

CONNECTING WONDERFUL LIFE WITH OPTIC-ELECTRIC NETWORK



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Jiangsu Zhongtian Technology Co., Ltd.

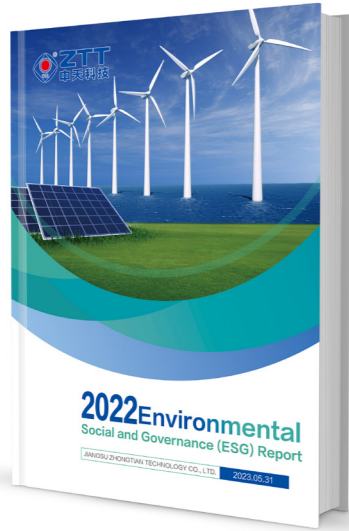
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2022 Environmental Social and Governance (ESG) Report

JIANGSU ZHONGTIAN TECHNOLOGY CO., LTD.

2023.05.31

REPORT PREPARATION EXPLANATION



About this Report

This Report is aimed at stakeholders of Jiangsu Zhongtian Technology Co., Ltd., disclosing the opportunities, challenges and efforts made to achieve sustainable development in the process of creating value together with stakeholders. ZTT releases information related to corporate social responsibility in the form of an Environmental, Social and Governance (ESG) Report.

Report Basis

This Report refers to the following standards: Global Reporting Initiative (GRI) Sustainability Reporting Standards from the Global Sustainability Standards Board, Guidelines for the Disclosure of Environmental Information by Listed Companies, from Shanghai Stock Exchange, Measures for the Disclosure of Corporate Environmental Information in Accordance with the Law from the Ministry of Ecology and Environment, and 2030 Agenda for Sustainable Development from the United Nations.

Report Explanation

Time Span:The time span covered in this Report is from January 1, 2022 to December 31, 2022. In consideration of the continuity and comparability of disclosed information, some information content is appropriately extended forward or backward in disclosure time.

Report Scope:The organizational scope of this Report is consistent with the scope covered by the Company's annual report. Unless otherwise specified, this Report describes the information on the economic, environmental, social responsibility and governance fulfilled by Jiangsu Zhongtian Technology Co., Ltd. and its subsidiaries during the reporting period. Relevant typical cases come from the Company or these subsidiaries.

Title Explanation:For the sake of convenience, the expressions "ZTT", "Zhongtian", "Company", "the Company" and "Corporate" adopted in this Report all refer to Jiangsu Zhongtian Technology Co., Ltd.

Data Explanation:The operating data in this Report is sourced from 2022 Annual Report of Jiangsu Zhongtian Technology Co., Ltd. Some historical data has been retrospectively restated according to changes in accounting standards, and the data acquisition and calculation methods have not been significantly changed compared to previous annual reports. In case that the data in this Report is inconsistent with that in the financial report, the data in the financial report shall prevail. Unless otherwise specified, all amounts in this Report shall be in RMB.

Report Commitment

This Report is prepared by the Culture and Branding Department of ZTT, and is audited by relevant senior executives of the Company and approved by the Board of Directors of the Company. ZTT guarantees that the report does not contain any false or misleading statements.

Report Access:This Report is available in print and electronic formats, and can be accessed at <https://www.zttcable.com/social.html> for the electronic version.

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Chairman's Speech

In 2022, we followed the business policy of “Green-driven, Compliance and Steady Progress” and adhered to the “specialized, refined, differential and innovative” one-enterprise-one-product deep cultivation mode, with “power optical cables and fittings” becoming the sixth “single champion product” of ZTT. In 2022, we passed the review of the National Quality Award, and established ZTT CE Hydrogen Co., Ltd. At the beginning of the year, we released the “Green and Low-carbon Manufacturing (GLCM) Action Plan (2021-2030)”, and launched the “Carbon Tax Countdown” on ZTT Brand Day. At the end of the year, more than 30 new products were approved by provincial and ministerial-level appraisals and pushed to the market, and several patents won China excellence awards. On the occasion of “Double Celebration”, namely, the 20th anniversary of ZTT's listing and the 30th anniversary of its establishment, we released three reports under the theme of Perseverance in Business, elaborating on ZTT's responsibilities and plans in the new era, such as its future development outline, innovation path and business for good. In 2023, we have chosen “Innovation-driven, Compliance-advancing” as our business guidance policy, and embarked on the second 30-year development process of ZTT.

Innovation-driven: Innovation is the first driving force for ZTT's development, and innovation is the fundamental support for ZTT's self-reliance and self-improvement. Talents are the first resource for ZTT's innovation, and the strategy of “developing enterprise by talent management” is constantly shaping new dynamics and advantages in the industry competition of ZTT. The essential understanding of “innovation power” and “talent resources” will thoroughly update the concept of Zhongtian's employees, which is reflected in the system and implemented in action.

Compliance-advancing: Comply with international rules, follow WTO rules, avoid market risks, turn carbon taxes into driving forces, and think positively; comply with corporate rules, learn from major lessons in recent years, implement the future 30-year outline, adhere to the one-enterprise-one-product deep cultivation mode, and forge ahead.

In a new year, we must dare to innovate, courageously develop, further increase innovation incentives, increase growth rewards, strive for better achievements, and make greater contributions to society.

Chairman of ZTT



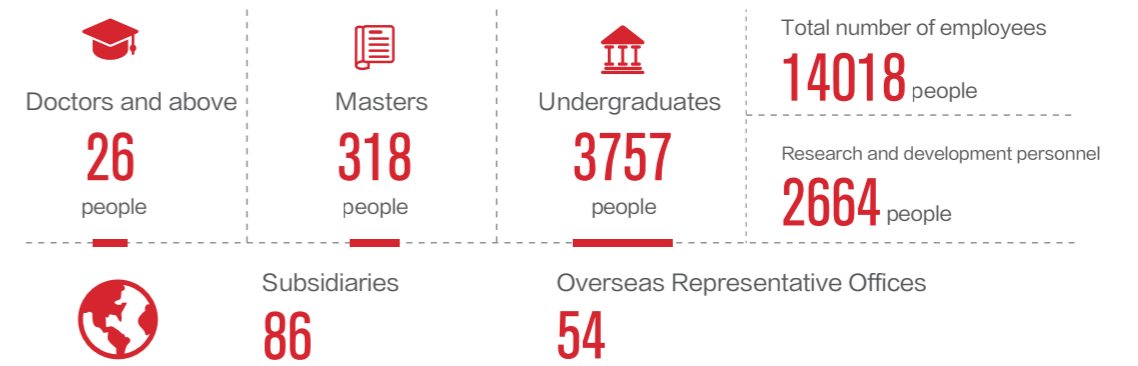
2022 OPERATING DATA



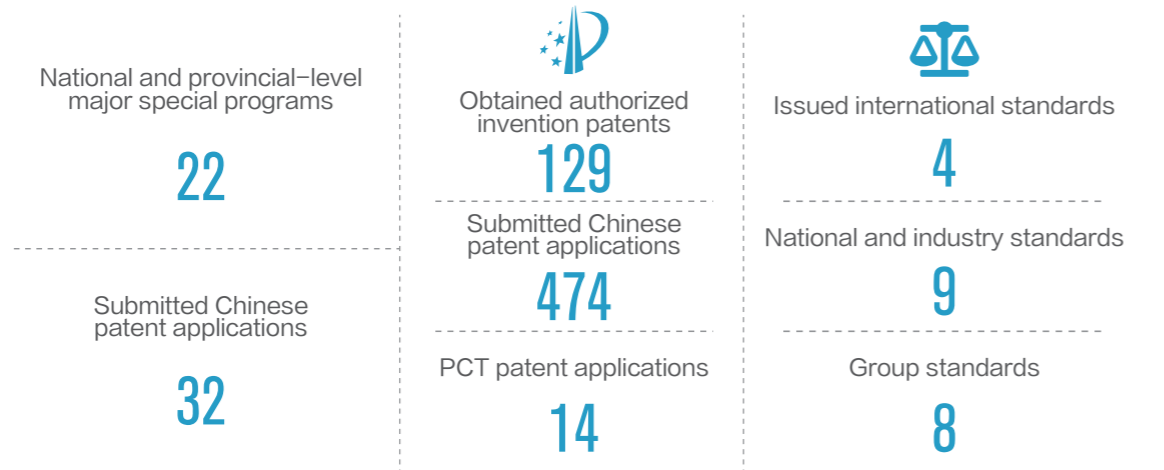
Operating Data



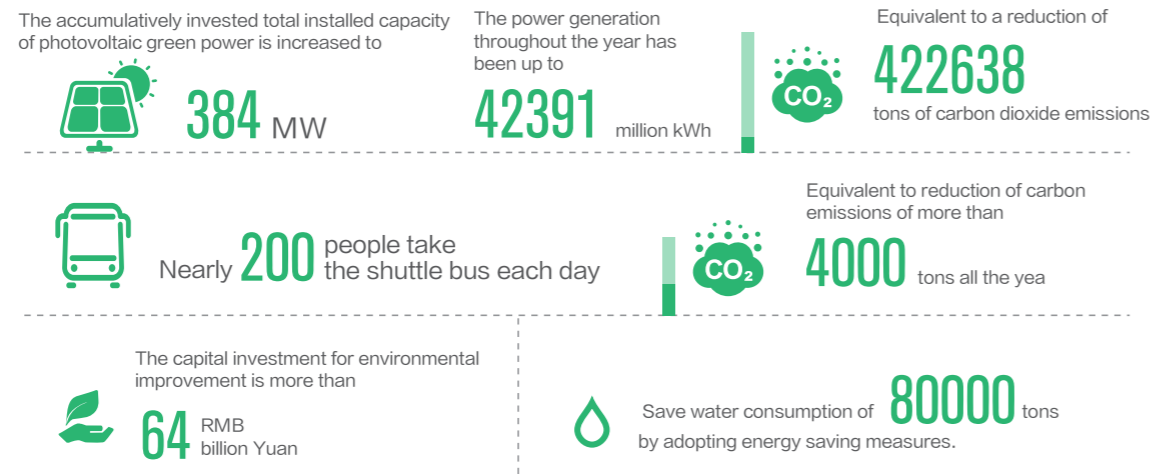
Continuous Development



Technological Innovation



Green and Environmental Protection



Social Responsibility



HONORS AND AWARDS IN 2022

Honor/Award Description	Certificate Authority
One of Globally Top 10 Best Valuable Telecom Infrastructure Brands	Brand Finance
Ranking 55th in the Top 500 New Energy Enterprises Ceremony	China Energy News
The Winner of the Top 10 Competitiveness Enterprises in the Optical Fiber and Cable Field of Global Market	Asian-Pacific Optical Communications Committee, Network and Telecom Information Research Institute
The Winner of the Top 10 Brand Competitiveness Enterprises in the Optical Communications Market of China	Asian-Pacific Optical Communications Committee, Network and Telecom Information Research Institute
Best Technology Innovation Award of Optical Communication in China	Asian-Pacific Optical Communications Committee, Network and Telecom Information Research Institute
The Winner of the Top 10 Competitiveness Enterprises in the Wire and Cable Field of China	China Wire & Cable Network, Wire and Cable Information Institute
Ranking 103rd in the China Top 500 Private Enterprises	All-China Federation of Industry and Commerce
National Quality Award Winning Enterprise Confirmation Certificate	China Association for Quality
"Power optical cables and fittings" winning the "single champion product"	Ministry of Industry and Information Technology
Multiple units have obtained Green Factory Certification	Ministry of Industry and Information Technology
The first batch of "Digital Navigation" Enterprises in China	Ministry of Industry and Information Technology
Member Unit of the Chinese Society for Optical Engineering	Chinese Society for Optical Engineering
Gold Award for Contribution to Rural Revitalization of Partners of China Mobile	China Mobile Communications Group Co., Ltd.
Level A Product Supplier of China Telecom Group	China Telecom Group Co., Ltd.
High-quality Supplier of Chinese Optical Cable	www.cctime.com
List of Dual carbon Action of Chinese Enterprises (2022)	Southern Weekly
Enterprises with Special Contribution for Promoting High-quality Development of Small and Medium-sized Cities in China	Organizing Committee of Summit Forum for the Development of Chinese Small and Medium Cities
Top 100 Enterprises in the Yangtze River Delta Region	Yangtze River Delta Three Provinces and One City Enterprise Federation
Obtaining Multiple Jiangsu Premium Brand Certifications	Jiangsu Premium Brand International Certification Alliance
Annual Most Valuable Enterprises	Xinhua Daily Press
Top 100 Innovative Enterprises in Jiangsu Province	Jiangsu Academy of Science and Technology Development Strategy
Top 10 Manufacturing Enterprises in Tax Contribution in Nanjing City	Nantong Municipal People's Government
Environmental Protection Demonstration Enterprises in Nanjing City	Nantong Municipal Ecological Environment Bureau

ESG MANAGEMENT

ZTT highly values effective management of environmental, social and governance, establishing an ESG management system responsible to the Board of Directors, continuously improving ESG management level and performance, taking responsibility for business development, employee rights & benefits, work safety, environmental protection and other relevant performances, guaranteeing solid progress in all work, and helping the Company achieve sustainable development.

For ZTT, investing in the construction of ESG system has become an important issue for the future. Our mission “Connecting Wonderful Life with Optic-Electric Network” is committed to bringing every person, every family and every organization into the beautiful world of optic-electric network.

ZTT Overview

ZTT was founded in 1992 in the field of optical fiber communication. In 2002, it went public on the Shanghai Stock Exchange with the stock code 600522. The Company is committed to the new economic order of “clean and low-carbon” and strives to become a leading force in the “dual carbon” ultra-long track. It has now formed a specialized, refined, differential and innovative on-enterprise-one-product deep cultivation mode in new energy, ocean, power grid, communication and industrial Internet. Its main products, the “ZTT brand” communication and power transmission products have formed nearly a hundred series and thousands of varieties, which are widely used in major fields such as communication, power operators as well as energy and ocean.

