ZTT

Jiangsu Zhongtian Technology Co., Ltd.

Environmental, Social and Governance
— ESG Report 2024 —

Connecting Wonderful Life with Optic-Electric Network

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1. *Chairman's Speech*

Jiangsu Zhongtian Technology Co., Ltd.
Chairman
Xue Jiping

The year of 2024 is full of challenges. All the staff of ZTT are confident and active, and have taken a solid step forward in developing new quality productivity. We would like to express our special thanks to our global customers, partners and the community for their continuous trust and support.

At a time when the global economy and environment are undergoing profound changes, the role of enterprises has gone far beyond the creation of economic value. As an enterprise with a deep sense of responsibility, ZTT has always embedded the concept of Environmental, Social and Governance (ESG) in our corporate strategy and daily operations, and we are not only an economic entity, but also a builder and promoter of social progress.

Guard the ecological environment with green manufacturing

We actively promote the concept of green development, commit to energy saving and emission reduction, and contribute to the fight against global climate change. 2024, we continue to promote the Green Low Carbon Manufacturing (GLCM) action plan and join the Science-Based Carbon Targeting Initiative (SBTi); we have added 5 new national green factories, bringing the total to 13. We strive to minimize our environmental impact by adopting advanced environmental technologies and renewable energy sources, while encouraging our employees and partners to participate in environmental initiatives.

Empowering shared growth with social responsibility

We have always been people-oriented, emphasizing employee well-being, providing good employment opportunities for people with disabilities, protecting the rights and interests of female employees effectively, encouraging innovation and professional growth, and promoting diversified and inclusive development. At the same time, we actively participate in community building, support social welfare, and take on more social responsibilities through various charitable activities and volunteer services.

Serving Global Customers with Excellence in Governance

Adhering to the core concepts of operating in good faith, abiding by business ethics, and complying with laws and regulations has always been upheld by ZTT. We adhere to the principle of transparency, compliance and efficiency, continue to optimize our corporate governance structure, strengthen risk management, win the trust of shareholders and investors by establishing a sound internal control system and decision-making mechanism, and work for the well-being of society, customers and employees to create value.

We will continue to deepen our ESG practices and ensure that the concept of sustainable development permeates every aspect of our corporate development, serving the global construction of new energy and digitalization with photovoltaic champion products and creating a better life for mankind. We look forward to working hand in hand with all parties to promote social progress, guard a better home and build a greener, more harmonious future.

2. 2024 Science and technology for a sustainable future

In 2024, Jiangsu Zhongtian Technology Co., Ltd (ZTT) continued our march toward sustainable development. We will continue to target our dual carbon strategic goal, using science and technology innovation as our engine and green and low-carbon development as our path.

As a pioneer of green transformation in the industry, the company took the lead in releasing the "Green and Low Carbon Manufacturing Action Plan (GLCM)" in 2022. We established the 'Four Ten Thousand Indicators' with medium - and long - term goals and we systematically planned the construction of green factories and low-carbon products. In 2024, ZTT actively promoted the low-carbon transformation, using more than 190,000,000 kWh of renewable electricity and reducing carbon dioxide emissions by about 130,000 tons. This was achieved through self-built photovoltaic generation, as well as participation in green power and green certificate trading.

In terms of digitalization drive, The Company's independent "Energy and Carbon Cloud Platform" comprehensively empowers the upgrade of green management system. Based on the concept of "lightweight, standardized and sustainable", the platform creates data connections between the company, its subsidiaries and third - party verification agencies, integrates energy monitoring, carbon footprint accounting, carbon report certification and other functions, enables enterprises accurately identify energy efficiency bottlenecks, and drives green carbon reduction from perception to closed-loop management.

The source of scientific and technological innovation lies in talents, and the vitality lies in the system; in 2011, ZTT pioneered the establishment of the "Intellectual Property Bank" platform, forming a knowledge incentive system covering eight dimensions, such as "scientific and technological projects, the three proposals, and the construction of standards", etc. By 2024, the platform has attracted the participation of more than 11,000 people, and deposited hundreds of thousands of intellectual assets. And the culture of innovation is integrated into every employee's daily work, becoming an irreplaceable soft power base for The Company's sustainable development.

In the strategic layout of globalization, ZTT has actively benchmarked aligned itself with international high - standard rules, and taken the lead in joining the Science-Based Carbon Target Initiative (SBTi) to set up emission reduction paths in a scientific way, which demonstrates the company's strong commitment to fulfilling the 'Climate Commitment'". At the same time, The company has completed the carbon footprint certification of a number of exported products, building up its green capacity for the EU Carbon Border Adjustment Mechanism (CBAM) requirements, and continuously enhancing its confidence and backing in expanding overseas markets.

Looking into the future, ZTT will unswervingly take the road of green, low-carbon and sustainable development, and push forward the grand blueprint of reaching the carbon peak by 2030 and realizing carbon neutrality by 2055. We firmly believe that under the "double-wheel drive" of science and technology and green, ZTT is not only a leader in green manufacturing, but also a creator of sustainable future.

①The mid- and long-term goals of the 14th Five-Year Plan proposed by ZTT are: compared with the baseline data in 2020, the proportion of green energy consumption will reach about 80% in 2025, and the comprehensive energy consumption of 1404.2 USD of output value will be reduced by Reduce carbon dioxide emissions by about 30% and 35% for 1404.2 USD of output value. Create 10 "carbon neutral" demonstration factories and 5 zero-carbon demonstration factories.

While advancing business expansion and technological innovation, ZTT consistently integrates ESG principles throughout all aspects of its corporate operations, actively fulfills its social responsibilities, and promotes sustainable development. The following is a detailed overview of this year's ESG performance.

Environmental

certification rate of ISO 14001 environmental management system certification for all officially operational manufacturing companies of ZTT
100%

The compliance rate of 'three wastes' discharge and hazardous waste streams disposal has reached
100%

Added more than **5** national green factories, bringing the total to **13**

Over **19000** 10000kWh of renewable electricity used

Reduction of carbon dioxide emissions by about **13** 10000tons

Social

Employment of more than **70** disabled workers

The employee collective contract signing rate has reached **100%**

Comford has assisted disabled and poor employees' families **278** times at a total cost of about **1.25** million USD

The participation rate in employee performance appraisals has reached **100%**

rectification of safety hazards **100%**

The company has organized **415** emergency drills and exercises

Governance

of the directors are female **11.11%**

Convening of **10** board meetings

8 regular internal audit

Penetration testing and vulnerability scanning covering **99** systems

Information system level protection (level 3) assessment of **87.08** points

Organization of **15** training sessions on information security

Supply Chains

coverage of supplier ESG dimension assessment **100%**

signing rate of the commitment not to use conflict minerals **100%**

Number of suppliers signing up to the Green Low Carbon Initiative exceeds **800**

Over **700** vendors participated in anti-corruption training
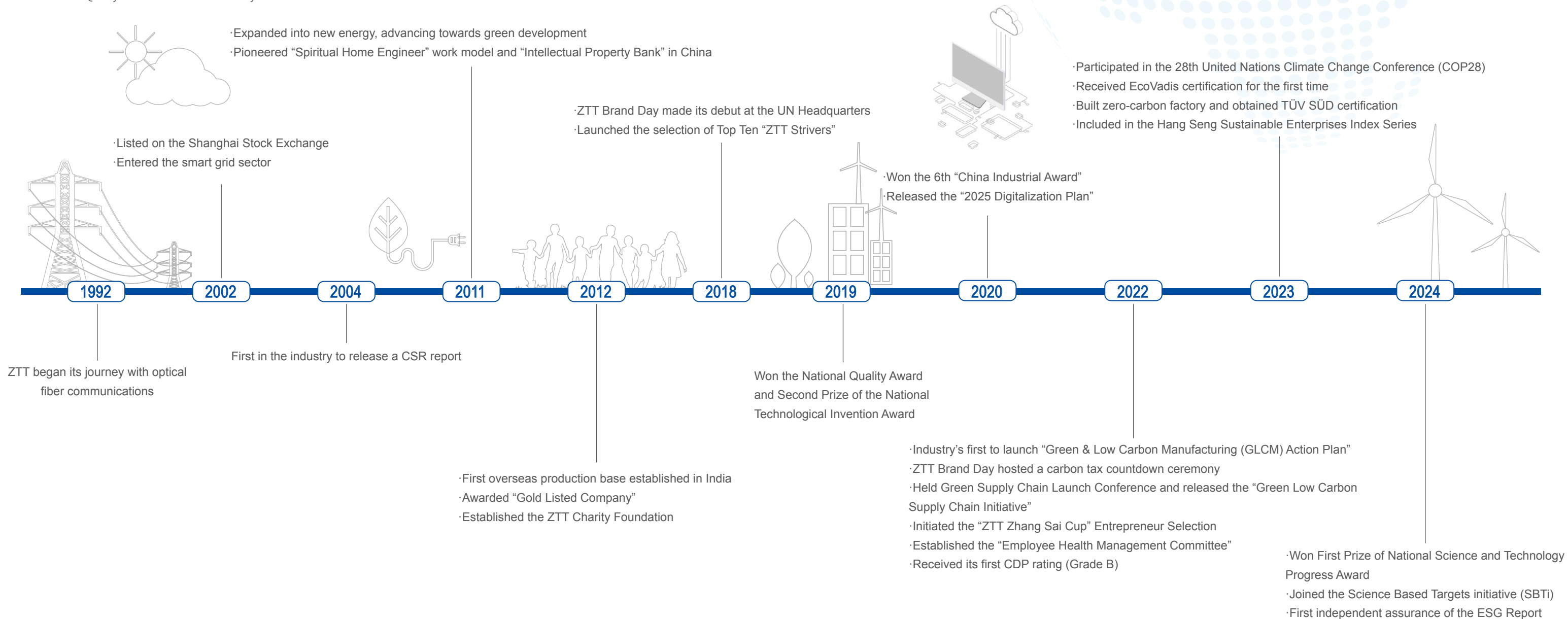
03 | *Science and technology for sustainability*

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3.1 Company Background

Company Profile

ZTT started from fiber optic communication in 1992, entered into smart grid in 2002, began layout in new energy in 2011, and exported its products to 160 countries and regions by 2020, realizing full coverage of the "Belt and Road" business. Embracing the emerging clean and low-carbon economic order, ZTT is striving to become a key player on the long track toward China's carbon peaking and neutrality goals, committed to being a responsible green manufacturing technology enterprise that contributes to regional economic development.It has now established a well - rooted special-ized model in communication, electric power, ocean, new energy, digital economy, etc. It ranks among China's Top 500 companies, a national key high-tech enterprise, and a winner of the National Quality Award and the China Industry Award.

·Expanded into new energy, advancing towards green development
·Pioneered "Spiritual Home Engineer" work model and "Intellectual Property Bank" in China

·Participated in the 28th United Nations Climate Change Conference (COP28)
·Received EcoVadis certification for the first time
·Built zero-carbon factory and obtained TÜV SÜD certification
·Included in the Hang Seng Sustainable Enterprises Index Series

·ZTT Brand Day made its debut at the UN Headquarters
·Launched the selection of Top Ten "ZTT Strivers"

·Listed on the Shanghai Stock Exchange
·Entered the smart grid sector

·Won the 6th "China Industrial Award"
·Released the "2025 Digitalization Plan"

| 1992 | 2002 | 2004 | 2011 | 2012 | 2018 | 2019 | 2020 | 2022 | 2023 | 2024 |

First in the industry to release a CSR report

ZTT began its journey with optical fiber communications

Won the National Quality Award and Second Prize of the National Technological Invention Award

·Industry's first to launch "Green & Low Carbon Manufacturing (GLCM) Action Plan"
·ZTT Brand Day hosted a carbon tax countdown ceremony
·Held Green Supply Chain Launch Conference and released the "Green Low Carbon Supply Chain Initiative"
·Initiated the "ZTT Zhang Sai Cup" Entrepreneur Selection
·Established the "Employee Health Management Committee"
·Received its first CDP rating (Grade B)

·First overseas production base established in India
·Awarded "Gold Listed Company"
·Established the ZTT Charity Foundation

·Won First Prize of National Science and Technology Progress Award
·Joined the Science Based Targets initiative (SBTi)
·First independent assurance of the ESG Report

Core business

1. Energy network business

Guided by China's national targets of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, ZTT is proactively optimizing its industrial structure and layout. The Company continues to expand its portfolio of solar, wind, energy storage, and hydrogen products to meet diverse customer needs.. Adhering to the strategic direction of "systematization of core products and internationalization of engineering services", The marine industry's business encompasses the installation of wind power foundations, the main body of wind turbines, the supply of ultra-high-voltage AC and DC cables and special cables, as well as offshore wind farms, as well as the whole - life - cycle operation and maintenance services for offshore wind farms; the new energy industry is firmly grasping the windsock of the national and local policies, and taking resources as a handhold, consolidating the high quality of the industry through the construction of green energy. Through the green energy construction to consolidate the foundation of high-quality development of the industry, to provide customized "new energy+ " solutions, to achieve integrated development in photovoltaics, energy storage, hydrogen energy and their combination; electric power industry around the " integration of transmission and distribution of continuous innovation" development strategy, has formed a transmission and distribution of integrated complete industry chain, and actively serves the construction of China's new power system. The power industry is centred on the development strategy of "continuous innovation of transmission and distribution integration", and has now formed a complete industry chain of transmission and distribution, actively serving the construction of China's new electric power system and the development of overseas energy and grid industries. By continuously reinforcing its leading position in the energy network sector, the company aims to transform from a "product supplier" to a "system integration service provider".

2. Communications network operations

In line with the development requirements of computing and green low-carbon communication, the company focuses on core technology R&D and innovation, and continues to develop five core technical capabilities to support global 5G and 5G-A networks, Smart Computing Centers, computing networks, 'signal upgrading,' and other related infrastructures. We have built green computing power service system solution around liquid cooling, high-speed optical modules, high-efficiency energy modules, and green energy saving technologies; green base station convergence technology capabilities based on green antenna, integrated energy cabinet technology, and DC stacked light technology; broad room division capabilities leveraging high-speed rail 5G leakage cable frequency spreading technology, high-speed copper cable technology for computing - power network, room division frequency-shifting MIMO, and special - scenario antenna technology; and special prefabricated technology based on special prefabricated technology to build green solution capabilities; Based on special prefabricated rods, optical fibers, optical cables, and digitally intelligent pre-connected ODN technology, the company aims to enhance the capability of global optical network intelligence. Additionally, and focusing on quartz tubing, cable materials, and high-purity silicon tetrachloride, the company is also building up the capability of advanced basic materials technology, and continues to create greater value for customers, employees and society.

ZTT Global Strategic Layout

ZTT prioritizes an outward - oriented growth approach and builds a sales and service system that reaching all over the world. By efficiently integrating and flexibly deploying various resources, The company is able to rapidly respond to customers' needs and realize the closed loop of "localized service+ rapid response". At present, ZTT has set up 14 overseas marketing centers and more than 40 overseas offices, and operates 5 overseas factories in India, Brazil, Indonesia, Morocco and Turkey. As its global strategy deepens, the company has entered the 2.0 era of overseas investment layout, accelerating globalization and boosting global competitiveness.

ZTT 's Global Industrial Deployment

Industry Position

In the field of communications, as a leading global ICT infrastructure and service provider, ZTT values establishing long-term and stable cooperative relationships with operators and is committed to promoting the intelligent connection of all things. The company has been listed in Brand Finance's list of the world's top 10 most valuable and competitive telecom infrastructure brands for seven consecutive years, and has been ranked among the world's Top 10 suppliers in the fiber optic cable business, serving more than 100 telecom carriers around the world.

In the field of energy, the electric power section takes serving the power grid as its own mission, forming a complete industrial chain of power transmission and distribution, and its products are widely used in the key projects of large-scale enterprises such as the State Grid and the Southern Power Grid. During the reporting period, the company's market share in high - and ultra - high - voltage areas steadily grew. New energy cables, high - voltage cables, and special conductors achieved international certification breakthroughs. Transformers and electrical products are also expanding overseas.

The marine section is the earliest to start the R&D and manufacturing of submarine fiber optic cables in China, and has started the development journey of China's submarine cable manufacturing from scratch, from existence to excellence, and from excellence to specialization, and created more than 40 domestic and industry firsts, and 2 world firsts, and has provided systematic solutions for the deep-sea wind power, marine oil and gas, offshore photovoltaic, deep-sea exploration, and island interconnection. With the support of micro-grid technology and the highlights of large-scale energy storage system, the new energy segment provides customers with comprehensive green energy solutions. During the reporting period, Zhongtian Energy Storage Technology Co., Ltd. successfully delivered CNNC Jiayuguan GWh-class energy storage power plant project, which boosted the influence and popularity of the industry.

ZTT has contributed to 141 international, national, industrial, group and other external standards that it has led and participated in, and 98 important international and domestic standards such as IEC 60966-4:2024 and IEC 60966-4, and T/CSEE 0240-2021 "Wedge Shaped Tension Resistant Clamps" led by ZTT has been selected as one of "Typical Cases of Group Standards Application and Promotion" by the Ministry of Industry and Information Technology. "Typical Cases of Group Standard Application and Promotion List" by the Ministry of Industry and Information Technology. Zhongtian Electric Power Cable Co., Ltd.'s "A Preparation Method of Cladding Alloy Wire" was awarded the China Patent Award for Excellence.

