GOODWE

2024 Sustainability Report

GOODWE

GoodWe Technologies Co., Ltd.
Address: No. 93, Tayuan Road, High-tech Zone, Suzhou City, Jiangsu Province , China
Website: https://www.goodwe.com/
TEL: 0512-62916050

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About this Report

This report is the first Sustainability Report issued by GoodWe Technologies Co., Ltd., and the fourth report on Environmental, Social and Governance (ESG) -related information. In accordance with the requirements of the ***Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial),*** we officially renamed our report from ***Social Responsibility Report to Sustainability Report*** this year, to disclose to all stakeholders our sustainability principles, management approaches and practices, and the results achieved across operations.

Reporting Scope

The scope of this report covers GoodWe Technologies Co., Ltd. (hereinafter referred to as "GoodWe" or "the Company" or "we") and its subsidiaries. Unless otherwise stated, the scope of this report is consistent with the scope of GoodWe's (stock code: 688390.SH) consolidated financial statements for the same period.

Full Name	Abbreviation	Corresponding Operation and production base
GoodWe Technologies Co., Ltd.	GoodWe, the Company, We	Global headquarters, Suzhou factory
Goodwe (Guangde) Power Supply Technology Co., Ltd.	GoodWe (Guangde)	Guangde factory
FOSHAN GOODHEAT TECHNOLOGY LTD	GoodHeat	Shunde factory
GoodWe VIETNAM TECHNOLOGY CO., LTD	GoodWe VIETNAM	Vietnam factory
Jiangsu Yude New Energy Technology Co., Ltd.	Yude New Energy	Yude New Energy
SHAWLLAR Energy Technology Co., Ltd.	SHAWLLAR	SHAWLLAR

Reporting Period

The reporting period ranges from January 1, 2024 to December 31, 2024. If some content exceeds this scope, it is explained where it is involved.

Preparation Basis

This report has been prepared in accordance with the ***Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed C ompanies—Sustainability Report (Trial) (2024)*** and the ***Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Standardized Operations (December 2023 Revision)***, and with reference to the relevant requirements and norms of the Global Sustainability Standards Board ***GRI Sustainability Reporting Standards*** (2021 Edition).

Disclosure Notes

The financial data in this report comes from the Company's 2024 Annual Report, which has been audited by an independent third party. Unless otherwise specified, it is in RMB. If the relevant financial data does not match the Company's annual report, the annual report shall prevail. Other data and cases come from the Company's actual internal records or announcements.

Preparation Principles

Materiality

The Company identifies business-related topics of materiality to various stakeholders as the focus of reporting. While reporting material topics in this report, it also focuses on the characteristics of the Company's industry and operating business. The materiality assessment process and results are detailed in the "Materiality Assessment" section of this report.

Accuracy

This report ensures that the information is as accurate as possible. The calculation method, calculation basis and assumptions have been explained in the measurement of quantitative information to ensure that the calculation error range will not be misleading to the user of the information. The quantitative information and annotation information are detailed in the appendix "ESG Data and Annotations" of this report.

Balance

The content of this report reflects objective and true facts, and discloses both positive and negative information about the Company impartially. No negative events that should have been disclosed but not disclosed were found during the reporting period.

Clarity

This report is published in Simplified Chinese and English. This report contains tables, model diagrams, company name tables and other information as a supplement to the text content of this report, so that stakeholders can better understand the report. To facilitate stakeholders obtaining information faster, this report provides a table of contents and a benchmarking index table of ESG standards.

Quantification

This report discloses annual key quantitative metrics.

Completeness

The scope of disclosure in this report is consistent with the scope of the Company's consolidated financial statements.

Timeliness

This report is an annual report covering the period from January 1, 2024 to December 31, 2024.

Verifiability

The cases and data in this report come from the original records or financial reports of the Company's actual operation. The data sources and calculation processes disclosed by the Company can be traced back and can be used to support external assurance inspections.

Report Access

This report is available in Simplified Chinese and English. If there is any ambiguity in the understanding of the Chinese and English texts, please refer to the Simplified Chinese version. The electronic version of the report can be obtained from the official website of GoodWe, the Shanghai Stock Exchange and the cninfo website.

Contact Us

You are welcome to contact us and contribute valuable suggestions for the content of the report and ESG management.

GoodWe, Sustainable Development Research Institute

Address: No. 93, Tayuan Road, High-tech Zone, Suzhou City, Jiangsu Province , China
E-mail: esg@goodwe.com

Chairman's Statement

The photovoltaic industry continues to be a pivotal force in the global energy transition, with newly installed capacity maintaining robust growth and underscoring the sector's strong momentum. Against this backdrop, GoodWe has consistently placed sustainability at the core of its corporate strategy. The Company actively responds to the global demand for sustainability by continuously enhancing its governance structure in alignment with internationally recognized ESG frameworks, driving technological innovation, fulfilling its social responsibilities, and steadfastly exploring integrated smart energy solutions that align with the evolving needs of new power systems, encompassing generation, grid, load, and storage.

Strengthening Governance to Solidify the Foundation for Sustainability

We continuously refine and enhance our internal management systems, promote diversified governance across global operations, increase the transparency of information disclosure, and strengthen our frameworks for business ethics and risk management. In 2024, we established the ESG Strategy and Management Committee and defined the Company's medium- and long-term sustainability roadmap. This initiative reinforced our ability to manage ESG-related risks and opportunities, improved the quality and transparency of ESG disclosures, and elevated our performance in ESG ratings. These efforts have ensured the effective implementation of our sustainability strategy across the organization, enabling us to maintain strategic foresight and enhance our resilience to systemic risks in an increasingly complex and volatile market landscape.

Innovation-Driven Development to Lead the New Era of Smart Energy

We regard robust innovation and R&D capabilities as the cornerstone of our competitiveness in the industry. Guided by our vision to "Driving the World's Smart Energy Future," we continue to increase investment in R&D, deepen industry-academia-research collaboration, enhance scenario-based system integration capabilities, and spare no effort in building model demonstration projects.

In 2024, we launched a series of groundbreaking products that leverage innovative technologies to significantly reduce system costs and accelerate the intelligent transformation of energy management. Among them, the SDT G4 series stands out in a highly competitive market with its high-efficiency output, flexible installation, and ultra-quiet operation—greatly enhancing the Company's market competitiveness.

Moreover, our new global headquarters and manufacturing facility in Guangde have both received prestigious industrial recognitions, underscoring our commitment to excellence. Always driven by customer needs, we continue to strengthen our R&D teams and are dedicated to developing integrated hardware-software solutions that are intelligent, efficient, and sustainable—contributing to the global transition toward a greener energy structure.

Fostering a Win-Win Ecosystem to Enhance Product and Service Value

Upholding a development philosophy rooted in openness and inclusivity, we work closely with customers, industry partners, suppliers, and other key stakeholders to collectively drive the transformation and upgrading of the industry ecosystem, paving the way for a sustainable future.

In 2024, we continuously refined our customer service processes around evolving client needs, resulting in higher levels of customer satisfaction and loyalty. These efforts culminated in the attainment of a ten-star rating for Customer Satisfaction Index Evaluation Certification and the highest five-star certification for Commodity After-sales Service Certification.

At the same time, we reinforced ESG practices across our supply chain, actively encouraging suppliers to implement comprehensive improvements in environmental, social, and governance performance. These initiatives earned us the Bronze Medal from the internationally recognized agency EcoVadis, alongside a 100% pass rate in on-site audits conducted by global clients—further strengthening our reputation and trust within the market.

Fulfilling Our Green Commitment and Advancing Low-Carbon & Sustainability

We are firmly committed to low-carbon and environmentally responsible operations, embedding this philosophy into both our management systems and production practices. In alignment with China's "Dual Carbon" goals, we have strengthened lifecycle management across our product portfolio and actively advanced the development of green energy.

In 2024, we achieved all of our annual environmental management targets. All major product lines received carbon footprint certification, reflecting our commitment to transparency and accountability. Meanwhile, our Guangde factory implemented a range of resource conservation and carbon reduction initiatives, earning recognition as one of Anhui Province's first model "Zero-Carbon Industrial Parks" and one of the inaugural "Virtual Power Plant" pilot units.

Fulfilling Social Responsibilities and Building a Sustainability Community

We are deeply committed to corporate social responsibility, with a strong focus on employee development and societal well-being. In 2024, guided by the philosophy of "dedication-driven," we continued to enhance our employee welfare and rights protection systems, while establishing a comprehensive talent development and training framework. Our efforts earned us the "Best Employer in Greater Suzhou" title for the eighth consecutive year, along with the inaugural "Suzhou Best Employer for ESG Practices" recognition in Suzhou.

Beyond the workplace, we actively contributed to public welfare through our philanthropic solar power station initiatives. In collaboration with partners across the country, we helped establish charitable photovoltaic stations for households, rural communities, schools, and community centers, with millions of donations in total—demonstrating our sustainability commitment for the society.

As China's photovoltaic industry garners global attention with its world-leading production capacity, GoodWe recognizes its position at the forefront of the energy revolution and the weighty environmental and social responsibilities that come with it. This transformation, driven by technological breakthroughs, extends beyond the energy sector to reshape the very foundations of governance and infrastructure in human society. Upholding our vision of "driving the world's smart energy future" and guided by China's "Dual Carbon" goals, GoodWe will continue to drive industrial advancement through technological innovation, while fulfilling its duties to support China's power electronics sector in meeting the evolving needs of a "new electricity system".

GoodWe - Chairman

Huang Min

ESG Data Highlights

Environment

- The Company's Guangde factory has installed over **5 MW** of distributed photovoltaic capacity in total, with an annual power generation of up to **3,941.28 MWh**.
- **17** products obtained carbon footprint certification.
- **2** products passed the Environmental Product Declaration (EPD) certification.
- The organizational boundary for carbon accounting and greenhouse gas (GHG) emissions statistics expanded to include the Global headquarters and factory, Guangde factory, and Yude New Energy, with total GHG emissions amounting to **3,727,548.65** tons of CO_2 equivalent.

Governance

- The proportion of independent directors on the Board of Directors was **50.00%**.
- The proportion of female directors on the Board of Directors reached **33.33%**.
- The rate of employees signing integrity pledges was **100%**.

Society

- R & D investment reached RMB**551.2951 million**.
- The average training hours of employees were**24.22**.
- A total of six public welfare solar power stations were donated, with the combined installed capacity — including donated equipment — reaching approximately **375kW**.

GoodWe ESG Recognition and Honors in 2024

2024 MSCI ESG Rating
BBB

Note: MSCI ESG ratings last updated on July 31, 2024

CDP Climate Change Questionnaire
B-

EcoVadis Sustainability Rating
Bronze Medal

Wind ESG Rating
BBB

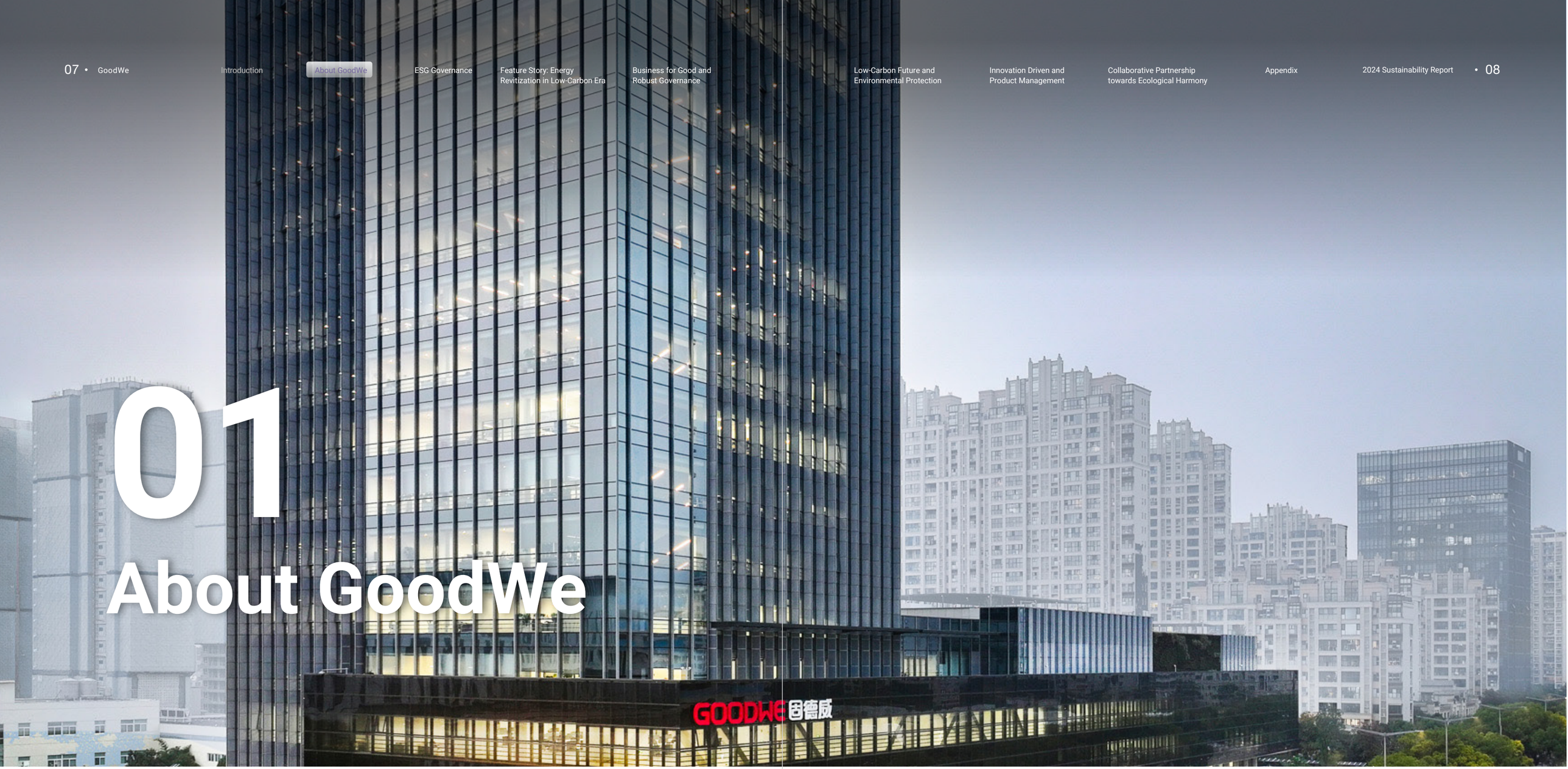
Chindices ESG Rating
A

Csindex ESG Rating
AA

CRHC ESG Rating
BBB

In the Top 100 ESG-listed Energy Companies in China
Ranked 25th

SynTao Green Finance ESG Rating
A-



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Company Profile

GoodWe Technologies Co., Ltd. (SSE STAR Market stock code: 688390), founded in 2010 and headquartered in Suzhou High-tech Zone, is a high-tech enterprise specializing in the conversion and storage of renewable energy power equipment and energy management. Centered on reducing electricity costs and improving energy efficiency, and dedicated to multi-energy complementarity and energy value creation, the Company integrates independent research and development, production, sales, and services.

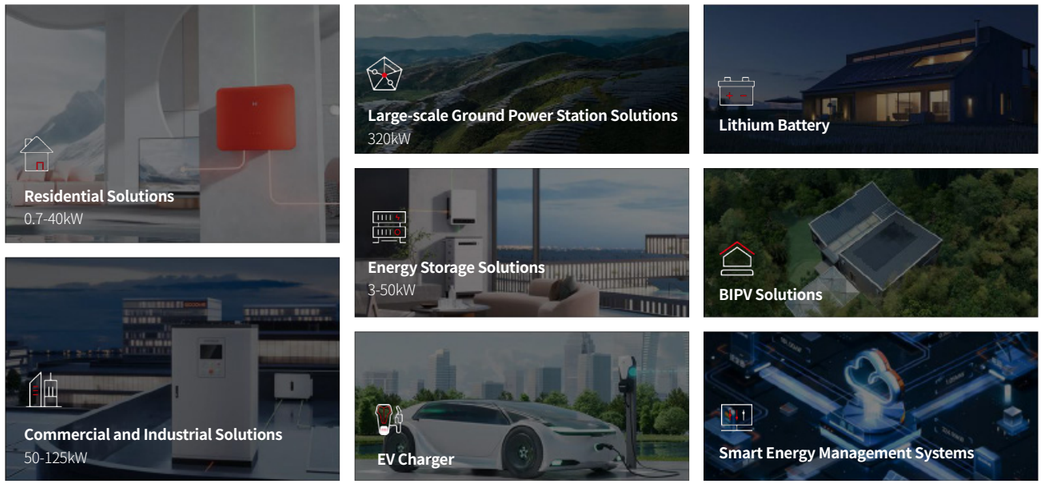
The Company has long focused on the R&D, production, sales, and services of renewable energy power supply equipment such as solar power and energy storage. Now it has developed more than 20 series of photovoltaic inverter products for grid connection and energy storage, with a power range of 0.7-350 kW, and are committed to providing smart energy management and other overall solutions for households, industrial and commercial users and ground power stations.

GoodWe Corporate Profile

Corporate Name:	固德威技术股份有限公司
Corporate English Name:	GoodWe Technologies Co., Ltd.
Stock Code:	688390.SH
Registered capital:	RMB242,586,404
Total assets:	RMB7,951,970,000
Main business products:	PV Grid-Connected Inverters, PV ES Inverters, Energy Storage PCS, Energy Storage Battery Systems, PV Building Materials, Intelligent Data Collectors, and Smart Energy Management Systems

Sustainable Solutions

Under the transformative trends of the energy internet, GoodWe remains committed to power electronics technology as its foundation. The Company continuously innovates in renewable energy conversion technology, energy storage technology, and intelligent energy management system platforms. By promoting its products and solutions globally, the Company strives to be a key force driving the global energy transition, working alongside power grids, industrial and commercial parks, communities, and customers to usher in a new era of smart energy.



Company Culture

Vision

- Driving the World's Smart Energy Future

Mission

- We are determined to become a major driving force in the global energy transition, building a sustainable future.

Positioning

- Customer-Centric: Emphasize meeting customers' needs and providing high-quality services.
- Dedication-Driven: Respect and motivate those employees who strive for the company's goals.
- Truth-Seeking and Pragmatic: Pursue practical effects and executable strategies.
- Collaborative and Innovative: Encourage teamwork and constantly seek new methods and solutions.
- Co-Creation and Win-Win: Pursue common growth with employees, partners and customers.

Global Presence

As one of the earliest inverter companies in China to enter the international market, the Company has always adhered to a global strategy of developing both domestic and international markets. It has established subsidiaries or customer service centers in Australia, the United Kingdom, South Korea, Germany, the Netherlands, Spain, India, Turkey, Brazil, Mexico, the United States, Japan, Poland, and Singapore, providing customers with comprehensive pre-sales, sales, and after-sales services.

GoodWe Global Headquarter:

Suzhou, China

Production Bases:

Suzhou, Guangde, and Shunde in China and Vietnam

R&D Centers:

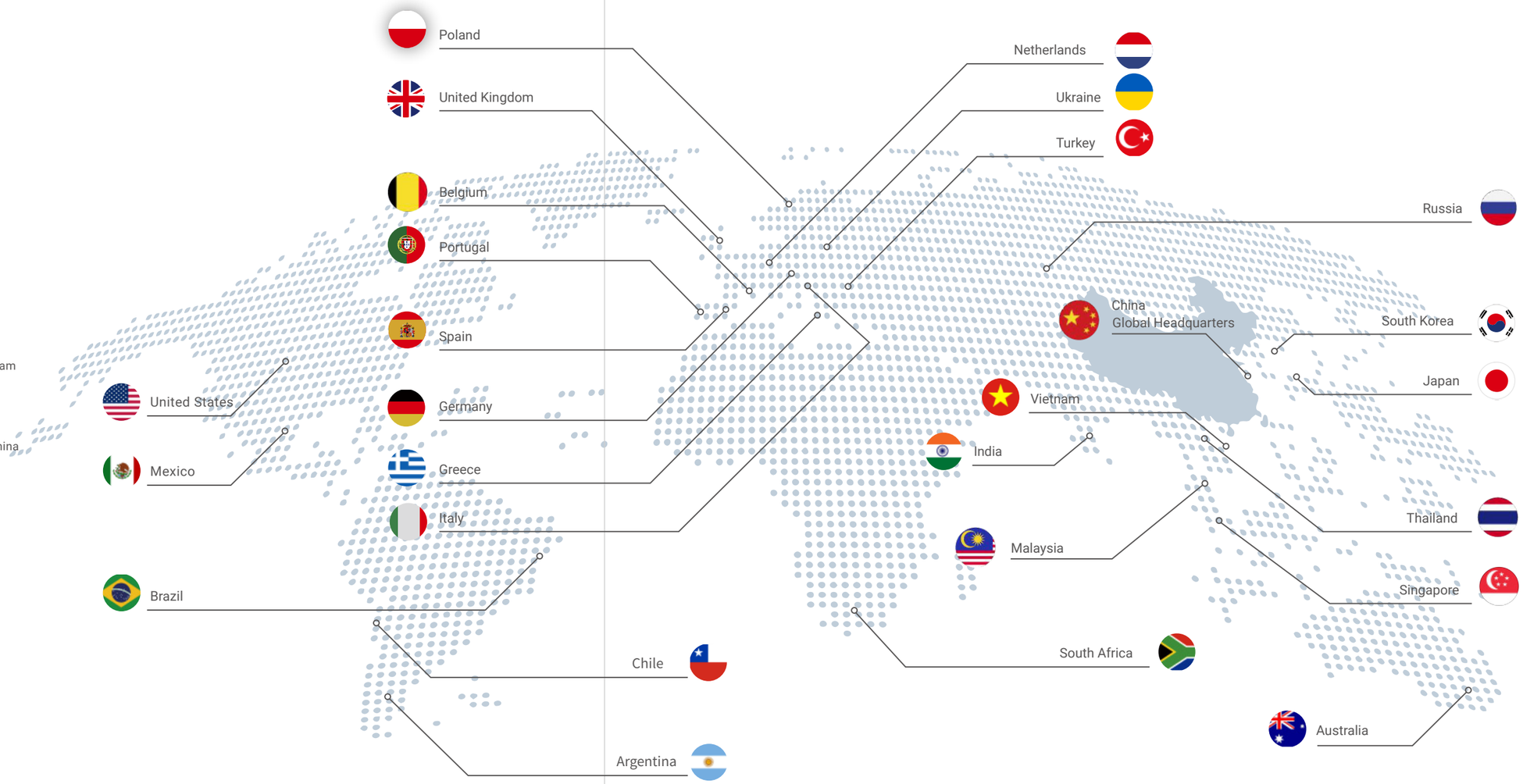
Suzhou, Shenzhen, Wuhan, Nanjing, Shunde in China

Subsidiaries:

Australia, Germany, United Kingdom, Netherlands, Japan, United States, South Korea, Spain, Poland, Singapore, Vietnam

Customer Service Centers:

Australia, Netherlands, Germany, France, Mexico, Brazil, Poland, Spain, Italy, South Africa, Portugal, Greece, India, Turkey, Japan, United States, Vietnam, Thailand, Malaysia, United Arab Emirates, Kenya, Sweden, Czech Republic, South Korea, Pakistan, Philippines, Egypt



2024 Key Events

January

The Guangdong Solar Energy Association, in collaboration with the Guangzhou Institute of Energy Conversion of the Chinese Academy of Sciences and Sun Yat-sen University, hosted the "2023 Guangdong Solar Industry Development Summary Conference and 2023 Guangdong International Photovoltaic Science and Technology Academic Conference." GoodWe was honored with two prestigious awards: the 2023 Influential Brand Award for Photovoltaic Building Materials and Inverters.

March

The Energy Storage Pioneer Alliance (EESA) released the 2023 Global Energy Storage Industry Chain Data Rankings. The results showed that in the 2023 global shipment rankings for low-power PCS (power< below 30kW) by Chinese companies, GoodWe ranked first worldwide.

April

GoodWe's Building-Integrated Photovoltaics Division was invited to attend the 3rd Photovoltaic Building Industry Annual Conference and Building Photovoltaic Market Promotion and Advanced Technology Exchange Conference. During the award ceremony for the demonstration technologies under the "14th Five-Year National Key R&D Program," GoodWe's Smart Energy R&D Building Project was recognized as a "Technical Demonstration Project" under the "14th Five-Year" National Key R&D Program.

June

GoodWe Smart Energy has reached a strategic partnership with Alibaba Cloud, a global leader in cloud computing. The collaboration will be based on SMART ENERGY MANAGEMENT SYSTEM (SEMS) and Aliyun Tongyi AI model. Together, they will explore key technologies for new energy digital models and innovative pathways for digital energy development, providing a "benchmark" for the application of new energy + large models in the industry.

July

GoodWe Power Technology (Guangde) Co., Ltd., with the support of Xuancheng Power Supply Company and Guangde Power Supply Company, was actively developing a virtual power plant demonstration project. Thanks to its innovative technical solutions and outstanding implementation results, the project was successfully selected as one of Anhui Province's first virtual power plant pilot demonstration projects. This recognition marked GoodWe's leading position in the virtual power plant sector at the provincial level.

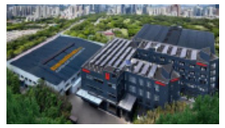
August

The China Energy Research Society and Beijing Wanjia Green Credit Rating Co., Ltd. evaluated the sustainability disclosure systems of listed companies in China's energy sector and released the 2024 China Energy Listed Companies Sustainability (ESG) Report. GoodWe was recognized for its outstanding performance in environmental, social, and corporate governance (ESG), securing a spot in the Top 100 Chinese Energy Listed Companies in ESG 2024 list, ranking 25th.

September

At the 2024 New Energy and Power Market Innovation Development Conference and the 14th Global New Energy Enterprise 500 Summit, GoodWe was prominently ranked in the Global New Energy Enterprises Top 500, securing the 277th position. This marks an impressive improvement of 98 places compared to the previous year.

October



GoodWe's subsidiary, GoodHeat Foshan Technology Co., Ltd., held a grand inauguration ceremony for its world-class air source heat pump factory with an annual production capacity of 300,000 units. The factory is equipped with five automated production lines and four international-grade explosion-proof laboratories. It also features advanced testing equipment compliant with European, American, Australian, and Chinese standards, ensuring robust R&D and performance testing for a wide range of heat pump products with heating capacities from 3kW to 500kW—covering heating, domestic hot water, and pool applications. The facility ensures precise noise testing and guarantees product stability and high efficiency under extreme conditions, delivering high-performance, energy-saving, and environmentally friendly solutions to customers.

November

The results of the 2024 Forbes China Globalization 30 Under 30 was announced. GoodWe was successfully listed in the "Top 30 China Globalization Flagship Brands", recognized for its outstanding innovation capabilities, global strategic layout, and brand influence.

December

The 2nd Low Carbon Development Forum for Cold and High Latitude Regions and Extreme Cold Testing Forum was held. The forum was jointly organized by China National Inspection and Testing Group Corporation, the Ministry of Housing and Urban-Rural Development's Kangju Certification Center, and the Standardization Technical Committee of the China Photovoltaic Industry Association. At the forum, GoodWe was awarded the "2024 Extreme Cold Excellent Performance Award" by the National Inspection Group.

02 ESG Governance

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ESG Governance Structure

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Contribution to the United Nations Sustainable Development Goals (SDGs)

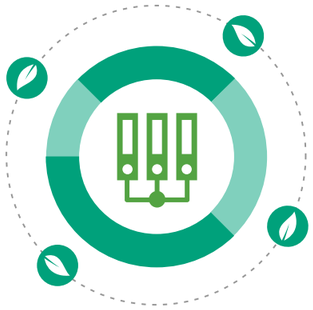
ESG Governance Structure

GoodWe places great importance on the Company's sustainability, integrating ESG management into both its corporate strategy and daily operations. The Company strictly adheres to internationally recognized sustainability frameworks and principles, clearly defining its policies on ESG. It has established and implemented internal regulations, such as the Sustainability Manual, and set up the Sustainable Development Research Institute, responsible for formulating sustainability strategies, optimizing governance systems, ensuring compliance and risk management, enhancing internal and external communication, publishing sustainability reports, and promoting economic, environmental, and social progress. This ensures that the Company's operations and management practices always align with relevant ESG standards and requirements.

