WILLFAR® 威胜信息
WILLFAR INFORMATION

2024

Environmental, Social and Governance (ESG) Report

Introduction

This report is the 4th Environmental, Social and Governance ("ESG") Report released by Willfar Information Technology Co.,Ltd ("Willfar Information" "the Company" or "we") for the purpose of disclosing Willfar Information's practices and performance in ESG to all stakeholders.

Contact Information

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Report Scope

The organizational scope of this report covers Willfar Information and its subsidiaries, consistent with the Company's Annual Report for 2024.

The time scope of this report is from January 1, 2024 to December 31, 2024 ("reporting period"). To enhance the comparability of the report, some content traces back historical information.

Report Basis

The Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies-Sustainability Report (Trial)

The Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards)

The United Nations Sustainable Development Goals (SDGs)

The China Corporate Sustainability Reporting Guidelines (CASS-ESG 6.0)

Data Explanation

The data and information in this report are derived from internal company documents, statistical reports, etc. Unless otherwise specified, the denominated currency of the financial data covered in this report is RMB

Reliability Statement

This report was confirmed by the Board Strategic & ESG Committee and subsequently approved by the Board of Directors on February 27, 2025. Willfar Information hereby declares that this report contains no false records or misleading statements. To further ensure the authenticity and reliability of the report, we have engaged Pan-China Certified Public Accountants LLP to conduct independent third-party assurance on this report.

Report Release

This report is released in electronic form and can be accessed on the website of Shanghai Stock Exchange (www.sse.com.cn), the official website of Willfar Information (http://www.willfar.com) and the official WeChat account of Willfar Information. This report is available in both Simplified Chinese and English for readers' reference. In case of any discrepancies, the Chinese version shall prevail.

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Preface

In today's world, where the global economy is undergoing profound transformation and sustainable development has become the mainstream of the times, Willfar Information, as a leading provider of Energy Internet of Things (IoT) solutions, adheres to the development strategy of "Connecting the World with IoT, Connecting the Future with Core Technologies." We actively engage in ESG practices, and makes every effort to promote towards a new journey of high-quality development, and aspires to become a model of sustainable development in the industry.

Company Profile

Willfar Information Technology Co., Ltd. was established in 2004 and is one of the earliest enterprises specializing in the Energy IoT in China. It is also a high-tech enterprise and a national-level specialized, refined, unique, and innovative enterprise. It was listed on Shanghai Stock Exchange Science and Technology Innovation Board ("SSE STAR Market") (Stock Code: 688100.SH) on January 21, 2020.

As a leading provider of comprehensive digital energy solutions, Willfar Information adopts the development strategy of "Connecting the World with IoT, Connecting the Future with Core Technologies." We have established a core competitive edge integrating the IoT, chips, and artificial intelligence. We are firmly committed to an innovation-oriented approach, focusing on the frontiers of science and technology, addressing major national demands, and targeting the main economic battlefield. We are resolutely advancing our "Internationalization Strategy" to accelerate global expansion and strive to become a world-leading provider of intelligent and digital energy solutions.

Corporate Culture

Corporate Purpose
Perfect work with passion, and success achieved with integrity

⊙ Create values for shareholders with sustained competitive advantage and profitability as a whole.

⊙ Create value for users by providing more accurate, reliable and intelligent system solutions and services.

⊙ Create values for employees with just and decent wages, welfare and occupational development.

⊙ Create values for suppliers by long-term cooperation and co-development based on mutual creation and sharing.

⊙ Create values for our country through our increasingly tax contribution and the industry leadership.

⊙ Create value for the industry by continuously promoting the construction of Energy IoT and the digitalization of comprehensive urban governance capacity with exceptional insights into information technology and robust capabilities in Energy IoT.

Corporate Mission

Striving to be the most reliable expert on smart city and energy internet of things through our outstanding information dialysis power and strong driving power on energy internet of things so as to benefit every city, every community, every enterprise and every family by using our products, technologies and services.

Corporate Spirit
Be cohesive, ambitious, down-to-earth and creative

To utilize the most of one's talent and duly perform one's job duty; helping and learning from each other with mutual understanding and concession.

To fear not any competition and dare to win; To fear not any challenge and be bold to surpass.

To treat others honestly and work in a pragmatic way; find out and seek truth from facts.

To have bold ideas and verify them carefully; willing to make innovations and create values.

Social Recognition

- Inclusion in the SSE STAR Market ESG Index
- **Inclusion in the SSE STAR Market Artificial Intelligence Index**
- Inclusion in the SSE 380 Index
- **Inclusion in the SSE STAR Market 100 Index**

ESG Management

- Wind ESG Rating "A" Level
- Huazheng ESG Rating "A" Level
- Selected into the "ESG Best Practice Cases of Listed Companies" by the China Association for Public Companies (CAPCO)
- Cailian Press "Best ESG Award"
- Top 100 A-Share Listed Companies with the Best ESG Rating Improvement by Huazheng in 2024
- Best ESG Practice by New Fortune Magazine in 2024
- ESG Golden Dawn Award for Best ESG Practice Enterprises by China Securities Market Weekly in 2024

Technological Innovation

- National-Level Specialized, Refined, Unique, and Innovative "Little Giant" Enterprise
- National Intellectual Property Advantage Enterprise
- China Patent Excellence Award
- The 19th "China Chip" Excellent Market Performance Product for 2024
- The Highest AAA-level Certification of the Integration of Informatization and Industrialization Management System in 2024 by the Ministry of Industry and Information Technology
- Top 100 Internet Companies in China by Comprehensive Strength in 2024
- Top 50 Chinese Listed Companies in New Quality Productive Forces
- Technology Progress Award by China Electric Power Research Institute Ranked on the "China Brand Value Evaluation Information
- List - Electronic and Electrical Brand Value List"
- Top 30 Internet Companies in Hunan Province by Comprehensive Strength in 2024
- Key Software Enterprise in Hunan Province in 2024
- Top 100 Enterprises in Hunan Xiangjiang New Area in R&D Investment for 2024
- Newly Recognized Provincial Innovation Platforms in Hunan Xiangjiang New Area in 2024

Environmental Protection

- National-Level "Green Factory"
- National-Level Green Supply Chain Management Enterprise
- "Xinhua Credit Jinlan Cup" Excellent Cases on Carbon Peak and Carbon Neutrality
- Director Unit of Hunan Green Manufacturing Industry Federation

Social Responsibility

- National Model Enterprise for the Creation of Harmonious Labor Relations
- Top 50 Employers in Job Absorption for 2023
- Class A Unit in Labor Protection, Law Compliance, and Integrity in 2023
- Recognized as an A-level Tax Credit Enterprise for 19 consecutive years
- Top 100 High-Tech Enterprises in Hunan Province in Tax Contribution in 2023
- Top 100 Private Enterprises in Hunan Province in Tax Contribution for 2023
- Top 50 "Specialized, Refined, Unique, and Innovative" Small and Medium-Sized Enterprises in Hunan Province in Tax Contribution for 2023
- Top 100 Taxpaying Enterprises in Xiangjiang New Area, Hunan Province in 2024
- Top 100 Taxpaying Enterprises in Xiangjiang New Area, Hunan Province in 2023

Corporate Governance

- Consecutive Two-Year Highest A-Level Rating for Information Disclosure by the SSE
- Best Practice of the Board of Directors by the CAPCO
- Best Practice of Earnings Presentation by the CAPCO
- Best Practice of the Board Office by the CAPCO
- Golden Bull Award - Golden Disclosure Award by China Securities Journal
- Annual Top Growth Enterprises among China A-Share Listed Companies in 2024
- Top 30 Valued Companies on the STAR Market
- The Best Listed Companies of 2024 by New Fortune Magazine

Participation in Industry Associations

Association Name	Membership Level
IEEE (Institute of Electrical and Electronics Engineers)	Senior Member
IEEE Power & Energy Society	Member
Wi-SUN Alliance	Member
G3 Alliance	Member
Global Energy Interconnection Development and Cooperation Organization	Member
China Energy Research Society	Executive Director
China Electricity Council	Director
Chinese Society for Measurement	Director
National Technical Committee for Standardization of Electrical Measuring Instruments — Subcommittee on Measuring Equipment for Electrical and Electromagnetic Quantities, Subcommittee on Equipment for Electrical Energy Measurement and Load Control	Member
China Enterprise Confederation	Group Member
Internet+ Development Association of China	Member
China Association for Quality	Member
China Instrument Manufacturer Association	Member
China Electricity Council Integrated Circuit Standardization Technical Committee	Member

Association Name	Membership Level
Carbon Neutrality and New Materials Professional Committee of China Electricity Technology Market Association	Vice President
China Urban Water Association	Director
China Smart Distribution and Internet of Things Innovation Alliance	Deputy Group Leader
Boao New Power System Special Committee	Member
China Metrology Association Water Meters Working Committee	Member
EPTC Smart Distribution Expert Working Committee	Member
Equipment and Materials Working Committee of China Urban Water Association	Member
Hunan Provincial Government Procurement Association	Executive Vice President
Hunan Enterprises and Industrial Economy Federation Hunan Province Enterprises and Industrial Economy Federation	Vice President
Hunan Entrepreneurs Association	Vice President
Hunan Provincial Instrument and Meters Association	Chairman
Mobile Internet Association of Hunan Province	Vice Chairman
Hunan Information and Communication Industry Association Internet of Things Special Committee	Vice Chairman
Water Meter and Gas Meter Professional Committee of Hunan Provincial Instrument and Meters Association	Deputy Director
Hunan Association for Campus Management	Executive Director
Hunan Software Industry Association	Executive Director
Hunan Electric Power Industry Association	Director
Hunan Internet Society	Director
Hunan Green Manufacturing Industry Federation	Director
Hunan Urban and Rural Construction Industry Association Water Supply Branch	Director
Xinjiang Urban Water Association	Director
Hunan Urban and Rural Construction Industry Association Drainage Branch	Special Committee
Hunan Electrical Engineering Society	Member
Hunan Association of Automation	Member
Hunan Semiconductor Industry Association	Member
Hunan Provincial Electricity Market Management Committee	Member
Hunan Province Artificial Intelligence Industry Innovation Alliance	Member
Hunan Sensor Industry Promotion Association (2021-2025)	Member
Hunan Kunpeng Computing Industry Technology Innovation Strategic Alliance	Member
Hunan Trademark and Brand Association	Member
Hunan Contract Compliance and Credit Association	Member
Fujian Digital Economy Industry Ecological Alliance	Member
Shenzhen Water Association	Member
Gansu Water Association	Member
GuangXi Urban Water Association	Member
GuangDong Water Supply Association	Member
Yunnan Water Supply Association	Member
Fujian Urban and Rural Water Affairs Association	Member
Hunan Provincial Joint Research Center for New Power System Development	Participating Unit

System Certification

Certification Standard	Field of Certification	Certification Body
GB/T 19001-2016/ISO 9001:2015	Quality Management System	DNV (Det Norske Veritas)
GB/T 24001-2016/ISO 14001:2015	Environmental Management System	World Standards For Certification Center Inc.
GB/T 45001-2020/IS0 45001:2018	Occupational Health and Safety Management System	World Standards For Certification Center Inc.
CMMI MATURITY LEVEL-5	CMMI5 Capability Maturity Model Integration for Development	CMMI Institution Partner – Guangzhou Tongbang Information Technology Co., Ltd.
GB/T 19022-2003/ISO 10012:2003	Measurement Management System	Beijing Zhong An Zhi Huan Certification Center Co., Ltd.
GB/T 23331-2020/ISO 50001:2018 RB/T 101-2013 RB/T 119-2015	Energy Management System	China Quality Mark Certification Group
GB/T 22080-2016/ISO/IEC 27001:2013	Information Security Management System	World Standards For Certification Center Inc.
ISO/IEC 20000-1:2018	Service Management System	Kiwa BCC
GB/T 27922-2011	(Five-Star) After-Sales Service System	ZXSI Standard Certification Co., Ltd.
GB/T 27922-2011 GB/T 16868-2009 SB/T 11052-2013	(Seven-Star) The Level of Completeness of After-Sales Service	ZXSI Standard Certification Co., Ltd.
ANSI/ESD S20.20-2021	Electrostatic Discharge (ESD) Control System	China Electronic Antistatic Equipment Association
ISO 28000:2022	Supply Chain Security Management System	Shenzhen Guoxintong Certification Co., Ltd.
GB/T 23001-2017 GB/T 23006-2022	Integration of Information and Industrialization Management System AAA	China Classification Society Certification Co., Ltd.
GB/T 29490-2023	Intellectual Property Management System	Bochuang Zhongcheng (Beijing) Certification Services Co., Ltd.
GB/T 39604-2020	Social Responsibility Management System	World Standards For Certification Center Inc.
GB/T 32161-2015	Green Design Product Evaluation	Shenzhen Guoxintong Certification Co., Ltd.
T/CIECCPA 060-2023	Carbon Neutrality Management System	Best Certification Co., Ltd.
Q/BSTRZ 012-2024	Green Transport Enterprises Management System	Best Certification Co., Ltd.
Q/BSTRZ 011-2024	Green Packing Managemen System	Best Certification Co., Ltd.

International Certification

Certification Standard	Field of Certification
Global CMMI Level 5 Certification for Software Maturity	Others
CE-RED EU Radio Equipment Directive Certification	Certifications for Grid and Communication
Wi-SUN FAN International Standard Certification	Certifications for Grid and Communication
SGS Precision Certification	Certifications for Grid and Communication
CNAS Type Certification	Certifications for Grid and Communication
CNAS Conformity Assessment Certification	Certifications for Grid and Communication
EU G3 Conformity Testing Certification	Certifications for Grid and Communication
FCC Certification (US)	Certifications for Grid and Communication
NOM Metrology Certification (Mexico)	Certifications for Grid and Communication
Anatel Certification Standards (Brazil)	Certifications for Grid and Communication
IFT Certification (Mexico)	Certifications for Grid and Communication
OIML R49 Certification	Certifications for Smart Water Meter and Gas Meter
MID Certification	Certifications for Smart Water Meter and Gas Meter
SGC IP68 Dustproof and Waterproof Certification	Certifications for Smart Water Meter and Gas Meter
ISO 4064 Certification	Certifications for Smart Water Meter and Gas Meter
WRAS Water Safety Certification	Certifications for Smart Water Meter and Gas Meter
OMS Communication Compliance Certification	Certifications for Smart Water Meter and Gas Meter
STS Prepaid Product Certification	Certifications for Smart Water Meter and Gas Meter
LoRaWAN Certification	Certifications for Smart Water Meter and Gas Meter
CE Safety Certification	Others
EMC Certification	Others
SQM (Saudi Quality Mark) Factory Certification from SASO (Saudi Standards, Metrology, and Quality Organization) obtained by Winmeter Energy's Factory	Others

2024 Key Performance Highlights

2.75 billion yuan
Operating Revenue

+23.35%
Year-on-Year Growth

631 million yuan
Net Profit Attributable to the Parent Company

+20.07%
Year-on-Year Growth

22.98%
Net Profit Margin Attributable to the Parent Company

Return on Equity (ROE)
20.39%
grow by 1.47 percentage points compared to last year

26.66%
Total Shareholder Return (TSR)

220 million yuan
Total Annual Tax Payments

40%
Cash Dividend Payout Ratio

Repurchase and Cancellation
8.31 million shares
(representing 1.66% of the total share capital)
Equivalent to approximately 200 million yuan in cash dividends

900 million yuan
Cumulative Dividends Distributed, Repurchased, and Cancelled Since IPO

17.15%
Compound Annual Growth Rate (CAGR) of Revenue Since IPO

23.74%
Compound Annual Growth Rate (CAGR) of Net Profit Since IPO

3,063.83 tCO2e
Total Greenhouse Gas Emissions (Scope 1 + Scope 2)

15.25%
Year-on-Year Decrease

0.01 tCO2e/ ten thousand yuan of annual revenue
Greenhouse Gas Emission Intensity (Scope 1 + Scope 2)

As of January 31, 2025
323 million yuan
Cumulative Repurchase Amount

As of January 31, 2025
13.02 million shares
Cumulative Number of Repurchased Shares

241 million yuan
R&D Investment

5.95%
Year-on-Year Growth

51.34%
Percentage of R&D Personnel

700+
Accumulated Patents Granted

42.86%
Percentage of Female Directors, Supervisors, and Senior Executives

100%
Employee Integrity Commitment Letter Signing Rate

46.83 Hours per Person
Average Training

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Transparent Governance and Standardized Operations

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

As a company committed to innovation and sustainable development listed on the SSE STAR Market, Willfar Information has established robust corporate governance as the cornerstone of our stable operations. By building a transparent and efficient governance framework, we adhere to compliance and lawful operations while continuously optimizing mechanisms to protect shareholder rights. Simultaneously, we prioritize investor relations management, committing to transparent and accessible communication, and pioneering innovative practices in information disclosure to empower investors with deeper insights into our business.

Looking ahead, we remain steadfast in modernizing governance capabilities through four strategic pathways "ensuring shareholder rights protection, innovating governance mechanisms, upgrading risk prevention systems, and deeply integrating ESG principles." These efforts will further solidify our governance foundation to deliver sustainable long-term returns for investors.

1.Strengthening Corporate Governance

1.1 Operation of Shareholders' Meeting, Board of Directors and Supervisory Board

2. Stable and Compliant Operation

2.1 Compliance and Risk Management
2.2 Paying Taxes in Accordance with the Law
2.3 Adhering to Business Ethics

3. Commitment to High-Quality Information Disclosurevz

3.1 Enhancing the Standardization of Information Disclosure
3.2 Improving the Effectiveness of Information Disclosure

4.Valuing Investor Relations Management

4.1 Optimizing Investor Relations
4.2 Enhancing the Internationalization of Investor Relations
4.3 Focusing on Investor Returns

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Strengthening Corporate Governance

1.1 Operation of Shareholders' Meeting, Board of Directors and Supervisory Board

Willfar Information strictly complies with the requirements of laws and regulatory documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Corporate Governance Standards for Listed Companies, the Administrative Measures for Independent Directors of Listed Companies, the Listing Rules of SSE STAR Market, and the Self-Regulatory Guidelines No. 1 for SSE STAR Market – Standardized Operation and other regulatory requirements. We have improved the Articles of Association, optimized the corporate governance structure and enhanced standardized operation based on the actual situation of the Company.

▦ Organizational Structure

Strategic & ESG Committee	Shareholders' Meeting
Audit Committee	
Nomination Committee	Board of Directors — Supervisory Board
Remuneration & Evaluation Committee	
	Senior Management
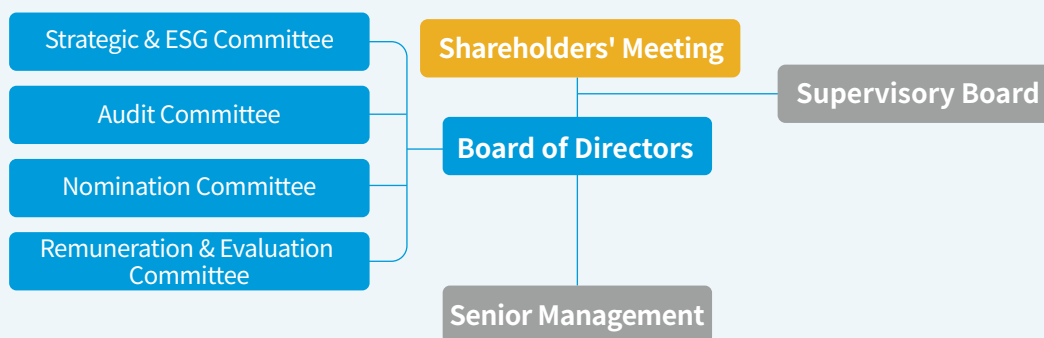
The Shareholders' Meeting serves as the supreme authority, the Board of Directors acts as the decision-making body, the Supervisory Board functions as the oversight entity, and the Senior Management executes the operations. Each of these four bodies is responsible for its own duties and exercises its powers in accordance with laws and regulations.

Furthermore, we have integrated the concept of sustainable development into our corporate governance and built a four-tier ESG governance structure that includes the Board of Directors, the Strategic & ESG Committee, the Sustainable Development ESG Working Group, and various departments, forming a complete closed-loop from strategic planning to specific execution.

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Shareholders' Meeting

Willfar Information strictly convenes shareholders' meetings in compliance with applicable laws, regulations, the Articles of Association, and the Rules of Procedure for Shareholders' Meetings. Standardized voting procedures are implemented for agenda items, accompanied by a well-established voting mechanism specifically designed for minority investors. This framework ensures all shareholders fully exercise their rights, with particular attention given to the will and demands of minority investors, thereby substantively safeguarding their interests.

