



2023
CENTRE TESTING INTERNATIONAL
ENVIRONMENTAL SOCIAL AND
GOVERNANCE REPORT

ABOUT THIS REPORT



CTI Is Always
By Your Side

www.cti-cert.com/en

400 6788 333

Report Description

This report is the fourth "Environmental, Social and Governance Report" (ESG Report) issued by Centre Testing International Group Co., Ltd. The board of directors, all directors, and senior management hereby undertake that the information herein is truthful, accurate, complete, and free from false records, misleading statements, or major omissions, for which they bear individual and joint liabilities. We promise to update our management, practices, and performance surrounding ESG to stakeholders in a consistent, precise, and timely manner, striving to provide a fair, transparent, and balanced report to meet the needs of stakeholders.



Reporting Scope

This report covers Centre Testing International Group Co., Ltd. and all its wholly-owned and controlled subsidiaries. For ease of expression, Centre Testing International Group Co., Ltd. is referred to hereinafter as "CTI", "the Group", "the Company", or "We". Unless otherwise specified, the period for reporting data is January 1, 2023, to December 31, 2023. All currency units mentioned in the report are CNY unless otherwise specified. The report data range is consistent with the annual report and covers the Group headquarters and all subsidiaries and offices in China, overseas subsidiaries, and holding companies.

Reporting Standards

This report is based on the social responsibility national standard Social Responsibility Guide(GB/T 36000-2015), Social Responsibility Report Preparation Guide (GB/T 36001-2015), Social Responsibility Performance Classification Guide (GB/T 36002-2015), and other relevant provisions. And refer to the International Organization for Standardization's Guidelines on Organizational Social Responsibility (ISO 26000), the GRI Standards by the Global Reporting Initiative, the United Nations' Corporate Action Guide for the SDGs (United Nations Sustainable Development Goals), the International Standard for Sustainable Disclosure of Financial Reporting No.2-Climate-Related Disclosure (IFRS S2), and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

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Report Access

You can download the Chinese and English versions of the e-report from the website of CTI (www.cti-cert.com/en), and the Chinese version of the e-report from cninf.com. If there is any discrepancy between the English and Chinese versions, please refer to the Chinese version.

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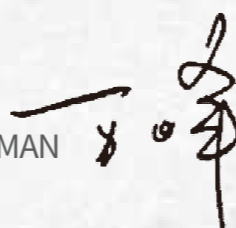


A Letter from the Chairman

In the context of the new development paradigm featuring dual circulation, in which domestic and overseas markets reinforce each other, with the domestic market as the mainstay, the TIC (Testing, Inspection, and Certification) industry is facing unprecedented development opportunities and challenges.

As a leading enterprise in China's TIC industry, we continuously enhance our risk resilience, providing global customers with more high-quality, professional, and environmentally friendly sustainable development services, thereby contributing to the sustainable development of the country and the industry.

CHAIRMAN of CTI | Wan Feng

CHAIRMAN 

The environmental protection is our eternal mission, and we strive to guarding the beauty of the planet.

We are aware of the preciousness of the earth's resources. In terms of the environment, we are committed to continuously improving and minimizing our company's impact on nature. We use the most advanced environmentally-sound technology to optimize production processes and reduce energy and resource consumption. During the year, we continued to move forward in emerging areas such as electronics and electrical appliances, materials testing, medicine, software & information technology, while vigorously developing our sustainable business. In the future, we will continue to invest in R&D to promote the application of renewable energy for more effective ecological protection.

We fulfill our social mission and undertake corporate responsibility in a steadfast manner.

Social responsibility is a vital component of our corporate culture. We actively engage in community development and philanthropy to give back to society. We prioritize the health and well-being of our employees, providing them with training opportunities and fostering a vibrant and opportunistic work environment. Our self-operated e-commerce platform, CTI MALL, and big data analytics mechanism have achieved significant breakthroughs this year. We will continue our in-depth collaboration with Huawei's WeAutomate digital robots, striving to create smarter, more efficient workflows, enhance service quality, and generate greater value for our customers.

We firmly believe that adhering to compliance and practicing integrity in governance can lead to long-term success.

Corporate governance is a solid cornerstone for promoting sustainable corporate development. We are always striving to build a highly transparent and accountable governance system that strictly complies with relevant regulations and actively adopts international best practices.

Since June 1, 2023, the Company has officially become a global member of the TIC Council. This achievement signifies the international recognition of our compliance management and sound operation, and it also indicates the expansion of our influence worldwide. We will take this opportunity to continuously improve our service level to better meet the diverse needs of international clients.

As practitioners of the mission "Building Trust for a Better Life", we firmly believe that the success of a business relies on deep integration with society. In the future, we will pragmatically integrate ESG concepts into every aspect of our business. We will further solidify the position of ESG principles in our corporate strategy and collaborate with suppliers, customers, employees, and other stakeholders to drive the development of the entire industry, shaping a more prosperous and sustainable future together.





A Letter from the President

China's TIC industry has transitioned from the first half of "aggressive expansion, and first-mover advantage" to the second half of "refinement and optimization", and will maintain the trend of sustainable, high-quality development. CTI has always maintained a keen sense of development and determination to achieve long-term goals and is committed to creating value for customers, shareholders, employees, and even the public life.

PRESIDENT of CTI | Richard Shentu

PRESIDENT

Diversified layout to seize the high-quality development path.

CTI is stepping into the era of high-quality development. Strategic planning and investment development are crucial aspects for us. At present, we are actively investing in strategic tracks such as the field of large transportation, medicine and health, semiconductor chips, and green dual-carbon to cultivate future revenue growth in the medium and long term. Meanwhile, CTI is committed to comprehensively safeguarding the quality and safety of products in all fields, maintaining the principles of integrity and independence, and creating greater value for our customers and partners. At the end of 2022, we acquired VESP to complete our industrial layout in the semiconductor testing field.

ESG leads us to promote green development.

CTI has always implanted sustainable development into its long-term strategic planning. We strive to improve our ESG level to fulfill our role as a leading company. We continue to improve our ESG management capabilities and provide sustainable development services to our global clients, helping enterprises realize green and low-carbon transformation.

Pursuing steady progress while exploring the path of internationalization.

On the road to internationalization, CTI adheres to the principle of gradual and orderly progress, rooted in the Chinese market, and gradually builds up a strong ability to serve global customers. In 2020, we successfully acquired Maritec, which marked our formal entry into the international marine oil testing market, and starting a new journey of international M&A. In 2021, we acquired 90% of German engineering service provider imat-ue, to rapidly lay out the globalization of automotive testing services. Our pursuit is to become the most internationalized Chinese inspection and testing organization, and to become an internationalized inspection and testing organization that best understands the Chinese market.

Unity and collaboration to create a bright future together.

Employees are the cornerstone of the enterprise, and talents are the key to shaping the future of the enterprise. We have always been upholding the people-oriented business philosophy, promoting a good atmosphere of positive self-improvement, happy work and serious life. In the future, we will continue to uphold our mission, strive for excellence both internally and externally, pursue mutual benefit and win-win outcomes, continuously improve ourselves, and steadily advance towards our goals.

Deep cultivation and continuous improvement, embarking on a new journey of transformation.

While continuously optimizing its own management level and development strategy, CTI always adheres to the concept of open cooperation and mutual promotion, and maintains close communication with all sectors of the society. With the dual benefits of being a quality powerhouse and global trade, we will continue to leverage our technological advantages, actively cooperate and communicate with all sectors of society, and contribute to the sustainable prosperity of China's inspection and testing industry together!

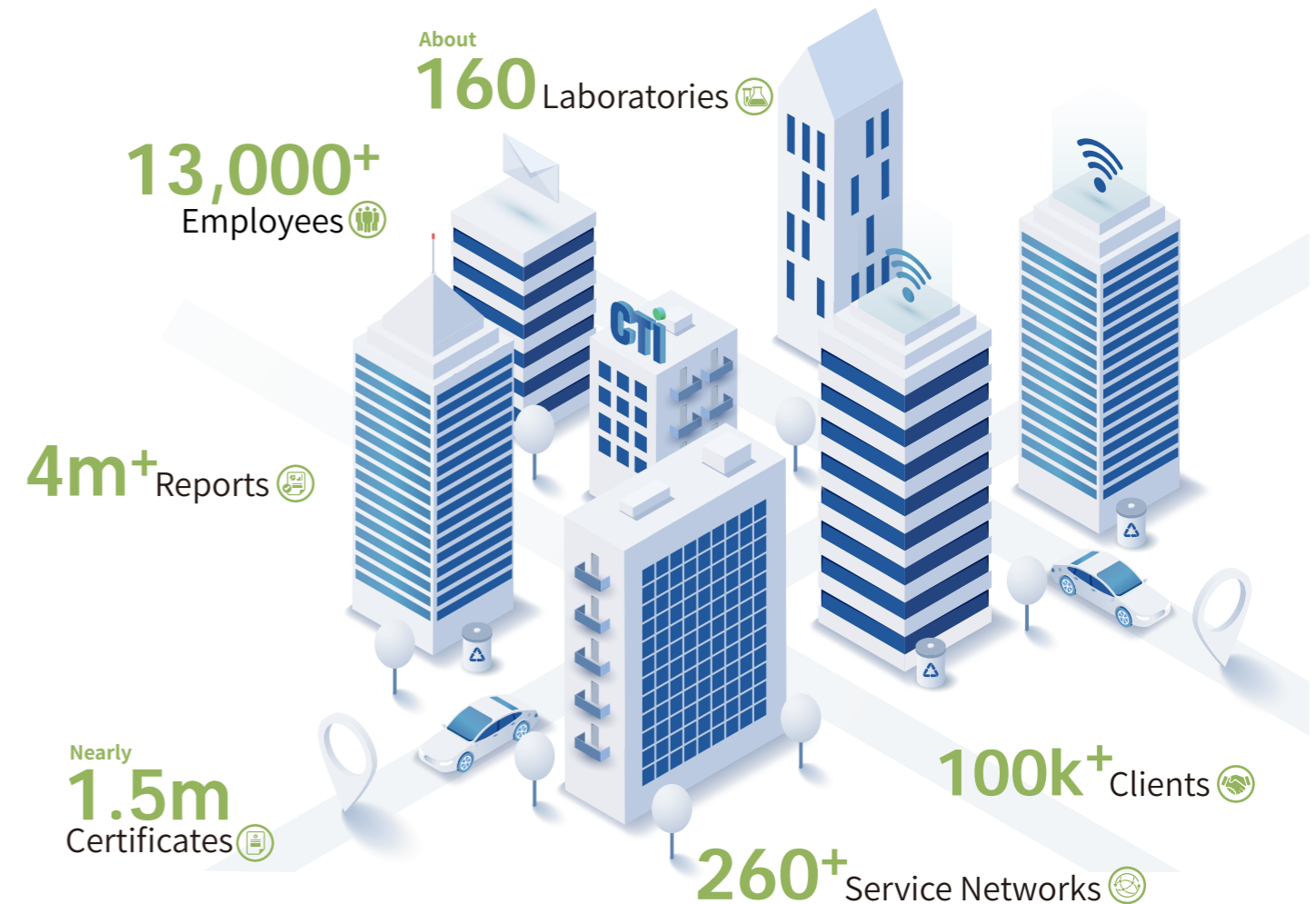


About CTI

Company Profile

Centre Testing International Group Co., Ltd. (CTI) is China's leading independent third party testing, inspection & certification company. We offer global customers one-stop solutions covering testing, calibration, inspection, certification, and technical services.

CTI was successfully listed on the Shenzhen Stock Exchange (Stock Code: 300012), becoming one of the first companies to be listed in the testing industry in China. The Company has set up about 160 laboratories and more than 260 service networks in more than 90 cities worldwide, and the Group and its molecular companies issue more than 4 million credible testing and certification reports every year, serving more than 100,000 clients.



Corporate Culture

Vision CTI Is Always by Your Side

Mission Building Trust for a Better Life Through Globalised One-Stop Solution for Testing, Inspection, Certification Services

Values
Integrity
Collaboration & Team Advancement
Lean
Innovation
Customer Centricity



CTI is Always by Your Side



Our services are divided into five major business sectors: life sciences, trade assurance, consumer goods, industrial testing, and medicine and medical services. These sectors cover numerous specialized fields including food, environment, medicine, consumer goods, industrial products, and construction engineering. We offer a wide range of technical services including testing, inspection, identification, certification, metrological calibration, and more, providing enterprises with comprehensive one-stop solutions.

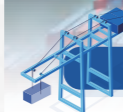
Service Content



Environmental Services

The Environmental Services Division provides various fields of environmental monitoring and EHS technical services to the government, enterprises, and various organizations. The service scope includes ecological environment detection, automatic environmental monitoring, Marine environment detection, occupational health detection, public health detection, industrial radioactivity detection, agricultural environment detection, the third national soil census service, rail transit ecological detection, judicial expertise, etc.

The Environmental Services Division has a total of 5,906 items and 3,389 methods in 19 categories of testing capacity that have passed certification and recognition. Our QA/QC program is based on Ministry of Ecology and Environment of the People's Republic of China and the United States Environmental Protection Agency (USEPA). CTI participates in the capability verification activities organized by China National Accreditation Administration for Conformity Assessment (CNAS) and international companies every year.



Marine & Natural Resources Services

CTI Marine & Natural Resources Division provides third-party Inspection, Testing & Consultancy services covering Energy, Environmental, Engineering, and natural resource

areas to established Shipping Companies, Shipyards, Manufactures and Suppliers world-wide.

All our service offered are ISO/EC accredited for inspection body (ISO/EC 17020) and lab testing (ISO/EC 17025). Our detailed service portfolio includes -BQS/ROB/BIS/-CAS/Sludge/ON&OFF Hire/Cargo Survey, Discharge Water Compliance (BW/Grey/Black/Bilge), IHM & IHM Maintenance, Asbestos Survey and Asbestos-free Certification, Responsible Recycling Supervision, Fuel Quality Testing (including Biofuel & Alternative Fuel), Lube Oil Testing, HazMat Testing, Water Testing, Technological Solutions (Fuel and Performance Monitoring (FEC), Energy Efficiency Controller (EEC)), Performance Management, ESG Sustainability Report, Energy Audit, E-logbook, Optimizing Cylinder Lube Oil Feed Rate Against Liner Wear.



Consumer Goods Services

CTI Consumer Goods Division is committed to the delivery of safe quality, and compliant products through the consumer goods industries. Industries include textiles, apparel footwear & accessories, luggage, bags & footwear, personal protective equipment, toys & juvenile products, furniture products, food contact materials, hardline goods including sports equipment, and electronic and electrical appliances including raw materials, microchips and semiconductors.

In order to better meet customer needs and provide professional and convenient technical services, currently, CTI operates several laboratories and business service locations. We provide professional technical services & solutions in testing, product certification, CCC compulsory certification, supply chain management & auditing, product quality improvement, market access and compliance, making CTI a one-stop-shop for your consumer goods requirements.



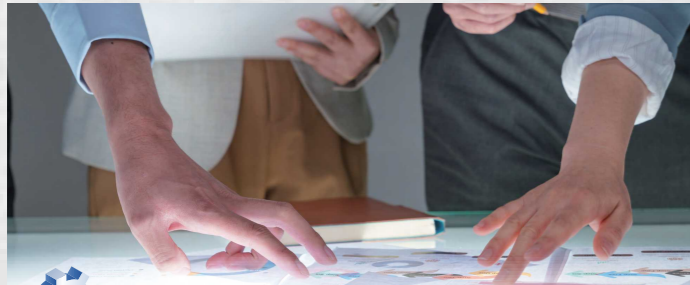
Electronic Technology Services

CTI's Electronic Technology Division has many laboratories across China's East and South provinces, including anechoic chambers, shielding rooms, safety laboratories, energy efficiency laboratories, and medical device laboratories. Product coverage includes electrical & electronic products, automotive electronic components, rail transit locomotives and parts, power equipment, large machinery, medical devices, etc. Our services include safety testing, energy efficiency testing, on-site EMC testing, automotive electronic EMC testing, radio frequency testing, lighting testing, as well as machinery directive certification and other internationally recognized certifications. CTI Singapore is also accredited with CB certification, making CTI a one-stop-shop for enterprises within the electronics & electrical product industries.



Metrology & Digital Services

Metrology and Digital Division is one of CTI's core services, covering business areas such as measurement and calibration, Reference material supply and Proficiency Testing, PT commodity and luxury inspections at ports of entry, Pest risk control and management, Major emergent infectious diseases prevention and control, Animal and plant disease prevention and control, laboratory preparation design and certified consultant, cyberspace security and software testing, the commercial password products and services. We have calibration and testing capabilities for CNAS recognition project. Our services capacities cover most provinces and cities in China, which can meet the multi-location business service needs of major enterprise clients.



Technical Services

The Technical Services Division employs a broad range of third-party services to enable customers to ensure their product and service quality, foster trust, and bolster their sustainability performance. Our comprehensive offerings range from management system certification, product and service certification, data center inspection and certification, factory quality and environmental assessment, supply chain security evaluation, on-site inspection, and production process monitoring. These services are geared towards optimizing customer operations and solidifying product and service quality. Furthermore, we deliver sustainability-focused services, including validation and verification of greenhouse gas emission reduction projects, carbon footprint accounting and verification, dual carbon target consulting, Global Recycled Standard (GRS/RCS/CCS), carbon neutrality certification, ESG reporting and rating, social responsibility auditing, green finance disclosure, environmental consulting and engineering management, and green development assessment. These services are strategically designed to empower clients to proactively address climate change challenges, minimize energy and carbon footprints, achieve ESG objectives, and continually enhance their global competitiveness.



Construction Engineering & Industrial Services

Be proud relying on the trusted brand advantages of "CTI Construction", "CTI Materials", "CTI Rail Transit", "CTI Industry" and "CTI Fire Safety", the Construction

Engineering & Industrial Services (CEIS) Division provides laboratory testing, Nondestructive Testing (NDT), inspection, product and system certification, project consulting and management services. It widely covers various industrial sectors, which include but are not limited to civil and public construction projects; building materials, rail transit, fire safety and flammability, metals and polymer materials, machinery, and the life cycle management on large industrial products and systems. CEIS network and professional teams is your trustful partner to help you improve products quality, manage project quality, and resist unknown risks, so as to enhance market competitiveness of your products and services.



Automotive & Metal Materials Services

CTI Automotive & Metal Materials Division delivers services for the automotive industrial supply and value chain including R&D, purchasing services, production, and after-sales services. We provide solutions that mitigate risk and ensure compliance, including automotive materials & parts testing, on-board electronics, Intelligent & Connected Vehicles (ICVs), components function and reliability testing, whole vehicle testing and inspection, 2nd and 3rd party audits & certification, fossil fuel-related chemical testing, and environmental protection regulation services. We have set up over 20 service offices throughout China, including 6 dedicated automotive laboratories in the primary automotive industrial hubs, to provide professional and reliable one-stop solutions for Original Equipment Manufacturers (OEM) and spare parts enterprises in the global automotive industry.



Food & Agricultural and Health Products Services

Food & Agricultural and Health Products Division has established multiple service lines throughout our laboratories to service the growing food and agricultural products sector. Our coverage extends to all food and agricultural products including special food and daily chemical products (SFC) and Food Quick Test and Animal Nutrition & Health Product Division and inspection, audits, certification, training centers, and two research institutes focused on R&D for both food and health products. This positions CTI in the market as a leading independent laboratory serving both government supervision projects as well as private-sector food supply chain enterprises.

Our service scope covers planting and breeding, primary production, processing and packaging, storage and transportation, distribution and retail, as well as meeting import and export requirements. CTI is a one-stop shop for the R&D, advisory services, verification, and risk management of the food & agricultural supply base on behalf of food companies and their vendors.



Pharma and Clinical Services

Pharma and Clinical Services Division has a multi-disciplinary professional team with sophisticated experience covering services in Pharma, Clinical, medical devices, and health management areas.

The team has formed unique technical service capabilities in various fields with mature quality systems (CNAS/CMA/ISO/GLP/GMP) and clinical data management systems. We provide comprehensive service solutions including pharma CMC research, generic drug consistency evaluation, non-clinical innovative drug research, preclinical drug efficacy and pharmacokinetic services, drug and medical device testing services, and the team can provide GMP MAH, US FDA, and EMEA registration consulting services as well. In the clinical field, the team provides independent third-party clinical laboratory services, which include clinical diagnosis, routine pathological/molecular pathological diagnosis, gene testing, precision clinical testing, metabolomics, scientific research services, etc. At the same time, the team can provide health examination and health management services for occupational groups.



- 1. Testing of Hazardous Substances in Electronic & Electrical Products
- 2. Reliability Testing
- 3. Electronic Materials and Components Testing
- 4. Digital and Computer Accessories Testing and Certification
- 5. Hardgoods Testing
- 6. Infant and Toy Product Testing
- 7. Food Contact Materials Testing
- 8. Stationery Testing
- 9. Textiles, Footwear, Luggage and Bags Testing
- 10. Energy Testing
- 11. Oil, Gas and Chemicals
- 12. Power and Utilities
- 13. Industrial Equipment Testing
- 14. Building Testing

- 15. Civil Constructions Testing
- 16. Transportation Infrastructure Testing
- 17. Rail Transit Equipment Testing and Systems Evaluation
- 18. Materials Testing and Analysis
- 19. Environment Testing and Monitoring
- 20. Automated Environmental Monitoring
- 21. Marine Environmental Testing and Monitoring
- 22. Occupational Health
- 23. Food Testing
- 24. Feed Testing
- 25. Rapid Inspection
- 26. Testing of Special Foods and Personal Care Chemical Products
- 27. Agricultural Products Testing
- 28. Medical Device Testing Services

- 29. Information Appliances Testing and Certification
- 30. Home Appliances Testing and Certification
- 31. Communication Devices Testing and Certification
- 32. Lighting Appliances Testing and Certification
- 33. Metrology and Calibration
- 34. Laboratory Design, Construction and CNAS Recognition Consulting
- 35. CA Electronic Certification Services/Products
- 36. General Software Testing
- 37. APP Security Testing
- 38. Furniture Product Testing
- 39. Automotive Testing
- 40. Aviation Testing
- 41. CRO/CMC Services
- 42. Medical Testing Services

- 43. Audit & Inspection
- 44. Entry Medical Examination/Occupational Health Examination
- 45. System and Product Certification
- 46. Energy Management System Certification
- 47. Low Carbon Planning and Certification Services
- 48. ESG Consulting and Management Enhancement Services
- 49. Green Manufacturing System Construction and Evaluation
- 50. Energy Saving Diagnosis and Audit Services
- 51. Ship Inspection
- 52. Personal Protective Equipment Testing and Certification
- 53. Intelligent Transportation Electronic Testing and Certification

- 54. Rail Transportation ON SITE Testing
- 55. Public Health
- 56. Agricultural Environment
- 57. Railway Transportation Ecology
- 58. Judicial Forensics
- 59. Drug Testing Service
- 60. Functional Medicine and Multi-Organomics Research Services
- 61. Standard Material and Proficiency Testing
- 62. Network Level Security Protection Evaluation
- 63. Penetration Testing
- 64. Code Audit Service
- 65. Informationization Project Supervision
- 66. SSL Server Certificate

CTI Services

Local Foundation, Global Vision



We are now operating approximately **160** laboratories in more than **90** cities, covering over **10** countries and regions around the world. In the future, we will keep expanding our service landscape and provide professional services and support for global partners.

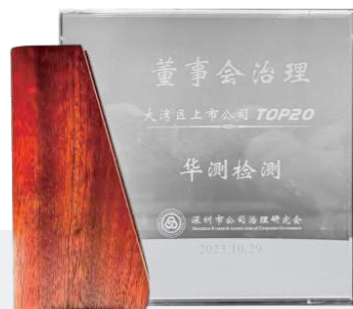
CTI CENTRE TESTING INTERNATIONAL



2023 Reputation



Shenzhen Research Association of Corporate Governance
The China Great Bay Area Listed Companies Top20 Corporate Governance Award



Shenzhen Research Association of Corporate Governance
The China Great Bay Area Listed Companies Top20 Board Governance Award



China Association for Public Companies
2023 Best Practice Cases of Corporate Governance



China Association for Public Companies
2023 Best Practice Cases of Listed Company Board of Directors Best Practice Creation Activity



Securities Times
Top 50 Valuable Listed Companies on the 17th GEM in China



China Association for Public Companies
2023 Best Practice Case of Board Office in Listed Companies



YICAI
Annual Competitive Enterprises on the 2023 Yicai Capital Market Value List



China's TOP 100 Listed Companies Forum
Top 100 Enterprises in China



China's TOP 100 Listed Companies Forum
China Top 100 High Growth Enterprises Award



China's TOP 100 Listed Companies Forum
China Ethical Enterprise Award



China's TOP 100 Listed Companies Forum
Wan Feng - China's Top 100 Outstanding Entrepreneurs Award



Guangdong Food and Drug Evaluation and Certification Technology Association
The 3rd Member's Congress and 10th Anniversary Celebration
Star of Social Co-Governance

ESG Reputation



CTI received an AA rating from the Wind ESG Rating rankings and was awarded the Best ESG Practice Award for Listed Companies in China in 2023



CTI received an AAA rating from the CNI ESG Rating rankings and ranked third (3/308) in the Industrial Service Sector



Received Best Social Responsibility Award from Sina Finance



Selected for the S & P Global Sustainability Yearbook (China Edition) 2023

- Received ESG Governance Outstanding Cases Award from Xinhua Credit
- Received ESG Optimization Practice Cases for listed companies from Securities Daily
- Received 2023 Outstanding ESG Corporate Governance & 2023 Outstanding Social Responsibility Report from the Social Responsibility Conference

Reputation for Subsidiaries (Partial)

- CTI Certification won the "Excellent Service Organization in the Field of Carbon Neutrality"
- CTI Certification won the "Best Service Award" of Beijing Green Exchange in 2022
- CTI Certification won the title of "Pioneer of double carbon Practice" in Tianjin
- CTI Engineering won the 2023 (11th) Science and Technology Award of the Guangdong Civil Architecture Society
- CTI Pinzheng won the Star of Science and Technology Innovation of Lingang Group Park
- CTI Pinbiao, CTI Pinzheng, CTI Zhike won the excellent quality enterprise of Pujiang Town
- CTI Pinbiao won the "Innovative Small and medium-sized Enterprise" in Shanghai
- CTI Pinbiao won the "2022 Minhang District Governor Quality Award"
- CTI-Medlab won the "Shanghai Producer Services Leading Enterprise"
- Anhui CTI won the 2023 "SME Public Service Demonstration Platform"

2023 Highlight Performance

Financial Performance

- The total operating income grew by 9.24%YOY to CNY5.605 billion.

Corporate Governance and ESG Development

- Established the ESG and Climate Change Management Systems, raising the climate change issue to the board level.
- 100% coverage of anti-fraud training.
- 100% coverage of business ethics training.

