

Environmental, Social and Governance Report

Improving Lives with Innovative Imaging Technologies

2023



iRay Technology Company Limited

Stock code: 688301.SH

imaging the future

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About the Report

This report is the second environmental, social, and governance (ESG) report (hereinafter "this report") issued by iRay Technology Company Limited after the Company's first ESG report issued in 2022. This report aims to reflect the Company's initiatives and performances objectively and truthfully in environmental, social and governance and other sustainability indicators to shareholders and investors, customers, employees, government departments and regulators, suppliers and partners, the public, and other stakeholders.



Time Frame

This report involves the information and data from January 1, 2023, to December 31, 2023 (hereinafter "the Reporting Period"). Some of them traced back to and before 2022 and will be stated where relevant.

Reporting Guideline

This report is prepared with reference to the requirements and guidance for ESG information disclosure by *Guidelines No.1 on the Self-Regulation for Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the SSE STAR Market)* and the *Guidelines No.2 on the Self-Regulation for Listed Companies on SSE STAR Market - Voluntary Information Disclosure* published by Shanghai Stock Exchange.

Reporting Scope

Unless otherwise stated, the scope of this report is aligned with that of the annual financial report.

Reporting Standards

In this report, "iRay Technology Company Limited" is referred to as "iRay Technology", "Company" or "We". "iRay Technology Taicang Limited" a wholly-owned subsidiary held by iRay Technology Company Limited, is referred to as "iRay Taicang" for short, iRay Advanced Material Technology (Taicang) Co., Ltd. is referred to as "iRay Advance Material" for short and "iRay Imaging Technology (Haining) Limited" is referred to as "iRay Haining" for short and "iRay Precision Manufacturing Haining Limited" is referred to as "iRay Precision". "Palwex Technologies (Beijing) Co. Ltd." is referred to as "Palwex Technologies", and "High Voltage Technology Co., Ltd" is referred to as "High Voltage Technology".

The currency in this report is denominated in Chinese Yuan (CNY).

Report Access

This report can be viewed or downloaded online in both simplified Chinese and English at the Shanghai Stock Exchange website (www.sse.com.cn) and the Company's official website (www.iraygroup.com).

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Message from the Chairman



“ The year 2023 was a year of positive growth and change, we behaved well with solid development, thanks to the company's strong strategic strength and business resilience, its unswerving proactive stance to seek breakthroughs in new forms through innovation and change, and the promotion of new products and technologies to existing businesses. We have always been enterprising and forging ahead. We expand our business layout and scope of operations while achieving leapfrog progress in our product and technology. Amid changes, we will not forget our corporate mission of "Improving Lives with Innovative Imaging Technologies", integrate the concept of sustainable development into our corporate strategy and operations, and promote corporate development while not forgetting our social responsibility, thus contributing to the well-being of the global community of health for all. ”

iRay Technology Company Limited

Chairman **Tieer Gu**

Innovation-orientated pursuit of excellence

As a leading company in the digital X-ray detector industry in China and globally, with our industry-leading technology and excellent ability to innovate, we take the pursuit of excellent quality as our unswerving goal, and are dedicated to providing our customers with safer and more advanced X-ray technology, and to make this technology everywhere.

As of 31 December 2023, the Company has a total of 475 registered or authorised intellectual property (IP) rights of various types (based on the date of obtaining the certificate), of which 155 are invention patents, and in 2023, there were 30 new invention patents and 33 new utility model patents. Adhering to the concept of "Green X-ray", we are committed to providing products with lower clinical dose, better images, and higher efficiency, and strive to create socially and environmentally friendly products.

Working Together to Create and Share

iRay Technology regards employees as valuable asset of the enterprise, and is committed to creating a workplace of diversity, equality and inclusion, solidarity, camaraderie and harmony. The company continues to improve salary and benefit system, and provided an career development stage for all employees to fully explore their potential and realise their self-worth. Meanwhile, we consider it our important responsibility to protect employees' physical and mental health, and do our best to provide a safe and healthy working environment.

In order to further mobilise our core team and share the fruits of development between the Company and our employees, we issued a Restricted Share and Stock Option Incentive Plan 2023 during the Reporting Period, granting 3 million shares to incentive recipients, with a total of 455 employees receiving the first incentive, we believe that this action will further promote the sustainable development and common growth of the Company and our employees.

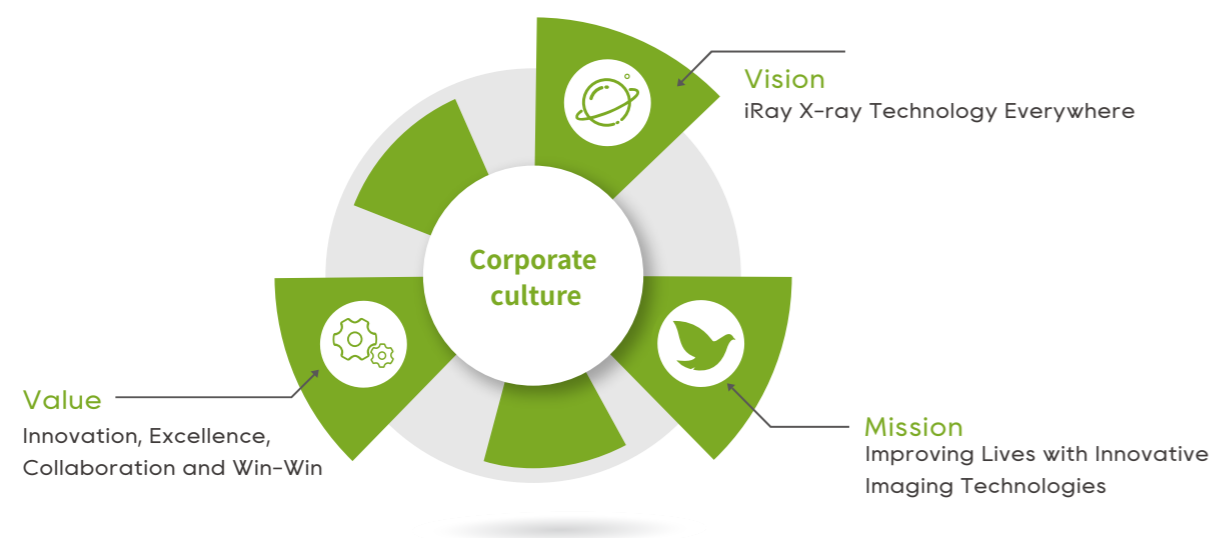
Low Carbon and Green Development

iRay Technology has always been practicing the concept of green development, and actively assuming the responsibility of corporate environmental governance while pursuing economic benefits. We create a low-carbon and environmentally friendly production and operation, and continue to improve energy efficiency through the optimisation of processes and equipment. We practice green office initiatives, and gradually build the green innovation competitiveness of the enterprise, contributing to the fight against global climate change. In addition, we practice green and sustainable procurement, and work together with our partners to build a sustainable industrial chain and for a better future.

Long as the journey is, we will reach our destination if we stay the course; difficult as the task is, we will get the job done if we keep working at it. In the upcoming year, iRay Technology will continue to adhere to its corporate mission of "Improving Lives with Innovative Imaging Technologies", maintain an enterprising attitude, and work together with all stakeholders across entire value chain to explore the road to resilient development and achieve sustainable long-term value.

About Us

iRay Technology is a digital X-ray key component and comprehensive solution provider that is oriented by the technology trend in the full value chain and aligns its technological capability with international standards. Founded in 2011 and listed on the Shanghai Stock Exchange in 2020, iRay is the first A-share listed company engaged in the development and manufacturing of key medical device components. To achieve the mission of "Improving Lives with Innovative Imaging Technologies", iRay Technology has been stuck to the vision of "iRay X-ray Technology Everywhere", helps customers worldwide improve medical diagnosis and treatment, and increases the accuracy of industrial testing or security inspection, improves the production efficiency of customers and reduces production costs. With a focus on the core values of "Innovation, Excellence, Collaboration and Win-Win", the Company continues to use technological innovation and excellent products and services to accelerate the strategic upgrading of the industry value chain, so as to create differentiated value for customers in more subdivided fields and provide mutual development opportunities for suppliers.



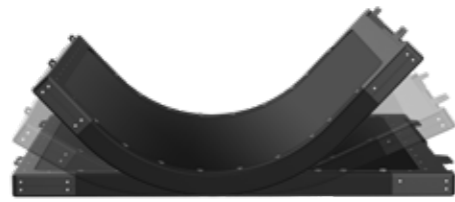
With outstanding R&D and innovation capabilities, the Company has become one of the few digital X-ray detector manufacturers in the world that masters the four main sensor technologies of amorphous silicon, indium gallium zinc oxide (IGZO), flexible screen and complementary metal oxide semiconductor (CMOS) and has the capability of mass production at the same time. In addition, the Company has also mastered the core technologies related to scintillation material of detector, read out integrated circuit (ROIC), and medical image algorithm, and manufacturing technology of core components inside digital X-ray equipment, such the high-voltage insulation technology, high-voltage inverter power topology technology, special auxiliary power technology, barium tungsten cathode technology, liquid metal bearing technology and flying focal spot technology.

Given the solid foundation built up on its core technology, iRay Technology takes every chance to optimise the product and business layout. The Company's key products include such components as flat panel detector, linear detector and tubes, integrated X-ray source, and high-voltage generator. At the same time, by virtue of advanced digital imaging software working in collaboration with panel detectors, we provide tailored image chain solutions to customers in various industries like medical and industrial sectors. In terms of the medical field, X-ray detectors are mainly used for medical diagnosis and treatment. Our products can produce clear images of high frame rate and high resolution in screening, diagnosing and treating human and animal diseases with low radiation, helping doctors make more accurate professional judgments. In the industrial field, the products are basically applied to portable non-destructive testing, power battery inspection, semiconductor back-end package inspection, security checks and other scenarios, to provide customers with a lightweight, long-lasting, high protection level inspection experience. Meanwhile, according to the different working modes of digital X-ray detectors, the Company has two categories of products: static and dynamic digital X-ray detectors. In key dynamic areas, the Company has overtaken foreign enterprises by developing core technologies such as CMOS and IGZO to promote domestic substitution.

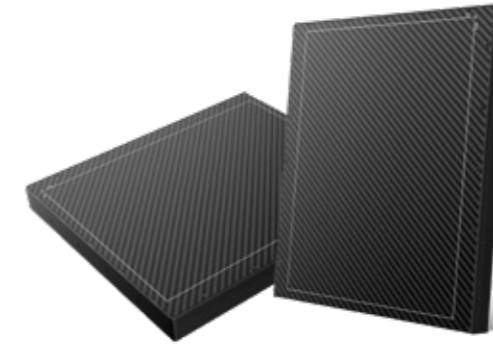
The types of detectors for medical and industrial applications that the Company has mass production capacity are as follows:

Field	Detector Range / Type		Application
Medical	General Tethed Series	Dynamic / Static	Used in fixed digital radiography (DR) to support digital X-ray diagnosis of human chest, abdomen, bone, soft tissue and gastrointestinal tract
	General Wireless Series	Static	Used in mobile DR and fixed DR to support digital X-ray diagnosis of human chest, abdomen, bone and soft tissue
	Veterinary Series	Dynamic / Static	Used in X-ray imaging equipment for the veterinary purpose to support the digital X-ray photography and diagnosis needs of all parts in small and large animals
	C-arm Series	Dynamic	Used for C-arm system/digital subtraction angiography (DSA) to support orthopedic surgery and cardiography, neuroangiography and other interventions
	Mammography Series	Dynamic / Static	Used in full-field digital mammography (FFDM) to support full field digital mammography and digital tomography 3D imaging, and to screen and diagnose human breast cancer
	Radiotherapy Series	Dynamic	Used in radiotherapy equipment and can be integrated with the linear accelerator in X-ray medicine, radiosurgery applications and proton therapy system
	Dental Intraoral Series	Static	Used in dental intraoral X-ray system to support the clinical diagnosis of root canal
	Dental CBCT Series	Dynamic / Static	Used in dental cone-beam computed tomography (CBCT) to support clinical imaging applications such as dental diagnosis, orthodontics, implant-related cephalometric radiography and panoramic radiography
Industrial	Battery Inspection Series	Dynamic	Used in 2D and 3D industrial systems for Electric Vehicle (EV) battery / lithium battery inspection
	Integrated circuit and electronic manufacturing inspection Series	Dynamic	Used for non-destructive testing (NDT) inspection of integrated circuit and electronic manufacturing involving the manufacturing/assembly of electronic components, printed circuit board (PCB) printing, semiconductor packaging, etc.
	Casting Inspection Series	Dynamic / Static	Used for NDT inspection of casting inspection such as metal castings, structural parts and pressure vessels, etc
	Pipeline Inspection Series	Static	Used in portable industrial NDT systems for pipeline welding quality inspection such as identifying weld bead, surface pores and cracks, etc
	Security Inspection Series	Dynamic / Static	Used for different aisle size security machines or mobile security inspection devices for luggage, parcel inspection and public security inspection

iRay Technology is a well-known company in the global digital X-ray detector industry, and has been recognised by many leading manufacturers in the medical and industrial fields. As of December 31, 2023, products produced by the Company have been sold to more than 80 countries and regions, with a total global shipment of over 300 thousand X-ray detectors.



NDT1717BA (First Non-Destructive Detector)



Mercuri 0810DE (First Dual-Energy CT Detector)



Mammo 1012P Mammography (Ultra High Resolution Panel Detector CMOS Mammography)



Pluto 1216X (High-end DSA CMOS Detector)



DTDI128S1 (First High-speed TDI Scanning Camera System)



Mars 1717V5 (First Multifunctional Motion Detector)

History

From static to dynamic, from the medical field to the industrial field, after 13 years of development, the Company has gradually transformed from a static medical detector enterprise to a supplier of X-ray key components and comprehensive X-ray solutions, and has become a well-known enterprise specializing in key components, such as detectors, high-voltage generator, integrated X-ray sources, and Anti Scatter Grid (ASG), etc., and comprehensive X-ray solutions. In 2023, we kept exploring new fields. While realising cross-technology innovation for scientific instruments, we broke the equipment monopoly in the field of closed microfocus X-ray tubes. We translated our forward-looking strategies into actions by positioning our factories and R&D centres around the world, so as to lead the upgrade of digital X-ray imaging technology.



- 2011**
 - iRay Technology was founded
 - Completed the testing and delivery of the first product, breaking foreign monopolies on the domestic market
- 2012**
 - Cesium iodide project was launched and put into operation
- 2013**
 - Strategic cooperation with Siemens and Philips
 - Total Shipment exceeded 1,000 units
- 2014**
 - Strategic cooperation with Konica and Wandong Medical
 - Launch of the first wireless product
 - U.S. leader in the economical DR detector industry
- 2015**
 - Launch of the first dynamic product
 - No.1 in domestic flat panel detector shipments
- 2016**
 - Strategic cooperation with Shanghai United Imaging
 - Shipped nearly 4,000 units
- 2017**
 - Started to invest in new fields such as medical dynamics, industry, pets, and security check
 - Taicang factory put into operation
 - Nearly 1,000 units shipped
- 2018**
 - Launch of the first IGZO flat panel detector
 - Successful development of dental products
- 2019**
 - Able to manufacture flexible X-ray detector
 - Started operation of the Korean plant
 - Shipped over 11,000 units
- 2020**
 - Successfully listed on the Shanghai Stock Exchange STAR Market
 - Mass produced dental detectors and LDA
- 2021**
 - Mass produced detectors for new energy battery inspection
- 2022**
 - Issuance of the first convertible corporate bond
 - Completed investments in key components and integrated solutions for X-rays
- 2023**
 - The Haining and Taicang Phase II factory put into operation
 - The U.S. factory put into operation
 - Mass produced microfocus closed ray tubes
 - Open up a new track of scientific instruments (Launch of QRGA OIS series products)

Memorabilia of iRay Technology in 2023

iRay Technology has been working on detectors for more than ten years, embarks on exploring new areas and making technological breakthroughs. The Company has built up excellent reputation within the industry and has won widespread recognition and praise from the society. In 2023, with its strong comprehensive strength, continuous innovation of advanced products and high-quality patent accumulation, the Company won various awards for active participation in peer-to-peer exchanges, contributions to the industrial development and multiple new ground-breaking products.

01 Recognised as "National Enterprise Technology Centre"

iRay Technology, together with another 6 enterprises in Shanghai, was selected as "National Enterprise Technology Centre" (30th Batch) in 2023. The title of National Enterprise Technology Centre is one of the most influential technical innovation platforms granted by departments of the National Innovation and Reform Commission, Ministry of Science and Technology, Ministry of Finance, General Administration of Customs, State Taxation Administration. It comprehensively recognises the technological accumulation and innovative talents of the winning companies.



Strength recognised by the government

The Company gained high recognition by the Shanghai Municipal People's Government with three honorary titles of "Innovative Enterprise Headquarters", "Private Enterprise Headquarters" and "Regional Headquarters in Pudong" for its industrial role, resource allocation, sci-tech innovation, quality and efficiency, functional complexity, leading effects and economic contribution.



03 Innovation excellence winning national honours

Following the "Pudong High-Value Patent Award" and the title of "Shanghai Intellectual Property Demonstration Enterprise", iRay Technology was then awarded the title of "National Intellectual Property Demonstration Enterprise" by China National Intellectual Property Administration after procedures of enterprise evaluation, recommendation, review and confirmation. These awards illustrate the Company's strength in IP management and its leading innovation excellence and core competitiveness.



04 Reputation built up with brand strength

Thanks to its cooperation with leading companies in the X-ray imaging industry for years and its high quality products and services, iRay Technology received continuous recognitions from various customers, including the 2023 Neusoft - Outstanding Supplier Award and the 2023 Carestream - Innovation Award.



