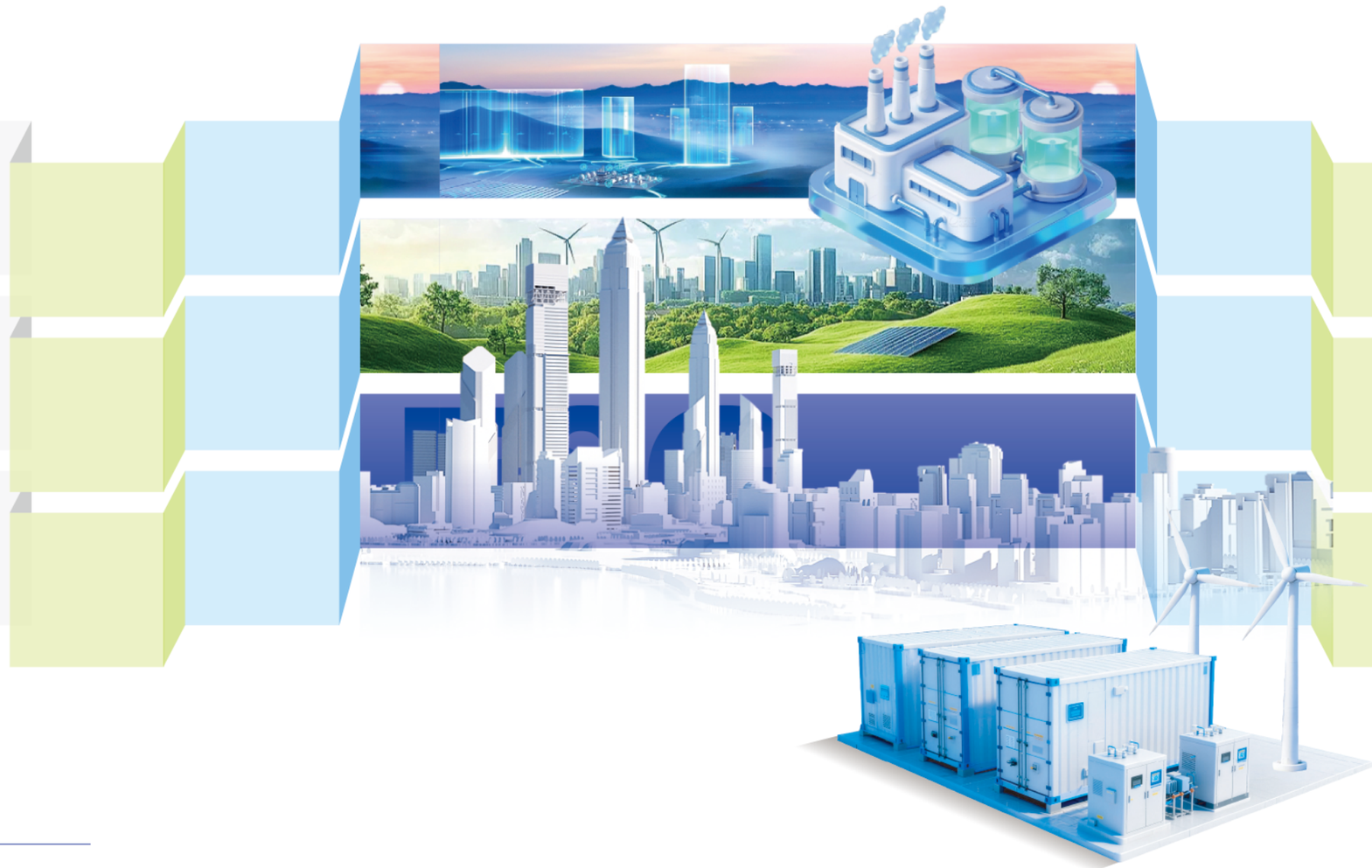
智光
Zhiguang

2025 Environmental, Social and Governance (ESG) Report



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Guangzhou Zhiguang Electric Co., Ltd.

Table of Contents

About This Report 01

Chairman's Message 03

About Zhiguang Electric 05

Annual Feature: Smart Energy Storage — A New Journey Begins 17

Building Benchmarks in Energy Storage 17

Expanding Global Footprint 21

Deepening University-Enterprise Collaboration 26

Amplifying Industry Voice 29

Sustainable Development 33

Sustainability Governance 33

Stakeholder Engagement 34

Materiality Management 35

Due diligence 35

ESG Awards 37









01 Corporate Governance

Strengthening Corporate Governance 41

Optimizing Investor Relations Management 44

Strengthening Compliance Awareness 46

Upholding Party-Building Leadership 50

02 Environmental Protection

Responding to Climate Change 55

Strengthening Environmental Management 58

Improving Resource Utilization 66

Protecting Biodiversity 72

03 Industrial Development

Deepening R&D and Innovation 75

Empowering Supply Chain Management 86

Safeguarding Product Quality 91

Enhancing Customer Service 98

Strengthening Data Security 102

04 Better Life

Protecting Employee Rights and Interests 105

Safeguarding Health and Safety 118

Fulfilling Social Responsibility 125

About This Report

This report is the third Environmental, Social and Governance (ESG) Report published by Guangzhou Zhiguang Electric Co., Ltd. (hereinafter referred to as "Zhiguang Electric," "the Company," or "we"). Based on the principles of objectivity, standardization, transparency, and comprehensiveness, this report provides detailed disclosure of the Company's environmental, social, and corporate governance practices and performance for fiscal year 2025.

Report Scope

This report is prepared with "Guangzhou Zhiguang Electric Co., Ltd." as the primary reporting entity, covering its subsidiaries and equity-investment companies. Unless otherwise specified, the scope of this report is consistent with that of the Company's annual report.

Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025 (the "Reporting Period"). To improve the comparability and completeness, some sections of this report may be appropriately referred to previous years or contains forward-looking statements. This report is released on an annual basis, consistent with the financial year. Forward-looking plans do not constitute a substantive commitment of the Company to investors. Investors are advised to pay attention to investment risks and should understand the differences between plans, forecasts and commitments.

Preparation Standards

- Sustainable Development Goals (SDGs) of the United Nations
- Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021 edition)
- Guidelines for Sustainable Development Reporting of Chinese Enterprises (CASS-ESG 6.0) issued by the China Enterprise Reform and Development Society
- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)
- Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange – Preparation of Sustainability Reports

Data Notes

Data sources include actual operating data from the Company, publicly available government data, annual financial data, internal statistical reports, third-party surveys, and third-party evaluation interviews. Financial data in this report is denominated in Renminbi (RMB). In the event of any discrepancy with the financial report, the financial report shall prevail.

Glossary

Term	Definition
Zhiguang Electric / We / the Company	Guangzhou Zhiguang Electric Co., Ltd.
Zhiguang Electric Technology	Guangzhou Zhiguang Electric Technology Co., Ltd., a wholly-owned subsidiary of the Company
Lingnan Cable	Guangzhou Lingnan Cable Co., Ltd., a wholly-owned subsidiary of the Company
Zhiguang Integrated Energy	Guangdong Zhiguang Integrated Energy Co., Ltd. (formerly Guangdong Zhiguang Power Consumption Investment Co., Ltd.), a wholly-owned subsidiary of the Company
Zhiguang Equity Investment	Guangzhou Zhiguang Private Equity Fund Management Co., Ltd., a wholly-owned subsidiary of the Company
Shanghai Zhiguang	Shanghai Zhiguang Electric Power Technology Co., Ltd., a wholly-owned subsidiary of the Company
Zhiguang Energy Storage	Guangzhou Zhiguang Energy Storage Technology Co., Ltd., a holding subsidiary of the Company
Zhiguang Automation	Guangzhou Zhiguang Automation Co., Ltd., a holding subsidiary of the Company
Zhiguang Econ	Hangzhou Zhiguang Econ Technology Co., Ltd., a holding subsidiary of the Company
Knowledge City Zhiguang Hengyun	Knowledge City Zhiguang Hengyun (Guangzhou) Integrated Energy Investment and Operations Co., Ltd., a holding subsidiary of the Company
Xidu Power	Xidu (Guangdong) Power Investment Co., Ltd., a holding subsidiary of the Company
Hengyuan New Energy	Pingyuan Hengyuan New Energy Technology Co., Ltd., a holding subsidiary of the Company
Zhiguang Energy Conservation and Environmental Protection	Guangzhou Zhiguang Energy Conservation and Environmental Protection Co., Ltd. (formerly Guangzhou Zhiguang Energy Conservation Co., Ltd.), a wholly-owned subsidiary of Zhiguang Integrated Energy
Huayue Power	Guangzhou Huayue Power Engineering Design Co., Ltd., a wholly-owned subsidiary of Zhiguang Integrated Energy
Zhiyouying	Guangdong Zhiyouying Energy Technology Co., Ltd., a wholly-owned subsidiary of Zhiguang Integrated Energy
Hubei Huayao	Hubei Huayao Biotechnology Co., Ltd., a holding subsidiary of Zhiguang Energy Conservation and Environmental Protection

Access to this Report

This report is published in electronic form. You can download the electronic version of this report from the website of Shenzhen Stock Exchange (www.szse.cn) or the official website of the Company (www.gzzg.com.cn) to obtain more information about the Company. This report is released in both Chinese and English versions. For any discrepancy between the Chinese and English versions, the Chinese version shall prevail. If you have any questions or suggestions about the report, you can send an email to (sec@gzzg.com.cn) or call 020-83909333.

Feedback

If you have any comments or suggestions on the sustainability of our company, please feel free to contact us as follows to help us continuously improve our report.

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Message from the Chairman

Time flies – Zhiguang Electric has now completed 26 years of development. Through these 26 years of trials and triumphs, we have steadfastly upheld our corporate spirit of innovation, responsibility, solidarity, and perseverance, growing from a startup into a leading enterprise in the fields of digital energy technology and integrated energy services. In 2025, standing at a new stage of development, we have integrated our business philosophy of "helping customers use energy safely, efficiently, and comfortably" into daily practice. We continue to deepen the ESG management framework, pursue high-quality business growth, actively fulfill our social responsibilities, and contribute to environmental protection and sustainable development.

Strengthening the Foundation – Pursuing Long-Term Growth through Sound Governance.

In 2025, we elevated compliance management to a strategic priority, embedding compliance requirements into every segment of our business processes. Through enhanced internal training and oversight mechanisms, we ensured that all Company operations remain fully within the bounds of applicable laws and regulations. We continued to optimize the corporate governance structure and establish more efficient and scientific decision-making mechanisms, promoting coordination across levels and departments. In investor relations management, we upheld the principles of integrity and transparent communication, protecting investors' rights to information and decision-making through timely, accurate, and complete disclosure – earning sustained recognition and trust from capital markets.

Pooling Expertise – Driving Progress through Innovation.

Facing the profound transformation of the energy sector, we recognize that innovation is the only path to the future. In 2025, we continued to increase R&D investment and attract top industry talent, concentrating on integrated energy technology, power electronics, and digital technology innovation and application, consistently launching products and solutions with strong market competitiveness. In the core energy storage business, we achieved significant performance improvements through technological innovation – the safety, stability, and energy conversion efficiency of our systems all reached industry-leading levels, providing robust support for the development of a new power system and accelerating the transition of the energy mix toward clean, low-carbon sources. We have deeply integrated advanced technology with green principles, enhancing product competitiveness while effectively reducing energy consumption and environmental impact throughout the production process.

Pursuing Green – Taking Action Toward the "Dual Carbon" Goals.

Actively responding to China's "Dual Carbon" strategy is a responsibility we willingly embrace. In 2025, Zhiguang's products and services continued to play a positive role in energy conservation and emissions reduction, enabling significant decreases in energy consumption and carbon emissions for numerous clients, generating strong economic and environmental benefits. At the operational level, we continuously improved our environmental management system, fully implemented energy conservation and emissions reduction initiatives, and actively explored effective models for resource recycling – striving to minimize our environmental footprint. At the same time, we actively participated in industry standard discussions and best-practice sharing, hoping to leverage our practical experience to drive the broader energy industry toward a green and sustainable future.

Cultivating Talent – Building a Solid Foundation through People-Centeredness.

Talent are our most valuable asset and the fundamental guarantee of the Company's sustained growth. In 2025, we worked to build a more comprehensive talent development mechanism, providing employees with platforms for career growth through internal training programs, external learning exchanges, and key project experience. We pay close attention to employees' well-being and physical and mental health, continuously improving labor protection measures and optimizing the work environment. By organizing a wide range of corporate culture activities, we strengthen team cohesion and foster a warm and harmonious corporate atmosphere where every member of the Zhiguang family can fully develop their potential and realize their value.

Looking ahead, Zhiguang will continue to uphold our corporate spirit of innovation, responsibility, solidarity, and perseverance, seizing the national opportunities presented by China's energy transformation. Currently, our products and services save 21.1 billion kWh of electricity annually, reduce carbon emissions by 36.6 billion kg, and conserve 15.47 million tons of standard coal,and save a total of 184.3 billion kilowatt-hours of electricity– working tirelessly toward China's "Dual Carbon" goals. The Company will focus on integrated energy technology, power electronics, digital technology and applications, with energy storage's large-scale development as the key priority. We will continue to strengthen core business capabilities for new power systems, and through innovation in technology, services, business models, and capital operations, build a multi-tiered operational architecture and open business platform – committed to becoming a leading enterprise group in digital energy technology and integrated energy services. Zhiguang remains dedicated to using innovation to create a better life for humanity, walking alongside industry chain partners, advancing the energy sector's green and low-carbon transformation through solid industrial practice, and steadily progressing on the path of sustainable development – continuously contributing to the global energy transition and social advancement.

About Zhiguang Electric

Company Profile

Zhiguang Electric was established on April 9, 1999, with its headquarters in Guangzhou. It was listed on the Shenzhen Stock Exchange on September 19, 2007 (Stock Code: 002169) and currently has several wholly-owned and holding subsidiaries. The Company upholds the business philosophy of "helping customers use energy safely, economically, and comfortably". Over the past 20 years, it has been focusing on the energy technology, with its core business including digital energy technology and products, integrated energy services, and industrial investment in the field of energy technology and services. Taking the national energy transformation as the development opportunity, the Company focuses on integrated energy technology, power electronics technology, digital technology and their applications. With an emphasis on the large-scale development of energy storage, we continuously strengthens the key business of the new power system. Through technological innovation, service innovation, business model innovation, and capital operation, the Company constructs a multi-level operation framework and an open business platform to build a digital energy technology and integrated energy service enterprise group with a leading position under the new development concept of "dual carbon". Currently, the Company has supplied products and services for more than 4,000 customers in more than 40 countries and regions around the world. We can save 22.1 billion kWh of electricity for the country every year, reduce 36.6 billion kilograms of carbon emissions, save 15.47 million tons of standard coal, and has cumulatively saved 184.3 billion kWh of electricity. Through the research and application of various innovative technologies, the Company fully helps the global energy transformation and upgrading towards green and low-carbon.

Key Events in 2025

January

The distributed solar project at Yuefeng Lefu – undertaken by the Company's integrated energy segment – was successfully connected to the grid, expanding the deployment of clean energy in agricultural and aquaculture scenarios.

February

The Company's high-voltage variable frequency project at a clinker production line in Kyrgyzstan was successfully commissioned, achieving overseas project delivery.

Zhiguang Electric Technology and BJMCC Energy held a plaque-awarding ceremony for the Innovation Achievement Transformation Base in Kunming, jointly establishing an achievement conversion platform.

March

The Administrative Office of Xing'an League and Inner Mongolia Chuangyuan Metal visited the Company and signed a strategic cooperation agreement with Zhiguang Energy Storage, driving market development in northern China.

Zhiguang Energy Storage signed a comprehensive strategic cooperation agreement with Haichen Energy Storage, establishing a battery cell strategic procurement partnership for 2025–2026.

May

The Zhiguang New Energy Storage Industrial Park held its completion ceremony at the Yonghe Industrial Zone and commenced production, marking a key milestone in the construction of the Company's energy storage industrialization platform.

June

The Company successfully completed a black-start and synchronized grid-connection test for a grid-forming cascaded high-voltage energy storage system combined with a coal-fired generating unit at the Inner Mongolia Chuangyuan Metal project.

July

The Company signed a strategic cooperation agreement with Guoning Xin Storage (Fujian), focusing on collaborative development of cascaded high-voltage energy storage technology.

The Company's WindESG 2025 annual rating was upgraded from BBB to A, reflecting further third-party recognition of its ESG management and performance.

August

The shore power system at Berth No. 2 of the Dagang Port Area of Dalian Port – undertaken by the Company – completed its first ship-to-shore power supply, supporting "electricity-for-oil substitution" for vessels at berth and reducing environmental impact.

September

Zhiguang Electric Technology's high-voltage SVG dynamic reactive power compensation project at an Indian steel plant was successfully commissioned, demonstrating overseas engineering delivery capability.

November

Inner Mongolia Chuangyuan Metal and Zhiguang Energy Storage signed the Phase 3 cooperation contract for a source-grid-load-storage integrated project, bringing cumulative installed capacity of grid-forming cascaded high-voltage energy storage to over 1 GWh.

December

Zhiguang Electric Technology delivered a grid-forming new energy and energy storage station grid-connection testing device to Guangdong Zhongzhi Testing, bringing the cooperation between the two parties to a new stage.



Corporate Culture

After more than 20 years of stable operation, Zhiguang Electric has gradually accumulated and formed a unique corporate vision, mission and core values that conform to the Company's development context.



Innovation, Responsibility, Solidarity, Perseverance

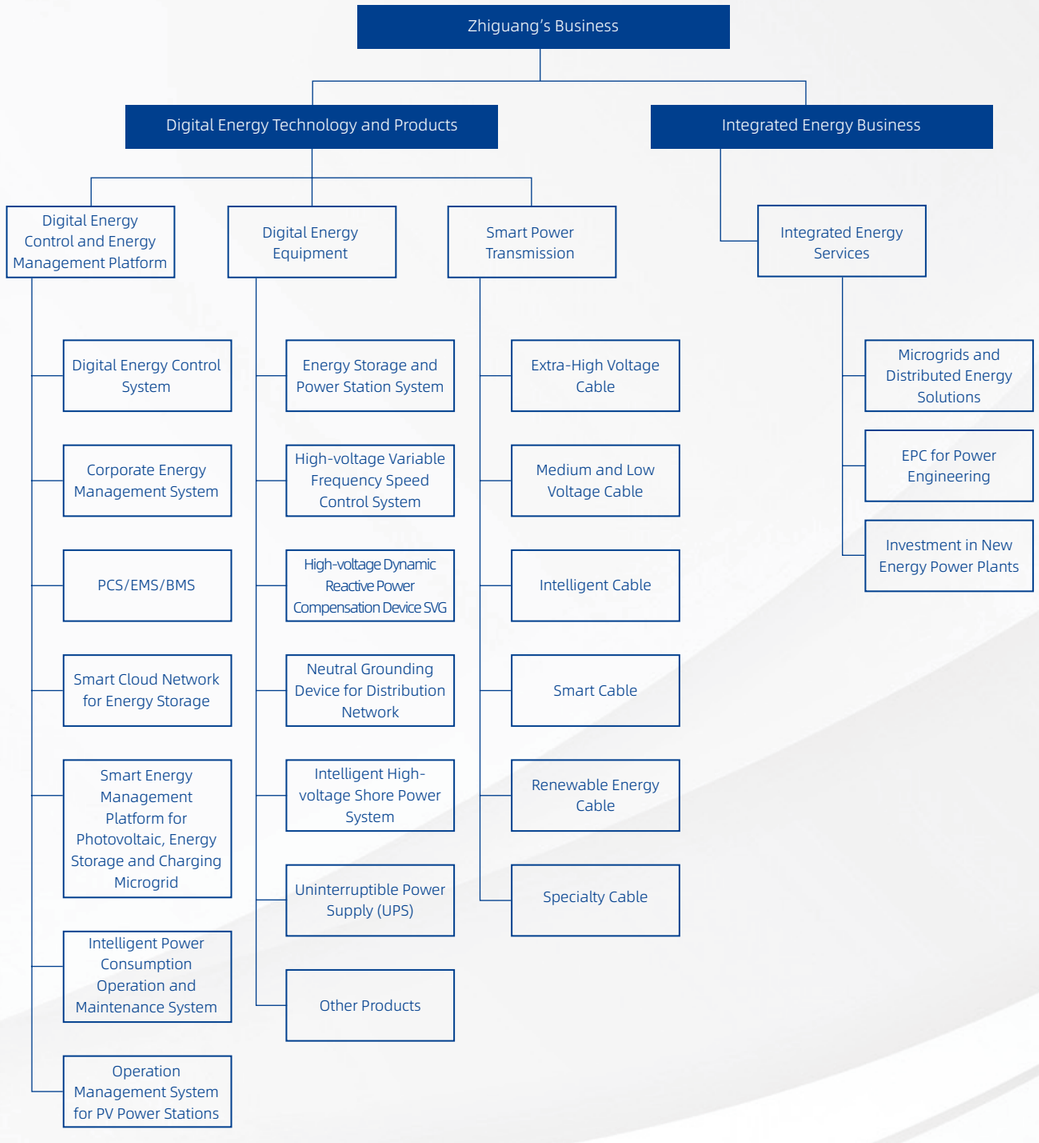
Pursuer and Advocate of Smart Energy

Helping customers use energy safely, efficiently, and comfortably

Business Segments

The core businesses of Zhiguang Electric include digital energy technology and products, integrated energy services solutions, and industrial investment in energy technology and services.

Business Layout



Digital Energy Segment

Zhiguang Energy Storage

Guangzhou Zhiguang Energy Storage Technology Co., Ltd. was established in 2018 and is a holding subsidiary of Zhiguang Electric. It indicates an important layout of Zhiguang Electric in the strategic development direction of digital energy technology and integrated energy services. The company makes full use of the research and application experience of its parent company in power electronics technology, automation and information technology, and smart energy technology over the past two decades to build a professional research team in the fields of research and production of distinctive cascaded PCS, BMS, EMS and battery PACK technology. The Company is an advocate and leader of cascaded high-voltage and large-capacity energy storage technology in the global electrochemical energy storage sector.

The company's energy storage product portfolio includes power station type large-capacity energy storage systems (cascaded high-voltage energy storage), demand-side energy storage systems (modular low-voltage energy storage), and user and mobile energy storage products, which can provide customers in different application scenarios with energy storage system technologies and equipment featuring high efficiency, high reliability and high safety.

Zhiguang Electric Technology

Guangzhou Zhiguang Electric Technology Co., Ltd., established in 2002, is a wholly-owned subsidiary of Zhiguang Electric. It is a core member enterprise of Zhiguang Electric specializing in the research of flexible power technology in the strategic development direction of integrated energy technology and services. Since its establishment, the company has been focusing on the technical research of electrical control equipment with high-power power electronics as the core technology, and has carried out technical research and industrial application in the fields of smart grid, distributed microgrid, energy storage PCS, motor control and energy conservation, power quality control, advanced power supply technology, etc.

The company's main products include neutral grounding devices for distribution network, intelligent high-voltage variable frequency speed control systems, energy storage PCS systems, static var generators (SVG), intelligent ship-to-shore power systems, new energy grid-forming test vehicles, high/low voltage power quality management products, and large-scale industrial smart UPS, etc.

Lingnan Cable

Guangzhou Lingnan Cable Co., Ltd. is a high-tech enterprise established in 1995, which is a wholly-owned subsidiary of Zhiguang Electric. The company has more than 20 years of experience in the professional research, development, production, and sales of high-end cables. With the support of high-quality products and technical services, it helps tens of thousands of customers in the power systems, rail transit, residential use, key projects, etc. in safe operation and stable development. It is a well-known cable brand in South China.

The company's main products include cross-linked polyethylene insulated power cables with a voltage of 220KV and below, plastic insulated power cables, control cables, as well as special products such as eco-friendly anti-termite cables, halogen-free low-smoke flame-retardant cables, distributed optical fiber temperature measurement cables, optical-electrical composite intelligent cables, and water tree retardant cables.

Zhiguang Automation

Guangzhou Zhiguang Automation Co., Ltd., established in 2011, is a high-tech and high-growth enterprise in the automation field controlled by Zhiguang Electric. It is engaged in the research, development, production, and system integration of software and hardware for power automation and informatization in power, industrial enterprises, municipal projects or commercial buildings, and fire protection systems for energy storage power stations.

The Company holds core technologies and products across five series: high/low-voltage microcomputer comprehensive protection, low-voltage motor protection, measurement and control instruments, leakage and fire power monitoring equipment, and a transparent electricity consumption integrated data management platform, along with numerous invention patents and utility model patents.

Zhiguang Econ

Hangzhou Zhiguang Econ Technology Co., Ltd., established in 2006, is a leading comprehensive information service provider in the fields of smart energy and smart grid controlled by Zhiguang Electric. The company is a national high-tech enterprise and a software enterprise in Zhejiang Province. The company has a complete quality management system for software development, products, and technical services, and has passed the ISO9001 quality management certification and the CMMI3 software capability maturity model integration certification.

Integrated Energy Services

Zhiguang Integrated Energy

Guangdong Zhiguang Integrated Energy Co., Ltd. was established in 2014. Closely adhering to the vision of the "dual carbon" goal, it focuses on integrated energy technology and services, constructs a networked power consumption service system with an innovative business model, and provides one-stop services such as integrated energy investment, energy conservation renovation, energy efficiency monitoring, distributed energy, and energy storage for large and medium-sized users in the power, building materials, metallurgy, municipality, energy, and other industries, becoming a trusted one-stop integrated energy technology and service solution provider for customers.

Zhiguang Energy Conservation and Environmental Protection

Guangzhou Zhiguang Energy Conservation and Environmental Protection Co., Ltd., established in 2010, is a large comprehensive energy conservation service company which was first filed by the National Development and Reform Commission and the Ministry of Finance and first recommended by the Ministry of Industry and Information Technology of the People's Republic of China. It is committed to providing one-stop energy conservation renovation services for large and medium-sized enterprise customers in the power, building materials, metallurgy, petroleum, coal, and other industries, creating overall solutions for industrial energy conservation and efficiency improvement, and constantly exploring, extending and strengthening business coordination and linkage. It implements the development strategy of "energy conservation + environmental protection" as the two main businesses. Taking waste treatment and sludge disposal as its breakthrough directions, it actively enters the environmental protection field and accelerates the transformation and upgrading of the enterprise.

Huayue Power

Guangzhou Huayue Power Engineering Design Co., Ltd., as a holding subsidiary of Zhiguang Electric, is a high-tech enterprise dedicated to consulting, design, and general contracting of power and integrated energy engineering. The company has Class B design qualifications for engineering design (in thermal power generation, wind power, new energy, power transmission, and transformation), Class B qualifications for engineering survey (in surveying), and consulting qualifications for thermal power and new energy.

The company has a professional and well-equipped engineering technical team with strong comprehensive strength, which can provide users with the whole-process energy services of the "power generation side, power grid side, and user side", including traditional thermal power generation, waste heat power generation, natural gas CCHP, large-scale wind/photovoltaic power stations, main and distribution networks of 220kV and below, user power distribution projects, as well as integrated energy services such as power generation side/user side energy storage, distributed photovoltaic, charging stations, and cold storage.

Zhiyouying

Guangdong Zhiyouying Energy Technology Co., Ltd., established in 2015, based on the intelligent power consumption service cloud platform with comprehensive analysis and processing of cloud data as the core, relying on the innovative thinking concept of Internet +, through online collection of power consumption information, intelligent data analysis and offline operation and maintenance services, provides customers with systematic, professional and standardized operation and maintenance services for electrical equipment and power consumption information services. Moreover, with a new power consumption service model, it offers excellent comprehensive solutions for intelligent power consumption to large-sized industrial enterprises, industrial parks, commercial complexes, large public buildings, schools, etc.

Xidu Power

Xidu (Guangdong) Power Investment Co., Ltd., established on November 29, 2022, is located at No. 168, Rongsheng Village, Shiban Village, Dongcheng Sub-district, Qingcheng District, Qingyuan City. Xidu Independent Energy Storage Phase I 200MW/400MWh Independent Energy Storage Power Station Project, jointly invested and constructed by Zhiguang Electric Group and Xidu Group, is currently the independent energy storage power station with the largest energy storage scale in Guangdong. It has completed a 168-hour trial operation and officially entered the commercial trial operation stage during the same period. After the entire Xidu Independent Energy Storage Project is put into operation, the installed capacity will reach 508MW/1016MWh, and it will become the largest independent energy storage power station in Guangdong and even in the area of the Southern Power Grid.

Hengyuan New Energy

Pingyuan Hengyuan New Energy Technology Co., Ltd., established on July 25, 2023, has its registered address at No. 13, Kechuang Road, Guangzhou Nansha (Pingyuan) Industrial Transfer Industrial Park Phase III, Shizheng Town, Pingyuan County, Meizhou City. Business scope includes general projects: energy storage technology services.

