



Address: No. 2198, East Section of Development Avenue,  
Jiaojiang District, Taizhou City, Zhejiang Province

Tel:0576-8981-1901

Email: sjzqb@crystal-optech.com



# CRYSTAL OPTTECH



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

ZHEJIANG CRYSTAL-OPTECH CO.,LTD.

## Foreword

About This Report 01

Chairman's Speech 03

## 01

### About Crystal-Optech 05

Company Profile 07

2025 Annual Highlights and Performance 09

## 02

### Environmental, Social and Governance Management 11

ESG Goals and Vision 13

ESG Governance 14

Stakeholder Engagement 16

Materiality Issue Management 18

## 03

### Standardized Governance and Steady Operation 21

Standardizing Corporate Governance 23

Protecting Investor Rights 29

Practicing Business Ethics 31

## 04

### Low-Carbon Actions, Green Development 35

Addressing Climate Change 37

Environmental Compliance Management 45

Resource Management 54

## 05

### Technology Empowerment, Value Co-Creation 63

Innovation-Driven 65

Supply Chain Management 72

Product and Service Safety and Quality 79

Data Security and Privacy Protection 89

## 06

### People-Oriented, Uniting for Common Progress 93

Occupational Health and Safety 95

Protecting the Legitimate Rights and Interests of Employees 104

Employee Training and Development 111

## 07

### Gathering Strength for Public Welfare, Benefiting People's Livelihood 115

Rural Revitalization 117

Public Welfare 118

Looking Ahead 119

## Appendix

Index of Indicators 121

Feedback Form 123



## Foreword

### About This Report

#### Report Overview

This report is the second Environmental, Social and Governance (ESG) report issued by Zhejiang Crystal-Optech Co., Ltd. Adhering to the principles of objectivity, standardization, transparency, and comprehensiveness, this report provides a detailed overview of the management strategies, practices, and performance of Zhejiang Crystal-Optech Co., Ltd. and its holding subsidiaries in the environmental, social, and governance domains during the 2025 period.

#### Report Scope

**Time Scope:** This report covers the period from January 1, 2025 to December 31, 2025. Some statements and data are appropriately traced back and extended to improve the comparability and completeness of the report.

**Organizational Scope:** This report covers Zhejiang Crystal-Optech Co., Ltd. and its holding subsidiaries. Unless otherwise specified, the scope of this report is consistent with that of the Company's annual report.

#### Reporting Cycle

This report is an annual Environmental, Social and Governance report, released once a year.

#### Basis for Preparation

*Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 1 — Standardized Operation of Main Board Listed Companies*

*Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 17 — Sustainability Report (Trial)*

*GRI Sustainability Reporting Standards(GRI Standards)* issued by the Global Reporting Initiative (GRI)

*China Enterprise Sustainability Reporting Guidelines(CASS-ESG 6.0)* issued by the China Enterprise Reform and Development Society

Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

United Nations Sustainable Development Goals (SDGs)

Sustainability Accounting Standards Board (SASB) Standards

#### Data Sources

The financial data in this report is derived from the 2025 Annual Report of Zhejiang Crystal-Optech Co., Ltd. Other information and data are sourced from statistical summaries compiled by relevant internal departments or from publicly available Company documents. The content of this report contains no false records, misleading statements, or material omissions. Unless otherwise specified, all monetary amounts in this report are denominated in yuan.

#### Definition of Terms

For the convenience of presentation and reading, the terms in this report are defined as follows:

Term	Definition
Crystal-Optech, the Company, or we	Zhejiang Crystal-Optech Co., Ltd.
Yeshili	Yeshili New Materials Co., Ltd.
Jiangxi Crystal-Optech	Jiangxi Crystal-Optech Co., Ltd.
Linhai Crystal-Optech, Xintaijia	Xintaijia Optoelectronics Co., Ltd.
Vietnam Crystal-Optech	Crystal-Optech Vietnam Co., Ltd.
COTC	COTC HOLDING PRIVATE LIMITED
COTV	COTV HOLDING PRIVATE LIMITED
COT Vietnam	COT VIETNAM CO.,LTD.
Jiangxi Jingchuang	Jiangxi Jingchuang Technology Co., Ltd.
Jingte Optics	Jingte Optics Technology Co., Ltd.

