



2023

Jiangsu Zhongtian Technology Co., Ltd.
Environmental, Social and Governance
ESG Report

Connecting Wonderful Life with Optic-Electric Network



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Contents

CONTENTS

About the Report 01

Chairman's Speech 03

01 ESG Overview

2023 Operating Data 05

2023 Honors and Awards 07

02 ESG Management

About ZTT Group 11

ESG Management System 13

Stakeholder Engagement 14

03 Sharing a Green Future

Environmental Protection 19

Tackling Climate Change 21

Energy Management 27

04 Supporting and Caring for Employees

Protection of Employee Rights and Interests 33

Human Capital Development 37

Performance and Compensation Management 39

Occupational Health and Safety

05 Practicing Business for Good

Technological Innovation 43

Product Quality and Client Relationship Management 45

Sustainable Supply Chain 51

Social Welfare 53

Cultural communication

06 Responsibility for Sound Governance

Corporate Governance 57

Compliance Management 62

Information Security 64

Appendix 66

Appendix 1: Independent Assurance Statement

Appendix 2: GRI Sustainability Reporting Standards (GRI Standards 2021)

Appendix 3: Content Index "Shanghai Stock Exchange Self-Regulation Guidelines for Listed Companies No. 1-Standardized Operations" (2023)

Appendix 4: Benchmarking Index United Nations Sustainable Development

This report is for Jiangsu Zhongtian Technology Co., Ltd. to disclose to stakeholders the opportunities and challenges faced by the company and stakeholders in the process of jointly creating value, as well as the efforts made to achieve sustainable development. ZTT Group releases information related to corporate social responsibility in the form of the "Environmental, Social and Governance (ESG) Report". This is the 20th report released by ZTT Group.



Reporting Basis

Reference standards for this report: "Global Reporting Initiative Sustainability Reporting Standards (GRI)", "Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1-Standardized Operations", the Ministry of Ecology and Environment's "Management Measures for the Legal Disclosure of Corporate Environmental Information", etc.

Report Description

Time span: From January 1, 2023 to December 31, 2023. Taking into account the continuity and comparability of the disclosed information, some information contents are appropriately extended forward and backward in terms of disclosure time.

Reporting Scope

The organizational scope of this report is consistent with the scope covered by the company's annual report; There is no restatement of information in this report, and the scope of the reporting period is consistent with the scope of previous reports; Unless otherwise specified, this report describes the performance of economic, environmental, social responsibility, corporate governance and other aspects by Jiangsu Zhongtian Technology Co., Ltd. and its affiliated branches during the reporting period. Relevant typical cases come from the company or these branches.

Title Description

For ease of expression, the terms "ZTT Group", "Zhongtian", "Company", "the Company" and "Enterprise" are used in the report to refer to Jiangsu Zhongtian Technology Co., Ltd.

Reporting Cycle

This report is an annual report, and its reporting cycle is consistent with financial reporting.
·Current release version: Released in April 2024; ·Previous release: Released in April 2023;
·Expected next release: To be released in April 2025.

Data Declaration

The operating data in this report comes from the "2023 Annual Report of Jiangsu Zhongtian Technology Co., Ltd.". The past historical financial data has been audited by an accounting firm. Some historical data have been retrospectively restated based on changes in accounting standards. There are no major changes in data acquisition and calculation methods compared to the report in previous years. If the data in this report are inconsistent with the financial report, the financial report data shall prevail. Unless otherwise stated in the report, all amounts are expressed in RMB.

Reporting Commitments

This report was organized and compiled by the Zhongtian Science and Technology Culture Brand Department, reviewed by relevant senior executives of the company, and reviewed and approved by the company's board of directors. ZTT Group guarantees that the content of the report does not contain any false or misleading statements.

Report Acquisition

This report is available for you to read in electronic form. You can log in to [https:// www.chinaZhongtian.com](https://www.chinaZhongtian.com) to obtain the electronic version of the report.

Chairman's Speech

In 2023, we implemented the "innovation-driven, compliance-driven" business policy, seized the present, planned for the future, and continued to optimize and strengthen our advanced manufacturing business: More than 30 key new technologies and new products passed provincial and ministerial level appraisals and have been continuously transformed into productivity; there were 2 new national specialized, refined, distinctive, and innovative or little giant enterprises, bringing the total to 7; four more national and provincial patent gold, silver and excellence awards were added, bringing the number of two-level award-winning patents to 19; it was awarded as a national-level "green supply chain management enterprise", green factory, and zero-carbon factory.

"Comprehensively canceling restrictions on foreign investment access in the manufacturing sector", China's manufacturing industry is facing the era of global competition in full significance. In response to the requirements of the times for accelerating new industrialization, digitalization, greening, improvement of talent professionalism, and optimization of management ideas, we have selected "consolidating roots, revitalizing innovation, and improving compliance" as ZTT Group's operating guidelines for the new year.

2024 is the first year of ZTT Group's precision manufacturing. From "Precision Manufacturing 1.0" to "Precision Manufacturing 2.0", from qualitative to quantitative, we formulate a three-year quality strategic plan, open the door to the new era of 2.0, and write a new chapter of quality excellence.

2024 is the year of ZTT Group's digital leap forward. Comprehensively launch the special actions of "AI online quality inspection" and equipment "renewal project" to benchmark globally, use foreign materials for domestic purposes, use first-class configurations to cultivate first-class employees, build first-class enterprises, and support reciprocal and open competitiveness.

2024 is the year of deepening ZTT Group's "Three Persistences". Bearing in mind "Adhere to the guidance of differentiated innovation, Adhere to the upward thinking of external circulation, Adhere to values to convince people", using our optoelectronic products to serve the human digital economy and create a better life is Zhongtian's ultimate objective.

In the new year, we must deeply understand and grasp the connotation and characteristics of "new quality productivity", release the vitality of Zhongtian's scientific and technological system through reform, and create better results to repay the expectations of shareholders, society and the government.



ESG Overview

2023 Operating Data

Net assets **34.627** billion RMB
a year-on-year Increase by **10.62%**

Operating income **45.065** billion RMB
a year-on-year Increase by **11.91%**

Including manufacturing revenue **44.22** billion RMB
a year-on-year increase by **18.34%**

Net profit **3.239** billion RMB

R&D expenses **1.898** billion RMB
a year-on-year increase by **15.73%**

Net cash flow from operating activities **4.54** billion RMB

Basic earnings per share **0.913** RMB

Social contribution value per share **2.21** RMB

Total number of employees **14,902** people

Number of R&D personnel **2,715** people

Own **85** subsidiaries

5 overseas factories **44** overseas offices

Publish international standards **11** items

National and industry standards **64** items

Group standards **18** items

Build **2** zero-carbon factories

3 national green factories

1 national green supply chain enterprises



Natural gas consumption **21,336** million m³

Natural gas-carbon emissions **42,600** tons CO₂e

Steam-carbon emissions **42,800** tons CO₂e

Undertake **22** major national, provincial and ministerial level special projects

35 new products and new technologies passed the appraisal

Submit Chinese patent applications **523** pieces

PCT patent applications **22** pieces

Obtained invention patent authorization **232** pieces

Green energy consumption **109,300** MWh

Water consumption **3.4036** million tons

Environmental protection investment **94.3807** million RMB

Social welfare investment **12.5199** million RMB

Save water by taking energy-saving measures **235,300** tons

Average hours of employee training

96.6

2023 Honors and Awards

| Honor/Award Description | Issuing Authority |
|--|--|
| Top 10 World Most Competitive Optical Fiber and Cable Companies | Asia Pacific Optical Communications Committee, Network Telecommunications Information Research Institute |
| Top 10 Most Comprehensively Competitive Enterprises in China's Optical Communications Industry | Asia Pacific Optical Communications Committee, Network Telecommunications Information Research Institute |
| China Optical Communications Best Technology Innovation Award | Asia Pacific Optical Communications Committee, Network Telecommunications Information Research Institute |
| Top 10 Most Competitive Companies in China's Cable Industry | China Wire and Cable Network, Cable Information Research Institute |
| Top 500 Global New Energy Companies | China Energy News |
| Top 500 Chinese Private Enterprises | All-China Federation of Industry and Commerce |
| Green Factory Certification obtained by Many Subsidiaries | Ministry of Industry and Information Technology |
| Green Supply Chain Management Company | Ministry of Industry and Information Technology |
| China Patent Excellence Award | State Intellectual Property Office |
| List of Chinese Enterprises' Carbon Peaking and Carbon Neutrality Initiatives | Southern Weekend China Corporate Social Responsibility Research Center |
| Zero-carbon Factory Certification obtained by Many Subsidiaries | China Energy Conservation Association |
| Listed Company Golden Bull Award | China Securities Journal |
| Excellent Cases of Corporate Integrity Construction Practice in 2023 | China Enterprise Confederation |
| The 9th China Optical Engineering Society Science and Technology Award | China Optical Engineering Society |
| Jiangsu Patent Award | Jiangsu Provincial People's Government |
| Famous brand in Jiangsu Province | Jiangsu Brand Society |
| China Mobile Partner Rural Revitalization Contribution Silver Award | China Mobile Supply Chain Management Center |
| China Mobile's Level-I Centralized Procurement Excellent Supplier in 2022 (Grade A) | China Mobile Supply Chain Management Center |
| Group-level Outstanding Supplier in 2022 | China Telecom |
| Nantong Charity Award | Nantong Municipal People's Government |



ESG Management

ZTT Group attaches great importance to the effective management of environment, society and governance, has established an ESG management system under the responsibility of the board of directors, continues to improve ESG management level and performance, and is responsible for business development, employee rights, safety production, environmental protection and other related performance, ensuring All work has been steadily advanced to help the company achieve sustainable development.

For ZTT Group, participating in the construction of ESG system has become an important issue facing the future. Our mission is "Connecting Wonderful Life with Optic-Electric Network", and we are committed to bringing everyone, every family, and every organization into the beautiful world of Optoelectronic and Grid Connected.



ESG
MANAGEMENT

About ZTT Group

ZTT Group started in optical fiber communications in 1992 and was listed on the Shanghai Stock Exchange in 2002 with stock code 600522. The company complies with the "clean and low-carbon" new economic order and strives to be the main force in the "carbon peaking and carbon neutrality" ultra-long track. It has now formed a specialized, refined, distinctive, and innovative model of specializing in communications, power grids, new energy and oceans with one enterprise and one product, and is ranked among the top 500 Chinese enterprises, a national key high-tech enterprise, a winner of the National Quality Award and the China Grand Awards for Industry. Its main business is "Zhongtian Brand" communication and power transmission products, which have formed nearly a hundred series and thousands of varieties and are used by communication, power operators, energy, ocean and other fields.



Industrial Distribution



Zhongtian Brand Identity



Core Idea

Mission

Connecting Wonderful Life with Optic-Electric Network

Vision

Creating Value for Customers, Employees and the Society

Values

Honorary Quality, Customer Oriented, and Strivers Founded

ESG Management System

The company fully integrates economic, social and environmental issues into its own development strategy and operating activities, explores and establishes a social responsibility committee (CSR) management mechanism, and transforms the company's sustainable development ideas and commitments to stakeholders into specific actions. The company has established an ESG organizational system to clarify the work content and responsibilities at all levels of decision-making, organization, and implementation to ensure the decomposition and implementation of various tasks.



Decision-making Level

Members of the company's board of directors and board of supervisors participate in the review and decision-making of major sustainable development matters, including the formulation of relevant strategies and policies.



Organizational Level

The Corporate Social Responsibility Committee is responsible for coordinating matters related to sustainable development, including coordinating the collection of relevant performance information and conducting dialogue and exchanges with investors.



Implementation Level

The company's functional departments and business departments are responsible for the centralized management of various sustainable development issues, carry out specific social responsibility work and activities, and assist in statistics of social responsibility work status and key performance indicators.

Sustainable economy

Operating income, main business profit, R&D expenses, net profit, and net cash flow in the past five years (unit: 100 million RMB)

| Category/Year | 2023 | 2022 | 2021 | 2020 | 2019 |
|---------------------------|--------|--------|--------|--------|--------|
| Operating Income | 450.65 | 402.71 | 461.63 | 420.82 | 387.67 |
| Profit from main business | 71.27 | 71.88 | 72.59 | 57.21 | 48.66 |
| R&D expenses | 18.98 | 16.40 | 14.68 | 12.17 | 11.04 |
| Net profit | 32.39 | 34.13 | 2.82 | 23.70 | 19.59 |
| Net cash flow | 45.40 | 45.65 | -5.47 | 25.88 | 29.09 |

Notes: In 2021, the company had 100% estimated impairment of assets related to its high-end communications business of 3.619 billion RMB. After deducting income tax factors, the company's 2021 consolidated net profit was reduced by 3.076 billion RMB accordingly.



Stakeholder communication

Stakeholder identification and participation are crucial to ZTT Group's ESG management. By communicating and cooperating with stakeholders, we can understand their concerns and demands in a timely manner, provide important input for organizational decision-making, and help us continuously improve our sustainable development performance. ZTT Group's main stakeholders include shareholders, clients, employees, suppliers, governments, industry organizations, media and communities, etc. By communicating with relevant parties on topics of common concern through emails, phone calls, questionnaires, symposiums, etc., we can better identify risks and opportunities and set scientific and reasonable objectives.

Issues of concern to stakeholders and methods of communication and participation

| Stakeholders | Issues of Concern | Communication and Participation Methods |
|-----------------|---|--|
| Shareholder | <ul style="list-style-type: none"> Corporate Governance Compliance Management | <ul style="list-style-type: none"> Information Disclosure Shareholders' Meeting Investor Hotline SSE E-Interaction |
| Client | <ul style="list-style-type: none"> Product Quality Information Security Client Relationship Management | <ul style="list-style-type: none"> Client Satisfaction Survey Client Visit |

| | | |
|-------------------------------|---|--|
| <p>Employee</p> | <ul style="list-style-type: none"> • Human rights protection • Equality, inclusion and diversity • Fair employment • Employee training and development • Performance and Compensation Management | <ul style="list-style-type: none"> • Occupational health and safety • Employee interviews • Employee questionnaire • Spiritual home activities |
| <p>Supplier</p> | <ul style="list-style-type: none"> • Sustainable supply chain • Procurement policy • Supplier management system • Fair trade • Partnerships | <ul style="list-style-type: none"> • Supplier certification • Supplier conference • Supplier training |
| <p>Government</p> | <ul style="list-style-type: none"> • Tackling climate change • Environmental protection • Comply with laws and regulations • Economic development and employment | <ul style="list-style-type: none"> • Policy communication meeting • Government public consultation |
| <p>Industry organizations</p> | <ul style="list-style-type: none"> • Technological innovation • Energy Management • Contribution to industry development • Industry forum | <ul style="list-style-type: none"> • Standards seminar • Participate in academic/research activities |
| <p>Media</p> | <ul style="list-style-type: none"> • Business and product status • Contribution to the economy and environment • Corporate social responsibility | <ul style="list-style-type: none"> • Press conference • Interview activities • Company website |
| <p>Community</p> | <ul style="list-style-type: none"> • Protect the community environment • Increase community employment • Support public welfare undertakings | <ul style="list-style-type: none"> • Community welfare activities • Service Hotline |

Material issue management

As a company listed on the Shanghai Stock Exchange, the company has long been committed to working together with stakeholders to achieve win-win results and build a sustainable industrial ecosystem with the purpose of enhancing social value. In order to proactively strengthen ESG information disclosure and management, the company focuses on the three major areas of environment, society and governance, comprehensively considers corporate development strategies, industry benchmarking analysis and regulatory requirements, and combines relevant domestic and foreign standards to initially identify potential important issues and conduct stakeholder-related reports. Conduct surveys with all parties to gain an in-depth understanding of the demands and suggestions of all parties, and prioritize them to identify material issues.

