

让稳定的清洁电力惠及每一个人

JDENERGY 奇点能源

2024 可持续发展报告

SUSTAINABILITY REPORT 2024

JDENERGY



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About This Report

Report Overview

This report is the first Sustainability report issued by Xi'an JD Energy Co., Ltd. (hereinafter referred to as "JD Energy", "the Company", or "we"). In this report, we seek to provide a platform for transparent communication with stakeholders, show JD Energy's management, practices, and achievements in sustainability aspects, and to systematically address material sustainable development issues of concern to stakeholders.

Scope of the Report

Unless otherwise specified, the subject of this report covers Xi'an JD Energy Co., Ltd. and its wholly-owned and holding subsidiaries. The content disclosed in this report includes but is not limited to the establishment and implementation of systems related to sustainable development in areas such as compliant operations, environmental management, product quality, technological innovation, workplace safety, and employee growth. The information disclosed in this report covers the period from January 1, 2024 to December 31, 2024 (hereinafter referred to as "this year" or "the Reporting Period"). Certain sections of this report may extend to previous or subsequent years to enhance comparability and forward-looking perspectives.

Basis for Preparation

The relevant standards, frameworks, principles and requirements that have been referred to during the preparation of this report are listed as follows:

Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)

SDG Compass. The Guide for Business Action on the SDGs

Data Sources

The information and data in this report are from the official documents and statistical reports of Xi'an JD Energy Co., Ltd. Unless otherwise stated, all amounts presented in this report are denominated in RMB.

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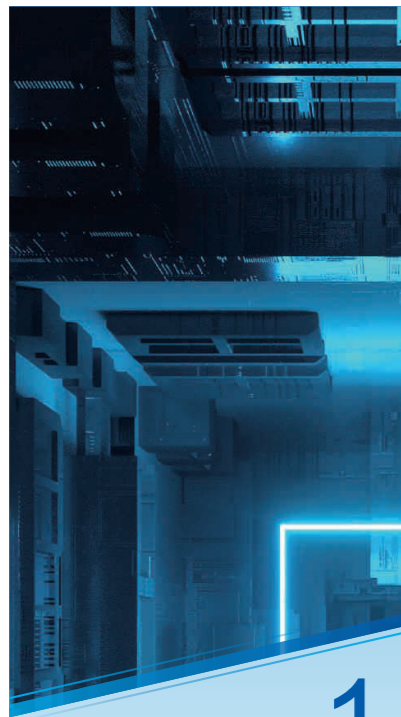
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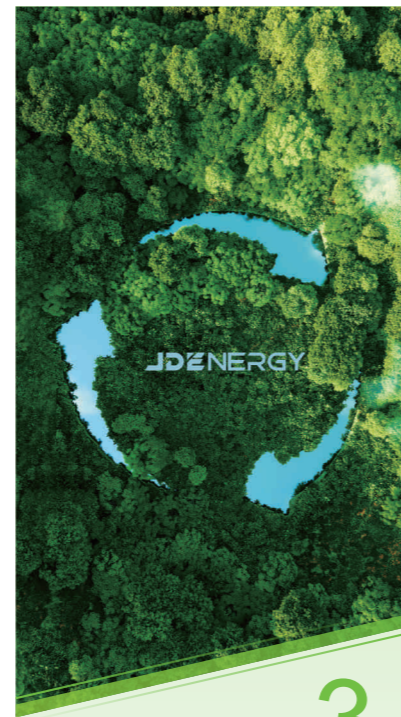
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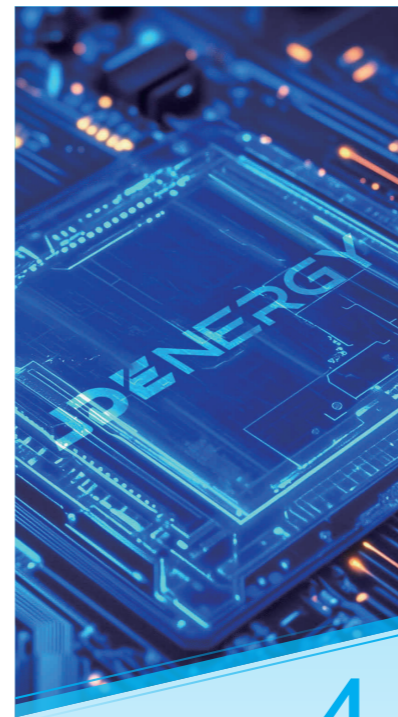
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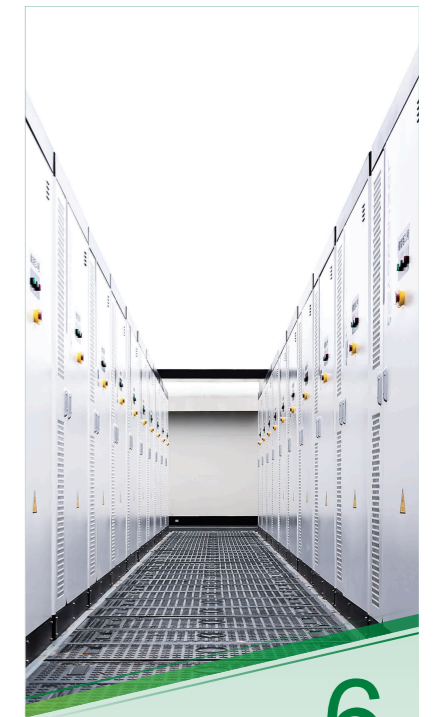
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Message from the Chairman



Liu Weizeng

Founder and Chairman of JD Energy

Dear stakeholders of JD Energy,
We are honored to present this report to you all!

In this report, we sincerely invite you to witness JD Energy's growth and transformation over the past seven years. Since the foundation in 2018, JD Energy has been marching forward with the mission of "Reliable clean power for everyone", and has been deeply engaged in the core technical research and product development of advanced energy storage systems, seeking to provide clean and low-carbon energy storage solutions to society. Meanwhile, the Company embraces the ESG concept and integrates sustainable development into the corporate strategy, striving for harmonious coexistence between economic benefits and social responsibilities.

◆ Pursuing compliant operations and showing the corporate culture of integrity

Regarding the law as our guiding principle and compliance as the cornerstone, we have established a scientific and rigorous corporate governance structure to ensure that every decision is made after thorough deliberation and scientific analysis. We attach great importance to communication with investors. Through diversified information disclosure channels, we promptly convey the Company's strategies and operational updates to enhance their confidence. The Company has also established a comprehensive risk management system. We conduct risk identification and assessment on a regular basis and formulate precise response strategies to fortify a safety barrier for stable operations. We uphold the core values of integrity, transparency, and fairness, adopting a "zero-tolerance" stance against corruption and unfair competition. Through the robust supervision mechanism and integrity culture building, we seek to foster a business environment that is transparent and fair.

◆ Being committed to R&D and enhancing competitiveness in innovation

Driven by technological innovation and leveraging our electrochemical energy storage and electronic experimental platforms, we have made continuous breakthroughs in areas such as battery management systems, modular energy storage converters, and energy management systems, through which we hone our skills of independent R&D and system integration. In 2024, the Company invested over RMB92 million in R&D and officially introduced the IPD R&D management system. We have explored market demands and integrated them with technological innovation to enhance product innovation and market competitiveness. Meanwhile, we have refined our intellectual property management system to strengthen patent protection and the ability to transform research outcomes into practical applications. By formulating the *Five-Year Plan for Information Technology Development*, we proactively embrace digital transformation and empower production efficiency and management effectiveness through smart technology. Looking ahead, JD Energy will continue to deepen innovation and management, maintain our leading position in the industry, and inject sustainable momentum into the development of the energy storage sector.

◆ Protecting the environment and facilitating carbon reduction across the value chain

We are well aware that the harmony between corporate growth and the natural environment is essential for long-term development. Therefore, we continuously invest resources in environmental management, striving to make ourselves an outstanding enterprise that pursues efficiency, environmental protection, and sustainable development. The Company continuously optimizes the environmental management system. We have not only obtained the ISO 14001 Environmental Management System certification, but also been recognized as a national- and provincial-level green factory, demonstrating the remarkable achievements of our green practices. In addition to our efforts to reduce carbon emissions, we empower carbon reduction across the value chain through our energy storage products. As of the end of the Reporting Period, we have delivered over 1,000 energy storage application scenarios and served more than 1,000 users, covering industrial parks, data centers, and photovoltaic-energy storage power stations. We have catered to over 155 industries, delivered over 20,000 energy blocks, and helped reduce 500,000 tCO₂e of carbon emissions across the value chain. All these achievements show our efforts to promote the global energy transition and achieve carbon neutrality goals.

◆ Empowering employees and building a vibrant talent pool

Taking a people-centric approach, we create a safe, equal, and inclusive working environment for our employees to provide support for their professional development in a comprehensive way. We uphold the principle prioritizing safety, prevention, and comprehensive management, and have established and improved our occupational health and safety management system based on ISO 45001 standards. We also carry out safety training and activities to raise employees' awareness and ensure their health and safety. In terms of career development, we have also established a comprehensive training and promotion mechanism, offering employees opportunities for their growth. Through establishing a scientific remuneration and incentive system and providing diverse employee welfare, we not only standardize our remuneration management, but also delivers warmth and care to employees during festivals, which enhances their sense of happiness and belonging. Furthermore, we fully respect our employees' freedom of association and the right to collective bargaining. Through a variety of trade union activities and smooth communication channels, we address employees' concerns and foster an open and inclusive corporate atmosphere.

In the future, JD Energy will continue to uphold the ESG philosophy and pursue higher standards to improve the Company's environmental, social, and governance practices. We will forge ahead with determination to embrace internationalization and make more contributions to the global energy transition and sustainable development. With the concerted efforts of our employees and the strong support of our customers, partners, and all walks of life, JD Energy, guided by the mission of "Reliable clean power for everyone", will work with stakeholders to create a promising and low-carbon future for society!

Liu Weizeng

Founder and Chairman of JD Energy

About JD Energy

Company Profile

Based on Xi'an Jiaotong University, Xi'an JD Energy Co., Ltd. was co-founded in 2018 by renowned technologists in power electronics and a group of senior engineers with doctoral or master degrees over ten years of development experience. We are committed to the technical research and product development of core equipment in advanced energy storage systems, contributing industry-leading solutions to promote access to large-scale clean energy and achieve global carbon neutrality goals.

JD Energy, with the mission of "Reliable clean power for everyone," aims to "drive the large-scale application of energy storage by innovating power electronics and IoT technologies, making energy cleaner and more user-friendly". Taking advantage of high-efficiency energy storage and conversion technology, IoT, and big data research, we have promoted the transformation of the global energy mix, increased the proportion of clean energy, and brought unfailing light and power to electricity-short regions. That's how we improve the living environment of humanity with stable and user-friendly clean electricity.



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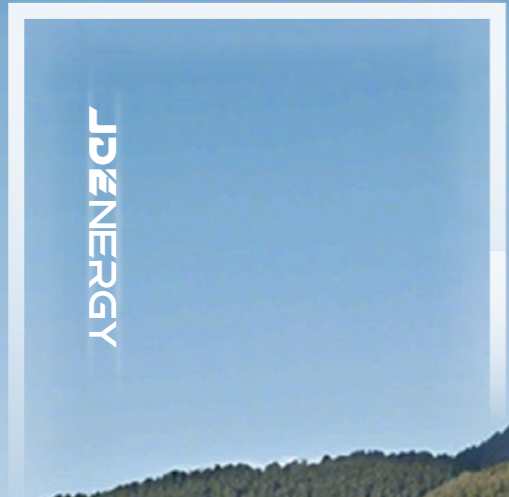
Development History of JD Energy

2018-2020

- November 2018 • JD Energy was established
- February 2019 • The founding team was built
- April 2019 • The direction of the distributed energy storage has been set
- July 2020 • eBlock, the first energy block in the industry was created
- July 2020 • JD Energy won the bid for the first grid-side energy storage project
- December 2020 • Angel round funding was obtained

2021

- April • JD Energy launched the distributed eBlock smart energy storage system and garnered the 2021 Best System Integrator of China Energy Storage Market, with eBlock becoming the Company's branded technology
- June • The first grid-side energy storage demonstration project of eBlock was connected to the grid and passed the full performance testing of the China Electric Power Research Institute (CEPRI) station site in one go
- October • The Angel+ round and Pre-A round fundings were completed, with Megmeet participating in investment
- November • JD Energy obtained the national high-tech enterprise certificate
- December • The first 100-grade MWh shared energy storage station project was signed
- December • The A round funding was completed, with IDG and Source Code Capital participating in investment



2022

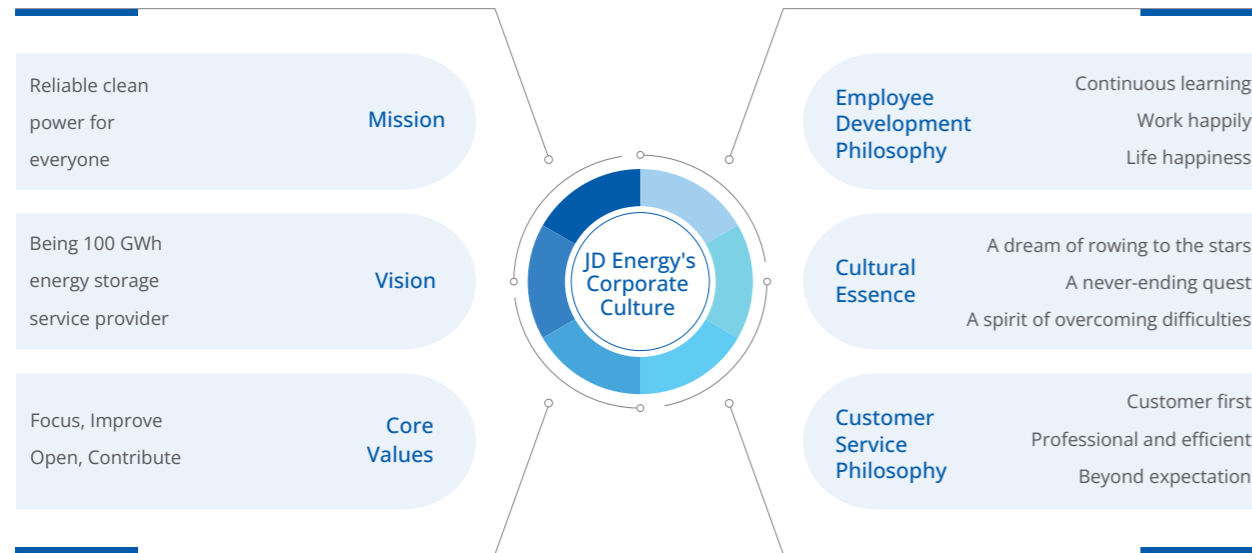
- March • The largest user-side electrochemical energy storage station in the southwest region was grid-connected and commissioned
- May • The 20 MW/40 MWh energy storage project at State Grid Northern Hebei Renewable Energy Base was connected to the grid
- September • JD Energy released new products: eBlock-372 for the source-grid side and eBlock-200 for the user side
- September • The A+ round funding was completed, with CD Capital and Fenghe Capital participating in investment
- December • The world's largest fully modular 100 MW/200 MWh energy storage power station was grid-connected and commissioned
- December • The construction project for JD Energy's headquarters and bases was approved

2023

- March • The Company held the JD Energy Distributed Energy Storage 2023 Ecological Partner Conference and launched the "C&I Energy Storage Sky" plan
- April • JD Energy was recognized as one of the TOP 10 Energy Storage Application Innovation Models and TOP 10 Chinese Energy Storage System Integrators by shipments
- May • The B round funding was completed, with CITIC Goldstone, Jinyi Capital, Hillhouse Capital, and GF Xinde Investment participating in investment
- June • CEEC's 518 MWh energy storage projects in Guigang and Chongzuo, Guangxi, were grid-connected and commissioned
- November • JD Energy released new products: eBlock-418 and eBlock-836 for the source-grid side, eBlock-230 for the user side, and eBlock-8KTL for residential storage
- December • The largest string-type 400 MWh standalone energy storage power station in the country at that year was connected to the grid
- December • The C round funding was completed, with BOCOM Investment and CCB Investment participating in investment

2024

- April • JD Energy ranked first in energy storage system shipments in the domestic user-side market for the year
- April • JD Energy released new products: eBlock-100C/250/418A for overseas markets, eBlock-261 for commercial and industrial applications, eBlock-836 for the source-grid side, and eStation for the AC side
- July • JD Energy obtained the title of "Green Factory" in Shaanxi Province
- August • The eBlock-418A obtained TÜV Rheinland certification and we completed the delivery of our first overseas commercial and industrial energy storage project
- August • JD Energy was recognized as the specialized and sophisticated SME in Shaanxi Province
- September • JD Energy innovated financial model and released the financial solution for commercial and industrial energy storage — Energy Storage Bank
- December • The world's largest string-type energy storage solution—Baofeng Yuneng's 450 MW/900 MWh inverter and booster integrated unit was successfully delivered

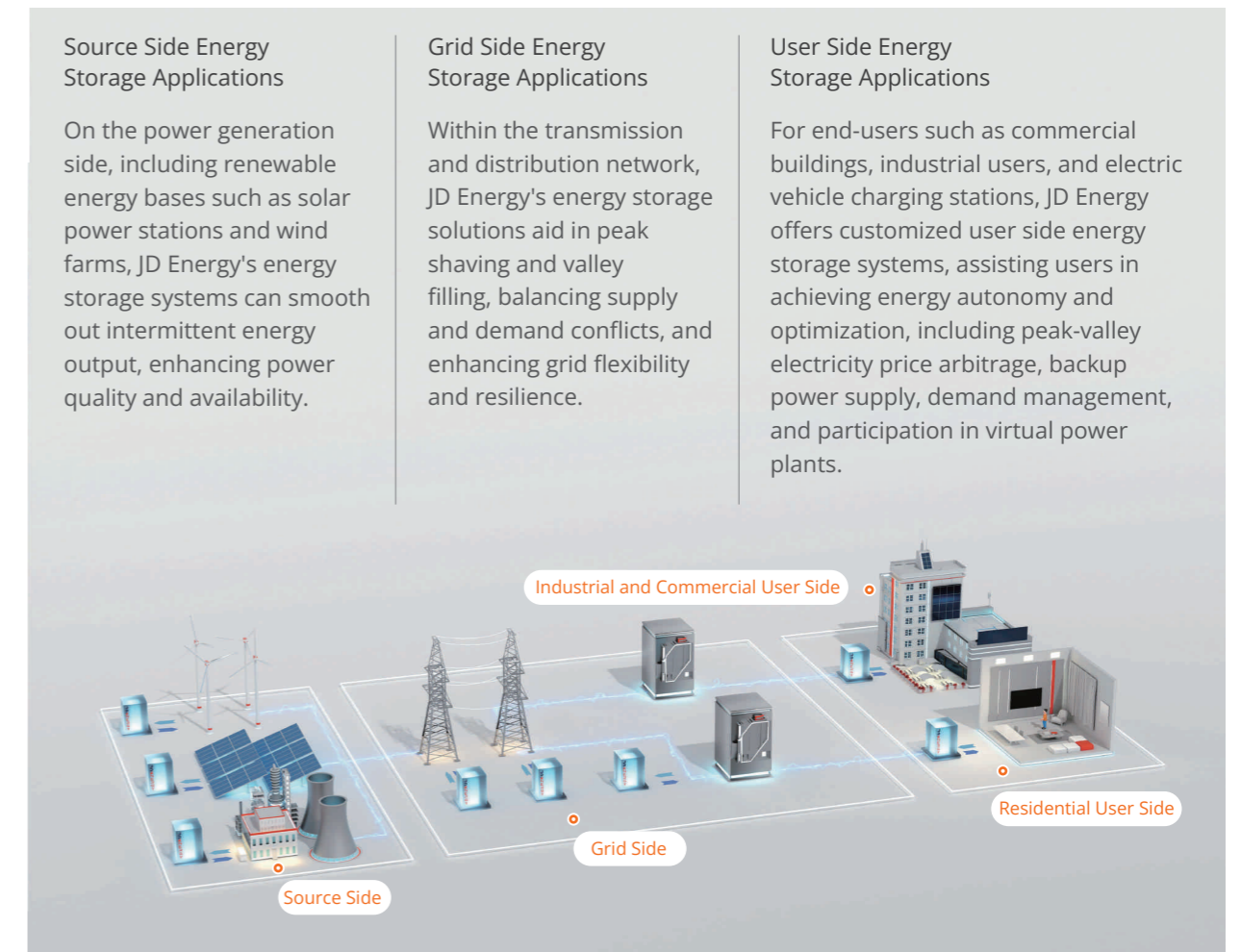


Business Overview

In July 2020, JD Energy launched the industry's first energy block product, eBlock. By now, JD Energy has brought together over a hundred top technical talents, led by industry-leading experts. The Company has pioneered a distributed modular energy storage solution with the "All in One" design concept. We bring solutions to common challenges in the industry and defines the new standard for energy storage system integration. The Company has developed a comprehensive electrochemical energy storage technology, established the power electronics laboratory, and had full-stack in-house R&D capabilities for PACK, BMS, PCS, and EMS. Among them, PACK has obtained domestic safety certifications (such as GB/T 36276), international standards certifications (such as IEC 62619), and United Nations safety transportation standards certifications (such as UN38.3), meeting domestic, EU, or UN safety requirements. PCS has met domestic (such as GB/T 34120) and international standards (such as IEC 61000, IEC 62477) for EMC and safety regulations. The integrated eBlock system has secured domestic (such as GB/T 34131, GB/T 36276), international (such as IEC 62109, IEC 62619, IEC 62477, IEC 60730), European (such as EN 50549, RoHS), Italian grid connection test CEI-016, German grid connection test VDE 4120, Taiwan's grid connection certification IEEE 1547, and other domestic and international certifications for safety regulations, safety, and grid connection, meeting the requirements for global market access. The Company has also obtained over 130 invention patents, utility model patents, and design patents and has been awarded the national high-tech enterprise certificate.



JD Energy operates three production bases, including one in Xi'an, with a total construction area of over 30,000 m². Leveraging the R&D and manufacturing capabilities, as well as the system integration and intelligent operation and maintenance (O&M) capabilities for commercial and industrial energy storage power stations, photovoltaic-energy storage charging stations, and new energy storage power stations, the Company has achieved a manufacturing and delivery capacity of 10GWh for energy blocks as of 2024, which will provide users with complete energy storage power station solutions and one-stop energy management services.

