



# 2025

## Environmental, Social and Governance(ESG)Report

# Introduction

This report is the 5th 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.



## Report Scope

**Organizational scope :** The organizational scope of this report is Willfar Information Technology Co., Ltd. and its subsidiaries, Hunan Winmeter Energy Technology Co., Ltd. and Zhuhai Zhonghui Microelectronics Co., Ltd. (including Zhuhai Wellthing Microelectronics Co., Ltd).

**Time scope :** The time scope of this report is from January 1, 2025 to December 31, 2025 (“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 Guideline No.13 for Self-Regulation of Sci-Tech Innovation Board Listed Companies of the Shanghai Stock Exchange – Compilation of Sustainability Reports (Draft for Comment)

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

The United Nations Sustainable Development Goals (SDGs)

The China Corporate Sustainability Reporting Guidelines (CASS-ESG6.0)

## 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, 2026. 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 Hunan Branch 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](http://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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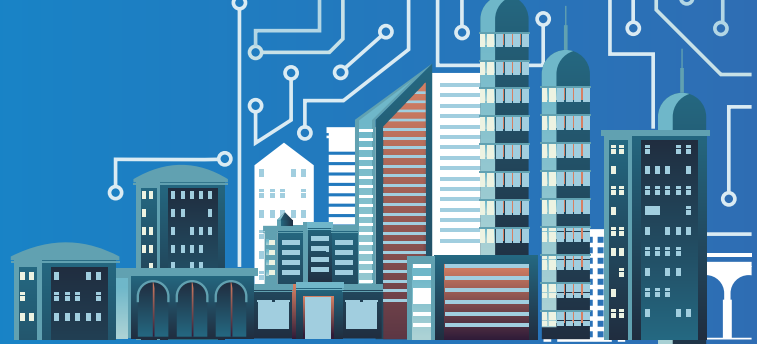
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# Contents



Introduction	01
About Willfar Information	03
Implement the National 14th Five-Year Plan: Enhance Corporate Value and Return Enhancement Action, Empower with Digital Intelligence, and Foster Sustainable Returns	06
System Certifications and Industry	
Association Memberships	07
Sustainability Management	11

## 01 Compliance Foundation and Transparent Operations

Ensuring Transparent Governance	15
Deepening Compliance Operation	22
Upholding Business Ethics	25
Fortifying Information Security	27

## 02 Driven by Innovation and Built on Quality

Innovation-driven Development	29
Lean Quality Protection	35

## 03 Win-Win Cooperation and Joint Growth

Safeguarding Customers' Rights and Interests	39
Bolstering the Supply Foundation	42

## 04 Shared Value and Responsibility

Deepening Industry Collaboration	46
Commitment to Social Good	50

## 05 Employee Development and Rights Protection

Advancing Employee Growth	52
Championing Equality and Diversity	54
Powering Our People Through Training	56
Embedding a Culture of Wellbeing	61
Upholding Employee Rights	65

## 06 Green Operations and Climate Response

Energy, Water Conservation and Emissions Reduction	68
Green Solutions	71
Environmental Compliance Management	76
Addressing Climate Change	78

Appendix 1: Key Performance Data Table	80
Appendix 2: GRI Standards and Shanghai Stock Exchange Sustainability Reporting Guidelines Index	85
Comments and Feedback	96





# About Willfar Information



## Company Profile

Willfar Information Technology Co., Ltd.(688100.SH)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. Willfar Information was listed on the SSE STAR Market (Science and Technology Innovation Board) in January 2020.

As a leading provider of comprehensive digital energy solutions, Willfar Information adopts the development strategy of “IoT Connects the World, Chip Enables the Future”. We have established a core competitive edge integrating “IoT + Chips + AI”. We are anchored in an innovation-driven positioning focused on the frontiers of science and technology, major national needs, and the main economic battlefield. We are actively advancing our international strategy, accelerating our globalization process, and striving to become a global energy digitalization service provider.

## Corporate Culture

**Corporate Vision:** Wasion is built for on-going and sustainable innovation

### Corporate Purpose

Pursue mutual benefit and responsibility upon sincerity and integrity

- Creating Value for Users with precise energy metering and smart efficiency services.
- Creating Value for Employees with fair and decent compensation, benefits, and professional growth.
- Creating Value for Shareholders with sustainable competitive advantage and overall profitability.
- Creating Value for the Industry with innovation that follows, parallels, and leads.
- Creating Value for Suppliers through long-term collaboration, shared success, and mutual growth.
- Creating Value for the Community with people-centered green parks and City-Industry integration.
- Creating Value for the Nation through growing fiscal contributions and industrial leadership.
- Creating Value for Society as a socially responsible enterprise with deep commitment and contribution.

### Corporate Spirit

United Aggressive Pragmatic Creative

- To utilize the most of one's talent and duly perform one's job duty; to help and learn from each other with mutual understanding and concession.
- To shrink from no competition and dare to win; to shrink from no challenge and be bold to surpass.
- To treat others honestly and work in a pragmatic way; to find out and seek truth from facts.
- To have bold ideas and verify them carefully; to be willing to make innovations and create values.



### Corporate Mission

Through exceptional technological insight and robust energy-IoT capabilities, We empower every city, every community, every enterprise and every household by using Willfar Information's products, technologies, and services, establishing us as the most trusted expert in smart cities and the Energy Internet of Things.



# Social Recognition

- ✔ 2025 Excellent-Class Smart Factory
- ✔ 2025 Advanced Smart Factory
- ✔ National-Level Green Supply Chain Management Enterprise

## Index Inclusion

- ✔ Inclusion in the SSE 100 Index
- ✔ Inclusion in the SSE 380 Index
- ✔ Inclusion in the SSE STAR Market 100 Index
- ✔ Inclusion in the SSE STAR Market AI Index
- ✔ Inclusion in the SSE STAR Market ESG Index
- ✔ Inclusion in the CSI 500 Index
- ✔ Inclusion in the STAR SRDI
- ✔ Inclusion in the SSE SRDI
- ✔ Inclusion in the STAR POEs
- ✔ Inclusion in the Hunan 50 Index

## Environmental Protection

## Corporate Governance

- ✔ National-level Specialized, Sophisticated, Unique, and Innovative "Little Giant" Enterprise
- ✔ China Patent Excellence Award
- ✔ First Prize of Jiangxi Provincial Science and Technology Progress Award
- ✔ Top 10 Key Enterprises of "AI+" in Hunan Province
- ✔ Top 30 Internet Enterprises in Hunan Province (Comprehensive Strength)
- ✔ Second Prize of Science and Technology, Guangdong High-tech Enterprises Association
- ✔ Leading Embedded Software Enterprise
- ✔ Top 50 Chinese Listed Companies in New Quality Productive Forces
- ✔ 20th "China Chip" Excellent Technological Innovation Product Award
- ✔ Famous & High-Quality High-Tech Product of Guangdong Province
- ✔ Selected into the List of 100 Iconic Projects of Digital "New Infrastructure" in Hunan Province

## Technological Innovation

- ✔ Consecutive Three-Year Highest A-Level Rating for Information Disclosure by the SSE
- ✔ Best Practice in Internal Control of Listed Companies by CAPCO
- ✔ Best Practice of the Board Office by CAPCO
- ✔ Best Practice of the Board of Directors by CAPCO
- ✔ Best Practice of Earnings Presentation by CAPCO
- ✔ Best Sustainability Disclosure Award by New Fortune Magazine



## Social Contributions

- ✔ Top 50 "Specialized, Refined, Unique, and Innovative" Small and Medium-Sized Enterprises in Hunan Province in Tax Contribution
- ✔ Top 100 High-Tech Enterprises in Hunan Province in Tax Contribution
- ✔ Top 100 Private Enterprises in Hunan Province in Tax Contribution
- ✔ Top 100 Industrial Enterprises of Hunan Xiangjiang New Area
- ✔ Top 100 Taxpaying Enterprises of Hunan Xiangjiang New Area
- ✔ Top 100 in Revenue Scale, Top 100 in Tax Contribution, Top 100 in R&D Investment, Top 100 in Social Responsibility
- ✔ Grade A Units for Labor Security Compliance and Integrity in Changsha
- ✔ Director Unit of Hunan Green Manufacturing Industry Federation
- ✔ Inaugural Outstanding CSR Enterprise of the Yangtze River Economic Belt



# 2025 Key Performance Highlights

## Performance Up, Strength Elevated

Operating Revenue

**2,978** million yuan

YoY Growth

**+ 8.48%**



**666** million yuan

Net Profit

**+ 5.64%**

YoY Growth

**22.38%**

Net Profit Margin

**15.66%**

Revenue CAGR Since IPO



**20.52%**

Net Profit CAGR Since IPO

## Deepening Value Creation, Delivering Tangible Returns

Return on Equity (ROE)

**19.71%**

Total Annual Tax Payments

**274** million yuan

### Interim Dividend Distributed for the First Time in 2025

Proposed Cash Dividend Per 10 Shares in 2025

**5.5** yuan (including interim dividend)

Cash Paid for Share Repurchases

**150** million yuan

Cash Dividend Payout Ratio

**40.24%**

Ratio of total cash dividends and repurchases to net profit attributable to listed company shareholders

**62.75%**

## Conquer Tech Challenges, Demonstrate Instant Value

**232** million yuan R&D investment

**51.56%** Percentage of R&D Personnel

Total Valid Patents: 760 items

Participation in Standard Formulation and Revision in 2025

**23** Items

- ⊙ 1 International Standard
- ⊙ 9 National Standards
- ⊙ 2 Industry Standards
- ⊙ 1 Local Standard
- ⊙ 10 Group Standards

## Go Low-Carbon, Pursue Green Development

Total Greenhouse Gas Emissions (Scope 1 + Scope 2)

**3,190.28** tCO<sub>2</sub>e

Greenhouse Gas Emission Intensity (Scope 1 + Scope 2)

**0.01** tCO<sub>2</sub>e/10k RMB revenue



# Implement the National 14th Five-Year Plan: Enhance Corporate Value and Return Enhancement Action, Empower with Digital Intelligence, and Foster Sustainable Returns

During the strategic opportunity period when the national 14th Five-Year Plan is highly aligned with the company's "5-5" Strategic Plan, the company deeply adheres to the core orientation of "high-quality development", focuses on key areas of national strategies including innovation-driven development, industrial upgrading, digital transformation, and green low-carbon development, proactively seizes opportunities in energy transition and digital development, continuously focuses on its core businesses of energy IoT and smart cities, simultaneously deepens overseas market layout and localized operations, and promotes coordinated expansion of market scale both domestically and internationally. Guided by the synergy of the two plans, the company drives the coordinated improvement of quality, efficiency, and shareholder returns, and achieves the organic unity of national strategy implementation, company value growth, and shareholder interest protection.

## Enhance Corporate Value and Return Enhancement Action



**11,777** million yuan  
Operating Revenue

**+1.18** times ↑

YoY Growth



**2,564** million yuan  
Net Profit

**+1.85** times ↑

YoY Growth



**203.27** %  
Total Shareholder Return (TSR) since listing

During the 14th Five-Year Plan period

## Empower with Digital Intelligence



**1,076** million yuan  
Total R&D Investment

**+1.46** times ↑

YoY Growth



**26** items  
Obtained Overseas Certifications



**9.28** %  
Average R&D Investment Ratio

**135** items  
Newly Granted Valid Patents



**7** subsidiaries  
Overseas Subsidiaries Established as of the end of 2025



**1,734** million yuan  
Overseas Revenue

**4.54** times  
YoY Growth

More than **70** % of countries worldwide adopt power communication solutions enabled by our self-developed chips

During the 14th Five-Year Plan period

## Foster Sustainable Returns



**834** employees  
Number of employees as of the end of 2025

**+15.67** % ↑

YoY Growth Compared with the end of 2020



**996** million yuan  
Tax Contributions during the 14th Five-Year Plan period

**+90** % ↑

YoY Growth Compared with the 13th Five-Year Plan Period



**392** suppliers  
Number of suppliers in 2025

**+19.88** % ↑

YoY Growth Compared with the end of 2020

Since its listing, the Company has always adhered to the investor-centric return philosophy, continuously increasing shareholder returns and improving the return mechanism. During this period, a total of **1,080** million yuan in cash dividends was distributed.



**16.55** million shares  
Cumulative Number of Shares Repurchased



**449** million yuan  
Total Repurchase Amount



**1,529** million yuan  
Total Value of Dividends and Share Repurchases

It is **2.5** times the net IPO proceeds. The scale and intensity of returns underscore the long-term value orientation.



**8.31** million shares  
Including Repurchased Shares Cancelled

**200** million yuan  
Amount equivalent to repurchased and cancelled shares

Through share cancellation, we directly enhance the per-share equity of all shareholders and effectively boost shareholder value. In 2025, the Company launched its first interim cash dividend, optimizing the dividend schedule and enhancing the timeliness of returns, while making a long-term dividend commitment.

For the five years commencing in 2025, the benchmark ratio of the Company's cash dividends will be no less than **40%**, ensuring stable and sustainable investment returns for investors through institutional arrangements.



# System Certifications and Industry Association Memberships

## International Certification

Certification Standard	Field of Certification
Capability Maturity Model Integration (CMMI-ML5) certification	Others
CE-RED EU Radio Equipment Directive Certification	Power Grid and Communication Series Certifications
Wi-SUN FAN International Standard Certification	Power Grid and Communication Series Certifications
IEC Protocol Certification	Power Grid and Communication Series Certifications
SGS Precision Certification	Power Grid and Communication Series Certifications
CNAS Type Certification	Power Grid and Communication Series Certifications
CNAS Conformity Assessment Certification	Power Grid and Communication Series Certifications
EU G3 Conformity Testing Certification	Power Grid and Communication Series Certifications
FCC Certification (US)	Power Grid and Communication Series Certifications
NOM Metrology Certification (Mexico)	Power Grid and Communication Series Certifications
Anatel Certification Standards (Brazil)	Power Grid and Communication Series Certifications
IFT Certification (Mexico)	Power Grid and Communication Series Certifications
DLMS Conformity Testing Certification	Power Grid and Communication Series Certifications
Tecnalia Type Certification (Spain)	Power Grid and Communication Series Certifications
OIML R49 Certification	Smart Water and Gas Meter Series Certifications
MID Certification	Smart Water and Gas Meter Series Certifications
SGC IP68 Dustproof and Waterproof Certification	Smart Water and Gas Meter Series Certifications
ISO 4064 Certification	Smart Water and Gas Meter Series Certifications
WRAS Water Safety Certification	Smart Water and Gas Meter Series Certifications
OMS Communication Compliance Certification	Smart Water and Gas Meter Series Certifications
STS Prepaid Product Certification	Smart Water and Gas Meter Series Certifications
LoRaWAN Certification	Smart Water and Gas Meter Series Certifications
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
Ce Wireless Certification	Others



# System Certifications and Industry Association Memberships

## Domestic 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	Beijing World Standard Certification Center Co., Ltd.
GB/T 45001-2020/ISO 45001: 2018	Occupational Health and Safety Management System	Beijing World Standard Certification Center Co., Ltd.
CMMI MATURITY LEVEL-5	CMMI5 Capability Maturity Model Integration System	Guangzhou Tongbang Information Technology Co., Ltd.
GB/T 45341-2025 + T/ AITRE 10004-2023	3-Star Digital Transformation Maturity Rating Certificate	Weihai Shenzhou Information Technology Research Institute 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: 2018RB/ T 101-2013RB/T 119-2015	Energy Management System	China Quality Mark Certification Group Co., Ltd
GB/T 27922-2011	(Five-Star) After-Sales Service System	Zhide Certification Co., Ltd.
GB/T 27922-2011GB/ T 16868-2009SB/T 11052-2013	(Seven-Star) After-Sales Service Completeness System	Zhide Certification Co., Ltd.
GB/T 22080-2016/ISO/IEC 27001: 2013	Information Security Management System	Beijing World Standard Certification Center Co., Ltd.
ISO/IEC 20000-1: 2018	Service Management System	Beijing Zhong An Zhi Huan Certification Center 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 23001-2017GB/T 23006-2022	Integration of Information and Industrialization Management System AAA	China Classification Society Quality 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	Beijing World Standard Certification Center Co., Ltd.
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 Management System	Best Certification Co., Ltd.



# System Certifications and Industry Association Memberships

## Industry Association Engagement

Category	Association Name	Membership Level
International	IEEE (Institute of Electrical and Electronics Engineers)	Senior Member
	IEEE Power & Energy Society	Member Unit
	Wi-SUN Alliance	Contributor Member
	G3 Alliance	Member Unit
	LoRa Alliance Association	Adopter Member
	STS Association	Voting Member
	OMS Association	Member
	DLMS User Association	Member
National	China Electricity Council	Director Unit
	Measurement, Sensing & Data Fusion Application Professional Committee of China Electric Power Development Council	Vice President Unit
	China Instrument Manufacturer Association	Member Unit
	Chinese Society for Measurement	Director Unit
	China Energy Research Society	Standing Director Unit
	Global Energy Interconnection Development and Cooperation Organization(GEIDCO)	Member Unit
	Carbon Neutrality and New Materials Professional Committee of China Electricity Technology Market Association	Vice President Unit
	China Smart Distribution and Internet of Things Innovation Alliance	Deputy Group Leader Unit
	China Electricity Council Integrated Circuit Standardization Technical Committee	Member Unit
	Smart Terminal SMI02 Working Group of China Smart Metering Alliance	Member Unit
	Low-Voltage Metering Equipment & Components SMI09 Working Group of China Smart Metering Alliance	Member Uni
	China Institute of Communications	Member Unit
	China Industrial Internet Development Alliance	Member Uni
	China Association for Quality	Member
	China Enterprise Confederation	Group Member Unit
	China Urban Water Association	Director Unit
	Equipment and Materials Working Committee of China Urban Water Association	Member Unit
	China Metrology Association Water Meters Working Committee	Member Unit



# System Certifications and Industry Association Memberships

## Industry Association Engagement

Category	Association Name	Membership Level
Provincial	Hunan Electrical Engineering Society	Member Unit
	Hunan Electric Power Industry Association	Director Unit
	Hunan Instrument & Meter Industry Association	Chairman Unit
	Hunan Provincial Joint Research Center for New Power System Development	Committee Member
	Hunan Software Industry Association	Standing Governing Unit
	Hunan Province Artificial Intelligence Industry Innovation Alliance	Member Unit
	Shanghai Metrology Association	Vice President Unit
	Hunan Semiconductor Industry Association	Member Unit
	Hunan Electrotechnical Society	Vice Governing Unit
	Hunan Association of Automation	Governing Unit
	Hunan Institute of Electronics	Standing Governing Unit
	Hunan Information and Communication Industry Association Internet of Things Special Committee	Vice Chairperson
	Hunan Kunpeng Computing Industry Technology Innovation Strategic Alliance	Member Unit
	Mobile Internet Association of Hunan Province	Governing Unit (Vice President)
	Hunan Green Manufacturing Industry Federation	Director Unit
	Hunan Trademark and Brand Association	Member Unit
	Hunan Association of Enterprises for Foreign Economic Cooperation	Director Unit
	Hunan Contract Compliance and Credit Association	Member Unit
	Hunan Urban and Rural Construction Industry Association Water Supply Branch	Director Unit
	Xinjiang Urban Water Association	Director Unit
	GanSu Water Association	Member Unit
	GuangXi Urban Water Association	Member Unit
	GuangDong Water Supply Association	Member Unit
	Yunnan Water Supply Association	Member Unit
	Fujian Urban and Rural Water Affairs Association	Member Unit
	Hunan Urban and Rural Construction Industry Association Water Supply Branch	Special Committee
	Hunan Water Culture Research Association	Member Unit



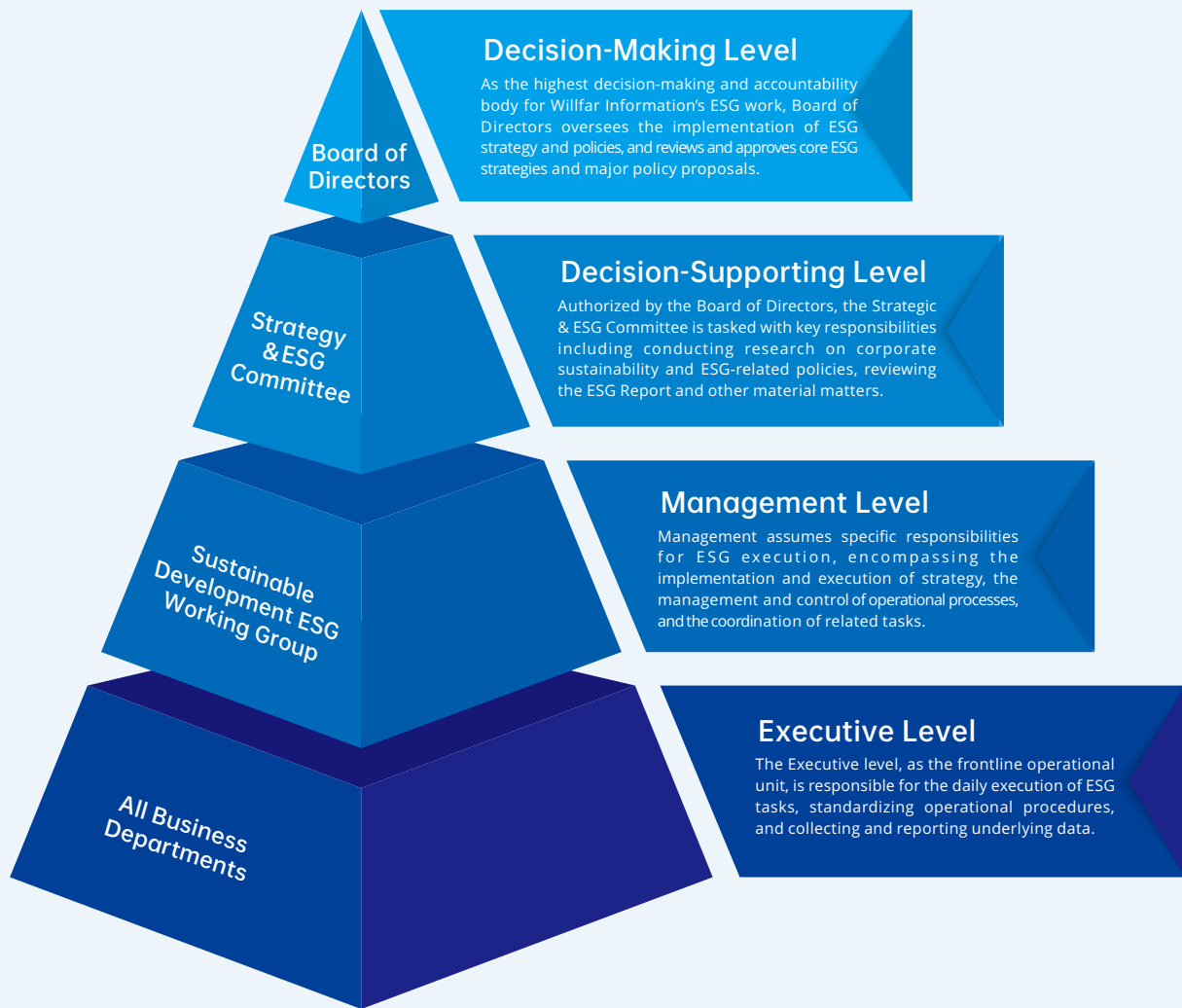
# Sustainability Management

## ESG Governance Structure

Willfar Information has integrated the concept of sustainability into corporate governance, and built a four-tier ESG governance structure covering the Board of Directors, Strategy & ESG Committee, Sustainable Development ESG Working Group, and all business departments, thus forming a complete closed loop from strategic planning to concrete implementation.



### Four-tier ESG Governance Structure



# Stakeholder Engagement

Willfar Information has established a regular stakeholder engagement mechanism. We value communication and interaction with stakeholders, and through diverse communication channels, we gain in-depth insights into and actively respond to their expectations and demands, so as to facilitate the effective implementation of the company's ESG management work.

