

An aerial photograph of a modern industrial park. A large river flows through the scene, with a white boat carrying passengers. The park features several large, modern buildings with flat roofs, some of which are covered in solar panels. The area is surrounded by lush green trees and landscaped grounds. In the background, there are more industrial buildings and a road with cars. The overall scene is bright and clear, suggesting a sunny day.

CIG

2024

**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE (ESG) REPORT**



Contents

02 About This Report

03 Message from the Chairman

About CIG

04 Company Profile

04 Corporate Culture

05 Milestones

06 ESG Highlights of the Year

Ensuring Service Quality with Premium Products

25 R&D Innovation-Driven Development

31 Ensuring Product Quality

35 Outstanding Customer Service

37 Supply Chain Management

Honoring Our Responsibility to Give Back to Society

56 Driving Digital Connectivity

62 Boosting Industry Development

64 Giving Back to Society with
Compassion

77 Table of Key Performance Indicators (KPIs)

79 Index of Indicators

85 Reader Feedback

Standardizing Corporate Governance through Prudent Operations

09 Efficient Governance Operations

14 Sustainability Management

18 Strengthened Risk Management
and Internal Control

21 Unwavering Commitment to
Business Ethics

Building a Thriving Workforce with a People-Oriented Approach

42 Protecting Employees' Rights and Interests

47 Talent Training and Development

50 Employee Healthcare

Building a Green Homeland by Promoting Ecological Development

67 Environmental Compliance Management

69 Climate Change Response

73 Pollution Emissions Control

74 Resource Recycling



About This Report

This is the first annual Environmental, Social and Governance (ESG) Report issued by CIG Shanghai Co., Ltd. (hereinafter referred to as "CIG", "the Company" or "we") to its stakeholders. The report provides a comprehensive disclosure of the Company's ESG practices and performance in the fields of ESG and other responsibilities in 2024, with the objective of facilitating effective communication with stakeholders and systematically respond to their expectations and requirements.

Reporting Period

This report covers the period from January 1, 2024 to December 31, 2024. To enhance the comparability and forward-looking nature of the report, certain content may be extended to prior or subsequent periods where deemed appropriate.

Preparation Basis

This report has been prepared with reference to *Guidelines No. 14 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and the Global Reporting Initiative (GRI) Standards. Additionally, it incorporates relevant provisions from *Guide No. 4 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies—Compilation of Sustainability Reports*, the Hong Kong Stock Exchange (HKEX) *Environmental, Social and Governance Reporting Guide*, *SDG Compass—The Guide for Business Action on the SDGs*, the *Guidelines on Sustainability Reporting for Public Companies* of the China Association for Public Companies (CAPCO), among other standards and guidelines.

Terminology

Terminology		
"CIG", "the Company" or "we"	»	CIG Shanghai Co., Ltd.
SSE Guidelines	»	<i>Guidelines No. 14 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)</i>
RMB, RMB 10,000, RMB 100 million	»	Renminbi (yuan), Renminbi 10,000 yuan, Renminbi 100 million yuan
Reporting Period	»	From January 1, 2024 to December 31, 2024

Data Sources

The data and information presented in this report are sourced from the Company's operational data, publicly available government data, annual financial statements, internal statistical statements, third-party questionnaires, third-party interviews, etc. All financial data are denominated in RMB. In case of any discrepancies between this report and the Company's financial statements, the financial statements shall prevail.

Report Accessibility

The electronic version of this report is available on the Company's official website (www.cigtech.com) and the Shanghai Stock Exchange website (www.sse.com.cn). For any inquiries or suggestions regarding this report, please contact us via email at investor@cigtech.com or by phone at +86 21-60904272. This report is published in both Chinese and English. In the event of any discrepancies or inconsistencies between the two versions due to language differences, the Chinese version shall prevail.

Message from the Chairman

Dear Shareholders, Partners, and Employees,

Greetings to you all!

In 2024, with technological innovation as our core driving force, CIG focused on AI-powered network solutions, deepened our capabilities in high-speed optical communication modules, AI connectivity, and intelligent terminal devices, and promoted independent R&D and vertical integration. Through these endeavors, we delivered high-value products and services to global customers and worked closely with our partners to build an open and sustainable global ecosystem. We also made significant strides in the areas of Environmental, Social and Governance (ESG). These achievements would not have been possible without the dedication of each employee and the unwavering support and trust of our partners. I would like to express my sincere gratitude to all of you.

On the environmental front, we have consistently adhered to the principles of green development and have proactively taken action to combat climate change. We have partnered with qualified third-party organizations to conduct greenhouse gas inventories and established a Strategy and ESG Leadership Group to define and advance our carbon reduction goals. Additionally, our Strategy and ESG Working Group has developed and implemented a series of energy-saving initiatives, including optimizing warehouse lighting, upgrading air compressors, and improving the humidification systems in our SMT workshops. These measures have significantly reduced both energy consumption and carbon emissions while also lowering operational costs. In terms of pollution control, we have rigorously complied with environmental regulations to ensure that emissions of exhaust gases, wastewater, solid waste, and noise are within permissible limits, achieving a 100% compliance rate across all pollutant monitoring indicators. Furthermore, we have continuously strengthened our water resource management practices and adopted recyclable packaging materials, aiming to integrate green development principles into product design and achieve a win-win outcome for both environmental and economic benefits.

Social responsibility is fundamental to our corporate development. Upholding a customer-centric approach, we have established a rapid response mechanism to ensure timely resolution of customer feedback. We have also taken an active role in driving industry progress. In 2024, we participated in multiple industry events to stay abreast of emerging trends while showcasing our cutting-edge technologies and products, thereby contributing our share to industry advancements. In supplier management and support, we have established a comprehensive supplier management system and digitized the procurement process via our online supplier platform. With the help of the platform, we have significantly enhanced our procurement efficiency. Moreover, we have provided training and support to help suppliers strengthen their capabilities. In 2024, we signed ESG-inclusive agreements with all suppliers to ensure a sustainable supply chain. Additionally, we have offered a positive work environment and diverse career development opportunities to improve the well-being of our employees. In corporate philanthropy, we have actively fulfilled our social responsibilities as a corporate citizen. We have organized the "Warm Hearts on Campus, Donations with Love" charity campaign for nine consecutive years, donating supplies to schools in underprivileged mountainous areas in Gansu, Sichuan, Guangxi, and beyond. This initiative has significantly improved their educational conditions while demonstrating our dedication to social welfare.

Corporate governance underpins our steady development. To this end, we have established a sound corporate governance system to ensure standardized and efficient operations, as well as scientific and transparent decision-making by the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors. Recognizing ESG governance as our key priority, we have incorporated it deeply into our corporate strategy and established a three-tier, top-down ESG governance framework and a comprehensive

set of internal policies, thereby ensuring deep alignment between ESG goals and business operations. In terms of risk management and internal control, we have established a three-line defense mechanism to reinforce tax compliance measures and proactively manage various ESG-related risks. Furthermore, we have developed the Code of Business Ethics for Employees and other regulatory documents, accompanied by online training programs, with a view to fostering a culture of integrity and establishing a positive corporate image.

Reflecting on 2024, we have made steady strides in our ESG journey while recognizing that there is always room for improvement. Looking ahead, CIG will stay committed to pragmatic innovation, strengthen efforts in technology R&D, product quality, and customer service, and further integrate ESG principles into our practices. With these efforts, we will contribute more to the sustainable development of the environment, society, and business. I sincerely look forward to working alongside all of you to create a better future together.

Thank you all!

Chairman of CIG

Gerald G Wong

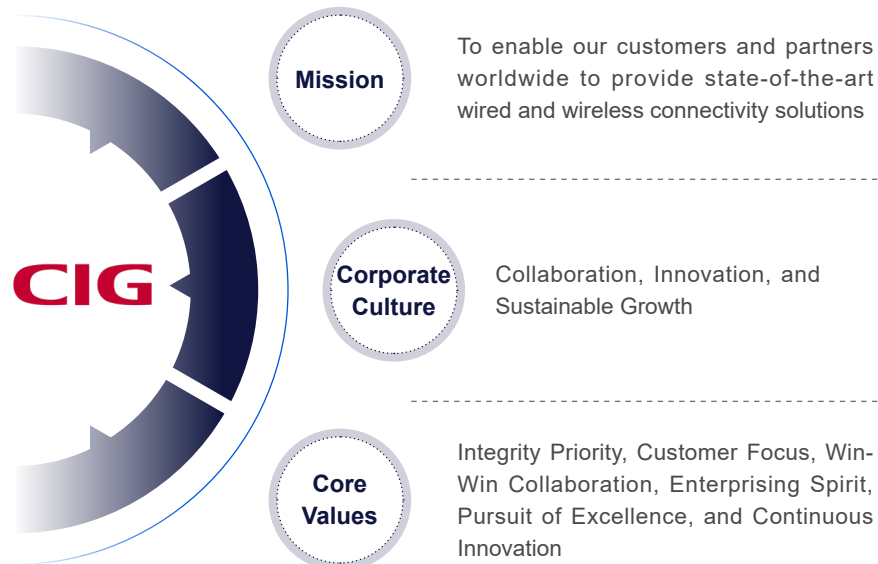
About CIG

Company Profile

CIG Shanghai Co., Ltd. (CIG) is a global enterprise serving the international ICT industry, with R&D and sales centers strategically positioned in its subsidiaries across the United States, Japan, and Europe. Backed by strong R&D strength and cutting-edge intelligent manufacturing capabilities, CIG has evolved into a high-tech enterprise recognized for its exceptional R&D capabilities, large-scale production capacity, and well-established brand reputation. CIG offers diverse collaboration models tailored to the global ICT ecosystem. Our core businesses span the R&D, production, and sales of telecom, data communications, terminal devices for enterprise and home networks—including telecom broadband, wireless networks, small cells, edge computing, and industrial IoT products—as well as high-speed optical modules. Our products have been widely deployed in the networks of leading global telecom operators and the data centers of major Internet giants worldwide.



Corporate Culture



Milestones



2006

CIG's predecessor, Xinqiao Network Equipment (Shanghai) Co., Ltd., was incorporated, with an R&D team and production base established in Shanghai.



2011

CIG established industrialized information systems, including a shopfloor management system and a production traceability system.



2016

CIG established a sales and R&D center in Silicon Valley, USA, and expanded its R&D center to Xi'an and Wuhan, China.

Combining information systems and automation, the first-generation automated production line was put into operation at CIG Manufacturing Center.



2018

CIG acquired MACOM Japan's LR4 100G long-range optical sub-assembly product line and established the Tokyo-based subsidiary, CIG Tech Japan Ltd.

Leveraging cost advantages, large-scale production, and high-quality advanced manufacturing capabilities, CIG actively provided Contract Manufacturer (CM) services for Transmitter Optical Sub-Assemblies (TOSAs) and Receiver Optical Sub-Assemblies (ROSAs) to global customers.



2022

CIG established a business entity in Malaysia to manufacture wired and wireless access products and optical modules.

CIG positioned the Malaysia facility as a global manufacturing hub to better serve global customers.



2010

CIG expanded into the U.S. market with the establishment of Cambridge Industries USA Inc. in Silicon Valley.



2014

CIG relocated its headquarters, R&D center, and manufacturing center to Pujiang Hi-tech Park.

CIG strengthened lean production and R&D while enhancing information systems and automation to significantly improve productivity and product quality.



2017

CIG successfully launched its Initial Public Offering (IPO) on November 10th, listing on the Shanghai Stock Exchange under the stock code 603083.

CIG upgraded automated production lines on a large scale, progressing towards Industry 4.0.



2019

CIG acquired Lumentum's Datacom transceiver product lines from Oclaro, Japan.

CIG leveraged expertise in the design and manufacturing of 25G/100G/400G optical modules to develop and produce 200G modules tailored for data center applications.

CIG launched the industry's first analog CDR-based 200G FR4 optical module for data center interconnect applications.



2024

CIG commenced construction of a planned 100,000-square-meter intelligent manufacturing and logistics support center in January 2024.



SDGs 1: No Poverty

CIG actively engages in social welfare and rural revitalization by donating supplies to improve educational, cultural, and living conditions in underprivileged mountainous areas.

CIG has carried out the "Warm Hearts on Campus, Donations with Love" charity campaign for **9** consecutive years



SDGs 3: Good Health and Well-Being

CIG constantly enhances employees' workplace safety awareness to foster a safe and healthy working environment. In 2024, CIG had zero work-related fatalities recorded.

CIG invested RMB
481,300
in workplace safety



SDGs 4: Quality Education

CIG upholds the idea of lifelong learning by emphasizing internal training, selectively incorporating external courses, and encouraging employee to engage in self-directed learning. Our employees are provided with extensive learning resources and support.

Employees at CIG participated in training for a total of
12,322 hours



SDGs 8: Decent Work and Economic Growth

CIG adopts a remuneration structure integrating fixed and variable pay, aiming to offer a remuneration incentive mechanism with both internal equity and external competitiveness to employees.

CIG granted stock options to
779 employees as part of its incentive program



SDGs 9: Industry, Innovation, and Infrastructure

With a focus on advancing its world-class technology R&D platform, CIG remains committed to driving growth through cutting-edge R&D and intelligent manufacturing while continuously making innovations in engineering technology and efficiency. In 2024, CIG officially launched its first-generation 25G PON product.

CIG invested RMB
408,575,000
in R&D

ESG
Highlights
of the Year



SDGs 11: Sustainable Cities and Communities

CIG drives digital connectivity and strives to enable high-quality, low-cost, and energy-efficient Internet access for everyone in the world.



SDGs 12: Responsible Consumption and Production

CIG sets overall targets on energy utilization efficiency annually, requires each factory to set targets respectively based on their production and operating status, and closely monitors progress to improve energy utilization efficiency in production and operations. CIG also strictly controls the use of hazardous substances in its products and adopts an eco-friendly approach throughout the product lifecycle to minimize environmental impact.



SDGs 13: Climate Action

CIG has established a Strategy and ESG Leadership Group to set and advance carbon reduction goals. By conducting regular energy-saving retrofits in the factories, adopting more eco-friendly, energy-saving production processes and technologies, optimizing the energy mix, and raising the energy-saving level of products, CIG contributes to global climate action. In 2024, CIG conducted greenhouse gas emissions inventories for its Shanghai headquarters and subsidiary.

Total emissions of
10,417.93 tons
of CO₂ equivalent



SDGs 16: Peace, Justice, and Strong Institutions

CIG continuously enhances its risk management and internal control mechanism and unswervingly abides by business ethics and the principles of integrity to ensure stable corporate development.

88.06% of employees
completed anti-commercial bribery
and anti-corruption training



SDGs 17: Partnerships for the Goals

CIG actively drives progress in global telecommunications technology by engaging in industry exchanges, global exhibitions, industry standard-setting initiatives, and industry association activities.

100% of suppliers signed
CIG's Supplier Code of Conduct

Highlights
of the Year

Standardizing Corporate Governance through Prudent Operations

At CIG, we are committed to establishing a robust corporate governance system, actively promoting sustainability management, and integrating environmental protection, social responsibility, and corporate operations. We continuously strengthen our risk management and internal control mechanism to ensure scientific and transparent decision-making while effectively identifying and mitigating potential risks. At the same time, we unwaveringly abide by business ethics and the principles of integrity, aiming to foster a level playing field alongside our stakeholders.

Efficient Governance Operations

Sustainability Management

Strengthened Risk Management and Internal Control

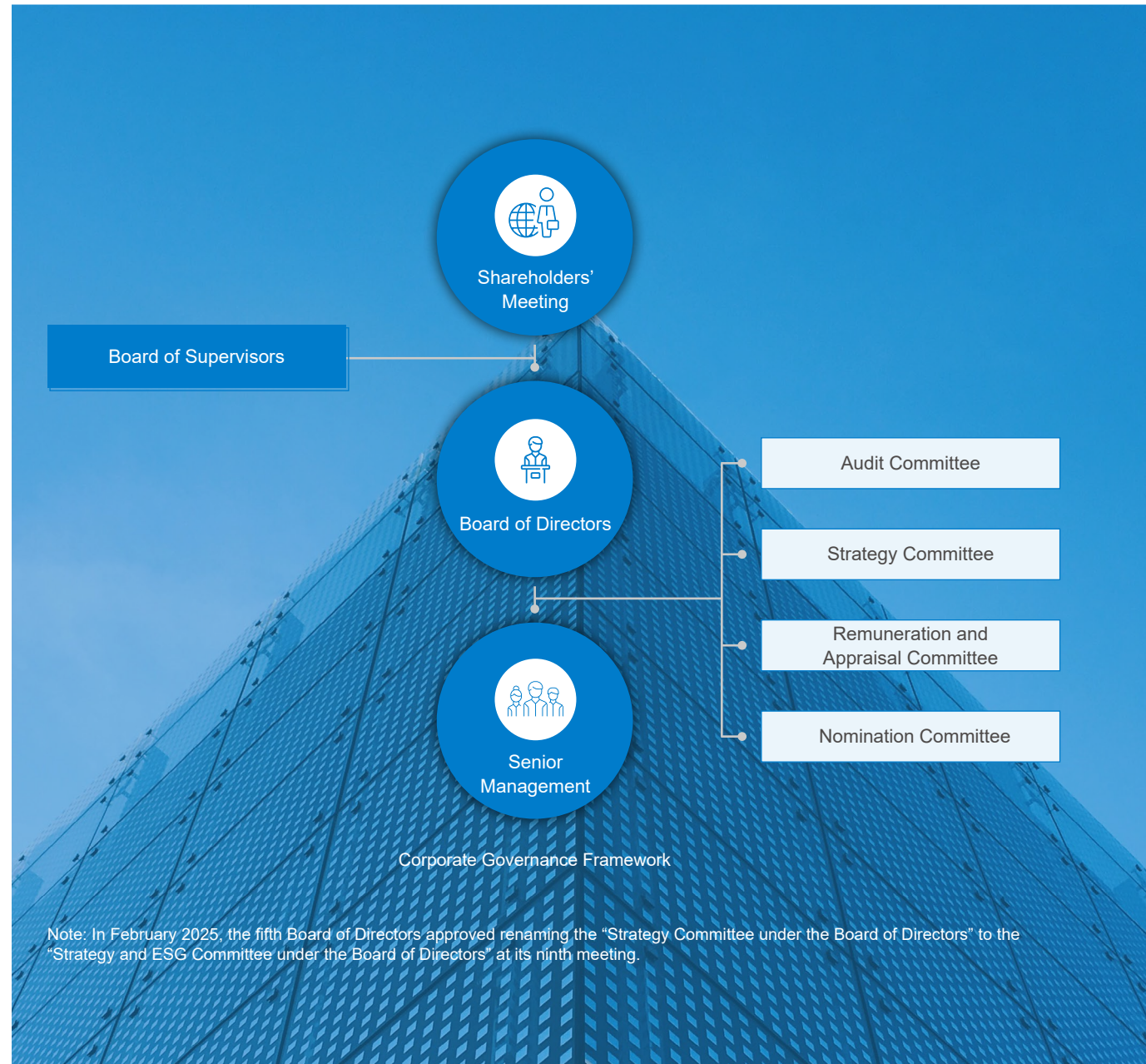
Unwavering Commitment to Business Ethics

Efficient Governance Operations

Efficient governance operations serve as a core driver of CIG's long-term stability and growth. By establishing a comprehensive governance structure, we ensure democratic, scientific decision-making processes and a rigorous supervision mechanism. Our Board of Directors consists of diverse and highly qualified professionals who possess deep market insights and formulate forward-looking development strategies. Meanwhile, we place a strong emphasis on investor relations management, ensuring proactive and transparent information disclosure. This initiative has enhanced investor confidence and support, elevated our market reputation, and expanded our space for development.

Operations of the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors

CIG has established a well-structured operation system consisting of the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors to continuously regulate the operations and decision-making processes of these bodies. This framework ensures effective coordination and mutual checks while balancing among the governance, decision-making, and supervisory bodies. In strict compliance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for the Articles of Association of Listed Companies*, the *Code of Corporate Governance for Listed Companies in China*, the *Guidelines No. 1 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies—Standardized Operation*, and other applicable laws and regulations, we regularly update and improve corporate governance documents to standardize the organization and operations of the Company and protect the legitimate rights and interests of shareholders and creditors.



Shareholders' Meeting

CIG's Shareholders' Meeting rigorously complies with the *Company Law of the People's Republic of China*, the *Articles of Association*, and the *Rules of Procedure for the Shareholders' Meeting*, ensuring that all convening, holding, and voting procedures are conducted with full compliance. It plays a key role in major corporate decision-making and oversight, allowing every shareholder to attend the meeting and fully exercise their supervisory and voting rights.



Key Performance Indicators (KPIs)

During the reporting period,

CIG held

3 Shareholders' Meetings

with

27 resolutions (including sub-resolutions)
approved upon deliberation

Board of Supervisors

CIG's Board of Supervisors diligently fulfills its responsibilities and duties in strict accordance with the *Company Law of the People's Republic of China*, the *Articles of Association*, and the *Rules of Procedure for the Board of Supervisors*. It holds regular meetings to oversee and examine the performance of directors and senior management and the Company's financial position, effectively safeguarding the rights and interests of the Company and its shareholders.



Key Performance Indicators (KPIs)

During the reporting period,

the Board of Supervisors held

10 meetings

with

27 resolutions approved upon deliberation

Board of Directors

CIG's Board of Directors operates in full compliance with the *Company Law of the People's Republic of China*, the *Articles of Association*, and the *Rules of Procedure for the Board of Directors*, and is accountable to the Shareholders' Meeting. Its primary responsibilities include but are not limited to making major decisions and plans (e.g., making strategic plans, approving major investment projects, etc.), developing fundamental management systems in finance, human resources, and operations, and overseeing information disclosure to ensure that information is conveyed to shareholders and relevant stakeholders accurately, promptly, and comprehensively.

Objective

The Board of Directors aimed to achieve a 100% attendance rate at all meetings in 2024.

Achievement Status

The average attendance rate of the Board of Directors at all meetings was 100%.



Key Performance Indicators (KPIs)

During the reporting period,

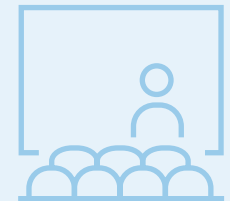
the Board of Directors held

12 meetings

with

55 resolutions

(including sub-resolutions)
approved upon deliberation



Board Composition

CIG has established governance policies through its *Articles of Association* and *Rules of Procedure for the Nomination Committee under the Board of Directors*, whereby the selection criteria and nomination and appointment procedures for directors and senior management are clearly outlined. The Nomination Committee under the Board of Directors is responsible for formulating the selection criteria and procedures for directors and senior management, selecting candidates, and reviewing their qualifications.

We place great importance on Board independence, guided by our *Independent Director Work System*. The majority presence of independent directors in the Board of Directors and its specialized committees is also a key aspect we prioritize. This strengthens the impartiality of Board decisions and safeguards the legitimate rights and interests of shareholders.

