



Walsun

Walsun Tech & Trade Co., Ltd.

CSR Report

2023-11-10

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1. Foreword

(1) Reporting specifications

Report Description

This report is first corporate social responsibility report released by Walsun Tech & Trade Co., Ltd. (hereinafter referred to as "Changsha Walsun", "Walsun" or the "Company") to stakeholders . It aims to truly reflect the company's efforts, practices and performance in areas of governance, environment, society and other responsibilities through objective, standardized, transparent and comprehensive information disclosure. The textual information and performance of the report are mainly from November 1, 2022 to October 31, 2023, and some information involves previous years.

Report scope and boundaries

Unless otherwise specified, this report covers Walsun Tech & Trade Co., Ltd. " Changsha Walsun " and "Company" in the article refer to Walsun Tech & Trade Co., Ltd. The subsidiary Hunan Walsun New Materials Co., Ltd. has not yet converted to formal production and is not within the scope of this report.

Report data description

The data sources used in this report include public data from government departments, internal company statistics, administrative documents and reports, and third-party evaluations. Unless otherwise stated, the currency types and amounts involved in this report are

measured in RMB. If there is any inconsistency with the financial report, the financial report shall prevail.

Preparation process

This report is based on the company's ESG practices and is advanced in accordance with the process of "project approval—collection of materials—preparation and revision—senior management review—external disclosure". It also communicates with relevant stakeholders during the project approval, preparation, and revision processes. Actively communicate and research and demonstrate the report framework structure and content.

Release form

This report is released in electronic form. You can log on to the company's official website (www.walsun.cn) to view it. The company plans to release it once a year. If you have questions or suggestions about the report, you can send an email to greenchem@walsun.cn or call +86 731 82229318 ext.624.

Compilation basis

- Chinese Academy of Social Sciences' "China Corporate Social Responsibility Reporting Guide" (CASS-ESG 5.0)
- United Nations 2030 Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI) "Sustainability Reporting Standards" (GRI Standards)

(2) General Manager' s Speech

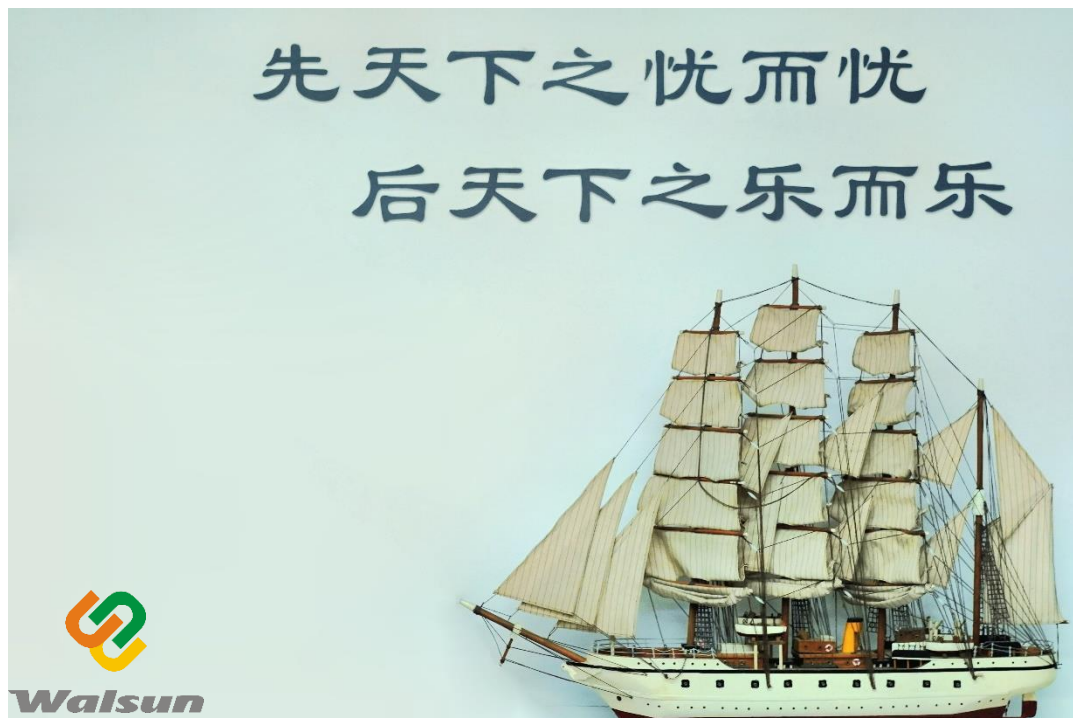
Dear customers, employees and shareholders:

A truly outstanding enterprise should be an important force in promoting the progress of human society.

