

2025 Sustainability Report



CONTENT

About The Report	01
Chairman' s Message	02
About YUTO	03
Annual Feature: Circular Economy	09
Sustainable Development Governance	14

Governance

Corporate Governance Structure	22
Compliance and Internal Control	24
Investor Protection	26
Business Ethics	27

Operation

R&D Innovation	42
Sustainable Supply Chain	46
Product Quality and Safety	48
Client Rights & Interests and Satisfaction	50
Information Security and Privacy Protection	51

Appendix

Indicator Index	70
Report Assurance Statement	73
Feedback Form	74

Environment

Climate Actions	30
Environmental Governance	35
Resource Management	39

Society

Equality and Diversity	53
Employee Rights and Benefits	60
Talent Training and Development	61
Employee Health and Vitality	64
Giving Back to Society and Communities	68

About The Report

Today, Shenzhen YUTO Packaging Technology Co., Ltd. ("YUTO", the "Company" or "we") published the 2025 Sustainability Report (the "Report"). This report has been prepared in accordance with the principles of objectivity, consistency, transparency and completeness. It provides an overview of the Company's environmental, social and governance (ESG) approach, initiatives and performance in 2025.

Reporting Scope

Unless otherwise stated, this Report covers YUTO and its subsidiaries, consistent with the reporting scope used in the Company's annual report.

- The United Nations Sustainable Development Goals (SDGs)
- The Sustainability Accounting Standards Board (SASB)

Reporting Period

This Report covers the period from January 1, 2025 to December 31, 2025 (the "Reporting Period"). To enhance comparability and completeness of the Report, some contents include data from prior years and/or forward-looking statements, where appropriate.

Basis of Preparation

- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)
- Sustainability Reporting Standards (2021 Edition) ("GRI Standards") of the Global Reporting Initiative (GRI)
- Guidelines for Chinese Corporate Sustainability Reports (CASS-ESG 6.0)
- The IFRS Sustainability Disclosure Standards 1 - General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)
- The IFRS Sustainability Disclosure Standards 2 - Climate Related Disclosures (IFRS S2)

Data Statement

The information and data presented in this Report are derived from YUTO's official documents, statistical records and financial reports, as well as sustainability-related information collected, consolidated and reviewed by the functional departments and operating units of the Company.

The Company undertakes that this Report contains no false or misleading statements or material omissions. Unless otherwise specified, all monetary amounts disclosed in this Report are denominated in CNY (Chinese Yuan). In the event of any discrepancy between this Report and the Company's financial reports, the latter shall prevail.

This report has been independently assured by TÜV SÜD Certification and Testing (China) Co., Ltd. The assurance statement is presented in the Appendix.

Definitions

For ease of presentation and reading, the following terms used in this Report shall have the meanings set out below, unless otherwise specified in the context.

Term	Reference
YUTO, the Company, we, us or our	the headquarters of Shenzhen YUTO Packaging Technology Co., Ltd.
YUTO Group	YUTO and all of its subsidiaries
Shenzhen YUTO	the headquarters of Shenzhen YUTO Packaging Technology Co., Ltd.
Shenzhen YUTO Longgang Branch	Shenzhen YUTO Packaging Technology Co., Ltd. Longgang Branch
India YUTO (Noida)	YUTO Printing and Packaging (India) Private Limited
Dongguan YUTO	Dongguan YUTO Printing & Packaging Co., Ltd.
Suzhou YUTO	Suzhou YUTO Printing Co., Ltd
Sanhe YUTO	Sanhe YUTO Printing and Packaging Co., Ltd.
Hefei YUTO	Hefei YUTO Printing and Packaging Co., Ltd.
Yuhua Vietnam	Yuhua Vietnam Packaging Technology Co., Ltd
Xuchang YUTO	Xuchang YUTO Printing and Packaging Co., Ltd.
Luzhou YUTO	Luzhou YUTO Packaging Technology Co., Ltd.
Guangxi YUTO	Guangxi YUTO Packaging Materials Co., Ltd.
Changde Roem	Changde Roem Optics Technology Co., Ltd.
Jiujiang YUTO	Jiujiang YUTO Printing & Packaging Co., Ltd.
Renhe Intelligent	Shenzhen Renhe Intelligent Industrial Co., Ltd.
Wabony	Shenzhen Wabony Electronics Co., Ltd.
PT YUTOECO	Pt YUTOECO Technology Indonesia

Term	Reference
Hunan YUTO	Hunan YUTO Printing & Packaging Co., Ltd.
YUTO New Material	Dongguan Yutong New Material Technology Co., Ltd.

Confirmation and Approval

This Report was approved for publication by the Company's Board of Directors on April 24, 2025. The Board of Directors undertakes to supervise the content of this Report and ensure that it contains no false or misleading statements, and assumes responsibility for the truthfulness, accuracy, and completeness of the information presented.

Report Access

This Report is available for reading and download on the Company's website (<https://www.szyuto.com>) and the website of the Shenzhen Stock Exchange (<http://www.szse.cn>). It is published in both Chinese and English. The English version is a translation of the Chinese original version. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

Chairman's Message



Wang Huajun

Chairman and President



The year 2025 witnessed profound adjustments in the global economic landscape, alongside accelerated industry transformation and upgrading. In the face of a complex international environment and the ongoing domestic economic transition, all YUTO employees demonstrated resilience, perseverance, and a spirit of continuous improvement, advancing with the times and driving the “1+N+T” strategy to greater depth. Leveraging technological innovation and global expansion, the company steadily progressed from a “packaging manufacturer” to an intelligent provider of integrated sustainable solutions, thereby strengthening its competitive advantages and achieving new milestones on its path toward international leadership.

Enduring Commitment to Principles, and Following Green Development. Green development forms the core foundation of the Company's transformation, and we remain committed to embedding low-carbon principles throughout the entire value chain. During the reporting period, the Board-level “Strategy Committee” was renamed as the “Strategy and Sustainability Committee,” marking a comprehensive upgrade of the Company's sustainability governance system, which now covers environmental, social, and governance dimensions across all business processes. In terms of sustainability ratings, we achieved the highest “A” rating for Water Security in CDP, and were selected for inclusion in the S&P Global Sustainability Yearbook (China Edition) 2025 as the only company from China's container and packaging industry. In addition, we received an AA rating from CSI ESG, an AA rating from Wind ESG, and an AAA rating from CNI ESG.

On the operational front, the Company has built 17 photovoltaic power stations, generating nearly 22 million kWh of electricity during the year. On the strategic front, the Company's Science-Based Targets (SBTs) have been validated by the Science Based Targets initiative (SBTi), ensuring that our emissions reduction pathway aligns with globally recognized climate science standards.

Adapting to Change Through Innovation, Advancing Through Technology. Technological innovation remains the core driving force behind our growth and breakthroughs. During the reporting period, the Company's R&D investment exceeded RMB 700 million, focusing on biodegradable materials, bio-based packaging, and lightweight design to build a comprehensive eco-friendly product portfolio. A total of 127 patents were filed, and revenues of biodegradable, recyclable, and renewable products accounted for 68.9% of the total revenues of printing and packaging products.

At the product level, we continued to deepen technological R&D, supported by circular design concepts and innovative eco-friendly materials, and successfully developed a range of circular economy products,

including Fresh Box food containers, industrial pulping technology using Juncao, and PFAS-free high-temperature food packaging, thereby empowering green development through technological innovation. Meanwhile, we further advanced our digital and intelligent transformation by integrating smart manufacturing systems with business operations. Yuhua Vietnam, the Company's first overseas smart factory, has achieved efficient operation, and we are actively promoting AI-enabled demonstration scenarios, using technological innovation to drive sustainable intelligent manufacturing.

Aspiring High and Advancing Together for a Win-Win Situation across the Ecosystem. Since establishing its first overseas production base in Vietnam in 2010, YUTO has built more than 40 production bases and service centers across four continents. Driven by a “localization + globalization” dual-engine strategy, the Company has achieved a transformation from “going global” to “taking root globally.” In addition, the Company has developed multiple business segments and operational areas, including energy conservation and environmental protection, new materials, intelligent terminals, robotics, and digital creativity, and is progressing toward becoming a leading and internationally recognized innovative technology conglomerate.

At the same time, we recognize that sustainable development requires ecosystem-wide collaboration. During the year, we implemented the “Supplier ESG Assessment and Empowerment Program,” under which approximately 90% of suppliers signed ESG assessment commitments. We identified high-emission suppliers accounting for 35% of the Company's Scope 3 emissions and aligned them with science-based carbon reduction targets. Some project-based suppliers have proactively entered into carbon reduction agreements, jointly promoting the development of a sustainable supply chain ecosystem.

Valuing Employee Dedication and Taking Responsibilities. Talent is the Company's most valuable

asset, and social responsibility is the foundation of its long-term development. During the reporting period, we continued to advance initiatives such as in-service leadership training, professional talent development, the “YUTO Reserve” talent program, and vocational skill level certification, with over 90,000 training participations recorded and an internal promotion rate of 7%, fostering a hardworking, diverse, and inclusive organizational culture.

In the field of public welfare, we actively carried out initiatives in medical assistance, educational support, and rural revitalization. As of the end of the reporting period, cumulative charitable donations exceeded 54 million CNY, demonstrating our commitment to “giving back to society”.

In 2026, the Company will celebrate its 30th anniversary. At this milestone, YUTO will be more resilient, steady, and dynamic. Looking ahead, we will embark on a new journey—embedding green and low-carbon principles into our products, driving development through technological innovation, and strengthening our market foundation through win-win cooperation. We call on all stakeholders to join us in advancing sustainable development and working together to create a future that goes beyond business and delivers shared value.

Chairman and President of YUTO
April 2026



YUTO
裕同科技

01

About YUTO

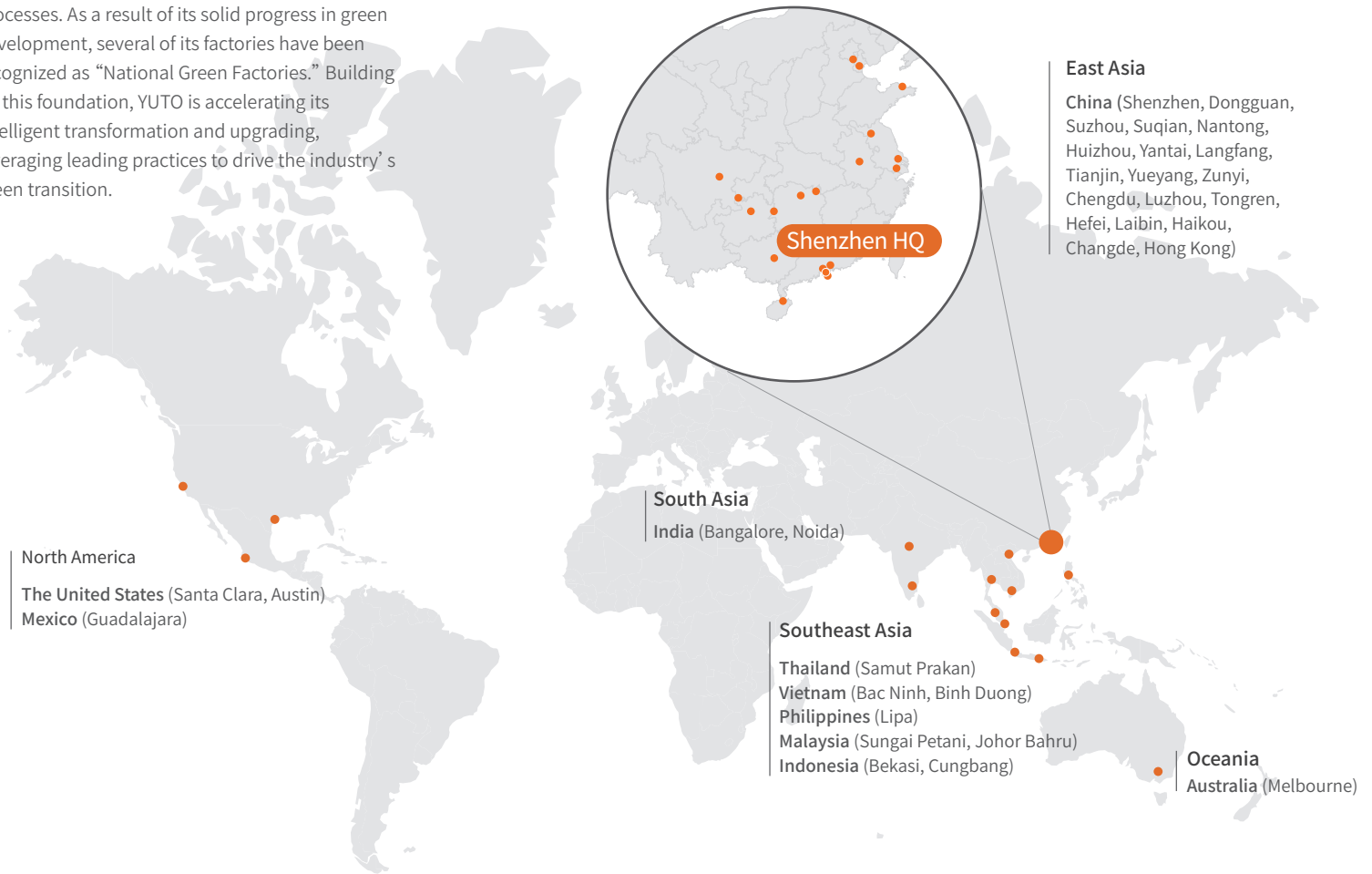
Company Profile

Shenzhen YUTO Packaging Technology Co., Ltd. (Stock Code: 002831) was founded in 1996 and listed on the Shenzhen Stock Exchange in 2016. In 2026, the Company will celebrate the dual milestones of its 30th anniversary and the 10th anniversary of its listing. Headquartered in Shenzhen, the Company has established more than 40 production bases worldwide. Focusing on key sectors including consumer electronics, alcoholic beverages, personal care, food, healthcare, and tobacco, YUTO provides customers with one-stop packaging solutions and sustainable intelligent manufacturing services. In addition, the Company offers customized services across multiple industries, including eco-friendly plastic substitution, pre-press media, board games and trading cards, retail display materials, cultural and creative products, injection molding, and heavy-duty packaging. In 2025, the total revenue of YUTO reached CNY 17.238 billion.

Guided by its core values of “Client Orientation, Value Employee Dedication, Innovative Creation and Win-Win Collaboration,” the Company focuses on its core packaging business while expanding into high-growth sectors such as technology products, pet products, and new materials, steadily advancing toward its vision of becoming “a domestically leading and internationally renowned printing and packaging enterprise trusted by clients, dedicated by employees, and esteemed by society.”

The Company remains committed to the path of sustainable development, using green manufacturing as a key driver of industrial upgrading and embedding environmental principles throughout the entire product lifecycle.

The Company focuses on the R&D and application of biodegradable materials and green production processes. As a result of its solid progress in green development, several of its factories have been recognized as “National Green Factories.” Building on this foundation, YUTO is accelerating its intelligent transformation and upgrading, leveraging leading practices to drive the industry’s green transition.



Total revenue of YUTO in 2025

CNY **17.238 billion**

Countries

10

Branches and subsidiaries nearly

100

Service centers

4

Production bases

40+

Business Overview

YUTO is an industry-leading supplier of Superior Packaging Solutions. Guided by its 1+N+T development strategy, the Company has established over 40 production bases worldwide, providing one-stop packaging solutions and sustainable intelligent manufacturing services to Fortune Global 500 companies and leading brands. Its core business strategy is structured around three major segments—YUTO Packaging, YUTO iNfinity, and YUTO incubaTor—to drive industrial diversification and green innovation across multiple dimensions.

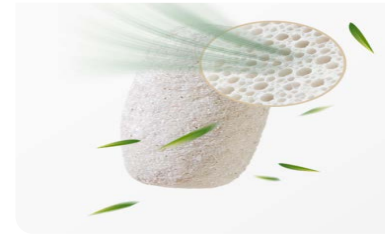
YUTO Packaging

Covers sectors including consumer electronics, wine, personal care, food, healthcare and tobacco, offering a full portfolio of packaging products such as rigid boxes, folding cartons and molded fiber packaging, supported by customized packaging solutions.



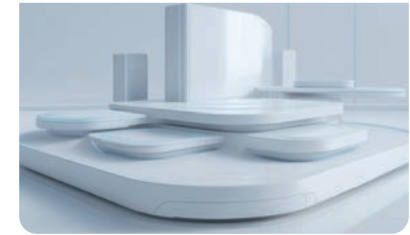
YUTO iNfinity

Expands into technology product fields including pet supplies (eco-friendly cat litter), consumer electronics components (acoustic devices and soft materials, among others), and new materials (including carbon fiber, glass fiber and glass fiber).

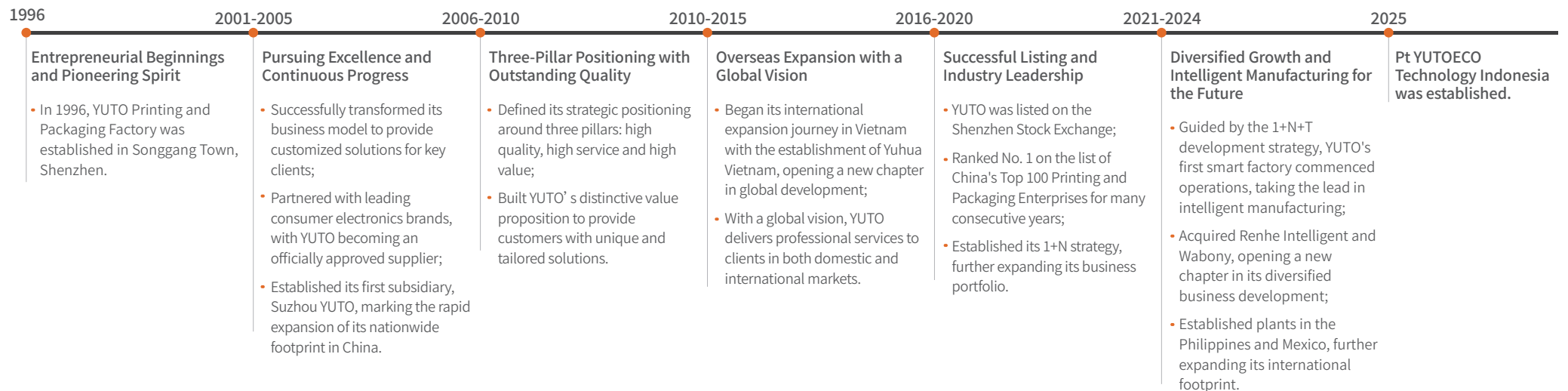


YUTO incubaTor

Focuses on emerging technology industries, extending innovative technology services related to packaging while exploring the integration and commercialization of frontier technologies in the packaging industry.



History





Corporate Culture

Soul

Integrity, Sturdiness, Progressiveness, Pragmatism

Mission

Focusing on Printing and Packaging Market, YUTO Creates Perpetual Value for Clients by Providing Cutting-edge Products and Services.

Vision

YUTO is Committed to Becoming an International Well-Known Printing and Packaging Enterprise, Trusted by Clients, Dedicated by Employees and Esteemed by Society.

Core Value

Client Orientation, Value Employee Dedication, Innovative Creation, Win-Win Cooperation

Business Philosophy

Honesty, Pragmatism, Efficiency, Innovation

Honors and Awards in 2025

Industry Leadership

No. 1 among China's Top 100 Printing and Packaging Enterprises in 2025

Was named the 2025 China Top 500 Private Manufacturing Enterprises

Was named the 2025 Guangdong Top 100 Private Enterprises

Was named the 2025 Guangdong Top 100 Private Manufacturing Enterprises

Ranked No. 1 in Corporate Innovation Capability in China's Paper and Paper Products Industry

Green Leadership

Was included in the Sustainability Yearbook (China Edition)

Was named the 2025 Top 20 Greater Bay Area Listed Companies for Green Governance

Was selected as a 2025 Shenzhen ESG Pioneer Enterprise Case

Partnership Recognition

Excellence Partner Award, presented by Goertek

Technology Innovation Award, presented by Lenovo

Annual Sincere Cooperation Partner Award, presented by Transsion

Annual Best Innovation Award, presented by Vivo

Design Excellence (Selected)

Red Dot: Best of the Best Award for Creative Shoebox with Shoelaces

WorldStar Packaging Award for Crafted in Paper: Wine Packaging, Creative Mouse Packaging Design, and Honeycomb Lift-up LED Lamp Box

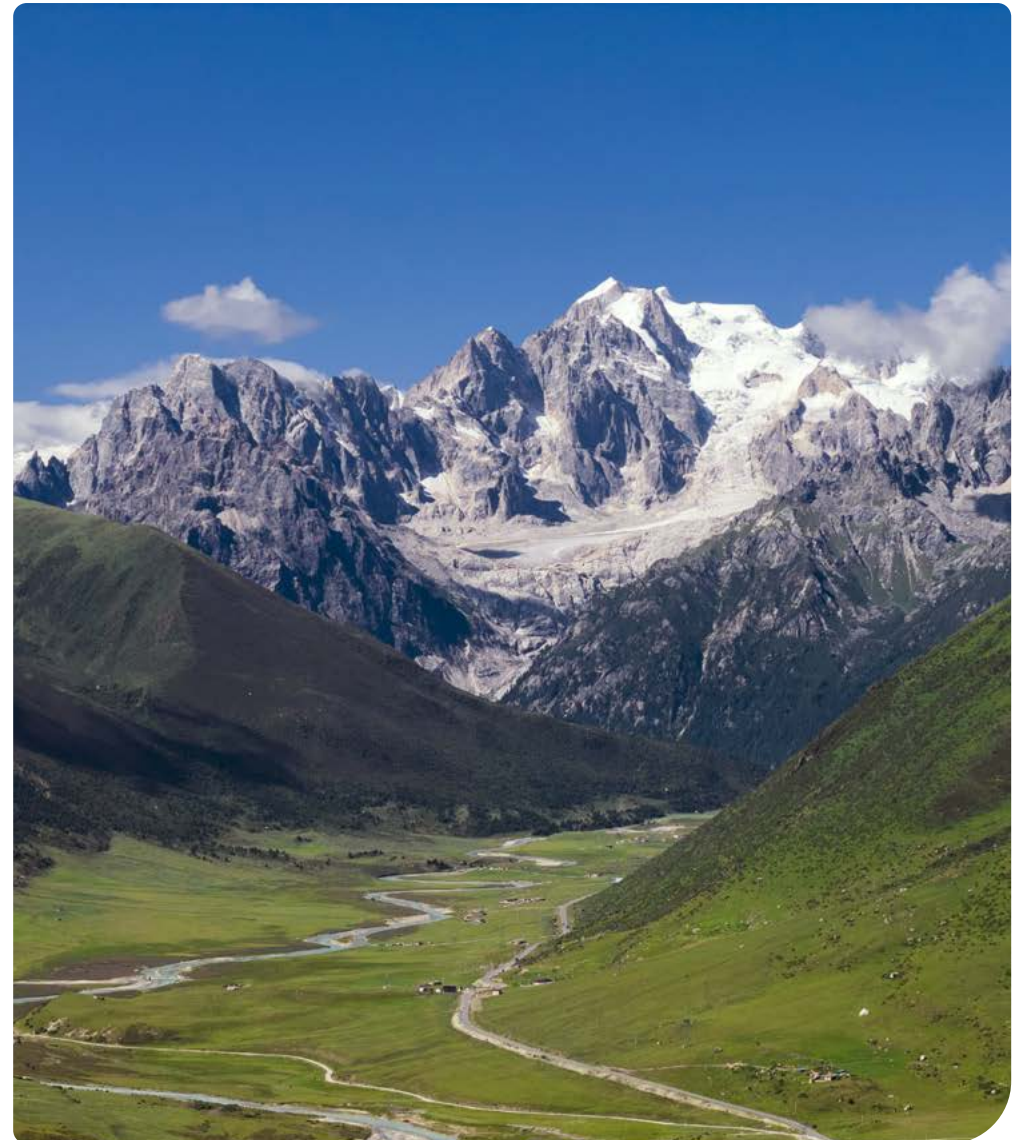
2025 Green Design International Award for Eco-friendly Paper Mold Series Design

Green China Packaging Innovation and Sustainability Award to Jianlü • EcoWave Sustainable Packaging for Smart Speakers, Creative Mouse Packaging Design, and Honeycomb Lift-up LED Lamp Box

Gold Award, China Star Design Award to Xingyun Tuo

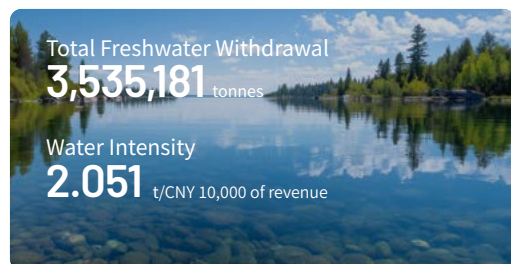
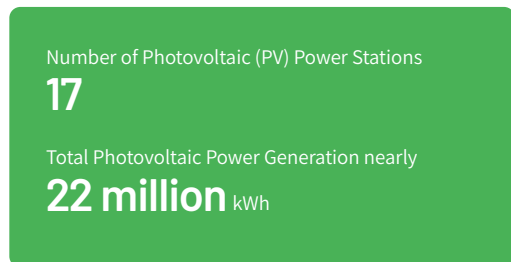
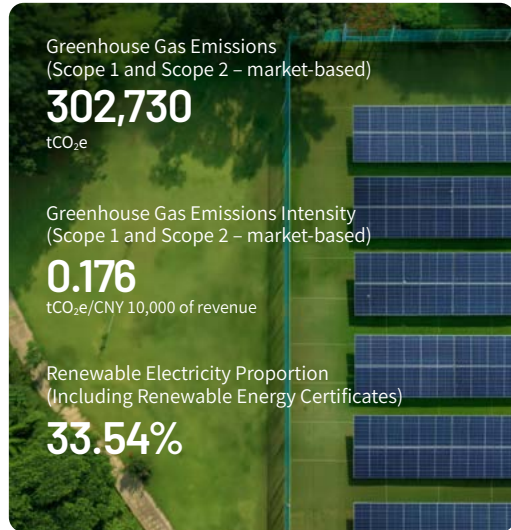
Silver Award, China Star Design Award to Creative Shoebox with Shoelaces and Jianlü • EcoWave Sustainable Packaging for Smart Speakers

Merit Award, China Star Design Award to Crafted in Paper: Wine Packaging

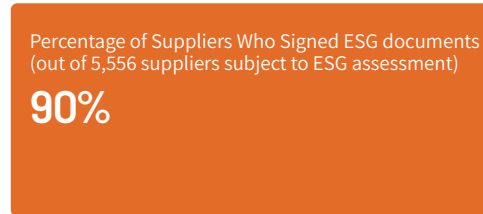
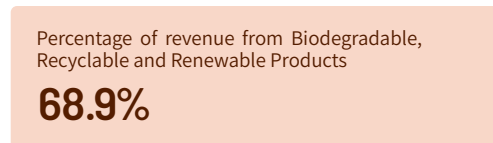
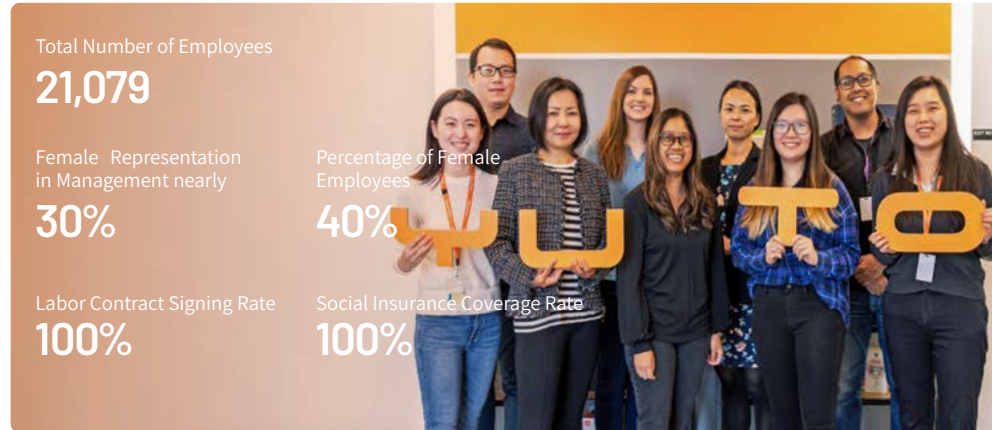


Figures in 2025

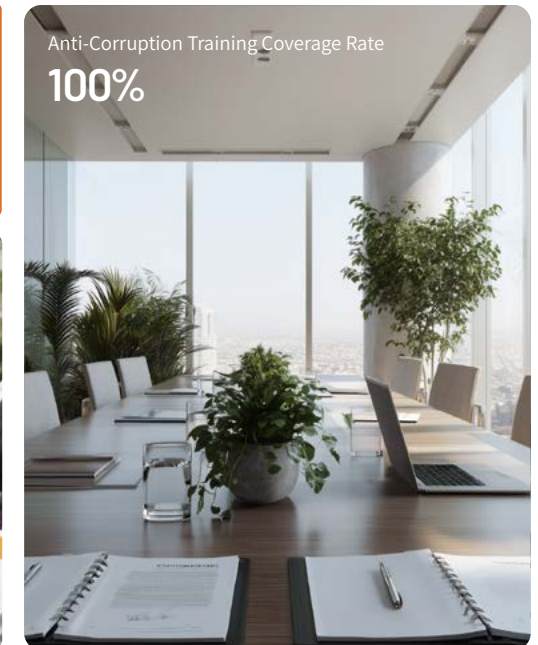
Environmental Performance



Social Performance



Governance Performance





02

Annual Feature

Circular Economy

Against the backdrop of an accelerating global green transition, YUTO remains committed to its mission of “focusing on the printing and packaging market and continuously creating value for clients through leading products and services.” Guided by this mission, the Company has deeply embedded circular economy principles throughout the entire packaging lifecycle. Focusing on four key pillars—new material R&D, green design innovation, low-carbon manufacturing practices, and resource recycling and utilization—we have built a full-value-chain circular economy system that spans from design and manufacturing to product development and resource recovery.

Leveraging its in-house R&D capabilities, industrial chain collaboration advantages, and advanced design expertise, the Company has achieved multiple breakthroughs in environmentally friendly materials, circular design, and low-carbon processes. This not only actively responds to national plastic reduction policies and the industry’s green development requirements, but also establishes benchmark practices across multiple sectors, including food packaging, pet products, and industrial materials, through replicable and scalable circular economy solutions. By enabling packaging to serve as a carrier of green value and a vehicle for circular economy practices, the Company demonstrates its firm commitment to advancing toward high-quality and sustainable development.

“We integrate circular concepts into the entire product life cycle, build sustainable packaging solutions through material and manufacturing innovation, and practice the concept of green development.”

Howard Ma
Senior Vice President



Circular Design as the Cornerstone of Green Packaging

Design is the starting point of green packaging and a core driver for advancing the circular economy in practice. By bringing together top-tier industry design expertise, YUTO has developed a systematic green design framework centered on the Seven Principles of Green Packaging Design, embedding circular economy concepts throughout the entire design process. This framework covers material selection, structural optimization, production implementation, and lifecycle extension, achieving a high degree of synergy between environmental and commercial value, while reducing resource consumption and carbon footprint at the source.

The Seven Principles of Green Packaging Design take paper-based material substitution as the fundamental pathway, replacing non-environmentally friendly materials such as plastics and foam on a broad scale. Through solutions such as molded pulp and paperboard structures, the Company addresses plastic pollution at its source.

The framework also emphasizes simplification, lightweighting, and precision design as core approaches. Through measures such as die-line optimization, single-sheet forming, replacing greyboard with corrugated board, and simulation-based design validation, the Company minimizes material usage while maximizing space efficiency and resource utilization.

Standardization and compatibility with automated production serve as key enablers for implementation. Through standardized design and structural optimization adapted to automated manufacturing, the Company enhances production and recycling efficiency while reducing energy consumption across the entire value chain.

Furthermore, by extending the lifecycle of packaging through reuse and repeat-use design, the Company moves beyond the traditional single-use model, creating additional value and enabling the circular extension of packaging lifecycles.

To continuously stimulate design innovation, YUTO has established a competition-driven innovation mechanism. Through its monthly Innovation Design Competition, the Company provides designers with an open platform for creative exploration, generating a steady stream of high-quality and forward-looking design outputs. Many of these achievements have received prestigious international awards, including the Red Dot: Best of the Best Award, iF Design Gold Award and the WorldStar Packaging Award.

