

Jiangsu Zhongtian Technology Co., Ltd.

2025 Environmental, Social, and Governance ESG Report



Jiangsu Zhongtian Technology Co., Ltd.
www.zttgroup.com



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About This Report

Purpose of this Report

This report presents Jiangsu Zhongtian Technology Co., Ltd.'s ("ZTT" or the "Company") ESG management philosophy, key initiatives, and 2025 performance across environmental, social, and governance practices. It reflects the Company's commitment to sustainable development, transparent stakeholder engagement, and responsible growth across its core sectors: Telecommunications, Smart Grid, New Energy, and Marine Equipment.

Reporting Scope and Period


Organizational scope

Unless otherwise stated, this report covers ZTT headquarters, its holding subsidiaries, and major operating entities. The reporting scope and organizational boundaries are aligned with the Company's 2025 Annual Report.


Time frame

This report primarily discloses ESG-related information for the period from January 1, 2025 to December 31, 2025. To ensure data continuity and comparability, selected information includes historical references to previous reporting periods and, where relevant, updates reflecting the latest developments in 2026.

Reporting Cycle

ZTT publishes an Environmental, Social, and Governance (ESG) Report annually. This report marks the Company's ninth consecutive ESG disclosure, reflecting its continued commitment to sustainable development and transparent stakeholder communication.

Basis of Preparation

This report has been prepared in accordance with the GRI Sustainability Reporting Standards (GRI Standards 2021) issued by the Global Reporting Initiative (GRI), as well as the Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Report (Trial).

In addition, the report references internationally recognized sustainability reporting frameworks and industry standards to support comprehensive, objective, and transparent disclosure of ZTT's ESG management approach and performance.

1. International Sustainability Standards Board (ISSB) — IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures;
2. Sustainability Accounting Standards Board (SASB) — Hardware Industry Standard;
3. United Nations 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs).

Glossary of Terms For ease of reference and readability, the abbreviations and corresponding full company names used throughout this report are presented as follows:

Segment	Full Name (Official English Name)	>>>	Abbreviation
Telecoms	Zhongtian Radio Frequency Cable Co., Ltd.	>	ZTT Radio Frequency Cable
	Zhongtian Technology Fiber Optics Co., Ltd.	>	ZTT Technology Fiber Optics
	Zhongtian Communication Technology Co., Ltd.	>	ZTT Communication Technology
	Jiangdong Technology Co., Ltd.	>	Jiangdong Technology
	Zhongtian Technology Advanced Materials Co., Ltd.	>	ZTT Technology Advanced Materials
	Zhongtian Broadband Technology Co., Ltd.	>	ZTT Broadband
	ZTT MAROC SARL AU	>	ZTT Maroc
	PT ZTT CABLE INDONESIA	>	ZTT Indonesia
	ZTT DO BRASIL LTDA	>	ZTT Brazil
Smart Grid	Zhongtian Power Optical Cable Co., Ltd.	>	ZTT Power Optical Cable
	Jiangdong Alloy Technology Co., Ltd.	>	Jiangdong Alloy
	Shanghai Zhongtian Aluminium Wire Co., Ltd.	>	ZTT Aluminium Wire
	Zhongtian Electric Co., Ltd.	>	ZTT Electric
	Jiangdong Fittings Equipment Co., Ltd.	>	Jiangdong Equipment
	Zhongtian Alloy Technology Co., Ltd.	>	ZTT Alloy
	Zhongtian Light Alloy Co., Ltd.	>	ZTT Light Alloy
	Zhongtian Technology Cable Accessories Co., Ltd.	>	ZTT Cable Accessories
	Jiangsu Zhongtian Bright Transformer Co., Ltd.	>	ZTT Bright Transformer
New Energy	DEMİRER KABLO TESİSLERİ SANAYİ VE TİCARET A.Ş.	>	DK Cable
	Zhongtian Energy Storage Technology Co., Ltd.	>	ZTT Energy Storage
	Jiangdong Electronic Materials Co., Ltd.	>	Jiangdong Electronic Materials
	Zhongtian Supercapacitor Technology Co., Ltd.	>	ZTT Supercapacitor
	Zhongtian Photovoltaic Materials Co., Ltd.	>	ZTT Photovoltaic Materials
	Zhongtian Electronic Materials Co., Ltd.	>	ZTT Electronic Materials
	Zhongtian Yupin Technology Co., Ltd.	>	ZTT Yupin
Marine Equipment	Jiangsu Zhongtian Carbon Material Co., Ltd.	>	ZTT Carbon Material
	Zhongtian Technology Marine Systems Co., Ltd.	>	ZTT Marine Systems
	Zhongtian Technology Industrial Wire & Cable System Co., Ltd.	>	ZTT Industrial Cable System
	Zhongtian Technology Submarine Cable Co., Ltd.	>	ZTT Submarine Cable
	Nanhai Submarine Cable Co., Ltd.	>	Nanhai Submarine Cable

Reporting Principles

The Company adheres to the principles of materiality, accuracy, balance, clarity, quantifiability, comparability, completeness, timeliness, and verifiability in the preparation of this report. Disclosures are presented across environmental, social, and governance dimensions, with a focus on the Company's sustainability management and operational practices in areas including infrastructure development, environmental stewardship, occupational health and safety, employee development, community engagement, and responsible business partnerships.

Materiality: The Company identifies and evaluates ESG topics that are most relevant to its operations and of significant concern to investors and other stakeholders, and prioritizes these topics within this report. Details of the materiality assessment process and key findings are presented in the section "Material Topic Identification and Financial Impact Analysis."

Accuracy: The Company is committed to ensuring the accuracy and reliability of the information disclosed in this report. For quantitative data, the reporting scope, methodologies, and underlying assumptions are clearly defined to minimize potential misinterpretation. The Board of Directors confirms that the report contains no false statements, misleading information, or material omissions.

Balance: This report presents an objective and balanced view of the Company's ESG performance by disclosing both achievements and challenges in a fair, transparent, and unbiased manner.

Clarity: This report is prepared using clear and concise language to enhance readability and accessibility. Structured narratives, together with tables, charts, and case studies, are used to facilitate stakeholders' understanding of the Company's ESG performance and sustainability initiatives.

Quantifiability: Key performance indicators are disclosed using quantitative data and, where applicable, historical comparisons to support objective evaluation of the Company's sustainability performance and progress. Detailed ESG data and metrics are provided in the appendix "Sustainability Performance Data Table."

Comparability: Consistent methodologies are applied to the collection, calculation, and disclosure of quantitative indicators across reporting periods to support meaningful comparison and trend analysis. Where changes in reporting scope, data collection, or calculation methodologies occur, corresponding adjustments and explanatory notes are provided where applicable.

Completeness: The reporting scope covers all subsidiaries and major operating entities included in the Company's consolidated financial statements.

Timeliness: This report is published on an annual basis in alignment with the Company's financial reporting cycle, providing stakeholders with timely and relevant sustainability information to support informed evaluation and decision-making.

Verifiability: The data and case studies presented in this report are derived from the Company's operational records and internal statistical systems. ZTT has established ESG data management and review processes to ensure the traceability and reliability of key data sources and calculation methodologies. This report has been independently assured by TÜV SÜD Certification and Testing (China) Co., Ltd. in accordance with the International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000), and an independent assurance statement has been issued.

Data Sources and Assurance

The data and information disclosed in this report are primarily derived from the internal management systems, statistical records, and publicly disclosed documents of ZTT's functional departments and business segments. The Company has established comprehensive internal control mechanisms and multi-level data review procedures to ensure the authenticity, accuracy, and completeness of the information presented.

During the reporting period, ZTT engaged TÜV SÜD Certification and Testing (China) Co., Ltd. to conduct an independent assurance review of this report in accordance with the International Standard on Assurance Engagements 3000 (Revised) — Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). The independent assurance statement is included at the end of this report.

Notes to Report Data

The data and case studies presented in this report are based on the Company's operational records and internal management data. Unless otherwise stated, monetary amounts disclosed in this report have been converted at an exchange rate of RMB 7.0288 to USD 1, based on the exchange rate as of December 31, 2025.

Feedback and Contact Information

ZTT welcomes feedback and suggestions from all stakeholders regarding the content of this report, as part of the Company's ongoing commitment to enhancing ESG management and sustainability disclosure practices. For comments or inquiries, stakeholders may contact the Company through the following channels

 Email: zttcs@ztt.cn

 Address: No. 88, Qixin Road, Economic and Technological Development Zone, Nantong City, Jiangsu Province

Forward-Looking Statements

This report contains certain forward-looking statements, including but not limited to the Company's future strategies, business development plans, and ESG objectives, such as carbon reduction and long-term sustainability initiatives. These statements are subject to various uncertainties, including changes in the macro-economic environment, industry policies, market conditions, and operational factors, which may cause actual results to differ from current expectations.

ZTT will continue to monitor relevant developments and update material information where appropriate in accordance with actual business progress and applicable disclosure requirements.



Chairman's message



Jiangsu Zhongtian Technology Co., Ltd.
Chairman

Xue Chi

As the final year of China's "14th Five-Year Plan," 2025 marked another significant milestone in ZTT's sustainable development journey. Amid an increasingly complex and evolving global environment, the Company continued to uphold its business philosophy of "Integrity, Innovation, and Contribution Driven," while further integrating Environmental, Social, and Governance (ESG) principles into its corporate strategy and operations. Despite external challenges, ZTT maintained stable business growth and achieved meaningful progress across key areas of sustainable development, reinforcing its commitment to long-term responsible growth and value creation.

Green Transformation & Innovation

"ZTT continued advancing green transformation through innovation while strengthening its commitment to environmental stewardship and sustainable industrial development.

Amid accelerating global energy transition, the Company maintained steady revenue growth of 9.24% while expanding its portfolio of advanced low-carbon technologies, including high-voltage cable systems, DC submarine cable systems, and offshore energy connectivity solutions. More than 30 new products obtained national certification, further supporting renewable energy and digital infrastructure development.

At the same time, ZTT continued advancing intelligent manufacturing and digital transformation initiatives. Two subsidiaries were recognized as National Outstanding Smart Factories, reflecting the Company's ongoing efforts to improve operational efficiency, reduce carbon emissions, and actively support China's 'Dual Carbon' objectives through practical and measurable actions."

Shared Value & Global Development

"ZTT remains firmly committed to creating long-term value for customers, employees, partners, communities, and society.

During the reporting period, the Company added five new national-level specialized and sophisticated 'Little Giant' enterprises, further strengthening its innovation capabilities and contribution to regional industrial development. ZTT also contributed USD 2.93 million toward public welfare and educational initiatives, including support for the development of Hekou Primary School.

The Company further expanded its international presence through localized operations and industrial investment in markets such as Türkiye and Saudi Arabia. DK Cable's inclusion among Türkiye's Top 500 Enterprises reflects ZTT's continued commitment to international collaboration and shared development."

Governance & Long-Term Resilience

"Robust governance remains fundamental to ZTT's long-term resilience and sustainable development.

Throughout the year, the Company continued strengthening its governance, risk management, business ethics, and compliance systems, reinforcing operational excellence and enhancing investor confidence in the Company's long-term value and transparent management practices.

Looking back on the '14th Five-Year Plan,' ZTT has progressively evolved from pursuing industry scale toward creating broader contribution value through innovation, capability development, and responsible growth."

Looking Ahead

"Looking ahead to 2026 and the beginning of the '15th Five-Year Plan,' ZTT remains committed to innovation-led and sustainable development.

Guided by its mission, vision, and values, the Company will continue advancing global energy transition and digital infrastructure through differentiated innovation, responsible growth, and long-term value creation.

With ESG as a strategic compass, ZTT will continue progressing toward high-quality green development, strengthening its position as an international enterprise while contributing to a more sustainable, connected, and resilient future."

03

About ZTT

- 3.1 Company Profile
- 3.2 Geographical Distribution
- 3.3 Milestones
- 3.4 Industry Associations
- 3.5 System Certifications



3.1 Company Profile

Headquarters location

**Nantong City (Rudong County),
Jiangsu Province, China**

Founded in

1992 started in optical fiber communications

The stock was listed in

2002 2025 operating income
746,924.90
(USD in Millions)

Shanghai Stock Exchange Stock Code

SH600522

Industry status

China's top 100 electronic components companies **No.3**
Top **500** Chinese Enterprises

R&D strength

Has **4** key R&D centers

During the reporting period, The Company submitted more than **500** Chinese patent

applications and **62** PCT; international patent applications; and obtained more than **190** invention patent authorizations.

Chairman

Xue Chi

Business Footprint Four Core Business Segments:

**New Energy / Marine Equipment
Telecommunication / Smart Grid**

Total number of employees worldwide

17200

Organization size with more than

100 subsidiaries

Market coverage:

Products are exported to more than
160 countries and regions

Founded in 1992 with optical fiber communications as its foundation, ZTT expanded into smart grid technologies in 2002 and new energy sectors in 2011. By 2020, the Company's products had been exported to more than 160 countries and regions worldwide.

Closely aligned with national strategic priorities, ZTT has evolved from an industry participant into a key contributor supporting infrastructure, energy transition, and digital development initiatives. The Company has established a diversified industrial structure spanning telecommunications, electric power, marine engineering, and new energy sectors, supported by more than 100 subsidiaries globally.

Today, ZTT is recognized among China's Top 500 Enterprises and has received numerous national and international distinctions, including the China Industry Award, National Quality Award, and Asia-Pacific Quality Award.

Mission

To enable better lives through reliable optical connectivity and sustainable power transmission

Vision

Serving the world, benefiting all

Values

Quality-driven for dignity, customer-centric, striver-oriented

3.2 Geographical Distribution

Global Footprint

Operate
8 overseas
companies

Having
14 marketing
centers

We have over
40 overseas
offices



Turkey



Poland



Morocco



Brazil



Indonesia



India



Vietnam



Saudi Arabia



Appr. No. GS(2016)1667

Domestic Footprint

Headquartered in Nantong, with Rudong serving as the registered headquarters of the listed company, ZTT has established a nationwide industrial and innovation network comprising a Shanghai Technology Innovation Center, a Beijing branch, and manufacturing facilities across Zhejiang, Shandong, Guangdong, Chongqing, Inner Mongolia, and other key regions in China.

Appr. No. GS(2016)2923



3.3 Milestones

1992

- Founded in optical fiber communications.

2002

- Listed on the Shanghai Stock Exchange
- Expanded into the smart grid industry

2004

- First in the optical cable industry to publish a CSR report

2011

- Expanded into new energy and green development
- Established China's first "Spiritual Home Engineer" system
- Launched the first "Intellectual Property Bank" in the industry

2012

- Marked 20th anniversary and 10th year of listing
- Established first overseas production base in India
- Founded the "ZTT Charity Fund"
- Donated RMB 10 million to Nantong Charity Federation

2018

- ZTT Brand Day featured at the United Nations
- Launched the "ZTT Value Creators" initiative

2019

- Received the National Quality Award
- Won the Second Prize of the National Technological Invention Award

2020

- Received the 6th China Industry Award
- Launched the "2025" Digital Development Plan

2022

- Launched the Green&Low Carbon Manufacturing (GLCM) Action Plan
- Achieved first CDP "B" rating
- Established Employee Health Management Committee
- Held carbon tax countdown ceremony during ZTT Brand Day
- Donated RMB 54 million to charitable initiatives

2024

- ZTT Submarine Cable received the National Science and Technology Progress Award (First Prize)
- Shanghai ZTT Aluminum Wire and ZTT Submarine Cable joined the SBTi initiative

2025

- Multiple subsidiaries recognized as National Outstanding Smart Factories, National 5G Smart Factories, and Jiangsu Province Advanced Smart Factories
- Awarded Zero Carbon and Near Zero Carbon Factory recognitions in Jiangsu Province
- ZTT Maroc received the EcoVadis Gold Medal; ZTT Submarine Cable received the EcoVadis Silver Medal
- Received the Global Performance Excellence Award and APQO International Best Practice Award
- Co-organized the 2025 Global Optical Fiber and Cable Conference with APC

3.4 Industry Associations

As of 2025, ZTT actively participated in more than 70 industry associations, professional societies, and standardization organizations across the power, telecommunications, marine engineering, and advanced materials sectors, contributing to industry collaboration, technical innovation, and standards development through leadership and committee roles.

Industry Associations

Unit	Member category
International Council on Large Electric Systems (CIGRE)	Collective Member, Individual Member
International Telecommunication Union - Telecommunication Standardization Sector (ITU-T)	SG15 Associate
Institute of Electrical and Electronics Engineers (IEEE)	Standards Association Entity Member
Chinese Society of Electrical Engineering (CSEE)	Corporate Member
China Electrotechnical Society	Council Member Unit
Wire and Cable Professional Committee of China Electrotechnical Society	Chairman Unit, Corporate Committee
Chinese Institute of Electronics (CIE)	Member Unit
China Electricity Council	Corporate Member Unit
Wire and Cable Branch of China Electrical Equipment Industry Association (CEEIA)	Standing Council Member Unit
Optical and Electrical Cable and Optical Component Branch of China Electronic Components Association (CECA)	Vice Chairman Unit
China Association of Communications Enterprises (CACE)	Vice Chairman Unit
Communication Cable and Fibre Optic Cable Professional	Standing Council Member Unit
Committee of China Association of Communications Enterprises	Vice Chairman Unit

3.5 System Certifications

System Certifications		ISO 9001 quality management	ISO 14001 Environmental Management System	ISO 45001 Occupational Health and Safety Management System	SA8000 SA8000 Social Accountability Management System	ISO 50001 Energy Management System	ISO 27001 Information Security Management System	Anti-bribery Management System	GB/T 29490 Enterprise Intellectual Property Management System	ISO 14064 Greenhouse Gas (GHG) Emissions Verification	ISO 14067: 2018 Product Carbon Footprint
Jiangsu Zhongtian Technology Co., Ltd.		✓	✓	✓	✓	✓	✓	✓	✓		
Telecommunication	ZTT Radio Frequency Cable	✓	✓	✓		✓			✓	✓	✓
	ZTT Technology Fiber Optics	✓	✓	✓	✓	✓			✓		
	ZTT Communication Technology	✓	✓	✓		✓			✓	✓	✓
	Jiangdong Technology	✓	✓	✓	✓	✓					
	ZTT Technology Advanced Materials	✓	✓	✓		✓	✓		✓		
	ZTT Broadband	✓	✓	✓		✓	✓		✓	✓	
	ZTT Maroc	✓	✓	✓		✓				✓	
	ZTT Indonesia	✓	✓	✓				✓			
Smart Grid	ZTT Power Optical Cable	✓	✓	✓	✓	✓		✓	✓	✓	
	Jiangdong Alloy	✓	✓	✓		✓			✓	✓	
	ZTT Aluminium Wire	✓	✓	✓		✓			✓	✓	
	ZTT Electric	✓	✓	✓	✓	✓	✓		✓	✓	✓
	Jiangdong Equipment	✓	✓	✓	✓	✓			✓	✓	✓
	ZTT Alloy	✓	✓	✓		✓			✓	✓	
	ZTT Light Alloy	✓	✓	✓		✓				✓	
	ZTT Cable Accessories	✓	✓	✓		✓				✓	✓
	ZTT Bright Transformer	✓	✓	✓		✓			✓		✓
	Demirer Cable	✓	✓	✓		✓	✓				
New Energy	ZTT Energy Storage	✓	✓	✓	✓	✓			✓	✓	✓
	Jiangdong Electronic Materials	✓	✓	✓		✓					
	ZTT Supercapacitor	✓	✓	✓							
	ZTT Photovoltaic Materials	✓	✓	✓		✓	✓				
	ZTT Electronic Materials	✓	✓	✓		✓	✓				✓
	ZTT Yupin	✓	✓	✓					✓		
	ZTT Carbon Material	✓									
Marine Equipment	ZTT Marine Systems	✓	✓	✓	✓	✓	✓		✓	✓	✓
	ZTT Industrial Cable System	✓	✓	✓	✓		✓				
	ZTT Submarine Cable	✓	✓	✓					✓		✓
	Nanhai Submarine Cable	✓	✓	✓		✓				✓	✓

04

Looking back on 2025

4.1 ESG Performance Highlights

4.2 Value Creation

4.3 Annual Honors

4.4 Annual Events

4.5 Standards Development

4.1 ESG Performance Highlights

Key performance during the reporting period					
Environmental	All 2025 targets under the “14th Five-Year Plan” Green and Low-Carbon Development Plan were successfully achieved.	Total greenhouse gas emissions 145,538.63 tons of standard coal	Total greenhouse gas emissions 533,130.15 tCO ₂ e	Achieved a 100 % compliance rate for wastewater, exhaust gas, and solid waste discharge testing.	Solid waste compliance disposal rate 100 % Clean and low-carbon products accounted for 23.54 % of revenue
Social	Employee satisfaction: 75.4 %	The Company invested approximately RMB 100 million (USD 14.23 million) in employee living, wellbeing, and health support facilities.	Organized 681 emergency drills	19,431 participants in wellbeing initiatives.	USD 2,058.55 contributed to public welfare initiatives. 655 volunteer service hours.
Governance	Female directors account for 22 %	20 % of the board's performance remuneration is linked to ESG key indicators;	Information disclosure rating is A (Shanghai Stock Exchange);	100 % of employees sign the "Commitment Letter on Integrity and Performance of Duties";	Successfully executed 19 core audits.

4.2 Value Creation Main Accounting Data and Financial Indicators for the Past Three Years.

Main Financial Indicators for the Past Three Years				
Main Financial Data	2025	2024	2023	Unit
Operating Revenue	7,469.25	6,837.66	6,412.05	(USD in Millions)
Net Profit Attributable to Shareholders	412.91	403.82	443.34	(USD in Millions)
Net Cash Flow from Operating Activities	675.98	588.77	646.16	(USD in Millions)
Total Tax Amount	182.69	179.63	228.66	(USD in Millions)
Net Assets Attributable to Shareholders	5,338.55	4,992.08	4,728.74	(USD in Millions)
Total assets	8,836.89	8,311.12	7,798.35	(USD in Millions)
In 2025, ZTT maintained steady annual revenue growth of approximately 9.24%, while the Company's tax contribution increased by approximately USD 3.06 million compared to the previous reporting period.				

4.3 Annual Honors

Organization	Honor
Asia Pacific Quality Organization	Global Performance Excellence Award / International Best Practice Award
Ecovadis	ZTT Maroc - EcoVadis Gold Medal ZTT Submarine Cable - EcoVadis Silver Medal
CDP	Rating B
Indonesia	Karawang Corporate Social Responsibility (CSR) Award
Global fiber optic cable	Top 10 Most Competitive Enterprises
Southern Weekend	Top 50 China Corporate Social Responsibility Ranking
China Securities Journal	Top 100 ESG Golden Bull Award for Listed Companies
All-China Federation of Industry and Commerce	ZTT - National Advanced Private Enterprise in Employment and Social Security Chairman Xue Chi - National Outstanding Private Entrepreneur in Caring for Employees



EcoVadis Medal



Won the "Global Excellence Award" and the International Best Practice Award from the Asia-Pacific Quality Organization



Indonesian Social Responsibility Award



Groundbreaking ceremony of Türkiye DK Cable Phase II project

4.4 Annual Events

Performance	Big event
5 Global Top 10 4 international leaders	- Five new national-level specialized and sophisticated "Little Giant" companies were added - Awarded as "Top 10 Most Competitive Enterprises" in Global Optical Fiber and Cable 2025 - In the evaluation of new communication technologies and new achievements, 4 out of 6 achievements reached international leading level and 2 reached international advanced level.
17 Double International Awards 2.5MW Acquisition of Chong qing Changqin Auto Parts	- ZTT was recognized as a Jiangsu Province Advanced Smart Factory, ranking first in the industry by number of selected enterprises. - Won the "Global Excellence Award" and "International Best Practice Award" at the 30th Asia-Pacific International Conference on Quality Organizations 2025 SNEC releases stand-alone 2.5MW liquid-cooled grid-type energy storage converter - ZTT acquired Chongqing Changqin Auto Parts to strengthen its presence in the new energy vehicle wiring harness sector, with projected annual production capacity exceeding one million automotive wiring harness units.
First Prize—Top 10 Contributed USD 2,928,683 Top 500 Companies in the Host Country	- Won First Prize at the 2025 China Wire and Cable Industry Conference and retained its position among the industry's Top 10 Most Competitive Enterprises. - Contributed USD 2.93 million to charitable initiatives and emergency flood relief efforts, receiving the "Yangtze River Delta Charity Star" and "Jiangsu Charity Star" recognitions. - DK Cable was recognized among the Top 500 Enterprises, reflecting ZTT's growing international presence and localized industrial contribution.
DK's production capacity increased by 50% Saudi Arabia factory established Nearly 300 suppliers 120 excellent suppliers	- Foundation laid for Cable Phase II project, increasing production capacity by 50%. - Launched manufacturing operations in Saudi Arabia to support regional energy transition and localized industrial development. - Hosted the 2025 Global Partner Conference with nearly 300 supplier representatives. - Recognized 120 outstanding suppliers during the Global Partner Conference.
	2 subsidiaries ➤ National Excellent Intelligent Factory (New) 7 subsidiaries ➤ National Green Factory (New) 1 subsidiary ➤ Jiangsu Province Zero Carbon Factory (New) 3 subsidiaries ➤ Near-zero carbon factory in Jiangsu Province (new) - Participated in the formulation and revision of industry standards.

