period, we carefully planned and organized a variety of cultural and sports activities:

- **Outdoor exploration:** We organized three outdoor hiking and walking activities, allowing employees to get close to nature while tempering their will and strengthening communication.

- **Indoor sports:** We held 15 indoor badminton activities, providing sports enthusiasts with a platform to exchange skills and enjoy exercise, effectively enhancing team spirit.

Integrating health into daily work: making health a work habit

We are committed to deeply integrating health concepts into the workplace so that they become a natural part of our corporate culture.

- **Convenient fitness facilities:** The office area is equipped with a full set of fitness equipment such as treadmills, elliptical trainers, barbells and dumbbells, encouraging employees to exercise at any time during fragmented intervals.
- **Regular workplace exercises:** We organize two daily workplace exercise sessions or Baduanjin activities to help employees stretch and relax during intensive work, effectively prevent occupational diseases and improve work efficiency.



Occupational Health and Safety Management System Certification

We continue to promote the development of ISO 14001 and ISO 45001 systems. In 2020, the Company first obtained ISO14001 and ISO 45001 dual-system certification, organizes annual surveillance audits, and successfully passed the review in 2025.

Number of New Occupational Diseases

During the reporting period, the number of new occupational disease cases and accumulated occupational disease cases in the Company was zero.

Safety Implementation and Training

We assign responsibilities for fire safety, environmental safety and other matters to the corresponding responsible departments and persons, ensuring that employees develop awareness of environmental protection and environmental safety.

1. Signing of employee safety target responsibility letters:

Zero fire accidents; zero personal injury accidents and traffic accidents;

Hazard rectification rate: 100%; employee safety education coverage rate: 100%.



2. In cooperation with the property management company, we conduct two fire emergency drills each year and hold safety knowledge lectures to improve employees' safety awareness.

Office Safety Performance

Walsun provides safety education and training to employees on basic safety knowledge, water and electricity safety, use of fire masks, traffic safety, fire emergency drills, laws and regulations, and other topics.

Walsun Office Safety Performance Statistics

Category	Performance
Total number of safety-related training (sessions)	6
Total safety-related training hours (class hours)	6
Safety training coverage rate (%)	100
Number of safety accidents (incidents)	0
Number of work-related injuries/deaths (persons)	0
Lost workdays due to work-related injuries (days)	0

(IV) Customer Responsibility

Product/Service Quality Management

Walsun adheres to a customer-centric service philosophy. Since 2020, we have maintained ISO 9001 quality management system certification and conduct annual surveillance audits. In 2025, we successfully passed the review.

Product Qualification Rate

During the reporting period, the product qualification rate was 100%.

Product Marketing

In service promotion, we uphold a highly responsible attitude and conduct marketing activities objectively and truthfully, without exaggeration or concealment of risks.

Handling Customer Complaints

We attach importance to rapid responses to customer complaints and effectively protect every customer's rights and interests. Product managers promptly and effectively respond to customer complaints and track the handling milestones, progress and results of each complaint. At the same time, they conduct overall analysis of complaint causes and formulate standardized policies or processes. During the reporting period, the first follow-up rate within 24 hours for complaint records was 100%.

Information Security and Privacy Protection

Walsun has established a scientific, systematic and standardized intellectual property management system to provide strong support for the Company's sustainable development. In addition to protecting its own intellectual property and trade secrets, the Company also respects the intellectual property rights of others and avoids infringing upon their rights; it also conducts specialized training to cultivate relevant personnel's awareness of trade secret protection.

The Company has formulated an overall information security plan, continuously improves information security management systems, and has established a network and information security emergency leadership team. It assigns specific security management personnel, strengthens information technology personnel's security awareness and incident response capabilities, and deploys related security products and measures. In addition, the Company actively promotes training on network data

security and personal information protection and improves cybersecurity awareness through email and online training.

During the reporting period, the Company regularly completed cybersecurity risk assessments and vulnerability scans, and there were zero information security incidents.

Customer Satisfaction

During the reporting period, Walsun's customer satisfaction in 2025 was 94.16%, up 0.3% from 93.88% in 2024.

Complaint Resolution Rate

During the reporting period, the customer complaint resolution rate was 100%.

Customer Health and Safety Negative Incidents During the Reporting Period

During the reporting period, there were zero negative customer health and safety incidents.