Professional Competence

- By the end of the reporting period, CTI has obtained 165,733 CMA qualification parameters, 69,900 CNAS qualification parameters, and 29,736 CATL qualification parameters.
- As of the end of the reporting period, a total of 57 subsidiaries of CTI have obtained CMA accreditation;

54 subsidiaries have obtained ISO 9001 certification;

43 companies have obtained ISO 14001 and ISO 45001 certification;

6 companies have obtained ISO/IEC 27001 certification;

2 subsidiaries have obtained ISO/IEC 17034 certification;

1 subsidiary has obtained ISO/IEC 17043 certification;

1 subsidiary has obtained ISO/IEC 15189 certification;

51 subsidiaries have obtained ISO/IEC 17025 accreditation;

4 subsidiaries have obtained ISO/IEC 17065 accreditation;

3 subsidiaries have obtained ISO/IEC 17020 accreditation;

1 subsidiary has obtained ISO/IEC 17021 and ISO/IEC 17029 accreditation.

- As of the end of the reporting period, the Group has been granted 354 patents (with an annual increase of 65) and issued a total of 633 standards (with an annual increase of 38).

Talent Management

- There are 13,021 regular employees and 3,238 casual workers (including interns, laborers, and part-time consultants) all over the world, with females accounting for 49.94% of regular employees.

- Employee training has a coverage rate of 100%, with a total training duration of 261,307 hours. The average hours per FTE of training is 20.07 hours.
- Leadership development programs have been implemented for employees at all stages of the employee development lifecycle.

QHSE Performance

- Carried out the carbon inventory project from 2020 to 2023, covering CTI and all its subordinate institutions and offices.
- A total of 54 subsidiaries have obtained the ISO 9001 Quality Management System Certification, of which 13 were added in 2023.
- A total of 43 subsidiaries have obtained the ISO 14001 Environmental Management System Certification, of which 7 were added in 2023.
- A total of 43 subsidiaries have obtained the ISO 45001 Occupational Health and Safety Management System Certification, of which 7 were added in 2023.
- Carried out 84 emergency drills, covering the following subjects: fire escape, fire fighting and

rescue, chemical leak handling, and anti-terrorism handling.

- The total duration of quality training was 39,013.63 hours.

Social Contribution

- Carried out social donations of CNY98,500.



01

Enhancing Governance To Solidify The Foundation Of Operations

Corporate governance is crucial for the internal operations of a company. It's also a key factor in establishing and maintaining corporate reputation and attracting investment.

Benchmarking the United Nations Sustainable Development Goals



Key Issues Integrity and Ethics | Anti-Corruption | Tax Transparency

- Optimizing Corporate Governance _____ 14
- Strengthening ESG Governance _____ 17
- Adherence to Business Ethics _____ 20

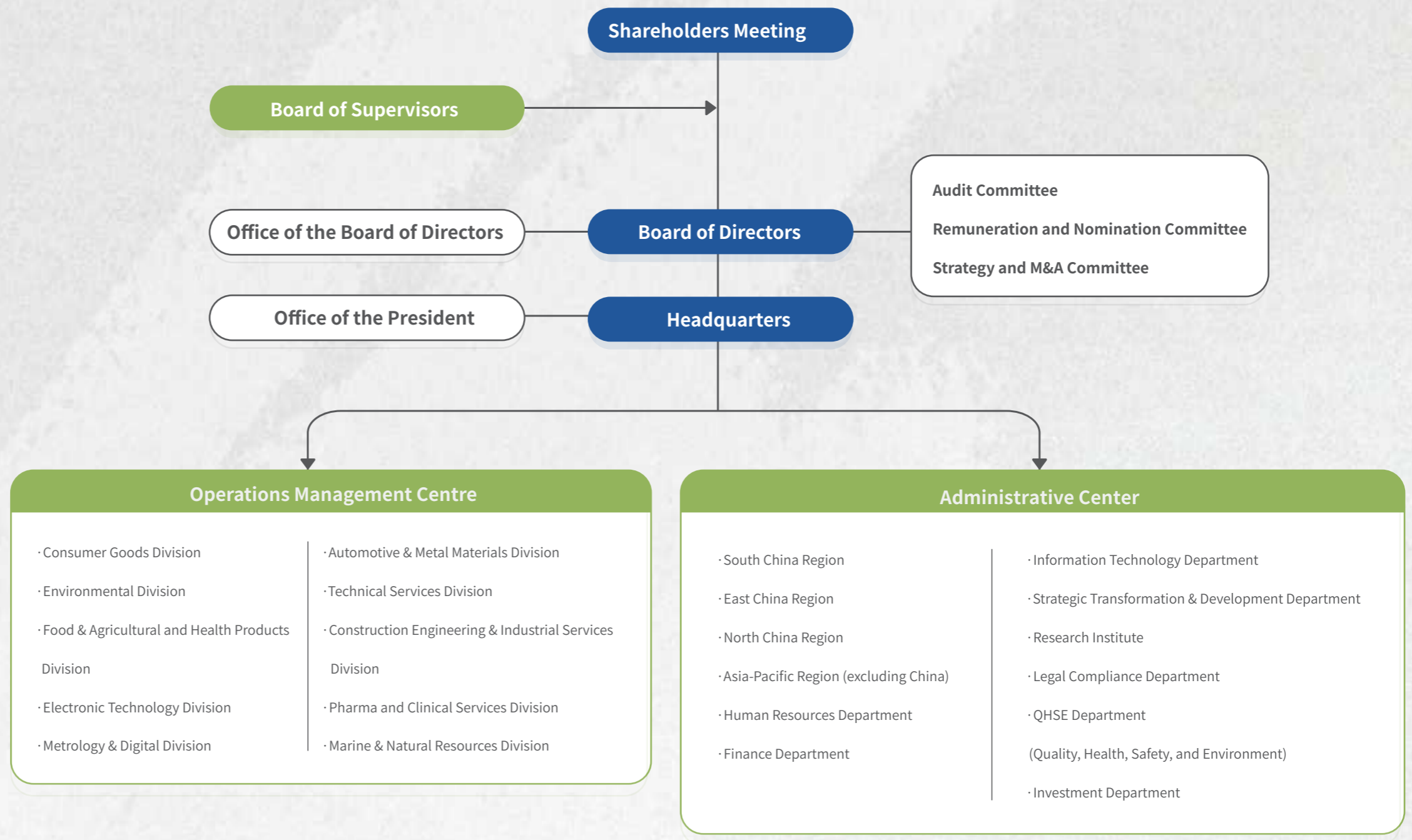


Optimizing Corporate Governance



Governance Structure

In accordance with the NO.2 Guidelines for Self-regulation and Supervision of Listed Companies on the Shenzhen Stock Exchange - Standardized Operation of Listed Companies on GEM Board and other relevant listing requirements, as well as national regulations and policies, the Company has actively established and improved the rules system and governance structure mainly structured by the Articles of Association, Rules of Procedure for General Meeting of Shareholders, Rules of Procedure for the Board of Directors, and Rules of Procedure for the Board of Supervisors. Within this framework, we strictly adhere to the provisions of the Articles of Association and their respective rules of procedure and working guidelines to ensure that the Shareholders Meeting, the Board of Directors, the Board of Supervisors, and the management team perform their duties properly and operate in a standardized manner. This ensures that the various levels of the Company's organizational structure operate in an orderly and standardized manner, thereby safeguarding the Company's steady and sustainable development in a competitive market environment.



Board of Directors



Wan Feng
Chairman



Richard Shentu
Director



Qian Feng
Director



Qi Guancheng
Director



Cheng Haijin
Independent Director



Zeng Fanli
Independent Director



Liu Zhiquan
Independent Director

Senior Management



Richard Shentu
President



Qian Feng
Vice President



Li Fengyong
Vice President



Xu Jiang
Vice President



Zhou Lu
Vice President



Zeng Xiaohu
Vice President



Wang Hao
Vice President, CFO



Jiang Hua
**Vice President,
Secretary of the Board**

Diversification and Independence of the Board of Directors

The Company strictly adheres to the *Articles of Association* and continuously deepens the implementation of the diversity policy of the board of directors, including but not limited to gender, cultural, and educational backgrounds, to ensure an appropriate balance in skills, experience, and perspectives, and to ensure a match between individuals and positions.

With comprehensive consideration of board diversity, the appointment of all directors is based on the principle of selecting the best candidates, ensuring that each director's knowledge, experience, and expertise complement each other, thus ensuring the scientific nature of board decision-making. Meanwhile, the Company strictly adheres to the requirements of the listing rules of the stock exchange and relevant provisions of the *Articles of Association* in the selection of independent directors.

During the reporting period, the independent directors of the Company adhered to the provisions of relevant laws, regulations, departmental rules, the work system for independent directors as well as the principle of independence, and conscientiously fulfilled their duties. This played an important role in the standardized operation of the Company, while safeguarding the legitimate rights and interests of minority shareholders and providing strong support for the Company's sound development.

As of the end of the reporting period, the board of directors consists of **7** members, including **4** non-independent directors and **3** independent directors.

Internal Control and Risk Management

The Audit Committee, a subsidiary of the Board of Directors, serves as the highest governing body for internal control and risk management, responsible for overseeing and evaluating relevant systems and procedures. Under the Audit Committee, the Internal Audit Department conducts annual assessments of the Company's internal controls and issues an Internal Control Assessment Report that includes risk assessments.

The Company has rigorously adhered to the requirements of the *Basic Standard for Enterprise Internal Control* and the Management Regulations on Internal Audit, successfully establishing and improving an internal control system. This system includes clear provisions regarding audit independence in reporting mechanisms, personnel settings, and management systems. Each functional department and division have strictly formulated internal control systems and procedures by standardized requirements and conducted comprehensive risk identification and assessment to ensure the effective implementation of internal control systems and procedures.

According to the provisions of the Management Regulations on Internal Audit, the Internal Audit Department conducted a record filing work on September 21, 2023, for a total of **439** individuals who served as directors, supervisors, or senior management personnel of the parent company, subsidiaries, and branches of CTI, or held positions at or above the C4 level, as well as previous recipients of equity incentives from CTI.

As of the end of the reporting period, the record filing work for **438** individuals has been completed, with a signing rate of **99.8%**. For the one individual who has not yet completed record filing, the Internal Audit Department has conducted an interview and highlighted the corresponding risks.

Investor Relations Management

The Company is actively committed to establishing a stable and effective two-way communication relationship with shareholders and investors. To achieve this goal, we have established a sound investor relations management mechanism and information disclosure mechanism to ensure the fairness of information disclosure and timely conveyance of relevant information to shareholders. In addition, in terms of investor relations management, we have taken comprehensive measures, including regularly organizing investor teleconferences and conducting investor communication activities. We responded to the concerns of shareholders and investors, answered their concerns, listened to their opinions and suggestions, and established a mutually beneficial cooperative relationship based on mutual trust.



Strengthening ESG Governance

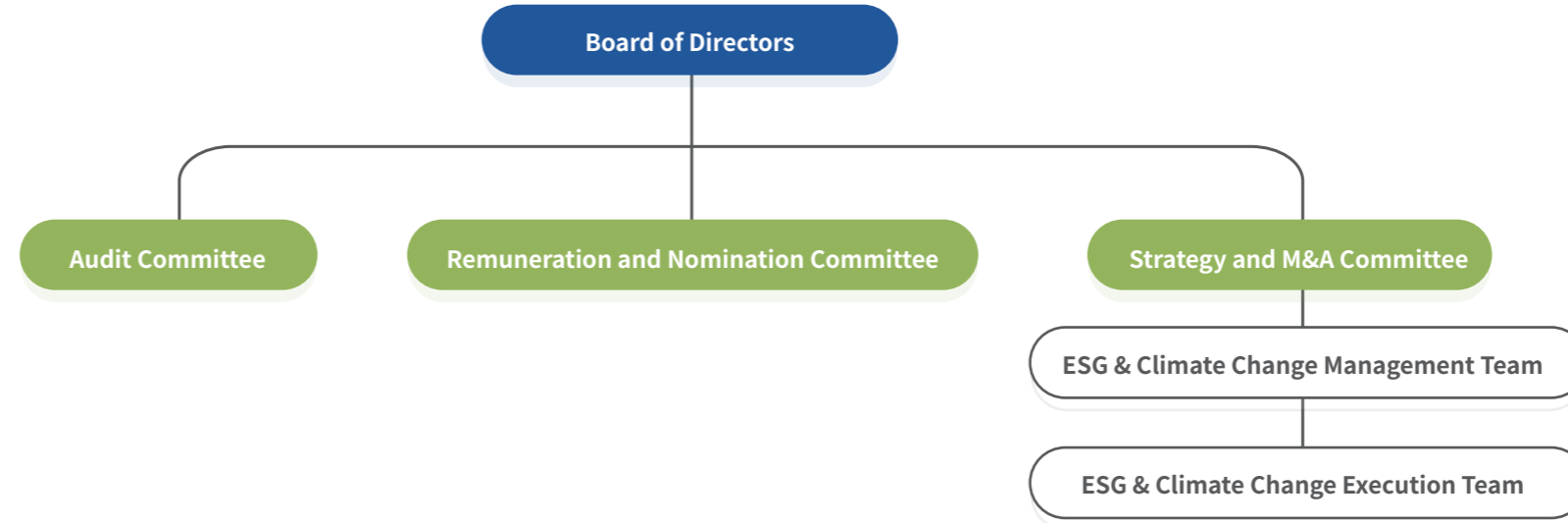


Enhancing ESG Governance

We continuously integrate environmental, social, and governance (ESG) factors into our company's development strategy, improving the ESG governance framework and operational mechanisms. We actively respond to the demands and expectations of various stakeholders to create more sustainable value for employees, customers, investors, and society. This ensures the effective implementation and practice of our company's sustainable development strategy.

The Company passed the [ESG and Climate Change Management Systems](#) on December 14, 2023. According to this system, the board of directors holds the highest authority and ultimate responsibility in ESG issues such as climate change and human rights, with the Strategy and M&A Committee under the board responsible for specific oversight tasks.

CTI's ESG and Climate Change Management Organizational Structure



Our ESG Commitment

We adhere to the four pillars of business ethics, environment, privacy and data security, and human resources development, with corporate governance as the cornerstone of our ESG ecosystem. We commit to achieving and continuously improving responsible environmental and social benefits, and effectively managing and governing corporate operations. While achieving mutual development with stakeholders, we extend our influence on society, jointly contributing to the realization of our brand vision: CTI Is Always by Your Side.



Stakeholder Communication

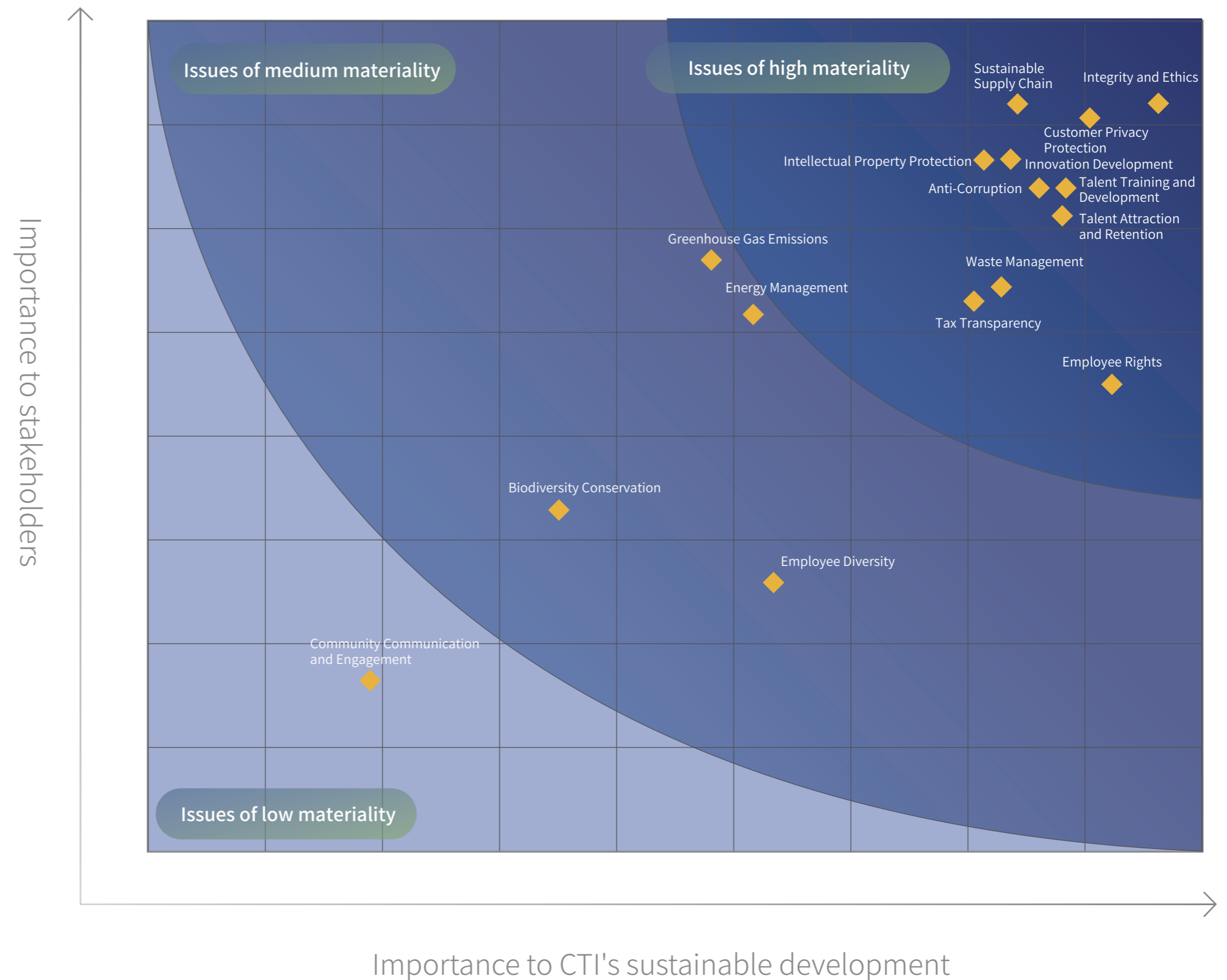
Stakeholder	Issue of Concern	Way of Communication/ Response
Shareholder/ Investor	<ul style="list-style-type: none"> ● Continuous growth in operating performance ● Good performance in market value ● Company value improvement ● Open and transparent corporate information ● Sustainability models 	<ul style="list-style-type: none"> ● General Meeting of Shareholders ● Announcements and periodic reports ● Performance briefings ● Investor researches and investment strategy meetings ● Respond to investors through the Board Office
Employee	<ul style="list-style-type: none"> ● Protection of basic rights and interests ● Well-defined career development paths ● Competitive employment opportunities ● Welfare and Care 	<ul style="list-style-type: none"> ● Company annual conferences ● Whistleblowing hotline and website ● Cultural and sports activities
Customer	<ul style="list-style-type: none"> ● Fair, objective and professional services ● Desirable service experience ● Information security and data protection 	<ul style="list-style-type: none"> ● Customer inquiry and complaint hotline ● Customer satisfaction surveys and complaint return visits ● E-commerce platform (CTI MALL) ● Customer demand researches and project reporting
Government and Regulator	<ul style="list-style-type: none"> ● Compliance with laws and regulations, and compliance operation ● Accepting supervision and timely information reporting ● Legal tax payment to boost economy 	<ul style="list-style-type: none"> ● Fulfillment of information disclosure obligations required for listed companies ● Receiving supervision by industry regulators such as CNAS, CMA, and government departments such as the State Administration for Market Regulation, and submitting necessary documents

Stakeholder	Issue of Concern	Way of Communication/ Response
Environment	<ul style="list-style-type: none"> ● Mitigating greenhouse effect ● Reducing resource consumption ● Lowering impact of operating activities on the environment 	<ul style="list-style-type: none"> ● Services for greenhouse gas and sustainable development ● Green procurement chains ● Developing green economy through energy saving and consumption reduction
Partner	<ul style="list-style-type: none"> ● Mutual benefits and win-win results ● Promoting healthy development of the industry 	<ul style="list-style-type: none"> ● Participating in or holding industry forums and exchanges ● Cooperation and business negotiations
Supplier	<ul style="list-style-type: none"> ● Shared growth ● Fair and transparent procurement ● Ethical procurement 	<ul style="list-style-type: none"> ● Notices of invitation for bids and disclosure of bidding procedures and results ● Supplier audit
Community	<ul style="list-style-type: none"> ● Concern and support for community development 	<ul style="list-style-type: none"> ● Charitable donation ● Voluntary service
NGO	<ul style="list-style-type: none"> ● Experimental animal protection 	<ul style="list-style-type: none"> ● Humane care and protection for animals



Identification of Material Issues

We invited stakeholders to conduct surveys on topics of concern and received a total of **635** questionnaires from various stakeholders including company executives, internal employees, customers, suppliers, and partners. We identified **16** material issues through consensus. Material Issues are prioritized in a materiality matrix, prioritized in terms of "importance to stakeholders" and "importance to CTI's sustainable development". This helps us to efficiently conduct material issues analysis based on the principle of double materiality.



Adherence to Business Ethics



We require every employee to strictly adhere to the laws and regulations of China and the regions where our business operates, and to abide by the ethical norms of integrity and fair competition in business conduct, ensuring that the Company operates in all areas of business with high ethical standards and compliance principles.

- New employee integrity training pass rate: **100%**
- A pass rate of training assessment for personnel in positions with major integrity risks **100%**
- Coverage rate of special training on anti-corruption: **100%**
- Handling rate of reported incidents of fraud and corruption: **100%**

Compliance System and Management

The Group's Board of Directors and Audit Committee continued to oversee the internal control procedures and systems, including business ethics. During the reporting period, we revised the *CTI Group Code of Business Conduct* (hereinafter referred to as the *Code of Business Conduct*), which clearly outlines how we should fulfill our business ethics and legal responsibilities. The code stipulates the professional ethics and legal framework that we need to adhere to in conducting business activities, covering basic principles and norms applicable to internal behaviors within the group as well as behaviors involving external partners and the public.

To strengthen compliance enforcement, we have established the Group Compliance Committee and appointed one Chief Compliance Officer to regularly review the implementation of the Code of Business Conduct, ensuring its compliance with the latest regulations and industry standards. This code applies to all company employees, including full-time, part-time, and temporary staff members.

To ensure that employees fully understand the content of the code, the Company provides the full text of the *Code of Business Conduct* to all employees, including managements, and conducts corresponding compliance training courses. These measures aim to establish and maintain high standards and ethical conduct for the Company in its business activities, ensuring responsible operations in all aspects.

The content of the Code of Business Conduct

Compliance with national and regional laws and regulations	Compliance with anti-corruption legal requirements
Mutual respect	Avoidance of conflicts of interest
Upholding and enhancing the Company's reputation	Protection of data and privacy security
Management leading by example, promoting ethical behavior and compliance	Respect for the rights and dignity of all individuals
Adhering to principles of integrity	Protection of the environment and conservation of natural resources
Abiding by principles of fair business practices	Ensuring the health and safety of employees, customers, and third parties
Prohibition of giving, requesting, or accepting benefits	

During the reporting period, the group invited senior legal advisers to conduct legal sharing sessions. The sharing topics included *Common Criminal Legal Risks and Prevention for Enterprise Managers* and *Enterprise Bidding - Legal, Risks, and Practices*, aiming to promote compliance management within the group and reduce legal risks.

Anti-Corruption and Bribery

We strictly adhere to the relevant anti-corruption laws in the jurisdictions where the group and its member companies operate. Based on the *Business Principles for Countering Bribery* issued by Transparency International, and other anti-bribery requirements from international organization, we revised the Clean Governance Handbook during the reporting period and implemented it among all employees to ensure that our business practices meet the highest standards of integrity. This effort also contributed to the group's successful membership in the TIC Council. The Clean Governance Handbook aims to deploy good business practices and risk management strategies.

Through systematic regular reviews, we assess corruption risks and develop corresponding control measures. Our *Code of Business Conduct* clearly defines charitable donations and sponsorship activities to ensure that charitable funds are not used as indirect bribes.

At the same time, the *Code of Business Conduct* clearly defines the provisions related to anti-money laundering. Our goal is to only engage in business cooperation with clients, advisors, and business partners who are engaged in legal business activities, have legitimate sources of funds, and have a good reputation. The Company strictly complies with the *Anti-Money Laundering Law of the People's Republic of China* and its relevant processes, as well as all accounting, bookkeeping, and financial reporting regulations applicable to cash and payments in other transactions and contracts. Employees are encouraged to promptly report any suspicious behavior of clients, advisors, and business partners during their work to ensure that the Company's business activities are legal and compliant, and to maintain the Company's reputation. During the reporting period, a total of 2 employees were disciplined or dismissed for non-compliance with anti-corruption policies. There were no instances of prosecution or administrative penalties due to corruption or bribery.

Protecting Whistleblowers

We effectively implement the *Management Regulations on Anti-fraud and Whistleblowing*, and other related procedures and documents for employee complaints and whistleblowing management. We actively encourage all employees and stakeholders to report and file complaints against any party's violations of the *Code of Business Conduct* and other laws and regulations. To facilitate this, we have established various dedicated channels for reporting, such as email, hotline numbers, and mailing addresses. The Internal Audit Department of the Board of Directors is specifically designated to receive, investigate, and handle complaints or whistleblower cases to ensure that the issues are properly addressed.

We explicitly state that all whistleblower information will be kept strictly confidential, and we commit to not tolerate any form of retaliation against the whistleblowers. Employees who receive and investigate complaints are strictly prohibited from disclosing the whistleblower's information and the content of the report without authorization. Any individual found to have violated this policy by leaking the whistleblower's information or engaging in retaliation against the whistleblower will face disciplinary actions, including warnings, demotions, terminations, or legal proceedings as required by law.

Reporting methods	
Reporting of Fraud	
Reporting Email:	cti-audit@cti-cert.com
Hotline:	0755-33681636
Reporting Telephone:	13713568086
Reporting address:	CTI Building, No. 4 Liuxian 3rd Road, Xin'an Sub-district, Bao'an District, Shenzhen City
Reporting of Violations	
Reporting Email:	compliant@cti-cert.com

Promotion of Business Ethics

To ensure that our company employees possess good business ethics, we have implemented comprehensive training measures.

We have launched courses such as *CTI Group Code of Business Conduct Training*, and *CTI Group Anti-fraud Training* on our online E-learning platform. We require all CTI Group employees, especially new hires, to undergo training on business ethics. Additionally, every year, we organize systematic integrity training for all employees in positions with medium to high integrity risks and assess the effectiveness of the training. Integrity officers in each department are responsible for overseeing the training. During the reporting period, the coverage rate of business ethics-related training in our company was **100%**.

In addition, the Company has formulated a Clean Governance Handbook, which clearly defines the management mechanism for integrity training. We have identified positions with high integrity risks and conducted training and specialized learning activities at different frequencies and in different forms based on the level of integrity risks. This ensures that employees have a deep understanding and mastery of business ethics. We have also specified the integrity responsibilities of employees adopted transparent mechanisms and institutionalized work processes to separate responsibilities and functions, and implemented supervision and inspections.

Responsible Operation

Strict adherence to business ethics is the cornerstone of the Company. We are deeply committed to the principle of fair competition, ensuring that we pay our taxes under the law, protect intellectual property rights, and market responsibly. This provides a solid foundation for our company's sustainable development and the practice of social responsibility.