#### Report Access and Feedback

This report is published in both Chinese and English. In case of any ambiguity or conflict between the two versions, the Chinese version shall prevail. You can access and download the electronic version of the report on the official website of the Shenzhen Stock Exchange (<http://www.szse.cn/>), CNINFO (<http://www.cninfo.com.cn/>), the official website of Zhejiang Crystal-Optech Co., Ltd. (<https://www.crystal-optech.com/>), and the Company's official WeChat account.

If you have any comments or suggestions on this report, please contact us through the following channels:

Address: No. 2198, East Section of Kaifa Avenue, Jiaojiang District, Taizhou City, Zhejiang Province

Postcode: 318014

Tel: 0576-89811901

Email: [sjqb@crystal-optech.com](mailto:sjqb@crystal-optech.com)

## Chairman's Speech



Li Xiayun, Chairman of Crystal-Optech

Dear shareholders, investors, partners and friends from all sectors of society:

Hello everyone!

The year 2025 marked the decisive final year for concluding the 14th Five-Year Plan. Guided by our strategic focus and the operational policy of "Persisting in 'Two Reductions and Three Lowerings,' Implementing Site Management, Building a Dual Circulation System, and Leveraging Momentum for Further Growth!", Crystal-Optech maintained steady business operations, continuously strengthened its core competitiveness, and once again achieved high-quality development. We remain committed to deeply integrating ESG principles into our corporate development strategy, actively assuming responsibilities towards our shareholders, employees, the environment, and society while pursuing economic benefits, and striving to create long-term, shared value.

Over the past year, we continuously improved corporate governance to solidify the foundation for transparent operations. The Company strictly adheres to the principles of lawful and compliant operations, consistently strengthening its compliance risk management and internal control systems. We regularly conduct evaluations of internal control effectiveness to enhance governance efficiency. We value communication and interaction with investors, actively exploring new technologies in investor relations management. We introduced AI technology, integrating a digital human intelligent response function on our official WeChat account to improve interactive efficiency. We strengthened anti-corruption and integrity awareness among all employees, having all staff sign an *Integrity and Self-Discipline Commitment Letter*, providing anti-corruption training, conducting audits on business ethics-related content, and encouraging both internal and external stakeholders to jointly foster an honest and fair business environment.

Over the past year, we firmly advanced our green transformation and fulfilled our commitment to low-carbon development. Guided by principles of green, economic, and intelligent operations, we enhanced the efficient use of resources, leading the industry towards a green and low-carbon future. We continuously promoted water conservation projects, including the recycling of dicing and cutting water, reuse of ultra-concentrated water, constant-flow water-saving retrofitting of cleaning machines, and reuse of treated wastewater from treatment stations in cooling towers. We advanced energy-saving projects such as cold energy recovery and waste heat recovery from air compressors. We implemented a digital management system, "Smart Facility Management," effectively improving resource utilization efficiency and reducing energy consumption. The Company actively engaged in climate action, reducing carbon emissions through measures such as purchasing and utilizing green electricity, installing photovoltaic systems, optimizing production processes, and deploying energy storage equipment.

Over the past year, we strengthened innovation and talent development, building a robust engine for long-term growth. The Company continued to increase R&D investment, reinforcing our innovation foundation through Integrated Product Development (IPD) management methods, the construction of multiple R&D platforms, and talent cultivation. We deepened industry-university-research collaboration, formally initiating a school-enterprise partnership with Shaanxi University of Science and Technology to jointly explore new paradigms for integrating industry and education. Adhering to a people-oriented approach, we continuously improved our welfare security system, perfected career development paths, and safeguarded the legitimate rights and interests of employees. We established a "Business School" training platform and assembled a team of external lecturers, providing employees with abundant training resources and personalized learning support, enabling every member of the Crystal-Optech family to grow and achieve their dreams alongside the Company.

Over the past year, we actively fulfilled our social responsibilities and dedicated ourselves to giving back to society. The Company actively engaged in public welfare initiatives, spreading positive energy. In the new stage of consolidating poverty alleviation achievements and comprehensively promoting rural revitalization, the Company integrated resources, innovated support models, and comprehensively carried out initiatives in consumption support, educational support, and employment support. We earnestly fulfilled our corporate citizenship responsibilities, ensuring that the benefits of development reach wider areas and more people.

