Centre Testing International Group

Carbon Neutrality White Paper





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MESSAGE FROM THE CHAIRMAN

Achieving carbon peaking and carbon neutrality is not only a solemn commitment made by the General Secretary on behalf of China to the world, but also an inherent requirement for promoting China's high-quality development. CTI is fully aware that developing new quality productive forces and actively promoting the green and low-carbon development of the TIC industry under the guidance of technological innovation is exactly a manifestation of the implementation of the requirements of the 20th National Congress of the Communist Party of China (CPC) of "pursuing green development and actively and steadily advancing towards carbon peaking and carbon neutrality", as well as an intrinsic requirement and the only way for CTI to develop new strategic areas and accelerate its internationaliza-

Taking the carbon peaking and carbon neutrality as an opportunity, we will fully integrate the concept of sustainable development into the Group's strategic planning, value practice and cultural construction, and build CTI into a Chinese TIC organization that is most international and an international TIC organization that knows the Chinese market best.

We have incorporated sustainable development into our long-term corporate strategic planning, keep improving our ESG level, continue exploring a green and low-carbon development path by strengthening our own carbon management, to create a model of low-carbon management in the TIC industry. We have conducted an inventory of the carbon emissions from 2020 to 2022, focusing on planning the path to achieve carbon peaking and carbon neutrality, and proposing low-carbon initiatives for energy conservation, carbon reduction and efficiency improvement, so as to attain the carbon peaking and carbon neutrality goals.

Moving into 2024, CTI will continue developing new quality productive forces, actively promote the improvement of NQI, and make our contribution to the steady development of the economy. In the future, we will steadily facilitate the Group's carbon peaking and carbon neutrality actions, actively practice energy conservation and consumption reduction, further increase the proportion of green energy consumption, keep on improving service quality, stay true to the mission of "Building Trust for a Better Life Through Globalised One-Stop Solution for Testing, Inspection, Certification Services", and enthusiastically promote the development of the whole of society in a more healthy, safe, environmentally friendly and energy-saving sustainable direction through vigorous and determined efforts.



CENTRE TESTING
INTERNATIONAL

MESSAGE FROM THE PRESIDENT

Achieving carbon peaking and carbon neutrality is a solemn commitment made by China to the world, and also a broad and profound economic and social transformation. With a keen sense of development and determination to achieve long-term ambitious goals, CTI closely follows the national carbon peaking and carbon neutrality policy, actively promotes technological innovation, practices green and low-carbon development, and is ushering an era of high-quality development.

CTI has completed its development mode transition from extensive expansion to lean management over the past 20 years, and will maintain the momentum of sustainable and high-quality development. The green and low-carbon sector will be one of the key strategic segments of CTI in the future, in which we will endeavor to build driving forces of growth, keep on improving our sustainable development service capabilities, and devote ourselves to ongoing creation of value for customers, shareholders, employees and even the public life.

In 2023, we conducted an inventory of the Group's greenhouse gas emissions from 2020 to 2022 in accordance with the international standard ISO 14064-1:2018, to have a clear picture of the Group's historical annual emissions and emission trend, laying a solid data foundation for the Group's carbon peaking and carbon neutrality path. Through scenario analysis, we predicted the future trend of carbon emissions of CTI, and developed the Group's goals and implementation path for carbon peaking and carbon neutrality. The issuance of this Carbon Neutrality White Paper is a good start for CTI to practice the carbon peaking and carbon neutrality actions, and we hope to show the public the determination, wisdom and execution of CTI in green and low-carbon transition through the implementation of the ten key actions and plans for carbon peaking and carbon neutrality.

With the dual tailwinds of "Building China into a Strong Nation in Quality Construction" and globalization, in the future, we will keep exerting our technological advantages, actively promote the green and low-carbon development of the Group, continuously improve our ability to manage climate change, maintain active cooperation with all sectors of society, and provide sustainable development services for global customers, help enterprises achieve green and low-carbon transition, to jointly contribute to the sustainable prosperity of China's inspection and testing industry!



EXECUTIVE SUMMARY

The Group resolutely implements the national strategic decisions and deployment, actively practices energy conservation and emission reduction actions through standardized operation and management, participates in the formulation of industry-related low-carbon standards, and takes the initiative to build its low-carbon business presence, laying a good working foundation for the carbon peaking and carbon neutrality.

In the future, CTI will take the carbon peaking and carbon neutrality work as the driving force, focus on improving the quality and efficiency of testing and certification services, actively promote the green transition of the Group's energy structure, strengthen the guidance of scientific and technological innovation, do a good job in innovation, speed up the development of new quality productive forces, and accelerate the formation of a green development mode, injecting more confidence and impetus into the green transition of the industry.



Carbon Emissions in the Base Year

Taking 2022 as the base year for the carbon peaking and carbon neutrality actions, the total carbon emissions in the base year were130,940tCO2e.

Of which, Scope 1 emissions were 9,558tCO2e, accounting for 7%; Scope 2 emissions were **79,474tCO**2**e**, accounting for**61%**; Scope 3 emissions were 41,908tCO2e, accounting for 32%;

Carbon Peaking and Carbon Neutrality Goals -----

By 2030, the Group will achieve carbon peaking, with remarkable results in comprehensive green and low-carbon transition, contributing its efforts to the sustainable development of the TIC industry.

By 2050, the Group will achieve carbon neutrality as scheduled, with a green, low-carbon and circular development industrial system and a clean, low-carbon, safe and efficient energy system fully established, achieving 100% renewable energy power utilization, and actively promoting the development of society to a greener, healthier, environmentally friendly and sustainable direction.

Roadmap for Carbon Peaking and Carbon Neutrality

We have put forward a roadmap for carbon peaking and carbon neutrality, planning to carry out ten key actions and plans for carbon peaking and carbon neutrality, with focus on strategies of increasing the proportion of renewable energy utilization, promoting resource recycling, and digital transition.

Accelerate the green transition of

Promote energy conservation and efficiency improvement in office space

Improve energy efficiency in new

Accelerate the construction of distributed photovoltaic facilities

Promote renewable power purchase

Develop plans for replacement with

Continue optimizing the vehicle

Encourage low-carbon commute among employees

Build a benchmark for green business travel



esource Recycling Action

Strengthen laboratory waste

Promote the recycling of office supplies

Further strengthen water resources

Continue further promotion of paperless office

Enable efficient operations through

Explore intelligent automation laboratories

Low-carbon Culture Creation Action

Build multiple low-carbon information sharing channels

Continue strengthening the internal publicity of low-carbon culture

Establish a green office benchmarking

ow-carbon Capacity Building Action

Enhance the capacity of low-carbon management team

Actively participate in low-carbon exchanges in the industry

Actively establish low-carbon strategic

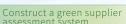
ligh-quality Carbon Offset Program

Select high-quality carbon credits

Gradually increase the proportion of carbon offsets

Improve low-carbon inspection and testing services

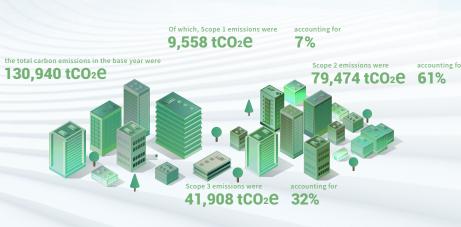
Lead the development of low-carbon



Encourage transportation partners to jointly reduce emissions

Promote disclosure of carbon emissions







ABOUT US

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.

