



2023

Environmental, Social, and Governance (ESG) Report


89 Ruihe Road, Huangpu District,
Guangzhou


020-83909333


www.gzzg.com.cn

Guangzhou Zhiguang Electric Co., Ltd.
Stock code: 002169

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About the Report

This is the first environmental, social, and governance report (hereinafter referred to as the “ESG Report”) published by Guangzhou Zhiguang Electric Co., Ltd. (referred to as “Zhiguang Electric”, the “Company” and “we/us”). The report discloses in detail the Company’s ESG practices and performance for the year 2023 based on the principles of objectivity, standardisation, transparency and comprehensiveness.

Reporting Scope

This report covers Guangzhou Zhiguang Electric Co., Ltd., its subsidiaries and joint stock companies. Unless otherwise specified, the scope is consistent with that of the Company’s Annual Report.

Time Range

This report covers the period from January 1, 2023 to December 31, 2023 (referred to as the “reporting period”), with part of the content tracing back to previous years or having forward-looking descriptions to enhance the comparability and forward-looking nature. The report is published annually in line with the financial year.

Preparation Basis

- The *Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 17 - Sustainability Report* (2023 version) released by the Shenzhen Stock Exchange.
- CASS (Chinese Academy of Social Science) Guidelines for Preparing Social Responsibility Report in Chinese Enterprises (5.0)
- Sustainability Reporting Standards (2021 version) released by the Global Reporting Initiative (GRI)
- United Nations 2030 Sustainable Development Goals (SDGs)

Data Specification

The data shown in the report include the original data of the Company’s daily operations, public data from government departments, annual financial data, relevant internal statistical reports, questionnaires and interviews from third parties. The currency in this report is shown in CNY. In case of any discrepancy between the Annual Report and the ESG Report, the former shall prevail.

Appellation Description

Appellation	Interpretation
Zhiguang Electric, We, Company	Guangzhou Zhiguang Electric Co., Ltd.
Zhiguang Electric Technology	Guangzhou Zhiguang Electric Technology Co., Ltd., a wholly-owned subsidiary of Zhiguang Electric
Lingnan Cable	Guangzhou Lingnan Cable Co., Ltd., a wholly-owned subsidiary of Zhiguang Electric

Zhiguang Integrated Energy	Guangdong Zhiguang Integrated Energy Co., Ltd. (former name: Guangdong Zhiguang Electricity Utilization Investment Co., Ltd.), a wholly-owned subsidiary of Zhiguang Electric
Zhiguang Equity Investment	Guangzhou Zhiguang Private Equity Investment Fund Management Co., Ltd., a wholly-owned subsidiary of Zhiguang Electric
Shanghai Zhiguang	Shanghai Zhiguang Electric Power Technology Co., Ltd., a wholly-owned subsidiary of Zhiguang Electric
Zhiguang Energy Storage	Guangzhou Zhiguang Energy Storage Technology Co., Ltd., a subsidiary of Zhiguang Electric
Zhiguang Automation	Guangzhou Zhiguang Automation Co., Ltd., a subsidiary of Zhiguang Electric
Zhiguang Econ	Hangzhou Zhiguang Econ Technology Co., Ltd., a subsidiary of Zhiguang Electric
Knowledge City Zhiguang Hengyun	Knowledge City Zhiguang Hengyun (Guangzhou) Integrated Energy Investment and Operation Co., Ltd., a subsidiary of Zhiguang Electric
Zhiguang Energy Conservation and Environmental Protection	Guangzhou Zhiguang Energy Conservation and Environmental Protection Co., Ltd. (former name: Guangzhou Zhiguang Energy Conservation Co., Ltd.), a wholly-owned subsidiary of Zhiguang Integrated Energy
Huayue Power	Guangzhou Huayue Power Engineering Design Co., Ltd., a subsidiary of Zhiguang Integrated Energy
Zhiyouying	Guangdong Zhiyouying Energy Technology Co., Ltd., a wholly-owned subsidiary of Zhiguang Integrated Energy
Chengdu Zhiguang	Chengdu Zhiguang New Energy Co., Ltd. (former name: Pujiang Gerun Energy Co., Ltd.), a wholly-owned subsidiary of Zhiguang Energy Conservation and Environmental Protection

Access to Report

This report is presented in electronic versions in both the Company’s (www.gzzg.com.cn) and the SZSE’s (www.szse.cn) official website, where you are able to download the report and get more information. Chinese version and English version are available. In case of conflicts between the two languages, the Chinese version shall take precedence. If you have any questions or suggestions about the report, you are welcome to send an E-mail to sec@gzzg.com.cn or call 020-83909333.

Feedback

Should you have any insights or recommendations pertaining to the sustainable development of us, we cordially invite you to share your opinions through the following ways.

Securities Service Hotline: 020-83909333/020-83909300
 Fax: 020-83909222
 Website: www.gzzg.com.cn

E-mail: sec@gzzg.com.cn
 Mailing address: No.89, Ruihe Road, Huangpu District, Guangzhou City, Guangdong Province

Message from the Chairman



2023 is a milestone in the history of global energy development: the 28th United Nations Climate Change Conference (COP28) was successfully held, with an agreement on the targets of energy transformation and climate control among participating countries. The scale of new energy construction in major countries reached a new high, promoting the construction and upgrading of power grids. Various AI models emerged, and the huge computing power required has triggered the thinking of leading enterprises on energy support... New energy storage has become a hot issue that conforms to the globalization. Zhiguang Electric has always adhered to the philosophy of “helping customers use energy safely, economically, and comfortably”, and continuously promotes technological progress in the fields of power electronic equipment, industrial energy conservation, digital technology and application, energy storage, and integrated energy service, constantly improves the level of customer service, firmly seizes the opportunity of the era of pursuing sustainable development, and digs into several areas such as smart energy, quality improvement, employee care, and technological innovation while taking firm steps to become a leading company for the eco-friendly, efficient, harmonizing actions.

We attach great importance to compliance, with governance taking the lead

We place significant emphasis on our governance standards, internalizing relevant laws and regulations, and taking them into actions. We have built a solid company system for the future development through the support of compliance training and internal management. At the same time, we keep in close communication with investors, continuously improve the standardized level of information disclosure, and protect the interests of the medium and small investors.

We understand the importance of innovation, with quality services provided all the time.

We regard innovative R&D as the source to enhance core competitiveness. Possessing the cutting-edge technology in the industry, we integrate advanced technology into product design and manufacturing and constantly improve the market competitiveness and industry influence of our products. We are committed to providing customers with excellent service experience, and as a guide, constantly optimize the product and service system.

We adhere to the original aspiration of environmental protection, with continuous energy-saving measures implemented.

Focusing on the “dual carbon” goals (China strives to achieve carbon peaking before 2030 and carbon neutrality before 2060), we continue to optimize our environmental management system while actively exploring new modes of energy use which are efficient and energy-saving. Under the active guidance of the policy, we comprehensively promote the development of energy-saving businesses and actively seek technical transformation for saving energy and decreasing carbon, committing to improving the efficiency of energy use and realizing sustainable development. Today, the products and services provided by us can save 36.4 billion kWh of electricity for the country every year, reduce carbon emissions by 34.5 billion kilograms, and save 14.56 million tons of standard coal. With practical actions, we are practicing the concept of green development and contribute to promoting sustainable development.

We build a talent pool, with multiple cooperation carried out.

We regard talents as the most precious asset, and constantly improve the professional literacy and comprehensive abilities of employees by communicating with them and providing training opportunities. We pay attention to the physical and mental health of our employees and take effective measures to ensure their safety and health, actively organize colorful activities to create a warm and harmonious atmosphere, and build a better working and living environment.

Looking ahead, we will continue to uphold the spirit of “innovation, responsibility, unity, perseverance”, seize the opportunity of national energy transformation, continue to focus on integrated energy, power electronics, digital technology and its application, with the large-scale of energy storage as the key point, continuously strengthen the core businesses of the new power system, assist the transformation and upgrading of the energy structure, and actively promote the development of the energy industry. We will lead the industrial development with scientific and technological innovation and build a leading enterprise in digital energy technology and integrated energy service following the “dual carbon” goals. We will greet the opportunities and challenges in the future with firm belief and full enthusiasm, ride the wind and waves, move forward bravely, together with domestic and foreign partners to create a glorious future!

Chairman of the board: Li Yongxi



About Zhiguang Electric

Company Profile

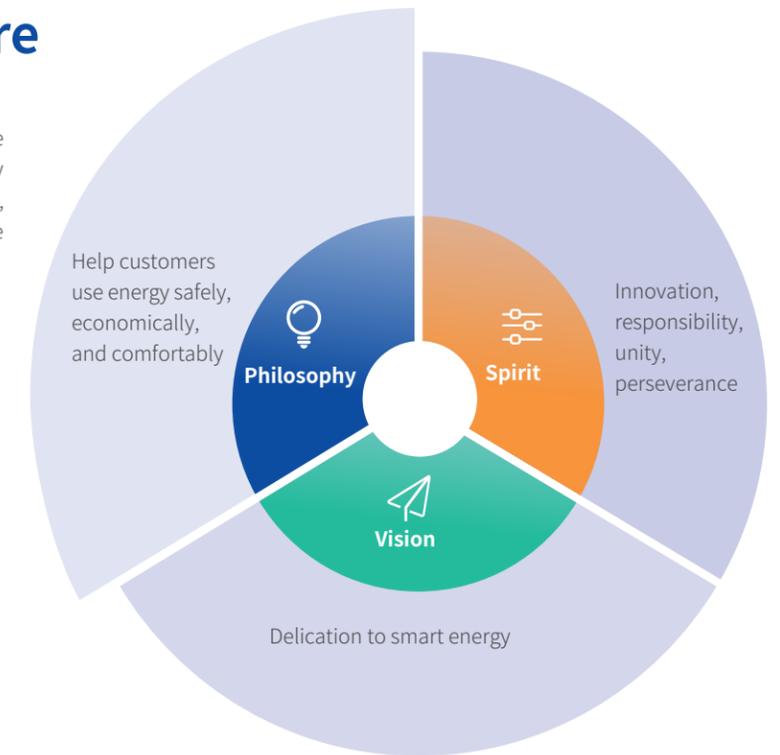
Zhiguang Electric was founded on April 9, 1999, with its headquarters located in Guangzhou. It was listed on the Shenzhen Stock Exchange (hereinafter referred to as the SZSE) on September 19, 2007 (stock code: 002169), and has several wholly-owned or holding subsidiaries. The Company adheres to the philosophy of “help customers use energy safely, economically and comfortably”, has been focusing on energy technology for more than 20 years. Its core businesses include digital energy technologies and products, integrated energy services, and investment in the related field. Through technological innovation, service innovation, business model innovation and capital operation, the Company builds a multi-level operation structure and an open business platform to create a leading enterprise in digital energy technology and integrated energy service following the new development concept of the “dual carbon” goals.

By the end of 2023, the Company has provided products and services to more than 4,000 customers in over 40 countries and regions around the world. It can save 36.4 billion kWh of electricity for the country every year, reduce carbon emission by 3.45 billion kilograms, and save 14.56 million tons of standard coal. Through the research and application of various innovative technologies, the Company is fully committed to supporting the global energy transition and modernization in a green and low-carbon manner.



Corporate Culture

After more than twenty years of stable operation, Zhiguang Electric has gradually accumulated and formed a unique vision, mission and values that fit the future development of the company.





History

1999

On April 9, 1999, Zhiguang Electric was founded by scientific researchers from Guangdong Provincial Electric Power Industry Bureau Experimental Research Institute, dedicated to the research and application of digital power system technology, taking the first step towards becoming 'a pursuer and advocator of smart energy'.

2001

Digital energy equipment: in July, substation Neutral Grounding Line Selection Technology-High Short-circuit Impedance Transformer Type Arc Suppressing Coil (KD-XH) was successfully developed.

Industry-university-research cooperation: Cooperated with Tsinghua University to research and develop high-voltage cascade technology.

2002

Digital energy: in February, Guangzhou Zhiguang Power Electronics Co., Ltd. (now renamed Guangzhou Zhiguang Electric Technology Co., Ltd) was founded.

2004

Digital energy equipment: in December, the first outdoor ZINVERT High-voltage Variable-frequency Speed-regulating System in China was put into network operation.

2006

Digital energy: in May, Hangzhou Zhiguang Econ Technology Co., Ltd was founded.

2007

On September 19, 2007, the Company was successfully listed on the SME Board of Shenzhen Stock Exchange. The business scope covered smart grid, industrial energy-saving technologies, renewable energy access and control technology.

2017

Guangzhou Zhiguang Energy Conservation and Environmental Protection Co., Ltd was awarded the '2016 National Energy Conservation Service Company Top 100 List Third Place, Electric Power Industry First Place', 'Twelfth Five-Year Plan' Energy Conservation Service Industry Outstanding Contribution Award, National Energy Conservation Service Company Comprehensive Ability 5A Highest Grade Evaluation, 2016 Guangzhou Industry Leader. Grade Evaluation, 2016 Guangzhou City Industry Leading Enterprise and other honours and titles, and was identified as 'National Industrial Demand Side Management of Electricity Level 1 Service Organisation'.

2016

Integrated energy: In November, completed the equity acquisition of Guangzhou Huayue Power Engineering Design Co., Ltd.

In December, Zhiguang Integrated Energy Industrial Park was completed, and the Corporate Headquarters was relocated from Yunpu Base to Integrated Energy Industrial Park.

Platform: Built an "electricity service + laboratory + industrial Internet" platform

2015

Digital energy: in November, acquired Guangzhou Lingnan Cable Co., Ltd.

2014

In April, the energy-saving transformation project of thermal power unit electric feed water pump undertaken by the company was put into operation, and domestic high-power frequency conversion was successfully applied in thermal power unit electric feed pump for the first time. The project passed the appraisal of scientific and technological achievements by the expert group of CLP, reaching the international advanced level.

In September, the world's first Cascade-type High-voltage (10kV) Transformerless Power Conversion System (PCS) was put into network operation.

Integrated energy: on November 18, 2014, Guangdong Zhiguang Electricity Investment Co., Ltd was founded to build an investment platform for electricity service.

2013

In April, Zhiguang carried out cooperation in energy storage technology research (the National 863 Scientific Research Project) with China Southern Power Grid.

In August, Zhiguang's Postdoctoral Research Workstation was approved by the state for establishment.

2012

Digital energy equipment: in July, Static Var Generator (SVG) products were put into operation in the wind farm with the highest altitude in China.

2010

Integrated energy: On May 18, 2010, Guangzhou Zhiguang Energy Conservation and Environmental Protection Co., Ltd was established and awarded as the first 'Energy Conservation Service Industry Demonstration Base' in China.

2018

Digital energy: on February 2, 2018, Guangzhou Zhiguang Energy Storage Technology Co., Ltd was founded to start the business expansion scheme of the energy storage.

On November 28, 2018, Zhiguang Research Institute (Guangzhou) Co., Ltd was founded.

2019

In September, the Guangdong Provincial Development and Reform Commission approved to form Guangdong Provincial High Power Electronics Technology Engineering Laboratory.

In December, the Company was selected as the '2019 Pilot Demonstration Project for the Integration and Development of Manufacturing and the Internet'.

2020

In July, established Zhiguang Equity Investment Company as an industrial and strategic investment platform.

In December, the energy storage project of Zhiguang Energy Storage Shunde

Desheng Power Plant was selected as "The First Batch of Pilot Demonstration Projects of Science and Technology Innovation (Energy Storage) by National Energy Administration".

2021

On May 28, 2021, invested in the establishment of Zhiguang Hengyun (Guangzhou) Integrated Energy Investment and Operation Co., Ltd. in the Knowledge City to promote the construction of the Sino-Singapore Guangzhou Knowledge City as "Demonstration Zone for The Comprehensive Utilisation of Renewable Energy".

2022

In May, the Company adjusted and focused on its business, established Digital Energy Technology Division and Integrated Energy Services Division.

In July, with the jointly effort of Zhiguang Electric, Huaneng Clean Energy Research Institute, and other institutions, the new product of the world's largest single-capacity Cascaded 35kV High-voltage Transformerless Large-capacity Energy Storage System officially launched (20MW/40MWh).

2023

In January, the International Business Division was established to develop overseas business.

In March, according to the Energy Storage Leaders Alliance, the Company ranked eighth globally in terms of high-power PCS (30kW and above) shipments in energy storage among Chinese enterprises in 2022.

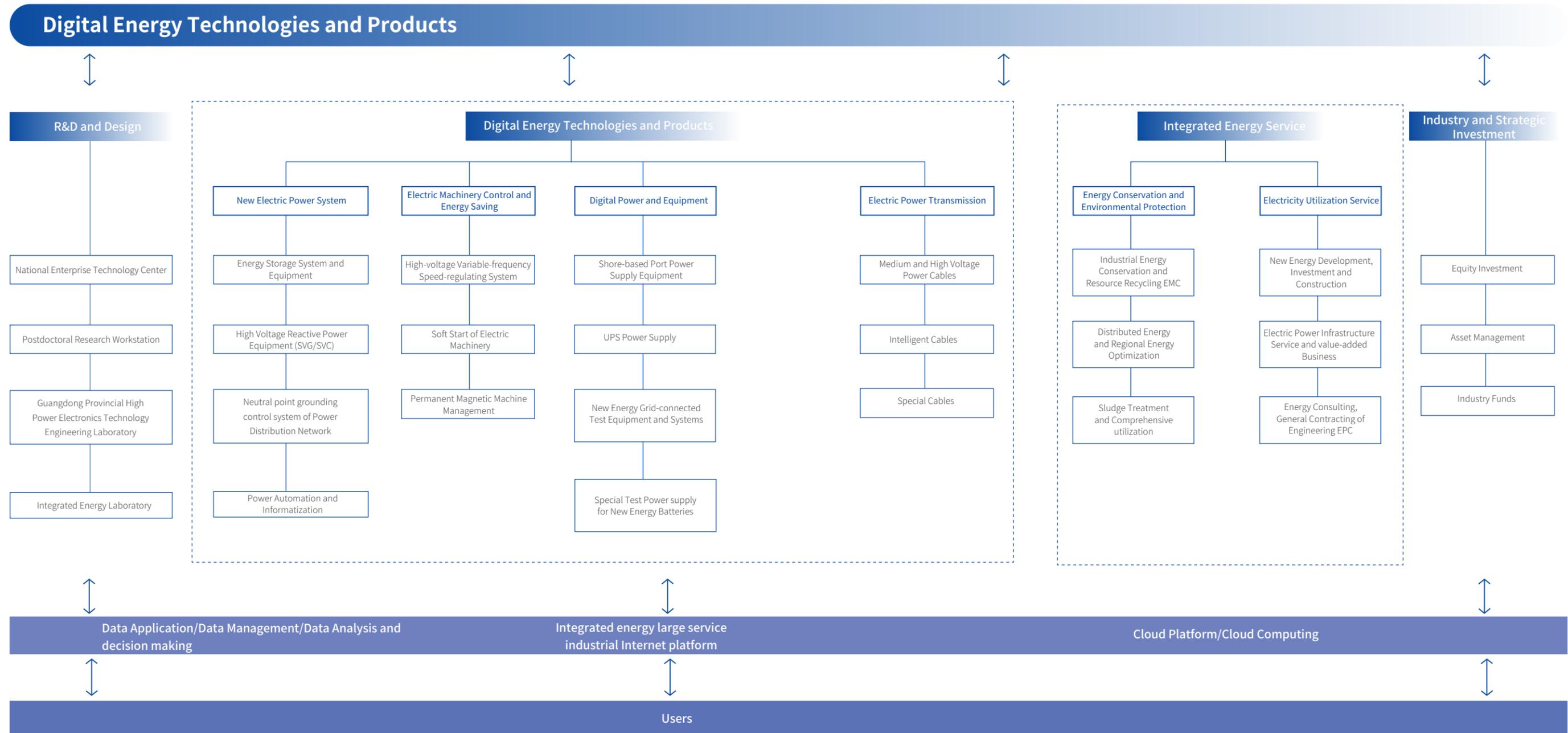
In April, the largest domestic Coal-fired Power Plant Thermal Storage joint Cascaded High-voltage Energy Storage Project (60MW/60MWh) was formally put into operation at Taishan Power Plant of CHN Energy.

In September, the world's largest single-unit capacity cascaded high-voltage direct-hanging 35kV 25MVA/40MWh energy storage system was successfully put into production.



Business

The core businesses of Zhiguang Electric include digital energy technologies and products, integrated energy services, and industry and strategic investment in energy technologies and services.





Digital Energy

Zhiguang Energy Storage

Founded in 2018, Guangzhou Zhiguang Energy Storage Technology Co., Ltd. is a subsidiary of Zhiguang Electric, which is an important layout of Zhiguang Electric in the field of digital energy technology and integrated energy service. The company has fully utilized the research and application experience of more than 20 years of power electronics technology, automation and informatization technology, and smart energy technology of the parent company to build a professional research team in the fields of cascaded PCS, BMS, EMS, and battery PACK technology research and production. The company is the advocate and leader of cascaded high-voltage and large-capacity energy storage technology in the field of global electrochemical energy storage.