• ZTT Brand Logo:

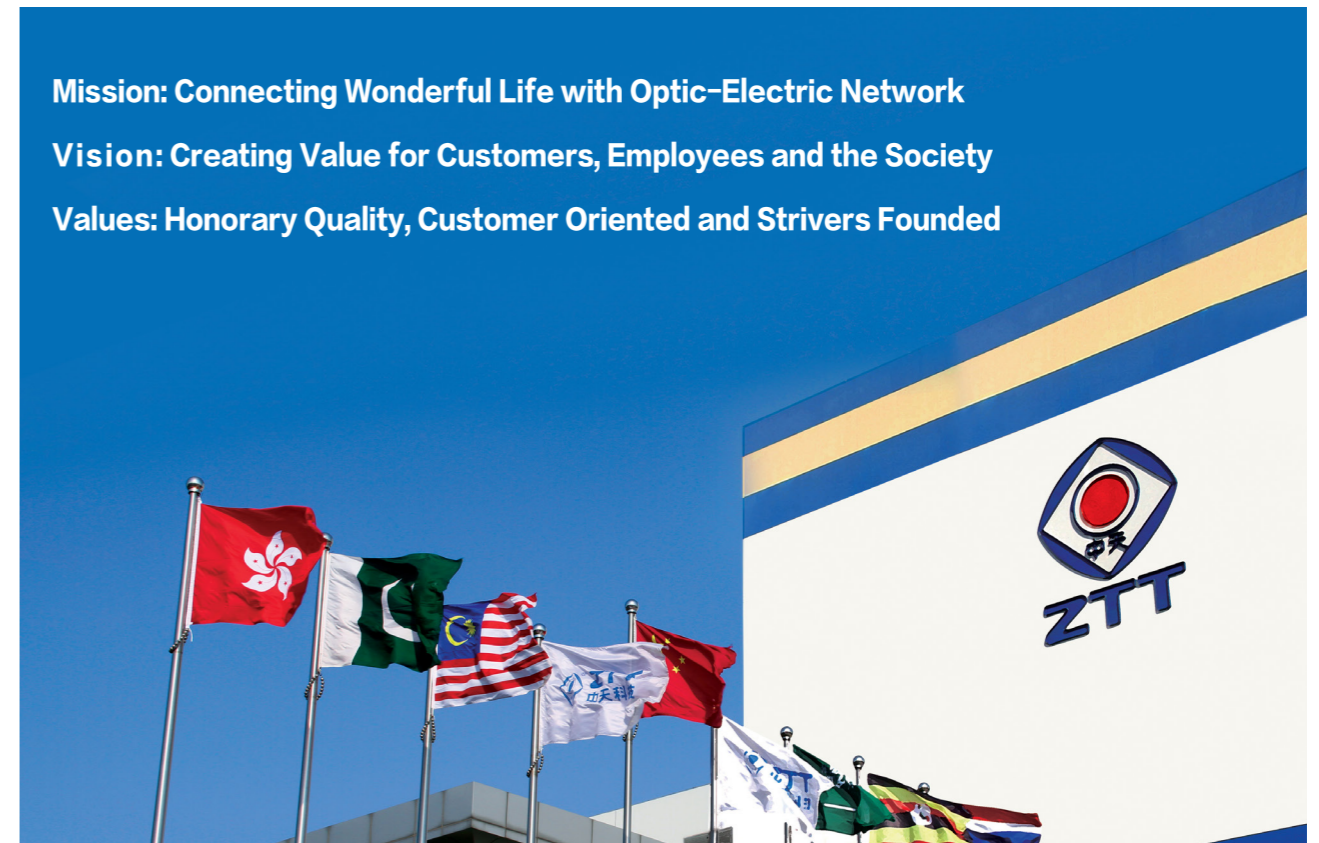


• Core Philosophy:

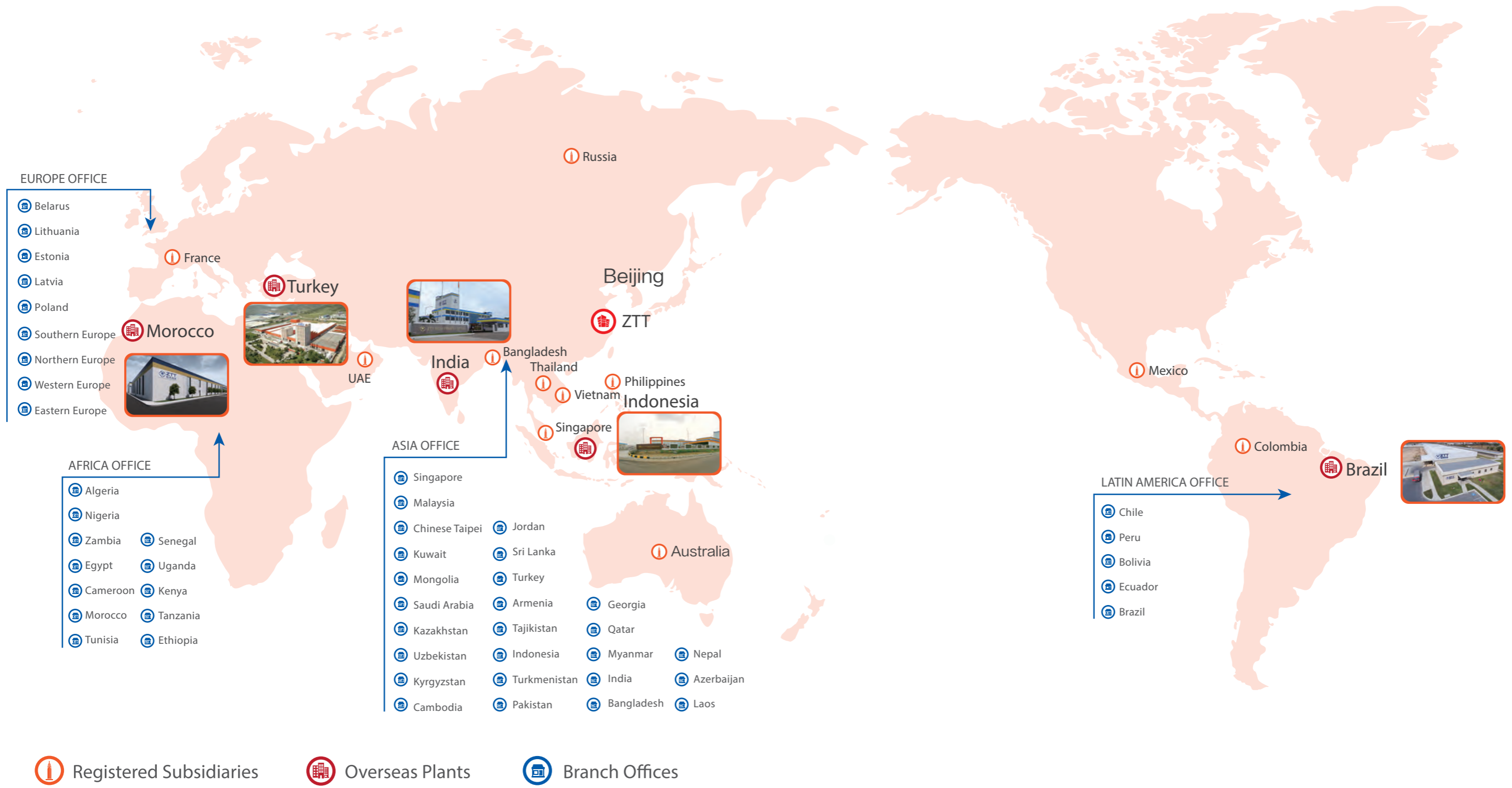
Mission: Connecting Wonderful Life with Optic-Electric Network

Vision: Creating Value for Customers, Employees and the Society

Values: Honorary Quality, Customer Oriented and Strivers Founded



• Industrial Layout



■ ESG Management System

The Company fully integrates economic, social and environmental issues into its development strategy and business activities. It has established a Corporate Social Responsibility (CSR) Committee management mechanism to translate the Company's sustainable development philosophy and commitment to stakeholders into concrete actions. By establishing a social responsibility organizational system, the Company clarifies work contents and responsibilities of decision-making, organization and implementation at all levels to ensure the decomposition and implementation of various tasks.



Decision-making level

The members from the Company's Board of Directors and Board of Supervisors participate in the deliberation and decision-making of major sustainable development issues, including the formulation of relevant strategies and policies.



Organizational level

The Corporate Social Responsibility (CSR) Committee is responsible for coordinating affairs related to sustainable development, including the collection of relevant performance information and communication with investors.



Implementation level

The Company's functional departments and business departments are responsible for centralized management of various sustainable development issues, carrying out specific social responsibility work and activities, assisting in the collection of social responsibility work situations and key performance indicators.



• Sustainable Economy

Over the past 5 years, the Company's operating income, main business profits, research and development expenses, net profit and net cash flow (in RMB 0.1 billion Yuan) is as shown in the Table below.

Category/Year	2022	2021	2020	2019	2018
Operating Income	402.71	461.63	420.82	387.67	339.24
Main Business Profits	71.85	72.59	57.21	48.66	48.80
Research and Development Expenses	16.40	14.68	12.17	11.04	10.72
Net Profit	34.13	2.82	23.70	19.59	21.30
Net Cash Flow	45.65	-5.47	25.88	29.09	23.81

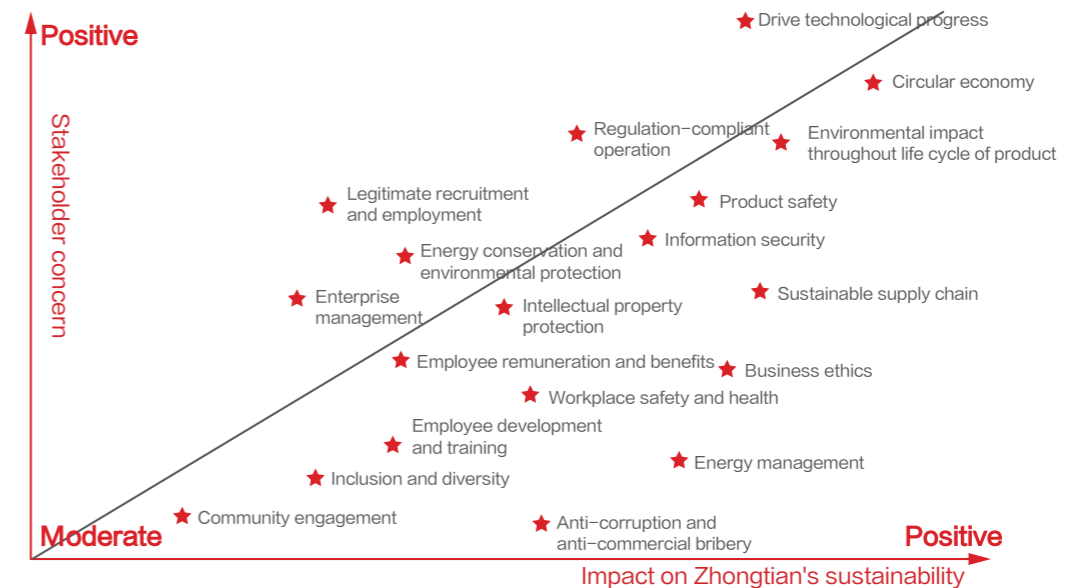
Note: In 2021, the Company fully provisioned for impairment of assets related to high-end communication business by RMB 3.619 billion Yuan, and after deducting the income tax factor, the net profit of the Company's 2021 consolidated financial statements will be reduced by RMB 3.076 billion Yuan accordingly.

• Substantive Issue Management

As a listed company on the Shanghai Stock Exchange, the Company has long been committed to working hand in hand with stakeholders to establish a sustainable industrial ecosystem with the aim of enhancing social value. In order to actively strengthen the disclosure and management of ESG information, the Company focuses on the three major fields of environment, society and governance, and comprehensively considers the Company's development strategy, industry benchmarking analysis and regulatory requirements, combined with relevant domestic and international standards, to preliminarily identify potential important issues and conduct stakeholder surveys to gain a deep understanding of their demands and suggestions, and then prioritize them to identify substantive issues.

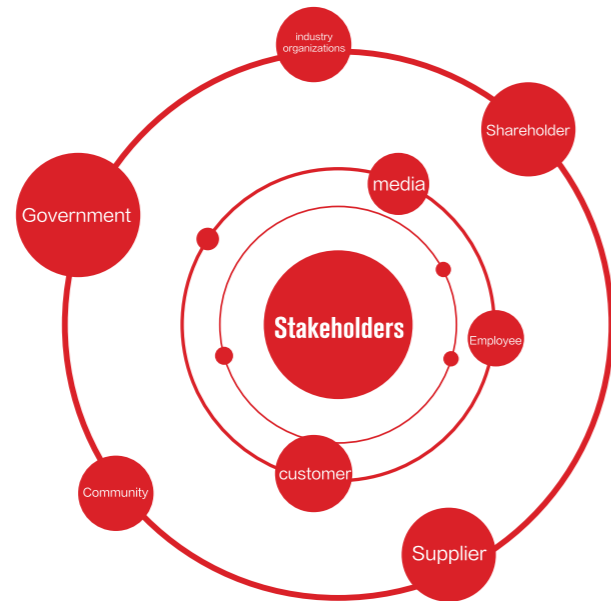
In terms of judging the importance of substantive issues, we comprehensively evaluate the results of surveys of multiple stakeholders, and combine them with internal risk analysis by relevant experts in the field, benchmarking of strategies and maturity evaluation results to determine the vertical and horizontal priorities of substantive issues.

Matrix of Substantive Proposals for ESG of ZTT



■ Communication with Stakeholders

Identification and participation of stakeholders is crucial for the ESG management of ZTT. Through communication and cooperation with stakeholders, we can understand their concerns and demands in a timely manner, provide important input for organizational decision-making, and help us improve sustainable development performance constantly. ZTT's main stakeholders include shareholders, government, customers, employees, suppliers, industry organizations, media and communities. By communicating and exchanging with relevant parties on common concerns through email, phonecall, questionnaires, discussion meeting and special visits, we can better identify risks and opportunities and formulate scientifically reasonable goals.



● Stakeholder Concerns and Communication Participation Methods in 2022

Stakeholders	Concerns	Communication Participation Methods
Shareholders	Stock price, stock dividend, financial status, business prospect, future development plan, internal control, risk bias, etc.	<ul style="list-style-type: none"> ● Information disclosure ● Shareholders' meeting ● Investor hotline/email
Government	Response to climate change/" dual carbon " (carbon peaking and carbon neutrality), compliance with local laws and regulations, economic development and employment, cultivation of digital talents, etc.	<ul style="list-style-type: none"> ● Policy communication meeting ● Government public consultation ● Sustainable development project
Customers	Product quality, functionality, product safety, customer information security, product environmental characteristics, high-quality and reliable customer service, etc.	<ul style="list-style-type: none"> ● Customer satisfaction survey ● Customer visit ● Company website and social media interaction
Employees	Compensation and treatment, working environment, occupational health, employee welfare, promotion policy, training system, working intensity, communication channels, etc.	<ul style="list-style-type: none"> ● Employee interview ● Employee questionnaire ● Spiritual home activities
Suppliers	Energy conservation and emission reduction, green supply chain, procurement policy, supplier management systems, fair trade, timely payment, partnership, etc.	<ul style="list-style-type: none"> ● Supplier certification ● Supplier conference ● Supplier training
Industry Organizations	Transparency of information, contributions to the economy, society and environment, contributions to industry development, etc.	<ul style="list-style-type: none"> ● Industry forum ● Standard seminar ● Participating in academic/research activities
Media	"Dual carbon" , business and product situation, financial performance, future development direction, corporate social responsibility, etc.	<ul style="list-style-type: none"> ● Press conference ● Interview activities ● Company website and social media interaction
Communities	Green consumption, promoting community development, protecting community environment, increasing community employment, supporting public welfare cause, etc.	<ul style="list-style-type: none"> ● Community public welfare activities ● Service hotline ● Participating in community projects

• Activities Involving Stakeholders in 2022

	<p>ZTT Brand Day held a carbon tax count-down unveiling ceremony, declaring its determination and action to promote green manufacturing to society.</p>
<p>ZTT held a Green Supply Chain Launch Conference and released the Green and Low-carbon Initiative for the Supply Chain.</p>	
	<p>ZTT held a New Year's Tea Party for Talent Representatives to inspire innovation and gather talents.</p>
<p>In 2022, ZTT celebrated its 30th anniversary and commended 102 employees who have been working for Zhongtian for 30 years.</p>	
	<p>"Power optical cables and fittings" became the sixth "single champion product" of ZTT. Issued by the Ministry of Industry and Information Technology.</p>
<p>Innovation empowered industrial development, with more than 30 new technologies and products being appraised at the provincial and ministerial levels.</p>	

	<p>Through deepening the practice of excellent performance, ZTT was awarded the "National Quality Award Winning Enterprise Confirmation Certificate".</p>
<p>ZTT helped the first integrated project of offshore wind power and marine ranching in China to be fully connected to the grid.</p>	
	<p>Selected as one of the first "Digital Navigation" enterprises in China</p>
<p>Continuing to invest in new tracks in the field of new energy, ZTT established its first hydrogen equipment company.</p>	
	<p>On the occasion of "Double Celebration" for ZTT, it donated RMB 54 million Yuan to charity in Nantong.</p>
<p>Chairman Xue Jiping was awarded the Zhang Jian-style Outstanding Entrepreneur Lifetime Achievement Award by Rudong County.</p>	

PROMOTING GREEN ENVIRONMENTAL PROTECTION

Due to increasingly urgent issue of climate change, a consensus on green development is accelerating worldwide. Accelerating the development of green and low-carbon production and lifestyle to achieve sustainable development for human society is more important than ever before. Many organizations, enterprises, households and individuals around the world are working hard for the green development of human society.