Sustainability Policy

Promote sustainable development of business counterparts involving ethical business operation with transparency and without fraud or corruption, respect for human rights, caring for safety and occupational health, and environmental management.

Promote development of business and social innovations to enhance efficiency and effectiveness, together with value added to the organization and stakeholders.



Be committed to excellent operations, covering economic, environmental, community, and social dimensions.

Reduce negative impacts and increase positive impacts on stakeholders, environment, community, and society, as well as business process of the organization.

In terms of ESG governance, the Company has established a three-tier structure encompassing the decision-making level, planning and management level, and execution level, ensuring efficient operation throughout the entire process, from strategic planning to specific execution, providing a solid organizational guarantee for the Company's sustainability. To meet its development needs and strengthen comprehensive ESG management, the Company established an ESG Strategy and Management Committee in April 2024, in accordance with the relevant guidelines from the Shanghai Stock Exchange and the Company's Articles of Association. The Committee aims to define the Company's medium- to long-term sustainability plan, solidify the Company's ESG risk and opportunity management, enhance ESG information disclosure capabilities and rating levels, and promote the effective implementation of the sustainability strategy within the Company.

GoodWe ESG Governance Structure

GoodWe ESG Governance Responsibilities and Duties

Board of Directors

- Oversees and makes decisions on matters related to the Company's sustainability. Regularly reviews reports from the ESG Strategy and Management Committee and assesses key documents, including the sustainability report, ESG major incident response plans, ESG key project planning, and relevant internal policies.
- Reviews and approves key ESG development topics, ensuring alignment between the Company's core operational philosophy and sustainability principles.

ESG Strategy and Management Committee

- Responsible for formulating the Company's major medium- and long-term development topics, overseeing and tracking various system certification processes (the Chairman of Committee serves as the highest authority for all systems), supervising implementation, and organizing responses to external audits as the primary planning and management body for the Company's sustainability-related systems
- Regularly reports to the Board of Directors and facilitates the effective implementation of the sustainability strategy established by the Board of Directors within the Company.

ESG Execution Level

- Appoints ESG implementation leads within relevant departments based on the ESG strategy and business performance indicators to carry out the corresponding tasks. Regularly reports on the implementation status and work outcomes to ensure the comprehensive integration of sustainability principles into the Company's operations and the continuous improvement of the Company's ESG performance.

The ESG Strategy and Management Committee consists of four permanent bodies, including the Group ESG Steering Committee, the EHS Committee, the Information Security Committee, and the Sustainable Development Research Institute, working together to ensure the multidimensional advancement of the Company's sustainability strategy.

To ensure the alignment of the ESG strategy with the Company's overall strategic objectives, the Company's daily ESG management is led by the Sustainable Development Research Institute (SDRI) (hereinafter referred to as the "Institute"). The Institute is responsible for strategic planning and integrated governance, compliance and risk management, as well as stakeholder communication and report disclosure. It also provides a foundation for decision-making and planning for the other three permanent committees. Since its establishment in October 2023, the Institute has continuously optimized its internal structure, establishing four dedicated groups, including the Supply Chain ESG Compliance Group, the ESG Operations Group, the ESG Market Group, and the ESG R&D Group. These groups were established to ensure the smooth implementation of the Company's systems and certification processes, enhance the performance of existing ratings, expand the Company's external high-quality customer base, create a smart energy ecosystem for joint market expansion, build a digital framework for ESG operations and supervision, and improve the level of information disclosure.

The Company actively engages in external industry collaboration and government partnerships while strengthening internal employees' knowledge and skills related to green development, driving the in-depth development of ESG management. In 2024, the Company participated in 55 ESG-related activities, covering major Company activities and external industry exchange events, continuously enhancing both internal and external ESG practices and cooperation.

GoodWe Key ESG Practices in 2024

External activities

Industry association exchanges

- Worked closely with industry associations to actively respond to policy interpretations, promoted the development of green technologies and the implementation of environmental policies, and expanded partnerships in the ESG field.

Strengthening government cooperation

- Collaborated with government agencies to participate in the formulation of ESG-related standards and supported the transition to a green economy.

Collaborating with partners

- Collaborated with supply chain partners to develop the green economy by sharing resources and fostering innovative partnerships, driving the expansion of green industries.

Internal activities

Enhancing employee's awareness

- Focused on raising internal employees' awareness of green development, enhancing their knowledge and skills, strengthening both internal and external green value chains, and ensuring the Company can lead sustainability globally while advancing ESG goals.

The Company is committed to strengthening Environmental, Social and Corporate Governance (ESG) management through digital transformation. We have built a relevant ESG-related databases focusing on business needs and ESG management, which mainly includes the basic database of honors, ratings, indicators and operations. It aims to facilitate the integration and analysis of ESG data, improve management efficiency and support the Company's sustainability and decision-making. To facilitate the integration and analysis of ESG data, to improve management efficiency and support the Company's sustainability and decision-making.

System operation database

- Covers system certification, carbon inventory, energy consumption and other databases to ensure the compliance and efficiency of the Company's operations.

Supply chain-related database

- Includes supplier profiles, qualified suppliers, hazardous materials surveys, conflict minerals surveys, etc., to enhance the transparency and sustainability of the supply chain.

Sales support database

- Covers product carbon footprint, ESG knowledge base, ESG service desk and other databases, to enhance the empowered ESG awareness in the sales process.

ESG performance database

- Includes the Company's ESG ratings, ESG indicators, and stakeholder monitoring to track the Company's ESG performance.

Materiality Assessment

Double Materiality Assessment

In 2024, GoodWe determined the materiality of topics in accordance with the ***Self-Regulatory Guidelines No. 14 for Companies Listed on Shanghai Stock Exchange—Sustainability Report (For Trial Implementation) (hereinafter referred to as the "Guidelines"),*** and referred to international sustainability information disclosure standards such as the Global Sustainability Standards Board (GSSB) ***GRI Sustainability Reporting Standards*** (2021 Edition) (hereinafter referred to as the "GRI Standard") and the Sustainability Accounting Standards Board (SASB) standards to analyze the Company's ESG-related topics from the perspective of impact materiality and financial materiality, in order to identify topics of materiality to the Company.

Note: This materiality assessment is based on the principle of financial materiality, adopting the Sustainability Accounting Standards Board (SASB) framework. SASB is selected for its industry-specific sustainability disclosure standards, which offer strong practicality and sector relevance.

GoodWe Double Materiality Assessment Process in 2024

Understand the Company's activities and business background

- Understand the Company's value chain and strategic planning.
- Interpret the Company's sustainability context and market environment.
- Understand the value chain impacted and key affected stakeholders.

Create a list of topics

- Based on the 21 topics in the "Guidelines", the Company combines with domestic and foreign sustainability standards (including but not limited to stock exchange disclosure requirements, GRI standards, and international sustainable financial standards (SASB), adds industry-specific topics and eliminates topics with low industry relevance.
- Based on the Company's actual situation and stakeholder communication, the Company conducts preliminary identification and screening of relevant sustainability topics, and analyzes the actual and potential impacts, risks, and opportunities related to these topics.

Confirm the materiality of the topic assessment

- **Impact materiality assessment**
  Conduct stakeholder communication through questionnaire surveys, evaluate from the two dimensions of "severity of impact" (impact scale, scope, irremediability) and "likelihood of impact ", and refer to internal and external expert opinions to form an impact materiality matrix.
- **Financial materiality assessment**
  Communicate with Company executives and sustainability-related personnel through questionnaire surveys, evaluate from two dimensions: "likelihood of occurrence" and "extent of financial impact", and refer to internal and external expert opinions to form a financial materiality matrix.
- **Double materiality conclusion**
  After normalizing the impact materiality and financial materiality matrices, a double materiality matrix is formed, and the boundaries of materiality topics are defined.

Confirm and approve the topics

- After being reviewed and confirmed by the Board, key disclosures were presented in the sustainability report on topics of high materiality in 2024.

Stakeholder Communication

According to the characteristics of its own business and operations, the Company benchmarks domestic and foreign industry practices, and identifies key stakeholders as government and regulatory authorities, shareholders and investors, customers, employees, suppliers and partners, and the community and the public. Through regular meetings, information disclosure and other channels, the Company establishes a regular communication mechanism with various stakeholders and actively responds to the demands and expectations of stakeholders.

GoodWe Stakeholders and Communication Methods

Main stakeholders	Topics of concern	Communication methods
Government and regulatory authorities	Pollutant discharge Environmental compliance management Waste disposal Corporate governance Business ethics Risk and compliance management Ecosystem and biodiversity protection	Policy instruction Work report Information submission On-site inspection
Shareholders and investors	R&D and innovation Risk and compliance management Corporate governance	Shareholders' meeting Investor's meeting Research roadshow Information disclosure Telephone and email communication
Customers	Product quality and safety Product lifecycle management R&D and innovation Customer relationship management Data security and customer privacy protection	Customer visit Customer complaint Satisfaction survey Telephone and email communication
Employees	Employee employment and rights Employee training and development Occupational health and safety Business ethics Digital transformation	Employee representative communication and consultation meetings Internal communication platform Employee satisfaction survey Employee EAP
Suppliers and partners	Sustainable supply chain management Business ethics Responding to climate change Product quality and safety Product lifecycle management Circular economy Energy utilization Water resources utilization	Invited tenders meeting Research visit Exchange and cooperation Industry Forum
Community and the public	Community engagement and contribution Responding to climate change Energy utilization	Volunteering service Public welfare activities

Due Diligence

The Company collaborates with external experts and internal sustainability teams to conduct due diligence related to sustainability, identify, analyze, and sort out the economic, environmental, and social impacts of various ESG topics in the short, medium, and long term, as well as the risks and opportunities arising from business operations and models, and disclose the Company's targeted management measures and practices.

GoodWe Impacts, Risks and Opportunities Assessment of Material Topics in 2024

No.	Topics	Impacted stakeholders	Impact description	Risk/Opportunity type	Impact scope1
1	Responding to climate change	Supplier and partner Community and the public	By promoting the development and promotion of clean energy technologies, the Company has significantly reduced its dependence on fossil fuels and helped reduce global greenhouse gas emissions. Its photovoltaic, energy storage and other solutions not only make the global energy mix greener but also improve energy efficiency and reduce pollution caused by energy production and consumption.	Policy and regulation risk Market risk Market opportunity	Short, medium and long term
2	Energy utilization	Suppliers and partners	By implementing an efficient energy management system, the Company focuses on reducing energy consumption in its own operations and optimizing energy efficiency in production and operations. In addition, the Company actively optimizes the energy structure, increases the proportion of clean energy use, and promotes the flexible application of clean energy in multiple scenarios.	Energy Sources Opportunity	Short, medium and long term
3	Water resources utilization		Although the Company takes certain water management measures, the high water consumption requirements in the Company's daily operations may place pressure on water resources, especially in water-scarce or ecologically sensitive areas, exacerbating local water stress.	Resource efficiency opportunity	Medium and long term
4	Pollutant discharge	Government and regulatory authorities	Improper management of waste disposal, hazardous substance control, and emissions during the production process may lead to soil, water, and air pollution, impacting ecosystems and human health. Additionally, an increase in waste can result in resource inefficiency, and if not effectively recycled or treated, it will further exacerbate environmental burdens.	Policy and regulation risk	Medium and long term
5	Waste disposal				
6	Environmental compliance management		If the Company does not establish a strict compliance system to monitor and manage production, emissions and waste disposal, it may lead to omissions or failure to respond to environmental regulations in a timely manner. Inadequate environmental compliance systems may lead to risks such as excessive emissions and improper waste disposal, exacerbate the pollution burden of water sources, soil and air, and damage the local ecological environment.		

No.	Topics	Impacted stakeholders	Impact description	Risk/Opportunity type	Impact scope1
7	Circular economy	Suppliers and partners	By incorporating circular economy concepts into product design and production, the Company places great emphasis on the efficient use of resources and the recycling of materials, reducing dependence on natural resources and reducing waste generation.	Resource efficiency opportunity	Medium and long term
8	Ecosystem and biodiversity protection	Government and regulatory authorities	If the Company does not fully assess the impact on the local ecosystem when expanding production facilities or developing renewable energy projects, it may disrupt or damage wildlife habitats, posing a threat to biodiversity.	Reputation opportunity	Medium and long term
9	Product lifecycle management	Customers Suppliers and partners	The Company pays attention to environmental protection in all aspects of product design, production, use and recycling, and prioritizes low-carbon and renewable materials to reduce resource consumption and pollutant generation.	Policy and regulation risk Market opportunity	Medium and long term
10	Employee employment and rights	Employees	If the Company's management of labor treatment and working environment is not in place, it may lead to violations of employees' rights and interests, such as low wages, long working hours, or poor working conditions.	Policy and regulation risk	Medium and long term
11	Occupational health and safety		If the Company fails to provide adequate safety measures or there are hidden dangers in the working environment, it may lead to the risk of injury or occupational diseases at work, which not only affects the health and quality of life of employees but also increases the burden on the social medical system.		
12	Employee training and development		The Company helps employees improve their professional skills and enhance their employment competitiveness by providing systematic vocational training and development opportunities. This not only creates favorable conditions for employees' personal career growth but also promotes the improvement of the overall quality of the labor force in society.	Operation risk Digital opportunit	Short, medium and long term
13	Product quality and safety	Customers Suppliers and partners	If the Company fails to strictly control the quality standards of products or neglects safety testing, it may lead to substandard products entering the market, increasing the risk of equipment failure and accidents, which in turn poses a threat to the safety of users and the public.	Product installation risk Product adaptability opportunity	Medium and long term
14	Customer relationship management	Customers	If the Company fails to effectively meet customer needs or miscommunicates, it may result in poor customer experience, which in turn affects the overall service quality of the industry and consumer trust.	Service Response Risk Market opportunity	Medium and long term
15	Data security and customer privacy protection	Customers	If the Company fails to take adequate technical measures to safeguard the personal information of customers and employees, it may lead to sensitive data leakage or exposure to cyberattacks, which not only violates personal privacy, but also triggers a crisis of trust in the ability of enterprises to protect their data.	Policy and regulation risk	Medium and long term
16	Sustainable supply chain management	Suppliers and partners	If the Company fails to ensure that its suppliers comply with relevant policy standards, it may result in the procurement of unsustainable raw materials or improper production processes. This not only increases the environmental burden but may also infringe upon labor rights, leading to social issues such as poor working conditions and unequal wages.	Supply chain stability risk Market opportunity	Medium and long term
17	R&D and innovation	Shareholders and investors Customers	The Company promotes the popularization and application of green energy by continuously promoting technological innovation and developing efficient and low-cost renewable energy solutions. Its breakthroughs in photovoltaic technology and energy storage systems not only improve energy efficiency but also contribute to reducing global carbon emissions and addressing climate change.	Technical risk Market opportunity	Short, medium and long term
18	Digital transformation	Employees	The Company uses advanced digital technologies and intelligent systems to improve the efficiency and transparency of energy management, and to promote the more efficient and accurate application of renewable energy.	Technical risk Market opportunity	Medium and long term
19	Community engagement and contribution	Community and the public	The Company improves the quality of life of residents by carrying out various public welfare activities and supporting community development. Participating in environmental protection, education, poverty alleviation and other projects not only promotes the fulfillment of social responsibility but also promotes the sustainability of the community.	Reputational opportunity	Medium and long term
20	Corporate governance	Shareholders and investors	If the Board structure or governance policy does not properly represent the interests of shareholders and stakeholders, it may lead to shareholder dissatisfaction and internal conflicts, so as to damage the Company's reputation.	Operation risk Market opportunity	Medium and long term
21	Business ethics	Government and regulatory authorities Employees Suppliers and partners	If the Company engages in opaque or unfair practices in transactions with suppliers, customers, or partners, such as price manipulation, false propaganda, or corruption, it may harm fair competition in the market and damage the industry ecosystem.	Policy and regulation risk Unfair competition risk	Medium and long term
22	Risk and compliance management	Stakeholders and investors Government and regulatory authorities	If the Company fails to adequately identify and respond to environmental, legal, or market risks, it may result in compliance issues or legal disputes, thereby damaging its reputation within the industry.	Operational risk Market opportunity	Medium and long term

Note 1: The impact time range refers to the ***China Corporate Sustainability Disclosure Standards - General Standards (For Trial Implementation)*** of the Ministry of Finance of China and the actual setting of the Company's operations. Short-term refers to within 1 year (including 1 year) after the end of the reporting period; medium-term refers to 1 to 5 years (including 5 years) after the end of the reporting period; long-term refers to more than 5 years after the end of the reporting period.

Double Materiality Assessment Conclusion

Based on the background of operations and business relationships, the Company initially identified and selected 22 topics through a questionnaire survey and a combination of standard benchmarking, policy analysis, and industry benchmarking.

320

questionnaires were collected in total.

The assessment results of financial and impact materiality are

22 material topics

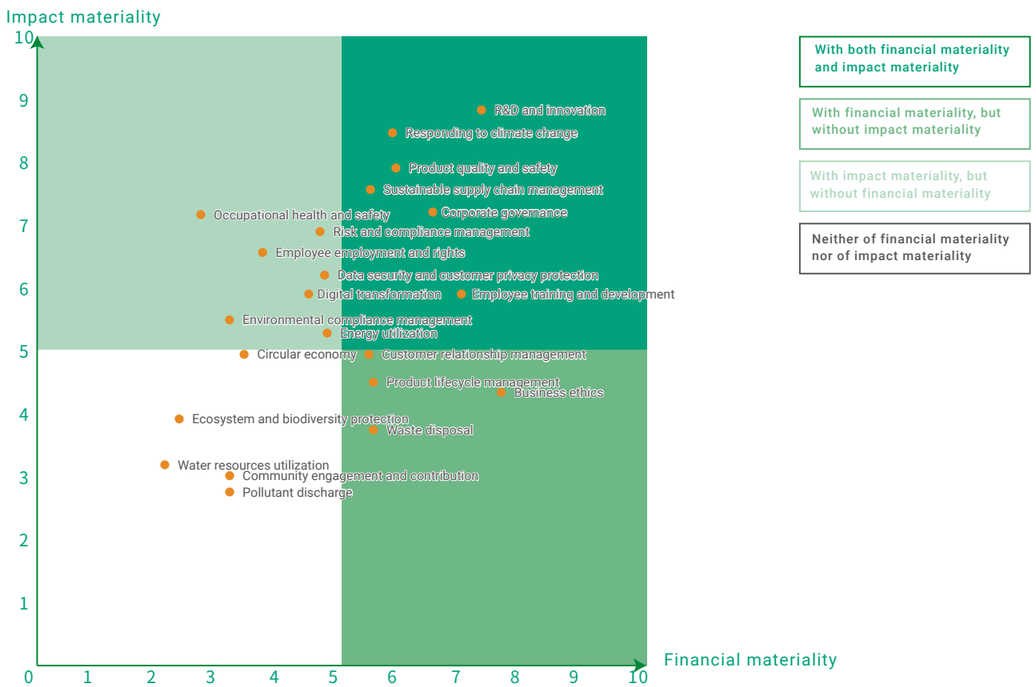
7 with double materiality

4 with only financial materiality

6 with only impact materiality

The management of each topic will be elaborated based on the materiality of each topic.

GoodWe Double Materiality Metrix in 2024



GoodWe Changes of Material Topics in 2024

2024 Material topics	2023 Material topics	Changes	Reasons
Responding to climate change	Response to climate change and energy conservation	Revision	Names of topics were revised to better meet the requirements of the *Guidelines*
Energy utilization	Clean energy exploitation and utilization		
Water resources utilization	Use and management of water resources		
Pollutant discharge	Pollutant management		
Circular economy	Cyclic utilization of resources		
Ecosystem and biodiversity protection	Biodiversity protection		
Customer relationship management	Customer services		
Environmental compliance management	————	Addition	New topics were added to benchmark the requirements of the *Guidelines*
Data security and customer privacy protection	————		
Waste disposal	————		
Product lifecycle management	————	Addition	A new topic was added to benchmark against SASB industry guidelines
Employee employment and rights	Protection of employee rights and interests, Equal opportunities and diversity	Integration	topics were integrated to systematically present the Company's performance in the field
R&D and innovation	R&D and innovation, Intellectual property protection		
Digital transformation	————	Addition	A new topic was added because the Company has important practices in this field, such as energy digitalization, warehousing digitalization, etc.
Business ethics	Business ethics	Revision	The name of the topic was revised to simplify the presentation.
Risk and compliance management	Compliance and risk management	Revision	Topics were revised to provide a more comprehensive picture of the Company's performance in the field.

Contribution to the United Nations Sustainable Development Goals (SDGs)

The Company joined the United Nations Global Compact (UNGC) in 2021, firmly practicing the ten principles of the Global Compact, covering human rights, labor standards, environmental protection and anti-corruption. The Company actively connects with sustainability stakeholders around the world, with smart energy as the core, to help protect the ecological environment, and jointly draw a beautiful blueprint for sustainable human development.

At the same time, the Company actively responds to the United Nations Sustainable Development Goals (SDGs), adheres to the principle of creating value for various stakeholders, combines corporate operations with Strategy and Development direction, accurately identifies 16 SDGs, clarifies resource investment priorities, and continuously improves sustainability capabilities. The material topics identified by the Company are highly consistent with the SDGs, and the specific correspondence is as follows:

Double materiality topics

- R & D and Innovation, Responding to Climate Change, Product Quality and Safety, Sustainable Supply Chain Management, Corporate Governance, Digital Transformation, Employee Training and Development

Financial materiality topics

- Customer Relationship Management, Product Lifecycle Management, Business Ethics Waste Disposal

Impact materiality topics

- Occupational Health and Safety, Risk and Compliance Management, Employee Employment and Rights, Data Security and Customer Privacy Protection, Energy Utilization, Environmental Compliance Management

Topics without impact materiality or financial materiality

- Circular Economy, Ecosystem and Biodiversity Protection, Water Resources Utilization, Community Engagement and Contribution, Pollutant Discharge

Feature Story: Energy Revitalization in Low-Carbon Era

Responding to Climate Change

Responding to climate change is a key aspect of GoodWe's sustainable managment. The Company actively responds to China's "Dual Carbon" goals and is committed to promoting the low-carbon transition of the energy industry and facilitating the green energy transformation through innovative technologies and solutions.

The greenhouse gas (GHG) emissions generated during the Company's operations mainly include direct emissions from the production process (such as the combustion of gasoline, diesel, natural gas, the release of refrigerants, HFC-227ea, and carbon dioxide, as well as anaerobic decomposition of organic substances) and indirect emissions (such as the use of purchased electricity), as well as indirect emissions across the value chain (such as the transportation of materials, waste, and products, employee commuting and business travel, waste disposal, and purchased goods).

Governance

The Company has established a climate change management structure consisting of the Board of Directors, the ESG Strategy and Management Committee, and the ESG Execution Level to ensure that climate-related topics are integrated into the Company's strategic decisions and business operations for effective governance and implementation.

As the highest governance body, the Board of Directors is responsible for coordinating the Company's climate change and low-carbon development strategies and assumes the ultimate decision-making and supervisory responsibilities, ensuring that climate change management is embedded in the Company's core operating philosophy. The ESG Strategy and Management Committee is responsible for reviewing, assessing, and supervising ESG-related matters such as significant climate change. This includes goal setting, policy formulation, execution management, risk assessment, performance monitoring, and information disclosure. The ESG Strategy and Management Committee holds at least one meeting each year, focusing on the impact of climate-related risks and opportunities on the Company's business, and reports to the Board of Directors.

The Company's Sustainable Development Research Institute is responsible for collaborating with the ESG Execution Level at the group level to advance key initiatives such as carbon emission management and zero-carbon park development. It reports on related targets and progress to the ESG Strategy and Management Committee.

Strategy

The Company has defined climate-related risks and opportunities with reference to the ***International Financial Reporting Standards Sustainability Disclosure Standard S2 - Climate-related Disclosures*** (IFRS S2). Considering its business characteristics and industry status, the Company has conducted identification and assessment of climate-related risks and opportunities and actively formulated and advanced a climate action plan to ensure the long-term sustainability of the Company's business.

The Company adheres to sustainability as its core strategy, establishing an all-encompassing and systematic climate action framework to promote low-carbon growth and green transformation. Simultaneously, through technological innovation, the Company has driven industry upgrades, optimized the energy structure, enhanced the proportion of clean energy, and built a low-carbon, intelligent, and efficient energy system.

GoodWe Climate-related Risk and Opportunity Analysis

Risk/opportunity type	Specific description	Affected value chain	Financial impact
Physical risk	As the climate change process intensifies, extreme weather events such as typhoons, floods, and droughts are increasing in frequency, which may cause damage to the Company's equipment and facilities, as well as supply chain disruptions.	Upstream value chain Own production and operations Downstream value chain	Operating costs increase and revenue decreases
Policy and regulation risk	The European Union's "Fit for 55 Package" climate and energy legislation and the EU Battery Regulation set strict requirements for GHG emissions reduction and product carbon footprints. If the Company fails to meet these regulatory requirements, it may face market access restrictions, increased compliance costs, and	Upstream value chain Own production and operations Downstream value chain	Operating costs increase and revenue decreases
Market risk	Insufficient supply of sustainable raw materials from upstream suppliers requires the Company to actively drive the suppliers to undergo low-carbon transformation, adopt lower-carbon production technologies, and verify their sustainability through third-party certification. If suppliers fall behind in transformation, the Company may face weaker market competitiveness.	Upstream value chain Own production and operations	Operating costs increase and revenue decreases and profit decreases
Market opportunity	Climate change, as a global challenge, also creates unprecedented development opportunities for the renewable energy industry. As a photovoltaic manufacturing company, the Company's production of low-carbon-footprint products not only aligns with the global green development trend but also serves as an important strategic direction for expanding the market and enhancing competitiveness.	Own production and operations Downstream value chain	Revenue increases
Technology opportunity	With the increasing global demand for carbon emissions reduction, innovation in PV power generation technology will become a significant opportunity. The Company can strengthen research and development of high-efficiency PV inverters to improve product conversion efficiency and stability, promote broader distributed PV applications, and support large-scale clean energy integration.	Own production and operations Downstream value chain	Revenue increases

Impacts, Risks, and Opportunities Management

The Company has established a systematic management process to comprehensively manage climate-related risks and opportunities through activities such as identifying environmental impacts, collecting external data, conducting quantitative analysis, and performing risk assessments. Regular monitoring and strategy optimization ensures the effectiveness and timeliness of the Company's response to climate change, helping the Company maintain competitiveness in a low-carbon economy.

GoodWe Climate-related Risk and Opportunity Management Process

Identification and analysis

- Identify the environmental and climate change impacts of the Company's activities, including quantitative data such as GHG emissions.
- Collect external environmental data, including climate change forecasts, changes in policy and regulatory, market trends, and technological developments, to predict their potential impact on the Company's operations.

Assessment and prioritization

- Use quantitative methods, such as resource consumption indicators and dependency coefficients, to quantify the Company's reliance on climate change.
- Quantify the environmental impact of the Company's activities through Life Cycle Analysis (LCA) and carbon footprint calculation tools.
- Use risk matrices or scenario analysis to assess the severity and likelihood of climate-related risks, prioritizing risks based on these dimensions.
- Assess the difficulty of realizing opportunities and their potential returns, prioritizing them based on market demand, technological innovation, and policy support.

Monitoring and improvement

- Regularly monitor changes in the external environment to ensure timely identification and tracking of climate-related risks and opportunities; adjust strategies based on monitoring results to respond promptly to the impacts of external environmental changes or internal operational adjustments; and regularly review and optimize the management processes for climate-related risks and opportunities.

• Climate Change Management Practices

GoodWe consistently regards sustainability as one of its core corporate strategies, striving to deeply integrate the zero-carbon concept into production operations, product innovation, and industrial clusters. By establishing dedicated task forces to conduct organizational carbon inventories and product carbon footprint certifications, the Company continuously monitors carbon emissions and identifies opportunities for carbon reduction. Furthermore, the Company applies the "building-as-a-power-plant" design concept and intelligent energy management systems at its Suzhou headquarters and Guangde factory, actively developing zero-carbon parks to achieve localized energy consumption and efficient utilization. In addition, the Company continuously advances technological innovation and iteration across its entire product portfolio. Its grid-connected inverters are designed to operate stably and efficiently under various natural conditions, including high temperatures, high altitudes, sandstorms, salt spray, and low temperatures. The Company also provides diversified solutions—such as energy storage, heat pumps, and photovoltaic building materials—tailored to different scenarios. These efforts comprehensively support the Company and its partners in effectively mitigating climate change and advancing toward a low-carbon future.

