



WYNNEWOOD



2023 ESG REPORT



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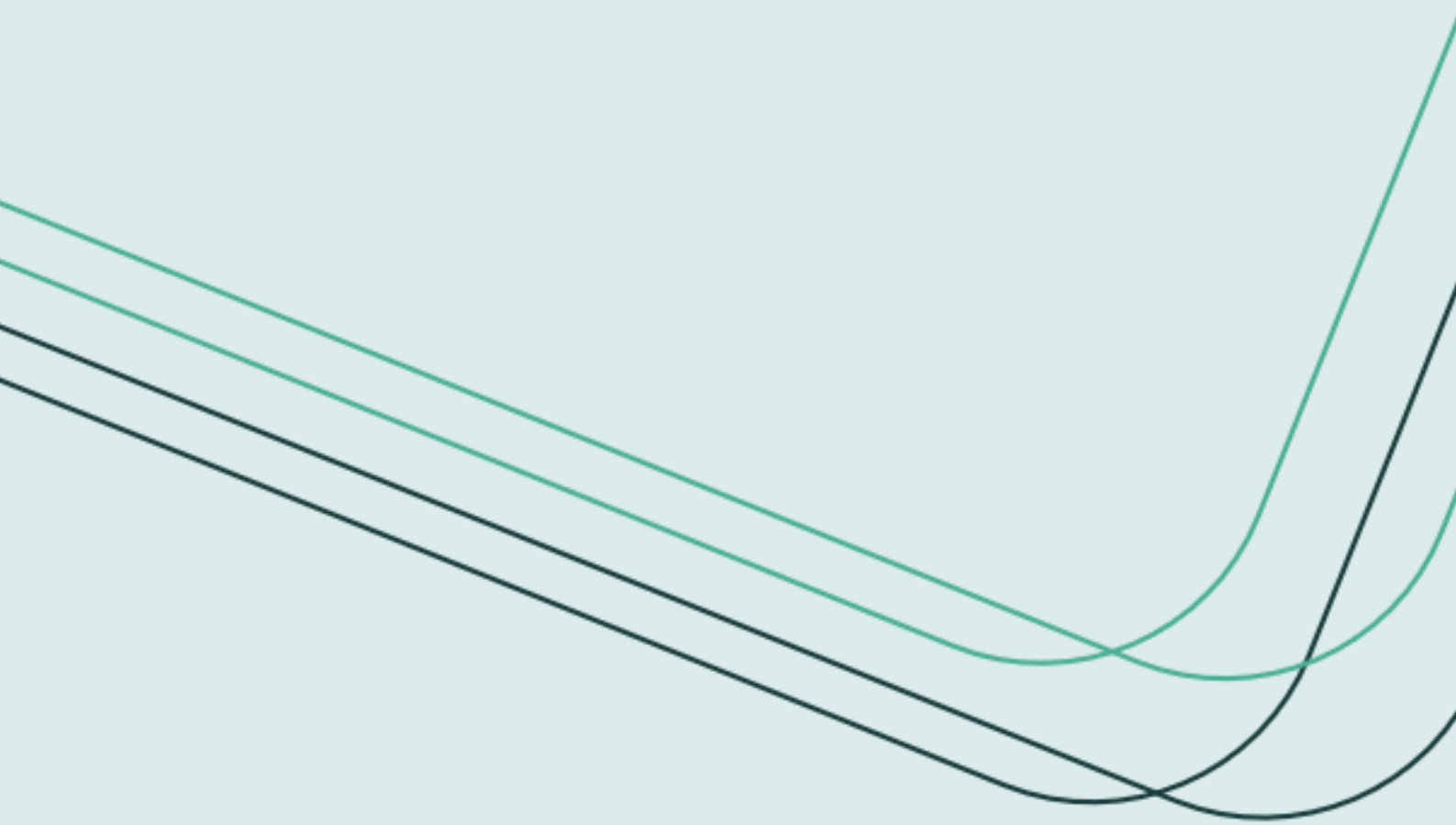
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About the Report

This report offers a comprehensive exposition into Wynnewood's performance and management measures in environmental, social and governance matters in 2023, with particular focus on stakeholder concerns.

The Board of Directors of the Company acknowledges its responsibility for ensuring the integrity of the ESG report and to the best of its knowledge, the Report addresses all material issues in respect of the Company's ESG obligations and fairly presents the ESG performance and commitment of the Company. The Board confirms that it has reviewed and approved the Report.

Scope of the Report

The reporting period of the Report covers the financial year from 1 January 2023 to 31 December 2023. The scope of the Report includes the environmental and social performance of the Company's design and manufacturing businesses and covers the main operations in our factory in Heyuan, P.R. China.

Reporting Framework

This Report is in reference with the latest 2021 GRI Standards issued by the Global Reporting Initiative (GRI) (hereinafter referred to as the "GRI Standards"). The content of the Report focuses on material issues based on the Company's most significant social and environmental impacts, as well as the areas that are of the greatest interest or concern to stakeholders - identified through a comprehensive materiality assessment, which included stakeholder engagement. Details of the process are set out in the "Stakeholder Engagement" and "Materiality Assessment" sections of this report.

Source of Information

The information disclosed in this report is mainly sourced from internal files of the Company and public information in the market. All information have been reviewed and confirmed by the Company's management and the departments in charge.

Suggestion and Feedback

This report is available in English for readers to refer to, and based on environmental protection considerations, we recommend reading the electronic version of the Report, which is available on the Company's website.

We welcome readers to contact us through the following contact methods. Your comments will assist us in further refining this report and enhancing our Company's overall environmental, social and governance performance.

Phone: +852 2995 7100

Email: info@wynnewood.com.hk

URL: www.wynnewood.com.hk

Message from the President

Most of EU regulations are being and coming in force, such as the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CS3D), the increasing focus on sustainability reporting and regulations in the European Union is having a significant impact on companies worldwide. Wynnewood will closely review the coming regulations and report according to international regulations and standards.



In 2021, Wynnewood issued the first year of ESG report, became the pioneer on responding to stakeholders in our industry, consistently embracing the latest trends and technologies to better serve our clients and workers. As we now enter the third year

of our ESG reporting journey, I am proud to share the remarkable actions and achievements we have accomplished in our ongoing commitment to creating a more sustainable future.

At Wynnewood, we recognize that true progress on our sustainability goals requires a fundamental shift in our corporate culture. I am pleased to report that our entire organization, from management to our frontline teams, is fully devoted to this important mission. Throughout the challenging economic environment of 2023, we have made significant investments in training and upskilling initiatives across the company to empower our employees and drive positive change.

In the realm of governance, we have reinforced our ethical business practices and accountability measures. We've strengthened our chemical management system and deployed it across our product portfolio to better comply with safety and environmental regulations. We've also continuously upgraded our Manufacturing Execution System (MES) and Big Data Analytics capabilities to enhance quality and efficiency throughout our production processes. Additionally, we are preparing to obtain the IATF16949 certification for our automotive-related products, further demonstrating our commitment to quality and customer satisfaction.

On the environmental front, we have made tremendous strides in our green operations at our Heyuan factory. Our water conservation retrofit projects have resulted in a 59% reduction in water consumption compared to 2020, saving an impressive 36,790 tons of water. Recognizing the unique challenges posed by our factory's location in an earthquake-prone area, we have engaged external consultants with specialized expertise to help minimize water leakage through advanced technology solutions. We have also made great progress in our waste reduction strategies, implementing a Lean Manufacturing system to further advance our efforts. Additionally, we are upgrading our VOC adsorption technology and making steady progress on our greenhouse gas reduction plan. To ensure transparency and accountability, we have enlisted the services of a third-party audit firm to verify our carbon footprint and environmental management systems.

Our commitment to the social sector remained unwavering in 2023. We implemented multiple employee wellness initiatives, such as free health screenings and our first-ever "Wynnewood Sports Day." We also established "Family Friendly Spaces" at our Heyuan factory, allowing employees to bring their children during school vacations - a program aimed at supporting work-life balance and strengthening family bonds. Additionally, we continued our tradition of giveback through blood drives, nursing home visits, and other volunteer work within our local communities.

As the Chairman of the Hong Kong Toys Council, I have advocated for enhancing the industry's ESG knowledge through training initiatives. Moving forward, Wynnewood will uphold its culture of integrity, accountability, and innovation to guide the company towards a sustainable future. With its solid foundation, Wynnewood will continue to integrate economic growth, environmental protection, and social responsibility in its business strategies to design, manufacture, and supply innovative and high-quality products for the wellbeing of people and the benefit of society, aiming to drive sustainable value for its stakeholders and the communities.

I am grateful for the unwavering commitment of our employees, the trust of our partners, and the support of our stakeholders. Together, we will forge ahead on this important journey, fulfilling our collective responsibility to safeguard the future of our planet.

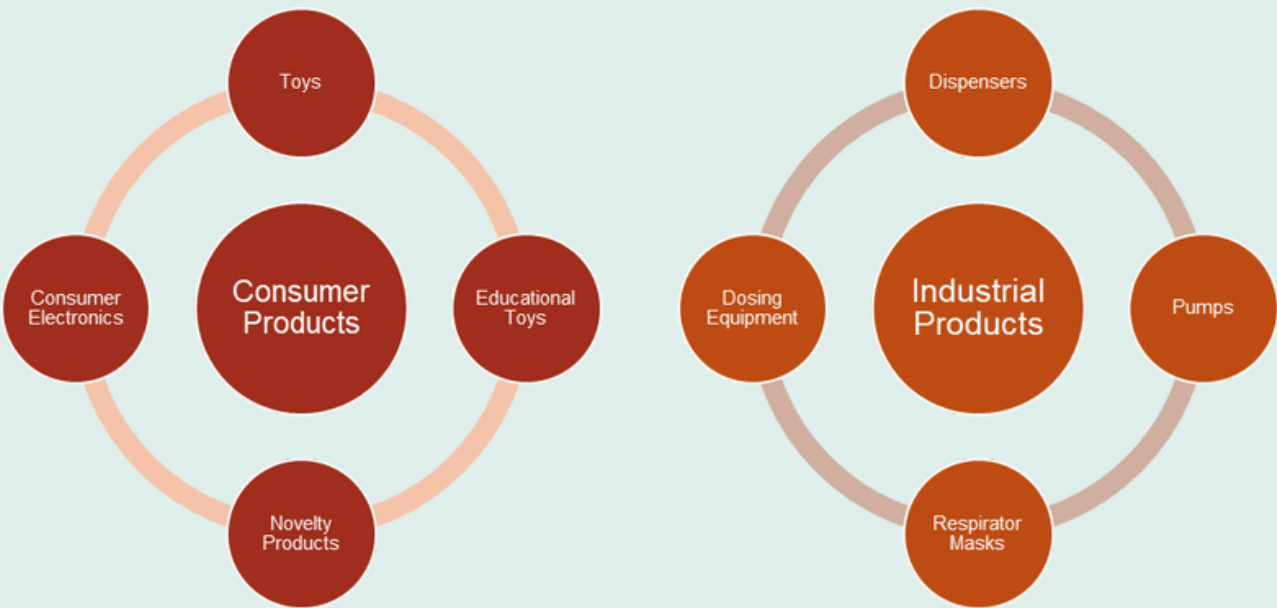
Bryant Chan
President
July 2024

About Wynnewood



Wynnewood Corporation Limited is an original equipment and design manufacturer (OEM & ODM) of technologically advanced consumer and commercial grade products. Our core competence is in the design and manufacturing of plastic and electronic based products.