During the reporting period, Willfar Information held 4 shareholders' meetings. In addition to the annual shareholders' meeting, the main agenda items for the extraordinary shareholders' meetings were as follows:

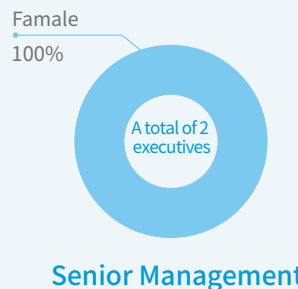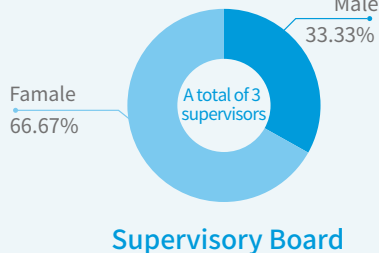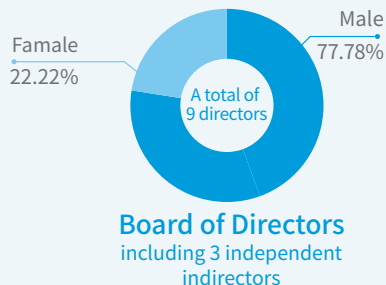|	
First Employee Share Ownership Plan	Aimed at fully mobilizing the enthusiasm and creativity of employees, strengthening the mechanism for the management and shareholders to share responsibilities and benefits, stimulating the management's enthusiasm and creativity, and promoting Willfor Information's long-term stable development.
The Proposal to Alter the Purpose of Repurchased Shares and to Cancel and Reduce the Registered Capital	We wrote off 8.3148 million shares that had been repurchased to respond to the policy initiatives, which effectively increase earnings per share and enhance shareholders' return on investment.
The Proposal for Willfar Information and the Subsidiaries to Purchase Assets and Related Party Transactions	To meet the needs for capacity expansion and international development, Willfar Information planned to acquire land and factory buildings from related parties on the basis of convenience and fair pricing.

All the above proposals have been approved (with affiliated shareholders abstaining themselves from voting on the related party transaction proposals).

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Structure of Directors, Supervisors, and Senior Management

Board of Directors
including 3 independent
indirectors

Famale 22.22%
Male 77.78%
A total of 9 directors

Supervisory Board

Male 33.33%
Famale 66.67%
A total of 3 supervisors

Senior Management

Famale 100%
A total of 2 executives

Board of Directors

During the reporting period, Willfar Information held a total of 8 board meetings, with an attendance rate of 100%. A total of 37 proposals were reviewed and approved.

Willfar Information has once again been selected as a "Best Practice Case" for listed company boards in 2024, thanks to the outstanding performance of the Board of Directors in standardized operations and innovative development over the long term.

Board Diversity

We have established an international Board of Directors with diversified professional backgrounds and complementary skill sets. The board consists of 9 directors, including 3 independent directors and 2 female directors. Each board member possesses extensive experience in areas such as enterprise management, business operations, technical expertise, risk & compliance, finance, and audit & internal control. Considering the company's need for international development and the characteristics of the Energy IoT industry, we not only recruited a professional independent director candidate from the accounting field but also appointed a scholar from the field of electrical engineering as an independent director, along with a Singaporean economist and financial expert as an independent director.

Role of Independent Directors

Independent directors are the promoters of optimization in corporate governance structure, the supervisors of the corporate standardized operations, and the protectors of the interests of minority investors. We have established an independent director system, actively assisted the Board of Directors in communicating with independent directors, and equipped independent directors with a specialized workspace to help them complete their duties. The 3 independent directors are experts and scholars in the fields of finance, electrical engineering and economics. The independent directors review various proposals and offer suggestions from their professional perspectives, thereby enhancing the fairness and scientific nature of decision-making.

In addition, the Board of Directors has established 4 specialized committees to refine functional responsibilities and enhance decision-making efficiency. Among these, the Audit Committee, the Nomination Committee, and the Remuneration & Evaluation Committee accounted for 2/3 of the independent directors.

Supervisory Board

The Supervisory Board consists of 3 supervisors, including 2 supervisors nominated by the shareholders and elected by the Shareholders' Meeting, and 1 supervisor representing employees and elected by the employee representative assembly. The Supervisory Board is independent of the Board of Directors and the management, and it oversees the company's financial condition, internal control systems, and the behavior of directors and senior management.

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Stable and Compliant Operations

2.1 | Compliance and Risk Management

Willfar Information strictly adheres to laws, regulations, and relevant industry standards. Through the establishment of sound compliance management system, we ensure that all our business operations comply with legal requirements and prevent legal risks. We uphold compliance as the benchmark and take "Professionalism, Dedication, Integrity, and Innovation" as our guiding principles. We continuously refine our internal control system, conduct regular risk identification, and promote sustainable, coordinated, and healthy development.

We convey the importance of compliance to our employees through various channels, actively cultivate a compliance culture, carry out compliance activities, and organize compliance training. All these measures enhances the legal awareness and ethical standards of our staff, creating an atmosphere where everyone values compliance and adheres to rules in everything they do.

Enhancing Compliance Awareness for Sustainable Development

◉ In order to enhance the level of compliance management, in 2024, we organized actual controlling shareholders, directors, supervisors, and senior management to participate in trainings related to laws and regulations, as well as the relevant provisions of the stock exchange.

External training: We organized the chairman, directors (including independent directors), supervisors, and senior management to participate 9 training sessions for listed companies, hosted by the SSE, CAPCO and the Hunan Association for Public Companies.

Internal training: Specially designed training sessions for controlling shareholders, directors, supervisors, and senior management. A total of 17 online and offline compliance training sessions were organized to enhance the management's understanding of policies and regulations and to improve their ability to perform their duties effectively.

Targeting specific areas such as financial training, information disclosure, tiered training for securities representatives, and corporate bonds and asset securitization business, we have arranged for senior management and heads of various functions to attend training sessions organized by the SSE, CAPCO, and the Hunan Association for Public Companies, aiming to further enhance their compliance awareness and professional competence.

◉ We compiled and interpreted the latest regulatory policies, market rules, and relevant laws and regulations on a quarterly basis, compiling them into a booklet for the company's "key minority" personnel, which facilitated the "key minorities" understanding of their responsibilities in information disclosure, reporting of material matters, and management of insider information and guided all employees to establish compliance mindset, leading towards sustainable development based on compliance.

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The Three Lines of Defense in Compliance Management

Third Line of Defense:
Audit & Inspection Department

Second Line of Defense:
Compliance Department

First Line
of Defense:
**Business
Department**

Audit & Inspection Department
Conduct independent evaluation and audit of the effectiveness, appropriateness and adequacy of the compliance management system

Compliance Department
Organize compliance risk identification and assessment, and take mitigation actions in a timely manner

Business Department
Ensure that business activities comply with laws, regulations and internal policies and follow professional ethics

Willfar Information strictly conducts compliance management in accordance with the Company Law of the People's Republic of China, the Listing Rules of the SSE STAR Market, the Basic Standards for Enterprise Internal Control and supporting guidelines, as well as other relevant laws and regulations. Our practices are structured through a dual assurance mechanism. For internal oversight, we fully leverage internal audit functions to ensure effective implementation of internal control systems, while strengthening the identification and assessment of compliance risks; for external verification, we regularly engage independent auditing firms to conduct special audits evaluating the establishment and execution of our internal control framework. Furthermore, the Audit Committee under the Board of Directors exercises rigorous supervision over both internal and external audit processes, thereby safeguarding the legitimate rights and interests of the Company and all shareholders.

2.2 Paying Taxes in Accordance with the Law

Willfar Information adheres to the tax management objectives of compliance, legality, and integrity in its operations. We strictly comply with tax laws and regulations and earnestly fulfill our tax obligations as a corporate citizen. We actively communicate with tax authorities, conduct cross-border tax consultations, reduce cross-border tax risks, and enhance our competitiveness in the international market.

◉ Total tax paid in 2024: **220** million yuan
◉ Cumulative tax paid since listing: **850** million yuan
◉ Rated as an **A-level** tax credit enterprise for **19** consecutive years
◉ Top 100 Private Enterprises in Hunan Province in Tax Contribution for 2023
◉ Top 100 High-Tech Enterprises in Hunan Province in Tax Contribution for 2023
◉ Top 50 "Specialized, Refined, Unique, and Innovative" Small and Medium-Sized Enterprises in Hunan Province in Tax Contribution for 2023
◉ Top 100 Taxpaying Enterprises in Xiangjiang New Area, Hunan Province in 2023

二O二三年度
湖南省民营企业税收贡献百强

湖南省财政厅　国家税务总局湖南省税务局　中共湖南省委宣传部
湖南省工商业联合会　湖南省科学技术厅　湖南省工业和信息化厅　湖南省市场监督管理局

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Cross-Border Taxation Salon for "Go Global" Enterprises

The first Cross-Border Taxation Salon for "Go Global" Enterprises was held at the Willfar Technology Park, which was hosted by Hunan Tax Bureau of State Administration of Taxation and Hunan Xiangjiang New District Tax Bureau, and organized by Willfar Information.

During the event, experts and enterprise representatives engaged in in-depth dialogue and interactions through special lectures, experience sharing, and roundtable discussions. Participants focused on topics such as common tax-related risk prevention and control for "Go Global" enterprises, international tax management, and collectively explored issues related to cross-border taxation.

2.3 \ Adhering to Business Ethics

Fair Competition

Willfar Information strictly complies with the Anti-Monopoly Law of the People's Republic of China the Anti-Unfair Competition Law of the People's Republic of China and the regulations in overseas jurisdictions. We adhere to market competition rules, advocate a business environment that promotes fair competition, and oppose all forms of unfair competition.

Integrity Building

Willfar Information regards integrity building as the our lifeline. We strictly prohibit any form of bribery and corrupt practices. Through the establishment of a sound system of regulations, strengthening of supervisory mechanisms, and enhancement of employee education and cultural development, we strive to ensure that all business activities are conducted in accordance with the principles of honesty and transparency.

We have formulated the Employee Handbook and other internal policies to guide and regulate the behavior of our employees in accordance with laws and regulations related to anti-corruption and anti-fraud and have carried out integrity education. In 2024, all employees signed the Letter of Integrity and Self-Discipline Commitment, and there were no corruption lawsuits involving the Company or the employees.

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Ten Prohibitions

❶ It is prohibited to bribe or ask for bribe to or from customers, cooperative partners or government officials in the name of information fee, consultancy fee, rebate or commission.

❷ It is prohibited to accept any funds or material objects against the regulation by using the advantage of one's position from the suppliers and any cooperative partners, not even asking for bribery.

❸ It is prohibited to bribe or ask for bribery or accept bribery with any excuse or in any form within the company.

❹ It is prohibited to provide fraud commercial information in any titles or forms and to make any over-commitment.

❺ It is prohibited to use information provided by the company to take advantage or cheat customers, cooperative partners, superiors and subordinates.

❻ It is prohibited to illegally steal, use or leak the commercial secrets of the company.

❼ It is prohibited to infringe the intellectual property of the company or any third party such as copyrights, trademarks or patents. It is not allowed to use computer software which is not legally authorized.

❽ It is prohibited to use the company's property, information or authority to engage into any commercial investment or seek any illegal profit for himself/herself or his/her relatives.

❾ It is prohibited to hold directly or indirectly any share, do part-time job or enter into any economic cooperation in same or similar companies in the industry during his/her employment or competition period without the permission of the company.

❿ It is prohibited to be engaged in any form of discrimination and sexual harassment.

Whistleblower Management

To maintain a healthy corporate environment, we have established the Employee Complaint and Whistleblower Management Measures. Employees and partners who are aware of any suspected cases of corruption, bribery, fraud, or other misconduct can report anonymously or in real name through the following ways. We will strictly protect the privacy and safety of the whistleblowers.

✉ Email: hr@willfar.com

📞 Phone: 0731-88619542

03

Commitment to High-Quality Information Disclosure

3.1 Enhancing the Standardization of Information Disclosure

Willfar Information has formulated the Information Disclosure Management Measures in strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administration Measures of Information Disclosure for Listed Companies and the Listing Rules of SSE STAR Market etc., to regulate the information disclosure behaviors and protect the legitimate rights and interests of the investors and other stakeholders.

We adhere to the principles of "truthfulness, accuracy, completeness, timeliness, and fairness," ensuring that the disclosed information truly reflects the situation and eliminating any false records or misleading statements. We also disclose significant events in a timely manner within the prescribed period and moderately release regular reports ahead of schedule, allowing all investors to access information on an equal basis. Meanwhile, we actively organize professional training for directors, supervisors, and senior management to enhance the compliance capabilities of key personnel.

- Awarded the highest A-level by the SSE for 2 consecutive years for information disclosure since the STAR Market initiated its information disclosure evaluation in 2023

- Awarded Best Practice of the Board Office by the CAPCO.

- Awarded the China Securities Journal Golden Bull Award – Golden Information Disclosure Award..

In 2024, we organized 26 training sessions to controlling shareholders, directors, supervisors, and senior management, mainly including:

Internal training: Specially designed training sessions for controlling shareholders, directors, supervisors, and senior management.

External training: Facilitated the participation of directors, supervisors, and senior management in external training organized by institutions such as the SSE, CAPCO and the Hunan Association for Public Companies.

Targeting specific areas such as financial training, information disclosure, tiered training for securities representatives, and corporate bonds and asset securitization business, we have arranged for senior management and heads of various functions to attend training sessions organized by the SSE, CAPCO, and the Hunan Association for Public Companies, aiming to further enhance their compliance awareness and professional competence.

We have established the Insider Information Registrant Management Measures to regulate the management of insider information, enhance the confidentiality of insider information, and maintain the principle of fairness in information disclosure.

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3.2 \ Improving the Effectiveness of Information Disclosure

Willfar Information actively promote voluntary information disclosure, and release information relevant to investors' value judgments and decision-making in a timely manner. By integrating industry regulations and market trends, we proactively disclose operational information to help investors better understand our business.

We are committed to driving diversified innovations in the forms of information disclosure. We focus on ensuring clear and concise content presentation with easy-to-understand language, while employing multimedia formats such as graphics, texts, and videos. This multi-dimensional approach aims to enable investors to gain comprehensive insights into corporate operations and effectively reduce market information barriers.

A total of **68** announcements were issued throughout 2024, including **14** voluntary announcements, specifically:

- ⊘ 2 announcements related to "Quality Improvement, Efficiency Enhancement, and Returns Importance"
- ⊘ 1 ESG report
- ⊘ 11 bid-winning announcements

Innovative Multi-Channel Disclosure to Build a Bridge of Trust

Visualization

We released "one chart to understand" to provide a visual interpretation of our periodic reports. We published annual report interpretation videos to help investors better understand our operating results, financial condition, and development strategies.
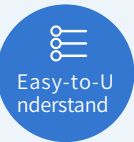
Easy-to-Understand

Avoided overly technical terms and employ straightforward language to make the announcements easier for investors to understand.

Internationalization

In February 2024, in response to the initiative of the SSE, Willfar Information released the first bilingual (Chinese and English) action plans for "Quality Improvement, Efficiency Enhancement, and Returns Importance". In April 2024, we issued bilingual (Chinese and English) ESG report of 2023. Concurrently, we actively collaborated with analysts with overseas influence to issue English research reports, aiming to enhance their understanding of our business operations and market potentials.

04

Valuing Investor Relations Management

4.1 Optimizing Investor Relations

Willfar Information has long attached great importance to investor relations management. We have established diversified and efficient communication channels to ensure the timely dissemination of corporate information. Additionally, as investors' awareness and attention to public opinion have increased, we have formulated the Public Opinions Management Measures, which enables us to continuously monitor and address market opinions, maintain open communication channels across all platforms, minimize misinterpretations and misjudgments, and effectively protect the legitimate rights and interests of investors.

◉ Willfar Information fully utilizes platforms for minority investors communication such as the SSE e-Interactive Platform, Comein Finance and other investor communication platforms to collect valuable suggestions and feedbacks from investors to the management for discussion.

◉ We held annual online performance briefings for periodic reports, where the Chairman and President lead the senior management team to communicate with investors.

◉ We held 2023 performance briefing through the SSE Roadshow Center, with live broadcasts on multiple platforms including Comein Finance, WIND, Yidong, East Money, and HTSZ (Huatai Securities' platform).

Multi-Platform Investor Communication

Multi-Channel, Multi-Platform, and Multi-Method Interaction to Enhance Investor Communication

Specialized Communication Events

Digital Platform Construction

◉ Willfar Information's official WeChat account added the "Investors Interaction" section, which connects to the our IR (Investor Relations) mini-program, providing timely, convenient, and diversified communication channels to enhance two-way communication.
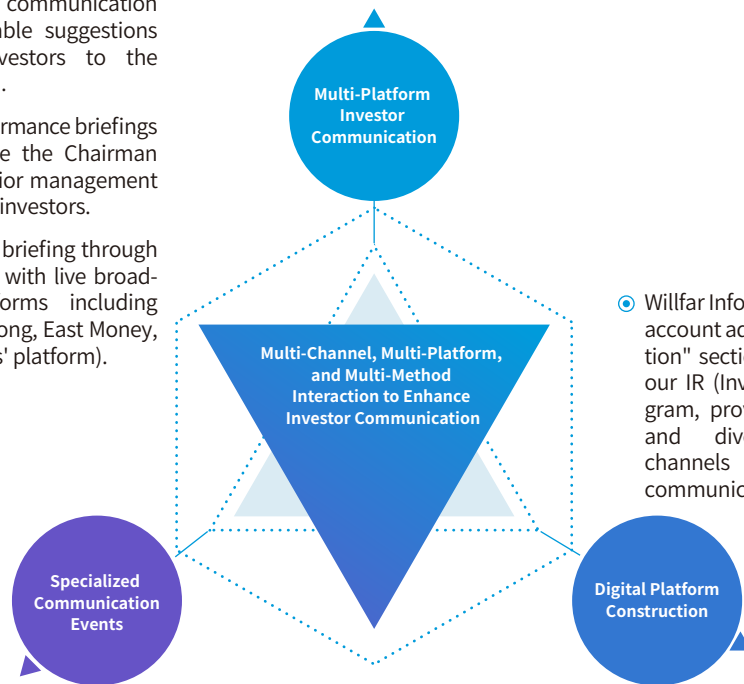
◉ We successfully held the 25th World Metrology Day Exchange Meeting and Investor Communication Meeting, inviting experts and management to discuss industry trends and technological innovations.

◉ We participated in the high-quality development research and survey activity jointly organized by the Shanghai Securities News and BOSERA Funds, and were highly praised.

◉ We actively participated in the 2024 Hunan Jurisdiction Listed Companies' Collective Investor Reception Day, and also took part in the "Shareholder Comes" initiative, which aims to enhance investor education and rights protection. Additionally, we organized company visits for minority investors.

◉ We successfully held the annual Innovation Summit and Investor Research Conference and communicated efficiently with the participating investors on energy green and low-carbon transformation and our future development plan, conveying to investors our firm commitment to high-quality development.

◉ Under the guidance of Hunan Securities Regulatory Bureau and Hunan Fund Industry Association, an on-site "face-to-face" investor exchange activity was held at Willfar Information. Notably, this event marked the first instance in Hunan Province where an audit institution jointly hosted and engaged in direct dialogue with investors as a co-organizer.

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Digital Display of Investor Relations

Participated in over **360** online and offline research and communication activities.

Maintained close communication with investors, with a total of **40** securities conferences that attracted **471** investment institutions and **830** professionals to attend.

Answered **284** investor calls

Replied to **8** questions from the SSE e-Interactive Platform within **2** working days.

Data Period: January 1, 2024, to December 31, 2024

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01 High-Quality Development Research and Survey Initiative: "Sci-Tech Innovation China — SSE STAR Market 100 Index"

02 "Face-to-Face" Communication Activities with Investors

03 Annual New Product Launch and Investor Communication Conference

04 Annual Innovation Summit and Investor Research Conference

We actively communicate with sell-side analysts, leveraging their professional insights to help investors better understand Willfar Information. During the reporting period, a total of 18 institutions issued 57 research reports, including 2 in-depth analysis reports. Among these reports, 24 gave a "Buy" rating, and 14 gave a "Outperform" rating. Through the "sell-side voice", we actively convey our value to investors.

Based on our philosophy of "Perfect work with passion, and success achieved with integrity", we adhere the principle of integrity and innovation, continuously improve the quality of information disclosure and strengthen investor protection.

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4.2 Enhancing the Internationalization of Investor Relations

Willfar Information strengthens domestic investor relations management and implements the "Go Global" strategy, actively expanding the international vision, strengthening the interaction and communication with overseas investment institutions, connecting with global investors, and enhancing the "internationalization" level of investor relations

Building Bridges of International Communication

Through face-to-face communication with overseas investors, we share our vision and strategic plans, build positive market expectations, and enhance international influence and investor awareness. In 2024, we participated in overseas investor research and communication meetings organized by institutions such as the CAPCO, Macquarie Securities, Jefferies Securities, and UBS Securities etc.

