



2024

Environmental, Social and
Governance (ESG) Report

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About this Report

Shenzhen Longsys Electronics Co., Ltd. (hereinafter referred to as "Longsys", the "Company", or "we") has prepared this Environmental, Social and Governance ("ESG") Report ("this report") to provide stakeholders with transparent and comprehensive disclosure of our Environmental, Social, and Governance policies, practices, and performance. This report has been compiled in accordance with relevant domestic and international ESG reporting standards and regulatory requirements.

Reporting Standards

This report has been prepared in accordance with the *Self-Regulation Guidance No. 17 for Listed Companies - Sustainability Report (Trial)* issued by the Shenzhen Stock Exchange ("SZSE"). It also draws reference from the United Nations Sustainable Development Goals (UNSDGs) and seeks to align with prevailing ESG disclosure standards adopted by industry peers.

Reporting Scope

This report covers Shenzhen Longsys Electronics Co., Ltd. (Stock Code: 301308) and its subsidiaries. The scope of disclosures in this report is consistent with that of the Company's Annual Report. This is an annual report covering the Company's sustainability-related matters for the period from January 1, 2024 to December 31, 2024 (referred to as "this year", "reporting year" or "reporting period") as well as activities within the Company during the year of publication. Certain information may refer to previous years or extends forward to April 2025 where relevant. Unless otherwise specified, all monetary figures in this Report are denominated in Renminbi (RMB).

Definition

For ease of reference, the terms "Longsys", the "Company", and "we" in this report collectively refer to Shenzhen Longsys Electronics Co., Ltd. and its subsidiaries as a whole.

Subsidiary Name	Abbreviation
Zhongshan Longsys Electronics Co., Ltd.	Zhongshan Longsys
Longforce Technology (Suzhou) Co., Ltd. (formerly: Powertech Technology (Suzhou) Co., Ltd.)	Longforce Suzhou
Mestor Integrated Circuit (Zhuhai) Co., Ltd.	Mestor
Zilia Eletrônicos:Zilia Technologies Indústria e Comércio de Componentes Eletrônicos Ltda.	Zilia
Zilia Semicondutores:Zilia Technologies Indústria de Componentes Semicondutores Ltda.	

Sources of Information

The content and data disclosed in this report are both derived from the Company's internal statistical records, official documents, financial statements, and publicly available sources. All information has been provided by the Company's employees and business partners and is intended solely for the purpose of disclosing the Company's sustainability performance. It is not intended for commercial use. In the event of any discrepancies between the information presented in this report and the Company's 2024 Annual Report, the Annual Report shall prevail.

Reporting Principles

This report has been prepared in accordance with the principles of materiality, quantitative, balance, and consistency. It responds to and addresses the concerns of stakeholders, applies industry-recognized ESG disclosure standards, and incorporates quantitative data to report key performance indicator, thereby providing objective presentation of the Company's sustainability performance.

Report Deliberation and Approval

This report was deliberated and approved for publication by the Board of Directors on June 11, 2025.

Access to this Report

The electronic version of this report is available on the Company's official website (www.longsys.com). This report is available in both Chinese and English. In the event of any discrepancies between the two versions, the Chinese version shall prevail.

About Longsys

Company Profile and Overview

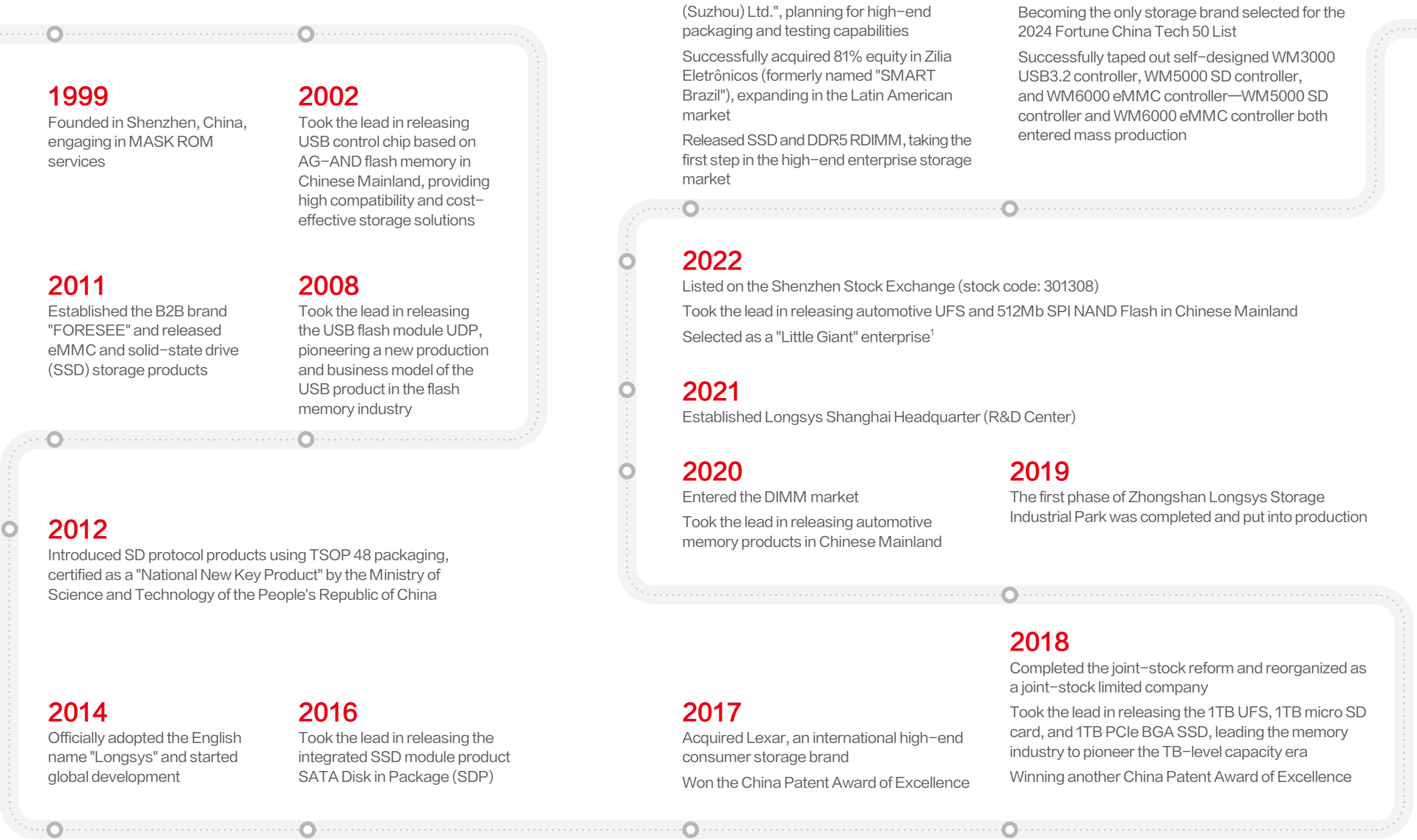
Founded in 1999 and listed on the SZSE in 2022 (Stock Code: 301308), Longsys is a globally leading branded semiconductor memory product enterprise. Guided by the vision of "to push the physical boundaries of memory technology, with memory seamlessly embedded into every dimension of life", the Company is committed to building a collection of global premier memory product brands synonymous with product innovation, quality and integrity, surpassing our customers' highest expectations. Longsys designs, manufactures, and sells NAND Flash and dynamic random-access memory (DRAM) storage products across consumer, enterprise, and industrial storage applications.

Through persistent effort and strategic development, Longsys has expanded from semiconductor storage product trading into independent development of proprietary memory manufacturing technologies, and further into core capabilities such as chip design, firmware development, NAND die analysis, and packaging and testing. This vertical integration along the value chain of semiconductor storage, combined with Longsys' high-quality and high-performance product portfolio, has earned the Company broad recognition among business partners and users worldwide.





Longsys Development Milestones



¹ "Little Giant" enterprises refer to the top performers among specialized, sophisticated, high-end and innovation-driven SMEs that provide distinctive products or services.



Business Scope and Market Presence

Longsys is primarily engaged in the R&D, design, packaging and testing, and manufacturing (including SMT and module assembly) and sales of semiconductor storage products and applications. With a strategic focus on storage technologies and applications, the Company has developed core capabilities in memory chip design, controller chip design and firmware algorithms development, packaging and testing, and manufacturing. Longsys offers comprehensive solutions including consumer-grade, automotive-grade, and industrial-grade storage products, as well as hardware and software applications for industry-specific storage.

The Company owns several storage brands: FORESEE (B2B storage), Zilia (overseas B2B storage), and Lexar (international high-end consumer storage). Longsys' products are widely applied in mainstream consumer smart devices (e.g., smartphones, wearables, PCs), data centers, automotive electronics, Internet of Things (IoT), security monitoring, industrial control, and the personal consumer storage market.



Core Technological Capabilities of Longsys' Business Operations

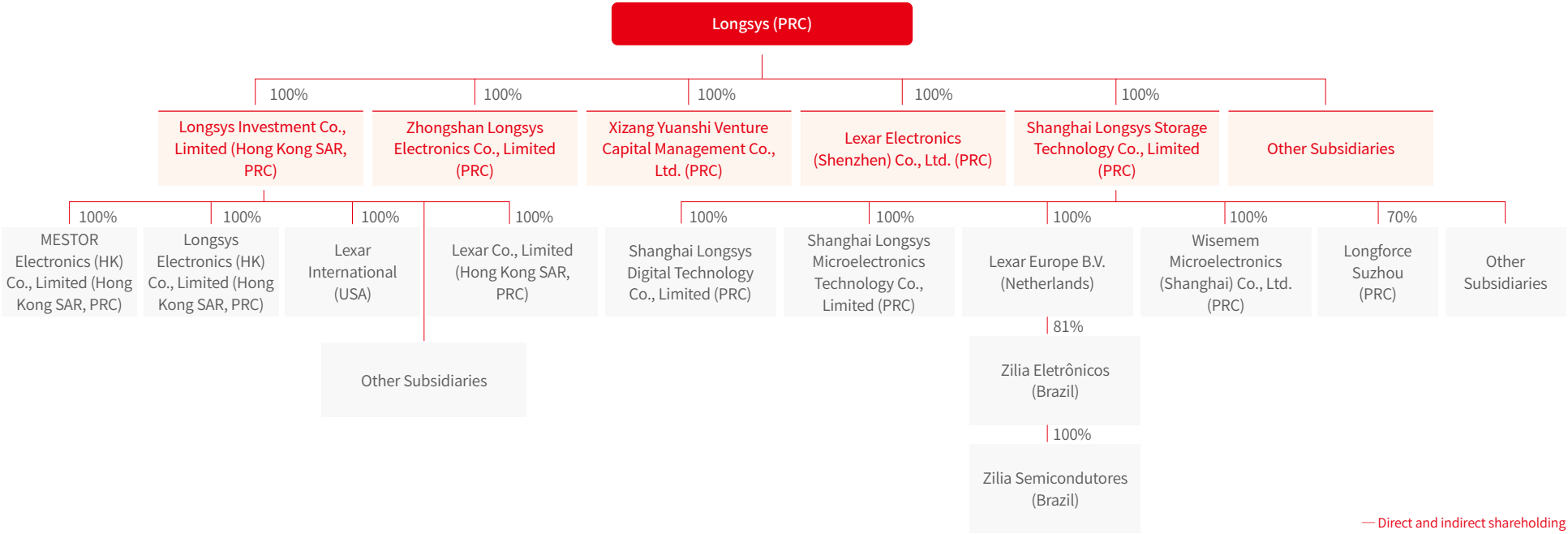
	Embedded Storage	Solid-state Drive	Mobile Storage	DIMM
Consumer-Grade	FORESEE [®] zilia	Lexar FORESEE [®] zilia	Lexar FORESEE [®]	Lexar FORESEE [®] zilia
Enterprise-Grade		FORESEE [®]		FORESEE [®] zilia
Industrial-Grade ¹	FORESEE [®]	FORESEE [®]	FORESEE [®]	FORESEE [®]

Longsys' Proprietary Brands and Product Availability Across Different Markets

¹ Includes automotive storage products.



Organizational Structure



— Direct and indirect shareholding



2024 Key Performance

Environmental

Carbon emission reduction targets and 2024 achievement

10,317.56 tonne CO₂e

Circulating water consumption

30,607,802.00 tonne

100%
compliant waste disposal



Recycle rate of non-hazardous waste

over 71%

Social

Return Merchandise Authorization (RMA) rate improved by

50%
year-on-year

R&D investment exceeded

RMB 900 million



The total number of patents obtained is more than

570

Governance

Held

8
meetings of the Board of
Directors

2
earnings briefings

3
general meetings of
shareholders

38
roadshows

Responded to

218
investor inquiries via the Interactive E-platform on the
Company's official website

response rate reaching

100%



2024 Milestones

Promoting Steady Development

Driving Excellent Quality

Practicing Green Operation

Creating a Harmonious Workplace

Achieving Value Co-Creation

Appendix

2024 Milestones

February

One-Year Anniversary of Enterprise Storage Mass Production, Achieving Notable Results

Over the past year, the enterprise storage products made notable progress, achieved notable achievements in both technological R&D and market application.

March

Initial Launch of the TCM Innovative Business Model

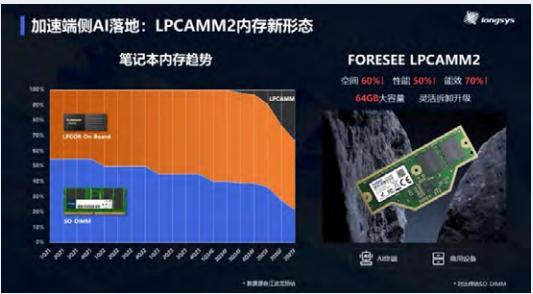
Longsys introduced the forward-looking Technologies Contract Manufacturing (TCM) business cooperation model. By collaborating with upstream storage wafer foundries and integrating comprehensive capabilities in storage controller design, firmware customization and development, advanced packaging and testing technologies, after-sales services, branding, and intellectual property, the TCM model provides more stable and reliable supply of storage resources, more flexible product customization and technical support, more comprehensive integrated services, thereby connecting multiple links of the value chain.



March

Product Innovations Unveiled at the 2024 China Flash Market Summit (CFMS)

At the 2024 China Flash Market Summit, Longsys released the FORESEE LPCAMM2 and debuted the first FORESEE CXL 2.0 memory expansion module based on proprietary architectural design, offering new breakthroughs.



March

Took the Lead in Releasing QLC eMMC in Chinese Mainland

Capitalizing on emerging market trends, Longsys introduced the FORESEE QLC eMMC, developed using its proprietary WM-6000 controller, in-house QLC algorithms and self-developed firmware. By applying advanced 3D QLC technology to eMMC products, the launch addresses end-market demands for cost reduction and capacity expansion. The product embraces comprehensive technological capabilities supporting a wide range of technical specifications, offering greater flexibility and diversified options for various application scenarios.



April

Breakthrough in Global Compliance Management and Steady International Expansion

In April, all compliance obligations related to the 2017 acquisition of the Lexar brand were formally lifted, paving the way for more favorable conditions to support the brand's global business expansion. This progress grants Lexar greater operational autonomy, enabling improved product innovation and enhanced service efficiency to better meet consumer needs. This milestone also underscores Longsys' notable performance in international compliance management and highlights the growing recognition the Company has earned in global markets.

July

Zilia (SMART Brazil) Launched Longsys Product Line and Announced New Investment Plan

In July, Longsys' Brazilian subsidiary, Zilia (SMART Brazil), began packaging and production of Longsys' storage product lines. This successful deployment marked the implementation of Longsys' overseas M&A strategy and technology empowerment strategy, further strengthening

the Company's competitiveness in high-end, branded, and international development in the storage manufacturing.



July

Relocation of Longsys' Shenzhen Headquarter, with Shenzhen - Zhongshan Bridge Fueling a New Stage of Growth

In July, Longsys officially relocated its Shenzhen headquarter to the Horoy Qianhai Financial Center. Positioned across the bay from the Company's self-developed Zhongshan Storage Industrial Park, the two sites are now seamlessly connected via the Shenzhen-Zhongshan Bridge. This enhanced infrastructure linkage establishes a tightly

integrated operational corridor, supporting Longsys' next stage of strategic development.



2024 Milestones

Promoting Steady Development

Driving Excellent Quality

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Creating a Harmonious Workplace

Achieving Value Co-Creation

Appendix

August Initial Launch of the PTM Business Model

Longsys introduced the Product Technology Manufacturing (PTM) business model, seamlessly integrating its proprietary storage controllers, internally developed firmware and hardware, as well as in-house advanced packaging and testing capabilities. This model enables highly flexible, efficient, and full-stack customized services and one-stop delivery.



August Selected for the 2024 Fortune China Tech 50 List as the Only Semiconductor Storage Brand

Leveraging its core technological capabilities, enterprise scale, and global industrial presence, Longsys was named to Fortune China Tech 50 List, standing out from thousands of companies evaluated. It was the only semiconductor storage brand to be included on the list.



September Longsys Going Global: Empowered High-end Packaging and Testing in Latin America, Better Serving American Market

In September, Longsys completed its acquisition of Zilia (SMART Brazil), laying a good foundation for empowering high-end packaging and testing manufacturing in Brazil.



November Longsys' Self-Developed eMMC Controller Won the "Outstanding Technology Innovation Product" of "China Chip"

Longsys' self-developed WM6000 series eMMC controller integrates a proprietary Low-Density Parity-Check Code (LDPC) algorithm and a Static Random-Access Memory (SRAM)-based error detection mechanism, delivering dual breakthroughs in data reliability and error correction. It also incorporates advanced power management technology to significantly reduce energy consumption. Drawing on this outstanding technological innovation, the product was awarded the "Outstanding Technology Innovation Product" at the 19th China Chip Awards in 2024, further enhancing market recognition and acceptance of the technical customization services under Longsys's PTM business model.



November Longsys Unveiled New Products at Electronica Munich

At the Electronica Munich, Longsys for the first time introduced its PTM business model to a global audience, showcasing high-end, flexible, and efficient full-stack customization services focused on industrial and automotive storage solutions. These offerings not only empower intelligent transformation across industrial and automotive sectors, but also address the limitations of product homogenization. Notably, Longsys' innovatively newly launched automotive Grade 2 LPDDR4x product was recognized for its exceptional performance and awarded the "Best-in-Show" prize—becoming the only automotive DRAM (Dynamic Random-Access Memory) product at the exhibition to receive this distinction.



Longsys Honors

Promoting Steady Development

Driving Excellent Quality

Practicing Green Operation

Creating a Harmonious Workplace

Achieving Value Co-Creation

Appendix

Environmental, Social and Governance (ESG) Report

Longsys Honors



National Specialized and New “Little Giant” Enterprise Enterprise (2022–2025)
The Ministry of Industry and Information Technology of the PRC



First Prize of the 2023 Guangdong Provincial Science and Technology Progress Award
The Department of Science and Technology of Guangdong Province



Fortune China Top 50 Tech Companies
Fortune



Guangdong Provincial Manufacturing Single Champion Enterprise
The Department of Industry and Information Technology of Guangdong Province



China Chip Outstanding Technology Innovation Product 2024
The China Academy of Information and Communications Technology



Best Partner Award of the Year
Baidu Xiaodu



Outstanding Supplier
TCL Group



2025 Best Comprehensive Innovation Breakthrough Award
China Flash Market Summit



Excellent Supplier – 2025 Global Core Partners Conference of Huaqin Technology
Huaqin Technology



Ranked 47th in the 2024 Guangdong Province Top 500 Manufacturing Enterprises
The Guangdong Manufacturing Association, Guangdong Academy of Development and Reform, Jinan University Institute of Industrial Economics



Science and Technology Award for Technological Invention
Shenzhen Automotive Electronics Industry Association



Top 100 Electronic Information Competitiveness Enterprises of 2024
The China Electronic Information Industry Federation



Outstanding Supplier in the Ecosystem Chain
Xiaomi Corporation

Longsys Honors and Awards in 2024



Message from the Chairman

Since its establishment in 1999, Longsys has been deeply engaged in the semiconductor storage products industry for more than two decades, and has gradually grown into the world's leading storage solutions provider. Reflecting on our development journey, we have achieved critical strides—from technological accumulation to brand expansion, and to global strategic deployment. In recent years, our unwavering efforts in product innovation and quality improvement have enabled us to demonstrate strong resilience amid cyclical fluctuations in the memory industry. More importantly, we are keenly aware that a company's long-term value is not defined solely by its commercial performance, but also by its commitment and dedication to social responsibility, environmental protection, and stakeholder engagement. For this reason, we have positioned sustainable development as a cornerstone of our corporate strategy, actively advancing sustainability in multiple areas such as corporate governance, technological innovation, green operations, employee development, and social contribution, so as to create long-lasting value for both industry progress and social prosperity.