Case | Smart Energy Building

The Smart Energy Building is a Class A integrated office building that combines office space, conference facilities, R&D areas, and supporting functions, with a total construction area of approximately 72,321.46 square meters.. During its design and construction, the building strictly adhered to green and low-carbon principles, achieving an overall building energy-saving rate of 52.18%, a local energy-saving rate of 30.33%, a green space rate of 25%, and a renewable energy utilization rate of 34.41%. The building fully utilizes natural energy, saving 292.22 tons of standard coal annually, and reducing carbon dioxide emissions by 644.57 tons. The architecture of the building incorporates cutting-edge technologies such as smart energy, photovoltaic curtain walls, and energy storage. It was constructed according to the Green Building Three-Star Standard, successfully creating a model building that is electrified, intelligent, and low-carbon. The building has won many honors such as the *"Projects under China's 14th Five-Year Plan National Key R&D Program"*and "Ultra-low Energy Consumption Building".

Case | Guangde Factory Was Selected as One of the First "Zero-Carbon Industrial Parks" in Anhui Province

In 2024, Guangde factory, with its outstanding PV renewable energy technology and green production practices, was included on the list of the first batch of proposed "Zero-Carbon Industrial Parks" in Anhui Province. New buildings in the park were designed and constructed in compliance with green building standards, with carbon emissions calculations for civil buildings to reduce the carbon emission intensity per unit of floor area. The park has built an intelligent microgrid with integrated PV power generation, storage and charging capabilities, achieving intelligent energy management within the park through "automation, intelligent and smart technologies." In the production system, the park uses high-efficiency equipment, products, and technologies, and insists on establishing a sustainability green supply chain to achieve low energy consumption and low emissions during production processes.

In response to extreme weather events such as typhoons and heavy rainfall, the Company has established a comprehensive natural disaster response mechanism. By continuously monitoring and analyzing weather forecast data, the Company can promptly and accurately identify and assess the severity of potential impacts, issue company-wide alerts, and swiftly initiate pre-established emergency plans. Moreover, the Company places great emphasis on emergency supply preparedness, ensuring that all necessary materials are adequately stocked and readily available. The Company also continuously enhances its protective infrastructure and regularly conducts safety training and emergency drills for all employees, minimizing disaster-related losses and safeguarding both personnel and assets.

Case | Retrospective of Response to Super Typhoon "Bebinca"

In September 2024, the Integrated Management Center conducted a discussion and summary of the response to Super Typhoon "Bebinca", focusing on flood control, typhoon, and extreme weather response measures. Various aspects of flood control work, including emergency response plans, material reserves, and disaster relief, were discussed, the risks encountered during the event were reviewed, and improvement measures were proposed. Additionally, the Company carried out early warning measures for the new round of Typhoon "Pulasan" through the development of emergency response plans, enhanced patrols, and the promotion of flood control knowledge.

Metrics and Targets

The Company continuously monitors activity data related to greenhouse gas emissions, identifying opportunities for emission reductions and future implementation paths to actively address climate change challenges. In 2024, the Company further expanded the organizational boundaries for carbon assessments, covering the Global headquarters and factory, Guangde factory, and Yude New Energy, and added the assessment of Scope 3 greenhouse gas emissions. This work provides data support for setting future emission reduction targets. Due to the relocation of the headquarters building in 2024, and the addition of the Shunde and Vietnam factories, the actual carbon emissions have changed significantly. To improve data management and ensure the comparability of indicators, the Company plans to use the results of the 2025 greenhouse gas assessment as the baseline year data. This will more accurately reflect the Company's greenhouse gas emissions and provide a scientific basis for setting and managing future emission reduction targets, contributing to the achievement of global temperature control goals.

Energy Utilization

• Energy Management System

The types of energy consumed in GoodWe's operations include gasoline, diesel, natural gas, and electricity. The Company strictly adheres to laws and regulations such as ***the Energy Law of the People's Republic of China, the Law of the People's Republic of China on Energy Conservation,*** and ***the Energy Conservation Regulations of Jiangsu Province,*** and has formulated internal regulations such as the ***Energy Management System and the Energy Monitoring and Measurement Control Procedures*** to ensure effective management and control of energy consumption in all operations, driving energy-saving and emission-reduction efforts. The Company has established a regular energy management review mechanism, conducting at least one internal audit annually, with a focus on energy performance and the effectiveness of the management system. The audit results are promptly feedbacked, and corrective measures are implemented to ensure that energy unit consumption issues are effectively improved. For non-compliance items, the responsible departments of the Company analyze the causes and develop corrective actions to ensure continuous optimization of energy management. In 2024, the Company's Suzhou and Guangde factories obtained ISO 50001 Energy Management System certification.

• Energy Management Practices

Through various energy-saving transformations and management optimization measures, the Company has continually improved energy utilization efficiency and reduced operational costs. Additionally, the Company has ensured the continued promotion of energy-saving measures through strengthened energy-saving assessments, optimized energy procurement, and staff energy-saving training. The Company has established a comprehensive assessment system for process and product unit consumption, implementing a tiered evaluation based on different management levels. During implementation, the Company adopts an incentive mechanism of "rewarding energy saving and penalizing excessive consumption" to encourage employees to actively explore energy-saving potential in production management, equipment operation, and process control, aiming to achieve both energy conservation and production cost reduction objectives.

GoodWe Energy Management Key Practices in 2024

Energy-saving management system development

- Strengthened statistical management of energy consumption and established a "three-in-one" management system for energy conservation management, supervision, and services.
- Improved the energy metering management system, enhanced the metering equipment coverage rate for secondary energy-consuming units and major energy-consuming devices, and conducted regular calibration.
- Optimized procurement controls for electricity, natural gas, industrial gases, and other types of energy.

Equipment and process upgrades

- Optimized process schemes and continued to implement the plan to reduce machine aging time to decrease energy consumption.
- Optimized the power-on self-start logic of existing equipment, so that heat dissipation was activated when either side (A/B) of the machine was undergoing aging.

Intelligent energy consumption management

- Added smart meters to collect data in areas such as the workshop assembly zone, aging zone, Automatic Transfer Switch (ATS) zone, and packaging zone.
- Independently developed monitoring and data collection software to collect and store data for each zone; independently developed Business Intelligence (BI) dashboard displays for energy consumption data.
- Monitored high-energy-consuming devices in real-time, adjusted operating loads, reduced idle time, and improved energy efficiency.

Case | Guangde Factory Equipment Aging Energy-saving Project

To effectively address energy consumption waste during production, the Guangde factory organized a special team to conduct brainstorming sessions and used the fishbone diagram analysis method to deeply examine various potential causes of energy waste from multiple dimensions, including materials, machinery, personnel, management, environment, and testing. The team ultimately identified key influencing factors such as equipment idling and heat energy control, and developed improvement strategies. For example, two heating modes were set up on-demand in the aging room, a standby mode was added to the automatic aging line, exhaust ducts were installed in the load area, and additional air supply ducts were added. The project lasted nine months and ultimately achieved a reduction of approximately 50,000 kWh in electricity usage annually. It was then incorporated into the Company's standardized management procedures, which now clearly require that large heating equipment must be set to energy-saving modes.

Against the backdrop of the global energy transition, the Company launched the SEMS, dedicated to providing digital asset management, intelligent operation and maintenance, energy management for parks, and asset value-added services for distributed energy investors, partners, and energy-consuming enterprises.

Case | GoodWe Smart Energy Management System (SEMS)

The national "Dual Carbon" target has further driven the energy industry toward green and low-carbon development. The government has called for the accelerated construction of a new power system, solving the problem of the local consumption of renewable energy, increasing the storage proportion, and driving power market mechanism reforms. In response to this trend, the Company has used the smart energy management solutions offered by the SEMS to help businesses and energy investors improve their renewable energy consumption capabilities, optimize energy costs, and enhance the flexibility and stability of the power system.

The SEMS, centered around the "Six Assurances" solution, comprehensively enhances the investment, management, operation, security, and profitability of renewable energy assets. For instance, in the investment phase, the SEMS provides precise photovolta-

Case | Guangde Factory Launched a Virtual Power Plant Demonstration Project

Guangde factory's virtual power plant project, with its innovative technological solutions and excellent implementation results, was successfully selected as one of the first virtual power plant pilot demonstration projects in Anhui Province. With the support of local governments and power supply companies, the project successfully gathered 23 adjustable users, including 20 distributed PV enterprises with a total installed capacity of 62 MW, and three large industrial users, covering various types of resources such as energy storage, air conditioning, charging stations, and shiftable production loads. The total capacity reached 76 MW, with an adjustable capacity of 18 MW.

03 Business for Good and Robust Governance

Contents

Corporate Governance
Business Ethics
Risk and Compliance Management

SDGs

Corporate Governance

Robust corporate governance is the cornerstone of a company's sustainability. GoodWe strictly complies with the ***Company Law of the People's Republic of China***, the ***Securities Law of the People's Republic of China***, the ***Code of Corporate Governance for Listed Companies***, the ***Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange***, and other relevant laws and regulations. Through standardized governance mechanisms, the Company ensures that all decision-making processes comply with legal and regulatory requirements.

Governance

The Company has established a corporate governance structure consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the Management, and has clarified the functions of each governance body to ensure efficient and transparent corporate governance. The Board of Directors has set up four specialized committees: The Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee, and the Strategy Committee. The Board of Directors and each committee perform their respective functions according to the Company's regulations, providing strong support for scientific decision-making.

GoodWe Corporate Governance Structure and Responsibilities

General Meeting of Shareholders

- The General Meeting of Shareholders is the highest decision-making body of the Company, responsible for making key decisions to maximize shareholder interests.
- It convenes regular Shareholders' Meetings to ensure that the procedures for convening, holding, deliberating, voting, and decision-making comply with legal requirements.

Board of Directors

- The Board of Directors has four specialized committees: The Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee, and the Strategy Committee, ensuring that the Company's decisions in key areas are scientific and professional.

Board of Supervisors

- The Board of Supervisors is responsible for overseeing the financial position of the Company, and the legality and compliance of the directors and the Senior Management in performing their duties.

Management

- The Management is responsible for daily operations and implementing the decisions of the Board of Directors, ensuring the efficient execution of the Company's business.

The Company has established internal regulations such as the ***Articles of Association,*** the ***Rules of Procedure for General Meeting of Shareholders***, the ***Rules of Procedure for Board of Supervisors***, and the ***Management Regulations on Related Transactions***, providing a solid institutional guarantee for corporate governance.

In 2024, in accordance with the ***Interim Measures for the Administration of Shareholding Reduction by Shareholders of Listed Companies*** and the ***Measures for the Administration of the Takeover of Listed Companies***, the Company revised its internal management systems, including the ***Profit Distribution Management System*** and the ***Management System for Shareholding Changes of Directors, Supervisors, and Senior Management***. These revisions further clarified the procedures for handling the shares held by directors, supervisors, and senior management members and their changes, regulating the shareholding behavior of the senior management and key personnel to ensure alignment of their interests with the Company's development goals.

Strategy

The Company actively promotes a diversified governance structure, strengthens its reputation management mechanism, and enhances transparency in information disclosure and international communication mechanisms. On the basis of ensuring a sound corporate governance system, the Company has actively identified and assessed potential risks and opportunities to promptly manage various risks that may affect operations, finance, and reputation and seize new opportunities in the industry's development.

GoodWe Corporate Governance Risk and Opportunity Analysis

Risk/opportunity type	Specific description	Financial impact
Operational risk	In the future, if the Company's main overseas sales countries or regions initiate trade frictions and disputes regarding products such as photovoltaic inverters, or if unfavorable trade and tariff policies for the import and export of the Company's products are introduced due to changes in the political and economic environment, or if the Company is unable to fully understand and apply international trade rules in international trade, it could have an adverse impact on the Company's overseas business development and sales in international markets.	Operating costs increase Revenue decreases
Market opportunit	With the growing global demand for clean energy, the Company can expand into emerging overseas markets through industrial chain cooperation, strategic investments, and other means, enhancing its competitiveness in the global market.	Revenue increases

Impacts, Risks, and Opportunities Management

In terms of corporate governance, the Company has established a rigorous and orderly risk management process. The Securities Legal Department has strengthened internal controls and audit supervision to comprehensively identify potential governance risks, conduct precise risk assessments, determine risk priorities, and develop targeted and differentiated response strategies. This ensures effective risk management, enhancing the Company's investment value and shareholder returns.

Diversity of the Board of Directors

The Company actively promotes the diversity of the Board of Directors, focusing on recruiting directors with varying genders, backgrounds, experience, and professional expertise. The Board of Directors of the Company is composed of six members, including two female directors and three independent directors. The three independent directors have diverse professional backgrounds. Specifically, one has an accounting background with solid financial and auditing experience; another has an academic background in finance, providing strong financial research capabilities; and the third has been deeply engaged in the renewable energy industry, offering strategic industry insights for the Company.

Information Disclosure

In accordance with the ***Management Regulations on Information Disclosure*** and other internal regulations, the Company has established standardized disclosure and reporting procedures to ensure the accuracy, timeliness, fairness, and completeness of information disclosed. The Company actively fulfills its information disclosure responsibilities, aiming to build a transparent and trustworthy image as a listed company and enhance investor confidence and market recognition.

2024

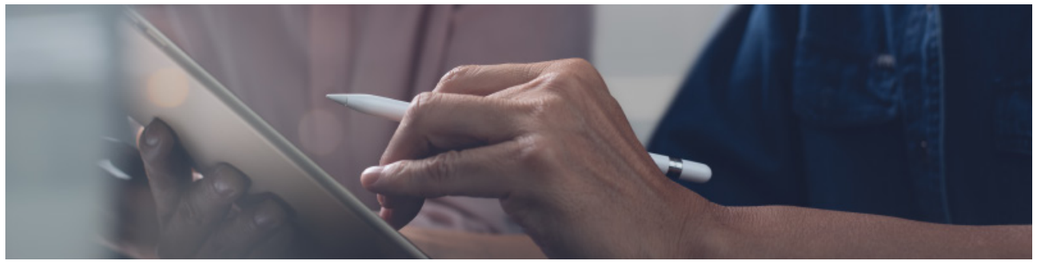
In 2024, the Company disclosed a total of **140** documents, including **79** announcements and **61** public documents.

In 2024, the Company received a Grade **B** (Good) rating from the Shanghai Stock Exchange (SSE) for information disclosure in 2023-2024.

Management of Investor Relations

The Company follows internal regulations such as the Management Regulations on Investor Relations and the ***Management Regulations on Investor Survey and Media Interview Reception***. Through channels such as investor hotlines, emails, SSE e-interaction, and investors' meetings, the Company maintains close and efficient communication with market investors. In addition, the Company has set up the Securities Department hotline to promptly answer investor and media inquiries, ensuring open communication channels for investors and media and allowing investors to access the latest information on the Company's operations and strategic plans in real time.

In 2024, the Company developed the ***Market Capitalization Management System***, establishing a market capitalization management organization and clarifying the early warning mechanism and implementation path. The goal is to improve the Company's investment value, enhance investor returns, and safeguard investor interests through scientific management and effective communication strategies. In addition, to strengthen public opinion management, the Company has established the ***Public Opinion Management Policy***, aimed at enhancing its ability to respond to various public opinions. The policy defines the organizational system for public opinion management, with the Chairman serving as the primary responsible person, while other departments collaborate with the Securities Department to handle the collection and management of public opinion information. By setting up reporting and disposal processes for public opinion information, the Company is able to take swift action in the event of a crisis, mitigating the negative impact of public opinion on the Company's operations and market performance.



Metrics and Targets

To ensure that the corporate governance structure aligns closely with the strategic objectives, the Company is committed to building a collaborative and efficient governance system. Through scientific decision-making and effective supervision mechanisms, the Company aims to maintain strategic foresight and achieve the goal of steady operation in a complex and ever-changing market environment.

GoodWe Corporate Governance Performance in 2024

The Board of Directors consists of **6** members
including **2** female directors
3 independent directors.

The Board of Supervisors consists of **3** supervisors
including **2** employee supervisors.

6 shareholder meetings, with **23** resolutions passed.
11 board meetings, with **51** resolutions passed.
7 supervisory board meetings, with **25** resolutions passed.

3 public performance briefings.
171 investor communication sessions.

Business Ethics

GoodWe has always based its development on integrity and compliance, strictly adhering to the ***Criminal Law of the People's Republic of China***, the ***Anti-monopoly Law of the People's Republic of China***, the ***Anti-monopoly Law of the People's Republic of China***, the ***Anti-Unfair Competition Law of the People's Republic of China*** , the ***Supervision Law of the People's Republic of China***, ***Anti-Unfair Competition Law of the People's Republic of China*** , the ***Regulations of the People's Republic of China on the Punishment of Corruption***, and other relevant laws and regulations. The Company adheres to a "zero tolerance" policy toward unethical business conduct and unfair competition, safeguarding the legal rights and interests of the country, the Company, and all stakeholders.

Governance

The Company has established internal policies such as the ***Control Procedures of Business Ethics***, the ***Control Procedures of Anti-corruption and Anti-bribery***, the ***Administrative Service Manual***, and the ***Integrity System*** to ensure adherence to high ethical standards in business operations. The Company has set up an Ethics and Compliance Committee composed of the Management, Administrative Department, Human Resources Department, and employee representatives. The Committee's main responsibilities include regularly conducting integrity inspections and supervising employee integrity behavior, investigating and handling whistleblower reports to ensure the smooth operation of reporting channels, overseeing the implementation of integrity-related systems, and providing improvement recommendations. Additionally, the Committee exercises its supervisory power independently and reports on its supervisory activities to the Management regularly.

Strategy

The Company has always adhered to the principles of integrity and compliance and established its business ethics management system with reference to the SA8000 standard. It conducts regular internal and external risk assessments and reviews to ensure timely handling of risks and the implementation of remedial measures. The Company strictly complies with relevant laws and regulations in all business operations, ensures the performance of contracts, actively fulfills its social responsibilities, and injects momentum into corporate development with robust goodwill and the spirit of the rule of law. This helps drive the Company's continued growth, gaining the trust and support of society, the industry, and investors.

The Company has actively identified risks related to business ethics and taken timely and effective response measures to address those which may affect its development.

GoodWe Business Ethics Risk Analysis

Risk/opportunity type	Specific description	Financial impact
Policy and regulation risk	If the Company fails to strictly comply with relevant laws and regulations (such as anti-corruption and anti-bribery laws), it may face legal action, fines, and other legal penalties, leading to legal and compliance risks.	Operating costs increase and revenue decreases
Unfair competition risk	If the Company fails to strictly comply with relevant laws and regulations (such as anti-corruption and anti-bribery laws), it may face legal action, fines, and other legal penalties, leading to legal and compliance risks.	Revenue decreases

Impacts, Risks, and Opportunities Management

To effectively address identified business ethics risks, the Company has developed risk management processes related to business ethics.

GoodWe Business Ethics Risk Management Process

Risk identification

Through a comprehensive review of business processes, job responsibilities, and partnerships, potential risk points such as commercial bribery, commercial fraud, and unfair competition are identified.

Risk assessment

Risk assessment is carried out based on the severity and likelihood of the risks, to determine the risk level.

Risk response

Each department takes action based on the assessment results to reduce or eliminate the identified risks.

Upon research and decision by the Board of Directors, appropriate punitive measures will be taken against behaviors in violation of business ethics. If laws are violated, the case will be referred to the judicial authorities. The results will be communicated to employees and necessary external third parties through various channels in a timely manner.

Risk prevention

A sound system for business ethics is established, with the Quality Department developing relevant policies and codes of conduct based on legal requirements and ethical standards. Employees are required to sign a code of conduct, and suppliers are asked to sign a code of conduct commitment letter to prevent business ethics risks.

• Anti-Commercial Bribery and Anti-Corruption

The Company has developed a series of response measures to ensure that it maintains a reputation for integrity, fairness, and transparency in an increasingly competitive market.

GoodWe Anti-Commercial Bribery and Anti-Corruption Management Measures

Employee awareness promotion

- The Company advocates ***employees complying with business ethics requirements and requires new employees to sign the Employee Integrity Commitment Letter*** along with their employment contracts to fulfill integrity obligations.
- The Company has conducted a series of anti-corruption and integrity training sessions through online and offline channels, covering topics such as integrity construction and anti-corruption thoughts, continuously promoting the philosophy of anti-corruption and advocating employees at all levels actively practicing business ethics.
- New employees are required to complete the "GoodWe New Employee Training" course on the We-learning platform and pass the relevant exam to obtain the GoodWe New Employee Training Certificate. This includes training on business ethics awareness to help new employees understand the Company's strict requirements on ethics, law, and compliance.

Supplier management

- The ***Supplier Code of Conduct*** clearly requires suppliers to comply with the Company's anti-corruption policies. When establishing a supplier record, both parties sign the ***Anti-commercial Bribery and Integrity Agreement and the Integrity Self-Discipline Commitment Letter***. These agreements require suppliers to commit to not participating in any form of commercial bribery or corrupt activities, ensuring fairness, transparency, and legality in all business transactions.

• Anti-Unfair Competition

The Company firmly believes that business success should be achieved through integrity, and ethics, and by avoiding any unfair competition practices. The Company has established internal management systems such as the ***Anti-Monopoly and Fair Competition Policy*** to ensure that all market activities comply with industry standards and legal requirements. In interactions with competitors, suppliers, customers, and other stakeholders, the Company prohibits gaining competitive advantages through unfair means.

• Whistleblower Protection

To strengthen business ethics management, the Company has established a comprehensive reporting and complaining system, encouraging all stakeholders to report any illegal, non-compliant, or unethical business conduct or employee behavior. The Company ensures open and accessible reporting channels through public hotlines and email. Once a report is received, the Company promptly initiates an investigation process, ensuring fair handling measures and providing feedback on the investigation results to the whistleblower in a timely manner.

Additionally, the Company strictly adheres to regulations protecting whistleblowers and has established a whistleblower protection mechanism to ensure the strict confidentiality of their information. This includes refraining from disclosing the whistleblower's identity or department without their consent and utilizing voice alteration technology during phone communications. The ultimate goal is to ensure the protection of their legal rights and interests.

GoodWe Official Violation Whistleblowing Channels

Address	Phone	Email address
No. 93, Tayuan Road, High-tech Zone, Suzhou City, Jiangsu Province	0512-62396791	GOODWE-Inform@goodwe.com

Metrics and Targets

The Company actively conducts anti-commercial bribery and anti-corruption training, sets training objectives, and continuously monitors the number of participants and training coverage to ensure all employees regularly participate in anti-commercial bribery and anti-corruption training courses. This strengthens employees' legal awareness and ethical values and encourages all employees to uphold integrity and self-discipline. In 2024, the Company did not violate the laws and regulations related to anti-commercial bribery and anti-corruption, nor did it cause litigation or major administrative penalties due to unfair competition.

Risk and Compliance Management

• Risk Management

GoodWe has always considered risk management as a core part of its strategy and is committed to improving the Company's risk management system. The Company observes relevant laws and regulations such as the ***Audit Law of the People's Republic of China*** and the ***Regulations of the National Audit Office on Internal Auditing***, and has established systems such as the ***Internal Audit System and the Internal Control Manual*** to ensure that risks in all business activities are effectively identified, assessed, and controlled.

Organization Structure of the Internal Audit of GoodWe

Audit Committee

- Guides and supervises the Company's internal audit work.
- Reports the progress of internal audit work and any major issues to the Board of Directors.

Internal Audit Department

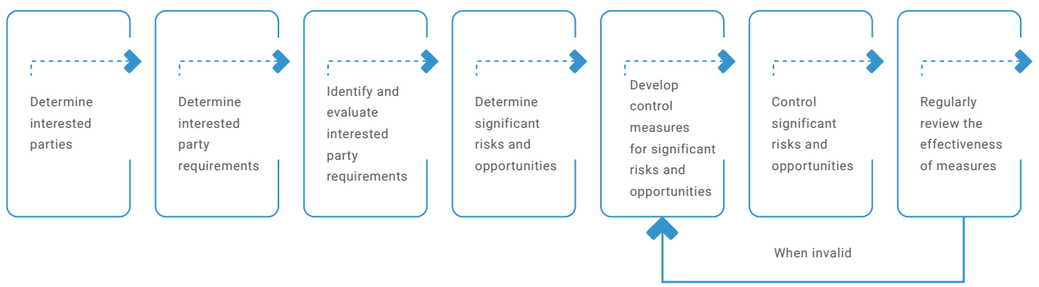
- Regularly inspects and assesses the Company's internal control system.
- Audits the Company's internal institutions' and subsidiaries' economic data and activities.
- Supervises corrective actions by responsible departments for any internal control issues.
- Reports on the execution of internal audit plans and the issues identified to the Audit Committee.

Departments and Subsidiaries

- Cooperates with the internal audit department in fulfilling its duties and shall not hinder its work.

The Company has established a comprehensive risk management process that covers four key processes: risk identification, risk assessment, risk response, and internal supervision. The goal is to effectively manage internal and external risks and ensure the continuous and steady development of the Company's business.

GoodWe Risk and Opportunity Control Procedures



GoodWe Risk Management Process

Risk identification

By gathering the requirements and expectations of stakeholders such as investors, customers, and internal employees, the Company conducts risk identification for systems related to quality management, environmental management, occupational health and safety management, energy management, and information security management. This includes identifying potential risks across areas such as strategy, operations, finance, compliance, and reputation.

Risk assessment

For the identified internal and external risks, the Company uses a scoring evaluation method to assess them. The risks are assessed across three dimensions: Severity of impact, frequency of occurrence, and acceptability. A risk coefficient score is developed. High-risk events are prioritized for treatment, and immediate action shall be taken to avoid or mitigate the risks.

Risk response

Each implementation department assesses the identified risks and takes measures according to the assessment results. The response methods include risk acceptance, risk mitigation, and risk avoidance. The response method should be selected based on the actual situation. If a potential risk can effectively be avoided, a risk avoidance plan should be developed, with the risk avoidance measures confirmed and executed.

Internal

The Company conducts regular and continuous supervision and inspection of the establishment and implementation of the risk management process. If there are significant changes in the Company's development strategy, organizational structure, business activities, business procedures, or employees in key positions, targeted risk supervision and inspections are carried out.

The Company has actively conducted comprehensive risk identification and assessment, aiming to identify potential risks early and take effective response measures to ensure the sustainability and financial stability of the business. In 2024, the Company carried out an in-depth analysis of internal and external environments and identified key risk points, including operational risk, strategic risk, and market risk. Based on the assessment results, the Company formulated specific response measures to ensure that risks were effectively controlled and their negative impacts on operations and finances were reduced.