In terms of judging the importance of material issues, we comprehensively rank the survey results of multiple stakeholders, and conduct a comprehensive evaluation based on the risk analysis, strategic benchmarking and maturity assessment results of internal experts in relevant fields to determine the vertical and horizontal priorities of material issues.



ZTT Group ESG Material Proposal Matrix



Sharing a Green Future

As the issue of climate change becomes increasingly urgent, a global consensus on green development is accelerating. To accelerate the formation of green and low-carbon production and lifestyle, many organizations, companies, families, and individuals around the world are working hard for the green development of human society.

ZTT Group actively practices the idea of green environmental protection and is the first in the industry to release the Green & Low Carbon Manufacture GLCM Action Plan (GLCM). It aims to achieve complete substitution of green energy by 2030 and hopes to work with all parties to contribute to the sustainable development of the whole society while creating business value for clients.

United Nations Sustainable Development Objectives Benchmarking



SHARING A GREEN FU-

Environmental Protection

The company is committed to reducing the impact on the environment throughout the entire life cycle of product design and manufacturing, and integrating the idea of sustainable development into every aspect. We strictly abide by laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Environmental Protection Tax Law of the People's Republic of China, as well as overseas laws and regulations such as the International Environmental Law, the Environmental Responsibility Directive, and the Industrial Emissions Directive. The relevant environmental laws and regulations in the operating areas include environmental protection into the company's long-term development strategy.

At present, ISO14001 environmental management system certification has covered all product companies and covers all main businesses, including the design of optical fibers, communication optical cables, overhead wires and other related products, environmental management activities and sites related to the production process. According to ISO14001 standard, the company conducts regular external audits on environmental impacts such as compliance with environmental laws, implementation of environmental management policies and risk control measures, and conducts renewal audits every three years.

Case| Appearing at the United Nations Climate Change Conference (COP28)



In December 2023, the 28th United Nations Climate Change Conference (COP28) was held in Dubai, United Arab Emirates. As a representative of China's new energy enterprises, ZTT Group was invited to participate in the event, showing green and low-carbon development ideas and solutions to the world, making corporate contributions to combating global climate change, and gaining the attention of many overseas audiences at the scene.

ZTT Group has developed a complete reporting flow and handling methods for potential environmental risk events, and has formed a risk management flow for environmental emergency events with the cooperation of the emergency command group, on-site disposal group, comprehensive coordination group, logistics support group, and emergency monitoring group.

In terms of environmental pollution risk investigation, the company has formulated an emergency plan for corporate environmental pollution emergencies, and conducts closed-loop tracking of discovered environmental issues through daily inspections of hidden dangers; At the same time, relevant emergency plan drills are carried out regularly, and issues that arise during the drills are continuously improved and optimized.

During the reporting period, our number of environmental emergencies was "0", our three waste (waste water, waste gas, noise) emission testing pass rate was 100%, and our hazardous waste compliance disposal rate was 100%, both of which have achieved environmental management objectives, with no violations of environmental laws and regulations.

Case| Participating in the Biodiversity Environmental Forum



On November 1, 2023, ZTT Group was invited to participate in the 7th Sino-German Environmental Forum. The theme of the forum was "Promoting Green and Sustainable Development-Coordinated Response to Environmental Pollution, Biodiversity Loss and Climate Change", focusing on green exchanges on issues such as sustainable development and biodiversity protection, and jointly address global environmental and climate challenges.



Qualification rate of three wastes emissions

100%



Hazardous waste disposal rate

100%



Environmental emergencies

0

Tackling Climate Change

Continuously promoting green and low-carbon manufacturing is the only way for ZTT Group to achieve sustainable development. ZTT Group adheres to the "sustainable development objectives of four ratios per 10,000 RMB output value" as the guidance and takes the "7 Green" measures as the lever to deepen the implementation of the company's green and low-carbon development strategy and help the company and the country achieve the "carbon peaking and carbon neutrality" objectives.

Guidance

Four ratios per 10,000 RMB output value sustainable development objectives

Lever

"7 Green" measures

Development Strategy

Green and low carbon

Governance

The company's board of directors is responsible for analyzing climate-related risks and opportunities as well as market development trends, and clarifying the company's market positioning and development plans. The company has formulated long-term climate transformation and mid-term and short-term climate development plans, reviewed and improved the integrated management system, managed the company's quality, environment, occupational health and safety management system, ensured the integration of QMS and EHS management, and integrated system requirements into the organization's business flow. The company has established an energy management system and a green manufacturing management team to carry out energy conservation and emission reduction work, and integrate low-carbon management work into all work flows of the company; organize energy-saving and low-carbon training and publicity to improve employees' energy-saving and low-carbon awareness; organize green manufacturing low-carbon analysis meetings every two months to verify the completion of objectives and propose energy-saving and low-carbon actions.

Risk Management

The company has formulated a "Risk and Opportunity Management Procedure" and reviews the "Risk and Opportunity Evaluation and Response Planning Form" every year; identifies long-term, short-term, and medium-term risks based on laws and regulations, markets, reputations, and climate-related risks, and evaluates their financial impact. At the same time, the severity of the risk is determined based on the severity, frequency and risk coefficient matrix, and corresponding measures are formulated.

The company conducts spot checks on the completion of the "Green & Low Carbon Manufacturing GLCM Action Plan" every year. The company aims to reach a peak in carbon dioxide emissions by 2030, reach a non-fossil energy use target of about 20% by 2030, and reduce carbon emission intensity by 60% -65% by 2030. Based on the national low-carbon development requirements, the company not only formulates the GLCM action plan, but also updates laws and regulations related to climate change. In order to improve our greenhouse gas management performance, the company independently identified the requirements of the Nationally Determined Contributions (2015) and formulated a greenhouse gas emission reduction strategy:

Strategy

"Green & Low Carbon Manufacturing GLCM Action Plan"

Spot Check and Acceptance Status

20%

Non-fossil energy

60%-65%

Carbon emission intensity

Greenhouse gas emission reduction strategies

- Promote energy-saving activities to reduce power use, such as replacing old UV curing ovens and LED curing ovens;
- Strengthen equipment maintenance, such as daily maintenance and maintenance of equipment, preventive maintenance, and strengthen compressed air leakage inspection;
- Invest in photovoltaic power generation systems;
- Establish facility energy-saving plans, such as shutting down water and electricity for long periods of time and making full use of natural light;
- Choose low-carbon transportation methods and strong suppliers.

Objectives and Indicators

The company has set climate change-related target indicators. By 2035, carbon emissions was reduced by 35%, and the proportion of green energy will reach 80%. Verification of greenhouse gas scope 1, scope 2 and scope 3 emissions is carried out every year in accordance with the requirements of ISO14064. During the verification process, it is found that the total greenhouse gas emissions are showing a downward trend. We combine energy management requirements and take various energy-saving measures to reduce carbon emissions. For example, carbon reduction was achieved in 2023 through LED curing furnace renovation and barrel waste heat recovery. In addition, product carbon footprint verification is carried out in accordance with the requirements of ISO14067, and a life cycle assessment report is output in accordance with the requirements of ISO14044, providing standard requirements for green design products.

Indicators benchmarking the green and low-carbon manufacturing benchmark year 2020, ZTT Group in 2023

"Comprehensive energy consumption ratio per 10,000 RMB output value" decreased

35.93% ↓

"Carbon emission ratio per 10,000 RMB output value" decreased

37.02% ↓

"Green energy consumption ratio" increases

37.02% ↑

Manufacturing cost ratio per 10,000 RMB output value decreased

27.58% ↓

☑ "Four ratios per 10,000 RMB output value" carbon peaking and carbon neutrality indicators

In 2023, ZTT Group comprehensively carried out carbon verification work, used new technologies, benchmarked new equipment, optimized new processes, dug deep into loss points, precisely controlled emissions, deployed informatization, and strived to create a green and low-carbon manufacturing system. In 2030, the target is to reduce comprehensive energy consumption per 10,000 RMB output value by about 40%, and to reduce carbon emissions per 10,000 RMB output value by about 50%. A total of 2-3 "carbon neutral" parks and 30 "carbon neutral" factories have been built to successfully achieve the objective of "carbon peaking in 2030 and carbon neutrality in 2055".

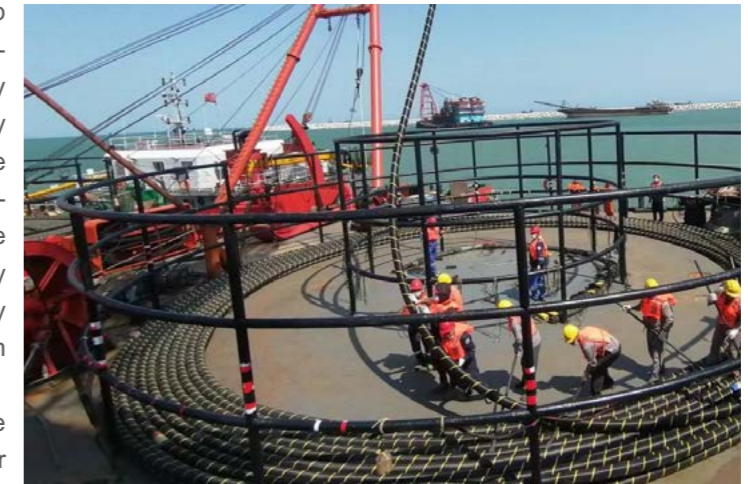
☑ Green design

ZTT Group adheres to the "3R1D" green design idea (Reduce, Reuse, Recycle, Degradable), comprehensively considers all aspects of the product life cycle during the product design stage, focusing on product environmental attributes (removable, recyclable, maintainable, reusable, etc.), take it as a design objective to ensure the function, service life, quality and other requirements of the product while meeting the environmental target requirements, and help green and low-carbon manufacturing to be controlled from the source.

○ Case| Actively promote the application of environmentally friendly submarine cables

During the reporting period, ZTT Group participated in the formulation of industry standards for environmentally friendly submarine cables and led the industry in promoting green design submarine cables. Compared with traditional lead-sheathed submarine cables of the same specifications, environmentally friendly submarine cables reduced power use by 4918.5kw.h/km and reduced 3.5tCO₂e/km emissions.

Relying on new insulation materials, we successfully developed low-carbon fiber optic composite submarine cable products, verifying that the trial products can effectively reduce carbon emissions. The R&D products passed the type test certification of a third-party authoritative organization, and obtained appraisal from the China Electricity Council and the Jiangsu Provincial Department of Industry and Information Technology. "Internationally advanced" appraisal evaluation.



○ Case| 110kV PP cable system production process being energy-saving and recyclable

According to statistics, it takes about 8 days to produce 1km of 110kV cross-linked polyethylene insulated high-voltage cable insulated core with a copper core conductor with a cross-section of 800mm², while it only takes about 1.5 days to produce 1km of 110kV polypropylene insulated high-voltage cable with the same specifications, so the production cycle of the insulation process can be shortened by 80%; Compared with the production of cross-linked polyethylene insulated power cables of the same voltage grade and specifications, the energy consumption can be reduced by about 20%. The production of 1 km of 110kV polypropylene insulated high-voltage cables can lead to reduction of carbon emissions by 4031kg. The products passed the appraisals organized by the China Electricity Council and the China Machinery Industry Federation respectively, and obtained the "internationally leading" appraisal evaluation, and were used as a demonstration in the Pannan 110kV project of Guangdong Power Supply Company.

Green production

ZTT Group uses the "Top Ten" energy-saving technologies as the lever to promote the optimization of manufacturing processes in each factory, benchmark new standards, research new technologies, dig deep into loss points, manage and control energy consumption points, and achieve "energy saving and carbon reduction" from point to point. In 2023, we promoted the application of energy-saving motors, maglev chillers, energy-saving lighting, air compressors, air conditioning systems and other energy-saving technologies; achieved electricity saving of 48.7266 million kilowatt hours per year, saved electricity bills of 34.1086 million RMB per year, and reduced carbon dioxide emissions by 48,500 tons per year.

Save electricity
48.7266
million kWh/year

Save electricity bills
34.1086
million RMB/year

Reduce carbon dioxide emissions
485,00
tons/year

Case| Transformation of maglev chiller to enhance product competitiveness



During the reporting period, focusing on improving equipment performance and efficiency, ZTT Group implemented the upgrade and transformation of maglev chiller equipment, saving more than 40% of comprehensive energy (saving 16 million kilowatt hours/year, equivalent to funds of 11.2 million/year), achieving refrigeration environmental protection, frequency conversion energy saving, control security, with low operation and maintenance costs.

Maglev Chiller Equipment Upgrade and transformation

Comprehensive energy saving
40 %

Save electricity
16 million kWh/year

Green life

The main water used by ZTT Group involves office and domestic water, canteen water, and production process water. In 2023, through the identification and control of key water-using units and the introduction of new water-saving technologies, efficient recycling of water supply was achieved, with annual water savings of approximately 235,300 tons/year. Two subsidiaries, ZTT Group Advanced Materials Co., Ltd. and Jiangdong Electronic Materials Co., Ltd., have successfully built themselves into water-saving enterprises.

Green office

ZTT Group actively promotes the application of energy-saving lighting and supports the construction of typical green scenes such as green life, green office, green manufacturing, and green factory in the park. Among them, energy-saving lighting technology is widely used, with a total of 15,905 units (lights) promoted, saving up to 1.8549 million kilowatt hours per year.

Green manufacturing

- Production workshop
- Testing laboratory
- Outdoor working area

Green factory area

- Street light
- Carport

Green Life

- Dormitory
- Canteen
- Activity venue

Green office

- Office
- Corridor
- Underground garage

Energy Management

The investment and use of renewable energy is the definite direction of global energy development and energy transformation. ZTT Group has a complete industrial chain of "photovoltaics, energy storage, and hydrogen energy", tailor-made all-round green energy solutions for clients, and promote the development of green and clean energy. In 2023, ZTT Group was listed among the "Top 500 Global New Energy Companies".



The total capacity of self-built power stations is approximately **400 MWp**

The annual power generation reaches **432.9169 million kWh**

CO2 emission reduction **432,000 tons**

PV (photovoltaic power)

ZTT Group is a professional integrator that provides one-stop services for photovoltaic power station construction. Its services cover distributed power stations for purposes such as household, industrial and commercial roofs, carports, etc. It also has accumulated rich experience in large-scale ground power stations such as fishery-photovoltaic complementary and agricultural-photovoltaic complementary, actively explored the "photovoltaic +" system, and successfully built various types of photovoltaic power stations such as communication base stations, island, sea surface and other micro-grid systems.