Filed over **500** domestic and PCT patent applications

Obtained authorization for over **230** invention patents

Led or participated in over **140** external standards

3.2 Corporate Culture

Mission — Connecting Wonderful Life with Optic-Electric Network

Vision — Creating Value for Customers Employees and the Society

Values — Focus on quality customer satisfaction continuous improvement

3.3 Company Honors in 2024

Over nine consecutive years, we have been awarded the "Top 10 Most Competitive Enterprises in Global Optical Fiber and Cable Industry"

Asia-Pacific Optical Communications Committee, Network Telecommunications Information Institute

Awarded "Top 10 Most Comprehensively Competitive Enterprises in China's Optical Communication" over nine consecutive years

Asia-Pacific Optical Communications Committee, Network Telecommunications Information Institute

For eleven consecutive years, The company has been awarded "Top 10 Most Competitive Enterprises in China's Wire and Cable Industry"

China Wire and Cable Network, Cable Information Research Institute

Won the "China Optical Communication Best Technical Innovation Award" over two consecutive years

Asia-Pacific Optical Communications Committee, Network Telecommunications Information Institute

Top 10 Telecom Infrastructure Brands

For seven consecutive years, we have been ranked among the world's top 10 communication infrastructure service providers by Brand Finance, a leading UK-based brand valuation consultancy

China Enterprise Credit 500

China Society for Enterprise Reform and Development, China Association of Cooperative Trade Enterprises

Private Enterprise Development in the Yangtze River Delta Region A typical example of green and low-carbon development of new quality productivity

Yangtze River Delta Entrepreneurs Alliance

First-class prize of the National Science and Technology Progress Award

State Council of the People's Republic of China

National Manufacturing Single Champion (Lithium) (Battery energy storage systems)

Ministry of Industry and Information Technology of the People's Republic of China

Over six consecutive years, has been awarded the "Excellent Supplier of China Mobile's Tier-1 Collective Purchasing (Grade A)"

China Mobile Supply Chain Management Center

China Mobile Partners Gold Award for Contribution to Rural Revitalization

China Mobile Supply Chain Management Center

ESG Golden Bull Award "Top 20 Carbon Neutral Companies"

China Securities Journal

3.4 Sustainable Development Recognition

Selected for Hang Seng Corporate Sustainability Index Series 2024-2025

Recognized as Bloomberg Tier 1 Global Energy Storage Manufacturer

CDP Climate Change Questionnaire - Level B

Ecovadis Corporate Social Responsibility Assessment - Bronze Medal

ZTT Aluminum Wire SBTi Carbon Reduction Commitment

ZTT Submarine Cable SBTi Carbon Reduction Commitment

Winner of the Ernst & Young Sustainability Best of the Year Award for Outstanding Cases

FSC Chain of Custody Certification

ZTT Indonesia CSR Award

04 | *From Commitment To Action:*
Sustainable Governance

4. From Commitment To Action: Sustainable Governance

With sustainable development as its strategic orientation, ZTT deepens the construction of its ESG management system, continuously improves the level of its corporate governance, and realizes the organic unity of economic growth and social as well as environmental responsibility. The company has constructed an all-round, multi-level ESG management system to ensure that the concept of sustainable development runs through all aspects of corporate operations. Through a sound governance structure, efficient issue management and extensive stakeholder interaction, The company continuously improves its ESG governance level, laying a solid foundation for long-term stable development and improvement of its ESG governance.

4.1 ESG Governance Blueprint

ZTT upholds the concept of sustainable development and integrates environmental, social and governance (ESG) topics into corporate strategy and operations. The Company continuously optimizes its ESG governance system by establishing the Strategy and ESG Committee, aiming to strengthen the board of directors' ability to oversee and make sustainability-related decisions, while ensuring that ESG issues are effectively implemented by The Company's management and business segments.

Decision-making Level

It composed by the company's board of directors. The board is, responsible for ESG strategy development, oversight, and consideration of major sustainability matters. The board of directors ensure that ESG issues are integrated into the company's long-term development plan, receives regular reports from management and provide strategic guidance to ensure that ESG policies are in line with the company's development needs and external regulatory requirements.

Board of Directors

Organizational Level

Led by the Strategy and ESG Committee, it is responsible for coordinating ESG-related matters and ensuring the effective implementation of sustainable development goals. The committee formulates annual ESG action plans, coordinates the collection of ESG performance data, organizes internal trainings, and maintains communication with investors and stakeholders to enhance the transparency of ESG information.

Strategic and ESG Committee

Implementation Level

It consists of all functional departments and business segments of The Company, responsible for the management of specific ESG issues and promoting social responsibility related work. The main responsibilities of the implementation level include executing top-level decisions, promoting green production as well as energy-saving and emission reduction projects, optimizing ESG management of the supply chain, and establishing a sound data collection and performance evaluation mechanism. Each department undertakes different ESG tasks according to its own functional scope and submits work progress reports to the organization level on a regular basis to ensure the effective implementation of ESG measures.

Various functional and business departments

- Implemented decisions from higher-level authorities
- Advanced green production and energy-saving emission reduction projects
- Optimized supply chain ESG management
- Established and refined data collection and performance evaluation mechanisms

4.2 Sustainable Economic Performance

ZTT always insists on the synergistic promotion of economic growth and sustainable development, and is committed to building an efficient, green and sustainable business model. The company actively fulfills its social responsibilities while operating steadily, drives industrial upgrading with innovation, and contributes to the harmonious coexistence of the economy and the environment by optimizing resource allocation and promoting low-carbon transformation.

The company continues to increase its investment in science and technology research and development, environmental protection, employee welfare and social welfare to promote the sustainable development of the industry chain. from 2022 to 2024, the company maintained a steady improvement in revenue growth, operating cost control, investments in R&D, environmental protection, as well as public welfare donations. By strengthening risk management, optimizing the supply chain cooperation model and actively participating in social welfare, the company will continue to enhance its corporate resilience and create long-term value for its stakeholders.

Sustainable Economic Performance				
Indicators	Unit	2022	2023	2024
Incomes	RMB 10,000	4,027,072.68	4,506,523.68	4,805,468.83
Operating cost	RMB 10,000	3,628,318.75	4,175,738.20	4,527,265.39
Employee Wages and Benefits	RMB 10,000	220,873.48	264,688.13	286,238.07
Payments to Capital Providers	RMB 10,000	65,105.42	68,178.10	111,553.93
Environmental Protection Expenses	RMB 10,000	4,723.33	9,438.07	7,633.95
R&D Expenses	RMB 10,000	163,966.52	189,752.92	194,353.16
Public Welfare Donations	RMB 10,000	531.92	1,251.99	1,140.84

4.3 Connecting with Stakeholders

Stakeholder identification and engagement are critical to ZTT 's ESG management. By communicating and collaborating with stakeholders, the company can keep abreast of their concerns and demands, provide key inputs for corporate decision-making, while continuously enhancing sustainability performance.

During the reporting period, ZTT established a systematic stakeholder identification and communication mechanism based on the Global Reporting Initiative (GRI) Standards. Through stakeholder analysis, the company comprehensively considered their influence on its operations as well as their concerns on sustainability issues, to ensure that stakeholder demands are effectively incorporated into the ESG management system.

ZTT's major stakeholders include shareholders and investors, customers, employees, suppliers, government and regulatory agencies, public society, neighboring communities (including residents), research institutions, industry associations and peer companies. The company maintains close interaction with its stakeholders through various channels including emails, phone calls, questionnaires, webinars, and industry conferences, so as to identify stakeholders' concerns regarding the company's sustainable development and to provide a scientific basis for forming sustainable development strategies.

Connecting with Stakeholders		
Stakeholders	Issues of Concern	Communication and Feedback Mechanisms
Shareholders and investors	Corporate Governance Internal Control	General shareholders' meeting Investor hotline Regular reports
Customers	Product Quality and Safety Data Security and Privacy Protection Service Quality Management	Customer satisfaction survey Customer visit Industry exhibitions
Employees	Employee Development and Training Employee Rights and Benefits Occupational Health and Safety Diversity, Equality and Inclusion	Internal communication meetings Employee survey Training programs
Suppliers	Conflict Mineral Sourcing Supply Chain Management Business Ethics	Supplier audits Collaborative meetings Contract terms
Government and Regulators	internal Control Environmental Compliance Management Ecological Impacts	Policy dialogue Regulation training Compliance reports
Public Society	Community Relations Charity and Public Welfare Business Ethics	Corporate website Sustainability reports Public events
Surrounding Community (including residents)	Ecological Impacts Community Relations	Community meetings Collaborative projects Voluntary activities
Research Institutions	Technological Innovation Product Design and Lifecycle Management	Industry-University-Research collaboration Joint study Industry forums
Industry Associations and Peer Companies	Product Quality and Safety Technological Innovation Business Ethics	Industry summits Alliance cooperation Meetings

ZTT Group Stakeholders' Issues of Concern and Communication Mechanisms

On the basis of the existing stakeholder communication mechanism, ZTT will continue to expand the channels of dialog and improve the quality of communication to ensure that the company's ESG management meets the demands of different parties and helps the company to move forward on the path of sustainable development.

4.4 Material Issue Insights

ZTT carried out the identification and assessment of sustainability issues based on the dual dimensions of financial materiality and impact materiality, in accordance with the requirements of the "Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)". Taking into account the characteristics of the industry, the business model, the policy environment and the stakeholder demands, the company analyzed the issues that may have a significant impact on the its business model, financial condition, business operations and market competitiveness in the short, medium and long term, and evaluated the potential impacts of the company's performance on these issues on the economy, society and the environment.

1. Methodology for Issue Identification and Analysis

The company uses the following methodology for materiality analysis

Policy and Regulation Analysis	Industry Benchmarking	Stakeholder Engagement	Internal Risk Assessment
Focus on national and industry policy directions and assess the impact of the regulatory environment on the company's business.	Make reference to issue management practices of leading peers within the same industry, to ensure that issue identification is industry aligned.	Communicate with stakeholders such as investors, customers, suppliers, employees, etc. to collect feedback on material issues.	Identify ESG-related risks and opportunities based on the company's risk management system.

2. Materiality Matrix

Based on the above analysis, the company identified and assessed the issues that have a significant impact on business operations and sustainability management and ranked them in order of financial significance and impact significance to form a materiality matrix.

ZTT Group's Materiality Matrix
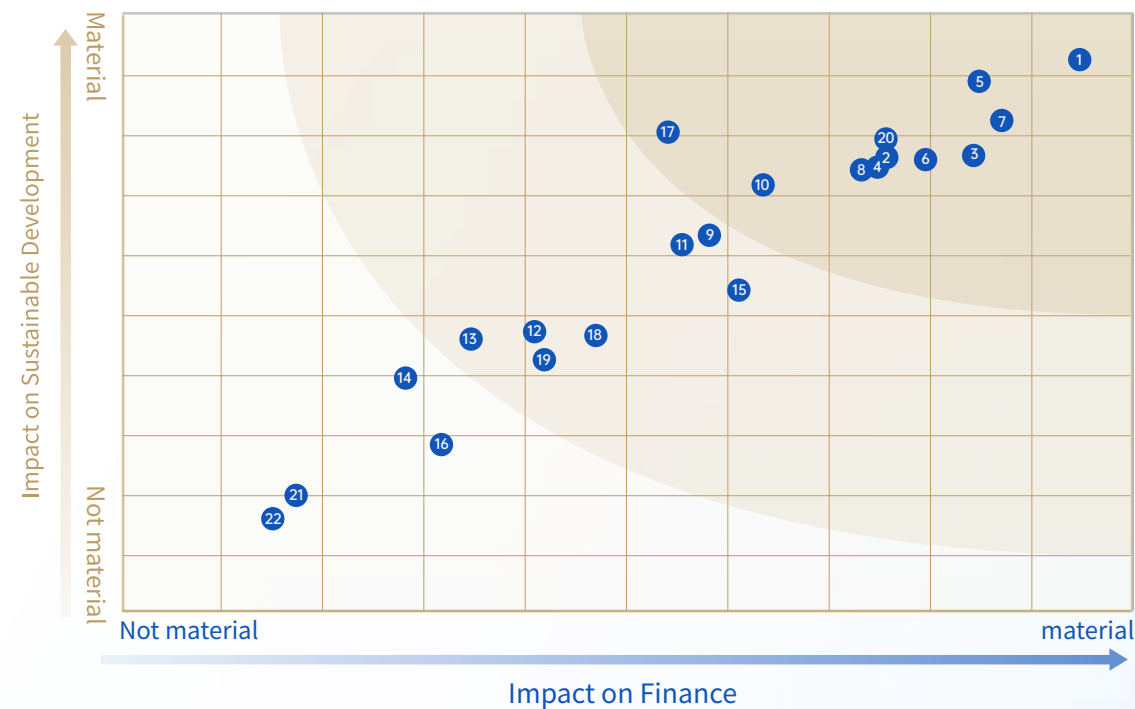
High materiality

1 Corporate Governance

5 Technological Innovation

7 Product Quality and Safety

20 Diversity, Equality and Inclusion

6 Service Quality Management

3 Internal Control

2 Business Ethics

4 Data Security and Privacy Protection

8 Product Design and Lifecycle Management

10 Tackling Climate Change

17 Employee Rights and Benefits

Medium materiality

9 Energy Management

11 Environmental Compliance Management

15 Supply Chain Management

18 Employee Development and Training

12 Waste Management

13 Water Resources Management

19 Occupational Health and Safety

Low materiality

14 Ecological Impacts

16 Conflict Mineral Sourcing

21 Community Relations

22 Charity and Public Welfare

3. Material Issue Updates

During the reporting year, ZTT Group reassessed and updated the list of material issues based on the latest industry trends, regulatory guidance, and stakeholder concerns. Compared with last year, the updated material issues present the following characteristics:

First, the issues with high materiality are more focused on governance capabilities, technological innovation, customer responsibility and corporate culture, resulting in the issues of "Corporate Governance", "Technological Innovation", "Product Quality and Safety", "Service Quality Management", "Data Security and Privacy Protection", "Business Ethics", "Internal Control" and "Diversity, Equality and Inclusion". The issue of "Diversity, Equality and Inclusion" has significantly increased in materiality, reflecting the company's strategic focus on risk prevention and control, compliance and sustainable value creation.

Second, some issues such as "Energy Management", "Occupational Health and Safety", and "Employee Development and Training" were adjusted to medium materiality during the reporting year. This is due to the gradual improvement of its management system, leading to relatively controllable level of risks.

In addition, the company has also added issues such as "Product Design and Life Cycle Management", "Ecological Impacts" and "Conflict Mineral Sourcing", reflecting the further refinement and extension of the company's management dimensions in the field of environmental and social responsibility. This reflects that the company has further refined and extended its management dimensions in the field of environmental and social responsibility.

Going forward, the company will regularly assess changes in material issues and dynamically adjust its management strategy to ensure the effectiveness and forward-looking nature of the ESG management system.

# 05 | *Green leap: environment and climate action*

5. Green leap: environment and climate action

5.1 Zero-carbon Future

In order to actively respond to the challenges of global climate change, ZTT has always regarded low-carbon transformation as one of the core strategies for sustainable development, and has fully implemented China's national goals for carbon peaking and carbon neutrality. Adhering to the governance-led, strategy-oriented, risk management-guaranteed, and indicator-targeted approach, The company has been benchmarking against the requirements of IFRS S2 "Climate-Related Disclosure", systematically identifying climate-related risks and opportunities, and continuously improving our climate adaptation capability and resilience. At the same time, The company has been promoting the optimization of energy structure, upgrading of manufacturing processes, and carbon reduction in the value chain through a comprehensive energy and carbon management system, the "Green and Low-Carbon Manufacturing" action plan, the "Four Ten Thousand Indicators " performance system, and digital tools, so as to build a future-oriented green competitiveness.

Climate Governance

The Company's management attaches great importance to the issue of climate change and has incorporated it into the core of our corporate governance. To this end, The Company has established a comprehensive energy and carbon management structure, including a "three-tier task force" organizational structure and a "three-tier technology" research structure. At the group level, a task force is set up to coordinate climate affairs, with the chief engineer as the highest person in charge of climate governance. At the industrial group level, a working group is set up to coordinate and promote the project, and at the factory level, a task force is set up to implement various low-carbon initiatives. At the same time, The Company has set up "eight dual-carbon research working groups" and "ten energy-saving technology research groups" to promote carbon inventory, emission reduction and neutralization through the "7-Green" measures. Through the "7-Green" measures, The Company will promote carbon inventory, emission reduction and neutralization to ensure the completion of the "Four Ten Thousand Yuan Indicators" .