05 Earnest practice of the original purpose of boosting the industrial development

At the European Congress of Radiology (ECR) in March 2023, iRay Technology exhibited four technologies: wireless Intelligent Automatic Exposure Control (iAEC)/Intelligent Scattered Ray Removal Algorithm (iGrid)/Automatic Exposure Detection for Full-Fledged Plates (iAED)/Imaging of Dual-Energy (iDE), as well as a full range of CMOS flat panel detectors and high-voltage generators.



At the China International Medical Equipment Fair (CMEF) in May 2023, iRay Technology launched Pluto 1212X/1216X, a medium-view CMOS flat panel detector for interventional diagnosis and treatment of heart, head, abdomen and lower extremity.



At the Radiological Society of North America (RSNA) in November 2023, iRay Technology demonstrated its optimised intelligent products and innovative wireless dynamic multifunction flat panel detectors. iRay Technology practices its original intention of boosting the industrial development with its strength in hardcore technology.



06 A step forward in detector R&D: from single-energy to dual-energy

iRay Technology introduced Mercuri 0810DE, the first single-exposure dual-energy X-ray detector for dental CBCT and panoramic imaging. Supported by iRay's patented dual-energy technology and equipped with double-layer thin film transistors (TFT) and scintillation materials in different thickness, this model enables single-energy scanning of radiation sources. Combined with mathematical algorithms, this product generates standard images as well as images of soft tissues and images of bones with one exposure. Apart from shortening examination time and dramatically reducing radiation to the patient, the detector also solves the problem of motion artifact existing in the dual-energy system that requires two exposures.



07 Active exploring in the field of scientific instruments

iRay Technology launched its first Residual Gas Analyser (RGA) series product with completely independent intellectual property rights - QRGA OIS series RGA, realising cross-technology innovation for scientific instruments. As a derivative of Mass Spectrometer, RGA can facilitate production and enhance efficiency after being integrated into intelligent manufacturing systems, thus gaining wide application in semiconductor manufacturing and display panel manufacturing (including Organic Light-Emitting Diode, OLED). The launch of this product represents a leap forward of iRay Technology in the localisation of a further core component.



08 Breaking the monopoly with 180kV microfocus closed ray tube

After years of planning and investment, iRay Technology achieved the mass production of 90kV, 130kV and 150kV microfocus closed ray tubes in 2023, which greatly accelerated the localised production of key components for online/offline high-precision industrial inspection equipment. In the same year, the Company completed the research and development of the 180kV microfocus closed ray tubes, which broke the monopoly by imported products in this field.



09 Accelerated implementation of the "one headquarters and six factories" layout

iRay's Taicang factory phase II was put into production; the infrastructure of the Hefei factory was basically completed; the U.S. factory was in operation. The number of factories worldwide reached six, the factories are in Jiangsu Taicang, Zhejiang Haining, Anhui Hefei, Chengdu, Seoul (Korea) and Cleveland (U.S.). The headquarters and R&D centre in Cambridge (an R&D and innovation base dedicated to the R&D of key technologies used in digital X-ray detectors) started the main structure construction. iRay Technology translated its forward-looking strategies into actions to lead the upgrade of digital X-ray imaging technology across the world.



10 A global presence

iRay Technology upgraded its overseas service system. The U.S. technical services centre has increased manpower and equipment to provide support on maintenance and on-site service. We also set up a new technical service centre in Chennai, India (technical services centre amounting to 9 globally). In doing so, iRay Technology improved its technical support and services for overseas markets and customers.



11 Expansion of the equity incentive system

On 14 October 2023, iRay Technology released the restricted stock and stock option incentive scheme (draft), proposing to grant 3 million stocks (including 1 million restricted stocks and 2 million stock options) to those deserving incentives, accounting for 2.95% of the total share capital as at the announcement. The first phase of the scheme covered a broad group of 455 recipients, 36.78% of the total number of employees in 2022. Among them, the undiscounted stock options are mainly granted to middle and senior managements, demonstrating the Company's confidence in long-term development and stock price.

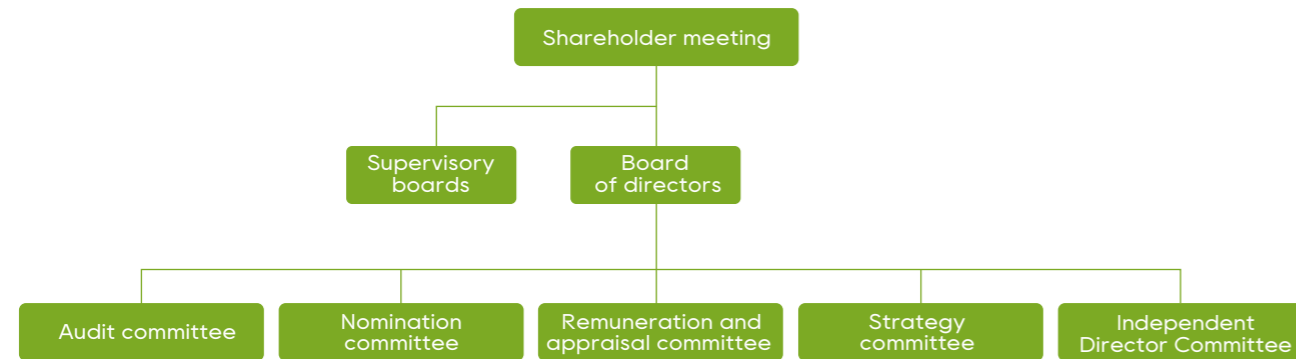


Sound Corporate Governance for Sustainable Development

Sustainable and healthy development of a company necessitates sound corporate governance. Attaching great importance to governance codes, iRay Technology strictly adheres to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* and relevant laws and regulations. In addition, the Company effectively implements the *Articles of Association* to improve the governance structure, strengthens information disclosure and investor relation management, promotes modernisation of governance capabilities, and drives high-quality development of the Company.

Enhancing Corporate Governance

iRay Technology has established a governance structure with shareholder meetings, board of directors, supervisory board and senior management as the main body structure. This structure standardises the operational management process and provides organisational assurance for efficient and stable operations. The Company's board of directors has established audit committee, nomination committee, remuneration and appraisal committee, strategic committee, and independent director committee with clear responsibilities for each committee, ensuring rational allocation of resources and scientific and efficient decision-making. As of December 31, 2023, the Company's board of directors has 8 directors, including 3 independent directors. During the Reporting Period, the Company held 20 board meetings and committees meetings, and reviewed 62 proposals.




The Company puts a high value on information disclosure. We strictly follow the *Regulation on Information Disclosure of Listed Companies*, the *Listing Rules of Shanghai Stock Exchange* and relevant laws and regulations. We have formulated the *Information Disclosure Management System* and other relevant rules to carry out the Company's information disclosure in an orderly manner.

Improving investor communication

We are concerned about investor demands and maintains close interaction with investors, we formulate and strictly enforces relevant rules such as the *Investor Relations Management System*. We actively organise investor activities, issue announcements, and respond to questions raised by investors on the Shanghai Stock Exchange E Interactive Platform. We carefully listen to investors' suggestions, and ensure that all investors have equal access to information disclosed by the Company. The Company places great emphasis on safeguarding investor rights and closely monitors investor concerns, evaluation matters, improvement suggestions, etc., strengthening investor relations management.

During the Reporting Period, on the basis of maintaining good communication with investors, we established an Investor Relations Department to strengthen the response to the concerns of the secondary market about iRay Technology and further improve the investor communication mechanism. Our Investor Relations Department, headed by the Assistant Vice President, conducts joint investor communication activities with the Board Office on a day-to-day basis, including organizing investor open day in iRay Haining and iRay Hefei to promote on-site visits and face-to-face exchanges with investors. We also conducted reverse roadshows in Beijing, Guangzhou and Shenzhen, actively participated in strategy meetings, and organized regular report conference calls. At the same time, during the Reporting Period, we organised 4 performance explanation sessions, participated in 1 collective roadshow of Shanghai Stock Exchange for high quality development companies, issued 87 announcements and answered 20 investor questions through Shanghai Stock Exchange E Interactive Platform, which further strengthened the quality of investor communication and improved the transparency of information. In order to actively receive investors' opinions and feedback, we set up a dedicated telephone hotline and e-mail for investor relations during the Reporting Period, and treated online questions, calls and inquiries on investment in a serious and responsible manner, so as to improve the quality of investor communication and interaction.

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Case

 **iRay Technology participated in the "Roadshow of Shanghai Stock Exchange for High Quality Development - Livelihood Service" event.**

On 24th October, 2023, iRay Technology sent representatives to participate in the roadshow for high quality development companies hosted by the Shanghai Stock Exchange. Our representatives made a presentation on the company's business, core technology, corporate advantages and other aspects. In the future, with a focus on the national strategic planning, international leading trends, and with innovation as the driving force, iRay Technology will strive for advanced manufacturing and high-end equipment in the digital imaging industry. In addition, with the help of the constantly optimised capital market, the Company will return to the investors with excellent performance, and take the initiative to assume social responsibility, to be a high-quality listed companies.

In addition, in order to implement the Shanghai Stock Exchange's initiative of "improving quality, increasing efficiency and focusing on returns" for companies listed on the Science and Technology Board, iRay Technology has integrated the concept of "investor-oriented" into the company's development, and continues to optimize its operations, standardizes its governance, and actively share the achievements of enterprise development with shareholders. During the Reporting Period, we successfully implemented and completed the share repurchase program, during which the company's stock price steadily increased. We also distributed a total cash dividend of RMB 210,805,251.40. The compound annual growth rate of dividends over the past three years was 70.46%, with the annual cash dividend amount accounting for more than 30% of the company's net profit each year.

Advancing Risk Management

Building internal control is not only a regulatory requirement for listed companies, but also a foundation for the long-term robust development of enterprises. The Company has formulated corporate governance policy documents such as the *Internal Audit Policy* in accordance with laws and regulations and normative documents, such as the *Basic Standard for Enterprise Internal Control* and the *Guidelines for Evaluation of Enterprise Internal Control*, and strictly complies with them in actual operation.

We make continuous improvements in the Company's internal audit, and refine the risk control mechanism, accountability system, risk prevention and control system, internal contract management system, and relevant management standards, processes, and policies, to further standardise our operations. During the Reporting Period, we carried out internal audit over matters like expense reimbursement, key suppliers import and information security, and improved our management in a targeted manner to further improve the management level of the Company.

Complying with Business Ethics

iRay Technology regards integrity and honesty as the foundation of a company. During the Reporting Period, iRay Technology formulated and published the first *Responsible Business Alliance (RBA) Management Manual*, which requires the Company and its partners to practice the highest ethical standards and specifies that the management representatives should supervise the effective implementation of the relevant management system. We have formed an efficient top-down closed-loop management system to drive integrity, and prioritise the protection of IP and trade secrets. The purpose is to effectively prevent data and privacy leakage through a perfect information security management mechanism and safeguard the stable corporate operation.



Adhering to Integrity Operation

The Company strictly comply with relevant laws and regulations, including but not limited to the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Interim Provisions on Prohibiting Commercial Bribery*, to clarify the company's code of ethical business conduct.

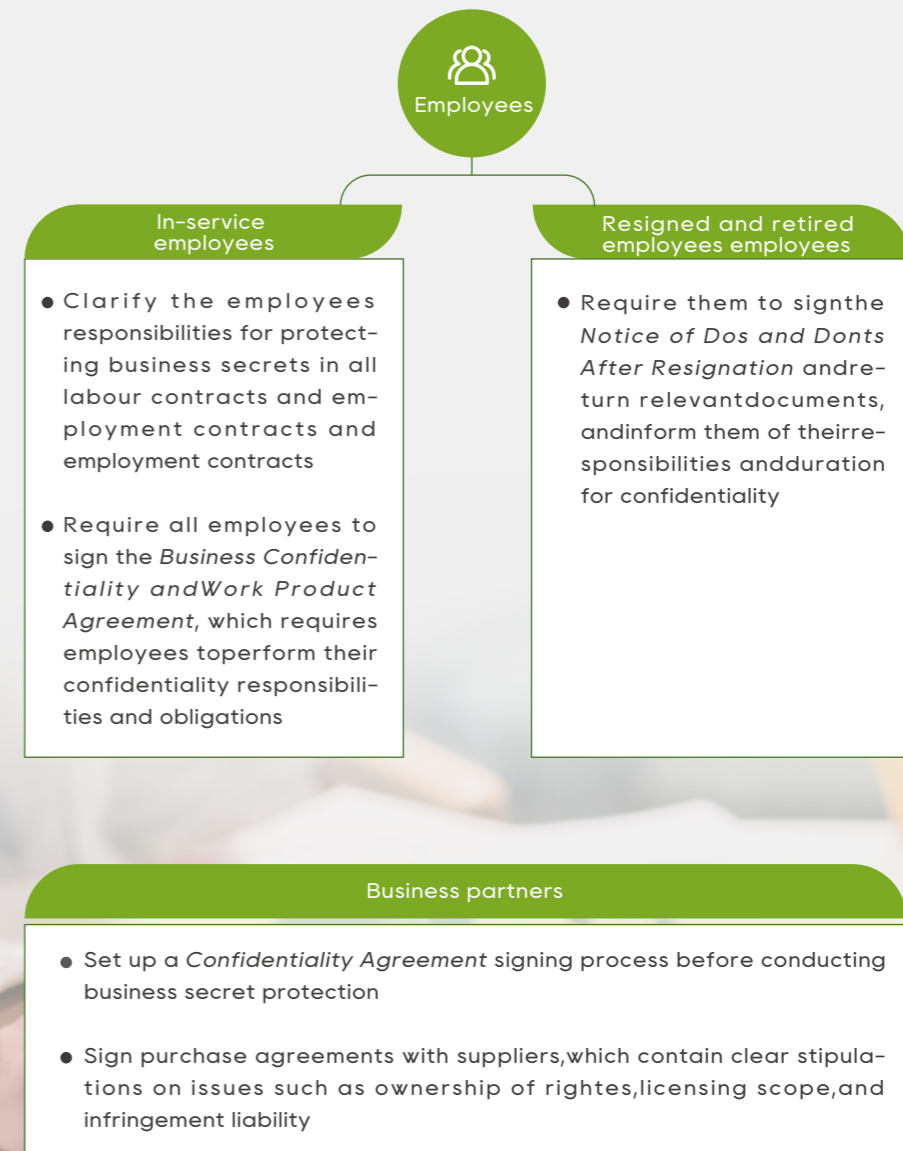
Under a well-structured management framework and effective management mechanism, the Company has widely established and implemented anti-graft and anti-corruption policies on employees and suppliers, and prohibited any form of bribery, embezzlement, extortion and misappropriation of public funds. We adhere to the highest standards of integrity in all our business interactions and implement monitoring and reinforcement procedures to ensure compliance with honest operation requirements (including the commitment, provision, offering or acceptance of any bribe). We also provide internal appeal channel for employees found to be in violation of integrity requirements. We also conduct regular compliance training for our employees, management, and directors to strengthen awareness of business ethics, and endeavour to ensure that our internal personnel are fully aware of and comply with the relevant policies and regulations regarding honest operation. During the Reporting Period, we conducted business ethics and compliance training sessions, covering 100% of full-time employees.

For external parties, we endeavour to ensure an ethical and honest business environment. The Company has signed *Confidentiality Agreements* with our suppliers and customers to clearly stipulating the standards involving bribery, insider trading, conflict of interest and other aspects, and to strictly implement the anti-bribery and anti-corruption concept. The Company also requires suppliers to sign the *Letter of Commitment on Integrity* in which they promise not to provide bribery of any form, illegitimate gains, etc., to related persons and stakeholders. In addition, the Company sets up uninterrupted complaint channels for interested parties, like email legal.dept@iray-group.com, and encourages persons concerned to report any noncompliance they discover and identify to combat corruption.

To protect the legitimate rights and interests of whistle-blowers as well as to create a corporate culture of integrity, the Company has incorporated "Identity Protection and No Retaliation" into its business ethics policy. By allowing anonymous report, keeping confidential the whistle-blower's identity and other information, and establishing anti-retaliation measures, we aim to protect the rights and interests of whistle-blowers and ensure that they can fully fulfil their right to monitor. During the Reporting Period, the Company had no violation of business ethics.

Guarding Business Secrets

We regard business secrets as an important indicator of corporates' core competitiveness, and we have formulated the *Information Confidentiality Management Standards* to regulate and manage the scope, classified level, and protection measures of confidential information. Varying from the multi-level confidentiality in office, R&D, production and other places, the Company authorises different levels of access control. It defines the scope of activities for employees and visitors to prevent leaks. During the Reporting Period, the Company continued the tradition of trade secret protection training by conducting training for all employees. The training covers the scope of trade secrets, confidentiality requirements, daily considerations, typical cases and related risks and responsibilities. At the same time, we implemented a series of management initiatives for our employees and partners to strictly guard trade secrets.



◆ Protecting Intellectual Property



The Company strictly abides by laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Enterprise intellectual property management*, and takes multiple measures to protect intellectual property effectively and to maintain the competitive advantage of independent innovation. During the Reporting Period, we were recognised as "National Intellectual Property Advantageous Enterprise" by the State Intellectual Property Administration (CNIPA), which fully demonstrated our high-quality IP management and product innovation capability.

iRay Technology has established a sound system of intellectual property rights management and formulated the Intellectual Property Manual, which regulate the management of the Company's intellectual property such as patents, software copyrights, trademarks, integrated circuit layouts, etc. Also, the Company has established an intellectual property management department and set up intellectual property liaison officers in each relevant department to facilitate the promotion and communication of intellectual property management. Besides, iRay Technology has formulated and followed the *Intellectual Property Infringement Risk Management System*, to standardise the Company's mechanism for responding to intellectual property infringement or being infringed upon, thus controlling such risk. During the Reporting Period, we formulated the *Patent Infringement Risk Registration Policy* to standardise the classified patent management and further reduce the risk of patent infringement.