We work to build a robust governance framework and consolidate the foundation for steady growth. Longsys continues to enhance its governance structure and promote diversity on the Board of Directors to ensure more scientific and transparent decision-making. Meanwhile, a Strategy and ESG Committee has been established to supervise and manage the Company's overall sustainability issues, thus ensuring effective accountability across all levels. In terms of compliance management, we have developed a comprehensive mechanism that integrates strategic decision-making and daily operations throughout the management process. Moreover we strictly adhere to and implement ethical business conduct, and continuously reinforce our risk management capabilities, so as to provide a solid foundation for the Company's long-term stability and growth.

We uphold innovation as a catalyst for quality and drive the future of industry through technology. As a technological innovation leader in the memory industry, we stay committed to empowering the sector through continuous innovation and earning trust through quality excellence. In 2024, we further increased R&D investment, achieving notable breakthroughs in areas such as enterprise storage, automotive storage, and emerging memory products. We have established a comprehensive quality management system that covers the entire product lifecycle, ensuring each product meets international standards and fulfills customer expectations. In parallel, we continue

to strengthen our patent portfolio and intellectual property protection and rigorously safeguard data security and customer privacy, while upholding and implementing responsible marketing.

We act on the principles of green operations and foster a sustainable industrial ecosystem. Longsys prioritizes green and low-carbon development as a vital component of its corporate strategy. We have developed an environmental management system that spans the entire value chain, and we continue to minimize the environmental impacts of our operations through a wide range of measures, such as optimizing production processes, promoting renewable energy, and enhancing waste management. We proactively advance greenhouse gas inventories and product carbon footprint assessments in support of China's "dual carbon" targets and global climate action initiatives. Simultaneously, we work closely with our supply chain partners to jointly build a green supply chain and promote the efficient use of industry resources.

We cultivate a harmonious workplace that creates shared value through a people-centric approach. Our employees are Longsys' most valued asset. Guided by a people-first philosophy, we are committed to providing a fair, safe, and empowering work environment full of growth opportunities. We strictly comply with labor laws and regulations, offer competitive remuneration and benefits, and support professional development through tiered training programs and dual-career advancement pathways. At the same time, we continue to improve workplace protection and enhance occupational health and safety systems to ensure employees' physical and mental well-being.

We promote shared value and actively fulfill our corporate social responsibility. Longsys is dedicated to advancing sustainable development throughout the entire value chain. In supply chain management, we have formulated a sustainable sourcing policy to ensure that raw material procurement meets environmental and social responsibility standards. In industrial collaboration, we work closely with partners to collectively advance the development of industry standards and accelerate the integrated development of China's indigenous IT innovation ecosystem.

Longsys' years of business practices and development experience have proven that the coordinated development of Environmental, Social and Governance benefits serves as an important cornerstone for the Company to improve its governance structure and promote steady

growth. Based on the characteristics of the semiconductor storage industry, we will focus on key issues of ESG governance, promote the comprehensive, coordinated, and sustainable development of our business and the environment, actively fulfill social responsibilities and carry out responsible investment, and continuously improve the modern governance system, gradually growing from a learner and participant in ESG governance to a leader. We will join hands with industry chain partners to make due contributions to economic, social, and environmental development.

Huabo Cai
Chairman of Longsys



Key Performance Highlights

Longsys held board meetings	hosted earnings briefing	conducted general shareholder meetings	Roadshows
8	2	3	38
Longsys responded to		maintaining a	
218		100%	
investor inquiries via the Interactive E-platform on the official website		response rate	

0

incidents of integrity or compliance violations that required public disclosure occurred

01

Promoting Steady Development

Longsys upholds the principles of excellent governance and has deeply integrated sustainability into its corporate governance framework. By establishing a scientifically sound governance structure, the Company continues to strengthen investor communication, build a robust sustainability management system, enhance stakeholder engagement, reinforce risk management, and bolster business ethics. These efforts have enabled Longsys to establish a systematic and standardized governance mechanism, laying a solid foundation for the Company's long-term, stable operations and sustainable development.

ESG Material Topics Addressed in this Chapter:

- Business Ethics
- Compliance and Sound Operations
- Stakeholder Communication

SDGs Addressed in this Chapter:



Corporate Governance

Longsys is committed to developing a robust corporate governance structure and internal control system, advancing board diversity, improving investor relations, and increasing transparency and trust, so as to further strengthen the Company's public credibility.



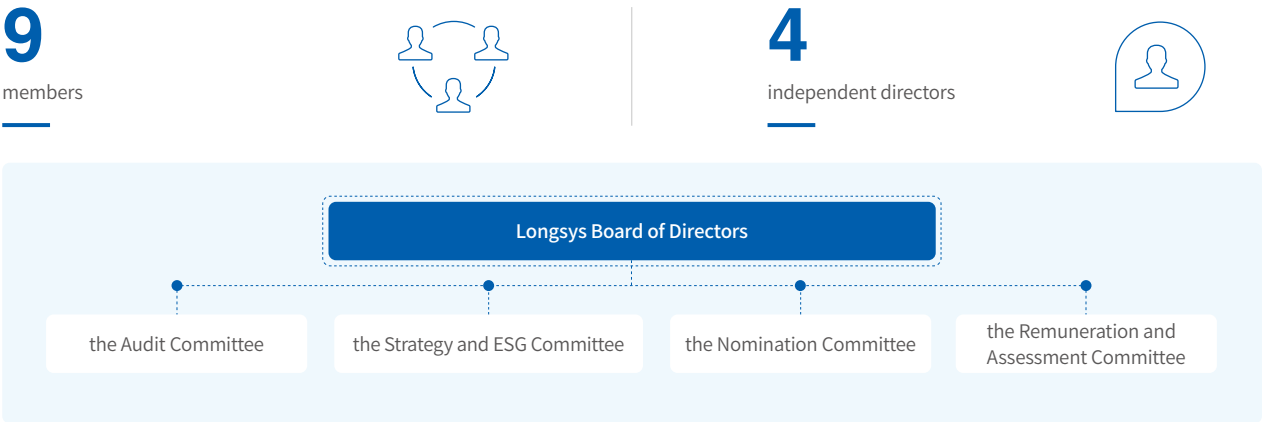
Governance System

Longsys strictly complies with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Code of Corporate Governance for Listed Companies*, and *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, as well as other relevant laws, regulations and normative documents. In line with the Company's specific circumstances, Longsys continuously optimizes its governance structure, enhances its internal control system, and refines internal management policies. These efforts guarantee that the general meeting of shareholders, the Board of Directors, the Supervisory Board, and the management team each fulfill their responsibilities and work collaboratively. The Company has built a corporate governance system that is clear in its delineation of responsibilities, incorporates checks and balances, and operates with full compliance.

Board of Directors Structure

The Board of Directors of Longsys consists of 9 members, including 4 independent directors. The composition and number of directors comply with applicable laws, regulations, and the Company's *Articles of Association*. The Board has established four specialized committees: the Audit Committee, the Strategy and ESG Committee, the Nomination Committee, and the Remuneration and Assessment Committee. These committees assist the Board in fulfilling its duties in areas such as auditing, strategic development planning, ESG strategy planning, nominations, remuneration, and assessment in accordance with the Company's Articles of Association and relevant regulations. Their work also provides scientific and professional opinions and guidance to support the Board's decision-making process and plays a critical role in enhancing the Company's governance standards. Moreover, independent directors hold a majority in the Audit Committee, the Remuneration and Assessment Committee, and the Nomination Committee, and are appointed as committee chairs. Additionally, all members of the Audit Committee are not senior management of the Company, which further ensures the Board's independence and impartiality, and provides institutional guarantee for the scientific governance of the Board of Directors.

The Board of Directors of Longsys consists of



Longsys Board of Directors Structure



Board Diversity

In the director nomination process, the Company considers a range of factors, including gender, age, cultural and educational background, professional experience, skills, knowledge, and tenure, to build a diversified board structure. The Nomination Committee is responsible for overseeing the implementation of the *Board Diversity Policy*, and when necessary, engaging independent professional organizations to assist in selecting appropriate director candidates. This approach ensures that diversity factors are fully demonstrated in the Board's performance evaluations.

As the Company's business continues to expand internationally, the need for board members with cross-cultural management experience has become increasingly prominent. To address this, the Company elected Ms. Deng Meishan as an independent director on January 3, 2025, to further enhance the diversity and professionalism of the Board and provide strong support for the Company's sustainable development.

Investor Relations Management

Longsys places significant emphasis on communication and interaction with investors. The Company's official website offers a variety of interactive channels, such as the Interactive E-platform, the Email Subscription Center, Investor Contact, and Investor Education, offering investors convenient access to communication, subscription to updates, and educational resources on stock investments. Furthermore, Longsys regularly convenes Board meetings, earnings briefings, and general shareholder meetings, ensuring in-depth discussions with investors regarding the Company's financial performance, business progress, major deliberations, and investor concerns. In 2024, Longsys participated in research activities hosted by several investment institutions and securities firms. These sessions focused on the progress of the Company's storage business, market outlook, and customer cooperation, comprehensively showcasing Longsys' technological strength in high-end storage and its global expansion strategy, which further strengthened investor confidence and expectations regarding Longsys' future growth.



Longsys held Board meetings

8

organized earnings briefings

2

conducted general shareholder meetings

3

and roadshows

38

Longsys responded to

218

investor inquiries via the Interactive E-platform

maintaining a

100%

response rate



Sustainable Development Management

Longsys upholds the principles of sustainable development and deeply integrates ESG management deeply into its corporate strategy. In balancing economic performance and shareholder interests, the Company ensures the full protection of creditor and employee rights, operates with integrity toward suppliers, clients, and consumers, and strives for environmental protection and community development. Through these initiatives, Longsys fosters the harmonious and coordinated development between the Company and society, working to achieve a balance between social and economic benefits. Longsys remains committed to ethical business practices, continuously enhancing product quality and data security, actively engaging in environmental protection and community building, driving technological innovation and green upgrades, to ensure coordinated development between economic performance and social value.



Sustainable Development Management System

To improve corporate social responsibility management and promote the coordinated and sustainable development of the economy, society, and the environment, Longsys has issued the *ESG Management Measures* and established a comprehensive sustainable development management system. The Company has deeply embedded ESG principles into its governance and operational practices, ensuring the ESG work is highly emphasized and effectively managed by the Board of Directors through a clear governance structure and standardized decision-making processes.

ESG Governance Structure

Longsys has established a three-tier ESG governance system, consisting of the Board Strategy and ESG Committee, the ESG Management Committee, and the ESG Execution Team.

Tier	Major Responsibilities
Board Strategy and ESG Committee	Responsible for discussing, evaluating, deliberating and approving ESG material issues, management goals, information disclosures, and external reporting
ESG Management Committee	Responsible for developing ESG strategic plans and long-term objectives, reviewing reports and systems, and supervising the progress and results of the ESG Execution Team
ESG Execution Team	Responsible for implementing ESG projects, data collection, cross-departmental coordination, and training and promotion

Longsys ESG Governance Structure

The Company's ESG material topics, materiality assessments, data information, policy decisions, and annual reports follow a closed-loop process of "proposal by the execution team, review by management, and approval by the decision-making body", ensuring clear responsibilities and accountability at each stage. The Execution Team focuses on data, material topic identification, and preliminary proposals, while the ESG Management Committee oversees the quality of these proposals and suggests revisions. Ultimately, the Board approves the final plans and policy formulations.



Stakeholder Engagement

Longsys values the legitimate rights and interests of its stakeholders. Through interviews, discussions, questionnaire surveys, and other methods, the Company identifies stakeholder concerns, listens to their feedback and suggestions, to continuously work to improve performance.

Stakeholder	Concerns	Communication and Feedback Channels	Stakeholder	Concerns	Communication and Feedback Channels
 Government and Regulators	<ul style="list-style-type: none">• Climate change response• Pollutant emissions• Waste management• Ecosystem and biodiversity protection• Environmental compliance management• Energy use• Water resources utilization	<ul style="list-style-type: none">• Circular economy• Technology ethics• Data security and customer privacy protection• Intellectual property protection• Business ethics• Compliance and sound operations• Stakeholder communication	 Customers	<ul style="list-style-type: none">• Innovation-driven growth• Product safety and quality• Data security and customer privacy protection• Customer relationship management	<ul style="list-style-type: none">• Circular economy• Business ethics• Stakeholder communication• Customer service hotline• Official website, online communication platforms, emails, etc.• Social media interactions, after-sales communication• Customer satisfaction surveys
			 Suppliers	<ul style="list-style-type: none">• Circular economy• Clean technology opportunities• Responsible supply chains• Equal treatment of SMEs• Product safety and quality	<ul style="list-style-type: none">• Data security and customer privacy protection• Customer relationship management• Intellectual property protection• Stakeholder communication• Supplier audits• Supplier management• Regular performance evaluations
 Shareholders and Investors	<ul style="list-style-type: none">• Energy use• Circular economy• Clean technology opportunities• Innovation-driven growth• Product safety and quality• Data security and customer privacy protection	<ul style="list-style-type: none">• Customer relationship management• Intellectual property protection• Business ethics• Compliance and sound operations• Stakeholder communication	 Employees	<ul style="list-style-type: none">• Product safety and quality• Employee rights, interests and well-being• Talent attraction and retention• Employee career development and training	<ul style="list-style-type: none">• Employee diversity and inclusion• Occupational health and safety• Stakeholder communication• Internal emails/announcements• Employee Symposium• Employee training and development programs• Employee complaints and appeals
 Business Partners	<ul style="list-style-type: none">• Circular economy• Clean technology opportunities• Innovation-driven growth• Responsible supply chains• Equal treatment of SMEs	<ul style="list-style-type: none">• Data security and customer privacy protection• Intellectual property protection• Business ethics• Stakeholder communication	 Communities and NGOs	<ul style="list-style-type: none">• Climate change response• Pollutant emissions• Waste management• Ecosystem and biodiversity protection	<ul style="list-style-type: none">• Rural revitalization• Social contribution• Stakeholder communication• Public welfare activities• Complaint hotlines


Material Topic Management

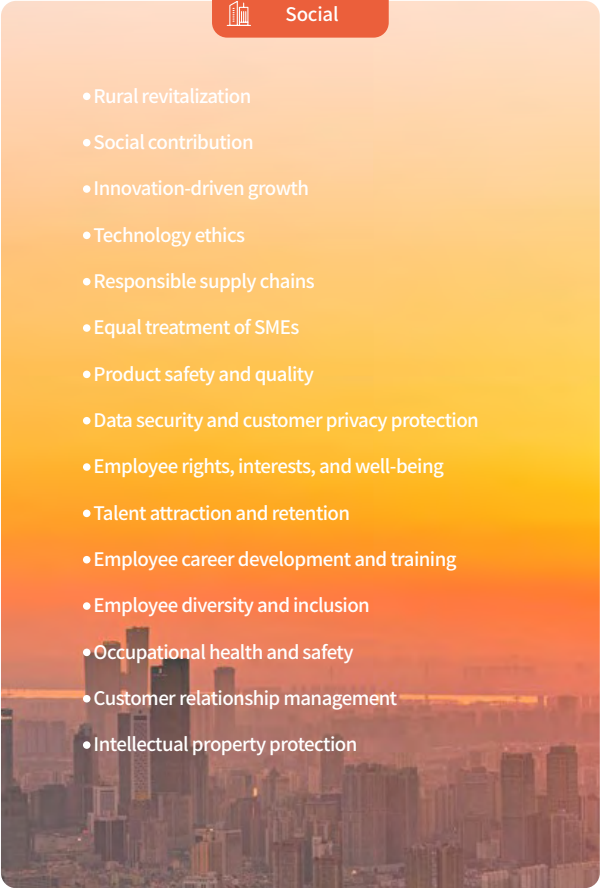
Longsys has established a systematic ESG topic management mechanism. Through ongoing communication with stakeholders in daily operations, the Company continuously collects stakeholder feedback. In addition, aligning with industry benchmarking and analysis of ESG development trends, Longsys has identified and confirmed its ESG material topics for 2024. These results serve as a core component of the ESG management system and provide an important basis for information disclosure, ensuring that Longsys' ESG efforts are in line with the expectations of all stakeholders while driving the Company's long-term sustainable development. In the coming year, the Company will conduct a systematic assessment of topics from a double materiality perspective (impact materiality and financial materiality) to comprehensively identify the impact of various ESG topics on the Company's development.

 Environmental




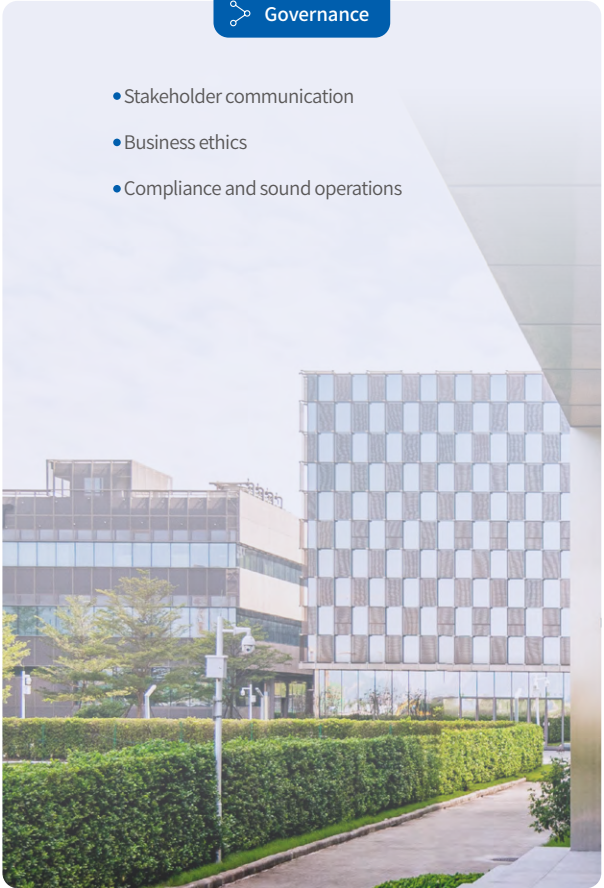
- Climate change response
- Pollutant emissions
- Waste management
- Ecosystem and biodiversity protection
- Environmental compliance management
- Energy use
- Water resources utilization
- Circular economy
- Clean technology opportunities

 Social



- Rural revitalization
- Social contribution
- Innovation-driven growth
- Technology ethics
- Responsible supply chains
- Equal treatment of SMEs
- Product safety and quality
- Data security and customer privacy protection
- Employee rights, interests, and well-being
- Talent attraction and retention
- Employee career development and training
- Employee diversity and inclusion
- Occupational health and safety
- Customer relationship management
- Intellectual property protection

 Governance



- Stakeholder communication
- Business ethics
- Compliance and sound operations

Compliance and Sound Operations

Longsys is committed to deeply integrating compliance requirements into its daily operations. The Company continuously enhances its risk management system and business ethics standards, establishing a comprehensive compliance framework across its corporate governance, strategic decision-making, and business operations. This enables the Company to establish a solid foundation for sustainable development.



Risk Management and Internal Control

Longsys adheres to a prudent and stable approach to business management. Through systematic processes for risk identification, assessment, and response, the Company continues to improve its internal control system to ensure business resilience and sustainable development capabilities in a complex market environment.

Risk Management System and Mechanism

Longsys has developed a systematic and dynamic risk management mechanism, adopting a three-tier management structure involving the Board of Directors, the Audit Committee, and all functional departments to manage a wide range of risks. The Audit and Internal Control Department functions as a third-party entity at the corporate level, providing assessments and supervision of the risk management activities across departments.



Longsys Risk Management Structure

Annually, Longsys conducts a comprehensive risk identification and assessment process across all business segments. This includes a systematic review of strategic risks at the corporate level and an evaluation of risks associated with business processes such as sales and procurement, resulting in a detailed and comprehensive risk checklist. Additionally, the Company employs routine audits, internal controls, and monitoring functions to continuously track risk fluctuations and promptly identify emerging risks, ensuring that the risk checklist is regularly updated. As ESG management becomes more integrated into the Company's operations, environmental, social, and governance (ESG) risks have been increasingly incorporated into the management framework. For example, climate change-related risks within the supply chain have been prioritized as key risk areas, aimed at enhancing value chain resilience and mitigating operational risks.



Internal Control System and Measures

Longsys has established a two-tier compliance management system, structured around "Company - Business Unit" controls. The Company has developed over 700 management policies and procedures, including the *Employee Manual*, which together forms a comprehensive compliance system covering key areas, such as business ethics, anti-corruption, anti-unfair competition, and intellectual property protection. This framework clearly defines the Company's boundaries and establishes behavior standards and penalties for violations. In addition, *Longsys has implemented the Longsys Rules of Words and Behavior: Three Orders and Five Declarations* as part of its management requirements. This innovative mechanism of "Three Orders and Five Declarations" effectively combines regulatory norms with disciplinary constraints, providing clear compliance expectations and requirements, and outlining prohibited behaviors for employees.