Major Honors and Awards

Zhiguang Electric



EU CE Certification



EU CEI 0-16 Certification



Guangdong Province's Top-Quality High-Tech Products



Energy Storage Innovation Award



ESG Technology Takes the Lead at the Golden Bull Awards



2025 Best ESG Practices Award for Listed Companies

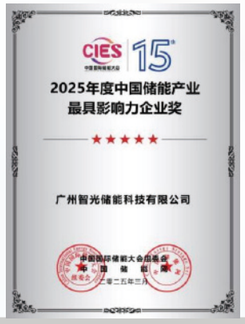


Exemplary Cases of Sustainable Development Practices by Listed Companies in 2025

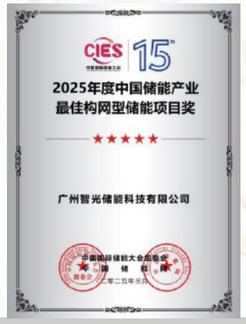
Zhiguang Energy Storage



2025 China Energy Storage Industry Most Influential Enterprise Award



Award for Best System Integrator in China's Energy Storage Industry



Best Grid-Forming Energy Storage Project Award in China's Energy Storage Industry



2025 Best Energy Storage System Integrator Award



2025 Energy Storage Industry Innovation Leader Award



Top 100 Brands in China's New Energy Storage Sector for 2025



First Prize, 2025 China Machinery Industry Science and Technology Award



The Seventh Batch of Specialized, Refined, Distinctive, and Innovative "Little Giant" Enterprises



Guangdong Provincial Enterprise Technology Center



Third Prize, 2025 Ministry of Industry and Information Technology Innovation Challenge



First Prize, 2025 Power Science and Technology Award, Chinese Society for Electrical Engineering



Guangdong Province's Top-Quality High-Tech Products – 1500V Energy Storage System for Commercial and Industrial Customers



Guangdong Provincial Engineering Research Center for High-Voltage, High-Capacity Energy Storage Systems



Certificate of Inclusion in the 2025 Guangzhou Green Technology Promotion Catalog

Lingnan Cable



High-Tech Enterprise



Certificate of High-Tech Product



Digital Workshop Certification and Digital Pioneer Enterprise Certification



Factory of the Future Certification and Intelligent Factory Certification



Guangdong Province Famous and Excellent High-Tech Product

Zhiguang Econ



Best EMS Supplier Award in China's Energy Storage Industry



APVIA Asia Photovoltaic Award – Solar-Storage Application Award

Huayue Power



2025 Guangdong Excellent Installation Engineering Award

Industry Association Memberships

Association / Organization	Member Entity	Level
China Energy Research Society	Zhiguang Electric	Member Unit
Chinese Society for Electrical Engineering	Zhiguang Electric	Member Unit
Energy Storage Application Branch of China Industrial Association of Power Sources	Zhiguang Energy Storage	Governing Unit
Zhongguancun Energy Storage Industry Technology Alliance	Zhiguang Energy Storage	Member Unit
Guangdong Electricity Trade Association	Zhiguang Electric	Member Unit
Guangdong High-Tech Enterprise Association	Zhiguang Electric	Member Unit
Listed Companies Association of Guangdong Province	Zhiguang Electric	Member Unit
Guangdong International Chamber of Commerce	Zhiguang Electric	Member Unit
Guangzhou Hydrogen Energy and Integrated Smart Energy Industry Development Federation	Zhiguang Electric	Member Unit
Guangzhou Headquarters Economy Association	Zhiguang Electric	Member Unit
Guangzhou Semiconductor Association	Zhiguang Electric	Governing Unit
New Energy Industry Association of Huangpu District and Development Zone, Guangzhou	Zhiguang Electric	Member Unit
Industrial Internet and Big Data Industry Association of Huangpu District, Guangzhou	Zhiguang Electric	Member Unit
Federation of Listed Enterprises in Guangzhou Development Zone	Zhiguang Electric	Member Unit



Smart Energy Storage – A New Journey Begins

Annual Feature

Building Benchmarks in Energy Storage

Leveraging its core strengths in cascaded high-voltage energy storage and grid-forming technology, Zhiguang Electric has continued to set new industry benchmarks. From the commissioning of the Greater Bay Area's flagship independent energy storage benchmark project, to China's first semi-solid-state battery energy storage application, to supporting the "100% Green Power Steelmaking" initiative and securing contracts valued in the hundreds of millions of RMB, the Company has validated the efficiency and stability of its technology across multiple successful deployments on the generation side, grid side, and user side – consolidating its leading position in the development of the new power system.

Case Establishing a New Paradigm for New Power System Development in the Greater Bay Area

On July 31, 2025, the Beikong Guangtong (Foshan) Gaoming 208 MW/416 MWh independent energy storage project – jointly invested and developed by Zhiguang Electric, Guangzhou Energy Storage Group, state-owned enterprise Gaozhi Company of Gaoming District, and Heguang Tong Company – officially entered trial operation. The project innovatively applies Zhiguang Electric's independently developed cascaded high-voltage energy storage technology. Compared to conventional energy storage solutions, the system achieves a 6%–10% improvement in overall efficiency, a 23% increase in grid-injectable energy over the full life cycle, and a significant reduction in equipment footprint. Using Zhiguang Electric's '5S' full-chain technology, the project builds a comprehensive intelligent management system covering the entire life cycle of the energy storage system, enabling real-time equipment status monitoring, fault early warning, and energy efficiency optimization – ensuring highly efficient and stable station operation.



Foshan 220 kV Standalone Energy Storage Power Station

Case China's First Cascaded High-Voltage Semi-Solid-State Lithium Iron Phosphate Independent Energy Storage Project

During the Reporting Period, Zhiguang Energy Storage won the bid for the cascaded high-voltage semi-solid-state lithium iron phosphate energy storage system project under the Guangdong Huadian Shanwei Energy Storage Project. This project is the first frequency-regulation independent energy storage station in China to combine cascaded high-voltage technology with semi-solid-state batteries, marking a critical step forward for the Guangdong-Hong Kong-Macao Greater Bay Area in the application of new energy storage technologies and the safeguarding of grid security.



Stand-alone Energy Storage Power Station Combining Cascade High-Voltage Technology with Semi-Solid-State Batteries

Case Zhiguang Energy Storage Wins Bid for Hainan Prefecture Solar-Storage Integration National-Level Demonstration Base Project

In October 2025, Zhiguang Energy Storage won the bid for the hybrid energy storage project at the State Power Investment Corporation (SPIC) Hainan Prefecture Solar-Storage Integration National-Level Demonstration Base. The project encompasses 10 subsystems, including energy storage for the grid-forming distributed synchronous condenser exploration area, semi-solid-state lithium iron phosphate, sodium-ion, lithium iron phosphate, lithium titanate, flywheel, supercapacitor, and hybrid capacitor systems.



Zhiguang Energy Storage – Cascaded High-Voltage, High-Capacity Energy Storage System

Case Supporting China's First '100% Green Power Steelmaking' Grid-Forming Energy Storage Demonstration Project

In October 2025, a key component of the nationally supported 'near-zero carbon emission electric arc furnace demonstration project' – Jingjiang Special Steel Co., Ltd.'s green low-carbon energy media supply project – was successfully connected to the grid. Zhiguang Energy Storage, a subsidiary of the Company, served as the core equipment system supplier for this project, delivering two sets of grid-forming cascaded high-voltage direct-connected energy storage systems with a total capacity of 45 MW/90 MWh, providing core technical support for achieving the '100% Green Power Steelmaking' goal.



Zhiguang Energy Storage – Grid-Forming Cascaded High-Voltage Direct-Connected Energy Storage System



Case Empowering the Energy Transition and Creating a Green Benchmark for New Quality Guangdong Energy Storage

In December 2025, Zhiguang Energy Storage successively delivered complete equipment sets for the Guangdong Jieyang Pengxin Independent Energy Storage Station and the Meizhou Pingyuan Phase 2 Independent Energy Storage Station, with a combined capacity of 600 MWh. This marks a further breakthrough in Zhiguang Energy Storage's industrialization deployment in South China, injecting new momentum into the improvement of renewable energy absorption capacity and grid regulation capability in eastern Guangdong.



Completion Ceremony for the Meizhou Pingyuan New Smart Standalone Energy Storage Project (Phase I) and Groundbreaking Ceremony for (Phase II)



Energy Storage System for the Meizhou Pingyuan Phase II Standalone Energy Storage Power Station Project

Case Cascaded High-Voltage Energy Storage System – Two 100 Million-RMB+ Contracts Signed

In December 2025, Zhiguang Energy Storage achieved consecutive breakthroughs in market development, signing two major energy storage contracts – one in Hotan Prefecture, Xinjiang, and another in Wuxi, Jiangsu – each valued in excess of 100 million RMB. The Xinjiang Wanneng Minfeng project will enhance local grid peak-shaving capacity and renewable energy absorption, while also strengthening grid stability through active grid support, improved system inertia, and increased short-circuit capacity. The Wuxi Huishan Chang'an Street Energy Storage Station project will further expand the Company's influence in the East China market.



Zhiguang Energy Storage - Third-Generation Cascaded High-Voltage, High-Capacity Energy Storage System

Expanding Global Footprint

Zhiguang Electric is firmly advancing its international strategy and accelerating global expansion. Through high-profile appearances at top-tier international energy exhibitions in North America, Europe, and Australia, the Company has significantly elevated its international brand recognition. At the same time, with the formal establishment of the European Business Center and the signing of important strategic cooperation and supply agreements in India, Africa, Greece, and other regions, the Company has achieved a leap from market exploration to large-scale overseas business deployment, laying a solid foundation for continued growth in its international business.

Case Receiving the Adani Group Delegation from India

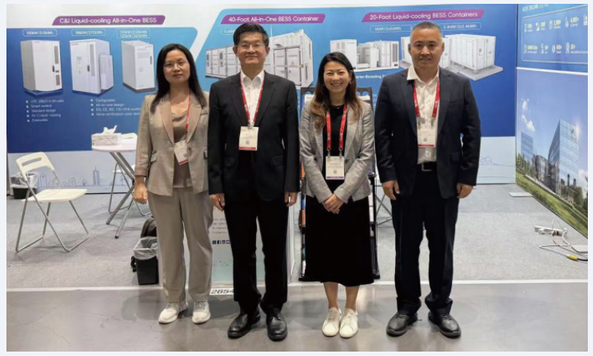
On January 20-21, 2025, a delegation from India's Adani Group visited Zhiguang Electric. They conducted an on-site visit to the Qingyuan Xidu Energy Storage Station project. The delegation expressed high praise for Zhiguang Energy Storage's digital factory, the technological advancement of its energy storage technology and products, and the performance achieved in the sector, and put forward expectations and an action plan for comprehensive win-win cooperation between the two parties.



Reception area

Case Appearing at ESNA 2025 to Support North American Market Development

From February 25 to 27, 2025, Zhiguang Electric showcased its latest energy storage products and technologies at Intersolar & Energy Storage North America 2025 (ESNA 2025), held at the San Diego Convention Center in California. The participation was aimed at showcasing its efficient and safe energy storage solutions to the North American market while deepening exchanges with global industry partners and accelerating the Company's international expansion.



At the exhibition

Case Exhibiting at Smart Energy 2025 – Positioning in the Asia-Pacific Energy Storage Market

From April 9 to 10, 2025, Smart Energy 2025 was held at the International Convention Centre Sydney (ICC Sydney). Zhiguang Electric showcased multiple advanced energy storage products at the exhibition, presenting its latest technological achievements in the energy storage sector and its business development plans for the Asia-Pacific region.



At the exhibition

Case Successfully Concluding Intersolar Europe 2025

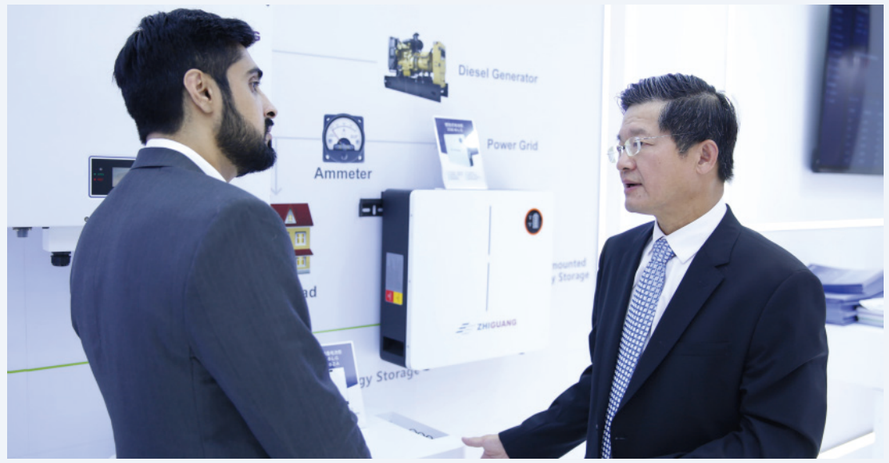
From May 7 to 9, 2025, Zhiguang Electric made a prominent appearance at Intersolar Europe 2025 at the New Munich Trade Fair Centre in Germany. During the exhibition, Zhiguang Electric's international team engaged in active discussions with channel partners, policy makers, EPC contractors, installers, industry associations, and logistics service providers from around the world on topics including local market needs, regulatory trends, and project implementation opportunities – comprehensively expanding new avenues for overseas collaboration.



At the exhibition

Case European Business Center Officially Established

On June 27, 2025, Zhiguang Electric reached a cooperation agreement with a well-known Italian infrastructure developer and formally signed a large-scale solar-storage-charging station design and supply contract. Simultaneously, Zhiguang Electric registered and established a company in Italy, formally inaugurating its European Business Center – a critical step in the Company's international strategy that is expected to drive a leap in overseas business in 2025.



Scene of the discussion

Case High-Voltage SVG Successfully Commissioned at Indian Steel Project

In September 2025, Zhiguang Electric Technology's high-voltage SVG reactive power compensation project at an Indian steel plant was officially commissioned. As another key achievement of Zhiguang Electric Technology in the high-voltage SVG segment overseas, the successful commissioning of this 33 kV high-voltage SVG project not only reinforces the Company's technological advantage in the field of high-voltage reactive power compensation, but also injects strong momentum into the continued expansion of its international market presence.



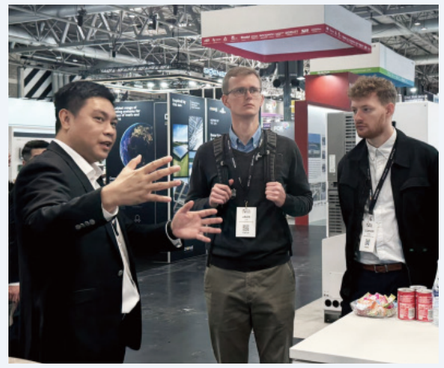


Outdoor Water-Cooled ZG-dSVG Dynamic Reactive Power Compensation Unit

Case Energy Storage Solutions Showcased at Solar & Storage Live 2025 in the UK

From September 23 to 25, 2025, Solar & Storage Live 2025 was held in Birmingham, UK. Zhiguang Electric showcased multiple commercial, industrial, and large-scale energy storage solutions tailored for international users, attracting widespread attention and in-depth engagement from exhibitors – thanks to its innovative technology and system capabilities.





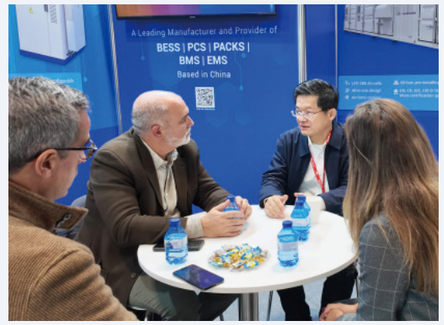
At the exhibition

Case Appearing at Genera 2025 International Power and Energy Exhibition in Spain

From November 18 to 20, 2025, Genera 2025 (the Spain International Power and Energy Exhibition) was held at the IFEMA MADRID Convention Center in Madrid. Zhiguang Electric showcased multiple international energy storage products and solutions, drawing broad interest from professional industry attendees. Several globally renowned energy companies, developers, and EPC contractors – including Elecnor, Emeren, and Acciona Energía – were invited to visit and engage in in-depth discussions with Zhiguang Electric's technical team on topics including energy storage system design, project application case studies, grid compatibility, and future cooperation opportunities.



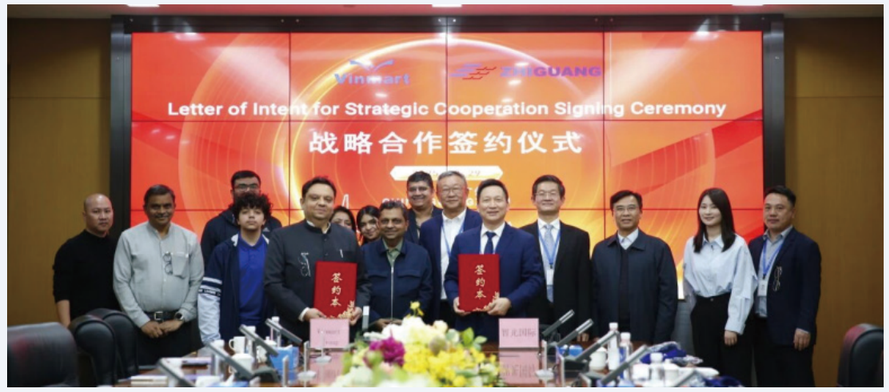
IFEMA MADRID Exhibition Center



On-site exhibition booth presentation

Case Pursuing New Energy and Mining Cooperation and Development in Africa

On December 29, 2025, Hitesh Chug, Vice Chairman of the Vinmart Group of the Democratic Republic of the Congo, and Group Director Rushi Chug visited Zhiguang Electric for exchange and cooperation discussions. Both parties engaged in professional exchanges around solar-storage microgrid energy solutions for mining and industrial parks across ten African countries, reaching a consensus on multiple projects. This signing marks a breakthrough leap for Zhiguang Electric in Africa's solar-storage renewable energy market and will provide momentum for the Company to achieve its strategic goal of large-scale, high-quality overseas business growth in 2026.



Signing Ceremony for the Strategic Partnership Between Vinmart and Zhiguang Electric

Case Zhiguang Electric Energy Storage Solutions Land in Greece

On December 30, 2025, Zhiguang Electric successfully signed a supply contract for 100 units of European-standard all-liquid-cooled integrated machines and a strategic cooperation agreement with LFM Company in Greece. The systems are scheduled for delivery and commissioning in Greece in 2026. The strategic cooperation agreement also specifies that both parties will comprehensively promote Zhiguang's European-standard certified commercial and industrial energy storage products and large-scale energy storage stations in the Greek market, supporting the continued development of renewable energy in Greece.



Zhiguang All-in-One Liquid-Cooled System

Deepening University-Enterprise Collaboration

Zhiguang Electric places great importance on industry-academia-research collaboration and actively builds bridges between universities and enterprises. By partnering with renowned institutions such as South China University of Technology and North China Electric Power University to host policy seminars, develop talent cultivation programs, and conduct on-site research activities, the Company has effectively promoted the organic integration of the education and industrial chains. While exploring industry policy trends, it has also cultivated high-caliber professionals to support the high-quality development of the new energy industry.

Case Hosting New Energy Policy Seminar and Resource Networking Session with the North China Electric Power University Alumni Association Guangdong Chapter

On April 19, 2025, the Zhiguang Research Institute partnered with the North China Electric Power University Alumni Association Guangdong Chapter to successfully host a National New Energy Policy Seminar and Resource Networking Session at the Zhiguang Integrated Energy Industrial Park. Nearly 40 NCEPU alumni gathered to engage in in-depth discussions on new energy policy directions, industry development trends, and resource networking opportunities.





New Energy Policy Symposium and Resource Matching Event

Case Deepening University-Enterprise Collaboration to Jointly Nurture Industry Talent

On June 17, 2025, approximately 350 faculty and students from the School of Electric Power at South China University of Technology (SCUT) visited Zhiguang Electric for an exchange and tour activity. During the visit, the SCUT faculty and students toured the Zhiguang Electric showroom and smart manufacturing workshop, gaining an in-depth understanding of the Company's innovative achievements in digital energy technology and integrated energy services, and expressing high praise for the technological capabilities and innovative practices demonstrated by Zhiguang Electric.



Group photo on site



About the Exhibition



At the exchange event



About the Exhibition

Case 'New Green Youth Talent Development Program' Visits Zhiguang Electric

On November 28, 2025, university students from multiple colleges and universities across China gathered at the Zhiguang Integrated Energy Industrial Park for an immersive exploration of the Company's sustainable development journey and brand transformation, launching a deep dialogue on energy green innovation and youth creative thinking. At the exchange session, Company representatives introduced the Company's green transformation blueprint to the students through the lenses of green operations and product management (Environmental Cultivation E), technology and public welfare value co-creation (Social Responsibility S), and decision-making and execution system assurance (Governance Closed-Loop G).



About the Exhibition



Group photo on site



At the exchange event



At the exchange event

Amplifying Industry Voice

Guided by an ethos of openness and mutual benefit, the Company actively integrates into global industry networks, taking a core role in high-caliber industry summits such as CIES, ESIE, and IEEE – establishing its position as a technology benchmark. Through leading discussions on cutting-edge topics and collaborating with the industry to explore the path to maximizing the full life cycle value of energy storage, the Company continues to play a pivotal leadership role in advancing technology standard iteration and building a green energy ecosystem.

Case Showcasing New Products at CIES (China International Energy Storage Conference) 2025

On March 24, 2025, the 2025 China (Hangzhou) International Energy Storage Conference opened at the Hangzhou International Expo Center. Zhiguang Electric subsidiaries – including Zhiguang Energy Storage, Zhiguang Electric Technology, Hangzhou Zhiguang Econ, Zhiguang Automation, and the Zhiguang Research Institute – showcased a GW-scale grid-forming cascaded high-voltage energy storage station system, a battery management system (BMS), an energy storage cloud platform, and distributed energy storage solutions, comprehensively demonstrating the Company's technological strength and industry commitment in the construction of a new power system. Simultaneously, Zhiguang Energy Storage and Zhiguang Econ won multiple corporate awards and individual honors across categories including system integration, grid-forming projects, and EMS.



2025 China (Hangzhou) International Energy Storage Conference



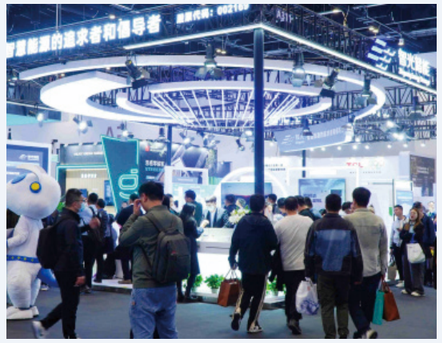
Corporate Awards and Individual Honors

Case Zhiguang Energy Storage and Zhiguang Automation Jointly Showcase at ESIE 2025

On April 10, 2025, the 13th Energy Storage International Summit and Exhibition (ESIE 2025) – the annual highlight event in the global energy storage sector – opened at the China International Exhibition Center in Beijing. Zhiguang Automation made a powerful debut with its independently developed integrated energy storage fire suppression solution, showcasing Chinese enterprises' innovative breakthroughs and sense of responsibility in energy storage safety. Zhiguang Energy Storage unveiled its latest grid-forming intelligent energy storage system and multi-scenario solutions, responding to the urgent demand for energy storage in the era of comprehensive renewable energy market entry through technological innovation.



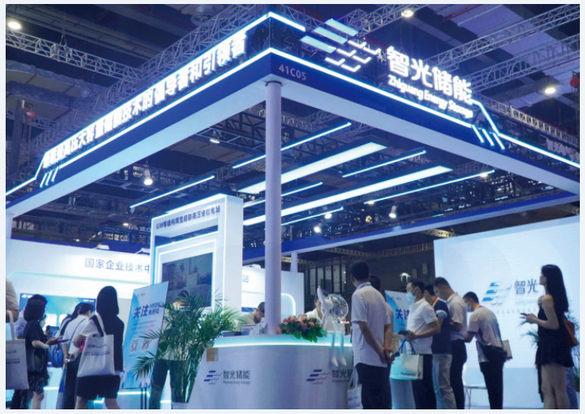
Zhiguang Automation - At the Trade Show



Zhiguang Energy Storage - At the Exhibition

Case The 4th EESA Energy Storage Exhibition 2025

From August 13 to 15, 2025, the global energy storage showcase – the 4th EESA Energy Storage Exhibition 2025 – was grandly held at the National Exhibition and Convention Center (Shanghai). Zhiguang Electric made a powerful appearance with its third-generation cascaded high-voltage large-capacity energy storage system ZGEner-Plus 3.0, GW-scale grid-forming cascaded high-voltage energy storage station solution, and air-cooled energy storage power converters – attracting extensive attention from numerous domestic and international industry experts, partners, and visitors with its innovative technological concepts.



At the exhibition

Case Guangdong New Energy Storage Industry Development Conference

On September 18, 2025, the 28th Guangdong Entrepreneur Activity Day and Guangdong New Energy Storage Industry Development Conference was held in Foshan, focusing on 'New Energy Storage Empowering Energy Structure Transformation.' The Company was awarded the position of Deputy Director Committee Member Unit in the inauguration of the New Energy Storage Specialized Committee of the Guangdong Enterprise Federation, reflecting the Company's technological influence and industry recognition in the field of cascaded high-voltage large-capacity energy storage.



Scene from the Guangdong New Energy Storage Industry Development Conference



Ceremony for the Inauguration of the Guangdong Enterprise Federation's Special Committee on New Energy Storage and the Presentation of Appointment Certificates to Committee Members

Case Leading Grid-Forming Cascaded High-Voltage Energy Storage Technology

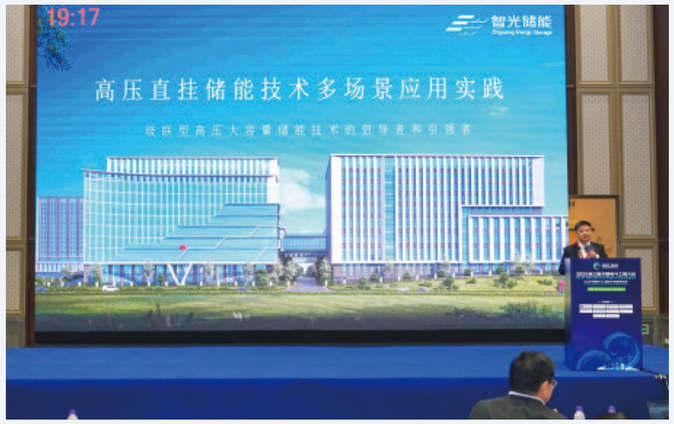
On November 1, 2025, the IEEE Energy Storage Technology Conference was held in Shanghai. At this conference, Zhiguang Energy Storage was honored with the High-Voltage Direct-Connected Grid-Forming Energy Storage Technology Pioneer Award, further consolidating the Company's benchmark status in the field of grid-forming cascaded high-voltage large-capacity energy storage.



IEEE High-Voltage Direct-Connected Grid-Forming Energy Storage Technology Pioneer Award

Case The 3rd CEEC China Electrical Engineering Conference

From November 20 to 23, 2025, the 3rd CEEC China Electrical Engineering Conference – themed 'Smart-Driven Electrical Engineering, Green-Powered Future' – was held in Hangzhou. The Technical Director of Zhiguang Energy Storage was invited to attend and delivered a keynote report titled 'Multi-Scenario Application Practice of High-Voltage Direct-Connected Energy Storage Technology.'



Scene from the 3rd CEEC China Electrical Engineering Conference

Case 2025 China Port Procurement Supply Chain Alliance Partner Conference

At the 2025 China Port Procurement Supply Chain Alliance Partner Conference held in Jinan, Zhiguang Electric Technology provided an in-depth analysis of the core strategy for green port transformation and upgrading under the current market environment, centering on its independently developed shore-based power supply system for vessels to drive industrial technology innovation and port energy ecosystem development. In the industry selection held alongside the conference, Zhiguang Electric Technology was awarded the 'China Port Supply Chain Partner Outstanding Service Award.'



