

**2024**

**WCON ELECTRONICS (GUANGDONG) CO., LTD.  
ENVIRONMENTAL, SOCIAL, AND GOVERNANCE  
(ESG) REPORT**



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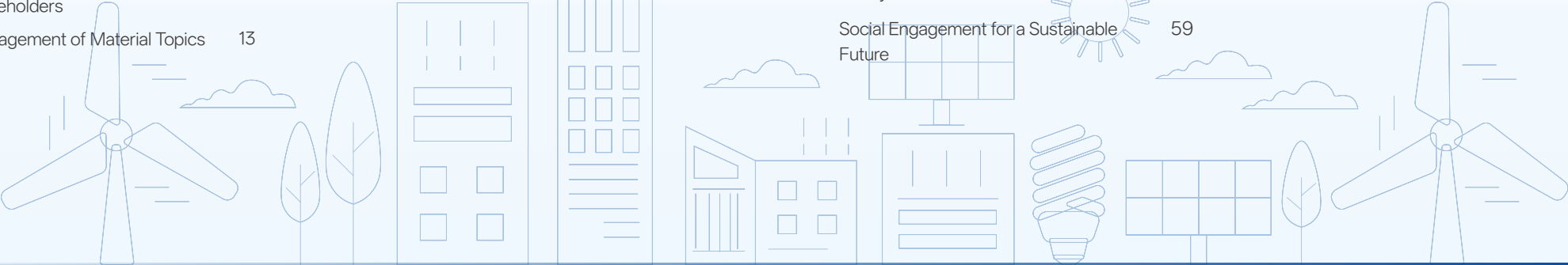
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# About the Report

The *2024 Environmental, Social and Governance ("ESG") Report of WCON Electronics (Guangdong) Co., Ltd.* (hereinafter referred to as "the Report") is the first ESG report issued by WCON Electronics (Guangdong) Co., Ltd. (hereinafter referred to as "WCON" or "the Company"). In the principles of objectivity, standardization, transparency, and comprehensiveness, the Report provides a detailed disclosure of the Company's practices and performance in social responsibilities such as environment, society, and corporate governance for 2024.

## Reporting Scope

The Report focuses on WCON Electronics (Guangdong) Co., Ltd. and its branches and subsidiaries. The scope of the Report is consistent with the Company's Annual Report unless otherwise stated. The Report covers from January 1, 2024, to December 31, 2024 (the "Reporting Period") and is released annually, consistent with the financial year. To improve comparability and completeness, some sections of the Report may be appropriately referred to previous years or contain forward-looking statements.

## Preparation Basis

The Report is prepared according to the guidelines of the stock exchange where the Company is listed and international information disclosure standards, and the reference disclosure documents are as follows:

- ◎ Shenzhen Stock Exchange *Self-Regulatory Guidance No. 3 for Companies Listed on ChiNext Market of Shenzhen Stock Exchange—Preparation of Sustainability Report*
- ◎ Shenzhen Stock Exchange *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*
- ◎ Global Reporting Initiative *Sustainability Reporting Standards (GRI Standards)*
- ◎ China Enterprise Reform and Development Society *Guide to Corporate Sustainability Reporting in China (CASS-ESG 6.0)*
- ◎ *UN Sustainable Development Goals (SDGs)*
- ◎ Task Force on Climate-related Financial Disclosures (TCFD) *Recommendations of the Task Force on Climate-related Financial Disclosures*

## Data Explanation

Data sources used in the Report include the Company's actual operational data, annual financial data, internal statistical reports, third-party questionnaire surveys, etc. The financial data in the Report is expressed in RMB. The financial statements shall prevail in any discrepancy between the Report and the financial statements.

## Appellation Description

Unless otherwise indicated by the context, the following terms in the Report have the meanings as below:

Term	Definition
WCON, the Company, We	WCON Electronics (Guangdong) Co., Ltd.
WCON Automotive	Dongguan WCON Automotive Electronics Co., Ltd.
State/Government	The People's Republic of China and its administrative agencies
SZSE	Shenzhen Stock Exchange
Company Law	Company Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
Articles of Association	Articles of Association of WCON Electronics (Guangdong) Co., Ltd.

## Confirmation and Approval

◎ The Company's Board approved the Report of Directors on April 25, 2025, and was subsequently released in conjunction with the Company's Annual Report for 2024. The Board pledges to exercise oversight over the contents of the Report, ensuring its absence of any false records or misleading representations and assuming responsibility for its truthfulness, accuracy, and completeness.

◎ The Report is published in Chinese, with the English version derived from the Chinese version. For any discrepancy between the two versions, the Chinese version shall prevail.

## Access to the Report

The electronic version of the Report is available for reference and download from the information disclosure website designated by the Shenzhen Stock Exchange, CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)), or the Company's website ([www.wcon.com](http://www.wcon.com)). If you have any questions or suggestions about the Report, you can send an email to [cwdg@wcon.com](mailto:cwdg@wcon.com) or call 0769-85358915.

# Message from Chairman

Hello! I am deeply honored to present WCON's first Environmental, Social, and Governance (ESG) Report. On behalf of WCON, I would like to express my sincere gratitude to all stakeholders who have given us firm support and trust.

2024 was full of challenges and the first year for WCON to launch its ESG strategic deployment officially. Amidst intensifying industry competition and market volatility, we forge ahead with unwavering resolve, anchored in our core strategy of "Quality as our Cornerstone, Innovation as our Driver, and Customer Primacy as our Compass." In the past year, we completed the commissioning of the projects funded by the initial public offering of shares and took a historic step towards manufacturing overseas. At the same time, we thoroughly implemented the corporate vision of "becoming a global high-end precision connectors and customer solution service provider" and continuously invested in research and development innovation and intelligent manufacturing construction. We unswervingly followed the development path driven by both innovation and quality. In addition, we actively responded to the global trend of sustainable development and committed to improving corporate governance. We strived to achieve harmonious coexistence among economic growth, social welfare, and environmental protection and to explore and enhance the multi-faceted internal value of the enterprise.

WCON is committed to building a green, intelligent, equal, and transparent modern industrial park and deeply implanting the ESG concept into the Company's strategic decision-making and long-term planning.

**In terms of the environment and green development,** we actively introduced green energy technologies such as chilled water storage systems, photovoltaic devices, and energy storage facilities and established an energy management system to achieve refined classification monitoring and management of the plant's resources, continuously optimize energy allocation, and repeatedly set new lows in carbon emissions.

**Regarding social responsibility,** WCON adheres to "humanism" by fully respecting and protecting employees' rights and interests, creating a safe and healthy working environment, and guiding employees' growth with a positive corporate culture. We provide high-quality working, living, and dining conditions, hold monthly birthday parties, and offer abundant festival and family visit benefits. In 2024, we implemented an employee stock ownership plan, comprehensively reformed the compensation system, and broaden the channels for employee training and promotion. By combining short-term benefits with long-term incentives, we promoted the synchronous growth of employees and the enterprise.

**In terms of corporate governance,** we strictly abide by national laws, regulations, and international industry standards and meticulously construct and optimize the internal control system to enhance the effectiveness of risk management, improve the transparency of information disclosure, and ensure that the decision-making process is scientific, fair, and transparent. By continuously refining the corporate governance structure, we strive to maximize value creation while ensuring all stakeholders' legitimate rights and interests are embedded in our governance processes with complete respect and protection.

Looking ahead, WCON will continue to deepen its sustainable development practices, leveraging the dual engines of "Quality Leadership" and "Innovation-Driven Growth" to comprehensively elevate its core competitiveness, steering toward a new phase of synergistic co-development among economic, social, and environmental benefits. We sincerely invite all partners to join hands to create a brilliant and sustainable future.

WCON Electronics (Guangdong) Co., Ltd.  
Chairman & General Manager: Li Wenhua



# About WCON

## ► Performance in 2024

### Economic Performance



**53,417.23**



Total Operating Income

**8,546.64**



Net Profit Attributable to Shareholders of  
the Parent Company

**2,688.32**



Total Taxes

### Environmental Performance



**240.20**

RMB

Total Environmental Investment



**14**

times

Number of Environmental Training Sessions



**4,336.63**

tCO<sub>2</sub>e

Total Emission of Greenhouse Gases



**100%**

Waste Disposal Compliance Rate



## Social Performance



**100%**

Percentage of Contract Workers



**0**

Number of case Labor Disputes



**100%**

Employee Training Coverage



**0**

case

Number of Safety Production Accidents



**100%**

Coverage Rate of Physical  
Examinations for Employees



**100%**

Percentage of Suppliers that Have  
Signed the *Integrity Agreement*



**99.66%**

Product Percent of Pass



**201**

Cumulative Patents Granted



**6,435.57** (in RMB 10,000)

Investment in R&D



**12.05%**

Percentage of R&D Investment in Operating Income



## Governance Performance



**104** hours

Duration of Offline Legal Training for Directors,  
Supervisors, and Senior Executives



**100%**

Signing Rate of the Business Ethics Agreements



**0**

time

Number of Reports of Corruption or Bribery Incidents



**100%**

Proportion of Management Personnel Attended the Anti-  
commercial bribery and Anti-corruption Training



**100%**

Reply rate to investors' inquiries



**0**

Material Legal Non-compliance Incidents



## ► Company Profile

WCON Electronics (Guangdong) Co., Ltd., established in November 2002, was listed on the ChiNext Market of the Shenzhen Stock Exchange on September 8, 2022 (Stock Short Name: Wcon Electronics, Stock code: 301328). The company provides board-to-board (BTB) and wire-to-board (WTB) precision connectors and cable assemblies. Its main business focuses on research, development, design, production, and sales of connectors and cables in industrial control, automotive electronics, and new energy industries.

Committed to providing customers with customized, intelligent, and efficient connectivity solutions, the Company offers 17 prominent product families with over 50,000 active trading SKUs and over 100,000 reserved product SKUs. These serve applications across industrial automation control, three-electric systems (motor/battery/electronic control system) of electric vehicles, ADAS, smart cockpits, and solar inverter systems.

**17**

Prominent product families

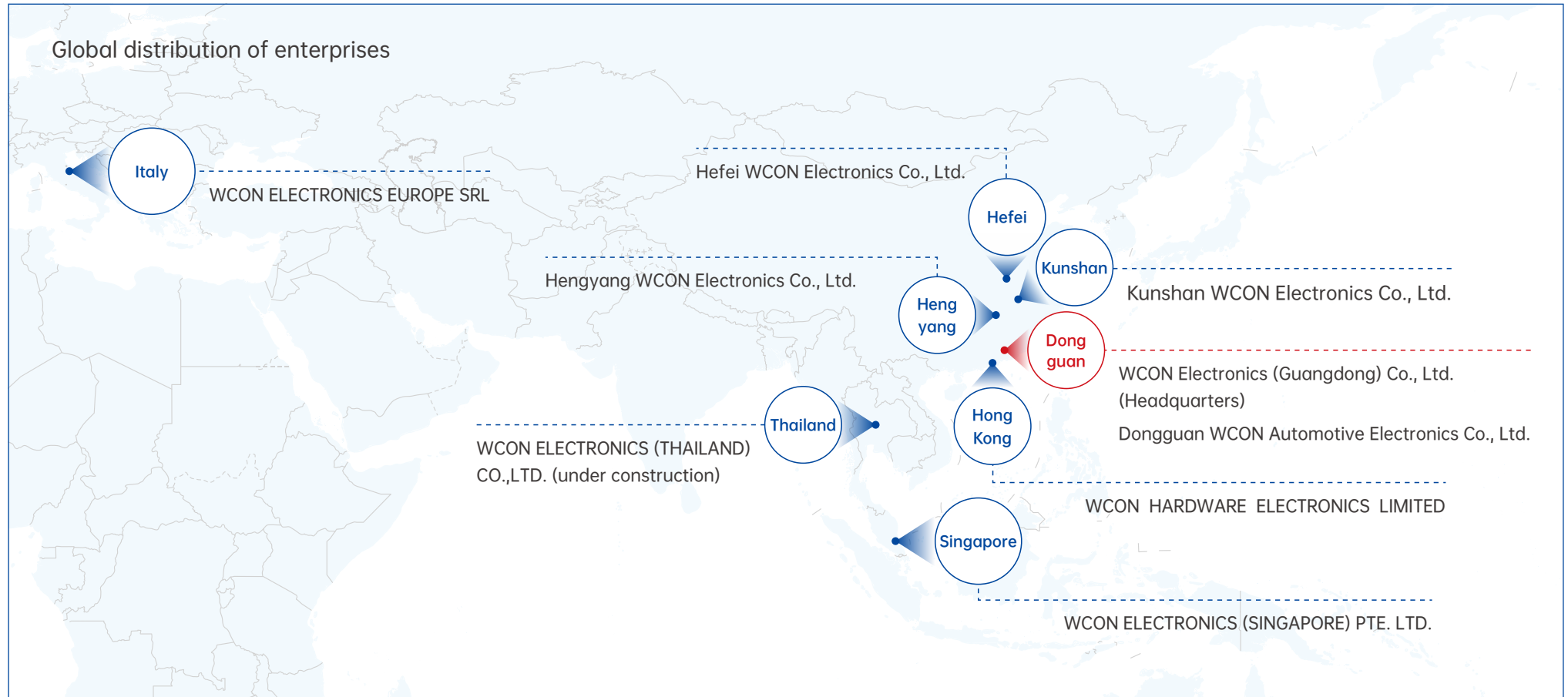
**50,000+**

Active trading SKUs

**100,000+**

Reserved product SKUs





WCON Headquarters (Nov. 2002)  
Building area: 60,228 m<sup>2</sup>



Kunshan (July 2006)  
Building area: 46,000 m<sup>2</sup>



Hefei (Oct. 2022)  
Building area: 1,800 m<sup>2</sup>



Hengyang (Nov. 2022)  
Building area: 4,000 m<sup>2</sup>



Thailand (under construction)  
Building area: 45,000 m<sup>2</sup>

## Industrial Layout

### Industrial Control Connectors

In the industrial control field, the Company's products mainly include BTB connectors and WTB connectors.

#### Main Products

- Industrial control BTB connectors



- Industrial control WTB connectors



#### Introduction

The products are primarily used for signal transmission and power supply, with pitches ranging from 0.4mm, 0.5mm to 3.96mm, 5.08mm, and transmission rates ranging from 5Gbps to 30Gbps. They can provide various PCB installation methods such as SMT and THT.

The products are mainly used for signal input and output, with pitches ranging from 0.8mm, 1.0mm, 1.27mm to 5.08mm, 7.5mm, and transmission rates ranging from 5Gbps to 30Gbps. They can provide multiple wire diameter specification solutions of 18-36AWG.

**Application fields:** They can be applied explicitly to industrial control and automation equipment such as servo motors, programmable logic controllers (PLCs), robotic arms, and industrial computers.



### Automotive Connectors

In the automotive field, based on different application scenarios, the Company strategically focuses its deployment on the medium and low-voltage signal transmission connectors and, at the same time, complements and synergizes its business operations with high-frequency and high-speed connectors.

#### Main Products

- Medium and low-voltage signal transmission connectors



- High-frequency and high-speed connectors



#### Introduction

The products are primarily used for signal transmission and power supply, with pitches ranging from 0.5 mm, 0.8 mm, 2.2 mm to 3.0 mm, 4.0 mm, 6.0 mm, and the waterproof grade reaching IP67, IP68, and IP6K9K. Equipped with terminal reinforcement, mating anti-misinsertion, and secondary locking designs, they exhibit strong anti-vibration performance, stable contact, and reliable transmission capabilities while providing multiple mounting design options.

We have already offered products such as FAKRA, MINI FAKRA, HSD, Ethernet, automotive TYPE-C, radar housings, and large-current stud terminals.

**Application fields:** The medium and low-voltage signal transmission connectors are primarily used for the three-electric systems (battery, motor, and electronic control system) of new energy vehicles; the high-frequency and high-speed connectors are primarily used for intelligent cockpit systems, autonomous driving systems, and body domain control systems.



### New Energy Connectors

In the new energy field, the Company's products are mainly used for signal control transmission, and applied to solar and wind energy inverter systems. Moreover, the Company continues to expand the connectors required for household and commercial energy storage and charging applications and provides photovoltaic energy storage system solutions, forming a comprehensive coverage of the three fields of photovoltaics, energy storage, and charging, to strengthen the business layout of new energy connectors.

#### Main Products

- New Energy Connectors



#### Introduction

The products are mainly used for signal control transmission, with pitches ranging from 1.27 mm, 2.0 mm to 5.08 mm, and 7.62 mm. With a dual-contact and multi-contact terminal structure design, they can achieve reliable connection and extend the service life simultaneously, and can work stably in an environment with a large temperature difference.



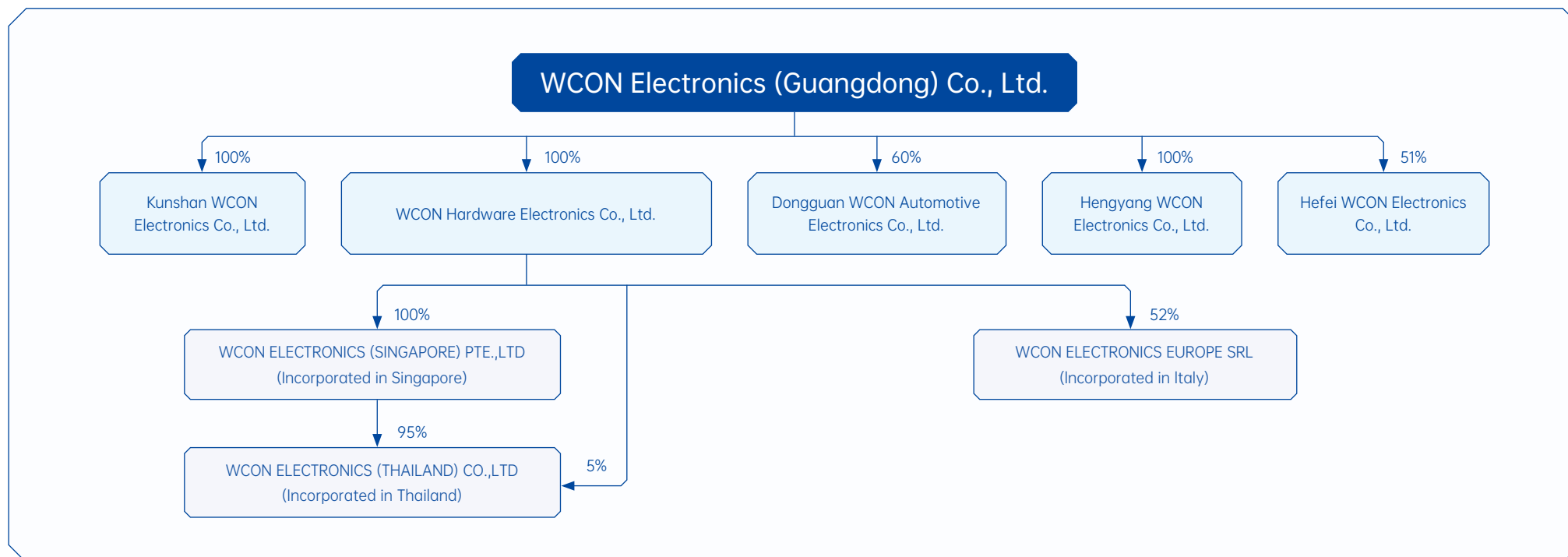
## ► Corporate Culture

**Corporate Vision:** Become a global high-end precision connectors and customer solution service provider to lead technological innovation and application development.

**Corporate Mission:** Meet the diverse needs of global customers and create sustainable value for the connector industry and society.

**Values:** Integrity-Driven Operations, Quality First, Innovation-Driven Growth, Collaboration for Win-Win Outcomes.

## ► Shareholding Structure



## ► Honors

**National "Little Giant" Enterprise (Specialized and Sophisticated SMEs)**

Ministry of Industry and Information Technology

**Innovative Enterprise in Guangdong Province**

Industry and Information Technology Department of Guangdong Province

**National High-Tech Enterprise**

Ministry of Science and Technology, Ministry of Finance, State Taxation Administration

**Dongguan "Double Increase Enterprise" in 2024**

Dongguan Double Increase Plan Working Leadership Group

## ► Development Course



# Sustainable Development Governance

## ► Sustainability Governance Objectives

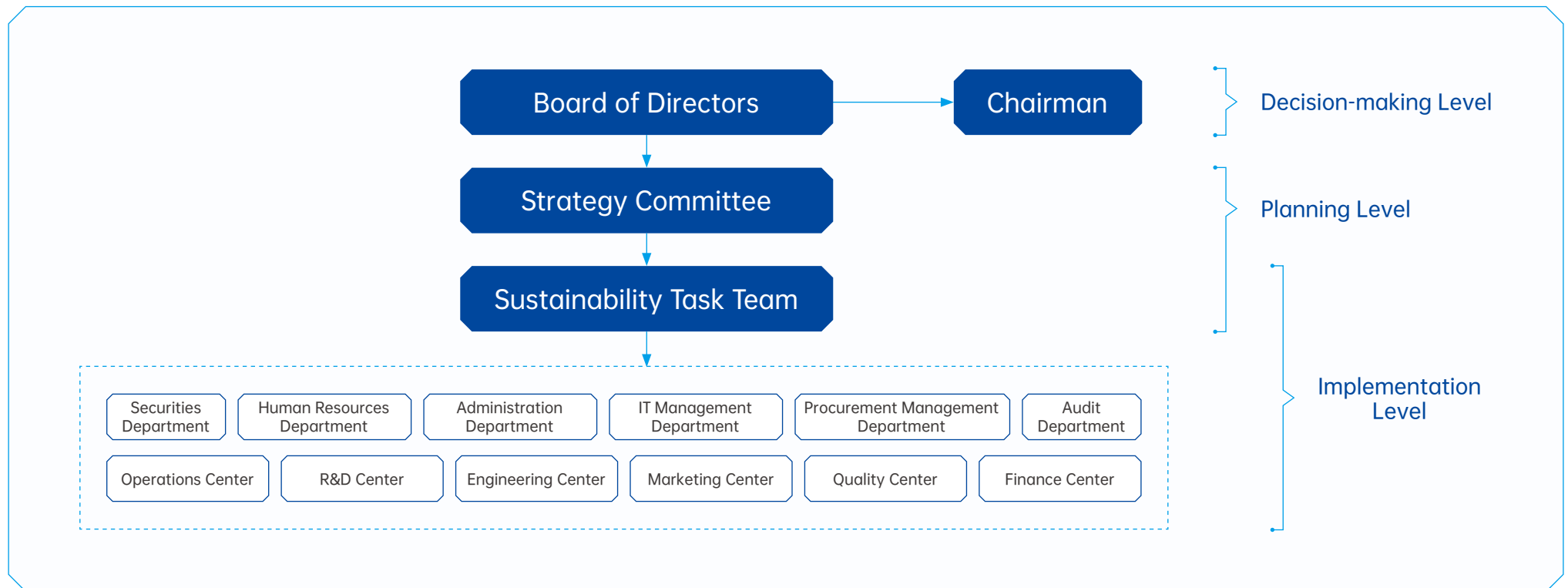
The Company actively aligns with the UN Sustainable Development Goals (SDGs), formulating sustainability management objectives based on SDG principles and its operational context. These objectives span five key areas: production operations, supply chain, employees, products, and social engagement. By collaborating with global enterprises and governmental agencies, the Company aims to address critical global challenges, including environmental protection, social equity, and economic prosperity, to co-create a sustainable future landscape.