These creative outputs not only establish a robust pipeline of design innovation, but are also translated into market-oriented circular design solutions. By delivering customized green packaging design services across industries, the Company advances circular design from concept to implementation, promoting its transition from benchmark practices to broader adoption.



Creative Mouse Packaging



Honeycomb Lift-up LED Lamp Box



Cats in the Clouds



Creative Shoebox



Peony Tea Packaging Box



Seashell-shaped Packaging Box

Material Innovation: the Key to Circular Economy

In response to industry challenges such as limited timber resources and plastic pollution, YUTO has established a green materials system covering the entire value chain—from raw material sourcing to the R&D of new materials. Centered on sustainable raw materials and driven by non-wood fiber innovation, this approach provides strong material support for the implementation of the circular economy.

In terms of sustainable sourcing, the Company prioritizes the use of paper certified by FSC/PEFC sustainable forest management standards, post-consumer recycled (PCR) materials, and bio-based materials, and has established a rigorous supplier substance management system to reduce environmental impact at the source. In 2025, FSC/PEFC-certified base paper accounted for 37.21% of the Company’s total base paper procurement, systematically promoting the adoption of renewable and traceable resources.

To ensure the effective implementation of its sustainable sourcing strategy, the Company continues to strengthen the professional capabilities of its procurement teams. Through targeted training on environmentally friendly materials, sustainability

certification standards, and supply chain risk assessment, the Company enhances procurement staff’s ability to identify, evaluate, and manage sustainable materials. At the same time, sustainability requirements have been incorporated into supplier audits and performance evaluation systems, driving the overall transformation of the supply chain.

In the R&D of new environmentally friendly materials, YUTO continues to address key challenges in the industrialization of non-wood fiber applications. In collaboration with China National Engineering Research Center of JUNCAO Technology, the China National Pulp and Paper Research Institute, the Company has successfully developed industrial pulping technology for giant juncao grass (*Pennisetum giganteum*) and obtained a national invention patent. This breakthrough enables the efficient conversion of agricultural residues into high-quality pulp, establishing a new circular industrial chain from “agricultural residues” to “low-carbon packaging”, thereby significantly reducing reliance on virgin forest resources and enhancing the security and controllability of raw material supply.

At the same time, the Company has independently

developed high-performance paper-based materials to replace traditional materials such as plastics and foam, providing a solid material foundation for the development of various green packaging products. Through these efforts, the Company is promoting paper-based circular materials as a core option for packaging products.



Raw materials of *Pennisetum giganteum* z.x.lin



Sample of R&D outcomes



Sustainable Raw Materials: Principles and Actions

Prioritize Sustainably Certified Materials

- Supplier entry requirements: Suppliers of major commodities such as paper are required to provide environmental compliance documentation, including the Supplier Environmental Declaration and YUTO’s REACH Substance Content Survey Form.
- Systematic control: Suppliers involved in FSC/PEFC certification are required to upload valid certificates to the system and keep them updated on an ongoing basis.

Reduce Hazardous Substances

- Upstream due diligence: Suppliers are required, as part of the onboarding process, to complete the Material Survey Form and YUTO’s REACH Substance Content Survey Form.
- Audit and verification: Environmental management systems and requirements, such as RoHS, are incorporated into on-site audits, while HSF-related issues are included in suppliers’ quarterly performance evaluations.

Increase the Share of Sustainable Material Procurement

- Target setting: The Company will continue to advance the optimization of its raw material procurement mix.
- Progress against target: During the reporting period, the Company procured a total of 585,000 tonnes of paper-based raw materials. Recycled paper accounted for 54% of procurement value and 72% of procurement volume, effectively improving resource circularity and reducing dependence on virgin resources.

Improve Resource Efficiency

- Supplier pool optimization: The Company continues to optimize and integrate its supplier pool for key materials, directing procurement volumes toward compliant, sustainable suppliers.
- Direct sourcing from manufacturers: Major raw materials are required to be sourced directly from manufacturers, reducing intermediary trading steps to improve both cost and resource efficiency.

Guided by circular design principles and supported by environmentally friendly materials, YUTO, by focusing on market demand and industry pain points, has developed a range of circular economy products that combine environmental performance, utility, and practical use. Through these efforts, the Company translates circular economy concepts into tangible products, covering multiple consumer and industrial scenarios, including fresh food, pet products, and foodservice packaging, thereby integrating circular value into both everyday life and industrial production.

YUTO New Material, a subsidiary of YUTO, has developed a range of recyclable, functional, and structural carbon fiber lightweight precision components, translating circular economy concepts into tangible product applications. These products are applied across multiple emerging industry scenarios, including foldable consumer electronics (3C) devices, the low-altitude economy, new energy vehicles, and embodied robotics.

During the reporting period, the percentage of revenue from Biodegradable, Recyclable and Renewable Products accounted for

68.9%

585,000 tonnes
paper-based raw materials procured

72%
accounted for procurement volume

During the reporting period, the Company procured a total of 585,000 tonnes of paper-based raw materials. Recycled paper accounted for 54% of procurement value and 72% of procurement volume.

Product Innovation as a Driver for Implementing Circular Economy Across Diverse Scenarios

FreshBox: Reimagining Fresh Food Packaging with Less Plastic

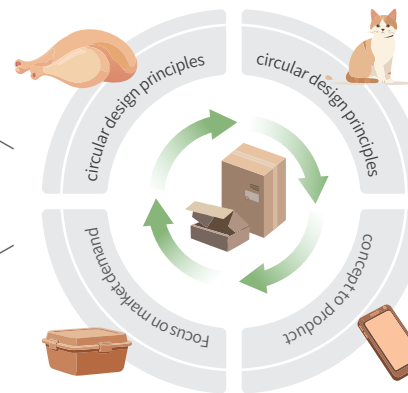
During the reporting period, YUTO partnered with multiple companies to introduce FreshBox, a plastic-free packaging solution for fresh produce. Using proprietary high-performance paper-based materials in place of conventional plastic trays, FreshBox achieved a 60% reduction in plastic use while offering reliable sealing performance and strong recyclability. By addressing two longstanding industry challenges—difficult recycling and plastic pollution in fresh food packaging—FreshBox moves packaging beyond protection alone, turning it into a more visible expression of brand sustainability. In doing so, it provides the food industry with a circular packaging solution that combines environmental value with aesthetic appeal.



FreshBox products



Foodservice Packaging



The World's First Plant-Fiber Cat Litter with Eight International Certifications

YUTO has actively explored circular pathways for production waste, transforming residual materials generated from bamboo-fiber tableware and bagasse-molded products into plant-fiber cat litter. In doing so, the Company developed the world's first product of its kind to receive eight international certifications. The product can reduce daily litter tracking by 99.5% and achieve a deodorization rate of 99.5%. Beyond cutting resource waste in production, it marks YUTO's expansion from packaging into retail consumer products, demonstrating how circular economy solutions can help drive greener lifestyles.



Pet Supplies



Carbon fiber lightweighting Precision structural components

High-Temperature PFAS-Free Foodservice Packaging

In response to tightening global environmental regulations, including the European Union's restrictions on fluorinated substances, YUTO launched a dedicated R&D programme for PFAS-free foodservice packaging. After eight months of focused development, the Company successfully introduced a high-temperature solution capable of withstanding temperatures from -20°C to 100°C. Its key performance indicators—including water resistance, grease resistance and thermal stability—match those of conventional fluorinated alternatives. This achievement marks YUTO's shift from responding to external regulatory change to helping lead the industry's green standards. It also provides a practical product solution to support the sustainable and circular transition of foodservice packaging worldwide.

Integrated PEEK Moulding and Injection for Carbon-Fiber Foldable Phone Hinges and Heat-Dissipating Battery Housings

During the reporting period, the core products of YUTO New Material were carbon fiber lightweight precision structural components for foldable smartphones. As foldable smartphones are significantly heavier than conventional smartphones, there is a strong demand for weight and thickness reduction, the Company established a dedicated engineering research institute, with its R&D team focusing on key technological breakthroughs.

After more than two years of R&D, the products have been applied in the foldable smartphone series of a globally leading consumer electronics brand, achieving large-scale mass production and gaining market recognition. In this field, the Company is the first to apply thermoplastic and pitch-based carbon fiber composite materials in 3C communication products.

In addition to the aforementioned customer, the Company has also established cooperation with multiple globally leading brand manufacturers in the development of thermally conductive and electrically conductive structural components for battery compartments, with products already achieving large-scale mass production.

Low-carbon Manufacturing as the Pillar for Strengthening the Foundation of Circular Economy

YUTO recognizes that the implementation of the circular economy requires not only innovation in design and materials, but also low-carbon support across the manufacturing process. With the development of green factories as its objective and energy-efficient process transformation as a key driver, the Company improves resource efficiency and significantly reduces energy consumption through technological innovation and management optimization.

In doing so, the Company has established a low-carbon manufacturing system integrating energy-efficient production, waste heat recovery, and resource recycling, embedding circular economy principles throughout the entire production process.

Smarter Air Supply and Lower Energy Use

On May 30, 2025, Xuchang YUTO completed an energy-saving retrofit of the compressed air supply system for its printing presses. The project consolidated four standalone air compressors into a single 160 kW variable-frequency central air compressor, supported by a constant-pressure control system. Following the upgrade, the system delivers daily electricity savings of 4,824 kWh and is expected to save approximately CNY 1.12 million in electricity costs annually. The retrofit has significantly reduced energy consumption, noise and maintenance costs, while improving production stability and advancing greener manufacturing.



Intelligent system

VOC Waste Heat Recovery Driving Greener Energy Performance

On August 25, 2025, Changde Roem, a subsidiary of YUTO, completed a VOC thermal-oxidation waste-heat recovery project. The system adopts a three-bed regenerative thermal oxidizer (RTO) with a treatment capacity of 40,000 Nm³/h and a purification efficiency of 99.3%. By recovering waste heat to preheat drying oven air, the project reduced electricity consumption by approximately 30% and is expected to deliver annual energy cost savings of CNY 824,700. It has established a closed-loop model that integrates exhaust gas treatment, thermal energy reuse and energy savings, further supporting greener, lower-carbon production.



VOCs oxidizer waste heat recovery system

Guangxi YUTO Recognized as a Green Factory of Guangxi Zhuang Autonomous Region

In 2025, Guangxi YUTO was included in the Green Manufacturing List of Guangxi Zhuang Autonomous Region as a Green Factory. As a company deeply engaged in the paper and paper products industry, Guangxi YUTO has embedded cleaner production principles into its operations and advanced green manufacturing through both technological innovation and management optimization. By promoting intensive land use, safer material inputs and more efficient resource utilization, the Company has reduced its environmental footprint while further integrating sustainable practices into everyday production. These efforts have supported both economic and social value creation, strengthened its sustainability management capabilities and green competitiveness, and contributed to the industry's broader green transformation.



Guangxi YUTO plant

Advancing Full-Chain Circularity to Shape a New Chapter in Green Development

From circular design at the source to the use of sustainable materials, from the application of circular products across diverse scenarios to low-carbon manufacturing as a production safeguard, YUTO has established a full-value-chain circular economy system covering design, materials, products, and production, embedding circular economy principles into every stage of its development.

In 2025, YUTO's continued efforts in the circular economy have been translated into a series of practical, scalable, and replicable green solutions. These include the establishment of a green packaging design framework; a patented breakthrough in industrial-scale pulping technology for giant Juncao grass (*Pennisetum giganteum*) at the materials

level; the ongoing upgrading of plant-fiber cat litter, along with the launch of plastic-free fresh food packaging and fluorine-free foodservice packaging at the product level; and the implementation of a full-process low-carbon manufacturing model at the production level. These practices not only respond to pressing market and regulatory demands, but clearly demonstrate a practical pathway for the packaging industry toward low-carbon, circular, and high-value development.

Looking ahead, YUTO will continue to advance sustainable development, leveraging innovation and taking responsibility to write a new chapter of green and high-quality development.



03

Sustainable Development Governance

Sustainability Goals and Vision

YUTO has deeply integrated sustainable development into the core of its corporate strategy, guided by a sustainability mission and vision of “adhering to technological innovation, advancing intelligent manufacturing, improving resource utilization efficiency, developing high-quality environmentally friendly products, and promoting low-carbon operations.” The Company continues to enhance its sustainability management capabilities, actively responding to stakeholder expectations, and balancing environmental, social, and economic values in its operations, thereby promoting low-carbon and environmentally friendly development and shared industry prosperity.

While strengthening its core business foundations, the Company has established clear sustainability goals and plans, and developed a phased roadmap to provide clear guidance for implementation and execution, supporting the Company's long-term and stable development.

✓ Accomplished

Integrate sustainability into the Company's strategic planning, and establish and progressively implement its sustainability goals and roadmap.

✓ By 2025 (Accomplished)

Steadily advance the implementation of sustainability goals, plans and performance indicators, while launching signature sustainability initiatives.

📅 Medium to Long Term

Strengthen brand influence, become a benchmark for sustainability in the industry, and help lead the sector's sustainable development.

YUTO's Response to the SDGs

In alignment with its strategic development priorities and in reference to the 17 United Nations Sustainable Development Goals (SDGs), the Company identified six SDGs as the most relevant to its operations, value chain and broader business ecosystem.



YUTO places great importance on employee health and safety. The Company regularly provides occupational health training and medical check-ups, while monitoring employees' health conditions on an ongoing basis. It has established a workplace safety management system, implemented information management procedures for work-related injuries and emergency incidents, and strengthened equipment acceptance processes to comprehensively safeguard employee health and safety.



YUTO is adopting cost-effective clean energy as a new driver of corporate development. Through the development of photovoltaic power stations and the purchase of green electricity, the Company continues to optimize its energy mix. At the same time, it is reducing operating costs and improving energy efficiency by upgrading equipment and optimizing production processes.



In line with the principle of fairness, YUTO has established an equitable performance evaluation system and offers a competitive compensation and benefits package. The Company also organizes a wide range of employee activities to enhance the employees' well-being, engagement and a sense of belonging.



YUTO continues to invest in the development of new products and technologies, steadily increasing R&D input and strengthening technological innovation. The Company regards innovation as a core driver of long-term growth and is actively advancing the application of artificial intelligence to build an intelligent manufacturing system.



YUTO integrates sustainability throughout the entire product life cycle by increasing the procurement of environmentally friendly raw materials, stepping up green R&D, advancing the circular economy and reducing the environmental impact of production. At the same time, the Company strengthens its quality management by establishing a full-process traceability and control system, obtaining quality management system certifications, and fulfilling its corporate responsibility through high-quality products.



YUTO has embedded climate action, energy conservation and carbon reduction into its sustainability strategy. By actively adopting clean energy and intelligent manufacturing processes, developing and promoting green and low-carbon products, and steadily advancing green factory initiatives, the Company continues to strengthen its carbon management capabilities and support its long-term, steady and sustainable development through practical climate actions.

“This year, we advanced the renaming of the Board-level Strategy Committee to the Strategy and Sustainability Committee. This adjustment not only marks a substantive improvement of sustainability governance at the management level, but is also intended to embed sustainable development more deeply across all business segments.”

Huang Liang

Director of the President's Office



In line with its business profile and sustainability strategy, the Company has identified four key sustainability pillars: Eco-friendly products and raw materials; innovative design and manufacturing; climate change and sustainable resource management; and employee development and public welfare. Based on these four priority areas and its actual production and operating conditions, the Company has systematically formulated and implemented its sustainability strategy and specific action plans. It also regularly reviews performance and progress against strategy across each pillar to ensure the steady advancement of its sustainability agenda.



Eco-friendly Products and Raw Materials

- Eco-friendly Product Development
- Sustainable Raw Material Sourcing and Application
- Sustainable Forest and Biodiversity Protection



Climate Change and Resource Management

- Climate Change and Carbon Management
- Energy Management
- Water Management
- Waste, Wastewater and Emissions Management



Innovative Design and Manufacturing

- Innovative Processes and Technologies
- Outstanding Design Solutions
- Intelligent Manufacturing



Employee Development and Public Welfare

- Occupational Health and Development
- Employee Training and Development

Sustainability Governance

In line with regulatory requirements and international standards, including the Guidelines No. 17 of the Shenzhen Stock Exchange for Self-Regulation of Listed Companies — Sustainability Reports (Trial) and IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, YUTO has embedded sustainability into its overall governance framework. On January 10, 2026, the Company formally announced on the Shenzhen Stock Exchange that it had renamed the Board’s former Strategy Committee as the Strategy and Sustainability Committee. At the same time, the company formulated the "Working Rules for the Strategy and Sustainability Committee" and updated the "Sustainable Development Management System". These steps established a four-tier sustainability governance structure covering the oversight, decision-making, management and execution levels, enabling an integrated governance approach that closely aligns strategic direction with sustainable development.

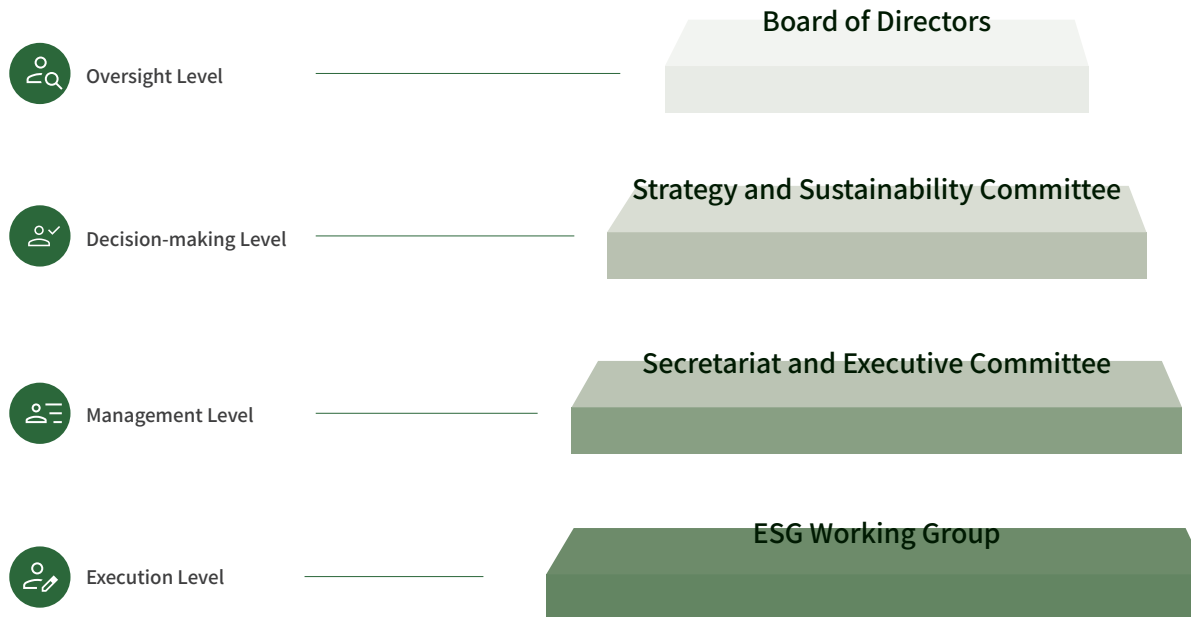
The Board of Directors is responsible for approving the detailed rules for sustainability governance, appointing and removing committee members, providing overall leadership on the Company’s sustainability strategy, overseeing the effectiveness of sustainability governance, and making decisions on major sustainability-related matters.

The Strategy and Sustainability Committee is responsible for identifying sustainability-related risks and opportunities, coordinating the Company’s sustainability strategy, systems and performance, reviewing significant sustainability matters and making recommendations to the Board, and reporting progress and results on sustainability initiatives to the Board.

The Executive Committee and the Secretariat are responsible for coordinating day-to-day matters, collecting and analyzing information, organizing training, and supporting reporting and disclosure. They are also in charge of implementing decisions and reporting progress to the Strategy and Sustainability Committee.

The ESG Working Group is responsible for implementing specific sustainability initiatives and promoting the effective integration of sustainability into the Company’s business operations.

Sustainability Governance Structure



Sustainability Management and Performance Evaluation Mechanism

YUTO has established a sustainability-oriented executive compensation and performance evaluation mechanism, under which 15% of senior executives’ remuneration is directly linked to the achievement of sustainability targets. The assessment is led by the Strategy and Sustainability Committee, with the implementation of the Company’s sustainability strategy and the effectiveness of related initiatives serving as the core basis for evaluation. Rewards and penalties are determined through an annual comprehensive assessment, thereby strengthening senior management’s accountability for sustainability and ensuring the steady implementation of the Company’s sustainability strategy.

15%

of senior executives’ remuneration is directly linked to the achievement of sustainability targets.

Sustainability in Practice

Supported by clear sustainability objectives and a well-established sustainability governance framework, YUTO has continuously translated its sustainability strategy into concrete actions and measurable results, earning broad recognition from leading authorities. In domestic ESG ratings, the Company achieved outstanding results, including an “AAA” rating from China National Index (CNI) ESG and an “AA” rating from Wind ESG, ranking among the top performers in its respective industry segments. Internationally, YUTO also became the only company in the Containers & Packaging industry to be included in the S&P Global Sustainability Yearbook (China Edition) 2025, further demonstrating that its sustainability management capabilities and green development achievements have been widely recognized by both domestic and international markets.

Recognition and Honors

- CDP
Water Security (A), Climate Change (B), and Forests (B)
- S&P Global
Included in the S&P Global Sustainability Yearbook (China Edition) 2025
(the only company from China’s Containers & Packaging industry included)

- CNI ESG
AAA
- Wind ESG
AA
- SSI ESG
A
- CSI ESG
AA

YUTO Makes Its Debut in the S&P Global Sustainability Yearbook (China Edition) 2025 as the Only Company Recognised from China’s Containers and Packaging Industry

In May 2025, at the S&P Global Sustainable1 Forum held in Shenzhen, YUTO was selected for inclusion in the S&P Global Sustainability Yearbook (China Edition) 2025, becoming the only company recognized from China’s containers and packaging industry. The selection was based on S&P Global’s internationally recognized Corporate Sustainability Assessment (CSA), which covered more than 1,600 Chinese companies across 60 industries. As a leading packaging company in China, YUTO remains committed to a green and low-carbon vision for sustainable development, focusing on environmentally friendly products and intelligent manufacturing. This recognition not only reflects the Company’s tangible progress in sustainability, but also marks a strong endorsement of its sustainability management capabilities by the global capital market.



Representative of YUTO accepted the award at the S&P Global Sustainable1 Forum.



Stakeholder Engagement

YUTO incorporates stakeholder priorities into the core of its sustainability practices. The Company carefully identifies stakeholders with a material impact on its business operations, continues to strengthen its communication and collaboration mechanisms, and seeks to understand and respond to their reasonable expectations and key concerns in a timely manner. Through these efforts, YUTO brings together the strengths of all stakeholders to foster a mutually beneficial and sustainable development ecosystem.

Types of Stakeholder	 Government and Regulatory Authorities	 Shareholders and Investors	 Clients	 Employees	 Suppliers and Business Partners	 Communities and the Public	 Public Welfare Organizations / Foundations
Expectations and Key Concerns	Compliance and Risk Management Business Ethics Environmental Management Energy Management Related-party Transactions	Corporate Governance Compliance and Risk Management Sustainable Returns	Product Quality Client Service Privacy Protection R&D and Innovation	Protection of Employee Rights and Interests Compensation and Benefits Health and Safety Training and Development	Supply Chain Management Sustainable Procurement Integrity in Business Operations Health and Safety Transparent Procurement	Community Engagement and Public Welfare Climate Action	Public Welfare and Philanthropy
Communication Channels	Government Visits and Reception Meetings Government Communication Meetings Information Disclosure and Regulatory Filings Routine Communication and Reporting Training Programs for Listed Companies	Shareholders' Meetings Periodic Reports and Ad hoc Announcements Investor Hotline Online Investor Communication Platforms Shareholder Returns	Client Visits and Routine Communication Meetings Client Satisfaction Surveys Client Information Privacy Protection Technical and Product Exchange Meetings	Employee Satisfaction Surveys Corporate Culture Activities Occupational Health Management Regular Training	Supplier Communication Meetings Supplier Carbon Management Contractor Safety Management Technical Exchanges and R&D Collaboration Emails and Phone Calls	Community and Public Welfare Activities Environmental Protection Activities	Diverse Public Welfare Initiatives and Donations

Material Topics Management

Double Materiality Assessment Process

In accordance with the assessment methodologies of relevant domestic and international disclosure standards, including the Guidelines No. 17 of the Shenzhen Stock Exchange for Self-Regulation of Listed Companies — Sustainability Reports (Trial), GRI 3: Material Topics 2021, the European Sustainability Reporting Standards (ESRS), and the International Financial Reporting Standard IFRS S1 — General Requirements for Disclosure of Sustainability-related Financial Information, the Company has introduced both impact materiality and financial materiality perspectives to identify and assess material topics. The specific steps are as follows:

01 Understand the Company Context

Analyze global megatrends and the broader macro environment shaping industrial development in China;
 Conduct industry analysis;
 Review the Company's business model;
 Identify the Company's stakeholders, as well as the impacts, risks and opportunities it faces.

02 Preliminary Topic Screening

Based on the Company's actual operating conditions, and with reference to GRI, the United Nations Sustainable Development Goals (SDGs), SASB, MSCI, and relevant topics identified by domestic and international industry peers, the Company established a pool of sustainability-related topics.

03 Materiality Assessment

Impact Materiality Assessment

To identify the potential or actual impacts of each topic on stakeholders and the external environment, the Company conducted a stakeholder survey and received 468 valid responses. Based on a quantitative analysis of the survey results, and taking into account the positive and negative impacts of each topic across the environmental, social and economic dimensions, the Company applied a scoring scale of 1 to 5 (with 1 indicating very low impact and 5 indicating very high impact) to determine the impact materiality assessment results.

Financial Materiality Assessment

Taking into account the degree of impact, dependencies and other relevant factors, and drawing on expert judgment, the Company carried out a quantitative assessment by consolidating risk identification and assessment lists submitted by various departments together with financial reporting data.

In determining the threshold for financial materiality, profit before tax was used as the benchmark indicator, and a percentage was selected for assessing overall financial statement materiality based on factors such as the Company's overall risk profile and industry characteristics.

On this basis, the financial magnitude of each topic was scored on a scale of 1 to 5 (with 1 indicating minimal magnitude and 5 indicating significant magnitude), while the likelihood of its financial impact occurring was rated on a scale from 0.2 to 1 based on actual experience in recent years (with 0.2 indicating a very low likelihood and 1 indicating a high likelihood). The final financial materiality conclusions for each topic were then determined by combining these scores with the materiality threshold analysis.

04 Topic Confirmation

Compile the lists of impact materiality topics and financial materiality topics, and ensure that these topics are disclosed in the Report in a transparent, balanced and complete manner.

Materiality Assessment Results



- 1 Climate Change Response
- 2 Pollutant Emissions
- 3 Waste Treatment
- 4 Sustainable Forest and Biodiversity Protection
- 5 Environmental Compliance Management
- 6 Energy Management
- 7 Water Resource Management
- 8 Circular Economy
- 9 Employee Benefits and Care
- 10 Employee Recruitment and Team Building
- 11 Occupational Health and Safety
- 12 Equality and Inclusion
- 13 Prohibition of Child Labor and Forced Labor
- 14 Employee Training and Development
- 15 Product Quality
- 16 Customer Satisfaction and Complaint Management
- 17 Supply Chain Governance
- 18 Eco-friendly Product Development
- 19 Research and Application of New Processes
- 20 Intellectual Property Protection
- 21 Fair Treatment of SMEs
- 22 Customer Information and Privacy Protection
- 23 Community Investment and Public Welfare Innovation
- 24 Due Diligence
- 25 Stakeholder Engagement
- 26 Anti-corruption Management Mechanisms
- 27 Business Ethics and Compliance

The results of the double materiality assessment indicate that climate change response, circular economy, waste management, environmental compliance management, energy management, water resource management, occupational health and safety, product quality, client satisfaction and complaint management, supply chain governance, and eco-friendly product R&D are material from both impact and financial perspectives.

Client information and privacy protection, pollutant emissions, employee benefits and care, employee recruitment and team building, equality and inclusion, prohibition of child labor and forced labor, employee training and development, research and application of new processes, intellectual property protection, anti-corruption management mechanisms, and business ethics and compliance are identified as impact material topics. All other topics are classified as relevant topics.

Explanation of Changes in Topic Prioritization

In 2025, YUTO made significant adjustments to the prioritization of its ESG topics. Energy management (rising from 14th to 2nd) and water resource management (rising from 19th to 6th) saw substantial increases in priority, reflecting the Company's strategic focus on low-carbon transition and water resource compliance. Within the social dimension, occupational health and safety (rising from 15th to 3rd) also experienced a notable increase in priority, aligning with the requirements of safe production and operational continuity. Meanwhile, the priority of employee benefits and care, employee recruitment and team building, and intellectual property protection declined in the short term, reflecting a strategic reallocation of resources toward core environmental and safety-related topics.

Impacts, Risks, Opportunities and Countermeasures of Financially Material Issues

Materiality Assessment Results					Risk / Opportunity analyse			
Material Topic	Impact Type	Impact Description	Significance ¹	Scope of Impact	Risk / Opportunity Type	Description of Risk / Opportunity	Time Horizon ²	Response Measures
Climate Action	Positive / Negative	<ul style="list-style-type: none"> Developing low-carbon products and technologies can improve energy efficiency, reduce operating costs and strengthen market competitiveness. Extreme weather events may disrupt supply chain stability and operations, increase equipment maintenance and energy costs, and place additional pressure on operations. 	Highly Significant	Upstream value chain / Business operations / Downstream value chain	Risks and Opportunities	<ul style="list-style-type: none"> Tightening policies may increase compliance costs and reduce profit margins. The growing trend toward green consumption is driving demand for low-carbon packaging, creating opportunities to acquire new clients and expand into new markets. 	Medium term	See Climate Action
Energy Management	Positive / Negative	<ul style="list-style-type: none"> Optimizing the energy mix can reduce long-term costs, improve energy efficiency and strengthen operational resilience. Initial investment in photovoltaic installations may be relatively high during the transition period. 	Highly Significant	Upstream value chain / Business operations	Risks and Opportunities	<ul style="list-style-type: none"> Unstable energy supply or sharp price increases could directly affect profitability. The application of new energy technologies may benefit from policy support and further enhance the Company's green brand image. 	Medium term	See Resource Management
Occupational Health and Safety	Positive / Negative	<ul style="list-style-type: none"> A sound safety management system helps protect employees and suppliers while reducing the incidence of accidents. Safety incidents may lead to production disruptions, compensation losses and reputational damage. 	Moderate	Upstream value chain / Business operations	Risk	<ul style="list-style-type: none"> Work-related injuries may trigger legal disputes and fines, increasing operating costs. 	Long term	See Employee Health and Vitality
Product Quality	Positive / Negative	<ul style="list-style-type: none"> High-quality products strengthen client trust and support repeat purchases and long-term partnerships. Quality issues may result in returns or claims, damaging brand reputation and market share. 	Highly Significant	Upstream value chain / Business operations / Downstream value chain	Risks and Opportunities	<ul style="list-style-type: none"> In a more competitive market, inadequate product quality could lead to client loss. Rising demand for premium customized packaging may support price premiums and market expansion. 	Long term	See Product Quality and Safety
Circular Economy	Positive	<ul style="list-style-type: none"> The use of recycled materials can reduce raw material costs, align with sustainability trends and improve resource efficiency. 	Significant	Upstream value chain / Business operations / Downstream value chain	Opportunity	<ul style="list-style-type: none"> Shifts in policy and consumer preferences toward sustainable packaging are creating new business growth opportunities. 	Medium term	See Annual Feature
Water Resource Management	Negative	<ul style="list-style-type: none"> Water scarcity or tighter pollution controls may increase water abstraction costs and constrain production capacity. 	Moderate	Business operations	Risk	<ul style="list-style-type: none"> Rising water prices, water use restrictions and flood-related disruptions may interrupt operations and affect delivery performance. 	Medium term	See Resource Management
Eco-friendly Product R&D	Positive	<ul style="list-style-type: none"> Innovation in environmentally friendly materials and technologies enhances product differentiation and helps attract green customer segments. 	Moderate	Upstream value chain / Business operations / Downstream value chain	Opportunity	<ul style="list-style-type: none"> Patents for green technologies can create barriers to entry and help the Company capture first-mover advantages in emerging markets. 	Medium term	See R&D Innovation
Waste Management	Negative	<ul style="list-style-type: none"> More stringent waste treatment standards may increase compliance investment and operating costs. 	Moderate	Business operations	Risk	<ul style="list-style-type: none"> Non-compliant discharge may result in fines or production suspension, damaging the Company's credibility. 	Long term	See Environmental Governance
Environmental Compliance Management	Negative	<ul style="list-style-type: none"> Upgraded environmental regulations require continued investment in facility upgrades and process improvements, increasing financial pressure. 	Significant	Business operations	Risk	<ul style="list-style-type: none"> Regulatory penalties or restrictions on permits could directly affect production stability and expansion plans. 	Long term	See Environmental Governance
Customer Satisfaction and Complaint Management	Positive / Negative	<ul style="list-style-type: none"> Efficient complaint handling improves customer loyalty and supports word-of-mouth growth. Service failures may lead to customer churn, reduced revenue and high recovery costs. 	Moderate	Business operations	Risks and Opportunities	<ul style="list-style-type: none"> The spread of negative feedback may damage brand image and reduce market share. Establishing a standardized complaint response mechanism can improve service experience and strengthen customer retention. 	Long term	See Product Quality and Safety, Client Rights & Interests and Satisfaction
Supply Chain Governance	Positive / Negative	<ul style="list-style-type: none"> Stronger supplier collaboration can enhance supply chain resilience and support raw material stability and cost control. Supplier non-compliance or disruption may delay production schedules and increase emergency procurement costs. 	Moderate	Upstream value chain / Business operations / Downstream value chain	Risks and Opportunities	<ul style="list-style-type: none"> ESG risks in the supply chain may be transmitted to the Company, creating associated compliance and reputational liabilities. Building a green supply chain aligns with customers' ESG expectations and helps reinforce relationships with key accounts. 	Medium term	Sustainable Supply Chain

¹ Based on financial materiality assessment score and actual operation, importance grading: General (2.5–3 points), Important (3–4 points), Highly Important (over 4 points).