ZTT Energy/Carbon Governance Architecture
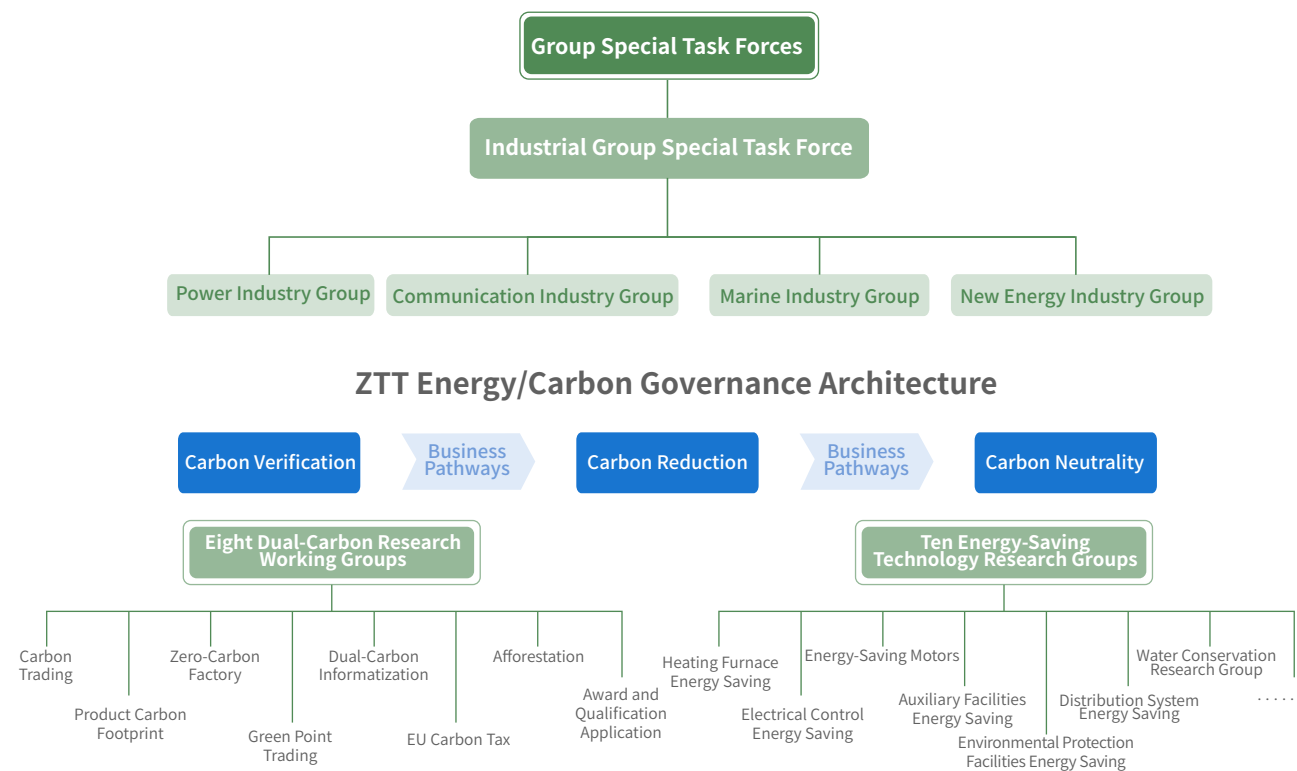
Research Framework for Green and Low Carbon Manufacturing Technologies

Climate Strategy

The Company released the "Green and Low Carbon Manufacturing" action plan, taking the "Four Ten Thousand Indicators " as the core framework for medium- and long-term carbon performance improvement, combining with the "Ten Energy-Saving Technology" initiatives, and clarifying the low-carbon development path mainly focusing on process upgrading, energy structure optimization and value chain synergistic carbon reduction. Combined with the "Ten Energy-Saving Technologies", The Company has defined a low-carbon development path based on process upgrading, energy structure optimization and value chain synergy to reduce carbon emissions.

In order to comprehensively identify risks and opportunities arising from climate change, The Company has conducted a systematic analysis from both operational and value chain perspectives based on the Risk and Opportunity Management Procedures and the records of each specific identification. The types of risks include physical risks, policy compliance, market preferences, technological updates and reputational impacts, etc., and the scope of analysis covers both short-term and long-term time scales.

The Company has formed a climate response strategy covering all scenarios: at the operational level, focusing on energy metering accuracy, equipment energy efficiency improvement and carbon inventory system construction; at the value chain level, responding to the transformation pressure from suppliers, customers and international policies through green procurement, green certification and customer carbon disclosure synergy. At the same time, The Company actively responds to international trends, participates in CBAM compliance pilots, and promotes SBTi pathway planning, in order to enhance its overall climate governance capability and green competitiveness in overseas markets.

Table of Analysis of Climate Change Risks and Opportunities at the Operational Level for ZTT				
Typology	Time dimension	Risks/ opportunities	Situation-specific descriptions	Response strategy
Physical risk	long term	exposures	Extreme heat, flooding, and other events can lead to production disruptions and equipment damage	Optimizing equipment layout, developing contingency plans for extreme weather, instaling of temperature control and disaster recovery systems
Transformational opportunities (policy)	short-term	exposures	Administrative carbon constraints such as electricity restrictions interfere with emissions and delivery	Peak and valley power consumption arrangements, policy early warning mechanism, enhancing communication with customers
Transition risk (technical)	short-term	exposures	Existing equipment and process technology is backward, high energy consumption per unit of product, difficult to meet customer requirements	Promoting energy-saving technological transformation, introducing high-efficiency equipment and strengthening green process design
Transformational opportunities (technology)	short-term	favorable circumstance	Energy-efficient equipment, digital systems enhance operational efficiency and carbon management	Promoting intelligent operation and maintenancing systems and building data-driven green factories
Transition risk (reputational)	short-term	exposures	Lack of systematic carbon inventory and carbon management system, which affects the customer's recognition of the enterprise's green capability	Establishing carbon footprint management process, regular inventory and information disclosure to enhance customer trust
Transformational opportunities (reputation)	long term	favorable circumstance	Increased ESG compliance will help companies gain a head start in the green brand and green supplier awards	Participating in industry green initiatives, disclose carbon performance, and appling for green factory and product certification

Table Analyzing Climate Change Risks and Opportunities at the Value Chain Level in ZTT

Typology	Time dimension	Risks/opportunities	Situation-specific descriptions	Response strategy
Transition risk (policy)	long term	exposures	EU trade policies such as CBAM put carbon compliance pressure on exports	Piloting CBAM compliance, product carbon footprint certification, establishing of carbon information transparency mechanism system
Transformational opportunities (policy)	long term	favorable circumstance	National Green Manufacturing Incentive, Green Product Priority Purchasing and Other Policies Continue to Advance	Declaring green factories, green products, obtaining subsidies and industry credit points
Transition risk (markets)	long term	exposures	Increased customer demand for green procurement, low-carbon products, and delivery cycles	Expanding green certification system, enhancing green product coverage and responsiveness
Transformational opportunities (markets)	long term	favorable circumstance	Green orders rise as demand for green, low-carbon fiber optic cables grows in overseas markets	Developing low carbon fiber optic cable and carbon labeling products to build green brand influence
Transition risk (technical)	short-term	exposures	Rapid evolution of customers' green technology requirements and insufficient supplier responsiveness resulting in substandard delivery	Establishing green product specifications, promoting the construction of a green technology platform with suppliers, and improving the benchmarking mechanism
Transformational opportunities (technology)	long term	favorable circumstance	Increased willingness of customers to cooperate in the research and development of new green technologies and products	Taking the initiative to jointly develop green products with customers and strive for the first-mover advantage in the frontier market
Transition risk (reputational)	short-term	exposures	Customers have strict restrictions on suppliers' non-transparent carbon disclosure and non-standardized carbon management, affecting corporate reputation and order acquisition	Enhancing carbon transparency in the value chain and promoting carbon inventory and green compliance among Tier 1 suppliers.
Transformational opportunities (reputation)	long term	favorable circumstance	Companies that obtain green credentials and excel in carbon performance will receive preferred supplier status from customers	Establishing a green supply chain evaluation mechanism, appling for green factory and green product certification, and enhance customer confidence

Risk Management

The Company has incorporated climate-related risk management into the overall enterprise risk control system and established a monitoring, assessment and response mechanism covering the whole process. Risk management includes annual identification of energy and environmental factors, joint review by various departments, special assessment of key climate issues and design of countermeasures.

In accordance with ISO 14064, 14067 and other international standards, The Company has established a carbon footprint management system at the product and organizational levels, and has formed an inventory mechanism covering the life cycle, with regular third-party verification. Meanwhile, The Company has built the " Energy and Carbon Cloud Platform", which realizes real-time collection of carbon emission data, trend analysis and risk early warning, and promotes digital management of climate risk and optimal allocation of resources.

The Company has also developed a dynamic identification and internalization process for laws and regulations to ensure the timely implementation of climate-related regulations and enhance climate change compliance and risk resilience.

Indicators and Targets

The Company sets climate change targets and discloses KPIs around the "Four Ten Thousand Indicators" (1404.2 USD output value comprehensive energy consumption ratio, 1404.2 USD output value carbon emission ratio, 1404.2 USD output value green energy consumption ratio, 1404.2 USD output value manufacturing cost ratio):

Short- to medium-term Goals (2021–2025)

Increase the share of green energy consumption to **80%**

Comprehensive energy consumption and carbon dioxide emissions of 1404.2 USD output value decreased by **30%** and **35%** respectively

10 carbon neutral demonstration plants.

Long-term Goal (to 2030)

Achieve **100%** green energy use

Carbon emissions of 1404.2 USD output value decreased by **50%** from 2020

Construction of **30** carbon neutral/zero carbon plants

Achieve peak carbon by **2030** and carbon neutrality by **2055**

The promotion of climate change targets is supported by systematic measures such as "ten energy-saving technologies", green design and green packaging, green logistics, etc., combined with the creation of green factories and the SBTi commitment, which comprehensively support the realization of the targets. 2024, the greenhouse gas emissions of Scope 1 and Scope 2 of CTS will be 442,576tCO$_2$e, and the greenhouse gas emission reduction will be 237477tCO$_2$e. gas emission reduction of 23747tCO$_2$e.

5.2 Green Smart Manufacturing

ZTT takes green and low-carbon development as our strategic focus, and builds up an environmental management system based on system construction and supported by technological innovation around the national carbon peaking and carbon neutrality target, and comprehensively promotes the construction of green intellectual manufacturing system.

Environmental Management Compliance

The Company has an EHS Management Committee, with the Chairman of the Board of Directors as the top management, which serves as the highest decision-making body for environmental management and comprehensively coordinates The Company's environmental and occupational health and safety affairs. The Committee takes the lead in formulating annual environmental objectives and action plans, organizing all business segments to identify and respond to environmental risks, and promoting the integration of system construction, resource allocation and performance evaluation. Under the committee is a permanent office operated by the safety and environmental protection department.It is responsible for cross-departmental coordination, daily management, and supervision of implementation to ensure that the environmental policy is implemented throughout the chain from strategy deployment to frontline practice.

ZTT ISO 14001 Environmental Management System Certification
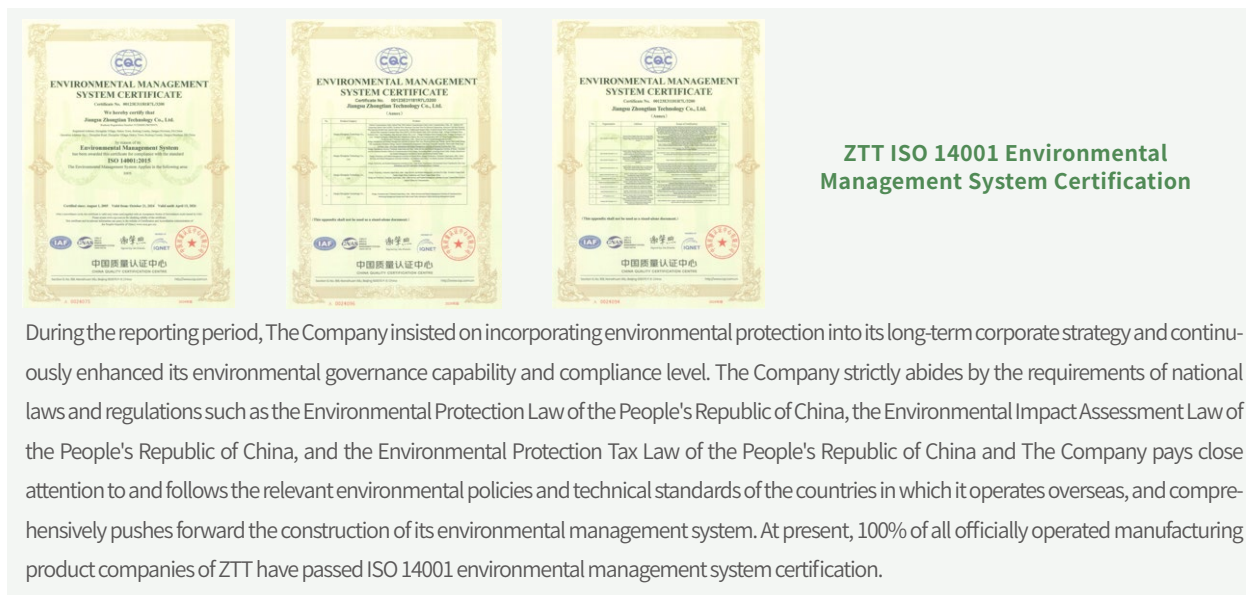
During the reporting period, The Company insisted on incorporating environmental protection into its long-term corporate strategy and continuously enhanced its environmental governance capability and compliance level. The Company strictly abides by the requirements of national laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, and the Environmental Protection Tax Law of the People's Republic of China and The Company pays close attention to and follows the relevant environmental policies and technical standards of the countries in which it operates overseas, and comprehensively pushes forward the construction of its environmental management system. At present, 100% of all officially operated manufacturing product companies of ZTT have passed ISO 14001 environmental management system certification.

In 2024, the compliance rate of "general waste" and hazardous waste disposal reached 100%, and no environmental emergencies occurred. The Company has implemented the "Emergency Response Plan for Environmental Pollution Emergencies", established an emergency command and rapid response mechanism, and regularly conducts environmental emergency drills to improve the ability to respond to environmental incidents.

Environmental Management Compliance

Norm	2022	2023	2024	Unit
Environmental violations and penalties	0	0	0	numbers
Total investment in environmental protection	4,723.33	9,438.07	7,633.95	ten thousand yuan
Duration of environmental training per capita	1.48	1.58	1.77	hourly
Number of participants in environmental training	11,031	11,310	11,967	participants
Percentage of total employees receiving environmental training	96	95	98	%
Percentage of all workplaces where environmental risk assessments are conducted	96	95	92	%
Percentage of operating sites certified to ISO 14001 environmental management system for all product companies	100	100	100	%

Energy Management

In terms of energy management, ZTT takes "Green Low Carbon Manufacturing (GLCM) Action Program" as the core, and sets milestones with 2020 as the benchmark, striving to reduce the comprehensive energy consumption per unit of output value by 30% in 2025, and the proportion of green energy use reaches 80%. In order to ensure that the target is achievable, The Company has constructed an energy efficiency and carbon management organizational structure covering the ZTT, Industrial Groups and factories at three levels, clarified the division of responsibilities, promoted the hierarchical management of energy efficiency indicators and process monitoring, and formulated a supporting energy management system and an annual enhancement plan, focusing on the upgrading of energy-consuming equipment, energy-efficiency benchmarking, special technological reforms, and other key initiatives.

In 2024, The Company deeply pushed forward the transformation of "ten energy-saving technologies", covering energy-saving motors, air compressors, extruders, magnetic levitation freezers, induction furnaces, lighting systems, transformers, distribution systems and other key links, and achieved a cumulative total of more than 50 million kWh of electricity savings, reducing carbon emissions by about 53,500 tons of CO_2e. In order to improve management accuracy, The Company has independently developed and constructed the "Energy and Carbon Management Platform", which builds a three-level monitoring network of the Group, factories and equipments, and realizes the integration of energy real-time monitoring, energy efficiency analysis, abnormality early warning and carbon accounting functions, helping the enterprise to realize refined and intelligent green operation and management.

ZTT EMS Energy Carbon Management System Interface

In terms of renewable energy utilization, The Company continues to promote the strategy of "Green Power Substitution" and actively promotes the synergistic development of distributed photovoltaic (PV), self-built power stations and green power trading. On the one hand, The Company continues to expand the construction and operation of photovoltaic power stations, and create comprehensive energy solutions by combining "photovoltaic+ storage+ energy scenarios"; on the other hand, The Company continues to explore the installation of additional distributed photovoltaic facilities in the factory area, to increase the proportion of green energy use, and to expand the scale of renewable energy consumption through green power trading, green certificate procurement, etc. The Company also relies on the advantages of energy storage products to expand power-side and energy storage facilities. Relying on the advantages of energy storage products, The Company also expands the application of power-side and user-side energy storage projects to enhance the flexibility of renewable energy use and system response capability. In the future, The Company will continue to increase investment and innovation in the field of green energy, and promote the deep integration of green energy and intelligent manufacturing.

Case

ZTT India | Green Power to Reduce Costs and Promote Green Transformation

In 2024, ZTT India joined hands with CleanMax, a well-known local new energy company, to sign a power purchase agreement and start the construction of a 1MW photovoltaic power plant on the rooftop of a factory building. The project has been successfully approved by the CEIG of the Indian government and the Andhra Pradesh South Power Distribution Corporation (APSPDCL).

After the completion of the project, it is expected that the annual power generation can reach about 136,800 kWh, and the annual saving of electricity cost is more than 64591.32 USD. This initiative not only effectively reduces the operational energy costs, but also injects a boost to the green transformation of the local energy structure, demonstrating the positive action and responsibility of ZTT on the path of sustainable development.

Energy Management

Norm	2023	2024	Unit
Gasoline usage	26.35	30.36	ton
Diesel use	702.75	686.53	ton
Natural gas usage	21452540.45	22629005.53	m³
Water energy use	3232330.83	3086044.12	ton
Solar energy usage	7727.57	7980.46	kWh
Electricity consumption	88608.25	88479.17	Million kWh
Steam consumption	144383.92	122869.45	Tons of standard coal
Total integrated energy consumption	292652.28	272824.40	Tons of standard coal
Energy intensity	0.0649	0.0568	Tons of standard coal/¥10,000

Water Resources Management and Wastewater Discharge

In terms of water resources management, ZTT attaches great importance to water resources utilization efficiency and water pollution prevention, and continues to improve the relevant systems and promote the transformation of key links. The Company has formulated the "Pollutant Management Regulations", which clearly sets out the requirements for rainwater and sewage diversion, clean water and sewage pre-treatment of domestic wastewater, strictly prohibits the direct discharge of waste liquids into sewers, and emphasizes that wastewater must be centrally collected, properly treated, and regularly monitored by qualified third-party agencies.

Each plant is equipped with a dedicated drainage network, domestic sewage is discharged into the municipal network after pre-treatment by septic tanks and other facilities to meet the standards, and production wastewater is pooled and treated in a unified manner, with emphasis on monitoring COD, ammonia nitrogen, heavy metals and other water quality indicators. Once the abnormality occurs, The Company immediately organizes the analysis of the reasons and implements the rectification to ensure that the emission is stable and meets the standard.