By the end of 2023, the total capacity of ZTT Group's self-built power stations was approximately 400MWp. The planned annual power generation of the power stations reached 432.9169 million kilowatt-hours, achieving a reduction of 432,000 tons of carbon dioxide emissions, which was equivalent to saving 142,000 tons of standard coal and planting 780,000 acres of trees. At present, ZTT Group has participated in the construction of power stations with a total capacity of over 1.2GW, and continues to contribute to Zhongtian's strength at the national strategic level of carbon peaking and carbon neutrality.

Case|The roof is "draped" in new appearance and transformed into a "small power plant"

In the Zhongtian New Energy Industrial Park, idle spaces such as factory roofs and ground carports are used for installing photovoltaic modules with a capacity of approximately 22MWp. The roof module coverage reaches 100%. The average daily power generation is approximately 66,000 kWh, and the cumulative power generation is approximately 110 million kWh. It achieved a carbon dioxide emission reduction of approximately 11,000 tons, saved approximately 36,000 tons of standard coal, and planted approximately 14,400 trees, playing a key role in energy conservation, emission reduction, and green and low-carbon development of the park.

All power stations in the park are connected to the Zhongtian Photovoltaic Smart Energy Management Platform, using big data to carry out branch-level fine management, combined with digital safety technologies such as AI images and arc monitoring, supplemented by drone inspections, automated cleaning and other automated means to effectively ensure the power station in the park operates efficiently and safely.



Energy storage system

ZTT Group continues to deeply explore the power energy storage and backup power market, continues to exert efforts in domestic and foreign markets, and has repeatedly achieved new performance highs.

The company adheres to market development as the orientation and product R&D as the core, providing clients with customized energy storage system solutions and one-stop project delivery services. In 2023, the new generation MUSE3.0 liquid-cooled energy storage battery system was released, with a voltage grade of 1500V, a single cabin capacity of 5MWh, and a battery temperature difference control level of 2°C, reaching the industry-leading level. The company actively carries out overseas product certification and testing and certification work for the EU's new battery law, accumulating strength to further expand overseas markets.

| | | | |
|--|---|--------------------------------|---------------------------------------|
| | New generation MUSE3.0 liquid cooling type Energy storage battery system | Voltage grade 1500 V | Single cabin capacity 5 MWh |
|--|---|--------------------------------|---------------------------------------|

Case | Assisted in the construction and grid connection of Jiangsu's first shared energy storage project "Fengchu Power Station"

On November 29, 2023, the Jiangsu Fengchu 200MW/400MWh energy storage power station with the participation of ZTT Group in its the construction was officially connected to the grid. This project is currently the largest independent shared energy storage project in Jiangsu Province and will provide local 2,000 Megawatt new energy projects provide supporting support and actively promote green and high-quality economic and social development.



Green hydrogen energy

Nantong is an area that was early involved in the hydrogen energy industry and has a high degree of industrial agglomeration in the country. It is accelerating the "Hydrogen Economy Demonstration City" project, actively participating in the construction of the "Hydrogen Corridor" in the Yangtze River Delta, and exploring the demonstration application of green hydrogen production in eastern coastal cities. In 2023, ZTT Group launched the 35/70MPa hydrogenation station and hydrogenation machine for the first time. This equipment has obtained the explosion-proof certification of the entire machine, TUV international certification, and is compatible with the SAE J2601 international standard rapid hydrogenation machine.

In the future, ZTT Group will continue to deepen the construction of hydrogen production equipment, hydrogenation equipment and hydrogen energy engineering, combined with the needs of renewable energy green hydrogen production and multi-scene refueling applications, and actively explore key technologies such as hydrogen-electric coupling, off-grid/grid-connected hydrogen production, large flow rate and high rate refueling, to become a leader in the hydrogen energy industry.



Case | ZTT Group laid the foundation for high-end hydrogen energy equipment R&D, manufacturing and testing base

On July 19, 2023, the groundbreaking ceremony for ZTT Group's high-end hydrogen energy equipment R&D, manufacturing and testing base was held in Rudong, Jiangsu. As a hydrogen energy equipment supplier and general engineering contractor, ZTT Group, relying on its experience in manufacturing and engineering construction, has currently formed the first phase of achievements in the production and manufacturing of hydrogenation machines and the construction of hydrogenation station projects. With the start of this project, greater production capacity and more product layouts will be formed in the future.



Green power trading



The use of green power is now one of the important means for the country and major enterprises to achieve energy conservation and emission reduction. The use of green power can offset carbon emissions, enhance international competitiveness, overcome carbon barriers, and play an important role in reducing carbon emissions.

In addition to building self-built photovoltaic power stations, green power trading is an essential way to use green power. In 2023, more than ten units of ZTT Group carried out green power transactions and obtained 30.8642 million kWh of green power, purchased 62,107 green certificates, and achieved a carbon emission reduction of 65,400 tons.

ZTT Group has more than ten units carrying out green power transactions

Obtain green power by trading **30.8642** million Kwh Purchase green certificate **62,107** copies

Support and Care for Employees

Employees are the company's most valuable assets and the main force in achieving sustainable development. ZTT Group always respects and protects the legitimate rights and interests of all employees, continuously improves the compensation and benefit system, attaches great importance to talent development and training, and enhances employee happiness.

United Nations Sustainable Development Objectives Benchmarking



SUPPORT AND CARE
FOR EMPLOYEES

Protection of Employee Rights and Interests

ZTT Group has been working hard to improve employees' office and living conditions, comprehensively care for employees' work and life, and give employees more rights and interests based on their own development, so that employees can share development results with the company.



Equality, inclusion and diversity

During the reporting period, the company had a total of 14,902 employees. It was able to comply with relevant national laws and regulations, and there was no use of child labor or forced labor. It held regular employee representative conferences, conducted democratic consultations on major matters to promote communication among employees and enhance the relationship between the company and the company, as well as the mutual trust and interaction between employees, and the labor contract signing rate is 100%.

ZTT Group fully respects the diversity of talents, accommodates and accepts talents of different gender, nationality, race, age, cultural background and educational background, establishes and improves the multi-dimensional staff care mechanism, focuses on cultivating talents in key positions and high-skilled talents, transforms the personalization of talents into the advantages of the organization, and realizes the common growth of individuals and organizations. The company attaches great importance to the power of women and provides equal development opportunities for female employees. Female employees account for 24.1% of the company's total employees, and female executives account for 11.76%.



Benefit care

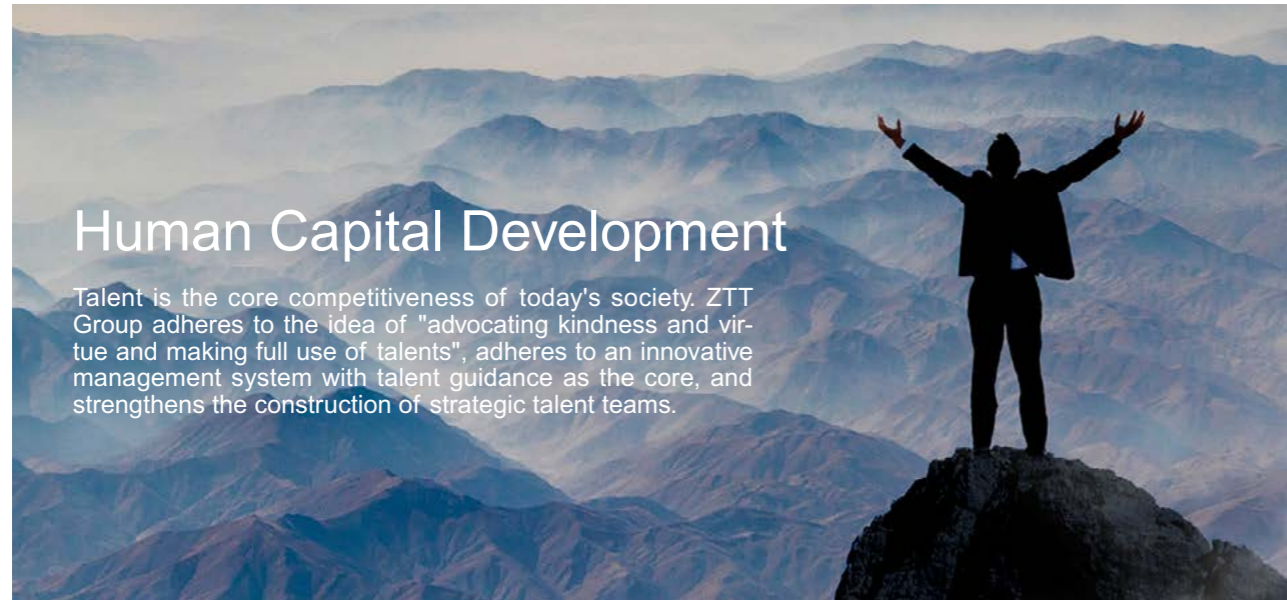
ZTT Group regards employee well-being as an important concern and is committed to establishing a diversified and comprehensive employee benefit system. In the company's "Benefit Management System of Jiangsu Zhongtian Technology Co., Ltd.", statutory paid holidays are included, including sick leave, paid annual leave, marriage leave, maternity leave, etc. In order to protect the rights and interests of female employees, the company strictly implements maternity leave and family planning leave for female employees, nursing leave for male employees, breastfeeding leave for female employees and other specific holidays.

In terms of benefit benefits, the company provides employees with quarterly benefits, holiday gifts, employee birthdays and other benefits, aiming to enhance employees' sense of belonging and happiness.

Love fund

During the reporting period, at the company's initiative, more than 12,000 internal employees participated in charitable donation activities, with a total donation amount of 4.043 million RMB, an increase of 11% year-on-year in 2022. The love fund activities created a harmonious and good atmosphere within the company.

To provide support to employees in need, support employees (family members) in serious illness and emergencies, and to express condolences to employees in need during the Spring Festival and Mid-Autumn Festival, the scope of funding for the Love Fund was further expanded and the funding standards were raised in 2023. The total funding amount for the year was more than 1.492 million RMB, which sent care and help to Hundreds of Zhongtian families.



Human Capital Development

Talent is the core competitiveness of today's society. ZTT Group adheres to the idea of "advocating kindness and virtue and making full use of talents", adheres to an innovative management system with talent guidance as the core, and strengthens the construction of strategic talent teams.

Fair employment

ZTT Group attaches great importance to the introduction of talents, empowers the company's development with talents, establishes a complete recruitment management system, and expands various recruitment channels. In 2023, the company revised and updated the "Jiangsu Zhongtian Technology Co., Ltd. Recruitment Management System" and other institutional documents to introduce outstanding talents at home and abroad in a planned and purposeful manner, strengthen the construction of the talent team, enhance the company's competitiveness in the global market, and match the company's Long-term development and strategic planning.

The company actively carries out various types of collaborative education and industry-university-research cooperation with various universities and scientific research institutes, expands the scale of campus recruitment year by year, and provides strong human resources echelon support to promote the realization of the company's strategic objectives; launches the "Escort" program for college students to guide the transition to the first year of adjustment; selects "high-potential college students talents", implements the new talent policy, provides career development channels, carries out AB corner ladder reserves, and builds an internal supply chain.

The company launches the "Future Star Talent Reserve Plan" to focus on potential new college students and provide funding for college students who have difficulties in life and study. Through the front-end talent training model, it attracts and locks in the core backbone of the future. It also helps to continuously optimize its own talent structure and enhance the company's core competitiveness and development potential.

In 2023, ZTT Group recruited and hired 1,006 college students to provide strong human resources echelon support to promote the realization of the company's strategic objectives.



Future Star Talent Reserve Plan

Employee training and development

In accordance with the development strategy of ZTT Group, we continue to implement the talent cultivation project, conduct training and improve the values and comprehensive professionalism of the employee team, and create a team of high-professionalism industrial workers and managers.

ZTT Group continues to optimize the four major training systems: Starting system, endurance system, voyage system, and navigation system. In addition, training content is set according to personnel levels and different departments. According to different courses, training methods such as lectures, case studies, expansion training, and team training are adopted. 23 training classes are carried out every year. For example, according to the action plan for deepening and improving the digitalization of the manufacturing industry of ZTT Group, we jointly carry out general manager digital training classes and technological innovation system training classes with Nanjing University of Posts and Telecommunications and Nantong University, taking digital transformation as an opportunity to fully tap into digitalization. talents, improving the digital thinking and awareness of managers, and cultivating digital culture. According to the requirements of the chairman of the "National Day Autumn Research Conference", we actively carry out training to improve the values and comprehensive professionalism of the middle and grassroots management teams and improve the training system.



Taking leadership as the lever, we organize practical training classes for new general managers; With cultural integration as the core, we launch training classes for international talents in China. Guided by frontline capabilities, 3 periods of new marketing classes, 3 periods of team leader improvement classes, and 1 period of "power communication" optical cable professional special training class were held. ZTT Group's training is more regular, more down-to-earth, and more effective. Each employee of ZTT Group receives an average of 96.6 hours of training per year.

In addition to conducting training classes, we also pay close attention to the basic skills of employees, start improving blue-collar vocational skills, professional titles of technical personnel, and key academic qualifications, and tap the potential of employee skill development; organize the declaration for wire and cable manufacturing workers (senior workers); organize the first Rudong County Lifting and Loading Machinery Operator (Forklift Driver) and "Zhongtian Cup" Vocational Skills Competition; organize and participate in the 2023 Nantong Veterans Vocational Skills Competition; work with Jiangsu Open University and Yangzhou University to improve academic qualifications; with the purpose of improving the level of technical talent team building, we standardize and strengthen the independent review of intermediate engineer professional titles, and clarify standards and application requirements.





In terms of promoting the career development of talents, ZTT Group promotes and guarantees the master plan for the career development of talents in multiple dimensions and aspects, builds an "H"-shaped development channel, provides an internal talent market and a dual-channel promotion mechanism based on qualification management, and broadens career space.



Performance and Compensation Management

Performance management

The realization of the company's strategic objectives cannot be achieved without the support and dedication of employees, especially Zhongtian strivers. Only by increasing work enthusiasm and encourage all employees to work hard for the company's strategic objectives and ensuring that employees' performance behaviors are consistent with the company's strategic direction can we achieve the company's strategic objectives.

Compensation management

Based on national laws and regulations, ZTT Group has thoroughly implemented the "Strivers Founded" culture and formulated the "Jiangsu Zhongtian Technology Co., Ltd. Job Ranking and Compensation Management Measures" and the "Jiangsu Zhongtian Technology Co., Ltd. Performance Management System" and "Jiangsu Zhongtian Technology Co., Ltd.'s Implementation of Several Incentive Guidance Opinions".

The company strengthens the construction of talent echelon, provides equal career promotion opportunities for all employees, and conducts annual assessments for all employees in a fair and scientific manner; and promote employees according to their assessment results to promote their career development.