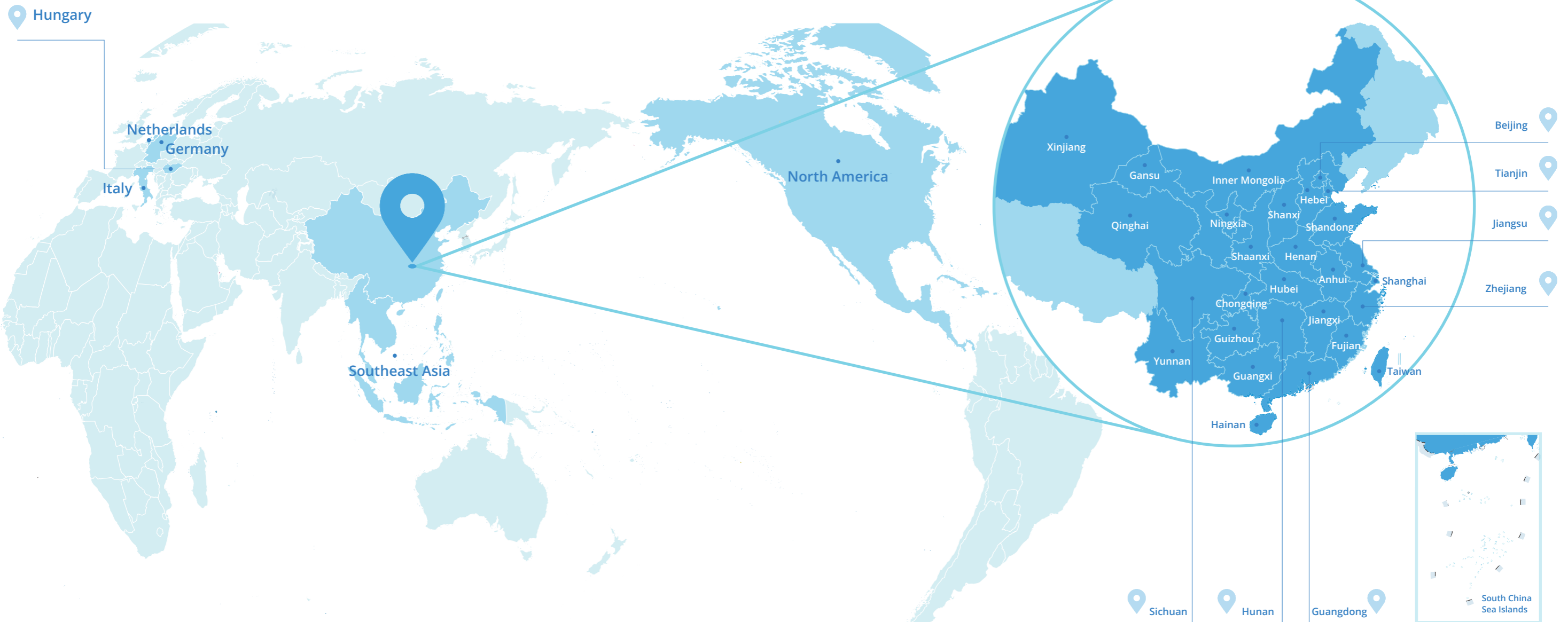


Application Scenarios for JD Energy's Products

In 2024, We made breakthroughs in both source-grid side and commercial and industrial applications, and continuously expanded our domestic operations, covering regions such as Guangdong, Zhejiang, Jiangsu, Hunan, and Sichuan. Meanwhile, we also launched our overseas products, which obtained TÜV Rheinland certification this year, built an international team, and signed the first overseas project in Hungary. All these achievements demonstrate that JD Energy has entered the international market and embraced globalization.



JD Energy's Core Values Advantages of Distributed Energy Storage



JD Energy's Business Distribution Map

Honors and Awards

Key Figures

Total cumulative installed capacity on the source-grid side and the user side 5 GWh	Total installed capacity of commercial and industrial energy storage projects 2 GWh	Number of industries served 155+
Number of application scenarios delivered 1,000+	Number of energy blocks delivered 20,000+	

Honors and Awards in 2024

<p>Top 1 Chinese Energy Storage System Integrators in Domestic User Side Market Shipments in 2023</p> <p>China Energy Storage Alliance</p>	<p>Ranked first Globally as a Chinese User-Side Energy Storage System Solution Provider by Shipments</p> <p>Energy Storage Frontrunner Alliance</p>
<p>2024 Top 10 Energy Storage Technology Innovation Models</p> <p>China Energy Storage Alliance</p>	<p>Top 1 Chinese Energy Storage System Integrators in Domestic User-Side Market Shipments in 2024</p> <p>China Energy Storage Alliance</p>
<p>Ranked first in Domestic Commercial and Industrial Energy Storage System Shipments Among Chinese Enterprises</p> <p>Energy Storage Frontrunner Alliance</p>	<p>Ranked first in Global Commercial and Industrial Energy Storage System Shipments Among Chinese Enterprises in 2024</p> <p>chuneng.bjx.com.cn</p>
<p>2024 Polaris Cup "Influential Energy Storage System Integration Provider"</p> <p>www.bjx.com.cn, chuneng.bjx.com.cn</p>	<p>2024 Polaris Cup "Innovative Solution for Commercial and Industrial Energy Storage"</p> <p>www.bjx.com.cn, chuneng.bjx.com.cn</p>

<p>2024 Pioneer Award for Innovative Technology Advantages in China's Energy Storage Industry</p> <p>China International Energy Storage Conference/Technology and Application Exhibition</p>	<p>2024 Pioneer Enterprise Contribution Award in China's Energy Storage Industry</p> <p>China International Energy Storage Conference/Technology and Application Exhibition</p>
<p>Gaogong Golden Globe Award—2024 Top 10 Products, 2024 Annual Value, and 2024 Top 50 Energy Storage Companies</p> <p>Gaogong Energy Storage, Gaogong Industry Research Institute (GGII)</p>	<p>Top 50 Enterprises with Comprehensive Competitiveness in China's Energy Storage Industry Chain Top 20 Enterprises with Technological Innovation in China's Energy Storage System Top 20 Enterprises with Comprehensive Competitiveness in Commercial and Industrial/Residential Energy Storage Systems in China</p> <p>chuneng.ofweek.com</p>
<p>Annual Energy Storage Technology Innovation Award</p> <p>IN-EN.com, CHN Energy Research Institute</p>	<p>Most Influential Enterprise in China's Energy Storage Industry in 2024 Outstanding Commercial and Industrial Energy Storage Solutions in China's Energy Storage Industry in 2024</p> <p>cn.solarbe.com</p>



Partial Honors Received by JD Energy

Corporate ESG Governance

JD Energy integrates ESG principles into the entire process of corporate governance and business operations, taking active steps to embrace global sustainable development trends and regulatory requirements. The Company is committed to establishing a systematic and standardized ESG management system and continuously solidifying the foundation for sustainable development, to enhance the governance efficiency and corporate resilience and provide robust support for high-quality development.



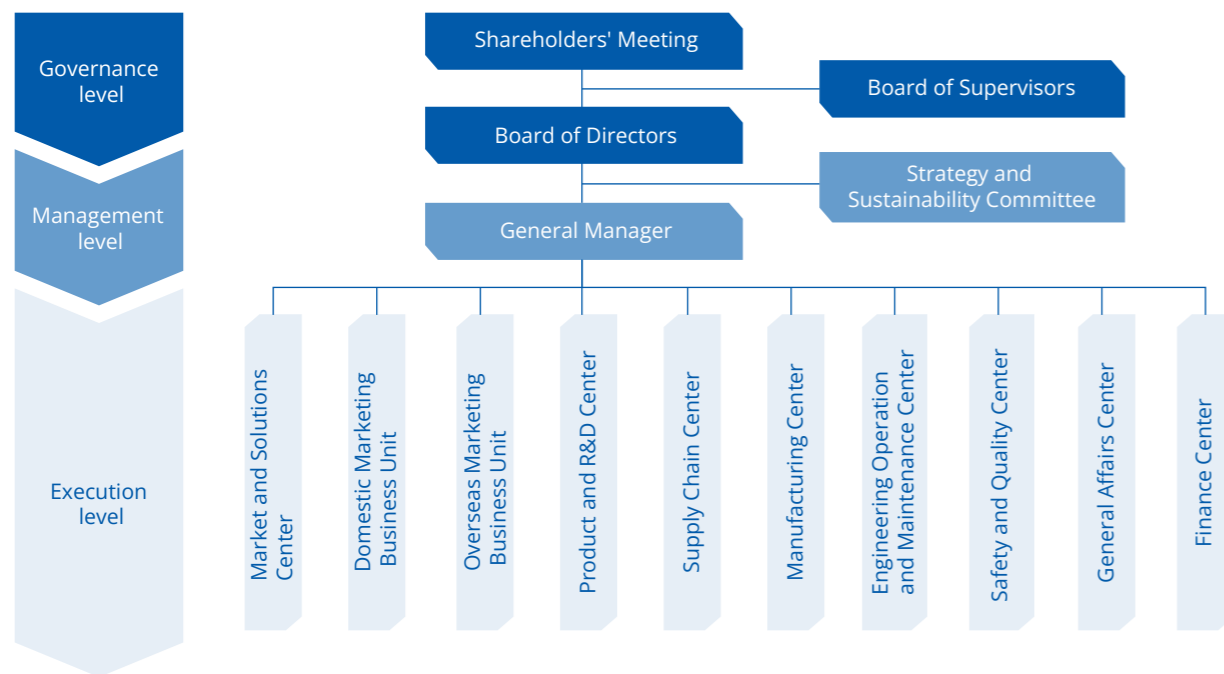
ESG Governance

JD Energy firmly implements the sustainable development strategy and deeply integrates ESG governance into the business management system. We drive the integration of sustainable development goals with our business growth, to ensure the coordination between stable corporate operations and high-quality development.

ESG Governance System

The Company continuously optimizes ESG governance structure, establishing a multi-tiered management system that covers decision-making, management and supervision, and implementation. By clarifying responsibilities, enhancing coordination mechanisms, and making information more transparent, we ensure the effective implementation of our ESG strategy and promote sustainable development.

The Strategy and Sustainability Committee under the Board of Directors is responsible for coordinating the long-term sustainable development strategy of the enterprise and ensuring the full implementation of environmental, social and corporate governance (ESG) objectives. Through formulating policies, overseeing implementation, evaluating performance, and making improvements, the committee helps to improve the Company's sustainable development capabilities.



ESG Capacity Building

We continuously enhances our ESG training. Through establishing a systematic and comprehensive training mechanism, we raise the awareness of sustainable development and governance capabilities of personnel at all levels. By optimizing the training system, strengthening knowledge dissemination, and clarifying responsibilities, the Company has integrated ESG principles into the corporate culture and business practices, ensuring the efficient implementation of sustainable development strategy.



JD Energy's ESG Training for Department Heads

Stakeholders Engagement

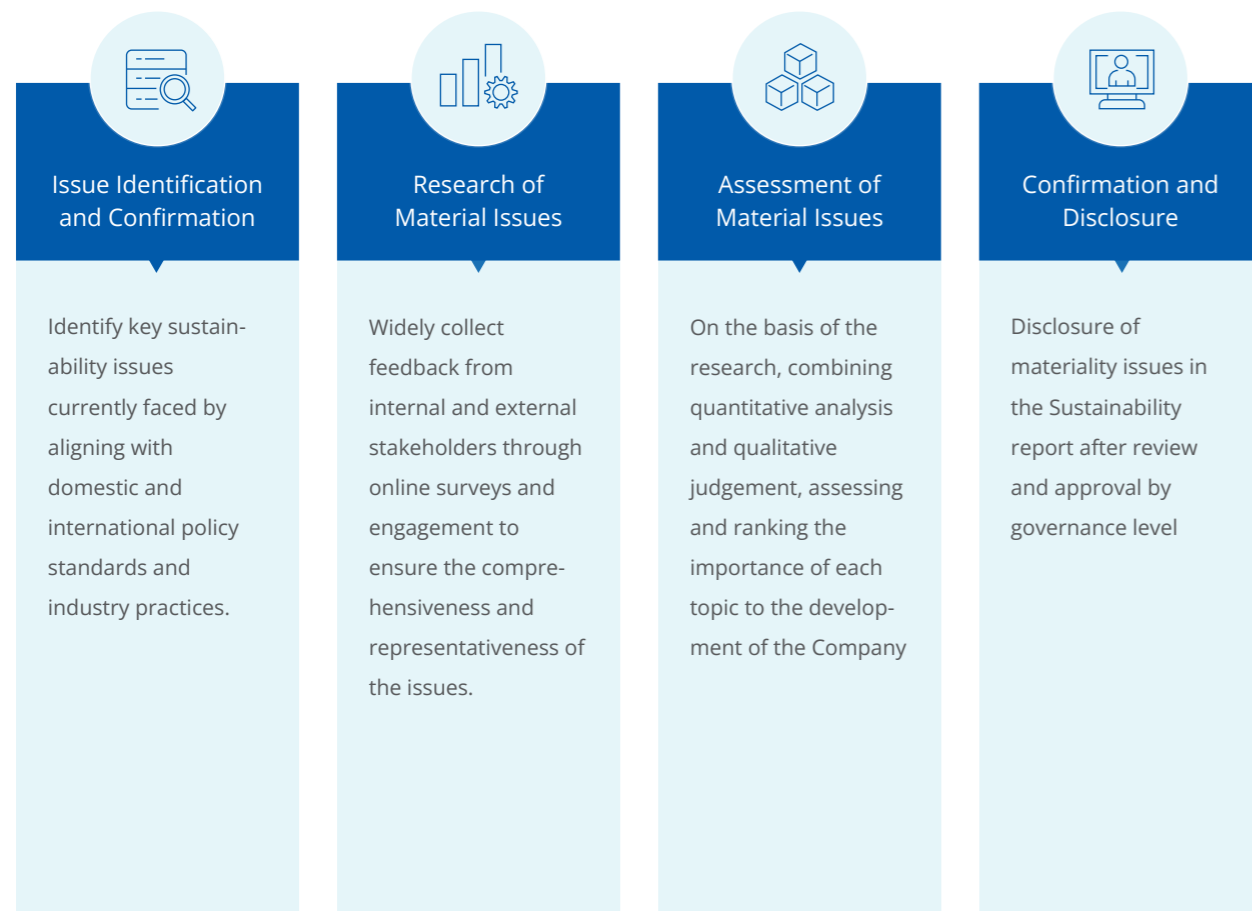
The Company attaches great importance to the communication with all stakeholders, including shareholders, investors, governments, customers, employees, and industry associations, and has established a multi-channel communication mechanism to fully understand their expectations and concerns. Based on these efforts, we continuously optimize our business strategies and fully implements the responsibility system, to effectively address our concerns and promote coordinated development of the Company and the stakeholders.

Key Stakeholders	Shareholders/ investors	Customers	Suppliers	Employees	Partners	Community	Government and regulatory agencies
Issues of Concern	<ul style="list-style-type: none"> • Corporate Governance • Compliance and Risk Management • Investor Relations • R&D and Technological Innovation • Clean Technology Opportunities • Climate Change Response 	<ul style="list-style-type: none"> • R&D and Technological Innovation • Product Quality and Safety • Customer Services 	<ul style="list-style-type: none"> • Sustainable Supply Chain Management • Information Security and Privacy Protection • Business Ethics 	<ul style="list-style-type: none"> • Diversity, Equality, and Inclusion • Employee Rights and Benefits • Employee Training and Development • Occupational Health and Safety 	<ul style="list-style-type: none"> • Climate Change Response • Industrial Cooperation and Development • R&D and Technological Innovation 	<ul style="list-style-type: none"> • Environment Management • Water Stewardship • Emissions and Waste Management • Community Development and Public Welfare 	<ul style="list-style-type: none"> • Corporate Governance • Compliance and Risk Management • Business Ethics • Environment Management • Water Stewardship • Emissions and Waste Management
Communication and Response	<ul style="list-style-type: none"> • Shareholders' meeting • Performance briefing • Information disclosure • Regular communication (phone, email, and on-site discussions) 	<ul style="list-style-type: none"> • Customer satisfaction surveys • Customer meetings • Customer visit • Domestic and international exhibitions 	<ul style="list-style-type: none"> • Procurement activities • Supplier audits • Supplier meetings • Supplier quality/safety management 	<ul style="list-style-type: none"> • Trade union and workers congress • Internal information communication platforms such as WeCom "Jidiandian" and the administrative service platform • Employee engagement surveys • Employee events & training • Employee appraisal and promotion 	<ul style="list-style-type: none"> • Industry-academia-research collaboration projects • Strategic cooperation projects • Exchange visit among industry peers 	<ul style="list-style-type: none"> • Community welfare projects • Visits and on-site research 	<ul style="list-style-type: none"> • Special inspection • Exchange visits • Announcements and disclosures • Policy formulation and feedback

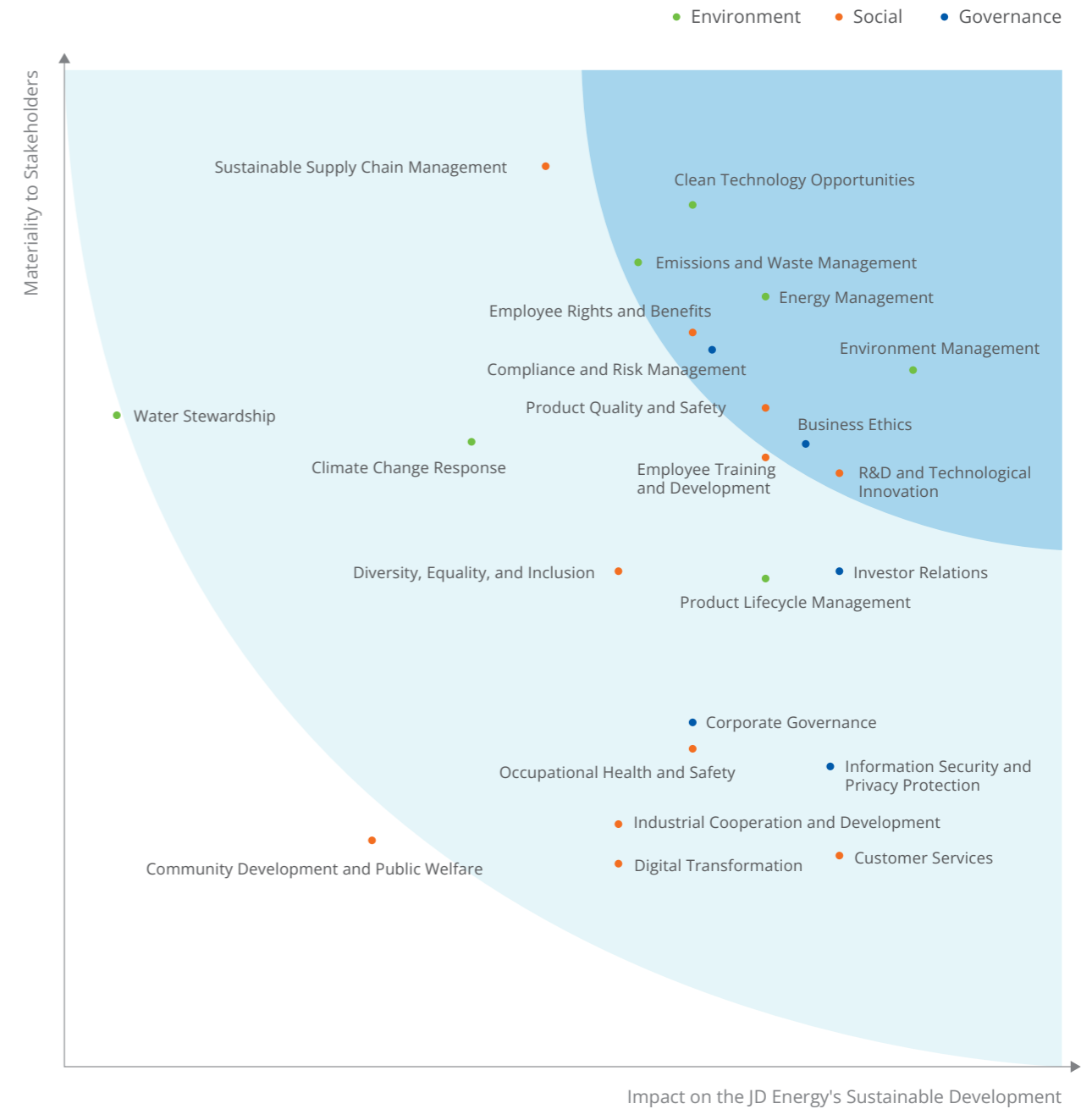
Analysis of Material Issues

JD Energy pays attention to sustainable development trends in the industry and conducts materiality assessments. The Company draws on the sustainable development practices of leading domestic and international enterprises, benchmarks against ESG policies and standards, and combines feedback from stakeholders, discussions among management, and experts' advice to prioritize these material issues and ensure that the assessments are scientific and forward-looking.

During the Reporting Period, the Company collected opinions from various stakeholders through online surveys. Based on stakeholders' ratings of the importance of the issues, management's insights into sustainable development of the industry and comprehensive judgments on key issues, the Company formulated the materiality matrix in 2024 to guide future sustainable development practices.



Evaluation Process of Material Issues in 2024



JD Energy's Materiality Matrix





Ensuring Stable Operations through Compliant Governance

Compliant and sound governance is essential for the Company's long-term development. JD Energy has consistently embedded compliant governance into business activities, continuously enhancing the foundation of corporate governance, improving the construction of risk management system, taking active steps to foster an anti-corruption corporate culture, and maintaining good communication with investors. By continuously enhancing the management capabilities, we fully safeguard the legitimate rights and interests of our stakeholders.

Material Issues Involved in This Chapter:

- Corporate Governance
- Compliance and Risk Management
- Business Ethics
- Investor Relations
- Information Security and Privacy Protection

SDGs Addressed in This Chapter:

- SDG 16: Peace, justice and strong institutions



Corporate Governance

JD Energy strictly complies with the *Company Law of the People's Republic of China* and other laws and regulations and continuously standardizes operations. We have formulated the *Articles of Association of Xi'an JD Energy Co., Ltd.* (hereinafter referred to as the *Articles of Association*), which clearly defines the responsibilities and management scopes of shareholders, directors, supervisors, and senior management personnel. We contribute to a corporate governance structure where the decision-making, executive, and supervisory layers oversee each other, ensuring that the Company's decisions and actions are scientific, reasonable, and efficient.