Established in 2003 and listed on the Shenzhen Stock Exchange in 2009 (stock code: 300012), the Company is the first listed TIC organization in China and one of the first batch of GEM listed companies in China. The Company has established approximately 160 laboratories and more than 260 service networks in more than 90 cities across more than ten countries and regions, and over 13,000 outstanding employees, providing more than 4 million credible testing and certification reports and nearly 1.5 million certificates each year to more than 100,000 customers worldwide.

Our services are divided into five business segments: life sciences, trade assurance, consumer goods, industrial testing, medicine and medical services, covering food, environment, medicine, consumer goods, industrial products, construction engineering and many other subdivisions. We offer a wide range of technical services including testing, inspection, identification, certification, metrology and calibration, providing enterprises with one-stop solutions.

Our accreditations include China Compulsory Certification (CCC), the China National Accreditation Service for Conformity Assessment (CNAS) and the China Metrology Accreditation (CMA), as well as European Commission Notified Body (NB) in Europe, EU CE designated accrediting authority. We have become an APSCA Full Member, a FOSTA accredited inspection agency, an authorized testing agency by the South African National Bureau of Standards, a Full Member of TIC Council, and the only domestic institution that has obtained the qualification of the Global Carbon Commission (GCC). We have also been recognized and authorized to cooperate by authoritative institutions in the United States, the United Kingdom, Canada, Norway, Mexico, and

We have been awarded such qualifications and honors as the "National High-tech Enterprise", "National Public Service Demonstration Platform for Small and Medium-sized Enterprises", "2023 Yicai Competitive Enterprise of the Year", "China Top 100 High Growth Enterprise Award", "China Top 500 New Economy Enterprises", "Top 20 Corporate Governance Award for Listed Companies in the Greater Bay Area", "2023 Best Practice Cases of Corporate Governance", "Top 50 Valuable Companies Listed on GEM" in the 17th China Listed Company Value Selection, "2023 Yicai Capital Market Value List - Competitive Enterprises of the Year", "2023 ESG Best Practice Award for Listed Companies in China", "2023 S&P Global Sustainability Yearbook (China Edition)", "HONOR 2023 ESG Outstanding Corporate Governance & 2023 Excellent CSR Report" successively. CTI Certification Co., Ltd. ("CTI Certification"), a subsidiary of CTI, won the "Excellent Service Organization in the Field of Carbon Neutrality" and the "Best Service Award" of Beijing Green Exchange in 2022, and received a number of qualifications including new qualifications in the field of green product certification and the AA1000 Sustainable Development Verification qualification.

more than (**)
100,000
customers worldwide.

ABOUT THIS REPORT

This report covers Centre Testing International Group Co., Ltd. and all its wholly-owned and controlled subsidiaries. For ease of expression, the terms "CTI", "the Group", "the Company", and "We" will be used in the report for Centre Testing International Group Co., Ltd.

FOREWORD

CENTRE TESTING INTERNATIONAL

A Global Consensus on Climate Change Response

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TIC Industry in Green and Low-carbon Transition

Challenges and Opportunities for the Group in the Context of Carbon Peaking and Carbon Neutrality



The Challenges

Opportunities

FOREWORD

Climate change has become a real crisis, given the continuing global climate anomaly caused by human activities since industrialization. 178 Parties signed the Paris Agreement in 2015, aiming to hold the increase in the global average temperature to well below 2°C above pre-industrial levels, and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

General Secretary Xi Jinping solemnly announced, at the 75th Session of the United Nations General Assembly in 2020, that China aims to have CO₂ emissions peak before 2030 and achieve carbon neutrality before 2060. In order to ensure the solid implementation of the carbon peaking and carbon neutrality goals, China has successively established a "1+N" policy system to steadily promote the implementation plan of the carbon peaking and carbon neutrality goals. It was proposed in the report of the 20th CPC National Congress to "actively and steadily promote carbon peaking and carbon neutrality", and also emphasized that "achieving carbon peaking and carbon neutrality is a broad and profound economic and social systemic transforma-

The 2024 Government Work Report pointed out that it is necessary to accelerate the development of new quality productive forces, expedite standard guidance and quality support, and build more "Made in China" brands with international influence. Green and low-carbon transition is the only way for the TIC industry to develop new quality productive forces, and also a journey to discover and realize the value of serving the regional economy and industrial economy. By virtue of their solid working foundation in the field of sustainable development, international TIC peers are now actively carrying out green and low-carbon transition actions and releasing sustainable development goals.

GRIM SITUATION IN INTERNATIONAL RESPONSE TO CLIMATE CHANGE

RESPONSE TO THE HIGHER ESG DISCLOSURE REQUIREMENTS

AND WATER CONSUMPTION MANAGEMENT

ADDITIONAL OPERATING COSTS ARISING FROM ENERGY CONSERVATION AND EMISSION REDUCTION ACTIONS

POLICY SUPPORT FOR THE LOW-CARBON DEVELOPMENT OF ENTERPRISES

PROACTIVE IDENTIFICATION OF OPPORTUNITIES FOR BUSINESS GROWTH

FROM LOW-CARBON TRANSITION



WORKING FOUNDATION OF CARBON PEAKING AND CARBON NEUTRALITY

Promoting Energy Conservation and Emission



Standardized Management and Operation

In the context of carbon peaking and carbon neutrality, we have incorporated the sustainable development strategy into the overall strategy of the Group, and disclosed the work content of identifying, assessing and managing climate-related risks and opportunities in terms of governance, strategy, risk management, and indicators and targets, with reference to the currently widely accepted framework for climate-related information disclosure, and proposed measures to address

On December 14, 2023, CTI adopted its ESG and Climate Change Management Policy, raising the issue of climate change to the board level. The Group has established an ESG and Climate Change Management Organizational Structure, consisting of the Board of Directors which has the highest authority and ultimate accountability for ESG and climate change issues, and the ESG and Climate Change Management Team and the ESG and Climate Change Execution Team, both of which are under the leadership of the Strategy and M&A Committee.

We reduce the energy consumption of our business operations by strengthening management and awareness-raising. We attach great importance to the power consumption management of laboratories and offices, actively promote cleaner production, continuously improve testing technology, optimize energy-consuming equipment, and eliminate high-energy-consuming equipment. We are also committed to the economical management of water resources, regular monitoring and statistics of water use, and the efforts in improving water use efficiency.