Performance management team

The company has established a performance management team, which follows the principles of issue-oriented, objective-oriented, and result-oriented, and establishes an employee performance management system that is reasonable, fair, benefit-sharing, and applicable to each business segment. Performance results are fully related to employee compensation distribution, merit evaluation, employee personal promotion and improvement, job transfer, optimization of performance indicators, and training and development.



Compensation evaluation standards

In terms of compensation, we follow the principle of "determining grades based on post, determining compensation based on grade, and changing compensation based on grade" to ensure that compensation determination and changes are well-founded, fair and just. In terms of incentives, we formulate the evaluation standards for strivers, carry out the evaluation work of strivers, and extend equity incentives to all levels and the entire sequence based on the industry's focus on middle- and senior-level employees.



Incentives

The company adheres to the principle of combining material and non-material, and motivating all employees and strivers. On the basis of the actual operation of the company, we offer "top-level" payment of social security provident funds for employees and provide "genuine" measures to ensure the annual growth of employees' income, so that employees have a sense of gain. and happiness; formulate a series of measures such as entrepreneurship and innovation incentives, merit evaluation incentives, warm and touching character incentives, top ten striver incentives, "Zhang Jian Cup" entrepreneurs, and equity incentives to focus on rewarding existing strivers while encouraging more employees to grow into Zhongtian Striver.

Occupational Health and Safety

Protect occupational health

During the reporting period, ZTT Group actively organized health and safety, first aid training, work-related injury experience and other activities; We held 6 health training activities such as the "Employee Training Base Listing Ceremony and Lectures on Emotion Management and Employee Mental Health", and invited psychological experts to provide stress mental health counseling to personnel at the scene of emergencies.

The company has deployed a professional occupational health and safety management team and established an occupational health and safety management system. The ISO 45001 occupational health and safety management system certification has covered all product companies and implemented full-cycle occupational health management. The company conducts occupational health examinations for personnel exposed to occupational hazards every year, and analyzes and improves based on the results of the physical examinations. During the reporting period, the company completed all occupational physical examinations and re-examinations. A total of 6,336 people participated in the examinations, and 23 "Notices for Persons with Occupational Contraindications" were issued. The number of suspected and confirmed occupational diseases was 0.

Combined with the annual personnel physical examination, in accordance with the occupational health, health detailed management, the physical examination results should be informed to the whole employees by signing, with the implementation of one file management for one person, physical examination ledger sorting over the last three years, daily monitoring of abnormal indicators and sorting and protection of the personnel with abnormal tendency, the health topic and knowledge lectures, Q&A regarding physical examination results, so as to enhance the whole employees of the awareness of self-management of health.

Case| Online grinding dust handling system



During the production process, the company has a process of grinding the welds of iron parts. During the grinding process, a large amount of dust would be produced. This dust is harmful to the health of workers and will affect the surrounding environment if directly discharged into the atmosphere.

In order to protect the environment, improve the air quality in the workshop, and improve the working conditions of employees, an environmental protection equipment company is specially entrusted to collect and purify the dust from grinding iron parts and welds in the production workshop, and reduce the harm to the health of employees through dust collection.



Build a solid line of defense for safe production

ZTT Group strictly implements the Production Safety Law of the People's Republic of China, the Production Safety Regulations of Jiangsu Province and other laws and regulations, established a comprehensive safety management system, formulated 23 basic safety production management systems and flows, and regularly reviewed and continuously updated the management system, continued to improve and improve the safety production management system, and effectively prevented and controlled safety risks.

The company has established a complete safety management organizational structure, clearly and strictly dividing the responsibilities of safety environment management posts, coordinating, coordinating and resolving major issues in the company's safety production, and implementing "one post with two responsibilities", that is, leaders at all levels and departments must not only complete In the business work within the scope of this post, they must also do a good job in safety production within the scope of business responsibilities, ensure that the responsibility for safety production is assigned to a certain person, ensure that everything is managed, safety is emphasized everywhere, the main responsibility for safety production is effectively implemented, and safety production conditions are continuously improved to ensure the occupational health of employees.

At the same time, the company also continues to carry out the supervision on safety and environmental protection as "double random inspection and one disclosure" and special rectification activities for "three violations". "Double random inspection and one disclosure" supervision means randomly selecting internal company inspectors to conduct safety and environmental inspections on randomly selected inspection objects and making the inspection results public in a timely manner. The supervision and inspection measures include the approaches of the "four-non and two-direct" as no notification, no greeting, no listening to reports, no accompanying, direct inspections at the grassroots level and direct on-site inspections, focusing on the implementation of the company's main responsibility for safety production, the company's environmental management and compliance with emission standards, the company's occupational disease prevention and control, the company's fire protection maintenance and the operation of equipment and facilities, and the company's registration, use, inspection of special equipment, the certificates of special equipment operators, the safety of power use, and the "three violations" phenomenon.

During the reporting period, a total of 6,024 potential safety hazards were investigated throughout the company, with a rectification completion rate of 100%. Inspections and review results were recorded on time, and various safeguard measures were effectively implemented to ensure safe production.



Practicing Business for the Good

ZTT Group will engrave the practice of social responsibility into the corporate DNA, combine its own industrial advantages, strive to make technological innovation results benefit everyone, every family, and every organization, and explore and practice business for good.

United Nations Sustainable Development Objectives Benchmarking



PRACTICEING BUSINESS
FOR THE GOOD

Technological innovation

ZTT Group is well aware that R&D and innovation are the source and driving force for an enterprise's everlasting foundation and long-term development. It continuously strengthens original innovation in key core areas, comprehensively improves the comprehensive level of scientific research and intelligent manufacturing, and continues to empower the high-quality development of the industry with high-quality products and services.

During the reporting period, more than 30 key new technologies and new products of ZTT Group passed ministry and provincial appraisals; there are 2 new specialized, refined, distinctive, and innovative enterprises, bringing the total number of Little Giants to 7; four more national and provincial patent gold, silver and excellence awards were added, bringing the total number to 19; ZTT Group participated in the standardization activities of 76 domestic and foreign organizations, led and participated in the formulation and revision of 99 external standards, including 11 international standards, and the number and level of these standards are at the forefront of the industry. The company submitted 523 Chinese patent applications and 22 PCT patent applications, and obtained 232 invention patent authorizations.

As of the end of the reporting period



The company's total patent applications

523 pieces

Authorized invention patent

232 pieces

During the reporting period



Passed ministerial and provincial appraisal of key new technologies and new products

Over **30** pieces

Add specialized, refined, distinctive, and innovative enterprises

2 units

Standardization organization

76 units

External standard formulation and revision

99 items

National and provincial patent awards



4 items

High energy density per unit area

Unit area energy of Energrid N2-3.44MWh system is 232.9KW/m²;
Unit area energy of Energrid N3-5MWh system is 338.5KW/m².



45%
Unit energy density increase

Case| ZTT Group held the 2023 Innovation Conference with the Theme of Seeking Development and Grasping Future



On March 25, 2023, ZTT Group held the 2023 Sustainable Development Innovation Conference. The conference focused on the theme of "Pursuing innovation is seeking development, grasping innovation is grasping the future", commended technological innovation projects, scientific and technological achievements, excellent management method application teams and outstanding talents with outstanding performance in innovation activities, and distributed a total of over 10 million RMB in bonuses, demonstrating continued high emphasis on technological innovation and human resources.



ZTT Group strengthens the overall layout of digital construction, consolidates the digital foundation, empowers the overall situation with data, and strengthens corporate capabilities; builds the industry's first collaboration application for group-level industrial Internet and industry chain, promotes the construction of digital workshops and intelligent factories in a scenario-based manner, and fully realizes the data lake integration of all equipment data from 53 key areas in seven key sections including cloud migration, design, production, procurement, and operations, so

as to create a green data asset system and release the value of data elements.

ZTT Group reshapes intelligent productivity with data middle platform + RPA + OCR, quickly implements descriptive analysis and diagnostic analysis, completes the establishment of 18 industrial field data models such as quality model, production scheduling model, fault diagnosis model, and improves the factory through data models equipment health capabilities, enhances product delivery capabilities, and helps the overall factory achieve near-zero carbon production.

During the reporting period, ZTT Group added 9 new intelligent manufacturing companies (including benchmark factories, intelligent workshops, and intelligent factories), 3 national green factories, 1 national green supply chain, and 6 provincial green factories and 1 factory with level 4 maturity intelligent manufacturing capability.

During the reporting period



Added intelligent manufacturing factory

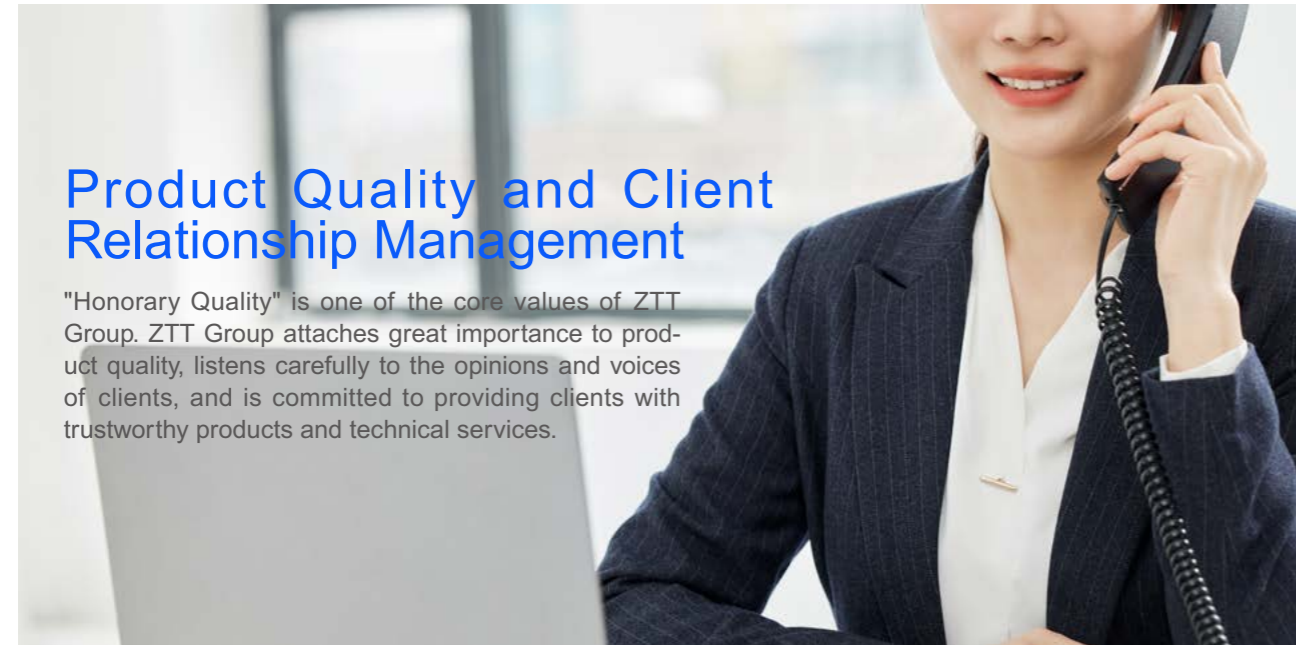
9 units



National green factory

3 units





Product Quality and Client Relationship Management

"Honorary Quality" is one of the core values of ZTT Group. ZTT Group attaches great importance to product quality, listens carefully to the opinions and voices of clients, and is committed to providing clients with trustworthy products and technical services.

Pay attention to client needs and drive quality improvement

ZTT Group has established an information management system for customer needs and expectations, established an "iron triangle" operating system, cultivated a "five-in-one" combat team, created an innovative atmosphere, cultivated innovative capabilities, established innovative mechanisms, and created manufacturing services-oriented, bringing clients a high-quality service experience with continuous breakthroughs in product technology and a more considerate service spirit.

ZTT Group has formulated the "Basic Management Measures for Client Complaint Handling" and established a complaint handling mechanism and platform. Relying on the global marketing network, ZTT Group will respond to customer complaints within 2 hours with a preliminary handling plan. If on-site assistance from factory technicians is needed, personnel will be arranged to arrive at the site within 12 hours for locations within the province, 24 hours for locations outside the province, 48 hours for remote areas, and 72 hours for overseas markets.



Consolidate total quality management

ZTT Group has established a chief quality officer responsibility system, setting up chief quality officers and quality management committees in each product company and factory, with a quality management office and a chief quality officer responsible for implementing the company's quality policy under the leadership of the general manager, to promote the implementation of the company's total quality management.

ZTT Group has passed 15 management system certifications, insists on using internal control indicators for raw materials and production processes that are stricter than customer requirements and standard requirements, builds a 360° all-round quality control system, strictly controls the factory quality of products, and achieves a factory quality pass rate of 100% %, achieve higher product quality and provide customers with the best products.

Case|Carrying out "Quality Shame Day" activities every year



On March 3, 2023, ZTT Group organized various units to carry out the 2023 "Quality Shame Day" series of activities with the theme of "comprehensively promoting the construction of a quality-strong enterprise and striving to build a century-old Zhongtian brand".



As reshaping the awareness that quality is the life of the enterprise, we sign a quality responsibility letter with employees; regularly carry out quality improvement activities such as Lean, QC, and Six Sigma projects to cultivate employees' quality improvement capabilities; continue to promote key projects of "zero defect quality" and gradually achieve the objective of "zero defect quality"; regularly conduct internal audits and flow diagnosis of the total quality management system, identify weak stages and potential quality risks in product life cycle quality management, formulate and implement effective rectification measures, and use total quality management to consolidate product quality.

Sustainable Supply Chain

ZTT Group regards its supplier partners as a "community of destiny", adheres to the cooperation idea of common development, mutual benefit and win-win for both parties, and promotes green procurement, sunshine procurement, and value procurement to serve the company's overall operations. By continuously promoting the improvement and upgrading of suppliers, we form a stable supply chain ecosystem that relies on and supports each other.

Supplier risk review

ZTT Group has formulated the "ZTT Group Supplier Management Measures" to unify and standardize the professional language and system of procurement, publish procurement sourcing, certification, business, execution, performance management and other supplier management systems, and fully ensure the stable and efficient operation of the procurement process through demand integration, product standardization, procurement strategy management, supplier hierarchical management, etc.

In terms of supplier risk review, ZTT Group sets risk assessment items based on procurement amount, material attributes and CSR risk management, comprehensively assesses supplier risks based on historical review records and performance grades, and plans an review plan. At the same time, based on material classification standards, different evaluation models are established to implement differentiated reviews and certifications for new suppliers to evaluate their capability to comply with laws, regulations, product requirements and CSR agreements. In 2023, ZTT Group updated the "Supplier CSR Agreement" and "ZTT Group Supplier Code of Conduct" to clarify red line requirements such as labor standards, health and safety, and environmental protection, and set penalties for violations. In response to client requirements, CSR risk management system requirements such as green procurement and green supply chain have been added.