² In accordance with the industry attributes of YUTO and the Company's actual production and operation conditions, the impact cycle of risks and opportunities is defined as: Short-term (0–1 year), Medium-term (1–5 years), Long-term (over 5 years). short-term (0–1 year), medium-term (1–5 years), long-term (more than 5 years).



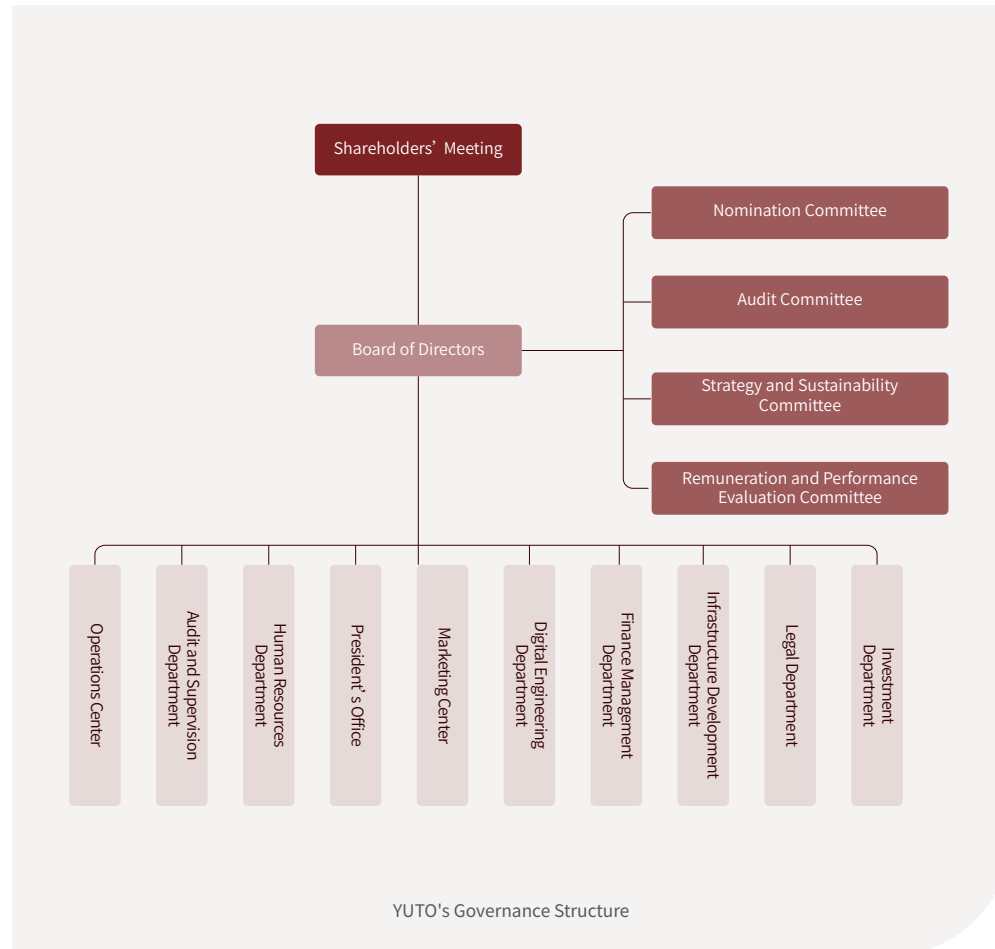
04

Governance

Corporate Governance Structure

Strengthening the Governance Framework

YUTO strictly complies with relevant laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange. Based on its actual operational conditions, the Company has formulated internal governance systems such as the Articles of Association and the Rules of Procedure for Shareholders' Meetings, thereby standardizing corporate operations, ensuring transparency and legality in corporate governance, and fully safeguarding the lawful rights and interests of shareholders and other stakeholders.



Standardizing Governance Operations

Shareholders' Meeting

The Company strictly standardizes the convening, conduct and voting procedures of its Shareholders' Meetings in accordance with applicable laws and regulations, including the Company Law of the People's Republic of China and the Rules for Shareholders' Meetings of Listed Companies, as well as its internal governance documents, such as the Articles of Association and the Rules of Procedure for Shareholders' Meetings. To facilitate shareholder participation, the Company adopts a combination of on-site voting and online voting. This approach helps protect the rights and interests of all shareholders, particularly minority shareholders, while ensuring compliant operations and effective decision-making at Shareholders' Meetings.

Directors perform their duties with professionalism and due diligence. In reviewing matters such as major transactions, related-party transactions, and external guarantees, the BoD consistently prioritizes the interests of the Company and all shareholders, with a strong emphasis on risk management. In doing so, it ensures efficient operations, sound decision-making, and the continuous enhancement of the Company's governance standards and sustainable development capabilities.

100%

attendance rate

During the reporting period, the Board of Directors held seven meetings, at which 36 resolutions were reviewed and approved. The average attendance rate of directors was 100%.

19

resolutions were reviewed and approved

During the reporting period, the Company convened four Shareholders' Meetings, including one Annual General Meeting and three Extraordinary General Meetings, at which a total of 19 resolutions were reviewed and approved.

Board of Directors

The Board of Directors (BoD) strictly complies with the Company Law of the People's Republic of China and other relevant laws and regulations, as well as the Articles of Association, and has formulated the Rules of Procedure for the Board of Directors in accordance with regulatory requirements, clearly defining the composition, duties, and decision-making procedures of the Board. By standardizing key processes such as the convening, notification, deliberation, voting, and recusal of meetings, the BoD ensures a rigorous and transparent decision-making process.

"We adhere to the principle of compliant operations, continuously enhance our governance and internal control systems, and drive industrial upgrading through green innovation to achieve the coordinated advancement of compliance and development."

Li Yuxuan

Vice President, Board Secretary



Board Diversity

YUTO places high importance on board diversity. In the nomination and selection of directors, the Company gives full consideration to the balance and complementarity of multiple dimensions, including gender, age, professional background, and industry experience. Members of the Board possess diverse professional expertise, including finance, accounting, scientific research, standardization, and operational management, as well as extensive relevant management experience.

As of the end of the reporting period, the Company's BoD comprised eight members, including three female directors, accounting for 37.5%. In addition, since 2023, the Company has formally joined the Xiangmi Lake Women Directors Initiative Alliance, actively participating in industry-level initiatives to promote gender diversity. Together with other alliance members, the Company is committed to enhancing both the representation and influence of women on boards, demonstrating its proactive commitment to advancing gender diversity and supporting the development of female leadership.

Classification	members
Board Members	8
Executive Directors	3
Independent Directors	3
Employee Representative Director	1
Age	
39-50	3
51-60	3
61-70	2
Gender	
Male	5
Female	3
Educational Background	
Doctoral Degree	2
Master's Degree	6

The Company strictly safeguards the independence of its independent directors. Independent directors do not hold any positions within the Company other than their directorships, and have no direct or indirect interests or relationships with the Company, its major shareholders, or its actual controller. During the reporting period, independent directors accounted for 37.5% of the BoD, including members with accounting expertise, and performed their duties independently without undue influence.

The Company has established four specialized committees under the BoD, namely the Audit Committee, Nomination Committee, Strategy and Sustainability Committee, and Remuneration and Performance Evaluation Committee. Independent directors represent the required proportion of members on each committee and undertake key responsibilities. Each committee performs its duties in core areas such as financial review, nomination of directors and senior management, and remuneration and performance evaluation, providing professional support and well-founded recommendations for BoD decision-making, thereby strengthening governance oversight and ensuring the Company's standardized and compliant operations.

	Independent Directors	Independent Directors	Non-independent Directors	Whether an Independent Director Serves as Chair
Strategy and Sustainability Committee		1	2	NO
Nomination Committee		2	1	YES
Audit Committee		3	0	YES
Remuneration and Performance Evaluation Committee		2	1	YES

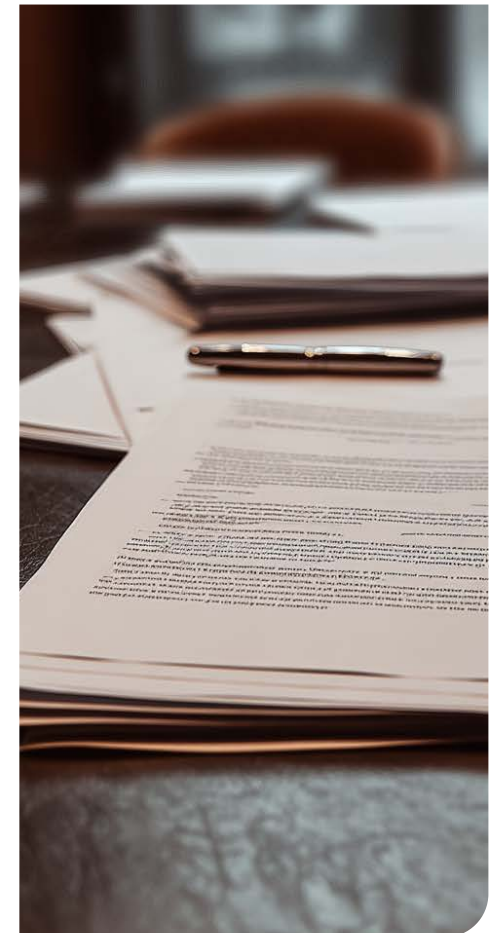
During the reporting period, the Company's specialized Board committees convened a total of nine meetings and reviewed 20 resolutions in aggregate, including:

5	13
Audit Committee meeting held	Resolutions reviewed
2	5
Remuneration and Performance Evaluation Committee meeting held	Resolutions reviewed
1	1
Strategy and Sustainability Committee meeting held	Resolutions reviewed
1	1
Nomination Committee meeting held	Resolutions reviewed

Remuneration Management for Directors and Senior Management

In accordance with the Company Law of the People's Republic of China and the Articles of Association, YUTO has established the Remuneration Management Policy for Directors and Senior Management. The policy is guided by the principles of serving the Company's long-term interests, aligning responsibilities, performance and rewards, linking remuneration to performance, and maintaining market competitiveness. The Company has established a clear remuneration governance framework. Remuneration-related matters are reviewed by the Shareholders' Meeting and the Board of Directors in accordance with their respective authorities. The Remuneration and Performance Evaluation Committee is responsible for formulating remuneration proposals and assessing performance, while the Audit Committee

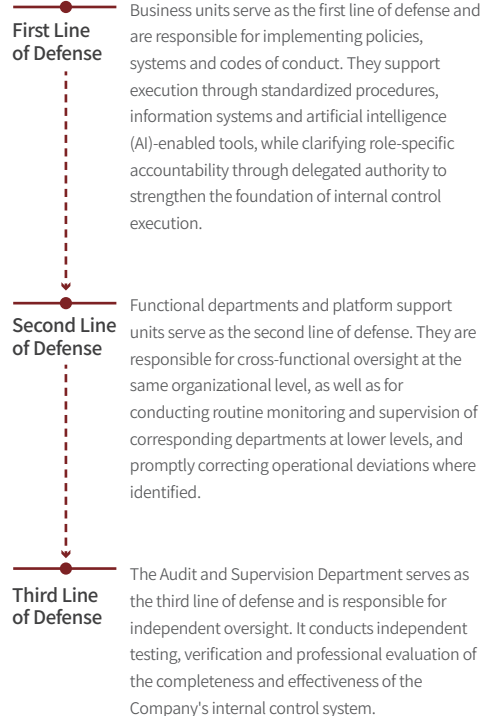
provides oversight. The Finance Management Department and the Human Resources Department support the implementation of relevant arrangements. Directors' remuneration is structured according to the nature of their roles, while senior management's remuneration consists of base salary and performance-based compensation, which are linked to the Company's operating results and individual performance evaluation outcomes. The Company has also established formal remuneration adjustment mechanisms and control provisions to ensure that the entire remuneration management process remains lawful, compliant and well-governed.



Compliance and Internal Control

Building a Robust Compliance Framework

YUTO actively upholds and practices its business philosophy of “Integrity, Pragmatic Excellence, Efficiency and Innovation.” The Company remains firmly committed to operations according to relevant laws and regulations and continuously advances the development of its compliance management system. By establishing a three-line- defense internal control framework, YUTO has comprehensively enhanced its operational management efficiency and risk prevention and control capabilities, thereby safeguarding the Company’s sustained, sound and high-quality development.



Risk Management

Focusing on operational compliance, asset security and the authenticity of information, YUTO has established a multi-dimensional internal risk control system. This system encompasses core measures such as risk assessment, segregation of duties, and authorization and approval procedures, and is supported by audit oversight and specialized control measures, forming a comprehensive, end-to-end risk prevention and control mechanism.

Control Procedure

Specific Measures

01 Risk Assessment and Emergency Response Control	The Company adopts a risk-based approach to identify, assess and monitor risks across all stages of operations in real time. It maintains close coordination with regulatory authorities to respond promptly to policy and market changes. It has also established emergency response mechanisms and contingency plans, with clear procedures and timelines for handling incidents, supported by supervision and accountability measures.
02 Segregation of Incompatible Duties	The Company has developed a position-based accountability system that clearly separates incompatible duties, including authorization and approval, transaction handling, accounting records, asset custody, and supervision and inspection. This creates a system of checks and balances to prevent errors and fraud.
03 Tiered Authorization and Approval Control	In accordance with the Authorization Management Policy, the Company has clearly defined the scope, authority, procedures and responsibilities of authorization. Financial receipts and expenditures are subject to tiered authorization, while major business matters and significant transactions must be reviewed and approved by the Board of Directors or the Shareholders’ Meeting. Individual decision-making or unauthorized changes to decisions are strictly prohibited.
04 Accounting System and Information System Control	The Company strictly adheres to the Accounting Standards for Business Enterprises and has established policies covering finance and treasury management to standardize accounting systems and procedures. Advanced information systems are used to digitalize accounting processes and ensure the authenticity and completeness of financial information.
05 Asset Protection Control	The Company has strengthened its daily asset management and periodic inventory verification mechanisms, and standardized procedures covering asset acquisition, requisition, stocktaking and disposal, as well as goods receipt and dispatch, and cash receipts and payments. Measures such as book-to-physical reconciliation and physical safeguarding are put in place to protect assets, and key assets are covered by property insurance.
06 Comprehensive Budget Control	In accordance with the Comprehensive Budget Management Measures, the Company has clarified budget management responsibilities across departments and standardized the full budget management process, including budgeting, approval, execution, adjustment and performance evaluation. It has also designated responsible departments for expense control to reinforce budget discipline in business operations.
07 Operational Analysis and Review Control	The Company has established dedicated business management roles and an operational analysis system. Departments are responsible for collecting relevant information and conducting both qualitative and quantitative analysis, with findings documented in written reports. Management regularly convenes meetings to review operational performance and adjust business strategies in a timely manner.
08 Special Control over Information Disclosure	The Company has established a series of policies on information disclosure and internal confidentiality, and strictly fulfills its disclosure obligations in accordance with regulatory requirements. Information is disclosed fairly, promptly and accurately through designated media and platforms, while procedures for registering and reporting insiders are standardized to mitigate information disclosure risks.
09 Internal Audit Oversight Control	The Company has established an Audit and Supervision Department, which reports directly to the Board of Directors and the Audit Committee and conducts audit work independently. It conducts audits and evaluations of the operations, management and internal control implementation of the Company and its subsidiaries, oversees remediation of control deficiencies, and reports its work to the Audit Committee on a quarterly basis.

Internal Control Development

YUTO remains firmly committed to compliance and has established a well-structured, effective internal audit and control system. In accordance with applicable laws and regulations, including the Audit Law of the People's Republic of China and the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, as well as the Articles of Association, the Company has formulated its Internal Audit Policy. This policy is designed to standardize the internal audit work of the Company and its controlled subsidiaries, enhance audit quality, protect the legitimate rights and interests of investors, and safeguard both asset security and the truthfulness and compliance of information disclosure.

The Company has established an internal audit structure with clearly defined roles and responsibilities and well-ordered operations, and continuously enhanced its risk prevention and control mechanisms. The Board of Directors is responsible for establishing, improving, and effectively implementing the internal control system, with the Audit Committee under it providing guidance and oversight. An Internal Audit Department, independent of the Finance Management Department, has been established as a dedicated audit function and is staffed with professional full-time personnel. It focuses on auditing key areas such as financial management, internal controls, and major economic matters, thereby forming a closed-loop management mechanism that integrates decision-making, supervision, and execution.

During the reporting period, the Company assessed the effectiveness and implementation of its internal control system and engaged an independent third-party accounting firm to conduct an objective review and issue an Internal Control Audit Report.

For 2025, the audit concluded that the Company's internal control system remained effectively in operation, with no material or significant deficiencies identified in internal control over financial reporting or in non-financial internal controls.

Related-party Transaction Management

To ensure that related-party transactions are conducted in a lawful and transparent manner, YUTO has established the Related-party Transaction Management Policy in accordance with applicable regulatory requirements and the Articles of Association. The policy clearly defines the identification of related parties, pricing principles, approval procedures, information disclosure, and oversight mechanisms, enabling the timely identification, standardized management, and effective supervision of related-party transactions, and effectively safeguarding the legitimate rights and interests of the Company and all shareholders.

The Company has also established a tiered approval mechanism involving the Shareholders' Meeting, the Board of Directors, and the management, with clearly defined decision-making authority for transactions of different thresholds. It strictly implements recusal requirements for related directors and controlling shareholders in the voting process, thereby ensuring the fairness and impartiality of related-party transaction decisions for all shareholders.

During the reporting period, the Company reported no incidents involving conflicts of interest, money laundering or insider trading.

Tax Risk Management

Operating across a global footprint, YUTO strictly complies with the tax laws, regulations, and regulatory requirements of each jurisdiction in which it operates. Guided by its business philosophy of "Integrity, Pragmatic Excellence, Efficiency and Innovation," the Company has established and continuously improved a standardized tax compliance management system, diligently fulfills its taxpayer obligations, and actively demonstrates corporate social responsibility through compliant tax practices.

CNY **682 million**

During the reporting period, the Company's total tax contributions amounted to 682 million CNY.



Investor Protection

Compliant Information Disclosure

YUTO strictly complies with applicable laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Administrative Measures for Information Disclosure by Listed Companies (2025), as well as the Articles of Association. To support high-quality disclosure practices, the Company has established an Information Disclosure Management Policy, which clearly defines the disclosure responsibilities and confidentiality obligations of relevant internal personnel, ensuring that all disclosures are truthful, accurate and complete. The Board of Directors has overall responsibility for information disclosure management, with the Chairman serving as the primary person accountable for disclosure matters, while the Corporate Secretary's Office acts as the standing execution department responsible for the day-to-day management of disclosure-related work.

The Company discloses periodic reports and ad hoc announcements through media designated by the China Securities Regulatory Commission (CSRC) and platforms designated by the Shenzhen Stock Exchange, while submitting relevant supporting documents as required. In addition, the Company communicates material decisions through channels such as notices of Shareholders' Meetings and indicative announcements. All disclosure channels adhere to the principle of fair disclosure, ensuring that shareholders and investors have equal access to true, accurate, and complete information of the Company, thereby fully safeguarding their right to know.

6

Periodic reports published

121

Ad hoc announcements published

During the reporting period, the Company published six periodic reports and 121 ad hoc announcements, without any penalties for violations related to information disclosure.

Strengthening Investor Engagement

To further optimize its corporate governance structure, strengthen communication with investors, and ensure investors' fair access to information, YUTO has established the Investor Relations Management Policy. The Company engages with investors through various channels, including annual results briefings, investor briefings, participation in roadshows, as well as the investor hotline, the investor relations section of its corporate website, and the Easy Interaction platform. Through these ongoing efforts, YUTO aims to build long-term, stable, and sound relationships with investors, achieving a seamless alignment between the maximization of overall corporate value and the protection of investors' legitimate rights and interests.

1

online results presentation held

18

online interactions via the Easy Interaction platform

1

investor research document uploaded

Deepening Sustainable Investor Engagement to Demonstrate Governance and Sustainability Strength

On May 20, 2025, YUTO hosted an investor relations event at Shenzhen YUTO, combining site research with a briefing session to provide institutional investors with a systematic overview of its three-pronged growth strategy driven by intelligence, internationalization and sustainability. The event focused on the Company's growth path, production footprint and dividend policy, highlighting the transparency of its corporate governance and the strength of its sustainable development prospects. By deepening communication with the investment community, YUTO further strengthened market confidence and reinforced the foundation for long-term investment.

Protecting Shareholders' Rights and Interests

YUTO remains committed to creating long-term, sustainable value for investors. Guided by prudent operational strategies and a robust management system, the Company continuously strengthens its core profitability and strives to deliver stable and substantial returns to investors. At the same time, the Company implements a prudent and proactive cash dividend policy, allowing investors to meaningfully share in the Company's growth dividends and long-term development achievements. This demonstrates its firm commitment to safeguarding investors' rights and interests.



Business Ethics

Anti-bribery and Anti-corruption

YUTO upholds the highest standards of business ethics and complies with the relevant laws and regulations of the countries and regions in which it operates, including the Company Law of the People’s Republic of China, the Anti-monopoly Law of the People’s Republic of China, and the Anti-unfair Competition Law of the People’s Republic of China. The Company advances its anti-bribery and anti-corruption efforts through an integrated approach that integrates systems, culture and oversight. YUTO has established an internal control framework called "three lines of defense" covering all of its business units, Group functional and platform support units, and the Audit and Supervision Department, supported by a well-developed integrity and compliance policy system. By combining robust controls with positive guidance, the Company is committed to preventing bribery, corruption and fraudulent conduct, thereby safeguarding legal compliance in business operations and supporting sustainable development.

“ We regard integrity and probity as the foundation of our operations, strictly uphold business ethics, and continuously improve our anti-bribery and anti-unfair competition mechanisms, working together with our partners to build an ecosystem of integrity.”

Tang Ziwei
Senior Audit Director



Integrity Governance Mechanism

The Company has established a well-defined and comprehensive integrity governance mechanism, under which the Ethics Committee and the Audit Committee operate under the leadership of the Chairman. Within the company, YUTO has formulated governance policies including the Employee Code of Business Conduct and Managerial Conduct Standards to guide the behavior of all staff, holding those in critical roles to particularly stringent requirements. Externally, the Company has issued policies including the Code of Conduct for Business Partners and the Anti-bribery Policy, which clearly set out the integrity obligations of suppliers and other business partners. Under the leadership of the Audit Committee, the Audit and Supervision Department independently carries out supervision work, upholds a culture of strict compliance and accountability, and rigorously investigates and addresses violations, with internal disclosure of cases where appropriate, thereby creating a strong deterrent effect.

YUTO Group Integrity and Compliance Policy Framework	External	Business Partners	Code of Conduct for YUTO Business Partners YUTO Group Anti-bribery Policy YUTO Group Whistleblowing Management and Reward Policy
	Internal	All Employees	Code of Business Conduct for YUTO Employees YUTO Group Anti-bribery Policy YUTO Group Policy on the Acceptance of Gifts and Gratuities by Employees YUTO Group Whistleblowing Management and Reward Policy
		Managers	Ten Disciplinary Red Lines for YUTO Managers Disciplinary Measures for Violations of the Ten Red Lines for YUTO
		Special Positions	Code of Conduct for Integrity of Procurement Personnel

Integrity Culture Training

The Company has established a multi-dimensional and comprehensive system for promoting and delivering integrity culture training. Internally, it adopts a blended online and offline approach to ensure continuous learning across all employees. Incumbent managers and staff participate in online training, while new hires, management trainees, and personnel in key positions receive in-person training sessions organized by subsidiaries and Shenzhen YUTO respectively, and are required to sign the Employee Integrity Commitment Letter.

Externally, the Company conducts phased, rolling online training for suppliers and provides one-on-one integrity briefings during factory audits, requiring all qualified suppliers to sign integrity commitment letters. In addition, YUTO continuously reinforces integrity awareness among employees and business partners by issuing integrity reminder letters ahead of major holidays and sharing typical cases on a regular basis, thereby strengthening the ideological defense against misconduct.

100%

Employees Covered by Anti-corruption Training

NOTE:

Anti-corruption training as referred to in this Report includes all forms of training provided to all employees on anti-corruption and anti-commercial bribery-related laws and regulations applicable in the jurisdictions where the Company operates, as well as related topics such as anti-corruption, anti-commercial bribery, integrity and professional conduct standards, accountability for violations, and whistleblowing mechanisms.

81%

employees had completed the signing process.

85%

suppliers had completed the signing process.

During the reporting period, YUTO advanced the execution of the Integrity and Self-discipline Commitment Letter across the Group, covering both employees and suppliers.

NOTE:

The employee statistics presented here do not include production employees.



Strengthening Integrity and Reinforcing the Front Line of Governance

Anti-Corruption Training for General Manager Designates

On May 23, 2025, YUTO held a dedicated integrity training session for its general manager designates, focusing on self-discipline and internal controls for general managers. The session was delivered by Tang Ziwei, Senior Audit Director of the Audit and Supervision Department. Through case analysis and group discussions, the training enhanced the management team's capabilities in risk prevention, compliance and ethical governance, further strengthening the foundations for the Company's sustainable development.



Training for Procurement Personnel



Online Course Learning



Whistleblowing Channels and Whistleblower Protection

The Company has established a diversified, around-the-clock whistleblowing platform, with reporting channels including the "YUTO Sunshine Audit" WeChat official account, the "YUTO Space" app, landline telephone, email and on-site offices of audit teams. In 2025, the Company received 29 valid reports, of which 26 had been investigated, followed and settled through strict accountability measures. The Audit and Supervision Department is responsible for conducting independent investigations and strictly safeguarding whistleblowers' information. By maintaining a zero-tolerance approach to fraud and handling cases in an open and transparent manner, YUTO continues to demonstrate its strong commitment to integrity governance.

Anti-monopoly and Anti-Unfair Competition

YUTO rigorously adheres to all applicable laws and regulations, including the Anti-Monopoly Law and the Anti-Unfair Competition Law of the People's Republic of China, and actively safeguards the principles of fair market competition. The Company expressly prohibits—whether undertaken independently or in concert with partners—any conduct that constitutes monopolistic or unfair practice, such as market allocation, resale price maintenance, bid rigging, or abuse of market dominance. These compliance obligations are integrated into YUTO's Partner Code of Conduct. By strengthening internal compliance frameworks, enhancing supervision and audit functions, and enforcing clear accountability across its partner network, YUTO advances fair competition throughout the value chain, contributing to a well-regulated market order, and fostering a sustainable business ecosystem.

During the reporting period, the Company was not involved in any illegal or non-compliant conduct—such as commercial bribery or corruption—that could have had a material impact on its operations, nor was it subject to any legal proceedings related to unfair competition, antitrust or anti-monopoly practices.



Mailing Address of the Audit and Supervision Department

No. 1 Shihuan Road, Shiyuan Subdistrict, Bao'an District, Shenzhen



Email

shenji@szyuto.com



"YUTO Sunshine Audit" WeChat Official Account





05

Environment

Climate Actions

Amid intensifying climate change challenges and the growing imperative for green industrial transformation, YUTO actively responds to low-carbon development trends by implementing diversified low-carbon practices, leveraging technological innovation to drive the green transformation of the manufacturing industry. From production and operations to the entire product lifecycle, the Company has systematically deployed decarbonization pathways, striving to demonstrate its responsibility in climate governance through concrete actions and contribute to building a sustainable future.



Climate Change Governance

YUTO has established a multi-level climate governance framework, built upon its sustainability management system to form a top-down governance closed loop. As the core oversight body, the Board of Directors provides overall leadership on climate governance strategy, approves relevant governance rules, oversees governance effectiveness, and makes decisions on major climate-related matters. Under the guidance of the Board, the Strategy and Sustainability Committee is responsible for identifying and assessing climate-related risks and opportunities, formulating climate strategies, reviewing and supervising response actions. The Executive Committee and the Secretariat undertake responsibilities such as day-to-day coordination and information analysis, while the ESG Working Group promotes the deep integration of

climate governance with the Company's business. Meanwhile, relevant departments and production bases incorporate climate risk management into their annual key plans, ensuring accountability at all levels and effective implementation.

Climate Change Strategy

YUTO continuously monitors climate change trends and strengthens the management of climate-related risks and opportunities. With "Climate Change and Resource Management" as a core sustainability strategic area, the Company has established a cross-functional collaboration mechanism and organized annual assessments by expert teams. Based on high-carbon scenarios such as SSP3-RCP8.5, the Company enhances contingency plans for physical

risks such as typhoons, and in response to transition risks including evolving consumer preferences for eco-friendly products, increases research and development of eco-friendly and biodegradable products such as molded pulp. By combining qualitative and quantitative analyses to assess short-, medium-, and long-term impacts, the Company dynamically optimizes its response strategies, strengthens the resilience of its green operations, and safeguards the sustainable development of its business.

"Guided by science-based carbon targets, we lead low-carbon development and reduce carbon emissions in all aspects through energy substitution, technological transformation and supply chain collaboration."

Liu Zhongqing
Senior Vice President, COO



Physical Risk

Driver	Risk Description	Time Horizon ³	Financial Impact ⁴	Affected Value Chain Stage	Response Measures
Acute physical risk					
Flooding	Flooding may disrupt operations at production sites, damage facilities and equipment, and threaten employee health and safety, while also causing delivery delays, order losses and higher insurance costs.	Short term	Medium	Upstream value chain / Own operations / Downstream value chain	<ol style="list-style-type: none"> 1. Establish emergency response plans for natural disasters. 2. Strengthen supply chain backup mechanisms. 3. Provide heat protection for employees, including heat allowances and related care measures.
Typhoons	Typhoons may disrupt the supply chain, halt plant operations and cause electricity shortages, resulting in lower revenue and higher sunk costs.	Short term	Medium	Upstream value chain / Own operations / Downstream value chain	
Extreme temperatures (heatwaves and cold spells)	High temperatures may increase the risk of fire and explosion, damage raw materials, affect employee health and reduce production efficiency; low temperatures may disrupt logistics and production processes. Both may drive up labor and operating costs.	Short term	Medium	Upstream value chain / Own operations / Downstream value chain	
Chronic physical risk					
Water stress and drought	As climate change intensifies, some of the Company's production bases may face heightened water stress in the future. Drought may directly lead to water shortages, constrain site selection and operations, increase procurement costs and disrupt the supply chain.	Long term	Medium	Own operations	<ol style="list-style-type: none"> 1. Advance reclaimed water reuse and water-saving processes. 2. Prioritize water-abundant locations when selecting sites for new production bases. 3. Set water use targets.
Rising average temperatures	Prolonged high-temperature and high-humidity conditions may accelerate raw material degradation, affect employee health and reduce production efficiency, while increasing energy consumption for cooling and related purposes.	Long term	Medium	Own operations	<ol style="list-style-type: none"> 1. Upgrade design and manufacturing processes and strengthen greening improvements across plant sites. 2. Provide employees with regular health check-ups and continue to improve the working environment.
Sea level rise	Rising sea levels pose a long-term threat to production bases located in coastal areas, potentially constraining site selection or even requiring relocation to lower-risk areas, resulting in additional capital expenditure.	Long term	High (potential)	Own operations	<ol style="list-style-type: none"> 1. Conduct climate vulnerability assessments for coastal production bases. 2. Carry out environmental impact assessments to avoid high-risk coastal zones.