Business Ethics

Longsys views the practice of business ethics as a strategic cornerstone for its corporate compliance and sustainable development. The Company systematically strengthens employee compliance awareness through a tiered supervision mechanism and standardized process control systems, supported by a specialized auditing framework and periodic training programs. Additionally, Longsys actively cultivates an open and transparent supervisory environment, establishes diverse reporting channels and whistleblower protection mechanisms, thereby providing robust support for fostering a culture of integrity and honesty.

In 2024

Longsys **did not encounter** any integrity or compliance violations that required public disclosure



Business Ethics Management

In terms of governance structure, Longsys implements a three-tier management system. Within this system, the Board of Directors, as the highest decision-making body, is responsible for deliberating, approving, and determining the strategic direction of business ethics. Below the Board, a specialized committee composed of directors, independent non-executive directors, and senior management is tasked with supervising the effective implementation of policies. On the execution level, each department formulates relevant policy documents based on its respective responsibilities and is accountable for implementation. The Audit and Internal Control Department, independent from the business departments, exercises oversight and conducts objective audits and assessments of business ethics management across departments, submitting reports to senior management. For major issues, further escalation will take place to the Board of Directors for discussion and decision-making.

In terms of institutional framework, we have developed a compliance system centered on the *Employee Manual*, *Anti-Bribery and Anti-Corruption Management Regulations*, *Longsys "Sales Red Line" Policy*, *Longsys "Red Line" Policy*, and *Measures for the Work of Auditing and Supervising Clue Management and Investigation*. This system encompasses over 700 regulations and policies across all business areas, including research and development, design, sales, and manufacturing, clearly outlining the code of conduct. Moreover, the Company has adopted a "zero-tolerance" policy toward fraud and misconduct, ensuring that business ethics standards are effectively enforced across all business lines.

Established more than

700

rules and regulations covering all business areas including research and development, design, sales, and manufacturing

In terms of regulation implementation, the Audit and Internal Control Department, as an independent supervisory body, ensures professional capability and competency by employing members with relevant certifications in anti-corruption, auditing, internal controls, and supervision. The department is involved in all stages of the business management process, from strategic decision-making to operational execution, and carries out various management measures, including:

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Supply Chain Management

Establishing an integrity review mechanism for supplier admission, requiring the signing of integrity agreements to mitigate commercial ethical risks posed by external partners

Employee Behavior Management

Conducting regular company-wide integrity awareness programs, with targeted training for key positions in sales, R&D, and supply chain functions to raise employees' awareness of the importance of business ethics

Compliance Culture Building

Strengthening compliance awareness through case studies, legal knowledge dissemination and other initiatives

Anti-Unfair Competition

Longsys has developed a comprehensive anti-unfair competition management system. Through formulating policies such as the *Employee Manual of Shenzhen Longsys Electronics Co., Ltd.*, *Trade Secrets Protection Measures*, and *Longsys "Sales Red Line" Policy*, the Company clearly defines the scope of commercial secret protection, the boundaries of fair competition, sales behavior standards, and penalties for violations, offering clear behavioral guidelines for all employees.

To further improve management efficiency, the Company plans to optimize its existing management and control mechanisms, focusing on enhancing compliance reviews at the business front-end. This includes embedding compliance assessments into the product R&D stage, pre-reviewing marketing plans before implementation, and incorporating specific compliance clauses into sales contracts to proactively prevent the risk of unfair competition at its source, thereby safeguarding a fair and orderly market environment.

Meanwhile, Longsys continues to elevate anti-unfair competition awareness through regular employee training programs. Anti-unfair competition requirements are included in mandatory courses, supplemented by typical case studies, to continually reinforce compliance awareness among employees. No unfair competition lawsuit was taken against Longsys in 2024.





Whistleblowing and Handling

Longsys has established a sound whistleblowing management system. The Company provides a diverse range of reporting channels, including a 24-hour reporting hotline, dedicated email, and WeChat reporting platform. These channels are prominently displayed at office locations, on the Company's official website, and within the internal OA system, ensuring openness and transparency in the reporting process. Upon receiving whistleblower reports, a specialized team conducts initial screening and evaluation. For reported issues requiring further investigation, the Audit and Internal Control Department or a delegated investigation team will conduct an in-depth investigation according to the severity, so as to ensure proper investigation and evidence collection. In 2024, all whistleblower cases were handled following standard procedures, with no cases requiring referral to judicial authorities.

Longsys places a high priority on protecting the rights and interests of whistleblowers and has implemented a strict confidentiality policy. All whistleblowing materials are processed through an encrypted information system, with strict prohibitions on disclosing whistleblower identities or report contents. The Company explicitly forbids the disclosure of whistleblower identity information and strictly controls access to whistleblowing materials, firmly preventing any form of retaliation. This system effectively alleviates concerns and worries among employees when reporting issues and provides institutional support for fostering a culture of integrity and honesty.



Longsys Whistleblower Handling Process

Business Ethics Training

Longsys has established a comprehensive business ethics training system that spans all employees and processes. The training covers key topics such as anti-corruption, anti-fraud, confidentiality agreements, and business ethics constraints. Furthermore, training is conducted in a tiered and targeted manner to ensure compliance requirements are effectively implemented. The Company provides well-rounded business ethics training based on job functions and employee stages; including requiring new employees to undergo integrity training upon joining, while existing employees receive differentiated training based on their respective roles.

In 2024, we organized specialized training sessions for sales, R&D, and supply chain employees to raise awareness of business ethics and strengthen their risk prevention capabilities. We also combined online platforms and offline training to facilitate learning and ensure employees can review the training content, with assessments conducted to verify effectiveness. Furthermore, the training program extends to external partners, with business ethics standards being promoted through partner conferences and various compliance communication channels, so as to ensure consistency across the value chain. In 2024, more than 2,000 participants took part in business ethics training, and we will continue to optimize the training effectiveness tracking mechanism to achieve the continuous improvement of the training system.



Longsys Business Ethics Training Course

Key Performance Highlights

Longsys subsidiaries, Longforce Suzhou and Zhongshan Longsys, have both obtained **ISO 9001 Quality Management System Certification** and **IATF 16949 Automotive Quality Management System Certification**

Longsys experience	After excluding the impact of batch returns, the Return Merchandise Authorization (RMA) rate improved by
0	50 %
major or critical quality incidents during the year.	compared to the previous year

Longsys employs over	with R&D investment exceeding
1,177 R&D personnel	RMB 900 million

Longsys has accumulated	including
570 patents	221 invention patents

Longsys encountered	achieving
0	100 %
major information security incidents	coverage of information security awareness training

02

Driving Excellent Quality

Longsys is focused on building comprehensive capabilities across the semiconductor storage product and application value chain, driving technological advancement through innovation to provide customers with high-performance, high-quality, innovative, and cutting-edge storage chips and products. In 2024, the Company concentrated its efforts on key areas such as controller chips, enterprise storage, automotive storage, and new memory technologies, increasing R&D investments to achieve critical breakthroughs in key technologies. By implementing rigorous end-to-end quality control across all stages, Longsys ensures that its products satisfy international standards and customer demands. The Company has also strengthened its patent portfolio and information security systems, establishing technological barriers and safeguarding data security. Through tailored services and a rapid-response mechanism, Longsys optimizes customer management and continues to enhance service effectiveness. Moving forward, Longsys will maintain its commitment to technological innovation and quality as its top priorities, working to build a secure and efficient global storage industry ecosystem.

ESG Material Topics Addressed in this Chapter:

- Innovation-driven Growth
 - Product Safety and Quality
 - Customer Relationship Management
- Technology Ethics
 - Data Security and Customer Privacy Protection
 - Intellectual Property Protection

SDGs Addressed in this Chapter:





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Governance (ESG) Report

Crafting Exceptional Quality

Longsys views product quality as a strategic cornerstone and has established a comprehensive quality control system that spans the entire product lifecycle—from R&D, procurement, packaging, and testing to manufacturing to ensure the reliability and long-term stability of its products. The Company employs a multidimensional quality inspection and assessment mechanism, implementing stringent quality standards and continuously enhancing its quality management capabilities. In terms of innovation, Longsys continues to push the boundaries of technology, driving innovative applications of storage technologies across multiple areas. Moreover, the Company attaches great importance to intellectual property protection, consolidating robust safeguards for technological innovation.



Quality Control System

Longsys stays committed to a quality guiding principle of "Providing competitive products and services that satisfy customers, with value creation and customer service as the core". The Company has established a comprehensive quality management control system that spans the entire product lifecycle, supported by the development of core quality management guidelines, such as the *Comprehensive Management Manual*. Moreover, Longsys has issued and implemented an array of product quality management regulations, including *Quality Traceability Management Regulations*, *Trial Production Quality Management Regulations*, *Packaging Factory Quality Regulations*, *Regulations on Quality Management and Control of Manufacturing Process*, and *Material Abnormality Handling Regulations*. These policies have formulated a comprehensive framework of quality control procedures across all stages, covering chip design, packaging, testing, and final product delivery.

To strengthen the quality control system, Longsys has developed a robust organizational structure, with the Process and Quality Center overseeing all quality management activities. This center includes specialized departments such as the Quality Management Department, After-Sales Service Department, and Process and Quality Systems Department. These departments report progress regularly to management through mechanisms such as monthly quality meetings, ensuring that quality standards across all parts are uniformly enforced and driving continuous improvement.

Additionally, Longsys has established high standards for its quality management system, benchmarking against international standards. Both Longforce Suzhou and Zhongshan Longsys have passed ISO 9001 Quality Management System Certification and IATF 16949 Automotive Quality Management System Certification. The Company is committed to ongoing quality improvement across all product lines.



Longforce Suzhou ISO 9001
Certificate



Longforce Suzhou IATF 16949
Certificate



Zhongshan Longsys ISO 9001
Certificate



Zhongshan Longsys IATF 16949
Certificate

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In terms of product safety, Longsys has set both medium- and long-term safety management goals, continuously enhancing product safety levels to ensure the delivery of safe and reliable storage products to customers.



Quality Inspection and Assessment

To enhance the controllability of product quality during the production process and improve the efficiency of anomaly response, Longsys adopts an intelligent Statistical Process Control (SPC) system. By leveraging automated data collection and real-time analysis technology, the system continuously monitors critical quality parameters throughout the production process. When an abnormality is detected in the control chart, the system immediately triggers a tiered response mechanism. All anomalies are documented through a *Quality Abnormality Report*, creating a complete quality control tracking chain from issue identification to the closed-loop corrective actions.

For non-conforming products identified during production and testing, the Company follows the abnormality handling processes outlined in the *Non-Conforming Product Control Procedure* and other related documents. These procedures include identifying, labeling, isolating, categorizing, and handling defective products for proper disposal.

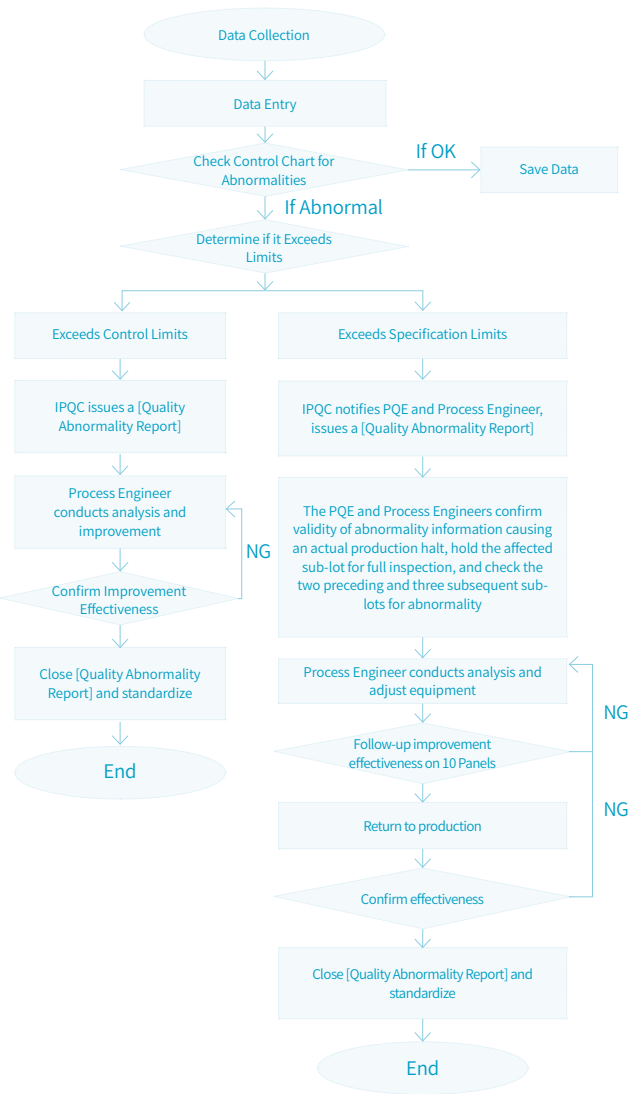
To manage the recall of defective products sold, Longsys has implemented several management policies and regulations, including the *Company Quality Incident Management Rules*, *Longsys After-Sales RMA Handling Procedures*, *Customer Return and Rework Operating Procedures*, and *Longsys Bulk Return and Exchange Procedures*. These policies clearly define departmental responsibilities, recall definitions, recall initiation criteria, and the recall handling process. A traceability system is also established at the delivery center, achieving data tracking of all stages including product manufacturing processes, packaging techniques, testing procedures, and packaging stages.

In line with the Company's quality inspection and assessment requirements, Zhongshan Longsys has developed a comprehensive quality control system. This system implements systematic Incoming Quality Control (IQC) inspections at the material receiving stage, and uses Statistical Yield Limit (SYL) / Statistical Bin Limit (SBL) to monitor and manage production line yield rates to detect potential quality anomalies early. Additionally, an online Electrostatic Discharge (ESD) monitoring system is employed for real-time monitoring and automatic alerts, ensuring proper grounding. The factory has independently developed a Manufacturing Execution System (MES), enabling mistake-proofing control, automated warnings, and visualized management across the entire production process. Meanwhile, an Electronic Data Interchange (EDI) data platform integrates quality data from all processing facilities, supporting product traceability throughout its lifecycle. Furthermore, Longforce Suzhou also regularly conducts specialized audits regarding quality control and management and takes other measures to identify and address potential quality risks in a timely manner, so as to ensure comprehensive quality risk prevention.

Longsys **did not experience** any product recalls during the reporting period.

Quality Culture Development

Longsys has systematically built a quality culture framework with participation from all employees, implementing a tiered, multidimensional quality awareness cultivation program to ensure that quality principles permeate every level of the Company. Moreover, it has established a comprehensive quality training system, which spans from senior management to frontline employees. Longsys also organizes "Quality Month" specialized campaigns, developing a sustainable and dynamic quality ecosystem with active participation from all employees and continuous improvement.



SPC Control Process

Longsys Conducted the Comprehensive Quality Management Training in 2024

In 2024, Longsys conducted a 10-day "Five Major Quality Tools" professional training program. Experts from external institutions were invited to provide in-depth instruction on core quality tools, including Advanced Product Quality Planning (APQP), Production Part Approval Process (PPAP), Failure Mode and Effects Analysis (FMEA), Measurement System Analysis (MSA), Statistical Process Control (SPC), and Control Plan (CP). Key personnel from quality, R&D, and production operations centers participated in the training. The program combined theoretical learning with practical exercises, focusing on the application of quality tools in new product introduction processes, laying a strong foundation for enhancing the Company's overall quality capabilities.



Longsys 2024 Comprehensive Quality Management Training

Longsys' Return Merchandise Authorization (RMA) rate improved by

50%

compared to 2023, after excluding the impact of batch returns

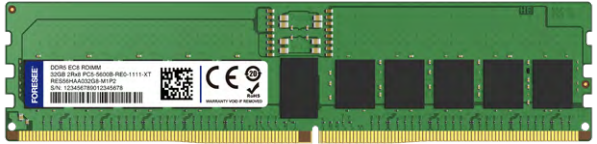
Longsys **did not experience** any major or extraordinary quality incidents during the year

Product Innovation Practices

Leveraging years of technological development and strategic R&D efforts, Longsys has established core capabilities in memory chip design, controller design, firmware algorithm development, and packaging and testing, laying a strong foundation for the Company's ongoing development and innovation within the storage industry.

In 2024, Longsys continued to advance the depth and breadth of its product R&D efforts, achieving significant strides in various key areas, including:

- Enterprise storage products: Longsys is one of the few domestic storage solution providers with comprehensive capabilities in product design, system integration, and large-scale supply of both eSSD and RDIMM products. Currently, Longsys' eSSD and RDIMM products are successfully applied in a wide range of industries such as internet services, telecommunications, finance, and servers, with large-scale deliveries already achieved for multiple well-known companies.



DDR5 RDIMM

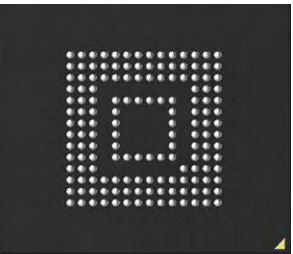
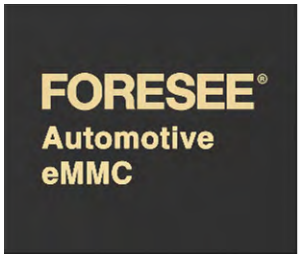


UNCIA 3836 Series SATA SSD



ORCA-4836 Series NVMe-SSD

- Automotive storage products: Longsys' automotive eMMC and UFS products have passed the AEC-Q100 automotive testing qualification and are now applied in the supply chains of multiple prominent automotive manufacturers. The Company is also engaging in profound collaboration with customers to innovate and customize next-generation automotive UFS storage products and applications.



Automotive eMMC



Automotive UFS

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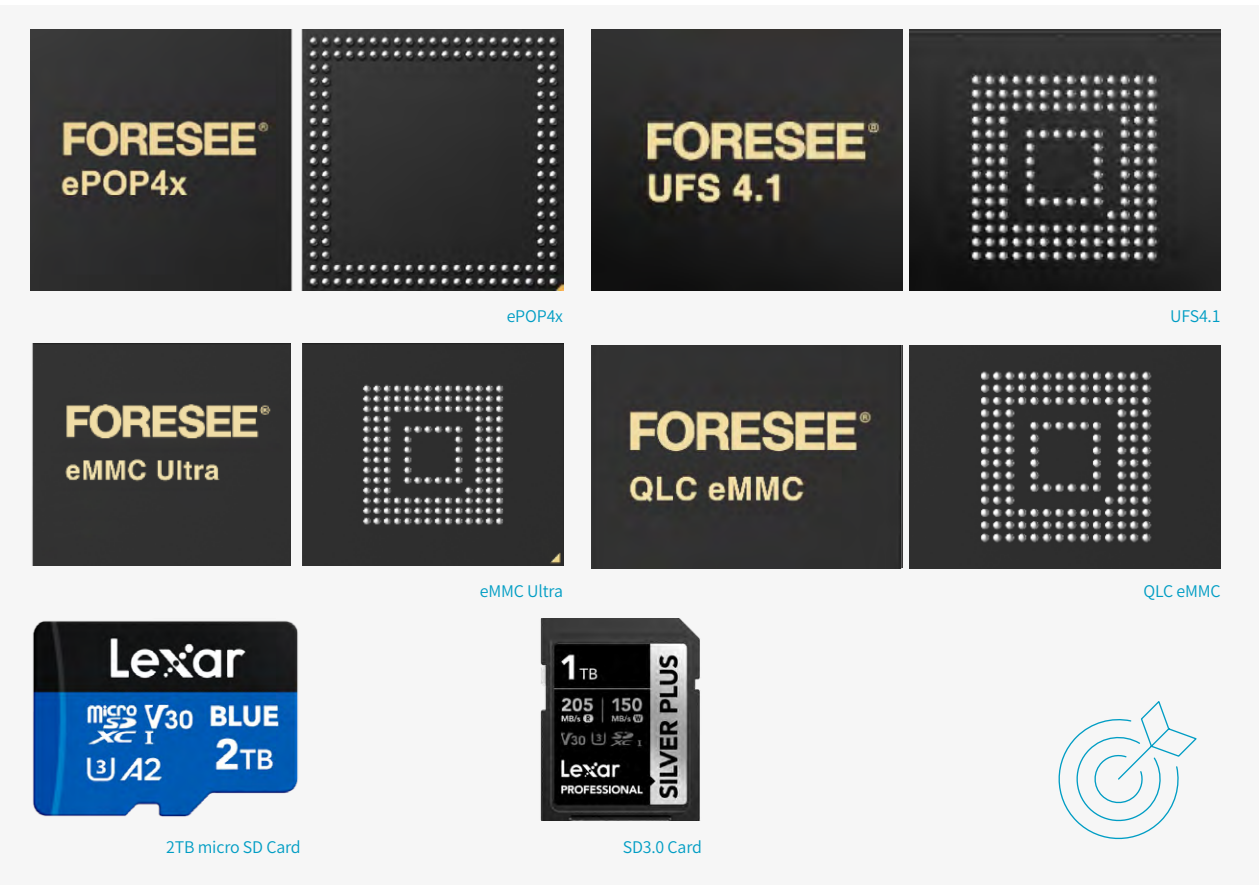
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- Emerging memory products: From eMMC and SD controllers in 2024 to the forthcoming UFS and USB controllers slated for 2025, the Company has systematically expanded its proprietary controller portfolio. With self-developed core IPs, this strategic advancement delivers generational performance gains while empowering customers with a broader selection of cutting-edge storage solutions. Longsys is proactively investing in next-generation memory technologies. The Company now has successfully developed products such as LPCAMM2, CAMM2, and CXL 2.0 memory expansion modules. With the rapid growth of AI applications, these products are expected to offer more efficient memory solutions for a variety of emerging scenarios, such as AI servers and high-performance computing, offering greater application potential in new sectors.
- Ongoing Innovation in Storage Technologies: Longsys continues to push forward innovation in storage technologies and has introduced innovative products, including UFS 4.1, eMMC Ultra, QLC eMMC, ultra-compact 7.2mm×7.2mm eMMC, 0.6mm (max) ultra-thin ePoP4x, 2TB micro SD Card, and 205MB/s read-speed SD 3.0 Card. The Company relentlessly works to expand, iterate, and upgrade its product lines, reinforcing its leadership in product innovation.