Since 1972, Wynnewood has evolved from being an export tool manufacturer, to providing traditional OEM services, and now as turnkey ODM manufacturer for a large portfolio of multi-national and startup companies. Our experience covers a diverse range of products including consumer products and industrial products.

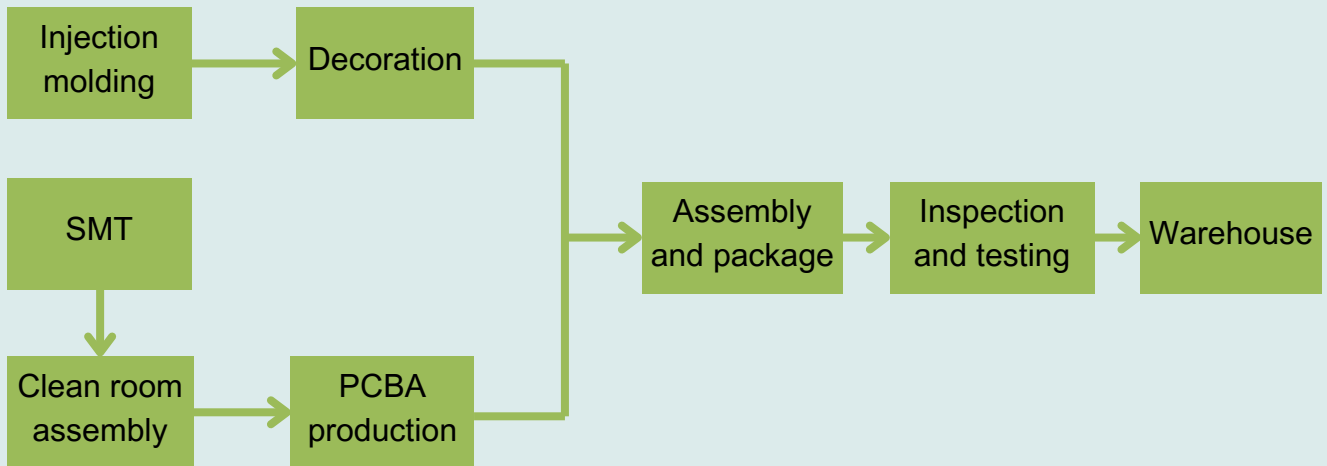


Wynnewood is committed to delivering high quality products and services via our strong focus and extensive experience in product development, best manufacturing services, and dedication to product integrity.

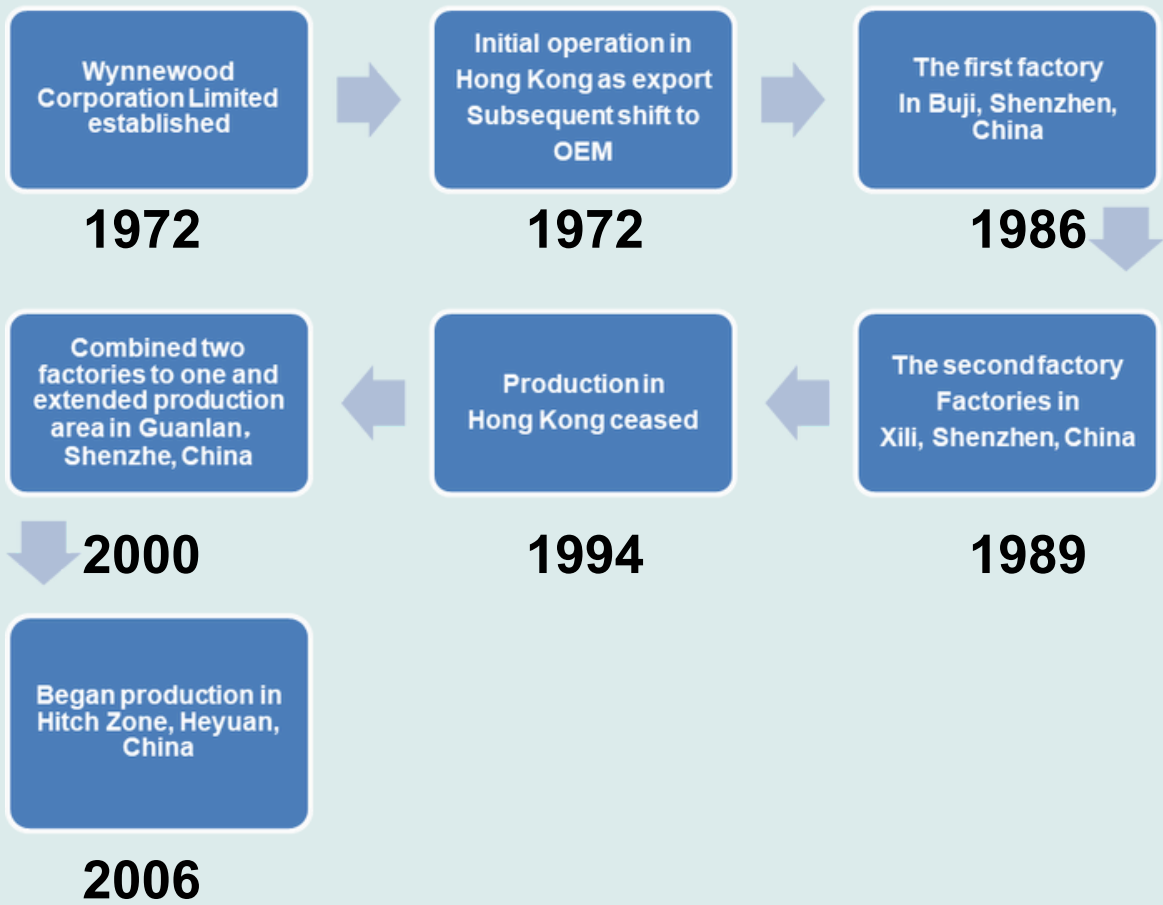
How we operate

Our current manufacturing facility is in Heyuan, Guangdong China. The factory has been in operation since 2006 and built over 1.2 million square feet of land providing extensive space for development, production and warehousing.

Our primary facilities cover the following processes:



Our Milestone



Awards and Certifications

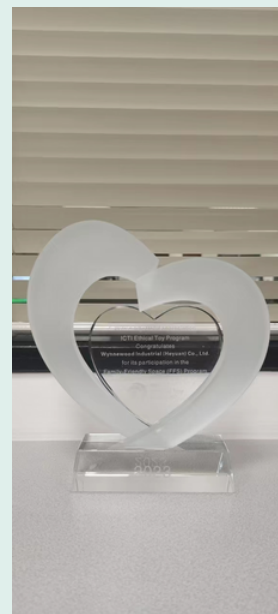
Wynnewood Corporation is committed to providing quality services. The Company has been awarded international certifications that demonstrate compliance to the most demanding standards in different operational aspects of the company.

These are some of the certifications that Wynnewood Corporation received up to the year of 2023.

Certifications	Description
ISO9001	ISO9001 is the international standard that specifies requirements for a quality management system. Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.
ISO14001	ISO14001 standard demands the company to create an environmental management system that includes environmental objectives and goals, policies and procedures to reach these goals, defined responsibilities, staff training activities, documentation and a system to control any changes and progress.
ISO45001	ISO45001 is a framework for an occupational safety and health management system. It contributes by helping positioning policies, procedures, and controls necessary to offer the best working conditions possible, aligned with the best international practices.
MFi Manufacturing	The MFi program allow us access to the technical specifications and resources needed to create accessories that communicate with Apple devices using MFi technologies and components.
ESCP Ethical Toy Program	IETP is the specialist responsible sourcing program designed by the Toy, Children, Entertainment & Publishing industry for the industry to reflect the unique manufacturing environment.
Responsible Business Alliance (RBA)	The Responsible Business Alliance is a non-profit coalition of leading companies dedicated to improving social, environmental and ethical conditions in the global supply chains.

Won several awards for the Family-Friendly Space Program

In July 2023, Wynnewood launched the first Family-Friendly Space Program, which aims to help left-behind children who are separated from their parents due to working outside the home to get together with their parents during the holidays, and to help improve parent-child communication. After the program, Wynnewood was honored to receive the Team Champion Award and the Teaching Excellence Award.



Sustainability at Wynnewood Corporation

As a company, we commit to doing the right thing, behave ethically and act with integrity. We commit to being part of global efforts to create a more sustainable society.

Sustainability Statement

Wynnewood is committed in delivering high quality products and services via our strong focus and extensive experience in product development, best manufacturing services and dedication to product integrity, integrated with environmental protection, and social responsibility initiatives to deliver wellbeing to people while driving sustainable value for our stakeholders and the community.

We support the Ten Principles of the United Nations Global Compact (UNGC) on human rights, labour, environment, and anti-corruption. We are committed to making the UNGC part of our strategy, culture, and day-to-day activities and to engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

We see significant areas of overlap and alignment between our sustainable works and our commitment to the UNGC. Over the next year, we will review our programs to confirm broad alignment with the UNGC and identify any opportunities for improvement.