³ The time horizons used for climate change impacts are defined as follows: short term (0-2 years), medium term (3-4 years), and long term (5 years and above).

⁴ The financial impact levels of climate change are defined as follows: low (below 150 million CNY), medium (150 million CNY to 300 million CNY), and high (above 300 million CNY).

Transition Risk

Driver	Risk Description	Time Horizon	Financial Impact	Affected Value Chain Stage	Response Measures
Policy and regulatory risk					
Tightening greenhouse gas emissions management	Carbon emissions standards are becoming increasingly stringent worldwide, and carbon tax policies are being progressively introduced. If the Company fails to meet relevant requirements in a timely manner, it may face fines and additional costs, including carbon taxes on products.	Medium term	High	Upstream value chain / Own operations / Downstream value chain	<ol style="list-style-type: none"> 1. Improve energy efficiency and explore renewable and clean energy sources. 2. Carry out carbon inventory and carbon accounting work, and disclose greenhouse gas emissions data. 3. Set greenhouse gas reduction targets, implement corresponding measures and regularly disclose progress against those targets.
Increasing disclosure requirements for greenhouse gas emissions	Mandatory disclosure requirements from regulators regarding carbon emissions data are becoming more stringent, increasing compliance costs and management complexity.	Short to medium term	Low	Own operations	
Technology risk					
Inappropriate technology selection or upgrades	During the transition to low-carbon technologies, an unsuitable technology pathway or insufficient reliability of new technologies may lead to premature asset retirement or write-offs, as well as substantial exploratory R&D expenditure.	Medium term	Medium	Upstream value chain / Own operations / Downstream value chain	<ol style="list-style-type: none"> 1. Support and encourage material and process innovation, and improve project efficiency through digitalization and intelligent manufacturing.
Industry development trends	Failure to keep pace with rapid technological iteration across the industry may place the Company at a competitive disadvantage.	Medium term	Medium	Upstream value chain / Own operations / Downstream value chain	
Market risk					
Changes in consumer behavior	Growing end-user demand for environmentally friendly packaging may reduce demand for traditional products and services, resulting in revenue pressure.	Medium term	Medium	Own operations / Downstream value chain	<ol style="list-style-type: none"> 1. Develop lightweight, recyclable and plant-based packaging solutions. 2. Strengthen green brand communication.
Raw material cost volatility	Climate change and policy shifts may lead to cost volatility in sustainable raw materials, such as FSC-certified paper, affecting profitability.	Short term	Medium	Upstream value chain / Own operations	<ol style="list-style-type: none"> 1. Build a diversified supplier base. 2. Actively explore a broader range of sustainable material options.
Reputational risk					
Evolving stakeholder expectations	If the Company fails to communicate effectively with investors, customers, communities and other stakeholders on climate action, or if its actions fall short of public expectations, its reputation may be damaged, affecting brand value and market share.	Short term	Medium	Upstream value chain / Own operations / Downstream value chain	<ol style="list-style-type: none"> 1. Involve stakeholders in the development of environmental policies and build long-term green partnerships with suppliers. 2. Regularly publish sustainability reports. 3. Set and publicly disclose greenhouse gas reduction targets, and regularly disclose progress against those targets.

Opportunity Type	Opportunity Description	Time Horizon	Financial Impact	Affected Value Chain Stage	Response Measures
Product and Service Innovation	By accelerating the development of eco-friendly new materials and processes and promoting simplified packaging solutions, the Company can not only consolidate its industry-leading position, but also attract and win mid- to high-end clients with strong sustainability preferences, thereby driving both revenue and profit growth.	Medium term	High	Upstream value chain / Own operations / Downstream value chain	Intensify the development of sustainable products and expand the "zero-plastic" and "carbon-reduction" product portfolio.
Market Expansion	As plastic bans begin to take effect in various markets around the world, significant market opportunities are emerging for the Company's eco-friendly packaging businesses, including plant-fiber packaging. This is expected to directly expand the market for sustainable packaging and increase the Company's market share.	Medium to long term	High	Own operations / Downstream value chain	Expand into emerging markets and build a green supply chain.
Resource and Energy Efficiency Improvement					
Resource Efficiency	By constantly improving automation and intelligent manufacturing capabilities, the Company can reduce production waste and enhance resource efficiency, thereby delivering meaningful cost reductions over the medium to long term.	Medium term	Medium	Own operations	Advance intelligent manufacturing upgrades, implement lean production, and establish digital material traceability systems.
Clean Energy	The adoption of clean energy, such as self-developed photovoltaic power stations and participation in green electricity trading, can not only reduce carbon emissions and lower energy-related expenditure, but also significantly enhance the Company's reputation and strengthen its image as a responsible brand.	Medium term	High	Own operations	Install distributed photovoltaic systems on factory rooftops and participate in green electricity trading.
Enhanced Corporate Resilience	By developing a comprehensive climate response strategy and improving the resilience of its production bases and supply chain, the Company can better withstand the impacts of extreme weather events and policy changes, support the long-term stability and reliability of its operations, and reduce production losses and sales volatility associated with climate factors.	Long term	Medium	Upstream value chain / Own operations / Downstream value chain	Develop a climate response strategy, strengthen the resilience of production bases and the supply chain, and maintain close attention to policy developments.

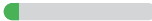
Management of Impacts, Risks and Opportunities

The Company has established the Business Continuity Management Procedure, under which climate change-related risks are systematically incorporated into the operational disruption management framework. Clear responsibilities are defined across all management levels, forming a full-process closed-loop management mechanism. Through standardized procedures, the Company enables accurate risk anticipation, tiered risk control, and efficient response. At the same time, it actively identifies opportunities arising from the green transition and integrates them into daily operational optimization, thereby providing robust institutional support for the standardized management of related impacts, risks, and opportunities.



Metrics and Targets

YUTO has established Science-Based Targets, validated by the Science Based Targets initiative (SBTi), to guide its climate action in a science-based manner. Using 2023 as the base year, the Company has defined a SBT and emissions reduction pathway covering its full greenhouse gas emissions footprint. For the carbon emissions data disclosed in this Report, the Company completed carbon verification for 12 core production facilities in 2026, further strengthening the foundation for end-to-end carbon data management. Going forward, the Company will continue to expand the scope of carbon verification year by year, with the goal of achieving full Group-wide coverage and advancing the low-carbon transformation and sustainable development of the entire value chain.

Metric Category	Unit	2034 Target	2025 Progress toward Target (Cumulative Reduction Rate)
Greenhouse Gas Emissions (Scope 1 and Scope 2 – market-based)	tCO ₂ e	Reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 58.8% by 2034, compared with the 2023 baseline.	 7.70%

NOTES:

The Company has established science-based targets (SBT) covering Scope 1, Scope 2, and key categories of Scope 3 emissions, and is continuously advancing carbon data collection and emissions reduction management across its value chain. At the current stage, the Company primarily discloses progress in Scope 1 and Scope 2 emissions reductions; Scope 3 emissions and related reduction performance are still under assessment and will be disclosed in due course.

Key Indicator	Unit	2024	2025
The Group⁵			
Greenhouse Gas Emissions (Scope 1) ⁶	tCO ₂ e	20,252	29,443
Greenhouse Gas Emissions (Scope 2 – market-based) ⁷	tCO ₂ e	293,735	273,287
Greenhouse Gas Emissions (Scope 2 – location-based)	tCO ₂ e	360,919	352,477
Greenhouse Gas Emissions (Scope 1 and Scope 2 – market-based)	tCO ₂ e	313,987	302,730
Greenhouse Gas Emissions Intensity (Scope 1 and Scope 2 – market-based)	tCO ₂ e/CNY 10,000 of revenue	0.183	0.176
Demonstration Factories (Shenzhen YUTO + Shenzhen YUTO Longgang Branch)⁸			
Greenhouse Gas Emissions (Scope 1)	tCO ₂ e	1,252	1,212
Greenhouse Gas Emissions (Scope 2 – market-based)	tCO ₂ e	13,670	11,077
Greenhouse Gas Emissions (Scope 2 – location-based)	tCO ₂ e	36,020	34,565
Greenhouse Gas Emissions (Scope 1 and Scope 2 – market-based)	tCO ₂ e	14,922	12,289
Greenhouse Gas Emissions Intensity (Scope 1 and Scope 2 – market-based)	tCO ₂ e/CNY 10,000 of revenue	0.033	0.027

⁵ The data collection boundary covers all subsidiaries of the Company, with the reporting period from January 1 to December 31, 2025.

⁶ Scope 1 greenhouse gas (GHG) emissions primarily originate from the direct emissions generated by the Company's operations and production processes, including the consumption of fossil fuels (such as gasoline, diesel, and natural gas) and the use of refrigerants. It also accounts for GHG emissions generated from activities such as wastewater treatment and fire extinguisher usage.

⁷ Scope 2 greenhouse gas (GHG) emissions primarily arise from indirect emissions associated with the consumption of purchased electricity and steam.

⁸ For demonstration factories, the data collection scope covers Shenzhen YUTO and its Longgang Branch, with the reporting period from January 1 to December 31, 2025.

Measures to Reduce Greenhouse Gas Emissions

During the reporting period, YUTO continued to strengthen its greenhouse gas (GHG) emissions management system and advance a series of multi-dimensional emissions reduction initiatives. Key measures included the continued development of the 5 MW photovoltaic power station project at Xuchang YUTO, the upgrade of central air-conditioning systems to improve energy efficiency with Group-wide implementation, the deployment of an integrated energy and carbon data management platform to enable intelligent energy monitoring and control, and collaboration with major suppliers to promote decarbonization initiatives. These actions collectively address emissions reduction across production, equipment, digital systems, and the supply chain, enabling more precise carbon management and steadily advancing the achievement of the Company's GHG emissions reduction targets.

Equipment Upgrades

Lower Energy Use Through Equipment Upgrades Control System Upgrade for Screw Chiller Units

In 2025, YUTO rolled out a Group-wide energy efficiency improvement project to upgrade the control systems of its screw chiller units. The project addressed energy waste due to the lack of remote functionality in the legacy MT6070IH operating screens by replacing them with CMT2079X screens, while resolving compatibility issues related to legacy hardware and programme integration.

With an investment of 4,000 CNY, the upgrade enabled mobile-based remote monitoring and temperature control. Following the retrofit, energy consumption declined significantly and management efficiency improved. The solution has since been extended across the Group, delivering solid energy-saving benefits.

Use of Clean Energy

Clean Energy in Action Strong Results from Solar Power Generation

In 2025, Xuchang YUTO continued advancing its photovoltaic power project by constructing a 5 MW rooftop solar power station covering 40,000 m² with solar panels. By using clean energy to ease pressure on the grid and reduce electricity consumption from the state grid, the project delivered significant energy-saving benefits. In 2025, the project saved 41,953,746 kWh of electricity and generated more than 4 million kWh of electricity annually. Through concrete actions, Xuchang YUTO translated its commitment to energy conservation and emissions reduction into measurable results, further supporting greener production.



21.71 million kWh
electricity generating

17

Photovoltaic power stations
construction completed

As of the end of the reporting period, the Company had completed the construction of 17 photovoltaic power stations in total, generating 21.71 million kWh of electricity during the year. These installations have effectively replaced conventional fossil energy use and continue to support the Company's low-carbon operations and green development.

Digital Energy Management System

Building a Digital Carbon Management Platform to Support Emissions Reduction

Starting in October 2025, YUTO launched development of a Group-wide energy and carbon data management platform, led by the Group Digital Engineering Department and planned for rollout in three phases across its major manufacturing campuses. Phase I has already been advanced across six campuses, including Longgang and Suzhou, enabling real-time energy data collection and intelligent analysis, with functions such as anomaly alerts, peak-and-valley analysis, and the automatic generation of monthly energy consumption reports. The platform is accelerating YUTO's shift from experience-based energy management to a data-driven approach, providing a stronger foundation for targeted energy savings and carbon reduction, and supporting the achievement of its emissions reduction goals.



Deepening Supply Chain Decarbonization

Advancing Toward Carbon Neutrality with Suppliers

On December 16, 2025, YUTO held a training and communication session on its Supply Chain 2034 Decarbonization Plan at Shenzhen YUTO. Organized by the Procurement Department, the session was conducted both online and offline for representatives from more than 30 core suppliers with high-emissions profiles. The session provided a detailed explanation of emissions-reduction targets, reporting requirements, and a four-phase pathway for online training, data measurement, target setting, and progress monitoring, with the aim of driving a 35% reduction in value-chain emissions. This initiative further strengthened YUTO's collaborative supply chain decarbonization mechanism and provided methodological support for achieving its SBTi targets.



Deepening Supply Chain Decarbonization

During the reporting period, the Company conducted specialized supply chain decarbonization training for procurement personnel, covering the topics of supply chain carbon emissions management requirements, the key responsibilities of procurement functions in carbon reduction, and practical implementation pathways. The training is aimed to enhance procurement personnel's ability to identify and incorporate carbon emissions factors into supplier evaluation and management processes.

On this basis, procurement personnel further carried out policy communication and capability guidance for suppliers, helping suppliers better understand the Company's decarbonization requirements and gradually advance product carbon footprint management and emissions reduction actions, thereby collaboratively promoting the achievement of overall supply chain decarbonization goals.

Environmental Governance

Environmental Compliance Management

YUTO strictly complies with relevant laws, regulations, and normative documents, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Measures for the Emergency Management of Environmental Incidents. The Company has established a comprehensive environmental management system and formulated a series of internal policies, including the Environmental Protection Policy, Wastewater and Rainwater Management Guidelines, Hazardous Waste Management Policy, Waste Management Guidelines, and Chemical Management Guidelines, thereby forming a standardized management system that covers wastewater, exhaust gas, waste, and chemicals.

YUTO has established a four-tier environmental management structure consisting of heads of each operating unit, environmental management leads, environmental facility managers, and supervision by the Safety Management Department under the President's Office, with clearly defined responsibilities at each level. Heads of each operating unit are responsible for the overall coordination of environmental compliance and resource allocation; environmental management leads are responsible for regulatory procedures and risk management; environmental facility managers are responsible for daily operation, maintenance, and on-site implementation; and the Safety Management Department under the President's Office performs supervisory functions to ensure effective implementation. This structure establishes a management model characterized by clear accountability, role-based system implementation, and closed-loop process management.

- Primary Responsible Person of Each Operating Unit**
 Has overall responsibility for environmental compliance, ensures adequate environmental protection funding, establishes oversight mechanisms, leads emergency response efforts, and fulfills information disclosure obligations.



- Environmental Management Lead of Each Operating Unit**
 Is responsible for maintaining environmental permits and related procedures, identifying, reporting and promoting the resolution of environmental risks, conducting routine compliance monitoring, and ensuring that activities such as pollutant discharge are carried out in a lawful and compliant manner.



- Environmental Facility Manager of Each Operating Unit**
 Is responsible for the routine inspection, periodic maintenance and upkeep of environmental protection facilities, and for ensuring their proper operation.



- Safety Management Department of the President's Office**
 Oversees the fulfillment of environmental legal compliance responsibilities across all operating units, formulates environmental compliance management policies, and promotes their effective implementation.

At each of the past three year-ends, the Company had no outstanding environmental liabilities, defined as unpaid fines or penalties, including expected fines relating to unresolved cases.

During the reporting period, the Company was not subject to any material administrative penalties or criminal liabilities arising from pollutant emissions.

NOTES:
 As referred to in this Report, "material administrative penalties" are defined with reference to the standardized definition of S&P Global, and specifically refer to environmental administrative penalties involving a single fine exceeding USD 10,000.

41

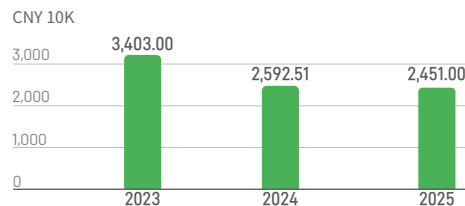
companies obtained certification Management System standard

75%

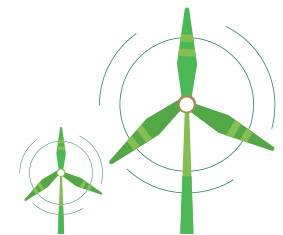
certification coverage rate

During the reporting period, 41 companies within the Group's listed company system had obtained certification under the GB/T 24001-2016 / ISO 14001:2015 Environmental Management System standard, representing a certification coverage rate of 75%.

Total Environmental Protection Investment



Environmental Protection Training



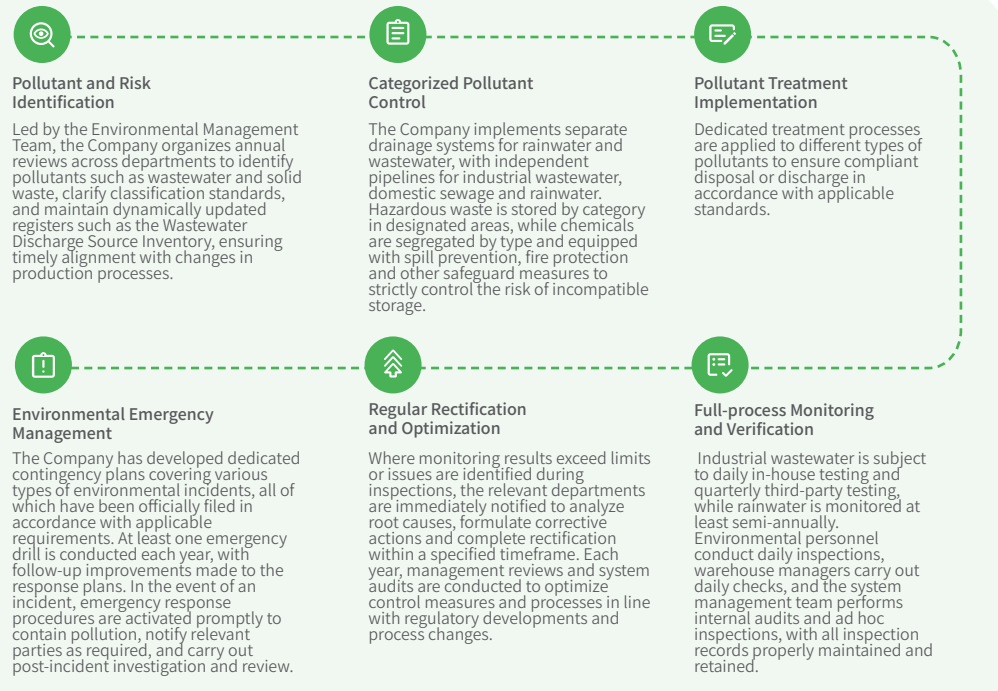
Environmental Management Strategy

The Company’s environmental management strategy is guided by its core sustainability philosophy of “adhering to technological innovation, advancing intelligent manufacturing, improving resource utilization efficiency, developing high-quality eco-friendly products, and promoting low-carbon operations.” It prioritizes the use of low-pollution raw and auxiliary materials and conducts strict reviews of suppliers’ environmental qualifications.

The Company integrates cleaner production into process design, continuously optimizing processes to reduce pollutant generation. It has established a “source reduction–process control–end-of-pipe treatment” management system for wastewater, exhaust gas, and waste. Through environmental training and emergency response drills, the Company safeguards employee health and strengthens environmental risk prevention in production and operations. At the same time, it drives environmental compliance and green transformation in parallel, achieving the balance of environmental performance and business development.

Management of Environmental Impacts, Risks and Opportunities

The Company attaches great importance to pollutant management and has established a closed-loop management system covering identification, classification, treatment, supervision, and improvement. By identifying pollutant types and implementing targeted control measures, the Company ensures that environmental pollution risks are effectively controlled. It has also established a long-term environmental risk prevention and control mechanism, thereby achieving the objectives of reducing pollution risks and protecting the environment.



Environmental Management Targets and Metrics

With a strong sense of environmental responsibility, YUTO ensures the stable and efficient operation of all environmental protection facilities, and strictly prevents any non-compliant discharges or environmental complaints. In pollution prevention and control, the Company strictly ensures that the discharge of pollutants, including wastewater and solid waste, complies with relevant national and local standards. Industrial wastewater is treated to meet discharge standards and reused where feasible, and hazardous waste is disposed strictly according to relevant laws and regulations, with a 100% legal compliant disposal rate.

At the same time, the Company continues to promote waste reduction and resource utilization, increase landfill diversion rates, and strengthen full life-cycle management of chemicals. Through these efforts, YUTO actively protects the ecological environment and supports its green, low-carbon, and high-quality development.

During the reporting period, Shenzhen YUTO and seven other major subsidiaries of YUTO, totaling eight entities, were designated as key environmental supervision entities by the local ecological and environmental management authorities in their respective jurisdictions. Details of their major environmental impact factors and pollutant discharge information are disclosed in Item 15 “Environmental Information Disclosure” under Section IV “Corporate Governance, Environment and Society” of the 2025 Annual Report of YUTO.

Key Indicator	Unit	2024	2025
Total Waste	t	135,204	165,030
Waste Intensity	t/CNY 10,000 of revenue	0.079	0.096
By Source & Nature			
Total Non-production-related Waste	t	3,388	3,794
Total Production-related Waste	t	131,816	161,237
By Hazard Level			
Total Hazardous Waste	t	3,484	4,773
Total General Solid Waste	t	131,720	160,258
By Disposal Method			
Total Recycled & Reused Waste	t	130,562	150,953
Total Waste Sent to Disposal	t	4,642	14,078
Landfilled Waste	t	87	356
Incinerated Waste (with energy recovery)	t	3,526	10,263
Incinerated Waste (without energy recovery)	t	1,001	1,302
Waste Disposed via Other Methods	t	28	2,156

Waste Gas Emission Management

The Company has formulated policies including the Waste Gas Emission Management Guidelines and the Waste Gas Treatment Facilities Management Guidelines, which identify volatile organic compounds (VOCs) emitted from printing inks, adhesives, and organic solvents as the primary sources of air emissions. It has established a full-process cleaner production control system, encompassing source control, process management, and end-of-pipe treatment.

At the source, the Company prioritizes the procurement of low-VOC raw and auxiliary materials during production, it installs enclosed collection systems; and at the end-of-pipe efficient treatment stage, subsidiaries establish waste gas emission treatment facilities as required to effectively treat emissions from processes such as printing and drying.

In addition, the Company has developed regular monitoring and facility inspection mechanisms, and strictly complies with local emission standards to ensure that waste gas emissions meet applicable standards, thereby achieving legal compliant management and control.

Upgraded VOC Treatment Supporting Green and Legal Compliant Production

In 2025, YUTO upgraded its VOC treatment facilities at Shenzhen YUTO, optimizing the original process into a cleaner production solution that combines dry filtration, activated carbon adsorption-desorption, and catalytic combustion, with treatment efficiency improving significantly. The project, which covered processes such as printing and ink mixing, significantly reduced emissions of non-methane hydrocarbons and ensured compliance with the latest national and local environmental standards. It further advanced YUTO's commitment to green production and legal compliant operations.



Wastewater Management

YUTO has formulated the Wastewater and Rainwater Management Guidelines and established a closed-loop wastewater management process covering diversion control, categorized treatment, monitoring and verification, and compliant discharge. The Company strictly implements the separation of rainwater and wastewater, as well as clean and contaminated water streams. Domestic sewage is conveyed through dedicated pipe networks.

The connection of industrial wastewater to rainwater drainage systems is strictly prohibited, and designated personnel conduct regular inspections. Treated wastewater must comply with applicable discharge standards, with a portion recycled and reused where feasible. Wastewater that does not meet the standards is subject to corrective and preventive actions in accordance with established procedures, ensuring full-process legal compliance and effective control.

Classified and Tiered Wastewater Management in Practice

In 2025, Hunan YUTO carried out a cleaner production audit and implemented classified and tiered, end-to-end wastewater management across its site. Domestic sewage is pre-treated through septic tanks before being discharged into the industrial park's wastewater pipeline network, while production wastewater undergoes full-process treatment at the Company's on-site wastewater treatment station before being discharged into the same network upon meeting relevant standards, and ultimately sent to a wastewater treatment plant for further treatment. At the same time, Hunan YUTO established a wastewater discharge ledger management system and conducted regular water quality monitoring, as well as routine inspection and maintenance of environmental protection facilities. These measures ensure the stable operation of treatment facilities and make wastewater discharge legally compliant and traceable throughout the entire process. The relevant control measures have also been officially filed through the cleaner production audit record process with the Hunan Provincial Department of Ecology and Environment.

Solid Waste Management

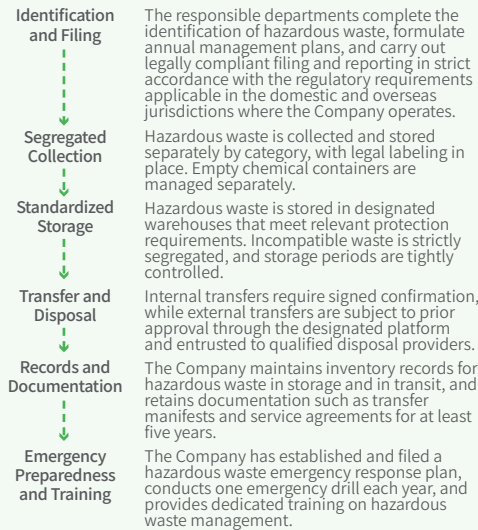
YUTO strictly complies with applicable laws and regulations, including the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste. The Company has established internal policies and guidelines, including the Hazardous Waste Management Policy and the Solid Waste Management Guidelines, to ensure standardized, end-to-end management of recyclable, non-recyclable, food and hazardous waste generated in both production operations and daily activities. Through these measures, YUTO advances the harmless treatment and resource recovery of solid waste, while reducing its environmental impact.

Building a Closed-Loop, End-to-End Hazardous Waste Management System

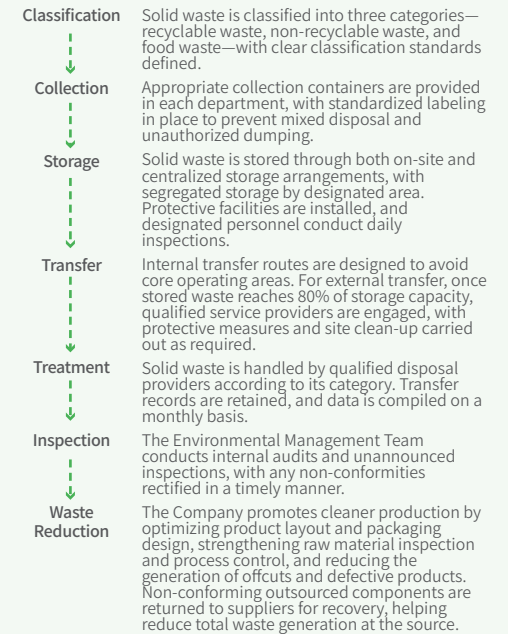
In 2025, YUTO implemented a standardized hazardous waste management project at Shenzhen YUTO, led by the Environmental Protection Section of the Park Integrated Management Department. The project covered 14 categories of hazardous waste, with an annual generation volume of approximately 547.5 tonnes. Through source reduction, process monitoring, digital traceability and legally compliant disposal, YUTO established a closed-loop management system covering the full lifecycle of hazardous waste from generation to final treatment. This approach ensures legal and compliant management throughout the process while strengthening the Company's environmental risk prevention and control capabilities.



End-to-end Hazardous Waste Management



End-to-end Solid Waste Management



Chemical Management

YUTO has formulated internal policies, including the Chemical Management Guidelines, to clearly define the roles and responsibilities of each department. The Procurement Department is responsible for chemical procurement and the collection of Material Safety Data Sheets (MSDS); the Safety Management function is responsible for overall coordination of safety assessments, supervision, guidance, and training; the Environmental Management function is responsible for managing the chemical inventory and MSDS documentation; and department heads are responsible for supervising the safe use of chemicals on site.

The Company's control measures cover the entire lifecycle of chemical management, including pre-use hazard assessment and the principle of substitution priority, verification of supplier qualifications and safety labeling during procurement, segregated and classified storage with facilities for spill prevention, ventilation, and fire protection, and standardized requirements for container labeling, personal protective equipment (PPE), and transfer operations during use. The Company also maintains chemical registers and records, and conducts company-wide hazard communication and targeted training, thereby ensuring compliant lifecycle management of chemicals.

Emergency Response to Chemical Spill Incidents

To prevent and control leakage risks during the transportation, storage, use, and disposal of hazardous chemicals, the Company has established an emergency response team led by the Head of the General Management Office, with person in charge of safety serving as deputy leader, and heads of production and warehouse departments as members.

In the event of an incident, on-site personnel are required to immediately report the incident details through hierarchical reporting channels and take initial risk control measures. Upon receiving the report, the emergency response team promptly arrives at the scene, activates the emergency response plan, establishes a controlled zone, and organizes orderly evacuation or shelter-in-place measures as appropriate. According to the characteristics of the chemicals involved, emergency responders adopt targeted protective measures, isolate the affected area, and use emergency supplies to contain and manage the spill.

The Company has formulated and filed an emergency response plan for environmental incidents, and regularly conducts emergency drills to continuously enhance its emergency response capabilities, ensuring that chemical spill incidents are handled in a timely and effective manner.



Ecosystem and Biodiversity Protection

YUTO has consistently regarded ecological and environmental protection as a core principle guiding its development. Throughout the lifecycle of its projects, the Company strictly implements environmental compliance requirements. During the planning stage, projects are aligned with the "Three Lines and One List" (TLOP, namely ecological protection red line, environmental quality thresholds, ceiling of resource utilization, and ecological environment access list) zoning and control framework for industrial parks, avoiding ecological conservation red lines and restrictions in environmentally sensitive areas. During the construction and trial operation stages, YUTO strictly implements the environmental impact assessment (EIA) system and the principle of "simultaneous design, construction, and operation" of environmental protection facilities, and obtains pollutant discharge permits and other relevant environmental approvals in accordance with applicable regulations.

All of the Company's operating and production sites are located outside globally or nationally recognized biodiversity-sensitive areas and operate in compliance with all required environmental permits. In addition, the Company actively fulfills its ecological responsibilities by conducting environmental public welfare activities and strengthening awareness of ecological protection, thereby contributing to the harmonious coexistence of humanity and nature.

Clear the Source, Clean the Shore Coastal Cleanup at Shenzhen's Dongxichong Coastline

On October 18, 2025, YUTO joined hands with Green River, Natural Food International Holding Limited and Mao Wude to launch the "Clear the Source, Clean the Shore" environmental public welfare campaign along Shenzhen's Dongxichong coastline. More than 60 volunteers overcame challenging conditions and hiked for seven hours to collect coastal litter and send it for centralized recycling. The initiative also engaged nearly 50 outdoor enthusiasts. Through public outreach on WeChat official accounts, it helped more than 10,000 people better understand the importance of marine environmental protection. By combining hands-on action with wider public communication, the campaign turned local clean-up efforts into broader environmental awareness.



Resource Management

Energy Management Governance

YUTO strictly complies with applicable national and local laws, regulations, policies and other requirements relating to energy conservation, including the Energy Conservation Law of the People's Republic of China and the Requirements for Energy Management Systems. The Company has established a comprehensive energy management framework supported by internal policies such as the Energy Management Manual, the Control Procedure for Energy Targets, Indicators and Action Plans, and the Energy Conservation Management Policy.

The Company has also established a clear governance framework for energy management. Overall responsibility for the establishment, implementation, maintenance, and continuous improvement of the energy management system rests with the General Manager. An Energy Management Task Force oversees, coordinates, and drives the Company's energy-saving initiatives on an integrated basis, while a dedicated Systems Team leads day-to-day implementation and central coordination. Relevant departments, including business units, the Electromechanical Engineering Department, and the Procurement Department, have defined roles, creating an operating model based on broad participation, clear accountability, and effective cross-functional collaboration.

4

companies obtained certification Energy Management System standard

During the reporting period, four companies within the Group’s listed company system obtained certification under the GB/T 23331-2020 / ISO 50001:2018 Energy Management System standard.