Case

Water Reuse System Upgrade to Enhance Water Saving Efficiency

In order to further improve the efficiency of water resources utilization, ZTT has modified the wastewater treatment system for water reuse in the production process of copper foil. The process of copper foil production and treatment generates a variety of wastewater containing copper, zinc, nickel and chromium, which needs to be piped to the water treatment system for classification and treatment.

In the course of operation, The Company carried out a technical study jointly with a third party and found that by adding a three-stage RO module, the efficiency of pure water reuse could be further improved, and wastewater discharge and treatment costs could be reduced. After system optimization and transformation, the new three-stage RO water reuse system has significantly improved the level of water resources utilization.

The effectiveness of the remodeling is as follows:

Water reuse rate increased from 75% to 92.5%;

The annual water saving reaches 58,600 tons, which effectively relieves the water pressure;
It reduces the amount of wastewater treatment and the total amount of discharge, and helps enterprises in green manufacturing and recycling development.

The renovation not only optimizes the operational efficiency of the water treatment system, but also reflects The Company's active exploration and practice in resource conservation and environmental protection.

Water Resources Management and Wastewater Discharge

Norm	2022	2023	2024	Unit
Total water withdrawal	3011941.04	3232330.83	3086044.12	ton
total displacement	2363989.94	2529512.17	2486659.69	ton
Total water consumption	647951.10	702818.67	599384.43	ton

Solid Waste Emissions and Resource Recovery

In terms of solid waste management, The Company has established a mechanism for the whole process management of solid waste, covering key aspects such as identification, categorization, registration, storage, transfer and disposal. Through the formulation of the Solid Waste Management System, The Company has promoted the establishment of solid waste accounts and management lists by each subsidiary, and strengthened source reduction and fine management. 100% of hazardous wastes are entrusted to qualified units for compliant disposal, and the transfer process is incorporated into the "Environmental Protection Handbook" supervision platform, realizing closed-loop supervision of the whole process from generation to disposal.

In terms of resource recycling, The Company continues to promote the recycling of packaging, equipment components and other recyclable materials. In 2024, the cable tray furniture recycling project was effective, not only saving costs of more than 5.20 million USD, but also achieving carbon emission reduction of more than 8,000 tons of CO_2. Some units also carry out the reuse of waste wooden pallets, metal edges and corners, etc., to enhance the efficiency of resource use and reduce the outbound transportation of general industrial solid waste.

In the future, The Company will accelerate the construction of the digital solid waste management system, explore the recycling mode in synergy with the supply chain, and promote the green cycle of the value chain to close the loop.

Case

ZTT Morocco | Promoting Waste Resource Management and Enhancing Recycling Rates

ZTT Morocco actively promotes waste minimization and resource management, and implements in-depth waste classification at production sites, finely classifying plastics, wood, paper, metals, etc. at the source. At the same time, we work together with local professional waste processors to recycle and reuse waste that has reuse value.

Through continuous optimization of management processes and staff training, the waste recyclability rate has steadily increased over the past three years and has reached 45.99% by the end of 2024. The project not only significantly reduces the amount of landfill and incineration, but also promotes the development of the local circular economy, demonstrating The Company's high regard for environmental sustainability.

Solid Waste Emissions and Resource Recovery

Norm	2022	2023	2024	Unit
Hazardous waste emissions	4668.99	5313.24	4531.40	ton
Non-hazardous waste emissions	44989.19	40309.65	34384.25	ton
Total waste emissions	49658.18	45622.89	38915.65	ton

Percentage of total company-operated waste diverted from landfills	0	0	0	%

Green Factory Construction

In terms of green factory construction, The Company continues to promote the construction of green manufacturing system, adding 5 new state-level green factories in 2024, totaling 13, and steadily increasing the coverage rate of green certification. Green factories widely apply energy-saving and carbon reduction equipment, renewable energy systems, environmentally friendly materials and digital management and control platforms to realize the green transformation of major process links, effectively supporting The Company's energy saving and emission reduction goals.

The Company actively promotes green products and low-carbon certification, with 7 types of export products having completed carbon footprint certification, and some units initiating life cycle assessment (LCA) research to help products enter the international mainstream market. In 2024, 2 subsidiaries of ZTT have completed SBTi registration and target-setting, and are gradually constructing an emission reduction path based on scientific foundations. Accelerating to build a green smart manufacturing benchmark with international influence.

Added **13** national green factories

7 types of export products complete carbon footprint certification

2 subsidiaries join SBTi

Through systematic policies and mechanisms, digital management and technological innovation, ZTT is gradually building a "Green Smart Manufacturing" system covering the environment, energy, water resources and waste, helping the enterprise to realize its sustainable development goals.

Biodiversity Conservation

ZTT attaches great importance to the protection of ecosystems and biodiversity, especially in overseas investment and construction projects, and has always insisted on incorporating biodiversity into the whole process of project planning, design, construction and operation management. In the transmission line project in Koh Kong Province, Cambodia, The Company, together with the project owner, Electricité du Cambodge (EDC), organized the preparation of a Biodiversity Action Plan to comprehensively assess the potential ecological impacts of the project and clearly formulate the corresponding protection targets and action plans.

The project is located in the Southern Cardamom Mountains, an important ecosystem in Southeast Asia, and covers a number of biodiversity-critical areas such as the Tatai Wildlife Sanctuary, Dong Peng Multiple Use Management Area and Botum Sakor National Park. During the design and implementation of the project, The Company strictly follows the IFC Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources, the Asian Development Bank's (ADB) and other international standards, and combined with local laws and regulations such as Cambodia's Law on Nature Reserves of 2008 to minimize the impact of the project on the ecological environment.
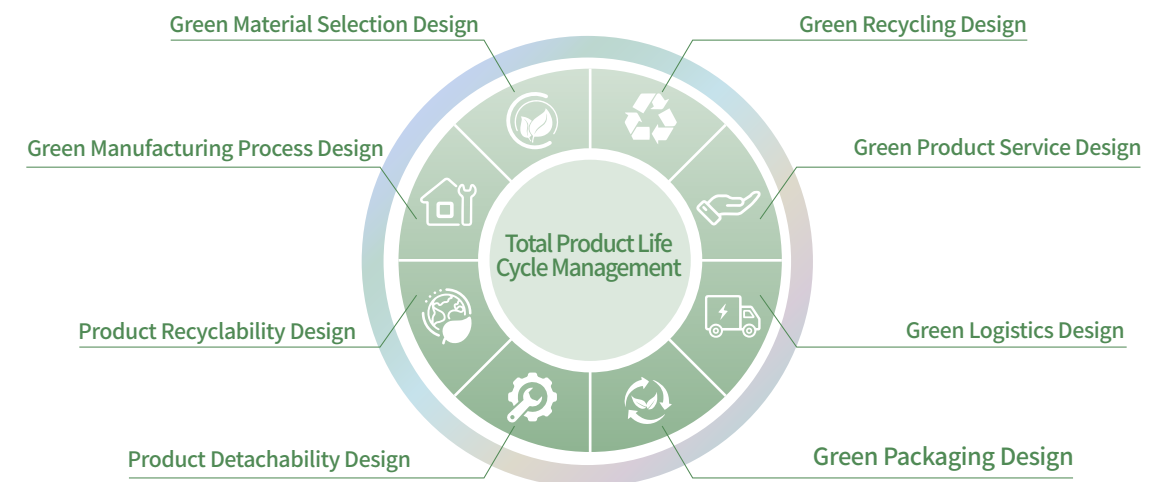
In order to reduce disturbance to high-quality forests and critical habitats, The Company and its contractors have implemented the following measures, which are based on the biodiversity conservation principle of "avoid-minimize-mitigate-compensate":

- Avoid ecologically sensitive areas and wildlife migration corridors during the project design phase

- Clearly delineate project boundaries and restricted construction areas to preserve natural woodland and aquatic habitats

- Control invasive alien species, reduce dust and erosion during construction and operation, and avoid disturbance of animals from nighttime operations

- Enhance the optimization of tower design to prevent bird collisions and electric shock accidents

- For residual impact areas, revegetation and reintroduction of native tree species is planned

- Organize environmental protection training for employees, and strictly prohibit project-related personnel from hunting wild animals or destroying forest resources

- Joint conservation cooperation with local environmental organizations (e.g. Wildlife Alliance, WWF Cambodia, etc.) to support regional ecological monitoring and patrols

In addition, The Company has established a biodiversity monitoring mechanism for the project, regularly assessing the effectiveness of project impacts and mitigation measures to ensure that no irreversible damage is caused to endangered species and their habitats during project operation. Through the implementation of this project, ZTT not only guarantees the sustainable construction of transmission infrastructure, but also actively contributes to the protection of ecosystems in the host country and the sustainable development of the region.

5.3 Total Product Life Cycle Management

As part of its transition to green and low-carbon development, ZTT has always adhered to the concept of "life cycle management", embedded sustainable development in every link of products from source to end, and built a closed-loop green value chain. Around the selection of raw materials, product design, manufacturing process, packaging and transportation, use management and end-of-life recycling, The Company has formed a set of systematic and standardized green whole-chain management system, which continues to help reduce the burden on the environment, conserve resources and enhance customer value.

Green Material Selection Design · Green Recycling Design · Green Manufacturing Process Design · Green Product Service Design · Total Product Life Cycle Management · Product Recyclability Design · Green Logistics Design · Product Detachability Design · Green Packaging Design

Case

Appearance at the World Energy Congress

From April 22nd to 25th, the 26th World Energy Congress was held in Rotterdam, the Netherlands. With the theme of "Sowing Green, Sharing the Future", ZTT participated in the exhibition and displayed new green products and system solutions in the three major energy fields of ocean, new energy and power grid to the global new energy customers. Through energy substitution, raw material substitution, energy saving and emission reduction, material saving and recycling, and the implementation of green design, green procurement, green production, green life and other measures, ZTT is committed to the green and low-carbon of the entire life cycle of its products and services.

At the source end, ZTT vigorously implements green procurement and raw material carbon reduction projects, prioritizes the use of materials with lower carbon footprints and lower environmental impacts, and strives to reduce the environmental loads of products at the raw material selection stage.

Case

Low-carbon aluminum materials help reduce emissions at the source

Fingrid, the Finnish national grid operator, featured ZTT's low-carbon aluminum collaboration in detail in its journal. ZTT's green aluminum significantly reduces the carbon footprint, reaching only one-fourth of traditional emission levels. This demonstrates proactive alignment with the EU's Carbon Border Adjustment Mechanism (CBAM) requirements and provides strong support for Finland's power infrastructure upgrades and the achievement of its sustainable development goals.

In terms of green design, The Company adheres to the concept of "green at the beginning of design", and incorporates low-carbon, easy-to-disassemble, reusable and other environmentally friendly attributes into the entire process from product structure, material selection to manufacturing adaptation. Under the premise of ensuring functional integrity, The Company reduces the redundancy of materials and energy consumption in the manufacturing process, and improves the energy-saving efficiency across the entire value chain.
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Case

Green Design for Structural Optimization

ZTT adopts truss-like lightweight structure design in fiber optic cable transfer box products, which ensures the mechanical performance while reducing the weight of each box by 6.8 kg, reducing the waste of materials, transportation energy consumption and production carbon footprint. In semi-dry fiber optic cable products, the innovative use of water-blocking powder instead of fiber paste and water-blocking yarn reduces the carbon emission per 10,000 meters of fiber optic cable to 0.0026 tons of CO_2, which significantly reduces the intensity of carbon footprint.

At the manufacturing stage, ZTT adheres to the green and smart manufacturing strategy, continuously optimizes the process, upgrades intelligent equipment and implements lean management. The Company comprehensively benchmarks the Ministry of Industry and Information Technology's high energy-consuming equipment elimination catalog, and vigorously promotes equipment upgrading through technological transformation. Through the promotion mechanism of "ten energy-saving technologies", The Company has formed a point-to-point, system-driven energy-saving and carbon-reducing effect nationwide, and created a green "new engine" in the manufacturing process.

Case

Intelligent manufacturing releases green kinetic energy

By eliminating four old wire drawing machines and introducing one double-head and double-disk and one single-head and double-disk wire drawing machines, The Company has achieved an annual power saving of 700,000 kWh, a reduction of 554 tons of carbon emissions, and an annual cost reduction of 81441.23 USD. This move not only significantly improves the efficiency of production capacity, but also reflects a high degree of synergy between green manufacturing and economic benefits.

Green Packaging
Recyclable Materials / Recycled Materials / Reduced Volume Packaging

In packaging, logistics and warehousing, ZTT actively builds a system of "reduction, recycling and intelligence". The Company introduces recyclable, degradable and recyclable materials for packaging, and promotes green packaging solutions. In 2024, The Company will recycle and reuse iron and wooden trays, cable trays and other packaging instruments, and reduce carbon dioxide emissions by 8,108 tons. In terms of logistics and distribution, The Company accelerates automation and informationization upgrading, adopts AGV automatic handling system, intelligent material supply system, digital warehousing and dedicated transportation by cargo ships to optimize the flow of work processes and shorten the transportation path, effectively reducing carbon emissions and improving operational efficiency. Through multimodal transportation and intelligent logistics scheduling, The Company has created a "green artery" linking production and delivery.

Entering the product use stage, The Company focuses on improving the reliability, long life and energy-saving performance of its products to reduce the energy consumption and maintenance costs of customers during the use process. In high-end application scenarios such as communication, electric power and ocean, The Company's products widely use highly adaptable materials such as corrosion resistance, fatigue resistance and wind and sand resistance, and integrate energy-saving functions to effectively reduce the user's whole life cycle operational emissions.

In the face of the environmental impact of products after use, The Company has established a closed-loop green disposal system to realize the regeneration of resources and control of risks. On the recycling side, The Company collaborates with external environmental protection organizations through its internal recycling platform to classify and dismantle products, refurbish parts and reuse materials. For non-recyclable or environmentally risky hazardous wastes, The Company sets up a special transfer channel and entrusts qualified units to carry out compliant disposal in strict accordance with regulatory requirements, ensuring that the whole process of transfer, storage and disposal is traceable and auditable, and truly realizing the concept of "turning wastes into treasures and hazards into benefits".

In addition, in order to ensure the standardization, measurability and sustainability of the green management system, ZTT has formulated a complete product carbon footprint accounting mechanism, and carried out carbon inventory, third-party certification and carbon footprint disclosure based on international standards such as ISO 14064 and ISO 14067. The Company has established a carbon footprint database covering the entire life cycle to quantify the carbon emission reduction effect of each link, and uses it as an important basis for product design and supply chain management to promote the continuous iterative optimization of products.

Looking into the future, ZTT will continue to take the whole life cycle management as a handhold, promote the extension of green manufacturing to the upstream and downstream, leap to a higher level, and promote the value chain from "compliance and emission reduction" to "value co-creation".

06 / Putting people first: social responsibility and inclusive growth

# 6. Putting people first: social responsibility and inclusive growth

Every employee's effort and dedication is an important force to push the company forward. We hope to provide every employee with fair and transparent career development opportunities, to create a positive working environment, and employees to collaborate, to achieve a win-win situation for individuals and enterprises.

6.1 Employee Well-being

Equality and Diversity

ZTT advocates an enterprise atmosphere of equality, mutual trust, diversity and inclusiveness, and eliminates unfair treatment of employees in recruitment, promotion, salary and other aspects due to ethnic group, gender, age, belief, political status and other factors. .We strictly abide by the laws and regulations of our countries and regions, establish and implement the Anti-Modern Slavery Policy and conveys to the concepts of respecting human rights and anti-discrimination all stakeholders, and guides all business units to conduct compliance practices with supply chain partners. During the reporting period, The company has passed the SA8000 CSR certification; there is no forced or compulsory labor and no child labor use.

The company has always practiced the good manners of helping the disabled and the needy, and actively fulfilled its social responsibilities to ensure high-quality employment for the disabled. During the reporting period, The company employed more than 70 disabled workers and provided sufficient skills training and career development guidance in an effort to build a fairer and more inclusive for persons with disabilities employment environment.