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

Zhiguang Electric

Founded in 2002, Guangzhou Zhiguang Electric Technology Co., Ltd. is a wholly-owned subsidiary subsidiary of Zhiguang Electric and a core member in the direction of strategic development of integrated energy technologies and services, specialising in flexible power technology research. Since its establishment, the company has focused on high-power power electronics as the core technology of electrical control equipment technology research in smart grid, distributed microgrid, energy storage PCS, electric machinery control and energy saving, Electrical power quality control, advanced power supply technology and other areas of technical research and industrial applications.

The main products of the company include neutral point grounding device of Power distribution network, intelligent High-voltage Variable-frequency Speed-regulating System, energy storage PCS systems, static Var generator(SVG), intelligent ship shore power systems, new energy grid-connected test vehicles, high/low voltage power quality control products and large industrial intelligent UPS, etc.



Lingnan Cable

Founded in 1995, Guangzhou Lingnan Cable Co., Ltd. is a wholly-owned subsidiary of Zhiguang Electric, and a high-tech enterprise. The company has more than 20 years of experience in professional research and 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 fields of power systems, rail transit, household and civilian use, major projects, etc. to operate safely and develop steadily. It is a well-known cable brand in South China.

The company's main products include 500kV and below cross-linked polyethylene insulated cable, plastic insulated power and control cable, as well as special products such as environmentally friendly anti-termite cables, low smoke zero halogen cable, distributed temperature sensing cable, intelligent photoelectric composite cable, and water-tree-resistant cable.

Zhiguang Automation

Founded in 2011, Guangzhou Zhiguang Automation Co., Ltd. is a high-tech and high-growth enterprise in the field of automation controlled by Zhiguang Electric. It is specialized in the research and development, production and system integration of software and hardware for electric power automation and informatization of industrial enterprises, city halls or buildings, and fire fighting systems of energy storage power stations.

The company possesses five major series of core technologies and products, including high and low voltage computer integrated protection, low voltage motor protection, measurement and control instruments, electric leakage and fire power supply monitoring equipment, and integrated data platform management system for transparent power usage, and has obtained a number of technological invention and utility model patents.

Zhiguang Econ

Founded in 2006, Hangzhou Zhiguang Econ Technology Co., Ltd. is a leading integrated information service provider in the field of smart energy and smart grid, controlled by Zhiguang Electric. The company is a national high-tech enterprise and Zhejiang software enterprise, has an excellent quality management system for software development, products and technical services, and has passed ISO 9001 quality management certification and CMMI (Capability Maturity Model Integration) three-level certification.



Integrated energy service

Zhiguang Integrated Energy

Founded in 2014, Guangdong Zhiguang Integrated Energy Co., Ltd. closely adheres to the vision of “dual carbon” goals, focuses on integrated energy technologies and services, and builds a networked power consumption service system with an innovative business model, provides one-stop services for integrated energy investment, energy-saving transformation, energy efficiency monitoring, distributed energy resources, and energy storage for large and medium-sized users in power, building materials, metallurgy, municipal, energy and other industries, and has become a one-stop integrated energy technology and service solution provider trusted by customers.

Zhiguang Energy Conservation and Environmental Protection

Founded in 2010, Guangzhou Zhiguang Energy Conservation and Environmental Protection Co, Ltd. is a large-scale integrated energy conservation service provider 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. It is committed to providing one-stop services for energy conservation transformation for large and medium-sized enterprise majoring in electric power, building materials, metallurgy, petroleum, and coal, creates an overall plan for industrial energy conservation and efficiency improvement, continuously explores and extends, strengthens business synergy and linkage, implements the strategy of “energy conservation + environmental protection”, takes garbage treatment and sludge disposal as the breakthrough, going deep into the field of environmental protection, and accelerates the transformation and upgrading of the company.

Huayue Electric Power

Guangzhou Huayue Electric Power Engineering Design Co., Ltd. is a subsidiary of Zhiguang Electric, and it is a high-tech enterprise dedicated to the business of power and integrated energy engineering consultation, design, and general contracting. The company has Class B design qualifications for (thermal power generation, wind power, new energy, power transmission, and substation) engineering design, Class B qualifications for engineering investigation (surveying specialty), and thermal power and new energy consultation qualifications.

The company has a professional and fully-equipped engineering and technical team with relatively strong comprehensive strength, which can provide customers with the whole process of energy services on the “power generation, power grid, and customer use” : including traditional thermal power generation, waste heat power generation, natural gas combined cooling, heating and power supply, large-scale wind/solar power stations, 220kV and below main and distribution networks, user distribution projects, as well as integrated energy services such as power generation /user energy storage, distributed photovoltaic, charging stations, cold storage, etc.

Zhiyouying

Guangdong Zhiyouying Energy Technology Co., Ltd. was founded in 2015. Based on the intelligent power consumption service cloud platform with the core of integrated analysis and processing of cloud data, relying on the innovative concept of the “Internet plus” , through online power consumption information collection, intelligent data analysis and offline operation and maintenance services, it provides customers with systematic, professional and standardized electrical equipment operation and maintenance services and power consumption information services, with a brand-new power consumption service model, provides excellent intelligent power consumption integrated solutions to large industrial enterprises, industrial parks, commercial complexes, public buildings, and schools, etc.

Participating in trade associations

Association	Participant	position
China Energy Research Society	Guangzhou Zhiguang Electric Co., Ltd.	Member
Chinese Society for Electrical Engineering	Guangzhou Zhiguang Electric Co., Ltd.	Member
Guangdong Listed Companies Association	Guangzhou Zhiguang Electric Co., Ltd.	Member
Guangdong High-Tech Enterprise Association	Guangzhou Zhiguang Electric Co., Ltd.	Member
Guangdong International Chamber of Commerce	Guangzhou Zhiguang Electric Co., Ltd.	Member
Guangdong Electric Power Industry Association	Guangzhou Zhiguang Electric Co., Ltd.	Member
Guangzhou Semiconductor Association	Guangzhou Zhiguang Electric Co., Ltd.	Member
Guangzhou Huangpu District Industrial Internet and Big Data Industry Association	Guangzhou Zhiguang Electric Co., Ltd.	Member
Federation of Listed Enterprises in Guangzhou Development Zone	Guangzhou Zhiguang Electric Co., Ltd.	Member
Guangzhou Headquarter Economy Association	Guangzhou Zhiguang Electric Co., Ltd.	Member
Guangzhou Hydrogen Energy and Integrated Smart Energy Industry Development Federation	Guangzhou Zhiguang Electric Co., Ltd.	Member
New Energy Industry Association of Guangzhou Huangpu District Development	Guangzhou Zhiguang Electric Co., Ltd.	Member
Chinese Society for Electrical Engineering Energy Storage Application Branch of China Chemical and Physical Power Industry Association	Guangzhou Zhiguang Energy Storage Technology Co., Ltd.	Governing unit
Zhongguancun Energy Storage Industry Technology Alliance	Guangzhou Zhiguang Energy Storage Technology Co., Ltd.	Member

Honors

Zhiguang Energy Storage



“Integrated Innovation Excellence Award” in the new energy storage product



2022 Annual Golden Vine Award for Energy Storage Product Technology Innovation



The Best New Energy Storage Technology Innovation Award of China's Energy Storage Industry in 2023



Award for the Best Supplier of Energy Storage High-Power Bidirectional Converter



IEEE PES Energy Storage Technology Committee “Outstanding Award for Energy Storage System Technology”



Award for Brand Enterprise in Energy Conservation Service Industry



Top Ten Innovative and Growing Awards of Energy Storage System in China's Energy Storage Industry



TOP 10 Models of Energy Storage Technology Innovation



SNEC's Top Ten Highlight Selection - Award for Excellence in Energy Storage Technology



Best PCS Supplier Award in China's Energy Storage Industry



Best New Energy Storage Technology Innovation Award in China's Energy Storage Industry



Most Influential Enterprise Award in China's Energy Storage Industry



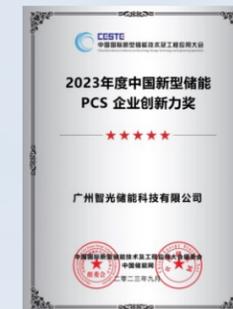
TOP 10 Models of Energy Storage Technology Innovation



Innovation Power Award of China's New Energy Storage System Integrator



Award for the Best Supplier of Energy Storage High-Power Bidirectional Converter



The Enterprise Innovation Power Award of New Energy Storage PCS

Zhiguang Electric Technology



“The Second Prize of the Technical Invention Award” of the Science and Technology Award of the Machinery



The Second Prize of the Science and Technology Progress Award of the China Ports Association

Huayue Electric Power



Advanced Unit in Safety Management



Zhanjiang City High-Quality Award in Construction Project



“Zijin Cup” Award

Zhiyouying



New Energy and New Energy Vehicle Growth Group Excellence Award



Excellent Quality Manager of Yuexin Phase II



Outstanding Contribution Award of Yuexin Phase III



ESG Management

While providing innovative products and services, Zhiguang Electric integrates the ESG concept into the strategy, decision-making, management and operation, gradually establishes and improves the ESG work system, ESG organizational system and other relevant systems, conducts internal and external communication and builds communication capabilities. The Company continuously promotes ESG management practices in various aspects such as improving management efficiency and facilitating the development of energy transformation, and realizes the harmonious coexistence of the Company with the society and the environment.

Stakeholder Communication

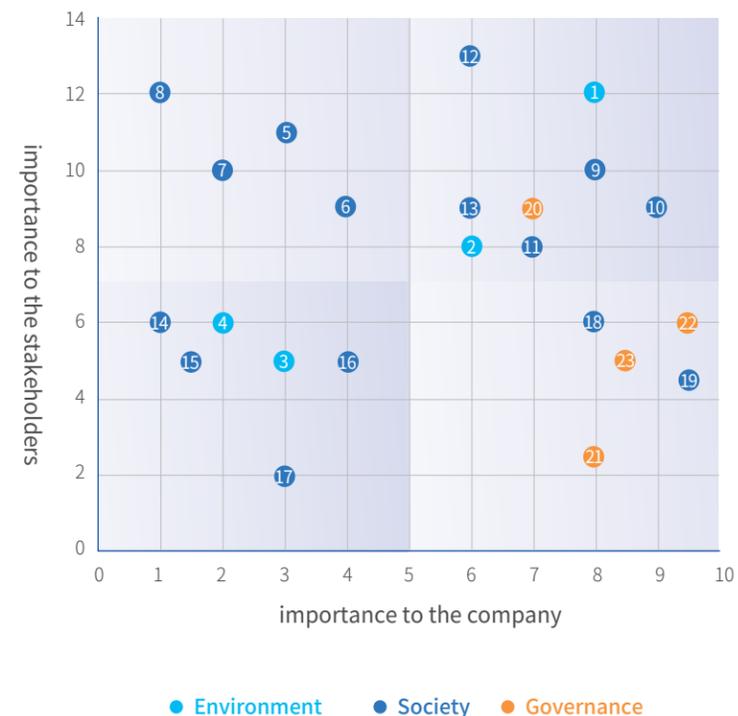
The Company adheres to the concept of environmental protection, assumes the due social responsibility of the enterprise, continuously improves the efficiency of resource utilization, and promotes the sustainable development of the company and the environment. The Company pays attention to the rights and interests of stakeholders such as investors, customers, employees, and partners, understands and responds to the main ESG issues they are concerned about through multiple communication channels.

Stakeholders	Expectation and demand	Communication and Response
Regulator	Law-abiding and compliant operation Promoting economic development Supporting local development Ensuring power security Optimizing energy structure	Complying with laws and regulations Implementing national policies Establishing inter-governmental cooperation Ensuring supply and stabilizing prices Developing clean energy
Customer	High quality product High quality service Rights and interests protection	Product quality control and management Customer relationship maintenance Strictly abiding by the law
Employee	Guaranteeing the rights and interests of employees Employee growth and development Occupational health and safety Employee care Enriching the spare-time life	Improving salary and welfare Perfecting the training and promotion mechanism Paying attention to the physical and mental health of employees Strengthening communication with employees
Community	Maintaining public relations Being enthusiastic about public welfare and charity Community participation Climate change	Contributing to rural revitalization Carrying out voluntary public welfare activities Community investment and construction Responding to climate change
Media	Transparent operation Information disclosure	Accepting interviews Organizing visits
Partner	Fairness and transparency Cooperation and win-win Promoting the development of the industry	Building a responsible supply chain Carrying out strategic cooperation Participating in industry organizations and conferences

Stakeholders	Expectation and demand	Communication and Response
Shareholder and investor	Corporate governance Financial performance Safe and stable operation Transparent information disclosure Safeguarding the interests of shareholders.	Improving corporate governance Enhancing profitability Comprehensive risk management General meeting of shareholders Maintaining stable dividends

Materiality Assessment

Understanding the demands and concerns of various stakeholders is of great significance for us to continuously improve ESG governance and management performance. During the reporting period, we conducted a questionnaire survey for stakeholders and collected a total of 183 valid answers from investors, employees, and communities. After analyzing and researching the results, we sorted out the most important ESG issues and formed a materiality matrix according to the degree of importance of the issues from the two dimensions of “importance to the company” and “importance to the stakeholders” .



Environment

- 1 Ensuring power security
- 2 Optimizing energy structure
- 3 Energy conservation and emission reduction
- 4 Ecological protection

Society

- 5 Employee rights and interests
- 6 Employee development
- 7 Driving the development of the industry
- 8 Customer service
- 9 Innovation and R&D
- 10 Digital transformation
- 11 Sustainable products and solutions
- 12 Occupational health and safety production
- 13 Information security
- 14 Public welfare and charity
- 15 Participation in community development
- 16 Employee care
- 17 Intellectual property protection
- 18 Develop circular economy
- 19 Product quality

Governance

- 20 Risk management and control
- 21 Anti-corruption and anti-commercial bribery
- 22 Corporate governance
- 23 Supply chain management

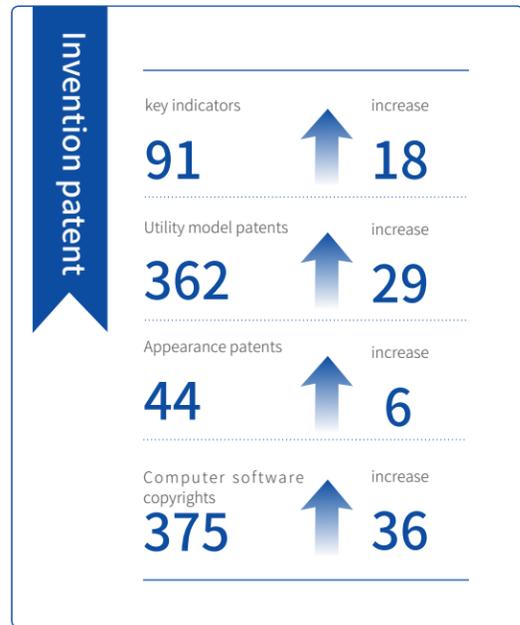


Technology Empowering the New Future, Initiating Electrical Intelligence

Zhiguang Electric has always put innovation at the core of its development. The Company actively responds and takes the initiative in the face of the complex and changing macro-environment at home and abroad. With a strong focus on the country's "dual circulation" new development pattern (the new development paradigm featuring dual circulation, in which domestic and overseas markets reinforce each other, with the domestic market as the mainstay) and the "dual carbon" goals, Zhiguang Electric continues to expand the domestic and foreign markets, effectively meeting the needs in various downstream areas, while reducing the risk of fluctuations in a single market segment and industrial policy adjustment. Zhiguang Electric actively lays out emerging industries in the regions with extensive impact, obvious resource advantages, and strong policy support, injecting new impetus into the continuous and healthy development of the company.

R&D Capabilities

Zhiguang Electric has always adhered to the concept of innovation leading, and is firmly moving forward on the road of technological R&D. In order to hone the independent R&D capabilities, the Company has carefully built a multi-category, high-level laboratories to provide strong support for the research team and effectively meet the increasing R&D demands.



● Integrated Energy Technology Laboratory



● Power Electronics Simulation Laboratory



● 5MW Energy Storage Experimental platform



● 35kV New Energy Grid-connected Mobile Testing Device



● Power Electronic Control Technology Research Laboratory



● 35kV Cascaded High-voltage Energy Storage System



• Zhiguang Proprietary Cloud Data Center



• High Voltage and High Power Power Electronics Test Room



• Research on Ultra-large Capacity High-voltage Variable Frequency Technology



• Special Reactor Laboratory



• Cable High-voltage Partial Discharge Test Laboratory



• Zhiguang Integrated Energy Management Platform



• Laboratories



Major R&D innovations

Achievement No.1

Providing the core technology and system integration for the world's first 100MW energy storage power station which adopts the HV series-connected direct-hanging energy storage technology.

Huadian International Laicheng Power Plant invested in the construction of a 100MW/200MWh lithium iron phosphate battery energy storage and peaking power plant, with Zhiguang Energy Storage providing the core technology (HV series-connected direct-hanging PCS) and energy storage system integration for the project. This power plant is the first 100MW energy storage power station in the world, which adopts the HV series-connected direct-hanging energy storage technology. After operation of the project, the primary discharge power can meet the electricity demand of about 1,000 households for one month. The project has been integrated into the unified dispatch management of the Shandong Power Grid, which can promote the consumption of new energy power of about 100 million kWh per year and reduce coal consumption by about 31,000 tonnes.



• The world's first 100MW energy storage power station which adopts the HV series-connected direct-hanging energy storage technology



• The night scene of Huadian International Laicheng Power Plant



Major R&D innovations

Achievement No.2

The world's first delivery of the 200MW/400MWh energy storage system of the world's largest 35kV HV series-connected liquid-cooled energy storage power station

On November 22, 2023, after nearly 3 months of intense production day and night by Zhiguang Energy Storage, it successfully completed the first delivery of the 200MW/400MWh energy storage system of the world's largest 35kV HV series-connected liquid-cooled energy storage power station.

The HV series-connected liquid-cooled energy storage power system can directly access the power grid at 6-35kV high voltage without the need for the transformer, and adopts liquid cooling technology to control the operating temperature of the battery and IGBT module to ensure the safety. Through the convective flow of the coolant, it directly dissipates heat for the battery cell and IGBT module, without being affected by external environmental factors, and has more accurate control over the temperature. The charge and discharge cycle efficiency of this energy storage system is higher than 91%, and the annual efficiency is 5-6% higher than that of the power station using the conventional low-voltage boosting energy storage technology. For a 400MWh energy storage power station, more than 40 million CNY in electricity bills can be saved in 10 years.



● The 200MW/400MWh energy storage system of the world's largest 35kV HV series-connected liquid-cooled energy storage power station



Major R&D innovations

Achievement No.3

Helping the first HV series-connected thermal storage combined frequency modulation project in Hainan Province to operate stably

Zhiguang Energy Storage provides a series-connected high-voltage large-capacity energy storage system for Units 1 and Units 2 of 350MW compressor units in Hainan Ledong Power Plant of the National Energy Group, using lithium iron phosphate batteries, and the total capacity of the whole plant is 20MW/20MWh. This system includes 4 sets of series-connected high-voltage energy storage systems, 2 sets of high-voltage grid-connected containers, and a set of electrical secondary prefabricated cabin, with a total floor area of 3300 square meters. The device operates stably, with an average daily frequency modulation mileage of 6776 MW, and the average daily comprehensive frequency modulation performance index K value can reach more than 1.5 at the highest.



● The first HV series-connected thermal storage combined frequency modulation project in Hainan Province

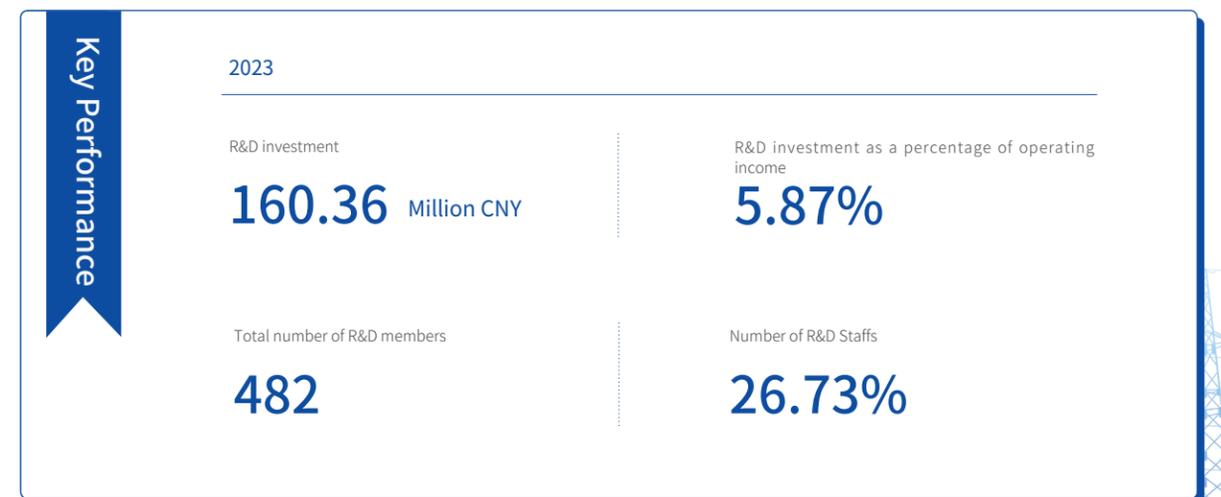


Industry-university-research cooperation

Zhiguang Electric actively strengthens the intensity of industry-university-research cooperation with scientific research institutions and universities, improves the Company's independent innovation ability, and thereby enhances the core competitiveness. The Company initiates collaboration in technology transfer, commissioned development, co-construction of R&D entities and talent pools, deepening cooperation in an all-round way to promote the in-depth integration of industry-university-research.