Walsun chooses sustainable development. We know that although the company is small, it has great responsibilities. We hope that Walsun's business philosophy and practices will continue to have a positive impact on the environment, society and employees.

The height of Walsun's future development will depend on Walsun's social value. Actions speak louder than words, Walsun will forge ahead!

General Manager of Walsun Tech & Trade Co., Ltd. : Yu Guo



(3) Responsibility focus

Annual ESG Progress

We continue to optimize corporate governance, vigorously promote the construction of modern corporate systems, continue to standardize corporate governance, and improve risk prevention and control capabilities. Improve investor relations management and continue to create stable value returns for shareholders. Build a quality, environment, and occupational health management system, and successfully complete the I SO14001\ ISO 45001 \ ISO9001 re-certification audit this year ; build a market prediction model to improve the procurement quality level; establish a supplier compliance and ESG performance evaluation model to improve suppliers Sustainable management system ; strengthen service quality to ensure consistent provision of excellent products and quality services to customers . During the reporting period , the company achieved operating income of 41.5439 million yuan , of which 25 were products with green attributes , accounting for 11.36 % of the total products sold and 11.26 % of the total sales .

We practice the concept of green development and do our best to repay the society. In 2012, we established a charity committee to help students; coordinate resources and participate in epidemic prevention and control .

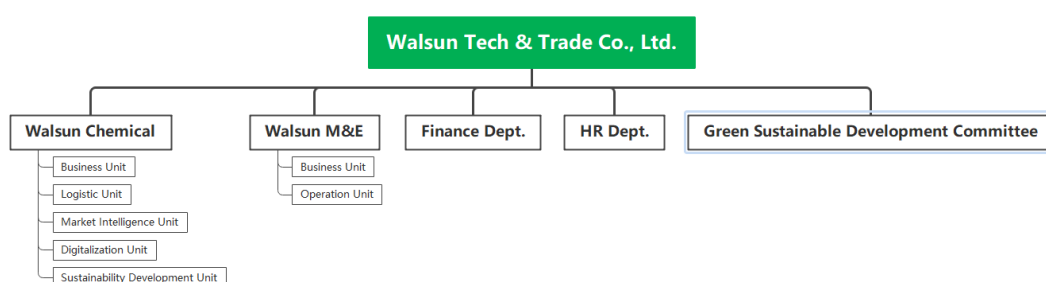
(4) Company introduction

Walsun Tech & Trade Co., Ltd. (hereinafter referred to as "Walsun Company"), website: www.walsun.cn, was established in 2004 and is located in Room 608, First Avenue, No. 2 Wuyi West Road, Furong District, Changsha City. It is a chemical industry, a comprehensive trading company focusing on mechanical and electrical import and export business, with a

development history of more than 19 years. Walsun's import and export team has long provided high-quality services to well-known Chinese and foreign companies, including Brenntag, 3M, Sinopec, etc. Walsun team pursues excellence and sincerely creates value for partners.

Walsun Company passed the ISO9001/14001/45001 three-system certification and EcoVadis bronze certification.

Walsun Tech & Trade Co., Ltd. Organizational Chart



Strategy and culture

Mission: For the physical and mental happiness of all employees, and strive to create value for society.

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

Core value

Be customer-centric, adhere to integrity and integrity, embrace change, and be brave in innovation;

Pursue outstanding achievements and contributions, and rely on teamwork to achieve common goals.

Company History



Business Overview

Walsun is a comprehensive trading company mainly engaged in chemical and mechanical and electrical import and export business. It is mainly engaged in the export of chemical products and the import of mechanical and electrical products.