Diversity and Independence

JD Energy has designated the Board of Directors as the highest governance body. Directors are elected in strict accordance with the appointment procedures in the *Articles of Association*. Upholding the principle of diversity, the Company comprehensively reviews candidates' educational backgrounds, professional experiences, expertise, skills, achievements, and other factors to ensure that the Board consists of members with diversified and comprehensive qualifications and perspectives. The current Board members have extensive experiences in areas such as risk management, corporate governance, production management, the PV industry, and power systems, which can make contributions to the Company's decision-making and actions. In 2024, the Board of Directors convened four meetings, with full attendance of all board members.


Meeting name	Meeting session	Matters reviewed
Shareholders' Meeting	2024 1st Extraordinary Shareholders' Meeting (April 3, 2024)	Matters related to the manufacturing base project (Phase I)
	2023 Annual General Meeting of Shareholders (June 28, 2024)	Annual operating performance, budget, and development plans
Board Meeting	The 6th Session of the 1st Board Meeting (March 25, 2024)	Matters related to the manufacturing base project (Phase I) Operations of wholly-owned subsidiaries
	The 7th Session of the 1st Board Meeting (April 10, 2024)	Operations of holding subsidiaries
	The 8th Session of the 1st Board Meeting (June 5, 2024)	Annual operating performance, budget, and development plans
	The 9th Session of the 1st Board Meeting (September 26, 2024)	Matters related to related-party transactions
Supervisory Board Meeting	The 6th Session of the 1st Supervisory Board Meeting (June 5, 2024)	Annual operating performance and budget

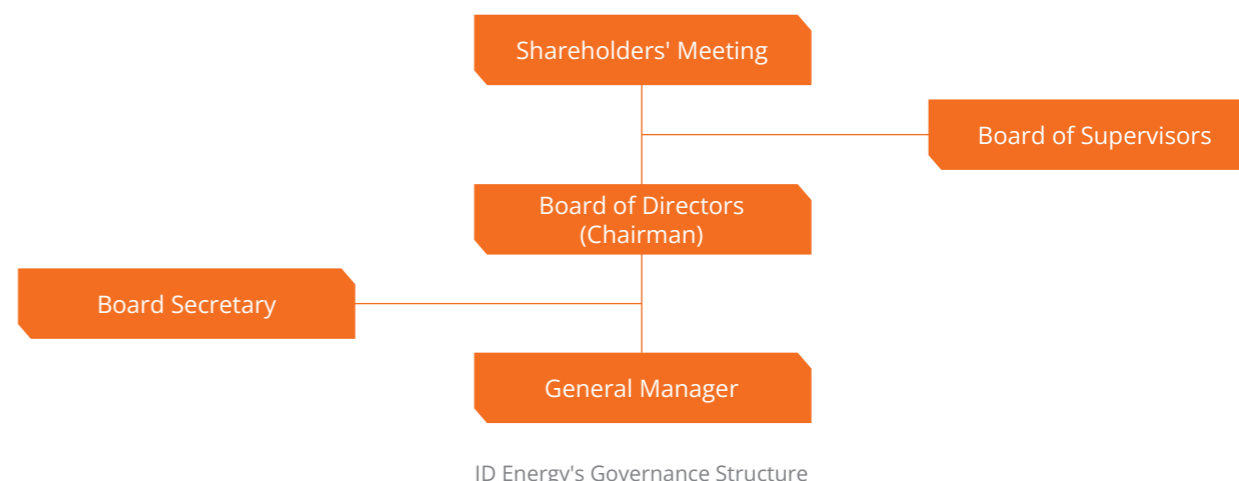
Meetings Held by JD Energy in 2024

Key Performance

During the Reporting Period, the Company's

 Board of Directors consisted of **6** directors

 with **1** selected as Chairman



Remuneration for Executives

JD Energy has formulated the remuneration plan for the directors, supervisors, and senior executives, and regularly reviews the plan to ensure that the remuneration and payment methods are in accordance with the performance evaluation.

For directors and supervisors, their remuneration matters are decided by the Shareholders' Meeting. Directors and supervisors serving in the Company receive remuneration based on their positions. For senior executives, the Company has established the Performance Management Committee and implemented the *Performance Management System*, which specifies the performance evaluation methods for senior executives and the mechanism for linking remuneration to performance. By doing so, the Company encourages management personnel to take correct actions and continuously improve their work performance, thus rewarding investors and stakeholders with better corporate governance and performance outcomes.

Related-Party Transactions

Related-party transactions at JD Energy are subject to strict review and written approval of the Company, and are conducted in accordance with the principle of honesty, equality, voluntariness, fairness, openness, and impartiality, to ensure that such transactions do not harm the interests of the Company or other shareholders. The Company has also clarified the internal control procedures for related-party transactions in the *Internal Control and Internal Control Evaluation Management System* and included related-party transaction clauses in the *Integrity Commitment for Sales Personnel*, which stipulates that sales personnel or their related parties may not engage in related-party transactions without written approval of the Company. This ensures that the process of transactions is legal and formal, and to safeguard the fairness of decision-making on connected transactions.

Investor Communication

JD Energy places great emphasis on managing investor relations. We take solid steps to promote efficient corporate governance, continuously enhance information disclosure, and improve post-investment management, so as to strengthen communication with investors. Through shareholders' meetings, IR email, social media platforms and other channels, the Company communicates with investors and ensures that they can promptly and accurately know the Company's decisions and operational information.

The Company also heeds investors' opinions and suggestions to continuously improve governance and strategically plan the Company's development direction. Furthermore, JD Energy provides shareholders with post-investment management reports on a quarterly basis, through which investors can grasp the Company's operations. This enhances information transparency and improves shareholders' confidence and engagement.

Compliance and Risk Management

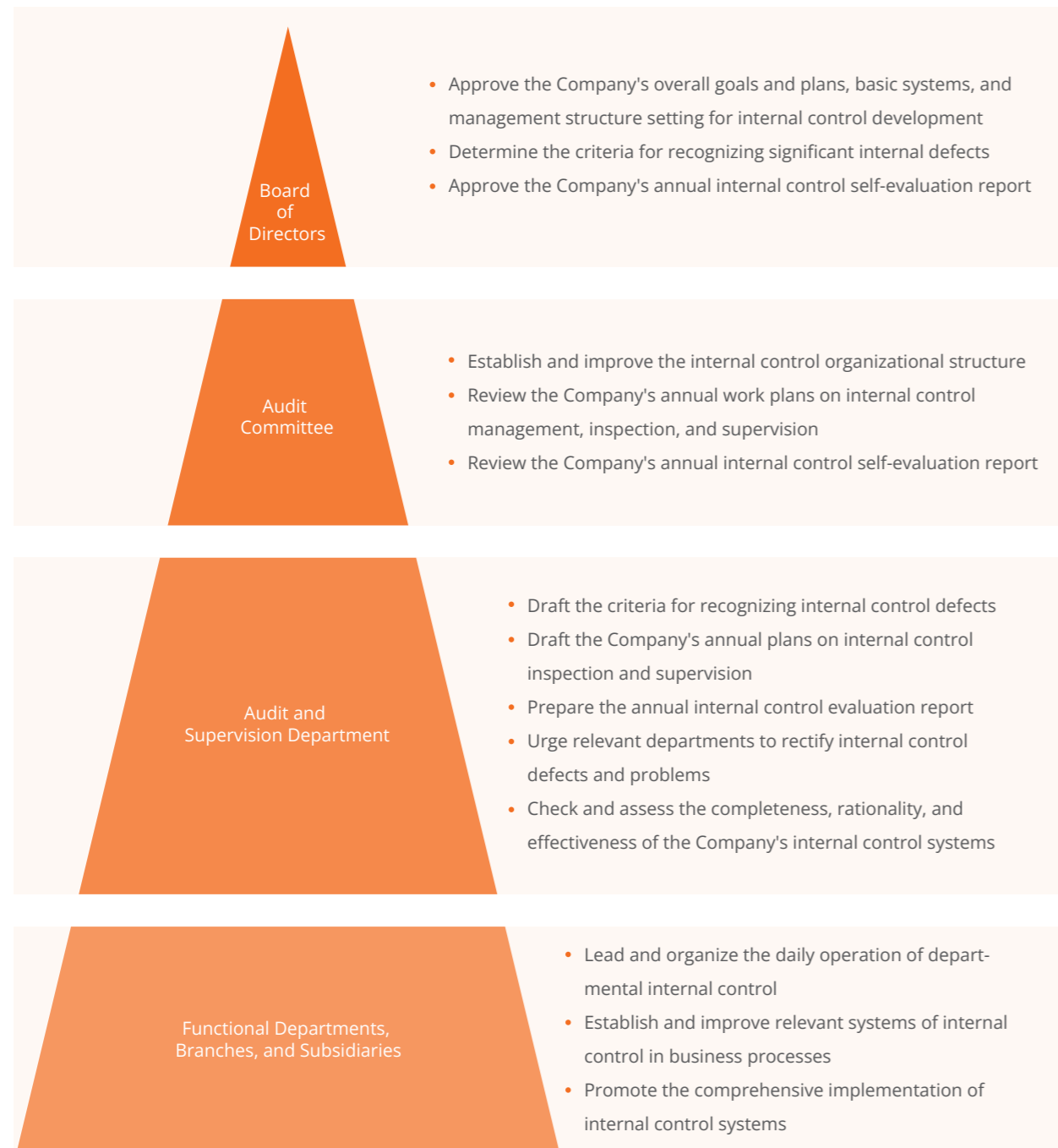
JD Energy regards compliant operations as the prerequisite for conducting business. The Company has established and continuously improved the compliance and risk management system to ensure strict adherence to laws and regulations and has taken actions to enhance risk prevention and control, thus fostering a rigorous, pragmatic, and compliant corporate culture.

Compliance Management

JD Energy strictly adheres to the *Company Law of the People's Republic of China*, the *Audit Law of the People's Republic of China*, the *Basic Norms for the Internal Control of Enterprises*, and other laws and regulations. We have established the compliance and internal control management system based on ISO 37301 system, formulated the *Contract Management System*, the *Internal Supervision and Management System*, the *Off-office Audits Management Measures*, and other policies. These provide support for the safety of the Company's operations and information security and ensure that the business activities are in compliance with laws and regulations.

Enhancement of Internal Control Capabilities

JD Energy has formulated and strictly implements the *Internal Control and Internal Control Evaluation Management System* and the *Internal Control Management Manual* to standardize the internal environment, risk assessment, control activities, related-party transactions, information communication, and internal supervision, thus effectively and promptly identifying and rectifying internal control deficiencies, as well as monitoring and addressing operational risks. Meanwhile, the Company has established an internal control management process with the Board of Directors as the decision-making body. The Audit Committee of the Board is responsible for reviewing internal control, while the Audit and Supervision Department for implementation. All subsidiaries and functional departments shall also implement the internal control system.



JD Energy's Internal Control Management Structure

The Company also periodically conducts internal control audits on a regular basis to evaluate and supervise the internal control system and ensure that it is legal, sound, and effective. On this basis, we further optimize the management process and reduce risks that the Company may face during operations. The Company's internal control review and evaluation are centered on matters and risk control related to procurement and payment, sales and collection, external investments, the purchase, use, retirement, impairment, management, preservation, and appreciation of significant assets, external guarantees, related-party transactions, information disclosure, etc., of the Company (including holding subsidiaries).

Compliance and Internal Control Culture

In addition to building a solid compliance and internal control system, the Company also conducts in-depth study of disputes, summarizes the experience of handling the cases and forms a report on the conclusion of the cases, with a view to playing the role of warning by case. The Company also regularly publishes legal tips on the OA system to enhance awareness of risk prevention and control among all employees.

1	【普法小贴士003期】《联合国国际货物买卖合同公约》(CISG)简介及基本适用规则
2	【普法小贴士002期】《民法典》(民法典)：2025年国际私法法典(第1部分)
3	【普法小贴士001期】欧盟《人工智能法案》的要点
4	【普法小贴士000期】香港仲裁裁决的认可和执行
5	【普法小贴士009期】数据跨境传输CBA
6	【普法小贴士008期】职务侵占罪——前案中、后案中实务案例
7	【普法小贴士007期】中国职工劳动合同法律分析
8	【普法小贴士006期】《欧盟电池和废电池法规(EU)2023/1542》简介
9	【普法小贴士005期】《欧盟电池和废电池法规(EU)2023/1542》解读及实务分析
10	【普法小贴士004期】德国法视角：针对处理员工数据的几个建议
11	【普法小贴士003期】《中华人民共和国两用物项出口管制条例》与美国EAR的对标合规风险提示
12	【普法小贴士002期】《中华人民共和国两用物项出口管制条例》对赴海中华企业的启示
13	【普法小贴士001期】股权投资实务操作的风险及防控建议
14	【普法小贴士000期】股权投资实务操作的风险及防控建议
15	【普法小贴士000期】股权投资实务操作的风险及防控建议

Content of Compliance Training Regularly Published on the Intranet by JD Energy



JD Energy's Legal Training for New Employees

Key Performance

During the Reporting Period, the Company:


 conducted a total of **20** compliance training sessions with a total of **309** participants and a total training duration of **16.25** hours

Risk Management

To mitigate operational risks, JD Energy continuously optimizes the risk management system. Based on the principle of "comprehensiveness, tiered accountability, significance, and timeliness", the Company has formulated the *Comprehensive Risk Management System* to standardize the methodologies and processes for risk identification, risk assessment, and risk management, and has fostered a sound risk management culture. On this basis, we seek to reduce risks in all processes of operations, enhance risk resilience and operational stability, thereby safeguarding the Company's sustainable development.

Risk Management Structure

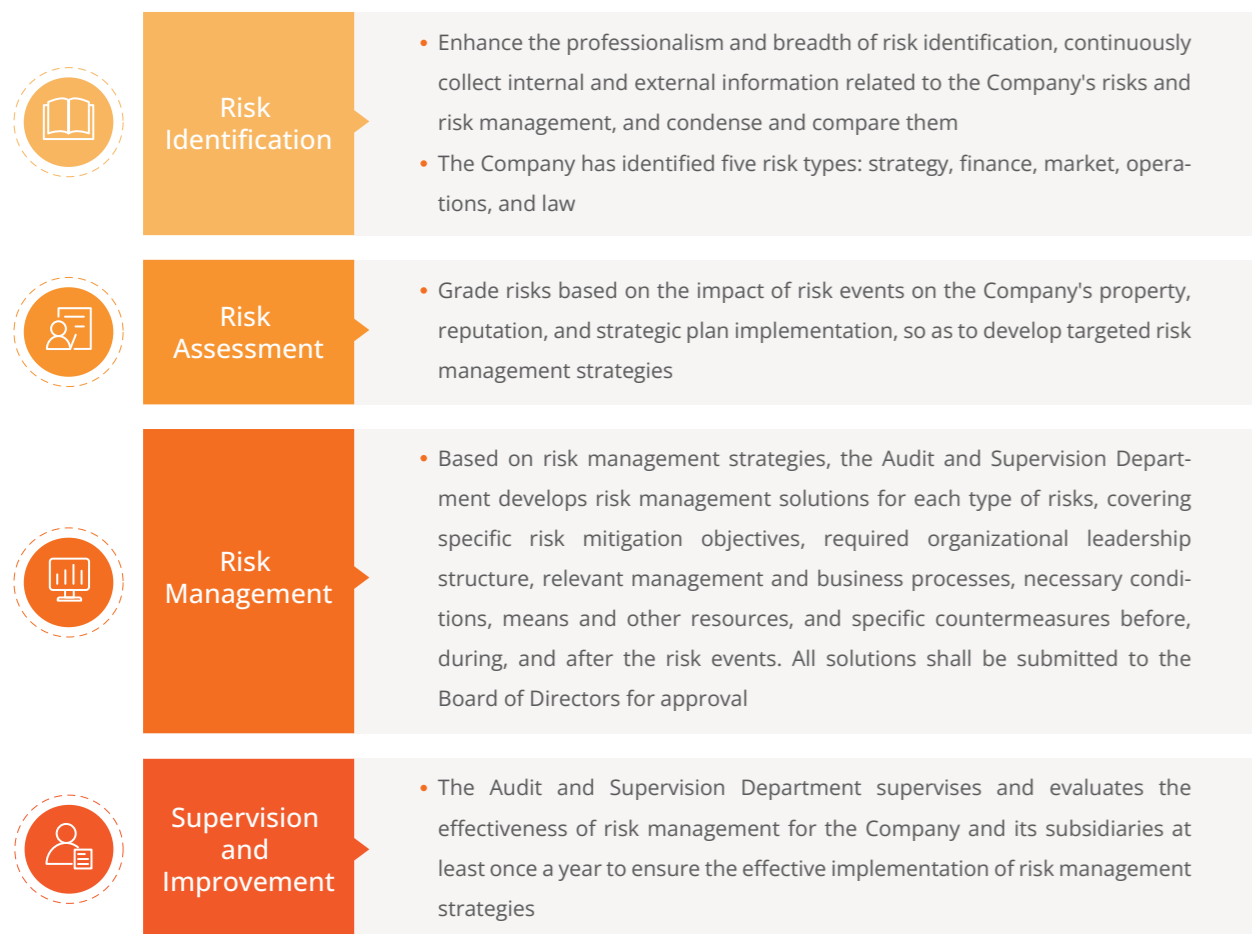
The Company has established a sound risk management structure, that is, a four-tier risk management system composed of "the Board of Directors, the Audit Committee, the Audit and Supervision Department, and various functional departments, subsidiaries, and branch offices". Each department fulfills its own responsibilities for risk identification and pre-assessment, thus building the defense lines for risk management.



JD Energy's Risk Management Structure

Risk Identification and Assessment

JD Energy has established a comprehensive risk management process that forms a closed-loop process across four stages: risk identification, risk assessment, risk management, and supervision and improvement, ensuring effective risk control. Currently, the Company has identified five major types of risks, including strategic, financial, market, operational, and legal risks, and has formulated targeted risk management measures.



JD Energy's Risk Management Process

During the Reporting Period, JD Energy continuously optimized the risk screening network, conducted research on legal risks in procurement, labor and human resources, and sales. We issued the *Report on Investigation of Corporate Governance Risks for Legal Entities*, the *Report on Investigation of Legal Risks in Procurement*, the *Report on Investigation of Legal Risks in Sales*, the *Report on Investigation of Legal Risks in Labor and Personnel*, and other reports, in which we fully identified potential risks and deficiencies in governance, marketing, procurement, and employment. At the same time, the Company formulated corresponding strategies and detailed rectification plans to promote closed-loop risk management and strengthen the capabilities to address risks across the entire value chain.

Business Ethics

Business ethics is the foundation for sustainable development and also plays an important role in earning social trust and achieving long-term value. JD Energy upholds the principle of integrity, transparency, and fairness, complies with laws and regulations, respects the rights and interests of stakeholders, and integrates the practice of business ethics into every aspect of operations. The Company actively promotes fair competition, firmly opposes any form of bribery, corruption, and other unfair business practices, and is committed to maintaining a sound market order.

Code of Business Ethics

JD Energy firmly opposes any practice that violates business ethics and strictly adheres to relevant laws and regulations such as the *Company Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. We have formulated the *Anti-Fraud Management System*, the *Trade Secrets Management System*, and other policies to rigorously review and supervise acts of unfair competition, corruption, and related-party transactions. We also pay taxes in accordance with the law, striving to meet the standards of business ethics.

To strengthen internal supervision of business ethics, the Company's Chairman is responsible for reviewing and approving work related to business ethics management. The Audit and Supervision Department, as an internal supervision body accountable to the Board of Directors, independently exercises its supervisory power and promptly addresses complaints and reports of violations and disciplinary issues of supervised individuals.

Anti-Bribery and Anti-Corruption

JD Energy strictly prohibits any practice that internal or external personnel do to seek improper personal benefits through deceptive or other illegal means, which thereby damage the Company's legitimate economic interests, or to obtain improper economic benefits for the Company that may simultaneously bring them improper benefits. Upon employment, employees are required to sign the *Employment Commitment*, which includes clauses to prevent corruption, favoritism, and fraudulent practices, and are urged to abide by the rules and regulations and meet the standards of professional ethics.

During the Reporting Period, JD Energy formulated the *List of Red-Line Issues*. Employees who breach these red lines will be subject to disciplinary actions such as admonitory talks, warnings, salary reductions or demotions, termination of employment contracts, and referral to judicial authorities, depending on the severity of the incident. This ensures a fair, just, and transparent working environment and safeguards the Company's reputation and long-term interests.

Key Performance

During the Reporting Period, the Company:



conducted **3** integrity inspections

The number of concluded legal cases initiated by regulatory authorities against the issuer or its employees was **0**

Anti-Unfair Competition

JD Energy adheres to the principle of voluntariness, equality, fairness, and integrity in production and operation activities. We resolutely eliminates behaviors that disrupt the order of market competition and harm the legitimate rights and interests of other operators or consumers, such as counterfeiting, misleading consumption, and infringement of trade secrets, in order to create a favorable environment and conditions for fair competition.

Strengthening Awareness of Integrity

The Company also places great emphasis on strengthening the awareness of integrity among all employees. We carry out anti-fraud training sessions, posts posters, and publishes anti-fraud journals every quarter. Through introducing cases of commercial fraud, we urge employees to strictly abide by the law. This year, the Company carried out training sessions about supervision and introduced relevant laws and regulations on business ethics and cases of violations to employees. This helps to urge employees to adhere to the Company's red lines and keep in mind integrity and self-discipline.



JD Energy's Anti-Fraud Quarterly Journal

Key Performance

During the Reporting Period, the Company's



coverage rate of anti-corruption and anti-bribery training was **100 %**

with the average duration of **4** hours per employee

Case: JD Energy Carried out Anti-fraud Training Session

In November 2024, JD Energy invited staff from the Xi'an People's Procuratorate to deliver lectures at the Company. The session was focused on the occupational risks of managers in private enterprises, where they interpreted various laws, regulations, cases of economic crimes, conviction criteria, and penalty based on the *Amendment (XII) to the Criminal Law of the People's Republic of China*. Through the explanation of typical cases, we deepened employees' understanding of various types of economic crimes. During the session, the Audit and Supervision Department also emphasized the Company's existing anti-fraud system, including the red-line issues, anti-fraud platforms and channels, as well as punishment and incentives, so as to urge employees to strictly adhere to their responsibilities and call for joint efforts to foster a working environment that is transparent and fair.