Beyond independence, we also value Board diversity. Age, professional background, and other factors are carefully considered in the nomination procedure of our Nomination Committee. We believe that a diverse Board helps effectively oversee the Company's management and operations. Board members can evaluate the risks and opportunities of the Company's business model from multiple perspectives, facilitating a culture of equality, inclusiveness, and openness.

The Board of Directors has established four specialized committees, which, acting as specialized working bodies of the Board of Directors, provide important advisory opinions and suggestions on business decisions, project investment, standardized operations, annual financial statement audits, and executive nominations. These committees provide professional support to the decision-making process of the Board of Directors, effectively enhancing the scientific rigor of Board decisions.



Key Performance Indicators (KPIs)

The Board of Directors consists of **7** members, including **3** independent directors.

The Nomination Committee, Audit Committee, and Remuneration and Appraisal Committee under the Board of Directors each have **3** members, of which **2** are independent directors, and all committee chairs are independent directors. The Strategy Committee under the Board of Directors has **5** members, including **1** independent director.

During the reporting period, the Nomination Committee held **3** meetings, the Audit Committee held **7** meetings, the Remuneration and Appraisal Committee held **6** meetings, and the Strategy Committee held **2** meetings.



Board Composition:

								
Name	Position	Education	Field of Study	Age	Strategy Committee	Nomination Committee	Audit Committee	Remuneration and Appraisal Committee
Gerald G Wong	Chairman and CEO	Master's degree	Electrical Engineering & Computer Science	72	Chair			Member
Zhao Haibo	Director and Vice President	Master's degree	Communication & Information Systems	51	Member	Member		
Zhang Jie	Director	Master's degree	Physical Electronics	45	Member		Member	
Zhao Hongwei	Director	Ph.D.	Electromechanical Control & Automation	52	Member			
Liu Guisong	Independent Director	Ph.D.	Computer Science	52		Member	Member	Chair
Yao Minglong	Independent Director	Ph.D.	Agricultural Economics & Management, Associate Professor of Accounting	62			Chair	Member
Qin Guisen	Independent Director	Master's degree	Law	49	Member	Chair		

Investor Relations Management

CIG rigorously complies with the *Measures for the Administration of Information Disclosure by Listed Companies* and has formulated the *Information Disclosure Management System* and *Investor Relations Management System* to safeguard the legitimate rights and interests of stakeholders, in an effort to foster long-term, efficient, and mutually beneficial cooperation with all stakeholders.

Information Disclosure

Transparent and well-regulated information disclosure is fundamental to effective communication with investors, regulatory authorities, and other stakeholders. CIG complies with relevant supervision rules and its *Information Disclosure Management System*, maintaining a strong focus on information disclosure management. The Company fulfills its disclosure obligations in accordance with defined scope, timelines, and procedures, ensuring true, accurate, timely, and comprehensive disclosure of corporate information to all investors. This guarantees equal and prompt access to relevant information for all investors, safeguarding their right to be informed.

CIG designates *China Securities Journal*, *Shanghai Securities News*, *Securities Times*, and *Securities Daily* as its official information disclosure channels, with all publicly disclosed information also available on the Shanghai Stock Exchange (SSE) website. Additionally, an Investor Relations section is available on CIG's official website, providing a platform for important corporate announcements. These initiatives ensure that investors and other stakeholders can conveniently and accurately access important information about the Company through official and authoritative channels.

Objective

In 2024, CIG aimed for zero major information disclosure errors, zero penalties from securities regulatory authorities, and an annual information disclosure rating of B or above.

Achievement Status

During the reporting period, CIG disclosed 86 interim announcements and 4 periodic reports, with no major information disclosure errors or penalties from securities regulatory authorities. The annual information disclosure rating was B.

Communication Activities

CIG gives high priority to investor relations, with the Board of Directors and management actively engaging with investors through various channels and methods, including the Shareholders' Meetings, performance briefings, site visits, teleconferences, the SSE e-Interaction platform, investor hotlines, and dedicated email correspondence. We address key investor concerns within the scope of permitted disclosures to convey our value proposition. Additionally, CIG actively welcomes visits and research initiatives from regulatory authorities and industry associations, with the aim of further enhancing the transparency and accuracy of its disclosures.



Key Performance Indicators (KPIs)

During the reporting period, CIG answered **228** investor hotline inquiries, responded to **112** questions via the SSE e-Interaction platform, and organized **3** investor events, including periodic business briefings and institutional research meetings.



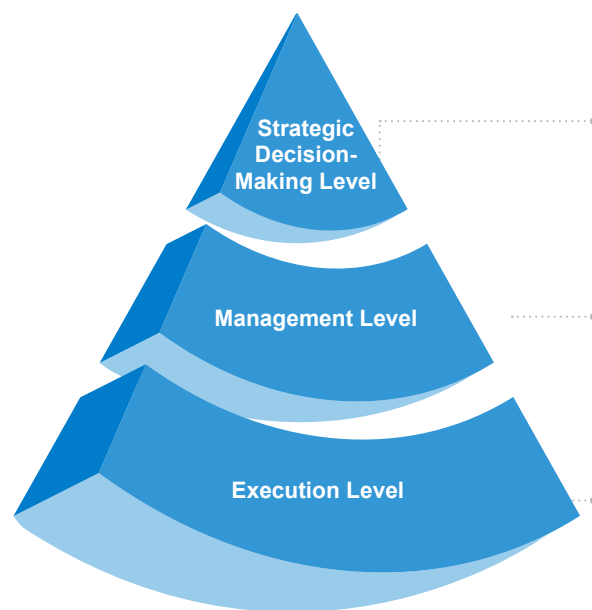
Collective Performance Briefing on the First Three Quarters of Shanghai-Listed Companies

Sustainability Management

CIG's approach to sustainability management is centered on balancing the three pillars, i.e., economy, society, and environment. While ensuring long-term stable growth, we actively fulfill our corporate social responsibilities and safeguard the natural ecosystem. Through a top-down ESG governance framework, we effectively manage our ESG initiatives to achieve our sustainability goals.

ESG Governance

At CIG, we are committed to creating sustainable value for stakeholders, including customers, suppliers, and communities where we operate, through our ESG practices. Our objective is to achieve long-term positive impacts. We place great emphasis on ESG matters by integrating ESG governance into our strategic decision-making process. Through an all-process management system covering strategic planning, execution monitoring, and performance evaluation, we ensure that our ESG goals are advanced in tandem with business growth. During the reporting period, CIG has established a three-tier, top-down ESG governance framework to ensure the deep integration of environmental, social and governance goals into our business operations.



Board of Directors:

Assumes ultimate responsibility for overseeing and making decisions on ESG matters.

Strategy Committee:

Responsible for reviewing long-term strategic objectives, periodically assessing the effectiveness of the Company's ESG initiatives, identifying and evaluating ESG-related risks and opportunities in the Company, and ensuring the integrity and accuracy of the disclosure reports.

Strategy and ESG Leadership Group:

Responsible for making early-stage preparations for the decision-making of the strategic decision-making level, coordinating with core departments to break down the strategies of the Board of Directors into actionable departmental tasks, such as setting carbon emission reduction and health and safety targets, and regularly tracking the progress of key initiatives.

Strategy and ESG Working Group:

Incorporates ESG performance indicators into daily operations and management, while utilizing data analytical tools to enable the transparency of execution effectiveness.

ESG Governance Framework

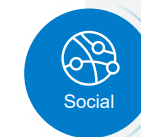
CIG has established a comprehensive set of internal policies to guide the management of ESG-related matters. The ESG governance body is responsible for monitoring our compliance with these policies and procedures and updating our policies based on changes in ESG-related policies and standards.

ESG-related Internal Policies:



Environmental

In accordance with ISO 14001 Environmental Management System standards, our policies and procedures cover (i) energy conservation, (ii) carbon emission reduction, and (iii) treating exhaust gas, wastewater, and solid waste.



Social

In compliance with ISO 45001 Occupational Health and Safety Management and ISO 9001 Quality Management System standards, our policies cover (i) employee health and workplace safety, (ii) product quality and recall, (iii) employee promotion, compensation, benefits, and training, and (iv) corporate philanthropy and charitable initiatives.










Governance

We have formulated a comprehensive *Code of Business Ethics for Employees* that includes policies on conflict of interest, information confidentiality, and anti-corruption. Employees are provided with regular compliance training to strengthen internal regulatory compliance and ethical business practices.

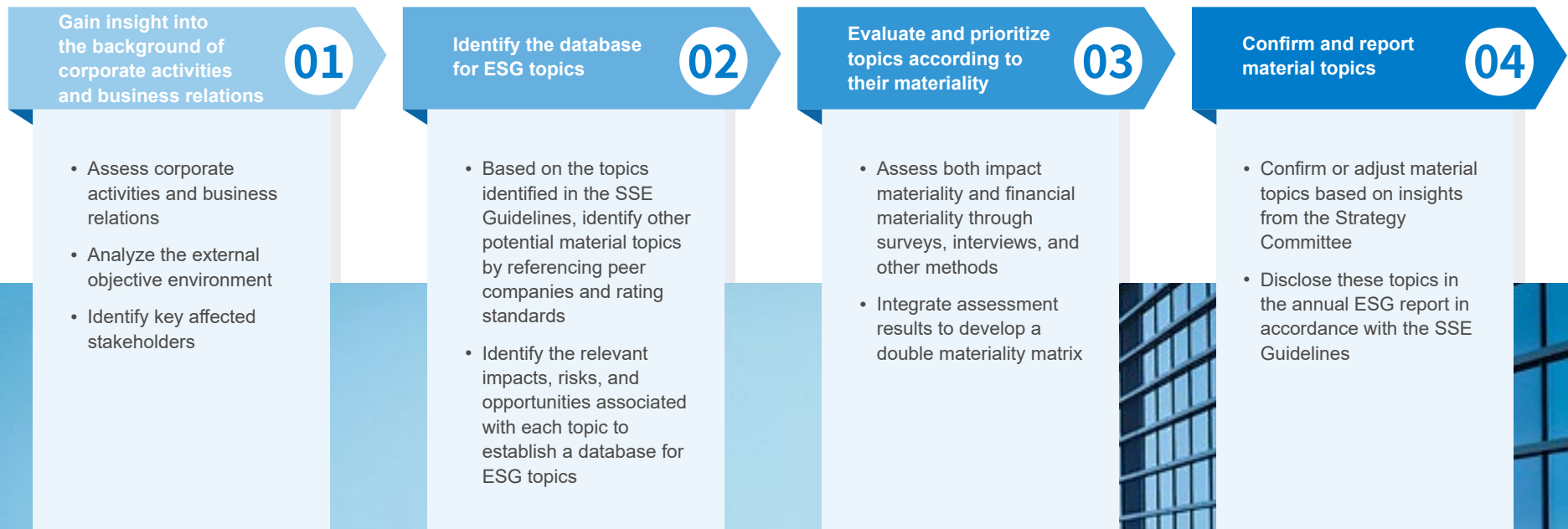
Communication with Stakeholders

CIG actively listens to stakeholders' suggestions and expectations regarding corporate sustainability and maintains effective communication with key stakeholders through various channels.

Stakeholders	Concerns & Expectations	Communication Channels
 Government & Regulators	<ul style="list-style-type: none"> Corporate governance Anti-commercial bribery & anti-corruption Equal treatment of SMEs Environmental compliance management Pollutant emissions Waste disposal Rural revitalization Communication with stakeholders 	<ul style="list-style-type: none"> Accepting supervision Periodic disclosures Ad hoc reports Participation in relevant meetings Survey questionnaires
 Shareholders & Investors	<ul style="list-style-type: none"> Corporate governance Anti-unfair competition Due diligence Innovation-driven development Product and service safety and quality Communication with stakeholders 	<ul style="list-style-type: none"> Information disclosure Shareholders' Meetings Performance briefings Investor hotline SSE e-Interaction platform Survey questionnaires
 Customer	<ul style="list-style-type: none"> Innovation-driven development Product and service safety and quality Data security and customer privacy protection Supply chain security Hazardous substance management Climate change response Circular economy Anti-commercial bribery & anti-corruption Anti-unfair competition Communication with stakeholders 	<ul style="list-style-type: none"> Customer exchanges and cooperation Customer satisfaction surveys Technical seminars customer audits Daily communication Website feedback
 Employee	<ul style="list-style-type: none"> Protecting employees' rights and interests Talent training and development Employee healthcare Communication with stakeholders 	<ul style="list-style-type: none"> Employee training Work meetings Employee complaints and grievance Employee satisfaction surveys Internal events
 Suppliers & Partners	<ul style="list-style-type: none"> Supply chain security Product and service safety and quality Anti-commercial bribery & anti-corruption Data security and customer privacy protection Equal treatment of SMEs Communication with stakeholders 	<ul style="list-style-type: none"> Open bidding Routine supplier communication Supplier management & audits Supplier training & empowerment Survey questionnaires
 Communities & Industry	<ul style="list-style-type: none"> Ecosystem and biodiversity protection Energy use Water resource management Waste disposal Pollutant emissions Boosting industry development Social contributions Rural revitalization Communication with stakeholders 	<ul style="list-style-type: none"> Environmental activities Industry conferences & exhibitions School-enterprise cooperation Volunteer programs
 Media	<ul style="list-style-type: none"> Innovation-driven development Product and service safety and quality Employees Communication with stakeholders 	<ul style="list-style-type: none"> Information disclosure Communication and interviews Official accounts

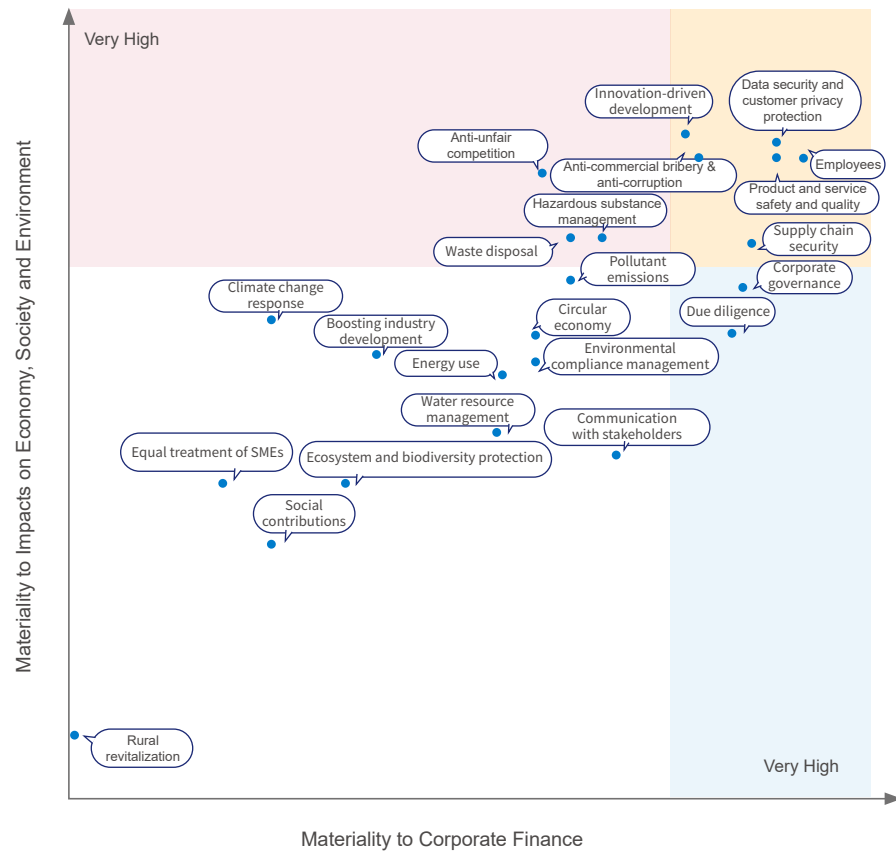
Materiality Assessment

Material topics serve as the starting point for our sustainability management and ESG risk identification and assessment. To gain a full understanding of stakeholder concerns and effectively integrate their demands and expectations into our sustainability management practices, we identify and analyze material topics. We establish a database for ESG topics based on an in-depth analysis of activities and business relationships of the Company and extensively solicit the opinions of various stakeholders through questionnaires. These topics are then ranked based on their materiality. In our assessments, we prioritize risks that could significantly impact our business, damage our reputation, or are of primary concern to stakeholders. This prioritization enables us to allocate resources efficiently and develop mitigation strategies addressing most major risks identified, thereby managing ESG-related matters better.



Materiality Assessment Process

During the reporting period, CIG extensively collected stakeholder feedback through survey research to comprehensively build a double materiality matrix for the year across two dimensions: financial materiality and impact materiality. The finalized double materiality matrix identified six topics of double materiality, two topics of financial materiality only, and three topics of impact materiality only.



Double Materiality Matrix

Topic Category	Material Topic	Report Section	Supply Chain	Production/Operations	Customers	Employees	Society
Social	Product and service safety and quality	Ensuring Product Quality	✓	✓	✓		
	Data security and customer privacy protection	Driving Digital Connectivity	✓	✓	✓	✓	
	Innovation-driven development	R&D Innovation-Driven Development	✓	✓	✓	✓	✓
	Employees	Protecting Employees' Rights and Interests Talent Training and Development Employee Healthcare				✓	
	Supply chain security	Supply Chain Management	✓	✓	✓		
Governance	Anti-commercial bribery & anti-corruption	Unwavering Commitment to Business Ethics	✓	✓	✓	✓	✓
Governance	Corporate governance	Efficient Governance Operations		✓			
	Due diligence	Sustainability Management Strengthened Risk Management and Internal Control	✓	✓	✓	✓	✓
Environmental	Waste disposal	Pollution Emissions Control		✓			✓
	Hazardous substance management	Ensuring Product Quality	✓	✓	✓		✓
Governance	Anti-unfair competition	Unwavering Commitment to Business Ethics	✓	✓	✓	✓	✓

Note: Yellow Background: Topics of double materiality; Blue Background: Topics of financial materiality only; and Red Background: Topics of impact materiality only.

Impacts of Material Topics on the Value Chain

Strengthened Risk Management and Internal Control

CIG places significant emphasis on risk management and internal control. By establishing a robust mechanism for risk identification, assessment, monitoring, and response, we effectively prevent and control traditional financial and operational risks while also deeply analyzing the impact of ESG factors on long-term corporate value. By doing so, CIG aims to build a resilient and sustainable development model that creates greater value for shareholders, customers, employees, and society at large.

Internal Control

The Audit Committee is responsible for overseeing the Company's internal control management. As a specialized committee, it plays a crucial role in reviewing financial information and disclosure, standardizing audit processes, ensuring financial management and accounting, and examining and supervising the development and operations of the enterprise-wide risk management and legal framework. The Audit Committee is accountable to the Board of Directors and provides advice and suggestions for Board decisions.

A Supervision and Audit Department has been set up under the Audit Committee, which has established a company-wide *Internal Audit System*. It is responsible for verifying the authenticity and integrity of CIG's financial data while overseeing the establishment and implementation of the internal control system. To enhance daily internal control management and effectively avoid major operational risks, CIG has established a three-line defense mechanism for internal control consisting of business units, operations support departments, and the Supervision and Audit Department, thereby maximizing overall corporate value.

First Line of Defense

Internal hierarchical review within business units, ensuring segregation of incompatible duties to mitigate process risks.

Second Line of Defense

Coordinated oversight by finance, cost control, capital management, and legal departments to effectively prevent potential legal, financial, and other risks in business operations.

Third Line of Defense

Independent supervision by the Supervision and Audit Department.

Three-Line Defense Mechanism for Internal Control

To ensure audit independence and professionalism, CIG has appointed dedicated internal auditors. The Supervision and Audit Department, under management authorization, conducts ad hoc audits of various business cycles and performs audit procedures such as reviewing the internal control system, interviewing critical control point (CCP) personnel, and conducting analytical reviews of business data and walk-through tests for key procedures. In case of any audit findings, the Supervision and Audit Department communicates with relevant control heads to improve the scheme and track its implementation. Additionally, the Supervision and Audit Department submits quarterly progress reports to the Audit Committee, culminating in a comprehensive internal control assessment report at the end of each year. These measures have significantly strengthened the establishment and enhancement of our internal control mechanism, ensuring efficient and stable operations.

Tax Compliance Management

At CIG, tax compliance is a fundamental priority. We strictly comply with the *Enterprise Income Tax Law of the People's Republic of China* and other relevant tax regulations of the country and the regions where we operate. We are committed to maintaining legal, transparent, and stable tax practices, aligning tax management with business growth to ensure our long-term steady development. Meanwhile, we also fulfill our corporate social responsibilities by paying taxes in accordance with the law.



Key Performance Indicators (KPIs)

During the reporting period,



CIG paid a total tax of

RMB **52,070,100**

Had **0** tax-related violations

ESG Risk Mitigation

We recognize that ESG-related risks are multidimensional and challenging, which may have a potential impact on our production and operations. Nevertheless, by adopting forward-thinking technological layouts and upgraded governance models, we are positioned to transform ESG capabilities into a differentiated market barrier, driving long-term value growth.

Defining the Scope of Risks

- **Environmental risks:** The continuous tightening of global carbon emission reduction policies may lead to increased regulatory pressures and rising compliance costs. Additionally, extreme weather events could disrupt supply chains, which may further threaten production stability.
- **Social risks:** Labor rights and interest management in the supply chain present significant risks, as potential non-compliance with labor standards by suppliers may expose us to reputational damage and legal liabilities. Moreover, intensifying competition for technical professionals necessitates a robust skills development and incentive framework for employees. Otherwise, it may undermine the driving force for R&D and innovation. Disputes over community resource allocation may also risk impeding projects as we expand overseas.
- **Governance risks:** The increasing demand for ESG data transparency and high-quality disclosures places considerable pressure on the Company. Insufficient data integration capabilities may invite scrutiny from investors. Furthermore, if the ESG oversight mechanism of the Board of Directors fails to be embedded into strategic decision-making, the effectiveness of risk responses may be weakened. In a globalized business environment, regulatory differences in anti-corruption, data privacy, and environmental protection across regions further complicate compliance efforts and increase the likelihood of legal disputes.

Multi-Channel Data Collection and Analysis

- **Internal Evaluation:** Each department reviews its existing business process. The Production Department focuses on resource consumption and environmental impact in the production process. The Procurement Department evaluates the stability and compliance of the raw materials from the suppliers. The Sales Department analyzes the impacts of market demand shifts on product sustainability. These departments jointly identify high-risk links.
- **Supplier Survey:** The Procurement Department and other relevant departments assess the ESG performance of suppliers at all levels through questionnaires and on-site audits to ensure a sustainable supply chain.
- **Stakeholder Interview:** We communicate with customers, employees, government bodies, and other stakeholders to collect their concerns.
- **Industry Benchmarking:** Industry standards and peer companies' ESG reports are referenced for our risk identification and assessment.

Assessing Risk Prioritization

- Risk priorities are assessed using a "Likelihood × Impact" model. All departments coordinate to categorize risks into high, medium, and low priority levels.