To prevent the occurrence of intellectual property infringement, the Company monitors the changes in intellectual property rights in the industry. We keep up with the intellectual property dynamics of industry peers by using intellectual property database. For the technical routes that the Company's R&D centre focuses on, the Company monitors them on a multi-frequency basis to avoid the risk of infringement or possible infringement during the R&D process. Once the clue of patent infringement is detected and verified, the Company sets up an emergency team to research and collect evidence of damages caused, properly safeguarding its legitimate rights and interests by legal means. In the event of a patent-related dispute or alleged patent infringement, the Company carries out risk prediction, grades the incident and takes action accordingly. In addition, we require suppliers to sign the *Letter of Commitment to No-Infringement in Products*, in which they undertake to supply products without any infringement of the IP of third-party authorised licensor. During the Reporting Period, the Company had no infringement of IP.

To fully integrate the creation and protection of IP into the daily operation of the Company, we regularly carried out relevant training to strengthen the building of IP culture. In addition to providing IP-related training to new employees in batches, we have established a four-tier IP training system, which covers training for all employees, R&D training, management training and intellectual property rights (IPR) training, to help employees acquire the skills required for their job functions and to effectively implement IP management.

◆ Ensuring Information Security

We strictly comply with the laws and regulations on information security and privacy protection in the country or region where we operate, including but not limited to the *Cybersecurity Law of the People's Republic of China*, the *Administrative Measures for the Graded Protection of Information Security*, etc. To ensure network and information security, the Company has promoted the three major initiatives: technological empowerment, knowledge dissemination, and institutional safeguards to comprehensively conduct information encryption, anti-virus, and data backup.

The Company utilises a professional data leak prevention system and transparent encryption technology at the driver level to secure data encryption and ensure the security of data use at source. We install computer security software in internal computers for data encryption and virus prevention to ensure that only authorised personnel can view and edit classified documents. The Company formulated the *Rules on Data Backup Management* in the light of the actual situation, educated the staff about data backup and clarified the management process of data backup and recovery. Additionally, the Company provides its employees with enterprise email accounts that have built-in antivirus and email interception features, and periodically sends out protective reminders on information leaks, fraud, and other security issues via email.

Beyond that, we have formulated the *IT Business Continuity Management Specification*. Other measures include appointing system administrators, and assembling an emergency response team and a disaster recovery team to ensure that dedicated personnel are in place for predicting and monitoring major information security events or security crises that may affect the Company's network and information systems, as well as to ensure that the Company's network and information systems are able to recover promptly upon information security events. During the Reporting Period, the Company backed up the data in servers and various R&D and administrative systems and through the integration of these systems, we have realized real-time data exchange and effectively avoided the risk of mutual attacks and data leakage of systems, so as to fully safeguard information and data security.



Improving ESG governance

iRay Technology sticks to the vision of "iRay X-ray Technology Everywhere" and continues integrating ESG into its operations. The Company constantly optimises and improves the company's sustainable development management system, and actively promotes the in-depth integration of ESG concepts with the company's strategy and business operations. The Company continues to focus on ESG issues such as product quality, environmental protection and employee health and the progress of related work to achieve long-term value creation.

We firmly believe that continuous improvement of ESG management mechanism is crucial to the implementation of the Company's sustainable development strategy from top to bottom. We have set up a cross-departmental ESG working group to manage and execute daily ESG-related affairs. The ESG working group, led by the Board Office, consisting of key personnel from various departments and core personnel of our subsidiaries, is responsible for the management and execution of related matters, in order to fully implement ESG management initiatives.

Sticking to the principle that internal policies must be directive, systematic, coordinated and advanced, iRay Technology clearly stipulates its social responsibility policy, environmental policy, occupational health and safety policy, business ethics policy, as well as the specific requirements and measures under each policy in the RBA Management Handbook, and requires suppliers and other partners to jointly comply with the relevant management requirements, hoping to collaborate with all stakeholders in the value chain to jointly achieve responsible corporate governance and operation.



Stakeholder Communication

The Company attaches importance to the communication with various stakeholders, including government departments and regulators, shareholders and investors, employees, customers, suppliers, partners, and communities. The Company values communication and exchange with stakeholders through various channels to understand their demands and expectations in ESG areas, provide timely feedback, and formulate ESG management strategies based on the communication results.

Stakeholders	Issues of concern	Communication and response
Government departments and regulators	Compliance management Product and technology innovation Product quality and safety Anti-corruption and business ethics Green operation Better energy efficiency	Daily management Exchanges on meetings Supervision and inspection Government projects Advice and suggestions
Shareholders and investors	Compliance management Return to shareholders Corporate governance Investor relations Product innovation and intellectual property protection Anti-corruption and business ethics	Shareholder meeting Information disclosure Investor meeting News released on the official website and other channels
Employees	Occupational health and safety Talent attraction and retention Employee rights protection Diversity and equal opportunities Employee training and development Welfare and compensation	Workplace safety and occupational health management Protection mechanism of employee rights and interests Salary and performance management Employee promotion mechanism Employee training program Employee welfare activities
Customers	Product quality and safety Customer service management R&D innovation system Compliance management Green products and operations Information security and trade secret protection Complaint feedback and handling mechanism	Professional quality and customer service team Customer satisfaction survey Product innovation and R&D Green product design Business confidentiality and information security management Customer complaint handling
Suppliers and partners	Compliance management Commitment and win-win development Supply chain management Anti-corruption and business ethics Resource recycling	Partnership agreement Supply chain management and communication Supplier meetings and training Reporting channels Green supply chain management
Community	Community-based charity and development Inclusive medical care Emissions management	Public welfare actions Medical aid assistance Business presence in developing countries Green operation and management

Assessing Material Issues

In order to identify the key areas of focus for iRay Technology's ESG work, the Company regularly appoints professional organisations to assess material issues. The Company conducts material ESG issues assessment through industry analysis and surveys on internal and external stakeholders to understand their expectations on the Company's ESG performance. The Company combines the survey results with its business operations, identified and prioritised important ESG issues for its operations and sustainable development, and uses them as an important reference for continuing to carry out ESG management and disclosing ESG information.

The materiality assessment is carried out in the following steps:

Step 1: Identify material ESG issues

Taking into account expert opinions, actual business operations, and industry development characteristics, the Company identified 20 ESG issues in three categories (governance, social and environmental), including:

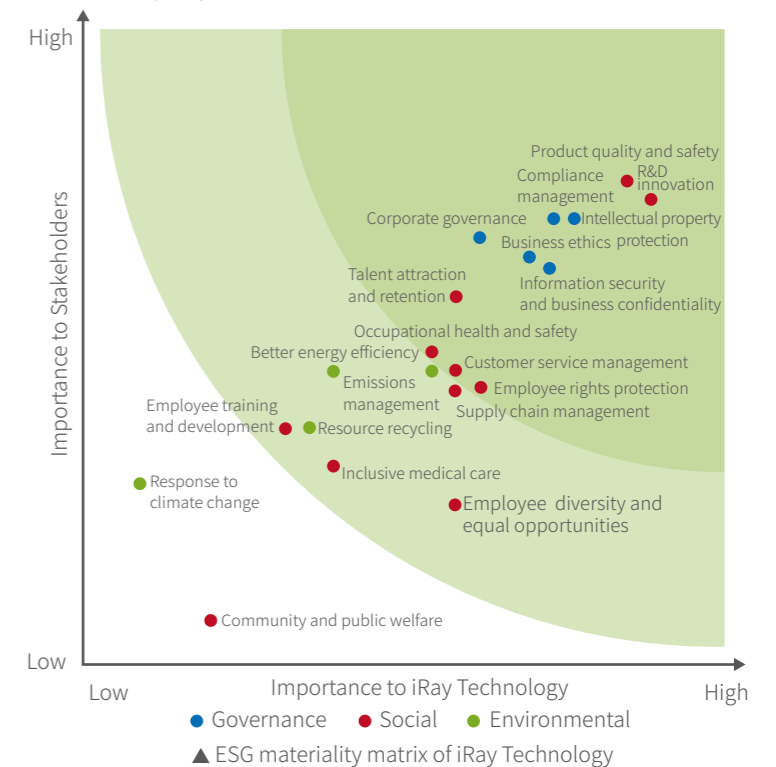
Governance	Business ethics
	Compliance management
	Corporate governance
	Intellectual property protection
Social	Information security and business confidentiality
	Product quality and safety
	R&D innovation
	Customer service management
	Supply chain management
	Employee training and development
	Talent attraction and retention
	Occupational health and safety
	Employee diversity and equal opportunities
	Employee rights protection
	Inclusive medical care
	Community and public welfare
Environment	Emissions management
	Resource recycling
	Better energy efficiency
	Response to climate change

Step 2: Analyse the importance of the issues

Through questionnaires on internal and external importance to stakeholders and internal interviews, the Company assessed the importance of key ESG issues from two dimensions - "importance to iRay Technology" and "importance to stakeholders", and drew a materiality assessment matrix based on the actual survey results to determine the importance of the Company's ESG issues.

Step 3: Verify the assessment results

To secure accurate and adequate assessment results, the Company's management and ESG directors reviewed and reconfirmed the results. During the Reporting Period, as there were no significant changes in the Company's business operation model, we reviewed the ESG issues and the results of the materiality assessment and concluded that the results were still applicable to the Company, and the final results are as follows:



ESG Topics in 2023

Topic: Improving Medical Accessibility for Health and Well-being

With the global economic growth and the advancement of the urban development process in developing countries, accelerating the construction of a graded diagnosis and treatment system and the promotion of inclusive medical care had become a broad consensus in the global public domain. As a leading company in the detector industry in China and around the world, iRay Technology always adhere to the corporate mission of "Improving Lives with Innovative Imaging Technologies". It is committed to promoting the development of the DR market and the sinking of DR system to primary healthcare institutions, thus, improving the construction of healthcare infrastructure and better improve the health and well-being of patients around the world.

We have cooperated extensively with many domestic medical industry customers, providing medical services to the countryside, promoting the steady development of the domestic basic medical and health service system, and improving the balance of resource allocation and service. Relying on the strong technical and product support of iRay Technology, several of our customers have won the bidding of the provincial subsidized primary healthcare institutions' medical equipment procurement project in Hunan Province, which has effectively enhanced the accessibility of local healthcare services as well as the level of comprehensive medical care.

We are also concerned about the improvement of medical accessibility in developing countries. As at the end of the Reporting Period, **70%** of our top ten customers are from developing countries. The company's high-quality products have been sold to developing countries including Azerbaijan, Namibia, and Jamaica, etc. We have also established overseas customer service platforms in India, Mexico, and other places to provide efficient after-sales service, practising the corporate vision of "iRay X-ray Technology Everywhere" by actions. During the Reporting Period, our Mars 1417V wireless static flat panel detector and other products were sold to more than 300 hospitals in India, effectively assisting in the construction of the local end-to-end inclusive healthcare system by virtue of their clear images, stable and reliable wireless performance and long battery life.



medical service in Azerbaijan and Namibia

United Nations' Sustainable Development Goals Response

SDGs	Response	SDGs	Response
<p>1 无贫穷</p>	Chapter 2: Employee Care and Talent Development Chapter 5: Caring for Society and Shouldering Responsibility	<p>9 产业、创新和基础设施</p>	Chapter 1: Operational Excellence and Innovation-driven Strategy
<p>3 良好健康与福祉</p>	Chapter 1: Operational Excellence and Innovation-driven Strategy Chapter 2: Employee Care and Talent Development Chapter 5: Caring for Society and Shouldering Responsibility	<p>10 减少不平等</p>	Chapter 2: Employee Care and Talent Development Chapter 4: Responsible Procurement and Resilient Management Chapter 5: Caring for Society and Shouldering Responsibility
<p>4 优质教育</p>	Chapter 5: Caring for Society and Shouldering Responsibility	<p>11 可持续城市和社区</p>	Chapter 2: Employee Care and Talent Development Chapter 3: Low Carbon and Green Development Chapter 5: Caring for Society and Shouldering Responsibility
<p>5 性别平等</p>	Chapter 2: Employee Care and Talent Development	<p>12 负责任消费和生产</p>	Chapter 1: Operational Excellence and Innovation-driven Strategy Chapter 3: Low Carbon and Green Development Chapter 4: Responsible Procurement and Resilient Management
<p>6 清洁饮水和卫生设施</p>	Chapter 3: Low Carbon and Green Development	<p>13 气候行动</p>	Chapter 3: Low Carbon and Green Development
<p>8 体面工作和经济增长</p>	Chapter 2: Employee Care and Talent Development Chapter 4: Responsible Procurement and Resilient Management	<p>17 促进目标实现的伙伴关系</p>	Chapter 1: Operational Excellence and Innovation-driven Strategy Chapter 4: Responsible Procurement and Resilient Management Chapter 5: Caring for Society and Shouldering Responsibility



01

Operational Excellence and Innovation-driven Strategy

iRay Technology firmly adheres to the value of "Innovation, Excellence, Collaboration and Win-Win". Taking industry-leading technology and innovation excellence as an inexhaustible power, and the constantly evolving product lifecycle quality management system as the cornerstone, we are committed to providing customers with safer, more advanced X-ray technology and better services, and better serving human health.

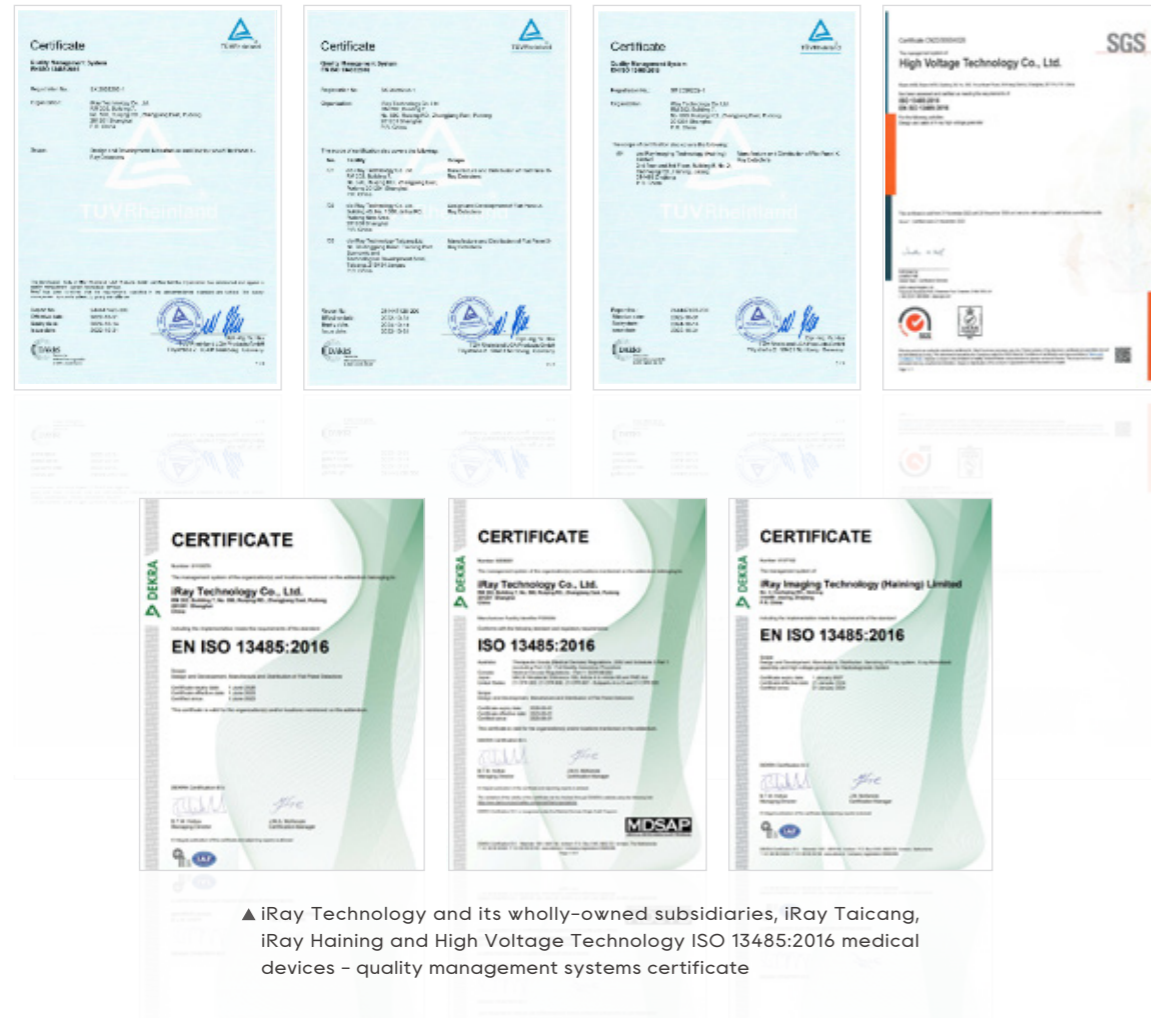
- ◎ Comprehensive Quality Management
- ◎ Boosting R&D Innovation
- ◎ Providing Quality Services

SDGs



Comprehensive Quality Management

The Company follows the *Product Quality Law of the People's Republic of China*, the *Norms on the Quality Management for Medical Devices*, and other laws and regulations and establishes a quality management system in compliance with ISO 13485:2016 medical devices – quality management systems – requirements for regulatory purposes. The Company's quality management system has passed the quality management system certification in the EU, US, Canada, Australia, Japan and South Korea, complied with local regulations and fully served the Company's strategic need for global expansion. In addition, iRay Technology and its wholly-owned subsidiaries, iRay Taicang, iRay Haining and High Voltage Technology have passed the third-party audit on EN ISO13485:2016 medical devices – quality management systems – requirements for regulatory purposes. During the Reporting Period, we launched the ISO9001 "Quality Management System" certification programme for our non-medical products, to continuously monitor and assess the operation of our internal quality management system and gradually implement systematic management initiatives. As of 31 December 2023, the coverage rate of quality-related certifications at our manufacturing or operation premises was 100%.