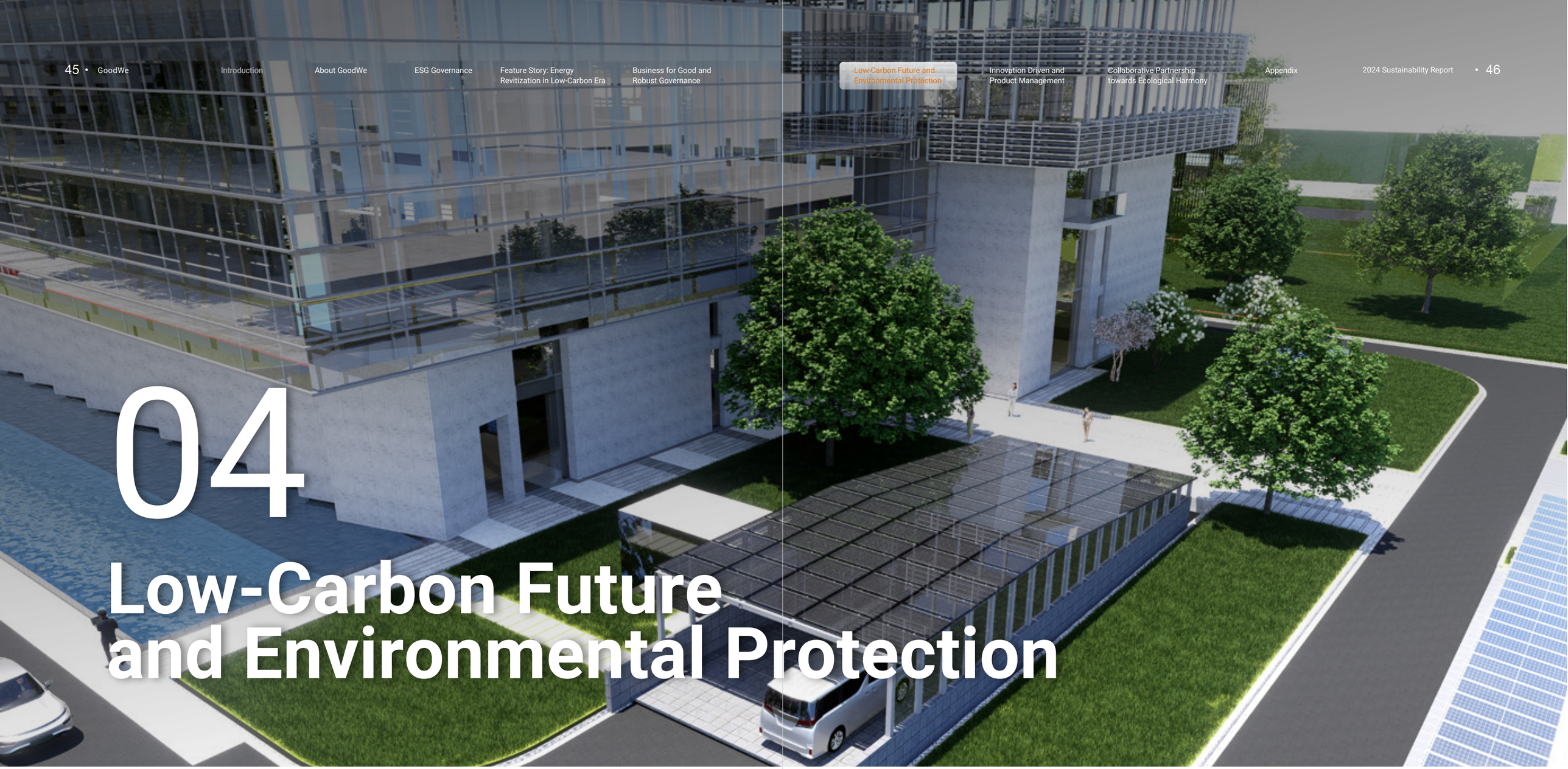
GoodWe Risk Identification and Response Measures

Operational risk	If the Company does not establish a sound risk management mechanism, resulting in unclear roles and responsibilities of relevant departments, the risk management process cannot be effectively implemented.	• The Company regularly conducts risk assessments each year and comprehensively assesses the risks it faces following the risk assessment procedures. • The Company has established reasonable ***Risk Assessment Standards***. If changes in the internal or external environment lead to significant changes in the Company's risk preferences or risk tolerance, the standards should be updated in a timely manner.
Market risk	If the Company does not establish an emergency mechanism for major risks and unexpected events, it may lead to improper temporary handling, affecting the normal business operations of the Company.	• The Company has established a major risk early warning mechanism and an emergency response mechanism for unexpected events. This includes identifying, assessing, and responding to major risks, developing emergency handling procedures for unexpected events and media management strategies, formulating the ***Public Opinion Management Policy***, and defining the implementation work by the responsible personnel.

• Compliance Management

GoodWe places great importance on corporate compliance management, strictly adhering to laws and regulations such as the ***Basic Norms for Enterprise Internal Control*** (C.K. [2008] No. 7), the ***Application Guidelines for Enterprise Internal Control*** and the ***Basic Norms and Application Guidelines for Enterprise Internal Control***. The Company is committed to enhancing and ensuring the effectiveness of its compliance management system. The Company has developed internal regulations such as the Legal, ***Regulatory, and Compliance Assessment Control Procedures***, and regularly assesses its compliance status to ensure that all business activities align with national laws and industry standards. In 2024, GoodWe did not experience any major violations.

In addition, the Company conducted compliance training for key positions including purchase, sales, R&D, and legal affairs. In 2024, GoodWe organized four compliance training sessions, covering topics such as legal practices in equity investment and an overview of U.S. sanctions, and risk identification. These sessions effectively enhanced employees' legal awareness and risk prevention capabilities, ensuring the Company operates in compliance in a complex business environment.



04 Low-Carbon Future and Environmental Protection

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Environmental Compliance Management
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Ecosystem and Biodiversity Protection

SDGs

Environmental Compliance Management

GoodWe adheres to the environmental operation philosophy of low-carbon development, actively assuming environmental responsibilities, building a high-quality green operations system, and significantly reducing its negative environmental impacts. The Company strictly follows laws and regulations such as the ***Environmental Protection Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Noise Pollution Prevention and Control Law of the People's Republic of China, and the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*** to ensure that all production and business activities meet environmental compliance requirements. During the reporting period, the company and its subsidiaries were not key units for environmental supervision in the places where they operate.

The Company has developed internal regulations such as the ***Environmental Safety and hygiene Manual, the Environmental Factor Control Procedure,*** and the ***Emergency Preparedness and Response Control Procedures,*** and organized various departments to conduct an annual environmental factor survey, aiming to standardize environmental management practices, and ensure that wastewater, waste, and noise emissions comply with national and local environmental protection regulations. In 2024, the Company's Suzhou factory, Guangde factory, Vietnam factory and subsidiary Nanjing Shawllar achieved ISO 14001 Environmental Management System certification.

Each production base regularly carries out the identification, review and management of environmental factors, to identify and evaluate the Company's environmental factors and hazard sources in the relevant products, activities and services and to judge the important environmental factors and unacceptable risks. Subsequently, the production bases implement effective control according to environmental safety and hygiene objectives, indicators, and operation control plans. Meanwhile, efforts are made to continuously optimize the ***Response Plan for Environmental Emergencies,*** establish an efficient and orderly emergency response mechanism, and thoroughly inspect and allocate necessary emergency facilities and rescue materials.

GoodWe Environmental Risk Incident Emergency Mechanism

Unexpected environmental incidents

- After an incident occurs, the Company should promptly investigate and report its nature and immediately take emergency measures on the site to prevent the situation from worsening. At the same time, immediate rescue efforts should be made for casualties in the affected area.

Air pollution incidents

- The exhaust gases after a fire may affect residents nearby. Relevant government authorities should be notified immediately, and businesses downwind that may be impacted by air pollution should be guided to evacuate, minimizing downstream pollution hazards.

Water pollution incidents

- In the event of a water pollution incident, the relevant government authorities should be notified immediately, and downstream water users should be informed to take emergency measures.
- A qualified institution should be engaged to collect and analyze samples at the wastewater main discharge port. Additionally, the Company should promptly implement necessary measures to prevent further incidents.

Waste Disposal

GoodWe is dedicated to ensuring the compliance of waste disposal, classifying the waste generated in various production processes, and strictly adhering to relevant regulatory requirements. It implements effective control measures to ensure that waste is disposed of in compliance with environmental protection standards.

GoodWe Wastes Type and Disposal Methods

Hazardous waste	Waste chemical packaging, waste cleaning agents, waste activated carbon, waste filter cartridges, waste adhesives, waste light tubes, waste circuit boards, etc.	Fill in the local government platform and carry out life cycle monitoring from waste generation, storage, transfer and disposal
General industrial solid waste	Waste cardboard, wooden boards, whole machines, upper covers, enclosures, radiators, etc.	The approval is carried out step by step by the OA process, and the disposal process is jointly participated by business departments, finance, administration and suppliers, and photos are taken on site and signed for confirmation.
Other waste	Household waste, construction waste	

Governance

The Company has established a solid waste pollution prevention and control responsibility system, based on internal regulations such as the ***Waste Control Procedures*** and the ***Responsibility Management System for Prevention and Control of Environmental Pollution by Solid Waste.*** The Operations Center leads the overall pollution prevention and control efforts, ensuring that related action plans are implemented. Each department (such as Procurement Department, Manufacturing Department, and Process Engineering Department) is responsible for specific pollution prevention and control tasks such as solid waste classification, reduction, recycling, and disposal in accordance with its specific functions. This structured approach establishes a comprehensive pollution prevention mechanism with end-to-end management, clear responsibilities, and coordinated collaboration.

GoodWe Waste Pollution Prevention and Control Management Structure

Operations Center

Responsible for leading overall pollution prevention and control efforts and ensuring that action plans are effectively implemented.

Procurement Department

Responsible for contacting the recycler of solid waste in a timely manner, and asking the recycler to immediately recycle the part of the property that involves loss of utility value, such as waste cardboard, wood board, etc.

Manufacturing Department

Responsible for handling equipment that has been left unused for long periods due to excess production capacity, by contacting business partners to arrange proper recycling.

Process Engineering Department

Responsible for conducting technical reviews during the early assessment phase of new materials, products, processes, and equipment, and ensuring that any resulting water, gas, noise, or waste is included in the review process. If new waste is generated, the department shall consult with safety officers to ensure effective control measures before reporting to the Deputy General Manager and General Manager for approval.

Strategy

The Company promotes the implementation of environmental management responsibilities from the top down and inside out, clearly defining waste management goals and action directions while strengthening risk prevention and control. The Company regularly conducts environmental risk identification and assessments, and formulates corresponding control measures based on the risk level, ensuring that potential waste risks are effectively managed.

GoodWe Waste Risk Analysis

Risk/opportunity type	Specific description	Financial impact
Policy and regulation risk	If waste management is not handled properly, leading to non-compliance in disposal, the Company may face regulatory penalties, environmental rectification requirements, and even damage to its reputation.	Operating costs increase Revenue decreases

Impacts, Risks, and Opportunities Management

The Company follows a systematic environmental management process, analyzing its dependence on environmental resources in production, operations, and the supply chain, and their impact on the business. To ensure the continued effectiveness of its environmental and waste prevention and control strategies, the Company has established a monitoring mechanism for external environmental changes, regularly reviewing and assessing implementation, and making dynamic adjustments based on feedback data to ensure the scientific and rational nature of its responses.

GoodWe Waste Risk and Opportunity Management Process

Identification and assessment

Clarify the Company's dependence on environmental resources in production, operations, and the supply chain, and analyze how the dependence impacts the business; assess the risks and opportunities brought about by changes in the external environment (such as policies, regulations, market trends, etc.).

Use quantitative methods to assess the severity and likelihood of waste-related risks and opportunities; establish a relationship matrix between risks and opportunities, analyzing their interactions and identifying possible causal chains or synergies.

Prioritization and monitoring

Rank risks by their probability, degree of dependence, and potential opportunity; develop short- and long-term response strategies based on the analysis results, prioritizing the mitigation of the most critical risks while capturing opportunities.

Establish a mechanism for monitoring changes in the external environment, regularly reviewing and assessing the implementation, and adjusting strategies and action plans based on monitoring results and feedback to ensure continued effectiveness.

The Company follows the principle that "those who manage production must also manage environmental protection" as outlined in the ***Responsibility Management System for Prevention and Control of Environmental Pollution by Solid Waste***. According to the system, each production base shall ensure that solid waste generated during their operations is minimized and treated in an environmentally safe manner, thereby maximizing resource utilization. The waste management system covers various processes, including transportation, storage, classification, recycling, and compliance management, to ensure the efficiency, compliance, and environmental sustainability of waste disposal.

GoodWe Key Practices in Waste Management

Storage

- Standardize the signage and regular inspections of hazardous waste storage areas, ensuring hazardous waste is only stored in designated zones.
- Ensure that the storage period for all hazardous waste does not exceed one year for timely use or compliant disposal.
- Strictly manage diesel storage areas to prevent leakage that could pollute soil or enter the rainwater drainage system.
- Store waste liquids and waste adhesives in a centralized manner, avoid any residue in the original containers, and cover and clean the empty containers before storage in the designated place.

Cleaning and transpor

- Strictly manage external vehicles. If a vehicle within the factory area causes oil leakage due to a malfunction, the responsible party must immediately clean up and remove the contaminants to avoid secondary pollution.

Recycling and disposal

- Standardize the sale or compliant disposal of scrapped equipment and non-fixed asset waste. Random disposal is prohibited.

Compliance management

- Prohibit the improper use of the rainwater drainage system for cleaning items or pouring waste liquids into sinks.

The Company continuously enhances employees' environmental safety awareness and professional capabilities through systematic training. Internal and external training sessions are regularly organized, such as internal emergency drills for hazardous chemical leaks and hazardous waste environmental management training in Jiangsu Province. These sessions cover key aspects such as waste classification, storage, transfer, disposal, and emergency management, ensuring that relevant personnel possess the scientific and compliant management skills required.

Metrics and Targets

The Company continuously optimizes its waste management processes by improving the waste classification and collection mechanisms, gradually establishing a closed-loop waste management model. This approach aims to reduce the potential impact of waste on the surrounding environment and ecosystems, while continuously promoting the environmentally friendly transformation of the Company's operations.

Pollutant Discharge

GoodWe is committed to minimizing its impacts on the environment through technological innovation and management optimization. The Company has formulated several internal regulations and policies, ***including the Wastewater Control Procedures,*** the ***Waste Gas Control Procedures***, the ***Waste Control Procedures,*** and the ***Noise Control Procedures***. It has strictly complied with environmental protection laws and regulations, defined the types of air pollutants and water pollutants generated in various production processes, and implemented effective measures to ensure pollutant discharge meets environmental protection standards and is lower than the legal limit.

In terms of exhaust gas treatment, the Company uses a professional exhaust gas management system, combined with activated carbon adsorption towers and secondary filtration technology in chimneys, to ensure that exhaust gases are emitted in compliance with standards. The wastewater primarily consists of domestic wastewater, without process or production wastewater discharge. After pre-treatment, the wastewater is discharged into the park's sewage network for centralized treatment by the municipal sewage treatment plant.

In addition, GoodWe strives to further reduce pollutant discharge by adopting low volatile materials, replacing manual operation with automatic equipment, and other process improvement measures. The Company periodically conducts environmental protection equipment maintenance, environmental protection training, and emergency drills, so that the pollutant discharge during production and operation can be effectively controlled. Furthermore, we invite third-party testing agencies to regularly monitor wastewater, exhaust gas, and noise and issue relevant reports, to ensure that all emissions not only comply with environmental protection standards but also remain continuous optimization.

GoodWe Main Pollutant Disposal Measures

Exhaust gas	Volatile organic compounds (VOCs), tin and its compounds, smoke, etc.	• All exhaust gas emission sources are equipped with exhaust gas collection devices, and are discharged after being treated by the environmental protection exhaust gas treatment equipment and meeting the standards. • The exhaust gas treatment system is optimized, with a secondary activated carbon adsorption device added on the original basis, effectively reducing the terminal exhaust gas emissions while improving purification efficiency.
Wastewater	Biochemical oxygen demand (BOD_5), chemical oxygen demand (COD), ammonia nitrogen (NH_3-N), suspended solids (SS), etc.	• No industrial or production wastewater is discharged; only domestic wastewater is generated, which is pretreated before being discharged into the park's sewage network for centralized treatment by the municipal sewage treatment plant. • A small amount of cleaning wastewater is disposed of as hazardous waste. Domestic wastewater is pretreated in a septic tank before being discharged into the municipal sewage network.
Noise		• Noise barriers and soundproof cotton are installed near noise sources, and vibration pads are added to equipment. The operating frequency of equipment is reasonably controlled. • Low-noise equipment is prioritized, and production equipment is regularly maintained and serviced. These measures reduce noise pollution from facilities like fans, ensuring the minimal impact of production activities on the environment and surrounding communities.

Resource Management

• Circular Economy

GoodWe follows the ***Circular Economy Promotion Law of the People's Republic of China*** and other relevant laws and regulations, actively promoting the practice of the circular economy philosophy in its production and operation to enhance resource utilization and reduce environmental impact.

GoodWe Circular Economy Promotion Actions

Promoting material recycling

- The Company replaced traditional Expanded Polyethylene (EPE) cushioning materials with degradable and reusable paper-plastic products, making packaging 100% recyclable while reducing the non-degradable white pollution caused by EPE. Additionally, paper-plastic packaging was molded and produced mechanically, improving the final yield and production efficiency, thus lowering packaging costs.

Packaging reduction

- For the domestically shipped SDT models, the Company has eliminated the use of large PE bags for the entire unit, reducing plastic usage and minimizing the environmental impact of packaging. At the same time, the accessories within the accessory boxes have been integrated and categorized, with packaging consolidated, significantly reducing the number of small PE bags. These measures effectively lower the consumption of packaging materials and carbon emissions.

• Water Resource Utilization

GoodWe sources its water primarily from municipal water supplies for its daily production and office operations. The Company places significant emphasis on water conservation and reuse. It has instituted internal regulations such as the ***Office Water, Electricity, and Paper Conservation Management Measures*** and adopted various measures to optimize its water consumption model and achieve efficient management.

The Company uses a real-time monitoring system to track water consumption, adjusting water usage plans in a timely manner to ensure the rational utilization of water resources. In addition, the Company actively selects and gradually opts for water-saving equipment to promote the recycling and reuse of water resources.

GoodWe Water Conservation Actions

Optimizing the water utilization model

- Adjust the water valve opening based on the water usage characteristics of each area, preventing excessive water use and waste.
- Replace standard water meters with communicable meters integrated into the SEMS for monitoring of water consumption.
- Add water meters in areas with high water consumption, and develop water-saving measures based on consumption statistics and analysis results.
- The Suzhou Headquarters uses energy-saving equipment (water-saving toilet and induction faucet) and the rainwater collection system.
- The Guangde factory regularly checks the water pipes and water facilities within the park to avoid water leakage.

Enhancing water resource utilization

- Use the fresh air duct condensate water recovery system, reclaimed water system, and natural rainwater filtration and reuse systems in the Smart Energy Tower to save water; implement sponge ecology to manage surface and rooftop rainwater runoff, regulate total site discharge, and maintain an annual runoff control rate of over 90%.
- Renovate landscape facilities to utilize natural rainwater for irrigation, and collect overflow water for daily green space irrigation.

Product Lifecycle Management

GoodWe's product lifecycle management (PLM) covers critical processes, including raw material supply, production, usage, and disposal, ensuring full-process control from inception to end-of-life, promoting efficient resource utilization and minimizing environmental impact.

Governance

The Company has established a comprehensive PLM framework, with internal regulations such as the ***Product Carbon Footprint Certificate Management Guidelines***, the ***Control Procedures of Hazardous Substances,*** and the ***Regulations on Hazardous Substance Management for Non-BOM Consumables and Packaging Materials,*** ensuring that every process from product design to delivery complies with environmental and quality standards. In terms of management process, GoodWe adopts an integrated product development system. Based on business requirements, this system enables effective control of the product development cycle through cross-department collaboration and concurrent engineering, significantly enhancing its market responsiveness. The Company focuses on quality management throughout the entire lifecycle, with stringent quality control points set for each stage, from demand analysis to product delivery. Driven by market demand, this approach ensures a high level of alignment between product development and customer demands.

Strategy

The Company actively identifies challenges in the product lifecycle, tracks market trends and opportunities, and takes effective measures to reduce operational risks stemming from regulatory uncertainties. GoodWe promotes standardized design, green manufacturing, smart operation and maintenance, lightweight design, and product carbon footprint management throughout all stages of the product lifecycle to ensure the minimization of environmental impacts and enhance sustainability.

GoodWe PLM Risk and Opportunity Analysis

Risk/opportunity type	Specific description	Financial impact
Policy and regulation risk	The Company faces frequent changes in environmental regulations and policies globally. Failure to track and adapt in a timely manner may lead to product compliance risks, impacting market access and brand reputation. For example, stricter environmental requirements in key markets such as the EU impose higher demands on product design, production processes, and operational models.	Operating costs increase Revenue decreases
Market opportunity	With the increasing global focus on sustainability, the Company has the opportunity to invest in green technological innovations to enhance its products' environmental performance. For instance, adopting more energy-efficient technologies and lightweight product designs, and reducing resource consumption and carbon emissions will increase product competitiveness, strengthen the brand's market recognition, and improve customer satisfaction.	Revenue increases

Impacts, Risks, and Opportunities Management

The Company has developed a comprehensive risk and opportunity management process that covers key processes such as identification, assessment, management, and response. This ensures that potential risks are promptly addressed and market opportunities are seized at each stage of the product lifecycle, enhancing operational resilience and market competitiveness.

GoodWe PLM Risk and Opportunity Management Process

Identification and assessment

For compliance risks, the Company strictly follows international standards such as ISO 9001, ISO 14001, and ISO 50001 to ensure products comply with global environmental and safety regulations, and identify the potential impacts of regulatory changes on product design, production, and operations.

The Company uses tools such as Life Cycle Assessment (LCA) to assess the impact of technological updates, ensuring continuous innovation and technological leadership.

Management and response

The Company monitors dynamic changes of supply and demand in target markets, as well as regulations, develops new product plans and compliance strategies, reducing potential compliance risks and seizing green product market growth opportunities.

The Company identifies energy-saving and emission-reduction opportunities throughout the product lifecycle using carbon footprint certificates and energy management platforms, improves hazardous substance management, assesses, and promotes green product designs and recycling plans, continuously lowering product carbon emissions and improving recyclability.

• LCA

The Company prioritizes the selection of environmentally friendly materials and conducts LCA. It cooperates with suppliers to innovate and ensure products meet international environmental standards, such as the Restriction of Hazardous Substances (RoHS) Directive and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation. Monthly Insight Committee meetings are held to promptly identify regulatory trends in target markets (e.g., Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and the EU Battery Regulation), ensuring that products maintain environmental compliance and sustainability throughout their lifecycle.

The Company actively responds to customers' demands for product environmental information transparency and steadily advances the Environmental Product Declaration (EPD) Certification. As of the end of 2024, the Company has successfully obtained EPD certifications for two inverter products: GW15KT-DT and GW15KF-DT. In the future, the Company will expand the scope of EPD certifications based on market trends and customer demands, further enhancing the green, low-carbon, and sustainable nature of GoodWe's products.

GoodWe Product EPD Certifications

The Company has always been committed to quantifying and reducing carbon emissions across the entire product lifecycle and has been actively engaging in product carbon footprint certificate as per the ISO 14067 and PAS 2050 standards since 2022. In 2024, the Company received 2 new product carbon footprint certificates for PV grid-connected inverters. By the end of the reporting period, the Company had obtained carbon footprint certificates for 17 inverter products, fully assessing the carbon emissions and decarbonization potential from the "raw material procurement to gate" stage.

GoodWe Product Carbon Footprint Certificates

After the LCA, the Company effectively reduces its environmental impacts by taking active measures in the selection of raw materials and components, manufacturing, transportation to usage. In raw material and component selection, the Company promotes lightweight design and controls the use of hazardous substances. In manufacturing, the Company is committed to improving resource efficiency and reducing waste generation (see "***Waste Disposal, Pollutant Discharge, and Resource Management***" for details).

In the transportation stage, the Company has optimized the transportation method from truck delivery to a combination of truck and barge transportation, considering delivery schedules and shipping times. The Company has also confirmed overseas service networks and coordinated with transportation companies to return empty containers to nearby locations, reducing truck transportation distances and lowering GHG emissions during transportation. During the product usage stage, the Company drives the adoption of efficient PV inverters and green energy solutions, enabling users to maximize self-generation and self-consumption and reduce dependence on traditional fossil fuels, thereby improving clean energy efficiency and reducing GHG emissions.

• Lightweight Product

GoodWe actively promotes lightweight product design to improve energy efficiency, reduce material consumption, and minimize environmental impact throughout the product lifecycle.

Product Lightweight Design and Carbon Reduction Practices

- For the SDT G3 product, the inverter structure has been changed from the traditional die-casting process to a sheet metal structure, with the die-cast heat sink replaced by an extruded heat sink, and copper wires in the inductor replaced by aluminum wires. Additionally, a highly integrated PCB design has been adopted to reduce the use of electronic components and overall product size. These improvements have reduced the weight of the SDT G3 product by 36% and decreased carbon emissions during the raw material acquisition phase.
- For the DNS G3 product, high-performance plastic materials have been developed, offering superior overall performance compared to traditional metal materials while reducing carbon emissions during the production process. The product's top cover and casing have been transitioned from die-cast aluminum to lightweight AL5052 aluminum alloy, resulting in an 11% reduction in product size, a 9% decrease in weight, and carbon emissions reduction during the raw material acquisition phase.

• Hazardous Substance Control

To reduce the impact of products on the environment, enhance product competitiveness and fulfill social responsibility, the Company follows internal regulations such as the ***Control Procedures of Hazardous Substances*** and the ***Management Regulations on Restricted Substances.*** These regulations guide the risk identification, assessment, and control of raw materials, components, and suppliers, ensuring the reduction and elimination of hazardous substances in products. They also provide a management foundation for the production of environmentally friendly products. In 2024, the Company successfully passed QC080000 Hazardous Substance Process Management Certification.

Additionally, GoodWe, through its EU sales entity GoodWe Europe GmbH as the legal entity, has authorized the professional organization take-e-way GmbH to complete WEEE compliance registration, ensuring compliance with the EU Waste Electrical and Electronic Equipment (WEEE) Directive. In terms of recycling management, GoodWe has established partnerships with take-e-way GmbH and the Irish non-profit organization WEEE Ireland Ltd. Specifically, WEEE Ireland Ltd, founded in 2005, has long provided environmentally responsible recycling and compliance management services for waste electrical and electronic equipment and batteries in the Ireland region, ensuring that waste disposal complies with local regulations.

GoodWe Control Mechanism for Hazardous Substances in Products

Identification and list creation

- Identification includes the components and raw materials that make up the product, equipment, tools and packaging materials used in the manufacturing process, and sources of contamination that may affect the product in the workplace.
- The Sales Center is responsible for obtaining customers' green environmental product specifications, while the Sustainable Development Research Institute collects and reviews relevant laws and regulations, establishing a list of laws and regulations and a comparison table of customer environmental specifications.
- Green product engineers compile and regularly update the ***Management Regulations on Restricted Substances based*** on laws, regulations, and customer needs.

Design and development

- Project managers are responsible for completing deliverables involving hazardous substance requirements, and the R&D department establishes a hazardous material list in the small batch phase, ensuring material selection meets green and environmental standards.
- The R&D department selects environmentally friendly components during the design phase. During the new product introduction phase, the procurement department is responsible for collecting suppliers' environmental data (such as compliance declarations and test reports), and green product engineers review the materials provided by suppliers.

Handling and auditing

- When non-compliant hazardous materials are identified, the identifying unit shall notify the quality engineer and the manager of the Quality Department. If necessary, the hazardous substance process management representative should be informed.
- If customer monitoring shows non-compliance, the responsible supervisor and related departments shall be notified immediately to investigate the cause, isolate suspected products, and send them for third-party testing if needed.
- Sustainable Development Research Institute is responsible for planning and implementing internal audits of the hazardous substance process management system at least once a year or as per customer requirements. The Green ***Product Management System Audit Checklist*** is created and reviewed before the annual audit.

In the production process, through process risk assessments and management, the hazardous substance team identifies hazardous substances across all production sites and fills out the ***Process Hazardous Substance and Pollution Source Identification and Control List*** to ensure that the production process complies with environmental protection standards. Depending on the risk level, the Company takes corresponding control measures, including third-party test report reviews and internal monitoring, to reduce environmental and product compliance risks.

For green material procurement management, the Company has established green supply chain management procedures, developed supplier selection standards for green products in line with the ***Green Procurement Guidelines***, used questionnaires to assess suppliers' compliance risks, required suppliers to provide RoHS reports within the validity period, and performed close monitoring on high-risk materials (such as solder and surface treatment materials).

The Company attaches high importance to the transmission and training of environmental protection information, obtains and keeps Green Environmental Product Specifications to communicate harmful substance requirements to internal employees and suppliers. Regular hazardous substance management training is provided to engineers to enhance their environmental awareness and operational standards.