“Supply-Demand Synergy, Shared Value” Panel Discussion



China Port Supply Chain Partner Outstanding Service Award

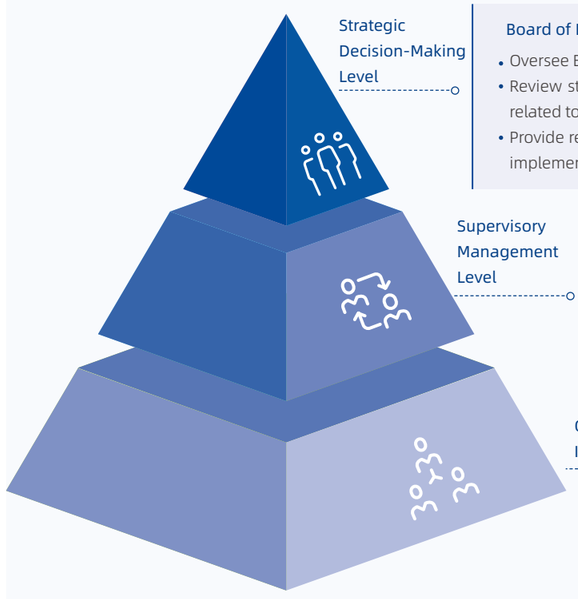
Sustainable Development

Zhiguang Electric consistently upholds a long-term development orientation, adopting 'steady growth alongside green development' as its core value proposition. The Company is committed to deeply embedding the concept of sustainable development into its corporate DNA. It regards ESG as a key lever for elevating its modern governance standards, and is actively driving the evolution of ESG management from 'passive compliance' to 'proactive strategy' – fully integrating it across the entire lifecycle of strategic planning, day-to-day operations, and risk management.

Sustainability Governance

To strengthen the Company's strategic coordination and governance effectiveness, and to promote the integration of Environmental, Social, and Governance (ESG) requirements into business management, the Company formulated the Working Rules of the Strategy and ESG Committee, established a Strategy and ESG Committee, and built an ESG governance structure featuring 'the Board of Directors and Strategy and ESG Committee as the overarching decision-maker, the ESG Management Committee as the supervisory overseer, and ESG working groups as the operational executor.' The Board of Directors' Office, the Investment Department, and the General Management Center serve as the lead units, coordinating with relevant functional departments to advance ESG strategies and key tasks, forming a closed-loop management mechanism covering decision deployment, process advancement, and execution feedback.

ESG Governance Level



Strategic Decision-Making Level

Board of Directors and Strategy & ESG Committee

- Oversee ESG direction and major issues;
- Review strategies, significant investments, and key arrangements related to ESG;
- Provide recommendations on priority initiatives and supervise their implementation.

Supervisory Management Level

ESG Management Committee

- Coordinate ESG policies, objectives, and annual plans;
- Oversee progress on key initiatives;
- Conduct regular evaluations and provide management recommendations to leadership.

Operational Implementation Level

ESG Working Group

- Organize and implement annual plans and special tasks;
- Collect, verify, and analyze ESG information and data;
- Conduct stakeholder engagement and feedback loops, supporting information disclosure and continuous improvement.

Stakeholder Engagement

Zhiguang Electric places great importance on stakeholder engagement, treating it as a key lever for enhancing governance transparency and management effectiveness. The Company maintains diversified communication channels for stakeholders including government agencies, customers, employees, communities, media, shareholders and investors, and business partners. It has established a regularized communication and opinion-collection mechanism, promptly consolidating feedback and suggestions from all parties and driving a closed-loop management process encompassing handling, tracking, and follow-up. The Company incorporates stakeholder concerns as a key consideration in strategic planning and major decision-making, consistently promoting positive interaction and collaborative partnerships with all sectors of society – steadily enhancing the Company's public credibility and its image as a responsible brand, while advancing the co-creation of shared value and long-term development.

Stakeholder	Communication Channels	Concerns and Expectations
Government	Work reports; Visits and submissions; Day-to-day communication	Compliant operations; Promoting economic development; Fulfilling social responsibilities
Customers	After-sales service; Corporate website and email; Customer forums; Day-to-day communication	Ensuring service and product quality; Responsible supply chain; Maintaining strong cooperation; Mutual development
Employees	Employee representative congress; Forums; Company visits and outreach; Performance reviews	Protecting employee rights and interests; Building career development pathways; Comprehensive communication channels
Community	Charitable activities; Regular reports; Public information disclosure; Promotional outreach	Supporting community development; Advocating for energy conservation and emissions reduction; Building a harmonious community; Focusing on vulnerable groups
Media	Public media platforms; Press conferences	Accurate information disclosure; Maintaining positive cooperation
Business Partners	Signing cooperation agreements; Thematic discussion sessions; Executive meetings; Day-to-day business exchanges	Maintaining positive cooperation; Responsible supply chain; Adhering to business ethics; Achieving mutual benefit and win-win outcomes
Shareholders and Investors	Shareholders' meetings; Earnings briefings; Investor conference calls; Investor research; Regular reports; Company announcements	Improving corporate governance; Timely information disclosure; Sustained company profitability; Maintaining stable dividends

Materiality Management

Based on global sustainable development trends and the current state of the Company's business development, and with reference to evaluation methodologies in domestic and international disclosure standards – including the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 (Sustainability Report, for Trial Implementation) and GRI 3: Material Topics – the Company has incorporated the analytical perspectives of impact materiality and financial materiality. It has identified 7 topics with financial materiality and 20 topics with impact materiality, which are addressed as priority disclosures in this report.

01

Background Analysis

Based on global mega-trends, China's macroeconomic environment, the sector in which the Company operates, and the Company's business model – identifying the Company's stakeholders and the risks and opportunities it faces.

02

Topic Preliminary Screening – Building the Topic Pool

Referencing the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (SDGs), and topics from domestic and international peers in the same industry, a selection of topics was screened and adjusted to establish the 2025 sustainable development topic pool.

03

Topic Materiality Assessment

Impact Materiality Assessment:

Mapping the potential or actual positive and negative impacts of each topic on external environmental, social, and economic dimensions. Using expert judgment, stakeholder surveys and analysis were conducted, identifying 20 topics with impact materiality.

Financial Materiality Assessment:

Through analysis of impacts, dependencies, and other factors – combined with expert judgment and the risk identification and assessment checklists of various Company departments – risks and opportunities under relevant topics were identified and assessed based on the likelihood of potential risk occurrence, the degree of impact, and the timeframe of impact, ultimately identifying 7 topics with financial materiality.

04

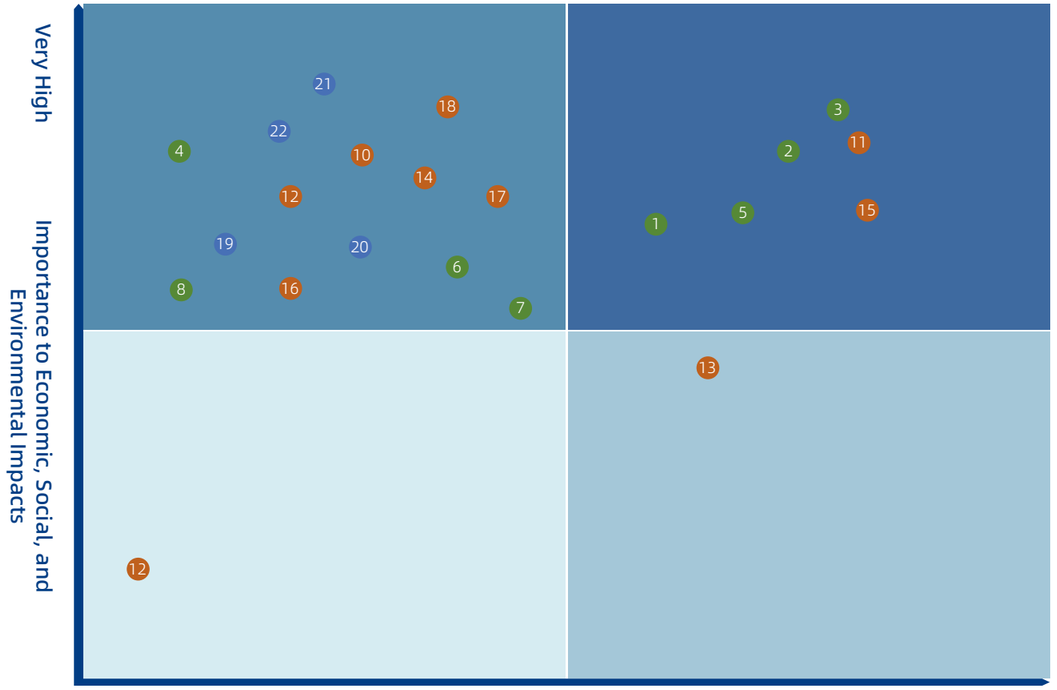
Topic Confirmation and Review

A list of topics with impact materiality and financial materiality was compiled, reviewed and approved by management, ensuring that relevant topics are disclosed in the report in a transparent, balanced, and comprehensive manner.

Due diligence

The Company integrates environmental, social and governance factors into its due diligence framework to ensure the compliance and soundness of its business activities, advance sustainable development practices, and continuously enhance its corporate governance standards in sustainability.

Zhiguang Electric's Critical Issues Matrix



Topics that are material from both a financial and an impact perspective

Topics that are material from an impact perspective only

Topics that are material from a financial perspective only

Topics that are not material from either a financial or an impact perspective

1 Response to Climate Change
2 Pollutant Emissions
3 Waste Disposal
4 Ecosystem and Biodiversity Conservation
5 Environmental Compliance Management
6 Energy Utilization
7 Water Resource Utilization
8 Circular Economy

9 Rural Revitalization
10 Contribution to Society
11 Innovation-driven
12 Ethics of Technology
13 Supply Chain Security
14 Treat small and medium-sized enterprises equally
15 Product and Service Safety and Quality
16 Data Security and Customer Privacy Protection
17 Employee
18 Occupational Health and Safety

19 Due Diligence
20 Stakeholder Communication
21 Anti-commercial Bribery and Anti-corruption
22 Anti-unfair Competition

Note: Based on the company's business scope, technology ethics is not considered a material issue; therefore, it is not a focus of disclosure in this report.

ESG Awards

By virtue of its outstanding performance in green transformation, technological innovation, and governance optimization, the Company successively won the '2025 Best ESG Practice Award for Listed Companies,' the 'ESG Technology Leadership Golden Bull Award,' and was successfully selected as an Excellent Practice Case by the China Association for Public Companies.

Case Selected as a 2025 Excellent Sustainable Development Practice Case for Listed Companies

The China Association for Public Companies released the list of 2025 Excellent Sustainable Development Practice Cases for listed companies, and Zhiguang Electric was successfully included. This recognition represents high acclaim for the Company's commitment to green development principles, its exploration of the integration path between technological innovation and green practice, its solid advancement of sustainable development initiatives, and its achievement of coordinated development across enterprise, society, and the environment.



Certificate of Excellence in Sustainable Development Practices for Listed Companies (2025)

Case Winning the '2025 Best ESG Practice Award for Listed Companies'

On December 1, 2025, the China AI Track and ESG Sustainable Development Conference was held in Guangming District, Shenzhen. Experts and scholars from government, academic, and investment institutions, along with representatives from over 100 listed companies, gathered to discuss the integration of AI technology and ESG sustainable development practices. At the conference, Zhiguang Electric was honored with the '2025 Best ESG Practice Award for Listed Companies,' demonstrating its benchmark value in green transformation, social responsibility, and sustainable development governance.



2025 China AI and ESG Sustainability Conference



2025 Best ESG Practices Award for Listed Companies

Case Winning the 'ESG Technology Leadership Golden Bull Award'

On November 26, 2025, the Corporate Sustainable Development Forum and 3rd GuoXin Cup ESG Golden Bull Award Ceremony was held in Suzhou. Zhiguang Electric was honored with the 'ESG Technology Leadership Golden Bull Award,' affirming its position as a 'frontrunner' in ESG practice in the capital markets.



The 3rd Guoxin Cup · ESG Golden Bull Awards Ceremony



ESG Technology Takes the Lead at the Golden Bull Awards



01

Corporate Governance

Our Actions

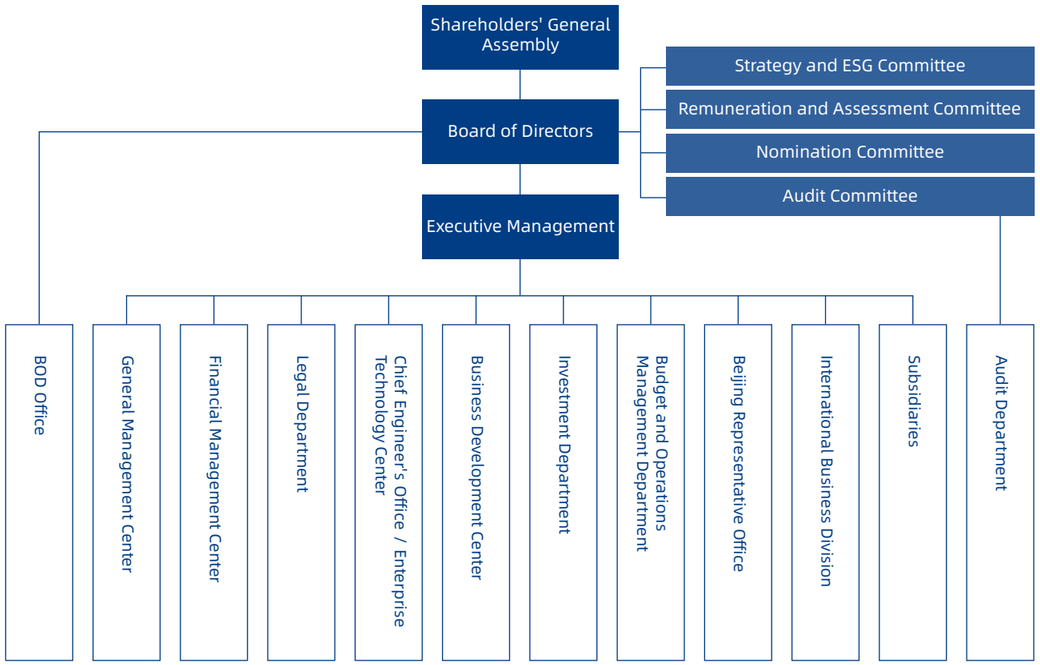
Guangzhou Zhiguang Electric Co., Ltd. upholds the highest standards of business ethics, firmly adheres to the principles of legal and compliant operations, and integrates the core concept of sustainable development into its long-term strategic planning. The Company is continuously deepening its responsible governance framework, working to improve its management structure and operating mechanisms in order to strengthen the intrinsic drivers of sustainable development.

SDGs Responded



Strengthening Corporate Governance

Zhiguang Electric strictly adheres to the Company Law, Securities Law, and other applicable laws and regulations, establishing a governance structure comprising the Shareholders' Meeting, the Board of Directors, and the management team. The Company has formulated the Articles of Association, Rules of Procedure for Shareholders' General Assembly, Rules of Procedure for the Board of Directors, and other governance documents.



Organizational Chart

Shareholders' General Assembly

The Shareholders' General Assembly is the Company's supreme authority, supervising the Company's business activities to ensure operations comply with relevant laws and regulations and the overall interests of shareholders, and deliberating and making decisions on major corporate matters. The Shareholders' General Assembly exercises its powers and functions in accordance with the Articles of Association, the Rules of Procedure for Shareholders' General Assembly, and other governance documents.

Key Performance Indicators

In 2025, the Company convened **3** Shareholders' Meetings, at which **18** resolutions were deliberated and approved.

Board of Directors

As the core body of the corporate governance system, the Board of Directors strictly adheres to the Articles of Association, the Rules of Procedure for the Board of Directors, and other governance documents, fulfilling its statutory duties – including convening Shareholders' Meetings, implementing resolutions of the Shareholders' Meetings, and reporting to shareholders. The Board is responsible for reviewing and approving the Company's annual operating plans, major investment decisions, and annual financial budgets and final accounts reports. In the areas of strategic leadership, institutional development, and advancing the Company's sustainable development, the Board plays a key decision-making and oversight role.

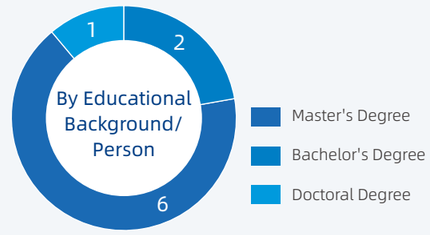
Key Performance Indicators

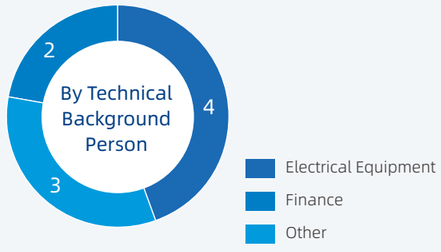
In 2025, the Board of Directors held a total of **7** meetings and reviewed **50** proposals. The Company's relevant specialized board committees convened **16** times, further optimizing and enhancing the Company's corporate governance standards.

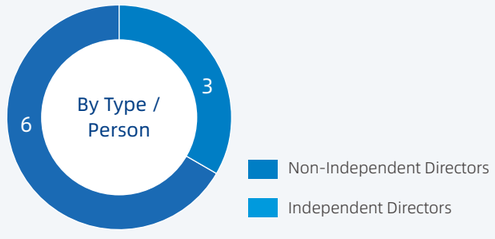
Diversity of the Board of Directors

The Board strictly adheres to the principles of meritocracy and diversity, taking into account multiple factors – including educational background, professional expertise, years of experience, and gender – in the selection of candidates, ensuring the scientific rigor and rationality of Board decision-making.

Information of Board Members







Board Independence

The Company's Rules of Procedure for the Board of Directors stipulate that the Board shall consist of nine directors, three of whom shall be independent directors – representing one-third of the Board's membership – ensuring at the organizational level that independent oversight is adequately represented and effective in Board decision-making. The Board specifies that independent directors shall constitute a majority of and serve as the convenors for the Audit Committee, the Nomination Committee, and the Remuneration and Assessment Committee. The convenor of the Audit Committee must be a qualified accounting professional, thereby strengthening specialized review and oversight of financial reporting matters and major business decisions. With respect to the exercise of duties, the Rules require that directors express opinions independently and prudently on the basis of full information, and that directors abstain from voting on matters in which they have a related-party interest. Furthermore, independent directors are explicitly prohibited from delegating attendance at Board meetings to non-independent directors, further safeguarding the independence of their discharge of duties.

Board Effectiveness Assessment

Building on the Rules of Procedure for the Board of Directors, the Company has established a Board effectiveness assessment mechanism, conducting systematic evaluations of the Board's and its specialized committees' performance on a regular basis, with the aim of continuously improving the quality of decision-making and the effectiveness of oversight.

Compensation Management for Directors, Supervisors, and Senior Management

In accordance with the Articles of Association and relevant compensation management policies, the Company has established a decision-making and oversight mechanism for the compensation of directors, supervisors, and senior management: directors' compensation and payment methods are determined by the Shareholders' Meeting, while the remuneration and rewards and penalties for senior management are determined by the Board of Directors. The Board has established a Remuneration and Assessment Committee, responsible for formulating assessment criteria for directors and senior management, conducting assessments, and developing and reviewing compensation determination mechanisms, decision-making processes, and compensation policies including payment, forfeiture, and clawback arrangements. The Committee also makes recommendations to the Board on matters relating to director and senior management compensation and equity incentive plans, to strengthen the standardization of compensation decisions and the effectiveness of incentives and constraints.

The Board of Directors, pursuant to its terms of reference, determines matters relating to the remuneration, rewards and penalties of senior management. The General Meeting of Shareholders determines matters relating to directors' remuneration in accordance with applicable laws, and reviews equity incentive plans and employee stock ownership plans as required. In addition, the Company expressly stipulates that the remuneration of senior management shall be paid directly by the Company and shall not be disbursed on its behalf by the controlling shareholder.



Optimizing Investor Relations Management

The company strictly complies with the Guidelines for Investor Relations Management of Listed Companies and other applicable laws and regulations. Through standardized information disclosure and multi-channel communication and engagement, the Company ensures investors' fair access to corporate information, protects investors' lawful rights and interests, and promotes positive interaction and mutual development between the Company and its investors.

Information Disclosure

The Company strictly adheres to regulatory requirements set forth in the Securities Law, the Administrative Measures for Information Disclosure of Listed Companies, and other applicable regulations, and has established and continuously improved an information disclosure management system centered on the Information Disclosure Management Policy. The Company continuously strengthens the quality management of information disclosure, ensuring that all disclosures are subject to internal review procedures and compliance vetting prior to external publication, guaranteeing all investors' equal right of access to the same information, and effectively safeguarding investors' lawful rights and interests. To further strengthen the management of inside information, enhance information confidentiality, and uphold the principle of fair disclosure, the Company has formulated and implemented the Management Policy for Insiders, specifying requirements for insider registration, information flow, and confidentiality obligations, and mitigating the risks of insider information leakage and non-compliance. In 2025, the Company's information disclosure comprehensive evaluation rating was B.

Procedure for Filing and Recording Inside Information

Plan or possess knowledge of material events

↓

Report to the Board Secretary and the Board Office

↓

Manage and implement the Insider Registration List

↓

Insiders are required to fill out the Insider Registration List

↓

The Board Office reviews the Insider Registration Form and the Progress Memorandum of Material Matters

↓

File with the Stock Exchange

↓

Fulfill information disclosure obligations

Key Indicators	Benchmark Units	2025
Periodic Reports	Reports	6
Ad Hoc Reports	Reports	136

Public Opinion Management

The Company places great importance on public opinion management in the capital markets, maintaining continuous monitoring of market information, media coverage, and investor concerns related to the Company, and conducting timely information collection, analysis, and risk identification. The Company adheres to the principle of lawful and compliant operations, fulfilling its information disclosure obligations in accordance with regulatory requirements to ensure that externally communicated information is truthful, accurate, complete, and timely. The Company engages in multi-channel communications with investors to enhance information transparency. For situations that may affect market expectations, the Company strengthens internal coordination and response management, promotes the standardization and formalization of public opinion handling processes, mitigates the risk of misinformation dissemination, and maintains the Company's good market image and credibility in the capital markets.

Investor Relations Management

The Company has consistently treated investor relations management as an important component of corporate governance, continuously strengthening positive interaction with the capital markets. The Company strictly adheres to regulatory requirements such as the Guidelines for Investor Relations Management of Listed Companies, and has formulated the Investor Relations Management Policy in combination with its own operational characteristics. Through diversified channels – including an investor services hotline, corporate email, and the Shenzhen Stock Exchange's Easy Interaction Platform – the Company has built a comprehensive investor communication system. The Company also regularly organizes earnings briefings, receives on-site investor research visits, and conducts other investor engagement activities, promoting investors' in-depth understanding of the Company's development strategy and operational condition. These efforts continuously improve corporate governance transparency and cultivate a stable, high-quality investor base, earning sustained recognition and support from the capital markets.

To effectively protect investors' lawful rights and interests, the Company has established the Investor Complaint Handling Policy, ensuring that investors' concerns and feedback are addressed in a timely and appropriate manner. The Company has opened multiple complaint intake channels – including a telephone hotline, written correspondence, fax, email, and in-person reception – providing investors with convenient and accessible communication pathways.

Key Indicators	Benchmark Units	2025
Company Open Days Held	Times	6
On-Site Investor Research Visits Received	Times	19
Investor Calls Answered	Times	300+
Communications via Email / Social Media	Times	8
Interactions with Investors on Easy Interaction Platform	Times	89

Shareholder Returns

The Company strictly adheres to the principle of shareholder equity protection, placing value creation at the core and sharing the fruits of corporate development with shareholders. The Company has established a standardized and transparent profit distribution decision-making mechanism, comprehensively evaluating key factors – including the Company's operating performance, cash flow position, capital expenditure requirements, and investors' reasonable return expectations – when formulating annual profit distribution plans, ensuring the scientific rigor and sustainability of profit distribution policies. Through the implementation of a consistent and stable cash dividend policy, the Company continuously conveys corporate value to shareholders, effectively safeguarding shareholders' right to investment returns, and achieving the dual objectives of sustainable corporate development and protection of shareholder equity.

Cash dividends distributed over the past three years				
Key Indicators	Benchmark Units	2023	2024	2025
Cash Dividend per 10 Shares	RMB/10 Shares	1	0.8	0.8
Total Dividends (Tax-Inclusive)	RMB '0000	7,827.04	6,261.63	6,261.63

Strengthening Compliance Awareness

Zhiguang Electric places great importance on risk management and internal control, having built a risk management framework covering all business processes. Through dynamic risk identification, quantitative assessment, real-time monitoring, and precise response mechanisms, the Company ensures that all business operations both comply with regulatory requirements and are capable of effectively withstanding various internal and external risks.

Internal Control and Audit

The Company strictly adheres to the Audit Law, the Basic Standards for Enterprise Internal Control, and other applicable laws and regulations, as well as the Articles of Association. It has formulated and implemented the Internal Audit Policy, continuously driving the improvement of the internal control system and the optimization of the assessment mechanism. The Company has established an Audit Committee at the Board level, conducting comprehensive internal audit work across seven dimensions: strategy execution, financial compliance, operational efficiency, risk management, information security, social responsibility, and governance effectiveness. Through a combination of routine oversight and special-purpose oversight, the Company regularly organizes internal control assessments and comprehensive risk evaluations to ensure the effectiveness of the corporate governance framework. In addition, to standardize the operational management of subsidiaries, improve overall coordination efficiency, optimize resource allocation, and stimulate the vitality of subordinate enterprises, the Company has formulated the Subsidiary Management Regulations, establishing a parent-subsidiary management framework with clearly defined responsibilities and orderly oversight. During the Reporting Period, the Company conducted training for internal audit personnel, comprehensively enhancing the professional competence and performance capabilities of the audit team.

Seven Key Areas of Internal Auditing

- Financial Audit
- Internal Control Audit
- Capital Project Audit
- Economic Responsibility Audit
- Special Audit
- Internal Control Self-Assessment
- Other audit assignments directed by the Board, the Audit Committee, or authorized management.

Compliance Training

Case Knowing the Law and Abiding by the Law

During the Reporting Period, the Company's Legal Affairs Department conducted a training session on Sales Contracts, analyzing contract clauses, highlighting associated risks, and emphasizing legal knowledge and compliance – helping employees strengthen their contract compliance awareness and risk management capabilities.



Training on Legal Risks in Sales Contracts

Case Learning from Cases: Common Legal Risks in Business Contracts and How to Avoid Them

During the Reporting Period, the Company's Legal Affairs Department conducted training on common legal risks in business contracts and methods of avoidance. Using real judicial cases to illustrate risks in sales contracts and highlighting compliance key points through detailed clause analysis, the session helped employees identify contract traps and strengthen their risk prevention capabilities.



Common Legal Risks in Business Contracts and How to Mitigate Them

Case Corporate Work Injury Risk Management: Case Analysis and Practical Guide

In October 2025, the Company participated in a training session themed 'How Enterprises Should Respond to Work Injury / Fatal Accident Incidents.' The session focused on enterprise responses to work injuries and fatal accidents, covering accident prevention, emergency response, liability determination, compensation procedures, and compliance management key points – helping enterprises establish comprehensive work injury accident handling mechanisms and reduce legal risk.



Training Session

Tax Management

The Company maintains standardized tax management and risk controls, closely monitoring and staying current on the latest tax policy developments, ensuring that the Company's tax handling is consistent with tax authority policies, guaranteeing that all tax-related matters are handled in full compliance with applicable laws and regulations, and reducing the Company's tax risk exposure.

Related-Party Transactions

In accordance with applicable laws and regulations and the Articles of Association, the Company has formulated the Related-Party Transaction Management Policy and the Related-Party Transaction Internal Control Policy, which provide detailed specifications for the definition of related parties and related relationships, as well as the decision-making authority and deliberation procedures for related-party transactions. The Company also requires that related directors and related shareholders strictly implement the abstention-from-voting system for related-party transactions, ensuring the fairness and impartiality of the Company's related-party transaction decisions with respect to all shareholders.

Integrity Building

The Company has formulated and implemented an Anti-Corruption Management Policy, clearly defining the core objectives, codes of conduct, and primary tasks of anti-corruption work. Through regularly organized anti-corruption themed education and publicity activities, the Company strengthens employees' awareness of integrity and ethical conduct, keeps reporting channels for corruption open, and works with stakeholders to jointly cultivate a clean and upright cultural environment.

Reporting Channels:

Email:audit@gzzg.com.cn

Anti-Corruption Training

The Company maintains a steadfast commitment to anti-corruption efforts and has conducted a series of integrity-themed training sessions. By strengthening awareness of international compliance standards and conducting practical exercises, the Company effectively identifies and mitigates potential integrity risks.

Case 'Preventing Corruption and Conducting Business with Integrity' Themed Training

In February 2025, the Company conducted a focused training session for internal audit personnel and relevant management staff, organically integrating corruption prevention with compliance processes and strengthening the integrity awareness and compliance capabilities of personnel in key positions.