2. Governance responsibilities

(1) Corporate governance

In order to safeguard the legitimate rights and interests of shareholders and ensure the normal order and efficiency of the shareholders' meeting, in accordance with the "Company Law of the People's Republic of China" and other relevant laws and regulations as well as the "Articles of Association", we will continue to improve the company's

standardized operation level and promote the improvement of the corporate governance structure.

The company has established a standardized and orderly corporate governance structure in accordance with relevant regulations and requirements, and formulated corresponding rules of procedure to clarify the responsibilities, authorities, procedures and obligations to be performed by institutions at all levels in terms of decision-making, supervision, and execution, forming a clear-cut system of clear powers and responsibilities, scientific decision-making, mutual checks and balances, and a mutually coordinated governance structure to effectively protect the legitimate rights and interests of the company and shareholders.

About shareholders and shareholders' meeting

In accordance with relevant laws, regulations and the provisions of the Articles of Association, the company formulates the "Shareholders' Meeting Rules" and establishes a relatively complete shareholders' meeting system. The company's shareholders' meeting is composed of all shareholders and is the company's highest authority.

During the reporting period, the company held a total of 4 shareholders' meetings. The convening and procedures of the company's shareholders' meeting comply with the relevant provisions of the Company Law, the Company's Articles of Association and the company's Rules of Shareholders' Meetings.

The shareholders' meeting is the company's decision-making body, responsible for and reporting to the shareholders' meeting. The company's shareholders' meeting consists of 4 shareholders. During the reporting period, the company held a total of 4 shareholders' meetings, and the

attendance rate of all shareholders was 100%. The company's shareholders were able to perform their duties with loyalty, integrity and diligence. The convening and holding procedures of the company's shareholders' meeting are in full compliance with the relevant provisions of the Company Law, the Articles of Association and the company's Rules of Shareholders' Meetings.

The company has an independent and complete main business and independent operating capabilities. It is independent of the controlling shareholder in terms of personnel, assets, business, institutions and finance. It can operate independently, operate independently, and bear responsibilities and risks independently. The company's controlling shareholders exercise their rights in accordance with the law and assume corresponding obligations.

The company has one supervisor. Responsible for supervising and inspecting the company's financial status, supervising the performance of duties by the company's directors, general manager and other senior managers, and safeguarding the interests of the company, shareholders and employees.

Digital empowerment

Walsun commits to continuously exploring diversified digital paths and promoting digital construction. The company officially launched digital transformation in 2020, and continued to promote it over two years. In 2021, it fully completed the digitalization V1.0 construction of the OA system and managed the order system. In 2023, we built product market intelligence system, chemical product GS portrait system, and supplier ESG performance evaluation system.

Integrity management

Walsun strengthens the introduction of audit talents and suppliers to prevent untrustworthy personnel and untrustworthy units from entering the company and reduce the risk of fraud.

Walsun created a clean and honest work environment and prohibit any form of corruption and bribery. In order to further promote the company's anti-corruption work, the company established the "Walsun Supplier Code of Conduct", "Walsun Code of Business Conduct" clarifies the "red line of integrity", and at the same time strengthens the integrity management of suppliers, dealers and other partners, and establishes channels for reporting commercial fraud complaints and a handling mechanism.

Provide channels for complains

1. When employees believe that their personal interests have been unduly violated, or have different opinions on the company's business management measures, or discover violations of the company's regulations, they can choose appropriate complaint channels to lodge a complaint with the company.

2. Complaints can be made in two forms: interview and written form. After receiving complaints from employees, the responsible persons or responsible departments at all levels will investigate the relevant parties involved in the complaint and make a decision as soon as possible based on the investigation results. The decision will be notified to the complainant, the company general manager and the Human Resources Management Center in writing or via email. If the employee is dissatisfied with the decision, he or she can continue to appeal to a higher-level manager or department.

Fair competition

We strictly abide by the "Anti-Unfair Competition Law of the People's Republic of China" and other laws, regulations and related requirements, and always conducts sales in strict accordance with the procurement procedures and specifications established by the company. During the reporting period, the Company operated in strict accordance with the requirements of relevant laws and regulations, and there were no penalties imposed by the competent authorities of the state due to bundling, commercial bribery and unfair competition, as well as legal proceedings in respect of unfair competition and anti-monopoly.