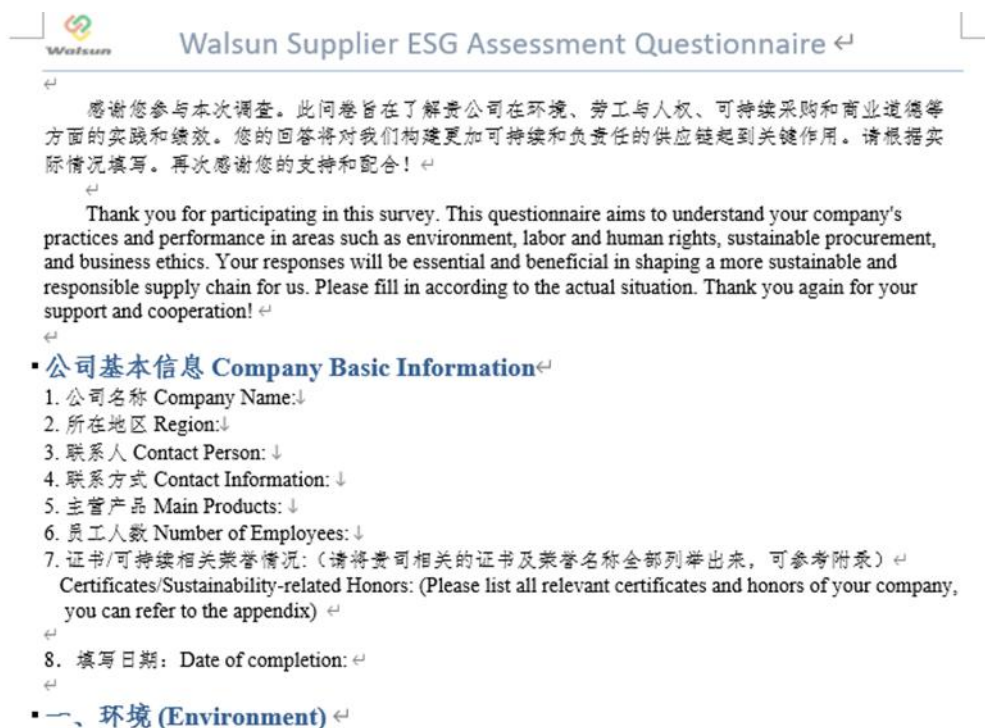
(V) Responsible Supply Chain Management

Sustainable Supply Chain Management System

To effectively promote sustainable supply chain management, Walsun established the Sustainability Committee.

1. The Company formulated the Walsun Supplier Code of Conduct to guide and regulate supplier behavior in areas such as lawful operations, compliant employment, resource consumption, emission control, health and safety, and business ethics. 100% of partner suppliers have signed purchase and sales contracts containing compliance, environmental and social responsibility clauses.

2. In the second half of 2024, Walsun developed the Supplier ESG Assessment Questionnaire to regularly assess suppliers' compliance and ESG performance. The questionnaire was iteratively optimized in 2025.



Supplier ESG Performance Assessment

The Company has formulated the Supplier Compliance Audit Standards and Supplier ESG Performance Assessment Measures and actively promotes green procurement. In assisting customers in selecting suppliers, we implement the concepts of green and low-carbon development, energy conservation and environmental protection. Under equal conditions, we give priority to products that are harmless or less harmful to the environment throughout their life cycle, have high resource utilization efficiency and low energy consumption; give priority to energy-saving and environmentally friendly new technologies and processes; give priority to suppliers with ISO certificates; advocate the protection of workers' rights and interests; and promote environmental protection and social responsibility throughout the supply chain.

Admission: Review the qualifications, compliance and ISO certification status of potential suppliers;

Assessment: Conduct ESG performance assessments of partner suppliers and, when necessary, carry out on-site conformity investigations of supplier qualification documents;

Evaluation: Conduct comprehensive evaluation based on assessment results, and provide evaluation results for the reference of business departments;

Exit: Enterprises shall be temporarily removed from the qualified supplier list under the following circumstances:

- (1) Enterprises that have experienced an especially major or major accident within the past 12 months;
- (2) Enterprises that have experienced two safety production accidents within the past 12 months, one of which was a relatively major accident;
- (3) Enterprises that have concealed, falsely reported, delayed reporting or omitted reporting of safety production accidents within the past 12 months;
- (4) Enterprises that have received any administrative penalty within the past 12 months but refuse to rectify or fail to implement corrective actions.