Zhiguang Electric Technology		
Partners	Contents	Achievements
Huazhong University of Science and Technology	Regional energy interconnection system and its power routing and flexible control technology which adapts to AC/DC active distribution networks and microgrids	<ul style="list-style-type: none"> Proposed the instruction current tracking control method Proposed the implementation plan of the intelligent power router technology Proposed the technical plan of the regional energy interconnection system based on power routing control
Electric Power Research Institute of State Grid Jiangsu Electric Power Co., Ltd.	1500V HV battery energy storage system 	<ul style="list-style-type: none"> Compiled the <i>Research Report on Integrated Management and Protection Technology of High-Voltage Battery System, Research and Development Report of High-Voltage Battery Energy Storage System</i> and other reports. Established a water-cooled test platform for a 400-battery series-connected system Developed a 1.25MW/1.25MWh HV energy storage system.
Teaching Practice Base	Hefei University of Technology South China University of Technology	 
Zhiguang Energy Storage		
Partners	Contents	Achievements
China Huaneng Group Clean Energy Technology Research Institute Co., Ltd. / Shanghai Jiao Tong University	Series-connected large-capacity energy storage technology	<ul style="list-style-type: none"> "TOP 10 of 2022 Energy Storage Technology Innovation Model" in the 7th International Energy Storage Competition. Excellence Award in the 2023 Energy Storage Technology Innovation Competition of the Ministry of Industry and Information Technology of the People's Republic of China.

Lingnan Cable		
Partners	Contents	Achievements
South China University of Technology	Distributed optical fiber sensing intelligent system	<ul style="list-style-type: none"> Developed 2 patented technologies Published a professional paper
Shenzhen Yidian Electric Power Technology Co., Ltd.	Distribution network intelligent cable based on the technology of built-in optical fiber sensor in the conductor	<ul style="list-style-type: none"> Obtained 4 patented technology protections, among which the 10kV distribution network intelligent cable won the "Certificate of High-quality and Well-known High-tech Products in Guangdong Province"
Xi'an Jiaotong University	Research and application of non-destructive testing and fault diagnosis technology for high-voltage cable accessories.	<ul style="list-style-type: none"> Won the first prize for scientific and technological progress of Guangdong Power Grid Company



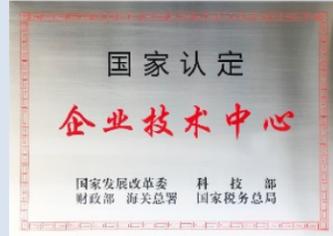


Certificates

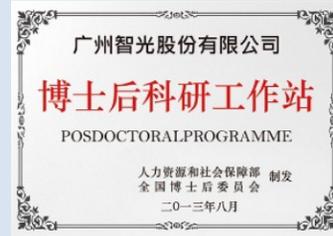
Zhiguang Electric



High-tech Enterprise Certificate



National Enterprise Technology Center



National Postdoctoral Research Workstation



National Energy Administration's First Batch of Technological Innovation (Energy Storage)



2019 Pilot Demonstration Enterprise of Integrated Development of Manufacturing Industry and the Internet



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



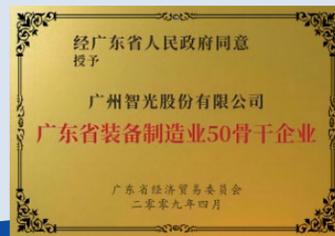
Guangdong Provincial High Power Electronics Technology Engineering Laboratory



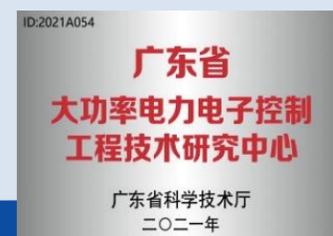
Guangdong Engineering Technology Research Center



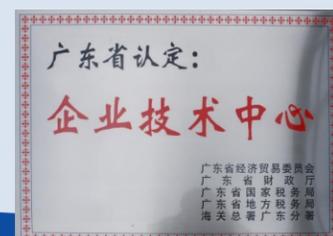
Intellectual Property Advantage Enterprises in Guangdong Province



Top 50 Equipment Manufacturing Industry in Guangdong Province

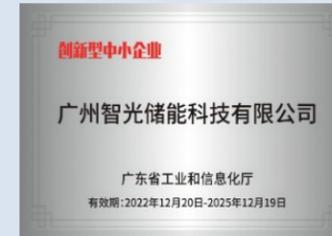


High-power Power Electronic Control Engineering Technology Research Center in Guangdong Province



Enterprise Technology Center in Guangdong Province

Zhiguang Energy Storage



Innovative SMEs in Guangdong Province



Specialized and Sophisticated SMEs in Guangdong Province

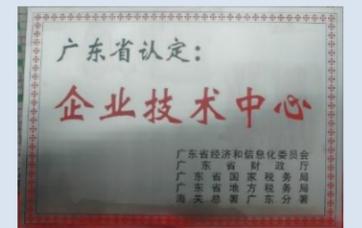
Lingnan Cable



High-tech Enterprise Certificate



Specialized and Sophisticated SMEs in Guangdong Province



Enterprise Technology Center in Guangdong Province



Guangdong Engineering Technology Research Center



Member of Guangdong Wire & Cable Association

Zhiguang Econ



High-tech Enterprise Certificate

Zhiguang Electric Technology



High-tech Enterprise Certificate



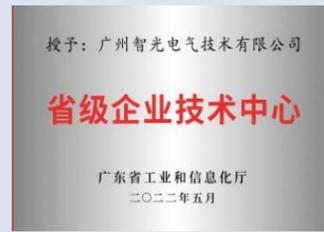
The Fifth Batch of "Little Giant" Firms



Member of SAC/TC518



Specialized and Sophisticated SMEs



Enterprise Technology Center in Guangdong Province



Innovative SMEs in Guangdong Province



Member of Guangzhou Circular Economy Cleaner Production Association



Cultivated enterprises in supporting plan for the Specialized and Sophisticated SMEs in Guangzhou City

智光节能环保



High-tech Enterprise Certificate



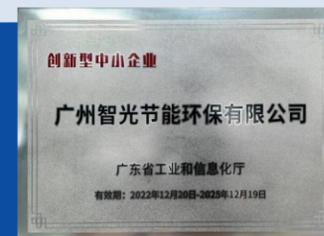
Brand enterprise in the energy conservation service industry



Guangdong Engineering Technology Research Center

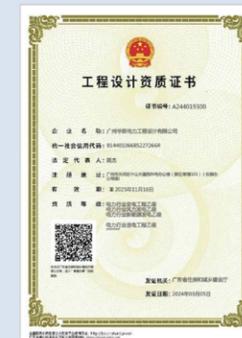


Specialized and Sophisticated SMEs in Guangdong Province



Innovative SMEs in Guangdong Province

Huayue Electric



Qualification Certificate of Engineering Design



Qualification Certificate of Engineering Survey



Qualification Certificate of Construction Enterprise



Class B Credit Certificate of Engineering Consulting Units



High-tech Enterprise Certificate

Zhiyouying



High-tech Enterprise Certificate



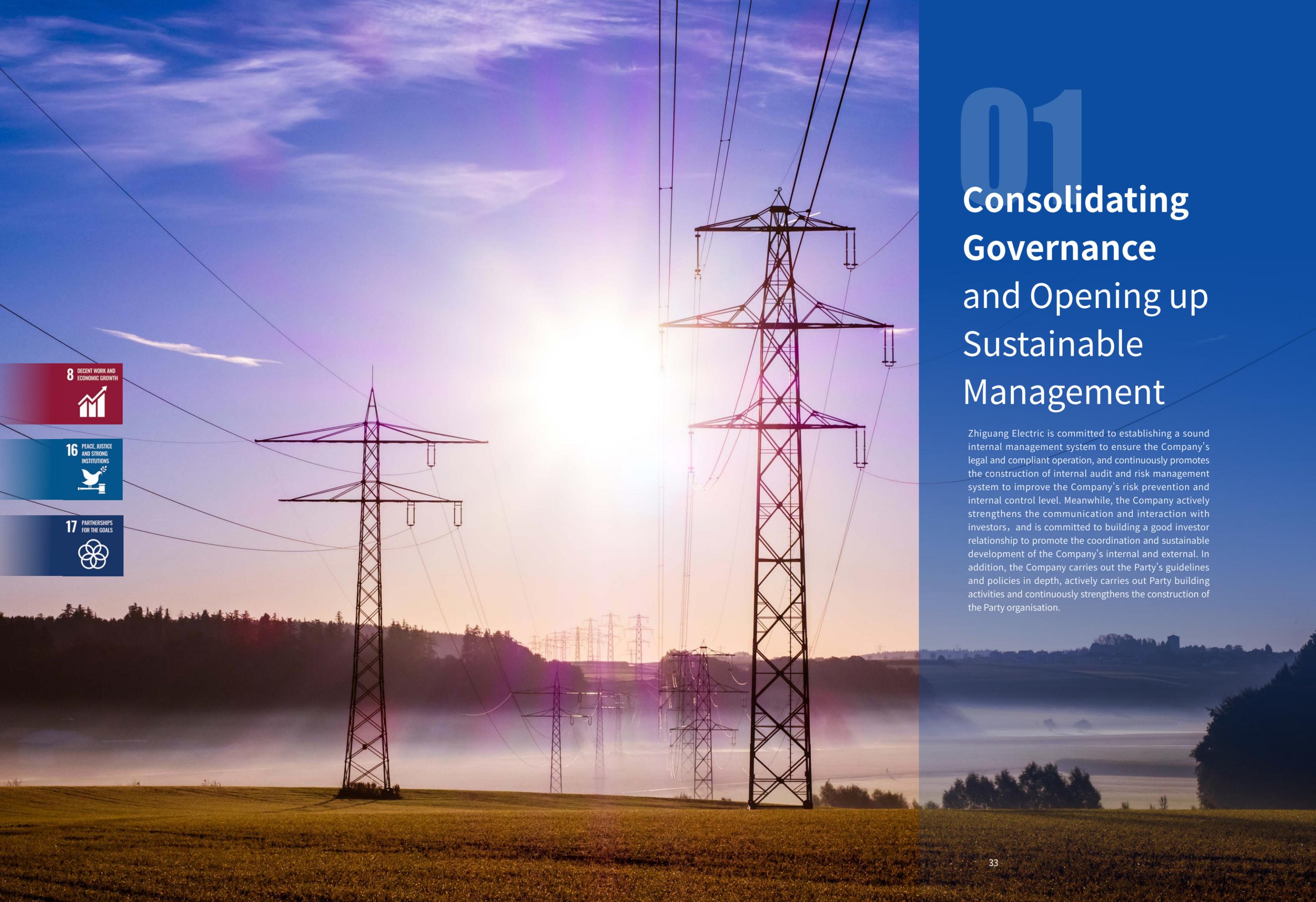
Specialized and Sophisticated SMEs in Guangdong Province



Permit for Undertaking Installation (Repair, Test) of Electrical Facilities



Qualification Certificate of Construction Enterprise



01

Consolidating Governance and Opening up Sustainable Management

Zhiguang Electric is committed to establishing a sound internal management system to ensure the Company's legal and compliant operation, and continuously promotes the construction of internal audit and risk management system to improve the Company's risk prevention and internal control level. Meanwhile, the Company actively strengthens the communication and interaction with investors, and is committed to building a good investor relationship to promote the coordination and sustainable development of the Company's internal and external. In addition, the Company carries out the Party's guidelines and policies in depth, actively carries out Party building activities and continuously strengthens the construction of the Party organisation.

8 DECENT WORK AND ECONOMIC GROWTH



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS





Corporate Governance

Shareholders' General Meeting

Considered and passed

12

Investor participation rate

26.69%

Zhiguang Electric strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of governance for listed companies*, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, and other applicable laws, regulations and normative documents, the Company continuously improves the corporate governance structure of the Company, fully implements the powers and functions of the Board of Directors in accordance with the law, and builds up a set of standardised, transparent and efficient corporate governance system. Under this system, the powers and responsibilities of the corporate governance structure are clearly defined, standardised and orderly, and the shareholders' general meeting, the Board of Directors, the Supervisory Committee and the management perform their respective roles in a coordinated manner, forming a strong internal check and balance and supervision mechanism.

The Company formulates the Rules the *Company's Rules of Procedure for the Shareholders' General Meeting of Shareholders*, etc. to clarify the duties and authorities of the General Meetings of Shareholders, to regulate their organisation and conduct, to ensure that the procedures and resolutions of the General Meetings of Shareholders are effective and lawful, and to safeguard the lawful rights and interests of all shareholders, and that the Board of Directors of the Company shall effectively perform its duties to organise the General Meetings of Shareholders in a serious and timely manner. During the reporting period, the Company held 1 temporary and annual general meeting of shareholders, and considered and passed 12 motions, with an investor participation rate of 26.69%. The general meetings of shareholders have adopted the combination of on-site and online voting, and the relevant motions have also counted the votes of small and medium-sized investors separately, providing convenience for the majority of investors to participate in the voting of the general meeting, and effectively safeguarding the rights of small and medium-sized investors to participate in and supervise the meeting.

Board of Directors

Board of Directors meeting

12

Considered and passed

33

The Company's Board of Directors is consisted of nine members, including one female director, and the members have profound professional background in the industry or rich experience in corporate management. The Company has three independent directors, who independently perform their powers and functions in accordance with the *Articles of Association and the Working Rules of the Independent Directors*, participate in the decision-making of major matters such as connected transactions, selection and appointment of directors and senior management, and equity incentives, so as to safeguard the interests of the Company and the small and medium-sized shareholders. During the reporting period, the Company held 12 Board of Directors meetings and passed 33 proposals.

Zhuguang Electric Board of Directors

Serial Number	Name	Duties	Sex	Age	Academic Qualification
1	Li Yongxi	Chairman, Chief Executive Officer	man	60	master's degree
2	Rui Dongyang	Vice chairman	man	59	master's degree
3	Zheng Xiaojun	Director	man	56	master's degree
4	Jiang Xinyu	Director, Executive vice president, Chief engineer	man	52	master's degree
5	Wu Wenzhong	Director, Vice president, Chief financial officer	man	53	master's degree
6	Cao Chengfeng	Director, Vice president	man	49	master's degree
7	Zhang Deren	Independent director	man	43	master's degree
8	Shao Xijuan	Independent director	man	59	Doctor's degree
9	Peng Shuilong	Independent director	man	61	Doctor's degree

Special Committees

Audit Committee meeting

4

Strategic Committee meeting

3

Remuneration and Appraisal Committee meeting

1

Nomination Committee meeting

2

The Board of Directors of the Company has under its umbrella four special committees, which are the Strategic Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. The special committees of the Board of Directors of the Company perform their duties in accordance with the relevant regulations of the China Securities Regulatory Commission, the Shenzhen Stock Exchange and the working rules of the special Committees of the Company, in accordance with the principle of diligence and responsibility. During the reporting period, the Company held 4 meetings of the Audit Committee, 3 meetings of the Strategic Committee, 1 meeting of the Remuneration and Appraisal Committee and 2 meetings of the Nomination Committee to provide scientific and reasonable suggestions for the decision-making of the Board of Directors.

Composition of the Special Committee	Headcount	Number of Independent Directors	Number of Non-independent Directors
Audit Committee	3	2	1
Remuneration and Appraisal Committee	3	2	1
Nomination Committee	3	2	1
Strategic Committee	3	1	2

Board of Supervisors

The Board of Supervisors of the Company is the supervisory body that diligently and responsibly performs its duties independently and effectively supervises the daily performance of the Company's directors and senior management, as well as the Company's operation, financial situation, connected transactions, foreign investments and other significant matters. During the reporting period, the Company held 4 Board of Supervisors meetings and passed 16 proposals.

Board of Supervisors meeting

4

Board of Supervisors meeting

16

Internal Risk Control

In accordance with the *Auditing Law of the People's Republic of China*, *China Internal Auditing Standards*, *Basic Standard for Enterprise Internal Control* and other relevant laws and regulations, the Company has formulated the Internal Audit System to promote the improvement of internal control, reduce operational risks, safeguard shareholders' rights and interests, and enhance the value of the Company. The Company has set up an Audit Committee under the Board of Directors and established an internal audit department to carry out internal audit supervision of the Company's financial income and expenditure and economic activities. It organises various types of audit projects such as financial audits, internal control audits, infrastructure project audits, economic responsibility audits, special audits, etc. It also evaluates the internal control of the Company and submits the self-evaluation report on the internal control of the Company.

In order to regulate the operation and management behaviours of the Company's holding and participating subsidiaries (hereinafter referred to as the subsidiaries), promote the healthy development of the subsidiaries, optimize the allocation of the Company's resources, and enhance the operating enthusiasm and creativity of the subsidiaries, the Company formulated the *Measures for the Administration of Subsidiaries*, which stipulate the content of the subsidiaries' financial management, labour and human resources management, appraisal, and information management.



Connected Transactions

In order to ensure the legality, fairness and reasonableness of the connected transactions and safeguard the legitimate rights and interests of the shareholders of the Company, especially the small and medium-sized investors and the creditors, the Company has formulated the *Measures for the Management of Affiliated Businesses* and the *Measures for the administration of internal control of affiliated transactions*, which set out in detail the decision-making procedures of the connected transactions, and make it clear that, when the Board of Directors of the Company considers the matters of the connected transactions, the connected directors shall recuse themselves from the voting, and shall not act on behalf of the other directors to exercise the Voting rights. In addition, the system also provides for daily connected transactions and disclosure of information on connected transactions.

Anti-Corruption and Anti-Bribery

In order to effectively prevent and control the risk of corruption in the Company, combat corrupt behaviour and ensure the achievement of the Company's business objectives and sustainable, stable and healthy development, the Company has formulated the *Anti-Corruption Management System*. The Company encourages real-name reporting, priority treatment of real-name reporting and timely feedback on the acceptance of the situation and the results, and the implementation of strict reporting confidentiality system, the personal information of the whistleblower and the whistleblower to provide all the reporting information are strictly confidential. At the same time, the Company has implemented a reward system for reporting, reporting cases, once verified, and for the Company to recover economic losses, the Company can be based on the nature of the incident, the degree of impact and the cooperation of the whistleblower, the whistleblower to give material incentives or other rewards.

The complaint reporting channels are listed below

Electronic Mailbox: audit@gzzg.com.cn

In order to implement the Company's clean management requirements, create a culture of cleanliness and self-discipline, practice clean cadres' conduct, improve work style, standardise management behaviour, and create an open, fair, efficient and harmonious working atmosphere, the Company stipulates that employees sign the *Letter of Commitment on Cleanliness and Self-discipline*. During the reporting period, the Company carried out many compliance trainings covering contract changes and civil litigation.

To further strengthen the communication with investors, deepen investors' understanding and recognition of the Company, promote the Company's integrity and self-discipline, standardise its operation, and enhance the Company's investment value, the Company has formulated the *Investor Relationship Management System* in accordance with the provisions of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and other relevant laws and regulations, and in the light of the Company's actual situation, in order to strengthen the communication with investors through adequate disclosure of information, deepen the investors' understanding and recognition of the Company, and at the same time to establish a stable and high-quality investor base and obtain long-term market support.

The Company formulated the *Investor Complaint Handling Work System* to establish and improve the investor complaint handling mechanism, further standardise the handling of investor complaints, protect the legitimate rights and interests of investors and safeguard the Company's reputation, and the Company has made public to the investors the channels for accepting complaints, including: telephone calls, letters, facsimiles, e-mails or visits, etc., as well as complaints forwarded by the securities regulatory authorities and other departmental units, so as to ensure that investors can submit complaints to the Company through any of the available contact methods and receive effective handling and feedback.