Operate in compliance with laws and regulations

The company strictly abides by laws, regulations and various regulatory provisions to ensure that the company operates in accordance with the law. Continue to improve various management systems, improve the rules and regulations of the company's legal system, standardize contract review and other work processes, and provide legal protection for the company's operations. At the same time, we continue to enhance employees' awareness of laws and regulations, organize regular internal legal and regulatory knowledge training for employees, intensify efforts to govern the company according to law, and effectively transform compliance management capabilities into the driving force for corporate governance modernization.

Since its establishment in 2004 , there have been no abnormal operations, no breach of trust, and no major negative public opinion during the operation period.

Information disclosure management

The company strictly complies with relevant laws, regulations and the "Articles of Association" and other relevant requirements, fulfills its information disclosure obligations in a true, accurate, complete and timely manner, and sends the company's operating conditions to shareholders in the form of financial statements every month to improve the company's information disclosure. Management level and information disclosure quality, and safeguard the rights and interests of shareholders.

(2) ESG management

Walsun established the Walsun Green Sustainability Committee in 2020 to formulate ESG strategic goals, further clarify the strategic direction, specific goals and key tasks for promoting work in key ESG areas, and promote the true integration of ESG work into operations and management. In order to implement the implementation, the sustainable development team will decompose the work of ESG into company management, sustainable supply chain creation, and the construction of Green Chemical's green chemical website based on Walsun's annual green sustainability goals .

3. Environmental risk management

(1) Environmental management

1. Environmental management system

Walsun pays attention to the construction of the environmental system and strictly abides by the "Environmental Protection Law of the People's

Republic of China", "Environmental Impact Assessment Law of the People's Republic of China" and other laws and regulations. On this basis, it has formulated various general environmental management systems of the company, including the "Environmental Protection Law" and "Environmental Impact Assessment Law of the People's Republic of China". Protection, Health and Safety Accident Reporting and Investigation Procedures" "Environmental Factor Identification, Evaluation and Control Procedures" "Environmental Management Operation Control Procedures"

At present, the relevant updated system documents implemented by Walsun include the "Quality Environmental Occupational Health and Safety Management Manual", "Hazard Source Identification and Evaluation Control Procedures", "Environmental Factor Identification and Evaluation Control Procedures", etc.

2. Pass environmental management system certification

Walsun passed the ISO14001 environmental management system certification for the first time in 2020 , organizes reviews every year, and will pass the system certification again in 2023 .

3. Environment - related measures

- Adhere to green and low-carbon office
- Build a Green Chemical Network to advocate green chemicals
- Conduct GS portraits of chemical products, conduct ESG performance assessments of Walsun suppliers, and output product portrait information and supplier ESG assessment results to customers to facilitate customers to make more sustainable choices.

4. Environmental protection violations and penalties

From 2022 to 2023, there were 0 environmental complaints and pollution incidents in Walsun.

(2) Resource utilization

The main energy resources used in Changsha Walsun's daily operations include electricity, natural gas and water. All energy resources are stably supplied by relevant local institutions, and there is no shortage of demand, overuse or waste. Domestic wastewater is managed uniformly by the property and discharged to the sewage treatment plant designated by the local management center through appropriate wastewater treatment facilities.

The company's production and operation activities do not directly emit greenhouse gases such as carbon dioxide. Indirect greenhouse gas emissions mainly come from the electric energy resources, tap water consumption, sewage treatment, waste disposal, employee commuting, business travel and other activities used in the company's daily office processes .

1. Resource consumption

Walsun promotes energy and low-carbon awareness to employees, raises everyone's awareness of energy and water conservation, advocates double-sided use, saves paper, and contributes to reducing greenhouse gas emissions.

Resource consumption statistics from 2022 to 2023

	Natural gas (m ³)	Electricity (kWh)	Tap water (t)	A4 paper (kg)
2022	360	8013	192	105
2023	378	7690	200	78.6

2. Green office initiatives

Lighting system

- 1) Turn off the lights when not using the room
- 2) Use daylight/natural lighting whenever possible
- 3) Keep lighting fixtures and lamps clean and maximize energy efficiency

Air Conditioning System

- 1) Turn off the air conditioner when the room is not in use
- 2) Install sunshade curtains on office glass walls and windows to reduce heat energy absorption

Office and employee management

- 1) Promote paperless office and use paper on both sides as much as possible;
- 2) Encourage employees to take the elevator less and take the stairs more.
Try to use bicycles and public transportation for daily commuting;
- 3) Try to use online meetings instead of travel for company meetings, and try to use high-speed rail instead of planes;
- 4) Save water and promptly notify property maintenance if faucets are leaking or dripping;
- 5) Strengthen publicity and education for employees, encourage everyone to use personal carbon footprint calculators, and advocate low-carbon office starting from small things around them.