Energy Management Strategy

YUTO’s energy management is guided by the policy of “energy conservation and consumption reduction, full employee participation, environmental protection, and sustainable development.” Based on standardized energy management, the Company promotes cleaner production and source control to achieve energy savings, consumption reduction, and continuous improvement.

Guided by its commitment to sustainable development, YUTO regards energy conservation as one of the primary means to reduce production costs and enhance operational efficiency. At the same time, by conserving energy and reducing greenhouse gas emissions, the Company complies with applicable laws and regulations and fulfills its corporate social responsibility.

“We focus on efficient energy use and water conservation and efficiency improvement, optimize resource allocation through technological innovation and refined management, and consolidate the material foundation for green development.”

Liu Aiqing
Director of the Productivity Promotion Department



Management of Energy-related Impacts, Risks and Opportunities

To systematically address the environmental impacts arising from energy use, as well as the associated risks and opportunities, the Company has established a full-cycle management mechanism covering identification, assessment, planning, and improvement. This ensures that, under the premise of legal compliance, the Company effectively identifies energy-saving potential, enhances energy performance, and integrates relevant measures into daily operations and strategic decision-making.

01

Identification and Analysis

Through the Energy Review Control Procedure and the Risk and Opportunity Management Control Procedure, the Company conducts a comprehensive identification and analysis of internal and external environmental factors, stakeholder expectations, legal and regulatory requirements, as well as its own energy use and consumption profile.

02

Review and Prioritization

Based on the energy review, the Company identifies major energy use areas and improvement opportunities, and prioritizes these opportunities by considering factors such as applicable legal and regulatory requirements, potential energy savings, and technical and economic feasibility.

03

Planning and Implementation

In response to the identified risks, opportunities and improvement areas, the Company sets specific energy objectives and targets, and develops an Energy Management Implementation Plan that clearly defines responsible departments, technical measures, resource inputs and completion timelines, which are then incorporated into the project management process for execution.

04

Monitoring and Improvement

Through activities such as internal audits, compliance evaluations and management reviews, the Company regularly tracks and reviews the implementation and effectiveness of its energy objectives, targets and management plans. Based on review outcomes, changes in legal and regulatory requirements, or internal changes such as process upgrades or equipment retrofits, the Company updates its objectives, targets and plans in a timely manner to ensure their continued effectiveness.



Energy Management Targets and Metrics

YUTO has established a science-based and quantitative system of energy targets and indicators. At the beginning of each year, the Group Productivity Promotion Department takes the lead in calculating the average energy consumption based on the previous year's actual energy consumption and total output value. Taking into account applicable laws and regulations, the Company's energy management policy, improvement opportunities, and techno-economic feasibility, it proposes specific reduction rates as energy-saving targets.

The targets and indicators cover both the Company level—such as total energy consumption, comprehensive energy consumption per unit of output value, comprehensive energy consumption per unit of production, and total energy savings—and operational levels that can be independently accounted for, including workshops, production lines, and key energy-consuming equipment, with indicators such as energy consumption per unit of output and process-level comprehensive energy consumption. This ensures that targets are specific, measurable, and achievable.

Key Indicator	Unit	2023	2024	2025
Total Energy Consumption	MWh	642,832	676,170	633,392
Energy Intensity	MWh / CNY 10,000 of revenue	0.422	0.394	0.367
Fossil Fuels	MWh	34,509	36,814	20,244
Purchased Heat	MWh	69,783	27,882	0
Purchased Thermal Power	MWh	432,788	508,526	529,403
Green Electricity	MWh	105,752	102,948	83,745
Share of Renewable Electricity	%	30.00	24.76	33.54

Water Resource Management

YUTO places strong emphasis on the rational use of water resources and has incorporated water conservation into its overall energy management system. The Company has established Water Conservation Management Measures, formulated water-saving plans and annual action plans, and defined clear requirements for water withdrawal, usage, and conservation. Through technical optimization and enhanced process control, YUTO continuously improves water-use efficiency across multiple dimensions.

To ensure effective implementation, the Company has established a water conservation management structure led by the Energy Conservation Leading Group, with water-saving teams set up at each plant (workshop) to form an integrated management network. The Company implements comprehensive metering of water withdrawal and consumption, installs meters for high water-consuming equipment, and establishes water-use quotas. It also conducts water balance testing to identify water-saving potential.

At the same time, YUTO actively promotes the application of water-saving technologies and equipment, advances the recycling and reuse of cooling water and process water, and improves water reuse efficiency. In addition, the Company strengthens inspection and maintenance of the water supply network to prevent leakage, while domestic water use is subject to metered and paid usage.



During the reporting period, the Company completed the CDP Water Security questionnaire and received the highest rating of A, reflecting its strong performance and industry-leading practices in water resource management, water security risk control, and the sustainable use of water resources.

Reusing Wastewater from Pure Water Systems for Dry-Fog Humidifiers to Deliver Water Savings

In 2025, Xuchang YUTO implemented a water-saving improvement project at its plant to address the waste caused by the direct discharge of wastewater generated by the pure water pump system for dry-fog humidification. The project added a wastewater collection tank to recover and reuse the wastewater from water production for screen cleaning and general cleaning in the workshop, achieving average daily reuse of 20 tonnes. As a result, the project delivered annual water savings of 5,000 tonnes, significantly improving water-use efficiency and translating circular use into concrete support for greener production.

Emergency Response to Chemical Spill Incidents

Water Risk Assessment

The Company places high importance on the management of water-related risks and has adopted the internationally recognized Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI) to systematically conduct water risk assessments. The assessment focuses on identifying risks associated with water scarcity and flooding, covering the geographic locations of the Company's 29 operating assets, with particular emphasis on these two key categories of water risk.

During the assessment, the Company utilizes the tool's built-in professional indicators to generate targeted water risk maps and applies filtering functions to accurately identify high-risk areas. In addition, by incorporating the SSP3-RCP8.5 scenario (a representative high-emissions scenario), the Company conducts forward-looking analyses of future water risk trends, providing a scientific basis for risk prevention and management planning.

Results of the Water Risk Assessment

The assessment indicates that, under the SSP3-RCP8.5 scenario, by 2030 and 2040, 15 out of the 29 operating asset locations selected by the Company are expected to face high levels of water stress risk. These results have been promptly reported to the Strategy and Sustainability Committee, providing a clear data basis for formulating targeted water-saving measures and addressing regional water stress risks.

In 2025, the Company's total freshwater withdrawal (referring to third-party freshwater withdrawal) amounted to 3,535,181 tonnes, with total wastewater discharge of 2,411,187 tonnes and total

water consumption of 1,123,994 tonnes. Among these, in high water-stress areas, freshwater withdrawal totaled 873,559 tonnes, wastewater discharge 660,113 tonnes, and water consumption 213,447 tonnes. The above data covers all of the Company's production bases.

Implications for the Company's Operations

At present, the high water stress risks identified through the Company's water risk assessment are potential future risks and have not had a material impact on current operations:

At the production level, the Company's manufacturing processes require relatively low freshwater consumption, thereby limiting dependence on water resources at the source;

At the facility level, the Company is progressively developing water reuse facilities and rainwater harvesting systems to further reduce freshwater withdrawal, proactively enhance water self-sufficiency and recycling capacity, and effectively mitigate potential water stress risks;

Historical data indicate that the Company has not experienced any material financial losses attributable to water stress, and its current operations have not been constrained by water-related issues.

In summary, through science-based assessment, the Company has proactively identified potential future water risks and initiated targeted response measures. At present, water-related risks remain under control and have not had a material impact on production or business operations.

Emergency Response to Chemical Spill Incidents

By 2030, four subsidiaries of YUTO—India YUTO (Noida), Suzhou YUTO, Sanhe YUTO, and Hefei YUTO—have set a target to achieve an average annual reduction of 1.5% in water intensity, using 2022 as the baseline year, with the target already achieved in 2025.

Group Water Resources Usage

Key Indicator	Unit	2023	2024	2025
Total Freshwater Withdrawal	t	3,519,753	3,885,794	3,535,181
Wastewater Discharge	t	2,008,209	2,703,630	2,411,187
Water Consumption	t	1,511,544	1,182,164	1,123,994
Water Intensity	t / CNY 10,000 of revenue	2.312	2.265	2.051



06

Operation

R&D Innovation

“Innovation is a core engine of sustainable development. We focus on eco-friendly materials, green processes and intelligent technologies, deepen collaboration across industry, academia and research, and lead the industry through strategic patent development and standards setting—turning innovation into client value and long-term industrial competitiveness.”

Wang Yunhua

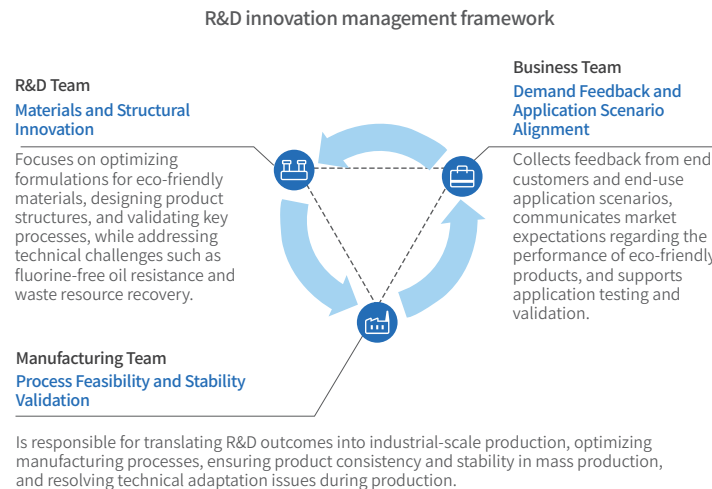
Senior Vice President, CSO



R&D Innovation Governance

YUTO has consistently regarded innovation as a core driver of development and places strong emphasis on technological breakthroughs and innovative practices in the field of sustainable packaging. In 2020, the Company established its innovation-focused brand YUTO ECO as a key platform for advancing its sustainability initiatives. YUTO ECO focuses on the research and development of home-compostable and naturally biodegradable products and new materials based on plant fibers, while simultaneously developing new equipment and innovative processes, thereby promoting the green transformation of product design and manufacturing and working with customers to achieve their sustainability goals.

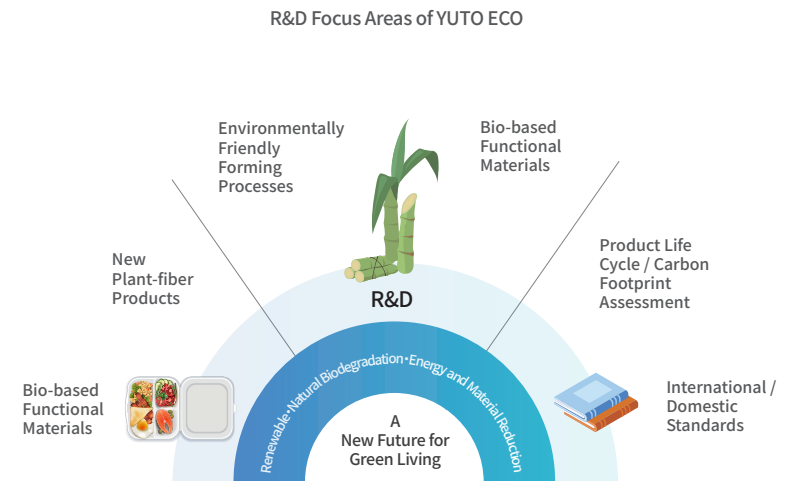
YUTO has established an R&D innovation management framework featuring “dedicated brand-based R&D platforms + cross-functional collaboration” to ensure the efficient implementation of environmental innovation. Core R&D platforms include



the Environmental Research Institute and the R&D and Technology Center, which bring together multidisciplinary professionals to advance cutting-edge technologies. Through a cross-functional “triangular collaboration” model integrating R&D, production, and business teams, the Company enables efficient end-to-end transformation from demand insight to mass production.

R&D Innovation Strategy

To advance the implementation of its sustainable product R&D strategy, the Company has positioned YUTO ECO as the core execution platform, and defined its R&D innovation focus around three key areas: renewability, natural biodegradability, and energy conservation and material reduction. Guided by its R&D mission to become a trusted global provider of sustainable packaging solutions and a long-term partner in sustainable innovation, YUTO works closely with customers to achieve shared sustainability goals and build a greener future.



Management of R&D Innovation-related Impacts, Risks and Opportunities

Advanced R&D Platforms

YUTO has established a comprehensive and advanced R&D layout, encompassing innovation platforms at national, provincial, and municipal levels, and specialized innovation platforms. Its national-level platforms focus on key technological breakthroughs in environmentally friendly packaging, while provincial and municipal platforms promote the regional commercialization of technologies. Specialized platforms concentrate on niche fields such as plant fibers, together forming a multi-tiered innovation support system.

Specialized Innovation Platforms

The YUTO ECO Research Institute and the Postdoctoral Innovation Practice Base focus on in-depth R&D in specialized areas such as new plant-fiber materials and fluorine-free oil-resistant technologies.



Provincial and Municipal Platforms

The Guangdong Green Printing and Intelligent Packaging Engineering Technology Research Center, Shenzhen Engineering Laboratory for Nano Intelligent Coating Materials, and Shenzhen Engineering Technology Research Center for New Green Packaging Materials focus on regional environmental innovation needs and support the commercialization of new technologies.



National-level R&D Platforms

YUTO has established the National Paper Packaging Printing Materials R&D Center and a National Industrial Design Center, which undertake key technology development for the sustainable packaging industry.

Industry Standards Development

Thanks to its strong R&D capabilities, YUTO plays an active role in the formulation of national, industry, and association standards, making meaningful contributions to the development of industry rules and norms. By the end of 2025, the Company had led or participated in the development of over 100 standards, covering key areas such as intelligent printing and manufacturing, green printing, packaging recycling, molded pulp products, carbon footprint assessment, and biodegradable materials.

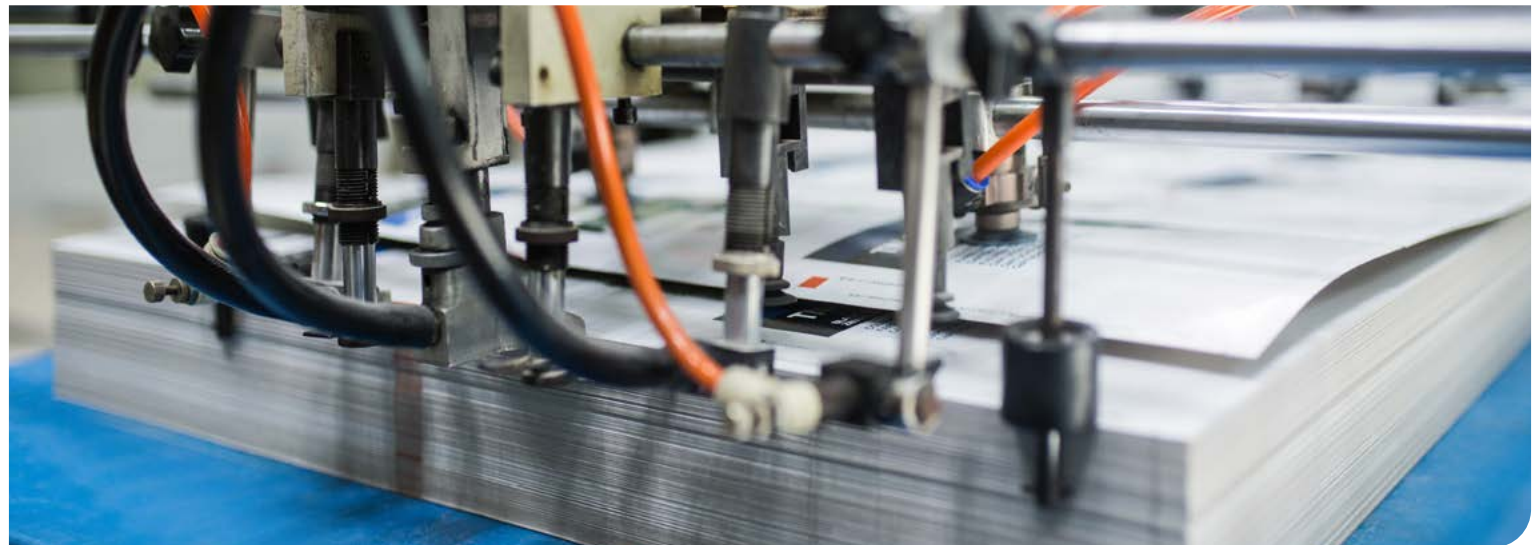
Standard Title	Standard Type	Responsible Organization	Standard No.	Year Issued
Material identification of polylactic acid(PLA) and polybutylene terephthalate adipate(PBAT) by pyrolysis gas chromatography-mass spectrometry	Group Standard	China Packaging Federation	T/CPF 0098-2025	2025
Printing products - Communication requirements fo renvironmental aspect in print finishing processing	Group Standard	Printing Technology Association of China	T/PTACAS 011-2025	2025
18607 Packaging and the environment - Information on environmentally conscious packaging design	International Standard	ISO/TC 122	ISO/TR 18607	2025
Child-resistant packaging - Requirements and testing procedures for reclosable packages	National Standard	National Technical Committee for Packaging Standardization	GB/T 25163-2025	2025

Innovation Outcomes

Key Indicator	Unit	2023	2024	2025
Cumulative Authorized Patents (valid patents in force)	items	1,370	1,434	1,600

By Patent Type

Key Indicator	Unit	2023	2024	2025
Cumulative Authorized Invention Patents	items	165	197	218
Cumulative Authorized Utility Model Patents	items	1,129	1,154	1,298
Cumulative Authorized Design Patents	items	76	83	84



Fostering a Culture of Innovation

The Company places strong emphasis on strengthening its in-house R&D capabilities and building a robust R&D talent pipeline. To support this, it has established a comprehensive talent assessment system, based on which R&D personnel are assigned to positions that best match their capabilities, while offering competitive compensation and broad career development opportunities. Through these efforts, YUTO is committed to building a leading talent hub within the industry.

As a core innovation platform, YUTO ECO brings together expertise across interdisciplinary fields such as materials science, packaging engineering, and intelligent packaging technologies, forming a diverse talent pool that comprises international professors, industry experts, senior engineers, and professionals with doctoral, master's, and bachelor's degrees.

Key Indicator	Unit	2023	2024	2025
Total Number of R&D Personnel	headcount	2,631	2,499	2,481
R&D Personnel as a Percentage of Total Employees Patent Applications Filed	%	12.55	11.32	11.77
By Educational Background				
Below Bachelor's Degree	headcount	1,990	1,772	1,636
Bachelor's Degree	headcount	612	691	815
Master's Degree	headcount	29	36	30
Doctoral Degree	headcount	3	2	3

From International Standards to Industry Enablement: YUTO and APTEC Successfully Co-host a CTV Application Technology Training Course

On July 22-23, 2025, YUTO joined hands with The Hong Kong Printers Association and the Advanced Printing Technology Centre (APTEC) to host the second CTV application technology training course in Shenzhen. Centered on Color Tone Value (CTV) technology for print color calibration, the programme combined theoretical instruction with hands-on production-line training. As a continuation of the two parties' technical collaboration, the course also reflected YUTO's deep expertise in color management and its ability to translate technical know-how into broader industry empowerment.



An Open and Inclusive Innovation Ecosystem

YUTO is committed to building an open and inclusive innovation ecosystem that integrates industry, academia, research and application. Through in-depth collaboration with universities, research institutes, industry associations, and upstream and downstream partners, the Company jointly drives breakthroughs in key technological areas such as plant fiber materials, bio-based functional materials, and Giant Juncao grass (Pennisetum giganteum) pulping. At the same time, the Company actively participates in the formulation of national and international standards, facilitating the transformation of environmental technologies from R&D into industrial-scale application.

University Partnerships

- YUTO collaborates with leading universities, including Tsinghua University, South China University of Technology, Beijing Institute of Graphic Communication, Jiangnan University, Jinan University, and Shenzhen Polytechnic University, on joint R&D and talent development initiatives focused on topics such as plant-fiber material optimization and environmentally friendly processes.

Research Institute Partnerships

- The Company works with China National Engineering Research Center of JUNCAO Technology and the China National Pulp and Paper Research Institute to advance giant Juncao grass pulping project (September to December 2025), driving its industrial-scale application.
- It also collaborates with the Institute of Chemistry, Chinese Academy of Sciences, on the development of bio-based functional materials.

Value Chain Collaboration

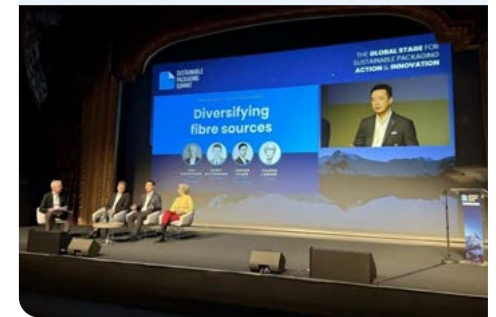
- Together with the China Packaging Federation, the Printing Technology Association of China, the China Technical Association of the Paper Industry, and upstream and downstream partners, YUTO conducts technology validation, standards development and market promotion to accelerate the large-scale application of technologies such as fluorine-free grease-resistant agents and biodegradable film bags.

Standardization and International Engagement

- As a member organization of the national technical committees for printing (SAC/TC170) and packaging (SAC/TC49) standardization, YUTO has led or participated in the development of more than 100 standards.
- In addition, Company experts are registered members of international standardization bodies such as ISO/TC 130, and play an active role in shaping international standards and industry rules.

Exploring Fiber Diversity to Shape the Future of Green Packaging

From November 10 to 12, 2025, YUTOECO participated in the Sustainable Packaging Summit 2025 in Utrecht, the Netherlands. At the event, the Company engaged with global industry peers on the diversification of fibre sources, while showcasing a range of sustainable packaging technologies and solutions, including PFAS-free grease-resistant applications, dry-moulded packaging technologies, and seaweed-based ink solutions. The exhibition highlighted YUTO's strength in sustainable packaging innovation and its continued efforts to unlock new possibilities for greener packaging through material innovation and technology development.



Innovation Achievements at the Forefront of the Industry

Breaking New Ground in Green Printing Successfully Developing Algae-Based Ink

In 2025, YUTO completed the development and commercial application of its algae-based ink. Made from spirulina and comprising more than 80% renewable materials, the ink helps reduce carbon emissions while replacing petroleum-based inputs. Following optimization, its print performance and quality are comparable to those of conventional inks. The product has obtained international certifications, including RoHS, and has already been adopted at scale in high-end consumer electronics packaging. In doing so, YUTO has established an end-to-end innovation model spanning green materials, low-carbon processes and premium applications.

YUTO Showcases Multi-Industry Solutions and High-End Luxury Packaging in the US and Europe

From September 29 to October 1, 2025, YUTO exhibited simultaneously at PACK EXPO Las Vegas in the United States and Luxe Pack Monaco in Europe. At both events, YUTO's experts delivered presentations highlighting the advantages of its proprietary sustainable packaging technologies, including dry moulding and PFAS-free grease-resistant solutions, drawing strong attention from industry participants. Through its dual presence across the US and European markets, YUTO demonstrated its capabilities in serving multiple industries while further strengthening the international visibility of its high-end luxury packaging solutions.



R&D Innovation Metrics and Targets

Going forward, YUTO will continue to increase its investment in sustainable packaging R&D, with the objective of consolidating and expanding its leadership in cutting-edge areas such as plant fiber materials, intelligent manufacturing, and carbon footprint management. By deepening industry-academia-research collaboration, actively participating in the formulation of domestic and international standards, and accelerating the commercialization of patented technologies, the Company aims to continuously enhance its R&D efficiency, deliver greater value to clients, and contribute to the green and low-carbon transition of the industry.

Smart Factories and Digital Intelligence Innovation Practices

YUTO regards intelligent manufacturing and digital-intelligence upgrading as key engines of sustainable development, and has comprehensively advanced smart factory construction and the deep application of artificial intelligence, integrating digitalization and intelligence throughout the entire process of R&D, production, and operations.

Leveraging the deep integration of systems such as Enterprise Resource Planning (ERP), Manufacturing Execution System (MES), and Product Lifecycle Management (PLM), the Company has achieved end-to-end data connectivity across the entire value chain, covering order processing, product design, production scheduling, manufacturing, warehousing, and logistics. This has enabled the establishment of an efficient operating system integrating business flow, capital flow, and information flow.

In addition, through technologies such as 5G private networks, industrial Internet of Things (IIoT), equipment IoT data acquisition, and digital twin technology, the Company has built a digital-intelligence foundation enabling real-time mapping, dynamic simulation, and intelligent scheduling between physical and virtual factories. These initiatives have significantly enhanced production flexibility, resource utilization efficiency, and delivery stability, empowering greener, more efficient, high-quality, and sustainable operations through technological innovation.



Digital Twin System

In production operations and quality control, the Company has developed a range of typical application scenarios, including flexible production lines, intelligent inspection, human-machine collaboration, and unmanned warehousing. Through the independent development of standardized modules and flexible production lines, the Company is able to support rapid changeovers for multi-variety, small-batch production, thereby better meeting the industry's growing demand for customization.

At the same time, the Company has introduced in-line print quality inspection systems and AI-powered visual inspection technologies, enabling automatic detection of color deviations and defects, as well as closed-loop adjustment and control. These initiatives have significantly improved yield rates and continuously reduced quality-related losses.

In addition, through the intelligent dispatching of Automated Guided Vehicles (AGVs) and the deployment of an intelligent warehousing and logistics system, the Company has achieved automated material flow and precise distribution within workshops, significantly enhancing production efficiency, product yield, and



Unmanned Warehousing-AGV Intelligent Robotic Handling

The Company is actively promoting the integration of artificial intelligence (AI) technologies into business scenarios, developing innovative applications such as AI digital employees, intelligent knowledge management, intelligent order processing, and digital carbon asset management. Leveraging large AI models and the Company's internal knowledge base, YUTO is driving the intelligent upgrading of office operations, supply chain management, and energy and carbon management.

The achievements of its digital-intelligence technologies and smart manufacturing practices have been transformed into standardized and replicable models, which have been progressively deployed across multiple subsidiaries within the Group. Through continuous digital-intelligence innovation, the Company enhances R&D efficiency, promotes greener and lower-carbon production, and strengthens efficient and legally compliant operations, thereby advancing the coordinated development of digital intelligence and sustainability.



Xuchang YUTO has been recognized as a National Exemplary Intelligent Manufacturing Scenario and awarded the title of Henan Provincial Smart Factory.

Intellectual Property Protection

YUTO strictly complies with applicable laws and regulations, including the Patent Law and the Copyright Law of the People's Republic of China. It has established internal policies, including the Patent Management Measures, the Patent Review System, and the Intellectual Property Document Management Measures. The Legal Department provides central oversight for the Group's patent and intellectual property matters. Designated IP coordinators within business units, subsidiaries, and branches work closely with Legal Department to ensure implementation. The Finance Department and Human Resources Department provide complementary support in budgeting, cost management, incentives, and accountability.

End-to-end Management Mechanism

The Company has deeply embedded intellectual property protection into the entire product R&D and project implementation lifecycle. By fully leveraging the patent system across R&D, production, and business operations, and by establishing a systematic, end-to-end intellectual property protection system, YUTO provides comprehensive protection for its innovation outcomes.

Early-stage Involvement	Inventions and innovations arising from activities such as high-tech R&D, new product development and technical upgrades are submitted for patent application as soon as they meet the relevant criteria.
End-to-end Collaboration	The proposing department submits materials such as the Technical Disclosure Form, which are then subject to dual review and approval by department management—assessing business relevance and technical necessity—and by the Legal Department, which evaluates inventiveness, the appropriate form of protection and related matters.
Systematic Management	Once approved, the application enters the intellectual property management system. The Legal Department then determines the external patent agency, defines the filing strategy, and reviews the draft application documents and search reports returned by the agency to ensure both quality and timeliness.
Ownership and Confidentiality	The Company clearly defines ownership rights and requires employees to maintain confidentiality over undisclosed inventions and innovations in order to prevent technology leakage.



Sustainable Supply Chain

Supply Chain Governance

YUTO places strong emphasis on standardized and sustainable supply chain management. The Company has established and implemented a series of policies and procedures, including the Supplier Management Procedure and the Supplier Performance Evaluation Guidelines, to ensure systematic management across key areas such as supplier admission, performance evaluation, integrity and compliance, risk control, and sustainable development. Through quarterly performance evaluations and an annual review mechanism, YUTO continuously promotes supplier capability improvement.

The Company’s supply chain management system is centrally planned and supervised by the Procurement Department of the Operations Center, while the procurement departments of each subsidiary are responsible for specific execution. The Operations Center Procurement Department leads the formulation of supplier management rules, supplier development and price negotiations for centrally procured materials, and oversees implementation across subsidiaries. Meanwhile, the procurement departments of each subsidiary are responsible for supplier development within their respective scopes, daily order processing, delivery follow-up, and quarterly performance evaluations.

“We integrate ESG requirements throughout the full life cycle of our supply chain, applying rigorous standards to select and empower suppliers, and working together to build a sustainable industrial ecosystem.”

Luo Xueyun

Procurement Director of Operations Center



Supply Chain Strategy

YUTO deeply integrates compliance and social responsibility into its supply chain strategy, requiring all partners to adhere to the provisions set forth in the YUTO Partner Code of Conduct and the Letter to Stakeholders. The Company requires suppliers to uphold the highest standards of integrity in business interactions, strictly prohibiting any form of commercial bribery, corruption, or improper transfer of benefits.

In addition, suppliers are required to strictly comply with applicable laws and regulations relating to labor, health and safety, and environmental protection, prohibit the use of child labor, forced labor, and human trafficking, and ensure decent and fair working conditions.

Legal Compliance Governance

- Suppliers must comply with all applicable anti-corruption and anti-bribery laws and regulations;
- Any form of commercial bribery, kickbacks, improper gifts, or transfer of undue benefits is strictly prohibited;
- Suppliers shall not engage in money laundering, terrorist financing, or any activities that violate export control regulations;
- Suppliers are required to fully cooperate with YUTO’s legal compliance audits and investigations.

Environmental Protection

- Suppliers are required to comply with all applicable local and international environmental laws and regulations;
- Implement energy conservation and emission reduction measures to minimize resource consumption and waste generation;
- Prohibit the use of restricted hazardous substances (e.g., RoHS, REACH);
- Encourage the adoption of renewable and recyclable materials, as well as environmentally friendly production processes.

Employee Rights

- The use of child labor, forced labor, bonded labor, or human trafficking is strictly prohibited;
- Safeguard fundamental human rights and provide a safe and healthy working environment;
- Respect employees’ rights to freedom of association and collective bargaining;
- Prohibit discrimination based on race, gender, religion, or other protected characteristics;
- Ensure reasonable working hours and provide lawful and fair compensation.

Supply Chain Impact, Risk and Opportunity Management

Supplier Lifecycle Management

YUTO has established a closed-loop management system covering the entire supplier lifecycle. Through institutionalized and standardized mechanisms, the Company implements full-process control across all stages—from supplier onboarding to exit—ensuring legal compliance, stability, and sustainability across the supply chain.

5,556

suppliers to undergo ESG evaluation are required

90%

signed the relevant ESG commitment documents

During the reporting period, the Company required all 5,556 suppliers to undergo ESG evaluation and sign the relevant ESG commitment documents, with a signing rate of 90%. The results of these commitments and ESG assessments serve as key criteria for evaluating suppliers’ environmental and social risk management capabilities, and are an important basis for supplier onboarding and selection.



Supplier Onboarding

New supplier development requests are initiated by the Procurement Department. Following a preliminary qualification review—covering business licenses, environmental compliance, and social responsibility commitments—a cross-functional evaluation is conducted. All production material suppliers are required to sign the Partner Code of Conduct.

Performance Evaluation

Quarterly performance assessments are conducted, with evaluation criteria covering quality, delivery, service, cost, and compliance performance. The results of the annual comprehensive evaluation serve as the basis for supplier grading and adjustments to cooperation.

Supplier Audits

On-site audits are conducted for high-risk or critical suppliers, focusing on verifying compliance with labor rights, health and safety, environmental protection, and anti-corruption standards. These audits carried out by internal teams.

Supplier Monitoring

The Company continuously monitors supplier performance, including order fulfillment, quality issue feedback, and compliance incidents. In the event of any violations of the Partner Code of Conduct or related requirements, early warning or corrective action mechanisms will be initiated.