Stakeholders	Key Focus Areas	Communication Channels
 <b>Government</b>	<ul style="list-style-type: none"> <li>• Lawful Operation &amp; Compliance</li> <li>• Anti-Corruption and Business Ethics</li> <li>• Protecting Employee Rights</li> <li>• Occupational Health &amp; Safety</li> <li>• Waste and Emissions Management</li> </ul>	<ul style="list-style-type: none"> <li>• Project Collaboration</li> <li>• Site Visits</li> <li>• Work Reports</li> <li>• Exchange Activities</li> </ul>
 <b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Investor Rights Protection</li> <li>• Lawful Operation &amp; Compliance</li> <li>• Sustainable Products and Solutions</li> <li>• Innovation &amp; R&amp;D</li> <li>• Stakeholder Engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' Meeting</li> <li>• Investor Briefing</li> <li>• Information Disclosure</li> <li>• Telephone &amp; Email Communication</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Premium Customer Services</li> <li>• Product Quality &amp; Safety</li> <li>• Sustainable Products and Solutions</li> <li>• Data Security and Privacy Protection</li> <li>• Responding to Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Field Exchanges</li> <li>• Satisfaction Surveys</li> <li>• Service Hotline</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Compensation and Benefits</li> <li>• Protecting Employee Rights</li> <li>• Employee Training and Development</li> <li>• Occupational Health &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Labor Union</li> <li>• Workers' Congress</li> <li>• Corporate Culture Activities</li> <li>• Employee Training</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supply Chain Management Optimization</li> <li>• Product Quality &amp; Safety</li> <li>• Anti-Corruption and Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Field Exchanges</li> <li>• Bidding &amp; Tendering</li> </ul>
 <b>Industry Associations</b>	<ul style="list-style-type: none"> <li>• Innovation &amp; R&amp;D</li> <li>• Product Quality &amp; Safety</li> <li>• Supply Chain Management Optimization</li> </ul>	<ul style="list-style-type: none"> <li>• Industry Exchanges</li> </ul>
 <b>General Public / Community</b>	<ul style="list-style-type: none"> <li>• Commitment to Public Welfare and Charity Event</li> <li>• Lawful Operation &amp; Compliance</li> <li>• Waste &amp; Emission Management</li> <li>• Resource Use &amp; Energy Consumption</li> </ul>	<ul style="list-style-type: none"> <li>• Information Disclosure</li> <li>• Company's Official Website</li> <li>• Community Activities</li> </ul>
 <b>Other Partners</b>	<ul style="list-style-type: none"> <li>• Product Quality &amp; Safety</li> <li>• Sustainable Products and Solutions</li> <li>• Innovation &amp; R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>• Information Disclosure</li> <li>• Company's Official Website</li> </ul>

# Materiality Issue Identification

We invited stakeholders to participate in the issue assessment and sought their suggestions on our sustainable development. 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



Taking into account an analysis of the macroeconomic environment and policy trends, a self-assessment of the company's ESG practices, a review of best-in-class industry experience, and expert insights, we have identified 21 material ESG issues based on the double materiality principle.



Building on a scientifically designed research questionnaire, we have collected extensive views and suggestions from stakeholders across diverse sectors through multiple data-gathering methods, including surveys and semi-structured face-to-face interviews. This has enabled us to fully map out the key concerns and priorities of all stakeholder groups.



Based on feedback from internal and external stakeholders, the results of materiality assessment are reviewed and confirmed by the Strategy and ESG Committee. Taking expert opinions into account, we have ultimately identified 12 highly material issues, 7 moderately material issues and 2 non-important material issues, as illustrated in the matrix below.

## Materiality Issue Analysis Matrix

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



**Note:** Among the 21 topics specified in the Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 14 – Sustainable Development Report (for Trial Implementation), the following three topics are not considered financially material or impact-material to the Company: tech ethics, ecosystem and biodiversity conservation, and equal treatment of small and medium-sized enterprises (SMEs). Therefore, they are not subject to special management, target setting, in-depth analysis, or disclosure as “high- or medium-material topics”. The reasons are as follows:

**(1) Tech Ethics**

The Company is not engaged in scientific research, technological development, or other activities in tech ethics-related fields such as life sciences and artificial intelligence. No violations of tech ethics have occurred. This topic is not financially material or impact-material to the Company.

**(2) Ecosystem and Biodiversity Conservation**

The Company's production and operation activities do not involve damage to ecosystems or biodiversity. This topic is not financially material or impact-material to the Company.

**(3) Equal Treatment of SMEs**

The Company cooperates with suppliers and customers in accordance with operational needs and upholds the principle of equal treatment of SMEs. No overdue payments to SMEs were recorded in 2025. This topic is not financially material or impact-material to the Company.

# 01 Compliance Foundation and Transparent Operations

Compliance as the foundation and transparency as the principle of operation serve as the bedrock for an enterprise's steady development. Centering on transparent corporate governance, Willfar Information has built a three-line defense compliance management system, a standardized information disclosure mechanism, and a full-cycle information security protection system in parallel, thus consolidating a standardized and reliable ecosystem for business operations.

We not only prioritize the in-depth implementation of business ethics initiatives such as external training and anti-corruption & anti-fraud practices to consolidate the safety foundation of our operations, but also proactively promote information disclosure and multi-stakeholder oversight. These efforts help build consensus based on trust and inject sustained stability into the high-quality development of the enterprise.

## Ensuring Transparent Governance

- Scientific Governance Structure
- Compliance in Information Disclosure
- Enhancing Investment Returns
- Improving Investor Relations Effectiveness

## Deepening Compliance Operation

- Three Lines of Defense in Compliance Management
- Enhancement of Compliance Management Capabilities
- Best Practices for Internal Control
- Paying Taxes Lawfully

## Upholding Business Ethics

- Integrity and Anti-Corruption
- Related Party Transaction Management

## Fortifying Information Security

- Information Security Management System
- Information Security Protection
- Information Security Training

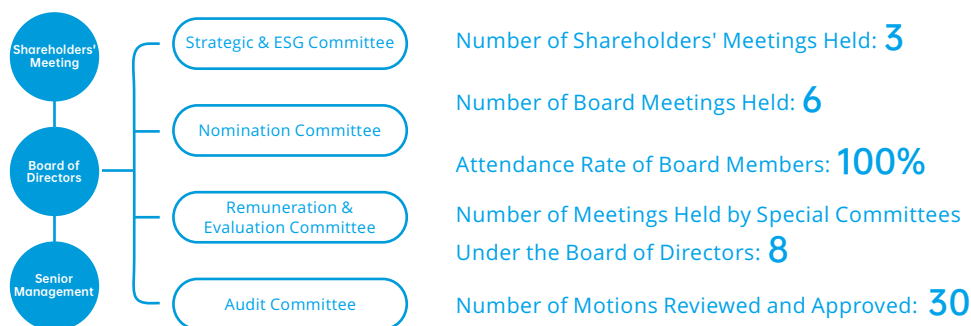


# Ensuring Transparent Governance



## Scientific Governance Structure

Willfar Information rigorously complies with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, its Articles of Association, and the relevant regulatory guidelines issued by the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange (SSE). In line with our operational needs and specific conditions, we continuously enhance our corporate governance framework, refine internal control systems and business processes, and comprehensively elevate the standard of our corporate conduct. All functional bodies, including the Shareholders' Meeting, the Board of Directors, and senior management, operate in strict accordance with established internal control mechanisms. This disciplined approach effectively safeguards the legitimate rights and interests of the Company and all shareholders, ensuring transparency and efficiency in corporate governance.



## Governance Highlights

### Abolishing the Supervisory Board, with the Audit Committee Assuming Its Duties

In accordance with the relevant provisions of Article 121 of the new Company Law, we initiated an optimization of organizational structure. On November 7, 2025, the Proposal on Abolishing the Supervisory Board and Amending the Articles of Association was reviewed and approved by the shareholders' meeting, formally deciding to no longer establish a Supervisory Board. Its statutory duties have been assumed by the company's Board of Directors Audit Committee. Through the prior mapping of the duty list and optimization of workflow, a seamless transition of the supervisory function has been achieved.

### Appointing an Employee Director to Optimize Board Structure

Through the democratic election process of the Workers' Congress, an Employee Director was selected who both represents employee interests and possesses professional expertise in the Energy Internet of Things industry. A dedicated training plan was concurrently developed, covering corporate governance rules, business processes, and regulatory policies, to facilitate the Employee Director's rapid competency in fulfilling their role. The addition of the Employee Director further enhanced the Board's diversified governance structure, opened a channel for employee participation in major corporate decisions and improved the scientific basis and public support for decision-making.

### Systematically Revising Governance Systems to Form Closed-Loop Management

Guided by the new Company Law, the Governance Standards for Listed Companies, and other relevant laws, regulations, and normative documents, and in light of the company's operational development, a comprehensive review was conducted on the compliance and applicability of existing systems. In 2025, the company completed the revision and introduction of a total of 25 governance-related systems, including:

23 Revised Systems: Articles of Association, Rules of Procedure for Shareholders' Meetings, Rules of Procedure for the Board of Directors, Work System for Independent Directors, Work Rules for the Audit Committee, among others.

2 Newly Established Systems: Market Capitalization Management Policy and Departure Management System for Directors and Senior Management Personnel.

## ➤ Regarding Shareholders and Shareholders' Meeting

Willfar Information upholds the principle of equal treatment for all shareholders, fully safeguarding their legitimate rights and interests with particular attention to minority shareholders. We ensure all shareholders can exercise their statutory rights, including the right to be informed and to participate in decision-making on material corporate matters.

During the reporting period, the company convened a total of **3** shareholders' meetings. In addition to the AGM, Extraordinary General Meetings (EGMs) were convened to review the following motions:

- 2025 Interim Profit Distribution Plan
- Abolition of the Supervisory Board and Amendments to the Articles of Association
- Amendments to Certain Corporate Governance Systems
- Remuneration Plan for Employee Representative Directors (Third Board of Directors)

## ➤ Regarding Directors and the Board of Directors

### Performance of the Board of Directors

**6** Number of Board Meetings Held

**100%** Attendance Rate of Board Members

**30** Number of Motions Reviewed and Approved

### Honor

The Board of Directors of Willfar Information has been selected as a "Best Practice Case" for two consecutive years



Leveraging the Board of Directors' long-established standardized and efficient operational mechanism and continuously innovative development philosophy, Willfar Information **has been selected again for the "Best Practice Case" of listed company boards of directors in 2025, marking the second consecutive year of this recognition.**



## ➤ Board Member Diversity

To enhance governance efficacy and global operational compatibility, Willfar Information has established an internationalized Board of Directors characterized by diverse professional backgrounds and complementary skill sets, forming a governance team that balances representativeness and expertise.

Board members have possessed extensive practical experience and industry insights across key domains, including corporate strategic management, core business operations, Energy IoT technology research and development, compliance and risk control, financial decision-making, and the establishment of audit and internal control systems.



### The Board of Directors

- **9** directors
- **3** are independent directors, accounting for one-third of the Board
- **2** are female directors, accounting for two-ninths of the Board
- **1** is an employee representative director, accounting for one-ninth of the Board

## Independent Directors' Performance

### Professional Composition of Independent Directors

Independent directors are drivers for optimizing the corporate governance structure, supervisors of standardized corporate operations, and protectors of the interests of minority investors. The company's three independent directors come from the fields of finance, electrical engineering, and international economics, each with over ten years of relevant industry experience. It also includes independent directors with experience in corporate governance at well-known overseas enterprises. This composition not only meets regulatory requirements for the independence and professionalism of independent directors but also precisely aligns with the company's focus on the Energy IoT industry and global operational needs.

### Diligent Performance of Independent Directors

In 2025, all independent directors performed their duties with notable effectiveness, maintaining a 100% attendance rate. No dissenting or abstaining votes were cast on any proposals, and their independent opinions consistently expressed clear support for compliant decision-making:

#### Meeting Participation

Participated in **6** Board of Directors meetings, **3** shareholders' meetings, and **8** Board Committees meetings. Reviewed **30** major proposals covering areas such as related party transactions, external guarantees, profit distribution, annual reports, and internal control, conducting professional reviews and issuing independent opinions.

#### Specialized Duties

Held **1** dedicated meeting of independent directors to conduct a prior review of the "Implementation of 2024 Daily Related-Party Transactions and Forecast for 2025 Daily Related-Party Transactions", issuing an approval opinion.

#### Governance Involvement

Attended **7** governance-related meetings, including the annual results briefing, internal control management communication seminars, and global trends & corporate internationalization communication seminars, actively participating in corporate strategic planning and risk prevention and control.

## Standardized Operation of Board Committees

The Board of Directors has established four specialized committees: the Strategic & ESG Committee, the Audit Committee, the Nomination Committee, and the Remuneration & Evaluation Committee. Working rules have been formulated for each committee. Independent directors constitute two-thirds of the membership in the Audit Committee, Nomination Committee, and Remuneration & Evaluation Committee, complying with regulatory requirements. Each committee diligently fulfills its responsibilities, leveraging professional expertise to ensure the efficient operation and scientific decision-making of the Board.

### 4 Audit Committee Meetings



Reviewed 11 matters including the annual/semi-annual reports, internal control evaluation report, storage and use of raised capital, and reappointment of external auditors, supervising the quality of audit work.

### 1 Strategic & ESG Committee Meeting



Specially reviewed the 2024 Environmental, Social, and Governance (ESG) Report, proposed ESG strategy optimization suggestions. The company was recognized as an ESG Best Practice Case for Listed Companies.

### 3 Remuneration & Evaluation Committee Meetings



Reviewed and verified 3 proposals, including the fulfillment of unlocking conditions for the first-phase employee stock ownership plan and the remuneration schemes for the employee representative director and senior management, linking compensation with performance.

# Compliance in Information Disclosure

Willfar Information strictly complies with information disclosure regulatory requirements. Tailored to its information management needs, it has improved the disclosure management system and confidentiality mechanism, refined the responsibilities of disclosure officers, and enhanced key personnel's capabilities via professional training, fully ensuring the truthfulness, accuracy, completeness and timeliness of information disclosure. Relevant departments and staff perform disclosure and confidentiality duties in accordance with rules, effectively safeguarding the legitimate rights and interests of investors and the company, and boosting disclosure standardization and market credibility.



2025, a total of **75** announcement documents were released, including **16** voluntary announcement documents, specifically as follows

- ✔ 2 copies of Corporate Value and Return Enhancement Action Plan
- ✔ 1 copy of Announcement on the Excellent Award of China Patent
- ✔ 12 copies of Bid Winning Announcements
- ✔ 1 copy of the Environmental, Social and Governance (ESG) Report

## ➤ Strengthen Disclosure Standardization

Willfar Information strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other relevant laws, regulations and regulatory requirements. It has formulated the Information Disclosure Management System and Insider Information Registrant Management Measures to regulate information disclosure and insider information management, protect stakeholders' rights and interests, uphold disclosure fairness, and organize professional training for directors, supervisors and senior management to enhance their compliant performance capabilities.

### Standardize Information Disclosure Management

Formulate the Information Disclosure Management Policy to regulate disclosure conduct of the company and relevant obligors and protect legitimate rights and interests of investors and other stakeholders.

### Improve Insider Information Registration

Formulate the Insider Information Registrant Management Measures to strengthen insider information confidentiality, standardize insider information management, and uphold fair information disclosure.

### Strengthen Core Personnel Training

Organize directors, supervisors and senior management in professional training to improve compliant performance capabilities of core key personnel.

## Awards and Recognitions

- ✔ Highest A-Level Rating for Information Disclosure by the SSE (for 3 consecutive years)
- ✔ Best Practice of the Board Office by the CAPCO (for 3 consecutive years)
- ✔ Best Practice of the Board of Directors by the CAPCO (for 2 consecutive years)
- ✔ Best Practice of Earnings Presentation by the CAPCO
- ✔ Best Sustainable Development Disclosure Award by New Fortune Magazine



## ➤ Enhancing Information Disclosure Effectiveness

Willfar Information adheres to the principles of truthful, accurate, complete, timely and fair information disclosure. We actively promote voluntary disclosure, promptly releases information relevant to investors' value judgment and decision-making, and takes the initiative to disclose operational information in light of industry policies and market dynamics, helping investors better understand the company's operations.

Meanwhile, we commit to diversified innovation in disclosure formats. We prioritize concise, clear content and accessible language, and use diverse forms like graphics and videos to help investors fully understand the company and reduce market perception barriers.

# Enhancing Investment Returns



The Company actively responds to the capital market's special initiative on "Enhancing Quality, Efficiency and Returns," with the core objectives of enhancing shareholder returns and boosting investor confidence. By optimizing the dividend mechanism, increasing the frequency of dividend payments, formulating long-term return plans, and incorporating measures such as share repurchases and cancellations, the Company has formed a combined approach where "dividends + repurchases" work in synergy. This has established a multi-dimensional and sustainable shareholder return system, tangibly rewarding the trust and support of investors with real capital.

Interim Cash Dividend Per 10 Shares in 2025

**2.5** yuan

Proposed Cash Dividend Per 10 Shares in 2025

**5.5** yuan (Including Interim Dividend)

Cash Dividend Payout Ratio

**40.24%**

Cash Paid for Share Repurchases

**150** million yuan

Ratio of total cash dividends and repurchases to net profit attributable to listed company shareholders

**62.75%**

## Initiating Interim Dividends for the First Time to Enhance the Timeliness of Returns

In 2025, the Company implemented a dividend model of "Annual Dividend + Interim Dividend," effectively translating operational and developmental achievements into cash returns for shareholders and establishing a stable and predictable path for investment returns. This measure shortens the cycle for investors to receive returns, allowing them to share in the Company's operational results more promptly.

## Strengthening Share Repurchases to Enhance Value Per Share

The Company actively utilizes share repurchase tools to enhance investor returns. To date, the Company has initiated and successfully completed two rounds of share repurchase plans, cumulatively repurchasing approximately 16.55 million shares with a total repurchase amount of RMB 449 million. A total of 8.31 million repurchased shares have been cancelled, equivalent to a cash dividend of RMB 200 million. The share cancellations effectively increase the Company's earnings per share, optimize the share capital structure, and tangibly enhance shareholder equity value through substantive "real capital" measures.

## Since Listing

Cash Dividend

**1,080** million yuan

Amount of Share Repurchase

**449** million yuan

Total Returns

**1,529** million yuan

Total Returns as a percentage of net IPO proceeds

**250%**

**Our Company commits to maintaining a 40% baseline dividend payout ratio for the five-year period commencing in 2025.**



# Improving Investor Relations Effectiveness

The Company consistently regards investor relations management as a vital link connecting the market and the company. Centered on the goals of "more transparent information disclosure, more standardized communication mechanisms, more precise value communication, and a stronger sense of investor gain," the Company has established a diversified, efficient, and transparent communication system. It continuously deepens information dissemination and two-way interaction while effectively safeguarding investors' rights to information and participation. Through systematic, digital, and internationalized investor relations practices, the Company promotes the formation of market value consensus.

## 2025 Investor Relations Achievements



## ➤ Implementing Multi-Dimensional Initiatives to Solidify the Foundation of Investor Relations Work

The Company has long attached great importance to investor relations management, establishing diversified and efficient communication channels to ensure the timely dissemination of company information.

### ☰ Multi-Platform Investor Communication, Building a Full-Chain Interactive System

**Regular Interaction with Minority Investors:** Leveraging channels such as the SSE E-interactive platform, Jinmencaijing, Panorama Network, Guba, and Xueqiu, the Company has established a mechanism for collecting and responding to investor inquiries. It promptly summarizes constructive suggestions from investors and relays them to senior management, facilitating internal discussion and follow-up on related issues to ensure the voices of minority investors are fully heard.

**Innovative Upgrade of Performance Briefings:** The 2024 annual performance briefings employed a full-chain communication system encompassing "pre-event promotion - live broadcast during the event - post-event dissemination." It was broadcast simultaneously on multiple platforms including the SSE Roadshow Center, Tonghuashun, and East Money. The introduction of AI-powered bilingual support enhanced the participation experience for overseas investors and improved international communication effectiveness.



## Safeguarding the Rights and Interests of Minority Investors, Strengthening the Exercise of Rights

### Optimization of Shareholders' Meeting Voting Mechanisms

All three Shareholders' Meetings held during the year utilized a combination of on-site voting and online voting. The "One-Click" intelligent notification service was employed to proactively send meeting notices and voting instructions via SMS, accurately reaching all registered minority shareholders and effectively increasing shareholder participation.

### Separate Vote Counting for Minority Investors

For material events involving the interests of minority investors (such as the remuneration scheme for the Employee Representative Director, profit distribution plans, etc.), the rules for separate vote counting were strictly followed. The vote counting results were promptly disclosed in accordance with regulations, effectively safeguarding the voting rights of minority investors.

## Building a Digital Platform to Create an Efficient Investor Engagement Channel

The Company has completed the deployment and integration of an IR mini program within the "Investor Engagement" section of its official WeChat public account, achieving two core functions: First, it synchronously pushes the company's latest announcements, ensuring investors receive authoritative information promptly. Second, it adds a research visit appointment feature, building an efficient and convenient two-way communication bridge between the company and investors, thereby strengthening interactive connectivity.



## Thematic Exchanges and Investor Education Practices



In June 2025, Willfar Information collaborated with Jinyuan Securities to jointly organize the "I Am a Shareholder" thematic event. Through interactive exchanges, the event enhanced investors' understanding of the company's operational status and development strategy, continuously strengthened investor relations management, and improved communication quality.



In October 2025, guided by the Shanghai Stock Exchange, the Hunan Securities Regulatory Bureau, and the Hunan Securities Association, and jointly organized with Caixin Securities and the College of Economics of Hunan Agricultural University, the company held a World Investor Week "I Am a Shareholder" event, inviting participants to visit a Shanghai-listed company, fulfilling its social responsibility for investor education.

## Linking with Global Capital, Strengthening the Foundation of International Trust

The Company continues to deepen the internationalization of its investor relations strategy. Building on the communication mechanism established with international investors through Hong Kong, the Company accelerated its efforts in 2025.

- In September, for the first time, the Company expanded overseas by participating in the Singapore roadshow organized by the China Association of Public Companies (CACP) and proactively contacted investors for reverse roadshows, systematically conveying the company's strategic vision and development rationale to the Southeast Asian capital market.
- In October, the Company organized overseas investors to conduct on-site research at its Indonesian subsidiary, marking the first time in the company's history that international investors were invited to visit an overseas production base.

These initiatives not only signify the extension of the company's international investor relations work from "going global" to "inviting in," but also tangibly enhanced overseas investors' direct understanding of the company's global operational capabilities and long-term value, laying a solid foundation for deepening international capital cooperation.

# Deepening Compliance Operation



## Three Lines of Defense in Compliance Management

First Line of Defense <b>Business Department</b>	Ensure business activities comply with laws, regulations and internal policies, and uphold professional ethics.
Second Line of Defense <b>Compliance Department</b>	Organize compliance risk identification and assessment and take timely corrective actions.
Third Line of Defense <b>Audit &amp; Inspection Department</b>	Conduct independent assessment and audit on the effectiveness, adequacy and appropriateness of the compliance management system.

## Enhancement of Compliance Management Capabilities

Based on its compliance management needs and operational features, Willfar Information conducts systematic compliance training hierarchically covering controlling shareholders, directors, supervisors, senior management and core managers. It drives responsibility implementation among key personnel, strengthens company-wide compliance awareness, and solidifies the foundation for compliant operations. All employees perform their duties per training requirements and responsibility norms, ensuring effective compliance management implementation and supporting the company's steady development within the compliance framework.

### ➤ Dissemination of Regulatory Updates

The company has established a regulatory update dissemination mechanism combining "Quarterly Distribution + Real-time Communication" to ensure that the "Key Personnel" grasp the latest regulatory requirements promptly.

**Regular Distribution:** Compiled and issued 4 quarterly editions of the Capital Market Regulatory Updates, systematically consolidating regulatory rules, self-regulatory guidelines, regulatory Q&As, etc., issued by the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange (SSE), and precisely distributed them to controlling shareholders, actual controllers, and Directors, Supervisors, and Senior Management.