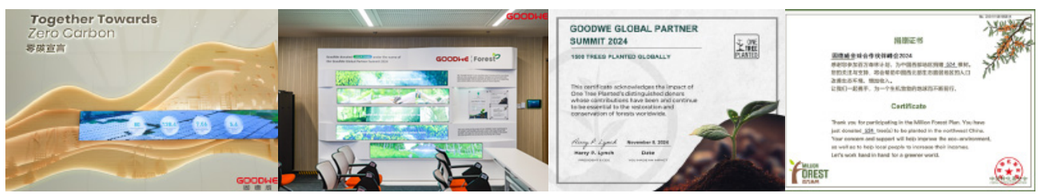
Metrics and Targets

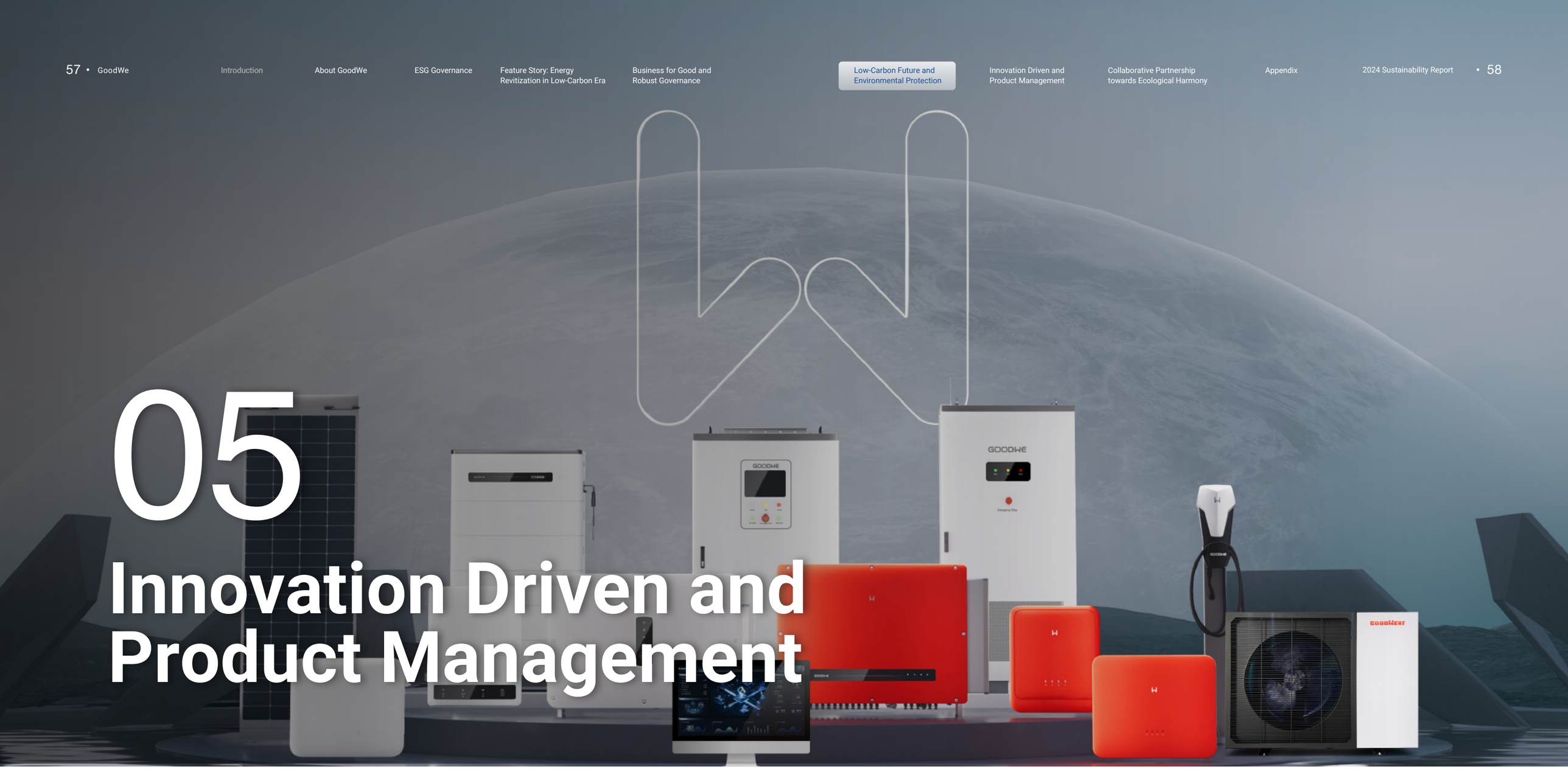
The Company promotes the efficient use of resources and minimizes environmental impact at every stage of product design, production, and use. By strengthening green design concepts, optimizing product manufacturing processes, and ensuring that products comply with environmental standards, the Company aims to reduce reliance on natural resources. Additionally, the Company advances data monitoring and management throughout the entire product lifecycle.

Ecosystem and Biodiversity Protection

GoodWe actively focuses on ecosystem and biodiversity conservation, not only practicing the philosophy of green development in business operations and product design, but also engaging in ecological protection practices, and working with stakeholders to promote harmonious symbiosis between humans and nature. In China, the Company has partnered with the China Green Foundation to launch the "GoodWe Forest" initiative in the Minqin desert area of Gansu Province. Through planting drought-resistant and sand-fixing shrubs such as the Haloxylon ammodendron tree, the plan aims to establish a mixed forest belt to help combat desertification. Overseas, the Company donates trees to the global tree-planting charity "One Tree Planted" to be planted in regions where customers are located, contributing to local ecological protection.

During the GoodWe Global Partner Summit in 2024, we set up a special "Zero Carbon Declaration" area in the Smart Energy Tower exhibition hall. Over 100 global partners signed up to join the "GoodWe Forest" initiative. Each participant received a tree-planting certificate from domestic and international NGO partners. A total of 2,024 trees were donated, contributing to ecological protection in regions such as Asia, Oceania, Africa, Europe, Latin America, and North America.





05 Innovation Driven and Product Management

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Customer Relationship Management
Data Security and Customer Privacy Protection
Digital Transformation
Sustainable Supply Chain Management

SDGs

R&D and Innovation

GoodWe follows the vision of "Driving the World's Smart Energy Future" and is dedicated to the research, development, production, and sales of solar energy, energy storage, and other renewable energy power supply equipment. The Company provides comprehensive solutions such as smart energy management for residential, commercial, industrial users, and ground-based power stations. The Company possesses core technologies in power electronics, renewable energy control, energy management, storage conversion, large-scale data collection, storage, and application.

The Company strictly adheres to laws and regulations such as the ***Law of the People's Republic of China on Scientific and Technological Progress,*** and ***Patent Law of the People's Republic of China*** to ensure the legality and compliance of technological innovation.

Governance

The Company has established a R&D and innovation management structure consisting of the "Chairman - Senior Vice President - R&D system/R&D departments of each product line & business unit". Internal regulations such as the ***R&D Project Management Measures, Operating Standards for Product Risk Analysis***, and ***Intellectual Property Management Manual*** have been developed. The Company complies with multiple external standards, including IEC 62109, IEC 61000, EN 50549-1, and VDE 4105. Through R&D processes, platforms, and management, the Company strengthens its R&D system and clarifies the responsibilities of each level, promoting technological innovation and the transformation of research achievements.

The Company focuses on intellectual property protection and has defined the Intellectual Property Innovation Service Center as responsible for the full lifecycle management of the Company's intellectual property. The WE-IP intellectual property management system is used to standardize the application, ledger management, and maintenance of intellectual property. The Technology Center reviews patent disclosures, assesses their technical quality, and conducts intellectual property risk analysis to ensure the patent's innovation, feasibility, and legal validity, thereby protecting and converting the Company's technological achievements.

Strategy

The Company follows industry development trends and adopts a customer-driven approach in R&D. By maintaining the R&D strategy of "producing one generation, developing one generation, and pre-researching the next generation", the Company ensures the continuity and foresight of its R&D work. Throughout this process, the Company closely monitors the risks and opportunities brought by technological iterations, market changes, and regulatory updates to ensure that R&D activities meet the latest policies and market requirements.

GoodWe R&D and Innovation Risk and Opportunity Analysis

Risk/opportunity type	Specific description	Financial impact
Technology risk	If the Company fails to accurately grasp the industry's technological development trends, cannot achieve timely R&D technology innovation, there is a risk of technological lag, causing the Company's product efficiency, power density, and other technical indicators to fall behind industry peers, reducing market share.	Revenue decreases and operating costs increase
Market opportunity	With the accelerating global energy transition and clean energy policies driving rapid growth in the photovoltaic and energy storage markets, the increasing demand for distributed solar-storage systems offers the Company an opportunity to leverage its technological advantages in PV inverters, energy storage systems, and smart energy solutions, expanding its overseas market share and enhancing brand influence and profitability.	Revenue increases

Impacts, Risks, and Opportunities Management

The Company operates a PDCA (Plan-Do-Check-Act) cycle for insight-driven closed-loop operation mechanisms, ensuring that insights from various business areas serve the objectives of those areas. An Insight Committee is set up to support IPMT's daily insight management work. By organizing and managing insight efforts, the Company identifies and uncovers product, sales, and market opportunities and risks in a timely and accurate manner, driving each responsible department to complete the implementation of actions and supporting senior management in making correct decisions to achieve sustainable business success.

The Company integrates risk and opportunity management into the entire product development lifecycle through standardized technology review processes. By combining quality red lines, quantitative indicators (such as defect rates, test coverage), and closed-loop tracking mechanisms, the Company ensures that technological risks are controlled while identifying innovation opportunities to enhance product competitiveness.

GoodWe R&D and Innovation Risk and Opportunity Management Process

Identification and analysis

- Through the technical review checklists at each stage, assess factors such as technology maturity, demand realization, cost control, and supply chain risks. Use the pre-review issue feedback form to collect independent opinions from product development team representatives and experts, focusing on design defects, demand deviations, insufficient test coverage, and other issues.
- Identify areas for technological optimization, market demand changes, and potential new technology applications during the review.

Assessment and prioritization

- Classify review conclusions (GO/Redirect/GO with Risk), assess the impact of issues on project schedule, cost, and quality, and predict the probability of risk occurrence based on historical data.
- Assess technological feasibility and resource alignment, and analyze the contribution of opportunities to product competitiveness, market response speed, and cost optimization.

Monitoring and closure

- The product quality assurance team logs issues into the management system and tracks the progress of solutions and verifies in subsequent technical review stages whether previous risks have been addressed.
- Convert high-priority opportunities into specific action plans, assign responsibility to engineers, and include these in the technical review reports. Use phased reviews to validate the actual benefits of opportunities.

• R&D Team Development

The Company cultivates and motivates R&D personnel through various methods to enhance the overall quality and innovation capability of the team. Every year, a training plan is developed in advance, with tiered and graded technical training carried out, including organizing technical seminars, inviting external technical experts, and conducting internal technical experience sharing sessions. In 2024, more than 100 training events were held. Additionally, the Company supports employees in independently registering for external training programs and reimburses training fees, and offers regular incentives, year-end rewards, and preferential recommendations for government talent programs to support the progress and growth of R&D personnel. To create a favorable environment for technical discussions, the Company regularly organizes various team activities, such as sports leagues, spring cycling, internal social gatherings, autumn hiking, and joint photovoltaic city-building events, fostering integration within the production and R&D community.

Cross-disciplinary R&D talents are key to driving the Company's innovation and maintaining technological leadership. Through an internal talent transfer mechanism, the Company annually transfers technical personnel to other departments to promote personal growth and inter-departmental collaboration. Each time, 1-2 senior employees are selected as leaders of rotation projects, responsible for training and performance evaluation of rotating employees, ensuring the smooth implementation of rotation programs and fair performance assessments. The matrix reporting mechanism ensures the successful implementation of rotation projects while effectively conveying frontline market feedback to R&D team, and enhancing organizational agility and market responsiveness.

• Product Normalization Design

GoodWe is advancing product normalization design in multiple key areas, including electronic materials, software development, hardware design, structural materials, appearance layout, and installation methods. The goal is to enhance product standardization, reduce costs, and optimize R&D efficiency.

Electronic materials normalization

- Optimize material classification rules and establish an electronic materials optimization library to improve material management efficiency and accuracy, reduce resource waste, and enhance the stability and responsiveness of the supply chain.

Software development normalization

- Achieve normalization of all software projects on a unified platform concerning input and output signal rules (Input/Output Map, IO MAP), thereby enhancing software versatility and modular design, reducing repetitive development work, and improving software compatibility across different product lines.

Structural materials normalization

- Develop structural material classification rules and complete an optimization library for 15 categories of structural materials to improve the universality and standardization of structural components, optimize supply chain management processes, and enhance procurement efficiency and quality control levels.

Product Innovation

Driven by both the "Dual Carbon" goals and the wave of digitalization and intelligence, GoodWe continues to deepen its product innovation efforts, aiming to provide users with integrated solutions for the source, grid, load, and storage. In 2024, GoodWe made breakthrough progress in its product line centered around photovoltaic inverters while expanding into the heat pump product sector, launching several innovative products for a wide range of applications, including residential, commercial, industrial, and park settings. Through efficient power generation technology, intelligent control systems, low-noise designs, and the application of environmentally friendly materials, GoodWe has not only significantly enhanced the performance and reliability of its products but also effectively reduced system costs and carbon emissions, promoting the intelligent transformation of energy management. These innovative achievements fully demonstrate GoodWe's relentless efforts and firm commitment to enhancing user experience and promoting sustainable development.

Product type	Product name	Application scenarios	Innovation and value
Inverter	SDT G4 series	Residential	• Silicon carbide (SiC) device design • 300V voltage difference, 45°C high-temperature operation without load reduction, more reliable • Compact and lightweight (≤19KG), snap-on AC protective cover, easy to install • Dual 485 design, meets "four availabilities," making installation more convenient
	SMT G2 series	Industrial and commercial	• Ultra-low noise design, lightweight • Multiple MPPT design, allows for multi-angle module connection • Surges protection for AC and DC levels • Supports DC arc protection
	ESA series 261kWh		• Simple and integrated maintenance solutions • PACK + cluster-level fire-fighting system, precise cooling and extinguishing • 8000 cycles, 314Ah long-life battery cells • Intelligent liquid cooling system • 3S integrated PCS, high primary conversion efficiency • Black start capability
Photoelectric building materials	Sunrise 2.0	Residential and public buildings	• Compatible with various traditional tile shapes, easily meets renovation and new construction needs • 3.2mm + 3.2mm reinforced double-glass, ensuring roof structure safety • 21.4% photovoltaic conversion efficiency, 30-year UV resistance and aging performance • Meets Class A fire rating and 15-level instant wind protectionSupports custom module colors, enabling architectural aesthetics
	Galaxy 355W	Industrial and commercial factory buildings	• Lightweight materials, effectively reducing roof load pressure • Topcon solar cells, excellent power generation performance • Clamped fixation, does not damage the existing waterproof roof layer • Ventilation design to ensure power generation efficiency • 1.6mm reinforced layer, withstands 15-level typhoon
	Arctic 630W	PV energy storage and charging shelters, industrial factory buildings	• System-level structural water drainage, excellent waterproof performance • Modular design for quick installation • Dual-chamber frame design, ensuring a more robust structure
	Balcony photovoltaic 200W	Balconies, railings	• 4-in-1 integrated kit, ultra-light, only 3kg/㎡ • Building material-type photovoltaic panel, low-voltage safe micro-inverter Plug-and-play, easy installation, smart management •
Heat pump	GoodWe Europe original 3S ultra-economical triple-supply heat pump	Home heating	• Self-developed 3S smart energy-saving management system, 8%-10% increase in heat exchange efficiency • A+++ energy efficiency level, 30%+ increase in heat exchange area • Independent compressor soundproof cabin design, reduces noise to 40dB • Uses R32 eco-friendly refrigerant, maintains efficiency at -20°C, 10% higher heat efficiency than R410a
Digital platform	SEMS	Energy management	• Digitalization of energy management improves efficiency, reducing customer's manpower input by 60% and increasing asset yield rate by more than 30%. • High compatibility, compatible with the top 10 brands of inverter/energy storage/charging pile cloud platforms on the market. • High-precision data guarantee, with settlement verification accuracy of more than 99.5%. • Guarantees full life cycle of assets, covering the whole process of energy monitoring, management, operation and maintenance, settlement and trading.

Intellectual Property Management Practices

The Company follows the ***Intellectual Property Risk Management Control Procedures*** to timely identify, assess, and respond to intellectual property risks and minimize the risk of infringement. During the project development phase, technical personnel submit technical investigation cases through the intellectual property management system, where relevant staff conduct searches and analysis of technical plans to mitigate risks from the source.

The Company actively commissions third-party institutions to conduct in-depth searches and assessments of internal patent technologies, further enhancing the systematization and effectiveness of the intellectual property management system. At the same time, the Company proactively monitors the intellectual property protection directory from the Suzhou Administration for Market Regulation, using this platform to receive early warning information on potential infringement activities, preventing intellectual property infringement incidents.

To raise employee awareness of intellectual property protection, the Company regularly organizes diverse training and promotional activities, including external expert lectures, internal knowledge training, and intellectual property competitions. These activities cover compliance knowledge, patent risk prevention, and analysis of innovative cases, promoting the comprehensive integration and implementation of intellectual property protection culture within the Company.

GoodWe R&D and Innovation Achievements and Honors in 2024

High and new technology

- High-tech Enterprise Certification
- Enterprise with a National Postdoctoral Research Station
- Undertaking Unit of the Industrialization Demonstration Project Funded by the China Torch Program
- National industrial design center
- Research Center of Jiangsu Province for Renewable Energy Grid-connected Inverter Engineering Technology
- Jiangsu Provincially Recognized Enterprise Technology Center
- Research Center of Suzhou for Photovoltaic Grid-connected Inverter Engineering Technology

Industry honors

- China Top 100 New Energy Storage Brands (EESA)
- PVBL Top 100 Solar PV Brands in the World (PVBL Global Photovoltaic Brand Rankings)
- "DSS Residential Inverter Series" awarded the German Red Dot Design Award

Standard formulation

- Regional Low-carbon Energy System Technology Guidelines
- Grid-connected Energy Storage Converter Technical Specifications for Grid-connected Electrochemical Energy Storage Power Stations
- General Technical Requirements for Building Photovoltaic and Energy Storage Inverters

Industry insights

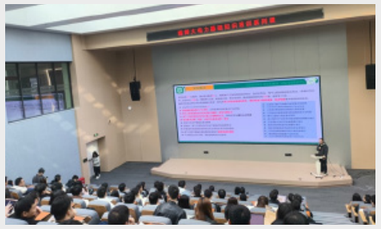
- Zero-carbon Transportation White Paper: It analyzes the application characteristics of PV energy storage and charging systems in different scenarios. It also provides data such as configurations for fast and slow charging in various scenarios, financial models, etc., to demonstrate the potential and value of PV energy storage and charging systems in promoting zero-carbon transportation.
- Zero-carbon Smart Home White Paper: It integrates the experiences of PV energy storage and charging systems, smart homes, and intelligent power distribution. It covers the definition of zero-carbon smart home systems, multi-scenario solution introductions, case studies, future trends, and user recommendations.

Industry-Academia-Research Practice

GoodWe actively promotes industry-academia-research collaboration and partners with several universities to engage in cutting-edge technology R&D, contributing to technological innovation in the renewable energy field. The Company has collaborated with Fuzhou University, Nanjing University of Aeronautics and Astronautics, Nanjing Normal University, and Suzhou University of Science and Technology, among others, to work on industry-academia-research projects that enhance the Company's technological strength while providing innovative support for the sustainability of the industry.

Case | Collaboration with Nanjing Normal University for Industry-Academia-Research Training

In 2024, the Company entered into a deepened industry-academia-research cooperation agreement with Nanjing Normal University to conduct a training program focused on "Power Systems and New Energy Technologies." The courses were conducted in phases, combining both offline and online formats, with classroom teaching as the main component and technical lectures as supplementary. Through this collaboration, both parties further strengthened their industry-academia-research cooperation, ensuring the effectiveness and practicality of the training content, and achieving mutual enhancement goals.



Metrics and Targets

In 2024, the Company monitored performance indicators such as the proportion of R&D personnel and R&D investment amount, and conducted a comprehensive assessment of the Company's investment and talent allocation in R&D and innovation. In the future, the Company will continue to optimize resource allocation, strengthen R&D talent development, actively engage in deep industry-academia-research integration, and inject strong momentum into its R&D efforts through scientific decision-making.

Product Quality and Safety

GoodWe's main business products include PV grid-connected inverters, energy storage products, and residential systems. The Company strictly adheres to the ***Product Quality Law of the People's Republic of China,*** the ***Standardization Law of the People's Republic of China, CNCACTS0004-2009A Technical Specification of Grid-connected PV Inverter,*** and other relevant laws and regulations. The Company integrates the concept of product quality and safety throughout the entire lifecycle of procurement, R&D, production, manufacturing, and after-sales service. In 2024, the Company did not experience any major accidents related to product quality and safety.

Governance

The Company has established a relatively complete quality management organization structure that allows for the orderly progress and coordinated cooperation of the quality work in each stage. The Quality Process IT Department serves as the coordinating unit, participating in bi-weekly quality meetings. It is primarily responsible for quality-specific projects, the formulation and execution of quality agreements, and the closed-loop management of quality issues. The department director reports directly to the Chairman regarding quality matters.

The Sustainable Development Research Institute is responsible for the Company's quality system certification and environmental compliance, overseeing ISO 9001 quality management system certification, as well as compliance management with QC080000, RoHS, REACH regulations, and full substance investigations. This supports the integration of quality and sustainability within the Company.

The Operations Quality Department focuses on quality control and issue resolution during the manufacturing process, ensuring stable and controllable product quality during production. The Supplier Quality Department specializes in quality management at the procurement end, encompassing the identification, rectification, and continuous improvement of supplier-related quality issues, ensuring the reliability of raw materials and outsourced components.

The After Sales Service Department is responsible for handling customer feedback and quality issues post-delivery, enhancing customer satisfaction and driving issue resolution. The Product Support Department focuses on the compliance management of product safety regulations, ensuring that products meet global market compliance and safety standards.

The Company has established internal regulations, such as the ***Management Measures for Product Quality Abnormalities*** and the ***Product Quality Traceability System***, to provide standardized, formal processes for the quality management system. This ensures that every stage of the product lifecycle, from procurement and R&D to after-sales, meets quality standards and relevant legal and regulatory requirements. In 2024, the Company's Suzhou factory, Guangde factory, Shunde factory, Vietnam factory, and SHAWLLER passed ISO 9001 Quality Management System certification.

Strategy

The Company remains committed to quality as the core focus, continuously advancing product R&D and technological optimization to provide efficient, safe, and environmentally friendly solutions. This ensures that every product maximizes quality and safety during design, production, and usage. Throughout this process, the Company identifies potential risks and adjusts strategies and technical routes flexibly, while seizing opportunities in green development and technological innovation to drive product optimization. This ongoing effort enhances market competitiveness and ensures sustainable business growth despite facing challenges.

GoodWe Product Quality and Safety Risk and Opportunity Analysis

Risk/opportunity type	Specific description	Financial impact
Product installation	Because the products may be subject to changes in environment and operating conditions during transportation, safety and use, the Company's PV and energy storage products may be improperly installed or the use environment does not meet the standards, which may lead to equipment failure or performance degradation, thereby increasing after-sales service costs and affecting customer satisfaction.	Operating costs increase Revenue decreases
Product adaptability opportunity	The Company can improve product design adaptability and ease of installation by simplifying installation processes and offering more user training and technical support. This would enhance product usability and stability, increasing market share and establishing a high-quality and reliable brand image.	Revenue increases

Impacts, Risks, and Opportunities Management

Through cross-functional team collaboration, quantitative risk assessments, and a closed-loop management mechanism, the Company systematically controls product quality and safety risks. At the same time, the Company identifies opportunities for design optimization and regulatory compliance improvements during risk analysis, ensuring products remain safe, reliable, and competitive in the market.

GoodWe Product Quality and Safety Risk and Opportunity Management Process

Identification and analysis

- Identify risks across five stages of the product lifecycle (transportation, installation, commissioning, use, disposal) and ten types of hazards (mechanical hazards, electrical hazards, thermal and explosion hazards, noise hazards, etc.).
- The project manager forms a cross-functional team to conduct multi-domain risk analysis based on physical prototypes. Complete the product risk analysis form to document hazardous scenarios in each domain (e.g., electrical sections, structural failures).
- Through risk analysis, identify design optimization points (e.g., reducing noise may enhance user experience). Explore compliance improvements based on CE certification requirements that bring enhanced market competitiveness (e.g., the use of environmentally friendly materials).

Assessment and classification

- Conduct risk assessment based on severity, frequency, and likelihood, using a risk combination method to calculate the risk index. Based on the score, risks are classified from high to low.
- High-risk issues require immediate corrective action (e.g., electrical explosion risks) to pass CE certification. Medium risks require design or documentation optimization to prevent hazards. Low risks are included in long-term monitoring plans.

Management and monitoring

- Engineers from various domains submit corrective action reports, and system engineers organize review meetings to confirm that the risk index is reduced to below 3 points, document the structure on risk analysis reports, and archive historical data in the risk inventory for future project reference.
- High-priority opportunities (e.g., optimizing the heat dissipation scheme) are included in design changes, approved by the R&D Director. The effectiveness of the optimization is validated during subsequent product testing, and the risk inventory is updated.

GoodWe Product Quality and Safety Key Practices

Quality culture development

- Each production base regularly conducts training and assessments, organizes cross-disciplinary quality review activities, and implements preventive and corrective measures. In 2024, the Company launched articles on its internal "Quality Micro Window" subscription account to continuously enhance employees' quality management capabilities.
- The Company is gradually establishing an incentive and authorization mechanism to improve employees' quality awareness and participation.

Quality process control

- The stability and accuracy of production equipment are inspected, and regular maintenance and repairs are conducted to avoid quality issues caused by equipment malfunctions.
- High-quality raw materials are procured, and suppliers are quality-assessed and managed.
- Various factors in the production environment are controlled to minimize negative impacts on product quality.
- All measuring instruments are ensured to meet relevant standards and are regularly calibrated to ensure measurement data accuracy.

Quality issue monitoring

- Regular checks, assessments, and audits are used to ensure effective implementation of quality work in each department and position.
- Implement the "One-Vote Veto" system in key processes to ensure that non-conforming products do not flow downstream.
- Real-time monitoring of quality control results is conducted to provide timely feedback and improvements and ensure that quality issues are promptly addressed and resolved.
- Standardize the handling process for abnormal product quality to ensure that abnormal quality situations can be resolved and improved in a timely manner.

Testing capability

- The Suzhou factory is equipped with an electromagnetic compatibility (EMC) laboratory (compliant with EN55022 Class B), a thermal simulation platform (with an error rate of <3%), and a safety regulation testing center (100% passed IEC62109 certification). It has also obtained ISO 17025 laboratory accreditation.
- The Shunde factory has built four international-level explosion-proof laboratories (suitable for refrigerants such as R290, R32, R454B, R454C, etc.) and is equipped with advanced testing equipment that meets European, American, Australian, and Chinese national standards. This ensures the development testing and noise detection of heat pump products.

GoodWe Main Quality and Integrity Management Measures

Integrity culture building

- Establish the corporate philosophy of "winning with quality, honesty, and integrity" to strengthen employees' awareness of quality responsibility and sense of belonging to the Company.
- Integrity culture covers quality and safety responsibility, team spirit, employees' sense of honor, corporate integrity atmosphere, and cooperation with relevant parties.

Quality integrity education

- Implement a three-level quality integrity education mechanism, with the management center coordinating company-wide training, functional departments carrying out department-level education based on practical needs, and production teams regularly organizing integrity promotion during morning meetings.
- The Quality Department is responsible for organizing and driving the overall education efforts. There must be at least one company-wide training session annually, covering the importance of quality integrity, the impact of individual behavior on organizational reputation, and the consequences of breaching integrity. Training plans and records are strictly executed according to the ***Record Control Procedure*** to ensure the deep-rooted quality culture.

Emergency preparedness

- Regularly monitor and measure compliance, process control, product quality, fulfillment capability, financial status, and corporate image. If any non-compliance in systems, products, or behavior is identified, corrective actions will be implemented immediately according to the ***Corrective and Preventive Action Procedure.*** If defective products are found, the ***Nonconforming Product Control Procedure*** will be followed for recall and remediation.

The Company implements a strict labeling and traceability system in its quality management. Raw materials entering the warehouse must be labeled with conformity tags, standard parts use QR code labels containing key information, and environmental labels (such as GP, RoHS) must be complete. Materials that do not meet standards or lack labels will be returned. Finished products that pass inspection will be labeled with a "QC PASS" tag, while non-conforming products will have a special label and be isolated. Finished goods in stock will be marked with a "Finished Product Label." The entire process is recorded through process cards and SIP forms, with barcode traceability for raw materials and production information relying on the MES system.