(3) Coping with climate change challenges

Climate change is a topic of widespread concern around the world. Reducing carbon emissions and actively responding to climate change are key issues facing the future development of society. The company integrates environmental management responsibilities into actual operations, actively carries out power demand management and energy efficiency management, continuously reduces energy consumption, builds a resource-saving and environmentally friendly company, and responds to the challenges of the ecological environment and climate change.

Encourage employees to reduce private car travel and try to travel in green and environmentally friendly ways.

Commuting of public transportation trips vs private car is 14: 3

Energy-saving lamps are used for lighting, and energy-saving office guidelines such as "turn off the lights and turn off the air conditioner when leaving" are implemented.

Promote the use of double-sided paper, increase the publicity and implementation of low-carbon offices, and strengthen the corporate culture construction of green offices.

Greenhouse gas emissions

During the reporting period, Changsha Walsun' s greenhouse gas emissions were 25.92tCO₂e.

4. Social Risk Management

(1) Employment

Equal employment

Walsun strictly abides by the provisions of national laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Work-related Injury Insurance Regulations, etc., to ensure the legal compliance of recruitment and employment, standardize the recruitment workflow and requirements, and provide We provide employees with fair and reasonable employment opportunities, adhere to democratic management, create a fair, just, good and comfortable working environment , oppose any form of forced labor , eliminate the use of child labor, and ensure that employees can normally enjoy national statutory holidays .

Establish a complete management system

We strictly abide by relevant laws and regulations, adhere to democratic and legal procedures to formulate personnel rules and regulations, and create a good employment environment. The company adheres to the principles of fair, fair and open employment and opposes all discrimination based on race, gender, age, family background, religious belief, etc., and ensures that all employees enjoy equal rights in recruitment, labor, salary training, promotion, compensation and other stages.

Summary of employee composition as of the reporting period

Classification	Content	2022	2023
Gender	Total number of male employees	8	8
	Total number of female employees	22	25
Age	Total number of employees under 20 years old	0	0
	Total number of employees aged 20-30	4	5
	Total number of employees aged 31-50	21	24
	Total number of employees over 50 years old	5	4
Education	Total number of employees with bachelor degree or above	10	13
	Total number of employees with college degree	17	17
	Total number of employees with high school education or below	3	3
Ethnic	Chinese	29	32
	Minority	1	1

Optimize salary and benefits

We determine the corresponding salary level based on the company's development status and human resources management strategy framework, as well as the average salary level in the company's region, employee job responsibilities, personal abilities and comprehensive performance, and actively explore the optimization and adjustment of the salary structure, launch virtual equity incentive plans, etc. The long-term incentive mechanism allows employees to enjoy the dividends of the company's growth and continuously improve the competitiveness of salary levels.

Implement democratic management

We resolutely protect employees' rights to participate in company decision-making and management in accordance with company regulations, and advocate equality for everyone. Through weekly meetings, we encourage employees to actively express their demands and ideas in work and life, understand their demands in a timely manner, and actively respond and resolve them to fully guarantee Employees' rights to democratic management.

Comprehensive statistics of Walsun employees

	2022	2023
Total number of employees	3 0	33
Proportion of female managers (%)	60	60
Employee labor contract signing rate (%)	100	100
Employee social security coverage rate (%)	100	100
Turnover rates (%)	3.2	2.9
Number of paid annual leave days per capita (days)	9.3	8.7

Employee Benefits

Provide complete social security and housing provident funds

Implement employee stock ownership plan

Employee holidays: maternity and paternity leave, parental leave, only child care leave, paid annual leave

Birthday benefits, holiday benefits, year-end bonuses, annual travel, annual physical examination subsidies, etc.