4.5 Standards Development

Total: 89 items International standards: 9 items National standards: 33 items Industry standards: 34 items Group standards: 13 items

Participate in the formulation and revision of standards examples

International standards	National standards	Industry standard
IEC 60794 series of optical cable standards	GB/T 46041 Greenhouse gas product carbon footprint standard	Standards for submarine cable protection devices for offshore wind power
IEC 61196 Coaxial Communication Cable Standard	GB/T 43556 Fiber optic cable line maintenance technology	Mobile communication base station antenna standards
IEC 61169 RF Connector Standard	GB/T 46734 General principles for smart factory evaluation	Communication optical cable and optical connector standards

05

Sustainability Governance

5.1 ESG Governance Framework

5.2 Stakeholder Engagement

5.3 Material Topics

5.4 Changes in Material Topics

5.5 Management of financial material topics of ZTT

5.1 ESG Governance Framework

ZTT has embedded sustainable development into its core strategy, advancing long-term economic growth while strengthening environmental stewardship, social responsibility, and transparent governance to create lasting value for both business and society.



Decision-Making Level >> Board of Directors

Role Description: Highest governing body responsible for ESG strategy and oversight.

Core Responsibilities: The Board oversees ESG strategy, reviews major ESG matters, and supervises implementation to ensure alignment with the Company's long-term development objectives and regulatory requirements.



Organisational level >> Strategy and ESG committee

Role Positioning: Central coordination and strategic planning body for ESG management.

Core Responsibilities: Oversees company-wide ESG initiatives, including annual action planning, ESG data coordination, and stakeholder communication to support effective and transparent ESG management.



Execution Level >> Integrated Collaboration Between Business Units and Functional Departments

Below the Committee, ESG implementation is carried out through a matrix-based execution framework comprising three core sectors:

Four Major Industry Groups (Business Lines): Including Telecommunications, Smart Grid, New Energy, and Marine Equipment, each responsible for implementing ESG requirements and sustainability initiatives within their respective business operations.

Supporting Functional Departments (Management Support): Functional departments provide integrated support across finance, technology, talent, supply chain management, compliance, and operational governance to support the effective implementation of ESG objectives.

Special ESG Task Forces (Focused Action Areas): Dedicated cross-functional task forces established to accelerate the Company's strategic ESG priorities, driving innovation and execution across key areas including carbon management, resource efficiency, green energy transition, zero-carbon supply chains, intelligent energy systems, sustainable manufacturing, and next-generation low-carbon technologies.

- | | |
|--|---|
| 1. Packaging Standardization Task Force | 7. Energy and Carbon Management Platform Development Working Group |
| 2. Solid Waste Resource Utilization Task Force | 8. International High-Standard Economic and Trade Rules Research Group |
| 3. Water Efficiency Improvement Task Force | 9. Negative Carbon Technology Research Group |
| 4. Carbon Asset Management and Trading Research Group | 10. Green Brand Development Task Force |
| 5. Zero-Carbon Supply Chain and Product Footprint Task Force | 11. Zero-Carbon Factory, Zero-Carbon Park and Other Green Honors Task Force |
| 6. Energy Transition and Green Power Group | |

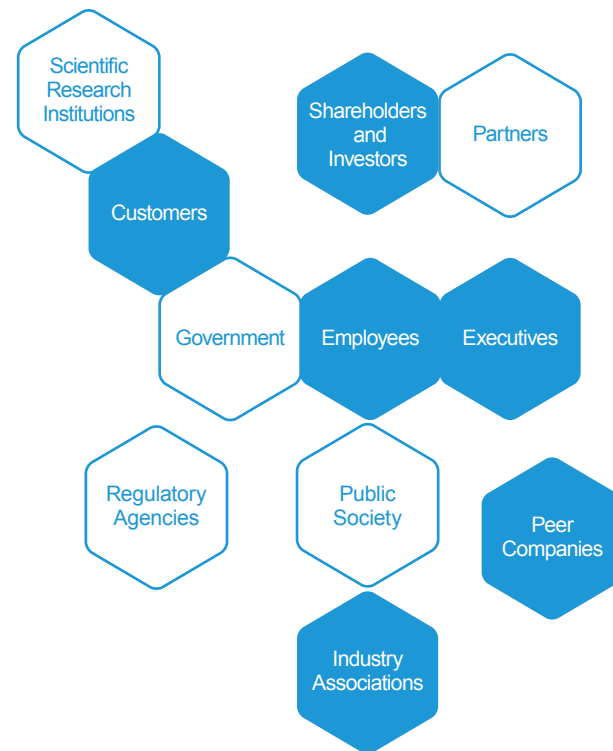


5.2 Stakeholder Engagement

ZTT has established a stakeholder communication framework to understand stakeholder expectations, manage ESG risks, and support strategic decision-making. During the reporting period, the Company further enhanced its stakeholder engagement processes in alignment with the Shanghai Stock Exchange Sustainability Reporting Guidelines and GRI Standards.

Considering the characteristics of the optoelectronics industry — including rapid technological advancement, complex supply chains, and increasing environmental responsibilities — ZTT identified key stakeholder groups across its operations and value chain.

The Company engages stakeholders through channels including shareholder meetings, customer and employee surveys, supplier ESG programs, community outreach, industry forums, and collaborative R&D initiatives. Feedback collected supports the continuous improvement of ZTT's sustainability strategy and ESG management practices.



Stakeholders	Material Topic	Communication and Feedback Mechanisms
 Shareholders and Investors	Corporate Governance Tax Transparency Compliant Operations Risk Management	Shareholders' Meeting Investor Hotline Compliance Report Official Website Online Q&A Platform
 Client	Product Quality and Safety Data Security and Privacy Protection Compliant Operations Customer Relationship Management	Customer Satisfaction Survey Customer Visits Compliance Report
 Staff	Employee Development and Training Employee Rights and Interests Occupational Health and Safety Equality, Diversity and Inclusion	Internal Communication Meetings Employee Surveys Training Programs
 Executive	Energy Management Risk Management Customer Relationship Management	Compliance Report Customer visit

Stakeholders	Material Topic	Communication and Feedback Mechanisms
 Partners	Sustainable Supply Chain Business Ethics	Supplier Audit Cooperation Meeting Contract Terms
 Government and Regulatory Agencies	Tax Transparency Environmental Management Compliance Ecological Impact Addressing Climate Change	Policy Dialogues Compliance Report Sustainability Report
 Public society	Community Relations Charity and Public Welfare Business Ethics Ecosystem and Biodiversity Protection Water Resource Management	Corporate Website Sustainability Report Volunteer Activities Compliance Report
 Scientific research institutions	Innovation and Scientific Ethics Product Design and Lifecycle Management	Industry-University-Research Collaboration Joint Research Industry Forums
 Industry Associations	Product Quality and Safety Technological Innovation Business Ethics Intellectual Property Protection	Industry Summits R&D Collaboration Exchange Meetings

5.3 Material Topics

Based on its value chain characteristics and applicable domestic and international sustainability disclosure standards, including stock exchange requirements, GRI Standards, and SASB Standards, ZTT identified 24 material ESG topics in 2025.

During the materiality assessment process, the Company evaluated both the severity of ESG impacts and potential financial implications through stakeholder questionnaires, management review, and external expert consultation. Following data validation and weighted analysis, the results were consolidated into a dual materiality matrix.

Key material topics identified included compliance operations, business ethics, risk management, climate change response, clean technology opportunities, and waste and hazardous materials management.

Policy and Regulatory Analysis

Monitor national and industry policy developments and assess the impact of regulatory changes on the Company's operations and strategic planning.

Industry Benchmarking Analysis

Benchmark against leading industry practices to ensure the relevance and effectiveness of ESG issue identification and management.

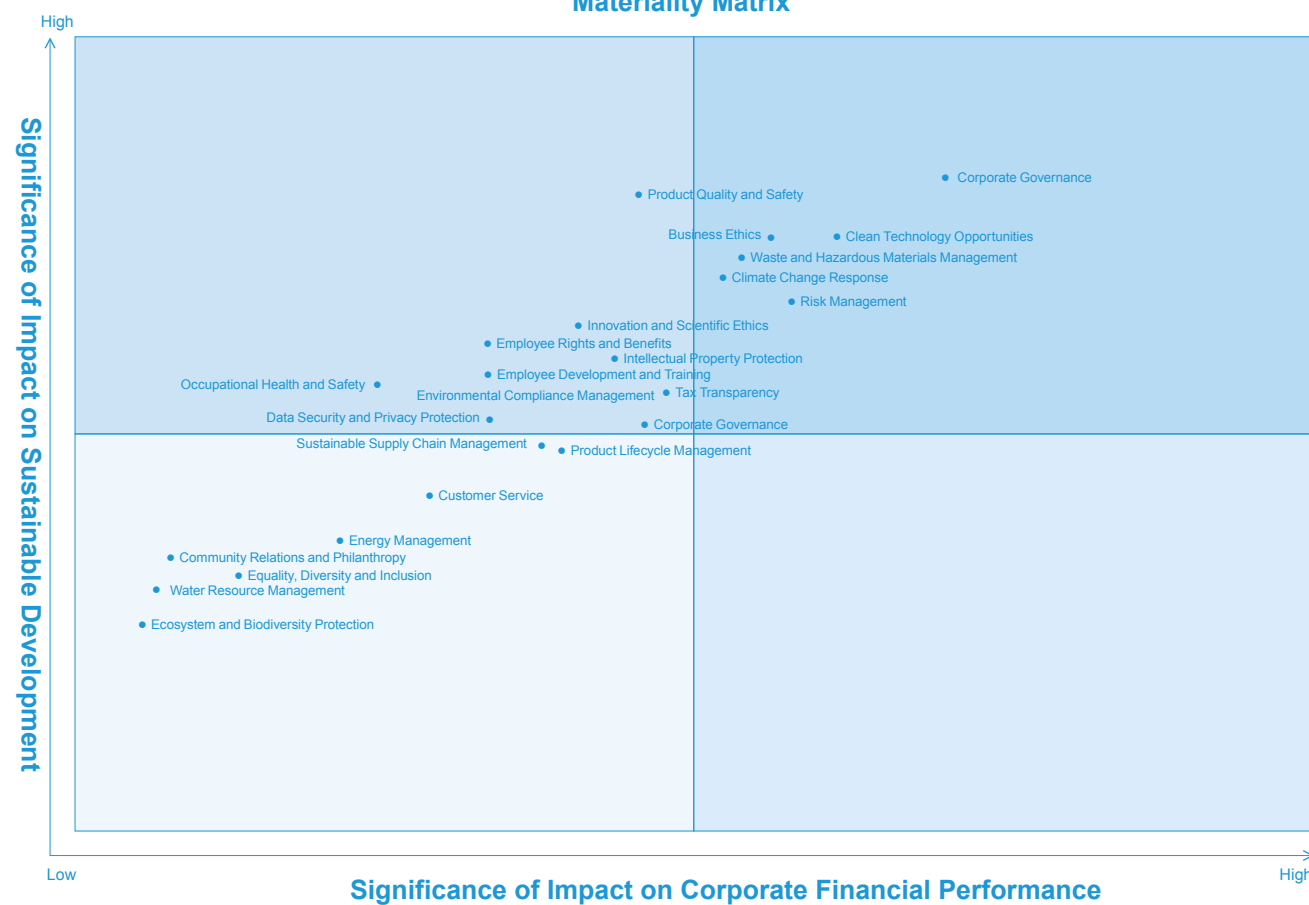
Stakeholder Engagement

Engage with key stakeholders — including investors, customers, suppliers, and employees — to gather feedback on material ESG topics and sustainability priorities.

Internal Risk Assessment

Integrate ESG considerations into the Company's risk management framework to identify sustainability-related risks, opportunities, and long-term business impacts.

Materiality Matrix



High Material Topics

- Clean Technology Opportunities
- Corporate Governance
- Business Ethics
- Risk Management
- Climate Change Response
- Waste and Hazardous Materials Management

Medium Material Topics

- Occupational Health and Safety
- Data Security and Privacy Protection
- Intellectual Property Protection
- Employee Rights and Benefits
- Employee Development and Training
- Environmental Compliance Management
- Sustainable Supply Chain Management
- Corporate Governance
- Product Quality and Safety
- Tax Transparency
- Innovation and Scientific Ethics

Low Material Topics

- Ecosystem and Biodiversity Protection
- Water Resource Management
- Community Relations and Philanthropy
- Equality, Diversity and Inclusion
- Energy Management
- Customer Service
- Product Lifecycle Management

5.4 Changes in Material Topics

During the reporting period, the Company updated and refined its material ESG topics in response to evolving industry trends, regulatory developments, and stakeholder expectations. Compared with the previous reporting cycle, the total number of material topics increased from 22 to 24, with the following key changes:

01

The Company refined its material ESG topics during the reporting period by consolidating "Conflict Procurement" into "Sustainable Supply Chain Management" and updating "Internal Control" to "Risk Management." New material topics identified included clean technology opportunities, intellectual property protection, and tax transparency.

02

"Climate Change Response," "Waste and Hazardous Materials Management," and "Clean Technology Opportunities" were identified as highly material topics and designated as key ESG focus areas during the reporting period.

5.5 Management of Financially Material ESG Topics

Material Topics	Governance	Strategy	Risk & Opportunity Management	Metrics & Targets
 Corporate Governance	Governance - The Company continued enhancing its governance structure through four Board-level committees — Strategy and ESG, Audit, Nomination, and Remuneration and Assessment — to strengthen decision-making and oversight effectiveness.	The Company continued strengthening its remuneration framework through performance-based incentives and medium- to long-term equity incentive mechanisms, aligning operational performance with long-term strategic objectives while promoting governance diversification and efficiency.	The Company linked 20% of Board and senior management performance remuneration to key ESG indicators, while implementing a “zero-tolerance” accountability mechanism for major violations. ZTT also strengthened tax and financial risk oversight and conducted multi-dimensional director training covering AI technologies, EU compliance, and capital market management.	Management Goal: Increase female Board representation to over 30% by 2030. 2025 Progress: Female directors represented 22% of the Board, independent directors accounted for 33.33%, Board attendance reached 100%, and the Company received the highest “A” information disclosure rating from the Shanghai Stock Exchange.
 Business Ethics	The Company has established a long-term anti-corruption framework, with the Audit Committee and Audit & Performance Department serving as key oversight bodies, while core business operations have obtained ISO 37001 Anti-Bribery Management System certification.	Adhering to the principles of integrity and innovation, the Company continues integrating anti-corruption management into its corporate strategy and enterprise-wide risk management framework.	The Company established a “Three Lines of Defense” compliance framework and strengthened intelligent monitoring, whistleblowing, and risk management through ERP and AI-enabled systems.	2025 Progress: Achieved 100% anti-corruption training coverage for management and employee integrity commitment signing, conducted training for 1,102 suppliers, handled eight reporting cases, and recorded no major business ethics violations.
 Risk Management and Internal Control	Governance - The Company established a grassroots-level risk management framework to strengthen organizational resilience, while core businesses obtained GB/T 30146 / ISO 22301 Business Continuity Management System certification.	Adhering to a strategy-oriented and risk-based management approach, the Company implemented a compliance risk assessment framework covering strategic, market, operational, financial, and legal risks.	The Company strengthened internal audits, overseas compliance reviews, and proactive risk management through an integrated “AI + Security” platform.	Management goal: Achieve 100% audit coverage for key enterprises, previously identified issues, and loss-making entities by 2026. 2025 Progress: Completed 19 core audits covering 59 subsidiaries, with a 91.2% rectification closure rate for internal control deficiencies and management gaps.
 Climate Action	Governance - Industry group presidents were designated as climate governance leaders, supported by eleven cross-functional ESG task forces focused on zero-carbon energy and energy-efficiency initiatives.	The Company formulated its “15th Five-Year Plan” Green and Low-Carbon Development Strategy, implementing ten strategic initiatives focused on full life-cycle sustainability and low-carbon operations.	The Company integrated climate risks into enterprise risk management, strengthened real-time energy and carbon monitoring, and continued advancing renewable energy, green manufacturing, and clean technology innovation.	Management goals: Achieve 100% renewable energy use across operations by 2030 and reduce carbon emissions intensity per RMB 10,000 output value by 50% compared with 2020 levels. 2025 Progress: Achieved the 2025 targets of over 80% renewable energy usage and 30% carbon reduction, while 100% of operational-level product companies completed greenhouse gas verification.
 Waste and Hazardous Materials Management	The Company established an EHS Committee led by the Chairman and strengthened environmental management through enhanced EHS systems and accountability mechanisms.	Adhering to full life-cycle management and “3R1D” green design principles, the Company prioritizes low-environmental-impact materials and promotes circular economy practices throughout product development.	The Company achieved 100% compliant solid waste disposal while advancing resource recovery and circular economy practices through innovative recycling technologies.	Management goals: Achieve a 95% recycling rate for hazardous and general solid waste by 2026 and 100% by 2027. 2025 Progress: Achieved a 100% compliance rate for hazardous waste and solid waste disposal, as well as wastewater, exhaust gas, and solid waste testing.
 Clean Technology Opportunities	Clean technology innovation is a core development strategy, supported by a Green Product Full Lifecycle Management System integrating sustainability across product design, manufacturing, logistics, and recycling, with a focus on new energy transmission, energy storage, low-carbon communications, and smart grids.	The Company supports the global energy transition through low-carbon technologies in offshore wind, energy storage, communications, and smart grid systems, while advancing green design, manufacturing, logistics, and circular economy practices.	The Company leveraged rapid growth in offshore wind and energy storage markets through continuous R&D and advanced manufacturing innovation, accelerating its transition from hardware supplier to integrated solution provider. LCAs covering 108 product series support decarbonization efforts, while major metal recovery and reuse rates exceeded 95% through circular economy initiatives.	Management Targets: Maintain annual R&D expenditure growth of no less than 0.5% while continuously reducing manufacturing energy intensity across key production processes. 2025 Progress: Clean and low-carbon products contributed 23.54% of total revenue, while energy storage shipments reached 9GWh. The Company also achieved significant emission reduction results, with energy consumption per unit of product approximately 30% below the industry average and product carbon footprints reduced by over 40% compared with the baseline year.

06

Solid Governance

6.1 Corporate Governance

6.2 Business Ethics

6.3 Risk Management and Internal Control

6.4 Information Security



Key performance: 

22% of female directors

20% of board performance remuneration is linked to key ESG indicators

information disclosure rating is (Shanghai Stock Exchange); **A**

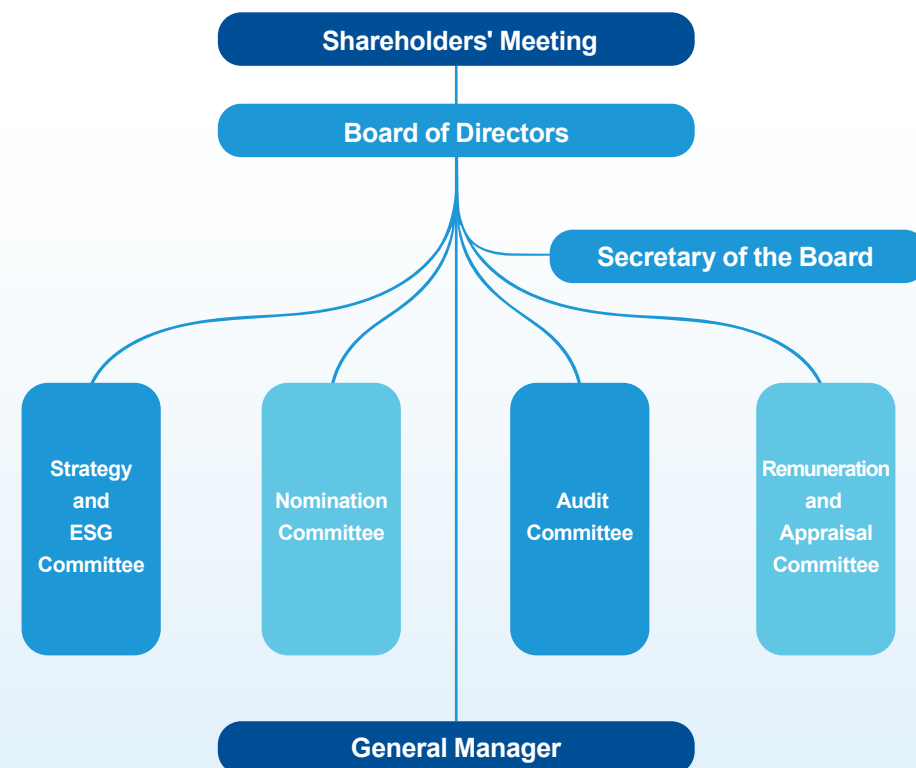
100% of employees signed the "Integrity Performance Commitment"

19 core audits completed

6.1 Corporate Governance

Governance

ZTT continuously enhances its governance framework in alignment with regulatory requirements and industry best practices. In 2025, the Company optimized its governance structure by strengthening Board and Audit Committee oversight, holding **13** Board meetings, approving **55** proposals, and maintaining a **100%** director attendance rate.



The board of directors has special committees. The introduction of each special committee is as follows:

Main Responsibilities

- Mainly responsible for researching and making suggestions on The Company's long-term development strategic planning and major strategic investments.
- Focus on feasibility studies on ESG (Environmental, Social, and Governance) strategic goals and policies and promote the integration of sustainable development into core business.
- Ensure the coherence and risk resistance of The Company's "related diversification" strategy.

Main Responsibilities

- Mainly responsible for formulating selection criteria and procedures for directors and senior managers.
- Conduct extensive search, selection and review of directors, senior management candidates and their qualifications to ensure the professionalism and diversity of the management team.
- 2/3 of the members are independent directors to ensure the fairness of nominations.

Specialized Committee



Main Responsibilities

- Exercise the powers of the original Board of Supervisors to supervise and evaluate internal and external audit work and internal control systems.
- Responsible for reviewing The Company's financial information and its disclosure to ensure the authenticity and transparency of financial data.
- Providing professional advice on risk management and control of The Company's finance, legal and industry development.

Main Responsibilities

- Mainly responsible for formulating the compensation plan and performance appraisal system for The Company's directors and senior management.
- Review the performance of directors and senior management personnel and conduct annual performance appraisals.
- 2/3 of the members are independent directors to ensure a balance between incentives and constraints in the remuneration mechanism.

Board Nominations and Responsibilities

ZTT has established a fair, transparent, and standardized Board nomination and tenure management framework to strengthen governance effectiveness and shareholder protection. In June 2025, the Company completed its Board renewal, forming a nine-member Board with expertise spanning communications, new energy, marine engineering, and digital transformation, with over 70% holding master's degrees or above.

The Company also continued advancing Board diversity and governance optimization. Female directors represented 22% of the Board, while independent directors accounted for 33%. Under its long-term governance plan, ZTT targets increasing female Board representation to over 30% by 2030.

Name	Position	Committee Memberships	Diversity Background	Years of Experience	Core Experience and Expertise
Xue Chi	Chairman	Strategy and ESG Nominate Remuneration and Appraisal	Senior Engineer MBA	30+	Possesses extensive expertise in optoelectronic transmission and submarine cable systems, with a strong background in research, innovation, and strategic leadership. Has led multiple major scientific research initiatives and received the Second Prize of the National Technology Invention Award. Brings broad experience in corporate strategy, industrial development, and enterprise management.
Shen Yichun	Vice Chairman	Strategy and ESG	Doctor of Engineering Senior Engineer	30+	Concurrent doctoral supervisor at multiple universities, with extensive experience in optical fiber cable technologies, precision materials, and industrial R&D commercialization.
Wang Yimin	Independent Director	Strategy and ESG Remuneration and Appraisal	Professor-Level Senior Engineer IEEE Senior Member	30+	Former Deputy Chief Engineer and Director of the Smart Grid Department at State Grid Corporation of China, with extensive expertise in smart grid technologies and power systems development.
Wang Jun	Independent Director	Nomination Audit Remuneration and Appraisal	Senior Lawyer Arbitrator	30+	Experienced legal advisor to government agencies and state-owned enterprises, with expertise in corporate compliance, civil and commercial law, and legal risk management.
Shen Jie	Independent Director	Audit Nomination	Senior Accountant	25+	Experienced in accounting standards, tax regulations, capital market operations, internal controls, and financial governance.
Lu Wei	Director General manager	—	Senior Engineer	25+	Former Director of the Quality Assurance Department and General Manager of the Power Grid Business Division, with expertise in manufacturing quality, operational management, and power engineering. Recipient of the Electric Power Construction Science and Technology Progress Award (First Prize).
Xue Jianlin	Director	—	Senior Engineer Senior Economist	30+	President of the Marine Industry Group, with cross-sector experience in cable manufacturing, marine equipment, hospitality management, and large-scale project operations.
Cao Shanshan	Director	—	Doctor of Engineering Senior Engineer	15+	Experienced in optical fiber manufacturing, process engineering, and R&D management, with a focus on optical communication technology innovation. Selected as a training candidate under Jiangsu Province's "333 Project."
Miao Yonghua	Employee Representative Director	Audit	Senior Engineer	20+	President of the New Energy Industry Group, with extensive experience spanning marketing, industrial operations, and strategic management within the new energy sector.