Supplier Exit

Suppliers that consistently fail to meet performance requirements, are involved in material compliance violations (such as the use of child labor or commercial bribery), or fail to complete required corrective actions will have their business relationships terminated and their qualifications suspended or removed from the system.

Supply Chain Resilience Management Mechanism

YUTO has established a supply chain resilience management mechanism centered on “risk prevention – contingency assurance – rapid response.” Through multi-dimensional controls, the Company ensures supply chain stability under emergency conditions and avoids disruptions to production and operations. Core measures focus on supplier reserves, resource integration, and contingency response, forming a full-process assurance system.

<p>Multiple-Sourcing and Backup Reserves</p>	<ul style="list-style-type: none"> • Avoid reliance on single-source supply; at least two qualified suppliers must be validated during the product design and sampling stages; • For materials that cannot be fully substituted, backup materials and alternative suppliers shall be secured; for customer-approved materials, contingency plans must be pre-filed with customers in advance; • For single-source suppliers, conduct semi-annual risk assessments on production stability, raw material supply, and related factors, and implement mitigation measures such as increasing safety stock;
<p>Supplier Resource Pool Optimization</p>	<ul style="list-style-type: none"> • Advance the “N+2-2” resource integration initiative, optimizing bulk material supplier resources in accordance with the Management Measures for Integration and Optimization of Bulk Material Supplier Resource Pools; • Based on material grading and classification, initiate the selection and evaluation of strategic and preferred suppliers for each category, to drive resource optimization and in-depth collaboration between supply and demand sides.
<p>Rapid Substitution and Contingency Response</p>	<ul style="list-style-type: none"> • In cases where suppliers fail to meet performance standards (total score <60) or fail audits, provide a 1–2 month transition period to enable rapid substitution with backup suppliers; • Establish a green channel process, allowing the activation of temporary suppliers or extension of trading qualifications under special circumstances upon approval, to ensure continuity of supply; • In the event of supplier information changes or closures, qualified alternative suppliers may be rapidly activated or re-qualified in accordance with established procedures.

Supply Chain Due Diligence

YUTO has established a supply chain due diligence mechanism covering multiple dimensions, including legal compliance, environmental management, labor practices, and business ethics, throughout the entire supplier lifecycle from admission to ongoing cooperation. During the onboarding stage, suppliers are required to submit qualification documents such as business licenses, environmental testing reports, and management system certifications, which are reviewed by multiple departments to verify legal compliance. During the cooperation period, the Company conducts annual audits and ad hoc on-site inspections to assess suppliers’ performance in areas such as labor rights, environmental management, and integrity in business conduct.

At the same time, suppliers are required to comply with the Partner Code of Conduct, provide truthful and accurate information, and fully cooperate with audits, ensuring that all aspects of the supply chain meet applicable legal and regulatory requirements as well as the Company’s standards.

Conflict Minerals Due Diligence

YUTO explicitly requires suppliers to establish dedicated due diligence mechanisms, with a particular focus on conducting comprehensive investigations into the origin and chain of custody of minerals such as tantalum, tin, tungsten, cobalt, gold, and mica contained in products. Suppliers are required to follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or other internationally recognized equivalent frameworks, to reasonably ensure that mineral sourcing is legally compliant and does not involve illegal mining or trade in conflict-affected regions.

During the reporting period, the Company communicated these requirements to all suppliers through the Letter to Stakeholders, incorporating them as a core component of supply chain due diligence to ensure socially responsible mineral sourcing across the supply chain.



Supply Chain Metrics and Targets

Key Indicator	Unit	2023	2024	2025
Total Number of Suppliers	Number	4,769	6,325	5,556
Number of Suppliers by Region				
East China	Number	1,393	1,734	1,500
South China	Number	1,997	2,495	2,390
Central China	Number	259	317	212
North China	Number	173	274	149
Southwest China	Number	513	646	411
Northeast China	Number	3	11	8
Northwest China	Number	26	26	22
Overseas Regions	Number	405	822	864
Supplier Audits				
Number of Suppliers Terminated Due to Non-Compliance	Number	16	37	20

Sustainable Procurement Management

YUTO places strong emphasis on sustainable procurement management. It has established a procurement framework centered on environmental compliance and resource sustainability. The Company prioritizes sourcing FSC-certified raw materials from qualified suppliers and requires suppliers to provide proof of legal origin. In addition, YUTO actively promotes the development of a green supply chain and explicitly prohibits the procurement of timber resources derived from illegal logging or activities that damage ecosystems.

On this basis, the Company continues to optimize its raw material procurement structure and carries out systematic management of key raw materials, particularly paper-based materials, including paper and pulp. In 2025, the Company procured a total of 585,000 tonnes of paper-based raw materials, of which recycled paper accounted for 54% by value and 72% by volume, effectively enhancing resource circularity and reducing dependence on virgin resources.

At the same time, the Company conducts carbon footprint assessments of externally procured raw materials and performs systematic analysis of different categories of paper-based materials, identifying and prioritizing key impact categories for management. Through these efforts, the Company continues to optimize its procurement structure and advance

low-carbon procurement practices. In addition, the Company continuously tracks and discloses relevant progress, while strengthening the implementation of sustainable procurement responsibilities through internal training, ensuring that sustainability principles are embedded throughout the entire procurement process.

Equal Treatment of Small and Medium-Sized Enterprises

YUTO consistently upholds the principles of fairness and equity across its supply chain, striving to safeguard the equal participation of small and medium-sized enterprises (SMEs) within its cooperative ecosystem. Through a range of measures—including establishing fair and transparent transaction rules, ensuring timely payment of obligations, empowering partners to improve quality, and expanding opportunities for business cooperation—the Company provides strong support for SMEs to participate in the supply chain ecosystem. These efforts help build a more inclusive, diverse, and sustainable supply chain, strengthen industry-wide collaboration, and promote the healthy and orderly development of the industrial ecosystem.

As of the end of the reporting period, the Company’s accounts payable (including notes payable) and their proportion to total assets were within the scope of relevant regulatory requirements, and did not trigger corresponding disclosure obligations. Neither the Company nor its controlled subsidiaries had any overdue payments to SMEs that were required to be publicly disclosed through the National Enterprise Credit Information Publicity System.

47%

FSC-COC certification coverage rate

During the reporting period, 26 companies within the Group obtained FSC Chain of Custody (FSC-COC) certification issued under the standards of the Forest Stewardship Council (FSC), representing a certification coverage rate of 47%.

Product Quality and Safety

Product Quality and Safety: Governance

YUTO strictly complies with applicable laws and regulations, including the Product Quality Law of the People's Republic of China, and has established and implemented systems such as the Non-conforming Product Control Procedure and the Management System Manual (MSM). These systems ensure that non-conforming materials, work-in-process, and finished goods are effectively identified, segregated, reviewed, and properly disposed of throughout the entire value chain. The Company has also established dedicated control and recall mechanisms for cases involving non-compliance of hazardous substances, thereby safeguarding product safety and regulatory compliance.

The Company's quality management system is led by the General Manager of each business unit, while the System Department is responsible for system establishment, maintenance, and supervision. The Quality Department is responsible for developing detailed inspection standards, conducting quality and hazardous substance inspections across all process stages, and handling quality-related anomalies. Meanwhile, functional departments including production, engineering, and supply chain work in close coordination to support implementation. Through management reviews, internal audits, and corrective and preventive actions, YUTO ensures the continuous and effective operation of its quality management system.

44

companies certified under the ISO 9001 Quality Management System certification

80%

certification coverage rate

During the reporting period, 44 subsidiaries and branches within the Group's listed company system were certified under the ISO 9001 Quality Management System certification, representing a certification coverage rate of 80%.

Product Quality and Safety: Strategy

The Company's quality management policy is based on the principles of putting customers first, continuous quality improvement, cost optimization, and enhanced competitiveness. Guided by this policy, YUTO systematically integrates quality and environmental requirements into all stages of product design, production, and procurement. Through technological innovation, process optimization, and strengthened supplier management, the Company delivers products that meet both customer expectations and regulatory requirements, while further enhancing customer satisfaction and market competitiveness.



Group Photo of Participants in the Lean Training Camp



Classroom of the Lean Training Camp

Product Quality Training

Lean Skills on the Line, Real Improvements on the Floor

From April 22 to 25, 2025, Dongguan YUTO held an intensive Value Stream Green Belt Certification training workshop for 13 frontline production leaders. Combining classroom learning, simulation exercises and on-site workshop practice, the training workshop enabled participants to identify 12 improvement highlights through production-line reviews and put forward 17 optimization proposals, with an average assessment score of 80. The next phase will focus on turning these ideas into action through six months of cross-functional projects. By integrating training with real-world application, the training workshop strengthened lean capabilities at the frontline, built a collaborative improvement mechanism across operational units, and injected fresh momentum into operational excellence.

Product Quality and Safety: Impacts, Risks and Opportunities

To systematically manage relevant impacts, risks and opportunities, the Company has established a Risk and Opportunity Control Procedure, creating a closed-loop process of identification, assessment, management and response. This framework helps ensure that risks remain under control and that opportunities are effectively captured and translated into value.

- **Risk and Opportunity Identification**

Following the annual management review, the General Manager or management representative convenes relevant departments to identify internal and external factors—including regulatory, market and technological developments—as well as quality-related risks and opportunities. Dynamic updates are made in a timely manner in response to major quality incidents, regulatory changes or other significant developments.
- **Risk and Opportunity Assessment**

The Company establishes clear risk acceptance criteria and conducts quantitative or qualitative assessments of identified risks and opportunities to determine their potential impact and priority level.
- **Risk and Opportunity Management**

Preventive and control measures are developed for high-priority risks, while action plans are formulated to capture identified opportunities. Responsible departments and implementation requirements are clearly defined.
- **Risk and Opportunity Response**

The Company tracks the effectiveness of these measures and verifies response outcomes through internal audits and data analysis, while continuously improving its management approach.



Product Quality and Safety: Metrics and Targets

Based on its production and operating conditions, the Company sets practical and achievable quality targets to support stable and long-term development of its manufacturing operations.

Selected Key Targets	2025 Status
Incoming material inspection pass rate	✓
Zero batches exceeding hazardous substance limits	✓
In-process yield rate	✓
Finished Goods Outgoing Quality Control (OQC) pass rate	✓

NOTES:

Different production lines have different pass rate targets depending on the products they manufacture, and are therefore not presented in detail here. During the reporting period, all production lines achieved their respective targets.

Smart Upgrades Driving a Step Change in Quality

Luzhou YUTO Completes Smart Factory Transformation for Wine and Spirits Packaging

In September 2025, Luzhou YUTO completed the upgrade of its intelligent assembly workshop, deploying automated equipment, automated guided vehicles (AGVs) and a Quality Management System (QMS) to build an end-to-end quality control framework. Through its Manufacturing Execution System (MES), the Company achieved full-chain visibility across the production process. Following the upgrade, product qualification rates exceeded 99.95%, while production efficiency increased by 133%. The project has helped create a lighthouse factory for wine and spirits packaging built on data-driven management and proactive prevention.



Product Quality and Safety: Control Measures

Full Life Cycle Quality Management

To ensure controlled production processes and conformity of products to specified requirements, the Company, in accordance with ISO 9001:2015 and other relevant standards, exercises strict control over factors affecting quality, environmental performance, and occupational health and safety. It has also established a quality management system that covers the entire product lifecycle, enabling end-to-end control from source to final delivery.

Quality Management Process

Incoming Material Inspection and Control



1. All procured materials are subject to full-item inspection in accordance with relevant procedures and standards, including hazardous substance testing, with inspection records retained.
2. Non-conforming materials are labeled with red tags and isolated. Where materials are urgently needed, a formal review is conducted. Materials failing hazardous substance requirements are immediately sealed and handled in accordance with established procedures.
3. Suppliers are required to provide environmental declarations and hazardous substance test reports; otherwise, the materials will not be accepted.

In-process Quality Control



1. First Article Inspection is carried out before mass production, which may begin only after approval. In-process inspections are conducted in accordance with internationally recognized sampling standards.
2. Where batch defects or serious quality issues are identified, exception handling procedures are activated immediately and non-conforming products are isolated to prevent contamination from hazardous substances.
3. Error-proofing devices are checked on a regular basis, and tools are cleaned on a routine basis to ensure process compliance.

Finished Product Inspection and Release



1. Finished products are inspected in accordance with applicable standards and sampling requirements, covering appearance, packaging and hazardous substance-related characteristics.
2. Non-conforming finished products are isolated for review. Any concession release is subject to customer approval. Where non-compliance involving hazardous substances is identified, the products are immediately sealed and any delivered products are recalled without delay.
3. Qualified finished products are stamped as approved, and their barcodes are scanned into the system to ensure traceability.

Delivery and After-sales Management

1. Finished products are managed in accordance with warehouse management procedures. Products involving hazardous substances are separately protected to prevent damage during transportation.
2. Respond promptly to customer complaints, provide an interim containment solution within 24 hours, and submit a formal corrective action report within three days. For serious customer complaints involving excessive hazardous substances, the relevant responsible units are notified immediately and a dedicated response process is initiated.
3. Implement corrective and preventive actions by completing rectification and standardization for non-conformance issues, including cases involving excessive hazardous substances, and continuously improve the quality management system through routine inspections, internal audits, and management reviews.

Client Rights & Interests and Satisfaction


Protection of Client Rights and Interests

YUTO is strongly committed to protecting client rights and interests. This commitment, informed by its core values of "Client Orientation, Value Employee Dedication, Innovative Creation, Win-Win Cooperation," is supported by management policies such as the Customer Development and Management Guidelines, Customer Complaint Handling Guidelines, and Customer Return Processing Procedures. The Company has built an organizational structure centered on the Customer Service Department of the Marketing Center, the Marketing Management Department, and the Quality Department, with clearly defined responsibilities across functions such as customer development, records management, complaint follow-up, and defect handling. Through this structure, YUTO has developed standardized management processes covering the entire client lifecycle, thereby providing comprehensive protection of clients' legitimate rights and interests.

During the reporting period, YUTO did not record any incidents or cases of non-compliance relating to product and service information and labeling, or marketing communications.

“We adhere to a customer-first approach, improve our service and complaint management mechanisms, and continuously enhance customer trust and collaborative value.”

Ellen Wang
International Marketing
Vice President



Client Satisfaction

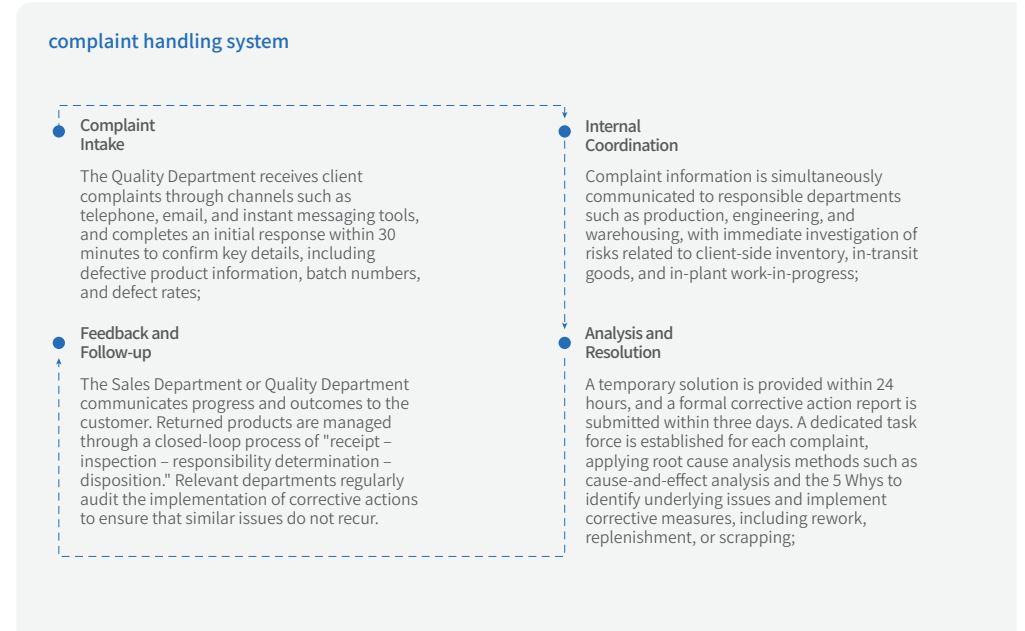
The Company conducts client satisfaction surveys on a quarterly basis. Through channels such as telephone, email, and on-site visits, it distributes the Client Satisfaction Questionnaire to clients with ongoing and stable business relationships, requiring a response rate of no less than 90%. The surveys focus on three key dimensions—delivery performance, product quality, and service responsiveness—with refined scoring criteria to generate quarterly summary reports and annual target breakdowns. Client satisfaction is incorporated into the core performance evaluation metrics of business units. By analyzing survey results, the Company continuously optimizes service processes, enhances product quality, and drives sustained improvement in client satisfaction.

Customer-First Approach Driving Continuous Service Excellence

In 2025, the Shenzhen Longgang Branch continued to conduct client satisfaction surveys for key (Class A) clients, achieving a stable quarterly average score of 98 out of 100. Performance across the three core dimensions—delivery, product quality, and service—consistently outperformed established benchmarks. These systematic assessments provided robust data support for ongoing service optimization, strengthened client relationships, and reinforced the Company's commitment to a customer-first approach, thereby solidifying the foundation for long-term strategic partnerships.

Client Complaint Management

To respond promptly to client needs and resolve issues efficiently, the Company has established a full-process, closed-loop client complaint handling system, ensuring that every complaint is addressed in a standardized manner with effective feedback, thereby safeguarding client experience and strengthening trust in cooperation.



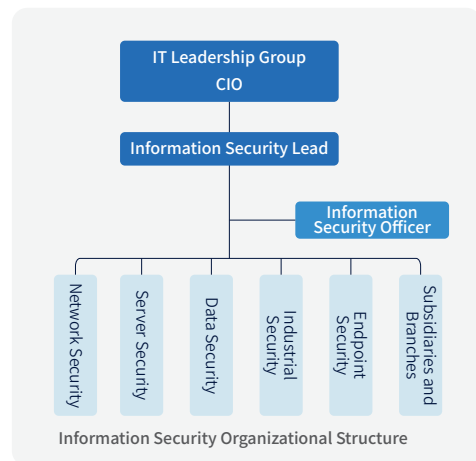
Information Security and Privacy Protection

Information Security Management

YUTO strictly complies with applicable laws and regulations, including the Cybersecurity Law and the Data Security Law of the People’s Republic of China. The Company has established a series of policies such as the Data Protection Management Policy and the Information Security Management Policy, and has built a three-tier decision security governance structure comprising “decision-making – execution – implementation.”

Under this framework, the IT Leadership Group—led by the Strategy and Sustainability Committee—serves as the highest decision-making and coordinating body, which is responsible for formulating overall security strategies, approving security plans, and coordinating cross-functional resources. An Information Security Lead is designated to oversee the implementation of security policies and processes, drive project execution, and monitor compliance. Dedicated Information Security Officers are also appointed to support execution across various security domains and coordinate related efforts at the subsidiary level.

In addition, the Company has established six core security domains—network security, server security, data security, industrial security, endpoint security, and subsidiary-level security—clearly defining responsibilities for each module and ensuring the effective implementation of security standards across the Group.



Systematic Security Governance

Based on a clearly defined information security organizational structure, YUTO has established a multi-dimensional, routine security governance framework covering technology protection, risk management, personnel empowerment, and ecosystem collaboration. Focusing on full lifecycle data protection, the Company integrates both internal and external resources. Through a combination of technological deployment, closed-loop risk management, and tiered training and assessment, security requirements are embedded into all aspects of daily operations. These ongoing efforts help continuously strengthen information security and privacy protection, ensuring that critical data and systems remain secure and under effective control.

Key Indicator	Unit	2023	2024	2025
Number of Data Security and Customer Privacy Protection Training Sessions	Sessions	6	6	5
Total Training Hours on Data Security and Customer Privacy Protection	Hours	9	9	9
Average Training Duration on Data Security and Customer Privacy Protection	Hours	1.5	1.5	1.5
Number of Participants in Data Security and Customer Privacy Protection Training	headcount	5,316	5,642	5,521
Coverage Rate of Data Security and Customer Privacy Protection Training	%	80	81	83

NOTES:

The number of employees participating in training related to data security and customer privacy protection includes only employees at the technician level and above, and does not include employees at the technician level and below.

6

entities certified under the ISO 27001 Information Security Management System.

During the reporting period, Shenzhen YUTO and its subsidiaries had a total of six entities certified under the ISO 27001 Information Security Management System.

Full Lifecycle Data Protection

For key sensitive data relating to customers, employees, and suppliers, the Company implements end-to-end protection across the full lifecycle—from collection (compliant authorization and de-identification), storage (AES-256 encryption and multi-site backup), and transmission (encrypted channels and process controls), to usage (log traceability) and disposal (secure destruction);

Internal and External Risk Management

External safeguards such as firewalls and Web Application Firewalls (WAF) are deployed to defend against cyber threats and to manage supplier data security. Internally, monthly departmental self-inspections and quarterly inspections are conducted, with risks quantitatively assessed on a four-tier scale (Levels 1–4) and rectified within defined timelines;

Technical Collaboration and Protection

The Company works with multiple professional security firms to deploy solutions including Endpoint Detection and Response (EDR), vulnerability assessment systems, bastion hosts, and document encryption, thereby establishing a comprehensive, defense-in-depth security framework across the entire value chain;

Personnel Training and Assessment

A tiered training system has been established, including mandatory onboarding training for new employees, quarterly thematic training for all staff, and semi-annual specialized training for key positions. Data security compliance is incorporated into performance evaluations, with clearly defined accountability mechanisms;

Security Audit and Control

Internally, special audits are conducted on a quarterly basis and comprehensive audits annually. Externally, third-party firms are engaged to carry out compliance audits. The audit results are utilized for corrective actions, process optimization, and performance evaluation with accountability.

Information Security Incident Reporting Mechanism

All employees are required to report any suspected security incident in accordance with the Company’s procedures, to ensure that security incidents are responded to and addressed in a timely manner.


Emergency Response Management

As part of its integrated governance framework, YUTO has established a multi-dimensional security testing mechanism to safeguard information security. For critical hardware, the Company conducts real-time monitoring of the operational status of servers, firewalls, and other equipment, and performs quarterly hardware security hardening tests. For key data systems, quarterly vulnerability scans and data disaster recovery drills are conducted (including simulations of system outages and data corruption), while annual penetration testing and cybersecurity exercises are carried out (simulating hacker attacks). These measures ensure that core data systems can resume services within two hours after interruption. At the same time, through regular testing, the Company promptly identifies potential risks and continuously strengthens system resilience against security threats.

During the reporting period, neither YUTO nor its subsidiaries experienced any incidents of customer privacy breaches, nor were there any substantiated complaints of client privacy violations or loss of client data.

“ We have built a robust digital security defense through a full-lifecycle protection framework, continuously strengthening both institutional safeguards and technical control mechanisms to protect the Company’s data and privacy security.”

Zeng Yongsong
Digital Vice President, CIO



YUTO

PRINTING & ...



07

Society

Equality and Diversity

Talent Recruitment and Workforce Structure

In accordance with applicable laws and regulations, including the Company Law of the People’s Republic of China, the Labor Law of the People’s Republic of China, and the Labor Contract Law of the People’s Republic of China, YUTO has formulated its Recruitment and Hiring Management Policy. The Company strictly adheres to the recruitment principles of openness, comprehensive assessment and merit-based selection, and maintains a zero-tolerance policy toward discrimination based on race, religion, gender, age or disability. At the same time, YUTO attracts talent through a wide range of recruitment channels, including general worker recruitment centers, school-enterprise partnerships, online recruitment platforms and internal recruitment programs.

“We regard our employees as our most valuable asset. We are committed to fostering an equitable and inclusive workplace that offers meaningful opportunities for growth, enabling both our people and the company to thrive together.”

Mai Yingxiang
Human Resources Director



Campus Recruitment

YUTO places strong emphasis on campus recruitment by establishing partnerships with multiple universities, actively participating in campus job fairs, and hosting dedicated recruitment presentations to engage directly with graduating students. During the reporting period, the Company partnered with 12 institutions and hired 92 graduates.



Recruitment of Experienced Professionals

For experienced roles, the Company seeks talent through multiple channels including online platforms, headhunters, and job centers. In the reporting period, this process facilitated the onboarding of 320 experienced professionals, largely for international positions.

100%

labor contract signing rate

During the reporting period, the Company achieved a 100% labor contract signing rate and reported no labor disputes.

0

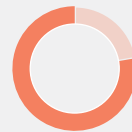
labor disputes reported

21,079

total workforce

5,362

new hires



■ experienced hires 320
■ campus hires 92

During the reporting period, the Company had a total workforce of 21,079 and made 5,362 new hires, including 320 experienced hires and 92 campus hires.



Key Indicator	Unit	2023	2024	2025
Number of New Hires	headcount	6,284	6,778	5,362
New Hires by Gender				
Female	headcount	2,457	2,609	2,160
Male	headcount	3,827	4,169	3,202
New Hires by Age Group				
Under 30	headcount	3,202	3,503	2,813
30-49	headcount	3,053	3,253	2,494
50 and above	headcount	29	22	55
New Hires by Nationality				
China (including Hong Kong, Macao, and Taiwan)	headcount	4,360	4,450	3,070
Indonesia	headcount	22	22	43
India	headcount	/	57	69
Thailand	headcount	41	58	23
Malaysia	headcount	119	103	96
Vietnam	headcount	1,742	1,979	1,934
Other Countries/Regions	headcount	/	109	127

Protection of Employee Rights and Interests

YUTO upholds the highest standards of legal and regulatory compliance in employment practices. In accordance with applicable laws and regulations, including the Labor Law of the People's Republic of China, the Civil Code of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China, the Company safeguards employee rights, maintains open channels to address concerns, and continuously enhances employee satisfaction and well-being.

Honoring the Spirit of Craft, Praying for Safe Innovation

India YUTO (Noida) Celebrates Vishwakarma Puja

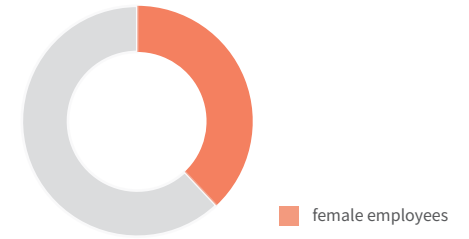
India YUTO (Noida) organized a Vishwakarma Puja celebration, bringing employees together in accordance with local tradition to honor the divine patron of craftsmen and pray for the safety of production equipment, as well as for innovation and success. Organized by the Human Resources Department, the event was rooted in local cultural practice and reflected the Company's respect for employees' beliefs and customs, serving as a clear example of localization in a global business context. By embracing cultural diversity in a meaningful way, India YUTO (Noida) further strengthened employees' sense of belonging and enhanced team cohesion.



As of the end of the reporting period, the Company had 8,095 female employees, representing 38.40% of its total workforce, and 1,292 employees from ethnic minority groups, accounting for 6.13% of the total workforce.

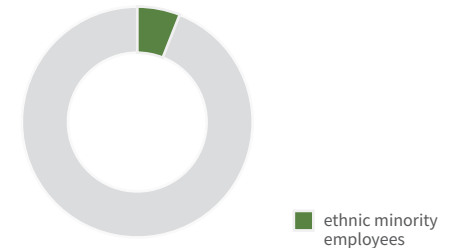
8,095
female employees

38.40%
percentage of total workforce



1,292
ethnic minority employees

6.13%
percentage of total workforce



Diversity and Anti-discrimination

YUTO strictly complies with the Labor Contract Law of the People's Republic of China and applicable labor laws and regulations in all jurisdictions where it operates, upholding a consistent and unified standard of legal employment compliance. Leveraging its global operational footprint, the Company actively fosters a diverse and inclusive workplace, promotes cross-cultural integration, and supports the employment and development of women and ethnic minorities, thereby effectively safeguarding equal employment rights for all employees.

The Company has established the Anti-discrimination Work Guidelines and upholds consistent global standards of employment ethics and responsibility. Across all regions in which it operates, YUTO adheres to the principle of equal treatment and strictly prohibits discrimination on the basis of nationality, race, gender, cultural background or any other protected characteristic. Upholding a zero-tolerance stance towards discrimination, harassment, and bullying in any form, the Company has also established a cross-regional framework to safeguard employment

rights and protect the legitimate interests of its global workforce.

Affirming its zero-tolerance policy, the Company maintains accessible reporting channels, including anonymous options, for cases involving discrimination, harassment, violence, bullying, and sexual harassment. All reports are subject to fair and confidential review by a dedicated team, with robust safeguards in place to protect employees who report in good faith from any form of retaliation.

During the reporting period, no incidents of labor discrimination or harassment were reported across any of the Company's global operations, reflecting YUTO's continued commitment to consistent global employment compliance and inclusive development.

Key Indicator	Unit	2023	2024	2025
Total Number of Employees	headcount	20,966	22,074	21,079
of which: Employees from Ethnic Minority Groups	headcount	3,443	1,389	1,292
Employees with Disabilities	headcount	/	113	114
Veteran Employees	headcount	/	/	118
Percentage of Employees from Ethnic Minority Groups	%	16	6	6
Employees by Gender				
Female	headcount	8,204	8,481	8,095
Male	headcount	12,762	13,593	12,984
Employees by Age Group				
Under 30	headcount	5,878	6,596	6,053
30-49	headcount	14,420	14,688	13,867
50 and above	headcount	668	790	1,159
Employees by Nationality				
China (including Hong Kong, Macao and Taiwan)	headcount	19,065	17,278	15,863
Indonesia	headcount	96	111	138
India	headcount	107	93	162
Thailand	headcount	95	128	127
Malaysia	headcount	109	173	210
Vietnam	headcount	1,467	4,159	4,357
Others	headcount	27	132	222
Employees by Job Level				
Director Level and Above	headcount	189	181	170
Manager Level	headcount	748	713	662
Section Chief Level	headcount	1,304	1,342	1,339
Staff Level	headcount	3,075	3,406	3,345
Technician Level and Below	headcount	15,650	16,432	15,563
Employees by Education Level				
Below Bachelor's Degree	headcount	18,828	19,659	18,633
Bachelor's Degree	headcount	2,022	2,284	2,328
Master's Degree	headcount	110	129	114
Doctoral Degree	headcount	6	2	4
Employees by Function				
Production	headcount	15,530	16,484	15,348
Technical	headcount	2,631	2,499	2,481
Sales	headcount	916	917	1,011
Finance	headcount	256	226	226
Administration	headcount	1,633	1,948	2,013

Prohibition of Forced and Child Labor

YUTO strictly complies with applicable laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Universal Declaration of Human Rights of the United Nations, and relevant conventions of the International Labour Organization (ILO). The Company has established policies such as the Statement on Anti-slavery and Human Trafficking and the Employee Attendance Management Policy, explicitly prohibiting child labor and forced labor.

YUTO conducts due diligence in recruitment, including identity verification, to prevent the employment of individuals below the legal working age. The Company upholds the right to free choice of employment and prohibits forced labor in any form. Employees are entitled to various types of leave, including time off in lieu, paid annual leave, maternity leave and paternity leave. Any overtime work is voluntary and fully compensated in compliance with applicable law and regulations.

During the reporting period, the Company recorded no incidents involving child labor or forced labor. By maintaining robust institutional safeguards for labor rights, YUTO continues to fulfill its social responsibilities, protect workers' dignity, and support the development of a fair and sustainable employment ecosystem.



Supporting Women's Rights and Well-being

YUTO respects its female employees and is committed to fostering an inclusive workplace that enables them to fully realize their potential and achieve personal development. In talent development, job assignment, promotion, recognition and professional qualification assessment, the Company strictly adheres to non-discrimination principles and upholds fairness and equal opportunity. Female employees are entitled to equal pay and development opportunities as their male counterparts. The Company prohibits gender discrimination in the workplace and continues to promote its elimination.

The Company strictly complies with applicable laws, regulations and standards, including the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Special Regulation on Labor Protection for Female Employees, and relevant ILO conventions, and continues to strengthen the protection of women's rights throughout the employment lifecycle. The Company provides dedicated mother rooms at multiple operational sites, offering nursing mothers private, safe, and hygienic facilities. In addition to statutory leave entitlements—such as sick leave, personal leave, work-related injury leave, marriage leave, and bereavement leave—female employees are entitled to specific protections during pregnancy, maternity, and breastfeeding periods, including prenatal check-up leave, maternity leave, and breastfeeding time allowances. All related benefits are administered in strict accordance with the Employee Attendance Management Policy and applicable laws, providing comprehensive support for female employees' professional development and well-being.

