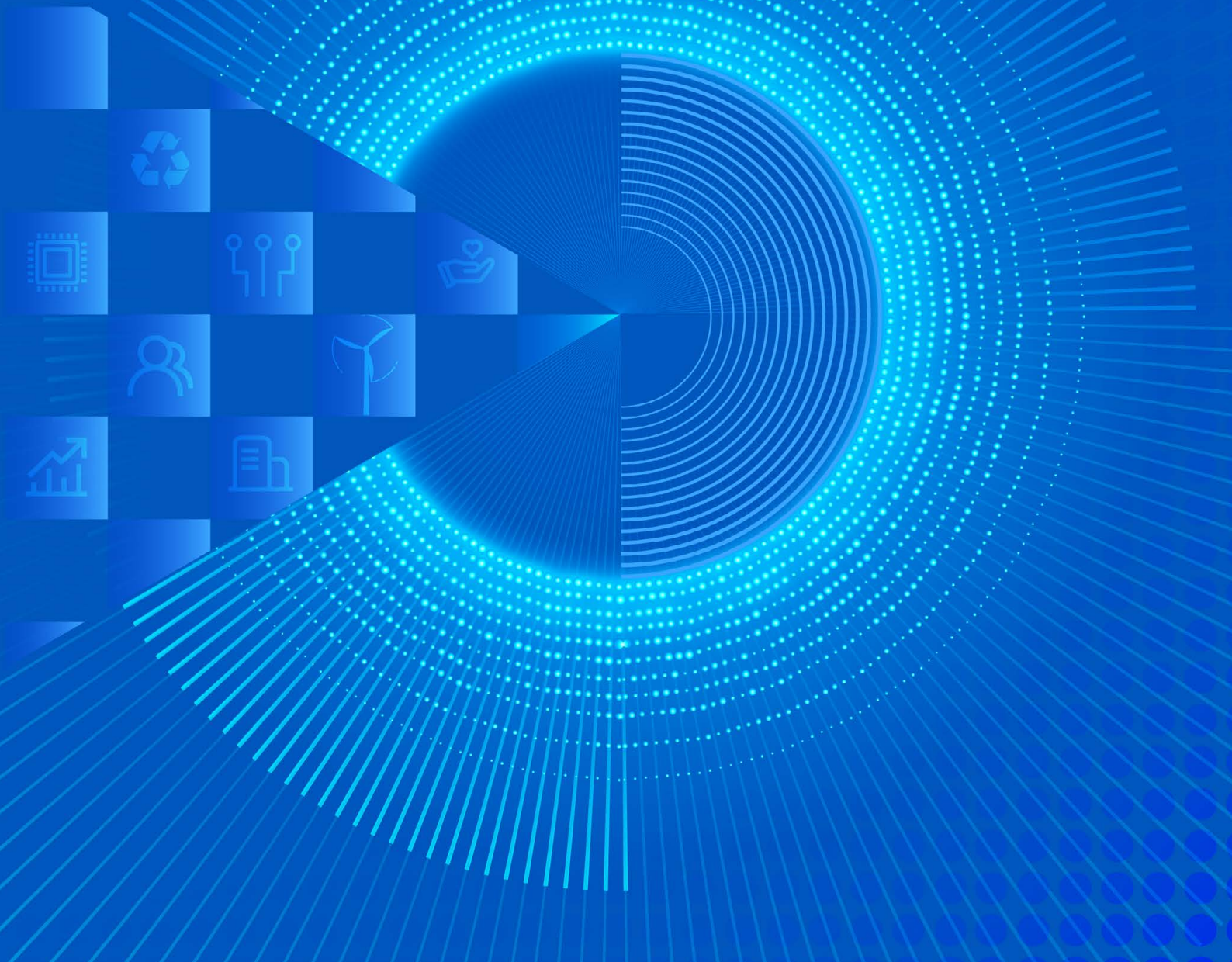


2025

**SUSTAINABILITY
REPORT**



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01

Opening

About this Report

This document presents the fifth Sustainability Report published by IEIT SYSTEMS Co., Ltd. and its subsidiaries (hereinafter referred to as "IEIT SYSTEMS", "the Company", or "We"). IEIT SYSTEMS has been releasing the Corporate Social Responsibility Report annually since 2014. In 2021, IEIT SYSTEMS started publishing the *Sustainability Report* instead, in response to the sustainable development philosophy. Guided by the principles of objectivity, standardization, transparency, and completeness, this report summarizes the Company's progress in sustainability work in 2025. It outlines how sustainable development management practices have been integrated into daily operations to support long-term sustainable development. The report also describes the Company's ongoing efforts to strengthen engagement and communication with stakeholders, while addressing their material sustainability-related concerns.

Reporting Period

This annual report covers the period from January 1, 2025, to December 31, 2025 (the "reporting period"). To facilitate comparison and completeness of this report, certain sections may include information from previous years or extend beyond this defined period.

Report Boundary

The organizational boundary for this report is determined based on the operational control approach. This report encompasses IEIT SYSTEMS and its subsidiaries, consistent with the scope of the Company's annual financial report.

References

This report has been prepared in accordance with the *Guidelines No. 17 of Shenzhen Stock Exchange for Self-regulation of Listed Companies—Sustainability Report (Trial)* (the "SZSE Guidelines") and the *Global Reporting Initiative Standards* (the "GRI Standards"). It also references the *Guidelines No. 3 of Shenzhen Stock Exchange for Self-regulation of Listed Companies—Formulation of Sustainability Reports*, the *United Nations Sustainable Development Goals 2030* (UN SDGs 2030), and *A Practical Guide to Sustainability Work of Listed Companies* issued by the China Association of Public Companies, among other standards and guidelines.

Data Description

The information and data disclosed in this report are sourced from the Company's internal records, statistical reports, and publicly available information. The economic data included in this report are consistent with those disclosed in the *2025 Annual Report*. Unless otherwise specified, all monetary amounts in this report are presented in CNY.

Report Assurance

The Company undertakes that the Board of Directors has confirmed all information and data disclosed, which contain no false statements or misleading information, and that the Company assumes full responsibility for the authenticity, accuracy, and integrity of such content. Certain data and narrative disclosures in this report have been verified by an independent third-party verification body. Please refer to the independent verification statement for relevant content.

Report Access

This report is available for viewing and download on the official website of IEIT SYSTEMS (<https://en.ieisystem.com/>) and the CNINFO website (www.cninfo.com.cn).

Message from the Chairman

We are living in an era of rapid advancements in artificial intelligence, in which computing power—as its core driving force—is reshaping economic and social structures with unprecedented depth and breadth. At the same time, the growing global demand for sustainable development has made ESG factors key metrics for assessing a company's long-term value. The rapid development of AI has significantly improved efficiency and brought opportunities for innovation, while also creating huge challenges related to energy consumption and governance responsibilities. Against this backdrop, where opportunities and challenges coexist, IEIT SYSTEMS, as a leading provider of AI infrastructure, is committed to enabling AI adoption across industries and embedding sustainable development principles into its strategy and operations, thereby actively fulfilling its social responsibilities and pursuing a balance between the creation of commercial and social value.

We firmly believe that AI can change the world, and we are turning AI technology into a new driver for social progress. To this end, we continue to increase our investment in AI, promote the collaborative innovation of computing power and algorithms, build full-stack AI capabilities, and accelerate the implementation of "AI+" initiatives. We are consistently innovating in computing power products and technologies, committed to providing customers with AI computing systems that feature faster token generation speeds and lower token costs. With the advent of the agentic AI era, the benchmark for computing power is no longer limited to raw performance metrics; instead, it has shifted towards token speed and token cost in complex scenarios that support large-scale AI agent inference and collaboration. Token speed it has shifted towards, and token cost determines survival. To address the two major bottlenecks—token speed and token cost—hindering the industrialization of AI agents, we have launched the Meta Brain® SD200 Supernode AI Server. It supports running foundation models with over one trillion parameters on a single node, and achieves an industry-first end-to-end inference latency of under 10 milliseconds. In contrast, the Meta Brain® HC1000 Hyper-scalable AI Server has, for the first time, driven AI inference costs below 1 yuan per million tokens. At the same time, we continue to innovate and refine our algorithms. Centered around the Yuan Large Language Models (LLMs) and the Meta Brain® Enterprise Platform of AI (EPAI), we persistently strengthen algorithm-driven development, fostering innovation in computing systems, and continuously lowering the barriers to LLM innovation and application. Our newly released Yuan 3.0 Flash Multimodal Foundation Model not only improves inference accuracy but also significantly reduces token consumption during inference, thereby substantially lowering computational costs and achieving "less computing power, higher intelligence".

Our Meta Brain® EPAI has significantly lowered the barriers for enterprises to develop and deploy LLMs, driving the deep integration of "AI+" across all industries and transforming it into

a new quality productive force that benefits all. For example, we supported South China Agricultural University in building a high-throughput biological data analysis platform, cutting the breeding cycle by more than half; helped Nanhai District People's Hospital of Foshan implement "AI+Healthcare" to improve the quality and efficiency of primary healthcare services; and collaborated with Southeast University and others to establish AI training camps, exploring new models for cultivating "AI+X" interdisciplinary talent.

We are leading the green revolution, viewing technological innovation as a key pathway to addressing climate challenges. In response to the significant energy challenges posed by the explosive growth in computing power, we continue to implement our green computing strategy and drive innovation in liquid-cooled products. For five consecutive years, IEIT SYSTEMS's liquid-cooled servers have ranked first in the Chinese market. The Company provides comprehensive, full-life-cycle solutions for liquid-cooled data centers—from planning and design through to construction and implementation—delivering turnkey projects that create energy-efficient, eco-friendly data centers for our customers. The Meta Brain® Computing Power Factory, which began operations in early 2025, fully embodies the "high-density + green" design philosophy for future intelligent computing centers. It took only 120 days to construct a 10MW intelligent computing center. Within this facility, high-density intelligent computing modules were deployed in the computing power units, increasing the load capacity of air-cooled racks to 50kW and that of liquid-cooled racks to as high as 130 kW. By adopting green technologies such as photovoltaics, energy storage, and waste heat recovery, power usage effectiveness (PUE) has been reduced to below 1.1, resulting in annual electricity cost savings of nearly 20 million yuan. We have also incorporated the concept of green development into every stage of the product life cycle, from product manufacturing and design to the supply chain. In accordance with the ISO 14067 international standard, we conducted life-cycle carbon footprint assessments for our flagship products. The results have been verified by SGS, an internationally recognized certification body, providing robust data support for downstream customers' carbon management efforts.

We are broadening the scope of our responsibilities and integrating the concept of symbiosis into the industrial ecosystem. Our responsibilities extend beyond our own operations to the broader industry ecosystem. We systematically integrate environmental and social requirements into our supply chain management, ensure comprehensive ESG training for all suppliers, and work with our partners to build a responsible and sustainable supply chain system. While actively fulfilling our environmental responsibilities, we also strive to give back to society: from the "Reading Enriches the Soul" public welfare

campaign supporting rural education to initiatives that promote ecological conservation, flood control and disaster mitigation through intelligent forestry and grassland systems and smart hydrological platforms, we strive to ensure that the Company's growth keeps pace with social progress.

We are reforming our governance system, making transparency and trust the cornerstones of our development. Under the leadership of the Board of Directors, the Company continues to refine its strategic and sustainability governance structure to ensure that ESG objectives are deeply integrated with business strategy, to achieve closed-loop management. By strengthening corporate governance, risk management, and business ethics, we are committed to building a transparent and trustworthy business model, thereby laying a solid foundation for the Company's long-term development.

Looking back on 2025, we made steady progress in translating our commitment to sustainable development into tangible outcomes—from industry-leading green liquid cooling technology to AI solutions that empower a wide range of industries; from recognition by authoritative domestic and international bodies to the creation of greater value for our customers and society. These efforts have been well received by the market: by the end of 2025, the Company had achieved industry-leading rankings in internationally recognized ESG ratings and was successfully included in the Forbes 2025 China ESG 50 list.

Looking ahead, we are well aware that sustainable development is a long journey that requires perseverance, wisdom, and courage. In 2026, IEIT SYSTEMS will continue to uphold the philosophy that "computing power is productivity, and intelligent computing power is innovation." We will remain committed to AI for good, strengthening governance to support decision-making, deploying greener technologies in infrastructure development, and empowering customers' digital transformation with smarter solutions, thereby continuing to advance the sustainable development of society and the economy.

We would like to invite all our partners, customers, and stakeholders from all sectors of society to join us in building a new world that is smarter, greener, more inclusive, and more sustainable.



Peng Zhen,
Chairman of IEIT SYSTEMS Co., Ltd

About IEIT SYSTEMS

Company Overview

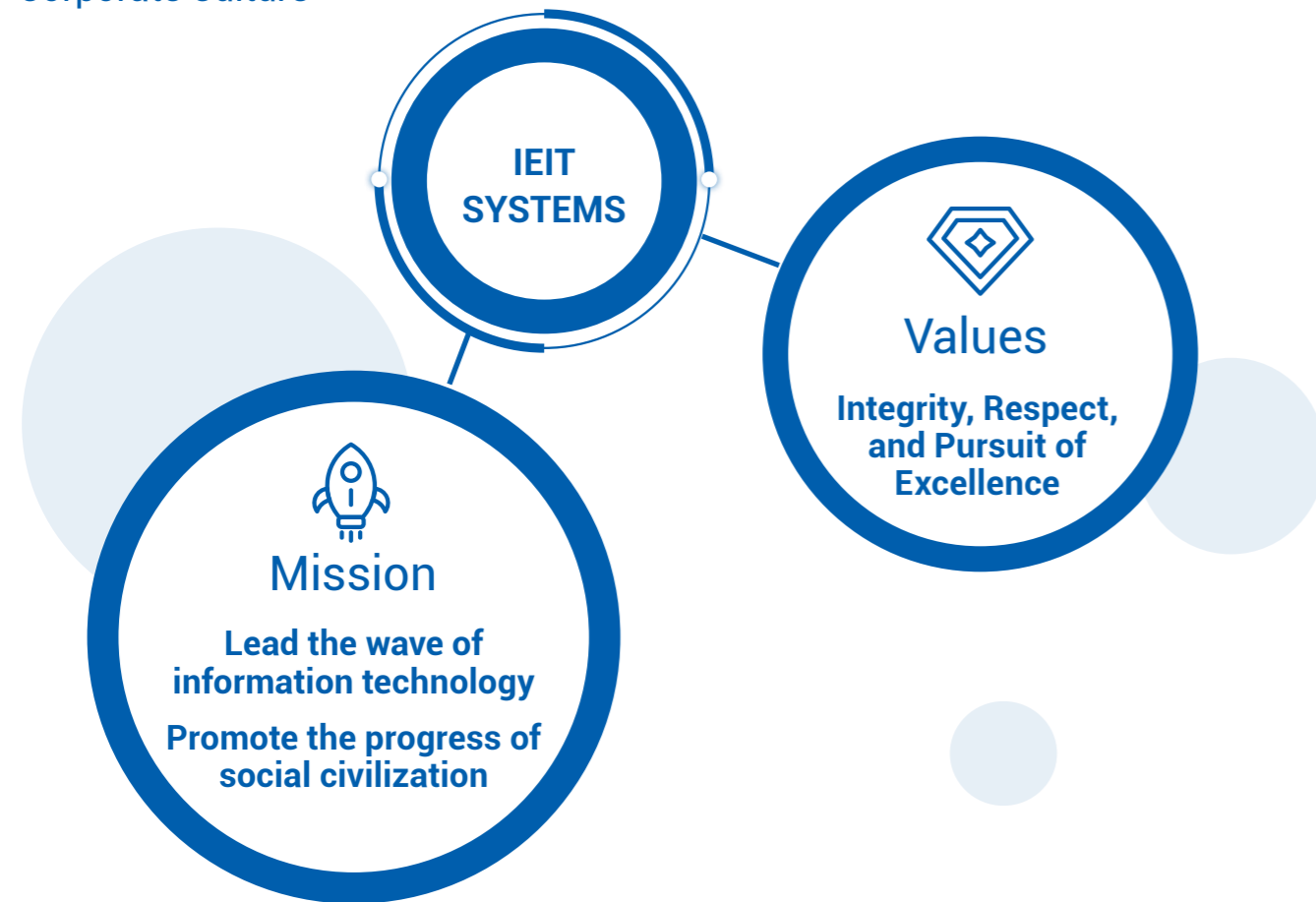
IEIT SYSTEMS is a globally leading provider of IT infrastructure products, solutions, and services. We deliver a wide range of innovative IT products and solutions in cloud computing, big data, and artificial intelligence. Guided by the philosophy that "computing power fuels productivity and intelligent computing power drives innovation," we are driving the intelligent evolution of the world to improve people's lives, enhance business efficiency, strengthen social governance, and foster greater harmony between humanity and nature.

We continue to enhance and strengthen our portfolio of intelligent computing products and technologies. Upholding the "application-driven and system-centric" technical philosophy, we advance innovation across algorithms, computing power, data, and interconnection technologies to accelerate the deployment of "AI+" initiatives. In terms of computing power, we will develop next-generation system-centric computing structures and create open, diverse, eco-friendly, and intelligent Meta Brain® intelligent computing

products and solutions to provide a powerful computing platform for AI innovation and application. Regarding algorithms, we will actively explore various LLM algorithms, continuously improve model computing efficiency, and push the boundaries of intelligence. In terms of data, we will continue to develop next-generation converged storage technologies featuring high throughput and low latency, providing storage platform support for the management of massive amounts of data throughout the entire AI life cycle. Regarding interconnectivity, we will advance innovation in next-generation super AI Ethernet that enables end-to-network collaboration, offering efficient interconnection solutions for large-scale AI systems.

In 2025, the Company continued to focus on intelligent computing, represented by cloud computing, big data, and artificial intelligence, while driving continuous innovation in R&D, production, delivery, and service models, with all business segments maintaining a strong growth momentum.

Corporate Culture



Annual Highlights

New Product Launch

Introduced the Meta Brain® R1 Inference Server, a single unit of which allows the deployment and operation of the DeepSeek R1 671B model, significantly reducing the complexity and cost of LLM deployment while enhancing inference service performance.



Released the Meta Brain® SD200 Supernode AI Server, which is designed for trillion-parameter-scale LLMs and supports 64 native GPU chips with its open architecture, enabling the operation of trillion-parameter-scale LLMs on a single unit as well as synergy between LLMs.



Launched the Meta Brain® HC1000 Hyper-scalable AI Server, which brings the cost of inference per million tokens below 1 yuan, with a view to addressing the bottlenecks in interaction speed and token costs facing the commercialization of AI agents, and providing high-speed, low-cost computing infrastructure.



AI Applications



Sustainable Development Highlights

Economic Performance



Revenue	Total Profit	R&D Investment
CNY 164,781,997,000	CNY 2,468,469,000	CNY 3,877,457,300
Net Profit Attributable to Shareholders of the Listed Company	Invention Patents Related to Liquid Cooling	R&D Investment as a Percentage of Revenue
CNY 2,412,866,300 Over 1,000		2.35 %

Environmental Performance



China Energy Conservation Program (CECP) Certificates Received	U.S. E-star Certificates Received	Korean E-standby Certificates Received
66	35	70
China Environmental Labeling Certificates Received	Liquid Cooling Standards with Development Led or Participated in	Air Pillow Packages Used
27	Over 20	3.51 million

Social Performance



Total Employees	R&D Staff	Training Sessions Organized
6,896	3,099	655
Employee Training Coverage	Industrial Accidents	Suppliers with Contracts Including Environmental and Labor Clauses
100 %	0	100
New Suppliers Screened for Environmental and Social Impacts	Tier-1 and Tier-2 Suppliers Subject to Environmental and Social Impact Assessments	
100 %	330	

Honors in 2025

Recognition in ESG

Won a WIND ESG AA rating



Included in the Forbes 2025 China ESG 50 list



Selected among the 2025 Top 100 Chinese Listed Companies (Large-Cap) for Best ESG Practices

Winner of the 2025 ESG Crystal Ball Award for Listed Companies from Securities Market Weekly



公司	所属行业	上榜理由
阿里巴巴	互联网与信息技术	数字化转型与绿色金融
腾讯控股	互联网与信息技术	碳中和目标与绿色供应链
美团	互联网与信息技术	绿色物流与社区支持
京东集团	零售与电子商务	绿色供应链与碳中和目标
拼多多	零售与电子商务	绿色物流与社区支持
网易	互联网与信息技术	绿色数据中心与碳中和目标
百度	互联网与信息技术	绿色数据中心与碳中和目标
小米集团	消费电子与制造	绿色供应链与碳中和目标
蔚来汽车	新能源汽车	绿色供应链与碳中和目标
小鹏汽车	新能源汽车	绿色供应链与碳中和目标
理想汽车	新能源汽车	绿色供应链与碳中和目标
比亚迪	新能源汽车	绿色供应链与碳中和目标
宁德时代	动力电池	绿色供应链与碳中和目标
隆基绿能	光伏能源	绿色供应链与碳中和目标
阳光电源	光伏能源	绿色供应链与碳中和目标
晶澳科技	光伏能源	绿色供应链与碳中和目标
晶科能源	光伏能源	绿色供应链与碳中和目标
通威股份	光伏能源	绿色供应链与碳中和目标
天合光能	光伏能源	绿色供应链与碳中和目标
亿纬锂能	动力电池	绿色供应链与碳中和目标
欣旺达	动力电池	绿色供应链与碳中和目标
德业股份	光伏能源	绿色供应链与碳中和目标
固德威	光伏能源	绿色供应链与碳中和目标
阳光电源	光伏能源	绿色供应链与碳中和目标
晶澳科技	光伏能源	绿色供应链与碳中和目标
晶科能源	光伏能源	绿色供应链与碳中和目标
通威股份	光伏能源	绿色供应链与碳中和目标
天合光能	光伏能源	绿色供应链与碳中和目标

Selected among the 2025 Top 20 A-share Listed Companies in ESG Disclosure in the Information Technology Sector by the Sino-securities Index

Winner of the 2025 China Corporate ESG "Golden Responsibility Award" for Excellence in Responsibility and Progress

Selected among the 2025 Top 100 Chinese ESG Companies by Sina Finance

Selected as the Most Socially Responsible Listed Company at the 13th Stockstar Capital Power Brand Event in 2025

Environmental Recognition

Received the Product Carbon Footprint Certificate for a Meta Brain® Server

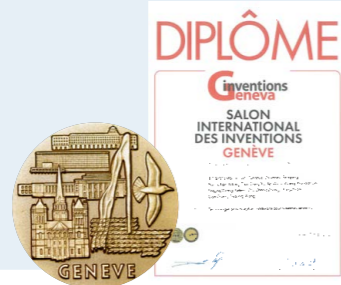


Recognition in Technologies and Products

Received the A-Class Modular Data Center Product Certificate for the Meta Brain® Intelligent Computing Power Module



Received the Gold Medal at the Geneva International Exhibition of Inventions for the Diverse and Open Computing Structure



Won the ICCV 2025 Autonomous Grand Challenge in the end-to-end autonomous driving category for SimpleVSF, the innovative framework developed by our AI team



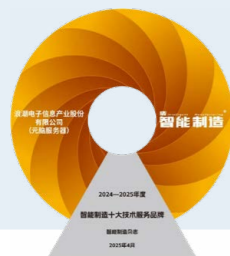
Obtained the CMMI V3.0 highest-level (Level 5) certification in the global software industry, making us the first major computing power provider to pass the latest CMMI testing standards



Obtained the DCMM highest-level (Level 5/Optimized) certification



Named into the Top Ten Technical Service Brands in Smart Manufacturing for 2024-2025



Contributed to the construction of the Tianfu Intelligent Computing Southwest Computing Power Center and Xiamen Innovation Laboratory Intelligent Computing Center, which have been selected as National Green Data Centers



Social and Industry Recognition

Elected as a Standing Committee member of the Digital Educational Resources Committee, China Association for Educational Technology



Awarded the title of Outstanding Partner by the Organizing Committee of the China Hospital IoT Conference



Received educational awards such as the OpenAtom Campaign Outstanding Partner Award and Outstanding Member Unit



Won the Best Collaboration Award at the Tsinghua Future 3D Navigation Challenge



Recognition in Corporation Governance

Selected among the 2024 Top 500 Chinese Enterprises by Credit Rating and the 2024 Top 500 Chinese Listed Companies by Credit Rating



Winner of the Golden Bull Award for Listed Companies



Winner of the 2025 Yidong ESG Value 100 Award



Selected among the Top 100 Most Popular Listed Companies



Winner of the 2025 Crystal Ball Award for Shareholder Returns Among Listed Companies

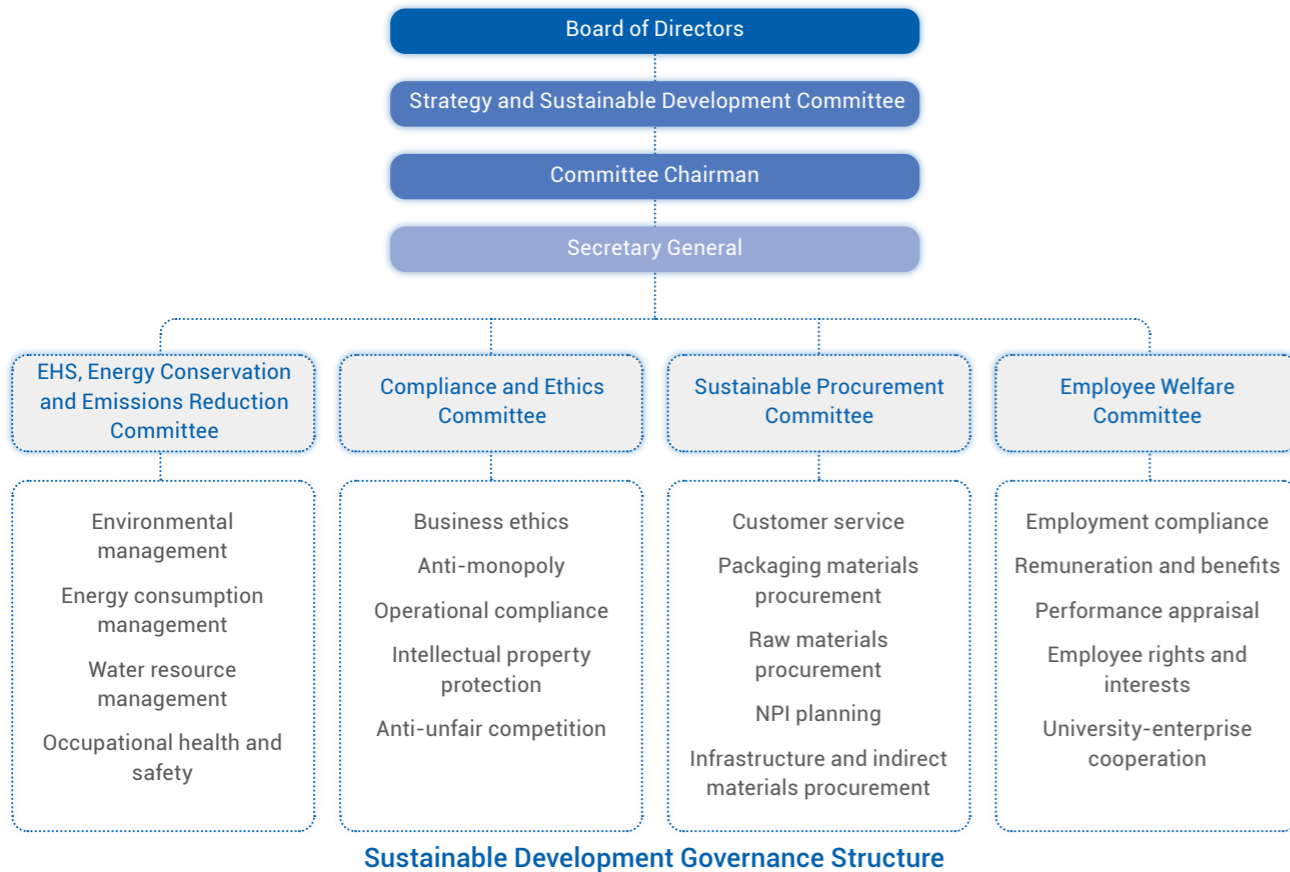


Sustainable Development Management

The Company actively engages with its stakeholders and maintains regular, two-way communication channels to understand their needs, and optimize the Company's influence on them. At the same time, to enhance the Company's ESG performance in a more targeted manner, we continuously benchmark against and monitor authoritative ESG rating agencies both domestically and internationally and systematically identify material ESG issues. Based on this, we continuously refine our ESG development methodologies and strategies to ensure our sustainable development.

