



2022–2023

H3C Sustainability Report

Digital for Better

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About This Report

Reporting Period

The main data in this report covers the period from January 1, 2022 to December 31, 2023. To improve the completeness of this report, some data and contents may exceed the period (subject to the specific date indicated). The valid data of Hangzhou H3C Technologies Co., Ltd., the predecessor of H3C, has been partially adopted.

Scope of Organization

The sources of information disclosed in this report cover H3C and its major organizations. For the convenience of presentation, unless otherwise indicated, the terms "H3C", the "Company" and "we" all refer to "H3C" in this report.

Statement of Information

The Company guarantees that the contents of this report are free of any false records and misleading statements. The information and data in this report were mainly derived from the Company's internal relevant data collection system, working reports and public information materials. The amounts shown in this report are denoted in RMB unless otherwise stated.

References

This report has been prepared under the guidance of the *Sustainability Reporting Standard 2021* of the Global Reporting Initiative (GRI), United Nations Sustainable Development Goals (SDGs) and the Ten Principles of the United Nations Global Compact based on the four disclosure principles of materiality, quantification, balance, and consistency.

Report Acquisition

This report can be perused online and is available in both Chinese and English. The full electronic report is available on the official website https://www.h3c.com/cn/About_H3C/Company_Information/ESG/.

Contact Us

We would like to express our gratitude to all stakeholders who have provided suggestions and comments on H3C Sustainability Report. We promise to make further efforts to continue to improve the quality of report. If you have any suggestions and comments for this report, please feel free to contact us through the following methods. Email: pub.esg@h3c.com

CEO's Message



CEO & President of H3C
Tony Yu

Over the past eight years since its inception, H3C has established a strong presence in the market. Through eight years of dedicated efforts, the Company has grown rapidly in revenue and profit and has become a leader in China's new-generation information communication industry. In addition to constant progress with dual drivers, an unwavering commitment to the goal is also necessary for the leadership and development of a company.

Corporate culture and digital change are deemed as the dual driving forces for the Company to brave the waves and forge ahead. At the same time, they fuel H3C to progress forward and take the lead in the fierce market competition.

Nevertheless, dual drivers alone cannot support long-term development. We must clarify the goal. We aim to make **H3C a high-tech company whose employees are proud of and one which spearheads science and technology progress while demonstrating innovation and humanistic values**. This goal determines our development direction and defines our role and mission.

In the past two years, we have witnessed extraordinary changes that have been crucial to both the industry and H3C. The emergence of new artificial intelligence technologies represented by large models has accelerated a new round of technological and industrial changes. These technologies have brought about new opportunities and challenges for corporate governance and sustainability while subverting individual cognitive patterns and reshaping the competitive pattern of the industry.

Regardless of the evolution of technology and changes in the external environment, H3C has always adhered to the original intention of "Technology for Good," and striven for the vision of "Shaping the Digital Future for a Better Life." Under the concept of "Dedication for a Smarter Future," H3C serves the rest of the world from its home ground in China. It is committed to becoming the best partner for global digital transformation, giving people in different countries and regions access to shared digital benefits.

Over the past two years, H3C has continued to strengthen its environmental, social and corporate governance (ESG) practices, along with positive response measures to the expectations of different stakeholders for the Company's sustainable development through timely disclosure of its sustainability report.

In order to empower people's well-being through a more energetic and warm digital transformation, we continue to deepen "AI in ALL" and actively promote "AI for ALL". We continue to promote the construction of digital infrastructure and the digital upgrading of industries in the areas of digital government, smart transportation, smart healthcare and digital villages, so as to boost social development through the power of technology. In particular, in the field of smart transportation, we have released the large model of LinSeer urban rails, which empowers intelligent customer service, passenger flow prediction, line network command and scheduling, and other businesses, thereby facilitating "smooth travel of passengers and smooth flow of goods". In the field of smart healthcare, we have released a large model specialized for LinSeer medical cerebrovascular disease with Tsinghua University and Beijing Tsinghua Changgung Hospital. It greatly improves the accuracy and efficiency of diagnosis and treatment while also accelerating the application of advanced diagnostic and treatment technologies in basic hospitals to realize universal healthcare.

We adhere to green development and help build a beautiful environment where human and nature coexist harmoniously. Leveraging our digital platform, we provide a diverse range of customized green solutions for our customers, including full-stack liquid-cooling solutions, green data centers and zero-carbon smart parks, which empower them to achieve green development. Based on the design concept of "All in Green", H3C integrates liquid cooling technology into ICT equipment to provide full-stack liquid cooling solutions. We have launched the industry's first rack box-type submerged servers, which are adapted to conventional liquid-cooled machine rooms, increasing space utilization by 70% and helping users achieve PUE of less than 1.1. We take active measures to respond to climate change. From 2022 to 2030, the Company continued to build "H3C Inner Mongolia Carbon Sink Demonstration Forest" which spans an area of more than 2,000 mu in Inner Mongolia.

We emphasize the growth of the next generation and take practical actions to "AI for Good". We set up the "H3C Qingchuan Education Public Welfare Fund" to improve the school environment and enhance the quality of teaching and talent cultivation. Through digital public welfare classes, we arrange for employee volunteers to explain high-tech knowledge such as artificial intelligence, unmanned vehicles and virtual reality. In addition, we provide children with opportunities to get in touch with AI through interactive experiences to convey the power of love and technology to rural students.

We adhere to the people first principle and attach great importance to the cultivation and development of digital talent. We have always been committed to promoting the growth of digital talents both internally and externally. Through close cooperation with universities and research institutes, we have jointly cultivated numerous digital innovation elites for all industries. We have also successfully organized the "H3C Cup" National Undergraduates' Digital Technology Competition for several consecutive years, which has garnered the active participation of nearly 130,000 college students. This has injected a steady stream of "new" energy into the construction and development of digital China.

To fulfill social responsibility, we will never cease to make headway. Looking ahead, H3C will continue striving for sustainability with firm determination, a sincere attitude and effective actions. At the same time, we will work hand in hand with partners from all walks of life to usher in a bright digital future!

Introduction: About H3C

| Company Profile

H3C is an industry leader in the provision of Digital Solutions, and is committed to becoming the most trusted partner of its customers in their quest for business innovation and digital transformation. Through the deep layout of the whole industrial chain of "cloud-networking-security-computing-storage-terminal", we are constantly improving the capability of digitalization and intelligence. We offer overall digital infrastructure capabilities, spanning across computing, storage, networking, 5G, security, terminal and related domains, and provide a comprehensive one-stop digital platform that includes cloud computing, big data, artificial intelligence (AI), industrial internet, information security, intelligent connectivity, and edge computing, as well as end-to-end technical services. We are also the exclusive provider of HPE® servers, storage and associated technical services in China.

We have firmly oriented ourselves towards the needs of our customers, supported by a deep foundation with more than 30 years of operation. We provide scenario-based and customized solutions to our customers, enabling digital transformation in various industries that include, but not limited to carrier, government, finance, healthcare, education, transportation, manufacturing, utilities, energy, Internet, and building etc., products are widely used in over 100 countries and regions.

We take technical innovation as the engine for growth. Currently, more than 50% of our employees are R&D staff. We have filed over 15,000 patents, of which more than 90% are invention patents. Facing the new era of intelligence led by AI technology, we comprehensively deepen the strategy of "Cloud & AI Native" and upgrade the "Digital Brain", releasing the value of computing power resources through computing power x connectivity, and solidifying the base of intelligent computing to empower the digital transformation of various industries, in a bid to continuously help customers realize smarter business decision-making (Smart), faster response to business needs (Timely), more agile business deployment (Agile), more reliable support to business development (Reliable), safer business environment (Safe).

"Shaping the Digital Future for a Better Life" is the corporate vision of H3C. We are aiming to drive the development of the digital economy, and together with customers and partners, to create a better life for all to enjoy.

R&D employees accounting for more than	Total number of patent applications exceeding
50%	15,000

| Navigator Culture

With a mission to lead in insights and technology, both in the high-tech industry and ecosystem as a whole, H3C encourages employees to develop an innovative and pioneering mindset, to have the courage and perseverance to face difficulties and challenge the status quo, and to achieve a positive impact on the efficiency and productivity of the ecosystem, different sectors and society.

Core Values of Navigator Culture



Customers

With the core mission of helping customers achieve success, H3C is dedicated to supporting customers' business innovation, making the biggest contribution to customers' continuous development and value enhancement.



Innovation

Founded with innovation as its cornerstone, H3C serves customers with constant innovation in technology, products and solutions, promoting the development and progress of the industry.



Passion

H3C employees are full of enthusiasm, bold dreams and pioneering spirits, forging ahead with wisdom and energy to help customers achieve success and promote innovation.



Win-win

H3C advocates breaking the boundaries dividing organizations and mindsets, and is dedicated to building an open and flexible ecosystem. Working with government, customers and partners to complement each other's advantages, H3C collaborates to accelerate the realization of a "Digital World" to build a better life for everyone.

ESG Sustainability Management

H3C attaches great importance to the management of ESG sustainability and has built a three-level ESG sustainability governance framework. We have also formulated clear and transparent ESG sustainability-related policies to drive the Company's ESG sustainability. Furthermore, H3C actively boosts the integration of business and ESG sustainability, thus innovating H3C's unique ESG sustainability business model while continuously expanding its sustainable impacts on society.

ESG Sustainability Strategy

H3C has developed its ESG sustainability strategy based on the demands of internal and external stakeholders and its ESG sustainability goals. Adhering to the corporate vision of "Shaping the Digital Future for a Better Life", H3C puts forward the ESG sustainability strategy vision of "Digital for Better" and has specified six strategic directions, namely Digital Empowerment, Innovation Leadership, Excellent Quality, Low-carbon Future, People First and Compliance Governance, which provide comprehensive and systematic guidelines for the ESG sustainability of H3C and empower the sustainability of the Company.



Vision

Digital for Better



Mission

Making digitalization warmer and more vital



Goal

Develop H3C into a leading high-tech enterprises which is respectable, worthy of pride, innovative and humanistic.

Strategic Directions

Digital Empowerment

H3C is committed to realizing its strategic vision of sustainability, "Digital for Better". It leverages its own digital capabilities to ensure customers' success in digital transformation while empowering the society, promoting equity in education, rural revitalization, biodiversity conservation, and sharing the value of science and technology with society.

Innovation Leadership

Innovation is fundamental to the development of the digital industry, which is why H3C is committed to furthering R&D and innovation capabilities, protecting intellectual property rights, fostering innovation, and supporting talent development.

Excellent Quality

H3C strives to achieve trustworthy quality of products and services through its perfect quality system and service system. H3C takes multi-pronged measures to fully ensure business stability as well as corporate data security and privacy protection to uphold digital trustworthiness.

Low-carbon Future

Led by the national "dual-carbon" strategy, H3C is committed to reducing the environmental impact of the company's production and operation processes as well as assisting various industries in energy conservation and emission reduction through innovative green technologies, so as to embrace a low-carbon future together.

People First

H3C is dedicated to creating a diversified, inclusive and equal workplace environment for its employees. It empowers employee growth by establishing a perfect system to protect employee rights and interests in addition to providing a clear career development direction and a vast space for growth.

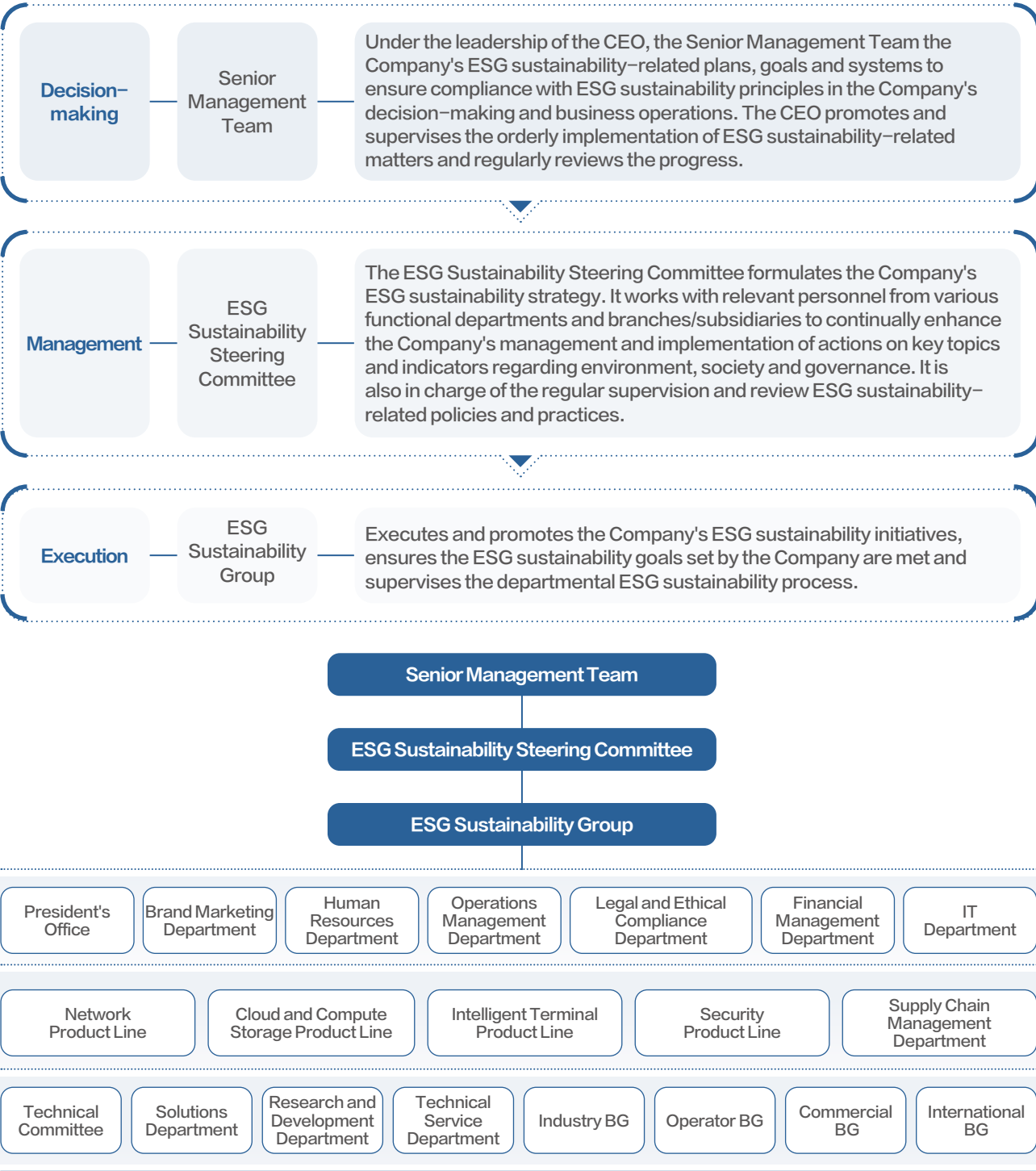
Compliance Governance

To facilitate the Company's continuous progress, H3C continuously improves its corporate governance, uphold business ethics, and conducts its business operations in a manner consistent with integrity, respect, and fairness.



ESG Sustainability Management System

Under the ESG sustainability strategic vision of "Digital for Better", H3C has persisted in putting into practice the ESG sustainability principles all these years, continuously promoted the management of corporate ESG sustainability, and continuously updated and improved the Company's ESG sustainability management framework and system. Through a systematic top-level design, H3C has incorporated ESG sustainability into the Company's long-term development plan and established a three-level management framework of "Senior Management – ESG Sustainability Steering Committee – ESG Sustainability Group", thereby boosting ESG sustainability from top to bottom. This serves to pave the way for the Company's sustainability.



Honors and Awards

In 2023, H3C furthered its commitment to sustainability by officially joining the United Nations Global Compact (UNGC) and the Responsible Business Alliance, actively practicing its social responsibility as a technology enterprise, fueling corporate sustainability, and facilitating the realization of the United Nations Sustainable Development Goals (SDGs).



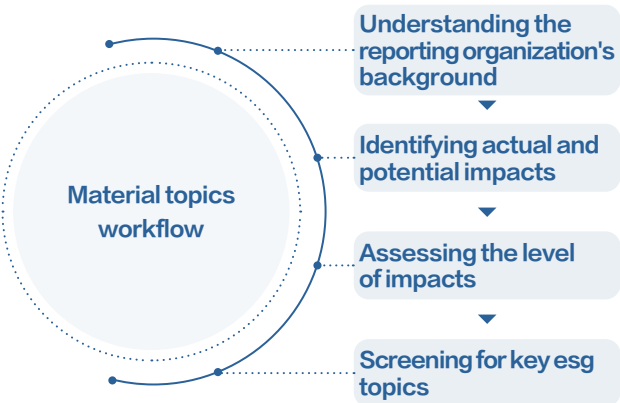
Stakeholder Communication

Stakeholders' opinions and suggestions are crucial for H3C to effectively identify sustainability risks and enhance the Company's sustainability management capability. H3C fully integrates the scope of influence of the Company's sustainability and its long-term operational goals, identifies stakeholders, actively communicates with them and creates value for each of them.

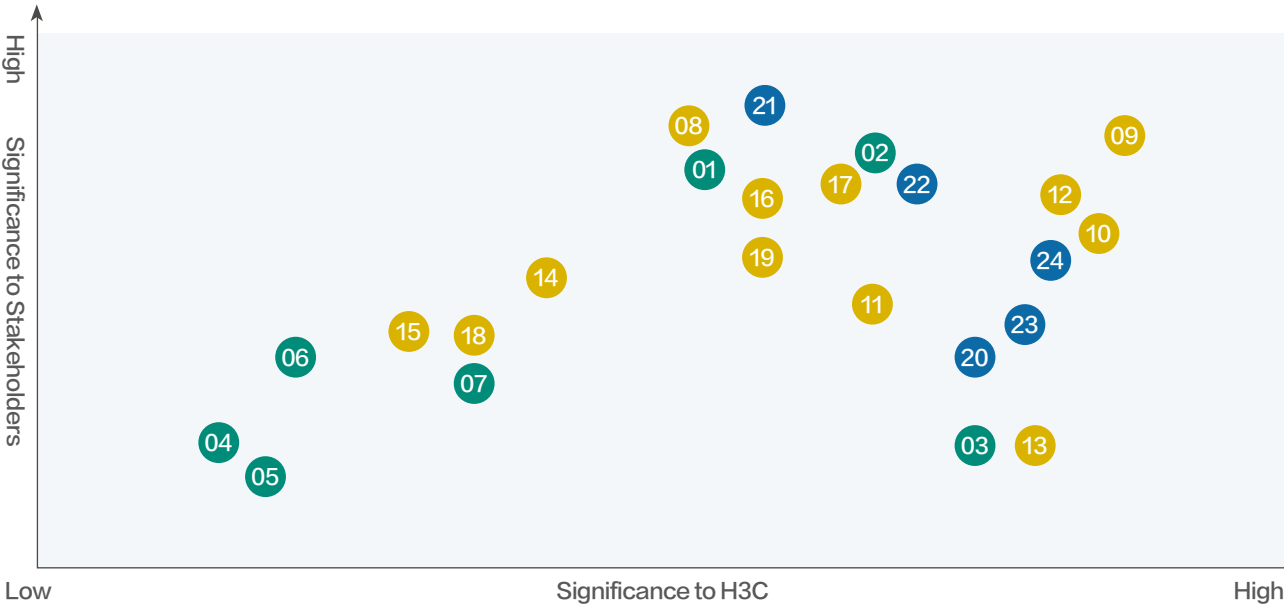
Stakeholders	Topic concerned	Communication channels	Focus and examples of practice
 Government	- Compliance operation - Privacy protection and data security - Community development	- Government-related meetings, websites and policy advice channels - National scientific research projects and technical services for major events assurance - Government-enterprise cooperation	- Practicing the Code of Business Conduct, optimizing internal control and compliance management, and enhancing risk identification and management capabilities - Conducting training for government bodies and enterprises to strengthen their digitalization capacity and level - Developing privacy protection systems, strengthening employees' awareness of privacy protection, and guaranteeing the data security of the Company and customers - Utilizing digital technology to revitalize rural areas, build infrastructure, and provide education
 Customers	- Product quality and security - R&D and innovation - Privacy protection and data security	- H3C's official account and mini program - Zhiliao Community - Service hotline	- Setting up a 24/7 400 service hotline to provide timely feedback on customer issues, and arranging engineers for follow-up feedback, to ensure the stability of the service - Adhering to the service philosophy of "My Services Enable More Possibilities", establishing a complete management system, setting up after-sales departments and designating professional after-sales staff - Ensuring that users' personal information is stored only in China, and comprehensively protecting customer data from unauthorized access, use, modification, damage or loss
 Employees	- Protection of employees' rights and interests - Equality, diversity and inclusion - Occupational health and safety - Human capital development	- Executive email, employee symposium and employee forum - Employee training and communication	- Collecting and listening to employee suggestions, continuously optimizing employee rights and benefits, and regularly organizing group building or cultural and sports activities - Conducting comprehensive health checkups and various lectures - Establishing and perfecting the employee development system, establishing H3C Talent Research Center, and developing three major talent development systems to empower employee growth
 Business partners	- Supply chain management - Business ethics	- Supplier exchange meetings - Supplier training	- Conducting regular supplier reviews and training activities - Signing the Integrity Commitment Letter - Organizing H3C supplier conferences - Signing strategic cooperation agreements, jointly establishing innovation laboratories, and holding regular partner exchange meetings
 Media, non-profits and industry associations	- R&D and innovation - Industry development	- Company's official website, news, official account, online and offline activities - Industry association exchange - Forums and seminars	- Strengthening cooperation with commonweal organizations and actively providing assistance in carrying out various public welfare activities - Organizing diversified industry exchange activities to promote cooperation between upstream and downstream partners in the industry and build the industry chain together
 Society	- Community development - Biodiversity conservation	- Public welfare activities - College, university and community activities	- Arranging for employee volunteers to carry out educational assistance in underdeveloped areas and support rural infrastructure construction and regional development - Organizing tree planting activities for employees - Establishing ICT-enabled biodiversity conservation programs

Material Topic Analysis

To scientifically and accurately identify the key sustainability topics of H3C, H3C carries out the analysis of material topics with reference to the guidance on determining the distribution of material topics provided in the GRI Sustainability Reporting Standards (Revision 2021) issued by the Global Reporting Initiative (GRI). In the process of analyzing material topics, H3C conducted a holistic analysis of material topics based on international and domestic policies, disclosure standards and guidelines, as well as practices in the same industry, and with full reference to the opinions of industry experts and various stakeholders. The Company communicated with various stakeholder groups through questionnaires, interviews and other forms to keep abreast of the expectations of various stakeholders for all work related to ESG sustainability of H3C.



Based on the feedback from stakeholders, H3C sorted out 24 material topics related to environment, society and governance, which provide an important basis of reference for the promotion of H3C's ESG sustainability as well as information disclosure.



Environment	Society	Governance
01 Responding to climate change 02 Energy management 03 Clean technology opportunities 04 Water resources management 05 Waste management 06 Electronic waste 07 Biodiversity	08 Product lifecycle management 09 Product-related social value 10 Product quality and safety 11 Supply chain management 12 R&D and innovation 13 Intellectual property rights protection 14 Community development 15 Employee recruitment 16 Protection of employees' rights and interests 17 Human capital development 18 Equality, diversity and inclusion 19 Occupational health and safety	20 Corporate governance 21 Privacy protection and data security 22 Compliance operation 23 Risk management 24 Business ethics

Facilitating the Realization of UN SDGs



No Poverty

H3C actively renders assistance in rural revitalization, improves rural infrastructure construction, and contributes to the infrastructure construction and educational development in underdeveloped areas to reduce the gap between urban areas and rural areas.



Good Health and Well-being

H3C pays close attention to the health, safety and life of its employees. Thus, it aims to provide them with a comfortable and safe working environment while offering comprehensive health protection services to them. It strives to promote employees' work-life balance and safeguard their health and well-being. H3C is also committed to building a comprehensive product safety quality system and supervision system to effectively reduce product quality risks and provide customers with safe and quality products and services.



Quality Education

H3C makes extensive efforts to help every employee explore their self-worth and build a fruitful career. The Company provides employees with rich learning opportunities and a perfect training system to boost their development and growth. H3C utilizes its digital advantages to bring digital public welfare classes to underdeveloped areas, with the objective of popularizing digital education and improving the quality of education.



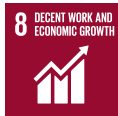
Gender Equality

H3C resolutely opposes against all forms of workplace discrimination, harassment, coercion, threats and violence. As a result, a sound human resource management and institutional system is put in place, as well as equal pay for equal work, ensuring a fair working environment for both men and women.



Affordable and Clean Energy

H3C is actively exploring ways to better utilize and recycle resources while strengthening clean power trading. H3C has built a green data center in the Central Laboratory of Inner Mongolia to enhance the proportion of renewable energy use.



Decent Work and Economic Growth

H3C values its employees as the indispensable backbone of the Company's sustainable development, and has thus established a perfect promotion and incentive mechanism to boost the creation of greater value for its employees. At the same time, it helps each employee boast a fruitful career and enhance his or her self-worth.



Industry, Innovation and Infrastructure

Over the years, H3C adheres to independent R&D, technological innovation, supports the protection of the intellectual property rights of the Company and third parties and drives the improvement of core technological capabilities through innovation. H3C fully leverages its own technology and resource advantages to help customers build green data centers and green arithmetic infrastructure.



Reduced Inequalities

Taking "Equality and Non-discrimination" as the employment guideline, H3C ensures equal access to work and development opportunities for every employee without any discrimination on the basis of gender, age, ethnicity, beliefs and physical condition in recruitment, compensation and benefits, promotion and incentives, as well as learning and development. As a socially responsible enterprise, H3C is enthusiastic about public welfare, focuses on rural education, empowers rural school education in the form of digital classes, and pushes forward equality in education.



Sustainable Cities and Communities

H3C actively responds to the requirements of urban digitization and joins hands with research institutions as well as other leading enterprises to formulate intelligent city standards. Moreover, we will work together to build an ecologically intelligent, green and low-carbon park supported by city development strategies for the future.



Responsible Consumption and Production

H3C has always attached great importance to the development of product quality management system and service system, and continuously provides more high-quality and diversified products and services. It strives to protect the rights and interests of customers across the entire chain and in all aspects through a comprehensive service network and perfect service processes.



Climate Action

H3C actively identifies climate-related risks and opportunities as well as their impact on the Company and formulates corresponding climate action strategies. While focusing on its own energy conservation and emission reduction, it also capitalizes on its technological advantages to help industry partners reduce their environmental impact while creating a green and low-carbon industry development system. H3C also carries out the "Carbon Sink Demonstration Forest" planting activity, which involves the active planting of trees to address climate change.



Life on Land

H3C emphasizes biodiversity conservation. It leverages AI technology in biodiversity conservation, and has kickstarted the public welfare program "Use AI for Charity – Utilize ICT to Support Biodiversity Conservation" with the China Green Foundation, donating intelligent equipment to protected areas to assist in biodiversity protection. H3C actively encourages its employees to participate in the public welfare initiative of sapling donation. It intends to build a carbon sink forest demonstration park and contributes to a good natural environment for biological development.