“Warm Care in Bao’ an” Healthcare Initiative Delivered at Factories

Bringing One-Stop Health Services to Women Employees Through Factory-Based Free Clinics

On July 24, 2025, YUTO partnered with Shenzhen Maternity & Child Healthcare Hospital, the DPCC Bao'an Primary-level Sub-center, and several other medical institutions to host the "Warm Care in Bao'an · Bright Vision, Women's Health" public free clinic and World Hepatitis Day-themed event at its Shenzhen site. Featuring five dedicated service zones, including ophthalmology and gynecology, and integrating health education into the program, the event provided one-stop health services to more than 100 female employees. By bringing professional healthcare services directly into the workplace, the initiative safeguarded female employees' healthy rights and interests in a tangible way and reflected YUTO's commitment to advancing the Healthy China initiative.



Key Indicator	Unit	2024	2025
Female Managers	headcount	602	615
Female Representation in Management	%	27.00	28.33
Female Representation in Junior Management	%	30.48	29.79
Female Representation in Senior Management	%	11.05	11.18
Female Representation in Revenue-Generating Management Roles (e.g. Sales)	%	46.92	48.19

NOTES:

Senior management refers to manager-level positions, and junior management refers to section-chief-level positions.

Shenzhen YUTO

Key Indicator	2025		
	Number of Employees Taking Leave (headcount)	Number of Employees Returning to Work After Leave (headcount)	Return-to-Work Rate (%)
Leave Type			
Breastfeeding Leave	18	18	100
Maternity Leave	46	39	84.8
Paternity Leave	63	62	98.4
Parental Leave (Male)	83	73	88
Parental Leave (Female)	41	35	85.4
Total	251	227	90.4



“Men in the Kitchen” in Tribute to Her Strength

Yuhua Vietnam Marks International Women’s Day

On March 8, 2025, Yuhua Vietnam organized a "Men in the Kitchen" cooking competition to celebrate International Women's Day, paying tribute to its female employees through food. Six teams of male employees participated in the event, while a panel of 10 female judges evaluated the dishes. In his remarks, General Manager Chen Huabo highlighted the importance of gender equality and expressed appreciation for the contributions of female employees in the workplace. The "Bull King" team won first place and received a cash prize in the competition. Combining engagement with recognition, the event reflected the Company's respect for the strength, value and contributions of women.

Employee Compensation and Benefits

Compensation and Performance Management

The Company’s compensation practices are conducted in full compliance with all applicable laws and regulations, guided by its internal Compensation Management Policy. Individual compensation is determined through a comprehensive assessment of role value, performance, competencies, and market benchmarks. The total compensation structure comprises fixed and variable components, including base salary, skill-based allowances, and performance-linked incentives. By continuously optimizing this structure, the Company seeks to balance internal equity, employee motivation, and market competitiveness, ensuring its total compensation offerings remain competitive and aligned with the market.

The Company has established a robust performance management mechanism, with measurable performance targets aligned with its business strategy and employee conduct integrated into the evaluation

process. A 360-degree evaluation system is applied, incorporating managerial assessments, cross-functional feedback, peer reviews, and self-assessments, alongside team-based performance evaluation and incentive mechanisms. Based on objective data, the performance appraisal process provides a comprehensive and fair assessment of employee performance and contribution, ensuring transparency, credibility, and reliability of outcomes.

Performance Appeals and Feedback

To safeguard employees’ legitimate rights and interests, the Company has established a comprehensive performance appeal and feedback mechanism. In addition, an "Agile Dialogue" mechanism has been introduced, under which line managers conduct quarterly performance discussions with employees. Feedback on employee development and agreed improvement actions are recorded in the performance management system to ensure a dynamic and transparent appraisal process. This approach ensures fairness in performance evaluation while supporting employees’ continuous development.

Benefits and Leave

The Company places great importance on employee welfare and protection. In strict compliance with applicable laws and regulations, it has formulated the Benefits Management Policy and established a comprehensive, multi-tiered benefits system tailored to different employee grades and levels. Employee benefits include festival subsidies, health check-ups, accommodation and meals, transportation and team-building activities, and paid leave, addressing both employees’ livelihood protection and development needs. The Company enhances employee well-being and sense of belonging through tailored benefits, while safeguarding employee rights through a robust compliance framework, thereby supporting the sustainable development of the Company and its workforce.

Employee Stock Ownership Plan

YUTO introduced its 2025 Employee Stock Ownership Plan to establish a long-term, interest-aligned incentive mechanism. Following all required approvals by the

Board of Directors and shareholders, the plan was funded with the Company’s treasury shares, sourced from earlier repurchases. In November 2025, a total of 16.51 million shares were transferred on a non-trading basis, representing 1.79% of the Company’s total share capital, with 394 employees participating in the subscription. Following the interim profit distribution, the transfer price was adjusted to 12.17 CNY per share. The plan was funded by employees’ lawful remuneration and self-raised funds, and the Company did not provide any financial assistance. A 12-month lock-up period was established, with shares vesting in three tranches from 2025 to 2027 at 40%, 30% and 30%, respectively. Neither the controlling shareholder nor the ultimate controlling persons participated in the plan, ensuring fairness, independence and compliance. Through this arrangement, the Company further aligns employee and corporate interests over the long term and reinforced the stability and cohesion of its core team.

Benefits Framework

Employee Rights	Fixed salary, high-temperature allowance, full attendance bonus, and long-service awards based on years of service
Traditional Festival Benefits	Holiday gift packages are provided for the Spring Festival, Dragon Boat Festival and Mid-Autumn Festival. Employees remaining on site during the Spring Festival are entitled to three days of complimentary meals.
Health Check-up Benefits	Employees with at least one year of service are entitled to one annual health check-up, with packages aligned to employee grade.
Accommodation and Off-site Housing Allowance	Dormitory accommodation is provided based on employee grade. Employees living off-site are eligible for a housing allowance of 300–1,500 CNY per month, depending on grade.
Meal Allowance	Regular employees are entitled to a meal or dining allowance of 400 CNY per month, subject to local arrangements at overseas subsidiaries.
Travel and Team-building	Employees with at least one year of service are eligible for an annual company trip of 3–5 days, with a budget of 3,000–5,000 CNY per person, as well as an annual team-building allowance of 200 CNY per person.
Paid Leave	Employees are entitled to paid annual leave based on cumulative years of service, in addition to statutory holidays, paid maternity leave, paternity leave and parental leave (approximately 27 weeks for primary caregivers and approximately 3 weeks for non-primary caregivers).
Other Benefits	Collective birthday celebrations are held every two months (100 CNY per person), along with support for training and academic advancement, long-service awards, high-temperature allowance, and statutory social insurance.

During the reporting period, employee social insurance coverage and health check-up coverage both reached 100%.



NOTES:

The 100% employee health check-up coverage rate applies to active employees with at least one year of service.

Caring for Employee Well-being

Employee Engagement Activities

YUTO's commitment to employee care is reflected in its continuous investment in workplace well-being and in fostering a supportive and engaging work environment. The Company organizes a variety of employee engagement activities, including traditional festival celebrations and signature events such as YUTO Voice, providing employees with opportunities to showcase their talents and strengthen cross-functional interaction. These initiatives support work-life balance, enrich employees' cultural and recreational experiences, and further enhance their sense of belonging, satisfaction, and overall well-being.

YUTO Voice & Talent Show Competition

In 2025, YUTO held the YUTO Voice & Talent Show Competition, jointly organized by the Company's Party General Branch, Labour Union and Women's Federation, bringing together talented employees from campuses in Shenzhen, Huizhou and Dongguan. Centered on singing and talent performances, the event provided employees with a platform to showcase their abilities and opportunities to relax outside of work. The activity strengthened team spirit and cohesion, reflected the energetic and positive spirit of YUTO employees, and enriched the Company's corporate culture, supporting the shared development of employees and the business.



Building Team Spirit for the Mid-Autumn Festival and National Day — Jiujiang YUTO Holds Themed Team-Building Activities

In September 2025, Jiujiang YUTO organized a themed team-building event under the banner of "United in Purpose, Celebrating the Double Festival", with participation from employees across the site. The program featured collaborative activities such as "Pearls Across Miles" and "One-Heart Drum", alongside a "Kitchen Masters" cooking competition, using interactive formats to simulate supply chain collaboration and strengthen cross-department communication. Through active participation, the event helped employees relieve stress, enhance mutual trust and strengthen connections across teams. Employee feedback was highly positive, with improvements observed in both sense of belonging and team cohesion, reflecting the Company's commitment to fostering a supportive and engaging workplace.



Badminton Tournament



Employee Birthday Celebration



Public Welfare Science Outreach Activities



Family Education Activities



Running Smart Into the Future with YUTO — Shiyan Lake AI-Powered Healthy Lakeside Run



Employee Care

YUTO maintains a comprehensive, multi-tiered system for employee care and well-being, providing a range of essential benefits—including festival gifts, shuttle services, accommodation and meal allowances, and annual health check-ups—to support employees' daily work and life. During the reporting period, Shenzhen YUTO upgraded its campus outdoor environment and employee accommodation facilities, improving accessibility, parking, and living conditions, and adding or renovating 4,000 square meters of landscaped recreational areas. The Company also continued its education-support program, assisting 67 employees' children in 2025. Over the past nine years, cumulative investment in the program has reached 2.4195 million CNY. These efforts enhanced employees' sense of belonging and reflect YUTO's people-centered culture of care.

4,000 m²

landscaped green space upgraded

CNY 2.4195 million

9 years cumulative support

67

students benefiting

YUTO Employee Education Support Program

Supporting the Next Generation

In 2025, the YUTO Charity Foundation implemented the Employee Education Support Program, providing financial assistance to 67 eligible employees' children and distributing a total of 189,500 CNY in education grants to help ease schooling costs. Since its launch in 2016, the program has been sustained for nine consecutive years, benefiting 639 student with cumulative support of 2.4195 million CNY. By supporting the education of employees' children, YUTO has strengthened employees' sense of belonging and wellbeing, reflecting its commitment to social responsibility within the organization.

Upgrading the Campus

Living Quarters to Enhance the Work and Living Environment

In 2025, Shenzhen YUTO implemented a campus and accommodation upgrade program to improve the work and living environment. Key improvements included resurfacing the main road in the residential area, standardizing traffic signage, optimizing parking spaces, repairing fencing, and refurbishing bathrooms, furniture and lighting in older dormitory buildings. The site also added and upgraded 4,000 square meters of landscaped green space and developed new areas for fitness and recreation. These improvements enhanced the safety and comfort of the work and living environments, strengthened employees' sense of belonging and confidence in long-term development, and supported operational efficiency.



Standing Together Through Hardship

Yuhua Vietnam Supports a Flood-Affected Community

In May 2025, after the family of employee Nguyen Van Bang was affected by flash floods, Yuhua Vietnam promptly activated its emergency response and launched the public welfare initiative "Hand in Hand with YUTO, Heart to Heart in Care." The following day, the Company donated VND 50 million and hundreds of relief supplies, and organized volunteers to provide on-site assistance. The initiative reflected the Company's people-centered approach and commitment to social responsibility. It also received positive recognition from local authorities and the community, demonstrating Yuto's responsiveness and support in times of need.



Employee Rights and Benefits

Implementation of Democratic Management

Employee Participation in Management

YUTO places high importance on employee participation in management. In accordance with the Trade Union Law of the People's Republic of China and the Constitution of the Chinese Trade Unions, the Company has established a trade union and a Workers' Congress. It has also enacted the Trade Union Committee Charter to continuously refine its mechanisms for staff participatory governance. These structures are designed to safeguard employees' rights to be informed, to participate, to express opinions, and to exercise oversight, thereby promoting democratic decision-making and fostering a harmonious and inclusive workplace.

2

employee representative congress convened

2

functional department policies reviewed and approved

15

proposal of employee representatives deliberated

In 2025, the trade union coverage rate at Shenzhen YUTO reached approximately 43%. During the year, the Company convened two sessions of the employee representative congress, which reviewed and approved two functional department policies and deliberated on 15 proposals submitted by employee representatives. The trade union also continued to supervise the implementation of follow-up improvements by relevant departments, thereby effectively safeguarding employees' legitimate rights and interests.

Democratic Dialogue for Shared Progress

Shenzhen YUTO Holds the First Employees' Representative Congress of the Fifth Trade Union Committee

On July 23, 2025, Shenzhen YUTO convened the first Employees' Representative Congress of its fifth Trade Union Committee. A total of 56 employee representatives reviewed and approved the Dormitory Management Policy and the Workplace Safety Management Policy with an approval rate of 84%. The meeting also featured discussions on proposals across nine areas, including employee benefits, EV charging facilities and gym amenities. Relevant departments provided on-site responses and committed to follow-up actions. By strengthening formal channels for employee participation in corporate governance, the Congress reflected the Company's commitment to a people-oriented approach and democratic management.



Diversified Communication Channels

YUTO upholds the principles of democratic management and employee care, and has established a diversified communication system with comprehensive online and offline coverage, in accordance with the YUTO Group Administrative Measures for Policy Management and the Charter of the YUTO Trade Union Committee. Through multiple channels for collecting employee feedback and concerns, the Company has established a closed-loop mechanism of "feedback collection – response and handling – follow-up implementation," safeguarding employees' rights to information, participation, and expression, and supporting harmonious labor relations.

Democratic Management Channels

Led by the trade union, the Company convenes two Employee Representative Congress sessions each year to review and deliberate on proposals related to functional department policies, employee welfare, workplace safety, and other key matters. Resolutions are adopted in accordance with the requirement that more than two-thirds of representatives are present and more than half of those present vote in favor.

Online Communication Channels

The YUTO Space App, the Company intranet, and the internal publication YUTO People provide dedicated channels for employee complaints, suggestions, and proposals. Contact information for relevant functional representatives is also disclosed through these platforms to improve response efficiency.

Offline Interactive Channels

The Company regularly organizes employee satisfaction forums to discuss and improve issues of concern such as canteen services and dormitory conditions. In addition, suggestion boxes for the General Manager, dedicated hotline numbers, and physical mailboxes are provided to facilitate direct communication with management.

Survey and Feedback Channels

YUTO conducts employee care and engagement surveys to systematically assess employee experience and satisfaction, providing data-driven insights to support management improvement.

Employee Engagement Survey

In 2025, the Company integrated the employee engagement survey into its annual sustainability management plan, with implementation scheduled for 2026. The survey is expected to cover questionnaire design, survey execution, and data collection in the first quarter of 2026, after which a standardized survey report will be developed and used to optimize employee experience. In parallel, the Company implemented initiatives in 2025 to enhance employees' sense of belonging, including improved internal communication, employee care activities, and upgrades to campus and living environments. The effectiveness of these management initiatives will be quantitatively assessed through the 2026 employee engagement survey.

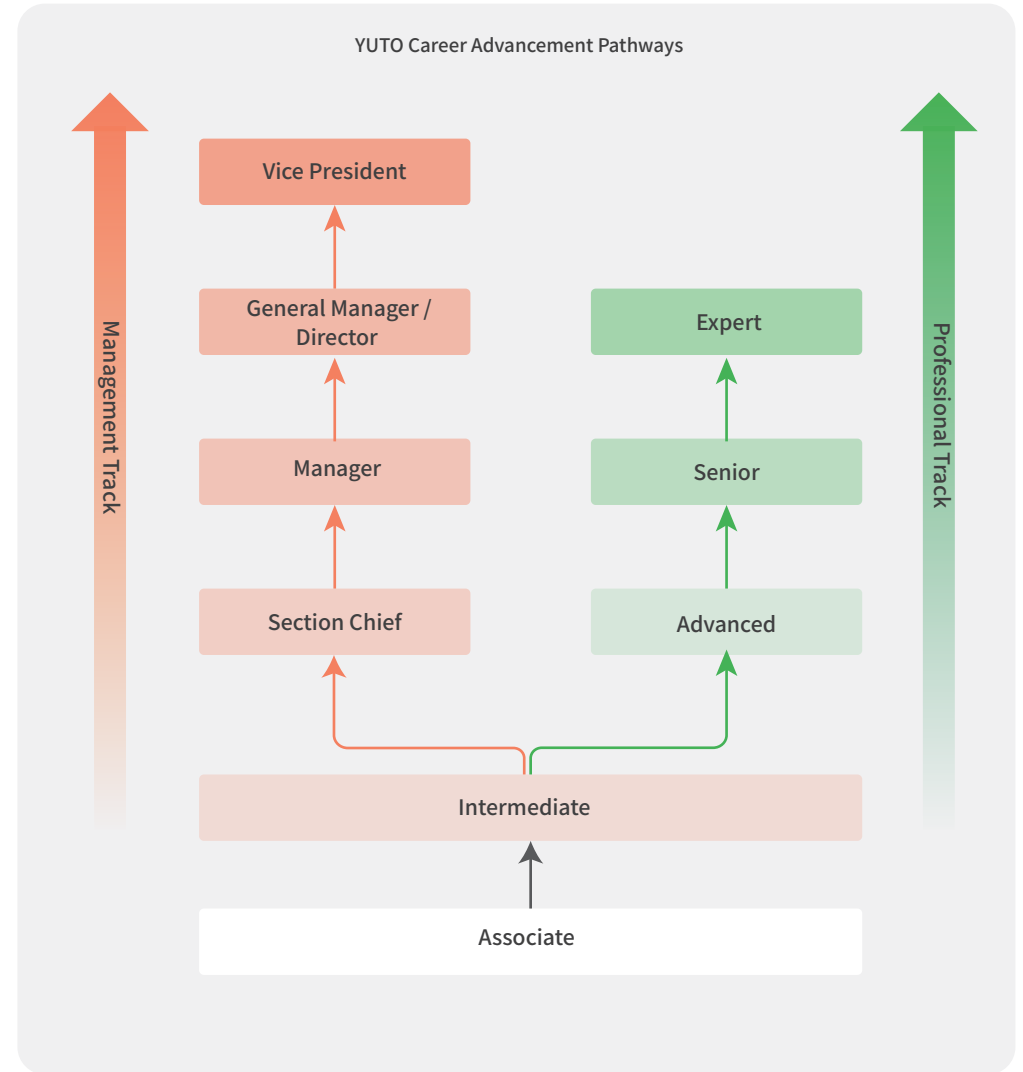


Talent Training and Development

Building Career Development Pathways

Career Progression Framework

YUTO is committed to employee career development and guided by the principle of enabling individuals to realize their potential. The Company has established structured career development and progression pathways, supported by a dual-track job grading system with parallel management and professional tracks. Leveraging digital tools, positions are classified and weighted based on two dimensions — job title and criticality—forming a streamlined and transparent framework. Employees may select their development pathways in line with business needs and individual strengths, thereby broadening career development opportunities. Employee promotion is managed under principles of fairness and order. In general, employees are required to meet minimum tenure requirements in their current position before promotion, except in cases of exceptional performance where accelerated promotion may apply. This ensures that career advancement is both merit-based and well-governed.



Key Indicator	Unit	2025
Number of Employees Receiving Regular Performance and Career Development Reviews	headcount	21,079
Percentage of Employees Receiving Regular Performance and Career Development Reviews	%	100

Employee Training and Development

YUTO places great importance on employee career development and has established policies such as the Training Management Policy and the Administrative Measures for Academic Education to build a systematic training framework. Centered on capturing organizational experience and enhancing employee capabilities, the Company has developed a full-cycle development system covering new hires, key talent, and incumbent managers, supporting mutual growth of employees and the Company through multi-level training programs.

The Company has developed a multi-dimensional training matrix, offering targeted programs at different levels. This includes an accelerated development program for "Yubei" Trainees (referring to future management talent), a "Spearhead" program aimed at cultivating potential future Business Unit General Managers from key talent pools, and functional training program for all employees—including business English, PMP certification, and applied AI training. In parallel, YUTO promotes initiatives including the Internal Trainer Development Bootcamp and the Learning Operations Officer Advanced Program, while continuously enhancing its trainer pool and curriculum system. Supported by incentive policies including tuition reimbursement for academic education, these initiatives aim to meet the development needs of employees across different levels and functions.



"Spearhead Program" for Future Business Leaders

YUTO Develops a Structured Track for General Manager Designates

From December 2024 to May 2025, YUTO conducted a two-phase "Spearhead Program" at Shenzhen YUTO, designed to support the transition from managerial roles to business leadership. Delivered by senior executives and internal experts, the program covered practical topics including strategy, customer management, profit assurance and digitalization. Through case discussions, shopfloor visits and executive dialogues, the program strengthened the commercial mindset and leadership capabilities of the Company's talent pool, supporting the development of future business leaders.



A New Start at YUTO, Soaring Together

2025 Graduate Onboarding Boot Camp

From July 14 to 18, 2025, YUTO held a five-day onboarding boot camp at Shenzhen YUTO under the theme "A New Start at YUTO, Soaring Together." A total of 77 graduate recruits participated, including 12 assigned to overseas positions. The program covered corporate culture, strategy, digitalization and production processes, with sessions delivered by senior executives. It also included team-building activities, group discussions and competitions to provide an immersive onboarding experience. With a satisfaction score of 98.6, the boot camp marked the starting point of the Yubei Talent Acceleration Program, transitioning graduate onboarding from a one-off induction to a structured three-year development pathway.

Online Learning Platform

In 2025, the e-Trainee learning platform continued to be optimized. During the year, it recorded 6,443 logins and 6,004 learners, with total learning time reaching 68,002 hours and an average of 11.3 hours per learner. The platform accumulated 967 courses in total, including 223 new courses added in 2025. It also delivered 94 live-streaming sessions, reaching 7,677 participants, and launched 66 talent development learning programs. Through these resources, the Company provides employees with a flexible and efficient online learning channel, enabling them to access knowledge resources anytime and anywhere.

the e-Trainee learning platform

total login users

6,443

total learners

6,004

total learning time

68,002 hours

Professional Skills Development

During the reporting period, the Company steadily advanced its vocational skill certification program. A total of 110 employees participated in the assessment process. Following multiple evaluation stages, including document review, written examinations, practical assessments, and interviews, 70 employees obtained certification, including three employees at the highest skill level. The program covered multiple operating units across different regions, including Shenzhen YUTO and Shenzhen Longgang Branch. In parallel, the Company standardized and reviewed 704 personnel files and further improved its certification procedures and supervision mechanisms. Through a more standardized certification system, YUTO continues to enhance employees' professional capabilities and support its long-term talent development framework.



Oral Defense Session



Practical Examination

Key Indicator	Unit	2025
Employee Training		
Investment in Employee Training	10,000 CNY	102.3
Number of Training Sessions	sessions	3,169
Total Training Attendances	person-times	98,166
Total Number of Employees Trained	headcount	21,079

Key Indicator	Unit	2025
Number of Employees Trained by Gender		
Female	headcount	8,095
Male	headcount	12,984
Number of Employees Trained by Job Level		
Director Level and Above	headcount	170
Manager Level	headcount	662
Section Chief Level	headcount	1,339
Staff Level	headcount	3,345
Technician Level and Below	headcount	15,563

Key Indicator	Unit	2025
Number of Employees Trained by Function		
Production	headcount	15,348
Technical	headcount	2,481
Sales	headcount	1,011
Finance	headcount	226
Administration	headcount	2,013

Employee Training Coverage Rate	%	100
--	---	-----

Key Indicator	Unit	2025
Training Rate by Gender		
Female	%	100
Male	%	100

Key Indicator	Unit	2025
Training Rate by Job Level		
Director Level and Above	%	100
Manager Level	%	100
Section Chief Level	%	100
Staff Level	%	100
Technician Level and Below	%	100

Key Indicator	Unit	2025
Training Rate by Function		
Production	%	100
Technical	%	100
Sales	%	100
Finance	%	100
Administration	%	100
Others	%	100

Key Indicator	Unit	2025
Total Training Hours		
Total Training Hours	hours	243,623.58

Key Indicator	Unit	2025
Training Hours by Gender		
Female	hours	90,204.13
Male	hours	153,419.43

Key Indicator	Unit	2025
Training Hours by Employee Grade		
Director Level and Above	hours	819.50
Manager Level	hours	9,913.37
Section Chief Level	hours	20,832.20
Staff Level	hours	56,018.72
Technician Level and Below	hours	156,039.96

Key Indicator	Unit	2025
Training Hours by Function		
Production	hours	170,521.24
Technical	hours	33,757.26
Sales	hours	8,489.30
Finance	hours	3,548.72
Administration	hours	27,307.06

Key Indicator	Unit	2025
Average Training Hours		
Average Training Hours per Employee per Year	hours/person	12

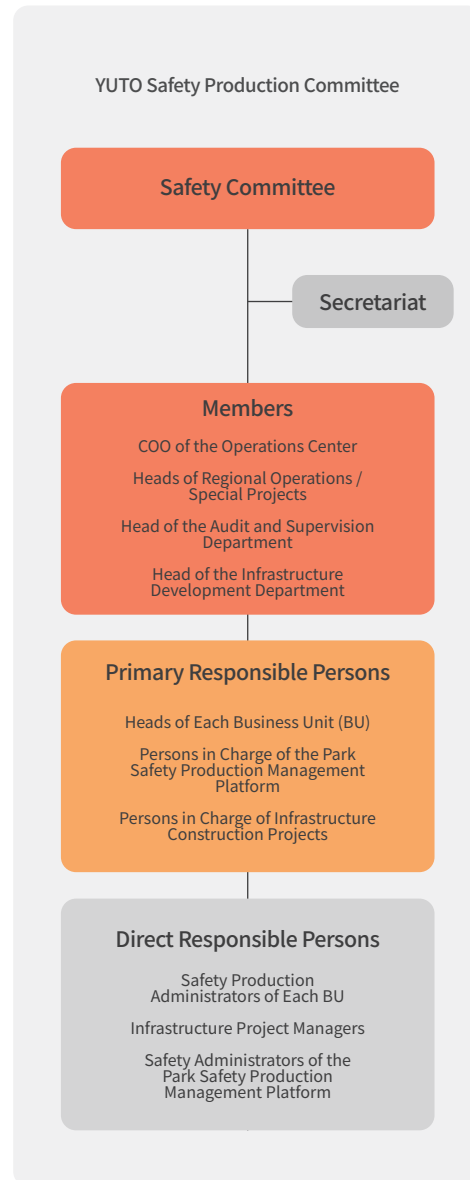
Key Indicator	Unit	2025
Average Training Hours by Gender		
Female	hours/person	11
Male	hours/person	12

Key Indicator	Unit	2025
Average Training Hours by Employee Grade		
Director Level and Above	hours/person	5
Manager Level	hours/person	15
Section Chief Level	hours/person	16
Staff Level	hours/person	17
Technician Level and Below	hours/person	10

Employee Health and Vitality

Occupational Health and Safety Governance

YUTO has established a Work Safety Committee chaired by the Director of the Executive Office. Day-to-day operations are managed by the Safety Management Department under the President's Office. Each business unit has formed a dedicated work safety team led by its respective head, with the Audit and Supervision Department is responsible for compliance monitoring. All employees are accountable for safety within their respective roles. EHS performance indicators are integrated into the Company-wide employee evaluation system, with accountability linked to the severity of safety incidents and regulatory penalties, and reflected in annual performance incentives. The governance system is further supported by comprehensive safety training, a dual prevention mechanism for risk identification and control, a hazard reporting incentive scheme, and a tiered incident management framework. Together, these measures embed safety responsibility across all levels, and strengthen the Company's occupational health and safety governance system.



During the reporting period, 34 companies within the Group's listed company system obtained ISO 45001 Occupational Health and Safety Management System certification, representing a coverage rate of 61.82%.

34

companies within the Group's listed company system obtained

ISO 45001

Occupational Health and Safety Management System certification



Occupational Health and Safety Strategy

Under the principle of "Safety First, Prevention Foremost, and Comprehensive Management," YUTO set "zero fatalities and zero administrative penalties" as its occupational health and safety objectives for 2025. The Company integrates occupational health and safety into the employee well-being pillar of its sustainability strategy. The implementation framework is supported by a full-process risk control, a dual prevention mechanism for risks and hazards, comprehensive employee training, a graded accident accountability system, and annual performance evaluation. These measures are subject to regular reviews to continuously strengthen the occupational health and safety foundation for sustainable development.

Management of Occupational Health and Safety Impacts, Risks and Opportunities

To reduce accident risks at source, YUTO designated 2025 as its "Year of Mechanical Safety" and launched a company-wide initiative to enhance mechanical safety management.

At the governance level, the Company strengthened its safety management framework by revising key policies, including the Safety Production Committee Management Policy, the Safety Production Management Policy, and the Equipment Safety Acceptance Management Policy, and issuing the Safety Technical Standards for Equipment Procurement. The scope of work-related injury reporting was expanded to include all incidents involving minor injuries and above. Upon receipt of reports, the Safety Committee conducts investigations and issues reports for Group-wide sharing, supporting self-inspection and corrective actions across operating units. In addition, resold equipment was brought under centralized acceptance management, with safety acceptance procedures integrated into the relevant platform as a mandatory approval step. Through these measures, the Company has established a full life-cycle safety management system covering equipment requisition, procurement, in-service operation, status changes, and resale, thereby strengthening its occupational health and safety risk management framework.

At the technical level, the Company implemented a targeted mechanical safety program across 24 domestic production bases. Over an 11-month period, the program followed a structured four-phase approach covering team formation, capability building, risk assessment, and safety remediation. A total of 1,129 machines and production lines underwent safety improvements, with cumulative investment exceeding 2.56 million CNY. The equipment risk assessment completion rate at domestic facilities reached 96%, while safety remediation was completed for 82% of applicable units. Remaining sites are progressing in a structured manner and are expected to complete implementation by the first quarter of 2026. The program delivered measurable results, contributing to a 14% year-on-year reduction in mechanical injury incidents in 2025.

In 2026, the Company will further deepen the program and extend its coverage to overseas manufacturing sites to continuously enhance mechanical safety across its global operations.

Continuous Improvement

The effectiveness of risk control is incorporated into performance evaluation system for all employees and linked to annual incentive mechanisms. Through accident accountability mechanisms and recognition of exemplary practices, the Company promotes continuous improvement in safety management. In addition, safety policies and equipment technical standards are regularly updated to ensure alignment with production and operational requirements.

Risk Identification

The Company identifies key equipment-related hazards, including exposed transmission components, missing protective devices on equipment such as printing machines and paper cutters, as well as operational risks such as crushing, entanglement, and electric shock. Comprehensive inspections are conducted through equipment rectification registers, on-site safety assessments, and employee-wide hazard reporting mechanisms.

Risk Monitoring

Daily pre-operation safety inspections are conducted for equipment, while safety management personnel carry out regular inspections and patrols. Workplace injuries and emergency incidents are reported within the prescribed timeframes, and a case database is established to facilitate the sharing of lessons learned and risk alerts. The Audit and Supervision Department oversees the implementation of relevant systems.

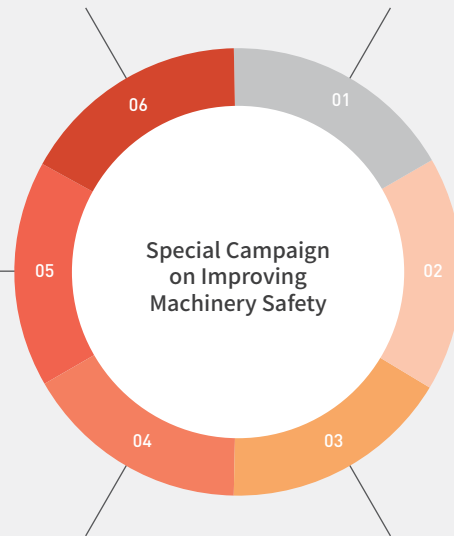
Risk Control

The Company implements full-lifecycle safety management for equipment. Newly purchased, relocated, modified, or resold equipment must be fitted with protective devices such as light curtains, safety guards, and emergency stop switches in accordance with the Group’s technical standards before passing safety acceptance inspections.

Risk Reduction

Based on the risk levels and risk assessment results, the Company applies multi-level controls (early warning, elimination, and engineering measures) to upgrade safety safeguards and mitigate equipment risks.