Management Level	Production/Operation	Supply Chain	Employees	Product	Social Engagement
Action Objectives	<ul style="list-style-type: none"> <li>Further, refine and implement the environmental and hazardous substance process control standards and systems under the ISO 14001 and QC080000 systems</li> <li>Optimize the energy structure and increase the share of clean energy</li> <li>Establish a carbon emission management system and achieve the ISO 14064 certification for carbon emission system</li> <li>Meet the standards for sewage detection</li> <li>Strictly implement the waste management system and explore new channels for waste conversion</li> <li>Implement the 3R concept</li> <li>Improve the corporate governance and internal control system and reduce the risk of information leakage</li> <li>Strengthen the business ethics management and training systems, ensure unimpeded access to anti-corruption reporting platforms and channels, and establish a feedback loop for reporting and resolution</li> <li>Regularly conduct multi-channel communication with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Require suppliers to sign integrity and confidentiality agreements and continuously monitor their certifications of social responsibility-related systems.</li> <li>Integrate the requirements of sustainable development actions into supplier audit criteria and establish a regular communication and supervision mechanism</li> <li>Provide supplier training resources and plans</li> </ul>	<ul style="list-style-type: none"> <li>Improve the EHS management system to achieve the goal of zero work-related accidents</li> <li>Ensure unimpeded access to employee complaint and reporting channels while regularly conducting anonymous employee satisfaction surveys</li> <li>Engage a third-party company to conduct workplace environment assessments to prevent occupational diseases regularly</li> <li>Intensify professional training in information security and privacy protection</li> <li>Continuously conduct the anti-corruption and integrity training and achieve 100% employee sign-off on the Anti-Corruption and Integrity Agreement for Employees</li> <li>Implement a comprehensive employee performance reform, clarify the promotion pathways for each position, and create all-around on-job training opportunities</li> <li>Improve the level of employee benefits</li> </ul>	<ul style="list-style-type: none"> <li>Establish and optimize innovative manufacturing bases while introducing industry-leading manufacturing and quality management software</li> <li>Further refine and implement the internal quality control standards and systems under the ISO 9001 and IATF 16949 systems</li> <li>Intensify R&amp;D investment, comprehensively optimize the R&amp;D environment, and significantly drive technological innovation and product upgrading</li> <li>Encourage R&amp;D and technology iteration in green products and clean technologies</li> </ul>	<ul style="list-style-type: none"> <li>Regularly organize community volunteer activities</li> <li>Create high-quality job opportunities</li> <li>Advocate peace and justice on a global scale</li> </ul>
					
SDGs					

## ► Sustainability Governance Structure

The Company integrates sustainability into its overall governance framework by developing the *Sustainability Management Handbook* and establishing a three-tier governance structure: Board of Directors - Strategy Committee - Sustainability Task Team (decision-making level - planning level - implementation level). With clear responsibilities defined for each tier, this structure ensures that ESG-related impacts, risks, and opportunities are adequately considered in business decision-making processes.

The Board of Directors oversees the overall decision-making of the Company's ESG strategy and action plans. The Strategy Committee leads the formulation of ESG strategies and medium-to-long-term plans and manages and supervises the Sustainability Task Team's annual work plans. The Sustainability Task Team handles day-to-day ESG operations, deploys and tracks sustainability initiatives, reports progress to the decision-making level, ensures the smooth deployment and effective implementation of annual work plans, coordinates with third-party consulting and rating agencies, organizes ESG-related training, and manages the archiving of all ESG documents and reports. The implementation level consists of functional departments, each responsible for establishing and enforcing ESG-related policies and organizing and supervising the implementation of departmental ESG initiatives.



The Company has established internal and external audit systems for sustainability management to ensure effective implementation and continuous improvement of sustainability initiatives. Annual audits are conducted in accordance with these systems, improvement tracking plans are developed based on audit reports, and the Sustainability Task Team is tasked with supervising and urging responsible units to implement improvement measures until full completion.

## ► Communications with Stakeholders

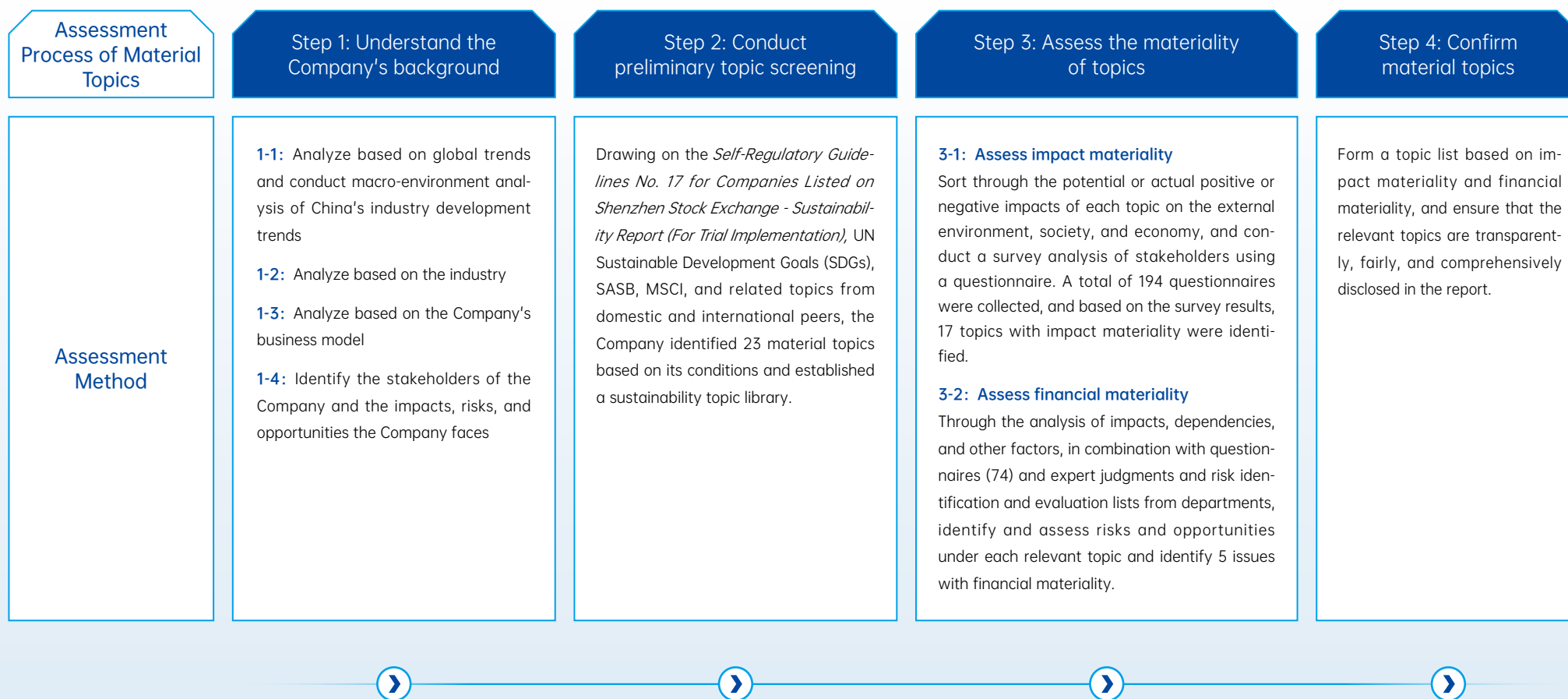
The Company prioritizes stakeholder engagement by conducting a stakeholder identification process based on business operations. Key stakeholders include shareholders and investors, employees, suppliers, customers, industry associations or research institutions, and government or regulatory bodies. Multiple communication channels are established to gather and respond to stakeholders' expectations and suggestions systematically.

	 Stakeholders	 Shareholders and Investors	 Employees	 Suppliers	 Customers	 Industry Associations or Research Institutions	 Social Organizations, Media and the Public	 Governmental or Regulatory Agencies
Topics of Concern		<ul style="list-style-type: none"> <li>Corporate Governance Compliance</li> <li>Protection of Shareholders' Rights and Interests</li> <li>Compliance and Risk Control</li> <li>ESG Governance</li> </ul>	<ul style="list-style-type: none"> <li>Protection of Employees' Legal Rights and Interests</li> <li>Training and Development</li> <li>Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Supply Chain Security</li> <li>Anti-commercial Bribery and Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Product and Service Safety and Quality</li> <li>Innovation-Driven Growth</li> <li>Data Security and Privacy Protection</li> </ul>	<ul style="list-style-type: none"> <li>Innovation-Driven Growth</li> <li>Product and Service Safety and Quality</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to Society</li> <li>ESG Governance</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Compliance Management</li> <li>Corporate Governance Compliance</li> </ul>
Communication Methods and Channels		<ul style="list-style-type: none"> <li>Shareholders' Meeting</li> <li>Information Disclosure</li> <li>Performance Briefings</li> <li>Investor Research Reception</li> </ul>	<ul style="list-style-type: none"> <li>Labor Union Committee</li> <li>Employee Training</li> <li>Employee Activities</li> <li>Employee Satisfaction Surveys</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Assessment and Audit</li> <li>Supplier Communication</li> </ul>	<ul style="list-style-type: none"> <li>Customer Communication and Feedback Channels</li> <li>After-sales Support</li> <li>Customer Satisfaction Survey</li> <li>Industry Exchanges</li> </ul>	<ul style="list-style-type: none"> <li>Industry Exchanges</li> <li>Industry-university-research Cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Community Public Welfare Activities</li> <li>Media Communication</li> </ul>	<ul style="list-style-type: none"> <li>Special Reports</li> <li>Cooperate with Government Research</li> <li>Compliance Supervision Investigation</li> </ul>
Response		<ul style="list-style-type: none"> <li>Improvement of Corporate Governance</li> <li>Strengthen investor relations management</li> <li>Improvement of Profitability</li> <li>Improve the Sustainable Development Management System</li> </ul>	<ul style="list-style-type: none"> <li>Improving Compensation and Benefit Systems</li> <li>Establishing an Employee Training System</li> <li>Offering Clear Career Development Channels</li> <li>Ensuring Employees' Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Improve the Supplier Management System</li> <li>Implement Transparent Procurement</li> <li>Supplier ESG Management</li> </ul>	<ul style="list-style-type: none"> <li>Adhere to product Quality Management</li> <li>Improve Customer Service Management</li> <li>Strengthen Innovation Capabilities</li> <li>Strengthen Information Security Management</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen Innovation Capabilities</li> <li>Adhere to Product Quality Management</li> </ul>	<ul style="list-style-type: none"> <li>Provide Local Job Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Improve the Environmental Management System</li> <li>Compliant Operation</li> </ul>

## ► Management of Material Topics

### Analysis Steps of Material Topics

The Company refers to the assessment methods stated in domestic and international disclosure standards such as the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*. It introduces the analytical perspectives of impact materiality and financial materiality to identify and assess material topics, with the specific implementation steps as follows:



## Material Topic Library

Dimension	Topics	
<div>Environmental</div> 	<ul style="list-style-type: none"> <li>Environmental Compliance Management</li> <li>Energy Utilization</li> <li>Response to Climate Change</li> <li>Water Resource Utilization</li> <li>Pollutant Emissions</li> <li>Waste Disposal</li> <li>Ecosystem and Biodiversity Protection</li> </ul>	
<div>Social</div> 	<ul style="list-style-type: none"> <li>Protection of Employees' Legal Rights and Interests</li> <li>Training and development</li> <li>Occupational Health and Safety</li> <li>Innovation-Driven Growth</li> <li>Product and Service Safety and Quality</li> <li>Data Security and Privacy Protection</li> <li>Supply Chain Security</li> <li>Contribution to Society</li> <li>Rural Revitalization</li> </ul>	
<div>Corporate Governance</div> 	<ul style="list-style-type: none"> <li>Protection of Shareholders' Rights and Interests</li> <li>Corporate Governance Compliance</li> <li>Compliance and Risk Control</li> <li>Anti-commercial Bribery and Anti-corruption</li> <li>Due Diligence</li> <li>Communications with Stakeholders</li> <li>ESG Governance</li> </ul>	

## Assessment Result of Topic Materiality

Based on the analysis results of industry standard and stakeholder feedback from returned surveys, we identified key issues in two dimensions of "impact materiality" and "financial materiality" to form a matrix of material topics in 2024.

## -Dual Materiality Assessment and Analysis-



Note: Topics such as technological ethics, ecosystem and biodiversity conservation, and equal treatment of small and medium-sized enterprises fall under disclosure topics for specific stakeholders that the Company does not currently engage in, and thus relevant content will not be disclosed.



# 01

## Strengthen Compliance to Solidify Governance

WCON remains steadfastly committed to fulfilling legal obligations and ensuring regulatory compliance in corporate governance. It continuously improves its corporate governance structure, strengthens internal control and risk management systems, protects shareholders' legitimate rights and interests, and strictly upholds business ethics. These efforts solidify the Company's development foundation and safeguard its comprehensive and stable operations.

### Responded Topics

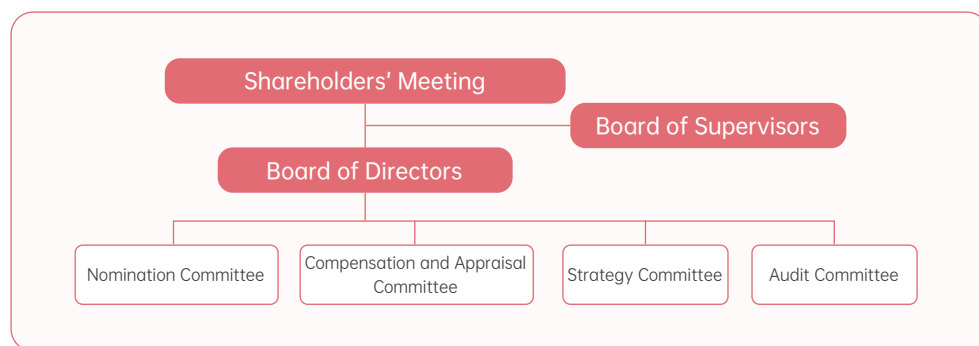
- ◎ Standardization of Corporate Governance
- ◎ Protection of Shareholders' Rights and Interests
- ◎ Compliance and Risk Control
- ◎ Anti-commercial Bribery and Anti-corruption
- ◎ Data Security and Privacy Protection

## ► Standardize Governance for Stable Operation

### Governance through the Shareholders' Meeting, Board of Directors, and Board of Supervisors

During the Reporting Period, the Company strictly adhered to laws and regulations, including the *Company Law*, *Securities Law*, and *Governance Code for Listed Companies*. It revised key governance documents such as the *Articles of Association*, *Related Party Transaction Decision-Making System*, and *Information Disclosure Management System*, continuously improving corporate governance frameworks to standardize operations further and enhance governance standards.

The Company has established a corporate governance structure with a clear division of responsibilities among the Shareholders' Meeting, Board of Directors, Board of Supervisors, and the Management, ensuring each entity fulfills its distinct roles while maintaining checks and balances. This structure enables scientific decision-making and standardized operations by implementing scientific and practical governance frameworks and operational processes, maximizing the roles of governance bodies in strategic decision-making, operational management, and oversight to safeguard stable and efficient corporate operations.



#### During the Reporting Period

The Shareholders' Meeting convened **5** meetings, deliberated and approved **20** items;

The Board of Directors convened **6** meetings, deliberated and approved **39** items;

The Board of Supervisors convened **5** meetings, deliberated and approved **24** items, of which, **20** items were approved by the Board of Supervisors and **4** items were submitted to the Shareholders' Meeting for approval.

### Shareholders' Meeting

The convening, holding, and voting procedures of the Company's Shareholders' Meeting comply with the requirements of the *Company Law*, *Articles of Association*, and *Rules of Procedure for Shareholders' Meeting*. Professional lawyers were retained to witness the proceedings on-site and issue legal opinions on their legality. The Shareholders' Meeting adopts on-site and online voting methods to provide convenient conditions for shareholders to participate in the meeting. Separate vote tabulation is carried out for material matters affecting the interests of minority shareholders to ensure that all shareholders, particularly minority shareholders, can fully exercise their rights and safeguard the legitimate rights and interests of shareholders.

### Board of Directors

The Company has formulated the *Rules of Procedure for the Board of Directors* to strictly regulate meeting procedures and decision-making processes, ensuring directors and the Board of Directors fulfill their duties effectively. The Board of Directors consists meets the requirements for board size and composition. The Board of Directors has established four specialized committees: the Nomination Committee, Compensation and Appraisal Committee, Strategy Committee, and Audit Committee, each with adopted rules of procedure. Each committee comprises at least one independent director, which enhances the operational capacity and professional expertise of the Board of Directors while ensuring its scientific and standardized decision-making processes.

#### During the Reporting Period

the Company held **9** special committee meetings to deliberate **37** proposals.

The Board of Directors consists of **5** directors, including **2** independent directors.

Professional distribution of directors

Business management

Accounting

Engineering

### Board of Supervisors

The Company's supervisors strictly adhere to the *Articles of Association* and *Rules of Procedure of the Supervisory Board*, attend the meetings of the Board of Supervisors, participate in the Board of Directors and Shareholders' Meeting as non-voting observers, review periodic reports prepared by the Board of Directors, and issue written verification opinions. They effectively oversee the Company's daily operations, material matters, financial status, and the legality and compliance of directors' and senior management's duties, ensuring standardized corporate operations.

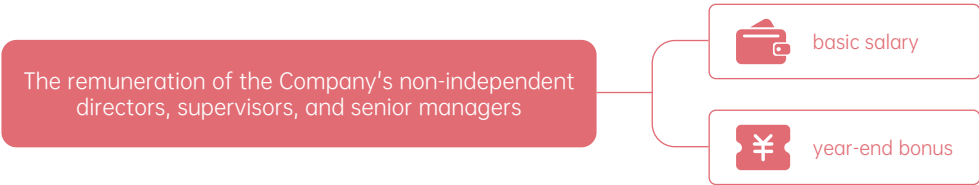
#### During the Reporting Period

the Board of Supervisors comprised **3** members, including **1** employee representative supervisor.

Remuneration Management of Directors, Supervisors and Officers

In accordance with the *Company Law* and *Articles of Association*, the Company has formulated the *Remuneration Management System for Directors, Supervisors, and Senior Managers*, establishing a remuneration and performance evaluation framework for directors, supervisors, and senior executives. This system aims to rationally determine their compensation levels and payment structures, ensure active and effective discharge of responsibilities and duties, and promote the Company's healthy, sustainable, and stable development.

Based on operational performance during the Reporting Period, the Company formulated and deliberated the *Remuneration Plan for Directors, Supervisors, and Senior Managers in 2024*. It is comprehensively evaluated and confirmed according to their specific job positions in the Company, in accordance with the remuneration management regulations and performance assessment. None of the Company's independent directors hold other positions in the Company, and their allowance standards are implemented in accordance with the resolution of the Company's second extraordinary shareholders' meeting in 2022, that is, RMB 120,000/year (including tax).



Risk Management and Internal Control

Risk Management

The Company places significant emphasis on risk management, continuously establishing a comprehensive risk management framework that integrates risk identification into corporate decision-making processes, strengthens risk controls, and enhances risk mitigation capabilities to provide a solid foundation for sustainable development.

The Company has established a dedicated risk management function that periodically inspects and assesses the implementation and effectiveness of risk management practices across departments and business units. It evaluates cross-functional risk management solutions, provides recommendations for adjustments or improvements, and issues evaluation and recommendation reports. The Company's Internal Audit Department conducts at least one annual supervisory evaluation of risk management practices and their effectiveness across all departments, preparing and submitting evaluation reports to the Audit Committee for oversight.

Risk Identification

Collect internal and external initial information related to corporate risks and risk management based on the analysis of risk types, including historical and predictive data. Among them, the risk types include but are not limited to strategic, financial, market, operational, and legal compliance risks.

Risk Early Warning

Monitor and analyze various factors in the Company's operational process to identify potential risks in advance and trigger timely warnings.

Risk Tracking

Through continuously monitoring and tracking the identified risks, the Company maintains real-time awareness of evolving risk profiles to enable timely adaptation and implementation of responsive measures for effective risk control.

- Clarify the specific risk indicators of different risk types;
- Establish a risk monitoring system and improve the efficiency and accuracy of risk tracking through the automatic collection and analysis of real-time data;
- Regularly conduct a comprehensive assessment of risks, analyze the development trends of risks, and evaluate the effectiveness of the measures taken by the enterprise to deal with risks to adjust strategies promptly.