During the Reporting Period

| | | |
|---------------------------------------|--|---|
| Total number of cooperative suppliers | Number of new suppliers | Signed the ZTT Group Supplier Code of Conduct |
| 2332 | 336 | 100% |
| Suppliers who sign the CSR Agreement | Suppliers who sign a Letter of Commitment Not to Use Conflict Minerals | Supplier Declaration of Conformity |
| 100% | 100% | 100% |

Supplier performance management

ZTT Group conducts supplier performance evaluations on suppliers every year, and the evaluation results are divided into four grades: A (excellent), B (good), C (qualified), D (unqualified), by the end of 2023, we have evaluated more than 2,300 suppliers.

ZTT Group has been improving the "ZTT Group Supplier Management Measures", optimizing the supplier structure, and improving the enterprise's gradient cultivation system. Based on supplier performance, we carry out classified and hierarchical management and implement differentiated incentive policies, among which preferential policies are more inclined to strategic and important suppliers. At the same time, we also closely link the sustainable development performance of suppliers with business cooperation, which is reflected in the stages of supplier selection, bidding and supplier management. For suppliers with excellent performance, we would give priority to increasing the share of cooperation or providing more business cooperation opportunities under the same conditions. For suppliers with poor performance, we require them to make corrections within a time limit, reduce their procurement share, limit business cooperation, or even cancel the partnership.

Supplier capacity building and development

In order to guide suppliers to make continuous progress in sustainable development, ZTT Group holds important events such as partner conferences and brand days every year to strengthen communication and interaction with suppliers. In addition, we regularly provide training and guidance on sustainable development to our suppliers, aiming to improve the overall strength of the entire upstream industry chain and eliminate existing shortcomings. At the same time, ZTT Group also plays a leading role, influencing and driving upstream and downstream enterprises, strengthening collaboration with strategic suppliers, aiming to cultivate a group of enterprises with unique technology, industrial control and ecological leadership, thereby building the industrial ecological chain that integrates upstream and downstream development and solving some of the stuck problems.

Case| Holding a global partner conference to jointly build a good ecosystem for the supply chain



In May 2023, ZTT Group held a global partner conference and invited more than 400 supplier representatives from around the world to participate in the conference. The conference focused on the theme of "green, compliance, excellence, and win-win" and conveyed the company's "Green Procurement, Sunshine Procurement and Value Procurement" purchasing philosophy to suppliers, and commended outstanding suppliers.

ZTT Group will strive to promote the upgrade of procurement management to supply chain management, with the objective of "mutual benefit and win-win cooperation", and deepen the strategic partnership of "co-construction, sharing, and win-win" with suppliers to seek common development and share results, and jointly build a good ecology of the supply chain.



Build a green supply ecosystem

ZTT Group actively promotes the green and sustainable development of the supply chain, pays attention to the green and low-carbon capabilities of upstream and downstream participants, and takes the lead in launching a green and low-carbon supply chain initiative in the industry, clarifies the green procurement organization and path, and cooperates with the upstream and downstream participants to promote the low-carbon transformation of the industrial chain through a series of measures.

ZTT Group has updated and improved the "Green Procurement Guide" and "Green Supplier Evaluation Standards". Suppliers need to incorporate green supply chain management ideas into development strategic planning and clarify green supply chain management objectives. ZTT Group conducts green star evaluations of suppliers based on evaluation standards, and guides and motivates partners to improve their green and low-carbon capabilities around the four aspects of "reduction, cleanliness, greenness, and recycling", and links the suppliers' green manufacturing, management systems, and corporate carbon emission reduction, product carbon emission reduction and other contents to business, and gives corresponding incentives to partners who meet the requirements.

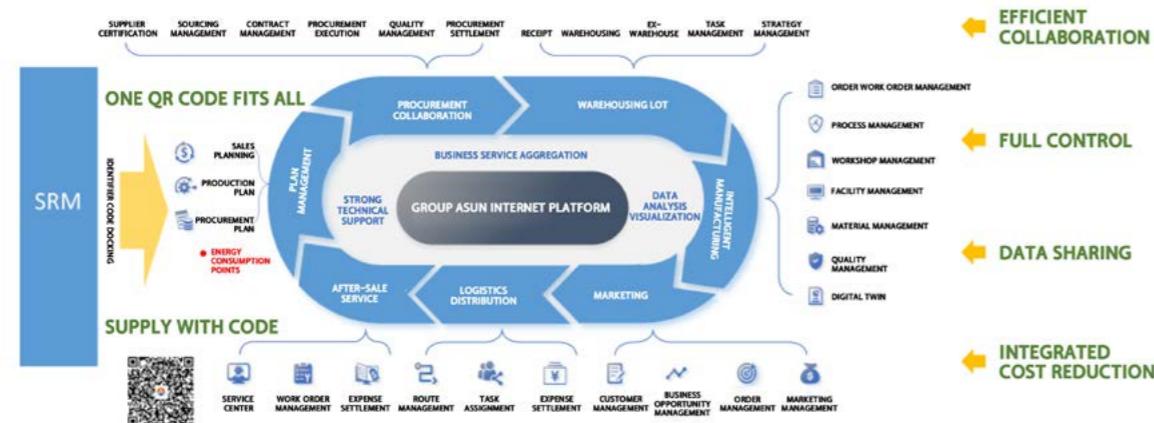
By the end of 2023, more than 600 suppliers have signed the green and low-carbon initiative, 72 companies have completed carbon emission data statistics, and 98 emission reduction projects have been collected. The carbon emission ratio reduction rate per 10,000 RMB output value exceeded 8%, and 19 units were awarded ZTT Group Green Supplier certification. Driven by ZTT Group, 5 companies won the title of national green factory and 11 companies won the title of provincial green factory.

Jointly build a "close and transparent cooperative relationship"

ZTT Group attaches great importance to and continues to create a clean, open and transparent sunshine procurement environment. The compliance management system documents it has established include the "Procurement Compliance Implementation Rules" to clarify the internal control standards and the integrity and integrity that should be followed in all procurement business stages, so as to ensure the implementation of procurement compliance policies. ZTT Group also formulates systems, flows, and standards related to procurement internal control, such as the "Procurement Internal Control Standard Management Regulations" and "Procurement Business Code of Conduct" and other documents.

During the reporting period, ZTT Group continued to implement the business guidelines of striving for compliance. On the one hand, it optimized the internal control mechanism of procurement and improved the informatization level of technical prevention and control; On the other hand, integrity requirements are communicated through various forms such as agreements, on-site communication and training, as well as emails and websites. In this way, it strengthens the rigid constraints of compliance and integrity and lays a solid foundation for close and transparent cooperation between supply and demand parties.

During the reporting period, more than 1,800 internal procurement staff were trained on procurement compliance and integrity, with an average training time of 18.9 hours per person; 845 people from external suppliers.



Digital innovation improves supply chain transparency and efficiency

ZTT Group develops a strategic plan for digital transformation through procurement of digital value-added supply chains to achieve development from Procurement 3.0 to Procurement 4.0.

Based on the SRM supplier relationship collaborative management system, the company integrates key business systems such as ERP enterprise resource planning management system to achieve deep integration of flows and data, fully integrates and connects the entire supply chain business flow, and uses new technologies such as OCR optical character recognition technology, RPA digital robots and BI data visualization analysis to create integrated innovations, so as to achieve optimization of business operation models and efficient collaboration between business units.

Responsible mineral management

ZTT Group commits not to procure or support the use of conflict minerals and will use them as part of supplier certification. The company requires suppliers to strengthen supply chain management and formulate relevant management systems and regulations to ensure the legality of raw material sources and eliminate the use of conflict minerals.

ZTT Group issues a "Letter of Commitment Not to Use Conflict Minerals" to suppliers, and requires suppliers to truthfully fill out and respond to relevant surveys, provide other information, and commit to the authenticity, correctness and completeness of the information provided. For suppliers that violate the requirements of this agreement, ZTT Group would remove and replace it. In 2023, ZTT Group conducted due diligence audits on all suppliers involved in conflict minerals, and signed the "Letter of Commitment Not to Use Conflict Minerals" with all suppliers. No supplier was found to have violated the requirements.



Social Welfare

ZTT Group has always embedded the practice of social responsibility into corporate operations and management, actively participated in philanthropy, and selected environmental protection, educational support, industry development, emergency rescue and disaster relief as the focus of social responsibility, and actively repaid the society. While strengthening and prioritizing the manufacturing industry, we create greater value for clients, employees, and society, and let society share the results of corporate development.

The Company's Public Welfare Support Areas in 2023

| Public Welfare Fields | Significance | Public Welfare Support Initiatives |
|--------------------------|--|---|
| Environmental protection | Build a beautiful community environment and assume regional responsibilities | Donate to Hekou Town every year for environmental protection, or township infrastructure construction, etc. |
| Educational support | Help students realize their dreams and reserve talents for enterprises | Established the "Zhongtian Education Award Fund" in 10 domestic universities |
| Industry development | Enhance industry impact and promote common progress | Assist in hosting the Nantong New Generation Information Technology Expo, Global Optical Fiber and Cable Conference, etc. |
| Social charity | Help people in need and promote common prosperity | Enter the donation activities of Hekou Town Nursing Home, etc. |
| Disaster relief | Help restore infrastructure construction and create a good social image | Emergency rescue communications and power supplies for the heavy rains in Beijing and Hebei, earthquake in Gansu |



Helping in times of crisis

In August 2023, Beijing and Hebei suffered extreme heavy rains, causing severe flooding in some areas. ZTT Group has been maintaining close contact with local operators and State Grid Electric Power Company to learn about the damage to lines in the disaster area and the demand for communication and power repair products. It then urgently arranged dedicated production lines and made surprise deliveries of optical cables, connector boxes, cables and other products, and transported them by special vehicles, as well as provided material support for post-disaster communications and power emergency repairs.

On December 18, 2023, a 6.2-magnitude earthquake occurred in Jishishan County, Linxia Prefecture, Gansu Province. The disaster touched all walks of life. ZTT Group immediately paid attention to the local disaster situation, quickly contacted local operators, understood the demand for communication emergency repair products, urgently allocated goods, and set up a dedicated production line to deliver optical cables, connector boxes and other products unexpectedly to provide material support for communication emergency repairs.



Care about education and award "Zhongtian Scholarship"

For a long time, ZTT Group has been concerned about education in its hometown and has established an "Education Award Fund" in schools in its hometown to promote the development of local education. On September 9, 2023, at the 39th Teachers' Day celebration held by the Rudong County Party Committee and County Government, the Zhongtian Education Award established by ZTT Group was awarded for the second year to contribute to the development of education in the hometown.

During the reporting period, the "Zhongtian Education Award Fund" was established in 3 junior high schools in Rudong and 10 higher education foundations including Xi'an Jiaotong University, Beijing University of Posts and Telecommunications, Chongqing University of Posts and Telecommunications, and Nantong University to reward students with excellent academic performance and support students from poor families.



Actively fulfill overseas social responsibilities

ZTT Group's overseas factories have always followed the principle of "staying local for the good of local" and actively participated in various social welfare activities. In 2023, strong earthquakes occurred in Turkey and Morocco. Factories of Zhongtian DEMIRER KABLO in Turkey and ZTT MAROC SARL AU actively organized and coordinated the collection of scarce supplies. Assist disaster-stricken areas and make every effort to help the affected people tide over the difficulties.

PT ZTT CABLE INDONESIA donated cattle and rice to surrounding villages in the name of employees during Eid al-Adha and Eid al-Fitr; ZTT DO BRASIL LTDA organized employees to celebrate the traditional festival "Harvest Festival" together; INDIA organized employees to celebrate the traditional Indian festival "Holi" together.



Caring for the elderly and sending warmth in winter

During the Spring Festival of 2023, ZTT Group carried out the "Welcome the New Year and Send Warmth"-a donation activity to the nursing home in Hekou Town, Rudong County, where we sent new cotton-padded clothes, cotton trousers and other cold-resistant clothing to the elderly, demonstrating ZTT Group's spirit of great love.



Cultural Communication

Long-term mission, vision, and values are the foundation for a company to become stronger. ZTT Group's values are "Honorary Quality, Customer Oriented, and Strivers Founded". Through cultural communication, we use the creation of environment and atmosphere to unite the concerns, expectations, and actions of all Zhongtian people into values, and converge them into the source of power to realize Zhongtian's "Connecting Wonderful Life with Optic-Electric Network." What the company has done Everything serves and obeys this noble cause.

Spiritual home concentration

ZTT Group is the first in the country to establish the "Spiritual Home Engineer" work system, setting up spiritual home engineers in each subsidiaries and factories. Through the "Knowledge-Belief-Action" model, employees can move from knowledge to recognition, to consciously practice corporate culture, so as to ensure the culture implemented.

During the reporting period, ZTT Group achieved results in resolving difficulties, warming people's hearts, and stabilizing the team through a series of spiritual home efforts; carried out "May Fourth" cultural and sports activities, autumn and winter sports games, etc. to add interest to traditional physical competitions; in celebrating traditional festivals such as the Dragon Boat Festival and Mid-Autumn Festival, its employee participation is expanded and extended to their families, creating a healthy, harmonious, and united family atmosphere.

The company has always placed caring for employees in an important position and encouraged employees to carry forward the fine tradition of unity, friendship, and mutual assistance. "Spiritual Home News" promotes corporate culture in a more popular way, reporting more than 100 typical stories such as "employees who silently work hard on the frontline late at night".

Case| "May Fourth" cultural and sports activities show the style of youth



On May 4, 2023, ZTT Group held the "May Fourth" cultural and sports activities to fully demonstrate the enterprising spirit of ZTT Group employees. ZTT Group employees experienced a variety of cultural and sports activities and enhanced friendship through unity and cooperation.



The company has condensed more clear "four-level" self-development requirements: we provide employees with "five insurances and one fund" at the highest standards; take genuine measures to ensure employee income growth; upgrade our company standards to perform social welfare; and firmly become a green manufacturing technology enterprise that is responsible for the regional economy.

The company continues to optimize the construction of its corporate culture system, and the "Three Orientation" values are deeply rooted in the hearts of the people, which continues to enhance employees' sense of belonging and centripetal force, and promotes the company's steady development to become the consensus and action consciousness of the Zhongtian team.

The collision and integration of multiculturalism

ZTT Group's employees come from various countries and regions around the world. We fully respect the cultural diversity of various countries and encourage mutual exchanges among employees with different cultural backgrounds.

Based on the cultural background and social environment of the host country, overseas factories have adopted a series of measures to enhance cross-cultural collaboration among employees and enhance foreign employees' sense of belonging and happiness. In factories in India and Indonesia, Zhongtian encourages the hiring of female employees and advocates equal employment, and has been named and commended by the local government; In the Brazilian factory, ZTT Group was selected as a star foreign-invested enterprise in Brazil; In the Turkish factory, efforts are made to cultivate foreign talents for key posts and high-skilled talents to achieve mutual growth of individuals and enterprises.



PT ZTT CABLE INDONESIA Celebrating the Spring Festival ZTT MAROC SARL AU's Women's Day Activities

Case| Organizing "International Talent Training Class"



In September 2023, ZTT organized the first session of international talent training program, with 21 foreign employees from 8 countries coming to China to participate in the training. Through activities such as corporate culture introduction, learning exchanges with training units, sharing of Chinese and foreign experiences, and cultural tours, the program aimed to enhance foreign employees' understanding of the company and boost their sense of belonging and pride.