Sustainable Development Governance Structure

IEIT SYSTEMS actively embraces the philosophy of sustainable development by establishing a top-down, well-structured, and comprehensive sustainable development governance structure. As the highest decision-making and supervisory body, the Board of Directors takes full responsibility for formulating sustainability strategies, reviewing relevant major matters, overseeing the operation of the risk management system, and approving the annual sustainability report. The Board of Directors has established a Strategy and Sustainable Development Committee to systematically integrate ESG initiatives into corporate governance, ensure that departments at all levels fulfill their responsibilities, and enhance overall governance standards. The Committee has established four subcommittees, each responsible for advancing and managing specific issues, and for regularly reporting on progress and risks. The relevant departments of the Company at the operational level, will carry out specific tasks under the coordination of the management to ensure the effective implementation of sustainable development measures.



Meanwhile, the Company has established a comprehensive remuneration system for directors and senior executives to link pay levels with the Company's development strategies and overall performance. This aims to draw the attention of directors and senior executives to long-term value creation and sustainable development.

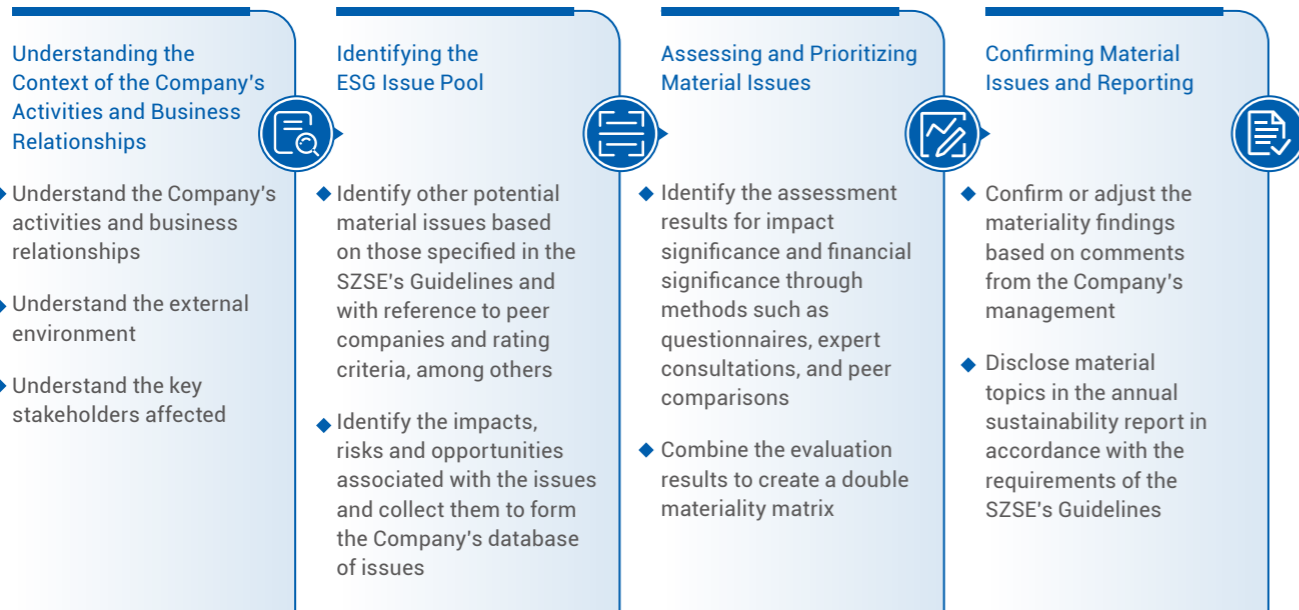
Stakeholder Communication

IEIT SYSTEMS remains committed to stakeholder management and systematically identifies and categorizes all individuals and organizations whose interests are or may be affected by the Company's operations. The Company adheres to the principles of open and prudent communication, continuously collecting and responding to concerns from all parties through diverse channels. We have gradually established a standardized and routine mechanism for stakeholder communication and feedback, thereby continuously improving our management level.

Stakeholder	Key Topics of Concern		Communication Channels
Shareholders and investors	<ul style="list-style-type: none"> Economic performance Business ethics Internal control and compliance Due diligence 	<ul style="list-style-type: none"> Governance structure Risk management Stakeholder communication 	<ul style="list-style-type: none"> General meeting of shareholders Information disclosure Performance briefing Shenzhen Stock Exchange Easy Interaction (SSEEI) platform Daily communication (phone calls, emails, and meetings)
Employees	<ul style="list-style-type: none"> Labor management Employee rights and benefits Equality, diversity, and inclusion 	<ul style="list-style-type: none"> Occupational health and safety Employee training and development Stakeholder communication 	<ul style="list-style-type: none"> Employee representative congress Employee satisfaction survey Training and employee handbook Employee performance appraisal Trade union
Customers	<ul style="list-style-type: none"> Product quality and safety Data security and customer privacy protection Intellectual property protection Stakeholder communication 	<ul style="list-style-type: none"> Product lifecycle management Customer service Innovation and R&D 	<ul style="list-style-type: none"> Global service platform Customer visit Quarterly operational meetings Customer satisfaction surveys
Suppliers, contractors, and other business partners	<ul style="list-style-type: none"> Supply chain security Equal treatment to small and medium-sized enterprises 	<ul style="list-style-type: none"> Business ethics Stakeholder communication 	<ul style="list-style-type: none"> Periodic assessments Supplier meetings Daily communication (phone calls, emails, and meetings)
Regulators and rating agencies	<ul style="list-style-type: none"> Economic performance Internal control and compliance Environmental compliance management Pollutant emissions Stakeholder communication 	<ul style="list-style-type: none"> Governance structure Innovation and R&D Response to climate change Waste management 	<ul style="list-style-type: none"> Information disclosure Compliance training Regular monitoring and compliance disposal Questionnaires Other activities
Non-governmental organizations (NGOs)	<ul style="list-style-type: none"> Charity and public welfare Response to climate change Stakeholder communication 	<ul style="list-style-type: none"> Technology-driven social development Ecosystem and biodiversity conservation 	<ul style="list-style-type: none"> Information disclosure Daily communication (phone calls, emails, and meetings)
Industry associations and peer companies	<ul style="list-style-type: none"> Technology-driven social development Product quality and safety 	<ul style="list-style-type: none"> Intellectual property protection Stakeholder communication 	<ul style="list-style-type: none"> Exhibitions Standard formulation Academic activities Industry association meetings
Communities, the public, and media	<ul style="list-style-type: none"> Economic performance Energy management Circular economy Charity and public welfare Stakeholder communication 	<ul style="list-style-type: none"> Internal control and compliance Water resource management Rural revitalization Technology-driven social development 	<ul style="list-style-type: none"> Press conferences as needed Community projects Charity and public welfare activities Daily communication (phone calls, emails, and meetings)

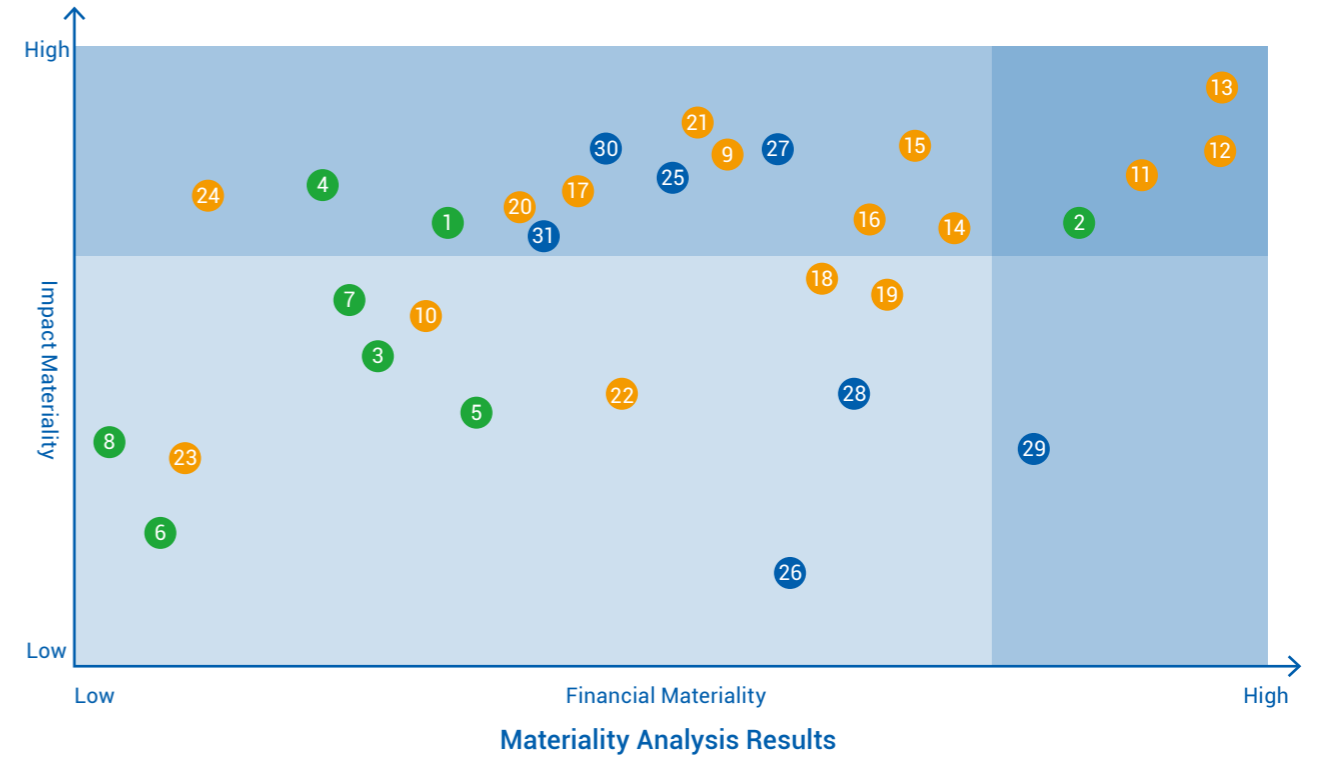
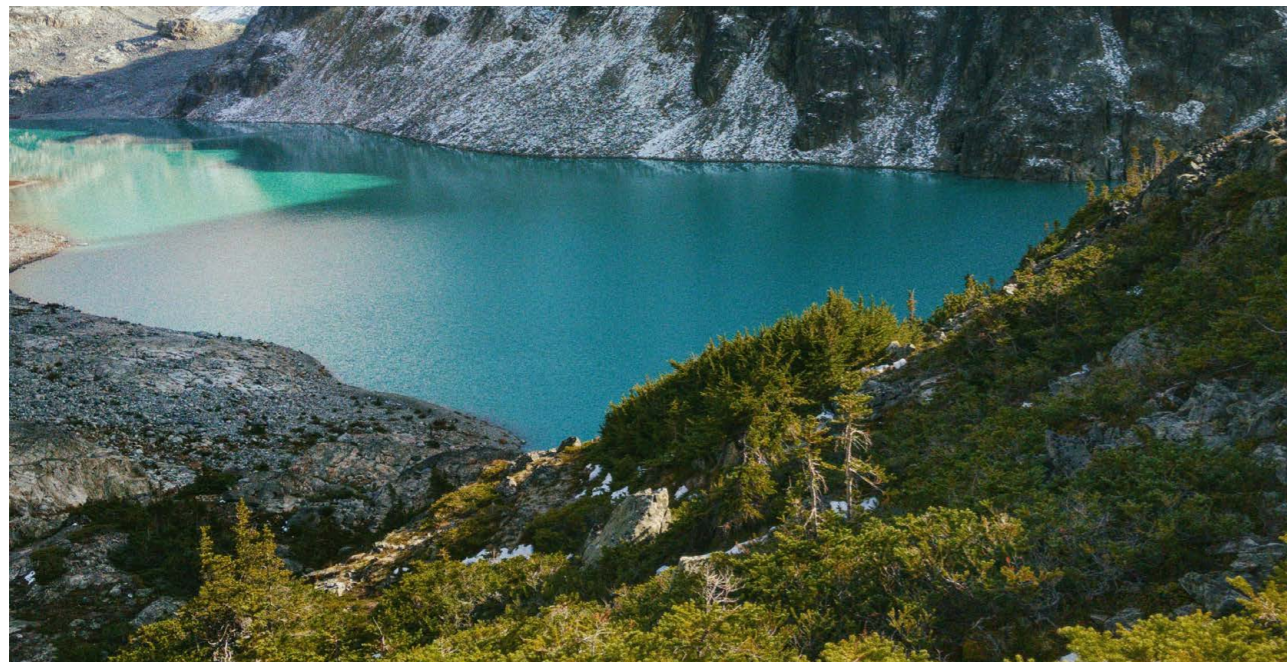
Materiality Analysis

Material topics serve as the focus for the Company's sustainability management efforts. Using methods such as policy analysis, peer comparisons, questionnaires, expert analysis, and management discussions, the Company has developed this year's double materiality matrix by evaluating issues from both financial and impact perspectives.



Materiality Analysis Process

The Company assesses the significant impacts of material topics on the economy, society, and the environment in the short term (0–1 year, inclusive), medium term (1–3 years, inclusive), and long term (3 years or more), as well as the risks and opportunities these issues may present to the Company's day-to-day operations and business decisions. We also analyze how to address these issues, develop corresponding action plans, mitigate potential significant negative impacts or risks, and capitalize on relevant opportunities.



- | | | |
|--|---|--|
| <p>Environment</p> <ul style="list-style-type: none"> 1 Environmental compliance management 2 Response to climate change* 3 Pollutant emissions 4 Waste management 5 Energy management 6 Water resource management 7 Circular economy 8 Ecosystem and biodiversity conservation | <p>Social</p> <ul style="list-style-type: none"> 9 Supply chain security 10 Equal treatment to small and medium-sized enterprises 11 Innovation and R&D* 12 Product quality and safety* 13 Data security and customer privacy protection* 14 Customer service 15 Technology-driven social development 16 Science and technology ethics 17 Labor management 18 Employee rights and benefits 19 Intellectual property protection 20 Equality, diversity, and inclusion 21 Occupational health and safety 22 Employee training and development 23 Rural revitalization 24 Social contribution | <p>Governance</p> <ul style="list-style-type: none"> 25 Business ethics 26 Governance structure 27 Economic performance 28 Internal control and compliance 29 Risk management* 30 Stakeholder communication 31 Due diligence |
|--|---|--|

Note: Issues marked with an asterisk (*) are financially material issues.

Governance

We are committed to cultivating a corporate environment distinguished by a robust governance structure, operational stability, and high ethical standards. In corporate governance, the Company has established sound decision-making mechanisms and oversight systems to ensure the soundness of decisions and the effectiveness of their implementation; in business ethics, we uphold integrity in business operations, comply with laws and regulations, and foster a fair business environment; in internal control, compliance, and risk management, we have implemented comprehensive risk assessments and internal control measures to enhance our risk prevention capabilities.

Our Actions

- Corporate governance
- Business ethics
- Internal control and compliance
- Risk management

Alignment with SDGs



Corporate Governance

IEIT SYSTEMS strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies of the People's Republic of China*, and other pertinent laws and regulations. We continuously enhance our corporate governance structure and establish a modern management system aligned with regulatory requirements to ensure the standardized and effective operation of internal management and control systems.

Efficient Operations of General Meeting of Shareholders and the Board of Directors

We continue to optimize our corporate governance structure. During the reporting period, we amended our *Articles of Association* to abolish the Board of Supervisors, transferring its responsibilities to the Audit Committee established under the Board of Directors; the original *Rules of Procedure for the Board of Supervisors* were consequently repealed. This restructuring has deeply integrated supervisory functions within the framework of the Board of Directors, forming a refined governance structure comprising the General Meeting of Shareholders, the Board of Directors, and its specialized committees to ensure the standardization, effectiveness, and checks and balances of corporate governance.

As the Company's highest decision-making body, the General Meeting of Shareholders functions to elect and remove directors, and decide on important matters such as compensation. We strictly adhere to relevant national laws and regulations and conduct all our operations in accordance with the *Articles of Association* and the *Rules of Procedure for the General Meeting of Shareholders* to ensure the legality and compliance of our decision-making. During the reporting period, five General Meetings of Shareholders were convened, including four Extraordinary General Meetings and one Annual General Meeting, at which a total of 22 resolutions were deliberated and approved.

As the Company's core decision-making body, the Board of Directors is responsible for formulating the Company's business policies and investment plans, approving important matters such as budget proposals, and reporting to the General Meeting of Shareholders, to which it is accountable. The Company strictly abides by the applicable Chinese laws and regulations, *Articles of Association*, and *Rules of Procedure for the Board of Directors* to ensure a legitimate and valid decision-making process. During the reporting period, the Board of Directors held a total of eight meetings, with all directors attending each meeting; a total of 44 resolutions were reviewed and approved.

Development of the Board of Directors

By establishing a diverse and independent governance structure and implementing rigorous oversight and risk management through specialized committees, the Board of Directors of IEIT SYSTEMS ensures the steady execution of the Company's strategy, thereby providing a solid foundation for its long-term sustainable development.

Diversity

The Company actively promotes diversity within the Board of Directors, bringing together directors of different ages, ethnicities, and professional backgrounds, with a range of experience. This provides broader perspectives for making more informed and forward-looking strategic decisions. Board diversity also stimulates innovation, enabling the Company to better navigate market challenges, meet varied stakeholder needs, improve its governance and strengthen its recognition by society.



Name	Position	Expertise and Experience			Age
		Industry Expert	General Management Specialist	Financial Expert	
Peng Zhen	Chairman	✓	✓		54
Hu Leijun	Vice Chairman	✓	✓		55
Liu Yaohui	Director	✓	✓	✓	40
Jin Ran	Employee Director	✓			45
Liu Peide	Independent Director	✓	✓		60
Wang Aiguo	Independent Director		✓	✓	62
Guan Xin	Independent Director		✓	✓	45

Diversity of the Board of Directors

As an independent director of the Company, Mr. Guan Xin possesses extensive expertise in risk management and ESG governance, as evidenced by his academic and practical authority as a researcher at the China ESG Institute and a council member of several national-level economic management associations across various fields.

Independence

Maintaining the independence of Board members is essential to guarantee neutrality and fairness in the decision-making process. To ensure diversity and checks and balances in the Board's decision-making, our Board consists of seven members, including three independent directors and one employee director.

During the reporting period, we revised the *Regulations on the Duties of Independent Directors* and the *Detailed Rules for Special Meetings of Independent Directors*, further clarifying the responsibilities of independent directors regarding prior review and their supervisory authority over major matters such as related-party transactions. The aim is to safeguard independence of these directors through these regulations, effectively mitigate risks in key areas, earnestly protect the legitimate rights and interests of all shareholders—particularly minority shareholders—and promote the continuous improvement of corporate governance.

During the reporting period, the Company held two special meetings of independent directors to conduct rigorous prior reviews of major proposals, including the annual profit distribution, interim dividends, and estimates of routine related-party transactions. This measure allowed effective fulfillment of the role of independent directors in supervision and checks and balances, supported compliant and transparent decision-making, and strongly safeguarded the legitimate rights and interests of the Company and all our shareholders, particularly small and medium-sized investors.

Professionalism

The Board has established four specialized committees: the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and Sustainable Development Committee. Detailed working rules for these committees were revised within the reporting period. Each committee fulfills its designated responsibilities, leveraging its members' professional skills and experience to support the Board's decision-making process, thereby ensuring that decisions are scientifically sound and rational. In particular, the Audit Committee assumes overall responsibility for core functions such as financial oversight and the supervision of directors' and senior executives' performance of their duties.

Key Performance

During the reporting period, Audit Committee meetings held:	4
Nomination Committee meetings held:	2
Remuneration and Appraisal Committee meetings held:	1
Strategy and Sustainable Development Committee meetings held:	1

Remuneration Policy for Directors and Senior Management

IEIT SYSTEMS has formulated and issued the *Remuneration Management System for Directors and Senior Management* that formalizes and standardizes longstanding incentive and accountability practices, establishing a remuneration system closely aligned with the Company's long-term development. This system defines a remuneration framework for directors and senior management comprising base pay, performance-based pay, and medium- to long-term incentives (including stock options and restricted stock). To preserve independent oversight, independent directors receive only a fixed annual allowance and are not eligible for performance-linked or medium- to long-term incentives. The framework is guided by the principles of fairness, competitiveness, incentive effectiveness, sustainability, and compliance. This is to ensure that remuneration aligns with responsibilities, risks, performance and contributions, and is closely linked to the Company's strategy and long-term development. The system is implemented by the Board's Remuneration and Appraisal Committee, and includes a clawback mechanism for performance-based remuneration to ensure a balance between incentives and accountability. This reflects the Company's core commitment to sound governance and the improvement of the principal-agent relationship.

Investor Relations Management

Communication with Investors

IEIT SYSTEMS has established a systematic and standardized investor relations management system. To enhance the quality and transparency of communication with the capital markets, the Company revised the *Investor Relations Management System* during the reporting period. The revision aims to establish a more standardized communication mechanism to promptly address investor concerns and ensure that all market participants have equal access to information. In practice, the Company maintains frequent, two-way, and transparent communication with investors on issues such as development strategies, operating performance, and risk management through diverse channels, including performance briefings, investor open houses, and interactive platforms. This has effectively safeguarded all investors' rights to information and participation, significantly enhanced the transparency and accountability of corporate governance, and served as a key initiative in refining the Company's governance structure and putting the principles of responsible investment into practice.

Protection of Rights and Interests of Small and Medium-sized Investors

The Company strictly complies with applicable laws and regulations, ensuring that all information disclosures are timely, accurate, and complete. We are committed to protecting shareholders' rights and ensuring their equal exercise. During the reporting period, five General Meetings of Shareholders were held. Prior to each meeting, relevant information was fully disclosed, and all shareholders were encouraged to participate in person, facilitating the involvement of small and medium-sized shareholders in decision-making. Directors and senior management actively fulfilled their responsibilities, addressed concerns of shareholders, and carefully considered their feedback, ensuring that all shareholders—particularly minority shareholders—were able to effectively exercise their rights in corporate governance and major decisions.

During the reporting period, we completed our first share buyback and subsequently canceled the repurchased shares, optimizing our equity structure and enhancing the Company's value and safeguarding the long-term interests of shareholders.

Information Disclosure

IEIT SYSTEMS has established a standardized and transparent information disclosure framework, strictly adhering to regulatory requirements and upholding the principles of openness, fairness, and impartiality. During the reporting period, the Company introduced the *Measures for the Deferral and Exemption of Information Disclosure* and updated key policies, including the *Information Disclosure Management System* and the *Accountability System for Material Errors in Annual Report Disclosure*, to further enhance governance effectiveness and disclosure quality while safeguarding the rights and interests of investors.



Business Ethics

IEIT SYSTEMS fosters a fair and transparent business environment to support sustainable development. We have established robust anti-bribery and anti-fraud systems, maintained accessible reporting channels, strengthened integrity training, and implemented measures to prevent monopolistic and unfair competition practices, ensuring compliant and transparent operations. We have also established the Compliance and Legal Department staffed with professionals to systematically assess operational risks and regularly review transaction processes to enhance risk management capabilities. These efforts have effectively reduced business risks, strengthened the Company's reputation and market competitiveness, and supported its long-term development.

Anti-bribery and Anti-fraud

IEIT SYSTEMS is strengthening efforts across the board to prevent bribery and fraud by improving systems and frameworks and establishing a whistle-blowing mechanism, thus enhancing and standardizing internal management.

Improving Systems and Frameworks

The Company has established a set of anti-bribery and anti-fraud frameworks, supported by systems such as the *Regulation for Supervision of Anti-fraud*, to provide clear guidance for anti-fraud work. These systems and frameworks clearly define roles and responsibilities, investigation procedures, and enforcement mechanisms to ensure systematic and efficient implementation of anti-fraud work. The independent Audit Department plays a key role in audit oversight and anti-fraud supervision, conducting annual comprehensive business ethics audits of core operations to ensure integrity and transparency.

We also enforce strict anti-bribery and anti-fraud requirements for suppliers. All our suppliers are required to sign an *Anti-Bribery Agreement*, explicitly prohibiting any form of commercial bribery, including cash, gifts, entertainment, travel, or other improper benefits. Our contracts with customers and suppliers include self-discipline clauses and clearly defined reporting channels for illegal or non-compliant conduct, reinforcing shared commitments to business ethics.

Maintaining Accessible Reporting Channels

The Company has established a sound whistle-blowing mechanism, providing a dedicated hotline and email address. We ensure awareness through internal communications by emails, procedure documents and training, enabling employees, suppliers, and stakeholders to report any illegal, non-compliant or fraudulent conduct clearly and conveniently.

The Company handles all reports under strict confidentiality, prohibits disclosure of any information about whistle-blowers, and explicitly prohibits retaliation in any form to fully protect whistle-blowers' lawful rights and interests. A reward mechanism is in place to encourage reporting within the Company, with appropriate rewards provided for verified cases.