ZTT actively practices green environmental protection. In 2022, ZTT became the first enterprise in the industry to release the “Green and Low-carbon Manufacturing (GLCM) Action Plan (2021-2030)”, with the goal of achieving complete replacement of green energy by 2030. We hope to work with all parties to promote the sustainable development of the whole society while creating commercial value for customers.

■ Reducing Carbon Emissions

• Green Design

ZTT helps control green manufacturing from the source by adopting green design methods. At the stage of product design, according to customer needs and environmental regulations, while guaranteeing the required product functionality, quality and service life, we consider the product's environmental attributes (such as renewability and recyclability), integrate green design philosophy, and manufacture green and low-carbon products.



Digital simulation design

We use the digital simulation design method to evaluate product performance in advance, rationalize design, and reduce the number of times of sample trial fabrication. The Company has professional digital simulation design software for system design, structural verification, as well as mechanical and electrical performance simulation analysis. For example, we use professional software for mechanical simulation analysis and cable current-carrying capacity simulation design.



Green products (green materials)

We select environmentally friendly and degradable materials before product design, fully consider the product's service characteristics during design, and manufacture products with lower energy consumption. At the later stage of design, we fully consider the manufacturing process for design transfer, reduce material consumption, and improve the reusability of product design. For example, we use green degradable polypropylene (PP) insulation materials instead of non-degradable cross-linked polyethylene (XLPE) insulation materials to produce power cables, design transmission lines with higher conductivity, and consider recycling issues at the design stage of lithium iron phosphate batteries, reducing their negative impact on the environment throughout their life cycle. By the end of 2022, ZTT has created five categories of national green design products accumulatively, helping the industry chain develop in a green and low-carbon manner.



• Green Production



Green Processes

In the design of production processes, adopt integrated and intensive & economical production processes, utilize resource-saving production technologies, namely intensive production and economical production, simplify the process flow, select reasonable parameters, optimize process formulas, and reduce energy consumption and materials during production. In 2022, through continuous research and application of green processes, typical cases have been promoted and formed. For example, the research on the integrated process of coloring and sheathing for optical fibers reduces carbon emissions by 566t/year; the optimization of the production process for optical fiber coating heaters reduces carbon emissions by 768t/year; and the optimization of the structural process of ship cables reduces carbon emissions by 1,321t/year.



Equipment energy conservation upgrading

During the entire process of production and manufacturing, various professional production equipment and peripheral support auxiliary equipment are upgraded and transformed for energy conservation, achieving the iterative update of high-energy-consuming facilities in the industrial manufacturing field.

The focus is on promoting energy conservation and low-carbon technologies in the production and manufacturing field, researching the latest energy conservation technology, exploring equipment loss points, and precisely controlling emissions. With the energy conservation technology transformation as the starting point, green production and manufacturing has been implemented, and carbon emissions have been reduced by 35,000 tons in 2022.



• Green Lifestyle



Green office

Improve the management system for conservation of energy and resources such as air conditioner, elevator, office lighting, printer, duplicator, daily electrical appliance, etc., and strengthen the management of targets such as energy consumption and water consumption. Adopt green products of energy conservation, water conservation, environmental protection and recycling as office supplies, and promote paperless office.

Prioritize the purchase and use of green products such as energy conservation electrical appliances and water conservation devices to reduce the consumption of life energy resources. Actively practice green lifestyles, conserve water and electricity, do not waste food, and do not use disposable plastic products or tableware. Participate in green public welfare activities such as voluntary tree planting, environmental supervision and environmental protection publicity.



Green transportation

Advocate the use of public transportation means such as subway and bus for travel; advocate cycling, electric bicycle and other means of transportation; open a new energy vehicle special line in the park, and establish green energy charging piles to facilitate green and low-carbon work and life of park employees.



Measures to reduce carbon emissions in 2022:



Renewable Energy Utilization

Green and low-carbon development has become a global consensus, and more and more countries and enterprises are increasing their investment and use of renewable energy. Under the “dual carbon” goal, ZTT takes “3060” green and low-carbon as its guide, deeply lays out the new energy industry, and customizes comprehensive green energy solutions for customers to promote the development of green and clean energy. In 2022, Zhongtian ranked 55th on the “Global Top 500 New Energy Enterprises” list.

Photovoltaic Power Generation

Since 2022, Zhongtian has deeply cultivated its advantages in the main field and successfully won the bid for the Huaneng Rudong 200MW photovoltaic power generation project, realizing the implementation of the first large-scale ground-mounted photovoltaic project in the region. Seizing the industry opportunity of “photovoltaic +” for communication base stations, it successfully won the bid for the 62MW distributed photovoltaic project of Shanghai Electric Power – Zhejiang Tower New Energy Cooperation Service Project, laying a solid foundation for obtaining subsequent photovoltaic projects of communication base stations.

The Company's self-owned power station has been added by 18.36MW, and the cumulative total installed capacity of photovoltaic green power has been increased to 384.55MW. The power generation throughout the year has been up to 423.9103 million kWh, equivalent to a reduction of 422,638 tons of carbon dioxide emissions.

Externally contracted new energy green power construction projects has been up to 668.42MW in total, and central enterprises such as China Resources, China Huaneng and CGN have entered the substantive construction stage. Externally contracted photovoltaic power station operation and maintenance projects has been up to 6 in total, with a total installed capacity of 63.4MW. The annual green power production indicators have exceeded the Owners' annual

expectations, and the State Power Investment Corporation (SPIC) Suqian 19.57MW operation and maintenance power station was awarded the “Five-Star Power Station” honor by Jiangsu Company.

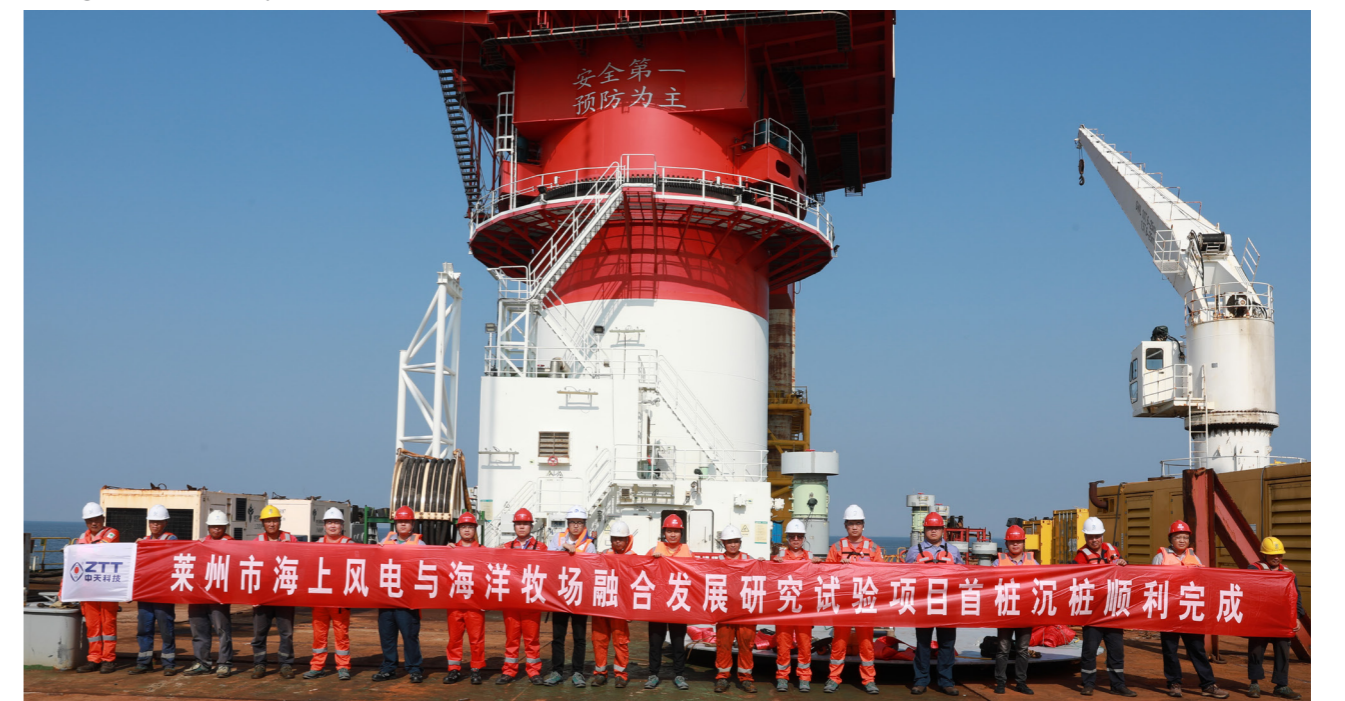


Offshore Wind Power

2022 marks the first year of the national subsidy reduction for offshore wind power in China, but the market remains hot as several coastal provinces have successively released tenders for millions of kilowatts of offshore wind power. According to incomplete statistics, the total capacity of offshore wind power projects tendered in 2022 exceeds 13 million kw.

In 2022, ZTT won and executed multiple typical projects in Guangdong and Shandong. In Shandong, ZTT won bids for several projects, including Shandong Energy Bozhong Site A, Bozhong Site B, Guohua Bozhong Site I, and the research and test on the integrated development of Laizhou offshore wind power and marine ranching in Laizhou. Among them, the Shandong Energy Bozhong Site A project is the first cost-competitive offshore wind power project in Shandong and also the first approved project after China's offshore wind power enters the cost-competitive era.

The development of offshore wind power is of great significance to China's “dual carbon” goal. In the future, the offshore wind power has vast space, and ZTT will continue to contribute to bringing more clean energy into households through offshore wind power.

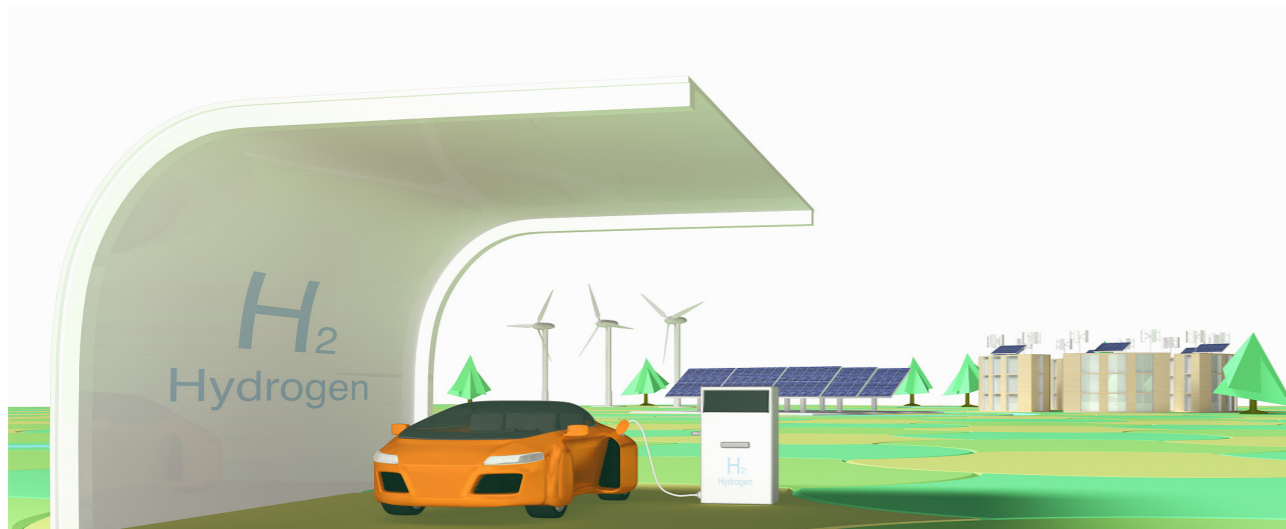


Green Hydrogen Energy

Nantong is an area that has been involved in the hydrogen energy industry earlier and has a higher degree of industry agglomeration in China. It is accelerating the promotion of the “Hydrogen Economy Demonstration City” project, actively participating in the construction of the “Hydrogen Corridor” in the Yangtze River Delta, and exploring the demonstration application of green hydrogen production in eastern coastal cities.

In 2021, ZTT began the overall planning of the development of hydrogen energy industry chain, which was a crucial starting point for energy green and low-carbon transformation and provided strong support for achieving the “dual carbon” goal. In September 2022, ZTT, CHN Energy Hydrogen Technology Co., Ltd. and National Institute of Clean and Low-Carbon Energy jointly established ZTT CE Hydrogen Co., Ltd., a specialized company that produces hydrogen refueling machine and electrolyzer equipment, providing comprehensive hydrogen energy solutions with the first-class equipment, system integration and service for industries related to hydrogen production via water electrolysis and hydrogen storage, transportation and refueling.

The Company has production, assembly and testing workshops that can produce 50 sets of hydrogen refueling equipment and 20 sets of water electrolysis hydrogen production equipment annually, and is simultaneously planning a research, development and testing center. The products have obtained explosion-proof certificates and the third-party TUV certification.



Measures to utilize renewable energy in 2022:



Photovoltaic Power Station



Offshore Wind Power



Hydrogen Refueling Station Project



Hydrogen Refueling Machine of Major Equipment

Promoting Circular Economy

As the world's population continues to grow and overall living standards improve, a resource conservation economic mode is crucial for adaptation to future development. ZTT is committed to establishing a circular economy business mode and a closed-loop industrial chain. Through the integration of digitization and service, the resources can be efficiently and cyclically utilized, promoting society's transition to a green and low-carbon circular economy.