Metrics and Targets

The Company adheres to quality as the core and safety as the guarantee. Through strengthening product quality control and testing, the Company ensures that products undergo rigorous quality checks before delivery. The Company will continue to drive innovation through intelligent manufacturing and digital monitoring methods, enabling real-time tracking of product quality and safety. This ensures that each step meets high standards, enhancing customer trust and satisfaction with the products.

Customer Relationship Management

GoodWe adheres to the service philosophy of "Customer First," and strictly complies with laws and regulations such as the ***Law of the People's Republic of China on the Protection of Consumer Rights and Interests*** to ensure full protection of customer rights and provide high-quality, reliable products and services.

Governance

During the pre-sales stage, the Company's Solar Academy takes the mission of "providing pre-sales services beyond expectations", provides comprehensive and professional pre-sales technical support in the project implementation process, and ensures that the products and solutions achieve the expected results of customers through actual operation testing and performance evaluation. The academy organizes regular technical exchanges with customers, and builds an open and active exchange community in the photovoltaic industry, to share professional knowledge and technical experience in the photovoltaic field with customers, partners, and industry practitioners.

During the after-sales stage, the Company's After Sales Service Department coordinates three business modules, i.e., the call center, technical service, and service operation, forming a closed-loop management mechanism of the whole process, and has set up after-sales service outlets in 28 countries and regions around the world. The Company guarantees efficient project delivery, quick problem response, and high-quality technical service support for customers and builds a service system covering the whole world. All client-side problems are handled in accordance with the Issue To Resolution (ITR) management specification to ensure the efficiency and compliance of customer service.

Strategy

The Company is customer-driven and continually optimizes customer service processes to enhance customer satisfaction and loyalty. Through digital tools and standardized processes, the Company actively addresses potential risks in customer relationship management, while seizing market opportunities, driving service model innovation, and enhancing market competitiveness. The Company also conducts regular customer visits and proactive operations and maintenance to better understand customer needs, offering customized solutions and further improving the customer experience.

GoodWe Customer Relationship Management Risk and Opportunity Analysis

Risk/opportunity type	Specific description	Financial impact
Service response risk	If customer issues are not handled promptly or if solutions are inadequate, it could lead to customer complaints or even loss, negatively affecting the Company's brand reputation.	Revenue decreases Operating costs increase
Market opportunity	By providing efficient services and maintaining strong customer relationships, the Company can increase customer repeat purchase rates and expand new business cooperation opportunities.	Revenue increases

Impacts, Risks, and Opportunities Management

GoodWe Customer Relationship Management Risk and Opportunity Management Process

Plan

- Clearly define the core scope of customer relationship management, covering key areas such as customer demand response, service delivery, complaint handling, customer data management, and satisfaction tracking.
- Identify potential risks in customer relationships, including service quality instability, poor customer data management, delayed responses to changing demands, and non-compliance with laws and regulations.
- Focus on opportunities in customer relationship management, such as deepening customer cooperation, promoting digital management, expanding value-added services, and enhancing brand image.

Do

- Establish standardized customer service processes to ensure that each stage is orderly and transparent, particularly in responding to and closing the loop on customer complaints, with clear time and quality targets.
- Build a multi-channel communication system, including online customer platforms, hotlines, and face-to-face interactions, allowing the Company to promptly gather customer feedback and improve customer experience and service efficiency.

Check

- Through monitoring and audits, continuously track and assess the effectiveness of customer relationship management execution.
- Conduct regular risk reassessments, considering market dynamics and changes in customer needs, to identify new risks and opportunities in a timely manner.

Act

- Implement corrective and preventive measures for identified issues to ensure similar problems do not recur.
- Regularly summarize the results of customer relationship management and submit reports to the management, driving cross-department collaboration to ensure objectives are met, and continuous optimization is achieved.

The Company upholds a customer-centric philosophy and is fully committed to advancing and optimizing its digital customer management model. By implementing an advanced customer relationship management (CRM) system, the Company has successfully integrated and implemented the entire process from lead identification to cash collection (LTC), enhancing the precision of customer relationship management and operational efficiency. This has further enabled the Company to continuously improve customer satisfaction and loyalty with a more professional and efficient service system.

Additionally, the Company places great importance on the quality and efficiency of after-sales service. Under the guidance of professionals, the Company has established a comprehensive ITR process management system. The core goal of this system is to standardize the handling of after-sales service requests, clearly defining key aspects such as customer complaint classification rules, service authorization mechanisms, work order status definitions, and escalation procedures for major customer complaints. Starting in 2024, the Company has included the timeliness of customer complaint handling as a company-wide management indicator, ensuring effective control over the entire process from problem acceptance to work order closure. This guarantees a quick response and accurate resolution to customer needs.

The Company places a high priority on customer satisfaction management, conducting 100% satisfaction follow-up for all high-level issues to ensure that customer feedback is thoroughly gathered, and effectively improves the company's deficiencies and areas for improvement are addressed. Satisfaction follow-up includes both manual callbacks and automated evaluations. The feedback results are quantified using a five-level rating system. For any dissatisfaction, the Company will analyze the causes and develop improvement measures to continuously enhance service quality and customer satisfaction.

Case | Management Regulations for Special Operations of Voice of Customers on the SEMS

To enhance the customer experience and product optimization for the SEMS, the Company has developed a detailed Voice of Customer (VOC) work order process and timeliness management mechanism. When customers encounter product issues or require functionality improvements on the SEMS, they can initiate work orders through their account manager or delivery personnel. The Platform Operations Department is responsible for initially reviewing the work order. If the issue can be directly resolved or the request cannot be accepted, the customer will be promptly notified.

The Company consistently focuses on the development of its service team's capabilities, and conducts multi-level and multi-dimensional training to comprehensively enhance employees' professional competence and service quality. In 2024, the Company organized a total of 45 training sessions for new employees both domestically and internationally, helping them quickly integrate and master professional knowledge. Additionally, 107 specialized training sessions were held for the service team to strengthen their skills in technical support, customer communication, and problem-solving. The Company also conducted 46 training sessions for service providers and customers, promoting collaboration and technical exchange between upstream and downstream partners. The Company actively promotes the development and business expansion of the marketing team through a series of training and offline activities, focusing on new product promotion, solution support, and customer needs. This strengthens the sales team's technical knowledge and market response capabilities.

Case | Product Marketing Training Sessions at the Solar Academy

In 2024, the Company provided 30 empowerment training sessions for the marketing team, focusing on in-depth explanations of new products and solutions to enhance the product technical capabilities of the sales and marketing departments. The Company also organized two hands-on installation training sessions, allowing sales team members to participate in product installation and configuration, gaining deeper insight into the product's actual application. During the installation process, issues were identified, and improvement suggestions were made.

To continuously improve service quality, the Company actively promotes the standardization of its service system and successfully passed the "Commodity After-sales Service Certification (Ten-Star)", "Customer Satisfaction Index Evaluation Certification (Ten-Star)", and "Commodity After-sales Service Certification (Five-Star)".

GoodWe Customer Service Certifications (examples)

Metrics and Targets

The Company continues to advance digital management and has established a comprehensive and transparent service monitoring system. By the end of the reporting period, all after-sales issues reported by customers through any channel could be tracked in the system throughout the entire handling process. Based on the after-sales service system, the company can further monitor and manage after-sales issues, building an ITR process indicator database for real-time tracking and refined management of core service indicators. Key metrics being monitored include customer complaint handling timeliness, work order closure rates, and customer satisfaction. Notably, the timeliness of customer complaint handling has been incorporated into the company-wide KPI starting in 2024, ensuring the efficient flow of the service process, fast response time to customer issues, and improving problem-solving efficiency, thereby enhancing customer satisfaction.

Data Security and Customer Privacy Protection

GoodWe places great emphasis on data security and customer privacy protection. The types of data involved include contract and order data, customer information data, system or network security control configuration data, firewall data, etc. The Company defines customer information data as sensitive data, including customer portrait databases, information repositories, and data that requires operation through third-party business outsourcing platforms.

The Company strictly adheres to laws and regulations such as the ***Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China,*** ensuring the compliance and security of information collection, storage, processing, transmission, and sharing. In 2024, the Company did not experience any data security or customer privacy breach incidents.

• Data Security and Customer Privacy Protection Management System

The Company has established an Information Security Committee and constructed a management structure consisting of the "Information Security Management Steering Group – Information Security Management Promotion Group – Information Security Administrators." The Company has also developed internal regulations, including the ***Information Security Risk Assessment and Control System, Regulations on Information Security Goals and Effectiveness Measurement,*** and ***Data Backup Management Regulations,*** to ensure the systematic, effective, and continuous improvement of information security and customer privacy protection measures, constantly enhancing the level of information security and privacy protection. In 2024, the Company successfully obtained ISO 27001 Information Security Management System certification.

GoodWe Data Security and Customer Privacy Protection Management Structure

Information Security Management Steering Group

- Responsible for guiding information security risk assessment work, consolidating and confirming the ***Information Security Risk Assessment Form,*** and generating the ***Information Security Risk Assessment Report*** and ***Residual Risk Approval Report*** based on the assessment results.

Information Security Management Promotion Group

- Responsible for identifying and assessing risks related to assets used or managed by their department.
- Responsible for specific security control measures for assets within their department.

Information Security Administrators

- Responsible for promptly assessing and reporting changes in information assets within their department, and updating the ***Information Security Risk Assessment Form*** to the Information Security Management Steering Group.

The Company has built a security system compliant with Level 3 national standard of the Multi-Level Protection Scheme (MLPS) 2.0. By deploying security modules such as next-generation firewalls, anti-virus walls, cloud WAF (Web Application Firewalls), log auditing, and vulnerability scanning, the Company has comprehensively enhanced its information security protection capabilities.

• Data Security and Customer Privacy Protection Management Practices

To ensure the continuous effectiveness of information security risk management, the Company organizes an annual risk assessment of information assets at a minimum, to identify new threats and vulnerabilities and assess whether additional control measures are needed. In the event of significant adjustments to business processes, major information security incidents, significant changes to information network systems, or when necessary, special risk assessments are conducted in a timely manner to ensure that information security risks remain under effective control. In addition, the Company checks, reviews, and continuously tracks the risk assessment results annually to ensure the effectiveness and adaptability of the risk management system, while constantly improving the level of information security management.

To raise overall information security awareness, the Company's information technology department organizes phishing email drills and security training to help employees become more vigilant and reduce potential cybersecurity risks. Furthermore, to improve daily office security, the Company has implemented a unified internet access policy, using whitelist access control to effectively prevent unauthorized software usage and sensitive information leakage.

The Company organizes training on information asset identification and risk management for the information security management promotion group members from each department, ensuring that they possess basic risk identification and management capabilities. In 2024, the Company conducted comprehensive offline and online training on IT basics, information security, network security awareness, and ISO 27001 Information Security Management System, covering all employees.

Digital Transformation

Governance

GoodWe adheres to the digital transformation philosophy of "Data-driven, Intelligence-empowered, Business Collaboration, security-controlled," with technological innovation as the core, leading the Company towards intelligent and efficient development. The Company's IT departments work closely with business departments through the IT Business Partner (ITBP) mechanism, ensuring IT requirements are rapidly and precisely met across R&D, production, procurement, after-sales, administration, and other business areas. In team management, IT departments adopt a collaborative working model of ITBP + IT services and leverage AI tools, service desks, and issue tickets to improve the response speed and efficiency of IT services.

The Company has developed internal regulations such as ***Management Regulations on Information-based Projects, I-I Integration Management Manual,*** and ***Control Procedures for the Technical Realization Process of I-I Integration.*** In 2024, the Company established a digitalization task force to promote business process digitalization and automation, while standardizing the application of digital technologies, strengthening collaboration between business processes and information systems, and improving operational efficiency.

Strategy

The Company is committed to driving business innovation through digitalization, continuously optimizing internal processes to improve operational efficiency and empowering business teams to respond swiftly to market changes. Through digitalization, automation, and intelligent methods, the Company enhances its data management capabilities, making decision-making more accurate and efficient.

GoodWe Digital Transformation Risk and Opportunity Analysis

Risk/opportunity type	Specific description	Financial impact
Technology risk	During the introduction and upgrading of digital systems, the Company may face challenges such as technical integration difficulties, long implementation cycles, and system instability, which could affect business continuity.	Operating costs increase
Market opportunity	Through digital upgrades, the Company improves operational efficiency, optimizes resource allocation, reduces operational costs, and strengthens its competitiveness in areas such as intelligent manufacturing, precise marketing, and supply chain collaboration.	Operating costs decrease

Impacts, Risks, and Opportunities Management

To ensure the smooth implementation of digital transtormation and minimize related risks while seizing market opportunities, the company hasestablished a comprehensive risk and opportunity management process. This process, combined with the Company's existing ***Managemen Regulations on Information-based Projects*** and digital transformation practices, ensures that the Company can continuously optimizebusiness models and enhance competitiveness in a complex market environment.

GoodWe Digital Transformation Risk and Opportunity Management Process

Identification

- Conduct feasibility analysis during project initiation to identify potential risks in technology implementation, such as system compatibility, data migration difficulty, and operational complexity.
- Regularly perform market and industry analysis to assess the market expansion opportunities digital transformation may bring and identify compliance risks resulting from regulatory changes.

Assessment

- In terms of risks, focus on the scope of impact, likelihood of occurrence, response costs, and compliance requirements.
- In terms of opportunities, assess the potential for business growth, operational efficiency improvement, and technological maturity.

Sort and prioritization

- For high-priority risks, such as information security vulnerabilities and core business system stability issues, immediate action is taken.
- For medium-priority risks, such as increasing IT operation and maintenance costs or difficulties in training for new system users, long-term optimization plans are developed.
- In terms of opportunities, high-priority projects high-priority projects receive prioritized resource allocation and accelerated implementation, while long-term opportunities such as frontier technology exploration are tracked and researched as technological reserves.

Continuous monitoring and mitigation

- Use situational awareness, monitoring platforms, and log platforms to monitor the operational status of IT systems and data security in real-time. An IT service desk is set up, and AI knowledge bases and automated operations technologies are used to track user feedback and system stability.
- Regularly conduct information security audits and compliance checks to ensure that digital transformation meets industry regulatory requirements.

The Company continues to promote internal digitalization through various initiatives, including enhancing digital skills, optimizing office tools, and reducing costs while increasing efficiency, all aimed at enhancing organizational efficiency and management effectiveness.

GoodWe Digital Transformation Key Practices in 2024

IT empowering business, driving digital upgrade

- By establishing a comprehensive data warehouse modelling system covering multiple areas such as sales, R&D, after-sales, finance, and human resources, the Company ensured efficient data management and application.
- To enhance the business team's understanding and application of data, 6 BI-focused training sessions and 1 BI boot camp were organized, along with 9 empowerment training sessions on the Feishu platform to help employees better use digital tools to improve work efficiency.
- As close partners of the business team, the IT departments of the Company delivered 1,671 IT requests throughout the year, covering system optimization, automation tool development, process transformation, and more.

IT management optimization, improving service quality

- Through the "ITBP+IT services" model, the overall workload of the team increased by 65%, improving demand response speed and problem-solving efficiency.
- With AI technology, the service desk system has been optimized to use AI knowledge bases and intelligent customer service to improve automation capabilities, achieving a 40% machine interception rate.
- The Company established a service desk problem closure management mechanism, ensuring timely escalation and tracking of issues, ensuring that IT-related user demands are quickly addressed.
- In terms of infrastructure, IT system operations were stable throughout the year, with no major network failures, achieving a system stability rate of 99.955%.
- The IT infrastructure construction for the Smart Energy Tower was successfully completed, including intelligent access control, video monitoring, parking management, and other intelligent projects, all of which are now running smoothly.

Metrics and Targets

The Company dynamically optimizes opportunities for digital transformation and uses an agile development model to ensure that new technologies can quickly iterate and adapt to market changes. Additionally, through data analysis and market feedback, the Company can timely adjust its digital strategy, ensuring the business seizes market opportunities at the right time and maximizes the return on digital investment.

Sustainable Supply Chain Management

GoodWe places great emphasis on supply chain security and actively focuses on the sustainability management of its supply chain. The Company strictly complies with laws and regulations, such as the ***Bidding Law of the People's Republic of China,*** ensuring that all supply chain links meet national and industry safety and compliance requirements. The Company ensures fairness, transparency, and integrity in the selection, cooperation, and management of suppliers.

Governance

The Company clearly defines the responsibilities and management processes of the Procurement Center and its subordinate departments, including the Supplier Development Department, Material Supply Department, Supply Chain Management Department, and Supply Chain Quality Department. The Company has established internal regulations such as the ***Procurement Contract Control Procedures, Supplier Control Procedures, Management Regulations on Supplier Performance, Supplier Quality Management Manual, Supplier Social Responsibility Management Regulations,*** and ***Conflict Minerals Control Management Measures,*** effectively managing various stages of the supply chain and improving supply chain transparency, compliance, and sustainability.

In 2024, the Company established a Procurement Center, led by the Chairman of the Board, with the Director of the Procurement Center as the Executive Director. The executive members of the Procurement Committee come from procurement, R&D, quality, production, finance, legal, and sales departments. According to business needs, executive and temporary teams were established. They are jointly in charge of organizing and supervising procurement activities, ensuring stable procurement management, and improving procurement management levels. The Procurement Committee's responsibilities include establishing and improving the Company's procurement management system, formulating medium- and long-term procurement strategies, making decisions on major supplier management issues, managing major bidding issues, and handling matters that cannot be decided by the respective procurement organizations, which are then submitted to the Procurement Committee for decision-making.

Strategy

The Company regards supply chain management as a critical component of its sustainability strategy. It continually optimizes the supply chain management system, incorporating safety, stability, and sustainability factors throughout the supplier lifecycle management. The Company actively identifies challenges related to supply chain security and stability, explores new opportunities in sustainability, and strives to ensure business continuity and compliance while promoting the overall sustainable growth and value creation of the supply chain.

GoodWe Sustainable Supply Chain Management Risk and Opportunity Analysis

Risk/opportunity type	Specific description	Financial impact
Supply chain stability risk	The global semiconductor industry has been significantly affected by the international trade environment in recent years, particularly with the escalating export control policies from the United States. This could pose trade restriction risks for Chinese suppliers, negatively impacting the stability of the Company's supply chain.	Operating costs increase Operating profit decreases
Market opportunity	With the growing global attention on sustainability, the Company can strengthen supply chain transparency and responsibility management, gaining customer trust and enhancing brand competitiveness. Additionally, the Company can jointly explore new markets to meet increasingly strict environmental regulations and consumer demands.	Revenue increases

Impacts, Risks, and Opportunities Management

The Company conducts strict reviews and on-site assessments before introducing new suppliers to identify potential risks. Through multi-departmental collaboration and regular assessments, the Company quantifies risks related to suppliers' technology, quality, and costs, while seeking opportunities for optimization. The Company also continues to improve supply chain efficiency and shares risks and opportunities, ensuring the long-term sustainability of the supply chain.

GoodWe Sustainable Supply Chain Management Risk and Opportunity Management Process

Identification and analysis

- Qualification audits and on-site assessments (such as production automation, IT management, and employee expertise) are made before introducing new suppliers, with early involvement in problem experience sharing and training.
- Cross-departmental communications are conducted to perform product feasibility analysis and procurement requirement design, risks related to technology compatibility, cost deviations, etc. are identified, and potential quality risks are identified by examining suppliers' material batch pass rates and providing guidance for issues (such as process flow problems).

Assessment and prioritization

- Suppliers are assessed across five dimensions: technology, quality, cost, delivery, and service. The risk levels are quantified. Cost optimization opportunities are assessed through business and technical cost reductions, while potential quality risks are analyzed.
- Monthly/annual assessments (e.g., batch pass rates, response speed to exceptions) are conducted, combining hard/soft strength improvement plans to assess suppliers' long-term cooperation potential and risks.
- Procurement plans are based on "material normalization" and "cost models," with a focus on ensuring material supply stability.

Monitoring and improvement

- Monthly performance assessments and annual audits are executed to continuously track suppliers' process improvements. During material release and the full product lifecycle stage, procurement strategies are adjusted based on suppliers' performance data.
- Technical solutions are jointly developed with suppliers, risks and opportunities (e.g., cost-sharing, innovation revenue sharing) are shared.

• Ensuring Supply Chain Security and Resilience

The Company has developed the annual audit plan of key suppliers and established a systematic, multi-dimensional management system for supplier assessments, covering four core modules: quality, procurement, R&D, and finance. A strict scoring mechanism and audit conclusions are applied to ensure suppliers' overall capabilities meet the Company's requirements. Suppliers are required to pass ISO 9001 Quality Management System certification. Thus, the Company standardizes incoming material inspections and defect handling processes, and assesses suppliers' capacity matching, material resources, and on-time delivery strategies. Additionally, the Company conducts annual reviews and assessments of suppliers based on financial risks, QSA system documentation, QPA process control, pricing/order contracts, collaboration, capacity, and technical/equipment capabilities. Suppliers failing to meet the standards or failing to improve after guidance may have their supply qualification cancelled. Thus, the security and stability of the supply chain can be ensured. In 2024, the Company conducted three group training sessions and 55 individual guidance sessions for suppliers.

During the reporting period, the Company initiated the Integrated Supply Chain (ISC) Management Transformation Project, led by the Process Management Committee, overhauling the supply chain planning process to further enhance supply chain efficiency and resilience. By introducing channel-based and project-based demand forecasting methods, the Company unified demand data reporting platforms across different market regions and optimized product demand forecasting control logic and review mechanisms. Additionally, the Company continued to improve production scheduling rules for the Make-To-Order (MTO) and Make-To-Stock (MTS) models, establishing a multi-level production-sales collaboration mechanism. Furthermore, GoodWe launched a Supplier Relationship Management (SRM) platform to strengthen the full lifecycle management of suppliers, enhance capacity planning and inventory management, and ensure customer satisfaction and order delivery cycle targets.

• Sustainable Procurement

The Company requires suppliers to sign the ***Code of Conduct for Suppliers*** and regularly assesses risks in the supply chain related to the environment, society, and corporate governance to prevent or mitigate any negative impact of the supply chain on the Company.

GoodWe Main Measures for Sustainable Procurement

Environmental

- Suppliers are required to obtain ISO 14001 Environmental Management System certification and establish management documents on controlling hazardous chemicals and substances.
- Suppliers must establish environmental-related indicators and goals and implement them at the relevant functional levels.
- Suppliers are required to establish and implement RoHS and REACH management systems and measures and pass relevant certifications and tests.
- The Company conducts environmental violation record investigations of key suppliers through the Public Environmental Research Center (IPE).

Social

- Suppliers must ensure that their employees and workplaces are free from harassment, illegal discrimination, and retaliation, and must never employ child labor or engage in forced labor under any circumstances.
- Suppliers are required to regularly monitor their suppliers' ESG performance and adherence to the code of conduct for suppliers.
- Suppliers must design a dedicated due diligence system to track and monitor human rights and environmental risks related to the extraction, transportation, and use of all raw materials.

Corporate governance

- Suppliers must sign the ***Anti-commercial Bribery and Integrity Agreement*** and acknowledge and comply with the Company's anti-corruption policies.
- Suppliers are required to avoid conflicts of interest in their cooperation with the Company, and ensure transparency and trustworthiness in business relationships.

In 2024, the Company conducted annual supplier audits and social responsibility surveys, requiring suppliers to complete the ***Supplier Social Responsibility Audit Form and Supplier Due Diligence CSR Risk Assessment Form.*** During the annual review, suppliers ranking in the bottom 30% of the SAQ (Self-Assessment Questionnaire) scores are considered high sustainability/CSR risk and will undergo on-site or online audits to examine their activities and discuss improvement steps, continuously reducing risks and strengthening the supply chain.

During the supplier social responsibility audit process, if any zero-tolerance issues are identified, GoodWe has the right to terminate the cooperation or suspend the supplier onboarding process until the necessary corrective actions are completed and confirmed by the Company.

• Conflict Mineral Management

While the Company does not directly procure or use raw minerals, certain materials and components essential to production, such as capacitors, chips, and PCBA, contain 3TG (tin, tantalum, tungsten, and gold). The Company is committed to responsible mineral sourcing, establishing and improving due diligence and management procedures, and working to ensure that all materials used in products come from responsible supply channels that consider social and environmental impacts.

GoodWe Conflict Minerals Management Policy

- Don't support or use conflict metals sourced from conflict mineral regions.
- Require all suppliers to comply with conflict-free metal regulations.
- Investigate suppliers who use conflict metals in their products and confirm the sources of these metals.

The Company requires suppliers to sign the ***Letter of Commitment to Non-Use of Conflict Minerals and submit the Conflict Minerals Reporting Template (CMRT)*** to track and monitor human rights and environmental risks related to the extraction, transportation, and use of raw materials.

In 2024, the Company conducted investigations into 276 production suppliers with transactions related to 3TG and achieved a 100% CMRT response rate. No suppliers were found to be using non-compliant smelters, with 75% of smelters passing the audit.

Metrics and Targets

The Company will continue to optimize and promote the sustainable development of its supply chain. Through in-depth collaboration with suppliers and partners, the Company aims to jointly build a low-carbon, environmentally friendly, and efficient supply chain ecosystem. Additionally, the Company will enhance the transparency and traceability of the supply chain through digital management tools, ensuring that the sustainability of each stage is effectively monitored.

06

Collaborative Partnership towards Ecological Harmony

Contents

Employee Employment and Rights
Employee Training and Development
Occupational Health and Safety
Community Engagement and Contribution

SDGs

Employee Employment and Rights

GoodWe has always adhered to the "Dedication-Driven" principle, committed to safeguarding and protecting employees' legal rights, fostering collaborative work, building mechanisms, creating mutual benefits, and striving to establish a harmonious and stable labor relationship. The Company actively responds to the ***United Nations Global Compact*** (UNGC), follows the core conventions of the International Labor Organization (ILO), and strictly complies with laws such as the ***Labor Law of the People's Republic of China and Labor Contract Law of the People's Republic of China*** to ensure legal and compliant employment management. The Company's workforce includes regular employees, interns, dispatched workers, and retirees rehired.

In 2024, the Company did not experience any incidents involving child labor, strikes, work stoppages, or other violations related to human rights and labor.

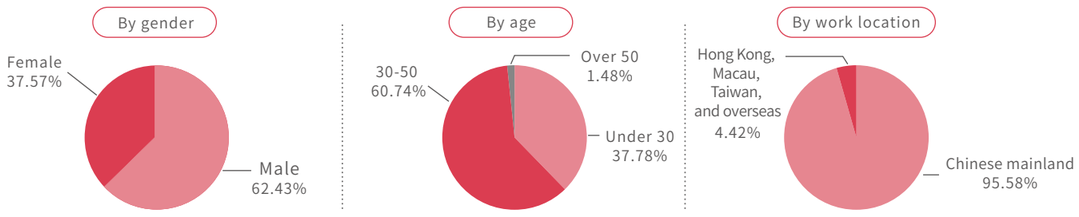
Recruitment and Employment

To standardize the Company's recruitment and employment processes, the Company has developed internal regulations such as the ***Management Measures for Employment*** and ***Employee Handbook,*** defining the basic principles and requirements of recruitment and regulating procedures such as job posting, resume screening, interviews, and approval for hiring. Additionally, the Company provides reimbursement for travel expenses for out-of-town interviewees to ease their burden. In 2024, GoodWe won the "Best ESG Practice Employer" and was awarded the "Greater Suzhou Best Employer" for the eight consecutive years.

The Company has also formulated the ***Management Regulations on Child Labor, Underage Labor, and Female Employee Protection,*** which regulates the management processes for dealing with child labor, underage labor, and female employees. The Company prohibits employing anyone under 16 years old and ensures that neither the Company nor its stakeholders, including suppliers and customers, engage in the use of child labor.

The Company has formulated the ***GoodWe Statement on Promoting Diversity and Inclusion,*** maintaining a zero-tolerance attitude towards workplace discrimination, harassment, and bullying. The Company strictly prohibits any discrimination based on ethnicity, race, gender, region, nationality, social class, or political affiliation during recruitment and daily work, ensuring fair and just career development opportunities for all employees. The Company also pays close attention to employment opportunities for people with disabilities. In 2024, the Company employed 3 disabled individuals, providing equal employment opportunities to those with disabilities.