To effectively address ESG-related risks and capture related opportunities, we have implemented a series of mitigation strategies. These strategies include but are not limited to establishing a sound internal ESG governance framework to enhance our monitoring and early warning capabilities for ESG-related risks, conducting regular risk assessments to ensure timely identification of potential issues, and formulating targeted mitigation measures based on core risk response strategies. Examples of these mitigation measures include optimizing production processes to reduce environmental pollution, improving employee benefits to enhance social responsibility, and refining corporate governance structures to increase transparency and accountability. Through these comprehensive initiatives, we aim to effectively mitigate ESG-related risks, advance sustainable development, and enhance both investor confidence and corporate social responsibility, thereby laying a solid foundation for our long-term business growth.



Core Risk Response Strategies

ESG Risk Identification and Assessment Process

To implement mitigation strategies more effectively, we plan to develop specific measures based on the urgency and potential impact of risks.

Relevant Risk	Impact Period	Potential Impact	Mitigation Measures
Extreme climate	Short-term	Climate change increases extreme weather events, leading to physical risks with financial consequences. For example, natural disasters and power outages caused by climate change may disrupt industrial production.	Monitor the impact of extreme weather, establish emergency management mechanisms and contingency plans in advance, and provide employees with emergency drill training.
Health and safety incidents	Short-term	Employee health and safety risks may bring legal litigation, financial losses, production disruptions, and reputational damage to the Company, leading to stock price volatility and development setbacks.	Promote occupational health check-ups, set up a Workplace Safety Committee, enforce the accountability system for workplace safety, enhance safety awareness of all staff, and provide emergency safety equipment and training for employees.
Regulatory risk	Mid-term	Stricter regulation on sustainable development such as carbon emission regulation may impose pressures on the Company. Examples include the compliance requirements for China's carbon peaking and carbon neutrality goals (the "Dual Carbon" goals) and the EU's Carbon Border Adjustment Mechanism (CBAM). Transitioning to a sustainable development model may require us to explore lower-carbon products and reduce the use of non-environmentally friendly packaging materials, which may increase our operational costs.	Stay informed on environmental policies and regulations, and provide employees with environmental education and training on the latest policies.
Low-carbon technology risk	Mid-term	If low-carbon technology research and development efforts fail to keep pace, the risk of high-energy-consuming product lines being technologically substituted will become increasingly evident. Against the backdrop of global customers accelerating the shift toward green procurement, this could severely weaken our market competitiveness.	Integrate environmental requirements across all stages of the product lifecycle, including development, design, procurement, manufacturing, packaging, transportation, and usage, to create sustainable products and promote product carbon footprint certification.
Employee well-being	Mid-term	We may face multifaceted risks when hiring talent, such as labor disputes, business disruption or project delays caused by talent attrition, legal and reputational risks caused by employee misconduct, financial risks brought by excessive labor costs, and efficiency and innovation risks due to skill-job mismatches.	Set job positions according to actual needs, ensure talent-post matching, and provide employees with an equal, inclusive, fair, and open workplace.
Supply chain management	Mid-term	Delivery delays, supply disruptions, price fluctuations, and inconsistent product quality from suppliers may increase our procurement costs. Additionally, ESG compliance risks among suppliers are becoming more pronounced. Failure to conduct effective supplier audits may lead to unfair or unethical practices of the suppliers that harm our reputation.	Strengthen the role of the supplier platform as an online monitoring tool and enhance ESG assessments and audits of suppliers to ensure their compliance with our ESG standards.
Corporate compliance and governance	Long-term	Lack of corporate governance mechanisms may lead to issues such as deficiencies in transparency, weakened accountability, and unethical business practices. Additionally, failure to comply with relevant laws and regulations may result in regulatory penalties, legal disputes, and business restrictions.	Develop and implement a comprehensive corporate governance system, promote internal and external audits, and ensure compliance with laws and regulations in our operations.

Fostering a Risk-Aware Culture

CIG highly values risk management and compliance by deeply incorporating these principles into employee onboarding and various risk and safety training programs. Through a structured training framework, all new hires receive foundational education on the code of conduct, conflict of interest policies, anti-corruption regulations, data protection, and other fields from day one, equipping them with the knowledge to identify risks and handle compliance matters effectively. Additionally, CIG provides specialized risk and safety training tailored to specific roles, ensuring that employees can accurately identify and control special risks within their respective fields. These training initiatives collectively foster a comprehensive risk-aware and compliance culture at CIG, empowering every employee to make informed decisions within their scope of responsibility while maintaining the Company's overall security and compliance.

Unwavering Commitment to Business Ethics

Governance

CIG is committed to maintaining the highest standards of business ethics. We have formulated the *Code of Business Ethics for Employees*, the *Supplier Code of Conduct*, the *Corporate Social Responsibility Management Policy*, and other documents, which serve as fundamental guidelines for constraining and regulating the behaviors of our employees and related parties, ensuring that all business activities are carried out with integrity, fairness, and transparency. In these documents, CIG has clarified business ethics and explicitly defined unethical behaviors such as bribery, conflicts of interest, unfair transactions, and unauthorized disclosure of trade secrets. We have reiterated our zero-tolerance stance on these violations and set up the corresponding disciplinary mechanism. The Audit Committee and the Supervision and Audit Department separately manage and oversee the related work.



Strategy

Preventive Measures in Daily Operations

- Every supplier is required to sign the *Supplier Integrity and Anti-Corruption Agreement*. Any supplier found engaging in bribery will be immediately disqualified and permanently banned from future collaborations.

Fostering Correct Values

- CIG emphasizes correct values among employees by conducting at least one business ethics training session each year, instilling anti-commercial bribery principles into their daily operations.

Anti-Commercial Bribery and Anti-Corruption Strategies



Online Training Course for Correct Business Ethics Values

To strengthen employees' awareness of business ethics and reinforce anti-commercial bribery and anti-corruption practices, CIG launched the "Business Ethics and Integrity" online training program in December 2024 for all employees. The course provided in-depth guidance on the harmful effects of commercial bribery, identification methods, and preventive measures, and also introduced the Company's internal reporting mechanism and support channels. A total of 1,084 employees completed the online training and assessment, achieving an average test score of 98 (out of 100). The training has effectively encouraged employees to uphold the principles of fairness, justice, incorruptibility, and good faith cooperation in their business interactions with customers and suppliers, thereby supporting the Company's sound development and enhancing its ability to fulfill corporate social responsibility.



"Business Ethics and Integrity" Online Training Course



Risk Management

To strengthen oversight, CIG has established mechanisms for mutual supervision among employees, as well as whistleblowing channels for suppliers and customers. Any actions that harm the Company's interests or reputation, or violate business ethics, can be reported via a dedicated email address (tousu@cigtech.com). Employees are responsible for widely promoting the Company's policies and whistleblowing channels to the customers and suppliers they serve. CIG is committed to promptly investigating all reported cases; once substantiated, appropriate disciplinary actions will be taken in accordance with the Company's regulations. Furthermore, all reports will be kept strictly confidential to protect whistleblowers' legal rights and interests. In addition, all business units conduct regular or ad-hoc self-inspections covering business transactions and internal personnel management. Each year, CIG consolidates self-inspection findings annually and implements management improvement initiatives to optimize the overall operation.



Whistleblowing Handling Process

Indicators and Objectives

Business Ethics Objectives

In 2024, CIG aimed to achieve an 85% participation rate in anti-commercial bribery and anti-corruption training for employees.

Achievement Status

In 2024, 88.06% of employees at CIG received anti-commercial bribery and anti-corruption training.

During the reporting period, CIG recorded **zero** lawsuits related to commercial bribery or corruption and **zero** lawsuits or administrative penalties due to unfair competition.

Ensuring Service Quality with Premium Products

At CIG, we are committed to a mission of "Quality, Innovation, and Customer Satisfaction". We actively drive continuous technological advancements and innovative breakthroughs while continuing to build our Industry 4.0 value chain, with a view to ensuring the highest product quality in production and delivery. With outstanding delivery performance and agility, we respond swiftly to market shifts and personalized customer demands, delivering best-in-class product quality and superior service experiences to our customers.

R&D Innovation-Driven Development

Ensuring Product Quality

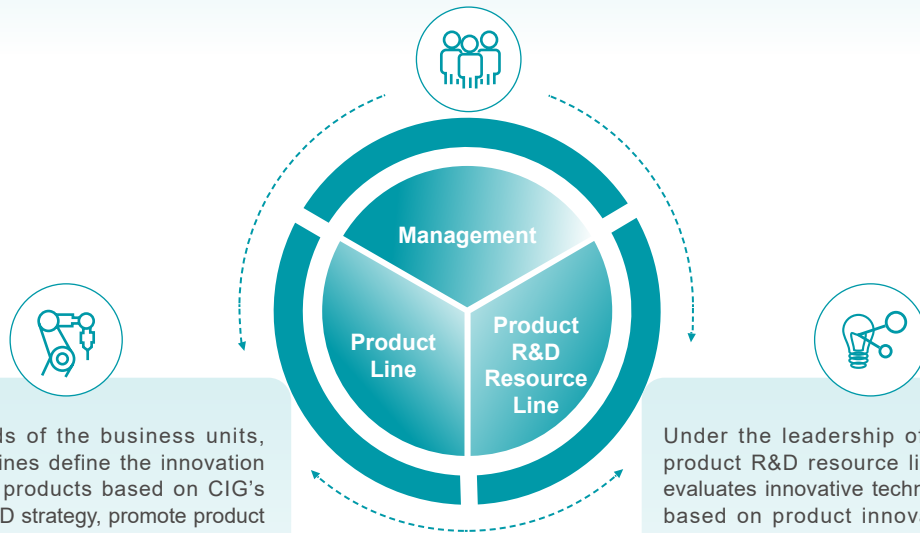
Outstanding Customer Service

Supply Chain Management

R&D Innovation-Driven Development

Continuous innovation is intrinsic to CIG's corporate culture and where CIG's core competitiveness lies. Our long-term growth has been guided by a core development strategy of "pre-researching the next generation, developing the current generation, and manufacturing the mature generation". We remain committed to driving growth through cutting-edge R&D and intelligent manufacturing while continuously innovating in engineering technology and efficiency. With R&D centers in Shanghai, Japan, and the United States, CIG remains agile in adapting to market trends, fostering research synergies, and developing comprehensive solutions. As of the end of the reporting period, CIG has been recognized as a National High-Tech Enterprise, one of the Enterprises Using Special and Sophisticated Technologies to Produce Novel and Unique Products in Shanghai, and a Shanghai Enterprise Technology Center, underscoring our leading technical capabilities.

Under the leadership of the CEO, the management team is responsible for formulating innovative R&D strategies and plans in line with market trends and the CIG's vision, setting the long-term development direction, and controlling the pace of innovative R&D efforts at a macro level to ensure their alignment with CIG's overarching strategic goals.

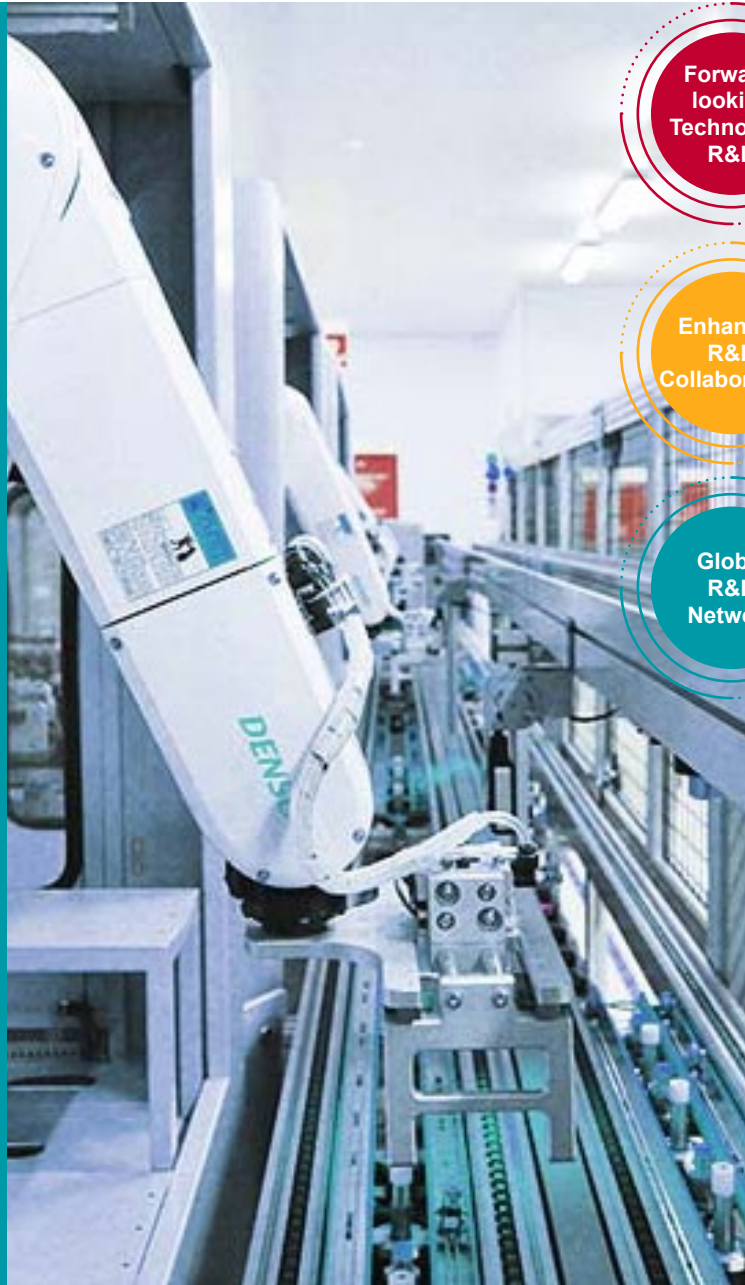


Led by heads of the business units, the product lines define the innovation roadmap for products based on CIG's innovative R&D strategy, promote product iterations and upgrades, and oversee the approval evaluation and decision-making of innovative R&D projects, thereby promoting the efficient initiation and implementation of the project and ensuring the smooth process of innovation products from ideation to market launch.

Under the leadership of the CTO, the product R&D resource line defines and evaluates innovative technology pathways based on product innovation planning, determines the optimal product technical solution, and spearheads the R&D and testing of innovative products to ensure their compliance with quality and performance standards. It also focuses on pre-research in cutting-edge technologies to strengthen CIG's core technological competencies in innovative R&D across all product lines.

Innovative R&D Organizational Structure





Forward- looking Technology R&D

Continuously increasing pre-research investment in forward-looking technologies, closely monitoring industry trends, tracking the evolution of product technical standards and demands, and swiftly entering new product and technology domains

Enhanced R&D Collaboration

Engaging in deep technical collaboration with suppliers, customers, and other partners to continuously roll out new offerings aligned with market trends and enhance technological performance through the integration of technologies

Global R&D Network

Expanding our global R&D center network and strengthening interconnectivity among R&D teams in China, Japan, and the United States, fostering R&D synergies to leverage complementary advantages

R&D Innovation Planning

Innovative R&D Objectives

- In 2024, CIG aimed to conduct pre-research on 25G PON and 50G PON fields, invest in fundamental research resources, and develop initial technology schemes.
- By 2027, CIG aims to launch over 50 new products annually, with at least 5 leading the industry in terms of launch timing and technical indicators. More than 50% of the products are designed for AI applications, and AI technology is integrated into the development process of over 50% of the products. Additionally, the low-energy-consumption product series is expected to reduce energy consumption by 20% compared to 2024 levels while maintaining the same functionality and performance.

Achievement Status

- Phased R&D on 25G PON and 50G PON is underway, with the first-generation 25G PON product officially launched in 2024.
- CIG is actively advancing related R&D initiatives and will continue to track and regularly disclose updates on the achievement of our objectives.



Key Performance Indicators (KPIs)

During the reporting period,



CIG invested RMB

408,575,000

in R&D



Accounting for

11.19 %

of the operating revenue

R&D Focus Areas of the Business Units

Broadband Product Business Unit

Actively advancing the research and application of 25G/50G PON broadband technologies, exploring their optimal solutions in broadband networks to enhance network transmission efficiency and stability, while focusing on their potential in 5G and future 6G network backhaul applications.

Wireless Product Business Unit

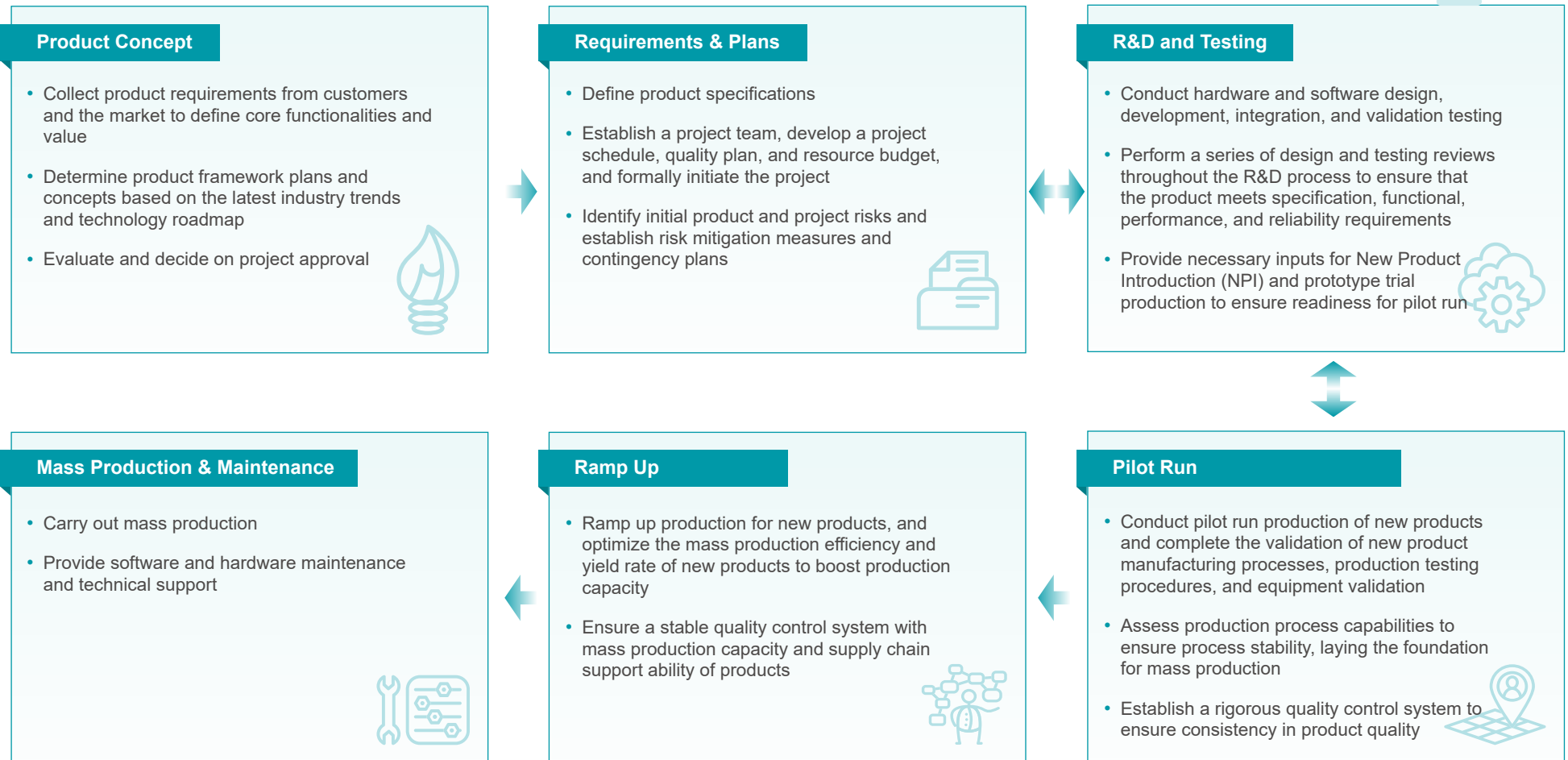
Strengthening the R&D of Wi-Fi 7 and small cells to enhance product performance and network coverage.

Photonics Business Unit

Continuously driving the R&D and mass production of high-speed optical modules, including 800G and 1.6T products, to meet the demands of data centers, particularly those driven by AI computing power. Additionally, increasing R&D efforts in silicon photonics, Linear Pluggable Optics (LPO), and Co-Packaged Optics (CPO) products to deliver more efficient and flexible optical communication solutions for data center networks.

R&D Process Management

To strengthen the management of R&D processes, CIG has built an R&D project management platform and formulated the *Product Design and Development Management Procedure*. Efforts have been made to establish a tiered system for technology and product development across three key stages: R&D, trial production, and mass production. The Company manages projects in a standardized manner throughout the lifecycle of new product design and development and ensures efficient R&D closely centered around market and customer needs, thereby constantly improving the efficiency of translating R&D efforts into market-ready products.



Design and Development Process for New Products

R&D Team Building

CIG places a high priority on the development of its R&D talent. We actively attract and retain technical professionals while encouraging and guiding employees to maximize their creative potential, thereby driving our R&D momentum forward. We have introduced multiple incentive programs under the *Project Incentive Management System*, the *Performance Management System*, and other policy documents, including project incentives, patent awards, and specialized incentives. Outstanding R&D contributors will receive generous rewards for their achievements in scientific research. Additionally, we have set up a diversified R&D model. By organizing various R&D activities such as Lesson & Learn Meetings and First Article Inspection (FAI) Meetings, we aim to facilitate the collision, intersection, and integration of experience and knowledge in different domains. These initiatives help spark creativity in our R&D team, thereby enabling original, breakthrough, and leading-edge innovations.



Key Performance Indicators (KPIs)

During the reporting period,



CIG employed a total of
630 R&D personnel



Accounting for over
50% of the total workforce



Lesson & Learn

- By establishing a structured review process, we systematically capture knowledge across the R&D cycle through the mechanism of "Lesson & Learn". We analyze the root causes of errors to develop preventive measures and summarize best practices into standardized templates. Using our cross-departmental digital experience database, the recurrence of similar issues can be prevented.



First Article Inspection (FAI)

- When a hardware product rolls off the production line for the first time, senior experts from multiple departments are invited to conduct a reverse disassembly of the product. From the customer's perspective, they simulate the mindset of competitors to critically evaluate shortcomings in the product design. This measure provides the R&D team with a third-party viewpoint to rethink their technical choices and R&D decisions, spark new ideas, identify gaps, and creatively solve problems.



Brain Storming

- Focused on customer and market demands, the R&D team is encouraged to think freely without any preset constraints, explore new conceptual territories, and challenge the convention with emerging crossing function knowledge. This approach generates many innovative insights and problem-solving methods or new ideas built upon others' perspectives.

CIG's R&D Mechanism

Intellectual Property Management

Intellectual property (IP) protection is a vital pillar of CIG's innovation-driven development strategy and a key element of its core competitiveness. We pay high attention to safeguarding our proprietary IPs while respecting the IPs of others. Through a three-pronged management approach consisting of "institutional guarantee, mechanism improvement, and process optimization", CIG has developed a systematic, standardized IP management strategy, ensuring that a comprehensive system covering IP application, management, enforcement, rewards, punishments, and other IP-related matters is in place.