Fair competition	<ul style="list-style-type: none"> We strictly adhere to the principles of fair business conduct and comply with the <i>Anti-Unfair Competition Law of the People's Republic of China</i>. We expressly prohibit employees from disclosing company information to competitors or maliciously spreading false information about competitors or their products, to avoid damaging the business reputation of competitors. We pledge not to engage in activities that violate fair competition, anti-monopoly, or tendering rules, ensuring that the enterprise follows the principles of fairness and transparency in competition.
	<p>Every year, the Company, with the assessment and support of external and internal tax experts, follows national tax regulations to declare taxes and fulfill its tax obligations. All tax planning must adhere to principles such as sustainable development, corporate responsibility, and risk management to ensure that the Company's tax activities are conducted in compliance with legal frameworks.</p>
Tax compliance	
Intellectual property rights	<ul style="list-style-type: none"> We place great importance on the protection of intellectual property rights, respect proprietary technologies, and have formulated the Intellectual Property Rights Management System to standardize the management of company intellectual property. The Research Institute has been explicitly designated as the Company's intellectual property management department, and its Technical Development Department is responsible for the basic management of intellectual property. Through the <i>Procedure for Protecting Customer Confidentiality and Ownership</i>, the Company ensures that customer property and intellectual property rights are effectively protected. The Company strictly prohibits engaging in and participating in activities and behaviors that infringe upon the intellectual property rights of other companies or individuals. While protecting its intellectual property rights, the Company also considers the expectations and basic needs of society and the industry.
	<ul style="list-style-type: none"> We strictly comply with the <i>Advertising Law of the People's Republic of China</i> and have formulated the CTI Publicity Management System to standardize the Company's information management and promotional work. We adhere to responsible marketing and strictly prohibit all forms of false advertising. The Company is committed to showcasing CTI 's service capabilities and competitive advantages to the market while maintaining absolute authenticity and objectivity. We explicitly pledge not to engage in false advertising and ensure that advertising content is accurate and truthfully reflects the Company's actual situation. During the reporting period, the Company did not experience any incidents of non-compliance related to product and service information and labeling, nor did it encounter any incidents of non-compliance related to marketing activities.
Responsible marketing	

02

Pursuing Excellence, Creating Quality Life

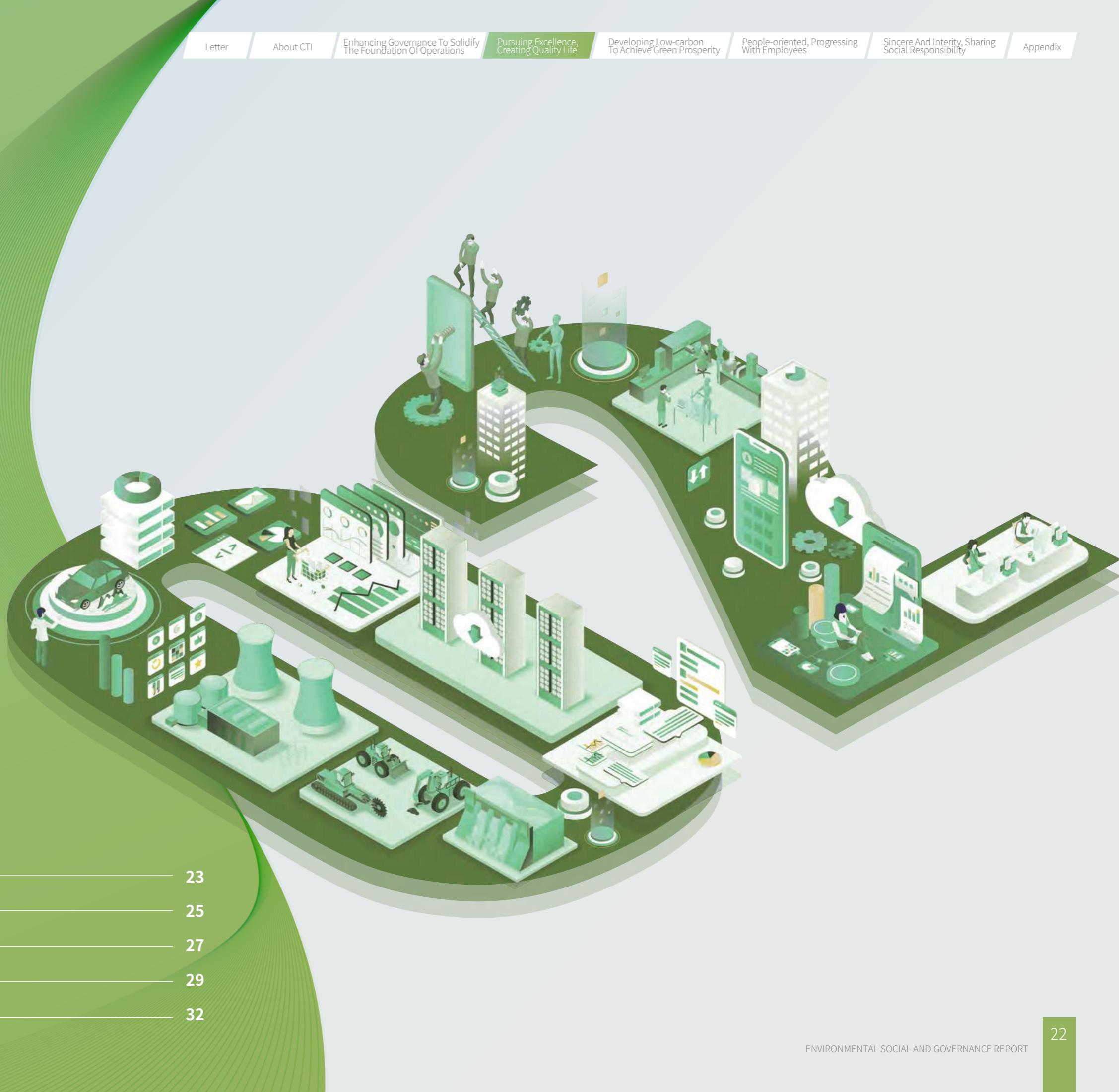
CTI has a global service network and deep service capabilities. The Company promises to continue to improve the Company's quality management, customer service, scientific research and innovation, and other aspects of strength, to improve quality to promote the progress of the industry.

Benchmarking the United Nations Sustainable Development Goals



Key Issues Innovative Development | Intellectual Property Protection
Customer Privacy Protection | Sustainable Supply Chain

Pursuing Excellent Quality	23
Offering High-quality Service	25
Maintaining Data Security	27
Gathering Force on R&D Innovation	29
Building a Responsible Supply Chain	32

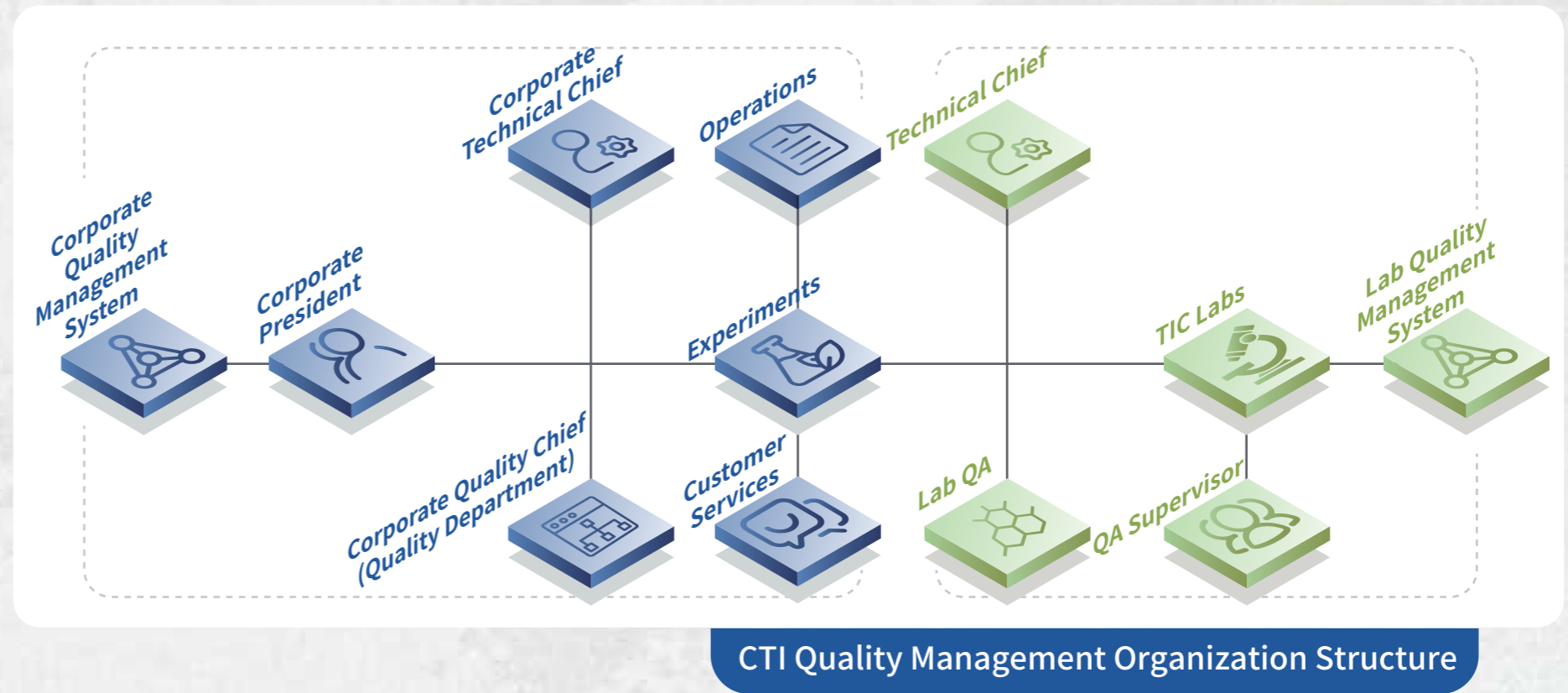


Pursuing Excellent Quality

Quality Management Organization Structure

The Company has established a sound quality management system and conducted hierarchical management of the quality management system. The QHSE Department of the Group is responsible for quality control. The Group's divisions, subsidiaries, and operation sites are responsible for supplementing the relevant systems and strengthening quality management according to their business characteristics.

The Group implements the Chief Quality Officer system. The Chief Quality Officer is a decision-making manager responsible for the overall development of the Company's quality, and is responsible for coordinating and managing the implementation of the Company's quality improvement and QHSE risk management.



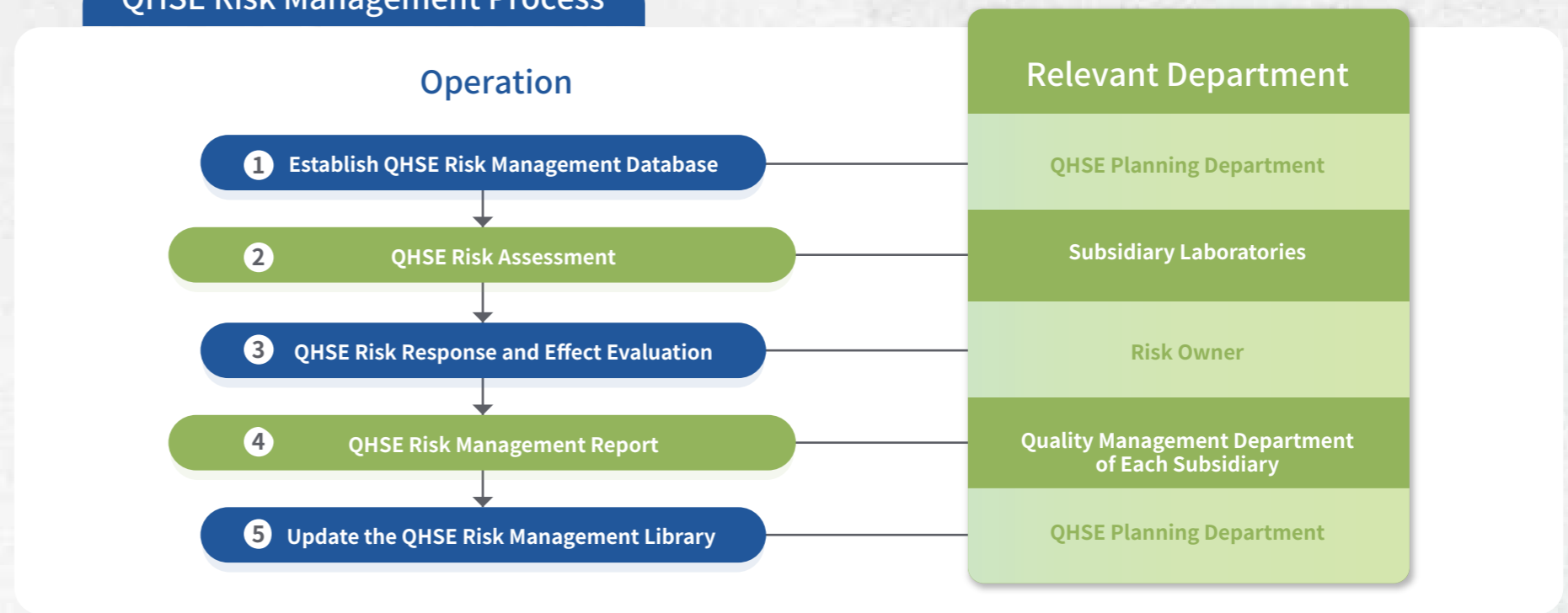
QHSE Risk Management

During the reporting period, CTI sorted out the current QHSE-related compliance risk management work and formed a framework system, QHSE Supervision and Management Measures.

CTI categorizes QHSE compliance supervision into three levels, including level 1 (laboratory level), level 2 (subsidiary level) and level 3 (Group level). We carry out specific supervision work based on the results of laboratory risk grading and in accordance with the Group risk pool as well as the risk list.

We have established the *Laboratory Grading Management Measures*. This system classifies laboratories into risk levels based on the severity of problems found in external inspections and accreditations. We determine the method of supervision based on the risk level of the laboratory. Laboratory risk levels are categorized as high risk, medium risk, and low risk.

QHSE Risk Management Process



Quality Management System

On June 1, 2023, the State Administration for Market Regulation issued the *Criteria for the Accreditation and Evaluation of the Qualification of Inspection and Testing Institutions* (Announcement No. 21 of 2023 of the State Administration for Market Supervision), and it was formally implemented on December 1, 2023. In response to the new Criteria, the QHSE Department of the Group conducted training on the criteria for all laboratories on July 31, 2023. In addition, the Company's standardized management system documents were revised and issued by important requirements such as the new *Management Measures for the Capability Verification of Inspection and Testing Institutions* and *CNAS-RL02:2023 Ability Verification Rules*.

As of the end of the reporting period, a total of **54** subsidiary companies have passed the ISO 9001 Quality Management System Certification, of which **13** have been added during the reporting period.

Quality Supervision and Inspection

During the reporting period, the QHSE Department of the Group planned and organized a one-year "special audit" for each subsidiary. We have planned five different types for the special audit in 2023, and based on this, we have studied a more focused and regularized supervision mechanism.

After one year of trial operation, the professionalism of CTI's auditors in different fields and the validity of the audit results have been improved. We plan to incorporate the successful experience of the 2023 special audit into the daily quality management systems of our subsidiaries in 2024 in order to continuously improve the quality management capabilities of our subsidiaries.

We carried out group quality supervision and inspection on **55** laboratories of **39** branches and subsidiaries. Inspectors from all divisions and the QHSE Department participated in the inspection for a total of **163** people and found **578** behaviors that did not meet the requirements of the Company and required relevant laboratories to make rectifications. As of the end of the reporting period, the rectification rate was **96.5%**.

During the reporting period, CTI revised the *Management System for QHSE Supervision* and formulated the *Hierarchical Management System for Laboratories* to standardize the management of QHSE compliance risks and strengthen the supervision and management of laboratory risks.

Improving the Ability of Quality Professionals

Quality Related Training

In order to ensure the quality of service, CTI has increased the training of quality professionals.

The Company has both on-line and on-site quality related training. Our quality-related courses include Quality Supervisor Training, *Laboratory Accreditation/Qualification Certification Internal Auditor Training*, *Laws, Regulations*, and *Industry Standards Requirements Training*, etc. Our quality training is targeted at group quality supervisor, laboratory supervisors, technical supervisors, quality staff, laboratory staff and business customer service staff.

During the reporting period, the Company conducted **19** online training sessions, **15** offline training sessions, and **34** online recorded class training tasks, with **19,156** participants and **30,200.9** hours of total training hours, and the training satisfaction rate reached **95.6%**.

During the reporting period, to strengthen employees' understanding and implementation of inspection and testing regulatory policies, we invited experts from the China Certification & Accreditation Institute to our company to carry out trainings. These trainings are intended for quality supervisors, laboratory supervisors and technical supervisors of the Company and its subsidiaries.

Quality review: QHSE knowledge review for the Group's middle management cadres

The Company has formulated the *Management of QHSE Knowledge Review for Middle Management Cadres*. By these regulations, we implemented a Group-wide review for **1,593** middle management cadres in October 2023, with an overall pass rate of **99.56%**. This proves that the Group's middle management staff have acquired QHSE knowledge and can apply it effectively.

Auditor Team Construction

CTI has established the *External Reviewer Incentive Management System* to encourage employees to actively apply for external reviewer qualifications and participate in external review tasks. This constantly improves the group's quality management level and technical capabilities, and enhances the influence of the industry.

During the reporting period, the Group had a total of **52** CMA reviewers, CNAS reviewers, and technical experts (who were included in the pool of technical experts of government departments and were responsible for inspections or reviews), involving food, chemistry, microbiology, calibration, textile, electrical, and other fields.

To strengthen knowledge and skills and maintain the sustainability of personnel qualifications, the Group's QHSE Training Center organizes and conducts ISO/IEC 17025 Internal Auditor Training Courses across the country, and the relevant courses are open to quality supervisors, laboratory supervisors, testing engineers, R&D engineers, QA, report clerks, customer service specialists, technical supporter, and salespersons. During the reporting period, the Group added **43** junior internal auditors, **34** intermediate internal auditors, **1** senior internal auditor, **27** junior assessors, **7** intermediate assessors, and **1** senior assessor. As of the end of the reporting period, there were a total of **445** auditors in the three regions of the Company, distributed as follows: **139** in North China Region, **129** in East China Region, and **177** in South China Region.



Offering High-quality Service



Customer Service Awards won by CTI in 2023 (Part)

- CTI won the 2022 Excellent Supplier of Shenzhen UBTECH ROBOTICS CORP LTD
- CTI Henan Company is honored to receive a letter of commendation from the office of the Third National Census Leading Group of Henan Province and a letter of acknowledgement from the Third Geological Survey Institute of Henan Province
- CTI Metrology and Digital Division received recognition letters from 11 customers

Customer Satisfaction Management

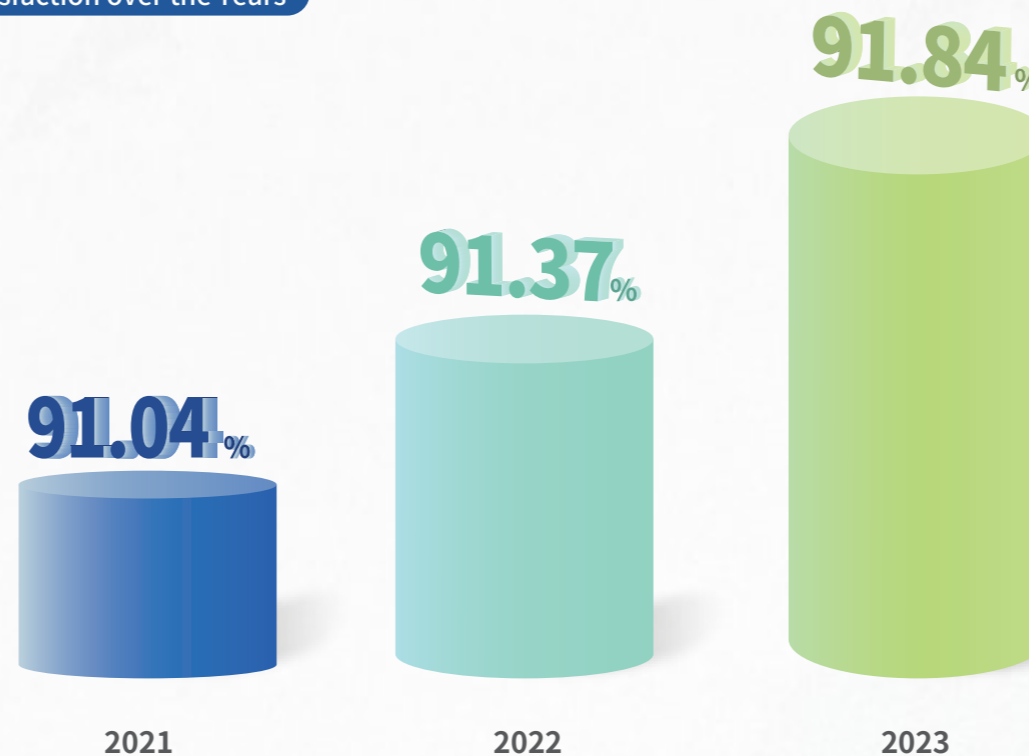
The Company conducts annual customer satisfaction surveys by the requirements of the *Customer Satisfaction Survey Management Measures*. We prepare satisfaction survey results analysis reports so that relevant departments can coordinate and improve based on customer feedback.

During the reporting period, we carried out improvement work based on the results of the 2022 Customer Satisfaction Survey. Improvements included the three items with the lowest customer ratings, as well as specific questions and suggestions raised more frequently by customers, including but not limited to matters such as reporting quality, technical capabilities, customer service, and brand image.

According to the actual evaluation of the Group's QHSE department and product line, the Company should implement and develop improvement plans for 125 items during the reporting period. As of the end of the reporting period, the Company's product lines have completed 115 improvement plans and passed acceptance, and the other 10 improvements are in progress.

During the reporting period, the Company carried out the 2023 customer satisfaction survey, and a total of 10,031 customers responded to the questionnaire, with a customer satisfaction rate of 91.84%. Following the completion of the customer satisfaction survey, we organized and implemented improvements based on customer feedback and suggestions, and expect to complete all improvements by July 2024.

CTI Customer Satisfaction over the Years



125
Improvement items (Implemented)

115
Improvement items (Completed)

Customer satisfaction rate
91.84%

Customer Communication and Complaint Handling

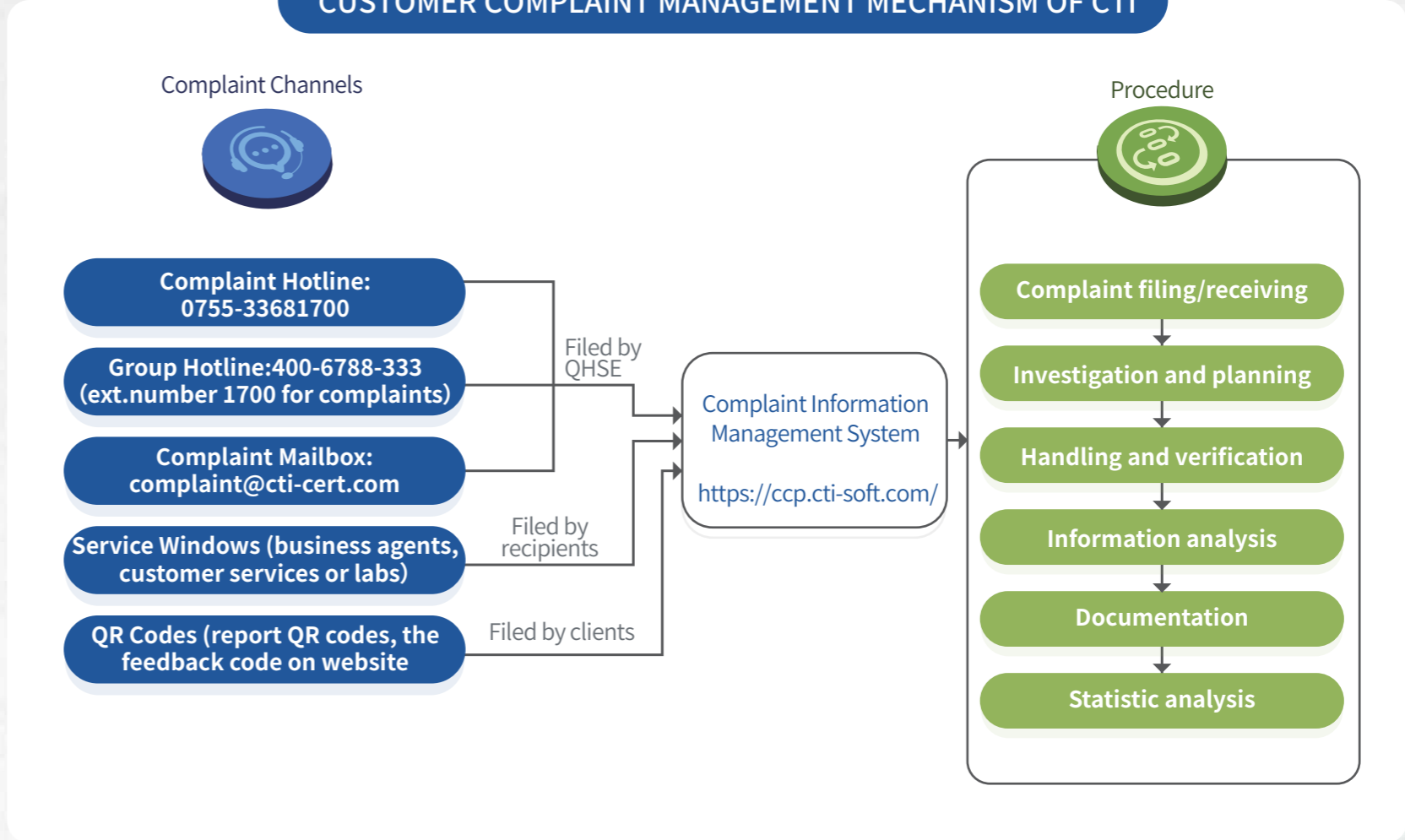
At the customer communication level, to understand customer demands timely, the Company launched the MYCTI customer service management system. And in 2023, the Company added an incoming voice navigation system, which solved the rapid distribution and response (consultation, customer complaint/evaluation/feedback) when customers call the Group's 400 and 1700 hotlines to reflect customer needs. These systems help customers save time and improve the efficiency of problem solving.

At the customer complaint level, the Group has developed the Customer Complaint Handling Procedure and upgraded its customer complaint management system to promptly and effectively gather and address customer complaints while identifying opportunities for improvement through customer feedback. The Company invested in the R&D of a customer complaint management system that enables real-time monitoring of customer satisfaction, thereby enabling us to set quantitative targets for customer satisfaction.

During the reporting period, the Company received a total of **228** external complaints, with a YOY decrease of **5.39%**, and the annual overall satisfaction rate for handling customer complaints was **87.71%**. During the reporting period, there were no complaints regarding violations of customer privacy, the environment, or occupational health.