Board Performance and Compensation

ZTT has established a comprehensive remuneration framework that balances short-term performance with long-term strategic value, aligning Board and senior management interests with the Company's sustainable development objectives and long-term growth strategy.

Salary structure and policy

The Company implements an annual remuneration framework for Board members and senior management comprising fixed salary, performance-based incentives, and medium- to long-term incentive mechanisms, supporting alignment between operational performance and long-term strategic objectives.



Remuneration composition

Basic remuneration is determined based on industry benchmarks, role responsibilities, and performance, while performance-based incentives are linked to individual achievements and overall Company performance.



Strong performance orientation

To strengthen performance accountability, performance-based remuneration accounts for no less than 50% of total compensation, ensuring strong alignment between management interests and the Company's overall performance.



Medium and long-term incentives

The Company continued implementing employee equity incentive and stock ownership plans covering more than 120 core management, technical, and sales personnel, strengthening alignment between long-term incentives, innovation performance, operational efficiency, and sustainable growth objectives.

ESG performance linkage and assessment system

To strengthen long-term ESG governance and accountability, ZTT established an ESG assessment and incentive framework linking 20% of Board and senior management performance remuneration to key ESG indicators. Based on core business risk assessments, the Company implemented a performance evaluation mechanism combining quantitative scoring with a "zero-tolerance" accountability approach across four key ESG dimensions.

Core Dimension	Indicators	Assessment Objectives and Direction
Green low carbon and climate action	• Energy Consumption per Unit of Output • Carbon Emission Intensity • Share of Renewable Energy	Promote the transformation of the energy structure, impose mandatory restrictions on carbon emissions, and ensure that the dual carbon goals are achieved as scheduled.
Quality Safety and Operational Resilience	• Safety incident rate • Customer complaint rate	Adhere to the principle of "Safety First," enhance product quality and customer satisfaction, and ensure business continuity.
Compliance Governance and Risk Management	• Compliance red line indicators	Strengthen anti-corruption practices, business ethics, and legal compliance, and implement a zero-tolerance approach to major violations.
Talent Development and Social Responsibility	• Training Coverage Rate • Retention of Key Talent	Focus on employee development and team building to cultivate a workforce with sustainable innovation capabilities.

Board Training and Development

The Company places strong emphasis on Board competency development and forward-looking leadership capabilities, conducting specialized training on topics including AI-driven management, EU compliance, intellectual property strategy, and market value management. In 2025, directors and senior management completed a total of 25 hours of ESG-related training.

Training courses	Duration (hours)
"6G+AI" Lecture Hall	2.5
"AI+ Management Empowers Manufacturing" Lecture Hall	4
"Clean Room Management and Usage Regulations Training" Lecture Hall	2
"Boss's Patent Layout" Lecture Hall	3
"EU Forced Labor Regulation" Lecture Hall	2.5
Jiangsu Securities Regulatory Bureau's high-quality development series training for listed companies	3
Shanghai Stock Exchange Pujiang Lecture Hall Market Value Management Training	1
Compliance performance training for directors, supervisors and senior executives of listed companies in 2025 (Shanghai Stock Exchange)	5
ESG report preparation and rating introduction training	2

Investor Relations

ZTT strictly complies with the Shanghai Stock Exchange Listing Rules and applicable regulatory requirements in fulfilling its information disclosure obligations. In the Shanghai Stock Exchange's 2024–2025 annual disclosure evaluation, the Company received the highest "A" rating.

In 2025,
The Company
has accumulated

Issued **77**
temporary announcements

Hosted **3**
performance briefings

Dividends were USD
144,833,630

4
periodic reports.

The fifth phase of
share repurchase was
USD
35,852,497

Responded to
102
questions from investors
through the "SSE e-
Interactive" platform

Tax Transparency

ZTT established the Business Ethics Management Policy and a multi-level risk management framework comprising the shareholders' meeting, Board of Directors, Audit Committee, and management team to strengthen compliance and governance oversight. The Company integrates financial, operational, and tax compliance into its enterprise-wide risk management and internal control framework, supported by regular supervision and audit mechanisms.

In specific tax management practices, following the "comprehensive" and "preventive" principles of the above-mentioned system, The Company's tax-related business is unified into the overall financial compliance regulatory framework. As a basic legal requirement, tax compliance falls within the scope of financial activities stipulated in the system and needs to be strictly implemented. Therefore, risk assessment and control in the tax dimension are also subject to The Company's internal control process and are subject to regular supervision by the audit and supervisory boards.

In **2025**, ZTT paid nearly USD **185** million in taxes, representing an increase of approximately USD **3.06** million.

6.2 Business Ethics

Governance

ZTT continues upholding its business philosophy of integrity, innovation, and contribution-driven development, while remaining committed to building a long-term anti-corruption framework founded on the principles of "not daring to corrupt, being unable to corrupt, and not wanting to corrupt." In 2025, the Company released the ZTT Business Ethics Management Policy, further strengthening governance frameworks and integrating anti-corruption management into its corporate strategy and enterprise risk management system.



The Company continues aligning with international compliance standards while strengthening its anti-bribery management framework. In 2025, core business operations — including communication optical cables, coaxial cables, and lithium-ion batteries — successfully obtained ISO 37001:2016 Anti-Bribery Management System certification, reinforcing accountability and integrity management across the entire business value chain.

Risk Prevention and Management

To strengthen integrity and compliance risk management, the Company established a robust “Three Lines of Defense” framework for enterprise-wide risk prevention and control.



The Company closely monitors high-risk areas including procurement, finance, and contract management, leveraging ERP systems and AI technologies to strengthen intelligent risk monitoring, early warning mechanisms, and digital compliance management.

Grievance Mechanism

The Company has established a transparent and closed-loop reporting and investigation mechanism, encouraging employees and external partners to report misconduct and compliance violations through both named and anonymous channels, supported by strict investigation and accountability procedures.

Reporting channels

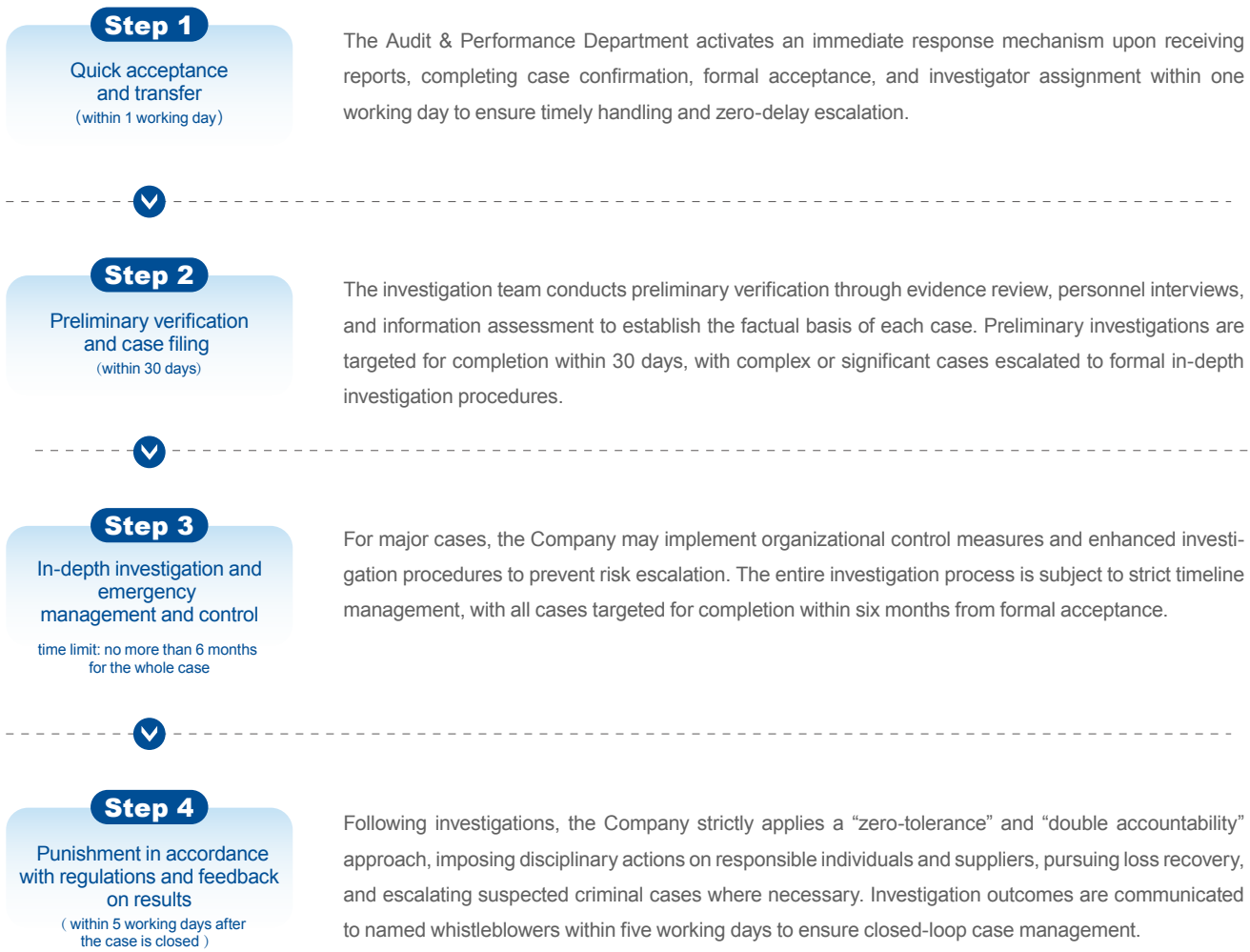
The Company established dedicated reporting channels, including direct escalation mechanisms to the Audit Committee and Chairman, to strengthen transparency and independent compliance oversight.

Report Hotline		Report Email	
139 6271 4128	187 5135 3183	zttma@ztt.cn	zttps_audit@ztt.cn

Whistleblower protection and incentives

The Company enforces strict confidentiality protections for whistleblowers and reporting information, while maintaining zero tolerance toward malicious or false allegations. To encourage transparent reporting, verified misconduct cases may receive rewards ranging from RMB **2,000 (USD 284.54)** to RMB **200,000 (USD 28,454.36)**, depending on the significance of the case.

Case investigation, verification and emergency response



During the reporting period

In 2025, the Company handled eight reported cases, of which three were substantiated and five were determined to be unverified following investigation. Appropriate disciplinary actions were taken in relation to verified conflict-of-interest cases, and no major business ethics violations were recorded during the reporting period.

Integrity Culture Development and Training

Hierarchical and classified training



Hierarchical and
classified training

The Company implements a differentiated integrity and compliance training framework covering employees, management, and high-risk functions including procurement, sales, and finance. In 2025, business ethics-related training covered 4,217 participants, with anti-corruption training achieving 100% coverage for Board members and management personnel.



Integrity Commitment
and Declaration

All employees are required to sign the Integrity Performance Commitment during onboarding, transfers, and key business activities, while employees in sensitive positions must declare conflicts of interest in accordance with Company policies.



Building a transparent
and ethical supply chain

The Company extended its anti-corruption efforts across the supply chain by providing integrity and compliance training to 1,102 suppliers and issuing integrity initiatives during major holiday periods. Cooperation with three suppliers involved in corrupt practices was terminated during the reporting period.



Innovating Integrity
Education Platforms

In partnership with the Development Zone Procuratorate, the Company established the "Jianyi · Qihang" Integrity Risk Prevention and Control Education Center. During the reporting period, five immersive training sessions covering 388 key personnel were conducted, while the initiative was recognized as a model case under the city's 2025 "Rule of Law for Public Well-being and Security" program.



Institutionalizing Risk
Awareness Mechanisms

The Company reinforced a zero-tolerance approach toward misconduct through formal integrity commitments signed by senior management. July was designated as "Risk Awareness Month," featuring thematic training, risk communication campaigns, and regular case study sharing to strengthen compliance awareness and promote a culture of integrity across the organization.

In 2025, key business operations successfully obtained GB/T 30146-2023 / ISO 22301:2019 Business Continuity Management System certification, reinforcing the Company's resilience in responding to compliance risks and operational disruptions. ZTT also strengthened accountability mechanisms and compliance response timelines to ensure effective implementation and closed-loop governance management.

Strategy

The Company adopts a "strategy-oriented and risk-based" management approach, integrating risk prevention and control across strategic planning and daily operations. Through its Compliance Risk Assessment Checklist, ZTT implements graded risk assessments covering strategic, market, operational, financial, and legal areas.

Supported by a broad internal audit framework and compliance culture initiatives, the Company continues strengthening governance awareness and operational discipline across its global workforce, maintaining a stable and effective overall compliance environment.

Risk and Opportunity Management

The Company proactively transforms risk prevention into opportunities for management enhancement through strengthened internal audit closure mechanisms, compliance culture initiatives, and overseas operational compliance management.

Internal Control audit and violation investigation and punishment closed loop

In 2025, the Audit & Performance Department completed 19 core audits across regular, special, and overseas project operations, covering 59 subsidiaries and major business units. The audits identified 87 internal control and management deficiencies, with rectification closure rates reaching 91.2% and overall remediation effectiveness at 86.3%.

19

core audits

59

subordinate units
or main business
sectors

8

special audits

the closed-loop rate
of defect rectification
was as high as
91.2%

regular audits of

8

87

internal control
defects and
management loopholes

3

outgoing audits

the overall rectification
effect was
86.3%

6.3 Risk Management and Internal Control

Governance

The Company established a top-down risk management framework with clear accountability to strengthen enterprise-wide compliance and operational resilience. Subsidiaries implemented a grassroots-level "Risk Management Trio" structure integrating finance, systems, and administration functions to strengthen daily risk control and governance execution. To ensure that various supervision mechanisms can be truly implemented and form a closed loop.

Overseas Compliance and Risk Mitigation Initiative (ZTT Indonesia Case Study)

As global operations expanded, the Company continued strengthening overseas compliance and risk management across its international subsidiaries. In 2025, ZTT Indonesia conducted comprehensive risk reviews across 14 business departments, identifying 102 operational risks, of which 83% achieved full mitigation closure through systematic corrective actions. Key operational areas including information systems, warehousing, and logistics achieved full risk mitigation, significantly reducing potential financial exposure.

The Company also reinforced its compliance culture through proactive employee risk reporting, with 125 risks voluntarily identified during the year. To strengthen organization-wide risk awareness, ZTT Indonesia conducted an all-employee Risk Town Hall to recognize outstanding contributions in risk management and compliance practices. In parallel, customs and supply chain compliance controls were enhanced through specialized training, dedicated customs code management, and integration into regular internal audit processes.

Metrics & Targets

Indicator	2026 Target	Description
Audit coverage of High-Risk Entities	100.00%	Achieve 100% audit coverage of all identified high-risk entities, including key operations, previously flagged entities, and loss-making business units by 2026.
Number of Routine Audits Conducted	9	Conduct routine audits across selected entities, targeting the completion of nine audits in 2026.
Number of Audit Recommendation Issued	70	Provide no fewer than 70 improvement recommendations based on issues identified through internal audit reviews across various entities
Risk Data Analytics Indicators	10	Establish an internal audit system incorporating at least 10 risk data analytics indicators.

6.4 Information Security

Governance

ZTT is committed to building a comprehensive and intelligent information security governance framework, strengthening operational resilience through AI-enabled systems, practical drills, and compliance certification. In 2025, the Company recorded no major information security incidents and achieved its “three-zero” target relating to customer privacy complaints and penalties.



Management Measures

Category	Measure	Implementation content and key results
Information Security Management System	Governance Framework	Revised and released the "ZTT Information Security Management System Compilation (2025)" to clearly define information security objectives, principles and management processes; formulate an "Emergency Public Relations Plan".
	International Standard Certification	Five subsidiaries successfully obtained ISO 27001 Information Security Management System certification. Assessed by Jiangsu Guoxin Testing Technology Co., Ltd., the system meets Level III (S3A3) information security protection requirements.
	Maturity assessment	Engaged qualified third-party institutions to conduct penetration testing on 25 critical application systems across 14 internal entities, with findings reported and rectification actions implemented.
Information Security Awareness and Training	Onboarding and Annual Training Programs	Leveraged the monthly Information Security Bulletin to establish dedicated training columns; organized specialized training for digital teams on Overseas Business Data Compliance (covering GDPR and major global regulatory requirements).
	Thematic Prevention and Drill Programs	Conducted targeted training on threats such as “credential stuffing” and Trojans; addressed remote risks arising from social software transmission; provided system data security training for software developers.
	Training coverage	In 2025, conducted more than 20 training sessions on data security and privacy protection, achieving 100% coverage of personnel in key positions, including network, server, and database administrators.
Information Security Incident Reporting Mechanism	Multi-Channel Reporting	Established internal reporting channels to encourage employee participation in information security management; employees who promptly identify and report security incidents are recognized and rewarded.
	Regular Emergency Response Drills	As the sole cable manufacturing enterprise selected in Nantong, the Company successfully completed the Jiangsu Provincial Industrial Data Security Emergency Drill in 2025. The scenario simulated phishing emails to gain internal network access, followed by malware deployment on MES servers, resulting in production line disruption. The drill covered attack simulation, monitoring and early warning, emergency response, and recovery, comprehensively enhancing incident response capabilities.
Information Security Business Continuity Management	Multi-Channel Reporting	Established internal reporting channels to encourage employee participation in information security management; employees who promptly identify and report security incidents are recognized and rewarded.
	Regular Emergency Response	As the sole cable manufacturing enterprise selected in Nantong, the Company successfully completed the Jiangsu Provincial Industrial Data Security Emergency Drill in 2025. The scenario simulated phishing emails to gain internal network access, followed by malware deployment on MES servers, resulting in production line disruption. The drill covered attack simulation, monitoring and early warning, emergency response, and recovery, comprehensively enhancing incident response capabilities.

Category	Measure	Implementation content and key results
Information Security Vulnerability Scanning and Testing	Regular Vulnerability Scanning	Update and upgrade virtual machines and database backup systems; reorganize encryption and decryption authorization interfaces and server whitelist policies to form a fixed ledger.
	AI-Driven Defense	Establish a complete data backup mechanism and conduct regular backup and recovery tests to ensure the security and recoverability of data.
	Red Team Offensive and Defensive Confrontation	Conducted monthly internal penetration testing and vulnerability scanning, publishing findings through the Information Security Bulletin and ensuring timely remediation.
Internal Information Security Audit	Audit Planning	Conducted monthly internal penetration testing and vulnerability scanning, publishing findings through the Information Security Bulletin and ensuring timely remediation.
	Audit Reporting and Continuous Improvement	Deployed the Micro XGPT cybersecurity model, reducing false positives by 99% (from an average of 100,000 daily alerts to approximately 1,000), and shortening incident response time from 4 hours to 15 minutes.
Privacy Protection	Compliance	Deploy EDR endpoint detection and response system, WAF firewall and IPS intrusion prevention system to build a "prediction-protection-detection-response" closed loop to effectively deal with fileless attacks and APT threats. Information Security
	Implementation of core principles	• Data Minimization: Collect only necessary data • User Right to Know: Clearly inform users of data usage purposes and obtain consent • Anonymization: De-identify or anonymize sensitive data • Privacy Impact Assessment: Conduct risk assessments prior to project initiation and implement mitigation measures
	"Three Zero" achievements	Key metrics achieved in 2025: - Number of customer privacy complaint incidents: 0 - Number of privacy infringement incidents: 0 - Number of penalties imposed by regulators for privacy violations: 0



07

Environmental Stewardship

- 7.1 Climate Action
- 7.2 Environmental Compliance Management
- 7.3 Resource Efficiency and Circularity
- 7.4 Emissions and Waste
- 7.5 Biodiversity and Ecosystem Protection
- 7.6 Clean Technology Opportunities



Key performance during the reporting period:
 “All 2025 goals of the “14th Five-Year Plan” green and low-carbon plan have been achieved



7.1 Climate Action

ZTT actively supports China's “Dual Carbon” goals by integrating climate-related considerations into corporate strategy and operational management. Through green manufacturing, energy efficiency improvements, low-carbon technology innovation, and coordinated industrial chain decarbonization, the Company continues reducing greenhouse gas emissions and advancing the development of a green and low-carbon industrial ecosystem.

Governance

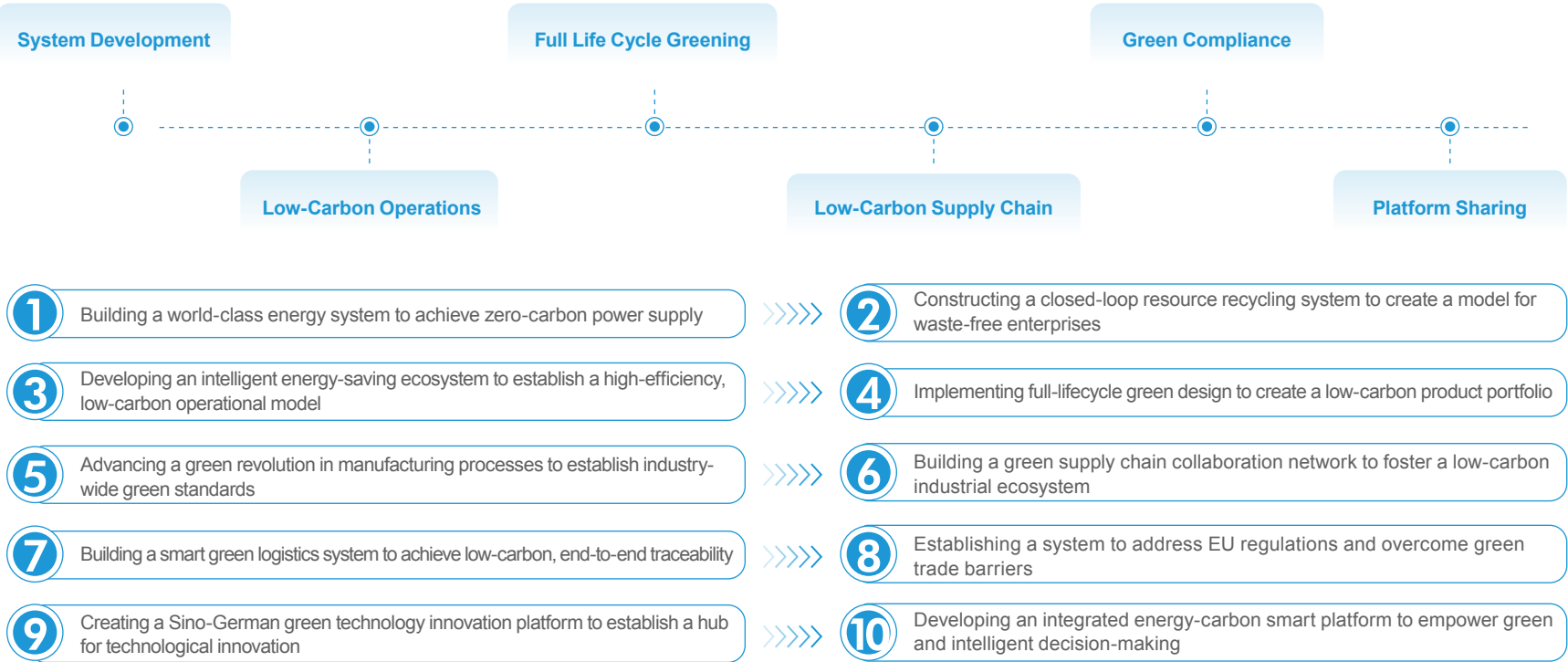
The Company continues strengthening its climate governance framework by expanding the original dual-carbon “three-level special class” structure and assigning industry group presidents as the primary leaders responsible for climate governance within each sector. At the same time, ZTT established eleven dedicated climate-related task forces covering areas such as energy and carbon management, carbon asset management and trading, and zero-carbon supply chains to continuously advance the Company’s sustainability goals.

In parallel, the Company continues enhancing green and low-carbon capabilities through targeted training programs for operational, technical, and management personnel, strengthening carbon management, greenhouse gas verification, climate risk identification, and sustainable business integration across the organization.