Policy Framework

We have developed and implemented the *Enterprise Patent and Software Copyright Application and Management Regulations*, clearly defining full-process criteria for IP applications, utilization, protection, and management. A hierarchical and classified IP management system has also been established.

Management Model

A collaborative management mechanism involving the "R&D Center, Sci-Tech Management Department, and Legal Department" has been adopted, wherein the R&D Center is responsible for IP research and development, the Sci-Tech Management Department oversees IP applications, coordinated management, and training and publicity, and the Legal Department manages IP protection affairs. In this way, a management model with well-defined powers and responsibilities and efficient collaboration has been formed.

Operation and Implementation

A closed-loop IP management process has been established, covering "application, evaluation, maintenance, and implementation". Regular IP training sessions are conducted to enhance employees' awareness of IP protection, and we motivate key players in innovation to actively contribute through an improved incentive mechanism.

Intellectual Property Management Strategy



Key Performance Indicators (KPIs)

During the reporting period,

In China and overseas, CIG held a total of

405 valid patents

with

31 newly authorized patents during the year

The Company obtained

587 patents through licensing agreements

CIG held

31 software copyrights

with

1 new software copyright added during the year

CIG held

30 trademarks in China and overseas

Ensuring Product Quality

Quality is the lifeline of an enterprise. CIG strictly complies with the laws, regulations, and industry standards of the markets in which it operates, remaining committed to delivering high-quality products and services to customers. To achieve this, the Company has designated the CEO as the primary person responsible for quality management, established a three-year quality plan, set quality policies and objectives, and formulated regulatory documents such as the *Quality Manual*, the *Corrective and Preventive Management Procedures*, and the *Product Recall Management Specification*. Through a comprehensive product quality management system, CIG continuously enhances its quality management standards.

CIG's Quality Policy:

Stay focused on customers

Get it right the first time

Uphold quality as our lifeline

Quality Management Objectives

Achievement Status

To ensure zero major customer complaints

Zero major customer complaints

To improve overall First Pass Yield (FPY) by 10% annually

Improved by 11.52%

Certifications:

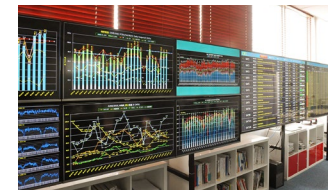
As of the end of the reporting period, CIG has obtained ISO 9001 Quality Management System and TL 9000 Telecommunications Quality Management System certifications.



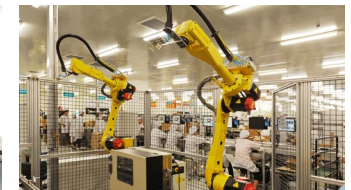
Photronics production line



Robotic assembly line



Control panel detailing aspects of production



Robotic arms used in production lines



Production line



Production line



Production line



Automated transport cars used in the production line

Enhancing Quality Standards

To continuously improve quality standards, CIG has implemented ongoing quality enhancement initiatives. By introducing digital management systems, launching Quality Month activities, conducting targeted quality enhancement projects, and optimizing quality processes, the Company ensures product quality across all stages, from R&D and production to material management. Additionally, our quality team collaborates closely with key suppliers by taking various measures, including sharing best practices, implementing specialized quality assurance programs, and improving early warning efforts. Through these measures, we have effectively improved our material quality and worked with our partners to enhance overall quality performance.



Product Quality Planning

- Develop quality standards and implementation plans aligned with the Company's strategic goals to define key indicators, process specifications, and resource allocation. Identify preventive measures through risk assessments, ensuring that all stages of product design and manufacturing comply with customer and industry requirements and laying a solid foundation for product quality enhancement.



Product Quality Assurance

- Establish a full-process control mechanism. Strengthen personnel capabilities through training on the quality management system, reinforce process audits and phase reviews, and systematically prevent and control quality issues through standardized operations, IT-based error-proofing techniques, and process management. Drive continuous improvement to ensure the production and delivery quality of products.



Product Quality Monitoring

- Track quality performance through real-time data collection of the IT-driven system. Implement a data monitoring, analysis, and early warning mechanism for critical production processes. Develop timely processing and optimization processes for quality anomalies, forming a forward Plan-Do-Check-Act (PDCA) cycle and continuously improving product yield and customer satisfaction.

Product Quality Assurance Measures



Key Performance Indicators (KPIs)

During the reporting period, CIG recorded **zero** major product quality incidents.

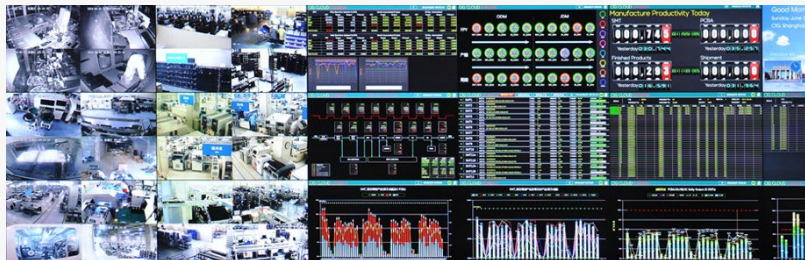


Case SFIS Enabling Efficient Production and Quality Control

The Shopfloor Information System (SFIS), independently designed and developed by CIG, helps managers monitor production in real time with high accuracy, thereby enhancing product quality and production management efficiency. The system enforces stringent controls over the entire production process to avoid defective products. It offers features such as real-time process control, product traceability, quality reporting, and production data queries. SFIS ensures that all products are manufactured following system-defined process flows, effectively achieving error-proofing in the production process. Moreover, through the statistical analysis of production data, the system provides precise insights into defect rates, production capacity, and progress at each stage, ensuring the consistent delivery of high-quality products.

Case KANBAN System Boosting Digitalized Product Quality Management

To enhance its digital production management capabilities and strengthen overall product quality control, CIG started using the KANBAN system, an internally developed big data analysis system for production and manufacturing, in its production workshops. This innovative system overcomes the shortcomings of traditional production management methods, which fail to satisfy real-time, precise, and comprehensive management demands. Leveraging the cloud computing platform and big data mining technology, CIG deployed data acquisition equipment and built a system based on the concept of Cyber-Physical Systems (CPS) and the industrial bus communication mode. The system captures real-time data across personnel, equipment, materials, methodologies, and environments and then conducts visualized analysis, thereby ensuring real-time production monitoring and reliable quality assurance.



The KANBAN System

Case Quality Month Initiative to Strengthen Employee Quality Awareness

In October 2024, CIG launched a series of quality management activities under the theme “Driving Quality with Accountability, Hands-on Action, Reduced Cost, and Enhanced Efficiency”. Relevant activities included lean proposals, 6S improvements, three standard compliance metrics (i.e., standard completeness rate, standard improvement rate, and standard compliance rate), and a quality knowledge quiz. Through these initiatives, employees were encouraged to propose quality improvement proposals and identify potential production quality risks. Those who demonstrated outstanding performance in the activities were recognized and rewarded, thereby raising the Company’s overall quality management level and strengthening employees’ quality awareness.



Quality Knowledge Quiz

Case Quality Case Study Training to Mitigate Risks Before They Arise

In October 2024, the Production Quality Department of CIG led a quality case study training program targeting frontline managers and staff in key positions. The training aimed to effectively strengthen employee quality awareness and skills, reduce quality issues, and enhance the Company’s product and service quality to improve its market competitiveness. During the training, 16 typical quality incidents from the past years, including material misidentification, mix-ups, and missing components, were carefully selected and their background, process, and consequences were thoroughly analyzed to help employees avoid similar issues and ensure product quality.



Quality Case Study Training

Non-Conforming Products and Product Recall

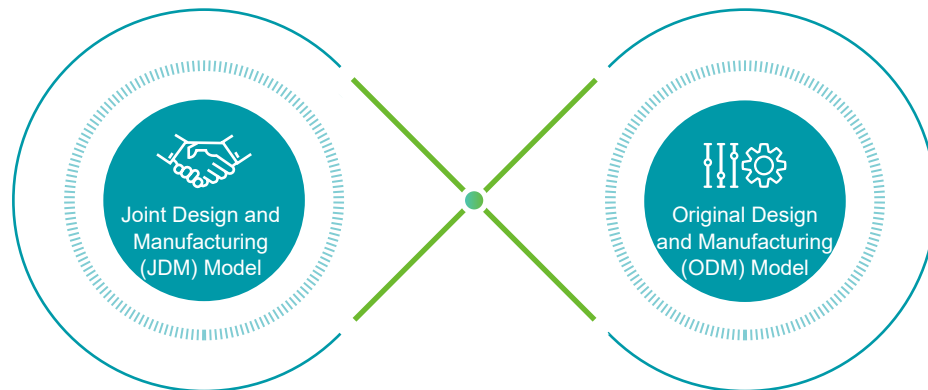
By establishing the *Corrective and Preventive Management Procedures*, CIG aims to analyze the root causes of actual or potential product non-conformities within its quality management system and take corrective and preventive actions to prevent recurrence. In the event of potential batch non-conformities in delivered products, CIG strictly follows established procedures for implementing product recalls and relevant stakeholders are promptly informed to ensure effective control of the affected products, avoiding or minimizing the impact of potential hazards.



CIG's Product Recall Process

Outstanding Customer Service

At CIG, we firmly uphold the “customer-first” principle and continuously align with customer needs. Through flexible business models and high-quality customer service, we provide seamless support for our customers throughout their product development lifecycle. To foster direct and effective customer engagement while improving our service quality and customer satisfaction, we have established a diversified communication framework consisting of various communication channels including telephone, email, social media, and interviews. By conducting regular customer satisfaction surveys, we gain in-depth insights into customer expectations, continuously improve our customer service quality, and optimize the overall customer experience.



In the JDM model, CIG collaborates closely with customers on the design and development phases while assuming responsibility for manufacturing. This collaborative approach fosters shared innovation, with both parties contributing expertise and sharing intellectual property. Clear roles and responsibilities are outlined in our JDM agreements, ensuring transparency and alignment throughout the partnership.

With the ODM model, CIG takes charge of the entire product lifecycle—from concept generation to mass production. We pride ourselves on our flexibility and customization capabilities, ensuring that each project is tailored to meet customers' specific requirements. Our team excels at designing and executing projects with precision, delivering innovative solutions that set customers apart in the market.

CIG's Two Service Models

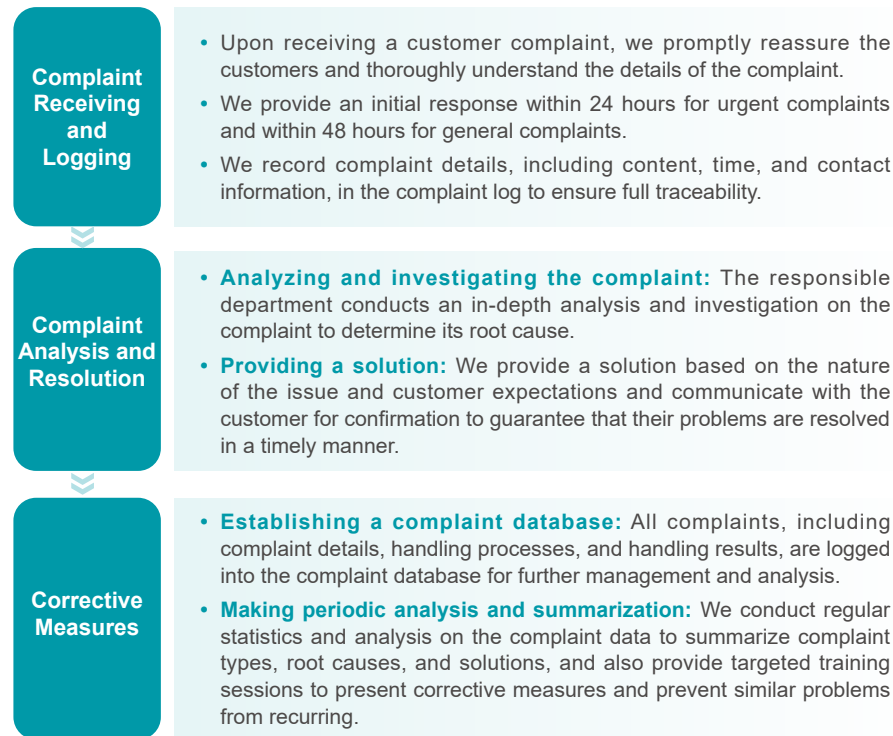


Basic Principles of Customer Service



Customer Complaint Handling

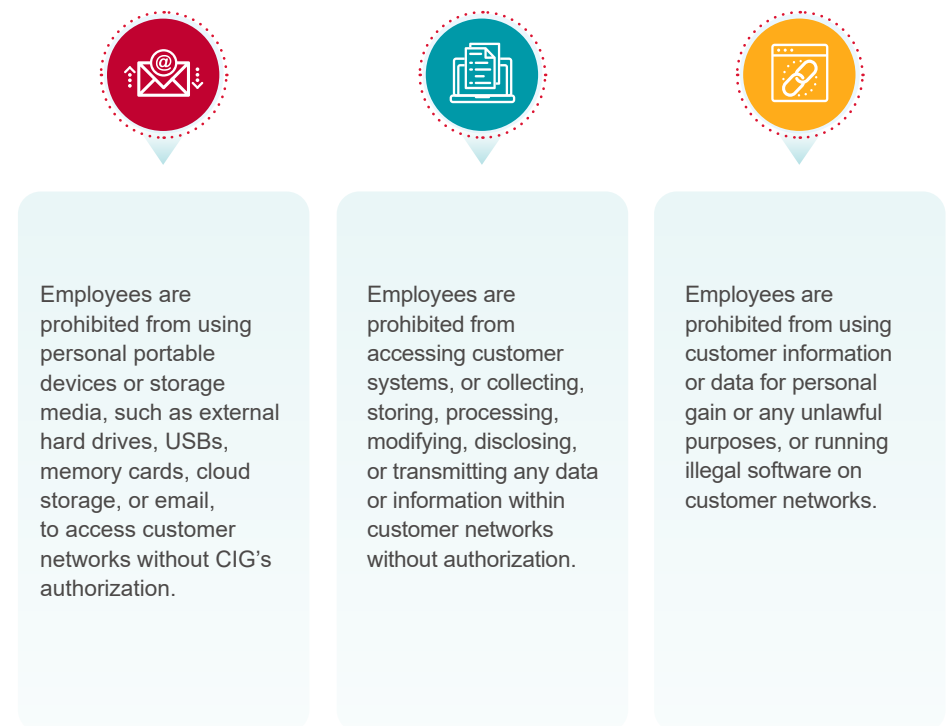
To systematically handle customer complaints and feedback, CIG has developed the *Customer Communication and Complaint Handling Management System*. The *Supply Chain* clearly outlines complaint handling procedures and response time limits, ensuring that all complaints are promptly handled with appropriate solutions. With these measures, we aim to safeguard customer rights and interests and improve their satisfaction.



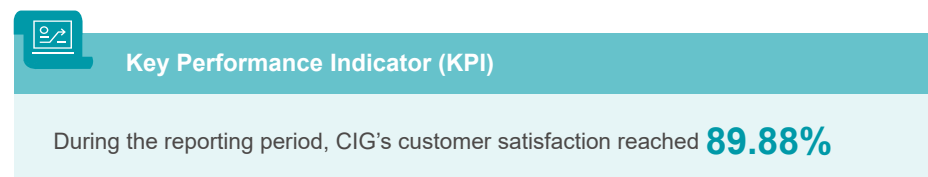
Customer Complaint Handling Process

Customer Privacy Protection

To safeguard customer privacy, CIG actively conducts privacy protection training to reinforce confidentiality obligations among employees and ensure the security of data generated during business operations or associated with customer privacy.



Employee Confidentiality Requirements



Supply Chain Management

CIG places great importance on supply chain management through the development of policy documents such as the *Supplier Management Procedures* and the *Supplier Safety Requirements Specification*. These policies standardize the management of supplier classification, sourcing and onboarding, material selection and certification, category management, audit management, performance evaluation management, supplier qualification cancellation and reinstatement, and other procedures. Additionally, we proactively prevent and monitor potential environmental or social risks in the supply chain to ensure product quality and production stability, enabling suppliers to provide stable products and services while fostering a mutually beneficial development model for both supply and requisitioning parties.



Supplier Management

To ensure a stable and efficient supply chain, CIG classifies its suppliers into three categories—core, important, and general—based on the importance of the materials supplied. Different qualification requirements apply to each level, including the total number of employees, the percentage of technical personnel, ISO 9001 quality management system certification, corporate social responsibility (CSR) performance, supply chain security systems, and financial performance. When sourcing and onboarding new suppliers, relevant departments are responsible for applications and qualification investigations, with on-site audits conducted as needed. For existing suppliers, we have formulated the *Supplier Performance Evaluation Management Specification* to manage and annually audit the daily performance of the suppliers. In principle, key material suppliers undergo an audit every two years. For suppliers that fail an audit, we have established a mechanism to track and verify their corrective actions. If the supplier still cannot meet the requirements after rectification, we will disqualify the supplier upon consensus.

Admission Scoring

- The procurement channel departments for production and non-production materials are respectively responsible for sourcing corresponding suppliers as deemed necessary. After qualification check, contract signing, price evaluation, sample certification, and audits, qualified suppliers are then onboarded with clearly defined coding rules.

Audit and Evaluation

- Audits are categorized into three types: formal audits (for new suppliers), annual audits (for existing qualified suppliers), and special audits (for exceptional cases).
- An annual audit plan is developed every year to dynamically manage suppliers based on their performance, with findings recorded in the *Supplier Audit Checklist*.

Corrective Actions and Exit Mechanism

- If a supplier fails in product quality, delivery performance, annual audits, or performance assessments, corrective actions must be taken immediately.
- If corrective actions are deemed unqualified, or multiple special circumstances exist, the supplier will be disqualified upon mutual agreement, and the exit affairs will be handled according to established procedures.

CIG's Supplier Admission and Evaluation Process

Procurement Channel Department I

Focuses on developing upstream resources and responsible for sourcing global suppliers, assessing their qualifications, ensuring procurement demands through negotiation, and managing substitute material certifications and resource reserves.

Procurement Execution Department

Responsible for executing midstream orders, conducting end-to-end management of procurement orders, ensuring on-time material delivery, handling supplier accounts, and maintaining partnerships.

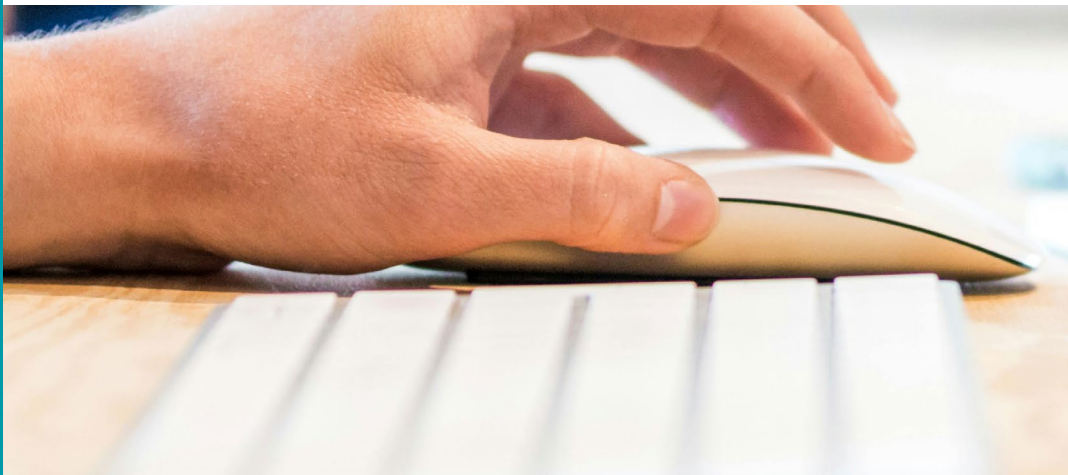
Supplier Management Department

Coordinates downstream full lifecycle management, including onboarding review, performance evaluation, resource pool optimization, agreement compliance, and closed-loop issue management, and collaborates with different departments to improve supplier quality.

Other Relevant Departments

Provide specialized support in areas such as demands, finance, legal affairs, and quality.

Supplier Management Structure



Digital Supplier Platform to Empower Supply Chain Management

CIG actively drives digital transformation in supply chain management by establishing a supplier collaboration system for intelligent procurement. Leveraging the supplier platform, we enable end-to-end digital management of procurement processes, including procurement planning, sourcing, and supplier information management. Additionally, the platform also facilitates direct communication with suppliers by issuing notifications, sharing the latest policy requirements, and conducting online training to ensure effective policy dissemination. Beyond strengthening supply chain management and improving procurement efficiency, this initiative also helps suppliers stay informed about the our requirements and industry standards, thereby empowering their growth and development.

CIG's Digital Supplier Platform

Sustainable Supply Chain

To mitigate risks and ensure security within the supply chain, CIG signs a *General Procurement Agreement* with suppliers, which includes the *Supplier Confidentiality Agreement*, the *Supplier Quality Assurance Agreement*, the *RoHS*, *REACH* and *Conflict-Free Minerals Declaration*, the *Supplier Code of Conduct*, the *Supplier Integrity and Anti-Corruption Agreement*, and the *Supplier PCN Agreement*. These agreements cover various ESG dimensions, including product quality, information security, hazardous substances, conflict minerals, and business ethics. In the *Supplier Code of Conduct*, we require both suppliers and their subcontractors to value and fulfill environmental and social responsibilities. Through agreement signing, the ESG-related requirements in the Code can be effectively implemented.

Labor Rights and Interests

- Suppliers should comply with labor standards, provide humane treatment to employees, and prohibit discrimination, forced labor, child labor, or any other human rights violations.
- Suppliers should provide reasonable working hours, fair wages, benefits, and direct, open communication channels for their employees.

Health and Safety

- Suppliers should control potential workplace hazards through appropriate design, engineering and management controls, preventive maintenance, safe operating procedures, and continuous safety training to protect employees' health and safety.
- Suppliers should establish procedures and systems to prevent, manage, track, and report occupational injuries and illnesses.

Environmental Protection

- Suppliers should strictly comply with environmental laws and regulations, prevent pollution, conserve resources, and minimize the use of hazardous substances.
- Suppliers should adopt appropriate measures to enhance the environmental performance of their products and services, delivering both social and environmental benefits.

Business Ethics

- Suppliers should comply with business ethics standards, strictly prohibit any and all forms of corruption, extortion and embezzlement, and implement monitoring and enforcement procedures to ensure their compliance with incorruptible management.
- Suppliers should respect intellectual property rights, develop standards for fair trade, advertising, and competition, and protect interested parties' privacy.

Conflict Minerals Management

- Suppliers should develop policies to properly ensure that tantalum, tin, tungsten, and gold in their products do not directly or indirectly fund armed groups engaged in serious human rights violations in the Democratic Republic of the Congo or its surrounding countries/regions.
- Suppliers should conduct due diligence on the source and chain of custody of these minerals.