Furthermore, products of iRay Technology have also been widely recognised. As of 31 December 2023, 11 of our products have been certified by the National Medical Products Administration (NMPA) of China, 20 products have been certified by the US Food and Drug Administration for medical device (FDA510K) registration, and 19 products have been certified by the Conformite Europeenne (CE) certification.

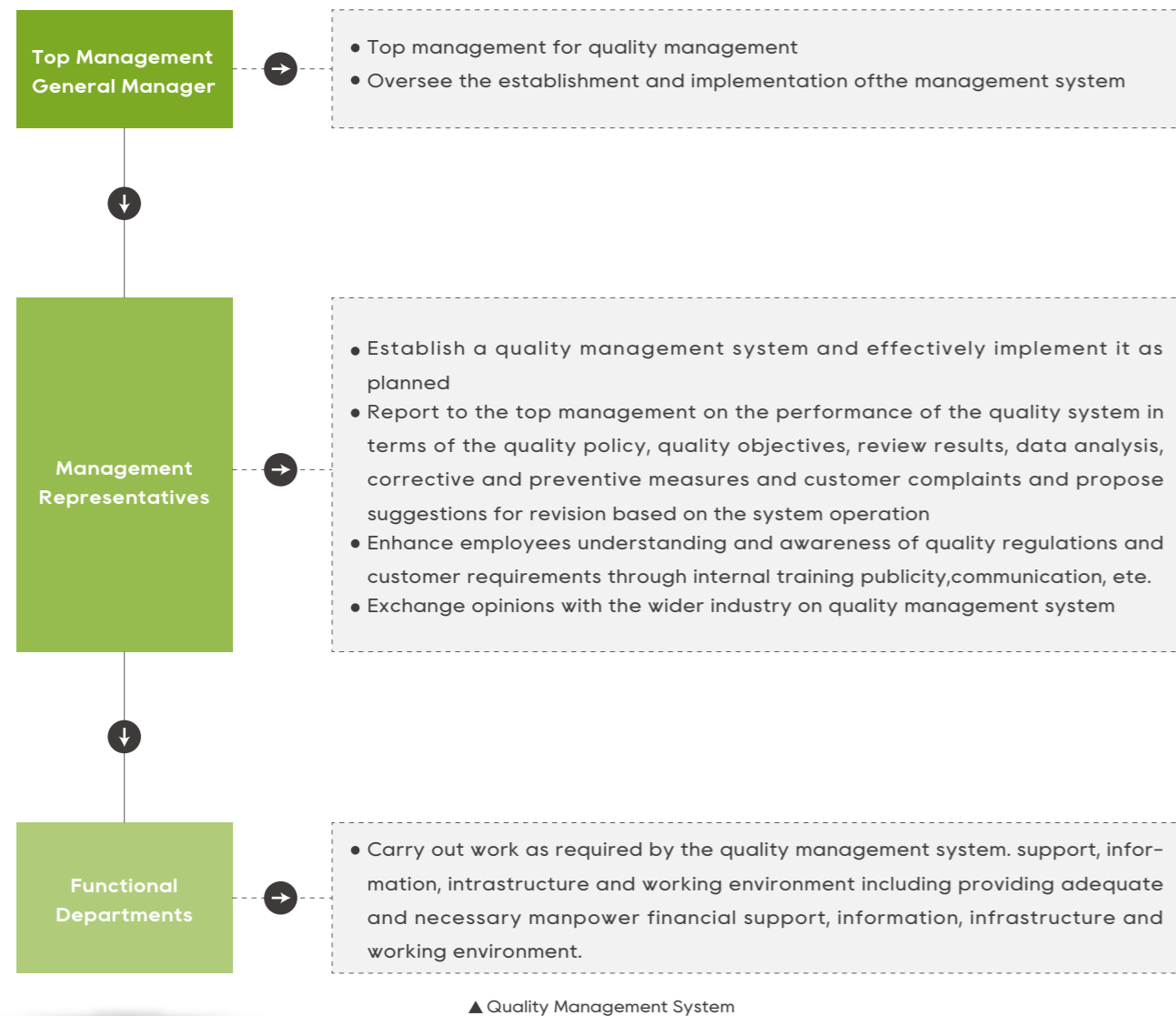
Whole-Process Quality Management

We have established a whole-process quality management structure, covering product demand, design and development, production and manufacturing, product sales, after sales service and post marketing surveillance. We have compiled and implemented the *Quality Manual*, which specifies the quality policy, quality objectives, quality management system and other action guides, and use these to guide the Company in establishing, implementing, and maintaining the quality management system, ensuring that the quality management process is standardised and refined, and safeguarding product safety and stability. Meanwhile, we have integrated the domestic and international regulations and standards into the quality management system and make timely adjustments to reflect regulatory developments.

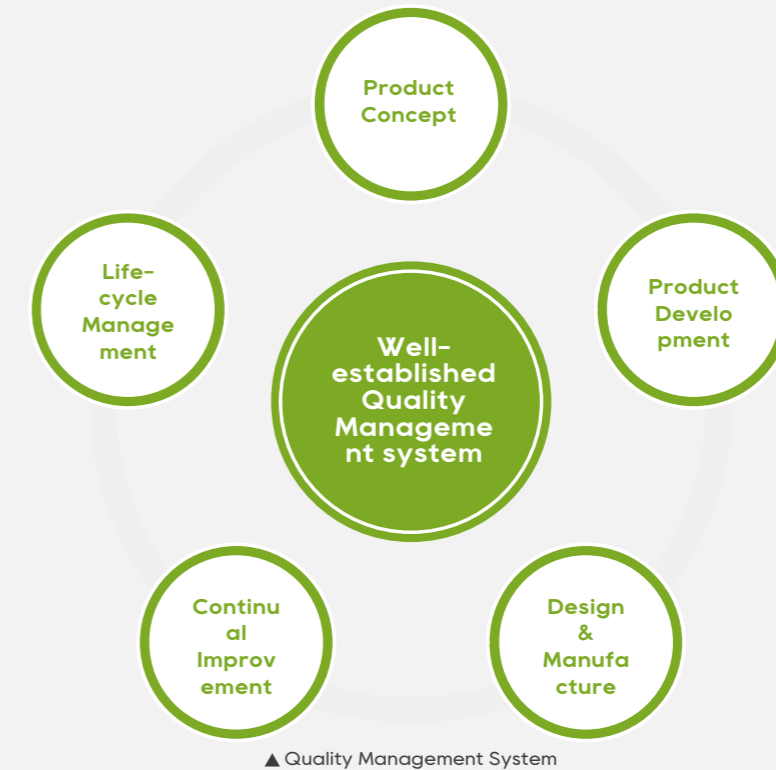


▲ The Quality Policy, Objectives and Management System

In addition, we have established a clear, unambiguous, and complete organisational structure for quality management, which clearly regulates the responsibilities and requirements of each department and position to ensure the effective operation of our internal quality management system.



On the basis of continuous improvement of our quality management system and policy documents, the Company incorporates product concept, product development, design and manufacturing, and life cycle management into quality management, ensuring comprehensive and effective quality management. We strictly maintain the safety of products from both R&D and production aspects and strictly controls the quality of products to ensure that its products comply with such standards as electrical safety, electromagnetic compatibility (EMC), sound output, for the sake of safety and reliability. We have established and implemented the *iRay Product Development Control Procedures* for product design and development, based on which we plan and control the design and development of our products to ensure that the review, verification, validation as well as the design transfer activities at each stage comply with our internal quality specifications and meet the requirements for production. During the Reporting Period, we added new definitions of standards for preventive testing and factory acceptance testing at the product design transfer stage to provide adequate and effective quality control over pre-market products.



We also closely track the development trend of digitalisation, and use digital means in the production and operation to accelerate digital transformation. We integrated many management systems such as Manufacturing Execution System (MES), Product Lifecycle Management (PLM), Systems Applications and Products in data processing (SAP), Enterprise Resource Planning (ERP) and Office Automation (OA) System with intelligent facilities and equipment, in an effort to comprehensively improve the level of automation and intelligent management of production and operation, so as to improve the management quality and efficiency over factors like quality, safety and cost, and ultimately drive business growth. During the Reporting Period, we have deeply integrated and synchronously launched information management software such as MES, PLM, SAP, OA, etc., which greatly reduces the need for manual operation and improves work efficiency. At the same time, in the face of complex business needs, the integrated system has higher flexibility, data accuracy and security, realizing the integration of business and financial management, the whole process management of product lifecycle, supply chain collaborative management and digital process management.

Meanwhile, we deployed various types of equipment to suit the expansion of our business scale, so as to continuously promote the development of quality management processes towards automation and refinement. In addition, our subsidiary, High Voltage Technology deployed high-voltage generator aging and reliability automatic test fixtures, which improved efficiency by controlling multiple transmitters simultaneously, and carried out automatic exposure tests to reduce the difficulty of manual operation and effectively achieve accurate feedback of test results, which greatly enhanced the effectiveness of product quality control.

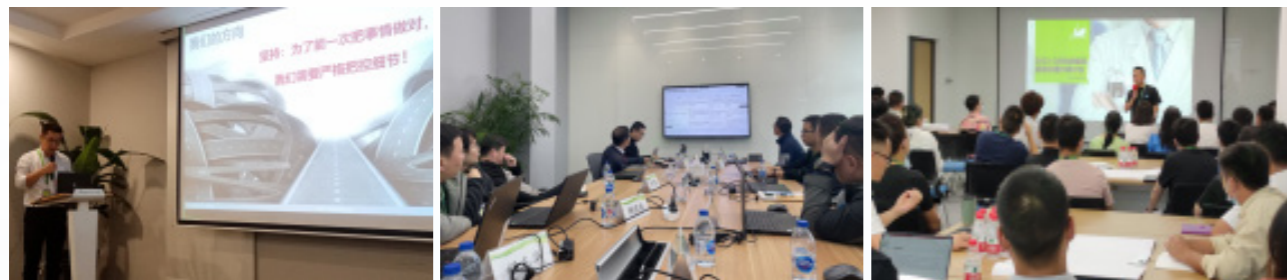
In addition, the Company has developed the *Control Procedure of Nonconforming Products* to standardise the disposal process of nonconforming products found in production process and after delivery. For the nonconforming finished products or self-made semi-finished products during production, the Company will re-manufacture or scrap them based on the actual situation. When the delivered products are found to be nonconforming, the Company will immediately collect product information, analyse causes and assess risks to see how serious the injury or potential injury caused by the nonconforming products to patients and users is. Then the Company issues advisory notices to the regulatory authorities and recalls those products if necessary. During the Reporting Period, we optimised the e-flow of non-conformity control, eliminated the record requirements for cause analysis, improvement measures and tracking results in the non-conformity process, and revised the triggering rules for Corrective Actions and Preventive Actions (CAPAs), to further strengthen the assessment and control of non-conformities, with cumulative failure rate decreasing year by year. Since its establishment, the Company reported no product recall because of quality issues.

Building a Culture of Quality

To ensure that our quality policy is accurately and effectively communicated to every employee, we regularly hold diversified internal and external quality-related training and seminars to promote the effective participation of all employees in quality management through publicity, training, assessment, and internal quality audits, etc., so as to ensure the stability and continuous improvement of product quality.

During the Reporting Period, we conducted a total of 42 quality related training sessions on various topics like the promotion of laws and regulations, internal policies and procedures, quality awareness and tools training, covering 100% of our employees.

During the Reporting Period, we held regular quality seminars in Shanghai headquarters, iRay Haining and iRay Taicang, and organised case sharing and on-site analysis training for R&D, production, quality, and engineering staff, so as to enable employees to understand the quality control requirements of design and development, product manufacturing, etc., and to drive the strict top-down implementation of the Company's quality culture and quality supervision requirements.



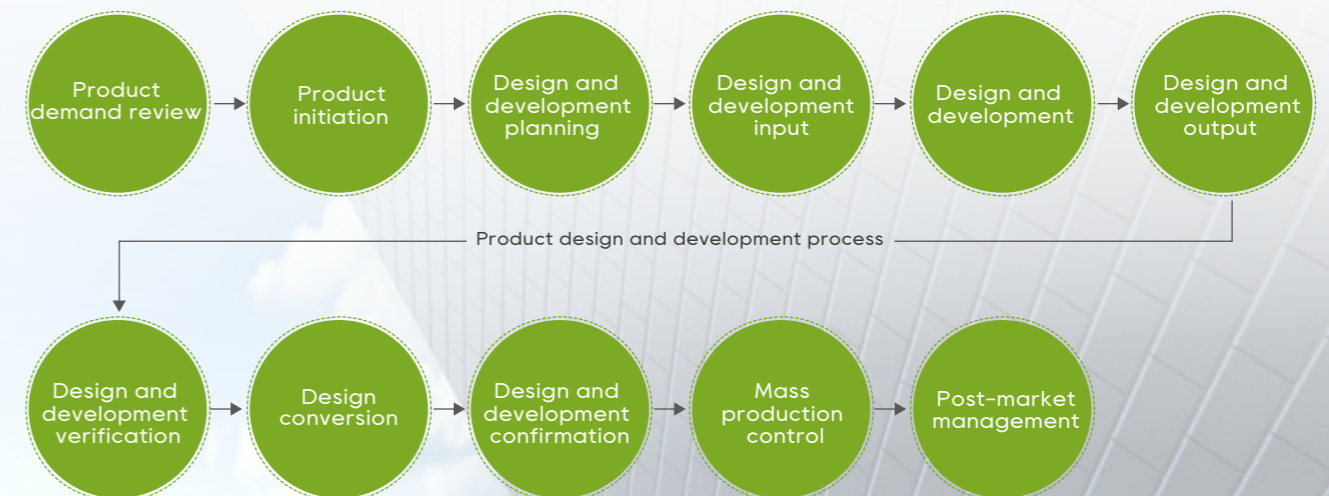
▲ Shanghai Headquarter, iRay Haining and iRay Taicang held quality seminars for 2023

Boosting R&D Innovation

iRay Technology firmly believes that independent innovation is the core competitiveness of the Company in the global market. We highly value the R&D management and the talent development, keep promoting the innovation of product in multi-domains by enriching and expanding the core X-Ray technology matrix. We are also devoted to providing the environmentally and socially friendly, high-quality product and completed imaging system solutions to industrial customers.

Optimising R&D Management

Comprehensive R&D management process lays the foundation for product stability and reliability. The Company has established a complete process for the design of product technical schemes with multiple control nodes and developed a risk identification and management system to improve compliance, reliability, and predictability of R&D projects. During the product demand review at the initial stage, the Company will collect and identify information related to product demands to assess and ensure product safety and compliance, including functions, performance, availability, safety requirements, applicable domestic and foreign laws, regulations, and standards of products, and requirements to avoid the use of hazardous substances. Meanwhile, the Company set a strict review system. We will hold a technical review meeting for each design scheme where senior engineers with extensive design experience are invited to ensure the safety and completeness of the design scheme.



Nurturing Innovative Team

We are dedicated to tackling the technological difficulties in the R&D of world-leading digital X-ray detector, high-voltage generator, X-ray tubes and integrated X-ray sources and so on. By assembling a high-quality R&D team with a global vision and continuously increasing investment in R&D, we manage to constantly invent and innovate advanced technologies in this field. To give more momentum to technical R&D staff and encourage them to innovate more actively, we have formulated a detailed IP reward mechanism: cash incentives are provided to employees applying for or obtaining IP, and awards are set up to recognise inventors who have made significant contributions. During the Reporting Period, iRay Technology had about 110 employees contributing to IP invention. Those who involved in the paper writing as the first author or awarded any high-value patent prize were granted the IP Contribution Award.

With high-quality R&D team and complete innovation incentives to bring together the solid innovation force, the Company overcame the difficulties, and has been widely recognised by the outside with excellent professional strength.

Case

Patented iAEC method and system won the honour of "Excellent Project of Patent Industrialisation" in Pudong New Area

During the Reporting Period, with the patented Intelligent Automatic Exposure Control (iAEC) method and system, the Company was awarded Excellent Project of Patent Industrialisation in Pudong New Area. The automatic exposure control method can achieve precise control of exposure irradiation field and exposure dose. It features simple structure, low cost, short imaging cycle, low operation complexity, etc., and therefore has high innovation and industrialisation value.

As of 31 December 2023, the Company had 514 R&D personnel, an increase of 25.98%, accounting for 30.95% of all employees, which providing a strong innovation drive and guarantee of R&D strength. Our investment in R&D reached RMB 262.684 million, an increase of 10.02% compare to that in 2022, accounting for 14.09% of our operating income, and we had obtained patent or authorisation for 76 new IPs of various kind (based on the issuance date of the certificates), of which 30 were inventions.

The Company's intellectual property as of December 31, 2023

Type of intellectual property	Newly added in 2023	Cumulative
Invention patent	30	155
Utility model patent	33	190
Industrial design patent	5	57
Software copyright	8	39
Trademark	0	0
Other	0	34
Total	76	475

Mastering Core Technology

The Company's key product, digital X-ray detector, has a wide range of applications, but the demand for digital X-ray detectors in different scenes varies greatly, which needs a variety of technologies. After more than ten years of development, with excellent R&D and innovation capabilities, we have mastered sensor design and process technology, CT detector technology, scintillation crystal material and packaging technology, ROIC and low-noise electronic technology, X-ray intelligent detection and acquisition technology, and detector physics research and medical image algorithm. The Company has become one of the few digital X-ray detector manufacturers in the world that masters all the main core technologies.