Strategy

Against the backdrop of accelerating global climate action and low-carbon transition, ZTT continues integrating climate-related considerations into its corporate development strategy and systematically advancing green and low-carbon transformation initiatives. During the reporting period, the Company conducted comprehensive assessments of climate-related risks and opportunities across both operational and value chain levels.

ESG Sustainability Task Force



To achieve the Company's 2030 zero-carbon goals, ZTT implemented ten strategic action plans under its six-pillar sustainability framework. Key climate-related progress achieved during the 2025 reporting period is summarized as follows:

Create a world-class energy system and achieve zero-carbon power supply

The Company continued advancing its “green power substitution” strategy through distributed photovoltaics, self-owned power generation, and green electricity trading initiatives.

- Generated 94.57 million kWh of solar power.
- Purchased 654,100 green certificates, equivalent to 75.18 million kWh of renewable energy.
- Renewable energy accounted for over 80% of total operational energy consumption.

Build an intelligent energy-saving ecosystem and create an efficient and low-carbon operation paradigm

The Company continued advancing its green manufacturing framework and implementing Green Low-Carbon Manufacturing (GLCM) initiatives across operational and product levels. Key progress during the reporting period included:

- Achieved 7 new national-level Green Factory certifications.
- Obtained 4 Jiangsu Province Zero-Carbon / Near Zero-Carbon Factory certifications.
- Awarded 1 Jiangsu Province Green Factory certification.

Implement full life cycle green design and create a low-carbon product matrix

Adhering to the “3R1D” green design principles, the Company continued expanding its portfolio of green and low-carbon products across submarine cables, optical fibers, and wire and cable solutions. During the reporting period, the Company advanced 62 key initiatives, including 26 green design projects, 19 green manufacturing process initiatives, and 17 energy-efficient equipment and energy-saving technology applications.

Build an energy-carbon integrated smart platform to empower green and intelligent ecision-making

The Company independently developed an “Energy and Carbon Management Platform” featuring a three-tier monitoring network covering company, factory, and equipment levels to support real-time energy monitoring, energy efficiency analysis, abnormality alerts, and carbon accounting.

Key progress included:

- Three-tier energy consumption monitoring implemented across core production lines and equipment.
- Achieved 100% coverage across all major production sites.
- Established multi-dimensional visual dashboards to support data-driven energy optimization, process improvement, and green procurement decisions.

Impact, Risk, and Opportunity Management

The Company integrated climate-related risk management into its enterprise-wide risk management and strategic planning framework, strengthening the identification, assessment, monitoring, and response to climate-related risks and opportunities across both operational and supply chain activities.

Analysis of climate change risks and opportunities at operational and supply chain levels

ZTT Climate Change Risks and Opportunities Analysis Table at the Operational Level				
Type	Time Horizon	Risk Opportunity	Specific Scenario Description	Mitigation Strategy
Physical risks	Long term	Risk	Trade policies such as the EU's Carbon Border Adjustment Mechanism (CBAM) are creating carbon compliance pressures on exports.	Optimize equipment layout, develop emergency response plans for extreme weather, and install temperature control and disaster recovery systems
Transition risks (policy)	Short term	Risk	Administrative carbon constraints, such as power rationing, disrupt production scheduling and delivery.	Implement peak-off-peak electricity scheduling, establish policy early warning mechanisms, and strengthen communication with customers
Transition risks (technology)	Short term	Risk	Outdated equipment and processes result in high energy consumption per unit of output, making it difficult to meet customer requirements.	Promote energy-saving technological upgrades, introduce high-efficiency equipment, and enhance green process design
Transition opportunities (technology)	Short term	Opportunity	Energy-efficient equipment and digital systems can improve operational efficiency and carbon management capabilities.	Promote intelligent operation and maintenance systems and build data-driven green factories
Transition opportunities (reputation)	Short term	Risk	The lack of systematic carbon inventory and management systems undermines customer confidence in the company's green credentials.	Establish carbon footprint management processes, conduct regular inventories and disclosures, and enhance customer trust
Transition risks (reputation)	Long term	Opportunity	Enhancing ESG compliance will help companies gain a first-mover advantage in green branding and green supplier evaluations.	Participate in industry green initiatives, disclose carbon performance, and apply for green factory and product certifications

ZTT Climate Change Risks and Opportunities Analysis Table at the Value Chain Level				
Type	Time Horizon	Risk Opportunity	Specific Scenario Description	Mitigation Strategy
Transition risks (policy)	Long term	Risk	Trade policies such as the EU's Carbon Border Adjustment Mechanism (CBAM) are creating carbon compliance pressures on exports	Launch CBAM compliance pilot programs, product carbon footprint certification, and establish mechanisms for carbon information transparency
Transition opportunities (policy)	Long term	Opportunity	National policies promoting green manufacturing incentives and prioritizing the procurement of green products continue to advance	Apply for Green Factory and Green Product certifications, and secure subsidies and industry credit bonuses
Transition Risk (Market)	Long term	Risk	Customer demands for green procurement, low-carbon products, and shorter delivery cycles are increasing	Expand the green certification system, increase the coverage of green products, and enhance responsiveness
Transition Opportunity (Market)	Long term	Opportunity	Demand for green, low-carbon optical cables is growing in overseas markets, leading to a rise in green orders	Develop low-carbon optical cables and carbon-labeled products, and build green brand influence
Transition risks (technology)	Short term	Risk	Rapidly evolving customer requirements for green technologies, coupled with insufficient supplier responsiveness, are resulting in missed delivery targets	Establish green product standards, promote the joint development of green technology platforms with suppliers, and improve benchmarking mechanisms
Transition opportunities (technology)	Long term	Opportunity	Customers are showing increased willingness to collaborate on the R&D of new green technologies and products	Proactively collaborate with customers on green product development to secure a first-mover advantage in cutting-edge markets
Transition risks (reputation)	Long term	Risk	Customers impose strict restrictions on suppliers with opaque carbon disclosure and non-compliant carbon management practices, impacting corporate reputation and order acquisition	Enhance carbon transparency across the value chain; promote carbon inventorying and green compliance awareness among Tier 1 suppliers
Transition opportunities (reputation)	Long term	Opportunity	Companies that obtain green certifications and demonstrate excellent carbon performance will be granted priority supplier status by customers	Establish a green supply chain evaluation mechanism; apply for green factory and green product certifications to enhance customer trust

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Metrics and Targets

Building upon the “14th Five-Year Plan” Green and Low-Carbon Development Strategy, the Company established the Green Low-Carbon Manufacturing (GLCM) Action Plan as a core implementation framework, with phased targets benchmarked against 2020 levels. In 2025, ZTT further initiated planning for the “15th Five-Year Plan” green and low-carbon strategy, with key targets and progress summarized as follows:

The 2025 goals of the “14th Five-Year Plan” green and low-carbon plan	Achievements in 2025	The 2030 goals of the “15th Five-Year Plan” green and low-carbon plan
Carbon emissions per 10,000 yuan of output value dropped by 30 % compared to 2020	Achieve	Carbon emissions per 10,000 yuan of output value dropped by 50 % compared with 2020
The proportion of renewable energy used at the operational level should not be less than 80 %	Achieve	At the operational level, we strive to achieve 100 % renewable energy use

The Company continues strengthening the standardization and transparency of greenhouse gas emissions management through regular carbon verification and independent third-party assurance. During the reporting period, 100% of production bases completed greenhouse gas verification and obtained ISO 14064 verification certification, supporting the Company’s carbon management and emission reduction target framework.

7.2 Environmental Compliance Management

ZTT continues strengthening environmental compliance management through a full-process environmental governance framework covering system development, risk identification, supervision, inspection, and performance assessment. In 2025, the Company issued the ZTT EHS Management Manual and enhanced its EHS Management Committee framework to further strengthen environmental risk control, compliance oversight, digital management capabilities, and sustainability-related training and education.

Environmental Management System

Guided by its EHS philosophy of “Strengthening our foundation through safety, securing long-term development through environmental protection, and building well-being through health,” the Company established an EHS Committee led by the Chairman and continues promoting ISO 14001-aligned EHS management systems across all production bases and subsidiaries.

As of the end of the reporting period

100 % of our production facilities have obtained ISO 14001 certification.

EHS Organizational Structure

EHS Committee

It is composed of the chairman, president, regional crisis management leaders, presidents of each industry, general manager of the safety and environmental protection department, heads of each functional department, and heads of each product company.

- (1) Responsible for setting EHS goals and being the decision-maker and promoter of EHS management.
- (2) Supervise the operation of the EHS management system to ensure the effectiveness and continuous improvement of the system.
- (3) Hold regular meetings to coordinate and resolve major issues in the EHS field.

General manager of each unit (factory director)

- (1) Responsible for the overall implementation and supervision of the unit’s EHS management.
- (2) Ensure that EHS goals are consistent with the group’s strategy and perform EHS mand implementation responsibilities.
- (3) Provide sufficient resources and support for EHS management, which is the backing of EHS management.

Safety and environmental supervisors and managers of each unit

- (1) Responsible for the specific implementation and comprehensive management of daily EHS, and is the executor and supervisor of EHS management.
- (2) Ensure the effective implementation of EHS measures, regularly carry out hidden danger inspections, and track the progress of rectification.
- (3) Supervise the implementation of EHS regulations and be the guardian of EHS regulations.
- (4) Organize EHS training, inspections and emergency drills.

ZTT incorporated environmental management into its performance assessment framework through the implementation of the ZTT EHS Reward and Punishment System and dedicated environmental performance evaluation mechanisms. Annual EHS targets are systematically cascaded across factories and product subsidiaries, with all environmental management objectives achieved during the reporting period.

Environmental Management Indicators and Goals For 2025-2027

Indicators	2025 goals	2025 Achievements	2026 goals	2027 goals
Compliance disposal rate of waste (%)	100	100	100	100
Wastewater, exhaust gas, and solid waste (waste water, waste gas, noise) detection pass rate (%)	100	100	100	100
Hazardous waste recycling rate indicator (%)	90	91.2	95	100
Non-hazardous waste recycling rate	90	92.3	95	100
Non-hazardous Waste intensity	0.0085	0.0073	0.007	0.0068
General waste intensity	0.0075	0.0064	0.0062	0.0060
Hazardous waste intensity	0.0015	0.00088	0.00086	0.00083

Environmental Risk Management

The Company identifies, analyzes, evaluates and controls risks by establishing a risk assessment process, and clarifies responsible entities and control measures based on risk levels. In response to key risks, the Company conducts full-process control through engineering and technical measures, management measures and emergency plans. At the same time, the Company actively applies information technology and digital tools to strengthen the dynamic monitoring and early warning capabilities of environmental risks and continues to improve the scientific nature and effectiveness of environmental risk management.

EHS Risk Assessment and Management Process



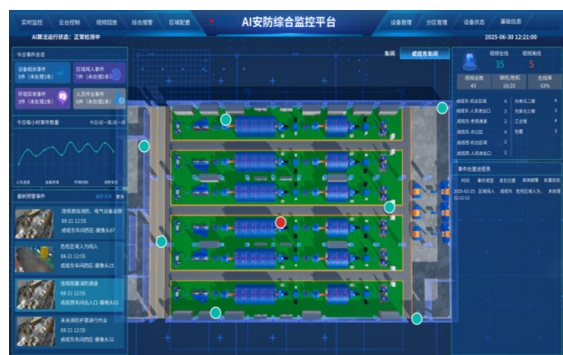
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Case

AI Identifies Environmental Risks and Hazards

The Company's system builds an "AI + security" comprehensive management platform. Install AI intelligent monitoring in key risk areas such as hazardous waste warehouses and hazardous chemical warehouses for risk management and control; in addition, add AI surveillance cameras at the work site to identify unsafe behaviors of personnel and call the police to take preventive

measures. Through all-round intelligent monitoring and early warning of the entire production process, the management model can be upgraded from passive response to active prevention, improving the real-time, accurate and intelligent level of safety management, and providing reliable technical guarantee for the Company's safe production.



AI security comprehensive monitoring platform interface



7.3 Resource Efficiency and Circularity

Energy Management

With reference to ISO 50001 and other standards, ZTT has formulated an energy management system based on the "Energy Management Manual" and built an energy management organizational structure covering the three levels of the Company, industrial group and factory.



ISO 50001
ENERGY MANAGEMENT SYSTEM
CERTIFICATION CERTIFICATE

Energy Management Organizational Structure

Jiangsu Zhongtian Technology Co., Ltd.	Information and Communications	ZTT Radio Frequency Cable ZTT Communication Technology		ZTT Technology Fiber Optics Jiangdong Technology		ZTT Technology Advanced Materials ZTT Broadband ZTT Maroc ZTT Indonesia	
	Electricity	ZTT Power Optical Cable ZTT Alloy	Jiangdong Alloy ZTT Light Alloy	ZTT Aluminium Wire ZTT Cable Accessories		ZTT Electric ZTT Bright Transformer Jiangdong Equipment Demirer Cable	
	New Energy	ZTT Energy Storage ZTT Electronic Materials	Jiangdong Electronic Materials ZTT Yupin		ZTT Supercapacitor ZTT Carbon Material		ZTT Photovoltaic Materials
	Ocean	ZTT Marine Systems	ZTT Industrial Cable System		ZTT Submarine Cable		Nanhai Submarine Cable

Case

Energy and Carbon Management Platform Construction Plan

In response to the development trend of the national carbon market, The Company plans to establish a unified energy and carbon management platform, integrate MES, SRM, EMS and other system data, and build a digital management system covering energy consumption, carbon emission accounting, product carbon footprint and carbon asset management. Through the data collection model of "automatic collection + manual review", the platform realizes real-time monitoring and accurate analysis of energy carbon data, and gradually expands to supply chain carbon data management. The Company plans to promote platform construction in stages, realize the application of The Company platform for key products by 2029, comprehensively improve the digital level of energy management and carbon emission management, and help achieve the "Dual Carbon" goal.

Water Resources Management

To strengthen scientific water management and maximize water conservation, the Company conducted water balance assessments across high water-consumption factories and developed dedicated Water Balance Test Reports to evaluate water usage conditions, identify conservation opportunities, and optimize water management practices.

The Company utilizes municipal water supplies for both production and domestic use, while production wastewater and domestic sewage are treated through on-site wastewater treatment facilities before compliant discharge into municipal sewage networks. At the same time, ZTT implemented a three-level water-saving management system supported by dedicated water conservation leadership teams and formal management policies, including the Water Saving Management System. Through regular awareness training, internal campaigns, and water conservation initiatives, the Company continues fostering a strong culture of water efficiency and responsible resource management across its operations.

7.4 Emissions and Waste

ZTT strictly complies with environmental regulations including the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, while continuously reducing environmental impacts across its operations. During the reporting period, the Company achieved a 100% compliance rate for wastewater, exhaust gas, and solid waste emissions, as well as hazardous waste disposal.

Emissions and Waste



The Company established the Pollutant Management Regulations to strengthen wastewater management and pollution control, including requirements for rainwater and sewage separation, centralized wastewater treatment, and compliant discharge management. Production wastewater is centrally collected and treated, with key indicators such as COD, ammonia nitrogen, and heavy metals subject to regular monitoring by qualified third-party agencies. In the event of abnormalities, immediate investigation and corrective actions are implemented to ensure stable and compliant emissions.



The Company established the Exhaust Gas Emission Management System to strengthen emission control standards, operational management, and treatment requirements for exhaust gas facilities. Each factory implements dedicated waste gas treatment systems and online monitoring for key emission indicators, supported by trend analysis and early warning mechanisms to ensure compliant emissions.



The Company established a full-process solid waste management framework covering identification, classification, registration, storage, transfer, and disposal. Hazardous waste is 100% handled by qualified disposal providers, with the entire transfer process subject to closed-loop supervision through the Company's environmental monitoring platform.

Recycling

The Company continues advancing waste resource utilization by converting production waste into reusable resources, reducing environmental impact while improving recycling efficiency and lowering raw material and disposal costs. To support its recycling targets of 95% by 2026 and 100% by 2027, factories and product subsidiaries implemented equipment upgrades and strengthened collaboration with specialized external partners to enhance resource recovery and reduce pollutant emissions.

The Company has set recycling rate targets:

95% by 2026 and **100%** by 2027

Case

Solvent Oil Waste Gas Condensation Recovery Project



As the demand for high-temperature cable production capacity increases, the solvent oil used in the mixing process produces a large amount of volatile organic compounds (VOCs) in the volatilization process, which increases the operating load of the exhaust gas treatment system. The Company has equipped 6 production lines with 3 sets of two-stage series condensation devices. The solvent oil in the exhaust gas is condensed, recovered and recycled through air-water heat exchange. After the project is stabilized, the solvent oil recovery rate will be about 50%. The recycled solvent oil can replace part of the newly purchased solvent oil, which can reduce VOCs emissions by about 20 tons every year.

Case

Aluminum Ash Closed-Loop Recycling Project



Hazardous waste, such as aluminum dross, is generated during the aluminum smelting and casting processes. To mitigate environmental risks and improve resource utilization efficiency, the Company has established a closed-loop recycling system for aluminum dross. After being collected in accordance with regulations, aluminum dross is sent to specialized facilities for harmless treatment. Through processes such as catalytic de-ammonification, ammonia absorption, and fluoride fixation, it is converted into recycled alumina, which is then used in the production of refractory materials. The Company then repurchases the resulting refractory materials for the maintenance of aluminum smelting furnaces, thereby achieving a closed-loop resource cycle of "generation—disposal—recycling—reuse." This approach ensures the compliant disposal of hazardous waste while improving the efficiency of aluminum resource utilization, with an aluminum recovery rate of up to 100%.



7.5 Biodiversity and Ecosystem Protection

ZTT places strong emphasis on biodiversity protection and established the Biodiversity Protection Commitment to integrate ecological protection into its sustainable development strategy. During project planning, construction, and operations, the Company assesses potential environmental impacts, prioritizes the protection of ecologically sensitive areas, and implements measures to minimize impacts on ecosystems and habitats.

The Company also promotes biodiversity awareness across its supply chain and encourages ecological stewardship among business partners. As of the end of the reporting period, no production bases were located within key ecological functional zones, ecological protection red lines, or protected natural reserves.

7.6 Clean Technology Opportunities

ZTT regards clean technology innovation as a core development strategy, focusing on new energy transmission systems, lithium battery and energy storage technologies, low-carbon communication infrastructure, and smart grid efficiency solutions to support global energy transition and low-carbon economic development. During the reporting period, clean technology products contributed 23.54% of total revenue.

During the reporting period

clean tech products accounted for **23.54%** of the revenue

R&D expense management goals:

ZTT sets an average annual growth rate of R&D expenses of not less than **0.5%**

New Energy Transmission Systems:

As offshore wind development accelerates into deeper waters, ZTT Submarine Cable continues advancing high-voltage and deepwater submarine cable technologies to support long-distance, large-capacity renewable energy transmission. During the reporting period, the Company achieved a key technological breakthrough with its independently developed 500kV cross-linked polyethylene insulated submarine cable designed for 1,000-meter water depths, strengthening reliable offshore wind grid integration and deep-sea renewable energy deployment. The product received the 2025 Green Design International Award from the World Green Design Organization (WGDO).



Green Design International Award

** Remark: best to use on the certification, and not with human faces.

Lithium Battery Production and Energy Storage Systems: ZTT Energy Storage focuses on lithium battery manufacturing and energy storage system R&D to support renewable energy integration and grid stability. The Company has evolved into a GW-level energy storage system integrator, with products exported to more than 30 countries and regions worldwide.

Leveraging proprietary automated production and intelligent warehousing technologies, ZTT continues improving manufacturing efficiency, product consistency, and low-carbon performance. In 2025, energy storage shipment volume reached 9GWh, while the business was recognized as a “National Green Factory” and “Jiangsu Province Advanced Smart Factory.”

Low-carbon communication infrastructure: Low-oxygen copper poles can be used as communication cables, and the energy consumption of their production lines is mainly natural gas and electricity. By transforming the loading trolley, copper outlet and shaft furnace refractory materials, Jiangdong Alloy has optimized its operating methods. Natural gas unit consumption has dropped from 38.81m³/t before the transformation to 33.85m³/t in 2025. It is expected that natural gas unit consumption will be reduced to 33m³/t in 2026, striving to become an industry model.

Low-Carbon Communication Infrastructure: Jiangdong Alloy continued optimizing low-oxygen copper rod production processes through equipment and operational upgrades, reducing natural gas consumption from 38.81m³/t to 33.85m³/t in 2025. The Company targets further reduction to 33m³/t by 2026 as part of its low-carbon manufacturing strategy.

Smart Grid and Grid Efficiency Improvement: The Company integrates green manufacturing principles into the development of clad alloy wire technologies, enhancing conductivity, durability, and material efficiency while reducing resource consumption. Through proprietary intelligent manufacturing and continuous casting technologies, ZTT achieved approximately 30% lower energy consumption per unit product compared with the industry average.

At the same time, the Company strengthened circular economy initiatives through recycling and purification technologies, achieving over 95% recovery rates for major metals such as copper and aluminum. Third-party verification confirmed that the carbon footprint of related products decreased by more than 40% compared with the baseline year.

Green Product Full Life Cycle Management System

ZTT adheres to a “full life cycle management” philosophy, integrating sustainability across product design, manufacturing, usage, logistics, and recycling processes. Through a green value chain approach, the Company continues reducing resource consumption and environmental impact while delivering efficient and low-carbon product solutions.



During product design and development, the Company evaluates environmental impacts across raw materials, manufacturing, transportation, usage, and end-of-life disposal, prioritizing low-impact materials and integrating recyclability and resource recovery principles into product design.



Guided by its green and intelligent manufacturing strategy, the Company continues enhancing production efficiency through process optimization, intelligent equipment upgrades, and lean manufacturing practices. At the same time, ZTT actively advances energy conservation, cleaner production, and emission reduction initiatives to minimize environmental impact while maintaining high product quality standards.



The Company continues advancing the intelligent and low-carbon transformation of its logistics operations through the deployment of electric forklifts, automated guided vehicles (AGVs), and electric transportation solutions across factory and short-distance distribution activities. By optimizing transportation efficiency and reducing reliance on conventional fossil-fuel logistics systems, ZTT continues lowering supply chain carbon emissions while supporting greener and higher-quality industrial development.



The Company continuously enhances product reliability, durability, and energy efficiency to support lower operating costs and reduced lifecycle emissions for customers. In sectors such as communications, power transmission, and marine engineering, ZTT applies advanced corrosion-resistant and high-performance materials together with optimized system designs to improve operational efficiency under demanding service environments.



The Company continues strengthening circular economy practices through resource conservation, material recycling, and sustainable packaging initiatives. By prioritizing recyclable and low-impact materials while advancing product recovery and reuse programs, ZTT continues improving lifecycle resource efficiency and reducing environmental impact.

The Company progressively conducts Product Life Cycle Assessments (LCA) to systematically evaluate environmental impacts across the entire product life cycle and support continuous optimization of product design and manufacturing processes. As of the end of the reporting period, LCA assessments had been completed for 108 product series, providing data support for green product development and carbon reduction management.

08

Sustainable Value Chain

- 8.1 Sustainable Supply Chain
- 8.2 Technology Innovation
- 8.3 Product Quality and Safety
- 8.4 Customer Service



Key performance during the reporting period

The percentage of target suppliers that have passed CSR on-site audits is

100 %

R&D personnel account for

18.25 %

of the total number of employees

of which

18.03 %

are personnel with a master's degree or above

A total of

195

industry-university-research projects are under research

8.1 Sustainable Supply Chain

Governance

ZTT regards the development of a resilient, transparent, and sustainable supply chain ecosystem as a key component of its long-term corporate strategy. Through integrated governance frameworks, digitalized management systems, and strict compliance controls, the Company continues strengthening supply chain resilience, operational integrity, and sustainable procurement practices.

Supported by cross-functional collaboration and the implementation of the SRM (Supplier Relationship Management) platform, ZTT has established end-to-end digitalized management covering supplier qualification, procurement execution, performance evaluation, and risk control across the supply chain lifecycle.