Hazardous Substances Control

- All products and components provided by suppliers should comply with environmental regulations, directives, and standard requirements, including but not limited to the List of Controlled Ozone-depleting Substances in China, the EU RoHS Directive, the European Parliament and Council Directive 94/62/EC of 20 December 1994 on packaging and packaging waste, the REACH Regulation, and the US Toxic Substances Control Act (TSCA).

In addition, CIG incorporates specific clauses into annual supplier audits, covering areas such as environmental protection, disaster recovery, social responsibility, and hazardous substances. This ensures that suppliers comply with labor management regulations, environmental compliance requirements, and hazardous substance-related standards. Suppliers are required to submit a report for analysis and improvement within two weeks if any non-compliance issues are identified. Failure to meet rectification requirements may result in disqualification upon friendly negotiation.

Sustainable Management Objectives for Suppliers

In 2024, we aimed for 100% of suppliers to sign the Supplier Code of Conduct.

In 2024, we aimed for 100% of suppliers to sign contracts that include environmental and labor clauses.

Achievement Status

Achieved

Transparent Procurement

CIG highly values business ethics management in its supply chain. As part of the *Master Procurement Agreement*, all suppliers are required to sign the *Supplier Integrity and Anti-Corruption Agreement*, which outlines fair competition, integrity and self-discipline policies, and anti-corruption clauses, along with the responsibilities for breach of contract and complaint channels, to safeguard the legitimate rights and interests of both parties in procurement transactions. Furthermore, CIG publishes an annual integrity notice on its procurement portal, requiring all suppliers to uphold integrity standards, reject commercial bribery and unfair competition, and foster cooperative relationships based on trust, honesty, and transparency.

Party B shall comply with relevant provisions on fair trade, integrity and self-discipline, and anti-corruption in applicable laws, regulations, and rules.

Party B shall provide regular integrity training for business personnel to foster strong professional ethics and practices.

Party B shall support Party A's integrity initiatives; if any Party A's personnel solicit bribes in the daily business process, Party B must refuse and report the incident to Party A's competent department.

Party B shall refrain from offering bribes to Party A's personnel in any form.

Party B shall proactively declare any affiliation with Party A and avoid engaging in related-party transactions.

Party B shall strictly abide by the commitments made to Party A, as well as the contracts, agreements, and memoranda signed by both parties, ensuring the timely delivery of goods in compliance with the agreed quality and quantity.

Key Provisions in the *Supplier Integrity and Anti-Corruption Agreement*

Building a Thriving Workforce with a People-Oriented Approach

At CIG, we uphold the management philosophy of “people-oriented and collaborative win-win outcomes” while recognizing talent as the core driving force behind our growth. Besides safeguarding employees’ legal rights and interests and their occupational health and safety, we also enhance their sense of fulfillment and well-being through diverse training programs, comprehensive benefits, and engaging cultural and recreational activities, thereby fostering a workplace where employees and the Company grow together.

Protecting Employees’ Rights and Interests

Talent Training and Development

Employee Healthcare

Protecting Employees' Rights and Interests

CIG attaches importance to respecting and safeguarding the rights and interests of all employees. Led by the Human Resources Department and coordinated by the Administration and Factory Management Departments, we strive to create a fair, just, and harmonious work environment for our employees. We strictly comply with laws and regulations, effectively protect employees' rights and interests, and eliminate any form of illegal or unethical employment conduct.

Recruitment and Employment

Adhering to the core principles of "openness, fairness, impartiality, and merit-based selection", CIG aims to build an efficient and harmonious talent team. Guided by this principle, we employ a scientific approach of "setting job positions with actual needs while ensuring talent-post matching" to precisely target our needs for talent, actively attract key professionals, and maintain a well-balanced talent pool of highly skilled and high-potential employees. In the talent selection process, the Human Resources Department and other functional departments perform their duties, with the objective of selecting high-quality talent with both integrity and professional competence through a scientific and standardized selection mechanism and process.

To ensure a standardized, institutionalized recruitment and employment process, CIG has formulated and implemented the *Employee Recruitment Management Policy*, widely attracting individuals from diverse fields and backgrounds with different experiences. We emphasize candidate diversity, ensuring that all candidates are provided with suitable job opportunities in a fair and equal manner. Our hiring process strictly complies with legal and compliance requirements. Additionally, we also provide thoughtful accommodations for employees with disabilities, demonstrating our deep care and support for this special group.



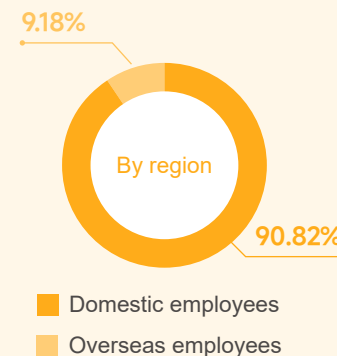
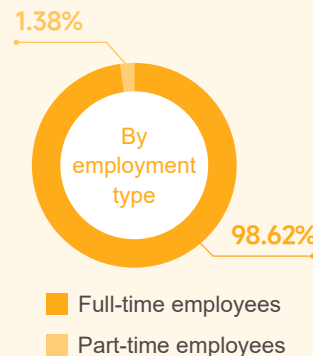
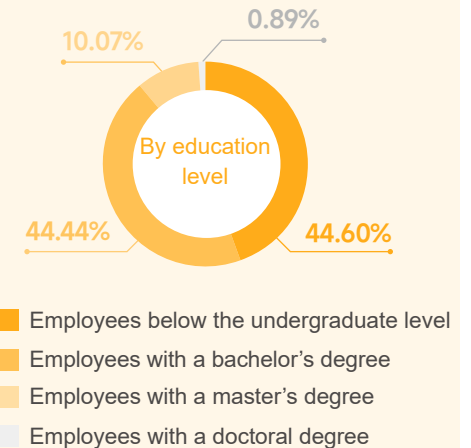
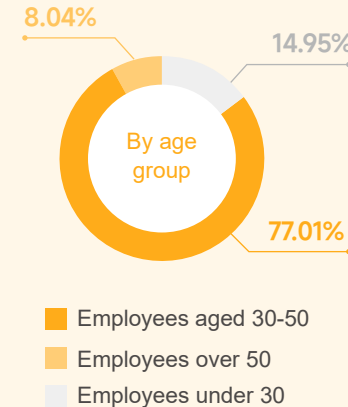
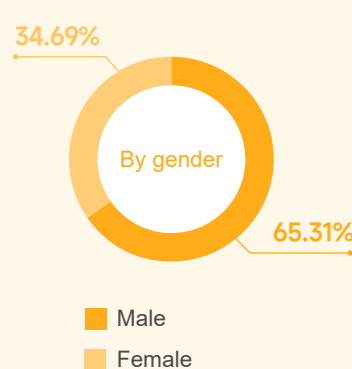
Key Performance Indicators (KPIs)

As of the end of the reporting period,

CIG had
1,231
employees

Including
12 employees
with disabilities

The employee
turnover rate stood at
9.49%



CIG fully respects and safeguards all employees' legal rights and interests and rigorously complies with all applicable laws and regulations in both domestic and international markets where we operate. We uphold the highest standards of global labor conventions and initiatives, such as the *Universal Declaration of Human Rights*, *ILO Eight Core Conventions*, and the *United Nations Guiding Principles on Business and Human Rights*, and enforce a zero-tolerance policy against child labor, forced labor, and discrimination.

Employee Rights and Interests Protection Objectives

There should be zero incidents of child labor, forced labor, or discrimination in 2024.

Achievement Status

Achieved



CIG firmly opposes and comprehensively prohibits child labor. The prohibition of child labor is explicitly outlined in our *Employee Handbook* and *Employee Recruitment Management Measures*. During the recruitment process, we rigorously verify candidates' age and identification documents, rejecting underage applicants and conducting further verification when necessary to foster a legal and regulatory workplace.

CIG provides regular training sessions on labor laws, regulations, and child labor prevention policies for employees to raise their legal and ethical awareness. Meanwhile, we have also established dedicated whistleblowing channels and conducted internal operation inspections and regular supplier audits to proactively detect and eliminate risks related to child labor. Any confirmed violations are subject to a strict closed-loop remediation process, including corrective action within a fixed period of time, accountability tracking, and disciplinary punishments, ensuring that compliance requirements are effectively implemented.



CIG strictly prohibits all forms of forced labor. Through our *Employee Handbook* and a structured attendance management system, we monitor employee work hours and ensure compliance with reasonable working hour policies. In cases where violations or complaints regarding excessive working hours arise, the Human Resources Department promptly conducts investigations and provides necessary support to affected employees.



CIG has established an *Anti-Discrimination Policy and Management Measures*, clearly defining management principles for preventing workplace discrimination. We firmly oppose any form of discrimination, ensuring an inclusive and mutually respectful work environment where every employee can fully realize their potential.

Remuneration Management

CIG is dedicated to unlocking talent potential by fostering a culture where individuals can give full play to their talents, fulfill their responsibilities, and exercise their authority. We continuously refine and implement a strategic remuneration and performance management system, whereby all employees receive remuneration through a “fixed salary + variable pay” model. Meanwhile, to further improve employees’ work enthusiasm, CIG has launched an equity incentive program facing all eligible employees, including management, key technical (business) personnel, and frontline workers. This initiative strengthens the alignment between employees’ personal interests and the Company’s long-term growth.



Key Performance Indicators (KPIs)

In 2024, CIG granted stock options to
779 employees as part of its
incentive program

Fixed Salary



Determined based on job responsibilities, skill requirements, workload, and market benchmarks; paid monthly to ensure income stability.

Variable Pay



Performance-based pay

Linked to the Company, department, and individual performance goals; employee performance outcomes are quantified through key performance indicators (KPIs) to incentivize their performance improvement.

Annual bonuses

Awarded based on the Company’s annual operating performance and annual performance evaluation results of individuals, serving as a reward for employees’ year-round contributions.

Project-based bonuses

Designed for key projects or specialized tasks; allocated based on individual contributions to the project, work outcomes, and project benefits.

CIG’s Remuneration System



CIG provides employees with a clear performance grievance mechanism to ensure fairness and transparency in performance assessments. We strictly adhere to the principles of timeliness, accuracy, and two-way communication. Within a specific performance assessment cycle, once the assessment is finalized, the results are promptly shared with employees in a truthful, objective, and accurate manner, and employees will sign to confirm their acknowledgment of the results. In case of any objections, employees are encouraged to express their views, thoughts, and concerns, and all objections are handled promptly.

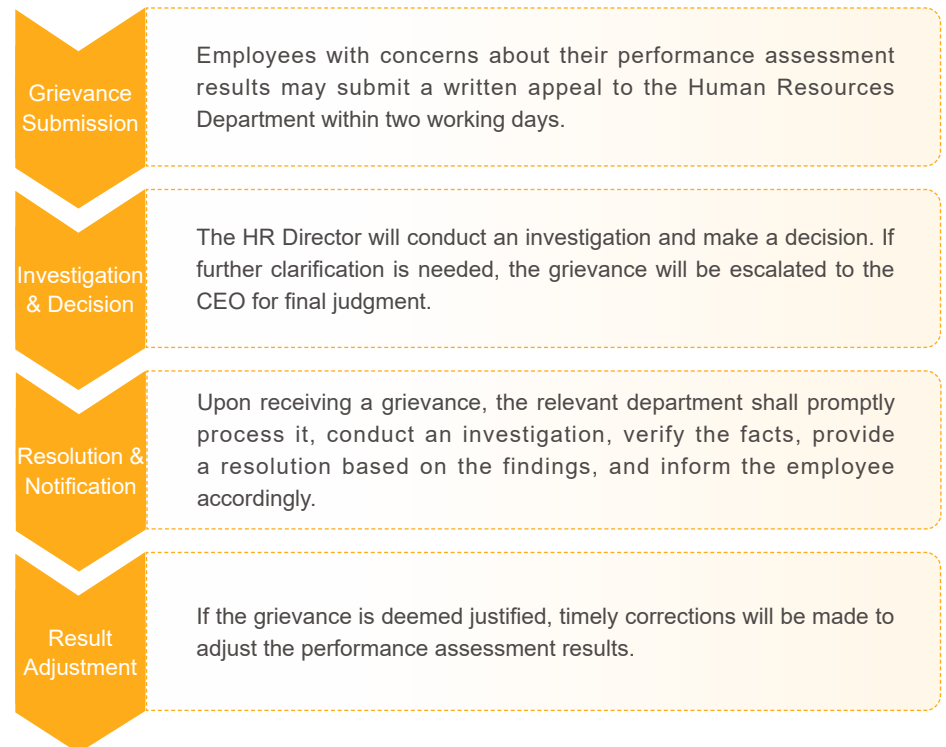


- A benefit-sharing mechanism is established to align individual goals with departmental and corporate goals.
- KPIs prioritize positive, measurable outcomes.
- CIG upholds the principles of fairness, impartiality, and objectivity.
- Dialogue between evaluators and employees is encouraged for timely feedback.



- Assessment outcomes may influence bonus distribution, promotions, remuneration and benefits, and job grade adjustment.
- CIG may, at its discretion, reassign, demote, place employees on training leave, or modify their pay packages if they rank at the lowest performance level.

CIG's Performance Assessment System



Employee Performance Grievance Process

Democratic Communication

To ensure that employees' rights and interests are fully protected, CIG has established a comprehensive employee grievance and feedback mechanism. In accordance with the *Employee Communication Management Measures* and the *Employee Grievance, Complaint and Whistleblowing System*, CIG ensures that employees can express their opinions in a timely and unimpeded manner.

Communication Channels

- Employees at CIG can provide their feedback at any time through anonymous whistleblowing or open communication, including but not limited to the following channels: bulletin boards, electronic suggestion boxes for employees, employee forums, employee representative meetings, emails, meetings, one-on-one discussions, and employee satisfaction surveys.

Responsibilities of Functional Departments

- The Communication Management Committee, led by the CEO and with department heads as deputy team leaders and members, and the employee relations specialist serving as the assistant, is responsible for reviewing communication reports, coordinating cross-departmental issues, managing the communication mailbox, issuing written decisions, conducting interviews with employees at the management level or above, and overseeing the implementation of communication feedback by the responsible department.
- The Human Resources Department is responsible for developing communication channels, organizing face-to-face discussions, collecting or urging the submission of communication reports, analyzing feedback information, issuing analysis reports, and maintaining communication records.
- The Administration Department is responsible for managing suggestion boxes and bulletin boards, gathering employee feedback, facilitating information exchange with employees, and supporting communication activities.
- Other departments are responsible for organizing regular internal communication activities, expanding communication channels, addressing employee concerns, submitting communication reports, and cooperating with the Communication Management Committee.

Handling Procedure

- Once a grievance is recorded, the responsible personnel will promptly initiate an investigation and provide a clear response and resolution within the stipulated timeframe, ensuring that employees' concerns are addressed appropriately.

Democratic Management of Employees



An Employee Representative Congress Held for Effective Communication on the Jiangyue Road Factory Relocation Plan

To support business expansion, CIG planned to relocate its manufacturing base in Shanghai to Jiashan, Zhejiang Province. To better understand employees' relocation intentions and facilitate smooth transition arrangements, CIG held an Employee Representative Congress in February 2024, with over 35 representatives in attendance. At the meeting, the HR Director presented the blueprint of the new Jiashan factory through a PPT, detailing key concerns of employees regarding the relocation such as remuneration and benefits, housing arrangements, and education support for employees' children. This transparent presentation provided employees with a direct and comprehensive understanding of the new work environment. The management team listened attentively to employees' feedback and assured them that all necessary measures would be taken to ease their transition. The holding of this Employee Representative Congress not only deepened employees' understanding of the relocation plan but also strengthened team cohesion and morale.



Employee Representative Congress



Key Performance Indicators (KPIs)

In 2024, a total of **758** employees actively participated in the employee satisfaction survey, with an overall satisfaction score of **75.6** points.

Talent Training and Development

CIG has established and continuously refined its employee promotion and development management mechanism, ensuring scientific and standardized evaluation standards and processes within the Company. This mechanism not only ensures a tiered talent pipeline that meets the Company's needs for talent at different competency levels across various stages of development but also provides a clear pathway for employee promotion and career planning. CIG adopts a systematic, professional, diverse, and results-driven approach to training. Employees are encouraged to learn from each other as models, mentors, and coaches. This model integrates self-directed learning with knowledge-imparting and combines job-specific skills training with professional knowledge training, ultimately fostering a culture of training for all employees.

Employee Promotion

To help employees understand their career growth trajectory, CIG has designed clear career advancement pathways for them.

 <p>Technical Track</p>	<p>For employees excelling in specialized technical fields, CIG offers career progression opportunities within professional roles, encouraging them to enhance technical skills and expertise and become industry experts.</p>
 <p>Management Track</p>	<p>For employees demonstrating leadership potential, CIG provides a management development track, supporting their progression into higher-level management positions through management and leadership ability enhancement.</p>

Employee Promotion System

Talent Training

Recognizing the characteristics of business development, CIG prioritizes internal training while selectively incorporating external training courses. We encourage employees to engage in self-directed learning, advocate the concept of lifelong learning, and provide extensive learning resources and support for our employees.

Onboarding Training

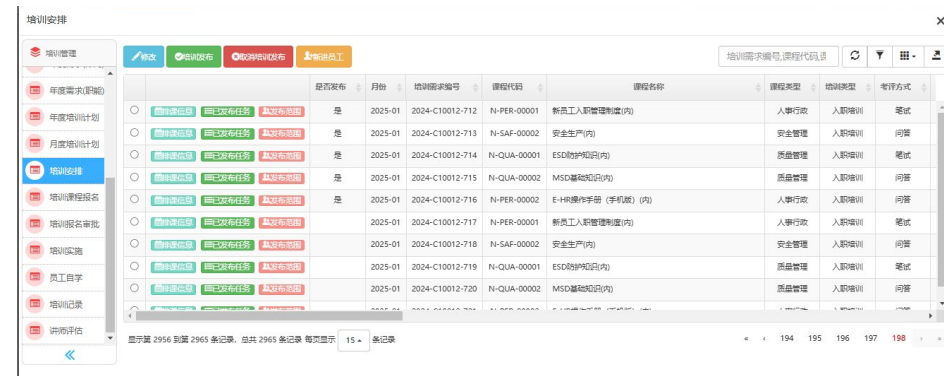
New hires are provided with comprehensive onboarding programs, covering corporate culture, rules and regulations, job-specific skills, and others to ensure a smooth integration into the team.

On-the-Job Training

Internal training courses: A variety of professional skill development courses have been organized, covering areas such as technological advancements, management skills, and communication techniques. These courses are delivered by in-house experts or external consultants.

Online learning platform: Launched in March 2019, this platform serves as a key tool for internal training and development at CIG. The platform offers nearly 450 online internal courses, allowing employees to engage in flexible online self-paced learning or attend in-person training sessions tailored to their job roles and career aspirations. Employees can access online courses anytime, anywhere, facilitating their independent learning.

Employee Training Mechanism



课程名称	课程类型	课程代码	课程状态	课程负责人	课程时间	课程地点	课程费用	课程评价
新员工入职培训	入职培训	N-PER-00001	进行中	人力资源部	2025-01	2024-C10012-712	新员工入职培训(内)	新员工入职培训
安全生产(内)	安全管理	N-SAF-00002	进行中	安全部	2025-01	2024-C10012-713	安全生产(内)	安全生产培训
ESD(危险化学品内)	质量管理	N-QUA-00001	进行中	质量部	2025-01	2024-C10012-714	ESD(危险化学品内)	ESD培训
MSD(危险化学品内)	质量管理	N-QUA-00002	进行中	质量部	2025-01	2024-C10012-715	MSD(危险化学品内)	MSD培训
E-HR操作手册(手机端)(内)	人事行政	N-PER-00002	进行中	人力资源部	2025-01	2024-C10012-716	E-HR操作手册(手机端)(内)	E-HR培训
新员工入职培训(内)	人事行政	N-PER-00001	进行中	人力资源部	2025-01	2024-C10012-717	新员工入职培训(内)	新员工入职培训
安全生产(内)	安全管理	N-SAF-00002	进行中	安全部	2025-01	2024-C10012-718	安全生产(内)	安全生产培训
ESD(危险化学品内)	质量管理	N-QUA-00001	进行中	质量部	2025-01	2024-C10012-719	ESD(危险化学品内)	ESD培训
MSD(危险化学品内)	质量管理	N-QUA-00002	进行中	质量部	2025-01	2024-C10012-720	MSD(危险化学品内)	MSD培训

A Wide Range of Courses Offered by CIG's Online Learning Platform



Training Objectives

In 2024, we aimed for an employee training coverage rate of 95%.



Achievement Status

In 2024, the employee training coverage rate reached 97%.



Key Performance Indicators (KPIs)

During the reporting period,



Annual training expenditure

247,500 RMB

Total training sessions

168 Sessions

Total employees trained

1,197 Persons



Total training hours

12,322 Hours

Average training hours per employee

10.01 Hours/Person

Case

School-Enterprise Cooperation to Develop Skilled Employees

CIG has partnered with the Wuchang Institute of Technology in Hubei to promote school-enterprise cooperation and deepen the integration of industry and education. Through initiatives such as establishing a cooperation base and launching the “Young Talent Training Camp” program, CIG has aligned academic talent cultivation with corporate needs. In 2024, nearly 20 fresh graduates were recruited and underwent systematic training through the “Young Talent Training Camp”, enabling them to rapidly transition into qualified engineers. This partnership not only provides university students with valuable practical and employment opportunities but also infuses fresh talent into the Company, creating a win-win collaboration between academia and industry.



School-Enterprise Cooperation

Case

Business English Training to Enhance Work Efficiency

To enhance employees' English proficiency and better support its business expansion into global markets and communication with overseas customers, CIG conducts annual business English training programs on a regular basis. From May to October 2024, CIG organized a six-month online business English training course with 38 employees participating. The training covered AI-assisted learning and one-on-one lessons with native English-speaking instructors, which helped participants significantly improve their English listening and speaking skills and work efficiency.



Business English Training

Employee Healthcare

CIG places a great emphasis on employee health and safety, having established comprehensive health and safety management systems and standards. The Company conducts regular hazard inspections and provides ongoing safety education and training for employees. Additionally, CIG has developed detailed emergency response plans, ensuring swift action in emergencies to protect employees' life safety. The Company also actively organizes employee care activities to show concern for employees and improve their well-being at work.

Health and Safety

CIG is dedicated to providing employees with a healthy and safe working environment. To this end, we have developed policy documents such as the *Regulations on the Management of Workplace Safety*, the *Accountability System for Workplace Safety*, the *Environment and Occupational Health and Safety Manual*, the *Quality and Hazardous Materials Process Management Manual*, the *Hazard Identification, Risk Assessment and Control Procedures*, and the *Emergency Preparedness and Response Control Procedures*. We also maintain certification under the ISO 45001 Occupational Health and Safety Management System to minimize occupational health and safety risks and ensure the health and safety of employees.