Responsibility for Sound Governance

A good governance system requires that the decision-making mechanism is compliant, professional and effective, thereby safeguarding the long-term interests of all stakeholders.

ZTT Group abides by business ethics and relevant regulations, accepts supervision under an effective and transparent corporate governance framework, and is committed to continuously improving privacy protection and data security capabilities.

United Nations Sustainable Development Objectives Benchmarking



RESPONSIBILITY FOR SOUND GOVERNANCE

Corporate Governance

Strictly complying with the requirements of laws, regulations and relevant regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Governance for Listed Companies, and the Stock Listing Rules of the Shanghai Stock Exchange, and combined with the company's actual situation of operations and development, ZTT Group set up the "three meetings and one level" structure as the shareholders' meeting, the board of directors, the board of supervisors and the management, and formulated the rules of procedure and work system to clarify the responsibilities, permission and work procedures of directors, supervisors and management, and establish a complete modern enterprise system and a sound and standardized corporate governance structure.

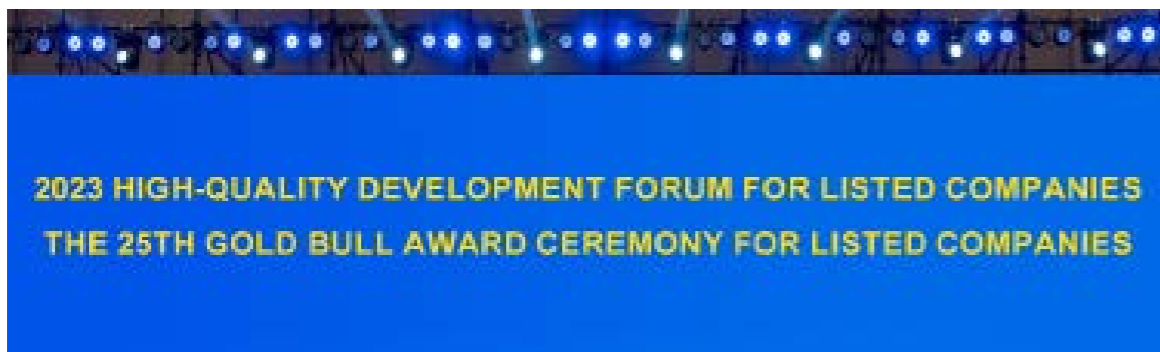
The company's directors, supervisors and executives specialize in finance, economics, law, etc., including senior experts in communications, electric power, ocean and other industries. ZTT Group actively implements the business philosophy and strengthen industrial management and control. Not only does it have strong organizational and management capabilities, leading technology and production capabilities, but also a complete and rigorous risk management and control system, independent and transparent daily operations to ensure the company's safety, stability, health and sustainable development. Women account for 11.76% of the company's directors, supervisors and executives.

During the reporting period, according to the Measures on the Administration of Independent Directors of Listed Companies promulgated by the China Securities Regulatory Commission, the company timely revised and improved the "Jiangsu Zhongtian Technology Co., Ltd.'s Independent Director System", "Jiangsu Zhongtian Technology Co., Ltd.'s External Investment Management System", "Jiangsu Zhongtian Technology Co., Ltd.'s External Guarantee Decision-making System", "Jiangsu Zhongtian Technology Co., Ltd.'s Related Transaction Management System", "Jiangsu Zhongtian Technology Co., Ltd.'s Board of Directors Rules of Procedure", "Jiangsu Zhongtian Technology Co., Ltd.'s Board of Supervisors Rules of Procedure", "ZTT Group Co., Ltd.'s Rules of Procedure for the Special Committee of the Board of Directors" and other institutional rules.

Case| Golden bull award for listed companies announced ZTT Group won three awards

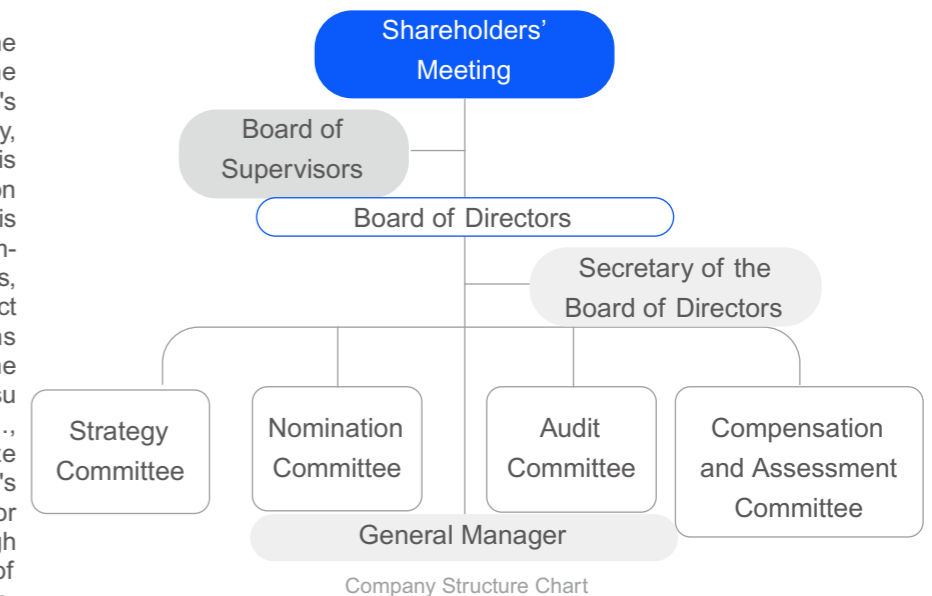


From November 23rd to 24th, the 2023 High-Quality Development Forum of Listed Companies and the 25th Golden Bull Award Ceremony of Listed Companies, and the 2023 Golden Bull Corporate Sustainable Development Forum and the First Guoxin Cup-ESG Golden Bull Award Ceremony were held in Nantong. As a representative of outstanding listed companies, ZTT Group won the Most Investment Value Award and the Top 20 Rural Revitalization Award. Chairman Xue Jiping won the Golden Bull Outstanding Entrepreneur Award.



Shareholders' meeting, board of directors and board of supervisors

The shareholders' meeting is the company's highest authority, the board of directors is the company's business decision-making body, and the operating management is the company's business execution body; The Board of Supervisors is the supervisory body of the company. ZTT Group selects directors, supervisors and executives in strict accordance with the conditions and procedures stipulated in the Articles of Association of Jiangsu Zhongtian Technology Co., Ltd., and makes decisions organize implementation on the company's strategic development and major operational management through stockholders' meetings, board of directors, board of supervisors, etc.



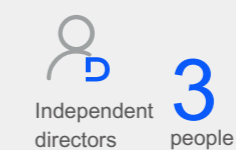
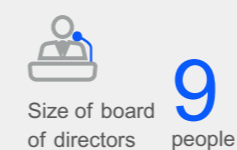
Shareholders' Meeting

The shareholders' meeting is the company's highest authority, the board of directors is the company's business decision-making body, and the operating management is the company's business execution body; The Board of Supervisors is the supervisory body of the company.

Board of Directors

During the reporting period, the company's board of directors consisted of 9 directors, including 3 independent directors. The number and composition of the board of directors complied with the requirements of relevant laws and regulations. Directors of the company can abide by the provisions of relevant laws and the company's articles of association, perform their responsibilities with integrity and diligence, and safeguard the interests of the company; Before the board of directors discusses related transactions, the approval of more than half of the independent directors is required, and related directors abstain from voting.

During the reporting period



Proportion of women among company directors, supervisors and executives



The actual situation of corporate governance complies with the requirements of normative documents on the governance of listed companies issued by the China Securities Regulatory Commission and the Shanghai Stock Exchange.

During the reporting period



The board of directors consists of the Strategy Committee, Audit Committee, Nomination Committee and Compensation and Assessment Committee, with independent directors participating in the special committees.

Strategy Committee

- Organize and carry out research on company strategic issues, and provide reference opinions for the board of directors to make decisions on development strategy, product strategy, technology and innovation strategy, investment strategy and other issues.
- Conduct research and make suggestions on major investment and financing plans that are subject to approval by the shareholders' meeting or the board of directors as stipulated in the Articles of Association.
- Conduct research and make suggestions on major capital operations and asset management projects that are required to be approved by the shareholders' meeting or the board of directors as stipulated in the Articles of Association.
- Conduct a preliminary review of investment projects proposed by the company's management or project proponents, approve the project, and submit it to the board of directors for study after the project feasibility study is completed.
- Conduct research and make suggestions on other major issues affecting the company's development.
- Check the implementation of the above matters.
- Other matters authorized by the board of directors.

Audit Committee

- Supervise and evaluate external audit work, and propose the hiring or replacement of external audit institutions.
- Supervise and evaluate internal audit work, and be responsible for the coordination between internal audit and external audit.
- Review the company's financial information and its disclosures.
- Monitor and evaluate the company's internal controls.
- Responsible for laws and regulations, company articles of association, and other matters authorized by the board of directors.

Nomination Committee

- Make suggestions to the board of directors on the size and composition of the board of directors based on the company's operating activities, asset size and ownership structure.
- Research the selection standards and procedures for directors and executive officers and make suggestions to the board of directors.
- Select qualified directors and executive officers.
- Review and provide opinions on director candidates and senior management candidates.
- Other matters authorized by the board of directors.

Compensation and Assessment Committee

- Study the assessment standards for directors and executives, conduct assessments and make suggestions.
- Research and review compensation policies and plans for directors and senior management.
- Other matters authorized by the board of directors.

Performance evaluation and incentive and restraint mechanisms

The company has established and implemented a system for determining posts and compensation based on posts and a management target assessment responsibility system. The compensation of directors, supervisors, and executives who hold other positions in the company is based on the distribution system formulated within the company, with post-based compensation plus bonus. The compensation system determines the compensation standard based on factors such as duty performance and performance level, and submits it to the board of directors, board of supervisors and shareholders' meeting for review and approval; For directors and supervisors who do not concurrently hold other positions in the company, the company will provide salaries, benefits and allowances based on the standards reviewed and approved by the shareholders' meeting.

The company formulates and implements the "Measures for the Management of Incentive Compensation for Senior Manager" and provides incentives to core technical personnel and business backbones based on annual operating performance. In the assessment of green manufacturing, sustainable development indicators are included in the compensation assessment of relevant executives. The appointment of the company's operating and manager is open and transparent, and complies with relevant laws, regulations and the "Articles of Association of Jiangsu Zhongtian Technology Co., Ltd."

Internal control

Based on the internal control management system established in strict accordance with the requirements of the China Securities Regulatory Commission, the Shanghai Stock Exchange, the "Company Law of the People's Republic of China", the Securities Law of the People's Republic of China and other laws and regulations, as well as the "Articles of Association", ZTT Group strives to improve the rules and regulations system, improve the working mechanism for the formulation, implementation, evaluation and improvement of rules and regulations, strive to promote the rationality of internal control procedures and the efficiency of resource utilization, assist in protecting the safety and integrity of the company's assets, prevent the occurrence of major fraud incidents, supervise and assist management in company's various rules, regulations and relevant policy resolutions being effectively implemented at all levels, thereby improving the efficiency and effectiveness of operations. On the base date of the internal control evaluation report, there were no major deficiencies in the internal control of financial reporting.

Information disclosure

The company strictly complies with the "Stock Listing Rules of the Shanghai Stock Exchange" and the "Jiangsu Zhongtian Technology Co., Ltd. Information Disclosure Management System" and other relevant regulations, designates the company's board secretary and securities affairs representative to be responsible for daily information disclosure work, and designates the "China Securities Journal", "Shanghai Securities News", "Securities Times" and the Shanghai Stock Exchange website are the media for the company's public information disclosure. The company can truly, accurately, completely and timely disclose regular reports and temporary announcements, and do a good job in keeping confidentiality before disclosure, effectively fulfill the information disclosure obligations of listed companies, ensure the openness, fairness and impartiality of information disclosure, and actively protect investors, especially the legitimate rights and interests of small and medium-sized investors.

During the reporting period, ZTT Group carried out information disclosure work in strict accordance with relevant laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Measures for the Administration of Information Disclosure of Listed Companies and other laws and regulations, and issued a total of 73 temporary announcements and 4 regular reports, so that investors can understand the company's operating conditions in a timely and accurate manner through the disclosed information.

During the reporting period



Cumulative temporary announcements issued

73 copies



Regular reports issued

4 copies

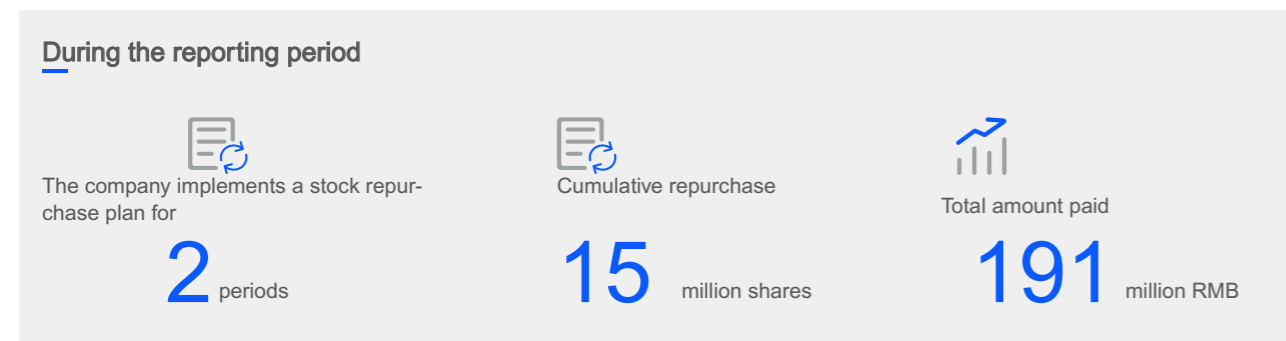
Investor relations management

ZTT Group attaches great importance to investor relations management, has set up an investor consultation hotline, and ensures effective communication with investors through various methods such as Shanghai Stock Exchange e-interaction, the company's investor communication platform, e-mail, and fax.

During the reporting period, the company received visits from a number of industry researchers from securities companies and personnel from funds and other professional investment companies. The board secretary and other executives actively participated in investor exchange activities organized by securities firms and other organizations, and make disclosures of the exchange content minutes.