Risk Controlling

Each functional department conducts regular self-assessments and inspections to implement the risk management solutions, while the Internal Audit Department provides oversight and evaluation.

Internal Control

To standardize the Company's internal control, reasonably prevent and effectively control the risks in the Company's operations and management, and promote its sustainable development, the Company has formulated the *Internal Control Management System* and established a long-term mechanism for internal control evaluation. During the Reporting Period, under the leadership of the Board's Audit Committee, the Company's Audit Department actively carried out audit oversight in accordance with the Company's 2024 internal audit work plan, completing the 2024 annual internal audit work. No material irregularities were identified upon review.

Tax Management

The Company strictly complies with relevant tax laws and regulations, implementing rigorous management of all tax-related operations. The Company's Finance Department is responsible for tax filings, tax accounting, and tax planning activities, supported by a dedicated General Ledger Tax position that handles national and local tax declarations, duty drawback filings, monitors changes in tax policies, and mitigates enterprise tax-related risks.

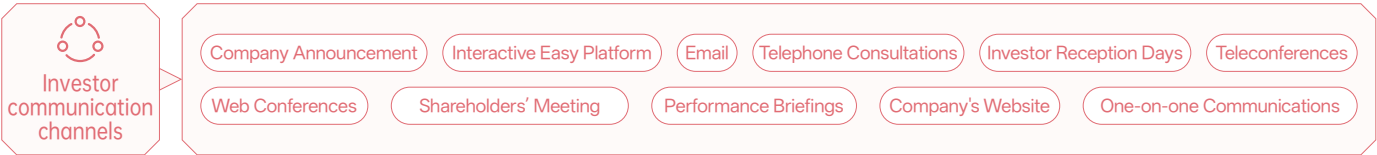
During the Reporting Period

the Company made a total tax payment of RMB 26,883,155.63.

## ► Enhance Investor Relations to Protect Shareholders' Interests

### Investor Relations Management

To standardize the management of investor relations, the Company has formulated the *Investor Relations Management System* and the *Measures for the Management of Media Interviews and Investor Research Engagement Reception* in accordance with the requirements of laws and regulations such as the *Company Law*, the *Securities Law*, and the *Guidelines on Investor Relations Management of Listed Companies*. The Company adheres to the principles of full information disclosure, compliant information disclosure, equal opportunities for investors, integrity and trustworthiness, high efficiency and low consumption, interactive communication, etc. It communicates with investors through multiple channels and at various levels to objectively, truthfully, accurately, and completely introduce and reflect the company's actual situation, enhance investors' understanding of the Company and value recognition, and effectively safeguard investors' right to know.



### Information Disclosure

The Company strictly complies with the laws and regulations, such as the *Administrative Measures for Disclosure of Information by Listed Companies*, and formulates the *Information Disclosure Management System* to standardize the information disclosure behaviors of the Company and relevant information disclosure obligors and ensure that the information disclosure is true, accurate, complete and timely. Meanwhile, the Company has formulated an Insider Registration System to strengthen the confidentiality of inside information and maintain the principle of fairness in information disclosure, which can ensure that the processes of transmission, review, and disclosure of undisclosed information are legal and compliant to prevent insider trading.

During the Reporting Period, the Company further revised the *Information Disclosure Management System* and continuously improved the transparency and quality of information disclosure. Beyond mandatory disclosures, the Company proactively and timely discloses all information that may materially impact stakeholders' decisions, ensuring equal access to information for all shareholders.

After a comprehensive evaluation by the Shenzhen Stock Exchange, the Company received a rating of A for its information disclosure work from 2023 to 2024.

A level

During the Reporting Period

60 announcements were disclosed, including 6 periodic reports and 54 temporary announcements. 0 penalties imposed for violations related to information disclosure.

### Dividend Return

While paying attention to its development, the Company attaches great importance to shareholder returns and actively formulates and effectively implements the profit distribution plans. In line with the guidance of the China Securities Regulatory Commission to encourage enterprises to distribute cash dividends and provide investors with stable and reasonable returns, the Company implemented the 2023 profit distribution plan. To further increase the frequency of dividends and enhance the level of investor returns, the Company promoted and implemented the semi-annual equity distribution plan for 2024.

Dividends in the Past Three Years			
	Cash Dividend Per Share (Including Tax) (yuan/share)	Total Cash Distribution (Including Tax) (In 10,000 yuan)	The proportion of Net Profit Attributable to Shareholders of the Parent Company(%)
2024 Annual	0.50	5,475.03	64.06
2023 Annual	0.30	3,267.33	25.06
2022 Annual	0.50	3,663.12	32.70

Note 1: It includes the actual dividend distribution in the first half of 2024 and the total amount of the proposed dividend distribution for the year 2024

During the Reporting Period

the Company held 2 performance briefings in total, participated in 1 reception day event, received investors' on-site research engagement activities many times,Replied to over 150 investor calls and emails;Published 5 records of investor relations activity and answered 105 questions on the Interactive Easy platform with a reply rate of 100%.

## ► Reinforce Compliance for Business Ethics

### Compliance Management

The Company always adheres to honest operation and establishes a sound compliance management system. To effectively prevent and control the compliance risks and improve the Company's compliance-driven operational management capabilities, the Company has formulated the *Internal Control Management System* and established a dedicated Compliance Management Department according to the requirements of laws and regulations such as the *Company Law*. The Company's principal responsible person serves as the primary driver for advancing the rule of law and bears ultimate accountability for compliance. The Compliance Management Department leads and coordinates compliance-related initiatives, while functional departments implement compliance risk assessments, reviews, and other measures in line with their respective functions.

The Company continuously strengthens its compliance management system by standardizing the compliance operation mechanism, cultivating a compliance culture, enhancing the information system's control, reinforcing supervision and accountability, raising overall compliance awareness, and ensuring lawful and compliant business operations.



#### Standardize the Operation Mechanism

- ◎ Establish a compliance risk identification, assessment, and early warning mechanism
- ◎ Embed compliance review as a necessary procedure in the operation and management process
- ◎ Each functional department establishes a rectification mechanism for non-compliance issues
- ◎ Establish and improve a coordinated operation mechanism for compliance management, legal affairs management, internal control, risk management, etc., in combination with the actual situation
- ◎ Regularly carry out an effectiveness evaluation of the compliance management system



#### Cultivate a Compliance Culture

- ◎ Incorporate compliance management into the annual special learning topic
- ◎ Establish a normalized compliance training mechanism
- ◎ Strengthen the compliance publicity and education, promptly release compliance manuals, and organize the signing of compliance commitments



#### Strengthen Information Control

- ◎ Incorporate the compliance regulations, typical cases, compliance training, records of non-compliant behaviors, etc., into the information system
- ◎ Regularly review the business processes to identify the compliance risk points and strengthen compliance reviews at critical junctures
- ◎ Realize the interconnection, data sharing, and common use between the compliance management information system and other information systems for finance, investment, and procurement



#### Strengthen Supervision and Accountability

The Company's Audit Department and Securities Department monitor the implementation of compliance requirements, investigate non-compliant behaviors, and pursue accountability in accordance with relevant regulations and within their respective authorities.

## Anti-Commercial Bribery and Anti-Corruption

The Company and its affiliated companies are committed to responsible business behaviors and strictly abide by relevant laws, regulations, and business ethics. The *Integrity and Anti-bribery Policy* has been formulated to require all employees and external third parties engaged in business with the Company to comply with the Policy while expressly prohibiting all forms of bribery and corrupt practices. The Company establishes an audit team responsible for formulating and implementing the Company's anti-bribery policy and supervising and facilitating the execution of relevant compliance initiatives.

The Company proactively adopts and implements control measures to prevent and detect bribery and corrupt practices, promoting clean management. During the reporting period, no litigation events occurred as a result of commercial bribery or corruption.

- ③ Sign the *Agreement for Integrity and Self-discipline of Employees* with employees and the *Integrity Agreement* with business partners to institutionalize the prevention of corrupt practices;
- ③ Interview employees in key departments and sensitive executives, including middle-level managers and senior leaders, and conduct questionnaires on corporate integrity, ethics, and commercial bribery for employees in key departments at different levels to gain in-depth insights into employees' genuine perspectives and actual situations and strictly control and prevent any potential conflicts of interest;
- ③ Conduct self-examinations by irregularly reviewing relevant contracts, reimbursement vouchers, and other documentation and analyzing the business data of key positions and sensitive processes;
- ③ Standardize the management of the gift acceptance and entertainment expenses to prevent commercial bribery through improper gifts and entertainment;
- ③ Implement the job rotation system and the nepotism avoidance policies for key positions to prevent the abuse of power and commercial bribery.

To ensure the effective implementation of the anti-bribery management system, the Company carries out anti-bribery-related training programs. It integrates the Integrity and Anti-bribery Policy into the new employee on-boarding so that employees can understand the anti-corruption laws, requirements, and obligations of the Company's anti-bribery management. By aligning integrity culture with corporate governance and job functions, the Company strives to foster an environment of ethical business conduct. During the Reporting Period, the Company held 2 special training sessions on the *Integrity and Anti-bribery Policy* for employees in key and sensitive positions. The trainees encompassed all the staff at middle and senior management levels.

### During the Reporting Period

Total duration of anti-commercial bribery and anti-corruption training

provided to directors: **6** hours

provided to the Management: **80** hours

provided to employees: **238** hours



## Anti-Unfair Competition

To standardize marketing management and prevent unfair competition behaviors, the Company has formulated systems such as the *Anti-monopoly Compliance Management System* and the *Measures for Management of Market and Competition Analysis* in accordance with the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-monopoly Compliance Guide for Operators*, explicitly prohibiting unfair practices such as false advertising, maliciously slandering competitors, and stealing trade secrets in marketing. By doing so, the Company continuously enhances its ability to prevent, control, and deal with anti-monopoly compliance risks and solidifies the foundation for law-abiding and compliant operations. The Company adheres to the principles of problem orientation, practicality and high efficiency, and comprehensive coverage in anti-monopoly compliance management, establishing a continuous supervision mechanism to monitor the market dynamics, industry competition conditions, changes in laws and regulations, and the Company's internal practices. It periodically reviews the effectiveness of risk management measures and adjusts strategies based on the actual situation to ensure ongoing compliance with anti-monopoly and anti-unfair competition requirements.

The Company regularly organizes anti-unfair competition training for marketing personnel, including relevant laws and regulations, internal corporate rules, and case studies to strengthen awareness of fair competition. Anti-unfair competition compliance is integrated into the performance assessment, with the results directly linked to employees' salary adjustments, bonus distributions, promotions, and job adjustments. Employees demonstrating excellence in anti-unfair competition will receive commendations and incentives, and those who violate the regulations will be punished proportionately to the severity of the offense. No incidents of unfair competition took place during the reporting period.

## Whistleblowing and Whistleblower Protection

The Company establishes a unique whistleblowing channel through which reporting information can be received. Any relevant party aware of any actual or suspected violations of the *Integrity and Anti-bribery Policy* may report the relevant incidents according to the established process. The Audit Team will initiate appropriate actions for alleged misconduct, improper behavior, or fraud. The Company supports both named and anonymous whistleblowing, firmly safeguarding whistleblowers' safety and interests from any negative impacts while ensuring the confidentiality of reported information is strictly protected. Rewards are provided to individuals whose recommendations are implemented or whose reports are verified to be true.

### Channels

#### Phone

0769-85358920-6075

#### WeChat Public Account

Clean WCON

#### Email

Hrdg02@wcon.com

#### Written or in-person reports

Audit Department, WCON Electronics (Guangdong) Co., Ltd., No. 15 Wenming Road, Daning, Humen Town, Dongguan, Guangdong



### Whistleblowing Handling Process



## ► Prioritize Data Security to Prevent Privacy Breach

The Company regards data security as an essential cornerstone of its development, upholding the data security management philosophy of "prevention orientation, comprehensive governance, security and controllability, and continuous improvement." A multifaceted approach covering technology, management, and personnel awareness constructs a comprehensive, multi-layered protective system to strictly safeguard the absolute security of internal core business data, operational information, and customer privacy. The Company continuously optimizes and improves its security management strategies to adapt to the challenges posed by new technologies and emerging business models. During the reporting period, no incidents of data security breaches or customer privacy breaches were reported at the Company.

### Governance of Data Security

The Company strictly follows laws and regulations such as the *Network Security Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*, formulating the *Information Security Protection System* to standardize the scientific and secure data management strategies and processes. It implements effective data security technologies and management measures to safeguard the confidentiality, availability, and integrity of data during the processes of collection, transmission, exchange, processing, and storage.

The Company establishes an IT Department led by an information security officer and supported by operations and maintenance personnel. It is responsible for the daily security management of corporate systems and data to conduct information security risk assessments, implement security projects, and organize contingency drills. Through well-defined institutional frameworks and organizational structures, the Company ensures clear functional demarcation and effective implementation of data security management. In order to strengthen the information security expertise of relevant personnel, the Company organizes specialized training programs on relevant knowledge of information data security and continuously improves their professional capabilities.

#### During the Reporting Period

The Company conducted **12** information data security training sessions,

investing RMB **97,000** in data security.



### Data Security Protection

The Company regards data security as an essential cornerstone of its development. It adopts a multi-pronged approach covering technology, management, and personnel awareness to construct a comprehensive, multi-layered protection system. This effectively guarantees the security of corporate data assets, maintains the corporate reputation and customer trust, and lays a solid foundation for the Company's sustainable development.

#### Management Measures

##### Establish a Data Security Protection Platform

- ◎ Adopt the Tipray Green Shield Encryption System to encrypt data;
- ◎ Implement a multi-factor authentication mechanism and role-based access control permissions.

##### Build a Data Center

- ◎ The data center is equipped with physical protection facilities such as automatic alarm systems and surveillance cameras; an environmental monitoring system is deployed to ensure that the equipment operates in suitable environmental conditions;
- ◎ Establish a secure network architecture and deploy server security protection software.

##### Implement System Security Protection

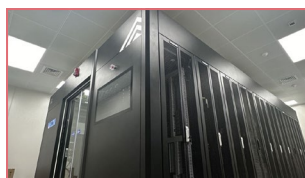
- ◎ Deploy firewalls and intrusion detection/prevention systems;
- ◎ Provide security development training for various business applications developed by the Company; deploy web application firewalls for applications.

##### Periodically Test Critical Data Hardware Equipment

- ◎ Regularly conduct health checks on servers, storage devices, and network equipment that store key data;
- ◎ Adopt redundant design for key data hardware equipment;
- ◎ Regularly test data backup devices and check the integrity and recoverability of backup data.

##### Periodically Test Key Data Systems

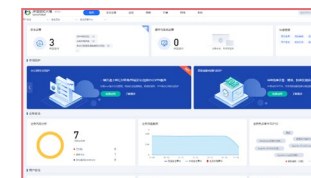
- ◎ Regularly conduct functional and performance tests on key data systems;
- ◎ Establish a security vulnerability management mechanism to track and manage identified security vulnerabilities;
- ◎ Regularly conduct security vulnerability tests.



Data Center



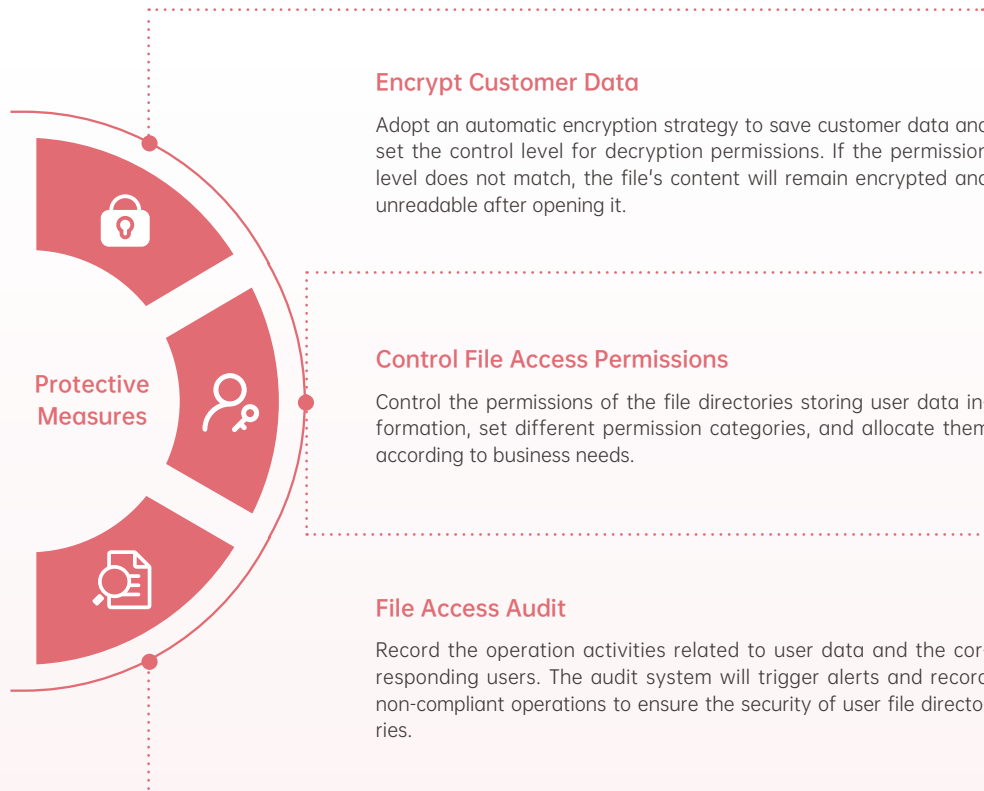
Tipray Green Shield Encryption System



Sangfor Firewall

## Customer Privacy Protection

The Company attaches great importance to customer information security, protects customer information assets, maintains customer privacy, avoids information security incidents, and ensures the security and confidentiality of customer information.



The background of the slide is a vibrant landscape photograph. In the foreground, there are lush green terraced tea fields on a hillside. A dirt road or path winds through the middle ground, leading towards a small cluster of buildings. The background features a range of blue-toned mountains under a bright blue sky with scattered white clouds. A large, semi-transparent teal triangle is overlaid on the left side of the image, serving as a design element for the text.

# 02

## Low-Carbon Operations for a Green World

WCON has always adhered to the concept of green development, proactively responded to the challenges of climate change, continuously improved the level of environmental management, strengthened the prevention and control of pollution and waste, improved the efficiency of energy and resource utilization, and is committed to building a green and low-carbon modern industrial park, promoting the green and sustainable development of the enterprise, and making contributions to the national "dual carbon" goal.

### Responded Topics

- ◎ Response to Climate Change
- ◎ Environmental Compliance Management
- ◎ Pollutant Emissions
- ◎ Waste Treatment
- ◎ Energy Utilization
- ◎ Water Resource Utilization

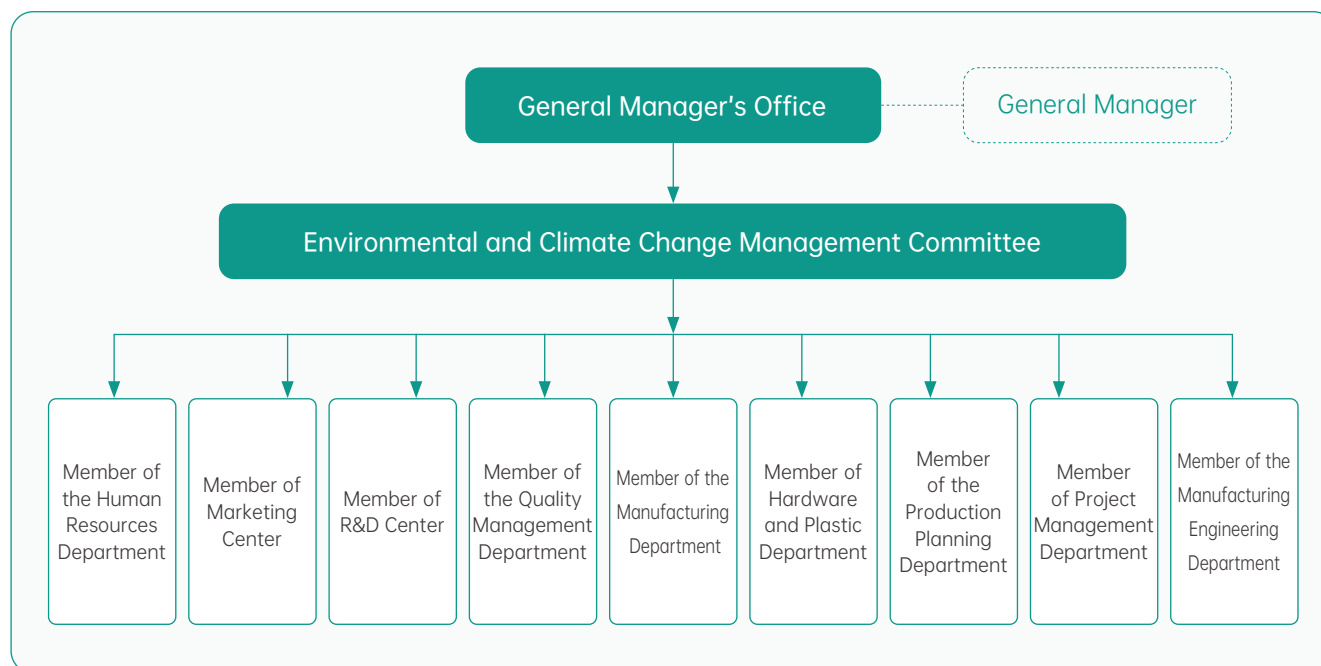
## ► Low-Carbon Initiatives to Address Climate Change

Climate change is one of today's most significant global risks, threatening human health and enterprises' long-term sustainable development. To implement the national "dual-carbon" policy, by drawing on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company manages climate-related risks and opportunities through four dimension, namely governance structure, risk and opportunity identification, risk management, and metrics and targets.