Health and Safety Management

Zero-accident objective: Striving for zero workplace accidents and injuries

Occupational disease prevention: Conducting regular health check-ups and taking occupational disease prevention measures to minimize occupational diseases

Healthy workplace: Ensuring that our workplace complies with health standards to minimize occupational hazards

Compliance with laws and regulations: Strictly complying with national and local workplace safety laws and regulations to maintain lawful and compliant operations

Continuous improvement: Carrying out periodic safety risk assessments and potential hazard inspections to continuously enhance the safety management system and improve safety performance

We set clear KPI targets at the beginning of each year and conduct regular occupational hazard factor testing in workplaces with potential occupational hazards according to relevant laws and standards, ensuring that our workplace complies with occupational health standards. Employees engaging in positions involving occupational hazards are provided with regular occupational health check-ups before taking up the post, while working in the post, and after leaving the post, to timely identify and address any emerging health concerns. Moreover, dedicated personnel are assigned to manage occupational health records, with each employee having a separate health tracking record, maintaining clear and complete health records for all employees.

We have established a workplace safety management framework led by the Workplace Safety Committee. A dedicated task force charged with promoting workplace safety is responsible for employee training, hazard identification, hazard rectification and follow-ups, among other tasks. According to the *Accountability System for Workplace Safety*, we have signed 94 workplace safety responsibility agreements with managers at all levels to enforce accountability for workplace safety management. Meanwhile, in compliance with the *Regulations on the Management of Environmental Safety Education* and the *Safety Inspection and Hazard Management System*, we conduct regular employee safety training to enhance safety awareness of all staff. Moreover, we also carry out various types of safety inspections to ensure that corrective measures are effectively implemented and potential hazards are eliminated in a timely manner.

We have formulated a well-rounded *Emergency Response Plan for Workplace Safety Accidents* and conduct regular emergency drills to ensure prompt and effective responses of all departments to safety emergencies. To enhance our capacity to respond to emergencies, we have set up a volunteer firefighting team equipped with emergency supplies and regular training sessions. Medical kits are placed in/on each area/floor and managed by assigned personnel, while Automated External Defibrillators (AEDs) are installed in the human resources and administrative offices. These enhanced emergency facilities effectively protect the life and health safety of employees in an all-round way.



Safety Risk Assessment



Hazard Identification



Potential Hazard Inspection

Risk Identification: Identifying potential hazards and harmful factors in business operations

Risk classification: Categorizing risks into four levels based on their severity and likelihood: Level A (Critical/Red), Level B (High/Orange), Level C (Moderate/Yellow), and Level D (Low/Blue)

Risk assessment methods: Utilizing various assessment methods such as Job Hazard Analysis (JHA), Safety Checklist (SCL), Risk Matrix (LS), and Likelihood-Exposure-Consequence (LEC) to quantify risks across different operational units

Operational activity analysis: Conducting a detailed analysis of all operational activities of the Company to identify potential hazards such as mechanical injuries, electric shocks, fires, and falls from heights

Equipment and facility inspection: Performing comprehensive inspections of production equipment, auxiliary facilities, and electrical systems to detect potential hazards during operation

Environmental factors assessment: Assessing workplace hazards such as insufficient lighting, poor ventilation, and slippery floors

Management factors assessment: Identifying deficiencies in management, such as incomplete safety management system, inadequate safety training, and delayed emergency response

Routine inspections: Conducting daily site inspections to promptly identify and address on-site safety hazards such as equipment malfunctions, missing protective devices, and unstable material storage

Specialized inspections: Performing regular targeted inspections on specific equipment, processes, or areas to ensure safety in high-risk zones

Periodic evaluations: Conducting comprehensive safety risk assessments every six months or annually and systematically evaluating and improving the Company's safety management system by integrating the potential hazard inspection results

Corrective actions and implementation: Developing detailed corrective measures for identified risks, assigning responsible personnel, setting deadlines, and ensuring timely elimination of hazards

Safety Management Process



Key Performance Indicators (KPIs)

During the reporting period,

CIG invested

RMB **481,300**

in workplace safety

with a total of

1,692 hours

dedicated to occupational health
and workplace safety training

Work-related injuries

resulted in a total loss of

290 non-productive

workdays

Note: All of the above losses occurred on non-productive workdays.

	Unit	2022	2023	2024
Work-related fatalities	Persons	0	0	0
Work-related fatality rate	%	0	0	0



Case Training on Hazard Identification to Enhance Employee Safety Awareness

In June 2024, CIG conducted a training session on environmental factor assessment and hazard identification, aiming to publicize workplace safety knowledge, enhance safety and occupational health awareness among employees, and help them effectively recognize occupational health and safety hazards. The training combined theoretical instruction with assessments, with a total of 35 employees participating. Following the training, employees demonstrated significantly improved safety awareness and the ability to independently identify hazards, greatly enhancing workplace safety.



Occupational Safety Training



Case Emergency Response Drills to Ensure Workplace Safety

In June 2024, as part of the Safety Month initiative to strengthen workplace safety publicity, CIG conducted workplace safety accountability training sessions for on-site managers, with 38 employees participating. The training covered factory safety conditions, workplace safety responsibilities, management regulations, and case studies of fire-related incidents. Through emergency response drills, employees learned proper responses to emergencies and improved their emergency response ability.



Fire Emergency Drill

Case

First Aid Training to Improve Self-Rescue Skills in Emergency

In June 2024, CIG conducted a comprehensive first aid training program to further enhance employees' safety awareness and emergency response capacity. The Company invited experienced external first aid instructors to provide face-to-face guidance and hands-on exercises for employees on cardiopulmonary resuscitation (CPR), wound dressing, and the operation of automated external defibrillators (AEDs). Employees actively engaged in the training, attentively listened to the instruction, and practiced first aid skills under the guidance of the instructor. Through practical exercises, employees gained a more intuitive understanding and firsthand experience in using emergency rescue equipment. By the end of the training, all attendees were proficient in basic first aid skills, significantly enhancing their self-rescue and mutual aid capabilities in emergency situations. This training further strengthened employees' safety awareness and self-protection capabilities, ensuring that they could remain calm and take appropriate actions during unexpected incidents.



First Aid Training

Employee Benefits

CIG constantly improves its benefits system, prioritizes employee well-being, and endeavors to foster a warm and harmonious work environment for employees.

Mandated Benefits

- ▶ Five insurances and housing fund: pension insurance, unemployment insurance, work-related injury insurance, medical insurance, maternity insurance, and housing fund.
- ▶ Statutory leave: Includes but is not limited to annual leave, marriage leave, bereavement leave, maternity leave, paternity leave, and sick leave.

Additional Benefits

- ▶ Supplementary medical insurance, accident insurance, employer liability insurance, and financial assistance for employees in need.

Health Benefits

- ▶ Health checkups and occupational disease screenings for in-service staff.

Job-Specific Benefits

- ▶ Transportation allowances, meal subsidies, communication subsidies, job subsidies, and high-temperature allowances, depending on job characteristics and work requirements.

Female Employee Benefits

- ▶ Reduced workload for pregnant employees and one hour of breastfeeding leave per day for female employees with infants under one year old.
- ▶ Half-day leave on International Women's Day.

Case

Dragon Boat Festival Celebration to Enhance Employee Well-Being at Work

In June 2024, CIG hosted a Dragon Boat Festival celebration, which featured gift packages and fun activities, aiming to allow employees to experience the traditional festival and intimate care from the Company. On the day of the event, employees actively participated, enjoying an engaging and lively atmosphere. Activities such as sachet-making and ring toss games provided opportunities for interaction, teamwork, and an appreciation of traditional cultures. Through this celebration, employees took a break from their busy work, experienced the Company's care and support, and strengthened their sense of belonging and well-being.



CIG's Team-Building Activity on the Dragon Boat Festival

Case

Employee Birthday Celebrations to Strengthen a Sense of Belonging

CIG values employees as its most valuable asset and regularly organizes birthday celebrations to enhance employees' sense of belonging and well-being. In December 2024, CIG held its final birthday celebration of the year and prepared birthday gifts for employees. To make the event more interactive and enjoyable, a hands-on crafting session was organized where employees worked in teams to create Christmas trees and birthday cards. These activities not only nurtured their hands-on ability but also strengthened team bonding. Through these birthday celebrations, employees not only experienced the Company's appreciation and warmth but also strengthened their sense of team spirit and camaraderie, laying a solid foundation for future collaboration.



Employee Birthday Celebration



Honoring Our Responsibility to Give Back to Society

At CIG, we firmly believe that continuous contributions to society are essential for a company's sustainable progress. We have deeply embedded corporate social responsibility into our corporate culture, positioning sustainable development as a key aspect of our business strategy. By working closely with various stakeholders, we aim to create a harmonious business environment and promote the stability and prosperity of society.

Driving Digital Connectivity

Boosting Industry Development

Giving Back to Society with Compassion

Driving Digital Connectivity

We are living in a digital era, yet not everyone in every region has equal access to the benefits brought by the Internet. At CIG, we are committed to ensuring that everyone in the world, no matter where they are, can seamlessly connect to the Internet, have unrestricted access to information, engage in mutual communication and learning, and share their moments with the rest of the world.

Digital Connectivity Provided by Our Products and Services

Wired Broadband Products



Wired broadband products provide users with a stable and high-speed network connection, serving as the backbone of digital connectivity. These products ensure reliable long-distance data transmission without interference from external wireless signals, offering uninterrupted, reliable network access for homes, businesses, and institutions. Additionally, wired broadband is a key enabler in building smart cities by providing robust network infrastructure for intelligent transportation, intelligent security, environmental monitoring, and other applications, thereby accelerating urban digitalization and intelligent transformation.

CIG's wired broadband product line covers 6 different ONT families of products all of which support the entire FTTx applications of triple-play services.

Wireless Network Products



The widespread adoption of wireless network products has significantly expanded the scope of digital connectivity, allowing more people to enjoy the benefits of the Internet. Wireless networks have fueled the growth of mobile Internet, giving rise to innovative applications and services such as mobile social networking, live streaming, and the sharing economy, while transforming people's lifestyles and consumption habits. Moreover, wireless networks play a critical role in the Internet of Things (IoT), enabling seamless connectivity among devices and supporting smart homes, intelligent logistics, industrial IoT, and other sectors, thus driving digital transformation and innovative development across various industries.

Our wireless network products include indoor APs, outdoor APs, outdoor CPE, and 4G/5G Small Cells, meeting the diverse and flexible requirements of the enterprise and residential markets.

Optoelectronic Products



The advancement of optical modules has dramatically enhanced network transmission capabilities and efficiency, providing strong technical support for digital connectivity. These products enable the rapid transfer of massive amounts of data within a short time, meeting the increasing bandwidth and speed demands of emerging technologies such as cloud computing, big data, and artificial intelligence. Meanwhile, optical modules help reduce network transmission costs while improving network reliability and stability, thereby accelerating the adoption and expansion of fiber-optic communication networks.

CIG offers a full range of optical transceiver solutions for data centers, high-performance computing, telecommunications (including 5G wireless networks), and other applications. In multiple fields such as Linear Pluggable Optics (LPO), and next-generation data rates (200G per wavelength), CIG continues to shape the future of networking.

Promoting Product Accessibility

With technological innovation as our core driving force, we have focused on AI-powered network solutions, deepened our capabilities in high-speed optical communication modules, AI connectivity, and intelligent terminal devices, and promoted independent R&D and vertical integration. Through these endeavors, we aim to deliver high-value products and services to global customers, work closely with our partners to build an open and sustainable global ecosystem, and drive the global deployment of our products, enabling high-quality, low-cost, and energy-efficient Internet access for more people in the world.



Expanding Sales Channels

We primarily serve telecom operators and data center operators as our end customers. We have established operational sites in the United States, Japan, and Malaysia to continuously expand our market reach. Our business now covers most of the world's leading telecom operators and communication equipment providers.



Enhancing Affordability

By diversifying its product portfolio and continuously improving product performance, we provide cost-effective products to users worldwide at an affordable price.



Improving Information Accessibility

We offer detailed product introduction, including specifications, features, user guides, and after-sales support, to ensure ease of use and installation of our products by our customers.

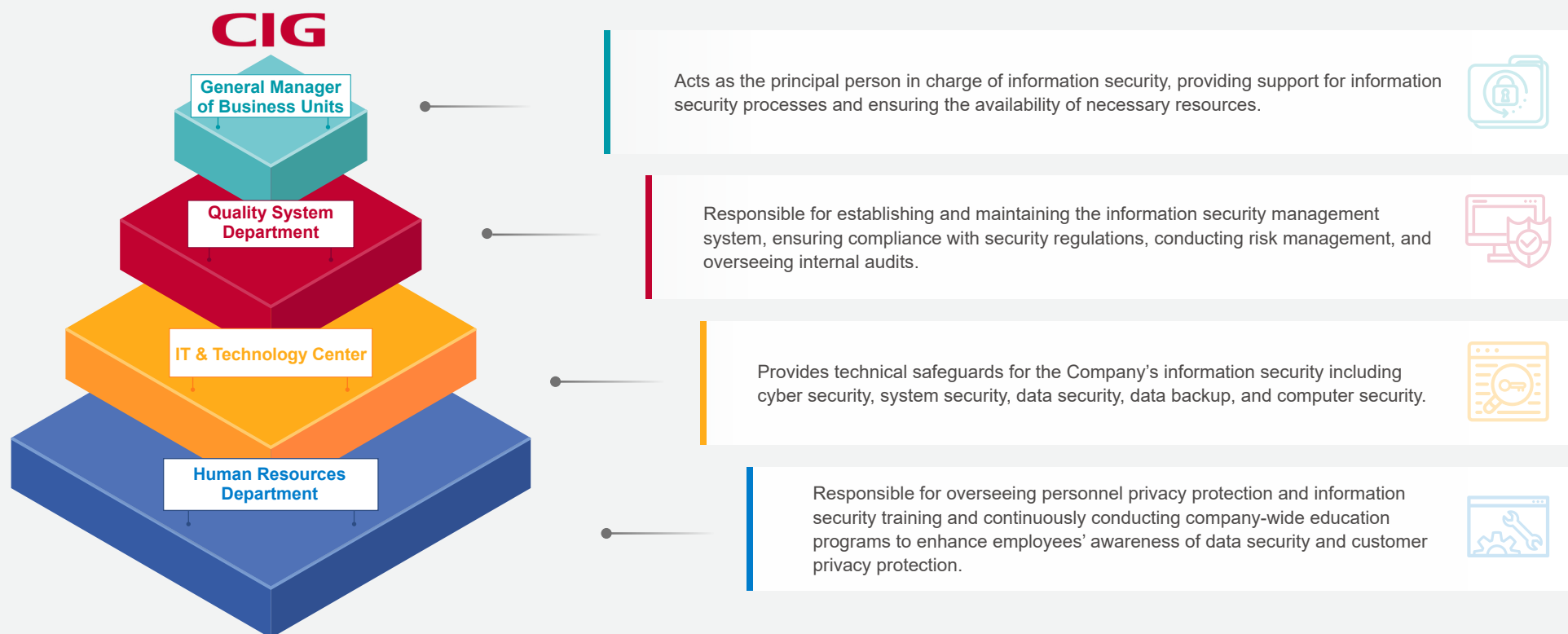
Initiatives to Enhance Product Accessibility



Ensuring Cyber Security

In the digital economy era, data has become the most essential productive factor, elevating the importance of data security to an unprecedented level. In active response to the *Plan for the Overall Layout of Building a Digital China*, CIG has established a multi-layered, comprehensive information security governance framework, committed to fulfilling the strategic imperative of “building a reliable and controllable cyber security barrier” and prioritizing “effectively safeguarding cyber security” and “enhancing data protection capabilities” as key initiatives.

Information Security Governance Framework:



CIG's Information Security Policy

Information security is everyone's responsibility.

Rapid response and proactive prevention are essential.

Customer trust is decisive for our long-term success.



To safeguard information security and ensure data confidentiality, integrity, and availability, CIG continuously enhances its information security management system from both managerial and technical perspectives. The Company has established management principles based on the complete lifecycle of information security, covering five key stages, i.e., creation, storage, processing, transmission, and destruction. At each stage, CIG identifies and assesses risks to data confidentiality, integrity, and availability, develops and implements corresponding technical and managerial measures, and regularly monitors and evaluates the effectiveness of measures and changes in risks to ensure information security.

By defining clear ownership and responsibilities, CIG has developed three essential elements for cyber security protection, i.e., personnel security, policy-based security, and technical security. These elements ensure both device and software security. Moreover, cutting-edge technologies such as data classification and grading, access control, and encryption technology provide support for the stringent enforcement of policies and procedures. Additionally, the Company conducts regular risk assessments and vulnerability remediation in compliance with relevant laws, regulations, and industry standards, to counter evolving threats and protect both user privacy and corporate data assets.



Confidentiality

Make sure that there is no unauthorized disclosure of information and the information is not used by unauthorized individuals, organizations, or computer programs.



Integrity

Protect information from unauthorized modification or destruction.



Availability

Ensure that authorized users and programs can access information in a timely and reliable manner.

CIG's Core Objectives for Information Security



Personnel
Security



- Deploying information security engineers, senior network engineers, senior system engineers, and 24/7 security operation and maintenance monitoring personnel to ensure comprehensive information security.



Policy-based
Security



- Establishing comprehensive information security-related policies such as the *Cybersecurity Management Specification*, the *Information Security Rewards and Penalties*, the *Information Security Management Measures*, and the *Control Procedures for Disaster Recovery and Business Continuity* to strengthen internal information security management and reinforce employee awareness.



Technical
Security



- Deploying cyber security infrastructure, including cyber security topology, firewalls, bastion hosts, and network probes.
- Installing antivirus software platforms, patch management systems, and other cyber security software.
- Conducting comprehensive scans of third-party software and hardware.

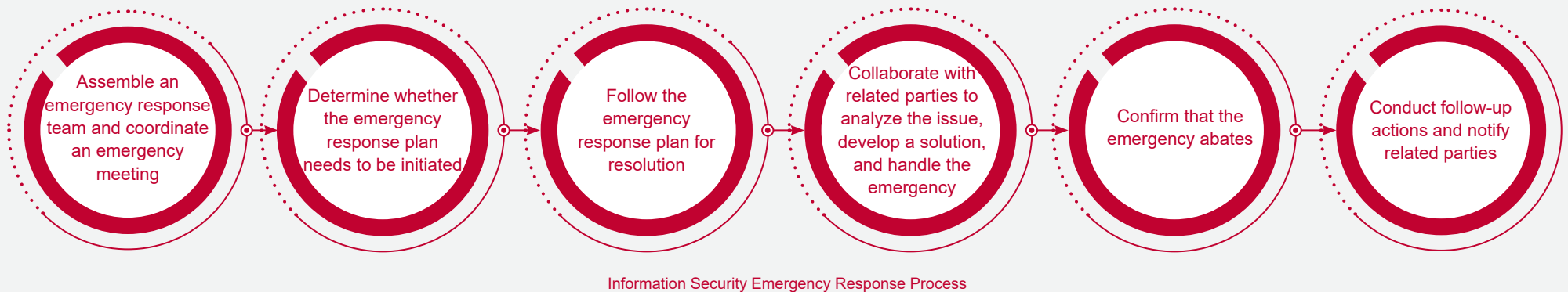
Three Essential Elements for of Cyber Security Protection

Qualification Certificate

As of the end of the reporting period, CIG has successfully obtained the AAA-level Integration of Informatization and Industrialization Management System Certificate and ISO 27001 Information Security Management System certification.



To enhance its ability to respond to unexpected IT system failures, CIG has formulated the *IT Emergency Response Plan*, which outlines emergency response procedures to prevent and minimize losses caused by information security risks to the Company.



Offsite Disaster Recovery Drills to Ensure Information Security

To prevent potential disruptions caused by unforeseen incidents or cyberattacks on information security, CIG regularly backs up data both locally and offsite, adopts security protection measures for offsite disaster recovery, and conducts emergency data recovery drills. In 2024, CIG organized nine emergency restoration drills targeting key data and information, including the Procurement Portal, Sales Portal, SFIS Database, and WMS Database. These drills fully validated the effectiveness of CIG's information security framework and reinforced the Company's cyber security barrier.



Strengthening Technical Capabilities through Employee Training

To safeguard cyber security, CIG organizes irregular IT and information security training. In March 2024, CIG organized dedicated training sessions on the use of the IT system and information security for IT personnel, where common types of cyberattacks, methods of virus transmission, Email and personal information security, and other topics were explained and publicized in detail. Through this training, CIG not only reinforced its internal information security defenses but also enhanced the professional capabilities of IT personnel, further securing the Company's products and services.



Information Security Training

Boosting Industry Development

CIG actively participates in various industry events, fully showcasing its strengths in communication technology and its positive role in driving industry development. Moving forward, CIG will continue to drive technological innovation, strengthen industry collaboration, and contribute further to the advancement of global communication technologies.



Joining the Broadband Forum and Participating in Standards Development

Since joining the Broadband Forum in 2008, we have actively participated in developing industry standards and technological innovations. As a globally leading nonprofit industry organization, the Broadband Forum is dedicated to driving the development of smarter and faster broadband networks, holding significant influence and authority in the telecommunications sector. With deep technical expertise, CIG became one of the first companies to receive BBF.247 certification, further solidifying its leading position in broadband technologies. BBF.247 certification is a key interoperability standard set by the Broadband Forum, which is designed to ensure the interoperability of the ONT Management and Control Interface (OMCI) between Optical Network Terminals (ONTs) and Optical Line Terminals (OLTs) from different manufacturers. This certification plays a crucial role in enhancing the compatibility and interconnectivity of global broadband networks.



Participating in Industry Events to Explore Pathways for Low-Carbon Transition in the Industry

In April 2024, CIG, alongside Actiontec from the United States, attended an industry event hosted by Auray OTIC and Security Lab. The event featured six key topics, with the first focusing on energy consumption, efficiency, and saving testing for Open Radio Access Network (O-RAN) architectures. At the event, CIG showcased the energy efficiency test results of the SC705 O-RU, which passed the independent test verification conducted by Auray Lab. This confirmed that the device can effectively reduce mobile network energy consumption and carbon emissions, which has provided a practical reference for the green and low-carbon transition in the telecommunications industry.



Energy Consumption, Efficiency, and
Saving Testing



Case

Showcasing CIG's Advanced Technologies at the Network X

In October 2024, CIG attended Network X held at the Paris Expo Porte de Versailles, France, showcasing its advanced technologies and products. At the event, CIG's teams from different countries and regions including China, the U.S., and Europe introduced a wide range of ICT products from different product lines and deeply engaged with global customers. Attending Network X gave CIG an opportunity to exhibit its latest technologies and solutions while gaining valuable insights into peer development and latest industry trends.



Network X

Case

Leading Innovation in the Photonics Industry at OFC

The Optical Fiber Communications Conference and Exhibition (OFC), jointly organized by the Optical Society of America (OSA), IEEE Communications Society (IEEE/ComSoc), and IEEE Lasers and Electro-Optics Society (IEEE/LEOS), is the world's premier annual event in the photonics and optical communication industry. In 2024, CIG showcased its meticulously developed high-performance optical module product series at OFC. These innovative products are designed to meet the growing demand for high-capacity, low-cost, and low-power optical modules in data centers and AI computing. By presenting its latest innovations at this prestigious event, CIG reaffirmed its innovation capabilities and leadership in the photonics industry.