Longsys' Self-Developed eMMC Controller Wins "China Chip" Excellent Technological Innovation Product Award

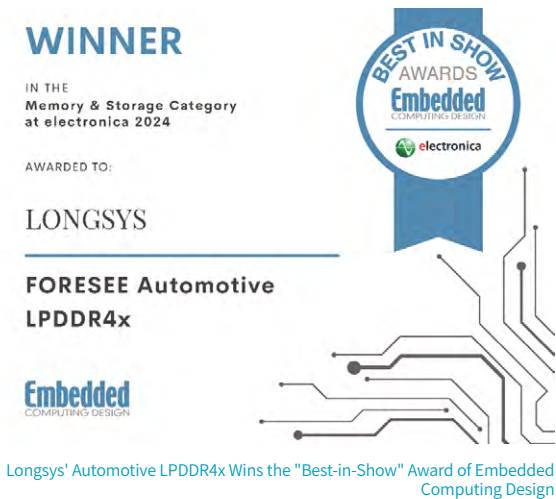
At the 19th "China Chip" Awards for Excellent Product in 2024, Longsys' self-developed WM6000 series eMMC controller received the "Excellent Technological Innovation Product Award" for its outstanding technological innovation. This chip incorporates Longsys' proprietary Low-Density Parity-Check Code (LDPC) algorithm and Static Random-Access Memory (SRAM) error detection technology, significantly enhancing data reliability. Additionally, the chip's innovative power consumption control technology reduces power consumption. As Longsys' first eMMC controller supporting Quad-Level Cell NAND (QLC NAND), its unique QLC algorithm and firmware optimization enable performance and reliability on par with Triple-Level Cell NAND (TLC) products. Currently, the chip has been widely applied in consumer electronics such as smartphones and tablets.



Longsys Wins "China Chip" Excellent Technological Innovation Product Award

Longsys Presents its PTM Business Model at Electronica Munich, Driving Automotive Storage Innovation

In November 2024, Longsys introduced its innovative Automotive Grade 2 LPDDR4x product at Electronica Munich where it won the "Best-in-Show" award for its exceptional performance. This product was the only automotive Dynamic Random-Access Memory (DRAM) product to receive this prestigious recognition, reflecting the global market's acknowledgment of Longsys' cutting-edge R&D capabilities. Supporting capacities from 2GB to 8GB with high-speed data transfer at 4,266 Mbps, the product features a wide temperature range from -40° C to 105° C, internal Error-Correcting Code (ECC) verification, and a 0.6V ultra-low voltage design, ensuring data reliability while significantly reducing power consumption. Its unique Partial Array Self-Refresh (PASR) sleep mechanism and On-Die Termination (ODT) / Data Strobe (DQS) signal optimization technology effectively boost automotive electronics' stability and endurance in complex environments, greatly meeting the demanding performance requirements for storage in smart vehicles. This showcases Longsys' technological leadership in automotive storage.



Longsys' Automotive LPDDR4x Wins the "Best-in-Show" Award of Embedded Computing Design

Zhongshan Longsys strives to serve as an engineer-focused zone and a technology manufacturing factory to foster a storage ecosystem and achieve systematic innovation and comprehensive manufacturing in storage product foundry. In 2024, the Company's key technology R&D and application project of next-generation DRAM memory module design and system-level testing received support from the Zhongshan Bureau of Science and Technology as a major project. This year, Zhongshan Longsys was certified by the Department of Industry and Information Technology of Guangdong Province as a "Enterprise Technology Center of Guangdong Province", marking a new milestone in the Company's technological innovation and R&D capabilities.

Longsys' technology R&D team consists of

1,177 personnel



Longsys' total R&D investment for the year

exceeded RMB **900** million

Intellectual Property Protection

Over the years, Longsys has accumulated a wealth of core technological achievements and intellectual property through its independent R&D efforts. To safeguard its core technologies, the Company has established and strictly implemented internal control systems related to its core technologies, including the *Trade Secret Protection Policy*, *Patent Management Measures*, and *Intellectual Property Management Policy*. These policies provide a solid institutional foundation to safeguard the Company's continuous innovation.

In terms of intellectual property management approach, Longsys has established three major mechanisms for intellectual property protection, including:

- Implementing a comprehensive management system across all processes, which efficiently transforms innovative outcomes into corporate intellectual property, building robust technological barriers;
- Establishing a contract term that clearly defines intellectual property ownership clauses in all employee contracts;
- Rolling out a pre-assessment mechanism for major projects and conducting dedicated due diligence on intellectual property.

Longsys is firmly committed to protecting the intellectual property and trade secrets of its customers, suppliers, and business partners.

Longsys has secured a total of

570 patents

including

221
invention patents

106
overseas patents

138
software copyrights

11
integrated circuit layout designs

High-Quality Customer Service

Longsys stays committed to prioritizing customer value. The Company has established a systematic customer satisfaction management system, leveraging a multidimensional customer feedback mechanism to continuously optimize the quality of its products and services. Longsys adheres to international standards for information security and privacy protection, employing advanced technologies to effectively safeguard customer data. Furthermore, the Company upholds the principles of responsible marketing to ensure information transparency and accuracy. Looking ahead, Longsys will continue to harness its professional service and capabilities to work with customers to build a secure and reliable digital ecosystem.



Customer Relationship Management

Longsys firmly believes that customer satisfaction is a major driver of sustainable corporate development, and regards continuously improving customer satisfaction as a top priority of its business strategy. Longsys is keenly aware that only by truly understanding customer needs and consistently enhancing service quality can it earn long-term customer trust and achieve win-win cooperation and shared growth between the Company and its customers. For this reason, Longsys has developed a systematic and standardized customer satisfaction management framework, and has formulated and strictly implemented a series of internal policies, such as the *Customer Satisfaction Measurement Procedures*. By adopting a multidimensional feedback mechanism, the Company continues to enhance the product and service quality and improve customer experience.

Longsys has established a sound organizational structure and clear division of responsibilities for managing customer relationships. The Sales Department of the Operations Center is responsible for orderly conducting the annual customer satisfaction survey, employing a diverse range of methods such as questionnaires, customer focus groups, and market analysis to carry out comprehensive evaluations of product quality, delivery timeliness, after-sales service, and environmental compliance. Survey results are assessed using a five-point scale (1-5 points), and the General Manager of the Operations Center leads cross-departmental analysis. For any unsatisfactory results (≤ 3 points), a targeted improvement plan is developed, with its progress tracked according to the *Control Procedure for Continuous Improvement and Corrective and Preventive Actions*.

In response to customer complaints, Longsys has formulated the *Management Regulations on Mass Production Customer Issue Handling* and implemented a rapid-response process for issue resolution. This process ensures coordinated efforts across multiple departments, such as Quality, Engineering, and Logistics, to conduct thorough investigations and reviews in all respects, including product quality, process flows, and logistics. Upon receiving a customer issue, it is forwarded to the relevant Field Application Engineer (FAE) and Customer Quality Engineer (CQE). If the issue is identified to be related to the Company according to the preliminary analysis, it will be recorded in the customer complaint system, with a response and verification completed within 24 hours. Technical issues are led by the FAE for analysis, while non-technical issues are managed by the CQE, who forms an improvement team to generate an 8D report. Through reviewing quality records, verifying process standards, and analyzing order data, the root cause of the issue can be precisely identified to develop targeted corrective measures. Moreover, all improvement plans undergo effectiveness validation and are managed through a closed-loop process.

Longsys is dedicated to adopting the results of customer satisfaction surveys as a pivotal source for management reviews. Senior managers assess customer satisfaction levels to ensure that customer feedback is effectively communicated to the Company's decision-making body. Through this systematic, data-driven approach to customer relationship management, Longsys has achieved continuous improvements in customer satisfaction, laying a solid foundation for building and maintaining long-term, stable customer relationships.

The response rate of the customer satisfaction survey for this year reached

97.5%

with a

100%

response rate for automotive product customers

The overall customer satisfaction rate for the survey was

98%

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Information Security and Privacy Protection

Longsys strictly adheres to the requirements of the international standard ISO/IEC 27001:2022, and has established an information security management framework covering cybersecurity, data security, and personal information protection. With the guiding document *Information Security Management Manual* as the core, the Company has formulated supporting management procedures, including the *Information Asset Management Procedures*, *Information and Data Protection Management Procedures*, and *Management Procedures for Information Security Risk Assessment*. These procedures ensure that information security management practices are clearly defined, well-documented, and consistently followed based on solid rules. By continuously enhancing its cybersecurity and data security infrastructure, Longsys ensures the comprehensive protection of both internal and external information.

Longsys' cybersecurity controls encompass the entire product lifecycle, from R&D, manufacturing, delivery, to usage, ensuring the security and reliability of its products. In 2024, Longsys purchased security hosting services to further strengthen cybersecurity and leveraged professional tools and personnel for the security management of major servers to defend against external cyberattacks.

In its cooperation with clients, Longsys places particular emphasis on compliance management of cross-border data transfers, especially in scenarios involving personal and sensitive data. The Company has established a rigorous evaluation mechanism for cross-border data transfer, employing technical methods such as data encryption and anonymization to ensure data security throughout the transfer process. Additionally, Longsys actively includes data protection clauses in agreements with various business partners to define mutual responsibilities and obligations regarding data usage and protection. In 2024, the Company acquired third-party data leakage prevention software and deployed it across all employees' workstations. This software implements measures such as screen watermarking, Universal Serial Bus (USB) interface control, and file operation auditing, further strengthening the management and prevention of data leakage.

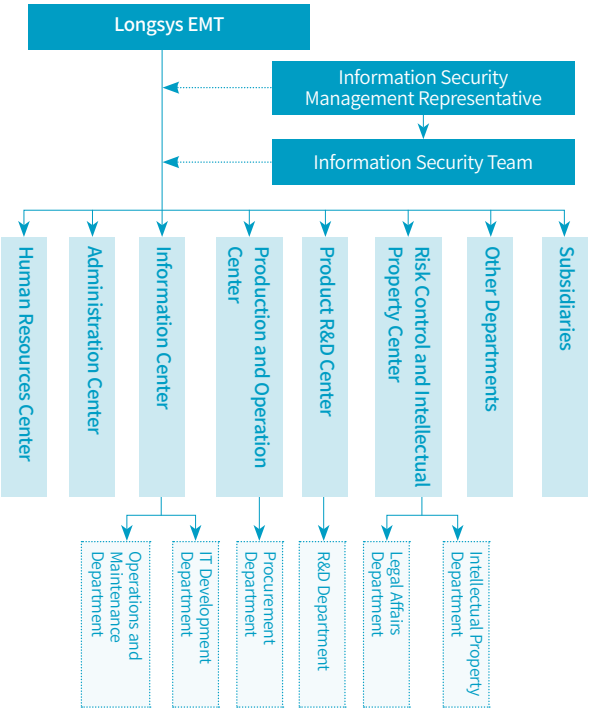
In May 2024, Longsys initiated the development of its ISO 27001 management system. Following stages of current status analysis, risk assessment, risk mitigation, system documentation, trial operations, internal audits, management reviews, and external audits, Longsys obtained ISO 27001 certification for Information Security Management System from the British Standards Institution (BSI) in December 2024.



Longsys ISO 27001 Certificate

To ensure the effective implementation of information security efforts, Longsys has established a well-defined organizational structure for information security. The Executive Management Team (EMT) is designated as the highest governing body responsible for information security, with management representatives appointed. The dedicated Information Security Team is tasked with ensuring the establishment and continuous effective operation of the information security management system, while all business departments are responsible for strictly adhering to and implementing the requirements of the system as execution bodies.

Organizational Structure Chart of Longsys' Information Security System



Longsys Information Security Organizational Structure



Access Management and Control

The Company has implemented a stringent access management system. The operations and maintenance department has designated dedicated roles for access management, overseeing access control for all core business systems. The access management process strictly adheres to an approval protocol, requiring dual approval for the granting or modification of access rights by both the department head and the access administrator.

Additionally, access management is integrated into the Company's human resources process: newly onboarded employees are granted the minimum necessary access based on their job requirements; access rights are promptly adjusted when employees change roles; and upon resignation, system access is immediately revoked upon employee departure. Moreover, the Company has established an annual access review mechanism, initiated by the access administrator and supported by department heads for admission verification, to ensure the appropriateness and necessity of access rights.

Security Monitoring, Operational Assurance and Maintenance

Longsys has developed a comprehensive, three-tiered monitoring platform for operations and maintenance to prevent and control potential information security risks at every stage, including:

Network Monitoring Platform	This platform monitors the Company's network devices, including traffic, the number of wireless Access Points (APs), the number of Secure Sockets Layer Virtual Private Network (SSLVPN) users, and load-balancing session counts. Alerts and recovery notifications are sent via email and DingTalk bot messages.
Server Monitoring Platform	This platform monitors the operational status of both physical and virtual servers across the Company, including device status, Central Processing Unit (CPU), memory, and disk usage. Alert messages and recovery notifications are sent via email if any server anomalies are detected or if resource usage exceeds predefined thresholds.
Application Monitoring Platform	This platform monitors the availability of the Company's application systems. In the event an application becomes inaccessible, alert messages are sent to the application administrator via DingTalk groups and phone calls.

Risk Assessment and Emergency Management

Longsys has established the *Management Procedures for Information Security Risk Assessment*, under which information security risks are evaluated based on the likelihood of occurrence and potential impact. Each risk is assigned a value and categorized into one of three levels: high, medium, or low. The Company conducts ongoing identification and assessment of information security risks, dynamically updates the risk register, and formulates corresponding mitigation measures by risk type. Implementation of these measures is also promptly tracked to ensure that identified risks are reduced to a manageable level.

Longsys Conducts Company-Wide Risk Assessment to Effectively Strengthen Management and Control of Information Security Risks

In June 2024, Longsys conducted a comprehensive information security risk assessment across the Company. A total of 32 information security risks were identified, including 7 high-risk, 19 medium-risk, and 6 low-risk items. Following a three-month remediation process, all high- and medium-risk items were effectively addressed, with residual risk levels reduced to low.

With regard to emergency management, Longsys carried out a business continuity impact analysis and risk assessment for the Information Center in accordance with the *Regulations on Business Continuity Management of Information Systems*, and a total of 12 risk scenarios were identified. For high-risk scenarios, the Company has developed and implemented emergency response plans and conducted relevant drills. In 2024, three simulation drills were organized and conducted, including an information center power outage drill, a business platform system failure simulation, and a backup data recovery drill. All drills achieved their intended objectives and validated the effectiveness of the Company's emergency response procedures.



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Information Security Training

Longsys has implemented a tiered and categorized training mechanism to enhance information security awareness across the organization:

- For newly onboarded employees, the Company enforces mandatory information security training with integrated assessments;
- For existing employees, information security awareness training is delivered via the Longsys Learning online platform;

These trainings enhanced employee awareness of information security and effectively reduced the risk of incidents caused by insufficient awareness.

In the reporting period, Longsys conducted

3

information security training sessions

with a cumulative participation of over

500 employees



Longsys Rolls out Internal Auditor Training to Strengthen Information Security Capabilities

In October 2024, to enhance the knowledge and awareness of the information security management system among departmental information security liaisons, the Company invited external instructors to deliver a two-day internal auditor training program for information security representatives from Longsys and its subsidiaries. The program covered core topics, including knowledge about information security management systems and internal audit methodologies. Upon completion of the systematic training, all 39 participants successfully passed the assessment and were awarded the ISO 27001 Internal Auditor Qualification Certification. This training initiative enabled the Company to establish a professional internal auditor team, ensuring the effective execution of internal audits under the ISO 27001 framework and continuously advancing the Company's information security management capabilities.



Longsys Information Security Internal Auditor Training



Internal Auditor Qualification Certification

Longsys did **not experience** any major information security incidents in the past five years

Longsys achieved a

100% remediation rate of unacceptable risks (i.e., medium and high levels)

Longsys achieved

100% coverage of information security awareness training

Responsible Marketing

Longsys strictly complies with the *Advertising Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, Law of the People's Republic of China on the Protection of Consumer Rights and Interests, and other applicable laws and regulations. The Company has established internal policies, including the *Sales Red Line Policy*, which clearly defines the requirement to adhere to the principles of truthful, accurate, and complete information disclosure. These internal marketing regulations are regularly reviewed and updated in response to changes in regulatory requirements and industry dynamics. The Company is committed to ensuring that all product communications and promotions are based on verified performance data, and exaggerated or misleading claims are strictly prohibited. Longsys also encourages all business partners, contractors, and suppliers to formulate and implement internal policies that promote responsible marketing practices.

In addition, Longsys incorporates responsible marketing principles into its regular sales training programs, illustrating marketing standards to its sales staff. These training sessions ensure that sales personnel are fully informed of the Company's commitments regarding its products and services and are well-versed in relevant marketing compliance requirements. This emphasizes adherence to internal sales policies and prohibits employees from making exaggerated or misleading statements or promises beyond the scope of their responsibilities. These efforts guarantee that all marketing activities of Longsys must comply with relevant laws and regulations, social norms, and ethical standards.

Key Performance Highlights

Zhongshan Longsys has been certified to **ISO 14001 Environmental Management System**

Longsys **did not experience** any major environmental protection violations, complaints, or litigation cases this year

Longforce Suzhou achieved a reduction of The power consumption per unit of revenue decreased by

1,652 tons

in greenhouse gas emissions in 2024

6.3 %

compared to 2023

The annual cumulative volume of water reused by Longforce Suzhou reached

30,603,875 m³

03

Practicing Green Operation

Longsys regards sustainable development as the core of its corporate strategy. It has established an environmental management system that encompasses the entire value chain. Through measures such as optimizing production processes, promoting the use of clean energy, strengthening emission control, and carrying out biodiversity protection, Longsys systematically reduces the environmental impact of its operations. In the circular economy, the Company actively promotes the waste sorting and recycling, improves the construction of a green supply chain, and collaborates with partners to implement environmental management standards. In the future, Longsys will continue to increase its investment in green technology innovation, deepen the low-carbon transformation of production processes, and is committed to providing replicable sustainable development solutions for the electronics manufacturing industry, thereby facilitating the green transformation of the industry.

ESG Material Topics Addressed in this Chapter:

- Climate Change Response
 - Waste Treatment
 - Environmental Compliance Management
 - Water Resources Utilization
 - Clean Technology Opportunities
- Pollutant Emissions
 - Ecosystem and Biodiversity Protection
 - Energy Use
 - Circular Economy

SDGs Addressed in this Chapter:



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Environment Management

Longsys has established a scientific and comprehensive environmental management system and comprehensively promotes ISO 14001 certification. It strengthens the whole-process control of environmental risks through institutional norms, process optimization, and technological innovation. The Company and its subsidiaries strictly adhere to standardized operating procedures, systematically reducing the impact of operations on the ecological environment. At the same time, it continuously improves the long-term governance mechanism to promote the in-depth coordinated development of ecological protection, production, and operation.