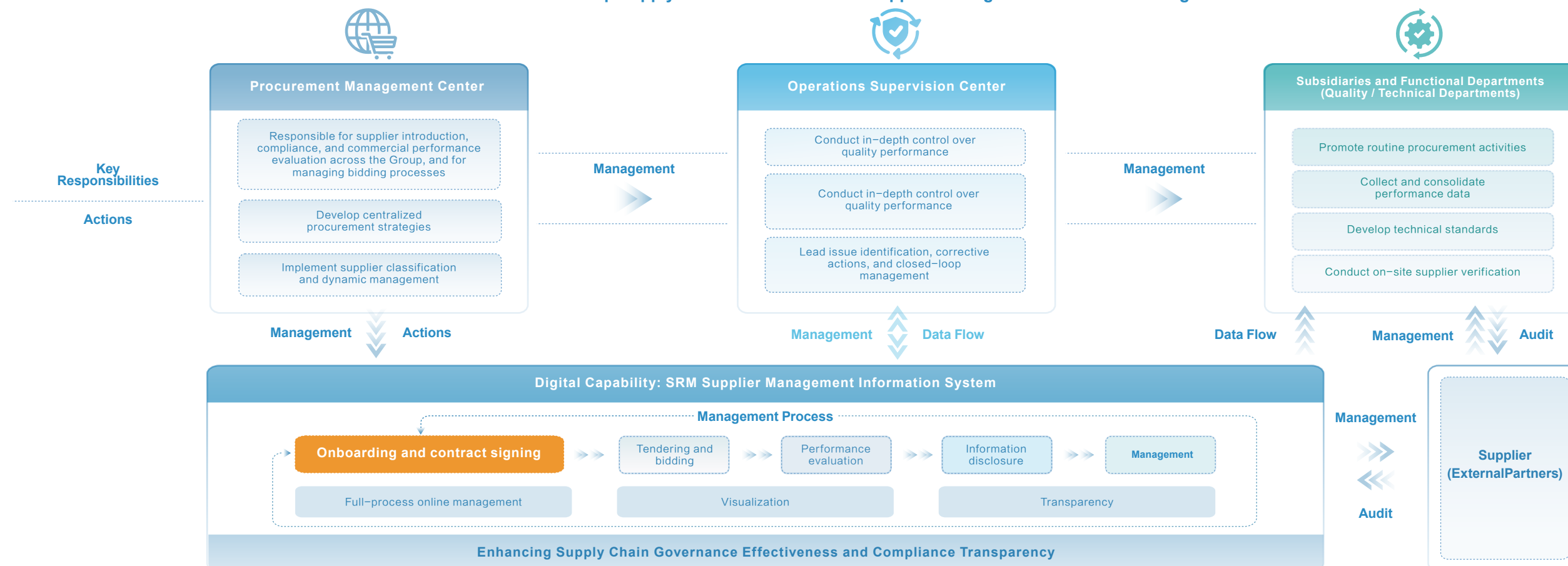
Excellent Practice: ZTT Energy Storage establishes supply chain ESG due diligence system

During the reporting period, ZTT Energy Storage strengthened its supply chain ESG governance in response to evolving international compliance requirements, including the EU Battery Regulation, Corporate Sustainability Due Diligence Directive (CSDDD), and Forced Labour Regulation. The Company established a dedicated supply chain due diligence framework covering environmental, labor, human rights, and business ethics risks across the battery supply chain.

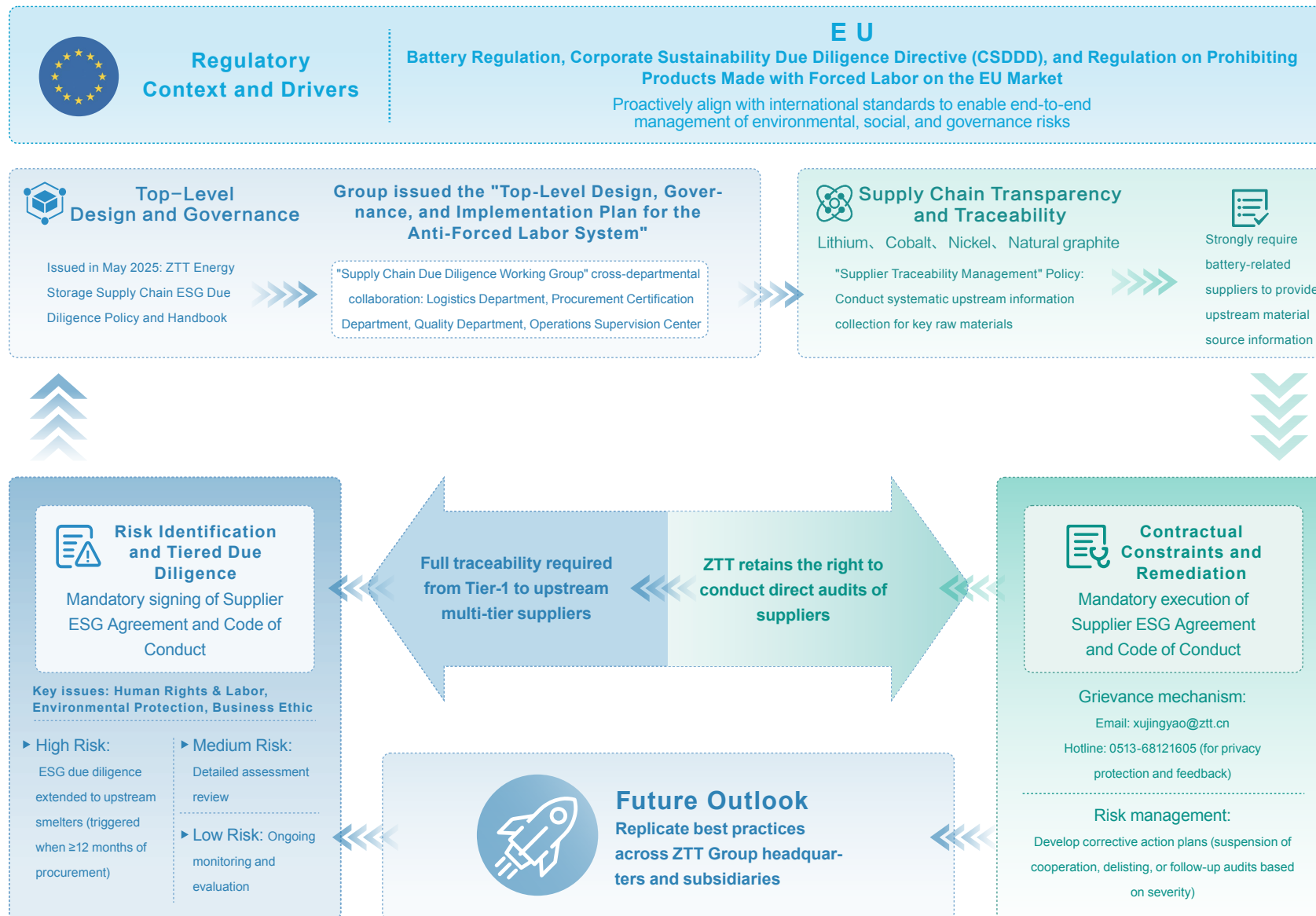
To strengthen governance execution, ZTT Energy Storage introduced dedicated due diligence policies, cross-functional management teams, supplier traceability systems for key battery raw materials, and risk-based ESG assessments covering suppliers and upstream partners. Suppliers are required to comply with ESG commitments and corrective action requirements, while high-risk suppliers are subject to enhanced audits and independent verification.

The Company also established protected public reporting channels and remediation mechanisms to strengthen transparency, accountability, and responsible supply chain management. Moving forward, ZTT plans to progressively extend this high-standard ESG due diligence framework across all subsidiaries and global operations to support the development of a more resilient, transparent, and sustainable supply chain ecosystem.

Group Supply Chain Governance and Supplier Management Architecture Diagram

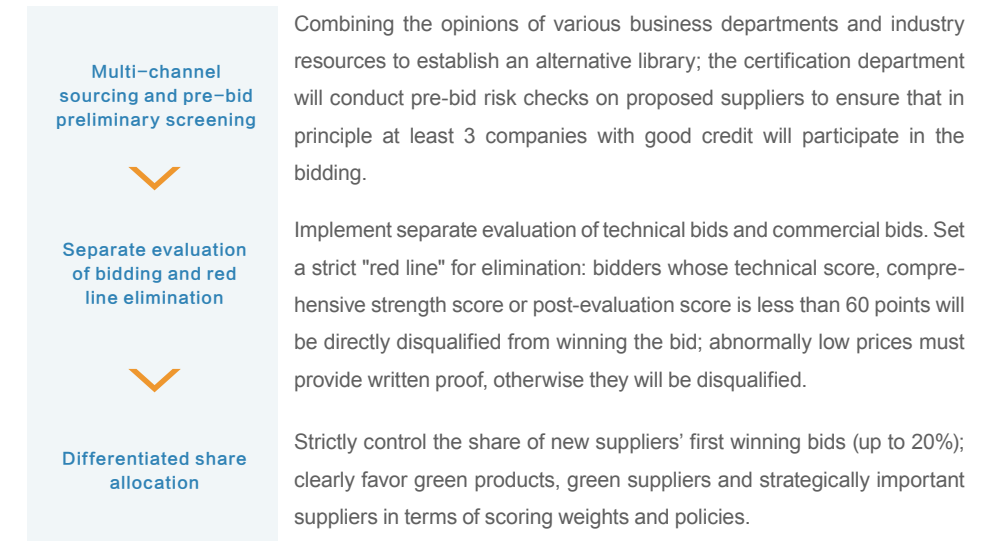


ZTT Energy Storage Supply Chain ESG Due Diligence Framework



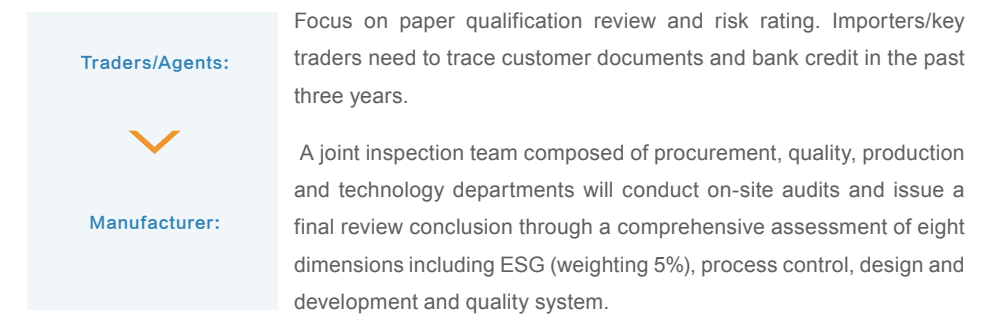
Building a Globally Competitive Green Supply Chain Ecosystem with Transparency and Accountability

Supplier Screening

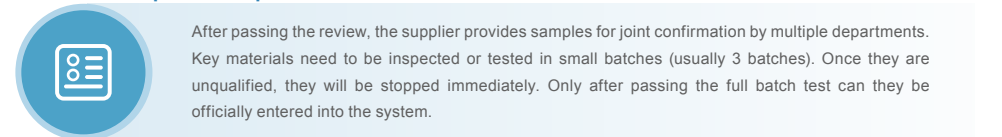


Supplier Onboarding

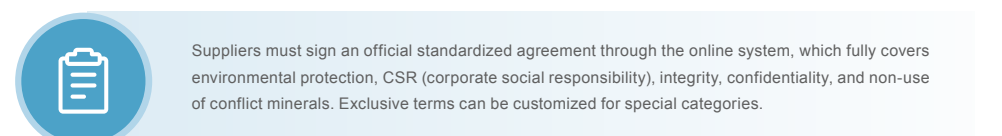
Classification qualification pre-review and on-site inspection (post-bid inspection is strictly prohibited):



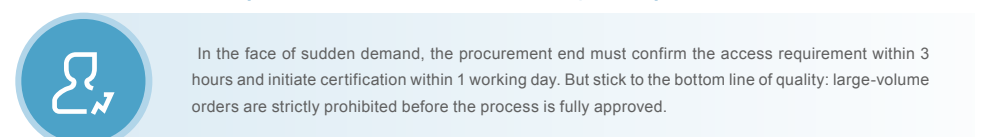
Closed loop of sample verification and small batch trial:



100% signed compliance basic agreement:



Extremely fast response mechanism for emergency procurement:



Supplier Screening and Onboarding

ZTT established a rigorous full-life-cycle supplier management framework integrating supplier screening, onboarding, tendering, and performance evaluation into a closed-loop governance process. Through cross-functional assessments, due diligence reviews, product testing, and compliance verification, the Company ensures approved suppliers meet required standards in quality, delivery, environmental performance, and business ethics.



Excellent Practice:

Green Supplier Assessment and Star Certification with High Standards ESG as the Core

To strengthen sustainable supply chain development, ZTT established a high-standard Green Supplier management and certification framework within its SRM system. Suppliers are evaluated through a multi-dimensional ESG assessment model, with qualified suppliers awarded 2- to 5-star Green Supplier certifications based on overall performance.

The certification results directly influence supplier evaluation weightings and bidding allocation strategies. Beyond conventional ISO-based assessments, the framework incorporates broader ESG criteria aligned with internationally recognized sustainability and responsible supply

Assessment Dimension	Key Evaluation Criteria	Standards and Detailed Requirements
 Veto items with one vote (Bottom line of compliance)	Strict Enforcement of Operational Red Lines, with Immediate Disqualification upon Breach	Set environmental assessment procedures and environmental protection completion acceptance, pollutant discharge permit, no illegal activities and major environmental/safety accidents in the past three years, and legal and compliant disposal of hazardous waste/solid waste as ""veto" mechanism" indicators.
 Qualifications (Advanced Carbon Management and International Ratings)	Moving Beyond Single Certifications to Integrate International Ratings and Carbon Asset Tracking	Dual-carbon and green factories: assess the evaluation of national/provincial "green factories" and "zero-carbon factories". Bonus points for international ratings: EcoVadis (10 points for the highest platinum level), CDP Climate Questionnaire (10 points for grade A), SBTi (Science Based Target) certification. Carbon data tracking: Focus on companies that have obtained third-party greenhouse gas verification reports, product carbon footprint reports and carbon neutral certificates for three consecutive years.
 Green Procurement (Transmitted to sub-tier suppliers)	Cascading Mechanism to Strengthen Upstream Supply Chain Management	Assess whether suppliers have incorporated green development into their mid- and long-term plans, and require that environmental protection requirements such as restrictions on hazardous substances, use of recyclable materials, and energy efficiency be mandatory to downstream suppliers in their own procurement contracts and bidding documents.
 Green Design (Full life cycle front-end)	According to "General Principles of Product Ecological Design" (GB/T 24256)	Source emission reduction: The R&D front-end uses digital simulation technology to reduce trial production waste. Materials and structure: Prioritize the use of environmentally friendly materials; rationalize product assembly and disassembly design to reduce later disassembly and maintenance costs.
 Green Production (Clean energy and process control)	Focus on emission reductions in the production process	Clean energy: Encourage self-built solar/wind energy or subscribe for green electricity/green certificates (extra points will be awarded if the green electricity usage ratio is >10%). Process innovation: Evaluate the feasibility of reducing harmful chemicals and replacing recyclable materials; quantitatively assess the comprehensive energy consumption reduction rate of unit products and the actual effectiveness of energy-saving technical reforms.

Assessment Dimension	Key Evaluation Criteria	Standards and Detailed Requirements
 Green Delivery (Low carbon packaging and green logistics)	Low-carbon control extends to products after they leave the factor	Sustainable packaging: Promote packaging reduction, reuse and recycling. Green transportation: Mandate or encourage self-owned and third-party entrusted logistics to use National VI standards or new energy freight vehicles that meet the latest national environmental protection requirements.
 Green Recycling (waste recycling)	Establish a refined material management system	Based on the concept of the full life cycle of products, a refined management system for waste production materials (non-auxiliary materials) has been established to ensure that waste can be effectively recovered and recycled efficiently.
 Green Information Platform (Smart control and public supervision)	Drive digital carbon reduction and information transparency	Digital energy efficiency: High energy-consuming suppliers with an annual energy consumption of more than 300 tons of standard coal need to establish a smart energy efficiency management and control center with real-time data reading capabilities. Openness and transparency: Establish an information disclosure platform (disclose CSR reports, carbon inventory data and green electricity usage details), actively connect with third-party big data systems such as IPE (Institute for Public and Environmental Research) Blue Map, and accept real-time public supervision.

Supplier Performance Evaluation and Auditing

ZTT is committed to building a fair, transparent, and comprehensive supplier performance management framework to strengthen supplier capabilities and foster long-term, sustainable partnerships. By integrating daily performance monitoring with regular evaluation and audit mechanisms, the Company continues enhancing supply chain management efficiency and governance effectiveness.

Daily assessment and dynamic supervision mechanism

ZTT implements a structured supplier performance management framework covering monthly, quarterly, and annual assessment cycles to strengthen supply chain quality, delivery reliability, and operational performance.

Monthly evaluations primarily focus on supplier quality performance, with scoring based on the severity and frequency of quality-related issues. Suppliers with continuously low scores may trigger management reviews or supply suspension procedures. Quarterly assessments adopt a comprehensive weighted evaluation model, with quality performance accounting for 60% and operational performance accounting for 40%, covering indicators such as delivery punctuality, rectification responsiveness, approval rates, and corrective action implementation.

Based on overall assessment results, suppliers are classified into A–D performance categories, with underperforming suppliers subject to focused management intervention, rectification requirements, or suspension measures where necessary.

Annual Planning and Supervision Review

Quarterly assessment results serve as key inputs for the annual comprehensive supplier evaluation framework, in which ESG performance accounts for 10% of the overall annual assessment. ESG evaluations cover environmental management, occupational health and safety, green factory initiatives, carbon management, and on-site audit performance.

During the reporting period, ZTT conducted planned supervision and audits covering 218 core suppliers through a combination of on-site and online assessments to strengthen continuous ESG and operational oversight. Moving forward, the Company plans to progressively incorporate independent ESG ratings and sustainability disclosures into its supplier evaluation framework to further strengthen sustainable supply chain governance.

Supplier Rectification and Closed-Loop Management

In response to issues identified through audits and performance evaluations, ZTT established a strict supplier rectification and closed-loop management mechanism. Suppliers are required to implement corrective actions within defined timelines based on the severity of identified issues, while ZTT continuously tracks rectification effectiveness and recurrence rates through ongoing verification processes.

Corrective action responsiveness and repeated non-compliance are directly incorporated into supplier performance evaluations. Suppliers demonstrating poor rectification performance or repeated violations are subject to intensified management actions, reinforcing continuous improvement and stronger supply chain risk control.

Case

2025 Battery Supply Chain Third-Party ESG Due Diligence Trial



In order to comply with supply chain due diligence requirements such as the EU Battery Regulation, ZTT Energy Storage developed a battery supply chain ESG audit system and entrusted the third-party organization TÜV SÜD to conduct on-site due diligence and audit trials on a core battery supplier, covering the four dimensions of environment, society, business ethics and material traceability.

In response to the management weaknesses and non-conformities identified in the third-party audit, The Company formulated a complete rectification plan including temporary corrective countermeasures and long-term preventive measures. Considering the difficulty of systematic and objective rectification of some ESG issues, The Company has adopted a scientific phased rectification strategy and set a reasonable rectification cycle ranging from 6 months to 1 year. It continues to track the phased implementation results of various rectification indicators through regular desktop data verification and progress reporting to ensure that all corrective measures are completely closed within the established period.

Supplier Communication and Training

To strengthen responsible procurement and supplier engagement, the Company continued conducting supplier communication, ESG training, and integrity promotion initiatives through supplier conferences, online programs, and compliance campaigns. During the reporting period, ESG-related engagement activities covered 1,102 suppliers, including 302 participants at supplier conferences, while dedicated integrity promotion activities were conducted with selected suppliers to reinforce supply chain compliance awareness.

At the same time, ZTT recognized 120 suppliers for outstanding performance across areas including innovation, quality, green manufacturing, service excellence, and strategic cooperation, encouraging continuous improvement and long-term sustainable supply chain development.



2025 Supplier Training

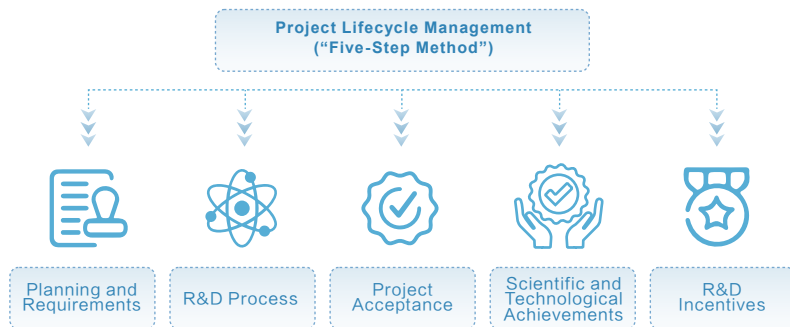


Participate in the Conductor Materials Development Forum

8.2 Technology Innovation

Governance

ZTT established a comprehensive R&D innovation management framework led by a dedicated Technical Committee to coordinate technology strategy and scientific research direction. Guided by the Basic Management Measures for Science and Technology Projects, the Company implements a full project lifecycle management system covering planning, R&D execution, project acceptance, commercialization of scientific achievements, and innovation incentives to strengthen technological capability, accelerate industrial application, and support sustainable development.



The Company deployed an integrated RDM innovation platform to digitalize and streamline the entire scientific research management process, enabling end-to-end online management from project initiation to achievement commercialization. The platform strengthens intelligent R&D governance, improves collaboration efficiency, and provides systematic support for innovation teams.

Strategy

ZTT drives corporate development through differentiated innovation, continuously advancing key technological breakthroughs across smart grids, ocean energy, new energy, and optical communications.

During the reporting period

we added

5 new national-level specialized and sophisticated "Little Giant" companies

bringing the total number to

19

Looking ahead, ZTT will continue capturing opportunities arising from domestic economic circulation, regional development, and digital intelligence transformation. The Company remains committed to integrating technological and product innovation across future industries, smart grids, marine economy, new energy, and communication infrastructure, while advancing its vision of building a stronger global ZTT and driving high-quality sustainable development.

R&D Talents and Innovation Incentives

ZTT places strong emphasis on building its R&D talent pipeline and continuously strengthens its innovation talent framework through multi-level talent recruitment, development, and training initiatives to enhance the overall capabilities of its research and development teams.

During the reporting period

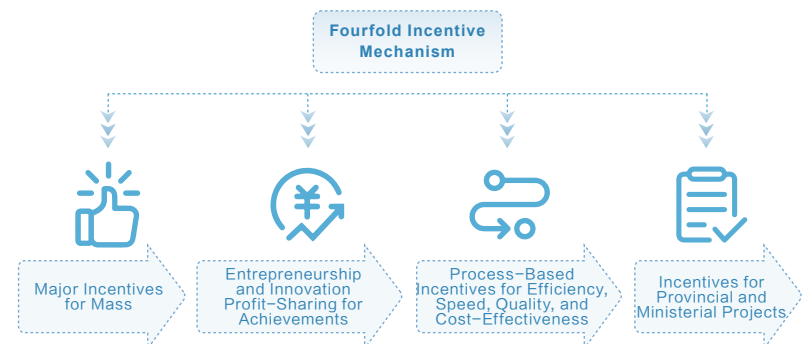
R&D personnel accounted for

18.25 %

personnel with a master's degree or above

18.03 %

While strengthening its R&D talent foundation, the Company continues enhancing its scientific research incentive framework to fully unlock innovation potential. Guided by a contributor-oriented culture, ZTT established a multi-dimensional R&D incentive system that rewards innovation achievements and research contributions, driving continuous breakthroughs in key core technologies.



Industry-University-Research Collaborative Innovation

ZTT actively advances industry-academia collaboration by partnering with leading universities and research institutions to accelerate key technology development and commercialization. The Company currently participates in three provincial key laboratories focused on marine energy transmission, advanced optoelectronic integrated chips, and advanced optical transmission and switching networks.

At the same time, ZTT established multiple joint research platforms with leading academic institutions to support collaborative innovation in electrical materials, marine cables, and industrial technologies. During the reporting period, these platforms supported 14 joint R&D projects and achieved five key technical breakthroughs.

During the reporting period

these platforms supported

14 joint R&D projects

achieved

5 key technical breakthroughs

As of the end of the reporting period

Ongoing industry-university-research projects:

195

Cooperation funds: nearly

28.45 million USD

Provincial key laboratories:

3

Joint R&D platforms:

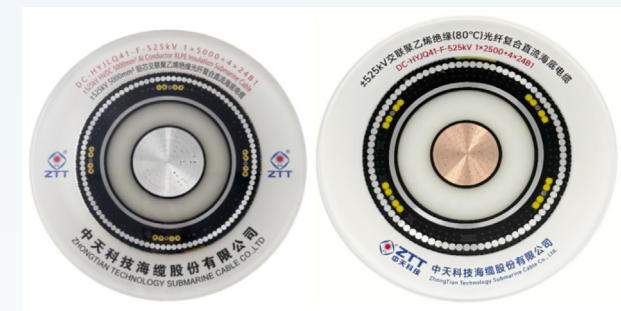
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Annual technical achievements:

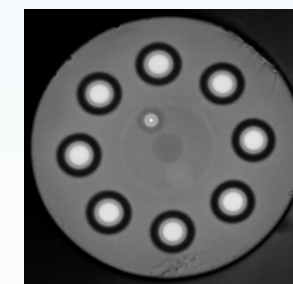
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Key Technological Breakthroughs and Innovative Achievements

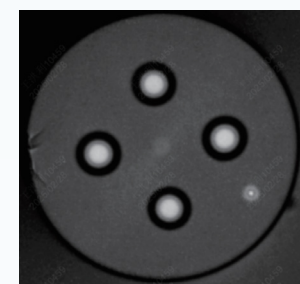
ZTT continues advancing key technological breakthroughs across high-voltage cables, submarine cables, and marine equipment. During the reporting period, the Company achieved progress in advanced technologies including 750kV cable systems, 330kV–500kV AC/DC submarine cable systems, deep-sea dry/wet plug connectors, and hollow-core optical fibers, with more than 30 new technologies and products successfully passing national-level appraisals and release procedures.