Looking ahead, Crystal-Optech will steadfastly uphold its original aspiration and mission, "Innovation makes optics more powerful, optics makes the world a better place." With a broader vision, greater resilience, and a more open attitude, we will embrace change, deepen our focus on our core business, strengthen innovation-driven development, and deepen our ESG practices. We will join hands with all stakeholders to collectively address challenges, seize the opportunities of our times, and unwaveringly pursue the path of high-quality and sustainable development, contributing to the prosperity of society.

Finally, we would like to express our sincere gratitude to our shareholders, investors, partners, and friends from all walks of life for their continued interest in and support for Crystal-Optech.



# 01 | About Crystal -Optech

## CRYSTAL-OPTTECH

Company Profile

2025 Annual Highlights and Performance



## Company Profile

### Company Introduction

Zhejiang Crystal-Optech Co., Ltd. was founded in August 2002, with its headquarters in Taizhou, Zhejiang Province. It was listed on the Shenzhen Stock Exchange in September 2008 (Stock Abbreviation: Crystal-Optech; Stock Code: 002273).

The Company specializes in the R&D, production, and sales of products related to optical imaging, thin-film optical panels, automotive electronics (AR+), and reflective materials. Our products are widely used in consumer electronics, automotive optics, and AR/VR fields. For over two decades, the Company has remained dedicated to innovation within the optical industry, striving to become a world-class premier one-stop optical expert. Guided by the three strategic principles of "Globalization, Technology-driven, and Open Cooperation," Crystal-Optech has established comprehensive, in-depth, and stable cooperative relationships with domestic and international end customers. We possess strong comprehensive competitive advantages in fields such as thin-film optics, semiconductor optics, and precision manufacturing. Currently, the Company has established six major production bases, covering approximately 1,000 acres, located in Taizhou, Zhejiang (Binhai, Jiju District, Linhai), Yingtan, Jiangxi, Dongguan, Guangdong, and Vietnam.

### Development Strategy

#### Globalization

- Markets: Seven subsidiaries and offices covering the Greater China region, Pan-Asia Pacific region, European and American markets
- Production: Six production bases distributed at home and abroad, providing services for international and domestic customers
- R&D: Leverage overseas subsidiary platforms to build an international R&D cooperation system.

#### Technology Orientation

Based on the technical platforms of the Central Research Institute and the Technology R&D Center, we have vertically integrated the entire process from advanced materials, optical coating, ultra-precision nano-manufacturing to precision module device packaging, forming a one-stop agile integrated solution spanning from early design and development to trial production and mass production.

#### Open Cooperation

Maintaining close technical and business cooperation with the upstream and downstream of the industrial chain

### Corporate Culture

- Mission: Innovation makes optics more powerful, optics makes the world a better place.
- Vision: To become a world-class leading one-stop optical expert
- Core Values: Learning, growth, gratitude, sharing
- Business Philosophy: Be a noble person and doing excellent things.

## Corporate Honors



February 2025

Awardee: Crystal-Optech  
Award Name: Second Place among Enterprises with Annual Tax Payment of Over 100 Million Yuan in 2024  
Issuing Authority: CPC Jiaojiang District Committee of Taizhou City, Jiaojiang District People's Government of Taizhou City



May 2025

Awardee: Crystal-Optech  
Award Name: China Patent Excellence Award (Certificate officially issued in May 2025; review results announced in December 2024)  
Issuing Authority: China National Intellectual Property Administration



June 2025

Awardee: Crystal-Optech  
Award Name: Excellent Supplier of 2024  
Issuing Authority: Xiamen Panasonic Electronics Information Co., Ltd.

August 2025

Awardee: Crystal-Optech  
Award Name: Zhejiang Provincial Premium Manufactured Product 2025  
Issuing Authority: Department of Economy and Information Technology of Zhejiang Province

80	浙江新和成特种材料有限公司	低灰分无氧型聚苯硫醚(PPS)树脂	绍兴市上虞区
81	天通控股股份有限公司	6英寸声表面波级铝酸锂晶片	嘉兴市海宁市
82	浙江水晶光电科技股份有限公司	高端摄像头蓝宝石保护器件	台州市椒江区
83	浙江米辰新材料有限公司	智能感知导电聚氨酯合成革	嘉兴经济技术开发区
84	临海伟星新型建材有限公司	耐候型结构消防防压排水管道	台州市临海市
85	杭州新川新材料有限公司	MLCC 内电极用高端超细球形镍粉	杭州市萧山区