**Real-time Communication:** Promptly forwarded 5 issues of the Supervisory Reminders for Controlling Shareholders and Actual Controllers published by the SSE in 2025. Organized special interpretations for major regulatory policy changes to ensure regulatory requirements are communicated and implemented effectively.

## ➤ Hierarchical Training

The Company has established a tiered and categorized compliance training system covering controlling shareholders, actual controllers, Directors, Supervisors, Senior Management, core management, and key position employees. In 2025, a total of 43 training sessions were conducted, achieving cascading transmission of compliance awareness and full staff coverage. This included 17 internal compliance training sessions focusing on the new Company Law, the Corporate Governance Code for Listed Companies, information disclosure compliance, and the prevention of insider trading. Simultaneously, the Company organized 25 external authoritative training sessions by leveraging regulatory and industry platforms such as the CSRC, SSE, Pujiang Lecture Hall, China Association for Public Companies (CAPCO), and the Capital Market Institute. These sessions covered core topics including corporate governance, ESG management, and investor relations, forming seven major course series. In addition, the Company organized one in-depth specialized offline training, inviting experts from accounting and law firms to interpret the latest regulatory policies through on-site workshops and interactive Q&A.

### Hierarchical and Classified Training

A total of training sessions held in 2025

**43** sessions

 **17** Internal Compliance Training

 **25** External Authoritative Training

 **1** Offline Themed Training

## ➤ Compliance Responsibilities

The company actively consolidates responsibilities of key personnel, guides all employees to establish compliance awareness, and drives its steady development based on compliance.

## Best Practices for Internal Control



In 2025, Willfar Information Technology Co., Ltd was awarded the **"Best Practice in Internal Control of Listed Companies"** certificate by the China Association for Public Companies (CAPCO). Moving forward, we will take this opportunity to continuously deepen the construction of internal control mechanisms, further improve governance efficiency, and lay a solid foundation for high-quality development.



# Pay Taxes Lawfully

Willfar Information sets compliance, legality and integrity as the core goals of tax management. It strictly abides by all tax laws and regulations, earnestly fulfills tax responsibilities and obligations as a corporate citizen (regarding tax liability as one of its core social responsibilities). Proactively cooperating with tax authorities, the company promptly follows up on updates and adjustments to tax policies, optimizes our tax management practices, and fulfills tax obligations. Through compliant tax management, we maintain a healthy and orderly market tax environment and solidifies the compliance foundation for our global operations.

## Honors for Tax Contribution

**Top 100** Private Enterprises in Hunan Province in Tax Contribution

**Top 100** High-Tech Enterprises in Hunan Province in Tax Contribution

**Top 50** “Specialized, Refined, Unique, and Innovative” Small and Medium-Sized Enterprises in Hunan Province in Tax Contribution

**Top 100** Private Enterprises in Hunan Xiangjiang New Area in Tax Contribution

Tax Payment for 2025  
RMB **274** million

Cumulative Tax Payment Since Listing  
RMB **1,122** million



# Upholding Business Ethics



## Integrity and Anti-Corruption

Willfar Information continuously refines its integrity and anti-corruption mechanisms, improves supervision processes and risk early warning systems, and consolidates the foundation for integrity in business operations in light of its actual business and management needs. All departments and employees perform their duties in accordance with integrity systems and norms to safeguard the legitimate rights and interests of all parties and ensure the regular and effective advancement of integrity building.

### Fair Competition

Willfar Information has always strictly abided by the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and relevant regulatory requirements in overseas regions. It consciously follows market competition rules, actively practices fair competition business principles, and firmly resists all forms of unfair competition.



### Integrity Building

Adhering to the core principle of integrity in operations, Willfar Information maintains zero tolerance for all forms of bribery and corruption. Through initiatives including a sound system framework, improved supervision mechanisms, and enhanced employee education and cultural development, the company ensures all business activities comply with integrity and transparency principles. In line with anti-corruption and anti-fraud laws, it has formulated internal rules such as the Employee Handbook to guide employees' professional conduct and conducts regular integrity education. In 2025, all employees signed the Integrity and Self-Discipline Commitment Letter, with no corruption-related litigation involving the company or its employees.

**100%**

Signing rate of the Integrity and Self-Discipline Commitment Letter

### Integrity Training



In June 2025, the company organized management to attend the "Hunan Listed Companies ESG and Integrity Culture Construction Training" by the Hunan Association for Public Companies. Aligned with the latest ESG disclosure and integrity regulations for listed companies, the training deepened management's understanding of compliance boundaries and risks, provided practical guidance for improving the ESG management system and integrity internal control mechanisms, and reduced compliance and reputational risks. By learning from excellent cases and mature experiences of listed companies in Hunan and nationwide in ESG and integrity culture, the company optimized its implementation path based on business realities, avoided trial-and-error costs, and enhanced work efficiency and effectiveness.



## Willfar's Ten Prohibitions

- 1 Prohibit all forms of bribery in the name of information fees, consulting fees, kickbacks, commissions or other pretexts to customers, cooperative units, government departments or individuals.
- 2 Prohibit the illegal acceptance of any form of money or physical items from suppliers and relevant cooperative units by taking advantage of official positions, and strictly prohibit soliciting bribes.
- 3 Prohibit bribery, soliciting bribes or accepting bribes in any form within the company under any pretext.
- 4 Prohibit commercial information fraud and excessive promises in any name or form.
- 5 Prohibit defrauding customers, partners, superiors or subordinates in any form by utilizing various information advantages entrusted by the company.
- 6 Prohibit the illegal theft, use or disclosure of the company's commercial secrets.
- 7 Prohibit the illegal infringement of the legitimate intellectual property rights (including copyrights, trademarks, patents, etc.) of the company or any third party, and the unauthorized acquisition or use of computer software without legal authorization.
- 8 Prohibit using the company's property, information or authority to conduct any commercial investment or seek illegal interests for oneself or relatives and friends.
- 9 Prohibit directly or indirectly holding shares, taking part-time jobs, or engaging in any form of business or economic cooperation in companies with the same or similar business as the company or in cooperative units during employment and non-compete periods without the company's permission.
- 10 Prohibit all forms of discrimination and sexual harassment.

## Reporting Management

To build a compliant, transparent, healthy and orderly business operation environment, Willfar Information has formulated the Employee Complaint and Reporting Management Measures. If employees, partners or other relevant parties discover clues of suspected corruption, bribery, fraud or other improper behaviors within the company or in business transactions, they may report anonymously or in real name through designated channels. The company will strictly adhere to the principle of confidentiality, fully protect the privacy and legitimate rights and interests of whistleblowers, and ensure that reported clues are inspected and handled impartially and efficiently.

 Email: [hr@willfar.com](mailto:hr@willfar.com)

 Tel: 0731-88619542

## Related Party Transaction Management

Through deliberation by the "three meetings and one layer", supervision by independent directors, and strict information disclosure, the company achieves full-process compliance and openness and transparency of related party transactions. We dynamically revise detailed rules to adapt to the latest regulatory requirements, consolidating the foundation of corporate governance.

### Standardized meeting deliberation and information disclosure:

On February 27, 2025, the related party transaction proposal was deliberated and adopted at the special meeting of independent directors of the board of directors and the 17th meeting of the third board of directors, and an announcement was disclosed in accordance with compliance requirements; it was approved at the annual shareholders' meeting on March 24.

### Professional supervision by independent directors:

In accordance with stock exchange rules and the company's Implementation Rules for Related Party Transactions, independent directors conduct supervision from the perspectives of transaction necessity, pricing fairness, approval compliance and shareholder interest protection.

### Dynamic system update:

In 2025, in accordance with the revised Shanghai Stock Exchange Guidelines for Self-Regulation of Listed Companies No. 5 - Transactions and Related Party Transactions, the company organized the update of the Implementation Rules for Related Party Transactions to ensure full alignment with regulatory rules.

# Fortifying Information Security



## Information Security Management System

Information security is the core cornerstone of maintaining customer trust and ensuring the continuous and stable operation of business. Guided by "full-process control", Willfar Information has established a compliant and standardized information security management system. This enables the company to systematically address various information security risks and challenges amid the complex environment of accelerated digital transformation, laying a solid security barrier for sustainable business development.

### System Construction

In strict compliance with national laws and regulations such as the Cybersecurity Law of the People's Republic of China and the Data Security Law of the People's Republic of China, and with reference to the international standard ISO 27001 for information security management systems, Willfar Information has formulated a series of special systems including the Information Security Management Measures and the Data Center Backup & Recovery Management Measures.

### System Certification

Having obtained ISO 27001 certification, Willfar Information strengthens full-chain protection through "cooperation + independent R&D", safeguards the information assets of all parties, and resolutely eliminates irregular operations and compliance risk incidents.

### Confidentiality Management

Willfar Information continuously improve internal management mechanisms, sign the Information Security and Confidentiality Agreement with relevant personnel, enhance employees' sense of responsibility and professionalism, and strengthen supervision through multiple measures to safeguard information security and prevent leakage of information and privacy of customers, users, suppliers and industrial chain partners to third parties.



## Information Security Protection



Yxlink NVS

Monthly scheduled scans, batch reverse domain lookup for IP address ranges, and intranet penetration scans accurately identify intranet exposure surfaces and weak protection links, effectively preventing external attacks via intranet penetration channels.



DS Guardian

100% supervision of non-compliant detection items; real-time monitoring of copying, printing, and external transmission of design files, identifying sensitive content with timely alerts or blocks to keep core data controllable during circulation.



NGAF

100% prevention and interception of network attacks, blocking security risk transmission from the source and fortifying network security for the company's digital operations and sustainable business development.

Collaborating with top industry information security firms, we've built a multi-level information system security protection system. Driven by independent R&D, we continuously upgrade the security architecture and optimize software iteration of products, operations and management systems, strictly protecting the information assets of customers, users, suppliers and industrial chain partners and eliminating information leakage and privacy risks. During the reporting period, the company achieved remarkable information security management results with no related incidents.

## Information Security Training

We conduct information security training, including corporate information and data security, and data security compliance for overseas digital transformation, to enhance employees' security awareness, help them identify potential risks and master appropriate protective measures.

# 02 Driven by Innovation and Built on Quality

Innovation serves as the core driver for enterprises to implement ESG principles and achieve sustainable development. Willfar Information focuses on R&D innovation, intellectual property training, innovation capability building, and the smart manufacturing practices of Excellence-class Smart Factory. Integrated with the establishment of a quality management system underpinned by the "One Core, Two Wings, Three Integrations" digital quality management platform, the Company has charted an implementation pathway for delivering full-chain smart energy solutions. Through technological innovation, it enables efficient energy utilization and low-carbon industrial upgrading, injecting powerful green momentum into the development of new quality productive forces.

## Innovation-driven Development

- Engaging in R&D Innovation
- Innovation Capability Building
- Intellectual Property Protection
- Excellence-class Smart Factory

## Lean Quality Protection

- Quality Management System
- Quality Management Platform
- Quality Training Empowerment
- Product Quality Improvement



# Innovation-driven Development



## Engaging in R&D Innovation

Against the backdrop of industry convergence propelled by the global green energy transition and advancements in AI computing, the Company closely aligns with macro initiatives including the national development of a Next-Generation Power System, the Digital China strategy, and the pursuit of Carbon Peak and Carbon Neutrality. Guided by our vision to be a "Globally Leading Energy Digitalization Service Provider", the Company is committed to wedding its "In-house R&D + Collaborative Innovation" technology roadmap to the requirements of fostering new quality productive forces.

### R&D Achievements



The annual R&D investment was

**232** million yuan



R&D Personnel

**430** individuals

**51.56** %

of the total employees

Among them, **182** individuals hold a master's degree or higher.

In 2025, there were **49** innovative products and solutions launched.

R&D Patents  
In 2025



The Company secured **97** new patents, including **32** invention patents.

R&D Achievements  
In 2025

- Achieved **19** scientific and technological achievement certifications.
- Published **9** scientific and technological papers.
- Participated in **6** R&D collaboration projects.
- Revenue from AI-related products reached **737** million yuan in 2025.
- AI-driven technological innovation has become the core engine for business growth.

### R&D Honors

The company earned multiple prestigious honors: we were successfully recognized as a National Excellent-Class Smart Factory and passed the reevaluation for the National-Level "Little Giant" Enterprise (Specialized, Refined, Unique, and Innovative). In the field of technological innovation, the company received a series of accolades, including the China Patent Excellence Award, the First Prize of the Science and Technology Progress Award from the China Electrotechnical Society, the First Prize of the Jiangxi Provincial Science and Technology Progress Award, the Second Prize for Hunan Provincial Patents, and the State Grid "First Prize for Science and Technology Progress" among others. It has also consecutively won the First Prize of the Hunan Provincial Science and Technology Progress Award multiple times. Leveraging strong technological capabilities, the company was successfully selected for titles such as the Top 50 Chinese Listed Companies in New Quality Productive Forces.



## ➤ Product Certification

	Product	Certification / Qualification	Core Value
Power IoT Communications and Terminals	Overseas Concentrator (DCU)	SGS Wi-SUN, DLMS, G3-PLC International Certifications	Complies with global smart power grids data transmission standards, enabling international market access
	Integrated Measurement & Control Terminal (RTU)	IEC60870-5-101/104 Protocol Certification from European KEMA Lab; Korea KERI Type Certification	Internationally advanced; compatible with markets in the Middle East, Europe, and South Korea, fault detection accuracy has been significantly improved
	Power IoT Wi-SUN Communication Module	FCC Certification (US)	Based on self-developed RISC-V-Wi-SUN chip with -109dBm receiving sensitivity and proprietary active random frequency hopping technology. Data reading efficiency
	Smart Electric Measurement Terminal (3 Models)	Leading Domestic Technology Level	Compatible with E-Hong OS, featuring pluggable dual-card dual-network + dual Ethernet, high-frequency full-volume data collection, leading technological upgrade

	Product	Certification / Qualification	Core Value
Smart Sensing and Transmission Line Monitoring	4-Piece Transmission Line Monitoring Suite	3 items recognized as nationally leading technology; 1 item as nationally advanced technology	Micro-weather, video-integration, and contamination monitoring at nationally leading levels; conductor temperature monitoring at nationally advanced level, covering 20+ parameters
	Full Series of Intelligent Ultrasonic Water Meter	OIML (International Organization of Legal Metrology), MID (EU Measuring Instruments Directive), WRAS (UK Water Regulations Advisory Scheme) certifications	Globally recognized metrological accuracy; mandatory for EU market access; material safety endorsement for the UK premium market
	7-Piece Smart Sensing Suite	3 items recognized as nationally leading technology; 4 items as nationally advanced technology	Includes low-voltage rail-mounted current module, miniature intelligent current sensor, E-Hong-compatible Beidou smart terminal, etc

	Product	Certification / Qualification	Core Value
Communication Modules Chips and	Power Line Broadband Carrier Chip	Overall Technical Level Has Reached International Advanced Standards	SoC architecture reduces dynamic power consumption to 30% of grid standards, serving State Grid, China Southern Power Grid, Bangladesh NESCO, etc
	Dual-Mode Communication Modules (4 Models)	Leading Domestic Technology Level	Centered on the E-Hong OS, it enhances operational efficiency and data transmission reliability, adaptable to complex grid environments

## ➤ Software Certifications and System Accreditations

### Software Product and System Certifications



WillfarOS-Things (Lightweight Real-Time Operating System for Power IoT): Through technological achievement evaluation, the system boasts a 100% self-developed code rate and features low power consumption and high reliability, effectively enhancing the operational stability and response speed of terminal devices.

Electric Hong IoT Operating System: Has completed full domestic adaptation, supporting three core products—including three smart electric measurement terminals and four dual-mode communication modules—to reach a domestically leading level. It enables real-time data collection and reporting across the entire low-voltage distribution network, with time synchronization accuracy improved to the millisecond level.

### International/Local System Qualification Certification



CMMI-ML5 Certification: Having achieved the highest-level certification under the International Software Maturity Model, we have joined the ranks of only a handful of global enterprises capable of providing high-quality software integration services to markets worldwide. Our software development processes have been recognized internationally for our standardization and normalization.

AAA-level Certification of the Integration of Informatization and Industrialization Management System: Obtaining the highest-level certification from the Ministry of Industry and Information Technology signifies that our enterprise has reached a domestically leading level of deep integration between information technology and industrialization, realizing a development model driven by core business data.

Digital Transformation Maturity “Three-Star” Certification: This is the highest-level certification issued by the Ministry of Industry and Information Technology for digital transformation standardization. We are one of only four enterprises in Hunan Province that simultaneously hold both the “AAA-level Certification of the Integration of Informatization and Industrialization Management System + Digital Transformation Three-Star Certification,” with remarkable achievements in areas such as digital R&D, smart factory construction, and refined operations.

### Standard Development and International Cooperation



The company has cumulatively participated in the drafting and revision of **110** standards, including **2** international standard, **49** national standards, and **59** industry, local, or association standards. The company was invited to attend the IEEE P2413.2 international standard conference and participated in the IEEE P2413.2 Working Group Meeting and related forums, contributing to the development of a global next-generation distribution Internet of Things architecture. The company has joined the Global Energy Interconnection Development and Cooperation Organization (GEIDCO). In collaboration with global partners in the energy sector, we have reached consensus on issues including technological innovation and joint international standard development, driving forward the green transition of the energy industry.

# Innovation Capability Building

Willfar Information Technology Co., Ltd has established a synergistic institutional framework that integrates “innovation management and talent development.” Through systematic institutional design, it integrates and coordinates the allocation of innovation resources, the conversion of outcomes, and incentive mechanisms. At the same time, we have set up a comprehensive talent-development system covering the entire chain—from attracting talent, nurturing talent, utilizing talent, to retaining talent—continuously strengthening the company’s capacity for sustained innovation.



## Innovation Management

Driven by the five-year technology roadmap, we develop annual product roadmaps and assess the effectiveness of our technologies. We adopt an IPD model—primarily based on independent R&D—to manage R&D risks and shorten the R&D cycle. At the same time, by establishing research institutes and innovation funds, we promote platform-based operations, generating an average of over **20** invention patents per year. Furthermore, at year-end, we introduce various awards, including the Best Innovation Award, to further strengthen innovation incentives. All these efforts are advanced monthly by the Technology Management Department and aligned with annual innovation performance evaluations.

## Talent Development

A dual-track promotion system has been established, creating a supportive mechanism for talent development and succession planning. The two systems complement each other, effectively facilitating the implementation of corporate innovation practices and ensuring the long-term development of core talents.



# Intellectual Property Protection

## Development of R&D Systems

Willfar Information places high importance on intellectual property rights (IPR) protection. We strictly comply 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. Internally, the company has established a suite of management systems, such as the "Intellectual Property Management Measures," "Trademark Management Measures," and "Intellectual Property Archives Management Measures," to protect its innovation outcomes. These systems are designed to strengthen and standardize the entire lifecycle of IPR, covering application, maintenance, utilization, protection, and administration.

## R&D Information Confidentiality

Furthermore, the Company defines policies regarding employee confidentiality, non-compete obligations, rewards and penalties related to secrecy, and archival management. To prevent the leakage or loss of intellectual property information, all employees are required to sign a "Confidentiality Agreement," establishing institutional safeguards. The company also conducts regular IPR education and training programs for its staff to enhance their awareness and understanding of intellectual property protection.



## Intellectual Property Protection

We actively promote intellectual property protection within the industry and are committed to fostering the establishment of self-regulatory norms for intellectual property in our sector. We respect the intellectual property rights of other companies in the industry and proactively avoid intellectual property disputes. During the reporting period, no intellectual property lawsuits or arbitrations occurred.

## Intellectual Property Training

We prioritize enhancing employees' professional capabilities in intellectual property (IP) protection and utilization. To this end, we conduct specialized training sessions covering essential topics such as the core techniques of patent mining, the fundamental principles and general processes of patent portfolio strategy, as well as the procedural steps and key considerations in patent mining. Throughout the training, we incorporate practical case studies to assist employees in better understanding and applying the acquired knowledge.



# Excellent-Class Smart Factory

Willfar Information has adopted the "WS538" as the overall framework for smart manufacturing, advancing the construction of smart factories. Based on automation, information integration, and intelligent exploration, the company has built a factory that supports digital twins, deployed a 5G private network, data center, and AI computing platform, achieving modeling from equipment to the entire factory. Key implementations include digital twin modeling, 5G network optimization, industrial sensor networks, and edge computing nodes. The company has established smart production line equipment and visual inspection systems, applied layered security protection and localized industrial software, initially forming a virtual-physical interactive manufacturing system, and creating a new smart manufacturing model that integrates "equipment control + manufacturing execution + operation management + business decision-making."



## R&D Design

A digital R&D system has been constructed, integrating EDA design, signal simulation, and 3D modeling tools, with full lifecycle data management realized through the PLM system. The application of virtual simulation technology has shortened the PCB design cycle by 20% and reduced prototype iterations by 30%. The deployment of intelligent programming and knowledge recommendation systems has enhanced embedded development efficiency, transforming R&D from experience-driven to data-driven.



## Production Operations

Modular intelligent equipment and human-machine collaboration systems have been deployed. Flexible manufacturing units based on digital twin technology have been built to support process switching. A full-process quality monitoring system has been established, integrating SPI/AOI/FCT inspection technologies. Deep learning and predictive analysis technologies are utilized to assist in optimizing production processes, promoting collaborative management of equipment, processes, and quality.



## Production Management

A multi-system integration platform centered on ERP/APS/MES/WMS has been constructed, building a comprehensive data fusion system covering human, machine, material, method, safety, energy, and environment. An AI algorithm-based intelligent production scheduling system has been developed. A full-process online monitoring and refined control mechanism has been established. Intelligent monitoring terminals for energy consumption, safety, and environment have been deployed, enabling intelligent closed-loop management of production planning, material distribution, energy management, and more.

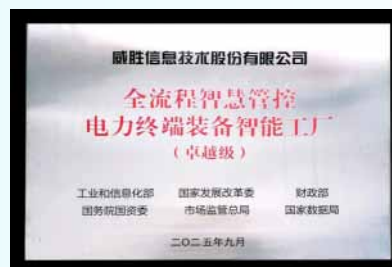


## Operation Management

A digital operation system has been established, including a supply chain planning collaboration platform and a supplier lifecycle management system. A customer profile system and intelligent marketing service system have been developed. An enterprise-level data platform has been built, deploying intelligent early-warning models and decision support tools to drive the intelligent transformation of core operational management businesses.



Willfar Information was awarded the title of "**National Excellent-Class Smart Factory**", which not only signifies that Willfar Information's digital manufacturing capabilities have reached an industry-leading level but also sets a new benchmark for the intelligent transformation of the entire Energy Internet of Things (Energy IoT) equipment sector.



# Lean Quality Protection



## 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.

Willfar Information has obtained certifications for 19 management systems including ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System, and has developed and released 461 system and guidance documents.

19 items  
Management System  
Certifications

461 items  
System and  
Guidance Documents



# Quality Management Platform



## Willfar Quality Management (WQM)

The WQM (Willfar Quality Management) Digital Quality Platform for Energy Internet of Things (IoT) products embodies the quality management philosophy based on end-to-end business closed loops, establishing a "One Core, Two Wings, Three Integrations" digital quality platform. With IPD and CMMI5 as the core of R&D quality management, the platform integrates the operational and production quality management platform based on CRM+ERP+MES and the supplier quality management based on SRM. We

achieve end-to-end quality management integration from customer requirements to customer acceptance, integration of quality management decision-making processes with data, and integration of issue retrospection and closed-loop management. This comprehensively improves the quality management level and service capabilities, drives sustained growth of business performance, and continuously enhances customer satisfaction and brand value.