OFC

Giving Back to Society with Compassion

At CIG, we firmly believe that corporate social responsibility and business success go hand in hand and our sustainable development is inseparable from our contributions to society. Guided by our core philanthropic principle of “working together to create and share value”, we actively fulfill our social responsibilities and give back to society through public service activities, such as educational support. Meanwhile, we also dedicate ourselves to rural revitalization, with a view to improving education and living conditions in rural areas and promoting social harmony and progress with concrete actions.

Social Welfare and Philanthropy

CIG has established the *Management System for Social Welfare and Philanthropy*, which clearly defines the responsibilities of relevant departments. Through multidimensional public welfare projects in education support, health promotion, and environmental protection, CIG actively addresses social challenges, fosters positive societal impact, and contributes to social harmony and progress.

Senior Management

Defines strategic plans for public welfare and approves major public welfare projects and budgets.

Human Resources and Administration Center

Formulates plans for public welfare projects, recruits and organizes employees to participate in public service activities, and conducts personnel deployment and event management.

Finance Management Center/Cost Management Department

Manages the funds for public welfare projects, including budget approval, expense reimbursement, and financial audits.

Marketing Department

Sorts out materials for public service activities, produces promotional materials, and enhances the Company's public image.

Business Departments

Coordinate with the implementation of public welfare projects and activities based on the plans, such as organizing volunteer services and fundraising donations.

Social Welfare Management Framework and Responsibilities

Educational Assistance and Donations

2024 marks the 9th consecutive year of CIG's “Warm Hearts on Campus, Donations with Love” charity campaign. Over the years, CIG has paid constant attention and provided aid to schools and villages in underprivileged mountainous areas in Gansu, Sichuan, Guangxi, and other regions, continuously donating essential supplies to support underprivileged students in mountainous areas.



Key Performance Indicators (KPIs)

During the reporting period,

CIG invested a total of
RMB **17,000**
in public welfare

With employee volunteer
activities recording a total of
81 participations





Targeted Assistance for Underprivileged Students to Ignite Hope

Upholding social responsibility and humanistic care, CIG launched the “Warmth to Mountainous Areas, Love in Action” charity campaign, from October 2024, the 38-day campaign pooled goodwill and invested RMB 17,020.1 in total. This campaign provided targeted assistance to 52 students at Dahe Nine-Year School in Longxi County, Gansu Province, covering students from kindergarten to ninth grade. During the campaign, CIG specially organized a two-day dedicated donation event, attracting 81 enthusiastic employees who actively participated, embodying a spirit of compassion through their actions. Beyond supplying essential materials, CIG also delivered hope and dreams. The initiative not only underscored the Company’s commitment to giving back to society but also inspired the sense of social responsibility of employees who jointly shaped CIG’s positive and responsible public image. This event served as a bridge of warmth connecting cities and mountainous regions and bringing people closer.



Donation Event at an Impoverished School in Longxi, Gansu



Rural Revitalization

CIG recognizes the critical role of rural revitalization in national development and has incorporated it as a key pillar of its ESG strategy. Through education rejuvenation, improving living conditions, and active engagement of social resources, CIG continues to contribute to the development of rural areas.

Education Rejuvenation

By donating books and school supplies, CIG is committed to enhancing the quality of education for local students and nurturing a group of knowledgeable and skilled talents for rural areas.



Quality of Life for Rural Residents

CIG prioritizes the quality of life for rural residents and ensures better living conditions for teachers and students by donating daily necessities and heating materials.



Demonstration Effect of Social Engagement

CIG organizes public service activities and encourages employees to actively participate in these activities, demonstrating the Company’s exemplary role in rural revitalization. CIG aims to inspire more businesses and individuals to focus on rural development, fostering a positive social atmosphere and mobilizing more resources for this cause.



Areas of Concern for Rural Revitalization

An aerial photograph showing a winding asphalt road with yellow and white lane markings, curving through a dense, lush green forest. To the left of the road, a rocky coastline meets the turquoise ocean, with white waves crashing against the shore. The overall scene is vibrant and natural, emphasizing ecological beauty.

Building a Green Homeland by Promoting Ecological Development

At CIG, we give high priority to ecological development. In this regard, we have established a sound environmental management system, conducted energy-saving transformation projects, strictly monitored pollutant emission indicators, and strengthened resource management and green design. These measures drive our sustainable development and increase our environmental benefits and organizational efficiency at the same time.

Environmental Compliance Management

Climate Change Response

Pollution Emissions Control

Resource Recycling

Environmental Compliance Management

CIG stays committed to a sustainable development strategy. By rationally using energy and resources and minimizing consumption, we aim to pursue harmony between the environment, nature, and society. We rigorously comply with national 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*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*. Based on these laws and regulations, we have established a systematic internal environmental management framework, enhancing the effectiveness of sustainability through standardized and process-oriented management mechanisms.

To strengthen systematic and forward-looking environmental governance, CIG has established an environmental management system in compliance with ISO 14001 standards, with its certification successfully renewed during the reporting period. Based on this effort, we have adopted a “goal–action–verification” closed-loop management approach. Specifically, we set annual environmental targets and specify the target definitions, statistical cycles, and responsible departments of key indicators (e.g., carbon emission intensity reduction, waste recycling rate). Regular performance evaluation mechanisms are also in place to keep track of execution efficiency, thereby ensuring full control over environmental management across the entire process, from strategic planning to on-the-ground implementation.

For new projects and factories, CIG rigorously complies with the *Law of the People's Republic of China on Environmental Impact Appraisal* to conduct life cycle assessments on environmental impacts. This initiative ensures that our projects comply with the red lines for ecological conservation, benchmarks for environmental quality, caps on resource utilization, and ecological environment access lists. Before project commencement, we engage third-party agencies to evaluate the feasibility of the precautionary measures for environmental protection and then submit third-party reports to competent authorities for examination and approval. Upon project completion, we invite third-party agencies for on-site acceptance inspections to ensure compliance with environmental regulations. Additionally, we systematically identify potential environmental risks through environmental impact assessments. For high-risk scenarios such as hazardous chemical leakage or sudden pollution incidents, we have established a multi-tiered *Emergency Response Plan for Environmental Incidents*, outlining emergency response procedures, resource allocation, and role responsibilities. Emergency drills are also conducted to enhance employee preparedness, thereby ensuring that risk prevention capabilities align with business expansion.



ISO 14001 Environmental
Management System
Certification



Chemical Spill Emergency Drill

In September 2024, CIG organized a chemical spill emergency drill to simulate the execution of emergency response plans for potential spills occurring during receiving, inventory checks, and on-site storage. Employees responded swiftly, properly wore personal protective equipment, and methodically executed emergency response procedures, including spill containment and site cleanup. This drill significantly enhanced employees' emergency response capabilities for chemical spill incidents, reinforcing CIG's environmental risk control measures.



Chemical Spill Emergency Drill



CIG actively fosters a green workplace culture, encouraging all employees to adopt low-carbon practices. These initiatives include comprehensively implementing refined water and electricity conservation management, advancing waste sorting, and promoting a paperless office environment. Furthermore, we provide environmental awareness training for all employees, promoting sustainable habits in daily operations to reduce our carbon footprint while enhancing both environmental benefits and organizational efficiency.

Case Environmental Protection Training Sessions to Convey a Vision of Green Development

In 2024, CIG conducted environmental protection training sessions in March, May, August, and December, covering topics such as the RoHS environmental system, the environment and occupational health and safety system, etc. During the training, instructors used theoretical explanations and case analyses to help employees gain a deeper understanding of environmental protection knowledge and CIG's environmental requirements. By the end of the sessions, 100% of participants successfully passed the training assessments. This series of training sessions significantly enhanced employees' awareness of environmental protection, successfully instilled environmental values, and encouraged them to actively implement environmental requirements in their future work, thereby supporting CIG's commitment to green development.



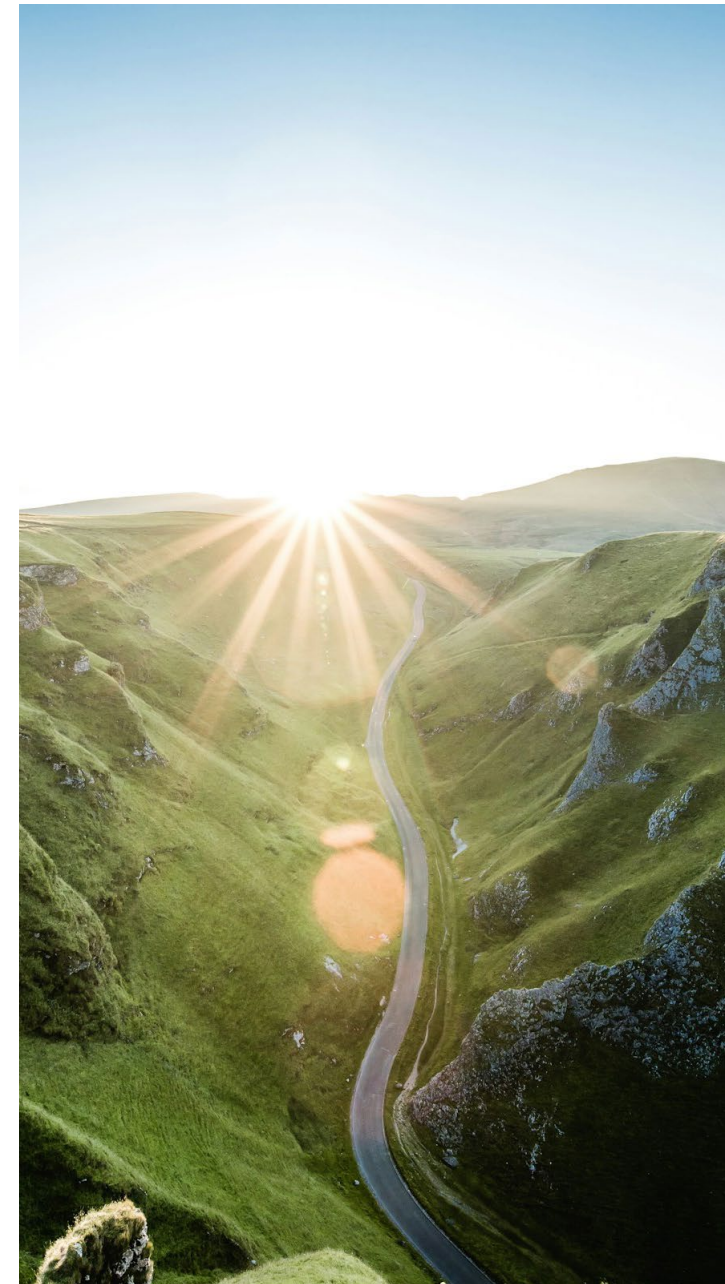
Environmental Protection Training

Case Biodiversity Conservation Training to Enhance Employee Awareness

In December 2024, CIG hosted a biodiversity conservation training session to educate employees on the definition, significance, and current status and challenges of biodiversity, along with practical conservation measures. This training effectively increased employees' understanding of biodiversity and inspired them to contribute to its protection by making eco-conscious choices in both their work and daily lives.



Biodiversity Conservation Training



Climate Change Response

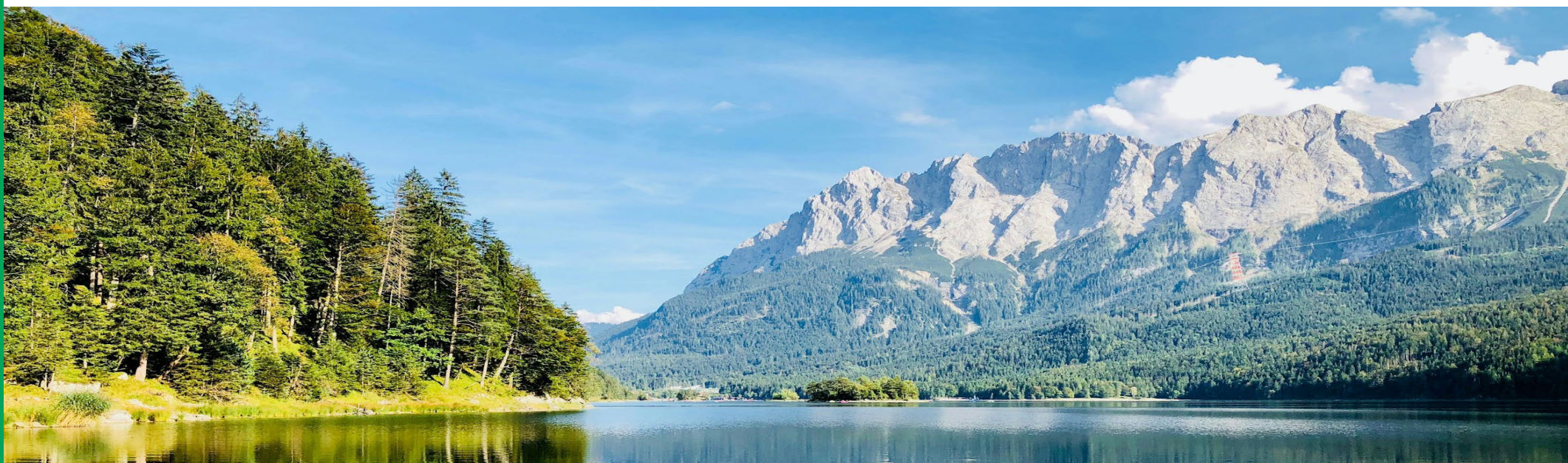
To enhance carbon emission management while better adapting and responding to climate change, CIG has clarified that the Strategy and ESG Leadership Group is responsible for leading the setting of company-wide carbon emission reduction targets, and the Strategy and ESG Working Group is responsible for developing annual carbon emission reduction projects, so as to ensure that annual carbon emissions meet targets. Each department assists in advancing these projects through assessments, implementation, data statistics, summary, and supervision. In the future, we will gradually expand the boundaries of our inventory and plan to complete and disclose to the public the greenhouse gas (GHG) emissions inventory of our other subsidiaries and those covering the upstream and downstream of our supply chain (Scope 3) by 2026.

Key Performance Indicators (KPIs)

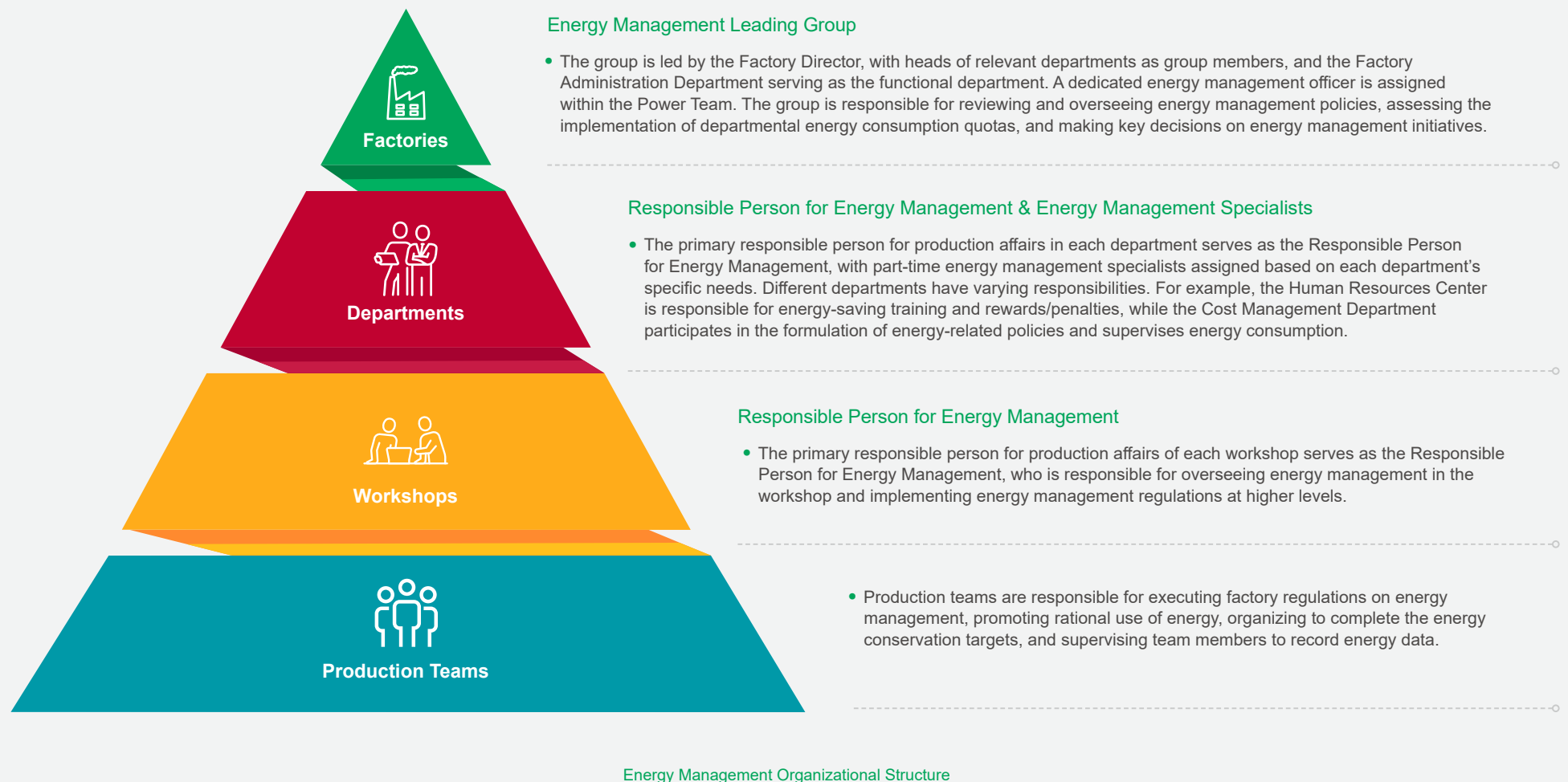
	Unit	2022	2023	2024
Total GHG emissions	Tons of CO ₂ equivalent	10,177.77	8,806.01	10,417.93
-GHG emissions (Scope 1)	Tons of CO ₂ equivalent	1,218.53	931.72	1,060.28
-GHG emissions (Scope 2)	Tons of CO ₂ equivalent	8,959.24	7,874.29	9,357.65

Notes:

- 1) The calculation scope of our GHG emission-related metrics indicators CIG Shanghai Co., Ltd. and CIG Shanghai Co., Ltd. Shanghai Branch.
- 2) The data is calculated based on ISO 14064-1 *Greenhouse gases—Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*.



CIG rigorously complies with relevant national regulations and policies, follows the energy management principles of aligning strict conservation with high efficiency, and has established the *Energy Conservation Management Specification*. A four-tier energy management framework covering factories, departments, workshops, and production teams has been implemented. With a clear division of labor at all levels, this framework strengthens energy management, reduces energy consumption, eliminates waste, and enhances energy efficiency.



Our primary energy consumption arises from power consumption by machinery and equipment in our production. The table below presents data on our energy consumption:

	Unit	2022	2023	2024
Electricity consumption	kWh	16,696,300	14,674,400	17,438,776.81
- Headquarters	kWh	887,600	964,400	1,079,700
- Factories	kWh	15,808,700	13,710,000	16,359,076.81
Diesel consumption	Liters	2,748	2,174	3,168



Data Tracking

Records for energy-consuming equipment, high-energy-consuming equipment uptime, and energy-saving technical transformation measures are established. Energy consumption data are analyzed on a monthly basis and reported to relevant departments. Each department formulates improvement measures and tracks their implementation based on policies.



Employee Awareness

All employees are encouraged to enhance electricity-saving awareness and comply with energy-saving regulations. Energy conservation reward and penalty policies are established, and instances of energy waste are collected and reported.



Daily Management

Production and manufacturing areas: Power consumption targets for manufacturing processes are set, production scheduling is optimized, and the operation times of high-power-consuming equipment are controlled. Equipment maintenance is strengthened to reduce downtime and equipment power should be shut off after production tasks are completed.

Office areas: Electricity-saving policies are regulated, such as setting standard operating hours for electrical appliances and setting air conditioner temperature properly.



Equipment Upgrades

Energy efficiency is enhanced and energy consumption is reduced through the implementation of energy-saving projects, such as LED light replacements and air compressor upgrades.

Case

Warehouse Lighting Energy-Saving Retrofit

In 2024, CIG carried out a lighting energy-saving retrofit project, replacing 87 existing 250W halogen lamps in the factory warehouse with 100W LED lamps, resulting in remarkable energy-saving effects. Calculations show that this upgrade can save 112,752 kWh of energy annually, effectively reducing energy consumption. Additionally, LED lamps have a simpler structure and higher stability, lowering the costs of maintenance materials and labor while also reducing fire risks. This initiative successfully achieved multidimensional benefits in energy saving, cost reduction, and safety guarantee.

This upgrade can save

112,752 kWh
of energy annually

Case

Air Compressor System Energy Efficiency Improvement

In 2024, CIG optimized the factory's air compressor system to enhance energy efficiency. Previously, the factory's compressed air system experienced increased overall pressure due to improperly configured gas supply pipelines for certain equipment. To address this, CIG implemented an optimization measure by increasing the pipeline diameter. Following the modification, the overall system pressure decreased by 0.1 MPa, resulting in an energy consumption reduction of 4% to 8%, with an average decrease of 6% for the factory. The factory has three 90 kW air compressors, and this modification is expected to save energy by 108,864 kWh annually. Through this retrofit, the efficiency of the air compressor system has been improved and energy consumption has been lowered.

This modification is expected to
save energy by

108,864 kWh annually

Case

SMT Workshop Humidification Solution Upgrade

In 2024, CIG implemented a humidification solution improvement project in its SMT workshop. Due to the absence of a humidification function in the air conditioning units, the workshop humidity failed to meet standards, affecting the production environment. After evaluating existing air conditioning units and the electrode-based humidification solutions of other workshops, CIG adopted a low-energy-consumption two-fluid spray humidification method. The humidification solution was precisely planned based on key data, including outdoor air humidity during dry seasons in Shanghai, workshop area, ceiling height, fresh air volume, number of air cycles, and required temperature and humidity in the workshop. Compared to electrode-based humidification, this upgrade is projected to save 81,520 kWh of energy annually with 2,160 hours of operation per year. The modification resolved the humidity issue in the SMT workshop while achieving energy-saving goals.

This upgrade is projected to save

81,520 kWh
of energy annually

Pollution Emissions Control

CIG rigorously complies with national laws and regulations on environmental protection as well as national emission standards and ensures strict controls over wastewater, exhaust gas, waste, and noise emissions. Our goal is to guarantee compliant discharge of all pollutants, minimize emissions, and reduce negative impacts on the environment and surrounding communities.