We actively create an inclusive, equal and diversified work environment, encourage employees to actively integrate into The Company, respect the right of employees to join trade unions and support employees to freely form interest clubs to ensure that the rights and interests of employees are not interfered with each , and to achieve the work-life balance, to maintain the sustainable development of the workplace . The company holds an annual employee representative meeting to concentrate resources on negotiating and addressing employees' expectations and demands . At the same time, we conducted an employee satisfaction survey, and further established a number of internal online and offline communication channels for employees to efficiently deal with their demands and suggestions on remuneration and benefits, system implementation, work pressure and other demands and suggestions. During the reporting period , The company held a staff congress, and all the staff representatives attending the meeting collectively negotiated and passed the Collective Contract for the year 2024, achieving a 100% staff collective contract signing rate.
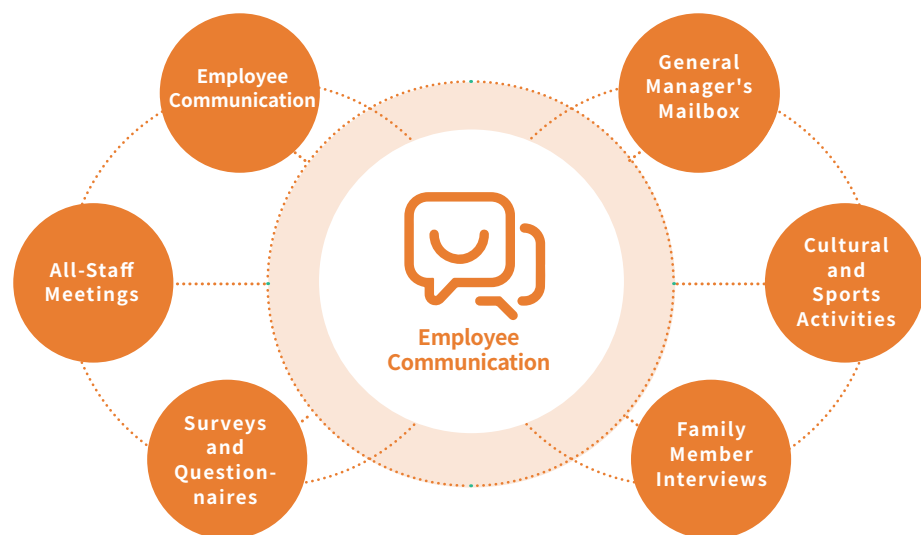
Diversified Communication Methods

Equality and Diversity				
Employee Indicators	2022	2023	2024	Unit
Total number of employees	14,018	14,902	15,110	People
Number of employees under 30 years old	4,199	4,287	4,358	
Number of employees aged 30-50	8,099	8,751	9,014	
Number of employees over 50 years old	1,720	1,864	1,738	
Number of male employees	10,357	11,172	11,361	
Number of male employees under 30 years old	3,324	3,382	3,425	
Number of male employees aged 30-50	5,371	5,999	6,231	
Number of male employees over 50 years old	1,662	1,791	1,705	
Number of female employees	3,661	3,730	3,749	
Number of female employees under 30 years old	875	905	933	
Number of female employees aged 30-50	2,728	2,752	2,783	
Number of female employees over 50 years old	58	73	33	
Number of employees in China	12,544	13,430	13,628	
Number of Overseas Employees	1,474	1,472	1,482	

ZTT's SA8000 Certificate

Employee Benefits

ZTT continues to enhance the employee welfare system, by formulating the "Employee Welfare Management System" and other documents, providing employees with insurance other legal benefits, with all kinds of holiday gifts, birthday gifts, exclusive women's day activities and other employee benefits. The company also set up a mother-and-baby room to support the needs of female employees. We organize cultural exchanges and other activities to promote mutual understanding and cooperation among employees and enrich their work and life. During the reporting period, the company provided support to the families of disabled and financially disadvantaged employees 278 times, with total expenditures of approximately 0.18 million USD .

Spring Festival

Tea Party

Talent Apartment

Youth Day activities

Family Sympathy for ZTT India Employees

ZTT India employees celebrating Holi Festival
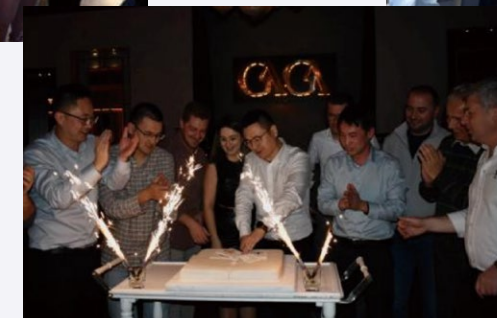
International Women's Day (March 8)

ZTT Morocco Fun Games

ZTT Brazil team-building activities

ZTT Turkey employees welcoming the New Year

Employee Recruitment

ZTT actively attracts excellent talents, The company has formulated " Recruitment Management Measures" and other documents to support the daily recruitment work, through a variety of channels such as campus recruitment, social recruitment and international talent introduction channels, we introduced AI interviewing and VR experience hall, designed the image of school recruiting and created peripheral gifts, accurately matched talents with the positions, improved the efficiency and quality of recruitment, and to enrich The Company's employer image. During the reporting period, ZTT's 'Pilot Student' program recruited 422 new employees.

Employee Recruitment				
Employment indicators	2022	2023	2024	Unit
Total number of new employees	2,268	2,466	2,522	People
Number of male employees	1,703	1,906	1,857	People
Number of female employees	565	560	665	People
Less than Number of 30 year old male employees	999	1,046	1,052	People
Number of male employees aged 30-50	609	771	781	People
Greater than Number of 50 year old male employees	95	89	24	People
Less than Number of female employees aged 30	289	298	302	People
Number of female employees aged 30-50	273	261	363	People
Greater than Number of 50 year old female employees	3	1	0	People
Employee turnover rate	16.44%	13.86%	12.67%	percentage

Use of parental leave				
Norm	2022	2023	2024	Unit
Return rate of employees on parental leave	100%	100%	100%	percentage
Retention rate of employees on parental leave	92%	93%	95%	percentage

Remuneration and Incentives

The company has issued documents such as the Measures for the Management of Position Grades and Remuneration and the Guidelines for Performance Management to scientifically manage employee compensation and performance. A remuneration committee has been established to help employees effectively address pay-related concerns and ensure that all employees receive a minimum income that always exceeds the local statutory minimum wage. During the reporting period, the starting salaries for male and female employees were equal, maintaining a 1:1 ratio.

Remuneration and Incentives				
Norm	2022	2023	2024	Unit
Wage ratio between male and female employees at the starting salary level	1:1	1:1	1:1	proportion
Ratio of starting level wage to local minimum wage for male and female employees	2.66	2.75	2.77	proportion
Number of executives hired from local communities	123	123	115	man
Total number of executives	253	253	251	man
Percentage of executives hired from local communities	48.62%	48.62%	45.82%	percentage

Performance Appraisal

ZTT ensures that the employee performance is consistent with the the company's strategic direction. The company has established a company - wide performance appraisal mechanism and implemented annual appraisals for its employees in accordance with the corporate governance norms and the requirements for sustainable development. During the reporting period, the percentage of employees' participation in performance appraisal was 100%.

Individual Role Levels	Indicator Sources
Industrial Group President	Industrial Group Performance
Subsidiary General Manager, Marketing Management Center Director	Company Performance, Marketing Management Center Performance
Other Core Team Members	Company Performance, Partially Shared Management Domain Performance/Management Requirements
Department Head	Department Performance
Supervisor and General Employee	Department Performance Breakdown

Career Development and Training

ZTT continues to enhance the career development system and has established multiple promotion paths for employees from grassroots to senior management, from technical posts to expert consultants, etc. , to support employees' positive development at ZTT.

Employee Development

In order to effectively broaden the career development channels for employees, we publish daily information on job requirements of subsidiaries and through online platforms such as, WeChat platform to help employees based on their own career development plans and professional skills, and to promote the matching of talents to the appropriate positions.

ZTT Group builds dual career promotion channels for its employees:
Vertical promotion channels encourage employees to continue to work in their own professional fields, constantly improve their professional skills, and pursue professional refinement and breakthroughs;
Lateral promotion channels provide employees with the opportunity to cross-serial promotion or transfer to other positions, so that employees can flexibly adjust their career direction according to their personal interests and abilities as well as the company's development needs .

Vertical Promotion Channel

Professional Field

Lateral Promotion Channel

Diversified Development

Job Rotation | Personal Interest | Ability | Company Demand
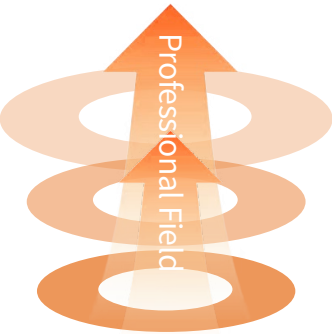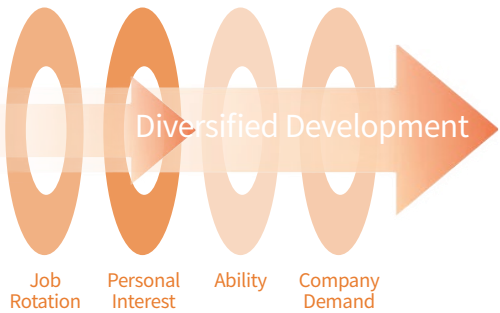
Staff Training

The career development of employees to the operation of the enterpriseis closely related.ZTT Group establishes and optimizes four major training systems to meet the needs of talent development at different stages, help employees quickly adapt to their positions and continuously improve their working ability, and allows to employees develop in both professional and management fields.

The company has formulated a number of talent training programs, including the Youth Seedling Program, the Youth Blue Program, and vocational skills level recognition, to promote the development of industrial workers; and organized participation in various types of vocational skills competitions to promote learning and excellence through competition. Promote employees to refine their work skills and effectively improve production efficiency .

Craftsmanship Training for Frontline Employees
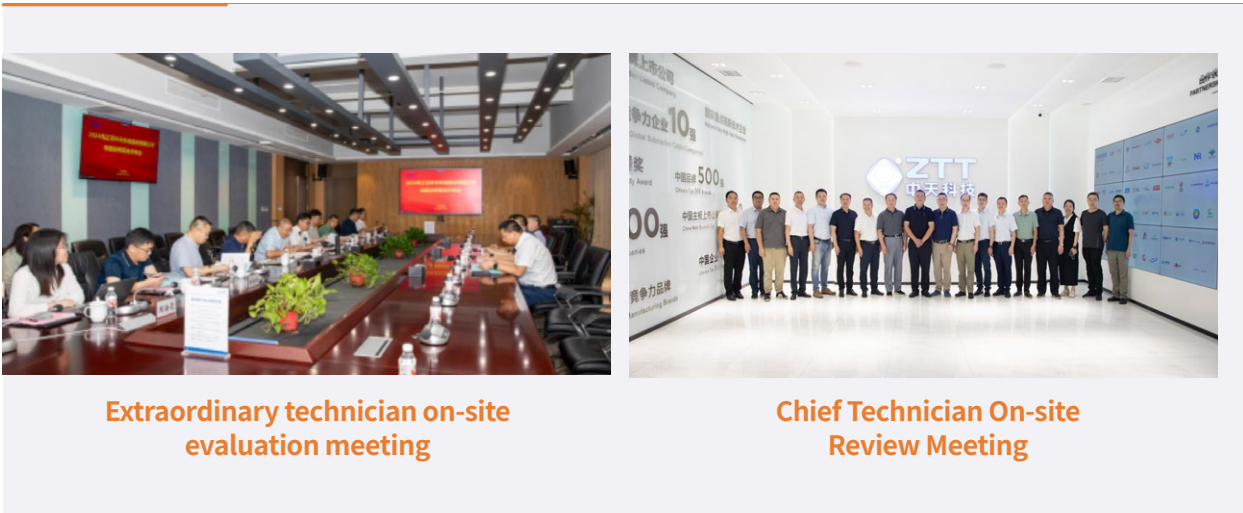
Extraordinary technician on-site evaluation meeting

Chief Technician On-site Review Meeting

Staff Training				
Norm	2022	2023	2024	Unit
Total training hours	1,293,861	1,439,533	1,572,951	hourly
Average employee training hours	92.3	96.6	104.1	Hour/person

The four major systems

Program Name	object-oriented	Training contents
Sail Program	Recruitment for social workers, fresh college students, internship students who have not graduated from colleges and universities, and blue-collar workers from vocational schools	Training courses for new specialists and doctors (parachute program)
		Training course for new sales staff
Renewal Program	For existing positions	Team Leader Competency Enhancement Training Course
		Digital Competency Camp
Voyage Program	Internationalized mature talents, reserve talents, internationalized reserve talents	Training Course for International Talents Coming to China
		Basic English Speaking Course

Program Name	object-oriented	Training contents
Navigate Program	Cultivation of president, general manager, director, deputy general manager, department manager, and backbone of grassroots management positions	New General Manager and Reserve Talent Class
		AB Corner Specialized Training Course for Middle Management

Environmental Health and Safety

ZTT Group attaches great importance to the health and safety of its employees, is committed to creating a safe and comfortable workplace. During the reporting period, the company certified and obtained ISO 45001 certificate.

ISO 45001 system certificate

Security Awareness Training

ZTT Group has set up an EHS management committee, to maintain the health of employees and the safety of the working environment. The company invites professionals to train employees in safety operation skills , so that employees can master safety operation skills and strengthen safety awareness. The company also organizes safety knowledge contests and other activities on a regular basis to stimulate the enthusiasm of employees to learn safety knowledge and enhance their safety quality.

Safety Painting Competition in Safety Month Activities

ZTT Indonesia Lean Manufacturing Training

Safe Production

ZTT Group implements the construction and execution of safety management system documents such as the Regulations on Work Injury Management, requires to employees wear personal protective equipment according to regulations. The Company collects and analyzes information on safety accidents every month, generates and publishes a production safety bulletin, and real-time evaluates and analyzes production assessment points. During the reporting period, the company did not have any workplace accidents .

Safe Production				
Form	**2022**	**2023**	**2024**	**Unit**
Number of work-related deaths	0	0	0	man
Number of work injuries	14	24	13	man
total working time	26,498,148	27,888,536	29,135,175	hourly
Million man-hours lost time accident rate	0.53	0.86	0.45	Million man-hours
Number of occupational diseases	0	0	0	classifier for clothes, luggage, decorations; piece of work; a matter, an event
Incidence of occupational diseases	0	0	0	percentage

▲ **Equipment training for the staff of ZTT Morocco**

ZTT Indonesia Employee Equipment Training ▲

ZTT India Employee Production Protective Clothing Use ▶

Security Maintenance

A safe and stable working environment is the top priority of an enterprise. ZTT Group has formulated documents such as "Environmental Factors Management Procedures" and "Hazardous Sources Identification and Risk Evaluation Management Procedures", and regularly conducts safety inspections and maintenance of its production facilities to strengthen the environmental management of its workplaces; the company applies the LEC method to identify, evaluate and categorize the environmental risks, and formulates contingency plans to strengthen the capacity of emergency handling. During the reporting period, the company through safety hazard investigation actions collected a total of nearly 5,000 potential safety hazards, and the rate of rectification of potential hazards was 100%.

Safety marking

AS Production Line ▶

Conductor production warning ◀

Emergency fire cabinet ▶

◀ Fire Hydrant
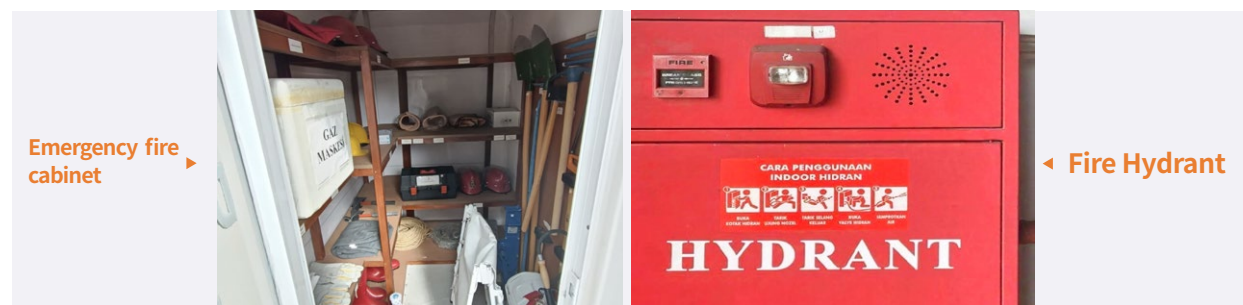
Emergency Drill

ZTT Group strictly complies with national and local laws and regulations, formulates a number of emergency drills and plans, and regularly organizes emergency drills for natural disasters and production accidents, so as to familiarize employees with the emergency procedures, effectively improve the self-protection and mutual assistance capabilities of employees, and enhance the overall level of the company's emergency response in the face of emergencies. During the reporting period, the company organized a total of 415 drills, with a cumulative total of 16,211 participants .

Type of exercise

Fire drill

Natural Gas Leakage Emergency Response Exercise

Emergency Drill for Lifting Injuries

Mental health management

We not only focus on the physical health of employees, but also pay attention to their mental health. To this end, the company has set up an employee psychological counseling room, invited domestic senior psychological counselors, from time to time to carry out mental health lectures and employee "one-on-one" counseling, timely solution to the psychological problems

encountered by employees
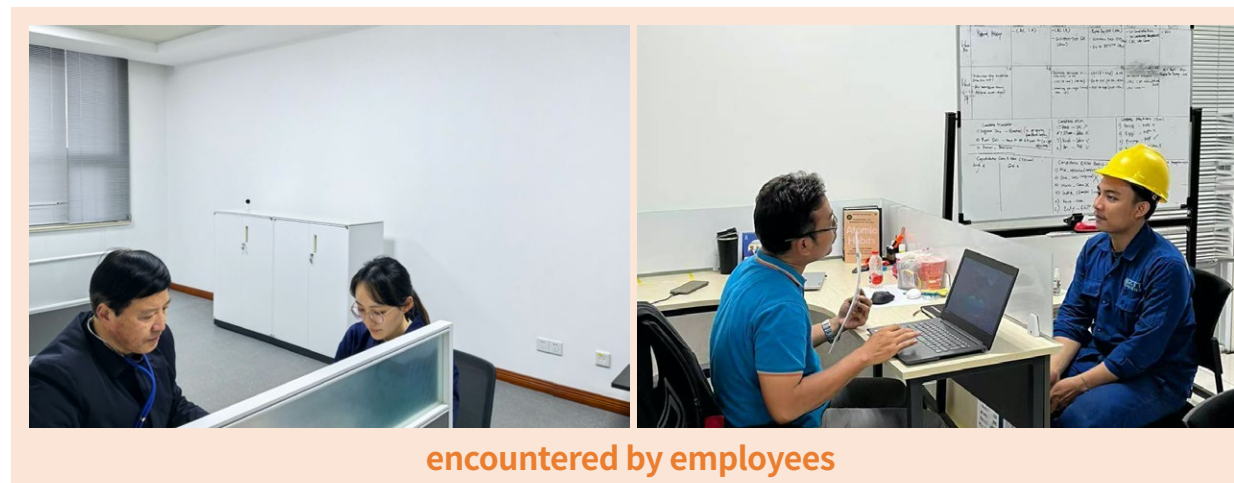
✉ E-mail:ztthr@ztt.cn   📞 Hotline::051384885115

6.2 Sustainable supply chains

ZTT Group is committed to building a greener and more sustainable supply chain system, pursuing economic benefits and social responsibility win-win.