At present, the Company has launched its own e-commerce platform CTI MALL, and has continuously improved the quality and efficiency of testing services, through the continuous upgrading and optimization of its existing laboratory information management system (LIMS) and ERP systems, and in combination with digital tools including Jiandao Cloud and Enterprise WeChat, aiming to better match the increasing testing service requirements of the market with more cost-effective

We attach great importance to the construction of low-carbon culture, and will disclose information on the Company's low-carbon culture construction, low-carbon public welfare actions, relevant patents and honors, and the Company's sustainable development business progress from time to time through the Group's official website and WeChat official account. In April 2022, we officially joined the Carbon Neutrality Professional Committee of the China Energy Conservation Association and became a member of the Carbon Neutrality Professional Committee, thus contributing our efforts to the achieving of the national goal of "carbon peaking and carbon neutrality". All our bases and laboratories have organized, held and participated in the local World Environment Day (June 5) and National Low Carbon Day events, and publicized climate change policies, energy conservation and carbon reduction actions through corporate official accounts.



Promoting Energy Conservation and Emission Reduction

Energy conservation management



Power conservation management

The Group integrates the concept of power conservation into every aspect of daily office and laboratory operations. In the energy consumption management practices of laboratories, the ventilation system will be turned on in winter to cool high-power equipment with cold air from the outside. In the daily office work, we have instructed all employees to form good habits in power consumption; made full use of natural light for indoor lighting, by not turning on the lights on sunny days, and reducing unnecessary long-term lighting; and controlled the temperature of the indoor air conditioner to not lower than 26°C in summer and not higher than 20°C in

Water conservation management

We have carried out water conservation management in accordance with the Group's Energy and Resource Management Control Procedures, specifically: implementing water conservation and emission reduction from the aspects of management and process technology, controlling water use for equipment cleaning, and timely retrofitting equipment with large water consumption; advocating employees to turn off the tap or valve at their departure to prevent any water waste in daily water use; and promoting wastewater reuse, publicizing water resource protection, and enhancing employees' awareness of water conservation.

Material management

We have started to promote the use of paperless processes to reduce paper consumption. For example, implementing a paperless LIMS system in laboratories; promoting paperless reports and certificates

Architectural design

In the process of designing and constructing its own properties, the Group has taken the construction of a natural ecological office environment as the starting point, relied on advanced technologies, and made every effort to adopt advanced and mature new materials, new technologies, new equipment and new processes, and actively explored in environmental protection, land saving, energy conservation and renewable resource utilization. We have completed the green building renovation project of the Suzhou base, and installed metal louver shading facilities with high heat dissipation performance on the facade of the office building to block direct sunlight radiation and diffuse radiation, and reduce the energy consumption of air conditioning and power consumption of artificial lighting.

Vehicle management

The Group has formulated vehicle management measures for its own vehicles, to implement precise management of its vehicles, step down the frequency of vehicle use, optimize driving routes, and reduce mileage. We have required taking the shuttle as much as possible for collective official business, sampling, testing and other activities, so as to reduce the number of vehicle trips, and improve the efficiency of vehicle use; adhered to standardized driving and on-time maintenance, in order to reduce abnormal wear and tear of vehicle components; and required the vehicle management department to establish a fuel consumption ledger to manage vehicle energy consumption.

Supplier management

We have formulated and strictly implemented the CTI Supplier Code of Conduct, which requires our suppliers to strengthen resources management, and effectively and rationally use resources and reduce the waste of resources and pollutant emissions by taking technically feasible, economically viable, environmentally sound and socially acceptable measures.

Participate in the Development of Low-carbon Standards

SINCE 2007 7

the Group has actively taken part in the research and development of international and domestic standards, led or participated in the formulation and revision of

national standards, industry standards and association standards,

published

seats in various standardization technical committees

National Standard GB/T 24067-2024 "Greenhouse Gases - Carbon Footprint of

National Standard GB/T 23331-2020 "Energy Management Systems

National Standard GB/T 38218-2019 "Implementation Guidance of Energy Management Systems for Fossil Fired Power Generation Enterprises"

National Standard GB/T 27309-2014 "Conformity Assessment—Requirements for Bodies Providing Certification of Energy Management System"

Ministry of Commerce Industry Standard SB/T 10803-2012 "Evaluation Standard for Retail Stores Energy-Saving and Low-carbon

Association Standard T/CECA-G 0220-2023 "Specifications for the Management and Evaluation of Talent Training in the Field of Carbon Emission Reduction";

and many other low-carbon standards.



Active Extension of Business Presence into Carbon Peaking and Carbon Neutrality

We leverage our expertise to improve the sustainability performance of our customers by providing them with one-stop services including sustainable development methods, technologies and related support, by means of enhancing sustainability-related professional competence and obtaining relevant qualifications. CTI Certification, a wholly-owned subsidiary of the Group, is actively extending its business presence into the field of sustainable development, and offering a full range of technical services in the professional fields of green, low-carbon energy and energy efficiency.

We help our customers ensure the quality of their products and services, build trust, and improve their sustainability performance through a wide range of third-party services. We deliver sustainability-focused services, including: validation and verification of greenhouse gas emission reduction projects, carbon footprint accounting and verification, carbon peaking and carbon neutrality planning, Global Recycled Standard (GRS) certification, Content Claim Standard (CCS) certification, Recycled Claim Standard (RCS) certification, carbon neutrality certification, ESG reporting, management improvement, strategic planning, database and rating services, CSR audit, green finance disclosure, environmental consulting and environmental protection project management, green development and assessment. These services are strategically designed to empower customers to proactively address climate change challenges, minimize energy and carbon footprints, achieve ESG objectives, and continually enhance their global competitiveness

BY THE END OF 2023

validated and verified CCER/CDM/GS/VCS/GCC carbon reduction projects

greenhouse gas emission verification and validation (ISO14064-1), product carbon footprint accounting and verification, and carbon neutrality verification service projects

carbon verifications for key emission enterprises in more than 30 provinces and municipalities across China

energy conservation diagnosis / energy audit / energy conservation assessment / energy conservation audit projects

national green manufacturing projects

WE HAVE BEEN RECEIVING A WIDE RANGE OF LOW-CARBON HONORS AND QUALIFICATIONS:

- · GHG VALIDATION AND VERIFICATION BODY APPROVED BY CHINA NATIONAL ACCREDITATION SERVICE FOR
- ·ENERGY MANAGEMENT SYSTEM CERTIFICATION BODY APPROVED BY CHINA NATIONAL ACCREDITATION SERVICE FOR CONFORMITY ASSESSMENT (CNAS)
- · ENVIRONMENTAL INFORMATION VALIDATION AND VERIFICATION BODY APPROVED BY CHINA NATIONAL ACCREDITATION SERVICE FOR CONFORMITY ASSESSMENT (CNAS)
- CLEAN DEVELOPMENT MECHANISM DESIGNATED OPERATIONAL ENTITY (CDM DOE)
- · CERTIFICATION BODY FOR INTERNATIONAL SUSTAINABILITY AND CARBON CERTIFICATION (ISSC EU, ISCC PLUS)
- ENVIRONMENTAL PRODUCT DECLARATION (EPD) VERIFICATION BODY
- GCC VALIDATION AND VERIFICATION BODY APPROVED BY THE GCC STANDARDIZATION ORGANIZATION (GSO)
- · VERIFIED CARBON STANDARD (VCS) VALIDATION AND VERIFICATION BODY
- · GOLD STANDARD (GS) VALIDATION AND VERIFICATION BODY
- · VERIFICATION BODY FOR CARBON EMISSION FROM AVIATION FLIGHT ACTIVITIES APPROVED BY THE CAAC AND
- · AA1000 SUSTAINABLE DEVELOPMENT INFORMATION VERIFICATION BODY
- · VERIFICATION BODY FOR THE CLIMATE BONDS INITIATIVE (CBI)
- · VERIFICATION BODY FOR THE BUILDING MATERIALS CARBON LABEL PUBLIC SERVICE PLATFORM
- VERIFICATION BODY FOR THE GUANGDONG-HONG KONG-MACAO GREATER BAY AREA CARBON FOOTPRINT LABEL CERTIFICATION PUBLIC SERVICE PLATFORM





CARBON EMISSIONS STATUS



Carbon Emissions Accounting Method

The most widely used organization-level carbon emissions accounting standards in the world include the ISO 14064-1:2018 standard and the GHG Protocol standard. In 2023, we conducted an inventory of the Group's greenhouse gas (GHG) emissions from 2020 to 2022 in accordance with the international standard ISO 14064-1:2018, gaining a GHG inventory and a clear picture of the Group's historical annual emissions and emission trends.

Currently, the IFRS Sustainability Disclosure Standard: Climate-related Disclosures (IFRS S2) requires entities to disclose their Scope 1, 2 and 3 GHG emissions, and Article 24 of the Guidelines No. 17 of the Shenzhen Stock Exchange for Self-Regulation of Listed Companies – Sustainable Development Report (for Trial Implementation) requires disclosing entities to disclose Scope 1 and Scope 2 GHG emissions, and encourages qualified disclosing entities to disclose Scope 3 GHG emissions.

In order to meet the disclosure requirements of the IFRS S2 and the Guidelines No. 17 of the Shenzhen Stock Exchange for Self-Regulation of Listed Companies – Sustainable Development Report (for Trial Implementation), we disclose the GHG inventory by Scope 1, Scope 2 and Scope 3 emissions upon accounting with reference to the GHG Protocol standard.

Carbon Emissions in the Base Year

We set organizational boundaries by "operational control" in accordance with ISO 14064-1:2018 to inventory the carbon emissions in the base year. With reference to the GHG Protocol, this White Paper reports emissions in the base year on the more widely accepted Scope 1, 2 and 3 basis.

The organizational boundaries of the carbon inventory in the base year are: the Group headquarters and all subsidiaries and offices in China, and subsidiaries and controlled companies overseas and in Hong Kong, Macao and Taiwan¹

The reporting boundaries for the base year carbon inventory are as follows:

List of Reporting Boundaries

Scope (Reported according to GHG Protocol)	Category (ISO 14064-1:2018)	Category Description	Emission Source	
V			V.	
		1.1Emissions from stationary combustion	BoilersStandby generators	
Scope 1 Direct	Category 1: Direct GHG emissions	1.2 Emissions from mobile combustion	 Official vehicles, sampling vehicles, rapid testing vehicles, mobile monitoring vehicles, etc. 	
	and removals	1.4 Fugitive emissions from the release of GHGs in anthropogenic systems	 Carbon dioxide and heptafluoropropane fire extinguished R22, R32, R410A, R134a refrigerants Septic tank BOD 	
Scope 2	Category 2: Indirect GHG emissions from imported energy	2.1 Indirect emissions from imported electricity	Electric equipment	
		2.2 Indirect emissions from other imported energy	Heating installations	
	Category 3: Indirect GHG emissions from transportation	3.1Emissions from upstream transport and distribution for goods	 Sending and delivery of samples and other items 	
		3.2 Emissions from downstream transport and distribution for goods	 Sending and delivery of reports, certificates and othe items 	
		3.3 Emissions from employee commuting	 Employee commuting (private electric cars, private gasoline cars, subways, buses, etc.) 	
Scope 3		3.5 Emissions from business travels	Business travel (hotel)Business travel (flight, train, ride-hailing, etc.)Rented sampling vehicles (gasoline and diesel)	
·	Category 4: Indirect GHG emissions from products used by an organization	4.1 Emissions from purchased goods	 Tap water purchased Office supplies Lab consumables	
		4.2 Emissions from capital goods	New fixed assets and equipment	
		4.3 Emissions from the disposal of solid and liquid waste	Wastewater treatment General industrial solid waste disposal Dangerous waste disposal	

This White Paper selects the period from January 1, 2022 to December 31, 2022 as the base year for the Group's carbon emissions, providing basic data support for the Group to set carbon peaking and carbon neutrality goals and formulate emission reduction actions.

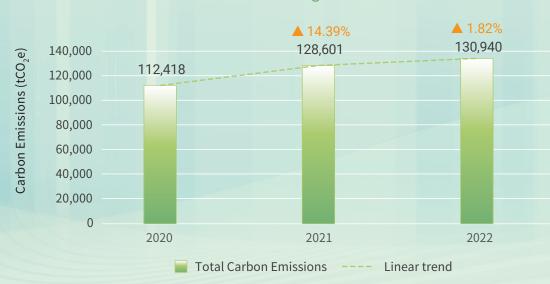
TOTAL CARBON EMISSIONS AND CARBON EMISSION TRENDS

From 2020 to 2022, the Group's total carbon emissions at the organizational level were 112,418 tCO2e, 128,601 tCO2e and 130,940 tCO2e, respectively, showing a year-on-year upward trend.