Special Campaign on Improving Machinery Safety



equipment risk assessment completion rate at domestic facilities

96%

safety remediation completed

84%

Occupational Health and Safety Targets and Performance Indicators

Key Indicator	Unit	2025
Number of Workplace Safety Incidents	cases	99
Number of Work-related Fatalities ⁹	headcount	0
Company Employees	headcount	0
Contractor Employees	headcount	0
Total Number of Work-related Injuries	headcount	99
Company Employees	headcount	98
Contractor Employees ¹⁰	headcount	1
Lost Hours Due to Work-related Injuries	hours	78,592
Total Working Hours	hours	85,402,848
Lost Time Injury Frequency Rate (LTIFR)	per million working hours	1.16
Number of Hazards Remediated	cases	2,715
Total Number of Hazards Identified	cases	3,448

⁹ Work-related injury fatalities are identified and disclosed following the reporting methodology for occupational health and safety metrics under the GRI Standards.

The contractor employee was injured after their foot was struck by a cart while loading

¹⁰ goods in the Company’s industrial park.

CNY **24.12 million**

Investment in Workplace Safety

CNY **0.614 million**

Investment in Employer's Liability Insurance for Workplace Safety

Key Indicator	Unit	2025
Hazard Remediation Rate	%	78.74
Number of Emergency Safety Drills Conducted	sessions	88
Investment in Workplace Safety	10,000 CNY	2,412
Total Safety Training Attendances	person-times	167,252
Number of Employees Participating in Safety Training	headcount	21,079
Employee Coverage Rate of Safety Training	%	100
Number of Employees Required to Be Covered by Work-related Injury Insurance	headcount	21,079
Coverage Rate of Work-related Injury Insurance	%	100
Investment in Employer's Liability Insurance for Workplace Safety	10,000 CNY	61.40



Workplace Safety Practices

Hazard Identification and Remediation

YUTO places strong emphasis on the identification and management of workplace safety hazards and has established a comprehensive control system. The Company has implemented a dual prevention mechanism comprising graded safety risk control and hazard identification and remediation, and regularly conducts safety risk identification, assessment, and hazard inspections. At the same time, a formal listing and supervision mechanism for major hazards has been put in place to ensure focused oversight.

Each subsidiary conducts weekly and monthly safety inspections and submits relevant data, while the Safety Management Department of the President’s Office carries out regular follow-up inspections and tracks corrective actions. The Audit and Supervision Department oversees the use of related funds according to relevant regulations. Results from hazard inspections are incorporated into the annual safety performance evaluation, reinforcing the safety management framework from system design to effective implementation and strengthening overall safety safeguards.

Regional Collaboration Building a Stronger Line of Defence Establishing a "Central China Model" for Safety Management

In March 2025, YUTO Central China operations—Hefei YUTO, Jiujiang YUTO, and Sanhe YUTO—launched a collaborative safety improvement program. By promoting resource sharing, cross-site inspections, and performance-linked accountability, the initiative broke down operational silos and adopted a systematic, multi-level and holistic approach to advance hazard remediation and process integration.

The program delivered notable results: Hefei YUTO achieved zero government penalties, Jiujiang YUTO improved its safety score by 22.1%, and Sanhe YUTO further optimized its emergency response mechanisms. This initiative has formed a replicable “Central China model”, driving a shift in safety management from reactive response to proactive prevention.



Field Inspection



Meeting and Communication

Hazard Identification and Remediation

YUTO leverages digitalization to enhance safety management by establishing a dedicated safety management platform. The platform enables the rapid online issuance of rectification notices, convenient confirmation of rectification outcomes, and automated ranking of responsible departments based on rectification performance, thereby improving management transparency.

At the same time, the Company has introduced a “report hazards on the go” mobile feature, allowing employees to report potential hazards at any time. Employees who proactively report valid hazards are rewarded, encouraging company-wide participation in hazard identification. This creates a closed-loop management process covering identification, reporting, verification, and elimination, which not only streamlines hazard management channels but also promotes a shift from reactive response to proactive prevention, significantly improving rectification efficiency.

Spot It, Snap It

Building a Stronger Safety Culture Through Company-wide Participation

In January 2025, YUTO launched its “Spot It, Snap It” hazard reporting campaign through the YUTO Space platform, creating a closed-loop process for reporting, rectification and verification, supported by a points-based incentive mechanism. By the end of October, employees had reported 99 safety hazards, all of which were rectified, achieving a 100% closure rate. The issues identified covered risks such as missing protective measures and blocked access routes. The campaign helped shift YUTO’s safety culture from compliance-driven awareness to personal ownership of safety, fostering a new safety ecosystem defined by company-wide participation and full-coverage engagement.



“Spot It, Snap It” Poster

Employee Health Check-upst

YUTO places strong emphasis on employees’ occupational health needs by providing benefits such as free health check-ups and medical consultations, and by promoting the “Healthy YUTO, Happy YUTO” corporate wellness program. On the 20th of each month, Shenzhen YUTO organizes a “Doctors in the Workplace” consultation service, delivering an efficient healthcare experience that helps avoid long waiting times and brief consultations. Monthly participation in the program exceeds 95%. In addition, the Company implements supporting health intervention measures, ranging from routine health services to targeted care, helping employees develop a proactive and healthy work-life balance.

Recognized as a 2024 Asia Best Workplace (Mainland China) – Healthiest Employer

In August 2025, YUTO received the “2024 Asia Best Workplace (Mainland China) – Healthiest Employer” award. Jointly presented by AIA, the Peking University School of Public Health and HRflag, the award recognized the Company’s systematic approach to employee wellbeing through its “three pillars of employee health X three engines of organizational health” framework. This recognition highlights YUTO’s commitment to embedding health into its operations and sets a strong example of a healthy employer in the industry.



“2024 Asia Best Workplace (Mainland China) – Healthiest Employer”

Employee Health Check-upst

YUTO places strong emphasis on employees’ mental health and has incorporated it as a core component of its employee health protection system. Through the Company’s official WeChat account, YUTO regularly disseminates mental health knowledge, covering practical topics such as emotional regulation and stress management, to help employees better understand and address everyday psychological challenges. The Company also conducts periodic mental health surveys to accurately identify employees’ psychological conditions and evolving needs.

Through these multi-dimensional mental health care initiatives, YUTO supports employees in maintaining a positive psychological state and effectively enhances their sense of well-being and belonging in the workplace.



Video on Promotion of Mental Health

Contractor Safety Management

To strengthen the safety management of contractors and suppliers, YUTO established an online hazardous operations management platform in 2025, enabling full-process, traceable closed-loop management that covers application, approval, supervision, and acceptance, and thereby building a comprehensive compliance control system across the entire process.

The Infrastructure Engineering Department is responsible for supplier safety access management, and contractors or service providers that do not meet qualification requirements are strictly prohibited from selection during procurement. Personnel who improperly select contractors or fail to implement required control measures are subject to disciplinary actions in accordance with Company regulations, ranging from warnings to demerits, thereby safeguarding production and operational safety.



Online Contractor Management Platform

Giving Back to Society and Communities

As it drives steady business performance and creates economic value, YUTO remains firmly committed to its social responsibilities and corporate citizenship, actively engaging in public welfare initiatives to give back to society. To standardize external donation practices, the Company has established the External Donation Management System, which defines the core principles of voluntariness, capacity-based contribution, clearly defined responsibilities, and good faith. A tiered approval process has been implemented, with comprehensive requirements governing the scope, form, decision-making procedures, and supervision mechanisms of donations. Through audit oversight and systematic documentation and filing, the Company ensures that charitable contributions are legally compliant, efficient, and effectively implemented, thereby institutionalizing the orderly execution of its social responsibility commitments.

The Shenzhen YUTO Public Welfare Foundation (hereinafter referred to as the "YUTO Foundation") serves as the core vehicle for the Company's social responsibility practices. Established in 2017, it operates in positive synergy with the Company's public welfare initiatives and was awarded 4A-rated social organization status in 2022. The Foundation focuses on key areas such as inclusive education, medical assistance, cultural development, and rural revitalization, and systematically advances diversified public welfare programs. As of December 2025, the Company and the YUTO Foundation had cumulatively donated over 54 million CNY (of which the Foundation accounted for 25.63 million CNY). Through initiatives such as long-term educational sponsorships, cataract restoration programs, and public welfare concerts, the Company continues to empower livelihoods and communities, consistently demonstrating its sense of responsibility and humanistic commitment.

Social Welfare Initiatives

YUTO places strong emphasis on urban public well-being and youth development. Through initiatives such as supporting education, promoting blood donation, and contributing to the development of medical humanities, the Company has established a multi-tiered and broadly accessible social support system.



Donating Blood, Saving Lives: YUTO's 2025 Voluntary Blood Donation Initiative

In January and July 2025, the Party General Branch, Labor Union, and Women's Federation of Shenzhen YUTO, in collaboration with the Bao'an District Central Blood Station, jointly organized two voluntary blood donation campaigns. A total of 49 employees participated in the initiatives, contributing 15,800 mL of blood. Through these actions, employees demonstrated care and solidarity in practice by donating blood to help save lives, reflecting the sense of responsibility and commitment shared by both YUTO and its workforce.



Supporting Tsinghua University's Qiuzhen College to Empower Fundamental Science Talent Development

In 2025, YUTO, through the Hui Ai Public Welfare Foundation, supported the development of Qiuzhen College at Tsinghua University and sponsored the "Youth Mathematics and Artificial Intelligence Summer Camp", which attracted 110 students from more than 20 secondary schools nationwide. Focusing on advanced mathematics programs and artificial intelligence, the initiative strengthens China's pipeline of fundamental science talent, inspires young students' interest in scientific and technological innovation, and injects sustained momentum into future technological advancement.



"YUTO Music of Love" Charity Concerts Bringing Warmth and Hope

In 2025, the YUTO Public Welfare Foundation, in collaboration with professional art groups, organized the "YUTO Music of Love" charity concert series across several Class A, tertiary hospitals in Shenzhen. A total of 21 performances—including light music and instrumental recitals—were delivered, benefiting approximately 9,500 patients and their families. The initiative created a warm and therapeutic healthcare environment, enhanced the humanistic care experience, and was recognized with multiple honors, including the "Top 100 Citizen Satisfaction Projects" award.



Expanding Access to Urban Healthcare through Ophthalmic Centers and Local Medical Training

In 2025, the YUTO Public Welfare Foundation continued advancing the "Bright Vision Initiative" by supporting the establishment of ophthalmic centers within urban medical institutions and strengthening primary-level eye care capacity. The program enabled 306 patients to undergo cataract surgery. In parallel, multiple training sessions for grassroots healthcare professionals and free medical consultation services were conducted to enhance service capabilities. The initiative improved residents' eye health, promoted a more balanced allocation of medical resources, and demonstrated the Company's commitment to public health.

CNY **54 million**
donated cumulatively

CNY **25.63 million**
donated by YUTO Foundation

"Rooted in our sense of responsibility, we uphold our social commitments by delivering a diverse portfolio of public welfare programs through our foundation. We foster care and inclusion, and unite collective efforts to advance positive social impact."

Cao Xuhui
Vice President



Collaboration with Local Communities on Ecosystem Protection

YUTO actively fulfills its ecological protection responsibilities and works closely with third-party public welfare organizations to advance green development through concrete actions. In addition to charitable donations, the Company leverages its influence to participate in the development and implementation of ecological protection initiatives. By organizing activities such as waste clean-up campaigns and wildlife conservation exchanges, YUTO encourages public participation in environmental stewardship. These efforts not only contribute to improving local ecological conditions, but also strengthen constructive engagement with surrounding communities and stakeholders, thereby promoting the coordinated and sustainable development of both the environment and society.

Connecting 6,300 Kilometers of Green Action through 11 Yangtze River-Themed Post Offices

In 2025, during World Environment Day, YUTO partnered with organizations including the Yangtze River Source Ecological Environment Protection Center and the Sichuan Green Rivers Environmental Protection Association to support the development of Yangtze River-themed post offices—No. 4 in Yibin, Sichuan, and No. 7 in Wuhan, Hubei. Employees also participated in the "30 Square Meters of Litter Removal" campaign. The initiative spanned multiple locations along the Yangtze River, including Tanggulasan Town in Qinghai and the Sanjiangkou area in Yibin, Sichuan. Through celebrity advocacy and media engagement, the program evolved into a recognizable environmental action brand, promoting public awareness of ecological protection, effectively reducing local waste, and delivering broad-based environmental education to consumers.



Yangtze No. 7 Eco-Themed Post Office

"Green Rivers" Initiative: Honoring a Commitment to Nature through Environmental Action

In 2025, YUTO partnered with the Golmud Yangtze River Source Ecological Environment Protection Center to carry out the "Sanjiangyuan Wildlife Conservation Exchange" program, with employee representatives actively participating. The initiative engaged travelers along the Qinghai-Tibet Highway and local residents, promoting responsible behavior such as proper waste disposal and refraining from feeding wildlife. It also encouraged visitors to actively remove litter from designated green stations along the route. These efforts effectively reduced plastic pollution and its impact on wildlife, contributing to the protection of the Yangtze River's source ecosystem.



Volunteer Activity Site

Supporting Rural Revitalization

YUTO actively responds to the Rural Revitalization Strategy, focusing on three key areas: educational support, health protection, and cultural heritage preservation. The Company prioritizes support for counties in central and western regions, ethnic minority areas, and disadvantaged rural populations.

During the reporting period, through its public welfare foundation, YUTO allocated dedicated funds to carry out initiatives such as student assistance programs, free medical consultations, and ethnic cultural preservation projects, effectively contributing to the sustainable development of rural communities.



"YUTO Bright Vision Initiative"

Delivering Sight to Dege County, Ganzi

From August 12 to 31, 2025, the YUTO Public Welfare Foundation, in collaboration with the Ruyi Tree Charity Organization, carried out the "YUTO Bright Vision Initiative · Western Health Action 2025" in Dege County, Ganzi Prefecture, Sichuan Province. The program covered eight townships and the county hospital, establishing nine service sites to provide health check-ups, cataract screening, and first-aid training. A total of 136 patients received fully sponsored cataract surgeries, restoring their vision. The initiative significantly enhanced access to healthcare services at the grassroots level and contributed to improving local medical conditions.



"Ayi Dream Library" in Liangshan

Supporting the Growth of Left-Behind Children

In July 2025, the YUTO Public Welfare Foundation, in collaboration with the Liangshan Education Foundation and the "Su Zhengmin" Volunteer Service Team from Zhongnan University of Economics and Law, launched the "YUTO · Ayi Dream Library" Summer Companion Program in Chuanxing Town, Xichang City, Sichuan Province. The program provides children from relocated families and left-behind children with art activities such as reading, painting, and paper-cutting, creating a safe and nurturing environment for growth. By enriching their summer experience, the initiative supports the development of social-emotional skills and self-expression, contributing to their holistic well-being.



"Smile & Bright Vision Initiative"

Benefits 466 Rural Cataract Patients in Eastern Guangdong

From December 2024 to mid-August 2025, the YUTO Public Welfare Foundation, in collaboration with the Shenzhen Chaochuang Association Smile Doll Charity Fund, implemented the "Smile & Bright Vision Initiative" in Jiedong District, Rongcheng District, and Puning City of Jieyang, Guangdong Province. The program conducted centralized cataract screening for elderly individuals from disadvantaged families and arranged transportation to Jieyang People's Hospital for free surgical treatment. As of mid-August 2025, a total of 466 patients had successfully recovered and regained clear vision, alleviating family burdens and significantly improving their quality of life in later years.



Two Decades of "YUTO Charity Education Support"

Empowering Rural Students in Jiujiang

Since 2006, the YUTO Public Welfare Foundation, in partnership with the Jiujiang Charity Federation, has launched the "YUTO Charity Education Support" program, focusing on providing financial assistance to university students from economically disadvantaged families. In 2025, the Foundation donated 489,500 CNY to support 152 students in pursuing higher education. Now in its 20th year, the program has consistently advanced educational equity and broken the cycle of intergenerational poverty, earning broad recognition from local governments and beneficiary students alike.



"One Ton of Pulp Board, One Share of Care"

Targeted Support for Sugarcane Farming Families

In December 2025, Guangxi YUTO launched the third phase of the "One Ton of Pulp Board, One Share of Care" initiative in Laibin City. Leveraging the sugarcane industry value chain, the program converts sales proceeds into education support funds to provide targeted assistance to children from disadvantaged families. Through an innovative model of "industry supporting livelihoods and sales empowering public welfare," the initiative integrates commercial value with social impact, embodying a sustainable development philosophy of "from the land to hope."

Appendix-Indicator Index

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

NO.	Topic	Chapter
Environment		
1	Climate Actions	Climate Actions
2	Pollutant discharge	Environmental Governance—Air Emissions Management, Wastewater Management, Chemical Management
3	Waste disposal	Environmental Governance—Waste Management
4	Ecosystem and biodiversity conservation	Environmental Governance—Ecosystem and Biodiversity Protection
5	Environmental compliance management	Environmental Governance
6	Energy utilization	Resource Management—Energy Management Governance, Energy Management Strategy, Management of Energy-related Impacts, Risks and Opportunities
7	Water resources utilization	Resource Management-Water Resource Management
8	Circular economy	Annual Feature: Circular Economy
Society		
9	Rural revitalization	Giving Back to Society and Communities-Supporting Rural Revitalization
10	Social contributions	Giving Back to Society and Communities—Public Welfare Initiatives
11	Innovation	R&D Innovation
12	Ethics of science and technology	/
13	Supply chain security	Sustainable Supply Chain
14	Equal treatment of SMEs	Sustainable Supply Chain—Fair Treatment of SMEs
15	Product and service safety and quality	Product Quality and Safety, Client Rights & Interests and Satisfaction
16	Data security and customer privacy	Information Security and Privacy Protection
17	Employees	Equality and Diversity, Employee Rights and Benefits, Talent Training and Development, Employee Health and Vitality
Sustainability Governance		
18	Due diligence	Sustainable Development Governance—Materiality Assessment, Sustainable Supply Chain—Supply Chain Resilience Management Mechanism
19	Stakeholder engagement	Sustainable Development Governance-Stakeholder Engagement
20	Anti-commercial bribery and anti-corruption	Business Ethics
21	Fair competition	Business Ethics

NOTES:

As YUTO operates in the paper packaging industry, the topic of technology ethics is not considered financially material or impact material to the Company. Therefore, this topic is not included in this Annual Report.

Information referenced in this GRI Content Index, as reported by YUTO in its 2025 GRI-aligned report.

Disclosure Item	2025
GRI 2: General Disclosures 2021	
2-1 Organizational details	About YUTO
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	Not applicable
2-5 External assurance	Report Assurance Statement
2-6 Activities, value chain and other business relationships	About YUTO, Sustainable Supply Chain
2-7 Employees	Equality and Diversity
2-8 Workers who are not employees	Sustainable Supply Chain
2-9 Governance structure and composition	Corporate Governance Structure
2-10 Nomination and selection of the highest governance body	Corporate Governance Structure
2-11 Chair of the highest governance body	Corporate Governance Structure
2-12 Roles of the highest governance body in overseeing the management of impacts	Corporate Governance Structure
2-13 Delegation of responsibility for managing impacts	Corporate Governance Structure
2-14 Roles of the highest governance body in sustainability reporting	Sustainability Governance
2-15 Conflicts of interest	Corporate Governance Structure
2-16 Communication of critical concerns	Sustainability Governance
2-17 Collective knowledge of the highest governance body	Sustainability Governance
2-18 Evaluation of the performance of the highest governance body	Sustainability Governance
2-19 Remuneration policies	Equality and Diversity
2-20 Process to determine remuneration	Equality and Diversity
2-21 Annual total compensation ratio	-
2-22 Statement on sustainable development strategy	Sustainability Governance
2-23 Policy commitments	Sustainability Governance
2-24 Embedding policy commitments	Sustainability Governance
2-25 Processes to remediate negative impacts	Employee Health and Vitality
2-26 Mechanisms for seeking advice and raising concerns	Sustainability Governance
2-27 Compliance with laws and regulations	Compliance and Internal Control, Investor Protection, Business Ethics, Climate Actions/Responding to Climate Change, Environmental Governance, Resource Management, R&D Innovation, Sustainable Supply Chain, Product Quality and Safety, Client Rights & Interests and Satisfaction, Information Security and Privacy Protection, Equality and Diversity, Employee Rights and Benefits, Talent Training and Development, Employee Health and Vitality
2-28 Membership associations	R&D Innovation
2-29 Approach to stakeholder engagement	Sustainable Development Governance
2-30 Collective bargaining agreements	Employee Rights and Benefits

Disclosure Item	2025
GRI 3:Materiality Issues 2021	
3-1 Process to determine materiality issues	Sustainability Governance
3-2 List of materiality issues	Sustainability Governance
3-3 Management of materiality issues	Sustainability Governance
GRI 201:Economic Performance 2016	
201-1 Direct economic value generated and distributed	About YUTO, Investor Protection
201-2 Financial implications and other risks and opportunities due to climate change	Climate Actions
201-3 Defined benefit plan obligations and other retirement plans	Equality and Diversity
201-4 Financial assistance received from government	-
GRI 202: Market Presence 2016	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-
202-2 Proportion of senior management hired from the local community	Equality and Diversity
203:Indirect Economic Impacts 2016	
203-1 Infrastructure investments and services supported	Giving Back to Society and Communities
203-2 Significant indirect economic impacts	Giving Back to Society and Communities
GRI 204:Procurement Practices 2016	
204-1 Proportion of spending on local suppliers	Sustainable Supply Chain
GRI 205:Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption	Business Ethics
205-2 Communication and training about anti-corruption policies and procedures	Business Ethics
205-3 Confirmed Incidents of Corruption and Actions Taken	Business Ethics
GRI 206:Anti-Competitive Behaviour 2016	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics
GRI 207:Tax 2019	
207-1 Approach to tax	-
207-2 Tax governance, control, and risk management	-
207-3 Stakeholder engagement and management of concerns related to tax	-
207-4 Country-by-country reporting	-
GRI 301:Materials 2016	
301-1Materials used by weight or volume	-
301-2 Recycled input materials used	Annual Feature
301-3 Reclaimed products and their packaging materials	Annual Feature
GRI 302:Energy 2016	
302-1 Energy consumption within the organization	Resource Management
302-2 Energy consumption outside the organization	Resource Management
302-3 Energy intensity	Resource Management
302-4 Reduction of energy consumption	Resource Management
302-5 Reductions in energy requirements of products and services	-

Disclosure Item	2025
GRI 303:Water and Effluents 2018	
303-1 Interactions with water as a shared resource	Resource Management
303-2 Management of water discharge related impacts	Resource Management
303-3 Water withdrawal	Resource Management
303-4 Water discharge	Resource Management
303-5 Water consumption	Resource Management
GRI 101:Biodiversity 2024	
101-1 Policies to halt and reverse biodiversity loss	-
101-2 Management of biodiversity impacts	Environmental Governance
101-3 Access and benefit-sharing	Ecosystem Protection and Community Collaboration
101-4 Identification of biodiversity impacts	-
101-5 Locations with biodiversity impacts	-
101-6 Direct drivers of biodiversity loss	-
101-7 Changes to the state of biodiversity	-
101-8 Ecosystem services	-
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	Climate Actions
305-2 Energy indirect (Scope 2) GHG emission	Climate Actions
305-3 Other indirect (Scope 3) GHG emissions	Climate Actions
305-4 GHG emissions intensity	Climate Actions
305-5 Reduction of GHG emissions	Climate Actions
305-6 Emissions of ozone-depleting substances (ODs)	Environmental Governance
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Governance
GRI 306:Waste 2020	
306-1 Waste generation and significant waste-related impacts	Environmental Governance
306-2 Management of significant waste-related impacts	Environmental Governance
306-3 Waste generated	Environmental Governance
306-4 Transport of hazardous waste	Environmental Governance
306-5 Water bodies affected by water discharges and/or runoff	Environmental Governance
GRI 308:Supplier environmental assessment 2016	
308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain
308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain
GRI 401:Employment 2016	
401-1 New employee hires and employee turnover	Equality and Diversity
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Equality and Diversity
401-3 Parental leave	Equality and Diversity
GRI 402:Labor/management relations (2016)	
402-1 Minimum notice periods regarding operational changes	-

Disclosure Item	2025
GRI 403:Occupational health and safety 2018	
403-1 Occupational health and safety management system	Employee Health and Vitality
403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Vitality
403-3 Occupational health services	Employee Health and Vitality
403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Vitality
403-5 Worker training on occupational health and safety	Employee Health and Vitality
403-6 Promotion of worker health	Employee Health and Vitality
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health and Vitality
403-8 Workers covered by an occupational health and safety management system	Employee Health and Vitality
403-9 Work-related injuries	Employee Health and Vitality
403-10 Work-related ill health	Employee Health and Vitality
GRI 404:Training and education 2016	
404-1 Average hours of training per year per employee	Employee Health and Vitality
404-2 Programs for upgrading employee skills and transition assistance programs	Talent Training and Development
404-3 Percentage of employees receiving regular performance and career development reviews	-
GRI 405:Diversity and equal opportunity 2016	
405-1 Diversity of governance bodies and employees	Corporate Governance Structure
405-2 Ratio of basic salary and remuneration of women to men	-
GRI 406:Non-discrimination (2016)	
406-1 Incidents of discrimination and corrective actions taken	Equality and Diversity
GRI 407:Freedom of Association and Collective Bargaining 2016	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
GRI 408:Child labor (2016)	
408-1 Operations and suppliers at significant risk for incidents of child labor	Equality and Diversity
GRI 409:Forced or compulsory labor (2016)	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Equality and Diversity
GRI 410:Security Practices (2016)	
410-1 Security personnel trained in human rights policies or procedures	-
GRI 411:Rights of Indigenous Peoples2016	
411-1 Incidents of violations involving rights of indigenous peoples	Giving Back to Society and Communities
413:Local communities 2016	
413-1 Operations with local community engagement, impact assessments, and development programs	Giving Back to Society and Communities
413-2 Operations with significant actual or potential negative impacts on local communities	Giving Back to Society and Communities
414:Supplier social assessment 2016	
414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain
414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain

Disclosure Item	2025
GRI 415:Public Policy (2016)	
415-1 Political contributions	-
GRI 416:Customer health and safety 2016	
416-1 Assessment of the health and safety impacts of product and service categories	Product Quality and Safety
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Safety
GRI 417:Marketing and Labeling 2016	
417-1 Requirements for product and service information and labeling	Product Quality and Safety
417-2 Incidents of non-compliance concerning product and service information and labeling	Product Quality and Safety
417-3 Incidents of non-compliance concerning marketing communications	Product Quality and Safety
GRI 418:Customer privacy 2016	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection

Report Assurance Statement

Independent Verification Statement



Verification Statement: EIV2 077388 0001 Rev. 00

To the management and stakeholders of Shenzhen YUTO Packaging Technology Co., Ltd.,

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by Shenzhen YUTO Packaging Technology Co., Ltd. (hereinafter referred to as "YUTO" or "the Company") to perform an independent third-party verification on YUTO 2025 Sustainability Report (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with YUTO and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on all the data and information collected by YUTO and provided to TÜV SÜD. The scope of verification is limited to the given data and information. YUTO shall be held accountable for the authenticity and completeness of the provided data and information (contains assumptions, projections, and/or historical facts).

Scope of Verification

Time frame of this verification:

- The Report contains the data disclosed by YUTO during the reporting period from 01/01/2025 to 31/12/2025, including environmental, social and governance data and information, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The on-site verification sampling took place at below listed location: Headquarters of YUTO, No.1 Shihuan Road, Shiyuan Street, Bao'an District, Shenzhen, Guangdong

Scope of data and information for the verification:

- The scope of verification is limited to the data and information of YUTO and all companies under its operational control covered by the Report.

The following data and information are beyond the scope of this verification:

- Any relevant data and information beyond the reporting period;
- The data and information of YUTO's suppliers, partners and other third parties; and
- The financial data and information disclosed in the Report that have been audited by an independent third party are not verified again herein.

Limitations

- The verification process is conducted in the above scope. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before 01/01/2025 are beyond the scope of this verification.
- The verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute any guarantee of the credibility or status of the subject of verification.

Page 1 of 3

TÜV SÜD Certification and Testing (China) Co., Ltd. Floor 1-4, Building B, No.37, Tuanjie Road(Middle), Xiahn Economic and Technological Development Zone, Wuxi, Jiangsu, P.R. China

TÜV*

ID: CCB_EIV_F_10.00E_Version 4_Effective Date: 02 Mar 2025 Page 1 of 3

Independent Verification Statement



Verification Statement: EIV2 077388 0001 Rev. 00

Verification Methodology

This verification process was conducted by TÜV SÜD's expert team with extensive experience in environmental, social and governance and other relevant areas and drew the conclusions thereof. The verification conforms to the following requirements:

- International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance
- Sustainability Report Verification Operation Rule (CCB_EIV_GR_002E Rev04)

In order to perform adequate verification in accordance with the contract and relevant assurance standards, and provide reliable verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before on-site verification;
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site verification review of all supporting documents, data and other information provided by YUTO; tracing and verification of key performance information;
- Special interview with the representative of YUTO's management; and held interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe that the data and information presented in YUTO's report are objective, factual and reliable, without systematic problems.

The verification team has drawn the following conclusions on this Report:

Inclusivity	YUTO has fully identified its internal and external stakeholders, including government and regulatory authorities, shareholders and investors, customers, employees, suppliers and partners, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders.
Materiality	YUTO has established the identification and prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, and disclosed the governance structure, management approach as well as sustainability performance in corporate operation, therefore the Report's adherence to materiality principle is guaranteed.
Responsiveness	Addressing stakeholder concerns, YUTO provides transparent disclosure on its management approaches and performance regarding high-materiality issues, including response to climate change, energy management, product quality, supplier management, and anti-bribery management mechanism—while establishing a communication mechanism, to fully respond to the demands and expectations of stakeholders.
Impact	YUTO has established a Strategic and Sustainable Committee to monitor and guide the Company's efforts in the areas of environmental, social and governance. The Company has implemented a process of material topics impact assessment, based on a comprehensive and balanced understanding, measuring the impact on stakeholders and the organization itself, and disclosing the relevant impact.

Page 2 of 3

TÜV SÜD Certification and Testing (China) Co., Ltd. Floor 1-4, Building B, No.37, Tuanjie Road(Middle), Xiahn Economic and Technological Development Zone, Wuxi, Jiangsu, P.R. China

TÜV*

ID: CCB_EIV_F_10.00E_Version 4_Effective Date: 02 Mar 2025 Page 2 of 3

Independent Verification Statement



Verification Statement: EIV2 077388 0001 Rev. 00

Recommendations on Continuous Improvement

- The auditors have conveyed the improvement suggestions to the management of YUTO during the verification process.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. Through expert teams represented by more than 28,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD Certification and Testing (China) Co., Ltd is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and YUTO are two entities independent of each other and both TÜV SÜD and YUTO and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by YUTO. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of this Independent Verification Statement.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.

Wenjun Zhu
TÜV SÜD Certification and Testing (China) Co., Ltd. Technical Certifier
Shanghai, China, 15/04/2026

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement" of this verification statement shall prevail, English translation are used for reference only.

Page 3 of 3

TÜV SÜD Certification and Testing (China) Co., Ltd. Floor 1-4, Building B, No.37, Tuanjie Road(Middle), Xiahn Economic and Technological Development Zone, Wuxi, Jiangsu, P.R. China

TÜV*

ID: CCB_EIV_F_10.00E_Version 4_Effective Date: 02 Mar 2025 Page 3 of 3

Feedback Form

Dear Reader:

Thank you very much for reading this report. We highly value your feedback and look forward to hearing from you on this report. Your opinions and suggestions are an important driving force for us to continuously improve the quality of ESG disclosure, and to deepen ESG management and practices. We sincerely welcome and greatly appreciate your participation and support!

1. Your overall evaluation of our ESG management and practices is:

Very good Good Average Poor Bad

2. Your overall evaluation of this report is:

Very good Good Average Poor Bad

3. How do you think we are doing in stakeholder communication?

Very good Good Average Poor Bad

4. How do you think we perform in corporate governance?

Very good Good Average Poor Bad

5. How do you think we perform in environmental protection?

resource management and Climate Change Actions?

Very good Good Average Poor Bad

6. How do you think we perform in product quality management?

Very good Good Average Poor Bad

7. How do you think we perform in supply chain security management?

Very good Good Average Poor Bad


8. How do you think we perform in employee rights protection and occupational health management?


Very good Good Average Poor Bad

9. What comments and suggestions do you have regarding our ESG performance and this report?

Should you have any feedback or suggestions, please contact us via the following address:

 Mailing Address: No. 1 Shihuan Road, Shiyan Street, Bao'an District, Shenzhen City, Guangdong Province

 Company Website: <http://www.szyuto.com>

 Email: sustainability@szyuto.com



YUTO Group



YUTO