• Digital Construction

During “the 14th Five-Year Plan” period, ZTT actively responded to the requirements of the Ministry of Industry and Information Technology for the integration of new generation information technology and manufacturing industry, and continuously carried out intelligent transformation, digital empowerment and deep integration of digitization and greenization by benchmarking international and domestic digital model enterprises. With digitization, it assists the green development, and with greenization, it drives digital innovation, thus promoting the upgrading of production and manufacturing.

Focusing on the five key links of “research, production, supply, marketing and service”, we have created a development mode of digital and green integration. Based on deep exploration of the new mode of the “digital economy”, and with the idea of “digital industrialization” + “industrial digitization”, we have established the “1+1+1+N” digital architecture system with an industrial Internet platform as the base, a standard Internet of Things system as the foundation, a data lake governance center as the hub, and integrated applications throughout the entire process as the starting point, integrating the industrial Internet logo and supporting the five major business fields i.e. research, production, supply, marketing and service, thus achieving full communication of data flow, business flow and financial flow.

In terms of the equipment intelligent, by following the progression of “manual labor mechanization – mechanical operation automation – automatic operation intelligence”, we aim to create a model for intelligent manufacturing in the cable industry, achieving intelligent supply, logistics, manufacturing, detection, packaging, warehousing and quality tracing. The intelligence rate of key equipment exceeds 90%, forming a universal sample and standard for intelligent manufacturing in the cable industry.

In 2022, we successfully created two national-level industrial internet pilot demonstration projects, undertook the revision of multiple national-level intelligent manufacturing standards, and were awarded the “Digital Navigation” title by the Ministry of Industry and Information Technology. We also added four provincial-level or above intelligent factories, multiple provincial and municipal-level intelligent workshops, one national-level green factory and seven provincial-level green factories.

4 provincial-level or above intelligent factories 1 national-level green factory 7 provincial-level green factories

• Energy Storage System

ZTT focuses on the large-scale energy storage market and backup power source market, accumulating years of experience in energy storage system solutions and engineering on the user side, power grid side and power generation side.

We vigorously promote the application of new energy distribution and storage, adhere to the research, development and manufacturing of the green energy storage system, and provide customers with customized energy storage system solutions. We have a product layout of multiple types of liquid-cooled battery compartments, serving customers with different types of products such as modular split and large-capacity single compartments. The temperature difference

of the ZTT new generation MUSE-M series liquid-cooled system battery cluster is controlled within 2°C, reaching an advanced level in the industry.

ZTT has successively won bids for energy storage system projects, including the second section of the framework procurement of lithium iron phosphate battery energy storage system for CGN in 2022, with a total capacity of over 1.5 GWh. In addition, it has also won overseas energy storage system projects such as the 80 MW/200 MWh energy storage system project of the Mongolian Ministry of Energy and the 20 MW/20 MWh frequency modulation project of the Pakistan National Transmission Despatch Company, laying a solid foundation for the expansion of the overseas energy storage market.

In order to achieve energy conservation and carbon emission reduction, ZTT has jointly developed a mobile energy storage system with its customers, which has been applied to the Shenzhen-Zhongshan Bridge system. Diesel generators will firstly supply power to equipment loads, with excessive electricity being stored in the energy storage system. During the peak of equipment loads, both the diesel generator and energy storage system are used simultaneously. The energy storage system provides power for the equipment while the diesel generator is refueled, thus reducing the quantity and using frequency of diesel generators.

• Green Power Trading

With the release of China's 3060 "dual carbon" goal, the concept of green power has been widely spread in the country. Using green power is one of the important manners for the country and major enterprises to achieve energy conservation and emission reduction. It can offset carbon emissions, enhance international competitiveness, cross carbon barriers, and play an important role in carbon tariff reduction and carbon emissions. In addition to building photovoltaic power stations, the green power trading is an essential way to use green power.

ZTT actively explores green power trading, and opens up green power trading channels. On the one hand, it actively connects with new energy power generation enterprises through power sales companies to purchase green power. The annual framework contract exceeds 50 million kwh, encouraging subsidiaries to use green power and reduce carbon emissions. On the other hand, it actively engages in green certificate trading, indirectly using green power and fulfilling social responsibilities.

Protecting the Ecological Environment

We promise to do our best to protect the Earth that we rely on for survival. We hope to help people live in a healthy environment with blue skies, thriving land and aquatic ecosystems.

ZTT strictly complies with relevant environmental laws and regulations, and has established a sound environmental management system. Through environmental management system audits, we propose improvement requirements, strengthen the optimization of internal management process, and achieve continuous improvement of environmental behaviors. In 2022, the Company invested more than RMB 64 million Yuan in environmental improvement, achieving significant results in fresh air systems, UV protection, noise control and other aspects. In 2022, the Company was once again rated as a "Nantong City Environmental Protection Demonstration Enterprise".

ZTT strives to practice green production, green culture, green management and green value chains. We not only vigorously promote the use of green energy products such as wind energy and solar energy, but have established an "energy conservation and emission reduction committee" to promote energy conservation and emission-reduction work, achieving significant results. Our products meet environmental protection requirements throughout their life cycle, and harmful substances are constant and will not flow into the social environment.

In 2022, the Company invested a total of RMB 50 million Yuan in the special environmental protection fund, completing seven major environmental protection improvement projects, including three river channel control and sewage disposal projects, two organic waste gas disposal projects, one solid waste reduction and disposal project and one workshop noise reduction project. In terms of hazardous waste management, we legally and compliantly disposed of about 1,800 tons of aluminum ash, dust and waste drawing oil throughout the year.

the Company invested more than in environmental improvement

6400 RMB million Yuan

major environmental protection improvement projects

7

Measures to protect the ecological environment in 2022:

Measures to promote economic circulation in 2022:





PRACTICING BUSINESS FOR GOOD

Adhering to the vision of “Creating Value for Customers, Employees and the Society”, ZTT continues to create greater value for customers, builds better platforms for employees, promote the harmonious development of the community, and strives to make technological innovation achievements benefit everyone, every family and every organization, thus promoting inclusive growth and sustainable development of the world economy.

ZTT will incorporate social responsibility into its corporate DNA, combine its own industrial advantages, make innovations in public welfare activities and explore the practice of business for good.

Care for Employees

Employees are ZTT's most valuable asset and the main force for achieving sustainable development. ZTT has always been striving to improve the working and living conditions of employees, providing them with a healthy and comfortable environment and colorful leisure activities to enhance their sense of happiness. It is also open to attracting outstanding talents all over the world, thus fully inspiring the potential of internal talents.

Guarding Health and Improving Happiness Index

(1) Paying Attention to Safety and Health of Employees

In order to better promote the implementation of employee health management work, in 2022, we established the Employee Health Management Committee and issued the Employee Health Management Methods, Implementation Outline of Occupational Health Management, etc., so as to serve the longer-term development of ZTT.

In 2022, we organized the formulation of employee physical examination package standards at all levels; carried out the employee health record management, led the development of employee health record management modules; paid attention to employee psychological health, and focused on online psychological counseling for long-term expatriates; and published health information on the Company's Wechat Official Accounts every month to guarantee the physical and psychological health of employees.

The Company has a professional occupational health and safety management team and has established an occupational health and safety management system to implement full-cycle occupational health management. The Company conducts occupational health examinations for personnel exposed to occupational hazards each year, and conducts analysis and improvement based on the examination results. In 2022, there were no cases of diagnosed occupational diseases among company employees.



The first social rescue team in Rudong County named “ZTT Pioneer Emergency Rescue Team” was established. On May 12th, on the occasion of the 14th National Disaster Prevention and Mitigation Day, Rudong County launched a disaster prevention and mitigation publicity campaign with the theme of “Mitigating Disaster Risks and Guarding Beautiful Homes”. The Rudong ZTT Pioneer Emergency Rescue Team was established, and the county fire rescue brigade and the county Red Cross were hired as the business guidance units for the rescue team and were granted with certificates.



Measures for work safety in 2022:



Carrying out Work Safety Month Activities



Responding to Safety Inspections at All Levels



Enriching Safety Education Forms



Carrying out Special Equipment Technological Transformation

(2) Creating a Warm Home for Employees

A trickle of water can flow into a vast ocean, and bits of caring can converge into a flood of love. ZTT actively advocates the fine tradition of solidarity, friendship, mutual assistance and mutual aid among the employees, constantly increasing the assistance to employees in difficulties, helping them solve urgent and difficult problems, and promoting the effective creation of a happy enterprise.

In 2022, ZTT organized the “Charity Day Donation” activity, with a total of 10,609 people participating in the care funding donation, an increase of 10% compared to 2021, and a donation amount of RMB 3.62 million Yuan, an increase of 16.6% compared to the previous year. The care funding activity advocated by the Chairman has created a “business-for-good” atmosphere within the Company.

To warm the hearts of employees in difficulties, in 2022, ZTT Care Funding supported employees (and their families) in case that they are encountered with serious illnesses and emergencies, and visited and comforted them during the Spring Festival and Mid-Autumn Festival, with a total funding amount of RMB 1.36 million Yuan, an increase of 65% compared to 2021, bringing care and help to hundreds of ZTT’s employee families.

(3) Carrying out Diversified Care for Employees

ZTT adheres to the principle of people-oriented, working hand in hand with every employee, always accompanying

and driving towards a better future. In 2022, we have launched a series of activities in union care, legal assistance for employees and psychological counseling for employees, thus further enhancing employees’ satisfaction, solving their worries, and retaining their loyalty.

Union's sincere care.

ZTT's union always puts the maintenance of employees' vital interests and the improvement of their welfare in an important position, and actively promotes corporate culture construction. For example, the Union usually organizes training and education to inspire employees' fighting spirit, and organizes expansion and fellowship activities to make employees work happily and live comfortably.

Legal assistance for employees.

We have established a legal assistance system, providing online and offline answers to legal doubts and demands of the employees and the masses, and we conduct public welfare legal education to help employees avoid risks in private lending, gambling and labor laws and regulations.



Psychological counseling for employees.

Through knowledge lectures, psychological counseling, team activities and in other manners, we help employees solve various psychological problems, injecting a continuous stream of vitality into the harmonious development of the enterprise, employees and families.

Employee engagement survey.

Based on improving employees’ satisfaction, in 2022, we conducted a Gallup Q12 survey on employee engagement, focusing the engagement on six dimensions including loyalty, achievement, recommendation, satisfaction, effort and identification.

• Building a Beautiful Spiritual Home Together

Our employees come from diverse backgrounds and have significant differences in professional posts. Therefore, equality, respect, diversity and inclusiveness are necessary foundations for every employee to fully exert their talents and collaborate effectively.

While creating commercial value, ZTT also focuses on the happiness and satisfaction of employees' lives, advocates for a healthy lifestyle, enriches their spiritual world, and enables them to enjoy work and life better, thus enhancing their overall happiness. We hope to create such a working environment and atmosphere and strive to achieve a simple culture and establish an agile organization.

ZTT actively promotes employee interviews and democratic life, and promotes the normalization and long-term effectiveness of the spiritual home program. The Company has carried out a variety of cohesion activities, such as cultural and sports competitions, essay speeches, literary and artistic evening performance, typical case exhibitions of homes, and positive energy preaching, enriching employees' spiritual lives and making them work happier, more comfortable and more dedicated.

In 2022, ZTT successfully held the “Double Celebration” event, greatly enhancing the sense of belonging and cohesion, and summarizing the ZTT's culture for good. The optimization of the Working Rules for Spiritual Home focuses on caring for employees in various ways and measures, promoting the harmonious and healthy development of the enterprise. The Spiritual Home monthly magazine, The Window of ZTT, and other forms of communication spread corporate culture in a more enjoyable way.



Spiritual home activities in 2022:



Greeting the lunar New Year, Drawing Lucky Bag



Celebrating the Women's Day



Indicalamus Leaf Predicating Good Health at Dragon Boat Festival



Celebrating the warm Mid-Autumn Festival



Interesting Sports Meeting in Summer



Culture & Arts Show



Reading Books to Travel Through Time and Space



Photographic Contest "The Most Dazzling Father"



Rudong "Care Train"



Zhang Jian Cultural Study Tour

• Collision and Integration of Multiculturalism

Employees of ZTT come from various countries and regions all over the world. We fully respect the diversity of cultures from different countries and encourage mutual communication among employees with different cultural backgrounds. We have taken a series of measures to enhance cross-cultural collaboration among employees. In terms of spiritual home, overseas offices hold various cross-cultural theme activities. In terms of cultural learning, we provide cross-cultural training and language training for overseas employees.

As an international enterprise, ZTT fully respects the diversity of talents. Differences in gender, nationality, race, age, cultural background and education system are all part of the individuality of talents. We have established a sound multi-dimensional employee care mechanism, focusing on cultivating foreign talents for key posts and high-skilled talents, and transforming the individuality of talents into the organization's advantage, thus achieving mutual growth of individuals and the organization.



In October 2022, ZTT India Private Limited successfully held a celebration of the Company's 10th anniversary and an award ceremony at its production base located in the Sricity Industrial Park in Andhra Pradesh, India. The celebration played the English promotional video of ZTT and short films of the Chairman and the President, bringing the best wishes of the Group Company to all employees of the Indian Company.



In December 2022, DEMİNER KABLO TESİSLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ of ZTT successfully held its 40th anniversary celebration in Bozüyük, Turkey, where the factory is located. The celebration began with the screening of ZTT's promotional video, followed by messages of blessings from the Chairman and the President, extending the Group's blessings and encouragement to all DEMİNER KABLO employees.

Cross-cultural communication between Chinese and foreign employees in 2022:



Chinese and foreign employees celebrated the traditional Chinese Spring Festival together.



ZTT India celebrated the traditional festival "Pooja".



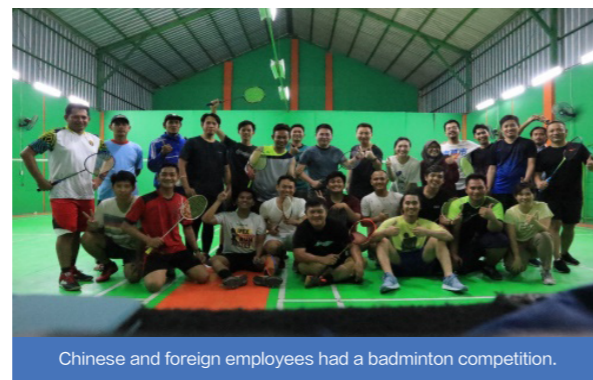
DEMİRER KABLO TESİSLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ held a collective birthday party for employees.



ZTT DO BRASİL LTDA held a tea party for new employees.



Chinese and Indian employees planted a memorial tree together.



Chinese and foreign employees had a badminton competition.



Chinese employees participated in the football game of DEMİRER KABLO TESİSLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ.



Chinese managers participated in the wedding ceremony of a local employee.

Talent Development

Talent is the core competitiveness of today's society. ZTT adheres to the philosophy of "respecting kindness and virtue, and talent maximization", and insists on an innovative management system centered on talent leading, strengthening the construction of strategic talent teams.