±525kV Large Cross-Section Unequal Diameter
High Voltage DC Submarine Cable



Eight-Core Optical Fiber
End Face



Four-Core Optical Fiber
End Face

Case

Hollow-Core Optical Fiber Technology Helps Upgrade Communications Networks In The Middle East



The hollow-core optical fiber technology independently developed by ZTT was successfully applied in the network pilot project of e&, the leading telecommunications operator in the United Arab Emirates, realizing the first verified application of this technology in the Middle East. The pilot project uses the overall solution of ZTT's hollow core optical fiber, and the Company's expert team participates in the entire process of technical design, on-site deployment and fiber fusion splicing installation support. Test results show that compared with traditional optical fibers, the transmission delay is reduced by about 30%, fully reflecting the excellent optical performance of hollow-core optical fibers. This project not only verified ZTT's innovative capabilities in the field of next-generation optical communication technology, but also laid the foundation for the global large-scale application of high-performance optical communication networks in the future.



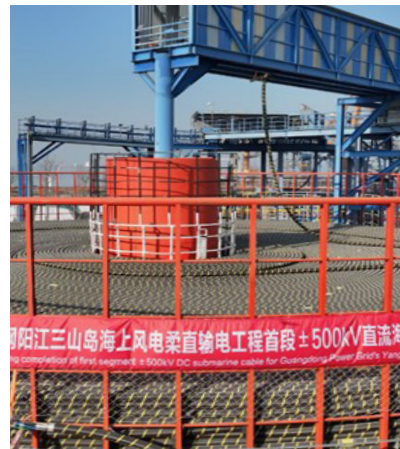
Case

±500kv DC Submarine Cable Technology Breakthrough



In the world's first ultra-large-scale sea-land integrated ultra-high voltage flexible direct current transmission project - the Sanshan Island offshore wind power flexible direct current transmission project in Yangjiang, Guangdong, ZTT successfully completed the production of the first ±500kVDC submarine cable.

In response to the complex sea conditions and ultra-high voltage transmission needs in the South China Sea, the Company has made breakthroughs in key technologies such as large-section water-blocking conductors, insulation structure design, and deep-sea laying protection, solving the world-wide problem of space charge accumulation and electric field distribution control in a DC high-voltage environment. The technical indicators of related products have reached the international leading level, providing key equipment support for the large-scale development of deep-sea wind power.



Intellectual Property Management

Intellectual property management system

ZTT attaches great importance to the protection and management of intellectual property rights. The Company has established a complete intellectual property management system and realizes digital management of the entire life cycle of patents from proposal, application, review to authorization through the IPM intellectual property management system. For important technology patents, The Company implements full-process quality control from proposal quality assessment to novelty and creativity re-evaluation before submission, and continues to improve patent quality and management standardization.

Case

Intellectual Property Incentive Mechanism: Intellectual Property Bank



The Company attaches great importance to employees' inventions and creations, formulated the "Intellectual Property Bank Management Measures (2022 Revised Edition)", established a complete intellectual property incentive mechanism, and encouraged employees to actively apply for patents and trademarks. Through the implementation of point-based management, relevant innovation achievements will be included in the personal "intellectual property bank", and points can be redeemed for corresponding rewards, effectively stimulating employees' enthusiasm for innovation and promoting the continuous accumulation and transformation of intellectual property achievements.

Intellectual Property Risk Management

ZTT attaches great importance to the prevention and control of intellectual property risks and has established a systematic risk management mechanism in the process of product development and marketization. For key R&D projects, The Company carries out technical theme analysis and patent early warning research during the project establishment stage, systematically sorts out technology development paths and peer patent layouts, identifies potential risks in advance and formulates countermeasures. Before the product is put on the market, The Company conducts a Freedom of Implementation (FTO) investigation and reduces potential infringement risks through design avoidance and other methods to ensure the compliant application of the product in domestic and foreign markets.

Intellectual property achievements

ZTT continues to promote high-quality creation and global layout of intellectual property rights, strengthens patent reserves around core technology fields such as power energy equipment, marine communications and optical communications, and continuously improves core technology competitiveness.

During the reporting period

The Company submitted

522

PCT international patent applications

62

invention patent authorizations

192

Science and technology ethics

The Company's main business focuses on new energy, marine equipment, smart grids, information and communications and other fields. During the reporting period, it did not engage in scientific research or technology development activities in scientific and ethically sensitive fields such as life sciences and artificial intelligence. In the process of promoting technological innovation and product research and development, The Company always follows national laws, regulations and industry norms, strictly implements intellectual property protection, data security and information security management requirements, and ensures that technology research and development and application are in line with social public interests and ethical norms.

8.3 Product Quality and Safety

ZTT is committed to creating greater value for customers, driven by innovation, and adheres to the persistent pursuit of quality. We know that excellent product quality and reliable safety performance are the cornerstones of sustainable corporate development and the key to winning customer trust. To this end, The Company has established a quality management system covering the entire product life cycle and continues to improve product compliance and international competitiveness.

Quality management system

Guided by the excellent performance management system and based on international standards such as ISO 9001, The Company gradually promotes the integration of multiple systems, establishes a multi-collaborative integrated management and control system, and continues to create a quality management maturity benchmark in the industry. We have established a quality control department with professional quality management personnel to monitor the entire process of raw material input, production process, and finished product delivery to ensure that all products meet quality standards. At the same time, The Company regularly conducts internal audits and management reviews to continuously identify opportunities for improvement and promote the continuous improvement of the quality management system.



Real-time monitoring of raw material qualification rate and rectification status through the "LIMS experimental data large screen"

Product Safety and Compliance

The Company attaches great importance to product safety and compliance, ensuring that all products comply with domestic and foreign regulations and industry standards in all aspects of design, procurement, production, delivery and use. Ensure that product and service information and labeling requirements comply with relevant regulations, reach internationally advanced levels in terms of safety, performance and environmental protection, and provide guarantee for global market expansion. At the same time, The Company actively participates in the formulation and revision of industry standards and promotes the upgrading of industry technical specifications.

In terms of product compliance, The Company has established a complete compliance management system and strictly abides by relevant laws and regulations from the environmental performance of raw materials, production process safety, to final product delivery. The Company has formulated recall control procedures for unqualified products to ensure that once quality abnormalities occur, The Company can respond quickly, effectively trace and handle them properly, and maximize the protection of customer interests and social and public safety. During the reporting period, The Company had no major recalls due to product safety and quality, and no violations involving product health, safety and marketing labeling.

Quality culture and honor

The Company implements rewards and punishments through quarterly and annual performance evaluations to promote the realization of quality goals at all levels. With its excellent quality and performance management performance, it has been widely recognized by the industry and market.

During the reporting period



During the reporting period

customer satisfaction was

100 %

the closed-loop complaint handling rate was

100 %



Customer contact information:

(1) Company email: zttcs@ztt.cn

(2) Hotline: 4001005252

09

Talent and Growth

9.1 Employment and Employee Rights

9.2 Compensation and Benefits

9.3 Employee Development and Training

9.4 Occupational Health and Safety



Key performance during the reporting period



9.1 Employment and Employee Rights

The Company carries out employee rights and interests management work in accordance with relevant laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Law of the People's Republic of China on the Protection of Women's Rights and Interests. It also refers to relevant conventions of the International Labor Organization (ILO), international labor standards and SA8000 social responsibility management requirements (pictures), establishes an employee employment and rights protection system, and regulates recruitment, employment, employee communication and grievances, and rights protection. Relevant systems include the "Recruitment Management System", "Labor Contract Management System", "Employee Grievance Management System", "Employee Handbook", etc. The Company adheres to the principle of equality in human resources management such as recruitment, training, salary and promotion, prohibits any form of discrimination, and strictly prohibits threats, abuse, exploitation or harassment to maintain the personal dignity of employees and a safe working environment. The Company has not experienced any form of child labor misuse, forced labor, humiliation, harassment or security violence.

| Equality Diversity and Inclusion

The Company adheres to the principle of equal opportunities in all aspects of human resources management, including employee recruitment, training, salary, promotion and dismissal, and prohibits discrimination based on any identity or characteristics such as race, ethnicity, social origin, nationality, ancestry, religion, physical disability, gender, age, family responsibilities, marital status, trade union membership, political opinions or geography. The Company recruits openly to the public, carries out selection work in accordance with the principles of openness, fairness and impartiality, and signs labor contracts with employees in accordance with the law to ensure employment fairness from the institutional level. During the reporting period, The Company employed more than 80 disabled people and worked hard to build a more fair and inclusive employment environment for disabled people.

The Company respects employees' religious beliefs and cultural customs, encourages employees to share the cultural characteristics of different regions and ethnic groups, promotes understanding and respect among employees by organizing cultural exchange activities and other methods, and creates a diverse and inclusive working environment.

At the same time, The Company attaches great importance to protecting the rights and interests of female employees and provides support to female employees through systems and multiple initiatives. During the reporting period, The Company issued the "Guiding Opinions on Strengthening the Protection of Labor Rights and Career Development of Female Employees" to further improve the support mechanism for the protection of the rights and interests of female employees and their career development.

At the institutional level, The Company clearly stipulates in the anti-discrimination related system that any form of discrimination against female employees is strictly prohibited, especially discrimination against pregnant female employees, and it is clear that employees are not required to undergo pregnancy tests or virginity tests and other inappropriate behaviors.

In terms of employee care, The Company provides flexible working arrangements for pregnant and lactating female employees, and reduces overtime or business trips according to actual conditions. It also provides support services such as maternal and infant rooms, maternal and infant care consultation, and childcare knowledge training. In addition, The Company has set up a special physical examination project for women in the welfare system, increased the distribution of menstrual products for women in quarterly benefits, and strengthened care and support for female employees through Women's Day activities and other methods.



◀ The Company carries out recruitment and exchange activities for doctoral students and international talents

Key performance

Percentage of female employees

23.90 %

Percentage of employees from minority or disadvantaged groups in the entire organization

3.20 %

Proportion of women in senior management positions

18.50 %

Percentage of employees from minority or disadvantaged groups in top management

2.82 %

Percentage of women on organizational boards of directors

22.22 %



Women's Day activities



Women's Day activities

Employee Communication

The Company has established a diversified employee communication and feedback mechanism based on the "Employee Grievance Management System" and continues to collect employee opinions and suggestions through employee interviews, general manager mailboxes, SIM1 meetings, pairing assistance, "mentoring and mentoring", family meetings, all-staff meetings, and employee satisfaction surveys. At the same time, The Company relies on the Spiritual Home Engineer mechanism, the Spiritual Home cloud platform and other channels to strengthen employee communication and care, and provides employees with convenient feedback channels through online tools such as corporate WeChat and email. Employees can also report questions and suggestions through the general manager's mailbox or hotline. Based on the valuable opinions collected through the above mechanism, The Company accurately identified the core demands of employees in terms of quality of life and personal development, and accordingly formulated and implemented a series of targeted optimization measures to comprehensively upgrade the employee welfare system and living environment. Specific measures include: renovating employee dormitories to significantly improve living conditions; upgrading canteen services to enrich dishes while strictly observing food safety defense lines; and building a new cultural and sports center to improve fitness and leisure facilities and provide professional health management services. **Email: ztthr@ztt.cn Hotline: 0513-84885115**

In addition, The Company formulates and implements the "Implementation Rules of the Employees' Representative Conference" and holds an employee representative conference every year to discuss and review important matters involving the vital interests of employees. The meeting must be attended by more than two-thirds of employee representatives, and relevant resolutions must be passed by more than half of all employee representatives. The main responsibilities of the workers' congress include reviewing draft collective contracts and special collective contracts such as labor safety and health, protection of female workers' rights and interests, and wage adjustment mechanisms, discussing labor remuneration, working hours, rest and vacations, insurance benefits, employee training and other matters related to employees' vital interests, and supervising The Company's implementation of labor laws, regulations, and collective contracts. During the reporting period, The Company held the annual employee representative meeting as scheduled, reviewed and approved 64 systems, listened to employees' opinions through employee tea parties, informal talks, etc., and continued to strengthen employee communication and participation.



Annual employee satisfaction survey results:

75.4 %

Percentage of employees covered by formally elected employee representatives or collective agreements

100 %

9.2 Compensation and Benefits

The Company adheres to the "people-oriented" development concept and establishes a salary and welfare system that is market competitive and internally fair. Through a complete salary incentive and employee care mechanism, it continues to enhance employees' sense of gain and belonging, and supports employees' long-term and stable development. On the basis of protecting the legitimate rights and interests of employees in accordance with the law, The Company has built a welfare system covering multiple dimensions such as life security, career development and humanistic care.

Compensation and Performance

ZTT has established a standardized salary and performance management system to ensure the fairness and motivation of employee salary distribution through institutionalized management and performance appraisal mechanisms. In accordance with institutional documents such as "ZTT Job Rank and Salary Management Measures" and "ZTT Performance Management Guidance" and other institutional documents, The Company conducts unified management of job ranks, salary structures and performance appraisal processes to ensure that employee compensation matches job responsibilities and performance.

In terms of salary structure, The Company adopts position-level management and broadband salary models, following the principle of "grading based on position, determining salary based on grade, and changing salary based on grade". According to job responsibilities and qualifications, positions are divided into different sequences such as management, technology, function, marketing, logistics assistance and operation, and multi-level salary ranges are set. The annual target salary of employees is mainly composed of job salary, quarterly performance salary and year-end performance salary, and is dynamically adjusted based on performance appraisal results.

In terms of performance management, The Company has established a performance management system with KPI/OKR as the core, and formed a PDCA cycle management mechanism through goal setting, process tracking, performance evaluation, improvement and promotion. At present, performance management has covered The Company's functional departments and all non-front-line managers, and differentiated performance indicator sources have been set up according to different job levels. For example, the performance of The Company's management is linked to The Company's overall performance. Department heads use department performance as the main evaluation basis, while supervisors and employees conduct comprehensive evaluations based on department performance and job responsibilities.

At the same time, The Company has gradually incorporated ESG-related indicators into the management performance appraisal and salary evaluation system, and promoted the implementation of green development and sustainable development strategies through performance incentive mechanisms.

The Company has established a salary communication and grievance mechanism. When employees have objections to performance appraisal results or salary adjustments, they can lodge complaints through channels such as direct communication with supervisors, corporate WeChat or telephone feedback, or they can also reflect through the feedback link in the performance management process. According to the regulations of the system, employees can fill out the "Performance/Salary Appeal Form" to lodge a complaint, which will be verified and handled by the compensation teams at all levels, and feedback will be given within the specified time.

In addition, The Company has established a salary management team to supervise the implementation of the salary system and assist in handling salary-related issues to ensure the standardized operation of the salary management mechanism. The Company adheres to the principle of equal pay for equal work, **and the starting salary levels for male and female employees in the same position remain the same.**

Individual Role Hierarchy	Source of Performance Indicators
President of the Industrial Group	Industrial Group Performance
General Manager of Subsidiaries / Head of Marketing Management Center	Company Performance / Marketing Management Center Performance
Other Core Management Team Members	Partial Sharing of Company Performance + Performance/Management Requirements of Responsible Areas
Department Heads	Department Performance
Supervisors and General Staff	Decomposition of Department Performance + Job Responsibility Requirements

Employee Benefits

ZTT continues to enhance its employee welfare and care framework. Building on full compliance with statutory rights and benefits, the Company supports employees' physical and mental well-being and overall quality of life through a range of diversified welfare programs and care initiatives. These efforts span statutory benefits, lifestyle support, mental health care, family support, and dedicated programs for female employees, while continuously improving the working and living environment.

During the reporting period, the Company invested approximately **USD 14.23 million** in upgrading employee living and health-related facilities. This included the renovation of employee dormitories to improve living conditions, the enhancement of canteen services with expanded menu options and strengthened food safety management, and the construction of a new cultural and sports center to provide improved fitness and recreational facilities. These initiatives aim to create a more comfortable living environment and promote healthy, active lifestyles for employees.

Category	Key Measures	Description
 Statutory Benefits	Social Insurance and Housing Provident Fund	The Company provides employees with pension, medical, unemployment, work-related injury, and maternity insurance, as well as housing provident fund contributions in accordance with applicable laws and regulations, alongside necessary labor protection measures.
	Statutory Holidays and Paid Annual Leave	Employees are entitled to national statutory holidays, including New Year's Day, Spring Festival, Qingming Festival, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, and National Day, as well as paid annual leave in accordance with regulations.
 Employee Well-being Benefits	Festival and Birthday Benefits	Employees receive quarterly welfare benefits, birthday gifts, and holiday allowances or gifts for occasions such as International Women's Day, Mid-Autumn Festival, and Spring Festival.
	Allowances and Subsidies	The Company provides transportation subsidies, long-service allowances, and travel subsidies for employees returning home from other regions.
 Health Management	Employee Care and Support	The Company provides care and support to employees during illness, offering necessary assistance.
	Healthcare Services	Employees are provided with medical consultation services and priority access to health check-ups.
	Psychological Support Mechanism	The Company has established a "Mental Well-being Ambassador" mechanism and a digital well-being platform to monitor employees' mental health and provide communication and support services.
 Family Support	Mental Health Training and Counseling	The Company organizes mental health seminars and emotional management training, and provides both group counseling and individual psychological consultation services.
	Family Care Initiatives	The Company provides childcare subsidies, education rewards for employees' children, and financial support for marriage and childbirth.
 Care for Female Employees	Housing and Living Support	Employees are offered access to talent apartments, staff canteens, and shuttle bus services.
	Female-Specific Benefits	The Company provides dedicated health check-up programs for female employees and includes menstrual care products in quarterly welfare packages.
 Recognition and Incentives	Female Employee Engagement Activities	Activities such as International Women's Day events and recognition programs (e.g., "Outstanding Women Awards") are organized to support female employees.
	Long-Service Awards	Employees who have completed 30 years of service are awarded a commemorative medal made of 100 grams of pure gold.
 Continuing Education	Tuition and Certification Support	The Company provides financial incentives or subsidies for employees obtaining intermediate or senior professional titles or relevant professional certifications, and reimburses tuition and certification-related expenses.

Case



Establishment of the Women's Federation

During the reporting period, the Company convened its first Women's Congress and formally established the ZTT Women's Federation. In accordance with relevant regulations, the Congress elected the first Executive Committee, including the Chairperson and Vice Chairpersons, further strengthening institutional mechanisms for female employees' participation in corporate governance and communication. The Women's Federation will focus on safeguarding women's rights and interests, supporting career development, and enhancing employee care, providing a more diverse platform for communication and professional growth.



"Mobile Support System" for Overseas Personnel

To support overseas staff and after-sales personnel stationed abroad, the Company introduced a "mobile support system." Through digital platforms, family liaison records, and regular home visits, the Company enhances engagement with overseas employees and their families, helping to alleviate concerns. As a result, the turnover rate among overseas after-sales personnel has remained at a relatively low level.



Mental Health Training and Group Counseling

In 2025, the Company continued to advance employee mental health initiatives. During the reporting period, two group counseling sessions on emergency psychological intervention were conducted in collaboration with the Nantong Psychological Society and Professor Dai Weihua from Nantong Fourth People's Hospital, helping employees strengthen their ability to cope with stress and psychological crises.

The Company also organized mental health seminars themed "Stress and Emotional Management," delivered by a psychology lecturer from Changzhou College of Information Technology. In addition, in-house psychological counselors conducted sessions for female employees on "Harmonious Parent-Child Relationships," addressing topics such as family communication and parenting.

Furthermore, individual counseling services were made available to employees with specific needs, supported by expert resources from the Nantong Psychological Society. To enhance early identification of mental health risks, the Company conducted SCL-90 psychological assessments in selected units, enabling employees to participate via QR code. Assessment results are used to establish categorized management profiles, providing a basis for subsequent psychological support and interventions.



Support for Employees in Need and Employee Care

In 2025, the Company continued to strengthen its employee care initiatives. Through the establishment of an "Employee Care Fund," financial support is provided to employees facing financial hardship and those affected by serious illness, helping to alleviate life pressures.

To enhance communication, the Company engages employees through forums and conducts interviews at key milestones, including onboarding confirmation, resignation, and major family events. Exit interviews are conducted to understand reasons for departure while maintaining ongoing contact, with some former employees returning to the Company.

The Company also addresses employees' family needs by offering flexible leave arrangements for employees with children taking major examinations and organizing initiatives such as "A Letter to Father" to promote family engagement and communication.

To further strengthen employee mental health management, the Company plans to collaborate with Nantong University in 2026 to develop an integrated mental health management system. This system will leverage digital platforms to enable closed-loop management of psychological assessments, risk alerts, and intervention measures, supported by tiered management based on employee needs.

The Company also plans to continue its collaboration with the Nantong Psychological Society, the Mental Health Education Service Center of Nantong University, and the Women's Mental Health Service Center of the Nantong Women's Federation. Through these partnerships, professional experts will be engaged to deliver group counseling and individual consultation services, while targeted training will enhance the capabilities of internal personnel responsible for psychological assessment and employee care.

9.3 Employee Development and Training

Career Development

ZTT has established a multi-sequence career development system to provide employees with diversified career development paths. The Company provides employees with clear career growth paths through multiple development channels such as management, professional and skills, and supports employees' career development through job promotion, job rotation and job qualification certification.

In order to smooth the flow of internal talents, The Company relies on the enterprise WeChat platform to establish a transparent internal competition mechanism, following the principle of "internal priority under equal conditions", allowing employees who have been employed for more than one year and have excellent performance to apply for transfer across units and sequences. For cross-unit transfers and transfers of employees, the transferred unit will organize customized safety and skills training based on job requirements and personal ability gaps to help employees quickly adapt to new roles; at the same time, the seniority extension policy will be strictly implemented to effectively protect the legitimate rights and interests of employees in internal mobility.

The Company adheres to the talent concept of "putting strivers first", builds an incentive mechanism covering different job levels, and stimulates employee enthusiasm through a combination of honorary recognition and long-term incentives. The Company regularly carries out selection activities such as the "Top Ten Value Creators", "High Quality Development Award", "Export Growth Contribution Award", "Top Ten Pacesetters" and "Model Workers" to commend employees with outstanding performance and establish advanced models.

In terms of long-term incentives, The Company continues to implement the "Incentive Plan" and launches an employee stock ownership plan, which combines the incentive mechanism with key indicators such as scientific research and innovation, market development and operating performance to enhance the sense of belonging and stability of core talents.

In addition, The Company provides salary incentives or subsidy support to employees who have obtained intermediate and senior professional titles or related professional qualification certificates to encourage employees to improve their professional capabilities and professional standards.

Key performance

Percentage of employees who have received regular performance and career development reviews

100 %

Percentage of employees who have received skill-related training

100 %

Percentage of operations that have undergone a human rights impact or risk assessment

100 %



Talent Development

ZTT is committed to building a learning-oriented organization and has established a multi-tiered talent development system encompassing skills enhancement, academic advancement, and international capability building. Through a structured and differentiated talent development framework, the Company continuously strengthens employees' professional competencies, providing a solid talent foundation for high-quality development.

The Company has implemented a three-tier training system at the Company, department, and position levels. Annual training plans are developed based on role hierarchy and business needs, enabling continuous improvement in professional expertise, management capabilities, and overall competencies. During the reporting period, ZTT prioritized training programs in areas such as digital transformation and leadership development, further enhancing organizational capabilities.

For key talent development, the Company launched the "Leadership Program," targeting high-potential employees, young talents, and innovation-driven professionals. Training outcomes are closely linked to succession planning for critical roles, cross-functional job rotation, and career advancement, ensuring effective alignment between talent development and core business needs.

In terms of academic advancement, ZTT has established partnerships with leading universities to support bachelor's, master's, and doctoral degree programs. The Company provides financial support, including tuition reimbursement, to encourage continuous learning, achieving full employee coverage. In addition, ZTT leverages its corporate university to develop an online learning platform, offering diverse learning resources and creating an integrated online and offline learning ecosystem.

For skills development, ZTT has been accredited as a national-level training base for highly skilled talent and has obtained the authority to independently evaluate senior professional titles. The Company continues to enhance its vocational skills certification system and expand dual career pathways for technical skills and professional titles, with a focus on cultivating highly skilled, high-level interdisciplinary talent.