Supplier ESG Assessment

ZTT Group has established a strict ESG assessment system for suppliers, and comprehensively examined suppliers from various dimensions such as environment, society and corporate governance. The company has formulated the "Supplier Management Measures", which clearly defines the whole life cycle management of suppliers from certification, introduction, evaluation to withdrawal and elimination. Through the annual risk assessment of suppliers , the company selects suppliers with outstanding performance in ESG and establishes long-term and stable cooperative relationships with to build a sustainable at supply chain. During the reporting period, ESG assessment covered 100% of suppliers .

Environmentally, ensure that suppliers' production processes are environmentally friendly and minimize negative impacts on the ecosystem	Suppliers' energy consumption Waste emissions Efficiency in the utilization of natural resources
At the social level, to ensure that suppliers do not engage in forced or child labor and are able to contribute positively to society.	Protection of Employee Rights and Interests Maintenance of community relations social facility
Corporate governance to ensure that supplier operations are stable and in compliance with legal and regulatory requirements	Evaluate supplier management systems transparency business ethics

Supplier ESG Assessment

Norm	2022	2023	2024	Unit
Number of operating sites, suppliers where freedom of association or right to collective bargaining is violated or at significant risk	0	0	0	classifier for individual things or people, general, catch-all classifier
Number of operating sites, suppliers with significant risk of child labor incidents	0	0	0	
Number of operating sites, suppliers with significant risk of forced or compulsory labor	0	0	0	

Responsible procurement

ZTT Group is resolute in not purchasing or supporting the use of conflict minerals, and has incorporated responsible purchasing requirements into the cooperation framework agreement. We require our suppliers to provide a Letter of Commitment for Non-Use of Conflict Minerals to ensure that they understand the importance the company attaches to the compliance management of conflict minerals. On this basis, we require direct suppliers to pass on this principle to sub-suppliers to eliminate the risk of human rights violations, inhumane treatment and armed conflict in the supply chain of key minerals. During the reporting period, 100% of our mineral and mineral derivative material suppliers signed the Conflict Minerals Commitment Letter.

Supply Chain Carbon Footprint Management

ZTT Group clearly requires suppliers to incorporate the concept of green supply chain management into their own development strategic planning, and clarifies the requirements for carbon reduction and emission reduction at the operational level of suppliers through documents such as Green Procurement Guidelines and Green Supplier Evaluation Criteria.

The company establishes a green data and analysis platform and a carbon emission accounting system, accurately counts and analyzes suppliers' carbon emission data collected on a regular basis , counsels suppliers to optimize their emission reduction practices, and provides them with targeted carbon-reducing advice and technical support, so as to promote the green transformation of the entire supply chain.During the reporting period, more than 800 suppliers signed the green and low-carbon initiative. 100 suppliers completed the carbon emission data statistics, collected 135 emission reduction projects, and the carbon emission ratio of 1404.2 USD of output value was reduced by more than 8.4%, which achieved remarkable emission reduction results.

Supplier capacity-building and training

ZTT Group is committed to helping suppliers improve their management level, technology level and sustainable development capability through capacity building and training. The company organizes events such as the Global Partner Conference to provide a platform for suppliers to communicate and learn; provides professional training and guidance covering environmental management, social responsibility, quality management and other areas based on the results of supplier performance evaluation, empowers supply chain partners to reduce sustainability risks .

Case

Strengthening Compliance Quality and Quantity Ensuring Compliance Starting a New Journey Supplier Conference

On September 27, 2024, ZTT Group held a seminar on compliance, quality and fulfillment policies for its supplier partners, with the theme of "Strong Compliance, Quality, Fulfillment and New Journey", which was attended by more than 700 supplier representatives from across China. At the meeting, ZTT Group promoted the policy reports of "Quality Management", "Compliance Management" and "Compliance Management" to the supplier partners, and notified the typical cases of supplier's malpractices in recent years, demonstrating ZTT Group's commitment to the quality management of suppliers. Typical cases of supplier malpractice in recent years were also reported, demonstrating the determination of to establish dignity by quality and to fight against corruption.

Case

Building Integrity Together, Pro-Clean Cooperation

On December 19, 2024, in order to implement the guidelines of compliance refinement, on the one hand,ZTT Group improves the construction of procurement internal control system, and improves the risk prevention and control system of compliance and integrity; on the other hand, it communicates the requirements of integrity and honesty through signing commitment letters, procurement compliance questionnaires, on-site/online trainings, as well as procurement portals to strengthen the awareness of integrity and compliance among the internal staffs and suppliers, and to jointly build a on the other hand, we communicate integrity requirements through signing commitment surveys, on-site/online training and procurement portal to strengthen the awareness of internal staff and suppliers on integrity and compliance, and to build a pro-clean partnership.

6.3 Co-creating social value

ZTT Group regards public welfare as an important part of its corporate development strategy, and actively brings value to the society while creating economic benefits.

Community support and education

The company actively participates in community building and education support, and establishes special funds for industry-education integration and school-enterprise cooperation and incorporates them into the annual financial budget of the enterprise .

Case

Public Welfare Contribution

We actively participate in various charitable activities and pay attention to the disadvantaged groups. In recent years, ZTT Group has donated infrastructure equipment worth more than 5 million dollars to the Affiliated Hospital of Nantong University; donated more than 4.7 million dollars of materials, supported the construction of Zhangjian Entrepreneurs' College; and donated 10 million dollars to Rudong Middle School to cultivate top-notch innovative talents.
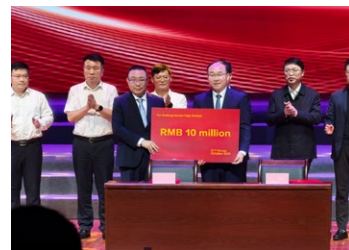
ZTT Group India Social Responsibility Initiative

Achievement of specific financial thresholds in accordance with the relevant provisions of the Indian Companies Act on Corporate Social Responsibility (CSR) of companies dedicate at least 2% of their average net profit for the previous three years to CSR.

Mid-2024 ZTT Group India is actively involved in fulfilling the government's compliance requirements by partnering with local public interest organizations, while at the same time Local social welfare activities.

PT ZTT CABLE INDONESIA Social Responsibility Initiative

Eid al-Adha is an important festival in Indonesia, and during the 2024 festival, ZTT INDONESIA, as in the past, will continue to organize the Eid al-Adha festival. In the past, The company has fulfilled its social responsibility by donating cows to poor villagers. During the Eid al-Fitr festival in Indonesia, The company donated cows to the weekly donation of rice to villagers in need in the border community.

ZTT Turkey factory, DEMIRER KABLO Social Responsibility Action

In 2024, ZTT Turkey factory, DEMIRER KABLO (DK Cable) specially organized a sympathy visit to Boguyuk Orphanage and donated school supplies such as schoolbags and stationery, and sports equipment such as soccer balls to the children, which conveyed humanistic care with practical actions and demonstrated the mission and responsibility of multinational enterprises of "Global Development, Shared Responsibility".

6.4 Product Quality and Customer Value

ZTT Group is committed to creating greater value for customers while being driven by innovation and adhering to the persistent pursuit of quality.

Quality management

ZTT Group takes the excellent performance management system as the leader, takes ISO9001, TL9000 and other system standards as the benchmark, gradually promotes the integration with other management systems of the company, establishes an integrated management and control system with multi-faceted synergy, and creates a maturity benchmark for quality management in the industry. The company appoints the chief quality officer to comprehensively plan and promote the construction of quality culture; set up a quality control department, equipped with professional quality management personnel, to monitor product quality throughout the process; regularly conduct internal audits and management reviews of the quality management system, and constantly find and improve the existing problems, to promote the continuous improvement of the quality management system . We set up a three-tier quality target system based on a three-dimensional control network of quality responsibilities, and promote the combination of target fulfillment and performance management. During the reporting period, the coverage rate of the quality management system of all formally operated manufacturing product companies of ZTT Group was 100%.

ISO 9001

TL9000

Product Safety and Compliance

ZTT Group products are widely used in electric power, communication, construction and other fields. The company actively obtains various international certifications, such as IEC, UL, etc., to ensure that the products reach the international advanced level in terms of safety and performance. We strictly follow the industry standards and actively participate in the formulation and revision of industry standards.

Case

ZTT Submarine Cable Achieves Across-the-Board Performance Improvements

The low-carbon 220kV cross-linked polyethylene insulated AC fiber-optic composite submarine cable project launched by ZTT Submarine Cable is the first domestic application of a submarine cable with a conductor cross-section of 3,000 mm², filling the gap in large-cross-section submarine cables in China. This project increases transmission capacity by 20% to 40% and achieves over 21% reduction in energy consumption and carbon emissions compared to conventional submarine cables. As an outstanding case, the project was awarded the "EY Sustainability Annual Best Award."

Product Safety and Compliance

	2022	2023	2024	Unit
Number of significant products/services	98	99	100	classifier for clothes, luggage, decorations; piece of work; a matter, an event
Number of products with optimized safety performance	5	7	8	
Incidents of warnings or fines for violations of product/service safety regulation	0	0	0	get (from a depot or counter)
Number of significant products/services	98	99	100	classifier for clothes, luggage, decorations; piece of work; a matter, an event
Percentage of products/services covered and assessed for compliance with the company's product/service information and labeling program	98	99	100	percentage
Incidents of fines or warnings for violating product/service information regulations	0	0	0	get (from a depot or counter)
Violations of marketing (advertising, marketing, sponsorship) regulations resulting in warnings or fines	0	0	0	get (from a depot or counter)

Product Certification

Products	Certification Body
PV Components for BOS - mechanical	Rheinland Testing & Certification Services (China) Co.
IT Equipment	
GJPFJV indoor multi-core fiber optic cable (G.652, 12 cores and below)	Thiel Certification Center Co.
ZA-RV Flame Retardant Flexible Cable for Communication Power Supply	
Loose Sleeve Stranded Full Medium Self-Relaying Fiber Optic Cables	China Quality Certification Center Ltd.
Laminated Stainless Steel Tube Optical Unit Triple Stranded Fiber Optic Composite Overhead Ground Wire	Power (Beijing) Certification Center Co.
Railroad Through Ground (Type S)	China Railway Inspection and Certification Center Co.
BATT - Cell for use in Battery/Module for Stationary LER and EV Application	Guangdong GHM Certification Co.
Smart Computing Center Power Module	Shanghai Timway Certification Technology Co.
Non-halogen free charging cable for supplying power and communication for electric vehicles	Drake Quality Certification (Shanghai) Co.
Cross-linked polyethylene insulated AC light submarine cables of rated voltage 220 kV (Um=252 kV) in large lengths	Hangzhou Wantai Certification Co.

Customer satisfaction and feedback mechanisms

ZTT Group establishes a perfect customer feedback mechanism, through customer satisfaction survey, after-sales visit, online customer service and other channels, and actively collects customers' opinions and suggestions. The company has set up a professional department for customer service and established a 2-hour response system to provide customers with a full range of technical support and after-sales service. Each subsidiary carries out customer satisfaction surveys in the form of independent units based on the differences in industry attributes among different customer groups. During the reporting period, the customer satisfaction of ZTT Optical Cable was 95.61, and the closed-loop rate of complaint handling was 100%.

Customer contact path: ✉ Company e-mail: zttcs@ztt.cn 📞Hotline:4001005252

Case

High quality after-sales service for fiber optic cables

During the construction of the project, we received feedback from fiber breakage problem of a disk of fiber optic cable in the process of laying our overseas customer about the . Our company attaches great importance to it, and immediately sent a professional after-sales service team to the site for technical verification. After comprehensive testing and analysis, it was confirmed that was caused by the problem improper operation during the construction of , which resulted in local force twisting of the fiber optic cable. In order to ensure the progress of the customer's project, the company responded quickly, communicated with the customer's team, clarified the standardized construction criteria and operation precautions, and coordinated to expedite the replacement of the same type of fiber optic cables , avoiding zero delay in the progress of the project.

Sustainable Product Innovation

ZTT Group is committed to developing more environmentally friendly, efficient and intelligent products, and constantly explores new technologies, materials and processes. The company actively cooperates with universities and scientific research institutes in the field of production, learning and research, accelerates technological innovation and transformation of achievements, strives to realize the efficient use of resources and friendly protection of the environment in every step of the whole life cycle of its products.

Case

International technology exchange
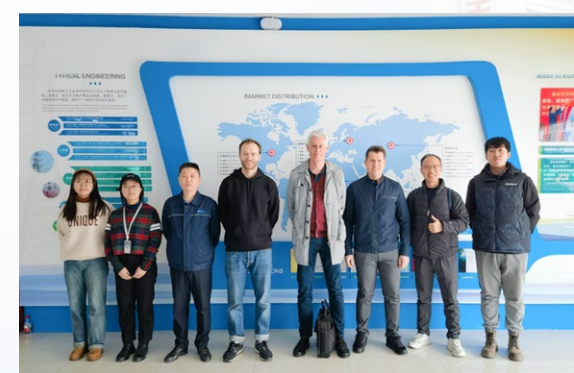
In June 2024, the senior leadership of German Power Company came to the company to exchange, visited the wire factory, and carried out a 2-day digitalization and automation technology exchange activities, during which the two sides reached a consensus on the establishment of a strategic partnership, and reached a three-year framework agreement.

07 | *Long-term Trust:*
Honest Governance and Business Ethics

7.1 Sound Governance

7.2 Integrity in business

7.3 Data Security and Privacy Protection

7. Long-term Trust: Honest Governance and Business Ethics

7.1 Sound Governance

ZTT drives standardized governance and sustainable development jointly. We focus on listed company governance, risk management, and internal controls. By optimizing our governance structure and reinforcing our risk control system, we maintain stable operations amid complex market conditions.

Corporate Governance Structure

ZTT has established a comprehensive governance system to ensure checks and balances in decision - making, execution, and supervision. The structure includes the General Meeting of Shareholders, the Board of Directors, the Supervisory Board, and senior management, supported by specialized committees such as the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee, and the Strategy and ESG Committee.

General Meeting of Shareholders: The highest authority of The Company, responsible for electing directors and making decisions on major matters.

Board of Directors: Responsible for strategic planning, decision-making and oversight of the company, with several specialized committees to ensure professional governance.

Supervisory Board: Responsible for the supervision of the company's financial situation and the management's performance of its duties.

Senior management: including general manager, deputy general manager, financial controller, etc., responsible for the daily operation and management of the company.

ZTT Architecture Diagram

```
            Shareholders' General Meeting
                        |
   Supervisory Board ───┤
                        |
              Board of Directors
                        |
                        ├─── Board Secretary
                        |
   ┌──────────┬─────────┼──────────┬──────────────┐
 Strategic  Nomination  Audit    Compensation
   and      Committee  Committee     and
ESG Committee                   Assessment Committee
                        |
                 General Manager
```
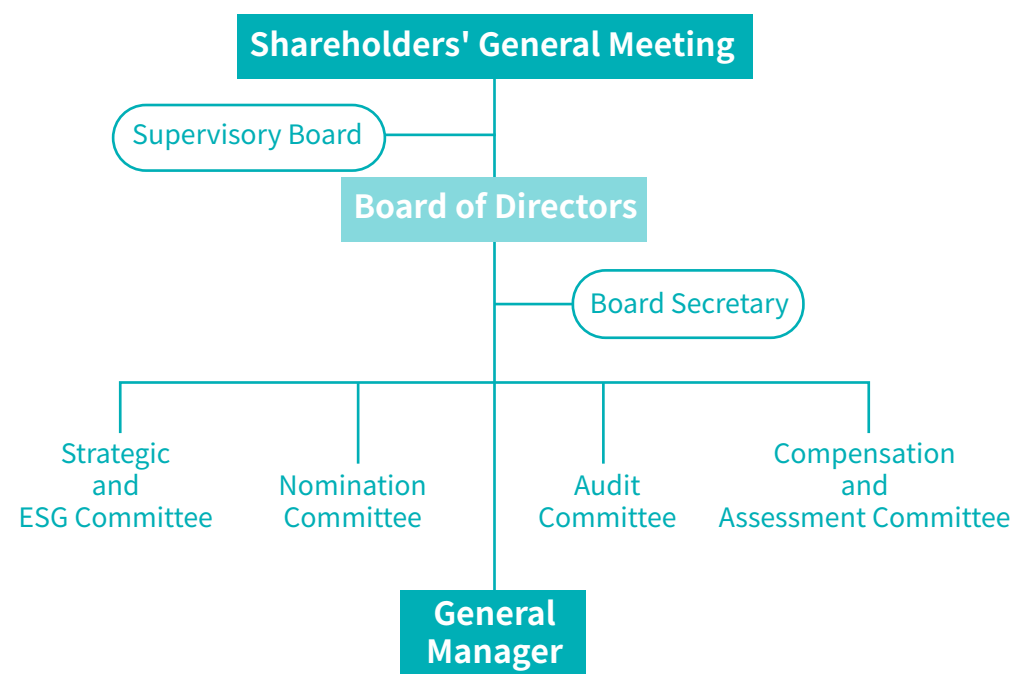
To ensure the scientific nature of governance, ZTT has implemented a clear governance structure. The roles of chairman and general manager are held by different individuals. This arrangement creates a governance model with well-defined authority and responsibility, and ensures the separation of decision-making and execution.