Peace, Justice and Strong Institutions

H3C is firmly convicted that the bottom line of compliance and good business ethics stand as a cornerstone in the Company's sustainable development. Therefore, H3C adheres to compliant operation, continuously uplifts the level of corporate governance, and constantly improves its risk management system. In order to enhance the risk prevention and control awareness of all employees, H3C has intensified employee training to further standardize employee behavior and bolster their compliance awareness.



Partnerships for the Goals

H3C continues to step up efforts to improve the ESG sustainability governance framework and system while enhancing the level of corporate governance, digital innovation and security. It works with partners to promote sustainability in the industry, seeks to meet the demands of internal and external stakeholders, and assists partners and suppliers in pursuing sustainable production and operations.

Sustainability Milestones

2017 • **November**
H3C released its first corporate social responsibility report, which underscores its new corporate social responsibility in the era of digital economy.

2020 • **January**
H3C donated network communication and information security products and equipment to Wuhan Huoshenshan Hospital and Wuhan Leishenshan Hospital.

• **July**
For the first time, H3C put forward the corporate social responsibility vision of "Digital for Better," demonstrating its commitment to resolve social issues with digital capabilities.

• **December**
The first phase of H3C's digital public welfare classes kicked off, delivering the latest technological knowledge to children in underdeveloped areas and bridging the "digital divide" for them.

2021 • **July**
H3C donated RMB 10 million to Henan Charity General Federation for flood control and disaster relief.

• **December**
H3C donated five-year student activity fund with a total amount of RMB 2.56 million to the Computer Science Department of Tsinghua University to help nurture digital talents.

2023 • **May**
H3C formally joined the United Nations Global Compact (UNGC), pledging to support the Ten Principles of the UNGC in respect of human rights, labor, environment and anti-corruption.

• **June**
H3C announced that it has become a new member of the Responsible Business Alliance (RBA), to enhance H3C's capabilities in environmental, social and governance (ESG) management.

2022 • **April**
H3C announced plans to build "H3C Inner Mongolia Carbon Sink Demonstration Forest" that is slated to occupy an area of more than 2,000 mu in Inner Mongolia, in pursuit of the national "Carbon Peaking and Carbon Neutrality" goals.

2024 • **April**
H3C initiated the program "Use AI for Charity – Utilize ICT to Support Biodiversity Conservation" to facilitate the protection of rare species in the Tongbiguan Nature Reserve in Yunnan.

DIGITAL EMPOWERMENT

H3C insists on working hand in hand with its partners to jointly share digital value by providing digital solutions. The years 2022 and 2023 saw H3C's efforts in boosting the transformation and upgrading of various industries through the digital power as well as advancing digital intelligence upgrading in addition to urban and rural intelligent development, so as to continuously contribute to society.

01



Bettering Life with Digital Intelligence

As a leading enterprise in the industry, H3C is actively exerting its digital advantages to spur the development of smart cities and villages as well as the transformation of digital intelligent industries through its leading technological capabilities and intelligent strengths. It hopes to improve life through digital intelligence and enhance the well-being of more people with the digital power.

Smart Cities

As a partaker in the development of smart cities and digital governments, H3C always adheres to the smart city development concept of "integrated growth." Providing solutions and technologies aimed at the needs of its customers, H3C works with city administrators to streamline processes and develop rules and regulations to help cities grow with the help of the "Boundless Ecology." concept. As of the end of the reporting period, H3C had worked closely with 29 provinces and cities across China to advance the development of new smart cities and had participated in the construction and operation of nearly 200 new smart city projects, jointly promoting new smart city construction landing.

By virtue of its rich smart city practice, H3C also actively accumulates industry experiences and gives industry insights to provide theoretical support for the design of future smart cities. The H3C Digital China Research Institute has released the *Urban Digital Development Index* report for eight consecutive years. Through systematic and forward-looking research and exploration methods, it evaluated the level of digital development and operational effects of Chinese cities, hence providing a new reference for urban digital transformation, and boosts the development of "digital China" and digital economy by means of intelligent strength.

H3C has also participated in the preparation of several smart city-related industry standards. During the reporting period, H3C participated in the compilation of industry standards such as *City Brain Standard System Development Guidelines* (Version 2022) and *Smart City - City Operation Indicator System General Framework* (GB/T 43048-2023) to further standardize the digitization system of smart cities.

H3C Builds Digital Intelligence Governance System of Hangzhou High-tech Industrial Development Zone (Binjiang)



H3C concentrates its efforts to help Hangzhou High-tech Industrial Development Zone (Binjiang) make significant progress in digital intelligence governance in terms of data sharing, application, intelligent empowerment, etc. It has introduced the 1+1+4+1 pattern, namely "One Code (Binjiang Safety QR Code), One Center (Social Governance Center), Four Platforms (Comprehensive Front-line Intelligent Governance Application), and One Grid (Front-line Grid)" to fruition.

On this basis, H3C also helped Binjiang to build a highly unified digital government innovation platform with an aim to "View the Whole Area on One Screen and Manage the Whole City with One Network" through the integration of "real-time data + intelligent algorithms + process reengineering + system reshaping." By virtue of LinSeer, a large private domain model launched by H3C, H3C helps Hangzhou High-tech Industrial Development Zone (Binjiang) to facilitate intelligent monitoring, analysis, warning, disposal and service in economic operation, emergency rescue, front-line governance, ecological environment protection, etc. It endeavors to accelerate the transformation of urban digitization from "governance" to "intelligent management."

As of September 2023, 3,116 microgrids in 503 grids in 65 communities in 3 subdistricts of Hangzhou High-tech Industrial Development Zone (Binjiang) have been equipped with an integrated system connecting grids, communities, subdistricts, and Industrial Development Zone. The system nearly double the incident handling efficiency along with a closed-loop 100% resolution rate for incidents reported by the public and a satisfaction rate of 99.1%.

Smart Transportation

With a strong focus on the development needs of application scenarios, H3C provides customized digital solutions for all kinds of transportation infrastructures. It propels the development of smart transportation by intelligently integrating and analyzing diversified data, facilitating the digital transformation of the five key transportation fields of urban rails, highways, railroads, civil aviation and ports. It strives to improve China's great power position in transportation and enhancing the happiness index of the national travelers.

H3C continuously promotes the technical standards of the smart transportation industry. From 2022 to 2023, H3C and the Research Institute of Highway, Ministry of Transport completed the prototype validation and application demonstration of high-reliability cloud-edge collaborative framework. It also participated in the compilation of several industry specifications, such as *Edge Computing Service Specification for Urban Railway Transportation, Operation and Maintenance*, *Specification for Urban Railway Transportation Cloud Platforms*, and *Maintenance Specification for Shanghai Municipal Railway Facilities and Equipment*. It completed two test verifications of the National Engineering Research Center. H3C ranked first in the China Urban Railway Transportation Cloud Market Share of International Data Corporation (IDC) for four consecutive years.



- Serving more than **200** airports across the country
- Serving all of the top **40** airports in China in terms of throughput



- Serving China Railway and its subsidiaries **18**



- Serving **100+** coastal and inland ports nationwide
- Serving all of the top **20** ports in China in terms of throughput



- Serving more than **300** metro lines in **47** cities nationwide
- Launching **60+** urban rail cloud projects



- Participating in the construction of smart transportation cloud projects in nearly **20** provinces
- Serving the construction of more than **450** expressways

H3C Helps Wuhan Ring Expressway to Embrace the Smart Era

29 Projects

No. of nation-wide major construction projects for the elimination of provincial boundary toll stations on expressways

In recent years, Wuhan Ring Expressway has been accelerating digital intelligence transformation in order to deliver a more comfortable and intelligent travel experience to the public. To realize the vision of Wuhan Ring Expressway, H3C has built a low-latency and large-bandwidth "data highway" by adopting enhanced IPRAN innovative technologies and solutions, which comprehensively improve the service capability of the intelligent expressway. H3C realizes automated management through various methods such as the entire lifecycle of the expressway communication network, pooling of business-intent-based enabling resources, and AI-driven fault closure based on the integration of control and analysis. This helps to firmly support intelligent expressway communication network. It has thus offered a safe, reliable, flexible, and intelligent integrated digital solution for Wuhan Ring Expressway.

H3C also cooperated with Hubei United Transportation Investment & Development Co., Ltd. to create a network platform with agile management. Through a network control management system, the platform is intended to foster unified configuration management, fault management, performance management and security management for the network-wide equipment. It is able to predict the risks in the large-scale and complex expressway network scenarios, allowing for automated and intelligent operation and maintenance and boosting the network service capability.





 H3C Builds Chongqing Medical Insurance Cloud Platform

A sound medical insurance system has resolved the problem of "expensive medical treatment" for 32.6 million insured citizens in Chongqing, which is also known as the "Fog City." The official debut of the Chongqing Medical Insurance Public Service Platform effectively guarantees the flow of medical insurance fund to its intended purposes. The journey to construct digital infrastructures with a large user base is plagued with challenges. As the contractor of the basic cloud platform of Chongqing Medical Insurance Public Service Platform, H3C has developed essential cloud foundation management and operation capabilities based on UniCloud 3.0 of the Ziluan Platform, and promotes data operation, application development, and integration based on the Oasis Platform. It also works closely with the Chongqing Medical Insurance Bureau to guarantee medical insurance for Chongqing citizens. Supported by H3C's solid digital base, the Chongqing medical insurance platform comprehensively covers more than 20,000 designated medical institutions. It has supported 5.94 million outpatient settlements and 310,000 inpatient settlements, which significantly simplifies the medical insurance settlement process for each designated institution. It has also improved the efficiency of medical insurance services and reduced hospital outpatient settlement time from the original one-time average of 5 seconds to a one-time average of 0.9 seconds, admission processing time from the original one-time average of 4 seconds to a one-time average of 0.4 seconds, and inpatient settlement time from the original one-time average of 10 seconds to a one-time average of 1.3 seconds, enormously improving the efficiency of Chongqing medical insurance services.

Smart Healthcare

Guided by the "trinity" construction system of smart hospitals, H3C demonstrates its powerful data governance and full-stack ICT strength in the medical digital brain practice, providing comprehensive products and solutions to fuel the high-quality development of the digital healthcare. H3C is continuously exploring the possibilities of digital applications, developing medical and healthcare communities, and creating a national integrated insurance information platform. In order to improve diagnosis and treatment safety, consultation convenience, communication effectiveness, and experience comfort, H3C continuously investigates and applies scientific and technological innovations.

H3C delves into the in-depth integration of digital technology and medical research to help build smart hospitals. Catering to the demand for diagnosis and treatment, H3C has launched a medical domain-wide data lake platform. It seeks to provide comprehensive data services for medical business and hospital management as well as transform them into data assets based on its data storage and governance capabilities. By virtue of the domain-wide data lake platform, H3C has formed an extensive data base for medical research, to provide auxiliary tools for clinical and scientific research analysis based on the relevant disease subject and topic libraries. As part of this initiative, AI technology will be integrated with scenarios involving assisted diagnosis and treatment, intelligent pathological diagnosis, and clinical research in order to drive the development and innovation of diagnostic and treatment capabilities.

Up to now, H3C has provided digitization services for 13 national, provincial and municipal medical insurance information platforms in Chongqing, Yunnan, Fujian, etc., including the National Healthcare Security Administration. It has also supported the construction of 21 provincial and municipal medical insurance WANS in Guangdong, Zhejiang, etc., with an overall share of more than 70%. H3C has participated in numerous local and municipal medical insurance projects in Chengdu, Zhangjiakou, etc., serving nearly 650,000 designated medical institutions and 9.75 million insured organizations nationwide, and helping the new medical insurance to benefit 1.3 billion+ insured persons.

nearly **65**
Designated medical
institutions

9.75 million
Insured organizations
nationwide



Smart Education

Under the guidance of The Open Group Architecture Framework (TOGAF) and with its rich experience in education informatization, H3C has created six frameworks and achieved top-down design and bottom-up development, thereby providing a mature smart campus construction methodology for the digital transformation of the education industry. In the fields of campus management, course experience, research and innovation, H3C continues to explore various application scenarios to spur the smart transformation of the education industry and better the experience of teachers and students.

In campus management and school governance, H3C dives into the construction of digital platforms, creates a set of data middle platform, content middle platform, business middle platform, IoT middle platform, and AI middle platform which can be flexibly applied to multiple scenarios. It has designed an interactive platform that includes four major spaces, namely education space, scientific research collaboration space, school governance space, and teacher and student service space. This interactive platform is designed to cover a wide array of innovative scenarios in the whole industry, including higher vocational education, general education, and industry and education. It functions to comprehensively improve the teaching efficiency under various scenarios and accumulate teaching experience and data.

H3C fully integrates AIGC with education practices, equipping teachers with "AI-aided Teaching," and serves campus management with "AI Small Service." It provides learners with discipline-based research assistance and intelligent companions while also utilizing artificial intelligence to drive efficiency improvement and rapid iteration of school affairs, teaching, and research.

H3C has also achieved several breakthroughs in the practical exploration of cutting-edge technologies and industry cooperation as it continues to promote the digital transformation and upgrading of education. Having set several industry standards, H3C is deeply engaged in the all-rounded digital transformation of the education industry. At present, H3C leads/participates in the formulation of a number of domestic and international standards related to the education industry, and also actively builds joint laboratories with colleges and universities. At the same time, it also conducts industry exchanges and forums. In addition to advancing industry-university-research integration, H3C aims to train talent and bolster breakthroughs in key core technologies.

No. of standards H3C has led/participated related to education sector



H3C Helps Zhejiang University Build a "Borderless" Network

The "borderless" network created by the Information Technology Center, of Zhejiang University and H3C comprehensively covers people, environments and scenarios, with access to stable and high-speed network experience provided for every group, scene and corner of the campus. The wireless network core BRAS provided by H3C fully meets the stringent demands for unified authentication of wireless network based on IPv6 and other technologies. The centralized authentication nodes and multiple authentication methods allow for wireless network roaming authentication between different terminal manufacturers, which comprehensively breaks through geographical and spatial limitations. This enables unified network construction authentication among the seven campuses and uninterrupted wireless roaming experience within the campus, benefiting more than 40,000 teachers and students. The improvement of network infrastructure and the establishment of a 10Gb backbone network platform also facilitates convenient access to Internet for teachers and students. The network architecture platform, which features large-scale, diversity and flexibility, also greatly reduces the manpower cost and resources for the construction of the information center and boosts the long-term and steady campus information-based development of Zhejiang University.

Digital Villages

631 villages
H3C digital village project

Fueled by digitalization, the conventional rural development model has undergone profound changes. H3C actively responds to the national strategy for the agricultural and rural information-based development. Based on the real needs of rural development, it innovatively creates a framework for the development of digital villages by virtue of the all-round strength of the "Rural Digital Brain". It has comprehensively integrated excellent digital capabilities into various scenarios of rural governance, agricultural production, and the lives of farmers, so as to build a solid and powerful innovation base and data driver for agricultural digitization.

H3C is actively exploring the boundaries of "Rural Digital Brain" capability. In addition to building digital platforms for villages, H3C has also incorporated all kinds of self-built platforms into an integrated platform, which facilitates the unified management of ecological environment, culture-oriented travel, fire prevention and early warning for rural government, and improves the efficiency of rural affairs management.

H3C undertakes the application and development of mobile and PC terminals tailored to the requirements of rural residents based on their specific needs. To achieve an improvement in the lives of villagers, the plan aims to improve work efficiency in people's affairs, meet aged care needs, promote intelligent education, and underscore rural culture through the use of efficient digital applications.

Driven by the policy of rural revitalization, H3C also links the countryside with domestic and international markets through e-commerce platforms and live streaming platforms. It strives to provide sales channels for rural agricultural and cultural products, enhance cross-border cooperation to develop brands, and facilitate industrial empowerment.

Up to now, H3C digital village project has covered a total of 631 villages, with a wide range of scenarios such as safe villages, cultural villages, beautiful villages, industrial villages, digital villages, and healthy villages.



Digital Intelligence Rural Platform Helps Quality Development of Magnificent Guangxi

As a leader in providing digital solutions, H3C, spurred by the concept of sustainability and driven by innovation, released the Digital Villages 2.0 strategy to help build a vibrant, harmonious and orderly countryside subject to good governance, and contribute to the implementation of the 2030 Agenda for Sustainable Development in China.

In Guangxi, H3C's "Digital Qintang" project is centered on rural digital governance, rural digital industry, and providing information services for the benefit of the people. It creates characteristic intelligent application scenarios such as "Cloud Adoption", "Education", "Causal Snapshot" and "Online Point Exchange", providing unified support for the application of numerous sub-scenarios related to industry, people's livelihood and governance. The project is intended to foster the interconnection and block coordination of various systems and platforms, effectively resolve the problem of fragmentation of digital villages construction and address the urgent and difficult problems such as "poor information communication, unsalable agricultural products, and difficult rural governance". The objective is to help villagers achieve "cloud" production, "online" sales, and "online" life. The project was honored Typical Case in the 2022 Guangxi Digital Villages Construction.

Support for Major Events

The successful organization of modern large-scale events requires the cooperation and coordination of the public, tourists, athletes, and others. From the construction and operation of venues and infrastructure to the arrangement of events, transportation organization, as well as logistics service support and emergency management, digital information systems are mandatory in order to facilitate the overall coordination.

A high sense of corporate responsibility is at the heart of every H3C event, and we ensure that all types of important events run smoothly by providing high-quality and professional technology, products, and services.

During the reporting period, H3C leveraged its professional capabilities to build a large-scale intelligent community cloud platform for the 2022 Beijing Winter Olympics, fueling and supporting various application services of the intelligent community. In 2023, H3C offered aid to the 19th Asian Games Hangzhou. Under the guidance and strong support of the Party Committee and Municipal Government of Hangzhou and the Hangzhou Municipal Bureau of Data Resources Management, it joined hands with relevant government agencies and partners to jointly build an information-based system – Asian Games Online. The platform serves to support the organization of large-scale events and create an Asian Games preparation and command guarantee system featuring "panoramic one-screen command, one-button command, and integrated implementation of tasks".

H3C Builds Asian Games Online Information-based System

20,000+ tasks
No. of tasks that Asian Games Online provided closed-loop support

In the 19th Asian Games Hangzhou, H3C not only provided comprehensive digital management and services for the event, but also set a practical example of urban governance and smart city construction through its innovative Asian Games Online information-based system.

During the preparation stage of the competition, Asian Games Online provided closed-loop support for more than 20,000 tasks through online management, accomplishing the goal of having no missing items before the competition began. Using the system, 56 venues and engineering tasks were tracked in real time to ensure all engineering tasks were completed on time. Furthermore, H3C promoted the quality, governance, and civilization of cities through the release of urban environment indexes and real-time tracking online.

During the event, Asian Games Online facilitated real-time sharing of data resources between the event and the city, providing an overview of the whole process of the event as well as linkage disposal of problems to ensure that everything ran smoothly. H3C's urban security command system covers five major business areas, realizing real-time panoramic control of the city's operation status.

After the event, H3C's digital capabilities gained traction and earned its reputation as the "Asian Games Legacy", which was deeply integrated with the Hangzhou City Brain, providing better solutions for urban management and turning the city to an intelligent and warm place.



Promoting International Cooperation

At present, H3C has set up 19 overseas branches in Asia, Europe, Africa, Latin America and other regions, and established spare parts warehouses in 41 countries and regions, offering services to 181 countries and regions and providing localized sales and technical support for global customers in a timely and efficient manner.



H3C Helps Mexico Jomtel to Address Digital Challenges Confidently

It is understood that Jomtel has been focused on wireless communication integration in Mexico for 25 years, serving mainly local government and the private sector. Vehicle image acquisition and processing systems are one of its benchmark products. With the development of Mexico's economy, urbanization and the increase in car ownership, the information collected by traffic management departments has increased exponentially, and the data sources and forms have become more diverse and complex. Traditional ICT equipment does not come with sufficient computing power and instead requires cumbersome operation and backward network operation as well as security protection technology, which cannot meet the new traffic management needs. Jomtel realized that building the infrastructure and software systems that are compatible with the present and future of Mexico's transportation development is the key to its business development.

To enhance Jomtel's digital capabilities, H3C provides Jomtel with integrated software and hardware solutions. It took only three months to complete the delivery, commissioning and installation of several high-configuration servers, switches and other equipment, which allowed the new Jomtel system to be launched in time while providing strong support for locally promoting traffic management digitalization, thus combating dangerous driving behavior and ensuring national safety. In addition, H3C S6520X switch devices also enable operation and maintenance management to enter the "intelligent visualization era", making the network status and access devices clear at a glance, and effectively improving operational stability.





 H3C Helps Jakarta–Bandung High–Speed Railway Usher in a Smart Future with Technology Innovation

On October 17, 2023, the 142.3-kilometer-long Jakarta–Bandung High–Speed Railway, which has a maximum operating speed of 350 km per hour, was commissioned as a "major artery" connecting Jakarta, the capital of Indonesia, and Bandung, a famous tourist city. It shortened the transportation time between the two cities from 3 hours to 40 minutes and served a total of 383,000 passengers in the first month of operation.

As a result of H3C's comprehensive strengths in computing power, storage and intelligent connectivity, it provided the Jakarta–Bandung High–Speed Railway with a full-stack high-speed railway cloud platform solution, including network, security, server, storage, and related products. This Company has developed a customized full-stack cloud platform for high-speed railways that is powerful, leading, reliable, stable, and secure, facilitating the six core business systems, as well as supporting intelligent scheduling and command, risk assessment and identification, and digital ticket purchasing. Bringing Jakarta–Bandung High–Speed Railway into the smart era is its goal.

142.3 kilometers
Total length of Jakarta–
Bandung High–Speed Railway

0.3833 million
Cumulative passengers in it
first operation month

 H3C Empowers Information–based Development of Educational Institutions in Pakistan

FBISE is an autonomous agency of the Ministry of Federal Education and Professional Training in Pakistan, empowered with administrative and financial authority to organize, regulate, develop and control Intermediate and Secondary Education. It provides information technology services such as computer marking (e-marking) and digital attendance management system through the official website. Nevertheless, as business scenarios continue to evolve and organizational environments change, the amount of data in FBISE's information technology has grown exponentially, and insufficient computing and storage has created a challenge for the entire working system.

H3C provides FBISE with a hyper-converged infrastructure (HCI) solution. At the hardware level, H3C provides FBISE with hardware servers and node software to ensure performance optimization. H3C has integrated HCI's five key components, namely computing, network, storage, security and O&M, so that all functions of the data center are available within the same interface. At the technical level, H3C integrates all computing and storage nodes to form computing and storage resource pools, thus increasing the redundancy of the cluster. It has implemented these three nodes, namely the "primary node," the "standby node" and the "monitoring node," so as to ensure the integrity of the overall system and data security. At the implementation level, H3C adopts a localization strategy, with a designated team that is equipped with localized practical experience in Pakistan to guarantee the overall deployment and implementation of the solution. The solution features high security, storage performance and carrying capacity, and caters to the official website's connection and storage and calculation needs in various scenarios, realizing all-round evolution and effectively solving the problems faced by FBISE.



Building a Warm Society Together

Public welfare is a social responsibility that all enterprises are obliged to undertake. H3C insists on delivering warmth and hope through the power of digital technology and leverages its digital capabilities to build a warm society in various fields such as tree planting, biodiversity conservation, rural education and rural revitalization. H3C joined hands with employee volunteers to make unremitting efforts to create a warm world. During the reporting period, H3C donated cash and materials totaling RMB 6.61 million.

Protecting Environmental Ecology

RMB 2.05 million

Investment in "H3C Inner Mongolia Carbon Sink Demonstration Forest" project during the reporting period

H3C attaches great importance to environmental and ecological protection. In 2022, H3C cooperated with the China Green Foundation and announced plans to build an "H3C Inner Mongolia Carbon Sink Demonstration Forest" with a total area of more than 2,000 mu in the Inner Mongolia Autonomous Region from 2022 to 2030. From 2022 to 2030, H3C will donate funds to plant a corresponding number of saplings each year according to the number of employees in that year. In 2022, H3C donated RMB 1 million to plant 13,000 saplings; in 2023, H3C donated RMB 1.05 million to plant 15,000 saplings.



H3C Green Light Chaser Tree Planting Volunteers

On the occasion of the 45th National Tree Planting Day, on March 10, 2023, H3C held the "2023 H3C Green Light Chaser" Environmental Protection Day at its headquarters in Hangzhou. Thousands of H3C employees from various departments participated in this public welfare themed party, and they acted as Green Light Chasers, guarding the green land on the border and recreating beautiful landscapes. Every year, employees can apply for an exclusive sapling through the "Green Light Chaser" mini program, make a green wish together, and pursue a green dream together.



AI for Good – Utilize ICT to Support Biodiversity Conservation



H3C is also committed to protecting biodiversity and creating a favorable ecological environment. To better apply digital technology in the protection of endangered species, H3C, in conjunction with the China Green Foundation, has initiated the "Use AI for Charity – Utilize ICT to Support Biodiversity Conservation" public welfare program, donating intelligent equipment with a market value of nearly RMB 300,000 to the protected area to help improve the monitoring, data collection and analysis capacity of the protected area and support the staff in the protected area to carry out more detailed biodiversity conservation. "AI for Good – Utilize ICT to Support Biodiversity Conservation" public welfare program was selected as an outstanding case on the topic of biodiversity conservation on the Social Responsibility Day on May 20.

Promoting Equity in Education



H3C attaches great importance to education equity and adheres to the value of "Giving Something Back". It cooperates with various foundations, primary and secondary schools to boost rural education through public welfare donations and digital public welfare classes.

To further improve the teaching environment in the countryside, H3C has established the H3C Qingchuan Education Public Welfare Fund to promote schools to improve school environments while enhancing the quality of teaching and talent cultivation through a new public welfare model of direct participation and long-term communication. From 2022 to 2027, H3C Qingchuan Education Public Welfare Fund plans to donate RMB 500,000 to Qingchuan Qifo Township Central Primary School, Liangshui Town Central Primary School and Dayuan Hui Township Central Primary School, with an annual donation of RMB 100,000. It aims to provide financial aid to students from underprivileged families, grant scholarships and support school education development in partner schools.

On the basis of donating equipment and bonuses, H3C is also committed to offering digital public welfare classes via its own digital platform. The purpose of H3C's digital public welfare classes is to provide primary and secondary school students in underdeveloped areas with digital popular science education, ensure equal access to education in more area, and bridge the digital divide. From 2022 to 2023, H3C, together with the Beijing Yuanshan Foundation, brought digital public welfare classes to three township primary schools in Qingchuan County, Sichuan Province, and two township primary schools in Nangqian County, Qinghai Province, benefiting more than 500 students.



H3C Volunteers Contribute to "Use AI for Charity" Digital Public Welfare Classes

In 2023, the digital public welfare classes, revolving around the theme of "Use AI for Charity" kicked off in Qingchuan Dayuan Ethnic Primary School and Liangshui Town Central Primary School. Volunteers from several departments of H3C actively participated in the classes and delivered a joyful science popularization experience to the children in grades 3-6 of the school. The volunteers explained high-tech knowledge such as artificial intelligence, unmanned driving and virtual reality in a lively and interesting way and led the children to experience AI interaction.



Contributing to Rural Revitalization

H3C actively responds to the national rural revitalization strategy and fulfills its corporate social responsibility through practical actions. During the reporting period, H3C donated RMB 250,000 to Shule County in Xinjiang, which was directed toward improving the local living environment, perfecting infrastructure construction and upgrading public services. H3C aimed to consolidate the achievements of local poverty alleviation and pave the way for rural revitalization.