Expanding International Research Collaboration

We took the initiative to connect with sell-side analysts with overseas influence and issued English research reports to provide overseas investors with in-depth insights and enhance their understanding of our business and market potential. Also, we actively expanded cooperation with overseas sell-side institutions to extend the scope of global research coverage and enhance Willfar Information's credibility in the international capital market.

Internationalization of Shareholder Structure

With the introduction of the Shanghai-Hong Kong Stock Connect mechanism, we have attracted more diversified international capital. As of the end of 2024, the number of shareholders investing in Willfar Information through the Shanghai-Hong Kong Stock Connect has increased by 106% compared to the beginning of the year, indicating investor relations are becoming increasingly "internationalized".

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4.3 Focusing on Investor Returns

Based on the Willfar Information's development stage, industry characteristics, profitability, and major capital expenditure plans, the Company strictly formulates dividend policies in compliance with the Articles of Association and relevant laws and regulations. We implement dividend distribution programs to deliver long-term stable investment returns for investors, while continuously enhancing investors' perceived returns and fostering a sustainable sense of value appreciation.

In addition, we proactively comply with regulatory requirements and intensify market value management efforts by establishing the Market Value Management Measures. These measures are designed to enhance Willfar Information's investment value and return-generating capacity for investors, ensure alignment between corporate value and intrinsic quality, and ultimately reinforce market confidence in sustainable value creation.

On May 9, 2024, Willfar Information completed the dividend distribution and interest payment for the year 2023.

Dividend Distribution per Share	Year-on-Year Growth Rate	Total Cash Dividend Distribution
0.43 Yuan	**30%**	**211 Million Yuan**

In FY2024, we intend to pay a cash dividend of 5.2Yuan per 10 shares, with a dividend payout ratio of 40%, providing stable returns to shareholders.

Cash dividends per 10 shares

2019 Dividend	2020 Dividend	2021 Dividend	2022 Dividend	2023 Dividend	2024 Intended dividend
1.75 Yuan	2.25 Yuan	2.60 Yuan	3.30 Yuan	4.30 Yuan	5.20 Yuan
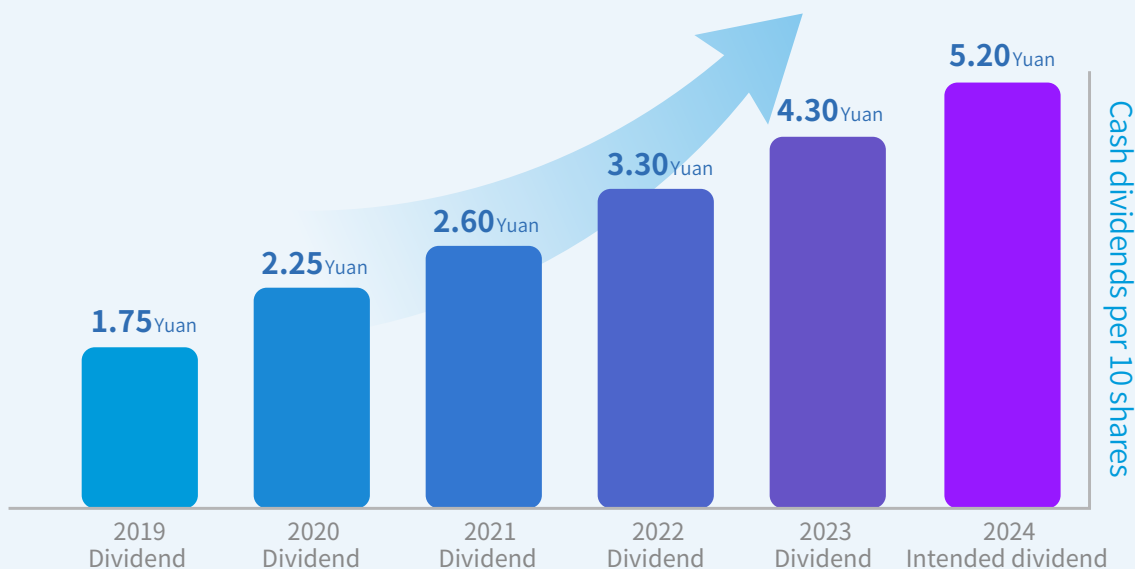
Share Repurchase and Cancellation to Enhance Shareholder Returns

In July 2024, in proactive compliance with the New National Nine Guidelines' call for listed companies to cancel repurchased shares, Willfar Information revised the designated use of 8.31 million shares held in the special repurchase account. The purpose was changed from "reserved for employee stock ownership plans or equity incentives" to "cancellation with corresponding registered capital reduction." The share cancellation procedures were duly completed in September 2024, effectively enhancing earnings per share and strengthening shareholder return on investment.

According to the requirements of the Listing Rules of SSE STAR Market, which stipulates that "cash consideration paid for share repurchases via centralized bidding followed by cancellation shall be included in cash dividend calculations," the RMB 200 million share cancellation (calculated at average repurchase price) elevates total cash distributions and share repurchase to RMB 900 million. This significantly exceeds the RMB 610 million net IPO proceeds, unequivocally demonstrating our execution capability in delivering shareholder returns.

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Innovation-Driven and Intelligent Future

| 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 17 PARTNERSHIPS FOR THE GOALS |

Innovation serves as the driving force behind corporate development. Leveraging its self-developed R&D capabilities, high-caliber manufacturing strength, advanced quality assurance systems, and superior product quality, Willfar Information delivers intelligent and efficient digital energy solutions. We not only focus on independent R&D but also actively foster cross-sector collaboration, converging strengths from diverse stakeholders to infuse robust momentum into the advancement of new quality productive forces.

1. Building Excellence in Quality

1.1 Quality Management System
1.2 Improving Product Quality
1.3 Fostering Quality Culture

2. Innovation Leads the Future

2.1 Engaging in R&D Innovation
2.2 Intellectual Property Management
2.3 Promoting Integration of
Production-Education-Research Collaboration

3. Promoting Industry Collaboration

3.1 Developing Industry Standards
3.2 Honored with International Certification

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01

Building Excellence in Quality

1.1 Quality Management System

Based on the quality philosophy that "quality is the life of the enterprise and the dignity of every employee", Willfar Information has pioneered a systematic approach to continuous innovation and quality advancement. The Company has implemented a product lifecycle quality management system, with R&D quality management at the core, material quality control and automated production quality assurance as the foundation, and supported by a robust product testing and inspection system, responsive after-sales services, and an end-to-end digital quality management platform.

We have developed the Willfar Information Management Manual, which outlines the requirements, responsibilities, procedures, and methods for establishing, maintaining, and continuously improving the corporate quality management system.

Information Quality Management System

Top Management Accountability

We strictly adhere to the principle of "top management accountability" and "full participation of all employees".

19 Major Management Systems

ISO9001 Quality Management System, ISO14001 Environmental Management System, ISO45001 Occupational Health and Safety Management System, etc.

6 Major Enterprise Information Systems

PDM Product Data Management System
ERP (SAP) Enterprise Resource Planning System
MES Manufacturing Execution System
SRM Supplier Relationship Management System
CRM Customer Relationship Management System
WMS Intelligent Warehouse Management System

Policy Documents

461 System Documents and Guidance Documents

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On the path of continuous innovation and capacity building for quality assurance, the company explores and practices, creating the WQM (Willfar Quantity Management) digital quality management platform based on the concept of "One Core, Two Wings, and Three Integrations." Through the implementation of WQM, Willfar Information has achieved transformative breakthroughs in quality management capacities and service excellence, driving holistic improvements in operational performance, customer satisfaction, and brand reputation.

Digital Quality Management Platform WQM

One Core

The core refers to a comprehensive quality management philosophy and IPD research and development system architecture

Two Wings

An operational production quality management platform built on CRM+ERP+MES

A supplier quality management platform based on SRM

Three Integrations

Integration of quality management throughout the lifecycle processes from demands to acceptance

Integration of decision-making processes and operational data

Integration of problems tracing and closed-loop management

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1.2 Improving Product Quality

Willfar Information has implemented a series of initiatives to improve the reliability and market competitiveness of our products, thereby providing our customers with higher-quality products and better service experience.

Quality Improvement Measures

Developing Product Consistency Control System

Provide real-time alerts for data fluctuations during the production processes, respond and handle the issues promptly to ensure the consistency and stability of products quality.

Establishing Production Review Processes

Set up processes cover key stages such as customer demands, R&D design, prototype small-batch testing, large-scale production, and factory inspection etc., to evaluate the achievement status of each stage and ensure all products meet customer's requirements.

Implementing Routine Inspection Mechanism for Production Process

Inspect the production process regularly to promptly identify and resolve issues that arise during the production process, ensuring the standardization of production processes and the continuous compliance of product quality.

In terms of quality sampling inspection, we conduct sampling inspections for internal materials and finished products in accordance with the Counting Sampling Inspection Procedure. We have also established management documents such as the Incoming Material Inspection Management Measures and the Finished Product Inspection Management Measures, which specify the inspection processes, execution standards, and related responsibilities for product inspections.

The sampling inspection coverage for materials and finished products was

100%

In 2024, the pass rate of customer unpacking inspection reached

99.99%

Quality Honors

National Product and Service Quality
Integrity Enterprise

National Quality Inspection Trustworthy
Products

Winmeter Energy CMMI5 Certificate

Willfar Information
CMMI5 Certificate

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1.3 Fostering Quality Culture

Willfar Information has taken a series of measures to promote the formation and development of quality culture. We have carried out quality-related activities, organized quality knowledge competitions, and promoted our quality philosophy and policies to inspire quality awareness of all employees.

In August 2024, the two-year Lean Quality Coaching Project was successfully completed. The project introduced Lean management concepts, new process technologies, and methods, improved on-site management, optimized work standards, and standardized general process requirements and DFM standards. A total of 102 improvements were completed, significantly enhancing product quality and production efficiency. The ongoing 32 improvement measures will further enhance quality benefits and drive the company's high-quality development.

Through systematic quality training activities, we have enhanced the quality awareness of all employees and deepened their understanding of quality standards, quality management processes, products standards, and quality control during the production processes.

In 2024, Willfar Information conducted 82 training sessions, including quality awareness education, quality capability improvement and professional skills training.

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02

Innovation Leads the Future

2.1 Engaging in R&D Innovation

Currently, the energy landscape is undergoing profound transformation, with policy directives and market demand charting the course for development. The Central Economic Work Conference emphasized the vigorous cultivation of new quality productive forces and the deep integration of the digital economy with the real economy. Meanwhile, the national guidelines on data infrastructure construction have outlined a clear pathway for industrial advancement. These priorities resonate strongly with Willfar Information's vision of "IoT + Semiconductors + Artificial Intelligence." In 2024, guided by the strategic principle of "Connecting the World with IoT, Connecting the Future with Core Technologies," we remain steadfast in our innovation-driven focus on technological frontiers, national strategic imperatives, and key economic sectors. We are committed to advancing toward our goal of becoming a global leader in intelligent and digital integrated solutions for energy transformation.

- The annual R&D investment was **241** million yuan, representing a Year-on-Year increase of **5.95%**

- R&D Personnel: **441** individuals, representing **51.34%** of the total workforce.

- Among them, **184** individuals hold a master's degree or higher.

- In 2024, there were nearly **50** innovative products and solutions launched.

New Patents in 2024

1%
20%
12%
5%
62%
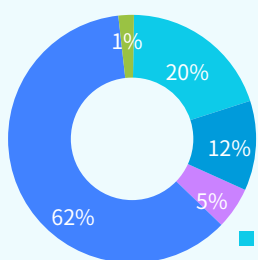
- 35 Invention Patents
- 21 Utility Model Patents
- 10 Design Patents
- 110 Software Copyrights
- 2 Others

Cumulative Total

1%
10%
17%
18%
55%
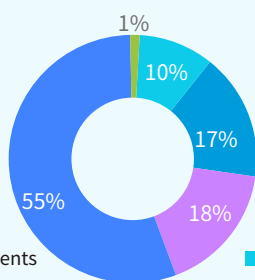
- 184 Invention Patents
- 307 Utility Model Patents
- 235 Design Patents
- 1008 Software Copyrights
- 8 Others

15
15 scientific papers were published in 2024
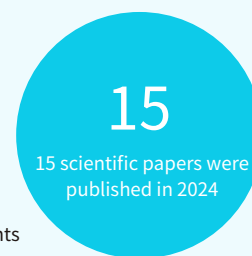
Willfar Information regards innovation as the core driving force for corporate development, having consistently intensified R&D investments and accelerated the commercialization of technological breakthroughs. To cultivate a high-caliber research workforce, we have established multiple provincial-level innovation platforms including an Academician Expert Workstation, Postdoctoral Research Station, Engineering Technology Research Center, and Hunan Provincial Key Laboratory. Furthermore, we have established the Willfar Information Research Institute，which houses specialized laboratories for wide-bandgap semiconductors, artificial intelligence, and smart sensing technologies, forming an integrated technical support system for R&D.

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We formulated our medium- and long-term R&D strategic plans for technology and products, based on industry trends and customer needs. We carry out R&D relying on the mode that "primarily focus on independent R&D, supplemented by collaborative R&D and supported by innovation platforms."

R&D Honors

Willfar Information has consecutively won the First Prize of Hunan Province Science and Technology Progress Award multiple times, and has been honored with the First Prize of Science and Technology Progress by the China Electrotechnical Society, the Second Prize of Hunan Invention Patent Award, and the Science and Technology Progress First Prize by State Grid Corporation of China. In addition, Willfar Information has been recognized as a national-level specialized, refined, unique, and innovative enterprise, a national intellectual property advantage enterprise, one of the top 50 Chinese listed companies with new quality productivity, and a key software enterprise in Hunan Province for 2024.

Strengthening technological leadership, creating benchmark products, and maintaining industry leadership are the cornerstones of Willfar Information's stable and sustainable development. We closely follow the development trends of industry technologies and conduct pioneering research in dominant areas, focusing on breakthroughs in core IoT technologies. During our cooperation with customers, we maintain synchronized communication with their technical departments, deeply understand their needs, and quickly respond to market changes, which enables us to develop innovative products that are both aligned with customer needs and in line with industry trends.

The Excellent "China Chip"- the WTZ30 Chip was Awarded the "Excellent Market Performance Product" Award

The "China Chip" Excellent Product Collection Activity is one of the most influential and authoritative industry events in China's integrated circuit (IC) field. The "China Chip" Excellent Product Selection is regarded as a key indicator of IC product and technology development, and recognizes the achievements of product innovation, technology innovation and application innovation in the domestic IC field.

The WTZ30 High-Speed Power Line Carrier and wireless dual-mode communication chip from Zhuhai Zhonghui, a subsidiary of Willfar Information, was awarded the "Excellent Market Performance Product" award.

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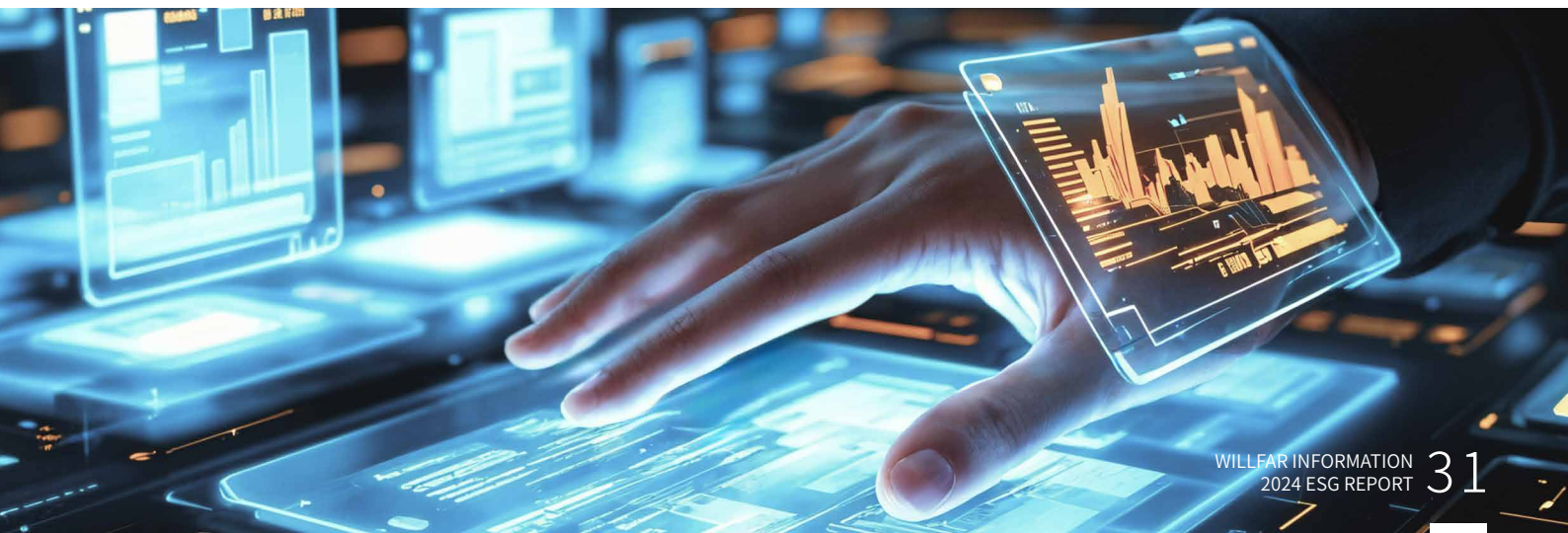
Contribute to the Internationalization Process of the IEEE 1901.3 Standard

In October 2024, the 5th working group meeting of the IEEE 1901.3 standard was successfully held in Milan, Italy. Technical experts from global research institutions, power supply and consumption enterprises, and working group members attended the meeting. This standard integrates High-Speed Power Line Carrier (HPLC) and High-Speed Radio Frequency (HRF) technologies and is another international standard led by the China Electric Power Research Institute (CEPRI) following IEEE 1901.1

Willfar Information proposed a testing standard for "data link layer time slot management" and spoke at the meeting. The proposal was unanimously approved by the experts in the working group and has been incorporated into the draft standard, which marks a significant progress that Willfar Information promoted the internationalization of the IEEE 1901.3 standard and the globalization of dual-mode product solutions.

The fifth meeting of the IEEE1901.3 International Standard for Dual-Mode Communications was successfully held in Milan, Italy.

2.2 Intellectual Property Management

Willfar Information places great emphasis on intellectual property rights (IPR) protection and strictly complies with relevant laws and regulations, including the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Hunan Province Patent Regulations. To protect our innovative achievements and strengthen the IPR management, we have established a series of internal polices, such as the Intellectual Property Management Measures, the Trademark Management Measures, and the Intellectual Property Archives Management Measures. These measures aim to standardize and enhance our practices in the application, maintenance, utilization, protection, and overall management of intellectual property rights.

Willfar Information has also established a multi-layered protection framework defining employee confidentiality obligations, non-compete clauses, incentive/disciplinary mechanisms, and document control protocols. All staff members are required to execute legally binding Non-Disclosure Agreements that institutionalize safeguards against IP leakage and attrition. This systematic approach is complemented by customized IP protection training programs designed to elevate organizational awareness of IPR protection.

We actively advocate for IPR protection within the industry and are dedicated to developing self-regulation standards for IPR. We respect the IPR of other companies, proactively avoid IPR disputes, and have not faced any IPR litigation or arbitration during the reporting period.

Intellectual Property Training

Willfar Information prioritizes enhancing employees' professional competencies in IPR protection and strategic utilization. To this end, we conducted specialized training programs covering patent mining techniques, principles and processes. Through case-based learning methodologies and best practice simulations, we empower employees to internalize knowledge and implement innovative IP management solutions in real-world scenarios.

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2.3 Promoting Integration of Production-Education-ResearchCollaboration

Willfar Information proactively fosters deep integration of Production-Education-Research collaboration, aggregating premium intellectual resources and enabling shared access to cutting-edge research infrastructure. By channeling multidisciplinary innovation elements into corporate development, we have built an open innovation ecosystem through strategic partnerships with leading universities and national-level advanced research institutions. These collaborations not only infuse superior external expertise and technological capabilities but also jointly accelerate frontier technology exploration and commercialization of research outcomes.

In October 2024, Willfar Information was recognized as the "Excellent Academician and Expert Workstation in Hunan Province". We have engaged in in-depth collaboration with teams of academicians and experts to guide the key directions of national scientific and technological innovation and research and development. Our efforts are centered on the construction of new power and energy systems, actively promoting the commercialization and industrialization of scientific and technological achievements, aiming to empower the development of new quality productivity.