序号	企业名称	产品名称	产品类型
1	浙江水晶光电科技股份有限公司	3D激光雷达视窗片	基础支撑类
2	浙江精一新材料科技有限公司	智能纳米调光玻璃	基础支撑类
3	爱科赛智能科技(浙江)有限公司	智能恒压变频控制器	基础支撑类

August 2025

Awardee: Crystal-Optech  
Award Name: Taizhou "Intelligent Premium Product" 2025  
Issuing Authority: Taizhou Municipal Bureau of Economy and Information Technology

September 2025

Awardee: Crystal-Optech  
Award Name: Zhejiang Provincial Excellent New Industrial Product 2025  
Issuing Authority: Department of Economy and Information Technology of Zhejiang Province



September 2025

Awardee: Crystal-Optech  
Award Name: Best Practice Case of Internal Control for Listed Companies 2025  
Issuing Authority: China Association for Public Companies

30	浙江闰土股份有限公司	第二产业	绍兴市
31	仙鹤股份有限公司	第二产业	衢州市
32	杰克科技股份有限公司	第二产业	台州市
33	浙江水晶光电科技股份有限公司	第二产业	台州市
34	台州银行股份有限公司	第三产业	台州市

November 2025

Awardee: Crystal-Optech  
Award Name: Zhejiang Provincial Leading Private Economic Headquarters Enterprise 2025  
Issuing Authority: Department of Economy and Information Technology of Zhejiang Province



November 2025

Awardee: Crystal-Optech  
Award Name: Excellent Partner Award 2025  
Issuing Authority: VOYAH Automobile Technology Co., Ltd.



November 2025

Awardee: Yeslil  
Award Name: Outstanding Contribution Unit to the Reflective Materials Industry  
Issuing Authority: China Association of Traffic Enterprise Management

## 2025 Annual Highlights and Performance

### Economic Performance

Operating Revenue  
**69.28**  
100 million yuan

Net Profit Attributable to Shareholders  
of the Listed Company  
**11.72**  
100 million yuan

Total Assets  
**127.17**  
100 million yuan

### Governance Performance

Proportion of Female  
Directors  
**16.67%**

Proportion of  
Independent Directors  
**33.33%**

Number of Participants in  
Anti-Corruption Training  
**7,680**  
Person-times

Response Rate on  
Interactive Easy Platform  
**100%**

Total Cash Dividend  
**41,562.34**  
10,000 yuan

### Environmental Performance

Environmental Protection  
Investment  
**1,390**  
10,000 yuan

Rectification Rate of Hidden  
Environmental Hazards  
**100%**

Qualified Rate of  
Pollutant Monitoring  
**100%**

Recycling Rate of  
Hazardous Waste  
**32%**

Proportion of Recycled Water  
in Total Water Consumption  
**27%**

Recycling Volume of  
General Waste  
**1,498.86**  
Tons

Total Clean Energy Consumption  
**160,000,000.00** kWh

Total Greenhouse Gas Emissions  
(Scope 1 and Scope 2)  
**20,462.56** tCO<sub>2</sub>e

Greenhouse Gas Emission Reduction  
**15,714.29** tCO<sub>2</sub>e

### Social Performance

R&D Investment  
**41,476.32**  
10,000 yuan

Cumulative Number  
of Authorized Patents  
**618**  
Patents

Customer Complaint  
Resolution Rate  
**100%**

Customer Satisfaction  
**89.7**  
Score

Product Qualification  
Rate  
**91.2%**

Product Recall Rate  
**0%**

Total Investment in  
Safety Training  
**60.5**  
10,000 yuan

Work Safety  
Investment  
**626**  
10,000 yuan

Work Injury Rate  
**0%**

New Occupational  
Disease Cases  
**0**  
Cases

Assistance Amount for  
Employees in Difficulty  
**5.98**  
10,000 yuan

Total Hours of  
Employee Training  
**28,227.58**  
Hours

Total Investment in  
Rural Revitalization  
**13**  
10,000 yuan

Total Investment in  
Social Welfare  
**20**  
10,000 yuan

# 02 | Environmental, Social and Governance Management

CRYSTAL-OPTECH

ESG Goals and Vision

ESG Governance









Stakeholder Engagement




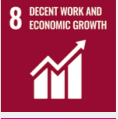


Materiality Issue Management



## ESG Goals and Vision

Crystal-Optech integrates the ESG philosophy as a vital component of its corporate development strategy. Focusing on areas such as corporate governance, green manufacturing, and social responsibility, we seize opportunities presented by the new era of sustainable development, strive to contribute to the United Nations Sustainable Development Goals (SDGs), and guide the Company towards a higher quality and more sustainable development path.