Detector Design and Process Technology	We are the first in China and one of the few in the world that simultaneously master the four sensor technologies of Amorphous silicon (a-Si), IGZO, flexible substrate and CMOS, with stable mass production capacity and batch delivery.
CT Detector Technology	Significant resources have been invested in relevant R&D, and three major technical bottlenecks have been resolved, namely, high electronic noise level requirements, high detector module performance requirements and high data transmission requirements.
Scintillation Crystal Material and Packaging Technology	We own customised caesium iodide vacuum coating equipment and fully automatic ultra-narrow frame packaging technology, realising the independent production of caesium iodide scintillator films, and carries out numerous improvements in material science and film processes for the enhancement of clinical image performance and durability.
ROIC and Low-Noise Electronic Technology	We have successfully developed analogue front-end +AD chip for digital X-ray detector, low-noise electronic hardware platform and high-performance embedded software, and designed sensor driver circuit, high-speed and high-reliability data cross-interface and embedded hardware platform, which realised the capture and high-speed transmission of high-quality detector images, and met the demand for high-quality terminal images
X-ray Intelligent Detection and Imaging Technology	We have developed three X-ray intelligent detection technologies, including Automatic Exposure Detection (AED), Automatic Exposure Control (AEC) and Automatic Brightness Stabiliser (ABS). Through the wired and wireless flat panel detector technology with built-in AEC module, we have realised the automatic exposure control of the whole X-ray machine, which meet the demand of the old X-ray system upgrading. We also adopt the intelligent dosage detection technology to replace the traditional ionisation chamber and improve the dosage control precision, thus providing more precise dose control solution.
Detector Physics Research and Algorithm Development	Through the establishment of the detector physics research department and cooperation with internationally renowned universities and research institutes, we have studied the physics of optical sensors, and developed related algorithms to achieve efficient, high-definition image correction and virtual grating functions to improve image quality. We have also successfully developed image processing algorithms and image workstations based on embedded systems, which have been widely used in the new core component products.

During the Reporting Period, to further improve the product and business layout and enhance the Company's competitiveness, we further strengthened the strategic layout in integrated X-ray solutions and a range of new core components such as high-voltage generators, high-voltage tubes and integrated X-ray sources. These inputs enable us to drive technological research and form certain technological base. Therefore, we have mastered key technologies such as the high-voltage insulation technology, high-voltage inverter power topology technology, special auxiliary power technology, barium tungsten cathode technology, liquid metal bearing technology and flying focal spot technology

- High-Voltage Insulation Technology**
 - Developed industry-leading high-voltage tank outstanding for relatively small size and light weight, and provided a creative solution to the insulation of high-voltage transformers, filament transformers, voltage doubling circuits and detection circuits
 - Provide users with more spatial application possibilities, enabling more hospitals to utilise smaller spatial layouts for equipment
- High-Voltage Inverter Power Topology Technology**
 - Based on years of technical accumulation, we have fully mastered the advanced inverter power supply topology technology and acquired power switching device resources in the field of power electronics
 - Able to facilitate the rapid validation and implementation of customised design solutions based on different customer requirements
- Special Auxiliary Power Technology**
 - Through independent R&D, we master key auxiliary power supply technologies such as liquid metal bearing drive control power supply, breaking the monopoly of multinational companies
 - Completed the mature technology implementation verification with the trial-produced prototype, and about to start mass production. In the future, it will be widely applied through integration
- Barium Tungsten Cathode Technology**
 - Had successfully introduced a barium tungsten cathode preparation team with mature experience, and carried out the work of small-size, high-current-density cathode, and solved neck-sticking problem of the core technology.
- Liquid Metal Bearing Technology**
 - Through continuous investment, we have realized the R&D capability of the whole process from theoretical design to physical test, in which the key core technologies such as hydrodynamic calculation, bearing texture laser etching, dynamic balance test, etc. can be independently owned.
- Flying Focal Spot Technology**
 - Mastered a whole set of electron beam simulation methods after many years in designing the CT tube electron optical, capable of realizing the trajectory simulation of the electron beam in the complex electromagnetic environment, with a whole set of design and realization methods.


Innovative Leading-edge Products

Relying on our strong core technology support, we launched numerous innovative products during the Reporting Period, which further diversified our product offerings and effectively enhanced our business layout.

Case  **Residual Gas Analysers RGA**


During the Reporting Period, the Company launched the first high sensitivity QRGAs series of residual gas analysers with fully independent intellectual property rights, which are mainly applied to the detection of ionised gas molecules in the production process of semiconductor manufacturing and flat panel manufacturing.

QRGA OIS series residual gas analyser has eight advantages, including stability, flexibility, convenience, real-time accuracy, high efficiency, intelligence, sensitivity and reliability, friendly interface, etc., which can realize the real-time monitoring of complex gas components. The integration of this series products into the intelligent manufacturing system will strongly assist production and improve production efficiency.

Case  **Solid-state Silicon Photomultiplier (SiPM) module**


During the Reporting Period, leveraging its vertical integration capabilities in optical sensors, the Company quickly entered the field of new detector technologies and successfully developed a thermoelectric-cooled solid-state silicon photodetector module (TE-cooled SiPM) for use in in vitro diagnostic instruments.

The TE-cooled SiPM module product features high sensitivity, wide dynamic detection range, strong stability, high resistance to point noise interference, and flexible readout, which effectively improve detection accuracy and response speed.

Case  **Dynamic Wireless V5 Series Detectors**


During the Reporting Period, the Company, based on industry user demands, adopted multiple self-developed intelligent technologies and launched an upgraded version of the wireless dynamic/static flat panel detector V5 series products, specifically designed for digital radiography (DR) systems and DR upgrade solutions.

The V5 series products, built upon the V series, incorporate wireless dynamic technology, enabling high frame rate dynamic image acquisition in wireless mode, thus expanding the scope of clinical applications. With the support of intelligent functions, this series of products improves clinical examination efficiency, enhances detection accuracy, and reduces dependence on operators. Additionally, the V5 series products introduce several practical features such as voice control, screen display, near-field communication (NFC), and wireless charging technologies. These features allow devices to pair with each other in the absence of a local area network signal, thus expanding the range of usage scenarios.

Case  **High-end Digital Subtraction Angiography (DSA) CMOS flat panel detector**

During the Reporting Period, the Company made a breakthrough in the core components of the DSA and launched the CMOS flat panel detectors - Pluto 1212X and Pluto 1216X - specifically designed for high-end DSAs. These detectors are compatible with interventions and examinations of various body parts such as the heart, head, abdomen, and lower limbs. They are suitable for multi-departmental use and have a wide range of clinical applications.

These two DSA flat panel detectors offer outstanding performance, including high resolution, high acquisition speed, low dose, low image persistence, and strong gray-scale resolution. They match or even surpass the performance of similar products from overseas, facilitating the rapid deployment of high-end DSAs in primary healthcare institutions and actively promoting industry development.

Case  **Single-exposure dual-energy X-ray detector**

During the Reporting Period, the Company introduced the dual-energy X-ray detector Mercuri 0810DE for dental cone-beam computed tomography (CBCT) and panoramic imaging, utilizing patented dual-energy technology. This detector reduces metal artifacts in images, allowing for the simultaneous display of morphological changes and soft tissue status. It provides high-precision images for clinical physicians to develop treatment plans, further improving the success rate of surgeries and treatments.

Mercuri 0810DE not only effectively eliminates metal artifacts in images but also features high frame rates and sensitivity. It rapidly completes high-quality image scans under low radiation doses. It is suitable for almost all dental fields, including orthodontics, orthognathic surgery, and full mouth implantology.

Case  **Security CT detector**

During the Reporting Period, the Company launched its first industrial spiral CT detector, which is mainly used in areas such as baggage safety check. By establishing a fibre-optic communication link, the detector has the function of real-time data reconstruction while transmitting massive data, which makes it easy for security personnel to check whether there are any prohibited items. Compared with two-dimensional data, the three-dimensional reconstructed data provided by the detector can provide more details in the image.

During the product design and manufacturing, considering the numerous sophisticated processes involved in the manufacturing of the detector modules, we form a special team of dedicated engineers to explore the module process, research the procedure and the corresponding material, and form a set of special production procedure and evaluation standards, ensuring the yield of module product can meet the production requirements.

Case  **Digital Time Delay Integration (DTDI) detector**

During the Reporting Period, the Company launched the DTDI detector based on the CMOS technology, which features wider dynamic range, faster response, and lower cost than the traditional TDI detector using CCD Technology. In the actual application environment, the detector can achieve non-stop exposure, ultrahigh-speed imaging, efficient and accurate identification of product defects and capture of quality images with high signal-to-noise ratio (SNR), even when the detection target is moving fast, or the signal is weak.

In emerging industrial application scenarios like electronics and batteries, requirements for more accurate inspection are arising, such as ultrahigh-speed online full inspection and 3D inspection of new energy batteries. The DTDI detector can carry out all-round accurate testing of both winding cells and stacking cells to ensure the performance and safety of the cells during subsequent use. In addition, DTDI detectors have promising applications in food safety. Its multi-stage cascade connection can adapt to the detection size of 230, 450, 600, 900mm, making it applicable to the detection of targets in different environments, and increasing the flexibility in application: it can be applied for the detection of foreign objects in cans, bags, bottles, boxes, and other food products.

Case  **Rarely seen in China 25KW high-end C-arm combined radiation source**

During the Reporting Period, the Company successfully developed the rare domestic 25KW high-end C-arm combined radiation source and delivered it in small quantities to leading domestic corporations engaged in the manufacturing of surgical robot and navigation system. The special L-shaped architecture of the X-ray source enables the product to meet the requirement for high-power loading and output while having a more compact volume than similar products imported, which is the excellent solution for the current high-end applications in the navigation of domestic surgical robots and interventional diagnostics in middle-C surgical orthopaedics.

Case  **High-end CT high-voltage generator**

During the Reporting Period, iRay Technology had become one of the few companies in the globe which successfully developed and started to deliver the high-end CT high-voltage generator with X and Z bidirectional flying focus control function. With an output power of 32-80KW, the product is compatible with both liquid metal bearing and ball bearing high-speed anode rotation drive, which is at the forefront of technology in China and represents a world-leading achievement. It stands out as our technological breakthrough in the development of domestic high-end CT high-voltage generator, and further solidifies the technological and talent foundation for the Company's medium and long-term growth.

◆ Sustainable products

iRay Technology has been practising the concept of "Green X-ray", hoping to minimise radiation damage to patients, users, and the environment through products with lower clinical doses, better images, and higher efficiency. In addition, we incorporate the concept of green innovation into our product development, promoting lightweight, low-energy, package-saving design, aiming to make a positive contribution to environmental protection in all aspects of the product value chain. During the Reporting Period, we launched a product design optimisation project to effectively avoid material wastage by reducing redundant power supply filter capacitors for some detectors, replacing chips specific for a single product and detaching unnecessary power supply chips, while maintaining the product quality and safety performance.

"Green X-ray" – reducing X-ray radiation dose and protecting human health 

Developing photon counting technology	To reduce the radiation dose of X-ray to the human body during the imaging process, the Company develops photon counting technology. Unlike the traditional detector composed of a-Si and scintillator, detectors based on photon counting technology are direct detectors. Photon counting technology accurately counts each photon, thus improving the contrast and resolution of the image, enabling doctors to see fine structures more clearly, significantly reducing the radiation dose required for imaging, and providing more accurate photon data, which helps to improve the quality of the image and enhance the accuracy and safety of medical diagnosis. and improve the accuracy and safety of medical diagnosis.
Venu1748 detector	In the medical check-up, some body parts such as the spine and lumbar spine need to be detected in a large area. The traditional detector needs multiple exposures to complete the detection, which leads to an increase in the radiation dose of the person being tested. The Company designs a large detector, Venu1748V, to support the imaging of large objects. When detecting long bones and the complete spine, it can reduce the three exposures required for conventional detection to one, greatly reducing the radiation dose in imaging of the person being tested and patient examination time.
Reduce radiation dose of dynamic detector	In terms of dynamic detector design, the Company reduces the radiation dose required by the detector through improving the scintillator's luminous efficiency, panel fill factor, and other means to protect the health of patients and operators.
Mammo1012P detector	Based on the CMOS sensor technology, the Mammo1012P detector can read images at a speed of 8fps, and only needs a very low radiation dose.
High-voltage generator	Using our high frame rate pulse high-voltage control technology, the high-voltage generator/ X-ray source and X-ray detector can be perfectly synchronised, significantly reducing the X-ray dose required for clinical patient diagnosis.
TDI detector	The TDI detector based on CMOS technology can achieve non-stop exposure and ultra-high speed imaging, and greatly increase the signal-to-noise ratio by multiple overlays of the target signal, significantly improving the scanning rate or lowering the radiation dose rate requirements, which improves the image quality and mitigates the radiation dose to the environment.

During the Reporting Period, we developed numerous new innovative technologies to further reduce the amount of radiation or the content of heavy metal elements in our products through precise control and equipment upgrades, hoping to better protect patients' health.

iGrid Innovative Technology	iAEC Innovative Technology	iAED Innovative Technology
<p>Advanced digital image processing technology is adopted to avoid the "fog" caused by scattered rays and obtain the similar image effect achieved by using physical grids, which reduce the dependence on physical filter grids and simplify the structure of the entire system. It can also improve the utilisation rate of rays, thereby significantly reducing the incident dose of X-rays.</p>	<p>The technology realises low-latency, high-stability wireless control and real-time dose detection. It does not need external power cord and can ensure precise dose control even when applied wirelessly. The restrictions due to the use of traditional ionisation chambers and wired AEC technology are therefore eliminated, thus improving dose utilisation, and reducing radiation.</p>	<p>Intelligent automatic exposure detection enables low-dose, high-sensitivity exposure in anywhere within the full panel. It also ensures that flat panel detectors and high voltage generators can be quickly installed and used without an electrical connection</p>

Green design - reducing the environmental impact of products and protecting the green planet 

<p>Reduce the use of electronic components</p> <p>We try to streamline the redundant design in hardware circuits by removing unnecessary electronic materials and reducing the consumption of electronic components. In addition, we mainly optimise the power supply topology and improve the overall power efficiency, which reduce the power consumption of the whole machine and heat generation, thereby improve the performance of the whole machine and reducing the loss of electronic components.</p>
<p>Strictly restrict the use of lead</p> <p>High Voltage Technology and Palwex Technologies have set strict limits on the use of lead in radiation source products to achieve an optimal balance between reducing radiation leakage and minimising the use of lead,.</p>
<p>Energy-efficient Mars wireless detector</p> <p>To reduce the frequency of battery replacement in the detector and lengthen the battery life, Mars wireless detector has a new low-power mode, which can significantly reduce energy consumption and save battery power.</p>
<p>Improve packaging of Intra-oral dental detector</p> <p>The Company follows the concept of green development to improve the wired oral dental detector. Without compromising protection, the Company changes the separate packaging and mixes twenty-seven oral dental detectors in one packaging, which effectively saves packaging materials and reduces the impact on the environment.</p>

During the Reporting Period, our subsidiaries Palwex Technologies and High Voltage Technology separately stipulated the power conversion efficiency of high-voltage generators for different applications in their product design outlines, to minimise energy consumption by way of design optimisation.

Providing Quality Services

At iRay Technology, we regard the concept of "win-win with customers" as the foundation of our long-term development. The Company has established a complete customer service system, which provides timely insight into customers' needs and improves customer satisfaction by continuously launching innovative products. We have formulated and implemented the "Customer Service Control Process", and made strict regulations on the response time, processing time and workflow, so as to build a standardised and regulated after-sales service management system and make every effort to protect the rights and interests of customers.

iRay Technology provides customers with a variety of services such as pre-sales support, after-sales service, professional training, etc. We adopt a flexible assignment mechanism to provide remote support or on-site service through resident engineers and other professionals based on the actual situation. In addition, we collect customer feedback through a variety of channels, including 24/7 service call, email, and on-site visit, and address customer needs in a timely manner.

During the Reporting Period, we strengthened our service staffing for products in the industrial field and increased on-site and in-plant services to ensure the timeliness and efficiency of our services. For products in new application fields, we carried out a full range of training for our engineers to effectively enhance their skills in the application and troubleshooting of the products in new application scenarios, to comprehensively improve the quality of our services. In addition, our overseas maintenance centres further enhanced maintenance efficiency and timeliness by strengthening the management of the maintenance material flow cycle.

iRay Technology practices responsible marketing based on the principles of truthfulness and honesty. We strictly abide by the *Advertising Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumers' Rights and Interests*, and other relevant laws and regulations of the place where we operate. We are committed to carrying out publicity and marketing practices in compliance with domestic and foreign laws and regulations, social norms, and ethical standards, and to protecting the rights and interests of customers.

We have established *Sales Management Procedures and Sales Control Procedures*, clearly requiring our sales staff to promote and sell products to customers by using brochures and promotional content in line with the company's norms in a factual, non-exaggerated and non-misleading manner. with realistic, non-exaggerated and non-misleading information. In accordance with the standard procedure documents, the company checks that product functions claimed and data released to the public have undergone strict experimental tests, and the publicity and advertising materials have been reviewed and finalized by the Product Department, the Marketing Department and the Legal Department, thus achieving the scientific, authenticity and validity of the promotional materials. In addition, before signing a product sales contract with a customer, the company will remind the customer that relevant information related to the product function should be correctly understand, and we make specific agreements in the contract content. to ensure that both parties correctly understand the specific expressions related to the product function. Meanwhile, in our *RBA Management Handbook*, we expressly prohibit employees from misleading or deceiving customers by falsely or arbitrarily exaggerating the advertising statements. To improve product traceability and avoid product confusion and misuse, we formulated the *Marking and Traceability Control Procedures* to record and track data related to product production, inspection, sales, and after-sales service. We also disseminate responsible marketing knowledge to employees through daily, weekly, monthly and online meetings to raise their awareness on responsible marketing. During the Reporting Period, we conducted responsible marketing related training sessions covering 100% of our employees.