Number of Suppliers Reviewed

During the reporting period, Walsun reviewed 180 suppliers that passed the review, with zero suppliers failing the review.

Number of Suppliers Suspended Due to Non-compliance

During the reporting period, zero suppliers were suspended due to social responsibility non-compliance, and there were zero terminations due to corruption-related violations.

Number of Potential Suppliers Rejected Due to Non-compliance

During the reporting period, 1,958 potential suppliers underwent compliance review, and 19 potential suppliers were rejected for database entry due to compliance issues.

V. Value Creation

Sustainable evolution from social responsibility to business for good

Walsun is committed to creating diverse value beyond financial statements. Our path of value creation is clear and resolute: rooted in sincere commitment to social well-being, further empowered by industry-wide green transition intelligence, and now advancing toward the commercialization and service-oriented delivery of sustainable development concepts, we strive to fully integrate social value with commercial value.

Social Value

Walsun has a long history of social responsibility practices. Since establishing a charity fund in 2012, we have consistently focused on educational assistance, emergency support and public welfare for more than ten years. Continuing this long-term commitment, the Company has made sustained investments in recent years, with cumulative public welfare donations exceeding RMB 320,000 from 2020 to 2025 alone. This is not only an accumulation of numbers, but also our firm commitment to coexistence, shared prosperity and shared development with the community.

Year	2020	2021	2022	2023	2024	2025
Public welfare donations (RMB 10,000)	10	2.75	3.8	4	4.5	7.24

Industry Value

We recognize that promoting the sustainable development of the chemical industry requires going beyond information dissemination and providing implementable and

executable solutions. To this end, we have achieved a strategic upgrade from building a public welfare platform to launching commercialized service products.

Stage 1: Laying the foundation and building the GreenChem information hub

To address information asymmetry in the industry, we launched the GreenChem green information platform in 2022. As a public welfare exploration, the platform successfully collected more than 3,000 chemical substitution solutions and cutting-edge sustainability information, laying an important information foundation for the green transformation of the industry and enabling us to deeply understand real market needs.

Stage 2: Strategic Upgrade & Launch of Walsun Chem Product-based Service Platform

Drawing on years of industry expertise and experience accumulation, we have taken further strides to translate sustainable development concepts into tangible products, and officially launched our brand-new digital service platform — Walsun Chem. This milestone elevates our value creation model to new heights, shifting our development focus from informational empowerment to product-based integrated solutions. Walsun Chem aims to:

Enable forward-looking chemical procurement and provide sustainable solutions, cost-advantage toolkits and more value.

Sustainable solutions: We no longer merely provide information; instead, we integrate selected green chemical products and their related data into standardized solution kits to support customers in screening references for sustainable substitution.

Cost-advantage toolkit: We use data analysis to provide customers with procurement decision-making tools that balance environmental benefits and economic costs, breaking the traditional perception that green means expensive and making sustainable development more commercially feasible.

Creating Shared Value and Leading the Future

Through Walsun Chem, we fully embed ESG principles into core business operations. We help clients cut costs, boost efficiency, ensure compliance and mitigate risks to deliver tangible commercial value. Meanwhile, we build a replicable pathway for industrial green transition and unlock new growth momentum for the company. This represents not only a business model innovation, but also our core commitment as an industry leader to steer the whole value chain toward higher efficiency, eco-friendly operation and long-term sustainable development.

Appendix: Feedback

Dear readers:

Thank you for reading this report. This is the first report issued by Walsun, and we welcome your valuable comments and suggestions, which will serve as an important basis for improving our work. Please send your comments or suggestions to us by email. We sincerely appreciate your valuable feedback.

Multiple-choice questions (please tick in the appropriate box)

1. Do you think this report reflects Walsun's significant impacts on governance, the environment and society?

Excellent Good Average Poor Very poor

2. Do you think the stakeholders identified in this report and the analysis of their relationship with Walsun are accurate and comprehensive?

Excellent Good Average Poor Very poor

3. Do you think the information disclosed in this report is comprehensive?

Excellent Good Average Poor Very poor

4. Do you think the information disclosed in this report is readable?

Excellent Good Average Poor Very poor

Open-ended questions

1. What other information that you are concerned about has not been disclosed in this report?

2. What other improvements do you think can be made to this report?

Email: greenchem@walsun.cn