### Climate Change Governance

The Company formulates the *Control Procedure for Combating Climate Change* to standardize the management and response measures of the enterprise in addressing the environmental and climate variability issues. It progressively constructs a climate governance system to tackle challenges posed by climate change proactively. The General Manager's Office of the Company is responsible for formulating climate strategies and objectives to ensure the proactive alignment of overall corporate development strategies with climate change trends. The Environmental and Climate Change Management Committee is responsible for the specific formulation of climate policies, risk assessment, and supervision of implementation to ensure the effective implementation of climate strategies. The Management integrates climate strategies into daily operations and supervises the implementation of climate adaptation measures across all business units. Each business unit formulates and implements specific climate adaptation measures according to its characteristics and business scope to ensure that the enterprise fully considers climate change factors in daily operations and achieves sustainable development.

To improve climate variability governance, the Company established positions of Carbon Emission Administrators and Verification Process Inspectors, enforcing strict requirements for personnel's years of professional experience, general knowledge and skill proficiency, and specialized knowledge and expertise.



During the Reporting Period, the Company organized **2** knowledge training sessions for carbon management personnel and conducted question-based assessments on the trainees. The overall assessment results were **all qualified**.



### Risk and Opportunity Identification Process

The Company systematically evaluates the array of risks and opportunities confronting the Company, classifying them into physical risks, transition risks, and opportunities. Drawing on national laws and regulations, policy directives, domestic and international sustainable development trends, and organizational context, we define and describe the risks and opportunities climate change precipitates. Based on identified risks and opportunities, the Company analyzes their likelihood and severity in light of daily operational activities, further evaluates potential financial impacts on the Company, and formulates corresponding management and response measures to address climate change while seizing opportunities proactively.

## Climate Change Strategy

Risk Type	Risk Description	Description	Risk Analysis		Explanation of Potential Financial Impact	Management Measures
			Severity	Frequency		
Transition Risks	Market Risks	Increase in Raw Material Costs	5	2	Factors such as climate change may lead to an increase in raw material prices and purchase costs.	<ul style="list-style-type: none"> <li>Screen alternative suppliers to reasonably control the purchase costs.</li> <li>Promote suppliers' transition towards energy conservation and emission reduction through supplier communication, implementation programs, and investigation.</li> <li>Establish a low-carbon monitoring mechanism for upstream raw materials.</li> <li>Accelerate the green transformation and introduce new technologies and materials.</li> </ul>
		Change in Consumer Behavior	5	2	The change in consumer preferences leads to a decrease in the demand for goods and services, a reduction in operating income, and an increase in operating costs.	<ul style="list-style-type: none"> <li>Advocate for using clean energy, building rooftop photovoltaics, purchasing green electricity and certificates, etc., to accelerate the green transformation.</li> <li>Introduce new technologies and materials.</li> <li>Establish a low-carbon monitoring mechanism for upstream raw materials.</li> </ul>
	Policy and Regulatory Risks	Carbon Emission Control Policy	5	2	Policy changes lead to the write-off, impairment, or early retirement of existing assets; failure to promptly respond to control policy may lead to illegal fines and increased compliance operation costs.	<ul style="list-style-type: none"> <li>Pay attention to policy changes in various regions and adjust based on the situation and customer needs.</li> <li>Use clean energy such as rooftop photovoltaics and purchase green electricity to replace traditional fossil energy and promote the transformation of the energy structure.</li> <li>Set the objectives of energy conservation and consumption reduction, promote energy conservation and emission reduction, and improve energy use efficiency from the management and technical levels.</li> <li>Analyze the future change trends of energy efficiency standards to ensure that the Company's production equipment and processes meet the requirements of new standards.</li> </ul>
		The government, social organizations, and residents do not accept excessive pollution emissions	4	1	The pollution emissions may lead to illegal fines and cause a negative reputation.	<ul style="list-style-type: none"> <li>The EHS management plan shall be strictly implemented to ensure that the company's wastewater, exhaust gas, and perimeter noise emissions meet the standards, with at least compliance monitoring once a year.</li> </ul>

Risk Type	Risk Description	Description	Risk Analysis		Explanation of Potential Financial Impact	Management Measures
			Severity	Frequency		
Transition Risks	Policy and Regulatory Risks	There is a lack of proper identification, collection, and publicity of applicable EHS laws and regulations. Moreover, the environmental factors and hazards related to the Company's internal activities are not clearly defined, and some employees have a weak sense of compliance with the law	3	1	Failure to promptly identify and respond to policy control may lead to illegal fines; inadequate internal risk identification increases operating costs.	<ul style="list-style-type: none"> <li>Strengthen the identification, collection, and periodic updates of applicable EHS laws and regulations, with key provisions incorporated into training programs or institutionalized in company policies.</li> </ul>
	Technology Risks	Technology Substitution Risk	5	2	Increase in R&D expenditures and procurement costs.	<ul style="list-style-type: none"> <li>Pay close attention to green innovations such as clean energy and energy-saving technologies, and evaluate whether the enterprise can adapt to technological changes.</li> <li>Establish diversified relationships with technology suppliers to mitigate reliance on a single technology supplier and minimize the risks associated with technology transition.</li> </ul>
	Reputation Risks	Increased Concerns or Negative Feedback from Stakeholders	5	2	The decrease in customers' trust in the Company leads to a decline in product demand and a reduction in revenue.	<ul style="list-style-type: none"> <li>Publicly disclose policies and information related to climate change to ensure all stakeholders can obtain relevant information and supervise and evaluate the Company's performance.</li> <li>Evaluate the possible impact of climate change on the enterprise's brand image and customer loyalty and formulate response strategies for maintaining and enhancing the brand reputation.</li> <li>Conduct a customer satisfaction survey in the form of a questionnaire once a year and summarize the customer satisfaction survey results to let relevant departments take corresponding corrective and preventive measures.</li> </ul>
Physical Risks	Climate Risks	Extraordinary Climate Emergencies (such as Typhoons, Rainstorms, Floods, Earthquakes, etc.)	5	1	Sudden weather causes damage to infrastructure and equipment, leading to an increase in operating costs; it may affect the production schedule and cause a decrease in operating income.	<ul style="list-style-type: none"> <li>Formulate the <i>Control Procedure for Emergency Response</i>.</li> <li>Provide training programs for employees on such emergency response plans.</li> </ul>

Remarks: 1、Severity: 1) Extremely Severe, 2) Severe, 3) Significant, 4) Moderate, 5) Minor

2、Frequency: 1) Rare, 2) Unlikely, 3) Occasionally, 4) Likely, 5) Frequent

Description	Opportunity Content	Management Measures
Financial Management	Sufficient Funds for the Company's EHS Management System	<ul style="list-style-type: none"> <li>Establish a special fund for EHS management to ensure the source of funds for EHS management investment.</li> </ul>
Resource Efficiency	Recycling Technology	<ul style="list-style-type: none"> <li>Optimize the design of green products and reduce the use of materials from the source.</li> <li>Advocate the recycling of materials and the transformation of waste.</li> <li>Implement water recycling practices and establish a reclaimed water reuse system.</li> </ul>
Energy Source	Low-emission Energy Sources	<ul style="list-style-type: none"> <li>Build rooftop photovoltaics, purchase green electricity, certificates, etc., to accelerate the green transformation.</li> <li>Set the objectives of energy conservation and consumption reduction, promote energy conservation and emission reduction, and improve energy use efficiency from the management and technical levels.</li> <li>Accelerate the construction of the energy management system to create a green manufacturing system.</li> </ul>
Compliance Provisions	The Company has not received any complaints or penalties from government authorities or surrounding residents.	<ul style="list-style-type: none"> <li>Comply more strictly with regulatory requirements.</li> </ul>
Requirements and Expectations of Stakeholders	Some customers require the Company to establish an ESG management system.	<ul style="list-style-type: none"> <li>Continuously implement the ESG management system and accept a third-party institution's certification audit to ensure the ESG certificate's effectiveness.</li> </ul>
	The audit institution requires the Company to meet the requirements of the ESG management system and continuously improve the ESG management system.	<ul style="list-style-type: none"> <li>Accept the review of the audit institution and promptly improve and track any identified problems. Make the ESG management system operate effectively.</li> </ul>

### Low-carbon Goals

In alignment with the national initiative for a green, low-carbon circular economy, the Company has proactively advanced energy conservation and carbon reduction by formulating the *Enterprise Low-Carbon Action Plan* during the Reporting Period. The Company has enhanced environmental and energy management capabilities through continuous investment in green resources for decarbonization efforts. We are fully managing its carbon emission pathways with the ambition to reduce carbon emissions by 35% by 2035 and achieve a net-zero carbon factory within the next decade.



Reduce the proportion of greenhouse gas emissions: carbon emissions will be reduced by 5% in 2024 and 35% in 2035.



Improve energy utilization efficiency and ensure that the proportion of carbon emissions relative to output during production continues to decrease.



Reduce dependence on traditional energy, proactive utilization of renewable, clean energy, such as solar, wind, and air, is recommended.

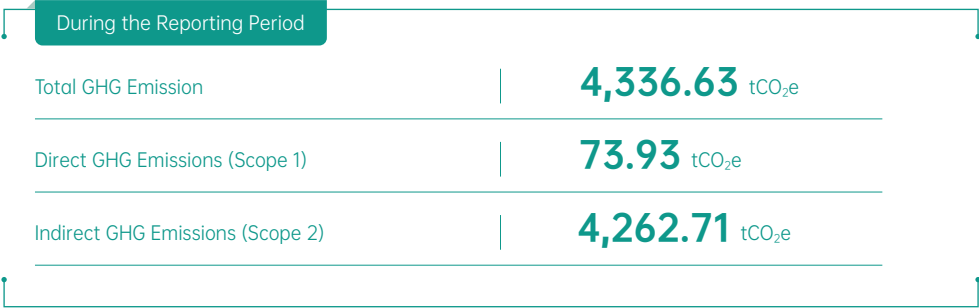


Promote energy-saving and environmental protection technologies and improve the overall environmental protection level of the enterprise.

Greenhouse Gas Management

The Company establishes a data monitoring system to conduct real-time comprehensive monitoring of greenhouse gas("GHG") emissions, energy consumption during production, and wastewater and exhaust gas emissions. It regularly evaluates the emission reduction work and promptly discovers and solves problems. According to the evaluation results, the Company summarizes and analyzes the experience of emission reduction, promptly adjusts and optimizes the emission reduction plan, learns from the experience of advanced enterprises, and introduces new emission reduction technologies and concepts.

Main Production and Operation Activities of Carbon Emissions					
Category	Subcategories	Emission Source	Corresponding Activities/ Facilities	Forms of Emission Source	Potential Types of GHG
Category 1 (Direct GHG Emissions)	Direct Emissions	Gasoline	Company cars	Transportation	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O
	Fugitive Emission of GHG	Sewage	Septic Tanks	Fugitive	CH <sub>4</sub>
Category 2 (Indirect GHG Emissions from Energy)	Indirect Emissions from Purchased Electricity	Electric power	Energy Consumption of Equipment and Lighting	Energy	CO <sub>2</sub>



Statistical Explanation: Scope 1 GHG emissions are calculated based on default values of common fossil fuel characteristic parameters issued by the National Development and Reform Commission of the People's Republic of China; Scope 2 GHG emissions are calculated based on average carbon dioxide emission factors for China's regional power grids issued by the National Development and Reform Commission of the People's Republic of China.

Carbon Asset Management

To standardize the Company's carbon asset trading behavior, improve the transparency and credibility of carbon asset trading, and promote the healthy development of the carbon market, the Company formulates the *Procedure for Carbon Asset Trading Management*, establishes a Carbon Finance Department to manage and carry out the carbon asset trading activities, the supervision department supervises and inspects the compliance and fairness of the Company's carbon asset trading, and the environmental protection department supervises the situation of carbon assets and carries out emission reduction work. The Company strictly stipulates the processes and requirements, supervision and review, risk management, information disclosure, and penalties for violations of carbon asset trading. It clarifies that the Carbon Finance Department shall strengthen the early warning, monitoring, and prevention of carbon asset trading risks. The carbon asset trading institution shall establish and improve the internal control system and promptly report the trading information to the Carbon Finance Department.

## Implement Carbon Reduction Initiatives

### Low-carbon Measures

### Specific Actions

#### Optimize Production Processes, Promote Clean Technologies and Energy-saving Equipment

- ◎ Build dust-free workshops and CNAS laboratories that can meet the *General Requirements for the Competence of Testing and Calibration Laboratories of the ISO/IEC 17025:2017 Laboratory Management System*;
- ◎ Solar photovoltaic and energy storage charging canopy; solar light guiding system installed in the basement; solar-powered streetlights; enclosed cooling tower; heat-insulating film applied to factory and dormitory windows; and double-glazed windows installed.

#### Implement Low-carbon-related Systems to Improve Energy Efficiency Management

- ◎ Currently implement the ISO14064-1:2018 carbon verification system. It is expected to complete the third-party certification in Q4 of 2025
- ◎ Strengthen energy management and establish an energy informatization monitoring and management system

#### Promote Clean Energy

- ◎ Encourage employees to use public transportation to reduce vehicle exhaust emissions.
- ◎ Build solar power generation facilities to provide clean energy for the Company's electricity consumption.

#### Promote Recycling and Reuse

- ◎ Collect and utilize the condensed water of air conditioners
- ◎ Reuse the material reels
- ◎ Recycle the material packaging PE bags/cartons, etc.

#### Green Office

- ◎ Set up waste classification and recycling facilities convenient for employees
- ◎ Save electricity for office equipment and air conditioners
- ◎ Reuse office supplies such as file bags and data bags
- ◎ Use Lark and other systems to implement a paperless office
- ◎ Advocate water conservation

#### Promote the Concept of Energy Conservation and Environmental Protection

- ◎ Conduct publicity and education on energy conservation and environmental protection knowledge to improve employees' and the public's awareness of energy conservation and environmental protection.
- ◎ Cooperate with relevant departments to strengthen the publicity of environmental protection policies and supervise compliance.

## ► Strengthen Pollution Control

The Company adheres to the EHS management policy of “complying with environmental regulations, committing to pollution prevention and control; making rational use of resources, manufacturing green products; improving environmental protection awareness, continuously improving the environment; caring for employees' health and attaching importance to work safety,” and strictly complies with the requirements of national laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Environmental Protection Tax Law of the People's Republic of China* to carry out the environmental management. During the Reporting Period, the Company reported zero environmental incidents or zero violations of laws and regulations concerning environmental protection.

### Environmental Management System

The Company establishes an EHS management system based on the ISO 14001:2015 and ISO 45001:2018 standards, clarifies each department's environmental responsibilities, and formulates and implements the Environmental/Occupational Health and Safety Manual. At least once annually, internal audits and management reviews are conducted to identify corrective and preventive actions for continuous improvement. Currently, the Company has passed the ISO 14001 environmental management system certification.



ISO 14001:2015 Certification

### Management of Environmental Risks

The Company formulates the *Control Procedures for Identification and Evaluation of Environmental Factors*, identifying and determining the environmental factors that may impact the Company's activities, products, and services to effectively control the critical ecological impact factors. The company established an ISO 14001 Implementation Committee to evaluate environmental and significant environmental factors. It engages a third-party institution to assess its construction projects' environmental impact.

### Environmental Emergency Management

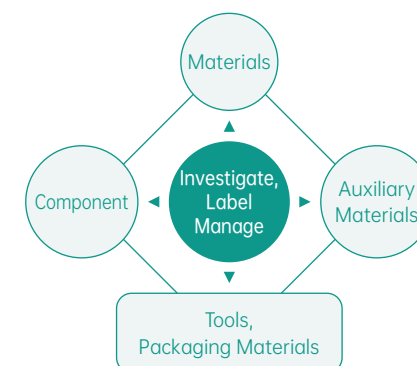
To effectively prevent and respond to sudden environmental incidents and reduce the harm caused by incidents to the environment and society, the Company formulates the *Emergency Plan for Environmental Management* according to relevant laws and regulations such as the Emergency Response *Law of the People's Republic of China* and local environmental protection policies. The Company established an Environmental Management Emergency Command Center, which is responsible for organizing, coordinating, and commanding the emergency handling of sudden ecological incidents. By strengthening environmental monitoring, maintaining environmental protection facilities, strengthening employees' environmental awareness education, and promoting and training emergency plans, the Company comprehensively improves its emergency handling ability.



### Hazardous Substances Monitoring

The Company formulates standard documents such as the Regulations on the Management of Hazardous Substances to investigate, label, and manage the hazardous substances to the environment, throughout the whole process from incoming materials to product shipment, to ensure that the products are healthy and safe and can continuously meet the requirements for the use and management of hazardous substances to the environment put forward by customers or relevant domestic and foreign organizations. The Company strictly implements the national laws and regulations, local policies, decrees of the customer's country, and appropriate customer requirements, and formulates the Restriction Standard for Hazardous Substances to standardize the “Control List of Hazardous Substances.” This list details all hazardous substances used, managed across three management levels, and classified by applicable product categories, with real-time updates to prevent non-environmentally friendly materials, components, and products from entering the supply chain and mitigate environmental impact.

During the reporting period, all the identified hazardous substances of the Company passed third-party testing and certification.



Strengthen Pollutant and Waste Prevention and Control

The Company strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes*, and the *Regulations of Guangdong Province on the Prevention and Control of Environmental Pollution by Solid Wastes*, formulates procedure documents such as the *Control Procedure for Water Pollution* and the *Control Procedure for Waste Gas Emission and Noise*, establishes and improves the pollution and waste management system, proactively takes measures to reduce the emission of wastewater, waste gas and waste, and is committed to reducing the impact of its operation on the environment.

Environmental Management Objectives	Achievements in 2024
The disposal of hazardous solid waste complies with relevant regulations, with 100% categorized storage and handling by qualified units.	Achieved ✓
The emission of wastewater, waste gas, and noise complies with relevant regulatory requirements.	Achieved ✓

Metrics	Performance in 2024
Wastewater Discharges	76,748.79 tons
Waste Gas Emissions	0.66 tons
Quantity of General Waste Generated	3 tons
Quantity of General Waste Disposed of	3 tons
Quantity of Hazardous Waste Generated	2 tons
Quantity of Hazardous Waste Disposed of	2 tons

Waste Management

The Company implements waste management in accordance with the principles of "classified recycling and reduction," formulating the *Waste Management Control Procedure*. Waste is divided into two major categories: general waste (recyclable and non-recyclable) and hazardous waste. Corresponding treatment measures are adopted based on waste categories, with each department implementing classified collection and storage management of generated waste in compliance with regulations. During the Reporting Period, the Company formulates a hazardous waste management plan, evaluates the annual expected generation and transfer volume of hazardous waste, and determines hazardous waste's receiving units and qualification capabilities.



Wastewater, Waste Gas and Noise Management

Types of Pollutants and Waste		Treatment Measures
<div><div>Wastewater</div></div>	<div><div></div><div></div><div></div></div> <p>Mainly domestic sewage, a small amount of equipment cleaning wastewater, and cooling water for the factory building construction project.</p>	<div><div></div><div></div><div></div></div> <p>Both sewage and wastewater are centrally treated, and the cooling water for the project can be recycled and will not be discharged outside. Domestic sewage is pretreated by a septic tank and then discharged into the municipal sewage interception pipeline network. It will not directly enter the water body, which complies with the national requirements for emission management standards.</p>
<div><div>Waste Gases</div></div>	<div><div></div><div></div><div></div></div> <p>Specific waste gas is generated in steps such as the injection molding and grinding processes.</p>	<div><div></div><div></div><div></div></div> <p>By strengthening the ventilation in the workshop and collecting the waste gas for centralized treatment, the generated organic waste gas is treated by a two-stage activated carbon adsorption device and discharged at a high altitude after meeting the standards. In addition, the primary air pollutants emitted during the factory building construction project are mainly VOCs. Through accounting, the total VOCs emission of the project is 0.0863t/a, which is a small amount, and the emission concentration can meet the ambient air quality standard, with little impact on the surrounding atmospheric environment, and complies with the national emission standards.</p>
<div><div>Noise</div></div>	<div><div></div><div></div><div></div></div> <p>Specific noise will be generated during the operation of machinery and equipment, such as high-speed punching machines and mixers.</p>	<div><div></div><div></div><div></div></div> <p>Strictly control and manage the noise in accordance with the requirements of the Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008), and prevent and control the noise by measures such as installing vibration damping foundations for high-noise equipment and sound insulation of the factory building. During the Reporting Period, the noise detection outside the Company's factory boundary met the standards, which was lower than the Class 2 emission limit of 60dB(A) and did not cause any adverse impacts on the environment.</p>

► Optimize Energy Management

The energy and resources used within the Company mainly include municipal water supply, purchased electricity, gasoline, paper, raw materials, etc. The Company strictly complies with relevant laws, regulations, and rules such as the Energy Conservation Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Water Pollution. It proactively promotes the efficient use of energy and resources.

Energy Management System

The Company formulates system procedures such as the Control Procedure for Energy and Resource Conservation, the Regulations on Domestic Electricity Management, and the Management Measures for the Air Conditioning System and implements refined management of the energy and resources used in operation links such as production workshops, offices, warehouses, and employee dormitories to improve overall energy utilization efficiency.

The Company delegates the energy management responsibilities and powers to the key energy-consuming and maintenance management departments, including the Product R&D Department, the Human Resources Department, and the Procurement Department. Each department implements energy management measures according to the Company's overall energy management objectives, organizes training on energy conservation for the employees in its department, and continuously improves the professional ability of the team in energy and resource management. By establishing an energy efficiency reward and punishment system, the Company encourages employees to put forward effective energy conservation and emission reduction suggestions, which promotes the achievement of the Company's energy management objectives.

Energy Management Measures

The Company proactively takes a series of energy management measures to control the energy consumption from the source, reduce the energy consumption, optimize the energy structure, and increase the proportion of green electricity to improve the Company's energy management level continuously.

During the Reporting Period		
Direct Energy Consumption	Gasoline	4.36 tons
Indirect Energy Consumption	Purchased Electricity	8,069,948 kWh

Energy Management Strategy

Risk Type	Description	Frequency	Explanation of Potential Financial Impact	Management Measures
Extreme weather events	Extreme storms or heavy precipitation may cause damage to energy-related facilities, thus leading to the interruption of energy supply.	Low	Result in power outages or interruptions of energy supply, which may affect production.	⊙ Strengthen equipment maintenance and overhaul to ensure the effective operation of equipment. ⊙ Formulate emergency procedures and implement training on emergency response plans.