02

Employee Care and Talent Development

iRay Technology understands that employees are at the heart of iRay Technology's core strengths that drive the long-term sustainable development of enterprises. We are committed to building efficient and professional talent team and advanced management system to provide employees with comprehensive protection of rights and interests, competitive salaries and benefits, continuous and complete training and development system and a healthy and safe working environment, helping them to explore personal growth, achieve career advancement, and to share fruits of the company's development.

- ⊙ Protecting Employees' Rights and Interests
- ⊙ Optimising Employees' Benefits
- ⊙ Empowering Employee Development
- ⊙ Ensuring Health and Safety

SDGs

<p>1 无贫穷</p>	<p>3 良好健康与福祉</p>	<p>5 性别平等</p>
<p>8 体面工作和经济增长</p>	<p>10 减少不平等</p>	<p>11 可持续城市和社区</p>

Protecting Employees' Rights and Interests

The Company has formulated and implemented the Social Responsibility Policy in the *RBA Management Manual*. We are committed to respecting and safeguarding the basic rights and interests of employees, and we adhere to the values of diversity and inclusion, providing employees with fair development opportunities, building efficient employee communication mechanisms, and creating a workplace of equality and mutual trust.

Social Responsibility Policy in the *RBA Management Manual*

- Prohibit child and forced labour, and reject suppliers or subcontractors using child or forced labour;
- Respect the freedom of employees, and prohibit any form of forced labour;
- Provide safe and hygienic working and living conditions to ensure the safety and health of employees;
- Promote labour-management cooperation and respect employees' freedom of association and right to collective bargaining;
- Provide an equal and fair working environment and prohibit any form of discriminatory behaviour;
- Respect the basic human rights of employees and prohibit any form of degrading behaviour;
- Schedule production reasonably, and make reasonable arrangements for staff's working hours as well as their rest and leave;
- Provide reasonable wages and benefits that meet at least the basic needs of employees.



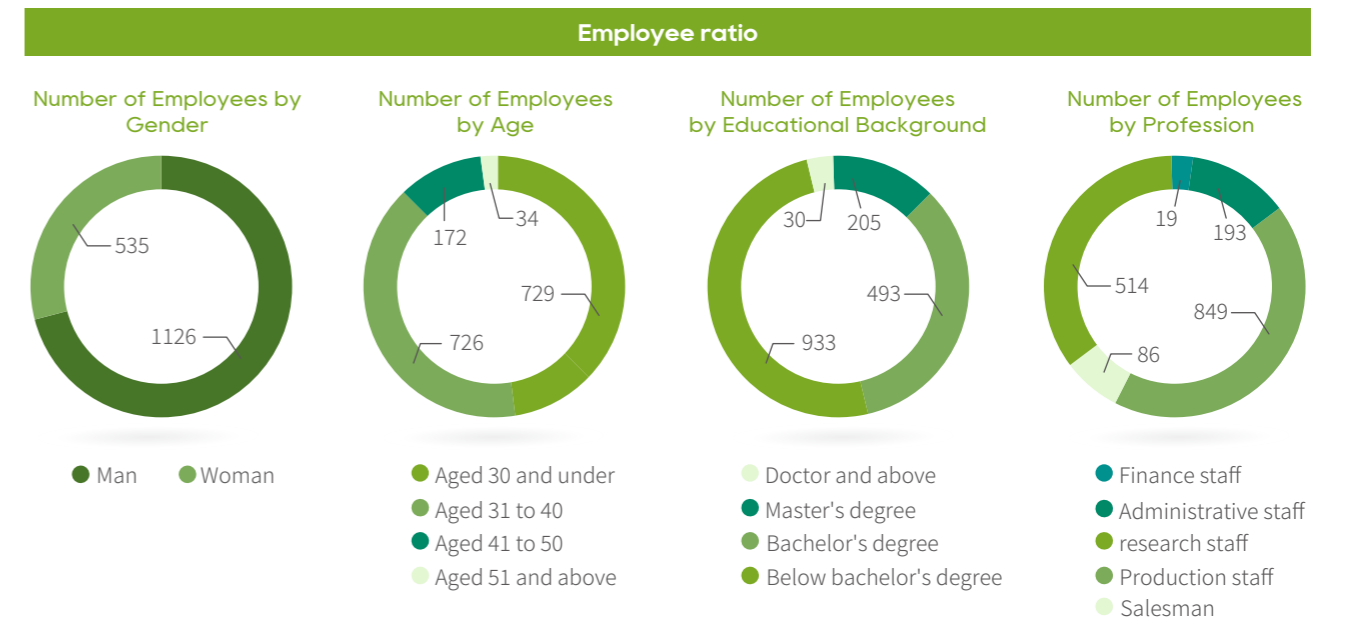
Compliant Employment

We strictly abide by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and other laws and regulations of the country and region where we operate. The Company signs the *Labour Contract* with employees, in accordance with local laws and regulations and the principles of legality, fairness, equality, voluntary, consensus, honesty, and credibility, to protect the legitimate rights of employees. Meanwhile, we have established and improved the relevant rules and regulations, such as the *Employee Handbook* and the *Human Resources Control Procedure Document*, in accordance with the law, making clear provisions on recruitment, dismissal, *labour contract* management, salary, training, performance assessment, and other aspects.

We are committed to complying with internationally recognised labour standards and to respecting and protecting the human and labour rights of our employees. We strictly prohibit child labour and forced labour. During recruitment, we investigate the real age of candidates via identity documents and other effective means to prevent the unintentional use of child labour. We take prompt action to stop any child labour identified, and arrange physical examinations for them, and notify the local labour bureau. With the consent of the labour bureau, we will escort the child to his or her legal guardian freely. If necessary, the Company will provide appropriate financial assistance and other resources to ensure the child completes his or her compulsory education. In addition, we strictly comply with laws and regulations, adopting the Standard Hour System to ensure that employees enjoy reasonable and sufficient rest time. We also adopt the principle of consensus for overtime, that is, overtime applications require an approval of the superior department head.

Diversity and Equal Opportunities

We promote diversity in our workforce as we believe that diversity in employee structure is an engine for innovation and growth. We uphold the principles of fairness and equality, and firmly oppose any form of discrimination in the employment relationship, and we never discriminate against employees based on race, ethnicity, colour, social class, nationality, religious beliefs, disability, gender, sexual orientation, age, physical ability, political affiliation, political party or marital status. Therefore, we respect and encourage differences and provide a fair stage for our employees to show their talents. In addition, we comply with the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*. We implement equal pay for equal work in the Company, and ensure that female employees receive comprehensive welfare and care. With the continuous expansion of the Company's globalisation layout, the Company's global workforce had reached 1,661 and turnover rate of employees is 8% as at the end of the Reporting Period, which indicates that we have made great achievements in team building and operational efficiency.



Employee Communication

We encourage equal dialogue and establish a diversified channels of communication and feedback for employees, and we listen carefully to the voices of employees. We collect feedback from employees through multiple channels, including staff representative meetings, staff representative groups and all centres' service WeChat groups. Through various activities such as CEO luncheons and employee seminars, we care for and help meet the needs of employees. At the same time, the Company has established internal and open channels for appeals and complaints. If employees observe illegal behaviour such as forced labour, child labour and discrimination, they can report through face-to-face talks, phone calls, emails and other measures. The Company will arrange relevant teams to investigate and correct the situation in a timely manner.

During the Reporting Period, we held the fifth annual employee satisfaction survey, with the average satisfaction reaching 89.56%, and employee satisfaction shows a trend of increasing year by year compared with previous years. We collect employees' feedback from various aspects such as corporate culture, career development, sense of achievement and team satisfaction. According to the reasonable suggestions of employees to the Company and the team, we promote the delicacy management of the team, optimise the collaboration process of each department. Through these measures, we have further improved the management level of the Company, created an organisational culture suitable for the development of employees, and increased their motivation and creativity.

Optimising Employees' Benefits

The Company fully recognises and appreciates the efforts made by employees, and therefore continues to optimise the remuneration and incentive system and provide comprehensive employee benefits. Through a variety of activities to deliver care to our employees, we are committed to a professional and comfortable workplace.

Remuneration and Incentives

We have set up a remuneration system with fairness and incentives for our employees in order to fully mobilise their enthusiasm and initiative. We have formulated the *Annual Performance and Remuneration Adjustment Program*. Under the program, we define remuneration for different positions and employment levels, and adjust remuneration based on the annual performance assessment scores of employees. These competitive incentive systems attract and retain outstanding talents, and provide strong impetus for the Company's sustainable development.

To continuously drive joint innovation and development of employee and company, we have established an intellectual property reward mechanism to give cash rewards and awards to employees who play an important role in intellectual property contributions. Meanwhile, the Company handles the registered permanent residence for talented employees, returned overseas students, senior employees and new graduates in Shanghai to enhance employee loyalty. We have applied for government-run talent subsidies, specialised awards for talents in key industries and "Pearl Peak Talent", a talent support policy of Pudong New Area in Shanghai, for more than 20 employees. We also publicly reward outstanding employees by organising annual commendation meetings to enhance their sense of achievement and belonging to the Company.

In addition, we have launched the restricted share incentive scheme to further motivate our employees and share the benefits of development with them. During the Reporting Period, we have completed the verification of the list of those eligible for the first vesting period and the second vesting period of the reserved grant portion of the Company's 2021 Restricted Share Incentive Plan, an actual total of 173,200 shares were vested, covering 244 individuals. On 14 October 2023, the Company released the restricted share and the draft share options incentive scheme, granting 3 million shares to 455 employees for the first time, including 1 million restricted shares and 2 million. The large scope of the incentive, covering senior management, core technical staff and other core cadres, demonstrates our confidence in long-term growth.



Benefits and Care

The Company strictly abides by the laws and regulations of the country and region where we operate, such as the *Regulations on Paid Annual Leave of Employees of the State Council*, to ensure each employee is entitled to paid annual leave as regulated. Employees are free to apply for different types of leave as appropriate, such as marriage leave, maternity leave, personal leave, sick leave, funeral leave, and injury leave. We encourage employees to take leave when working overtime. We also provide female employees with tocolysis leave, maternity leave, breastfeeding leave and maternity allowance. While we provide male employees with full paid paternity leave to actively respond to the government's call for population policy.

To improve our employees' ability to cope with potential risks and accidents, we provide social insurance for domestic employees, including pension insurance, medical insurance, injury insurance, unemployment insurance, maternity insurance and housing provident fund. For overseas employees, we provide social benefits including pension insurance and medical insurance. In addition, the Company also pay commercial medical insurance for domestic employees and their children to ensure the health and happiness of the whole family.

We care about the physical and mental health of our employees and are committed to balancing their work and life so as to enhance their quality of life and enjoyment. We arrange free physical check-ups for each employees every year and provide cross-park shuttle buses and talent apartment rental services for employees in need. We also provide sports venues to encourage employees to relax after work. We also provide birthday benefit cards and holiday gifts at regular intervals. In addition, we provide hospitalisation reimbursement and wedding and funeral subsidies for employees. iRay Technology has organized sports clubs including badminton clubs, football clubs, basketball clubs. We call for enthusiasts and carry out fun activities including badminton, table tennis, basketball and sports meeting to enhance the cohesion among employees and enliven the corporate culture. The two subsidiaries also organise special activities and distribute holiday benefits on Lantern Festival, Women's Day, Children's Day, Dragon Boat Festival, Mid-Autumn Festival, Christmas Day and other festivals.



Lantern Festival activity

Children's Day activity



Tabloid sports activity

Woman's Day activity

Empowering Employee Development

The Company firmly believes that every employee has unlimited potential. We attach importance to the building of talent pipelines, and are committed to creating a pioneer team in the industry. We have formulated a fair and clear career development path for our employees and provided fair and transparent performance feedback. We help our employees achieve career growth and personal value enhancement through diversified and innovative training systems, injecting vitality into the Company' s long-term sustainable development.

Performance Management and Promotion

To provide fair and impartial performance assessment feedback and promote the mutual growth of employees and the Company, we have formulated the *Performance Assessment and Rating Plan*. This plan provides scientific and effective performance management and a classified performance assessment system. According to the plan, the Company carries out a multi-dimensional performance assessment for management and junior staff respectively in terms of performance, competence, work attitude and practice of core values. The Company rewards employees according to their performance in order to motivate them and continuously improve their performance. At the end of the performance assessment, department managers will talk to the employee with a lower performance rating individually to understand the employee' s work performance and provide him/her with suggestions for improvement. If employees disagree with the results of the performance assessment, they are free to communicate directly with their supervisors or provide feedback to the relevant departments through an open email address. Meanwhile, we have also formulated the *Rank and Position System Table* to sets the career path in management, technology, sales and speciality for employees in different rank and position. We informed all employees of their career paths by email to make the information open and transparent.

In addition, we regularly review talent and conduct internal promotion competitions according to the strategic plan to maximise the full potential of talents and provide promotion opportunities for front-line employees. We give full play to the potential of talents and work hand in hand with our employees to move towards excellence. Our subsidiaries, iRay Taicang and iRay Haining, has formulated the *Management Rules for Blue Collar (Post) Job Orientation and Promotion*. Based on the rules, the subsidiaries create a fair and open competition mechanism, and encourages employees to pursue promotion through internal recommendation or application to achieve career development. During the Reporting Period, iRay Taicang initiated the internal promotion competition in the fall of 2023, with a total of 14 employees entering the promotion coaching phase and participating in the promotion training courses and the departmental mentor coaching program.

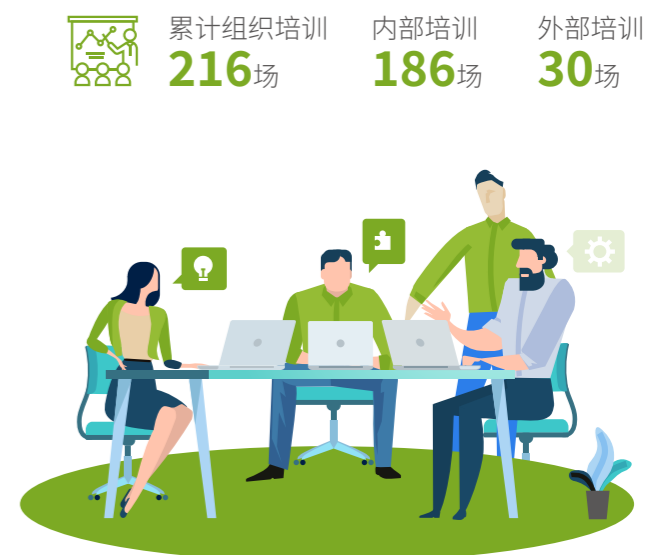


Employee Training

We continue to provide training and growth opportunities for our employees and boost their career development in an attempt to build innovative and dynamic talent pipelines. To achieve the mutual development of the Company and employees, we have set up and continuously improve the training system by considering the overall strategic development objectives, departmental performance objectives and the actual job qualifications. Besides, we formulate training plans by department and function every year according to the *Human Resources Control Procedure and Employee Handbook*. We also arrange full-time trainer to conduct and control the training program to ensure the effective implementation. We also provide abundant internal and external training resources for all employees. In addition to arranging the Company' s junior and senior managers, professional backbones, and outbound trainees as lecturers, we also invite external partners such as experts, scholars, and professional training institutions to provide high-quality training and lecture. Similarly, we have set up a rotation system and a mentoring system for fresh graduates. Through a fresh graduate on-boarding camp, we assist them in their career progress to cultivate talents for the Company.

👤 Training System of iRay Technology				
Forms	Internal Training Tutorials, seminars, classroom learning, online learning		+	External Training
Types	Products	Quality regulations	Specialities	Other categories
Content	Onboarding training	Continuous business training	Quality management	Management capacity
	Laws and regulations	General skills	Product knowledge	Training for the board of directions supervisory and senior management

During the Reporting Period, we organised a total of 216 training sessions (including 186 internal training and 30 external training). The completion rate of on-the-job training, and on-boarding training for fresh graduates and for new employees, and training for the board of directions, supervisory and senior management reached 100%. The training covered a wide range of topics such as professional technology, product knowledge, quality awareness, industry regulations, production safety, legal awareness, cybersecurity, technical process and management standards. Through such training, we helped employees quickly apply what they learned in practices. During the Reporting Period, iRay Haining completed its annual training plan with a total of 52 training items. In addition, during the Reporting Period, we assisted 12 employees in obtaining national skill certificates related to their occupations, which further facilitated their career advancement.





▲ New employee training camp 2023

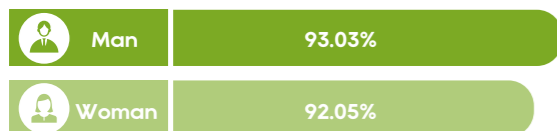


▲ Integrated capacity training

▲ Systematic training

During the Reporting Period, 92.67% of the employees are trained, and the percentage of employees trained by gender and the average training hours per employee in Shanghai headquarters and its main subsidiaries, iRay Taicang and iRay Haining, are as follows:

Percentage of trained employees



Average training hours of employees



Note: The average training hours in 2023 decreased from 2022 due to adjustments made to the operating and training model.

Ensuring Health and Safety

The Company takes the protection of employees' physical and mental health as the foundation of business activities. We have established a sound workplace safety management system to minimise occupational health risks with effective management processes and mechanisms.