ESG Management

The Group believes that sound ESG principles and practices will increase investment value and provide long-term returns to stakeholders. In a bid to ensure the establishment of appropriate and effective ESG risk management measures and internal control system, the Board of Directors (the “**Board**”) itself has well-defined duties and responsibilities to oversee the company's execution of ESG-related matters.

The Board has set up ESG overall visions, approaches, strategies or initiatives, review and assess the company's ESG performance with reference to the performances of industry leaders and peers of comparable sizes. The Board will monitor the formulation of the annual ESG report and discuss the content and quality of ESG reports to ensure that they meet the requirements from the Board. To mitigate risks related to sustainability and ESG-related issues, the Board keeps a close watch on the risk evaluation process. Meanwhile, the Group would review the stakeholder communication channels regularly to ensure effective communication between the Group and its stakeholders. During the Reporting Period, the Board has assigned an independent consulting firm to conduct a materiality assessment for better identifying potential and material ESG issues to the business and its stakeholders. The issues would be prioritised and those with high significance to the Group and stakeholders are considered as material. The Board would review the issues regularly and ensure appropriate ESG management policies are in place, so as to make response to the stakeholder expectations in a timely manner.

At the department level, the Environment, Health & Safety (EHS) department lead by the ESG working group develops day-to-day ESG initiatives to execute the Company's ESG strategy and ensure compliance with the rules and regulations as they relate to ESG matters. The EHS department also regularly gathers feedback from employees, investors and other stakeholders on ESG matters to inform the Company's policies and activities.

The Board

- Responsible for: ultimate supervision of our Company ESG performance.

ESG Committee

- Responsible for: formulating ESG policy, discussing ESG issues and monitoring ESG performance.

The ESG Working Group

- Responsible for: implementation and delivery of ESG tasks; and ensuring that ESG policy is consistent across our business operations.

The ESG committee outlines strategy and approach to reporting, and oversees public policy and the ESG program, which encompasses the following ESG matters:

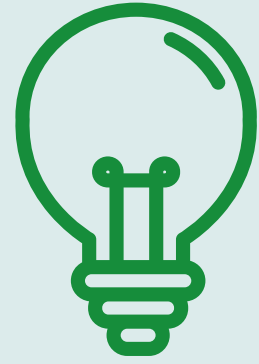
- Product Quality
- Environmental Protection
- Health and Safety
- Training and Development
- Responsible Business Practices
- Community Investment

In 2023, our ESG committee focused on Product Quality

- Managing issues and ensuring our products complied with the relevant laws, rules and regulations.
- Leveraging our OEM and ODM capabilities to influence product sustainability and responsible sourcing
- Increasing the use of recycled material to reduce carbon emission.
- Considering climate risk while helping our clients achieve their own resources reduction.

“We are pleased to announce that our 2025 targets were largely met ahead of schedule in 2023, and we will continue to evaluate our company’s specific situation in the coming year to set new targets.”

Bryant Chan
Present



ESG Targets and Progress

2025 Targets	FY2023 Performance
Reduce GHG emission intensity by 5% from 2021 level.	Compared to 2021 we have reduced carbon emissions by 23% in 2023 (Completed)
Reduce water usage intensity by 5% from 2021 level	Compared to 2021 we have reduced water intensity by 45% in 2023 (Completed)
Reduce electricity consumption intensity by 5% from 2021 level	Compared to 2021 we have reduced electricity intensity by 34% in 2023 (Completed)
Maintain zero corruption across business.	Zero corruption (Completed)
Maintain zero fatality across business operations	Zero fatality (Completed)
Maintain zero occupational injury across business operations	Two injury accident in 2023 (Ongoing)

Lead by Values

The core values are the foundation on how we work and to our corporate culture. We have followed the Responsible Business Alliance (“RBA”) Code of Conduct. In addition, to ensure the highest ethical quality of our products and services, Ethical Supply Chain Program (ESCP) is used as a benchmarking tool for assurance in our Code of Conduct Standard as well. This demonstrates that our company takes the rights and well-being of our workers seriously. We ensure the highest health and safety standards and fair conditions for workers and help foster environmentally responsible business operations.

Anti-Corruption

We are aware of the importance of building an integrity corporate culture for the long-term development of an enterprise. No employee is allowed to take advantage of his/her position to engage in bribery, extortion, fraud and money laundering. We welcome any person or organization to lodge a complaint regarding any reasonably suspected corruption case with the Company based on facts. We will handle the complaint on the principle of confidentiality.

We have implemented the following policies: Code of Business Conduct and Ethics (商业行为和道德规范), Anti-corruption and Anti-Bribery Management Procedures (反腐败反贿赂管理程序) and Report conflict of Interest Management Procedures (鼓励员工申报利益冲突管理程序) to safeguard the Company’s interest.

Whistle-Blowing

Our employees and business partners can seek advice and raise concerns about possible improprieties to our compliance officer through Ethics Hotline regarding violations of business ethics, serious breaches of company policies, fraud, corruption, collusion with suppliers/contractors, and conflicts of interest.

Compliance Hotline
Phone: 0760-2880000-8061
Email:
weill@wynnewood.com.hk

Employees and suppliers can report any suspected breaches of our Code of Conduct. The Whistle-Blowing Policy ensures a consistent approach in responding to concerns raised throughout the Company. Protecting innocent people is our priority at all times. Whistle-blowers who choose to report concerns will be protected as we have a non-retaliation policy and will not take action against anyone reporting a genuine concern. We investigate reported concerns to resolve issues promptly and take disciplinary action where appropriate.

Managing Risks

In recognizing that our greatest risks for corruption exist along our supply chain, through the purchasing process, regular training seminars are conducted for all staff and agents involved in procurement and with agents. Case studies and case law are provided to gain an in-depth understanding of the anti-corruption policies and relevant legislation. As we grow our business through franchising, a new challenge is to ensure that new partners reflect consistently high standards and customer focus. We are further developing our approach of risk assessment to meet these challenges.



We have a robust programme in place to ensure we comply with laws and regulations in the markets where we operate. Key compliance risks are identified through risk assessments, assurance activities and scanning the horizon for changes to legislation. Our compliance managed by the Compliance team and experts across the business, aims to address these risks through:

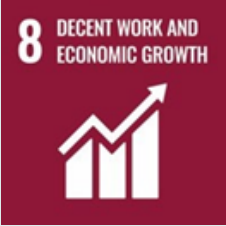

- governance – defining ownership and accountability for addressing our key compliance risks
- prevention – setting clear policies and establishing controls that are embedded across the business to prevent compliance risks
- monitoring – assessing the effectiveness of our controls and identifying opportunities to improve

Commitment to the United Nations Sustainable Development Goals

The United Nation’s 17 sustainable development goals seek to address the world’s biggest challenges, including ending poverty, improving health and education, making cities sustainable and tackling climate change.

Wynnewood hopes to further strengthen its internal corporate sustainability management by aligning its objectives with the globally agreed initiatives to articulate the world’s latest and most pressing environmental, social and economic issues. This alignment also allowed us to solidify a common language for communicating our business impact on climate change and social welfare and involving our employees in creating the sustainability culture in the Company.

SDGs	Implications for Wynnewood	Responses of Wynnewood
<p>Goal 3 Good Health and Well-being</p> 	<p>It is our responsibility to ensure the health and safety of our employees.</p>	<p>We always pay attention to the physical and mental health of our employees and hold many team building activities so that our employees can work happily and healthily.</p>
<p>Goal 5 Gender Equality</p> 	<p>Equal treatment for both male and female employees.</p>	<p>We adhere to the principle of diversity in employment, so that employees can work happily in an equal working atmosphere.</p>

SDGs	Implications for Wynnewood	Responses of Wynnewood
<p>Goal 8 Decent Work and Economic Growth</p> 	<p>Provide employment opportunities and a good working place.</p>	<p>We are committed to developing our employees and offer competitive remuneration and benefits.</p>
<p>Goal 9 Industry, Innovation, and Infrastructure</p> 	<p>Use technology to provide design and manufacture of technologically advance consumer and commercial grade products.</p>	<p>We focus on undertaking turnkey developments from product concept to production with a centric design to cost (DTC) and design for manufacturing (DFM) approach.</p>

Stakeholder Engagement

We did a robust study amongst key stakeholders during the reporting period, to assess and prioritise material ESG issues. The findings assisted us to fine-tune our ESG strategy, program and focus for this report.

Using a comprehensive five-stage framework, a list of ESG issues were reviewed against current global and local trends and emerging regulatory development which can have an impact on the Company business. These considerations include product quality, COVID-19 pandemic, material sourcing, recycle content demand, climate change and the market outlook.