During this reporting period, H3C also donated rural revitalization fund with a total of RMB 500,000 to Yanyuan County, Liangshan Yi Autonomous Prefecture, Sichuan Province to promote the development of education in Yanyuan County. The fund was channeled to improving local educational facilities, teacher training and financial assistance for students, in a hope to revitalize education in the countryside through systematic educational assistance.



INNOVATION LEADERSHIP

Adhering to the new brand concept of "Dedication For A Smarter Future", H3C has embraced the new era of intelligence, dived into the application scenarios of customers, and created leading digital solutions based on the concept of dedication. While continuously improving its own R&D capabilities, H3C actively plays a leading role in the industry, and is committed to promoting industry innovation, cultivating composite industry talent, and accelerating the intelligent upgrading of digital transformation.

02.



| R&D and Innovation

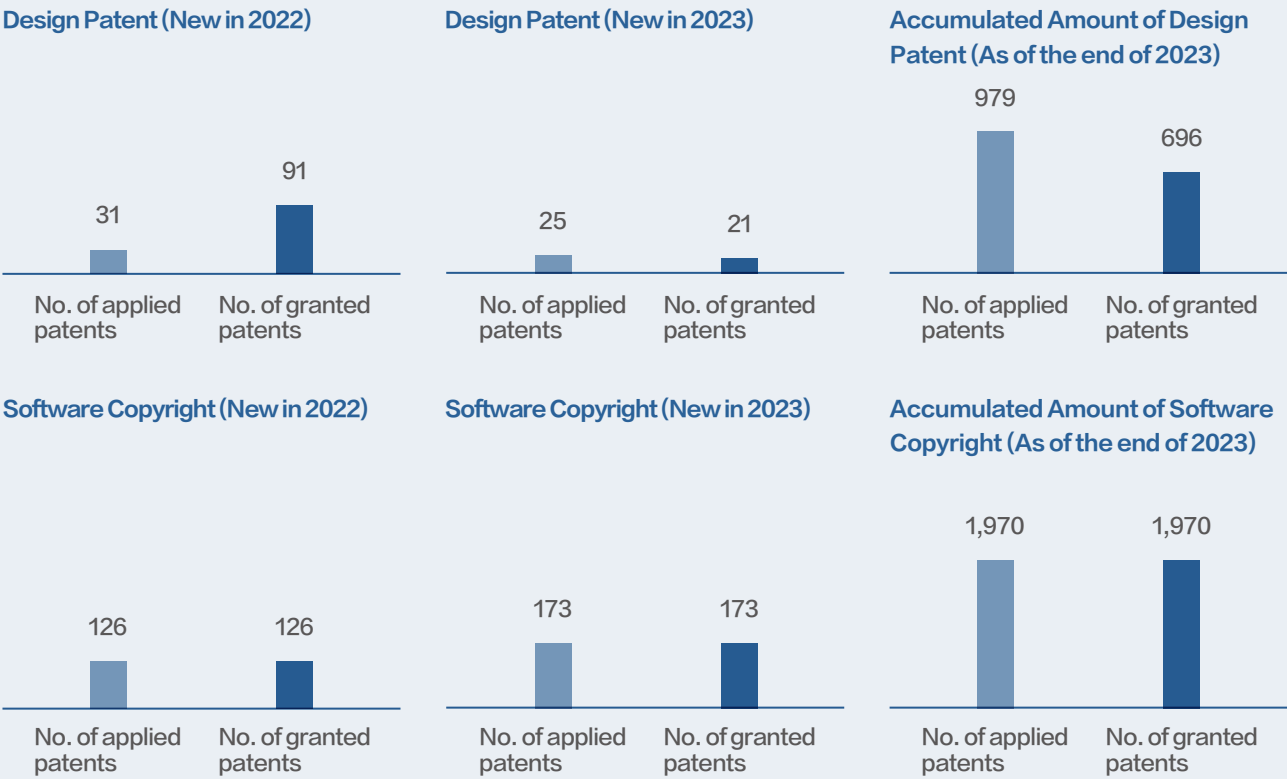
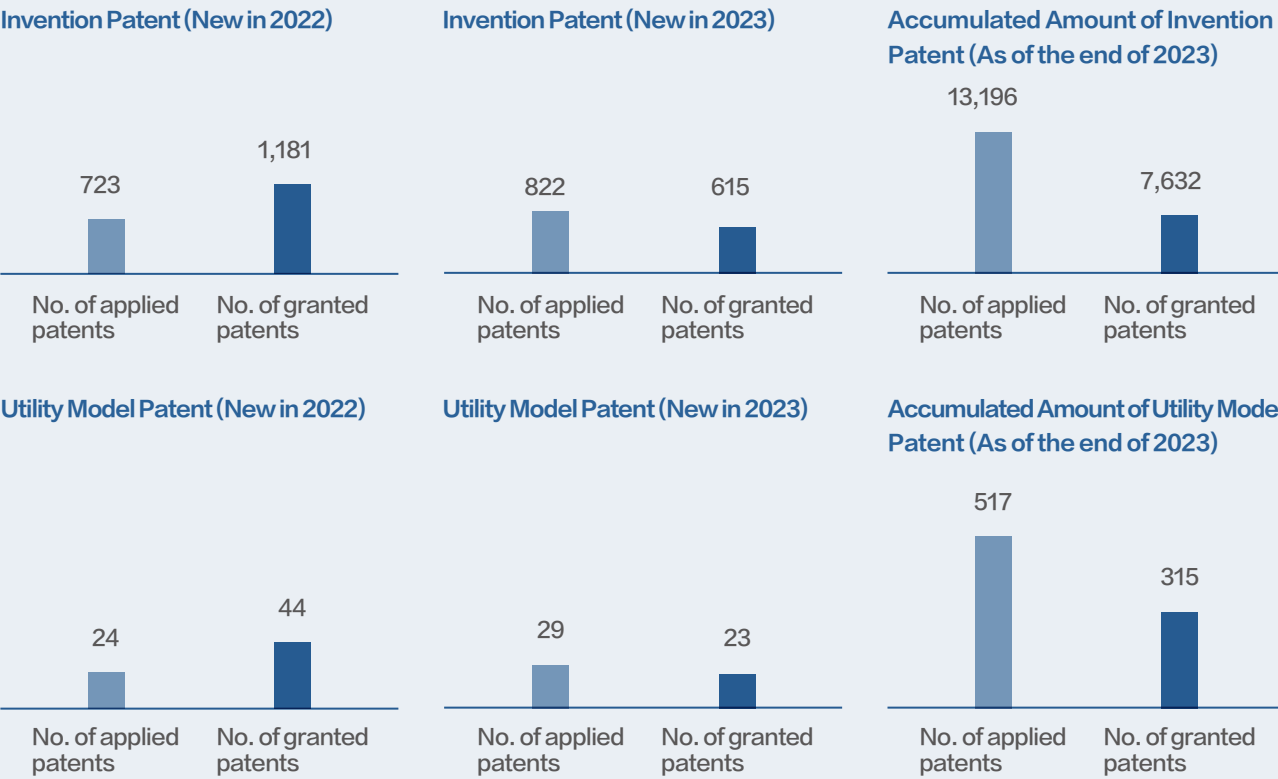
H3C has spearheaded multiple digital solutions, supported by continuous R&D and innovation. In 2023, H3C's operating revenue was RMB 51,939 million, of which R&D investment accounted for more than 12%. During this reporting period, H3C's R&D personnel accounted for more than 50%. As of the end of June 2024, the total number of patent applications of H3C exceeded 15,000, of which more than 90% were invention patents.

As the development of the digital economy promises vast opportunities, H3C insists on fueling development with technological innovation, upgrading the "digital brain" and empowering the digital transformation and driving change across all industries. H3C caters to application scenarios, improves the efficiency and capability of the intelligent digital platform, and empowers the industry's digital transformation and rapid applications to realize the value of digitization.

In the context of the new era of intelligence, H3C has established the development strategy of computing power × connection, giving full play to its unique advantages in the field of network and empowering industrial development. H3C has laid out its "AI in ALL" technology strategy in advance, so that its products and solutions can be embedded with AI for smarter interaction. It also puts forward the "AI for ALL" industry empowerment strategy, adhering to the "1+N" large model strategy. Based on the large model LinSeer, it develops wide cooperation in respect of numerous preferred ecological large models. Its efforts revolve around the key industry sectors, such as the government, finance, medical care, education and transportation to deepen the application and empower all industries.



During the reporting period, the number of patents H3C applied for and was granted is as follows:



During the reporting period, H3C's patent awards were as follows:

Patent No.	Name of patent	Award name	Award issuing organization	Date of award
ZL201610831302.2	Method and device for fast switching of main and backup pseudo-wires (PW)	The 23 rd China Patent Excellence Award (2021)	China National Intellectual Property Administration	April 18, 2022
ZL201710441546.4	Method and device for wireless client STA roaming	The 24 th China Patent Excellence Award (2022)	China National Intellectual Property Administration	April 17, 2023
ZL201810699714.4	Method and device for generating a flow baseline	Anhui Patent Excellence Award	Market Supervision Administration of Anhui Province (Intellectual Property Office)	September 5, 2022

Honors



Intellectual Property Rights Protection

Intellectual property is an intangible asset of an enterprise. As a leader of digital solutions in the industry, H3C remains in strict compliance with national laws and regulations such as *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China* and *Copyright Law of the People's Republic of China*, and establishes a comprehensive intellectual property rights management system with reference to norms and standards such as *Requirements for Corporate Intellectual Property Rights Compliance Management System*.

H3C has formulated and released a series of intellectual property rights management systems and protocols, such as *Patent Management Measures*, *Copyright and Software Management Measures*, *Trademark Management Measures*, *Intellectual Property Rights Customs Filing Procedure* and *Intellectual Property Rights Utilization Control Procedure*, which provide full-process management and standardization of the Company's intellectual property rights, including patents, trademarks and copyrights. The Company has formulated the *Intellectual Property Rights Risk Warning and Dispute Handling Program*, which strengthens the identification, assessment and prevention of intellectual property rights risks, and provides strong support and protection for the Company's innovations and brand development.

H3C attaches great importance to the protection of its own intellectual property rights, and has developed an all-rounded, multi-level protection system by improving the internal management mechanism, enhancing staff training and publicity, and setting up a full-time intellectual property rights department. The Company encourages and supports independent innovation, ensures that the results of technological innovation can be transformed into intellectual property rights in a timely manner, and improves the quality of patent applications through a strict patent evaluation mechanism. In response to intellectual property rights infringement cases, H3C also actively adopts legal means to crack down on infringement of the Company's intellectual property rights, so as to safeguard its legitimate rights and interests. During the reporting period, H3C handled 28 intellectual property rights defense cases in 2022 and 16 more in 2023, all of which were handled according to the proper disposal process.

While focusing on its own intellectual property rights, H3C also understands the importance of respecting the intellectual property rights of third-party entities. H3C has established a comprehensive intellectual property rights risk warning and control mechanism to ensure that it avoids infringing on third-party intellectual property rights in the course of operation. H3C effectively reduces the risk of intellectual property rights disputes by clarifying the ownership of intellectual property rights, the rights to use them, and the obligation of confidentiality in contracts/agreements.

In addition to efforts within the organization, H3C actively participates in intellectual property rights protection activities both inside and outside the industry. These activities include promoting the establishment of a variety of alliance sharing platforms and service mechanisms and consulting on laws and regulations relating to patents, trademarks, copyrights, and so on, as well as industry standards. To date, H3C has participated in various alliances including Hangzhou Hi-Tech Industrial Development Zone (Binjiang) Internet of Things Industry intellectual Property Rights Alliance, WAPI Alliance, Cloud Computing Industry Alliance, Alliance of Industrial Internet and Information Communication Industry Intellectual Property Rights Alliance.

Intellectual Property Rights Awards



In 2022, the trademark "H3C" was listed in the first batch of Hangzhou key trademark protection list.



Since 2016, H3C Technologies Co., Ltd. has been honored as a "National Intellectual Property Rights Model Enterprise" for seven consecutive years.

28	16
2022 Intellectual property rights defense case	2023 Intellectual property rights defense case

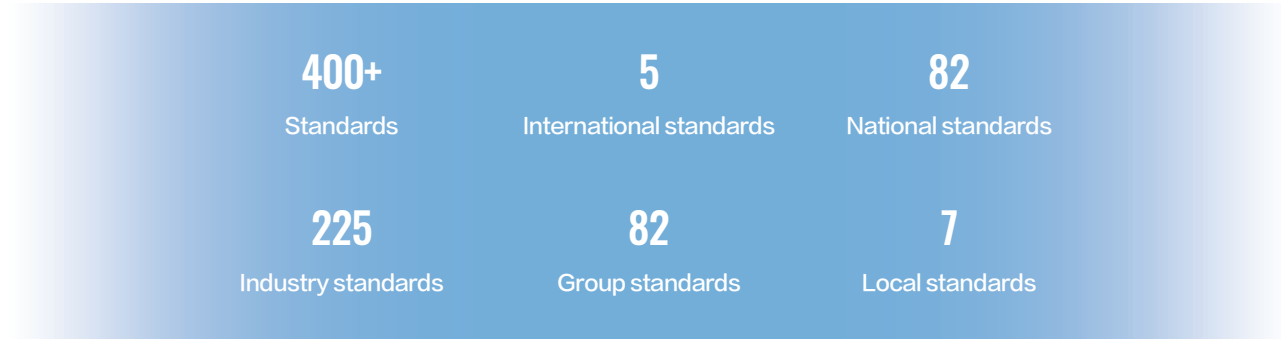
| Promoting Innovation in the Industry

As a leader in digital solutions, H3C maintains its competitive edge and develops its potential in new markets by promoting industry innovation. Focusing on the accumulation of industry experience, H3C continuously enhances industry exchanges by setting industry standards, preparing research reports and participating in industry exchange activities. It strives for accelerating the intelligent upgrading of digitalization changes and becoming the most trustworthy partner of various industries.

Setting Industry Standard

H3C has long been committed to advancing the industry standardization. In recent years, it has actively participated in and led the formulation of a number of domestic and international standards. Furthermore, it has guided the development of industry standards with technological innovation. During the reporting period, H3C participated in the formulation of a total of 2 international standards, 2 mandatory national standards, 28 recommended national standards, 110 recommended industry standards (13 standards led by it), 5 local standards and 36 group standards (2 standards led by it).

As of December 31, 2023,



International Standard for WLAN Access Control Technology Compiled as Led by H3C was Released

In August 2023, the International Organization for Standardization (ISO) and the International Electro Technical Commission (IEC) collaboratively released the ISO/IEC 5021-1:2023 and ISO/IEC 5021-2:2023 international standards for Wireless LAN Access Control. The two standards, compiled as led by H3C, China Telecom, WAPI Alliance and IWNCOMM, fill the gaps in China's technical standards for wireless LAN access control, break the foreign monopoly, and effectively promote the process of technological development in the field of cloud management of China's wireless communication networks.

National Standard for Situation Awareness with H3C Deeply Participating in Compilation Was Released

On March 17, 2023, the national standard GB/T 42453-2023 *Information Security Technology – General Technical Requirements for Network Security Situation Awareness* was formally released, under the centralized management of the China National Information Technology Standardization Network, compiled as led by the Third Research Institute of Ministry of Public Security with the extensive participation of H3C. The standard was officially implemented on October 1, 2023. This standard specifies technical requirements for data aggregation, data analysis, situation display, monitoring and early warning, data service interface, system management, etc., which provides guidance for China's network security situation awareness.

Smart City – City Operation Indicator System General Framework with H3C Participating in Compilation Was Released

The *Smart City – City Operation Indicator System General Framework* (GB/T 43048-2023), compiled as led by the China Electronics Standardization Institute, and compiled by H3C and other research institutes and leading enterprises in the field of smart city construction, was released on September 7, 2023. After obtaining approval by the State Administration for Market Regulation (Standards Committee), the standard was formally implemented from April 1, 2024 onwards. With its robust strength and strong expertise in the field of smart city construction and operation, H3C has participated closely in the compilation of the standard, driving the upgrading and acceleration of China's smart city construction.

Cutting-edge Industry Technology Research

As an industry-leading provider of digital solutions, H3C constantly upholds the brand strategy concept of "Dedication For A Smarter Future", leading and deepening industry research. At the level of technological innovation, H3C focuses on cutting-edge technological dynamics in the ICT industry and has published the *White Paper on Top 10 Technological Trends* for four consecutive years, to strengthen the technological foundation for the continuous evolution of the digital society with a broad forward-looking vision.

In response to the urgent needs of urban digital transformation, H3C has actively carried out all-rounded and in-depth research. From 2017 to 2023, H3C has released the "China Urban Digital Development Index System" for seven consecutive years. Standing as a testament of urban development in China, H3C accelerates the smart and sustainable boom of cities.

 Predict with Vision – 2023 White Paper on Top 10 Technological Trends of H3C

In June 2023, H3C released the *Predict with Vision – 2023 White Paper on Top 10 Technological Trends of H3C*. The trend predictions highlight the experience of the ICT industry over a decade or an even longer period of time and will provide important reference and guidance for the future development of the technology industry. This is the fourth consecutive year that H3C has released a white paper on technological trends. The release of this white paper marks another milestone in the strategic outlook conducted by H3C in the context of the new technology cycle.



 Urban Digital Development Index (2023)



In June 2023, H3C officially released the *Urban Digital Development Index (2023)* based on a comprehensive research of 257 cities across China. To better interpret the new concepts, modes and practices of urban digital development in the new era, H3C Digital China Research Institute, while adhering to the four-dimensional research system of "key regions – core cities – advantageous districts and counties – priority high-tech industrial development zones/economic development zones", conducted a larger scope of in-depth research on the *Urban Digital Development Index*.

In 2022–2023, H3C won the following industry honors:

Ministry of Science and Technology of People's Republic of China 2023 National Science and Technology Progress Award Key Technology and Scale-up Application of Next Generation Internet Source Address Verification Architecture (SAVA)	
Ministry of Science and Technology of People's Republic of China 2023 National Science and Technology Progress Award Ultra-large-scale Multi-domain Fusion Federal Range Project	Shanghai Municipal People's Government First Prize of the Shanghai Science and Technology Progress Award Key technology and application of cloud- side-end cooperative video transmission connected to virtual reality (VR)
Department of Science and Technology of Anhui Province Anhui Provincial Science and Technology, First Prize Intelligent network technology and equipment integrating computing, storage and transmission	Department of Science and Technology of Guangdong Province Guangdong Provincial Scientific Progress, First Prize Key technology and system for large-scale network simulation and verification platform
people.cn Twentieth "People's Craftsmanship Technology Award" Key technology and application for secure and trusted end-to-end transmission in connectionless networks	China Association for Engineering Construction Standardization Second Prize of the 2023 Data Center Science and Technology Achievement Award Online upgrade of energy-saving and carbon-reducing technologies for highly reliable inventory data centers

Industry Exchange Activities

Throughout the years, H3C has been actively participating in industry exchanges and sharing the latest technology trends and research results with industry partners through forums and seminars. H3C's aim is to build a collaboration platform that will promote upstream and downstream businesses' exchanges and integration into the industry chain, so as to jointly drive innovative development and increase the industry's competitiveness.

H3C Hosts NAVIGATE 2023 Summit

On June 9, 2023, the NAVIGATE 2023 Summit, hosted by Tsinghua Unigroup and H3C, was held in Hangzhou, attended by thousands of industry leaders, government leaders, authoritative scholars, technologists, enterprise executives and ecological partners from home and abroad.

Under the theme of "Dedication For A Smarter Future", the summit focused on the vast opportunities promised by new policies, technologies and forms of digital economy, through one plenary session, two digital summits, 10 new product launches, 100 keynote speeches and immersive experiences in an online and offline showcase center. As a result, participants were able to explore the new challenges and countermeasures faced by the ICT industry in a new era of intelligence, as well as share innovative breakthroughs and successful cases of digital transformation in various trades, embracing and exploring together a bright future.



H3C and Xiaoshan District of Hangzhou Build AIGC Innovation Center in Turing Town

In 2023, H3C and Xiaoshan District of Hangzhou jointly built Turing Town, marking close cooperation between government and enterprise with the objective of creating a pioneer zone for generative AI industrial development. Characterized by digital economy, Turing Town focuses on creating the industrial ecology of "3+6+X". Its efforts revolve around the three leading industries, namely artificial intelligence, big data and cloud computing, highlighting the six major fields of financial technology, virtual reality, unmanned vehicle, Internet+, future audio-visual and high-performance computing. It is aimed at the creation of X application scenarios, including smart Asian Games, smart music, smart exhibitions, future factories, industrial interconnection, and meta-universes, continuing to boost the digital economy, and promoting high-quality regional development.



H3C Attends 3GPP Standardization Meeting: Focusing on Cutting-edge Technology Breakthroughs to Empower 5G+ Services

In November 2022, the 111th standardization meeting of the 3rd Generation Partnership Project (3GPP) kicked off in Toulouse, France, where technical experts from the global communications industry met to discuss and develop the 5G-advanced first release (3GPP Rel-18). As a leader in digital solutions, H3C attended this standardization meeting offline for the first time, during which our representatives shared its technical exploration and research results in Rel-18 Subband Duplex, Rel-18 Artificial Intelligence, and Rel-18 MIMO, which demonstrated H3C's profound strength in promoting 5G technology innovation.

3GPP is the flagship platform in the field of wireless communication standards, with highly authoritative standards. Up to this meeting, H3C has participated in 3GPP Rel-18 Subband Duplex, Rel-18 Artificial Intelligence and Rel-18 MIMO. It has also submitted a total of 32 standard proposals, of which 26 have been accepted with more than 10 standard-related patents involved.

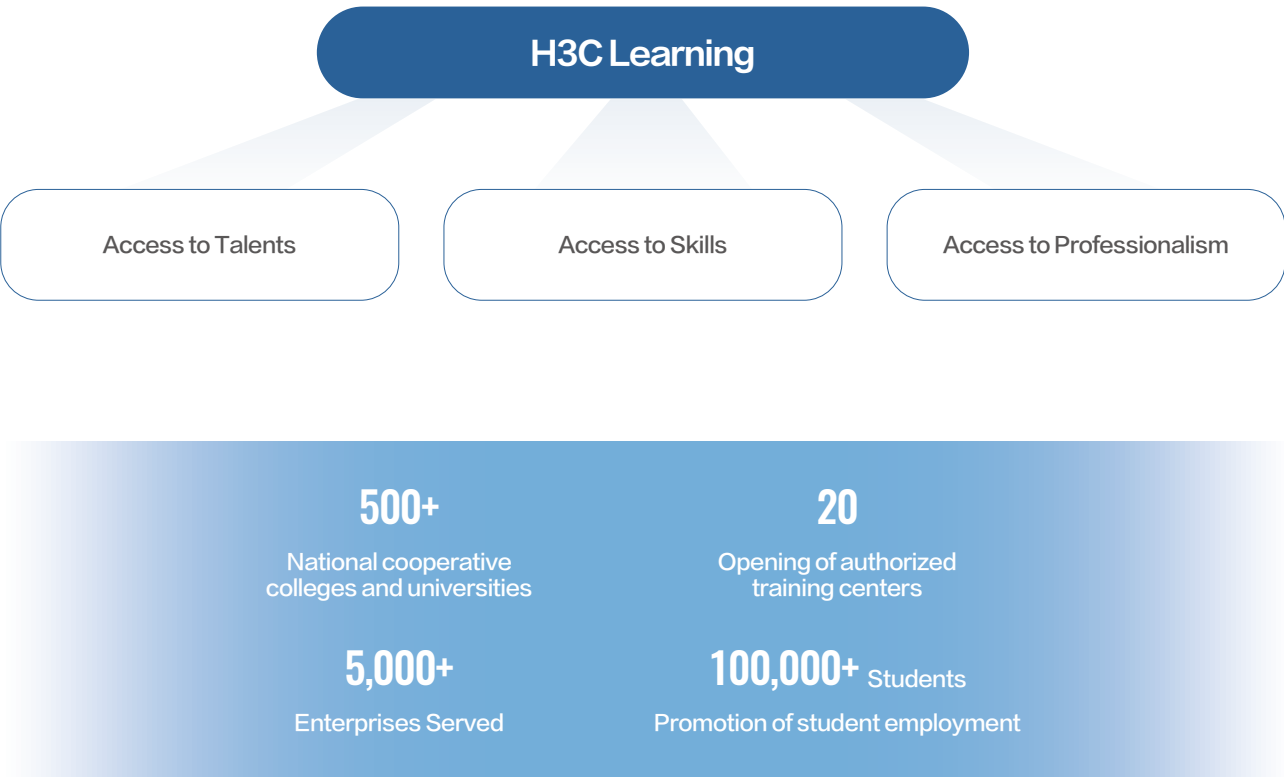
Cultivating Industry Talent

Grasping the major opportunity of the construction and layout of "Digital China," H3C continues to promote the strategic layout of digital talent cultivation and will build perfect digital talent ecology through the in-depth industry-university-research cooperation.

H3C Learning

With the vision of "Becoming an Outstanding Corporate University in the Field of Digital Solutions in China; Cultivating Outstanding Talent and Embracing a Digital Future", H3C Learning aims to build a corporate university for nurturing talents in the field of digital composite. Internally, the Center is committed to helping establish H3C as a leader in digital solutions and improving the leadership of cadres and the professional ability of employees. Meanwhile, externally, it aims to publicize knowledge of digital solutions and nurture outstanding innovative talent in various industries in order to boost digital transformation.

H3C Learning focuses on building a talent empowerment system for the digital industry based on the three major directions of "access to talents", "access to skills" and "access to professionalism". So far, H3C Learning has established two training centers in Beijing and Hangzhou, developed cooperative relationships with more than 500 colleges and universities nationwide. It has also set up 20 authorized training centers, served more than 5,000 enterprises, and promoted the employment of more than 100,000 students.



H3C Organized the 13th "H3C Cup" National Undergraduates' Digital Technology Competition

The 13th "H3C Cup" National Undergraduates' Digital Technology Competition was held from April 2023 to May 2024. Co-organized by H3C and the Association of Fundamental Computing Education in Chinese Universities, the competition aimed to promote interaction among students, colleges and universities and enterprises. Furthermore, it served to "promote learning, teaching and employment with competitions". It was intended to actively explore the way to cultivate high-tech technological talent, to create a diversified talent cultivation system as well as to develop a favorable employment ecosystem.

This year's H3C Cup covered more than 30 provinces and municipalities, with 665 participating institutions and more than 38,000 students enrolled in the preliminary round. Since 2010, H3C Cup has been successfully held for 13 times, with a total of nearly 130,000 participants for the competition. Over 10,000 contestants stood out and were successfully employed by H3C and its eco-partner companies.



Industry-university-research Cooperation

In the era of digitization, cultivating talent in the industry is essential for the innovation and maintaining of a competitive edge of enterprises as well as their ability to adapt to the fast-changing market environment. It is deemed as the key to promoting industrial upgrading and economic transformation. At present, H3C has carried out in-depth cooperation with dozens of domestic universities and scientific research institutions, with remarkable achievements made in the field of industry-education integration and collaborative innovation. It has formed a perfect cooperation mode of "industry-academia-research-application" and a closed loop of industrialization.