Work Safety Management System

The Company strictly complies with the laws and regulations of the countries and regions where we operate, such as the *Work Safety Law of the People's Republic of China*, and the *Regulations of the People's Republic of China on Industrial Injury Insurance*. We have set up a three-tier safety management framework which enables the company's management carry out direct supervision of occupational health and safety and production security. Furthermore, the Company follows the safety policy of "Safety and Prevention First and Comprehensive Management" and the basic principle of "Production Safety is Everyone's Responsibility", and have formulated the *Environment, Health and Safety (EHS) Management Manual*, the *Emergency Plan* and the *Organisation Chart of Environment, Health and Safety*. Under these systems, the Company carries out safety management such as training and education, supervision and inspection, rectification of potential safety hazards and construction of safety infrastructure in a systematic and standardised manner. Our subsidiary, iRay Taicang, has built a dual prevention system – graded risk control and hazard detection and management, and passed the Level-2 certification of safety production standardisation. Besides, by the end of the Reporting Period, iRay Haining had improved the safety production management system in accordance with the ISO 45001 *Occupational Health and Safety Management System*, pending for the certification audit results.

The three-tier safety management framework of iRay Technology is as follows:



Our subsidiaries set annual production safety targets based on the actual operation of the production sites. The production performance will be included in the performance assessment of departments and individuals, thus fully implementing the production safety responsibility system among all employees. At the beginning of each year, iRay Taicang and iRay Haining set EHS key action plans based on the *Statement of Responsibility in EHS Management*. The two subsidiaries set quantitative targets about safety and occupational health, including the timely hazard rectification rate, the achievement rate of special inspection plan, the achievement rate of training plan, the permit rate of special equipment licence, the rate of employment with special operation certificate, the rate of fire protection maintenance and detection, the safety rate of hazardous factors in workplace, the spot inspection rate of occupational health protection facilities and the timely completion rate of physical examination. In addition, each subsidiary carries out monthly and annual meetings to review the implementation of the plans and ensure the implementation of relevant tasks from top to bottom. During the Reporting Period, iRay Taicang and iRay Haining had fulfilled their EHS key action plans, with iRay Taicang achieving 100% of the quantitative indicators for both work safety and occupational health.

Work Safety Training

We attach great importance to the improvement of employees' safety awareness, safety management skills, risk recognition ability and emergency response ability. Therefore, we have formulated the *Management System for Education and Training on EHS* and set up a three-level safety education system for new employees. This system ensures that new employees are trained and assessed at company level, department level or workshop level, and team level before working. We also provide targeted safety education to employees when they change job categories, return to work, or before new technologies, processes, equipment and materials are put into use. In addition, we continue to promote the safety awareness among all employees. We carry out production safety training for on-the-job employees through multiple levels (such as among factory level, workshop level, and team level), all channels (such as in the form of training, lectures, and meetings) and different feedback (such as through system, practice and tests) so as to comprehensively improve employees' ability to recognise and respond to safety risks.

Case iRay Taicang improved training methods and enriched training themes

In 2023, iRay Taicang improved the training materials and assessment methods at workshop level and team level on the basis of safety training at factory level, and effectively enhanced the understanding of trainees through case studies and interactive discussions. At the same time, the subsidiary added topics such as the emergency use of fire-fighting facilities, personnel first aid Cardiopulmonary resuscitation (CPR), automated external defibrillator (AED), emergency response team (ERT) and emergency response control (ERC) mechanism to diversify the training themes and promote the safety awareness of employees. During the Reporting Period, iRay Taicang conducted a total of 77 training sessions, covering 668 employees.

Protecting Employees' Occupational Health

We strictly comply with the laws and regulations of the country and region where we operate, such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Decision of the State Council on Further Strengthening the Occupational Health and Safety*. iRay Taicang and iRay Haining have respectively prepared the *Management Regulations on Identification and Improvement of Ergonomics*, the *Occupational Hygiene Management System*, the *Management Regulations on Protective Equipment for Labour*, and other documents. They are committed to reducing occupational hazards in the workplace to a greater extent and protecting employees' occupational health.

We pay close attention on the health of employees to prevent and control potential risks. We regularly arrange occupational health check-ups for personnel exposed to occupational hazards and invite a qualified third party to test and evaluate hazard factors in the workplace. Our subsidiaries iRay Haining, iRay Taicang and iRay Advanced Material etc., has developed a pre-evaluation mechanism for occupational disease hazards, and built personal file for employees exposed to occupational disease hazards. At the same time, we attach importance to the installation of occupational disease protection facilities, such as the physical guards, linkages and barriers for special machinery, which are designed to prevent employees from parts that may cause injury. In addition, we equip employees exposed to occupational disease hazards with personal protective equipment such as professional safety goggles, protective face-shield, protective boots and protective garment to reduce employees' exposure to potential hazards.

Case iRay Taicang passed the annual third-party testing for occupational hazards (including radiation)

In November 2023, iRay Taicang entrusted a third-party agency to detect occupational disease hazards and occupational sanitation for the plant. The third-party agency comprehensively tested the air quality, physical and chemical hazardous factors in workplace according to the *Occupational Exposure Limits for Hazardous Agents in the Workplace* (GBZ/T 2.2-2007 & GBZ/T2.1-2019). The agency also tested the X-ray and γ -ray radiation dose rate according to the *Radiological Protection Standard for Low-energy Radiation Generating Devices* (DB 32/T4186-2021). The test results met relevant national requirements, indicating that iRay Taicang's occupational hazards had been strictly controlled within a reasonable range.

iRay Technology continues to make products suitable for lower-dose radiation, but how to avoid potential injury caused by radiation to employees during operation is still the top priority for us to protect employees' health. Our production bases have established the *Management Rules and Regulations on the Safety and Protection of Radiation* and the *Management Ledger for Workers Exposed to Radiation*, which require strict implementation of the procedures of occupational health monitoring and archival records for personnel. We require that radiation-related operators must receive safety training on radiation and obtain certificates before taking up the post and familiarise themselves with the on-site radiation protection facilities and on-site equipment and facility management. They also need to master the standard on-site safety operation requirements, radiation protection requirements, etc., reducing the occupational health risk of employees at the source.

In addition, to reduce the potential risks caused by chemicals to employees, the Company has prepared the *Management Regulations on Chemicals* and other documents to standardise the management processes of chemical procurement, storage, transportation, use, and disposal. Also, iRay Haining carried out the on-job training plan including Chemical Safety, Radiation Safety, Hazardous Substance Management and other topics to improve employees' awareness of safety and self-protection. During the Reporting Period, no work-related injuries or work-related fatalities happened, and the number of hours of work lost due to work-related injuries was zero.

While protecting employees' occupational health, we also care about their physical health. We invited external professionals to guide and train employees to master basic first-aid skills to cope with emergencies.

Case iRay Haining carried out personnel first aid training

In March 2023, iRay Haining engaged 12 employees to participate in Red Cross first aid training and CPR/AED training, with all participants certified. In November 2023, iRay Haining arranged about 80 employees to participate in first aid training organised by the Red Cross in Haining City. During the training,



employees learned first aid methods including the use of CPR and AED, wound dressing and the Heimlich manoeuvre, with all of them certified.

Protecting Health and Safety of Relevant Parties

In addition to safeguarding the occupational health of our employees, we also care about the health and safety of those who enter our production bases. We have developed *Management Regulations on the Contractor's EHS* and the *Management Regulations for the Safety of Related Parties*. The policies require the base managers to review qualifications, approve the factory entry process and working, and offer EHS training for contractors. Also, the base managers should oversee and inspect the operation process to further standardise the construction by external personnel in the production base and thus avoid accidents. During the Reporting Period, iRay Haining optimised the admittance qualification checks for external contractors and required the relevant personnel to sign the *Construction Site Notification for External Personnel*. This document enabled external construction operators to further understand our safety management-related requirements, thus preventing safety risks.

03

Low Carbon and Green Development

iRay Technology always adheres to the concept of green development and is committed to fulfilling its environmental and social responsibilities. We continue to optimise our environmental management system in our daily production and operations to reduce pollutant emissions, thereby promoting energy conservation and emission reduction. In addition, we recycle resources and actively organise environmental awareness campaigns, steadily moving towards a healthier and greener path of development.

- ⊙ Implementing Environmental Management
- ⊙ Strengthening Emmission Management
- ⊙ Improving Resource Efficiency
- ⊙ Responding to Climate Change
- ⊙ Practising Green Office

SDGs

 <p>6 清洁饮水和卫生设施</p>	 <p>11 可持续城市和社区</p>
 <p>12 负责任消费和生产</p>	 <p>13 气候行动</p>

Implementing Environmental Management

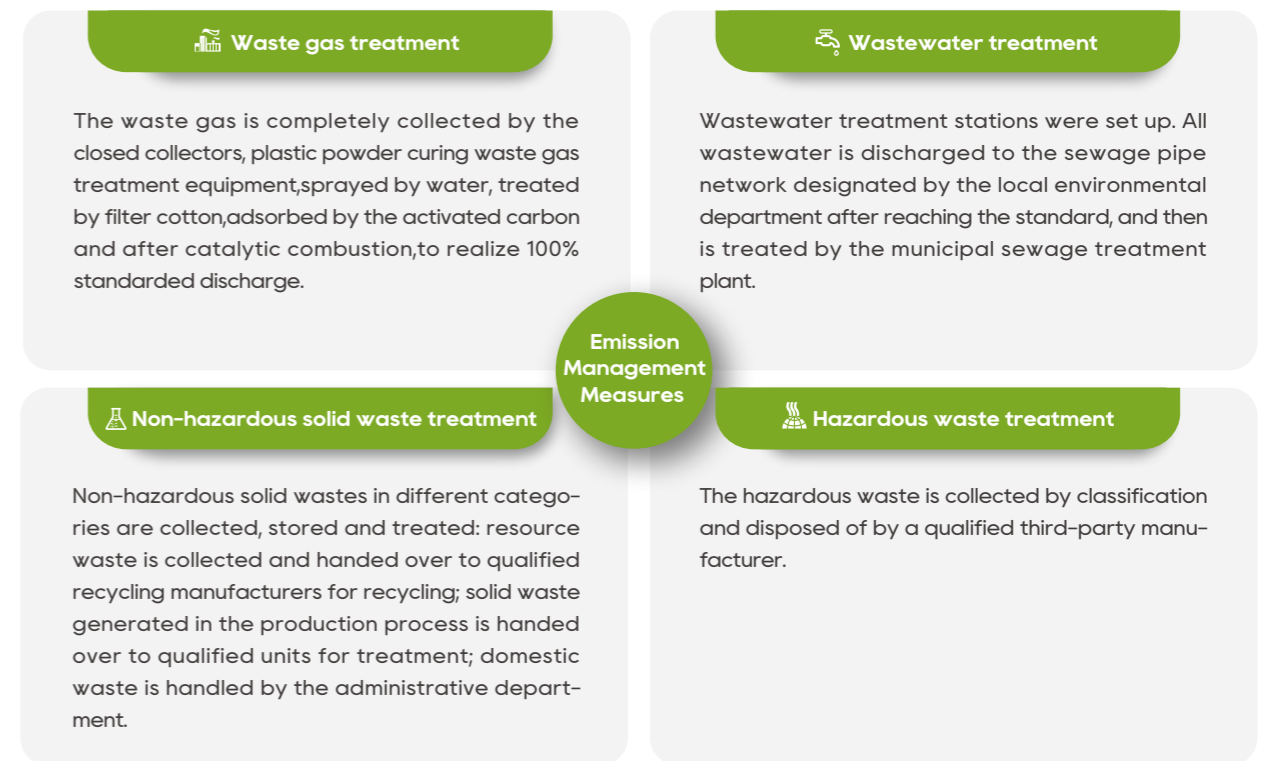
The Company actively fulfills its responsibilities for environmental governance and strictly complies with the laws and regulations of the country or region where it operates, such as the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Environmental Impact Assessment*. Our subsidiaries, iRay Haining and iRay Taicang have developed and issued internal regulations such as *Management Rules on Waste Gas, Waste Water, and Industrial Residue and Noise and Management Rules on Resources and Energy Management*, and established an environmental management framework involving senior managers and multiple departments. Both the management structure and the institutional system ensure the sound operation of environmental management governance, thereby continuously improving the overall environmental performance of the Company. During the Reporting Period, we strengthened the environmental management system from multiple aspects, such as optimising the environmental management system and process, building environmental management team. By doing so, we are more capable of meeting the requirements of the ISO 14001 Environmental Management System Certification.

In addition, we regularly monitor emissions and the environment to keep abreast of the environmental performance of our operating sites. We also have an environmental emergency plan to respond to and handle those emergencies immediately. During the Reporting Period, the Company reported no noncompliance with environmental laws and regulations.



Strengthening Emission Management

iRay Technology strictly complies with the laws and regulations of the country or region where it operates, such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, etc. Since iRay Technology's main business is the research and development, production, sales, and service of core components such as digital X-ray detectors, and it is not classified as a key pollutant enterprise regulated by the environmental protection department. To ensure compliant discharge and waste management, we have formulated internal management systems such as the *Management Rules on Waste Gas, Wastewater, and Industrial Residue and Noise*. According to these systems, we have established an emission management system. Relying on online monitoring equipment, we reduce pollution through a variety of treatment facilities for wastewater, exhaust gas and wastes and management initiatives, minimising negative impacts on the surrounding environment.



During the Reporting Period, emission data of iRay Technology is as follows:

Emission category	Unit	Emission in 2023	Emission in 2022
Wastewater	Ton	148,305.4	234,309.0
Non-hazardous solid waste	Ton	166.2	135.8
Hazardous solid waste	Ton	18.4	8.1

Note:

- Due to the increase of pure water recycling and reuse in some processes of iRay Taicang, and water-use system optimization of iRay Haining in 2023, the data of wastewater discharge has decreased compared with 2022;
- In accordance with hazardous solid waste transfer and disposal joint sheet, most of hazardous solid waste generated by iRay Taicang in 2023 was disposed of in January 2024, which has been included in the scope of 2023. As iRay Haining plant went into full operation in 2023, the amount of non-hazardous and hazardous solid waste increased as compared with those in 2022.

Improving Resource Efficiency

Energy Management

The Company continues to optimise its energy management system and promote energy saving and carbon reduction. We have set up a cross-departmental cooperation structure for energy management and established annual energy targets based on historical electricity consumption data, production planning and other indicators. At the same time, we actively install energy-efficient equipment and monitor energy usage and follow up on abnormalities in our daily operations. We also conduct timely and regular maintenance of equipment to ensure efficient energy management. The Company also encourages employees to participate in energy conservation and emission reduction work and rewards the departments or employees with outperformance.

We continue to develop and implement technically safe and reliable, economically feasible and reasonable energy-saving projects, and improve energy utilization efficiency through measures such as eliminating high-energy-consuming equipment, using energy-saving equipment and optimizing energy-saving processes. During the Reporting Period, we had carried out a total of 28 energy efficiency improvements. We also make full use of integrated digital system, collaborate with multi-party to effectively improve production and operational efficiency. Take the deep excavation technology of iRay Haining as an example. iRay Haining used a green digital software platform to improve the energy efficiency of the data centre through digital tools such as energy efficiency comparison and artificial intelligence (AI) control. By centralising coating unloading with a Manufacturing Execution System (MES) and Product Lifecycle Management (PLM) system, the subsidiary effectively reduced the working time of the low humidity rotary dehumidifier handling unit for clean room in coating workshop. iRay Haining plans to save 2,000 kWh of electricity per year and carry out a heat recovery project for ice machine cooling water at the same time, thereby achieving efficient reuse of heat energy and reducing the consumption of natural gas in boilers.

During the Reporting Period, the energy consumption data of iRay Technology is as follows:

Energy category	Unit	Consumption in 2023	Consumption in 2022
Electricity	MWh	35,091.8	24,233.2
Natural gas	Cubic meter	404,302.0	309,419.0
Gasoline	Ton	4.0	3.2
Direct energy consumption	MWh	4,421.8	3,385.8
Indirect energy consumption	MWh	35,091.8	24,233.2
Total energy consumption	MWh	39,513.6	27,619.0
Energy consumption intensity	MWh/10,000 yuan of operating income	0.21	0.18

Note:
 1. The energy consumption is calculated based on the consumed natural gas, gasoline and purchased electricity.
 2. Due to some sections of iRay Haining plant were at full production and iRay Taicang plant went into full operation in 2023, the electricity and natural gas increased.
 3. Due to an increase in business activities and an increase in the frequency of use and mileage of official vehicles in 2023, gasoline consumption increased.

Water Resources Management

We strictly comply with the *Water Law of the People's Republic of China* and other laws and regulations of the countries or regions in which we operate. We strictly restrict the use of water resources at all stages in daily operations. We also advocate water conservation in all aspects, and carry out recycling of water resources to improve the efficiency of water use.

We have formulated the Management Rules on Resources and Energy Management and comprehensively strengthened the management of water resources use through operation management and daily publicity. In regular operation, the Company installs water meters at each operation base to record and monitor water consumption, and regularly review water efficiency. We implement and strengthen daily inspections, maintenance, and management of water equipment, promptly address leaks and other issues, and strengthen pipeline maintenance to reduce unnecessary water loss. We also construct rainwater collection devices and other recycled water devices to improve the efficiency of water resource utilization. In terms of raising awareness, we widely post water-saving signs in production, living, and office areas. We strive to cultivate a culture among our employees that saves water and turns off taps when they are not in use. Additionally, we encourage our employees to actively propose water-saving measures, as well as advocate for and practise the secondary use and recycling of water resources.

The water of iRay Technology is mainly sourced from municipal water. During the Reporting Period, the water consumption data is as follows:

Water Data	Unit	Consumption in 2023	Consumption in 2022
Water consumption	Ton	272,731.8	294,419.4
Water consumption intensity	Ton/10,000 yuan of operating income	1.5	1.9

Note: In 2023, iRay Taicang increased the amount of recycled water in some production process, so water consumption decreases compared to 2022.