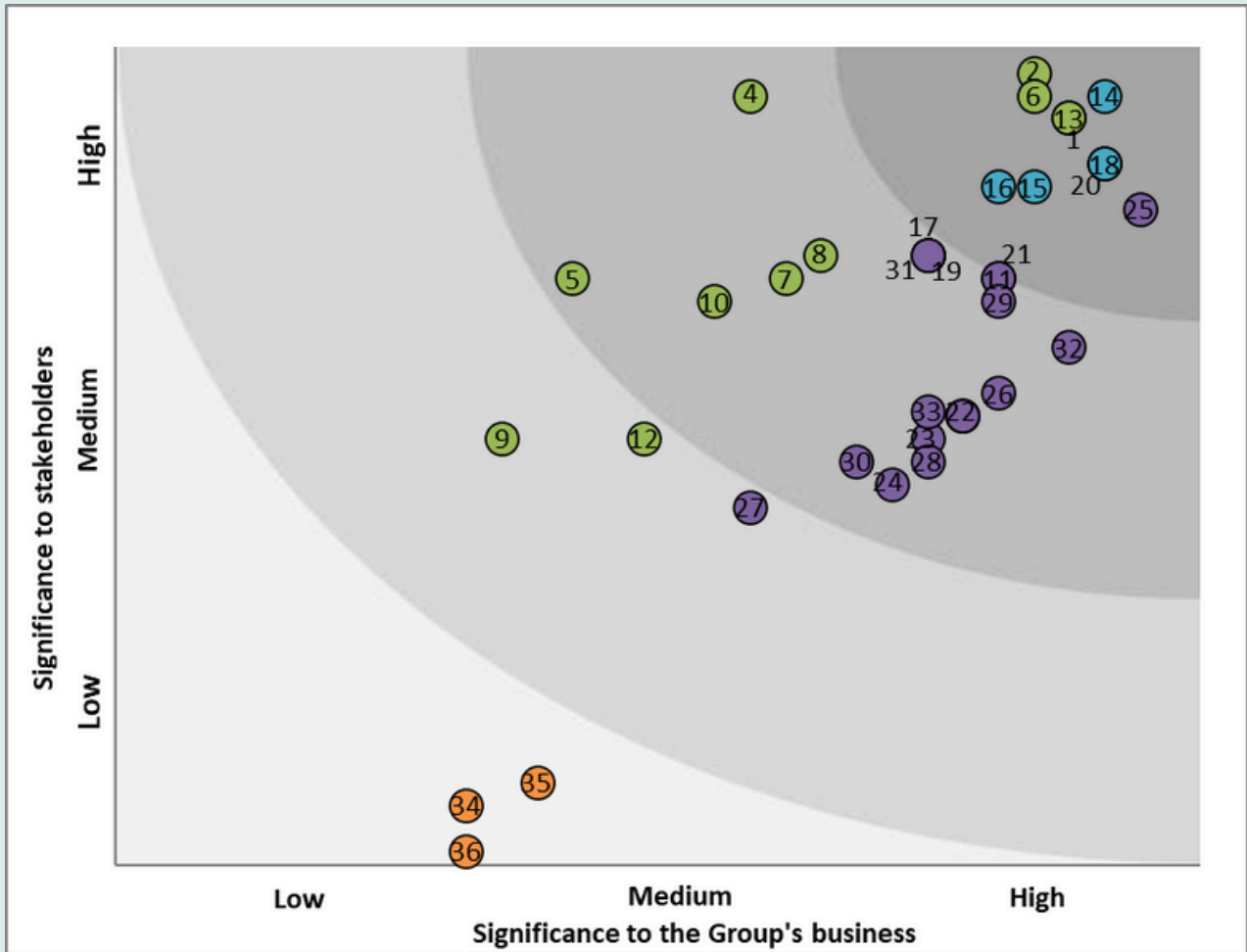
We had identified the following key stakeholder groups. We have been continuously optimizing and strengthening the accessibility and efficiency of the communication channels during the process in order to improve the bridges of communication between our Company and our stakeholders.

Stakerholders	Engagement Method	Communication Objectives
Customers	<ul style="list-style-type: none"> • Business relationship • Account management • Satisfaction survey • Conference and event 	<ul style="list-style-type: none"> • Understand customers' views on products and improve our OEM & ODM capabilities • Ensure the quality of the product • Develop marketing strategies which are in line with customers' needs. • Ability to undertake turnkey development. • Ability to innovate • Reduce greenhouse gas emissions • Uses of recycled material to promote circular economy • Improve energy efficiency. • Identify climate change risks and opportunities
Employees	<ul style="list-style-type: none"> • Performance review and annual appraisal • Training • Internal communication channels such as emails, notice boards and hotline. • Periodic team event 	<ul style="list-style-type: none"> • Health and wellbeing programs. • Allow employees to understand the Company's development direction. • Strengthen team cohesiveness. • Collect suggestions for improvement from employees. • Compliance with labour law
Suppliers	<ul style="list-style-type: none"> • Business review meeting • Suppliers' satisfactory assessment 	<ul style="list-style-type: none"> • Ensure suppliers providing products and services up to the required standard and operating in compliance with applicable laws and regulations. • Create a cooperative atmosphere of mutual trust.

Stakeholders	Engagement Method	Communication Objectives
Regulators	<ul style="list-style-type: none"> Government communication Mail Notice 	<ul style="list-style-type: none"> Fulfill the compliance requirements of the regulatory authorities. Maintain good relationship with the local government. Pay taxes according to laws.
Communities	<ul style="list-style-type: none"> Participation in local community activity 	<ul style="list-style-type: none"> Promote economic development for the communities where it operates. Create social values for the communities where it operates.

Materiality Assessment

Based on the results regarding the materiality of each of ESG issues expressed by the stakeholders, we have prioritized the ESG topics in which they are shown in the materiality matrix below. The issues which fell into the top right corner are the ESG issues mattered most to the Company, and we should focus on.



Environment

1. Environmental Compliance
2. Air Pollutant Management
3. Fleet Emissions Management
4. Wastewater Management
5. Greenhouse Gas Emission
6. Waste Management
7. Energy Consumption
8. Use of Water Resources
9. Green Energy Project
10. Use of Raw Materials and Packaging Materials
11. Ecological Protection
12. Responding to Climate Change
13. Prevention and Handling of Environmental Incidents

Employee

14. Employment Compliance
15. Employees' Remuneration and Benefits
16. Employees' Working Hours and Rest Period
17. Diversity and Equal Opportunity
18. Occupational Health and Safety
19. Training and Education
20. Prevention of Child Labour and Forced Labour

Operation

21. Operational Compliance
22. Managing Environmental Risks of Supply Chain
23. Managing Social Risks of Supply Chain
24. Procurement Practices
25. Quality Management
26. Customer Health and Safety
27. Responsible Sales and Marketing
28. Customer Service Management
29. Intellectual Property Protection
30. Research and Development
31. Information Security
32. Customer Privacy Protection
33. Anti-corruption

Community

- 34. Charity
- 35. Promotion of Community Development
- 36. Poverty Alleviation

Sustainable Products

Based on the results regarding the materiality of each of ESG issues expressed by the stakeholders, we have prioritized the ESG topics in which they are shown in the materiality matrix below. The issues which fell into the top right corner are the ESG issues mattered most to the Company, and we should focus on.

Quality Management

We place a high priority on promoting customer satisfaction in terms of the OEM/ODM product and services. Strenuous efforts are made to ensure compliance with the laws and regulations relating to product health and safety, advertising, labeling and privacy matters of the jurisdictions in which our business operates. We have implemented Advertising and Fair-Trade Control procedures(广告和公平交易控制程序) in order to comply with the applicable governmental and regulatory laws, rules, codes and regulations.

To ensure that quality is a major factor at each stage of its operations, each department is tasked with achieving their own quality-based targets devised in consideration of both the industry and market standards. Records are kept at every stage to ensure both the efficiency and maintenance of product criterion.

All our products follow robust specifications on banned and restricted substances. Products sold in the US and Europe are ROHS (Restriction of Hazardous Substances) compliant, and our products sold in Europe comply fully with REACH (Registration, Evaluation, Authorization and Restriction of Chemicals). We have implemented a stringent quality control system, from incoming materials inspection, in-process quality audit, finished goods quality assessment, to after sales management to ensure that our products are complaint with both the international and local standards.

Before products are dispatched, they must pass a series of internal quality control procedures. We also take the added initiative follow up of every purchase with customers to ensure that all products were inspected before delivery. Should there be any issues with its products after delivery, those products will be initiated on both compensation and recall.

Product quality and safety are stated in operation manuals and are clearly communicated to the employees. In addition, we run training sessions for our employees, suppliers and business partners in respect of product responsibilities.

Obtained ISO/IEC 17025 Accreditation

Our in-house testing facilities has received the ISO/IEC 17025 accreditation from China National Accreditation Service for Conformity Assessment. The CNAS covers a wide range of product quality to meet the changes in products and quality assurance. The scope of CNAS accreditation is expanding year by year and has involved more than a dozen international and national (GB) standards, as many as nearly 200 test items.



Our Lab has gotten firewall lab’s approval by U.S Consumer Product Safety Commission (“CPSC“)

This accreditation is granted to our in-house lab. The laboratories on this list have been approved as accredited to test items against one or more of the children's product safety regulations, as specified in each laboratory's accreditation scope.

The CPSC requires that manufacturers of children's products that must comply with the standards provide test results from one of the laboratories on the list to support its certification of compliance.

With this accreditation, the test reports issued by our laboratory will be recognized by CPSC. Our pursuit and successful completion of the CPSC firewall third-party laboratory certification process is evidence of our dedication to maintaining the operational independence of the laboratory and the confidentiality of the test results from corporate influence.

As a speaker to sharing ESG good practices and developing roadmap

In response to the initiative from both associations of Hong Kong Toys Council (HKTC) and The Toys Manufacturers' Association of Hong Kong Limited (TMHK), Wynnewood's representative had been invited as a speaker on behalf of the toy manufacturer in sharing section of the ESG workshop dated Mar 22, 2024.

The series of workshops are supported by the TSF Fund of Trade and Industry Department (TID) and implemented by the Federation of Hong Kong Industries (FHKI), over 60 participates are joined in each workshop.

Wynnewood shared the processes of ESG report from the beginning of the preparation to the completion of reporting. Also, we have provided some sustainability suggestions and good practices to other toy factories, it could enhance the awareness and knowledges for ESG in toy industry and committed the role of pioneer in running on ESG journey.



Continuous improvement of the MES system

This year, Wynnewood's MES system has been continuously improved and is now connected to some testing equipment, which enables us to monitor the quality of our products throughout the entire process through online testing in the production process. In order to aim of continuous improvement concept, apart from traceability of MES (manufacturing execution system), critical test stations are capable connecting with MES as well. Real time test data from ATE (auto testing equipment) are uploaded to MES database and are linked with each product accordingly. At the same time, we are also making preparations for meeting the requirements of the EU DPP digital production passport.

The personnel received specialized training in data analysis, and we may further enhance our procedures with the abundance of data from production and inspection.

To create a fully digital industrial operation idea, the technology works in tandem with the ERP system. Consequently, instantaneous sharing of full information improves planning accuracy, boosts production efficiency, lowers inventory, and improves quality.



Automatic assembly line for product shell

In February 2023, an automated assembly line for product housings was introduced. Compared to the previous workflow, the automated assembly line reduced the number of employees by 10, or nearly 60% of total employee, while the rate of damage to housings was reduced by about 30% in comparison with the quality inspection. Through this production innovation, it improves work efficiency and product quality, and reduces the labor intensity of employees.



PCBA conformal coating automatic spraying equipment

At the request of clients, PCBA in products need to have better waterproof performance and conductivity. In February 2023, we purchased and installed the automatic coating equipment for PCBA protection layer. Compared with manual spraying, this equipment ensures the uniformity of the protective layer on the PCBA. At the same time, due to the adoption of smaller nozzles, it reduces the amount of glue used by 50%. In addition, the add of proximity recovery device ensures that the amount of glue evaporated into the environment is also reduced by nearly 40%, thus reducing the overall environmental pollution of the glue.