Network Remote Performance Presentation



On May 5, 2023, the Company held a performance briefing through the *Investor Relations Interactive Platform* on Panorama.com by means of network remote. The chairman and president of the Company led the directors and independent directors to explain the operation situation of the Company in 2022 and the first quarter of 2023 on the investor relations interactive platform of Panorama.com, and exchanged views with the general investors on the relevant operation and development of the Company.

Disclosure of Information

In order to ensure the truthfulness, accuracy, completeness, timeliness and fairness of information disclosure, to promote the standardised operation of the Company in accordance with the law, and to effectively safeguard the legitimate rights and interests of the Company and investors, the Company has formulated the *Information Disclosure Management System*. The system ensures that all shareholders and investors are treated fairly in the information disclosure process, demonstrating the Company's strong commitment to transparency and fair trading.

Meanwhile, to strengthen the management of the Company's insider information, ensure the strict confidentiality of insider information, maintain the principle of fairness in information disclosure, and effectively protect the legitimate rights and interests of the general investors, Zhiguang Electric has also formulated the *Management System for Informants of Inside Information*. The implementation of this system further enhances the standardisation and rigour of the Company's information disclosure and management of insider information, providing a strong guarantee for the Company's sound development and the long-term interests of investors.

Investor Relations Management





Party Building Leadership

Zhiguang Electric has always firmly party building work through all aspects of the Company's production and operation, unswervingly adhere to the leadership of the party building, and constantly strengthen the construction of the party organisation, and promote the party organisation's work and the Company's business management depth of integration. Through the party's ideological leadership, the Company's development continues to inject a strong impetus to ensure that the enterprise is on the right path to move forward steadily.

Building and Sharing Party Activity



Case

On 5th May 2023, to deeply study and implement the spirit of the 20th Party Congress, promote the linkage between government and enterprises, the Party General Branch of Zhiguang Electric and the Party Branch of Investment Promotion Bureau of Guangzhou Development District jointly carried out the Party activity with the theme of Building and Sharing on the enterprise forum of the Party School of Huangpu District.



Theme Party Activity of Tracing the Fire Memory, Inherit the Red Gene



Case

July 4 to 5, 2023, in order to celebrate the 102nd anniversary of the founding of the Communist Party of China, Zhiguang Electric Party General Branch organised the party members to Shaoguan Revolutionary old areas, to carry out the theme party activities of 'Tracing the Fire Memory, Inherit the Red Gene'.



2023

Number of Party Branches

6

Number of Party Members

168 Person



3 GOOD HEALTH AND WELL-BEING



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



02

Safe

Production

Promoting the Development of the Industry Together

Zhiguang Electric continuously improves the production safety system and actively implements a series of production safety and health management measures, such as hazard identification, fire drills, safety month activities and occupational disease hazard detection, aiming to ensure the safety of employees' lives. At the same time, the Company actively promotes scientific research and innovation, and encourages employees to innovate and practice, injecting a constant stream of innovative vitality for the company's sustainable development.

Safe Production

Zhiguang Electric establishes occupational health and safety management system, strengthens employee safety training, carries out daily inspections and regular maintenance, establishes a safe working environment, promotes the physical and mental health of employees, and reduces the risk of workplace safety. The Company's subsidiaries (Zhiguang Electric Technology, Zhiguang Energy Storage and Zhiyouying) have passed the Occupational Health and Safety Management System Certification.

ISO 45001:2018 Occupational Health and Safety Management System Certification



Zhiguang Electric Technology

Zhiguang Energy Storage

Zhiyouying

Zhiguang Electric formulates Occupational health and safety related systems, continuously strengthens the management of production equipments, improves the production process, implements the production safety responsibility system, carries out safety prevention and control measures, and guarantees the realisation of production safety objectives. In addition, the Company set up a safety leadership group, with the general manager of the Company as the main responsible person, and all departments work together.

Security Risk Management

Zhiguang Electric formulates system for identifying and evaluating safety risk, evaluating the possibility of accidents, the frequency of exposure to dangerous environments, and the consequences of accidents from three aspects, to determine the possibility of occurrence and the severity of their injuries, and to carry out targeted risk management and control.

Equipment Safety Inspection



In order to prevent major safety production accidents, Chengdu Zhiguang carries out safety inspections for production equipment according to relevant safety production standards and systems.



Emergency Fire Drill



During the reporting period, the Company organized employees to participate in fire drill activities, improve the safety level of production activities, and enhance the fire prevention awareness of employees. Through the fire drill, the problems and deficiencies in fire prevention and control were found, and the emergency response mechanism was optimized.



Key Performance

2022

Number of Work Safety Accidents
0

Hidden Disease Investigation and Rectification Rate
100%

Number of Security Emergency Drills
2 times

Amount of Investment in Production Safety
0.87 Million CNY

2023

Number of Work Safety Accidents
0

Hidden Disease Investigation and Rectification Rate
100%

Number of Security Emergency Drills
2 times

Amount of Investment in Production Safety
0.94 Million CNY





Safety Training

In order to enhance the safety awareness of the Company's employees, eliminate safety type violations and prevent safety accidents, the Company held a safety training for all employees and set up danger warning signs.

Installation of Warning Signs



The Company puts the safety operation specification standing sign in the construction site, posts the risk informing sign, sets up the danger warning sign at the dangerous place, and always reminds the employee to pay attention to the safety protection.



Fire Safety Month Activities



In November 2023, Zhiguang Electrical Technology's Fire Prevention Month series of activities included fire safety sign updating, fire evacuation and fire extinguishing drills, and special trainings on fire safety knowledge, to effectively improve the fire safety awareness of all employees, enhance the necessary skills for fire prevention, reduce the fire hazards in the company, and improve the personnel's ability to protect themselves against fire and extinguish fires.



Safety Education Training



On December 21, 2023, Lingnan Cable held an all-employee safety training aimed at workplace injury prevention publicity and safety education as well as a summary of safety management in 2023 to enhance workers' safety awareness and ensure safe production.



Key Performance

2023

Total Investment in Safety Education and Training

61,300 CNY

Safety Education Training Sessions

55 times

Number of Participants in Safety Education Training

1,145 Person-time

Total Hours of Safety Education and Training

156 hours

Ratio of Safety Education and Training Coverage

100%

Safety Risk Protection Training Coverage

100%





Occupational Health Management

In order to effectively prevent occupational hazards and effectively protect the health of employees, Zhiguang Electric formulated an occupational health monitoring mechanism, set up specialists responsible for daily monitoring and management, and established monitoring files of occupational hazards.

Occupational Health Check-ups



The Company attaches importance to the health and safety of its employees and actively equips them with complete personal protective equipment to ensure their safety at work. In addition, the Company organises annual occupational disease medical check-ups for its production employee, aiming at timely prevention and detection of potential health problems and all-round protection of employees' health.

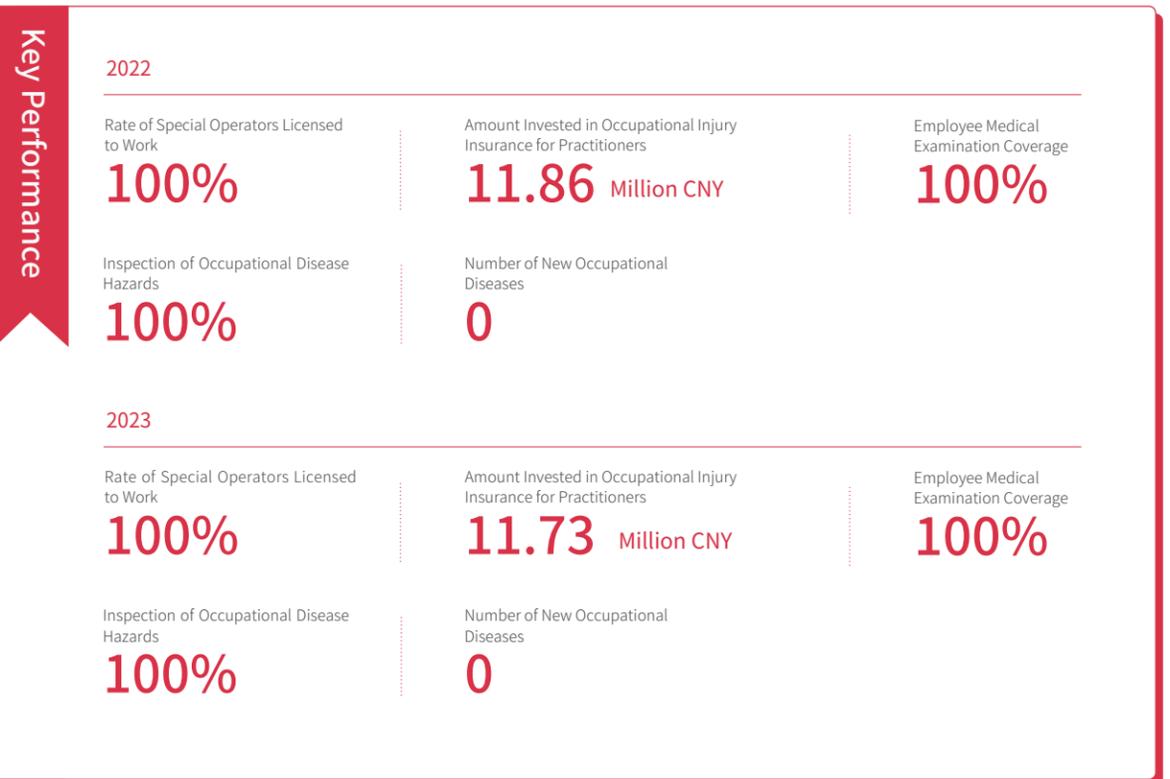


Other Labour Protection Measures



In addition to the basic protection measures, Lingnan Cable is committed to providing diversified labour protection measures for its employees, aiming to protect their occupational health and safety in all aspects and ensure their safety and well-being at work.

Noise Protection Measures	Noise protection earplugs must be worn in noisy areas
Dust Control	cleanliness of the work site, transport vehicles and other types of construction equipment
Labour Protection Supplies	<ul style="list-style-type: none"> replacement of labour protection articles for those who have missed or lacked them Criticism and education will be applied to personnel who do not wear labour protection equipment in accordance with the regulations and will be ordered to make corrections, and repeated offenders will be punished by fines, suspension from work and other measures.
Mental Health	<ul style="list-style-type: none"> Actively carry out various recreational activities to effectively eliminate the fatigue and work pressure of the employee, so that the employee work in a good state of mind Enhance employee training in interpersonal and communication skills to improve employee communication and stress reduction skills Encouragement of healthy lifestyles, optimisation of living and working environments, and encouragement of employee interests





Industry Exchanges

Promoting the Industry

Since its establishment, Zhiguang Electric has been deeply ploughing into the field of energy technology, and has always maintained forward-looking exploration and innovation in the research and development and application of high-voltage and high-power power electronics technology. As the pioneer of global cascaded high-voltage high-capacity energy storage technology, the Company successfully applied this technology to the Southern Power Grid in 2013, fully demonstrating its technical strength.

In order to promote the common development of the industry, the Company gives full play to its brand influence and leadership, and has issued and drafted 34 national standards, 16 industry standards and 38 group standards, totalling 88 items. In addition, the Company actively participates in the China International Clean Energy Expo, the China International Energy Storage Conference and other industry conferences to achieve coordinated development and mutual benefits, and enhance corporate influence and competitiveness.

New Generation of Fully Liquid-Cooled Cascade High Voltage Energy Storage Systems at the 13th China International Energy Storage Conference (CIESC)



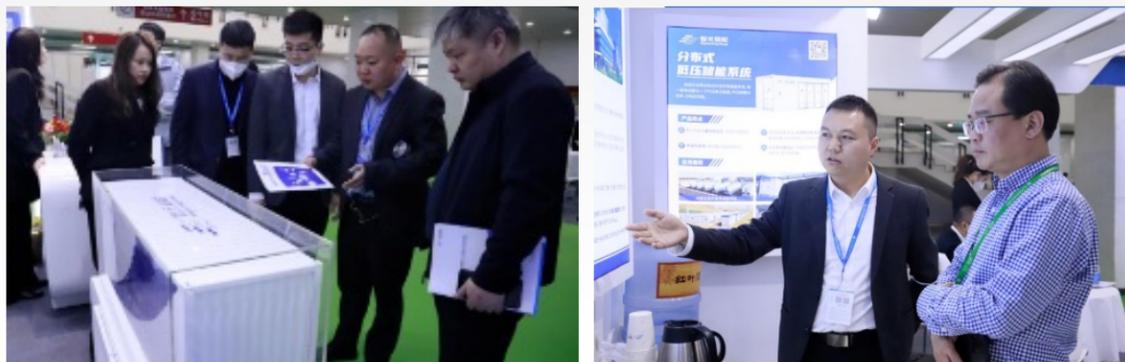
On 24th May 2023, Zhiguang Energy Storage was invited to participate in the 13th China International Energy Storage Conference (CIESC), where Zhiguang Energy Storage unveiled a new generation of "more efficient and smarter" all-liquid-cooled cascade-type high-voltage energy storage systems. Compared with the traditional air-cooled battery energy storage system, the new generation system has uneven internal heat dissipation control, low system integration energy density and other issues, with active balancing, passive balancing and full liquid cooling design, all-round improvement of the consistency of the battery operation, and zero pressure to face the extreme or harsh environments, and the system is also configured with artificial AI intelligent diagnosis and management, to achieve the high quality performance of unmanned and efficient operation and maintenance.



Participation in the China International Clean Energy Expo



From 28th to 30th March 2023, Zhiguang Energy Storage was invited to participate in the China International Clean Energy Expo hosted by China Electricity Council. This time, Zhiguang Energy Storage showed the 35kV cascade type high voltage and large capacity energy storage system with 25MW/50MWh stand-alone capacity to each unit enterprise in front of the booth, and the overall efficiency of the system can be up to 90%, which is very high efficiency, good safety, power station to simple, and the advantages are especially prominent in the 100MW level and GW level of ultra-large capacity energy storage power station.



Participation in the 11th "Energy Storage International Summit & Exhibition ESIE2023



On 7-9 April 2023, Zhiguang Energy Storage was invited to participate in the 11th "Energy Storage International Summit and Exhibition ESIE2023", with the theme focusing on the "New Mechanism of Electricity, Creating a New Era of Energy Storage".





Invited to participate in Shenzhen International Digital Exhibition



During 29 June to 2 July 2023, Zhiguang Electric was invited to participate in the Shenzhen International Digital Exhibition, where new products such as the Company's 10kV smart cable were displayed.



Full range of energy storage products at Shanghai SNEC



From November 1 to 3, 2023, Zhiguang Electric presented a full series of energy storage products at SNEC in Shanghai, showcasing cascaded high-voltage and large-capacity energy storage systems, modular low-voltage energy storage systems, household inverters and stacked energy storage systems, covering the full range of scenarios for energy storage solutions on the source network side, industrial and commercial side, and for household use, among which several new self-developed energy storage products for the overseas market are on display for the first time. Among them, several new self-developed energy storage products for overseas markets were exhibited for the first time, demonstrating Zhiguang's leading strength in the field of energy storage in an all-round way.

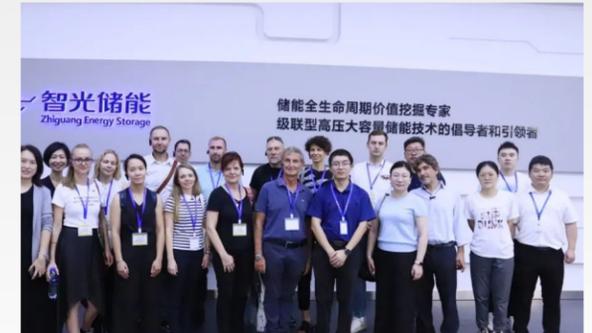


Strengthening Strategic Cooperation

EU Delegation and Zhiguang talk about Zero Carbon Future



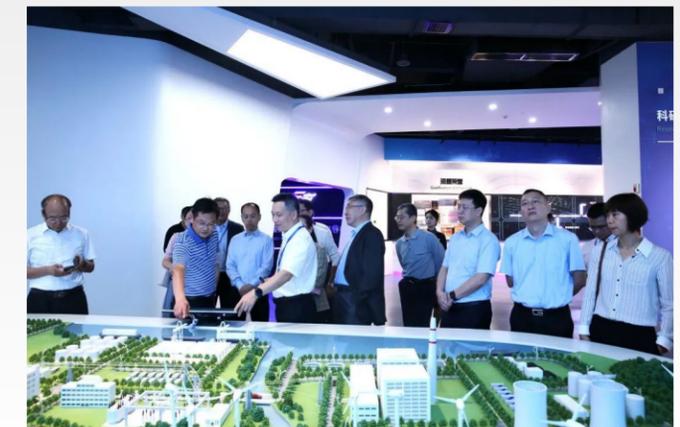
In September 2023, Zhiguang Electric welcomed a delegation of EU representatives initiated by the International Cooperation Department of Huangpu District Development and Reform Bureau of Guangzhou Municipality and the EU International Cities and Regional Co-operation Programme. Representatives of energy-related enterprises from many countries in Eastern Europe showed great interest in the Company's energy storage products and technologies. During this in-depth exchange, the EU delegation had a comprehensive and in-depth understanding of the Company's energy storage products and mature technologies, and expressed high appreciation for them. They actively expressed their strong willingness to further co-operation in the later stage, looking forward to working with the Company on the road of global green energy development, and jointly contribute to the construction of a clean and efficient energy system, and contribute to the sustainable development of the earth.



Chairman of CCC E&M Engineering Bureau Co., Ltd. visited Zhiguang Electric



On 24th October 2023, the chairman of CCC E&E Engineering Bureau (hereinafter referred to as "CCC E&E Bureau") and the deputy director of New Concept Vehicle Research Institute of Tsinghua University (NCVRI) visited Zhiguang Electric. The relevant person in charge of the Company led CCC E&E Bureau and his party to visit the Company's showroom, integrated energy laboratory and optical storage and charging platform, and had an in-depth exchange of views on the Company's core business, industrial direction and industry applications.





Zhiguang Electric and Ningde Times signed a strategic cooperation agreement

Case

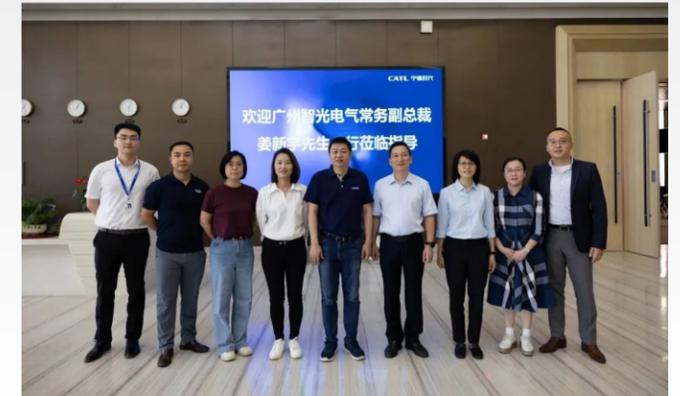
On 24th August 2023, Zhiguang Electric and Ningde Times New Energy Technology Co., Ltd (hereinafter referred to as "CATL") held a signing ceremony for strategic cooperation in Zhiguang Integrated Energy Industrial Park, in which the two parties made full use of their respective resource advantages, talent advantages, and technological innovation capabilities, and quickly opened up the industry chain's cooperation resources, giving full play to their respective advantages to create synergistic development advantages. The two sides will give full play to their respective advantages, create synergistic development advantages, and contribute more power to realising the national dual-carbon strategy and accelerating the construction of a new type of electric power system.



Zhiguang Electric Delivered a Technical Presentation on "Energy Storage Power Conversion Technology and Energy Storage Market" at CATL.

Case

On 25th September 2023, the Executive Vice President of Zhiguang Electric was invited to visit CATL and make a technical sharing on "Energy Storage Power Conversion Technology and Energy Storage Market" for the R&D technicians of CATL. This technical exchange meeting was carried out offline and online simultaneously, attracting more than 300 people to attend.

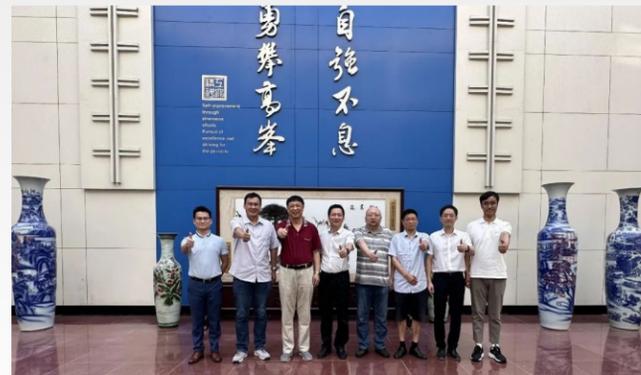


Nurturing Industry Talent

Zhiguang Electric in Hefei University of Technology to Carry out the Direction of Energy Storage Academic Conference

Case

On 5 July 2023, members of the core technical team of Zhiguang Electric entered Hefei University of Technology to bring the teachers and students of the School of Electrical and Automation Engineering of Hefei University of Technology an academic report on the current technological development trend of China's energy storage industry.