JD Energy's Anti-Fraud Training Session

Grievance and Whistleblowing Mechanism

JD Energy has established a comprehensive whistleblowing mechanism. Employees, customers, suppliers, and other stakeholders are encouraged to reveal suspected violations of business ethics by internal personnel, such as corruption, bribery, and unfair competition. This helps to build the corporate culture of integrity. The Company has diverse channels for supervision and whistleblowing, such as the reporting hotline, QR codes, the internal platform, WeChat, e-mail, mailing address, and offline whistleblowing channels. In accordance with relevant systems, the Company conducts investigations into the reported individuals, strictly protects the privacy of whistleblowers, prohibits any form of retaliation against whistleblowers, and fully safeguards their rights and interests.

Key Performance

During the Reporting Period, the Company :



Received a total of **3** reporting incidents related to anti-corruption and anti-bribery and **100 %** of them were subject to investigation and rectification

Reporting channels:

- Reporting email: shenjijiancha@jd-energy.com.cn
- Reporting hotline: 15911138263
- Address: Audit and Supervision Department, Xi'an JD Energy Co., Ltd., No. 25, West Section of Biyuan 1st Road, High-tech Zone, Xi'an City, Shaanxi Province

Information Security and Privacy Protection

JD Energy strictly adheres to the *Personal Information Protection Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and other relevant laws and regulations. We have formulated the *Information Security Management System* that clarifies the basic management systems, risk prevention measures, and emergency response plans of the Company's software systems, network construction and resources, and information system security, seeking to improve the information security management structure.

In terms of management, the Company has established security strategies and procedures, and set up a cybersecurity management team to strengthen the prevention of internal threats. In terms of technology, the Company regularly reviews the network infrastructure, deploys security technologies and products, implements tiered protection for various types of data, backs up data, and works to establish a cybersecurity monitoring system. Moreover, in daily operations, the Company urges employees to enhance their cybersecurity awareness and fosters the culture of information security.

We also take active steps to follow the Cybersecurity Classified Protection System and have obtained the Level 3 certification for eMind (smart energy storage power station management platform) and the public cloud infrastructure service platform, which shows our efforts to fulfill our responsibilities for protecting information security.



JD Energy's Filing Certificate of Information System Cybersecurity Classified Protection



JD Energy's Training on Information Security and Privacy Protection

Key Performance

During the Reporting Period, the Company:

conducted **1** information security training session covering **100%** of personnel in key and sensitive positions



Supporting Low-Carbon Development through Green Operations

JD Energy upholds the philosophy of sustainable development. We integrate environmental responsibilities into our business operations, continuously improve resource utilization efficiency, and make efforts to reduce carbon emissions and environmental impacts. Through technological innovation and management improvement, the Company continuously improves energy utilization efficiency, promotes the application of clean energy, reduces consumption of natural resources, and strengthens environmental protection measures, so as to ensure the sustainability of the ecosystem.

Material Issues Involved in This Chapter:

- Climate Change Response
- Energy Management
- Water Stewardship
- Emissions and Waste Management
- Environment Management
- Clean Technology Opportunities
- Product Lifecycle Management

SDGs Addressed in This Chapter:

- SDG 6: Clean water and sanitation
- SDG 7: Affordable and clean energy
- SDG 11: Sustainable cities and communities
- SDG 13: Climate action

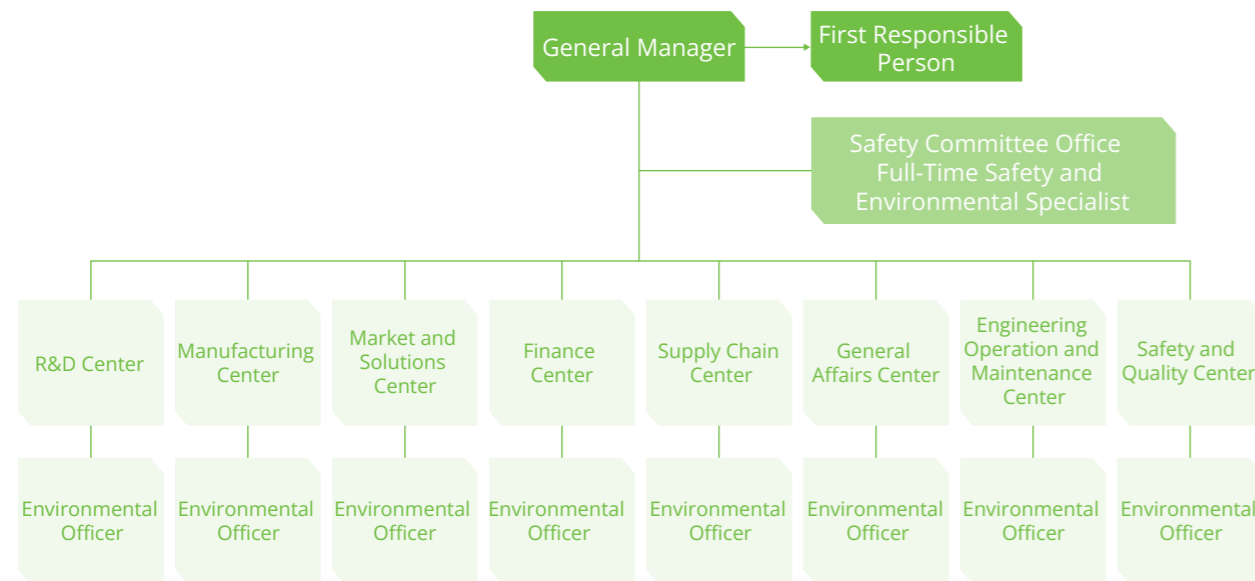


Environmental Compliance

JD Energy strictly complies with the environmental laws and regulations, such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, so as to ensure compliant operations. By improving management system and structure, the Company standardizes the environmental management workflow, regularly conducts environmental risk assessments to ensure that potential risks are promptly identified and effectively controlled.

Management System and Structure

JD Energy has formulated and implemented the *Environmental Management Manual*, the *Environmental Management System*, and the *Environmental Factor Identification and Control Management System*. Based on a scientific and efficient environmental management system with the general manager as the first responsible person, the Safety Management Department coordinates the overall work, and business units collaborate to implement environmental management measures. This ensures the environmental management requirements are met in a comprehensive way. By improving management structure and execution mechanism, the Company continuously enhances environmental management and promotes green and sustainable development.

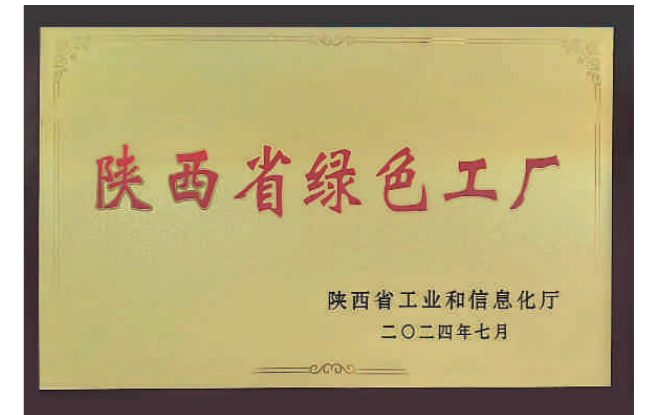
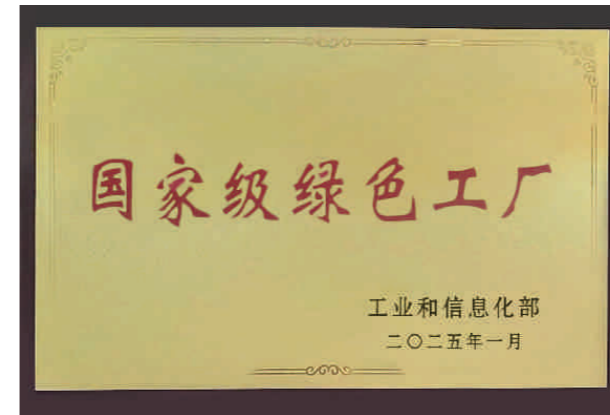


JD Energy's Environmental Management System Structure

By rigorously adhering to international standards, optimizing management process, and advancing green models of production, the Company continuously enhances environmental governance capabilities, ensuring that the operations are in accordance with laws and regulations. We also actively promote energy conservation, emission reduction, and efficient resource utilization. During the Reporting Period, the Company has obtained the ISO 14001 certification and has been recognized as a provincial and national green factory.



JD Energy's ISO 14001 Environmental Management System Certification



JD Energy has been awarded "National Green Factory" and "Provincial Green Factory"

Key Performance

In 2024,



there were

0 environmental pollution incidents

and

100 % of the environmental goals were achieved



Environmental Risk Management

JD Energy places strong emphasis on environmental risk management. We not only accurately identify and evaluate potential environmental risks in accordance with the *Environmental Factor Identification and Control Management System*, but also formulates the *Xi'an JD Energy's Emergency Plan for Sudden Environmental Incidents*. The Company ensures that the plan is complementary to other internal emergency plans and those issued by the government and relevant departments, thus enhancing the capabilities to address sudden environmental incidents.

Environmental Risk Identification and Control

The Company regularly conducts assessment to systematically identify factors in production, operations, and supply chain activities that may exert an impact on the environment. We update the identification and evaluation of environmental factors at least once a year and formulate corresponding prevention and control measures to minimize environmental risks.



Identification and Review Process of Environmental Factors and Significant Environmental Factors

Management of Sudden Environmental Incidents

The Company adheres to the environmental emergency management policy of "people-centered, environment first, and reduce harm". We have established an emergency response mechanism including accident reporting, tiered early warning, emergency response measures, and restoration measures. For different sudden environmental incidents, the Company has also made efficient and comprehensive response plans that clarify responsibilities, and ensures that relevant personnel are familiar with these plans. In the event of a sudden environmental incident, the Company prioritizes public health, life, and property safety, seeks to minimize casualties and environmental harm caused by the incident, and prevent secondary pollution.

Energy and Carbon Emission Management

JD Energy upholds the mission of "Reliable clean power for everyone" and is committed to promoting green and low-carbon development. With responsibility and innovation as the priority, the Company strives to balance economic benefits and environmental protection, so as to promote sustainable social development. The Company not only reduces carbon emissions through optimizing energy management, but also works to provide clean and efficient products and solutions as well as a stable and safe energy supply. By doing so, we contribute to building a world that is more environmentally friendly and sustainable.

Energy Management

The Company places great emphasis on energy management. We have formulated and rigorously implemented regulations such as the *Lighting Management System*. We focus on energy consumption control and equipment optimization of lighting systems to continuously improve energy utilization efficiency. By strengthening the management of electricity for lighting and optimizing the start-stop system of the equipment, the Company has reduced unnecessary energy consumption, thus reducing costs and improving efficiency while ensuring safe production. In addition, the Company introduces clean energy equipment and facilities, such as electric forklifts and LNG-powered trucks, which effectively reduces energy consumption and carbon emissions during transportation.

Energy management measures	Effect
Energy conservation for standby equipment: Cut off power supply and disable the standby mode when equipment is not in use	Electricity costs reduced by 43%
Reduce the retention charge for the entire machine during debugging from 30% to 20%	Electricity costs reduced by 10%

JD Energy's Energy Management Measures

Case: JD Energy Optimized Energy Consumption of Workshop Lighting

In 2024, in order to enhance energy utilization efficiency, JD Energy made adjustment to the electricity consumption for lighting. The Company implemented zoned lighting that will turn off the lights apart from those for emergency lighting during breaks and production line downtime to conserve energy for lighting. By doing so, the Company's electricity utilization efficiency improved significantly, saving approximately 21,500 kWh per month and reducing electricity costs by about RMB28,000. In the future, the Company will promote PLC segmented control for automated production line to further conserve energy.



Action to Save Electricity in Xi'an Factory

Key Performance

During the Reporting Period, the Company:



had a total energy consumption of ¹

3,071,793 kWh

had a total Scope 2 (indirect emissions) of ²

1,648.32 tCO₂e

1.The Company does not involve direct energy consumption and has not yet collected statistics of carbon emissions of Scope 1. We will make more efforts in this aspect in the future. The current statistics of energy consumption cover the headquarter of Xi'an JD Energy Co., Ltd., namely the Tianhong Park, New Park, and Yuncang Base.

2.The emissions of Scope 2 is calculated based on the 2022 national average power grid carbon emission factor of 0.5366 tCO₂/MWh. The current statistics of Scope 2 cover the headquarter of Xi'an JD Energy Co., Ltd., namely the Tianhong Park, New Park, and Yuncang Base.

Clean Technology Opportunities

With the introduction of the "carbon peaking and carbon neutrality" goals, the transformation and upgrading of the energy mix have become increasingly urgent, and thus the new power system has emerged. Leveraging new energy sources, the new power system is characterized by multi-source complementarity, source-grid interaction, balance between supply and demand, and flexible control. It can effectively make power generation, transmission, and consumption cleaner, smarter, more efficient, and more flexible. However, since it mainly relies on natural energy sources such as solar and wind power, and is subject to factors like locations and weather conditions, the new power system has inherent drawbacks such as volatility and instability, making it difficult to balance power supply and demand round the clock.

Therefore, energy storage technology has emerged as a crucial part in building the new power system. Through energy storage technology, we can achieve peak shaving and valley filling, which means that excess power can be stored during periods of low power demand and released during peak periods. By doing so, we can effectively smooth out power fluctuations, reduce the curtailment of wind and solar power generation, enhance the economic efficiency of power operations, and then contribute to achieving the goals of low carbon and energy conservation.

JD Energy actively embraces the opportunities brought by clean technologies. We develop and provide energy storage products, services, and solutions that meet market demands, so as to promote sustainable transition of society through technological innovation. Based on the advantages of its products, the Company supports upstream and downstream enterprises in breaking through the constraints of energy resources and environmental, enhancing the consumption capacity of green power through efficient energy storage solutions, reducing power capacity demand, and significantly lowering power consumption costs. This not only helps to promote the application of renewable and clean energy and reduce carbon emissions, but also creates a dynamic balance between energy supply and demand, effectively promoting collaborative carbon reduction across the value chain.

Key Performance

As of June 2025,



JD Energy has served over

1,000+

users in commercial and industrial sectors

and reduced

500,000 tCO₂e

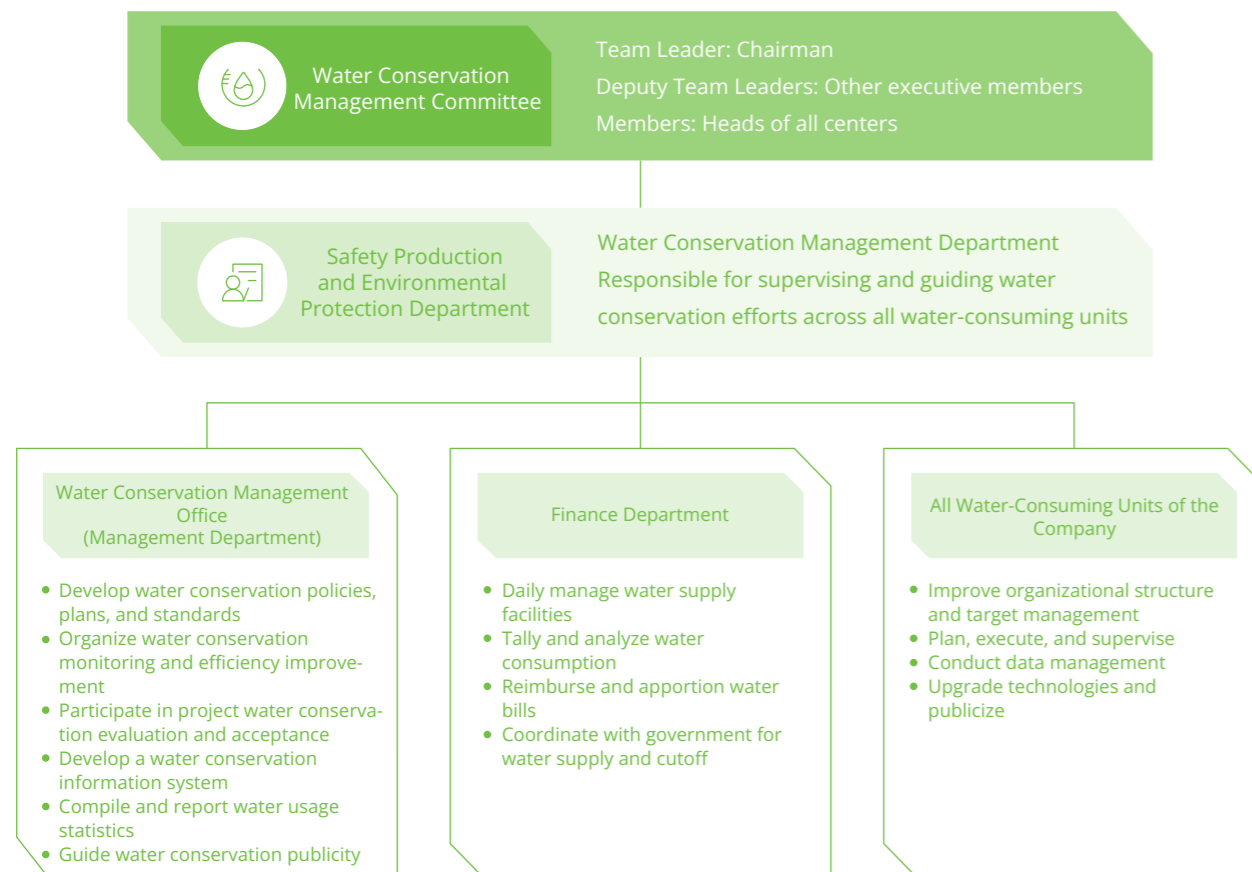
of carbon emissions across the value chain

Water Stewardship

JD Energy focuses on water resource management and regards sustainable water use as a crucial part in corporate responsibility. For one thing, the Company ensures the proper and efficient utilization of water resources. For another, we continuously optimize our water management system, strengthen water resource monitoring and conservation, and promote the application of water recycling and sewage treatment technologies to support sustainable development of the ecosystem.

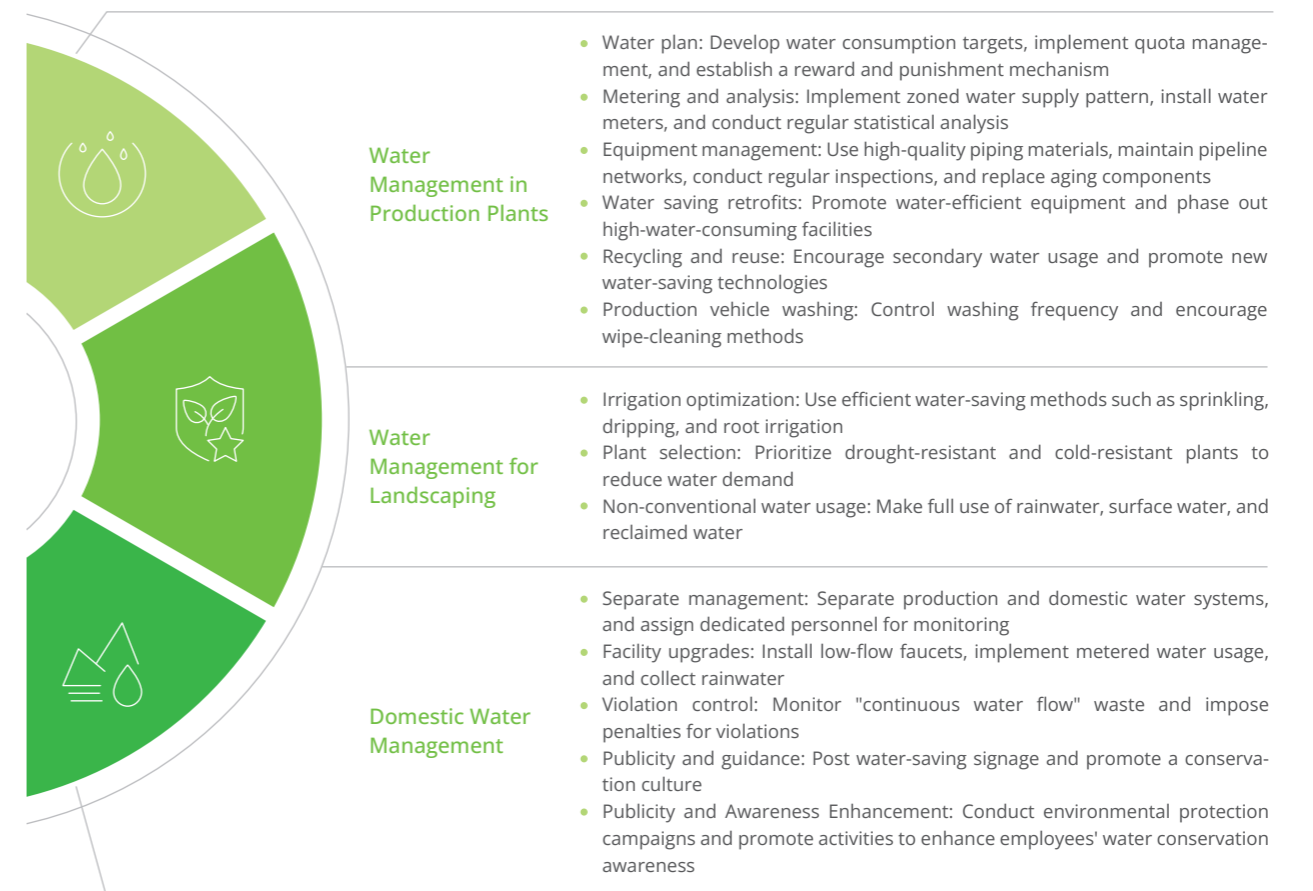
Water Management

The Company has established the Water Conservation Management Committee and clarified the responsibilities. We have also formulated relevant systems such as the *Water Conservation Management System* and the *Water Conservation Work Plan* to continuously improve the management of water resource utilization and conservation.