Employee satisfaction

2022-2023, employee satisfaction rate is 97.86 %

(2) Development and training

Improvement and development

We continue to deepen and improve the employee training mechanism, actively carry out employee training that meets the needs of various positions, promote employee ability improvement, clarify employee promotion channels, optimize the incentive system, fully stimulate employees' enthusiasm for self-learning, and enhance self-learning ability.



Career development system

We have designed a complete career development system and designed different career development paths for employees with different aptitudes, namely professional development paths and management development paths.

Training management work

New employee training: Each new employee will receive face-to-face training and online training before taking up the job, with 20 hours of face-to-face training and 25 hours of online self-study training

(including 0 KR and communication training camp). During the reporting period, the four new employees received a total of 180 hours of training.

Grassroots training series: Through daily morning meetings and weekly meeting experience summarization and sharing, we are committed to improving the core qualities of the enterprise such as employee execution improvement, leadership improvement, corporate culture implementation, and ISO three system implementation.

Training for middle-level and senior executives: Increase the core management skills of managers through online training and discussions on corporate strategic development, mission culture, corporate vision realization, process control, and goal achievement.

Statistics on Walsun' s online course training

training content	Number of lessons	Training objects
OKR System Learning	1 hour	New employees
Get Communication Bootcamp	24 hours	New employees
Bangke foreign trade course	50 hours (updating)	Chemical Dept.
Whatsapp practical function training	1 hour	Chemical Dept.
OKR practical course for managers	10 hours	Leaders of Chemical Dept.
Communication training camp for managers	17 hours	Leaders of Chemical Dept.
Li Yizhou Artificial Intelligence Course	20 hours	Digitalization Team of Chemical Dept.
SGS Carbon Footprint and Life Cycle Assessment	1 hour	Green Sustainability Group of Chemical Dept.
Detailed explanation and response to SGS EU CBAM regulations	1 hour	Green Sustainability Group of Chemical Dept.
SGS 2023 Industrial Energy Saving and Green Low-Carbon Development Training – Scientific Carbon Targets and Carbon Neutrality	1 hour	Green Sustainability Group of Chemical Dept.

Some employees who participated in external training have obtained ISO9001, ISO14001, ISO45001 internal auditor certificates and ISO14064-1:2018 greenhouse gas internal auditor certificates in 2022.

Solidarity and sharing

Walsun will take care of its employees in a practical way, help employees solve practical difficulties, and strengthen employee cohesion and centripetal force. Encourage employees to join hands with the company to strive for a happy life, create value together, and share beauty of lives.

Employee Care

The company's financial department and human resources department regularly collect and summarize the difficulties and appeals of the company's employees and provide targeted assistance. For sick employees or their family members, the company will provide employees (and their family members) with hospitalization compensation; Provide employees with interest-free loans, and give bones to family members during the New Year.

In 2022, a total of 2 employees/employee family members received hospitalization condolence payments and 31 family bonuses were given out.

2023, as of the reporting period, a total of 8 employees /employee family members received hospitalization condolences and 30 family red envelopes were given out.

Company team building

The company improves employees' physical fitness and enhances employee cohesion and centripetal force by organizing annual travel, occasional outdoor hiking/dining parties, and weekly badminton activities.



(3) Occupational health and safety

Occupational health management

1. Provide annual physical examination fees (1,000 yuan /person/year) and cultural and sports activity fees (1,200 yuan /person/year), and urge employees to carry out health management and physical exercise;
2. Organize outdoor hiking and mountain climbing from time to time, a total of 2 times during the reporting period;
3. Organize indoor gymnasium badminton activities every week, a total of 40 times during the reporting period;
4. Purchase a treadmill in the office; organize two work breaks every day.



Passed occupational health and safety management system certification

We continue to promote the construction of ISO 14001 and ISO 45001 systems. In 2020, we passed the ISO 14001 & ISO 45001 dual system certification for the first time. We organize reviews every year and pass the system certification again in 2023.

Number of new occupational diseases

From 2022 to 2023, the number of new employees suffering from occupational diseases and the cumulative number of occupational diseases in the company will be 0.

Safety implementation and training

We implement fire safety, environmental safety and other contents to the person in charge of the corresponding responsible department. Ensure employees have an awareness of environmental protection and environmental safety.