Training Session

Case Integrity Training for Sales Personnel

During the Reporting Period, Zhiguang Electric Technology conducted specialized compliance education for marketing personnel, targeting high-risk compliance areas in the electrical technology sector's marketing business. By analyzing risk areas in representative sales cases and further clarifying the red lines and boundaries in business development, the Company ensured that the sales team consistently upholds the principles of commercial integrity and compliant operations while pursuing business growth.



Integrity Training for Marketing Professionals

Case Risk Control Training for Sales Personnel

During the Reporting Period, Lingnan Cable conducted specialized risk control training for sales personnel, targeting compliance pain points and potential legal risks in the cable marketing business. Through in-depth analysis of typical industry cases and simulated compliance scenario exercises, the training emphasized the sales team's understanding of channel cooperation, business negotiation, and business compliance – ensuring that all personnel precisely identify and avoid compliance risks during market development, effectively safeguarding the Company's commercial integrity.



Risk Management Training for Marketers

Anti-Monopoly and Fair Competition

The Company complies with domestic and international anti-monopoly laws and regulations in its business activities, and solemnly commits to participating in market competition in a fair and equitable manner – categorically rejecting the imposition of unreasonable restrictions on business partners and inequitable differential treatment of customers.

Upholding Party-Building Leadership

Zhiguang Electric has consistently adhered to the core principle of Party-building as a guiding force, treating the Party's guidelines and policies as important guiding principles for the Company's development. This ensures that the direction of the Company's operations closely aligns with the policy orientation of the Party and the state, laying a solid political and ideological foundation for the Company's steady development, and fully demonstrating the sense of responsibility and development resolve of enterprises under Party leadership.

Party Organization Development

The Company has established a two-tiered Party-building management system comprising the Party Committee and Party branches. The Party Committee takes overall responsibility for formulating Party-building strategies and development plans, refining deliberation rules, and fulfilling a pre-study function on major corporate matters. Party branches are established within subsidiaries and business segments to achieve full coverage of core business areas. Through platforms such as 'Party Member Commando Units' and 'Party Member Innovation Studios,' the Company promotes the deep integration of Party-building with production and operations, providing strong political assurance for the Company's high-quality development.

Key Indicators	Unit	2025
Party Committee	Units	1
General Party Branches	Units	3
Party Branches	Units	8
Party Members	Persons	160
Party Committee Meetings Convened	Times	5

Party-Building Brand

The Company's Party Committee has adopted 'Zhiguang Pioneer · Energy Force' as its Party-building brand, weaving the red thread of heritage into the Company's corporate DNA. Through a series of substantive and effective Party-building activities, the Company promotes the deep integration of Party-building work with business development, providing strong political assurance and organizational support for the Company's breakthroughs in new growth areas such as electric power reform, energy storage, and digital energy.

"Zhi" : Smart Party-building leadership, driving technological innovation and strategic foresight.

"Guang" : Embodying an open and upright work ethic and strengthening the integrity defense line.

"Pioneer" : Giving full play to the Party organization's role as a fighting fortress and Party members' role as vanguards and role models.

"Energy Force" : Unleashing the organization's intrinsic vitality and serving the nation's 'Dual Carbon' goals.

During the Reporting Period, the 'Lean Manufacturing Improvement Project' of Zhiguang Electric Technology's Party branch and the 'Transportation Line Innovation at the Yonghe Plant to Support the Construction of Dual-High" Industrial Zone of Zhiguang Energy Storage's Party branch participated in the excellence evaluation organized by higher-level Party committees as demonstration projects of the "Red Cotton Innovation Pioneer List.'

Party-Building Activities

Case Party General Branch Upgraded to Party Committee

On June 25, 2025, the Company convened a Party Member Congress. The Party General Branch was upgraded to a Party Committee, and the first session of the Party Committee and its leadership team were elected – marking a new milestone in Party-building work.





Party Members' Meeting

Case Red Film Screening to Rekindle Original Aspirations

On June 18, 2025, the Company's Second Party Branch held a 'Red-Themed Film Screening' activity, watching a patriotic film to carry forward the revolutionary spirit, strengthen employees' sense of belonging, and enhance team cohesion.





Scene from the "Red" Film Screening Event

Case Starlight Classroom · Illuminating the Path of Growth

During the Reporting Period, the Company built a dual online-offline platform through the 'Starlight Classroom · Illuminating the Path of Growth' education program. Online: micro-Party lessons were distributed. Offline: technical skills training, visits to red education bases, and research study tours at energy storage project sites were conducted, combining theoretical learning with practice. A 'Strengthening Confidence and Driving Development' discussion forum was also held, organizing Party members to offer strategic suggestions for the Company's development.





Party members visit the Pingyuan Energy Storage Project





Visit to a Revolutionary Education Site

Case National Day Military Parade Viewing Activity

On September 3, 2025, the Company organized Party members and employee representatives to watch the live broadcast of the September 3rd Military Parade. Through activities such as reaffirming Party membership vows and sharing personal reflections, the event inspired patriotic enthusiasm and national pride, rallying energy and resolve to forge ahead.





Military Parade Viewing Event

02

Environmental Protection

Our Actions

Zhiguang Electric has established a dedicated management team to exercise ongoing, integrated oversight of environmental health and safe production. The Company continuously deepens the development and optimization of its environmental management framework, while transmitting the core concept of 'using energy safely, efficiently, and comfortably' to its clients — crafting customized solutions that systematically address the challenges of energy supply and energy efficiency improvement. As clean and renewable energy take center stage in the current era, the Company focuses on new energy technology R&D, localizing and optimizing distributed energy utilization, and building a benchmark brand in digital energy technology and integrated energy services.

SDGs Responded





Responding to Climate Change

In recent years, rising global temperatures, increasingly frequent extreme weather events, and mounting natural resource constraints have made climate change a shared global challenge. Zhiguang Electric actively responds to the challenges and opportunities presented by climate change, implements the national 'Dual Carbon' goals, and pragmatically promotes low-carbon development through its renewable energy products and services – committed to achieving synergistic gains in green value alongside economic and social benefits, and contributing to the global low-carbon transition.

Governance

The Company has established a dedicated ESG Working Group to take overall responsibility for coordinating climate change response efforts and building a normalized management mechanism. With reference to the TCFD framework, the Company systematically reviews climate-related risks and opportunities across the full life cycle of its operations, formulates and implements robust response strategies, and, while ensuring the continuity and stability of its business operations, actively seizes the development opportunities presented by the green economy transition.

Strategy

The Company conducts risk and opportunity identification and assessment for climate change response, conducting a comprehensive review of its business environment, operational conditions, and risk mitigation measures, identifying physical and transition risks, and progressively enhancing its climate resilience.

Risk / Opportunity	Category	Description of Risk/ Opportunity	Financial Impact	Impact Duration	Magnitude of Impact	Likelihood of Occurrence	Response Measures
Risk	Acute Risks	Frequent typhoons, heavy rainfall, earthquakes, and droughts	Increased costs and decreased production capacity.	Short-term	High	Low	Strengthen classified management of disasters; formulate and implement corresponding prevention and control plans for high-frequency risks
	Chronic Risks	Rising sea levels, increasing incidences of high-temperature weather	Cost increase	Medium- to long-term	Medium	Medium	Deploy certain necessary water storage facilities; build up water reserves in advance during drought periods to safeguard production
	Policy and Legal Risks	Decoupling of solar-storage and mandatory energy storage requirements, fading subsidy incentives	Order volume fluctuations, margin fluctu-ations, margin pressure	Short- to medium-term	High	High	Prioritize the contracting of independent / shared energy storage and commercial & industrial energy storage projects with clear revenue mechanisms, reducing reliance on 'mandatory renewable energy storage' orders
	Market Risks	Overcapacity and price competition in the sector	Decrease in revenue	Long-term	High	High	Abandon low-price destructive competition; target the high-end market for grid-forming energy storage with high technological barriers; strengthen supply chain management
	Safety and Compliance Risks	Increasingly stringent safety supervision of electrochemical energy storage; in the event of a safety incident, operational suspension, compensation claims, procurement restrictions, and reputational damage may result	Increased compliance costs and capital expenditure	Short- to long-term	High	Low	Enhance intrinsic safety of battery systems and multi-tier fire monitoring; improve emergency plans, drills, and post-incident review closed loops
Opportunity	Technical Opportunity	As weakly-connected grid areas increase, grid-forming energy storage technology – capable of actively supporting grid frequency and voltage (inertia support) – becomes a rigid demand that commands a technology premium	Revenue Increase	Medium- to long-term	High	High	Increase technology R&D investment; strategically prioritize the R&D of sustainable and environmentally friendly technologies.
	Overseas Opportunity	Entering overseas markets to diversify domestic price competition pressure	Overseas revenue growth	Medium- to long-term	High	High	Establish an overseas certification matrix and a localized delivery and after-sales system
	Circular Economy Opportunity	Retired battery recycling and cascade utilization	Reduced raw material costs; increased recycling revenue	Long-term	Medium	High	Establish dedicated retired battery recycling channels; secure urban mine resources.

Impact, Risk, and Opportunity Management

The Company has established an integrated 'identify, assess, respond' management mechanism for impacts, risks, and opportunities arising from climate change, creating a workflow from information collection to closed-loop implementation, and enhancing the efficiency of response to changes in the external environment and operational resilience.

Risk Identification

Systematically collect internal and external baseline information related to the Company's climate risks; identify matters that may impact business and value chains, covering potential physical risks, transition risks, and development opportunities; comprehensively consider factors such as potential impact, probability of occurrence, urgency, and controllability to generate a risk and opportunity register.

Risk Assessment

With the probability of risk occurrence and the degree of impact on the Company's business and financial performance as the core dimensions, analyze, classify, and rank identified items, clarifying priority areas of focus and response sequencing.

Risk Response

Based on risk identification and assessment findings, formulate targeted measures; adopt strategies of risk avoidance, reduction, and sharing; ensure alignment of necessary resources and capabilities; drive the implementation of measures and continuous improvement; effectively control risks while capturing climate-related opportunities.

Metrics and Targets

Key Indicators	Benchmark Units	2024	2025
Total GHG Emissions	tCO_2e	124,119.58	112,744.81
Direct Emissions (Scope 1)	tCO_2e	116,047.76	102,760.60
Indirect Emissions (Scope 2)	tCO_2e	8,071.81	9,984.21

Carbon Footprint Certification

During the Reporting Period, Lingnan Cable completed product carbon footprint verification work in strict accordance with ISO 14067:2018, GB/T24067-2024, and other relevant standards and specifications, and successfully obtained the corresponding certification certificates.



64/110 kV Cross-linked Polyethylene-Insulated Corrugated Aluminum Sheath with Polyethylene Outer Sheath, Longitudinal Water-Blocking, Termite-Resistant Power Cable with Carbon Footprint Certification



127/220 kV Cross-linked Polyethylene-Insulated Corrugated Aluminum-Sheathed Polyethylene-Jacketed Longitudinal Water-Blocking Flame-Retardant Power Cable with Carbon Footprint Certification

Strengthening Environmental Management

Zhiguang Electric places great importance on environmental protection, actively advancing the development of its environmental management system, and strictly adhering to the Environmental Protection Law, the Law on Prevention and Control of Atmospheric Pollution, the Law on Prevention and Control of Water Pollution, and other applicable laws and regulations, building a comprehensive environmental management framework and processes. In day-to-day operations, the Company proactively adopts concrete and effective measures to minimize negative environmental impact. By continuously strengthening environmental management efforts, the Company ensures that all production and business processes strictly comply with environmental laws and standards, demonstrating the Company's firm commitment and high sense of responsibility in the field of environmental protection, and practicing the green development philosophy through action.

Governance

To strengthen the Company's environmental protection efforts, Zhiguang Electric and its subsidiaries have formulated environmental management policies, established an environmental management organizational structure responsible for environmental management oversight and environmental technology supervision, assisted in formulating long-term environmental protection plans, implemented relevant environmental policies and regulations, and carried out monitoring and testing activities. The Company's subsidiaries – Zhiguang Energy Storage, Zhiguang Electric Technology, Zhiyouying, and Lingnan Cable – have obtained ISO 14001:2015 Environmental Management System certification.



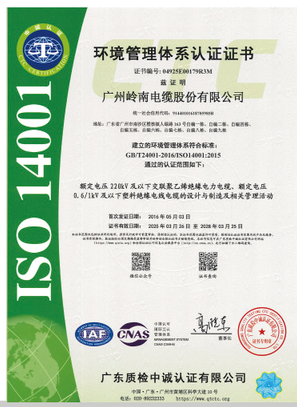
Zhiguang Energy Storage ISO 14001 Environmental Management System Certification



Zhiguang Electric Technology ISO 14001 Environmental Management System Certification



Zhiyouying ISO 14001 Environmental Management System Certification



Lingnan Cable ISO 14001 Environmental Management System Certification

Strategy

The Company conducts in-depth assessments of risks and opportunities in environmental management, and through forward-looking strategy formulation, contributes to global sustainable development while achieving economic results. The Company consistently integrates environmental considerations into core business decisions, using systematic environmental management as a solid foundation and resonating with the global consensus on ecological protection.

Risk / Opportunity	Type	Description of Risk/ Opportunity	Financial Impact	Impact Duration	Magnitude of Impact	Likelihood of Occurrence	Response Measures
Risk	Pollutant Emission Risk	Increasingly stringent national emission standards; existing treatment facilities carry a risk of exceeding emission limits under high-load or fluctuating operating conditions	May trigger fines, production suspension, remediation investment, increased compliance costs	Long-term	Medium	Medium	Conduct technical upgrades and parameter optimization of environmental protection facilities to reduce emission concentration and total volume; improve operational procedures and inspection/maintenance mechanisms for stable operation and anomaly handling.
	Waste Emission Risk	Rigid demand for generation and disposal of hazardous wastes such as carbon slag, aluminum ash, and waste mineral oil; compliance requirements for disposal are increasing	Rising hazardous waste disposal costs; non-compliant disposal may trigger administrative penalties and production suspension	Long-term	Medium	Medium	Dynamically track hazardous waste disposal prices and compliance requirements; optimize hazardous waste classification, temporary storage, and external transfer management; in response to market changes, the major maintenance slag harmless treatment line has been temporarily suspended to reduce high-cost disposal pressure.
	Environmental Policy Change	Strengthening of urban air quality control and staggered production policies, placing constraints on the production organization of high energy-consuming and high-emission enterprises	May lead to restricted output, constrained order delivery, staged revenue pressure	Medium- to long-term	High	Medium	Strengthen environmental compliance and performance management, identify policy trigger conditions in advance, and develop contingency plans for production operations;Reduce per-unit emission levels through process optimization and clean production measures, and enhance policy adaptability.
Opportunity	Upgrading Environmental Protection Facilities	Through facility upgrades and system optimization, reducing pollutant emission intensity and improving compliance stability	Reduced risk of fines, production suspension and other compliance losses; improved production continuity and capacity utilization	Long-term	High	High	Establish and implement air pollution control management procedures with clear monitoring, maintenance, and corrective mechanisms; improve emergency response plans and drills for sudden environmental events.
	Favorable Environmental Policy	Policies driving updates to environmental protection facilities and technical upgrades; enterprises that accelerate upgrades can better meet regulatory requirements and improve industry competitiveness	Ensures compliant production and stable revenue; reduces long-term compliance uncertainty and fluctuating governance costs	Long-term	High	High	Increase environmental investment to systematically strengthen key governance links and online monitoring capabilities; Conduct rolling assessments of retrofit project returns and compliance compatibility.

Impact, Risk, and Opportunity Management

Risk Identification

Collect information related to the Company's environmental protection efforts; identify potential impacts that may affect the Company's business; comprehensively consider the potential impact, probability of occurrence, urgency, and controllability of different risks.

Risk Assessment

- Collect information related to the Company's environmental protection efforts; identify potential impacts that may affect the Company's business; comprehensively consider the potential impact, probability of occurrence, urgency, and controllability of different risks.
- Establish key control points for environmental risks.

Risk Response

Based on identification and assessment findings, formulate corresponding response measures, including waste reduction, optimization of the environmental management system, and upgrades to environmental protection facilities.

Metrics and Targets

Key Indicators	Benchmark Units	2024	2025
Total Environmental Protection Investment	RMB '0000	189.80	127.89
Environmental Protection Tax Paid	RMB '0000	4.48	5.18
Environmental Incidents	Cases	0	0
Environmental Violations	Cases	0	0
Pollutant Monitoring Compliance Rate	%	100	100
Environmental Protection Facility Simultaneous Operation Rate	%	100	100
'Three Simultaneities' Compliance Rate for Construction Projects	%	100	100
Environmental Training Sessions Conducted	Times	72	123
Environmental Training Attendees	Person-Times	376	743
Average Environmental Training Duration	Hours	250	404.50

Emergency Plans and Drills

A robust environmental emergency management system is a key measure for enterprises to reinforce their ecological safety defenses, and an important cornerstone for safeguarding regional environmental safety and social stability. Zhiguang Electric and all its subsidiaries strictly fulfill their principal responsibilities for environmental safety, have formulated comprehensive emergency response plans for sudden environmental incidents in accordance with national laws and regulations, and have completed registration with the competent ecological and environmental authorities in their respective jurisdictions.

Case Hazardous Chemicals Emergency Drill

On August 20, 2025, Lingnan Cable conducted a hazardous chemicals emergency drill. Simulating a diesel fuel spill scenario, the team activated the emergency response plan and carried out rescue work including containment of the spill and collection of waste materials. The drill enhanced all employees' emergency response capabilities, verified the effectiveness of the emergency plan, and identified areas for improvement and follow-up measures, providing safeguards for hazardous chemicals safety management.



Collect spilled diesel



Clean up the contaminated area



Collection of hazardous waste



Collect rags soaked in used oil

Green Office

The Company adheres to a 'dual-drive' approach of green manufacturing and low-carbon operations. While maintaining strict environmental management in production, the Company deeply integrates the green development philosophy into its daily administrative management system. The Company actively advocates a digital and intensive modern office model, committed to cultivating a low-carbon and circular office ecosystem. Through continuous cultural communication and institutional guidance, the Company drives all employees to internalize energy conservation and consumption reduction awareness as a professional quality and externalize it as a conscious action, jointly building a green, efficient, and sustainable corporate operating environment.

Case Water and Electricity Conservation Signs in the Office

To ensure intensive and efficient use of water and electricity resources, the Company and its subsidiaries have uniformly placed 'Save Water' reminder signs in office areas, production areas, and public water points, embedding water conservation requirements into day-to-day behavioral norms and on-site management. These signs continuously guide employees to develop water-saving habits in high-frequency scenarios such as restrooms, faucets, and drinking areas, reducing leaks, overflows, and unnecessary water use.





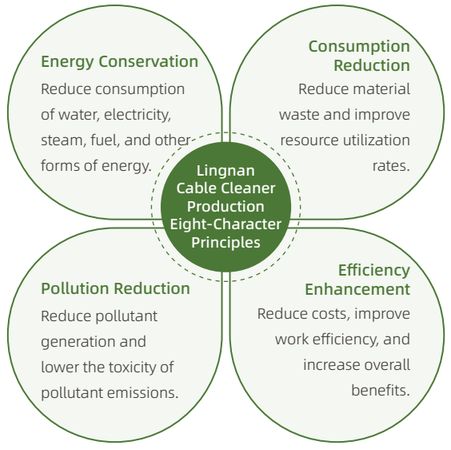




Water and Electricity Conservation Signs

Cleaner Production

The Company is committed to building an efficient, low-carbon, and circular green manufacturing system, integrating green development into its strategy and operations. Through technological innovation, process optimization, and supply chain collaboration, the Company improves the efficiency of resource and energy utilization and reduces the environmental impact of production activities. During the Reporting Period, the Guangdong Provincial Department of Industry and Information Technology published the Guangdong Province Green Manufacturing List, and Lingnan Cable was recognized as a 'Guangdong Province Green Factory.' During the Reporting Period, the Company also purchased 1,800 MWh of green electricity.





Lingnan Cable Guangdong Green Factory

Case Zhiguang New Energy Storage Industrial Park – Setting a New Industry Benchmark for Green Digital Factories

On May 14, 2025, the completion ceremony for the Zhiguang New Energy Storage Industrial Park was held at the Zhiguang Electric Yonghe Industrial Zone. The industrial park is a key construction project of Guangdong Province's new energy storage industry, built with the goals of 'zero-carbon park + Guangdong Province Key Laboratory + core demonstration base for the new energy storage industry.' The park covers 103 mu of land, with a total construction area of 155,000 square meters, housing a complete industrial chain center encompassing R&D, production, testing, and delivery. Annual production capacity exceeds 10 GWh, creating a globally competitive energy storage industrialization demonstration base.



Zhiguang New Energy Storage Industrial Park

Wastewater Management

To ensure wastewater meets discharge standards and protect water environment safety, the Company strictly adheres to the Law on Prevention and Control of Water Pollution, the Quality Standards for Wastewater Discharged into Urban Drainage Systems, and other applicable laws and regulations. In combination with actual production and operations, the Company has formulated and implemented Wastewater Management Measures and the Management Regulations for Nonconformities, Corrective and Preventive Measures, building a wastewater treatment system covering standardized pipe network construction, dynamic water quality monitoring, and closed-loop anomaly management. The Company also regularly commissions qualified third-party institutions to conduct wastewater monitoring and issue monitoring reports, ensuring that discharge management continuously complies with regulatory requirements.

Control Dimension	Implementation Actions	Management Objectives
Discharge Control	Strictly implement 'rain-sewage separation' throughout the plant; domestic wastewater is collected through dedicated pipelines, verified as compliant, and then discharged into the municipal system.	Ensure clear and compliant discharge pathways; eliminate the risk of mixed discharge.
Record Management	Establish a periodic sampling and monitoring mechanism with continuous tracking of key indicators; maintain a parallel water quality monitoring log recording full-process data.	Ensure discharge data is authentic and complete, with full life cycle traceability.
Anomaly Response	Based on management regulations, establish a rapid response mechanism; for anomalies, strictly execute the closed-loop process of 'root cause investigation – correction – verification.'	Rapidly eliminate hazards; categorically prevent non-compliant discharge risks.

Key Indicators	Benchmark Units	2024	2025
Wastewater Discharge Volume	Tons	87,544	238,386

Waste Gas Management

The Company strictly adheres to the Law on Prevention and Control of Atmospheric Pollution and local emission standards, building a policy framework centered on the Waste Gas Emission Management Policy and Position Operating Procedures. By regularly commissioning qualified third-party institutions to conduct waste gas monitoring, strengthening full-process oversight, and ensuring that waste gas emission indicators continuously comply with regulations, the Company effectively fulfills its principal corporate environmental responsibility.

Control Dimension	Implementation Actions
Operations and Maintenance Control	• Strictly implement Position Operating Procedures to ensure waste gas collection and purification systems operate smoothly at all times, preventing direct discharge due to equipment failure. • Mandate that front-line personnel wear professional protective equipment, integrating occupational health management into daily work standards.
Monitoring and Early Warning	• Formulate annual monitoring plans and implement a dual-track monitoring system of 'daily workshop inspections + regular testing of emission outlets.' • Maintain detailed waste gas emission logs, recording and documenting production site conditions and emission data for each entity in real time.
Emergency Response	• Establish a tiered early warning mechanism; immediately notify the responsible department and activate the emergency response plan upon detection of any anomaly. • For instances of exceedance or non-compliance, strictly implement corrective measures as required, ensuring complete resolution of the issue.

Key Indicators	Benchmark Units	2024	2025
Waste Gas Discharge Volume	Tons	108,873	113,954
Waste Gas Pollutant Discharge Volume	Tons	52	80.12



Waste Management

The Company strictly adheres to the Law on Prevention and Control of Environmental Pollution by Solid Waste, the Administrative Measures for Hazardous Waste Transfer Manifests, and other applicable laws and regulations, and has formulated and implemented related management policies including those for hazardous waste disposal. The Company commissions suppliers with the necessary qualifications for hazardous waste (liquid) and industrial waste disposal to carry out collection and disposal activities, and strictly fulfills transfer approval and acceptance procedures to ensure lawful and compliant waste disposal.

Control Dimension	Implementation Actions
Compliant Disposal of Hazardous Waste	• For all types of hazardous waste (including recyclable and non-recyclable), strictly commission qualified institutions with nationally recognized legal qualifications for professional disposal. • Strictly implement the hazardous waste transfer manifest system, ensuring the destination of every item of hazardous waste is clearly documented, formalities are complete, and the process is traceable.
General Solid Waste Disposal	• For non-recyclable general industrial solid waste, sign dedicated disposal agreements with qualified waste removal units, clearly defining responsibility boundaries. • Maintain waste removal logs; strictly prohibit arbitrary dumping and illegal transfer, ensuring lawful and compliant waste disposal.
Hazardous Waste Storage and Prevention	• Strictly implement hazardous waste storage standards; use dedicated sealed containers for classified storage, with standardized warning labels affixed. • Improve 'leak-proof, loss-proof, and dust-proof' facilities in temporary storage facilities; categorically prevent secondary pollution caused by improper storage.

Key Indicators	Benchmark Units	2024	2025
General Waste Generated	Tons	44,351.2	461.20
General Waste Recycled	Tons	44,084.4	441.00
General Industrial Solid Waste Disposed	Tons	185.3	441.00
General Waste Recycling Rate	%	99.40	95.66
Hazardous Waste Generated	Tons	24.86	9.65
Hazardous Waste Disposed	Tons	24.86	9.65
Hazardous Waste Disposal Rate	%	100	100

Noise Management

Zhiguang Electric thoroughly implements the green development philosophy, strictly adheres to the Emission Standard of Environmental Noise at the Boundary of Industrial Enterprises, and, through establishing and improving a long-term noise reduction management mechanism, is committed to reducing the impact of industrial noise on the surrounding environment and employees' occupational health, ensuring continuous compliant operations and promoting harmonious coexistence between production and the environment.

Control Dimension	Implementation Actions	Management Objectives
Routine Inspections	• Establish a normalized daily inspection system for equipment operating status, with a particular focus on monitoring abnormal vibration and unusual sounds. • Upon detection of anomalies, report immediately and conduct root cause investigation; upon diagnosis of a fault, strictly execute the closed-loop process of 'shutdown – repair – re-inspection.'	Prevent equipment from operating with faults; prevent noise risk from spreading; ensure timely responsiveness.
Preventive Maintenance	• Implement preventive maintenance plans to ensure equipment operates at optimal conditions. • For high-noise source equipment, implement precision lubrication and calibration of core components to reduce mechanical friction.	Improve operational stability; achieve noise reduction at source; extend equipment service life.

Improving Resource Utilization

Energy Management System

Zhiguang Electric actively responds to the national 'Dual Carbon' goals, strictly adheres to the Energy Conservation Law and the Environmental Protection Law, and has formulated and implemented the Environmental Protection, Energy Conservation, and Energy Emergency Management Policy. The Company adheres to a management approach of 'universal participation, graded responsibility, and systematic optimization,' and through building a rigorous energy management policy framework, continuously improves energy utilization efficiency and enhances the Company's resilience to energy risks.



Lingnan Cable ISO 50001 Energy Management System Certification

Energy Conservation Measures

The Company has established 'quality improvement, efficiency enhancement, and green development' as its core operational objectives, formulating a comprehensive energy conservation and consumption reduction implementation plan. The Company strictly controls the consumption of raw and auxiliary materials, improves employee skills and conservation awareness, improves product quality, reduces the number of defective products, and adheres to the development path of 'adding to technological innovation while subtracting from energy consumption and emissions' – building an efficient, low-consumption, and clean green manufacturing system through process upgrades, lean equipment management, and resource recycling.

Case Energy Conservation Training to Improve Resource Utilization Efficiency

During the Reporting Period, Lingnan Cable conducted specialized energy conservation training sessions for relevant positions, strengthening all employees' energy conservation and consumption reduction awareness.






培训现场

Case Energy-Efficient Conductor Development Project

During the Reporting Period, Lingnan Cable launched a project to develop a range of energy-efficient conductor products, successfully applying for and obtaining 4 patent authorizations. These energy-efficient conductors use compact stranding processes employing trapezoidal, Z-shaped, and other wire forms, achieving a higher compaction ratio compared to conventional round conductors. Under the same cross-sectional area, the outer diameter is smaller; by effectively saving copper material, carbon emissions from copper mining and smelting processes are reduced.

At the same time, energy-efficient conductors avoid the cold-drawing deformation method used in traditional round compact processes, preventing the problem of increased wire resistivity, resulting in lower DC resistance. This means that for the same cross-sectional area, electrical conductivity is significantly improved and line losses are substantially reduced, delivering genuine electricity and energy savings. Furthermore, the compact structure helps slow aging, extending cable service life, reducing cable replacement frequency, and achieving emissions reduction objectives across the product's full life cycle.