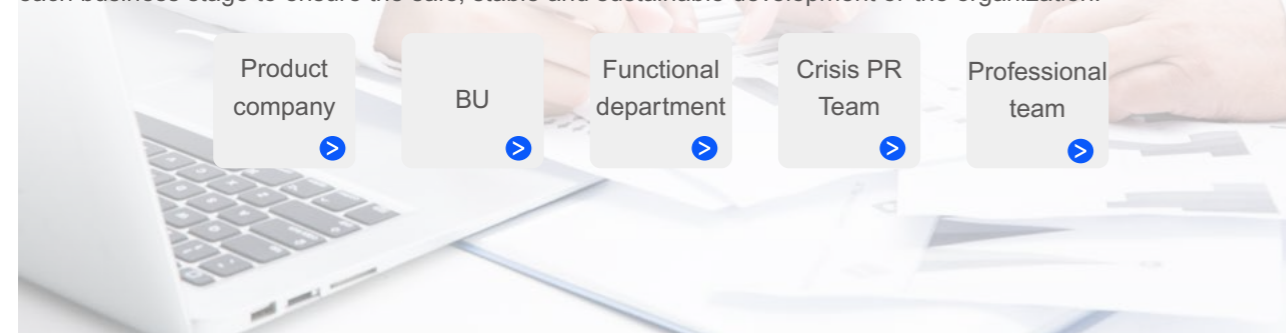
Stock repurchase: During the reporting period, the company implemented a two-phase stock repurchase plan. As of December 31, 2023, a total of 15 million stocks had been repurchased, and the total amount paid was 191 million RMB. The implementation of repurchases helped boost investor confidence.

Shareholder returns and cash dividends: In 2023, according to the "2022 Profit Distribution Plan of Jiangsu Zhongtian Technology Co., Ltd." reviewed and approved by the 2022 Annual General Meeting of stockholders, the company distributed a cash dividend of RMB 1 RMB (tax included) to all stockholders for every 10 stocks, with a total cash dividend of RMB 3.41 billion (including tax).



Organizational risk management

ZTT Group attaches great importance to risk management, and has formulated the "ZTT Group Risk Management Measures" to organize product companies, business units, and functional departments to carry out risk identification for the strategic risks, financial risks, market risks, legal risks, and safety risks involved in the enterprise, formulate control measures, regularly carry out risk self-examination and self-correction activities, and establish a crisis public relations team to deal with emergencies, major accidents and other issues; Risk control indicators are included in the annual assessment indicators, and professional teams are invited to conduct on-site inspections of each business stage to ensure the safe, stable and sustainable development of the organization.



Compliance Management

Adhering to honest operations, adhering to business ethics, and complying with all applicable laws and regulations are the management ideas that ZTT Group has always adhered to. We establish a compliance management system that is in line with industry practice through continuous investment of resources, and insist on implementing end-to-end compliance management into business activities and flows; pay attention to and continue to create a culture of integrity and require every employee to abide by the business code of conduct.

Compliance organizational structure and responsibilities

In accordance with international compliance standards such as the "World Bank Integrity and Compliance Guidelines" and other compliance standards and requirements, ZTT Group continues to improve the compliance management organizational structure, plays a senior leadership role, and forms a compliance management and reporting mechanism as "Compliance Management Committee → Chief Compliance Officer of the Joint Stock Company" Compliance officer → Subsidiary Compliance Leadership Team → Subsidiary Compliance Specialist". We clarify compliance management responsibilities, improve compliance management mechanisms, identify, prevent, supervise, and respond to compliance risks in key stages such as third parties, bidding, contracts, procurement, cash payments, gifts and entertainment, donations and sponsorships in the operation and management process, and prevent and contain corruption, fraud, collusion, coercion and other non-compliance behaviors.

Adhere to the construction of a culture of integrity

ZTT Group complies with all applicable anti-corruption and anti-bribery laws and regulations, eliminates any unfair competition behaviors or activities in all global business activities, and adheres to compliance red lines; provides diversified reporting channels. All employees and partners of the company who discover or suspect violations can report.

(1) Enhance compliance awareness

Employees of ZTT Group must be responsible for society and safeguard the interests of the company, consciously abide by national laws and regulations, and strictly implement the company's compliance systems. The company has formulated the "Internal Control Audit Mechanism", "Internal Control Accountability Mechanism", "Resignation Audit Management Measures" to supervise employees' compliance performance in real time.

They must be honest and abide by the rules, and shall not steal company property or abuse authority granted by the company; shall not engage in any unethical behavior that may lead to the company being suspected of violating the law or that is expressly prohibited.

- Be honest and abide by the rules**

Not steal company property or abuse authority granted by the company. Not engage in any unethical behavior that may lead to the company being suspected of violating the law or that is expressly prohibited.
- Maintain fair competition**

Comply with laws, regulations and compliance requirements, and shall not collude with competitors or jointly participate in behaviors with improper purposes or effects. Insider information must not be used to harm the interests of the company and its subsidiaries for profit.
- Prevent bribery and corruption**

Not offer, promise, authorize, give or accept any form of bribe, commercial or property benefit, cash payment or other gift benefits for the purpose of influencing business behavior or decision-making, obtaining improper benefits or interfering with independent judgment, obtaining or maintaining business opportunities, etc.



Avoid conflicts of interest

Prohibited to arrange for relatives to work in business-related units with conflicts of interest, to work part-time in business-related units of the company or business competitors, or to invest in clients or competitors of the company, etc.



Protect trade secrets

Without permission, you may not publish, discuss in public, disclose to unauthorized persons or institutions, or use the company's or related third-party's business secret information without proper authorization." You may not use the company's business secret information or other information. Information resources for the benefit of oneself or others.



Adhere to ethical standards

Adhere to the highest ethical standards and engage in any form of non-compliance, directly or indirectly, at any time in all projects.

(2) Strengthen the supervision and restriction mechanism

ZTT Group signed an "Anti-Corruption and Anti-Commercial Bribery Commitment Letter" with its leadership teams at all levels to clarify the scope and objectives of responsibilities, and continuously improved the supervision and assessment mechanism and accountability system, and included the inspection status of anti-corruption construction work into leadership teams at all levels and Comprehensive assessment and assessment of leaders.

ZTT Group requires all employees to study the "Employee Code of Conduct for Integrity in posts" and "Employee Integrity and Self-Discipline Regulations" and sign the "Anti-Corruption and Anti-Commercial Bribery Commitment Letter" and "Employee Compliance Statement". In the future, we will continue to improve the compliance management flow and system, consolidate the management foundation through warning education and publicity of typical cases, and continue to improve the management system.

Compliance reporting channels

ZTT Group provides multiple channels for reporting and making suggestions. If there are reasonable grounds to suspect that a violation has occurred or is about to occur, all employees and partners of the company can report and make suggestions through the following channels, including:

Compliance and Standards Department contact number: 0513-84881185
 Compliance and Standards Department contact email: Zhongtiansc@chinaZhongtian.com
 Chief Compliance Officer contact email: xuyaqin@chinaZhongtian.com

Information Security

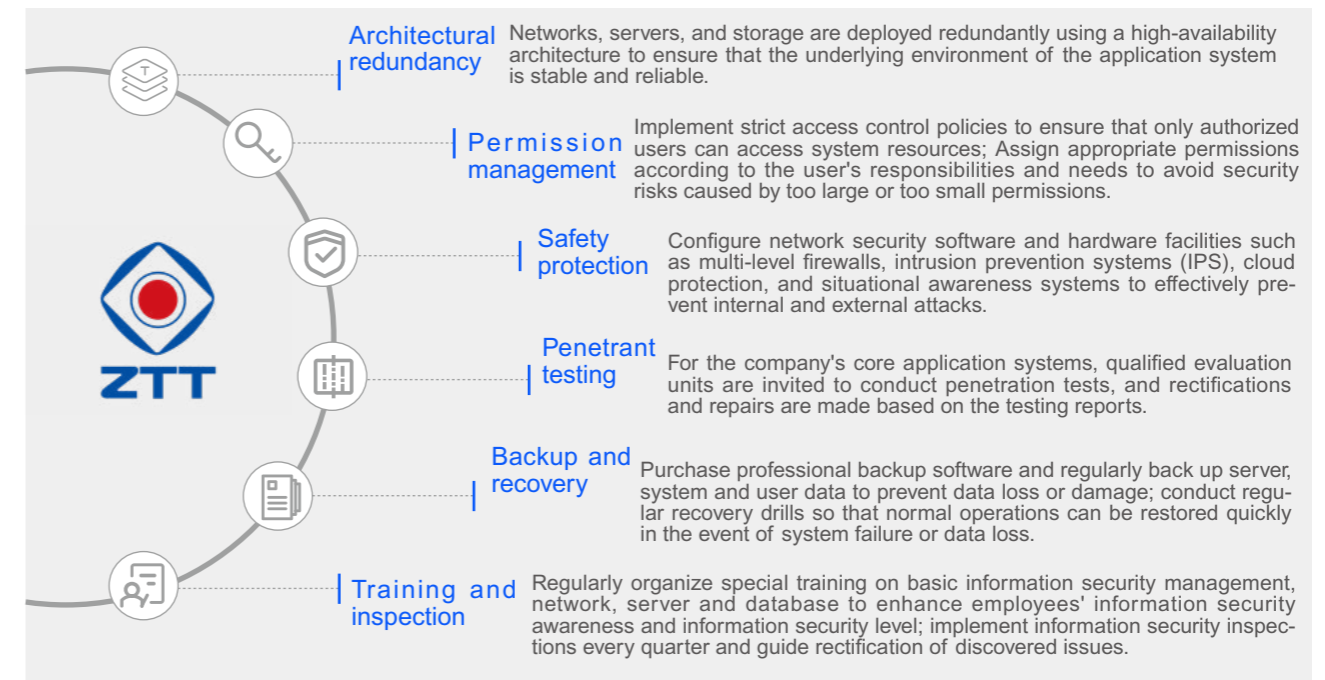
For ZTT Group, the basic prerequisite for winning the trust of users, clients and other stakeholders is that we can protect their privacy and data.

In 2023, we regularly organized information security training for employees every month to improve employees' information security awareness and enhance their information security skills; continued to strengthen the basic management of information security and organize inspections to ensure the implementation of various information security tasks and ensured the safe, stable and efficient operation of the company's application systems.

Maintain system security

ZTT Group lists information security management as an important means for the steady development of enterprises. Effective information security measures can prevent and avoid risks. ZTT Group continues to strengthen information security management, and conducts strict management and monitoring from hardware to software, from networks to individuals, to ensure the stability and security of the system and prevent risks such as data leaks and system crashes.

During the reporting period, in terms of maintaining system security, we focused on the following tasks:



Respect and protect user privacy

ZTT Group attaches great importance to respecting and protecting user privacy, and guides employees to have privacy protection awareness, strengthen self-protection, and respect the privacy of others.

(1) Setting permissions: On the internal communication platform, employees' mobile phone numbers, email addresses, job titles and other information should be made available based on their wishes. For the organizational structure of the inter-

nal communication platform, view it based on permissions. Develop management systems for the application of various communication tools and groups to prevent employee privacy or corporate sensitive information from being spread.

(2) File encryption: The company uses an encryption system internally to encrypt files in the computer to prevent file leakage or computer loss. This is not only a need for information security, but also a measure to protect user privacy.

(3) Virus prevention: Ransomware virus prevention has always been a main line of our information security work, because whether it is various types of computer files or databases, there is basically no solution for ransomware viruses. On the basis of various measures to prevent ransomware viruses, ZTT Group has increased its efforts to prevent phishing emails and spam emails. In 2023, ZTT Group enabled security reinforcement measures such as two-factor authentication login, client authorization code login or remote login detection, to further improve the security of internal mailboxes while protecting user privacy.

(4) Password security: Upgrade the unified identity authentication platform, strengthen password security, with force password changed every three months. Asun Industrial Internet Platform implements two-factor authentication.

(5) Data minimization: Only collect user data necessary to fulfill business purposes. Avoid excessive collection of irrelevant personal information and reduce the risk of data leakage.

(6) Training and education: Regularly conduct data protection and privacy training for employees to enhance their awareness of the importance of protecting user privacy and ensure that they understand the company's privacy policy and relevant laws and regulations.

(7) Responding to data leakage: Develop and implement a data breach response plan to ensure that if a data breach occurs, we can act quickly to mitigate the damage and promptly notify affected users and regulators.



Appendix 1: Independent Assurance Statement

Independent Assurance Statement

To the management and stakeholders of ZTT Group, TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch (hereinafter referred to as "TÜV SÜD") has been engaged by Jiangsu Zhongtian Technology Co., Ltd. (hereinafter referred to as "ZTT Group" or "the Company") to perform an independent third-party verification on Jiangsu Zhongtian Technology Co., Ltd. 2023 Environmental, Social and Governance (ESG) Report (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with ZTT Group and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by ZTT Group and provided to TÜV SÜD. The scope of verification is limited to the given information. ZTT Group shall be held accountable for authenticity and completeness of the provided data and information.

Scope of Verification

Time frame of this verification:

- The Report contains the data disclosed by ZTT Group during the reporting period from 1st January 2023 to 31st December 2023, including environmental, social, and governance information and data, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The on-site verification sampling took place at below listed location:
No.6 Zhongtian Road, Economic and Technological Development Zone, Nantong City, Jiangsu Province.

Scope of data and information for the verification:

- The scope of verification is limited to the data and information of ZTT Group and all companies under its operational control covered by the Report.

The following information and data are beyond the scope of this verification:

- Any information and contents beyond the reporting period of this Report; and
- The data and information of ZTT Group's suppliers, partners and other third parties; and
- The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

Limitations

- The verification process is conducted in the above scope and place. Sampling and verification are

adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and

- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before 1st January 2023 are beyond the scope of this verification.

Basis for the Verification

This verification process was conducted by TÜV SÜD's expert team with extensive experience in the environmental, social, and governance and other relevant areas and drew the conclusions thereof. The verification conforms to the following standards:

- AA1000AS v3, Type 1 Engagement and Moderate Level of Assurance
- TÜV SÜD Procedure of Verification on Sustainability Report

In order to perform adequate verification in accordance with the contract and provide limited verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before the verification;
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site review of all supporting documents, data and other information provided by ZTT Group; sampling verification on key performance information;
- Special interview with the representative of ZTT Group's management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe that the data and information presented in ZTT Group's report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.

The verification team has drawn the following conclusions on this Report:

Inclusivity

ZTT Group fully identifies the organisation's internal and external stakeholders, including shareholders, customers, employees, suppliers, government, industry organisations, media, and the community, and establishes a stakeholder communication mechanism in order to regularly collect the real demands of stakeholders.

Materiality

ZTT Group has established a process for prioritising material issues, identifying and prioritising sustainability issues that are highly relevant to the industry, and disclosing targets and performance data on the company's sustainability management and operations. The content of the Report is material.

Responsiveness

Focusing on issues of concern to stakeholders, ZTT Group has clearly disclosed its significant topics management methods and performance in the areas of climate change response, employee training and development, employee rights and benefits, and occupational health and safety, and has established communication methods to adequately respond to the demands and expectations of stakeholders, but there is still potential for improvement in disclosure of quantitative performance.

Impact

ZTT Group has established a management mechanism for the Social Responsibility Committee to clarify the work and responsibilities of each level to ensure its smooth operation. Through continuous tracking of yearly progress and participation of members of the Board of Directors and Supervisory Board in the deliberation and decision-making of major sustainability matters, ZTT Group monitors, measures and be accountable for impacting the broader ecosystem.

Recommendations on Continuous Improvement

- It is recommended that more quantitative performance will be disclosed in the future to enhance disclosure responsiveness.