Water Conservation Management System Structure

For different types of water consumption, including production, domestic use, and irrigation, the Company has formulated specialized measures to refine water resource management and promote water conservation. In addition, the Company also carries out water conservation activities and employee training to enhance their awareness and encourage them to do their bit to save water.



JD Energy's Enhanced Water Management Measures

Indicators	Unit	2024
Water resource use ³	Ton	35,467.79

JD Energy's Water Usage in 2024

Wastewater Management

The company does not generate any production wastewater during the operations and only discharges domestic sewage. However, the company always upholds a high sense of responsibility and environmental protection awareness, and regularly conducts tests on domestic wastewater to ensure that the discharge meets the relevant standards. At the same time, the company is actively exploring ways to recycle resources from domestic wastewater in order to further reduce the impact on the environment and contribute to sustainable development.

3.The current statistics of water consumption cover the headquarter of Xi'an JD Energy Co., Ltd., namely the Tianhong Park, New Park, and Yuncang Base.

Emissions and Waste Management

JD Energy adheres to the philosophy of environmental protection. By establishing a comprehensive emissions management system and waste disposal process, the Company seeks to reduce emissions and waste generated during production and ensure that all waste is properly treated.

Waste Gas Management

The Company firmly practices effective exhaust emission control measures to ensure that the exhaust emissions comply with relevant standards and reduce the impact on the environment. At present, the company's exhaust emissions only involve welding exhaust from reflow soldering process, which has been effectively treated by adding activated carbon adsorption device⁴. At the same time, the company regularly replaces the activated carbon and includes the replaced activated carbon in the management of hazardous waste to ensure safe disposal. In the future, we will strengthen emission monitoring and continue to promote emission reduction technologies, actively promote exhaust gas treatment, reduce harmful gas emissions and enhance the environmental friendliness of the production process.

4.The Company has not yet collected statistics of waste gas emissions. We will make more efforts in this aspect in the future.



Waste Management

The Company adheres to the principles of source reduction, classified management, and resource recycling, optimizing waste disposal processes to continuously enhance waste management and drive green sustainability.



JD Energy's Measures for Packaging Reduction and Recycling of Non-hazardous Waste

Case: Plan of Product Packaging Reuse and Recycling

In 2024, JD Energy initiated a packaging box recycling program to further enhance the reuse rate of packaging materials and promote sustainable use. Generally, the Company uses wooden crates to ensure that the products remain intact during transportation. However, upon receiving the products, customers often dispose of the crates, which causes resource waste. Therefore, the Company reached a consensus with the customers and encouraged them to return the empty packaging boxes after receiving the products for reuse in subsequent shipments. By doing so, the use of wooden crates decreased to 20% of the original amount, which effectively reduced resource waste.



Key Performance

During the Reporting Period,  the Company used a total of **130.12 tons** of sustainable packaging materials in production and operations

For hazardous waste disposal, the Company has formulated and implemented the *Hazardous Waste Management System* to regulate the management process of hazardous waste generated during production, operations, and daily activities. The Company's hazardous wastes mainly include lubricating oil, waste engine oil, sealant buckets, and adhesive removers. We ensure that these wastes are effectively controlled during generation, storage, transfer, and disposal, so as to minimize environmental impacts.

Indicators	Unit	2024
Total emissions of hazardous waste	Ton	0.6
Hazardous waste disposal	Ton	0.6
Hazardous waste recycled ⁵	Ton	0.6

JD Energy's Hazardous Waste Discharges in 2024

5.The Company entrusts qualified third-party institutions to recycle hazardous waste, which is done within the organizational boundary.

Empowering Technological Upgrades through Innovation-driven Development

With the rapid pace of the global energy transition, energy storage technology has emerged as a key solution for balancing energy supply and demand and enhancing the stability and flexibility of the power system. JD Energy takes active steps to seize the opportunity. We are committed to the technical research and product development of core equipment in advanced energy storage systems, and hold a leading position in market competition.

Material Issues Covered in This Chapter:

- Product Quality and Safety
- R&D and Technological Innovation
- Digital Transformation

SDGs Addressed in This Chapter:

- SDG 9: Industry, innovation, and infrastructure
- SDG 12: Responsible consumption and production



Product R&D and Innovation

Aiming to "drive the large-scale application of energy storage by innovating power electronics and IoT technology, making energy cleaner and more user-friendly", the Company takes advantage of high-efficiency energy storage and conversion technology, IoT, and big data research to improve the competitiveness of products and promote access to achieve global carbon neutrality goals.

Product R&D Mechanism

JD Energy places great emphasis on the building and improvement of the product R&D system. The Company has formulated the *R&D Project Management Standards*, the *R&D Pre-research Project Management System*, and the *R&D Product Lifecycle Management System* to manage the entire process of R&D projects, including initiation, review, change, pilot testing, and project closure. This ensures that the product lifecycle is standardized and controllable, and effectively improves the efficiency of R&D projects. During the Reporting Period, we issued over 40 management systems related to R&D and innovation, demonstrating our efforts to continuously optimize the product R&D system.

Meanwhile, the Company has established comprehensive electrochemical energy storage and electronics laboratories, along with a platform for electrochemical energy storage and electronics research, encompassing every aspect of battery PACK structural design, and R&D of battery management system (BMS), modular power conversion system (PCS), and energy management system (EMS), and enabling us to achieve independent R&D and system integration capabilities.



Partial Products of JD Energy

In 2024, the Company officially introduced the IPD management system to promote collaboration, enhance information sharing and cross-functional teamwork. The Company regards market and customer demand as the core of product development, seeking to enhance product innovation, quality, and market competitiveness. Looking ahead, the Company will focus on three main aspects: "long-term energy storage, intelligence, and platformization". Through technological breakthroughs and ecological synergy, the Company aims to create a product matrix that covers multiple scenarios and leverage digital tools to boost R&D efficiency.

System integration	<ul style="list-style-type: none"> Enhance high-capacity and high-density cell integration to meet the demand of long-term energy storage. Enhance PACK power distribution module integration to improve system integration and reliability.
System innovation	<ul style="list-style-type: none"> Optimize topological structures to further improve the efficiency of DC/DC and DC/AC converters. Develop integrated immersive direct-cooling and liquid cooling technologies, as well as holistic temperature differential control technology, to precisely control battery temperature and minimize fire risks. Adopt lightweight and high-strength design of energy storage cabinets to reduce transportation costs.
Intelligent control	<ul style="list-style-type: none"> Optimize the prediction models of state of health (SOH) and state of charge (SOC) to achieve early fault warning and reduce O&M costs. Develop cell balancing algorithms and strategies that are more advanced to achieve rapid and efficient balancing of battery packs, and improve the consistency and available capacity.
Grid-forming technology	<ul style="list-style-type: none"> Grid-forming energy storage system operates in voltage source mode in microgrids, and enhances the stability of new energy grid integration.
Multi-scenario applications	<ul style="list-style-type: none"> Long-term energy storage technology and grid switching solutions. Comprehensive solutions integrating PV system, power storage, power charging, diesel generator, and power load.
Platformization	<ul style="list-style-type: none"> Optimize the intelligent operation and maintenance platform based on cloud-side collaboration for power stations to achieve real-time regulation of equipment status and flexible resource scheduling. Build the high-precision station-level hardware-in-the-loop simulation platform, which helps to simulate and optimize the power system in a precise way.

JD Energy's Focus of Product Innovation and R&D

Key Performance

During the Reporting Period, the Company:



invested a total of RMB **92+ million** in R&D

accounting for **7%+** of the main business revenue



has a R&D team composed of **180+ professionals**

with R&D personnel accounting for **30%+** of total workforce

The Company also encourages collaboration and open innovation. We establish laboratories and launches projects with universities and scientific research institutions to boost the commercialization of scientific and research findings and improve R&D efficiency. In 2023, the Company collaborated with Xi'an Jiaotong University and Xi'an University of Technology to introduce 12 patented technologies and achieved industrial application. In 2024, the Company worked with Xi'an Jiaotong University and ZJU-Hangzhou Global Scientific and Technological Innovation Center for R&D on non-core technologies, seeking to enhance innovation capabilities and maximize the benefits.

Case: JD Energy Carried out Training on IPD R&D Management System

In 2024, to promote the implementation of the IPD R&D management system, JD Energy carried out training sessions for professionals from various fields, such as branch general managers, product directors, and project directors. The training mainly focused on theoretical study, group discussions, and case sharing. Looking ahead, the Company will fully implement the IPD R&D management system. Moving forward, the company plans to implement the IPD research and development management system to boost the efficiency, innovation, and market launch success rate of product development via teamwork, information sharing, and a customer-centric approach.



Intellectual Property Protection

Adhering to the intellectual property management policy of "supporting innovation and protecting wisdom; creating wealth and leading the future", the Company has formulated systems such as the *Intellectual Property Management Manual* and the *Patent and Software Copyright Management System* to improve and standardize the IP management system and enhance the capabilities in utilizing, protecting, and managing IP.



Mechanism

The Company's policies explicitly prohibit infringement, assign accountability to specific departments, and outline employee liability for violations in contracts. Additionally, we conduct training in intellectual property compliance and patent searching.



Process

The Company conducts patent searching and monitoring before project initiation, during R&D, and before product launch to avoid infringement risks.



Collaboration

The Company's Legal Department, R&D Department, and Marketing Department work together to establish the IP Risk Management Team and make countermeasures. When necessary, the Company will entrust third-party law firms to address relevant infringement disputes.

JD Energy's Intellectual Property Protection Measures

Indicators	Unit	Quantity
Number of patents held	Piece	137
Number of copyrights held	Piece	26
Number of trademarks and literary copyrights held	Piece	31
Number of annual patent applications	Piece	129
Number of annual copyright applications	Piece	11

JD Energy's Intellectual Property Protection Performance⁶

6. Intellectual property protection performance data as of 30 May 2025.



Partial Patent Certificates Obtained by JD Energy in 2024

To boost the creativity and enthusiasm of R&D personnel, the Company has also formulated the *R&D Project Evaluation and Incentive Management System*, which clarifies the evaluation and incentive measures for R&D projects. By doing so, the Company improves the quality and efficiency of R&D projects and enhances the overall capabilities in R&D.

Product Quality and Safety

JD Energy is committed to providing customers with safe and high-quality products. The Company continuously improves the quality management system and adopts digital tools in quality management, seeking to enhance product quality and safeguard the rights and interests of customers. The Company also strives to foster the corporate culture that prioritize product quality and raise employees' awareness.

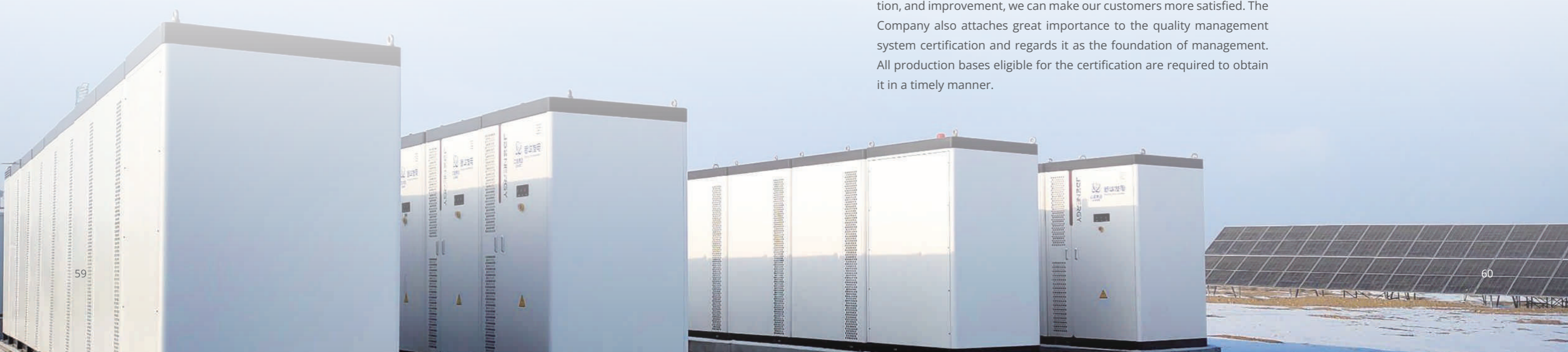
Quality Management System

JD Energy enhances the quality management based on the policy of "focusing on energy storage, striving for excellence and openness, making continuous improvement, and keeping customers satisfied". The Company has formulated the *QSE Management Manual*, the *First and Last Article Inspection Management System*, and the *Product Inspection Standards* to standardize quality management and ensure the quality of the products.

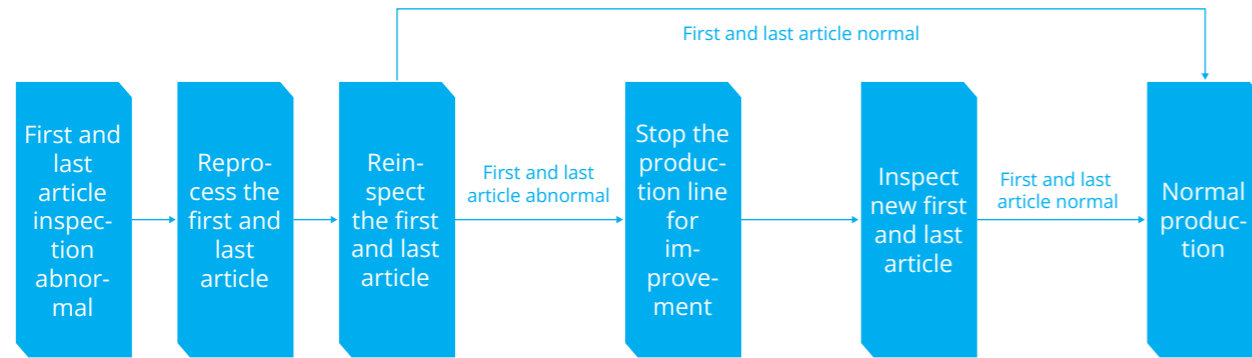
The Company's quality management system prioritizes customer needs. By taking a customer-oriented approach, we deliver products or services in an efficient way. During this process, relevant departments provide comprehensive resource support and are responsible for supervision and optimization. Through continuous monitoring, evaluation, and improvement, we can make our customers more satisfied. The Company also attaches great importance to the quality management system certification and regards it as the foundation of management. All production bases eligible for the certification are required to obtain it in a timely manner.



JD Energy's ISO 19001 Quality Management System Certification



When the work shift begins, operators are changed, equipment and process are replaced or adjusted, technical conditions and process method parameters are changed, and after the adoption of new materials or material substitutions, the Company conducts first and last article inspections to ensure quality and avoid quality issues in a batch of products.



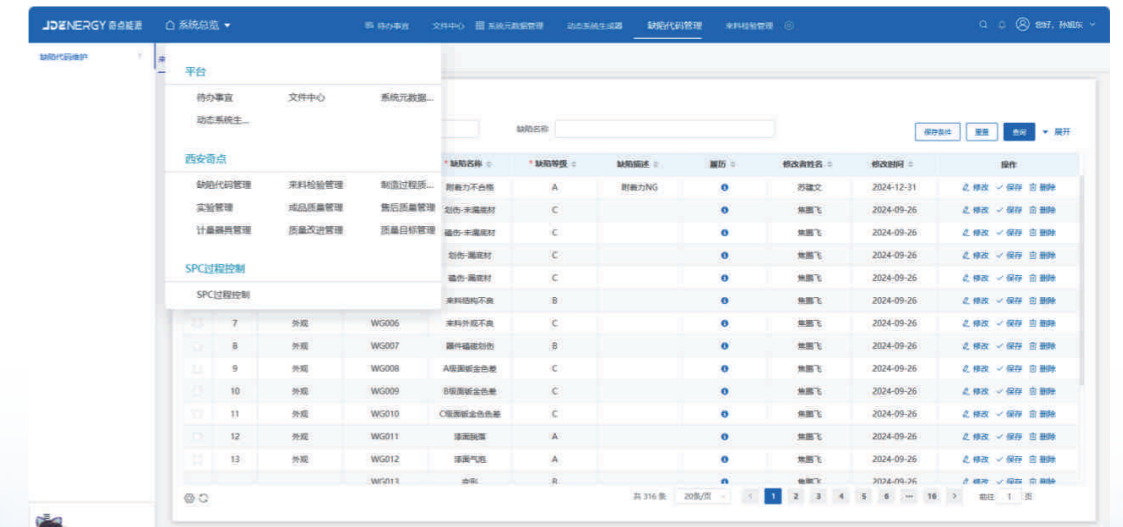
JD Energy's First and Last Article Inspection Process

Products	Certifications
eBlock-418A	IEC 61000, IEC 62619, IEC 62477, IEC 63056, CEI 0-16
elink418A-9P elink418A-16C	IEC 62477, IEC 60204
PCS-2000G2	IEC 61000, IEC62477, RfG, GB/T 34120
CBC00	IEC 62619

Partial Certifications Obtained by JD Energy's Products

Case: JD Energy Launched the QMS System, Empowering Quality Management through Digitalization

In 2024, JD Energy officially launched the QMS system, which comprises 10 modules and 178 functions and enables interaction with eMes, SAP, SRM, PDM, eConcur, OA, and other systems. The system not only complements the SAP system and can perform quality inspections, but also plays a role in management of online inspection reporting, inspection determination, first and last article inspections during the manufacturing process, and patrol inspections, thus facilitating on-site QC. Additionally, we enable online management and automatic early warning of company-level measuring equipment and instruments, improving the efficiency of quality management.



JD Energy's QMS System



Product Safety Management

JD Energy adheres to the concept of product lifecycle management and seeks to identify potential risks in the design, production, and operation of energy storage products. During the design, the Company predicts the source of risks. During production, we strictly control process parameters and conducts in-depth testing. During operation, we monitor data in real-time and continuously optimizes the protection mechanism. Through rigorous monitoring, the Company is committed to providing customers with products that are safe and have exceptional performance.



Multiple fire protection system design

Multiple fire protection designs to avoid large-scale safety risks:

- PACK-level fire protection: Perfluoro vaporization for heat absorption; programmable multiple-point injection; large dosage for flame retardancy.
- Aerosol fire protection inside the cabinets: Efficient fire-fighting, user-friendly, and environmentally friendly.
- Compartmentalized isolation Between cabinets: Special heat-resistant and high-temperature materials; 1.5-hour fire resistance test compliance of the cabinets; prevention of large-scale fire incidents.

Safety warning system design

- Comprehensive monitoring of CO and other harmful gases, smoke concentration, and temperature, with multi-level warning measures.
- AI health management enables precise issue identification through cloud-based analysis, while fire protection systems are used to mitigate fire incidents.

JD Energy's Product Safety Design

BCS control and protection system

New eBlock control system to eliminate control and protection blind spots:

- Cell-level management: Monitor individual cell voltage, current, and temperature; battery overvoltage and undervoltage management; battery overtemperature and low-temperature management.
- System-level control: Identification of system state information such as SOC and SOE; systematic battery monitoring; systematic energy scheduling and strategic control.

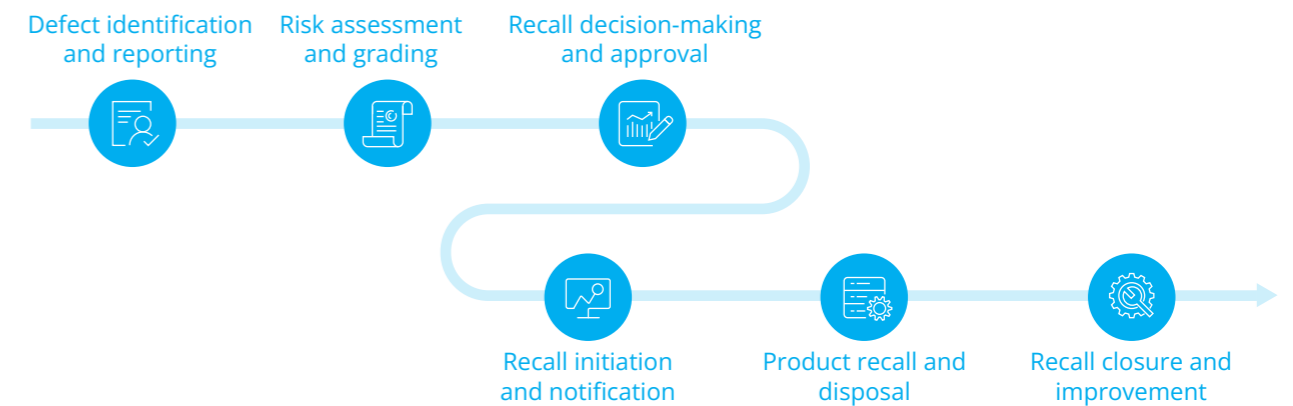
In addition, the Company has established a comprehensive product recall mechanism and formulated the *Product Recall Management Process* and the *Nonconforming Product Control Procedures* to ensure rapid response to safety hazards and reduce product risks. Every year, the Company carries out training on recall process, covering quality, after-sales service, sales, and other departments. We simulate product recall every two years to ensure the effectiveness of the process and improve it, thus safeguarding the rights and interests of customers.

Key Performance

In 2024,



the number of products recalled due to health and safety issues was **0**



JD Energy's Product Recall Management Process

Quality Culture Development

JD Energy places great emphasis on enhancing employees' capabilities in quality management. We carry out activities from time to time such as knowledge competitions, quality training, and QCC improvement projects, striving to foster an environment where all employees are encouraged to improve the product quality. In 2024, the Company completed 12 QCC improvement projects, conducted 3 internal quality training and 1 external quality training, effectively enhancing the quality awareness of all employees.