Environmental Management System

Longsys has established a Strategy and ESG Committee and its subordinate ESG Management Committee to coordinate the Company's environmental governance work. Through a two-level management structure, it monitors the implementation of the Company's overall environmental strategy and the implementation of the management system. Meanwhile, it guides all subsidiaries to improve the construction of environmental management systems, ensuring the effective operation and continuous optimization of the environmental governance system across the entire Company.

Based on the requirements of the ISO 14001:2015 Environmental Management System and the ISO 45001:2018 Occupational Health and Safety Management System, Longforce Suzhou has formulated the *Environmental Health and Safety Manual* and *Environmental Management Control Procedures*. Zhongshan Longsys has developed system documents such as the *Environmental Operation Control Procedures* and *Compliance Evaluation Control Procedures*, which expound the Company's environmental, occupational health and safety policies and objectives, clarify the division of environmental management responsibilities, and effectively control the pollution impact of factory operations on the environment.

At the end of the Reporting Period, both Longforce Suzhou and Zhongshan Longsys have obtained ISO 14001 Environmental Management System certification. Longforce Suzhou has also been listed as a "Green Factory" in Jiangsu Province.



Certificate of the ISO 14001 Environmental
Management System of Longforce Suzhou

Certificate of the ISO 14001 Environmental
Management System of Zhongshan Longsys

Longforce Suzhou's Title of "Green Factory"
in Jiangsu Province

■ Response to Environmental Risks

Each production base under Longsys has established a systematic mechanism for identifying and addressing potential hazards. Specifically, Longforce organizes comprehensive inspections on a monthly basis and strictly tracks the implementation of rectification measures to ensure that environmental risks are effectively managed. Meanwhile, Longforce Suzhou has developed an emergency response plan for sudden environmental incidents, which covers aspects such as emergency organizations and responsibilities, emergency response procedures, post-incident handling, and emergency support. The plan clearly defines the procedures for handling environmental pollution incidents. We formulate annual emergency drill plans in accordance with the emergency response plan. By conducting whole-process drills, we test the feasibility of the plan, conduct compliance evaluations and post-drill analysis of the exercise process, and develop specific measures to address weak areas for improvement.

Longsys **did not experience** any incidents of administrative penalties due to violations of environmental protection regulations



■ Environmental Awareness Training

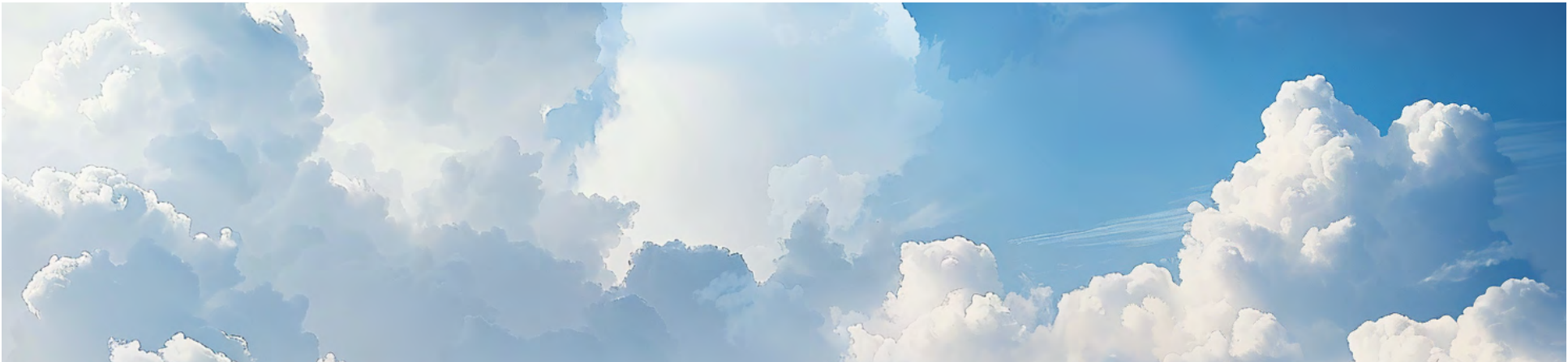
The Company attaches great importance to the cultivation of employees' environmental awareness. It organizes at least one environmental protection training for all employees every year. Combining the industry characteristics and the Company's actual operation situation, the Company enhances the pertinence and effectiveness of the training through interactive methods such as case analysis and scenario simulation.

Longforce Suzhou Conducted Environmental Awareness Training

In order to enhance employees' environmental protection awareness and sense of responsibility, Longforce Suzhou organized an environmental protection training for all employees in August 2024. The training course covered basic knowledge such as environmental laws and regulations, management systems, and environmental impact assessment and monitoring. It also included professional content such as the definition and classification of hazardous waste, its hazardous characteristics, and the specifications for collection, storage, and disposal, as well as technical measures for energy conservation and emission reduction. This training effectively ensured the compliant operation of the Company's environmental management system, promoted employees' in-depth understanding of the requirements of environmental protection regulations, significantly strengthened their sense of environmental protection responsibility, and encouraged them to consciously practice environmentally friendly behaviors in their daily work.



Environmental Awareness Training at Longforce Suzhou



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Green Operation

Longsys has been continuously improving resource utilization efficiency, optimizing the energy structure, promoting the substitution of clean energy, facilitating the efficient use of water resources, and enhancing pollutant treatment facilities.



Energy Conservation and Emission Reduction

Energy Management System

Longsys has established a scientific and comprehensive energy management system, clearly defining the energy management policy, objectives, system architecture, management responsibilities, and control requirements. This provides institutional guarantees for energy conservation and emission reduction and promotes the establishment of standardized management systems in its production bases. Longforce Suzhou has established a compliant energy management system in accordance with GB/T 23331-2020/ISO 50001:2018 *Energy management systems-Requirements with guidance for use*, GB/T 29456-2012 *Energy management systems - Implementation guidance*, RB/T 101 - 2013 *Energy management systems - Requirements for certification on electronics and information enterprises*, and national energy regulations. It has developed institutional documents such as the *Energy Management System Manual* and obtained external certification. Through systematic management, it continuously improves energy utilization efficiency, optimizes the energy use structure, and enhances energy performance. Zhongshan Longsys is simultaneously promoting energy management optimization. It has clarified the requirements for power-saving management through the *Power Consumption Management Measures* and continuously improves energy efficiency levels.



Green Production

Longsys continuously improves energy use efficiency through systematic management and technological innovation. In daily operations, it implements strict control measures, including seasonal adjustment of office air-conditioning temperatures and fresh air volumes, intelligent control of lighting and streetlights, and preferential activation of high-efficiency units. It also focuses on promoting energy-saving renovations in key areas such as the compressed air system, HVAC system, pure water and waste-water recovery system, and lighting system. Meanwhile, Longsys actively introduces new energy-saving technologies, participates in base-wide energy-cooperation activities, gradually replaces equipment with high- efficiency units, and implements equipment shutdown and energy-saving mode management during the production process, systematically reducing energy consumption.

Zhongshan Longsys Launches Equipment Power-Saving Projects

In 2024, Zhongshan Longsys implemented a series of power-saving projects. By carrying out intelligent renovations on the lighting systems in the garage and elevator hall, replacing traditional lights with motion-sensor energy-efficient lights, the monthly electricity consumption decreased from 1,296 kWh to 289.8 kWh after the renovation, representing a decrease of 77.6%. By optimizing the operation mode of the cooling water system in the reliability laboratory and adjusting the configurations of water pumps and fans, the system operation power dropped from 79.5 kW to 48 kW, with a monthly electricity saving of 22,680 kWh.



Power Saving Solutions for Zhongshan Longsys Industrial Park

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Longforce Suzhou Launches a Series of Renovation Projects for Energy Conservation

In 2024, Longforce Suzhou further accelerated its energy conservation and emission reduction efforts through the air compressor replacement and A/C unit frequency-conversion renovation projects:

Longforce Suzhou comprehensively replaced old-fashioned rotary screw air compressors with VFD, high-efficiency and centrifugal air compressors. As a result, the unit's specific power decreased from 7.71 kW/m³/min to 5.28 kW/m³/min. While the gas production increased, the energy consumption was significantly reduced, and the overall EER (Energy Efficiency Ratio) increased by 40%. In addition, the Company replaced the original old-fashioned equipment with new high-efficiency chiller units with first-grade energy efficiency, achieving an annual electricity saving of 708,600 kWh.

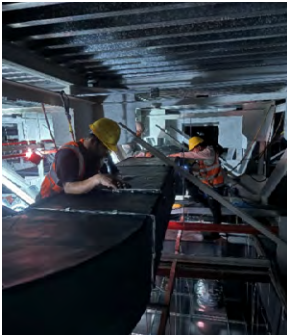
At the same time, Longforce Suzhou carried out the frequency-conversion renovation project of the A/C unit, which was completed and put into operation on June 28. Before the renovation, the two units operated at a constant frequency all year round, with an annual power consumption of 380,160 kWh. After the frequency - conversion renovation, the operating frequency of the units decreased to 75%, and the annual electricity saving reached 170,623.5 kWh, exceeding the expected energy-saving target. The annual electricity saving was 4,303.5 kWh more than expected.



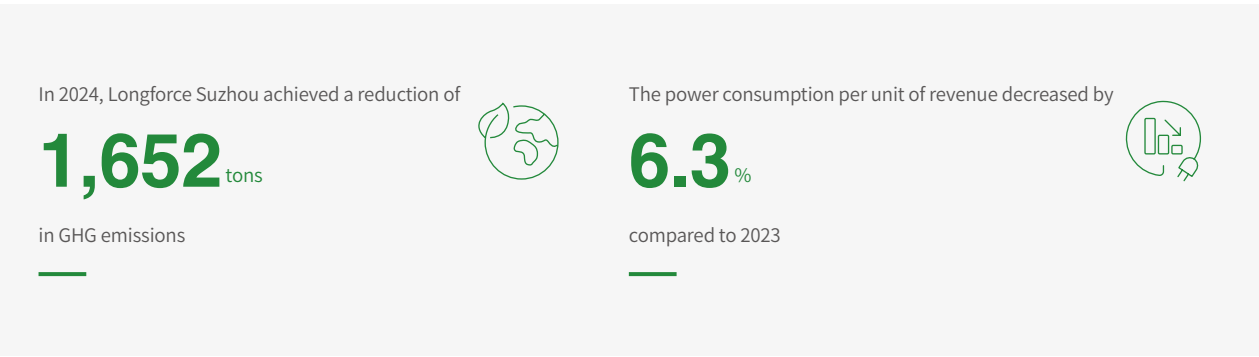
High-efficiency Air Compressor



High-efficiency Chiller



Construction Site of the A/C Renovation Project



Green Office

The Company encourages all employees to participate in energy conservation and emission reduction, aiming to cultivate their awareness and habits in this regard. It has developed and implemented daily energy-saving norms. For example, employees are required to turn off the power of their computers when leaving work, and turn off the lights, projection equipment, and air conditioners in meeting rooms promptly after meetings. The Company strictly adheres to the A/C temperature setting standards. It also promotes office energy - saving measures such as the reuse of paper and double-sided printing. The Company attaches great importance to the construction of an energy-saving culture and regularly organizes energy-saving publicity and training to strengthen employees' awareness of energy conservation. Through various energy-saving practices, Longsys integrates the concept of energy conservation and emission reduction into every aspect of its business operations, continuously promoting green and low-carbon development.

Longforce Suzhou Participates in Case Sharing at SIP Energy School

In 2024, Longforce Suzhou actively participated in thematic seminars at SIP Energy School, such as "High-Efficiency Fan System Optimization" and "Application of Green Electricity and Green Electricity Certificate Market Mechanisms", and learned from advanced cases of energy-efficiency monitoring and energy-saving renovations of A/C systems. At the same time, it dispatched a professional team to participate in the training on enhancing the green and low-carbon development capabilities of key energy-using units. The team systematically mastered the latest energy-saving technologies and management methods in the industry, broadened the Company's perspective on energy conservation, and accumulated valuable experience for implementing equipment energy-efficiency improvements and optimizing the energy structure. This effectively promoted the green and low-carbon transformation of production and operations in the Company.



Longforce Suzhou Participated in Case Sharing at SIP Energy School

Water Resource Management

Longsys strictly complies with laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Regulation on the Administration of Permitting of Pollutant Discharges*, and the *Measures for Pollutant Discharge Permitting Administration*, as well as the requirements of the locations where its operations are based. It supervises each subsidiary to establish a water pollution prevention and control management system, clarifies the responsibilities of various departments, and ensures compliance throughout the entire process of wastewater treatment.

Longforce Suzhou has developed regulations such as the *Wastewater Management Measures* to standardize aspects including self-monitoring of wastewater, inspection and management of rainwater and sewage pipelines, and oil-separation treatment of oily kitchen wastewater. It implements strict classification management: domestic sewage is discharged into the municipal system through pipelines, and industrial wastewater is entrusted to qualified units for professional treatment. It completely preserves treatment records and inspection reports. Through the whole-process control of collection, treatment, and discharge, it ensures the compliance and effectiveness of wastewater management. Longforce Suzhou received an award for the construction of a green manufacturing system from the Suzhou Municipal Industry and Information Technology Bureau due to its remarkable achievements in green transformation.

Longforce Suzhou has developed a series of treatment measures for the production wastewater from different pollution-generating production processes:

Wastewater Type	Pollution-generating Process		Treatment Measure	Discharge Destination
Grinding wastewater	Packaging of finished chips	Grinding	After being recycled and treated, 85% of the treated water is reused, and the rest is discharged to the wastewater treatment station for further treatment	The sewage treatment plant in the industrial zone
Dicing wastewater		Dicing	All being recycled to the pure water system	The sewage treatment plant in the zone
Cleaning wastewater		Cleaning	Discharged to the wastewater treatment station for treatment	The sewage treatment plant in the zone
Dicing wastewater	Memory chips	Dicing	After being recycled and treated, 85% of the treated water is reused, and the rest is discharged to the wastewater treatment station for further treatment	The sewage treatment plant in the zone
Backwash water from sand filtration	Pure water manufacturing		Discharged to the wastewater treatment station for treatment	The sewage treatment plant in the zone
Backwash water from activated carbon filtration				
Regenerated water from softening filtration				
Concentrated water from reverse osmosis				
EDI drainage	Cooling system	/	After treatment (mechanical filtration), all being reused	Not discharged externally
Cooling system drainage			Discharged to the wastewater treatment station for treatment	The sewage treatment plant in the zone



Recycling of Concentrated Water from Reverse Osmosis



Ultra Filtration membrane, recycling of grinding wastewater



Ceramic Ultra Filtration membrane, recycling of organic wastewater



Longforce Suzhou Upgrades the
Wastewater Recycling System

In 2024, Longforce Suzhou upgraded the wastewater recycling system, updated the materials of the membrane treatment process, and expanded the treatment scale of the wastewater recycling system. After the renovation, the annual wastewater treatment capacity reached 350,000 tons. The system treats the cutting and grinding wastewater through the wastewater recycling system and reuses it at the front end of the pure water preparation system. The reuse rate of the reclaimed water reaches 85%. According to the inspection, the quality of the reclaimed water meets the standard of the *Reuse of Urban Recycling Water-Water Quality Standard for Industrial Use* (GB/T 19923-2005), meeting the requirements of the production process.

the annual wastewater treatment capacity reached

350,000 tons



Zhongshan Longsys Carried out a Series of Water-
Saving Measures

Zhongshan Longsys takes "reducing water waste and achieving sustainable utilization" as the main goal of water resource management and has set clear water-saving targets: within the next five years, control the total monthly water consumption within 7,000 m³ and reduce the per capita water consumption by 20%. To achieve this goal, the Company has taken a series of measures, including promoting low-flow faucets, showerheads, and induction devices, regularly inspecting and maintaining water facilities to prevent water leakage, and installing an automatic sprinkler system in the green areas to reduce waste. In addition, the Company has installed water meters in key water - using areas, analyzed the water consumption data monthly to optimize management. At the same time, the Company has strengthened water-saving publicity, improved employees' awareness of water conservation through channels such as park broadcasts, televisions, groups and implemented the inspection and maintenance system of water facilities to ensure the effective implementation of water-saving measures.

within the next five years, control the total
monthly water consumption within

7,000 m³

reduce the per capita
water consumption by

20 %

Longsys actively promotes water-saving publicity, cultivates the awareness of water conservation among all employees, and guides their behavior. The Company regularly organizes water-saving knowledge training and popularizes the importance of water resources and water-saving techniques to employees through forms such as publicity boards and electronic screens. The Company has set up water-saving signs in the production areas, upgraded water-using equipment, and encouraged employees to participate in water-saving practices.



Posting of Water-Saving Signs

Waste Gas Emission
Management

Longsys strictly complies with relevant regulations on pollutant emissions, such as the *Regulation on the Administration of Permitting of Pollutant Discharges*, the *Measures for Pollutant Discharge Permitting Administration*, and the *Self-monitoring Technology Guidelines for Pollution Sources (HJ 1130-2020)-Electronics Industry*. It requires its subsidiaries to establish waste gas management systems to ensure compliant emissions, and standardizes the work of pollutant discharge registration and permit application simultaneously.

The Company gives priority to the selection of coatings with low volatile organic compounds, configures professional waste gas collection and treatment facilities, implements classified collection and differentiated treatment, and establishes a monitoring mechanism to ensure up-to-standard emissions. Longforce Suzhou has formulated the *Exhaust Gas Management Measures*. For different types of waste gases, such as process waste gases, waste gases from hazardous waste storage warehouses, laboratory waste gases, and kitchen cooking fumes, it has set up special treatment processes and equipment, and constructed a complete waste gas treatment system.

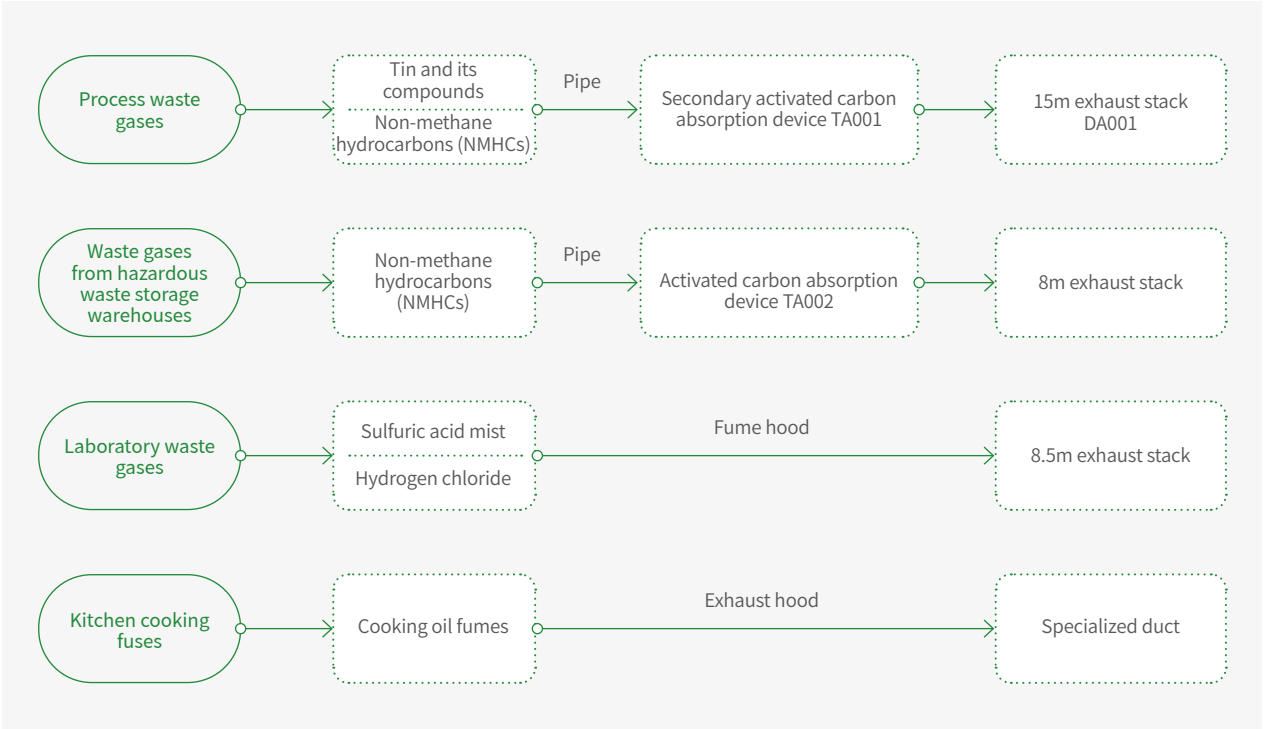
The annual cumulative volume of recycled water in Longforce
Suzhou reached

30,603,875 m³

with a recycling rate of

98.61 %





Waste Gas Treatment Process at Longforce Suzhou

Longforce Suzhou has established a standardized waste disposal process, and a complete disposal record ledger has been established for all treatment processes, with a record retention period of not less than 5 years. Recyclable materials (such as paper and plastics) are subject to special collection, and hazardous wastes are strictly marked with name and characteristic information. Professional trained cleaners are responsible for daily collection. An environmental compliance review of disposal contractors is carried out every three years, and operational specifications are ensured through internal inspections and 6S management. In 2024, 100% of the wastes were handed over to qualified units for treatment, and the record ledger is complete and traceable, ensuring compliant control of the whole process.