To preserve the seriousness and fairness of the reporting mechanism, the Company also explicitly prohibits malicious or knowingly false reporting, with violations subject to disciplinary action in accordance with the Company's policies. Through transparent procedures, strong protections, effective incentives and explicit restrictions, the Company ensures that all reports are handled fairly and promptly, strengthening its culture of integrity and reducing operational risks.

Reporting channels:



Tel.: 0531-85104098

Email: jubao@ieisystem.com

QR code scanning:



IEIT SYSTEMS
online reporting

Business Ethics Training

The Company promotes ethical conduct through diverse new approaches, ensuring that anti-bribery and anti-fraud training and cultural advancement cover all employees, including full-time, dispatched, and contract staff. Initiatives such as the Illuminating Excellence Path column, the IEIT e-learning platform, and digital displays are used to publicize and illustrate relevant laws and regulations, integrating anti-bribery and anti-fraud awareness into daily work practices of employees.

The Company also emphasizes integrity education by regularly organizing middle management to participate in on-site training at dedicated integrity education centers. In addition, the Company published the *Risk Management*, *Internal Control*, and *Anti-fraud* series (6 issues) and related monthly publications (12 issues), and organized integrity education sessions and integrity-focused discussions, thereby further enriching the content and formats of business ethics training. Through these initiatives, we are committed to fostering a culture of integrity and compliance among our employees, strengthening the management foundation for anti-fraud and anti-bribery efforts, and creating a transparent and trustworthy corporate environment.

Key Performance

During the reporting period, the Company organized anti-fraud and anti-bribery training for all employees, with a total training duration of

3,271.33 hours

The Audit Department conducted targeted investigations in key areas and found

no instances of serious disciplinary violations or fraud

Anti-monopoly and Anti-unfair Competition

We are deeply aware that a fair, transparent, and orderly market environment is fundamental to our long-term development. To this end, we strictly comply with anti-monopoly laws and regulations applicable in all jurisdictions where we operate. We have established internal policies, such as the *Fair Competition Management Measures* and the *Market Order Management Rules*, which are regularly reviewed and updated to reflect market dynamics and evolving legal requirements. During the reporting period, the Company faced no litigation or significant administrative penalties resulting from unfair competition practices.

In day-to-day operations, the Company champions fair competition and firmly opposes any unethical business competitive practices. IEIT SYSTEMS also emphasizes regulating sales personnel conduct, reinforcing market order management, and promoting sound and ethical sales activities to fully safeguard the legitimate rights and interests of its partners and customers.

For overseas operations, we explicitly require employees to be proactive in understanding and rigorously complying with local anti-monopoly laws and regulations. When navigating complex international legal frameworks, employees are encouraged to seek professional guidance from the Company's relevant departments or external anti-monopoly specialists to ensure the compliance of overseas activities.

Equal Treatment to SMEs

In advancing sustainable development, we prioritize partnerships with various business partners, follow the principles of fairness and transparency for collaboration, and actively seek opportunities for collaboration with small and medium-sized enterprises (SMEs). We uphold the fundamental principles of fairness and rationality throughout contract formation and execution, to help foster a healthy business environment.




Meanwhile, to the extent our resources and capabilities allow, we support partners in improving their operation capabilities through technical sharing and information exchange. We maintain open lines of communication and place great importance on gathering feedback from partners to ensure a smooth collaboration process and enhance synergy. In addition, we focus on diversifying and stabilizing our supply chain structure, creating opportunities for more SMEs to participate in industrial chain collaboration, and jointly building a healthy and sustainable business ecosystem.

Internal Control and Compliance

Internal Control

In accordance with the *Basic Regulation for Enterprise Internal Control* and relevant guidelines, we have revised and issued regulations such as the *Internal Control Management Measures* and the *Management Measures for Internal Control Evaluation*. We have also established a comprehensive internal control system, clarifying that the Board of Directors bears ultimate responsibility for the development, implementation, and evaluation of the effectiveness of the internal control system. This system is designed to ensure our sound operations, guarantee standardized and streamlined management practices, and promote our long-term sustainable development.

Internal Control Management Measures

 <p>Independent Audit Oversight</p> <p>An independent audit department was established, and a series of systems, including the <i>Guideline for Internal Audit Management</i> and the <i>Guideline for Internal Auditing</i>, were developed to provide standardized guidance for audit work. The scope of the audit comprehensively covers key areas such as subsidiaries, overseas operations, post-investment projects, internal control evaluation, financial accountability, and anti-fraud. Except for anti-fraud audits, which are conducted as needed, all other types of audits are performed at least once a year to independently review the adequacy and effectiveness of business activities, internal controls, and risk management.</p>	 <p>Continuous System Refining</p> <p>We ensure the effective implementation of internal control systems through a range of measures, including strengthening audit oversight, optimizing business processes, enhancing risk awareness, and improving employees' capabilities for internal control. We regularly evaluate and test our internal control systems to promptly identify and address deficiencies, ensuring that they remain effective amid changing internal and external environments.</p>	 <p>Internal and External Verification</p> <p>We place a high priority on collaborating with external audit firms and leverage the expertise of third-party professionals to further enhance the transparency and credibility of our internal control systems.</p>
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Compliance Management

We have established a systematic compliance management structure, with the Chief Compliance Officer leading the Compliance and Legal Department and reporting directly to the Chairman, thereby ensuring the independence and authority of compliance management. During the reporting period, we organized compliance training for all employees and specific business units, effectively equipping staff with compliance knowledge relevant to their job roles. These efforts translated corporate governance systems into actionable and verifiable business control measures, further strengthening the effectiveness of internal controls and compliance in practice.



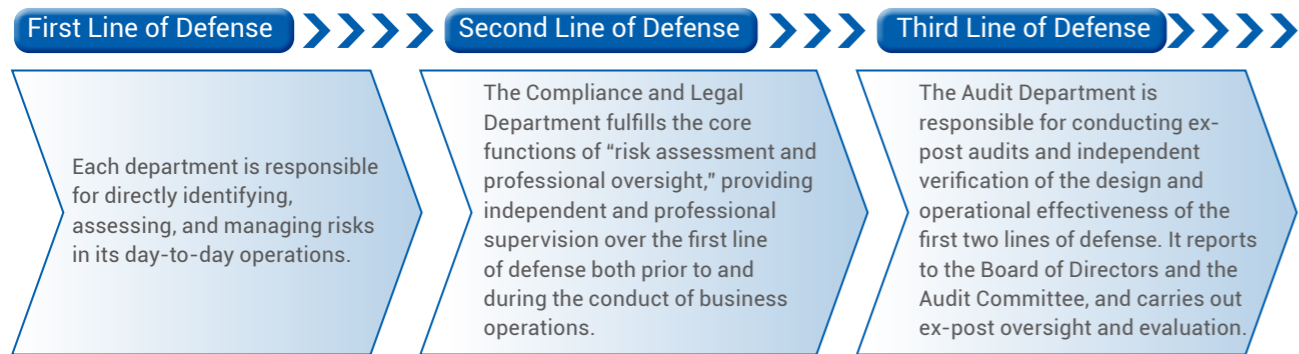
Risk Management

In the face of complex macroeconomic environment and industry transformation, we are committed to enhancing the foresight and resilience of our risk management to effectively address multidimensional challenges across the market, technology, environment, and society. We systematically translate risk insights into strategic actions, continuously strengthening our risk response capabilities by improving decision-making quality, ensuring operational continuity, and safeguarding brand reputation. In doing so, we position risk management as a key pillar that underpins long-term value creation and a driver of our core competitiveness.

Governance

IEIT SYSTEMS regards compliant operations and comprehensive risk management as the cornerstone of sustainable development. Relying on the Three Lines of Defense (3LoD) model, we have established a closed-loop management mechanism that covers risk identification, assessment, response, and monitoring, with clear accountability at every level and effective oversight and checks and balances. We continue to integrate the management of major risks, including ESG risks, into our strategic and operational decision-making, thereby effectively enhancing our resilience and long-term sustainability.

3LoD in Risk Prevention and Control



Management of Impacts, Risks, and Opportunities

To further enhance the standardization and practicality of risk management, we have formulated a series of systems—including the *Overall Risk Management Measures* and the *Guideline for Overall Risk Management* in accordance with relevant laws and regulations. These measures have systematically strengthened the corporate risk management system, effectively supporting our sustained, healthy, and stable development.

Risk Management Process



To keep our risk management continuous and adaptive, we conduct reviews of risk prevention and control management on a monthly, quarterly, and annual basis. The Compliance and Legal Department initiates a monthly comprehensive risk check, assigning tasks to each level through the risk prevention and control liaisons in each department. These liaisons monitor departmental progress in risk prevention and control and promptly compile and submit relevant information.

Strategy

By strictly enforcing our risk prevention and control management framework established for regular risk assessments—leveraging routine risk scans, cross-departmental evaluations, and management reviews—we proactively identify and manage major risks across multiple dimensions, including export control compliance risks, cybersecurity threats, and data breaches. Throughout the response process, we employ a dual-track governance approach: strengthening systems and improving practices. We promptly revised internal policies—such as export control compliance guidelines—across various processes to reinforce our lines of defense. We also took concrete measures—including establishing dedicated task forces, launching targeted improvement initiatives, and implementing technical security upgrades—to nip risks in the bud.

Risk Type		Risk Description	Financial Impact	Impact Duration	Business Area Affected
Risk Area	Risk Factor				
Governance	Anti-fraud and Anti-bribery	Non-compliance may arise in the procurement and sales processes.	Rising Costs, Damaged Reputation	Short-term Mid-term	Upstream Operations Downstream
	Export Control Compliance	Geopolitical developments may result in restrictions from export control listings and other compliance risks that could affect our overseas expansion and supply chain security.	Rising Costs	Short-term Mid-term Long-term	Upstream Operations Downstream
Environment	Rising Operational Carbon Costs	Data centers, R&D centers, and manufacturing plants are energy-intensive, with electricity representing a significant share of their operating costs.	Rising Costs	Short-term Mid-term Long-term	Operations Downstream
	Piling Electronic Waste	Server products undergo rapid updates, resulting in a large amount of obsolete equipment.	Rising Costs, Damaged Reputation	Short-term Mid-term Long-term	Operations Downstream
Social	Cybersecurity Threats and Data Breaches	As a primary target of cyberattacks, any product containing hardware backdoors, firmware vulnerabilities, or software defects—or designed without full compliance with data privacy regulations—could trigger large-scale data breaches and service outages, leading to substantial compensation claims, compliance risks, and severe reputational damage.	Decreased Revenue, Rising Costs, and Damaged Reputation	Short-term Mid-term Long-term	Operations Downstream
	Brain Drain and Talent Shortages	Given the intense competition for talent within the industry, the loss of key team members could severely undermine our R&D and innovation capabilities as well as our market competitiveness.	Rising Costs	Short-term Mid-term Long-term	Operations

Indicators and Goals

During the reporting period, we organized more than 20 risk management-related training sessions (covering compliance and legal topics), including mandatory export compliance training for all employees, achieving a 100% training completion rate. We have integrated compliance checkpoints into business processes across various departments, covering sales, R&D, procurement, after-sales service, and other functions.

Environment

IEIT SYSTEMS follows an environmental management approach grounded in regulatory compliance, a prevention-first mindset, and continuous improvement, systematically embedding environmental protection and resource efficiency across all production operations and technological innovation. We continuously refine our management systems and governance mechanisms in the areas of environmental compliance management, ecological resource conservation, climate change mitigation, clean energy utilization, and circular economy practices. We advance energy conservation, carbon reduction, pollution prevention and control, and resource recycling, while leveraging innovations in clean technologies—such as liquid cooling—to enable the development of green computing power, thereby driving the synergistic advancement of corporate operations and environmental sustainability.

Our Actions

- Environmental Compliance Management and Ecological Resources
- Response to Climate Change
- Circular Economy and Waste Management

Alignment with SDGs



Environmental Compliance Management and Ecological Resources

IEIT SYSTEMS prioritizes environmental compliance management and the conservation of ecological resources, systematically advancing pollution prevention and control, resource conservation, and ecological protection. During the reporting period, we recorded no environmental violations or penalties.

Environmental Compliance Management

We are strengthening accountability for environmental management. Guided by a principle of innovation and shared value, we focus on pollution prevention and control, energy conservation and emissions reduction, and improving product environmental performance. We have formulated and implemented environmental management policies and set annual targets to drive progress. Roles and responsibilities are clearly defined: the General Manager has overall accountability for delivering objectives, the Quality Department leads implementation, and relevant departments collaborate across operations. We operate an ISO 14001-certified environmental management system and continuously improve it to reduce the environmental and natural resource impacts of our production and operations.

	General Manager Leads company operations, including appointing environmental management heads and delegating responsibilities and authority, with ultimate responsibility for the effectiveness of the management system.
	Quality Department Establishes, operates, maintains, and internally audits the Company's management system; supports the management representative in defining system objectives, metrics, and plans for environmental management; monitors execution of management plans.
	Procurement Department Selects and manages suppliers (including third-party testing agencies); communicates HSF (Hazardous Substance Free) requirements to suppliers; identifies environmental aspects and hazard sources within its remit and implements risk control measures.
	R&D Department Leads development and maintenance of new products (solutions); conducts hazardous substance risk assessments for raw and process materials.
	Production Department Oversees manufacturing operations for software and system-level hardware and products; manages production and auxiliary equipment; ensures quality control throughout the production cycle.
	General Administration Department Liaises with and manages the logistics/property management company; controls water and electricity consumption, air conditioning, water supply equipment, energy use, and noise; manages office area sanitation and domestic waste; oversees daily wastewater management and routine discharge monitoring.

Company Environmental Management Responsibilities

2025 Environmental Compliance Management Objectives	Progress Toward the 2025 Goals
Develop and promote environmentally friendly products	
Formulate environmental risk contingency plans	
Regularly provide environmental protection training for all employees	

Environmental Emergency Management

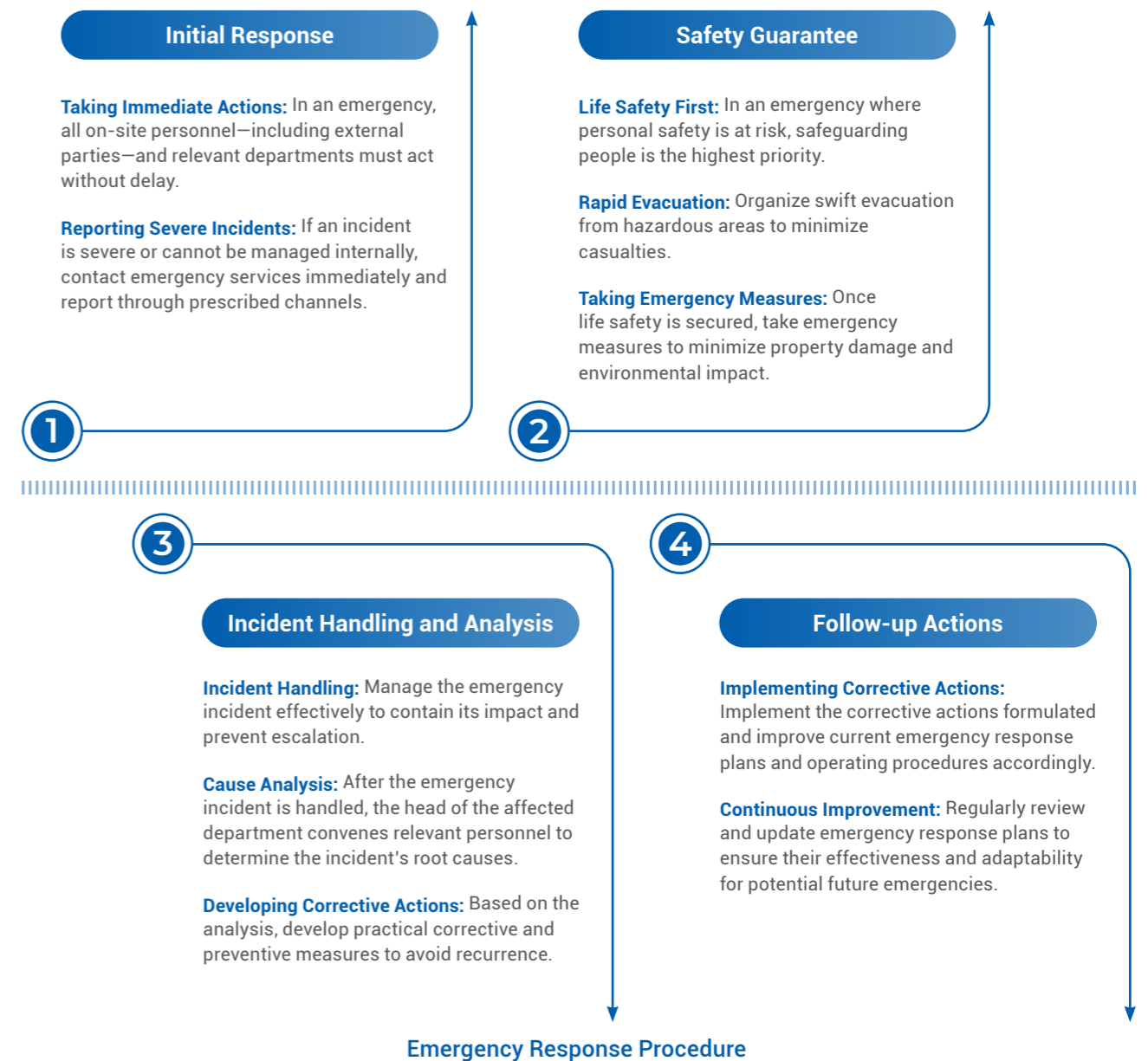
The Company strictly complies with emergency management laws and regulations in all operating jurisdictions and has issued policies, such as the *Guideline for Emergency Response and Disaster Recovery Management*, to standardize procedures for diverse emergencies and potential contingencies. In the event of fires, explosions, or other disasters, we prioritize personnel safety, implement appropriate emergency response and recovery measures, minimize accidental losses, and reduce environmental pollution and other impacts.

Key Performance

During the reporting period, the Company recorded no significant environmental incidents and conducted

277 environmental safety emergency drills

148 training sessions on environmental safety emergency response



Increased Environmental Awareness

To raise employees' environmental awareness, we provide ongoing training and education to all employees in line with system standards as part of establishing and operating our environmental management system. The training covers the launch of environmental compliance management systems, initial reviews, documentation preparation, and implementation of management procedures. In terms of depth, our training covers standard requirements, applicable laws and regulations, foundational environmental knowledge, and role-specific expertise and skills for key positions; the training coverage extends to all managers and employees at every level.

Key Performance

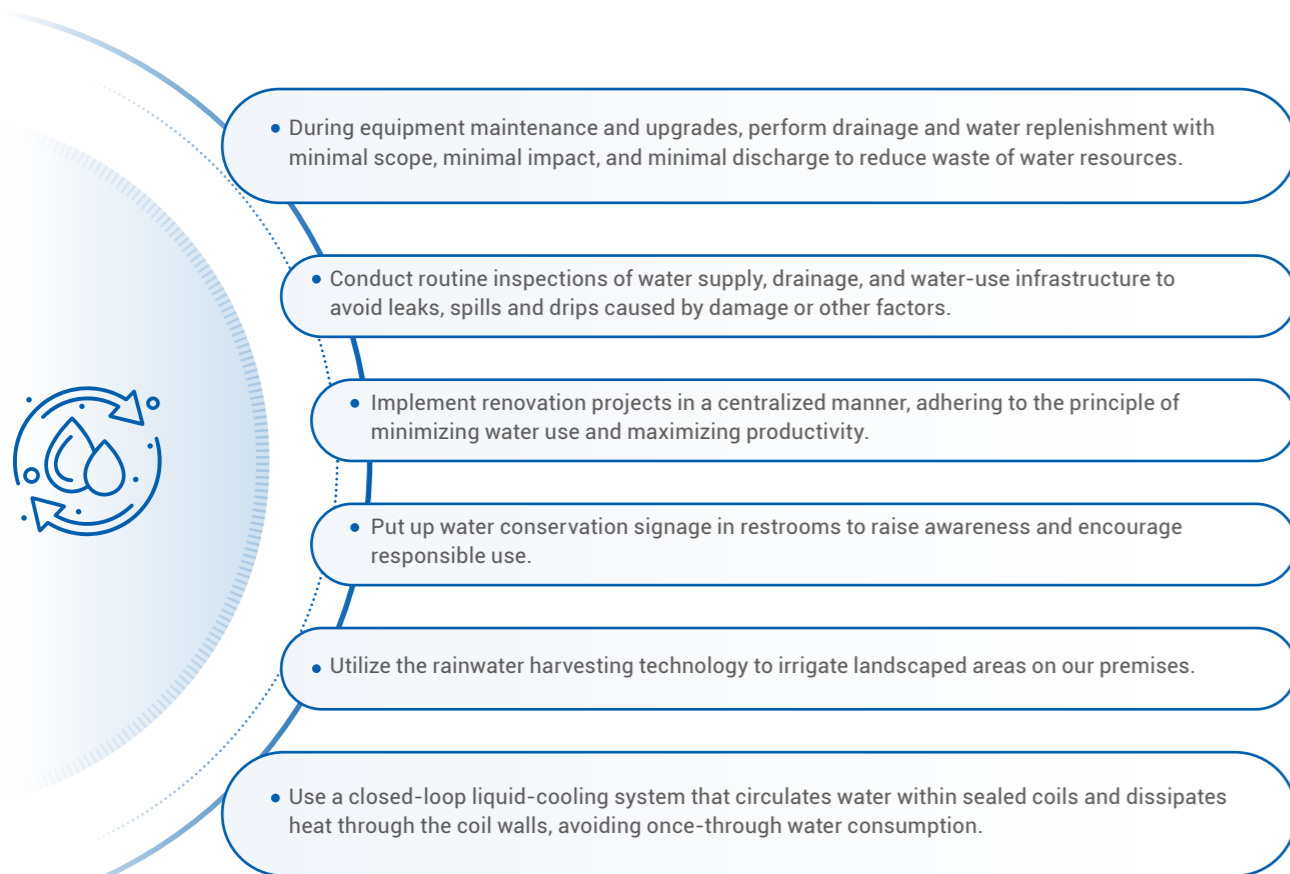
During the reporting period, we achieved

100%

employee participation in environmental training.

Water Resources Management

We adhere to applicable laws and regulations, including the *Water Law of the People's Republic of China*, and have issued the *Guideline for Energy Conservation and Consumption Reduction Management*; we continue to explore measures and mechanisms to improve water use efficiency and ensure safe, hygienic, economical, and efficient use of water. Our water is sourced primarily from the municipal supply, and no industrial wastewater is generated during production. The HVAC system operates in a closed loop, using only a small amount of make-up cooling water and discharging no water to the external environment. For domestic water use, we promote water-saving technologies, install water-efficient fixtures and sensor-activated toilets, and do not use water-intensive equipment that has been officially phased out by the government, thereby improving water use efficiency. During the reporting period, our total water consumption was 297,594.77 metric tons, with water consumption intensity of 0.018 metric tons per 10,000 yuan of revenue.



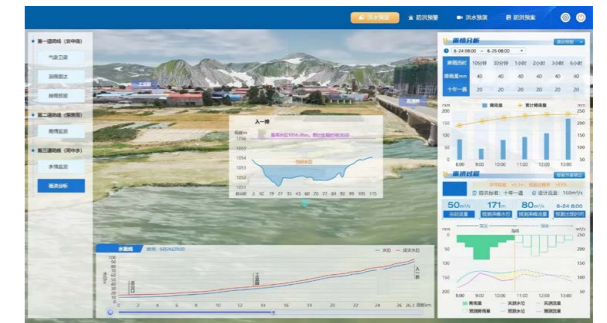
Water Conservation Measures

Ecosystem and Biodiversity Conservation

We actively engage in technical collaborations on natural ecosystem conservation, leveraging cloud computing, big data, and artificial intelligence to build efficient, high-precision ecological monitoring and conservation systems, thereby supporting biodiversity through computing power. None of our production sites are located in areas designated as globally or nationally important or sensitive for biodiversity. Prior to construction, each facility underwent a local environmental impact assessment, and local ecological authorities confirmed no adverse effects on biodiversity or local ecosystems; future siting will likewise avoid such areas.

Case Smart Hydrology for Ecological Conservation and Flood Risk Mitigation

During the reporting period, we partnered with Donghua Software to develop a smart hydrology four-predictions-integrated management platform that uses edge computing, digital twins, and AI-driven hydrological models to enable real-time monitoring, accurate forecasting, and scientific simulation across rivers, lakes, reservoirs, and water control stations. The platform can issue flood warnings two to four days in advance and generate dynamic flood-prevention plans, providing precise guidance for riverside communities and effectively reducing flood risks. The project upgrades traditional, experience-based flood control to a data-driven approach, enabling precise management of water resources and ecosystems, safeguarding ecological security and safety of people's lives and property, and providing technical support for regional ecological conservation and smart water management.



Smart Hydrology Four-Predictions-Integrated Management Platform

Response to Climate Change

Amid intensifying climate change, an accelerating energy transition, and tightening energy-use constraints in the computing power industry, we have made climate action and clean energy top priorities for high-quality growth, systematically advancing energy management, energy efficiency, carbon reduction, and clean technology innovation.

Governance




We have established a sustainability governance structure anchored in the Strategy and Sustainable Development Committee, extending from the Committee Chairman and Secretary-General to the EHS and Energy Conservation and Emissions Reduction Committee, providing clear organizational support for climate change response. We comply with applicable energy management and clean energy laws and regulations in all operating jurisdictions and have issued policies such as the *Regulation on Energy Baselines and Performance Parameters*, the *Detailed Rules for Data Collection, Monitoring, and Metering*, and the *Guideline for Energy Audits*. By continuously refining the energy management system, we have established clear procedures for managing energy baselines and performance parameters, standardized data collection and monitoring, and built a dedicated team for data analysis and improvement to enhance energy efficiency and the use of clean energy. During the reporting period, our ISO 50001 Energy Management System certification remained valid.






ISO 50001 Energy Management System Certification

Strategy

We actively address the risks and opportunities posed by climate change. Centering on energy conservation, consumption reduction, construction of eco-friendly facilities, and clean technology innovation, we continuously improve energy efficiency, reduce carbon emissions, and advance operational excellence alongside environmental sustainability. Through refined production processes, upgraded equipment technology, and innovation in liquid-cooled servers, we have effectively reduced energy consumption and operating costs. At the same time, we have capitalized on market opportunities presented by green and low-carbon technologies, thereby enhancing both our resilience and competitiveness.