Case Solar Photovoltaic Retrofit Project

Building on the existing 3 MWp distributed photovoltaic system on the original factory rooftop, Lingnan Cable implemented a major technical retrofit, constructing a new 1,806 kWp distributed photovoltaic generation project. This fundamentally eliminates emissions of large quantities of harmful gases and heavy metal pollutants from combustion processes, including sulfur dioxide (SO_2), nitrogen oxides (NOx), particulate matter (PM), and mercury (Hg). As of the current date, the majority of photovoltaic panels have been installed; once commissioned, the project is expected to generate 1.5 million kWh of electricity annually and reduce carbon emissions by approximately 800 tons per year.

Shore Power Development

In December 2025, the China Ports Association and Jiangsu Provincial Port Group jointly hosted the Green and Safe Ports Conference, which officially released the 'Green Port' grade evaluation results. Ports including the Ore Terminal at Huanghua Port's Bulk Cargo Port Zone, the Qinhuangdao Port Coal Phase 1 and expansion project, the Coal Phase 2 Terminal, Guotou Meizhou Bay Port, and Berths 1 through 6 at the South Dalan'pi Operation Area of Qinzhou Port were honored with a Four-Star Green Port designation. All of these terminals utilize Zhiguang Electric's independently developed ZG-SPS Ship Shore-Based Power Supply System, providing core technical support for shore power infrastructure development.

Designed for the typical scenario of vessels at berth replacing diesel fuel with grid power, the system covers the full process from grid-side connection and conversion control to ship-side power supply. It supports dual-frequency switching at 50/60 Hz, and through power quality control and multiple electrical protection mechanisms, improves shore power connection efficiency and power supply stability under complex operating conditions. After a vessel connects to shore power at berth, the diesel auxiliary engines can be reduced or shut down, reducing or eliminating emissions of carbon dioxide, nitrogen oxides, and particulate matter at the source, while also reducing noise levels and improving environmental quality in the port area and its surroundings – supporting green port operations and collaborative upgrading of the supply chain.

Key Performance Indicators

As of the end of the Reporting Period, Zhiguang's shore-based power supply system covers nearly **300** port berths nationwide, providing regular power supply services to over **200** domestic and international vessels. Applications span multiple ports including Yingkou Port, Tianjin Port, Qingdao Port, Rizhao Port, Xiamen Port, and Shenzhen Shekou Port, and are compatible with a wide range of vessel types including 10,000 TEU container ships and large cruise liners.

Case Multi-Standard Shore Power for Collaborative Carbon Reduction – A New Chapter in Green Ports

In May 2025, three sets of Zhiguang Electric Technology's multi-standard intelligent ship shore power systems were put into operation as the first in the entire Xiamen Port Haitian Terminal, helping the Haitian Terminal achieve another milestone in its push for green and intelligent port transformation. Following the coordinated operation of the newly added shore power systems with the existing systems, the Haitian Terminal's shore power system achieved a structural leap from 'single-point independent power supply' to 'a multi-standard coordinated power supply network.'



Inauguration Ceremony for the Shore Power System at Haitian Pier



Haitian Pier Ship Shore Power Supply System

Case Zhiguang Electric High-Voltage Shore Power System Supports Green Upgrade at Dalian Port

On August 23, 2025, the shore power system for the cruise liner berth at Berth No. 2 of the Dagang Port Area of Dalian Port – undertaken by Zhiguang Electric – successfully completed its first ship-to-shore power supply task, marking this berth's formal capability to provide shore power to cruise liners at berth. The system employs high-voltage AC-DC-AC variable frequency technology, with an output capacity of up to 16 MVA, supporting dual voltage standards of 6.6 kV/60 Hz and 11 kV/60 Hz, meeting the power requirements of the world's mainstream large cruise liners.



Liaoning Port Group Cruise Ship Berth Shore Power Project Site



Cruise Ship Berth at Terminal 2, Dagang Port Area, Dalian Port

Key Indicators	Benchmark Units	2023	2024	2025
Total Purchased Electricity	kWh	11,800,780	15,042,516	18,816,832
Gasoline	Tons	24.39	36.70	49.34
Diesel	Tons	16.49	37.60	48.36
Anthracite Coal	Tons	/	38,536.28	31,670
Natural Gas	10,000 m^3	/	1,215.88	1,336
Liquefied Petroleum Gas (LPG)	Tons	/	5.88	4.70
Total Energy Consumption	tce	734,060	50,393.67	46,739.30
Photovoltaic Power Generation	kWh	2,299,930	2,107,800	2,286,080
PV Generation as a Share of Total Energy Consumption	%	/	0.51	31.41

Water Resource Management

The Company adheres to the management principle of 'total volume control, in-process conservation, and circular efficiency improvement,' building a green water use system of 'measured intake and efficient use' through pipe network operation and water recycling technology retrofits, effectively improving water resource utilization rates.

Control Dimension	Implementation Actions
Equipment O&M	• Establish a daily inspection mechanism for water supply facilities, conducting comprehensive inspections of the plant's pipe networks, valves, and water use endpoints. • Maintain zero tolerance for leaks, overflows, drips, and seepage – immediately repair anomalies upon detection, eliminating 'constant dripping' caused by equipment aging or maintenance deficiencies.
Recycling and Reuse	• Advocate for multiple uses and tiered utilization of water resources; leverage the efficient operation of wastewater treatment systems to maximize the proportion of reclaimed water recycled. • Continuously optimize wastewater treatment tanks to ensure wastewater meets reuse standards after treatment, replenishing production or greening water needs.
Discharge Control	• Strictly implement cleaner production standards; prohibit the discharge of any type of waste into water bodies. • Establish strict operational procedures; prohibit domestic garbage and construction debris from entering water bodies, protecting the ecological water environment safety within the plant area.
Office Water Conservation	• Standardize water use in office areas; implement 'on-demand use and power off when leaving' management for water dispensers; eliminate running water. • Integrate water conservation awareness into daily administrative management; cultivate employees' 'every drop counts' green habits through signage guidance and cultural communication.

Key Indicators	Unit	2023	2024	2025
Fresh Water Consumption	Tons	83,107	293,953	126,311
Municipal Water Purchased	Tons	44,870	257,195	124,160
Surface Water Withdrawn	Tons	38,237	36,758	2,151

Materials Management System

To implement lean management, improve operational quality and efficiency, and reduce resource consumption, the Company has formulated a series of policy documents, including the Warehouse Management Policy, the Handling Management Regulations, the Slow-Moving Inventory Consumption Management Process, and specific operational guidance documents such as the Wooden Packaging Operation Guidance Process and the Packing Group Pearl Cotton Packaging Specifications. The General Management Center has been designated as the coordinating management department, with strict implementation of full-process management and control covering incoming materials inspection and acceptance, storage and protection, standardized handling, and slow-moving inventory disposition.

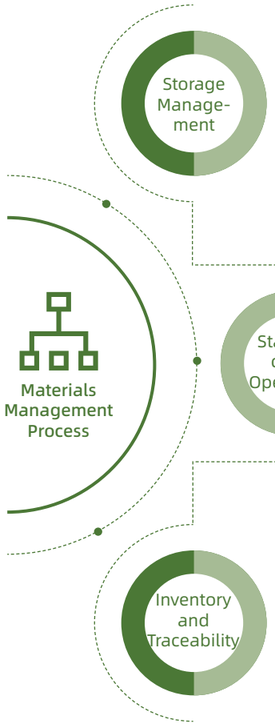
Department / Personnel	Responsibilities
Asset Administrator	• Responsible for the physical receipt and issuance, scientific storage, and account registration of raw materials and finished goods, ensuring physical inventory matches accounting records. • Strictly review the compliance and validity of all types of documents; complete K3 system accounting entries in a timely manner. • Classify, file, bind, and archive logistics documents in accordance with financial and internal control requirements.
Quality Assurance Department	• Responsible for quality inspection and status confirmation of incoming and in-storage materials; strictly control materials quality risk, ensuring non-conforming items are neither admitted to nor released from inventory.
Financial Planning Department	• Responsible for supervising the accuracy of warehouse accounting; regularly organize physical counts and spot checks to ensure the safety and integrity of company assets.



Lingnan Cable's AAAAA Certification for Green Packaging

Materials Management Measures

The Company is actively driving the green transformation of packaging materials. By partnering with new eco-friendly carton suppliers, the Company vigorously promotes the use of degradable and recyclable packaging materials – committed to maximizing the reduction of resource consumption and waste generation while maintaining materials quality, achieving synergistic improvements in economic and environmental benefits.



- Strictly maintain a clean and orderly warehouse environment with clear access routes; establish temperature and humidity monitoring mechanisms to ensure storage environments meet the physical and chemical property requirements of specific materials.
- Implement scientific materials classification and zoning plans; adopt appropriate protective packaging and stacking methods based on materials properties; standardize incoming inspection and acceptance processes.
- Conduct regular inspections of storage facilities; eliminate safety hazards to ensure stored materials remain in good condition.

- Strictly adhere to handling operation standards; select appropriate handling equipment and methods based on materials properties; personnel must wear complete labor protection equipment.
- External logistics transportation strictly complies with national laws, regulations, and industry standards governing rail, road, waterway, air, and pipeline transport.
- Establish a skills training and assessment mechanism for handling personnel; ensure that relevant positions are held by certified personnel; improve professional competence and operational skills.

- Strictly implement the 'one item, one card' management system; material inflows and outflows must be accompanied by simultaneous registration on the material card, ensuring the real-time accuracy and traceability of account records.
- Asset administrators conduct regular comprehensive counts and random spot checks of high-frequency and high-value materials, with a particular focus on verifying the accuracy of bin locations, the completeness of logs, and the standardization of labeling – ensuring full consistency of account records, material cards, and physical inventory.

Key Indicators	Benchmark Units	2023	2024	2025
Total Packaging Materials Used	Tons	117.34	356.17	158.07
Metal Packaging Materials	Tons	95.85	122.11	121.54
Plastic Packaging Materials	Tons	21.49	76.06	18.23
Paper Packaging Materials	Tons	/	15	7.57
Wood Packaging Materials	Tons	/	143	11

Protecting Biodiversity

The Company adheres to the 'Green Development' philosophy, strictly complies with the Convention on Biological Diversity and other applicable laws and regulations, and deeply integrates ecological and environmental protection into its daily operational management.

Protection Measure	Core Actions
Full-Process Environmental Risk Management	The Company has established a full-process environmental management mechanism covering source control through end-of-pipe treatment, ensuring that wastewater, waste gas, noise, and solid waste meet discharge standards, and preventing degradation of surrounding ecosystems due to environmental pollution.
Environmental Factor Identification and Assessment	Regular identification of environmental factors in production activities, with a particular focus on evaluating the potential impact of toxic and hazardous substance emissions on the natural environment and formulating corresponding emergency plans.
Compliant Site Selection and Avoidance	During the project planning and construction phase, comprehensive consideration is given to the ecological sensitivity of the selected site, avoiding ecological red-line areas and wildlife habitats, and minimizing the impact on existing terrain and vegetation through scientific planning.
Green Factories and Ecological Maintenance	In plant operations, emphasis is placed on greenery construction and maintenance; by planting locally adapted plants, a certain amount of habitat is provided for birds and insects in the vicinity of the plant, improving the plant's ecological carrying capacity.



03

Industrial Development

Our Actions

Zhiguang Electric focuses on its core business tracks and uses innovation as the primary driver of development, building an integrated, full-chain refined management system. The Company steadfastly implements the innovation-driven development strategy, improves the R&D management framework and intellectual property risk prevention and control system, and accelerates the conversion of research achievements into real productive forces. The Company refines its supply chain management mechanisms, continuously strengthening green and digital development alongside full-process risk management. It has established a full-process product quality management framework, building a product and service safety barrier through high-standard system certification. The Company maintains a customer-oriented core principle, creating customized service solutions and highly efficient rapid-response mechanisms. It also continues to improve the data security and customer privacy protection policy framework, constructing a solid information security defense line through cutting-edge technology protection and normalized compliance governance.

SDGs Responded



Deepening R&D and Innovation

Zhiguang Electric is firmly committed to implementing an innovation-driven development strategy, viewing technological innovation as the key engine for the company's sustained growth. Leveraging its specialized R&D team and comprehensive testing platforms, the company is deepening its industry-academia-research collaboration mechanisms to accelerate the commercialization of research outcomes. At the same time, the company is actively promoting the deep integration of intelligent and digital technologies with the traditional electrical industry, continuously providing efficient, eco-friendly, and sustainable systematic solutions.

Governance

The company has formulated systems including the Administrative Measures for Technical Improvement and Scientific and Technological Innovation, Measures for the Project Initiation Management of R&D Projects, Administrative Measures for Scientific Research Projects, Administrative Measures for Special Incentives, Measures for the Evaluation and Reward Management of R&D Projects, and Administrative Measures for Industry-University-Research Cooperation, to comprehensively strengthen scientific and technological innovation management, promote the standardized and institutionalized operation of technical improvement and innovation, accelerate the transformation of scientific and technological achievements into real productive forces, and continuously upgrade technical standards and innovation capabilities.

The Technology Development Department, Technology Management Department, R&D Center and other departments of the company collaborate on the initiation and management of R&D projects to ensure the orderly progress of research and development activities.

Responsibilities for Technical Improvement and Innovation

Technology Center

Competent department responsible for planning new product development, technical improvement and upgrading, conducting comprehensive review and verification in process control, confirming R&D design, and organizing project acceptance, evaluation and award assessment.

Technical Support Department

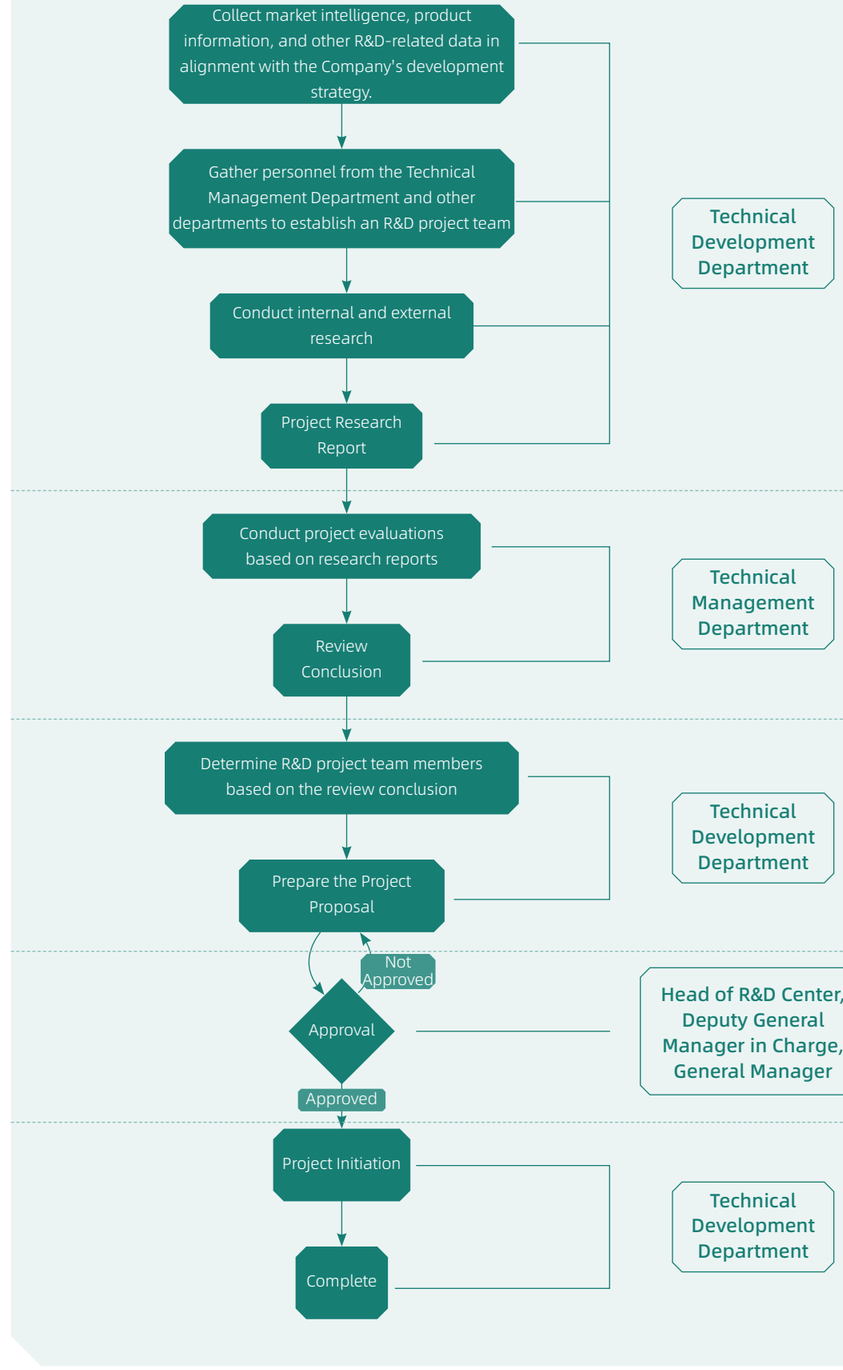
Responsible for the application and implementation of product technologies, and guiding engineering technical improvement and scientific & technological innovation at the product application level.

Relevant Departments

Including the Quality and Standardization Department, Product Center, President's Office, Human Resources Department, Finance Department and other departments, which jointly participate in and coordinate to advance technical improvement and innovation.



R&D Project Initiation Process



Relevant Certificates and Certifications

Zhiguang Electric



High-Tech Enterprise Certificate



National Enterprise Technology Center



National Postdoctoral Research Station



First Batch of Pilot Demonstration Units for Technological Innovation (Energy Storage) Approved by the National Energy Administration



Pilot and Demonstration Enterprises for the Integration of Manufacturing and the Internet



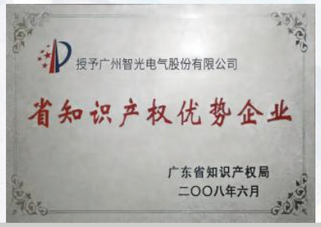
Leading Enterprise in the Energy Storage Technology Field of the New Energy Industry in Guangdong Province



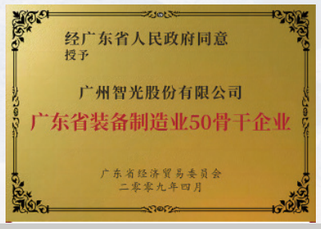
Guangdong Engineering Laboratory for High-Power Power Electronics



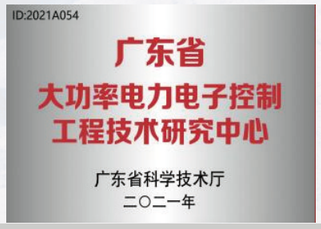
Guangdong Provincial Engineering Technology Research Center



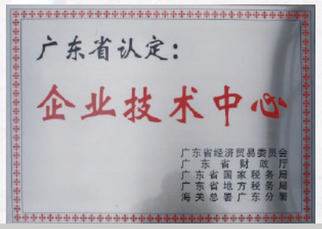
Guangdong Intellectual Property Advantage Enterprise



Top 50 Equipment Manufacturers in Guangdong



Guangdong Engineering Technology Research Center for High-Power Power Electronic Control



Guangdong Enterprise Technology Center

Zhiguang Energy Storage



National Specialized, Sophisticated, Distinctive and Innovative "Little Giant" Enterprises



Guangdong Enterprise Technology Center



High-tech Enterprise



Guangdong Engineering Technology Research Center of High-Voltage and Large-Capacity Energy Storage System

Lingnan Cable



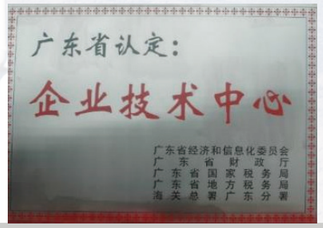
Ministry of Industry and Information Technology Specialized, Refined, Differential and Innovative "Little Giant" Enterprise



Guangdong Provincial Specialized, Refined, Differential and Innovative SMEs



High-tech Enterprise Accreditation



Guangdong Enterprise Technology Center



Guangdong Provincial Engineering Technology Research Center



Member of Guangdong Wire & Cable Industry Association

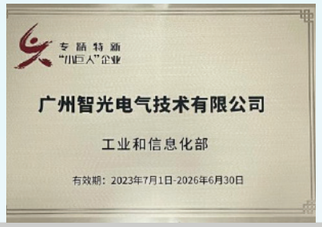


Cultivating Enterprise of the 'Specialized, Refined, Distinctive and Innovative' Excellent Private Enterprise Support Plan in Guangzhou

Zhiguang Electric Technology



High-tech Enterprise



The Fifth Batch of SSDI “Little Giant” Enterprises



Committee Member of the National Technical Committee for Standardization of Variable Frequency Drive



Specialized, Refined, Distinctive and Innovative SMEs



Guangdong Enterprise Technology Center



Innovative Small and Medium-sized Enterprise in Guangdong



Member of Guangzhou Circular Economy Clean Production Association



Cultivating Enterprise of the “SSDI” Excellent Enterprise Support Plan in Guangzhou

Zhiguang Energy Conservation and Environmental Protection



High-tech Enterprise



Branded Enterprise in the Energy Conservation Service Industry

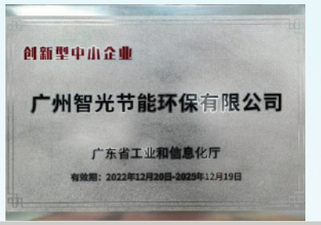


Guangdong Provincial Engineering Technology Research Center

Zhiguang Econ



Guangdong SSDI SMEs



Innovative Small and Medium-sized Enterprise in Guangdong



High-tech Enterprise

Huayue Power



High-tech Enterprise



Engineering Design Qualification Certificate



Engineering Survey Qualification Certificate



Construction Enterprise Qualification Certificate

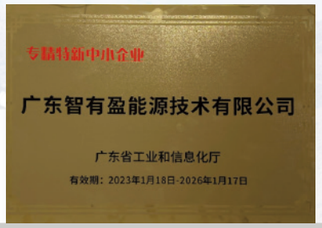
Zhiyouying



Class B Credit Certificate of Engineering Consultation Unit



High-tech Enterprise



Guangdong SSDI SMEs



Construction Enterprise Qualification Certificate



License for Installation (Repair and Testing) of Electric Power Facilities

Zhiguang Automation



High-tech Enterprise

Strategy

The company identifies and assesses intellectual property risks throughout the full life cycle of R&D projects, covering project initiation, research and development, project conclusion and achievement optimization. Corresponding control measures are formulated to prevent risks, seize opportunities, and ensure steady R&D progress and effective achievement transformation.

Risk	Category	Description of Risk/ Opportunity	Financial Impact	Impact Duration	Magnitude of Impact	Likelihood of Occurrence	Response Measures
Intellectual Property Risks of the Research and Development Center	Before R&D Project Initiation	If the R&D project has not undergone market research and retrieval analysis, it may lead to repeated R&D and waste of R&D funds; if the R&D project is commercialized into products and put into market, there may be a risk of infringing on the intellectual property rights of others	Waste of Scientific Research Funds	Short	Medium	Low	Before project initiation, the intellectual property retrieval is conducted in the internal demonstration and feasibility risk stage to understand the status of existing technologies and prior patent layouts. Then we adjust the R&D path based on the results of market research, and select an appropriate R&D direction to prevent the R&D project from infringing on the patents of others.
	During the Project R&D Stage	New technologies and patents may conflict with the R&D direction; when the technical solution is modified, the previous retrieval analysis will be no longer applicable	Increase in R&D Costs	Medium	Large	Medium	After the project is initiated, conduct patent tracking and retrieval analysis, continuously consult patent documents, and analyze the patent technologies of others to prevent the new technologies under R&D from infringing on the patents of others; if the technical solution is modified, promptly conduct retrieval analysis and market research on the new solution.
	After the Completion of R&D Project	If the intellectual property rights of the R&D achievements are not confirmed in a timely manner, and the intellectual property rights are not utilized in a timely manner to protect the R&D achievements, the achievements may not be protected by the intellectual property rights	Waste of Scientific Research Funds	Medium	Large	Low	Confirm the intellectual property rights of the R&D achievements in a timely manner, and use the intellectual property rights to protect the R&D achievements in a timely manner. Retrieve the technical documents of patent similar to the R&D achievements, and make comparative analysis and evaluation of the infringement risks for avoidance, so as to prevent the R&D design achievements from infringing on the patents of others.
	Achievement Improvement	Suggestions for improvement submitted by the Product Center and customer feedback submitted by the Marketing and Information Department	The improved achievements may not be eligible for patent applica-tion for they are outdated	Medium	Large	Low	For technical improvements and innovations–such as production equipment, processes, and testing methods–proposed and approved by the Product Center, as well as for customer improvement suggestions provided by the Marketing and Information Department, the Research and Development Center shall conduct patent searches and analyses to assess the novelty, inventiveness, and legal risks of the technology, and provide recommendations on how to avoid potential infringement or take other appropriate measures.
	Risk of Secret Leakage	The R&D Department has access to information such as the Company's R&D records and test records	Have a negative impact on the Company's operation, development, and reputation	Long	Large	Low	Improve the relevant systems and require personnel to strictly implement them, keep relevant information confidential, and do not disclose it to third parties without approval.

Impact, Risk, and Opportunity Management

By systematically conducting risk identification and precise assessments, the company strengthens intellectual property protection and compliance management, mitigates infringement risks, ensures the lawful and compliant application of R&D outcomes, promotes the steady advancement of technological innovation, and continuously unleashes innovative potential.

Risk Identification

Comprehensively identify the potential risks in technology, law, and market by internal review, external environment scanning, and patent retrieval to ensure that the R&D direction does not infringe on the patents of others

Risk Assessment

Classify and prioritize the identified risks, and accurately evaluate the likelihood and degree of impact of risks through quantitative and qualitative analysis and scenario simulation

Risk Avoidance

Effectively avoid risks and ensure the steady development of R&D innovation through intellectual property protection, patent layout, contract and legal guarantee, and early risk warning mechanism

Goals and Indicators

Research and Development Goals and Progress of the Technology R&D Center			
Quantitative indicators	Goals for 2025	Status of Completion	Goals for 2026
Technical Objectives	Published at least one professional paper, filed at least five patent applications, and completed at least three technical upgrades and innovations	Reached	Developed at least one new product, published at least one professional paper, filed at least five patent applications, and completed at least three technical upgrades
Revenue from new products	Generate RMB 10 million in sales revenue (including tax) from new product development in 2025, or generate RMB 50 million in sales revenue (including tax) from technological upgrades using new processes	Reached	In 2026, new product development will generate 10 million yuan in sales revenue (including tax), or technological upgrades will generate 50 million yuan in sales revenue (including tax)
Management Commitment	There were zero instances of batch-wide quality defects caused by improper processes.	Reached	There were zero instances of batch-wide quality defects caused by improper processes.
Management Commitment	The number of bids rejected due to inadequate technical evaluation was 0.	Reached	The number of bids rejected due to inadequate technical evaluation was 0.
Management Commitment	Quality losses resulting from inadequate technical or process reviews, or from errors, amounting to ≤50,000 yuan	Reached	Quality losses resulting from inadequate technical or process reviews, or from errors, amounting to ≤50,000 yuan

Management Indicator	Unit	2025
Investment in R&D	RMB '0000	184,03.50
Percentage of R&D Investment in Operating Income and Its Changes	%	4.81
Number of New Product Development Projects	Units	38

R&D Team

Total R&D Team Members
497 Persons

Percentage of R&D Personnel
24.51 %

Innovations

As of December 31, 2025, the Company had obtained a total of **1,056** patents and software copyrights, including **150** invention patents, **414** utility model patents, **62** design patents, and **430** software copyrights.

In 2025, the Company newly obtained **26** authorized invention patents, **28** authorized utility model patents, **7** authorized design patents, and **18** authorized software copyrights.

Enterprise Innovation Capability Certification

National Specialized, Refined, Distinctive, and Innovative (SRDI) Enterprise
3 Nos

National High-Tech Enterprise
14 Nos

National Enterprise Technology Center
1 Nos

R&D Incentives

- For the research and development center and relevant technical personnel participating in R&D projects and the application for government science and technology projects in the electrical product sector, the Company awards the completion bonus and the performance bonus of R&D projects.
- For technical breakthroughs achieved in major core projects, or for obtaining major science and technology subsidies or government support subsidies, applications can be made for the Company's special incentives.
- Personnel who hold technical professional titles or vocational qualifications recognized by the Ministry of Human Resources and Social Security, and whose major of title/qualification matches their current professional field, may apply for title/qualification subsidies. The Company may reimburse examination registration fees and provide corresponding rewards.