Number of Board of Directors 9

3 independent directors **33.33% of independent directors**

1 female director **11.11% of female directors**

Female governors 2 **11.76% female governors**
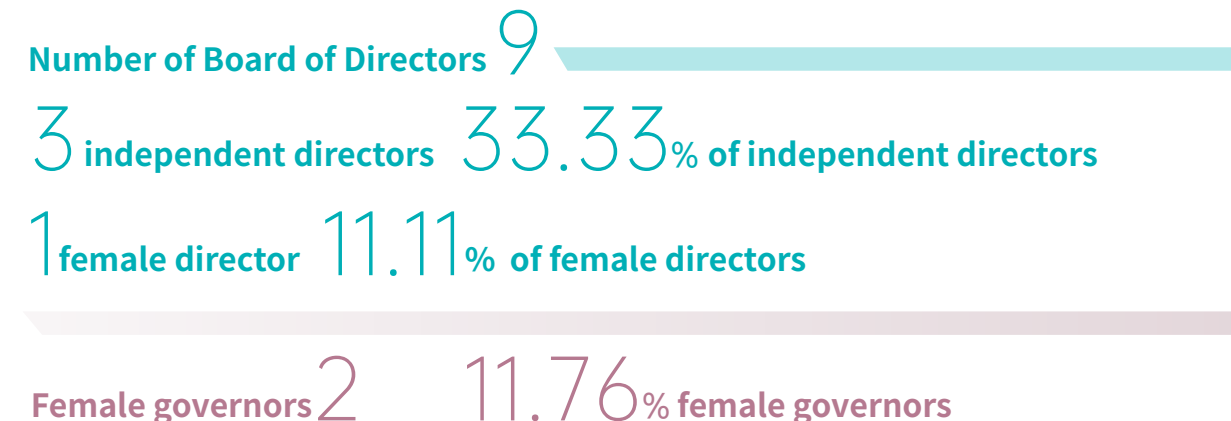
ZTT Governance Key Performance

ESG Governance and Decision-Making Mechanisms

ZTT has established a comprehensive ESG governance system to ensure that ESG issues are prioritized at the strategic level. As part of this system, the company's ESG report is submitted to the Strategy and ESG Committee as a special motion for consideration. Once approved by the Committee, it is then submitted to the Board of Directors for formal deliberation and approval. This ensures that ESG management aligns with the company's overall strategy.

At the governance level, the company strictly complies with the "Connected Transaction Management System." This system specifies the scope, review mechanisms, and decision-making processes for connected transactions. All connected transactions are reviewed by the Audit Committee and then submitted to the Board of Directors for consideration. To ensure governance fairness, directors and shareholders involved in connected transactions must abstain from voting.

To enhance the transparency of corporate governance, the company, in accordance with the Working Rules for the General Manager, stipulates that the General Manager must regularly report to the Board of Directors on matters such as the implementation of the company's strategies, progress of major investment projects, implementation of board resolutions, and other board - mandated items. In 2024, the company held 10 board meetings where management submitted 47 major motions to the Board of Directors to ensure scientific and effective decision - making.

ESG Capacity Building and Governance Optimization

To enhance ESG governance capacity, the company actively promotes ESG management training for its management team. The management has participated in ESG disclosure training organized by the Shanghai Stock Exchange, gaining in - depth knowledge of industry best practices, including the "Guidelines on Sustainability Reporting for Listed Companies." Additionally, the company has engaged internationally renowned organizations to provide ESG - themed training, helping the senior management team enhance their understanding of ESG risks and opportunities and ensuring effective integration of ESG strategies into the company's operations.

Remuneration and Incentives

The company has incorporated ESG performance indicators into the compensation assessment system for key management personnel. Adhering to the compensation management mechanism of "determining the grade by position, determining the salary by grade, and adjusting the salary by grade," the company combines short - term and long - term incentive systems. These include operating contribution awards, innovation incentives, and employee shareholding plans, ensuring that the compensation system aligns with the company's long - term development goals.

The company has also established a comprehensive performance appraisal mechanism for senior management personnel, implementing annual appraisals. The compensation package is reviewed by the Board of Directors' Remuneration and Appraisal Committee and approved by the Board of Directors, ensuring that compensation policies comply with corporate governance norms and sustainable development requirements.

Investor Protection and Disclosure

The company places great emphasis on investor relations management and has established a comprehensive communication and information disclosure mechanism.

Investor communication: set up an investor consultation phone number and ensure continuous communication with investors through SSE e-interactive, email and other channels.2024, The company held a total of 3 performance presentation meetings at SSE Roadshow Center.

Share repurchase: The company implemented 2 phases of share repurchase program, and by the end of the reporting period, it had repurchased a total of 9,437,200 shares and paid a total amount of 16.15 million USD.

Returns to shareholders: In 2024, The company considered and approved a cash dividend for 2023 of 0.308 USD (tax included) per 10 shares, totaling 105.45 million USD.

Information Disclosure: The company strictly follows the "Administrative Measures for Information Disclosure of Listed Companies ", and has released 69 temporary announcements and 4 periodic reports in 2024 to ensure that investors have a timely and accurate understanding of The Company's operations.

Tax Administration

ZTT strictly abides by domestic and international tax regulations to ensure tax compliance. In line with the company's actual operations, we have established a robust tax management system. Pursuant to relevant laws and regulations, the company has formulated the "Financial Risk Control Management System" to standardize tax declaration, tax planning, and risk control. This ensures lawful tax obligation fulfillment and enhances the efficiency of tax management.

The company's finance department is responsible for tax compliance. It regularly monitors changes in tax policies, assesses potential tax risks, and implements appropriate measures to mitigate compliance risks. Additionally, the company strengthens tax supervision through a comprehensive financial risk management system. This ensures that tax management aligns with the company's overall financial planning and supports the company's sound operations.

Corporate Risk Management System

The company has established a comprehensive risk management system that covers strategy, market, finance, legal, and compliance dimensions.

The Board of Directors: assumes the highest risk management responsibility and sets The Company's overall risk management policy.

Management: carries out risk identification and assessment, implements risk management measures and monitors the status of risks.

Audit and Performance Department: Responsible for the construction of early warning mechanisms and dynamic adjustment of management strategies.

Main risk categories and countermeasures:

The company attaches great importance to the identification and management of various types of risks, and effectively safeguards the sound operation and sustainable development of the enterprise by regularly identifying the performance of risks, evaluating the potential impacts, and formulating targeted control measures in accordance with the characteristics of the business.

Strategic risk
Targeted measures include the deployment of a professional strategy team, optimization of information system support, and regular review and improvement of .

Market risk
The company reduces the impact of such risks by strengthening market research, optimizing distribution management, improving customer service system and brand building.

Financial risk
The company enhances its financial soundness by means of improving the comprehensive budget mechanism, standardizing the process of using funds and strengthening the feasibility analysis of investments.

Legal and Compliance Risks
The company reduces the likelihood of legal disputes and compliance failures through the establishment of a legal compliance management system, employee ethics training, and enhanced policy sensitivity analysis.

Operational risk
The company continues to optimize its governance structure and job settings, establish a sound incentive mechanism and safety management system, promote the construction of corporate culture, and consolidate the foundation of operation and management.

Case

"Quantifying Risks" for Proactive Prevention and Controls

During the 2024 "Risk Warning Day" and "Risk Investigation Month" activities, ZTT Aluminum Wire stood out by developing a novel risk management approach characterized by being "visible, measurable, and manageable." Against a backdrop of complex operations and diverse business risks, ZTT Aluminum Wire moved beyond mere "form - filling and submission." Instead, it deeply integrated risk management into actual business operations. The company systematically identified risk points across strategic, financial, and operational domains and refined key risk indicators for the first time. This transformed abstract risk performance into quantifiable and monitorable data indicators.

For instance, by analyzing historical data, the company set early warning thresholds for metrics such as capital turnover rate and procurement anomaly rate. Upon being triggered, these thresholds immediately activated a linkage mechanism, achieving "early identification and rapid response."

Led by the general manager, departments including finance, operations, and quality worked together to embed risk prevention and control into daily management. This enhanced internal control accuracy and strengthened the risk management awareness and responsibility of all employees. ZTT Aluminum Wire's practices were then promoted across the entire system. Practice has proven that risk management is not just a "tick - box exercise" but a "steering wheel" guiding the sustainable and sound development of the enterprise. During the "Risk Warning Day" and "Risk Investigation Month" activities, ZTT Aluminum Wire identified 40 risk points and achieved a 100% risk rectification rate, significantly improving risk prevention and control capabilities and management effectiveness.

Internal control system structure

The company has established a full-coverage internal control system in accordance with the Basic Standard for Enterprise Internal Control to ensure operational compliance, financial transparency and asset security.

Decision-making level (Board of Directors): approves the internal control system and monitors its implementation.

Executive level (management): Specific implementation of internal control policies.

Supervisory level (Audit Performance Department): Regular internal audits are conducted to assess the effectiveness of the internal control system.

Key internal controls:

Financial management	Procurement and supply chain management	Information security management	Internal Audit
implementation of a multi-level approval mechanism to strictly control financial risks.	strengthen supplier access review and optimize the procurement process.	Strengthen the data security system to ensure information compliance.	Regular compliance reviews of various business processes to continuously optimize the governance system.

A total of 2024 was carried out

Internal Audit Performance of ZTT 2024

3 outgoing audits

8 special audits

8 auditsregular internal

8 special investigations

The company is committed to deepening its robust governance system. We will continue to optimize our governance, risk management, and internal control mechanisms to promote the company's high - quality and sustainable development.

7.2 Integrity in business

Business Ethics

ZTT is dedicated to creating and maintaining a business environment based on compliance, integrity, and honesty. In all business activities, strictly complies with the "Anti-Unfair Competition Law", "Provisional Provisions on the Prohibition of Commercial Bribery" and other laws and regulations, and scrupulously abides by the ethical norms of fairness, trust and openness, and requires that all employees are committed to complying with The Company's anti-corruption related management system and anti-corruption laws and regulations on business activities, so as to jointly build a sustainable business environment.

Anti-graft Measures and Policies

ZTT firmly resists all forms of corruption. The company is dedicated to continuously enhancing its business ethics system. It has established clear principles for personnel regarding anti - bribery, anti - conflict of interest, and anti - unfair competition behaviors. By having employees sign the Integrity Commitment Letter, the company provides a solid guarantee for ensuring compliant operations. In addition, employees are encouraged to report corrupt behaviors, and whistleblowers are strictly protected.

✉ Integrity Reporting channels zttma@ztt.cn
✉ Mailbox. zttps_audit@ztt.cn

Anti-corruption Policy for Suppliers

ZTT adopts a zero - tolerance policy towards supplier corruption and any other prohibited business practices. The company demands that suppliers comply with relevant laws and regulations concerning bribery and corruption, as well as adhere to ethical business conduct. Strict monitoring is implemented at every stage of the process, from supplier admission, bidding, contract signing to project execution. During the reporting period, 704 external suppliers received anti - corruption training from ZTT, with 3 participating in on - site integrity promotion activities.

Process for handling anti-corruption incidents

Reporting and Receiving	Screening and verification	File a case for investigation	Formal survey	End of investigation and summary

Anti-Corruption Training

The company conducts training sessions for its employees on relevant laws and regulations as well as the Code of Ethics. These training initiatives are designed to ensure that employees gain a thorough understanding of the concepts outlined in the Code of Conduct. They also help employees distinguish between legal and illegal activities, ethical and unethical behavior, as well as integrity in the workplace.During the reporting period, a total of 3,957 employees participated in anti-corruption training programs.

Integrity training		
Typology	**Norm**	**Unit**
Total number of operating sites for which corruption risk assessments have been conducted	58	classifier for individual things or people, general, catch-all classifier
Percentage of operating sites for which a corruption risk assessment has been conducted	100%	percentage
Number of members of governance trained in anti-corruption	12	man
Percentage of managers receiving anti-corruption training	100%	percentage
Number of suppliers	2665	classifier for families or businesses e.g. shops, companies
Number of incidents in which corruption has been brought to court	0	classifier for clothes, luggage, decorations; piece of work; a matter, an event
Number of employee on-site integrity promotion sites	3	classifier for sporting or recreational activities

7.3 Data Security and Privacy Protection

As a high - tech multinational enterprise with international influence in the fields of communication, new energy, and ocean engineering, data security and privacy protection are not only fundamental guarantees for our business operations but also crucial elements for achieving sustainable development and enhancing market competitiveness.

**ISO 27001 ZTT
Management System Certification**

Improving the Governance System

ZTT has established an information security management organization with the technology committee as the governance layer. Under this structure, the Digital Department and the Information Security Group have been set up to collaboratively implement the management objectives of privacy protection and data security.

Organizational structure of information security management ▶

Technical Committee

Digital Department

Information Security Group
Core information security management and technical team of 7 members

The company strictly complies with all relevant domestic and international laws and regulations, and updates its information security management systems on a timely basis. A data and privacy compliance management system has been established, centered on the "Compilation of Information Security Management Systems (FY2024)". We incorporate data security require-ments into the entry conditions for suppliers, clarify their responsibilities and obligations in data protection, and work together to build a robust data security protection network.

Establishing Monitoring Mechanisms

The company regularly conducts comprehensive risk assessments of its internal information management systems, and carries out quarterly information security inspections and emergency preparedness drills covering physical environment, communica-tion network, regional borders, computing environment, etc., to proactively prevent potential cybersecurity risks. Based on the assessment results, we formulate security policies covering multiple levels such as access control, data encryption and intrusion detection. During the reporting period, ZTT carried out information security audits on 21 units, penetration tests and vulnerability scans on 99 systems, and no information security incidents were recorded.

Information security three-dimensional defense model

1.Database Security Defense
2.Application System Security Defense
3.Server Security Defense
4.Network Security Defense
5.Basic Information Security Defense
6.Group - wide Threat Perception and Monitoring
7.Government - organized Attack Defense Drills and Vulnerability Testing

Our company firmly grasps the three key elements of people, systems, and technology in information security management. During the process of enterprise digital construction, information security follows the three - synchronous principles of synchronous planning, synchronous construction, and synchronous use. We organize an information system level protection (Level 3) assessment on an annual basis. During the reporting period, the company achieved a score of 87.08 points in the annual evaluation.

We have established a dedicated privacy position to oversee the legality and transparency of data processing activities. From the moment of data collection, we ensure that every step of the process meets the strict requirements of the GDPR. Customer data is collected based on explicit consent and for clear, limited purposes. We have also implemented a convenient mechanism to respond to data subject rights requests, enabling customers to easily exercise their rights to access, rectify, and delete their data.

Ongoing sensitization exercises

During the reporting period, the company organized 15 information security training sessions for digital officers and required digital officers from each unit to conduct secondary training within their respective units.

Supply Chain Data Security

We assist our suppliers in establishing a comprehensive data security management system by providing full - scale technical support and training, ranging from data categorization and hierarchical protection to emergency response for data leakage. Additionally, we have implemented a strict monitoring mechanism to regularly review our suppliers' data security management practices, ensuring that they consistently meet our high standards.

Customer Privacy Protection

Our service philosophy centers on "customer first," and we integrate privacy protection into every aspect of our business processes. At the design stage of our products and services, we embed privacy protection and adhere to the "privacy by design" principle. During the data collection process, we strictly follow the principle of data minimization, collecting only the data necessary to provide services to our customers.

2024

Number of complaint incidents involving leakage of customer privacy	Number of incidents of violation of client privacy	Number of incidents penalized by regulators for privacy breaches
0	0	0

Appendices

8.1 Assurance Statement

Independent Verification Statement

Verification Statement：EIV2 108711 0007 Rev. 00

To the management and stakeholders of ZTT,

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by Jiangsu Zhongtian Technology Co., Ltd. (hereinafter referred to as "ZTT" or "the Company") to perform an independent third-party verification on ZTT 2024 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 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 and provided to TÜV SÜD. The scope of verification is limited to the given information. ZTT shall be held accountable for authenticity and completeness of the provided data and information (contains assumptions, projections, and/or historical facts).

Scope of Verification

Time frame of this verification:

❖ The Report contains the data disclosed by ZTT during the reporting period from January 1st, 2024 to December 31st, 2024, including governance, environmental and social 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, Nantong Economic and Technical Development Area, 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 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'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 places. 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 January 1st, 2024 are beyond the scope of this verification.

❖ TÜV SÜD's verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute a guarantee of the credibility or status of the subject of verification.

Basis for the Verification

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TÜV SÜD Certification and Testing (China) Co., Ltd.
No.151 Heng Tong Road,
Shanghai 200070

Page 1 of 3
Tel: +86 21-61410123
Fax: +86 21-61408600
Web: www.tuvsud.com

Independent Verification Statement

Verification Statement：EIV2 108711 0007 Rev. 00

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

- ❖ *International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance*
- ❖ *Sustainability report verification programme operation rule (CCB_EIV_GR_002E Rev02)*

In order to perform adequate verification in accordance with the contract and provide reasonable 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; tracing and verification of key performance information;
- ❖ Special interview with the representative of ZTT'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 '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 has identified the internal and external stakeholders such as shareholders and investors, clients, employees, suppliers, the government and regulatory authorities, the public, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders on a regular basis.
Materiality	ZTT has established the prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, the Company disclosed the governance structure, management actions and performance data of the Company's sustainable development management process, therefore the Report's adherence to materiality principle is guaranteed.
Responsiveness	ZTT has disclosed the management approach and performance of high material topics that stakeholders concern, such as corporate governance, product quality and safety, diversity, equality and inclusion, internal control, business ethics, action to climate change, product design and full life cycle management, etc., and has established a communication mechanism, to fully respond to the demands and expectations of stakeholders.
Impact	ZTT has established an ESG governance system to enhance the Company's efforts in the areas of environmental, social responsibility and corporate governance. Through the process of identifying and evaluating material topics, the Company has disclosed their impacts on both sustainability and financial performance.

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Recommendations on Continuous Improvement

- ▪ It is recommended that the Company develops an ESG strategy.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company 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. Through expert teams represented by more than 26,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD Certification and Testing (China) Co., Ltd. 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 are two entities independent of each other and both TÜV SÜD and ZTT and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by ZTT.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.

Zhu Wenjun

TÜV SÜD Sustainability Authorized Signatory Officer

April 16th, 2025

Shanghai, China

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.