Risk Factor	Risk Description	Financial Impact	Impact Duration	Business Area Affected
 Rising Operational Carbon Costs	The demand for computing power grows, and our manufacturing, testing, and data center operations are electricity-intensive. Without effective energy-mix optimization and efficiency improvement measures, energy consumption per unit of output and operational energy consumption could rise, increasing carbon emissions intensity.	Rising Costs	Short-term Mid-term	Operations
 Extreme Climate Impacts	Extreme climate events such as high temperatures and heavy rainfall can affect production facilities, public utilities, and data center environments, increasing equipment loads and failure risks and disrupting production continuity and delivery stability.	Rising Costs Damaged Reputation	Short-term Mid-term	Operations
 Constraints Under the Carbon Peaking and Carbon Neutrality Goals	As progress toward these targets accelerates, stricter energy-efficiency standards, emission caps, and regulatory requirements may restrict market access or impose additional compliance obligations on energy-intensive equipment or production models.	Rising Costs	Mid-term Long-term	Upstream Operations

Opportunity	Opportunity Description	Financial Impact	Impact Duration	Business Area Affected
 Energy-saving Technology Upgrades and Green Facility Development	By optimizing processes, upgrading equipment technology, and developing eco-friendly facilities, we can improve energy efficiency and reduce energy use and carbon emissions per unit of output.	Reduced Costs	Short-term Mid-term	Operations
 Clean Technology Innovation	Liquid-cooled servers and hybrid air-liquid cooling solutions can improve heat dissipation, reduce energy use for data center cooling, and support high-density computing.	Reduced Costs Enhanced Reputation	Short-term Mid-term	Operations Downstream
 Green Computing Power	As demand for green computing power grows, low-carbon, high-efficiency computing products and solutions will be preferred, and our expertise in this field is expected to create a competitive edge.	Increased Orders	Mid-term Long-term	Downstream

Management of Impacts, Risks, and Opportunities

We integrate relevant factors into operation management and technology development planning. We proactively mitigate potential risks by promoting clean technology innovation, implementing energy-saving and carbon reduction measures, strengthening energy management, building green factories, and promoting green office practices, thus advancing both business and sustainability goals.

Clean Technology Opportunities

In response to surging computing power demand and tighter data-center energy constraints, the Company has made clean technology a strategic priority. We are executing an "All-in Liquid Cooling" strategy and increasing investment in R&D, manufacturing, and deployment of green computing technology (such as liquid cooling) to deliver higher-efficiency, lower-carbon computing infrastructure.

We are building a full-chain smart manufacturing system for liquid-cooled servers, from component-level to factory-level, and incorporating liquid-cooling R&D, testing, validation, and mass production into our core computing equipment business. We have developed and deployed multiple testing and manufacturing equipment—including integrated pump-driven liquid supply with indirect evaporation, negative-pressure rack drainage and drying, nitrogen purging, and intelligent secondary coolant purification—to enable industrial-scale delivery of liquid-cooled servers and accelerate the shift from R&D to deployment in core business. We continue to lead in R&D and innovation in advanced clean technologies such as negative-pressure and two-phase liquid cooling, holding over 1,000 core liquid-cooling patents, while deepening application-oriented R&D of such clean technologies to strengthen our technological moat. During the reporting period, multiple liquid-cooled server manufacturing technologies reached internationally leading levels.

Innovations in Liquid Cooling Technology

Negative-pressure Liquid Cooling

As a pioneer of liquid-ring vacuum CDU technology, we ensure the secondary circuit of the liquid-cooling system operates under negative pressure, virtually eliminating fluid-leak risks. This prevents environmental and equipment contamination resulting from coolant leaks and reduces coolant use and top-ups. In addition, a simplified structure leads to lower use of resources for manufacturing of parts and components and reduced O&M costs, promoting wider adoption of cold-plate liquid cooling, lowering data-center PUE and reducing energy use and carbon emissions.



Two-phase Liquid Cooling

The newly released Meta Brain® MW-class pump-driven two-phase liquid-cooled rack supports a heat flux of 3,000 W per chip or above 250 W/cm², meeting GW-class AI data center thermal densities. It enables denser computing power deployment, shrinking data center footprint and infrastructure-related carbon emissions; leveraging phase-change heat dissipation, it lowers power component energy use, extends service life of core equipment, and reduces e-waste, while a modular design facilitates end-of-life equipment disassembly and materials recycling.



Our proprietary, highly customized liquid-cooling components are deployed at scale in liquid-cooling factories in China and around the world. While supporting factory construction and delivery needs, they cut procurement costs and delivery lead time and support massive adoption of liquid-cooled servers and data center solutions. This has greatly boosted data-center energy efficiency and reduced heat-dissipation losses of energy-intensive equipment, remarkably lowering emissions intensity and creating commercial value, environmental benefits and revenue gains driven by clean technologies.

Fully Enclosed Hot- and Cold-aisle Containment

Our liquid-cooled server test module uses hot-/cold-aisle containment with short supply and return paths near servers, improving heat exchange efficiency and enabling noiseless operation. The cooling system incorporates a dedicated liquid-cooling circuit. Supply-water temperatures for liquid-cooled servers can be set up to 40°C—compared with about 24°C for conventional air-cooled systems—delivering significant energy savings. The design also supports rack power densities up to 100 kW, ensuring broad compatibility with a wide range of liquid-cooled servers.

Achieved PUE as low as

1.18

Intelligent Data Center Management Platform

We adopted an intelligent data center management platform with AI-driven cooling capacity control that enables second-level real-time synchronization of cooling supply with IT-load changes. Using component-level temperature data, the system adaptively optimizes server fans, overall system loads, as well as data center air conditioning, cooling capacity, and coolant flow, ensuring stable operation at optimal operating temperatures and delivering facility-level energy savings.

Energy consumption reduced by approximately

20%

Key Performance

China Energy Conservation Certificates Received:

66

China Environmental Labeling Certificates Received:

27

U.S. E-star Certificates Received:

35

Korean E-standby Certificates Received:

70



Production Department General Manager

Serving

on the National Technical Committee for Green Manufacturing Standardization

Case Meta Brain® Intelligent Computing Pod Driving Green High-density Computing

To address energy-efficiency and space challenges in high-density computing scenarios, we developed the Meta Brain® Intelligent Computing Power Module, which combines liquid-cooled servers with fully enclosed hot-/cold-aisle containment to significantly cut energy use for cooling. In a Beijing-Tianjin-Hebei smart computing center deployment, a 48 kW air-cooled computing pod housing 12 units and 108 racks over approximately 860 m² achieved 9–10× the computing density of conventional solutions and maintained a stable PUE below 1.2. It saved about 4.5 million kWh annually, reducing energy use and carbon emissions and enabling greener, more efficient, and more compact infrastructure.



Annual electricity savings: approximately

4.5 million kWh

Becoming the first modular data center product to have met the Class 1 Chinese energy-efficiency standard

Energy Saving and Carbon Reduction Measures

We are advancing a company-wide green transformation centered on energy conservation and carbon reduction, optimizing production processes and upgrading equipment and technology. In doing so, we aim to improve energy efficiency, lower carbon emissions, and support green, low-carbon development, thus aligning operational performance with environmental sustainability.

Case Verification of Product Carbon Footprints

During the reporting period, we performed full life-cycle carbon footprint calculations with third-party verification on the Meta Brain® NF5280G7 server in accordance with the standard ISO 14067. We guided energy-saving and carbon-reduction actions, and promoted low-carbon management across the product life cycle.



Product Carbon Footprint Verification Statement

Case System-wide Coordinated Energy Optimization for Air-conditioning Systems

We continue to upgrade air conditioning systems for energy saving using intelligent, digital solutions for coordinated, system-level optimization. Upgrades include intelligent variable-frequency control for cooling towers, triple optimization of water pumps, and integrated group control. They help significantly improve system efficiency and energy utilization, enable precise load matching, and support dynamic adjustment. After upgrades, the system saved around 1.56 million kWh annually and reduced emissions of around 1,226 metric tons of CO₂ per year, while unlocking latent capacity to stabilize production and support future expansion.



After upgrades, the annual electricity savings reached approximately

1.56 million kWh



Annual CO₂ emission reduction reached approximately

1,226 metric tons

Green Factory Construction

We actively support the national carbon peaking and carbon neutrality goals and continue to advance the construction of green factories. Through intelligent transformation and application of green technologies, we implement low-carbon practices across production, internal management, and office operations, improving energy efficiency, reducing emissions, and enhancing productivity. In parallel, we are advancing the construction of green premises through smart building management and energy-saving retrofits to drive further energy conservation and carbon reductions in the building sector.

During the reporting period, our production facility in Jinan continued its green transition, installing a photovoltaic system and deploying an energy management system with notable results. During the reporting period, the PV system generated 3,847,429.2 kWh of clean electricity for the facility. The energy management system is fully operational, enabling precise efficiency management across production and administrative activities and driving further energy saving and emissions reduction.

Key Performance

During the reporting period, cumulative PV system generation reached

3,847,429.2 kWh

Green Office Practices

We have launched company-wide initiatives for energy saving and consumption reduction. We reduce office energy use and environmental impact by promoting paperless workflows, optimizing equipment energy consumption management, promoting resource recycling, encouraging low-carbon commuting, and building conservation awareness. These measures have moved office operations toward a greener, lower-carbon, more efficient model.

Indicators and Goals

Goal for Climate Change Response in 2025

Progress Toward the 2025 Goals

Increase the share of renewable energy such as solar and wind.



Note: For climate-related metrics, see the ESG Performance Data table.

Circular Economy and Waste Management

Upholding the principle of circular economy in our operations, we focus on waste reduction, resource recovery, and safe disposal and take systematic measures to advance waste and pollutant discharge management, thus improving resource efficiency and reducing environmental impact. By improving systems and procedures, standardizing management processes, and advancing technological and model innovations, we strengthen categorized control and compliant disposal of general waste, hazardous waste, and e-waste. We also expand recycling practices via packaging optimization, equipment reuse, and trade-in programs to support a green, low-carbon and sustainable operating model.

Waste Management and Pollutant Discharge

We comply with applicable laws and regulations, including the *Law on the Prevention and Control of Environmental Pollution by Solid Wastes* and the *National Catalogue of Hazardous Wastes*, and have established our own systems and procedures for waste and pollutant discharge management based on our business features. These systems and procedures define the classification, collection, storage, transport, and disposal of different kinds of waste, allowing continued standard and compliant waste management. During the reporting period, our total environmental operating costs were approximately 1.25 million yuan, covering O&M of emission treatment facilities, hazardous-waste disposal, activated-carbon replacement, and compliance with "Three Simultaneities" requirements (simultaneous design, construction, and commissioning of environmental protection facilities).

We carry out classified management on waste generated during production and operation where general waste is separated from hazardous waste and materials with recovery value are recycled. All waste is stored in designated areas in accordance with regulations and is disposed of by qualified third-party contractors. We have established a comprehensive *Hazardous Waste Management Records* that ensures full traceability and transparency from generation and transfer to final disposal. This ensures that we meet national and local requirements, and maximize resource use while preventing environmental pollution.



Environmental Indicator	Unit	2025
Waste Management		
General Recyclable Waste Intensity	metric ton/CNY 10,000 of revenue	0.000228
Hazardous Waste Intensity	metric ton/CNY 10,000 of revenue	0.000007
Waste Intensity	metric ton/CNY 10,000 of revenue	0.000235

Note: General non-recyclable waste (mainly household) is collected and transported for disposal by municipal authorities in a centralized manner and cannot be tracked separately; therefore, it is excluded from these figures for the time being.

The Company strictly complies with all applicable laws, regulations, and environmental impact assessment requirements for construction projects. We have passed the acceptance based on the Three Simultaneities requirements for environmental protection. Our operations do not involve industrial wastewater discharge or industrial emissions. Air quality management within our premises primarily focuses on emission sources in office and public areas. Emission monitoring facilities are connected to the provincial environmental protection monitoring platform, enabling effective control of both organized and unorganized emissions and ensuring that emissions comply with relevant air quality standards.

Electronic Waste

We have established an extensive electronic waste recovery system by integrating our operations resources with a third party's under the dual-track operation mode. We strictly comply with the Basel Convention, banning e-waste exports to non-OECD countries, and offer a one-stop service that includes asset inventory, data erasure, and environmentally sound disposal, with an emphasis on data security assurance. Through tailored solutions, multi-channel communication, and maximizing the residual value of equipment, we aim to enhance the customer service experience and satisfaction.

Based on market demand and our operational capacity, we offer upgrade services, with component upgrades available at 100% of our premises; trade-in and computing power upgrade services are available across all regions of the Chinese mainland. During the reporting period, a total of 450 customers benefited from the upgrade services; a total of 1.4 million pieces of equipment/components were replaced or upgraded.

Key Performance

During the reporting period, total number of customers benefited from the upgrade service:

450

Total number of equipment/components replaced and upgraded:

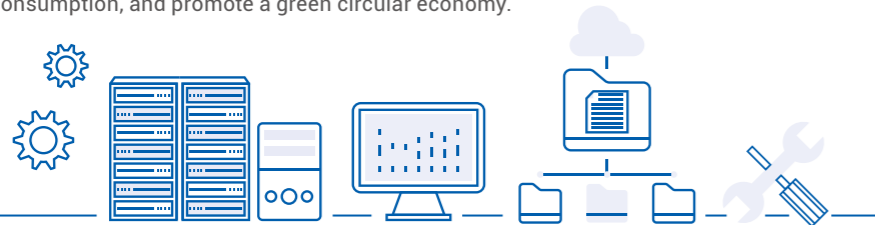
1.4 million

Case Upgrade Services Promote the Reuse of Servers, Thereby Improving Reuse Rates

Our upgrade services support upgrades of general-purpose or AI-driven computing modules on existing servers to enable deployment of large language models such as DeepSeek. Under equivalent performance and configuration conditions, this approach can achieve a reuse rate of approximately 75% for existing equipment, resulting in overall cost savings of 30%–40% compared to purchasing new equipment. Through standardized delivery and a dedicated engineering team, we provide end-to-end services—from solution design and equipment assessment to upgrade deployment and full-life-cycle maintenance. By enabling next-generation computing capacity on existing infrastructure, we extend asset service life, curb electronic waste generation, and advance resource efficiency and green computing.

Case Storage Upgrade Program—Free Storage Replacement and Upgrade Program

During the reporting period, we launched the Storage Upgrade Program, introducing free replacement and upgrades of outdated storage equipment into next-generation, energy-efficient all-flash products. This Program helps customers resolve performance bottlenecks, ensure business continuity, significantly reduce data center energy consumption, and promote a green circular economy.



Storage Upgrade Program

For suppliers operating e-waste recycling facilities in various locations, we have established a comprehensive management process for e-waste recycling suppliers. In accordance with applicable local laws, supplier social responsibility audit requirements, and specific requirements for e-waste recycling suppliers, we conduct social responsibility audits of these suppliers. Beyond standard supplier audit criteria, audits of e-waste recycling suppliers verify third-party certifications such as ISO 14001, ISO 9001, and ISO 45001, as well as recycling standards including Responsible Recycling (R2), e-Stewards, or relevant local government compliance certifications.

Circular Economy

To support resource recycling and green development, we continue to optimize server packaging by reducing packaging volume, improving material recyclability, and standardizing packaging specifications and operating procedures. These initiatives help increase packaging recovery, reduce material use across production and logistics, and promote transition to circular-economy-based and more sustainable product delivery. We continue to promote the reuse of cardboard cartons in warehousing operations. By the end of the reporting period, this initiative reduced paper consumption by approximately 20.2 metric tons.

Case Reducing the Use of Conventional Foam Packaging

We expanded the use of air pillow packages to replace conventional foam padding. During the reporting period, approximately 540,000 sets were used, reducing foam plastic consumption by about 197 metric tons. Since 2019, we have cumulatively used approximately 3.51 million sets, reducing foam plastic by about 1,453 metric tons—equivalent to approximately 20,400 metric tons of CO₂. This equivalency is calculated based on an assumed annual CO₂ absorption of 18.3 kg per tree, which is comparable to planting about 1.12 million trees.

During the reporting period, the Company served as the lead organization in developing and issuing the group standard *Test Methods for Air Pillow Packages of Servers* through the China Electronics Standardization Association, providing a reference framework to support the broader adoption of eco-friendly packaging.



Cumulative total number of air pillow packages used: approximately

3.51 million sets



Cumulative reduction in foam plastic: approximately

1,453 metric tons



Air Pillow Packages

Case Expanding the Use of Reusable Wooden Crates

For full-rack server shipments, we implement a reusable wooden-crate system.

During the reporting period,

Wooden crates are reused an average of approximately

3 times

Wood saved: approximately

300 metric tons

Expanded polyethylene (EPE) material reduced: approximately

18 metric tons



Wooden-crate Packaging for Full-rack Servers

Social

IEIT SYSTEMS prioritizes talent development, promotes equal opportunity and workforce diversity, and provides structured training and career-development pathways to support employees' professional growth. We also continue to improve our occupational health and safety management to provide a safe, comfortable workplace and to protect employees' physical and mental well-being. We also strengthen quality management and supply-chain coordination to maintain the stability and reliability of our products and services and support efficient, resilient operations across the supply system. We have established governance policies and procedures for data security and customer privacy protection, including data classification, access controls, and encryption. We also conduct periodic assessments and training to reduce risks and safeguard customer rights.

Our Actions

- Employee Recruitment and Development
- Occupational Health and Workplace Safety
- Quality and Safety of Products and Services
- Innovation-Driven Development and Industry Growth
- Data Security and Customer Privacy Protection
- Supply Chain Security
- Rural Revitalization and Social Contribution

Alignment with SDGs

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Employee Recruitment and Development

We regard talent as a core resource underpinning high-quality corporate development. Guided by a people-oriented talent strategy and fair, nondiscriminatory recruitment practices, we attract and retain high-caliber professionals and continue to build a diverse, multi-skilled workforce to inject momentum into the high-quality corporate development. We have established a tiered, role-based training system to better align learning programs with job requirements and employees' career stages. Through targeted and customized training, we support professional capability development and internal career progression of employees. We continue to strengthen employee communication mechanisms and multipath career development channels, safeguard employees' rights to participate in democratic management, and foster an open, inclusive, and collaborative workplace. We also use diversified incentive mechanisms to encourage engagement and innovation among employees, enhancing organizational cohesion and supporting stable, sustainable business growth.

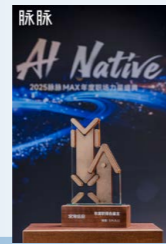
Diverse Workforce

We comply with applicable laws and regulations for labor protection and labor relations management in the countries and regions where we operate. We have established standardized employment management policies and procedures (including the *Recruitment Management Measures*, *Attendance Management Measures*, and *Labor Contract Management Measures*), with the Human Resources Department responsible for oversight of implementation. We continue to improve our labor relations management framework, sign employment contracts with employees in accordance with applicable laws, standardize key employment processes, and protect employees' legitimate rights and interests.

We have built a multichannel recruitment and workforce planning system to improve talent supply quality and organizational fit. When vacancies arise, we prioritize internal placement and mobility through our internal talent pool. External recruitment is conducted as needed after internal resources have been fully utilized, supporting coordinated workforce planning and efficient allocation of talent. Our workforce structure remains broadly diversified and balanced, and our talent pipeline continues to strengthen.

We maintain a long-term approach to talent acquisition and operate a dual-track recruitment model that combines the introduction of experienced professionals with foundational talent pipeline development. Guided by strategies and forward-looking layout, we recruit high-caliber professionals in areas such as R&D, marketing, and sales, centering on business and innovation to enhance our core competitiveness. In parallel, we treat campus recruitment as a key pipeline channel, attracting outstanding Chinese and overseas graduates through structured campus programs and end-to-end development pathways. Our efforts in this aspect have been recognized by academic institutions. During the reporting period, five universities, including Peking University and Renmin University of China, issued letters of appreciation. This reflects our sense of social responsibility for industry-academia collaboration and young talent employment and growth as well as for cultivating talent and serving national strategies together with universities.

Employment Recognition



Recognized as a 2025 Maimai MAX Most Attractive Employer of the Year



Recognized as Guopin Recruitment Platform's Employee-Friendly Company of 2025



Letter of Appreciation Received from Peking University



Letter of Appreciation Received from Renmin University of China

Key Performance

As of the end of the reporting period, the Company employed

6,896 people

New hires during the year:

1,019

Employees from ethnic minority groups:

509

New female hires during the year:

309

Women in management:

20%

Protection of Rights and Interests

Compliance in labor employment and protection of employee rights and interests are central to our social responsibility and are foundational to our sustainable development. Guided by a people-oriented philosophy, we protect employees' lawful rights and interests, foster a fair and inclusive workplace environment, and ensure compliance with applicable labor laws throughout our management practices. Focusing on diversity and inclusion, compliant employment practices, and protection of rights and interests, we have established policies, procedures, and implementation mechanisms and fulfilled our social responsibility throughout labor employment to protect the lawful rights and interests of both employees and job applicants, and promote shared growth between the Company and our workforce.



Upholding Diversity and Inclusion and Fostering an Equitable Workplace Culture

- Creating Core Values and a Sound Management System:** We promote multicultural values and have established internal mechanisms to prevent discrimination and support diversity management. We have issued dedicated documents such as the *Diversity, Equity, and Inclusion Policy* to guide implementation. This work is led by the General Manager, coordinated by the Human Resources Department in collaboration with relevant departments, and supported by employee participation. We set diversity and development objectives and advance implementation across policy design, operational execution, and workplace code of conduct to promote diversity, equity and inclusion (DEI).
- Strengthening Organization and Implementation of DEI-themed Activities:** We provide DEI training for employees and organize periodic themed activities to reinforce organization and implementation. The Company allocates appropriate HR support, logistical resources, and funding to support these programs and improve employees' understanding of core concepts through multiple channels.
- Promoting Nondiscrimination and Fairness Throughout Human Resource Management:** We apply nondiscrimination principles throughout HR management, including hiring, compensation, training, promotion, dismissal, and retirement. We do not tolerate discrimination based on race, religion, gender, social class, family background, sexual orientation, marital status, or other characteristics, and we maintain management controls to help ensure fairness. We require the management to exercise HR management authority in accordance with professional standards. We prohibit harassment and abuse in any form and expect the management to lead by example in fostering a respectful workplace environment.
- Protecting Women's Rights and Interests and Providing Special Protections:** We are committed to equal employment opportunities for women and do not discriminate in hiring for roles for which female candidates are qualified. We provide equal access to compensation, promotion, and training to avoid discrimination. We implement special protections for female employees in accordance with the *Special Provisions on the Labor Protection of Female Employees*. We safeguard employees' labor rights and interests during pregnancy, maternity leave, and breastfeeding, including reasonable arrangements for menstrual health and lactation needs, where required.

Ensuring Compliant Recruitment and Protecting Job Applicants' Rights and Interests

- We follow lawful employment and fair recruitment principles and prohibit forced labor in all forms. We do not request deposits as guarantees or for training and other purposes from applicants and do not withhold or retain ID cards, academic certificates, or other personal credentials. These requirements apply throughout the recruitment process to protect applicants' rights and interests and maintain a fair, transparent, compliant and orderly hiring process.

Safeguarding Labor Rights and Interests and Protecting Employees' Legitimate Rights

- Normal Working Hours and No Forced Overtime:** We comply with applicable working-hour regulations and encourage employees to leave work on time. Overtime is arranged with employees' consent; we prohibit forced overtime in any form and safeguard employees' rights to rest and take leave.
- Freedom of Employment and All-round Protection of Rights and Interests:** We respect employees' freedom of occupation and movement and do not impose unreasonable restrictions. We protect employees' rights and interests related to compensation and benefits, working conditions, and career development.
- Trade Union Development and Protection of Employee Rights and Interests:** We are constantly promoting the development of our trade union to safeguard the lawful rights and interests of employees, provide services for them, enhance their sense of belonging and gain, and promote harmonious labor relations.

Preventing Child Labor and Strengthening the Management of Underage Workers

- Compliance Requirements and Management Mechanisms:** We strictly comply with minimum-age employment requirements, prohibit child labor recruitment directly or from any third parties, and manage underage workers in accordance with applicable laws and regulations. We have established procedures consistent with the *Guideline for the Prevention, Control, and Remediation of Recruitment of Child Labor and Minors* to strengthen these efforts.
- Screening and Verification and Risk Control at the Source:** During recruitment and onboarding, we verify original ID cards and review onboarding materials to confirm age eligibility, reducing the risk of employing child labor and underage workers at the source.
- Rapid Response and Remediation:** If any suspected case of child labor or employment of underage workers is identified, we will report it through our compliance channels, initiate a remediation process, and notify competent authorities as required by law. We will also provide appropriate support for the individual(s) involved, including arranging health examinations and necessary medical care, ensuring safe return home, and supporting a return to education to fulfill our obligation of compliance and humanistic care.

Democratic Management

We value employees' participation in corporate governance and protect their lawful rights and interests. We have established the *Complaints and Whistle-blowing Management Guideline*, which defines the scope of reportable matters, reporting channels, handling procedures, documentation requirements, and measures for protection and appropriate incentives. Employees are encouraged to raise concerns related to labor and human rights, business ethics, suspected illegal activities, violations of the Company's policies, environmental compliance, and potential misconduct by external third parties. We ensure all reported matters are handled promptly in accordance with established processes.

Communication and Participation Mechanism

We have established diversified employee communication and participation mechanisms, with the Staff Congress as the primary platform, to support employees' participation in democratic decision-making, democratic management, and democratic oversight. We emphasize representative diversity, including an appropriate proportion of female representatives, to ensure that perspectives from different roles and employee groups are heard and effectively communicated. The Human Resources Department maintains dedicated hotline and email channels and regularly updates the employee handbook to support employee consultation and feedback. The Audit Department operates a separate whistle-blowing hotline and email channels, responsible for receiving and following up on reports and timely providing updates for reporting parties. Together, these arrangements form a closed-loop process covering receipt, review and investigation, resolution, feedback, and record retention, with clear accountabilities and standardized handling requirements.

Protection Mechanism for Complaints and Whistle-blowing

We apply standardized procedures and confidentiality requirements throughout the complaint and whistle-blowing process. We protect the personal information of reporting parties and the content of reports, improve the transparency of the handling process and timely communicate case progress in line with established procedures. We maintain a zero-tolerance approach to retaliation against whistle-blowers. Any act of disclosing case information without authorization, obstructing case handling, or retaliating against a reporting party will be addressed in accordance with applicable laws and the Company's policies, and responsible individuals will be held accountable. We also address malicious or knowingly false reports in accordance with applicable laws and the Company's policies. We are committed to safeguarding the seriousness and fairness of our complaints and whistle-blowing mechanisms and protecting all employees' lawful rights and interests.

To strengthen organizational effectiveness and improve the employee experience, we have established a regular employee satisfaction feedback mechanism. Through targeted surveys, we gather employee input and use the results to drive management improvements.

Training and Development Satisfaction Survey

We conduct surveys after each formal training program, evaluating course design, instructor effectiveness, training organization, and support for applying learning on the job. Survey feedback is used on an ongoing basis to improve our training system and is a key input to training enhancements. During the reporting period, the satisfaction score was 4.8 out of 5.