# Quality Training Empowerment

Willfar Information aims for "Precise Empowerment and Systematic Efficiency Enhancement", focusing on fostering employees' quality management awareness and instilling the philosophy of quality management into the mindset of every employee. Closely focusing on business pain points and practical needs, the training content centers on six core areas: application of quality tools and methods, interpretation of new product technical specifications, skills for quality issue review, CNAS laboratory construction standards, implementation of testing standards, and quality operation safety management. It systematically strengthens the team's capabilities in professional tool application, understanding of standards and specifications, and safety risk prevention and control, providing key support for tackling new product quality challenges and standardizing laboratory system construction.

- Planned and executed 29 quality training and exchange sessions integrating online and offline formats throughout the year.
- Achieved full coverage of quality training for core departments including R&D, production, and quality, with cumulative participation reaching 2,462 person-times.

# Product Quality Improvement

The company has established a quality leadership team with the President as the management representative to coordinate and promote quality initiatives. We have built a quality responsibility system centered on top-leader accountability, driven by digitalization, covering the entire process, and ensuring responsibility is implemented at every level.

## Strict Enforcement of Primary Quality Responsibility

Adhering to the principle of "Quality First," the company implements a top-leader quality project. We clearly define the overall responsibility of the legal representative and general manager, and the direct responsibility of quality supervisors, enforcing a "one-vote veto" system for quality and safety.

## Elevating Quality and Safety Management Levels

- Established a comprehensive quality management system, clarifying responsibilities and processes, and strengthening all-employee, whole-process, and comprehensive quality management alongside strict inspection and testing.
- Built a "Prevention, Monitoring, Improvement" risk prevention mechanism, forming distinctive practices.
- Established a product quality traceability system enabling full-process tracking and guarantee, with the capability for timely recall of defective products.
- Widely applied advanced technologies and modern quality management methods (such as quality improvement initiatives, problem-solving projects, cost control, and QC team activities) to continuously elevate management standards.

## Accelerating Quality and Technological Innovation

The company regards technological innovation as a key means to enhance quality, actively applying new technologies, processes, and materials to improve products and services. We focus on developing innovative products with core competitiveness and high added value. For example, the distribution network ground fault protection technology innovatively supports multiple neutral grounding methods, achieving high-precision, low-latency fault detection and location, filling a domestic gap and effectively solving common industry challenges.

# 03 Win-Win Cooperation and Joint Growth

Win-win cooperation and shared growth are the main themes of our industrial chain's collaborative development. Centered on value co-creation with customers and suppliers, Willfar Information has established a multi-dimensional customer demand response system, a differentiated service guarantee network, and a refined hierarchical supplier management mechanism, thereby fortifying a symbiotic and trust-based industrial cooperation ecosystem. We not only focus on the in-depth exploration and dynamic adaptation of customers' genuine needs, continuously enhancing customer value through tiered services and collaborative creation but also dedicate efforts to supplier performance evaluation, risk prevention, and long-term empowerment. Through hierarchical management and a solid compliance foundation, we deepen partnerships, infusing sustained collaborative momentum into the stable development of the industrial chain.

## Safeguarding Customers' Rights and Interests

- Responding to Customer Needs
- Improving the Service System
- Customer Satisfaction Management

## Bolstering the Supply Foundation

- Supply Chain Risk Prevention and Control
- Supplier Management



# Safeguarding Customers' Rights and Interests



## Responding to Customer Needs

Willfar Information adheres to a customer-centric core principle, comprehensively aggregates customers' genuine demand insights and market preference data through multi-dimensional channels, and conducts a hierarchical, tiered in-depth analysis of such information. Taking this as the fundamental basis, the company further realizes the precise alignment and dynamic optimization of its service and operation strategies, ensuring that its value delivery is consistently aligned with customers' intrinsic needs.

Frontline Feedback Network	In-depth Collaboration Model	Dynamic Feedback Mechanism	Annual Executive Visits
Leveraging a robust service network, we engage deeply at customer sites (e.g., electric power research institutes, metrology institutes, government bureaus), identifying needs through "shadowing and pain point mapping."	For power grid customers, we establish "Joint Innovation Labs" and jointly apply for major national S&T projects.	Customers can submit requests via the service hotline. Customer service specialists automatically categorize and route them to the relevant product division, with a guaranteed response time of under 2 hours.	Senior executives lead visits to core and strategic clients, gathering actionable feedback for product iteration.

We regularly evaluate and refine our methods for researching customer demands to ensure they align with corporate strategy, business requirements, and market dynamics.

- Interaction Upgrade:** Evolved from "remote communication (email/phone)" to "in-depth on-site interviews," improving authenticity and granularity of insights.
- Frequency & Efficiency:** Shifted from "quarterly meetings" to "monthly reviews and daily feedback channels," enhancing responsiveness.
- Dimension Expansion:** Moved beyond point-in-time surveys to cover the entire customer need lifecycle and related product requirements.

## Customer Word of Mouth (WOM)

In 2025, relying on our technical strength and service reputation in the smart grid field, we have received a total of 11 letters of commendation from core customers in the power system. These letters are from many large power supply enterprises, including the Marketing Department of Guangzhou Power Supply Bureau of Guangdong Power Grid, Zhumadian Power Supply Company of State Grid Henan Electric Power Company, and Urumqi Power Supply Company of State Grid Xinjiang Electric Power Co., Ltd. This fully demonstrates the company's high recognition in product quality, project delivery, and after-sales operation and maintenance, reflecting our market influence and customer trust within the Power IoT segment.



Letter of Appreciation from State Grid Henan Electric Power Company Zhumadian Power Supply Company



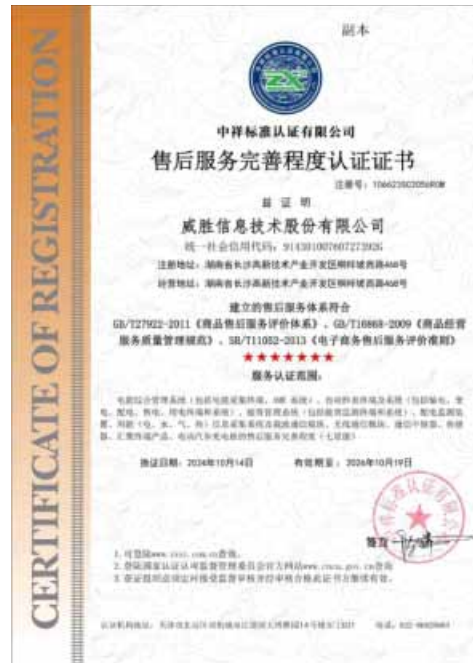
Letter of Commendation from Guiyang & Zunyi Chishui Power Supply Bureau

# Improving the Service System

Willfar Information has established a differentiated customer relationship management system. By deeply understanding customer needs, researching, and developing products that meet these needs, it builds a strong foundation for services from the ground up. Meanwhile, it employs a standardized after-sales management system as the core control mechanism for customer services, facilitating full-process complaint management: utilizing a “root cause analysis improvement implementation effect verification” process to promote a steady annual decline in complaint volumes. Complaint information pathways are clarified to ensure direct communication with responsible departments and supervisors, forming a comprehensive closed loop of “response - resolution - review - accountability”. For major incidents, an emergency response mechanism is triggered, with senior management leading a special task force to address issues.

We view the professional after-sales service team as central to implementing full-cycle services, adhering to customer demand orientation, and building a service model of “standardized technical services and personalized solutions”. Using the On-site Service Management Measures and On-site Service Safety Management Measures, we standardize the entire service process, swiftly responding to various customer demands, and providing one-stop services, such as product training, technical support, and comprehensive operation and maintenance, safeguarding customers’ legitimate rights.

We implement an “offline branches and online platforms” synchronized model to ensure service efficiency: offline, establishing 35 technical service branches across 31 provinces, autonomous regions, and municipalities nationwide, complemented by a customer call center forming a robust national service network; leveraging an information management platform to enable rapid resource deployment and refined after-sales quality management, providing strong support for the enhancement of service response times and the implementation of closed-loop complaint management.



# Customer Satisfaction Management

## ➤ Customer Satisfaction System and Standards

Willfar Information has formulated the Customer Satisfaction Measurement and Control Procedure to standardize the customer satisfaction measurement process. This enables the Company to accurately assess its understanding of, and performance in meeting, customers' current and future needs and expectations. Based on survey results, the Company optimizes its management systems to continuously enhance customer satisfaction.

## ➤ Customer Satisfaction Assessment



### Assessment Method

We adopt differentiated assessment approaches for different customer groups:

#### State Grid / China Southern Power Grid Customers:

Questionnaire surveys, on-site visits, quality interviews, service hotline interviews, self-evaluation, peer benchmarking, stratified assessments, customer forums, and third-party evaluations.

#### Key Customers:

Questionnaire surveys, on-site visits, quality interviews, service hotline interviews, self-evaluation, and service closed-loop verification.

#### General Customers:

Questionnaire surveys, SMS/WeChat instant ratings, service hotline interviews, and self-evaluation.

The Company conducts a customer satisfaction questionnaire survey once a year. After defining the survey sample size, data collection is carried out. Through statistical analysis of all indicators, key factors affecting customer satisfaction are precisely identified. Findings are communicated to the responsible departments, and continuous improvement is advanced using methodologies such as PDCA, DMAIC, and 8D, thereby continuously improving customer satisfaction.

## ➤ Assessment Results

In 2025, as part of the systematic optimization of the end-to-end customer service process, Willfar Information conducted customer satisfaction research in an organized and comprehensive manner. During the year, the Company collected eight (8) valid satisfaction questionnaires from core cooperative customers, including the Dali Eryuan Power Supply Bureau of Yunnan Power Grid Co., Ltd., the Tongren Power Supply Bureau of Guizhou Power Grid Co., Ltd., and the Marketing Service Center of State Grid Liaoning Electric Power Co., Ltd. The research covered multiple core service dimensions, including product quality, service quality, product fulfillment, market-related work, and overall evaluation. Feedback results generally reflected high scores, which not only demonstrate the Company's comprehensive competitiveness in the power Internet of Things (IoT) service sector, but also provide robust data support and clear direction for subsequent iterations of the service system and product upgrade optimization.

### Customer Satisfaction



2023: 99.75%

2024: 99.95%

2025: 99.95%

# Bolstering the Supply Foundation



## Supply Chain Risk Prevention and Control

### ➤ Supply Chain Risk Prevention and Control System

The Company consistently takes customer needs as its core focus, emphasizing the provision of stable, efficient, and reliable supply assurance services. Supported by sufficient raw material inventories, strong emergency supply capabilities, and a well-established integrated supply chain platform, the Company is able to deliver products and services characterized by high quality, high efficiency, and high reliability, thereby effectively ensuring the continuity and stability of supply.

### ➤ Specific Operational Mechanisms

#### Stable Raw Material Inventory Assurance Mechanism

The Company establishes safety stock strategic reserve mechanisms and raw material supply assurance linkage mechanisms with suppliers to effectively ensure the stability of raw material supply and to provide stable and continuous support for production and delivery. The Company regularly assesses market trends for key components and maintains routine inventories of critical components to address potential supply-demand tightness under special market conditions and to meet customer production needs under extreme circumstances.

#### Robust Integrated Supply Chain Platform

The Company has established an integrated supply chain platform. Through eight key measures: signing supply assurance agreements, maintaining a robust supplier resource pool, establishing a domestic bonded-zone component base warehouse, vertical integration across the industry chain, strong financial support, full support from strategic suppliers, supplier management mechanisms, and procurement kitting/completeness management mechanisms—the Company effectively ensures suppliers' product quality, supply assurance capability, and service level.

#### Sound Emergency Supply Mechanism for Raw Materials

To address market demand fluctuations and unexpected events, the Company's supply chain maintains strong emergency response capabilities. The Company has established an agile supply chain management system and maintains a robust supplier resource pool, enabling rapid enhancement of raw material supply capacity within a short timeframe to meet urgent market demands. In addition, the Company has established a dedicated raw material emergency response team capable of quickly initiating and executing contingency plans, providing timely and effective supply support to customers and ensuring supply continuity and stability.

#### Establishment and Orderly Operation of an End-to-End BCM System

The Company has established and is operating an end-to-end Business Continuity Management (BCM) system covering end-to-end management from suppliers to end customers. For typical scenarios, the Company has developed end-to-end emergency response plans and business continuity plans, which guide branch offices and functional departments in business continuity management in the event of emergencies.

# Supplier Management

## ➤ Supplier Qualification Management

Guided by supply chain stability and focused on providing stable, efficient, and reliable supply assurance services, Willfar Information has established a standardized supplier qualification system, including a supplier tiered evaluation system and periodic assessment mechanisms. The Company adheres to compliance-based supplier selection principles and standardized selection procedures, and conducts evaluations based on core quality indicators, thereby controlling supplier quality at the source, strengthening the foundation for supply chain stability, and supporting the delivery of high-quality products and services.

- Total Number of Suppliers **392**
- Percentage of Suppliers That Have Undergone Environmental Assessment **100%**
- Supplier Sunshine Agreement Sign-off Rate **100%**

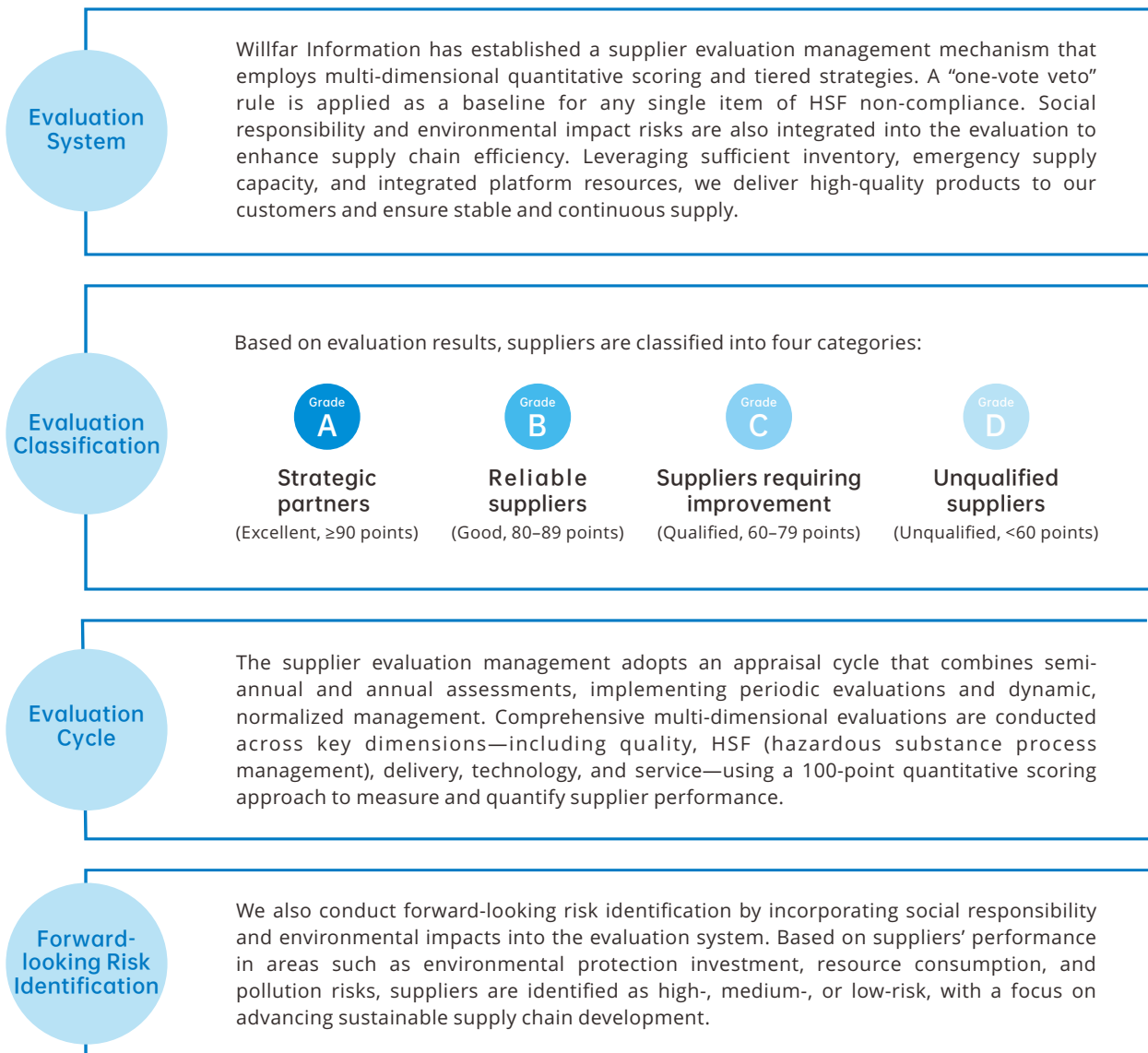
## ➤ Supplier Tiered Management

To effectively manage and optimize supplier resources and to build an efficient and stable supply chain system, Willfar Information has formulated comprehensive supplier management measures. These measures aim to achieve mutual benefit and win-win outcomes with suppliers, enhance supply chain management efficiency, reduce procurement risks, and promote the sustained and steady development of the supply chain.

We have established clear standards and procedures for supplier tiered management. It sequentially carries out the formulation of evaluation criteria, supplier evaluations, and tiering/classification, and promptly communicates tiering results to relevant parties to enable targeted management. Through these initiatives, the Company has effectively optimized resource allocation, improved procurement efficiency, reduced procurement costs, and strengthened supply chain stability, thereby providing robust assurance for the orderly implementation of procurement activities.

We will continue to improve and optimize its supplier tiered management system and proactively respond to changes in the market environment and business development. By continuously refining tiering standards, evaluation methodologies, and incentive measures, the Company will further deepen cooperation with suppliers, consolidate existing achievements in optimizing resource allocation and improving procurement efficiency, and inject sustained momentum into the Company's sustainable development.

## ➤ Supplier Evaluation Management



## ➤ Supplier Assessment Management

We have established a systematic supplier management framework, under which supplier capability is classified into four tiers: A, B, C, and D. Data is compiled quarterly, and dynamic evaluations are conducted on a six-month cycle. Supplier selection follows principles including high quality, competitive pricing, and contract compliance and creditworthiness. Each category is required to have two (2) or more qualified suppliers. Suppliers of key components must be professional manufacturers, and suppliers related to HSF (Hazardous Substance Free) products must possess the corresponding management capabilities.

Differentiated selection criteria are applied for different procurement types. For manufacturers, agents, and distributors, supplier evaluation is performed in accordance with the corresponding confirmation forms (WM-BF/WL003-04 and WM-BF/WL003-05). Comprehensive quality scoring considers key indicators such as incoming inspection pass rate, batch pass rate for production-line use, C-value, and other core indicators, ensuring the rigor and effectiveness of supplier management.

# 04 Shared Value and Responsibility

Adhering to the business philosophy of “Pursue mutual benefit and responsibility upon sincerity and integrity”, Willfar Information has embedded the concept of co-building and co-creation into its development DNA and fulfills its commitment to sustainable development through responsible actions. Rooted in the core track of the Energy Internet of Things (IoT), we work hand in hand with industry-chain partners, industry peers, and stakeholders across society to convey the warmth of responsibility through technological collaboration, ecosystem co-building, and value sharing, and to demonstrate corporate responsibility through green transformation, public welfare initiatives, and global collaboration, thereby continuously creating diversified value for shareholders, users, employees, and society.

## Deepening Industry Collaboration

Ecosystem Co-building  
Facilitating the Integration of Industry, Academia and Research

## Commitment to Social Good

Rural Revitalization Practices



# Deepening Industry Collaboration



## Ecosystem Co-building

### Participation in Industry Standard Formulation

We participate in the formulation and revision of industry standards, contributing our technical expertise and practical experience, sharing professional insights and forward-looking perspectives, and promoting the industry's development toward greater standardization and normalization.



In 2025, we participated in the formulation and revision of

**23** standards

- Including
- 1 international standard
- 9 national standards
- 2 industry standards
- 1 local standard
- 10 group standards

Cumulative participation in standard formulation and revision

**110** standards

- Including
- 2 international standards
- 49 national standards
- 13 industry standards
- 7 local standards
- 39 group standards

## ➤ Participation in Industry Seminars and Conferences

### Willfar Information was Invited to the 3rd China Electrical Engineering Conference



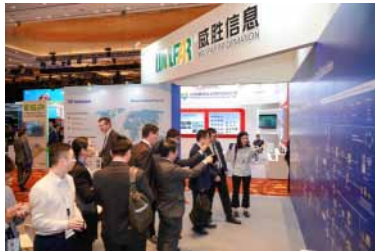
In December 2025, the 3rd China Electrical Engineering Conference was successfully held in Hangzhou. Willfar Information was invited to attend and actively participated in technical exchanges. Leveraging its integrated core technological strengths across “IoT + Chips + AI,” the Company engaged in in-depth dialogue with leading experts and industry-leading enterprises. This participation not only showcased the Company’s technical accumulation in areas such as power safety monitoring and AMI communications but also enabled the Company to accurately capture industry development trends.

### Willfar Information Hosts the 2025 Power Supply and Consumption Safety Technology Forum, Jointly Mapping the Industry Blueprint

Willfar Information hosted the 2025 Power Supply and Consumption Safety Technology Forum, building an efficient platform for exchange and cooperation in the power supply and consumption safety sector, consolidating consensus on innovation, and pooling development momentum. The Forum clarified future directions: continuing to deepen core Energy IoT technologies; actively practicing a tri-party innovation model of “the government sets direction, enterprises drive transformation, and universities tackle core technologies”; and working together with industry peers to build a strong safety defense line through high-quality innovation—advancing China’s power supply and consumption safety technologies toward the global forefront and contributing solid strength to the modern energy system and the achievement of the “dual-carbon” goals.



### Willfar Information was invited to participate in the 25th Electricity Supply Industry Conference



In October 2025, the 25th Power Supply Industry Conference, themed “Energy Transition,” successfully concluded at the Jinsha Convention and Exhibition Center. Serving as a platform for high-level exchanges, the conference explored pathways for energy transition and promoted the implementation of “net-zero” development goals.

Willfar Information showcased its next-generation smart grid solution and electricity–water–gas AMI solution. These solutions advanced in parallel through grid-side upgrading and end-user-side optimization, providing a practical and replicable pathway for power-sector intelligence to support regional energy transition.

### Willfar Information was invited to Thailand's 2025 Asian Power & Energy Exhibition: Three Core Solutions Spearheading Southeast Asia's Smart Energy Transition

In September 2025, the 2025 Asia Power & Energy Exhibition was held in Bangkok, Thailand at the Bangkok International Trade & Exhibition Centre. Willfar Information was invited to exhibit and presented three core solution portfolios: the electricity–water–gas AMI solution, the smart water management solution, and the smart grid solution.

Willfar Information’s solutions attracted extensive consultations from power operators, water utilities, and industry partners from Thailand and surrounding Southeast Asian countries. In addition, we engaged with domestic and international peers and industry experts on global energy technology trends and market opportunities, further strengthening Willfar Information’s resource connectivity and cooperation foundation in the Southeast Asian market.



# Facilitating the Integration of Industry, Academia and Research

## Co-establishment of Internship Bases to Target Talent Cultivation

Willfar Information signed a strategic cooperation agreement with the International School of the University of International Business and Economics (UIBE) at Willfar Science and Technology Park. The two parties will jointly establish an internship and employment base, leveraging the student resource strengths of UIBE's International School and Willfar Information's overseas resources to promote targeted employment in China and overseas internship opportunities for international students studying in China. The Company will also carry out targeted selection of high-potential talent from the School, while selecting outstanding local employees in host countries for further studies at UIBE, thereby building a talent pipeline that combines "localization + internationalization." In addition, the parties will provide customized employee empowerment programs by developing all-English training programs tailored to employees at different levels, with a view to enhancing the team's global operational capabilities. An information-sharing mechanism and a joint working group will also be established to ensure the efficient implementation of the cooperation.



## Enhanced Collaboration with Academician-Expert Teams to Foster New Quality Productivity



The Company also maintains in-depth cooperation with teams of academicians and experts, aligning with national priorities in scientific and technological innovation and R&D. Focusing on the development of new-type power systems and new-type energy systems, the Company actively promotes the transformation and industrialization of scientific and technological achievements, thereby building momentum for the development of New Quality Productivity.