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8.2 Reporting Statement

Purpose of the Report

The purpose of the report is to systematically disclose the management concepts, practice progress and performance of Zhongtian Technology Group Co., Ltd. (hereinafter referred to as "ZTT Group") in the areas of environmental, social and governance (ESG), and to respond to the stakeholder concerns and expectations on the company's sustainable development efforts. Through the release of the report, the company hopes to strengthen communication and engagement with all stakeholders, enhance disclosure transparency, and showcase the solid actions and achievements of ZTT Group in promoting high-quality development and fulfilling social responsibility across its core business areas of telecommunication, power, renewable energy, and marine system.

Reporting Scope and Timeframe

Organizational Scope：

Unless otherwise stated, the report covers the headquarter of ZTT Group, all affiliated holding subsidiaries, and major operational entities. The organizational structure and coverage are consistent with the company's annual report.

For the abbreviations of the company names mentioned in the report, please refer to the following table for the corresponding subsidiaries of ZTT Group:

Zhongtian Submarine Cable	Zhongtian Technology Submarine Cable Co., Ltd.
Zhongtian Aluminum Wire	Shanghai Zhongtian Aluminium Wire Co., Ltd.
Zhongtian India	ZTT INDIA PRIVATE LIMITED
Zhongtian Morocco	ZTT MAROC SARL AU
Zhongtian Indonesia	PT ZTT CABLE INDONESIA
Zhongtian Brazil	ZTT DO BRASIL LTDA
Zhongtian Turkey	DEMİRER KABLO TESİSLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ

Timeframe:

The report mainly discloses ESG-related information for the period from January 1, 2024 to December 31, 2024. In order to ensure data continuity and comparability, some of the content may be traced back to previous years or extended to the latest development in 2025 as needed.

Publication Cycle:

ZTT Group publishes its ESG report on an annual basis, and this marks the 21st consecutive report published by the company.

Reporting Basis

The report is prepared in compliance with the requirements of the Global Reporting Initiative Standards (GRI Standards). Meanwhile, it is developed with reference to the following mainstream international and domestic sustainability reporting standards and frameworks, aiming to comprehensively, objectively, and transparently disclose ZTT Group's ESG performance and management practices. The specific standards include:

Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial);
SASB Hardware Industry Standard;
United Nations Sustainable Development Goals (UN SDGs);
IFRS Sustainability Disclosure Standard IFRS S2: Climate-related Disclosures.

Data Sources and Assurance

The data and information disclosed in the report are primarily sourced from ZTT Group's internal management systems, data collection, and publicly disclosed documents across various functional departments and business segments. The company ensures the authenticity, accuracy, and completeness of the information through a sound internal control mechanism and multi-level review processes. During the reporting period, we also engaged qualified third-party institutions to conduct data verification and assurance to enhance the report's transparency and credibility.

Feedback & Contact

ZTT Group welcomes all stakeholders to provide feedback and suggestions on the content of the report to help the company continuously improve its ESG management and the quality of sustainability disclosure. If you have any comments or suggestions, please

contact us through the following channels:
✉ Email: zttcb@ztt.cn
◎ Address: No. 88, Qixin Road, Economic and Technical Development Area, Nantong City, Jiangsu Province, P.R. China

Forward-looking Statements

Some contents of the report contain forward-looking statements, including but not limited to the company's future strategies, business development plans and ESG objectives. Such statements may be affected by multiple factors such as the macro-environment, industry changes and the company's operations, and the actual results may differ from the expectations. ZTT Group will update relevant contents in a timely manner according to the progress and does not assume legal liability for such forward-looking statements.

8.3 Index Table

8.3.1 United Nations Sustainable Development Goals (SDGs)

SDGs	Location	SDGs	Location
1 NO POVERTY	Putting people first: social responsibility and inclusive growth	10 REDUCED INEQUALITIES	Putting people first: social responsibility and inclusive growth
2 ZERO HUNGER	Putting people first: social responsibility and inclusive growth	11 SUSTAINABLE CITIES AND COMMUNITIES	Green Leap: Environment and Climate Action Putting People First: Social Responsibility and Inclusive Growth
3 GOOD HEALTH AND WELL-BEING	Putting people first: social responsibility and inclusive growth	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Green Leap: Environment and Climate Action Long-term trust: honest governance and business ethics
4 QUALITY EDUCATION	Long-term trust: honest governance and business ethics	13 CLIMATE ACTION	Green Leap: Environment and Climate Action
5 GENDER EQUALITY	Putting people first: social responsibility and inclusive growth	14 LIFE BELOW WATER	Green Leap: Environment and Climate Action
6 CLEAN WATER AND SANITATION	Green Leap: Environment and Climate Action	15 LIFE ON LAND	Green Leap: Environment and Climate Action
7 AFFORDABLE AND CLEAN ENERGY	2024 Science and Technology for a Sustainable Future Green Leap: Environment and Climate Action	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Long-term trust: honest governance and business ethics
8 DECENT WORK AND ECONOMIC GROWTH	Putting people first: social responsibility and inclusive growth	17 PARTNERSHIPS FOR THE GOALS	Long-term trust: honest governance and business ethics
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	2024 Science and Technology for a Sustainable Future Green Leap: Environment and Climate Action Long-term trust: honest governance and business ethics		

8.3.2 Content Index of GRI Sustainability Reporting Standards (GRI Standards)

Statement of use	Zhongtian Technology Group Co., Ltd. has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

Disclosure	Location	Reason for omission
GRI 2: General Disclosures 2021		
Organization and its Reporting Practices		
2-1 Organizational details	75	
2-2 Entities included in the organization's sustainability reporting	76	
2-3 Reporting period, frequency and contact point	77	
2-4 Restatements of information	No information was restated during the reporting period	
2-5 External assurance	71	
Activities and Workers		
2-6 Activities, value chain and other business relationships	7-10	
2-7 Employees	39-46	
2-8 Workers who are not employees	47-48	
Governance		
2-9 Governance structure and composition	54	
2-10 Nomination and selection of the highest governance body	55	
2-11 Chair of the highest governance body	54	
2-12 Role of the highest governance body in overseeing the management of impacts	54	
2-13 Delegation of responsibility for managing impacts	54	
2-14 Role of the highest governance body in sustainability reporting	55	
2-15 Conflicts of interest	55	

2-16 Communication of critical concerns	55	
2-17 Collective knowledge of the highest governance body	55	
2-18 Evaluation of the performance of the highest governance body	55	
2-19 Remuneration policies	55	
2-20 Process to determine remuneration	55	
2-21 Annual total compensation ratio	/	Confidentiality restrictions
Strategies, Policies and Practices		
2-22 Statement on sustainable development strategy	/	Not to be disclosed
2-23 Policy commitments	75	
2-24 Embedding policy commitments	75	
2-25 Processes to remediate negative impacts	68	
2-26 Mechanisms for seeking advice and raising concerns	17	
2-27 Compliance with laws and regulations	65	
2-28 Membership associations	10	
Stakeholder Engagement		
2-29 Approach to stakeholder engagement	17	
2-30 Collective bargaining agreements	39	
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	18	
3-2 List of material topics	19	
GRI 201: Economic Performance 2021		
3-3 Management of material topics	16	
201-1 Direct economic value generated and distributed	16	
201-2 Financial implications and other risks and opportunities due to climate change	24-25	
201-3 Defined benefit plan obligations and other retirement plans	41-42	
201-4 Financial assistance received from government	/	Not applicable
GRI 202: Market Presence 2016		
3-3 Management of material topics	44	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	44	

202-2 Proportion of senior management hired from the local community	44	
GRI 203: Indirect Economic Impacts 2016		
3-3 Management of material topics	/	Not applicable
203-1 Infrastructure investments and services supported	/	Not applicable
203-2 Significant indirect economic impacts	/	Not applicable
GRI 204: Procurement Practices 2016		
3-3 Management of material topics	52-54	
204-1 Proportion of spending on local suppliers	/	
GRI 205: Anti-Corruption 2016		
3-3 Management of material topics	67-68	
205-1 Operations assessed for risks related to corruption	67-68	
205-2 Communication and training about anti-corruption policies and procedures	3-4	
205-3 Confirmed incidents of corruption and actions taken	67-68	
GRI 206: Anti-competitive Behavior 2016		
3-3 Management of material topics	/	Not to be disclosed
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	/	Not to be disclosed
GRI 207: Tax 2019		
207-1 Approach to tax	65	
207-2 Tax governance, control, and risk management	65	
207-3 Stakeholder engagement and management of concerns related to tax	17	
207-4 Country-by-country reporting	/	Not applicable
GRI 301: Materials 2016		
3-3 Management of material topics	33-36	
301-1 Materials used by weight or volume	/	Confidentiality restrictions
301-2 Recycled input materials used	/	Confidentiality restrictions
301-3 Reclaimed products and their packaging materials	/	Confidentiality restrictions
GRI 302: Energy 2016		
3-3 Management of material topics	28	
302-1 Energy consumption within the organization	29	
302-2 Energy consumption outside of the organization	29	

302-3 Energy intensity	29	
302-4 Reduction of energy consumption	30	
302-5 Reductions in energy requirements of products and services	30	
GRI 303: Water and Effluents 2018		
3-3 Management of material topics	30	
303-1 Interactions with water as a shared resource	30	
303-2 Management of water discharge-related impacts	30	
303-3 Water withdrawal	31	
303-4 Water discharge	31	
303-5 Water consumption	31	
GRI 304: Biodiversity 2016		
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	32-33	
304-2 Significant impacts of activities, products and services on biodiversity	32-33	
304-3 Habitats protected or restored	/	Not applicable
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	/	Not applicable
GRI 305: Emissions 2016		
3-3 Management of material topics	23-26	
305-1 Direct (Scope 1) GHG emissions	26	
305-2 Energy indirect (Scope 2) GHG emissions	26	
305-3 Other indirect (Scope 3) GHG emissions	/	Not to be disclosed
305-4 GHG emissions intensity	/	Not to be disclosed
305-5 Reduction of GHG emissions	26	
305-6 Emissions of ozone-depleting substances (ODS)	/	Not applicable
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	/	Not applicable
GRI 306: Waste 2020		
3-3 Management of material topics	31	
306-1 Waste generation and significant waste-related impacts	31	
306-2 Management of significant waste-related impacts	31	
306-3 Waste generated	31	
306-4 Waste diverted from disposal	31	
306-5 Waste directed to disposal	31	

306-5 Waste directed to disposal	31	
GRI 308: Supplier Environmental Assessment 2016		
3-3 Management of material topics	51-52	
308-1 New suppliers that were screened using environmental criteria	51-52	
308-2 Negative environmental impacts in the supply chain and actions taken	/	Not applicable
GRI 401: Employment 2016		
3-3 Management of material topics	39-51	
401-1 New employee hires and employee turnover	43	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	41-42	
401-3 Parental leave	43	
GRI 402: Labor Relations 2016		
3-3 Management of material topics	43-44	
402-1 Minimum notice periods regarding operational changes	/	Not applicable
GRI 403: Occupational Health and Safety 2018		
3-3 Management of material topics	49-50	
403-1 Occupational health and safety management system	49	
403-2 Hazard identification, risk assessment, and incident investigation	51	
403-3 Occupational health services	51-52	
403-4 Worker participation, consultation, and communication on occupational health and safety	52	
403-5 Worker training on occupational health and safety	49-51	
403-6 Promotion of worker health	51-52	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49-51	
403-8 Workers covered by an occupational health and safety management system	49	
403-9 Work-related injuries	50	
403-10 Work-related ill health	45-52	
GRI 404: Training and Education 2016		
3-3 Management of material topics	45-46	
404-1 Average hours of training per year per employee	46	

404-2 Programs for upgrading employee skills and transition assistance programs	45	
404-3 Percentage of employees receiving regular performance and career development reviews	44	
GRI 405: Diversity and Equal Opportunity		
3-3 Management of material topics	43-44	
405-1 Diversity of governance bodies and employees	44	
405-2 Ratio of basic salary and remuneration of women to men	44	
GRI 406: Non-Discrimination 2016		
3-3 Management of material topics	39	
406-1 Incidents of discrimination and corrective actions taken	39	
GRI 407: Freedom of Association and Collective Bargaining		
3-3 Management of material topics	39	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	53	
GRI 408: Child Labor 2016		
3-3 Management of material topics	39	
408-1 Operations and suppliers at significant risk for incidents of child labor	53	
GRI 409: Forced or Compulsory Labor 2016		
3-3 Management of material topics	53	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	53	
GRI 410: Security Practices 2016		
3-3 Management of material topics	49	
410-1 Security personnel trained in human rights policies or procedures	49	
GRI 411: Rights of Indigenous Peoples 2016		
3-3 Management of material topics	/	Not applicable
411-1 Incidents of violations involving rights of indigenous peoples	/	Not applicable
GRI 413: Local Communities 2016		
3-3 Management of material topics	55	
413-1 Operations with local community engagement, impact assessments, and development programs	55	
413-2 Operations with significant actual and potential negative impacts on local communities	55	

GRI 414: Supplier Social Assessment 2016		
3-3 Management of material topics	53-54	
414-1 New suppliers that were screened using social criteria	53	
414-2 Negative social impacts in the supply chain and actions taken	53	
GRI 415: Public Policy 2016		
3-3 Management of material topics	/	Not applicable
415-1 Political contributions	/	Not applicable
GRI 416: Customer Health and Safety 2016		
3-3 Management of material topics	56-59	
416-1 Assessment of the health and safety impacts of product and service categories	57	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	57	
GRI 417: Marketing and Labeling 2016		
3-3 Management of material topics	57	
417-1 Requirements for product and service information and labeling	57	
417-2 Incidents of non-compliance concerning product and service information and labeling	57	
417-3 Incidents of non-compliance concerning marketing communications	57	
GRI 418: Customer Privacy 2016		
3-3 Management of material topics	69-70	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	69-70	

8.3.3 Content Index of SASB Standards (SASB)

Topic			Location
Name	Code	Description	
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Data security and privacy protection
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of gender and diversity group representation for executive management, non-executive management, technical employees and all other employees	Employee well-being
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Lack of information
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Lack of information
	TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Lack of information
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	Green Intelligence
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by all facilities and high-risk facilities	Not applicable
	TC-HW-430a.2	Tier 1 suppliers' non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and associated corrective action rate for priority non-conformances and other non-conformances	Lack of information
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Sustainable supply chains
Activity Metric	TC-HW-000.A	Number of units produced by product category	Company Background
	TC-HW-000.B	Area of manufacturing facilities	Company Background
	TC-HW-000.C	Percentage of production from owned facilities	Company Background

8.3.4 Content Index of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

Disclosure Requirements	Corresponding Section of the Report
Climate change tackling	Zero Carbon Future
Pollutant discharge	Green Intelligence
Waste disposal	Green Intelligence
Ecosystem and biodiversity protection	Green Intelligence
Environmental compliance management	Green Intelligence
Energy usage	Green Intelligence
Usage of water resources	Green Intelligence
Circular economy	Product Lifecycle Management
Rural revitalization	Co-creating social value
Contributions to the society	Co-creating social value
Innovation-driven	Product quality and customer value
Ethics of science and technology	Product quality and customer value
Supply chain security	Sustainable supply chains
Equal treatment to small and medium-sized enterprises	Sustainable supply chains
Safety and quality of products and services	Product quality and customer value
Data security and customer privacy protection	Data security and privacy protection
Employees	Employee well-being
Due diligence	Sustainable supply chains
Communications with stakeholders	Connecting Stakeholders
Anti-commercial bribery and anti-corruption	Integrity
Anti- unfair competition	Integrity
Self-disclosure topics	Material Issue Insights
Disclosure requirements	**Corresponding section of the present report**
Responding to climate change	Zero-carbon Future
Pollutant emissions	Green Smart Manufacturing
Waste disposal	Green Smart Manufacturing
Ecosystem and biodiversity conservation	Green Smart Manufacturing
Environmental compliance management	Green Smart Manufacturing
energy use	Green Smart Manufacturing
water utilization	Green Smart Manufacturing
circular economy	Total Product Life Cycle Management
Rural revitalization	Co-creating Social Value
social contribution	Co-creating Social Value
innovation drive	Product Quality and Customer Value
science ethics	Product Quality and Customer Value

Supply Chain Security	Sustainable Supply Chains
Equal treatment of small and medium-sized enterprises	Sustainable Supply Chains
Product and service safety and quality	Product Quality and Customer Value
Data Security and Customer Privacy Protection	Data security and privacy protection
workers	Employee well-being
due diligence	Sustainable Supply Chains
Stakeholder communication	Connecting Stakeholders
Anti-commercial bribery and corruption	Integrity
anti-competitive	Integrity
Self-disclosure topics	Key Issue Insights

8.4 Reader Feedback

Dear Reader:

Thank you for reading the Environmental, Social and Governance (ESG) Report of ZTT for the year of 2024. We sincerely invite you to provide your valuable comments and suggestions on the report to help the company continuously enhance its ESG disclosure practices and constantly advance its ESG management.

To this end, we have prepared a feedback form which we cordially invite you to complete and return to us. Your support and participation are vital for us to improve and refine our ESG related work. Thank you!

Multiple-choice questions (please tick " √ " in the designated areas)

Options	Excellent	Good	Average	Poor
This report comprehensively and accurately reflects the company's significant impacts on the economy, society, and environment.				
The information, indicators and data disclosed in the report are clear, complete and accurate.				
The language description, content arrangement and graphic design of the report are clear and easy to read.				

Open-ended questions:

What is your overall evaluation of the report?
Which part of the report interests you the most?
What information not reflected in the report would you still like to obtain?
What suggestions do you have for the company's future ESG management and information disclosure?

If convenient, you are welcome to provide your personal information.

Name: Phone number:

Company: Email:

For more corporate information, please visit the company's official website: www.ztt.cn
✉ Feedback email: zttcb@ztt.cn