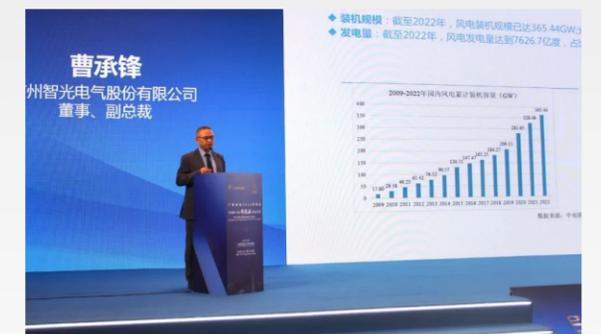


Upstream/Downstream Synergy

Zhiguang Electric Discusses the High Quality Development of Manufacturing Industry in Guangdong, Hong Kong and Macao Greater Bay Area

Case

From 30th November to 1st December 2023, Zhiguang Electric was invited to participate in the first "High Quality Development of Manufacturing Industry in Guangdong, Hong Kong and Macao Greater Bay Area" theme forum held by the Guangdong, Hong Kong and Macao Greater Bay Area Research Institute in Guangzhou. As a special guest, the director and vice president of the Company delivered a keynote speech on the high-quality development trend of new energy storage systems, elaborating the Company's significant technological advantages in the research and development and application of energy storage technology, the development and construction of industrial ecosystems, etc., and indicating that the Company will strengthen its technological innovation and application development to provide more professional, efficient and innovative solutions for the advancement of high-quality development of the manufacturing industry of Guangdong-Hong Kong-Macao Greater Bay Area, and the application of new energy storage technology. professional, efficient and innovative solutions.





03

Concerning about the Environment Insisting on Energy Saving and Consumption Reduction

Zhiguang Electric attaches great importance to environmental protection, actively promotes the construction of environmental management system, and establishes a perfect environmental management system and process to ensure that the enterprise meets the requirements of environmental regulations and standards in the production and operation process. At the same time, the Company focuses on the effective use of resources, and improves the efficiency of resource utilisation and reduces resource consumption and waste through technological innovation and management optimisation.



Green Operations

Reducing the pressure and impact of its own operations on the environment and protecting the ecological environment from damage are the guidelines and bottom line of Zhiguang Electric's environmental management. The Company consistently carries out long-term management and optimisation of a number of indicators, such as waste emissions, exhaust gas emissions, wastewater emissions, water resources, etc., to promote the green and low-carbon transformation of the energy structure and the synergistic improvement of ecological and environmental quality, and to achieve a synergistic advancement of the three aspects of waste reduction, pollution reduction and carbon reduction. Subsidiaries of the Company (Zhiguang Electric Technology, Zhiguang Energy Storage, Zhiyouying) obtained ISO 14001:2015 environmental management system certification.

ISO14001:2015 Environmental Management System Certificate



Zhiguang Electric Technology

Zhiguang Energy Storage

Zhiyouying

Environmental Management System

In order to strengthen the company's environmental protection work, Zhiguang Electric formulated environment-related systems, set up an environmental management organisational structure, the equipment department is responsible for the Company's environmental protection management and environmental protection technology supervision, is responsible for assisting in the development of environmental protection long-term planning, the implementation of environmental protection-related policies and regulations, while being responsible for the work of monitoring and testing.

Key Performance

2023

Total Environmental Inputs
0.38 Million CNY

Environmental Accident
0

Violations in the Field of the Environment
0

Pollutant Monitoring Compliance Rate
100%

Synchronised Operation Rate of Environmental Protection Facilities
100%

Number of Environmental Training Sessions
29次

Number of Participants in Environmental Training
935 Person-time

Average Length of Environmental Training
102 hours

Environmental Risk Management

Zhiguang Electric has formulated an emergency response plan for environmental emergencies and completed the filing with the local ecological environment bureau, working around risk assessment and emergency response resources to enhance the Company's ability to respond to environmental emergencies.

Environmental Protection Slogan



Lingnan Cable actively posted environmental protection publicity slogans and notices in prominent positions in the factory, aiming to deepen the employee's understanding of the importance of environmental protection, and then enhance their environmental awareness and action, and work together to create a green, harmonious factory environment.



Environmental Protection Bulletin Boards



Environmental Protection Slogans



Green Office

Zhiguang Electric not only pays attention to environmental protection in the production and operation process, but also actively advocates green and low-carbon office practices, guiding and driving all employees to form good habits of energy saving and consumption reduction.

Green Office Measures



Lingnan Cable is committed to the implementation of the green office concept, actively taking measures to reduce the use of paper documents, advocating employees to save electricity and timely switch off unnecessary power equipment. At the same time, the company makes full use of video conferencing equipment to effectively save energy consumption and transport costs. In addition, Lingnan Cable has also set up a classification bin to encourage employees to actively participate in rubbish classification, and jointly create a clean and environmentally friendly office environment. In order to further enhance employees' awareness of green office, the company also regularly carries out green office knowledge training and publicity activities, so that employees can better practice the green office concept in their daily work.

Green space Construction



By the end of 2023, Lingnan Cable will have a total green space area of 13,054 square metres within the plant, with a green space ratio of 11.4%.

Green space area

13,054 m²

绿地率达到

11.4%



Resource Utilisation

Zhiguang Electric attaches great importance to energy management, recognising that energy management is the core of achieving carbon reduction in the operation of enterprises and an important hand in achieving green development. The Company continues to promote the construction of green manufacturing system in order to effectively manage the use of energy and contribute to sustainable development.

Energy Management

Zhiguang Electric actively promotes the use of clean, non-polluting and renewable new energy sources, which significantly reduces its dependence on fossil energy sources, thus effectively lowering greenhouse gas emissions and making a positive contribution to environmental protection.

Buy Green Power



Lingnan Cable has successfully procured 700,000 kWh of green power during the reporting period, replacing traditional fuels such as coal with renewable energy, demonstrating a strong commitment and positive action towards environmental protection.



Carrying out a Project for the Utilisation of Waste Heat from Lime Kilns in a Lime Plant



Zhiguang Energy Conservation and Environmental Protection joined hands with Xinyu Iron and Steel Co., Ltd. to build a pure low-temperature waste heat power station using the waste heat resources of 2 rotary kiln production lines of the lime plant and the surplus saturated steam of the steel plant, and adopting the improved waste heat power generation technology of the lime kiln exhaust gas.

The project not only reduces the production cost, but also improves the pollution of saturated steam and high temperature flue gas emission from the tail end of the lime rotary kiln of the steel plant, and achieves the power supply of 32,105,000kWh/year, which is equivalent to 9,789 tonnes of standard coal/year, and the reduction of carbon dioxide emission of 10,234 tonnes/year.



Power supply

32.11 Million kWh/year

Reduction of carbon dioxide emission

10,234 ton/year



Through-flow Cross-section Modification Project to Reduce Energy Consumption Case

Zhiguang Energy Conservation and Environmental Protection has carried out flux section modification of high, medium and low pressure cylinders of steam turbines of No. 3 and No. 4 subcritical 300MW coal-fired units of Jiayuguan Hongsheng Electric Heating Co., Ltd. and improved and perfected the thermal system and cold end system of the units, so as to realise the reduction of energy consumption in power generation of the units.

Upon completion of the renovation, the heat consumption rate of the two units at rated operating conditions decreased by about 1,280kJ/kWh, achieving an annual saving of 40,319 tonnes of standard coal, and a decrease in coal consumption for power generation of about 48.1g/kWh.



Annual saving standard coal

40,319 tons

Shore Power System helps Qinhuangdao to Build a "zero carbon terminal" Case

In order to meet the demand for low-voltage shore power on board at the same time, some berths in Qinhuangdao Port have been configured with intelligent high-voltage shore power supply system provided by Zhiguang Electric Technology, which converts the high-voltage shore power already in operation into low-voltage shore power supply system by adding mobile box-type transformers to satisfy the demand for low-voltage shore power on board of some ships.

At present, the high and low voltage shore power systems of Zhiguang Electric Technology have been stably put into operation and have supplied power to a variety of different ships calling at the port, which greatly optimises the environment of the Qinhuangdao wharf, reduces the emission of noise and various pollutants, and dedicates an important force to the construction of the "Zero-Carbon Wharf" in Qinhuangdao.



Cold Box Section Energy Storage Power System helps Shandong Port Energy Saving and Consumption Reduction Case

Shandong Port Group uses the cold box section energy storage power system provided by Zhiguang Electric Technology to achieve energy saving and emission reduction. The system is the first to use energy storage power station for peak and valley regulation and frequency conversion. 1# energy storage cabinet at M08 site can use 1,750 degrees of electricity per day, saving 383,100 yuan per year. 1# energy storage cabinet now provides only 4 cold box racks for use, with a total of 126 cold box racks at the site, which saves 12,067,700 yuan of cost per year after promotion and use.

At the same time, the high-voltage inverter power supply of Zhiguang Electric technology is used to supply power to the cold box, and the annual power saving is about 490,300kWh, with a power saving rate of 12.4%, an annual saving of 441,300 yuan in the cost of electricity, and a reduction of 357.5 tonnes of carbon emissions. If the same power saving rate is extended to the whole port area, the annual power saving will reach 11,324,500kWh.



Power saving rate

12.4%

Annual saving the cost of electricity

0.44 Million CNY

Reduction of carbon emissions

357.5 tons

35kV Cascade High Voltage Energy Storage + Wind Power Helps Xinjiang Altay's Green Development Case

Zhiguang Energy Storage makes full use of local wind energy resources, using 150MW large-scale wind turbines, respectively configured with a set of 35kV, three sets of 10kV cascade high-voltage high-capacity energy storage system. The project provides a good engineering application demonstration for optimising the energy structure and improving the diversity of energy supply in Jimunai County, and strongly promotes the development of green energy industry in Altay, Xinjiang, and puts into practice China's "dual carbon" goals implementation strategy.





Zhiguang Integrated Energy Management Platform Helps Guoxing Photovoltaic Build a Green and Intelligent Factory

Case

Knowledge City Zhiguang Hengyun takes Guoxing Photonics' headquarters factory as a carrier, covering more than 170 energy monitoring points, and makes use of cutting-edge technologies such as end-to-end cloud synergy, big data, artificial intelligence, and the Internet of Things, combining with renewable energy sources (photovoltaic systems) and means of shaving peaks and filling in valleys (energy storage systems), to push forward the transformation and upgrading of the energy infrastructure in the park (air-conditioning, air compressor, and distribution systems), and to set up a sound energy management system. After the project is put into operation, Guoxing PV's annual electricity consumption will drop by about 5.7%, saving about 6,621,900 kWh per year and reducing carbon dioxide emissions by 3,490.39 tonnes, with obvious energy-saving and emission reduction benefits.

Annual saving electricity

6.62 Million kWh/h

Reduction of carbon emissions

3,490.39 tons



Energy Consumption

Key Performance

2023

Total Purchased Electricity

11,800,780 kWh

Petrol

24.39 tons

Diesel Oil

16.49 tons

Key Performance

Energy substitution

2022

Photovoltaic Power Generation

2,273,380 kWh

2023

Photovoltaic Power Generation

2,299,930 kWh

Water Management

Zhiguang Electric adheres to the concept of rational water use and water conservation, strictly abides by laws and regulations, continuously improves water resource management, enhances the utilisation of water resources, actively carries out water conservation measures, enhances employees' awareness of water conservation, and endeavours to protect precious water resources.

Water and Electricity Saving Slogans

Case



Water, Electricity and Gas Conservation Slogans

Water Conservation Slogans

Key Performance

2022

Fresh Water Consumption

71,540 tons

Municipal Water Purchases

37,087 tons

Surface Water Withdrawals

34,453 tons

2023

Fresh Water Consumption

83,107 tons

Municipal Water Purchases

44,870 tons

Surface Water Withdrawals

38,237 tons



Materials Management

Zhiguang Electric formulates a material-related management system and organised all business divisions to actively carry out material recycling. The Company has a material department responsible for the procurement of all materials as well as warehouse storage, protection, in and out of the warehouse, the management of the ledger, responsible for the disposal of waste materials application, to strengthen the reuse of resources, to alleviate the pressure on the ecological environment.

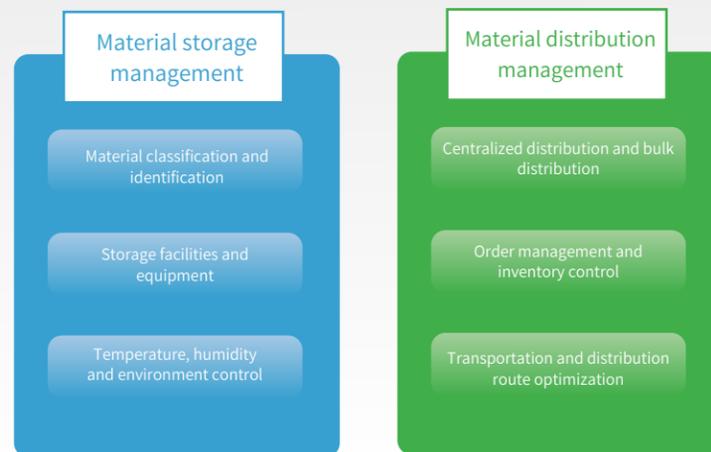


Company Green Packaging Certificate

Materials Management and Distribution Management

Case

Zhiguang Electric Technology formulates a material management system to improve the efficiency of material utilisation and to use the materials in stock in a planned manner. Through the standardised management of materials, the company makes the warehouse materials to be reasonably stored, orderly entered and exited from the warehouse, and finally used by the production workshop, so as to enhance the utilisation efficiency of materials.



Waste management

Zhiguang Electric formulates hazardous waste-related management system in accordance with the Law on the Prevention and Control of Solid Waste Pollution of the Environment, the Measures for the Administration of Hazardous Waste Transfer Joint Sheet and other laws and regulations.

Solid waste disposal measures

- Recyclable toxic and hazardous solid wastes are entrusted to recycling companies with appropriate qualifications for regular disposal.
- Non-toxic and non-hazardous solid waste that cannot be recycled is entrusted to qualified waste removal units and agreements are signed with them.
- Non-recyclable toxic and hazardous solid waste must be implemented in accordance with the relevant national regulations, using closed containers to prevent secondary pollution

Hazardous waste labelling

Case

Lingnan Cable places hazardous waste identification signs and develops implementation plans based on the hazardous waste management plan, including hazardous waste declaration and registration, transfer coupons, operating permits, and filing of emergency response plans, as well as checking whether the storage, utilisation, and disposal of hazardous waste are in accordance with the relevant standards and specifications. The company's hazardous wastes include paint drums, alcohol bottles, waste oil drums, waste activated carbon, waste light tubes, light bulbs, waste batteries, waste motor oil, waste emulsions, oily waste cloths/waste tools and so on.

危险废物		危险废物		危险废物	
主要成分: 油漆、酒精 类别: HW49	危险类别	主要成分: 苯、二甲苯、甲苯、甲醛	危险类别	主要成分: 油、烃、水混合物或乳化液 类别: HW09	危险类别
化学名称: 油漆桶、酒精桶		化学名称: 废活性炭		化学名称: 废乳化液	
危险情况: 毒性		危险情况: 毒性		危险情况: 毒性	
安全措施: 定点存放, 防止泄漏		安全措施: 定点存放, 防止泄漏		安全措施: 定点存放, 防止泄漏	
废物产生单位: 广州岭南电缆股份有限公司		废物产生单位: 广州岭南电缆股份有限公司		废物产生单位: 广州岭南电缆股份有限公司	
地址: 广州市南沙区黄阁镇入涌路163号		地址: 广州市南沙区黄阁镇入涌路163号		地址: 广州市南沙区黄阁镇入涌路163号	
电话: 18819325566 联系人: 李勤		电话: 18819325566 联系人: 李勤		电话: 18819325566 联系人: 李勤	
批次: _____ 数量: _____ 产生日期: _____		批次: _____ 数量: _____ 产生日期: _____		批次: _____ 数量: _____ 产生日期: _____	

Key Performance

2022

Total Packaging Material

144.69 tons

Metal-based Packages

64.06 tons

Plastic Packaging Materials

80.63 tons

2023

Total Packaging Material

117.34 tons

Metal-based Packages

95.85 tons

Plastic Packaging Materials

21.49 tons

Key Performance

2023

General Waste Generation

426.88 tons

Amount of General Waste Recycled

221 tons

General Industrial Solid Waste Disposal

221 tons

Hazardous Waste Generation

10.59 tons

Volume of Hazardous Waste Disposed

10.59 tons

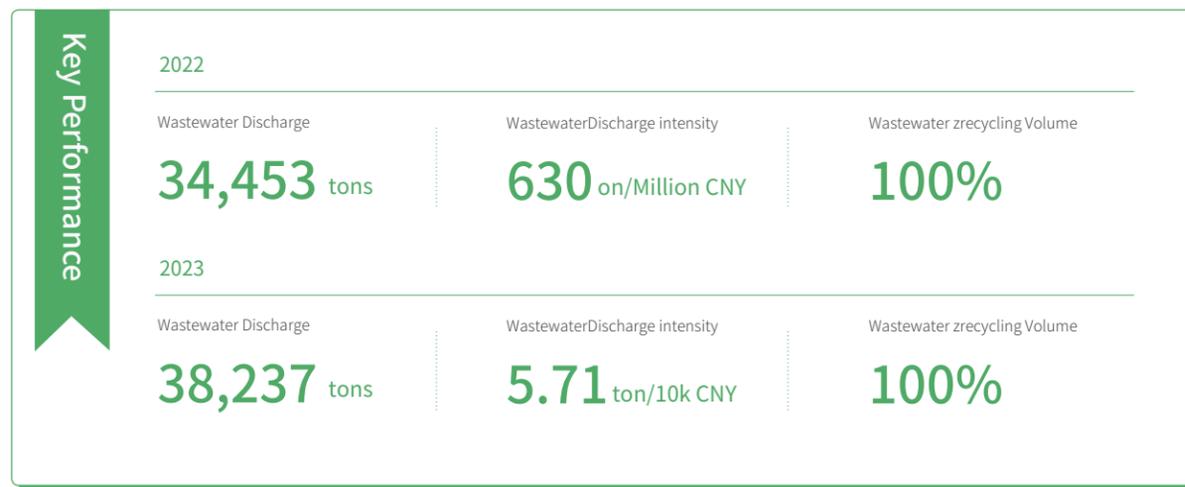


Wastewater Management

Zhiguang Electric formulates an exhaustive set of wastewater-related management measures in order to standardise the wastewater treatment process and to ensure that environmental protection work is carried out in an orderly manner.

Wastewater Treatment Measures

- The Company laid sewage discharge pipe network in the factory, all the domestic sewage in the factory is directly discharged into the sewage pipe network after testing and meeting the standard.
- Regular sampling, monitoring and recording at effluent outfalls
- Regularly check the compliance of wastewater discharges, and implement the Management of Non-Conformities, Corrective and Preventive Measures (MNCPPM) for non-conformities occurring during wastewater discharges.

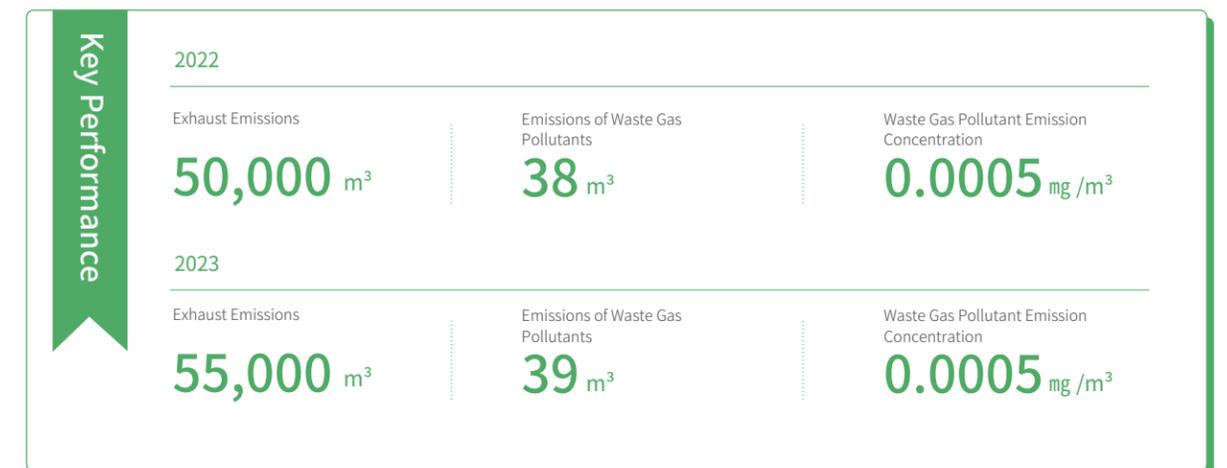


Exhaust gas Management

Zhiguang Electric has formulated a set of rigorous waste gas related management system to strengthen the waste gas management and control and to ensure that the environmental protection work is in place.