## Partnering with National-Level Energy Research Institutions to Build New Quality Productivity Forces in the Energy Sector

Willfar Information and the New-Type Power System Research Center of a national-level energy research institution have established a joint project team focusing on digitalized power distribution and consumption scenarios, and are jointly developing advanced AI-based SoC chips and related equipment. Through deep collaboration spanning technology development and industrialization, the Company will strengthen its core capabilities, enhance the software and hardware value of its products, advance the digitalization and intelligent transformation of power systems, and promote the development of the Energy Internet of Things (IoT).



### Jointly Developing New-Style Distribution Protection and Enhancing Power Supply Reliability

In collaboration with Tsinghua University, Willfar Information has jointly carried out research on protection theories for new-type distribution systems to address the demand for improving power supply reliability in new-type power systems. The parties are advancing the productization of channel-free protection technology in the field of distribution automation and applying core algorithms to distribution automation terminals. In addition, they are conducting research on grounding fault theory for new-type distribution systems, covering early identification of fault hazards, precise fault localization, and the development of fault early-warning algorithms. These core algorithms have been successfully applied to products such as distribution automation terminals and fault localization devices, effectively addressing industry challenges including low accuracy and insufficient sensitivity in fault determination, and forming competitive products and solutions.

### Driving Technological Innovation with High-Performance Computing

The cooperation between Willfar Information and the National Supercomputing Center in Changsha will provide strong computing power support and algorithm research capabilities in areas such as high-performance computing, big data processing, information security, and artificial intelligence, enabling efficient processing of massive data volumes. This cooperation will further promote the broader application of cutting-edge technologies such as intelligent dispatching and digital twins in power grids and smart cities.

### Optimizing Resource and Energy Allocation to Safeguard Urban Safety with Smart Technologies

Willfar Information has cooperated with the China Society for Urban Studies to enhance the intelligence level of urban fire protection and security, as well as water conservancy and water services systems, and to promote the development of green buildings. By leveraging digital twin and artificial intelligence technologies, the cooperation will enable real-time monitoring and early warning of urban safety risks, precise allocation of water resources, and optimized management of building energy consumption. This cooperation will effectively drive the intelligent upgrading of urban management and services and contribute to building safe, green, and efficient smart cities.



# Commitment to Social Good

## Rural Revitalization Practices



### Distributed Photovoltaic Grid-Connection Retrofit Project

The distributed photovoltaic access and renovation project implemented by Willfar Information for a provincial power grid company serves as a typical practice in supporting rural revitalization. The project covers rural areas benefiting more than 10,000 rural households. The project enables farmers to realize “self-consumption of generated electricity (reducing daily electricity expenses) + selling electricity to the grid (obtaining additional income),” directly increasing rural residents’ income; By adopting a communications solution that is “visible, measurable, adjustable, and controllable,” the project improved rural clean energy infrastructure, enabled intelligent grid-connection management and control of distributed PV, and upgraded the rural energy supply system; By promoting the green energy transition in rural areas—replacing traditional high-carbon energy sources with PV—the project supports low-carbon and sustainable development in rural regions, both empowering rural energy system upgrading and delivering tangible benefits to rural livelihoods.



### Medium-voltage Distribution Network Automation Solution



The medium-voltage distribution network automation solution, through AI-based intelligent identification and minute-level fault localization, effectively addresses challenges in rural distribution networks caused by dispersed geography and complex environments—such as difficulty in fault localization and lengthy repair times. It not only significantly shortens outage duration and safeguards residents’ daily electricity use, but also reduces transportation energy consumption and labor input for on-site inspections through long battery life and low-power design, thereby lowering resource consumption related to battery replacement and equipment maintenance. This provides stable power support for rural agricultural production and emerging rural business models, helping reduce costs, save energy, and improve efficiency in rural power operation and maintenance.

# 05 Employee Development and Rights Protection

Employee development and rights protection are the core for enterprises and employees to thrive together. Willfar Information has clarified employees' growth paths by establishing a dual-track career channel (management and professional) and improving the qualification certification system; fostered an open and inclusive talent environment to ensure fair development opportunities for all; built a targeted hierarchical and classified training system to boost capacity building for employees at different levels and in various fields; comprehensively safeguarded employees' physical and mental well-being, covering activities, communication, occupational health, safety protection and mental health; and consolidated the guarantee system (salary, welfare, performance appraisal) to match employees' efforts with rewards. This all-round support system not only empowers employees' career development but also underpins their rights and health, driving long-term value growth for both employees and the enterprise through mutual trust and promotion.

## Advancing Employee Growth

- Dual-Track Career Development Design
- Internal Qualification Certification Design
- Supporting External Professional Title Evaluation

## Embedding a Culture of Wellbeing

- Employee Activities
- Employee Communication and Satisfaction
- Safeguarding Employee Health
- Workplace Safety Protection

## Championing Equality and Diversity

- Recruitment and Employment
- Diversity and Equality

## Upholding Employee Rights

- Salary System
- Welfare Guarantee System
- Performance Evaluation System

## Powering Our People Through Training

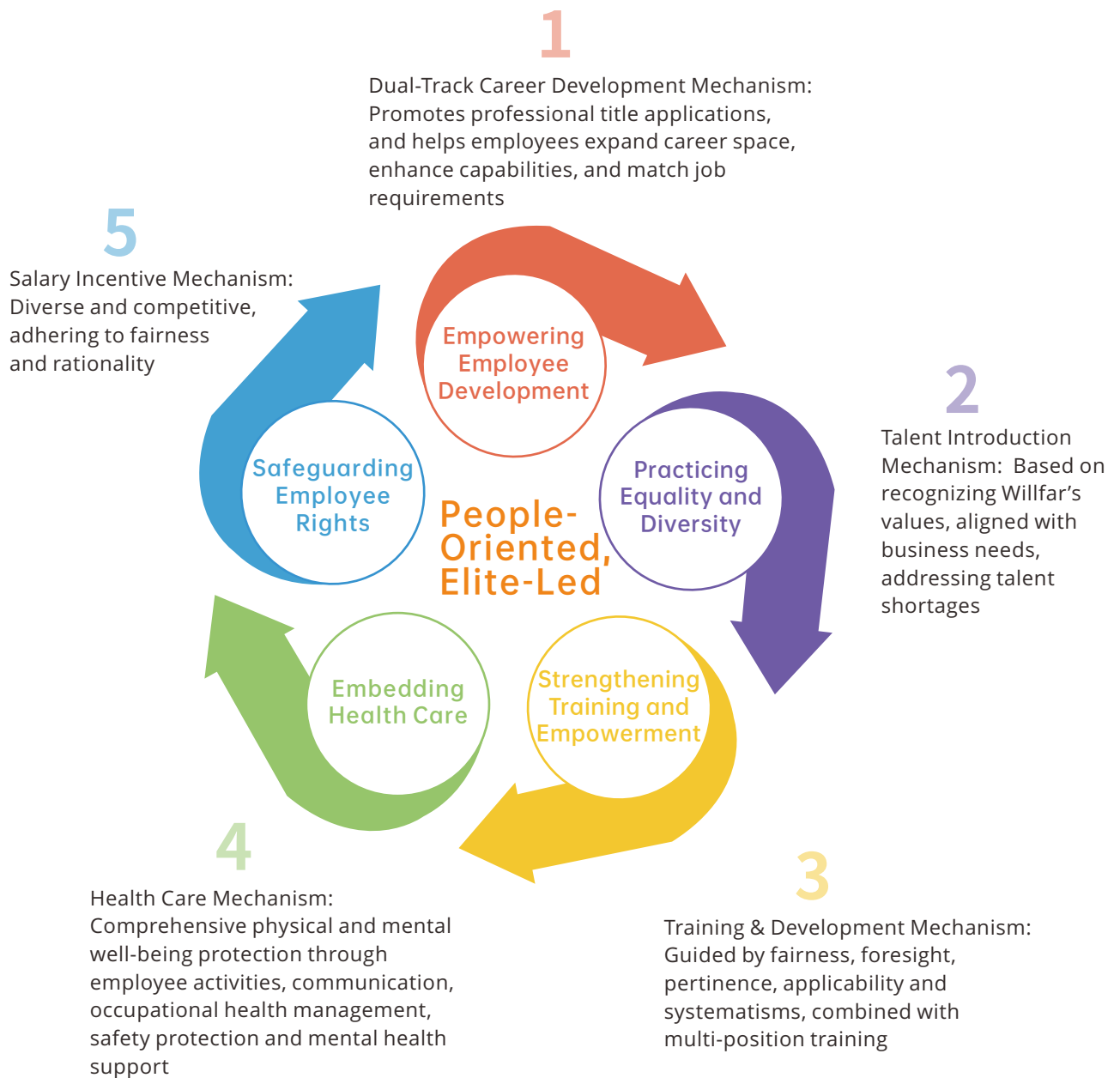
- Training System
- Key Training Programs
- Talent Cultivation Strategy



# Advancing Employee Growth



The company adheres to the core management philosophy of "People-Oriented, Elite-Led" and regards human resources as the core driving force for achieving strategic goals.



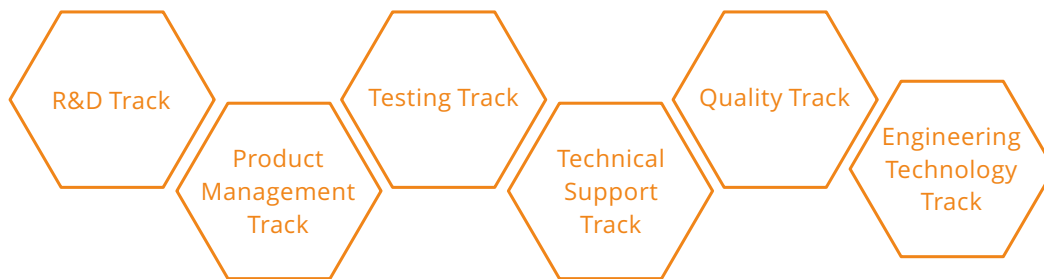
# Dual-Track Career Development Design

The company has two career tracks: management and professional technology. It formulates targeted career development paths for employees in each track based on development requirements and employees' capabilities. Employees can choose to develop in the management track or the professional technology track, and can also switch horizontally between different professional technology tracks.

# Internal Qualification Certification Design

To expand employees' career development space, the company has established clear goals for employees' capacity improvement through the construction and management of the qualification system, conducted fair and effective evaluations of employees' professional competence, and guided employees to move from excellence to outstanding performance with qualification standards.

## ➤ Certification Tracks



## ➤ Certification Results

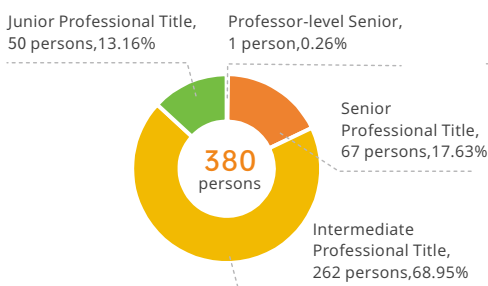
Based on certification results, qualified employees are selected into the reserve talent echelon for systematic training. Their qualification levels serve as the basis for post setting, staffing and personnel allocation to improve person-job fit.

Certification results are applied in performance, salary, outstanding employee selection, talent training and appointment, etc., with corresponding adjustments to salaries, subsidies and business trip reimbursement standards.

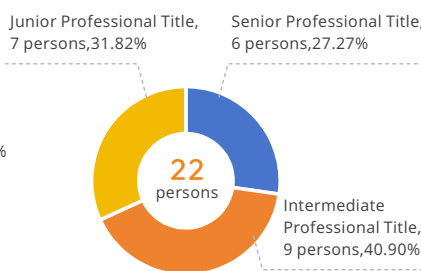
- 75 Total number of participants in qualification certification
- 61 Employees with improved capabilities
- 81% Pass rate

# Supporting External Professional Title Evaluation

Professional Title Distribution of Company Employees



Distribution of New Professional Technical Titles Added This Year



The company promptly issues external professional title application notices, clarifies procedures and required documents, assists relevant employees throughout, returns non-compliant materials, and guides revisions. As of December 31, 2025, the number of in-service employees who had obtained professional technical titles was 380. Among these, 22 employees had newly acquired such titles during the year.

# Championing Equality and Diversity



## Recruitment and Employment

### ➤ Compliant and Equal Employment

Willfar Information upholds "People-Oriented" as its core philosophy, fostering an open, inclusive and dynamic environment to attract and empower talents with international perspectives and professional capabilities. We care about each employee's career path and personal growth, and support employees' career growth through rich learning resources and multi-dimensional channels, advocating win-win cooperation, innovation and respect for individual differences and contributions, growing together with employees and driving the development of the enterprise and society forward.

#### Legally Protecting Employee Rights and Interests

To effectively protect employees' legitimate rights and interests, we take compliant employment as a core principle, strictly abiding by the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China and Regulations on the Prohibition of Child Labor and other relevant laws and regulations. To fully protect employees' rights and interests, we have established a comprehensive institutional guarantee system and formulated normative documents including the Employee Handbook. With institutional guarantees including the Employee Handbook, we integrate legal employment, equal opportunity, anti-forced labor, anti-discrimination and anti-harassment into all operational and management links, so as to build a solid institutional defense line for protecting employees' rights and interests.

#### Building a Fair Workplace Environment

In recruitment, we always adhere to the orientation of equal employment and resolutely put an end to any discrimination based on gender, age, ethnicity, religion or physical condition and other factors, providing fair development opportunities for all job seekers and employees. We are committed to providing equal and fair development opportunities for all job seekers and in-service employees, and jointly creating a prejudice-free and respectful workplace atmosphere. We also strengthen privacy protection to comprehensively safeguard workplace fairness and legitimate rights.

#### Employer Honors

Willfar Information has been awarded "2025 Hunan Extraordinary Employer" for its outstanding strength and employer brand influence.



### ➤ Labor Employment Risk Training

The company trained all members of the Human Resources Department on labor employment risk and compliance to improve the standardization and compliance level of labor employment management, enhance legal understanding and application capabilities of laws and regulations related to labor relations, prevent legal risks in the entire process of employment, and build harmonious and stable labor relations.

# Diversity and Equality

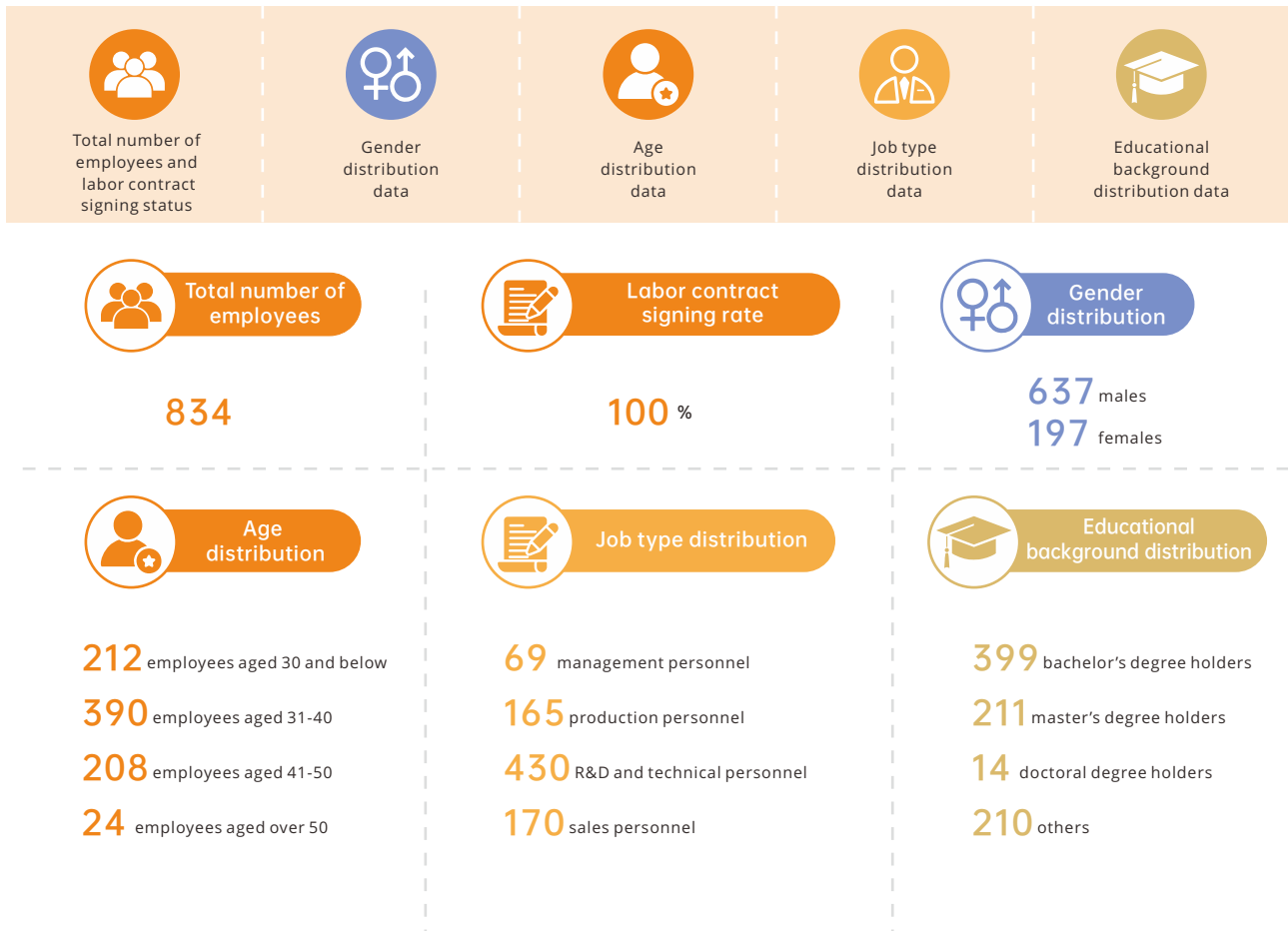
## ➤ Gathering Diverse Talents

Willfar Information firmly believes that diversity and inclusion are the wellsprings of innovation and growth. We are committed to creating a truly diverse workplace where individuals of different ages, genders, cultural backgrounds, and professional fields enjoy respect and equal development opportunities. To this end, we actively broaden our recruitment boundaries, absorbing outstanding talent from diverse regions and backgrounds through channels such as campus and social recruitment, university-enterprise cooperation, and global talent introduction.

We respect the unique perspectives and experiences of every employee, encourage open expression, and strive to provide a platform where their talents can be fully realized. Simultaneously, we have systematically built a global talent framework to introduce and cultivate high-end talent with international vision and cross-cultural capabilities. By establishing a flexible and efficient international organizational structure and implementing an inclusive and symbiotic management model, we promote deep cross-cultural integration based on respect for diversity. We are dedicated to building an open, inclusive, and synergistic global corporate culture ecosystem.

We are convinced that this diverse team structure not only unleashes internal innovation potential and vitality but also serves as the core driver for the Company's long-term competitiveness and sustainable development. We will continue to explore innovative talent introduction models, growing together with all partners to create a shared future.

## ➤ Diverse Talent Structure



# Powering Our People Through Training



## Training System

In 2025, the company's training system design adheres to the purpose of centralized training and selection. Through "training + elite selection" and "cultivation before employment" with regular post qualification assessments, it cultivates compound talents with internationally leading R&D, product integration, team marketing, market planning, rapid technical service, intelligent manufacturing and core operational capabilities.

### Course System

<p><b>Advanced management capability courses for management cadres at different levels</b></p> <p><b>Leadership Enhancement Courses for Operation and Management Teams</b> Strategic Planning, Resource Integration, Decision-Making</p> <p><b>Management Skills Development Programs for Middle-level management</b> Team Management, Innovative Management, Communication Management</p> <p><b>Capabilities Enhancement courses for Frontline Management cadres and their successors</b> Business Development, Execution Enhancement, Problem Solving</p>	<p><b>Customized vocational skills training programs tailored to employees for different job categories</b></p> <p>Product Technical Training Courses Product Management Training Courses Marketing/Market Training Courses Functional Management Training Courses Frontline Production Training Courses</p> <p>Provide rich general skills training courses</p>	<p><b>Rapid integration training programs for new recruits from society and campuses, as well as employees undergoing job rotation</b></p> <p>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</p>	<p><b>Corporate culture promotion training courses for all employees</b></p> <p>Willfar Information's Values and Corporate Culture History of Willfar Information's Development Enhance awareness, understanding, recognition, and implementation of corporate culture</p>
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## ➤ Provides diverse improvement courses for employees

### Classic Programs

<p><b>Management Capability Enhancement Program</b></p> <p><b>Sponsored Study Programs:</b> EMBA, MBA, Times Leadership Seminar</p> <p><b>Key Projects:</b></p> <ul style="list-style-type: none"> <li>● Business Management Team Capability Improvement Camp</li> <li>● Middle Management Team Capability Enhancement</li> <li>● Qianlong &amp; Yuelong Programs</li> <li>● Listed Company Capital Market Compliance Training</li> </ul>	<p><b>Professional Skills Breakthrough Initiative</b></p> <p><b>Key Projects:</b></p> <ul style="list-style-type: none"> <li>● Domestic Full-staff Marketing Series</li> <li>● Global Full-staff Marketing Series</li> <li>● Overseas Navigation Program</li> <li>● Business English Corner</li> <li>● Technical Support Practical Competition</li> <li>● Functional Management Training (HR/finance/administration/logistics/supply chain/planning, etc.)</li> <li>● Team Leader/Production Staff Skill Improvement</li> </ul>	<p><b>New Journey Advancement Program</b></p> <p><b>Key Projects:</b></p> <ul style="list-style-type: none"> <li>● Campus Recruit New Employees Willstar Camp</li> <li>● Social Recruit New Employees Growth Camp</li> <li>● One-On-One Customized Training for Hunted Talents</li> <li>● Rotated Staff Growth Transformation Program</li> </ul>	<p><b>Corporate Culture Promotion Program</b></p> <ul style="list-style-type: none"> <li>● Corporate Culture Grand Tour Lectures;</li> <li>● Corporate Culture Online Q&amp;A Competition;</li> <li>● Willfar News Reading Activity</li> <li>● 5-minute Culture Practice Activity</li> <li>● Overseas Culture Training Delivery</li> </ul>
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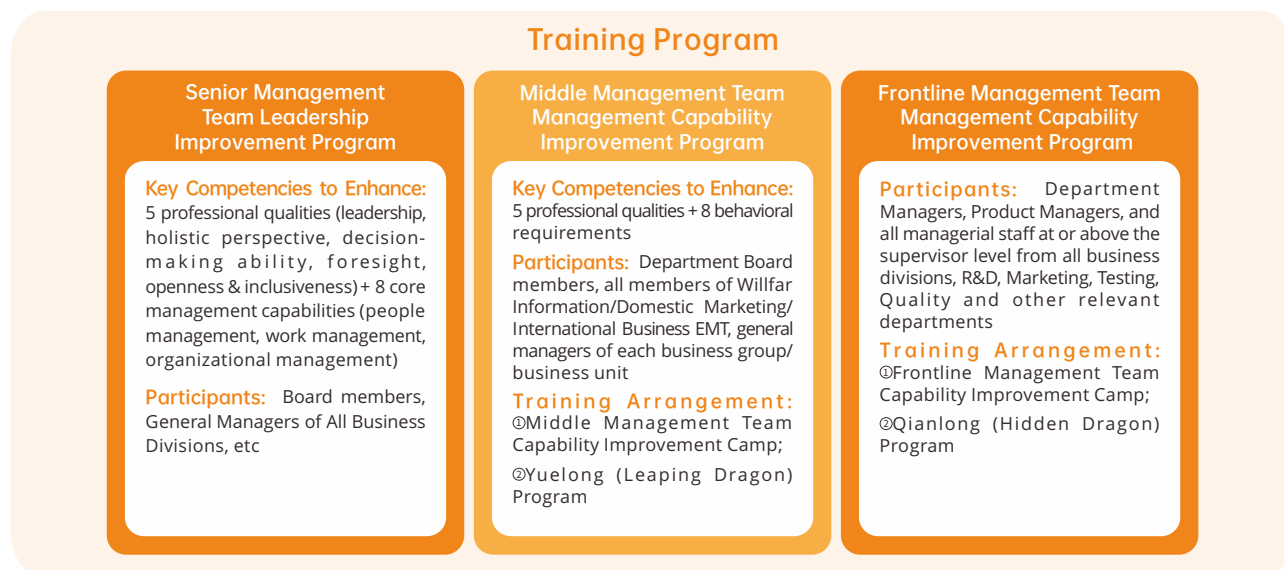
# Key Training Programs

## ➤ Cadre & Successor Training — Management Capability Enhancement Program



Willfar Information focuses on enhancing management teams' strategic planning, resource integration and team management capabilities via leadership enhancement for operation and management teams, capability development for middle and frontline management teams and other training programs, aiming to build a management team with strategic thinking, holistic vision and strong cohesion.