Summary of Carbon Emissions at the Organizational Level From 2020 to 2022²

Year	Group Headquarters and All Subsidiaries and Offices in China (tCO2e)	Emissions Percentage (%)	Subsidiaries and Controlled Companies Overseas and in Hong Kong, Macao and Taiwan (tCO2e)	Emissions Percentage (%)	Total (tCO2e)
2020	111,690	99.35%	728	0.65%	112,418
2021	127,874	99.43%	727	0.57%	128,601
2022	128,996	98.52%	1,944	1.48%	130,940

Trends in Total Carbon Emissions at the Organizational Level From 2020 to 2022



CARBON EMISSIONS BY SCOPE

From 2020 to 2022, the distribution of Scope 1, 2 and 3 emissions of the Group was substantially the same. Among them, Scope 1 emissions account for the smallest proportion, while Scope 2 emissions account for the largest proportion. In the base year (2022), the Scope 1, Scope 2 and Scope 3 emissions of the Group

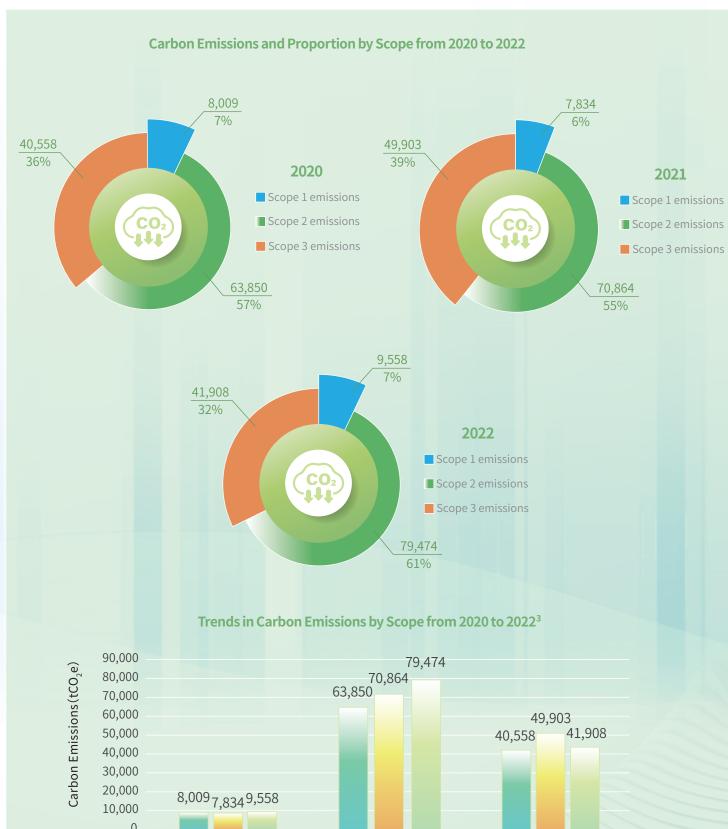
were 9,558 tCO2e, 79,474 tCO2e and 41,908 tCO2e, respectively.

1.In the United Kingdom, United States, and Hong Kong, we only have offices and a small number of office personnel, which were therefore not included in the carbon inventory. 2. Due to the Group's acquisition of imat-uve GmbH at the end of 2021, the proportion of emissions from overseas subsidiaries and controlled companies in 2022 increased compared to those in 2020 and 2021.

Scope 1 emissions

2020

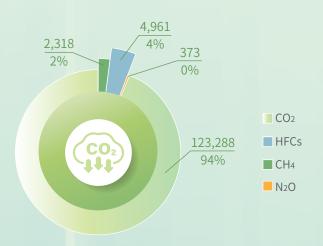




EMISSIONS BY GHG

The Group's emissions in the base year relate to four types of GHGs, specifically4: carbon dioxide(CO2) 123,288 tCO2e; Methane (CH4) 2,318 tCO2e; Nitrous oxide (N2O) 373 tCO2e; Hydrofluorocarbons (HFCs) 4,961 tCO2e。

Analysis of Emissions Proportion of Each GHG in Base Year



CARBON EMISSION INTENSITY AND TRENDS

From 2020 to 2022, the Group's carbon emission intensity per RMB10,000 of revenue was 0.315 tCO2e/RMB10,000, 0.297 tCO2e/RMB10,000, 0.255 tCO2e/RMB10,000, respectively. The carbon emission intensity in 2021 decreased by 5.71% compared with 2020, and the carbon emission intensity in 2022 decreased by 14.14% compared with 2021.

Comparison of the Group's Carbon Emission Intensity From 2020 to 2022⁵



3.The decrease in Scope 3 emissions in 2022 compared to 2021 was mainly related to the decline in emissions from business travel and purchased office supplies and lab consumables. The pandemic and quarantine policies have affected the frequency of business travels, leading to a decline in emissions from business travel in 2022. Due to certain inventory of purchased items held by companies and the development and change of the business, the emissions from office supplies and lab consumables purchased in 2022 decreased.

4.The above GHGs are calculated in carbon dioxide equivalent (tCO2e), and for the convenience of understanding, this White Paper uses "carbon emissions" to represent the emissions of the above four types of GHGs.

2022

Scope 2 emissions

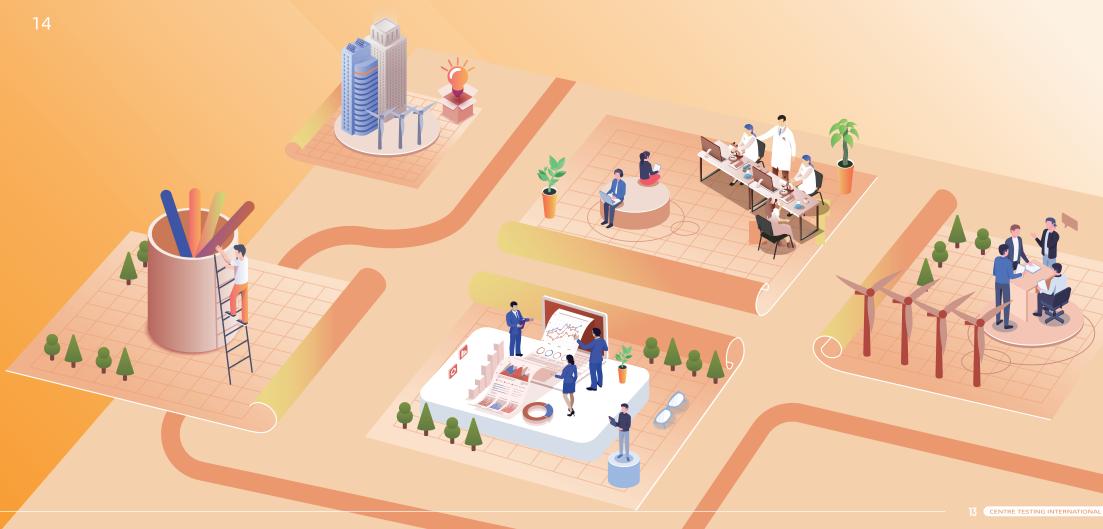
2021

5. The main reasons for the year-on-year decrease in carbon emission intensity per RMB10,000 of revenue in 2022 include the decrease in the emission factor for electricity of the State Grid, the decrease in electricity consumption intensity in 2022, and the decrease in business travels in 2022 include the decrease in the emission factor for electricity of the State Grid, the decrease in electricity consumption intensity in 2022, and the decrease in business travels in 2022 include the decrease in the emission factor for electricity of the State Grid, the decrease in electricity consumption intensity in 2022, and the decrease in business travels in 2022 include the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor for electricity of the State Grid, the decrease in the emission factor factor

Scope 3 emissions

CARBON PEAKING AND CARBON NEUTRALITY VISION AND GOALS

CENTRE TESTING INTERNATIONAL



Carbon Peaking and Carbon Neutrality Vision

We will stay true to the mission of "Building Trust for a Better Life Through Globalised One-Stop Solution for Testing, Inspection, Certification Services", and are committed to enhancing our independent innovation capability and core competitiveness in low-carbon technology, aiming to build CTI into a greener, more socially responsible, and more modern international testing and certification organization. We will keep on exploring new testing and certification fields and technologies and improving our sustainable development service capabilities, to provide strong support for the green and low-carbon transition of our customers.