4.8

Procurement Service Satisfaction Survey

We conduct quarterly satisfaction surveys among internal client departments, focusing on procurement efficiency, process optimization, guidance, and cost control. Results are incorporated into the procurement team's performance appraisal and used to drive process improvements. During the reporting period, the satisfaction score was 9.49 out of 10.

9.49

Key Performance

During the reporting period, collective bargaining agreement coverage: **100%** staff congress convened: **1**


Employee Complaints and Whistle-blowing Channels

Complaint letter	Complaint box
Reporting hotline	0531-85104098
Reporting email	jubao@ieisystem.com
HR hotline	0531-85102988; 010-61083007
HRSSC group email	hrssc@ieisystem.com

Remuneration and Benefits


Guided by our people-oriented philosophy, we continue to enhance our remuneration and benefits framework. We aim to provide market-competitive remuneration that is administered fairly and transparently, supported by comprehensive benefits coverage for employees. Our remuneration framework is based on job value and performance, and combines short-term incentives with medium- to long-term incentives. It recognizes employees' contributions and supports sustained performance and long-term value creation. Through diversified benefits programs and humanistic care, we also enhance employees' sense of gain, happiness and belonging support them in shared growth with the Company and enable them to share the Company's development outcomes.

To attract, motivate, and retain talent, we continue to refine our remuneration and incentive mechanisms and promote a fair, equitable, transparent, and dynamic employment environment. We also provide development platforms to help employees realize their potential and value and support mutual success for employees and the Company.




Remuneration System

We operate a remuneration management framework grounded in job value and performance, linking pay levels to individual capabilities, contributions, and the Company's performance. We comply with annual wage guidelines issued by the government and ensure employees' wages meet or exceed local minimum wage requirements. We also set our pay levels with reference to the market conditions to strengthen external competitiveness and internal equity of our remuneration system.



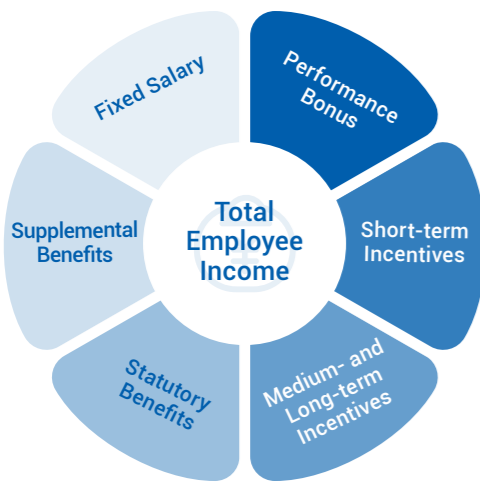
Incentive Mechanisms

We promote alignment between short-term and medium- to long-term incentives: short-term incentives recognize periodic performance, while medium- to long-term incentives encourage shared growth with the Company. We continue to refine performance-linked incentives to motivate sustained value creation by employees. We continue to develop long-term incentive mechanisms, including equity-based incentive plans, to align employee interests with corporate performance, encourage employees to take the initiative, explore innovation approaches, and support employees in value creation and shared development with the Company.



Non-monetary Incentives

We also emphasize employee recognition and engagement through non-monetary incentives, such as selection of outstanding employees, formal commendations, and training and development opportunities, to strengthen employees' sense of achievement and belonging and enhance organizational cohesion.



Remuneration Structure

While improving the remuneration and incentive mechanisms, we have built a comprehensive and considerate benefit system that outlines our welfare offerings, including health protection, living assistance, team-building activities, holiday blessings, accommodation support, and employee development resources. In addition to providing statutory benefits, we offer additional benefits tailored to employee needs (such as leave to support children's school enrollment, where applicable). These programs help improve employees' sense of belonging and happiness, strengthen team cohesion, and contribute to talent retention and long-term corporate development.

Statutory Benefits	Supplemental Benefits	
<ul style="list-style-type: none"> • Social insurances and housing provident fund • Paid annual leave • Parental leave 	<ul style="list-style-type: none"> • Festival benefits • Regular medical check-ups • Special leave to support children's school enrollment 	<ul style="list-style-type: none"> • Supplemental medical insurance • Enterprise annuity

Company Benefits

Employee Activities

We continue to organize employee welfare and culture-building activities and have developed an employee care framework centered on festival greetings, health management, family-friendly measures, and targeted care for specific employee groups. We provide birthday benefits and benefits for the Spring Festival, Mid-autumn Festival and other festivals, and organize seasonal care programs such as Summer Cooling and Winter Warmth, as well as health services. We also offer targeted support for employees experiencing financial hardship and provide family-friendly measures (e.g., discounted preschool enrollment for employees' children, where available), to enhance employees' sense of gain and organizational cohesion.

During the reporting period, we further expanded employee activities:



March

We launched the Blooming Beauty: Celebrating Her Power initiative across our offices, showing respect and care to female employees in their work and life through activities such as flower-gifting and DIY workshops.





May

We hosted a Dragon Boat Festival-themed team event, combining traditional culture with creative activities to strengthen team engagement, cultural identity recognition and cohesion.





July

We held a parent-child event—Fun Exploration: Growing Together, inviting 53 employee families to visit the smart factory and brand showroom, with additional interactive games and a dental-care mini workshop to allow employees to enjoy quality time with their children.





August

We organized a youth networking event—Music Meets Hearts: Tuning into Love, to provide a positive social platform for single young employees, enabling them to expand their social circles and improve their sense of happiness.



We also strengthened health and wellness initiatives. During the reporting period, we launched a shoulder-and-neck health program, engaging a professional team to provide on-site, tailored services for seven consecutive weeks to help relieve work-related fatigue and improve employee well-being and satisfaction.

Training and Development

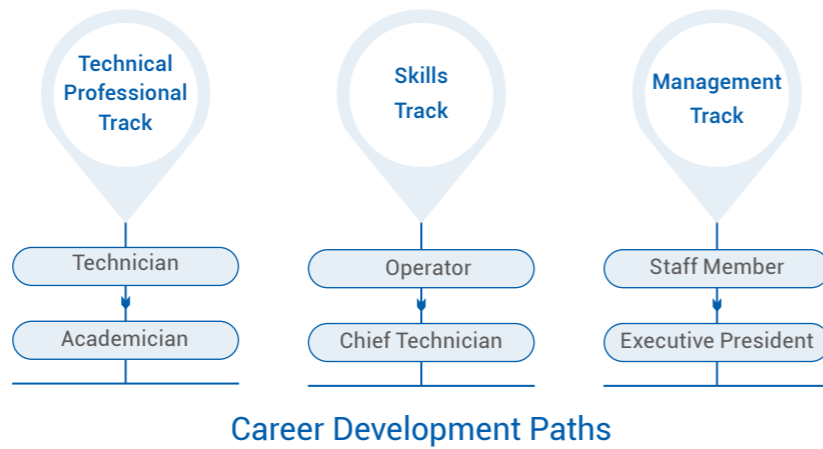
We view capability building as a key driver of organizational resilience and competitiveness, and we continue to improve our training and development system to support the coordinated growth of employees and our business. We provide tiered and classified learning resources and development programs aligned with job requirements and career stages. We also maintain dual career pathways—technical professional and managerial—to support skill development and career advancement in line with our long-term sustainable development goals. During the reporting period, total investment in employee training exceeded 3 million yuan.

Assessment and Promotion

Career Development and Promotion

We provide employees with clear career development pathways, including skills, technical professional, and management tracks, to broaden advancement opportunities.

We conduct performance reviews twice a year to recognize skill development and role contributions and to enhance employees' sense of gain and growth.



Career Development Paths

Selection and Appointment of the Management

We follow principles of fairness, impartiality, and transparency in recruitment and promotion, and select and appoint qualified candidates in accordance with established procedures. We also ensure that female employees have equal opportunities to participate in management selection, support their participation in corporate management in accordance with applicable laws and regulations, and continue to foster a talent development environment that advances equal opportunity, diversity, and inclusion.

We operate a goal-oriented performance management framework designed to align individual objectives with the Company's strategic direction through systematic evaluation mechanisms. We conduct monthly and annual performance evaluations. Performance indicators are tailored by role and are communicated to employees from the perspectives of performance and values. Organizational performance is linked to individual performance, and performance evaluation results are used to inform bonuses, salary adjustments, promotions, managerial appointments, and recognition awards, thus reinforcing contribution-based incentives. We follow open and transparent evaluation principles and provide appeal channels to safeguard employee rights and interests. For employees not meeting expectations, we offer targeted coaching and performance improvement support to encourage the development of both the employees and the Company. The mechanism is implemented in line with our diversity and equality principles and reflects our core corporate values.

Key Performance



During the reporting period, share of employees that undergo regular performance and career development evaluation:

100%

Employee Training

We remain committed to improving capabilities and supporting career development of employees. We provide diversified training resources and equitable development opportunities for employees, including permanent, dispatched, and contract staff, to align talent development with business needs. Based on the core growth needs of employees, we have established a sustainable training system integrating operations, resources, and policies. Through a blended learning model (online and offline), we continue to build a learning organization that supports broad participation and strengthens overall organizational capability and talent development.

We have established a talent pipeline strategy aligned with business needs, advancing development across three levels: senior management, middle management, and key front-line employees. Through competency models for key roles, high-potential talent assessments, succession planning, and practice-oriented programs that integrate learning with on-the-job application, we align talent development with the pace of business growth. We focus not only on expanding the workforce but also on consolidating internal expertise and scaling best practices across regions, creating a virtuous cycle across recruitment, selection, development, and retention. This helps reduce reliance on key individuals, shortens ramp-up time for new hires in critical roles, and provides stable and strong internal momentum to support sustainable growth of the organization.



Talent Development Mechanisms

We implement rotation programs for selected key positions and design rotation and career development pathways supported by targeted training, combining on-the-job experience with structured development. This two-way approach helps accelerate the development of versatile talent and strengthens the talent foundation for our long-term strategic development.



Training Content and Target Groups

We deliver tiered, role-based training programs, aligned with employees' levels and development needs. Our curriculum includes leadership training, professional competency training, general competency training, and new employee training, supporting continuous learning, capability improvement, and career growth across employee groups and job categories.

New Employee Training

We provide tailored onboarding training for new employees and conduct the annual New Tide Riders mentorship program for campus hires. Each new hire is supported by a dedicated one-on-one mentor and a class advisor, and provided with a special learning and guidance handbook. We provide full-cycle companion-style support—from building job-related skills to strengthening workplace professionalism—to help new employees fit into our culture, adapt to work requirements, and transition effectively from campus to the workplace.

General Competency Training

We have launched the "IEIT e-Learning" online learning platform, established a weekly learning mechanism, and incorporated selected external course resources to strengthen employees' general competencies across the board. We provide training on laws and regulations regarding health and safety, business ethics, and other compliance topics, and we continue to develop CSR and ESG awareness programs. These initiatives help instill compliance and responsibility in day-to-day work and strengthen employees' professional and general competencies.

Professional Competency Training

We work with external professional consulting firms to provide updates on industry trends, specialized knowledge, and practical methodologies, strengthening employees' professional capabilities. We encourage employees to pursue certifications aligned with business strategy and role requirements. We also cover in full the costs for study materials, training, and examinations to support employees' professional development.

Leadership Training

We have established a tiered leadership development system and organized special training camps for leadership improvement, with differentiated objectives for senior, middle, and front-line management to strengthen strategic operation capability, HR management skills, and operational execution, respectively. During the reporting period, we delivered 14 leadership training sessions. We also provided targeted training on workplace safety and compliance management to strengthen capabilities and skills of management teams in these critical areas.

Training System

Key Performance

During the reporting period, we advanced training programs systematically, covering **100%** of employees.

Cumulative total training sessions delivered:	Total training attendances: approximately	Average training hours per employee:	We strengthened the foundation of employees' professional competencies.
655	130,000	68	

Case IEIT's Global Voice Foreign Language Empowerment Program

During the reporting period, we launched the IEIT's Global Voice foreign language empowerment program to strengthen employees' language capability and cross-cultural communication skills and provide talent support for our overseas business development. The program targeted three groups—international professionals, domestic support staff, and management teams—and served more than 100 participants. It adopted a blended model combining online learning, one-on-one coaching, and cross-cultural workshops, with tiered content tailored to different needs. Participants in the program completed more than 3,800 hours of learning, contributing to improved language proficiency, stronger communication ability of overseas front-line employees in business scenarios, and a broader learning culture across the Company. Looking ahead, we will continue to improve learning resources and the language learning environment to strengthen our talent pool for global development and support high-quality development of overseas operations.



IEIT's Global Voice Foreign Language Empowerment Program



Case Learn & Do General Competency Training System

We have rolled out the Learn & Do general competency training system for all employees and established a learning matrix comprising Skill Boosters, English Corners, and Lecture Series, aimed at strengthening professional capabilities and broadening industry knowledge of employees in an all-round manner. During the reporting period, a total of 10 training sessions were provided under this system. Through a blended online-offline approach and a mix of short- and long-format courses, the program helped build a regular, immersive learning environment and provided sustained support for talent pipeline development and organizational capability building.

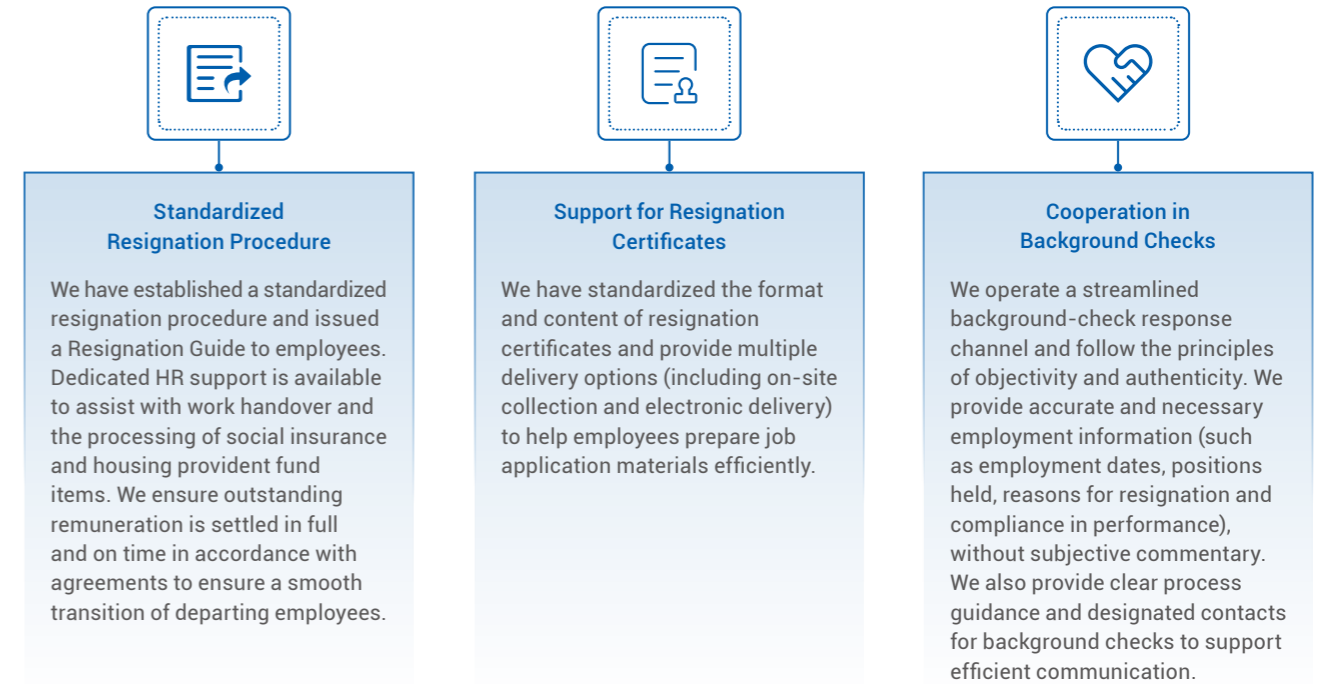


Learn & Do General Competency Training System

Re-employment

We uphold a people-oriented approach and provide support for employees during resignation and career transition to facilitate orderly off-boarding and re-employment. We formulate and implement practical, traceable measures across the resignation process, including the standardized resignation procedure, support for resignation certificates, and cooperation in background checks, to help departing employees transition to their next roles and reflect our commitment to responsible employment practices.

During the reporting period, the employee turnover rate was 13.60%, remaining within a manageable range. This reflects workforce stability and vitality and the effectiveness of our efforts to protect employee rights and interests, support career development, and build culture, laying a solid talent foundation for our sustainable development.



Re-employment Policies and Measures



Occupational Health and Work Safety

IEIT SYSTEMS prioritizes the occupational health and work safety of its employees in all business operations. We strictly comply with relevant laws, regulations, and supervisory requirements, including the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and continuously enhance our occupational health and safety management systems and framework. The Company adheres to a principle of "prevention first, comprehensive management." It strengthens risk identification and potential risk management, reinforces work safety accountability at all levels, and continuously improves its intrinsic safety standards to ensure employee health and the safe, stable operation of its production activities.

Management System and Structure

The Company has established a Workplace Safety Committee as its highest governing body for safety management, responsible for coordinating and guiding the implementation of occupational health and safety initiatives. Concurrently, it has developed a management support system centered on established policies, formulating and implementing multiple safety management regulations, including the *Production Safety Accountability Guidelines*, *Safety Training and Education Guidelines*, *Safety Inspection Guidelines*, and *Production Accident Management Guidelines*. The Company also appoints dedicated safety management personnel to enhance the compliance and operational efficiency of its work safety and occupational health management.

The Company's *System Management Manual* explicitly underscores the paramount importance of employee occupational health and safety. It sets forth the management policy to "provide health and safety assurance for employees," a commitment actualized through the diligent execution of responsibilities by all relevant departments, thereby showcasing the Company's dedication to employee occupational health. The Company provides work-related injury insurance for all employees. During the reporting period, its investment in this insurance amounted to 4.6478 million yuan.



Safety Risk Assessment

The Company has formulated and implemented the *Hazard Identification and Evaluation Management Specification*. It continuously conducts hazard identification and risk assessment activities, organizes regular comprehensive inspections, and compiles risk identification and assessment checklists. The Company simultaneously advances a "dual prevention mechanism" that combines hierarchical risk control with potential risk identification and management. It systematically identifies and classifies various risks, defines control levels, and develops inspection plans. The Company implements a daily manager-on-duty system, with safety officers and technicians conducting regular patrols. This is supplemented by specialized, seasonal, and comprehensive inspections to achieve end-to-end, full-coverage inspection and control.

For any identified potential risks, the Company promptly organizes corrective actions and has established mechanisms for risk tracking and closed-loop management. This process ensures that issues are fully rectified, responsibilities are assigned, and all measures form a closed loop. These comprehensive efforts guarantee the continued effective operation of the Occupational Health and Safety Management System.



Innovations in Safety Management

To comprehensively enhance its safety management standards, the Company continuously promotes the innovation and application of safety technologies. Focusing on automation, digitalization, and structural optimization as key pathways, the Company is committed to building a multi-dimensional safety prevention and control system that integrates human, technical, and physical safeguards, thereby effectively strengthening its work safety defenses.

- Advancing Intelligent Equipment Upgrades**
 - Forklifts have been equipped with cameras, light warning strips, voice alerts, and fingerprint unlocking systems to eliminate risks such as unlicensed operation and workplace collisions.
 - Equipment such as floor scrubbers has been equipped with smart power strips featuring overcharge protection, enabling scheduled power cut-offs and current monitoring to reduce charging-related safety hazards.
 - The Company has introduced mechanized equipment such as vacuum lifters and hoists to replace manual lifting, reducing the risk of injuries from falling heavy objects.
- Automation and Intelligent Transformation**
 - Automated equipment such as AGVs (Automated Guided Vehicles) and robotic arms has been deployed to reduce manual involvement in high-risk, high-load tasks.
 - Specialized automated tools, such as memory pressing machines and automatic hard drive screwdrivers, have been introduced to handle tedious tasks, thereby reducing operational risks for personnel.
- Strengthening Structural Safety Protections**
 - Shelving units have been fitted with layer nets and back nets to prevent goods from falling and to avoid collisions with forklifts.
 - The Company continuously assesses risks in its logistics processes and advances a strategy of "replacing manual labor with mechanization and reducing human intervention with intelligence," pushing the boundaries of traditional operational safety.
- Building Smart Security and Early Warning Systems**
 - Infrared thermal cameras have been deployed to enable 24/7 unmanned temperature monitoring of electrical equipment, providing early warnings of overheating hazards.
 - New audible and visual alarms have been installed and integrated with the fire broadcasting system, enabling one-touch, multi-zone linked alerts to enhance emergency response efficiency.
- Smart Management of Energy and Equipment**
 - A smart energy management system has been introduced to monitor electricity safety in real time. The system automatically identifies risks and sends alerts, improving the precision and timeliness of management.

Safety Prevention and Control System



Emergency Management and Drills

To continuously improve its emergency management capabilities, the Company has formulated and implemented regulations and prevention plans such as the *Emergency Preparedness and Response Management Standards* and the *Emergency Plan for Production Safety Incidents*. This builds a policy framework covering occupational health emergency management and strengthens the prevention, control, and elimination of occupational disease hazards. The Company also organizes awareness campaigns for its emergency plans, training on safety management systems, and emergency response drills. These activities enhance employees' emergency response and handling capabilities and promote the effective implementation of occupational health and safety management goals.

Key Performance

During the reporting period,

the Company has conducted

51

safety hazard inspections

achieving a

100%

rectification completion rate

Case Warehouse Fire Emergency Drill

During the reporting period, the Company organized a fire emergency drill in its warehouse, simulating a sudden fire caused by an aging electrical circuit in a power socket. The drill was conducted as a simulation and covered key stages including fire detection, emergency response activation, personnel evacuation, firefighting and rescue, medical aid, and post-incident handling. Through this drill, the Company tested and improved the operational feasibility of its emergency plan, and strengthened the emergency response capabilities and coordination mechanisms of personnel at all levels.



Warehouse Fire Emergency Drill

Building a Safety Culture

To strengthen its occupational health and safety culture and raise employee safety awareness, the Company has developed a systematic safety training program. The program covers fundamental safety knowledge and requirements for key positions to solidify employees' understanding of safety. Training is organized at three levels—corporate, departmental, and team—and tailored to different roles to ensure effective coverage for all employees, providing capability support for safety management initiatives.

Adhering to the principle of "prevention first, full participation," and centered on the goal of ensuring employees "understand, apply, and master safety", we regularly conduct activities such as three-level safety education, safety awareness training, safety competitions, incident warning education, team-level safety culture building, and monthly "Red and Black Incident" selections. These initiatives promote the tiered implementation of safety requirements and continuously foster a safety culture unique to IEIT SYSTEMS.

Key Performance

During the reporting period,

occupational health and safety training sessions recorded

48,517 participant attendances.

The average training duration is approximately

19 hours per person.

Employees were encouraged to report safety hazards, with over

200 reports received throughout the year.

Material rewards worth approximately

20,000 yuan were distributed.

Product and Service Quality and Safety

The Company considers product quality and safety as core management objectives. Through a comprehensive quality management system, end-to-end security measures, and continuous enhancement of employee capabilities, the Company has achieved full-lifecycle quality and risk control, from R&D and production to delivery and after-sales service. The Company also focuses on customer experience and service responsiveness. Through standardized processes, digital service platforms, and closed-loop management of customer feedback, it ensures that its products are safe, reliable, and compliant with high standards.

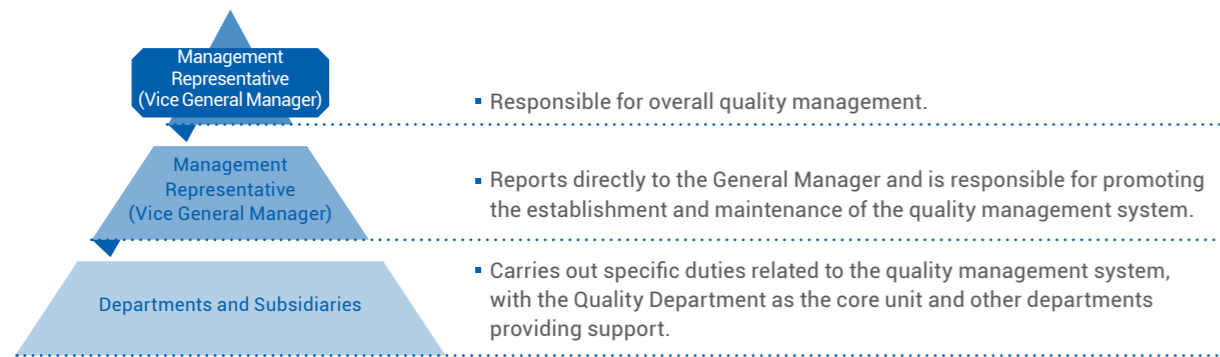
Product Quality and Safety

The Company continuously reinforces its "Quality First" philosophy and advances the development of its production quality management system, guided by the principles of "High Standards, Zero Defects," to strengthen the foundation for product quality and safety.

Governance

The Company places great importance on building its product quality and safety governance. It has developed internal regulations such as the *Quality Improvement Management Standards* and the *Product Batch Quality Issue Resolution Process*. The Company continuously improves its quality management policy framework to enhance the standardization, scientific rigor, and effectiveness of its management, and has established a quality management system aligned with international standards. During the reporting period, the Company has maintained its Quality Management System certification, and no non-conformities were found during product supervision and spot checks.

The Company clearly defines the organizational structure and division of responsibilities for quality management. It implements quality control and improvement across the entire product lifecycle—encompassing business line quality management, quality systems, quality culture, marketing, R&D, supply chain, suppliers, and customers—to maintain the effectiveness of its quality management system in line with its quality policy and objectives.



Product Quality Management Organization Structure

Strategy

Risk Factor	Risk Description	Financial Impact	Impact Duration	Business Area Affected
Reduced Product Stability and Reliability	Given the high technical complexity and multiple production and delivery stages of products like high-density computing servers, inadequate quality control during R&D, production, and delivery, or untimely responses to product security vulnerabilities, could reduce product stability and reliability. This may, in turn, adversely affect customer safety and potentially impact the Company's brand reputation and market competitiveness.	Rising Costs Decreased Revenue Damaged Reputation	Short-term Mid-term Long-term	Operations Downstream

Opportunity	Opportunity Description	Financial Impact	Impact Duration	Business Area Affected
Enhanced Product Competitiveness through Security and Compliance	Embedding privacy protection and security controls into the early stages of product design, delivery, and O&M (security/privacy) helps build replicable compliance delivery capabilities and standardized solutions, thereby earning market trust.	Increased Revenue Enhanced Reputation	Mid-term	Operations Downstream
Implementing Responsible AI and Trusted LLMs	Establishing governance mechanisms for training data compliance, desensitization, and model security reduces the risks of AI applications and promotes the sustainable implementation of LLMs and algorithms in industry scenarios.	Reduced Costs Increased Revenue	Mid-term Long-term	Operations Downstream

Management of Impacts, Risks, and Opportunities

The Company systematically identifies and manages risks related to product quality and security, focusing on potential adverse impacts on product stability, reliability, and customer safety during key stages such as R&D, production, testing, and delivery. Guided by the principles of prevention-first, full-process control, and continuous improvement, the Company has built a quality and security risk management system covering the entire product lifecycle. Through institutionalized processes, digital systems, and organizational collaboration, we promote proactive and closed-loop management of quality risks.