We use an integrated online-offline training model and tailor specialized development programs (e.g., Yuelong, Qianlong) for different-level managers. These programs aim to precisely align the management team's capabilities with the company's new development direction, boost management teams' overall quality around "strategy first, organizational capability guarantee, leadership-driven", and other core dimensions, and inject strong impetus into the continuous enhancement of the company's core competitiveness.



## ➤ Professional Training – Professional Skills Breakthrough Initiative

Willfar Information provides targeted professional training by precisely matching learning resources to employees' specific fields, job levels, and core competency requirements. Employees may also independently select relevant courses and learning formats based on their personal interests, development goals, and career stage.



## ➤ Onboarding and Rotation Training – New Journey Advancement Program

Willfar Information customizes onboarding programs for new hires from different channels to facilitate rapid integration into the work environment and role readiness. Campus recruits undergo systematic professional literacy training and team integration activities to accelerate their transition. Experienced hires focus on corporate culture immersion for swift alignment with organizational atmosphere and organizational values. For high-end recruited talents, a dual-mentor system with both professional and career mentors provides tailored support beyond foundational training.

The onboarding process is structured in three progressive stages: entry, induction, and deployment, each with dedicated assessment mechanisms. This approach helps identify high-potential talent, fosters a competitive spirit, optimizes training resources, and enhances overall effectiveness. Additionally, customized training is designed for transferred employees to help them quickly master new roles, strengthen competencies, and improve productivity.

 <p><b>Campus Recruit WILLSTAR Camp</b></p> <p><b>Target Group:</b> All campus recruits joining in the autumn recruitment onboarding season, 1 session/year</p> <p><b>Activities:</b> Various courses, Outward Bound, etc</p>	 <p><b>Social Recruit Growth Camp</b></p> <p><b>Target Group:</b> All newly hired social recruits</p> <p><b>Activities:</b> Various training sessions, exhibition hall visits, etc</p>
 <p><b>One-on-One Customized Training for Headhunted Talents</b></p> <p><b>Target Group:</b> All newly hired hunted talents/domestic &amp; international regional account managers, organized irregularly based on actual onboarding</p> <p><b>Course Arrangement:</b> Divided into general training (exhibition hall visit, production workshop visit, basic rules learning, etc.) and differentiated training (technical service positions, international marketing special training, etc.)</p>	 <p><b>Transferred Staff Growth &amp; Transformation Program</b></p> <p><b>Target Group:</b> All transferred staff in marketing/technical support/functional positions</p> <p><b>Specific Plans:</b> Marketing transfer/onboarding training plan; R&amp;D transfer/onboarding training plan; functional position induction/transfer/onboarding training plan</p>

## ➤ Business English Training – Business Communication Scenario Camp

The company organizes blended online and offline interactive training to further enhance the business English proficiency and cross-cultural communication skills of its overseas management teams. Tailored courses are designed separately for senior, middle, and frontline management teams.

<p><b>Business Management Team</b></p> <p><b>Participants:</b> Business Management Team</p> <p><b>Course Arrangement:</b> Introduction to core products and solutions for international markets, introduction to company status in 2024 performance announcement</p>	<p><b>Middle Management Team (Including Domestic Marketing)</b></p> <p><b>Participants:</b> General managers of each marketing region, general managers/ chief engineers/assistants of each business group/business unit, heads of functional departments</p> <p><b>Course Arrangement:</b> Introduction to core products and solutions for international markets, business scenario-based follow-up training</p>	<p><b>Frontline Management Team</b></p> <p><b>Participants:</b> Managers/deputy managers, product managers/supervisors and above in business units, R&amp;D, marketing, testing, quality and other departments</p> <p><b>Course Arrangement:</b> Introduction to core products and solutions for international markets, business scenario-based follow-up training</p>
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## ➤ Innovative Business Forum

Industry experts are invited to jointly discuss business development, opportunities and challenges. From a macro strategic perspective, they interpret the company's innovative business directions based on industry trends, helping managers quickly grasp the "IoT Connects the World, Chip Enables the Future" strategy and "Progressing Steadily, Developing Innovatively" theme, align goals, foster a progressive atmosphere stimulate potential, and lay a foundation for annual innovative business development while advancing the "5-5" Strategic Plan and internationalization strategy. Experts also analyze the complex economic situation, global energy and technology landscape to help managers identify opportunities in smart grid and precision management, track industry trends, strengthen task management, and drive core business breakthroughs with professional understanding and efficient execution.

# Talent Cultivation Strategy

In 2025, the company's training and development efforts are closely aligned with strategic planning needs. Centered on the job qualification system, we build a refined training system layered by level, position and responsibility, and create an intelligent professional talent development and empowerment platform. We simultaneously iterate and optimize the talent development system, constructing an efficient closed-loop talent mechanism of "cultivation - discovery - selection - appointment" to consolidate talent support for organizational development.

<h3>Domestic Marketing</h3>	<h3>Communication &amp; Chips</h3>
<p><b>Development Goal:</b></p> <ul style="list-style-type: none"> <li>• Office Managers</li> <li>• Excellent Customer Managers (Water Utilities / Fire Protection / Non Electric)</li> </ul> <p><b>Key Training:</b> Emphasis on key account sales capability enhancement</p>	<p><b>Development Goal:</b></p> <ul style="list-style-type: none"> <li>• Department Managers, Product Managers</li> <li>• New professional title holders, qualified personnel</li> </ul> <p><b>Key Training:</b> Study of international distribution grid standards, R&amp;D quality control, hardware design and simulation tools, software architecture design, product management</p>
<h3>International Business</h3>	<h3>Smart Energy Efficiency AI</h3>
<p><b>Development Goal:</b></p> <ul style="list-style-type: none"> <li>• Regional Marketing Heads, Senior Project Managers</li> <li>• Product Managers / Solutions Engineers, Market Specialists</li> <li>• New professional title holders, qualified personnel</li> </ul> <p><b>Key Training:</b> International Foreign trade processes and operations, project management, products and solutions, and operation and management of overseas subsidiaries</p>	<p><b>Development Goal:</b></p> <ul style="list-style-type: none"> <li>• Solutions Manager, Product Managers</li> <li>• New intermediate professional title holders, qualified personnel</li> </ul> <p><b>Key Training:</b> Electricity AMI product R&amp;D standards, overseas certification submission processes, safety/fire fighting regulations, technical standards and specifications, on site implementation, overall solution support capability enhancement</p>

<h3>Operations &amp; Production</h3>	<h3>Technology Department</h3>	<h3>HR / Admin / Management / Finance / Securities</h3>	<h3>Willfar Research Institute</h3>	<h3>Strategic Development Department</h3>
<p><b>Development Goal:</b></p> <ul style="list-style-type: none"> <li>• Workshop Supervisors (Overseas Factory)</li> <li>• On site Process Engineers</li> <li>• Multi skill Production Operators</li> </ul>	<p><b>Development Goal:</b></p> <ul style="list-style-type: none"> <li>• Department Manager, Excellent Project Managers</li> <li>• Technical Backbones for Market Promotion per</li> <li>• Multi-skilled Service Technicians</li> </ul>	<p><b>Development Goal:</b></p> <ul style="list-style-type: none"> <li>• Administrative / PR Manager</li> <li>• Management Office Director, Finance Director</li> <li>• HR Manager, Overseas HR Manager</li> </ul>	<p><b>Development Goal:</b></p> <ul style="list-style-type: none"> <li>• Product Directors</li> <li>• AI Engineer</li> <li>• Postdoctoral Fellow</li> <li>• New professional title holders, qualified personnel</li> </ul>	<p><b>Development Goal:</b></p> <ul style="list-style-type: none"> <li>• Investment Manager</li> <li>• Market Manager</li> </ul>
<p><b>Key Training:</b> Production management &amp; process technology, workshop floor management &amp; 7S, quality management knowledge</p>	<p><b>Key Training:</b> Technical service troubleshooting, quality management system training, quality awareness training, safety management system training, safety awareness and risk prevention training</p>	<p><b>Key Training:</b> Overseas business processes/systems, HR laws and regulations, reception and presentation skills, business etiquette, basic financial knowledge</p>	<p><b>Key Training:</b> Technology engineering, productization, product reliability design, and other specialized training</p>	<p><b>Key Training:</b> Industry research and market analysis, risk and compliance management, strategy execution and project management, company products and solutions</p>

# Embedding a Culture of Wellbeing



## Employee Activities

### Organizing Sports Games to Enrich Extracurricular Activities



The company organizes sports activities such as sports meets and basketball games to enrich employees' spare time, helping them relax, enhance their physical fitness, and balance work efficiency with well-being during breaks.

### Red-themed Study Tour: "Inheriting the Red Legacy, Sustaining the Revolutionary Flame"

The Party Committee meticulously planned a red-themed study tour, involving 50 groups of employees and their families. Through parent-child participation in red cultural learning, the activity supports employee families in growing together through interaction and enriches employees' spiritual and cultural life.



## Employee Communication and Satisfaction

### ➤ Employee Communication

The Willfar Information Labor Union convened the third-term labor union election meeting in August 2025 in accordance with regulations. In November of the same year, the company held the election meeting for the employee representative director of the third Board of Directors in compliance with laws and regulations such as the Company Law. Both

meetings strictly adhered to democratic procedures and compliance principles, fully safeguarding employees' lawful rights to democratic management and participation and solidifying the institutional foundation for building harmonious labor relations and optimizing the corporate governance system.

## ➤ Employee Satisfaction

The company has established an Employee Satisfaction Evaluation System and formulated corresponding measurement procedures. Each year, it measures and analyzes key factors affecting employee satisfaction and motivation. For issues impacting satisfaction, the company organizes the development of improvement measures, monitors their implementation, and continuously works to enhance employee satisfaction.

Communication Channels	Frequency	Key Factors Affecting Employee Rights, Satisfaction, and Motivation
Internal Information Platform	As needed	<ol style="list-style-type: none"> <li>1. Compensation &amp; Benefits</li> <li>2. Work Environment</li> <li>3. Work Pressure</li> <li>4. Training</li> <li>5. Career Development</li> <li>6. Self-fulfillment</li> </ol>
Department Meetings & Mailbox	Periodic	
Employee Forums	Occasional	
Monthly Performance Review	Monthly	
Workers' Congress	Annually	
Exit Interviews	As needed	

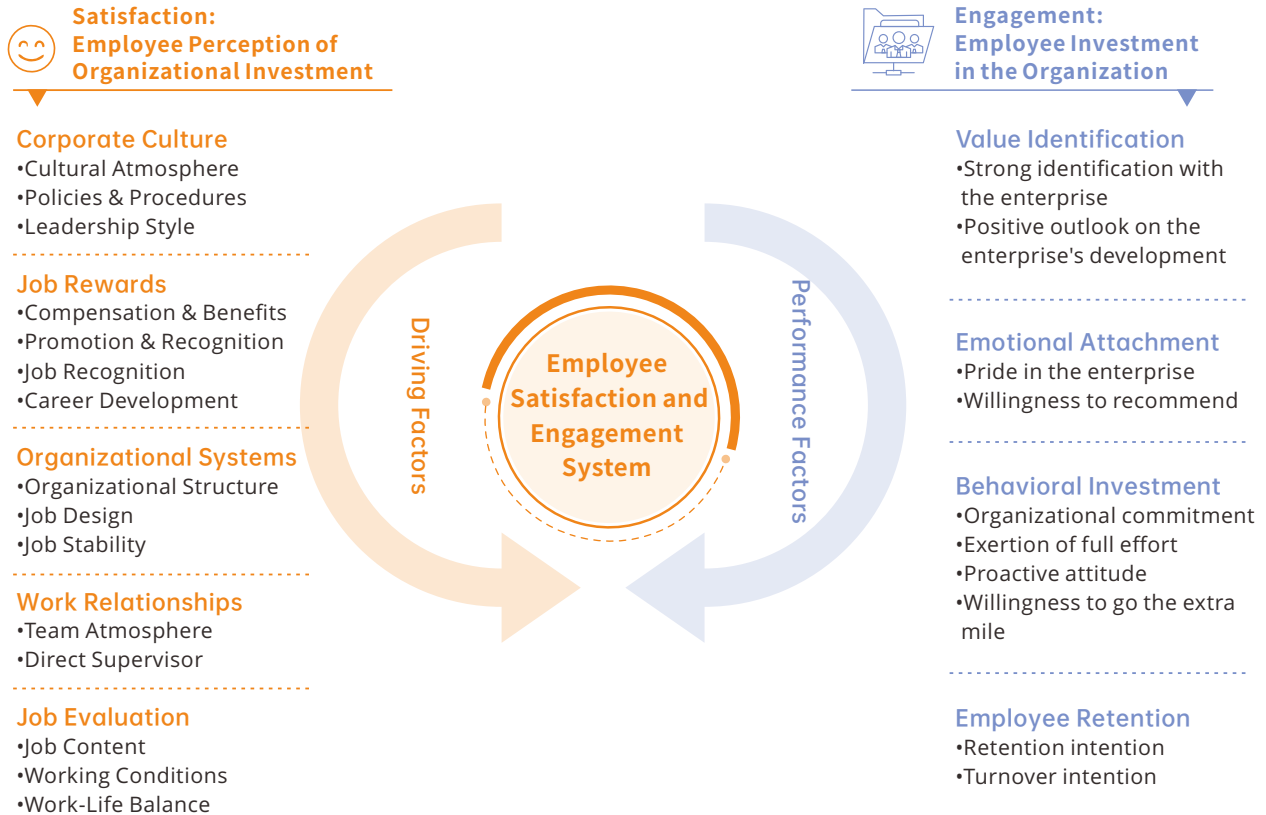
### Building Multi-Channel Communication Platforms

The company has established multi-format, multi-channel platforms for communication with employees, analyzing and identifying key factors that influence satisfaction and motivation.

## Measuring and Enhancing Employee Satisfaction

Through employee interviews, third-party collaborative surveys, and other methods, we identify key factors affecting satisfaction. Surveys measure two dimensions: satisfaction, representing employee perception of organizational investment, and engagement, representing employee investment in the organization, across nine sub-dimensions.

The research comprehensively assesses employee satisfaction with company investments across operational management areas, and their own investment reflected in behavior, emotion, and retention. This helps the company understand employee needs and identify root causes of management issues.



## Implementing and Applying Employee Satisfaction Surveys

Analyze results across dimensions, specifically discuss issues and suggestions from less satisfied groups, and continuously drive improvements in internal management, compensation and benefits, training, and the work environment.

# Safeguarding Employee Health

## ➤ Occupational Health Policies

Willfar Information has established a robust occupational health protection management system. By standardizing the entire health management process, the company focuses on preventing and reducing occupational hazard incidents and occupational diseases, effectively safeguarding the physical and mental health of employees. Simultaneously, it strengthens awareness of health protection among all employees, fosters a safe and healthy working environment, and contributes to building harmonious and stable labor relations.

To fully implement occupational health protection requirements, we have built a systematic occupational disease hazard prevention and control system. We have formulated a comprehensive occupational health management system covering key aspects such as occupational hazard notification, health training, publicity and education, design review of protective facilities, emergency rescue, health examinations, file management, and hazardous operation control. This system is supported by eight specific management measures, including "WX-BFAQ006-2025 Management Measures for Raw Materials and Equipment that May Cause Occupational Disease Hazards", providing all-around protection for employee occupational health and workplace safety.

### Health Check-ups

The company consistently regards employees as its most valuable asset, firmly believing their health and safety are the cornerstone of sustainable corporate development. We provide comprehensive annual health check-ups for all employees. Furthermore, in response to occupational exposure risks associated with different positions, we organize specialized occupational disease examinations.

#### **Management Personnel Check-ups:**

Receive differentiated check-up packages based on their appointed positions for the year.

#### **General Employee Check-ups:**

Access the standard employee check-up package.

#### **Occupational Disease Prevention Check-ups:**

Occupational disease examinations conducted pre-employment, during employment, and upon leaving to assess the impact of hazard factors on human health.

## ➤ Employee Insurance

In addition to providing health check-ups for all employees, we also purchase commercial accident insurance for them as a strong supplement to statutory social insurance. This aims to construct a multi-layered, comprehensive risk protection network, offering employees more thorough protection against accidental injuries.



# Workplace Safety Protection

Willfar Information consistently prioritizes safety production in its operations. Through systematic risk management, control, and responsibility fulfillment, the company has built an all-encompassing, multi-layered safety production guarantee system.



## Comprehensive Safety Production Guarantee System

The company has established a comprehensive safety production guarantee system. It utilizes "Risk and Opportunity Control Procedures" and "Hazard Source Identification and Assessment Control Procedures" to build risk identification and evaluation mechanisms, and reinforces organizational assurance and accountability through the "Safety Production Management Measures." Supported by the "Production Safety Performance Evaluation Measures," safety training, emergency drills, and specialized safety initiatives, the system drives performance and encourages full-staff participation, thereby establishing an all-encompassing, multi-layered safety production framework.



## Safety Management Measures

The company continuously increases investment in safety production, focusing on improving the working environment and upgrading equipment safety facilities. For positions involving electrical operations, we uniformly provide personal protective equipment (PPE) such as insulated shoes and gloves, and install insulated floor mats to strictly prevent electric shock risks. For key positions, besides posting safety operation procedures and risk notification cards, we implement pre-job specialized safety training to ensure employees pass assessments before taking up their posts, thereby reducing operational risks at the source.



## 2025 Specialized Safety Training

We comprehensively strengthen the safety foundation through systematic training. On one hand, we enable employees, both domestic and overseas, to proficiently master safety knowledge, regulations, and emergency procedures, enhancing their safety awareness and emergency response capabilities. On the other hand, we reinforce overseas employees' abilities in specific risk identification and prevention, cross-cultural adaptation, and compliance operations, ensuring employee safety and the stability of the company's domestic and international operations.

### Training Audience

- All employees

### Key Courses

- Employee Safety Standards and Practical Guidance
- Information Security Management



## Production Operation Health Protection

The company places high importance on employee occupational health and safety production. In response to potential occupational hazards such as noise pollution and exhaust emissions in production operations, frontline employees are accurately provided with professional personal protective equipment (PPE), including protective earmuffs, soundproofing material, and protective masks, that meets industry standards. This enables targeted risk prevention and control. Through standardized allocation of protective equipment and normalized protection management, we effectively strengthen the dual protective barrier of safety production and occupational health, safeguarding employee operational safety and physical and mental health in all aspects.



## Focus on Employee Mental Health

Willfar Information prioritizes employee well-being. To help managers identify signs of psychological distress and learn intervention skills, the company held an online course on "Employee Psychological Crisis Prevention and Management" on November 24, 2025. Attendees included business unit leaders, department managers, production supervisors, HR, union and safety staff, employee representatives, and counselors. The course aimed to improve employee self-regulation, foster a supportive workplace, prevent crises, and ensure proper response, safeguarding both staff health and organizational stability.

# Upholding Employee Rights



## Salary System

### ➤ Compensation Policy

The company has built a scientific and systematic compensation, assessment and incentive system with supporting management measures. Centering on annual business goals and job responsibilities, it strengthens full-process inspection, assessment and incentives to deliver on business goals, leverages compensation incentives to attract and retain talent, and boosts employees' initiative and creativity.

In compensation policy design, the company follows market and performance-oriented principles to build a scientific system, with preferences for core backbones and frontline employees. Based on the person-job fit concept, compensation is set by job value, qualifications, performance and task goals, with an upward and downward adjustment mechanism ensuring scalable, position-adjustable pay and equal pay for equal work. A tailored "one location, one policy" model is adopted for overseas subsidiaries and branches, with region-specific plans reviewed and implemented separately to balance local adaptability and global management consistency.

For incentives, the company adheres to a "strategy-oriented, market and product-centric" approach and implements a comprehensive multi-level incentive program. Differentiated incentives are applied to key markets, regions and business segments to support the achievement of operating performance and critical business goals.

Focusing on innovation-driven development, the company advances multi-dimensional innovation incentive mechanisms across tech & products, marketing & sales, operations & mechanisms, and management & services. It has set up talent and sci-tech achievement transformation rewards, and is rolling out medium and long-term incentives such as the ESOP to continuously activate employees' innovation vitality and entrepreneurial drive through long-term effective incentives.

### ➤ Employee Stock Ownership Plan (ESOP)

To establish a long-term incentive and restraint mechanism and closely align employee interests with the company's long-term development, Willfar Information launched its first Employee Stock Ownership Plan (ESOP) in early 2024, involving a total of 4 million shares. The plan includes a lock-up period with shares unlocked in three phases and incorporates clear individual performance evaluation indicators to determine performance levels and ensure effective constraints alongside strong incentives.

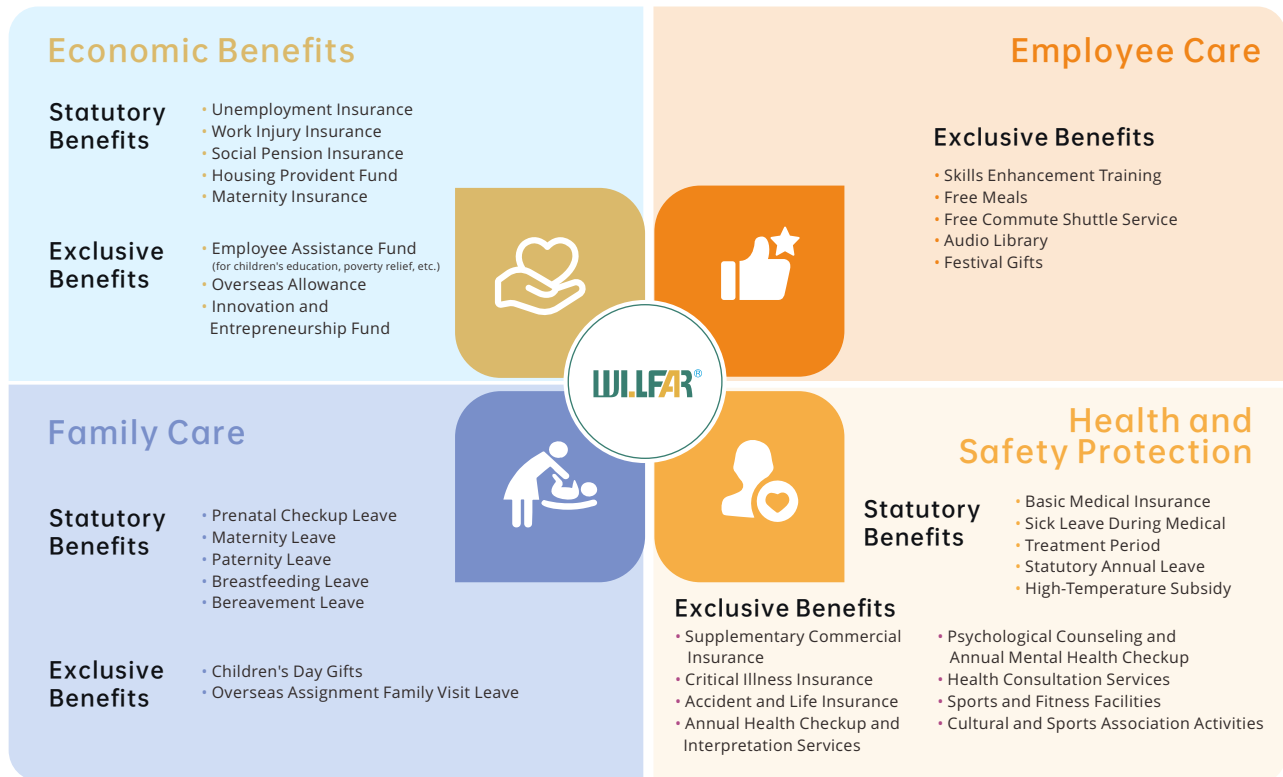
The plan aims to build and improve a sustainable benefit-sharing mechanism between employees and shareholders, effectively attract, motivate, and retain key talent, fully mobilize employee initiative and creativity, and enhance team cohesion and corporate competitiveness. This initiative also contributes to further optimizing the company's governance structure, maximizing corporate and shareholder value, and promoting the company's long-term, healthy, and sustainable development.