CUSTOMER COMPLAINT MANAGEMENT MECHANISM OF CTI



Maintaining Data Security

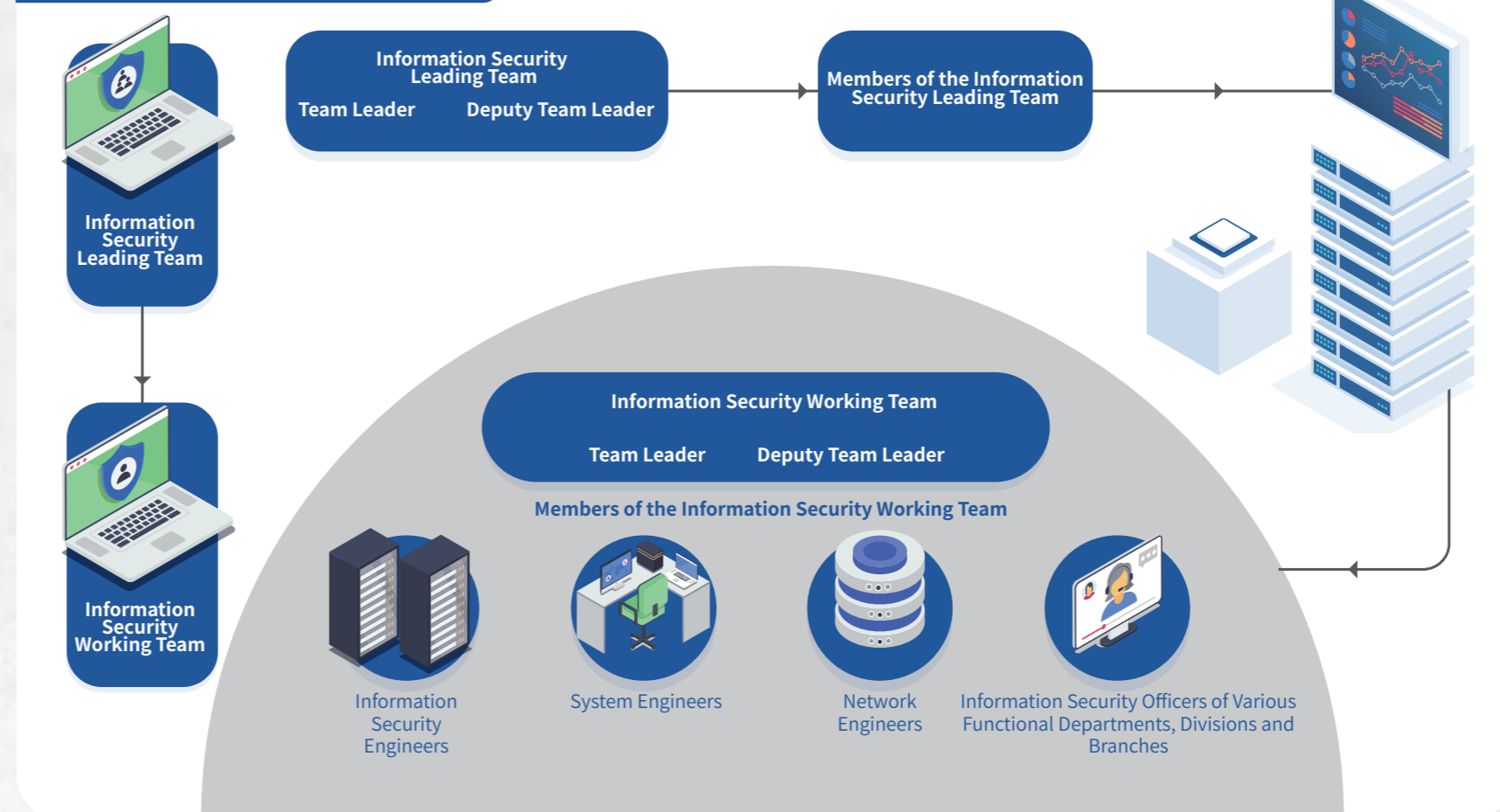
Information Security Management System

In the information security management system of CTI, the highest-level regulator is the information security leading group. The group is set up under the Strategy and M&A Committee of the Group. The Group CEO is the team leader and the Vice President of IT is the deputy leader. Other members including the CEO of each region and the head of Information Technology Department, are responsible for the overall coordination of the group's information security efforts. The CTI Information Security Working Group's leader is appointed by the Information Security Leading Group, and the members are composed of system engineers, information security engineers, network engineers, and information security officers of various functional departments, divisions, and branches, responsible for the implementation of information security.

The Company's **6** subsidiaries, including the food fast inspection and feed product line, the Company's Electronic Certification Co., LTD., and the Company's Snow Inspection Technology Co., LTD. (referred to as CTI Snow), have obtained the ISO/IEC 27001 Information Security Management System Certification. CTI Snow is a network security testing organization with network security technical services as its core. Its task is to thoroughly implement the work of network security level protection, improve CTI's information security management ability, and assist customers in all industries in society to build a solid network security protection system.

During the reporting period, the Company added **25** ISMS management system documents, including *Information Security Management System Management Manual*, *Statement of Applicability for Information Security*, *Information Security Risk Assessment and Disposal Management Control Procedures*. The Company's Information Technology Department passed the ISO 27001 Information Security Management System Certification. CTI online mall passed the national grade protection assessment level **3**.

Information Security Management Structure



Information Security Processes and Infrastructure

To strengthen the Company's information security incident management capabilities, ensure the implementation of the security incident control strategy, comprehensively improve the level of information security incident management, and ensure the smooth operation of the business system, the Company has formulated two key documents: *Information Security Incident and Continuity Management System and Emergency Plan for Information Network Incidents*.

In addition, the Company has built a sound data center border protection system, including:

- Use the next-generation firewall to implement isolation at network boundaries and network zones.
- Deploy the web application firewall to protect published applications.
- Deploy server hosts in the DMZ and install the enterprise antivirus software on them.
- Deploy a security awareness platform and latent threat probes in the data center to monitor the overall data center network traffic and handle security threats.
- Deploy the bastionhost, and operation personnel can operate the service host through the bastionhost to realize comprehensive tracking, control, recording, and playback of the operation process, to assist in the planning of internal control work, in-process monitoring, response to violations, post-compliance report and accident tracking and playback.
- Deploy the database audit system to effectively audit and monitor database operations, such as Lims, to prevent threats such as illegal operations, unauthorized access, and data leakage.

These measures help to build a solid information security defense line, improve the Company's ability to identify and respond to potential threats and ensure the safe operation of information systems.



Information Security Risk Management and Objectives

Information Security Risk Assessment

By the requirements of the *Information Security Management System*, the Company carries out an external risk assessment every two years and an internal risk assessment every year. We have further developed a residual disposal plan regarding the threatening, vulnerable, and risky nature of information and related assets. This ensures that the Company's information security is continuously and effectively managed and protected.

Information Security Internal Audit

We have established a database audit system in the Group's data centers to record and audit all database operations to ensure that illegal modifications can be traced. In addition, the Group also launched a security awareness platform to collect all security logs in a unified manner for automated correlation analysis, thereby maximizing the prevention and resolution of data and privacy security risks.

Third-Party Vulnerability Analysis and Simulation of Hacking Attacks

The Company actively invites professional third-party security service organizations to conduct comprehensive penetration testing and security detection of the application systems and websites published by the Company on the Internet. At the same time, we also conducted a comprehensive security test on the information assets of the Company's Intranet, and found and corrected the existing security loopholes and hidden dangers promptly, to reduce their impact on the Company.

To ensure security, we authorize third-party security service organizations to use a combination of tools and manual methods to simulate the attack perspective of APT hackers and deeply detect security risks. This process covers the internal and external network of the Company, and the path is not restricted. Through the red team detection attack, we found the security risks in the information system in time and carried out the corresponding security vulnerability rectification and upgrade work.

During the reporting period, the Company invited third-party vulnerability analysis three times and simulated hacker attacks two times.

Overall Objective of Information Security

- The cumulative duration of interruption of important services due to information security events in the whole year is less than **48** hours
- The cumulative duration of interruption of non-important services due to information security events in a year is less than **72** hours
- The number of information leakage incidents above grade 4 was **0**.
- Information security control total performance evaluation **95%**

Information security control total performance evaluation **95%**

Improvement of Information Security Capabilities

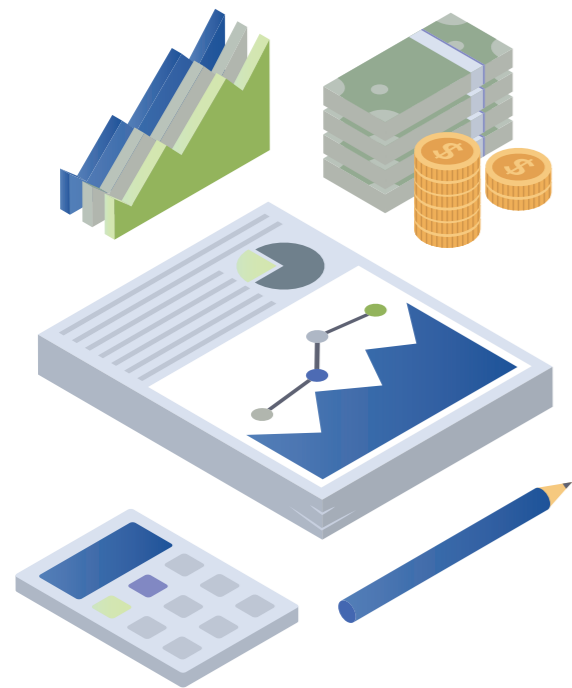
In the past year, the Company's information resource management department conducted **24** training sessions, totaling **38** hours of training time. The training covers a wide range of aspects of information security, including but not limited to information security risk assessment, ISO 27001 standards, ISO 27001 internal auditor training, regulatory training (covering the Cybersecurity Law, Data Security Law, Personal Information Protection Law), development security, ChatGPT applications, code review and static analysis, and secure programming practices.

Especially for the new employees of the Company, we provide two key training courses through the E-Learning platform, which are *the Information Resources System of Connecting You and Me*, and *CTI Network Security Awareness Training*. This will help new employees to have a deeper understanding of the Company's system and improve cybersecurity awareness, to better integrate into and contribute to the Company's information resource management system.

During the reporting period, one employee of the Information Technology Department of the Company obtained the certificate of completion of the special skill training of information security risk assessment (GB/T 20984-2022), one employee obtained the certificate of data security appraiser, and 3 employees obtained the certificate of software capability Maturity Model training.



Gathering Force on R&D Innovation



Intellectual Property Management

The Intellectual Property Center of the Group Research Institute is the intellectual property management department of CTI, responsible for the basic management of the intellectual property of CTI.

During the reporting period, the Company revised the *Intellectual Property Management System of CTI* to further regulate and manage the intellectual property rights. This system clarifies the intellectual property management responsibilities of relevant departments of the Company, stipulates the management method of the whole life cycle of intellectual property, establishes the intellectual property application approval process, and clarifies the incentive provisions related to intellectual property.

Intellectual Property Risk Management

The Intellectual Property Center identifies, assesses, and manages risks related to patent protection in the management process, feeds back risk information to relevant departments, and collaboratively takes measures to reduce risks related to patent protection.

Risk Identification	Risk Description	Risk Mitigation Measures
Risk of patent technology disclosure	Patent outsourcing application lacks a unified management process, the process is uncontrollable, and it is easy to cause the Company's patented technology or related business secrets to leak.	Set up the patent application process of CTI and the software copyright registration process of CTI to standardize the whole process management of patent application and software registration.
Risk of intellectual property ownership ambiguity	The ownership of intellectual property rights in the contract is not agreed on or is not clear.	The contract template shall be reviewed by the legal compliance department of the Group and can be signed only after passing the review.
Risk of patent infringement	Patent infringement before and during the relevant R&D projects.	Conduct patent searches for R&D projects to understand the current R&D situation and design for avoidance.

Scientific Research and Innovative Development

Attaching Importance to Research Development

The Group's Research Institute has set up a R&D team with industry experts as the core members to study the cutting-edge technology of the industry. During the reporting period, the Group established an Innovation Committee dedicated to promoting the popularization of innovative values. The Company has also set up a number of diversified innovation awards, such as the new "Star of Innovation" award, which is an annual evaluation of employees' innovative proposals and selects innovative employees to be incentivized.

The Group spends **8%-10%** of annual operating income on R&D and allocates R&D tasks to each division. During the reporting period, the Group's R&D investment was **CNY473** million, an YOY increase of **8.66%**. The proportion of R&D investment in operating income was **8.43%**.

Innovative R&D Training

During the reporting period, CTI carried out innovative R&D training, and held **3** onsite trainings in East China Region, North China Region, and South China Region. The training covers innovative ideas, policy interpretation, project declaration, results condensation, etc. More than **100** employees participated in the training, and the training hours per employee reached **16** hours.



R&D of Domestic and Foreign Standards

CTI docks **56** international national standardization technical committee/sub-committee work, participates in the revision of international, national, and industry standards. CTI has more than **20** employees serving as committee members of national standardization technical committees/sub-committees, and **2** employees are its vice-chairmen. The Company has undertaken **2** ISO/IEC working groups, trained **2** ISO/IEC working group conveners and **9** ISO/IEC working group registered experts.

In November 2023, CTI was officially approved by ISO to undertake the new working group ISO/TC34/SC6 WG28. This is conducive to promoting the fair development of international trade, will also provide strong technical support for the healthy development of international trade, and provide favorable support for CTI to explore the international business market.

During the reporting period, the Group granted **65** new patents, including **20** invention patents and **45** utility model patents. As of the end of the reporting period, **354** patents have been authorized, including **76** invention patents and **278** utility model patents.

During the reporting period, the Company participated in the revision of standards and published **38** new standards, including **3** international standards, **25** national standards (of which **2** are mandatory standards), and **3** industry standards. As of the end of the reporting period, the Group has participated in the revision of **690** standards and has published **633** standards, including **11** international standards, **413** national standards (of which **21** are mandatory standards), and **193** industry standards.



Industry-University-Research Cooperation and International Cooperation

The Company actively carries out scientific and technological innovation cooperation with major universities and is the joint training practice base of Shenzhen University graduate students. In 2023, the Company cooperated with Jiangnan University in the field of food and agricultural products, and produced **2** SCI papers and **1** patent. Meanwhile, the Company cooperated with Shanghai Jiao Tong University in the field of chip and semiconductor material testing, and produced **1** SCI paper.

CTI actively participated in the standardization activities of ISO/IEC, IEEE, and other international organizations, attending more than **10** plenary meetings, working discussion meetings, technical forums and seminars. CTI contributes its technical strength to international standardization activities through active participation in international working groups.

Case: Participate in the compilation of standards to improve the awareness of environmental protection and conservation of consumption in the whole society

The newly released mandatory national standard GB 43284-2023 *Requirements for Restricting Excessive Packaging of Goods - Fresh Edible Agricultural Products* is one of the standards that CTI participated in. The standard clarifies the technical indicators and determination methods of whether the five categories of fresh edible agricultural products are over-packaged. The standard will provide technical support for strengthening the whole-chain management of excessive packaging of fresh edible agricultural products and standardizing market supervision, which is of great significance for the whole society to improve the consumption awareness of ecological civilization and environmental protection, and make the packaging "simple style" become the new normal of environmental protection.

Case: Assisting in testing services for emerging industries

In June 2023, the Ministry of Science and Technology's national key research and development plan project "The R&D and application of integrated inspection and testing service platform for emerging industries" led by CTI successfully passed the comprehensive performance evaluation. The project integrates domestic inspection and testing service resources, explores a new mode of one-stop inspection and testing services and cooperation, and builds a bridge for inspection enterprises and inspection institutions, to provide strong support for the diversified and sustainable development of the inspection and testing industry.



ISO/TC34/SC6 26th Plenary Meeting



ISO/TC336, 4th Plenary Meeting



Progress in Digital and Intelligent Transformation

During the reporting period, the Company won the Science and Technology Award of the GUANGDONG ENTRYEXIT INSPECTION AND QUARANTINE ASSOCIATION. In the future, the Group's research institute will continue to expand regional and professional research institutes, continue to build digital & intelligence laboratories, explore the R&D of infrared rapid detection equipment, and accelerate the Group's digital & intelligence transformation.



► **Smart Lab**

Preparing for the construction of an intelligent laboratory with a fully automated water quality testing laboratory as the construction direction. Through the integration of automation and robot technology to realize fully automated unmanned testing of water quality projects.

► **Software Robot**

Develop software robots for the realization of highly repetitive tasks such as data migration, copy and paste. This can effectively improve the efficiency of clerks.

► **Intelligent Camera System**

Realize one-stop completion of sample "photo-scanning-naming-photo editing-automatic uploading to Lims system". Effectively improve the efficiency of sample photography and uploading Lims, to ensure the efficiency of the report.

► **Intelligent Assistants based on Large Models**

At present, two major functions have been realized: intelligent knowledge assistant for consumer goods, food, specialties and other fields and "standard pass" for standard digital applications. Intelligent assistant can automatically generate a standard template, can also do online authoring and retain traces of changes.



Building a Responsible Supply Chain



Procurement Management

We are committed to sourcing our products and services responsibly and are committed to working with our suppliers to advance sustainable development.

The Company has formulated the Supplier Management Measures, Procurement Management System, *Implementation Rules for the Procurement of Laboratory Materials*, *Implementation Measures for the Procurement of Laboratory Equipment* and other procurement-related procedures. This is to strictly regulate the process of CTI's major procurement matters and to ensure that the procurement process is legally compliant and open and transparent.

The main items purchased by the Company are laboratory equipment and laboratory materials. In 2023, our laboratory equipment and material suppliers totaled **1,881**.



Supplier ESG Management

The Company continues to pay more attention to the ESG performance of suppliers and also regards relevant licenses, qualifications, and certifications as the basic conditions for cooperation.

Signed Supplier Code of Conduct

To improve the ESG awareness and management ability of all suppliers, and work with suppliers to create a sustainable business environment, we have formulated the *CTI Supplier Code of Conduct*, and required new laboratory suppliers to sign the Code.

Scope and main topics of the CTI Supplier Code of Conduct:

Scope: This applies to suppliers who provide products or services to CTI and its branches and subsidiaries worldwide, as well as to the entire workforce of these suppliers, including full-time employees, temporary workers, student workers and others.

Main topics: Employee Rights, Health and Safety, Environmental Protection, Integrity and Ethics, Privacy and Data Security

During the reporting period, we continued to maintain a **100%** signing rate of the *Supplier Code of Conduct* for new suppliers.

Supplier ESG Audit

The Company conducts supplier compliance reviews at least once a year, in accordance with the Supplier Management Measures and other requirements. Meanwhile, CTI's existing suppliers, as well as new suppliers, have their ESG performance indicators included as part of their annual audit factors. CTI continues to maintain **100%** coverage of supplier ESG audits.

We incorporate ESG performance into our suppliers' performance reviews. For suppliers with good ESG performance, the Company will increase the purchase share under the same conditions or give priority to providing business cooperation opportunities. For suppliers with poor ESG performance, especially those who violate ESG

bottom-line requirements, the Company will remind suppliers to take immediate corrective measures and rectify the situation by a deadline. If the supplier fails to correct the non-compliant behavior in time, we will reduce the procurement share or limit the business cooperation opportunities, or even cancel the cooperation.

During the reporting period, the Group's supplier ESG audit rate reached **100%**, with no significant risks from suppliers in terms of child labor, forced or compulsory labor, freedom of association, environmental pollution, etc., no supplier ESG audit failure was found.



Green Procurement

During procurement, we set multiple environmental assessment indicators to compare and purchase experimental equipment that has a significant impact on the environment, such as energy consumption, noise, wastewater, exhaust gas, radiation, and vibration. These indicators are included in the scoring weight for energy consumption competition, allowing for comparison and selection during procurement. After procurement, specific environmental impact verification work is conducted.

We use FSC-certified paper for some of our promotional materials, which promotes the sustainable management of forest resources.



Ethical Procurement

The Company has formulated the *Code of Integrity in Procurement* to strengthen the code of conduct of integrity and reduce the risk of the integrity of procurement-related employees.

We require all procurement/subcontracting employees to sign the *Code of Business Conduct Agreement* and the *Letter of Commitment on Integrity of Procurement/-subcontracting Staff*, and arrange for procurement/subcontracting staff to receive training on integrity knowledge before taking up their posts, including:

- Integrity management measures for the Group and the departments
- Post integrity risk
- Integrity management measures for posts

We are required to sign the "Statement of Integrity for Fair Competition and Sunshine Procurement" with suppliers before business transactions, and ensure that it is signed at least once a year. We require suppliers to commit to abide by the integrity system of CTI. We prohibit suppliers from offering bribes and improper benefits to our company's purchasing personnel in order to prevent unfair competition.

During the reporting period, the signing rate of suppliers' "Statement of Integrity for Fair Competition and Sunshine Procurement" was **100%**.

the signing rate of suppliers' "Statement of Integrity for Fair Competition and Sunshine Procurement"



Supplier Stability

We promote fair and open competition, build long-term relationships based on mutual trust to ensure that all parties involved participate in the procurement process fairly, honestly, and in good faith. We believe that compliance with the principles of competition is key to maintaining integrity in the procurement process.

To maintain supply chain stability and continuity, we guarantee:

- For equipment and consumables with different functions, we will retain 1 to 5 qualified suppliers, and retain suppliers of low, medium, and high quality.
- If there is only one qualified supplier of the same type of materials with the same technical level (or quality level), the user department shall be required to develop alternate suppliers.
- For consumables suppliers, we adopt an A/B procurement approach to reduce supply risks.

03

Developing Low-carbon To Achieve Green Prosperity

CTI attaches great importance to environmental management and regards environmental protection as an important mission for corporate development. We are committed to maximizing environmental benefits and contributing to environmental protection together with our employees.



Benchmarking the United Nations Sustainable Development Goals



Key Issues Waste Management | Energy Management | Biodiversity Conservation | Greenhouse Gas Emissions

Environmental Management System	34
Responding to Climate Change	36
Conservation of Resource Usage	41
Strengthening the Management of Three Wastes	43
Care for Laboratory Animals	45

Environmental Management System



To reduce the impact of our business operations on the natural environment, we have established a comprehensive environmental management organization.

The CTI Group Strategy and M&A Committee is the highest recognized decision-making body for environmental work and is responsible for approving the implementation of environment-related policies and for the overall consideration of the management of environment-related risks and opportunities.

We attach great importance to learning and drawing on standardized, scientific, and pragmatic management experience, and actively encourage our bases and molecular companies to implement environment-related system certifications. The Company has obtained ISO 14001 environmental management system certification since 2016.

As of the end of the reporting period, a total of **43** subsidiaries have obtained the ISO 14001 Environmental Management System Certification, of which **7** were added in 2023.

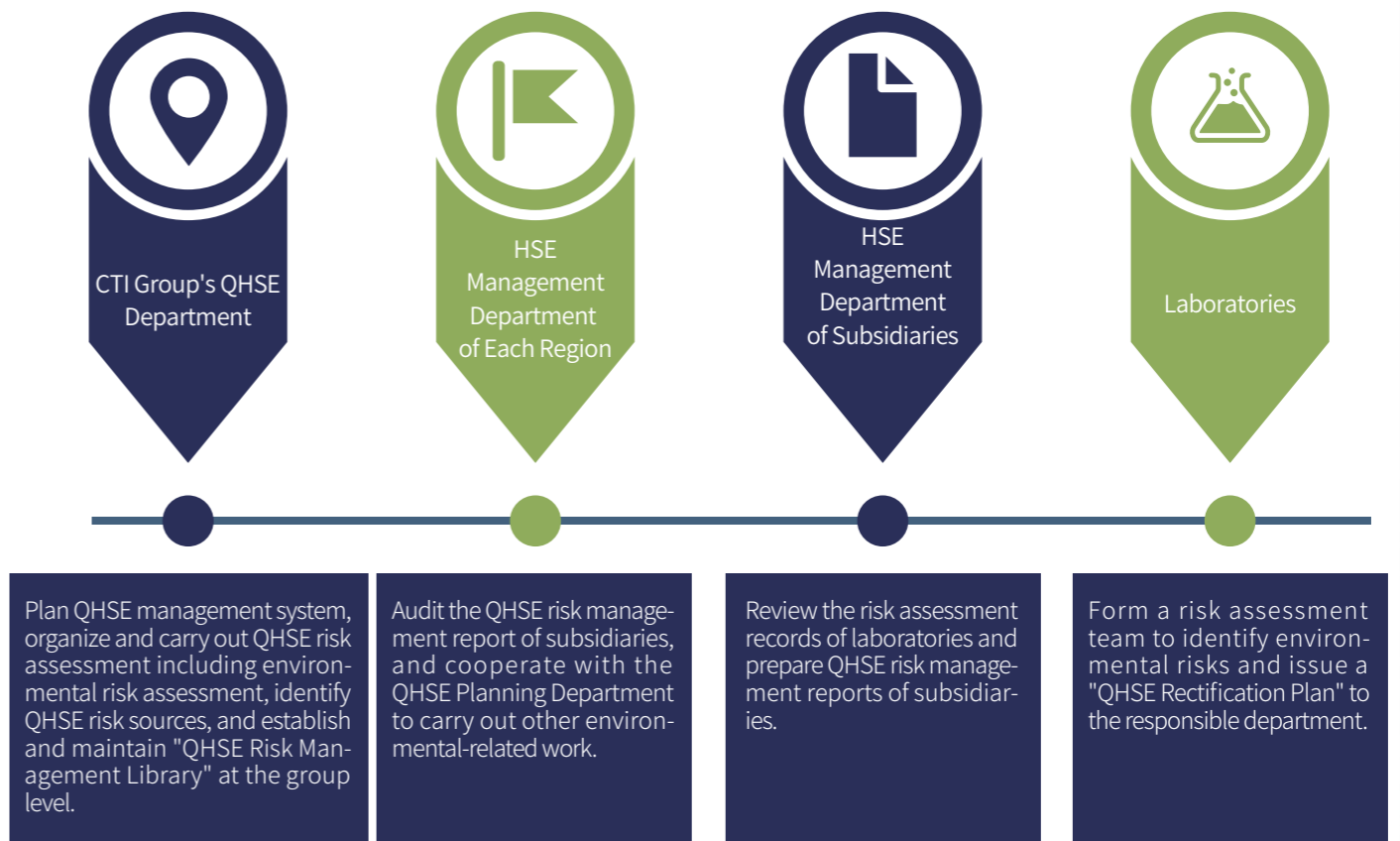
Environmental Risk and Opportunity Management



CTI Group's QHSE Department considers environmental risks and opportunities as two important factors when planning the QHSE management system, which not only helps ensure that the Company achieves its environmental goals, but also improves customer satisfaction. The Group has issued the Group HSE General Management Requirements, established a three-tier HSE management organization structure of "Group-Subsidiaries-Departments", and carried out a three-tier HSE inspection mechanism (group level, subsidiaries level, and laboratory level), to identify environment-related risks and opportunities, and to improve the performance of HSE management.