Quality Risk Control Mechanism

For key products such as AI servers, the Company focuses on quality and security risks arising from production and testing. We have established a quality risk control mechanism centered on individual accountability, source traceability, and regular reviews. Through specialized cross-departmental collaboration, we continuously improve the testing pass rates for key models, enhancing product stability and reliability. On a practical level, the Company has introduced a Quality Management System (QMS), embedding national standard sampling rules, quality control plans, and procedures for handling non-conforming batches into the system. This enables standardized, information-based, and traceable quality management processes, significantly improving the control over non-conforming products compared to manual offline operations and paper records. Additionally, the Company utilizes digital tools such as the Manufacturing Execution System (MES) to strengthen error-proofing controls in the production process. Through operational skills training, accountability management for damaged parts, and the use of automated equipment, we mitigate the risks of production losses and quality deviations, continuously enhancing the quality control level for key materials and production processes.

Product Lifecycle Management

The Company has established a quality and security control mechanism covering the entire product lifecycle. We implement full-process inspections and reliability testing, strictly adhere to established quality and security standards, and utilize a closed-loop customer feedback system to enable rapid issue traceability and rectification, thereby driving continuous product quality improvement. Guided by customer security needs, the Company has built and implemented an end-to-end product security assurance system. We continuously improve security management measures to ensure the orderly advancement of our product security framework, providing customers with secure, reliable products and services that meet high compliance standards. During the reporting period, the Company obtained certification for its Hazardous Substance Management System.



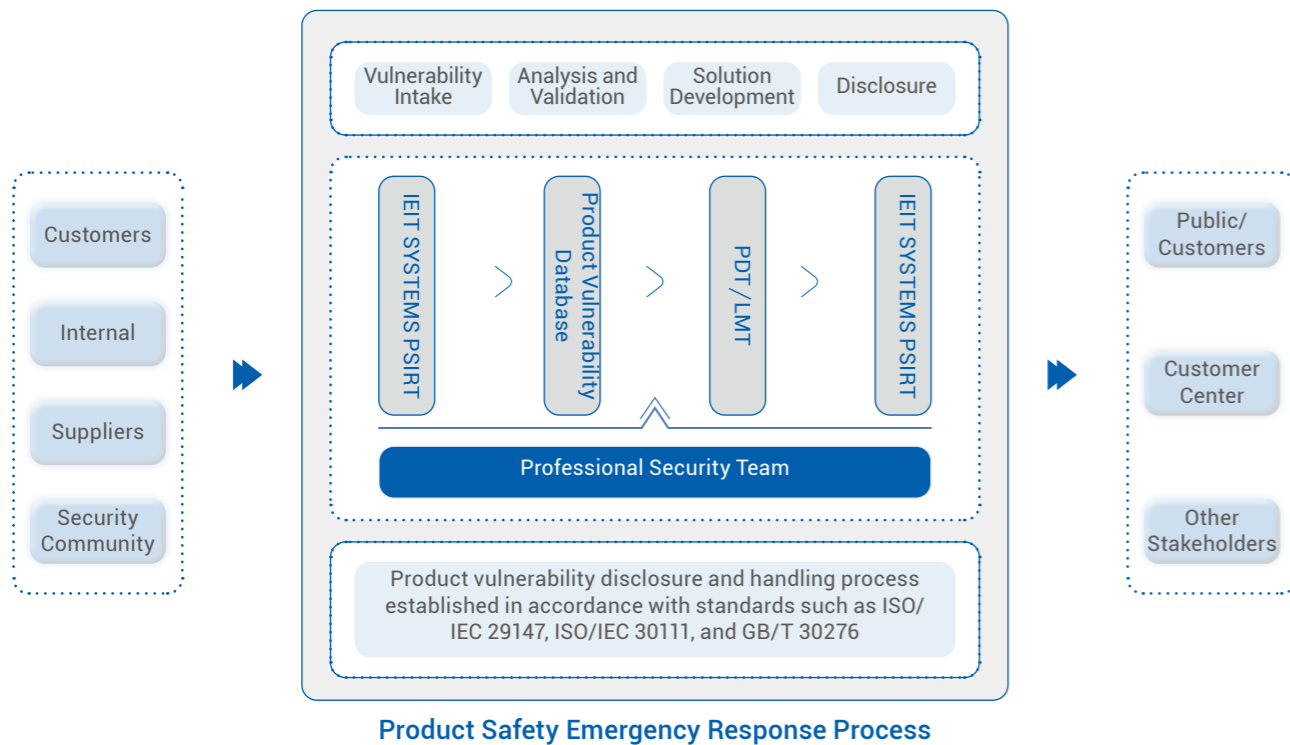
Hazardous Substance Management System Certificate



End-to-End Product Security Assurance System

Product Security Emergency Management

In security incident response management, the Company adheres to international standards such as ISO/IEC 29147 and ISO/IEC 30111. We have established a comprehensive product security incident response mechanism and process to ensure the timely disclosure of vulnerability information and provide effective remediation solutions, enabling standardized and controlled management of security risks. During the reporting period, the Company focused on its production processes. By conducting departmental self-inspections and corrections, continuously optimizing process standards, and strengthening the execution of control measures, we have systematically identified and eliminated quality hazards. This approach shifts quality management upstream, establishing a long-term mechanism centered on proactive prevention and continuous improvement.



Product Safety Emergency Response Process

Enhancing Product Quality and Safety Capabilities

IEIT SYSTEMS upholds a management philosophy of "Quality First" with full employee participation, emphasizing end-to-end quality control and fostering a culture of quality accountability across the entire workforce. By organizing specialized training and diverse product quality activities, the Company enhances employee awareness, integrates quality management requirements into daily work, and institutionalizes a culture of quality that all employees consciously practice.

Key Performance

During the reporting period, the Company held nearly **60** quality management training sessions.

Averaging **3** hours of training per person.

Indicators and Goals

2025 Product Quality and Safety Goals

Progress Toward the 2025 Goals

Zero major customer complaints

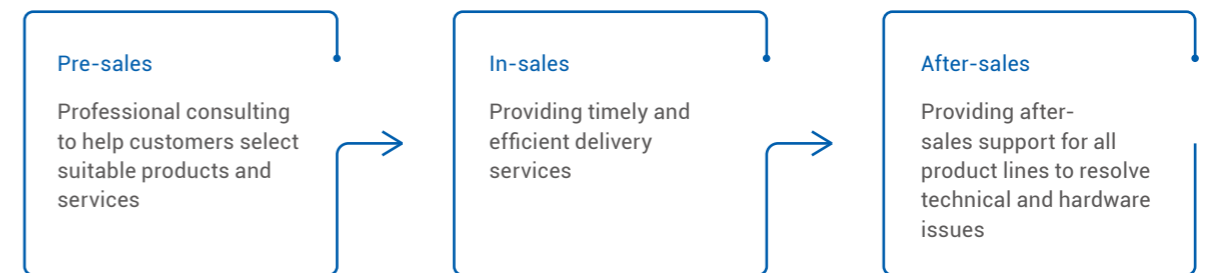


Indicator	Unit	2025
Complaint Resolution Rate	%	100
Number of Product Recalls	Case(s)	0



Customer Service

IEIT SYSTEMS consistently upholds the principle of "Customer Needs First," having established an integrated customer service system that covers pre-sales, in-sales, and after-sales stages. We are committed to providing customers with efficient, professional, and reliable support. By establishing standardized management systems and integrating processes such as after-sales service, Issue to Resolution (ITR), and Integrated Product Development (IPD), the Company ensures closed-loop management of all issues, guaranteeing prompt responses and resolutions for customers. In quality management, the Company strictly implements the *Product Batch Quality Issue Resolution Process*. We take appropriate measures based on the severity and scope of an issue, initiate proactive recalls when necessary, and monitor the entire process until the issue is fully resolved. The Company also places a high priority on customer information and privacy protection, strictly adhering to its commercial confidentiality commitments and providing compliance support for technological innovation.



Customer Service Content

The Company leverages its call center and intelligent service platform to drive intelligent upgrades across all service scenarios, creating an efficient service model that integrates online and offline channels. Additionally, the Company has introduced a five-year service strategy to enhance synergy between its services and the market, positioning service as a critical component of product competitiveness.



In customer complaint management, the Company has established accessible complaint channels and developed the *Customer Satisfaction Complaint Management Process*. This framework clarifies departmental responsibilities and uses a scientific, closed-loop approach to categorize complaints by severity, ensuring every issue is properly addressed to achieve a 100% resolution rate.



Service Channel:

- 24/7 customer service hotline: 400-860-0011
- Technical support service email: lckf@ieisystem.com
- WeChat account: IEIT SYSTEMS Expert Service
- Dedicated API troubleshooting contact for KAs
- Customer service robot
- Intelligent O&M platform

The Company continuously monitors customer satisfaction by gathering feedback through comprehensive surveys covering product quality, pre-sales support, delivery quality, after-sales service, and brand perception. We then implement improvements and track the progress on identified issues. During the reporting period, the Company has achieved a customer satisfaction rate of 90.82% and has received over 80 letters of appreciation and commendation from customers and partners across sectors such as the Internet, finance, and communications. IEIT SYSTEMS has garnered positive feedback for its O&M response, project delivery, technical collaboration, and service attitude, demonstrating exceptional professionalism and a strong sense of responsibility, particularly in major event support, emergency troubleshooting, and efficient collaborative delivery. This recognition further demonstrates the Company's tangible achievements and unwavering commitment to excellence in customer service.

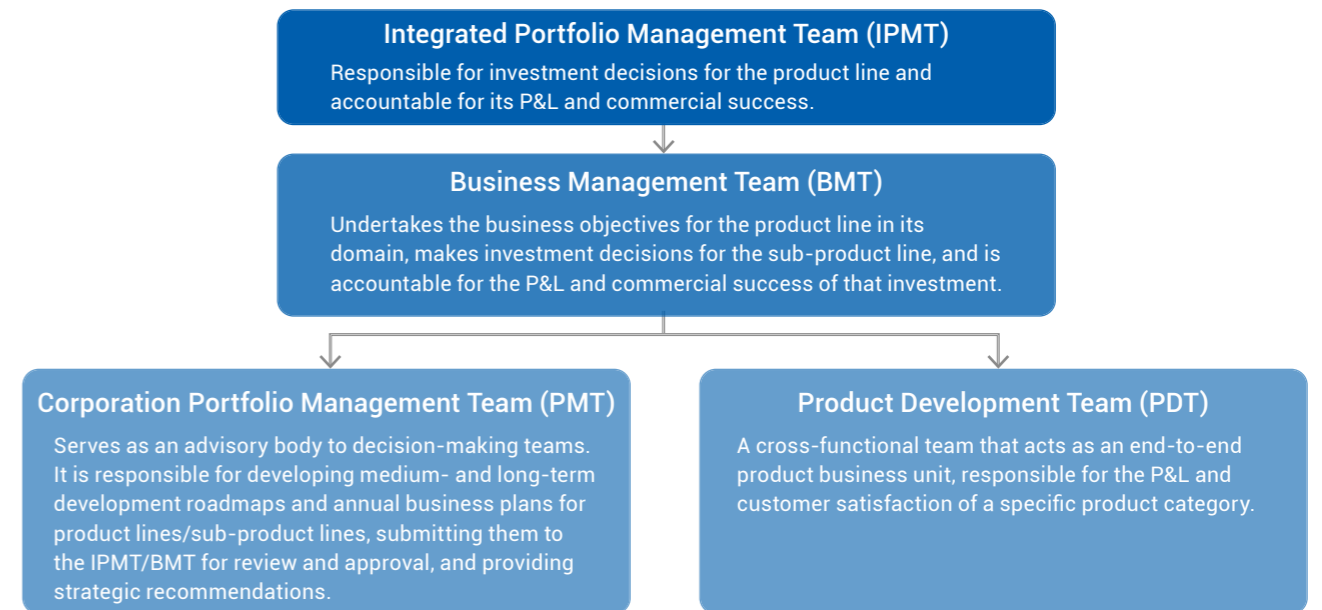
Innovation-driven Industry Development

IEIT SYSTEMS is committed to driving high-quality development through technological innovation. We continuously advance R&D investment and key technological breakthroughs in intelligent computing, computing power infrastructure, and industry-wide digital and intelligent transformation, perfecting our "research-application-iteration" closed loop. Through open ecosystem collaborations and the integration of industry, academia, research, and application, the Company accelerates the commercialization of its innovations. We work with our supply chain partners to jointly upgrade industry capabilities and promote sustainable development.

Innovative R&D

Governance

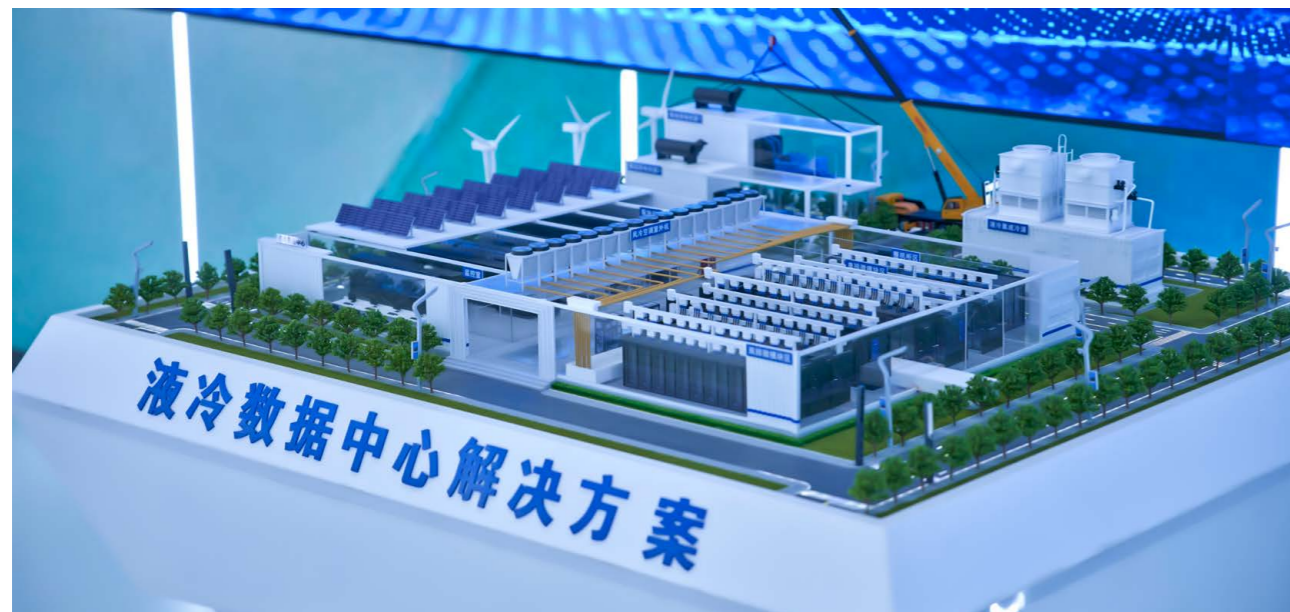
The Company maintains a full-chain innovation system covering fundamental research, key technology breakthroughs, and industrial commercialization. Professional teams are in place to manage intellectual property, innovation platforms, standards, and scientific research. Meanwhile, IEIT SYSTEMS operates multi-dimensional R&D departments spanning technology pre-research and product development. By importing the Integrated Product Development (IPD) mechanism, the Company leverages cross-departmental synergy to build a structured R&D management model that streamlines the process from market insights and requirements management to product launch.



Strategy

Risk Factor	Risk Description	Financial Impact	Impact Duration	Business Area Affected
Deviation from Technology Roadmap	As technological iteration in the industry accelerates, incorrect choices in key technology roadmaps or a lagging R&D pace could lead to diminished product competitiveness and missed market opportunities.	Rising Costs Decreased Revenue Damaged Reputation	Mid-term Long-term	Operations Downstream
Project Delivery Delays	Lengthy R&D cycles and complex cross-departmental collaboration, compounded by frequent requirement changes, inadequate resource allocation, or poor quality control, can lead to project delays, rework, or substandard deliveries.	Rising Costs Decreased Revenue Damaged Reputation	Short-term Mid-term	Operations Downstream
IP Compliance Disputes	During in-house R&D, collaborative development, or the use of open-source components, unclear intellectual property definitions or inadequate compliance management can lead to infringement disputes and litigation, affecting product launches and sales.	Rising Costs Decreased Revenue Damaged Reputation	Mid-term	Operations Downstream

Opportunity	Opportunity Description	Financial Impact	Impact Duration	Business Area Affected
Technology-Driven Product Upgrades and Market Expansion	Capitalize on technological trends in computing infrastructure, artificial intelligence, and cloud computing to launch more competitive products and solutions through continuous innovation.	Increased Revenue	Mid-term Long-term	Operations Downstream
Improving R&D Efficiency and Optimizing Costs	Enhance R&D efficiency and quality by standardizing processes, developing tool platforms, and implementing automated testing and continuous integration.	Reduced Costs Increased Revenue	Short-term Mid-term	Operations Downstream



Management of Impacts, Risks, and Opportunities

IEIT SYSTEMS continuously enhances its R&D incentive mechanisms to foster a culture of innovation driven by value creation and project success. To recognize outstanding R&D projects, the Company has held its "R&D Project Excellence Award" ceremony for four consecutive years, honoring a total of 76 project teams and establishing a company-wide benchmark for excellence. To further strengthen project-oriented incentives, the Company has released the *Administrative Measures for R&D Project Incentives*. This establishes a comprehensive incentive system covering key stages—from team building and milestone achievement to project completion, market launch, and early delivery—driving R&D teams to focus on tangible outcomes and high-quality delivery.

To attract and retain high-level talent, the Company has implemented a doctoral research incentive program. To date, five phases of the program have been completed, rewarding a total of 97 projects. During the reporting period, the Company has held three quarterly excellence award ceremonies, recognizing a total of 218 outstanding employees. R&D staff accounted for 43% of the recipients, reflecting our commitment to stimulating their innovative passion and intrinsic motivation.

IEIT SYSTEMS continuously develops outstanding R&D projects and achieves key technological breakthroughs, focusing on areas such as LLMs and intelligent manufacturing to drive the commercialization of its innovations. Through project-based management and targeted incentives, the Company continuously translates its technological advantages into enhanced product competitiveness and delivery capabilities, thereby supporting its high-quality development.

Technology and Product Upgrades

IEIT SYSTEMS' Enterprise Platform of AI (EPAI) All-in-One Machine has become the first to support the Kimi K2 LLM, completing full adaptation for the trillion-parameter LLM. It delivers a smooth output speed of 70 tokens/s per user, providing enterprise clients with high processing performance and a comprehensive software tool platform for efficient LLM deployment.

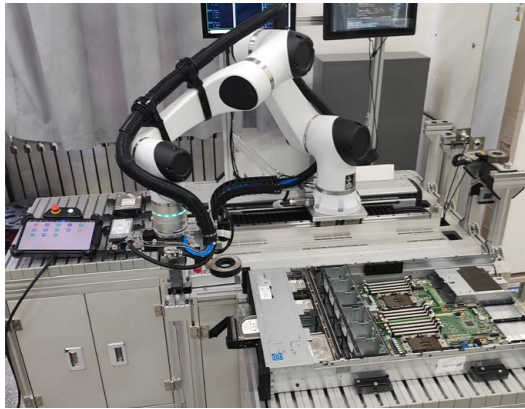
EPAI All-in-One Machine: First to Support the Kimi K2 Trillion-Parameter LLM

The IEIT SYSTEMS EPAI All-in-One Machine now supports DeepSeek Prover v2, further enhancing its mathematical and logical inference capabilities. As one of the first enterprise-grade solutions to complete this adaptation, the EPAI DeepSeek All-in-One Machine achieves an inference decoding speed of over 30 tokens/s in online scenarios. For offline data generation, it supports a decoding throughput of up to 3,505 tokens/s, equipping enterprise users with powerful mathematical inference and theorem-proving capabilities.

Pioneering the Adaptation of DeepSeek Prover v2 for the EPAI DeepSeek All-in-One Machine

The IEIT SYSTEMS EPAI enterprise LLM development platform has now fully integrated support for the DeepSeek LLMs. Using the EPAI platform, enterprise users can integrate their business data with the DeepSeek LLMs to unlock its full potential and rapidly deploy it locally.

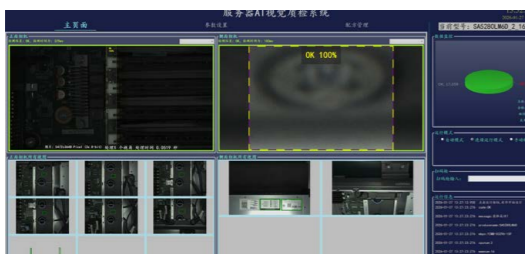
IEIT SYSTEMS has designed and built the industry's first robotic flexible workstation. This achievement followed an extensive process that included analyzing over 100 domestic and international automation cases, conducting more than 20 discussions with automation firms, and refining the design through nine iterations. The result lays a crucial foundation for the future large-scale application of this technology on our production lines.



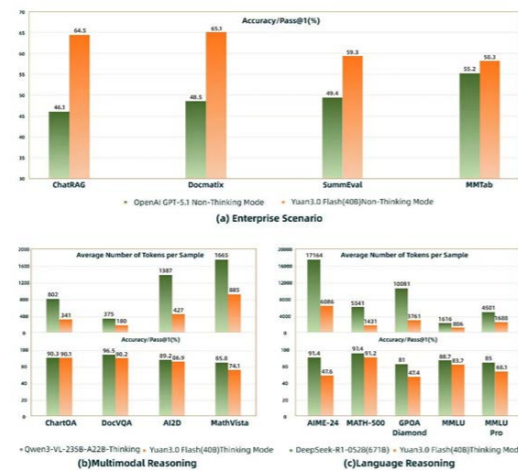
IEIT SYSTEMS is accelerating the application of "AI + Manufacturing" technologies to continuously enhance its leading capabilities in intelligent manufacturing:

We have completed the setup and deployment of the unified IEIT-Factory-Vision platform, introducing 10 visual applications such as AI-powered monitoring of employee posture, intelligent scanning of material packaging, and smart detection of chassis logos. This marks a breakthrough in our smart vision applications.

We have completed all technical validations for our intelligent assembly solution, which is built on a digital foundation. By developing digital twin functionalities for components such as hard drives, power supplies, fans, and select cable interfaces, we have enabled automatic coordinate calculation and transmission, marking a significant project milestone.



The YuanLab.ai team has open-sourced Yuan 3.0 Flash, a 40B-parameter multimodal foundational LLM. Utilizing a Mixture-of-Experts (MoE) structure, it activates only 3.7B parameters per inference. The model innovatively incorporates the RAPO reinforcement learning algorithm and the RIRM reflection-inhibition reward mechanism, which both improve inference accuracy and significantly reduce token consumption. In enterprise tasks such as RAG (ChatRAG), multimodal retrieval (Docmatix), multimodal table understanding (MMTab), and summarization (SummEval), Yuan 3.0 Flash's performance has surpassed that of GPT-5.1, demonstrating its distinct advantages in enterprise application scenarios. In multimodal and language inference benchmarks, Yuan 3.0 Flash (40B) achieves accuracy comparable to Qwen3-VL235B-A22B (235B) and DeepSeek-R1-0528 (671B), while consuming only about 1/4 to 1/2 the tokens. This significantly reduces the application costs of LLMs for enterprises.



IEIT SYSTEMS has achieved CMMI V3.0 Level 5 certification, the highest maturity level in the global software domain. This makes it the first mainstream computing power provider to pass the latest CMMI standards, signifying that the Company's software R&D capabilities, product delivery, and project management have reached a world-class level.

IEIT SYSTEMS has a long-standing commitment to driving corporate growth through technological innovation. The Company continuously advances the innovation and application of intelligent computing technologies and places great importance on its intellectual property strategy. The Company is certified for its intellectual property management system, which integrates IP protection throughout the entire lifecycle, from R&D initiation to commercialization. This approach not only strengthens the protection and value realization of our own innovations but also ensures full respect for the IP of others, preventing infringement risks and maintaining a fair and orderly innovation ecosystem.

In terms of compliance, the Company's intellectual property management adheres to all relevant national laws, regulations, and policies. Our IP work is conducted primarily in accordance with laws such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*. This ensures that the application, maintenance, and use of all forms of IP—including patents, trademarks, and software copyrights—are lawful, compliant, and procedurally sound. Furthermore, the Company strictly adheres to local intellectual property laws and regulations in all its global operating locations. We apply the same high standards of compliance to our international business, ensuring that all our IP activities worldwide are lawful, standardized, and traceable.

In terms of culture and capacity building, the Company continuously promotes a culture of technological innovation, fostering an atmosphere where all employees are encouraged to participate. Through diverse activities and mechanisms such as knowledge empowerment, interactive competitions, and innovation incentives, the Company enhances employees' IP awareness and innovative capabilities. These initiatives guide the creation of high-value patents, stimulate enthusiasm and creativity in R&D, and drive the high-quality commercialization of innovations, thereby continuously strengthening our core competitiveness.

IEIT SYSTEMS pays close attention to and strictly follows technology ethics standards. In all our technology R&D and product applications, we consistently uphold the principles of being people-oriented, trustworthy, and reliable. We are committed to promoting responsible technological innovation and sustainable development.

Indicators and Goals

2025 Innovation and R&D Goals

Progress Toward the 2025 Goals

Strengthen R&D in cutting-edge technology fields such as intelligent computing and LLMs.