Opportunity Type	Description	Explanation of Potential Financial Impact	Response Measures
Energy alternatives	By utilizing clean energy or integrating renewable energy.	Increase the development costs and reduce the energy expenses	⊙ Improve the production process to reduce energy consumption. ⊙ Self-invest in the development of energy-saving renovation projects.
Resource Efficiency	Adopting an intelligent energy management system can efficiently improve energy management efficiency and standardize energy utilization procedures.	Reduce energy expenses	⊙ Develop a digital energy management system to unify the Company's energy consumption management.

Digital Energy Management

The Company establishes a core indicator management platform based on a unified data standard and an energy consumption analysis indicator model repository. This platform enables real-time monitoring, collection, statistics, and analysis of energy consumption data, conducts comprehensive visual management, enhances data traceability, and improves energy control.



Energy-saving Project Renovation

Energy Storage Project

CASE



The Company invests in the construction of a user-side energy storage project. The energy storage battery unit of the project employs nano-silicon solid lead batteries, which have the advantages of high safety, long service life, and recyclability and can effectively solve the industry pain point that electrochemical energy storage batteries are prone to fire and explosion. After being put into use, the project can fully use the peak-valley price difference in industrial electricity tariffs between day and night. The system automatically charges during off-peak nighttime periods and discharges to meet demand during peak daytime hours, effectively addressing the enterprise's instantaneous power load demand for electricity during the day, reducing its instantaneous power consumption, and lowering its base electricity costs.

Optimize the Energy Structure

Photovoltaic Power Generation

CASE



Relying on the relatively abundant solar energy resources in Daning, Humen, the Company follows the consumption mode of "self-generation for self-use and surplus electricity fed into the grid" and has installed a distributed photovoltaic power generation system on the rooftops of the No. 1 factory building, No. 2 factory building and No. 3 dormitory building at its factory complex, covering a total area of about 4,000 square meters. After the project is implemented, it is expected to generate about 860,000 kWh of electricity annually, reducing carbon emissions by 857 tons.

Chilled Water Storage Project

CASE



The Company's chilled water storage project was completed and put into operation in May 2024. It is expected to achieve annual peak shaving and valley filling of approximately 3.1 million kWh of electricity for air conditioning and production equipment, transferring peak and flat-rate electricity to off-peak periods. This reduces peak load on thermal power generation, equivalent to reducing annual CO2 emissions by 2.41 million kilograms.

Reduce CO<sub>2</sub> emissions by  
**2.41** million kilograms annually.



Water Resource Utilization

The Company formulates the *Regulations on Domestic Water Management* and implements control measures for daily water consumption to avoid waste. The Company has improved the water recycling rate and reuse efficiency by implementing water-saving renovation projects to reduce water resource consumption.

During the Reporting Period

The total water consumption is

**50,682** tons.

Water-Saving Retrofit Project	Renovation Effect
Recycling of Wastewater from the Kitchen Purified Water System	The kitchen purified water system generates 1.5T of wastewater every day. A water tank collects this wastewater for cleaning purposes, which can save 547.5T of water every year.
Condensed Water Recovery Technology of the Central Air Conditioning System with Chilled Water Storage	A 12T stainless steel water tank is built in the factory area to collect the air conditioning condensed water through the pipe network. An automatic water level control system regulates the operation of the pressure pump, transferring the collected water to the air conditioning cooling tower as makeup water. The daily collection amount of condensed water is about 21T, with annual cost savings of about RMB 31,500.



# 03

## Innovation-Driven Transformation

WCON upholds "honest operation, quality first, innovation-driven, and win-win cooperation." Through continuous innovation and R&D efforts, the Company enhances product and service quality to meet customer needs and create greater customer value. Meanwhile, it also proactively builds a sustainable supply chain, collaborating with upstream and downstream partners to forge a new chapter of shared success and contribute high-quality productivity to China's connector industry.

### Responded Topics

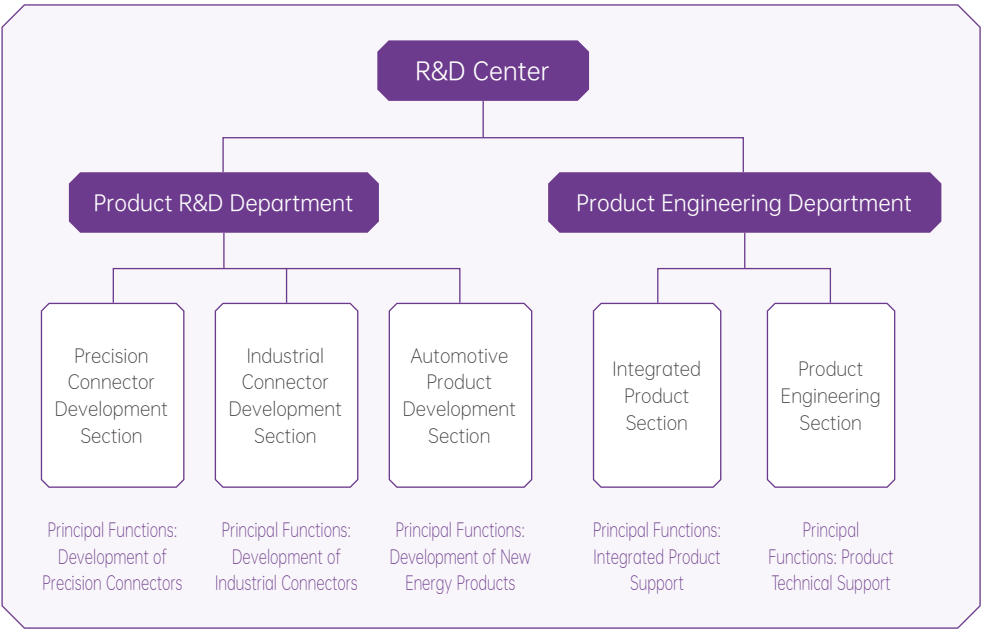
- © Innovation-driven
- © Product and Service Safety and Quality
- © Supply Chain Safety

► Co-accelerate Industrial Ecosystems

The Company has always regarded technology research and development as its core competitiveness. It has continuously stepped up efforts in core technology research, continuously promoted the reform and innovation of the research and development system, strengthened the cultivation of scientific and technological talents, stimulated the driving force for innovation, and used the power of value creation to boost the Company's high-quality development.

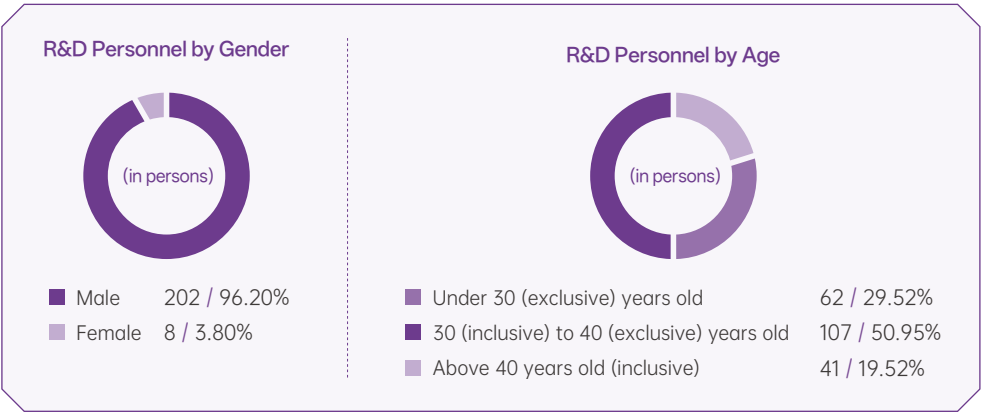
R&D Innovation Governance

The Company has established an R&D center as the core department for technological innovation, and it is engaged in developing products such as electronic connectors. Through continuously optimizing and upgrading the R&D organizational structure, the Company enhances experience accumulation and knowledge transfer among design teams while strengthening the dedicated focus on product design. The Company has formulated regulations, including the *Measure for Management of Product Design and Development* and the *Project Management Control Procedure*, to improve the rigor and standardization of each process in the R&D projects, ensuring the smooth implementation of R&D projects and reinforcing the Company's sustained independent R&D capabilities.



After years of development, the Company has gathered a group of core technicians with rich industry experience who have good professional qualities and technical strength in product design, mold development, connector manufacturing process development, and other technologies. The Company actively transforms the talent advantage into the driving force for high-quality development. To fully mobilize the enthusiasm of employees for technological innovation, the Company has formulated such incentive systems as the *Procedure of Employee Incentive and Authorization Control* and the *Measures for Patent & Copyright Management* to encourage employees to give full play to their creative and innovative abilities, engage in invention activities, and contribute to technical standard documentation, further stimulating their autonomous innovation potential.

	2022	2023	2024
R&D Investment (yuan)	58,904,472.15	72,336,311.24	64,355,742.49
Number of R&D Personnel (persons)	224	267	210
Proportion of R&D personnel	18.62%	19.32%	13.60%



R&D Empowerment Training

During the reporting period, the company's integrated product section organized 16 R&D empowerment training programs for product engineers, packaging engineers, and assistant engineers, steadily improving the comprehensive quality and professional skills of R&D personnel.

## R&amp;D Innovation Strategy

## Risk Identification List

Category		Description	Time Range	Explanation of Potential Financial Impact	Response Measures
Technology Risks	Technology Outflow	◎ Competitors in the same industry may reverse-engineer or adopt our technologies, eventually emerging as direct rivals.	Medium and long-term	Competitors may quickly launch similar products, eating into market share and causing a drop in revenue.	◎ Sign confidentiality agreements with employees; ◎ Maintain customer relationships and expand other customers' businesses.
Market Risks	Uncertainty of Market Demand	◎ The Company's connector products are primarily targeted at industrial control, automotive, and new energy sectors, where the operating environments are inherently complex and market demands are diverse. This results in an operational model characterized by "multi-variety, small-batch, and customization."	Medium and long-term	The product or service may not be widely accepted by the market, leading to a decline in revenue.	◎ Proactively track market trends, make forward-looking assessments of industry changes, swiftly respond to and precisely capture market trends, sustainably increase R&D investment, and encourage R&D innovation and the commercialization of outcomes.
	Market Competition	◎ Market competition may intensify with the changes in the domestic and foreign economic and political environments. If the Company fails to make continuous improvement and innovation in terms of technology and products, its market competitiveness may decline	Medium and long-term	Reduction in market share and decline in revenue.	◎ The Company maintains a competitive market position through multiple strategies, including continuously increasing R&D investments, enhancing product innovation capabilities, expanding product portfolio diversity, optimizing production processes, efficiently operating the quality management system to ensure product quality and service responsiveness, and intensifying market expansion efforts.
Policy and Legal Risks	Compliance Risks	◎ The Company needs to pay attention to changes in domestic and foreign regulations and industry standards and differences in local labor laws where new factories are located to ensure that its R&D and business activities comply with relevant laws and regulations. Otherwise, it may face legal risks such as fines and lawsuits.	Short- to medium-term	Increase in operating costs and decrease in revenues.	◎ The Company strengthens the identification, collection, and regular update of domestic and foreign regulations and industry standards, with key provisions incorporated into training programs or institutionalized in company policies.

## Opportunity Identification List

Category		Description	Time Range	Explanation of Potential Financial Impact	Response Measures
Market opportunities		<p>◎ With the continuous iterative development in various emerging fields, including emerging demands in downstream markets such as communication equipment, cloud computing, automotive electronics, industrial control, smart home, and AI applications, the connectors, as key essential components, are facing substantial market opportunities.</p> <p>◎ The photovoltaic industry will enter a stage of large-scale, high-speed, and high-quality development, driving the continuous technological progress of new-energy connectors and increasing market demand.</p>	Medium and long-term	Augmented operating income.	<p>◎ The Company must continually innovate and enhance product performance to meet market demands for high-quality, high-reliability, high-integration connectors while capitalizing on market opportunities to capture market share.</p> <p>◎ Select high-quality customers and cultivate potential customers.</p>

R&D Risk Management

The Company has formulated the *Control Procedure for Design Potential Failure Mode and Effects Analysis*. The DFMEA management method systematically analyzes each product component to proactively identify and evaluate potential failures and their effects during the design planning phase. Based on prioritized analysis results, targeted measures are taken to avoid or mitigate these risks of potential failure. The entire process is documented, continuously updated, and improved to provide empirical references for subsequent designs.

R&D Goals and Achievements

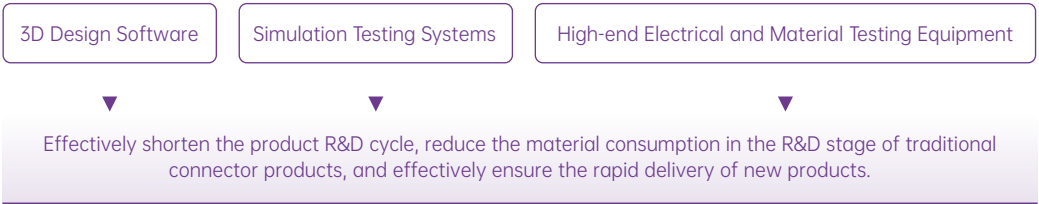
The Company adheres to independent R&D, benchmarks against leading international connector enterprises, and aims at connector miniaturization, integration, and intelligence development trends. Innovations in connectors are pursued in complex structure design, electrical performance simulation, precision mold design, and new material applications to consolidate its development pattern of "industrial control as the core pillar, automotive and new energy as twin wings," steadfastly pursuing the path of domestic substitution.

The Company formulates an annual development plan based on overall business performance and customer needs to accelerate the commercialization of R&D achievements.

Metrics	Goals for 2024	Achievements in 2024
Intellectual Property	◎ 3 invention patents ◎ 20 utility model patents ◎ 2 design patents	◎ The Company applied for 30 patent applications, including 3 inventions and 27 utility model patents.
Standard Development	◎ 2 CECA group standards ◎ 1 corporate technical standard	◎ 2 national industry group standards are formulated: the WD and BSC series. ◎ 1 corporate technical standard is completed: The Technical Standard for Non-Magnetic Pin Header has been finalized.

R&D Tasks	◎ 50 R&D tasks were completed	◎ 61 new product development projects were initiated, and 58 projects were completed and entered mass production.
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The Company continuously increases the intensity of R&D investment and invests in professional 3D design software, simulation testing systems, and high-end electrical and material testing equipment in the technical R&D stage, which effectively shortens the product R&D cycle, reduces the material consumption in the R&D stage of traditional connector products by leveraging the considerable data computing power for simulation testing, and effectively ensures the rapid delivery of new products. During the reporting period, the company developed 70 new products, further enriching its product portfolio to meet the customized needs of different customers. The new connector products have reached the technical level of similar imported products regarding service life, product reliability, and electromagnetic interference resistance.




FFC Connector Development ProjectCASE

The Company's 1.0 mm-pitch FFC connector adopts a flat design. The product weighs no more than 8 g, effectively reducing the volume and weight, making it more suitable for electronic and mechanical equipment with strict weight requirements. Meanwhile, it forms a flexible connection solution with FFC/FPC, achieving a more compact product design. It can be widely applied to fields such as automotive driving assistance information entertainment systems and industrial automation systems to meet the industry's demand for components that can quickly adapt to complex shapes and environments.



0.5 mm Floating BTB Connector Development ProjectCASE

During practical applications of connectors, long dimension chains in assembly mechanisms often lead to installation deviations and misalignment of connection interfaces. Additionally, scenarios such as high transmission speeds and mechanical vibrations in real-world use can cause distortion of signal transmission. The Company has developed a 0.5 mm pitch floating BTB connector with up to 120 contacts, featuring X, Y, and Z three-axis floating capabilities. This design effectively accommodates installation deviations and ensures stable signal transmission. Its high precision and contact reliability meet the stringent requirements of automotive-grade environments, making it widely applicable in automotive ADAS, ECU, infotainment systems, and industrial PLCs.





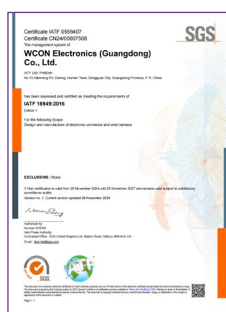
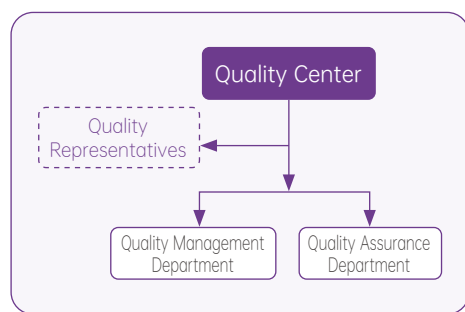
## Premium Brand from Quality

Since its establishment, the Company has consistently upheld its philosophy of "Building Brand Reputation Through Quality, Gaining Market Trust Through Service, and Driving Growth Through Professionalism." It strictly adheres to laws and regulations, such as the *Law of the People's Republic of China on Product Quality*, continuously innovates with relentless pursuit of excellence, and provides customers with professional and efficient solutions. Moreover, the Company implements a quality policy of "Quality First, Continuous Improvement, and Customer Satisfaction." The company did not experience significant liability, quality, or safety issues during the reporting period.

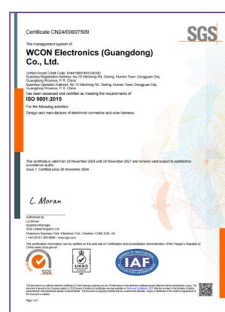
### Quality Management System

The Company has established a high-standard quality supervision system, integrating quality management into the entire chain process from product design and manufacturing to testing. The UL Witness Test Data Program recognizes the Company's laboratory. It is equipped with various advanced testing equipment, including film thickness testers, hardness testers, high-temperature aging testers, salt spray testers, etc., which can fully ensure that the product performance and quality meet the relevant standards.

The Company's Quality Center has a Quality Management Department and a Quality Assurance Department, responsible for implementing the requirements of the Company's major quality systems. These departments ensure strict compliance with system guidelines, review and evaluate actual operational performance and quality objectives, and continuously optimize system documentation and quality improvements. By the end of the reporting period, the company had obtained certifications for the IATF 16949:2016 quality management system and ISO 9001:2015 quality management system.



IATF 16949:2016



ISO 9001:2015



Quality Training

### During the Reporting Period

**23** quality training sessions were carried out, with **119** participants in attendance.

### Quality Management Strategy

Risk Type	Trigger Probability	Risk Analysis	Explanation of Potential Financial Impact	Response Measures
Legal risks	Low	<ul style="list-style-type: none"> <li>Updates to product-related laws and regulations, notably stricter restrictions on hazardous substance limits, require the Company to promptly adapt to and comply with these changes to avoid compliance issues.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in compliance costs or potential decline in profits</li> </ul>	<ul style="list-style-type: none"> <li>The Company regularly collects domestic and international laws, regulations, standards, and industry codes, promptly revises its internal hazardous substance control standards, and strictly implements these updates. Additionally, it signs the declarations on the non-use of hazardous substances with suppliers.</li> </ul>
Supplier Risks	Low	<ul style="list-style-type: none"> <li>The product quality may be affected by supplier qualifications, material performance, supplier transportation routes, and changes in packaging and transportation.</li> </ul>	<ul style="list-style-type: none"> <li>Product quality issues and delayed delivery may damage the Company's reputation, affect customer trust, and reduce sales revenue.</li> </ul>	<ul style="list-style-type: none"> <li>Formulate procedure documents such as the Supplier Control Procedure, Sample Control Procedure, and packaging specifications;</li> <li>Sign quality and confidentiality agreements with suppliers.</li> </ul>
Operational Risks	Average	<ul style="list-style-type: none"> <li>The delivered products do not meet the customer's requirements;</li> <li>Undetected bulk raw material defects lead to defective products leaking to customers;</li> <li>Defective products are not timely labeled and controlled;</li> <li>Inadequate labeling of production materials resulted in mixing and misplacement of conforming and non-conforming products, compromising product quality.</li> </ul>	<ul style="list-style-type: none"> <li>The costs of handling complaints and compensation lead to increased costs;</li> <li>Product quality problems may lead to customer order cancellations and reduced sales revenue.</li> </ul>	<ul style="list-style-type: none"> <li>Formulate quality control systems and management measures to strengthen quality control in the production process;</li> <li>Strictly enforce the incoming and outgoing quality inspections of finished products;</li> <li>Formulate the <i>Procedure for Control of Corrective and Preventive Actions</i> and the <i>Continuous Improvement Control Procedure</i> to drive ongoing improvement;</li> <li>Standardize the customer complaint response system to ensure prompt resolution of customer needs.</li> </ul>

Quality Metrics and Targets

The Company formulates the *Objectives, Targets, and Implementation Management Procedures* to establish, monitor, and continuously improve Key Performance Indicators (KPIs) for processes related to the quality management system. This ensures process effectiveness and product quality compliance with requirements, fulfills customer expectations, and achieves organizational quality objectives. Annually, the Company sets annual objectives and targets systematically cascaded down to specific departments through a hierarchical decomposition mechanism. Adjustments are implemented promptly based on target achievement status.

Quality Objectives

Pursue zero defects and make WCON a byword for high quality in the connector industry.

HSF Objectives

HSF customer complaint rate — zero.

During the Reporting Period

The company's product qualification rate is **99.66%**.