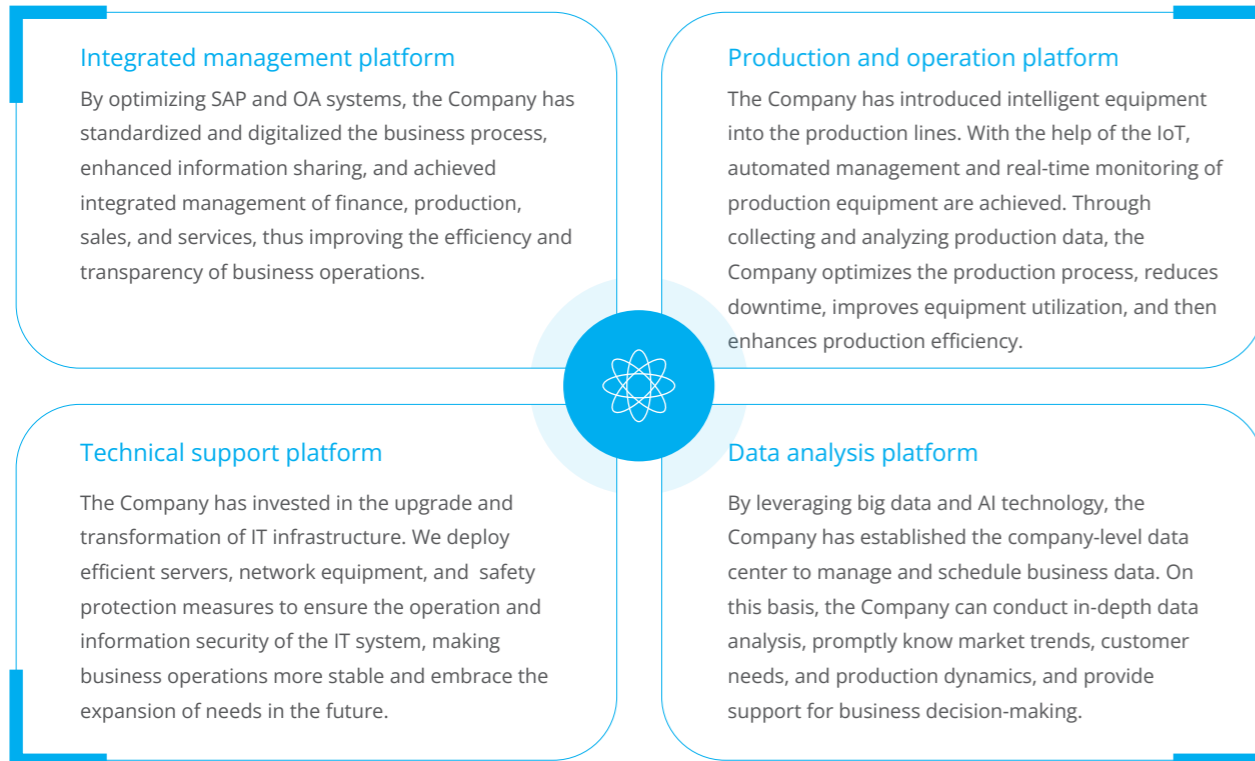
JD Energy's Knowledge Competition



JD Energy Conducted Training on IATF 16949

Digital Transformation

JD Energy regards the important to empower production with digitalization, and has formulated the *Five-Year Plan for Information Technology Development* to embrace digital transformation and enhance core competitiveness. In the future, by exploring information technology, the Company will further optimize the management process, improve production efficiency, and strengthen data-driven decision-making capabilities. We aim to make ourselves a digitalized and intelligent enterprise that enjoys a leading position in the energy storage industry.



JD Energy's Development Plan of Information Technology

Key Performance

JD Energy was recognized as:

Xi'an 2024 Digital Transformation Pilot Enterprises

Shaanxi Provincial Department of Industry and Information Technology 2024 DCMM Implementation Pilot Enterprises

Xi'an 2024 DCMM Implementation Pilot Enterprises

Case: JD Energy Signed Strategic Cooperation Agreement with Siemens for In-depth Collaboration on Construction of Digital Factory

In 2023, the first automated PCS production line and the first automated module PACK production line at JD Energy's Xi'an factory came online, marking a significant enhancement of the company's intelligent manufacturing capabilities. The PACK production line employs automated equipment such as industrial robots and chain conveyors, streamlining the entire production process from battery cell feeding to module welding and automatic module packaging. This has achieved an automation rate of 82% for the module production line. The automation rate of the PACK production line also reached 73%. The PCS automated production line has achieved full automation in core processes such as power board assembly, thermal grease application, and IGBT welding, significantly improving the precision of key process steps. Additionally, it enables full traceability throughout the production process. Currently, the factory's smart production workshop for distributed energy storage products has been selected for the Shaanxi Province Intelligent Manufacturing Project List.

Meanwhile, JD Energy has officially signed a strategic cooperation agreement with Siemens. The agreement focuses on the planning and construction of the new headquarters base, with plans to collaborate in areas such as industrial software, digital delivery, digital factories, digital consulting, carbon tracking and transparency, automation and drives, low-voltage control, and distribution products. This strategic partnership signifies the company's proactive embrace of the digital transformation wave, accelerating the construction of digital factories to enhance production management efficiency, optimise and upgrade products and services, and meet the demands of rapid business growth.



Cultivating Talents through a People-Oriented Approach

JD Energy is committed to safeguarding employees' rights and interests and creating a working environment that is equal, safe, and full of opportunities for them. The Company supports employees' career development through systematic training and providing diverse opportunities. At the same time, we strengthen occupational health and safety management to offer employees comfortable working conditions and promote the development of employees and the Company.

Material Issues Involved in This Chapter:

- Diversity, Equality, and Inclusion
- Employee Rights and Benefits
- Employee Training and Development
- Occupational Health and Safety

SDGs Addressed in This Chapter:

- SDG 3: Good health and well-being
- SDG 4: Quality education
- SDG 5: Gender equality
- SDG 8: Decent work and economic growth
- SDG 10: Reduced inequalities



Employee Rights and Benefits

JD Energy adheres to the people-oriented approach, and is committed to safeguarding employees' rights and interests. We continuously optimize the remuneration and benefits system and improve the employee communication and care mechanism to enhance their sense of belonging and happiness.

Employee Rights and Interests Protection

JD Energy strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations. We respect and protect human rights of all employees, and promise not to discriminate against any employees due to their gender, age, religion, political views, or other identities, thereby protecting their legitimate rights and interests.

Compliant Employment

JD Energy has formulated the *Labor Contracts Management Measures* and the *Recruitment Management System*, and strictly prohibits the employment of child labor and forced labor. We also establish standards for the recruitment process, and the establishment, modification, and suspension of labor contracts, so as to ensure that the recruitment is objective and transparent.

Each year, the Human Resources Department adjusts and optimizes the needs, channels, interview management, and recruitment management based on the talent development strategy and the annual recruitment plan. This enhances the Company's capabilities to attract talents and provides stable human resources for our development in a timely manner.

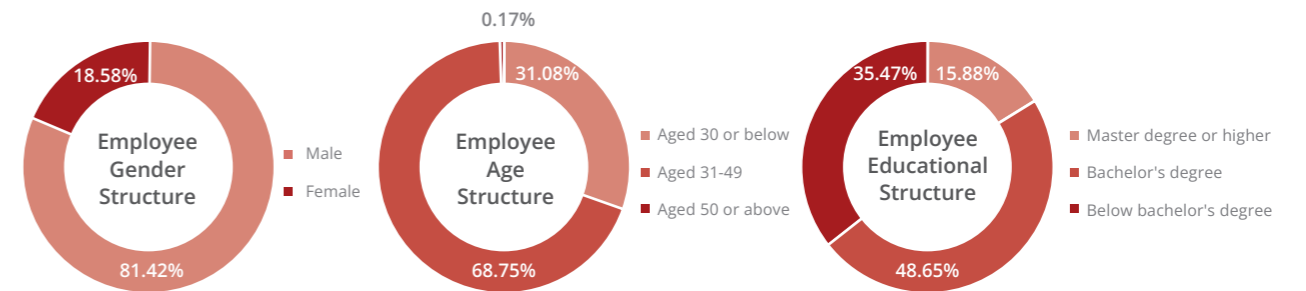
Key Performance

In 2024, the Company

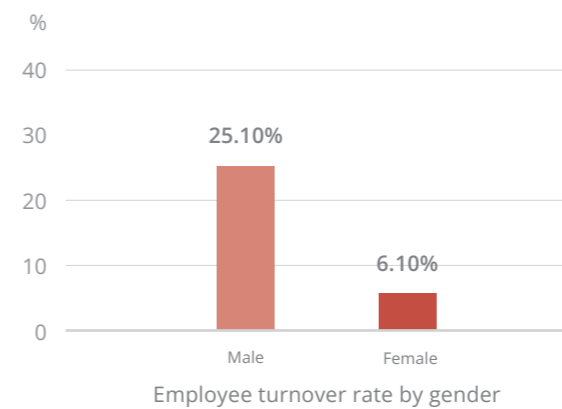
- has a total of **592** employees
- with a **100%** labor contract signing rate
- There were no incidents involving child labor or forced labor.

Diversity and Inclusiveness

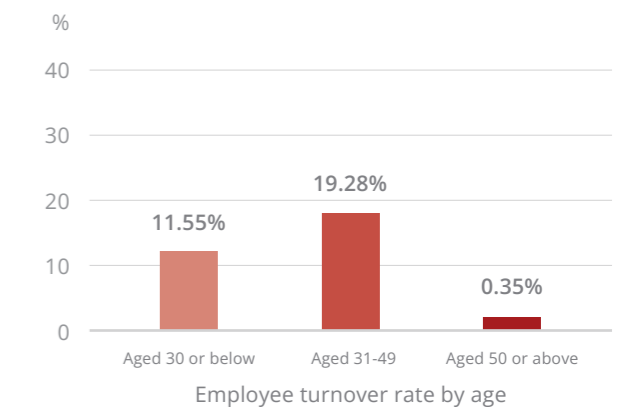
JD Energy is committed to building a diverse, equitable, and inclusive working environment. In recruitment, remuneration, training, and promotion, the Company does not discriminate against or treat employees unfairly due to their age, gender, region, nationality, marital status, political affiliation, race, or religious beliefs. The Company holds a zero-tolerance attitude towards workplace harassment and bullying, and takes active steps to prevent such behavior. We also improve the grievance and protection mechanism to support and protect employees in a timely and effective way.



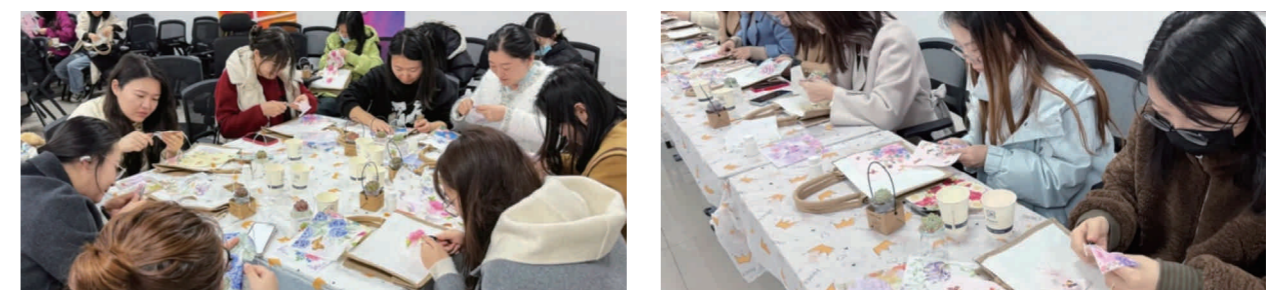
JD Energy's Employee Structure



JD Energy's Employee Turnover Rate



In terms of protecting the rights and interests of female employees, the Company adheres to the principle of equal pay for equal work between genders, and also provides special care for female employees in their work and life, so as to offer comprehensive support for their career development.



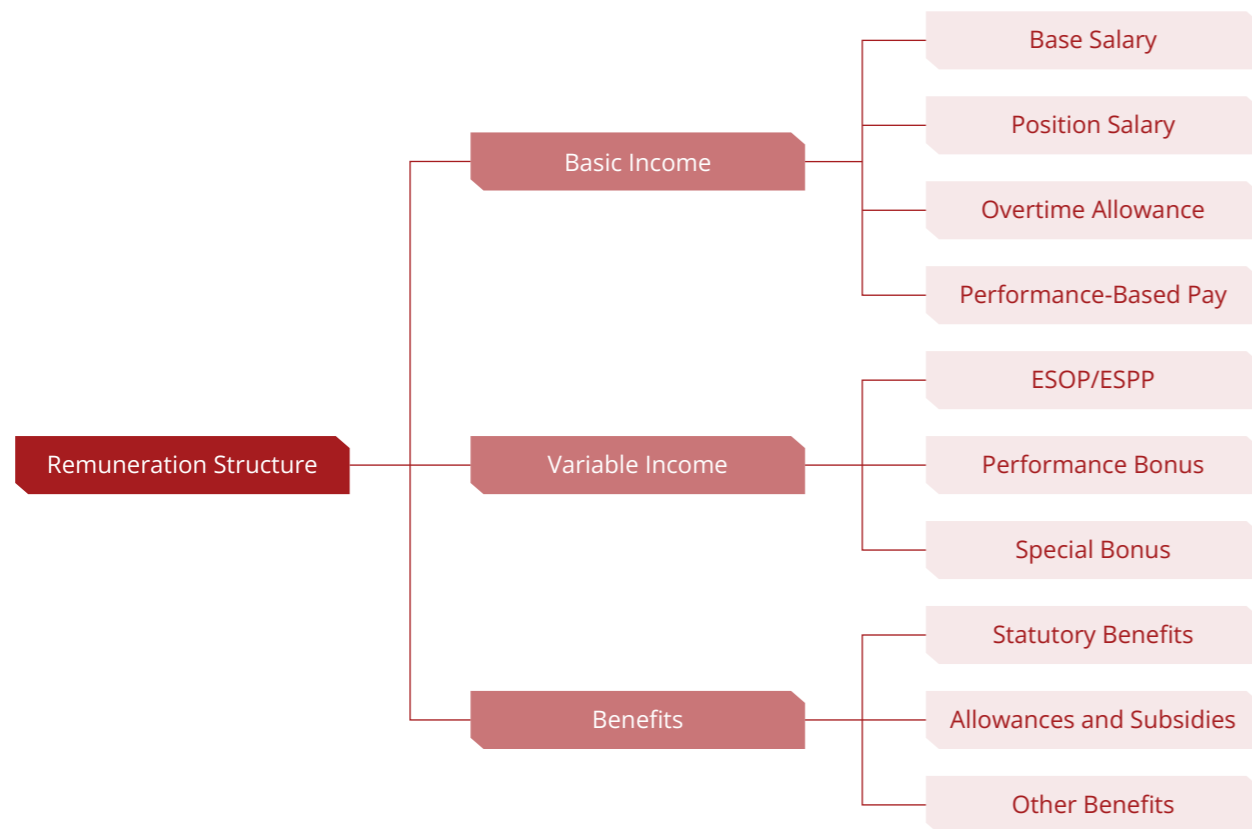
JD Energy's Women's Day activities

Employee Remuneration and Benefits

To empower employee development, for one thing, JD Energy has established a scientific remuneration and incentive system to encourage employees to create value. For another, we have also built a diverse welfare and care system to deliver our care and boost employee development and the Company's growth.

Remuneration and Incentives

To achieve the goal of "aligning responsibility with benefits, capability with value, risk with return, and performance with remuneration" in employee remuneration distribution, JD Energy has formulated the *Remuneration Management System* and the *Performance Management System* to ensure standardized management, sufficient incentives, and clear guidance for employee remuneration.



JD Energy's Employee Remuneration Structure

In compensation management, the Company considers both external competitiveness and internal fairness. We evaluate each position's relative value based on market data and its actual performance. Furthermore, we link our development strategy with employees' performance goals, ensuring a genuine performance-oriented approach.

Currently, the Company has established a comprehensive performance management system. Based on open communication, we break down strategic goals into smaller ones and encourage the organization and employees to make concerted efforts. Through regular performance evaluation, feedback, and continuous improvement, we boost organizational vitality and employees' potential, thus empowering efficient operations and enhancing the Company's core competitiveness.

Benefits and Care

JD Energy is committed to enhancing employees' sense of happiness and reinforcing corporate cohesion through providing diverse benefits and care for them. The Company formulates the *Attendance and Leave Management System* and provides all employees with paid annual leave, sick leave, and marital leave in accordance with the law. Employees who meet the national birth policies are also entitled to prenatal check-up leave, maternity leave, nursing leave, and paternity leave. The Company also gives marriage congratulatory allowance, condolence allowance, childbirth congratulatory allowance, and hospitalization allowance to employees in accordance with the *Process for Application of Employee Benefits and Condolence Allowance*. We demonstrate our efforts to care about our employees and contribute to enhance their sense of well-being.

To help employees strike a balance between work and life and improve their well-being, the Company not only carries out activities during anniversaries and festivals, but also organizes sports events like table tennis, badminton, and basketball competitions and encourages employees to participate. This helps to foster a corporate culture that is open, enthusiastic, friendly, and positive.



JD Energy's Cultural Activities and Sports Events

Case: JD Energy Launched Summer and Winter Employee Care Programs and Provided Employees with Necessary Supplies

Since early 2024, JD Energy has carried out care programs for front-line employees at the project locations. Led by the Trade Union Committee, we visited 13 project sites in Ningxia, Zhejiang, Jiangsu, Guangxi, Hebei, and other regions. We focused on front-line positions such as engineering delivery, equipment adjustment, and sales, and provided employees with relief supplies for heatstroke prevention, cold-weather protection, and other daily necessities, demonstrating the Company's efforts to care about our employees. In 2024, JD Energy provided support for over 150 front-line employees and allocated more than RMB200,000 for relief supplies.



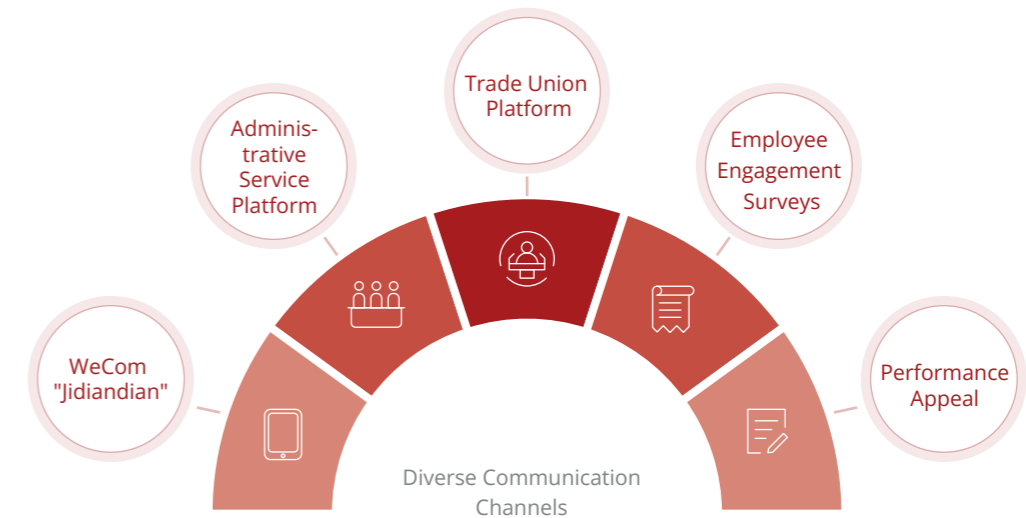
Case: JD Energy Launched Employee Health Care Programs

JD Energy attaches great importance to employee health management. The Trade Union regularly organizes physical examinations for employees to identify and prevent potential health issues in a timely manner. In 2024, a total of 653 employees from Baoji and Yan'an production bases were invited to take medical examinations at the International Medical Center. In addition, the Trade Union invites renowned experts and professional doctors to hold lectures and consultations to share health knowledge and enhance employees' awareness and self-care capabilities. To address employees' mental health issues, the Trade Union has established psychological counseling organizations such as the consultation room and the Health Management Team, which will offer timely and professional support to employees. To encourage employees to exercise, the Trade Union also offers the "Employee Sports Bonus", providing rewards on a quarterly basis for employees who meet the exercise targets.



Employee Engagement and Communication

JD Energy strictly adheres to the *Trade Union Law of the People's Republic of China* and respects employees' freedom of association and the right to collective bargaining. The Company carries out diverse trade union activities to safeguard employees' legitimate rights and interests. The Company also provides smooth communication channels, such as WeCom "Jidiandian", the administrative service platform, and the trade union platform for employees to feedback and voice their concerns, thus fostering an inclusive and open corporate atmosphere.



Jidiandian Employee Service Platform



JD Energy's Workers Congress

Key Performance

In 2024, JD Energy's Trade Union embraced opinions and suggestions from employees.

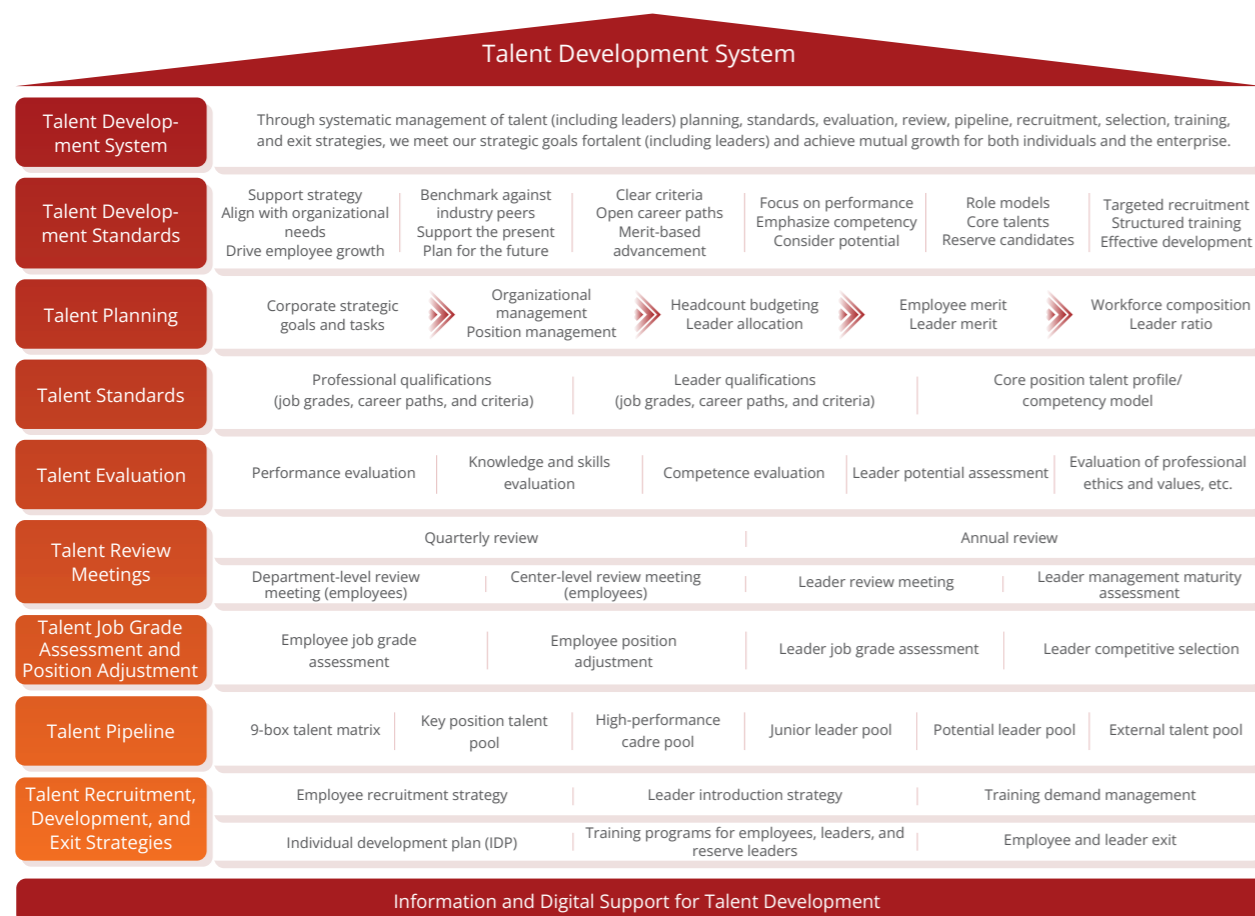
We addressed **42** employee issues in an effective way, accounting for **95 %** of the total number of employee issues. This has enhanced employees' sense of participation and happiness.