GoodWe Employee Employment Performance in 2024



Remuneration and Benefits

The Company continuously optimizes its remuneration and welfare system and has formulated internal regulations such as the ***General Remuneration Management Rules, Salary Implementation Rules and Management Measures,*** and ***Equity-based Incentive Policy*** to standardize and effectively manage employees' salaries, bonuses, and benefits. The Company reviews and adjusts employee remuneration regularly each year, adhering to the principles of fairness and justice. Employee performance and contribution are the main focus during assessments to ensure the remuneration system reflects employees' contributions while considering the comprehensiveness, universality, competitiveness, and incentive of the remuneration package.

The Company attaches great importance to the construction of employee benefits and establishes a complete employee welfare system. In addition to statutory benefits, the Company offers supplementary benefits for all employees and creates special benefit policies based on the characteristics of different employee groups, aiming to provide competitive benefits to improve employees' quality of life and increase satisfaction.

In addition to national statutory holidays, the Company has continuously optimized its holiday system by offering multiple holiday benefits, including fully paid maternity leave, paternity leave, childcare leave, and leave for parents of only children.

GoodWe Employee Benefit System

Statutory benefits
- Social insurance, housing provident fund, and statutory holidays.

Universal benefits
- Festival bonuses, birthday gifts, marriage gifts, childbirth gifts, meal allowances, transportation subsidies, physical examination, supplementary medical insurance, and communication benefits.
- GoodWe reading bar, fitness facilities, reading room, and breastfeeding room.

Special benefits
- Core talents: High-end hospital medical insurance and high-end life insurance.
- High-risk positions: Accident insurance and high-risk insurance.
- Interns: Accident insurance and work injury insurance.
- Employees in difficulty: Illness condolence money and charitable fund.

Specific benefits
- Educational improvement benefits, equity incentives, R&D project bonuses, patent rewards, and vocational skill enhancement subsidies.

Employee Incentives

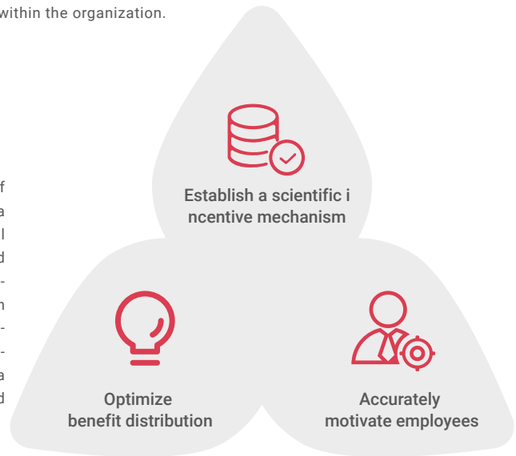
The Company actively implements stock incentive plans by establishing incentive mechanisms closely related to employees' personal development goals, enhancing employee cohesion, sense of belonging, and long-term development awareness. In 2024, the Company completed the second vesting of the 2021 equity-based incentive plan, with a total of 585,426 shares vested, all of which have been circulated. At the same time, the Company disclosed the 2024 equity-based incentive plan, with a total of 1,758,700 restricted shares proposed for grant, and the first grant of 1,407,000 shares has been completed.

In 2024, the Company established a Scientific Distribution Project Team, led by the Chairman, with the Director of the Human Resources Department as the executive leader.

Main Responsibilities of the Scientific Distribution Project Team

- Under the guidance of the Company's strategy, the team focuses on performance growth and high-quality development to build a scientific incentive mechanism for profit distribution, aiming to reduce costs and increase efficiency, and promote effective collaboration and rapid response within the organization.

- The team breaks the rigidity of benefits distribution, builds a differential structure for internal and external benefits, and implements a "High Performance, High Incentive and High Pressure" distribution mechanism that rewards high performers and contributors, creating a competitive gap to attract and retain talent.



- The team is responsible for providing incentives based on employee tiers, categories, and scenarios, stimulating employees' potential for value creation based on business growth and performance improvements, guiding long-term sustainable efforts, and ensuring comprehensive, precise, and effective incentives.

Employee Communication

The Company adheres to the principle of employee participation and democratic decision-making, establishing internal regulations such as the ***Management Procedures for Freedom of Association and Right of Collective Bargaining, Management Regulations on Congress of Workers*** and ***Staff, System of Consultation on the Equal Footing,*** and ***Work Rules of Labor Union,*** ensuring employees' rights to freely associate and participate in collective bargaining.

The Company fully utilizes the labor union's core function of protecting employees' legal rights and its role as a "bridge and link" in coordinating labor relations. The democratic mechanism of employee representatives and collective negotiation mechanisms are implemented. Additionally, the Labor Union signs, on behalf of employees, the General Collective Contract with the Company to clearly define rights and obligations regarding labor rights, remuneration and benefits, working conditions, and more, ensuring employees' basic rights and establishing a harmonious cooperative relationship between the Company and its employees.

The Company places great emphasis on communication with employees and encourages employees to propose reasonable suggestions regarding Company management. Smooth communication channels have been established, including transparent communication platform, platform collecting recommendations from employees, physical mailboxes, assembly, interviews, and surveys. The management of the Company promises to respond to employee feedback and suggestions within 10 working days, either in writing or face-to-face, ensuring timely and effective responses to employee requests.

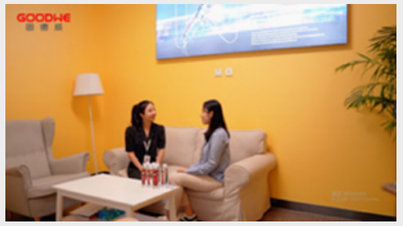
The Company conducts an annual employee satisfaction survey, and the survey objects are all employees across departments within the entire group, to widely understand their real opinions on work rewards, work environment, work atmosphere, etc., ensuring the healthy development of the organization. Moving forward, we will gradually introduce new ideas, thoughts, and methods, continuing to improve basic management through multiple dimensions, such as the remuneration and benefit system, employee activities, internal communication mechanisms, and departmental function development, to promote high-quality development of the Company.

Employee Care

The Company is committed to creating a warm and harmonious atmosphere for teamwork, mutual help, and collective growth. While focusing on business development, the Company actively conducts a wide variety of cultural and recreational activities and pays attention to the physical and mental well-being of employees. The company has set up living facilities such as staff canteens, green plant rest areas, and WE Coffee in the main production and operation places, as well as special projects such as soul stations and mother stations, caring for the physical and mental health and family happiness of employees in every detail.

Case | Employee Assistant Program

The Company has signed a contract with a professional psychological counseling agency and launched an EAP counseling project, providing employees with regular on-site services and a dedicated psychological counseling room "Soul station", and comprehensively protecting the mental health of employees through a variety of service modules such as intelligent psychological robots and relief stations.



The Company actively delivers love and care to employees in need, establishing the ***Management Regulations on Assisting Employees in Need*** to provide comprehensive assistance, including financial aid, medical condolences, and humanitarian care, to help employees overcome difficulties. In 2024, five eligible employees successfully benefited from the Company's assistance program.

Furthermore, the Company has paid continuous attention to the career development and life balance of female employees and regularly carried out activities of caring for female employees, such as Women's Day events, mother stations, and psychological counseling for women in the workplace. Meanwhile, by continuously enriching and expanding the content and forms of care activities, the Company ensures that female employees truly feel the Company's care and warmth.

Employee Training and Development

GoodWe adheres to the philosophy of "growing together with talents and customizing professional growth and development paths for employees", and is committed to providing employees with a fair, diverse, and broad development platform. Through a comprehensive employee development system, a diversified support network, and a rich training system, the Company helps employees improve in all aspects and build a high-quality workforce.

Governance

The Company has established an employee training governance structure consisting of the "Human Resources Committee – Human Resources Department – functional departments," ensuring the efficient operation of the training management system and the comprehensive development of employee capabilities.

GoodWe Employee Training and Development Governance Structure

Human Resources Committee

- Responsible for formulating overall training strategies and directions.
- Reviews and adjusts the organization structure of departments.

Human Resources Department

- Establishes and improves the Company's training system, and prepares training policy documents.
- Drafts the Company's training plan and coordinates its implementation.
- Organizes or assists with the execution of various training activities

Functional departments

- Develop department-specific training plans.
- Implement relevant training projects.
- Assist the Human Resources Department in organizing employee training and assessments.
- Cooperate with and support the Human Resources Department's training arrangements.

The Company has developed internal regulations such as the ***Management Regulations on Employee Training, New Employee Training Management Regulations,*** and ***Management Regulations on Internal Trainers***. GoodWe places importance on cultivating internal trainers, provides external training opportunities, and encourages employees to become certified trainers, ensuring that employee training is both standardized and efficient, fostering a culture of continuous learning within the Company.

Strategy

Based on the Company's overall business strategy and development direction, an organization structure review is conducted twice a year. This includes evaluating current workforce allocation, assessing department leadership teams, and planning for future development. The Human Resources Committee is responsible for reviewing adjustments to the organization structure, workforce allocation, and leadership development plans of each department. Based on these assessments, each department implements specific human resource arrangements and management tasks for the following year according to the feedback received.

The Company actively identifies and assesses the risks and opportunities related to employee training, deeply analyzing potential risks in the training process and taking timely measures to address them. Simultaneously, the Company focuses on the development opportunities arising from employee training, aiming to enhance employee capabilities and strengthen team competitiveness through an effective training system.

GoodWe Employee Training and Development Risk and Opportunity Analysis

Risk/opportunity type	Specific description	Financial impact
Operation risk	If training needs analysis is inaccurate, it may lead to a lack of scientific management in employee training, which could hinder talent development and affect the smooth execution of key projects and the achievement of strategic goals.	Operating costs increase
Digital opportunity	By promoting the use of online learning platforms and intelligent training systems, the Company offers more flexible and efficient training methods, improving employee learning convenience and coverage.	Operating costs decrease

The Company actively identifies and assesses the risks and opportunities related to employee training, deeply analyzing potential risks in the training process and taking timely measures to address them. Simultaneously, the Company focuses on the development opportunities arising from employee training, aiming to enhance employee capabilities and strengthen team competitiveness through an effective training system.

GoodWe Employee Training and Development Risk and Opportunity Management

Risk identification and assessment

- The Company focuses on industry development trends and changes in market demand to identify external factors that may affect training content and methods.
- The Human Resources Department regularly distributes the ***Training Effectiveness Feedback Form*** to trainees to identify potential risks in employee training and development based on feedback and the quality of instruction.

Risk monitoring and feedback

- Department heads fill out the Annual Training Plan as part of their department's work plan. The Human Resources Department regularly reviews the execution of training plans, promptly identifying emerging risks and adjusting response strategies.
- Through post-training tracking, the actual effectiveness and results of training projects are assessed to ensure the proper implementation of risk management measures.

Impacts, Risks, and Opportunities Management

• Employee Training

The Company has established an employee development training system based on job training, with a focus on professional training and supplemented by self-learning. By fully leveraging both internal and external resources, the Company creates targeted training plans based on employees' career development stages, responsibilities, and personal potential. The training covers a variety of formats, including general knowledge training, new employee onboarding, and specialized talent training. The Company also continuously identifies outstanding employees to become internal trainers. Through these training measures, the Company is committed to helping employees achieve comprehensive skill development and promoting mutual growth for both employees and the Company.

GoodWe Employee Training System

Improve employees' capabilities and promote organizational development

Cadre project	New Employee Project	Specialized ability projects	All-staff Open Class Project
Upgrade the operation and launch offline courses	Add three core values courses to meet the training requirements of the ESG system	New projects for newbies in the marketing system, combining theory with practice and applying what has been learned	Expand the resources of instructors and courses, actively introduce university professors, and acquire cutting - edge technologies.

Joint by Nanjing Normal University and NARI Institute
Five major courses (power system, photovoltaics, energy storage, microgrid, virtual power plant)

Platform construction
Course system, instructor system, training operation system, WE-learning platform

GoodWe New Employee Training

GoodWe WE Star Training Camp for Campus Recruits

GoodWe Leadership Lecture Series

GoodWe In-House Expert Public Classes

The Company continually innovates its training model and actively seizes digital training opportunities. Through the "WE-learning" online learning platform, the Company provides employees with more convenient and diverse learning methods. Employees can receive learning tasks, freely search for courses, participate in learning interactions, and exchange learning points for products through the platform. This helps enrich the learning experience and enhances employees' enthusiasm for self-learning and interaction. By the end of 2024, the platform had launched a total of 2,466 courses, including 759 new courses during the reporting period, covering topics such as carbon management, EHS, information security, intellectual property, and psychological care, which has fully empowered employees' career development.

Employee Development

The Company has established a multi-level employee development support system, including higher education, skill enhancement, and overseas learning support, aiming to provide employees with broader development opportunities and growth potential.

GoodWe Employee Development Support System

Education improvement

- Formulate and issue the *Education improvement Incentive System.*
- Encourage employees to improve their education during their employment and provide tuition subsidies to employees who successfully advance their studies.
- Since the implementation of the system, 21 employees have applied for higher education, and a total of RMB457,482 in tuition subsidies has been granted.

Skill enhancement

- Formulate and issue the *Management Measures for Employees Receiving Outsourcing Training.*
- Encourage targeted external training and reimburse employees for training and exam fees upon successful completion.

Overseas learning support

- Develop and issue the *Incentive Rules for Employees Working Abroad.*
- Provide training plans, overseas allowances, paid family leave, and comprehensive benefits to employees working overseas.

Talent is key to driving the Company's growth. The labor union plays a vital role as a bridge between employees and the Company, actively participating in and supporting the annual Employee Skills Competition, fostering high-level technical talent and creating a professional, innovative workforce. The Company has been certified as a vocational skills recognition point by the Suzhou Municipal Human Resources and Social Security Bureau and has organized a series of vocational level certification activities. Additionally, the Company has established an honors platform for all employees through a medal incentive system and implemented a stock incentive mechanism based on the "Dedication-Driven" principle. The Company runs quarterly excellent employee selections, special incentives for R&D personnel, and subsidy applications for scarce industry talents, achieving a win-win outcome for both employees' career development and remuneration. Furthermore, GoodWe encourages model employees with professional skills and innovative achievements to play a leading role, promoting technological progress and industry development within the Company, thus ensuring shared prosperity for both employees and the Company.

Case | The 7th Employee Skills Competition

The 7th Employee Skills Competition in 2024 was successfully held on November 29, taking product processes as the main line of the competition and focusing on production research topics. A total of 129 employees participated in the competition with the theme of "Diligent study of technology, hard practice of skills, improvement of quality, and competition contribution", adhering to the principles of "Organize Competitions Based on Needs and Promote Training and Innovation Through Competitions". It encouraged employees to continuously pursue excellence, promote craftsmanship, enhance vocational skills, and foster a corporate culture that celebrates "labor is honorable, and skills are invaluable". The competition was dedicated to inspiring employees potential and innovative spirit.

Metrics and Targets

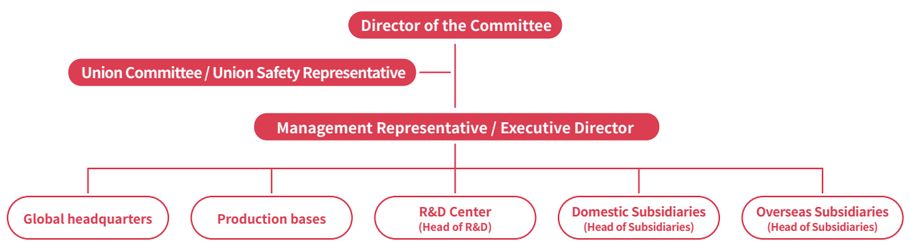
In order to ensure the continuous growth and career development of employees, the Company has formulated a series of indicators related to employee training, comprehensively evaluated the training effects, and constantly optimized the training contents, so that the Company's training efforts will be closely aligned with its strategy.

Occupational Health and Safety

GoodWe places great emphasis on employee occupational health and safety, adhering to the principle of "Safety First, Health First All, Full Participation and Green Development" for its EHS management. The Company strictly follows laws and regulations such as the ***Law of the People's Republic of China on Prevention and Control of Occupational Diseases*** and ***Law of the People's Republic of China on Work Safety,*** and has established internal regulations such as the ***Management Regulations on Prevention and Treatment of Occupational Diseases*** and ***Management Regulations on Prioritizing Safety in Production.*** The goal is to achieve the safety management objectives of "zero accidents in safety" and "zero fatalities in overseas control," ensuring the health and safety of every employee. In 2024, the Company's Suzhou factory, Guangde factory, Vietnam factory, and SHAWLLAR passed the ISO 45001 Occupational Health and Safety System certification.

The Company establishes and improves the occupational health management system, and has set up the EHS Committee, which holds at least one regular meeting every quarter. The EHS Committee reports to the head of the Company's ESG Strategy and Management Committee, and is responsible for decision-making and oversight on all EHS-related matters, ensuring alignment between the Company's EHS management philosophy and its sustainability goals.

Organization Structure of GoodWe EHS Committee



Composition and Main Responsibilities of GoodWe EHS Committee

Director of the committee

- Responsible for overseeing all daily EHS work of the Company.

Union safety representative

- Represents the Labor Union in supervising the Company's work safety.

Executive Director

Assists the Director of the committee in advancing work, with responsibilities including but not limited to:

- Establishing and improving the Company's environmental protection, work safety, and occupational health responsibility systems;
- Organizing the creation and implementation of the Company's EHS policies and procedures;
- Organizing and implementing the Company's annual EHS training plan;
- Ensuring the sufficiency and effective implementation of the Company's EHS budget;
- Supervising the Company's EHS activities;
- Organizing the creation and implementation of the Company's EHS emergency response plans;
- Reporting EHS incidents in a timely and truthful manner.

Heads of each functional department and subsidiary

- Fully responsible for EHS work within their respective units, adhering to the principle of "whoever is in charge takes responsibility".

Work Safety

The Company places great importance on work safety management, always prioritizing the life safety and health of employees and continuously improving its safety risk assessment system. The Company has established internal regulations such as the ***Management Regulations on Safety Risks***, clearly defining work safety accident responsibilities to ensure that the handling of safety incidents is compliant with regulations, covering incident communication, review, and optimization. Additionally, the Company has developed the ***Control Procedures for Safety Accident Investigation*** to ensure that investigations are promptly initiated for any incidents and appropriate preventive measures are taken to prevent incidents from escalating. To clarify departmental responsibilities and implement an employee-wide work safety responsibility system, department heads at production bases such as Suzhou and Guangde need to sign an annual ***EHS Management Responsibility Statement***.

In 2024, the Company did not experience any major work safety accidents.

GoodWe Incident Investigation Control Procedure

Input	Process	Output	Responsible Departments
Incident	Incident Occurrence	Incident Information	Responsible Department
Incident Information Classification Criteria	Incident Classification	Incident Classification	EHS Department
Investigate Subjects and Content	Incident Investigation	Investigation Results	EHS Department, Responsible Department
Report Information	Major Incident: Report to the Company Leader and submit to the Emergency Management Bureau of the High-tech Zone within 1 hour. General Incident: Report to Department Heads, Human Resources, and EHS within 24 hours Minor/False Incident: Report to Department Heads and EHS within 48 hours		
Incident Determination	Incident Determination (Yes / No)	Incident Investigation	EHS Department
Incident Handling Report	Work-related Injury	Work Injury Report	Human Resources Department
Incident Report	Improvement Measures	Improvement Measures	Relevant Responsible Staff
Report Summary	Report Summary	Report Analysis	EHS Department
	Reporting Notice	Report Summary	EHS Department
	Filing	Annual Summary List	

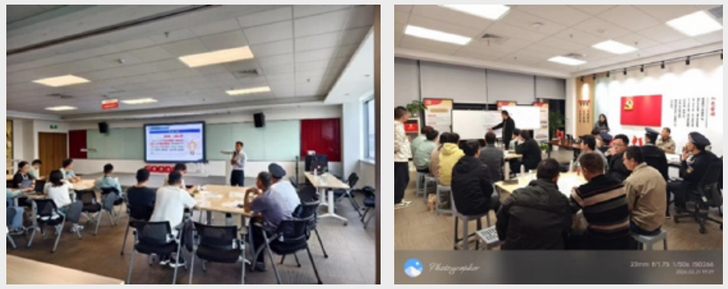
To further improve safety management, the Company conducts a comprehensive risk assessment at least once per year to promptly identify potential safety hazards and risks. The Company follows the ***Hazard Identification and Evaluation Procedure to log identified hazards*** in the ***Registration Form of Hazard Identification, Risk Evaluation and Control Approaches*** and conducts risk assessments based on the likelihood of incidents occurring, frequency of exposure to hazardous environments, and the consequences of incidents using a hazard analysis method. Each department plans risk control measures based on the results of the risk evaluation.

At the same time, to reinforce the Company's safety culture and improve employee's safety awareness and capabilities, GoodWe combines online and offline methods for comprehensive health and safety training for all employees. Both the Suzhou and Guangde factories regularly publish ESG monthly reports through internal channels to communicate progress on goal achievement and key tasks. The training content covers safety concepts, safety awareness, safety risk prevention, and occupational responsibilities, ensuring that employees have the ability to identify and respond to safety risks in their actual work. The Company also applies advanced information technologies, such as AI devices and sensors, to monitor key safety areas in real time and build an intelligent safety management system. Furthermore, the Company regularly conducts a series of simulated emergency drills to enhance employees' ability to handle sudden safety incidents.

GoodWe 2024 Safety Production Training Programs

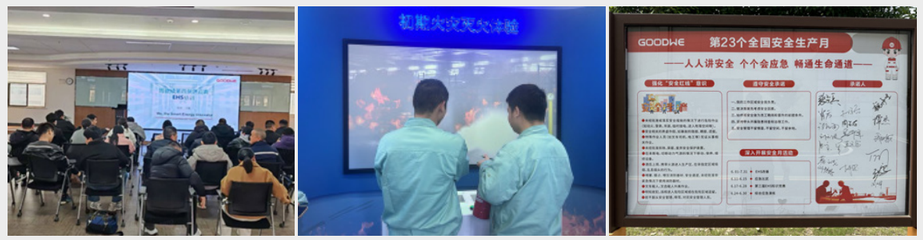
Suzhou factory | Safety culture publicity

Suzhou factory | Safety education training



Suzhou factory | Safety emergency drill

Guangde factory | Safety education training



Occupational Health

To ensure employees' occupational health and safety, the Company has established internal regulations such as the ***Management Regulations on Prevention and Treatment of Occupational Diseases, Management Regulations on Disclosing Occupational Hazards to Employees,*** and ***Management Regulations on Occupational Hazard Detection and Assessment.*** These regulations help identify potential occupational hazards in the production process, complete the declaration and filing of occupational diseases, and notify employees of the occupational hazards. Additionally, the Company arranges pre-employment, on-the-job, and post-employment medical check-ups in compliance with regulations and provides both accident and critical illness dual insurance for all employees to strengthen health protection.

GoodWe Occupational Health and Safety Management Measures

Occupational hazard monitoring

- Regularly identify occupational hazard factors in the Company's production processes.
- In 2024, the Company commissioned a qualified third party to conduct occupational hazard factor testing, issuing reports such as the ***Occupational Disease Hazard Status Assessment Report*** and ***Occupational Disease Hazard Monitoring and Assessment Report***. Response measures are taken based on the test results.

Occupational health examination

- For employees exposed to occupational hazard factors, the Company provides regular physical examinations and establishes health monitoring files to track and manage employees health.
- In 2024, no occupational diseases were identified during the employee health check-ups.

Provision of labor protective equipment

- The Company provides protective equipment such as gas masks, emergency medicines, and gloves in hazardous areas to prevent occupational diseases and poisoning.

Process optimization

- The Guangde factory replaced manual painting processes with automated coating operations, which not only improved production efficiency but also effectively reduced the number of hazardous positions.
- The Guangde factory switched to UV three-proof paint instead of traditional three-proof paint, reducing the use of harmful chemicals and thus lowering potential health risks to employees.

Community Engagement and Contribution

GoodWe always views social responsibility as a key part of its corporate development strategy. Whether promoting economic development in rural areas or driving social awareness through public welfare activities, the Company actively fulfills its corporate citizenship responsibilities, aiming to create sustainable social value and contribute to the areas within its capacity.

Rural Revitalization

The Company is actively engaged in rural revitalization, adhering to the philosophy of "expanding access to PV power for residential and public facilities." Through power plant projects, GoodWe collaborates with partners across the country to build PV power plants for homes, villages, schools, and other areas. As of the end of the reporting period, the Company had donated millions to support the construction of public benefit power plants in several regions. Since its launch, this program has lit dozens of underprivileged households and villages, helping them alleviate their living difficulties and improve local quality of life.

With the intersection of China's two strategic goals, "Dual Carbon" and "Rural Revitalization", PV renewable energy has vast application potential in rural areas. The Company actively promotes PV technology and its applications, advancing the construction of green, low-carbon energy systems in rural areas, opening up new development spaces for the renewable energy industry in rural economies, and creating new ways to increase farmers' income while contributing to the sustainability of rural areas.

In 2024, the Company, in collaboration with its partners, extended the public benefit power plant projects from communities and schools to rural infrastructure, donating and constructing 6 power plants with a total installed capacity of approximately 375 kW.

Case | Donation of Public Benefit Power Plant to Jinhe Ping An Hope Primary School in Inner Mongolia

The Company donated a public benefit power plant to Jinhe Ping An Hope Primary School with a total installed capacity of 25 kW. The power plant, after being completed, is expected to generate 27,000 kWh annually. This power plant will provide benefits for more than 25 years, reducing emissions by 216 tons of standard coal and 672.9 tons of CO_2 during its operational period. It will address the school's lighting and heating needs, significantly improving the students' learning and living conditions. Furthermore, the project promotes environmental protection awareness and, through public interaction, cultivates a spirit of mutual assistance and responsibility among the youth, supporting the sustainability of local education.

Case | Donation of Public Benefit Power Plant to Chuangye Village, Mongolian Township, Jilin Province

The Company donated a power plant to Chuangye Village in Huohechili Mongolian Township, Taonan City, Baicheng, Jilin Province. The project has an installed capacity of 25 kW, consisting of 44 PV units, with a design lifespan of 25 years. The entire project was completed in just over 10 days, from construction to grid connection. After several on-site visits, the Company chose GoodWe Flagship model SDT-G3 Series Inverter, which is capable of withstanding extreme weather conditions. The power station is expected to save the village RMB30,000 to RMB50,000 annually in electricity costs while providing crucial energy reserves for the village's industrial development.

Community Welfare

The Company actively engages in community philanthropy, promoting the fulfillment of social responsibilities and spreading positive energy. The Company plays an active role in the philanthropy field. In 2024, through philanthropic donations, educational scholarships, volunteer services, and other forms, the Company actively participated in philanthropic activities, conveying care and warmth to all sectors of society and driving positive societal development.

GoodWe Community Welfare Activities in 2024

Support for education

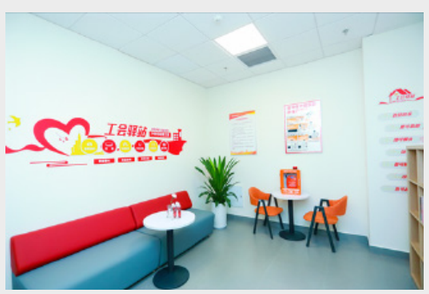
- Donated RMB300,000 to Harbin Engineering University to establish the GoodWe Scholarship Program.
- Donated RMB136,000 to the Jiangxi Shanggao College Entrance Examination Assistance Program.
- Donated RMB200,000 to help repair the canteen at Jiangxi Tianxin Middle School.

Caring for society

- To express care and respect for workers across society, the Company carried out a May Day Philanthropy Action on April 29, 2024, donating supplies such as mineral water, thermos cups, fans, and wear-resistant gloves to the Seige Hongyun Union Aixin Yizhan.
- Initiated the "WE Spread Love, Together for Good" Charity Donation Event and encouraged employees and children to sort out unused items at home to donate to children in difficult situations, including left-behind children. A total of 68 GoodWe families participated in the donation, collecting 16 boxes of life essentials, learning supplies, and toys, which were sent to the Zhangjiagang Charity Association, who then distributed the materials to the children in need.

Case | Labor Union Rest Station

The Company's Labor Union Rest Station provides outdoor workers with a comfortable and convenient space to rest. It is equipped with basic facilities such as sofas, tables, chairs, microwave ovens, and water dispensers to meet workers' basic needs for resting, heating meals, drinking water, and charging during breaks. To enrich workers' cultural lives, the rest station also has a "reading corner," displaying a variety of books and magazines for workers to read during their leisure time.