By preparing this Carbon Neutrality White Paper, we present to the public CTI's determination, wisdom and action power of the green low-carbon transition, and also desire to encourage and promote more enterprises in the industry to join the action of energy conservation and carbon reduction, and accelerate the realization of the carbon peaking and carbon neutrality vision of "creating a low-carbon, healthy and beautiful future".

Carbon Peaking and Carbon Neutrality Goals

After accounting the carbon emissions of the Group from 2020 to 2022, and predicting the future trend of carbon emissions through scenario analysis, we set the following "carbon peaking and carbon neutrality" goals.



Near-term goals

By 2030, the Group will: reach its carbon emissions peak,

emissions accounting system and data management, and achieve remarkable results in the green and low-carbon transition; make significant progress in the adjustment of the energy structure, and increase the proportion of renewable electricity utilization to 55%; progress the green and low-carbon travel plan in an orderly manner, and replace 100% of the end-of-life fuel vehicles that have reached the end of their service life with new energy vehicles; and promote the sustainable management of the supply chain in an orderly manner, and successfully complete the construction of the supplier management assessment system.



By 2050, the Group will: achieve carbon neutrality as scheduled;

fully establish a green, low-carbon and circular industrial system and a clean, low-carbon, safe and efficient energy system to achieve 100% renewable energy power utilization; thoroughly implement the green and low-carbon travel plan, with new energy vehicles accounting for 70%; and successfully promote the green and low-carbon transition of the supply chain, significantly decrease the emission intensity from the upstream and downstream transport and distribution of goods and from the purchased goods, and considerably improve the sustainable development service capacity, contributing to the development of society to a greener, healthier, environmentally friendly and sustainable direction.

ROADMAP FOR CARBON PEAKING AND CARBON NEUTRALITY

CENTRE TESTING INTERNATIONAL

Energy Saving, Carbon Reduction and Efficiency Improvement Action Low-carbon Capacity Building Action Sustainable Development Service Capacity Improvement Action 18



Based on the calculation and analysis of the Group's carbon peaking and carbon neutrality, we have put forward ten key actions and plans for carbon peaking and carbon neutrality centered on the vision and goals of carbon peaking and carbon neutrality.

Energy Saving, Carbon Reduction and Efficiency Improvement Action



Accelerate the green transition of laboratories

The Group places a high value on the fine-tuning management of laboratories, and will accelerate the implementation of energy-saving technological transformation projects including the technological transformation of the air-conditioning system and ventilation system of laboratories in the near future, and monitor and track the energy consumption after the transformation, to promote the low-carbon management and operation of laboratories. In addition, we will prolong the service life, maintain optimal performance and improve operational efficiency, of laboratory instruments and equipment, through regular maintenance and calibration.

For the office spaces operated by the Group, we will focus on strengthening the energy consumption management of high-emission equipment including lighting and HVAC systems, and accelerate the implementation of energy saving and efficiency improving projects in office spaces including the optimization of the operation of central air-conditioning pumps and VPF application in the near future. And we will strengthen the promotion and guidance of green office and continuously promote office energy-saving measures within the

Promote energy conservation and efficiency improvement in office space

Improve energy efficiency in new buildings

For any new property to be owned and built by the Group, we will take a full account of the requirements of carbon emission reduction in the design stage, make active use of the building energy-saving technologies, and improve the overall energy consumption level of the building by optimizing the building layout, envelope structure design and selecting high-efficiency elevators and lighting systems. Furthermore, we will explore the application of digital operation and maintenance platforms to improve the intelligent level of operation and maintenance management of new buildings.



Green Power Use Plan

The Group will accelerate its green energy transition, and our recent focus will be promoting the construction of Shenzhen Homeway Rooftop Photovoltaic-storage Integrated Power Generation Project, which has an installed photovoltaic capacity of about 313 KW and an energy storage power station capacity of about 1,864 KWH, and we will further evaluate the potential of setting up distributed photovoltaic power generation projects in Wuhan, Tianjin, Qingdao and Shanghai bases. Besides, we will explore the distributed renewable energy and building-integrated utilization in the buildings of any new base in the future, and promote the synchronous design, construction and operation of renewable energy facilities and construction projects.

Promote renewable power purchase

We are committed to increasing the proportion of renewable power purchased from 2025 year by year through transparent and responsible renewable power purchase, and achieve the goal of 55% renewable power utilization by 2030. And we will try to secure renewable power projects by entering into middle- and long-term agreements, ensuring long-term and stable purchase of renewable power, to provide strong support to achieve the goal of 100% renewable power utilization by 2050.

Green and Low-carbon Travel Plan



Develop plans for replacement with low-carbon vehicles

In order to accelerate the low-carbon transition of its own vehicles, the Group plans to gradually replace gasoline and diesel vehicles with new energy vehicles including hybrid or battery electric vehicles. After 2025, the Group will replace 100% of the end-of-life fuel vehicles that have reached the end of their service life by new energy vehicles. And we will dynamically adjust the low-carbon vehicle replacement plan according to the actual scrapping demand of vehicles, and strive to achieve our own new energy vehicles replacement target of 70% by 2050.

Continue optimizing the vehicle

management policies The Group will strengthen the management of its own vehicles, the vehicles of sampling personnel and the rented third party vehicles, and continuously optimize its internal vehicle management policies. We will install a GPS monitoring system in the sampling vehicles to optimize the driving route of the sampling vehicles. Besides, we will launch incentives including monthly subsidy and priority scheduling for short-distance sampling, to encourage subsidiaries to replace with new energy vehicles.