In addition, Zhongshan Longsys has formulated the *Hazardous Substances Management Procedures*, clarified the identification standards for hazardous wastes, implemented classified collection and standardized storage, and entrusted qualified units to dispose of them in a compliant manner. Special management processes have been established for specific wastes such as defective circuit boards and waste activated carbon. In 2024, the compliant treatment rate of wastes reached 100%, achieving the established environmental goals.

Waste Management

Longsys strictly abides by laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and the *National Catalogue of Hazardous Wastes* (2021 Edition), constructs a waste management system covering the entire production process, and supervises its subsidiaries to formulate special management measures to ensure standardized management.

Longforce Suzhou strictly implements the *Waste Management Measures* and the *Hazardous Waste Management Measures*, establishes classification standards and operation specifications for industrial solid wastes, domestic wastes and hazardous wastes, clarifies the management requirements and responsible entities for the whole process of storage, collection and disposal, and realizes systematic control of wastes:

- Industrial solid wastes include empty wafer boxes, waste mold cleaning sheets, cartons, etc., recyclable wastes are marked with green labels, and non-recyclable wastes are marked with yellow labels.
- Domestic wastes cover daily office wastes and kitchen wastes, which are marked with white labels.
- Hazardous wastes are identified and managed in accordance with the *National Catalogue of Hazardous Wastes*, marked with red labels, and all are entrusted to qualified third-party institutions for waste disposal.

In 2024,

100%

of the wastes were handed over to qualified units for treatment

In 2024, the compliant treatment rate of wastes reached

100%

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Noise Management

Longsys strictly implements noise management during production and operation, requiring each production base to carry out noise control in accordance with laws and regulations to minimize the impact on the surrounding environment. Longforce Suzhou has formulated the *Factory Noise Management Measures*, and conducts self-monitoring of noise at the factory boundary in accordance with the provisions of pollutant discharge permits and relevant standards and specifications, ensuring that the noise generated during the Company's production process is effectively and compliantly managed in the process of discharging.

Longforce Suzhou Conducts Noise Detection in Occupational Hazard Areas

In 2024, Longforce Suzhou carried out on-site special detection of 49 noise spots in the base. Through detection by professional equipment, the noise values of all points meet the noise emission standards.



Noise Detection in Occupational Hazard Areas of Longforce Suzhou



Zhongshan Longsys Detection Reports of Sewage, Waste Gas and Noise in 2024

Since its operation, Zhongshan Longsys **has not experienced** any events of non-compliant discharge of pollutants (sewage, waste gas, noise)



Circular Economy

Longsys actively promotes the development of a circular economy and reduces resource consumption through systematic recycling:

Procurement side:

It implements unified management of recyclable materials and recycled items. The administrative department centrally disposes of them and directly connects with professional recycling institutions.



Logistics:

It achieves efficient circular utilization of pallets. Between the processing plants in Zhonggang, Zhongshan and Shenzhen, the pallets can be reused more than 5 times through material allocation. The annual consumption has decreased from 6,000 to 1,200, with a savings rate of 80%. At the same time, the raw material warehouse uses recycled cartons for the transportation of low-value materials to reduce packaging waste.



Production:

Longforce Suzhou focuses on promoting the circular utilization of packaging materials. Through the internal circulation and cross-departmental recycling system, the recycling rate of trays exceeded 50% in 2023. In 2024, a total of 62,700 trays were recycled, significantly reducing the procurement demand for new packaging, improving resource utilization efficiency and reducing the generation of waste.

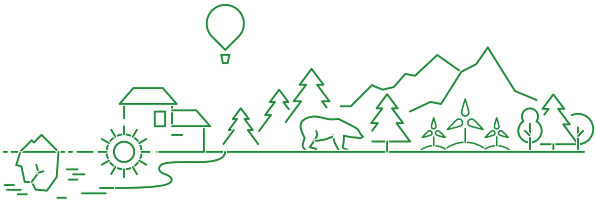


Ecological and Environmental Protection

Longsys and its subsidiaries strictly abide by relevant national environmental protection laws and regulations. During the project planning and construction process, we fully implement the environmental impact assessment system, complete the environmental impact assessment work of relevant projects in accordance with the law. The locations of all construction projects strictly avoid the scope of ecological protection red lines, and do not involve ecologically sensitive areas such as nature reserves and drinking water source protection areas. They actively protect natural resources such as groundwater, soil and water in sewage basins, forests and vegetation, and adopt measures such as selecting low-noise equipment and building rainwater collection systems to minimize the interference with the natural environment.

During the operation process, the Company strictly implements the requirements of the environmental impact assessment approval, fully implements environmental protection measures to ensure that production and business activities comply with relevant environmental protection laws and regulations. The subsidiary Zhongshan Longsys carried out an environmental impact assessment in 2019, and re-implemented the environmental impact assessment procedure for the renovation and expansion project of the innovation laboratory in 2021, and both obtained formal approvals from the competent department.

The Company has established a sound ecological and environmental risk prevention and control system, and requires its subsidiaries to carry out ecological risk prevention and control measures. Longforce Suzhou has carried out comprehensive risk identification and impact assessment work for the risk factors that may affect the ecological environment during the production and operation process. Through a systematic identification process of ecological and environmental factors, the Company comprehensively sorts out the risks such as wastewater, waste gas, noise, general solid waste and hazardous solid waste in the production process, and formulates detailed risk control measures based on the assessment results, clarifies the responsible departments and completion time limits to ensure the implementation of all prevention and control measures.



Activities/Products/ Services	Major Link Factors	Types/Impacts	Control Measures
Memory chips	Discharge of wastewater from memory chip dicing	Wastewater pollution affecting bodies of water and soil	Wastewater from dicing is treated via a wastewater recovery system using mechanical filtration and bag filtration, then reused after meeting standards with no external discharge
Pure water manufacturing	Discharge of wastewater from the EDI process		Wastewater from the EDI process is fully reused after mechanical filtration
AP finished chips	Volatilization of organic waste gases during high-temperature encapsulation in the molding process;	Air pollution affecting the atmosphere and surrounding	Waste gases are collected via an exhaust system with a capture rate of around 90%, then treated by activated carbon adsorption devices before being discharged through the 15m-high 2# exhaust pipe
	Emission of welding fumes and flux-related organic waste gases during the reflow soldering process		Strengthen maintenance of waste gas treatment equipment to ensure effective operation of the collection system Replace activated carbon filter cartridges regularly
Compressed air station	Noise emission from air compressor operation	Noise pollution affecting the surrounding environment	Select low noise equipment
Cooling towers, A/C, refrigeration systems	Noise emission from the operation of cooling towers, air conditioners, and refrigeration units		Employ noise reduction and vibration damping measures, as well as building acoustical insulation After distance attenuation and insulation, ambient noise levels outside the facility meet ≤ 65 dB(A) during the day and ≤ 55 dB(A) at night
Equipment maintenance	Discharge of waste oils	Hazardous solid waste pollution affecting bodies of water and soil	Establish a dedicated hazardous waste storage facility Develop and train on hazardous waste management regulations Entrust licensed third-party providers for disposal in accordance with national regulations
Laboratory/Product testing	Disposal of waste chemicals (e.g., potassium hydroxide, sulfuric acid, hydrochloric acid, hydrogen peroxide) and their packaging materials		Monitor hazardous waste transfers and ensure compliance Regularly inspect solid waste management practices and maintain detailed records
Office Activities	Disposal of office waste	General solid waste pollution affecting bodies of water and soil	Establish general solid waste treatment regulations Set up storage locations for solid waste and mark and manage them
Product Inspection	Disposal of nonconforming products		Comprehensively utilize or sell them without external discharge Regularly inspect solid waste management practices and maintain detailed records

List of Major Environmental Factors of Longsys (Partial)

Climate Change Response

In the context of global climate change, Longsys is acutely aware that climate action is not only an inevitable requirement for fulfilling environmental responsibilities but also a crucial path to seizing the opportunities of green transformation. We have integrated climate governance into our strategic framework, established a sound greenhouse gas management system, conducted annual carbon emission inventories, and continuously optimized our production processes and energy structure.



In 2024, we carried out a preliminary identification and assessment of climate-related risks and opportunities, identifying potential physical risks as well as three categories of transition risks: policy and compliance risks, market risks, and technology risks and conducted in-depth analysis and assessment.

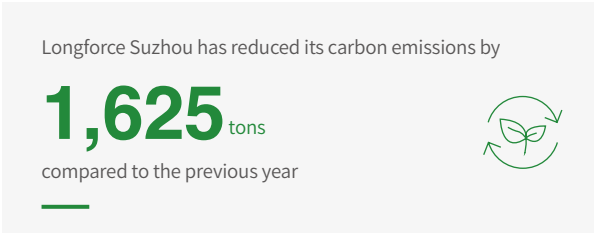
Risk/Opportunity Type	Risk Classification	Risk/Opportunity Description	Potential Impact	Response
Physical Risk	Acute risk	Extreme weather events (such as typhoons and floods) may impact production facilities, logistics networks and supply chain nodes	<ul style="list-style-type: none">● Damage to factory buildings and equipment, production stagnation● Supply chain disruption leading to delivery delays● Increased post-disaster repair costs and asset depreciation	<ul style="list-style-type: none">● Formulate emergency response plans for extreme weather with hierarchical responses● Purchase property insurance and other means to effectively mitigate the economic losses caused by extreme climate events
Physical Risk	Chronic risk	Changes in climate patterns lead to regional extremely high temperatures, droughts, etc., affecting the stability of the production environment	<ul style="list-style-type: none">● Decreased heat dissipation efficiency of equipment and fluctuations in yield rate● Increased temperature control costs in storage● Increased health risks for employees and higher labor costs	<ul style="list-style-type: none">● Continuously carry out forward-looking climate scenario research, dynamically adjust medium and long-term response strategies, and continuously improve climate adaptation capabilities
Transition Risk	Policy and compliance risk	Tighter global carbon regulation (such as carbon tariffs, energy consumption standards) may increase compliance costs	<ul style="list-style-type: none">● Increased carbon footprint accounting and investments in emission reduction● Penalties or market access restrictions for non-compliance	<ul style="list-style-type: none">● Establish a strict environmental management system, and continuously reduce the operational carbon footprint through systematic measures such as process optimization and energy efficiency improvement
Transition Risk	Market risk	The growing customer demand for low-carbon products makes the green supply chain a competitive threshold	<ul style="list-style-type: none">● Increased short-term costs for researching and developing green technologies● Loss of orders due to failure to meet demand● Premium space can be obtained with advanced deployment	<ul style="list-style-type: none">● Promote the green transformation of the supply chain, and reduce carbon emissions in raw material procurement, production and manufacturing, logistics and transportation and other links● Continuously increase investment in research and development and innovation, develop low-carbon products and technologies, and reduce carbon emissions throughout the product lifecycle
Transition Risks	Technological risk	Accelerated iteration of low-carbon technologies (e.g., low-power chip design) may substitute traditional processes	<ul style="list-style-type: none">● Pressure from investing in equipment upgrades● Asset impairment due to technological substitution● Lagging innovation may weaken market position	<ul style="list-style-type: none">● Continuously increase R&D investment in low-carbon product design, renewable material application, and circular economy technology development
Opportunities	/	Climate policies encourage green technology R&D (e.g., energy-saving storage chips)	<ul style="list-style-type: none">● Apply for government subsidies/tax incentives● Tap into emerging markets	<ul style="list-style-type: none">● Continuously increase R&D investment in low-carbon product design, renewable material application, and circular economy technology development

Climate-related Risks and Opportunities Identification List



Greenhouse Gas Emissions Management

Longsys strictly complies with the greenhouse gas-related regulations set by environmental departments and the ISO 14064 standard for greenhouse gas emissions inventory. Longforce Suzhou has established a robust greenhouse gas management system. It has formulated the *Greenhouse Gas Management Measures* and conducts annual greenhouse gas inventory work. Relevant departments conduct a comprehensive investigation and calculation of greenhouse gas usage and emissions in accordance with the requirements of the GHG Protocol and maintain complete supporting data for verification. In terms of emission reduction management, Longforce Suzhou develops annual greenhouse gas emission reduction plans and sets clear targets based on legal requirements. It evaluates the achievement of the previous year's targets, announces the results company-wide, and ensures the effective implementation of emission reduction efforts.



Longforce Suzhou Conducts LCA (Life Cycle Assessment) Carbon Footprint Assessment for Integrated Circuits

In 2022, Longforce Suzhou, a subsidiary of Longsys, conducted an LCA carbon footprint study on 10,000 integrated circuit products. Based on the life cycle assessment method and in line with the carbon footprint accounting methods specified in ISO/TS 14067-2018 *Greenhouse gases—Carbon footprint of products—Requirements and guidelines for quantification* and PAS 2050:2011 *Specification for the assessment of the life cycle greenhouse gas emissions of goods and services*, the study covered the "cradle-to-gate" system boundary. It investigated the carbon footprint of the upstream raw material production, transportation, production, and sales transportation phases of the 10,000 integrated circuits. The results indicated that the life cycle environmental impact of the 10,000 integrated circuit products was characterized by non-biological resource depletion of 7,436.54 MJ and a global warming potential of 3,698.54kgCO₂eq, with the use of major materials in the production process contributing significantly to the environmental impact.



Longforce Suzhou Conducts LCA Carbon Footprint Assessment for Integrated Circuits

Longsys' 2024 Greenhouse Gas accounting results are as follows:

Emission Category	Emissions (Unit: tCO ₂ e)
Direct Emissions (Scope 1)	140.64
Indirect Emissions (Scope 2)	44,091.73
Total Emissions (Scope 1 + Scope 2)	44,232.37

Faced with the global climate change challenge, Longsys actively fulfills its climate responsibilities. It integrates climate governance into its long-term development strategy and fully supports the national goals of "Carbon Peaking and Carbon Neutrality". In the journey toward carbon neutrality, Longsys will adhere to open collaboration and technological innovation. Through systematic measures such as clean production, energy efficiency improvement, meeting customer requirements, process improvement, and carbon asset management, it will work with its industrial chain partners to promote a low-carbon transition and provide actionable solutions for global climate governance as a technology enterprise.

Key Performance Highlights

No violations such as hiring child labor or forced labor have occurred at Longsys

The Longsys online learning platform has recorded with a total learning time of

53,476
user participations

34,092 hours

The platform offers

14,852 courses

04

Creating a Harmonious Workplace

The Company adheres to a people-oriented philosophy, placing employee well-being at the core. By enhancing rights protection mechanisms, building a diversified career development system, and strengthening workplace health and safety management, we continuously improve employees' sense of belonging and happiness. We strictly implement regulations such as the *Labor Law of the People's Republic of China*, establish fair compensation and welfare systems, maintain unimpeded communication channels, and create tiered training systems with dual promotion pathways to boost employees' capabilities. Meanwhile, Longsys continuously improves occupational health and safety measures to ensure a safe working environment, laying a talent foundation for sustainable development.

ESG Material Topics Addressed in this Chapter:

- Employee Rights
- Occupational Health and Safety
- Employee Career Development and Training
- Interests and Well-Being
- Talent Attraction and Retention
- Employee Diversity and Inclusion

SDGs Addressed in this Chapter:



Protecting Employee Rights

Longsys views employees as its most valuable asset and is committed to creating an equal and harmonious workplace. By establishing and improving institutional systems, we provide competitive compensation and benefits, firmly safeguarding employees' legal rights, and enhancing organizational cohesion to support sustainable business development.



Compliant Employment Management

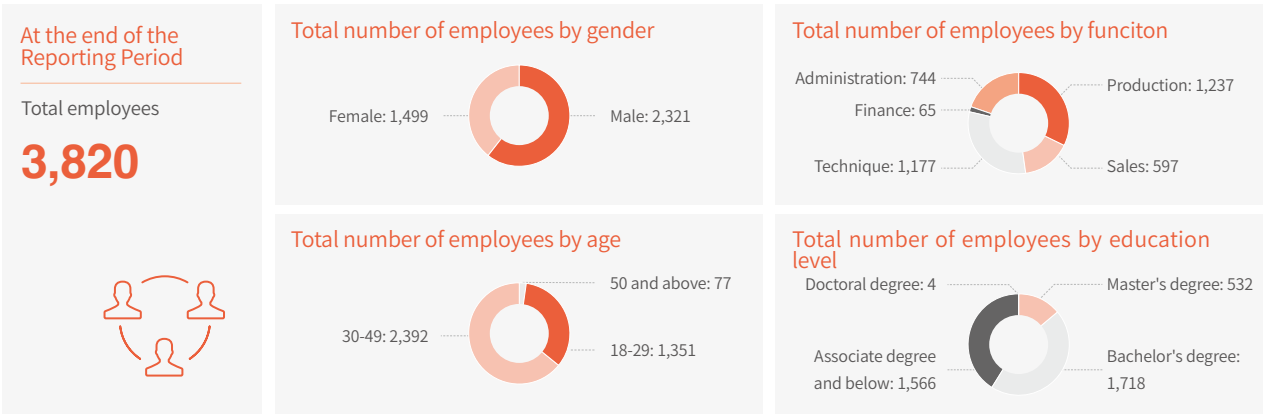
Equal Employment

Longsys upholds the philosophy of "equality, respect, openness, and inclusion." Our *Employee Handbook* prohibits discriminatory restrictions in job advertisements, such as gender, age, or ethnicity. We strictly adhere to prohibitions on child labor and forced labor, with specific internal policies and recruitment processes in place to prevent such practices. To protect the rights of young workers, we've established and implemented relevant procedures. We've also formulated a human rights policy statement, which is publicly available and communicated to all employees. This ensures compliance with local laws and regulations, safeguards employees' legal rights, and strengthens the foundation for the Company's long-term and stable development.

Our workforce is notably diverse, with women accounting for approximately 40%. We provide effective protective measures for female employees as required by law, such as dedicated lactation rooms in office equipped with sofas and tables. Additionally, we employ hundreds of overseas staff and over 100 ethnic minority employees. In board management, we recently appointed our first female independent director to the 9-member board, marking significant progress in gender diversity. We will continue to strengthen these efforts.

Longsys has established systems and documents such as the *Employee Handbook*, *Corporate Culture* and *Values Requirements*, and *Reiterated Personnel Directives*, which comprehensively regulate employee behavior and provide clear guidance, covering daily work standards, core values, and specific behavioral criteria, comprehensively preventing violations of employee rights.

Employee Employment Performance





Longsys **has not had** any violations related to child labor or forced labor

Longsys Wins the "2024 Employer Brand Operation Role Model Award"

In 2024, Longsys was awarded the "2024 Employer Brand Operation Role Model Award" by Yonyou Group. This honor highlights Longsys' benchmark status in talent recruitment and employer brand building, and fully recognizes the Company's outstanding achievements in developing a robust talent development system and a competitive employer brand.



Longsys Receives the "2024 Employer Brand Operation Role Model Award" from Yonyou

Zilia Holds Diverse Celebration Activities to Enhance Festive Atmosphere

In December 2024, Zilia organized year-end celebrations at its Atibaia and Manaus branches in Brazil. Employees participated in sports activities, enjoyed Brazilian barbecue, and celebrated Zilia's first anniversary and the upcoming New Year in a musical setting.



Zilia's Year-End Celebration Activities

Americas Region Hosts a Series of Festive Events to Share Unforgettable Moments

As Halloween approached, the Americas office held a Halloween party. Employees organized a joyful party with creative costumes and decorations, showcasing the team's vitality and creativity.

To celebrate Thanksgiving and Christmas, the Americas office organized a range of activities, including food exchanges, turkey treasure hunts, community celebrations, holiday meals, and food donations. These events provided employees with warm and pleasant memories in a festive atmosphere.



Americas Region's Holiday Party

Employee Communication

To establish an efficient and transparent communication mechanism, the Company has set up a comprehensive employee complaint handling system. Employees can submit complaints via QR code scanning or the intranet platform. A dedicated team collects and processes these complaints, regularly publishing results and improvement suggestions to ensure smooth feedback channels and transparent handling processes. We also protect employees' freedom of association and collective bargaining rights by regularly holding employee meetings.

This year, Longsys completed a company-wide satisfaction survey. A dedicated team used the results to develop and implement plans to enhance employees' work experience, creating a continuous feedback loop to ensure ongoing improvement in employee satisfaction.