Material Recycling

iRay Technology standardises the management of material use in the production process and considers the environmental impact of each production stage, aiming to maximise the utilization of metal materials and packages in the production process. We repurpose the cardboard boxes used for glass raw materials as internal intermediate product packaging. When packaging waste is generated, we first inspect the condition of the boxes and reuse them as much as possible. For those that cannot be reused directly, we collect and sort them for recycling by qualified waste recycling companies.

Case iRay Haining and iRay Haining carried out the recycling of cardboard and foam

With the enhancement of the Company's awareness of environmental protection, our subsidiaries, iRay Haining and iRay Taicang, carried out packaging material recycling during the Reporting Period. They recycled packaging materials such as cardboard, foam and other packaging materials through the internal flow of direct recycling to maximize the benefits of resource utilization and to achieve a win-win situation in terms of economic benefits and environmental benefits. During the Reporting Period, iRay Haining recycled a total of approximately 5,000 sets of foam from the high-pressure production and surface treatment process, resulting in a total cost saving of approximately RMB100,000. In addition, through the implementation of relevant initiatives and publicity activities, the staff's awareness and enthusiasm for packaging material recycling has been effectively enhanced, which also provides a boost to the company's green development.



During the Reporting Period, iRay Technology carried out the recycling and disposal of wooden products, cardboard, metal and plastic waste, and achieved specific results:

Emission category	Unit	Emissions in 2023	Emissions in 2022
Wooden products recycled	ton	0.3	36.7
Cardboard recycled	ton	1.6	137.9
Plastic recycled	ton	30.3	90.5
Metal recycled	ton	12.0	/
Total recovery and treatment	ton	44.2	265.1

Note: During the Reporting Period, we handed over the wooden products and cardboard to suppliers to recycle, so both the emissions decreased compared with 2022; as the recycling utilization rate of plastic pallets increased, the plastic recycled also decreased compared with 2022. During the Reporting Period, iRay Taicang adopted metal pallets instead of wooden pallets and recycled metal waste such as metal pallets, so metal recycled increased in 2023.

Responding to Climate Change

As COP28 (the 28th session of the Conference of the Parties of the United Nations Framework Convention on Climate Change) opens a new chapter in the global climate response, contributing to mitigate climate change will gradually become the consensus of all industries. iRay Technology actively responds to the United Nation's call and China's "dual carbon" strategy, that is, to achieve carbon peaking by 2030 and carbon neutrality by 2060. We continue to pay attention to climate governance, and respond to climate change by improving energy efficiency and reducing greenhouse gas emissions.

During the Reporting Period, the GHG emission data is as follows:

GHG emission category	Unit	Consumption in 2023	Consumption in 2022
Direct greenhouse gas emissions	tCO ₂ e	886.3	678.8
Indirect greenhouse gas emissions	tCO ₂ e	21,239.5	14,758.9
Total greenhouse gas emissions	tCO ₂ e	22,125.8	15,437.7
Greenhouse gas emission density	tCO ₂ e/10,000 yuan of operating income	0.12	0.10

Note: GHG emissions of natural gas and gasoline are calculated in accordance with the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industries issued by the National Development and Reform Commission; the GHG emissions generated by outsourcing power in China shall be calculated according to the 2021 provinces electricity carbon dioxide emission factor issued by the Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics of the People's Republic of China in 2024; At the same time, we have also recalculated and presented the relevant data for 2022 in accordance with the updated emission factors in order to safeguard the comparability of the data.

The Company strives to enhance its ability to respond to extreme weather risks caused by climate change. We have developed a *Special Emergency Plan for Natural Disasters*, established a graded response mechanism for various types of natural disasters such as floods, typhoons, lightning and other natural disasters, and set up an emergency rescue command team led by senior management of the Company to further strengthen the monitoring, early warning and response work in the face of various types of natural disasters. At the same time, we have established an *Emergency Response Mechanism* to further refine and implement specific response plans for scenarios such as power outages and water supply interruptions.

We make emergency drill plans every year and regularly carry out safety training against typhoons, high temperatures and other extreme weather for all employees to popularise and strengthen emergency knowledge. On this basis, we periodically conduct natural disaster emergency drills, and enhance employees' practical ability to respond to emergency procedures and ensure our efficiency and effectiveness in responding to extreme weather.

Case Flood and Typhoon Prevention Drill

On 11 August 2023, the Company organised an emergency drill for flood and typhoon prevention. The Company carried out thorough drills, including material preparation at early stage, safety reminders in response, measures to deal with urban water logging, and post-disaster relief. These drills not only improved the Company's ability to respond to sudden natural disasters, but also raised employees' safety awareness and enhanced their emergency response skills. During the drill, we also promptly improved potential issues identified to ensure emergency response capabilities before natural disasters.



▲ Filling flood-control sandbags, on-site personnel training, on-site emergency rescue operations

Practising Green Office

iRay Technology practices and promotes the concept of green operation, incorporating specific environmental protection measures into various aspects of the Company's daily operation, and encouraging every employee to participate in green office actions. During the Reporting Period, we promoted environmental awareness and skill training of employees. We conducted internal and external training to enable our employees to better understand the requirements of environmental protection-related regulations and external standards, and master green environmental protection skills and methods. These trainings have effectively raised employees' awareness of ecological issues and environmental protection, creating a favourable atmosphere within the Company for all employees to participate in environmental protection.



Green meeting

Advocate online meeting to replace unnecessary travel and reduce the environmental footprint brought by travel.



Saving electricity

Encourage employees to turn off the lights, air conditioners and other electronic equipment when leaving the office and assign personnel to patrol the area.

Set the timing for turning on and off street lights according to weather conditions and automatically switch off landscape lights every day.

Lock the temperature setting function through the air conditioning system to keep it in a reasonable range to reduce energy consumption.



Reducing paper consumption

Promote paperless office, reduce paper consumption through electronic workflow, and promote double-sided printing.



Environmental protection education

Actively plan environmental protection education, popularise environmental protection and improve the environmental awareness of all employees.



04

Responsible Procurement and Resilient Management

iRay Technology has sharpened its supply chain management capability and is committed to building long-term, solid partnerships with suppliers. While ensuring that our suppliers meet high standards of quality and delivery, we always aim to build a sustainable supply chain in the long term. Sticking to responsible procurement, we comprehensively convey our environmental and social requirements to our suppliers, to jointly create a win-win sustainable supply chain ecosystem.

- Improving Supply Chain Management
- Fostering a Responsible Supply Chain

SDGs

<p>8 体面工作和经济增长</p> 	<p>10 减少不平等</p> 
<p>12 负责任消费和生产</p> 	<p>17 促进目标实现的伙伴关系</p> 

Improving Supply Chain Management

iRay Technology lays down a range of internal regulations, such as the *Management Rules on Supplier Selection and Assessment* and the *Management Rules on Supplier Audit*, therefore specifying a range of supplier management regulations on certification, standards and processes to classify and manage suppliers throughout the lifecycle. These regulations effectively manage all aspects of the supply process such as supplier development and audit and supplier performance assessment. During the Reporting Period, we introduced the Supplier Relationship Management (SRM) system. Through the system, we realised the digital management throughout the supply chain for key aspects such as quotation, ordering and delivery, effectively enhancing the efficiency of supply chain management.

Supplier Development and Audit

In the process of supplier development and audit, we review the qualifications of potential suppliers according to the *Potential Supplier Profile and the Supplier Assessment Scorecard* prepared by us. We also select suppliers according to our requirements in terms of product quality and hazardous substances management, giving priority to those that have passed international standard system certification.



▲ The primary process of supplier scouting and audit

By the end of the Reporting Period, the proportion of suppliers selected by iRay Technology who have passed international standard system certification was as follows:

Certification	Approximate proportion
ISO 9001 <i>Quality Management System</i>	80%
ISO 45001 <i>Occupational Health and Safety Management System</i>	30%
ISO 14001 <i>Environmental Management System</i>	40%
ISO 13485 <i>Medical Devices Quality Management System</i>	25%

Supplier Performance Assessment

In the daily management after development and admittance, the Company carries out monthly performance monitoring and annual assessment of qualified suppliers to ensure that they always meet the management and product requirements. We conduct graded management linked to business share, and conduct regular performance evaluations from multiple dimensions such as delivery timeliness, product quality, etc. Based on the evaluation results, suppliers are classified into four grades: A/B/C/D. We incentivise suppliers who actively fulfil our management requirements. For suppliers who fail the performance evaluation, we provide guidance through interviews, on-site evaluations and other methods. We also require and assist suppliers to prepare improvement plans to meet our requirements and grow with us. During the Reporting Period, we conducted annual performance evaluation of all qualified suppliers; and training 100% of suppliers who failed the evaluation.

Level A	Level B	Level C	Level D
Preferred in consequent cooperation	Maintain current management mode	Formulate improvement plans, urge their rectification, and lower the share of procurement	Gradually terminate cooperation



Supplier Empowerment and Training

To promote the efficient and high-quality operation of the total quality management system of products, we actively carry out training and exchanges with suppliers. In doing so, we convey the quality requirements and problems encountered in cooperation to our partners, and promote the quality of suppliers' materials and services, laying a solid foundation for the long-term sustainable and high-quality development of the Company.

During the Reporting Period, we trained some of our key suppliers and communicated with them on a monthly basis to ensure the quality of product delivery. In addition, we analyse and summarise the production process of some new raw material suppliers, and carry out relevant quality training for them. This enables the suppliers to further understand the Company' s acceptance standards, empowering their growth with us.

Fostering a Responsible Supply Chain

iRay Technology attaches great importance to the sustainable development of suppliers and actively works with partners in the supply chain to create a responsible value chain. We continuously strengthen communication with suppliers in supplier assessments and daily activities, emphasising the Company's requirements for business ethics, environmental protection and social responsibility.

We require all new suppliers to sign a series of documents such as the *Statement on Conflict Minerals*, *RoHS Compliance Statement*, *REACH Compliance Statement*, *China Restriction VOC Survey and Statement*, *Quality Assurance Agreement* and the *Integrity Agreement*, to ensure that all suppliers meet our requirements for a sustainable supply chain. During the Reporting Period, under the newly formulated *iRay Technology Integrity Guideline*, suppliers were required to comply with a number of requirements about EHS, compliant employment, responsible mineral procurement, and conflict of interest. We also carry out theme promotion for all new suppliers during the access phase to ensure they comply with relevant laws and regulations and assume their own environmental and social responsibilities. In addition, we add audit requirements for suppliers' environmental and social responsibility performance in the *Supplier Assessment Scorecard* to screen and evaluate suppliers in a stricter manner. We also actively optimise our supply chain structure and management to reduce environmental and social risks in our supply chain.

For materials such as packaging, labels and mechanical components, we give priority to local suppliers. For example, we work with local suppliers in Suzhou and Jiaxing to improve the efficiency and synergy of our supply chain network. As a result, we effectively reduce logistics and inventory costs while significantly reducing carbon emissions in the logistics process and minimising excess inventory and material obsolescence. During the Reporting Period, we cooperated with suppliers of CNC (Computer Numerical Control) materials to promote the recycling of cardboard boxes and packaging liners of CNC materials by setting up temporary storage rooms inside the warehouses, etc., and the recycling rate reached 70%.



As of December 31, 2022, **100%** of suppliers signed the Statement on Conflict Minerals.



As of December 31, 2022, **100%** of suppliers signed the Integrity Agreement.

Case

Collaboration with Suppliers for the Recycling of ESD Boxes

We actively cooperated with upstream suppliers and downstream clients in the recycling of packaging materials in order to minimise the use of resources and reduce the environmental footprint of the supply chain. We had established a long-term electrostatic discharge (ESD) boxes reuse mechanism. After the suppliers use the ESD boxes to deliver materials, we collect and store them in a designated location in our warehouse. We then periodically return the boxes to the suppliers for reuse, reducing packaging waste while lowering their packaging costs. Our ESD box recycling rate exceeds 95%.



05

Caring for Society and Shouldering Responsibility

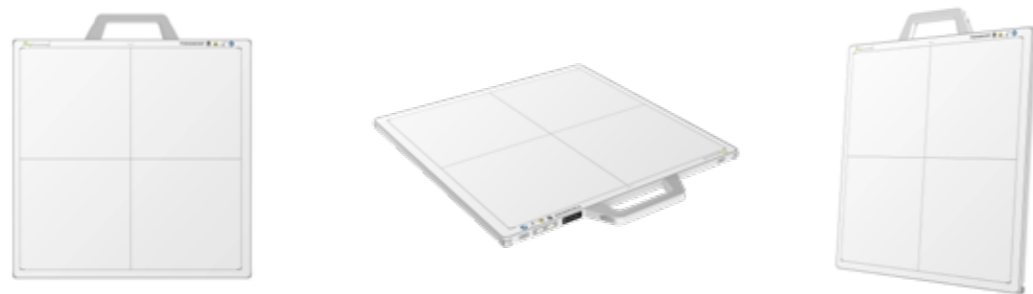
Relying on its global layout, iRay Technology promotes the inclusive medical care. We provide efficient, safe and affordable high-end medical equipment and service to developing countries, delivering warmth and care to society. Meanwhile, we are well aware of the importance of X-ray imaging and high-end manufacturing technicians to medical quality and industrial development. The Company therefore leverages its resources to train high-quality practical talents, contributing to national medical imaging and high-end manufacturing.

SDGs

1 无贫穷 	3 良好健康与福祉 	4 优质教育
10 减少不平等 	11 可持续城市和社区 	17 促进目标实现的伙伴关系

Case 📄 iRay Technology delivered products to 300+ hospitals in India for inclusive medical care

Our Mars 1417V product is a 14×17-inch wireless static flat panel detector that utilizes AED and other technologies to provide clear images, stable and reliable wireless performance, and long battery life. With its many advantages, our Mars 1417V and other products to 300+ hospitals in India in 2023, which will greatly contribute to the construction of the local basic healthcare system in India, and enhance the well-being of human health with technological innovation.



Case 📄 The company joins hands with universities to verify innovative technologies and deepen the cooperation of "industry-university-research".

With the deepening of "industry-university-research" cooperation, we have carried out mutual cooperation with Huazhong University of Science and Technology, Shanghai University and other universities. Based on scientific and technological innovation projects, the company provides a platform for the scientific research and innovation ideas verification for teachers and students. And we help scientific research and technological innovation implement in line with industry. At the same time, the company provides training opportunities for students majoring in medical image, helping the cultivation of industry talents, and cultivates high-quality skilled talents with profound theoretical knowledge and strong practical ability.

Case 📄 The company serves hospitals and jointly cultivates clinical medical engineering talents

We provide innovative medical imaging products to six tertiary hospitals in Shanghai (Shanghai Sixth People's Hospital, Xinhua Hospital affiliated to Shanghai Jiao Tong University School of Medicine, Huashan Hospital affiliated to Fudan University, and Tongji Hospital of Tongji University, etc. We assist in comparative research on the application of domestic and imported devices, helping product innovation, and further meet the actual needs of medical imaging. At the same time, we assist the hospital in cultivating medical engineering talents with clinical knowledge and experience.

Case 📄 iRay Taicang set a practical training classroom, with on-site practice by internal experts to nurture practical talents

In May 2023, iRay' s Training Centre in Taicang welcomed 44 apprentices from the Jiangsu Taicang Secondary Vocation School to start a new round of joint training programmes. Equipped with an independent R&D centre, a non-mass production pilot line, a simulation production line, and all the high-end professional instruments and tools involved in production, the iRay' s Training Centre creates an environment that is realistic and close to the actual production and establishes a comprehensive practical training environment for the cultivation of a new generation of "innovative, advanced, and leading" talents.

In addition, in order to improve the quality of the training, iRay Taicang sent engineers with rich production experience to lead the students to master the practical ability through knowledge training, skill explanation and on-site practice, etc., so as to cultivate new talents for the development of the industry.



Feedback From Readers

Thank you for reading the *Environmental, Social and Governance Report of iRay Technology 2022*. We sincerely invite you to give your comments and suggestions on this report to help us better communicate valuable information to stakeholders and improve our ESG management.

You can fill in the feedback form and give it back to us via:

Email: ir@iraygroup.com

Address: Building 45, No. 1000, Jinhai Road, Pudong New Area, Shanghai

Postcode: 201206

1. How will you rate the report?:

Very Good Good Average £ Bad Very Bad

2. How will you rate the social and environmental performance of iRay Technology?:

Social performance	<input type="checkbox"/> Very Good	<input type="checkbox"/> Good	<input type="checkbox"/> Average £ Bad	<input type="checkbox"/> Very Bad
Environmental performance	<input type="checkbox"/> Very Good	<input type="checkbox"/> Good	<input type="checkbox"/> Average £ Bad	<input type="checkbox"/> Very Bad

Do you think this report reflects the impact of the social practice of iRay Technology on society and the environment?

Truly reflect Well reflect generally reflect Not reflect so well Can't reflect

4. What do you think of the clarity, accuracy and completeness of the information, data and indicators disclosed in this report?

Clarity	<input type="checkbox"/> Very Good	<input type="checkbox"/> Good	<input type="checkbox"/> Average £ Bad	<input type="checkbox"/> Very Bad
Accuracy	<input type="checkbox"/> Very Good	<input type="checkbox"/> Good	<input type="checkbox"/> Average £ Bad	<input type="checkbox"/> Very Bad
Completeness	<input type="checkbox"/> Very Good	<input type="checkbox"/> Good	<input type="checkbox"/> Average £ Bad	<input type="checkbox"/> Very Bad

5. Do you think the structure and layout of this report help you to read?

Yes Average No

6. What are your other comments and suggestions on iRay Technology and this report:



iRay Technology Company Limited