Performance Indicators	2024 Target Values	2024 Actual Achievement Values
C3-2 Stamping Process Inspection Pass Rate (%)	≥ 98	99.20
C3-3 Molding Process Inspection Pass Rate (%)	≥ 98.5	99.83
C3-5 Assembly Process Inspection Pass Rate (%)	≥ 98.5	99.83
Cost of Poor Quality (COPQ) Loss Rate (%)	≤ 0.5	0.115
Number of Continuous Improvement Projects (Count)	5	5
Document Distribution Accuracy Rate (%)	≥ 99	100
Incoming Material Inspection Pass Rate (%)	≥ 97	98.49
Incoming Batch Missing Quantity (Pieces)	≤ 3	1.75
Assembly Batch Non-conforming Quantity (Pieces)	≤ 3	0.25
Customer Return PPM	1500	761.57
Customer Acceptance Pass Rate (%)	≥ 99.6	99.67
HSF Incoming Inspection Pass Rate (%)	≥ 100	100
HSF Monthly Product Complaint Rate (%)	0	0

## Quality Management Measures

### Whole-Life-Cycle Management of Products

To enhance product quality control, the Company has implemented an integrated full-lifecycle quality management system that comprehensively governs every stage, from incoming material inspection, manufacturing processes, and finished product inspection to post-sales service tracking. This end-to-end framework ensures precise quality monitoring at each phase, enabling systematic management and continuous product quality optimization. The system guarantees consistent product delivery that meets regulatory standards and customer expectations.

#### Incoming Material Inspection

The *Incoming Material Inspection Control Procedure* is established to standardize the inspection process for externally procured or outsourced production materials. This protocol encompasses supplier qualification verification, statistical sampling inspection, material identification, and segregated storage protocols. Materials passing inspection are authorized for warehouse entry, while non-conforming items are processed in accordance with the Non-conforming Product Control Procedure.

#### Production Process

The *In-Process Inspection Control Procedure* has been established to standardize critical control protocols, including sample reception, first-article inspection, and last-article sampling verification. This framework ensures that all production stages operate under controlled conditions, maintaining consistent quality stability. Additionally, dedicated control procedure documents for stamping, injection molding, and copper wire production have been developed to define standardized workflows across all manufacturing workshops, ensuring product quality through documented process compliance.

#### Finished Product Inspection

The *Finished Product Inspection Control Procedure* has been established to stringently standardize incoming inspection (pre-warehousing verification) and outgoing inspection (pre-shipment validation) processes based on product categories, ensuring the outgoing products comply with the requirements.

### Dispose Non-conforming Products

To ensure the control and handling of non-conforming products and suspected items throughout the entire process of raw material input, production, product output, and service delivery, and to prevent the mixing of defective products with qualified ones that could enter subsequent processes or shipments, the Company has established procedural documents such as the *Non-conforming Product Control Procedure* and the *Defective Product & ROHS Disassembly Management Specification*. These documents standardize the Company's defective product disassembly and processing workflow and clarify the criteria for non-conforming products and disposal requirements, including rework processes.

#### Non-conformance Category

Incoming Inspection Non-conformance

IPQC In-process Inspection Non-conformance / FQC Sampling Inspection Non-conformance

OQC Sampling Inspection Non-conformance

Customer Return Non-conformance

Stock Re-inspection Non-conformance

Engineering Change Non-conformance

Post-Test Verification Non-conformance

RoHS Non-conformance

### Product Recall Management

The Company places high importance on product and service quality, establishing procedures such as the *Product Recall Control Procedure* and *Corrective & Preventive Actions Control Procedure* to standardize the supervision and management of its product portfolio. The Vice President convenes a task force to conduct recall evaluations for products with serious environmental non-compliance, quality defects, or potential safety hazards. If a recall is necessary, the Company promptly notifies relevant stakeholders to implement product retrieval, ensuring swift and complete control over affected items to prevent or minimize corporate losses. No products must be withheld or recalled during the reporting period due to health and safety concerns.

#### Recall Procedure

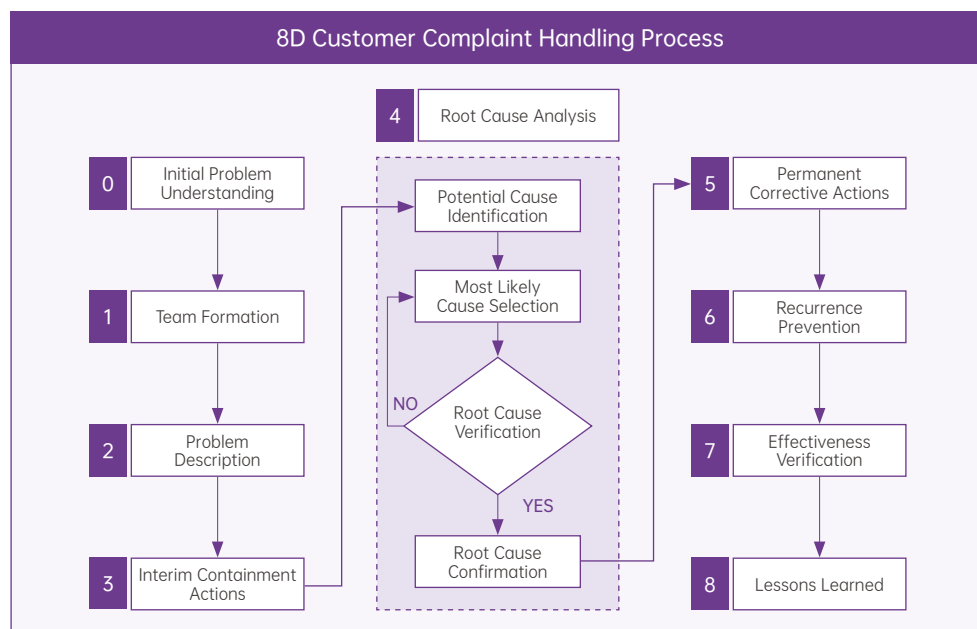


## Optimization of Customer Service

The Company adheres to a customer-centric philosophy, committed to delivering high-quality products and providing professional services to earn customer trust. Through its established *Sales Management Control Procedure*, the Company implements standardized controls across the entire sales cycle – encompassing pre-sales, in-sales, and post-sales processes. A coordinated effort involving the Marketing Center, Production Planning Department, R&D Center, Quality Assurance Division, and Project Management Office forms a customer demand-driven team structure. This cross-departmental collaboration ensures a comprehensive understanding of client requirements and market dynamics, enabling efficient order fulfillment and continuous improvement in customer satisfaction.

### Customer Complaint Handling

The Company has established the *Customer Complaint Handling Control Procedure* to standardize identifying and resolving client grievances, ensuring prompt responses and effective solutions to enhance customer satisfaction. Complaints are systematically addressed through an 8D methodology to achieve root cause resolution and prevent recurrence.



During the Reporting Period

The customer complaint resolution rate was **100%**.

Carry out **3** special training sessions on customer complaint response.

### Customer Satisfaction Survey

The Company places high importance on customer feedback and suggestions. It has established the *Customer Satisfaction Management Procedures* to systematically collect and understand customer satisfaction levels regarding services, products, delivery timelines, quality, and systems. This is achieved through multiple channels, including monthly proactive monitoring of customer satisfaction, annual customer satisfaction surveys, and, for automotive clients specifically, monthly collection of customer scorecards or monthly performance appraisal data by business personnel. All collected data undergoes timely compiling and analysis to drive continuous improvements in our quality management system's performance, with the ultimate goal of consistently exceeding customer expectations.

During the Reporting Period

The Company's customer satisfaction score was **95.84**.



## Honors And Recognitions



"Excellent Partner Award" in 2024 from Enpower



2024 China New Energy Vehicle Technology and Supply Chain  
Enterprise Online Selection - "Top 10 Industry Leader Award"



"Excellent Supplier" in 2024 from Bronze Technologies



"Excellent Supplier" in 2023 from RSPower Tech



"Certified Quality Supplier" in 2023 from OE Automotive



"Excellent Quality Award" in 2021 from FinDreams Powertrain



"Technological Innovation Award" in 2022 from Midea



"Excellent Partner Award" in 2022 from Enpower



"Excellent Supplier" in 2021 from Cal-Boz



"Excellent Supplier" in 2020 from Evoc  
Intelligent Technology

## ► Reinvent Sourcing Governance

### Supply Chain Security Governance

The Company strictly complies with the *Law of the People's Republic of China on Tendering and Bidding* and other relevant laws and regulations, having established internal procurement management systems, including the *Supplier Management Control Procedures* and *Procurement Control Procedures* to standardize purchasing processes and supplier governance. The Company implements rigorous selection criteria, qualification assessment, evaluation, and performance reviews for suppliers providing production materials, equipment, tooling components, and related services. This ensures the engagement of competent suppliers and service providers capable of delivering qualified raw materials, precision components, and superior services. These measures enhance the Company's supplier management capabilities, maintain improved collaboration with suppliers, and guarantee compliance with stipulated quality requirements throughout the supply chain.

01

#### Procurement Department

- ◎ Develop and evaluate new suppliers
- ◎ Organize relevant departments to recommend and review potential suppliers
- ◎ Approve qualified suppliers, document registration, and management
- ◎ Conducted comprehensive evaluations of existing suppliers, including performance reviews for guidance and support
- ◎ Negotiate procurement orders, delivery contracts, and related agreements with suppliers

#### R&D Center

- ◎ Participate in reviewing and auditing newly developed suppliers to determine qualified suppliers
- ◎ Confirm, evaluate, trial-assemble, and approve production parts for supplier samples and product drawing compliance

02

#### Quality Center

- ◎ Responsible for supplier quality assessment, judgment, and formulation of quality standards
- ◎ Verify incoming material quality from suppliers
- ◎ Participate in initial evaluations of new supplier development and preliminary approval of qualified suppliers
- ◎ Assess and guide suppliers in product control, quality management capabilities, and inspection equipment competency

#### General Manager

- ◎ Approve final decisions on qualified supplier certification
- ◎ Make critical decisions on significant issues arising during the procurement process

03

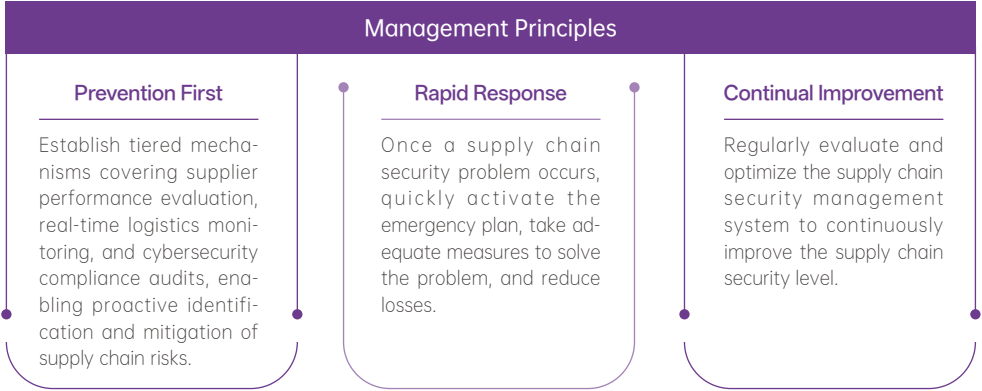
04

Supply Chain Security Strategy

Risk Type	Risk Description	Impact Duration	Potential Financial Impact	Response Measures
Supplier risks	Issues with suppliers' production capacity, quality performance, or delivery schedules may result in production interruptions or product quality defects.	higher	Delayed delivery triggers production interruptions, leading to economic losses and revenue reduction due to client order cancellations, incurring additional procurement costs.	<ul style="list-style-type: none"><li>◎ Implement rigorous supplier qualification screening and performance evaluation;</li><li>◎ Enhance incoming/inbound quality inspection procedures;</li><li>◎ Cultivate high-performance suppliers and establish relatively stable procurement channels;</li><li>◎ Establish a multi-level supplier system and activate emergency plans in case of emergencies;</li><li>◎ Closely monitor production progress and proactively discuss revised delivery timelines with affected clients.</li></ul>
Logistics Risks	Problems in transportation, warehousing, and other links may lead to product damage, delayed delivery, etc.	higher		
Political and Economic Risks	External factors such as political instability and economic crises may lead to supply chain disruptions.	higher		
Price Risks	Price volatility stems from commercial negotiations, geographic pricing discrepancies, emerging technologies/materials, and environmental compliance	low	Price rises increase procurement costs.	<ul style="list-style-type: none"><li>◎ Enhance business negotiation capabilities;</li><li>◎ Conduct thorough market research;</li><li>◎ Strengthen the timing of procurement;</li><li>◎ "Conduct multi-vendor comparative analysis" and "implement the inquiry and quotation system."</li></ul>

Supply Chain Risk Management

The Company implements a comprehensive supply chain risk management system that enables precise identification, scientific evaluation, and real-time monitoring of risks across critical phases, including supplier selection, raw material procurement, and production processes. Risk-tiered mitigation strategies are formulated with operational contingency plans, supported by periodic risk assessments and scenario simulations to enhance organizational resilience against supply chain disruptions systematically.



Supply Chain Emergency Drills

The Company has developed an *Emergency Drill Plan for Externally Sourced Processes* to address significant supply chain risks. This plan outlines targeted emergency measures and establishes a Procurement-Supply Emergency Response Team tasked with coordinating responses to sudden material shortages or considerable quality issues. Regular drills are conducted under the plan to strengthen departmental preparedness, ensuring teams can effectively mitigate disruptions. These efforts prevent material shortages, delays in customer deliveries, and unexpected losses caused by inadequate or defective supplies. By doing so, the Company guarantees that materials are procured timely, efficiently, and to the required quality and quantity standards.

Emergency Drill for External Supply Interruption

CASE

On March 12, 2024, the Company's Procurement Department conducted an emergency drill simulating a critical supply chain scenario: abnormal terminal electroplating in the T2150T-S4W02 product and a sudden supplier failure threatening customer delivery deadlines and urgent production line requirements. The Procurement Department swiftly collaborated across departments—including business, production, planning, and the emergency response team—to coordinate resources and timelines. To resolve the crisis, the department activated vetted backup suppliers capable of meeting strict quality and delivery standards, ensuring seamless material substitution. The drill concluded with successfully executing the contingency plan, averting potential delays, and safeguarding production continuity.

## Supplier Management

The Company continuously enhances its supplier management framework by implementing rigorous oversight of supplier entry, performance assessment, and supplier audit. This structured approach ensures consistent quality standards and strengthens supply chain reliability while mitigating operational risks.

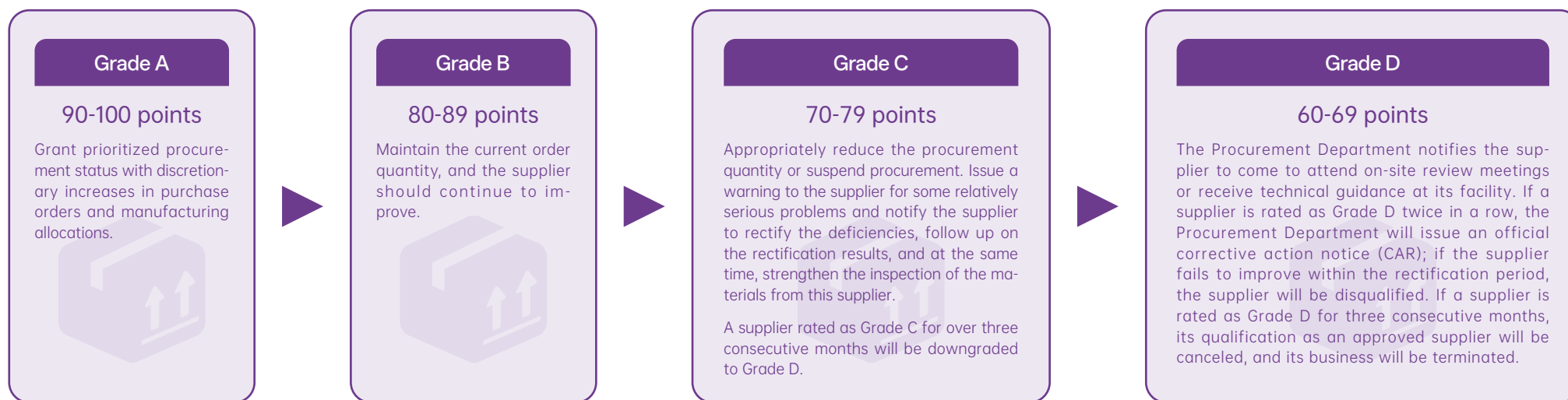
### Supplier Entry

For materials used in automotive products, the Company prefers to use suppliers certified by IATF16949 to ensure that the materials, processes, and services related to the purchased automotive products comply with the current laws and regulations in the receiving country, the country of dispatch, and the country of destination determined by the customer. All direct material suppliers are required to sign the following agreements with the Company: *Supplier Quality Assurance Agreement*, *Supplier Material PCN Agreement*, and *Supplier Environmental Compliance Agreement*.



### Supplier Assessment

The Company operates a tiered supplier evaluation framework, conducting periodic performance reviews across supplier categories. Assessments focus on four core performance metrics: quality compliance, quality performance, delivery reliability, and collaborative engagement. Based on cumulative evaluation scores, suppliers are classified into four tiers: Grade A, Grade B, Grade C, and Grade D. The Procurement Department aligns sourcing strategies with these ratings.



## Supplier Audit

The Company establishes an audit team to audit the leading qualified suppliers annually.

### Supplier Audit

Category A suppliers (key raw materials) and Category B suppliers (auxiliary materials) ▶ Annual mandatory on-site audits

Generally qualified suppliers ▶ Unscheduled audits or corrective guidance

Major quality nonconformities, C/D grade ratings, or critical delivery delays/service disruptions impacting production ▶ On-site evaluations

### Supplier Evaluation

Qualified ▶ Continue to purchase or increase the procurement quantity and give the supplier priority in new projects.

Audit score rate < 80% or 85% ▶ Notify the supplier to make improvements within one month. After providing materials for improvement, the supplier can apply for re-review. If the supplier is still unqualified after the re-review, its qualification will be canceled and not eligible for review within one year.

Unqualified ▶ The supplier can be given a rectification period of four months. After passing the re-review four months later, it can be included in the list of qualified suppliers again. Otherwise, it will be listed in the "Supplier Elimination Plan."

Suppliers listed in the "Supplier Elimination Plan" or those without business transactions for two years ▶ Go through the entire new supplier approval process to restart their business.

### During the Reporting Period

the Company completed auditing **34** suppliers, and the results showed all were qualified.

**39** qualified suppliers with quality management system certification

**15** qualified suppliers with environmental management system certification

**2** qualified suppliers with occupational health and safety management system certification

**0** potential qualified suppliers rejected due to non-compliance

**0** qualified suppliers whose cooperation was suspended due to non-compliance

## Empower with Digitalization

The Company places high importance on supply chain innovation and application initiatives, actively responding to national policy calls. Through digital transformation in the supply chain, it empowers the enterprise and its partners to achieve compliance transparency, cost reduction with efficiency improvement, and high-quality, sustainable growth. The Company uses the Supplier Relationship Management(SRM)system as an internal supplier management platform. The system integrates various functions such as the procurement process, supplier evaluation, and cooperation and collaboration, and effectively manages the entire life cycle of suppliers, from screening and admission to transaction cooperation, performance evaluation, and subsequent relationship maintenance. It standardizes and automates the procurement process, realizes information sharing and collaborative work between the enterprise and suppliers, such as sharing production plans, inventory levels, and other information, and enhances the trust and transparency of cooperation; at the same time, it can monitor supplier performance and risks in real-time, such as delivery delays, quality problems, etc., issue early warnings and take measures to reduce the risk of supply interruption.

Build Sustainable Supply Chains

Supplier ESG management is critical for companies to achieve sustainable development goals. To effectively implement ESG practices across supply chains, enterprises adopt a systematic approach encompassing the following measures: formulating clear ESG policies and standards, selecting ESG-compliant suppliers, establishing a regular communication mechanism, providing training and support, setting clear ESG improvement goals and indicators, conducting supervision and audits, and establishing an incentive mechanism. At the same time, the Company maintains a vigilant focus on market dynamics, regulatory updates, and internal growth trajectories. It continuously refines ESG management frameworks and standards for supplier networks, fostering a mutually beneficial ecosystem that drives collaborative development. This commitment ensures joint progress toward co-creating an eco-conscious, socially responsible, and sustainable future with supply chain partners.

Topics	Environmental	Social	Corporate Governance
Supplier Management Standards	<ul style="list-style-type: none"><li>Require suppliers to take necessary environmental protection measures, such as reducing emissions, protecting resources, and recycling waste;</li><li>Encourage suppliers to use renewable energy and energy-saving factory technologies;</li><li>Require suppliers to implement water resource management controls, take adequate measures to reduce water withdrawals, and process water and wastewater in an environmentally compatible manner.</li></ul>	<ul style="list-style-type: none"><li>Require suppliers to respect and protect international human rights and not engage in acts that violate or infringe on human rights.</li><li>Suppliers should be prohibited from using child labor, forced labor, or any form of compulsory labor to protect the legitimate rights and interests of employees.</li><li>Encourage suppliers to provide employees with a working environment that respects diversity and inclusiveness and advocates equal and fair business ethics.</li></ul>	<ul style="list-style-type: none"><li>Require suppliers to comply with all applicable national and international laws to ensure the legality and compliance of their business activities.</li><li>Encourage suppliers to develop and implement appropriate training so employees can understand generally accepted principles of behavior and international standards.</li><li>Supervise the implementation of suppliers' policies related to anti-monopoly, anti-bribery, and anti-corruption to ensure the fairness and transparency of their business activities.</li></ul>

The Company takes the initiative to explore supply chain energy conservation and emission reduction measures. It continues to work hard in logistics, transportation, and warehousing to minimize carbon emissions and contribute to environmental protection. In supplier selection, the Company adopts the "proximity principle" to avoid excessive energy consumption caused by long-distance transportation. During the Reporting Period, the Company had 41 qualified suppliers, and the ratio of procurement expenditures from local suppliers was 48.77%.

Transparent Procurement

The Company proactively pioneers a "Transparent Procurement" model characterized by legal compliance, operational transparency, and ethical efficiency. It has institutionalized a comprehensive procurement governance framework with standardized operational protocols, ensuring open, equitable, and transparent procedures that eliminate backdoor operations. This strategic approach drives continuous enhancement of procurement management sophistication across the organization. The Company signs the *Integrity and Honesty Agreement* with suppliers, firmly resists commercial bribery and unfair competition, opposes commercial fraud, and safeguards the legitimate rights and interests of both parties.