Joining with National Energy Research Institutions Together to Build New Quality Productivity in the Energy Sector Together

Willfar Information has formed a joint task force with a national energy research institution's new power systems center, focusing on digitalized power distribution scenarios to co-develop AI-advanced SOC chips and smart grid equipment. Through technology-industrialization convergence, both parties aim to strengthen core competencies in hardware-software integration, propel the digital and intelligent transformation of power infrastructure, and accelerate the evolution of Energy IoT.

Constructing the Cloud-Edge Collaborative Early Warning System to Create the Urban Electricity Safety Protection System

Willfar Information is a key participant in the National Major Science and Technology Project on Smart Grids – "Chip-level Security Sensing and Early Warning Technologies for Urban Power Systems". Focusing on urban electricity safety scenarios, we have developed a proprietary low-power, high-performance security chip that serves as the core sensing unit in smart devices, enabling real-time monitoring across massive urban power endpoints. Building upon this innovation, we have created cloud-edge-device collaborative early warning system that ensures operational safety of low-voltage grids and mitigates electricity-related public risks through intelligent data convergence and predictive analytics.

1 Set of Security theory

1 Secure Dedicated Chip

Four Ones

1 City-level Monitoring Platform

1 Low-cost Intelligent Monitoring Device

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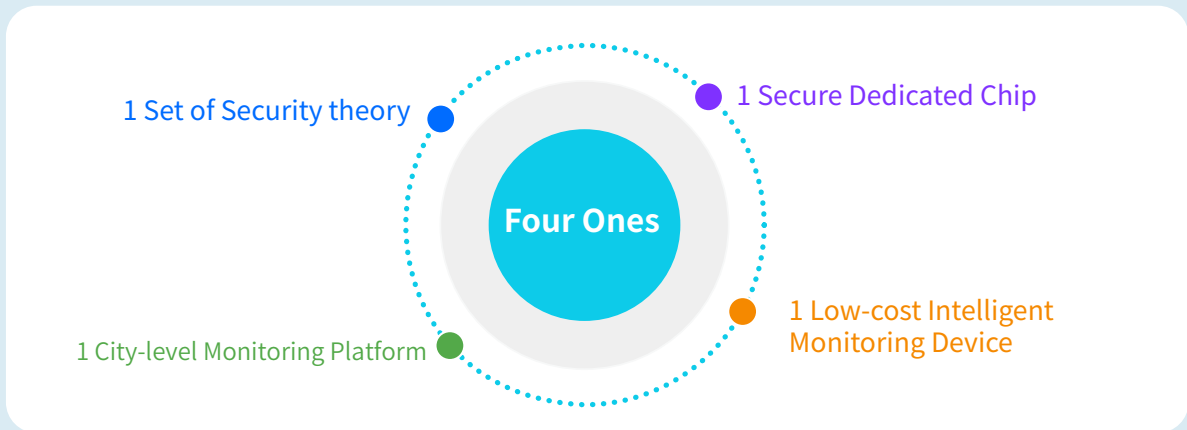
Co-Researching New Distribution Protection to Improve Power Supply Reliability

In collaboration with Tsinghua University, Willfar Information has jointly pioneered theoretical research on protection mechanisms for new-type power systems, targeting critical needs in enhancing power supply reliability. Both parties have industrialized channel-free protection technology within distribution automation systems, implementing core algorithms into distribution automation terminals. Furthermore, the collaboration has advanced theoretical frameworks for grounding fault analysis in new distribution networks, developing breakthrough solutions including weak fault identification, precise fault localization, and intelligent early-warning algorithms. These proprietary algorithms have been successfully embedded in distribution terminals and fault location devices, effectively resolving industry-wide challenges of low diagnostic accuracy and insufficient sensitivity, ultimately yielding competitive smart grid solutions.

Using High-Performance Computing as Engine Development of Technological Innovation to Drive Technological Innovation.

Willfar Information collaborated with the National Supercomputing Changsha Center, provided strong computing power supporting and algorithm research capabilities in terms of high-performance computing, big data processing, information security and artificial intelligence, helping to efficiently handle with massive amounts of data. This cooperation would promote the widespread application of cutting-edge technologies such as intelligent scheduling and digital twins in the power grid and smart cities.

Optimizing Resource and Energy Allocation to Protect Urban Safety Intelligently

Willfar Information launched the cooperation with the Chinese Society for Urban Studies to enhance the intelligence level of urban fire protection, water resource management systems, as well as to promote the development of green buildings. Leveraging digital twin and artificial intelligence technologies, both parties aimed to achieve real-time monitoring and early warning of urban safety risks, precise allocation of water resources, and optimized management of building energy consumption. This collaboration is expected to significantly promote the intelligent urban management and services, contributing to the construction of safe, green, and efficient smart cities.

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03

Promoting
Industry Collaboration

3.1 Developing Industry Standards

Willfar Information participates in the formulation of industry standards, contributing our technical expertise and practical experience. We also share our professional insights and forward-looking ideas to promote the standardization and normalization of the entire industry.

● **Participated in the formulation and revision of a total of 87 standards,** including 1 international standard, 40 national standards, 11 industry standards, 6 local standards, and 29 group standards.

● **Participated in the formulation and revision of 22 standards in 2024,** including 1 international standard, 4 national standards, 5 local standards, and 12 group standards.

3.2 Honored with International Certification

Certifications for Grid and Communication

Product Form Certification	Communication Protocol Compliance Certification	Communication Interoperability Certification	EU Radio Safety Certification	Communication Interoperability Certification
TÜVRheinland	KEMA	DLMS	CE-RED认证	Wi-SUN

Certifications for Ultrasonic Smart Water Meter

International Organization of Legal Metrology Certification	EU Metrology Certification	UK Drinking Water Safety Certification	EU Radio Safety Certification	Communication Interoperability Certification
OIML	MID	WRAS	CE-RED认证	OMS

Other League of Nations Certifications — STS ASSOCIATION — LoRaWAN — sigfox

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Digital Empowerment and Green Efficiency

| 7 AFFORDABLE AND CLEAN ENERGY | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION |

In terms of internal management, Willfar Information actively promotes green operational strategies, integrating environmental protection concepts into our daily management, and striving to build a national-level green factory. In terms of external cooperation, we empower green initiatives with digitalization, providing green technology support and services to our upstream and downstream industrial chains, jointly exploring new models of the energy internet, and constructing a more efficient and sustainable industrial ecosystem.

1.Practicing Sustainable Operations

1.1 Energy Conservation and Carbon Reduction
1.2 Water Resource Management
1.3 Emission Management
1.4 Addressing Climate Change

2. Accelerating the Modernization Transformation of the Energy System

2.1 Supporting the Construction of New Power System
2.2 Contributing to the Construction of Global
New Energy System

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01
Practicing Sustainable Operations

Willfar Information strictly complies with environmental protection laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Environmental Noise Pollution Prevention and Control Law of the People's Republic of China, and the Solid Waste Pollution Prevention and Control Law of the People's Republic of China. We actively combine reducing our "carbon footprint" with enhancing our "carbon handprint". Through intelligent manufacturing, we promote green production and strive to build a national-level green factory.

1.1 Energy Conservation and Carbon Reduction

Willfar Information has formulated management measures such as the Energy Conservation and Consumption Reduction Management Measures and the Operation Management Measures for Energy-saving Devices, firmly committing to the path of green development. We focus on breakthroughs in energy conservation, emission reduction, and intelligent manufacturing technologies during the manufacturing process, and integrate green concepts into the product design stage.

Investment in environmental protection
286,900 yuan

Total GHG Emissions (Scope 1 + Scope 2)
3,063.83 tons of CO_2 equivalent
Year-over-Year Decrease **15.25%**

GHG Emissions Intensity (Scope 1 + Scope 2)
0.01 tons of CO_2 equivalent per 10,000 yuan of revenue

Total electricity consumption
5,896,734.16 KWh

Photovoltaic power generation:
906,099.33 KWh

Carbon neutrality management system certification

Energy Conservation and Emission Reduction Strategy

Promotion and Publicity: Carry out publicity and education on energy conservation and emission reduction, and advocate for green travel.

Technology Application: Prioritize the use of environmentally friendly materials and technologies in product design and material selection.

Equipment Upgrade: Phase out high-energy-consuming process equipment, introduce new energy-saving equipment, such as upgrading the workshop lighting system; promote smart manufacturing and automated production to comprehensively improve energy efficiency.

Energy Monitoring: Establish an energy management and control platform to realize real-time monitoring and analysis of energy consumption in various departments, assisting in energy consumption control and the achievement of energy-saving and emission-reduction goals.

Intelligent manufacturing workshop
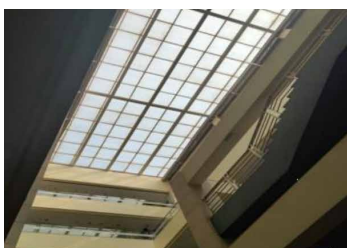
Natural light design in the industrial area
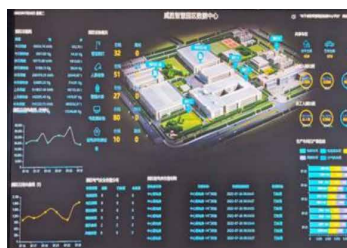
Energy management data center

Awareness education on energy conservation and consumption reduction

Energy-saving promotion

Photovoltaic Power Generation - Driving the Efficient Utilization of Clean Energy

We actively promote renewable energy by installing photovoltaic systems on factory rooftops. This technology converts solar energy into electricity, supplying clean power for production and office operations. It enhances energy efficiency and reduces our carbon footprint, aligning with our commitment to sustainability.

In 2024, the total photovoltaic power generation amounted to

906,099.33 KWh

Selected for the Recommended Catalog of Green Manufacturing System Solution Suppliers in Hunan Province

Willfar Information thoroughly implements a comprehensive green management system encompassing green design and selection, green supply chain management, green manufacturing and operations, and green packaging and recycling. Adhering to the principle of balancing economy and environmental protection, we are committed to building a development model that is both environmentally friendly and resource-efficient.

Being selected in this recommended catalog is a high recognition of Willfar Information's contributions to continuously building a benchmark enterprise for green manufacturing, leading the industry's green transformation, accelerating the construction of green manufacturing systems, and promoting high-quality development in the industry. It also injects new impetus into the Company's green development.

1.2 Water Resource Management

Willfar Information attaches great importance to water conservation efforts, establishing water-saving organizational management systems and setting up specialized water metering and statistics positions to ensure the effective implementation of water-saving policies. To enhance water resource utilization and reduce wastewater generation, we have adopted a series of measures:

Water-Saving Strategy

- Carry out water-saving promotional activities, advocate for multi-purpose water usage and tiered water supply systems, and cultivate awareness of water conservation
- Optimize equipment and processes, adopt efficient cooling systems and water recycling systems to reduce excessive consumption of water resources
- Establish scientific water use indicators and assessment mechanisms to promptly identify and rectify issues related to water waste
- Introduce water-saving technologies and devices, such as water-saving cleaning processes and water recycling systems, to improve water resource utilization efficiency

1.3 Emission Management

Waste Water

We recycle 100% of our production wastewater, and the discharged wastewater primarily consists of domestic sewage. During the reporting period, we established a comprehensive wastewater treatment facility and all tested items of the discharged waste water met the Grade III standards of the "Integrated Wastewater Discharge Standard" (GB8978-1996).

Waste Gas

The waste gas generated by the Company is mainly welding fumes. The welding fumes produced during the welding process is collected centrally using centrifugal ventilators, Subsequently, the collected fumes are treated through activated carbon adsorption to remove pollutants before being discharged in compliance with relevant standards.

In addition, we regularly monitor the exhaust emissions of our company-owned vehicles to ensure that the emissions comply with the "Integrated Emission Standard of Air Pollutants" (GB16297—1996)

Waste Materials

We have formulated the Waste Management Measures to classify and process the waste generated during the production process.

General waste: including packaging boxes, paper, old books and magazines, scrap metal, and plastic, etc. Waste bins are set up according to categories and placed in reasonable areas, with designated personnel responsible for transporting and disposing of them.

Hazardous waste: such as contaminated empty drums, used batteries, solder paste paper, waste circuit boards, waste cleaning agents, and waste solder dross, are stored in a designated areas and regularly handed over to qualified suppliers for recycling and disposal.

Integrated waste water treatment facility

Equipment for centralized collection and treatment of welding fumes

"Waste Paper for Green Plants" Campaign

The Party Committee of Willfar Information organized the "Waste Paper for Green Plants" campaign, aiming to promote the concept of green and environmental protection. During the campaign, a total of nearly 200kg of office waste paper was recycled, reducing carbon emissions by approximately 0.25 tons.

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1.4 Addressing Climate Change

Global climate change has become a widely concerned issue in the international community. Facing this challenge, enterprises and organizations need to take proactive measures to adapt to the constantly changing climate conditions. In order to fully understand and effectively respond to climate-related risks and opportunities, we have conducted in-depth identification and analysis of climatic factors involved in our daily business activities.

Risks

Physical Risk	Risk Description	Potential Impact	Response Measures
Acute Risk	Such as rainstorms, floods, typhoons, and other extreme weather conditions.	It may damage production bases and infrastructure, leading to equipment damage, logistics disruptions, and employee safety issues.	Establish a disaster warning mechanism and emergency response plan to take prompt action in the event of sudden environmental incidents.
Chronic Risk	Increasing temperatures, rising sea level , and changes in precipitation patterns, etc.	It may increase energy costs, lead to raw material shortages, and trigger new regulatory requirements.	Strengthen energy management, promote the use of renewable energy, and establish a flexible supply chain system to ensure the stable supply of raw materials.
Transition Risk	**Risk Description**	**Potential Impact**	**Response Measures**
Policy and Legal Risk	The introduction of relevant laws and regulations to address climate change may impact business models.	It may face stricter environmental regulations and carbon emission limits, leading to increased compliance costs and impacting supply chain management, product design, and technology choices.	Track the dynamics of climate change policies both domestically and internationally, and promptly adjust strategies to comply with the latest regulatory requirements.
Technical Risk	The emerging technical demands arising from addressing climate change and the limitations of existing technologies.	Force the Company to accelerate technological innovation and upgrades to meet the increasingly stringent environmental standards and market demands.	Increase investment in research and development of green technologies, actively seek partners, establish innovation mechanisms, and accelerate the application and promotion of new technologies.
Reputational Risk	Involve the perceptions of the public, customers, and investors regarding the Company's actions to address climate change.	Consumer preferences are shifting towards green products and services, and failure to respond to this trend in a timely manner may impact the Company's brand value.	Strengthen communication with stakeholders, respond to market demands, develop and promote green products and services, and enhance brand loyalty.
Market Risk	The impact of climate change on market demand and supply chains.	Failure to timely adjust the product line to meet green consumer demand may result in loss of market share and customer attrition.	Closely monitor market dynamics, flexibly adjust production and marketing strategies, strengthen supply chain management, and establish a diversified supplier network.

Opportunities

Opportunities	Opportunity Description	Potential Impact	Response Measures
Resource Efficiency	Optimize resource utilization, reduce waste, and improve production efficiency.	Reduce operating costs, minimize environmental impact, and enhance corporate image.	Enhance energy utilization efficiency, conduct regular energy efficiency assessments, and enhance employees' awareness of resource utilization.
Energy Source	Utilize renewable energy sources, such as solar energy.	Reduce energy costs, decrease carbon emissions, and improve the stability of energy supply.	Increase the use of renewable energy and reduce consumption of traditional energy sources.
Products and Services	Develop or promote low-carbon products and services to meet market demand.	Enhance market competitiveness, strengthen customer loyalty, and explore new markets through the demand for low-carbon products and services.	Launch green product lines, establish green supply chains, and strengthen market promotion and brand building.
Market	Seize the global emphasis on sustainable development to explore new markets and customer groups.	Increase market share and enhance brand value.	Actively participate in green projects and expand into international markets.

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02

Accelerating the Modernization Transformation of the Energy System

With the large-scale growth of renewable energy, the demand for energy collaboration and optimization is surging, presenting new industry opportunities and a window of opportunity for Willfar Information. The wave of urbanization and energy infrastructure upgrades in emerging economies also lays a solid foundation for us to deepen overseas expansion, enabling it to promote its cutting-edge integrated solutions globally and assist in the digital transformation of the global energy system.

2.1 Supporting the Construction of New Power System

Emerging renewable loads present four critical dimensions of challenges and opportunities "intermittent stochastic variations, massive yet decentralized deployment, multidimensional complexity, and unpredictable volatility patterns". Addressing these requires integrated technological solutions such as "precision situational awareness systems, ubiquitous IoT connectivity frameworks, digital twin simulation platforms, and intelligent computational analytics engines". Digital-intelligent convergence serves as the critical pathway to overcome core challenges in new power systems.

Relying on our rich technological reserves and experience in the field of power IoT, Willfar Information actively responds to the national goals and plans for the construction of the new power system. Focusing on key core technologies, it provides digital solutions with full-chain perception and full-scenario applications for all aspects of power generation, transmission, distribution, and utilization, continuously injecting new momentum into the digital transformation of the national power system.

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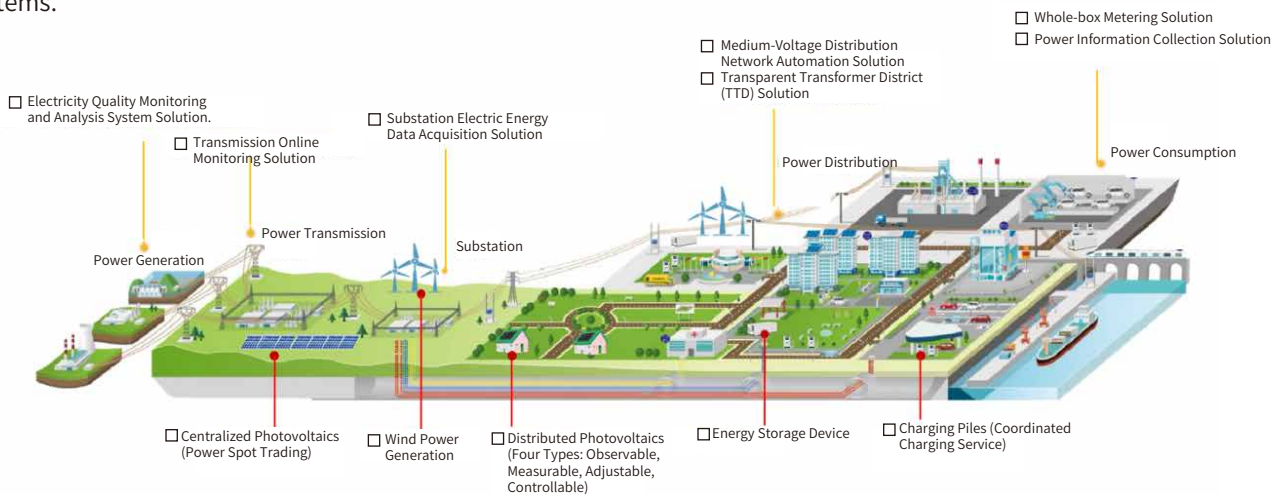
Medium-Voltage Distribution Network Automation Solution

The integration of distributed new energy into distribution networks has far-reaching impacts, making grid topology more complex and operating modes more variable. The coordinated interaction of new energy, load, and energy storage demands new approaches to protection configuration and principles, while also raising the bar for the operation and maintenance of distribution network protection equipment. To meet these challenges, distribution automation devices—such as DTUs (Distribution Terminal Units), FTUs (Feeder Terminal Units), integrated primary-secondary devices, fault indicators, and traveling wave distance measurement devices—must incorporate active protection functions for distribution networks. Additionally, management requirements are expanding beyond distribution networks to include transmission lines and substations.