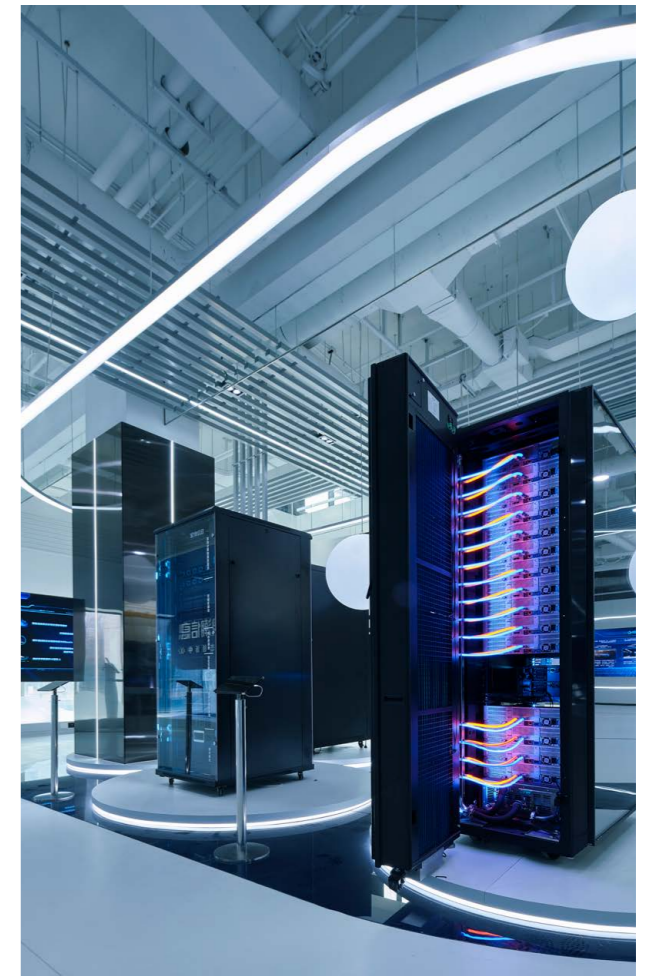
Deepen the full-stack liquid cooling strategy, driving innovation from single-server solutions to data-center-level, end-to-end green heat dissipation solutions.



Maintain R&D investment at a level no lower than the previous year.



Indicator	Unit	2025
R&D Investment	CNY 10,000	387,745.73
R&D Staff	people	3,099
R&D Staff Proportion	%	44.94
Intellectual Property Training	sessions	15



Advancing the Industry

Industry-Academia-Research Collaboration

Through industry-academia-research collaboration and industry empowerment, the Company continuously drives technological innovation and its commercialization, contributing to regional development and the high-quality growth of the industry. The Company supports the scientific endeavors of an applied mathematics research institute, aiding in the cultivation of high-level, interdisciplinary talent and empowering the regional innovation ecosystem and high-quality economic development.

In terms of educational digitalization and industry applications, IEIT SYSTEMS leverages its strengths in computing power, platforms, and algorithms to adopt an integrated hardware-software deployment model. The Company has implemented region-wide smart campus safety solutions across multiple provinces, enhancing the proactivity, precision, and response efficiency of campus security. Furthermore, it has supported a leading agricultural university in building a high-throughput biological data analysis and processing platform, improving the efficiency of seed breeding data processing and scientific research, thereby empowering seed industry innovation and high-quality agricultural development through technology.

Industry Development

IEIT SYSTEMS adheres to a philosophy of open collaboration. Focusing on enterprise digital and intelligent transformation and the development of the computing industry ecosystem, we continuously build communication platforms and cooperative mechanisms. Through partner empowerment seminars and regional collaborations, we foster synergistic innovation across the value chain and promote the implementation of new application scenarios, driving the collective development of the industry.

Key Performance

By the end of the reporting period, IEIT SYSTEMS has cumulatively led or participated in the release of

over 300 standards.

Among these, China's first national standard for all-in-one rack servers, which the Company spearheaded, was officially published. This standard establishes a solid foundation for the high-quality development of China's IT industry by providing strategic guidance, empowering the industry, facilitating practical applications, and regulating the market.

Additionally, the Company has led or participated in releasing

over 20 standards related to liquid cooling technology.

The Company spearheaded the establishment of the first IEEE SA standard for liquid cooling, lowering the barrier to entry for its application and accelerating its standardization and industrialization.

Case IEIT SYSTEMS at the Open Compute Technology Summit 2025

In August 2025, the Open Compute Technology Summit (OCTS25) was held in Beijing, where IEIT SYSTEMS, as a founding member of OCTC and a core member of OCP, was invited to attend. The Company unveiled the meta brain SD200 Super-Node AI server, a single unit capable of running LLMs with over a trillion parameters. In tests with multiple full-parameter models, it achieved super-linear performance scaling for 64-card rack-scale inference. To address the heat-dissipation challenges of future high-power, high-density computing scenarios, IEIT SYSTEMS also introduced a megawatt-level, pump-driven, two-phase liquid cooling solution for AI server racks, capable of dissipating over 3,000W per chip with a heat removal capacity exceeding 250W per square centimeter.



IEIT SYSTEMS at the Open Compute Technology Summit 2025

Case IEIT SYSTEMS at the Artificial Intelligence Computing Conference 2025

In September 2025, at the Artificial Intelligence Computing Conference (AICC), IEIT SYSTEMS showcased two innovative systems for the era of intelligent agents: the Meta Brain@SD200 Super-Node AI server and the Meta Brain@HC1000 Hyper-Extension AI server. These systems are pioneering the "10-millisecond, 1-yuan" era for AI inference in the domestic server market. Concurrently, focusing on the implementation of AI Plus initiatives, the Company collaborated with numerous ecosystem partners to launch the "Beijing Solution" for super-node intelligent computing applications. We led the development of the super-node systems and showcased their full-stack intelligent computing products and solutions. Through this open and collaborative ecosystem strategy, we are accelerating the development and enhancement of the AI industry ecosystem.



IEIT SYSTEMS at the Artificial Intelligence Computing Conference 2025

Case Empowering Ecosystem Partners: Driving Rapid Adoption of Industry Applications

In March 2025, the Company hosted the EPAI DeepSeek All-in-One Machine Ecosystem Partner Showcase and Experience Event in Beijing. Experts from the international research firm IDC were invited to attend. The event drew 520 participants from 329 partners across China, including ISPs, IVRs, and distributors from regions like Beijing, Guangdong, Shanghai, and Jiangsu. The event adopted a hybrid format, with a main venue in Beijing and live broadcasts to 28 provincial and regional sub-venues. Leveraging the cutting-edge technology space of the Beijing AI Valley Exhibition Hall, the Company used high-quality content and hands-on application development experiences to showcase the hardware and software advantages of the EPAI All-in-One Machine in enabling partners to rapidly develop DeepSeek industry applications. We also offered partners preferential policies, faster delivery, and superior services, strengthening their understanding of our innovative products and technologies and enhancing the collaborative bond.



EPAI DeepSeek All-in-One Machine Ecosystem Partner Showcase and Experience Event

Data Security and Customer Privacy Protection

IEIT SYSTEMS adheres to the management principle of "Prevention First, Proactive Protection, Continuous Improvement, and Ensuring Information Security." In line with our business development needs, we establish and refine our information security protection mechanisms, focusing on mitigating the risk of sensitive information leakage. The Company has established a Cybersecurity and Informatization Leadership Team to oversee, supervise, and guide all information security-related work, continuously strengthening its capabilities to protect information assets throughout their entire lifecycle.

Governance

In accordance with the requirements of ISO/IEC 27001 (Information Security Management System), ISO/IEC 27701 (Privacy Information Management System), and ISO 38505 (Governance of Data), and in compliance with relevant laws and regulations such as the *Cybersecurity Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China*, the Company has established a comprehensive information security management and data governance system, which it continuously maintains and certifies. During the reporting period, the Company's information security and data governance capabilities achieved the Level 5 "Optimizing" certification under the Data Management Capability Maturity Model (DCMM). This is the highest level of official recognition available to domestic enterprises in the data management field, setting a strong example for the transformation of China's equipment manufacturing industry. IEIT SYSTEMS maintains valid certifications for ISO/IEC 27001, ISO/IEC 27701, and ISO 38505 systems.

This system is designed to ensure that information security management and data governance measures cover all of the Company's product lines and key business processes. In accordance with the system's requirements, the Company's IT Information Security team conducts quarterly internal audits and inspections on the implementation of information security policies. Through this audit mechanism, the team drives the implementation of various security controls, continuously strengthening protective capabilities and compliance management. Through a systematic and continuously improving management approach, the Company continuously enhances the effectiveness and maturity of its information security management system, ensuring that information security and data governance requirements are implemented consistently and stably across all business processes.

Strategy

Risk Factor	Risk Description	Financial Impact	Impact Duration	Business Area Affected
Attack and Leakage Risk	Attacks on business systems, terminals, and office networks (e.g., ransomware, vulnerability exploits, supply chain attacks) could lead to sensitive data leakage, system unavailability, or service interruptions.	Rising Costs Decreased Revenue Damaged Reputation	Short-term	Operations Downstream
Internal Misuse Risk	Weaknesses in permission management, access control, log auditing, or employee offboarding procedures could result in unauthorized internal access, data misuse, or leakage.	Rising Costs Decreased Revenue Damaged Reputation	Short-term Mid-term	Operations Downstream
Disaster Recovery and Interruption Risk	Inadequate emergency response, backup and recovery, disaster recovery drills, or redundancy in critical systems could escalate security incidents or failures into prolonged service interruptions.	Rising Costs Decreased Revenue Damaged Reputation	Short-term Mid-term	Operations Downstream

Management of Impacts, Risks, and Opportunities

IEIT SYSTEMS views information security protection as a key driver for implementing its information security management system. The Company has built a routine security operations mechanism centered on "Technical Protection - Monitoring and Operations - Detection and Reinforcement - Awareness and Drills," continuously enhancing its capabilities for security risk identification, early warning, and response.

Technical Protection

The Company strictly implements security protection measures for its networks, hosts, and applications. Host protection has been deployed to cover over 500 hosts for critical internal business systems, with unified access control policies and bastion host login restrictions enabled. Webpage anti-tampering measures have been deployed on over 100 sites, and Web Application Firewall (WAF) protection has been deployed on over 150 sites. For critical business systems requiring web protection, protective configurations have been enabled in accordance with administrator requirements.

Monitoring and Operations

The Company continuously optimizes security device policies, strengthens its monitoring and early warning mechanisms, and enhances its security operations capabilities by developing robust processes and standards. Leveraging its Security Operations Center (SOC), the Company provides 24/7 alert monitoring and centralizes the handling of all alert information. By using correlation analysis, false positive reduction, and coordinated response actions, it improves the efficiency and quality of its security operations.

Detection and Reinforcement

The Company regularly conducts security assessments of its information systems and increases the frequency of these assessments during critical periods such as holidays and major events, continuously improving the timeliness of vulnerability remediation.

Awareness and Drills

The Company has launched special initiatives to bolster information security awareness and organized activities for National Cybersecurity Awareness Week, focusing on key themes such as system security protection, emergency response, and classified protection. By leveraging various multimedia platforms to broadcast security reminders and management requirements, IEIT SYSTEMS has produced and released 37 information security tips and 3 posters. Through multi-channel and high-frequency promotion and training, we have fostered a normalized information security culture and continuously enhanced the security awareness of all employees. Additionally, the Company has conducted simulated phishing attack drills to test and improve employees' ability to identify and respond to security threats like phishing, further strengthening the foundation for its information security management and emergency response.

Data Security and Privacy Management Mechanisms



Real-time Data Security Risk Awareness Platform

Indicators and Goals

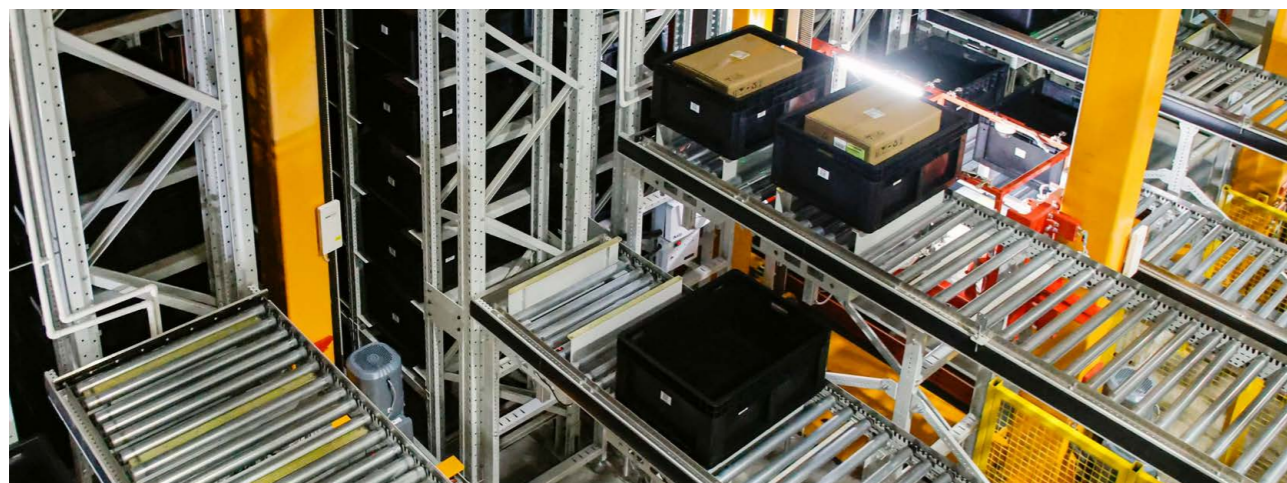
Indicator	Unit	2025	2025 Data Security and Customer Privacy Protection Goals	Progress Toward the 2025 Goals
Information Security Training	sessions	4	Zero major information security incidents	COMPLETED
Simulated Phishing Attack Drills	sessions	3	Zero customer privacy leakage incidents	COMPLETED

Supply Chain Security

IEIT SYSTEMS adheres to the development philosophy of "openness, collaboration, and win-win," continuously building a sustainable supply chain ecosystem to support the green transformation of the industry. For internal management, the Company refines its supplier management system and policies. We adhere to strict external standards to certify and trace the origin of purchased materials, strengthening procurement compliance and promoting green procurement practices. For external collaboration, the Company establishes equal, mutually beneficial, and robust partnerships with its suppliers. We regularly conduct ESG training and empowerment programs to enhance their overall management and corporate responsibility capabilities, jointly advancing the sustainable development of the supply chain.

Supply Chain Security Management

The Company controls supplier quality from the source, building a sustainable supplier management system. Using full-lifecycle supply chain risk management as a key driver, it ensures the stable operation of the entire supply chain and enhances its ability to respond to internal and external uncertainties, such as raw material disruptions, extended production cycles, and supply delays.



Supplier Admission Management

The Company has formulated the *Management Process for Production Material Supplier Certification*, which defines the registration qualifications and audit standards for suppliers. This ensures that the comprehensive capabilities of admitted suppliers are highly aligned with the Company's development needs.



Assessing and Selecting Suppliers

IEIT SYSTEMS has formulated the *Management Process for Selecting Production Material Suppliers* and established a multi-dimensional supplier risk assessment system. This system involves comprehensive due diligence and risk assessments of potential suppliers, covering areas such as management system certifications, corporate social responsibility, trade security, and financial status. The Company also leverages big data screening to avoid high-risk suppliers from the outset.



Procurement Code of Conduct

IEIT SYSTEMS signs agreements with its suppliers, including the *Business Agreement, Supplier Product Safety Agreement, Supplier Corporate Social Responsibility Agreement, Anti-Commercial Bribery Agreement, and Confidentiality Agreement*. These documents clarify the rights and responsibilities of both parties and regulate business conduct throughout the procurement and cooperation process.



Supply Chain Risk Management

IEIT SYSTEMS has established a supply chain risk management mechanism that covers the entire lifecycle:

- Risk Identification:** The Company focuses on core links such as procurement, production, and R&D to comprehensively identify internal and external risk sources at each stage. This process results in a dynamically updated supply chain risk inventory, and risk and impact factor analyses are conducted based on the *Emergency Drill Plan for Supply Disruptions of Critical and Bottleneck Materials*.
- Risk Assessment:** Using a combination of qualitative and quantitative methods, the Company assesses the probability and potential impact of risks. This allows for scientific prioritization and provides a basis for developing subsequent response strategies.
- Risk Response:** Based on risk assessment results, the Company implements targeted measures. It develops special contingency plans for high-risk items, conducts regular drills, and continuously improves its supply chain risk management system.



Managing Performance and Exits

- Performance Management:** In accordance with the *Performance Evaluation Standards for Production Material Suppliers*, the Company regularly conducts comprehensive supplier evaluations across dimensions such as technology, quality, cooperation, and cost. A tiered management system is implemented to optimize the supplier structure.
- Exit Management:** Based on the *Exit Management Process for Production Material Suppliers*, the Company takes measures against underperforming suppliers, such as reducing orders, terminating cooperation, or placing them on a blacklist, to ensure the dynamic optimization of its supplier system.

Full-Lifecycle Supply Chain Management

Strengthening Supply Chain Resilience

To advance sustainable development and strengthen supply chain resilience, IEIT SYSTEMS has formulated the *Supplier Code of Conduct* in alignment with domestic and international regulations and standards. The Code explicitly requires suppliers to fulfill social responsibilities while ensuring compliance with local laws and regulations. This includes safeguarding fundamental labor rights, minimum wages, and occupational health and safety, strengthening environmental management, and adhering to business ethics. Together, we aim to build a secure, green, and equitable supply chain ecosystem.



Prohibition of Child Labor: The Company prohibits the use of child labor and supports children's access to education.
Prohibition of Forced Labor: The Company prohibits the use of forced or compulsory labor and does not withhold workers' identification or restrict their freedom of movement.
Working Hours: Weekly working hours shall not exceed 60 hours, and employees are guaranteed at least one day of rest per week.
Basic Wages: The Company pays wages that are no less than the local minimum wage standards and provides all statutory benefits.
Non-Discrimination: The Company provides a discrimination-free work environment and prohibits discrimination based on race, gender, religion, or other factors.
Freedom of Association: The Company respects workers' rights to freedom of association and collective bargaining.



Safe Work Environment: The Company provides a safe and healthy workplace and works to mitigate safety hazards.
Emergency Preparedness: The Company establishes emergency response mechanisms to handle potential emergencies.
Occupational Injuries and Illnesses: The Company establishes procedures to prevent and manage occupational injuries and illnesses.
Public Health and Dormitories: The Company provides clean restrooms, drinking water, food, and dormitory facilities.



Pollution Control: The Company complies with environmental regulations and reduces pollutant emissions.
Energy Conservation and Emission Reduction: The Company promotes energy and material conservation to reduce GHG emissions.
Product Environmental Compliance: The Company ensures its products comply with environmental regulations such as RoHS and WEEE.



Business Integrity: The Company prohibits unethical behaviors such as corruption and bribery.
Information Disclosure: The Company accurately discloses information about its business activities and financial status.
Intellectual Property: The Company respects intellectual property rights and protects its technology and manufacturing expertise.
Privacy Protection: The Company protects the personal information of all stakeholders.
Responsible Minerals Sourcing: The Company ensures its mineral sources comply with international standards.

Supplier Code of Conduct

IEIT SYSTEMS continuously strengthens its supply chain transparency management, promoting information disclosure and traceability in key links. During the reporting period, the Company has conducted annual supplier social responsibility audits. The scope of these audits has encompassed business ethics policies, risk prevention mechanisms and performance, compliance management and risk control, internal and external audits and assessments, and the organizational structure for social responsibility management. Furthermore, the audits have evaluated social responsibility goals and implementation plans, remediation and corrective mechanisms, environmental policies and targets, the use of renewable energy and materials, chemical safety management, and wastewater and waste management. In terms of social impact, the Company has reviewed green technologies and products, occupational health and safety training, workplace health and safety systems, safety risk identification and management processes, and occupational disease prevention and control. The audits have also rigorously verified requirements for personal protective equipment and devices, the prohibition of child and forced labor, the prohibition of underage labor and the protection of female employees, anti-discrimination measures, employee working hours and rest periods, minimum wage guarantees and social insurance, respect for employee rights, sustainable procurement policies and actions, and conflict minerals management. All product materials used by IEIT SYSTEMS are certified by external organizations according to the most stringent standards.

Case Piloting Social Responsibility Audits for Tier 2 Suppliers

To further advance its value chain sustainability initiatives, IEIT SYSTEMS has collaborated with nearly 20 suppliers during the reporting period to launch a pilot program for social responsibility audits of Tier 2 suppliers. This pilot program has assessed 285 Tier 2 suppliers on various social responsibility topics, including labor health and safety training, workplace health and safety systems, safety risk identification and management processes, and occupational disease prevention and management. Of the 285 Tier 2 suppliers participating in the social responsibility audits, 100% passed the Company's audit, meeting its sustainable supply chain requirements. This pilot program for Tier 2 supplier social responsibility audits has served as a strong model for the Company to further promote value chain sustainability and fulfill its social responsibilities. It has also provided valuable references and experience for expanding the scope of audits to Tier 3 suppliers in the future.

Key Performance

During the reporting period, the Company conducted supplier environmental and social impact assessments:

Tier 1 Suppliers	Audit Coverage Rate (by procurement value)	Audit Pass Rate
45 suppliers	90%	100%
Tier 2 Suppliers	Audit Pass Rate	
285 suppliers	100%	

We have implemented a tiered supplier disciplinary framework. By applying differentiated measures—ranging from quota reductions to blacklisting—based on the gravity of non-compliance, the Company continuously incentivizes suppliers to enhance their performance levels.

Key Performance

During the reporting period, the Company identified a total of	All priority non-conformities have been rectified, achieving a
116 non-conformities among Tier 1 suppliers through RBA (VAP) audits and other assessments.	100% correction rate.

During the reporting period, the Company entered into deep strategic cooperation with a specific memory supplier through a joint laboratory project. Leveraging the Company's extensive experience in platform compatibility development and leading design, we assisted in the pioneering compatibility validation of DDR5 memory on mainstream CPU platforms. This collaboration has laid a solid foundation for the rapid commercialization of the DDR5 memory, effectively ensuring supply chain security and stability.

Labor Management in the Supply Chain

IEIT SYSTEMS integrates fair compensation and the protection of workers' rights into its supplier management requirements, promoting continuous alignment with social responsibility and sustainable development standards throughout the supply chain. Regarding fair compensation, the Company advocates for and implements industry best practices. It explicitly requires suppliers to provide their employees with wages that meet or exceed local minimum wage standards and applicable legal requirements, and encourages them to progressively raise compensation levels toward a living wage. The Company conducts ongoing supervision through contractual clauses, on-site audits, and performance evaluations. When gaps are identified, it prompts suppliers to develop corrective action plans, optimize wage structures and payment mechanisms, and foster a transparent, fair, and sustainable compensation management system, thereby jointly safeguarding the legitimate rights and professional dignity of workers.

Regarding grievance and remedy mechanisms, the Company requires suppliers to establish and maintain accessible, confidential, and non-retaliatory channels for worker grievances (such as anonymous hotlines, dedicated email addresses, and on-site suggestion boxes), and to ensure that workers are fully aware of, understand, and can easily access these channels. The Company periodically assesses the effectiveness of these grievance mechanisms, tracking the progress and outcomes of grievance reception, investigation, and feedback. This promotes the timely identification and resolution of labor rights risks through standardized processes, enhancing the fairness and transparency of supply chain governance.

Supplier ESG Training

The Company empowers suppliers through systematic ESG training programs that cover critical agendas—ranging from low-carbon operations and climate action to labor rights, business ethics, and supply chain transparency. By integrating case studies and practical tools, IEIT SYSTEMS assists partners in defining clear evaluation benchmarks and improvement roadmaps, driving the implementation of their sustainability action plans. The Company utilizes diverse formats such as offline seminars, online courses and lectures, and on-site coaching, complemented by ESG-themed events, to create a regular communication and learning mechanism. The training covers key positions including supplier managers, system specialists, and frontline representatives, promoting the extension of ESG requirements to the grassroots level of the supply chain and enhancing implementation consistency. During the reporting period, the participation rate for supplier ESG training was 100%.

No Use of Conflict Minerals

IEIT SYSTEMS is committed to the principle of respecting international human rights and the environment. The Company pledges not to use conflict minerals or raw materials such as tin, tantalum, tungsten, gold, and cobalt from unknown sources, ensuring that all raw materials are sourced responsibly and in compliance with regulations. The Company follows international initiatives such as the RMI and has formulated the *Supplier Corporate Social Responsibility Due Diligence Management Specifications*. It requires suppliers to sign a Commitment Letter on Not Using Conflict Minerals, which sets clear requirements for all stages, including mineral extraction, transportation, processing, trade, smelting, and export. This prohibits any activities that could exacerbate conflict, cause environmental degradation, or violate human rights, and the Company does not accept materials that directly or indirectly contribute to conflict.

In its supplier management, the Company requires relevant suppliers to commit to environmentally and socially responsible sourcing of materials. Newly introduced suppliers are required to submit a supplier social responsibility management assessment form and sign the *Commitment Letter on Not Using Conflict Minerals* upon onboarding. For existing suppliers, the Company conducts annual conflict mineral surveys, requiring them to provide evidence of material origins. Suppliers shall establish and implement a conflict minerals policy that incorporates a statement of compliance with applicable laws and a commitment to responsible sourcing. By collaborating with upstream providers, suppliers must ensure material traceability down to the smelter level to verify that all purchased metals originate from non-conflict smelters.

Key Performance

As of the end of the reporting period, the Company has completed investigations of all suppliers involved in the procurement of conflict minerals, achieving a

100% coverage rate

Through CMRT/EMRT surveys, the Company has achieved

100% traceability of raw materials to the smelter level, laying a solid foundation for source control of responsible minerals.

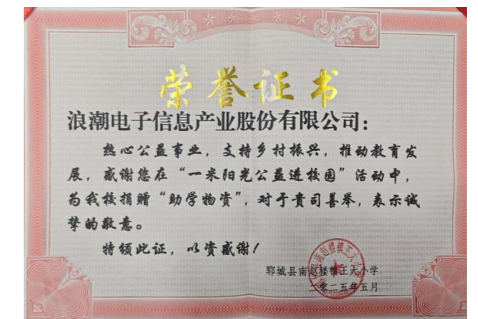
Rural Revitalization and Social Contribution

IEIT SYSTEMS strictly implements its *Administrative Measures for External Donations* to standardize the decision-making, implementation, and supervision processes for donations and public welfare investments. This ensures that all donations are lawful, compliant, transparent, and have clear purposes, while continuously improving the efficiency and standardization of social resource allocation. In its efforts toward rural revitalization and social contribution, the Company adheres to a philanthropic path focused on educational support, contributing to the advancement of education and high-quality regional development.