Environmental Risk Management Processes



The Company has formulated *QHSE Risk Management Measures, Environmental Factor Identification, Evaluation and Control Procedures, and Hazardous Source Identification and Risk Classification and Control Procedures* to identify environment-related risks and opportunities. Through these measures, we reduce QHSE risks in our inspection and testing activities to ensure the Company's compliant operation. At the same time, we scientifically evaluate the impact on the environment and set corresponding environmental goals and targets. These measures apply to all company activities, products, or services.

We have established a sound environmental risk control mechanism to continuously reduce environmental risks through risk identification, evaluation, and the development and implementation of control plans. We regularly organize relevant personnel across the country to carry out information collection from relevant parties of testing and inspection agencies, identify QHSE risk sources, establish a QHSE risk management library, and conduct annual reviews and updates.



Environment-Related Indicators and Targets

Environment-related objectives	The target achievement rate for 2023	Overview of goal achievement
100% monitoring rate of "three wastes" emissions	100%	A total of 52 subsidiaries in the Group are required to do environmental testing once a year (industrial wastewater, industrial waste gas, dust, factory noise, etc.), and the test reports of each company are within the validity period.
100% compliance rate of hazardous waste disposal	100%	A total of 70 subsidiaries in the Group generate hazardous waste, all of which have signed hazardous waste disposal contracts with qualified suppliers, and all of which are within the validity period.
100% filing rate for public security-controlled chemicals	100%	100% filing rate of highly toxic chemicals, 100% filing rate of excisable chemicals, 100% filing rate of explosive chemicals

In daily production and operation, to control, eliminate, and reduce environmental risks, and continuously improve our environmental protection management level, we carry out HSE special compliance inspections of our branches and subsidiaries to strengthen management and avoid adverse environmental impacts. In construction projects, we choose low energy consumption, low pollution production processes, and energy-saving and environmentally friendly equipment at the design stage to minimize the adverse environmental impacts of the projects from the source.

We also established the Risk and Opportunity Management Procedure in 2023, in which we require that the selection of risk control measures needs to take into account the requirements of laws and regulations, social responsibility and environmental protection, etc., as well as the claims of stakeholders, and actively communicate with affected sectors or stakeholders.



Environmental Management Training

We have formulated the General Requirements for HSE Management of the Group to standardize the Group-wide HSE management work and ensure its full implementation, which includes a training and assessment system that requires HSE managers to receive relevant content. To deeply implement the awareness of environmental protection for all staff, we provide special training on environmental management for our employees (including temporary and part-time staff) and related parties through the HSE Training Management Measures and Environmental Protection Management Measures. In addition, we regularly conduct emergency response drills for waste disposal, accidents, and leakage to improve emergency response capabilities and preventive awareness.

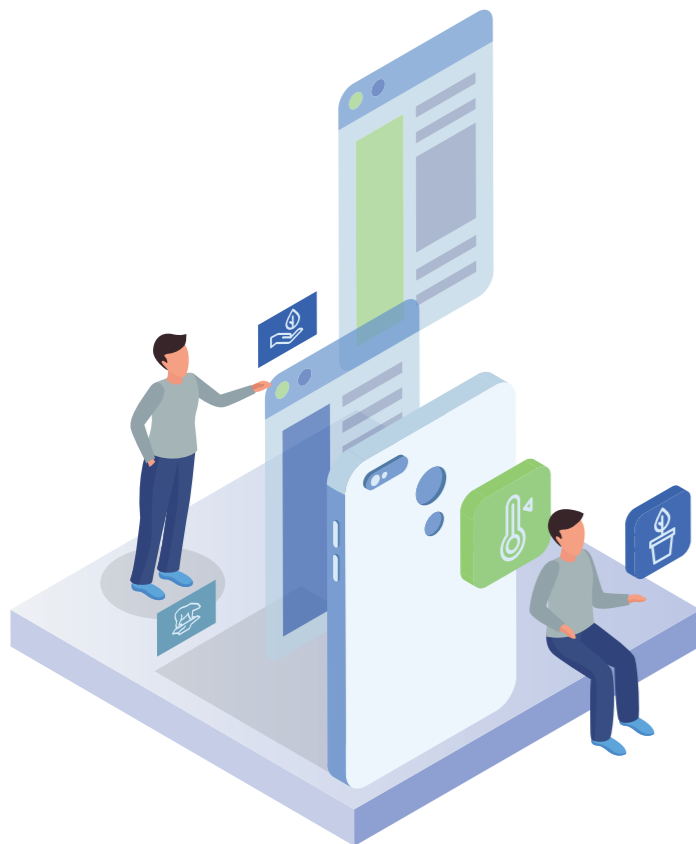
The Company organizes HSE training for all employees of the Group at least once a year, which covers environmental management, environmental policy, environmental regulations, and environmental accident cases to ensure that all employees fully grasp the relevant knowledge and response skills.

The Group carried out comprehensive HSE training through a combination of "online + offline", including 4 offline training sessions for the Group's HSE administrators to open special training courses, with a total of 156 participants, a total of 2,216 hours of training, and a training satisfaction rate of 97.4%; and 4 online training sessions for all Group employees, with a total of 1,176 participants, and a total of 1,898.1 hours of training. 4 online training courses were held for all employees of the Group, with a total of 1,176 participants and a total of 1,898.1 hours of training.

During the reporting period, the coverage rate of the Group's special training on environmental protection was 100%, with a total of 1,868 participants and a total of 1,222 hours of training.



Responding to Climate Change



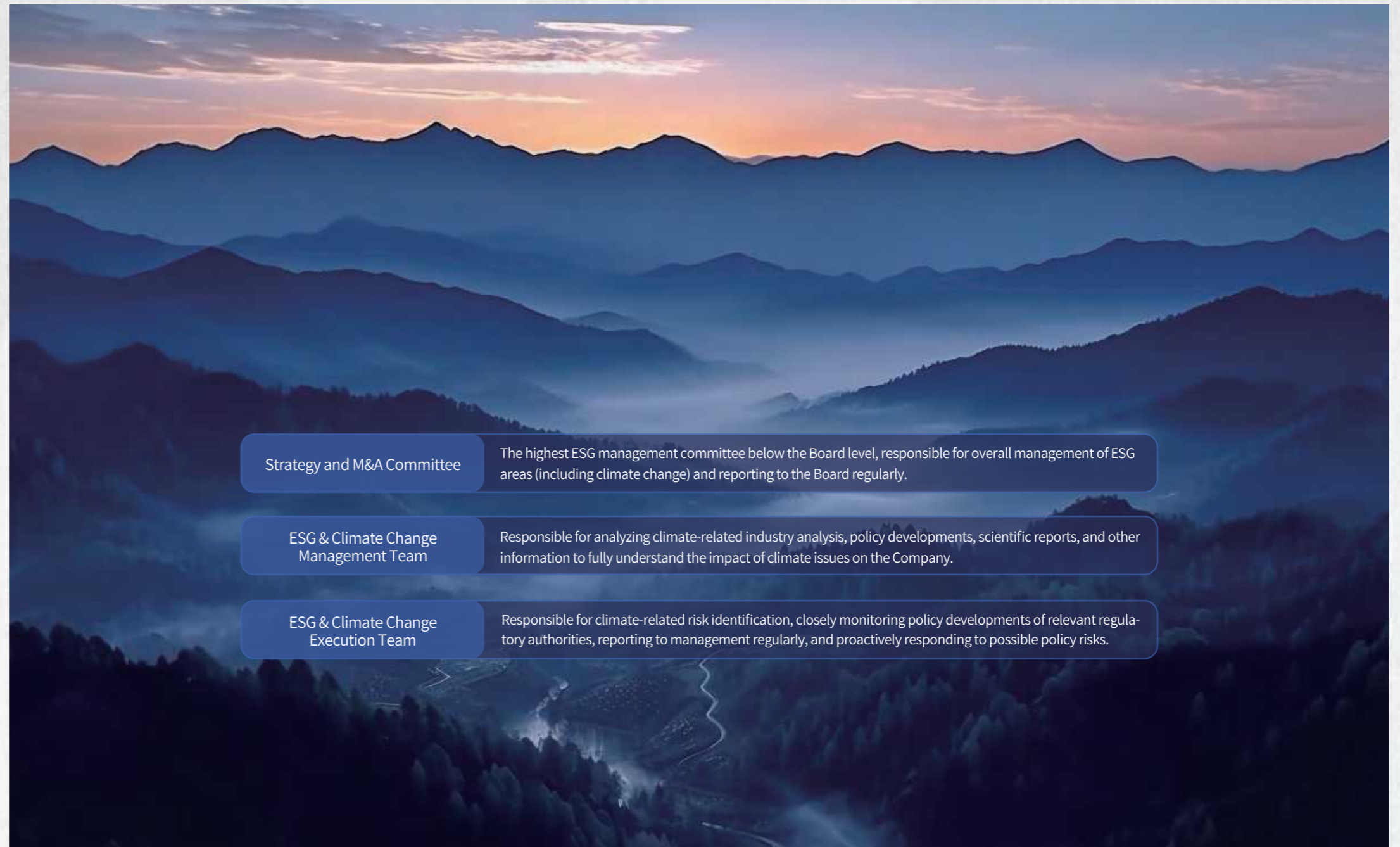
In 2023, we published our first TCFD report ([2022 CTI TCFD Report](#)), which refers to the framework of TCFD and discloses the content of our work on identifying, assessing, and managing climate-related risks and opportunities in the four areas of governance, strategy, risk management, and indicators and targets, and proposes initiatives to address climate change.



Climate Change Governance Structure

The Board of Directors of CTI Group is responsible for overseeing climate change-related risks and opportunities and holds regular board meetings related to climate, ESG, and sustainability. The Strategy and M&A Committee is responsible for managing climate-related issues and holds regular meetings to report to the Board of Directors on climate-related risks and opportunities. The ESG & Climate Change Management Team and the ESG & Climate Change Execution Team under the Strategy and M&A Committee are responsible for managing and providing feedback on the Group's climate-related issues.

During the reporting period, the Company newly formulated the ESG and Climate Change Management Systems, which elevated the supervisory responsibility for climate change management to the board level, and built a perfect top-down governance structure to prepare for the realization of emission reduction targets in the future.



Strategy and M&A Committee

The highest ESG management committee below the Board level, responsible for overall management of ESG areas (including climate change) and reporting to the Board regularly.

ESG & Climate Change Management Team

Responsible for analyzing climate-related industry analysis, policy developments, scientific reports, and other information to fully understand the impact of climate issues on the Company.

ESG & Climate Change Execution Team

Responsible for climate-related risk identification, closely monitoring policy developments of relevant regulatory authorities, reporting to management regularly, and proactively responding to possible policy risks.



Climate Change-Related Risks and Opportunities

CTI's ESG & Climate Change Execution Team conducts the identification of climate-related risks and opportunities, and the ESG & Climate Change Management Team conducts the management of climate-related risks and opportunities, ensuring that climate management is integrated into the Company's overall strategic planning.

Concerning IFRS S2 and the analysis framework on climate-related risks and opportunities proposed by TCFD, the ESG & Climate Change Execution Team identifies and evaluates the Group's climate change-related risks and opportunities, which provides the basis for further controlling climate-related risks and seizing climate-related opportunities.

By the recommendations of IFRS S2 and TCFD, we have drawn up a table for the identification of climate-related risks and opportunities, which is disclosed annually in the Report on Combating Climate Change published every year.

Excerpt from the 2022 CTI TCFD Report on Climate-Related Risks and Opportunities Identification Table

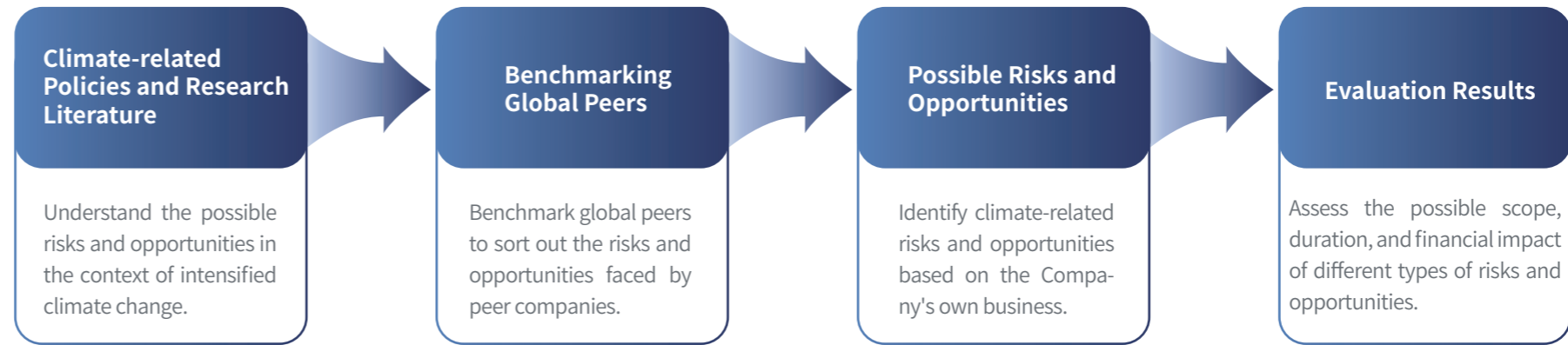
Risk Type/Name	Risk Description	Risk Mitigation Strategy	Business Segments Involved	Impact Intensity	Impact Period	Primary Expected Financial Impact
Physical Risks	Acute Risk	Facility damage, casualties, operational disruptions, logistics interruptions, etc., caused by extreme weather.	Global	High	Short-term	Increased direct costs; Increased indirect (operational) costs; Decreased revenue due to reduced production capacity;
	Chronic Risk	Risks arising from long-term climate pattern changes, such as ongoing sea-level rise, increasing average temperatures, extreme changes in precipitation and weather patterns, etc.	Global	High	Long-term	Write-offs, asset impairments, or early retirement of existing assets due to decreased asset value or reduced asset lifespan.
Transition Risks	Policies, legal requirements and standards related to low-carbon transition continue to evolve, such as carbon taxes, emissions trading mandatory information disclosure, etc., all of which may increase the operational and compliance costs for businesses.	Strengthen the monitoring and reporting of carbon emissions data, minimize carbon emissions as much as possible, and develop specific emission reduction plans to adapt to a more stringent policy environment. Actively engage in low-carbon technology research and innovation, explore lower-carbon and more environmentally friendly business and products.	Global	High	Medium-term	Increased indirect (operational) costs; Increased capital expenditures.

Climate Change Risk Management

We have established a comprehensive risk management process to identify and assess the Group's climate change-related risks and take targeted treatment measures to prevent, control, and resolve the risks promptly, which provides the basis for further management and control of climate-related risks and ensures that the risks faced by the Company are properly managed to minimize negative impacts.



Risk Identification Flowchart

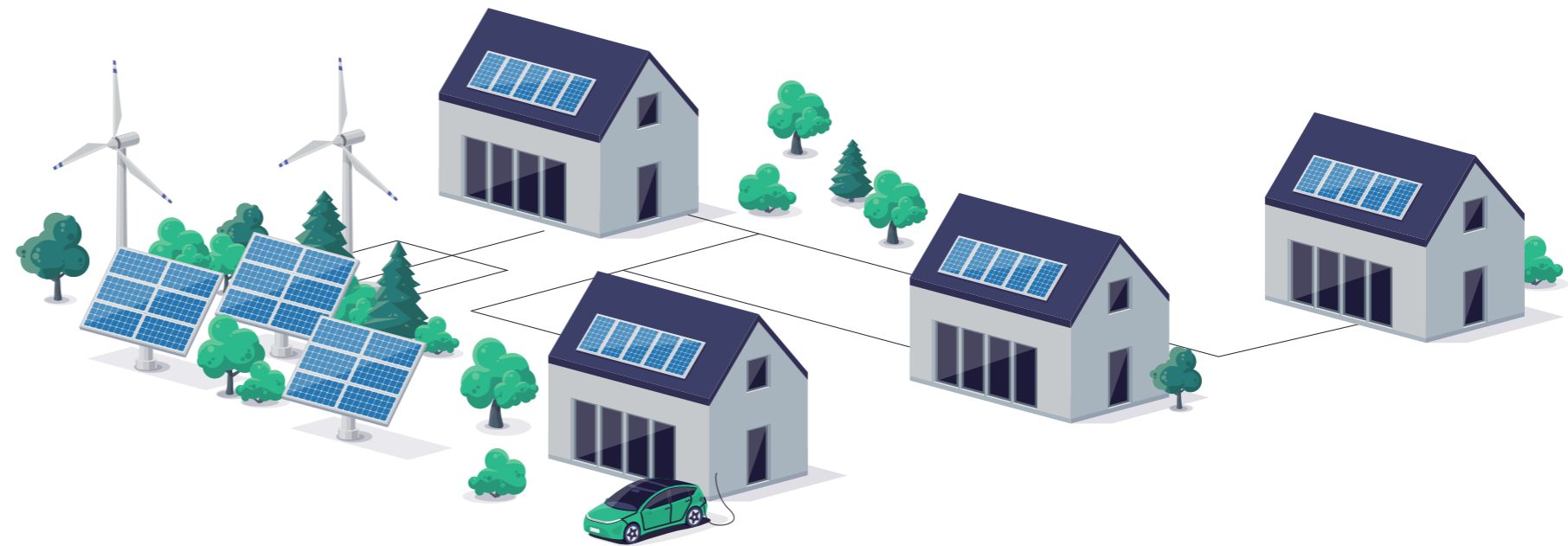


Climate-related Policies and Research Literature
Understand the possible risks and opportunities in the context of intensified climate change.

Benchmarking Global Peers
Benchmark global peers to sort out the risks and opportunities faced by peer companies.

Possible Risks and Opportunities
Identify climate-related risks and opportunities based on the Company's own business.

Evaluation Results
Assess the possible scope, duration, and financial impact of different types of risks and opportunities.



We have established a comprehensive risk management approach for both internal and external climate risk management, with an ESG & Climate Change Management Team and an ESG & Climate Change Execution Team. For suppliers and customers, we have developed climate risk mitigation and prevention measures in the areas of green procurement, supply chain stability, supplier vetting, and digital products to better enable the Company to address not only its operational climate risks but also indirect climate risks from upstream and downstream sources.

Climate Change Related Indicators and Targets

In 2023, CTI launched a "Dual Carbon" planning project to conduct an inventory of the Group's greenhouse gas emissions from 2020 to 2023 by the ISO 14064 standard, covering the Group's head office and all its subsidiaries and offices in China, as well as overseas subsidiaries and holding companies. At the same time, we expect to conduct a detailed analysis of the trends in greenhouse gas emissions and carbon intensity by category in 2024, and set emission reduction targets in line with the latest climate science based on the Paris Agreement, scientific carbon targets, and other principles and bases.

The CTI Group emits the following types of greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs). During the reporting period, our total carbon emissions at the operational level amounted to **146,005.91** tonnes of carbon dioxide equivalent, of which the total CH₄ emissions amounted to **2,504.87** tonnes of carbon dioxide equivalent; divided by the scope of affiliation, Scope I emitted **10,068.06** tonnes of carbon dioxide equivalent, Scope II emitted **90,524.59** tonnes of carbon dioxide equivalent, and Scope III emitted **45,413.26** tonnes of carbon dioxide equivalent.



This is shown in the table below

Scope of Affiliation	Type	Greenhouse Gas Emissions (in tonnes of CO ₂ eqv)			
		2020	2021	2022	2023
Scope I	petroleum	816.46	578.73	832.37	610.96
	light heating oil	0.00	0.00	32.05	36.11
	liquefied petroleum gas	0.00	0.00	0.19	0.21
	gasoline	1,078.57	1,090.82	1,175.37	1,498.59
	diesel fuel	239.03	230.24	332.54	296.19
	refrigerants	3,901.24	3,497.79	4,985.95	5,142.52
	fire extinguishers	0.18	338.78	0.29	0.64
	septic	1,973.80	2,097.17	2,199.25	2,482.80
	Total Scope I	8,009.30	7,833.51	9,557.98	10,068.06
	Scope II	purchased electricity	61,831.14	68,886.79	77,089.89
purchased heat		2,018.94	1,976.87	2,384.11	2,409.47
Total Scope II		63,850.08	70,863.66	79,474.00	90,524.59
Scope III	upstream transportation of goods	155.92	256.58	252.41	386.59
	downstream transportation of goods	299.46	475.42	452.16	635.83
	employee commuting	5,319.67	6,745.44	7,033.09	7,278.13
	business travel	24,821.40	29,778.96	22,643.40	21,030.76
	purchase of goods	4,745.08	6,424.04	5,899.09	9,011.43
	capital goods	3,858.73	4,594.04	3,796.48	5,038.63
	waste disposal	1,358.66	1,629.21	1,831.72	2,031.89
	Total Scope III	40,558.92	49,903.69	41,908.35	45,413.26

Note:

- The coverage of GHG emission statistics for the year 2020-2023 is CTI's group headquarters and all its subsidiaries and offices in China, overseas subsidiaries, and holding companies.
- Emission factors (2023): The mainland China's electricity emission factor is 0.5703 kgCO₂e/kWh, sourced from the Notice on the Management of Greenhouse Gas Emission Reporting for Power Generation Enterprises for the Years 2023-2025 (Climate Letter of the Environmental Protection Department [2023] No. 43); Taiwan and Singapore's electricity emission factors are 0.495 kgCO₂e/kWh and 0.4168 kgCO₂e/kWh, respectively, obtained from publicly available data from the environmental departments of Taiwan and Singapore on grid electricity emission factors; Germany's electricity emission factor is 0.2612 kgCO₂e/kWh, derived from user-specific emission factors for electricity generated under the contractual method. The emission factor for externally purchased heat is 0.11tCO₂e/GJ, selected from the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Other Industrial Sectors (Trial). Other types of emission factors are selected from authoritative international emission factors such as Ecoinvent 3.9.1, CPCD 2.0, Industry data 2.0, or relevant authoritative documents published by domestic governments.
- Restatement of information: During the reporting period, the Group carried out the carbon inventory project for 2020-2023, expanding the coverage of greenhouse gas emissions and the types of carbon emissions, and the data published this time was more accurate and comprehensive compared with that of the previous year. Please refer to this report for historical data on greenhouse gas and energy categories.

Measures to Address Climate Change

By identifying, evaluating, and analyzing the potential financial impacts of climate risks and opportunities on the Company's business and operations, we are taking the following major energy-saving and emission reduction (climate change response) measures at this stage.

Green Office

We actively promote green office by: promoting paperless processes while setting up double-sided printing status on printers and utilizing the second side of the paper as much as possible (except for confidential documents) to reduce the consumption of paper; reusing product boxes and other consumables many times; adopting energy classification and management methods to strengthen the management of equipment for getting better; turning off lighting, facilities that can be turned off during holidays, power and machines that can be turned off during holidays or set to the most energy-saving operation mode when they cannot be turned off; turn off the power of computers, lighting and other equipment after work, and turn off the power of production equipment during breaks and at the end of the workday without affecting production; promote the reuse of wastewater; prohibit the use of obsolete energy-consuming products; adopt ways to reasonably control the consumption of gasoline by registering gasoline cards and recording mileage; gradually promote the use of electric sampling trucks to replace traditional gasoline consumption. The use of electric sampling trucks is gradually promoted to replace traditional gasoline and diesel sampling trucks to reduce dependence on fossil fuels.

Green Travel

To further reduce the Company's carbon emissions and environmental impact, we prioritize business trips for employees who are closer to the project site based on business needs, to reduce business travel distances. This initiative not only helps reduce transportation emissions but also saves energy. At the same time, we actively promote the use of online meetings to reasonably reduce the frequency of business trips and reduce the need for employee travel. In addition, we advocate and support employees to give priority to public transportation, bicycles, electric vehicles, and other green travel tools. By promoting the Company's green travel measures, we will continue to reduce the Company's carbon footprint and make positive contributions to environmental protection.

Green Building

CTI's base construction phase: centralized large-scale greening is set up in the base, maintaining a greening rate of 20% to achieve the effect of reducing greenhouse gas

emissions and preventing and mitigating pollution; vertical greening is set up in the balconies of the buildings to shade the sunlight and reduce the reflection of the building facade and heat absorption, thus reducing the energy consumption of the building operation and carbon emissions; Class A non-combustible material foam glass is used in the buildings, and new materials such as autoclaved aerated concrete blocks are used to meet the energy-saving design standards. Foam glass of class A non-combustible material is utilized in the building; all sanitary appliances in the base have a water use efficiency level of 2, which is highly efficient and water-saving; the artificial lighting in the lighting area is automatically adjusted according to the change of the natural illumination, which achieves the effect of energy saving and emission reduction.

CTI base and laboratory renovation design stage: design exhaust air frequency automatic control system, solve the variable air volume requirements of the end of the ventilation equipment and the requirement of constant surface air velocity, energy saving up to 50%~70%; install VAV variable air volume valve to avoid unnecessary energy waste.



Exhaust-air Frequency Automatic Control System



Conservation of Resource Usage

Compared to other industries, the TIC industry's main job is to provide technology and services, and therefore energy consumption is relatively low. The main energy sources consumed by CTI in its operations are electricity, water, and paper. Therefore, the adoption of intelligent equipment and systems and the active development of digital transformation are important energy-saving initiatives currently adopted by the Company.



In **2023**, our energy consumption¹ performance:

- Electricity consumption totaled **156,391,100 kWh**;
- Natural gas consumption of **278,600** cubic meters;
- Gasoline consumption² of **470.05** tonnes;
- Diesel consumption of **92.15** tonnes;
- Energy consumption intensity is **37.73** kgce/CNY10,000 of operating income;
- Water consumption **538,696.09** tonnes;
- Water consumption intensity is **0.96** tonnes/CNY10,000 of operating income.

Energy Management

Our Energy Management Structure is as follows:

CTI Energy Management Structure

- Group's QHSE Department** Responsible for energy-related management.
- Group's Branches/Subsidiaries** Set annual HSE targets, determine energy management implementation programs, track the Company's monthly energy consumption analysis, formulate prevention, and control measures, and follow up.
- Other Departments** Set HSE targets for each department and implement energy-saving work according to the energy consumption prevention and control measures issued by the Company.

During the reporting period

Electricity consumption

156,391,100 kWh

Heat consumption

21,904,311,400 KJ

Natural gas consumption

278,600 m³

Gasoline consumption

470.05 tonnes

Diesel fuel consumption

92.15 tonnes

The energy data for the last three years is updated in the Appendix-Key Performance Tables section of this report.

1. During the reporting period, the Group carried out a carbon inventory project for 2020-2023, and the statistical coverage of energy consumption was the Group headquarters and all subordinate organizations and offices within China, overseas subsidiaries, and holding companies of CTI.

2. The increase in gasoline consumption was mainly due to the addition of the energy consumption of the newly acquired company VESP at the end of 2022 and the new holding company Shanxi Huabang in 2023 to the scope.

Water Resources Management

The Company's business areas are not affected by drought and water shortage, but the Company is fully aware of the importance of water conservation and manages water resources sparingly while strengthening the cultivation of employees' awareness of water conservation and promoting the formation of water-saving behaviors. The Company's administrative department of each subsidiary is responsible for monitoring and counting the monthly water consumption of each unit and formulating water conservation strategies.