Focus Area	Corresponding Section	2025 Initiatives of Crystal-Optech	Relevant SDGs
Corporate Governance	Standardized Governance and Steady Operation	The Company has continuously improved its governance structure, strengthened compliance risk management and internal control, and consolidated the cornerstone of the Company's development. At the same time, the Company has standardized information disclosure practices, protected the legitimate rights and interests of investors, strengthened communication with stakeholders through various activities such as performance exchange meetings and Q&A on the Interactive Easy Platform, and built a healthy and sustainable capital market ecosystem.	
Green Manufacturing	Low-Carbon Actions and Green Development	The Company has optimized the energy utilization structure, promoted the use of clean energy such as photovoltaic power and green electricity, strengthened water resources management, enhanced water conservation awareness, promoted the recycling of energy and water resources through technological upgrading and process improvement; actively participated in climate change governance, reduced carbon emissions, and led the industry's low-carbon transformation; practiced the concept of circular economy and improved material utilization efficiency.	   
Social Responsibility	Technology Empowerment and Value Co-Creation	The Company keeps up with the cutting-edge of the industry, continuously promotes technological innovation, and builds a complete talent supporting mechanism and technological innovation system; maintains long-term and stable cooperative relations with suppliers, improves the whole life cycle management process of products, and promotes the improvement and optimization of product and service quality.	  

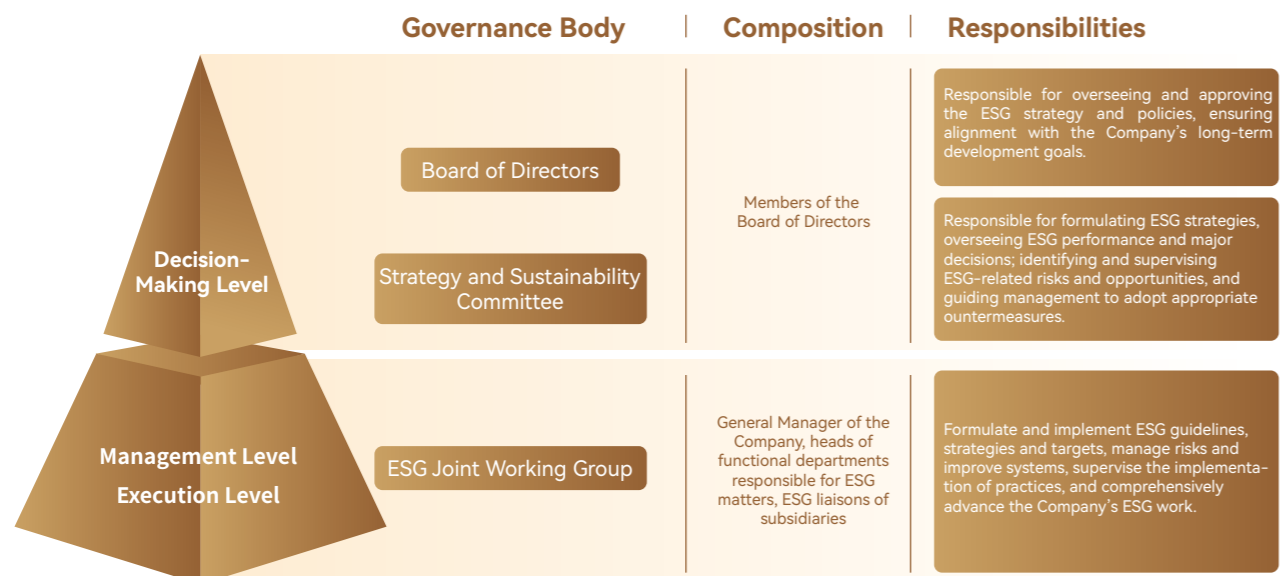
Focus Area	Corresponding Section	2025 Initiatives of Crystal-Optech	Relevant SDGs
Social Responsibility	People-Oriented, Uniting for Common Progress	The Company has established a sound work safety management system to fully protect the occupational health and safety of employees; accelerated the construction of talent teams relying on the Crystal Business School and employee training programs; formulated the <i>Administrative Procedures for the Labor Protection of Female Employees</i> to safeguard the legitimate rights and interests of female employees; recruited talents through diversified channels such as social recruitment, campus recruitment and online recruitment; established a fair and reasonable salary management system and a scientific performance appraisal mechanism; respected the cultural differences and customs of different nationalities, ethnic groups and religions, and rejected any form of forced labor.	    
	Gathering Strength for Public Welfare, Benefiting People's Livelihood	The Company has actively responded to the national rural revitalization strategy, promoted local development through consumption assistance, education assistance, employment assistance and other means; actively carried out public welfare activities, and earnestly fulfilled social responsibilities.	