Exhaust Gas Treatment Measures:

- According to the "job operating procedures" to carry out operations, to maintain the smooth working of the ventilation system, if necessary, the relevant operators to wear the relevant labour protection protective tools
- Process exhaust emissions under abnormal conditions, implementation of contingency plans
- Formulate workshop exhaust gas and monitoring plan, inspect the production site and take appropriate measures for each unit according to the production information and the results of the monitoring report
- Monitor the emission outlets of waste gas pollution sources according to the monitoring plan, and notify the responsible departments of any abnormalities so that timely measures can be taken
- charge of the unit monitors and inspects the status of the unit's emissions on a daily basis and records the
- Regular inspection of exhaust gas emissions and enforcement of non-conformities occurring in the process of exhaust gas emissions in accordance with regulations



Noise Management

Noise Treatment Measures:

- On-time inspection, found that the equipment is running abnormally or make ear-splitting noise, timely report and find the cause, if you determine that the equipment failure to run, to immediately report for inspection and repair
- All kinds of equipment should be maintained regularly according to the system, especially the lubrication of high noise source equipment, so that the normal operation of the equipment and reduce noise.





 智光电气
Zhi Guang Electric
智慧能源的追求者与

04

Serving Customers and Optimizing Product Quality

Zhi Guang Electric is dedicated to enhancing product liability through the implementation of comprehensive measures, including product lifecycle management, establishment of recall mechanisms, provision of high-quality customer service, development of customer complaint mechanisms, conducting customer satisfaction surveys and relevant trainings to ensure product quality and customer satisfaction. Additionally, the Company pays attention to the lifecycle management of suppliers and places a strong emphasis on data security and intelligent construction.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS





Product Liability

"Quality drives economic growth, and strengthens all industries." Zhiguang Electric regards product quality as the foundation of its businesses and is committed to providing high-quality products and services to customers. Its subsidiaries (Zhiguang Electric Technology, Zhiguang Energy Storage, and Zhuyouying) have passed the GB/T 19001-2016/ISO 9001:2015 quality management system certification.

ISO 9001:2015 quality management system certification



Zhiguang Electric Technology

Zhiguang Energy Storage

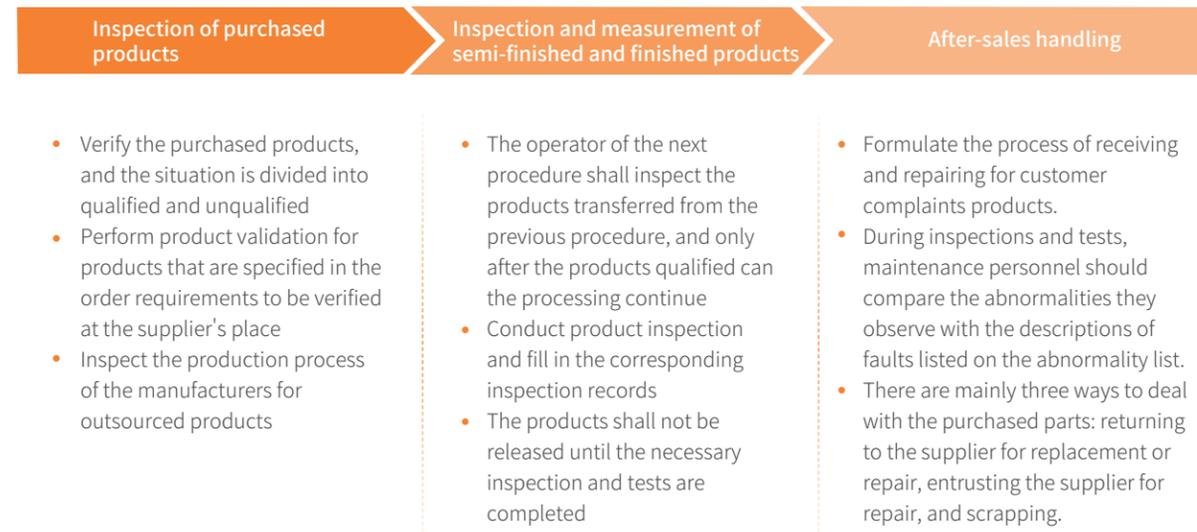
Zhuyouying

Product Lifecycle Management

Zhiguang Electric has formulated the systems of product quality, supervises and inspects the manufacturing process and product quality to ensure that the output of the manufacturing process and the product quality meet the requirements.

The Company clarifies the responsibilities of relevant departments in the Product Center for handling defective products, establishes an effective emergency response and handling mechanism for emergencies, scientifically responds to and promptly controls product quality and safety incidents, minimizes harm from such incidents, and standardizes and guides emergency response work.

Zhiguang Electric product lifecycle management



Additionally, the Company hires a third party to conduct sampling inspection to confirm product quality and technical requirements. Products such as high-voltage static var generator, intelligent shore power supply, shore power frequency conversion power supply have passed the certifications.



Zhiguang Electric Technical Product Certification

Product Recall

Zhiguang Electric has established a sound product recall system to deal with potential problems of the products after delivery, promptly inform relevant parties of the information, ensure that there are no safety problems or operational risks during the product use process. The Company promptly, properly, and correctly executes the recall process to avoid or minimize the impact of harm.

Zhiguang Electric Technology unqualified product handling



- The technical service department of the cloud computing service center communicates with various departments for relevant matters through the OA workflow of the Out-of-Specification Product Handling Form during the process of abnormal handling.
- After the complaint products returning to the factory, the technical service department will fill out a product repair card to identify them. The repair card must include the abnormal ticket number, product name, model specifications, product number, contract name, and return date.
- The technical service department transfers the customer complaint products to designated area in the repair shop and notifies the repair personnel for receipt.
- The interface between the repair shop and the technical service department is the customer service account.
- The repair shop checks the specifications, model numbers, and quantities of the abnormality list received by the customer service against the received report, and notifies the service center immediately if there is any discrepancy.

Product Quality Training

Zhiguang Electric Technology places great emphasis on the cultivation of employees' quality awareness and creates a quality culture atmosphere that pursues excellence. It continuously strengthens the practical skills of quality workers.



Training on cable knowledge



Lingnan Cable provides employees with training on knowledge of cables, which includes cables introduction in different angles from their classification, structure, materials to specifications, etc. This training helps employees perform their jobs better.



High standards to implement the the spirit of the outline



In March 2023, Zhiguang Energy Storage launched a comprehensive learning campaign for the *Outline for Building a Quality Strong Country (2021-2035)*, which created a strong atmosphere of "creating advanced quality culture and promoting high-quality development". The training covers all employees of the manufacturing center, deeply promotes the construction of quality foundation and quality improvement projects, and providing a strong quality support for the company's development.

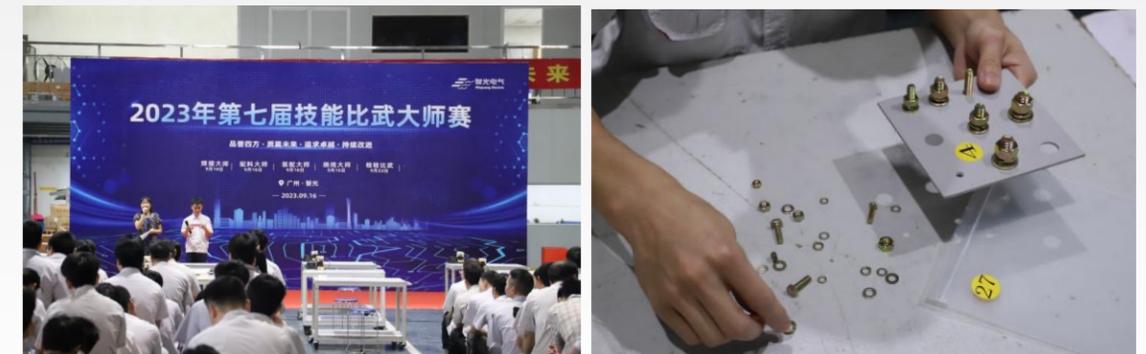


With the aim of continuously enhancing employees' quality awareness and promoting the spirit of craftsmanship, Zhiguang Electric Technology organized a series of skill competitions in the Quality Month.

The 7th Skill Competition Masters Tournament



In March 2023, Zhiguang Electric Technology held a skills competition for all employees in the Product Center Quality Control Department. The competition consisted of a written test and a practical test. Through the competition, it aimed to set models, improve job skills of the employees, and cultivate excellent quality control personnel for the company.



Key Performance

2023

Number of Conducted Risk Assessments

7 times

Product Qualification Rate

99.2%

Annual Quality Internal Audit Frequency

1 times

Number of Inspections Conducted by Third-party Organizations Hired

28 times

The Number of Products that Need to be Withdrawn and Recalled due to Health and Safety Reasons

0



Customer Service

Customer Service Management System

As a pursuer and advocate of smart energy, Zhiguang Electric has always adhered to the business philosophy of "help customers use energy safely, economically, and comfortably". With professional service personnel and a nationwide service network, Zhiguang Electric can quickly respond to customer needs and maximize customer satisfaction, providing more convenient, comprehensive, and considerate quality services for customers and partners.

Zhiguang Electric Service System

Customer service system covering the whole country

The Company has established a comprehensive service center and service points and network covering the whole country to provide customers and partners with faster, more convenient, comprehensive and thoughtful high-quality services

A skilled and experienced team has been established to provide customers with fast and timely service and technical support around the clock

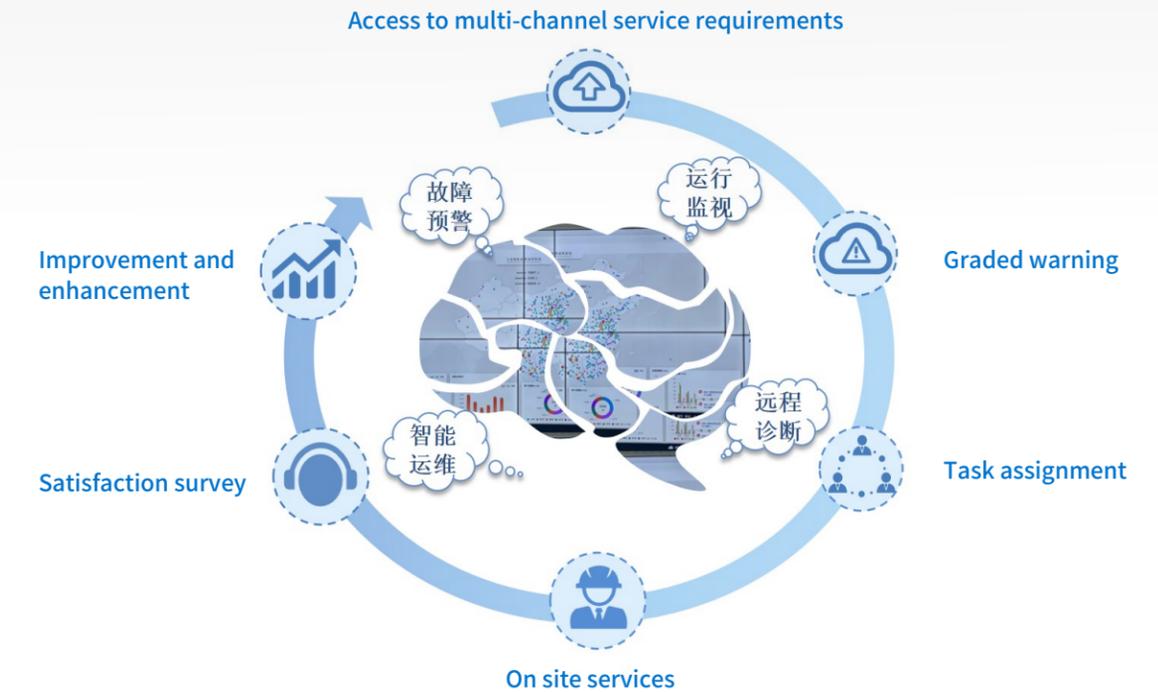
24-hour round-the-clock service

Meanwhile, the Company adheres to product technology innovation and service model innovation, and has successively completed the construction and integration of industrial internet platform motor system, energy efficiency manager system, and cloud call service management system. By transforming the service management model, it drives the construction and improvement of the service management system, constantly improves the service quality and customer complaint management system, and establishes a comprehensive service tracking and management mechanism that collects, classifies, warns, responds, assigns tasks, tracks progress, and provides feedback on the results of service events. Continuously improving and innovating service management models, the Company can greatly enhance the user experience and create value for customers.

Zhiguang Electric Cloud Call Service Management System

Case

The Zhiguang Electric Cloud Call Service Management System takes customer service needs as its core focus, and integrates various channels such as 400 hotline, WeChat official account, customer service email, and industrial internet, to fully access customer service needs. The system has built a complete service tracking and closed-loop management mechanism, covering the information of collection, classification, warning response, task assignment, progress tracking, and feedback of the service event to more efficiently meet customers' various needs and achieve the optimization and upgrading of service processes.





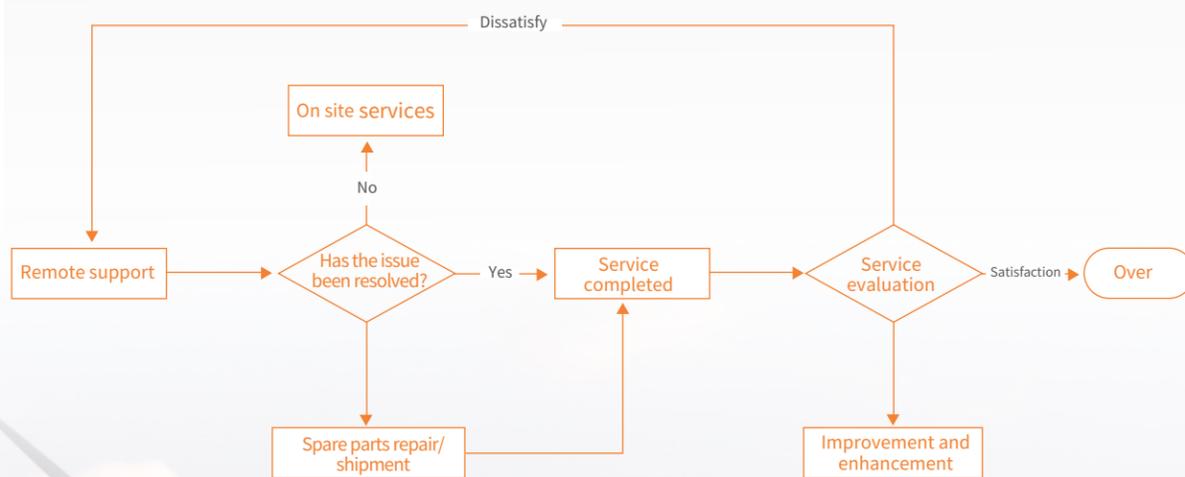
Zhiguang Electric Industrial Internet Platform



Zhiguang Electric relies on the industrial internet platform, focusing on equipment, and combines the various attribute and lifecycle information of equipment in the CRM system, through edge gateway to realize dynamic monitoring of real-time operating data, curves, and alarms. It achieves equipment status monitoring, remote fault diagnosis and analysis, equipment operation data statistics, health status evaluation and analysis, and fault and maintenance reminders, providing customers with more timely, efficient, and proactive service support and experience.



Service Operation Flowchart



Customer complaint channels

Zhiguang Electric highly values customer feedback, requiring its subsidiaries to improve their customer service systems and establish dedicated departments to handle customer feedback. The Company also provides diverse feedback channels to understand customer needs and expectations, adjust and improve its service strategies and product solutions in a timely manner, and deliver high-quality products and services to meet customer expectations and needs.

Customer complaint channels



The Company has clearly defined customer service processes and created a diversified feedback channel system that combines both online and offline channels, aiming to provide customers with more convenient and efficient communication methods. No matter which feedback channel the customer chooses, the Company promises to respond promptly within 2 hours after receiving the complaint, providing timely and professional attention and response to the customer.



Mail services



Online services



Telephony services



On site services

Key Performance

2022

Number of customer complaints

95 times

Number of customer complaints resolved

95

Customer complaint resolution rate

100%

2023

Number of customer complaints

86 times

Number of customer complaints resolved

86

Customer complaint resolution rate

100%



After sales service response channels

Zhiguang Electric adheres to the customer-centric principle and is committed to providing excellent products and service experiences. The Company continuously improves its after-sales response mechanism and explicitly requires its subsidiaries to build independent after-sales service systems, establish diverse service response channels, to meet the diverse needs of domestic and foreign customers.



After sales service response channels

Zhiguang Electric Technology adheres to the principles of "professionalism, efficiency, and comprehensiveness", creating a "five-star" after-sales service guarantee to support equipment operation worldwide. As of the end of the reporting period, the Company has established "7 major service centers" and achieved "2 major service scope", promising "2/48 service efficiency". It also built a one-stop service platform to meet customer needs and improve their satisfaction.

7 Major Service Centers

The Company has set up seven regional service centers in Guangzhou, Beijing, Shanghai, Xi'an, Chongqing, Wuhan, and Hangzhou as the core, and has built a service network covering major customer service points and project departments across the country.

2/48 Service Commitment

The Company promises to respond within 2 hours after receiving service requests, and personnel will arrive on site within 48 hours.



2 Major Service

The Company offers two service scopes: standardized quality assurance and customized services.

- Standardized Quality Assurance: Pre-commissioning, installation and commissioning, preventive maintenance, spare parts supply, on-site service, optimized service, intelligent operation and maintenance
- Customized Services: Customized solution design, diverse cooperation models, training service

1 Service Platform

The Company has built an "integrated energy service industrial internet platform", using big data to empower its core energy service products, including research and development, product manufacturing, system integration, and equipment maintenance,, helping customers realize the transformation and upgrading from factor-driven to data-driven.

Customer service capability training

To enhance the professional level of service personnel and better meet the needs and expectations of customers, Zhiguang Electric is committed to building a comprehensive training system for service personnel to ensure that an efficient and smooth communication bridge is established between the customer service team and customers. At the same time, the Company requires its subsidiaries to actively organize and conduct training activities for service personnel to continuously improve the overall quality and service level of the service team.

Customer Relationship Management Training



During the reporting period, Lingnan Cable deepened the professional competence of the main marketing departments in customer relationship management by conducting training on customer management theory, customer communication skills, and customer demand analysis for relevant service personnel. The company ensured that team members could comprehensively master the key of customer relationship management and practical operation skills.



Customer product training

Zhiguang Electric, as a leading digital energy technology and comprehensive energy service provider, has set strict professional standards for the use of equipment. In order to deepen the comprehensive and in-depth understanding of the company's product features by customers, the Company advocates its subsidiaries to provide guidance-based training on product use, and provide customers with more quality and precise services through professional knowledge transfer and hands-on demonstrations.

Customer product training



In order to help customers better understand and operate the products sold by the company, Zhiguang Electric Technology arranges professional skill training based on the specific requirements of customers. The company invites variable frequency adjustment and maintenance technicians to give lectures, focusing on the working principles, structural features, and daily maintenance points of the equipment, so that the operation personnel of the customer company can fully grasp the performance of the equipment and possess the skills to deal with common faults, ensuring the stable operation of the equipment.





Key Performance

2022

Number of people trained in responsible marketing 227 Person-time	Average duration of responsible marketing training 15 Hours	Number of responsible marketing training sessions 6 times	Number of special training sessions on customer complaint response 74 Person-time
Average duration of special training on customer complaint response 3 Hours	Number of special training sessions on customer complaint response 3 times	Number of assessments for responding to customer complaints 3 times	

2023

Number of people trained in responsible marketing 399 Person-time	Average duration of responsible marketing training 14 Hours	Number of responsible marketing training sessions 11 times	Number of special training sessions on customer complaint response 66 Person-time
Average duration of special training on customer complaint response 4 Hours	Number of special training sessions on customer complaint response 3 次	Number of assessments for responding to customer complaints 3 times	

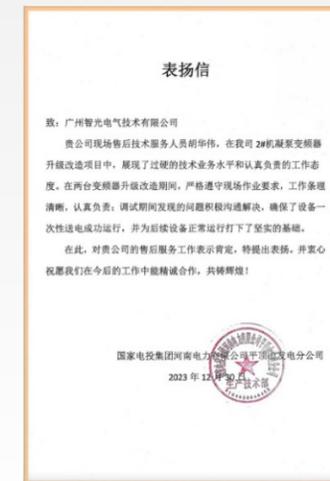


Satisfaction survey

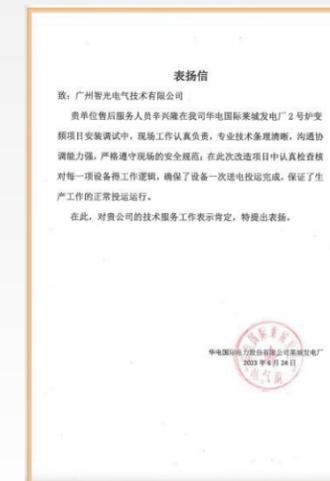
In order to deeply explore customer needs and continuously optimize the service experience, Zhiguang Electric pays great attention to customer satisfaction survey work. The Company suggests that its subsidiaries adopt diverse survey forms, such as online questionnaires and offline visits, to collect customers' feedback and opinions comprehensively, so as to promptly discover and improve problems in service and continuously enhance customer satisfaction. As of the end of the reporting period, the customer satisfaction rate of the Company was 92.65%.