Development of Industry Standards

The group standard Technical Specification for Energy Management System of Industrial and Commercial Energy Storage, compiled by Zhiguang Research Institute, was officially released during the reporting period. In addition, Zhiguang Energy Storage took charge of drafting the industrial standard Guideline for Supervision and Manufacture of Electrochemical Energy Storage Converters, which is currently in the approval stage.

As of the end of the Reporting Period, the Company has participated in the development of 35 national standards, of which 31 have been issued; participated in the formulation of 19 industry standards, of which 5 have been issued; and participated in 52 group standards, of which 39 have been issued.

Protection of Intellectual Property Rights

The company continuously improves the intellectual property management system, formulates and implements a number of internal regulations including the Intellectual Property Management System, Intellectual Property Document Management Procedure, Intellectual Property Risk Management Procedure, Intellectual Property Dispute Handling Management Procedure, Scientific and Technical Archives Management Measures, and Intellectual Property Management Procedure for Sales and After-sales Links. It systematically strengthens intellectual property protection, prevents risks of infringement and being infringed, stimulates employees' innovation vitality, and promotes the promotion and application of scientific and technological achievements.

The Technical Management Department of the R&D Center oversees intellectual property work including application, daily management, dispute settlement, transfer, publicity and training, as well as incentive distribution, with coordinated support from relevant departments. No penalties or disputes related to intellectual property protection occurred within the reporting period.



Zhiguang Electric's Intellectual Property Management System Certification



Lingnan Cable's Intellectual Property Management System Certification

Digital Construction

The company continuously advances digital construction. It has successively deployed information systems such as ERP, TiPDM and MES, promoting the transformation of the IT architecture from a traditional closed mode to cloud-based and service-oriented models, and building an open information system based on cloud platforms and microservices. Meanwhile, through the integration of PLM, SAP, equipment monitoring, CRM, SRM and other systems, digital closed-loop management throughout the full product lifecycle is realized. By integrating big data and industrial intelligent technologies, the company builds a comprehensive energy industrial internet platform, steadily enhancing R&D and innovation capabilities, product quality and customer service levels, so as to provide solid support for high-quality development.





Digital Transformation of Production Lines

Lingnan Cable has earned certifications as a'Future Factory,' 'Smart Factory,' 'Digital Workshop,' and 'Digital Pioneer Enterprise' in the field of smart manufacturing. Moving forward, the company will continue to deepen the application of digital technologies, explore new frontiers in smart manufacturing, and enhance efficiency through intelligence while achieving success through data.



Future Factory Certification



Digital Workshop Certification



Smart Factory Certification



Certificate of Recognition as a Digital Pioneer Enterprise

Empowering Supply Chain Management

Zhiguang Electric adheres to the principles of integrity-based contract performance and efficient collaboration, and continues to improve a flexible supplier management and evaluation mechanism. While fully unleashing the overall value of the supply chain, the Company also takes into account the autonomy and adaptability of its subsidiaries in supply chain management, so as to respond to diversified market changes.

Governance

To ensure the stable and sustainable operation of the supply chain, the Company has established and implemented management documents such as the Supplier Management System, Supplier Quality Management System and Supplier Performance Management System, thereby forming a systematic supplier management mechanism. The Company has established a supplier management department to coordinate supplier development, evaluation, daily management and performance appraisal. The Quality Department participates in supplier review and monitors and evaluates the quality of incoming materials.

Lingnan Cable obtained Green Supply Chain Management System Certification and was recognized as a Guangdong Province Green Supply Chain Management Enterprise during the Reporting Period.



Lingnan Cable Green Supply Chain Management System Certification

Strategy

The Company systematically identifies and comprehensively assesses supply chain-related risks and opportunities, fully reviews key management links, and formulates targeted response measures accordingly.

Risk/ Opportunity	Type	Description of Risk/ Opportunity	Financial Impact	Impact Period	Degree of Impact	Likelihood of Occurrence	Response Measures
Risk	Supply chain disruption	The Company's raw material suppliers may interrupt raw material supply due to natural disasters, equipment failures, political situations and other factors. In addition, accidents in logistics and transportation, such as traffic control and port congestion, may also affect the timely delivery of products.	May lead to production stagnation and generate additional production costs	Medium to short term	High	Medium	Build a diversified supplier system and conduct regular assessments to reduce reliance on a single supplier. Formulate emergency response plans and reserve key materials to cope with emergencies. Strengthen cooperation with logistics providers, monitor transportation and flexibly adjust plans
	Market price fluctuations	The prices of raw materials required by the Company, such as copper, aluminum and other metals and electronic components, are greatly affected by market supply and demand and the international economic situation.	Rising raw material prices will directly increase procurement costs and squeeze profit margins	Medium to short term	Medium	High	Monitor price trends, predict movements and reasonably arrange the timing and volume of procurement. Sign long-term contracts and establish price adjustment mechanisms, and explore strategic cooperation to share risks. Optimize product design and seek alternative materials to mitigate price impacts.

Risk/ Opportunity	Type	Description of Risk/ Opportunity	Financial Impact	Impact Period	Degree of Impact	Likelihood of Occurrence	Response Measures
Opportunity	Supply chain optimization and integration	By optimizing and integrating various supply chain links, such as production, procurement and logistics, the Company can improve supply chain efficiency and coordination.	Reduce procurement costs, production costs and logistics costs	Medium to long term	High	Medium	Reengineer supply chain processes to eliminate redundancies and improve overall operational efficiency. Build collaboration platforms to achieve information sharing and enhance responsiveness and flexibility. Strengthen cost control, conduct analysis and optimization, and reduce the total cost of the supply chain.
	Digital transformation	With digital technologies such as the Internet of Things, big data and artificial intelligence, Zhiguang Electric can realize digital supply chain management, monitor the operating status of all supply chain links in real time, and predict changes in demand.	Improve supply chain efficiency and accuracy, and reduce inventory and operating costs	Medium to long term	High	Medium	Invest in digital technologies, introduce advanced systems and build digital platforms. Cultivate and recruit talent, enhance employees' digital capabilities and promote transformation. Use big data analytics to mine data value and optimize supply chain operations.
	Deepening partner relationships	By strengthening relationships with suppliers, customers, logistics service providers and other partners, Zhiguang Electric can realize resource sharing and complementary advantages.	May reduce procurement costs, improve sales efficiency and increase the Company's profits	Medium to long term	High	Medium	Establish a partner evaluation and incentive mechanism, and encourage partners to improve cooperation based on the results. Strengthen communication and exchange, establish regular communication mechanisms, and promptly resolve cooperation issues. Carry out joint innovation and collaborative R&D to enhance the overall competitiveness of the supply chain.

Impact, Risk and Opportunity Management

Through the identification, assessment, monitoring and management of supply chain risks, the Company strengthens supply chain resilience and safeguards stable business operations and sustainable development.

Risk identification

Sustainable development, as an independent module, has been incorporated into supplier admission, supplier selection, annual audits and performance evaluation, so as to assess risks in the Company's supply chain related to the environment, carbon reduction, labor and human rights, occupational health and safety, critical raw materials, compliance and business ethics.

Risk assessment

Based on the identified and monitored supplier risk points, the Company puts forward preventive or corrective requirements and provides suppliers with corresponding support and assistance; it continuously tracks the implementation and effectiveness of corrective measures until supplier risk items are eliminated.

Risk monitoring

For risk situations and their consequences, superficial and root causes are analyzed, and risk monitoring and response measures are standardized.

Risk management

Based on the results of risk analysis, the risk control elements are further clarified, and management policies, evaluation systems, emergency response plans, training plans and other measures are continuously optimized.

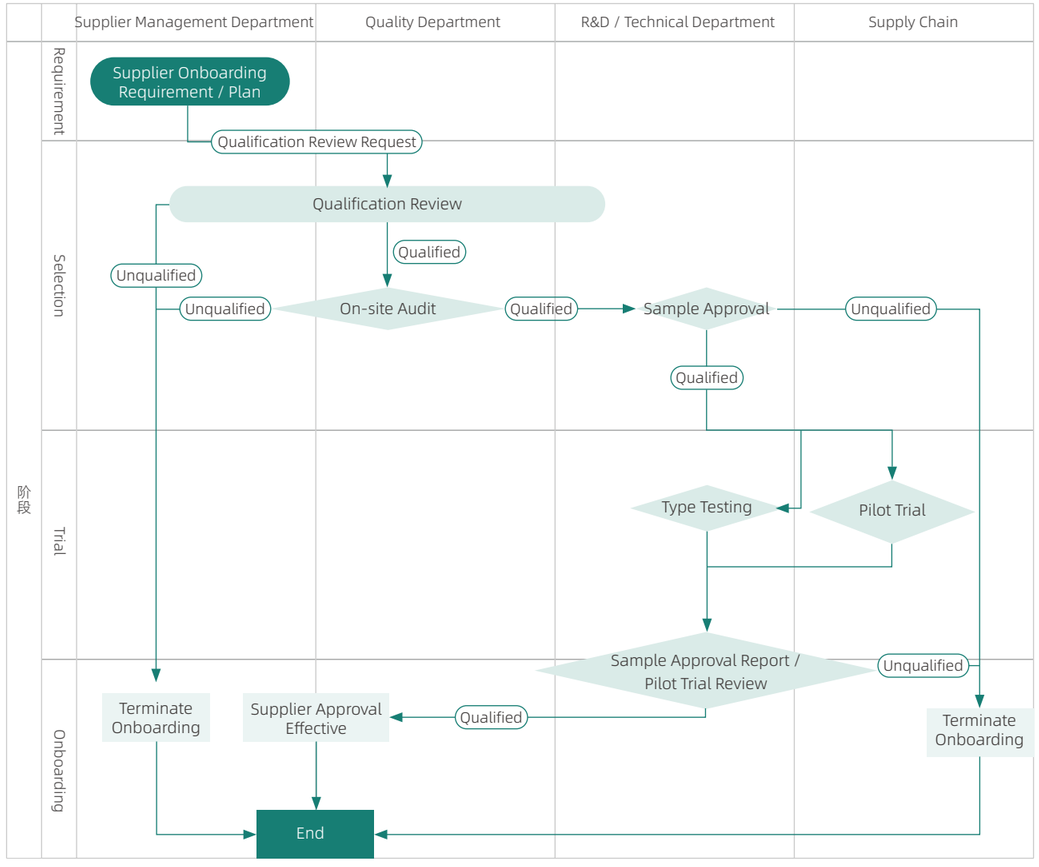
目标与指标

Key Indicators	Unit	2023	2024	2025
Total Number of Suppliers	Units	1,110	2,558	1,532
Total Number of Local Suppliers	Units	568	662	765
Total Number of Domestic Suppliers	Units	1,103	2,551	1,035
Number of Overseas Suppliers	Units	7	7	7
Number of Suppliers with Quality Management System Certification	Units	675	831	770
Number of Suppliers with Environmental Management System Certification	Units	639	773	807
Number of Suppliers with Occupational Health and Safety Management System Certification	Units	598	714	744
Supplier Integrity Agreement Signing Rate	%	100	100	100

Life-cycle Management

To improve the standardization of supplier management and ensure the safety, stability and long-term cooperation of the supplier system, the Company adheres to principles such as local sourcing and matching procurement scale with supplier capability, and has established and improved management processes including supplier admission, assessment, grading and appraisal, so as to ensure that the entire process of supplier selection, cooperation and evaluation is standardized and orderly, and to lay a solid foundation for the sustained and stable operation of the supply chain.

New Supplier Introduction Process



Supplier ESG Management

The Company adheres to strict supplier admission and audit standards. For certain suppliers, it requires qualification documents such as quality, environmental and occupational health and safety management system certifications. At the same time, the Company is committed to establishing long-term and stable cooperative relationships with suppliers with a strong sense of responsibility, and jointly promotes the greening and sustainable development of the supply chain.

Case Supplier ESG Training

During the Reporting Period, Lingnan Cable conducted ESG training for suppliers, focusing on compliance, environmental protection, occupational health and safety, and other topics, in order to enhance suppliers' understanding and implementation capacity of ESG concepts and promote the sustainable development of the supply chain.



Supplier ESG Training Site

Equal Treatment of SMEs

The Company is committed to treating small and medium-sized enterprises (SMEs) on an equal basis, strictly honoring contractual obligations, with no instances of overdue payments to SMEs recorded during the reporting period.

Sunshine Procurement

The Company attaches great importance to integrity in procurement management and continuously promotes the professional ethos of honesty and compliance. To ensure fairness and transparency in business dealings, the Company signs integrity cooperation agreements with suppliers, clearly defining the code of conduct for integrity in business cooperation between the two parties, and makes specific requirements for the integrity responsibilities of key personnel in procurement-related positions, so as to promote standardized and orderly procurement activities.

Supplier Training

The Company has established a supplier coaching team to provide systematic guidance to suppliers. For process change applications proposed by suppliers, the team is responsible for organizing reviews and tracking implementation. For major or recurring quality issues, the team promptly enters suppliers' sites to conduct investigations, assist with rectification and prevent recurrence. For key suppliers with weak management foundations, the Company improves their management and execution capabilities through on-site factory-based coaching, ensuring that their development pace remains aligned with the Company's needs and continuously enhancing the stability and sustainability of the supply chain.

Supply Chain Digital Management

The Company continues to advance supply chain digitalization, optimize digital supplier management processes, and comprehensively manage supplier files, purchase orders, delivery records and quality inspections. It has introduced the SRM system, gradually replacing the previous offline inquiry, bidding and tendering methods mainly based on email and WeChat, effectively improving business efficiency, reducing operating costs, and promoting the upgrading of supply chain management processes toward digitalization, intelligence and transparency.

SRM System Platform Advantages

Improve Efficiency

Timely communication between procurement and supply parties

Seamless internal and external information sharing for efficient collaboration

Digitized processes to improve procurement efficiency

Online collaboration platform, fast and easy to use

Compliance & Risk Control

Compliant procurement process with greater peace of mind

Fully online process with real-time traceability and transparent information

Data-and algorithm-driven decision support and optimization.

No manual interference in the procurement process, avoiding non-compliant steps



Reduce Costs

Reduce procurement costs and control expenses

Support the expansion of supplier resources and reduce sourcing costs.

Reduce inventory and improve order fulfillment

Obtain higher-quality procurement services

Innovation & Services

Empower buyers and suppliers to build a supply chain ecosystem

Build a PaaS platform to provide underlying technical support for enterprise applications

Comprehensive services covering product consultation, operations, and maintenance to ensure customer success, with multi-tiered delivery standards to guarantee successful implementation and go-live.

Safeguarding Product Quality

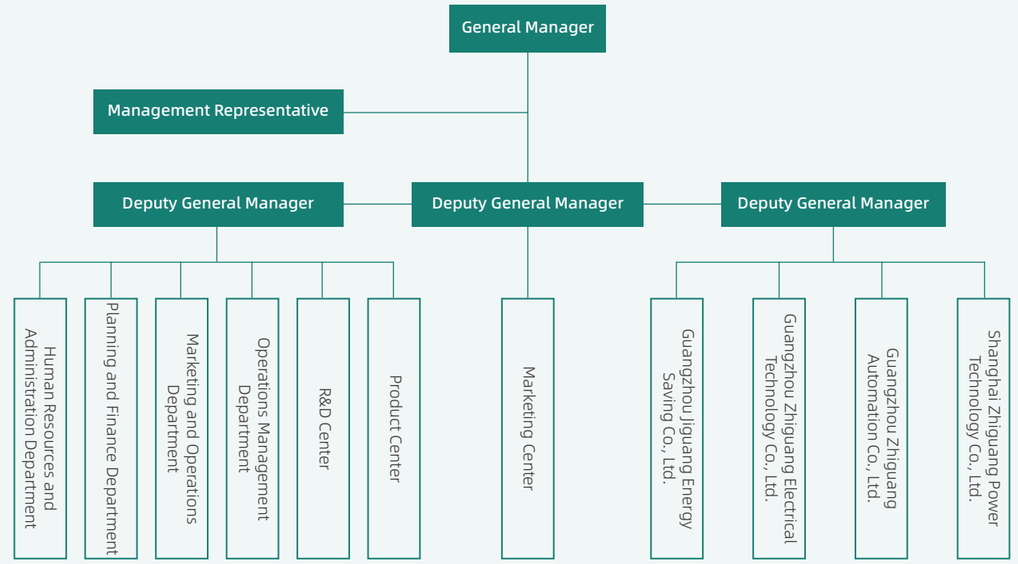
Providing high-quality products and services to customers is Zhiguang Electric's core pursuit. The Company has established comprehensive quality control and inspection mechanisms across procurement, R&D, manufacturing, delivery and after-sales services, so as to ensure the effective operation and continuous improvement of the quality management system.

Governance

The Company has established and implemented systems such as the Quality Manual Management System, Product Identification and Traceability Management Standard and Project Quality Management Guideline. During the Reporting Period, it also issued management system documents such as the Incoming Material Inspection Management Standard and the Complete Set Commissioning Management Standard, systematically defining the quality policy, quality objectives and quality management procedures. The Company has established a Quality Management Department to take unified responsibility for quality management, and has set up standardized management positions to effectively implement all quality-related responsibilities.



Quality Management Organizational Structure



Zhiguang Electric Technology, Zhiguang Energy Storage, Zhiyouying and Lingnan Cable have all obtained quality management system certification.



Zhiguang Electric Technology ISO 9001 Quality Management System Certification



Zhiguang Energy Storage ISO 9001 Quality Management System Certification



Zhiyouying ISO 9001 Quality Management System Certification



Lingnan Cable ISO 9001 Quality Management System Certification

Lingnan Cable obtained AAAAA certification for its Green Design Product Management System.



Lingnan Cable Green Design Product Management System Certification Certificate

Strategy

The Company systematically conducts risk and opportunity assessments related to product safety and quality, comprehensively identifies key risk points in the production process, and formulates targeted control and improvement measures accordingly.

Risk/ Opportunity	Type	Description	Financial Impact	Impact Period	Impact Degree	Likelihood	Response Measures
	Market risk	The new energy and energy storage industries are highly competitive. Peers continuously launch high-performance products to capture market share. If Zhiguang Electric lacks advantages in product safety and quality, or if market demand fluctuates, the Company's market share and profit may be affected.	Reduced market share leads to lower sales revenue	Short to medium term	High	High	Strengthen market research to understand customer needs and competitor trends, and formulate differentiated marketing strategies. Continuously improve product performance and quality to build brand advantages. Optimize product structure and expand application areas to reduce the impact of market demand fluctuations.
	Policy and legal risk	Policies and regulations on safety standards and environmental requirements in the power equipment industry are constantly updated. If Zhiguang Electric fails to monitor and comply in a timely manner, its products may face penalties for policy violations.	Fines cause direct financial losses; litigation compensation and legal fees increase costs	Medium to long term	High	Medium	Establish a policy and regulation research team to interpret relevant policies in a timely manner. Build a compliance management system to ensure products comply with policy and legal requirements throughout design to sales. Strengthen intellectual property management, conduct patent searches and analysis, apply for patent protection in time, and sign confidentiality agreements.
Opportunity	Technological innovation	Continuous breakthroughs in digital energy and energy storage technologies provide Zhiguang Electric with opportunities to develop more efficient, safer and smarter products, helping improve product competitiveness and open new markets.	New products can increase sales revenue and market share	Long term	High	High	Formulate a technological innovation strategy and clarify R&D directions and priorities. Establish an innovation incentive mechanism to encourage employees to carry out technological innovation. Strengthen technical exchanges and cooperation with leading enterprises in the industry, and introduce advanced technologies and experience.
	Policy support	National planning and other policies support the development of the new energy and energy storage industries, such as subsidies and preferential policies, creating a favorable policy environment for Zhiguang Electric's energy storage equipment and integrated energy services businesses.	Subsidies and tax incentives can increase profits	Medium to long term	High	Medium	Closely monitor policy developments and strive for more policy subsidies and project support. Adjust business layout and product structure according to policy guidance, and increase investment in policy-supported areas. Strengthen communication with government departments and provide feedback on enterprise needs to support policy formulation.

Impact, Risk and Opportunity Management

The Company strengthens product quality control by systematically identifying and assessing potential quality risks and implementing targeted management measures to ensure stable and reliable product quality.

Risk and opportunity identification

Each department identifies and plans the risks and opportunities associated with each business process based on internal and external environmental factors and the needs and expectations of interested parties, combined with existing strengths and weaknesses, and records the identification results accordingly.

Risk and opportunity assessment

Each department assesses the risks and opportunities arising from the identified internal and external environmental factors and the needs of interested parties, determines the risk and opportunity levels, and formulates response measures.

Risk and opportunity management

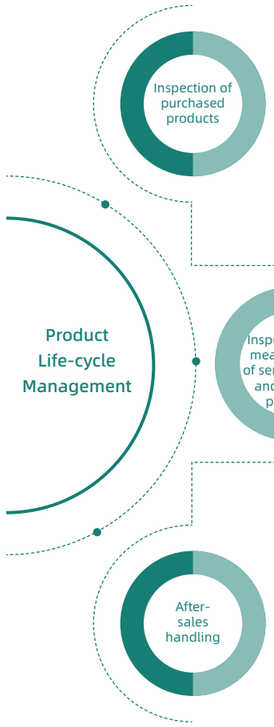
The Company has established a full-process risk prevention and control mechanism. In procurement, it strictly reviews supplier qualifications and controls the quality of raw materials; in production, it uses advanced testing equipment to monitor key indicators in real time and promptly identify and resolve hidden risks; in after-sales services, it has built efficient feedback channels to respond quickly to product issues, ensuring that safety and quality risks remain under control.

Metrics and Targets

Key Indicator	Unit	2023	2024	2025
Number of Risk Assessments Conducted	Times	20	24	12
Annual Quality Internal Audits	Times	3	4	2
Third-PartySampling Inspections Commissioned	Times	36	36	22
Quality Culture Training Attendance	Person-Times	16,745	16,210	18,665
Total Duration of Quality Culture Training	Hours	22,791	22,303	27,872
Number of Quality Culture Training Sessions	Times	43	46	34
Number of Products Withdrawn and Recalled Due to Health and Safety Reasons	Units	0	0	0
Percentage of Products Withdrawn and Recalled Due to Health and Safety Reasons	%	0	0	0
Number of Negative Public Opinions About the Company	Times	0	0	0

Life-cycle Management

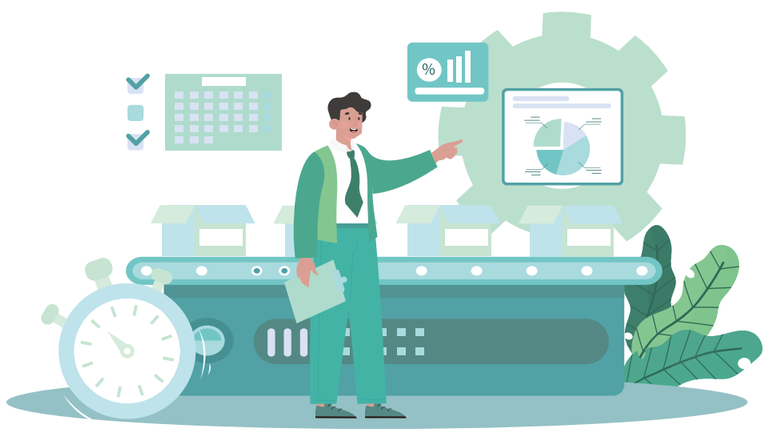
The Company conducts full-process supervision and inspection over the manufacturing process and product quality to ensure that all manufacturing activities and product quality meet the required standards. At the same time, it continuously improves the emergency response and handling mechanisms for product quality and safety, so as to achieve risk prevention, scientific response and rapid containment, standardize emergency handling procedures, and minimize the impact of potential quality and safety incidents. In addition, the Company regularly entrusts qualified third-party institutions to carry out product sampling tests to verify whether the products meet relevant quality standards and technical specifications.



- Purchased products are verified and classified as qualified or unqualified;
- Products specified in the purchase order as requiring verification at the supplier's site are verified;
- Outsourced products are subject to process inspection at the outsourcing manufacturer.

- The operator of the next process shall inspect the product transferred from the previous process and may continue processing only after it is qualified;
- The product shall be inspected and corresponding inspection records shall be completed;
- The product shall not be released before the necessary inspections and tests are completed.

- Establish factory acceptance and repair reporting procedures for customer complaint products;
- When conducting appearance inspection and testing, maintenance personnel shall compare the abnormal phenomena observed with the fault description on the abnormality form;
- Purchased parts are mainly handled in three ways: returned to the supplier for replacement or repair, entrusted to the supplier for repair, or scrapped.



Product Recall

The Company and its subsidiaries have established and implemented systems such as the Product Recall Management System After-sales Service Management Measures, and Non-conforming Product Management System to systematically standardize the identification, recall, and disposal procedures for non-conforming products. By continuously improving the after-sales service system, the Company enhances the market competitiveness of its products and customer satisfaction.

Disposal Method

Rework

Measures taken to make a nonconforming product conform to requirements

Repair

Measures taken to make a nonconforming product satisfy its intended use

Return

After return, the original supplier provides a new qualified product for replacement, or if the original supplier is unable to provide a qualified product, another supplier provides it

Scrap

Measures taken for a product that does not meet requirements, when the supplier is unable to recover it, gives up recovery, or is not allowed to recover it

During the reporting period, the Company conducted in-depth root cause analyses of issues related to recalled products and promptly implemented corrective measures to ensure that such issues were resolved in a timely and effective manner. During the reporting period, the Company had no product recall incidents.

Product Quality Training

The Company attaches great importance to cultivating employees' quality awareness, continuously fosters a quality culture of striving for excellence, and enhances the professional capabilities of personnel in quality-related positions through ongoing training.

Case "3·15" Quality Pledge Campaign

On March 14, 2025, Zhiguang Energy Storage held a company-wide "3·15" Quality Pledge Campaign themed "Integrity as the Foundation, Craftsmanship in Every Product." This event marked a milestone in the Company's quality culture, represented a solemn commitment to the industry and customers, and reflected the energy storage industry's transition from scale expansion to high-quality development. The Company remains committed to driving quality breakthroughs through innovation and establishing industry benchmarks through craftsmanship.



"3·15" Company-wide Quality Pledge Campaign

Case Monthly Quality Management Meeting

During the reporting period, the Quality Management Department of Zhiguang Energy Storage regularly held monthly meetings to review and plan work related to suppliers and incoming materials, in-process and finished-product quality management, systems, and improvement. Based on quality management performance, the Company continuously optimized the procedural documents of its quality management system, further improving the standardization and effectiveness of quality management.



Monthly Quality Management Meeting

Case Quality Management Training for New Employees

On August 12, 2025, the Company's Quality Management Department conducted quality management training for new employees. The training systematically explained the requirements of the ISO 9001 Quality Management System, the basic concepts of quality management, and the working attitude and standards required for quality management positions, thereby strengthening new employees' quality awareness and consolidating the foundation of quality management.



Quality Management Training for New Employees

Honors and Recognition

During project implementation, despite multiple challenges such as tight schedules, heavy workloads, and demanding on-site conditions, the Company upheld a work attitude of striving for excellence, tackled difficulties head-on, and worked collaboratively to complete all tasks with high quality, ensuring the successful completion of grid-connection testing on the first attempt. The technical team's strong dedication, solid professional competence, and good spirit of collaboration were highly recognized and praised by the customer, laying a solid foundation for deeper cooperation between the two parties in the future.


中国华能集团清洁能源技术研究院有限公司

表扬信

Commendation Letter to Zhiguang Energy Storage


感谢信

Letter of Appreciation to Zhiguang Energy Storage

Enhancing Customer Service

The Company adheres to a customer satisfaction-oriented approach and provides customized and professional service solutions for customers across different industries. Through continuous innovation in service concepts and service upgrades, the Company has gained broad customer recognition and maintained a strong commercial reputation over the long term.

Management System

With the development of smart energy as its goal, the Company consistently practices the business philosophy of "helping customers use energy safely, economically, and comfortably." It has formulated and implemented the Service Management System, continuously advanced innovation in product technologies and service models, and provided customers with diversified products, technical solutions, and high-quality service experiences, thereby continuously enhancing customer value.