Establishing a Talent Cultivation and Development System

ZTT continues to strengthen the construction of its strategic talent teams, forming a talent delivery mechanism that focuses on leading and expert talents, with mature professional talents as the main body, and outstanding graduates from colleges and universities such as Future Stars and Potential Graduates as its reserves. The goal is to create a professional, composite and international talent team with a global vision and management and innovation capabilities.

(1) Enhancing the Actual Effect of Talent Training

According to the Company's development strategy, ZTT focuses on optimizing the structure and allocation of human resources, improving employees' skills and cadres' management capabilities and increasing the intensity of employee training to create a high-quality workforce of industrial workers and managers.

Establishing ZTT College. The Employee Education and Training Center has established ZTT College by drawing on the corporate university mode, establishing the "TATC+Craftsman Talent Training" talent cultivation system with characteristics of ZTT, and implemented education and training for different positions and job titles.

Promoting training and learning through competitions. Through the Qingmiao and Qinglan plans, skills level certification training, ZTT's three-ability craftsman selection and training, and skills competitions, ZTT promotes training and learning through competitions to cultivate a high-skilled talent team.

序号	姓名	位	当
1	孙	中心	一等
2	高小	线	二等

Cultivating overseas craftsman talents. In addition to sending Chinese personnel for on-site training, ZTT also organizes excellent overseas personnel to come to China for corporate culture and skills training. At the same time, ZTT participates in the teaching cooperation of local Chinese Luban Workshop and Confucius Institute.

(2) Promoting the Career Development of Talents

To meet the development needs of talents and realize the philosophy of "talent maximization", ZTT promotes and guarantees the overall plan for the career development of talents from multiple dimensions and aspects, strengthens the construction of the talent team, and provides strong support for the high-quality development of the enterprise.

Formulating management methods. Formulate regulations such as the Employee Career Management Method and the Job Appointment Qualification Management Method to standardize employee career management, guarantee employee development paths from the institutional level and clarify job classes and grades and development paths.

Building development paths. Build an "H"-shaped development path to broaden the multi-channel career development path for talents, allowing smooth vertical and horizontal communication among various systems of positions.

Learning job appointment standards. Establish a job appointment qualification system, regularly certify and evaluate employees, and then train them for improvement, thus improving their professional skills and work achievements constantly.

Career guidance. Determine, analyze, and summarize the career conditions of employees, and determine their best career goals to strive for according to their career preferences.

Empowerment through multiple methods. Determine target posts and conducts empowerment in various ways by identifying target posts and providing theoretical and practical training as well as learning from model enterprises, job rotation, project management, and employee self-learning, etc.

Practical guidance from mentors. Through a mentorship system, provide students with guidance and assistance in professional knowledge and skills, thoughts and career development, thus helping them grow and develop quickly.

Establishing a talent pool. Through internal talent markets, job competitions and reserve talent classes, career development paths are opened up, and a talent pool of the Company is established.

Successor plan. By implementing the successor plan, a talent echelon is formed. Through the establishment of the “navigation” plan, a reserve training plan for successor echelon is opened up for posts at all levels, using the AB roles method to cultivate talents.

• Building a “Diverse Compensation and Incentive” Guarantee Platform

By retaining talents through culture, career, compensation and emotional connections, we attract talents via various paths and strive to achieve “more work, more pay, more skills, more pay”, allowing more employees to become “partners” rather than just “workers”, sharing the fruits of development and promoting common prosperity.

(1) Implementing New Talent Policies

In 2022, in order to enhance competitiveness in the industry and better attract and retain talents, ZTT formulated Several Measures to Enhance Talent Competitiveness. We implemented a salary increase of more than 10% for employees each year, established a childcare allowance for employees' children, provided housing subsidies for dual career couples, awarded honorary medals to employees who have worked for 30 years, and established employee college and undergraduate classes in cooperation with Jiangsu Open University to enhance the educational background of employees. In terms of employee training, we formulated Rules for Special Appraisal of Human Resources, clarifying the requirements for B-role training and senior executive teaching, and allocating 523 B-roles for 408 A-roles.

(2) Establishing ZTT Lecture Hall

ZTT has set up a “Lecture Hall” specifically to improve the quality of management personnel. We invite experts from various fields to teach courses at irregular intervals, and middle and senior management personnel, technical experts, and outstanding employees participate in the lectures. Through persistent learning, we further enrich and improve ourselves, cultivate and enhance our capability to plan the overall situation, strive for excellence and manage the business. In 2022, ZTT organized and planned courses on Metaverse and Corporate Social Responsibility (CSR), effectively inspiring management innovation.

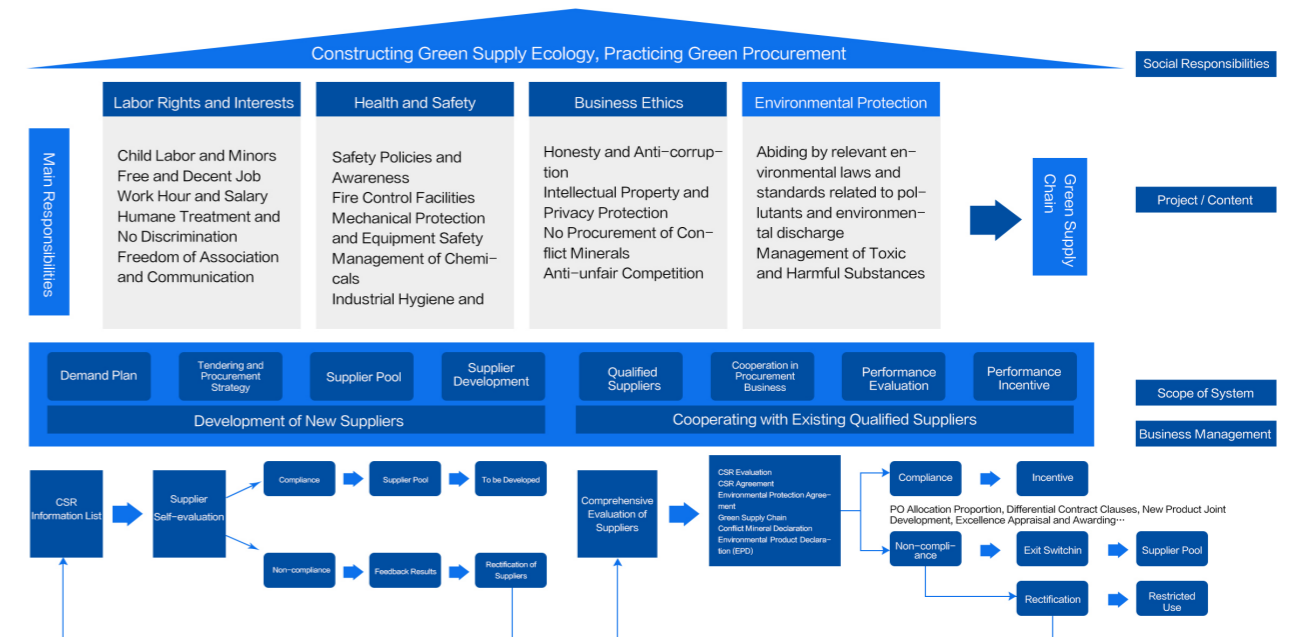


■ Supply Responsibility

ZTT regards supplier partners as “a community of shared future” and adheres to the cooperation philosophy of mutual development and mutual benefit to promote green procurement, transparent procurement and value procurement services for the overall operation of the Company. By continuously promoting the improvement and enhancement of suppliers, a stable supply chain ecosystem that supports each other is formed.

• Supplier Risk Evaluation

Based on the social responsibility risk evaluation mode, ZTT sets supplier risk audit items from the prospects of procurement amount, material properties and CSR risk management, and comprehensively evaluates supplier risk levels based on historical review records. According to the risk evaluation table, suppliers are divided into high, medium and low-risk levels, and supplier audit plans are planned according to the risk level requirements.



In 2022, ZTT optimized the Supplier CSR Agreement and Code of Conduct for ZTT Suppliers. The Code for Conduct of ZTT Suppliers specifies seven restriction requirements, including labor standards, health and safety, environmental protection, prohibited commercial behaviors, and responsible mineral requirements. The corresponding punishment standards for violating these restriction requirements are also clearly stated in the Supplier CSR Agreement. In response to customer demands, we have added requirements such as carbon inventory, carbon emission reduction and green supply chain to our supplier CSR risk management system.

In 2022, we conducted social responsibility risk rating for over 1,700 suppliers, and conducted on-site audits for 126 high and medium-risk suppliers and over 400 new suppliers. For any issues discovered during the audits, we held meetings and provided guidance to the suppliers to promote continuous improvement.

conducted social responsibility risk rating for over

1700 suppliers

126 conducted on-site audits for high and medium-risk suppliers

400 over new suppliers

• Supplier Performance Management

To implement sustainable supplier management, ZTT has updated the Management Methods for ZTT Suppliers and Criteria for Identifying Supplier Misconduct, and determined to implement differential management requirements for different types of suppliers. At the same time, based on cooperation performance of suppliers, on-site audit results, and their rectification situations, we have carried out evaluations on sustainable development performance of suppliers and implemented supplier classification and rating management.

Based on supplier performance management, we have reasonably positioned suppliers and conducted rating, management and control of suppliers to assist suppliers in finding quality issues and provided guidance. In addition, we have formulated development plans and management strategies for different types of suppliers to continuously optimize and enhance their comprehensive capabilities.

By the end of 2022, we have conducted evaluations on sustainable development performance of more than 1,700 suppliers, of which 146 suppliers have met the requirements after guidance and rectification.

conducted evaluations on sustainable development performance of more than

1700 suppliers

met the requirements after guidance and rectification

146 suppliers

• Green Procurement

As a green technology manufacturing group, ZTT not only makes long-term and continuous input and commitments to the “dual carbon” goal via responsible and sustainable operation, but also actively collaborates with upstream and downstream partners in the industry chain to jointly undertake the “dual carbon” responsibility.

In 2022, ZTT formulated the Green Procurement Guidelines and Green Supplier Evaluation Standards, incorporating green environmental protection requirements into the procurement quality priority strategy and the entire procurement business process, and incorporating carbon emission reduction requirements into the entire supplier management process. Suppliers are evaluated based on the evaluation criteria for green star ratings. At the same time, ZTT held the Green Supply Chain Launch Conference, explaining the green supplier evaluation standards to suppliers from various aspects, and also released the Green and Low-carbon Initiative for the Supply Chain at the conference, calling on upstream and downstream partners in the industry chain to jointly establish the philosophy of green and low-carbon development.

As of the end of 2022, over 400 suppliers have signed the Green and Low-carbon Initiative, and 60 suppliers have determined specific carbon emission reduction goals and action plans, with more than 100 energy conservation and emission reduction projects established.

have signed the Green and Low-carbon Initiative

400 suppliers

have determined specific carbon emission reduction goals and action plans

60 suppliers

energy conservation and emission reduction projects established

100

• Transparent Procurement

Since the implementation of the compliance management system on September 23, 2019, ZTT has established the Implementation Rules for Procurement Compliance. In 2022, in order to continue to implement the business guidance policy of compliance and steady progress, ZTT conducted active exploration and constant practice in the aspects of internal control organization construction, internal control system construction, internal control management and

internal control culture construction of procurement management, and formulated management rules for internal control standard of procurement based on the main risks and control goals of procurement business, specifying the internal control standards for the entire process from requisition to payment, with the view of achieving strong internal control, risk prevention and compliance promotion.

At the same time, ZTT formulated the Code of Conduct for Procurement Business, clarifying the integrity and business ethics standards that should be followed during the entire procurement business process, and communicating the requirements of integrity and honesty in various ways such as agreements, on-site communication and training, emails and websites, so as to maintain the continuous compliance of both supply and demand sides with the standards, concentrate the “affinity” force, and consolidate the “incorruptible” bottom line, so that power operates transparently and relationships are sublimated in win-win situation.

By the end of 2022, ZTT has completed background checks on compliance for more than 4,000 suppliers accumulatively in accordance with the Implementation Rules for Procurement Compliance.

accumulatively in accordance with the Implementation Rules for Procurement Compliance

4000 suppliers

• Responsible Mineral Management

ZTT actively responds to the conditions and norms of the RBA and GESI (Global E-Sustainability Initiative) joint working group for committing to electronic supply chain, abides by the code of conduct for the electronic industry, fulfills social responsibilities, respects human rights, and continues to pay attention to the issue of conflict minerals. ZTT declares that it does not purchase or support the use of conflict minerals, and requires all suppliers not to purchase conflict minerals. Responsible mineral management is integrated into the supplier certification and supervision audit as a part of the procurement CSR management system, so as to ensure that raw materials do not contain any rare metals such as cassiterite, wolframite, coltan, gold and their derivatives in the conflict minerals.

In 2022, ZTT conducted due diligence audits for responsible mineral supply chains for suppliers involved in conflict minerals and signed a Commitment to Not Use Conflict Minerals with all involved suppliers. Violations of restriction requirements in this agreement will result in the elimination of the supplier.



Social Responsibility

ZTT has always incorporated the practice of social responsibility into its corporate business management, actively devoting itself in the charity and actively giving back to society. While strengthening and optimizing the advanced manufacturing industry, the Company creates greater value for customers, employees and society, allowing society to share the fruits of corporate development. The “ZTT Care Funding” was specifically established, and to date, expenditures on public welfare have exceeded RMB 200 million Yuan.

Focusing on common prosperity via high-quality development

In 2022, on the occasion of ZTT's 20th anniversary of listing and 30th anniversary of establishment, the “ZTT Charity Fund” was unveiled, donating a total of RMB 54 million Yuan to charity in Nantong City and Rudong County. The Company optimized the distribution principle of “salary increasing in case of income increasing, and salary reduction in case of income reduction to “salary increasing in case of income increasing while no salary reduction in case of income reduction” In 2022, the salary of frontline personnel was increased with a year-on-year growth of 15%, and the salary of non-frontline personnel was increased with a year-on-year growth of 10%.

charity in Nantong City and Rudong County

5400 RMB million Yuan

the salary of frontline personnel

15%
a year-on-year growth

the salary of non-frontline personnel

10%
a year-on-year growth



In the report Perseverance in Business, Winning the Future with Goodness by President Xue Chi, he proposed that in the new era, business for good has become a continuous manifestation of ZTT team's accumulation of humanistic love and pursuit of sustainable development. ZTT will follow the “going out” trend, and actively undertake social responsibility in the international community by practicing the ESG philosophy.