With regard to cutting-edge technology R&D and practice, H3C is focused on cutting-edge topics, including intelligent computing, intelligent networks and network security. In addition, H3C continues to cooperate with universities and research institutes to develop cutting-edge technologies and emerging industries by strengthening technology R&D cooperation. As H3C accelerates the development of industrial technologies based on its research, it also cultivates the digital talent needed to support the development of national industries.

H3C Donates Student Activity Fund to the Computer Science Department of Tsinghua University

Tsinghua University's Department of Computer Science and H3C have been working together for many years to deepen school-enterprise cooperation. Since 2021, H3C has donated a five-year student activity fund totaling RMB 2.56 million to Tsinghua University, which was directed toward cultivating digital talent in the University and encouraging students in the Computer Science Department to strive for excellence and to empower national scientific and technological development with the strength of digital technology. From 2022 to 2023, H3C donated RMB 1,024,000 to Tsinghua University as Digital Talent Cultivation Fund.

On March 18, 2023, H3C was invited to participate in the 40th "OverFlow" Student Festival of the Computer Science Department of Tsinghua University, where a review of the decade-long cooperation between H3C and Tsinghua University was conducted by the company. We also provided a summary of the achievements in the research of the "863 Project Program" as well as the development and promotion of wireless SAVI standards, future network, IPv6, wireless field, security, etc. H3C will continue committing efforts to promote the cultivation of talent in universities based on the latest demands of industrial and technological development in order to provide a digital intelligence platform for university students to apply what they have learned to support the construction of digital China.



H3C and Xiangjiang Laboratory Make a Plan for Strategic Cooperation

At the beginning of 2022, H3C and Xiangjiang Laboratory officially signed a strategic cooperation agreement and established an innovation center in H3C in the same year. A number of scientific cooperation projects have been successively completed between the two parties since then, focusing on computing network convergence technology to conduct key research. These include "key technology for computing network convergence", "intelligent computing acceleration technology for ultra-large-scale computing networks", and "AI system utilizing computing network resource scheduling".

In July 2022, the inauguration ceremony of Xiangjiang Laboratory, the first of Hunan Province's "Four Major Laboratories", was successfully held in Changsha, with a strong focus on breakthroughs in strategic, forward-looking and fundamental major scientific topics and key technologies in the fields of advanced computing and artificial intelligence. The institute strives to become a first-class scientific and technological innovation laboratory in China.

In September 2023, the two parties further reached a consensus on the establishment of the "Joint Innovation Research Institute". Leveraging the technical research capabilities of Xiangjiang Laboratory at the provincial level as well as the leading technical capacity and practical experience of H3C in the ICT industry, the institute, based on computing network convergence technology, is gradually expanding its research to the fields of computing power and computing network technology.

EXCELLENT QUALITY

At the critical stage of digital transformation and intelligence upgrading of the global economy, vulnerabilities and security risks are also on the rise. As an industry leader, H3C adheres to the concept of scientific quality management and is committed to enhancing the security resilience of its products and services. By continuously optimizing our products and solutions, we build digital trust.

03



| Product Quality and Safety

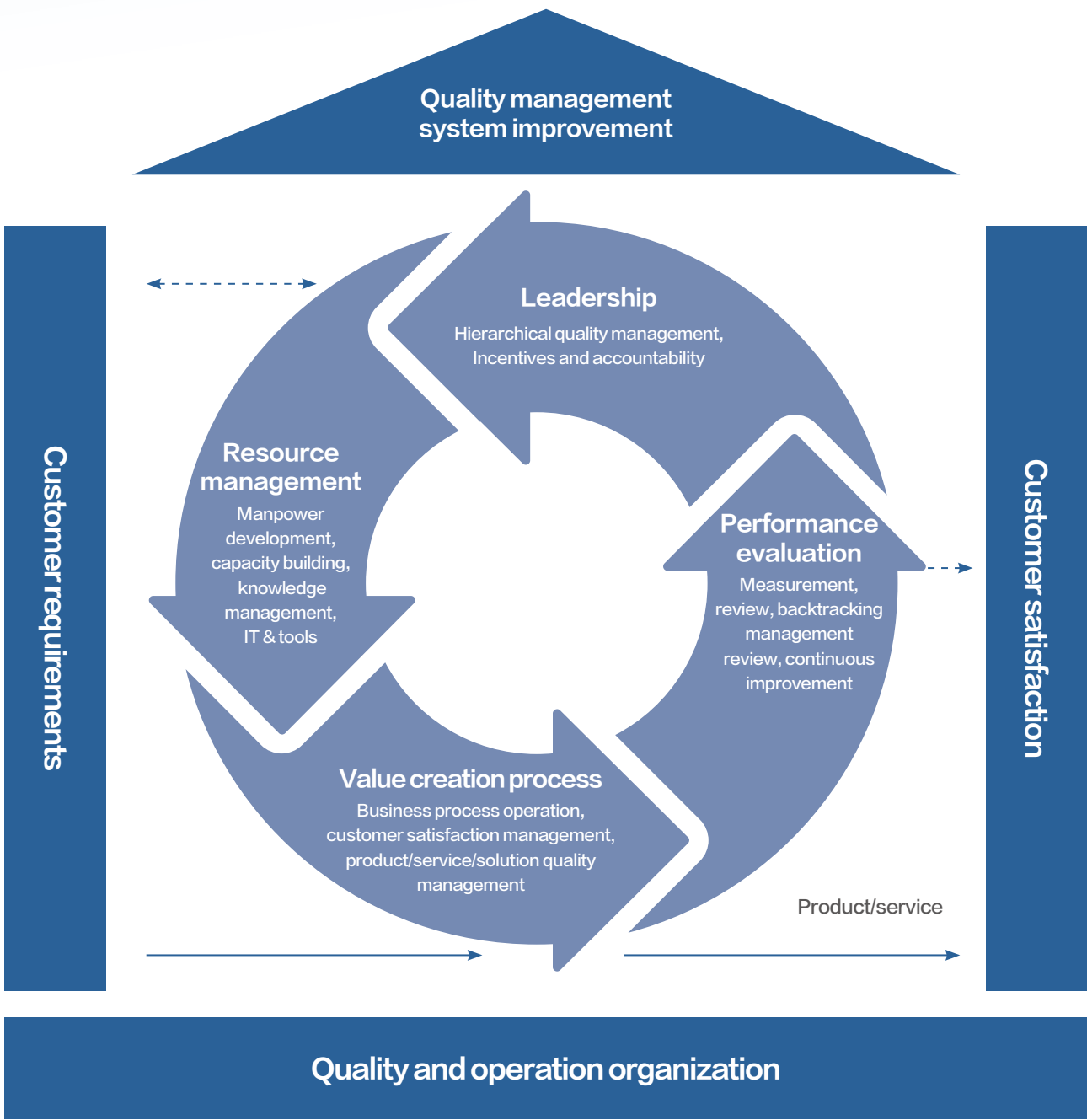
H3C has always adhered to the concept of scientific quality management and is committed to delivering the best products and solutions. Through end-to-end quality management and whole-process quality control, H3C ensures excellent quality of its products and solutions in every aspect of design, production, sales and service.

H3C strictly abides by the *Product Quality Law of the People's Republic of China* and other quality-related laws and regulations while also complying with the basic requirements of ISO 9001 and TL9000 quality management system to establish a well-rounded quality management system. The Company has formulated the *H3C Quality Manual*. Led by the quality management goals, policies and strategies, it seeks to improve the quality organization strategy, quality organization framework, quality management system, management mode and guarantee system. It strives to establish the quality responsibility mechanism in a multi-dimensional and comprehensive manner, so as to continuously strengthen product quality management and ensure the quality and safety of our products.

Moreover, H3C has established a holistic quality management system, through which managers issue quality objectives, establish incentive and accountability mechanisms, formulate policies, rules, and conflict resolution systems that can facilitate quality priorities and develop quality requirements into processes to prevent major quality risks. The Company holds regular quality meetings to follow up on relevant issues in real time. In addition, the Company identifies key pain point issues by conducting quality analysis, audits, and assessments to drive continuous management improvement.

To ensure product reliability throughout the overall process, H3C applies the Integrated Product Development (IPD) methodology to build an enterprise quality management framework and has established an end-to-end business process that runs through product design and development, production, supply, and service. In addition, the Company strictly implements the quality backtracking mechanism, has established the quality-based "red and black star" reward and punishment system and strengthened the quality improvement responsibility subject and closed-loop requirements for certain issues.

H3C focuses on the development of quality culture. It has several internal honors such as the "Excellence Award", "Professional Award", and "Quality Award" to motivate employees to improve product quality and set up a quality benchmark for hardware development and delivery. All employees are regularly informed about quality and safety and participate in activities aimed at publicizing them and implementing them, as well as setting up "Quality Radio", "Quality Express", and "Quality Big Data Platform" to provide knowledge explanation, feedback suggestions, and real-time data platforms to enhance staff awareness of quality management.



H3C Quality Management System

In 2023, H3C passed the **CMMI Level 5** review assessment.

| Operation Stability

In an increasingly interconnected market environment, a company must ensure the stability of its business. H3C internally ensures that its business maintains a high degree of stability in the face of internal and external challenges by formulating a business continuity management strategy, establishing a disaster recovery plan, and strengthening communication and collaboration with its customers and partners. This allows it to continuously improve its business competitiveness and provide more reliable and efficient services to its customers.

To ensure timely troubleshooting of operational faults in equipment, H3C has set up a 24/7 400 hotline to centrally receive feedback. The Company has set up a special Technical Service Department to provide services to users or partners through multiple channels, such as a 400 hotline, an official website, a CRM system, and engineer dispatching, and is committed to restoring business operation in the shortest possible time. After successful troubleshooting, engineers will take the initiative to communicate with customers to confirm satisfaction and submit report materials. The Service Quality Management Department carries out follow-up return visits and realizes closed-loop management of problems through case collection, archiving, and analysis.

H3C has adopted diversified strategies to minimize the risk of product or service interruption to guarantee the high stability of the Company's business. While optimizing the call center platform architecture, the Company's Customer Response Center has also established a detailed disaster recovery process to guide the rapid recovery through the 400-hotline service as well as the unbilled system in the event of an unexpected disaster. In addition, H3C insists on organizing annual disaster recovery drills for the 400-hotline system to continuously improve emergency response capabilities through real-world simulations. The objective is to minimize service interruption time and safeguard the stability of the Company's 400 hotline business operations. From 2022 to 2023, H3C did not experience any business interruption events.

H3C passed **ISO22301** Business Continuity Management System certification.

China IT Industry Excellent O&M Service Award
—
AIO service (three consecutive years)



| Customer Service and Communication

H3C always takes serving customers as its core mission and puts customer demand as the first priority. The Company actively listens to and meticulously distinguishes the needs and expectations of every customer, ensures that every feedback from customers can be received and transformed into practical action, and works hand in hand with the customer to create a win-win situation.

Customer Service

Adhering to the service philosophy of "My Services Enable More Possibilities" H3C has implemented a comprehensive customer-oriented service strategy. By delving deep into customer scenarios, putting ourselves in the shoes of customers, as well as understanding and empathizing with customer needs, the Company provides customers with intelligent, visualized, and exclusive service experiences.

To put into practice H3C's customer service philosophy, the Company has established a comprehensive customer service management system. As an after-sales service department, the Technical Service Department consists of several secondary departments with more than 2,000 professionals to provide customers with full-life-cycle services. The Company's technical service support system integrates comprehensive service solutions, 24/7 technical support, strict quality management, an extensive ecological service network, an advanced IT support system, and a strict personnel training system to build an intelligent service system. H3C has passed ISO 20000 Information Technology Service Management System certification, obtained Level-II Certificate of ITSS Information Technology Service Standard Compliance, and Five-Star Certificate of After-sales Service Certification under GBT27922.

To ensure service delivery quality, H3C has developed a comprehensive after-sales service process that covers customer demand, service order dispatch, problem resolution, spare parts dispatch, on-site service, and customer satisfaction and recurring visits. The Company's after-sales service covers multiple aspects of the full life cycle, from basic services to specialized testing as well as operation and maintenance management, so as to meet customers' basic maintenance needs for hardware and software products. At the same time, it helps customers realize digital transformation through architecture consulting, agile transformation, and other advanced services. In addition, H3C is committed to providing customers with diversified product warranty programs, including factory warranty, project maintenance, separate sales service, and third-party warranty in order to meet the specific needs of different customers.

Effective Solution: "Gold Finger" to Empower the New Era of Intelligent Operation and Maintenance!

In 2022, H3C launched the industry's first full life cycle intelligent management system, i.e. the "Gold Finger" intelligent tool cluster. As a collective ecosystem of operation and maintenance capabilities, "Gold Finger" and the iService platform have joined forces to provide high-quality end-to-end services for users. This innovative initiative not only demonstrates the comprehensive digitization and intelligence of the delivery of technical capabilities, but also significantly improves the overall operation and maintenance efficiency by accurately predicting and eliminating potential risks in advance while ensuring comprehensive protection of digital transformation.

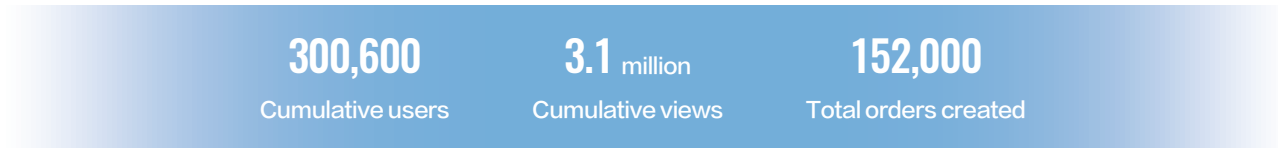


Customer Communication

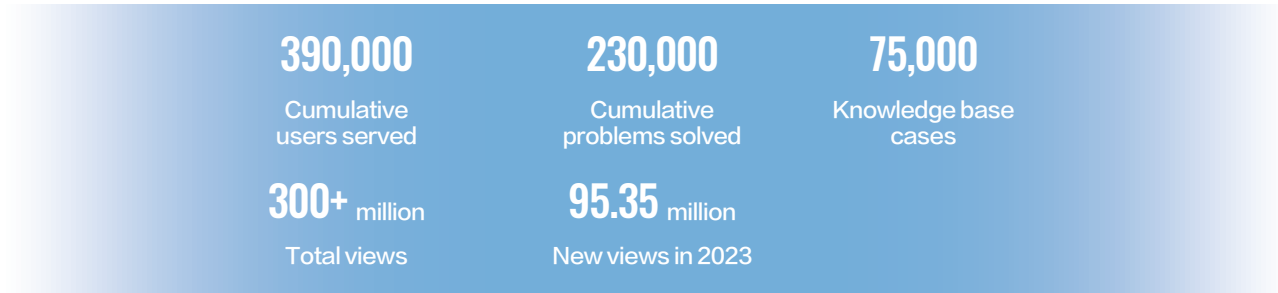
To strengthen the connection between the Company and its customers, H3C has established a smooth communication channel and an efficient feedback mechanism. The Company has set up customer response centers in Beijing, Hangzhou, and Dalian, and established a 400–810–0504 service hotline to provide 24/7 services that focus on dealing with after–sales technical issues, complaints, and suggestions from customers and partners. The service response varies as per the product level, including proactive, specially–assigned persons, on–site, and remote forms. Meanwhile, the response time is categorized into various commitments such as 7 × 24 × 4 (7 × 24 4–hour response), 5 × 9NBD (next business day response), and 6CTR (6–hour call to repair).

In addition, H3C's WeChat mini program and official account feature several integrated functions that further optimize the mobile terminal experience, which can realize user–friendly functions such quick dial for the 400 hotline, scanning of a QR code to automatically create a questionnaire, online bill of lading, and maintenance query. Moreover, the Service mini program also features intelligent assistive functions to provide customers with real–time customer service and Q&A, further enhancing the customer experience.

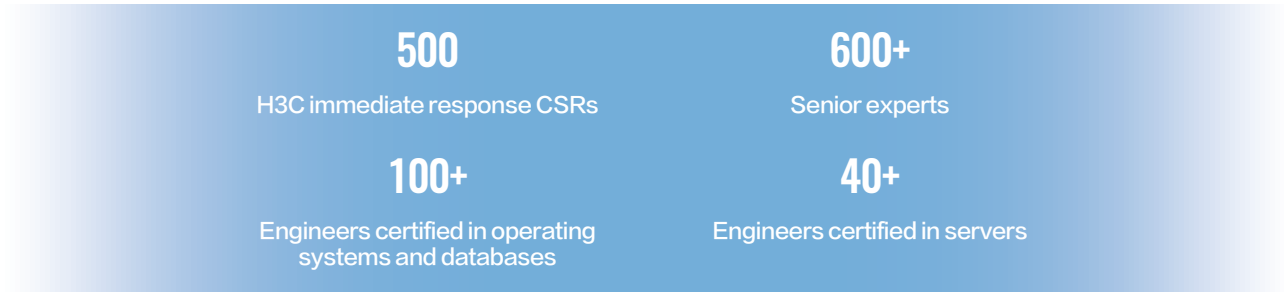
As of 2023, H3C's WeChat mini program and official account:



As of 2023, H3C's ICT exchange platform – Zhiliao Community:



Among the Company's talent reserves for customer response services, H3C has the industry's largest and most complete ICT integrated laboratory, the most advanced questionnaire management and knowledgebase systems, 500 customer service representatives (CSRs) who can respond immediately, and more than 600 senior experts who provide exceptional customer service, including nearly 300 H3CNE–level engineers, more than 200 H3CSE–level engineers, and nearly 80 H3CIE–level engineers. The Company offers services in multiple key product sectors, such as switches, routers, network security, wireless technology, cloud computing, and business solutions. Members are all graduates with at least a bachelor's degree, and 80% have more than 5 years' experience in technical support. The team has many specialized certified engineers such as H3CNE, H3CSE, and H3CIE–level engineers, who can provide specialized, standardized, and diversified services to customers and partners quickly, efficiently, and continuously.



In addition, H3C has established a comprehensive customer return visit mechanism, set up a variety of survey methods such as phone calls, e–mail, and SMS, and designed differentiated survey questionnaires based on various service businesses. For example, for basic services, the recurring visit focuses primarily on the professional and technical level of engineers as well as their service attitudes. For value–added service projects, the customer satisfaction surveys focus on the standardization of project delivery and overall project quality. A monthly routine for return visits is followed, and the quality is strictly controlled through a unified service quality monitoring system to ensure that 100% of customers are covered and that the service experience is continually improved.

From 2022 to 2023, H3C carried out an annual service quality program centered around customer service quality, carefully planning and implementing 86 specific initiatives. In addition, the Company organized 11 "Service Quality Day" thematic activities to further strengthen the importance and commitment of all employees to service quality. 55% significant decrease in the number of major online issues, including a 62% decrease in the field of operators, a 26% decrease in the financial field, a 43% decrease in the security product line, a 40% increase in the closed–loop efficiency of major online issues, a 52% increase in the closed–loop efficiency of the rectification of hidden hazards during the tour inspection and problem detection, and a 49% increase in the closed–loop efficiency of the rectification of hidden hazards based on the technical bulletin.

Up to 2023, H3C's WeChat mini program and official account had:



Customer satisfaction rate



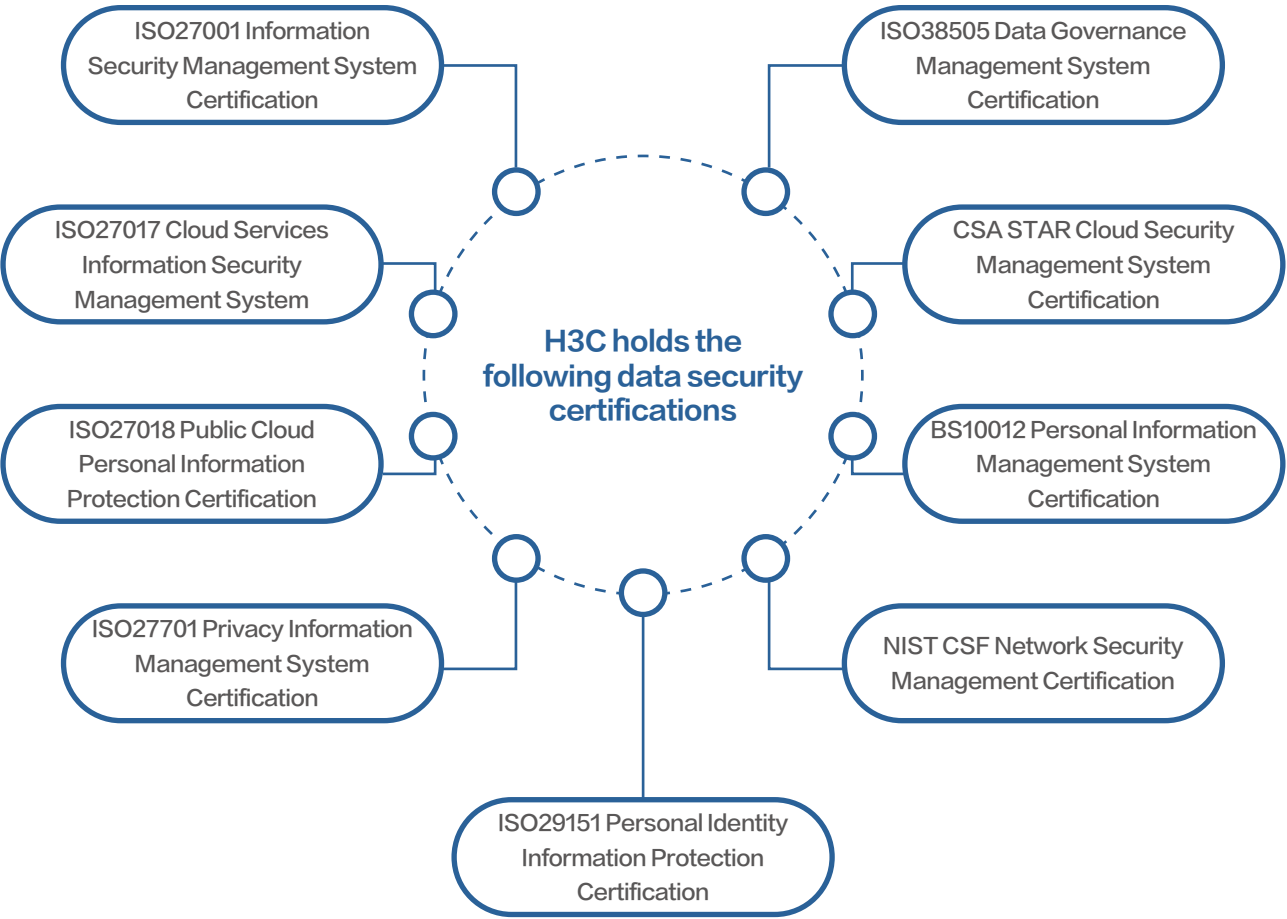
Key customer satisfaction rate



| Data Security and Privacy Protection

H3C has always prioritized data security in the core strategy of enterprise development, and strictly abides by all national laws and regulations such as the *Cyber security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Data Security Law of the People's Republic of China*, to build the internal data security protection system. This ensures the solid and efficient operation of the information security guarantee mechanism and facilitates the establishment of a high standard of information security in the industry.

H3C follows the ISO27001 information security management framework. It formulates internal policies, such as the *General Principles of Information Security Strategy and Standards* and the *Regulations on Information Confidentiality Management*, considering the current situation of the Company's security risks and key concerns. These policies are used to clarify the Company's information confidentiality measures and regulations, regulate the use of the Company's confidential information by employees, and effectively prevent the loss, misuse, and unauthorized access to confidential information. It also helps to optimize and improve the Company's information security management strategy on this basis.



To implement data security standards and initiatives more efficiently, H3C has developed a data security organizational structure and clearly defined the responsibilities and authorities of each level. The Information Security Department, as the core force of data security work of the Company, is mainly responsible for maintaining the information security management system, planning and building technical platforms, managing the security monitoring system, and executing internal as well as external information security audits. H3C carries out data security audits every half a year to comprehensively screen the data risk points of the Company's core applications and improve the stability of the Company's data security.

In daily operations, H3C takes appropriate protection measures throughout the data life cycle to comprehensively safeguard data and ensure security. During the data collection stage, the Company strictly observes the principles of data minimization and informed consent to ensure that the Company only collects the minimum amount of data necessary to complete its tasks and that the data provider fully understands the use of the data with clear authorization. During the data processing stage, the Company utilizes strong encryption technology, access control, logging and monitoring, data classification, and hierarchical protection, with regular audits of the Company's core applications conducted to protect the security of data transmission and storage. In the data recovery stage, the Company uses secure deletion technology to ensure that the relevant data is completely unrecoverable. In addition, in terms of internal authorization of data, H3C has formulated a detailed internal authority process to assign authority based on the principle of least privilege. Moreover, the Company regularly reviews and updates user permissions to continuously strengthen the rigor of the Company's internal information security management.

H3C attaches great importance to customer privacy and security, strictly adheres to national laws and regulations, and applies safety protective measures in line with industry standards to safeguard the Company's data control. The Company has formulated and released the *H3C Privacy Policy V3.0*, which stipulates that H3C will only store customer data within the legitimate business scope and within the established period. Moreover, based on different scenarios, products, and service requirements, the Company sets reasonable storage periods to ensure the safe and compliant handling of customers' personal information. The Company employs appropriate physical, managerial, and technical safeguards to ensure that customers' personal information is stored only in China. These measures enable us to protect customer data from unauthorized access, use, modification, damage, or loss in all aspects. In addition, we require data recipients to apply protection measures of the same or higher security level when cooperating and share the responsibility of guarding the security of customer information.

H3C focuses on the improvement of employees' information security literacy. Every year, the Company plans and conducts online training on information security awareness for all employees, which strengthens their knowledge of the importance of information security in terms of core objectives of information security, management system and requirements, problem acceptance channels, and reward and punishment mechanisms. To ensure the effectiveness of the training, the Company has set up a feedback and online test session after the training to check the learning effectiveness of the employees.

2022–2023

2	34,160	70,000 RMB
Data security training sessions	Participants of data security training	Total investment in training

LOW-CARBON FUTURE

H3C has always adhered to the ESG sustainability strategy and embedded the concept of environmental protection across all aspects of corporate operations. To implement the national "dual-carbon" strategy, H3C strives to maximize environmental benefits through the creation of green products and solutions, the comprehensive promotion of its own energy conservation and emission reduction, the empowerment of key areas, and insights into the industry's "dual-carbon" development opportunities. At the same time, we continue to contribute to the green and low-carbon development and transformation that is ongoing all around the world.

04



Responding to Climate Change

As a practitioner and promoter of the "dual-carbon" strategy, H3C actively plans the layout of the "dual-carbon" strategy. In 2023, H3C officially released the "ALL in GREEN" green strategy. Through the identification of climate-related risks and opportunities, the Company has formulated various countermeasures, grasped the opportunities for transformation, enhanced market competitiveness and corporate reputation, and brought together internal and external forces to facilitate low-carbon development through practical actions while building a low-carbon future together with our partners.