### ➤ Compensation Strategy

Willfar Information builds a fair, transparent, and competitive compensation system by integrating its qualification framework, internal job evaluation, and external market benchmarking. A diverse incentive system combining material and non-material rewards is designed to meet employee needs and enhance belonging. Compensation is regularly reviewed against industry and regional standards, with differentiated policies applied. Internally, the "equal pay for equal competence" principle is implemented within each business unit based on qualification certification, ensuring fairness and market alignment.

# Welfare Guarantee System

We have established a comprehensive and diverse employee benefits system, covering two core modules: statutory benefits and exclusive benefits. Statutory benefits are fully implemented in strict accordance with national regulations, while exclusive benefits are provided to all employees without distinction. Through all-around welfare support, we aim to help employees achieve a dynamic balance between work and life and strengthen their sense of belonging and identification with the company.



# Performance Evaluation System

Willfar Information has established an incentive mechanism guided by the principle of "Greater contribution earns greater rewards." Through scientific performance appraisal and quantitative contribution assessment, it directly links employee compensation, bonuses, promotions, and other incentives to actual contributions. This guides all employees to carry out core work using the correct methods, effectively enhancing work quality, efficiency, and value-creation capabilities.

## Operational Assessment Strategy

Consensus on goal achievement is reached in advance, with commitments made by the individuals being assessed.

## Content of Operational Assessment

**Assessment Content for Managerial Positions:** Based on target responsibilities and role-specific duties, the assessment content is defined into two main areas: operational task assessment and management task assessment.

**Assessment Content for Staff Positions:** Focus is placed on strengthening the assessment management of functional and operational roles, transforming behavioral and task-based work into quantifiable "hard metrics".

# 06 Green Operations and Climate Response

Amid the growing urgency of global green development and climate governance, environmental sustainability has become a core imperative for enterprises pursuing high-quality development. Willfar Information consistently embeds green principles into its strategic foundation, establishing a comprehensive environmental management system across three key dimensions: energy-saving measures, green solutions, and environmental & climate compliance management. Focusing on energy conservation and carbon reduction, water resource management, and emissions control, we promote energy efficiency, renewable energy adoption, and waste recycling through technological innovation and fine-tuned operations. We have established and continuously improved our environmental management systems, risk assessment and response mechanisms, strengthened environmental awareness across the workforce, and ensured full compliance with all relevant environmental indicators. At the level of value creation, leveraging our strengths in digital technologies, we develop diverse green solutions to empower low-carbon transformation across the full spectrum of scenarios. From greening our own operations to fostering collaborative sustainability within the industrial ecosystem, Willfar Information is actively implementing the philosophy of “Green Production, Low-Carbon Operations” through concrete actions, contributing to the development of an efficient and sustainable industrial ecosystem.

## Energy, Water Conservation and Emissions Reduction

- Energy Conservation & Carbon Reduction
- Water Resource Management
- Emission Management

## Environmental Compliance Management

- Environmental Management System
- Hazardous Substance Process Management System
- Environmental Management Measures

## Green Solutions

- Contributing to the Development of a New-Type Power System
- Contributing to the Development of Global New Energy Systems

## Addressing Climate Change

- Climate Change Management System
- Climate Risk & Opportunity Management





# Energy, Water Conservation and Emission Reduction

## Energy Conservation & Carbon Reduction

Committed to a firm path of green development, Willfar Information has formulated management specifications such as the Energy Conservation and Consumption Reduction Management Measures and the Energy-Saving Equipment Operation Management Measures, establishing a systematic green management framework. As of the end of 2025, both the Company and its subsidiary, Hunan Winmeter Energy Technology Co., Ltd have obtained ISO 50001 Energy Management System certification (both currently valid).



### Completion Status of Energy Conservation and Carbon Reduction Indicators During the Reporting Period

Total Greenhouse Gas Emissions (Scope 1 + Scope 2)

**3,190.28** tCO<sub>2</sub>e

Greenhouse Gas Emission Intensity (Scope 1 + Scope 2)

**0.01** tCO<sub>2</sub>e/10k RMB revenue

Total Electricity Consumption:  
7,254,214.39 kWh

Total Water Consumption:  
232,325.00 tonnes

Photovoltaic Power Generation  
1,156,096.35 kWh

Environmental Protection Investment  
308.1 thousand yuan

### ➤ Energy Consumption Control and Energy Conservation & Emission Reduction

Adhering to the concept of "green production and low-carbon operations" and driven by the dual engines of technological innovation and refined management, the Company continuously enhances its level of clean production. Through deep integration with intelligent manufacturing technologies, we have achieved substantive breakthroughs in energy consumption control, energy conservation, and emission reduction.

We have established a regional energy consumption monitoring system, implemented specialized full-lifecycle management for key energy-consuming equipment, improved the energy usage ledger and registration system, enabling the traceability, analysis, and optimization of energy consumption data.

We implement comprehensive energy-saving measures: strictly enforcing the "lights off when leaving" policy in office areas; establishing a mechanism for precise regional control of production, lighting, and air conditioning electricity usage in parks and workshops; and fully replacing equipment with Grade-1 energy efficiency ratings to reduce energy consumption intensity at the source and steadily improve energy utilization efficiency.

### ➤ Green & Low-carbon Commuting

To reduce carbon emissions from commuting, the Company has established a diversified green commuting support system:

Providing unified employee shuttle buses for centralized transportation, reducing the proportion of individual car use and effectively lowering the carbon footprint from transportation.

Installing new energy vehicle (NEV) charging piles, actively encouraging employees to use NEVs for commuting, and advocating for the prioritization of public transportation, thereby contributing to the development of low-carbon urban transport.

## Renewable Energy Applications



The Company places high importance on the development and utilization of renewable energy, identifying photovoltaic (PV) power generation as the core direction for green energy substitution and continuously increasing investment. In 2025, the Company's PV power generation projects progressed steadily. Moving forward, we will continue to refine data collection and further increase the proportion of renewable energy in our total energy consumption.

## Greening And Recycling Of Packaging Materials

Focusing on reducing packaging waste pollution, the Company actively introduces environmentally friendly packaging materials and fully promotes the standardized use of recyclable blister trays. Through a closed-loop model of "multiple reuses combined with downstream recycling collaboration", consumption of single-use packaging materials has been significantly reduced, putting the principles of resource conservation and circular economy into practice at the production stage.



# Water Resource Management

## Water Conservation And Efficient Utilization

The Company has no requirement for industrial water and focuses on the refined management of domestic water use. It enhances water-use efficiency through multiple measures:

Posting water-saving slogans and conducting dedicated awareness campaigns to strengthen conservation consciousness among all employees.

Promoting the practice of "multiple uses for a single water source" in daily routines and implementing a tiered water supply management mechanism. This reduces domestic wastewater generation at the point of consumption, enabling efficient recycling and reuse of domestic water.



# Emission Management

The Company strictly complies with all applicable national and local environmental laws and regulations. We have established a comprehensive, full-process control system for the "three wastes" (waste gas, wastewater, and solid waste) to ensure fully compliant pollutant discharge. During the reporting period, sample testing results for waste gas, wastewater, conducted by an independent third-party agency were all significantly below the national statutory limits. No incidents of non-compliance with environmental laws or regulations occurred.

## Wastewater and Waste Gas Management

### Wastewater

The Company's production wastewater is 100% recycled and reused. Externally discharged wastewater consists primarily of domestic sewage. During the reporting period, the Company operated an integrated wastewater treatment facility. All tested parameters of the discharged wastewater met the Grade III standards specified in the Integrated Wastewater Discharge Standard (GB8978-1996).

### Waste Gas

The primary source of waste gas is welding fumes. Fumes generated during the welding process are centrally collected using centrifugal fans, treated via activated carbon adsorption, and discharged in full compliance with applicable standards.

## Circular Use of Waste Materials

### Hazardous Waste

Waste tin slag generated during production is recycled through a recovery cooperation mechanism with suppliers, achieving resource utilization. In 2025, the recycling volume reached 3.16 tonnes.

In 2025, the recycling volume reached **3.16** tonnes

### Non-hazardous Waste

Non-hazardous waste such as discarded outer packaging cartons and waste pallets from processing is collected uniformly and transferred to local environmental authorities for standardized disposal. Other non-hazardous waste is processed through professional recycling channels.

In 2025, the recycling volume reached **40,000** yuan

### Dangerous Waste

For contaminated empty containers, solder paste paper, waste cleaning agents, etc., generated during processing, the Company has contracts with qualified third-party hazardous waste disposal providers to ensure compliant treatment.

### 2025 Hazardous Waste Disposal Details:

Contaminated empty containers	Waste cleaning agents	Waste alcohol
<b>2.338</b> tonnes	<b>0.55</b> tonnes	<b>1.3</b> tonnes

### Electronic Waste

Electronic waste generated throughout the production process (e.g., discarded circuit boards, waste batteries) is handled compliantly by professional service providers.

Waste Batteries  
**0.202** tonnes



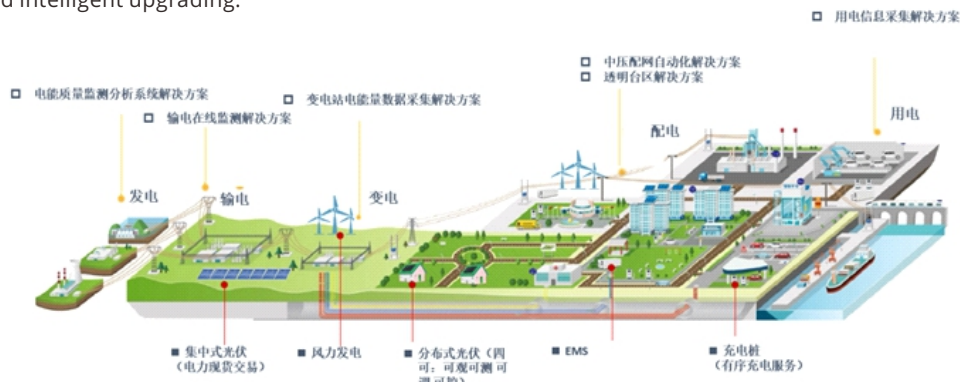
# Green Solutions



Willfar Information's green solutions focus on enabling efficient, low-carbon operations within the energy and resources sectors. By leveraging digital technologies to empower green transformation across diverse scenarios, we provide comprehensive, full-chain green upgrading—from energy management to resource recycling. This approach enhances operational efficiency while putting our commitment to low-carbon and sustainable principles into practice.

## Contributing to the Development of a New-Type Power System

Willfar Information utilizes its AI platform to realize full-lifecycle optimization spanning energy generation, transmission, consumption, and trading. Its full-domain smart grid solution connects the entire "transmission-transformation-distribution-consumption" chain. By employing "Sensor + AI" technology, it resolves O&M challenges in power transmission and transformation. Through transparent retrofits on the distribution side and a "Main-Distribution-Micro" coordination mode, the solution addresses pain points in renewable energy consumption. Furthermore, it builds a collaborative system involving virtual power plants and "Source-Grid-Load-Storage," comprehensively aligning with the needs of grid digitalization and intelligent upgrading.

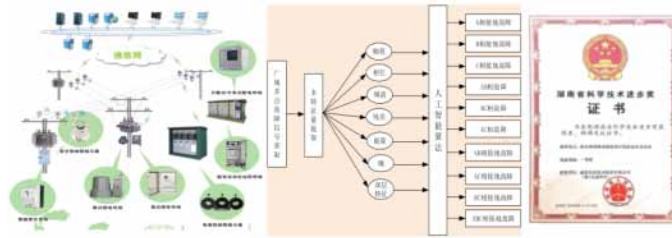


### Smart Topology Recognition: Enabling Precise Management and Identification of Transformer Areas



Addressing the pain points of difficulty in identifying the "transformer-line-distribution box-meter" topology relationships within transformer districts and the low efficiency of manual verification, this solution employs a graph neural network model trained on multi-dimensional data including voltage, current, and electrical energy to achieve automatic identification of topology across all levels. In four pilot transformer districts in a certain province/municipality, the identification accuracy rates for transformer-to-distribution box and distribution box-to-branch box connections both reached 100%, the highest accuracy for branch box-to-meter box identification reached 98.34%, with an overall average accuracy of 99.74%. This solution completely replaces the traditional manual verification model, provides precise data support for load distribution and fault troubleshooting within transformer districts, and significantly enhances the management efficiency of power transformer districts.

## Ground Fault Protection: Ensuring Safe and Accurate Safeguarding for Distribution Grids



The distribution network grounding fault identification solution extracts multi-dimensional fault characteristic quantities such as amplitude, phase, and spectrum at the edge side, innovatively employing a deep learning-based fault identification algorithm. It can accurately identify Phase A/B/C grounding, Phase AB/BC/AC faults, and three-phase (ABC) grounding faults, achieving an identification accuracy of 98%. The related technology won the First Prize of the Hunan Provincial Science and Technology Progress Award. This solution realizes real-time fault protection and high-precision localization, reducing fault response time from hours to milliseconds, thereby greatly improving the power supply reliability of the distribution network.

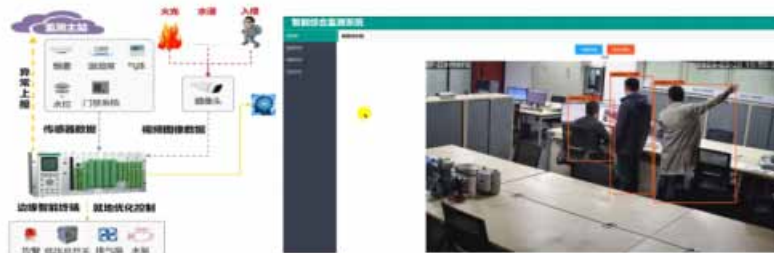
## Self-developed Dual-Mode Communication Module Applied in Non-Meter Scenarios to Boost Power Grid Efficiency



This solution is tailored for a provincial power grid company to build a four-tier digital architecture of "Master Station-Intelligent Terminal-Smart Measuring Switch-HPLC Energy Meter". Leveraging the self-developed dual-mode communication module as the core, it provides full-coverage communication support across both electricity meter and non-meter scenarios.

To date, the solution has delivered over 10,000 dedicated communication modules for Smart Measuring Switches. As the core communication unit of the Smart Measuring Switch, this module is equipped with proprietary dual-mode communication technology, enabling stable network formation and high-success-rate data collection in non-meter business scenarios. Benefiting from the module's minute-level data acquisition capability, the solution strongly underpins key operations such as precise line loss calculation and dynamic load monitoring. It effectively unlocks the power grid's energy-saving potential and supports the achievement of the "dual carbon" goals. Meanwhile, it significantly enhances outage management efficiency and overall power supply reliability, facilitating the digital upgrading and efficiency improvement of non-meter scenarios, including the lean management of distribution transformer areas and the optimal allocation of energy resources.

## AI-Powered Visual Monitoring for Power Security and Rapid Response



This monitoring solution is developed based on a cloud-edge collaborative architecture with a lightweight visual recognition algorithm, adaptable to scenarios such as distribution rooms and substations. It can identify abnormal situations like fire, water ingress, and personnel intrusion in real-time, and supports the integrated analysis of temperature, humidity, gas sensor data with video image data for on-site decision-making and device control triggering. The anomaly reporting response time is  $\leq 10$  seconds. This solution enables real-time early warning and rapid response to potential safety hazards in power scenarios, reducing the pressure and safety risks associated with manual inspections.

# Contributing to the Development of Global New Energy Systems

Willfar Information's overseas solutions have evolved from AMI 1.0 to AMI 2.0, and are now advancing towards the Computational-Electrical Integration. Against the backdrop of high proportional integration of renewable energy and increasing grid complexity, the Company relies on a complete capability chain encompassing chips, terminals, systems, and algorithms. By continuously pushing computing power to the edge and enabling intelligent decision-making, Willfar Information has formed a global energy digitalization solution that is verifiable, replicable, and evolvable.



## Smart Water Management Solution for Enhancing Urban Water Efficiency, Conservation, and Consumption Reduction



This solution enables multi-dimensional resource and energy optimization through the WMS-HES system. It is fully compatible with the DLMS/COSEM international standard, allowing adaptation to existing water meters and various hardware, thereby reducing the resource consumption and environmental footprint associated with hardware replacement. Furthermore, by utilizing real-time remote data monitoring, proactive alerts, and remote valve control, it precisely identifies and intervenes in abnormal water-use scenarios to minimize losses. The solution also incorporates digital operation and maintenance tools for both PC and mobile platforms—including data visualization and work order management—reducing the transportation energy and labor required for on-site inspections. Through the synergy of technical adaptability, data-driven insight, and intelligent management, this solution helps customers improve water-use efficiency and lower energy consumption in management processes.

## Smart Irrigation Contributing to Efficient Water Resource Management in Bangladesh



The Company has provided a smart irrigation solution to the Barind Multipurpose Development Authority (BMDA) in Bangladesh, with the renovation project of 15,000 solar-powered pumping stations successfully implemented to date. Leveraging solar PV clean energy to suit agricultural irrigation scenarios, this solution aligns with the low-carbon and energy-efficient development direction. It has been selected as a typical new agriculture solution case by the Asian Development Bank (ADB). Furthermore, the solution has driven the upgrading and transformation of new agriculture in countries such as Pakistan and Uzbekistan, achieving two-way empowerment of green technology export and regional agricultural sustainable development.

## HPLC Communication + V2G: Enabling Grid Peak Shaving and EV Owner Benefits through Vehicle-Grid Interaction



Based on the company's HPLC communication technology, the vehicle-grid interaction mechanism enables charging piles to interact with transformer district terminals or the master station via HPLC. The terminals control the charging piles and adjust their charging/discharging strategies according to transformer capacity or directives from the master station. This system has assisted a provincial grid company in constructing a green public and residential charging service network that integrates "Ultra-Fast Charging, Fast Charging, and V2G." It facilitates peak shaving and valley filling by allowing electric vehicles to feed stored energy back into the grid during periods of high demand, thereby alleviating grid stress through bidirectional power flow. Concurrently, vehicle owners can benefit from time-of-use arbitrage—charging during low-tariff periods and selling electricity back to the grid during high-tariff periods—achieving a dual win in both economic efficiency and social benefit.

## Integrated Investment-Construction-Operation for Smart Parks: Facilitating Intelligent Operations and Cost Reduction



This smart park solution pioneers the "cloud-edge collaboration + integrated investment, construction, and operation" model. In the benchmark Changsha Zhigu project, it integrates over 300 edge AI gateways, combining intelligent vision and digital twin technologies to build an intelligent operational ecosystem connecting "people, equipment, space, and services". Upon completion, the project is projected to help park developers reduce information technology investment by 70%. Under comparable service standards, property management fees are expected to decrease by over 30%—achieving "three-star cost, five-star service"—while overall park operational efficiency increases by 40%. This solution provides a replicable template for smart park upgrades and has established a strong demonstrative effect within the industry.

# Environmental Compliance Management



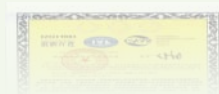
## Environmental Management System

Willfar Information has obtained ISO 14001 Environmental Management System certification. With "Management Measures + Control Procedures" as the core, the Company has established a multi-tier documentation system that clearly defines "what to do, who will do it, and how to do it":

### Basic Management Measures (4 items):

Define operational standards for specific management areas

- ▼ **Measures for Green Circular Waste Management:** Standardize the full process of waste classification, collection, and disposal, and clarify differentiated control requirements for hazardous waste and general waste.
- ▼ **Measures for Green Energy Conservation and Consumption Reduction Management:** Cover resource and energy saving measures for water, electricity, materials, equipment, etc. in production and office scenarios.
- ▼ **Measures for Chemicals Management:** Manage the full lifecycle of chemicals, including procurement, handling, storage, use, and disposal, with emphasis on labeling/identification and emergency response requirements.
- ▼ **Measures for Managing Influence on Relevant Parties:** Extend environmental requirements to suppliers, contractors, service providers, etc., and ensure their compliance through contractual constraints and training/communication.



### Core Control Procedures (6 items):

Establish a closed-loop mechanism for system operation

- ▲ **Environmental Aspect Identification and Evaluation:** Identify environmental aspects in production and operations through the yes/no judgment method and the three-factor evaluation method, determine significant environmental aspects, and prioritize control accordingly.
- ▲ **Monitoring and Measurement Control:** Conduct proactive monitoring of significant environmental aspects, pollutant emission, and energy-saving/consumption-reduction performance; meanwhile, record passive monitoring data such as incidents and complaints to evaluate the effectiveness of system operation.
- ▲ **Compliance Obligations Control:** Regularly collect and update applicable laws, regulations, and other requirements, communicate them to all departments and organize learning sessions to ensure the system meets the latest compliance standards.
- ▲ **Environmental and Occupational Health Operation Management:** Carry out regular annual compliance evaluations, compare legal/regulatory requirements with actual operations, identify non-compliance items, and improve through corrective actions.
- ▲ **Emergency Preparedness and Response:** Develop emergency plans for fires, chemical leaks, natural disasters, and other emergencies, specifying response processes, responsible departments, and third-party assistance channels.
- ▲ **Compliance Evaluation Control:** Integrate requirements across various specialized management areas, define operational control criteria, and ensure implementation through training, routine inspections, and execution of action plans.

# Hazardous Substance Process Management System

The Company has established the IECQ QC 080000 Hazardous Substance Process Management System. It regularly conducts testing—through professional testing organizations and self-testing—on the treatment effectiveness of hazardous substances associated with noise, wastewater, and waste gas, ensuring full compliance with the system requirements. For hazardous chemicals and substances that cannot be directly handled internally, the management system also sets out clear implementation requirements. By setting up a dedicated storage and transfer warehouse, the Company centrally collects and stores such materials with clear identification. After rigorous preliminary treatment, the Company entrusts professional waste disposal institutions to conduct transfer and clean treatment.

## Environmental Management Measures

### Environmental Knowledge Training

In March 2025

Willfar Information revised the Energy and Green Operations Management Manual and organized dedicated training sessions on the revised manual, enabling each participant involved in the Company's energy management to better understand the requirements of the energy management system and methods for continuous improvement of energy management.

In August 2025

Willfar Information organized production teams to attend training themed "Energy Saving for All, Joint Efforts to Reduce Costs", covering and introducing basic knowledge of energy saving, the importance and urgency of energy saving, and energy-saving measurement and evaluation methods.

### Conducting Emergency Drills

Develop an Emergency Response Plan for Sudden Environmental Incidents and conduct regular emergency drills. In 2025, the Company's terminal manufacturing plant formulated an emergency drill plan for handling accidental alcohol spills. The drill scenario assumed that, while an employee was measuring the alcohol (an auxiliary material) required for that day, part of the alcohol leaked onto the floor, triggering the emergency response procedures. The emergency response team used emergency supplies to complete the on-site emergency handling. A total of seven personnel involved in dangerous goods management and disposal participated in the drill, and a post-drill review and summary were conducted.