Customer Privacy

We understand that protecting customer's privacy is an important way of realising good corporate governance. The Corporate Code of Conduct stipulates that confidential information of any business partners and other connected persons shall be protected and all staff are required to sign the Employee Confidentiality Agreement, promising guaranteeing customer's privacy against any infringement.

Intellectual Property

Our Legal Department is responsible for formulating the Intellectual Property Management and Control Procedures, establishing documents on the best practices on product projects and organizing the implementation of such procedures.

The business activities of our Company involve various forms of intellectual property rights, including patents, trademarks, copyrights (copyrights for customer products design in particular), business secrets and domains. We have carried out planning and management of intellectual property rights involved.

We appoint professional agencies to apply for intellectual property rights with significant effects on the Company, such as trademarks, patents, copyrights and domains, to safeguard the benefits of the Company to the largest extent. During the cooperation with other companies or individuals, we will specify detailed provisions on the ownership, scope of use and term of intellectual property rights involved and the distribution of subsequent R&D results and enter into relevant legal documents.

Supplier Management

We assess suppliers and business partners with a focus on price, quality, and their business practice standards. We have outlined our supply chain expectations in our Supplier Code of Conduct, which serves as a guide to manage the ethical standard of suppliers. The Supplier Code applies to all third-party suppliers of products or services.

We always adhere to international best practices and conduct fair and unbiased tender processes when dealing with suppliers. Good business relationships help our Company to manage potential environmental and social risks while enhancing the efficiency of the operations. We fully understand the importance of environmental protection and environmental friendly production. We require our suppliers to act responsibly and adhere to their environmental, social and governance standards. In a situation where several suppliers can meet procurement requirements, we will select those with a good reputation for being environmentally and socially responsible and/or that hold relevant environmental certificates.

The annual supplier audit report encompasses a comprehensive evaluation of our supplier network. Through on-site audits, we assess various aspects, including the quality system, daily records, measurement methods, and more. This rigorous evaluation process ensures that our suppliers consistently meet our quality and performance standards, fostering a robust and reliable supply chain.

During the reporting period, we have required our suppliers to attend our supplier management training. Below is the statistical data:

Average 6 hours of online training were taken by our suppliers

73% of our suppliers have taken our supplier management online training

73% of suppliers has went through our audit training

Our Environment

Wynnewood is committed to:

- Reviewing our operation to identify how we can use resources like energy and water more efficiently, while reducing waste and greenhouse gas emissions.
- We carried out research to identify opportunities to support moves towards a circular economy by increasing the use of recycled material.

We have developed a high-performance production chain to maximize our resources efficiency and improve the environmental production technologies while maintaining a green manufacturing and logistics practice. We also have environmental policy in place to ensure that our operations are compliant with all the relevant legal and statutory requirements. Below is our environmental policy.

“Environmental Policy”

Wynnewood is committed in protecting the environment by reducing unnecessary wastage from factory operation; increasing the usage of sustainable material in product design; and recycling material in reasonable ways. KPI targets are set for monitoring the achievement of our sustainability goals.

Our business does not have a heavy impact on the environment. However, it is necessary to acknowledge that, in our daily activities, our operation main environmental impacts are:

- resource consumption like energy and plastic material;
- generation of waste; and
- direct emissions of air emission, greenhouse gases, mainly from electricity consumption.

Therefore, we want to develop sustainable environmental policies to reduce impacts on the environment in our existing facilities. We have implemented several initiatives to minimize the environmental impact. Campaigns to reduce the consumption of electricity, water and paper are initiatives that we undertook during the reporting period.

We have implemented measures such as Environmental Policy and Target Indicator Management Program Control Procedures (环境目标、指标及管理程序), Wastewater Air Emission and Noise Management Procedure (废水、废气、噪音管理程序) and Environmental Training Plan (环境培训计划) in our Heyuan factory. Such policies established a fundamental basis which governs the environmental activities of the Company that all employees should take part in.

Further, our Heyuan factory has obtained ISO14001 Environmental Management System certificate. The ISO14001 standard provides a framework that a company can follow to set up an effective environmental management system. It gives management and employees as well as external stakeholders an assurance that environmental impact is being measured and improved.

As an environmentally conscious company, we strive to operate our manufacturing processes and facilities in a manner that minimize the impacts to the environment and ensure that our operations are compliant with all the relevant environmental, legal and statutory requirements.

As part of our commitment to environmental responsibility and compliance with local government regulations, we annually issue an Environmental Assessment Report. This report is conducted by a reputable third-party laboratory to ensure its accuracy and impartiality. The assessment serves as a critical tool in meeting the stringent environmental protection requirements mandated by local authorities. By consistently conducting these assessments, we demonstrate our dedication to maintaining environmentally sustainable practices and adhering to all necessary regulations and standards, thereby contributing to the preservation of our environment and the well-being of our community.

By establishing a sound environmental management system, we constantly monitor and review the energy usage, hazardous waste and non-hazardous waste during the operation, through strictly controls of emissions.

During the reporting period, we were not aware of any material non-compliance or any violation with relevant environmental laws and regulations.

Air Emissions

Our factory air emissions mainly come from volatile organic compounds (“VOC”). The emissions of VOC released during the process of injection moulding of different plastics have been investigated. Overall the emissions of VOC during injection moulding of plastics are relatively small. The amount of VOC released is dependent upon the kind of plastic materials processed.

VOC Emission Monitor

During the company's operation, there are several deficiencies in photocatalytic oxidation during VOC treatment. When the light source is unstable or the light is not sufficient, the treatment effect will be reduced. At the same time, the high and low temperatures of the VOC exhaust gas will also reduce the activity of the photocatalyst. We have upgraded the adsorption technology of VOC using double carbon adsorption technology instead of UV photocatalytic oxidation in accordance with the “Guangdong Provincial Air Pollution Prevention and Control Regulations” and relevant local environmental protection regulations. After upgrading, the adsorption efficiency of VOC exhaust gas is ensured, and the emission of VOC exhaust gas is further reduced.



	2022	2023
Volatile Organic Compounds (“VOC”) emission	1.81 tons	1.60 tons

Greenhouse Gas

Greenhouse gas (“GHG”) emission (or “carbon emission”) is closely related to climate change, which brings long-term risks and opportunities to enterprises. To better understand, quantize and manage the impacts and risks of carbon and climate change and investment opportunities, we have to measure and appraise them. As the first step, we disclose our carbon footprint. Such information will lay the foundation for the formulation of relevant carbon strategies and the determination of targets on carbon reduction.

In our ongoing commitment to environmental transparency and sustainability, we have incorporated the results of our Carbon Audit into our comprehensive annual report. These audit findings, conducted by Intertek Testing Services, provide valuable insights into our carbon emissions and environmental impact. By including the Carbon Audit results in our report, we ensure that our stakeholders are informed about our carbon footprint and can better appreciate our efforts to reduce it. This integration aligns with our dedication to responsible corporate practices and environmental stewardship, contributing to a greener and more sustainable future.

The electricity consumption in our factory was the primary source of our GHG emission. The second primary source of GHG emission was the use of gasoline and diesel in our factory and also company’s vehicles.

During the reporting period, our GHG emissions equated to a total of approximately 2,907 tonnes of CO₂ equivalent (“tCO₂e”) and the detailed summary of the GHG emissions is shown as below:

	2022 Amount	2023 Amount	Change in %
Scope 1 Direct GHG emission	102.547 tCO ₂ e	75.617 tCO ₂ e	-26.26%
Scope 2 Indirect GHG emission	3,155.566 tCO ₂ e	2,831.444 tCO ₂ e	-10.27%
Total Emission	3,258.113 tCO ₂ e	2,907.061 tCO ₂ e	-10.77%
Carbon Intensity (tCO ₂ e/pcs)	0.000613 tCO ₂ e	0.000545 tCO ₂ e	-11.09%

We acknowledge the carbon emissions as a business risk and opportunity which highlights the critical role, we can play in assisting its customers and communities move towards a low-carbon future and become more resilient to a changing climate.

We address GHG emissions in two key areas:

- Minimize the factory's emissions by identifying opportunities to improve the energy efficiency of our injection moulding machine, through reducing heat loss.
- promote recycling content such as post-consumer plastic for our customer OEM/ODM project.


Waste Management

The wastes generated by our factory are strictly segregated and disposed of in accordance with regulatory requirement. The wastes are generally categorized as hazardous-waste and non-hazardous waste. For the purpose of resource conservation and environmental protection, wastes are further classified as reusable and recyclable, and we are committed to reusing, recycling and reducing the wastes generated.

The hazardous wastes generated by our operations mainly consist of chemicals, lubricants empty container, plastic materials waste, lighting tube, ink cartridge, etc. The non-hazardous wastes generated by our operations mainly consist of paper, cartons packaging and domestic wastes.


We have implemented measures such as Hazardous Waste Management (废弃物管理程序) in our Heyuan factory. During our daily operation, we will classify and recycle wastes and require all staff to handle wastes correctly in accordance with the requirements of the waste classification list. After classification, the wastes will be delivered to different warehouse for storage based on nature. For instance, hazardous waste will be delivered to hazardous waste warehouse for storage, and then for regular recycling after contacting qualified third-party contractors. The other recyclable or non-recyclable non-hazardous waste will also be delivered to a special warehouse for storage, and then to be sold or disposed. For our Heyuan factory, we have engaged with Huizhou Dongjiang Veolia Environmental Services to handle our hazardous waste.

Below is the detailed summary of the waste emissions:

	2022	2023	Change in %	
	Non-Hazardous Waste	68.2 tons	8.05 tons	-88.20%
	Intensity (tons / total production in pcs)	0.0000128 tons	0.0000015 tons	-88.28%
	Hazardous Waste	6.22 tons	5.14 tons	-17.36%
	Intensity (tons / total production in pcs)	0.0000011 tons	0.0000009 tons	-18.18%
	Packaging Waste	67.2 tons	58.0 tons	-13.69%

Wastewater

The main categories of wastewater discharged are domestic sewage from toilets and wastewater generated during the cleaning of factory and the floor. Our Heyuan factory is equipped with septic tanks of which cleaning work is being carried out regularly.