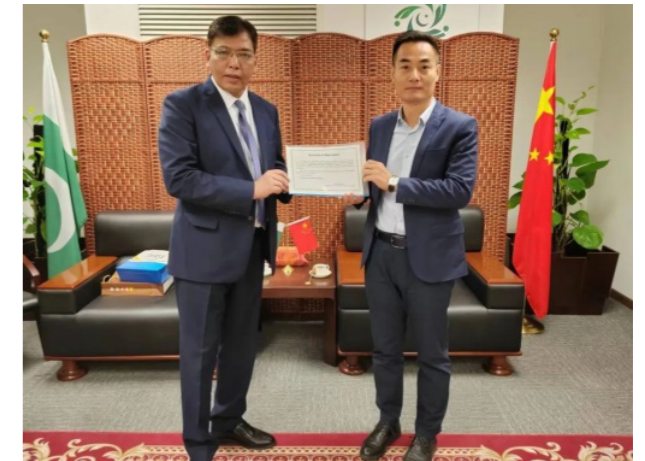


ZTT and the government of Hekou Town, Rudong County, where the Company originated, signed a joint agreement on rural revitalization, purchasing local agricultural and sideline products with the worth of RMB 10 million Yuan each year. While allowing the Company's employees to eat hometown dishes and safe vegetables, it can also directly increase the income of local farmers by RMB 10 million Yuan each year.

A Touching and Heartwarming Act of Kindness

In mid-June 2022, Pakistan suffered from severe floods, causing a significant loss of life and property for many residents. In response to the disaster, ZTT donated to the Prime Minister's Relief Fund in Pakistan immediately. In October, Tian Shusong, the Overseas General Contracting and Financing Manager of ZTT, and representatives from the Nantong Foreign Affairs Office, went to the Consulate General of the Islamic Republic of Pakistan in Shanghai to hold a brief donation ceremony. ZTT hoped that this donation, carrying their concern, could support the Pakistani people and did everything in its power to assist in the post-disaster reconstruction of power and communication projects.

Consul Ali expressed his sincere gratitude for ZTT's active assistance and highly appreciated the Company's excellent projects implemented in Pakistan over the years. He also presented a letter of thanks from the Pakistani Ambassador, representing sincere thanks from the Pakistani government and people. The letter stated, “This is truly a touching and heartwarming act of kindness and a reflection of the humanistic spirit of Chinese civilization.”



Certificate of Appreciation

On behalf of the government and the people of Pakistan, I wish to convey my sincerest gratitude to Jiangsu Zhongtiang Technology Group Co., Ltd for the generous cash donation of RMB 100,000 to the flood affectees of Pakistan. This is indeed a touching and heartwarming gesture and a manifestation of humane ethos of the Chinese civilization.

This is also a true reflection of the time-tested friendship and iron-brotherhood between China and Pakistan.

A big Thank You!!

Long-live China-Pakistan Friendship

Moin ul Haque
Ambassador of the Islamic Republic of Pakistan

Paying Respects to Teachers, the ZTT Education Award Firstly Presented

On September 9, 2022, at the 38th Teachers' Day celebration held by the Rudong County Committee and County Government, the ZTT Education Award, established by ZTT, was presented for the first time.

Education is the foundation of national development in the long run. ZTT has long been concerned about hometown education and has established an “Education Incentive Fund” in local schools to promote local education development. In October 2021, ZTT donated the first batch of “ZTT” education incentives of RMB 10 million Yuan, and entrusted the Rudong County Education and Sports Bureau to organize and implement them, making due contributions to the development of hometown education.





MODERATE GOVERNANCE RESPONSIBILITY

A sound governance system requires compliance, professionalism and effectiveness in decision-making mechanisms, so as to safeguard the long-term interests of all stakeholders. ZTT abides by business ethics and relevant regulations, accepts supervision within an effective and transparent corporate governance framework, and commits to constantly improving privacy protection and data security capabilities and constantly improving and completing its intellectual property management system.

Adhering to the mission of “Connecting Wonderful Life with Optic-Electric Network”, ZTT always emphasizes stable governance, compliance promotion and strong responsibility, striving for progress while maintaining stability, consolidating the industry foundation, and working towards a new era of high-quality and sustainable development.

Corporate Governance

ZTT has established a relatively scientific corporate governance structure and is constantly improving various systems in accordance with relevant requirements specified in laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China as well as the Code of Corporate Governance of Listed Companies issued by the China Securities Regulatory Commission and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

In 2022, ZTT continued to optimize its organizational governance system, with the professional expertise of its directors, supervisors and senior management personnel covering finance, economy, law, etc., including senior experts in the telecommunication, power and ocean industries. By actively implementing its business philosophy and strengthening industrial management and control, ZTT not only has strong organizational and management capabilities as well as leading technology and production capabilities, but also has a complete and rigorous risk control system, and the independent and standardized daily operations ensure the Company's safe, stable, healthy and sustainable development.

During the reporting period, the Company revised and improved the Articles of Association of Jiangsu Zhongtian Technology Co., Ltd. (Revised in February 2022), Independent Director System of Jiangsu Zhongtian Technology Co., Ltd., Fund Raising Management Methods of Jiangsu Zhongtian Technology Co., Ltd., Rules of Procedures for the Board of Directors of Jiangsu Zhongtian Technology Co., Ltd., Rules of Procedures for the Shareholders' Meeting of Jiangsu Zhongtian Technology Co., Ltd. and other regulations in a timely way in accordance with the provisions specified in the Guidelines for the Articles of Association of Listed Companies issued by the China Securities Regulatory Commission as well as other laws, regulations and relevant provisions.

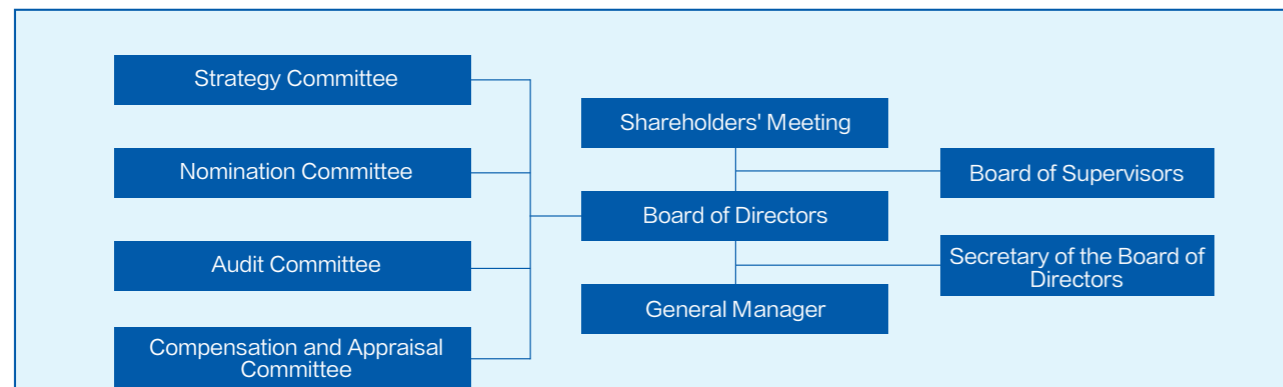


• Shareholders' Meeting, Board of Directors, and Board of Supervisors

The Shareholders' Meeting is the supreme authority of the Company, the Board of Directors is the decision-making body for the Company's operations, the business management level is the business execution body of the Company, and the Board of Supervisors is the supervisory body of the Company. ZTT selects directors, supervisors and senior executives in strict accordance with the conditions and procedures stipulated in the Articles of Association of Jiangsu Zhongtian Technology Co., Ltd., makes decisions on the Company's strategic development and major business management in various forms such as the Shareholders' Meeting, Board of Directors and Board of Supervisors, and organizes implementation.

During the reporting period, the 7th and 8th Board of Directors of the Company were composed of 9 directors, including 3 independent directors among them. The number and composition of the Board of Directors met the requirements of relevant laws and regulations. The Company's Directors were able to abide by relevant laws and the Company's Articles of Association, fulfill their director duties with integrity and diligence, and safeguard the interests of the Company. When discussing related party transactions in the Board of Directors, independent directors expressed independent opinions and related party directors withdrew from voting.

The Board of Directors has established the Investment Strategy Committee, Audit Committee, Nomination Committee, and Compensation and Appraisal Committee, and independent directors participate in all special committees.



Special Committees for the Board of Directors	Main Responsibilities
Strategy Committee	Conduct research and provide recommendations on the Company's long-term development strategy and major investment decisions.
Audit Committee	Propose the employment or replacement of external audit firms; supervise the Company's internal audit system and its implementation; take charge of communication between internal and external audits; review the Company's financial information and disclosure; review the internal control system of the Company, etc.
Nomination Committee	Research the selection standards and procedures for directors and senior management personnel and provide recommendations; extensively search for qualified candidates for directors and managers; review and provide recommendations on director and manager candidates.
Compensation and Appraisal Committee	Research the standards for appraising directors and senior management personnel, and conduct appraisal and provide recommendations; research and review the compensation policies and plans for directors and senior management personnel.

In 2022, ZTT has held 2 shareholders' meetings, 12 director meetings, and 11 supervisor meetings. The management level has implemented new business philosophy, streamlined the business entity, strengthened industry group management and control, and formed a younger and more dynamic decision-making level. The Company's governance practices comply with the requirements specified in normative documents related to governance of listed companies issued by the China Securities Regulatory Commission and the Shanghai Stock Exchange.

2 shareholders' meetings | 12 director meetings | 11 supervisor meetings

• Performance Evaluation and Incentive & Restrictive Mechanism

The Company has established and implemented a post-based and compensation-based system for different posts and a management target appraisal responsibility system to evaluate and reward the achievements and performance of employees and senior management personnel. The Company has formulated and implemented the Management Methods for Incentive Compensation of Senior Management Personnel to incentivize core technical personnel and business backbone according to annual operating situation. The appointment of the Company's business management personnel is open, transparent and in compliance with relevant laws, regulations and the rules specified in the Articles of Association of Jiangsu Zhongtian Technology Co., Ltd.

• Internal Control

To strengthen the construction of the internal control system, enhance the Company's business management level, and ensure compliance with the requirements of the Basic Norms for Corporate Internal Control and the relevant Guidelines for Application of Corporate Internal Control, ZTT has established a comprehensive and multi-level internal control system with the main framework consisting of Board of Directors, Audit Committee, internal control audit and internal control teams of various business units. Focusing on the Company's development strategy, we identify the main risks that affect the Company in "achieving strategic objectives, improving business efficiency and effectiveness, guaranteeing the authenticity and reliability of financial reports and relevant information, and ensuring the security of assets and legal compliance of business management". We adopt key control activities to deal with these risks, control and prevent major risks, and establish and formulate internal control manuals and internal control evaluations that are suitable for our Company, guaranteeing the continuous improvement and effective operation of internal control.

As of the benchmark date of the internal control evaluation report, there were no significant deficiencies in the internal control of financial report.

• Information Disclosure

The Company designates the Secretary of the Board of Directors and the Securities Affairs Representative to be responsible for daily information disclosure work in strict accordance with relevant regulations such as the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, and the Information Disclosure Management System of Jiangsu Zhongtian Technology Co., Ltd., and designates China Securities Journal, Shanghai Securities News, Securities Times and the website of the Shanghai Stock Exchange as the media for public information disclosure of the Company. The Company is able to disclose regular reports and interim announcements in an authentic, accurate, complete and timely way, concretely fulfilling the obligation of information disclosure of listed companies, guaranteeing the openness, fairness and impartiality of information disclosure, and actively safeguarding the legitimate rights and interests of investors, especially small and medium-sized investors.

In 2022, ZTT carried out the information disclosure work in strict accordance with relevant laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Administrative Measures for the Disclosure of Information of Listed Companies. A total of 72 interim announcements and 4 regular reports have been issued, and investors can get to know the Company's business situation in a timely and accurate way through disclosed information.

• Investor Relations Management

ZTT values investor relations management and has set up an investor consultation hotline. In addition, it will ensure effective communication with investors in various ways such as the Shanghai Stock Exchange E-Interactive Platform, the Company's investor communication platform, email and fax. During the reporting period, the Company received visits and surveys from the personnel of industry research of multiple securities companies as well as foundations and other professional investment companies, and senior management personnel such as the Secretary of the board of Directors actively participated in investor communication activities organized by securities institutions.



• Organizational Risk Management

ZTT attaches great importance to risk management and has formulated the Management Methods for Risks of ZTT. The product company, business unit and functional departments are organized to identify risks and formulate management and control measures regarding the contents such as strategic risks, financial risks, market risks, legal risks and safety risks related to the enterprise. They regularly conduct risk self-inspection and self-correction activities, and have a crisis public relations team to deal with emergencies and major accidents specifically. Risk control indicators are listed in the annual appraisal indicators, and professional teams are invited to conduct field investigation of various business links to ensure safe, stable and continuous development of the organization.

• “Dual Carbon” Governance

ZTT constantly improves its social responsibility and continuously strengthens ecological civilization construction. It actively integrates into the national “dual carbon” strategy and uses green and low-carbon equipment to help the Country achieve its “dual carbon” goals. To practice green and low-carbon manufacturing, the Company has established a “dual carbon special team” at the group, industry group and company levels, and promotes the “7-Green Action Plan” including green design, green manufacturing, green procurement, green packaging, green logistics, green disposal and green lifestyle to help build the sustainable development system with ZTT characteristics.

■ Compliance Management

ZTT always adheres to the management philosophy of operating with integrity, observing business ethics and abiding by all applicable laws and regulations. Through continuous investment in resources, we have established a compliance management system that conforms to industry practices and insist on implementing compliance management end-to-end in business activities and processes. We attach great importance to and continuously cultivate a culture of integrity, requiring every employee to abide by the code of conduct for commercial behaviors.

• Compliance Organizational Structure and Responsibilities

According to the international compliance criteria such as the Summary of World Bank Group Integrity Compliance Guidelines and other compliance criteria and requirements, ZTT continuously improves its compliance management organizational structure, makes the senior leaders conduct implementation, and forms a compliance management and reporting mechanism from “Compliance Management Committee → Chief Compliance Officer of the Stock Company → Subsidiary Compliance Leadership Group → Subsidiary Compliance Staff” .



We clarify compliance management responsibilities, improve compliance management mechanisms, identify, prevent, supervise and deal with compliance risks in key links such as the third party, bidding, contract, procurement, cash payment, gift entertainment, donation & sponsorship during the business management process, and prevent, contain, and strictly prohibit non-compliant behaviors such as corruption, fraud, collusion and coercion.



• Promoting Compliance Culture Construction

In 2022, we focused on the following work in promoting compliance culture construction:

- (1) Carry out compliance knowledge propaganda.** Develop targeted compliance annual training plans for different positions and categories, pay attention to domestic and foreign compliance cases, design diverse compliance training courses through case analysis, explanation and transformation, and organize targeted compliance training. At the same time, fully consider the needs of foreign employees, compile multilingual training materials, ensure that all employees receive annual compliance training at least once a year, and employees of high-risk posts receive annual compliance training at least twice a year, so as to guarantee the implementation and execution of the compliance system
- (2) Promote compliance information construction.** While optimizing the compliance review & approval procedures, integrate compliance processes and requirements with daily business processes, embed them into the OA process, realize electronic and information-based forms, and enhance the efficiency of executing various compliance requirements. As of now, the online rate of compliance processes has exceeded 70%.
- (3) Investigate and evaluate compliance risks.** Carry out compliance reviews and risk evaluations on a regular basis, identify compliance risks and key control points, identify more than 200 compliance risks and control points in total, and formulate corresponding management and control measures for identified weak points of risks and key control points to prevent compliance risks in advance.
- (4) Enrich compliance culture construction.** Each year, ZTT’s employees sign a compliance declaration and voluntarily commit to abiding by compliance requirements. At the same time, the Company propagates and implements compliance polices, publicizes compliance hotline and broadens compliance propaganda and implementation paths in various ways such as training, propaganda and implementation, slogans on the bulletin board, examination and competition, compliance assessments, etc., gradually increasing the force of compliance propaganda and implementation and achieving full coverage inside and outside the Company, so as to ensure that all employees are aware of, identify with and practice compliance.