Climate Risk Analysis

Governance

As a member of the United Nations Global Compact (UNGC), H3C actively practices green and environmental protection commitments. The Company pays constant attention to topics on climate and nature and systematically carries out climate change governance, with sufficient disclosure of the governance situation around climate-related risks and opportunities. The Board of Directors of the Company actively participates in the decision-making and supervision of the identification of climate-related risks and opportunities, carries out relevant capacity building, and regularly participates in training and forums related to climate and sustainability. This allows us to continuously improve the advanced concepts and knowledge in the field of climate governance.

Strategy

In the context of the national "dual-carbon" policy, H3C is committed to building itself as a benchmark for implementation. Currently, H3C has joined the "Dual-Carbon Action Initiative" of the International Cooperation Center of the National Development and Reform Commission and jointly released the "Carbon Neutral Social Responsibility Initiative" with regional partners.

To achieve the "3060" carbon peaking and carbon neutrality target, the Company identifies climate-related risks and opportunities as well as their impacts on the organization based on the overall sustainability strategy and formulates corresponding climate action strategies. Through in-depth exploration and practice in smart factories, smart parks, and carbon neutrality actions, the Company continues to activate its own innovation capabilities while striving to address climate change risks and challenges.

Risk Management

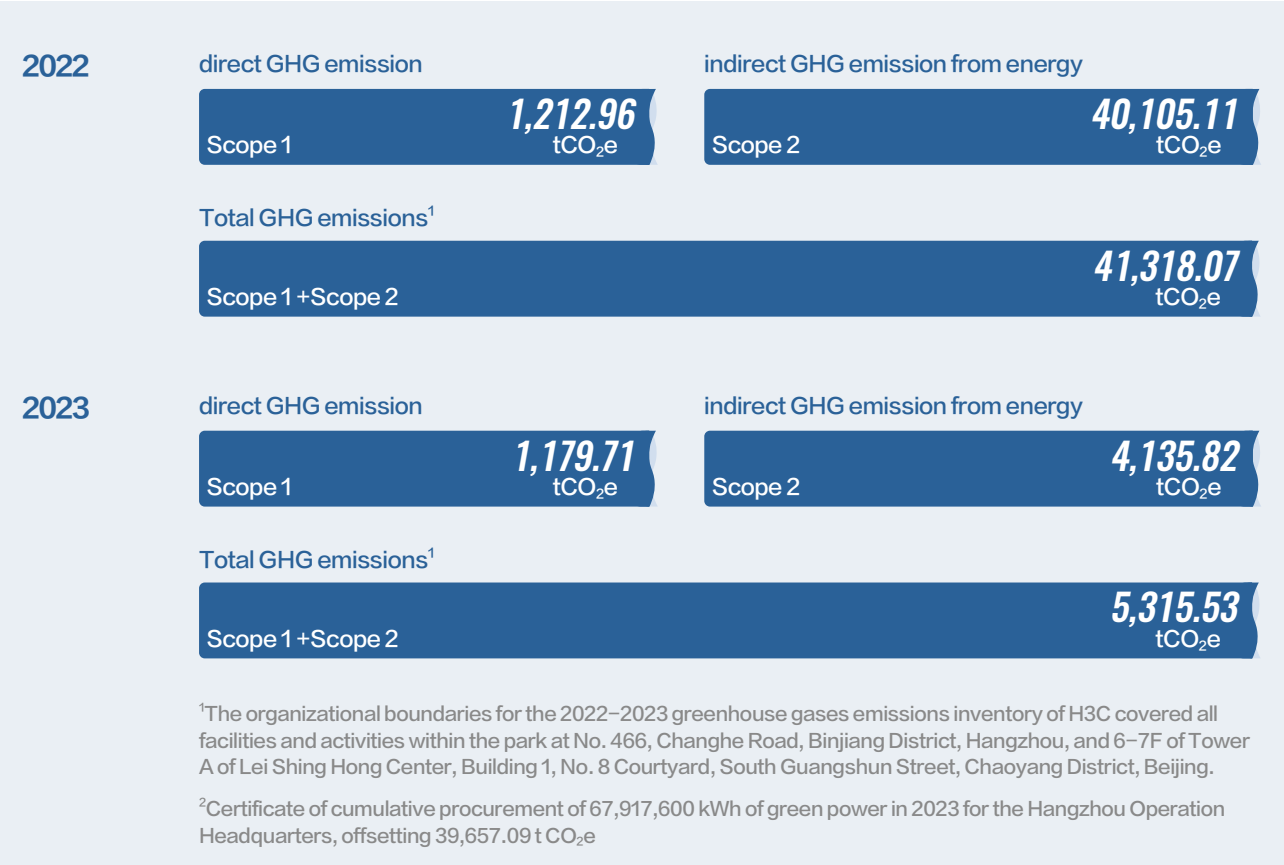
H3C continues to pay attention to topics related to climate change and carries out in-depth identification of climate-related physical risks and transition risks, assessment of the potential impact of climate change on the Company's and customers' business, integration of climate-related risk management into overall risk management, as well as active development and updating of response measures.

Risk category	Potential impact	Solutions
Physical Risk Acute risk	- Severe weather events such as floods, heavy rains, typhoons, extremely high temperatures and extremely low temperatures may affect the stability of operational facilities (e.g., office buildings, and data centers), potentially leading to a series of direct or indirect economic losses such as increased maintenance costs and insurance premiums. - On the other hand, extreme weather conditions may affect employee commuting and business travel, resulting in H3C's breach of contract, compensation, and legal liability due to business interruption and other issues.	- H3C evaluates the Company's climate-related physical risks based on data and relevant modeling analysis and assesses the impact of climate change on the Company's operational facilities based on the TCFD framework. - To enhance climate resilience, H3C has established green data centers, integrated climate change risk management concepts into the full life cycle of planning, design, construction, acceptance, and operation and maintenance. We have also strengthened the research and development of intelligent green technologies to cope with climate change. - The Company pays close attention to weather forecasts and extreme weather warnings across all of its operations, comprehensively assesses the impact of climate risks on business continuity, and implements contingency plans and drills to improve emergency response and disaster resistance.
Physical Risk Chronic risk	Water scarcity, drought, and rising sea levels have resulted in insufficient cooling water for data centers, which affects their normal and stable operations and creates the problem of increased costs for the procurement of alternate water sources, which may result in sustained economic losses.	Relying on the technological route of full-stack liquid cooling and the green strategy of ALL in GREEN, H3C continuously improves the cooling efficiency inside the data center, effectively reduces the power and water consumption of the cooling system and ensures the normal operation of servers.
Transition Risk Policies and regulations	- The introduction of climate-related policies both locally and abroad has led to a gradual increase in climate response measures and information disclosure requirements. For example, standards such as the <i>Maximum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Data Centers</i> require H3C to strengthen the energy conservation and carbon reduction efforts of data centers. - Additionally, China's carbon market continues to improve as a result of the gradual implementation of carbon trading, carbon taxes, and other mechanisms. Carbon pricing may affect the supply chain in a number of ways, including increasing costs, inadequate risk management, and other problems, which can affect corporate reputation.	- H3C complies with the relevant climate-related laws, regulations, and standards of the countries and regions in which it operates. Utilizing company data as well as relevant models and analyses, the Company regularly monitors and evaluates the impact of climate regulations on the Company's business, makes timely adjustments to its business strategies and measures, and discloses climate-related information. - In terms of technological innovation and R&D, H3C develops intelligent green technologies, optimizes product packaging design, adheres to green and low-carbon logistics, and actively promotes industry technology exchanges to promote the green transformation of the supply chain, digital energy conservation and efficiency improvement, and enhance corporate competitiveness.

Risk category	Potential impact	Solutions
Transition Risk Market	The development process of the new energy supply market is characterized by an imbalance between the supply of and demand for renewable energy, which leads to high volatility in energy prices and may bring additional operating costs for enterprises.	H3C actively reinforces key areas, strengthens regional synergy, and joins hands with industry partners to build a green industrial system and promote low-carbon industrial development.
Transition Risk Reputation	In response to the introduction of the dual-carbon goals and policies, investors, consumers, and the media have become increasingly concerned about the performance of enterprises in terms of green development, energy conservation, and emissions reduction, and have set higher standards for companies to fulfill their corporate responsibilities and standardize their environmental management systems.	- H3C consistently maintains communication and interaction with stakeholders, actively improves information transparency, regularly discloses climate-related information, and enhances the quality of information disclosure. In 2023, the Company launched the <i>Digital-Intelligence-Power Dual Carbon Dynamic Monitoring Report</i>. - In addition, H3C actively fulfills its social responsibilities and participates in social welfare and environmental protection activities, demonstrating the Company's concern and contribution to society and the environment.
Opportunity category	Potential impact	Opportunities handling
Transition Opportunities Products and services	As users increasingly recognize the concept of environmental protection, consumers tend to gravitate towards green and eco-friendly products and services. Enterprises can improve their competitive edge in the market by providing low-carbon products.	- H3C stays up to date with changes in customer needs through effective communication systems. In terms of product life cycle management, the Company has established a LCA management system to accurately account for product carbon footprints and to provide product carbon footprint reports in order to support green product designs and meet market demands. - Moreover, the liquid-cooling technology developed by H3C has huge advantages in improving energy efficiency and noise reduction and control, which can save a lot of energy/water costs and win more market share.
Transition Opportunities Market	With the increased attention shed on climate-related information from regulators, social media, and others, the implementation of strategies, measures as well as the various actions taken to address climate change and help society as a whole have produced positive results in combating climate change. This will help the Company to maintain a good reputation in the capital market, thereby improving ESG performance evaluation while attracting investment and lowering financing costs.	H3C actively strengthens key areas, strengthens regional synergy, and joins hands with industry partners to build a green industrial system and promote low-carbon industrial development.

Indicators and Goals

As a practitioner and promoter of the "dual-carbon" strategy, H3C actively carries out carbon inventory and accounts for the Company's greenhouse gas (GHG) emissions on an annual basis. H3C has set up a GHG Inventory Department, which is responsible for identifying, inventorying, and tabulating the specific GHG emissions from emission sources within the boundaries of the organization's operational control. The Company has carried out GHG inventory in accordance with ISO 14064 and GHG Protocol and has obtained a third-party verification statement.



Energy Conservation and Carbon Reduction

H3C continuously optimizes energy utilization efficiency, reduce operational energy consumption, actively adjusts the energy structure, and practices the concept of green development. To achieve efficient energy management, H3C continues to promote the construction of energy management systems and has since obtained ISO 50001 certification.

Energy Conservation and Technical Reconstruction

Adhering to the concept of energy conservation and consumption reduction, H3C has kickstarted several energy conservation and technical reconstruction projects. During the reporting period, the Company optimized the management of the HVAC system. Through the dynamic adjustment of water pump operation frequency, optimization of water outlet temperature of ice water units at night, maintenance of cooling tower systems, and water treatment of HVAC system alongside other measures, the Company achieved an annual saving of 500,000 kWh in electricity consumption.

Moreover, H3C has replaced the LED lamps and lanterns in the office area, basement, canteen, and other areas of Changhe Base in Binjiang District, Hangzhou, thereby achieving an annual electricity saving of 500,000 kWh. In addition, the Company has also implemented nighttime power-down control for R&D equipment rooms, taking measures such as automatic power down for storage product lines at night and manual power down for R&D and resource management test equipment rooms to avoid energy waste.

Use of Renewable Energy

H3C continues to promote the development and utilization of renewable energy, actively exploring ways to use and recycle resources while enhancing the Company's use of renewable energy through the layout of distributed PV as well as the procurement of green power.



Green Computing Power Development

H3C continues to work on energy conservation and emission reduction in data centers. Currently, H3C has built its own data centers in five locations across China, with a total of about 3,500 IT servers. The Company incorporates green and low-carbon concepts into the full lifecycle management of data center site selection and design, construction, and operation.

In addition to promoting the green and low-carbon operation of self-built data centers, H3C has also incorporated various environmental factors into the assessment criteria for data center equipment room suppliers in order to conduct comprehensive assessment of the environmental location, energy consumption control technology, security and reliability, and disaster protection measures of leased data centers. It also allows for the screening of eco-friendly, safe and stable data center suppliers in order to safeguard the Company's computing power stability.

H3C's Green Computing Power Practice

Site selection:

H3C fully considers and evaluates the impact of environmental factors such as geographic location, geological conditions, air quality, power supply, water supply, and the comprehensive safety situation of the environment in the selection of data center sites, and strictly follows the principle of green site selection.

Design and construction:

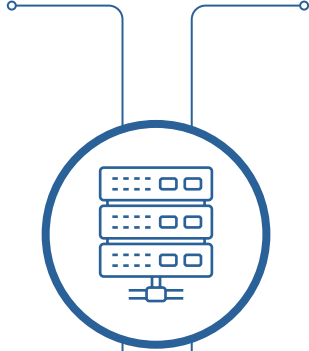
Eco-friendly design concepts are applied and eco-friendly building materials and equipment are used in construction to minimize additional energy consumption during construction as well as operations.

Energy conservation and carbon reduction:

H3C harnesses the waste heat generated in the equipment room and applies it to activities such as heating and generating of hot water in the office area to improve the efficiency of energy utilization. Moreover, to further reduce carbon emissions, the cold aisle temperature of the equipment room is increased under the premise of stabilization and control.

Digital intelligent water conservation:

H3C monitors and controls water consumption in real time through an intelligent monitoring system to detect and repair water leaks in a timely manner.



Inner Mongolia Central Laboratory of H3C

In 2023, the construction of the H3C Central Laboratory equipment room was completed. The Laboratory revolves around the development of an innovation-driven platform for digital development "rooted in Inner Mongolia and radiating across China", and actively practices the "East-to-West Computing Resource Transfer Project". The construction of the park is based on the Company's green intelligent data center program and zero-carbon park program. The equipment room building is equipped with an insulation layer that is thicker than its conventional counterparts, which serves to protect the internal environment by ensuring constant temperature and humidity. The power supply of the equipment room utilizes local wind energy, solar energy, and other clean energy to achieve sufficient energy supply. Meanwhile, air-conditioning equipment is enhanced with water-cooled systems to control the temperature range of the chiller's discharge and return water. Moreover, the equipment room is naturally cooled in winter and spring each year to reduce energy consumption. At present, the PUE value of H3C Central Laboratory in Inner Mongolia has reached 1.25.

Green Products and Solutions

Climate change is one of the biggest challenges faced by the world today. H3C is not only capable of reducing its own impact on the environment but also provides our customers with innovative low-carbon technology solutions to drive industry transformation. By establishing integrated green data center solutions, creating innovative liquid cooling technology, building zero-carbon smart parks, and launching other products and solutions, H3C continues to explore the innovative path of using digitalization to achieve low-carbon transformation.

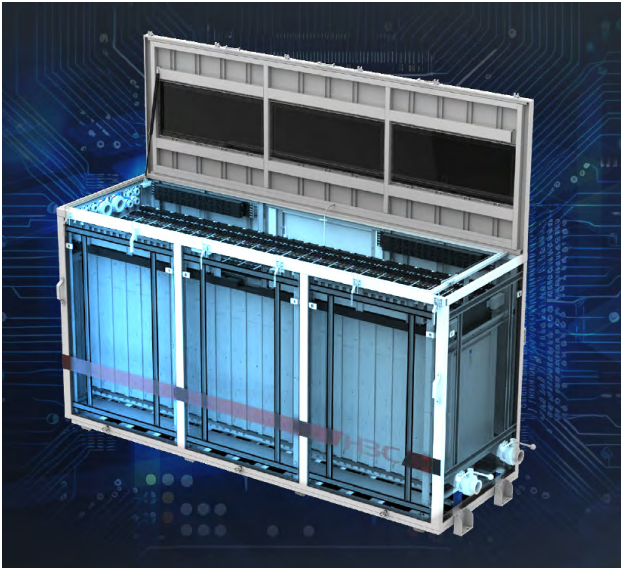
Full-Stack Liquid Cooling Solutions

H3C continues to break through the frontiers of liquid-cooling technology and takes multiple measures to achieve optimal PUE and promote low-carbon digitalization in the industry. With many years of technology accumulation in liquid-cooling technology, H3C has currently realized the liquid-cooling design for full-stack ICT products. Especially in the field of servers, the Company has comprehensively covered general-purpose computing, heterogeneous computing, and other products, which are able to meet the energy-saving and consumption-reduction needs of different industries and scenarios through a flexible product portfolio. Moreover, H3C's liquid-cooling technology has comprehensively covered the two mainstream technology routes of cold-plate liquid-cooling and submerged liquid-cooling, which have been continuously explored and innovated on this basis. In order to ensure data centers remain vital, the Company is committed to finding the ultimate in heat dissipation efficiency. Liquid cooling technology was fully integrated into H3C's UniServer G6 servers in 2023, which contributes to the reduction of carbon emissions and energy costs in new data centers.

Based on its accumulation in the field of liquid cooling, H3C compiled its industry experience and participated in the preparation of the *White Paper on Standardization and Technical Optimization of Cold Plate Liquid Cooling*, so as to continue promoting the standardization of green computing power. At the same time, it provides guidelines for the design and production of future liquid-cooling components and facilitates the promotion and application of liquid-cooling technology in data centers.

Contribution of H3C to Liquid Cooling Transformation of Old Air-Cooled Server Rooms

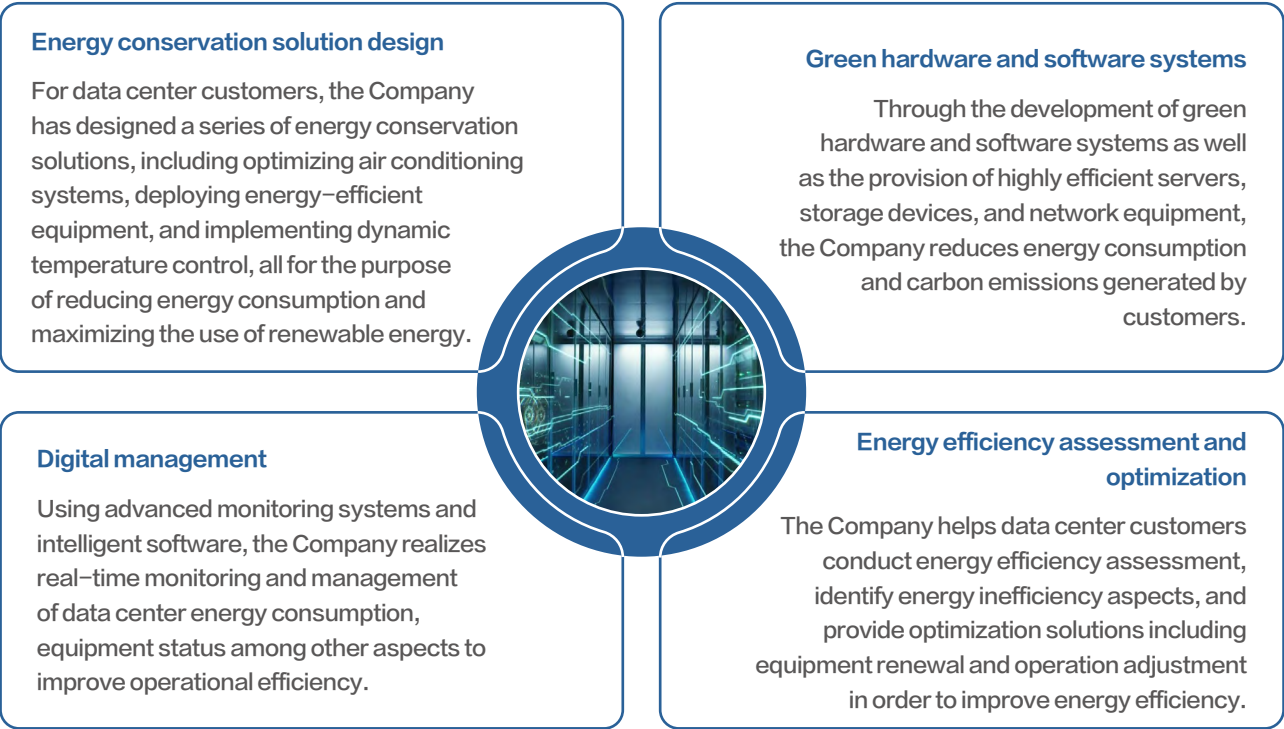
In 2023, H3C supported a liquid-cooling pilot project for an East-to-West Computing Resource Transfer hub node, in which the liquid-cooling transformation of an old, air-cooled server room was to be completed. H3C provided a full range of liquid-cooling solutions including liquid-cooled servers, liquid-cooled cabinets, distributed CDUs, and server room piping modifications to ensure that each cabinet could efficiently support liquid-cooled cooling at a rate of 35KW. During the transformation process, H3C deployed 20 advanced cold plate liquid-cooled servers with PG25 coolant and UQD04 quick connectors. This not only kept the noise generated by the whole cabinet below 60dB but also reduced the CPU temperature by 18° C. This technological innovation provides strong support for the green transformation of operators, effectively improves the energy efficiency of data centers, and further propels the industry in the direction of green, low-carbon sustainability.



Green Data Center

With the increasing intensity of digitalization and the surge in demand for AI computing power, the importance of the data center as a digital infrastructure is increasing day by day. As a practitioner of "Green Computing Power", H3C has incorporated the concept of "low carbon" into the R&D and innovation of data center services, and thus launched a green data center solution that covers the full life cycle lifecycle of data centers. It encompasses all aspects of the process, from planning and consulting, design and implementation, to facility validation, and O&M services. Up to now, H3C has participated in the deployment of more than 800 data centers around the world.

To realize customers' green data center needs, H3C mainly creates products and solutions from the following aspects:



H3C's solution for micro-module data centers won the Award for Data Center Energy Efficiency Solution of the Year 2023

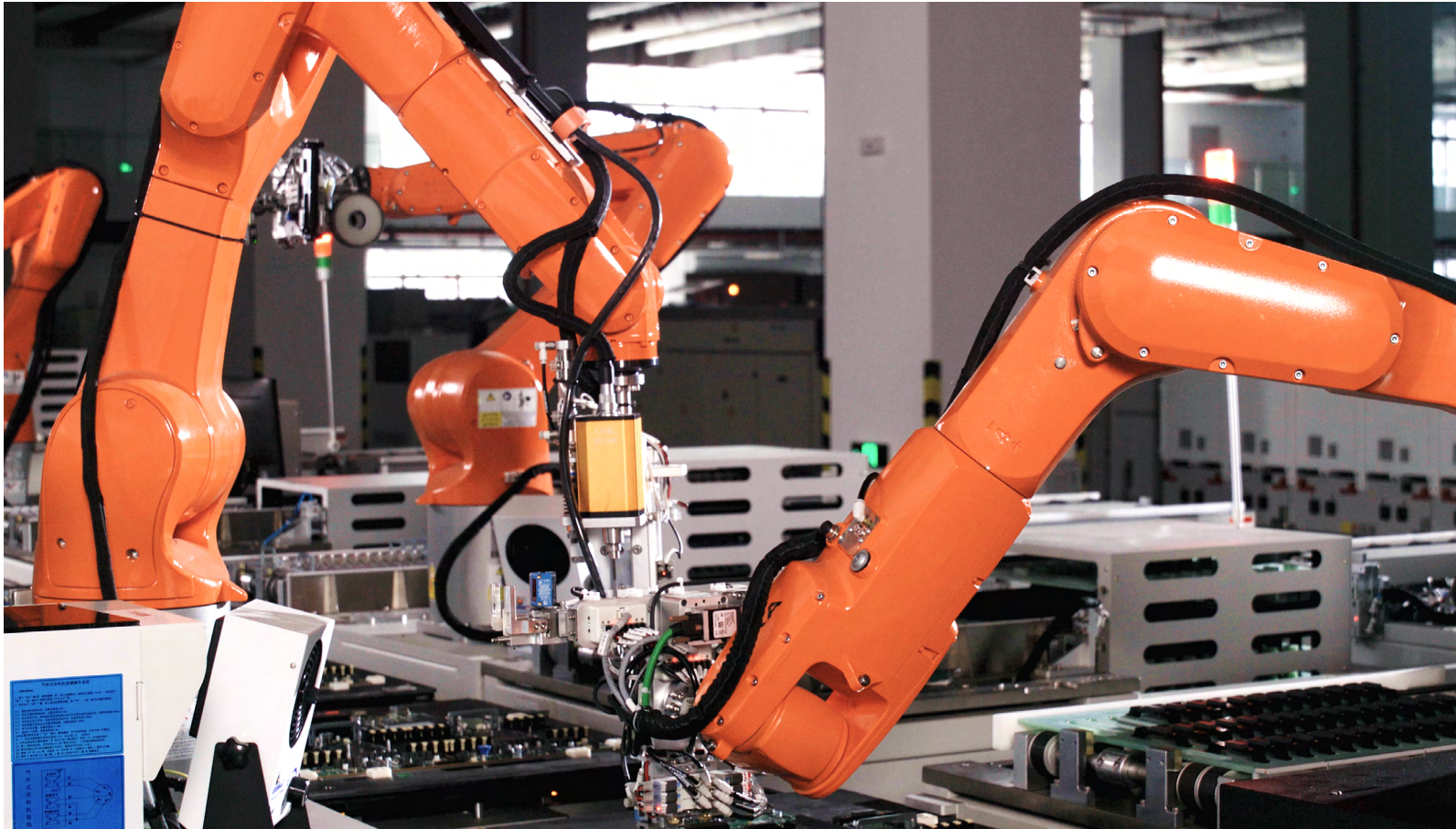
Zero-carbon Smart Park

As a core component of urban development, parks focus on key elements such as industry, functions, innovation, and human resources. In addition to driving economic growth, they also influence the environment and ecology. Therefore, parks are an important platform for promoting the transformation and upgrading of China's industries as well as the implementation of the "dual-carbon" strategy.