Communication Network

Decentralized/Distribut-ed Distribution Terminal

Overhead Fault Indicator

Distribution Automation Substation Terminal

Intelligent Low-Voltage Switch

Hood-Type Feeder Terminal

Box-Type Feeder Terminal

Cable-Type Fault Indicator
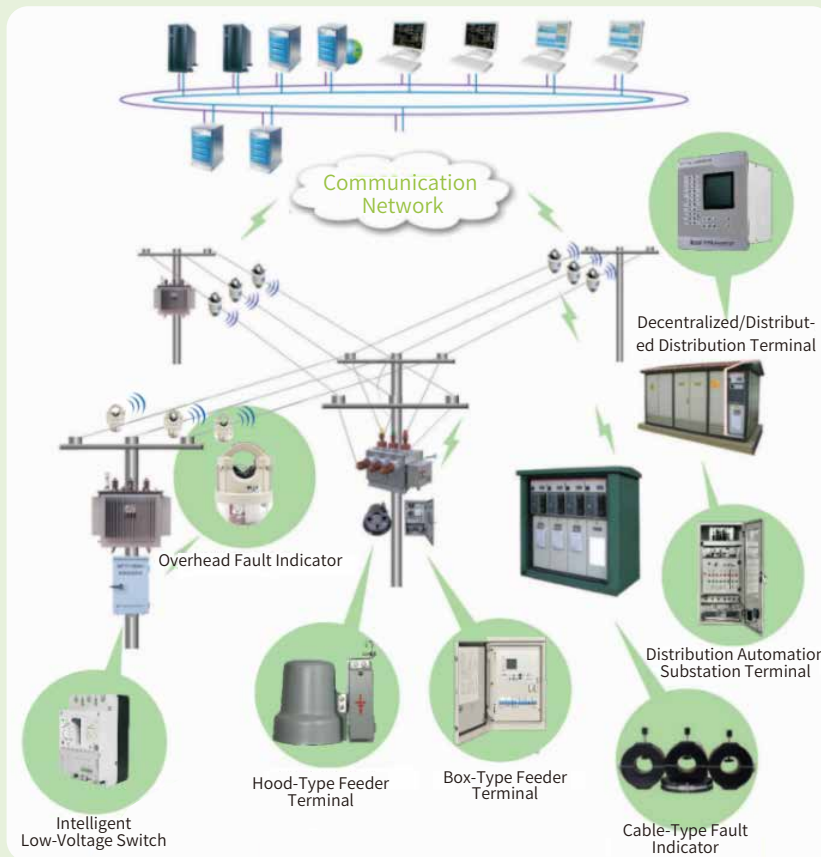
The medium-voltage distribution network automation solution integrates big data analytics and AI algorithms to enable intelligent, precise, and instant detection of grounding faults in distribution networks. This not only supports the development of new power systems but also elevates the performance of fault indicators, FTU, DTU, and other key devices.

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Low-Voltage Distribution Transparency Solution

The solution leverages deepened transformer district applications to meet customer needs, maximizing the value of user electricity data. It explores new models for the integration of "new equipment, new technologies, and new services," featuring "stable operation, advanced technology, lean management, and high-quality service." It aims to enhance grid efficiency, improve customer-side energy services, and strengthen external capabilities, accelerating the digital transformation of low-voltage transformer districts.
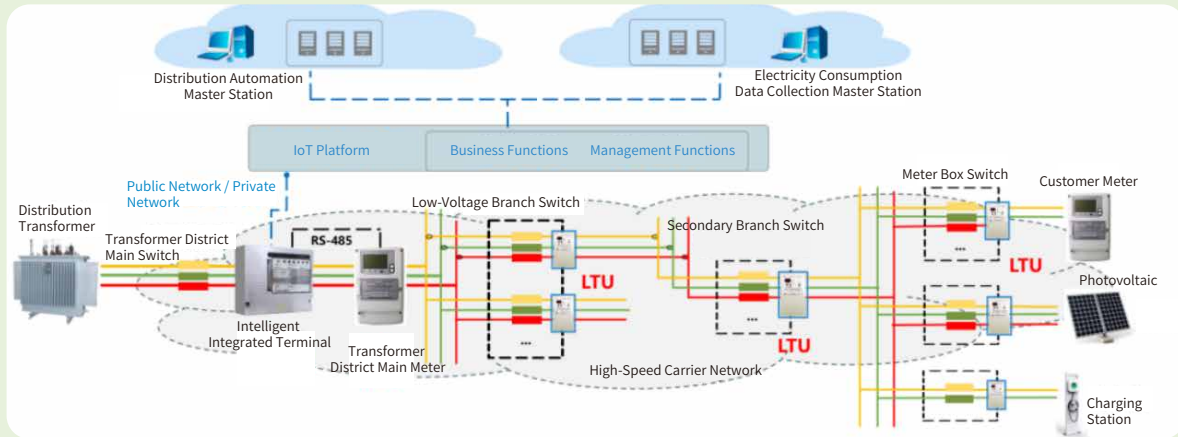
Transformer district transparency is achieved through the integration of the main station, intelligent transformer terminals, smart sensing devices, and sensors. By enhancing the system platform with message middleware and microservices architecture, the solution enables four-level electrical topology identification ("transformer-line-box-customer") within the district. It also supports line loss and impedance calculations, as well as real-time monitoring. This enhances the operational awareness of key nodes, improves fault location accuracy, and ultimately boosts power supply reliability and customer satisfaction.

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New Energy Orderly Integration Solution

- **Solving the orderly integration of large-scale distributed new energy.**
- **Supporting the construction of a new power system.**
- **Facilitating the achievement of dual carbon goals**

Deploy micro-applications for distributed photovoltaics（PV）to achieve panoramic visualization of distributed PV statistics, operating status, control adjustments, and anomaly alerts.

Observable

Implement minute-level data collection for distributed PV users to enable real-time perception, operational monitoring, and anomaly analysis of distributed PV generation

Measurable

Controllable

Utilize PV-specific circuit breakers to establish rigid control capabilities, achieving rigid controllability for all distributed PV users.

Adjustable

Apply PV control devices and intelligent IoT energy meters to establish flexible adjustment capabilities, enabling flexible adjustability for distributed PV users.

10KV Line

Residential Transformer District

PV Installation Capacity ≤ 2MW

Transformer District Terminal

220V Line

Excess Power Sale

2MW ≤ PV Installation Capacity ≤ 6MW

10KV Line

① PV Modules   ② PV Inverter

PV Modules

HPLC

Inverter

Control and Regulation Device

Electricity Meter

部分自用

Flexible Grid-Connection Control Box

Observable、Controllable、Measurable、Adjustable

Real-time visualized data display and transparent monitoring of grid-connected PV systems enable clear operational insights.

The grid integration process features rigid controllability and flexible adjustability, achieving orderly regulation of PV power generation.

Low-Voltage Distribution Load Management Solution

Deploying intelligent load management devices at critical grid points enables real-time data collection and decentralized control of electricity usage. This empowers the management center to monitor and optimize grid status in real-time. The devices use demand response mechanisms to regulate user consumption during peak periods, balance loads, and enhance the economic and reliability aspects of the distribution network.

Additionally, the system supports the integration of distributed renewable energy sources such as solar and wind power, facilitating the optimization of the energy structure. Through real-time information feedback mechanisms, users are incentivized to adjust their electricity usage behavior based on dynamic pricing. Leveraging IoT and cloud computing technologies, the solution further improves the operation and maintenance efficiency of the power grid, reduces operational costs, and provides users with a higher quality of service experience.

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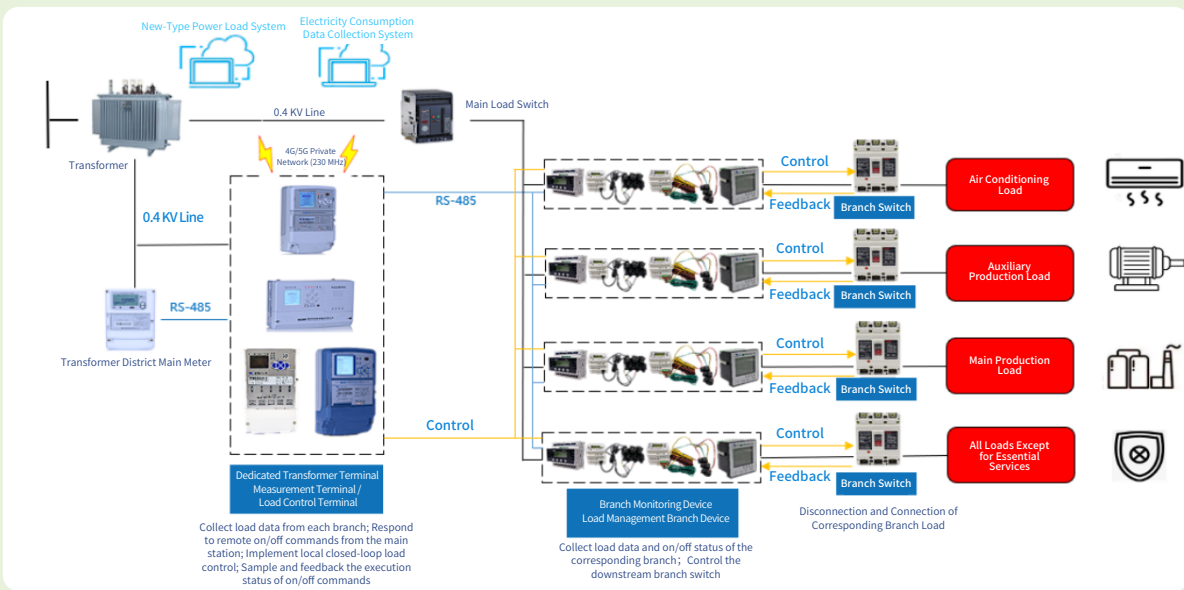
Virtual Power Plant Operation and Management Cloud Platform

The Virtual Power Plant Operation and Management Cloud Platform is responsible for integrating distributed resources within a region, including photovoltaics, wind turbines, energy storage systems, electric vehicle charging stations, V2G (Vehicle-to-Grid) systems, solar-storage-charging stations, thermal storage (both cooling and heating), industrial and commercial loads, and building complexes. This platform provides support for the aggregation, coordination, control, monitoring, and commercial operation of these resources.

The platform is designed to support demand response, ancillary services, and spot markets, facilitating flexible grid dispatch and promoting the coordinated operation and market-oriented services of distributed power sources and adjustable resources. By participating in electricity markets and interacting with grid control, the platform can generate revenue and share it with users.

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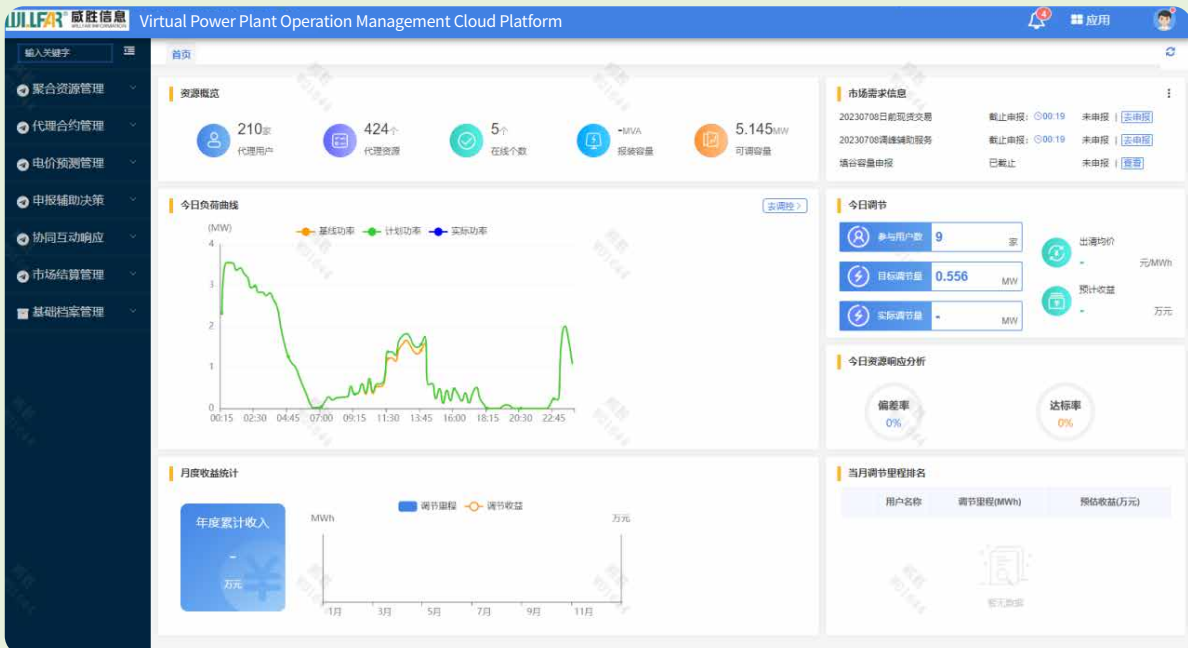
2.2 Contributing to the Construction of Global New Energy System

Amidst the global energy transition, Willfar Information adheres to a concept of continuous innovation to meet the emerging needs of various scenarios. We deepen our integrated Energy IoT solutions into various application scenarios such as cities, industrial parks, buildings, and enterprises, achieving the digitalization and low-carbon operation of urban public infrastructure including electricity, water, gas, heating, power consumption, and charging. This approach is aimed at promoting the construction of new energy systems and advancing intelligent management.

In the future, we will align with the trend of energy decarbonization and empower more countries, cities, and enterprises to build clean, low-carbon, safe, and efficient energy management systems, thereby driving the transformation and upgrading of the global Energy IoT.

For the Chinese market:
Business covers **30+** provincial capitals,
600+ cities, and **2,700+** counties,
With over **100** million IoT devices connected,
And solutions & IoT products used by **100,000+** enterprises.

For overseas markets:
Business spans **50+** countries and regions,
With over tens of millions of user connections
Domestic Revenue: **2.31** billion yuan, with a year-on-year increase of **16.40%**
International Business Revenue: **421** million yuan, with a year-on-year increase of **85.40%**.

Smart Water, Electricity, and Gas AMI
(Advanced Metering Infrastructure)

Smart Distribution Network

New Energy Integration

Big Data

Smart Energy

Energy Flow and Information Flow

Communication

Smart City

Data Sensing
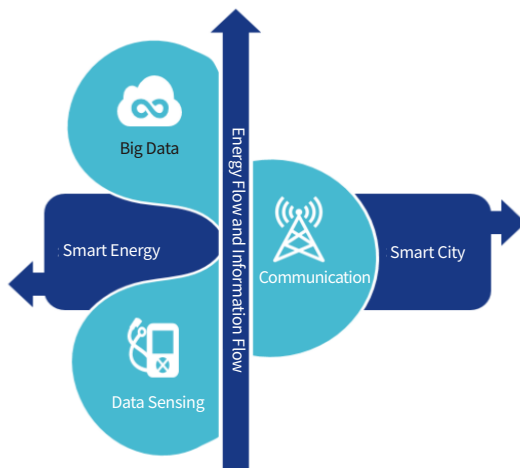
Smart City

Smart Industries

Integrated Energy

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Guaranteed by International Certification
Facilitate Efficient Urban Water Resource Management

The smart ultrasonic water meter developed by Winmeter Energy, a subsidiary of Willfar Information, has successfully obtained the following international certifications:

- Slovak Legal Metrology Laboratory (SLM) MID and OIML Certification
- UK WRAS Certification
- EU Notified Body CE RED Certification
- OMS Certification
- SQM Quality Certification and Type Approval Certification by the Saudi Standards, Metrology and Quality Organization (SASO)

The new-generation smart ultrasonic water meter integrates dual-mode NB-IoT and Wireless M-Bus communication technologies, coupled with an integrated intelligent valve control system, enabling seamless integration of remote monitoring and adaptive flow regulation capabilities. This innovation empowers users with real-time water consumption analytics and instant anomaly detection, effectively minimizing water losses.

Smart water meters can collect a large amount of water usage data. City administrators can use the data to formulate more scientific and rational water resource management strategies, thereby promoting the development of global energy digital management.

Smart Water Meters Boost Digital Transformation of Water Utilities in West Africa

Willfar Information has become one of the first product suppliers for the country's smart water meter retrofit program in the West African market. The new-generation of overseas intelligent ultrasonic water meter series products adopts patented technology in flow and pipe segment flow field design, and is at the industry-leading level in key technical characteristics such as high range ratio, low start-up, and low pressure loss, which provides water companies with high-precision and high-cost-performance metering solutions.

At the same time, by applying related patented structural design technologies, the series of water meters has realized characteristic functions such as anti-dismantle automatic reporting, which further enhances the safety and practicality of the products. These innovations not only effectively reduce the cost of water services, but also significantly improve the quality of water services, strongly promoting the digital transformation and upgrading of the water industry in the West African region.

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Home Energy Storage System Solutions: Achieving Energy Aggregation and Synergy

This solution stores the electricity generated by rooftop solar panels and household wind turbines, as well as low-cost electricity provided by the social power grid during off-peak hours, in the energy storage system for use during peak hours.

The core component is the cloud monitoring system, which is capable of collecting real-time operational data from all devices. Leveraging big data and AI technologies, it optimizes electricity supply and consumption management. Through intelligent peak shaving, the cloud monitoring system effectively reduces electricity costs and lessens the reliance on the grid during peak usage periods.

3D User Interface

Generation, Storage, and Consumption
Data Recorded in Real Time

Online Monitoring
Equipment Status

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04

Responsibility at Heart, Accountability in Action

| 1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 17 PARTNERSHIPS FOR THE GOALS |

With responsibility as our priority, we are committed to building a responsible supply chain system, actively honoring our commitments to customers, and strengthening information security safeguards to ensure data protection. With responsibility in our heart, we are guided by people-centric philosophy, we dedicate ourselves to creating a harmonious and healthy work environment for employees, while actively engaging in social welfare initiatives to spread positive energy and drive collective progress with society.

1. Building Sustainable Supply Chain System

1.1 Supply Chain Risk Prevention and Control
1.2 Supply Chain Collaboration

2. Customer-Centric Responsibility Practices

2.1 Improving Service System
2.2 Customer Satisfaction Management

3. Ensuring Information Security

3.1 Information Security Management Mechanism
3.2 Strengthening Protection Capabilities

4. Commitment to People-Centric Approach

4.1 Compliant and Equal Employment
4.2 Attracting Overseas Talents
4.3 Employee Compensation and Benefits
4.4 Focusing on Employee Growth
4.5 Protecting Employee Health

5. Engaging in Social Welfare

5.1 Contributing to Rural Revitalization
5.2 Spreading Warmth through Love

01

Building Sustainable Supply Chain System

1.1 \ Supply Chain Risk Prevention and Control

The global supply chain landscape is becoming increasingly complex, with potential risks at every stage from raw material procurement to product delivery. Therefore, we are continuously deepening our supply chain management and actively promoting a sustainable supply chain.

Supplier Management

We have established comprehensive supplier evaluation criteria and thorough introduction and review processes, assessing suppliers across multiple dimensions to ensure that they meet our requirements.

We implement full lifecycle management for suppliers and have formulated the Supplier Management Measures. Every six months, we conduct a tiered evaluation of suppliers across multiple dimensions, including quality, delivery, cost, technology, service, and green supply chain practices. Based on these evaluation results, we dynamically manage our supplier relationships—rewarding top performers, eliminating underperformers, and encouraging all suppliers to enhance product quality and delivery efficiency.

We have incorporated ESG factors into our supplier evaluation scorecard and require suppliers to sign the Social Responsibility Commitment Letter. Additionally, we distribute the Green Supply Chain Management Survey to assess suppliers' ESG management practices. We encourage suppliers to actively implement ESG measures to enhance the resilience of our supply chain against ESG risks.

Supplier Evaluation Factors

Quality Level	Technical Capability	Price Competitiveness
Delivery Capability	Social Responsibility	Service Level

Willfar Information has a total of **378** qualified raw material suppliers, all of which have obtained **ISO9001** Quality Management System Certification (**100%**).

Risk Prevention and Control Measures

In addition to maintaining high standards in supplier selection, we also maintain ample raw material inventory and possess strong emergency supply capabilities. Leveraging our comprehensive integrated supply chain platform, we are able to provide customers with high-quality, efficient, and highly reliable products and services, ensuring the stability of the supply chain.

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Supply Chain Risk Prevention and Control Strategies

Raw Material Inventory Security Mechanism

In collaboration with suppliers, we have established a safety stock reserve mechanism and a raw material supply linkage mechanism to ensure the stability of raw material supply.

Raw Material Emergency Supply Mechanism

In response to market demand fluctuations and unexpected situations, we have established an agile supply chain management system. With a comprehensive supplier resource pool, we are able to quickly enhance our raw material supply capacity and respond to urgent market demands in a timely manner.

Integrated Supply Chain Platform

We have established an integrated supply chain platform that aggregates high-quality supplier resources from the industry. Through rigorous selection and evaluation systems, we can effectively ensure the product quality, supply security, and service level of our suppliers.

End-to-End BCM System

We have established a Business Continuity Management (BCM) system, which is capable of identifying potential threats to the organization and analyzing the impact on business operations if a threat occurs. Through the implementation of effective response measures, the BCM system is designed to protect the interests of key stakeholders.

1.2 Supply Chain Collaboration

Willfar Information actively organizes and participates in supplier communication activities, fostering consensus with suppliers on technological innovation, product quality improvement, and green development concepts.

In addition, we conduct supplier training sessions that cover topics such as quality improvement and optimization of supply chain management. These programs are designed to help suppliers enhance their overall competitiveness and thereby establish closer cooperative relationships.

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and Standardized Operations | Innovation-Driven and
Intelligent Future | Digital Empowerment
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02
Customer-Centric Responsibility Practices

2.1 \ Improving Service System

Willfar Information has established a sound customer service system and optimized sales network. By combining technical service standards with personalized services, we provide customers with efficient and high-quality service experiences.