• Upholding the Construction of an Incorruptible Culture

ZTT abides by all applicable anti-corruption and anti-bribery laws and regulations, and has a “zero tolerance” policy for any form of corruption or bribery behavior. Reporting channels are provided on internal and external websites, communication platforms and business software, and all employees and partners of the Company can report through various channels.

(1) Enhancing Compliance Awareness and Consolidating Cultural Guidance

ZTT’s employees consciously abide by national laws and regulations, strictly execute various compliance systems formulated by ZTT, and meet compliance requirements in terms of honesty and compliance, maintaining fair competition, preventing bribery and corruption, avoiding conflicts of interest, protecting commercial secrets and abiding by ethical standards, with the purpose of being responsible for society and maintaining the Company’s interests.

For high-risk posts, the Company has formulated the Internal Control Inspection Mechanism, Internal Control Accountability Mechanism and Departure Audit Management Methods, and has carried out on-site “incorruptible warning education” activities to clearly define the restriction requirements against corruption.

Uphold honesty and compliance.

Fully understand that any behavior that violates laws, regulations and compliance requirements may require civil or criminal liability. Do not steal the Company’s property or abuse the power granted by the Company. Do not implement any unethical behavior that may make the Company be suspected of illegal activities or is expressly prohibited.



Maintain fair competition.

Abide by laws, regulations and compliance requirements, and do not collude or engage in behavior with competitors with unfair purposes or impacts. Do not use inside information to harm the interests of the Company and its subsidiaries for personal gain.

Prevent bribery and corruption.

Do not provide, promise, authorize, give or accept any form of bribery, commercial or property benefits, cash payments or valuable gifts for the purpose of influencing commercial behaviors or decisions, obtaining unfair benefits, interfering with independent judgment, or obtaining or maintaining business opportunities;

Abide by ethical standards.

Abide by the highest ethical standards and strictly prohibit any form of non-compliant behavior in a direct or indirect way at all times in all projects.

Protect commercial secrets.

Without approval, do not release, talk about in public or disclose the commercial secret information of the Company or related third-parties to unauthorized personnel or organizations, do not use such information without legitimate authorization, and do not use the Company’s commercial secret information or other information resources to seek benefits for oneself or others.

Avoid conflicts of interest.

Avoid any behavior that may involve employees or their relatives and conflict with the interests of the Company and its related parties, including but not limited to: prohibiting relatives from working in business-related entities with conflicting interests, prohibiting part-time work for business-related entities or commercial competitors, and prohibiting investment in the Company’s customers or competitors.

(2) Typical Warning Education and Strengthening Supervision and Restriction Mechanisms

Learning the Code of Conduct for Employee Integrity and the Regulations on Employee Honesty and Self-discipline, and signing the Anti-Corruption and Anti-Bribery Commitment Letter are the “first lesson” for ZTT’s employees to go on duty. ZTT continues to improve its compliance management processes and systems, and has successively issued compliance management requirements related to business partners, procurement transactions, gift entertainment, external travel, business sponsorship, public welfare donations and other aspects. Through typical case warning education, propaganda and implementation, the management foundation is strengthened, and the management system is improved.

Effective supervision mechanism is the guarantee of compliance work. ZTT has signed the “Letter of Anti-Corruption and Anti-Bribery Commitment” with leading teams at all levels, clarifying the scope of responsibilities and goals, and constantly improving the supervision and appraisal mechanism and accountability system. The inspection of anti-corruption construction work is incorporated into the comprehensive appraisal and evaluation of leading teams and leaders at all levels, and any leader who fails to implement the Commitment Letter thus causing adverse effects will be seriously investigated. At the same time, the Company provides an open reporting channel and encourages reporting of discipline-breaking or rule-breaking behavior.

Compliance Complaint Email:
ztcs@chinaztt.com

■ Information Security

For ZTT, the basic premise of winning the trust of users, customers and other stakeholders is our ability to protect their privacy and data.

In 2022, we organized multiple information security training sessions to enhance the awareness and skills of employees in information security. At the same time, we continued to strengthen the basic management of information security and conducted inspection to guarantee that all information security measures were implemented effectively, ensuring the secure, stable and efficient operation of the Company’s application systems.

• Maintaining System Security

In 2022, we focused on the following tasks to maintain system security:

(1) System assessment. Classify various application systems of the Company, file important application systems to the Municipal Public Security Bureau (Level 3) in accordance with the Management Methods for Information Security Level Protection, invite qualified assessment units to organize assessments, and carry out rectification based on the assessment report.

(2) Security management. The Company has established and improved the Management System for Application Systems, Servers and Database of ZTT. In terms of system security management, it is divided into four roles: application system principal, network administrator, server administrator and database administrator, each of which undertakes corresponding information security responsibilities.

(3) System deployment. For important systems that can only be accessed within the Company, they are deployed on the Company’s intranet. Users who need to access the system from home or business personnel outside the Company need to connect to the Company’s intranet through VPN before opening the system. For important systems that require external internet access, a reverse proxy server is deployed in front of the target server, and both the target server and the reverse proxy server are within the Company’s network security architecture.

(4) Port opening. Manage server port opening, especially high-risk port management. By default, all server ports are closed, and only relevant ports are opened according to the needs of the application system.

(5) Joining cloud protection. For systems accessed from the internet, join cloud protection. By using DNS traffic traction, access is diverted to a distributed cloud protection cleaning center for security detection and interception, and then secure traffic is returned to the server. This approach has the characteristics of quick and easy deployment, timely protection against the latest vulnerabilities and coordinated defense across the entire network.

(6) Network-wide monitoring. At present, a situational awareness system has been deployed in the Company to monitor abnormal traffic across the entire network, and dedicated personnel are assigned to coordinate and handle any problems discovered in a timely manner. The application of the situational awareness system can prevent hacker attacks and virus infections in a timely and effective way, and detect system weak passwords and other issues in time, playing an important role in system security management.

• Respecting and Protecting User Privacy

ZTT attaches great importance to respecting and protecting user privacy, guiding employees to have privacy protection awareness, strengthening self-protection, and respecting the privacy of others.

(1) Setting permissions. On the internal communication platform, an employee's mobile phone number, email, position and other information are determined whether to be opened according to the employee's wishes. The organizational structure of the internal communication platform is viewed according to permissions. For various communication tools and group applications, a management system is formulated to prevent the spread of employee privacy or sensitive corporate information.

(2) File encryption. The Company uses an encryption system internally to encrypt files on computers to prevent file leakage or computer loss. This is not only a requirement for information security, but also a measure to protect user privacy.

(3) Virus prevention. Ransomware prevention has always been a mainline of our information security work, because there is basically no solution once ransomware infects various computer files or databases. ZTT has increased its efforts to prevent phishing emails and spam emails based on various measures to prevent ransomware. The email system administrator often sends emails to remind email users to have information security awareness and strengthen their ability to identify phishing emails and spam emails.

(4) Changing passwords. Strengthen the management of login passwords for the unified identity authentication platform, and force a password change every three months, and use strong passwords.



■ Intellectual Property

ZTT attaches great importance to intellectual property and implements a strategy of strong enterprise development through intellectual property. The Company comprehensively enhances its ability in creation and utilization in intellectual property as well as the protection and management level. It constantly establishes and improves its management system for intellectual property and has formulated systems such as Methods for Intellectual Property Performance Appraisal and Reward of ZTT, Management Methods for Patent Creation of ZTT, and Management Methods for Patent Operation of ZTT, effectively promoting the steady improvement of its intellectual property capabilities and levels.

Key performance: In 2022, the Company submitted 474 Chinese patent applications and 14 PCT patent applications, and obtained 129 invention patent authorizations.



• “Intellectual Property Bank” Stimulating Innovation Vitality

In order to encourage employees to invent, create, protect and utilize intellectual property, enhance the value and quality of the Company's intellectual property, and prevent the risk of loss of intellectual property assets, ZTT established the first domestic enterprise “Intellectual Property Bank” in April 2011. Creative proposals and innovative achievements made by employees in production, research and development, management and business activities will be stored in their personal intellectual property bank accounts in the form of bank points, which can be exchanged for cash in proportion to the points accumulated.



During the 12 years of operation, the management methods have been constantly revised and improved in accordance with the evolution of our business policies. After 9 revisions, it has now developed into a comprehensive knowledge incentive system that includes 8 categories: “proposals (giving advices, speaking up and making a complaint if any at any time), technology projects, technology awards, papers and works, patents and trademarks, standards, cultural construction and knowledge accumulation.”

In 2022, “good deeds” and “resisting bad behavior” were added to the point system, and the employees discovering risks, eliminating safety hazards, acting bravely and honestly, reporting violations, misconduct, illegal and corrupt behavior were incorporated into the point system, thus determining the guiding role of the intellectual property bank in promoting positive energy.

The intellectual property bank not only increases the practical gains of employees, but also serves as an effective manner for ZTT to achieve common prosperity. It has received extensive support from employees and has formed a good operating atmosphere of “everyone is a master” and “contributing knowledge to receive incentives”.

• Adopting Multiple Measures to Promote Innovation and Development

In 2022, ZTT, based on the new development stage, took multiple measures to implement the requirements of high-quality development, adhered to quality first and benefit priority, and provided intellectual property support to promote enterprise innovation and development.



Quality creation management

Manage and control the quality of each link from proposal to authorization for important technologies, including proposal quality evaluation, prior art search, application document review, novelty and creativity re-evaluation before submission and other quality management and control work.



Cooperative achievement management

Strengthen the management of intellectual property ownership and implementation rights and interests in external cooperation projects, and enhance the Company's competitive advantages.



Patent information utilization

Carry out a situational analysis on the technical theme patent competition, patent mining layout, FTO investigation and other work to enhance the ability of intellectual property risk prevention and control.



Commercial secret management

Establish a commercial secret management system, strengthen the protection of technical secrets and business secrets, and enhance the level of three-dimensional protection of intellectual property.



Intellectual property honors.

In 2022, “optical fiber automatic threading device and method” and “A kind of low-loss large-effective-area single-mode optical fiber and a manufacturing method” won the China Patent Excellence Award.



■ Appendix I: GRI Content Index

This report was "core" program under the GRI standard

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Appendix II: Benchmarking the Goals of Sustainable Development of the United Nations

Goals	Specific Actions	Actions and Performances of ZTT
 <p>1 No Poverty</p>	Eradicating poverty in all its forms around the world	1.ZTT has 5 overseas production bases and 13 marketing centers, achieving full coverage layout of the “Belt and Road” initiative, solving partial local employment issues, and improving the economic and living standards of local people. 2.ZTT has established the “ZTT Care Funding” to help employees and surrounding communities in need.
 <p>2 No Hunger</p>	Ending hunger, achieving food security, improving nutrition, and promoting sustainable agriculture	1.Overseas production bases donate essential supplies such as food and beverages to surrounding impoverished communities, demonstrating the principle of giving back to the surrounding masses while developing. 2.Actively promote the “Clean Your Plate” campaign and advocate for food conservation within the Company.
 <p>3 Good Health and Welfare</p>	Ensuring healthy lifestyles and promoting well-being for people of all ages	1.In 2022, ZTT established an employee health management committee to provide employees with comprehensive medical and social security benefits. In addition, it organizes the health examinations for employees each year and focuses on prevention and control of occupational diseases.
 <p>4 Quality Education</p>	Ensuring inclusive and equitable quality education and lifelong learning opportunities for all	1.ZTT develops the ZTT College App to provide employees with a better digital learning experience. 2.On September 9, 2022, the first ZTT Education Award, established by ZTT, was first presented.

Goals	Specific Actions	Actions and Performances of ZTT
 <p>5 Gender Equality</p>	Achieving gender equality and empowering all women and girls	1.Adhering to the philosophy of “respecting knowledge, respecting talents, and respecting innovation”, all ZTT’ s employees enjoy equal opportunities for promotion. 2.In the program of Love and Assistance to Education, ZTT conducted interviews and persuasion with families with outdated concepts, striving to provide every child with an opportunity for receiving an education.
 <p>6 Clean Water and Sanitary Facilities</p>	Provide water and sanitation for all and manage it sustainably.	1.The water quality monitoring system of underwater observation network established by ZTT can manage the underwater observation network, conduct remote power supply and receive underwater observation data, thus protecting the security of domestic water supply. 2.The Company’s water resources are all taken from the city’s water supply system, and it attaches great importance to the efficient use of water resources. By constantly promoting the water conservation concept and optimizing water use methods, it aims to achieve the goal of saving water.
 <p>7 Economical Clean Energy</p>	Ensuring access to affordable, reliable and sustainable modern energy for all	1.ZTT has proposed solutions for distributed photovoltaic power generation systems, microgrid power generation systems and intelligent photovoltaic energy storage and charging integrated systems. 2.ZTT has built photovoltaic power stations in its production bases and offices, making full use of renewable energy, reducing energy loss, and reducing carbon dioxide emissions.
 <p>8 Decent Work and Economic Growth</p>	Promote sustained, inclusive and sustainable economic growth, adequate productive	1.Xue Jiping, the Chairman of ZTT, believes that “employees are the most valuable asset of the enterprise”, and provides employees with a stable and reliable source of income. 2.In 2022, ZTT provided employment opportunities for more than 14,000 employees, and provided them with a comfortable working environment and a growth atmosphere as well as competitive compensation and benefits in the industry.