	2022	2023	
	Wastewater Discharge	149,927 m3	87,480 m3
	Intensity (m3 / total production in pcs)	0.0282 m3	0.0164 m3

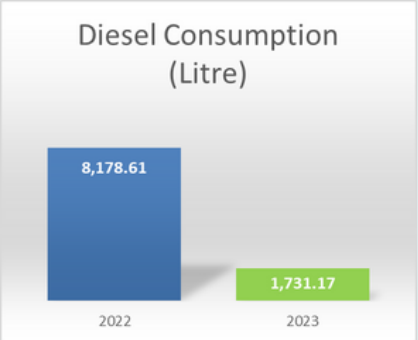
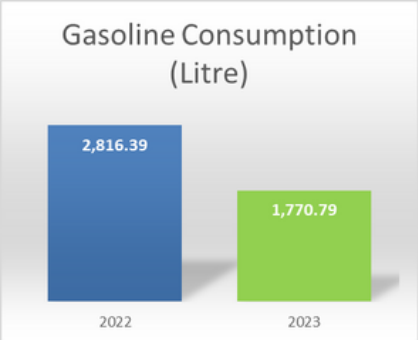
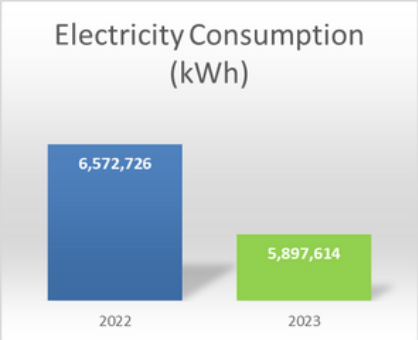
Energy Consumption

The consumption of resources in our daily operations is relatively high as our injection moulding machine consumes a lot of electricity. According to the characteristics of each business, we have formulated energy resource management policy (能源资源管理程序) to utilize resources efficiently and mitigate the adverse impact to the environment.

During the year, in order to further enhance energy use efficiency, we have entrusted our EHS team to improve the energy saving upgrade of air conditioning control system, covering the purchase and installation of hardware, the insulation of injection moulding machine to prevent heat loss, the manufacture and installation of frequency conversion electricity control cabinet, the application for energy saving subsidies, etc.

Below please find out energy consumption data of 2023.

	2022 Amount	2023 Amount
Electricity	6,572,726 kWh	5,897,614 kWh
Intensity (kWh / total production in pcs)	1.24 kWh	1.11 kWh
Gasoline	2816.390 L	1,770.790 L
Intensity (Litre / total production in pcs)	0.0005 L	0.0003 L
Diesel	8178.61 L	1,731.17 L
Intensity (Litre / total production in pcs)	0.0015 L	0.0003 L



Resources Saving Measures

Clean water is a valuable resource, which we are committed to conserving. We only use tap water supplied from municipal sources and do not have any on-site wells or boreholes. To control water pollution, we strictly follow local requirements on wastewater discharge. The wastewater of our factory is mainly from water dispensers and the water for dormitory used. In order to increase the awareness of conserving water resources, we advocate saving water at dormitories and plants and have posted reminders on saving water at washing basins. There was no issue in sourcing water that is fit for our purpose, and we have improved our equipment by installing dual flush toilets and sensor taps. As a result, we managed to reduce the water bill.

Water Conservation

Since the company's underground pipe network has been constructed for more than ten years and Heyuan is in an earthquake zone, the network has severe water seepage. Starting from 2020, we began to gradually upgrade the fire-fighting pipes underneath the dormitories and warehouses and recorded the reduction of water leakage. Comparing the records in 2020, the reduction amounted to 59% or about 36,790 tons by 2023. Meanwhile, in November 2023, the Company approved the launch of a comprehensive renovation project for the underground piping network, including the domestic water piping network and the remaining firefighting water piping network, all of which will be upgraded to the surface. Through this measure we will be able to monitor water pipes for leaks in real time, and if leaks are detected we will repair them in a timely manner.

Packaging

Packaging plays a critical role in all our products, keeping them safe as they move around from our factory to the customer end. As we know well-designed packaging saves resources by minimising waste from the packed product. We have worked with our customers to optimise our product packaging into a tight and light packaging with minimal waste. We have provided a selective of packaging options including recycled paper cartons and FSC certified packaging for our customer. We are working on a comprehensive packaging strategy that considers the impact of materials at every step of the value chain.

Our priority is to eliminate all avoidable packaging without negatively affect our product quality. We focus on both weight and structure design to ensure no excessive packaging is used. We are also embracing reuse of the packaging. Where packaging cannot be reduced or reused, we aim for the highest possible level of recyclability.

Climate Change

“With the increase in extreme weather such as typhoons and flooding, we are keenly aware of the importance of good climate risk management.”

Bryant Chan
President



Climate change is a global business issue. It can present varied risks and opportunities. We understand that stakeholders such as customers and investors are increasingly interested in understanding how a business is thinking about climate change. Over time, we plan to tailor and mature our response to this global phenomenon.

We are unwavering in our commitment to corporate social responsibility and our role as a responsible corporate citizen. Our GHG emissions, spanning Scope 1 and Scope 2, undergo rigorous third-party verification by Intertek Testing Services, ensuring transparency and accountability.

We recognize the critical importance of climate resilience and reducing GHG emissions. Our focus extends to enhancing energy efficiency with the ultimate goal of transitioning to renewable energy sources. We are also taking proactive measures to manage long-term climate risks, particularly in the face of extreme weather events. By fostering strong partnerships with our business associates, we maintain high environmental standards throughout our supply chain, ultimately reducing the distance traveled by our goods, thus minimizing our carbon footprint.

In our pursuit of electricity conservation, we have implemented a thoughtful strategy. The company plans to install more electricity meters in various departments, each with specific energy-saving targets. This initiative not only allows us to closely monitor electricity consumption but also encourages active participation from every department, aligning with our overall energy-saving goals.

Mitigation of Climate Impact

We have diligently identified and evaluated climate-related risks and opportunities that could impact our business and financial performance. We maintain ongoing monitoring and assessment of these identified risks, actively developing action plans to effectively mitigate their potential impacts. In aligning with industry best practices, we reference the recommendations provided by the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities that are directly pertinent to our business operations.

Risk type	Risk characteristics	Specific risk	Risk description
Physical risks	Acute	Typhoon	<p>As a manufacturing enterprise, we are acutely aware of the potential impact of natural disasters, particularly typhoons. The rising likelihood of high-intensity typhoons brings with it the risk of sustained strong winds and heavy rainfall. These adverse weather conditions pose several challenges for our operations.</p> <p>Firstly, the high-grade winds associated with typhoons have the potential to inflict damage to our facilities and even result in the destruction of buildings. This not only disrupts our manufacturing processes but can also lead to power outages, further compounding the issue by affecting the supply of essential raw materials required for our production.</p> <p>Secondly, the disruptive nature of typhoons extends to the travel plans of our employees. Such extreme weather events can pose risks to their safety during commuting or business-related travel, creating concerns that we take seriously. Considering these challenges, we remain committed to implementing robust disaster preparedness and response measures to safeguard our operations and the well-being of our employees in the face of typhoons and other natural disasters.</p>
		Flood	<p>Heavy rainfall, iceberg melting, storm surges, and other factors can contribute to the occurrence of floods. These sudden floods have the potential to inundate our factories and offices, resulting in significant damage to our infrastructure and buildings.</p>

Risk type	Risk characteristics	Specific risk	Risk description
Transition risks	Regulations and compliance	Emerging regulation	<p>Regulations pertaining to carbon emissions are expected to become increasingly stringent, necessitating more rigorous management of emissions by companies and their value chains. Both the European Union (EU) and the Chinese government are actively committed to supporting and promoting green transformation and development within the manufacturing sector, with a primary goal of reducing carbon emissions.</p> <p>Failing to successfully transition toward a low-carbon operation could result in adverse consequences for businesses. This includes the possibility of incurring higher operating costs through carbon taxes, carbon pricing mechanisms, and related measures. Furthermore, non-compliance with evolving environmental regulations may pose risks to ongoing operations, potentially leading to violations and associated penalties in the future. Therefore, a proactive approach to carbon emissions management and sustainability is not only beneficial but increasingly essential for businesses to thrive in a changing regulatory landscape.</p>
	Corporate reputation	Customer concern	<p>The growing emphasis on green consumption reflects a heightened awareness among consumers regarding ecological and global climate change. There is an increasing expectation from the public for companies to adopt more environmentally responsible practices in their operations. Falling short of meeting these expectations can have significant consequences for a company's reputation, potentially resulting in the loss of customers and adverse impacts on its business.</p>

Our Workplace

Wynnewood is committed to:

- Creating a safe, healthy, and supportive environment for all employees
- Ensuring employees at every level receive an appropriate induction so they have the best possible start in our organisation
- Maintaining proper systems to ensure equal opportunities and competitiveness in staff remuneration and recognition

“We will continue to cultivate an inclusive and high-performing workplace, empowering our employees to foster excellence and grow both personally and professionally.”

Bryant Chan
President

We believe human resources are important for the realisation of the strategic goals of an enterprise. We have enhanced the mechanism for the introduction and training of talents. We provide our employees with a favourable career development platform by providing a safe and healthy working environment and safeguarding their interests, thereby helping them achieve personal value as well as career development.

We believe that quality talents are important assets of an enterprise and the cornerstone for sustaining corporate development. We are committed to providing a fair and competitive compensation package to attract and retain quality talents, in the form of a basic salary, incentives bonus, mandatory provident fund, and other fringe benefits. Remuneration packages are reviewed periodically. Employees are entitled to various fringe benefits, such as annual leave, marriage leave, maternity leave and medical coverage, in accordance with local regulations.

We have a set of comprehensive human resources management policy, namely the Corporate Code of Conduct and Employee Right to provide guidelines and requirements for employees' behaviour. The Corporate Code of Conduct and Employee Right have stated the areas of compensation and dismissal, recruitment and promotion, working hours, appraisal, training and benefits.