Furthermore, the Company actively supports high-level talent in participating in international academic conferences and industry exchange forums, broadening employees' global perspectives and strengthening the Company's overall innovation capabilities.

Employee Training and Working Hours			
Employee Training and Working Hours	2025	2024	2023
Total Training Hours (hours)	608,882.69	581,948.87	559,566.22



9.4 Occupational Health and Safety

ZTT always gives top priority to the safety and health of its employees, adhering to the EHS cultural concept of "strengthening the foundation with safety, solidifying the long-term with environmental protection, and building happiness with health", and enhances the EHS awareness of all employees through leadership commitment, employee participation, and incentive mechanisms. A systematic and standardized occupational health and safety management system has been established. The Company strictly abides by the ISO 45001 occupational health and safety management system and the national safety production standardization requirements, implements the safety production responsibility system for all employees, and continues to optimize safety performance through risk classification management and control, hidden danger investigation and management, emergency response capacity improvement and other measures to create a safe and healthy working environment for employees.

During the reporting period, the "ZTT EHS Management Manual" was revised and released to standardize The Company-wide EHS management process.

➤ In the manual, The Company has developed three-year performance indicators:

No.	Indicator	2025	2026	2027
1	Fatal Workplace Accidents	0	0	0
2	Emergency Safety Incidents (Fire, Explosion, Chemical Leakage)	0	0	0
3	Confirmed Occupational Disease Cases	0	0	0
4	Lost Time Injury Rate (‰)	0.87	0.81	0.62
5	Minor Incident Rate (%)	6.11	5.62	4.37
6	Workplace Hazard Factor Monitoring Compliance Rate (%)	100	100	100

Management System

During the reporting period, in addition to establishing an EHS committee, The Company also added a communication mechanism for EHS weekly and monthly reports to ensure timely transmission and disclosure of EHS information at all levels; The Company implemented digital management of hazard reporting and rectification progress tracking through the SMS safety management platform. During the reporting period, The Company's safety information management platform had a 100% hazard rectification rate.



ZTT Safety Information Cockpit

Occupational Health Risk Management

The Company adheres to the principle of "prevention first, risk management", and conducts identification and assessment of occupational hazard factors at each factory site through double random inspections, special inspections, etc., accurately identifies key risk points such as noise, dust, chemical poisons, etc., and dynamically adjusts control measures based on test results. It implements key monitoring and engineering protection priority strategies for high-risk positions to reduce occupational exposure risks from the source. At the same time, we strictly implement the "Three Simultaneous" requirements for occupational health, and conduct pre-evaluation of occupational hazards and evaluation of control effects for new construction, reconstruction, and expansion projects. For employees exposed to occupational hazards, we standardize the implementation of pre-job, on-the-job and off-the-job occupational health examinations, establish occupational health files, and promptly transfer employees with occupational contraindications or suspected occupational diseases. The Company has formulated standards for the distribution of labor protective equipment, clarified the list and distribution cycle of protective equipment for each position, and regularly checked the wearing status to effectively protect the occupational health of employees.

During the reporting period



"Deadline rectification notices" were issued in response to the inspection problems. The responsible units responded in writing with the rectification status, and the loop is currently closed.

No.	Inspection Type	Number of Inspections	Number of Issues Identified	Closure Rate
1	Routine and Random Inspections	131	707	100%
2	Special Inspections	35	917	100%
Total		166	1624	100%

Security Capacity Building

The Company has established a safety training system that covers all employees and the entire process, and improves employees' safety awareness and skills through three-level education for new employees, job transfer training, special training and daily publicity. Relying on The Company's security management platform, electronic management and traceability of training files are realized. During the reporting period, The Company cooperated with the Red Cross to carry out first aid certificate training, with more than 5,000 participants, effectively improving employees' on-site first aid capabilities. In terms of emergency management, each unit formulates emergency plans covering production safety accidents and environmental emergencies, and conducts practical drills as planned. A total of 681 emergency drills were organized throughout the year, with 19,431 participants. , at the same time, The Company encourages employees to actively participate in safety management, and sets up channels such as "shooting safety hazards" and safety rationalization suggestions to create a good atmosphere in which all employees participate and jointly build safety.

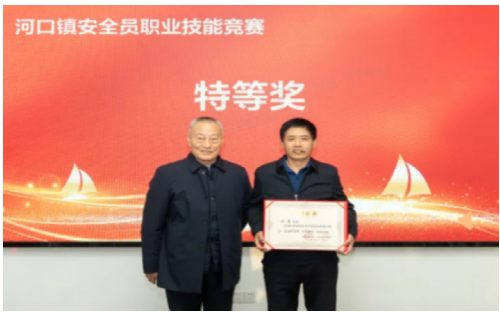
During the reporting period

The company collaborated with the Red Cross Society to conduct first aid certification training

Total emergency drills organized throughout the year



No.	Training topics	Training organizer
1	Security Risk Report	Safety and Environmental Protection Department
2	Solid waste management training	Rudong County, Development Zone Ecological Environment Bureau
3	Safety management personnel responsibilities training	Rudong County Emergency Management Bureau
4	Red Cross Junior Paramedic	Rudong County Red Cross Society
5	Double prevention mechanism training	Safety and Environmental Protection Department
6	Safety Culture Experience Hall Training	Hekou Town, Nantong City
7	Special activities for production safety month	Safety and Environmental Protection Department
8	Information Security	Rudong County Public Security Bureau
9	Solid waste management training	Provincial Department of Ecology and Environment
10	Precursor Chemicals Training	Development Zone Public Security Bureau
11	Safety officer skills competition	Rudong County Trade Union



◀ Safety officer skills competition Training and education:

organize safety knowledge classes through safety experts to strengthen employees' theoretical knowledge.

Purpose of the event: Test the professional and technical level of the contestants with theoretical knowledge (safety laws and regulations) and practical operations



◀ Company Safety Month Activities

Hidden hazard identification competition (theoretical knowledge test, on-site identification of hidden hazards), emergency skills competition (positive pressure air respirator wearing, cardiopulmonary resuscitation and CPR practice).



◀ The Company has formulated a chemical safety management system

During the reporting period

it organized **101** emergency drills
participants **3,072** | chemical accidents **0**



◀ Indonesian factory first aid kit training

Safety Capability Building

The Company brings contractors, outsourced personnel, etc. into a unified safety management scope, clarifies the safety responsibilities and obligations of both parties in the contract, strictly implements factory safety notification and training, and ensures that relevant parties understand the risks and emergency requirements of the workplace. During the operation, safety and environmental management personnel regularly supervise and inspect the contractor's work site, promptly correct and assess violations, and effectively prevent safety risks caused by the operations of relevant parties.

Metrics and Targets

The Company breaks down the annual EHS goals to each product company, factory and front-line team step by step, incorporates them into the annual performance appraisal of the main persons in charge of each unit, and implements a "veto" mechanism system" for redline events. Ensure goal achievement and continuous improvement through monthly meeting tracking, quarterly evaluations, and annual reviews. During the reporting period, the main safety performance indicators are as shown in the following table:

Key Performance Indicator	Unit	Target	Actual
Hazardous waste compliance disposal rate	%	100%	100%
Hidden danger rectification rate	%	100%	100%
Environmental protection red line	Case	0	0

10

Social Responsibility

10.1 Rural Revitalization

10.2 Philanthropy

10.3 Community Relations and Indigenous Peoples Rights



Key performance

Donate

2,058.55

volunteer service in 2025

655 hours

Conduct community impact assessments at

100 % of operations

ZTT upholds the value concept of "Business for Good", integrates it into the corporate development gene, actively fulfills social responsibilities, continues to invest in rural revitalization, charity, and overseas responsibility fulfillment, and uses practical actions to interpret The Company's responsibilities and responsibilities. During the reporting period, The Company won honorary titles such as "Charity Star of Jiangsu Province" and "Charity Star of the Yangtze River Delta", and its social responsibility practices have been widely recognized by all sectors of society.

10.1 Rural Revitalization

Rural digital infrastructure construction

Relying on its technical advantages in the fields of communications and power infrastructure, The Company participates in rural digital infrastructure construction projects to help improve the level of information communications and energy infrastructure in rural areas, promote the application of digital technology in rural areas, and promote the balanced development of urban and rural digital resources. Relevant practices won the "2025 China Mobile Partner Rural Revitalization Contribution Award."



Educational support

Education is the cornerstone of rural revitalization. The Company has long been paying attention to the development of rural education and continues to increase investment in educational assistance. In 2021, The Company donated the first batch of "ZTT" education award fund of 10 million yuan to Rudong to support the development of rural education; in 2024, it donated 10 million yuan to Rudong Middle School to build a new campus science and technology innovation center to cultivate top innovative talents; during the reporting period, The Company assisted in the relocation of a new Hekou primary school, striving to promote the development of education in the home-town. A series of donations have provided strong support for improving local school conditions, motivating outstanding teachers and students, and promoting educational equity.

In addition, The Company also participates in educational development projects by providing financial support to a number of universities and education foundations, including the Education Development Fund of Beijing University of Posts and Telecommunications, Shanghai Jiao Tong University, Nantong University, Nanjing University of Technology, Zhejiang Ocean University and other institutions.

On December 8, the "ZTT Craftsman College" was established in Rudong County. The Rudong County Federation of Trade Unions and ZTT will cooperate in all aspects of employee academic qualification improvement, skills competitions, talent training and other fields to improve the skills and professional levels of local industrial workers.

10.2 Philanthropy

The Company established the "ZTT Love Charity Foundation" to build a standardized and normalized charity platform, focusing on key areas such as education aid, disaster relief, and community development. During the reporting period, The Company's total external donations reached USD 2,928,683.

In terms of volunteer services, The Company encourages employees to actively participate in public welfare activities, establish volunteer service teams, and carry out volunteer activities such as respecting the elderly and helping the disabled, environmental protection, and community services. During the reporting period, employees participated in volunteer services for a total of 655 hours, forming a good atmosphere of "everyone participates and everyone benefits".

During the reporting period

The Company's total external donations reached

USD 2,928.68

employees participated in volunteer services for a total of

655 hours

International disaster relief

Case

As an enterprise with a global layout, The Company adheres to the principle of "local integration and responsible management" in its overseas operations and actively fulfills its social responsibilities in the host country

In November 2025, Indonesia's Sumatra region encountered sustained heavy rainfall that had not been seen in decades, causing severe floods and landslides, causing serious damage to power and communication infrastructure, and affecting more than 3.3 million people. As a local enterprise deeply involved in the Indonesian market, ZTT Indonesia Co., Ltd. quickly launched an emergency response and set up a rescue team to respond to the emergency rescue needs of State Grid PLN. It urgently produced ACSR/AS-250 wires and AAACS-240 overhead insulated cables, providing key material support for the emergency repair and restoration of power supply to power facilities in the disaster area. At the same time, The Company cooperated with the China Chamber of Commerce and the Chinese Embassy in Indonesia to carry out charity fundraising activities, organized internal fund-raising activities among employees, raised charity funds and emergency supplies and delivered them to the disaster site in a timely manner, using practical actions to spread the warmth of the sky across mountains and seas.



◀ Distribute rice to needy community residents around the factory and pay attention to the basic living needs of vulnerable groups

Caring for religious leaders is carried out regularly every year, and Eid al-Fitr gifts and daily subsidies are provided. ▶



◀ Provide medical benefits to employees

10.3 Community Relations and Indigenous Peoples Rights

ZTT has always regarded the fulfillment of social responsibilities as the core cornerstone of corporate sustainable development. It adheres to the concept of "caring for employees and giving back to society" and actively engages in rural revitalization, community construction and care for vulnerable groups by building a normalized public welfare mechanism and diversified assistance channels. The Company focuses on sharing the results of corporate development with society, responds quickly to major natural disasters, and continues to support educational assistance and poverty relief in daily operations, striving to convey warmth with pragmatic actions and promote social harmony and progress.

On this basis, ZTT Indonesia, an overseas subsidiary of ZTT, has carried out in-depth targeted community integration practices based on the local cultural characteristics. In terms of people's livelihood security, the General Affairs Department coordinates and regularly distributes rice, grain and other daily necessities to needy residents around the factory to effectively alleviate the survival pressure of vulnerable groups. At the same time, it breaks the boundaries of employment and provides medical subsidies for outsourced employees to reduce their medical burden and reflect the care of all employees. In terms of cultural integration, The Company fully respects local religious beliefs, implements an annual religious leader care plan, provides Eid al-Fitr gifts to preachers and worshipers at the factory mosque, and cooperates with the Mosque Prosperity Council (DKM) to issue holiday subsidies. These measures effectively promote the emotional connection between The Company and the local community, demonstrating ZTT's firm commitment to respecting diverse cultures and building harmonious communities in the process of globalization.

The Company attaches great importance to establishing a good communication mechanism with the communities where it operates, and identifies the impact of corporate operations on local communities through community communication and impact assessment mechanisms. During the reporting period, The Company conducted community impact assessments on 100% of its operating sites, formulated corresponding mitigation measures based on employee feedback, potential impacts on noise, traffic and the environment, and strengthened communication through community visits and discussions to respond to community concerns in a timely manner.

In the process of conducting overseas business, The Company strictly abides by the laws and regulations of the places where it operates, and respects the culture, customs and legitimate rights and interests of local communities and indigenous peoples. During the reporting period, no incidents involving infringement of indigenous rights occurred in The Company and its subsidiaries.



ESG Key Performance Data

Governance

Category		2025	2024	2023	Unit
Corporate Governance	Average tenure of board members	4	7.67	6.67	Year
	Proportion of independent directors	33.33	33.33	33.33	%
	Proportion of executive directors	55.55	44.44	44.44	%
	Proportion of female directors	22.22	11.11	11.11	%
	Proportion of independent directors with a term of more than 6 years	0	0	0	%
	Proportion of independent directors with a term of more than 9 years	0	0	0	%
	Proportion of independent directors serving as independent directors in more than 3 listed companies	0	0	0	%
	Proportion of independent directors serving as independent directors in more than 6 listed companies	0	0	0	%
	Number of board meetings	13	10	12	Meeting
	Average attendance of board members	100	100	100	%
	Number of directors attending less than 75% of meetings	0	0	0	people
	Number of audit committee meetings	9	6	8	Meeting
	Number of remuneration committee meetings	4	3	1	Meeting
	Number of Nomination Committee meetings	2	0	1	Meeting
	Proportion of independent directors on the audit committee	66.67	66.67	66.67	%
	Proportion of independent directors in the remuneration committee	66.67	66.67	66.67	%
	Proportion of independent directors on the Nomination Committee	66.67	66.67	66.67	%
	Executive shareholding ratio	0.0089	0.0140	0.0140	%
Anti-corruption Corporate Governance	Total number of operating points	104	102	/	Person
	Total number of operations that have undergone corruption risk assessments	62	58	/	Person
	Percentage of operations that have undergone corruption risk assessment	59.6	56.9	/	%

Category		2025	2024	2023	Unit
Anti-corruption Corporate Governance	Percentage of employees covered by the Code of Business Conduct signatories	100	100	100	%
	Anti-commercial bribery and anti-corruption training	2	2	/	Case
	Total number of people trained in anti-commercial bribery and anti-corruption - directors	9	9	9	Person
	Total number of people trained in anti-commercial bribery and anti-corruption - management (junior management, middle management, senior management)	4217	3957	/	Person
	Total number of people trained in anti-commercial bribery and anti-corruption - other employees (ordinary employees)	17200	17200	15110	Person
	Percentage of personnel covered by anti-commercial bribery and anti-corruption training - Directors	100	100	100	%
	Percentage of personnel covered by anti-commercial bribery and anti-corruption training - management (junior management, middle management, senior management)	100	100	/	%
	Percentage of personnel covered by anti-commercial bribery and anti-corruption training - other employees (middle-level employees, ordinary employees)	100	100	100	%
	Corruption-related public litigation cases	0	0	0	Case
	Total fines imposed for violations of anti-corruption and anti-bribery laws	0	0	0	USD
	Total number of corruption incidents under investigation	8	/	/	Case
	Total number of confirmed corruption incidents	3	/	/	Case
	Total number of corruption incidents handled	3	/	/	Case
Anti-corruption (supplier)	Number of suppliers	3564	2802	2457	Supplier
	Number of suppliers receiving anti-corruption training	3564	2802	2457	Supplier
	% of suppliers receiving anti-corruption training	100	100	100	%
	Number of incidents resulting in dismissal due to corruption	0	0	0	Case
	Number of incidents leading to termination of cooperation with suppliers due to corruption	3	0	0	Case
	Number of incidents in which corruption has entered legal proceedings	0	0	0	Case
Anti-unfair competition	Number of antitrust and fair competition activities	0	0	0	Case
	Public litigation cases related to unfair competition	0	0	0	Case

Category		2025	2024	2023	Unit
Anti-unfair competition	Amount of administrative penalty for unfair competition behavior	0	0	0	USD
	Amount involved in unfair competition cases	0	0	0	USD

Environment

Category		2025	2024	2023	Unit
Environmental management	Total amount of investment in environmental protection	9.88	10.92	10.44	Million USD
	Pay environmental protection tax	53,340	32,336	40,778	USD
	Environmental accident	0	0	0	Case
	Violations of laws and regulations in the environmental field	0	0	0	Case
	Pollutant monitoring qualification rate	100	100	100	%
	Synchronous operation rate of environmental protection facilities	100	100	100	%
	Implementation rate of "'Three Simultaneous" requirement" for environmental protection in construction projects	100	100	100	%
	Number of environmental protection trainings	185	171	168	Session
	Number of participants in environmental protection training	17,815	13,591	13,253	Person
	Environmental protection training duration	282	265	259	Hour
Energy	Direct energy				
	Gasoline usage	14.41	30.36	26.35	ton
	Diesel usage	573.03	686.53	702.75	ton
	Natural gas usage	22,009,274.65	22,629,005.53	21,452,540.45	m ³
	Indirect energy				
	Power consumption	85,350.24	88,479.17	88,608.25	Thousands of kilowatt hours
	Steam consumption (municipal steam supply)	101,581.11	122,869.45	144,383.92	Ton ¹

Category		2025	2024	2023	Unit
Energy	Renewable energy (clean energy)				
	Own photovoltaic power generation capacity	9,456.65	7,980.46	7,727.57	Thousands of kilowatt hours
	Photovoltaic self-storage power	5,723.69	/	/	Thousands of kilowatt hours
	Purchased green electricity	7,518.35	/	/	Thousands of kilowatt hours
	Purchased green certificate electricity	65,408.68	/	/	Thousands of kilowatt hours
	Comprehensive energy consumption ²	145,538.63	152,391.44	153,092.12	Tons of standard coal
Water resources and wastewater	energy consumption intensity	0.028	0.032	0.034	Ton of standard coal/10,000 yuan output value
	total water intake	3,118,109.50	3,269,137.00	3,900,457.78	Ton
	Total wastewater discharge	1,866,479.86	1949,418.46	1,986,847.11	Ton
	Total water consumption (water resources consumption)	1,251,629.64	1,319,718.54	1,913,610.68	Ton
	Water intensity	0.24	0.12	0.16	Tons/10,000 yuan
Biodiversity	Number of operating sites in biodiversity conservation areas, including: Number of species listed on the International Union for Conservation of Nature (IUCN) Red List and national conservation lists at the operation site in question	0	0	0	Species
Emission	Total greenhouse gas emissions: ³	533,130.15	557866.22	562470.23	tCO ₂ e
	Direct (Scope 1) greenhouse gas emissions	49,833.93	51,591.14	49,065.75	tCO ₂ e
	Energy indirect (scope 2) greenhouse gas emissions	483,296.22	506,275.08	514,404.58	tCO ₂ e
	Other indirect (Scope 3) greenhouse gas emissions	/	/	/	tCO ₂ e
	Greenhouse gas emission intensity	0.10	0.12	0.12	tCO ₂ e/10,000 yuan
	Emissions of Ozone Depleting Substances (ODS)	0.036	0.052	0.059	Ton
Waste	Exhaust gas pollutant emissions: nitrogen oxides (NOx), sulfur oxides (SOx) and other major gas emissions	2.3886	4.254	25.5458	Ton
	Total solid waste generation	38,335	38,916	45,623	Ton
	Solid waste compliance disposal rate	100	100	100	%

103¹Note: Compared to the 2024 ESG Report, the unit has been corrected from "tonnes of standard coal" to "tonnes."

²信息重述: 相比于2024年度ESG报告, 修正了2023~2024年的数据。
³信息重述: 相比于2024年度ESG报告, 修正了2023~2024年的数据。

Category		2025	2024	2023	Unit
Waste	General waste generation	33690	34,384	40,310	Ton
	General waste generation intensity	0.0064	0.0072	0.0090	Ton /10,000 yuan
	Hazardous waste generation	4645	4,531	5,313	Ton
	Hazardous waste generation intensity	0.00088	0.0009	0.0012	Ton /10,000 yuan
	Hazardous waste recycling rate	91.2	88.3	85.8	%

Social

Category		2025	2024	2023	Unit
Staff	Total number of employees	17200	15110	14902	Person
	By employment category				
	Regular employees	17200	15110	14902	Person
	Number of informal employees	0	0	0	Person
	By region				
	China	15572	13628	13430	Person
	Overseas	1628	1482	1472	Person
	By gender and age				
	Number of male employees	13084	11361	11172	Person
	Number of male employees <30 years old	3725	3425	3382	Person
	Number of male employees aged 30-50	6522	6231	5999	Person
	Number of male employees >50 years old	2837	1705	1791	Person
	Number of female employees	4116	3749	3730	Person
	Number of female employees <30 years old	1026	933	905	Person
	Number of female employees aged 30-50	3075	2783	2752	Person
	>Number of female employees over 50 years old	15	33	73	Person

category		2025	2024	2023	unit
Staff	By ethnicity				
	Number of Han employees	15669	13684	13456	Person
	Number of other ethnic groups	1531	1426	1446	Person
	By educational background				
	Number of employees with Ph.D.	59	41	36	Person
	Number of employees with master's degrees	730	544	450	Person
	Number of employees with undergraduate degrees	4827	4532	4351	Person
	Diversification				
	Number of female employees in senior management	23	21	19	Person
	Proportion of female employees in senior management	12.2	11.5	11.16	%
Hire	Number of new employees, including:	4133	2522	2466	Person
	Number of male employees	3408	1857	1906	Person
	Number of female employees	825	665	560	Person
	Number of male employees <30 years old	2187	1052	1046	Person
	Number of male employees aged 30-50	1186	781	771	Person
	Number of male employees >50 years old	35	24	89	Person
	Number of female employees <30 years old	456	302	298	Person
	Number of female employees aged 30-50	369	363	261	Person
	>Number of female employees over 50 years old	0	0	1	Person
	Number of employees who have resigned, including:	3025	2225	2433	Person
	Number of male employees	2456	1765	1849	Person
	Number of female employees	569	460	584	Person
	Number of male employees <30 years old	1384	832	885	Person

Category		2025	2024	2023	Unit
Hire	Number of male employees aged 30-50	986	832	849	Person
	Number of male employees >50 years old	86	101	115	Person
	Number of female employees <30 years old	296	162	195	Person
	Number of female employees aged 30-50	268	290	367	Person
	>Number of female employees over 50 years old	5	8	22	Person
	Employee turnover rate	12.59	12.67	13.86	%
	Employee satisfaction	75.4	75.3	75.2	Person
	Number of employees entitled to parental leave	3253	2800	2687	Person
	Number of employees actually using parental leave	309	276	285	Person
	Number of employees who should return to work after parental leave	309	276	285	Person
	Number of employees who actually return to work after parental leave	309	276	285	Person
	Number of employees still employed 12 months after parental leave ends	297	262	265	Person
	Return rate of employees on parental leave	100	100	100	%
	Parental Leave Employee Retention Rate	95	95	93	%
	Number of assistance provided to employees in	/	/	/	/
Collective bargaining agreement	Number of regular workers covered by collective bargaining agreement	17200	15110	14902	Person
	Collective Bargaining Agreement Coverage	100%	100%	100%	%
Market performance	Starting salary level for regular employees	6634	6250	5700	USD/Month
	Ratio of starting salary level for regular employees to local minimum wage	2.93	2.76	2.75	/
	Starting salary level for male employees	6634	6250	5700	USD/Month
	Ratio of starting salary level for male employees to local minimum wage	2.93	2.76	2.75	/
	Starting salary level for female employees	6634	6250	5700	USD/Month
	Ratio of starting salary level for female employees to local minimum wage	2.93	2.76	2.75	/