Service System

Nationwide Customer Service Network

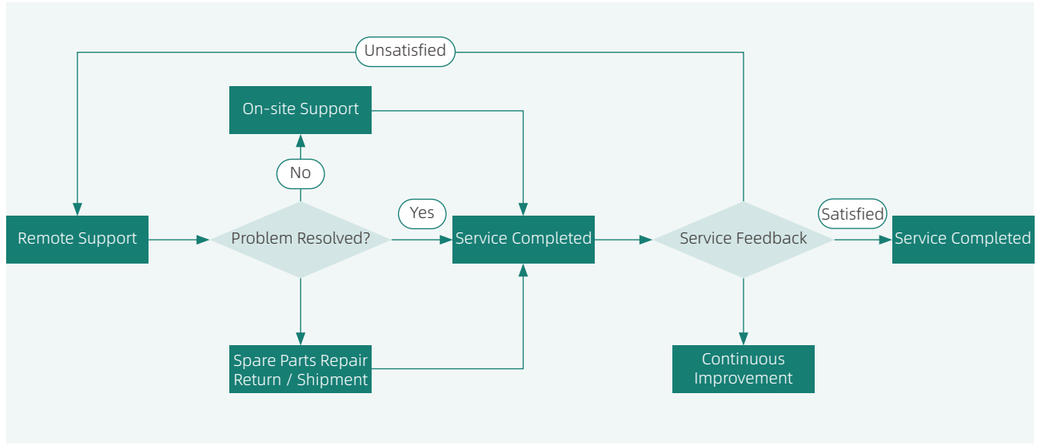
- The company has established a comprehensive service center system, with service outlets and networks covering the whole country, providing customers and partners with faster, more convenient, comprehensive, and attentive high-quality services.

24/7 Service

- We have built a highly skilled and experienced team to provide customers with fast, timely, and around-the-clock services and technical support.

The Company always places customer service needs at the core, continuously advances the development and optimization of its service management system, and regularly carries out employee training covering professional competence and communication skills to ensure that employees can respond accurately to customer needs. At the same time, the Company continuously improves its customer feedback management mechanism, establishes a whole-process service tracking and management system, relies on information platforms to efficiently collect service event information, and classifies and handles such information by urgency and business category, so as to achieve rapid response and timely feedback and continuously enhance customer service experience.

Service Transfer Process



Feedback Channels

The Company has formulated systems including the After-sales Business and Service Management System and the On-site After-sales Service / Safety Operation Guidelines, kept customer feedback channels open and transparent, and ensured that feedback handling procedures are standardized and efficient. Customers may submit service requests through multiple channels, which are uniformly accepted by customer service personnel, converted into work orders, and assigned to after-sales teams for on-site service. Follow-up visits are continuously carried out after service completion. Meanwhile, the Company has clarified service standards and conduct requirements for after-sales service personnel, so as to continuously improve service quality and customer satisfaction.

The Company has clearly standardized its customer service procedures and established an "online + offline" multi-channel feedback mechanism to provide customers with convenient and efficient communication methods. It also commits to responding within 2 hours upon receipt of customer feedback to ensure timely and professional handling.



After-sales Service

The Company always adheres to a customer-oriented approach, continuously improves product and service experience, and constantly optimizes its after-sales response mechanism. It also requires its subsidiaries to establish relatively independent after-sales service systems and improve diversified service channels to fully meet the differentiated needs of domestic and overseas customers.

Zhiguang Electric Technology upholds the service philosophy of "professional, efficient and comprehensive," continuously improves its high-standard after-sales service system, and ensures the stable operation of equipment in various application scenarios. The Company has established 7 service centers to achieve full coverage of two major service areas, committed to the 2/48 service response mechanism, and built a one-stop service platform to respond comprehensively to diversified customer needs and continuously improve customer satisfaction.

Service Response Channels

7 Service Centers

The Company has established seven core regional service centers in Guangzhou, Beijing, Shanghai, Xi'an, Chongqing, Wuhan and Hangzhou, and on this basis has built a service network covering major customer service points and project departments nationwide.

2 Service Areas

The Company has established two major service areas, namely standardized quality assurance services and customized services: Standardized quality assurance services: pre-commissioning, installation and commissioning, preventive maintenance, spare parts supply, on-site services, optimization services and intelligent operation and maintenance; Customized services: customized solution design, diversified cooperation models and training services.

2/48 Service Commitment

The Company commits to responding within 2 hours upon receipt of service requests, with personnel arriving on site within 48 hours.

1 Service Platform

The Company has established the "Industrial Internet Platform for Integrated Energy Services," empowering key links of integrated energy service products such as technology R&D, product manufacturing, system integration and equipment operation and maintenance with big data, and helping customers realize the upgrade from factor-driven to data-driven development.

Customer Service Training

To improve the professional capabilities of service personnel and effectively respond to customer needs, the Company continuously improves its service personnel training system, promotes efficient communication between customer service teams and customers, and requires its subsidiaries to carry out relevant training on a regular basis, so as to continuously improve the overall service level.

Case Customer Service Training

On July 28, 2025, Lingnan Cable organized a special after-sales service training session for all staff of the Marketing Center, covering after-sales service communication skills, problem-solving methods and related testing techniques, as well as basic knowledge of wires and cables. On-site questioning was adopted for assessment, and the pass rate reached 100%, effectively improving the team's professional capabilities and service level.

Customer Product Training

As a pioneer in the fields of digital energy technology and integrated energy services, the Company has established clear and stringent technical specifications for equipment applications. To enhance customers' understanding of product performance and application methods, the Company actively organized its subsidiaries to carry out training on product use guidance. Through a combination of theoretical explanation and on-site demonstration by professionals, the Company helps customers use products in a standardized and efficient manner, continuously improving energy utilization efficiency and overall value.

Customer Satisfaction Survey

The Company attaches great importance to customer satisfaction surveys and guides its subsidiaries to adopt diversified survey methods combining online questionnaires and offline visits to systematically and comprehensively collect customer opinions and feedback.

Key Indicators	Unit	2025
Number of Customer Complaints	Times	23
Number of Customer Complaints Resolved	Cases	23
Number of Customers Participating In Surveys	Persons	407
Proportion of Customers Participating in Surveys	%	62
Number of Vaild Customer Satisfaction Questionnaires Distributed	Copies	252
Customer Satisfaction	Score	93
Number of Participants in Responsible Marketing Training	Person-Times	1,648
Total Duration of Responsible Marketing Training	Hours	77.50
Number of Responsible Marketing Training Sessions	Times	61
Number of Participants in Special Training on Customer Complaint Response	Person-times	106
Total Duration of Specialised Training on Customer Complaint Response	Hours	3.50
Number of Special Training Sessions on Customer Complaint Response	Times	3
Number of Assessments on Customer Complaint Response	Times	3
Pass Rate of Assessments on Customer Complaint Response	%	100
Number of Incidents of Customer Information Leakage	Cases	0
Losses Resulting from Violations of Relevant Laws and Regulations	RMB '0000	0

Strengthening Data Security

Zhiguang Electric systematically advances full life-cycle data management and continuously strengthens its data security assurance capabilities by improving institutional development and technical protection measures, so as to effectively safeguard the security of customer information and business data.

Management System

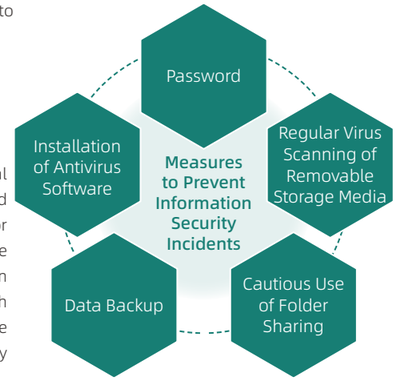
The Company continuously strengthens information security management, strictly implements the requirements of relevant laws and regulations such as the Data Security Law, continuously improves its digital governance and supervision capabilities, systematically advances data security control, effectively safeguards information security, and prevents the risk of information leakage. Centering on its information development objectives, the Company systematically advances information system planning, continuously improves its information system architecture, enhances system operating efficiency, and better supports the information-based needs of production, operation and management activities. During the development process, the Company focuses on strengthening control over key links such as information system security, promotes the standardized and orderly implementation of information development, and supports the Company in continuously enhancing its overall competitiveness in the course of digital transformation. Zhiyouying, a subsidiary of the Company, has obtained certification for the Information Technology Service Management System. During the Reporting Period, the Company did not experience any non-compliance incidents related to information security or privacy protection.



Zhiyouying Information Technology Service Management System Certification Certificate

Management Measures

The Company clarifies various business operation standards through institutional development, requires employees of all departments to strictly comply with laws and regulations, and strictly prohibits the use of the Company's network for any illegal or non-compliant activities. In respect of internal information security management, the Company expressly prohibits the unauthorized disclosure of Company information to external parties and continues to strengthen information security control. Through multiple management and technical measures, the Company enhances source prevention and control, effectively reduces information security risks, and effectively ensures the security and stability of information assets.



The Company has established and improved its information system management, standardized the procedures for the processing, storage and use of information data, and ensured compliant and orderly operation at all stages. At the same time, the Company is equipped with security protection facilities such as firewalls and backup servers, strengthens its technical protection capabilities, effectively guards against external risks, and safeguards the security and integrity of information assets.

Key Performance	Unit	2023	2024	2025
Number of Related Training Sessions Conducted	Times	21	31	80
Number of Training Participants	Persons	150	400	1,096
Employee Coverage Rate of Training	%	100	100	100
Total Investment in Data Security	RMB '0000	/	40	260

04

Better Life

Our Actions

Zhiguang Electric always regards employees as the core cornerstone and valuable asset underpinning the Company's high-quality development, and comprehensively builds a rights protection and career development system covering the entire employee career cycle. The Company has established a systematic training system and dual career development paths for management and professional personnel, strengthened the solid defense line for occupational health and production safety, and fostered team cohesion through rich and diverse cultural and sports activities, thereby deepening its corporate culture. In addition, the Company actively fulfills its social responsibilities by engaging in public welfare areas such as rural revitalization and care for persons with disabilities, promoting coordinated and win-win development among enterprise growth, employee development and social value creation, and demonstrating the responsibility and commitment of enterprises in the new era through practical actions.

SDGs Responded

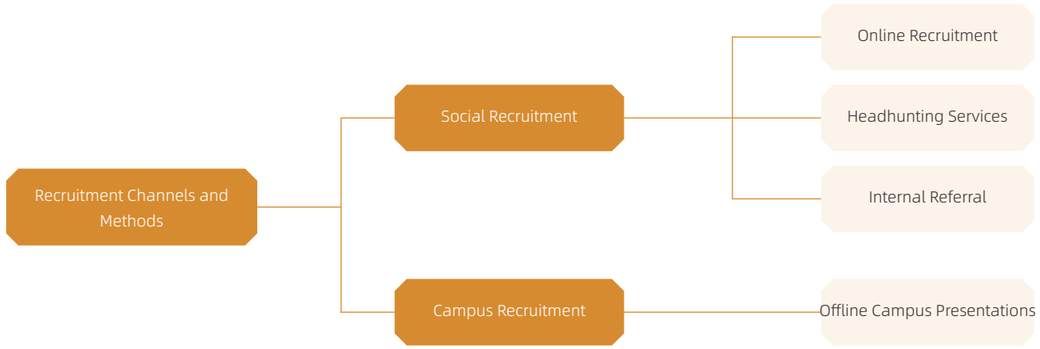


Protecting Employee Rights and Interests

Zhiguang Electric strictly implements laws and regulations such as the Labor Contract Law and the Social Insurance Law, creates a safe and comfortable working environment for employees, and protects their legitimate rights and interests in accordance with the law. The Company has established and improved compensation and welfare systems covering social insurance, commercial insurance, housing, transportation and other aspects, strengthened employee training and capability enhancement, and provided sound promotion channels. Through labor unions and employee associations, the Company regularly organizes a variety of cultural and sports activities, fosters a positive corporate culture, enriches employees' cultural life, and enhances employee cohesion.

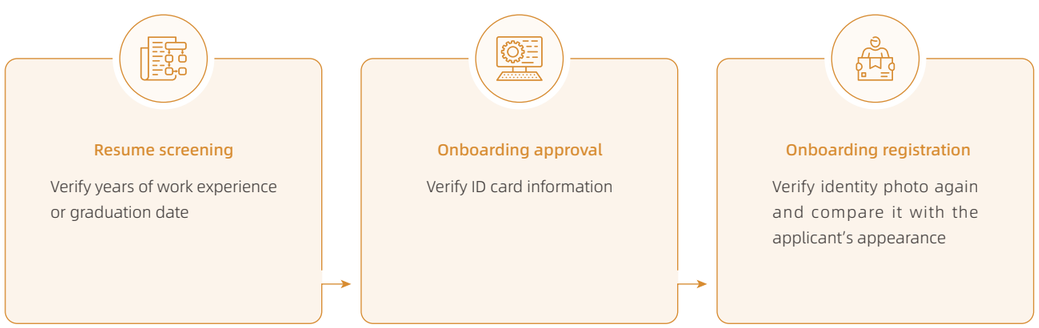
Recruitment Management

To promote the standardization and systemization of human resources management, the Company has formulated systems such as the Measures for Position Qualification Management, the Employee Handbook and the Human Resources Management System to strictly regulate recruitment procedures. The Company adopts diversified recruitment strategies integrating social recruitment and campus recruitment, as well as online and offline channels, to attract outstanding talent in an all-round manner and build a talent pipeline covering various professional fields and levels, thereby injecting innovation momentum into the Company's sustainable development.



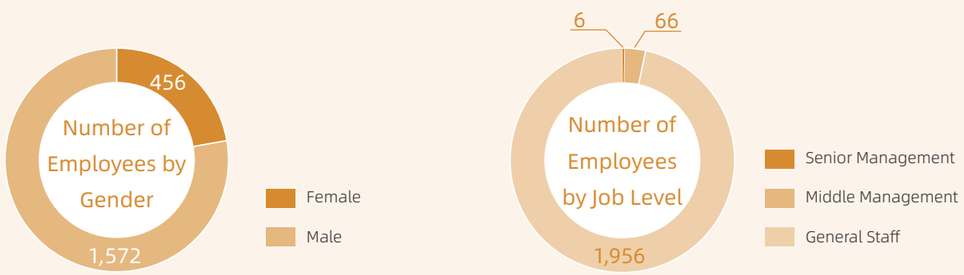
Recruitment Channels and Methods

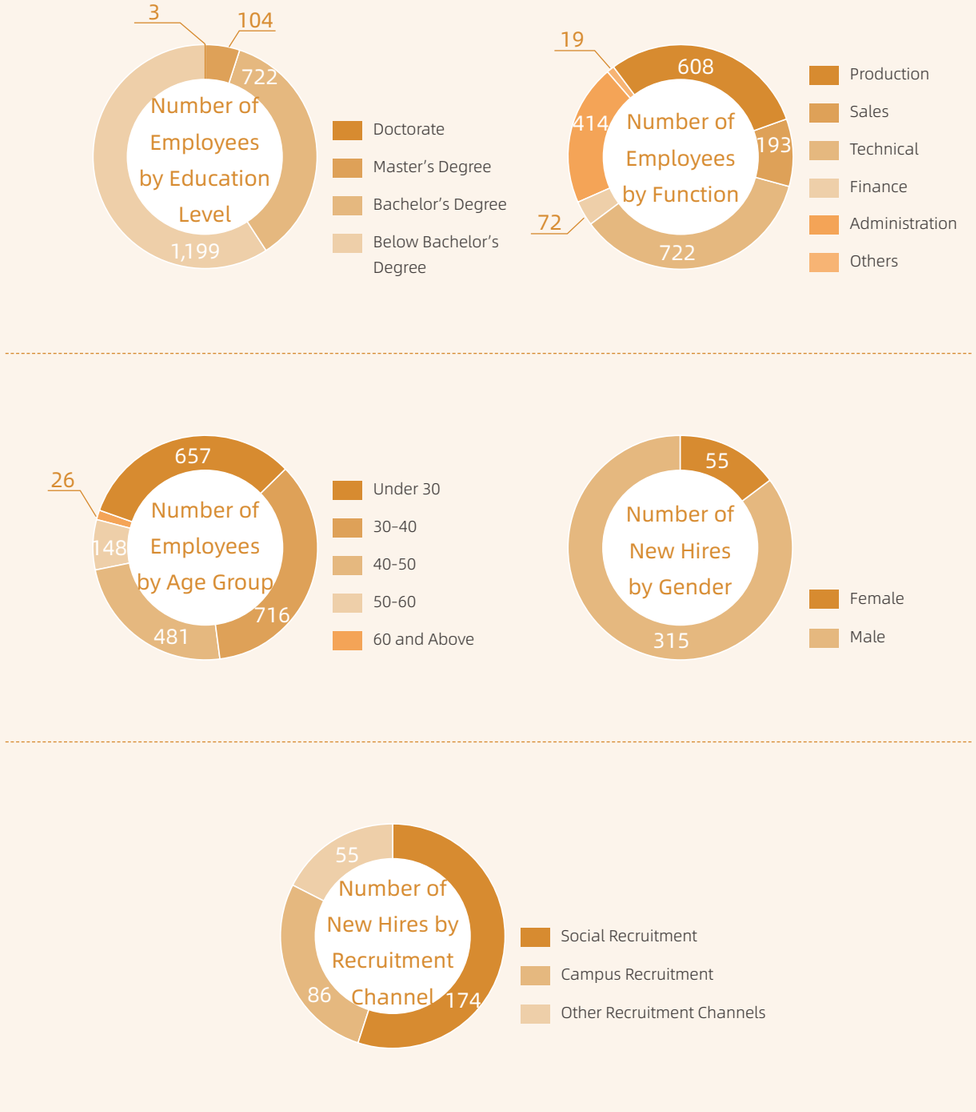
Adhering to the principles of openness, fairness and impartiality in recruitment, the Company firmly eliminates employment discrimination arising from gender, age, marital status, region or religious belief, strictly implements equal pay for equal work for men and women, and does not refuse to employ women or raise hiring standards on the basis of gender. The Company strictly prohibits all forms of forced labor and prevents the mistaken recruitment of child labor through rigorous review mechanisms. During the Reporting Period, no incidents of child labor or forced labor occurred.



If employees encounter discrimination, they may report it in writing or orally to their immediate supervisor or the General Manager's Office. Upon receiving such feedback, the General Manager's Office will assign dedicated personnel to conduct an investigation and provide a reply within 2 working days after the investigation is completed, so as to effectively protect employees' legitimate rights and interests.

Key Indicator	Unit	2024	2025
Employee Labor Contract Signing Rate	%	100	100
Child Labor Incidents	Cases	0	0
Forced Labor Complaints	Cases	0	0
Labor Discrimination Incidents	Cases	0	0
Total Employees	Persons	2,073	2,028
Employees with Disabilities	Persons	17	19
Ethnic Minority Employees	Persons	80	90
Ethnic Minority Employees in Management	Persons	2	8
New Hires	Persons	551	370





Protection of Women's Rights and Interests

The Company demonstrates its respect for and strong support of female employees through concrete actions, comprehensively establishing a maternity insurance system and providing comprehensive and multi-level care and protection during maternity periods. On each International Women's Day, the Company organizes dedicated activities for female employees, enabling every female employee to truly feel the warmth and care of a family, which fully reflects the Company's emphasis on safeguarding women's rights and interests and its people-oriented corporate culture.

Case International Women's Day

On March 8, 2025, Lingnan Cable organized the "Warm Care for Goddess Day" event and prepared a food gathering for female employees, creating a warm and joyful atmosphere on site. The event conveyed the Company's care, enhanced team belonging and cohesion, and received positive feedback.



"Group photo of the "Warm Care for Goddess Day" event

Indicator	Unit	2024	2025
Proportion of Women Among Management Personnel	%	23.66	24.82
Proportion of Women in STEM-Related Positions	%	13.03	12.47
Proportion of Female Managers in Revenue-Generating Departments	%	25	17.10
Number of Employees on Maternity Leave	Persons	23	16
Return-to-Work Rate of Employees on Maternity Leave	%	95.65	87.50
Number of Employees on Parental Leave	Persons	23	16
Return-to-Work Rate of Employees on Parental Leave	%	100	100

Compensation and Benefits

To meet the needs of the Company's development, realize standardized and scientific compensation management, and fully stimulate employees' enthusiasm and creativity, the Company has formulated the Compensation Management Measures based on the principle of balancing internal fairness and external competitiveness. On this basis, the Company has established a diversified distribution mechanism that combines long-term and short-term incentives and deeply integrates compensation management with job grading management. At the same time, taking into account the unique nature of different job sequences, the Company implements differentiated compensation structures to ensure the rationality and effectiveness of its compensation system.

Compensation System	Applicable Targets	Compensation Structure
Performance-based annual salary system	Management (M), Professional (P)	Basic annual salary + monthly performance bonus + annual performance bonus + other incentives
Commission-based wage system	Marketing (S)	Basic salary + performance pay + business incentives
Piece-rate wage system	Operational (O)	Basic salary + overtime pay + piece-rate pay

The Company is always committed to continuously improving its performance appraisal and evaluation mechanism, comprehensively applying a variety of methods combining monthly, quarterly, annual and ad hoc assessments, fully leveraging the positive functions of assessment in management, supervision, guidance, education, motivation and support, realizing the scientific, reasonable and efficient allocation of resources, effectively stimulating employees' intrinsic motivation to improve their capabilities, and promoting the common growth of employees and the Company.

At the same time, to protect employees' rights and interests, the Company has established smooth communication and feedback channels. If employees have any objection to performance results, they may raise a performance appeal through face-to-face communication with their department heads, and the Company ensures that related issues are resolved in a timely and appropriate manner.

Performance Appraisal Methods

- Decompose key assessment indicators for each department based on the Company's business objectives
- Department heads further decompose phased goals, assessment indicators and the Job Description into employees' individual key performance indicators
- Departments comprehensively evaluate employees' completion of key performance indicators during the assessment period in terms of quantity, quality and work performance
- The Human Resources Department provides corresponding assessment forms, while the employing department may formulate the content and weighting of assessment indicators

The Company has established a sound welfare system to comprehensively protect employee well-being.

Statutory benefits

Statutory holidays, paid annual leave, social insurance, housing provident fund, marriage leave, maternity leave, paternity leave, bereavement leave, high-temperature allowance

Standard benefits

Health check-ups, meal subsidies, shuttle buses, employee dormitories, Women's Day gifts, traditional holiday greetings

Exclusive benefits

Personal accident commercial insurance, communication expenses

Indicator	Unit	2024	2025
Social Insurance Coverage Rate	%	100	100
Employee Benefits Expenditure	RMB '0000	5,398	5,666.84
Average Days of Paid Annual Leave per Employee	Days	5.18	5.70
Proportion of Employees Regularly Receiving Performance and Career Development Assessments	%	100	100

Employee Care

The labor union earnestly fulfills its primary responsibility for supporting employees in need by regularly conducting in-depth surveys on employees' living conditions and establishing dynamically updated files for employees facing difficulties to ensure precise and real-time information. In addition, the labor union has set up convenient channels to directly accept assistance applications and provide timely, practical care and support for employees in need. The Company also actively plans and organizes a wide range of colorful activities to further enrich employees' spare-time life.

Case Opening Basketball Match at the Yonghe Industrial Park of Zhiguang Energy Storage

On September 9, 2025, the basketball court at the Yonghe Industrial Park of Zhiguang Energy Storage was officially unveiled. The event featured an exciting match between the "Rising Star Team" formed by the Manufacturing Center and the "Brighter Team" formed by the R&D Center. The completion of the basketball court has created a new space for employees to release their vitality and strengthen team cohesion, fully demonstrating the Company's emphasis on employees' cultural and sports life and helping foster a positive corporate culture.





Zhiguang Energy Storage basketball match

Case Dragon Boat Festival Tug-of-War Competition

On the Dragon Boat Festival in 2025, Lingnan Cable and Zhiguang Energy Storage organized tug-of-war competitions for all employees, with active participation from various departments. The lively atmosphere on site demonstrated the spirit of teamwork and enhanced employees' collective sense of belonging and team cohesion.





Tug-of-war competition site

Case "Recalling Military Years and Forging Corporate Responsibility" Army Day Theme Event

During the Army Day in 2025, Lingnan Cable organized a symposium for veterans, where former soldiers shared their military stories, revisited memorable years, passed on the military spirit, and strengthened employees' patriotism.



Group photo of the Army Day theme event

Case Mid-Autumn Festival Garden Party with the Theme "Full Moon, National Celebration, Gathering in Lingnan"

During the Mid-Autumn Festival in 2025, Lingnan Cable held a themed garden party featuring team games, a fair, a barbecue party and a lucky draw. Integrating cultural experience with team care, the event created a warm atmosphere and received favorable comments from employees and their families.





On-site photo of the themed Mid-Autumn Festival garden party

Democratic Management

The Company attaches importance to democratic management, provides employees with diversified communication channels, and strives to create harmonious, friendly and candid interpersonal and communication atmospheres, with the aim of promoting joint progress and common development among the Company, its departments and employees.

Employee Communication Channels

Human Resources Department	The Human Resources Department has established employee relations responsibilities to collect and handle employees' ideas, opinions and suggestions, ensure a response within 48 hours on normal working days, and keep employees' identities confidential.
Employee complaint channel	When employees believe their personal interests have been infringed or need to report violations of Company rules by other employees, they may make complaints and reports through the complaint channel.
Rationalization suggestion channel	All employees have the right to make suggestions regarding the Company's operation and management, marketing, R&D and technology, production and manufacturing, quality and other systems. The Company, supervisors and the Human Resources Department evaluate and respond to employees' reasonable suggestions.
Employee satisfaction survey	Employee satisfaction with welfare and benefits, working environment, leadership and management, teamwork, job challenges and promotion opportunities is collected in the form of questionnaires. Based on the survey results, the Company should provide more diversified work projects and more promotion opportunities to motivate employees' development; management formulates targeted plans and policies according to employees' different needs.
Company information release channels	The Company has established multiple information release channels such as internal websites and bulletin boards, through which employees can conveniently and quickly learn about Company management, business development updates and important notices.

Case Putting Employees First and Empowering Development

During the Reporting Period, the Company convened an employees' representative congress to deliberate on annual operating targets and welfare plans. Employee representatives actively offered suggestions, built consensus on development, and promoted win-win outcomes for both the enterprise and employees.



Employees' representative congress

Key Indicators	Unit	2024	2025
Number of Proposals Reviewed and Approved by the Employee Representative Congress/Trade Union	Items	3	4
Proportion of Incumbent Employees Who Are Trade Union Members	%	49.69	74.71
Collective Bargaining Agreement Coverage Rate	%	100	100
Number of Employee Complaints Received	Cases	0	0
Employee Satisfaction Rate	%	100	100
Employee Participation Rate in Satisfaction Surveys	%	100	100
Number of Employee Departures	Persons	620	570
Overall Employee Turnover Rate	%	23.02	18.46

Training System

Upholding the belief that talent is the core driving force for sustainable corporate development, the Company has established "Zhiguang Academy" as a learning and growth platform to effectively promote employees' career development and value enhancement. Focusing closely on employees' personalized needs, the platform has carefully established a scientific and systematic graded training system covering new employees, management personnel, technical workers and other groups. At the same time, it provides a rich variety of training programs such as strategy and business guidance, talent cultivation and development, and talent rotation and exchange, thereby comprehensively strengthening the talent foundation for the Company's long-term development.

Zhiguang Academy Organizational Chart

Defined Hierarchical Teams

- Management Team (Business Operation, Grassroots, Middle and Senior Levels)
- Engineer Team
- New Employee Team
- Core Craftsman Team

Multiple Learning Programs

- Strategy and Business
- Talent Cultivation and Development
- Job Rotation and Exchange
- Organize Scientific Research Forces
- Broaden the Horizons of Managers
- Promote Technical and Management Exchanges

Mature Training System

- Organizational Mechanism
- Teaching Staff
- Trainee Management
- Course Management
- Scientific Research Exchange
- Related Resources

Two Major Training Directions

Career:

- Cultivate Occupational Skills
- Cultivate Occupational Qualities
- Cultivate Occupational Behaviors

Profession:

- Cultivate Professional Skills

Case New Employee Induction Training

During the Reporting Period, the Company promoted new employee induction training in four batches. Training conducted for newly hired employees in January and February focused on corporate culture and job skill instruction; March training added practical drill modules on this basis to strengthen practical capabilities; April training was further expanded to include core courses such as quality management; and training for employees who joined in July was held on August 12, during which the blended online and offline teaching model was optimized. Through this layered and progressive training system, the Company helps new employees quickly integrate into the Company, effectively improves their job competence, and injects a continuous stream of new vitality into the Company.





New employee induction training

Case Forklift Driving / Overhead Crane Hoisting Skills Competition

During the Reporting Period, Zhiguang Energy Storage held a forklift driving / overhead crane hoisting skills competition. The competition aimed to comprehensively improve operators' professional skills, strengthen their safety awareness, and ensure safe and standardized operations. Through the form of competition, the Company rigorously tested the standardization and efficiency of employees' operations and promoted improvement in skill levels. The event fostered a positive team atmosphere of mutual learning and striving for excellence, further enhanced employee cohesion, and undertook the important task of selecting outstanding technical talent and setting job benchmarks, thereby establishing learning models for all employees and promoting the improvement of the Company's overall operational standards.