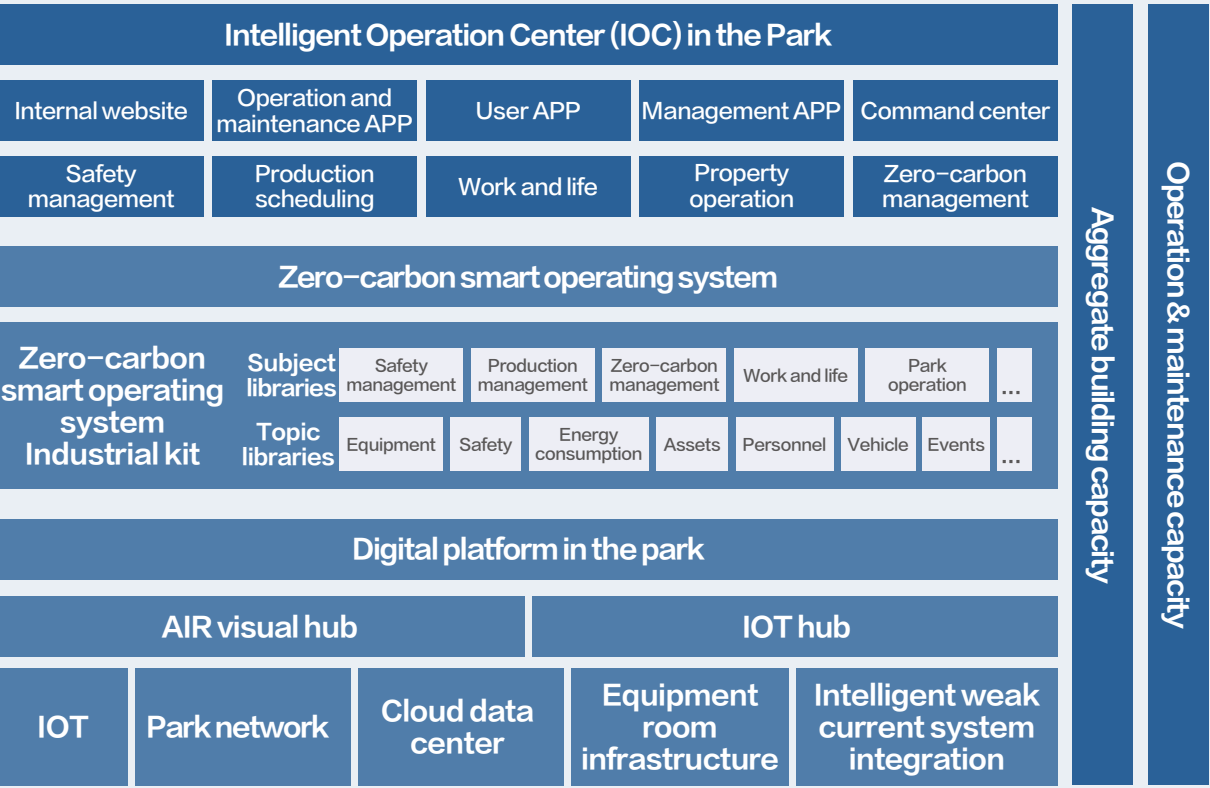
From 2022 to 2023, to further promote the integration of digitalization and intelligence and empower the "Zero Carbon + Intelligence" upgrading, H3C has formulated a "1+4" top-level design theory to build a full chain of services around "Capacity—Energy Measurement—Energy Conservation—Energy Use" to stimulate the new momentum of green transformation in the industry. Based on energy management, H3C's zero-carbon smart industrial park solution promotes the green transformation and upgrading of industrial parks through a digital intelligence system of "sorting out—diagnosis—service—optimization" across three dimensions of investment promotion, governance, and service, utilizing a zero-carbon smart operating system and a collaborative management platform for reducing pollution and carbon emissions.

With "digitalization" as the fulcrum, under the "1+4" top-level design, H3C's zero-carbon smart industrial park solution builds a "from the inside out" capability system with efficient, low-carbon, safe, and lean zero-carbon smart industrial park solutions, and empowers the sustainability of industrial parks from multiple dimensions.

In addition to empowering the industry to promote green transformation, H3C is committed to building itself as a benchmark for implementing the "dual-carbon" strategy, empowering the H3C Future Factory with zero-carbon smart park solutions, and helping it become a leading low-carbon smart manufacturing factory model in China.



Technical Architecture of H3C Zero-carbon Smart Park



Winner of 2023 IDC China Sustainability Pioneer Case by H3C Future Factory

In the context of intelligent manufacturing and industrial upgrading, H3C has facilitated comprehensive digital intelligence empowerment with an enterprise digital brain to build a lean, intelligent, flexible, IOT-based, and green future factory. As a high-end intelligent "Industry 4.0" production base, the H3C Future Factory held two production lines in Phase I, with an annual production capacity of 500,000 servers. It is among the first batch of "future factories" in 2022 in Zhejiang Province.

In November 2023, the H3C Future Factory was selected as one of the "2023 IDC China Sustainability Pioneer Cases" due to its outstanding performance in intelligent manufacturing and green manufacturing. At present, H3C Future Factory is continuously promoting a comprehensive layout in strategic planning, management and operation, model innovation, information network platform construction, one-stop service, and talent training. In the Future Factory, new-generation information technology will be integrated into the manufacturing industry through the establishment of a service-oriented, full-lifecycle, and collaborative whole-chain manufacturing model integrating production, manufacturing, warehousing, logistics, sales, and service. Through digitalization, integration, and platformization, the enterprise's production will be transformed.



| Green Operation

H3C pays close attention to the harmonious coexistence with the environment while developing at a high speed. Starting from system development, energy and resource management, and green office, the Company actively takes the necessary measures to conserve resources, thereby effectively reducing the impact of the Company's operation on the ecological environment alongside the establishment of a green and low-carbon business model while driving the green development of the industry.

As an emerging technology enterprise, H3C strictly abides by the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations and formulates energy management systems such as *Administrative Service Standards and Commitments* and *Management Standards for Energy Conservation and Consumption Reduction in Technical System*. With reference to the requirements of ISO 14001 standard, the Company has developed an environmental management system and standardized the energy consumption standards of electricity and water supply in the office area as well as the use of resources in the production process in order to achieve green sustainability. During the reporting period, the Company received zero environmental penalties, zero environmental-related fines, and zero environmental-related lawsuits.

Water recourse management

The Company continuously ensures that its water consumption facilities are kept up to date, so as to promote green concepts. In 2022, the Company replaced the main water intake pipe of the Changhe Base and carried out leakage remediation and repairs to the cooling towers of the system. In 2023, the Company achieved an 11% reduction in annual year-on-year water consumption.

During the reporting period, H3C Changhe Base carried out water faucet renewal, covering a total of 329 old faucets. This allows us to strengthen the management of water-saving facilities.

Waste management

H3C strictly abides by the national and regional laws and regulations related to waste management and pays close attention to waste generation and disposal. All domestic wastes are transported and disposed of daily by waste disposal suppliers in compliance with the requirements for waste classification in different regions. Meanwhile, used lamps are centrally disposed of by qualified and specialized solid waste suppliers every year. As for the waste generated in the office and operational links, the Company strictly enforces the classification of waste and the development of different disposal measures. On the other hand, secondary cycling is carried out for paper case, foam and other packaging materials. Last but not least, for damaged confidential cabinets and other metal materials, the Company classifies and packages the old metal scrap for sales and reuse.



| Green Industry Chain

Green Manufacturing

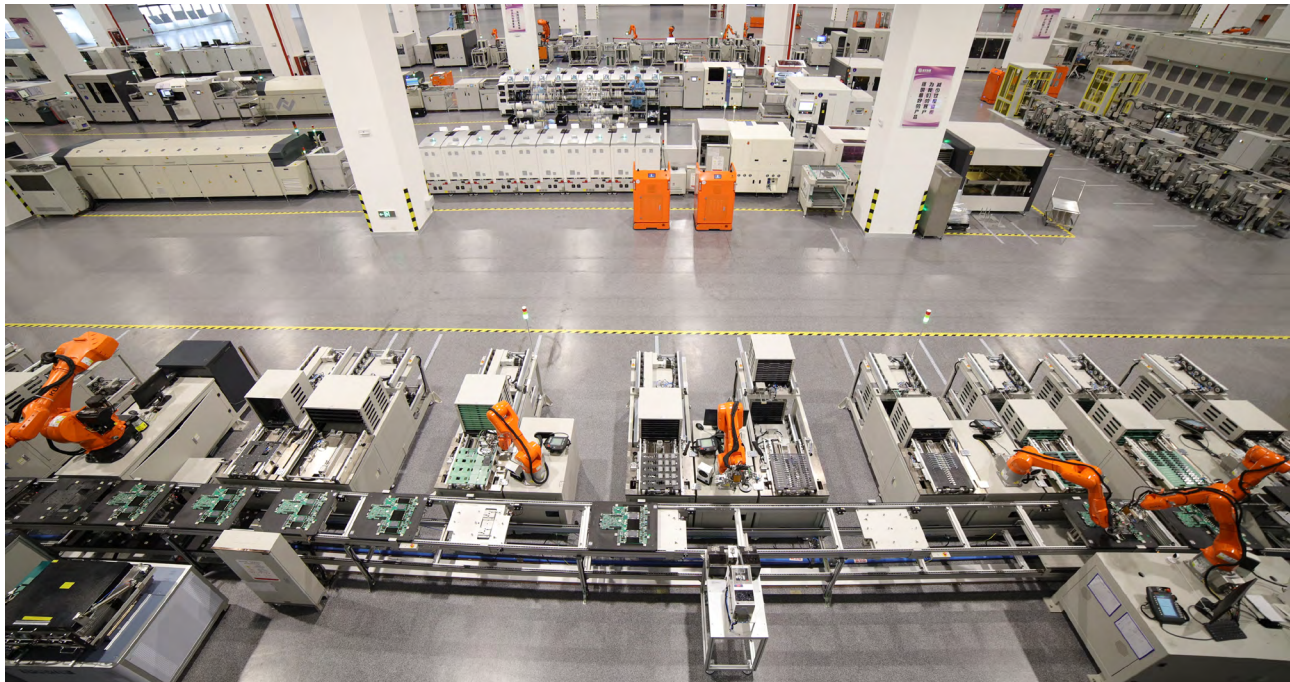
H3C is committed to building a green industry chain, deeply integrating the concept of green development into its corporate development strategy and implementing the concept of sustainability through practical actions. The Company actively incorporates the concept of sustainability into product design, manufacturing, resource recycling and utilization, facilitating the green transformation of the industry.

Green Design

In product design, H3C strictly adheres the Group's environmental standards and fully integrates green design concepts into product design, manufacturing technology, material selection and other production processes. H3C has implemented the concept of "Lean Design" to optimize product design from the front end to reduce the number of product parts, simplify the production process and strengthen the durability of the products. It strives to reduce the use of raw materials, reduce the pollution emission of the process and extend the service life of all products. H3C simplifies the processing complexity of the products and parts while facilitating the disassembly of products through modularized product design. It also makes it a point to opt for environmentally friendly materials in order to improve the recovery rate of products and achieve its goal of minimizing the impact of products on the environment right from the source.

H3C was selected as a **Green Supply Chain Management Enterprise** in the 2023 Green Manufacturing List of the Ministry of Industry and Information Technology.

H3C's intelligent terminal product line is subject to RoHS, WEEE and other international environmental protection certifications at the development stage, and all raw materials comply with RoHS certification.



Green Packaging

H3C actively implements green packaging with a focus on packaging reduction, reuse and recycling, and continuously enhances the technological innovation and application of green packaging. The objective is to effectively reduce the consumption of packaging materials and extend the lifecycle of packaging products.

Packaging reduction	Reuse	Recycling
Advocate lightweight and small packaging and decrease the amount of cushioning materials to reduce the weight and volume of packaging. This translates to a holistic reduction of consumption of packaging materials.	Enhance the durability of packaging and extend the lifecycle of packaging. As part of its packaging recycling and reuse program, H3C designs printed plastic bags, paper products, and chassis recycling marks for all of its products.	Opt for environmentally friendly, renewable and degradable packaging materials, and convert recycled packaging materials into new products or raw materials for the manufacture of new packaging.

H3C Intelligent Terminal Product Line Promotes Paperless Product Label

H3C continuously promotes technological innovation for packaging reduction. From 2022 and 2023, the Company actively promoted the use of paperless product labels in its intelligent terminal product line, introduced laser etching technology for the printing of product nameplate information, and effectively reduced the use of label paper and 3M adhesive. During the reporting period, the intelligent terminal product line resulted in a total saving of approximately 6 million sheets of product label paper. On this basis, the intelligent terminal product line also incorporated the green packaging concept by reducing the amount of packaging printing paint and using kraft paper packaging.

Packaging Upgrade of H3C's Full Series of G6 Servers

In 2022 and 2023, the packaging materials of the full series of G6 servers of H3C were upgraded from EPE (expanded polyethylene) to EPP (expanded polypropylene), effectively reducing the overall weight and volume of the packaging. The volume of the R4900 G5 packaging box has been reduced by 28.8% on average compared with the G3 server. On the other hand, the packaging material has been reduced by 42.8% on average in comparison to the total weight of the G3 server. The server's domestic shipping pallet material was switched from plywood to corrugated paper + edge protector, thus reducing weight by 54% and annual carbon emissions by approximately 26.6 t CO₂e.

H3C has replaced the shipment form of Build To Order (BTO) of each component with the shipment form of Configure To Order (CTO) for the entire machine, reducing the amount of packaging materials and the overall volume of packaging, thus promoting sustainable packaging.

Green Process

H3C adheres to environmentally friendly production and is committed to becoming a green production model in the industry. By promoting green production technology, implementing energy-saving equipment, and implementing energy-saving management on-site, it reduces the use of various chemicals and energy in the production process.

H3C Server Adopts Modular Irregular Motherboard Design

The whole series of G6 servers of H3C adopts the modular irregular motherboard design, separating the BMC from the motherboard to increase the utilization rate of the motherboard to 83% and effectively reduce the board waste. BMC modules are highly reusable in G6 servers. Hence, it can reduce repeated development.

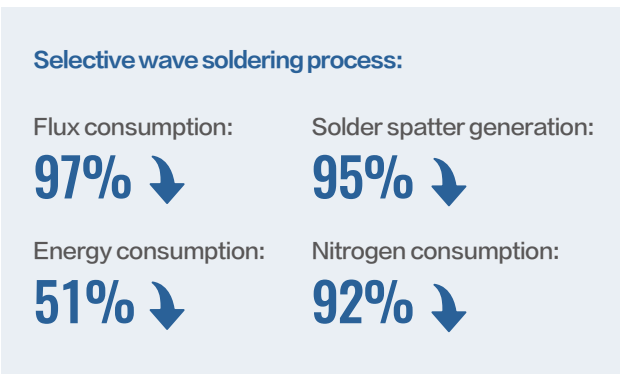
With no wave soldering on motherboards, power and solder consumption, flux usage, and environmental pollution are reduced, and product quality and first pass yield are improved.

Product Recycling

In terms of product recycling, for product dismantling and recycling, H3C has formulated internal management systems such as *Rules for Recycling and Processing of End-of-Life Materials*, and the end-of-life materials will be returned to the Group for unified processing, thereby effectively enhancing the utilization rate of raw material recycling.

Product Lifecycle Assessment

H3C also attaches great importance to the carbon footprint of the entire lifecycle of its products. It actively carried out product carbon footprint assessment during the reporting period. Based on the lifecycle assessment methodology framework and general requirements stipulated by ISO 14040, ISO 14044 and ISO 14067, H3C utilized the "H3C LCA Management System" to conduct product carbon footprint (PCF) assessment analysis throughout the lifecycle, including raw material, manufacturing, transportation, use and end-of-life phases. To date, H3C has issued carbon footprint statements for a total of nine servers.



H3C MagicHub Digital Office Solution Is Used to Create a New Benchmark for Energy Conservation and Emission Reduction

Equipped with ultra-high-definition displays, smooth writing and other functions, the H3C MagicHub is a self-developed operating system that provides full-scenario digitalization solutions for education, healthcare, conference and other industrial markets with innovative technologies.

H3C MagicHub has a built-in light sensor, allowing the whole machine's backlight to be adjusted based on the brightness of the environment to achieve energy conservation. Designed to comply with Grade 1 energy efficiency standards, the H3C MagicHub received the China Environmental Labeling Product certification in 2023.



Green Certification

China Energy Conservation Certification

The China Energy Conservation Certification is a voluntary certification carried out by the China Quality Certification Center (CQC) in accordance with relevant national standards and technical requirements. It aims to encourage consumers to proactively opt for energy-saving products, to promote the use of energy-saving products and facilitate the advancement of technological level through resource-saving certification.

In 2022 and 2023, many H3C server (rack, storage, heterogeneity) products and switch (data center switch and campus switch) products passed the China Energy Conservation Certification of China Quality Certification Center (CQC).



Ecological Product Certification



The China Environmental United Certification Center launched the Ecological Product Certification for Ethernet switch products and network-based firewall products. This puts forward higher ecological requirements for product design, production, energy conservation and noise reduction, and packaging materials.

In 2022 and 2023, a total of about 137 models of H3C switch products (data center switches, campus switches and PON switches) and a total of about 17 models of low and medium-end firewalls passed the Ecological Product Certification of China Environmental United Certification Center.

China Environmental Labeling Product Certification

China Environmental Labeling Product Certification (CELPC) is a type of certification carried out by the China Environmental United Certification Center (CEC). CEC-certified products are not only of qualified quality, but also meet the requirements of environmental protection in the process of production, use and treatment and disposal.

In 2022 and 2023, a total of about 69 server products, including H3C rack servers, storage servers and heterogeneous servers, were certified as China Environmental Labeling Products.



Green Procurement Requirement Standard Certification for Governments



CEC has launched the Green Procurement Requirement Standard Certification for Governments to put forward corresponding ecological technical requirements for products other than Ethernet switches and network-based firewalls in terms of design, production, energy conservation, and packaging materials.

In 2023, a total of about 74 models H3C router products (low and medium-end routers, high-end routers, and core routers) and about 20 models of H3C rack servers passed the Green Procurement Requirement Standard Certification for Governments by CEC, making H3C the first router and server product provider in the industry to obtain such certification.

PEOPLE FIRST

Since its inception, H3C has attached great importance to the cultivation and development of talent and is committed to building a diversified and inclusive growth platform for its employees. The Company empowers and supports employees' career development by establishing a specialized training system. It has also developed a perfect remuneration system and promotion mechanism while effectively aiding employees in realizing their personal values. The Company is also closely concerned about employees' health and wellbeing and works together with them to promote the continuous innovation and long-term development of the Company.

05



| Employee Recruitment

Employees are the indispensable driving force of H3C's sustainability, and standardized employee employment stands as a cornerstone of the Company's long-term human resource management. The Company adheres to the people first principle, formulates legal and compliant employment mechanisms, and fully protects the rights and interests of employees. The Company has actively built a safe and harmonious workplace environment where mutual benefit and win-win and common growth between employees and the Company is constantly promoted.

In terms of recruitment, in order to attract high-quality digital talent, H3C has established school-enterprise partnerships with several colleges and universities to cultivate potential talent. At the same time, it continuously promotes the "H3C Campus Recruitment" concept to attract outstanding graduates. The Company has set up an internal employee recommendation program to encourage employees to recommend high-quality talent and conduct weekly internal publicity. As part of the program, employees are rewarded for successful recommendations. It has set up a professional recruitment team to ensure that high-quality talent who meet the Company's requirements are recruited through accurate talent scouting, interviews, and evaluation processes.

H3C strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* as well as other relevant laws and regulations. It reinforces internal supervision and external monitoring and protects the legitimate rights and interests of employees. The Company strictly prohibits child labor and forced labor, and resolutely rejects all forms of corporal punishment, harassment and other acts that harm the rights and interests of employees. The Company signs labor contracts with its employees in accordance with the law to ensure that all employees enjoy equal access to labor remuneration, social insurance, employee benefits, legal holidays and other legal rights.

In the aspects of recruitment, remuneration, promotion, and daily management of human resources, H3C adheres to the principle of "Equality and Non-discrimination" to ensure that employees enjoy equal opportunities to compete. To further protect the rights and interests of employees, the Company has established a labor relationship risk assessment and handling mechanism to ensure that labor disputes arising from work can be resolved in a timely and effective manner.

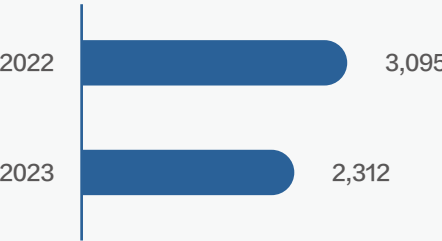
To maximize employee welfare, in addition to the state provisions of social insurance and housing provident fund for employees, the Company purchases commercial insurance for all employees and their families, which include complementary medical care, coverage for major diseases, and life insurance in order to help employees cope with various incidents and emergencies and improve the risk resistance of their families. The Company also provides employees with paid annual leave, marital, funeral and maternity leave and other benefits. Based on the various work nature and special post requirements of different roles, H3C provides special welfare subsidies for relevant employees, such as subsidies for expats sent overseas, relocation benefits, and plateau hardship allowances. The Company pays close attention to the well-being of special employees and provides comprehensive support for them. From 2022 to 2023, both the labor contract signing rate and the social insurance coverage rate of H3C reached 100%.



100%
2022–2023 Labor
contract signing rate

100%
2022–2023 Social
insurance coverage rate

Newly recruited employees (No.)



Total employees (No.)



H3C Honors



Diversity, Inclusion and Equality

H3C believes that a diverse team is one that is endowed with creativity and flexibility, and that open communication channels improve management efficiency while bringing broader vision and development opportunities to the Company.

Diverse Workforce

The Company strictly abides by the *Labor Law of the People's Republic of China, International Labor Conventions* and other relevant laws and regulations, and has formulated a series of clear and standardized recruitment policies and processes, including anti-discrimination clauses. To ensure that candidates and employees with different identity characteristics have a fair chance at competition, H3C practices openness, fairness, and impartiality in recruitment. It doesn't matter what their skin color, ethnicity, orientation, gender, age, race, nationality, religion, or whether they are married or childbearing. Through the establishment of international recruitment channels and a clear strategy for recruiting overseas talent, the Company attracts talent from different regions with international perspectives and cross-cultural communication skills. Equal opportunities and treatment are provided to overseas employees.

H3C regularly reviews the recruitment process to ensure that it is free of any discrimination and continuously improves it based on feedback and data. The Company has introduced an external review mechanism and established a monitoring mechanism to ensure fairness in recruitment through regular monitoring and evaluation by the Legal and Ethical Compliance Department. The Company displays the entire recruitment process through a digital system to ensure transparency.

With regard to the topic of gender equality, H3C adheres closely to the concept of gender equality and remains committed to creating an equal and inclusive workplace environment while paying due attention to the well-being of female employees. To express its care and recognition for female employees, H3C has established a special subsidy policy for festivals, respecting and celebrating the unique contribution and value of women through practical actions, thereby enhancing their happiness and sense of belonging to the Company.

Democratic Communication

H3C insists that the Labor Union participates in the discussion and decision-making of rules and regulations as well as major matters together with Human Resources Department and Legal Department, so as to ensure that employees are given sufficient opportunities to fully express their opinions. This also enables the Company to implement democratic management of employees, ensuring that the Company's decisions are in line with the interests of employees.

To enhance the communication between the employees and the management of the Company as well as effectively safeguard the legitimate rights and interests of the employees, the Company has established an effective mechanism for internal communication and feedback. This allows employees to communicate openly with the management and through collective consultation. The forms of communication include, but are not limited to, executive email, employee symposium and employees' forum. The topics of communication cover the optimization of the workplace environment and the evaluation of honorary awards.

Occupational Health and Safety

H3C strictly abides by the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other relevant laws and regulations and has established a scientific occupational health and safety management system. To standardize the Company's occupational health-related management processes, the Group has gained the ISO45001 Occupational Health and Safety Management System Certification. With reference to the requirements of the relevant standards, the Group has formulated the *Environment, Occupational Health and Safety Management Manual* and other relevant systems to continuously improve the health and safety standards of its employees.

To standardize the process of responding to risks and opportunities in the environment, health and safety (EHS) system, H3C applies the methodology of risk and opportunity management to EHS governance, so as to ensure the achievement of the expected goals of the EHS system. The Company has formulated the *EHS Risk and Opportunity Management Process* to identify and manage occupational health-related risks and opportunities related to production and operations, and to promote risk assessment in order to identify their potential impact and minimize potential occupational health risk threats.



H3C provides free health checkups for all employees every year. Employees may visit the Company's designated Three-A hospitals or health checkup centers for health checkups or go to hospitals in other cities and then apply for reimbursement of expenses according to uniform standards. For lung, stomach, liver diseases and other sub-health problems, employees can opt for personalized health checkup packages after completing the basic health checkup. On top of the standard health checkup amount, employees over 40 years old are entitled to reimbursement of additional special expenses. Family members of employees are also entitled to a uniform discount for health checkups provided by the Company. During the reporting period, the participation ratio of employees of the Company in health checkups reached 100%.

H3C actively carries out healthcare lectures and other activities to popularize healthcare knowledge and safeguard employees' physical and mental health. During the reporting period, the Company, based on the participation of employees in health checkups, joined hands with health checkup organizations to carry out activities such as healthcare lectures, emergency care, and free Chinese medicine clinics at office locations with more than 1,000 employees. The Company sent health tips to employees by email, reminding them of the top 10 items of health problems with high incidence in the results of health checkups. It has also set up a special program called "Health Planet" to publicize mental health topics, including "caring for your emotions" and other topics, to all employees.

Enabling Talent Development

Employees are indispensable to the overall development of the Company's comprehensive strength and are seen as the cornerstone of the Company's business capability. H3C places strong emphasis on employee development, designs diversified development channels for employees, and continuously refines the remuneration system and deployment of talent development to perfection. It endeavors to provide employees with a broad development platform to create value and realize their dreams.

Career Ladders

H3C attaches great importance to the development and growth of talent and has implemented scientific and comprehensive talent management by formulating internal systems such as the *Regulations on Employee Grade Management*. The Company adheres to the principle of "objectivity and fairness", whereas the Human Resources Department uniformly organizes the evaluation of employees' grades every year. The department assesses the match between employees' grades and their job responsibilities by examining their daily performance and personal abilities and carries out employee grade promotion and demotion accordingly.

To meet the diversified and flexible development needs of employees, the Company has developed a dual-channel growth channel for professionals and management. The two career ladders are interchangeable and they guide the outstanding employees to pursue excellence in their fields of specialization with a laser focus on boosting their core business capabilities and accumulating experience.

The Company has established the qualification standards to equip each employee with the direction and channel of career development, and to facilitate his/her personal ability upgrading. Ordinary employees are subject to the professional qualification standards while the department heads are subject to the management qualification standards. Both categories of personnel are assessed through performance management to determine their personal ability and contribution as well as their compliance with the qualification standards of the corresponding grades. The Company has also established a career ladder and qualification management system for overseas talents to meet the career development needs of personnel of different nationalities.



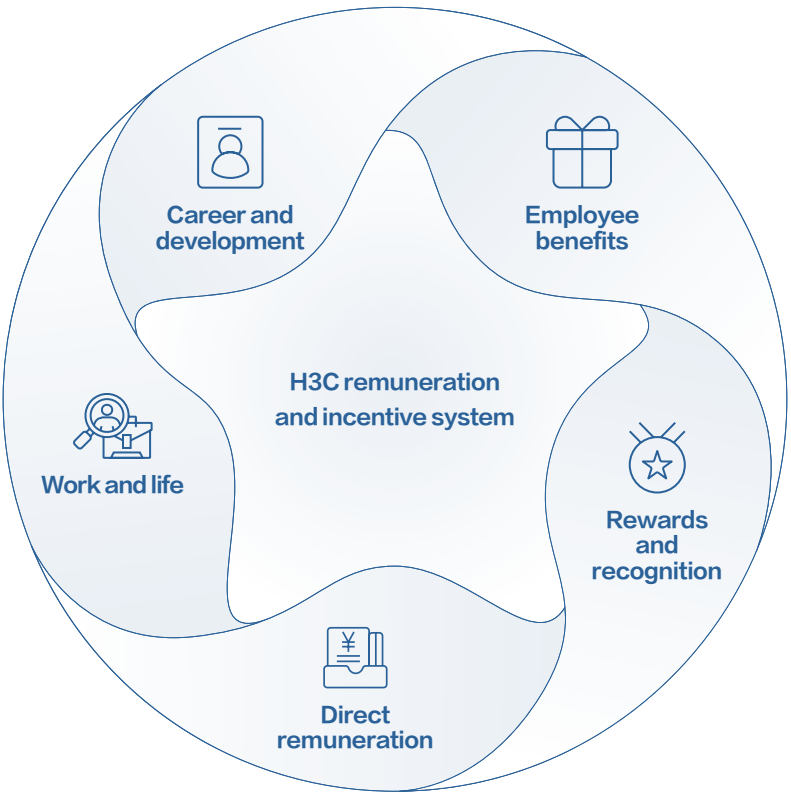
Remuneration Management System

H3C is committed to establishing a remuneration and incentive system that promotes a synergistic and mutually beneficial relationship between the Company and its employees. With a comprehensive remuneration strategy, we aim to create a remuneration framework that meets the needs of a modern enterprise in a variety of aspects and contributes to the Company's sustainability and employee growth.