Category		2025	2024	2023	Unit
Training and Education	Total training hours	608882.69	581948.87	559566.22	Hour
	Average training hours	35.40	38.51	37.55	Hour
	Proportion of people participating in performance appraisal	100	100	100	%
Anti-discrimination	Number of discrimination incidents	0	0	0	Case
	Number of discrimination cases filed	0	0	0	Case
Freedom of association and collective bargaining	Number of operations where freedom of association or collective bargaining rights have been violated or are at significant risk	0	0	0	Case
	Number of suppliers whose rights to freedom of association or collective bargaining have been violated or are at significant risk	0	0	0	Case
Child labor	Number of operations with significant risk of child labor incidents	0	0	0	Case
	Number of suppliers with significant risk of child labor incidents	0	0	0	Supplier
Forced labor	Number of operations with significant risk of forced or compulsory labor	0	0	0	Site
	Number of suppliers with significant risk of forced or compulsory labor	0	0	0	Supplier
Local community	Amount of public welfare investment	2.95	4.09	1.79	Million USD
	Public service hours	655	480	620	Hour
Supplier management	Number of suppliers	3564	2802	2457	Supplier
	Domestic	3543	2787	2447	Supplier
	Foreign	21	15	10	Supplier
	Percentage of signed supplier code of conduct	100	100	100	%
	Percentage of suppliers with clauses that nclude environmental and labor requirements	100	100	100	%
	Percentage of target suppliers that have undergone corporate social responsibility (CSR) on-site audits	100	45	21	%
	Percentage or number of audited/evaluated suppliers engaged in improvement actions or capability development	100	38	28	%
	Percentage of buyers across all regions who have been trained in sustainable sourcing	100	100	100	%

Category		2025	2024	2023	Unit
Supplier Management	System Certifications	983	520	431	Supplier
	Number of new suppliers undergoing on-site audits	756	450	340	Supplier
	Percentage of new suppliers screened using environmental criteria	34	22	15	%
	Percentage of new suppliers screened using social criteria	34	22	15	%
	Number of suppliers signing anti-bribery commitment letters	1564	728	575	Supplier
	Proportion of suppliers signing anti-bribery commitment letters	100	100	100	%
	Number of suppliers at risk	0	0	0	Supplier
	Suppliers whose freedom of association and collective bargaining rights may be at risk	0	0	0	Supplier
	Suppliers with significant risk of child labor incidents	0	0	0	Supplier
	Suppliers with substantial risk of forced or compulsory labor incidents	0	0	0	Supplier
	Suppliers identified as having actual and potential significant negative social impact	0	0	0	Supplier
Occupational Health and Safety	Number of employee work-related injuries	12	13	24	Case
	Number of employees killed in work-related accidents	0	0	0	Case
	Ratio of employee fatalities in work-related accidents	0	0	0	%
	Employee work-related injury insurance coverage	100	100	100	%
	Total working hours	29313987	27921156	24978820	Hour
	Number of working days lost due to work injury	695	601	897	Day
	Work-related injuries per million hours worked - employees	0.41	0.47	0.96	/
	Work-related injuries per million hours worked - Contractors	0	0	0	/
	Number of occupational diseases per million working hours	0	0	0	/
Product Quality and Safety	Percentage of products subject to recall for safety and health reasons	0	0	0	%
	Amount of damage caused by major safety and quality liability accidents related to products and services	0	0	0	USD

Category		2025	2024	2023	Unit
Product Quality and Safety	Number of product recalls	0	0	0	Recall
	Number of products recalled	0	0	0	Product
Customer Service	Customer satisfaction	100	98	95	%
	Customer privacy leakage incident	0	0	0	Case
	Number of customer complaints per million revenue	0	0	0	Case
	Number of customer complaints resolved	/	/	/	Case
	Customer demand response rate	100	100	100	%
	Customer demand resolution rate	100	100	100	%
R&D Innovation and Intellectual Property	R&D expenses	297.53	278.08	271.50	Million USD
	R&D investment as a proportion of operating income	3.96	4.04	4.21	%
	Number of R&D Staff	3138	2755	2715	Person
	R&D Staff account for all employees	18.25	18.23	18.22	%
	PhD	51	32	28	Person
	Master	515	289	262	Person
	Undergraduate degree and below	2572	2434	2425	Person

Appendix Index

12.1 GRI Sustainability Reporting Standards (GRI Standards) content index

Instructions for use	ZTT prepared reports in compliance with GRI standards from January 1, 2025 to December 31, 2025.
GRI 1 used	GRI 1: Basics 2021
Applicable GRI Industry Standards	none

Disclosures	Location	Reason for omitting
GRI2: General Disclosures 2021 Organization and its reporting practices		
2-1 Organization details	About ZTT	
2-2 Entities included in the organization's sustainability report	About This Report	
2-3 Reporting Period, Reporting Frequency and Contact Person	About This Report	
2-4 Information restatement	Relevant parts of the report text	
2-5 External assurance	Assurance Statement	
Activities and workers		
2-6 Activities, value chains and other business relationships	Company Profile	
2-7 employees	ESG key performance	
2-8 workers other than employees	ESG key performance	
Governance		
2-9 Governance structure and composition	Corporate Governance	
2-10 Nomination and selection of the highest governance body	Corporate Governance	
2-11 Chairman of the highest governing body	Corporate Governance	
2-12 In terms of management influence, the supervisory role of the highest governance body	Corporate Governance	
2-13 Delegate responsibility for managing impacts	Corporate Governance	
2-14 The role of the highest governance body in sustainability reporting	ESG Governance Framework	

Disclosures	Location	Reason for omitting
2-15 Conflict of Interest	Business Ethics	
2-16 Communication on important issues of concern	Stakeholder Engagement	
2-17 Common knowledge of the highest governance body	Corporate Governance	
2-18 Performance evaluation of the highest governance body	Corporate Governance	
2-19 Remuneration Policy	Corporate Governance	
2-20 Procedure for determining salary	Corporate Governance	
2-21 Annual Total Compensation Ratio	/	Lack of information: The Company has identified the importance of this issue and is currently establishing a relevant data collection and management mechanism. It is expected that disclosure will be gradually improved in future reporting
Strategy, policy and practice		
2-22 Statement on Sustainable Development Strategy	ESG Governance Framework	
2-23 Policy Commitments	ESG Governance Framework	
2-24 Integration policy commitments	ESG Governance Framework	
2-25 Procedures for remediating negative impacts	Sustainable Supply Chain	
2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement	
2-27 Comply with laws and regulations	Corporate Governance	
2-28 Membership of the Association	Industry Associations	
Stakeholder engagement		
2-29 Methods of stakeholder participation	Stakeholder Engagement	
2-30 Collective Bargaining Agreement	Employment and Employee Rights	
GRI3: Material topics 2021		
3-1 The process of determining material topics	Material Topics	
3-2 List of material topics	Material Topics	
GRI101: Biodiversity 2024		
3-3 Management of material topics	Biodiversity and Ecosystem Protection	

Disclosures	Location	Reason for omitting
101-1 Policies to halt and reverse biodiversity loss	Biodiversity and Ecosystem Protection	
101-2 Management of biodiversity impacts	Biodiversity and Ecosystem Protection	
101-3 Access and benefit-sharing	/	Not applicable: This disclosure item is not applicable to the current nature of The Company's business
101-4 Determining biodiversity impacts	/	Not applicable: This disclosure item is not applicable to the current nature of The Company's business
101-5 Sites with biodiversity impacts	Biodiversity and Ecosystem Protection	
101-6 Direct drivers of biodiversity loss	/	Not applicable: This disclosure item is not applicable to the current nature of The Company's business
101-7 Changes in the status of biological diversity	/	Not applicable: This disclosure item is not applicable to the current nature of The Company's business
101-8 Ecosystem services	/	Not applicable: This disclosure item is not applicable to the current nature of The Company's business
GRI201: Economic Performance 2021		
3-3 Management of material topics	Value Creation	
201-1 Economic value directly generated and distributed	Value Creation	
201-2 Financial impacts and other risks and opportunities arising from climate change	Management of financial material topics of ZTT	
201-3 Defined Benefit Plans and Other Retirement Plans	Compensation and Benefits	
201-4 Financial subsidies provided by the government	See The Company's annual report for details	
GRI202: Market Performance 2016		
3-3 Management of material topics	Compensation and Benefits	
202-1 Ratio of standard starting salary level to local minimum wage by gender	ESG Key Performance Data	
202-2 Percentage of executives hired from the local community	ESG Key Performance Data	
GRI203: Indirect Economic Impact 2016		
3-3 Management of material topics	Clean Technology Opportunities	
203-1 Infrastructure investment and supporting services	Clean Technology Opportunities	
203-2 Significant indirect economic impact	Philanthropy	
GRI204: Procurement Practices 2016		
3-3 Management of material topics	Sustainable Supply Chain	

Disclosures	Location	Reason for omitting
204-1 Proportion of expenditure on purchasing from local suppliers	/	Lack of information: The Company has identified the importance of this issue and is currently establishing a relevant data collection and management mechanism. It is expected that disclosure will be gradually improved in future reporting periods.
GRI205: Anti-Corruption 2016		
3-3 Management of material topics	Business Ethics	
205-1 Operations that have undergone corruption risk assessments	Business Ethics	
205-2 Communication and training of anti-corruption policies and procedures	Business Ethics	
205-3 Confirmed incidents of corruption and actions taken	ESG Key Performance Data	
GRI206: Anti-competitive conduct 2016		
3-3 Management of material topics	Technology Innovation	
206-1 Legal Proceedings for Unfair Competition, Antitrust and Antitrust Practices	ESG Key Performance Data	
GRI207: Taxation 2019		
207-1 Tax Policy	Corporate Governance	
207-2 Tax governance, control and risk management	Corporate Governance	
207-3 Stakeholder engagement and management related to tax concerns	Stakeholder Engagement	
207-4 Country Report	/	Lack of information: The Company has identified the importance of this issue and is currently establishing a relevant data collection and management mechanism. It is expected that disclosure will be gradually improved in future reporting periods.
GRI301: Materials 2016		
3-3 Management of material topics	Clean Technology Opportunities	
301-1 Weight or volume of materials used	/	Lack of information: The Company has identified the importance of this issue and is currently establishing a relevant data collection and management mechanism. It is expected that disclosure will be gradually improved in future reporting periods.
301-2 Recycled feed materials used	Clean Technology Opportunities	
301-3 Recycled products and packaging materials	Clean Technology Opportunities	
GRI302: Energy 2016		
3-3 Management of material topics	Resource Efficiency and Circularity	
302-1 Energy consumption within the organization	ESG Key Performance Data	
302-2 Energy consumption outside the organization	ESG Key Performance Data	
302-3 Energy intensity	ESG Key Performance Data	

Disclosures	Location	Reason for omitting
302-4 Reduce energy consumption	ESG Key Performance Data	
302-5 Reduce energy requirements of products and services	Clean Technology Opportunities	
GRI303: Water Resources and Wastewater 2018		
3-3 Management of material topics	Resource Efficiency and Circularity	
303-1 Interaction between organizations and water as common resources	Resource Efficiency and Circularity	
303-2 Management of drainage-related impacts	Resource Efficiency and Circularity	
303-3 Get water	ESG performance table	
303-4 Drainage	ESG performance table	
303-5Water consumption	ESG performance table	
GRI305: Emissions 2016		
3-3 Management of material topics	Emissions and Waste	
305-1 Direct (Scope 1) Greenhouse Gas Emissions	ESG performance table	
305-2 Energy indirect (scope 2) greenhouse gas emissions	ESG performance table	
305-3 Other indirect (Scope 3) greenhouse gas emissions	ESG performance table	
305-4 Greenhouse gas emission intensity	ESG performance table	
305-5 Greenhouse gas emission reduction	ESG performance table	
305-6 Emissions of ozone depleting substances (ODS)	ESG performance table	
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other major gas emissions	ESG performance table	
GRI306: Waste 2020		
3-3 Management of material topics	Emissions and Waste	
306-1 Waste generation and waste-related significant impacts	Emissions and Waste	
306-2 Management of significant waste-related impacts	Emissions and Waste	
306-3 Waste generated	Environmental Management Compliance	
306-4 Waste diverted from disposal	ESG Key Performance Data	

Disclosures	Location	Reason for omitting
306-5 Waste entering for disposal	ESG Key Performance Data	
GRI308: Supplier Environmental Assessment 2016		
3-3 Management of material topics	Sustainable Supply Chain	
308-1 New suppliers screened using environmental assessment dimensions	Sustainable Supply Chain	
308-2 Negative environmental impacts of supply chains and actions taken	Sustainable Supply Chain	
GRI401: Employment 2016		
3-3 Management of material topics	Equal employment and rights	
401-1 New employee hiring rate and employee turnover rate	ESG key performance	
401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	Compensation and Benefits	
401-3 Parental Leave	ESG key performance	
GRI402: Industrial Relations 2016		
3-3 Management of material topics	Employment and Employee Rights	
402-1 Minimum notice period regarding operational changes	Comply with relevant legal regulations, one month	
Occupational Health and Safety 2018		
3-3 Management of material topics	Occupational Health and Safety	
403-1 Occupational health and safety management system	Occupational Health and Safety	
403-2 Hazard identification, risk assessment and accident investigation	Occupational Health and Safety	
403-3 Occupational health services	Occupational Health and Safety	
403-4 Occupational health and safety matters: worker participation, consultation and communication	Occupational Health and Safety	
403-5 Occupational health and safety training for workers	Occupational Health and Safety	
403-6 Promoting worker health	Occupational Health and Safety	
403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	Occupational Health and Safety	
403-8 Workers to whom the occupational health and safety management system applies	Occupational Health and Safety	
403-9 Work-related injuries	ESG key performance	

Disclosures	Location	Reason for omitting
403-10 Work-related health problems	Occupational Health and Safety	
GRI404: Training and Education 2016		
3-3 Management of material topics	Employee Development and Training	
404-1 Average number of hours of training per employee per year	ESG Key Performance Data	
404-2 Employee skills improvement program and transition assistance program	Employee Development and Training	
404-3 Percentage of employees receiving regular performance and career development reviews	Employee Development and Training	
GRI405: Diversity and Equal Opportunity		
3-3 Management of material topics	Employment and Employee Rights	
405-1 Diversity of governance bodies and employees	Corporate Governance	
405-2 Ratio of basic wages and remuneration of men and women	ESG Key Performance Data	
GRI406: Anti-discrimination 2016		
3-3 Management of material topics	Employment and Employee Rights	
406-1 Incidents of discrimination and corrective actions taken	Employment and Employee Rights	
GRI407: Freedom of Association and Collective Bargaining		
3-3 Management of material topics	Employment and Employee Rights	
407-1 Operations and suppliers whose freedom of association and collective bargaining rights may be at risk	ESG Key Performance Data	
GRI408: Child Labor 2016		
3-3 Management of material topics	Employment and Employee Rights	
408-1 Operations and suppliers with significant risk of child labor incidents	ESG Key Performance Data	
GRI409: Forced or Compulsory Labor 2016		
3-3 Management of material topics	Employment and Employee Rights	
409-1 Operations and suppliers with significant risk of forced or compulsory labor incidents	ESG Key Performance Data	
GRI410: Security Practice 2016		

Disclosures	Location	Reason for omitting
3-3 Management of material topics	Employment and Employee Rights	
410-1 Security personnel trained in human rights policies or procedures	/	Lack of information: The Company has identified the importance of this issue and is currently establishing a relevant data collection and management mechanism. It is expected that disclosure will be gradually improved in future reporting periods.
GRI411: Aboriginal Rights 2016		
3-3 Management of material topics	Community Relations and Indigenous Peoples Rights	
411-1 Incidents involving violations of indigenous rights	Community Relations and Indigenous Peoples Rights	
GRI413: Local Communities 2016		
3-3 Management of material topics	Community Relations and Indigenous Peoples Rights	
413-1 Operations with local community engagement, impact assessment and development plans	Community Relations and Indigenous Peoples Rights	
413-2 Operations that have actual or potential significant negative impacts on local communities	Community Relations and Indigenous Peoples Rights	
GRI414: Supplier Social Assessment 2016		
3-3 Management of material topics	Sustainable Supply Chain	
414-1 New suppliers screened using social evaluation criteria	Sustainable Supply Chain	
414-2 Negative social impacts of supply chains and actions to be taken	Sustainable Supply Chain	
GRI415: Public Policy 2016		
3-3 Management of material topics	/	Not applicable: This disclosure item is not applicable to the current nature of The Company's business
415-1 Political Contributions	/	Not applicable: This disclosure item is not applicable to the current nature of The Company's business
GRI416: Customer Health and Safety 2016		
3-3 Management of material topics	Product Quality and Safety	
416-1 Assessing the health and safety impacts of product and service categories	Product Quality and Safety	
416-2 Violations involving health and safety impacts of products and services	ESG Key Performance Data	
GRI417: Marketing and Identity 2016		
3-3 Management of material topics	Product Quality and Safety	
417-1 Requirements for product and service information and labeling	Product Quality and Safety	

Disclosures	Location	Reason for omitting
417-2 Violations involving product and service information and identification	Product Quality and Safety	
417-3 Violations involving marketing communications	Product Quality and Safety	
GRI418: Customer Privacy 2016		
3-3 Management of material topics	Information Security	
418-1 Substantiated complaints involving breach of customer privacy and loss of customer data	Information Security	

12.2 Hardware Industry Sustainable Development Accounting Standards (SASB) Index Table

issue			Location
Name	Indicator number	Indicator description	
Product safety	TC-HW-230a.1	Describe methods for identifying and addressing data security risks in products	Information Security
Employee Diversity and Inclusion	TC-HW-330a.1	Representation of gender and diversity groups in executive management, non-executive management, technical employees and all other employees	ESG Key Performance Data
Product life cycle management	TC-HW-410a.1	Percentage of products containing IEC62474 declarable substances by revenue	/
	TC-HW-410a.2	Percentage of eligible products meeting EPEAT registration or equivalent requirements, by revenue	/
	TC-HW-410a.3	Percentage of eligible products certified for energy efficiency, by revenue	/
	TC-HW-410a.4	Recycled end-of-life product and e-waste weight	Clean Technology Opportunities
Supply chain management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited under the Reserve Bank of Australia's Effective Audit Program (VAP) or equivalent, by all facilities and high-risk facilities	/
	TC-HW-430a.2	The proportion of first-tier suppliers that are not in compliance with RBA's Verified Audit Procedure (VAP) or equivalent, and the proportion of corrective actions related to priority nonconformities and other nonconformities.	/
Material procurement	TC-HW-440a.1	Describe the risk management associated with the use of critical materials	Sustainable Supply Chain
Business activities	TC-HW-000.A	Number of units produced by product category	About ZTT
	TC-HW-000.B	Manufacturing facility area	About ZTT
	TC-HW-000.C	Proportion of production in own facilities	About ZTT

12.3 Content Index of "Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial)"

Disclosure requirements	The corresponding chapter of this report
Climate Action	Climate Action
Pollutant emissions	Emissions and Waste
Waste disposal	Emissions and Waste
Ecosystem and Biodiversity Conservation	Biodiversity and Ecosystem Protection
Environmental Compliance Management	Environmental Compliance Management
Energy utilization	Resource Efficiency and Circularity
Water resources utilization	Resource Efficiency and Circularity
Circular economy	Resource Efficiency and Circularity
Rural Revitalization	Rural Revitalization
Social contribution	Philanthropy
Innovation driven	Technology Innovation
Science and technology ethics	Technology Innovation
Supply chain security	Sustainable Supply Chain
Treat small and medium-sized enterprises equally	Sustainable Supply Chain
Product and service safety and quality	Product Quality and Safety
Data security and customer privacy protection	Information Security
Staff	Talent and Growth
Due diligence	Sustainable Supply Chain
Stakeholder Engagement	Stakeholder Engagement
Anti-commercial bribery and anti-corruption	Business Ethics
Anti-unfair competition	Business Ethics
Self-disclosure issues	Clean Technology Opportunities

12.4 United Nations Sustainable Development Goals (SDGs)

Target	Location	Target	Location
	Talent and Growth		Sustainable Value Chain
	Talent and Growth		Talent and Growth
	Talent and Growth		Social Responsibility
	Social Responsibility		Environmental Stewardship
	Talent and Growth		Environmental Stewardship
	Environmental Stewardship		Environmental Stewardship
	Environmental Stewardship		Environmental Stewardship
	Talent and Growth		Corporate Governance
			Corporate Governance

13 Assurance Statement

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Independent Verification Statement

Verification Statement: EIV2 108711 0010 Rev. 00

To the management and stakeholders of Jiangsu Zhongtian Technology Co., Ltd.,

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by Jiangsu Zhongtian Technology Co., Ltd. (hereinafter referred to as "ZTT" or "the Company") to perform an independent third-party verification on its *Environmental, Social and Governance (ESG) Report 2025* (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with ZTT and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on all the data and information collected by ZTT and provided to TÜV SÜD. The scope of verification is limited to the given data and information. ZTT shall be held accountable for the authenticity and completeness of the provided data and information (contains assumptions, projections, and/or historical facts).

Scope of Verification

Time frame of this verification:

- ❖ The Report contains the data disclosed by ZTT during the reporting period from January 1st, 2025 to December 31st, 2025 including environmental, social and governance data and information, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- ❖ The on-site verification sampling took place at below listed location:
ZTT headquarter, No.88 Qixin Road, NETDA, Nantong, Jiangsu, China.

Scope of data and information for the verification:

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

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

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

Limitations

- ❖ The verification process is conducted in the above scope. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- ❖ The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1st, 2025 are beyond the scope of this verification.
- ❖ The verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute any guarantee of the credibility or status of the subject of verification.

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TÜV SÜD Certification and Testing (China) Co., Ltd.
Floor 1-4, Building B, No.37, Tuanjie Road(Middle), Xishan Economic and Technological Development Zone, Wuxi, Jiangsu, P.R. China

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Independent Verification Statement



Verification Statement: EIV2 108711 0010 Rev. 00

Verification Methodology

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

- ❖ *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance*
- ❖ *Sustainability Report Verification Operation Rule (CCB_EIV_GR_002E Rev04)*

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

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

Verification Conclusions

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

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

Inclusivity	ZTT has identified the internal and external stakeholders, such as shareholders and investors, employees, suppliers, public society, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders on a regular basis.
Materiality	ZTT has established the identification and prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, and disclosed the governance structure, management approach as well as sustainability performance in corporate operation, therefore the Report's adherence to materiality principle is guaranteed.
Responsiveness	ZTT has disclosed the management approach and performance of high material topics that stakeholders concern, such as responding to climate change, product quality and safety, compliance operation, etc., and has established a communication mechanism, to fully respond to the demands and expectations of stakeholders.
Impact	ZTT has established Strategy and ESG Committee to monitor and guide the Company's efforts in the areas of environmental, social and governance. The Company has implemented a process of material topics impact assessment, based on a comprehensive and balanced understanding, measuring the impact on stakeholders and the organization itself, and disclosing the relevant impact.

Recommendations on Continuous Improvement

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TÜV SÜD Certification and Testing (China) Co., Ltd.
Floor 1-4, Building B, No.37, Tuanjie Road(Middle), Xishan Economic and Technological Development Zone, Wuxi, Jiangsu, P.R. China



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- ❖ It is recommended that the Company continues improving the sustainability management system in the future.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. Through expert teams represented by more than 28,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

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

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

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

Wenjun Zhu
TÜV SÜD Certification and Testing (China) Co., Ltd. Technical Certifier
Shanghai, China, 15th April, 2026

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

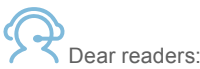
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14 Reader Feedback



Dear readers:

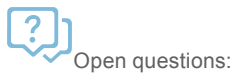
Thank you for taking the time to read ZTT's 2025 Environmental, Social and Governance (ESG) Report. We sincerely welcome your valuable comments, insights, and suggestions regarding the information presented in this report, as your feedback is important in helping us continuously strengthen our ESG governance, sustainability practices, and disclosure quality.

To further improve our ESG management and reporting standards, we have prepared a feedback form and would greatly appreciate your participation. Your support and engagement are invaluable in guiding ZTT's ongoing sustainable development journey.

Thank you once again for your trust, support, and contribution.



Options	Excellent	Good	Average	Poor
This report comprehensively and accurately reflects the Company's significant economic, social, and environmental impacts, as well as its commitment to sustainable development and responsible corporate governance.				
The information, indicators, and data disclosed in this report are presented in a clear, complete, and reliable manner.				
The language, content structure, and graphic presentation of this report are clear, well-organized, and easy to understand.				



- Open questions:
- What is your overall evaluation of this report?
- Which part of this report are you interested in?
- What other information do you need that is not reflected in this report?
- What suggestions do you have for The Company's future ESG management and information disclosure?

If convenient, you are warmly invited to share your contact details together with any comments, insights, or suggestions for further improvement. Your valuable feedback and continued support are deeply appreciated and will help guide ZTT in continuously enhancing our ESG practices, sustainability initiatives, and reporting quality in the years ahead.

Name:		Contact number:	
Work unit:		Email:	

For more corporate consultation, please pay attention toThe Company's official website: <https://www.ztt.cn> Feedback email: ztcs@ztt.cn