We have developed multiple service management documents, including the On-site Service Management Measures and the On-site Service Safety Management Measures. Additionally, we have assembled professional after-sales service teams to promptly respond to customer needs and provide technical services throughout the entire customer journey, from training to product support.

Five-Star After-Sales Service Certification

Seven-Star Completeness of After-Sales Service Certification

2.2 \ Customer Satisfaction Management

Based on the American Customer Satisfaction Index (ACSI) model, Willfar Information has developed the Customer Satisfaction Measurement and Control Procedure, focusing on dimensions such as product accuracy, operational quality, and service quality. We conduct annual customer satisfaction surveys, analyze the feedback received from customers, and implement corrective actions. Through these efforts, we continuously improve service quality. In 2024, the customer satisfaction rate reached **99.95%**.

We have established the Management Measures for Customer Complaint Handling and Closed-loop Management of Product Quality. Through standardized processes, we ensure the effective implementation of complaint feedback, problem resolution, preventive measures, and internal accountability.

The Technical Service Department is responsible for the management of customer complaints, including collection, recording, filing, communication, and external coordination. By leveraging an information management system, we ensure complaints are promptly responded to and handled efficiently. To quickly address complex situations, we have established an emergency response team dedicated to handling significant or urgent complaints, ensuring rapid remediation and efficient resolution.

Complaint Handling Procedure

Prepare preliminary response plans → Conduct root cause analysis → Develop long-term solutions → Coordinate resources for external solution implementation → Take and verify long-term corrective actions → Implement preventive measures to prevent recurrence → Follow up for closure → Publish reports

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Ensuring Information Security

3.1 Information Security Management Mechanism

We are fully aware of the importance of information security in maintaining customer trust and ensuring continuous business operations. To enhance computer security management, we have formulated the Information Security Management Measures and the Data Center and Data Backup and Recovery Management Measures in accordance with relevant laws and regulations and in reference to the ISO 27001 standard. This ensures that we can effectively address various information security challenges in the rapidly evolving digital environment.

The Requirements of the Information Security Management Measures

- During working hours, employees are strictly prohibited from using the Company's computers and network resources for any activities unrelated to work. Additionally, they must not engage in any actions that may jeopardize the Company's information security.

- Without approval, the distribution of materials is restricted to the Company's unified enterprise email system.

- Any storage media brought into or taken out of the Company must be authorized, and corresponding records must be kept for audit tracking.

3.2 Enhancing Protection Capabilities

We uphold a dual-track approach of "technology + mechanism" to reinforce the firewall of information security, rigorously safeguarding the data security of customers, users, suppliers, and industry chain partners, and eliminating risks of information or privacy breaches. During the reporting period, no data leakage incidents occurred.

Technology

We have established a comprehensive information system security protection framework. Leveraging our self-developed technology, we continuously advance the security upgrades of our product systems, operating systems, and management systems, while also ensuring timely software updates. Additionally, through strategic collaboration with leading information security companies in the industry, we further enhance the robustness of our information security protection capabilities.

Mechanism

We continuously improve our internal management mechanisms and sign Information Security Confidentiality Agreements with relevant personnel. We also enhance our employees' sense of responsibility and improve their professional standards. Through multiple measures to strengthen supervision, we protect information security and strictly prevent the leakage of information and privacy related to customers, users, suppliers, and partners in the industrial chain to third parties.

We conduct information security training, including sessions on corporate data security and compliance for global expansion. This helps employees enhance their security awareness, identify potential risks, and implement effective protective measures.

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04

Commitment to People-Centric Approach

4.1 \ Compliant and Equal Employment

Willfar Information adheres to a "people-centric" value and is committed to creating an open, inclusive, and innovative platform to attract and cultivate outstanding talents with a global vision and professional skills. We focus on employees' career growth and personal development, offering diversified training opportunities and broad career development space. We encourage innovative thinking, advocate teamwork, respect the unique value of each employee, and together drive the progress of the Company and society.

Protecting Employees' Rights and Interests in Accordance with the Law

We strictly comply with laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Regulations on the Prohibition of the Use of Child Labor. To effectively protect employees' rights and interests, we have established comprehensive internal regulation systems and developed the Employee Handbook.

We integrate principles such as lawful employment, equal opportunities, elimination of forced labor, and anti-discrimination and harassment into every aspect of our business operations.

Creating Fair Workplace Environment

We strictly adhere to the principle of equality and oppose any form of discrimination in recruitment. We provide every job candidate and employee with fair and equal opportunities, maintaining a workplace free from bias and based on mutual respect.

We adhere to the principles of fairness and justice, without bias based on gender, age, ethnicity, religious beliefs, or physical condition. We also strengthen the management of employee privacy.

Employer Honors

National Model Enterprises for Creating Harmonious Labor Relations

Grade A Units for Labor Security Compliance and Integrity in 2023

Vice-President Unit of Changsha High-Level Talents Innovation and Entrepreneurship Promotion Association

Liepin Annual Leap Award

Zhaopin 2024 China Preferred Employer of the Year

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Attracting Diverse Talents

We are committed to creating a diverse workplace where employees can fully utilize their talents and grow with the company. We actively expand recruitment channels, breaking geographical, industry, and background barriers. Through campus and social recruitment, university-enterprise cooperation, and talent introduction, we attract outstanding global talents to join the Willfar Information family. We believe diversified backgrounds, experiences, and perspectives stimulate innovation and drive our continuous development. We will continue to explore innovative recruitment methods to meet our rapid growth needs and provide a platform for ambitious individuals to showcase their talents.

We have built a diversified workforce that includes people of different ages, genders, cultural backgrounds, and professional fields. We respect differences, encourage expression, and provide equal opportunities for all employees to showcase their talents. We believe a diversified team structure stimulates creativity and vitality, enhancing our overall competitiveness.

Diversified Talent Structure

As of the end of the reporting period, the total number of employees was 859, with a 100% contract signing rate.

Gender Distribution
- 24%
- 76%
- Male 651
- Female 208
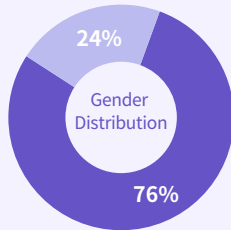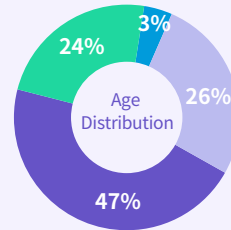
Age Distribution
- 3%
- 24%
- 26%
- 47%
- 30 years old and below: 223
- 31-40 years old: 399
- 41-50 years old: 209
- Over 50 years old: 28
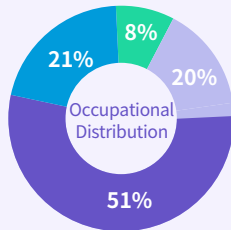
Occupational Distribution
- 8%
- 21%
- 20%
- 51%
- Management: 68
- Production: 177
- R&D Technology: 441
- Sales: 173
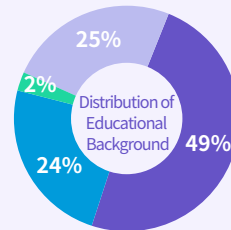
Distribution of Educational Background
- 25%
- 2%
- 24%
- 49%
- Bachelor's degree: 419
- Master's degree: 207
- Doctoral degree: 15
- Others: 218

4.2 Attracting Overseas Talents

Willfar Information has positioned "internationalization" as one of the core strategies, focusing on "global mindset, global strategy, and global organizational framework." By building a global talent ecosystem, establishing an internationalized organizational structure, and implementing global management practices, we are advancing organizational readiness, talent reserves, and capability development to deepen our internationalization strategy. These efforts inject robust momentum into the growth of our global business operations, laying a solid foundation for sustained international expansion.

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Establishing Global Talent System and Attracting Elite Overseas Talents

Targeted Talent Recruitment - Building Global Talent Hub
We focus on key positions and actively recruit high-end talents with international vision, professional skills, and cross-cultural communication abilities to enhance our team's overall strength.

Integrated Development Programs - Empowering Global Business Growth
We conduct training on product knowledge, including AMI, distribution networks, and new energy. Frontline marketing, sales, and documentation staff receive practical foreign trade operations training. Management teams get spoken English training to develop strong communication skills. These efforts aim to build a high-quality, professional, and internationalized team.

Multifaceted Incentives - Fueling Innovation and Vitality
We implement a diversified incentive policy, including operational performance incentives, special incentives, and employee share ownership plans, focusing on results to drive the achievement of our international business goals.

Building International Organizational Structure and Developing Efficient 0perating System

Flexible Deployment - Optimizing Overseas Resource Allocation
We flexibly set up subsidiaries, factories, and offices to meet the management needs of different countries and regions, creating an adaptable organizational structure for efficient global operations.

Professional Support - Building Elite Overseas Teams
We optimize our organizational structure, allocate key resources, and build a nearly 300-member overseas support team to provide robust professional support for our international business development.

Localized Operations - Integrating into Regional Development
We focus on our international business strategy and introduce diverse professional talents through multiple channels to support our business expansion. These talents include individuals with overseas study backgrounds or local education in target markets, as well as local technical and operational experts. Their contributions drive regional business growth and enable localized operations.

Implementing International Management Models and Enhancing Global Competitiveness

Compliance-Driven Operations - Safeguarding Sustainable Business Health
We develop and refine management practices tailored for international operations to ensure compliance and efficiency, safeguarding the healthy development of our international business.

Cultural Integration - Fostering Global Corporate Culture
We respect cultural differences, promote cultural integration, and foster an inclusive, open, and diverse global corporate culture to enhance employees' sense of belonging and cohesion.

Continuous Innovation - Leading Industry Advancement
We encourage innovative thinking, support technological innovation, and continuously enhance the quality of our products and services. By leading industry development, we aim to become a globally competitive enterprise.

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4.3 \ Employee Compensation and Benefits

Compensation Policy

Willfar Information has established a scientific assessment and incentive mechanism. In terms of compensation policies, it adheres to market orientation and performance-based principles to build a rational compensation system that prioritizes core talents and frontline employees. We implement competency-position matching, determining compensation based on position value, qualifications, work performance, and task objectives. By adopting a dual approach of rewards and deductions, we ensure compensation flexibility—adjustable upward and downward, adaptable to role changes, and maintaining equal pay for equal work.

Regarding incentive measures, we uphold the principle of "strategy orientation with market and product focus," implementing comprehensive, multi-tiered special incentive programs. For key markets, regions, and business areas, differentiated incentive policies are applied to drive corporate performance and achieve critical business objectives.

In innovation, we systematically develop multi-dimensional incentive mechanisms covering technology and product innovation, market and sales innovation, operations and mechanism innovation, as well as management and service innovation. To this end, we have established various talent incentive awards and rewards for patents and commercialization of technological achievements. Concurrently, we are progressively rolling out medium-to-long-term incentive plans, such as employee share ownership schemes, as sustainable motivational tools to stimulate staff engagement and creativity.

Employee Share Ownership Plan

In early 2024, Willfar Information launched the first Employee Share Ownership Plan with a total of 4 million shares. The plan includes a lock-up period, with shares unlocking in three phases.

The Employee Share Ownership Plan sets individual performance criteria based on evaluation scores and comprehensive assessments. It motivates participants while imposing constraints, encouraging long-term shareholding and a focus on the company's long-term value. This aligns the interests of plan holders with those of the Company and its shareholders.
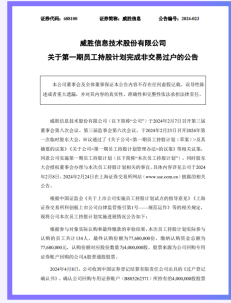
Employee Communication and Feedback

Willfar Information values employee communication and feedback, fostering an open, transparent, and trusting work environment through diverse channels and regular feedback mechanisms. We believe that listening to employees builds consensus, while respecting their needs unleashes organizational vitality.

We regularly hold staff congresses, inviting representatives to discuss major decisions and conduct employee satisfaction surveys to understand and address their concerns, enhancing communication between employees and management.

Employee Benefits

Willfar Information offers comprehensive benefits packages to help employees achieve work-life balance and strengthen their sense of belonging.

Economic Welfare

Statutory Benefits
- Unemployment Insurance
- Occupational Injury Insurance
- Social Pension Insurance
- Housing Provident Fund
- Maternity Insurance

Extra Benefits
- Employee Assistance Fund (Education for Offspring, Poverty Assistance)
- Overseas Allowance
- Innovation and Entrepreneurship Fund

Employee Care

Extra Benefits
- Skills Enhancement Training
- Employee Meals
- Commuter Shuttle
- Audio Library
- Holiday Presents

Family Care

Statutory Benefits
- Marriage Leave
- Pregnancy Check-up Leave
- Maternity Leave
- Paternity Leave
- Breastfeeding Leave
- Bereavement Leave

Extra Benefits
- Children's Day Gifts
- Home Leave for Overseas Assignees

Health and Safety Assurance

Statutory Benefits
- Basic Medical Insurance
- Medical Leave
- Sick Leave
- Statutory Annual Leave
- High-Temperature Allowance

Extra Benefits
- Supplementary Commercial Insurance
- Critical Illness Insurance
- Accident Insurance and Life Insurance
- Annual Health Check-up and Interpretation Service
- Psychological Counseling and Annual Mental Health Assessment
- Health Consultation Service
- Gymnasium
- Cultural and Sports Activities

4.4 Focusing on Employee Growth

Dual-Track Promotion System

Willfar Information provides clear career advancement pathways to support employee development. We have implemented a dual-track model, with management and professional tracks, to provide personalized career paths and fully unlock organizational vitality and talent potential.

Dual-Track Promotion Pathway

Management Pathway	Professional Pathway
Leader	Senior Expert
Manager	Expert
Key Personnel	Key Contributor
Experienced	Experienced
Novice	Novice

Employee Dual-Track Career Development

Training Management System

Willfar Information supports the personal and professional development of new employees, specialists, and managers through diverse learning pathways and resources. We partner with external academic institutions and third parties to enhance employees' professional knowledge and broaden their perspectives. Additionally, we provide learning platforms and resources to business partners and investment firms, sharing industry insights, practices, and experiences to support industry-wide talent development.

Training Program

Management Capability Enhancement Plan
External training Plan:
EMBA,MBA,AI Strategy and Leadership Enhancement Program,Era-Leading Seminar
Internal Training Program:
Dragon Seed Program,Dragon Leap Program,Innovation Business Lecture,Management Skills Enhancement and Empowerment Program,Business English Improvement Courses

Professional Skills Breakthrough Initiative
Domestic Full-Staff Marketing Series
Overseas Full-Staff Marketing Series
Overseas Navigation Program / Business English Corner
Cutting-Edge Technology PhD Salon / Technical Standards Learning Day
Technical Support Practical Skills Competition
Multi-Skill Enhancement Program
Specialized Management Training for HR, Finance, & Admin

New Journey Advanced Progression Plan
Willstar´s Training Camp for Campus Recruits
Growth Training Camp for Social Recruits
One-on-One Training for Headhunted Talents

Corporate Culture Promotion Plan
Corporate Culture Roadshow
Online Corporate Culture Q&A Contest
Reading Activity of "Willstar News"
Five-Minute Corporate Culture Implementation Activity
Overseas Corporate Culture Course

Internal Training

- Management Training
- Vocational Training
- Onboarding Training
- Cultural Promotion and Advocacy

ZhiXue Cloud Platform hosts a vast amount of online learning resources

Advanced management capability courses for management cadres at different levels
Leadership Enhancement Courses for Operation and Management Teams
Strategic Planning ,Resource Integration ,Decision-Making
Management Skills Development Programs for Middle-level management
Team Management, Innovative Management, Communication Management
Capabilities Enhancement courses for Frontline Management
Business Development,Execution Enhancement,Problem Solving

Customized vocational skills training programs tailored to employees
Technical Training Courses
Product/Project Training Courses
Marketing/Market Training Courses
Functional/Professional Training Courses
Provide general skills training courses

Rapid integration training programs for new recruits from society and campuses, as well as employees undergoing job rotation
New Employee Orientation
Job-Specific Training Courses for New Hires in Various Business Groups
Mentorship and Specialized Coaching Programs for New Employees
Job Rotation Mentoring and Training

Corporate culture promotion training courses for all employees
Willfar Information's Values and Corporate Culture
History of Willfar Information's Development
Enhance awareness, understanding, recognition, and implementation of corporate culture

Curriculum System

External Communication

- Public Welfare&CSR
- Industry Technology Learning and Sharing
- Industry Summit & Forum

Providing training resources and content for subsidiaries, partners, and customers.

First Aid / Occupational Health Course
Innovative Business Lecture
Poverty Alleviation Project for Remote Area Children
Sports Events: Badminton / Basketball League

IEEE1901.3 Dual-Mode Communication International Standard Conference
Industry Standard Development and Revision Conference in the Energy Sector
Interface Specification Conference for Electric Metering Equipment and Communication Unit
Promotion and Application Training for New Types of Electrical Equipment
Cutting-Edge Training in Electric Power Metering and Monitoring Technology
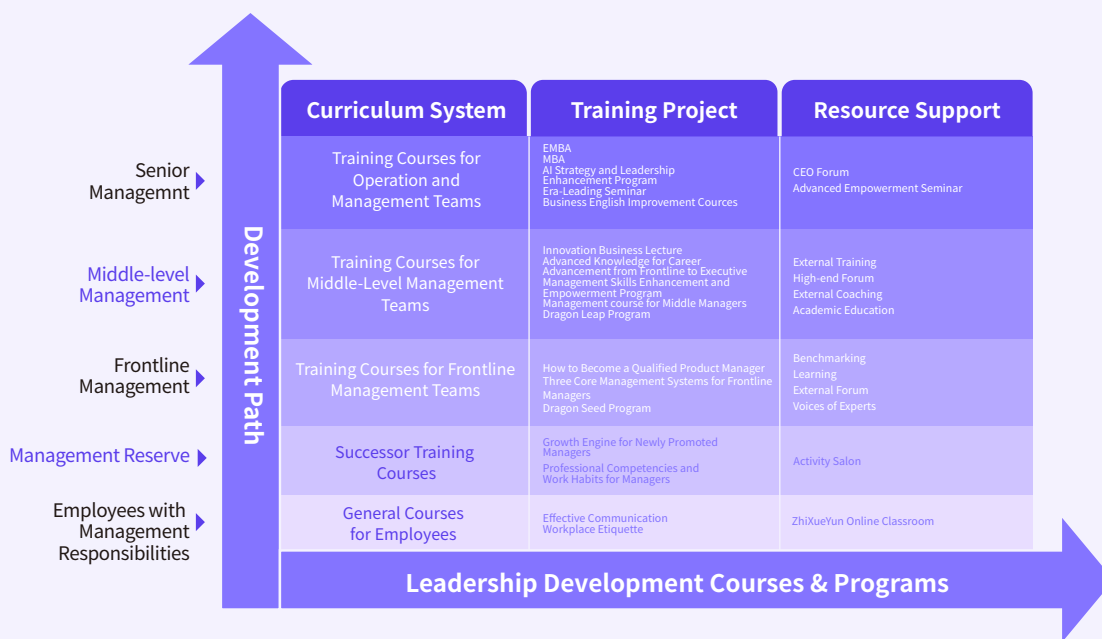Digital Transformation and Innovation Training for Power Systems
Maintenance and Fault Diagnosis Training for Electrical Equipment

World Energy Congress - Netherlands
Vietnam Power Forum - Distribution Automation Summit
Frontier Technology Innovation Summit on Energy Internet of Things
Yangzhou Smart Energy Innovation Forum
Summit on Distribution Technology Application
National Forum on Distribution Fault Handling and Safety Technology

2024 Training System Upgrade - Building an Intelligent and Professionalized Talent Development Platform

Technology-Driven Training Perception

- Leverage technical strengths to upgrade our internal learning platform (ZhiXue Cloud), allowing employees to access learning resources flexibly on mobile devices
- Develop customized courses to better meet the needs of the audience
- Offer online courses for managers to enhance learning flexibility

Premium Content Curation

- Integrate artificial intelligence and large models into onboarding, career development, general competencies, and leadership training to align with industry trends
- Encourage employees to turn their experience and knowledge into courses, integrating them into the company's knowledge-sharing mechanism.
- Integrate career progression and expert selection channels into the human resource system to develop unique Willfar Information training courses

Enhancing Industry Collaboration

- Introduce top-tier, reputable training resources from the industry. Through deep collaboration, enrich our employee development courses and enhance training professionalism

Management Training - Management Capability Enhancement Program

Willfar Information customizes leadership development systems to meet the needs of different management levels. Our training model now combines online knowledge learning with offline discussions, exchanges, and assessment exercises.

We have designed specialized training programs for managers at various levels and career stages, including the "Dragon Potential Program", "Dragon Leap Program", and New Manager Training. In 2024, we selected 360 managers to join these programs, enhancing their leadership skills for career advancement and building a talent pool for our management teams.