Compensation and incentive systems at H3C are designed in accordance with the Company's business strategy. They ensure internal fairness and external competitiveness and adhere strictly to the principle of fairness and impartiality. By linking employee positions, qualifications, and performance, the system ensures varying remuneration for various individuals and maximizes incentive effects. In order to maintain a competitive remuneration system, the Company conducts internal and external remuneration benchmarking surveys regularly.

H3C focuses on the career planning and growth of its employees and provides them with opportunities for continuous learning and enrichment.

H3C focuses on the work-life balance of its employees by providing flexible work schedules and telecommuting options to enhance employees' happiness and job satisfaction.



H3C offers holistic employee benefits, including medical insurance, retirement programs, and paid leave to safeguard the rights and interests of employees.

H3C motivates employees through various forms of rewards and recognition.

H3C has established a comprehensive remuneration management mechanism, with the purpose of "motivating employees with concentrated efforts and retaining them with remuneration", and adopts a combination of short-term, medium-term and long-term incentives. It regularly benchmarks external market practices to keep remuneration levels competitive in the industry.

Talent Development Strategy System

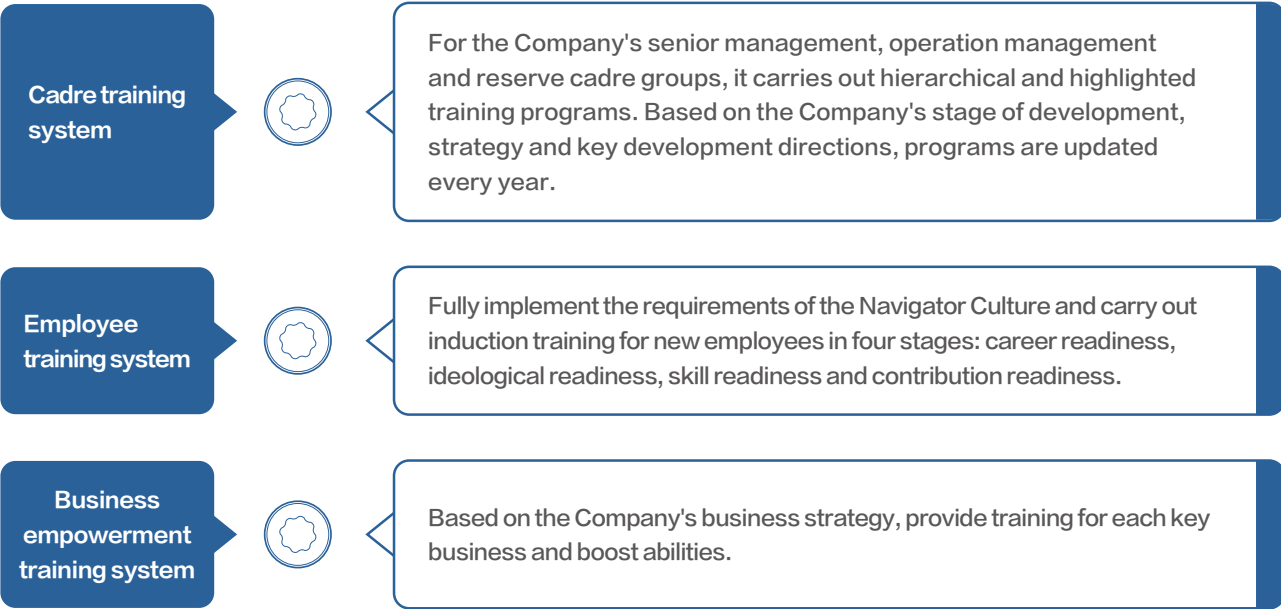
H3C believes that employee growth is vital to the Company's sustainability. Based on the Company's business strategy and development goals, H3C is committed to providing comprehensive training and development programs for all key employees and staff.

H3C has established a sound talent development system that provides employees with access to comprehensive training programs. It also offers promising young talent good promotion and development opportunities. Various methods such as job rotation, training and talent programs are used by the Company to develop the comprehensive capabilities of talent, expand their international horizons, and enhance their management capacities and leadership. As a part of its comprehensive leadership development program, the Company empowers and trains young talent with leadership potential and integrity.

In view of the ability requirements of different positions, the Company has set up a cadre training system, an employee training system, and a business empowerment training system to cultivate outstanding talents for the Company's business development. This is carried out through a series of processes, such as standard evaluation, strict selection and training and development. It strives to create a strategic system for the development of talent by vigorously breaking the rules for promotion and appointing talents in an unconventional manner.

Fresh graduates hired through campus recruitment, management trainees, and other categories of employees receive professional skill training for six to two years. The Company also develops a personal growth and development system that includes internal training courses and training subsidies to improve talent retention throughout the entire lifecycle.

Talent Development System of H3C



Employee Care

H3C focuses on providing employees with all-rounded care and caters to their needs sufficiently. It seeks to create an ideal corporate atmosphere by organizing a variety of employee care activities as well as cultural and sports activities, so as to effectively enhance employees' sense of safety, belonging and happiness.

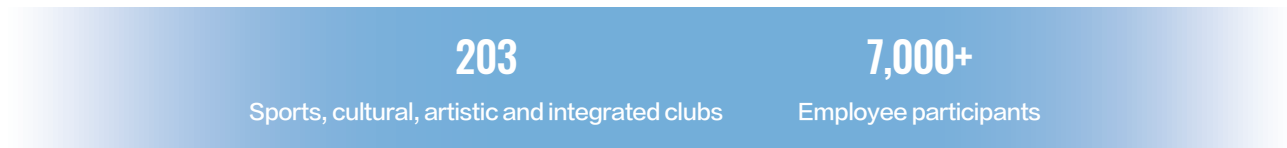
To enhance the office experience of employees, H3C provides employees with welfare such as supper and afternoon tea. The Labor Union of H3C is responsible for providing care for the marriage and childbearing of employees, condolences for the bereavement of employees' immediate family members and other assistance and protection for employees as well as organizing special activities such as "sending coolness in summer". Every Spring Festival, Mid-Autumn Festival and employee's birthday, the Labor Union also designates representatives to send holiday gifts to the Labor Union members.

H3C is committed to creating diversified and engaging clubs to cater to different interests. By the end of 2023, H3C had set up a total of 203 sports, cultural, artistic and integrated clubs, which have garnered the participation of more than 7,000 employees.

To boost employees' enthusiasm for sports and enhance their sense of teamwork, H3C regularly arranges for employees to participate in various cultural and sports activities, including badminton leagues, soccer matches, cultural performances, and outdoor development activities. This is part of the Company's goal to encourage employees to improve their aesthetic perspective of life and lead a healthy lifestyle through sports.



By the end of 2023



Assistance for Employees in Difficulty

In 2022, the Company provided assistance funds to Wang, an employee suffering from acute brain hemorrhage, to cover his post-operative recovery costs. In 2023, the Company provided assistance funds to the family of Xu, an employee of the Company, whose family was plagued with financial difficulties after Xu succumbed to a malignant tumor of the parotid gland.

COMPLIANCE GOVERNANCE

Compliance governance, as the cornerstone of the Company's sound operation, is the core element for ensuring the Company's long-term stable development. While developing rapidly, H3C attaches great importance to the improvement of its governance structure and the establishment of a compliance system. It has created a comprehensive and rigorous anti-corruption and business ethics system. Adhering to the principle of integrity, it endeavors to create an upright and honest corporate culture with fair justice. In terms of supply chain management, the Company focuses on close cooperation with suppliers to jointly promote sustainability, ensuring the stability and environmental protection of the supply chain while contributing to the green transformation of the industry.

06





Corporate Governance

In strict compliance with the requirements of the applicable laws and regulations, H3C is committed to establishing a scientific and standardized management system with clear boundaries outlined, continuously improving the internal corporate governance structure and further regulating the behavior of the Company, thereby continuously elevating the level of corporate governance.

H3C comprises three shareholders, with the general meetings of shareholders holding the highest power in the Company. The Company has a Board of Directors and no supervisors. The Board of Directors of the Company manages the Company within the scope of authority conferred by the general meetings of shareholders and has set up various specialized committees to carry out supervision and make scientific decisions in accordance with respective powers and responsibilities. The Chief Executive Officer is responsible for the daily operation of the Company as authorized by the Board of Directors in accordance with the provisions of the *Articles of Association*.

The members of the Board of Directors of H3C are appointed by the shareholders through formal procedures in strict accordance with relevant laws and regulations and *the Company's Articles of Association*. The Chief Executive Officer is appointed and removed by the controlling shareholders. As of the end of the reporting period, the Company's Board of Directors consisted of 10 directors, 20% of whom are female.

Compliance Operation

H3C adhere to the principle of "Winning the Right Way", comply with the applicable legal and regulatory requirements of the countries and regions where we operates, including China and the United States, and conducts its business in a manner consistent with laws, regulations, and business ethics. At H3C, we have developed a 3 level framework from Code of conduct, Policy & Process, and working instruction to implement compliance requirements in business across trade compliance, anti-corruption, human rights and privacy topics.

H3C's compliance is overseen by our board and its audit committee, and executed by the legal, ethics and compliance department, internal audit department. The audit committee oversee internal control, enterprise risk management and compliance, review progress quarterly and provide guidance. The legal, ethics and compliance department reviews compliance risks, monitoring compliance process and procedure, implement H3C Standards of Business Conduct, issue or update relevant compliance policies when necessary, carry out investigation and report to the executives and the board. Internal Audit Department regularly review and assess our business operation and internal control, report identified deficiencies and risks.

To strengthen and safeguard compliance management, H3C continuously improves its internal control mechanism. By means of segregation of duties, authorization and approval, property protection and other control measures, H3C has established a sound and effective internal control system to ensure the effective operation of business processes, internal control and risk management. To ensure the effective operation of business processes, internal control, and risk management, the Company utilizes systematic and standardized methods to review and evaluate the degree of implementation of regulations as well as the effectiveness of process execution. The Company adopts external audits to identify potential problems and risks. It also takes timely countermeasures to ensure that the Company's operation and management are in a good state.

In addition to timely adjustments and continuous improvement of its management framework, the Company has established a big data model for monitoring. With the use of digital methods, it monitors business processes continuously, improves control accuracy, and promotes intelligent compliance management based on risk parameters. We regularly track relevant laws & regulation, government policies, identify rules that may impact business in China, the United States and where we operates, and advise on business unit affected. As a result of effective oversight, and smart compliance management, there were no prosecution case during the reporting period.

Since its inception, H3C has taken much effort to build a compliance culture. The legal, ethics and compliance department promote our compliance polices and ethical behavior through training and communication. The approach includes Compliance month/week with various online and offline events.

2023 H3C Compliance Exchange Events

In 2023, co-sponsored by Binjing District Enterprise Criminal Compliance Promotion Association in Hangzhou, PRC, New H3C organized a visit to People's Public Security University of China, the Trust and Integrity Enterprise Alliance, and a number of domestic and foreign companies for compliance and anti-fraud topics exchange. Over 50 compliance professional from more than 30 companies attended the event.

2023 Compliance Culture Week

In 2023, H3C organized the Compliance Culture Week under the theme of "Practical Compliance – Listening and Practicing". The online activity engaged more than 5,200 employees with over 4500 attending an online quiz and over 600 sharing their thoughts in a survey. And over 30 employees participated an "Employee Talks on Compliance" video recording and H3C Shenzhen Office also hosted an special event for compliance week. In the year, besides corporate, 31 China branches and 2 overseas offices also joined these activities. We reinforce employees' compliance awareness, promote internal communication and enable better collaboration among functions.

2022 Compliance Culture Month

In 2022, H3C organized the Compliance Culture Month activity under the theme of "Unity of Knowledge and Actions, Winning the Right Way". All 23 company executives include CEO joined the event and wrote down their expectation, demonstrating the importance H3C has put on compliance. In the event, We fully explored the potential for online activities and expand coverage to more employees through H3C E-Community and H3C E-Learning. The event strengthened our culture of ethical conduct by online courses, onsite exchange and promotion posters. During the month, over 5,500 employees attended various online events and over 300 attended one onsite event in Hangzhou.



Risk Management

With a comprehensive risk management system and "three lines of defense" that cover business, production, and management processes, H3C has built a comprehensive risk management system. It intends to facilitate the collaboration of the business, professional and supervisory layers to jointly uplift the level of enterprise risk management.

To effectively identify, assess, control and respond to risks, H3C regularly conducts comprehensive internal and external reviews, identifies direct and indirect risks, and promptly discovers and confirms risk factors affecting the achievement of goals. The Company constantly quantitative and qualitative analysis of identified risks. It applies quantitative indicators of the degree of impact and frequency of occurrence in order to comprehensively analyze and evaluate risks in business, technology, personnel and other aspects. It has classified risks and opportunities into five levels and adopts different disposal measures for different levels of risks.

When potential risks are identified, the Company will clarify the responsible person and implementation plan for risk countermeasures and take relevant measures in a timely manner. It strives to reduce the probability of occurrence and the degree of impact of the risks by formulating plans, strengthening control and supervision, and enhancing staff training and awareness education, to support the sound operation and development of the Company.

H3C continuously tracks and monitors the implementation of risk disposal measures. It regularly submits corporate risk management reports to the Audit Committee of the Board of Directors with respect to the effectiveness of the implementation of risk mitigation measures and makes continuous improvements in accordance with the instructions of the Audit Committee.



Anti-corruption and Business Ethics

H3C upholds a strict anti-corruption policy and don't tolerate corrupt behavior of any kind. We have built a sound reporting mechanism, encouraging stakeholders to join anti-corruption effort and protecting whistleblowers. H3C advocates and operates with high ethical standards. We do business honestly and fairly, resolutely oppose improper competition and makes every effort to a healthy and orderly market.

Anti-corruption and Integrity

H3C adheres to the concept of "zero tolerance" for corruption and strictly abides by all anti-corruption laws and regulations applicable to the countries/regions where H3C operates, such as the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Foreign Corrupt Practices Act* of the United States. It also makes consistent efforts to foster a culture of integrity. H3C has brought a three-layer integrity management framework to fruition, foster anti-corruption mechanism and extends our expectation on integrity and good faith to our partners in multiply ways.

Internally, H3C endeavors to foster a clean and upright corporate culture and has issued policies such as *Anti-Corruption Policy* and *Conflict of Interest Policy*, and convey the corporate values of integrity and honesty to employees integrity through annual all-employee training and topical training sessions to. During this reporting period, the Company updated the *New H3C Employees Prohibited Conduct Policy* and *Business Amenities Policy* to further promote the Company's anti-corruption efforts.

H3C continuously carries out anti-corruption compliance risk assessment and regularly conducts audits on business amenity covering all branches worldwide. Rectification and improvement are made on schedule according to audit results. For breach of discipline, H3C has also issued policy to inform employees of the consequences of breach of discipline. During the reporting period, there were a total of three employee related corruption cases in H3C, and all were reported ed to the authorities g. H3C has taken additional internal control measures and strengthened relevant training to n to prevent reoccurrence.



Externally, H3C makes it a point to establish a clean, honest and win-win cooperative relationship with its business partners. It has formulated and implemented a series of codes of conduct applicable to business partners, suppliers and contingent worker I, such as the Partner *Code of Conduct* and supplier *Code of Conduct*, to communicate our ethical expectations. The Company signs the *Integrity Commitment Letter* with suppliers to actively manage corruption risks in the supply chain. The percentage of suppliers who signed the *Integrity Commitment Letter* was 100% in 2023. We perform anti-corruption due diligence and Repeat due diligence periodically for existing third We completed anti-corruption due diligence on 10,331 new partners and suppliers during this reporting period and another 3,962 existing partners.

To better improve the Company's compliant operation, H3C has set up a comprehensive report and feedback mechanism and established a working procedure from "receipt of report – review and assessment – investigation and verification – decision-making and discipline – feedback and communication – record retention – continuous improvement." H3C has established a whistleblower protection mechanism to ensure that whistleblowers can safely and honestly report any acts of violation, illegal behavior or misconduct without fear of retaliation or reprisal.

H3C Whistleblower Protection Mechanism

Confidentiality	Ensure that the identity of the whistleblower and the content of the report are kept confidential and strictly will not disclosed to others in order to protect the privacy and safety of the whistleblower.
Anonymous reporting	If law allows, whistleblowers may choose to report anonymously, without revealing their personal identity, to better protect whistleblowers.
Protection against retaliation	Put in place measures to prevent any retaliation against whistleblowers, penalize retaliation action in a serious manner and ensure that whistleblowers are not negatively impacted as a result of making a report.

Reporting Channels

Reporting website: https://www.h3c.com/cn/About_H3C/Contact_Us/Feedback/

Ethics and Compliance Hotline: 400-826-0732

Reporting email: h3c.compliance@h3c.com

Training sessions on anti-corruption-related topics



Participants in training on anti-corruption-related topics



Business Ethics

H3C has released its *Standards of Business Conduct (SBC)*, which aims to ensure that employees make ethical and legal decisions in their daily course of work, establish a reliable business reputation, and safeguard the Company's interests while protecting the interests of employees and stakeholders. The *Standards of Business Conduct* encourages employees to build trust, respect others, work with integrity, promote the principle of customers first and assume the role of responsible citizens.

H3C communicates its commitment to business ethics to every employee, and every H3C employee is required to study, and commit to the *Standards of Business Conduct*. H3C updates SBC training every year, adding new relevant business case, and requires all employee to attend without exception for management team. We also published employee redlines to make clear what every employee shall not break.

In trade compliance, H3C abides by global trade laws & regulations. We have issued relevant policies such as *Statement of Export Control Compliance*, *Export Control Training Policy* and Technology Transfer Policy, and kept diligent to comply with export regulatory requirements. We implements trade compliance check throughout the whole business cycle, including products classification, customer onboard screening and transaction review etc., to prevent unauthorized entities from accessing our product, service, and technology.

2023 All Employee Standards of Business Conduct Training

The *H3C Standards of Business Conduct* governs our business practices in conformity with the Navigator Culture. It lays out standards every employee shall follow, provides guidance through practice, FAQ and red flags, so as to comply with applicable regulatory requirements and mitigate the Company's compliance risks.

In 2023, H3C required all employees to complete annual SBC training covering anti-corruption, trade compliance, competition laws, privacy and other ethics-related topics, providing information about relevant regulatory requirements, liability, company polices and typical red flags in daily business. In the year, 99.5% of active team members completed the training.



| Responsible Supply Chain

In addition to improving the H3C supply chain management system, H3C also established a comprehensive evaluation system that measures supplier access to withdrawal, implements H3C's commitment to environmentally friendly products, environmental protection, and social responsibility, and strengthens supply chain risk identification and control. To ensure sustainable progress, the Company continues to empower the supply chain, deepen communication with partners in the same industry, and share information.

Supply Chain Management

Upstream supervision and governance, as a crucial key of H3C's strategic development, is valued as the foundation for sustainability. H3C focuses on the management of suppliers and its efforts revolve around "environment, safety, quality and social responsibility." It has established a supplier selection, certification, evaluation and withdrawal mechanism covering the entire production chain alongside a management and supervision system covering the entire lifecycle of product production. It pays close attention to the impact of the supply chain on the environment, supervises suppliers in assuming social responsibility, and uplifts ESG management level at the supply side, to realize the goal of sustainability with joint efforts.

In terms of supplier selection, H3C has formulated documents such as the *Management of Production and Procurement Supplier Selection Process* and *Supplier Selection Toolkit* to assess the performance of suppliers in all aspects. H3C combines ESG concepts with supply chain governance, assessing suppliers' "environmental and social responsibility system," with a strong focus on the protection of labor working environment and rights and interests across the supply chain.

H3C has established a supplier performance evaluation system in terms of supplier evaluation and assessment, which evaluates the performance of suppliers in seven aspects: technology, quality, response, delivery performance and fulfillment of commitments, cost, safety and environmental protection. This allows the Company to fuel the continuous improvement of supplier performance.

To strengthen the management of risks in the supply chain, H3C has developed the *Operational Guidelines for Production and Procurement Risk Management* aimed at standardizing the verification and signing of goods information during the delivery process, as well as actively controlling potential supply chain risks. The Company carries out regular risk assessment of suppliers, requiring suppliers to provide their financial reports or audit reports. The Company commissions the financial personnel of the expert group to assess financial risks. On the other hand, the Company routinely assesses its suppliers and issues reports, and continuously monitors potential risks in the supply chain from multiple aspects to ensure a safe and orderly production process. During the reporting period, there were no negative news incidents involving H3C suppliers.

The Company has set up a comprehensive supplier audit and withdrawal mechanism. When suppliers fail to take corrective action, the organization communicates with them and orders them to develop corrective action plans. If these plans fail, it downgrades or withdraws suppliers based on agreements.



Supplier Empowerment

As a leader in China's new-generation information communication, H3C actively engages in industry cooperation and exchanges, as well as jointly developing a high-quality industry chain system. Suppliers were trained on operational skill and standard related to supply chains in 2023, and the CEC green supply chain evaluation system was introduced to empower sustainability in the supply chain.

With reference to new system requirements, national or industry standards, and specifications related to the Company, H3C has implemented a supplier training program to better guide its production and standardized operations. During the reporting period, the Company carried out a total of 12 training sessions for suppliers, covering topics such as the operation process of the online platform, reporting specifications for production quality problems, use of the LCA system, CEC ecological product certification and green supply chain certification. The purpose of the training was to ensure that the materials and machines provided by the suppliers comply with the requirements and feature improved production quality and efficiency. It also serves to guide suppliers in further understanding the development standards and evaluation system of the green supply chain, so as to bring a green industrial system into fruition together with its partners.

The Company actively carries out supply chain communication and invites some suppliers to carry out face-to-face symposiums with the senior management of H3C to enhance the consensus on cooperation. A new pattern of industrial development is being set up where the government serves as a platform, leading companies develop chains, upstream and downstream companies cooperate, and many new application cases are being developed.



Key Performance Indicators

Primary Indicators	Secondary Indicators	Unit	2022	2023
Responding to Climate Change and Energy Management	Total GHG Emissions	t Co ₂ e	41,318.07	5,315.53
	Scope 1	t Co ₂ e	1,212.96	1,179.71
	Scope 2	t Co ₂ e	40,105.11	4,135.82
	Total Energy Consumption	Tonne	21,685.73	23,418.81
	Total Non-Renewable Energy Consumption	Tonne	21,654.04	14,965.76
	Total Renewable Energy Consumption	Tonne	31.69	8,453.05
	Gasoline Consumption	L	64,745.42	49,680.86
	Natural Gas Consumption	m ³	454,000	485,945
	Heating Consumption	GJ	0	0
	Electricity Consumption	Mwh	170,965,815	184,854,570
	Purchased Green Electricity	Mwh	0	67,917,627
	Purchased Green Power	Mwh	170,707,987	116,074,635
	Distributed PV Clean Energy Consumption	Mwh	257,828	862,308
Water Resources Management	Total Water Consumption	m ³	338,212	338,450
Emissions And Waste Management	Amount of Waste Generated	Ton	598.58	377.89
	Hazardous Waste	Ton	36.98	77.89
	Non-Hazardous Waste	Ton	561.60	300.00
Promoting the Industry	Number of Participated in The Compilation of Industry Standards	No.	57	126
	Number of Persons Covered by Industry Talent Development	No.	22,823	39,257
Customer Service	Customer Satisfaction Rate	%	97.68	98.20
	Number of Customer Complaints	Times	12	6
	Customer Training Sessions	Times	16	26
	Number of Customer Training Hours	Hour	18	28
Intellectual Property Rights Protection	Number of New Invention Patents	No.	1,181	615
	Number of New Utility Model Patents	No.	44	23

Primary Indicators	Secondary Indicators	Unit	2022	2023
Intellectual Property Rights Protection	Number of New Design Patents	No.	91	21
	Number of New Software Copyrights	No.	126	173
	Number of Cases on Intellectual Property Rights Infringement	No.	28	16
Social Welfare	Total Annual Donations	Million	3.80	2.81
	Value of Donated Goods	Million	1.40	0.77
	Funding	Million	2.40	2.04
	Number of Beneficiaries	No.	200	500
	Employee Volunteer Hours	Hour	16	96
Recruitment	Total Number of Employees	No.	14,841	15,475
	Male Employees	No.	11,305	11,784
	Female Employees	No.	3,536	3,691
	Employees under 30 Years-old	No.	4,360	4,213
	Employees aged between 30–50 Years –old	No.	10,188	10,898
	Employees Over 50 Years-old	No.	293	364
	Number of Overseas Employees	No.	124	151
	Number of Newly Recruited Employees	No.	3,095	2,312
	Number of Minorities	No.	660	695
Diversity And Equality of Opportunity	Number of Employees with Disabilities	No.	146	168
	Number of Employee Nationalities	No.	15	16
	Number of Middle and Senior Management	No.	219	204
Protection of Employees' Rights And Interests	Labor Contract Signing Rate	%	100	100
	The Social Insurance Coverage Rate	%	100	100
	Number of Female Employees on Maternity Leave	No.	230	220
	Number Of Male Employees on Paternity Leave	No.	543	568
	Employees Coverage of Caring Events	No.	350	360

Primary Indicators	Secondary Indicators	Unit	2022	2023
Employee Training and Development	Total Investment in Training	Million	12	16
	Total Number of Employees Participating in Training	No.	24,188	25,487
	Total Employees' Training Hours	Day	51,482	68,096
Occupational Health and Safety	Number of Employee Deaths Due to Work-Related Injuries	No.	0	0
	Number of Cases of Employees Suffering From Occupational Diseases	No.	0	0
	Cases of Employees Suffering from Occupational Diseases	No.	0	0
	The Participation Ratio of Employees In Health Checkups	%	100	100
Corporate Governance Structure	Number of Board Meetings	No.	4	4
	Percentage of Females Among the Board of Directors	%	30	20
Compliance and Risk Control	Training Sessions on Legal Compliance Topics	No.	31	30
	Participants In Training on Legal Compliance	No.	22,956	18,481
Anti-Corruption and Business Ethics	Training Sessions on Anti-Corruption-Related Topics	No.	15	20
	Participants In Training on Anti-Corruption-Related Topics	No.	15,790	17,179
Corporate Data Security and Privacy Protection	Participants In Training on Corporate Data Security and Privacy Protection	No.	16,739	17,421
	Number of Information Security Incidents	No.	0	0
Supply Chain Management	Total Number of Suppliers	No.	544	596
	Review of Supplier Ratios	%	100	100
	Number of Supplier Training Activities	No.	5	7
	Proportion of Anti-Fraud/Anti-Corruption Agreements Signed by Suppliers	%	/	100
	Incidents of Suppliers' Negative Social or Environmental Impact	No.	/	0