Zhiguang Electric Technology received many thank-you letter from customer Case

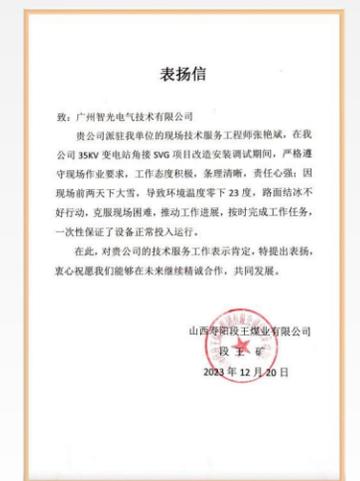
The technical service team of Zhiguang Electric Technology has won unanimous praise from many customers, including State Power Investment Corporation He'nan Electric Power Co., Ltd. and Huadian International Power Co., Ltd., for its professional and comprehensive technical capabilities and service attitude shown when solving the problems.



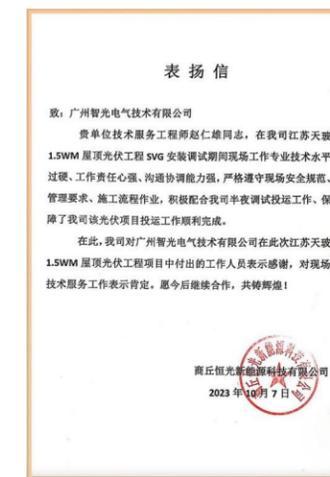
Thank-you letter from State Power Investment Corporation (SPIC) Hainan Power Co., Ltd.



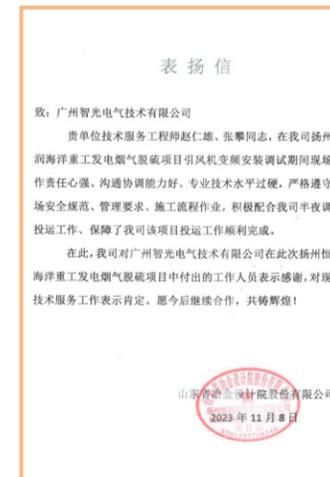
Thank-you letter from Huadian International Power Co., Ltd.



Thank-you letter from Shanxi Shouyang Duanwang Coal Mining Co., Ltd.



Thank-you letter from Shangqiu Hengguang New Energy Technology Co., Ltd.



Thank-you letter from Shandong Metallurgical Design Institute Co., Ltd.



Thank-you letter from National Energy Group Langfang Thermal Power Plant



Supply Chain

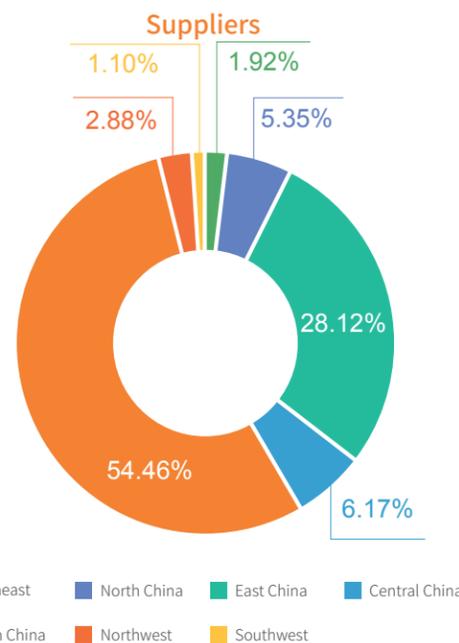
2023

供应商总数共

736家

Zhiguang Electric has consistently upheld the principles of integrity and efficiency in fulfilling contracts, with a commitment to promoting a standardized, transparent, clean, and efficient procurement process. The Company is dedicated to establishing an agile, flexible, and highly effective supply chain management system that maximizes the value of its supply chain resources while maintaining the independence and flexibility of the supply chain management of its subsidiaries to adapt to the changing market demands, and finally establishes a competitive supply chain management system and actively drives sustainable supply chain development. As of 2023, Zhiguang Electric and its subsidiaries had a total of 736 suppliers, with local suppliers representing the highest proportion.

The Region Distribution Map of Zhiguang Electric's



Key Performance

2023

Number of Domestic Suppliers

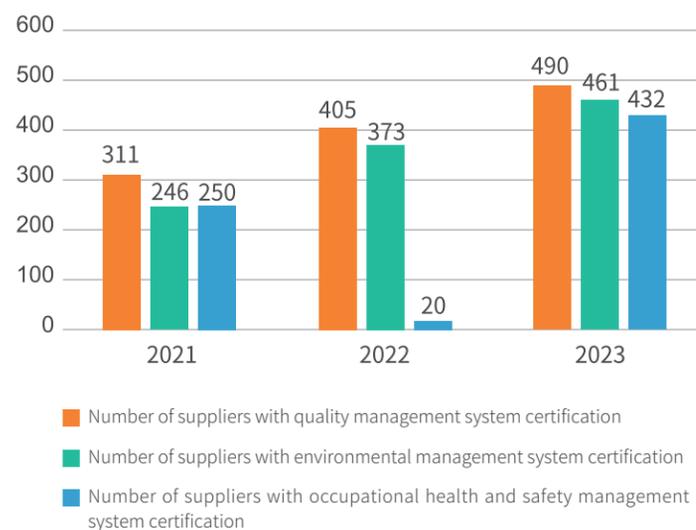
729

Number of Overseas Suppliers

7

The Company upholds a rigorous supplier review principle, requiring specific suppliers to provide certificates of quality management system certification, environmental management system certification, and occupational health and safety management system certification as a foundation for ensuring the sustainable development of the supply chain. The Company is dedicated to establishing long-term partnerships with responsible suppliers to jointly drive the green, efficient, and robust development of the supply chain. Over the past three years, the Company has intensified its scrutiny of supplier certifications, resulting in a year-on-year increase in the number of approved suppliers.

Number of Supplier Qualification Reviews



Supplier Management System

In order to standardize the management of suppliers and ensure the safety, stability, and long-term cooperation of the supplier network to provide high-quality products and services that meet the Company's standards, Zhiguang Electric and its subsidiaries have established a series of supplier management systems. These systems clearly outline processes for supplier admission, evaluation, classification, and assessment to ensure that supplier selection, collaboration, and evaluation are conducted in a systematic manner. This has laid a solid foundation for the continuous stable development of the Company's supply chain.

Supplier Management System

Zhiguang Electric always prioritizes integrity procurement management, explicitly requiring its subsidiaries to strictly adhere to relevant national laws and regulations, actively promoting ethical business conduct, and firmly preventing the occurrence of commercial bribery. To ensure transparency and fairness in business activities, the Company has signed an integrity cooperation agreement with suppliers. This agreement not only clearly outlines ethical behavior standards for business transactions between both parties, but also provides detailed provisions on anti-corruption responsibilities for key personnel. It urges relevant employees to conscientiously comply with these provisions in their daily work, ensuring the healthy and orderly conduct of the Company's business activities.

Supplier integrity management

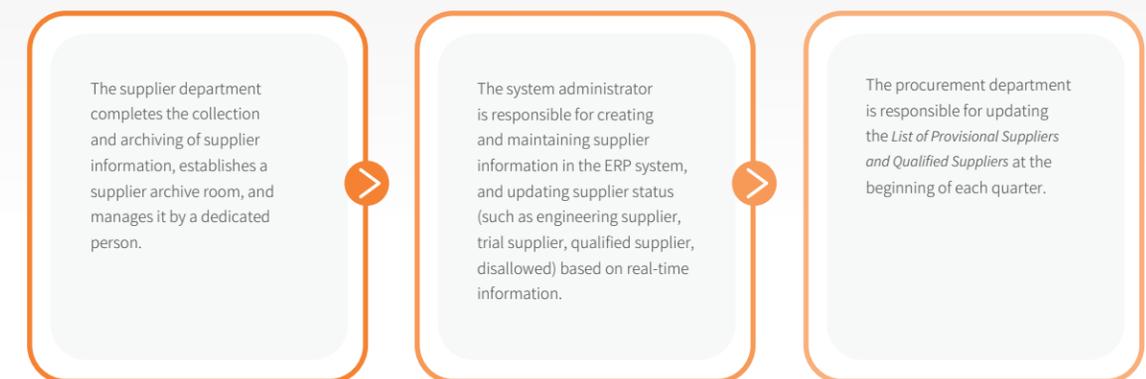
Zhiguang Electric is dedicated to enhancing the digital management process of suppliers in order to improve transparency and efficiency within the supply chain. The Company recommends its subsidiaries to strengthen the development of digital supply chain management, ensuring standardized and streamlined supplier management processes to establish an efficient, transparent, and reliable supply chain system that provides robust support for the Company's development.

Digital Management



Zhiguang Automation has implemented advanced digital tools and technologies to comprehensively manage supplier profiles, purchase orders, delivery records, and quality inspections. Through digitization, the company has achieved comprehensive, precise, and efficient management of supplier information to further enhance the transparency and standardization of supplier management, providing a strong guarantee for the stable operation and sustainable development.

Supplier Information Management Process





Information Security

Zhiguang Electric pays great attention to information security management and strictly complies with relevant laws and regulations such as the *Data Security Law of the People's Republic of China*, improves digital supervision efficiency, delves into data security management, ensures information security, and prevents the occurrence of information leakage incidents. One of its subsidiaries, Zhiyouyi, has passed the information technology service management system certification.



ISO/IEC 20000-1:2018 Information Technology Service Management System Certification

Information System Construction

In order to achieve the Company's informationization goals, standardize its informationization construction, establish and improve information systems, ensure efficient use of the information system, and meet the information management needs of production, operation and management activities, the Company has formulated relevant regulations and improves control measures in areas such as information system security management to further promote the healthy, orderly, and standardized development of its informationization construction.

Normalized Data Security Governance

The Company has clearly stipulated the operation standards for various matters in its regulations, requiring all employees in each department to abide by the law and regulations and refrain from using the Company's network for illegal activities. The Company also strengthens its internal information security management and prohibits unauthorized disclosure. During the reporting period, the Company has taken a number of measures to prevent information security incidents.



The Company has established clear guidelines for enterprise information system to ensure that the processing, storage, and use of information data are carried out in accordance with standard operating procedures. At the same time, to prevent external threats, the Company has purchased advanced firewalls, backup servers, and other protection services to build a solid security barrier for information data.

Zhiguang Electric Technology Conducted Training on Information System Operation and Data Security



On 19 July, 2023, Zhiguang Electric Technology conducted an information system operation and data security training for new employees. This training mainly focuses on offline training in information system safe operation and data security awareness. Through the explanation, the trained employees raise their awareness of information system security and learn to identify data security risks. They also learn to comply with the data security regulations set by the company, such as system password backup, and fully understand the importance of data security to both the company and individuals, thus enhancing their awareness of information security.



Key Performance	2022		
	Number of Relevant Conducted Training Sessions	Number of Participants in Training	Coverage of Trained Employees
	16 times	81	100%
Key Performance	2023		
	Number of Relevant Conducted Training Sessions	Number of Participants in Training	Coverage of Trained Employees
	21 times	150	100%





3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

05

Caring for Employees and Working Together for Progress

Zhiguang Electric views its employees as the core force driving the Company's prosperity, so it has meticulous plans in key stages such as employee recruitment, salary and welfare management. To help employees continuously improve, the Company provides diverse training resources. Additionally, the Company has established a clear promotion mechanism to stimulate employees' potential and promote their sustained growth and career development.



Labor Relations

Zhiguang Electric regards its employees as the foundation of its business development. It respects the legal rights and interests of every employee and has developed an *Employee Handbook* that outlines specific operational procedures for various aspects of employee management, including recruitment, compensation, and benefits. This ensures that every step is in compliance with relevant laws and regulations, fully protecting the legal rights and interests of both employees and the company. In 2023, Zhiguang Electric had a 100% signing rate for labor contracts and a 100% coverage rate for social insurance.

2023
signing rate for labor contracts

100%

rate for social insurance

100%

Recruitment Channels

Zhiguang Electric bases its talent development strategy on talent introduction, starting from the two major channels of campus recruitment and social recruitment. The Company conducts talent introduction work by actively carrying out offline publicity activities to enhance its influence. During the reporting period, the Company conducted offline campus recruitment activities at seven universities, including Tsinghua University, Hunan University, Central South University, Huazhong University of Science and Technology, etc.

In terms of social recruitment, the Company cooperates with major domestic recruitment platforms and well-known overseas headhunting companies to actively expand its recruitment channels. Furthermore, the Company opens its internal talent market to employees, creating a visible internal talent market platform to provide employees with more opportunities to expand their career development fields and help them explore more extensive growth paths.



The Photo of Job Fair in Beijing University of Aeronautics and Astronautics



The Photo of Lecture in Huazhong University of Science and Technology



The Photo of Lecture in North China Electric Power University



The Photo of Lecture in Hunan University



The Photo of Lecture in Central South University

Key Performance

2023

In 2023, the Company hired a total of **626** new employees, of which **105** were fresh graduates and **521** were experienced hires.



The Photo of Lecture in Beijing Institute of Technology



The Photo of Job Fair in Tsinghua University



Audit Mechanism

Zhiguang Electric upholds the recruitment principle of fair and just, and adopts a rigorous screening process to ensure that all applicants are legal adult workers. Applicants are required to present their identification cards during the application process, which relevant personnel will verify to prevent any form of child labor involvement. The Company will refuse employment to any applicant found using false documentation. During the reporting period, there were no instances of employing child labor or underage workers in the Company.

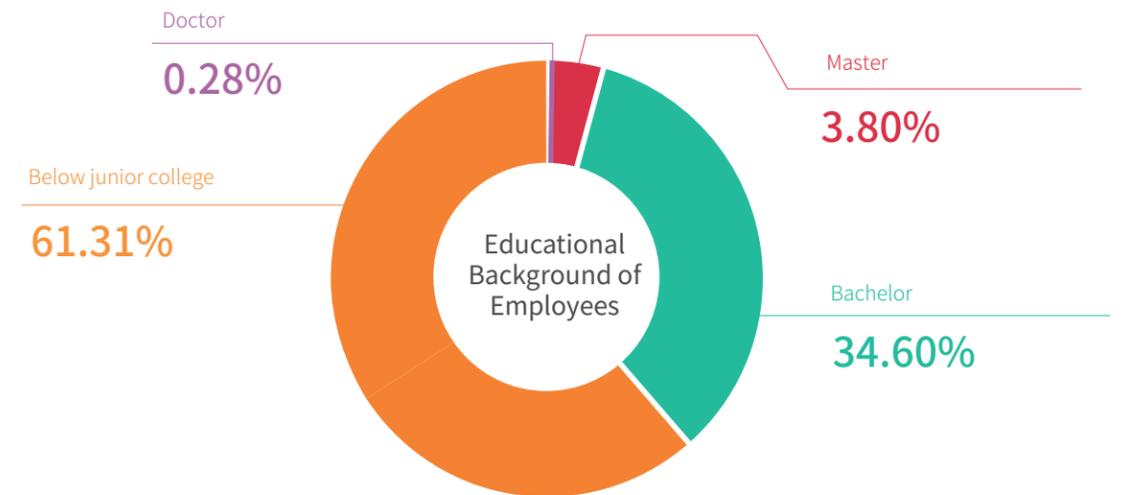
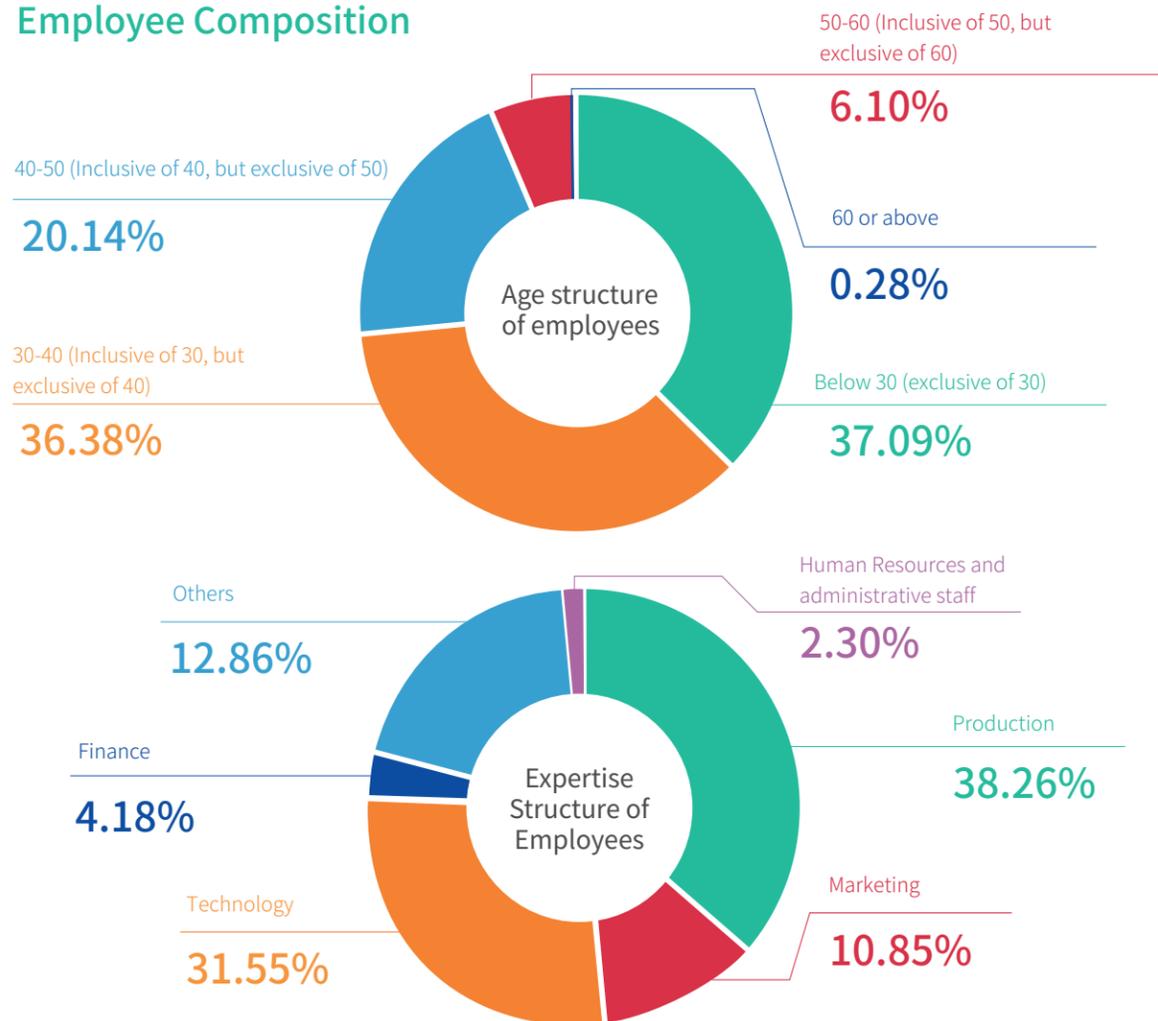
Diversity, Equality, and Inclusivity

Zhiguang Electric is dedicated to providing all employees with fair, equal, and competitive employment opportunities and development prospects. The Company strongly opposes any form of employment discrimination due to gender, race, marital status, geographical location, or religious beliefs, and ensures that every employee can demonstrate their talents and achieve personal growth in a fair environment.

Key Performance 2023 年

During the reporting period, the total number of employees in Zhiguang Electric was **2,142**, of whom **13** were disabled employees and **90** were ethnic minority employees. Among the latter, there were **2** ethnic minority.

Employee Composition



Measures to Respect the Disabled and Respect Culture and Customs Case

Lingnan Cable is committed to establishing an equal, open, and inclusive recruitment environment. The company is determined to eliminate any discriminatory related to personal characteristics such as gender and age in the recruitment process, ensuring fairness and equity. Additionally, the company deeply understands the values of respect and inclusivity, prioritizing the rights of the disabled. The company promotes communication and integration among employees from diverse cultural backgrounds, striving to create a harmonious, diverse, and inclusive corporate environment.