Statement on Independence and Verification Capability

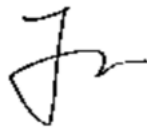
TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specialises in testing, certification, auditing and advisory services. Since 1866, TÜV SÜD has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. TÜV SÜD has been committed to sustainable development and actively promotes environmental protection related projects. Over the years, TÜV SÜD has been actively expanding its performance in energy management, renewable resources, and electric automobiles, etc., helping its customers meet sustainable development

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TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and ZTT Group are two entities independent of each other and both TÜV SÜD and ZTT Group and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. All the data and information in the Report are provided by ZTT Group. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of the verification statement. The verification is completely neutral.

Signature:
On behalf of TÜV SÜD Certification Testing (China) Co., Ltd.



Jophy Zhu
TÜV SÜD Sustainability Authorized Signatory Officer
Apr. 8th, 2024
Nantong, China



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Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement CN" of this verification statement shall prevail, while the English translation is used for reference only.

Appendix 2:

GRI Sustainability Reporting Standards (GRI Standards 2021) Content Index

| Disclosures | Disclosure issues | Corresponding chapter |
|--|---|-----------------------|
| GRI 2: General Disclosure 2021 | | |
| Organization and its reporting practices | | |
| 2-1 | Organization details | About this report |
| 2-2 | Entities included in organizational sustainability reporting | About this report |
| 2-3 | Reporting periods, reporting frequency and contact persons | About this report |
| Activities and workers | | |
| 2-6 | Activities, value chains and other business relationships | About ZTT Group |
| 2-7 | Employees | 2023 Operating Data |
| Governance | | |
| 2-9 | Governance structure and composition | Corporate Governance |
| 2-10 | Nomination and selection by the highest governance body | Corporate Governance |
| 2-12 | The supervisory role of the highest governance body in terms of management impact | Corporate Governance |
| 2-13 | Responsibility authorization for management impact | Corporate Governance |
| 2-14 | The role of the highest governance body in sustainability reporting | Corporate Governance |
| 2-16 | Communication on important issues of concern | Corporate Governance |
| 2-17 | Common knowledge of the highest governance body | Corporate Governance |
| 2-19 | Compensation policy | Corporate Governance |
| Strategy, policy and practice | | |
| 2-22 | Strategic statement on sustainable development | ESG Management |
| 2-23 | Policy commitments | ESG Management |
| 2-24 | Integration Policy Commitment | ESG Management |
| 2-26 | Mechanisms for seeking advice and raising concerns | ESG Management |

| Stakeholder Engagement | | |
|---|---|---|
| 2-29 | Stakeholder engagement methods | ESG Management |
| GRI 201: Economic Performance 2016 | | |
| 201-1 | Economic value directly generated and distributed | ESG Management |
| 201-3 | Compulsory defined benefit plans and other retirement plans | ESG Management |
| GRI 203: Indirect economic impact 2016 | | |
| 203-1 | Infrastructure investment and supporting services | ESG Management |
| 203-2 | Major indirect economic impact | ESG Management |
| GRI 205: Energy 2016 | | |
| 302-1 | Energy consumption within the organization | Energy Management |
| 302-3 | Energy intensity | Energy Management |
| 302-4 | Reduce energy consumption | Energy Management |
| 302-5 | Reduce the energy requirements of products and services | Energy Management |
| GRI 303: Water Resources and Wastewater 2018 | | |
| 303-2 | Managing drainage-related impacts | Environmental Protection |
| GRI 306: Waste 2020 | | |
| 306-1 | Waste generation and major waste-related impacts | Environmental Protection |
| 306-2 | Management of major waste-related impacts | Environmental Protection |
| 306-3 | Waste generated | Environmental Protection |
| 306-5 | Waste entering disposal | Environmental Protection |
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 308-1 | New suppliers screened using environmental standards | Sustainable Supply Chain |
| GRI 401: Employment 2016 | | |
| 401-1 | New hires and employee turnover | Human Capital Development |
| 401-2 | Benefits provided to full-time employees | Protection of Employee Rights and Interests |
| GRI 403: Occupational Health and Safety 2018 | | |
| 403-1 | Occupational health and safety management system | Occupational Health and Safety |

| 403-3 | Occupational health services | Occupational Health and Safety |
|---|--|---|
| 403-5 | Occupational health and safety training for workers | Occupational Health and Safety |
| 403-6 | Promote worker health | Occupational Health and Safety |
| 403-7 | Prevent and mitigate occupational health and safety impacts directly related to business relationships | Occupational Health and Safety |
| GRI 405: Diversity and Equal Opportunities 2016 | | |
| 405-1 | Governing body and employee diversity | Protection of Employee Rights and Interests |
| GRI 413: Local Communities 2016 | | |
| 413-1 | Operations with local community engagement, impact assessment and development plans | Social Welfare |
| GRI 414: Supplier Social Assessment 2016 | | |
| 414-1 | New suppliers screened using social standards | Sustainable Supply Chain |
| GRI 418: Client Privacy 2016 | | |
| 418-1 | Substantiated complaints related to breach of client privacy and loss of client data | Information Security |

ZTT Group reported the information cited in this GRI content index with reference to GRI standards during the reporting period.

Appendix 3:

"Shanghai Stock Exchange Self-Regulation Guidelines for Listed Companies No. 1-Standardized Operations" (2023) Benchmarking Index

| Terms and Disclosures | Report Chapter |
|---|---|
| 8.1 Overview | ESG Management |
| 8.2 Business principles | ESG Management |
| 8.3 Social responsibility planning and working mechanism | ESG Management |
| 8.4 Social contribution value per share | Economic Performance |
| 8.5 Disclosure of social responsibility report | Full text |
| 8.6 Social responsibility system construction | ESG Management |
| 8.7 Director and supervisor selection and appointment system | Corporate Governance |
| 8.8 (1) Comply with environmental protection laws, regulations and industry standards | Environmental Protection |
| 8.8 (2) Environmental protection plan | Environmental Protection Tackling Climate Change |
| 8.8 (3) Use of natural resources | Energy Management |
| 8.8 (4) Pollutant disposal | Environmental Protection |
| 8.8 (5) Pollution prevention and control facilities | Environmental Protection |
| 8.8 (6) Payment of taxes and fees related to environmental protection | Environmental Protection |
| 8.8 (7) Supply chain environmental safety | Sustainable Supply Chain |
| 8.8 (8) Other environmental protection responsibilities | Environmental Protection Tackling Climate Change |
| 8.10 (1) New, renovated or expanded construction projects or major investments | Not Applicable |

| Terms and Disclosures | Report Chapter |
|---|---|
| 8.10 (2) Violations of environmental laws and regulations and penalties | Environmental Protection |
| 8.10 (3) Major litigation over environmental issues or assets seized or frozen | Environmental Protection |
| 8.10 (4) List of key pollutant discharging units | Environmental Protection |
| 8.10 (5) Impact of newly promulgated laws and regulations on the company | Environmental Protection |
| 8.10 (6) Major environmental protection events | Environmental Protection |
| 8.11 Major environmental pollution accidents | Environmental Protection |
| 8.12 Key pollutant discharging units should disclose information | Environmental Protection |
| 8.13 (1) Product safety laws, regulations and industry standards | Product Quality and Client Relationship Management |
| 8.13 (2) Production environment and production flow | Environmental Protection Tackling Climate Change |
| 8.13 (3) Product quality and safety assurance mechanism and accident emergency plan | Product Quality and Client Relationship Management |
| 8.13 (4) Other production and product safety responsibilities | Product Quality and Client Relationship Management |
| 8.14 (1) Employee management system and violation handling measures | Protection of Employee Rights and Interests |
| 8.14 (2) Prevention of occupational hazards and supporting safety measures | Occupational Health and Safety |
| 8.14 (3) Employee training | Human Capital Development |
| 8.14 (4) Responsibility for protecting the rights and interests of other employees | Protection of Employee Rights and Interests |
| 8.15 Scientific ethics | Technological Innovation |

Appendix 4: United Nations Sustainable Development Objectives Benchmarking

| Objective | Specific actions | ZTT Group's actions and performance |
|-----------|--|---|
| | Eradicating poverty in all its forms around the world | <p>1.ZTT has 5 overseas production bases and 13 marketing centers, achieving full coverage layout of the “Belt and Road” initiative, solving partial local employment issues, and improving the economic and living standards of local people.</p> <p>2.ZTT has established the “ZTT Care Funding” to help employees and surrounding communities in need.</p> |
| | Ending hunger, achieving food security, improving nutrition, and promoting sustainable agriculture | <p>1.Overseas production bases donate essential supplies such as food and beverages to surrounding impoverished communities, demonstrating the principle of giving back to the surrounding masses while developing.</p> <p>2.Actively promote the “Clean Your Plate” campaign and advocate for food conservation within the Company.</p> |
| | Ensuring healthy lifestyles and promoting well-being for people of all ages | <p>1.In 2022, ZTT established an employee health management committee to provide employees with comprehensive medical and social security benefits. In addition, it organizes the health examinations for employees each year and focuses on prevention and control of occupational diseases.</p> |
| | Ensuring inclusive and equitable quality education and lifelong learning opportunities for all | <p>1.ZTT develops the ZTT College App to provide employees with a better digital learning experience.</p> <p>2.On September 9, 2022, the first ZTT Education Award, established by ZTT, was first presented.</p> |

| Objective | Specific actions | ZTT Group's Actions and Performance |
|-----------|---|---|
| | Achieving gender equality and empowering all women and girls | <p>1.Adhering to the philosophy of “respecting knowledge, respecting talents, and respecting innovation”, all ZTT's employees enjoy equal opportunities for promotion.</p> <p>2.In the program of Love and Assistance to Education, ZTT conducted interviews and persuasion with families with outdated concepts, striving to provide every child with an opportunity for receiving an education.</p> |
| | Provide water and sanitation for all and manage it sustainably. | <p>1.The water quality monitoring system of underwater observation network established by ZTT can manage the underwater observation network, conduct remote power supply and receive underwater observation data, thus protecting the security of domestic water supply.</p> <p>2.The Company's water resources are all taken from the city's water supply system, and it attaches great importance to the efficient use of water resources . By constantly promoting the water conservation concept and optimizing water use methods, it aims to achieve the goal of</p> |
| | Ensure access to affordable, reliable and sustainable modern energy for all | <p>1.ZTT has proposed solutions for distributed photovoltaic power generation systems, microgrid power generation systems and intelligent photovoltaic energy storage and charging integrated systems.</p> <p>2.ZTT has built photovoltaic power stations in its production bases and offices, making full use of renewable energy, reducing energy loss, and reducing carbon dioxide emissions.</p> |
| | Promote sustained, inclusive and sustainable economic growth, adequate productive | <p>1.Xue Jiping, the Chairman of ZTT, believes that “employees are the most valuable asset of the enterprise”, and provides employees with a stable and reliable source of income.</p> <p>2.In 2022, ZTT provided employment opportunities for more than 14,000 employees, and provided them with a comfortable working environment and a growth atmosphere as well as competitive compensation and benefits in the industry.</p> |

| Objective | Specific Action | ZTT Group's Actions and Performance |
|-----------|--|--|
| | Build disaster-resilient infrastructure, promote inclusive and sustainable industrialization, and boost innovation | <p>1.ZTT has launched product solutions for 5G, including high-density optical cables, new optical-electric composite cables, leakage cables and intelligent antennas. It is the only enterprise in the optical communication cable industry that has cooperated with China Mobile, China Telecom and China Tower on 5G innovation.</p> <p>2.ZTT insists on innovation-driven development, constantly consolidating and developing its main businesses in optical communication, power grid, ocean and new energy, adhering to the integration of the industrial chain and the</p> |
| | Reducing inequality within and between countries | <p>1.ZTT has established a complete, standardized and effective talent selection and recruitment management system, treating workers of different races, nations, nationalities, skin colors, genders and religious beliefs equally, and fully protecting their legally entitled equal employment rights. ZTT will continue to exert its advantages in the place of origin, expand production capacity internationally, and increase the selection of international talents. It will also increase aid to the poorest countries and developing coun-</p> |
| | Building inclusive, safe, disaster-resilient and sustainable cities and human settlements | <p>1.ZTT has researched and developed an Internet of Things management platform to meet the needs of IoT terminal access. At present, a series of products such as smart locks, smart smoke detectors and smart gas detectors have been successfully deployed and applied by the three major operators.</p> <p>2.Through collaborating with local governments and telecom operators, ZTT has implemented major application projects in important provinces and cities across the</p> |
| | Adopting sustainable consumption and production patterns | <p>1.By implementing energy conservation measures, ZTT saved nearly 80,000 tons of water in 2022. ZTT designs and produces green products, provides customers with 2.low-energy consumption service solutions, strictly manages its own environmental impact, and strives to promote the philosophy of green environmental protec-</p> |
| | Take urgent action to address climate change and its impacts | <p>1.ZTT is committed to taking the path of green, low-carbon and sustainable development, integrating the green environmental protection philosophy into the entire lifecycle management of product design, research and development, manufacturing and construction.</p> <p>2.It strictly follows national standards for the discharge of wastewater, waste gas and waste materials, adheres to the principles of "intensive land use", "clean production",</p> |

| Objective | Specific action | ZTT Group's Actions and Performance |
|-----------|---|--|
| | Conservation and sustainable use of oceans and marine resources for sustainable development | <p>1.ZTT has independently developed an ocean monitoring system to monitor the status of underwater biological activities and protect biodiversity.</p> <p>2.ZTT has an ocean information ecological chain system platform which is of full sense and intelligent, thus promoting the sustainable development of the ocean.</p> |
| | Protect, restore and promote sustainable use of terrestrial ecosystems,sustainably manage forests, combat desertification,halt and reverse land degradation and halt biodiversity loss | <p>1.ZTT increases financial resources significantly through various channels, and take measures at all levels to reduce the degradation of natural habitats around factories and curb the loss of biodiversity.</p> <p>2.ZTT organizes employees to plant trees and forests on Arbor Day each year to prevent water loss and soil erosion and mitigate land degradation.</p> |
| | Create a peaceful and inclusive society for sustainable development so that justice is accessible for all, and set up effective, accountable and inclusive organizations at all levels. | <p>1.ZTT is committed to promoting sustainable development for a peaceful and inclusive society, providing opportunities for in-service employees to seek judicial remedies, and establishing effective and responsible institutions at all levels of the Company to reduce various forms of injustice and violence.</p> <p>2.ZTT actively seeks cooperation with governments and local communities to find lasting solutions for conflicts and insecurity. It firmly opposes the use of child labor and prohibits all forms of trafficking, violence, and torture against children.</p> |
| | Strengthening the means of implementation and reinvigorating the global partnership for sustainable development | <p>1.ZTT conducts localized construction based on the development and cultural situation of different operating countries, and strives to become a member of the local community.</p> <p>2.In terms of supplier selecting, ZTT follows the principles of mutual benefits and win-win, selects the best suppliers, complies with supply chain management regulations, implements green and transparent procurement, and establishes the philosophy of green supply chain and strengthens its promotion and implementation.</p> |