1. Sign an employee safety target responsibility letter:

There were 0 fire accidents; 0 personal injury accidents and traffic accidents;

The hidden danger rectification rate is 100%; the employee safety education rate is 100%.

2. Cooperate with the property management company to conduct fire emergency drills twice a year; conduct safety knowledge lectures to improve employee safety awareness.



Safe office performance

Changsha Walsun provides safety education and training to company employees around basic safety knowledge, water and electricity safety, use of fire masks, traffic safety, fire emergency drills, laws and regulations, etc.

Walsun Safety Office Performance Statistics		
category	2022	2023
Total number of safety-related trainings (times)	8	6
Total length of safety-related training (class hours)	8	6
Safety training coverage rate (%)	100	100
Number of safety incidents (times)	0	0
Number of work-related injuries/deaths (person)	0	0
Number of working days lost due to work injury (days)	0	0

(4) Customer responsibilities

Product /service quality management

Walsun adheres to the customer-centered service concept. Since 2020, we have held ISO9001 quality management system certification and review it every year. In 2023, we passed the re-audit.

Rate of qualified products

2022-2023, product qualification rate is 100 %

Product Marketing

In the process of promoting services, we uphold a high degree of responsibility and carry out marketing activities objectively and truthfully, without exaggerating or concealing risks.

Respond to customer complaints

We attach great importance to rapid response to customer complaints and effectively protect the rights and interests of each customer. Product managers provide timely and effective feedback on customer complaints, and track and manage the processing nodes, progress and complaint handling status of each customer complaint. At the same time, we conduct an overall summary and analysis of the reasons for complaints and formulate standardized policies or procedures.

From 2022 to 2023, the one-time follow-up rate of complaint documents within 24 hours is 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 rights and trade secrets, the company also respects the intellectual property rights of others and avoids infringement of the rights of others; it also conducts special training to cultivate the awareness of trade secret protection among relevant personnel.

The company formulates an overall information security plan, continues to improve the information security management system, and establishes a network and information security emergency leadership group;

implements specific security management personnel, enhances the security awareness and security incident handling capabilities of information personnel, and deploys relevant security products and measures. In addition, the company actively promotes training related to network data security and personal information protection, and uses email and online training to enhance network security awareness.

From 2022 to 2023, the company regularly completed network security risk assessments and vulnerability scans, and there were 0 information security incidents.

Customer satisfaction

From 2022 to 2023, Changsha Walsun's customer satisfaction rate was 93 %.

Complaint resolution rate

From 2022 to 2023, the customer complaint resolution rate will be 100 %.

Negative issues related with customer health and safety incidents that occurred during the reporting period

From 2022 to 2023, there were 0 negative customer related health and safety issue.

(5) Responsible supply chain management

Supply chain sustainable management system

In order to effectively promote sustainable supply chain management, the Walsun Sustainability Committee was established.

1. Formulate the Walsun Supplier Code of Conduct to guide and standardize supplier behavior in terms of law-abiding operations, compliant employment, resource consumption, emission control, health and safety, and business ethics.

2. Regularly evaluate suppliers' compliance and ESG performance

Supplier Sustainability Comprehensive Assessment Form

Suppliers	Compliance Verification	Sustainability-related certificates	Credit rating		Green Process Conduction	Sustainability-related Third-party Assessment	Recyclable Packaging material Adoption	Carbon Management	Emission reduction measures	Status of Environment 1 Penalties	Environment Positive List
			Environment Related	Tax Related							
	Yes	Green Factory (National), ISO50001, ISO14001, ISO45001, ISO22000, ISO9001	Excellent	A	Yes	N/A	Yes	N/A	1. Recovery and recycling of wastewater or waste gas or waste residues 2. ISO50001 certified for Energy Management System	N/A	N/A
	Yes	Green Factory (National), ISO14001, ISO45001, ISO50001, ISO9001, FSSC22000	Good	A	N/A	Parent company rated BB (by Wind ESG)	Yes	1. Publishing Carbon Footprints; 2. Publishing GHG Emission	1. Recovery and recycling of wastewater or waste gas or waste residues 2. ISO50001 certified for Energy Management System	N/A	N/A
	Yes	ISO14001, ISO45001, ISO9001, ISO22000	Good	N/A	Yes	Parent company rated BB (by Wind ESG)	Yes	N/A	Recovery and recycling of wastewater or waste gas or waste residues	N/A	N/A
	Yes	ISO14001, ISO45001, ISO22000, ISO9001	N/A	N/A	N/A	N/A	Yes	N/A	Recovery and recycling of wastewater or waste gas or waste residues	N/A	Yes
	Yes	ISO14001, ISO9001	Normal	N/A	N/A	N/A	Yes	N/A	N/A	N/A	N/A