Certificate and Qualification

ISO9001/TL9000	Quality Management System
ISO14001	Environmental Management System
ISO50001	Energy Management Systems
ISO45001	Occupational Health and Safety Management System
ISO28000	Supply Chain Security Management System
ISO20000	Information Technology Service Management System
GBT27922	Five-Star of National Commodity After-sales Service Certificate
ISO22301	Business Continuity Management System
ISO27001	Information Security Management System
ISO27701	Privacy Information Management System
ISO27017	Cloud Services Information Security Management System
ISO27018	Public Cloud Personal Information Protection Certification
ISO29151	Personal Identity Information Protection System Certification
ISO38505	Data Governance Management System
NIST CSF	Network Security Management Certification
BS10012	Personal Information Management System
CSA STAR	Cloud Security Management System

GRI Index

GRI Standards	Disclosure	Pages
GRI 2: General Disclosures 2021	2–1 Organizational details	About H3C
	2–2 Entities included in the organization's sustainability reporting	About This Report
	2–3 Reporting period,frequency and contact point	About This Report
	2–4 Restatements of information	About This Report
	2–5 External assurance	Greenhouse Gas Verification Statement
	2–6 Activities, value chain and other business relationships	Stakeholder Communication, Responsible Supply Chain
	2–7 Employees	Enabling Talent Development
	2–8 Workers who are not employees	/
	2–9 Governance structure and composition	Corporate Governance
	2–10 Nomination and selection of the highest governance body	Corporate Governance
	2–11 Chair of the highest governance body	Corporate Governance
	2–12 Role of the highest governance body in overseeing the management of impacts	Compliance Operation, Risk Management
	2–13 Delegation of responsibility for managing impacts	Compliance Operation
	2–14 Role of the highest governance body in sustainability reporting	ESG Sustainability Management System
	2–15 Conflicts of interest	/
	2–16 Communication of critical concerns	Stakeholder Communication, Customer Service and Communication, Diversity, Inclusion and Equality
	2–17 Collective knowledge of the highest governance body	ESG Sustainability Strategy
	2–18 Evaluation of the performance of the highest governance body	/
	2–19 Remuneration policies	Enabling Talent Development
	2–20 Process to determine remuneration	Enabling Talent Development
	2–21 Annual total compensation ratio	/
	2–22 Statement on sustainable development strategy	ESG Sustainability Strategy

GRI Standards	Disclosure	Pages
GRI 2: General Disclosures 2021	2–23 Policy commitments	ESG Sustainability Strategy
	2–24 Embedding policy commitments	Responsible Supply Chain
	2–25 Processes to remediate negative impacts	/
	2–26 Mechanisms for seeking advice and raising concerns	Customer Service and Communication
	2–27 Compliance with laws and regulations	Anti–corruption and Business Ethics
	2–28 Membership associations	Promoting Innovation in the Industry
	2–29 Approach to stakeholder engagement	Stakeholder Communication, Customer Service and Communication, Anti–corruption and Business Ethics
	2–30 Collective bargaining agreements	/
	3–1 Process to determine material topics	Stakeholder Communication, Material Topic Analysis
	3–2 List of material topics	Material Topic Analysis
GRI 3: Material Topics 2021	3–3 Management of material topics	Material Topic Analysis
	201–1 Direct economic value generated and distributed	/
	201–2 Financial implications and other risks and opportunities due to climate change	Responding to Climate Change
	201–3 Defined benefit plan obligations and other retirement plans	Employee Care
GRI 201: Economic Performance 2016	201–4 Financial assistance received from government	/
	202–1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202–2 Proportion of senior management hired from the local community	/
	203–1 Infrastructure investments and services supported	Building a Warm Society Together
GRI 202: Market Presence 2016	203–2 Significant indirect economic impacts	Responsible Supply Chain, Cultivating Industry Talent
	204–1 Proportion of spending on local suppliers	/
GRI 203: Indirect Economic Impacts 2016		
GRI 204: Procurement Practices 2016		

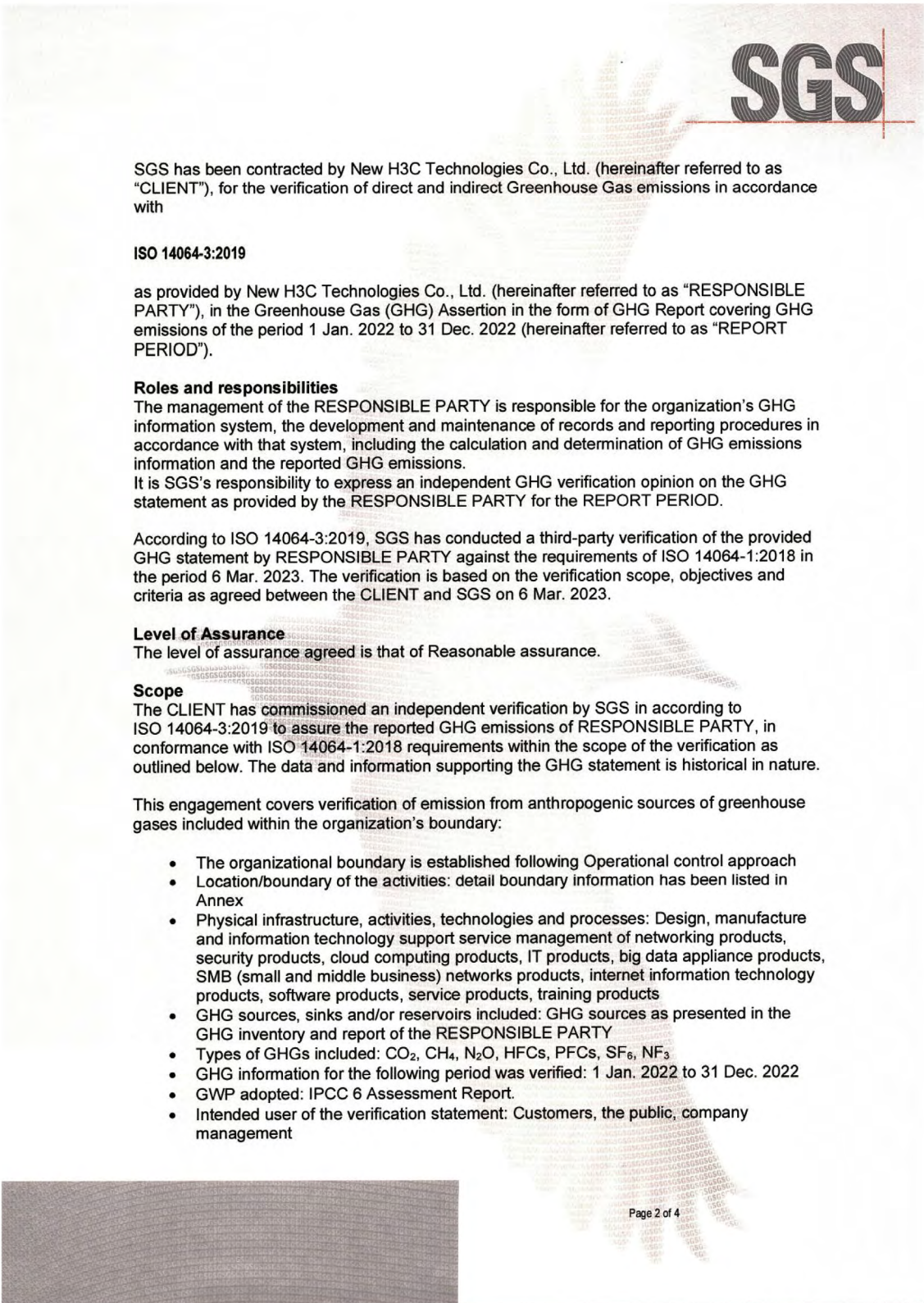
GRI Standards	Disclosure	Pages
GRI 205: Anti-corruption 2016	205–1 Operations assessed for risks related to corruption	Anti-corruption and Business Ethics
	205–2 Communication and training about anti-corruption policies and procedures	Anti-corruption and Business Ethics
	205–3 Confirmed incidents of corruption and actions taken	Anti-corruption and Business Ethics
GRI 206: Anti-competitive Behavior 2016	206–1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	/
GRI 207: Tax 2019	207–1 Approach to tax	/
	207–2 Tax governance, control, and risk management	/
	207–3 Stakeholder engagement and management of concerns related to tax	/
	207–4 Country-by-country reporting	/
GRI 301: Materials 2016	301–1 Materials used by weight or volume	/
	301–2 Recycled input materials used	Green Industry Chain
	301–3 Reclaimed products and their packaging materials	Green Industry Chain
GRI 302: Energy 2016	302–1 Energy consumption within the organization	Responding to Climate Change, Green Operation
	302–2 Energy consumption outside of the organization	/
	302–3 Energy intensity	Green Industry Chain
	302–4 Reduction of energy consumption	Responding to Climate Change, Green Operation
GRI 303: Water and Effluents 2018	302–5 Reductions in energy requirements of products and services	Green Products and Solutions
	303–1 Interactions with water as a shared resource	/
	303–2 Management of water discharge-related impacts	Green Operation
	303–3 Water withdrawal	/
	303–4 Water discharge	/
GRI 304: Biodiversity 2016	303–5 Water consumption	Green Operation
	304–1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/
	304–2 Significant impacts of activities, products and services on biodiversity	/

GRI Standards	Disclosure	Pages
GRI 304: Biodiversity 2016	304–3 Habitats protected or restored	/
	304–4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	/
GRI 305: Emissions 2016	305–1 Direct (Scope 1) GHG emissions	Responding to Climate Change
	305–2 Energy indirect (Scope 2) GHG emissions	Responding to Climate Change
	305–3 Other indirect (Scope 3) GHG emissions	/
	305–4 GHG emissions intensity	Responding to Climate Change
	305–5 Reduction of GHG emissions	Responding to Climate Change
	305–6 Emissions of ozone-depleting substances (ODS)	/
	305–7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	/
GRI 306: Waste 2020	306–1 Waste generation and significant waste-related impacts	/
	306–2 Management of significant waste-related impacts	Green Operation
	306–3 Waste generated	Green Operation
	306–4 Waste diverted from disposal	Green Operation
	306–5 Waste directed to disposal	Green Operation
GRI 308: Supplier Environmental Assessment 2016	308–1 New suppliers that were screened using environmental criteria	Responsible Supply Chain
	308–2 Negative environmental impacts in the supply chain and actions taken	/
GRI 401: Employment 2016	401–1 New employee hires and employee turnover	Employee Recruitment
	401–2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Enabling Talent Development, Employee Care, Employee Recruitment
	401–3 Parental leave	/
GRI 402: Labor/Management Relations 2016	402–1 Minimum notice periods regarding operational changes	/
GRI 403: Occupational Health and Safety 2018	403–1 Occupational health and safety management system	Occupational Health and Safety
	403–2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403–3 Occupational health services	Occupational Health and Safety

GRI Standards	Disclosure	Pages
GRI 403: Occupational Health and Safety 2018	403–4 Worker participation, consultation, and communication on occupational health and safety	/
	403–5 Worker training on occupational health and safety	Occupational Health and Safety
	403–6 Promotion of worker health	Occupational Health and Safety
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403–8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403–9 Work-related injuries	/
	403–10 Work-related ill health	/
GRI 404: Training and Education 2016	404–1 Average hours of training per year per employee	Data Security and Privacy Protection, Compliance Operation
	404–2 Programs for upgrading employee skills and transition assistance programs	Enabling Talent Development
	404–3 Percentage of employees receiving regular performance and career development reviews	/
GRI 405: Diversity and Equal Opportunity 2016	405–1 Diversity of governance bodies and employees	Diversity, Inclusion and Equality
	405–2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	406–1 Incidents of discrimination and corrective actions taken	/
GRI 407: Freedom of Association and Collective Bargaining 2016	407–1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child Labor 2016	408–1 Operations and suppliers at significant risk for incidents of child labor	Employee Recruitment
GRI 409: Forced or Compulsory Labor 2016	409–1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Recruitment
GRI 410: Security Practices 2016	410–1 Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples 2016	411–1 Incidents of violations involving rights of indigenous peoples	/

GRI Standards	Disclosure	Pages
GRI 413: Local Communities 2016	413–1 Operations with local community engagement, impact assessments, and development programs	/
	413–2 Operations with significant actual and potential negative impacts on local communities	/
GRI 414: Supplier Social Assessment 2016	414–1 New suppliers that were screened using social criteria	Responsible Supply Chain
	414–2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain
GRI 415: Public Policy 2016	415–1 Political contributions	/
GRI 416: Customer Health and Safety 2016	416–1 Assessment of the health and safety impacts of product and service categories	Product Quality and Safety
	416–2 Incidents of non-compliance concerning the health and safety impacts of products and services	/
GRI 417: Marketing and Labeling 2016	417–1 Requirements for product and service information and labeling	Product Quality and Safety
	417–2 Incidents of non-compliance concerning product and service information and labeling	/
	417–3 Incidents of non-compliance concerning marketing communications	/
GRI 418: Customer Privacy 2016	418–1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	/

Greenhouse Gas Verification Statement





Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the GHG emissions are as declared by the organization's GHG statement
- The data reported are accurate, complete, consistent, transparent and free of material error or omission.

Criteria

Criteria against which the verification assessment is undertaken are the requirements of ISO 14064-3:2019.

Materiality

The materiality required of the verification is considered by SGS to 5%, based on the needs of the intended user of the GHG statement.

Verification approach

SGS's approach is risk-based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these. Our examination includes assessment of evidence relevant to the amounts and disclosures in relation to the organization's reported GHG emissions

We plan and perform our work to obtain the information, explanations and evidence that we considered necessary to provide a reasonable level of assurance that the GHG emissions for the REPORT PERIOD are fairly stated.

We conduct our verification with regard to the GHG statement of GHG Report of the RESPONSIBLE PARTY which includes assessment of GHG information system and reporting plan/protocol. This assessment includes the collection of evidence supporting the reported data, and checking whether the provisions of the protocol reference, are consistently and appropriately applied.

Verification opinion conclusion

The RESPONSIBLE PARTY provided the GHG statement based on the requirements of ISO 14064-1:2018 that total emission 41,318.07 tonnes of CO₂e in the organization boundary for the REPORT PERIOD.

The verification opinion as below is issued by SGS after an independent verification for RESPONSIBLE PARTY's GHG statement base on agreed Reasonable assurance:

☒ Unmodified

The GHG statement submitted by RESPONSIBLE PARTY is prepared in accordance with ISO 14064-1:2018 on GHG quantification and reporting, is a fair representation materially, the GHG data and information in statement are explicit and supported by adequacy and appropriate evidence.

☐ Modified

The GHG statement submitted by RESPONSIBLE PARTY has no material misstatement, however has some deficiencies which will prevent the issuance of unmodified verification opinion.

☐ Adverse opinion

The GHG statement submitted by RESPONSIBLE PARTY:
- has no material misstatement or
- there is insufficient or inappropriate evidence to support an unmodified or modified opinion.



☐ Disclaiming the issuance of an opinion

It is unable to obtain sufficient and appropriate objective evidence to form an opinion as to whether the GHG statement submitted is presented fairly in accordance with ISO 14064-1:2018

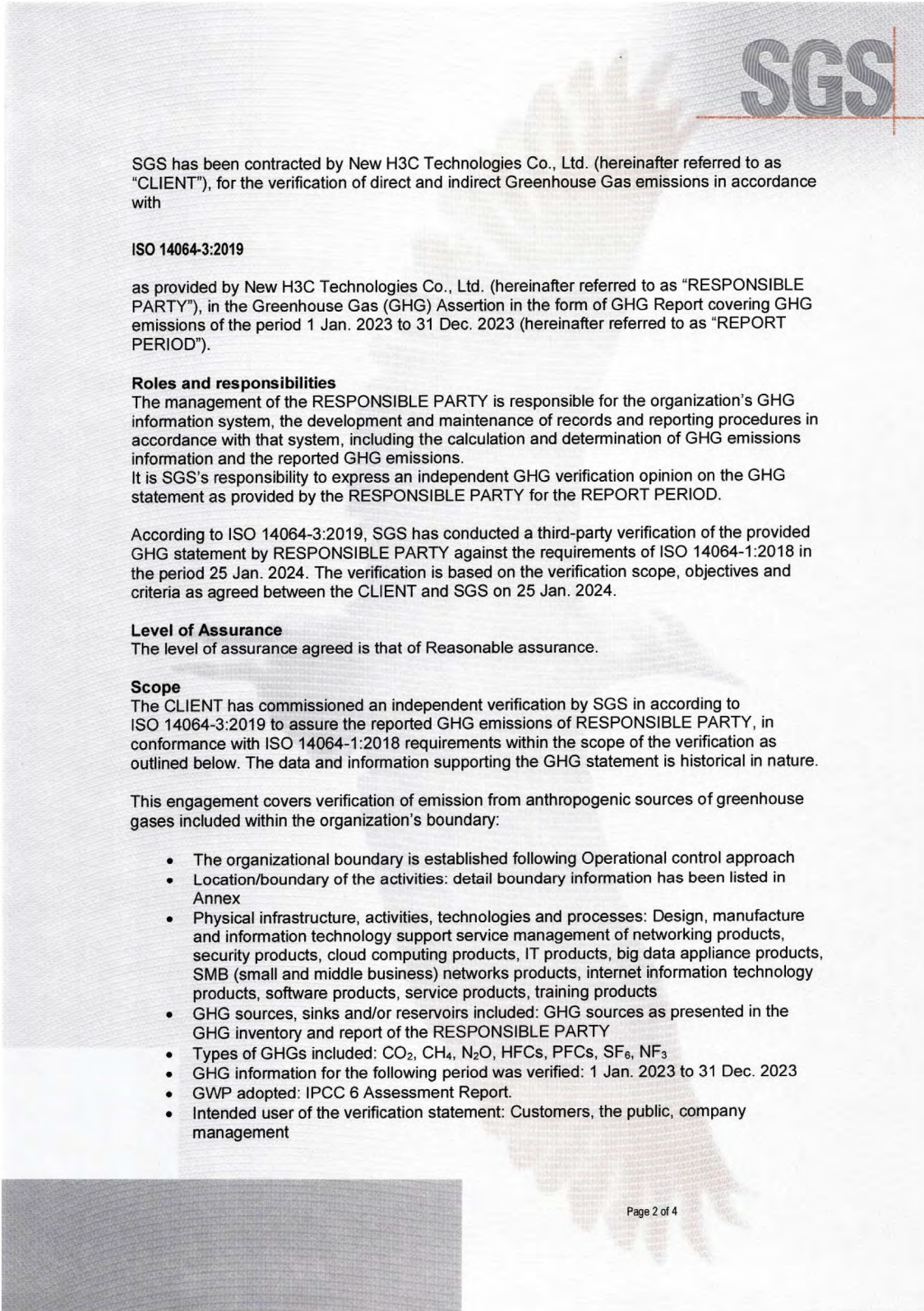
This statement shall be interpreted with the GHG statement of GHG Report of the RESPONSIBLE PARTY as a whole.

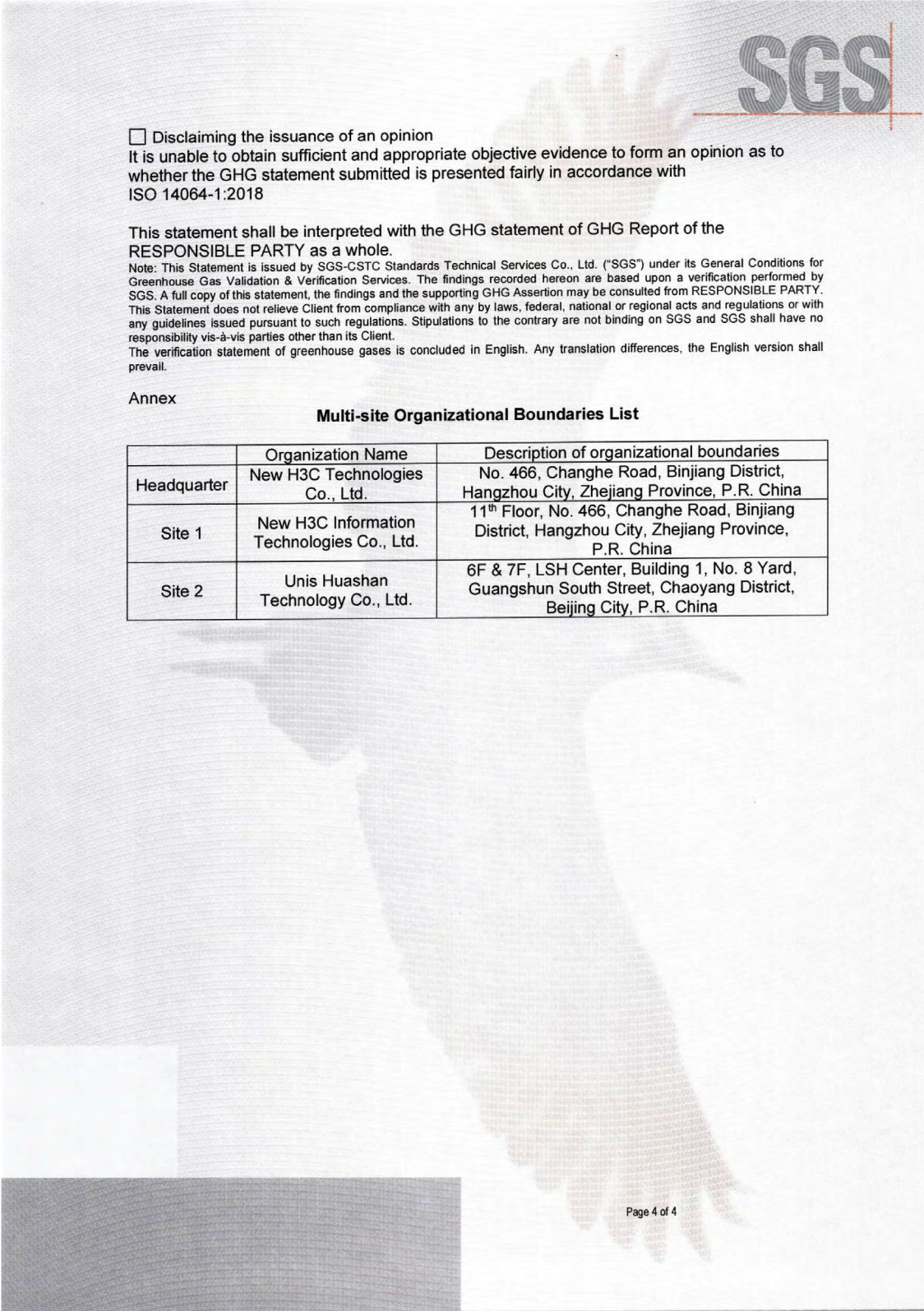
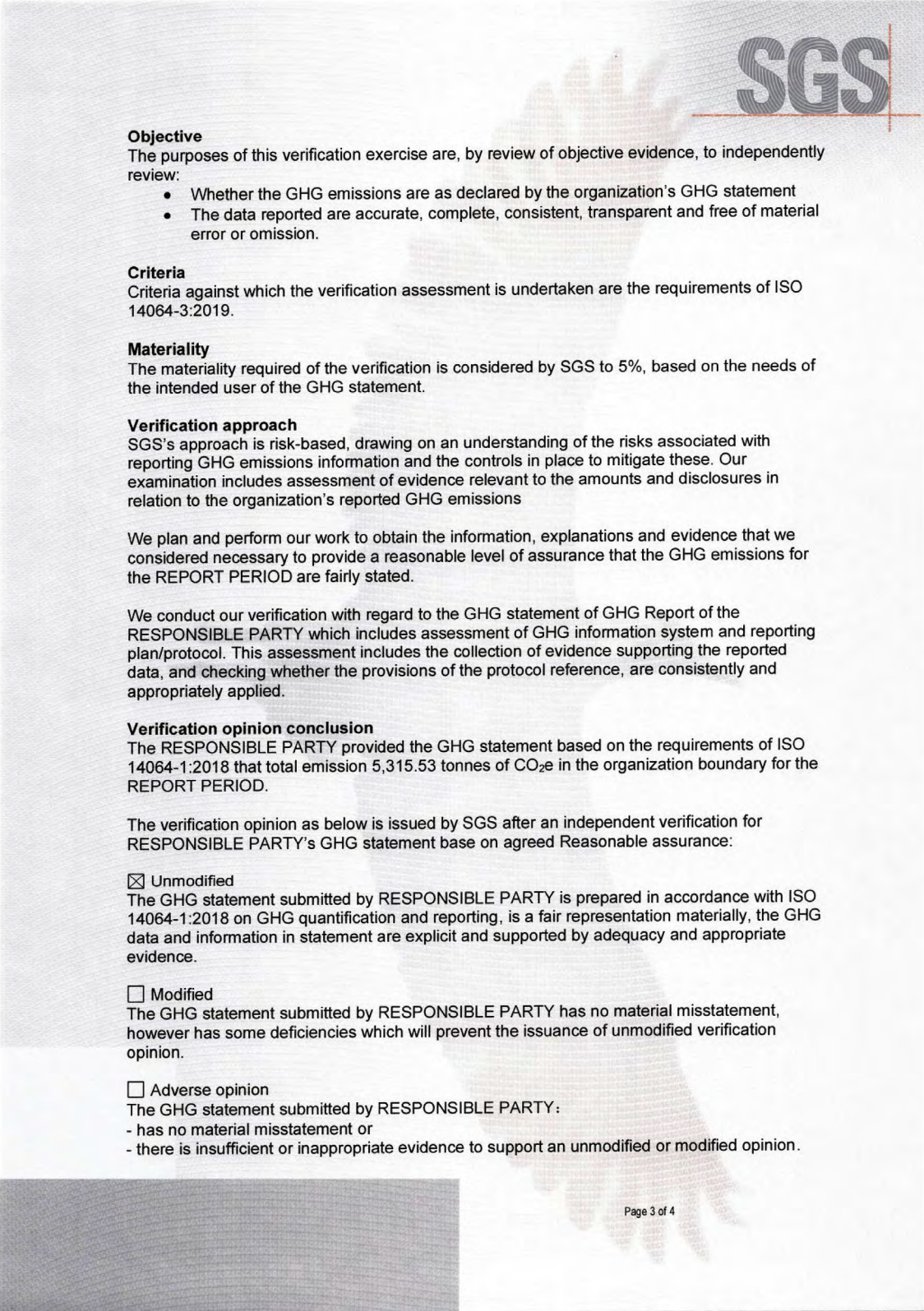
Note: This Statement is issued by SGS-CSTC Standards Technical Services Co., Ltd. ("SGS") under its General Conditions for Greenhouse Gas Validation & Verification Services. The findings recorded hereon are based upon a verification performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be consulted from RESPONSIBLE PARTY. This Statement does not relieve Client from compliance with any by laws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client. The verification statement of greenhouse gases is concluded in English. Any translation differences, the English version shall prevail.

Annex

Multi-site Organizational Boundaries List

	Organization Name	Description of organizational boundaries
Headquarter	New H3C Technologies Co., Ltd.	No. 466, Changhe Road, Binjiang District, Hangzhou City, Zhejiang Province, P.R. China
Site 1	New H3C Information Technologies Co., Ltd.	11 th Floor, No. 466, Changhe Road, Binjiang District, Hangzhou City, Zhejiang Province, P.R. China
Site 2	Unis Huashan Technology Co., Ltd.	6F & 7F, LSH Center, Building 1, No. 8 Yard, Guangshun South Street, Chaoyang District, Beijing City, P.R. China







H3C

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