## ESG Governance

### Governance Structure

Crystal-Optech comprehensively strengthens its ESG management system by establishing a three-level governance structure consisting of the "Board of Directors — Strategy and Sustainable Development Committee — ESG Joint Working Group." It has formulated the *ESG Work Rules*, forming a standardized management mechanism. Concurrently, the Company has developed the *ESG Work Management Manual*, establishing mechanisms for risk monitoring, budget management, information management, and performance management, improving the materiality management process, and promoting the transformation of the Company's ESG management towards "systematized operation," thereby providing institutional support for continuously improving the ESG management level. Furthermore, the Company incorporates ESG performance indicators related to environmental protection and occupational health and safety into the executive compensation system. This incentivizes the executive team to proactively assume sustainable development responsibilities, drives substantial progress in areas such as energy conservation, emission reduction, and green supply chain construction, and ultimately empowers the Company's high-quality development.

## Crystal-Optech's ESG Governance Structure and Responsibilities



During the Reporting Period, the Company's Wind ESG rating was upgraded from B to A, thanks to its excellent practices and innovative breakthroughs in the ESG field, demonstrating the Company's robust capabilities in systematic ESG management and sustainable development. This remarkable rating upgrade is a strong recognition of Crystal-Optech's long-term commitment to practicing the green development concept, deepening social responsibility, and improving governance system construction.

## ESG Risk Management

Crystal-Optech fully considers ESG-related impacts, risks, and opportunities during strategy implementation, risk management, and major decision-making processes. Referring to the International Sustainability Standards Board (ISSB) IFRS S1 and S2 standards and domestic guidelines, the Company carries out information disclosure work around the four core pillars of governance, strategy, risk management, and metrics and targets. The Company comprehensively identifies and assesses ESG risks faced in various business segments, covering key areas such as climate change, occupational health and safety, supply chain management, and product quality, and takes countermeasures to continuously monitor risks. The Board of Directors, as the highest governing body for ESG, assumes ultimate oversight responsibility in ESG risk management, ensuring the Company's safe, stable, and sustainable development.

## ESG Due Diligence

The Company attaches great importance to the identification and management of ESG risks, and strives to deeply integrate the concept of sustainable development into the entire process of business operations and value creation. In key links such as supply chain access and major cooperation, we comprehensively evaluate the performance and potential risks of relevant entities in terms of environmental compliance, the use of conflict minerals, labor rights, occupational health and safety, and business ethics. We effectively enhance the overall risk resilience and work with stakeholders to promote a responsible, transparent and long-term resilient development path.

## ESG Capacity Building








The Company actively invites third-party experts to conduct specialized ESG training, systematically interpreting ESG policies and rating systems, and providing specific improvement directions and practical case references from the three dimensions of environment, society, and governance. During the exchange and discussion sessions, various departments engaged in in-depth discussions on topics such as ESG data collection, performance targets, and implementation path planning, effectively building internal consensus on ESG work. This training further clarified the core goals and key implementation milestones for the 2025 ESG work, not only deepening participants' understanding of ESG concepts and practical requirements but also laying a solid foundation for the Company's subsequent systematic promotion of ESG work.



Crystal-Optech 2025 ESG Kick-Off Meeting

## Stakeholder Engagement

Crystal-Optech values communication and exchange with its stakeholders. The Company establishes diverse communication platforms to extensively and deeply gather the demands, expectations, and constructive opinions of various stakeholders. It fully considers these inputs and responds proactively, striving to create greater comprehensive sustainable development value for stakeholders and achieve mutual benefit and win-win outcomes between the Company and its stakeholders.