	Curriculum System	Training Project	Resource Support
Senior Managemnt	Training Courses for Operation and Management Teams	EMBA MBA AI Strategy and Leadership Enhancement Program Era-Leading Seminar Business English Improvement Cources	CEO Forum Advanced Empowerment Seminar
Middle-level Management	Training Courses for Middle-Level Management Teams	Innovation Business Lecture Advanced Knowledge for Career Advancement from Frontline to Executive Management Skills Enhancement and Empowerment Program Management course for Middle Managers Dragon Leap Program	External Training High-end Forum External Coaching Academic Education
Frontline Management	Training Courses for Frontline Management Teams	How to Become a Qualified Product Manager Three Core Management Systems for Frontline Managers Dragon Seed Program	Benchmarking Learning External Forum Voices of Experts
Management Reserve	Successor Training Courses	Growth Engine for Newly Promoted Managers Professional Competencies and Work Habits for Managers	Activity Salon
Employees with Management Responsibilities	General Courses for Employees	Effective Communication Workplace Etiquette	ZhiXueYun Online Classroom

Development Path

Leadership Development Courses & Programs

Leadership Development Program

We focus on the comprehensive development of managers and have developed a capability map based on our core values. This map covers strategic, business, team, and change management. Using it as a foundation, we provide customized learning resources and development plans for managers at different levels. This enhances their management skills and leadership techniques, enabling them to lead their teams more effectively and maintain our competitive edge.

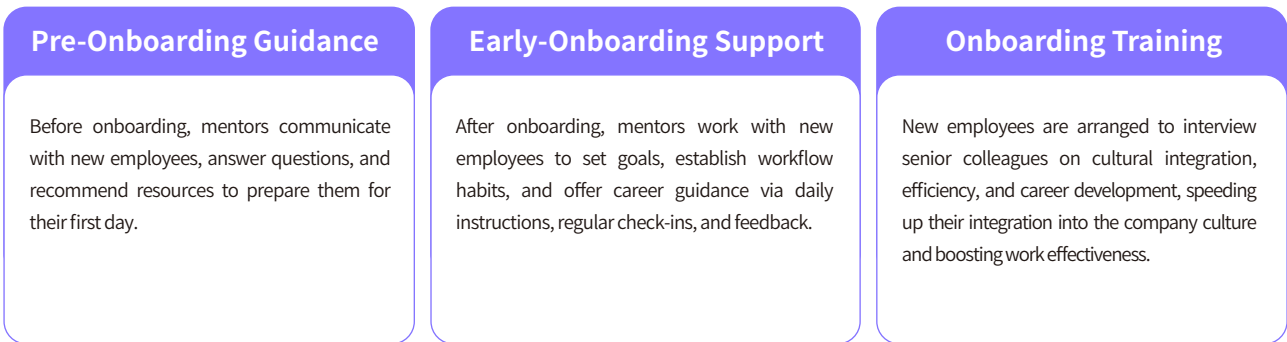## Personalized Capability Assessment and Guidance

For core talents, we provide personalized competency assessments and mentorship. For instance, in our leadership pipeline programs such as the "Dragon Potential Program" and "Dragon Leap Program" designed for high-potential future leaders, the company's Assessment Center conducts comprehensive evaluations for each participant. These evaluations help participants gain a deeper understanding of corporate expectations and standards, while identifying their strengths and areas for growth. Based on the assessment results, we collaborate closely with participants' supervisors and the HR department to craft tailored development plans for each individual. This ensures rapid growth along career paths aligned with their potential, empowering them to become the backbone of sustainable team development.

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Onboarding and Rotation Training - New Journey and New Advancement Program

To help new employees integrate quickly, we offer targeted pre-job training. Campus hires receive closed training in professional ethics and workplace skills, while social hires focus on understanding our corporate culture and business processes. Each business group also provides specialized training based on their unique needs. In 2024, we enhanced learning efficiency by introducing pre-learning and small-class teaching methods.

Willfar Information learning center actively fosters mentorship and interaction between new and experienced employees, supporting continuous growth across all career stages. New employees are assigned mentors upon onboarding, who provide structured guidance under the New Employee Mentorship Program. This program outlines mentor responsibilities, selection criteria, and the mentoring process to ensure effective and organized support.

To develop and retain talent, we have established a comprehensive management process that encompasses job rotation planning, pre-rotation training, implementation, and assessment of rotation outcomes. This approach is designed to align with the development needs of both the Company and the employees.

Pre-Onboarding Guidance

Before onboarding, mentors communicate with new employees, answer questions, and recommend resources to prepare them for their first day.

Early-Onboarding Support

After onboarding, mentors work with new employees to set goals, establish workflow habits, and offer career guidance via daily instructions, regular check-ins, and feedback.

Onboarding Training

New employees are arranged to interview senior colleagues on cultural integration, efficiency, and career development, speeding up their integration into the company culture and boosting work effectiveness.

Career Development Training – Professional Skills Breakthrough Initiative

For professional development, we recommend learning resources tailored to employees' professional fields, levels, and job requirements. Employees can select courses and learning methods based on their interests, needs, and development stages. Beyond regular training, we offer diverse learning and exchange opportunities.

Company-Wide Marketing Training

We have developed comprehensive marketing capability enhancement systems for domestic and international frontline marketing staff, offering courses and sharing sessions on topics such as products and solutions, marketing strategy development, and market planning.

The training program invited general managers from various business groups and divisions to provide in-depth analysis and detailed explanations of key businesses, new products, and solutions, with the goal of enhancing employees' business development and channel expansion skills. Following the training, we will organize assessments for all marketing, technical support, and market personnel to reinforce their learning through testing.

Global Empowerment Bootcamp

We conduct specialized international training programs aligned with our corporate strategy, focusing on international trade rules and processes. This enables us to build a professional and international trade team.

Global Marketing Business Empowerment Training

External Training

The training courses include, but are not limited to:

- Basic theoretical knowledge of international trade
- International trade risk management and case study
- Logistics and supply chain management training
- Import and export procedures and practical skills
- Strategies for dealing with tariffs and trade barriers
- Trade financing and payment methods
- Market development and sales techniques in international markets

Internal Training

We also invited leaders in international business to conduct internal training, offering detailed insights into key products and solutions. This initiative aims to fully prepare for adjustments and capability enhancements in international business, organizational structure, teams, and personnel planning.

International Trade Negotiation Simulation Workshop

International Trade Practices & Case Study Training

International Trade Risk Mitigation & Compliance Management Workshop

We support and encourage employees to enhance their professional skills through on-the-job education, further academic studies, and external certifications. Full-time employees are eligible for rewards and reimbursement for certification-related expenses in relevant career fields.

In addition, we regularly organize professional exchange events, inviting industry experts to share the latest insights, innovations, and valuable experience, fostering knowledge exchange and sharing among employees.

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Innovation Business Forum

We invited both internal and external technical experts to share nearly 60 cutting-edge topics and organized a product and solution presentation competition. In addition, we extended special invitations to investors, customers, and recent college graduates to join us.

Business Language Skills Enhancement

⊙ For overseas business executives，we offer online and on-site interactive training to enhance their business English and communication skills, supporting our 2024 management goals.

⊙ For all employees, using BEC materials and scenario-based teaching, we focus on improving English listening, speaking, product promotion, marketing skills, and business negotiation abilities.

⊙ For employees in or heading to overseas roles, we provide an APP-based learning program with 1v1 lessons from native English teachers and WeChat group support. Topics include personalized self-introductions, everyday work English, business communication, presentation skills, and international email etiquette.

Internal Trainer Development Program

We conduct internal trainer training to build a high-quality team of internal instructors, enhancing their role in our talent development system, facilitating the accumulation and transmission of organizational experience, and driving the development of a learning organization.

4.5 Protecting Employee Health

Willfar Information strictly adheres to national laws, regulations, and standards for preventing and controlling occupational hazards. We have developed several management measures, including the Occupational Health Protection Management Measures and the Emergency Rescue Plan Management Measures for Occupational Disease Hazards, to prioritize safety production and occupational health protection.

Occupational Health and Safety Management System Certification

Safety Production Management System

| Safety Production Policies | Safety Education and Training | Safety Supervision and Inspection | Safety Emergency Management |

We organize safety education and occupational health training, provide annual health checks for workers exposed to occupational hazards, and maintain comprehensive occupational health records to ensure the well-being of our employees.

Electric Shock and Mechanical Injury Emergency Response Competition

To enhance employees' emergency response skills, familiarize them with emergency procedures, and provide self-rescue and first aid training to reduce accident impacts, we held the 4th Electric Shock and Mechanical Injury Emergency Response Competition.

First Aid and AED Training

Fire Safety Training

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Workplace Well-being

We help employees effectively manage stress through mental health education and training.

Employee Mental Health Training

Willfar Information consistently prioritizes the physical and mental well-being of its employees. In June 2024, we hosted a mental health lecture series, inviting a Council Member of the Hunan Psychological Counselors Association and a National Certified Level-II Psychological Counselor to deliver specialized training. This initiative aimed to enhance employees' mental health awareness, equip them with practical strategies to manage psychological well-being, and empower them to thrive both personally and professionally with renewed energy and resilience.

To enrich employees' leisure lives, we organized various sports activities, such as sports meetings and basketball games, helping employees stay fit and relaxed outside of work.
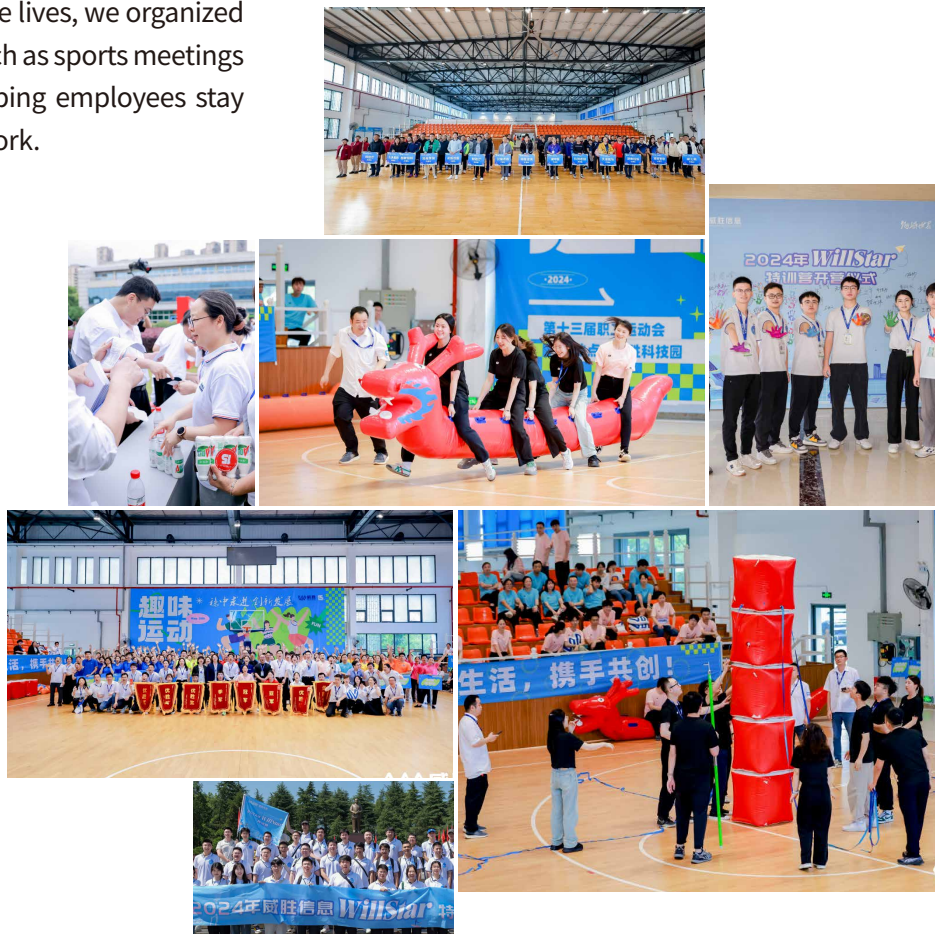
05
Engaging in Social Welfare

5.1 \ Contributing to Rural Revitalization

As the forefront of rural revitalization efforts, the development of rural areas holds critical significance. Willfar Information is committed to leveraging technological and information-based approaches to drive rural revitalization. By enhancing energy conservation and efficiency, we effectively reduce the expenditures of rural households and improves their disposable income levels.

Smart Energy Utilization - Promoting Digital Transformation of Rural Energy

With the accelerating pace of urbanization, rural areas are facing growing challenges, particularly in their power infrastructure. The increasing load on rural power grids and the inadequate power facilities have gradually emerged as significant bottlenecks, severely restricting rural development.

Willfar Information has launched the Rural Households Smart Energy Solution. By monitoring digital information such as electricity load, electrical safety, types and status of home appliances, charging piles, and household-distributed photovoltaics in new rural families, it can achieve analysis, diagnosis, and control of electrical equipment. It can also provide digital value-added services such as energy analysis, energy-saving diagnosis, load adjustment, electrical safety, and early warning of electrical appliance failures for rural families and entire villages. This enables smart energy use for rural families and entire villages, making rural household energy observable, measurable, controllable, and adjustable.

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5.2 \ Spreading Warmth through Love

We have fostered the concept of a "Public-Welfare Oriented Willfar." We have assembled a volunteer team that actively engages in charitable endeavors such as donations, educational sponsorships, and care visits, creating value for society.

Protecting the Healthy Growth of Left-Behind Children

From 2022 to 2024, we have carried out love-support activities for left-behind children in financial difficulties in Guitang Town, Longshan County, Western Hunan.

"Love Changes Destiny" Charity Scholarships

In 2024, the "Love Changes Destiny" charity education support activity was held in Changsha. As a caring enterprise, Willfar Information donated **1 million** yuan in scholarship funds through the Provincial Charity Federation, helping motivated students realize their university dreams.

Willfar Book Corner

Willfar Information established the "Willfar Book Corner" at the school in Mibei Miao Autonomous Township, Xinhuang Dong Autonomous County, Western Hunan.

Voluntary Blood Donation Activity

To promote and carry forward the spirit of Lei Feng and to disseminate the volunteer service concept of "learning from Lei Feng, dedicating to others, and improving oneself," on March 20th, Willfar Information's Party Committee organized a voluntary blood donation activity. More than 70 employees actively participated, donating a total of **12,100 milliliters** of blood.
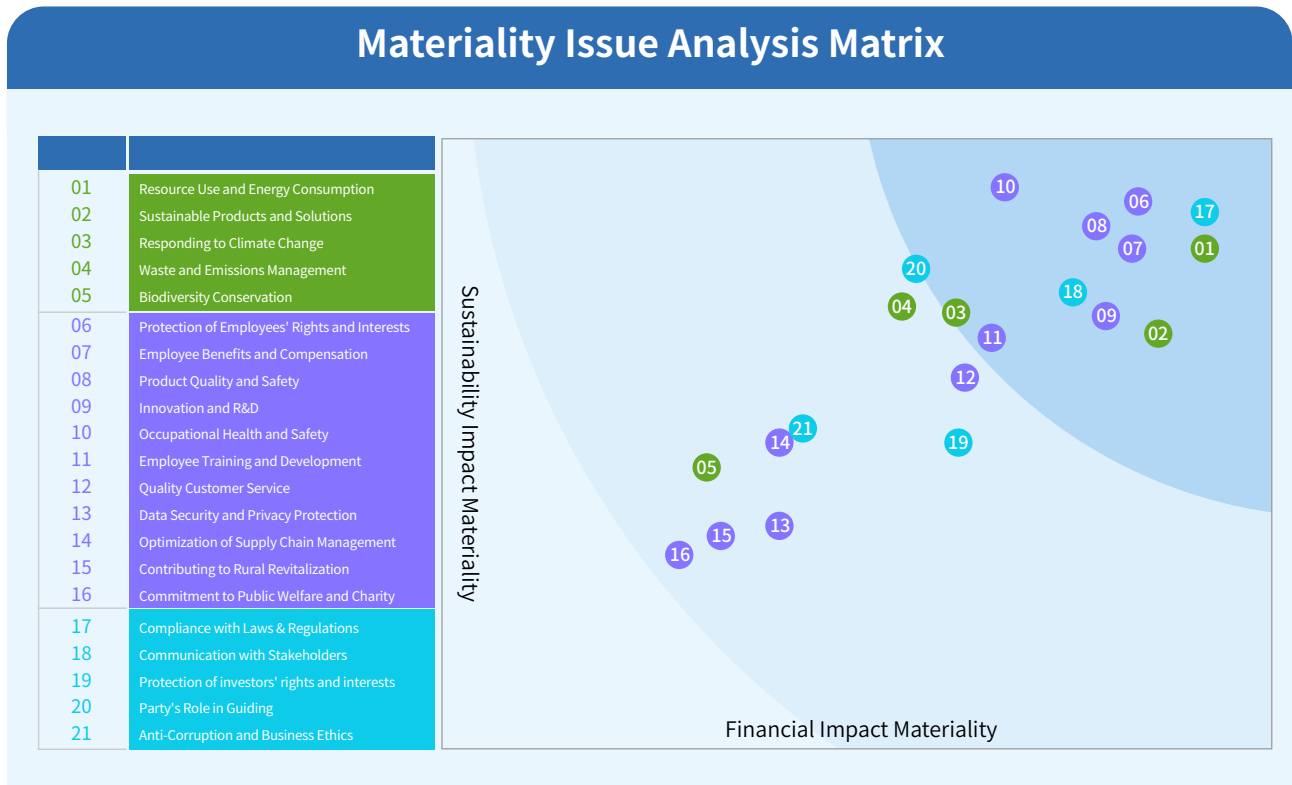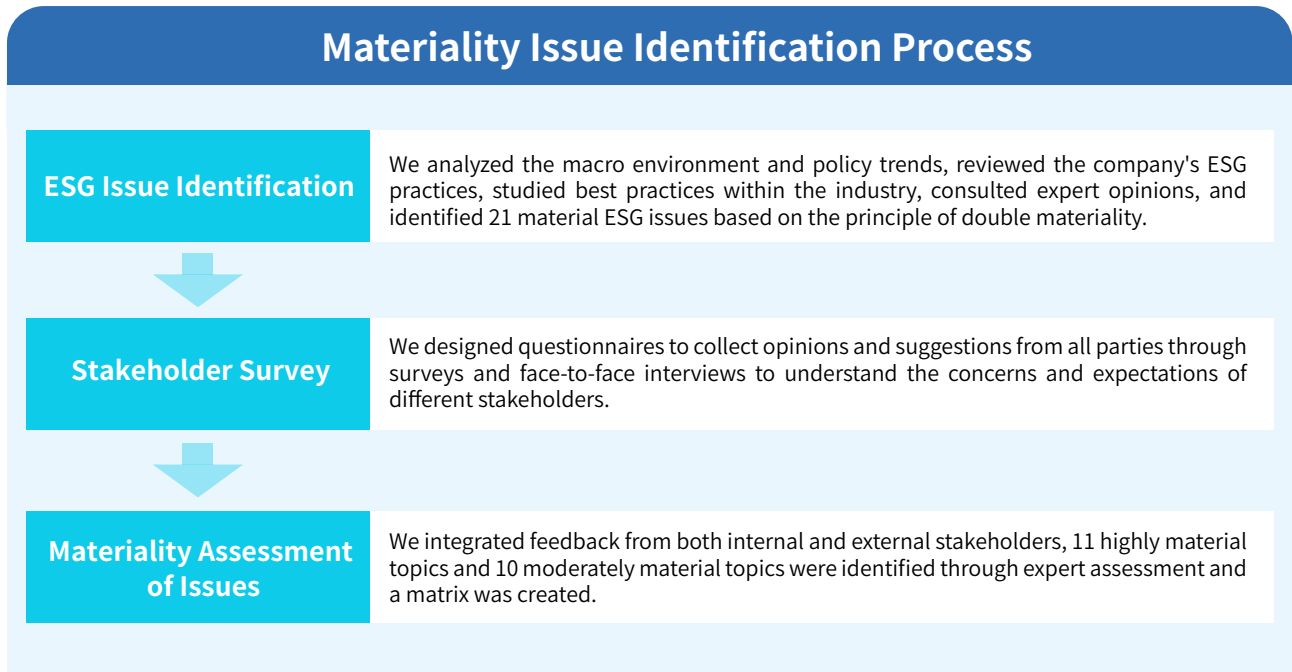
Communication with Stakeholders

We are well aware of the significant impact that various stakeholders have on Willfar Information's development. Through systematic organization and analysis, we have identified 8 major stakeholder groups, including the government, shareholders, customers, employees, suppliers, industry associations, the general public, and other partners.

Actively listening to and responding to the needs of stakeholders is key to our stable development. We have established a diversified range of communication channels to proactively listen to the voices of all parties. Meanwhile, we integrate the feedback we collect into our strategic planning and day-to-day decision-making to ensure that our actions align with the expectations of stakeholders.