Encourage low-carbon commute among employees

In order to reduce the

carbon emissions from employee commuting, we plan to launch green commuting incentives, for instance, organizing cycling activities and having the management take the lead in practicing low-carbon travel, to guide employees to adopt low-carbon commuting methods including subway, bus, bicycle, walking, and driving new energy vehicles. And we will establish an employee commuting database which will update carbon emission data dynamically to provide basic data support for subsequent emission reduction actions.

benchmark for green business travel

We will develop differentiated carbon reduction strategies for long-distance and short-distance business travels, trying to reduce carbon emissions from business travels. For long-distance business travels, we will minimize cross-regional business travels and reduce the total number of flights and total mileage by strengthening the business flight management mechanism. For short-distance business travels, we will ask that employees traveling in the same city or neighboring cities try to arrange return trip on the same day, to reasonably reduce the carbon emissions from hotel accommodation

Resource Recycling Action

The Group will accelerate the classification and recycling of laboratory waste, and explore the direction of resource utilization with downstream solid waste disposal enterprises. We will strictly classify wastes including empty bottles, iron parts, plastic parts, plastic pipes, copper, waste paper and other wastes from laboratory operations, and promote the recycling of wastes by strengthening cooperation with downstream solid waste disposal enterprises, to achieve a significant reduction in carbon emission intensity from waste disposal by 2030.



We will focus on promoting the recycling of office supplies including printer paper, plastics and printer cartridges to reduce the carbon emissions from purchased goods. On the one hand, we will strengthen the publicity and guidance of waste paper recycling and continuously improve the reuse rate of paper; on the other hand, we will establish a recycling mechanism for office wastes, sort waste ink cartridges, toner cartridges, etc., and actively participate in the consumables recycling program of printing equipment suppliers.

In order to further strengthen the water management of laboratories, we will, on the one hand, speed up the upgrading and transformation of laboratory water equipment, including the installation of water-saving faucets and the introduction of circulating water systems; and, on the other hand, make good use of water-saving technologies, including washing by ultrasonic, centrifugal and other cleaning technologies, and cooling by air or cold water filters and condensate recovery technologies, in an effort to reduce laboratory water waste.

Digital Transformation **Action**



Continue further promotion of paperless office

The Group will focus on paperless management of laboratories and promoting paperless office especially in terms of electronic delivery of reports and certificates, and electronic employment contracts for employees. We rely on the LIMS system to fully promote paperless management of laboratories. In the sending and delivery of certificates and reports, we will provide customers with electronic versions of testing, verification, certification and other documents on a priority basis. Also, we have launched an electronic employment contract system to further reduce paper consumption.

Enable efficient operations through digital platforms

The Group will continuously promote the digital strategic transition, empowering the transformation and upgrading into the low-carbon economy. We have comprehensively improved our capabilities in information sharing, business process optimization, operational efficiency and collaboration, by building a new generation of ERP system; continuously improve our digital external services, with a reliance on our own e-commerce platform CTI MALL and customer service management system MYCTI; and further explore and expand the automation requirements of business scenarios by working with Huawei's WeAutomate digital robots, unleashing new momentum for digital transition in third-party fields.

We will prepare for building an intelligent laboratory in the direction of automatic water quality testing laboratory, which will realize automatic unmanned testing of water quality items through the integration of automation and robot technology. Also, we will accelerate the development of software robots and continuously optimize the intelligent camera system, aiming to contribute our efforts to the industry-university-research-application and innovative development of intelligent automation

Low-carbon Culture Creation Action



Build multiple low-carbon information sharing channels

In order to enhance the cultural influence of CTI in sustainable development, we will take an active part in offline exhibitions themed digital transition, green and low-carbon, to display our practical experience in digital transition and low-carbon development of laboratories to the public, and keep releasing our latest developments in and news on the construction of low-carbon culture and low-carbon public welfare actions, on our official website and WeChat official account "CTI华测检测", to provide replicable and promotable CTI experience for the sustainable development of enterprises.

Continue strengthening the internal publicity of low-carbon culture

In order to cultivate a green and low-carbon work style, we will issue a low-carbon office proposal to popularize low-carbon and energy-saving practical skills to employees and plan a variety of low-carbon activities including low-carbon theme lectures, green environmental protection markets, and energy-saving and low-carbon pacesetter awards. In addition, we will explore the formation of a Group-wide carbon price mechanism, accumulate internal emission allowances through energy saving and consumption reduction in the process of production, operation or work, and provide direct incentives to all first-tier companies.

Establish a green office benchmarking evaluation system

We hope to accelerate the construction of a green office benchmarking assessment system, focusing on office power, water and supplies consumption, to provide reference for all first-tier companies in their setting of annual energy conservation and consumption reduction goals. And we will gather excellent cases of green office and suggestions for energy saving and consumption reduction measures, for gradual promotion and implementation within the Group, to better put the green office actions in place.

Low-carbon Capacity Building Action



In order to promote the Group's carbon management work in an orderly manner, we plan to carry out carbon management capacity building for carbon management personnel, to solidify the talent base for achieving the carbon peaking and carbon neutrality goals. We will customize and launch a series of carbon management courses on the E-Learning platform, requiring employees to complete online learning according to their own schedules. Moreover, we will invite industry experts to give online lectures on carbon peaking and carbon neutrality from time to time to share the latest low-carbon policies and related industry trends.

In order to empower the green development of all industries, the Group would like to share our professional insights and cutting-edge experience in low-carbon operation mode, low-carbon technology innovation, resource recycling and carbon reduction, climate investment and financing by means of industry exchange meetings, seminars or the like, in the future. We desire to discuss the key issues of sustainable development of the industry with low-carbon experts and enterprise project management experts in all industries, to promote the formation of green and low-carbon transition solution for the industry.

CTI will aim at the forefront of international production capacity cooperation and green and low-carbon technology industry, actively explore conformity assessment standards and rules in low-carbon and new energy fields including offshore wind power, photovoltaic power generation, electric vehicle charging pile connection, hydrogen energy, ultra-high voltage transmission, etc., and vigorously undertake cooperation projects including international peer review and international interlaboratory comparison, to create favorable conditions for the international development of the Group. Meanwhile, we will strengthen strategic cooperation with institutions in the industry, proactively promote international mutual recognition in green products, renewable energy and other key areas, and help enhance the international competitiveness of related



High-quality Carbon Offset Program



We offset our "inevitable" emissions by purchase of high-quality carbon credits, the funds of which will be used to support climate change mitigation and adaptation projects with real implication on emissions reductions home and abroad. High-quality carbon credits refer to carbon credits that are consistent, authentic, additional, conservative, and traceable.

The Group will carry out a carbon offset plan in due course and gradually increase the proportion of carbon offsets to help achieve the goal of carbon neutrality by 2050 as scheduled. We are committed to selecting high-quality carbon credits on a priority basis, with a hope that the funds used to offset "inevitable" emissions will yield real emissions reduction benefits in the real world. We have a senior GHG project validation and certification team to provide customers with professional project validation and certification services, and we will make full use of our professional judgment to select high-quality carbon offsets in the future, striving to avoid "greenwashing".