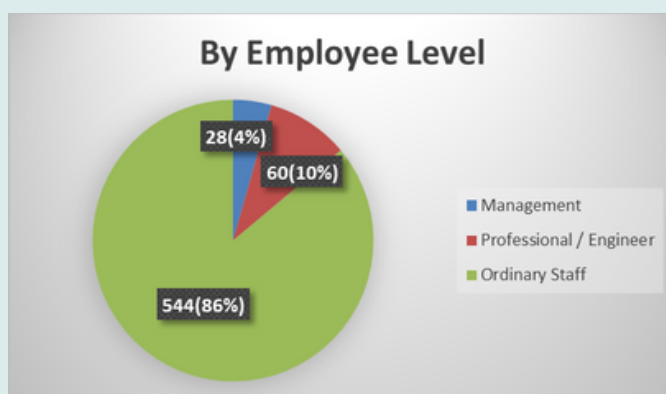
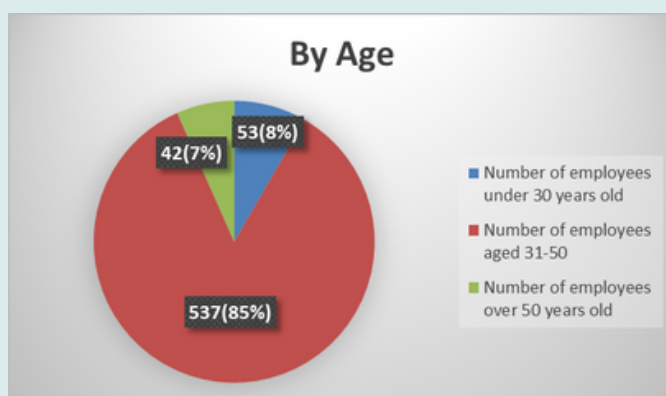
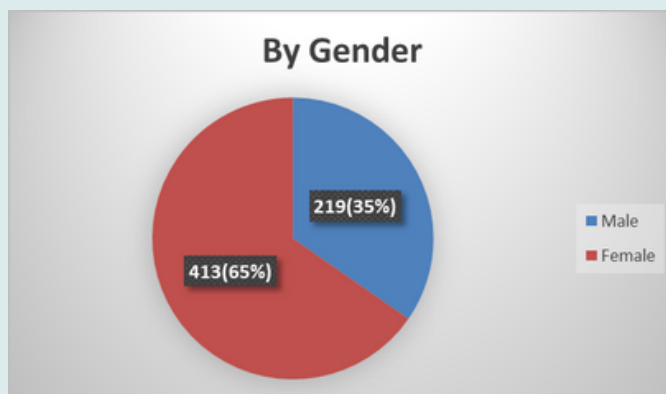
We have implemented in place the policies and procedures in accordance with the employment regulations, relevant policies and guidance of the relevant jurisdictions in China where we operate, including the Labour Law of the People's Republic of China (the "PRC") (中华人民共和国劳动法) and the Labour Contract Law of the PRC (中华人民共和国劳动合同法).

We have an internal procedure to report employees' information regularly in order to review employment practices so as to avoid any non-compliance. Furthermore, we strictly complied with the internal recruitment procedure to ensure no employments of child labour and forced labour.

We believe that each employee should be treated equally and ensure that employees in the workplace or job applicants during the recruitment process will not be subjected to any form of discrimination. All employees and job applicants are assessed based on their skills, qualification, and performance irrespective of their age, marital status, race, religion and nationality, gender, disability, sexual orientation, or political background.

We emphasize equal opportunities for all personnel in respect of hiring, pay rates, training and development, promotion, and other terms of employment. We have diversified cultures including the employees with different genders, ages, skills, and education backgrounds in order to achieve the most suitable composition and balance.

Employee Structure



Gender of Employee	Number of turnovers	Turnover rate (%)
Male Employees	156	71%
Female Employees	316	77%

Human Rights

We fully recognise that child labour and forced labour violate fundamental human rights and international labour conventions and pose a threat to sustainable social and economic development. The Company strictly adheres to the minimum age provisions under applicable laws and regulations. In particular, we ensure that:

- No employment of child labours – Job applicants must be at least 18 years old.
- No forced labour - Corporal punishment or coercion of any type related to work are prohibited.
- Remuneration and benefits – The Company ensure that the remuneration and benefits for employees comply with or exceed the minimum legal requirements of the country where employees are employed.
- Equal opportunity and no discrimination policy – The Company ensure that hiring, compensation, training, promotion, termination and retirement policies and practices do not discriminate on the grounds of age, sex, marital status, race, religion, disability, or any other non-job-related factors. Remuneration is determined with reference to performance, qualifications, and experience.
- Work overtime - All overtime work is performed on a voluntary basis, and employees may apply for overtime work. Regulations on overtime work are clearly stated and explained under the relevant labour contract.
- Harassment and abuse – The Company does not tolerate any physical, sexual, psychological or verbal harassment or abuse towards employees.

Training and Development

We strive to provide an environment where the employees can grow professionally and develop their career path that meets the long-term growth of the business simultaneously. In view of that, we always encourage our staff to participate in the continuous learning activities.

We provide trainings to our management with regular reading materials to ensure that they keep abreast of the latest regulatory requirements, corporate governance practices, financial information and market trends. We also provide training to our engineer professionals and our ordinary employees which focus on safe operations of machinery and equipment, new techniques as well as managerial enhancements.

Below are our training statistical data during the reporting period:

Average Training Hours per Employee (Percentage of Trained Employees)	2023
By Employee Category	
Management	2(100%)
Professional / Engineer	2(100%)
Ordinary Staff	2(100%)
By Gender	
Female	2(100%)
Male	2(100%)

IETP Gender Equality Training

In February 2023, we organized an IETP gender training for more than 30 employees to promote gender equality and awareness of harassment and violence, which was conducted in the form of a video and a test to increase the staff's concept of gender equality.



Parent-child training

In order to help employees master scientific communication, establish harmonious parent-child relationship and help children grow up healthily, in October 2023, the company invited a senior education teacher to give on-site lectures, explaining and answering questions on scientific communication and psychological nutrition. This activity was attended by 41 employees, and each participant gained a lot.



Assessment of Operational Excellence Team

In March 2023, the company invited a senior trainer to organize 15 people responsible for management in each department to conduct training on operations and to collectively discuss and give suggestions for improvement on issues that may affect operations in each step of the production process. Through this training, we hope to promote teamwork and trust between departments, improve team members' ability to persuade and listen, as well as stimulate ideas for continuous improvement.



Health and Safety

Ensuring the safety of everyone involved in the operation is crucial to our Company. We believe most of the accidents and injuries are preventable and we are driving a culture where safety is an integral part of our decision making across the Company. Therefore, we have implemented Occupational Health and Safety Training Plan (职业健康安全培训计划) to safeguard the well-being of the employees, striving to provide them with a safe, healthy and protected working environment. We focus on two areas to minimize health hazards.

- occupational health management, including ergonomics in the workplace; and
- work safety at factory and offices, including fire protection measures.

Our Heyuan factory has obtained ISO 45001 Occupational Health and Safety Management System certificate. It is a framework by helping positioning policies, procedures, and controls necessary to offer the best working conditions possible, aligned with the best international practices.

We also offer safety education and training to all employees to enhance their awareness of safety and self-protection. In addition, we regularly monitor and evaluate the risks of occupational hazards at the operation sites. The air quality of the workplace and other occupational hazards are also inspected by the admin department in order to prevent, control and eliminate occupational hazards and to improve the working environment of the employees.

Throughout the reporting period, we recorded two work-related incidents. These incidents involved one employee splashed a foreign object into left eye while moving a plastic frame and another employee mistakenly operated the automatic screw machine and suffered a bruise on the back of his right hand. In order to achieve the goal of zero work-related injuries, we will continue to conduct safety training for employees to enhance their safety awareness. Thankfully, we are relieved to report that there were no work-related fatalities among our employees during this time frame. Additionally, we are pleased to report that we did not identify any significant violations of occupational health and safety laws and regulations.

Taijiquan Charity Course

In October 2023, the company invited a professional taijiquan instructor in order to improve the comprehensive quality and physical fitness of the employees and formulated a lesson plan for teaching taijiquan. Employees can voluntarily enroll and participate in the on-site instruction through time outside of work. A total of 35 people participated in this activity.



Wynnewood Sports Day

In November 2023, in order to enrich the spare time of the employees, the company designed six competitions that were popular among the employees, attracting them to participate and offering daily necessities and delicacies as rewards to the winners, and the number of participants eventually reached nearly 600 people.

In order for the staff to strengthen their sense of teamwork, a tug-of-war competition was held at the same time. Male and female employees of each department were organized into teams, and the team drew lots for a single round robin competition to determine the champion and runner-up. At the same time, to encourage the enthusiasm of staff participation, we also rewarded the winning team.



Caring for our Community

Wynnewood is committed to:

- Get employees involved in local community organisations and activities
- Develop programmes with local community organisations that are relevant to our business and beneficial to local community needs

“We firmly believe that community contributions can have a positive impact on Wynnewood’s reputation and help those who are truly in need.”

*Daisy Li
Vice President*

As a responsible corporate citizen, Wynnewood corporation uses its expertise and resources to support the communities in which it operates in various ways.

Regular Voluntary Blood Donation

In September 2023, our company proudly organized a blood donation campaign in collaboration with the Heyuan Blood Donation Committee. This impactful initiative was driven by the noble goals of encouraging our employees to donate blood, ultimately saving lives, fostering social solidarity, and highlighting the private sector's commitment to social responsibility.

To ensure the comfort and well-being of our blood donors, the company thoughtfully provided a cozy rest area and refreshing red sugar water as liquid supplements. In addition, the blood station extended its appreciation to the donors by offering exquisite gifts as tokens of gratitude. This collaborative effort underscores our commitment to making a positive impact on society and exemplifies our dedication to social responsibility practices. Fifteen colleagues volunteered to participate in the program, donating 5,300cc of blood.



Free Health Diagnosis

In May 2023, the company invited doctors from the Guangdong Provincial Institute of Traditional Chinese Medicine and Health Research to come to the company to diagnose the employees for free in order to let them know about the idea of healthy lifestyles and to promote their physical health. About 600 employees participated in this event and learned about healthier lifestyles.



Friendly Family Spaces

In July 2023, the company launched the first “Friendly Family Spaces” program, which aims to help left-behind children who are separated from their parents due to working outside the home to get together with their parents during the holidays, and to help improve parent-child communication.