During the Reporting Period

100% of our suppliers signed the Integrity and Honesty Agreement.

# 04

## Human-Centric Commitment

WCON consistently regards employees as a crucial pillar in value creation, remaining committed to fostering an equal, inclusive, and diverse workplace environment. It safeguards employees' legitimate rights and interests while establishing a high-quality talent development system. Through supporting career advancement, prioritizing employee well-being, and enhancing workplace fulfillment, the organization strives to cultivate a profound sense of belonging among its workforce, ultimately achieving mutual growth for both employees and the enterprise.

### Responded Topics

- © Safeguarding Employees' Legitimate Rights and Interests
- © Employee Training and Development
- © Occupational Health and Safety
- © Social Contribution



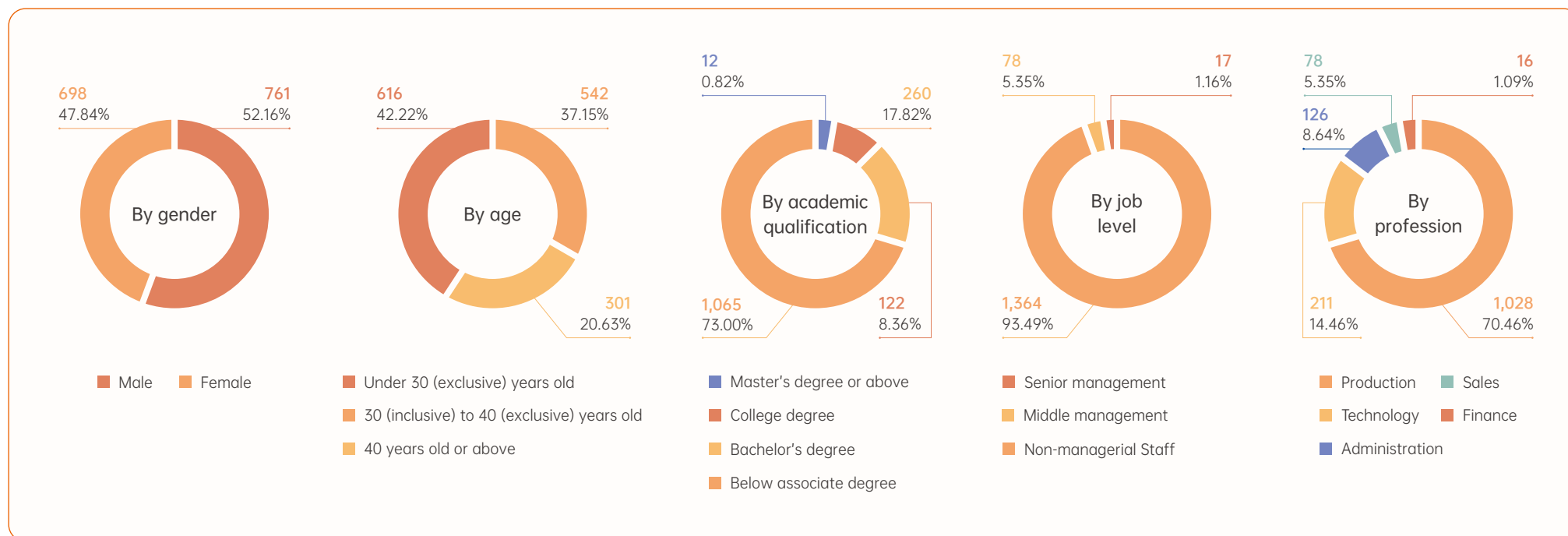
## ► Safeguard Employees' Rights

The Company strictly adheres to relevant laws and regulations, including the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, carrying out labor governance in compliance with legal requirements to establish a standardized employment management system. This compliance framework ensures lawful and orderly operations in employee administration while protecting workers' fundamental rights and interests. The Company adheres to the systematic development of its human resources management framework, establishing institutional documents such as the *Employee Handbook*, *Child Labor Prohibition Policy*, and *Forced Labor Prevention and Freedom of Employment Regulations*. These policies standardize employee conduct, rigorously prohibit child labor and coercive labor practices, and comprehensively safeguard workers' rights and interests. During the Reporting Period, no child labor or forced labor incidents occurred in the Company, and the labor contract signing rate was 100%.

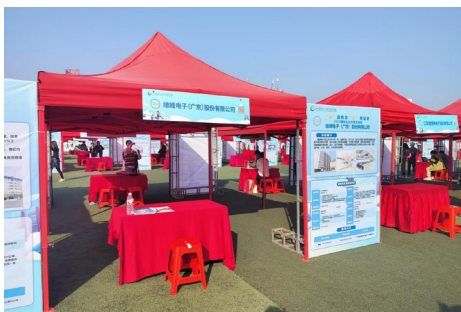
### Recruitment and Employment

The Company upholds the principles of "merit-based recruitment and selective hiring" principles, formalized through its *Recruitment Management Policy* to standardize employment procedures. Functional departments periodically assess workforce demands based on actual staffing conditions and organizational strategic plans, systematically determining departmental staffing quotas and talent requirements. These evaluations are documented in *Human Resource Requisition Forms* for tiered approval processes. The HR Department subsequently conducts needs assessments and authorization reviews in accordance with *Position Descriptions* and approved requisition forms, thereby implementing structured recruitment activities.

As of the end of the Reporting Period, the Company had **1,459** employees.



The Company actively diversifies its recruitment channels through collaboration with local human resources and social security authorities, regularly participating in government-organized offline job fairs and online live-streamed recruitment events. It implements cloud-based campus recruitment platforms for digital hiring campaigns and engages in seasonal campus recruitment activities at universities during autumn and spring semesters. During the Reporting Period, the Company participated in or held 8 campus recruitment activities, covering 8 institutions in Guangdong, Hunan, and Hubei provinces.



Invitation to Hunan Financial and Industrial Vocational and Technical College Career Fair for the Class of 2025



"Searching for Talents in Hanjiang, Adding Wings to the Tigers"  
-- 2024 Humen-Wuhan Campus Recruitment Matching Event  
hosted by Humen Human Resources and Social Security Bureau

#### During the Reporting Period

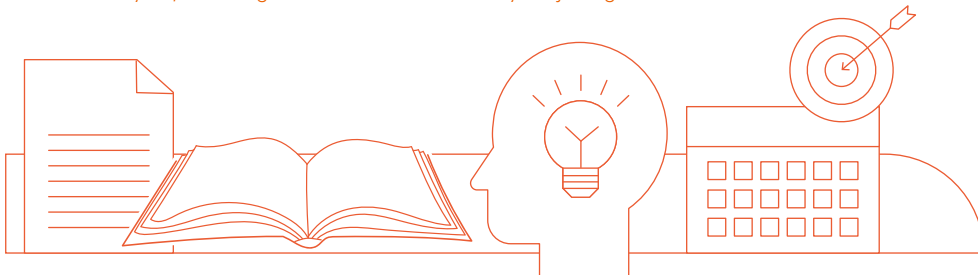
Number of new employees **1,003**, in which

Social recruitment **982** persons

On-campus recruitment **21** persons



Statistical scope: Newly recruited employees include both active and separated employees recruited within the year, excluding those who left within 7 days of joining.



### Diversity, Equality, and Inclusion

The Company recognizes international norms and guidelines such as the *Universal Declaration of Human Rights* and the *Ten Principles of the United Nations Global Compact*. It has established the Anti-Discrimination and Prohibition of Employee Abuse Regulations and the Human Rights Policy Statement to implement these commitments. These policies ensure equitable opportunities for employees across all stages of employment, including recruitment, compensation, training, promotion, benefits, and termination. The Company strictly prohibits discriminatory practices based on race, religion, region, gender, age, physical ability, or height and actively fosters a diverse, equal, and inclusive workforce.

#### During the Reporting Period

The Company had **2** disabled employees, **154** ethnic minority employees, in which **4** in the management.

The Company places a high priority on safeguarding the rights and interests of female employees, strictly adhering to the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*. By legally guaranteeing the implementation of maternity leave, lactation breaks, and other statutory protections for female workers, the Company ensures full compliance with wage standards when providing compensation during these periods. Through these efforts, the Company fosters an inclusive environment that strengthens female employees' sense of belonging and trust.

#### I Measures for the Protection of Female Rights and Interests

- ◎ It is strictly prohibited to assign female workers to perform tasks that endanger physical and mental health, jeopardize reproductive health, or pose safety risks;
- ◎ It is strictly prohibited to require pregnancy tests or contraceptive use as conditions of employment, to reduce base salaries, or to terminate employment contracts during female employees' pregnancy, maternity leave, or breastfeeding periods.

#### During the Reporting Period

**14.74%** of the Company's management were female, **4** employees enjoyed maternity leave, and **6** employees enjoyed parental leave.

## Compensation and Benefits

The Company adheres to the principle of distribution according to labor, establishing a Compensation Management System and Performance Management System. Employee compensation is determined based on individual capabilities, contributions, and regional living standards. Employees who deliver outstanding performance are awarded bonuses through a structured evaluation process. The Company has established an All-Excellence Performance Team to ensure the effective implementation of the KSF (Key Success Factors) performance plan. Each department independently calculates monthly performance results, while the All-Excellence Performance Team oversees the verification of performance-based salaries, data collection for relevant metrics, public disclosure of outcomes, and resolution of any disputes.

### Employee Benefits

#### Leave Entitlements

Employees are entitled to legal holidays, paid annual leave, marriage leave, bereavement leave, maternity leave, and other holidays in accordance with the law.

#### Living Security

Pay the five social insurances and one housing fund in accordance with the law, and provide free accommodation and meals for on-the-job employees.

#### Allowances

Provide various allowances for employees who have completed at least one year of service with the organization, such as marriage congratulatory money, a funeral subsidy, a travel subsidy for visiting relatives, and an annual living allowance.

#### Bonuses

Employees are granted performance-based incentives, such as performance awards, full-attendance bonuses, and performance commissions, based on their job performance evaluations and attendance records.

#### Team-building Interaction

Regularly organize team dinners and company trips and hold a collective birthday party for employees every month.

## Employee Stock Ownership Plan

### CASE

On November 27, 2024, the Company disclosed the *2024 Employee Stock Ownership Plan (Draft)* and *2024 Employee Stock Ownership Plan Management Measures*, proposing to implement an employee stock ownership program targeting directors (excluding independent directors), supervisors, senior executives, core management personnel, key technical (business) personnel, and other eligible incentive recipients within the Company (including consolidated subsidiaries and controlled subsidiaries). Following approval at the Shareholders' Meeting, the non-trading transfer of shares was completed on January 22, 2025.

## Employee Care

The company cares about its employees, attaches importance to the balance between employees' work and life, and organizes various employee activities, which enhances employees' happiness and sense of belonging to the enterprise and increases the company's cohesion.

### Employee Basketball Game

### CASE

The Company holds an employee basketball game and provides a bonus of 30,000 yuan as an incentive. Each department selects 10 people to participate, aiming to improve employees' physical fitness and enrich their spare time.



### Employee Birthday Party

### CASE

The Company hosts a monthly birthday celebration for employees celebrating birthdays in the current month. Each employee participates in a dedicated celebration ceremony and receives a personalized gift, fostering a stronger sense of belonging and happiness among staff.



### Outdoor Team-Building

### CASE

The Company organized an outdoor team-building activity themed "Step Out of the Office, Embrace Nature." The activity led employees to Xiachuan Island via a stop at the historic Chikan Old Town. Participants immersed themselves in breathtaking natural landscapes and cultural heritage throughout the journey, fostering a deeper connection with the Company's values and collective spirit.



### Retirement Staff Farewell Party

### CASE

In January 2024, the Company organized a farewell party for retired employees. Company leaders and personnel from relevant departments participated together to express gratitude for the retiring employees' hard work and promote the company's harmonious and stable development.



Employee Democratic Governance

The Company respects and safeguards employees' rights to exercise democratic management. It continuously improves the employee democratic management system led by the Labor Union Committee of the Company and streamlines multi-dimensional communication channels. It ensures timely collection, processing, response, and reporting of employee feedback and suggestions. The Company advocates equality in dignity and obligations across all hierarchical levels, emphasizing that every employee is responsible for autonomously participating in corporate governance. The Company respects employees' rights to self-organize and form groups to collectively express, advance, pursue, and safeguard their shared interests, upholding their freedom of peaceful assembly and association. Simultaneously, it protects employees' freedom of speech by establishing platforms for diverse viewpoints and actively encouraging staff to contribute ideas for WCON's development.

Establish Labor Union Committee

Following the *Trade Union Law of the People's Republic of China*, the *Constitution of the Chinese Trade Unions*, and relevant regulations, the Company established a labor union committee composed of employee representatives in 2021. This body organizes employees to lawfully exercise democratic participation, decision-making, management, and oversight, safeguarding their rights to information access, involvement in governance, and supervisory authority—core democratic entitlements under Chinese labor frameworks.

During the Reporting Period

71.10% of employees were union members.

The committees convened 1 meeting reviewed and approved 1 proposal.

Employee Grievance Mechanism

The Company encourages employees to report on the Company's management drawbacks and employees' improper behaviors at work. Employees can submit written appeals to the human resources department or lodge appeals through official accounts, emails, telephone calls, etc. The persons responsible for corresponding to the channels will handle the appeals according to the process specifications and promptly respond to the complainants' demands. For complaints that do not require investigation and evidence collection, the investigation committee needs to reply to the complainants with the results within one working day. For complaints involving investigation and evidence collection, the investigation committee needs to reply to the complainants with the results within seven working days after clarifying the situation. The Company handles all reasonable demands from employees impartially and severely punishes false accusations such as taking credit for others' achievements and retaliation.

Employee Satisfaction Surveys

The Company continuously enriches employee communication channels and methods and conducts regular employee satisfaction surveys. The survey content is designed from the employee's perspective and covers aspects such as work environment, behavioral etiquette, timeliness of salary payments, workload, rest and vacation time, methods to enhance recognition, internal promotions, training, daily management, and cafeteria satisfaction. The Company listens to employees' opinions, actively seeks measures to address their reasonable demands, and continuously improves employee satisfaction.



## ► Unblock Development Channels

### Employee Training System

The Company positions employee training as a core strategy for its development, establishing management policies for employee training, continuously refining the training system framework, and empowering employees to grow professionally. Department-level units formulate annual employee training plans based on the Company's talent development strategy, and personalized training needs across positions, creating systematic training programs to enhance employee competencies and professional technical capabilities continuously.

The Company incentivizes employees to develop internal training materials aligned with their work experience by offering monetary rewards proportionate to the length of such materials. An internal mentorship program facilitates talent cultivation and retention for new hires or employees undergoing role transitions. This initiative customizes career development pathways while enhancing mentors' communication skills, managerial capabilities, and sense of honor, achieving mutual professional advancement.

### Training Framework Development Plan



### During the Reporting Period

There were **400** internal employee training sessions, covering **100%** of employees. The investment in external training was **163,400** yuan, and the total training duration was **14,129** hours.

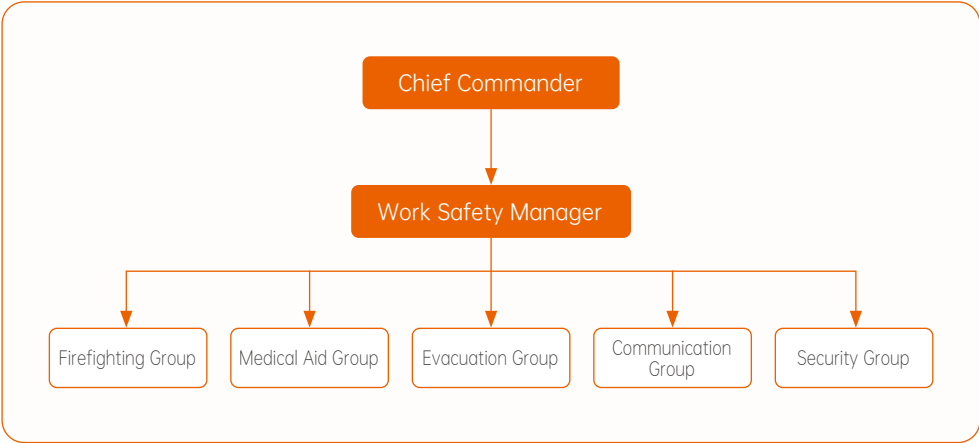
### Employee Promotion Mechanism

The Company prioritizes employee career development, providing equal promotion opportunities and clear career advancement pathways for all staff. The Company establishes a hierarchical promotion assessment system by implementing internal grade advancement mechanisms across all positions to standardize employee promotion workflows and conducts regular evaluations based on predefined assessment cycles and grade-specific criteria. It aims to motivate employees to continuously enhance their professional knowledge and comprehensive capabilities through structured career development paths. At the same time, the Company formulates a job transfer management system. When the Company needs to transfer relevant positions due to organizational expansion, changes, or development, excellent and suitable employees are selected internally through self-recommendation and department recommendation.

► Health Protection Network for Public Safety

Safety Management System

The Company profoundly recognizes the importance of workplace safety and occupational disease prevention and strictly implements legal requirements, including the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. To fulfill our commitments, the Company has established a comprehensive occupational disease prevention and control accountability framework, developed 12 institutional documents, such as the *Occupational Disease Prevention and Control Responsibility System* and the *Occupational Health "Three Simultaneities" Management System for Construction Projects*, and formed an occupational health management team and assigned dedicated personnel to implement these measures. The objectives are to resolve, control, and eliminate occupational hazards, protect employees' health and legal rights, improve production and working environments, and promote the Company's sustainable economic development. At the same time, according to the internal Environmental/Occupational Health and Safety Manual, the Company establishes an EHS Safety Committee, which is responsible for ensuring the continuous improvement of all employees' awareness of occupational health and safety and ensuring the timely and orderly procedures for notification, command, control, rescue, evacuation, etc. in emergencies.

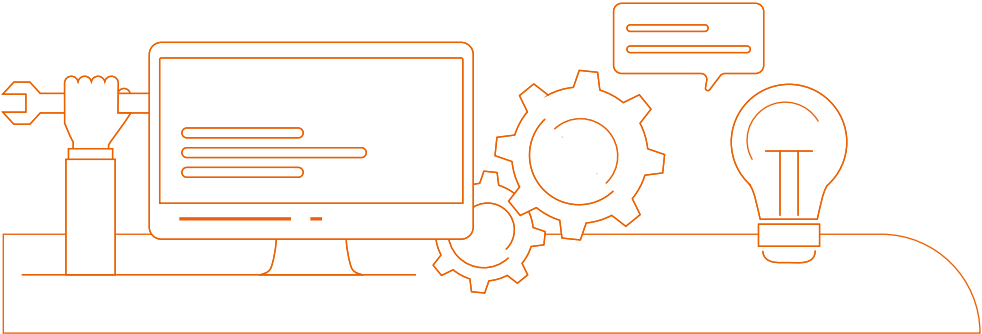


To ensure employees' safety, reduce or even eliminate the occurrence of work-related injuries, and enhance the safety responsibility awareness of each department, the Company formulates the *Control Procedure for Handling Work-related Injury Accidents*, purchases work-related injury insurance for all employees, conducts pre-job training on relevant knowledge for each employee. Employees engaged in special types of work must undergo job skill training, pass the assessment, and hold valid certifications for their positions. Personnel of all trades are prohibited from cross-operating or using machinery/equipment from other trades without authorization. Supervisors may temporarily reassign job duties only after ensuring full safety compliance.



Safety Management Objectives

	2024/2025 Targets	Achievements in 2024
Major Work-related Injury Accidents	0	Achieved ✓
Occupational Diseases	0	Achieved ✓



## Safety Risk Management

### Occupational Disease Hazard Detection

The Company prioritizes preventive control of occupational diseases at the source, continuously conducts hazard identification and occupational disease prevention education, and implements preventive protection measures and standardized work practices for employees in high-risk positions. The Company entrusts accredited occupational health service agencies for workplaces with occupational hazards to conduct annual monitoring of occupational hazard factors and triennial occupational hazard status evaluations. During the reporting period, the Company engaged an accredited third-party institution to monitor occupational hazard factors in the workplace. It implemented corrective actions to address non-compliant factors based on the monitoring results.

#### During the Reporting Period

The detection rate of occupational disease hazards: **100%**

The pass rate of occupational disease hazard detection: **100%**

The coverage rate for safety risk protection training: **100%**



### Safety Hazard Assessment

The Company proactively conducts workplace safety hazard identifications, establishes clear risk assessment and rectification protocols, and implements timely corrective actions to ensure a safe and stable working environment for employees. The Company has implemented a multi-frequency, categorized hazard management system with hierarchical controls across the entire plant. This system enforces daily, weekly and monthly inspections to ensure comprehensive risk mitigation. During the Reporting Period, the safety hazard inspection and rectification rate was 100%.

### Safety Emergency Drills

The Company has established the *Emergency Rescue and Management System for Occupational Disease Hazards* in compliance with relevant laws and regulations. This system standardizes emergency response and management procedures during major occupational hazard incidents, ensuring effective control and mitigation of various occupational disease-related accidents to minimize harm to personnel. The Company adheres to the principle of "rapid response and proper management" by regularly conducting fire drills and other emergency safety exercises. These initiatives aim to enhance employees' familiarity with emergency procedures and strengthen their comprehensive capabilities in responding to accident risks, thereby improving overall workplace safety preparedness.

### Fire Drill

#### CASE



To further strengthen employees' awareness of fire safety, test the ability of all employees, management personnel, and volunteer fire-fighters to respond to sudden fire incidents, enhance staff capabilities in fire extinguishing, evacuation, self-rescue, and escape, as well as improve management's organizational, coordination, and command skills at fire scenes, the Company organized a comprehensive fire drill across the entire factory on November 29, 2024.