Respect for the Disabled

The company hires disabled people to meet business requirements and helps them get employment. It provides convenience for disabled employees by setting up barrier-free passageways and disabled restrooms in the park. By the end of 2023, the company has hired 2 disabled people.

Respect Culture and Customs

To enhance multicultural awareness of managers, Lingnan Cable has organized training to encourage managers to prioritize diversity and inclusiveness in their work. To better respect and integrate employees from different cultural backgrounds, the company has subtly incorporated various cultural elements into various activities, allowing employees to feel the company's openness and inclusiveness, thus creating a vibrant atmosphere where diverse cultures intermingle.



Protection of Women's Rights and Interests

Zhiguang Electric attaches great importance to safeguarding the rights and interests of female employees, requires its subsidiaries to establish a sound system of maternity insurance for female employees, actively carries out activities to safeguard the rights and interests of female employees, and ensures that female employees receive adequate care and protection during their maternity leave.

Women's Day Activities



On 8 March, 2023, Lingnan Cable, with promoting gender equality as its core, regularly conducts Women's Day activities. The company expresses deep respect and care for female employees by distributing gifts for Women's Day, organizing colorful activities such as outdoor games, and further enhancing the cohesion of the company's team.



Salary and Benefits

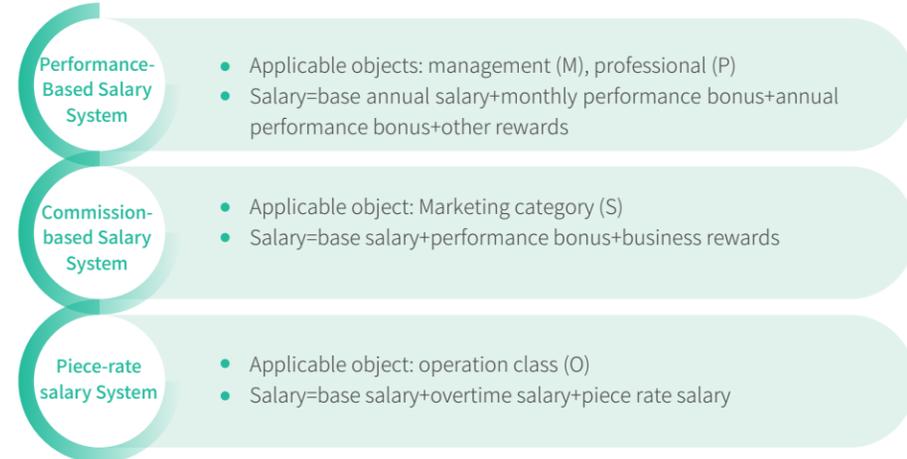
In order to meet the needs of company's development and uphold the distribution principles of fairness, justice, and scientific, Zhiguang Electric has developed the *Salary Management Method* to ensure standardized salary management. This method includes provisions for employee salary levels, salary structures, and methods for salary adjustments based on internal and external salary conditions. These measures aim to enhance the Company's ability in managing salaries effectively and promote mutual development between the company and its employees.

Zhiguang Electric explicitly designates its Integrated Management Center as the headquarters and the department, responsible for overseeing salary management for its subsidiaries. This department is tasked with formulating salary-related policies, coordinating salary management activities, and providing guidance to ensure that all subsidiary companies adhere to the parent company's salary system. The human resources departments of each subsidiary are responsible for implementing the parent company's salary system and strategy, as well as developing their own salary management regulations which must be reported to the parent company.

Compensation performance

Zhiguang Electric has been continuously enhancing its compensation management system by establishing different compensation structures for various jobs and departments. The performance-based salary system aims to stimulate employees' competitive spirit and pursuit of excellence, while the commission-based salary system incentivizes sales and business departments to innovate and expand. Additionally, the piece-rate salary system is designed to enhance production efficiency and streamline processes. This comprehensive framework is intended to provide a fair assessment of employee contributions and value, ensuring equitable compensation and effective incentives, as

Salary Composition



Performance Appraisal

Zhiguang Electric adheres to a fair, just, and transparent compensation and performance evaluation system. Through monthly, quarterly, annual, and irregular performance evaluations conducted by departments, the Company comprehensively assesses employees' abilities and links the evaluation results to their salaries, thereby motivating employees to continuously improve their personal capabilities and grow with the Company.

Performance Evaluation Methods



Salary and Welfare Protection Situation

Zhiguang Electric has established a comprehensive and multi-dimensional welfare system for its employees, which includes provisions for sick leave, paid vacation, maternity leave, paternity leave, as well as physical and mental health care. Additionally, the Company complies with national and local regulations by providing social insurance coverage such as pension, medical benefits, work-related injury compensation, maternity benefits, and unemployment insurance for its employees.

Key Performance

2023

During the reporting period, Zhiguang Electric's welfare expenditures were **3.74** million CNY, with an average number of vacation days per employee of **8.57** days. The number of employees on maternity leave was **23**, and the return-to-work rate for maternity leave was **95.65%**.



Equity Incentives

In order to further strengthen the Company's incentive and constraint mechanisms, and to enhance the sense of responsibility and mission among the management team and key business personnel for the realization of the Company's sustainable and healthy development, as well as aligning the interests of shareholders, the Company, and incentive recipients, and bring more efficient and sustainable returns to shareholders, the Company has implemented the 2022 *Employee Stock Ownership Plan*. The plan holds a total of 17,960,593 shares of the Company for employees. It will be implemented in stages from 2023 to 2025 based on employee performance evaluations. This initiative aims to establish a mechanism for sharing interests and risks between shareholders, management teams, middle-level managers, and core employees. Ultimately it seeks to enhance cohesion within the management team while bolstering overall competitiveness of the Company. Additionally this is intended to ensure that future development strategies and business objectives are achieved.

In accordance with the *Trial Regulations on Stock Option Plan for Listed Companies*, the *Securities Law* and other relevant laws and regulations, as well as the provisions of the Company's *Articles of Association*, Zhiguang Electric has developed the *Management Regulations for Employee Stock Ownership Plan of Guangzhou Zhiguang Electric Co., Ltd. (2022)*. This plan aims to provide institutional support for the Company's equity incentive management. The Compensation and Evaluation Committee comprehensively evaluates and reviews the performance assessment and implementation of the stock incentive plan based on multiple evaluation indicators, continuously enhances the construction of a long-term incentive mechanism, fully motivates employees' enthusiasm and creativity, and achieves mutual progress and growth for both the Company and its employees.

Employee Activities

Zhiguang Electric genuinely cares about the quality of life for every employee and regularly holds a variety of activities to enrich their after-work lives and enhance their job satisfaction and sense of happiness.

Employee Sports Meeting.



On 9 April, 2023, to celebrate Zhiguang's 24th birthday, the Company organized a fun sports event on the occasion of "Zhiguang Day" to create a positive and harmonious cultural atmosphere, promote communication among various units, and further enhance employee cohesion.



Won the Labour Union Cup Competition



From May 22nd to July 2nd, 2023, the General Union of Huangpu District in Guangzhou City held the Workers' Cup Employee Competition. Zhiguang Electric dispatched two teams, a badminton team and a basketball team, to participate. In this competition, the Company's representatives won the second place in the badminton employee championship and reached the top 32 in the basketball employee championship, demonstrating the united and spirited spirit of Zhiguang employees.



Birthday Party



On 4 August, 2023, in order to enhance employees' innovation and challenge spirit, Zhiguang Electric organized a birthday party with the theme of "Soaring with 'Wisdom', Unveiling 'Brightness'", and nearly 40 employees participated in it. The successful holding of the event further boosted employee morale and sense of belonging, while strengthening the Company's cohesion and unity.





Conduct Military Training and Regimentation Activities



On 11 March, 2023, the Zhiuang Energy Storage Manufacturing Center organized a military training and team building activity, and more than 100 employees participated in it. The objective of this military training activity is to enhance discipline, mindset, and teamwork among all personnel, improve the overall service standards, demonstrate the positive spirit of the employee team, and lay a solid foundation for cultivating a disciplined and hardworking workforce.



Employee Development

Training System

Zhiguang Electric regards the talent team as the core competitive advantage and driving force for future development of the Company. It creates opportunities for continuous growth for employees and has established Zhiguang Academy, which offers a tiered training system tailored to different employee groups, including new hires, management, and technical technician. The training covers various areas such as strategic and business guidance, talent cultivation and development, as well as talent rotation and exchange programs. This approach ensures a close alignment between talent development and the Company's strategic goals.





New Employee Orientation



From July 10th to 21st, 2023, Zhiguang Electric initiated a new graduate training camp for onboarding. The Company tailored a 10-day onboarding training program specifically for recent graduates, focusing on various aspects such as company culture, campus tours, and business understanding. This initiative aims to assist 84 outstanding students from universities nationwide in quickly integrating into the "Zhiguang family" and contributing to the Company's development.



Product Technical Training



On 1 November, 2023, Zhiguang Electric Technology organized an online comprehensive training for the Product Center Technical Service Department, focusing on product technology. Several professional lecturers were invited to provide theoretical explanations and case analyses to help employees gain a thorough understanding of the technical features, performance advantages, and precautions for actual application of the products. This training not only enhanced the overall technical level of the employees in the Product Center Technical Service Department, but also helped cultivate a group of technically skilled personnel for the Company.

Course Outline

Serial number	Specific content	Training duration	Teaching time
1	CRM, OA, service order, product report and other content of the standard filling	60 minutes	November 8th
2	On-site precautions and communication skills with customers	60 minutes	November 9th
3	Inverter basic installation and debugging knowledge	60 minutes	November 15th
4	Frequency converter fault handling process and special precautions	60 minutes	November 16th
5	Inverter debugging logic and related knowledge	60 minutes	November 22nd
6	Test vehicle basic installation, test work related knowledge	60 minutes	November 23rd
7	Knowledge of arc suppression foundation installation and commissioning work	60 minutes	November 29th
8	Equipment and process specifications are straight	60 minutes	November 30th
9	Electric power base installation and commissioning work related knowledge	60 minutes	December 6th
10	SVG fault processing flow and high and low wear test precautions related knowledge	60 minutes	December 7th
11	Air duct production and precautions	60 minutes	December 13th

Training on the theme of Energy Storage Technology



Starting from February 2023, in order to help employees enhance their technical expertise, familiarize themselves with the company's products and technical requirements, promote the development of technical and skilled talent, and foster a culture of continuous learning for all employees, Zhiguang Energy Storage conducted a series of energy storage technology training sessions at Zhiguang Academy for nearly 3 months.



Key Performance

2022

Number of Acceptance

114 times

Total Number of Trained People

1,380

Total Duration of Training

4,260.5 Hours

Average Training Duration of Employees Participating in Management Training.

29 Hours/person

Average Training Duration of Employees Participating in Professional Skills Training.

44 Hours/person

Average Training Duration of Employees Participating in Leadership Training

24 Hours/person

2023

Number of Acceptance

163 times

Total Number of Trained People

5,115

Total Duration of Training

4,676 Hours

Average Training Duration of Employees Participating in Management Training.

26 Hours/person

Average Training Duration of Employees Participating in Professional Skills Training.

73 Hours/person

Average Training Duration of Employees Participating in Leadership Training

24 Hours/person



In-house Lecturer Team Building

Zhiguang Electric places great emphasis on the development of its internal training team, aiming to cultivate a group of trainers with professional expertise and extensive experience. This is to ensure that the Company's internal training and learning needs are aligned with its strategic development direction, enabling employees to continuously enhance their skills in electric power technology, customer service, and innovative management, etc., thereby promoting the efficient operation and sustainable development of the Company's business.

: Building an Internal Trainer Team in a Pyramid Structure



To synchronize the improvement of training quality and training level, Lingnan Cable has planned a hierarchical structure of internal trainers by selecting experienced and highly skilled employees to serve as internal trainers, ensuring that employees at all levels, from entry-level employees to middle and senior management, can find suitable training content and methods.

Additionally, by delivering lectures and sharing experiences, employees can enhance their professional skills, communication skills, and leadership abilities, enabling them to perform better in their jobs and obtain promotion opportunities, thereby improving their overall qualities and personal brand value. During the reporting period, the company had 10 in-house trainers.

Reporting period

Internal lecturer

10

Internal Trainer Selection



Zhiguang Electric Technology has implemented a rigorous internal trainer selection process, which includes four stages of recruitment, initial screening, trial teaching, and appointment. This is to ensure the fair and impartial selection of internal trainers that align with the company's development direction. As of the end of the reporting period, the company has recruited a total of 15 internal trainers.

End of reporting period

Recruit internal lecturers

15

Recruitment Process for Zhiguang Electric Technology's Internal Instructors



Promotion Channel

Zhiguang Electric is dedicated to standardizing the Company's promotion system and process, continuously optimizes the construction of employee career advancement paths, and has established a fair, open, and transparent competitive mechanism. The Company advocates for its subsidiary companies to establish a comprehensive development channel mechanism to ensure that outstanding talents can receive due recognition and promotion opportunities within the Company, thus maximizing their personal career value.

Development of promotion channels



Lingnan Cable categorizes occupations into five groups: management, functional, technical, operational, and marketing. For each occupational category, the company has established clear career development levels and strict qualification standards to provide employees with a defined and personalized career path. Additionally, the company conducts regular performance evaluations for all employees annually to drive continuous enhancement of human capital and establish a solid foundation for the company's long-term development.

Management promotion channels



Intelligent promotion channels



Promotion channels for technical personnel



Promotion channels for operators



Marketing promotion channels





1 NO POVERTY



4 QUALITY EDUCATION



11 SUSTAINABLE CITIES AND COMMUNITIES



06 Giving Back to the Society

Zhiguang Electric highly values and actively fulfills its social responsibilities. The Company is dedicated to carrying out poverty alleviation by means of donations and other methods to provide assistance to families in need, thereby conveying a sense of warmth and care.



Community Construction

Zhiguang Electric adheres to the spirit of “innovation, responsibility, unity and perseverance”, and pursues the people-centered management. While building a high-quality development platform of “product + service + investment”, the Company fully attaches great importance to the embodiment of its social value and actively fulfills its social responsibilities.

Huangpu Marathon

Case

On December 24, 2023, the Huangpu Marathon was held in Guangzhou, which shows the city’s style and the unique culture. Zhiguang Electric, as a sponsor, provided support for the activity and advocated employees to actively participate in it. The successful holding of the Huangpu Marathon conveyed the positive energy to all the participants and the spectators, showing the brand charm and social responsibility of Zhiguang Electric.



Assistance to the Poor

Zhiguang Electric has formulated the *Donation Management System* to regulate the donations of the Company and contribute in poverty alleviation. Since the beginning of the “Poverty Alleviation Day” in Guangdong, the Company has donated to help the poor every year and offers a share of love to the poverty alleviation in Guangdong Province.

Street Lamp Donation to Yumin Village, Lianghua Town

Case

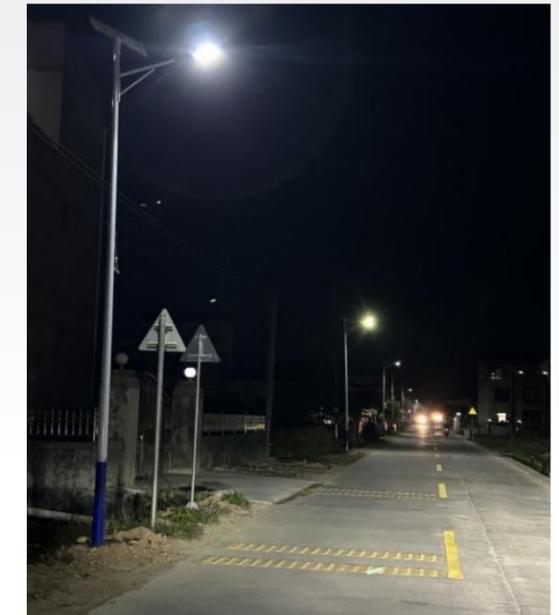
In December 2023, Zhiguang Electric donated 100 street lamps, worthing 100,000 yuan, to Yumin Village, Lianghua Town, Guangdong Province. The donation not only brought a brighter and safer nighttime to Yumin Village, but also demonstrated the Company's active commitment and concern for public welfare.

Donated street lamps

100

Total amount

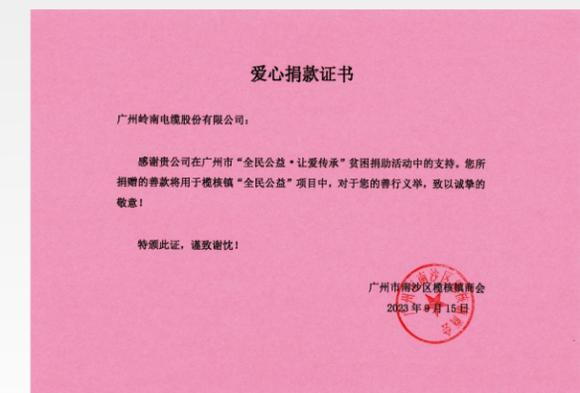
100,000 CNY



Donation to vulnerable families

Case

In 2023, Lingnan Cable participated in and supported the “Public Welfare · Passing on the Love” donation in Guangzhou. As a company with a strong sense of social responsibility, Lingnan Cable always pays attention to the needs of vulnerable people and actively devotes itself to public welfare. The Company donated to the vulnerable families in Lanhe Town. The donation will be used to purchase daily necessities, provide medical assistance and educational support, etc., to ensure the basic living needs of the families are met.





Donation to Longchuan County

Case

In 2023, Zhiguang Electric actively carried out a series of poverty alleviation activities in Longchuan County, Guangdong Province, showing a strong sense of social responsibility. Specifically, in November, the Company repaired the tractor roads and fish ponds for villagers in Xiaomiao Village, Longmu Town, Longchuan County, which significantly improved the local agricultural conditions and provided strong support for the local agricultural production. In December, the Company donated advanced lighting equipment to Longmu Town and Fengren Town in Longchuan County, creating a bright and comfortable living environment for the villagers and further improving their quality of life.

In addition, Zhiguang Electric also pays special focus to the sanitation workers in Longchuan County, and actively organizes activities to pay lofty respect and deep concern to those who dedicated quietly. The Company took practical actions to express its respect and gratitude and conveyed positive energy. By the end of the reporting period, the total amount of donations made by the Company to Longchuan County reached 123,200 yuan, fully demonstrating the Company's firm determination and powerful support in the field of poverty alleviation.

Total donations to Longchuan County

123,200 CNY



Condolences to the sanitation workers in Longchuan County



Repairing the tractor roads and fish ponds in Xiaomiao Village, Longmu Town, Longchuan County



The sound and light system in the cultural square of Xiaomiao Village, Longmu Town, Longchuan County

Social Contribution per Share

In order to comprehensively and accurately measure the value of a company's social responsibility contribution, we adopt the concept of social contribution value per share, which means that on the basis of the basic earnings per share created by an enterprise for its shareholders, we add the amount of value created by the enterprise for other stakeholders, such as the tax revenue created for the state, the wages and benefits paid to employees, the interest paid on borrowings to creditors, and the amount of external donations, etc., in the reporting year, and deduct the amount of other social costs created by the enterprise as a result of environmental pollution, etc. and other social costs caused by environmental pollution, etc.

Key Performance

2023

In 2023, the company's social contribution value per share is **0.36** CNY/share.

*Social contribution value per share = Basic earnings per share + (Taxes paid + Employee remuneration and benefits + Interest expenses + Total external donations - Environmental protection expenses such as sewage clean-up) / Total ordinary share capital at the end of the period





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Feedback Form

Thank you for reading the 2023 Environmental, Social, and Governance (ESG) Report of Guangzhou Zhiguang Electric Co., Ltd.. We attach great importance to and look forward to hearing your feedback on the company's ESG work and this report. Your opinions and suggestions are important for us to continuously improve the level of ESG disclosure and promote the management and practice of sustainable development. You can fill out the following table and give us via E-mail.

E-mail: sec@gzgz.com.cn

1.For Zhiguang Electric, what is your identity?

- Regulator Customer Employee The Public Supplier
 Shareholder or Investor Industry Association Media other_____

2.Your overall evaluation of our performance in ESG is:

- Very good Good Fair Poor Very poor

3.Your overall evaluation of this report is:

- Very good Good Fair Poor Very poor

4.What do you think of the quality of information disclosure in this report?

- Very good Good Fair Poor Very poor

5.How do you think about the structure of this report?

- Very good Good Fair Poor Very poor

6.How do you think about the design and presentation of this report?

- Very good Good Fair Poor Very poor

7.Can you easily find the information you are concerned about in the report?

- Yes Fairly No

8.Do you have any comments or suggestions on our practical actions in fulfilling social responsibilities and sustainable development, as well as this report?

9.What information would you like to see in the ESG report in addition to what has already been revealed?