The Company's water consumption was mainly focused on laboratory water, drinking water, and sanitary facilities, and water was sourced from municipal pipeline networks in various regions. During the reporting period, the group's water consumption was **538,696.09** tonnes. The water resources data for the past three years is updated in the Appendix-Key Performance Tables section of this report.

Our water conservation measures mainly include promoting the reuse of wastewater; implementing water conservation and emission reduction in terms of management and process technology, controlling the water used for equipment cleaning, and rectifying equipment that consumes a large amount of water promptly; and making sure that the valves for domestic water use are shut off when people leave the premises, to eliminate the phenomenon of long-running water. In the future, we will strictly monitor the use of water resources, deepen the implementation of water conservation measures, and strive to minimize the consumption and sustainable use of water resources.

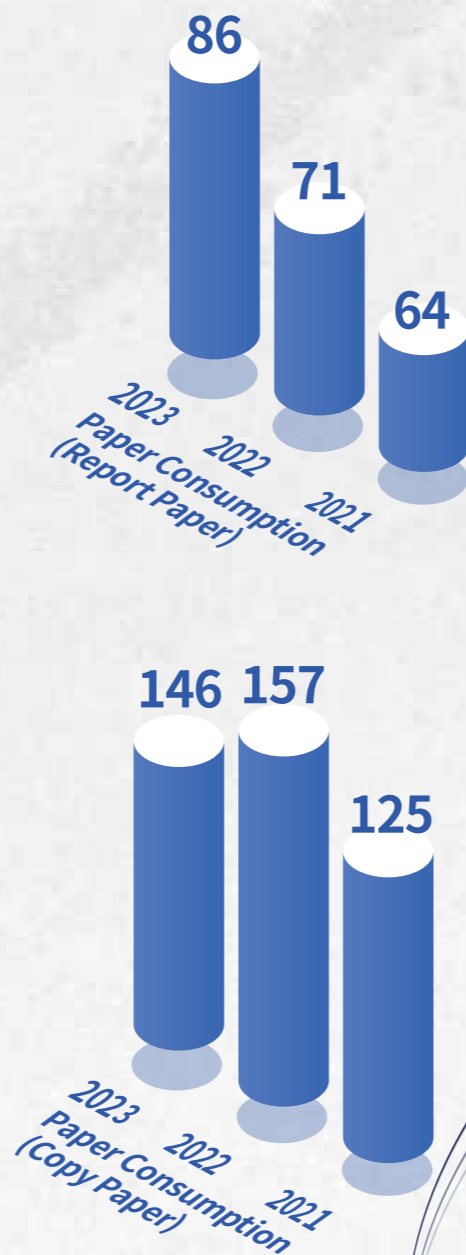
Material Management

We have established the Management Procedures for Standard Substances, Reagents, and Consumables to ensure that our laboratories effectively control their acceptance, storage, consumption, and use, and to standardize our material management.

The main source of our material consumption is the paper used to issue reports for our clients. The main measures to save paper include the implementation of

a paperless LIMS system in all laboratories; paperless operation for both records and certificate issuance; provision of electronic versions of testing, inspection, and certification documents to customers; and promotion of the deployment of an electronic labor contract system to reduce the printing of paper contracts.

Under the Group's "LEAN" program for 2023, each of the Group's laboratories has made improvements in material savings.



Case: Light industry toys—Shenzhen grocery laboratory improvement project

During the data verification stage, "Electronic document transmission" was used instead of "Upstairs and downstairs delivery of paper-based original records", improving work efficiency while reducing the use of printing paper. During the report editing and final review stage, "Directly reviewing electronic report documents" was used instead of "Printing paper reports for review transmission", reducing the use of printing paper. From May 2023 to October 2023, the laboratory saved **81,672** sheets of paper and **285** hours.

Strengthening the Management of Three Wastes



The Management Structure of Three Wastes

The Company has formulated several systems, such as Environmental Protection Management Measures, Wastewater Emission Control Procedures, Waste Gas Emission Control Procedures, Noise Emission Control Procedures, Emergency Preparedness and Response Control Procedures, etc., which clearly define the compliant methods of disposing of noise, waste gas, wastewater, and wastes, and elaborates on the contingency measures for responding to the environmental pollution incidents, thus perfecting the three-waste management system of CTI.

Our waste management structure is as follows:

CTI Management Structure of Three Wastes

Group's QHSE Department Responsible for comprehensive supervision of wastewater, waste gas, waste, and noise emissions.

Group's Branches/ Subsidiaries Set up annual emission reduction planning and targets, responsible for regular testing of wastewater, waste gas, waste, and noise; implement unified management of hazardous waste and medical waste generated by the Company, and hand them over to qualified units for disposal.

Laboratories, employees, and related parties Comply with the Company's HSE regulations, daily management of wastewater, exhaust gas, waste, noise emissions, and other three-waste management of the implementation of the landing work.



Wastewater Management Measures

Our wastewater mainly consists of industrial wastewater generated during laboratory testing and domestic wastewater generated from office and living activities. We strictly comply with the Law of the People's Republic of China on Prevention and Control of Water Pollution, Comprehensive Wastewater Discharge Standards, and the relevant local regulations and standards for the discharge of wastewater and regularly carry out wastewater monitoring (at least once a year), to achieve the discharge standards, and resolutely put an end to the behavior of discharging exceeding the standards.

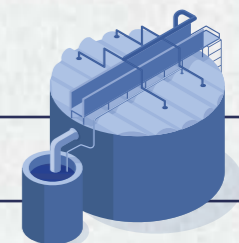
Wastewater Management Measures

- Implement a water pollution prevention and control system by the Environmental Protection Management Measures, and discharge wastewater into the municipal pipeline network after relevant treatment;
- It is prohibited to discharge or dump radioactive solid wastes or wastewater containing substances of high or medium radioactivity into water bodies;
- Strictly control the amount of fresh water, and machine pumps and equipment requiring water cooling should be cooled by circulating water;
- Priority is given to processes and equipment that do not produce or produce less wastewater, and the production process water pumping, cooling water, steam condensate, and steam purification water are reused or recycled;
- The water used for domestic use should be shut off when people leave the valves, and the phenomenon of long-running water should be eliminated.



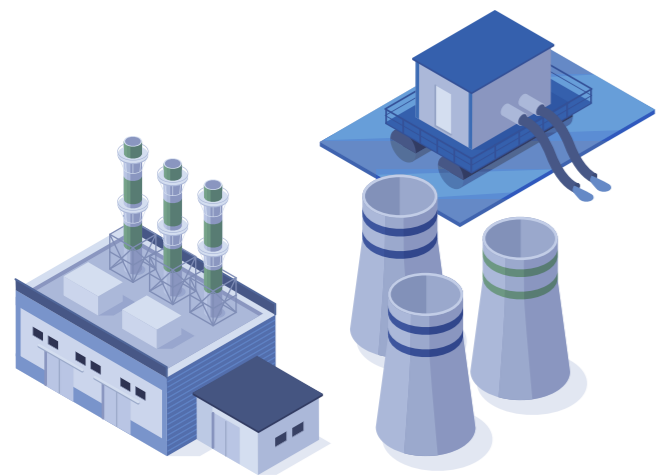
In 2023, our performance

- Total industrial wastewater discharge: **99,206** tonnes.



Exhaust Gas Management Measures

We strictly adhere to the relevant national or local laws, regulations, and requirements of the environmental supervision and management departments. The waste gas is processed through treatment facilities before discharge, ensuring it meets the emission standards.



Exhaust Gas Management Measures

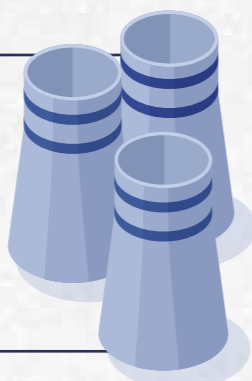
- Require all subsidiaries/branches to use process technologies and equipment that do not produce or produce less exhaust gas, and conduct regular monitoring of exhaust gas (at least once a year);
- Strictly prohibit the use of process technologies and equipment that are expressly prohibited or eliminated by the relevant state departments and that seriously pollute the air environment;
- Strictly control the emission of pollutants and shall not exceed the total emission limit approved by the emission license;
- Recovery of flammable gases for reuse, and pollutant prevention and control by the requirements if they do not have the conditions for recycling;
- Equip laboratories with appropriate ventilation systems and ventilation equipment as required, and operations involving the production of volatile organic compounds are carried out in properly functioning fume hoods;
- Strengthen inspections to avoid leakage of production equipment, resulting in unorganized emissions of exhaust gases, and strengthen the leakage and detection of volatile organic compounds in each production section;
- Setting up SDG exhaust gas disposal device.



SDG Exhaust Gas Disposal Device

In 2023, our performance¹

- NOx emissions: **3.73** tonnes;
- Sulfur oxides emissions: **0.97** tonnes;
- Volatile organic compounds (VOCs) emissions: **5.88** tonnes;
- Particulate matter (PM) emissions: **6.11** tonnes.



Waste Management Measures

The waste generated by our business operations mainly includes chemicals, test samples, organic waste, waste liquids, paper, plastics, office waste, and electronic waste. Compared to traditional industries, the total amount of waste we generate is on the low side.

General Industrial Waste Management Measures

- It is prohibited to mix construction waste into domestic waste and hazardous waste into construction waste;
- No unauthorized dumping, piling, discarding, or scattering of solid waste is allowed;
- Establish solid waste management accounts, record industrial solid waste-related information truthfully, and realize solid waste traceability and query.

Hazardous Waste (including Medical Waste) Management Measures

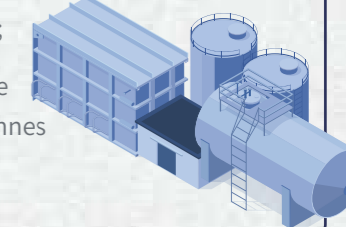
- The general manager of each subsidiary is the first person responsible for environmental protection and safety, and is fully responsible for the management of hazardous waste, while the administrative department of the subsidiary is authorized to be responsible for the supervision and management of hazardous waste in the Company;
- Organize the identification and analysis of hazardous waste generation sources and determine the waste categories and codes;
- Relevant departments set up hazardous temporary storage places, and disposal places set up warning signs;
- Organize HSE training for legal persons, general managers, chemical purchasers, and chemical users by relevant laws and regulations to ensure that the relevant personnel are sufficiently capable of using and handling hazardous chemicals appropriately, safely, and in a standardized manner.

Waste Disposal Methods

Waste classification	Treatment
General industrial waste	Establishment of management procedures for separate placement, separate collection, separate transportation, separate treatment, and eventual transfer to municipal waste treatment organizations for disposal.
Hazardous waste (including medical waste)	To the national Regulations on the Safe Management of Dangerous Chemicals and other regulations and policies, a management system of the Measures for the Safe Management of Dangerous Chemicals has been formulated to regulate the use and handling process of such chemicals. Hazardous wastes are separated and classified from general wastes, and qualified professional units are commissioned to transport, utilize, and dispose of solid wastes. For medical waste, we strictly follow the provisions of the Regulations on the Management of Medical Waste, handing over medical waste to specialized medical waste treatment companies for unified treatment and keeping strict records of the treatment process to ensure that all waste is disposed of reasonably.

In 2023, our performance

- Hazardous waste emissions were **679** tonnes, with an emission intensity of **0.0012** tonnes/CNY10,000 of operating income;
- General industrial waste emissions were **1,497.05** tonnes, of which **726.57** tonnes were recycled, accounting for **48.53%**.



Note: Waste data for the last three years is updated in the Appendix-Key Performance Tables section of this report.

1.Note: The caliber of exhaust gas data is all emission outlets where industrial exhaust gas exists.

Care for Laboratory Animals

Non-clinical evaluation of drugs is one of CTI Group's businesses. To ensure the safety and efficacy of drugs, and to clarify the absorption, distribution, metabolism, and excretion process of drugs in organisms, a series of animal tests are required before the marketing of new drugs. To ensure the welfare of laboratory animals, we strictly comply with the requirements of domestic and foreign regulations, rules, and guidelines on the management and use of laboratory animals, care for and respect laboratory animals, and humanely manage animals. To strictly adhere to the "3R" principle: Reduction, Replacement, and Refinement, we continue to develop and implement new technologies and methods to alleviate the suffering of animals caused by experimental operations and replace animal testing with non-animal testing as much as possible, to minimize the use of animals. At the same time, we minimize the use of animals.

The Company has established an Institutional Animal Care and Use Committee (IACUC) consisting of veterinarians, animal testing experts, non-animal testing personnel from the group, and public representatives. This committee is responsible for overseeing the management and use of animals. It conducts semi-annual inspections of animal facilities and animal care and management practices, focusing on ensuring compliance with animal welfare requirements. In case of any violations, the committee may issue verbal or written warnings, conduct follow-up inspections, or impose temporary or permanent suspension of individuals' access to animals as a disciplinary measure.



To ensure that all staff related to laboratory animals are aware of the importance of animal welfare, we organize comprehensive and systematic animal welfare training for new employees when they join the Company; regular training is also conducted in daily work to ensure the implementation of animal welfare. During the reporting period, there was no incident of violation of animal welfare requirements in the Company.

04

People-oriented, Progressing With Employees

Talent is the most important resource for enterprise development. We place utmost importance on talent management, fully protect the basic rights and interests of employees and occupational health and safety, establish a fair and transparent development platform for employees, and continue to optimize the salary and welfare system, improve employee care, provide employees with sufficient opportunities for growth, and collaborating closely with employees towards mutual development.

Benchmarking the United Nations Sustainable Development Goals



Key Issues Employee Rights | Talent Training and Development | Talent Attraction and Retention | Employee Diversity

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Protecting Employees' Rights and Interests	58



Attracting Outstanding Talents

Compliance in Employment

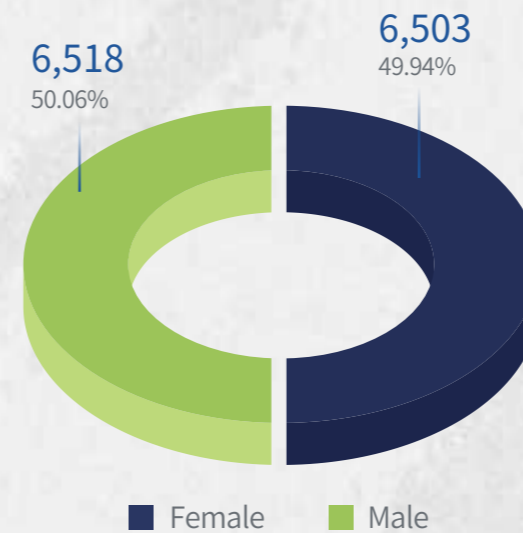
We strictly abide by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Protection of Minors of the People's Republic of China, the Prohibition of Child Labor and the Social Insurance Law of the People's Republic of China and other relevant laws and regulations, and establish a legal, compliant and harmonious labor relationship with our employees.

We conclude labor contracts with employees in accordance with the law, implement whole-staff contract management, effectively protect the legitimate rights of employees, and promote the harmonious development of labor relations. During the reporting period, there were no incidents of non-compliance with labor standards and no cases of administrative penalties due to labor arbitration.

As of the end of the reporting period, the total number of regular employees of CTI Group was **13,021**. The Company employs **3,238** casual workers, including **1,881** interns, **1,144** laborers and **213** part-time consultants. The data of all regular employees by gender, nationality, education, age, and employee category are as follows:

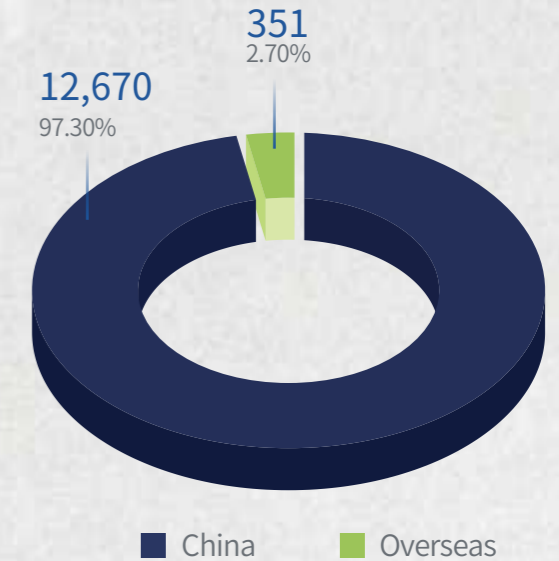
By gender

Number of Employees
Proportion



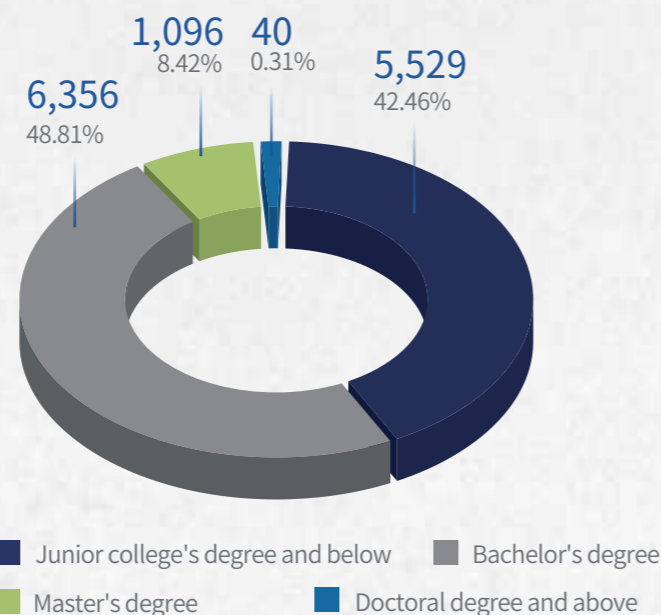
By nationality

Number of Employees
Proportion



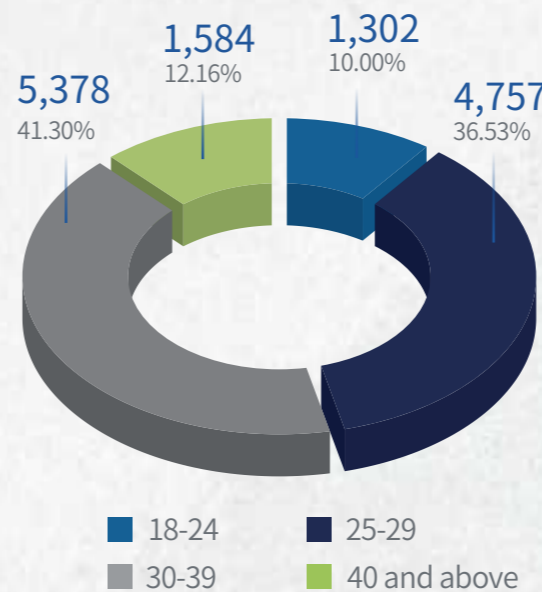
By education

Number of Employees
Proportion



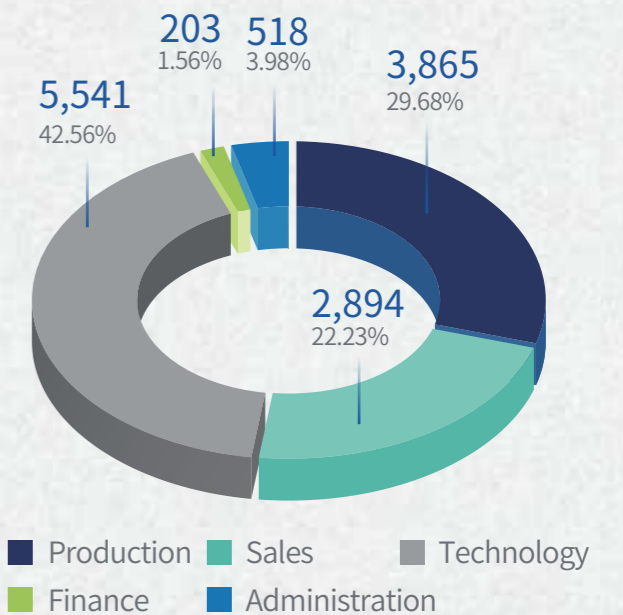
By age

Number of Employees
Proportion



By category

Number of Employees
Proportion



Human Rights Management

The Company has formulated a series of systems and measures such as the Group Recruitment Management System, Employee Entry Management System, Probationary Review Management System, and Regulations on the Administration of Qualifications. We clearly stipulate that recruitment follows the principles of fairness, impartiality and merit-based recruitment to ensure the equality and compliance of recruitment. We are committed to the equality of nationalities, genders, races, colors, creeds, etc. in the recruitment process, except for special jobs.

The Company has developed and published a group-wide [Human Rights Policy](#) and Code of Business Conduct with zero tolerance for discrimination and harassment. During the reporting period, there were no human rights violations in the Company.

Channels for reporting anti-human rights incidents such as discrimination and harassment

- Communicate and report to the direct supervisor
- Report email: complaint@cti-cert.com

The Company has set up compulsory human rights courses for new employees and all employees on the E-learning platform. During the reporting period, a total of **2,847** people participated in the Company's human rights training courses, with a total of **287.60** hours of training time.

Multi-Platform Recruitment

The Group currently adopts a variety of recruitment management platforms to ensure fairness and transparency in employees recruitment. The Group's employee recruitment channels include online recruitment platforms such as 51job, Zhaopin, boss Zhipin and Liepin, as well as the Group's official website and internal recommendations. Meanwhile, the Group realizes the online process of interview invitation sending, applicant information registration, interview sign-in reminder, interview feedback, employment approval and other processes through iiva recruitment management system, which realizes the onlineization and visualization of recruitment and hiring.

HR Related Awards

- won the "2023 HR Management Outstanding Award - Outstanding Employer" from 51job human resource service agency.



- Won the "2023 Most Influential Employer" by Haitou.



Local Recruitment

CTI adheres to the localization of overseas employees recruitment and management, and actively promotes the localization of overseas employees. During the reporting period, the localization rate of the Company's overseas employees was **76.2%**.

Recruitment of Fresh Graduates

Case: CTI "Enterprise Open Day" and "Intern Conversion to Full-time" activities

In 2023, the Company held a total of 18 "Enterprise Open Day" and "Intern Conversion" activities. Through visiting laboratories, career development keynote speeches and other ways, graduates can experience the atmosphere and working state of the enterprise, and also help the Company scientifically allocate human resources and improve the fit of people; In more than a dozen cities such as Beijing, Shanghai and Shenzhen, "Intern to full" activities were launched to enhance the sense of belonging of employees, and to congratulate students on their hard work and fresh start.



CTI Open Day Activities



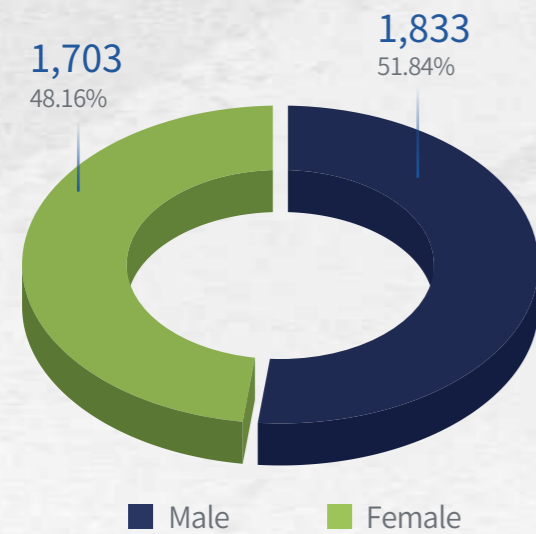
Internship Transfer Event



During the reporting period, there were **3,536** new employees in the Company. The data of new employees by gender, nationality and age are as follows:

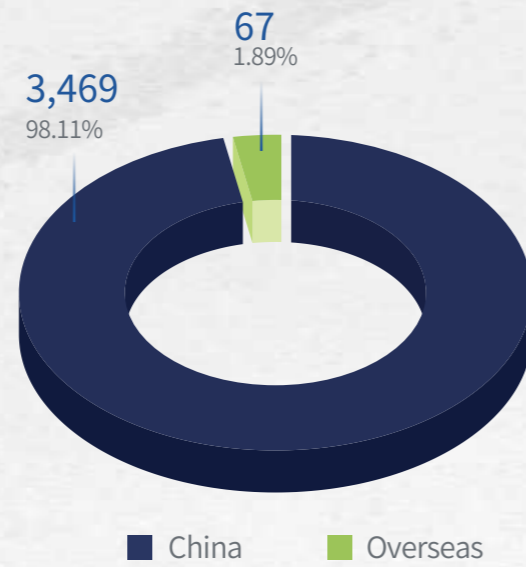
By gender

Number of new employees
Proportion



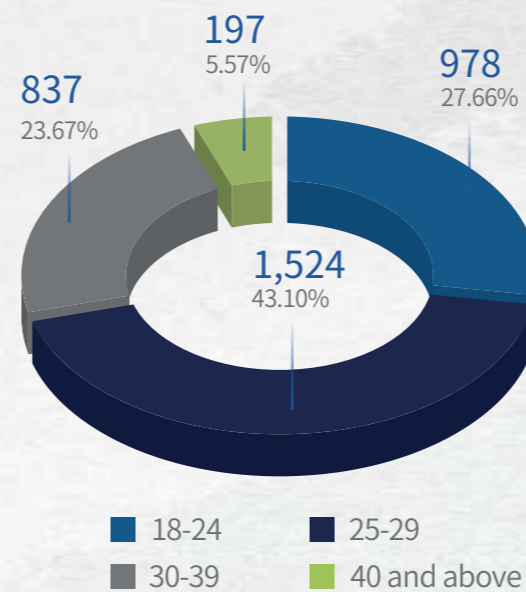
By nationality

Number of new employees
Proportion



By age

Number of new employees
Proportion



Empowerment in Diversity

Gender Equality

We actively advocate for gender equality, promote women's leadership empowerment, and encourage women employees to participate in conversations, discussions, and decision-making. During the reporting period, the proportion of female employees in the Company reached **49.94%**. The proportion of female employees divided by position and function is as follows:

Classification	%
Share of women in total workforce (as % of total workforce)	49.94%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	37.17%
Share of women in top management positions (as % of total top management positions)	23.81%
Share of women in junior management positions (as % of total junior management positions)	40.71%
Share of women in management positions in revenue-generating functions (as % of all such managers)	77.89%

Pay Equity

During the reporting period, the average compensation ratio between male and female in the Company was **1.07:1**. The pay ratios for male and female by position are as follows:

Position	Position explanation	Ratio of basic pay and remuneration to men and women
Level A	Top management	1.41 : 1
Level B	Senior management	0.96 : 1
Level C	Junior and middle management	1.10 : 1
Level D	General employees	0.99 : 1

Employment of Disabled Persons

For a long time, the Company insisted on providing support positions for disabled persons. By the end of the reporting period, we had placed a total of **66** disabled persons into employment, of which **11** were newly placed in 2023, exceeding the Company's 2023 employment placement target for disabled persons.



Employee Retention

The Company attaches great importance to the management of employee retention, regularly monitors and feedbacks the situation of employee turnover, analyzes and summarizes the reasons for employee turnover, and provides suggestions for subsequent employee development and retention.