# Addressing Climate Change



Willfar Information's Greenhouse Gas Emissions mainly arise from three operational scenarios: (i) direct emissions from gasoline combustion by official vehicles, diesel combustion by shuttle buses, and natural gas combustion in canteens; (ii) indirect emissions from purchased energy associated with electricity consumption for production and office operations; and (iii) fugitive emissions resulting from leakage of air-conditioning refrigerants. The Company actively responds to the national strategy of Carbon Peak and Carbon Neutrality. By strictly benchmarking against policy requirements such as the State Council's "Action Plan for Carbon Dioxide Peaking Before 2030" and "China's Policies and Actions for Addressing Climate Change", the Company has established a systematic climate change management system. The Company dynamically identifies climate-related risks and green transition opportunities, implements targeted emission-reduction measures, continuously reduces the potential impact of its production and operations on climate change, and steadily advances its low-carbon development pathway.

## Climate Change Management System

### Governance

The Company has established a four-tier climate change management accountability framework featuring "Decision-making – Coordination – Management – Implementation":



### Strategy

The Company has established a dynamic management mechanism for Climate Change impacts. Through regular assessments of the short-, medium-, and long-term risks and opportunities of Climate Change to its operations and financial performance, the Company integrates climate factors deeply into its strategic planning system. On the risk side, it formulates targeted mitigation plans; on the opportunity side, it focuses on pathways for green transition, with key initiatives including the development of core products for smart grids and the promotion of low-carbon solutions. By empowering industrial-chain emissions reductions through technological innovation, the Company advances synergies between climate resilience and sustainable value growth.

# Climate Risk & Opportunity Management

To comprehensively understand and effectively address climate-related risks and opportunities, the Company conducted in-depth identification and analysis of climate factors involved in its day-to-day operations.

## > Risks

	Physical Risks	Risk description	Potential impacts	Response measures
Entity Risk	Acute risks	Extreme weather events such as heavy rainstorms, floods, and typhoons	May damage production sites and infrastructure, resulting in equipment damage, logistics disruptions, and risks to employee safety	Establish a disaster early-warning mechanism and emergency response plans to enable rapid action in the event of sudden environmental incidents
	Chronic risks	Rising temperatures, sea-level rise, and changes in precipitation patterns	May increase energy costs, lead to raw material shortages, and trigger new regulatory requirements	Strengthen energy management, promote the use of renewable energy, and build a flexible supply chain system to ensure stable supply of raw materials
Transition Risk	Policy and legal risks	Climate change-related laws and regulations may affect the business model	May face stricter environmental regulations and carbon emissions constraints, increasing compliance costs and affecting Supply Chain Management, product design, and technology selection	Track domestic and international Climate Change policy developments and promptly adjust strategies to comply with the latest regulatory requirements
	Technology risks	New technology needs arising from Climate Change responses and limitations of existing technologies	Requires accelerated technological innovation and upgrades to meet increasingly stringent environmental standards and market demand	Increase investment in green technology R&D, actively seek partners, establish innovation mechanisms, and accelerate the application and promotion of new technologies.
	Reputation risks	Public, customer, and investor perceptions of the Company's Climate Change actions	As consumer preferences shift toward green products and services, failure to respond in a timely manner may affect brand value	Strengthen communication with stakeholders, respond to market needs, develop and promote green products and services, and enhance brand loyalty
	Market risks	Impacts of Climate Change on market demand and supply chains	Failure to adjust the product portfolio in time to meet green consumption demand may lead to 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

	Opportunity	Opportunity description	Potential impacts	Response measures
	Resource Efficiency	Optimize resource use, reduce waste, and improve production efficiency	Reduce operating costs, lessen environmental impacts, and enhance corporate image	Optimize energy utilization efficiency, conduct regular energy-efficiency assessments, and enhance employees' awareness of resource utilization
	Energy Source	Utilize renewable energy such as solar energy	Reduce energy costs, cut carbon emissions, and improve energy supply stability	Increase the use of renewable energy and reduce consumption of traditional energy
	Products and Services	Develop or promote low-carbon products and services to meet market demand.	Enhance market competitiveness, strengthen customer loyalty, and open up new markets through demand for low-carbon products and services.	Launch green product lines, establish a Green Supply Chain, and strengthen marketing and brand building.
	Markets	Capture global emphasis on sustainable development to expand new markets and customer segments	Increase market share and enhance brand value	Actively participate in green projects and expand into international markets

# Appendix I

## Key Performance Data Table

### Economic Performance

Indicator	Unit	Value in 2025
Operating revenue	RMB (100 million)	29.78
Year-on-year growth rate of operating revenue	%	8.48%
Net Profit	RMB (100 million)	6.66
Net Profit Year-on-Year Growth Rate	%	5.64%
Net Profit Margin	%	22.38%
Total taxes paid	RMB (100 million)	2.74
Dividends for 2025 (including interim dividend)	yuan per 10 shares	5.50

### Governance Performance

Indicator	Unit	Value in 2025
<b>Corporate Governance</b>		
Shareholders' Meeting held	Times	3
Board of Directors meetings held	Times	6
Attendance rate of Board members	%	100%
Meetings held by the Board's specialized committees	Times	8
Proportion of female directors on the Board	%	22.22%
Disclosure Announcement Documents	Reports	75
Documents of Voluntarily Disclosed Announcements	Reports	16
Number of Investor Calls Answered	Times	317

Indicator	Unit	Value in 2025
<b>Compliance and Business Ethics</b>		
Compliance Training Sessions	Times	2
Number of Anti-Fraud and Anti-Corruption Training Sessions	Times	1
Fair Competition Training Sessions	Times	1
Signing rate of the Integrity and Self-Discipline Commitment Letter (employees)	%	100%
Signing rate of Supplier Sunshine Agreement	%	100%
<b>Employee Employment</b>		
Labor contract signing rate	%	100%
Employee Turnover Rate	%	7.07%
Total number of employees	Persons	834
<b>By gender</b>		
Female	Persons	197
Male	Persons	637
<b>By age</b>		
Aged 30 and below	Persons	212
Aged 31–40	Persons	390
Aged 41–50	Persons	208
Aged above 50	Persons	24
<b>By Job Level</b>		
Senior management	Persons	12
Middle management	Persons	176
Frontline employees	Persons	646
<b>Employee Training</b>		
Total Training Expenditure	RMB(10 thousand)	146.32
Number of training programs conducted during the year	Times	983
Annual Cumulative Number of Trainees	Person-time	57,124
Total accumulated hours of employee training	Hours	53,407
Average training hours per employee	Hours	64
Employee training coverage rate	%	100%

Indicator	Unit	Value in 2025
<b>Occupational Health and Safety</b>		
Number of Employees Covered by Physical Examinations	Persons	834
Number of Occupational Health Training Sessions	Times	2
Cumulative Person-times of Occupational Health Training Participants	Person-time	121
Number of Work Safety Training Sessions	Times	62
Cumulative Person-times of Work Safety Training Participants	Person-time	3,046
Number of Work Safety Emergency Drill Exercises	Times	5
Number of Participants in Work Safety Emergency Drills	Persons	105
<b>R&amp;D &amp; Technological Innovation</b>		
R&D investment	RMB(million)	232
R&D Personnel Count	Persons	430
Number of Newly Authorized Patents Annually	Items	97
Number of standards formulated/revised annually	Items	23
<b>Product Quality and Service</b>		
Product Qualification Rate	%	99.98%
Customer Satisfaction Index	%	99.95%
Complaint Handling Rate	%	100%
Coverage Rate of Random Inspection for Raw Materials and Finished Products	%	100%
Number of Quality Training Sessions	Times	29
Cumulative Person-times of Quality Training Participants	Person-time	2,462
<b>Supply Chain Management</b>		
Total Number of Suppliers	Number	392
Number of Suppliers Audited Annually	Number	392
Number of Suppliers Conducting Environmental Impact Assessments	Number	392
Annual Signing Rate of Suppliers for the Sunshine Agreement	%	100%

# Environmental Performance

Indicator	Unit	Value in 2025
<b>Greenhouse Gas Emissions</b>		
Scope 1 – Total direct greenhouse gas emissions	tCO <sub>2</sub> e	175.60
Scope 2 – Total indirect greenhouse gas emissions	tCO <sub>2</sub> e	3,014.68
Total GHG emissions (Scope 1 + Scope 2)	tCO <sub>2</sub> e	3,190.28
Greenhouse gas emission intensity	tCO <sub>2</sub> e/10,000 yuan of annual revenue	0.01
<b>Energy Utilization</b>		
Total energy consumption	tce	849.06
Energy consumption intensity	tce/10,000 yuan of annual revenue	0.003
Gasoline	L	18,785.88
Diesel	L	0
Natural Gas	m <sup>3</sup>	72,199.00
Total electricity consumption	kWh	7,254,214.39
Purchased electricity	kWh	6,098,118.04
Photovoltaic power generation	kWh	1,156,096.35
Total water consumption	Tonne	232,325.00
Water consumption intensity	Tonne/10,000 yuan of annual revenue	0.78
<b>Pollutant Treatment</b>		
Environmental Protection Investment	RMB(10 thousand)	30.81
Total Amount of Harmless Waste Generated	Tonne	132.00
Hazardous Waste Generation (Tin Dross)	Tonne	3.16
Recovery and Utilization Rate of Hazardous Waste	%	100%
Annual Nitrogen Oxide Emissions	Tonne	0
Annual Sulfur Oxide Emissions	Tonne	0
Annual Emissions of Volatile Organic Compounds (VOCs)	Tonne	0
Annual Emissions of Particulate Matter (PM)	Tonne	0.0068

Note: Data related to total power consumption, total water consumption, and greenhouse gas emissions only cover the company's industrial sector and self-built logistics parks.

Indicator	Unit	Value in 2025
Annual Emissions of Chemical Oxygen Demand (COD)	Tonne	10.05
Annual Emission of Biochemical Oxygen Demand (BOD)	Tonne	2.76
Annual Ammonia Nitrogen Emissions	Tonne	2.90
Annual Emission of Total Phosphorus (TP)	Tonne	0.27
Annual Total Nitrogen Emissions	Tonne	0
Total Volume of Hazardous Waste Generated	Tonne	7.55
Waste Recycling Volume	Tonne	3.16

# Appendix II

## GRI Standards and Shanghai Stock Exchange Sustainability Reporting Guidelines Index

Global Reporting Initiative Sustainability Reporting Standards	Shanghai Stock Exchange Sustainability Reporting Guidelines	Corresponding Section
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### Organizational and Reporting Practices

GRI2-1	Organizational details	/	Ensuring Transparent Governance
GRI2-2	Entities included in the organization's sustainability reporting	Article 4	Introduction
GRI2-3	Reporting period, frequency and contact point	Article 4	Introduction
GRI2-4	Restatements of information	/	Introduction
GRI2-5	External assurance	/	Assurance Report

### Activities and workers

GRI2-6	Activities, value chain and other business relationships	/	Ensuring Transparent Governance
GRI2-7	Employees	Article 50	Employee Development and Rights Protection
GRI2-8	Workers who are not employees	Article 50	/

### Governance

GRI2-9	Governance structure and composition	Article 12	Ensuring Transparent Governance
GRI2-10	Nomination and selection of the highest governance body	Article 12	Ensuring Transparent Governance
GRI2-11	Chair of the highest governance body	Article 12	Ensuring Transparent Governance
GRI2-12	Role of the highest governance body in overseeing the management of impacts	Article 9	Ensuring Transparent Governance
GRI2-13	Delegation of responsibility for managing impacts	Article 9	Ensuring Transparent Governance
GRI2-14	Role of the highest governance body in sustainability reporting	Article 9	ESG Governance Structure
GRI2-15	Conflicts of interest	/	Ensuring Transparent Governance
GRI2-16	Communication of critical concern	/	Stakeholder Engagement
GRI2-17	Collective knowledge of the highest governance body	/	Ensuring Transparent Governance

Global Reporting Initiative Sustainability Reporting Standards		Shanghai Stock Exchange Sustainability Reporting Guidelines	Corresponding Section
GRI2-18	Evaluation of the performance of the highest governance body	/	Ensuring Transparent Governance
GRI2-19	Remuneration policies	/	Upholding Employee Rights
GRI2-20	Process to determine remuneration	/	Upholding Employee Rights
GRI2-21	Annual total compensation ratio	/	/

### Strategy, policies and implementation

GRI2-22	Statement on sustainable development strategy	/	Introduction
GRI2-23	Policy commitments	Article 55; Article 56	ESG Governance Structure
GRI2-24	Embedding policy commitments	/	See details in each section
GRI2-25	Processes to remediate negative impacts	/	/
GRI2-26	Mechanisms for seeking advice and raising concerns	/	Stakeholder Engagement
GRI2-27	Compliance with laws and regulations	/	Deepening Operational Compliance
GRI2-28	Membership associations	/	Management System Certifications and Industry Association Memberships

### Stakeholder engagement

GRI2-29	Approach to stakeholder engagement	Article 9; Article 53	Stakeholder Engagement
GRI2-30	Collective bargaining agreements	/	/

### Material topics

GRI3-1	Process to determine material topics	Article 5	Material Topic Identification
GRI3-2	List of material topics	Article 5	Stakeholder Engagement
GRI3-3	Management of material topics	Article 5	Material Topic Identification

### Economic performance

GRI201-1	Direct economic value generated and distributed	/	2025 Key Performance Highlights
GRI201-2	Financial implications and other risks and opportunities due to climate change	/	Addressing Climate Change
GRI201-3	Defined benefit plan obligations and other retirement plans	Article 50	Upholding Employee Rights
GRI201-4	Financial assistance received from government	/	/

### Market Performance

GRI202-1	Ratios of standard entry level wage by gender compared to local minimum wage	/	/
GRI202-2	Proportion of senior management hired from the local community	/	/

Global Reporting Initiative Sustainability Reporting Standards	Shanghai Stock Exchange Sustainability Reporting Guidelines	Corresponding Section
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### Indirect economic impacts

GRI203-1	Infrastructure investments and services supported	Article 40	Commitment to Social Good
GRI203-2	Significant indirect economic impacts	/	Commitment to Social Good

### Procurement Practices

GRI204-1	Proportion of spending on local suppliers	/	/
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### Anti-corruption

GRI205-1	Operations assessed for risks related to corruption	Article 55	Integrity and Anti-Corruption
GRI205-2	Communication and training about anti-corruption policies and procedures	Article 55	Integrity and Anti-Corruption
GRI205-3	Confirmed incidents of corruption and actions taken	Article 55	Integrity and Anti-Corruption

### Unfair Competition Practices

GRI206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	/	Deepening Industry Collaboration
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### Tax

GRI207-1	Approach to tax	/	Deepening Operational Compliance
GRI207-2	Tax governance, control, and risk management	/	Deepening Operational Compliance
GRI207-3	Stakeholder engagement and management of concerns related to tax	/	Deepening Operational Compliance
GRI207-4	Country-by-country reporting	/	/

### Material

GRI301-1	Materials used by weight or volume	Article 37	Key Performance Data Table
GRI301-2	Recycled input materials used	Article 37	Energy, Water Conservation and Emissions Reduction
GRI301-3	Reclaimed products and their packaging materials	Article 37	Energy, Water Conservation and Emissions Reduction

### Energy

GRI302-1	Energy consumption within the organization	Article 35	Key Performance Data Table
GRI302-2	Energy consumption outside of the organization	Article 35	/
GRI302-3	Energy Intensity	Article 35	Key Performance Data Table
GRI302-4	Reduction of energy consumption	Article 35	Key Performance Data Table
GRI302-5	Reductions in energy requirements of products and services	/	Green Solutions

Global Reporting Initiative Sustainability Reporting Standards	Shanghai Stock Exchange Sustainability Reporting Guidelines	Corresponding Section
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### Water and effluents

GRI303-1	Interactions with water as a shared resource	Article 36	Energy, Water Conservation and Emissions Reduction
GRI303-2	Management of water discharge-related impacts	Article 36	Energy, Water Conservation and Emissions Reduction
GRI303-3	Water withdrawal	Article 36	Energy, Water Conservation and Emissions Reduction
GRI303-4	Water discharge	Article 36	Energy, Water Conservation and Emissions Reduction
GRI303-5	Water consumption	Article 36	Energy, Water Conservation and Emissions Reduction

### Biodiversity

GRI304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/	/
GRI304-2	Significant impacts of activities, products and services on biodiversity habitats protected or restored	/	/
GRI304-3	Habitats protected or restored	/	/
GRI304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	/	/

### Emissions

GRI305-1	Direct (Scope 1) GHG emissions	Article 24	Key Performance Data Table
GRI305-2	Energy indirect (Scope 2) GHG emissions	Article 25	Key Performance Data Table
GRI305-3	Other indirect (Scope 3) GHG emissions	/	Key Performance Data Table
GRI305-4	GHG emissions intensity	Article 24; Article 25	Key Performance Data Table
GRI305-5	Reduction of GHG emissions	Article 27	Key Performance Data Table
GRI305-6	Emissions of ozone-depleting substances (ODS)	/	/
GRI305-7	Nitrogen oxides (Nox), sulfur oxides (SOx), and other significant air emissions	/	/

### Waste

GRI306-1	Waste generation and significant waste-related impacts	Article 31	Environmental Compliance Management
GRI306-2	Management of significant waste-related impacts	Article 33; Article 37	Environmental Compliance Management
GRI306-3	Waste Generated	Article 33; Article 37	Environmental Compliance Management
GRI306-4	Waste diverted from disposal	Article 37	Environmental Compliance Management
GRI306-5	Waste directed to disposal	Article 37	Environmental Compliance Management

Global Reporting Initiative Sustainability Reporting Standards	Shanghai Stock Exchange Sustainability Reporting Guidelines	Corresponding Section
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### Supplier Environmental Assessment

GRI308-1	New suppliers that were screened using environmental criteria	Article 45	Supplier Management
GRI308-2	Negative environmental impacts in the supply chain and actions taken	Article 45	Supplier Management

### Employment

GRI401-1	New employee hires and employee turnover	Article 50	Key Performance Data Table
GRI401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Article 50	Upholding Employee Rights
GRI401-3	Parental Leave	Article 50	Upholding Employee Rights

### Labor/Management Relations 2016

GRI402-1	Minimum notice periods regarding operational changes	/	/
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### Occupational Health And Safety

GRI403-1	Occupational health and safety management system	Article 50	Embedding a Culture of Well-being
GRI403-2	Hazard identification, risk assessment, and incident investigation	Article 50	Embedding a Culture of Well-being
GRI403-3	Occupational health services	Article 50	Embedding a Culture of Well-being
GRI403-4	Worker participation, consultation, and communication on occupational health and safety	/	Embedding a Culture of Well-being
GRI403-5	Worker training on occupational health and safety	Article 50	Embedding a Culture of Well-being
GRI403-6	Promotion of worker health	Article 50	Embedding a Culture of Well-being
GRI403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Article 50	Embedding a Culture of Well-being
GRI403-8	Workers covered by an occupational health and safety management system	Article 50	Embedding a Culture of Well-being
GRI403-9	Work-related Injuries	Article 50	Embedding a Culture of Well-being
GRI403-10	Work-related ill health	Article 50	Embedding a Culture of Well-being

### Training and Education

GRI404-1	Average hours of training per year per employee	Article 50	Key Performance Data Table
GRI404-2	Programs for upgrading employee skills and transition assistance programs	Article 50	Powering Our People Through Training
GRI404-3	Percentage of employees receiving regular performance and career development reviews	Article 50	Key Performance Data Table

### Diversity and Equal Opportunity

GRI405-1	Diversity of governance bodies and employees	/	Championing Equality and Diversity
GRI405-2	Ratio of basic salary and remuneration of women to men	/	/

Global Reporting Initiative Sustainability Reporting Standards		Shanghai Stock Exchange Sustainability Reporting Guidelines	Corresponding Section
<b>Non-discrimination</b>			
GRI406-1	Ratio of basic salary and remuneration of women to men	/	Championing Equality and Diversity
<b>Freedom of Association and Collective Bargaining</b>			
GRI407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/	/
<b>Child Labor</b>			
GRI408-1	Operations and suppliers at significant risk for incidents of child labor	/	Bolstering the Supply Foundation
<b>Forced or Compulsory Labor</b>			
GRI409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	/	Bolstering the Supply Foundation
<b>Security Practices</b>			
GR410-1	Security personnel trained in human rights policies or procedures	/	/
<b>Indigenous Rights</b>			
GRI411-1	Incidents of violations involving rights of indigenous peoples	/	/
<b>Local Communities</b>			
GRI413-1	Operations with local community engagement, impact assessments, and development programs	/	/
GRI413-2	Operations with significant actual and potential negative impacts on local communities	/	/
<b>Supplier Social Assessment</b>			
GRI414-1	New suppliers that were screened using social criteria	Article 45	Supplier Management
GRI414-2	Negative social impacts in the supply chain and actions taken	Article 45	Supplier Management
<b>Public Policy</b>			
GRI415-1	Political contributions	/	/
<b>Customer Health and Safety</b>			
GRI416-1	Assessment of the health and safety impacts of product and service categories	Article 47	Lean Quality Protection
GRI416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Article 47	Lean Quality Protection

Global Reporting Initiative Sustainability Reporting Standards	Shanghai Stock Exchange Sustainability Reporting Guidelines	Corresponding Section
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### Marketing and Labeling

GRI417-1	Requirements for product and service information and labeling	/	Lean Quality Protection
GRI417-2	Incidents of non-compliance concerning marketing communications	/	/
GRI417-3	Marketing communications compliance incidents	/	/

### Customer Privacy

GRI418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Article 48	Fortifying Information Security
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# Independent Assurance Report

PCCPAXAR [2026] No.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 2025” (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 2025 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 2025 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 2025 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 2025 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 2025 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  
Hunan Branch



Chinese Certified Public Accountant:

郑生



Chinese Certified Public Accountant:

周融



Date of Report: February 27, 2026

*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 2025 (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 2025.
3. Photovoltaic electricity generation: The total amount of electricity generated from photovoltaic sources for 2025.
4. GHG emissions (Scope 1): The Scope 1 greenhouse gas emissions of the Company for 2025 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 2025 correspond to emissions associated with purchased electricity. The emission factors are sourced from the national grid average carbon emission factor for 2023, as specified in the “Announcement on the Issuance of the 2023 Electricity CO<sub>2</sub> Emission Factors”.
6. Total GHG emissions (Scope 1 & 2): The total greenhouse gas emissions of above-mentioned Scope 1 and Scope 2 for 2025.
7. Total water consumption: The total amount of water resources consumed by all business activities of the Company in 2025.
8. Environmental protection expenditure: The total expenditure on environmental protection by the Company in 2025.
9. Total number of employees: As of December 31, 2025, the total number of contract employees of the Company.
10. Total number of female employees: As of December 31, 2025, the total number of female contract employees of the Company.
11. Total workforce by age group: As of December 31, 2025, 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, 2025, the proportion of employees of the Company who have signed labor contracts.

# Comments and Feedback

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## Dear Reader:

Hello! Thank you for taking the time to read this report. In order to continuously enhance the Company's ESG information disclosure and to advance the Company's ESG management and practices, we sincerely look forward to your valuable comments and suggestions.

### 1. To Willfar Information, your stakeholder group is:

- Government / Regulatory Authority     Customer
- Shareholder / Investor             Supplier
- Employee     Community     Industry Association
- Media             Others

### 2. Your overall evaluation of Willfar Information's ESG performance is:

- Excellent     Good     Fair     Poor     Very Poor

### 3. Your overall evaluation of this report is:

- Excellent     Good     Fair     Poor     Very Poor

### 4. Is the information you are concerned about fully reflected in this year's report?

- Yes             No             Partially

### 5. Do you have any comments or suggestions regarding our ESG performance and this report?

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### You may contact us through the following channels:

Mailing Address: Securities Department, Willfar Technology Park, No. 468 Tongzipo West Road, Yuelu District, Changsha, Hunan Province, China  
Telephone number: 0731-88619798  
E-mail: IR@willfar.com

# IoT Connects the World Chip Enables the Future

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