We monitor the following indicators to evaluate and manage pollution generated in our production:

Pollutant Emission Objectives

Compliance rate of exhaust gas emission monitoring 100%
Compliance rate of noise emission monitoring 100%
Solid waste recycling rate 100%
Hazardous waste recycling rate 100%

Achievement Status

Achieved 100%

Wastewater management

Domestic sewage, which is our primary wastewater source, is discharged into the municipal sewage pipe network via factory sewage pipelines. We conduct annual third-party testing of discharged domestic sewage on a regular basis to ensure compliance with the tertiary standard specified in DB31/199-2018 *Integrated Wastewater Discharge Standard*.

Exhaust gas management

Exhaust gas generated during our production process is properly collected and treated before discharge. A comprehensive control plan for volatile organic compounds (VOCs) has been implemented to ensure that exhaust gas emissions comply with the concentration requirements in the DB31/933-2015 *Integrated Emission Standard of Air Pollutants*. In 2024, we conducted two rounds of third-party testing on organized exhaust gas emissions, one in the first half of the year and another in the second half, along with one round of third-party monitoring on fugitive exhaust gas emissions. The monitoring results were all qualified and the discharge was up to standard.

Waste management

Both non-hazardous and hazardous solid wastes are generated in our production. Specifically, our hazardous waste mainly includes waste cleaning agents, chemical solvent containers, discarded circuit boards, soldering flux, etc. All hazardous waste is centrally collected and managed, with storage facilities designed to prevent leakage, rainwater, and loss. The designated storage area is equipped with explosion-proof facilities and clear warning labels, and dedicated personnel is responsible for maintaining detailed records of waste entry and exit logs. A hazardous waste management plan is formulated annually and submitted to local regulatory authorities for filing, and qualified third-party agencies are commissioned for regular waste collection and disposal. All hazardous waste disposal records are retained for at least five years. For non-hazardous waste, we entrust qualified recyclers for collection and disposal, with details reported to the environmental regulatory body via an online filing system.

Noise management

Noise may be generated during the operation of production equipment. We have adopted soundproofing and vibration-damping measures and installed soundproof doors and windows in our factories to minimize the noise level generated by machinery and equipment and reduce the impact of noise. In 2024, we conducted third-party monitoring of daytime and nighttime noise emissions once per quarter. The monitoring results were all qualified and the discharge was up to standard.

Key Performance Indicators (KPIs)

	Unit	2022	2023	2024
Total exhaust gas emissions	10,000 cubic meters	38,414.7	40,105.35	56,314.8
Total domestic wastewater discharge	Cubic meters	27,263	14,787	19,438.2
Total waste generation	Tons	170.9	105.557	93.829

Resource Recycling

CIG is committed to strengthening water resource management, strictly controlling hazardous substances, and adopting recyclable packaging materials to promote green product design and achieve resource recycling.

Water Resource Management

As a labor-intensive enterprise, CIG mainly consumes water in the daily lives of employees. To implement effective water resource management, CIG has adopted the following measures:

Equipment Maintenance

Water pipes and faucets are regularly inspected and repaired. Each department shall promptly report any damaged or leaking pipelines and faucets for repair, ensuring the elimination of water wastage caused by running, overflowing, dripping, or leaking.



Employee Awareness

Faucet flow is regulated and water-saving reminders are posted at all water-using points. Employees are encouraged to conserve water and eliminate continuous water flow.



Key Performance Indicators (KPIs)

	Unit	2022	2023	2024
Total water consumption	Cubic meters	3,068.8	1,675.6	2,159.8
- Headquarters	Cubic meters	39.6	32.6	39.2
- Factories	Cubic meters	3,029.2	1,643.0	2,120.6
Total water consumption density	Cubic meters per RMB 10,000	0.008	0.005	0.006
Total water discharge	Cubic meters	27,619.2	15,080.4	19,438.2
- Headquarters	Cubic meters	356.4	293.4	352.8
- Factories	Cubic meters	27,262.8	14,787.0	19,085.4

Green Product Design

As the green development concept is gaining widespread recognition, green design has become not only a necessary choice to meet customer demands but also a strategic initiative for sustainable and high-quality development of enterprises. In response, CIG actively explores environmentally friendly product design solutions in compliance with environmental laws, regulations, industry standards, and stakeholder requirements of different regions, continuously increases R&D investments in environmental protection, keeps refining its management of hazardous substances and product energy efficiency, and integrates eco-innovation across all stages from material selection, R&D, and production processes to product use and recycling. These efforts aim to constantly enhance the environmental performance of products and contribute to the green transformation of the industry.



QC 080000 Hazardous Substance Process Management
Certification Obtained by CIG

Green Design Requirements

Hazardous Substances

CIG categorizes all products into three levels (I, II, III), each meeting at least the global regulatory requirements:

Level I: Complies with global regulatory requirements, customer-specific restricted substances, and halogen-free industry standards.

Level II: Meets global regulatory requirements and customer-specific restricted substances, including industry standards, substances with tightened regulations, and regulated substances for wearable products.

Level III: Complies with requirements for prohibited, restricted, and declarable substances specified in global regulations, including RoHS, REACH, the Battery Directive, the Packaging Directive, the WEEE Directive, and Persistent Organic Pollutants (POPs).

Product Material Design

Raw Material Selection:

- 1) We prioritize recyclable and reusable materials such as single-wall corrugated cardboard for packaging.
- 2) For assembled plastic materials, we actively collaborate with customers to eliminate plastic use, such as using Post-Consumer Recycled (PCR) materials in product casing design.

Surface treatment: No painting or coating is applied to packaging materials.

Printing ink: Plant-based ink is used instead of petroleum-based ink, because the latter is non-renewable and emits volatile organic compounds (VOCs).

Plastic use: Single-use plastics are strictly prohibited. Plastic packaging bags are avoided whenever possible; when necessary, they should be made from 100% recyclable materials.

Product Energy Efficiency Design

Hardware design: Hardware design strictly complies with energy efficiency standards of different countries such as COC, ERP, and Energy Star. Power adapters shall meet Level VI energy efficiency standards.

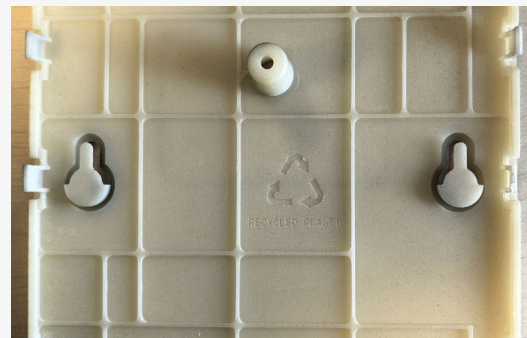
Software design: We optimize software mechanisms reasonably to reduce idle power consumption and improve energy efficiency utilization.

CIG requires suppliers to prioritize recyclable, eco-friendly packaging solutions and strictly regulates excessive packaging. We favor the use of recyclable and reusable packaging materials during production to minimize packaging material waste. During the reporting period, all EPE foam, packaging bags, pallets, protective corners, tapes, stretch films, and blister boxes used by CIG were made from recyclable materials.

Case Green Design for ONTs

In August 2024, as part of an ODM cooperative project with a Nordic customer for XGS-PON ONTs, CIG incorporated green design in the R&D phase to meet the requirements of the customer for recyclable casing and Nordic import tax rebates for eco-friendly products. When designing the product casing, CIG adopted Post-Consumer Recycled (PCR) and halogen-free low-phosphorus materials and also used halogen-free low-phosphorus materials in PCB design. This eco-friendly design effectively reduced hazardous substances, lowered carbon dioxide emissions, and decreased energy consumption, contributing to environmental protection.

Flame retardant PC				
FEATURES		APPLICATIONS		
<ul style="list-style-type: none"> • Halogen-free, UL94 V-0 • Excellent Balanced Properties • Good Flow and Process Properties • Available in Opaque Colors • Contain 70% post-consumer material 		<ul style="list-style-type: none"> • Injection Molding • Household Appliance • Electrical Charger Shell • Telecommunication Equipment • Controller Switch and Lamp-chimney 		
Properties	Test Standard	Test Condition	S.L. Unit	S.L. Typical Value ^{①②}
Mechanical				
Tensile Strength	ASTM D638	50mm/min	MPa	60
Percent Elongation at Break	ASTM D638	50mm/min	%	70
Flexural Strength	ASTM D790	2mm/min	MPa	86
Flexure Modulus	ASTM D790	2mm/min	MPa	2300
Izod Notched Impact Strength	ASTM D256	3.2mm, 23°C	J/m	700
Izod Unnotched Impact Strength	ASTM D4812	3.2mm, 23°C	J/m	NB
Thermal				
Temperature of Deflection Under Load	ASTM D648	0.455MPa, 6.4mm	°C	135
		1.82MPa, 6.4mm	°C	124



Screenshot of UL Yellow Card for the Casing & Recycled Plastic Label on the Casing

Case Energy-Efficient Innovation in Wi-Fi Network Equipment

From 2022 to 2024, CIG made significant advancements in the R&D and applications of Wi-Fi network equipment energy-saving technology. By integrating cutting-edge technology, CIG significantly reduced the energy consumption per unit throughput of network operations. The average power consumption per unit throughput of Wi-Fi access points was successfully lowered from 5.4 W/GB (WF815) to 3.6 W/GB (WF710), saving energy by 33.33%. Additionally, CIG's Wi-Fi cloud controller intelligently detects usage fluctuations, promptly guides devices to the same frequency band, and shuts down idle channels to prevent unnecessary energy consumption. In real-world network testing conducted by a European customer, 84% of the areas operated in high-efficiency energy-saving mode for at least 6 hours per day, while 21% of the areas maintained this mode for 12 hours daily. This energy-saving technology helps small and medium-sized enterprises (SMEs) reduce costs, improve efficiency, and accelerate the transition to a more intelligent, efficient, and eco-friendly future.



Saving energy by

33.33%

Table of Key Performance Indicators (KPIs)

Indicator	Unit	2024
Economy		
Operating revenue	RMB 10,000	365,205.08
Taxes paid	RMB 10,000	5,207.01
Net profit attributable to parent company	RMB 10,000	16,668.12
Governance		
Number of business ethics training sessions	Sessions	1
Total number of directors who attended business ethics training	Persons	7
Percentage of directors who attended business ethics training	%	100
Total number of management personnel who attended business ethics training	Persons	224
Percentage of management personnel who attended business ethics training	%	82.96
Total number of employees who attended business ethics training	Persons	1,084
Percentage of employees who attended business ethics training	%	88.06
Environment		
Total exhaust gas emissions	10,000 cubic meters	56,314.80
Intensity of exhaust gas emissions	10,000 cubic meters/ RMB 10,000	0.1542
Volatile Organic Compounds (VOCs)	kg	474.66
Total domestic wastewater discharge	Cubic meters	19,438.2
Intensity of domestic wastewater discharge	Cubic meters/RMB 10,000	0.0532

Indicator	Unit	2024
Total waste generation	Tons	93.829
Intensity of waste generation	Tons/RMB 10,000	0.00026
Hazardous waste	Tons	5.322
Non-hazardous recyclable waste	Tons	88.507
Water consumption	Cubic meters	2,159.8
Water consumption density	Cubic meters/RMB 10,000	0.006
Total GHG emissions ¹	Tons of CO ₂ equivalent	10,417.93
Intensity of total GHG emissions	Tons of CO ₂ equivalent/ RMB 10,000	0.0285
GHG emissions (Scope 1)	Tons of CO ₂ equivalent	1,060.28
Intensity of GHG emissions (Scope 1)	Tons of CO ₂ equivalent/ RMB 10,000	0.0029
GHG emissions (Scope 2)	Tons of CO ₂ equivalent	9,357.65
Intensity of GHG emissions (Scope 2)	Tons of CO ₂ equivalent/ RMB 10,000	0.0256
Society		
R&D investment	RMB 10,000	40,857.50
Total R&D personnel	Persons	630
Total employees	Persons	1,231
Male	Persons	804
Female	Persons	427

¹ The calculation scope of our GHG emission-related indicators includes CIG Shanghai Co., Ltd. and CIG Shanghai Co., Ltd. Shanghai Branch. The data is calculated based on ISO 14064-1 *Greenhouse gases—Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*.

Indicator	Unit	2024
Employees under 30	Persons	184
Employees aged 30-50	Persons	948
Employees over 50	Persons	99
Employees below the undergraduate level	Persons	549
Employees with a bachelor's degree	Persons	547
Employees with a master's degree	Persons	124
Employees with a doctoral degree	Persons	11
Full-time employees	Persons	1,214
Part-time employees	Persons	17
Domestic employees	Persons	1,118
Overseas employees	Persons	113
Annual training expenditure	RMB 10,000	24.75
Total training sessions	Sessions	168
Total employees trained	Persons	1,197
Employee training coverage rate	%	97
Total training hours	Hours	12,322
Average training hours per employee	Hours/Person	10.01
Average training hours per senior management employee	Hours/Person	4.68
Average training hours per middle management employee	Hours/Person	8.40
Average training hours per frontline management employee	Hours/Person	3.22
Average training hours per frontline ordinary employee	Hours/Person	12.77
Investment in workplace safety	RMB 10,000	48.13

² All are non-productive workdays.

Indicator	Unit	2024
Workdays lost due to work-related injuries ²	Days	290
Work-related fatalities	Persons	0
Total number of suppliers	Companies	521
Domestic suppliers	Companies	405
Overseas suppliers	Companies	116
Direct suppliers	Companies	141
Indirect suppliers	Companies	380
Percentage of suppliers signing the Supplier Code of Conduct	%	100
Percentage of suppliers signing contracts that include environmental and labor clauses	%	100
Suppliers identified with actual or potential major negative social impacts	Companies	0
Suppliers identified with actual or potential major negative environmental impacts	Companies	0
Customer satisfaction	%	89.88
Customer privacy breach incident	Cases	0
Major customer complaints	Cases	0
Number of valid patents held	Pcs	405
Number of newly authorized patents during the year	Pcs	31
Number of software copyrights held	Pcs	31
Number of new software copyrights added during the year	Pcs	1
Number of trademarks held	Pcs	30
Total investment in public welfare	RMB 10,000	1.7

Index of Indicators

SSE Guidelines Index

Issue Disclosed	Report Section
Climate change response	Climate Change Response
Pollutant emissions	Pollution Emissions Control
Waste disposal	Pollution Emissions Control
Ecosystem and biodiversity protection	Not Applicable. CIG's operational sites are not located within key protected areas, and its production and business activities do not have significant negative impacts on ecosystems and biodiversity.
Environmental compliance management	Environmental Compliance Management
Energy use	Climate Change Response
Water resource management	Resource Recycling
Circular economy	Resource Recycling
Rural revitalization	Giving Back to Society with Compassion
Social contributions	Giving Back to Society with Compassion
Innovation-driven development	R&D Innovation-Driven Development Resource Recycling
Science and technology ethics	Not Applicable. CIG's core business does not involve scientific research, technological development, or other relevant activities in sensitive fields such as life sciences or AI ethics.

Issue Disclosed	Report Section
Supply chain security	Supply Chain Management
Equal treatment of SMEs	Not Applicable. CIG treats small and medium-sized enterprises (SMEs) equally and has no overdue outstanding payments to SMEs.
Product and service safety and quality	Ensuring Product Quality
Data security and client privacy protection	Outstanding Customer Service Driving Digital Connectivity
Employees	Protecting Employees' Rights and Interests Talent Training and Development Employee Healthcare
Due diligence	Strengthened Risk Management and Internal Control
Communication with stakeholders	Sustainability Management
Anti-commercial bribery & anti-corruption	Unwavering Commitment to Business Ethics
Anti-unfair competition	Unwavering Commitment to Business Ethics

GRI content index

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

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Profile
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	The company is issuing its inaugural ESG report with no information restatement.
	2-5 External assurance	Report Verification Statement
	2-6 Activities, value chain and other business relationships	Company Profile
	2-7 Employees	Protecting Employees' Rights and Interests, Table of Key Performance Indicators (KPIs)
	2-9 Governance structure and composition	Efficient Governance Operations
	2-10 Nomination and selection of the highest governance body	Efficient Governance Operations
	2-11 Chair of the highest governance body	Efficient Governance Operations
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Management
	2-13 Delegation of responsibility for managing impacts	Sustainability Management
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Efficient Governance Operations
	2-17 Collective knowledge of the highest governance body	Sustainability Management
	2-19 Remuneration policies	See the annual report
	2-20 Process to determine remuneration	See the annual report
	2-22 Statement on sustainable development strategy	Message from the Chairman
	2-23 Policy commitments	Protecting Employees' Rights and Interests
	2-24 Embedding policy commitments	Strengthened Risk Management and Internal Control, Supply Chain Management
	2-25 Processes to remediate negative impacts	Protecting Employees' Rights and Interests, Unwavering Commitment to Business Ethics
	2-26 Mechanisms for seeking advice and raising concerns	Protecting Employees' Rights and Interests, Unwavering Commitment to Business Ethics
	2-27 Compliance with laws and regulations	Efficient Governance Operations; Environmental Compliance Management
	2-28 Membership associations	Boosting Industry Development
	2-29 Approach to stakeholder engagement	Sustainability Management
	2-30 Collective bargaining agreements	Sustainability Management

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Management
	3-2 List of material topics	Sustainability Management
	3-3 Management of material topics	Strengthened Risk Management and Internal Control
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	See the annual report
	201-2 Financial implications and other risks and opportunities due to climate change	Strengthened Risk Management and Internal Control
	201-4 Financial assistance received from government	See the annual report
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Table of Key Performance Indicators (KPIs)
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Unwavering Commitment to Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	Unwavering Commitment to Business Ethics
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Unwavering Commitment to Business Ethics
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	Strengthened Risk Management and Internal Control
GRI 301: Materials 2016	301-2 Recycled input materials used	Resource Recycling
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate Change Response

GRI STANDARD	DISCLOSURE	LOCATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Resource Recycling
	303-2 Management of water discharge-related impacts	Pollution Emissions Control
	303-4 Water discharge	Resource Recycling
	303-5 Water consumption	Resource Recycling
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Environmental Compliance Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change Response
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change Response
	305-4 GHG emissions intensity	Table of Key Performance Indicators (KPIs)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pollution Emissions Control
	306-2 Management of significant waste-related impacts	Pollution Emissions Control
	306-3 Waste generated	Pollution Emissions Control
	306-5 Waste directed to disposal	Pollution Emissions Control
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Table of Key Performance Indicators (KPIs)
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Healthcare
	401-3 Parental leave	Employee Healthcare

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Healthcare
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Healthcare
	403-3 Occupational health services	Employee Healthcare
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Healthcare
	403-5 Worker training on occupational health and safety	Employee Healthcare
	403-6 Promotion of worker health	Employee Healthcare
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Healthcare
	403-8 Workers covered by an occupational health and safety management system	Employee Healthcare
	403-9 Work-related injuries	Employee Healthcare
	403-10 Work-related ill health	Employee Healthcare
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Training and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Training and Development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Efficient Governance Operations, Protecting Employees' Rights and Interests

GRI STANDARD	DISCLOSURE	LOCATION
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Protecting Employees' Rights and Interests
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Protecting Employees' Rights and Interests, Supply Chain Management
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protecting Employees' Rights and Interests
GRI 414: Supplier Social Assessment 201	414-2 Negative social impacts in the supply chain and actions taken	Table of Key Performance Indicators (KPIs)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Resource Recycling
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No violations associated with health and safety implications of its products and services.
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	No regulatory violations associated with product/service information and labeling.
	417-3 Incidents of non-compliance concerning marketing communications	No violations associated with marketing communications activities.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Outstanding Customer Service

Report Verification Statement



Independent Assurance Statement

Introduction

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

Responsibilities

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

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

Assurance Standard

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

Assurance Objectives

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

Assurance Criteria

The following assessment criteria were used in undertaking the work:

- Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Report (Trial)
- GRI Sustainability Reporting Standards (GRI Standards) of Global Sustainability Standards Board (GSSB)
- Shanghai Stock Exchange's Self-Regulatory Guide for Listed Companies No. 4 - Preparation of Sustainability Report
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology

Our assurance activities and procedures include:

- Inquiring management and those personnel responsible for collecting and aggregating sustainability performance information to understand the management processes, systems, and controls for sustainability performance information.



- Reviewing and assessing the availability, adequacy, and relevance of performance information based on sampling principles.
- Applying analysis program to assess the accuracy of the information available for performance data.
- Collecting and examining the supporting evidence of available performance information to assess the extent to which the relevant evidence and information related to the scope of the assurance in the sustainability report supports and adheres to the AA1000AP AccountAbility Principles.

Limitations

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

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

Conclusions

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

- 2024 ESG Report and performance information of CIG are in adherence to the AA1000AP AccountAbility Principles.
- CIG has implemented processes and system (e.g. human resource management system, procurement and supplier management platform), to collect and aggregate performance information and data related to materiality issues within the reporting boundary, and the company's management practices have also shown that the company conducted dual materiality analysis and evaluation of issues.
- The sustainability-related information and performance disclosed in the report have been assessed and supported by documentary evidence.

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

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

Key stakeholders identified by CIG included governments and regulators, shareholders and investors, customers, employees, suppliers and partners, communities and industries, and the media. Evidence showed that in 2024, the company has conducted internal and external stakeholder questionnaire surveys, covering ESG issues such as innovation-driven, waste management, climate change response, and supply chain security. The results of the survey and analysis could provide a reference for the analysis of materiality issues.

Materiality

Evidence indicated that in 2024, CIG has conducted a dual materiality assessment. The company identified ESG issues with reference to the new guidelines and rating requirements of the Shanghai Stock Exchange and evaluated and ranked the importance of ESG issues from two dimensions: the importance of the impact on the environment, society and economy, and the importance to the company's finances based on the analysis results of the stakeholder questionnaire survey and the opinions of financial experts. The issue matrix chart showed the key issues that are both financially materiality and impact materiality (e.g., data security and customer privacy protection, product and service security and quality, employees, anti-commercial bribery, etc.) during the year. The Corporate Strategy & ESG Committee confirmed the results of the materiality assessment.

Responsiveness

CIG's communication channels with its stakeholders mainly included investor hotlines, customer satisfaction surveys, employee training, complaints and reports, supplier training and audits, industry conferences, community public welfare, etc.

The report disclosed data on key performance indicators (e.g., greenhouse gas emissions (including Scope 1 and 2



emissions), emissions and waste, energy and water resources, employee management, workplace injuries, suppliers, etc.), with historically comparable data on environmental and work-related injury indicators.

Impact

CIG has carried out risk and opportunity analysis of the business industry chain, covering labour and ethics, supply chain, information security, environmental security risk assessment, and combined with compliance management and countermeasures taken to reduce the impact on the value chain. We recommend that CIG further analyse, assess, monitor and manage the impacts, risks and opportunities of identified financial materiality issues (e.g., data security and customer privacy protection, product and service safety and quality, employees, etc.).

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, March 18, 2025





CIG Shanghai Co., Ltd.

Address: 5th Floor , Building 8, 2388 Chenhang Road, Minhang DistrictShanghai, China

Phone: +8621-60904272

Email: investor@cigtech.com