Employee Retention Measures

- Carry out a variety of leadership development programs to comprehensively improve management at all levels and enhance employee loyalty.
- Carry out programs such as "New Employees Care Program" and "Sunshine Program". CTI arranges mentors for new employees and has different entry-level guidance policies for different employees. This helped them to adapt more quickly to the work environment and promote cultural integration.
- Define a whitelist of key talents and implement an AB corner inventory reserve program for key talent.
- Implement employee stock ownership plans and equity incentive plans to improve retention of key talents.
- The data analysis and comparison of the turnover rate of various departments were conducted on a regular basis, and the interview coverage rate of departing employees was kept above **80%** (of which the exit interview coverage rate of core employees was **100%**).
- Improve the ability of interviewers to select and employ, eliminate the information asymmetry with candidates, and improve the suitability of employees in the probation period;
- Establish exit dashboard, monitor monthly data and action plan, and implement exit improvement actions.

During the reporting period, the percentage of open positions filled by internal candidates (internal hires) was **9.31%**. The total number of resigned employees was **3,058**, and the number of voluntary resigned employees was **2,517**. The turnover rate was **23.49%**, and the voluntary turnover rate was **19.33%**.

We calculate and analyze the turnover rate from multiple perspectives. Among them. According to the formula suggested in clause 2.1 of GRI 401: (voluntary turnover rate = number of voluntary resigned employees/total number of employees at the end of the reporting period), the voluntary turnover rate was **19.33%**. According to the formula commonly used by the Group: (voluntary turnover rate = number of voluntary resigned employees/(number of voluntary resigned employees+total number of employees at the end of the reporting period), the active dismissal rate of all employees is **16.19%**, among which the voluntary turnover rate of employees who have been regularized is **12.2%**.



The number of voluntary resigned employees
Voluntary turnover rate(%)



Supporting Employee Development

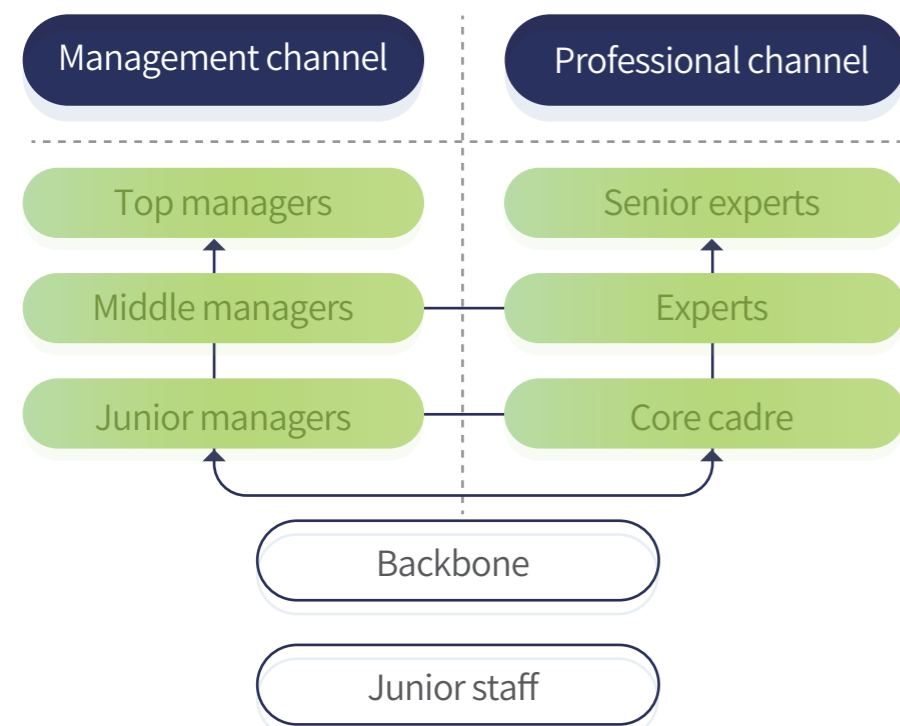
We attach importance to employees' career planning and are committed to creating a fair workplace to provide employees with broad space for growth and development opportunities.

Diversified Promotion Channels

The Company insists on creating a research-oriented business atmosphere with high education and high quality, and establishes a sound scientific promotion system. We set up a clear and diversified promotion channel to achieve a dynamic balance between the development of employees and the development of the enterprise.

During the reporting period, the Company upgraded a total of **3,264** people, accounting for **28.7%** of the total number of eligible people. Among them, the total number of special promotions (jumps/promotions beyond the organizational level) reached **73**.

CTI "double channel" promotion





Employee Training System

The Company has formulated employee training management systems such as CTI Group's Training Management Manual, CTI Group's Instructor Certification Management System, CTI Group's Overseas Training Management System, E-Learning Platform Management System, and other employee training management systems. The Company has formulated CTI Group's Annual Training Plan and offered rich courses on E-learning. Employees can learn online according to their actual needs.

According to the CTI Group's Internal Instructor Management System, the Company encourages employees to serve as certified internal instructors, and creates an internal instructors team that meets the needs of the Group's development, further improving the quality and effect of training. As of the end of the reporting period, the number of internal instructors in the Group has reached **97**, a YOY increase of **29.33%**.

During the reporting period, the Group organized a total of **168** training courses and **4,626** self-directed learning courses on the E-learning platform, with a total investment of CNY**2.5414** million in employee training.

The Company's employee training hours totaled **261,307** hours. Among them, project training, open class and special training totaled **72,924** hours, E-learning online training totaled **140,623** hours, and other special training totaled **47,760** hours. CTI's employee training coverage rate is **100%**, and the average hours per FTE of training is **20.07** hours.

The Group Learning and Development System

Type	Item category				
Management Leadership Training	Executive Talent Development Program-EDP(Fai Wah)				
	High Potential Talent Development Programme -HAP (Fung Hwa)				
	Middle Managers -LAP (Kwong Hwa)				
	Junior Managers - Climb to win				
	Management Trainee -MT(TsingWah)				
Professional class General class training	Lean Series	Sales Series	Professionalism Series	Management Leadership Series	Lecturer Series
New employee training	Special talent training program				
	Social recruitment training for new employees-New Employees Care Program			School recruit new staff training -Sunshine Program	
E-Learning platform, group course instructor					

During the reporting period, the Company provided training on integrity and business ethics, health and safety environment (HSE), quality, human rights, privacy and data security covering all employees of the Company. The total training duration is as follows:

Type of training	Total duration of employee training (hours) ¹
Integrity and business ethics	187.75
Health, Safety and Environment (HSE)	27,884.20
Quality	39,013.63
Human rights	287.60
Privacy and data security	772.87

1.The statistics of training related to integrity, HSE, quality, human rights, privacy and data security are based on the Company's E-learning platform and the special training organized by each department of the Company.



Leadership Development Programs

We have set up "Executive Talent Development Program -EDP" "High Potential Talent Development Program -HAP" "Middle Managers -LAP" "Management Trainee -MT)", and other leadership development programs to comprehensively improve the leadership of managers at all levels.

Executive Talent Development Program -EDP

In September 2023, the Company invited external lecturers to conduct a training on the theme of Strategic Thinking Equation for all top managers to assist the group management in formulating and executing strategies. In this training, a total of **40** middle and senior management participated, and the average training duration was **16** hours, and the total training duration was **640** hours.



Middle Managers -LAP

LAP (Leadership Accelerating Program) is a series of management training courses tailored by CTI to train reserves for top management, focusing on leadership development, strategic thinking and effective management skills for talents. We support the Group's strategic need to achieve high-quality growth and sustainable development by empowering high potential management talents.

During the reporting period, the Group invited a total of **32** middle managers to participate in the fifth LAP program, with a total of **6,016** hours of training, with an average of **188** hours of training.

As of the end of the reporting period, LAP 1-5 has trained a total of **156** reserve senior management personnel for the Group.



Group photo of LAP

High Potential Talent Development Program -HAP

HAP (HIPO Accelerating Program) is a more targeted talent development program developed by the Group to meet the rapid development needs of the organization. The Group started the preparatory work of the first HAP program in December 2020, selected 19 members to participate in this training program, and held the launch meeting of HAP Phase 1 in March 2021, and successfully completed the camp in January 2024. During this period, the project team regularly organized trainees and mentors to carry out periodic reports, reviewed and summarized the growth of students at each stage, adjusted and confirmed the future growth, and finally cultivated excellent middle and top core managers of various departments.

Junior Managers Training -Climb to Win

The Junior Managers Training -Climb to Win has helped trainees complete the learning and practical application

of the courses from "Personal effectiveness improvement" to "efficient team management". On the way forward to achieve the Group's strategic goals, the project adheres to the goal of continuously striving to build a first-class team in the industry, so as to ultimately enhance the organizational capacity of the Group. During the reporting period, the Company set up **17** learning classes in **13** cities across the country, and a total of **670** employees participated in the training of the "Climb to Win" program, with a total of **22,780** hours of training. More than **300** leaders, **200** instructors and **17** class sponsors accompany trainees throughout the program.



Other Training Programs

"LIVE STUDIO" Special Training

During the reporting period, the Group carried out a series of "LIVE STUDIO" special training activities such as Examine Yesterday, Seize today, Plan for Tomorrow, Major Risks and coping Strategies of Industrial M&A, China TIC Development Trend of CTI's ideas, and the Group's chairman, president, and leaders of various divisions/functional departments shared relevant experiences for employees. The total number of employees participating in the training was **320**, and the total training time was **600** hours.



School Recruit New Staff Training -- Sunshine Program

The Company carries out a "Sunshine Program" for school recruit new staff every year, aiming to help them quickly integrate, transform and grow from "Students" to qualified "Workers". During the reporting period, the Group's "Sunshine Program" trained **71** employees, with a total of **4,629.2** hours of training, with an average of **65.2** hours of training.



Open Class and Special Training

The Company has customized different kinds of public courses and special training for ordinary employees, junior management, middle management and top management, such as Lean Series Training, POA Action Power Training, From Manager to Leader Training, CTI Good Manager - Efficient Interview and Selection Training. During the reporting period, **2,071** employees participated in open courses and special training, with a total training time of **38,259** hours, and the average training time was **18.47** hours.

Training in Female's Care

On the E-learning platform, the Company separately set up training courses for female employees such as "the International Women's Day (March 8) Special Topic: Scientific Cognitive Health Products to Care for Women's Oral Health" and "How to Advance Self-leadership as a Working Woman" for employees, with a total of **547** participants.



Scientific cognitive health products



How to Advance Self-leadership as a Working Woman

Protecting the Health of Employees

Occupational Health and Safety Management System

CTI has established a sound occupational health and safety management system and established a three-level HSE management organizational structure of "Group-subsiary-each department".

By the end of the reporting period, a total of **43** subsidiaries have obtained the ISO 45001 Occupational Health and Safety Management System Certification, of which 7 were added in 2023.

In addition, the CTI Supplier Code of Conduct and supplier ESG audit have also added the assessment requirements for suppliers' occupational health and safety related standards.

The Company has developed the QHSE Management Manual conforming to ISO 9001, ISO 14001 and ISO 45001 standards. This programmatic document applies to all CTI Group divisions, all employees, and contractors or individuals under CTI's supervision. The Company appoints an employee representative to participate in and negotiate OHS matters on behalf of the staff.

The CTI Strategy and M&A Committee is the highest recognized decision-making body for OHS, responsible for approving the implementation of OHS policies, and making commitments for the operation and continuous improvement of the Company's OHS management system, including but not limited to the following:

- Responsibility for the effectiveness of the QHSE management system.
- Communicate on topics such as "effective quality, environment, and occupational health and safety management" and "the importance of complying with management system requirements" through meetings, information dissemination, and training.
- Target achievement statistics, customer satisfaction surveys, internal audits, and daily monitoring are conducted to ensure that the desired results of the QHSE management system are achieved.
- Establish and implement a process of staff consultation and participation through staff representatives;
- Support the establishment and operation of the Health and Safety Committee.

System of Responsibility in Safe Production:

Under the overall planning of the Group, each subsidiary has issued HSE management systems such as Occupational Health Management Measures, Hazardous Chemicals Safety Management Measures and Individual Protective Equipment Management Measures, and established a sound production safety responsibility system. We have built an HSE management team and further optimized the management organization structure. We set up regional HSE management or sharing centers in each administrative region, full-time HSE engineers in each subsidiary, and HSE administrators in each laboratory. We conduct regular HSE inspections, HSE risk and opportunity identification & improvement, and make regular HSE special reports to higher departments.

Occupational Health and Safety Goals

The Company has set the goal of zero OHS accidents. Our top priority is to avoid occupational diseases and major workplace accidents such as serious injuries and deaths. In order to achieve the OHS goals set by the Company, we actively carry out the identification and control of safety risks, enhance the safety awareness of all employees and the ability to deal with risks through safety training and emergency drills, and carry out OHS internal monitoring activities to ensure that the activities of all departments comply with the Company's regulations.



Occupational Health and Safety Risk Management

HSE Risk Identification

The Company has formulated the *Procedures for Identification and Evaluation of Environmental Factors and Procedures for Identification of Hazard Sources and Risk Classification and Control*, which are used to identify environmental factors and risks existing in the working environment of employees. Risks are divided into acceptable risks (safe) and unacceptable risks (unsafe) according to the degree of risk. We judge material environmental factors or unacceptable risks (unsafe) and update the list of environmental factors or risks promptly. We also define and effectively control the responsibilities, methods, results and applications of related work.

The administrative departments of CTI's subsidiaries are responsible for organizing the identification of environmental factors/hazardous sources in each department, and each department is responsible for the corresponding control and recording.

HSE Internal Supervision

The Company establishes, implements and maintains the "Performance Monitoring and Measurement Control Procedure" to monitor and measure the operation of environmental and occupational health and safety management. The Quality management Department of the Company shall formulate and implement the Internal Audit Procedure, plan and organize the internal audit according to the annual internal audit plan of the Company, so as to verify that the activities carried out by various departments of the Company meet the requirements of the Company's quality, environment, occupational health and safety management system and standards.

Three Levels HSE Internal Supervision

- **Level-1 HSE inspection (Lab-level inspection)** :the part-time HSE administrator of the laboratory conducts a comprehensive HSE inspection at least once a week, and the inspection and rectification results are reported to the subsidiary's administration department.
- **Level-2 HSE inspection (Subsidiary level inspection)** : the administrative department of each subsidiary carries out a comprehensive HSE inspection once a month, and the inspection and rectification results are reported to the QHSE Department of the Group.
- **Level-3 HSE inspection (Group level inspection)** : The QHSE Department of the Group carried out on-site HSE inspections on **52** companies in **41** cities in the first half of the year, and on-site HSE inspections on **32** companies in **20** cities in the second half of the year. A total of **145** medium-high risk hidden dangers were found throughout the year, with a hidden danger rectification rate of **95%**.

Improving Occupational Health and Safety Ability

Occupational Health and Safety Training

The Company insists on providing occupational health and safety training to its employees to raise awareness and reduce health and safety incidents.

Following the "HSE Training Management Measures", the Company annually formulates safety training programs for all employees of the Company and employees of external suppliers and conducts regular assessments.

We strictly stipulate the three-level education and assessment for new employees at the company level, department level and team level to ensure that employees have the necessary knowledge of production safety, familiar with the rules and regulations of production safety and safety operation procedures, master the safety skills of the position, and understand the emergency handling measures.

During the reporting period, the Company's occupational health and safety special training participants totaled **6,912** people, and the training time was **10,585** hours.

Emergency Drills and Security Risk Prevention

The companies of the group organized **84** emergency drills, including fire escape, fire fighting and rescue, chemical leakage disposal, anti-terrorism disposal, etc.

In order to prevent the occurrence of building electrical fire accidents and ensure the normal development of business activities, from May to October 2023, **43** subsidiaries were organized to carry out electrical fire detection work. In order to prevent the occurrence of occupational diseases, the Group organizes at least one employee physical examination every year to ensure the health and safety of employees.

Safety Accident Prevention Device

- We have installed exhaust equipment for high-temperature oil tanks to ensure a healthy and safe working environment.



- We have installed ventilation equipment and purchased protective equipment such as insulated gloves, helmets, and insulated boots for our employees to ensure the safety and health of our inspectors.



Handling of Occupational Health and Safety Accidents

The Company has formulated the Measures for the Management of QHSE Accidents and Incidents, the Safety Accident Reporting and Handling System and other relevant documents to standardize the management of the Company's report, investigation and handling of QHSE accidents and incidents such as work-related injuries and diseases, so as to ensure that employees are effectively treated and rescued in the first time after the occurrence of safety accidents, and prevent the recurrence of safety accidents.



Safety Incident Reporting Procedures

- The party/discoverer of the accident reports to the department manager/Safety officer.
- The safety officer immediately reports to the head of the Administration and the general manager of administration.
- The general manager of administration report to the work safety supervision department within **1** hour, and organize and direct the emergency handling of safety accidents.

Safety Incident Investigation Procedures

- A security incident investigation team consisting of the general manager of administration, the manager of administration (person in charge), the director of security and the head of the security incident department will carry out the investigation, or a security intermediary organization will carry out the investigation.
- The safety accident investigation team submits a safety accident investigation report within **60** days after the accident occurs;
- The investigation report should be reported to the street or the District Safety Supervisory Authority and filed for retention.



During the reporting period, the absenteeism days for all employees of the Company are **156,082** days¹, with an absentee rate of **4.79%**. The number of work-related injuries of the Company for the year was **11**, the number of working days lost as a result of work-related injuries was **445**², and there were no work-related fatal accidents. The 200,000 hours lost workday rate (LDR) was **27.34**, and the 200,000 hours of recordable injury rate (TRIR) was **0.68**.

1. Absenteeism days: the total number of days lost due to absenteeism of any kind, not only as a result of work-related injury or disease.

2. Among them, 4 employees were injured due to participating in sports activities, and the number of working days lost due to injury was 94 days. 1 employee is injured due to slipping on the way to dinner, the number of working days lost due to injury is 2.5 days.

Protecting Employees' Rights and Interests



We protect the legitimate rights and interests of employees and ensure the fairness and openness of compensation and benefits. In addition to providing employees with legal benefits such as "Five social insurance and one housing fund", it also provides multi-dimensional welfare care activities.

Salaries and Welfare

According to the relevant laws and regulations of the country and the place where the Company is located, we have formulated the *Compensation Management System*, *Benefit Management System* and other relevant systems and measures to standardize the management of employee compensation and benefits. We have also formulated the Attendance and Vacation Management System to standardize the management of employees' working hours and ensure reasonable work and rest of employees.

The Company ensures that the rights and benefits of all employees are equally respected and protected. The coverage of social basic insurance and commercial insurance for regular employees is maintained at **100%**. In addition, we also provide housing subsidies, communication subsidies, meal subsidies, working environment subsidies, job title subsidies and other welfare subsidies.

CTI emphasize the implementation of equal remuneration, and is committed to paying employees no less than the local minimum wage.

Overtime Reduction

The Company strictly abides by the legal provisions of the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China regarding working hours and overtime, and has carried out the "Lean Project" in 2023, making comprehensive improvements in product and service quality, overtime reduction, green environmental protection, digital transformation and other aspects.

Case : Lean program conducted to help employees increase productivity and reduce overtime

Promotion of PRA application

- Configure RPA to automatically capture information from the application form to LIMS system, saving about **1** hour/day.
- Use automatic login to upload attachments instead of manual operation, saving **0.5-3** hours/day.
- Automatically find and print reports in LIMS without manual operation. RPA can still be run after work to automatically print reports, without staff overtime guard, saving **0.5** labor costs.
- Saves about **14.4** hours/month by automatically sending emails instead of manually downloading, naming and typing.

Sample reception and order delivery

- In the sample temporary storage management link, we place the samples according to the express tail number sorting rather than disorderly. This makes it easy for customer service to find the samples and hand them over quickly.
- Re-layout of the laboratory to reduce walking time and sample searching time.

Report editing and final review

- Review electronic files instead of paper file reports, reduce paper consumption, flexibly cooperate with auditors' working hours, and reduce overtime.

Safeguarding Women's Rights and Interests

The Company has built baby care room in Wuhan, Shanghai, Suzhou, Shenzhen, Zhengzhou, Tianjin, Qingdao, Beijing, Hsinchu, Ningbo and other places. This facilitates baby care work for female employees. We provide a more friendly and inclusive working environment for female employees, and promote gender equality and diversity in the workplace.

In order for employees to maintain a work-life balance while taking care of their families, the Company provides employees with parental leave. During the reporting period, parental leave for primary caregivers among company employees totaled **55,810** days. According to the regulations of the Company, all female employees take a half-day paid leave on March 8 every year, and hold colorful activities for female employees.



Baby Care Room - Shenzhen



Baby Care Room - Beijing



International Women's Day (March 8) Activities

Employee Welfare Activities

CTI insists on providing employees with a wealth of group activities from the perspective of employees. For example, the Company regularly conducts basketball and badminton match, provides benefits about birthday and serving age in our company, and provides dormitories for newly graduated employees in some areas.



Yunnan Basketball Match



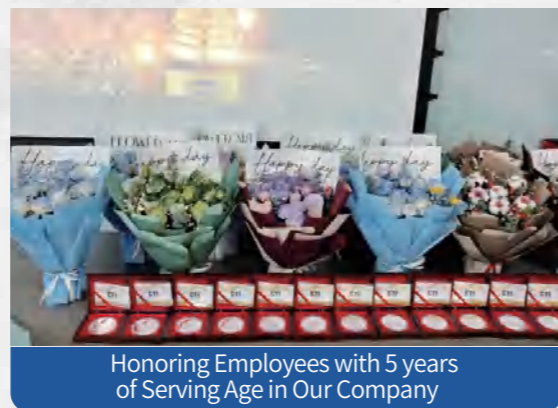
Mountain Climbing



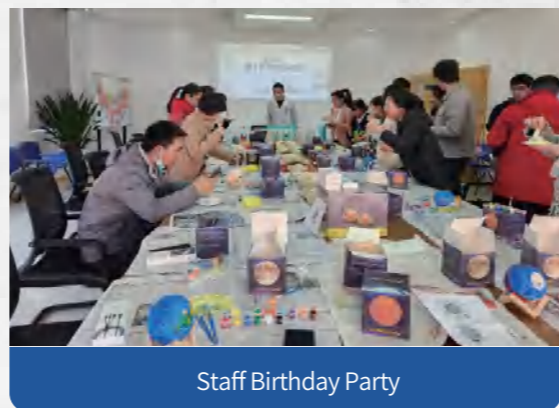
Badminton Match (Xiamen)



Photo Exhibition (CTI Jianxin)



Honoring Employees with 5 years of Serving Age in Our Company



Staff Birthday Party



Democratic Communication

We respond to employee demands through reasonable communication channels. We have a sound communication and handling mechanism for employees' promotion objections. The Company has formulated the *Regulations on Qualification Management* to manage employees' qualification and promotion. If an employee disagrees with the promotion result, the Company supports the employee to give feedback and appeal to the higher management, and the relevant department will deal with it.

05

Sincere And Interity, Sharing Social Responsibility

CTI always upholds the concept of open cooperation and mutual promotion, and maintains close contact with all sectors of society. We regard social responsibility as an important mission of the enterprise, and unswervingly devote ourselves to public charity undertakings to create welfare for the society based on our advantages.

Benchmarking the United Nations Sustainable Development Goals



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Empowering Partners



We actively participate in exchanges and learning from our outstanding peers and constantly learn from their advanced experiences. At the same time, we work closely with the government, research institutes and universities to contribute to the continued prosperity of the industry.

Cooperation with M&G Chenguang Stationery to Improve Product Quality Management System

On May 19, 2023, CTI signed a strategic cooperation agreement with M&G Chenguang Stationery. Through this cooperation with CTI, M&G Chenguang Stationery hopes to improve its product quality management system and enhance product quality and market competitiveness. Both parties will work together to develop a wider market and provide better products and services to meet the growing consumer demand.



Cooperation with Shanghai Jiao Tong University Design & Research Institute to Promote New Breakthroughs in the Field of Intelligent Network Testing

On June 19, 2023, CTI established a strategic partnership with Shanghai Jiao Tong University Design & Research Institute. Relying on the Company's laboratory international certification system, customer resources and excellent comprehensive laboratory management capabilities, and the scientific research strength and technical capabilities of Shanghai Jiao Tong University Design & Research Institute, this cooperation aims to effectively solve some of the current loopholes in intelligent network testing, to clarify the direction of future development, accumulate experience, and ultimately to achieve mutual benefit and win-win situation.



Cooperation with Beibu Gulf University to Promote the Deep Integration of Marine Services

On September 19, 2023, CTI Guangxi Company signed a cooperation agreement with Beibu Gulf University and successfully established a strategic partnership, in which the two sides will work together to strengthen exchanges and cooperation, and promote the deep integration of marine services such as marine talent training and project cooperation.



Cooperation with Hunan Exchange to Help Industrial Parks in Green Transformation

On October 10, 2023, CTI Certification signed a strategic cooperation agreement with Hunan Exchange. The two parties will work together to provide quality services to government, enterprises and parks in Hunan Province in the areas of carbon emission management, product carbon footprint and carbon neutral verification, emission reduction project validation and certification, and dual-carbon consulting and training, among other dual-carbon key technical areas. The strategic cooperation with the Hunan Exchange is of positive significance in advancing the realization of Hunan Province's "dual-carbon" goal on schedule, helping industrial parks in Hunan Province achieve high-quality development and realize green transformation.



CTI's Debut at the CIIE, Conveying China's Confidence to the World

From November 5 to 10, 2023, the 6th China International Import Expo was held in Shanghai, and CTI made its debut at the Expo with a number of achievements. Under the theme of "Delivering China's Confidence to the World", CTI focused on showcasing a series of innovative applications of "Inspection+Standards+Intelligence" cutting-edge inspection technologies, as well as displaying the industry's first Metal Failure Analysis Experience Pavilion for the first time, and releasing the CTI 2022 TCFD Report for the first time to the public. At the Fair, we have demonstrated to the world the colorful history of CTI's development over the past 20 years, as well as our determination to unite the power of innovation to benefit the high-quality development of various industries, and our confidence in joining hands with all parties to lead a green future.



Participation in Community Public Welfare



CTI always keeps in mind the mission of extending corporate responsibility and corporate value to diversified social ecology. Since its establishment, CTI has been actively involved in public welfare and practicing corporate responsibility and accountability.

We always adhere to the principle of transparency in donation affairs. We require that the identity of the recipient of the donation and the plan for the use of the donation be made clear, and that the reason and purpose of the donation be reasonable and documented. We have specified the absolutely prohibited donation behaviors in our Code of Business Conduct, including:

- Donations to individuals as well as to for-profit organizations;
- Remittances to private accounts;
- Donations to organizations whose objectives conflict with the principles of the Company;
- Various forms of quasi-donations;
- Other donations that are detrimental to the Company's reputation or that could bring about major crisis communications.

During the reporting period, the Group actively carried out public welfare activities in energy saving, carbon reduction, child care, healthy diet, rural revitalization and animal protection. Social donations amounting to CNY **98,500** were carried out, including a donation of CNY**20,000** to Longguan Village, Xia'ao Town, Du'an Yao Autonomous County, Hechi City, Guangxi Province, for carrying out twinning support work, a donation of CNY**25,000** to Anqing Village, Pingda Township, Longling County, Baoshan City, Yunnan Province, to help consolidate the work of poverty alleviation and a donation of approximately CNY**5,000** of charity materials to Wangtang Village, Yingshang County, Anhui Province, and so on.