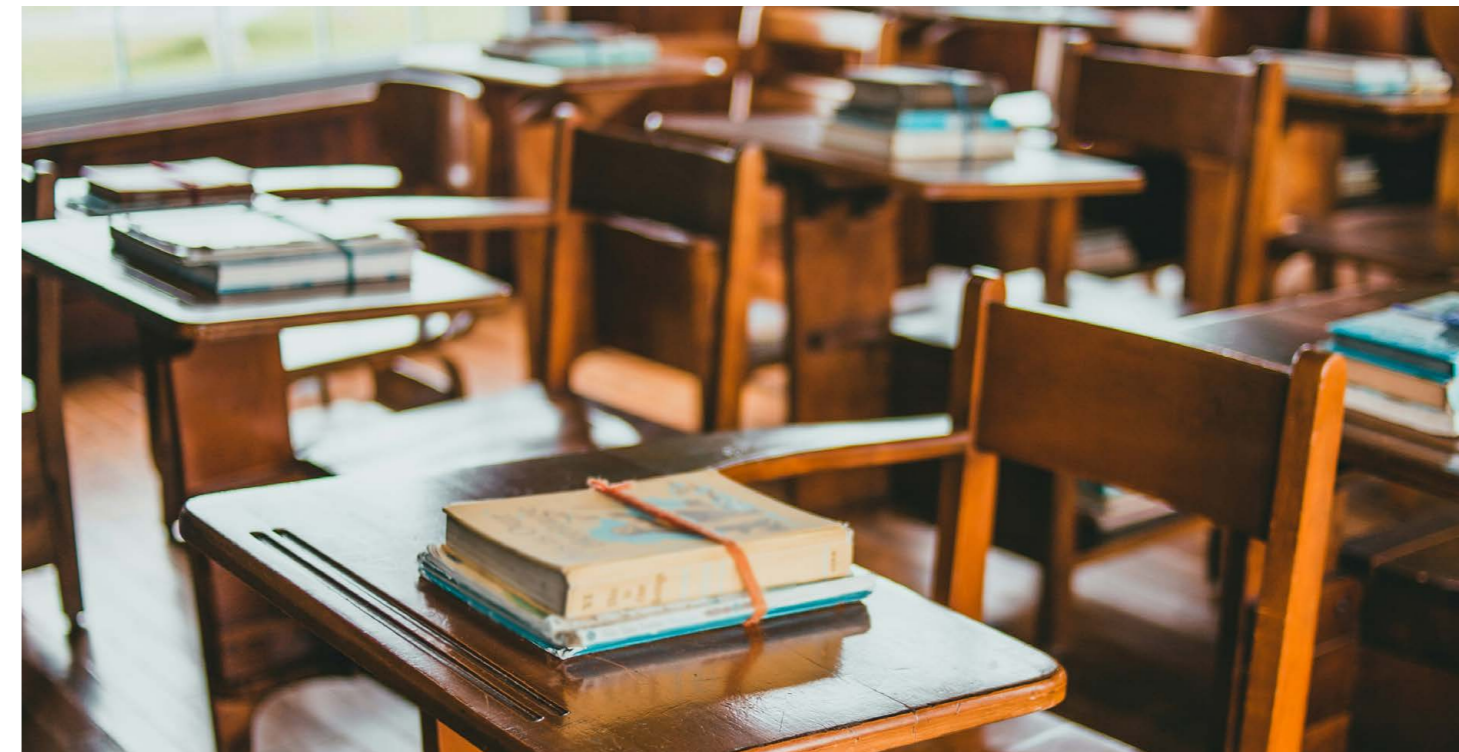
During the reporting period, IEIT SYSTEMS has invested approximately 900,000 yuan in rural revitalization and public welfare activities. The Company has organized 16 volunteer service events themed around community service, environmental protection, visiting the elderly, and science popularization, with active participation from employees at all levels.

Case Book Donation Campaign

During the reporting period, the Company organized the "Reading Enriches the Soul, Wisdom Lights Up the Hope" book donation campaign. We mobilized all employees to donate age-appropriate books, such as literary classics and popular science picture books, to Wangda Primary School in Yuncheng County, Heze City, Shandong Province. The initiative benefited approximately 270 students, helping to improve reading and learning conditions in remote areas and fostering a more supportive environment for growth.



Certificate of Appreciation for Donating Teaching Materials



05

Conclusion

ESG Performance Data

Corporate Governance Indicators	Unit	2023	2024	2025
Number of General Meetings of Shareholders Held	sessions	4	3	5
Number of Board of Directors Meetings Held	sessions	9	5	8
Proportion of Independent Directors on the Board of Directors	%	50	50	42.86
Number of Corruption Lawsuits Against the Company and Employees	case(s)	0	0	0
Economic Losses Incurred	CNY	0	0	0

Environmental Indicator	Unit	2025
GHG Emissions¹		
Total Greenhouse Gas Emissions	metric tons CO ₂ equivalent	879,774.66
Scope 1 Emissions ²	metric tons CO ₂ equivalent	248.07
Scope 2 Emissions ³	metric tons CO ₂ equivalent	42,954.71
Scope 3 Emissions ⁴	metric tons CO ₂ equivalent	836,571.88
Energy Consumption⁵		
Total Energy Consumption	tons of standard coal equivalent (TCE)	8,707.51
Energy Consumption Intensity	TCE/CNY 10,000 of revenue	0.0005
Direct Energy Consumption		
Diesel	metric tons	5.78
Indirect Energy Consumption		
Purchased Steam	Gigajoules (GJ)	14,000.95
Purchased Electricity	MWh	66,894.87
Clean Energy Consumption		
Photovoltaic Power	MWh	3,847.43
Solar Energy as a Proportion of Total Clean Energy	%	100

¹GHG emissions data for the reporting period are disclosed in accordance with a third-party verification report. The statistical boundary covers production and office facilities at IEIT SYSTEMS' headquarters relevant to GHG emissions. Unlike previous years, which relied on comprehensive self-assessments, the 2025 disclosure scope is focused on core operational units that have completed third-party verification. This initiative aims to enhance the reliability of our GHG emissions data. IEIT SYSTEMS is actively preparing for the accounting and verification of other operational sites, with the goal of expanding coverage in subsequent reports.

²Scope 1 emissions include direct emissions from mobile combustion sources and direct fugitive GHG emissions from anthropogenic systems.

³Scope 2 emissions include indirect emissions from the consumption of purchased electricity and steam.

⁴Scope 3 emissions include indirect emissions from upstream and downstream transportation and distribution, employee commuting, business travel, upstream raw materials, upstream energy, and the use of sold products.

⁵The statistical boundary covers the production and office sites and facilities related to GHG emissions at IEIT SYSTEMS' headquarters.

Environmental Indicators ¹	Unit	2023	2024	2025
Waste Management				
Total General Recyclable Waste	metric tons	1,488.75	2,193.92	3,750.69
Total Hazardous Waste	metric tons	88.30	94.60	118.30
Total Waste	metric tons	1,577.05	2,288.52	3,868.99
Water Consumption				
Total Water Consumption	metric tons	268,230.65	204,895.94	297,594.77

¹The statistical boundary is the scope of the consolidated financial statements.

Social Indicators	Unit	2023	2024	2025
Total Number of Employees ²	people	7,212	6,968	6,896
Number of Employees by Gender				
Male	people	5,326	5,122	4,926
Female	people	1,886	1,846	1,970
Number of Employees by Category				
Managerial Staff	people	604	614	631
R&D Staff	people	3,170	3,164	3,099
Others		3,438	3,190	3,166
Number of Employees by Age				
Under 30	people	2,509	2,684	2,988
30-50	people	4,538	4,138	3,741
Over 50	people	165	146	167
Turnover Rate				
Total Employee Turnover	people	834	812	947
Turnover Rate	%	11.40	11.45	13.60
Occupational Health and Safety				
Work-related Fatalities	people	0	0	0
Work-related Fatality Rate	%	0	0	0
Lost Days due to Work-related Injury ³	/	275	352	274
Parental Leave				
Number of Male Employees Entitled to Parental Leave	people	5,326	5,122	4,926
Number of Female Employees Entitled to Parental Leave	people	1,886	1,846	1,970
Number of Male Employees Who Took Parental Leave	people	195	267	217
Number of Female Employees Who Took Parental Leave	people	136	163	140

Social Indicators	Unit	2023	2024	2025
Number of Male Employees Who Returned to Work After Parental Leave	people	193	267	217
Number of Female Employees Who Returned to Work After Parental Leave	people	122	162	139
Male Employees Retained 12 Months After Parental Leave	people	183	253	205
Female Employees Retained 12 Months After Parental Leave	people	119	156	132
Return-to-work Rate - Male Employees	%	100	100	100
Return-to-work Rate - Female Employees	%	100	99.39	99.29
Retention Rate - Male Employees	%	94.82	94.76	94.47
Retention Rate - Female Employees	%	97.54	96.30	94.96
Supplier Management				
Proportion of Suppliers with Contracts Including Environmental and Labor Requirements	%	100	100	100
Number of Suppliers Who Underwent Environmental and Social Impact Assessments ⁴	/	66	81	330
Application of Environmental and Social Impact Assessments for New Supplier Selection	%	100	100	100
Number of Tier 1 Suppliers Who Passed RBA (VAP) or Equivalent Audits	/	66	68	72
Tier 1 Supplier RBA (VAP) or Other Audits: Number of Non-conformities	/	105	107	116
Priority Non-conformances Correction Rate	%	100	100	100

²The statistical scope covers the total number of full-time employees during the reporting period.

³Work-related injuries during the reporting period were primarily traffic accidents occurring during commutes and are not classified as production safety accidents.

⁴The statistical scope for the number of supplier audits in 2025 was adjusted compared to previous years. The scope of audits in 2023 and 2024 covered only Tier 1 suppliers, while in 2025 it was expanded to include both Tier 1 and Tier 2 suppliers.

Index of Terms

Abbreviation	Definition
PUE	Power Usage Effectiveness
QMS	Quality Management System
MES	Manufacturing Execution System
ITR	Issue to Resolution
IPD	Integrated Product Development

Greenhouse Gas (GHG) Verification Certificate



China Quality Mark

温室气体核查证书

证书编号: 00226GHGV1D00029R0



工业互联网标识

申请方名称: 浪潮电子信息产业股份有限公司
 申请方地址: 山东省济南市高新区草山岭南路 801 号 9 层东侧
 受核查方名称: 浪潮电子信息产业股份有限公司
 受核查方地址: 山东省济南市高新区春晓路 3816 号
 核查报告发布日期: 2026 年 01 月 01 日
 核查依据: ISO14064-1:2018、ISO14064-3:2019
 核查目的: 1) 评价组织的温室气体声明满足 ISO 14064-1:2018 要求; 2) 评价温室气体盘查报告的一致性、完整性; 3) 确认温室气体盘查过程和排放量计算的正确合理性; 4) 评价组织的温室气体相关控制情况。
 核查边界: 双方约定核查位于山东省济南市高新区春晓路 3816 号的浪潮电子信息产业股份有限公司总部的与温室气体排放相关的生产和办公场所及设施。
 报告期: 2025 年 01 月 01 日至 2025 年 12 月 31 日
 核查保证等级: 合理保证等级
 实质性阈值: 5%

经核查, 浪潮电子信息产业股份有限公司温室气体排放量详见附件。

签发日期: 2026 年 02 月 12 日

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方圆标志认证集团
China Quality Mark Certification Group

CHINA QUALITY MARK
北京海淀区中关村东路 33 号 1011-8941-888 电话: 010-89411388 网站: http://www.cqm.com.cn
Address: No.33, Zhongguang Road, Haidian District, Beijing, P.R. China



China Quality Mark

温室气体核查证书附件

证书编号: 00226GHGV1D00029R0

排放类别	核证排放量 (tCO ₂ e)
类别一: 直接温室气体排放	248.07
类别二: 输入能源的间接温室气体排放	42954.71
类别三: 运输产生的间接温室气体排放	4387.12
类别四: 组织使用的产品产生的温室气体排放	4974.4
类别五: 与使用组织产品有关的间接温室气体排放	827210.36
类别六: 其他来源的间接温室气体排放	0.0
合计	879774.66

核查说明: 方圆标志认证集团依据 ISO 14064-3:2019 对受核查方的温室气体盘查报告进行了独立的第三方核查。核查过程中检查的数据, 其性质是历史性的。温室气体核查详细信息见温室气体核查报告(报告编号: R-00226GHGV1D00029R0)。

签发日期: 2026 年 02 月 12 日

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Address: No.33, Zhongguang Road, Haidian District, Beijing, P.R. China

Independent Assurance and Statement of Opinion

Shanghai Infaith Management Consulting Co., Ltd. (hereinafter referred to as "Infaith Consulting"), as entrusted by IEIT SYSTEMS CO., LTD. (hereinafter referred to as "IEIT SYSTEMS"), has conducted independent limited assurance of the environmental, social and governance information and data disclosed in IEIT SYSTEMS 2025 Sustainability Report (hereinafter referred to as "Report"), and disclosed the assurance result and conclusion to readers of the Report in the form of independent assurance and statement of opinion.

Independence and Capability

1. All the assurance team members of Infaith Consulting have no business relationship with IEIT SYSTEMS that leads to conflicts of interest; The team of Infaith Consulting has performed this assurance work independently;

2. The assurance team of Infaith Consulting consists of experienced professionals in the industry. Relevant persons have received professional training on the GRI Standards issued by the Global Reporting Initiative, AA1000AS v3, ISO 14001, ISO 26000, SA 8000, EcoVadis global supply chain rating and other sustainability-related standards and have adequate understanding and practical experience in relevant international principles, evaluation systems and assurance standards.

Assurance Statement

1. IEIT SYSTEMS management shall be fully held accountable for the preparation and content of the Report. It is the responsibility of Infaith Consulting to conduct an assurance based on the scope as described herein, and to provide professional assurance opinions to the Report readers and stakeholders.

2. Based on the assurance scope limits, Infaith Consulting shall, in accordance with AA1000AS v3, conduct independent limited assurance and guarantee conclusion for the matters within the scope defined in the Report. In addition to providing independent assurance and making other statements of opinion on the facts of assurance under the conclusion, Infaith Consulting will not assume any legal or other liabilities for any inquiries for any other purposes, or for any other persons who read this Independent Assurance and Statement of Opinion.

3. If you have any questions about the contents contained herein or related matters, IEIT SYSTEMS will reply in a lump sum.

4. In the event of any conflict or inconsistency between the Chinese version and the English version of this Independent Assurance and Statement of Opinion, the Chinese version shall prevail.

Assurance Standard

Infaith Consulting adopts AA1000AS v3 type-1 medium assurance level, which includes IEIT SYSTEMS's

evaluation of the compliance situation and degree of the four AA1000AS v3 assurance principles, including inclusiveness, substantiality, responsiveness and impact.

Assurance Scope

1. The assurance scope is limited to the information and data of IEIT SYSTEMS and its affiliated companies covered by the Report, excluding the data and information of IEIT SYSTEMS suppliers, contractors and other third parties.

2. Infaith Consulting adopts AA1000AS v3 type-1 moderate assurance level to evaluate IEIT SYSTEMS's compliance nature and degree of the four assurance principles in AA1000AS v3.

Assurance Process and Work

In order to collect evidence related to the conclusion, Infaith Consulting has carried out the following work:

1. Interview with the senior management team and employees of IEIT SYSTEMS to understand the overall situation and related processes of IEIT SYSTEMS in fulfilling its corporate environmental, social and governance responsibilities;

2. Verify the key development and policy implementation of relevant organizations of IEIT SYSTEMS, and the supporting evidence of the announcement made in the verification report;

3. Through interviews and inspection of relevant documents, understand the expectations and needs of major stakeholders and stakeholders of IEIT SYSTEMS, the specific communication channels between the two parties, and how IEIT SYSTEMS responds to the expectations and needs of stakeholders;

4. Select the information related to environment, society and governance in this report, carry out analytical verification procedures and overall performance of this information, and evaluate and verify whether it is consistent with the contents of the report;

5. Verify the process management of the principles of inclusiveness, materiality, responsiveness and impact in the report and its related AA1000AS v3 to confirm the appropriateness of this statement;

6. Sampling inspection on supporting evidence of data reliability and quality of selected specific performance information;

7. Recalculate and verify the selected specific performance information;

8. Perform other procedures deemed necessary by Infaith Consulting.

Assurance Conclusions

1. According to the information provided by IEIT SYSTEMS and the sample test, there is no material misrepresentation in the Report.

2. For the principles of inclusiveness, substantiality, responsiveness and impact included in AA1000AS v3, the detailed assurance conclusions are as follows:

Inclusiveness	According to the Report, IEIT SYSTEMS has taken important measures including continuously seeking the participation of stakeholders in the business operation, understanding their expectations and concerns, communicating about and confirming substantive issues in a timely manner, etc., to respond responsibly and strategically to stakeholders related to the social responsibilities of the Company.
Substantiality	IEIT SYSTEMS has announced major topics that will have substantial influence and impact on the evaluation, decision-making, actions and performance of the organization and its stakeholders, and judged and improved the management and performance of the issues.
Responsiveness	IEIT SYSTEMS has implemented relevant policies, and is able to respond to issues that concern the stakeholders in a timely manner.

Impact	IEIT SYSTEMS has the adequate ability to identify substantive issues. It has implemented balanced and effective evaluation and disclosure methods, and has established a systematic process for monitoring, measurement, evaluation and management impact, so as to achieve more efficient management of decision-making and results within the organization, and demonstrate the impact of the substantive issues in an impartial and objective manner.
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3. Based on the procedures implemented and the evidence obtained by Infaith Consulting, we have found nothing that causes us to doubt the reliability and quality of the specific performance indicators selected in the Report.

Limitation

The assurance process was carried out at the location within the scope of the Report.

Because there is no internationally recognized and commonly used standard for the evaluation and measurement of non-financial information, the application of different but acceptable information and measurement technologies may affect the comparability with other institutions.

If you have any advice for this Independent Assurance and Statement of Opinion, you may contact:

Tel: 021-20740303

Email: esg@Infaith.com.cn

Address: Floor 17, Building T1, Lujiazui Binjiang Center, No. 257 Binjiang Avenue, Pudong New District, Shanghai



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Infaith Consulting
Shanghai, March 2026

Index of Indicators

Index for the *Releasing Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*

Disclosure Requirement	Corresponding Section in This Report
Climate change tackling	Response to Climate Change
Pollutant discharge	Circular Economy and Waste Management
Waste disposal	Circular Economy and Waste Management
Ecosystem and biodiversity protection	Environmental Compliance Management and Ecological Resources
Environmental compliance management	Environmental Compliance Management and Ecological Resources
Energy usage	Response to Climate Change
Usage of water resources	Environmental Compliance Management and Ecological Resources
Circular economy	Circular Economy and Waste Management
Rural revitalization	Rural Revitalization and Social Contribution
Contributions to the society	Rural Revitalization and Social Contribution
Innovation-driven	Innovation-driven Industry Development
Ethics of science and technology	Innovation-driven Industry Development
Supply chain security	Supply Chain Security
Equal treatment to small and medium-sized enterprises	This topic is not applicable as the Company's balance of accounts payable (including notes payable) did not exceed 30 billion yuan, accounting for less than 50% of total assets at the end of the reporting period.
Safety and quality of products and services	Product and Service Quality and Safety
Data security and customer privacy protection	Data Security and Customer Privacy Protection
Employees	Employee Recruitment and Development, Occupational Health and Work Safety
Due diligence	Sustainable Development Management Risk Management
Communications with stakeholders	Sustainable Development Management
Anti-commercial bribery and anti-corruption	Business Ethics
Anti-unfair competition	Business Ethics

Global Reporting Initiative (GRI) Standards Index

Statement of Use	IEIT SYSTEMS has prepared this report for the period from January 1, 2025, to December 31, 2025, in accordance with the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	Report Section
GRI 2: General Disclosures 2021	2-1	About this Report
	2-2	
	2-3	
	2-5	Independent Assurance Statement
	2-6	About IEIT SYSTEMS
	2-7	Employee Recruitment and Development ESG Performance Data
	2-9	Corporate Governance
	2-10	
	2-11	
	2-12	
	2-13	Sustainable Development Management
	2-14	
	2-16	
	2-19	Corporate Governance
2-22	Sustainable Development Management	
2-27	Internal Control and Compliance	
2-29	Sustainable Development Management	
GRI 3: Material Topics 2021	3-1	Sustainable Development Management
	3-2	
	3-3	
GRI 101: Biodiversity 2024	101-2	Environmental Compliance Management and Ecological Resources
	101-4	
	101-5	
GRI 201: Economic Performance 2016	201-1	ESG Performance Data
	201-2	Response to Climate Change
	201-3	Employee Recruitment and Development
GRI 203: Indirect Economic Impacts 2016	203-1	Rural Revitalization and Social Contribution
GRI 205: Anti-corruption 2016	205-1	Business Ethics
	205-2	
	205-3	
GRI 206: Anti-competitive Behavior 2016	206-1	Business Ethics

GRI STANDARD	DISCLOSURE	Report Section
GRI 302: Energy 2016	302-1	Response to Climate Change ESG Performance Data
	302-2	
	302-3	
	302-4	
GRI 303: Water and Effluents 2018	303-1	Environmental Compliance Management and Ecological Resources
	303-2	Circular Economy and Waste Management
	303-3	ESG Performance Data
GRI 305: Emissions 2016	305-1	Response to Climate Change ESG Performance Data
	305-2	
	305-3	
GRI 306: Waste 2020	306-1	Circular Economy and Waste Management ESG Performance Data
	306-2	
	306-3	
GRI 308: Supplier Environmental Assessment 2016	308-1	Supply Chain Security
	308-2	
GRI 401: Employment 2016	401-1	Employee Recruitment and Development ESG Performance Data
	401-2	
	401-3	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Health and Work Safety
	403-2	
	403-5	
	403-6	
	403-9	ESG Performance Data
GRI 404: Training and Education 2016	404-1	Employee Recruitment and Development
	404-2	
	404-3	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Employee Recruitment and Development
GRI 406: Non-discrimination 2016	406-1	Employee Recruitment and Development
GRI 408: Child Labor 2016	408-1	Employee Recruitment and Development
GRI 409: Forced or Compulsory Labor 2016	409-1	Employee Recruitment and Development
GRI 413: Local Communities 2016	413-1	Environmental Compliance Management and Ecological Resources
GRI 414: Supplier Social Assessment 2016	414-1	Supply Chain Security
	414-2	
GRI 418: Customer Privacy 2016	418-1	Data Security and Customer Privacy Protection

IEIT SYSTEMS' SDG Alignment Map

Since 2023, IEIT SYSTEMS has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, environment, and anti-corruption.



SDGs	IEIT SYSTEMS's Actions
3 GOOD HEALTH AND WELL-BEING	IEIT SYSTEMS continuously refines its occupational health and safety management system, enhancing safety management through training, emergency drills, and potential risk identification to foster a robust culture of safety. During the reporting period, no workplace safety incidents occurred, and the average occupational health and safety training time per employee was approximately 19 hours.
4 QUALITY EDUCATION	IEIT SYSTEMS provides all employees with diverse training resources and fair growth opportunities, building a systematic talent development framework and continuously offering multi-level training and learning programs. During the reporting period, the Company has conducted 655 employee training sessions, comprehensively strengthening the professional capabilities of its workforce.
5 GENDER EQUALITY	IEIT SYSTEMS upholds the principles of diversity and inclusion, maintaining a zero-tolerance policy towards all forms of discrimination and inequality. We strictly guard against gender-based discrimination and harassment, and have implemented welfare measures—including position retention policies and maternity leave benefits—to support female employees in balancing their work and personal lives.
6 CLEAN WATER AND SANITATION	IEIT SYSTEMS promotes meticulous water management and strengthens water conservation and pollution control measures to ensure the secure, hygienic, economical, and efficient use of water resources.
7 AFFORDABLE AND CLEAN ENERGY	IEIT SYSTEMS continues to advance its green transformation, achieving significant results through the construction of photovoltaic power systems and the operation of its energy management system. During the reporting period, the PV system generated 3,847,429.2 kWh of clean electricity for the facility.
8 DECENT WORK AND ECONOMIC GROWTH	IEIT SYSTEMS is committed to compliant employment and the protection of employee rights and benefits. The Company continuously optimizes its remuneration and benefits systems, striving to create a fair, just, open, and dynamic work environment that promotes high-quality employment and stable corporate growth.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	IEIT SYSTEMS continuously drives R&D investment and breakthroughs in key technologies, focusing on intelligent computing, computing power infrastructure, and industry-wide digital and intelligent transformation. As of the end of the reporting period, the Company has led or participated in developing over 300 standards.
10 REDUCED INEQUALITIES	IEIT SYSTEMS consistently upholds the principle of non-discrimination across all human resources management processes, including hiring, compensation, training, promotion, termination, and retirement, reinforcing a foundation of fairness through institutionalized regulations.
11 SUSTAINABLE CITIES AND COMMUNITIES	IEIT SYSTEMS continues to advance the development of its green factories and actively engages in technical cooperation on ecological conservation projects, providing technological support for regional environmental protection.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	IEIT SYSTEMS adheres to a responsible product philosophy, continuously improving resource utilization efficiency. We deepen our circular economy practices through packaging optimization, equipment reuse, and trade-in programs, driving the transition of our production and operations towards a green, low-carbon, and sustainable model.
13 CLIMATE ACTION	IEIT SYSTEMS proactively addresses climate change by advancing clean technology innovation, implementing energy conservation and carbon reduction measures, strengthening energy management, promoting green factory development, and encouraging green office practices. These efforts enable us to actively respond to potential risks while seizing market opportunities from green, low-carbon technologies, thereby enhancing both our corporate resilience and competitive edge.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	IEIT SYSTEMS is dedicated to fostering a fair, transparent, and orderly market environment. The Company is committed to operating with integrity, upholding business ethics, complying with international conventions and the laws and regulations of the countries in which it operates, opposing all forms of fraud, bribery, and unfair competition, and adhering to trade controls.
17 PARTNERSHIPS FOR THE GOALS	IEIT SYSTEMS builds an open and collaborative ecosystem, deepening its cooperation with universities and partners across the industrial chain. During the reporting period, the Company has achieved full ESG training coverage for its suppliers, promoting synergistic and sustainable development across the industrial chain.

Reader Feedback Form

Dear readers,

Thank you for taking the time to read the 2025 Sustainability Report of IEIT SYSTEMS Co., Ltd. To better serve you and other stakeholders by providing more valuable information and to effectively enhance our Company's sustainable development practices, we sincerely welcome your feedback and suggestions.

Please tick (✓) at the appropriate box.

1.Your role for IEIT SYSTEMS:

Employee Customer Supplier Media Regulatory Bodies Other (Please Specify)

2.Your overall evaluation of this report:

Excellent Good Average Poor Very Poor

3.Your evaluation of the content quality of this report:

Very High High Average Low Very Low

4.Your evaluation of the structure of this report:

Very logical Logical Average Poor Very Poor

5.Your evaluation of the layout design and presentation of this report:

Excellent Good Average Poor Very Poor

6.Your evaluation of IEIT SYSTEMS's overall performance on governance issues:

Excellent Good Average Poor Very Poor

7.How would you rate IEIT SYSTEMS' overall performance on social topics?

Excellent Good Average Poor Very Poor

8.Your evaluation of IEIT SYSTEMS's overall performance on environmental issues:

Excellent Good Average Poor Very Poor

Open questions:

1.What additional information do you want this report to include?

2.What are your opinions and suggestions for IEIT SYSTEMS's ESG efforts?

If possible, kindly share your information with us.

Name:

Phone:



Company official website: <https://www.ieisystem.com>

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