Employee Development and Training

To build a high-quality talent pool and enhance the Company's competitiveness, JD Energy has made comprehensive plans for employees' career development, improved the employee training mechanism, and provided abundant opportunities for talent growth, so as to boost employees' potential and the Company's vitality.

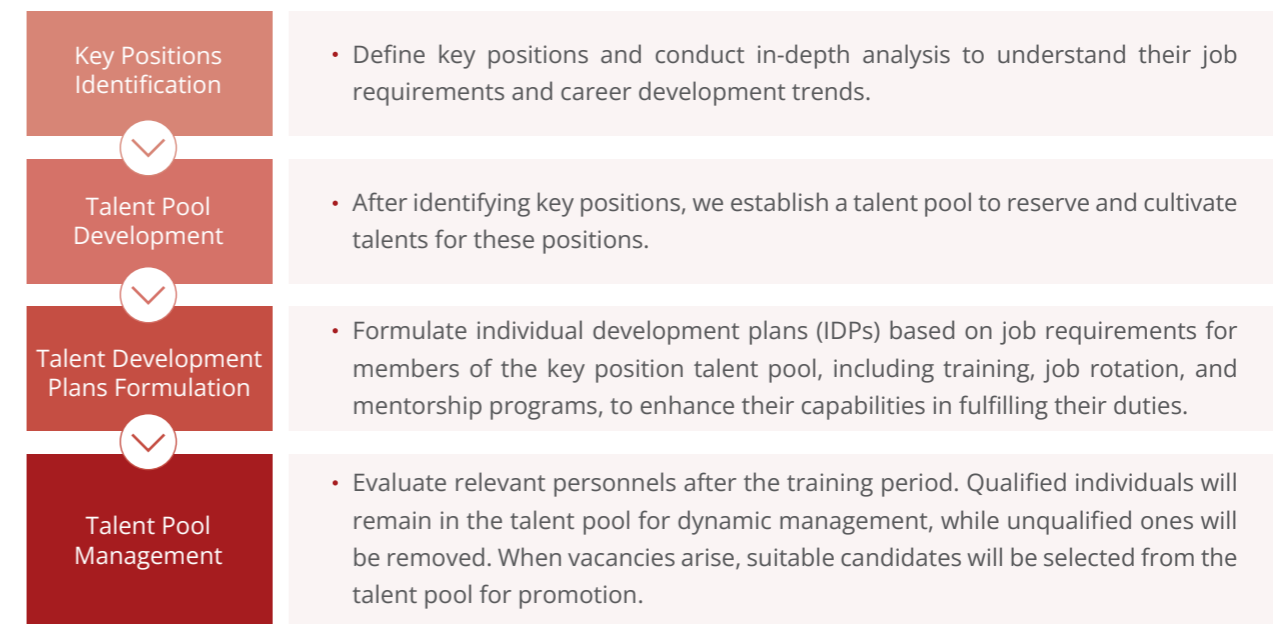
Career Development

JD Energy seeks to build a platform for employees to realize their value and promote career development. During the Reporting Period, we formulated the *Talent Development System* to further enhance the Company's talent development framework. The system provides robust support for the recruitment, training, and selection of employees, thus ensuring a continuous, stable, and high-quality talent supply to achieve the Company's strategic objectives.



The Company focuses on the full lifecycle management of employee development. We have made comprehensive plans for job requirements, development paths, promotion and demotion criteria, position profiles, and competency models, and built a dual-path development mechanism for management and professional positions, encouraging employees to choose suitable career paths. Based on the principle of fairness, openness, and just in promotion, the Company continuously optimizes the promotion management process to ensure that outstanding talents are identified and cultivated.

In addition, the Company regularly conducts talent reviews and training needs analysis to learn the gaps between employees' capabilities and their development goals. For business managers, potential leaders, and employees in key positions, the Company designs Individual Development Plans (IDP) that covers aspects for improvement, competency areas, strategies, and support required. By implementing learning plans, conducting regular assessment, reviews, and making adjustment, we ensure that employee development is in accordance with the Company's strategic objectives.



JD Energy's Management of "Key Position Talent Pool"

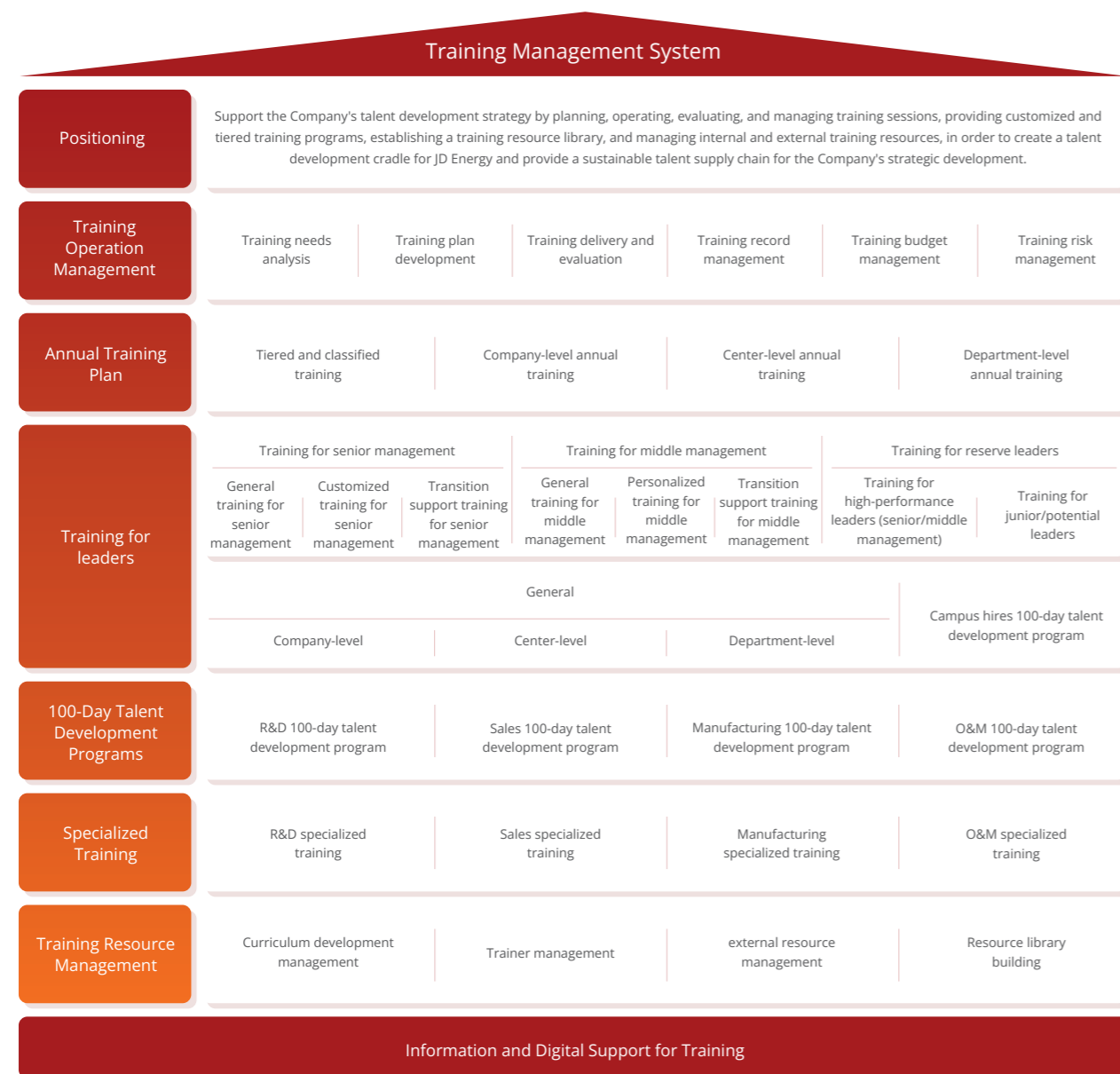
Case: JD Energy's 2024 Employee Engagement Survey

Every year, JD Energy conducts employee engagement surveys on a regular basis, focusing on critical areas such as company support, teamwork, and employee development to investigate the employee engagement, organizational empowerment, and the driving factors of engagement. In 2024, employees were more engaged in the engagement survey, with 590 participants in total, registering an increase of 44.3% over 2023. Furthermore, the employee engagement has improved for two consecutive years, being now at the best level.⁷

7.The three levels of JD Energy's employee engagement: the critical risk level (0%-42%), the stable level (42%-72%), and the best level (72%-100%).

Talent Development

JD Energy is well aware that human resource is a crucial factor for the Company to maintain our competitiveness. To this end, the Company has formulated the *Training Management System*, the *Curriculum Development Management Measures*, the *Instructor Management Measures*, the *Mentor Management Measures*, and the *Management Measures for External and Outsourcing Training*, to standardize the planning, operation, and evaluation of training. We provide tiered and customized training for talents to support the Company's talent development strategy.



JD Energy's Training Management System

To meet diverse development needs, the Company has established a three-tier training system at the company, center, and department levels. Combining job requirements and training need analysis, we provide tiered and customized development programs for employees, leaders, and reserve talents. The Company offers various training programs, including online and offline courses, workshops, hands-on practice, mentorship, on-the-job training, and job rotation, to enhance employees' capabilities and improve organizational performance.

Training programs	Training targets	Training objectives
Training for leaders	<ul style="list-style-type: none"> Externally hired middle and senior leaders Internally promoted leaders 	<ul style="list-style-type: none"> Enhance the overall management capabilities of the existing team of leaders and improve common weaknesses among them. Improve their comprehensive management capabilities, help to sharpen their skills, thus making organizational management more mature. Help new leaders (including externally hired ones) to understand the Company's culture, management system, strategic direction, and adapt to their roles within the company.
Training for reserve leaders	<ul style="list-style-type: none"> Excellent leaders who are already in middle and senior management positions and have the potential for higher positions. Junior or potential leaders 	<ul style="list-style-type: none"> Train and cultivate existing high-potential leaders Provide training on basic management knowledge, skills, and professionalism for existing junior or potential leaders, enhancing their general capabilities.
Training for new employees	<ul style="list-style-type: none"> All new employees 	<ul style="list-style-type: none"> Assist new employees or college graduates in adapting to the company and improve performance.
Training for in-service employees	<ul style="list-style-type: none"> All in-service employees 	<ul style="list-style-type: none"> Enhance the professional capabilities of specialists in each center through specialized training programs and internal training, and supporting them in obtaining qualification certifications and professional titles.

JD Energy's Talent Development System



JD Energy's Talent Development Activities

Case: The "100 Days to Close Deals" Training Program for New Sales Employees

To help new sales employees develop themselves and adapt to the position during the probationary period, equip them with necessary knowledge and skills, create a positive atmosphere of learning, and make breakthroughs in performance, the Company carried out the "100 Days to Close Deals" training program. The two-month program focused on nine key aspects: company culture and systems, marketing system and policies, the use of sales tools, knowledge about the industry and competitors, products and solutions, process knowledge, practical techniques for closing deals, O&M and delivery knowledge, and case studies of model projects. The course consists of online learning and offline practice, helping new employees to enhance their expertise in a comprehensive way. After the course is completed, new employees shall pass the assessment to be qualified for the probation confirmation presentation. The results will serve as an important reference for job grading.

Key Performance

In 2024, the Company



trained **592** employees



with a **100%** coverage rate

Occupational Health and Safety

JD Energy adheres to the workplace safety policy of "prioritizing safety, prevention, and comprehensive management" and establishes a robust safety and environmental protection management responsibility system, striving to minimize health risks for our employees. The Company actively carries out safety training and safety culture activities, so as to create a healthy and safe working environment.

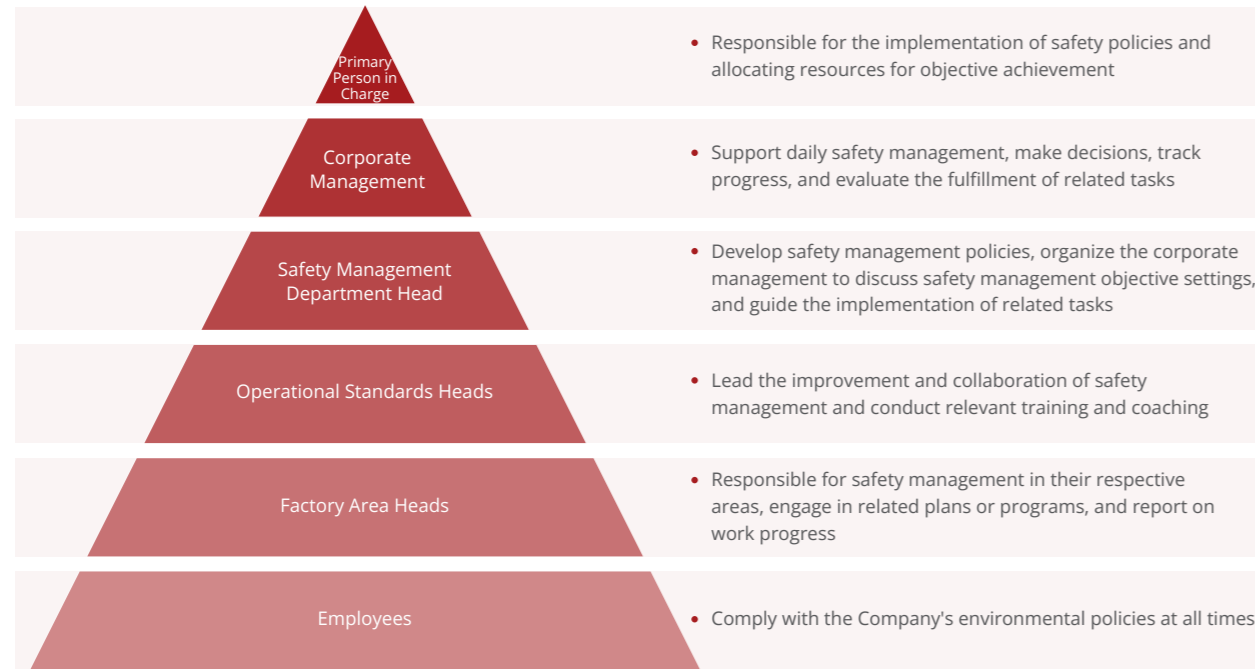
Safety System Development

JD Energy strictly adheres to the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Fire Protection Law of the People's Republic of China*, and other laws and regulations. The Company has formulated the *Occupational Health and Safety Management Manual*, the *Safety Accident Prevention and Control Management System*, and the *Emergency Response Procedures for Work-Related Injuries* to improve our workplace safety management system and provide support for the Company's production and operations. During the Reporting Period, the Company obtained the ISO 45001 certification.

In addition, we continuously improve our safety management organizational structure to build a safety management system featuring clear hierarchy and responsibilities, and coordination, ensuring that each position and employee will shoulder its own responsibilities. During the Reporting Period, the Company issued the *Safety Points Management Measures*, and conducted safety performance assessment for center and department heads on a quarterly basis. Meanwhile, each center head is required to sign the *Safety Objective Responsibility Agreement* at the beginning of each year. The achievement of these objectives will be part of the safety points, incorporated into the annual accounting of safety bonus, and linked to employees' performance assessment, rewards, and promotions.



JD Energy's ISO 45001 Occupational Health and Safety Management System Certification



JD Energy's Safety Management Structure

Indicators	Objectives	2024 achievements
Fire incidents	0	Achieved
Work-related injuries at operation sites	0 serious injury incidents	Achieved
Work-related deaths	0	Achieved

JD Energy's Safety Management Performance in 2024

Safety Risk Prevention and Control

JD Energy attaches great importance to safety risk prevention and control and focuses on hazard identification and rectification. Through standardizing job operations, the Company continuously improves the *Safety Risk Classification and Hazard Identification and Management* and the *Xi'an JD Energy's Management Procedures for Hazard Sources Identification and Evaluation* to enhance the safety management. The Company also conducts routine safety risk assessment and work related to hazard identification and management. We have established risk inventories and a four-color map of risk areas. Through taking targeted measures, we eliminate safety hazards and enhance workplace safety.

In terms of emergency management, the Company has established an emergency response team responsible for organizing and leading the emergency response. Thus, we can strengthen the capabilities to respond to sudden safety incidents, quickly and effectively control and handle potential accidents, and protect the personal safety of employees and the Company's property.

Key Performance

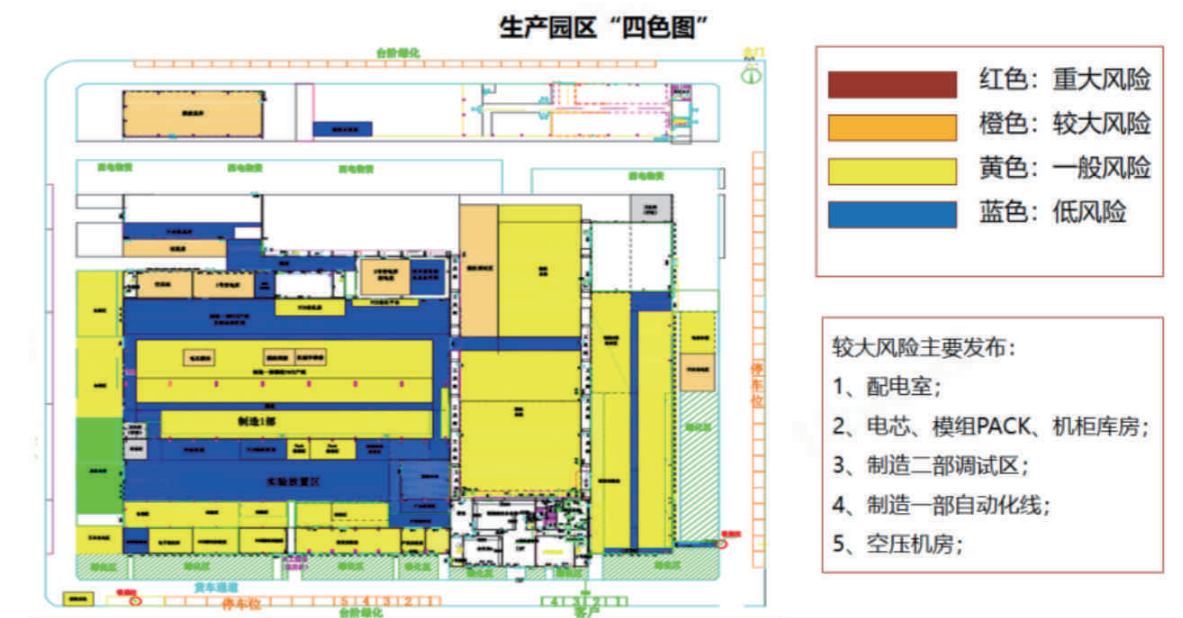
During the Reporting Period, JD Energy



has established a risk inventory of **273** risks, set up **31** gridded areas and **83** job risk notification signs and **41** occupational hazard factor notification signs, effectively enhancing the prevention and control of workplace safety.



JD Energy's Safety Risk Notification Signs



JD Energy's Four-Color Map of Safety Risks

Case: JD Energy Conducted Fire Safety Inspection in Production Parks

In November 2024, JD Energy carried out a fire safety inspection focusing on identifying and examining potential hazards related to fire safety facilities, emergency lighting, linked control of fire safety systems, fire-fighting equipment in the cloud warehouse, and evacuation routes in the production park, so as to comprehensively identify and address fire safety risks. For the issues identified during the inspection, the Company required the responsible personnel to make closed-loop rectifications within a limited time and enhance routine fire safety inspections. By doing so, we can raise the awareness of fire safety among all employees and improve their emergency response capabilities, thereby solidifying the defense line of fire safety.



Fire Safety Inspection in Production Parks

Safety Culture Cultivation

JD Energy places great emphasis on enhancing the safety capabilities of employees. The Company has established a systematic safety education system, including new employee onboarding training, publishing notifications on the bulletin board, department training, meetings centered on occupational health and safety, and specialized training for specific positions to enhance employees' safety awareness and emergency response capabilities. In addition, every year the Company carries out events centered on "Workplace Safety Month". Through safety knowledge lectures, emergency drills, and case sharing, we further enhance the awareness of workplace safety and ensure that it is integrated into all aspects of operations.

Training forms	Main content
Training for new employees	Personnel from the Safety Management Department and consultants interpret the content of the Company's occupational health and safety management system.
Bulletin board	Activities related to occupational health and safety and issues identified are published on the Company's internal bulletin board.
Department training	Include training on the occupational health and safety system, policies and objectives, and occupational health and safety factors within the department. Specific explanations are provided for significant occupational health and safety factors, control measures, and the consequences of violations.
Meetings centered on occupational health and safety	Employee representatives engage in discussions on issues related to occupational health and safety.
Training for specific positions	Provide training session for personnel in special positions to ensure they are capable to perform their tasks.