Supplier E SG performance evaluation

The company has formulated "Supplier Compliance Review Standards" and "Supplier ESG Performance Evaluation Methods" to actively promote "green procurement" and implement the concept of "green, low-carbon, energy-saving and environmentally friendly" in assisting customers in selecting supplier factors. Under the same conditions Prioritize the procurement of products that are harmless or less harmful to the environment, have high resource utilization rates and low energy consumption throughout their life cycles ; give priority to the use of new energy-saving and environmentally friendly technologies and processes ; give priority to suppliers with ISO certificates ; advocate for workers Protect rights and interests and promote environmental protection and social responsibility throughout the supply chain .

Admission: Review potential suppliers' qualifications, compliance, and ISO certification;

Assessment: Carry out evaluation of ESG performance of cooperative

suppliers, and conduct on-site compliance investigation of supplier qualification documents when necessary

Evaluation: Comprehensive evaluation based on the assessment results , and the evaluation results are provided for reference by the business department

Quit: Enterprises that meet the following circumstances should temporarily withdraw from the list of qualified suppliers:

(1) Enterprises that have experienced particularly serious/major accidents in the past 12 months;

(2) Two production safety accidents occurred in the same enterprise within the past 12 months, one of which was a major accident;

(3) In the past 12 months, due to production safety accidents in the same enterprise, there have been concealed reports, false reports, late reports, or omissions;

(4) In the past 12 months, the enterprise has been subject to any administrative penalties but refused to make corrections or implement them.

Number of suppliers reviewed

years	Compliance audit of cooperative suppliers	The cooperative supplier failed to pass the audit
2022	259	0
2023	310	0

Number of suppliers suspended due to non-compliance

From 2022 to 2023, the number of suppliers whose cooperation was suspended due to non-compliance with social responsibility was 0, and there were 0 cases of termination due to corruption-related violations.

Number of potential suppliers rejected due to non-compliance

Review status of potential suppliers		
years	Compliance audit of potential suppliers	Potential suppliers rejected due to non-compliant
2022	814	60
2023	1168	81

5. Value Creation

In order to fulfill the company's social responsibilities, Walsun has established a charity fund in 2012, which is dedicated to caring for students, emergency assistance, and social welfare projects, etc.

In 2020, 100,000 yuan was donated to fight the epidemic; in 2021, public welfare donations was 27,500 yuan ; in 2022 , public welfare donations was 38,000 yuan; in 2023 , public welfare donations is 40,000 yuan.

Walsun began to build the <http://www.greenchemical.net> in 2021 and launched in early 2022. This website provides information on global green chemical products, technologies and alternatives, and is committed to promoting green and sustainable development of the chemical industry. As of the reporting period, a total of 4 sections of data, including green solvents, biodegradable plastics, bio-based products, and natural food additives, have been compiled and put online.

Appendix: Feedback

Dear readers:

Thank you for reading this report. This is the first report released by Changsha Walsun. We hope to get your valuable opinions and suggestions, which will become an important basis for us to improve and improve our work. You can give us your comments or suggestions via email. Thank you very much for your valuable comments!

Multiple choices (please tick ☐ in the corresponding position)

1. Do you think this report can reflect Walsun' s significant impact on governance, environment and society?

☐Very good ☐Good ☐Average ☐Poor ☐Very poor

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

☐Very good ☐Good ☐Average ☐Poor ☐Very poor

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

☐Very good ☐Good ☐Average ☐Poor ☐Very poor

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

☐Very good ☐Good ☐Average ☐Poor ☐Very poor

Open question

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

2. Are there any areas where you think this report can be improved?

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