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Talent Attraction

We attract a wide range of talent through campus and social recruitment, injecting fresh energy into the Company and promoting talent structure optimization, and building a diversified talent pool. Our recruitment channels are effective, and we regularly analyze employee retention and turnover rates to improve retention.

Since 2020, Longsys has established multiple university-industry cooperation projects and strategic partnerships with prestigious universities such as Peking University, Southern University of Science and Technology, Shandong University, Huazhong University of Science and Technology, Xiamen University, Anhui University, and Guangdong University of Technology. Focusing on storage chip development, commercialization of scientific and technological achievements, and integration between industry and education, we have jointly built laboratories to create an innovation ecosystem that combines industry, academia, and research.



Longsys and Guangdong University of Technology Sign Strategic Cooperation Agreement

Longsys Campus Recruitment Drives Talent Acquisition

In July 2024, Longsys launched its 25th campus recruitment drive, covering 25 universities across 10 provinces in five regions (East China, Northwest China, Southwest China, Central China, and South China), with 84% of them being 985 or 211 institutions. Through 25 specialized roadshows, high-quality promotional articles, and online/offline interactive activities, we attracted over 10,000 student resumes, with more than 2,000 students attending roadshows and over 1,000 interviews conducted.



Longsys Campus Recruitment Site

Employee Compensation and Welfare

Compensation System

Industry-competitive and forward-looking compensation and benefits are key to attracting and retaining top talent. Complying with local laws and respecting employee rights, we offer fair and motivating pay packages. Our scientific compensation system includes base salary, benefits, bonuses, and special allowances. We have developed the *Individual Performance Management Measures* and the *Organizational Performance Management Measures* to optimize our differentiated pay system, ensuring it aligns with employees' positions and contributions. This guarantees every employee has the chance to receive incentives. Furthermore, we offer equity incentives to senior managers, key position employees, R&D staff, and core employees, and we disclose relevant details and assessment criteria in company announcements.



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Employee Benefits

Longsys follows the *Labor Law of the People's Republic of China* and other relevant regulations. We have formulated *Employee Handbook*, legally signs labor contracts with employees, and provides statutory benefits like "five insurances and one fund". In accordance with national regulations and company policies, Longsys also offers benefits such as statutory holidays and paid leave, pays no less than the local minimum wage, ensures reasonable working hours, and promptly pays overtime wages. These guarantees employees receive all legally mandated benefits.

Longsys is committed to caring for its employees. In addition to statutory benefits, we offer diversified benefits such as education and training, birthday gifts, commuting and meal subsidies, phone subsidies, marriage and childbearing gifts, annual health checks, accident insurance, fitness facilities, and team-building activities to enhance employees' sense of belonging and team cohesion.

To attract and retain core talent and ensure the Company's strategic development, we provide home purchase loan support with a dedicated fund pool of 100 million yuan and have established the *Employee Home Purchase Loan Management Method*. By the end of 2024, the outstanding principal balance of home purchase loans provided by the Company to its employees amounted to RMB 26.3489 million.

We have equipped office areas with coffee machines, microwaves, and leisure sofas, and set up gyms and psychological consultation rooms to meet employees' diverse needs and improve their workplace experience and satisfaction.



Employee Birthday Party Group Photo



Badminton Court



Gym Facilities



Office Leisure Area

Longsys Employee Birthday Celebrations

Longsys adheres to caring for its employees. We organize birthday celebrations with carefully planned activities, offering food like fruit, ice creams, and cakes, along with fun games. These events, filled with joy and laughter, help employees feel the Company's warmth and blessings. We also give gifts to birthday employees to show our care. These celebrations serve as a platform for employees to connect, share, and strengthen team bonds, thereby enhancing the organization's cohesion.



Longsys Employee Birthday Party

Longsys Engineers' Day Activities

On Engineers' Day (October 24, 2024), Longsys held an engineer image creative competition, inviting employees to depict their vision of engineers. Gifts were also prepared for all engineers to express admiration for their innovative spirit.



Longsys Engineers' Day Activities

Longsys Holds Company Open Days to Promote Storage Culture

Longsys has organized company open days for several consecutive years, inviting employees' families to experience the Company's storage culture. Activities like storage history exhibitions, office tours, and fun sports events have strengthened the bond between employees and their families and allowed families to appreciate the omnipresence of storage.



Longsys Company Open Day Activities



Longsys' labor contract signing rate

100%



Longsys' employee social insurance coverage rate

100%



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Promoting Employee Development

Longsys emphasizes the comprehensive development of employees. By creating a systematic training system and multi-level career development paths, we continuously empower employees to enhance their professional skills and achieve personal value.



Employee Training

To effectively support the implementation of our corporate strategy and the achievement of business goals, Longsys has established a series of training management regulations, including the *Training Management Method*, *External Training Management Measures*, and *Training Instructor Management Measures*. Our training system, designed according to employee hierarchy and business needs, includes new employee training, pre-job training, on-the-job training for current employees, training for departmental management personnel, senior management training, and external institution training. The training content covers a wide range of courses, such as company culture, product knowledge, professional skills, general skills, management abilities, and compliance knowledge.

We have established a three-dimensional training system comprising six modules, including leadership development, professional skills enhancement, general skills training, new employee orientation, instructor development, and online learning platform. The leadership development program is designed in a layered approach, offering differentiated training for junior, mid-level, and senior management. New employee orientation covers all newly hired staff, helping new employees integrate quickly. Professional skills courses are open to all employees and closely aligned with business needs. The online learning platform integrates extensive resources, supporting both self-directed and required course modes to meet employees' personalized development requirements. In 2024, Longsys organized approximately 280 training sessions, totaling about 600 training hours, with a participation of around 5,000 employee attendances.

Our online learning platform has been continuously improved since its launch. It now offers comprehensive course coverage across core areas such as R&D management, quality management, sales management, human resources and administration, and corporate value. This platform provides efficient learning support for employees and has achieved significant training results. The Company actively supports employees' continuing education development by offering open-access programs for educational advancement and professional certification, along with tuition reimbursement according to established policies. Additionally, we have set up a special support mechanism for reimbursing expenses related to statutory occupational qualifications, such as special operations certificates and Red Cross first-aid certificates. This year, we reimbursed 70% of the tuition fees for employees participating in the master's degree education program in operations and supply chain management.

Training Sequence	Covered Content	Training Purpose
Leadership Sequence	Mindset management, business management, employee management, professional management, strategic planning, domain management	To systematically enhance managers' strategic thinking and team leadership capabilities, driving the efficient achievement of business goals and sustainable organizational development
Professional Sequence	Sales ability, R&D ability, product competitiveness, project management, quality system, supply chain	To improve employees' professional skills and business capabilities, creating high-performance teams that drive business growth and enhance organizational efficiency
General Skills Sequence	General skills, professional qualities	To boost employees' fundamental professional qualities and general skills, strengthening their workplace adaptability and overall competitiveness to support effective collaboration and career advancement
New Employee Training Sequence	Corporate culture, industry information, rules and regulations	To help new employees quickly integrate into the organization, understand behavioral norms, and establish industry awareness
Instructor Sequence	Teaching techniques, course development	To enhance instructors' course design and teaching abilities, ensuring effective knowledge transfer and an improved learning experience for participants

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"Young Eagles Training Camp" Program

To assist new employees in smoothly adapting to the Company, rapidly enhancing their professional capabilities and leadership potential, and to strengthen internal team cohesion and innovation, Longsys successfully launched the "Young Eagles Program" training series in 2024. Through professional courses, comprehensive courses, interactive sessions, project presentations, outdoor team-building activities, and cultural integration events, new employees have improved their professional and work abilities. These training initiatives have also strengthened team collaboration skills and fostered camaraderie among new staff.



"Young Eagles Training Camp" Program

Professional Skills Training - R&D Category

This year, we conducted professional skills training in the R&D field to elevate employees' professional standards in research and development.



Professional Skills Training - R&D

Soaring Eagle Program

This program aims to cultivate versatile key talent for the Company by focusing on four pillars: mindset management, business management, employee management, and professional management. It identifies individuals with a strong sense of responsibility and professional competence. Through offline intensive training, mentorship, action learning, and flipped classroom sessions, the program fosters talent who can grow and co-innovate with the Company.



Launch of Soaring Eagle Program Phase II

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Cumulative learning sessions on the online learning platform

53,476

Total learning hours:

34,092



Total courses on the Longsys online learning platform

14,852

Exam pass rate:

96%



Average training hours per Longsys employee

34.39

Career Development

Longsys has established a dual-track career development system comprising six sequences: R&D, professional skills, management, technology, support, and production. This system provides employees with clear career advancement paths. It adheres to the principles of fairness and justice, employing a comprehensive evaluation mechanism that balances values and performance. This holistic approach considers employees' core values, professional qualities, technical abilities, and work outcomes. Within this dual-track system, employees meeting the grade standards can choose either vertical advancement within their specialty or horizontal development across different sequences. Outstanding talents with remarkable performance and full competence for target grades may apply for exceptional grade skipping promotions. The promotion process involves three key steps: recommendation by department supervisors, professional assessment by the human resources department, and resolution by the promotion review meeting, ensuring objective and scientific talent selection.

Longsys has also established a systematic performance management system. Through a seven-step process—self-assessment by employees, evaluation by superiors, leadership assessment, recording of critical behaviors, result ranking, performance calibration, and feedback—we categorize employee performance into six levels. These evaluation results directly inform critical HR decisions such as annual bonus distribution, promotion selection, salary adjustment, and excellence awards. Employees dissatisfied with their assessment may initiate a performance appeal as per regulations. For employees not meeting performance standards, we initiate a performance improvement plan, offering targeted coaching to help them achieve expected goals within a specified period.



Strengthening the Safety Barrier

Longsys prioritizes employees' health and safety above all else. We have established a comprehensive occupational health and safety management mechanism and conduct systematic safety training to continuously enhance employees' safety protection capabilities. Our goal is to create a safe and healthy workplace that effectively manages work environment risks while safeguarding employees' physical and mental well-being.



Ensuring Safe Production

Safe Production Management

Longsys strictly complies with relevant laws and regulations, such as the *Work Safety Law of the People's Republic of China* and the *Fire Control Law of the People's Republic of China*. We have established a series of systems, including the *Office Safety Management Measures*, *Regulations on the Establishment of the Work Safety Organization and the Allocation of Safety Management Personnel*, and *Emergency Response Measures for Unexpected Incidents*, to ensure the implementation of safety management. These systems form a robust internal safety management framework that effectively protects employees' safety and health. We have also set up a comprehensive occupational health and safety management system that enables end-to-end identification and control of health and safety risks, further ensuring employees' well-being. In Zhongshan Longsys, the Safety Production Committee, as the Company's highest safety decision-making body. The committee includes a dedicated safety management team and is staffed with full-time safety managers who have undergone "Safety Education and Training" organized by government regulatory authorities and obtained the necessary qualifications through assessment. The Company's legal representative takes on the role of the committee's director. The head of the Company's administration department and full-time safety management personnel are deputy directors. Department heads are committee members. Through systematic management, the Company ensures production safety. Each department within the Company has established a Safety Production Leading Group. Safety management personnel are required to attend company-organized safety training sessions. They can only take up their posts after passing assessments conducted by the human resources and administration department and obtaining the necessary qualifications. Additionally, the administration department conducts a monthly safety inspection, and each department must perform a weekly self-inspection of its office environment and electrical safety. Any issues identified must be promptly rectified or reported.

Director of the
Safety Production
Committee

(held by the legal
representative)

Responsible for authorizing personnel and allocating resources for the Company's safety production;
reviewing and approving the Company's safety production policy, objectives, management plans, regulations, technical measures, and safety production plans, and overseeing their implementation;
fulfilling relevant statutory duties;
coordinating, guiding, and supervising safety production work to implement comprehensive safety management across the Company.

Deputy Directors of the Safety
Production Committee

(held by the head of the
Company's administration
department and full-
time safety management
personnel)

Establish and improve the safety production responsibility system and promptly report safety work to higher authorities;
organize safety production promotion, education, and inspection activities;
convene Safety Committee meetings and safety routine meetings, conduct timely research and analysis of the Company's safety production situation to gain a comprehensive understanding of safety production status;
and urge relevant departments to handle occupational safety and health management and labor protection matters.

Members of the Safety
Production Committee

(held by department heads)

Responsible for implementing safety management documents formulated by the Company's Safety Committee;
carrying out fire safety management, behavioral management, and occupational health management for personnel, equipment, and environmental areas involved in departmental work;
handling internal control accidents, cooperating with accident investigation and reporting , analysis, statistics, and reporting, formulating preventive measures and addressing relevant personnel.

Structure of Zhongshan Longsys' Safety Production Committee

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We are committed to providing employees with safe and healthy working conditions. Any incident that poses a serious threat to life or health is strictly prohibited. The Company enforces stringent controls over hazardous chemicals and adopts standardized management for personal protective equipment (PPE), requiring employees to wear and use protective gear in a compliant manner to ensure comprehensive and effective safety protection during operations. To address potential risks in specific work environments, we implement employee roster management and regulate working hours by job position. Through a tiered and regular safety inspection mechanism, we systematically identify and eliminate safety hazards, assess occupational health and safety-related risks and opportunities, and establish annual objectives and action plans to continuously enhance our accident risk prevention and control capabilities. To mitigate fire hazards, we have equipped all production sites with relevant firefighting equipment and established corresponding emergency response plans. Regular fire drills are conducted to ensure production safety. As of the end of the reporting period, Longforce Suzhou and Zhongshan Longsys have successfully obtained international certifications for ISO 45001 Occupational Health and Safety Management System.

Enhancing Safety Awareness

Longsys places great emphasis on building a strong safety culture, regarding it as a key driver in improving employees' safety awareness. Through diversified initiatives such as regular safety training sessions, targeted awareness campaigns, and emergency response drills, the Company continually reinforces a safety-first mindset across all levels. A health and safety training and evaluation system has also been established to ensure that employees in all positions acquire the necessary protective skills, effectively fortifying the Company's safety defense line.



On-site First Aid Training

2024 Fire Evacuation Drill at Mestor Zhuhai Manufacturing Base

In 2024, Mestor actively implemented to national and local fire safety directives by organizing a themed fire evacuation drill at its Zhuhai manufacturing base under the slogan: "Fire Safety for All, Life First—Let's Work Together for Fire Safety". The drill included emergency evacuation procedures, fire equipment usage training, and hands-on practice, effectively enhancing employees' fire safety awareness.

Fire Safety Awareness Month in the Zhongshan Longsys Storage Industrial Park

Adhering to the principle of "Prevention First, Safety Foremost", Longsys launched a series of activities during Fire Safety Awareness Month at its Zhongshan Storage Industrial Park. The Company organized events such as knowledge competitions, warning education sessions, and emergency drills. These initiatives embedded fire safety awareness into employees' daily routines and achieved positive outcomes.



Fire Safety Awareness Month Activities

Longsys Safety Awareness Campaign

Longsys conducted a themed safety awareness campaign "Prevention First, Safety Foremost" at the Zhongshan Storage Industrial Park. Through joint safety inspections, laboratory safety training, and safety knowledge promotion, the Company fostered a strong culture of safety and laid a solid foundation for safe operations.



Longsys Safety Awareness Campaign

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Longforce Suzhou Recognized as "2024 Safety Production and Social Responsibility Enterprise of Suzhou Industrial Park"

In 2024, Longforce Suzhou, a Longsys subsidiary, was honored as the "2024 Safety Production and Social Responsibility Enterprise of Suzhou Industrial Park" for its high standards in safety management and strong social responsibility practices. This recognition underscores the Company's leadership role in standardized safety practices and corporate responsibility.



Longforce Suzhou Awarded the "2024 Safety Production and Social Responsibility Enterprise of Suzhou Industrial Park"

Number of workplace fatalities at Longsys

0

Investment in occupational health insurance

RMB 2,033,140.55 Yuan

Promoting Physical and Mental Wellbeing

Longsys prioritizes the physical and mental wellbeing of its employees by offering annual medical checkups, professional psychological assessments, and a variety of wellness initiatives. These efforts are part of a comprehensive employee care system aimed at creating a healthy and harmonious work-life environment.

Occupational Disease Prevention

Longsys places high importance on occupational health management and strictly adheres to the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*. A robust occupational health management system is in place, including annual medical examinations, special occupational health checks, and consultation services. Particular attention is given to frontline workers, with ongoing improvements in working environments and equipment upgrades to eliminate occupational health risks at the source.

Focusing on Mental Health

To help employees address mental health challenges, Longsys has established an on-site psychological counseling center, managed by the Administration Department. Professional counselors are engaged to provide regular in-person services. This initiative reflects the Company's deep commitment to employee mental health and its efforts to build a strong psychological support system.

Health and Wellness Activities

Since its inception, Longsys has emphasized enriching employees' cultural and recreational lives. The Company has created a variety of platforms to encourage self-expression and interpersonal communication. To ensure diverse and sustained engagement, Longsys has established clubs for swimming, hiking, badminton, yoga, tennis, soccer, table tennis, basketball, arts and entertainment, and long-distance running. These groups regularly organize competitions and recreational activities that both energize employee life and enhance team cohesion.

We also hold annual summer sports games and regional athletic events to encourage sports participation and physical fitness, demonstrating our commitment to employees' overall health and wellbeing.



Longsys Employee Fun Sports Day in 2024

"Feather" Together, Building Glory—Badminton Team Tournament in Zhongshan Longsys

Zhongshan Longsys adheres to the concept of employee health care and successfully hosted the 9th Badminton Team Tournament. The event attracted over 40 employees, with more than 40 competitive matches taking place. The tournament enriched employees' extracurricular activities and promoted both their physical and mental well-being, as well as enhancing team cohesion within the Company.



The 9th Badminton Team Tournament in Zhongshan Longsys

"Take the Shot, Ignite Youth"—Longsys Greater Bay Area Basketball Exchange Tournament

In August 2024, Longsys held the Greater Bay Area Basketball Exchange Tournament in Zhongshan, with over 30 employees from Shenzhen, Zhongshan, and Zhuhai participating. The event was organized to celebrate the completion of the second-phase basketball court at Zhongshan Longsys Storage Industrial Park. The basketball match enhanced communication and collaboration among employees from different departments and demonstrated the youthful and positive spirit of Longsys employees.



Longsys Greater Bay Area Basketball Exchange Tournament

Shanghai Longsys Table Tennis Carnival

To encourage employees to continuously surpass themselves and strive for excellence, Shanghai Longsys held its annual Table Tennis Carnival as scheduled. Approximately 40 employees participated, showcasing their excellent table tennis skills, teamwork, and the spirit of resilience. The event vividly embodied the Company's positive and dynamic culture.



Shanghai Longsys Table Tennis Carnival

Longforce Suzhou Hiking and Picnic Event Around Shi Lake

In 2024, Longforce Suzhou organized a hiking and picnic event around Shi Lake, with about 300 employees taking part. Surrounded by nature, employees challenged their limits together, strengthening their relationships and enhancing team cohesion.



Longforce Suzhou Hiking and Picnic Event Around Shi Lake

Longforce Suzhou R&D Team Building Event

In the fall of 2024, Longforce Suzhou's R&D team hosted a team-building event by the Yangcheng Lake. Through team games and challenges in the natural setting, the event promoted collaboration and trust among team members. The warm bonfire party further fostered the team's camaraderie.



Longforce Suzhou R&D Team Building Event

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Achieving Value Co-Creation

Longsys attaches great importance to the win-win cooperation in the value chain, including suppliers, industry partners and communities in the scope of value co-creation. Through optimizing the supplier management system, implementing the management of hazardous substances and conflict minerals, collaborating with industry partners to promote the construction of standards, and engaging in public welfare, Longsys continues to strengthen the Company's close ties with suppliers, partners and communities to achieve synergistic development.

ESG Material Topics Addressed in this Chapter:

- Rural Revitalization
- Social Contribution
- Responsible Supply Chains

SDGs Addressed in this Chapter:



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Sustainable Supply Chain

As a responsible corporate citizen, Longsys integrates sustainability into its supply chain management. We have developed a comprehensive system that covers supplier evaluation, hazardous substance control, and conflict mineral tracing, ensuring that the entire process from raw material procurement to product delivery complies with environmental protection standards and social responsibility norms.



Supplier Management

Longsys incorporates environmental, social, and governance (ESG) responsibilities into its corporate strategy. Based on policies such as the *Regulations on the Development and Qualification of Material Suppliers*, *Regulations on the Management of Qualified Material Suppliers*, and *Procurement Control Procedures*, we have established a full life-cycle supplier management system, covering supplier entry, performance assessment, and dynamic exit, which systematically drives responsible supply chain development.