Sustainable Development Service Capacity Improvement Action



Improve low-carbon inspection and testing services

We will, by exerting our own advantages in the field of testing, continue offering low-carbon solutions for customers in the sectors of shipbuilding, new energy, agriculture and construction. In the future, we will focus on improving our inspection and testing service capabilities to achieve carbon peaking and carbon neutrality, explore the intelligent testing, proficiency testing and data quality supervision in the field of ecological environment monitoring, and improve the completeness of inspection and testing reports and the timeliness of inquiry, providing support for carbon emission inspection and testing.

Lead the development of low-carbon certification business

The Group is committed to providing customers with more comprehensive and professional certification services, sustainable development services, ESG and green finance assessment services, and training services, and embracing the challenges of emerging technologies and industries. We will remain responsive to emerging business needs in the field of sustainable development regarding the EU Battery Act and the EU's Carbon Border Adjustment Mechanism (CBAM), by exploring one-stop solutions for customers in advance, and offering low-carbon technical services of CBAM accounting and battery carbon footprint, to enable and prepare our customers to address international trade barriers.

Empower quality services by professional qualifications

In 2023, the Group has obtained through its unremitting efforts a number of new qualifications in the field of green and low-carbon: approved third-party verifier for Zero-Carbon Factory Evaluation, certification body for International Sustainability and Carbon Certification (ISSC), Express Packaging Green Product Certification qualification, Green Furniture Certification qualification, carbon management system assessment body qualification, etc. In the future, the Group will also keep up with market demand, devote itself to expanding new professional qualifications for sustainable development, and develop more third-party services in the field of sustainability, to create and deliver new value for customers.

Supply Chain Emission %% **Reduction Action**

We are committed to sourcing our products and services responsibly, and working with our suppliers to achieve higher quality, healthier, safer and greener sustainable development. We plan to specify the core supplier assessment indicators related to green and low-carbon in the near future, including incorporating the energy consumption competition scoring weights, for comparison and selection of suppliers when purchasing. By 2030, CTI will complete the construction of the supplier management assessment system.

We put great emphasis on promoting the disclosure of carbon emissions by enterprises in the supply chain, and will focus on promoting the disclosure by enterprises in the supply chain of information on product carbon footprint, full-scope carbon emissions at the organizational level, setting of carbon emission reduction targets, achievement of annual emission reduction targets, and renewable energy utilization levels. We advocate that enterprises in the supply chain voluntarily disclose carbon emission information by filling out CDP questionnaires or through their own ESG reports, and keep improving data transparency.

Encourage transportation partners to jointly reduce emissions

The Group calls on transportation partners to jointly reduce emissions, and will follow up the realization of their goals in reducing the product carbon footprint by the logistics service providers. The Group advocates that car rental service providers accelerate the promotion of carbon emission reduction by increasing the proportion of new energy sampling vehicles, optimizing the selection of fuel sampling vehicles, and using digital platforms to optimize transportation routes, to help CTI achieve the goal of increasing the proportion of rented new energy sampling vehicles to 70% by 2050.



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ORGANIZATIONAL IMPLEMENTATION AND DISCLOSURE GOVERNANCE

Resources Allocation

20 Supervision and Assessment

20 **Quality Management**

Disclosure Management 20

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Resources Allocation

We will improve the allocation of management, financial, technical and human resources required for carbon management to effectively ensure the realization of the carbon peaking and carbon neutrality goals. We will speed up the construction of a smooth and good internal communication mechanism, and form a good information collection and feedback mechanism between the upper and lower levels through regular internal meetings and project progress management, as well as establish a good external publicity and communication

Supervision and Assessment

We will accelerate the improvement of the Group-wide carbon management supervision and assessment standards, determine differentiated assessment standards by category, timing and subject, and implement classified and accurate assessment. Based on the Group's strategic positioning in and development goals of carbon peaking and carbon neutrality, we set the assessment target values of the implementation entities at all levels in line with the

In addition, we will promote the establishment of an assessment and evaluation mechanism for carbon peaking and carbon neutrality, formulate a checklist management policy for the supervision and assessment of carbon peaking and carbon neutrality work, and carry out collaborative management, breakdown and assessment of energy consumption and carbon emission indicators. And we will strengthen the implementation of accountability system for the supervision and assessment results, and give commendations and rewards to first-tier companies and individuals with outstanding achievements in carbon peaking and carbon neutrality in accordance with regulations.

Quality Management

We will make efforts in the carbon peaking and carbon neutrality quality management enhancement, improve the quality of data, and integrate quality management throughout the whole process of R&D, production and operation, to strongly support the attainment of the carbon peaking and carbon neutrality goals as scheduled.

We will improve the data archiving process and personnel turnover information handover system, and stipulate the data archiving time for at least 5 years in the relevant policies. We will establish greenhouse gas management system documents in accordance with the ISO 14064 standard, specifying the sources of emission data, the frequency of data collection, the handling of missing data, the data aggregation process and the responsible departments.

Disclosure Management

Governance Framework

The duties and responsibilities of each level of CTI's ESG and Climate Change Management Organizational Structure are as follows:

have the highest authority and ultimate accountability for ESG, and be responsible for the supervision of ESG issues including climate change and human rights.

Strategy & M&A Committee

Oversee the implementation of the ESG and Climate Change Management

ESG and Climate Change Management Team

Develop an implementation mechanism for ESG and climate change at the operational and management level of the Company, establish a clear organizational structure and division of responsibilities, and evaluate ESG and climate change management methodologies; set up a measurement and monitoring mechanism for ESG and climate change indicators; work and coordinate with the Group's senior management and relevant departments to organize, coordinate, supervise and inspect all work and tasks, and promote the completion of ESG and climate change performance targets.

ESG and Climate Change Execution Team

Improve the Company's ESG and climate change information disclosure quality and reporting preparation mechanism, benchmark against the general indicator system and international standards, and communicate and display the Company's ESG and climate change performance in a comprehensive and standardized manner; continuously implement and promote the Company's ESG and climate change improvement actions, collect and disclose relevant data and information, and ensure the accuracy, timeliness, balance and consistency of the information; regularly collect, collate and analyze information and identify risks and opportunities, relating to ESG and climate change, and provide regular report to the ESG and Climate Change Management Team; reply to stakeholders' comments and inquiries on the Company's ESG and climate change issues.

Disclosure mechanism

We will disclose the Group's carbon emission data and the progress and achievements of the Group in its pursuit of carbon peaking and carbon neutrality goals to the public every year, in the form of the Social and Governance (ESG) report, as required by the IFRS General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and the IFRS Sustainability Disclosure Standard: Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB), as well as the Guidelines No. 17 of the Shenzhen Stock Exchange for Self-Regulation of Listed Companies – Sustainable Development Report (for Trial Implementation). And we will fill in the CDP every year to enhance transparency, respond to investors' concerns and better fulfill our social responsibilities.

Improvement mechanism

We will continuously improve the quality of reported data and actively participate in benchmarking and rating, identify gaps and make up for shortcomings through benchmarking, and keep perfecting data collection, processing and