Stakeholders	Stakeholder Concerns	Communication Channels
Government	● Compliance with Laws & Regulations ● Anti-Corruption & Business Ethics ● Employee Rights Protection ● Occupational Health & Safety ● Waste & Emission Management	● Project Collaboration ● On-Site Visits and Inspections ● Work Reports ● Exchange Activities
Shareholder	● Protection of Investors' Rights & Interests ● Compliance with Laws & Regulations ● Sustainable Products & Solutions ● Innovation and R&D ● Communication with Stakeholder	● Annual General Meeting (AGM) ● Investor Conference ● Information Disclosure ● Telephone & Email Communication
Client	● Quality Customer Service ● Product Quality & Safety ● Sustainable Products & Solutions ● Data Security & Privacy Protection ● Climate Change Response	● Visits & Exchanges ● Satisfaction Surveys ● Customer Service Hotline
Employee	● Employee Benefits & Compensation ● Employee Rights Protection ● Employee Training & Development ● Occupational Health & Safety	● Labor Union ● Staff Congress ● Corporate Culture Activities ● Employee Training
Supplier	● Optimization of Supply Chain Management ● Product Quality & Safety ● Anti-Corruption & Business Ethics	● Visits & Exchanges ● Bidding
Industry Association	● Innovation and R&D ● Product Quality & Safety ● Optimization of Supply Chain Management	● Industry Exchanges
Society	● Commitment to Public Welfare and Charity ● Compliance with Laws & Regulations ● Waste & Emission Management ● Resource Use & Energy Consumption	● Information Disclosure ● Company Official Website ● Community Activities
Other Partners	● Product Quality & Safety ● Sustainable Product & Solutions ● Innovation and R&D	● Information Disclosure ● Company Official Website

Materiality Issue Identification

We invited stakeholders to participate in the issue assessment and sought their suggestions on our sustainability efforts. By analyzing the survey results and in alignment with the Company's operational realities and development plans, we constructed a dual-materiality issue analysis matrix. Furthermore, based on the assessment outcomes, we will develop corresponding action plans to effectively address the concerns of stakeholders.

Materiality Issue Identification Process

ESG Issue Identification

We analyzed the macro environment and policy trends, reviewed the company's ESG practices, studied best practices within the industry, consulted expert opinions, and identified 21 material ESG issues based on the principle of double materiality.

Stakeholder Survey

We designed questionnaires to collect opinions and suggestions from all parties through surveys and face-to-face interviews to understand the concerns and expectations of different stakeholders.

Materiality Assessment of Issues

We integrated feedback from both internal and external stakeholders, 11 highly material topics and 10 moderately material topics were identified through expert assessment and a matrix was created.

Materiality Issue Analysis Matrix

No.	Issue
01	Resource Use and Energy Consumption
02	Sustainable Products and Solutions
03	Responding to Climate Change
04	Waste and Emissions Management
05	Biodiversity Conservation
06	Protection of Employees' Rights and Interests
07	Employee Benefits and Compensation
08	Product Quality and Safety
09	Innovation and R&D
10	Occupational Health and Safety
11	Employee Training and Development
12	Quality Customer Service
13	Data Security and Privacy Protection
14	Optimization of Supply Chain Management
15	Contributing to Rural Revitalization
16	Commitment to Public Welfare and Charity
17	Compliance with Laws & Regulations
18	Communication with Stakeholders
19	Protection of investors' rights and interests
20	Party's Role in Guiding
21	Anti-Corruption and Business Ethics

Sustainability Impact Materiality (vertical axis)

Financial Impact Materiality (horizontal axis)

Willfar Information will continue to benefit every city, every community, every enterprise, and every household with our products, technology, and services.

Appendix

Key Performance Data

Environmental Performance Table

Performance Indicators	Unit	Value in 2024
Energy Consumption		
Total energy consumption	KWh	6,738,053.40
Energy intensity	KWh/10,000 yuan of annual revenue	24.55
Gasoline	L	9,703.87
Diesel	L	1,403.12
Natural Gas	m^3	74,545.24
Total electricity consumption	KWh	5,896,734.16
Purchased electricity	KWh	4,990,634.83
Photovoltaic electricity generation	KWh	906,099.33
Greenhouse Gas Emission		
Greenhouse gas emissions (Scope 1)	tCO_2e	217.67
Greenhouse gas emissions (Scope 2)	tCO_2e	2,846.16
Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	3,063.83
Greenhouse gas emission intensity	tCO_2e/10,000 yuan of annual revenue	0.01
Water Consumption		
Total water consumption	Tonne	207,938.78
Water consumption intensity	Tonne/10,000 yuan of annual revenue	0.76
Emissions Management		
Environmental investment	10,000 yuan	28.69
Wastewater COD concentration	mg/L	28.52
Wastewater BOD5 concentration	mg/L	6.81
Ammonia nitrogen concentration in wastewater	mg/L	16.62
Total phosphorus concentration in wastewater	mg/L	1.67
Waste particle concentration	mg/m^3	0.25
Non-hazardous waste	Tonne	132
Non-hazardous waste recycling rate	%	91.48
Hazardous waste generation (tin slag)	Tonne	10
Hazardous waste recycling rate	%	98

Social Performance Table

Performance Indicators		Unit	Value in 2024
Employees			
Total number of employees		Person	859
By gender	Male	Person	651
	Female	Person	208
By age	Below 30	Person	223
	Aged 31-40	Person	399
	Aged 41-50	Person	209
	Over 50	Person	28
By education	Bachelor's Degree	Person	419
	Master's Degree	Person	207
	Doctoral Degree	Person	15
	Other	Person	218
By occupational	Management	Person	68
	R&D and Technology	Person	441
	Production	Person	177
	Sales	Person	173
Number of new employees			97
By gender	Male	Person	78
	Female	Person	19
By education	Bachelor's Degree	Person	50
	Master's Degree	Person	38
	Doctoral Degree	Person	4
	Other	Person	5
Employee turnover rate		%	4.09
Labor contract signing rate		%	100
Employee Training			
Total training expenditure		10,000 yuan	224
Number of employee training sessions		Number	836
Total training hours for employees		Hour	40,223
Total number of training participants		Person-time	36,910
Average training hours per employee		Hour	46.83
Employee training coverage		%	100
By gender			
Male	Total training hours	Hour	30,445
	Average training hours per participant	Hour	46.77
Famale	Total training hours	Hour	9,768
	Average training hours per participant	Hour	46.96

Social Performance Table

Performance Indicators	Unit	Value in 2024
Occupational Health and Safety		
Number of participants in safety production training	Person-time	1,139
Training hours of safety production	Hour	74
Number of safety production emergency drills	Number	12
Number of participants in safety production emergency drills	Person	383
Number of safety production accidents	Number	0
Employee occupational health examination rate	%	100
Coverage rate of occupational health records	%	100
Newly diagnosed cases of occupational diseases	Number	0
Product Quality and Service		
Product qualificationrate	%	99.99
Sampling inspection coverage for materials and finished goods	%	100
Customer satisfaction	%	99.95
Complaint handling rate	%	100
Suppliers		
Total number of suppliers	Number	366
Number of new suppliers	Number	58
New suppliers selected based on environmental criteria	Number	58
New suppliers selected based on social criteria	Number	58
Proportion of suppliers signing integrity agreements	%	100

GRI Standards Index

Statement of Use	Willfar Information Technology Co., Ltd has prepared this report in accordance with the GRI Standards, with the reporting period covering 1 January 2024 to 31 December 2024.
GRI Version	GRI 1: Foundation 2021

		GRI Standards Description	Report Section
GRI 2: General Disclosure 2021	2-1	Organizational details	About Us
	2-2	Entities included in the organization's sustainability reporting	Introduction
	2-3	Reporting period, frequency and contact point	Introduction
	2-4	Restatements of information	——
	2-5	External assurance	Assurance Report
	2-6	Activities, value chain and other business relationships	About Us 3.2 Accelerating the Modernization Transformation of the Energy System
	2-7	Employees	4.4 Commitment to People-Centric Approach
	2-8	Workers who are not employees	—
	2-9	Governance structure and composition	1.1 Strengthening Corporate Governance
	2-10	Nomination and selection of the highest governance body	1.1 Strengthening Corporate Governance
	2-11	Chair of the highest governance body	1.1 Strengthening Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Strengthening Corporate Governance
	2-13	Delegation of responsibility for managing impacts	1.1 Strengthening Corporate Governance
	2-14	Role of the highest governance body in sustainability reporting	1.1 Strengthening Corporate Governance
	2-15	Conflicts of interest	—
	2-16	Communication of critical concern	Communication with Stakeholders
	2-17	Collective knowledge of the highest governance body	Preface
	2-18	Evaluation of the performance of the highest governance body	—
	2-19	Remuneration policies	4.4 Commitment to People-Centric Approach
	2-20	Process to determine remuneration	4.4 Commitment to People-Centric Approach
	2-21	Annual total compensation ratio	—
	2-22	Statement on sustainable development strategy	Preface
	2-23	Policy commitments	4.4 Commitment to People-Centric Approach
	2-24	Embedding policy commitments	Refer to the content in each section
	2-25	Processes to remediate negative impacts	Communication with Stakeholders
	2-26	Mechanisms for seeking advice and raising concerns	Communication with Stakeholders
	2-27	Compliance with laws and regulations	1.2 Stable and Compliant Operation
	2-28	Membership associations	About Us
	2-29	Approach to stakeholder engagement	Communication with Stakeholders
	2-30	Collective bargaining agreements	—
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Issue Identification
	3-2	List of material topics	Materiality Issue Identification
	3-3	Management of material topics	Materiality Issue Identification

GRI Standards Description			Report Section
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	About US 1.4 Valuing Investor Relations Management
	201-2	Financial implications and other risksand opportunities due to climate change	3.1 Practicing Sustainable Operations
	201-3	Defined benefit plan obligations and other retirement plans	4.4 Commitment to People-Centric Approach
	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	——
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Preface About Us
	203-2	Significant indirect economic impacts	2.2 Innovation Leads the Future 2.3 Promoting Industry Collaboration
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	——
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	1.2 Stable and Compliant Operation
	205-2	Communication and training about anti-corruption policies and procedures	1.2 Stable and Compliant Operation
	205-3	Confirmed incidents of corruption and actions taken	——
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.2 Stable and Compliant Operation
GRI 207: Tax 2019	207-1	Approach to tax	1.2 Stable and Compliant Operation
	207-2	Tax governance, control, and risk management	1.2 Stable and Compliant Operation
	207-3	Stakeholder engagement and management of concerns related to tax	1.2 Stable and Compliant Operation
	207-4	Country-by-country reporting	——
GRI 301: Materials 2016	301-1	Materials used by weight or volume	——
	301-2	Recycled input materials used	3.1 Practicing Sustainable Operations
	301-3	Reclaimed products and their packaging materials	3.1 Practicing Sustainable Operations
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Key Performance Data
	302-2	Energy consumption outside of the organization	——
	302-3	Energy intensity	Key Performance Data
	302-4	Reduction of energy consumption	3.1 Practicing Sustainable Operations
	302-5	Reductions in energy requirements of products and services	3.1 Practicing Sustainable Operations

GRI Standards Description			Report Section
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	3.1 Practicing Sustainable Operations
	303-2	Management of water dischargerelated impacts	3.1 Practicing Sustainable Operations
	303-3	Water withdrawal	Key Performance Data
	303-4	Water discharge	Key Performance Data
	303-5	Water consumption	Key Performance Data
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	——
	304-2	Significant impacts of activities, products and services on biodiversity Habitats protected or restored	3.1 Practicing Sustainable Operations
	304-3	Habitats protected or restored	——
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	——
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Key Performance Data
	305-2	Energy indirect (Scope 2) GHG emissions	Key Performance Data
	305-3	Other indirect (Scope 3) GHG emissions	——
	305-4	GHG emissions intensity	3.1 Practicing Sustainable Operations
	305-5	Reduction of GHG emissions	3.1 Practicing Sustainable Operations
	305-6	Emissions of ozone-depleting substances (ODS)	——
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	——
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	3.1 Practicing Sustainable Operations
	306-2	Management of significant wasterelated impacts	3.1 Practicing Sustainable Operations
	306-3	Waste generated	3.1 Practicing Sustainable Operations
	306-4	Waste diverted from disposal	3.1 Practicing Sustainable Operations
	306-5	Waste directed to disposal	3.1 Practicing Sustainable Operations
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	4.1 Building Sustainable Supply Chain System
	308-2	Negative environmental impacts in the supply chain and actions taken	4.1 Building Sustainable Supply Chain System
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Key Performance Data
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	4.4 Commitment to People-Centric Approach
	401-3	Parental leave	4.4 Commitment to People-Centric Approach
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	——
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	4.4 Commitment to People-Centric Approach
	403-2	Hazard identification, risk assessment, and incident investigation	4.4 Commitment to People-Centric Approach
	403-3	Occupational health services	4.4 Commitment to People-Centric Approach
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4 Commitment to People-Centric Approach

GRI Standards Description			Report Section
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	4.4 Commitment to People-Centric Approach
	403-6	Promotion of worker health	4.4 Commitment to People-Centric Approach
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Commitment to People-Centric Approach
	403-8	Workers covered by an occupational health and safety management system	4.4 Commitment to People-Centric Approach
	403-9	Work-related injuries	4.4 Commitment to People-Centric Approach
	403-10	Work-related ill health	4.4 Commitment to People-Centric Approach
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Key Performance Data
	404-2	Programs for upgrading employee skills and transition assistance programs	4.4 Commitment to People-Centric Approach
	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	1.1 Strengthening Corporate Governance 4.4 People-Centric Approach
	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	——
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	4.4 Commitment to People-Centric Approach
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	4.4 Commitment to People-Centric Approach
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.4 Commitment to People-Centric Approach
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	——
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	——
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	——
	413-2	Operations with significant actual and potential negative impacts on local communities	3.2 Accelerating the Modernization Transformation of the Energy System 4.4 Commitment to People-Centric Approach
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	4.1 Building Sustainable Supply Chain System
	414-2	Negative social impacts in the supply chain and actions taken	4.1 Building Sustainable Supply Chain System
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	2.1 Building Excellence in Quality
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1 Building Excellence in Quality 4.2 Customer-Centric Responsibility Practices
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	2.1 Building Excellence in Quality
	417-2	Incidents of non-compliance concerning marketing communications	2.1 Building Excellence in Quality
	417-3	Incidents of non-compliance concerning marketing communications	——
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.3 Ensuring Information Security

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Add: 1366 Qianjiang Road, Hangzhou, China
网址: www.pccpa.cn

Independent Assurance Report

PCCPAAR [2025] No. 2-14

To the Board of Directors of Willfar Information Technology Co., Ltd.:

We have been engaged to conduct an independent external assurance engagement on the "Environmental, Social, and Governance (ESG) Report for Year 2024" (the "ESG Report") prepared by Willfar Information Technology Co., Ltd. (the "Company").

I. Subject Matter Information

The subject matter information of this assurance engagement comprises the following selected key indicators for 2024 from the ESG Report:

(I) Total energy consumption

(II) Purchased electricity

(III) Photovoltaic electricity generation

(IV) GHG emissions (Scope 1)

(V) GHG emissions (Scope 2)

(VI) Total GHG emissions (Scope 1 & 2)

(VII) Total water consumption

(VIII) Environmental protection expenditure

(IX) Total number of employees

(X) Total number of female employees

(XI) Total workforce by age group

(XII) Labor contract signing rate

Our assurance engagement is limited to the above-selected key indicators presented in the ESG Report and we have not performed any procedures with respect to any other elements included in the ESG Report.

II. Preparation Criteria

The criteria used by the Company to prepare the selected key indicators for 2024 is set out in the Appendix "Criteria for the Preparation of Key Indicators" (the "Criteria").

III. Responsibilities of the Management

The Company's management (the "Management") is responsible for the selection of the Criteria and the preparation of the selected key indicators for 2024 presented in the ESG Report in accordance with the Criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the key indicators to ensure that they are free from material misstatement, whether due to fraud or error.

IV. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. Our firm applies the "International Standard on Quality Management (ISQM) 1: Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the accounting firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

V. Our Responsibilities

We have conducted our assurance engagement in accordance with the "International Standard on Assurance Engagements (ISAE) 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Since we did not perform the procedures typically undertaken in a reasonable assurance engagement, we do not express a reasonable

assurance opinion. Our assurance work included identifying the areas where a material misstatement of selected key indicators for 2024 in the ESG Report is likely to arise; designing and performing assurance procedures to address the identified risks and obtaining corresponding evidence. The assurance procedures performed were based on our professional judgment and assessment of engagement risks.

The specific assurance procedures we performed include:

(I)   Interviews with relevant personnel of the Company;

(II) Review of relevant supporting documentation;

(III) Analytical procedures applied to selected key indicators; and

(IV) Recalculation of selected key indicators through sampling.

VI. Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected key indicators for 2024 presented in the ESG Report are not prepared, in all material respects, in accordance with the Criteria.

VII. Scope of Use

This report is issued solely to the Board of Directors of the Company and is not to be used for any other purpose. We do not assume responsibility towards or accept liability to any other parties for the content of this report.

Pan-China Certified Public Accountants LLP   Chinese Certified Public Accountant:

Hangzhou · China   Chinese Certified Public Accountant:

Date of Report: February 27, 2025

This assurance report is the English translation of the Chinese assurance report. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Appendix:

Criteria for the Preparation of Key Indicators

1. Total energy consumption: The total energy consumption for 2024 (including electricity, natural gas, gasoline, diesel, etc.), calculated in accordance with the "General Rules for Calculation of Comprehensive Energy Consumption" (GB/T 2589-2020).

2. Purchased electricity: The total consumption of purchased electricity for 2024.

3. Photovoltaic electricity generation: The total amount of electricity generated from photovoltaic sources for 2024.

4. GHG emissions (Scope 1): The Scope 1 greenhouse gas emissions of the Company for 2024 cover direct emissions from sources owned or controlled by the Company, including stationary sources, mobile sources, and some fugitive emissions. The calculation method is primarily based on the Greenhouse Gas Protocol, the "General Rules for Calculation of Comprehensive Energy Consumption" (GB/T 2589-2020), and other relevant standards.

5. GHG emissions (Scope 2): The Scope 2 greenhouse gas emissions of the Company for 2024 correspond to emissions associated with purchased electricity. The emission factors are sourced from the national grid average carbon emission factor for 2022, as specified in the "Notice on Properly Carrying out the Work of Greenhouse Gas Emission Reporting and Verification for Certain Key Industry Enterprises during 2023-2025".

6. Total GHG emissions (Scope 1 & 2): The total greenhouse gas emissions of above-mentioned Scope 1 and Scope 2 for 2024.

7. Total water consumption: The total amount of water resources consumed by all business activities of the Company in 2024.

8. Environmental protection expenditure: The total expenditure on environmental protection by the Company in 2024.

9. Total number of employees: As of December 31, 2024, the total number of contract employees of the Company.

10. Total number of female employees: As of December 31, 2024, the total number of female contract employees of the Company.

11. Total workforce by age group: As of December 31, 2024, the number of employees of the Company categorized by age group. The age groups are defined as: 30 years old and below, 31-40 years old, 41-50 years old, and above 50 years old.

12. Labor contract signing rate: As of December 31, 2024, the proportion of employees of the Company who have signed labor contracts.

Reader Feedback

Dear Reader,

Thank you for taking the time to review Willfar Information's 2024 Environmental, Social, and Governance (ESG) Report. To continuously improve our ESG practices and enhance our ESG management standards, we sincerely invite you to provide valuable feedback and suggestions on this report.

We kindly request your assistance in completing the related questions in this feedback form and submitting your comments and recommendations to us via email.
Email：tzzgx@willfar.com

Your Information
Name
Company
Phone Number
Email Address

Your Overall Evaluation of our 2024 ESG Report

☐Good   ☐ Fairly Good   ☐ Average

Your Evaluation of our Performance on Environmental, Social, and Governance Responsibilities：

Environmental Responsibility ☐Good ☐ Fairly Good ☐ Average

Social Responsibility ☐Good ☐ Fairly Good ☐ Average

Governance Responsibility ☐Good ☐ Fairly Good ☐ Average

Do you think the information disclosed in this report is clear, accurate, and complete?

Clarity ☐ High ☐ Moderately High ☐ Average ☐ Moderately Low ☐Low

Accuracy ☐ High ☐ Moderately High ☐ Average ☐ Moderately Low ☐Low

Completeness ☐ High ☐ Moderately High ☐ Average ☐ Moderately Low ☐Low

Your Other Suggestions for our ESG Work and This Report:

Willfar Information Technology Co., Ltd

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District, Changsha City, Hunan Province, China

WeChat Account