Green Science Popularization

The Company actively promotes the responsibility of green energy science popularization and accelerates the dissemination of renewable energyconcepts. Through major domestic short video platforms, the Company spreads knowledge about solar PVs, energy storage technologies, and related applications such as PV energy storage and charging in a simple, clear, and engaging manner to the public. In addition, the Company organizes the Green Education Project Competition to promote environmental protection and sustainability concepts, laying the foundation for widespread recognition and practice of a green, low-carbon lifestyle.

Case | "EcoSmart Kids" Education Program

In 2024, the "EcoSmart Kids" project doubled its coverage, reaching multiple regions in Victoria, including six schools in remote areas and metropolitan cities. Nearly 2,000 students participated. The project aims to attract and inspire primary school students in Victoria to focus on climate change, renewable energy, and environmental protection. The collaboration with the Great Barrier Reef Heritage Team further raised public awareness about the importance of protecting one of the world's largest and most complex natural systems.

Case | "Green Genius" Competition in Pakistan

The Company organized the "Green Genius" Competition with the AIMS schools in Pakistan, which featured a variety of projects ranging from innovative power generation methods to water animation. The competition aims to inspire the younger generation to actively participate in environmental sustainability, encouraging them to propose creative solutions and promote green technology and environmental protection ideas.

Appendix

ESG Data and Annotations

• Economic Performance

Indicator	Unit	2024
Revenue	RMB10,000	673,785.53
Total assets	RMB10,000	795,197.00

• Corporate governance data

Indicator	Unit	2024
Number of Board members	/	6
% of independent directors on the Board	%	50.00
% of female directors on the Board	%	33.33
Number of regulatory penalties or enforcement actions	/	0
Number of incidents where compensation policies or practices triggered negative public commentary from stakeholders	/	0

• Business ethics data

Indicator	Unit	2024
% of employees covered by anti-bribery and anti-corruption training[1]	%	70.44
Number of concluded corruption lawsuits filed against the Company or its employees	/	0
Number of cases where the Company was penalized by relevant authorities for unfair competition or violations of antitrust and anti-monopoly laws	/	0
Amount involved in lawsuits or major administrative penalties resulting from the Company's unfair competition practices	RMB10,000	0

Note 1: [Statistical Scope] The scope for the anti-bribery and anti-corruption training indicator covers the Company's global headquarters and Suzhou factory, Guangde factory, and SHAWLLAR.
[Calculation Formula] % of employees covered by anti-bribery and anti-corruption training = (Number of employees who received anti-bribery and anti-corruption training / Total number of employees) × 100%.

• Product quality and safety data[1]

Indicator	Unit	2024
Number of product safety incidents	/	0
Number of product recall events	/	0

• Customer relationship management data[1]

Indicator	Unit	2024
Number of after-sales service training sessions	/	244
Timely response rate to customer complaints[2]	%	89

Note 1: [Statistical Scope] The scope for customer relationship management-related indicators covers the Company's global headquarters and Suzhou factory.
Note 2: [Indicator Definition] The timely response rate to customer complaints refers to the proportion of customer complaints successfully resolved by the Company within the specified timeframe. It excludes cases where service tickets were not closed on time due to reasons attributable to the customer or lack of customer response.

• R&D and innovation data

Indicator	Unit	2024
Number of R&D personnel	/	1,077
% of R&D personnel[1]	%	28.02
Amount of R&D investment	RMB10,000	55,129.51
% of R&D investment to operating revenue[2]	%	8.18
Number of patent applications filed annually[3]	/	253
Number of patents granted annually	/	159
Total number of valid patents	/	602

Note 1: [Calculation Formula] % of R&D personnel = (Number of R&D personnel / Total number of employees) × 100%.
Note 2: [Calculation Formula] % of R&D investment to revenue = (Amount of R&D investment / revenue) × 100%.
Note 3: [Statistical Scope] Patent-related indicators refer to data within the reporting period.

• Data security and customer privacy protection data

Indicator	Unit	2024
Number of identified leaks, thefts, or losses of customer data	/	0
Amount involved in data security incidents	RMB10,000	0
Amount involved in customer privacy breach incidents	RMB10,000	0

Sustainable supply chain management data[1]

Indicator		Unit	2024
Total number of suppliers		/	437
By region	Suppliers in the Chinese mainland	/	436
	Suppliers in Hong Kong, Macau, Taiwan, and overseas	/	1
Total number of new suppliers		/	63
Supplier annual audit completion rate		%	100
Number of suppliers investigated for conflict minerals initiated by the Company		/	276
Number of suppliers who completed CSR self-assessments		/	124

Note 1: [Statistical Scope] The scope for supply chain-related indicators covers the Company's global headquarters and Suzhou factory, Guangde factory, Shunde factory, Vietnam factory, Yude New Energy, and SHAWLLAR.

Environmental compliance management data

Indicator	Unit	2024
Amount of administrative penalties imposed by relevant departments, such as ecological environment authorities, due to environmental incidents	RMB10,000	0
Number of environmental incidents	/	0

Responding to climate change data

Indicator		Unit	2024			
			Total	Global headquarters and Suzhou factory	Guangde factory	Yude New Energy
Total GHG emissions[1]		tCO_2e	3,727,548.65	2,374,363.45	976,867.28	376,317.92
By scope	Scope1[2]	tCO_2e	1,522.98	654.54	853.48	14.96
	Scope2[3]	tCO_2e	24,210.11	8,052.60	16,041.96	115.55
	Scope3[4]	tCO_2e	3,701,815.56	2,365,656.31	959,971.84	376,187.41
GHG emissions intensity (Scope 1+ Scope 2)[5]		tCO_2e/ RMB10,000	0.038	–	–	–

Note 1: [Calculation Formula] Total GHG emissions = Scope 1 GHG emissions + Scope 2 GHG emissions + Scope 3 GHG emissions. [Statistical Scope] In 2024, the scope of the GHG inventory includes the Company's global headquarters and Suzhou factory, Guangde factory, and Yude New Energy.
Note 2: Scope 1 GHG emissions refer to direct GHG emissions and removals from Category 1, including emissions from fixed and mobile combustion sources, direct emissions from industrial processes, and fugitive emissions from human activities. The quantification models and emission factors reference the ***2006 IPCC Guidelines for National Greenhouse Gas Inventories and other relevant sources.***
Note 3: Scope 2 GHG emissions refer to indirect GHG emissions from the consumption of purchased energy (Category 2), including purchased electricity and self-consumed photovoltaic power. The quantification models and emission factors reference the ***Announcement on the 2022 Carbon Dioxide Emission Factors for Electricity*** issued by the Ministry of Ecology and Environment and the International Statistical Bureau. The carbon dioxide emission factor for electricity used is 0.5366 tCO_2/MWh.
Note 4: Scope 3 GHG emissions refer to indirect GHG emissions from transportation (including upstream transportation and distribution, employee commuting, business travel), and from the use of products and services by the Company (including purchased goods and waste disposal). The quantification models and emission factors reference the ***Chinese Product Life Cycle Greenhouse Gas Emission Factor Database,*** UK emission factor standards, and other related documents.
Note 5: [Calculation Formula] GHG emissions intensity (Scope 1+ Scope 2) GHG emissions intensity = (Total GHG emissions of (Scope 1 + GHG emissions of Scope 2) / Operating rRevenue.

Energy utilization[1]

Indicator	Unit	2024				
		Total	Global headquarters and Suzhou factory	Guangde factor	Yude New Energy	Shunde factory
Total energy consumption[1]	tce	7,260.31	2,041.10	5,107.29	31.48	80.44
Energy consumption intensity[2]	tce/RMB10,000	0.011	–	–	–	–
Natural gas	m^3	70,578.00	66,643.00	0.00	0.00	3,935.00
gasoline	liter	77,395.44	66,347.58	6,464.75	4,583.11	0.00
Diesel	liter	33,287.18	1,374.72	31,912.46	0.00	0.00
Purchased electricity	MWh	45,226.49	15,006.71	29,571.06	215.34	433.38
Self-generated renewable energy	MWh	3,462.16	267.20	3,194.96	0.00	0.00
Purchased green electricity	MWh	8,560.11	0.00	8,382.00	0.00	178.11
Clean energy consumption[3]	tce	1,572.46	121.50	1,423.83	0.00	27.14
Natural gas	m^3	70,578.00	66,643.00	0.00	0.00	3,935.00
% of natural gas	%	5.97	72.95	0.00	0.00	19.28
Solar energy[4]	MWh	10,689.27	267.20	10,243.96	0.00	178.11
% of solar energy	%	83.60	27.05	88.49	0.00	80.72
Wind energy	MWh	1,333.00	0.00	1,333.00	0.00	0.00
% of wind energy	%	10.43	0.00	11.51	0.00	0.00
Direct energy consumption[5]	tce	645.20	195.45	439.52	4.99	5.23
Indirect energy consumption[6]	tce	6,615.11	1,845.64	4,667.77	26.48	75.21

Note 1: [Calculation Formula] Total energy consumption = Direct energy consumption + Indirect energy consumption. In 2024, the scope for energy-related indicators includes the Company's global headquarters and Suzhou factory, Guangde factory, Yude New Energy, and Shunde factory.
Note 2: [Calculation Formula] Energy consumption intensity = Total energy consumption / Revenue.
Note 3: [Calculation Formula] Clean energy consumption = Natural gas consumption + Solar energy consumption + Wind energy consumption. The proportion of each category of clean energy = (Consumption of each category of clean energy / Total clean energy consumption) × 100%.
Note 4: In 2024, the Company's solar energy consumption includes self-generated renewable energy (solar energy generation at the global headquarters building and Guangde factory) and the solar energy portion of the purchased green electricity at the Guangde and Shunde factories.
Note 5: [Calculation Formula] Direct energy consumption = Natural gas consumption + Gasoline consumption + Diesel consumption + Self-generated renewable energy consumption.
Note 6: [Calculation Formula] Indirect energy consumption = Purchased electricity consumption + Purchased green electricity consumption.

Waster resource utilization data[1]

Indicator	Unit	2024
Total water withdrawl	m^3	220,177.20

Note 1: [Statistical Scope] The scope for water resource utilization-related indicators includes the Company's global headquarters and Suzhou factory, Guangde factory, Shunde factory, and Vietnam factory.

Pollutant and waste management data[1]

Indicator	Unit	2024
Total weight of waste[2,3]	tons	4,637.22
Weight of hazardous waste[2]	tons	94.66
Hazardous waste intensity[2,4]	tons /RMB10,000	0.00014
Weight of general solid waste[2]	tons	4,542.56
General solid waste intensity[2,5]	tons /RMB10,000	0.00674
Legal disposal rate of hazardous waste[2]	%	100
Emission of volatile organic compounds (VOCs) in exhaust gases[2,6]	tons	27.04

Note 1: The Company does not belong to a heavy pollution industry and has a minimal environmental impact during its production and operations. During the reporting period, the Company's environmental pollutant emissions mainly consisted of exhaust gases, wastewater, and solid waste, all of which were properly and reasonably disposed of. Exhaust gases were filtered through the Company's specialized air treatment system, then adsorbed by an activated carbon adsorption tower, and finally discharged after secondary filtration through a chimney. Solid waste mainly includes activated carbon, waste glue barrels, and other materials, which are periodically collected and centrally processed by a qualified environmental treatment agency. Wastewater mainly consists of domestic wastewater, with no process or production wastewater discharged. After pre-treatment, it is released into the industrial park's sewage network, where it is centrally treated by the municipal wastewater treatment plant.
Note 2: [Statistical Scope] The scope for general waste total-related indicators includes the Company's global headquarters and Suzhou factory, Guangde factory, SHAWLLAR, and Vietnam factory. The scope for hazardous waste total and exhaust gas emission-related indicators includes the Company's global headquarters and Suzhou factory, and Guangde factory.
Note 3: [Calculation Formula] Total weight of waste = Weight of hazardous waste + Weight of general solid waste.
Note 4: [Calculation Formula] Hazardous waste intensity = Weight of hazardous waste / Revenue.
Note 5: [Calculation Formula] General solid waste intensity = Weight of general solid waste / Revenue.
Note 6: [Statistical Scope] The scope for VOCs emissions in exhaust gases includes the Company's Global headquarters and factory, and Guangde factory. The emissions are estimated based on airflow * emission rate * operational time.

Product lifecycle management data

Indicator	Unit	2024
Customer hazardous substance requirement completion rate	%	100
Material hazardous substance investigation plan completion rate	%	100

Employee employment and rights data

Indicator		Unit	2024
Total number of employees		/	3,843
By gender	Male	%	62.43
	Female	%	37.57
By age	Under 30 years old	%	37.78
	30-50 years old	%	60.74
	Over 50 years old	%	1.48
By region	Working in the Chinese mainland	%	95.58
	Working in Hong Kong, Macau, Taiwan, and Overseas	%	4.42
By education	With a master's degree or above	%	11.06
	With a bachelor's degree	%	45.85
	With a college degree or below	%	43.09
Total number of new hires		/	1,258
By gender	Male	%	66.06
	Female	%	33.94
Number of employees in management[1]		/	305
Number of employees in senior management[2]		/	48

Note 1: [Indicator Definition] Management refers to employees at the supervisor, deputy manager, manager, and higher levels.
Note 2: [Indicator Definition] Senior management refers to employees at the director level and above.

Employee training and development data

Indicator		Unit	2024
Number of employee training sessions		/	1,572
Employee training coverage rate[1]		%	100
Average training duration per employee[2]		Hours	24.22
By gender	Male	Hours	25.97
	Female	Hours	21.31

Note 1: [Statistical Scope] The statistical scope for the employee training coverage rate indicator includes the Company's online training activities.
Note 2: [Calculation Formula] Average training duration per employee in each category = Total training duration for that category of employees / Number of employees in that category.

• Occupational health and safety data

Indicator	Unit	2024
Number of fatalities due to work injuries	/	0
Employee work injury insurance coverage rate[1]	%	100
Investment in employee work injury insurance	RMB10,000	239.69
Occupational health check-up completion rate	%	100
Safety training program completion rate	%	100
Number of safety emergency drills conducted	/	14
Safety hazard rectification rate	%	100
Occupational disease incidence rate	%	0
Number of accidents classified as fire hazard or above	/	0
Number of accidents related to lost work hours	/	0

Note 1: [Calculation Formula] Employee work injury insurance coverage rate = (Number of employees covered by work injury insurance during the reporting period / Total number of employees) × 100%.

• Community engagement and contribution data

Indicator	Unit	2024
Installed capacity of public welfare power stations	kW	375.00
Amount of charitable donation	RMB10,000	137.70

Indexes

Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed C ompanies—Sustainability Report (Trial) (2024) Content Index

Disclosure		Content
Climate response		Responding to Climate Change, ESG Data and Annotations
Pollutant discharge		Pollutant Discharge, ESG Data and Annotations
Waste disposal		Waste Disposal, ESG Data and Annotations
Ecosystem and biodiversity protection		Ecosystem and Biodiversity Protection
Environmental compliance management		Environmental Compliance Management, ESG Data and Annotations
Energy utilization		Energy Utilization, ESG Data and Annotations
Water resources utilization		Water Resources Utilization, ESG Data and Annotations
Circular economy		Circular Economy
Rural revitalization		Community Engagement and Contribution, ESG Data and Annotations
Social contributions		Community Engagement and Contribution, ESG Data and Annotations
Innovation		R&D and Innovation, ESG Data and Annotations
Ethics of science and technology		The Company is focused on the research and development, manufacturing, and sales of power supply equipment for new energy applications such as solar energy and energy storage. Its business does not involve fields such as artificial intelligence or life sciences.
Supply chain security		Sustainable Supply Chain Management, ESG Data and Annotations
Equal treatment of SMEs		The balance of accounts payable (including notes payable) of the Company at the end of the reporting period does not exceed RMB30 bn or represent more than 50 percent of the total assets. Therefore, it does not fall within the mandatory disclosure scope specified in the Guidelines. The Company ensures timely payments to small and medium-sized enterprises.
Product and service safety and quality		Product Quality and Safety, Customer Relationship Management, ESG Data and Annotations
Data security and customer privacy		Data Security and Customer Privacy Protection, ESG Data and Annotations
Employees		Employee Employment and Rights, Employee Training and Development, Occupational Health and Safety, ESG Data and Annotations
Due diligence		Materiality Assessment
Stakeholder engagement		Materiality Assessment
Anti-commercial bribery and anti-corruption		Business Ethics, ESG Data and Annotations
Fair competition		Business Ethics, ESG Data and Annotations
Self-disclosed Topics	Corporate Governance	Corporate Governance
	Risk and Compliance Management	Risk and Compliance Management
	Product Lifecycle Management	Product Lifecycle Management, ESG Data and Annotations
	Digital Transformation	Digital Transformation

GRI Content Index

Statement of use	GoodWe Technologies Co., Ltd. has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD		DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1	Organizational details	About GoodWe
	2-2	Entities included in the organization's sustainability reporting	About this Report
	2-3	Reporting period, frequency and contact point	ESG Data and Annotations
	2-4	Restatements of information	
	2-5	External assurance	Independent Assurance Statement
	2-6	Activities, value chain and other business relationships	About GoodWe
	2-7	Employees	Collaborative Partnership towards Ecological Harmony
	2-8	Workers who are not employees	
	2-9	Governance structure and composition	Corporate Governance
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	ESG Governance Structure
	2-15	Conflicts of interest	Corporate Governance
	2-16	Communication of critical concerns	Materiality Assessment
	2-17	Collective knowledge of the highest governance body	ESG Governance Structure
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance
	2-19	Remuneration policies	Corporate Governance
	2-20	Process to determine remuneration	Corporate Governance
	2-21	Annual total compensation ratio	Due to confidentiality requirements, it is not disclosed to the public at this time.
	2-22	Statement on sustainable development strategy	Statement of the Chairman

GRI STANDARD		DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-23	Policy commitments	Feature Story: Energy Revitalization in Low-Carbon Era Business for Good and Robust Governance Low-Carbon Future and Environmental Protection Innovation Driven and Product Management Collaborative Partnership towards Ecological Harmony
	2-24	Embedding policy commitments	Feature Story: Energy Revitalization in Low-Carbon Era Business for Good and Robust Governance Low-Carbon Future and Environmental Protection Innovation Driven and Product Management Collaborative Partnership towards Ecological Harmony
	2-25	Processes to remediate negative impacts	Materiality Assessment
	2-26	Mechanisms for seeking advice and raising concerns	Materiality Assessment
	2-27	Compliance with laws and regulations	For details, please refer to the respective sections of the report.
	2-28	Membership associations	Innovation Driven and Product Management
	2-29	Approach to stakeholder engagement	Materiality Assessment
	2-30	Collective bargaining agreements	Employee Employment and Rights
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment
	3-2	List of material topics	
	3-3	Management of material topics	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	About GoodWe
	201-2	Financial implications and other risks and opportunities due to climate change	Feature Story: Energy Revitalization in Low-Carbon Era
	201-3	Defined benefit plan obligations and other retirement plans	Employee Employment and Rights
	201-4	Financial assistance received from government	For details, please refer to the GoodWe 2024 Annual Report.
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Due to confidentiality requirements, it is not disclosed to the public at this time.
	202-2	Proportion of senior management hired from the local community	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Community Engagement and Contribution
	203-2	Significant indirect economic impacts	Community Engagement and Contribution
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Due to confidentiality requirements, it is not disclosed to the public at this time.
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business Ethics
	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics ESG Data and Annotations
	205-3	Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics ESG Data and Annotations

GRI STANDARD		DISCLOSURE	LOCATION
GRI 207: Tax 2019	207-1	Approach to tax	For details, please refer to the GoodWe 2024 Annual Report.
	207-2	Tax governance, control, and risk management	
	207-3	Stakeholder engagement and management of concerns related to tax	
	207-4	Country-by-country reporting	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Utilization ESG Data and Annotations
	302-2	Energy consumption outside of the organization	ESG Data and Annotations
	302-3	Energy intensity	Energy Utilization ESG Data and Annotations
	302-4	Reduction of energy consumption	Energy Utilization
	302-5	Reductions in energy requirements of products and services	Energy Utilization
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Resource Management
	303-2	Management of water discharge-related impacts	Resource Management
	303-3	Water withdrawal	ESG Data and Annotations
	303-4	Water withdrawal	ESG Data and Annotations
	303-5	Water withdrawal	ESG Data and Annotations
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ecosystem and Biodiversity Protection
	304-2	Significant impacts of activities, products and services on biodiversity	
	304-3	Habitats protected or restored	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Responding to Climate Change ESG Data and Annotations
	305-2	Energy indirect (Scope 2) GHG emissions	Responding to Climate Change ESG Data and Annotations
	305-3	Other indirect (Scope 3) GHG emissions	Responding to Climate Change ESG Data and Annotations
	305-4	GHG emissions intensity	Responding to Climate Change ESG Data and Annotations
	305-5	Reduction of GHG emissions	Responding to Climate Change
	305-6	Emissions of ozone-depleting substances (ODS)	NA
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESG Data and Annotations

GRI STANDARD		DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Disposal
	306-2	Management of significant waste-related impacts	Waste Disposal
	306-3	Waste generated	Waste Disposal ESG Data and Annotations
	306-4	Waste diverted from disposal	Waste Disposal
	306-5	Waste directed to disposal	Waste Disposal
GRI 308: Supplier Environmental	308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain Management
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain Management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee Employment and Rights ESG Data and Annotations
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Employment and Rights
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Due to confidentiality requirements, it is not disclosed to the public at this time.
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	Occupational Health and Safety ESG Data and Annotations
	403-10	Work-related ill health	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Employee Training and Development ESG Data and Annotations
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development
	404-3	Percentage of employees receiving regular performance and career development reviews	ESG Data and Annotations
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Employee Employment and Rights ESG Data and Annotations
	405-2	Ratio of basic salary and remuneration of women to men	Due to confidentiality requirements, it is not disclosed to the public at this time.

GRI STANDARD		DISCLOSURE	LOCATION
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Employee Employment and Rights
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	ESG Governance Low-Carbon Future and Environmental Protection Innovation Driven and Product Management Collaborative Partnership towards Ecological Harmony
	413-2	Operations with significant actual and potential negative impacts on local communities	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain Management
	414-2	Negative social impacts in the supply chain and actions taken	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Product Quality and Safety Customer Relationship Management
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	
	417-2	Incidents of non-compliance concerning product and service information and labeling	
	417-3	Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Customer Privacy Protection

Independent Assurance Statement

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Independent Assurance Statemen

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by GoodWe Technologies Co., Ltd. (hereinafter "GoodWe" or "the Company") to conduct an independent third-party assurance of 2024 Sustainability Report of GoodWe (hereinafter, "Report"). The report disclosed sustainability information for the fiscal year 2024 (January 1, 2024 to December 31, 2024) of GoodWe.

Responsibilities

GoodWe is not only responsible for the preparation of sustainability report and the collection and submission of sustainability information in accordance with applicable reporting standards but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland is a global service provider that provides CSR and sustainability services in more than 65 countries, with experienced and technical expertise in the areas of environment, CSR, sustainability and stakeholder engagement. TÜV Rheinland Assurance team follows the TÜV Rheinland Global Business Ethics Compliance Policy and Procedures, covering the principles of integrity compliance and conflict of interest. Therefore, our assurance services are based on the principles of independence and impartiality, and we do not participate in the writing and preparation of the report of GoodWe. It is the duty of TÜV Rheinland to carry out independent assurance in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial judgments on sustainability reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for the sustainability information disclosed in sustainability report of GoodWe in accordance with the AccountAbility AA1000 Assurance Standard v3 (AA1000AS v3), Type 1 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of GoodWe and stakeholders concerned with the company's sustainability information and performance to provide an independent view of the assurance, including assessment of whether the content of the report adhered to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and verification of sustainability information disclosure.

Assurance Criteria

The following assessment criteria were used in undertaking the work:

- Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 – Sustainability Report (Trial) (2024)
- Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation (Revised in December 2023)
- Global Reporting Initiative Sustainability Reporting Standards (2021 Edition) ("GRI Standards")
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AP AccountAbility Principles, i.e., Inclusivity, Materiality, Responsiveness, and Impact

Methodology

Our assurance activities and procedures include:

- Inquiring management and those personnel responsible for collecting and aggregating sustainability performance information to understand the management processes, systems, and controls for sustainability performance information.
- Reviewing and assessing the availability, adequacy, and relevance of performance information based on sampling principles.
- Applying analysis program to assess the accuracy of the information available for performance data.
- Collecting and examining the supporting evidence of available performance information to assess the extent to which the relevant evidence and information related to the scope of the assurance in the sustainability report supports and adheres to the AA1000AP
- AccountAbility Principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon in order to obtain all the information, evidence and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3.

The information and performance data relating to the assurance is limited to the disclosure of the contents of this report. Our assurance work did not include financial report and its financial data, as well as other information not related to the topic of sustainability.

Conclusions

Based on the above assurance procedures and methodology performed and the evidence obtained, we conclude that there are no instances or information that would be contrary to the following statements:

- 2024 Sustainability Report of GoodWe and its contents are in adherence to the AA1000AP AccountAbility Principles and align with the information disclosure requirements of Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 – Sustainability Report (Trial) (2024) and GRI Standards.
- GoodWe has implemented processes and systems (such as energy intelligent management system, green supply chain management platform) to collect and aggregate performance information and data related to materiality issues within the reporting boundary, and the company's management practices have also shown that the company conducted double materiality analysis and evaluation of issues.
- The sustainability-related information and performance disclosed in the report have been assessed and supported by documentary evidence, which truly reflected management practices of GoodWe in the field of sustainability.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on GoodWe based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

GoodWe has identified its key stakeholders including governments and regulators, shareholders and investors, customers, employees, suppliers and partners, as well as communities and the public who are disproportionately affected by greenhouse gas emissions. Evidence indicated that in 2024, GoodWe's engagement with these stakeholders was a regular occurrence. The company also conducted internal and external stakeholder surveys, covering topics such as response to climate change, product quality and safety, supply chain sustainability, and occupational health and safety.

Materiality

The evidence showed that in 2024, GoodWe has implemented a double materiality assessment. Based on the analysis of the new guidelines of the exchange and the disclosure requirements of sustainability standards, the company adjusted the original list of issues, and combined with the specific analysis of the stakeholder questionnaire survey, to evaluate the importance of these issues from the two dimensions of impact materiality and financial materiality, including the financial materiality of the company's senior management assessment of related issues, and finally formed a double materiality issue matrix. The matrix showed the key issues of the year, including those that are both financial materiality and impact materiality (e.g., R&D and innovation, response to climate change, product quality and safety, supply chain sustainability, employee training and development, etc.). The Board reviewed and confirmed the results of the materiality assessment.

Responsiveness

GoodWe's communication channels with its key stakeholders are diverse. Evidence showed that in 2024, the company's practical activities with these stakeholder groups included industry association exchanges, government cooperation, customer service and satisfaction surveys, partner collaboration (supply chain cooperation), employee training and satisfaction surveys, community public welfare, etc.

The report used a four-element disclosure framework of governance, strategy, risk and opportunity management, and metrics and targets to disclose information on financial materiality topics such as corporate governance. At the same time, the report also disclosed data on key performance indicators (such as energy use, water use, greenhouse gas emissions (including Scope 1 and 2 emissions), pollutant emissions, waste, employee employment and rights, occupational health and safety, sustainable supply chain, etc.), and these performance data are historically comparable to give appropriate response to material concerns of stakeholders.

Impact

In 2024, GoodWe established an ESG Strategy and Management Committee to promote ESG data integration and analysis from the governance level. The evidence indicated that the company has assessed key risk points (involving operational risks, strategic risks, and market risks), created an early warning mechanism for major risks, and combined operation management, compliance management, and internal control systems to assess and control major risks related to its own operations and value chain business, and implemented a closed-loop rectification. The Company has conducted due diligence on conflict minerals in its supply chain.

The report disclosed an analysis and assessment of impacts, risks and opportunities on financial materiality issues, including addressing climate change, a description of the impacts and the scope of impacts. Evidence indicated that in 2024, GoodWe continued to take corresponding measures (such as energy conservation and emission reduction) to reduce the impact on the company's operations and the upstream and downstream of value chains.

Daniel Pan

Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, April 21, 2025

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