The company organized employee volunteers to set up warm classrooms and resting places; and invites professional kindergarten teachers to design vivid and lively programs suitable for children, including visits to parents' workplaces, fun science experiments, charity sales, etc., so as to let the children spend an unforgettable summer vacation life. A total of 20 families with children participated in the event.



Food Charity Sale

Under the guidance of teachers and volunteers, children make their own food and sell it in the company's living area to raise funds. With the funds raised, they then purchased necessities needed by the elderly home and went to the home with their teachers and volunteers to make donations. Employees also actively participated in the purchase of food, and nearly 500 employees participated in the purchase of food. The main purpose of the sale is to teach children to care for the elderly and to be kind to the community. All the children felt very meaningful after participating in the activity.



GRI CONTENT INDEX

Statement of use	We had prepared this report in accordance with the GRI standards for the reporting period 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

GRI Standards	Disclosure	Corresponding Remarks	Chapters and
The Organization and its reporting practices			
2-1	Organizational details	About Wynnewood	
2-2	Entities included in the organization's sustainability reporting	About the Report	
2-3	Reporting period, frequency and contact point	About the Report	
2-4	Restatements of information	About the Report	
2-5	External assurance	-	
Activities and workers			
2-6	Activities, value chain and other business relationships	Supplier Management	
2-7	Employees	Our Workplace	
2-8	Workers who are not employees	During the reporting year, all the workers performing work for Wynnewood are employees	
Governance			
2-9	Governance structure and composition	ESG Management	
2-10	Nomination and selection of the highest governance body	Wynnewood is a private company. The management of the company is appointed by the business owner.	
2-11	Chair of the highest governance body	ESG Management	
2-12	Role of the highest governance body in overseeing the management of impacts	ESG Management	

2-13	Chair of the highest governance body	ESG Management
2-14	Role of the highest governance body insustainability reporting	ESG Management
2-15	Conflicts of interest	Not applicable, no conflict of interest occurred in Wynnewood during the reporting period.
2-16	Communication of critical concerns	ESG Management
2-17	Collective knowledge of the highest governance body	ESG Management
2-18	Evaluation of the performance of the highest governance body	Not Applicable
2-19	Remuneration policies	Not Applicable
2-20	Process to determine remuneration	Not Applicable
2-21	Annual total compensation ratio	Not Applicable
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	ESG Management
2-23	Policy commitments	Sustainability at Wynnewood Corporation
2-24	Embedding policy commitments	Sustainability at Wynnewood Corporation
2-25	Processes to remediate negative impacts	Managing Risks
2-26	Mechanisms for seeking advice and raising concerns	ESG Management
2-27	Compliance with laws and regulations	Managing Risks
2-28	Membership associations	Sustainability at Wynnewood Corporation
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement
2-30	Collective bargaining agreements	We preserve employees' right to freedom of association and collective bargaining.

GRI 3: Material Topics 2021

GRI Standards	Disclosure	Corresponding Remarks	Chapters and
3-1	Process to determine material topics	Stakeholder Engagement	
3-2	List of material topics	Materiality Assessment	
GRI 201: Economic performance 2016			
3-3	Management of material topics	About Wynnewood	
201-1	Direct economic value generated and distributed	Not Applicable	
201-2	Financial implications and other risks and opportunities due to climate change	Climate Action	
201-3	Defined benefit plan obligations and other retirement plans	Not Applicable	
201-4	Financial assistance received from government	Not Applicable	
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	All our employees regardless of gender get the same wages and the wages is above the local minimum wages.	
202-2	Proportion of senior management hired from the local community	We implemented localized policy for our management. Hence most of our management are hired from local.	
GRI 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Caring for our Community	
203-1	Infrastructure investments and services supported	About Wynnewood Caring for our Community	
203-2	Significant indirect economic impacts	Not applicable, there were no significant indirect economic impacts on Wynnewood during the reporting period.	
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	Supplier Management	
204-1	Proportion of spending on local suppliers	We acquire most of our raw materials from local suppliers	

205-1	Operations assessed for risks related to corruption	Lead by Values
205-2	Communication and training about anti-corruption policies and procedures	Lead by Values
205-3	Confirmed incidents of corruption and actions taken	Not Applicable, Wynnewood did not have any confirmed incident of corruption in the reporting period
GRI 206: Anti-competitive Behavior 2016		
3-3	Management of material topics	Managing Risks
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Applicable, Wynnewood doesn't have any legal actions pending or completed regarding anti-competitive behavior or violations of anti-trust and monopoly legislation.
GRI 207: Tax 2019		
207-1	Approach to tax	Not Applicable
207-2	Tax governance, control, and risk management	Not Applicable
207-3	Stakeholder engagement and management of concerns related to tax	Not Applicable
207-4	Country-by-country reporting	Not Applicable
GRI 301: Materials 2016		
3-3	Management of material topics	Sustainable Products
301-1	Materials used by weight or volume	N/A
301-2	Recycled input materials used	N/A
301-3	Reclaimed products and their packaging materials	Not applicable, Wynnewood operations did not include the use of reclaimed materials in the reporting period
GRI 302: Energy 2016		
3-3	Management of material topics	Energy Consumption
302-1	Energy consumption within the organization	Energy Consumption
302-2	Energy consumption outside of the organization	Not applicable, Wynnewood did not have energy consumption outside of the organization
302-3	Energy intensity	Energy Consumption

302-4	Reduction of energy consumption	Resources Saving Measures
302-5	Reductions in energy requirements of products and services	Resources Saving Measures
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	Wastewater, Water Consumption
303-1	Interactions with water as a shared resource	Wastewater, Water Consumption
303-2	Management of water discharge-related impacts	Wastewater
303-3	Water withdrawal	Water Consumption
303-4	Water discharge	Wastewater
303-5	Water consumption	Water Consumption
GRI 304: Biodiversity 2016		
3-3	Management of material topics	Not Applicable
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable. Wynnewood didn't have any operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
304-2	Significant impacts of activities, products and services on biodiversity	Not Applicable
304-3	Habitats protected or restored	Not Applicable
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable. Wynnewood's operation didn't affect any IUCN Red List species or national conservation list species with habitats in areas
GRI 305: Emissions 2016		
3-3	Management of material topics	Our Environment
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas
305-3	Other indirect (Scope 3) GHG emissions	Greenhouse Gas
305-4	GHG emissions intensity	Greenhouse Gas
305-5	Reduction of GHG emissions	Greenhouse Gas, Resources Saving Measures, Climate Change

305-6	Emissions of ozone-depleting substances (ODS)	Not applicable. Wynnewood didn't have ODS emissions during operation
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Emissions
GRI 306: Waste 2020		
3-3	Management of material topics	Waste Management
306-1	Waste generation and significant waste-related impacts	Waste Management
306-2	Management of significant waste-related impacts	Waste Management
306-3	Waste generated	Waste Management
306-4	Waste diverted from disposal	Waste Management
306-5	Waste directed to disposal	Waste Management
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	Supplier Management
308-1	New suppliers that were screened using environmental criteria	Supplier Management
308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Management
GRI 401: Employment 2016		
3-3	Management of material topics	Our Workplace
401-1	New employee hires and employee turnover	Employee Structure
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Workplace
401-3	Parental leave	Our Workplace
GRI 402: Labor/Management Relations 2016		
3-3	Management of material topics	Our Workplace, Human Rights
403-1	Occupational health and safety management system	Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety
403-3	Occupational health services	Health and Safety

403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
403-5	Worker training on occupational health and safety	Health and Safety
403-6	Promotion of worker health	Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
403-8	Workers covered by an occupational health and safety management system	Health and Safety
403-9	Work-related injuries	Health and Safety
403-10	Work-related ill health	Health and Safety
GRI 404: Training and Education 2016		
3-3	Management of material topics	Training and Development
404-1	Average hours of training per year per employee	Training and Development
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	Our Workplace
405-1	Diversity of governance bodies and employees	Our Workplace
405-2	Ratio of basic salary and remuneration of women to men	Not Applicable, our salary is based on job functions, not by gender. There is no ratio differences between female employees and male employees
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	Our Workplace
406-1	Incidents of discrimination and corrective actions taken	During the reporting year, no incidents of discrimination occurred in Wynnewood.
GRI 407: Freedom of Association and Collective Bargaining 2016		

3-3	Management of material topics	Lead by Values
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	During the reporting year, the right to freedom of association and collective bargaining was not at risk in Wynnewood and suppliers.
GRI 408: Child Labor 2016		
3-3	Management of material topics	Human Rights
408-1	Operations and suppliers at significant risk for incidents of child labor	During the reporting year, no incidents of child labour occurred in Wynnewood.
GRI 409: Forced or Compulsory Labor 2016		
3-3	Management of material topics	Human Rights
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights
GRI 410: Security Practices 2016		
3-3	Management of material topics	Human Rights
410-1	Security personnel trained in human rights policies or procedures	Not Applicable
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable, Wynnewood did not have any incidents of violations involving rights of indigenous peoples
GRI 413: Local Communities 2016		
3-3	Management of material topics	Caring for our Community
413-1	Operations with local community engagement, impact assessments, and development programs	Caring for our Community
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable, Wynnewood did not have operations with significant actual and potential negative impacts on local communities
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	Supplier Management
414-1	New suppliers that were screened using social criteria	Supplier Management
414-2	Negative social impacts in the supply chain and actions taken	Supplier Management

GRI 415: Public Policy 2016		
415-1	Political contributions	Our Company stay neutral in political stand.
GRI 416: Customer Health and Safety 2016		
3-3	Management of material topics	Quality Management
416-1	Assessment of the health and safety impacts of product and service categories	Quality Management
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During the reporting year, there were no incidents of non-compliance concerning the health and safety impacts of products and services in Wynnewood.
GRI 417: Marketing and Labeling 2016		
3-3	Management of material topics	Sustainable Products
417-1	Requirements for product and service information and labeling	Quality Management
417-2	Incidents of non-compliance concerning product and service information and labeling	During the reporting period, Wynnewood had no incidents of non-compliance concerning product and service information and labeling.
417-3	Incidents of non-compliance concerning marketing communications	During the reporting period, Wynnewood had no incidents of non-compliance concerning marketing communications.
GRI 418: Customer Privacy 2016		
3-3	Management of material topics	Customer Privacy
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, Wynnewood had no substantiated complaints concerning breaches of customer privacy and losses of customer data.