Key Performance

In 2024, the Company



conducted **98** emergency drills

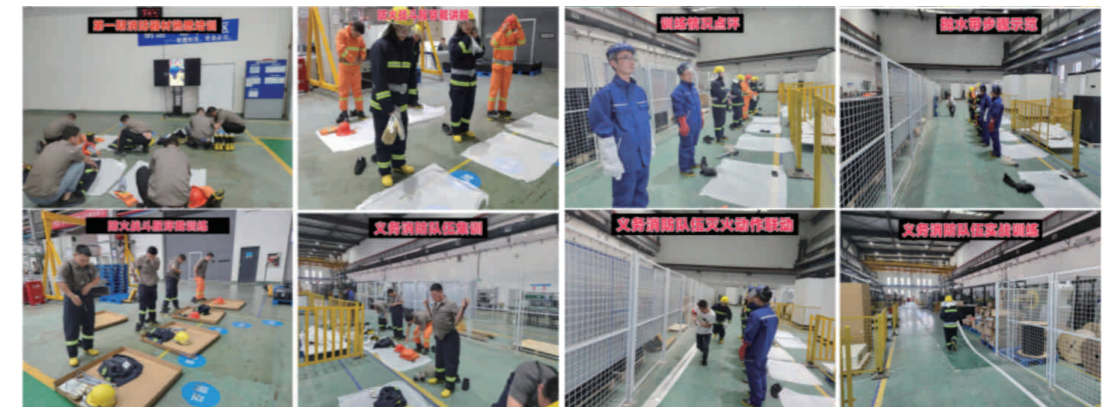
with **100%** of its objectives achieved

organized **101**

with **100%** of the employees participating safety training sessions, including training for resumption of work and production, and safety training for external construction personnel

Case: JD Energy Organized Training for Voluntary Firefighters

In June 2024, to further enhance the Company's fire emergency response team and improve the emergency response capabilities of voluntary firefighters, JD Energy organized two sessions of skills training for 8 voluntary firefighters at the micro fire stations. The training consisted of theoretical training and hand-on training on the use of firefighting equipment. Through the training, voluntary firefighters had a better command of the basic skills, and we effectively strengthened the capabilities of the emergency response team, ensuring a rapid and effective response in the event of a fire.



JD Energy's Training for Voluntary Firefighters

Promoting Collaboration through Joint Efforts

Amidst the dynamic environment of the new energy market where there are both competition and abundant opportunities, JD Energy is well aware that cooperation is a key driving force for the sustainable development of enterprises and the progress of the industry. By strengthening customer relationship management, promoting responsible marketing practices, and actively participating in exchanges and collaboration within the industry, the Company continues to expand partnership and enhance synergy with the partners.

Material Issues Involved in This Chapter:

- Customer Services
- Sustainable Supply Chain Management
- Industrial Cooperation and Development
- Community Development and Public Welfare

SDGs Addressed in This Chapter:

- SDG 12: Responsible consumption and production
- SDG 17: Partnerships for the goals



Customer Relationship Management

JD Energy is committed to supporting the market with services and prioritizes customer needs. By establishing an efficient service response mechanism and providing standardized services, the Company strives to know customer needs at the earliest opportunity, offer corresponding solutions, and enhance the quality of after-sales service of products. The Company also regularly conducts customer satisfaction surveys to strengthen communication with customers and ensure the best quality of our services.

Customer Service System

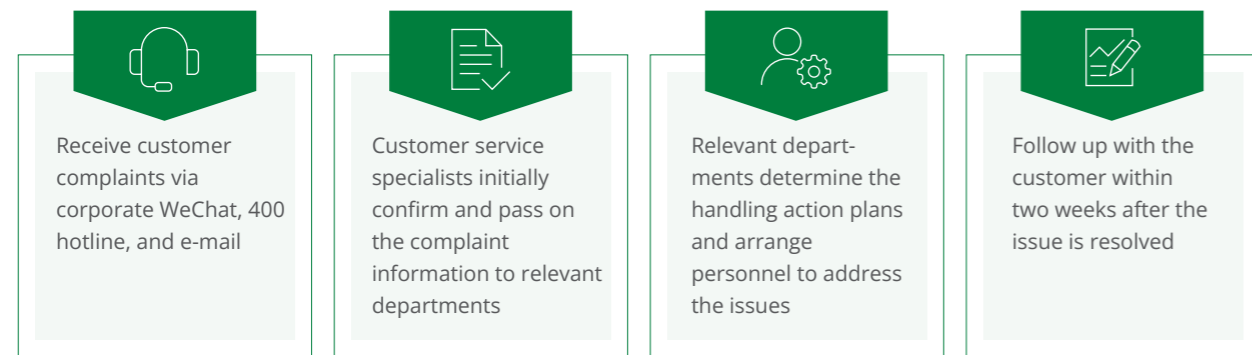
To provide efficient and high-quality services for customers, JD Energy has formulated the *Customer Service Management System*, the *Online Customer Service Work Standards*, the *After-Sales Service Management System*, the *Customer Complaint Control Procedures*, the *Customer Satisfaction Management System* and other policies, which have standardized the process of customer services and strengthened the customer service system, including pre-sales, sales, and after-sales services.

Customer Management

In daily operations, the Company regularly visits key customers, knows and collects their needs, submits requests for improvements of the products, and maintains a close relationship with customers. When they need systematic technical support, the Company provides online and offline training to resolve operational problems encountered during the use of the products, thus continuously improving customer services.

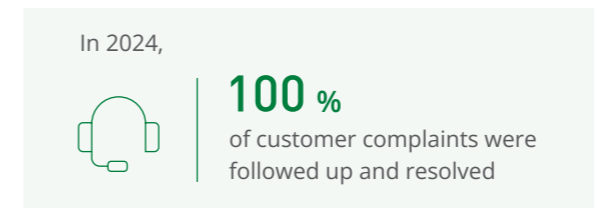
Customer Complaint Processing

In the after-sales process, the Company handles customer complaints through WeCom, 400 hotline, e-mail, and other channels. We promptly respond to and resolves problems reported by customers to ensure that the complaint processing is timely and effective. The Company also conducts regular follow-up tracking on customers to continuously optimize their overall experience.

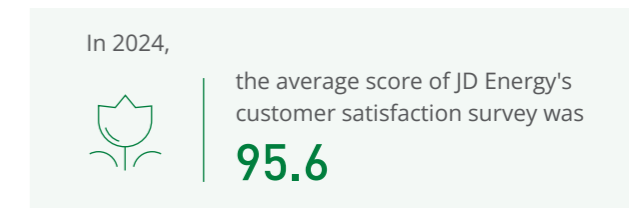


JD Energy's customer complaint processing procedures

Key Performance



Key Performance



Customer Satisfaction

To accurately know customer needs, the Company conducts customer satisfaction surveys through face-to-face interviews, questionnaires, letters, and phone calls to collect feedback from customers on various aspects such as products, the delivery process, sales services, after-sales and engineering services, and returns on investment. After collecting the basic information, relevant departments will conduct detailed analysis and reviews, and then formulate the annual customer satisfaction survey analysis report, which will provide guidance for improving customer services in the following year.

Responsible Marketing

JD Energy takes active steps to implement responsible sales and marketing, and strictly adheres to the *Advertising Law of the People's Republic of China* and other laws and regulations to standardize the business development of relevant departments. The Company promises to provide accurate and comprehensive information in all aspects, including market development, customer sales, and product labeling management, so as to avoid deceiving or misleading consumers and enhance corporate credibility and social reputation. In addition, the Company regularly carries out training sessions related to responsible marketing to continuously enhance employees' awareness of responsible marketing practices.

Key Performance



JD Energy's Sales Personnel Training Sessions

Sustainable Supply Chains

JD Energy is committed to building sustainable supply chains and shares the high standards in environmental, social, and governance aspects with partners. Through close collaboration with suppliers, the Company integrates green principles into every aspect of supply chain management, making joint efforts with them to promote sustainable development of society.

Supply Chain Management

JD Energy has formulated the *Supplier Management Control Procedures*, the *Supplier Development and Admission Process*, the *Supplier discontinuation Process*, the *Supplier Risk Management Measures*, and other systems to standardize the Company's supply chain management and improve efficiency. By doing so, we ensure that the development and admission of suppliers are high-quality, controllable and efficient, and then provide robust support for the achievement of the Company's development goals.

Indicators	Unit	Quantity
Number of new suppliers	Count	38
Total number of suppliers		
China	Count	218
Overseas	Count	0

JD Energy's Supplier Status in 2024

To implement supply chain management practices that are in line with the Company's actual situations, we have established the JDENERGY Quality Management System based on the ISO 9001 and IATF 16949 management systems. This system provides support for onboarding audits of new suppliers, annual supplier audits, and audits conducted under special circumstances. After suppliers complete their self-assessment, the Quality Management Department, Product and R&D Center, and Integrated Procurement Department will help to conduct on-site audits. For production-related materials, the Company mainly investigates the major, critical, and bottleneck processes involved. For non-production materials, the Company focuses on the investigation of production lines and equipment categorized as fixed assets.

Key Performance

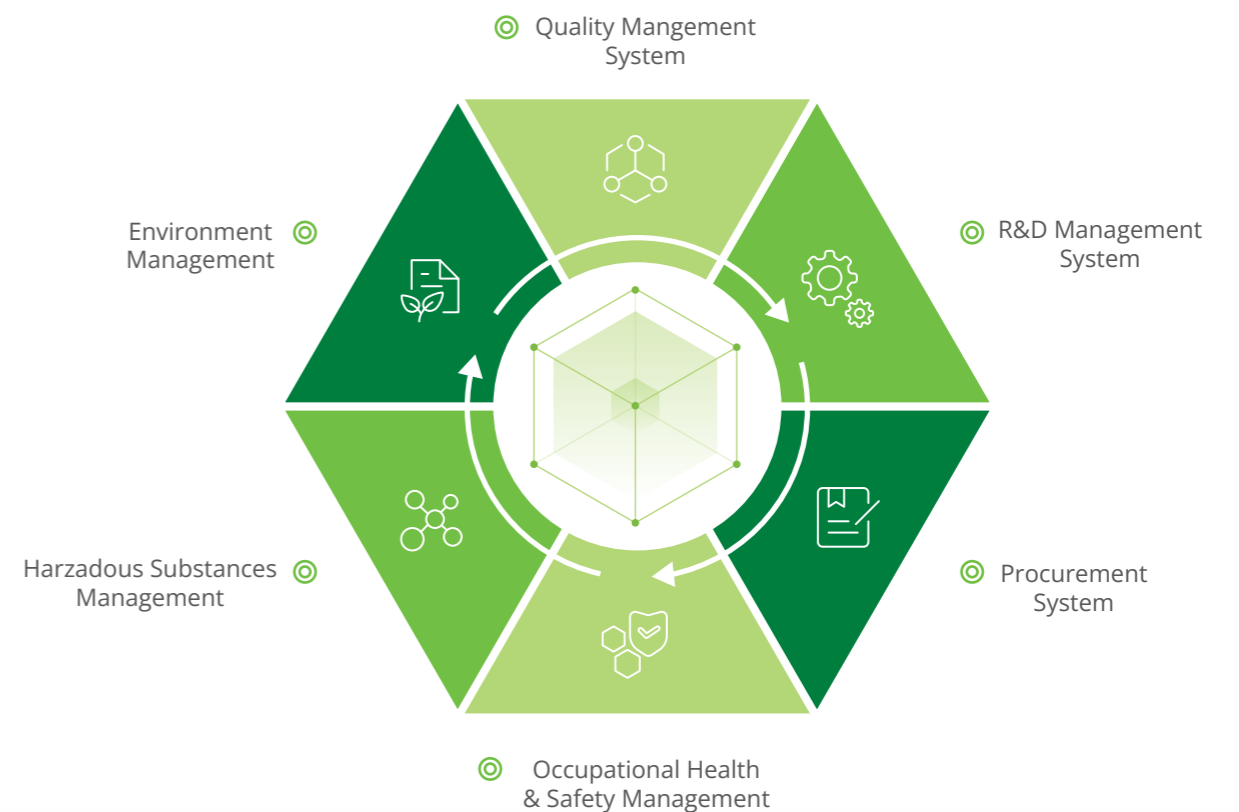
In 2024,



we conducted **30** on-site audits to suppliers.

Supplier rating	Scores	Measures
Excellent (A)	85-100	Eligible for long-term cooperation, with priority in procurement
Good (B)	70-84	Eligible for long-term cooperation, but rectification measures are required
Qualified (C)	60-69	Reduce or suspend procurement, and rectification within three month is required
Unqualified (D)	0-59	Suppliers that are consecutively rated as D twice, do not follow the guidance, and refuse to make improvements will be eliminated, and procurement from them will be halted.

JD Energy's Supplier Rating Criteria



JD Energy's Supplier Audit and Evaluation Dimensions

Responsible Supply Chains

During procurement, JD Energy is committed to high environmental and social standards, seeking to safeguard both people and the environment in the supply chain through sustainable practices. In terms of environmental protection, the Company conducts audits on suppliers' environmental management systems, hazardous substance management systems, environmental impact assessment approvals, and pollutant discharge permits. Regarding labor and human rights, the Company reviews suppliers' use of child labor, compliant employment, and occupational health and safety management systems, striving to build a responsible supply chain.

Key Performance

In 2024,



the percentage of in-house purchasing specialists who have passed sustainable procurement training was

100 %

Transparent procurement

To eliminate commercial bribery in material procurement, the Company requires all procurement personnel to sign the *Integrity Commitment for Supply Chain Personnel*, strictly prohibiting them from participating in banquets, entertainment activities, or other such events hosted by clients or suppliers. They are also forbidden from asking for gifts, cash, or other forms of benefits from suppliers, or engaging in any other activities that contradict the principle of integrity. This ensures that procurement activities are honest, efficient, accurate, timely and the services are attentive, demonstrating our efforts to practice the highest standards of transparent procurement. The Company also signs integrity agreements with suppliers to jointly foster a fair and transparent business environment.

Key Performance

In 2024,



the signing rate of integrity agreements with suppliers was

100 %

Industrial Cooperation and Development

With extensive expertise and innovative advantages in energy storage technology, JD Energy actively leads and participates in technological exchanges and collaboration within the industry. We engage in technology R&D and innovation with industry peers, making joint efforts with them to tackle technical challenges. Meanwhile, the Company also contributes to the formulation and improvement of industry standards. With our professional expertise and practical experience, we provide robust support for the standardized development of the industry.

Case: JD Energy Participated in the 2024 China Energy Storage CEO Summit and the 8th International Energy Storage Innovation Competition

In January 2024, the 2024 China Energy Storage CEO Summit and the preliminary round of the 8th International Energy Storage Innovation Competition, hosted by the China Energy Storage Alliance and the National-Local Joint New Energy Storage Center, was held in Guangzhou. At the opening ceremony, Liu Weizeng, the Founder and Chairman of JD Energy, delivered a speech titled "Key Technologies and Application Exploration in Commercial and Industrial Energy Storage". During the CEO exchanges, Liu and leaders from other industry-leading enterprises engaged in discussions on the development of energy storage technology and industry innovation. After rigorous preliminary selections and presentation, JD Energy's "grid-forming energy storage system based on string-type PCS" was selected as the "2024 Excellent Project in the Integrated Technology Track of the Technology Innovation Group".



Case: JD Energy Participated in the 2024 GGII Energy Storage Annual Conference and the GGII Golden Globe Awards Ceremony

In December 2024, the 2024 GGII Energy Storage Annual Conference and the GGII Golden Globe Awards Ceremony were held in Shenzhen. Mr. Liu Weizeng, the Founder and Chairman of JD Energy, was invited to participate. He engaged in face-to-face discussions with outstanding leaders from industry peers, focusing on the bottlenecks and challenges in commercial and industrial energy storage, and explored solutions in terms of technology, value chain, and business models. Mr. Zhang Yi, General Manager of the Product and R&D Center, delivered a speech titled "The Light of Technology Evolution Illuminates the 2.0 Era of Commercial and Industrial Energy Storage". During the roundtable discussion, JD Energy won the "2024 Top 10 Products" and the "2024 Annual Value" awards.



Community Welfare

JD Energy attaches great importance to the development of the communities where we operate. We regularly carry out public welfare initiatives to support agriculture, during which we purchase fruits and other goods from local farmers to help increase their income. In 2024, the Company launched the public welfare initiative to support agriculture in autumn. We spent over RMB100,000 on purchasing fruits from farmers in High-Tech Zone, demonstrating our efforts to provide support for society.



JD Energy Visited the Jinfeicui Planting Base in Zhouzhi County, Xi'an City, Carrying out Public Welfare Initiatives to Support Agriculture and Rural Revitalization

Appendix

Indicator Index

Topics Standards	Disclosure Items	Location	
GRI 2: General Disclosures	2-1 Organizational detail	Company Profile	
	2-2 Entities included in the organization's sustainability reporting	Scope of the Report	
	2-3 Reporting period, frequency and contact point	Report Overview Reader Feedback	
	2-4 Restatement of information	/	
	2-5 External assurance	/	
	2-6 Activities, value chains and other business relations	Business Overview Supply Chain Management	
	2-7 Employees	Employee Rights and Interests Protection	
	2-8 Workers who are not employees	/	
	2-9 Governance structure and composition	Diversity and Independence	
	2-10 Nomination and selection of the highest governance body	Diversity and Independence	
	2-11 Chair of the highest governance body	Diversity and Independence	
	2-12 Supervisory role of the highest governance body in overseeing the management of impacts	ESG Governance System Diversity and Independence	
	2-13 Delegation of responsibility for managing impacts	ESG Governance System	
	2-14 Role of the highest governance body in sustainability report	ESG Governance System Analysis of Material Issues	
	2-15 Conflicts of interest	Related-Party Transactions	
	2-16 Communication of critical concerns	Stakeholders Engagement	Grievance and Whistleblowing Mechanism
		Employee Engagement and Communication	
2-17 Collective knowledge of the highest governance body	ESG Capacity Building		

Topics Standards	Disclosure Items	Location	
GRI 2: General Disclosures	2-18 Evaluation of the performance of the highest governance body	Remuneration for Executives	
	2-19 Remuneration policy	Remuneration for Executives	
	2-20 Process to determine remuneration	Remuneration for Executives	
	2-25 Processes to remediate negative impacts	Stakeholders Engagement	Grievance and Whistleblowing Mechanism
		Employee Engagement and Communication	
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholders Engagement	Grievance and Whistleblowing Mechanism
		Code of Business Ethics	
	2-27 Compliance with laws and regulations	Management System and Structure	Employee Rights and Interests Protection
		Employee Rights and Interests Protection	
	2-28 Membership associations	Industrial Cooperation and Development	
2-29 Approach to stakeholder engagement	Stakeholders Engagement		
2-30 Collective bargaining agreements	Employee Engagement and Communication		
GRI 3: Material Topics	3-1 Process to determine material topics	Analysis of Material Issues	
	3-2 List of material topics	Analysis of Material Issues	
	3-3 Management of material topics	Analysis of Material Issues	
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	Industrial Cooperation and Development Community Welfare	
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Code of Business Ethics	
	205-3 Confirmed incidents of corruption and actions taken	Code of Business Ethics	
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Code of Business Ethics	
GRI 301: Materials	301-2 Recycled input materials used	Waste Management	

Topics Standards	Disclosure Items	Location
GRI 302: Energy	302-1 Energy consumption within the organization	Energy Management
	302-2 Energy consumption outside of the organization	Energy Management
	302-4 Reduction of energy consumption	Energy Management
	302-5 Reductions in energy requirements of products and services	Clean Technology Opportunities
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Water Management
	303-2 Management of water discharge-related impacts	Water Management
	303-3 Water withdrawal	Water Management
	303-4 Water discharge	Wastewater Management
	303-5 Water consumption	Water Management
GRI 305: Emission	305-1 Direct (Scope 1) GHG emissions	/
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Management
	305-3 Other indirect (Scope 3) GHG emissions	/
	305-4 GHG emissions intensity	/
	305-5 Reduction of GHG emissions	Clean Technology Opportunities
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	Waste Management
	306-3 Waste generated	Waste Management
	306-4 Waste diverted from disposal	Waste Management
	306-5 Wastes directed to disposal	Waste Management
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chains
	308-2 Negative environmental impacts in the supply chain and actions	Waste Management
GRI 401: Employment	401-1 Newemployee hires andemployee turnover	Employee Rights and Interests Protection
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Remuneration and Benefits
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Safety System Development
	403-2 Hazard identification, risk assessment, and incident investigation	Safety Risk Prevention and Control
	403-3 Occupational health service	Employee Remuneration and Benefits

Topics Standards	Disclosure Items	Location
GRI 403: Occupational Health and Safety	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Remuneration and Benefits
	403-5 Worker training on occupational health and safety	Safety Culture Cultivation
	403-6 Promotion of worker health	Employee Remuneration and Benefits
GRI 403: Occupational Health and Safety	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety Risk Prevention and Control
	403-8 Workers covered by an occupational health and safety management system	Safety System Development
	403-9 Work-related injuries	Safety System Development
GRI 404: Training and Education	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Employee Rights and Interests Protection
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Employee Rights and Interests Protection
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child Labor	408-1 Operations and suppliers at significant risks from incidents of child labor	/
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risks for incidents of forced or compulsory labor	/
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	/
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Responsible Supply Chains
	416-1 Assessment of the health and safety impacts of product and service categories	Product Safety Management
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Safety Management
	417-1 Requirements for product and service information and labeling	Responsible Marketing
GRI 417: Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	Responsible Marketing
	417-3 Incidents of non-compliance concerning marketing communications	Responsible Marketing

Reader Feedback

Dear reader:

Thank you for reading the *JD Energy 2024 Sustainability Report*. We value and look forward to hearing your feedback on this report. Your comments and suggestions are an important basis for us to continue to promote sustainable management and practices. You can copy, fill in the form below and send it back to us by mail or fax. We welcome and thank you for your valuable comments!

1. Do you think this report reflects the significant sustainability impacts of JD Energy?

Yes Average No

2. Do you believe that the analysis of the stakeholders identified in this report and their relationship with JD Energy is accurate and comprehensive?

Yes Average No

3. Do you consider the information disclosed in this report to be comprehensive?

Yes Average No

4. Do you consider the information disclosed in this report to be readable?

Yes Average No

5. What other information of concern to you have not been disclosed in this report?

6. What do you think could be improved in this report?

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