Management Process	Management Details
Supplier Entry	<ul style="list-style-type: none">Conduct rigorous qualification reviews of suppliers according to management policies, ensuring they meet the Company's requirements.Evaluate the CSR performance of all suppliers based on <i>Supplier CDTSBC Audit Form</i>, covering dimensions such as labor rights, occupational health and safety, and environmental protection.For outsourced processing plants, focus on verifying environmental compliance (e.g., discharge permits, environmental approvals, and historical penalty records), and encourage the optimization of resource utilization and environmental protection measures to ensure sustainable business cooperation.All suppliers must sign the <i>Commitment of Conduct for Business Partners</i> upon entry, committing to adhere to the Company's guidelines, including ESG requirements such as integrity, environmental management, and environmental protection.
Supplier Assessment	<ul style="list-style-type: none">Annual review of core material suppliers, providing improvement support based on results.Annual CDTSBC Audit (Compliance Due Diligence of Third-party Supply Business Chain) for all suppliers to ensure continuous compliance with ESG-related indicators.
Supplier Exit	<ul style="list-style-type: none">Establish dynamic elimination mechanisms to optimize supplier structure and improve overall supply chain level.

Longsys Supplier Management System

By the end of 2024, most of Longsys' suppliers had obtained ISO 9001 Quality Management System Certification, and some suppliers had also achieved ISO 14001 Environmental Management System Certification. Additionally, some key suppliers had passed the Responsible Business Alliance (RBA) Code of Conduct certification, further strengthening the sustainability of our supply chain.

Management of Hazardous Substance

Driven by green manufacturing and sustainable development principles, Longsys incorporates hazardous substance management into its key sustainable practices, adhering strictly to international environmental protection regulations to ensure that products meet environmental standards throughout their lifecycle. We comply with international environmental standards such as the EU Directive 2015/863 (RoHS 2.0) and REACH regulations, establishing a full-process hazardous substance control mechanism covering product design, raw material procurement, and production. The Company also has established the *Standard for the Management of Environment-Related Substances* and the *Hazardous Substance Control and Investigation Form*. These are dynamically updated based on domestic and international regulations, as well as customer HSF (Hazardous Substance Free) procurement requirements. The restricted substance list and control requirements are regularly revised to ensure compliance. These requirements apply to Longsys products, as well as raw materials, indirect materials, and packaging materials.

Longforce Suzhou has established a hazardous substance management framework, clearly defining the hazardous substance management responsibilities of each department. Annually, reviews are conducted based on the *Process Risk Identification Form* and *Process Auxiliary Materials Risk Assessment Form* to identify medium and high-risk areas. For high-risk materials, specialized control measures are implemented. Suppliers are required to provide HSF compliance certificates and annual testing reports, with materials screened through XRF (X-ray Fluorescence) analysis upon receipt. At the same time, Longforce Suzhou requires suppliers to sign a hazardous substance-free declaration and provide third-party testing reports. If new materials or process changes are introduced, suppliers must resubmit HSF certificates to ensure no changes in material composition. In accordance with regulations and customer HSF requirements, all hazardous substance management records are retained for 10 years under the *Record Control Procedures*. Products are sent for testing annually based on product categories, and if hazardous substance limits are exceeded, the Company will immediately isolates non-compliant products and follows the *Non-conforming Product Control Procedures* to address the issue and trace it back to the source supplier. In the case of product testing anomalies, the customer negotiation mechanism is promptly initiated, and additional testing or product recalls are conducted if necessary. In January 2025, Longforce Suzhou's hazardous substance management system obtained the IECQ Hazardous Substance Management Process Certification.



Longforce Suzhou IECQ Hazardous Substance Management Process Certification

Additionally, Longsys communicates hazardous substance compliance requirements clearly to both internal employees and supply chain partners. Suppliers are required to confirm annually their Material Safety Data Sheets and submit the latest version to the Company for review, ensuring that products comply with RoHS, REACH, and other regulatory requirements throughout their life cycle. To further enhance suppliers' hazardous substance management capabilities, the Environmental Protection Department continuously shares the latest standards with qualified suppliers, ensuring they understand Longsys' hazardous substance management requirements and promoting the green and sustainable development of the entire supply chain.

Hazardous Substance Training at Longforce Suzhou

In 2024, Longforce Suzhou, a subsidiary of Longsys, continued to strengthen its hazardous substance management capabilities by systematically conducting three specialized training courses. The training program included one HSPM (Hazardous Substance Process Management) session and two deep-dive courses on HSF management standards and ICP (Supplier Hazardous Substance Testing Reports). The training covered key topics such as global hazardous substance regulations, IECQ QC 08000 certification requirements, internal control standards, and supplier testing report analysis. Through a combination of theoretical instruction and case discussions, the program aimed to improve practical operational skills for key personnel. All participants successfully completed the online training and exams, providing strong talent support for the factory's development of a comprehensive hazardous substance prevention management system and further strengthening its ability to mitigate environmental compliance risks.

Conflict Mineral Management

In the context of increasingly stringent global supply chain compliance requirements, Longsys recognizes that the responsible procurement of mineral raw materials is not only critical to product quality but also a key element of corporate social responsibility. The Company strictly adheres to international standards such as the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and the Responsible Minerals Initiative (RMI), with a particular focus on minerals sourced from the Democratic Republic of Congo (DRC) and surrounding regions. Longsys firmly rejects any mineral transactions that violate international regulations or infringe on human rights.

To implement these management requirements, Longsys has established a comprehensive conflict mineral management system. All trading suppliers are required to sign and strictly adhere to the *No Conflict Minerals Commitment*, ensuring that the 3TG minerals (Tantalum, Tin, Tungsten, Gold) and Cobalt used in their products are responsibly sourced. The Company also tracks mineral sourcing in its supply chain, referring to the list of compliant smelters published by the RMI.

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Collaborating for Industry Development

Longsys continues to deepen technological innovation and ecosystem collaboration, working with partners to advance the construction of industry standards and strongly promoting the integrated development of the IT application innovation industry chain.



Appearance at the China Operating System Industry Conference, Winning the "Innovation Cultivation Award"

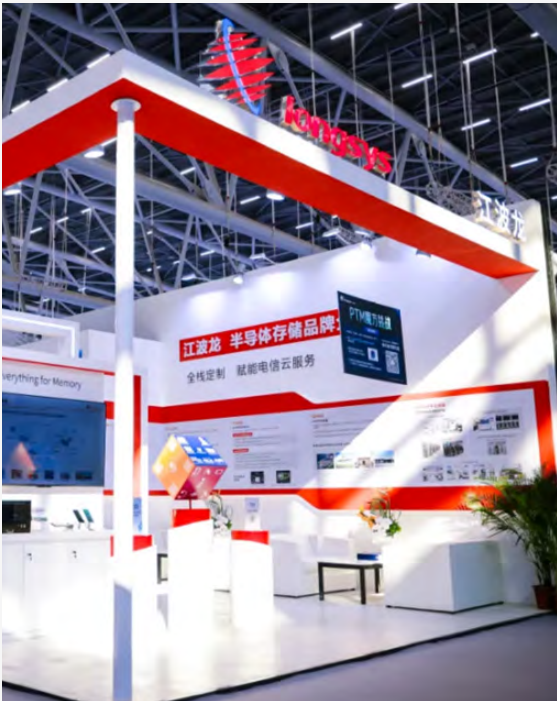
In 2024, Longsys made a significant breakthrough in the operating system ecosystem field. In October, Longsys made its first appearance at the China Operating System Industry Conference, winning the "Innovation Award" for its technological strength and participating in the release of the AI version of the Galaxy Kirin Operating System. Through close cooperation with Kirin Software in areas such as ecosystem adaptation and technological collaboration, both parties established a mutually beneficial and win-win industry ecosystem relationship.



Longsys Wins "Innovation Cultivation Award" at the China Operating System Industry Conference

Longsys' Debut at the China Telecom Digital Technology Ecosystem Conference

In 2024, Longsys showcased its full-stack customized storage solutions for the telecommunications industry at the China Telecom Digital Technology Ecosystem Conference. Based on its unique PTM business model, Longsys highlighted a series of storage products and successful cases specifically designed for the telecommunications industry. These customized solutions effectively support telecom operators in building computing network infrastructure and providing integrated computing and networking services, thereby enhancing customers' market adaptability and ensuring the stable and continuous operation of their businesses.



Longsys Debuts at the China Telecom Digital Technology Ecosystem Conference

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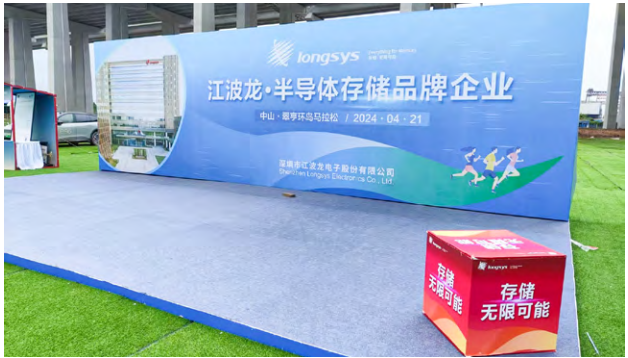
Building a Better Community

Longsys closely integrates corporate development with social responsibility, actively participating in charitable and public welfare activities. Through supporting community development and engaging in community construction, the Company effectively fulfills its corporate social responsibility, demonstrating its corporate mission and social value.



Organizing in the Zhongshan Cuiheng Island Marathon

In April 2024, Longsys organized employees to participate in the Zhongshan Cuiheng Island Marathon, showcasing the team's positive spirit. Additionally, Longsys provided RMB 200,000 in support for the event, demonstrating the Company's commitment to supporting sports and community development.



Zhongshan Marathon

Longsys Improves the Environment Around the Park and Receives Recognition from the Management Committee

In 2024, Zhongshan Longsys focused on improving the environment around the river near the park by cleaning up waste, leveling the land, and planting greenery. These measures significantly enhanced the surrounding area, giving the park a fresh look. This initiative was recognized and praised by the Cuiheng New District Management Committee, which commended the Company for its contributions to the area's environmental development.



Letter of Appreciation from Cuiheng New District
Management Committee



Surrounding Environment of Zhongshan
Longsys Industrial Park



Appendix

ESG Indicator Index

Topic	Corresponding Article	Corresponding Chapter/Section
Climate Change Response	Articles 21 to 28	Climate Change Response
Pollutant Emissions	Article 30	Green Operation
Waste Management	Article 31	Green Operation
Ecosystem and Biodiversity Protection	Article 32	Environmental Management
Environmental Compliance Management	Article 33	Environmental Management
Energy Use	Article 35	Green Operation
Water Resources Utilization	Article 36	Green Operation
Circular Economy	Article 37	Green Operation
Rural Revitalization	Article 39	Building a Better Community
Social Contribution	Article 40	Building a Better Community
Innovation-Driven Growth	Article 42	Crafting Exceptional Quality
Technology Ethics	Article 43	Crafting Exceptional Quality
Supply Chain Security	Article 45	Sustainable Supply Chain
Equal Treatment of SMEs	Article 46	Compliance and Sound Operation
Product and Service Safety and Quality	Article 47	Crafting Exceptional Quality
Data Security and Customer Privacy Protection	Article 48	High-Quality Customer Service
Employees	Article 50	Protecting Employee Rights Promoting Employee Development Strengthening the Safety Barrier
Due Diligence	Article 52	Compliance and Sound Operation
Stakeholder Communication	Article 53	Sustainable Development Management
Anti-Bribery and Anti-Corruption	Article 55	Compliance and Sound Operation
Anti-Unfair Competition	Article 56	Compliance and Sound Operation

Note: The indicators and articles are sourced from the *Self-Regulation Guidance No. 17 for Listed Companies - Sustainability Report (Trial)*.



ESG Policies and Regulations List

Chapter	Laws and Regulations	Internal Policies
Promoting Steady Development	Self-Regulation Guidance No. 17 for Listed Companies - Sustainability Report (Trial)	
	Self-Regulation Guide No. 3 for Listed Companies - Preparation of Sustainability Report	
	Company Law of the People's Republic of China	
	Securities Law of the People's Republic of China	
	Code of Corporate Governance for Listed Companies	Articles of Association
	Administrative Measures for the Disclosure of Information of Listed Companies	ESG Management Measures
	Work Guidelines for the Investor Relations Management of Listed Companies	Employee Handbook of Shenzhen Longsys Electronics Co., Ltd.
	Guidelines for the Compliance Management of Enterprises' Overseas Operation	Longsys Code of Conduct
	ISO 37301:2021 Compliance Management Systems—Requirements with Guidance for Use	Longsys "Sales Red Line" Policy
	GB/T 35770-2022 Compliance Management System — Requirements with Guidance for Use	Longsys "Red Line" Policy
	Anti-Monopoly Law of the People's Republic of China	Measures for the Work of Auditing and Supervising Clue Management and Investigation
	Anti-Unfair Competition Law of the People's Republic of China	Trade Secrets Protection Measures

Chapter	Laws and Regulations	Internal Policies
Driving Excellent Quality		Quality Traceability Management Regulations
		Trial Production Quality Management Regulations
		Packaging Factory Quality Regulations
		Regulations on Quality Management and Control of Manufacturing Process
		Material Abnormality Handling Regulations
		Non-Conforming Product Control Procedure
		Company Quality Incident Management Rules
		Longsys After-Sales RMA Handling Procedures
	Patent Law of the People's Republic of China	Customer Returns and Rework Operating Procedures
	Trademark Law of the People's Republic of China	Longsys Bulk Return and Exchange Procedures
	Copyright Law of the People's Republic of China	Trade Secret Protection Measures
	Regulations on Protection of Integrated Circuit Layout Design	Patent Management Measures



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Chapter	Laws and Regulations	Internal Policies
Practicing Green Operation	<i>Environmental Protection Law of the People's Republic of China</i>	<i>Environmental Health and Safety Manual</i>
	<i>Energy Conservation Law of the People's Republic of China</i>	<i>Environmental Management Control Procedures</i>
	<i>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes</i>	<i>Environmental Operation Control Procedures</i>
	<i>GB/T 2589-2020 General Principles for Calculation of Comprehensive Energy</i>	<i>Compliance Evaluation Control Procedures</i>
	<i>International Financial Reporting Standards No. 2—Climate-Related Disclosures</i>	<i>Energy Management System Manual</i>
	<i>Paris Agreement</i>	<i>Wastewater Management Measures</i>
	<i>Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Other Industrial Enterprises</i>	<i>Exhaust Management Measures</i>
	<i>Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Enterprises</i>	<i>Waste Management Measures</i>
	<i>Standard for Building Carbon Emission Calculation</i>	<i>Hazardous Waste Management Measures</i>
	<i>2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories</i>	<i>Hazardous Substance Management Procedures</i>
Achieving Value Co-Creation	<i>ICAO Carbon Emissions Calculator (ICEC)</i>	<i>Factory Noise Management Measures</i>

Chapter	Laws and Regulations	Internal Policies
Creating a Harmonious Workplace		<i>Employee Handbook of Shenzhen Longsys Electronics Co., Ltd.</i>
		<i>Corporate Culture and Values Requirements</i>
		<i>Reiterated Personnel Directives</i>
	<i>Labor Law of the People's Republic of China</i>	<i>Individual Performance Management Measures</i>
	<i>Labor Contract Law of the People's Republic of China</i>	<i>Organizational Performance Management Measures</i>
Achieving Value Co-Creation	<i>Law of the People's Republic of China on Safeguarding the Rights and Interests of Women</i>	<i>Training Management Measures</i>
	<i>Special Rules on the Labor Protection of Female Employees</i>	<i>External Training Management Measures</i>
		<i>Office Safety Management Measures</i>
		<i>Regulations on the Establishment of the Work Safety Organization and the Allocation of Safety Management Personnel</i>
		<i>Emergency Response Measures for Unexpected Incidents</i>
Achieving Value Co-Creation	<i>Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS 2.0)</i>	<i>Regulations on the Development and Qualification of Material Suppliers</i>
	<i>Regulation on the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH)</i>	<i>Regulations on the Management of Qualified Material Suppliers</i>
	<i>OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas</i>	<i>Procurement Control Procedures</i>
		<i>Standard for the Management of Environment-Related Substances</i>
		<i>Hazardous Substance Control and Investigation Form</i>



Performance Table of ESG Data Indicator¹

Environmental

ESG KPIs	Unit	2024
Energy Consumption		
Diesel	L	1,803.04
Gasoline	L	10,409.24
Liquefied Petroleum Gas	L	42,042.00
Purchased electricity	kWh	82,168,701.10
Solar energy	kWh	1,255.60
Greenhouse Gas Emission ²		
Scope 1 emission	tCO ₂ e	140.64
Scope 2 emission ³	tCO ₂ e	44,091.73
Waste		
Total hazardous waste disposed	Tonne	39.16
Total hazardous waste produced - landfilled	Tonne	8.81
Total hazardous waste produced - incinerated	Tonne	0.92

ESG KPIs	Unit	2024
Total hazardous waste produced - recycled	Tonne	29.43
Total non-hazardous waste disposed	Tonne	109.08
Total non-hazardous waste disposed - incinerated	Tonne	10.61
Total non-hazardous waste disposed - recycled	Tonne	88.77
Total non-hazardous waste disposed - other disposal method	Tonne	9.70
Resource Consumption		
Total water consumption	m ³	585,175.80
Total water recycled	m ³	30,607,802.00
Environmental Compliance		
Total environmental non-compliance incidents	Case	0

¹ The scope of collection of this year's ESG data performance table includes the Company's domestic administrative centers and production enterprises such as Zhongshan Longsys, Longforce Suzhou, and Mestor. Among them, only the indicators related to the number of employees include the Company's consolidated scope of data, and the rest of the indicators do not include the data of the places of operation abroad.

² The data for this year is calculated in accordance with the Appendix C2 *Environmental, Social and Governance Reporting Code* of the Hong Kong Stock Exchange and other internationally recognized reference factors.

³ The Scope 2 Greenhouse Gas Emissions are mainly derived from indirect Greenhouse Gas Emissions from non-renewable electricity consumed by the Company's operations and production. The current year's emission factor for electricity was adopted as the Grid Emission Factor of 0.5366kgCO₂/kWh from the *Announcement of the Ministry of Ecology and Environment and the National Bureau of Statistics on the Release of the CO₂ Emission Factor for Electricity in 2022* dated December 26, 2024.



Social

ESG KPIs		Unit	2024
Workplace Diversity and Inclusiveness			
Total number of employees		Person	3,820
Number of employees by gender	Male	Person	2,321
	Female	Person	1,499
Number of employees by age	18-29	Person	1,351
	30-49	Person	2,392
	50 and above	Person	77
Total number of newly hired employees		Person	1,199
Number of newly hired employees by gender	Male	Person	693
	Female	Person	506
Total number of part-time employees		Person	236
Total number of minority ethnic employees		Person	172
Occupational health and safety			
Number of work-related accidents		Case	2
Number of work-related injuries		Person	2
Number of work-related fatalities		Person	0
Employee Development and Training			
Total training hours of employees		Hour	88,314,67

ESG KPIs		Unit	2024
Training hours of employees by gender	Male	Hour	52,331.15
	Female	Hour	35,983.52
Training hours of employees by rank	Senior-level management	Hour	648.92
	Middle-level management	Hour	1.668 23
	General staff	Hour	85,997.52

Governance

ESG KPIs		Unit	2024
Bribery and Consumption			
Number of lawsuits against the Company or its directors, management personnel, and employees for commercial bribery or corruption		Case	0
Unfair Competition			
Number of lawsuits resulting from the Company's unfair competition behavior		Case	0
Amount of significant administrative penalties resulting from the Company's unfair competition behavior		RMB Yuan	0



Reader Feedback

Dear Reader,

Thank you immensely for taking the time out of your busy schedule to delve into the Longsys 2024 Environmental, Social and Governance Report. We eagerly anticipate your assessment of this Report and welcome your invaluable feedback. Your insights will help us in our ongoing efforts to enhance sustainable development initiatives and elevate our performance in this crucial area. Your feedback will be carefully considered, and we extend our sincere gratitude in advance!

You have the option to provide your feedback through the following channels:

Address: Floor 20, 22, 23, B Tower, Horoy Qianhai Finance Centre Phase II, No.5059, Tinghai Avenue, Qianhai, Shenzhen, China

Email: ir@longsys.com

Your evaluation of this Report: (please tick the box that applies)

1.Do you think this Report highlights important environmental, social and governance information about Longsys?

☐ Very Good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

2.Do you think the information and indicators disclosed in this Report are clear, accurate and complete?

☐ Very Good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

3.What do you think of the structure of this Report?

☐ Very Good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

4.What do you think of the layout and presentation of this Report?

☐ Very Good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

5.How readable do you think this Report is?

☐ Very Good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

Open question:

We welcome your valuable comments and suggestions on this Report: _____