Goals	Specific Actions	Actions and Performances of ZTT
 <p>9 Industry, Innovation and Infrastructure</p>	Build disaster-resilient infrastructure, promote inclusive and sustainable industrialization, and boost innovation	<p>1.ZTT has launched product solutions for 5G, including high-density optical cables, new optical-electric composite cables, leakage cables and intelligent antennas. It is the only enterprise in the optical communication cable industry that has cooperated with China Mobile, China Telecom and China Tower on 5G innovation.</p> <p>2.ZTT insists on innovation-driven development, constantly consolidating and developing its main businesses in optical communication, power grid, ocean and new energy, adhering to the integration of the industrial chain and the specialization of the product line, and continuously creating value for customers.</p>
 <p>10 Reducing Inequality</p>	Reducing inequality within and between countries	<p>1.ZTT has established a complete, standardized and effective talent selection and recruitment management system, treating workers of different races, nations, nationalities, skin colors, genders and religious beliefs equally, and fully protecting their legally entitled equal employment rights.</p> <p>ZTT will continue to exert its advantages in the place of origin, expand production capacity internationally, and increase the selection of international talents. It will also increase aid to the poorest countries and developing countries to ensure that they can share the benefits of sustainable development.</p>
 <p>11 Sustainable cities and communities</p>	Building inclusive, safe, disaster-resilient and sustainable cities and human settlements	<p>1.ZTT has researched and developed an Internet of Things management platform to meet the needs of IoT terminal access. At present, a series of products such as smart locks, smart smoke detectors and smart gas detectors have been successfully deployed and applied by the three major operators.</p> <p>2.Through collaborating with local governments and telecom operators, ZTT has implemented major application projects in important provinces and cities across the Country. It is also contributing to the rapid implementation and practice of 5G applications in China.</p>
 <p>12 Responsible Consumption and Production</p>	Adopting sustainable consumption and production patterns	<p>1.By implementing energy conservation measures, ZTT saved nearly 80,000 tons of water in 2022.</p> <p>ZTT designs and produces green products, provides customers with 2.low-energy consumption service solutions, strictly manages its own environmental impact, and strives to promote the philosophy of green environmental protection.</p>
 <p>13 Climate Action</p>	Take urgent action to address climate change and its impacts	<p>1.ZTT is committed to taking the path of green, low-carbon and sustainable development, integrating the green environmental protection philosophy into the entire lifecycle management of product design, research and development, manufacturing and construction.</p> <p>2.It strictly follows national standards for the discharge of wastewater, waste gas and waste materials, adheres to the principles of “intensive land use”, “clean production”, “harmless raw materials”, and “waste resource utilization”, and minimizes its impact on the environment and climate.</p>

Goals	Specific Actions	Actions and Performances of ZTT
 <p>14 Aquatic Animals</p>	Conservation and sustainable use of oceans and marine resources for sustainable development	<p>1.ZTT has independently developed an ocean monitoring system to monitor the status of underwater biological activities and protect biodiversity.</p> <p>2.ZTT has an ocean information ecological chain system platform which is of full sense and intelligent, thus promoting the sustainable development of the ocean.</p>
 <p>15 Terrestrial Animals</p>	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss	<p>1.ZTT increases financial resources significantly through various channels, and take measures at all levels to reduce the degradation of natural habitats around factories and curb the loss of biodiversity.</p> <p>2.ZTT organizes employees to plant trees and forests on Arbor Day each year to prevent water loss and soil erosion and mitigate land degradation.</p>
 <p>16 Peace, Justice and Powerful Institution</p>	Create a peaceful and inclusive society for sustainable development so that justice is accessible for all, and set up effective, accountable and inclusive organizations at all levels.	<p>1.ZTT is committed to promoting sustainable development for a peaceful and inclusive society, providing opportunities for in-service employees to seek judicial remedies, and establishing effective and responsible institutions at all levels of the Company to reduce various forms of injustice and violence.</p> <p>2.ZTT actively seeks cooperation with governments and local communities to find lasting solutions for conflicts and insecurity. It firmly opposes the use of child labor and prohibits all forms of trafficking, violence, and torture against children.</p>
 <p>17 Partnership for Promoting Goal Achievement</p>	Strengthening the means of implementation and reinvigorating the global partnership for sustainable development	<p>1.ZTT conducts localized construction based on the development and cultural situation of different operating countries, and strives to become a member of the local community.</p> <p>2.In terms of supplier selecting, ZTT follows the principles of mutual benefits and win-win, selects the best suppliers, complies with supply chain management regulations, implements green and transparent procurement, and establishes the philosophy of green supply chain and strengthens its promotion and implementation.</p>

Appendix III: List of Branches under Jiangsu Zhongtian Technology Co., Ltd.

Subsidiary name	Principal Place of operation	Place of registration	Business nature	Shareholding ratio (%)		Gaining method
				Direct	Indirect	
Zhongtian Technology Fibre Optics Co., Ltd.	Nantong	Nantong	Manufacturing fiber optics	100		Establishment
ZTT Capital Limited	Nantong	Nantong	Investment management	90	10	Establishment
Zhongtian Technology Advanced Materials Co., Ltd.	Nantong	Nantong	Manufacturing of prefabricated rods	100		Business merger
Jiangdong Xiangjun Materials Co., Ltd.	Nantong	Nantong	New materials		65	Establishment
Zhongtian Alloy Technology Co., Ltd.	Nantong	Nantong	Copper products processing	100		Business merger
ZTT International Limited	Nantong	Nantong	Trading	100		Establishment
ZTT COLOMBIA SAS	Columbia	Columbia	Trading		100	Establishment
ZTT (THAILAND) CO., LTD	Thailand	Thailand	Trading		100	Establishment
ZTT RUS LLC	Russia	Russia	Trading		100	Establishment
ZTT MIDDLE EAST DMCC	UAE	UAE	Trading		100	Establishment
ZTT France SASU	France	France	Trading		100	Establishment
ZTT AUSTRALIA PTY LTD	Australia	Australia	Trading		100	Establishment
ZTT VIET NAM COMPANY LIMITED	Vietnam	Vietnam	Trading		100	Establishment
ZTT BANGLADESH LIMITED	Bangladesh	Dhaka	Trading		100	Establishment
Chinamex ZTT SA de CV	Mexico	Mexico	Trading		100	Establishment
Singapore Engineering Co., Ltd	Singapore	Singapore	Trading and Project		100	Establishment
Zhongtian Photovoltaic Technology Co., Ltd.	Nantong	Nantong	PV power generation	100		Establishment

Subsidiary name	Principal Place of operation	Place of registration	Business nature	Shareholding ratio (%)		Gaining method
				Direct	Indirect	
Zhongtian (Rudong) Photovoltaic Power Development Co., Ltd.	Rudong County	Rudong County	PV power generation		100	Establishment
Zhongtian (Haian) Photovoltaic Power Development Co., Ltd.	Haian	Haian	PV power generation		100	Establishment
Zhongtian (Feixi) Photovoltaic Power Development Co., Ltd.	Feixi County	Feixi County	PV power generation		100	Establishment
Zhongtian Electric Co., Ltd.	Rudong County	Rudong County	PV power generation		100	Establishment
Yancheng Zhongtian Bright New Energy Technology Co., Ltd.	Yancheng	Yancheng	PV power generation		80	Establishment
Nantong Zhongtian Xintong Photovoltaic Power Development Co., Ltd.	Nantong	Nantong	PV power generation		100	Establishment
Zhongtian Laohekou New Energy Technology Co., Ltd.	Laohekou City	Laohekou City	PV power generation		100	Establishment
Qinghai Zhongtian New Energy Co., Ltd.	Qinghai	Delingha	PV power generation		100	Establishment
Nantong Zhongtian Power Development Co., Ltd.	Nantong	Nantong	PV power generation		100	Establishment
Zhongtian (Suining) Photovoltaic Power Development Co., Ltd.	Xuzhou City	Xuzhou City	PV power generation		100	Establishment
Zhongtian Photovoltaic (Jining) Co., Ltd.	Jining City	Jining City	PV power generation		100	Establishment
Nantong Zhongtian Kaisha Photovoltaic Technology Co., Ltd.	Nantong	Nantong	PV power generation		100	Establishment
Rudong Zhongtian Energy Management Co., Ltd	Nantong	Nantong	Energy services		100	Establishment
Rudong Wainong Zhongtian Energy Service Co., Ltd	Rudong County	Rudong County	Energy Services		100	Establishment
Zhongtian Technology Industrial Wire & Cable System Co., Ltd.	Nantong	Nantong	Manufacturing of equipment cables	100		Establishment
Zhongtian Technology Submarine Cable Co., Ltd.	Nantong	Nantong	Manufacturing of submarine cables	85.67	3.38	Establishment
Zhongtian Technology Cable Accessories Co., Ltd.	Nantong	Nantong	Manufacturing of cable accessories		60	Business merger
Nantai Submarine Cable Co., Ltd.	Lufeng	Lufeng	Manufacturing of submarine cables		100	Establishment
Zhongtian Dafeng Submarine Cable Co.,Ltd.	Yancheng	Yancheng	Manufacturing of submarine cables		100	Establishment

Subsidiary name	Principal Place of operation	Place of registration	Business nature	Shareholding ratio (%)		Gaining method
				Direct	Indirect	
	Nantong	Nantong	Manufacturing of cable		100	Establishment
Shandong Haigong Cable Co., Ltd	Weihai	Weihai	Submarine cable		100	Establishment
DEMIRER KABLO TESISLERI SANAYI VE TICARET ANONİM ŞİRKETİ	Turkey	Turkey	Manufacturing of cables	100		Business merger
Shanghai Zhongtian Aluminum Wire Co., Ltd	Shanghai	Shanghai	Conductor Manufacturing	99	1	Business merger
Jiangdong Fittings Equipment Co., Ltd.	Rudong County	Rudong County	Manufacturing of metal fittings	100		Business merger
Zhongtian Technology Software Co., Ltd.	Nantong	Nantong	Software development service	100		Establishment
ZTT HONGKONG LIMITED	Hongkong	HongKong	Trading	100		Establishment
ZTT PHILIPPINES CORP	Philippines	Philippines	Trading		99.95	Establishment
ZTT Philippines Engineering Co., Ltd	Philippines	Philippines	engineering construction		100	Establishment
STARFLYENERGYPT.E.LTD.	Singapore	Singapore	energy investment		100	Establishment
Guangdong Zhongtian Technology Optic Fiber Cable Co., Ltd.	Foshan	Foshan	Manufacturing of fiber-optic cables	70		Establishment
Zhongtian Photovoltaic Materials Co., Ltd.	Nantong	Nantong	Manufacturing of PV materials	90		Establishment
Zhongtian Energy Storage Technology Co., Ltd.	Nantong	Nantong	Manufacturing of storage batteries	100		Establishment
Rudong Judian Energy Co., Ltd	Rudong County	Rudong County	Transmission and distribution		100	Establishment
Nantong Collaborative Innovation New Energy Storage Technology Co., Ltd	Nantong	Nantong	Service		86	Establishment
Zhongtian Power Optical Cable Co., Ltd.	Rudong County	Rudong County	Manufacturing of fiber-optic cables	100		Establishment
Zhongtian Radio Frequency Cable Co., Ltd.	Nantong	Nantong	Manufacturing of RF cables	100		Establishment
Zhongtian Broadband Technology Co., Ltd.	Rudong County	Rudong County	Manufacturing of broadband products	100		Business merger
Nantong Zhongtian Communication Device Co., Ltd.	Rudong County	Rudong County	Manufacturing of communication devices		100	Business merger

Subsidiary name	Principal Place of operation	Place of registration	Business nature	Shareholding ratio (%)		Gaining method
				Direct	Indirect	
Zhongtian Communication Technology Co., Ltd.	Nantong	Nantong	Manufacturing of antennas		100	Establishment
Wuhan Neowave Optics Co.,Ltd.	Wuhan	Wuhan	Manufacturing of antennas		70	Business merger
Shenzhen WaveTone Technology Co., Ltd.	Shenzhen	Shenzhen	Manufacturing of antennas		52.08	Business merger
Jiangdong Technology Co., Ltd.	Rudong County	Rudong County	Manufacturing fiber optics	100		Establishment
Nantong Jiangdong Electronic Technology Communication Co., Ltd.	Rudong County	Rudong County	Communication equipment		100	Establishment
North of Jiangsu Cable Co., Ltd.	Yancheng	Yancheng	Manufacturing of fiber-optic cables	100		Establishment
Jiangsu Zhongtian Bright Transformer Co., Ltd.	Yancheng	Yancheng	Manufacturing of transformers	70		Business merger
Zhongtian Technology Marine Systems Co., Ltd.	Nantong	Nantong	Manufacturing of marine equipment		70	Establishment
Hangzhou Zhongzhe Zihai Technology Co., Ltd	Hangzhou	Hangzhou	Service		100	Establishment
Xiamen Zhongmin Zihai Technology Co., Ltd	Xiamen	Xiamen	Manufacturing		100	Establishment
Guangzhou Zhongguang Zihai Technology Co., Ltd	Guangzhou	Guangzhou	Manufacturing		100	Establishment
Nantong Zhongzhe enterprise management center (limited partnership)	Nantong	Nantong	Business Management		80	Establishment
Nantong Jiangdong Materials Co.,Ltd.	Rudong County	Rudong County	Production auxiliary materials	51		Establishment
Zhongtian Marine Project Co., Ltd.	Rudong County	Nantong	Marine engineering construction	100		Establishment
Jinfeng Ocean Engineering Co., Ltd			engineering construction		51	Establishment
Liyang Ocean Engineering Co., Ltd			engineering construction		51	Establishment
Zhongtian Ocean Vietnam Co., Ltd		Establishment	engineering construction		100	Establishment
Zhongtian Light Alloy Co., Ltd.	Rudong County	Rudong County	Aluminum alloy processing	100		Establishment
Jiangdong Alloy Technology Co., Ltd.	Rudong County	Rudong County	Copper products processing	100		Establishment

Subsidiary name	Principal Place of operation	Place of registration	Business nature	Shareholding ratio (%)		Gaining method
				Direct	Indirect	
Zhongtian Electronic Materials Co., Ltd.	Nantong	Nantong	Manufacturing of electronic materials	92		Establishment
Shanghai Zhongtian Superconducting Technology Co., Ltd.	Shanghai City	Shanghai City	Manufacturing of superconducting materials	70		Establishment
Jiangdong Electronic Materials Co., Ltd.	Rudong County	Rudong County	Manufacturing of electronic materials	98.05		Business merger
Zhongtian Supercapacitor Technology Co., Ltd.	Nantong	Nantong	Manufacturing of capacitors	100		Establishment
Jiangsu Zhongtian Carbon Material Co.,Ltd.	Nantong	Nantong	Manufacturing industry	75		Establishment
Zhongtian Electric Technology Co., Ltd	Rudong County	Rudong County	Electrical equipment	100		Establishment
Zhongtian New Materials Co., Ltd	Nantong	Nantong	New Materials	100		Business merger
ZTT CE HYDROGEN CO.,LTD	Rudong County	Rudong County	Sales of hydrogen refueling and storage facilities	51		Establishment
PT ZTT Cable Indonesia	Indonesia	Indonesia	Optical cables Manufacturing	100		Establishmen
PT. ZTT TRADING INDONESIA	Indonesia	Indonesia	Trading		100	Establishment
ZTT DO BRASIL LTDA	Brazil	Brazil	Manufacturing of fiber-optic cables	100		Establishment
ZTT INDIA PRIVATE LIMITED	India	India	Manufacturing of fiber-optic cables	100		Establishment
ZTT MAROC SARL AU	Morocco	Morocco	Manufacturing of fiber-optic cables	100		Establishment
ZTT EUROPE GmbH	Germany	Germany	Trading	100		Establishment
Xiamen Zhongmin Zhihai Technology Co., Ltd	Xiamen	Xiamen	Manufacturing		100	Establishment
Guangzhou Zhongguang Zhihai Technology Co., Ltd	Guangzhou	Guangzhou	Manufacturing		100	Establishment
Nantong Zhongzhe enterprise management center (limited partnership)	Nantong	Nantong	Business Management		80	Establishment