### Safety Management Measures

The Company rigorously enforces safety production management and occupational disease prevention & control following regulatory requirements, safeguarding employees' physical/mental well-being and workplace safety while striving to establish an accident-free and injury-free operational environment.

### Contractor Safety Management

The Company attaches importance to the safety management of contractors. The main external contractors are security services and staff cafeteria operations. The Company has established the *Security Management Regulations* and the *Cafeteria Operating Procedures*, which explicitly allocate safety accountability to contracted parties. The Company conducts contractor-associated risk assessments through systematic hazard identification and control processes. Contractors must perform competency-based emergency response drills to maintain operational readiness for incident management.

### Occupational Disease Prevention

The Company proactively implements various comprehensive protective measures to mitigate occupational exposure risks, including issuing certified PPE (personal protective equipment) to employees in high-risk positions. The established *Maintenance and Overhaul System for Occupational Disease Prevention Facilities* and the *Management System for Occupational Disease Prevention Supplies* ensure continuous operation of occupational disease prevention equipment and emergency equipment. Giving priority to employees' health, the Company mandates annual occupational health surveillance for personnel exposed to workplace hazards. The 2024 monitoring program covered a total of 351 at-risk workers through required assessments and identified zero new occupational disease cases.

## Health Training

## CASE

In November 2024, the Company appointed Professor Tan Feng, a nationally accredited veteran TCM (Traditional Chinese Medicine) expert, as its Chief Wellness Consultant. This engagement included customized health education workshops for designated employee cohorts.



## Management of Hazardous Chemicals

The Company has established the *Hazardous Chemicals Management Regulations* to define the inventory of hazardous chemicals. The Human Resources Department is responsible for chemical storage management and daily supervision, while the chemical usage department oversees the operational management of chemical handling. All hazardous chemicals are required to have standardized Material Safety Data Sheets (MSDS) documentation. Employees must strictly adhere to established procedures when handling hazardous chemicals, with designated supervisors monitoring operations to prevent violations. In the event of potential hazards, employees must immediately implement emergency protocols to eliminate or minimize workplace risks.

## Cultivation of Safety Culture

The Company conducts annual safety education and training programs covering occupational safety knowledge, workplace safety protocols, and safety management competency development. Employees must demonstrate competency through written exams to enhance their safety awareness, thereby strengthening the Company's overall safety governance framework.

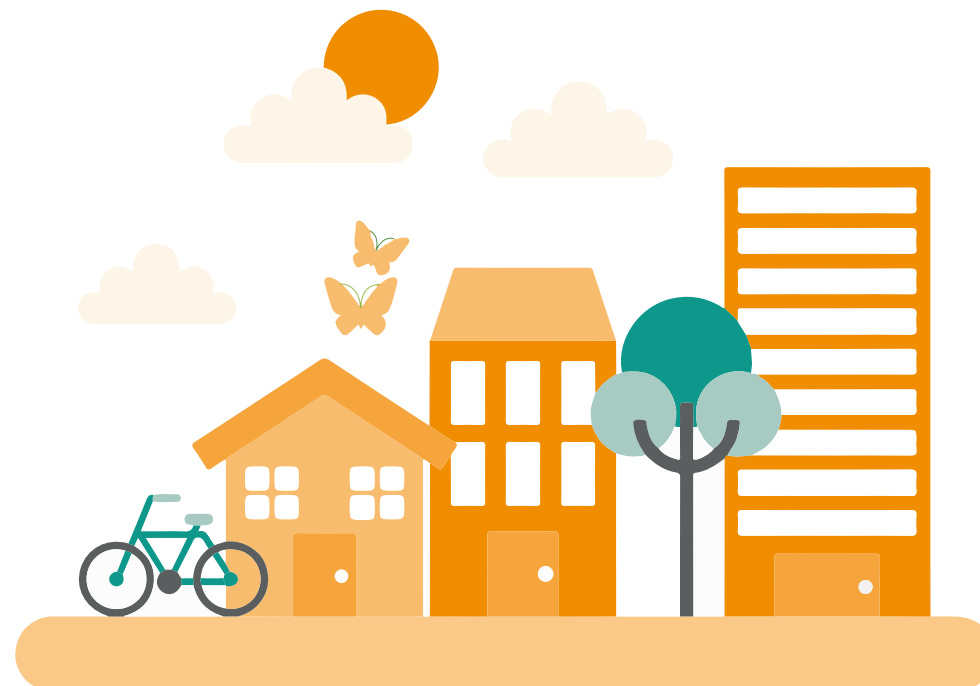
## During the Reporting Period

There were **38** safety education and training sessions, with **3,300** participants, totaling **41.50** training hours, achieving a **100%** coverage rate for safety education.

## ► Social Engagement for a Sustainable Future

The Company has established a comprehensive social responsibility vision centered on spearheading connector technology innovation, fueling regional economic growth, and broadly enhancing societal well-being. Guided by its long-term development strategy, the Company dynamically allocates resources across critical areas encompassing regional economic revitalization, industrial advancement, educational/cultural development, healthcare improvement, environmental sustainability, and diversified philanthropic initiatives, which are essential directions for fulfilling the Company's social responsibilities and making public welfare investments.

The Company upholds the harmonious integration of economic returns and social value creation, rigorously complying with national statutory requirements and aligning with governmental policy orientations. The Company is committed to generating quality employment opportunities by maintaining operation integrity within legal frameworks and fostering sustainable, well-structured growth for regional economic ecosystems. The Company will continue to fulfill its social responsibilities steadfastly. By continuously enhancing brand influence and industry leadership, the Company is committed to creating more excellent value for all stakeholders, including all sectors of society, investors, and employees.



# Appendix

## ► Key Performance Form

### Economic Performance

Metrics	Unit	2022	2023	2024
Total Operating Income	RMB 10,000	48,029.22	48,663.40	53,417.23
Net Profit Attributable to Shareholders of the Parent Company	RMB 10,000	11,203.26	13,035.46	8,546.64
Total Taxes	RMB 10,000	1,491.92	2,677.69	2,688.32

### Governance Performance

Metrics	Unit	2022	2023	2024
Remuneration for directors, supervisors, and senior managers	RMB 10,000	360.67	420.58	395.50
Number of legal training sessions	Times	1	1	1
Duration of Offline Legal Training for Directors, Supervisors, and Senior Executives	小时	88	88	104
Total participants in legal training programs	Person	11	11	11

Metrics	Unit	2022	2023	2024
The amount involved in litigation or significant administrative penalties caused by the Company's unfair competition behavior during the Reporting Period	RMB 10,000	0	0	0
Signing Rate of Integrity and Other Related Business Ethics Agreements	%	100	100	100
Total instructional hours dedicated to anti-commercial bribery and anti-graft compliance training delivered to board members	Hour	-	-	6
Total instructional hours dedicated to anti-commercial bribery and anti-graft compliance training delivered to the management	Hour	-	-	80
Total instructional hours dedicated to anti-commercial bribery and anti-graft compliance training delivered to employees	Hour	-	-	238
Number of performance briefings held	Times	-	2	2
Number of company open days held <sup>1</sup>	Times	2	2	1
Number of interactions with investors at irm.cninfo.com.cn	Times	76	68	105
Reply rate on irm.cninfo.com.cn	%	100	98.53	100
Number of periodic reports disclosed externally	Copy	1	6	6
Number of interim announcements disclosed externally	Copy	37	61	54

Note 1: Including collective investor engagement day initiatives, and corporate visitation programs

## Environmental Performance

Metrics	Unit	2022	2023	2024
Total environmental investment	RMB 10,000	10.00	15.00	240.20
Compliance rate observed in pollutant monitoring	%	100	100	100
Synchronized operation rate of environmental facilities	%	100	100	100
The compliance rate of "three simultaneities" in environmental protection for construction projects	%	100	100	100
Number of environmental training sessions	Times	11	14	14
Number of participants in environmental training	Person-times	313	405	525
Total hours of environmental training	Hour	344.5	458	689.5
Gasoline	Ton	4.88	4.54	4.36
Total purchased electricity	kWh	6,747,700	6,993,354	8,069,948
Total emission of greenhouse gases <sup>1</sup>	tCO <sub>2</sub> e	3,222.70	3,373.18	4,336.63
Direct greenhouse gas emissions (scope 1) <sup>1</sup>	tCO <sub>2</sub> e	41.65	75.81	73.93
Indirect greenhouse gas emissions (scope 2) <sup>1</sup>	tCO <sub>2</sub> e	3,181.05	3,297.37	4,262.71

Metrics	Unit	2022	2023	2024
Total water consumption	Ton	45,688	51,394	50,682
Waste gas emissions	Ton	0.25	0.30	0.66
Wastewater discharges	Ton	56,457.39	63,508.30	76,748.79
Quantity of general waste generated	Ton	3	3	3
Recycling rate of general waste	%	50	50	50
Quantity of general waste disposed of	Ton	3	3	3
Quantity of hazardous waste generated	Ton	2	2	2
Quantity of hazardous waste disposed of	Ton	2	2	2
Waste disposal compliance rate	%	100	100	100
Waste engine oil	Ton	0.6	0.6	0.6
Waste oil drums	Ton	0.2	0.2	0.2
Domestic waste garbage	Ton	481.8	481.8	481.8

Note 1: Scope 1 GHG emissions are calculated based on default values of common fossil fuel characteristic parameters issued by the National Development and Reform Commission of the People's Republic of China; Scope 2 GHG emissions are calculated based on average carbon dioxide emission factors for China's regional power grids issued by the National Development and Reform Commission of the People's Republic of China.

## Social Performance

## © Labor Relations Management

Metrics	Unit	2022	2023	2024
Percentage of contract workers	%	100	100	100
Number of dispatched workers	Person	0	0	0
Number of part-time employees	Person	0	0	0
Total number of employees	Person	1,203	1,382	1,459
Including: By job level				
Senior management <sup>1</sup>	Person	14	17	17
Middle management <sup>2</sup>	Person	63	68	78
Non-managerial Staff	Person	1,126	1,297	1,364
Including: By gender				
Female	Person	579	664	698
Male	Person	624	718	761
Including: By age				
Under 30 (exclusive) years old	Person	273	342	616
30 (inclusive) to 40 (exclusive) years old	Person	614	702	542
40 years old or above	Person	316	338	301

Metrics	Unit	2022	2023	2024
Including: By academic qualification				
Master's degree or above	Person	4	9	12
Bachelor's degree	Person	59	80	122
College degree	Person	187	227	260
Below associate degree	Person	953	1,066	1,065
Including: By profession				
Production	Person	863	975	1,028
Sales	Person	54	64	78
Technology	Person	224	279	211
Finance	Person	16	17	16
Administration	Person	46	47	126
Number of employees with disabilities	Person	1	2	2
Number of employees of minority nationalities	Person	155	149	154

Metrics	Unit	2022	2023	2024
Number of employees of minority nationalities in the management <sup>3</sup>	Person	2	3	4
Number of new employees	Person	869	976	1,003
Including: By recruitment channel				
Social recruitment	Person	842	957	982
On-campus recruitment	Person	27	19	21
The proportion of female managers	%	15.58	14.12	14.74
Number of employees on maternity leave	Person	3	7	4
Number of employees who took parental leave	Person	1	3	6
Social insurance coverage rate	%	99	97	97
Number of projects reviewed and approved by the trade union	Item	0	1	1
Proportion of labor union members to in-service employees	%	20	30	71.10
Number of cases of labor disputes	Item	0	0	0
Employee turnover rate	%	41.16	36.62	36.69
Including: By gender				
Female	%	53.16	57.89	52.11
Male	%	46.84	42.11	47.89

Metrics	Unit	2022	2023	2024
Including: By age				
Under 30 (exclusive) years old	%	39.94	45.61	45.37
30 (inclusive) to 40 (exclusive) years old	%	47.14	45.49	47.09
30 (inclusive) to 40 (exclusive) years old	%	12.07	8.27	6.63
50 years old or above	%	0.58	0.63	0.91

Note 1: Director level, Note 2: Section Chief + Manager level, Note 3: Deputy Section Chief level and above

#### © Employee Development and Training

Metrics	Unit	2022	2023	2024
Investment in employee training	RMB 10,000	-	-	16.34
Number of employee training sessions	Session	231	256	400
Total number of persons trained	Person	1,203	1,382	1,459
Total number of persons trained	Person-times	8,292	9,984	10,744
Employee training coverage	%	100	100	100
Total hours of employee training	Hour	9,749.5	11,669.5	14,129
Average training hours per employee per year	Hour	11.47	11.67	13.59
Number of employees having successfully transitioned or applied internally	Person	199	172	175
Proportion of internal transfers or applications by employees	%	23.41	17.20	16.83

## © Occupational Health and Safety

Metrics	Unit	2022	2023	2024
Number of safety production accidents	Case	0	0	0
Number of work-related deaths	Person	0	0	0
Total number of work-related injuries	Person	0	0	0
Hidden danger investigation and rectification rate	%	100	100	100
Safety education and training sessions	Times	32	36	38
Number of participants in safety education and training sessions	Person-times	3,060	3,200	3,300
Total hours of safety education and training	Hour	38	47	41.50
Coverage rate of safety education and training	%	100	100	100
Coverage rate of safety risk protection training	%	100	100	100
Percentage of special operators licensed	%	100	100	100
Investment in work-related injury insurance	RMB 10,000	18.77	26.6	47.59
Coverage rate of work-related injury insurance for employees	%	100	100	100
Coverage rate of physical examinations for employees	%	100	100	100
The detection rate of occupational disease hazards	%	100	100	100
Pass rate of occupational disease hazard detection	%	100	100	100

## © Innovation-Driven Growth

Metrics	Unit	2022	2023	2024
Investment in R&D	RMB	58,904,472.15	72,336,311.24	64,355,742.49
R&D investment as a percentage of primary business revenue	%	12.26	14.86	12.05
Total R&D team members	Person	224	267	210
Proportion of R&D personnel	%	18.62	19.32	13.60
Including: By age				
Under 30(exclusive) years old	Person	70	81	62
30 (inclusive) to 40 (exclusive) years old	Person	107	131	107
40 years old or above	Person	47	55	41
Including: By academic qualification				
Bachelor's degree or below	Person	200	232	176
Bachelor's degree	Person	24	31	32
Master's Degree	Person	0	4	2
Core technical personnel of the Company	Person	15	18	18
Total number of authorized patents	Item	143	167	201
Cumulative number of authorized invention patents	Item	8	11	21
Cumulative number of authorized utility model patents	Item	132	153	168
Cumulative number of granted design patents	Item	3	3	11
Number of valid patents per million yuan in revenue	Item	0.30	0.34	0.38

## © Product and Service Safety and Quality

Metrics	Unit	2022	2023	2024
Number of risk assessments conducted	Times	1	1	1
Product percent of pass	%	99.41	99.52	99.66
Times of annual quality internal audits	Times	1	1	1
Number of times third-party agencies were engaged for sampling	Times	1	1	1
Number of products that are required to be withdrawn and recalled for health and safety reasons	Case	0	0	0
Amount involved in accidents with significant safety or quality responsibilities related to products or services	RMB 10,000	0	0	0
Number of participants in quality training	Person-times	98	105	119
Total hours of quality training	Hour	2,352	2,520	2,737
Number of quality training sessions	Times	24	24	23

## © Protection of Customers' Rights and Interests

Metrics	Unit	2022	2023	2024
Customer complaint resolution rate	%	100	100	100
Number of participants in special training on responding to customer complaints	Person-times	166	230	192
Total hours of special training on customer complaint response	Hour	166	230	192
Number of sessions of special training on customer complaint response	Times	2	3	3
Total sessions of responsible marketing training	Times	24	32	38
Number of customer information leakage incidents	Case	0	0	0

## © Supply Chain Security and Sustainability

Metrics	Unit	2022	2023	2024
Number of suppliers	Units	41	41	41
The proportion of spending on purchasing from local suppliers was	%	44.50	45.00	48.77
Number of suppliers certified under quality management systems	Units	-	39	39
Number of suppliers certified under environmental management systems	Units	-	15	15
Number of suppliers certified under occupational health and safety management systems	Units	-	2	2
Number of suppliers suspended due to non-compliance	Units	-	0	0
Number of prospective suppliers rejected due to non-compliance	Units	-	0	0
Percentage of suppliers that have signed the <i>Integrity Agreement</i>	%	100	100	100
The number of incidents with significant risks and impacts on the supply chain was	Case	0	0	0

Note: The number of suppliers is counted based on the list of qualified suppliers.

## © Data Security and Privacy Protection

Metrics	Unit	2022	2023	2024
Number of training sessions carried out	Times	11	12	12
Total investment in data security	RMB 10,000	142.7	2.4	9.7
Number of incidents of information security and privacy protection violations	Times	0	0	0

## Metric Index

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

Disclosure Requirements	Corresponding Sections of This Report
Response to Climate Change	Low-Carbon Operations for a Green World – Responding to Climate Change, Implementing Low-Carbon Initiatives
Pollutant Emissions	Low-Carbon Operations for a Green World – Advancing Environmental Stewardship, Reinforcing Pollution & Waste Mitigation Controls
Waste Disposal	Low-Carbon Operations for a Green World – Advancing Environmental Stewardship, Reinforcing Pollution & Waste Mitigation Controls
Ecosystem and Biodiversity Conservation	Not Involved
Environmental Compliance Management	Low-Carbon Operations for a Green World– Advancing Environmental Stewardship, Reinforcing Pollution & Waste Mitigation Controls
Energy Utilization	Low-Carbon Operations for a Green World – Optimizing Energy Management, Enhancing Resource Efficiency
Water Resource Utilization	Low-Carbon Operations for a Green World – Optimizing Energy Management, Enhancing Resource Efficiency
Circular Economy	Low-Carbon Operations for a Green World – Optimizing Energy Management, Enhancing Resource Efficiency
Rural Revitalization	Human-Centric Commitment – Proactive Social Engagement, Co-building a Sustainable Future
Contribution to Society	Human-Centric Commitment – Proactive Social Engagement, Co-building a Sustainable Future
Innovation-Driven Growth	Innovation-Driven Transformation – Leveraging Innovation Catalysts, Co-accelerating Industrial Ecosystems
Technology Ethics	Not Applicable

Disclosure Requirements	Corresponding Sections of This Report
Supply Chain Security	Innovation-Driven Transformation – Reinventing Sourcing Governance, Strengthening Supply Resilience & Guarantee Provision
Equal Treatment of Small and Medium-Sized Enterprises	Not Applicable
Product and Service Safety and Quality	Innovation-Driven Transformation – Strengthening Quality-Centric Foundation, Forging Premium Brand Excellence
Data Security and Customer Privacy Protection	Strengthen Compliance to Solidify Governance – Prioritizing Data Integrity, Fortifying Privacy Safeguards
Employees	Human-Centric Commitment – Safeguarding Employees' Rights and Interests, Creating a Fair Workplace Human-Centric Commitment – Unblocking Development Channels to Assist Employees' Growth Human-Centric Commitment – Strengthening the Health Protection Network and Reinforcing the Defense Line for Public Safety
Due Diligence	Human-Centric Commitment– Safeguarding Employees' Rights and Interests, Creating a Fair Workplace Innovation-Driven Transformation – Strengthening Quality-Centric Foundation, Forging Premium Brand Excellence
Communications with Stakeholders	Sustainable Development Governance - Communications with Stakeholders
Anti-commercial Bribery and Anti-corruption	Strengthen Compliance to Solidify Governance – Reinforcing Compliance Governance, Fortifying Ethical Bedrock
Anti-unfair Competition	Strengthen Compliance to Solidify Governance – Reinforcing Compliance Governance, Fortifying Ethical Bedrock
Protection of Shareholders' Rights and Interests	Strengthen Compliance to Solidify Governance – Strengthening Investor Relations Management, Protecting Shareholder Rights
Corporate Governance Compliance	Strengthen Compliance to Solidify Governance – Standardizing Corporate Governance, Promoting Prudent Operation
Compliance and Risk Control	Strengthen Compliance to Solidify Governance – Standardizing Corporate Governance, Promoting Prudent Operation Strengthen Compliance to Solidify Governance – Reinforcing Compliance Governance, Fortifying Ethical Bedrock
ESG Governance	Sustainable Development Governance

## ► Feedback

Thank you for reading the *2024 Environmental, Social, and Governance (ESG) Report of WCON Electronics (Guangdong) Co., Ltd.* We greatly value and eagerly anticipate your opinions and suggestions on our sustainability efforts and sustainable development management. Your feedback is essential for continuously improving and enhancing our sustainability management practices. We kindly invite you to complete the questions in the "Feedback" section and share your responses through the modes provided below. Once again, thank you for your strong support of our sustainability initiatives!

Which of the following stakeholders is most relevant to you about WCON?

- ☐ Employee ☐ Customer ☐ Shareholder and Investor ☐ Supplier ☐ Government and Supervisory Agency ☐ Industry Association or Scientific Research Institution
- ☐ Social Organization, Media and the Public ☐ Others (please specify) \_\_\_\_\_

1. Your overall assessment of this year's ESG report:

- ☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

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

- ☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

3. Do you find the report readable?

- ☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

4. Do you think the report comprehensively reflects the Company's significant economic, societal, and environmental impacts?

- ☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

5. What is your evaluation of the report's logical reasoning, structural arrangement, and layout design?

- ☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

6. Which topics in this year's ESG report most captured your attention?

\_\_\_\_\_

7. What additional information would you like to see in the report?

\_\_\_\_\_

8. Your opinions on our ESG report or sustainable development work and sustainable development management.

\_\_\_\_\_

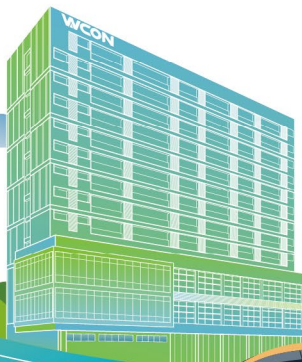
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The WCON logo is displayed in a bold, blue, sans-serif font. A small registered trademark symbol (®) is located to the upper right of the letter 'N'. A stylized orange triangle is positioned beneath the letter 'C'.

# WCON®



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