Public Welfare Service

Case: CTI was named "Outstanding Public Welfare Service Station of 2022"

In July 2023, CTI was honored by the Beijing Yicheng Cooperation and Development Foundation as the "Outstanding Public Service Station of 2022", and CTI's Beijing Administrative Manager was honored as the "Outstanding Public Service Station Manager".



Case: Compulsory Testing Public Welfare Service

In response to the national reform policy of "Separation of business license and business permit", CTI Tianjin Metrology Laboratory obtained 19 mandatory testing authorizations in 2019. After the release of the new policy, Dongli District became the first unit to undertake the task of statutory measurement and certification organization. Since the authorization, the laboratory has responded positively to the tasks in the district, implemented the policy, strictly enforced it, and actively served local enterprises in accordance with the requirements of the District Management Committee.

In May 2023, Hangzhou Market Supervision and Administration Bureau authorized Hangzhou Metrology Laboratory to carry out mandatory certification of gas meters and water meters, with a capacity range capable of meeting the certification of civil membrane gas meters and drinking cold water meters.



Energy-Saving and Low Carbon Public Welfare

Case: CTI issues carbon neutral certificates for Shenzhen marathon, supporting green initiatives for the marathon

On December 3, 2023, the 2023 Shenzhen Marathon kicked off at the Civic Center. To implement the "carbon peak" and "carbon neutrality" strategies, promote the concept of green hosting, and advocate for a green lifestyle, the Shenzhen Marathon partnered with Ant Forest to launch the "1 kg per person, supporting carbon neutrality for the Shenzhen Marathon" campaign. As a public welfare partner of the Shenzhen Marathon, CTI Certification provided carbon verification and carbon neutrality services for the event, issuing carbon neutral certificates to support the green initiative of the marathon and move towards sustainability.



Care for Health Public Welfare

Case: CTI-Medlab partners with multiple parties to launch "pan-cancer early screening" initiative

During the reporting period, CTI-Medlab in collaboration with the Daning Community Hospital in Zabei District, Shanghai, and the Health Management Center of the North High-Tech Service Park in Shanghai, initiated a community-wide pan-cancer early screening initiative. The initiative aims to provide a total of **1,000** free screening services for the community between 2023 and 2024. The plan for the pan-cancer early screening initiative has been finalized, and the actual sampling and testing phase for 2024 is currently underway as scheduled. The estimated value of this public welfare screening service is approximately **CNY398,000**.

Case: CTI Aiyuan hosts functional medicine solutions for children with autism growth public welfare project

On April 1, 2023, CTI Aiyuan in collaboration with Snail Baby, jointly hosted the launch event for the functional medicine solutions for children with autism and the growth assistance public welfare project. From the perspective of functional medicine, the event explored the causes of autism, provided new insights into autism rehabilitation, and together with partners, planned to provide a one-stop functional medicine health management solution for **100** families with autistic children.



Case: CTI actively participates in the Ninth National Nutrition Week, promoting healthy eating for all

On May 19, 2023, CTI actively participated in the Ninth National Nutrition Week with the theme "Reasonable Diet, Food Nourishes Health". During the event, the medical testing team of CTI-Medlab, leveraging their expertise and internet technology, educated more people on the importance of testing nutritional indicators in the body and how to scientifically measure these indicators. Additionally, the CTI Food and Health Products team promoted and applied food nutrition measurement technology, educating the public on food nutrition labels and fostering correct nutritional concepts to enhance the public's awareness of nutrition and health.



Charitable Donations for Public Welfare

Case: CTI donated supplies and funds to various places to promote rural revitalization

While continuously developing itself, CTI always remembers to give back to society and continuously empower the people to strive for a better life. During the reporting period, CTI conducted public welfare donation activities across the country. In June 2023, approximately **CNY5,000** worth of love goods were donated to Wangtang Village, Runhe Town, Yingshang County, Anhui Province. In August 2023, CTI signed an Intentional Agreement for Assistance and Support of Living Supplies with Yongjin Village, Longhe Town, Nehe City, Heilongjiang Province, to discuss future key assistance work and distributed over **40** love goods. In October 2023, a total of **CNY25,000** in assistance funds was donated to Longling County, Baoshan City, Yunnan Province.



Public Welfare Promotion and Skills Training for University Students

Case: Dalian Huaxin Physical and Chemical Testing Center hosts public welfare training on environmental monitoring

On September 12, 2023, Dalian Huaxin Physical and Chemical Testing Center Co., Ltd. hosted a public welfare training focusing on environmental monitoring for college graduates. The purpose of this public welfare training was to help graduating college students quickly integrate into the workforce and adapt to the working environment. During the 4-week public welfare training, more than **50** young university students from Dalian Minzu University participated in activities such as mentor lectures, corporate practices, and exchange seminars. From theory to practice, from individual to teamwork, they gained valuable experience and personal growth.



Case: "5.20 World Metrology Day" on-site theme publicity activities

On May 20, 2023, representatives from CTI Measurement Guangzhou Laboratory participated in the on-site theme promotion event for "5.20 World Metrology Day" in Zhongshan City. Focused on the theme of "Measurement Supports the Global Food System" and aligned with the special theme of "Metrology Supporting China's Modernization", the event aimed to enhance public awareness of metrology and strengthen metrological education. CTI provided on-site demonstrations and free testing services for non-invasive automatic blood pressure monitors and pulse oximeters to promote the importance of measurement in daily life.



Case: CTI Engineering assists Guangdong enterprises in improving product quality

In 2023, CTI Engineering Co., Ltd. carried out the assessment work of "Clear, Help and Rehabilitation" for the quality and safety problems of unqualified products whose claimed production place is Guangdong Province in various supervision and sampling inspections across the country. The main responsibility is to assess the quality and technical assistance products such as rebar, cement and other building materials. During the reporting period, **35** enterprises were provided on-site one-on-one assistance, accounting for **76.1%** of the number of recognized enterprises, saving about CNY**10,000** per service in technical service fees for enterprises.



Case: CTI Environmental Chongqing Laboratory provides public welfare training service for soil preparation in the Third National Soil Survey

The years 2023-2024 mark the comprehensive rollout of the third national soil survey in China. CTI's **25** laboratories nationwide were included in the public list of laboratories for the third national soil survey, with **15** laboratories being awarded the status of standardized laboratories for agricultural land quality by the Ministry of Agriculture and Rural Affairs. The Company is dedicated to expanding its soil survey services to more provinces, cities, and counties. During the reporting period, CTI's Environmental Chongqing Laboratory provided public welfare training service on soil preparation for the soil preparation laboratory involved in the soil survey in Chongqing Municipality. The estimated value of this public welfare training service is approximately CNY**2,000**.



Volunteer Service for Public Welfare

Case: "Love-filled Yicheng, Love-Picking and Running" volunteer service, supporting carbon reduction in parks

On April 21, 2023, **3** employees from CTI Beijing Company participated in the "Love-filled Yicheng, Love-Picking and Running" public welfare event at Tongminghu Port in Yizhuang, Beijing. Led by professionals, participants formed teams and dispersed to various areas to pick up litter along the way. The collected garbage was then weighed and centrally processed. Through this volunteer activity, CTI contributed to carbon reduction in the park and promoted the integration of low-carbon environmental awareness into daily life.



Case: Nanhaizi swan conservation public welfare volunteer service, safeguarding wildlife

On March 27, 2023, **13** employees from CTI Beijing Company participated in the "Nanhaizi Swan Ecological Conservation" project in the Yizhuang area of Beijing. As practitioners of corporate social responsibility, we provided various services for the event, including distributing materials and promoting public welfare projects. During this process, each employee leveraged their professional expertise and enthusiasm to contribute to the achievement of public welfare goals.



Food Safety for Public Welfare

Case: Organize Pet Food Quality and Safety Salons and Technical Training Courses to Help Pet Food Quality and Safety Control

In 2023, CTI's Animal Nutrition and Health Program Department held 8 feed and pet food testing technical trainings, introducing the key points and precautions of each test item and answering difficult questions. We also held several free comparison activities for feed and pet food testing projects, providing a platform for scientific evaluation of testing capabilities and issuing electronic certificates, with a total of **700+** participating companies.

On August 25-26, 2023, CTI team organized a pet food quality and safety salon, inviting industry experts to have face-to-face communication with related enterprises, and delivering information to the majority of enterprises on the direction of government regulation, raw material risks, import qualification, systematic management, and other aspects to help them improve product quality control.



Case: CTI Helps Shenzhen Municipal Market Supervision Bureau to Carry Out "Anti-Food Waste Law" Training Session

On April 25th, 2023, "Anti-Food Waste Law" training meeting was successfully held in Longhua District, Shenzhen, hosted by Longhua Supervision Bureau of Shenzhen Municipal Market Supervision Administration and organized by CTI Group. The food training lecturer interpreted the Anti-Food Waste Law on the spot, analyzed typical cases, shared the control methods and means to further improve the legal awareness and responsibility awareness, and provided the correct orientation for the future operation of food enterprises.



Case: CTI Helps Market Supervision Departments to Carry Out "315" Publicity Activities to Create a Safe Consumption Environment

CTI joined hands with market supervision departments in many places across the country to carry out a number of 315-themed publicity activities on March 15, 2023, to create an assured consumer environment and comprehensively safeguard the people's food baskets. Through posting food safety posters, on-site delivery of inspection, distribution of food safety brochures, answering on-site consumer inquiries and other means, CTI popularized the knowledge of food safety and common sense of consumer rights protection to consumers, improved self-protection and the ability to protect rights in accordance with the law, strengthened the confidence in food safety consumption, and created a good atmosphere of social co-management of food safety.

On April 11, 2023, Guangzhou Huangpu District Market Supervision Bureau and CTI organized the "Huangpu District You Send Me for Inspection Food Safety Publicity Activity", which received free delivery of inspection from the public at the scene, allowing the public to understand the whole process of rapid food inspection at "zero distance".



Case: Hefei Tsinghua High School students into the Anhui CTI, zero distance understanding of food testing

On July 1, 2023, Hefei Market Supervision Administration invited 30 student representatives from Tsinghua Affiliated Middle School in Hefei into Anhui CTI to carry out a public welfare food safety science and technology activity for the students. Accompanied by the staff, the students went into the laboratory, a close visit and understanding of the equipment needed for the experiment, instruments and testing processes, and on-site experience of rapid food testing. Through the on-site visit and learning mode, it helped students to develop their vision and enhance their food safety awareness in a relaxed atmosphere, helping them to gradually build a correct view of healthy diet.



Case: "Food Safety Community Walk" Volunteer Service

In May 2023, CTI's food testing team assisted the Market Supervision Administration of Hexi District, Tianjin to carry out the "Food Safety Community Walk" activity. The activity went into 14 communities, including Xinsuiyuan Community, Fortune Plaza Community, and Sanyi Building Community, in Hexi District, Tianjin City, to carry out lectures on food safety, set up publicity booths, distribute food safety knowledge promotional materials, and provide on-site kitchen quick test services for the residents.

Through this food safety public welfare popularization of science activities, the self-protection awareness of the residents in the district was enhanced, and community residents were helped to improve their ability to identify counterfeit and shoddy food in their daily consumption, so that they mastered the knowledge related to food safety and improved their food safety awareness and self-protection ability.



Appendix

Company Milestones

January

- CTI announced the acquisition of VESP Technology (Hefei) Co., Ltd. and entered semiconductor market
- CTI announced the holding of Huabang Testing, the layout of the national environmental testing capacity to expand a city
- CTI was listed on the list of China's Top 500 Listed Enterprises by Market Value 2022
- CTI issued the first carbon footprint certificate for carbon sequestering concrete building materials in China
- CTI won the "2023 Human Resource Management Outstanding Award" and "2023 Most Influential Employer"

February

- CTI acquired LGC (Nanjing) to deepen the industrial layout in the field of standard substances
- CTI announced the acquisition of Vectoring Pharmactech, and increased the layout of pharmaceutical CMC service strategy track
- CTI won the 2022 Minhang District Governor Quality Award

March

- CTI became the first GS all-field certification and verification institution in China
- CTI EMC Laboratory was accredited by Geely Auto's third-party laboratory
- CTI successfully co-organized the third National soil census 2023 first soil testing technology training course
- CTI was selected into the "Hurun Top 100 Sustainable Development of Private Enterprises in China 2022", becoming the only TIC institution on the list

April

- CTI was named "China's Top 500 New Economy Enterprises" for three consecutive years
- CTI Environmental Laboratory passed the national dioxin special verification for 8 consecutive years
- CTI successfully won the bid for the 2023 national supervision and sampling inspection project of product quality
- CTI Certification won the Beijing Green Exchange 2022 "Best Service Award"

May

- CTI acquired Neway Testing to improve the strategic layout of medical device testing
- CTI was awarded a Textile Exchange license to conduct GRS&RCS product certification services
- CTI was approved as the first batch of import clothing inspection and acceptance institutions of the General Administration of Customs
- CTI won the "2022 TIC Excellent Third-party Testing Organization - Rock Solid Award"

June

- CTI helped release the first carbon neutral white paper for China's real estate construction industry
- CTI and Chenguang Stationery signed a strategic cooperation agreement
- CTI became a global member of the International Inspection and Testing Certification Council (TIC Council), further promoting international high-quality development
- CTI obtained the green furniture certification qualification
- CTI was selected into the S&P Global Sustainable Development Yearbook (China Edition) 2023, and the ESG level was again recognized internationally
- CTI led the national key R&D plan project of the Ministry of Science and Technology to successfully pass the comprehensive performance evaluation

July

- CTI Tianjin Company won the 2023 Tianjin SME Public Service Demonstration Platform list
- CTI participated in the development of the first domestic Home RF beauty instrument performance requirements and test methods group standard released



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August

- The reference material for CTI soil total composition analysis passed the evaluation of the Agriculture and Rural Protection Center
- CTI Jiangsu Company entered the third batch of national science and technology smes in 2023
- CTI Toxicology Laboratory obtained CMA qualification certificate
- The group standard Ganoderma lucidum spore oil Softgel drafted by CTI was approved and released
- CTI launched radioactive substance detection services to protect a better life

September

- Richard Shentu, President of CTI Group, attended the China Quality (Chengdu) Conference: Actively promote the improvement of NQI and help the steady development of economy
- CTI Certification certified the first GCC project successfully registered, a sustainable development milestone
- CTI Tianjin Comprehensive Testing Base was inaugurated, helping the high-quality development of the Beijing-Tianjin-Hebei region reach a new level
- CTI successfully acquired Fengxue to improve the layout of the network security detection industry
- CTI-Medlab was awarded the "Shanghai Producer Services Leading Enterprise" for its professional detection and protection of life and health
- CTI participated in the seminar on high-quality development of inspection and testing industry in Dongli District, Tianjin, to discuss cooperation and seek common development
- CTI President Shentu Xianzhong attended the CITIC Lyon Securities Investor Forum and talked about the growth drivers of TIC industry
- CTI Certification assisted the trading of carbon sink products in the coastal salt marsh ecosystem

October

- CTI Certification completed the certification of the first domestic carbon emission reduction project for electric vehicles instead of fuel vehicles
- CTI Certification signed a strategic cooperation agreement with Hunan Stock Exchange
- the group standard Technical Standards for Prefabricated Biosafety Laboratories co-compiled by CTI Laboratory was successfully published and implemented
- CTI Pharmaceutical Industrial Park was officially completed and put into operation: Based on the advantages of medical medicine, opening a new chapter in the big health industry

November

- CTI Expo debuted, released the first CTI TCFD report, signed a contract with LGC Group, and opened the first Metal failure analysis experience Museum
- CTI won the Listed Company Board Governance Award and Corporate Governance Award
- CTI Laboratory became a laboratory design institute unit
- CTI MALL Standard Material Mall was officially launched
- CTI Certification issued the world's first calcium sulfate flooring EPD environmental product statement
- CTI-Medlab passed the 2023 "National Blood microbial cfDNA metagenomic High-throughput sequencing laboratory quality Evaluation Pre-research Activity"
- CTI soil reference material successfully passed the evaluation of the Ministry of Agriculture and Rural Affairs expert group
- CTI participated in the drafting of the Determination of sea cucumber polysaccharide in Sea cucumber and its products using liquid chromatography-mass spectrometry industry standard was approved and released
- CTI was approved to undertake the International Standards Working Group ISO/TC 34/SC 6 WG28, promoting the mutual recognition of international standards between China and foreign countries

December

- CTI VESP Jinqiao chip experimental base was officially opened
- CTI Suzhou & Kunshan Laboratory was certified as a third-party laboratory by Celis
- CTI Certification issued the first carbon neutral certificate for colleges and universities in China to jointly protect campus environmental protection, emission reduction and sustainable development
- CTI test successfully passed the ISO/IEC27001 international authoritative certification
- CTI signed an overseas strategic cooperation agreement with French SMT Laboratory



Key Performance Table

Category	Unit	2023	2022	2021
Economics				
Operating Income	CNY10,000	560,462.45	513,071.01	432,908.86
Environment ¹				
Energy Consumption				
Purchased electricity	10,000 kWh	15,639.11	13,686.24	11,871.73
Purchased heat	10,000 kJ	2,190,431.14	2,167,375.14	1,797,145.46
Natural gas	10,000 m ³	27.86	37.98	26.44
Gasoline	Tonnes	470.05	361.02	343.10
Diesel oil	Tonnes	92.15	103.45	71.63
Waste				
Hazardous waste	Tonnes	679.00	517.08	414.76
General industrial waste	Tonnes	1,497.05	2,268.78	2,211.80
— Recycling waste	Tonnes	726.57	1,060.16	1,149.62
Water consumption				
Water consumption	Tonnes	538,696.09	440,920.81	371,274.41
Water intensity	Tonnes/CNY10,000 of operating income	0.96	0.86	0.86
Material Consumption				
Report paper consumption	Tonnes	86	71	64
Greenhouse Gas Emissions				
Scope 1 emissions	tCO ₂ e	10,068.06	9,557.98	7,833.51
Scope 2 emissions	tCO ₂ e	90,524.59	79,474.00	70,863.66
Total (Scope 1 + Scope 2)	tCO ₂ e	45,413.26	41,908.35	49,903.69
GHG emission intensity (Scope 1 + Scope 2)	tCO ₂ e/CNY10,000 of operating income	0.18	0.17	0.18

Category	Unit	2023	2022	2021
Exhaust Gas Emissions				
NOx	Tonnes	3.73	1.09	1.31
SOx	Tonnes	0.97	0.69	0.37
VOCs	Tonnes	5.88	4.69	2.68
Particulate Matter(PM)	Tonnes	6.11	2.90	0.96
Waste Water				
Industrial waste water	Tonnes	99,206	88,807	-
Society				
Employees Composition				
Number of employees	Total	13,021	12,183	11,091
Gender	Male	6,518	6,106	5,515
	Female	6,503	6,077	5,576
Age	18-24	1,302	1,380	2,144
	25-29	4,757	4,585	3,632
	30-39	5,378	4,928	4,382
	40 and above	1,584	1,290	933
Education	Junior college's degree or below	5,529	5,187	4,737
	Bachelor's degree	6,356	5,985	5,449
	Master's degree	1,096	986	877
	Doctoral degree and above	40	25	28
Nationality	China	12,670	11,813	11,005
	Overseas	351	370	86
Category	Production	3,865	3,550	3,351
	Sales	2,894	2,815	2,724
	Technology	5,541	5,108	4,256
	Finance	203	188	171
	Administration	518	522	589
Total number of new employees	Total	3,536	3,855	4,280

1. Due to CTI's carbon inventory activities in 2023, we have adjusted the data for 2022 and 2021 for the energy, waste, water use, and greenhouse gas emission categories.

Category	Unit	2023	2022	2021
Diversity and Equal Opportunity				
Proportion of female employees	%	49.94	49.90	50.30
Minority employees	Number	853	523	460
Employees with disabilities	Number	66	55	53
Ratio of basic pay and remuneration to male and female	Male:Female	1.07:1	1.06:1	1.02:1
employee turnover				
Total number of employees who voluntarily quit	Number	2,517	2,677	3,036
Employee turnover rate	%	19.33	21.97	27.40
Gender (rate)	Male	20.65	22.44	28.30
	Female	18.01	21.51	26.50
Age (rate)	18-24	25.58	45.58	33.20
	25-29	26.02	23.77	34.60
	30-39	14.50	16.36	21.50
	40 and above	10.48	11.78	13.40
Nationality (rate)	China	19.27	22.05	27.50
	Overseas	21.65	19.46	12.80
Occupational Health and Safety				
Work-related injuries	Number	11	2	4
Work-related deaths	Number	0	0	0
Days lost due to work-related injuries	Day	445	198	61
Lost Day Rate (LDR)		27.34	13.05	4.40
Total Recordable Incident Rate (TRIR)		0.676	0.132	0.036

Category	Unit	2023	2022	2021
Training and Education				
Total annual training duration	Hours	261,307.00	220,774.00	237,028.90
Average hours per FTE of training	Hours	20.07	18.12	21.40
Integrity related training ²	Hours	187.75	-	3,623.30
Health, safety and environment (HSE) training	Hours	27,884.20	15,332.00	31,354.00
Quality related training	Hours	39,013.63	27,043.00	41,569.60
Human rights related training	Hours	287.60	429.17	3,127.50
Privacy and data security related training	Hours	772.87	-	1,082.40
Supplier				
Number of suppliers of laboratory equipment and laboratory materials	Number	1,881	1,660	1,956
Professional Service				
Customer complaints	Number	228	241	284
Complaints related to invasion of customer privacy	Number	0	0	0
Complaints related to the environment	Number	0	0	0
Complaints related to occupational hygiene	Number	0	0	0
Customer Satisfaction	Scores	91.84	91.37	91.04
Anti-corruption				
Corruption litigation cases	Number	0	0	0

²The statistical caliber of training related to integrity, HSE, quality, human rights, privacy and data security is the special training organized by the Company's E-learning platform and each department of the Company itself.

GRI Index Table

Number	Item	Index
2-1	Organizational details	About this report
2-2	Entities included in the organization's sustainability reporting	About this report
2-3	Reporting period, frequency and contact point	About this report
2-4	Restatements of information	3.2 Responding to Climate Change Key Performance Table
2-5	External assurance	None
2-6	Activities, value chain and other business relationships	CTI is Always by Your Side
2-7	Employees	4.1 Attracting Outstanding Talents
2-8	Workers who are not employees	4.1 Attracting Outstanding Talents
2-9	Governance structure and composition	1.1 Optimizing Corporate Governance
2-10	Nomination and selection of the highest governance body	Please refer to our Annual Report for details
2-11	Chair of the highest governance body	1.1 Optimizing Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Strengthening ESG Governance
2-13	Delegation of responsibility for managing impacts	1.2 Strengthening ESG Governance
2-14	Role of the highest governance body in sustainability reporting	1.2 Strengthening ESG Governance
2-15	Conflicts of interest	Please refer to our Annual Report for details
2-16	Communication of critical concerns	1.2 Strengthening ESG Governance
2-17	Collective knowledge of the highest governance body	1.1 Optimizing Corporate Governance 4.2 Supporting Employee Development

Number	Item	Index
2-18	Evaluation of the performance of the highest governance body	Please refer to our Annual Report for details
2-19	Remuneration policies	Please refer to our Annual Report for details
2-20	Process to determine remuneration	Please refer to our Annual Report for details
2-21	Annual total compensation ratio	None
2-22	Statement on sustainable development strategy	1.2 Strengthening ESG Governance
2-23	Policy commitments	Throughout the report
2-24	Embedding policy commitments	Throughout the report
2-25	Processes to remediate negative impacts	2.2 Offering High-quality Service
2-26	Mechanisms for seeking advice and raising concerns	1.2 Strengthening ESG Governance
2-27	Compliance with laws and regulations	Throughout the report
2-28	Membership associations	About CTI 5.1 Empowering Partners
2-29	Approach to stakeholder engagement	1.2 Strengthening ESG Governance
2-30	Collective bargaining agreements	The collective contract signing rate of branches/ subsidiaries with established trade unions is 100%, and some subsidiaries are small and have not yet established trade unions or signed collective contracts.
201	Economic Performance	About CTI
202	Market Performance	About CTI
203	Indirect Economic Impact	About CTI

Number	Item	Index
204	Procurement Practices	2.5 Building a Responsible Supply Chain
205	Anti-Corruption	1.3 Adherence to Business Ethics
206	Anti-competitive Behavior	1.3 Adherence to Business Ethics
207	Tax	1.3 Adherence to Business Ethics
301	Materials	3.3 Conservation of Resource Usage
302	Energy	3.3 Conservation of Resource Usage
303	Water and Effluents	3.3 Conservation of Resource Usage
304	Biodiversity	3.5 Care for Laboratory Animals
305	Emissions	3.2 Responding to Climate Change
306	Waste	3.4 Strengthening the Management of Three Wastes
308	Environmental assessment of suppliers	2.5 Building a Responsible Supply Chain
401	Employment	4.1 Attracting Outstanding Talents
402	Labor/Management Relations	4.1 Attracting Outstanding Talents
403	Occupational Health and Safety	4.3 Protecting the Health of Employees
404	Training and Education	4.2 Supporting Employee Development
405	Diversity and Equal Opportunity	4.1 Attracting Outstanding Talents
406	Non-discrimination	4.1 Attracting Outstanding Talents
407	Freedom of Association and Collective Bargaining	4.1 Attracting Outstanding Talents
408	Child Labor	4.1 Attracting Outstanding Talents

Number	Item	Index
409	Forced or Compulsory Labor	4.1 Attracting Outstanding Talents
410	Security Practices	Not Applicable
411	Rights of Indigenous Peoples	Not Applicable
413	Local Communities	5.2 Participation in Community Public Welfare
414	Supplier Social Assessment	2.5 Building a Responsible Supply Chain
415	Public Policy	5.2 Participation in Community Public Welfare
416	Customer Health and Safety	2.2 Offering High-quality Service 2.3 Maintaining Data Security
417	Marketing and Labeling	2.2 Offering High-quality Service
418	Customer Privacy	2.3 Maintaining Data Security



Reader Feedback

We anticipate your opinions and suggestions to continuously improve our ESG efforts, as well as our competence in ESG management.

We hope you could complete the questions in the feedback form below, and send it back to us via the following contacts.



Tel : 86-0755-3368 2129

Email : esg@cti-cert.com

Address : CTI building, No. 4, Liuxian third Road, Xin'an Sub-district, Bao'an District, Shenzhen

Your Information

Name	
Employers	
Tel	
Email	
Opinions & suggestions	

1 . What do you think of our ESG report?

Excellent Good Average

2. Do you think this report has presented the significant impact of our ESG issues?

Excellent Good Average

3. How do you rate the clarity, accuracy and completeness of the information, data and indicators disclosed in this report?

Excellent Good Average

4. Which aspect of this report are you most satisfied with?

5. What kind of information do you want to learn more about?

6. Do you have any suggestions for the ESG reports to be released in the future?



CTI CENTRE TESTING
INTERNATIONAL



CTI is Always by Your Side

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