Case Professional Skills Training

During the Reporting Period, Lingnan Cable actively organized multiple professional skills training sessions covering key areas such as cable manufacturing processes, quality inspection and safe operations. Senior industry experts were invited to provide instruction, and through a combination of theoretical explanation and on-site practical operation, employees' professional skill levels were effectively enhanced, laying a solid talent foundation for the Company's high-quality development.



Professional skills training

Key Indicators	Unit	2024	2025
Investment in Employee Training	RMB '0000	47.10	41.47
Number of Training Sessions	Sessions	175	211
Total Number of Employees Trained	Persons	1,479	2,481
Total Training Attendance	Person-times	4,289	5,949
Employee Training Coverage Rate	%	70.20	94
Female	%	76	93
Male	%	68	95
Senior Management	%	100	100
Middle Management	%	100	100
General Employees	%	69	82
Total Training Hourss	Hours	8,807.20	5,289
Average Training Hours per Employee Participating in Management Training	Hours/Person	12	8
Average Training Hours per Employee Participating in Professional Capability Training	Hours/Person	4.25	5
Average Training Hours per Employee Participating in Leadership Training	Hours/Person	20.80	8
Average Training Hours per Employee per Year	Hours/Person	4.18	2.61
Female	Hours/Person	4.18	2
Male	Hours/Person	4.18	3
Senior Management	Hours/Person	12	8
Middle Management	Hours/Person	18.90	8
General Employees	Hours/Person	3.60	1.50

Internal Trainers

The Company places the development of its internal trainer team at the core of its talent development system. By building a high-quality internal trainer team, the Company provides employees with diversified career development paths, ensures that internal training and learning needs are accurately aligned with the Company's strategic development direction, and lays a solid foundation for sustainable development.

Career Development

To improve the employee career development system and open up promotion channels, the Company has formulated the Measures for Job Grade and Position Management, building dual parallel career development paths for management and professional personnel and providing broad room for growth for management staff and professional technical personnel. According to differences in job responsibilities, job categories are divided into four major types: Management (M), Professional (P), Marketing (S) and Operational (O), and promotion standards for each category are clearly defined to provide employees with clear guidance for career development.

Career Development Path

<table>
<tr><th rowspan="2">Job Level</th><th rowspan="2">Class of Position</th><th>M</th><th colspan="2">P</th><th>S</th><th>O</th></tr>
<tr><th>Management</th><th>Professional/ Technical</th><th>Functional</th><th>Marketing</th><th>Operation</th></tr>
<tr><td rowspan="4">Senior</td><td>15</td><td>Chairman</td><td rowspan="4"></td><td rowspan="4"></td><td rowspan="4"></td><td rowspan="4"></td></tr>
<tr><td>14</td><td>Vice Chairman, President</td><td>Chief Scientist</td></tr>
<tr><td>13</td><td>Vice President, Chief Financial Officer, Chief Engineer, Board Secretary</td><td>Scientist</td></tr>
<tr><td>12</td><td>Assistant to the President</td><td rowspan="2">Chief Expert</td></tr>
<tr><td rowspan="3">Middle Manage-ment</td><td>11</td><td rowspan="3">Deputy Chief Engineer, Director, CFO appointed to the Subsidiary</td><td>Business/Sales/Customer General Manager</td></tr>
<tr><td>10</td><td>Expert</td><td>Expert</td><td rowspan="2">Principal Business/Sales/ Customer Director</td></tr>
<tr><td>9</td><td rowspan="2">Manager</td><td rowspan="2">Senior XX Engineer (Level I)</td><td>Business Director</td></tr>
<tr><td rowspan="4">Backbone</td><td>8</td><td rowspan="2">Experienced Senior Specialist</td><td>Senior Business/Sales/Customer Director</td><td rowspan="2">Craftsman</td></tr>
<tr><td>7</td><td rowspan="2">Supervisor</td><td>Senior XX Engineer (Level II)</td><td>Business/Sales/Customer Director</td></tr>
<tr><td>6</td><td>XX Engineer (Level I)</td><td rowspan="2">Senior Specialist</td><td>Principal Business/Sales/ Customer Manager</td><td>Principal Technician</td></tr>
<tr><td>5</td><td rowspan="4"></td><td>XX Engineer (Level II)</td><td>Senior Business/Sales/Customer Manager</td><td>Senior Technician</td></tr>
<tr><td rowspan="4">Entry Level</td><td>4</td><td>Assistant XX Engineer</td><td rowspan="3">Specialist</td><td>Business/Sales/Customer Manager</td><td>Technician</td></tr>
<tr><td>3</td><td rowspan="3">Technician</td><td>Assistant Business/Sales/ Customer Manager</td><td>Senior Worker</td></tr>
<tr><td>2</td><td>Assistant Specialist</td><td rowspan="2"></td><td>Intermediate Worker</td></tr>
<tr><td>1</td><td></td><td></td><td>Junior Worker</td></tr>
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Case Zhiguang Energy Storage Issued the First Batch of Enterprise Vocational Skill Level Certificates

In June 2025, Zhiguang Energy Storage held a ceremony at the Yonghe Industrial Park to issue the first batch of enterprise vocational skill level certificates, marking an important breakthrough in the establishment of its independent evaluation system for skilled talent and injecting strong momentum into the building of a skilled workforce and the high-quality development of the energy storage industry. This certification work precisely focused on key links in energy storage equipment manufacturing and covered five core occupations, namely low-voltage electrical appliance and component assemblers, high-voltage electrical appliance and component assemblers, low-voltage complete equipment assemblers, high-voltage complete equipment assemblers and electricians. The assessment strictly benchmarked national vocational skill standards and adopted a dual-dimension model of "theory + practice." Participating employees stood out through solid professional knowledge and skilled practical operations after rigorous theoretical examinations and practical assessments and successfully obtained corresponding grade certificates.



Vocational skill level certificate awarding ceremony

Key Indicators	Unit	2024	2025
Proportion of Positions Filled Through Internal Transfer or Internal Recruitment	%	14.25	13.42
Number of Employees Participating in Internal Transfer or Internal Application	Persons	81	56
Proportion of Employees Participating in Internal Transfer or Internal Application	%	14.36	13.66

Safeguarding Health and Safety

Zhiguang Electric always adheres to the core principle of putting life first and has established a comprehensive employee health protection system. By continuously optimizing the working environment and improving safety management mechanisms, the Company fully protects employees' physical health and life safety, laying a solid foundation for stable operations and long-term development.

Management System

The Company has established a sound occupational health and safety management system and formulated systems including the Occupational Health, Safety Production and Occupational Disease Prevention Management System and the Management Control Procedure for Hazard Identification and Risk Assessment. At the same time, it has established a safety leadership group headed by the General Manager as the primary responsible person, guiding all departments to jointly promote health and safety management in accordance with standardized and regulated requirements. The Company integrates health and safety management requirements into all aspects of business processes, effectively strengthens the safety production responsibility system, fully implements various safety prevention and control measures, effectively reduces workplace safety hazards, and strives to create a safe, healthy and sustainable working environment for employees.

Subsidiaries of the Company, including Zhiguang Electric Technology, Zhiguang Energy Storage, Zhiyouying and Lingnan Cable, have obtained ISO 45001 Occupational Health and Safety Management System certification.



Zhiguang Electric Technology ISO 45001 Occupational Health and Safety Management System Certification



Zhiguang Energy Storage ISO 45001 Occupational Health and Safety Management System Certification



Zhiyouying ISO 45001 Occupational Health and Safety Management System Certification



Lingnan Cable ISO 45001 Occupational Health and Safety Management System Certification

Safety Production Objectives:

- No fatal or serious personal injury accidents
- No major or extraordinarily serious safety production accidents
- No general accidents caused by human responsibility
- No occupational poisoning or occupational diseases
- No major or above fire accidents
- No traffic safety accidents bearing equal or greater responsibility

Safety Risk Management

The Company has established a comprehensive hierarchical safety risk management and control system and put in place a dual prevention mechanism covering risk classification control and hidden hazard investigation and governance. Through accurate quantitative analysis of accident likelihood, exposure frequency and consequence severity, safety risks are scientifically classified into four levels: major, relatively major, general and low risk, and differentiated control strategies are implemented accordingly. In strict accordance with established cycles, the Company carries out hidden hazard investigation and dynamic risk assessment, achieves closed-loop rectification of hidden hazards, continuously improves and optimizes risk control measures, and ensures that safety hazards are eliminated at an early stage.

In addition, the Company has incorporated emergency drills for safety accidents into routine work, continuously verifies and optimizes the applicability, effectiveness and operability of emergency response plans, and comprehensively enhances all employees' safety awareness and emergency response capabilities, thereby building a solid defense line for safe production.

Case Fire Emergency Drills

During the Reporting Period, the Company and its departments and subsidiaries carried out multiple fire emergency drills.



Fire emergency drills

Case Training for Real Combat and Prevention Before It Happens

On June 19, 2025, Lingnan Cable conducted an emergency drill for mechanical injury accidents. Simulating an injury caused by a falling cable head, the Company activated the emergency response plan and carried out rescue work including treatment of the injured employee and shutdown of equipment. The drill improved all employees' emergency response capabilities, tested the effectiveness of the emergency response plan, and identified problems and formulated improvement measures, thereby providing safeguards for safe production.



Pre-drill mobilization



Scene of employee injury caused by cable head



Rescue site



Post-drill summary

Case Building Defense Through Drills and Safeguarding Safety

On July 21, 2025, Lingnan Cable conducted a crane injury emergency drill. Simulating a scenario in which an employee's finger was pinched by a hook, the Company activated the emergency response plan and carried out rescue work including treatment of the injured employee and shutdown of equipment. The drill improved employees' emergency response capabilities, tested the effectiveness of the emergency response plan, and enhanced employees' safety awareness through communication of accident cases from previous years, thereby providing support for safe production.



Pre-drill mobilization



Drill rescue process



Drill rescue process



Post-drill summary

Case Strengthening the Safety Line and Safeguarding Life

On September 25, 2025, Lingnan Cable successively conducted emergency drills for electric shock accidents and container explosion accidents, simulating real scenarios to test the effectiveness of emergency response plans.



On-site explanation of the electric shock emergency drill



Container explosion emergency drill site





Container explosion emergency drill site

Key Indicators	Unit	2024	2025
Rectification Rate of Hidden Hazard Investigations	%	100	100
Number of Safety Emergency Drills	Sessions	30	26
Investment in Production Safety	RMB '0000	235.39	214.33
Proportion of Production Safety Investment to Operating Revenue	%	0.09	0.08

Improvement of Safety Awareness

The Company systematically carries out safety culture education and comprehensively improves the safety literacy of all employees through 三级 safety education at the Company, department and position levels.



Shanghai Zhiguang – Training for work resumption and production recovery



Zhiguang Energy Storage – Property company training for work resumption and production recovery



Zhiguang Energy Storage – Lithium-ion battery production safety standards training



Zhiguang Energy Storage – Enhanced employee safety knowledge training



Red Cross first-aid training



Zhiguang Energy Storage – Training for work resumption and production recovery



Zhiguang Energy Storage – Ceiling installation training



Zhiguang Energy Storage – Safety training for the energy storage workshop

The Company has set up safety operation instruction boards at key operating positions, installed classified risk notification boards in high-risk areas, and placed hazard warning signs at hazard sources, while conducting regular inspections and maintenance to effectively improve on-site safety management.

Indicator	Unit	2024	2025
Total Investment in Safety Education and Training	RMB '0000	17.53	14.10
Number of Safety Education and Training Sessions	Sessions	314	214
Number of Participants in Safety Education and Training	Person-times	3,155	4,255
Total Hours of Safety Education and Training	Hours	785	847
Coverage Rate of Safety Education and Training	%	100	100
Coverage Rate of Safety Risk Protection Training	%	100	100

Occupational Health Management

The Company strictly complies with relevant laws and regulations such as the Law on the Prevention and Control of Occupational Diseases and has established a three-tier occupational health monitoring system consisting of "daily monitoring, regular testing and special assessment." Dedicated personnel are assigned to daily monitoring and management, occupational health insurance is purchased for employees every year, and employee health data are tracked and risk-assessed through occupational health files, effectively preventing occupational disease hazards and genuinely safeguarding employees' health.

Occupational Health Protection Measures

Noise prevention measures

Earplugs must be worn in noisy areas.

Dust prevention measures

Keep workplaces, transport vehicles and other construction equipment clean.

Labor protection supplies

Personnel missing or lacking labor protection supplies are required to receive supplementary supplies.

Personnel who fail to wear labor protection supplies as required will be criticized and educated and ordered to rectify; those who repeatedly fail to correct their behavior will be subject to penalties such as fines or suspension from work.

Mental health

The Company actively carries out various cultural and recreational activities to effectively relieve employees' fatigue and work pressure, enabling them to work with a good mindset.

It also encourages healthy lifestyles, optimizes living and working environments, and supports employees' hobbies and interests.

Physical examination

The Company organizes occupational health examinations for production personnel every year to promptly prevent and identify potential health problems and comprehensively protect employees' physical health.

Case Occupational Health Examination

Lingnan Cable carefully organizes occupational health examinations for all employees every year. The examination covers both basic health indicator checks and special screening targeting job-related risks, and establishes systematic health records for each employee to provide comprehensive and continuous health protection. By regularly carrying out occupational health examinations, the Company helps employees promptly understand their health conditions and achieve early prevention and early detection of diseases, thereby effectively implementing employee occupational health and safety protection.



Lingnan Cable physical examination site

Indicator	Unit	2024	2025
Certification Rate of Special Operation Personnel	%	100	100
Employee Physical Examination Coverage Rate	%	100	100
Inspection Rate of Occupational Disease Hazard Factors	%	100	100
Number of New Occupational Disease Cases	Cases	0	0
Occupational Disease Incidence Rate	%	0	0

Fulfilling Social Responsibility

Engaging in Public Welfare

Zhiguang Electric never forgets to fulfill its social responsibilities and mission in the course of business development, driving regional economic development, actively participating in charitable activities to give back to society, and promoting harmony in communities and society. The Company has formulated the Administrative System for External Donations, standardizing the fulfillment of social responsibilities and enhancing brand image on the basis of safeguarding shareholder interests.

In addition, the social responsibility management activities involved in the design and manufacture of Lingnan Cable's cross-linked polyethylene insulated power cables with rated voltages of 220kV and below and plastic insulated wires and cables with rated voltages of 0.6/1kV and below have passed social responsibility management system certification.



Lingnan Cable Social Responsibility Management System Certification Certificate

Case Supporting Rural Revitalization and Demonstrating Corporate Responsibility

In 2025, Lingnan Cable actively fulfilled its social responsibilities and carried out a series of public welfare activities. It donated funds to the Nansha District "2025 Rural Revitalization Support" project to support rural revitalization and donated one electric tricycle to the Kangyuan Work Rehabilitation Station in Lanhé Town to care for persons with disabilities. At the same time, together with the labor union, it launched a charitable donation campaign to help colleagues in need overcome difficulties. Through these actions, the Company delivered warmth, demonstrated corporate responsibility, and promoted harmonious social development.



Donation group photo

Facilitating Energy Structure Transformation

On August 19–20, 2025, the 10th Western Energy Storage Forum was successfully held in Hohhot. Zhiguang Energy Storage was invited to attend and delivered a keynote speech entitled Lifecycle Value of Cascaded High-Voltage Energy Storage, providing an in-depth interpretation of the core strategies for maximizing energy storage value under current market conditions and offering the "Zhiguang Solution" for promoting the healthy development of the energy storage industry and market mechanism innovation in western green energy regions.



Keynote speech delivered by the Technical Director of Zhiguang Energy Storage

Case Jointly Building a Benchmark Grid-Forming Energy Storage and Green Power Direct Supply Project with Chuangyuan Metal

In November 2025, the 35kV 91.5MW/366MWh grid-forming cascaded high-voltage energy storage project of Chuangyuan Metal in Tongliao, Inner Mongolia, as the largest installed user-side grid-forming energy storage system in China, adopted Zhiguang Energy Storage's system integration solution and innovatively achieved the world's first black start and synchronization test jointly conducted by a grid-forming cascaded high-voltage energy storage system and a coal-fired generating unit, providing a practical model for energy-intensive enterprises to realize stable power supply and low-carbon development.



Integrated source-grid-load-storage project

Case CHN Energy Qinghai Dachaidan 28.97MW/100MWh Multi-form Hybrid Energy Storage Project

The CHN Energy Qinghai Dachaidan 28.97MW/100MWh multi-form hybrid energy storage project, as China's first grid-forming hybrid energy storage project integrating multiple technologies across wide time scales, incorporates seven cutting-edge technologies including grid-forming cascaded high-voltage energy storage, flywheel, supercapacitor, lithium titanate, sodium-ion, semi-solid-state and all-vanadium redox flow batteries. Among them, the grid-forming cascaded high-voltage energy storage system (23.6MW/94.43MWh) serves as the core component, with single-unit capacity reaching the 100MWh level. The project uses Zhiguang Energy Storage's core product, the cascaded high-voltage energy storage system, to overcome the voltage imbalance problems of traditional energy storage systems.



CHN Energy Qinghai Dachaidan 28.97MW/100MWh Multi-form Hybrid Energy Storage Project

Appendix

Key Performance Indicators

Governance Dimension		
Key Indicators	Unit	2025
Company Open Day Held	Times	6
On-Site Investor Research Visits Received	Times	19
Investor Calls Answered	Times	300+
Communications via Email / Social Media	Times	8
Interactions with Investors on Easy Interaction Platform	Times	89
Cash Dividend per 10 Shares	RMB/10 Shares	0.8
Total Dividends (Tax-Inclusive)	RMB '0000	6,261.63

Environmental Dimension		
Key Indicators	Unit	2025
Total GHG Emissions	tCO_2e	112,744.81
Direct Emissions (Scope 1)	tCO_2e	102,760.60
Indirect Emissions (Scope 2)	tCO_2e	9,984.21
Total Environmental Protection Investment	RMB '0000	127.89
Environmental Protection Tax Paid	RMB '0000	5.18
Environmental Incidents	Cases	0
Environmental Violations	Cases	0
Pollutant Monitoring Compliance Rate	%	100
Environmental Protection Facility Simultaneous Operation Rate	%	100
'Three Simultaneities' Compliance Rate for Construction Projects	%	100
Environmental Training Sessions Conducted	Times	123
Environmental Training Attendees	Person-Times	743
Average Environmental Training Duration	Hours	404.50
Wastewater Discharge VolumeWastewater Discharge Volume	Tons	238,386
Waste Gas Discharge Volume	Tons	113,954

Wastewater Discharge Volume		
Key Indicators	Unit	2025
Waste Gas Pollutant Discharge Volume	Tons	80.12
General Waste Generated	Tons	461.20
General Waste Recycled	Tons	441
General Industrial Solid Waste Disposed Of	Tons	441
General Waste Recycling Rate	%	95.66
Hazardous Waste Generated	Tons	9.65
Hazardous Waste Disposed	Tons	9.65
Hazardous Waste Disposal Rate	%	100
Total Purchased Electricity	kWh	18,816,832
Gasoline	Tons	49.34
Diesel	Tons	48.36
Liquefied Petroleum Gas (LPG)	Tons	4.70
Total energy consumption	tce	46,739.30
Photovoltaic Power Generation	kWh	2,286,080
PV Generation as a Share of Total Energy Consumption	%	31.41
Fresh Water Consumption	Tons	126,311
Municipal Water Purchased	Tons	124,160
Surface Water Withdrawn	Tons	2,151
Total Packaging Materials Used	Tons	158.07
Metal Packaging Materials	Tons	121.54
Plastic Packaging Materials	Tons	18.23
Paper Packaging Materials	Tons	7.57
Wood Packaging Materials	Tons	11

Social Dimension		
Key Indicators	Unit	2025
Investment in R&D	RMB '0000	184,03.50
Percentage of R&D Investment in Operating Income and Its Changes	%	4.81
Number of New Product Development Projects	Items	10
Total R&D Team Members	Persons	497

Social Dimension		
Key Indicators	Unit	2025
Percentage of R&D Personnel	%	24.51
National Specialized, Refined, Distinctive, and Innovative (SRDI) Enterprise	Entities	3
National high-tech enterprises	Entities	14
State-recognized enterprise technology centres	Entities	1
Total Number of Suppliers	Entities	1,532
Total Number of Local Suppliers	Entities	765
Total Number of Domestic Suppliers	Entities	1,035
Number of Overseas Suppliers	Entities	7
Number of Suppliers with Quality Management System Certification	Entities	770
Number of Suppliers with Environmental Management System Certification	Entities	807
Number of Suppliers with Occupational Health and Safety Management System Certification	Entities	744
Supplier Integrity Agreement Signing Rate	%	100
Number of Risk Assessments Conducted	Times	12
Annual Quality Internal Audits	Times	2
Third-Party Sampling Inspections Commissioned	Times	22
Quality Culture Training Attendance	Person-Times	18,665
Total Duration of Quality Culture Training	Hours	27,872
Number of Quality Culture Training Sessions	Times	34
Number of Products Withdrawn and Recalled Due to Health and Safety Reasons	Units	0
Percentage of Products Withdrawn and Recalled Due to Health and Safety Reasons	%	0
Number of Negative Public Opinions About the Company	Times	0
Number of Customer Complaints	Times	23
Number of Customer Complaints Resolved	Cases	23
Number of Customers Participating in Surveys	Persons	407
Proportion of Customers Participating in Surveys	%	62
Number of Valid Customer Satisfaction Questionnaires Distributed	Copies	252
Customer Satisfaction	Score	93
Number of Participants in Responsible Marketing Training	person-time	1,648
Total Duration of Responsible Marketing Training	Hours	77.50
Number of Responsible Marketing Training Sessions	Times	61

Social Dimension		
Key Indicators	Unit	2025
Number of Participants in Special Training on Customer Complaint Response	Person-times	106
Total duration of specialised training on customer complaint response	Hours	3.50
Number of Special Training Sessions on Customer Complaint Response	Times	3
Number of Assessments on Customer Complaint Response	Times	3
Pass Rate of Assessments on Customer Complaint Response	%	100
Number of Incidents of Customer Information Leakage	Cases	0
Losses Resulting from Violations of Relevant Laws and Regulations	RMB '0000	0
Number of Related Training Sessions Conducted	Times	80
Number of Training Participants	person	1,096
Employee Coverage Rate of Training	%	100
Total Investment in Data Security	RMB '0000	260
Employee Labor Contract Signing Rate	%	100
Child Labor Incidents	Cases	0
Forced Labor Complaints	Cases	0
Labor Discrimination Incidents	Cases	0
Total Duration of Employee Diversity Policy Training	Hours	5,289
Total number of employees	Persons	2,028
Employees with Disabilities	Persons	19
Ethnic Minority Employees	Persons	90
Ethnic Minority Employees in Management	Persons	8
New Hires	Persons	370
Proportion of Women Among Management Personnel	%	24.82
Proportion of Women in STEM-Related Positions	%	12.47
Proportion of Female Managers in Revenue-Generating Departments	%	17.10
Number of Employees on Maternity Leave	Persons	16
Return-to-Work Rate of Employees on Maternity Leave	%	87.50
Number of Employees on Parental Leave	Persons	16
Return-to-Work Rate of Employees on Parental Leave	%	100
Social Insurance Coverage Rate	%	100
Employee Benefits Expenditure	RMB '0000	5,666.84

Social Dimension		
Key Indicators	Unit	2025
Average Days of Paid Annual Leave per Employee	day(s)	5.70
Proportion of Employees Regularly Receiving Performance and Career Development Assessments	%	100
Number of Proposals Reviewed and Approved by the Employee Representative Congress/Trade Union	item(s)	4
Proportion of Incumbent Employees Who Are Trade Union Members	%	74.71
Collective Bargaining Agreement Coverage Rate	%	100
Number of Labour Dispute Cases	Cases	1
Number of Employee Complaints Received	Cases	0
Employee Satisfaction Rate	%	100
Employee Participation Rate in Satisfaction Surveys	%	100
Number of Employee Departures	Persons	570
Overall Employee Turnover Rate	%	18.46
Investment in Employee Training	RMB '0000	41.47
Number of Training Sessions	Sessions	211
Total Number of Employees Trained	Persons	2,481
Total Training Attendance	person-time	5,949
Employee Training Coverage Rate	%	94
Female	%	93
Male	%	95
Senior Management	%	100
Middle Management	%	100
General Employees	%	82
Total Training Hours	Hours	5,289
Average Training Hours per Employee Participating in Management Training	Hours/person	8
Average Training Hours per Employee Participating in Professional Capability Training	Hours/person	5
Average Training Hours per Employee Participating in Leadership Training	Hours/person	8
Average Training Hours per Employee per year	Hours/person	2.61
Female	Hours/person	2
Male	Hours/person	3
Senior Management	Hours/person	8
Middle Management	Hours/person	8
General Employees	Hours/person	1.50
Proportion of Positions Filled Through Internal Transfer or Internal Recruitment	%	13.42
Number of Employees Participating in Internal Transfer or Internal Application	Persons	56
Proportion of Employees Participating in Internal Transfer or Internal Application	%	13.66
Rectification Rate of Hidden Hazard Investigations	%	100
Number of Safety Emergency Drills	Sessions	26
Investment in Production Safety	RMB '0000	214.33
Proportion of Production Safety Investment to Operating Revenue	%	0.08
Total Investment in Safety Education and Training	RMB '0000	14.10
Number of Safety Education and Training Sessions	Sessions	214
Number of Participants in Safety Education and Training	Person-Times	4,255
Total Hours of Safety Education and Training	Hours	847
Coverage Rate of Safety Education and Training	%	100
Coverage Rate of Safety Risk Protection Training	%	100
Certification Rate of Special Operation Personnel	%	100
Employee Physical Examination Coverage Rate	%	100
Inspection Rate of Occupational Disease Hazard Factors	%	100
Number of New Occupational Disease Cases	Cases	0
Occupational Disease Incidence Rate	%	0

Index of Indicators

Exchange Disclosure Requirements	Corresponding Section in This Report
Response to Climate Change	Responding to Climate Change
Pollutant Emissions	Strengthening Environmental Management
Waste Management	Strengthening Environmental Management
Ecosystem and Biodiversity Conservation	Protecting Biodiversity
Environmental Compliance Management	Strengthening Environmental Management
Energy Utilization	Improving Resource Utilization
Water Resource Utilization	Improving Resource Utilization
Circular Economy	Improving Resource Utilization
Rural Revitalization	Fulfilling Social Responsibility
Social Contribution	Fulfilling Social Responsibility
Innovation-Driven Development	Deepening R&D and Innovation
Science and Technology Ethics	Not Applicable
Supply Chain Security	Empowering Supply Chain Management
Equal Treatment of Small and Medium-Sized Enterprises	Equal Treatment of Small and Medium-Sized Enterprises
Product and Service Safety and Quality	Safeguarding Product Quality
Data Security and Customer Privacy Protection	Strengthening Data Security
Employees	Protecting Employee Rights and Interests
Due Diligence	Due Diligence
Stakeholder Engagement	Stakeholder Engagement
Anti-Commercial Bribery and Anti-Corruption	Strengthening Compliance Awareness
Anti-Unfair Competition	Anti-Monopoly and Fair Competition

Feedback

Dear Reader:

Thank you for reading the 2025 Environmental, Social and Governance (ESG) Report of Guangzhou Zhiguang Electric Co., Ltd. We place great importance on and sincerely look forward to hearing your feedback on the Company's ESG work and this ESG Report. Your comments and suggestions are a vital reference for us to continuously improve the level of corporate ESG information disclosure and advance the management and practice of sustainable development.

You are welcome to complete the form below and send it to us via email.

1. Your identity in relation to Zhiguang Electric:
☐Government or regulatory authority ☐Shareholder / investor ☐Employee ☐Supplier ☐Customer ☐Customer industry association or research institution ☐Industry association or research institution ☐Public welfare organization or community organization ☐Media ☐Other (please specify)

2. Your overall assessment of the Company's ESG Report:
☐Excellent ☐Good ☐Fair ☐Below Average ☐Poor

3. How do you rate our performance in product responsibility?
☐Excellent ☐Good ☐Fair ☐Below Average ☐Poor

4. How do you rate our performance in environmental stewardship?
☐Excellent ☐Good ☐Fair ☐Below Average ☐Poor

5. How do you rate our performance in environment, safety and occupational health?
☐Excellent ☐Good ☐Fair ☐Below Average ☐Poor

6. How do you rate our performance in employee responsibility?
☐Excellent ☐Good ☐Fair ☐Below Average ☐Poor

7. How do you rate our performance in corporate governance?
☐Excellent ☐Good ☐Fair ☐Below Average ☐Poor

8. Do you have any further suggestions regarding our ESG work and this Report?

Contact Us:

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