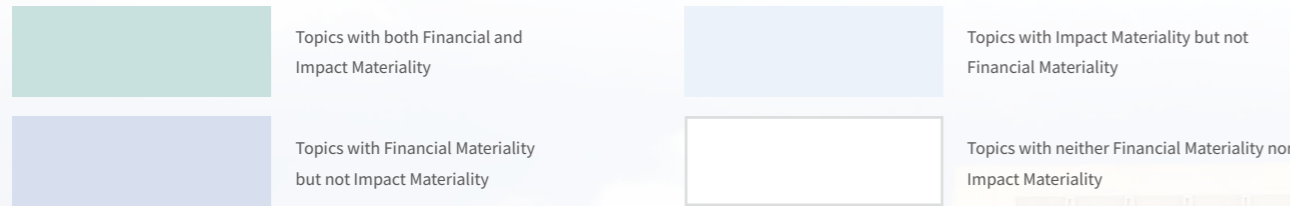
Stakeholder	Expectations and Demands	Our Response
 <b>Government and Regulatory Authorities</b>	Standardizing corporate governance Compliance and risk management Tax compliance Anti-bribery and anti-corruption	Standardizing corporate governance Conduct internal audits Tax risk management Practicing business ethics
 <b>Shareholders and Investors</b>	Protection of shareholders' rights and interests Anti-bribery and anti-corruption Stakeholder communication	Strengthen information disclosure Investor relations management Protect the legitimate rights and interests of minority shareholders
 <b>Employees</b>	Occupational health and safety Employee training and development Protecting the legitimate rights and interests of employees	Occupational hazard factor testing and protection Protection of employee rights Compensation and welfare system Employee training management Employee development paths Strengthen democratic management and employee care
 <b>Customers</b>	Data security and privacy protection Product and service safety and quality	Customer privacy protection Strict control of product quality and safety Protection of customer rights
 <b>Suppliers</b>	Supply chain security	Build a responsible supply chain Conduct supplier safety training Conflict minerals management
 <b>Industry Associations</b>	R&D and innovation	Carry out school-enterprise cooperation Build innovation platforms
 <b>Environment</b>	Addressing climate change Environmental compliance management Pollutant emissions Waste management Energy utilization	GHG emission management Promote energy conservation and emission reduction Environmental compliance management Compliant pollutant emissions Improve resource utilization efficiency Implement green office practices Ecosystem protection
 <b>Community</b>	Rural revitalization Social contribution	Support rural revitalization in targeted areas Participate in public welfare and charitable activities

## Materiality Issue Management

The Company has formulated the *Materiality Assessment Management System*, which fully references the *Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 17 — Sustainability Report (Trial)* (hereinafter referred to as the “*Guidelines*”), while closely considering the characteristics of the industry in which it operates and the actual situation of the Company’s operations. It comprehensively assesses the Company’s performance on various relevant topics, determining whether they have a significant impact on the economy, society, and the environment (i.e., impact materiality), while also considering whether each topic significantly affects the Company’s business model, business operations, development strategy, financial condition, cash flow, financing methods and costs, and value chain (i.e., financial materiality). By considering this dual materiality, and also referring to relevant requirements of international mainstream sustainability reporting standards, a materiality analysis is conducted on the topics within the Company’s topic database. The specific implementation steps are as follows:

Materiality Assessment Process	Analysis Method
<b>Step 1</b> Understand the Company Context	Analyze the macro environment based on global megatrends and China’s industrial development trends, the industry, and the Company’s business model to identify the Company’s stakeholders and the impacts, risks, and opportunities it faces.
<b>Step 2</b> Initial Topic Screening	Using the 21 topics set forth in the <i>Guidelines</i> as the basis for the topic list, and referring to relevant requirements of international mainstream sustainability reporting standards, as well as topics covered by peers in the industry, and benchmarking against the UN Sustainable Development Goals (SDGs), the Company established its 2025 ESG topic database, comprising a total of 29 topics.
<b>Step 3</b> Materiality Assessment	<b>Impact Materiality Assessment:</b> Identify the potential or actual positive or negative impacts of each topic on the external environment, society, and economy. Conduct research and analysis on stakeholders through questionnaires (250 questionnaires recovered), combined with expert judgment, to assess topics with impact materiality. <b>Financial Materiality Assessment:</b> Identify and assess risks and opportunities under relevant topics through analysis of impacts, dependencies, and other factors, combined with expert judgment and the risk identification and assessment lists of various Company departments, to assess topics with financial materiality.
<b>Step 4</b> Topic Confirmation and Approval	Form a list of topics with impact materiality and financial materiality, ensuring that relevant topics are disclosed transparently, in a balanced manner, and completely in the report.



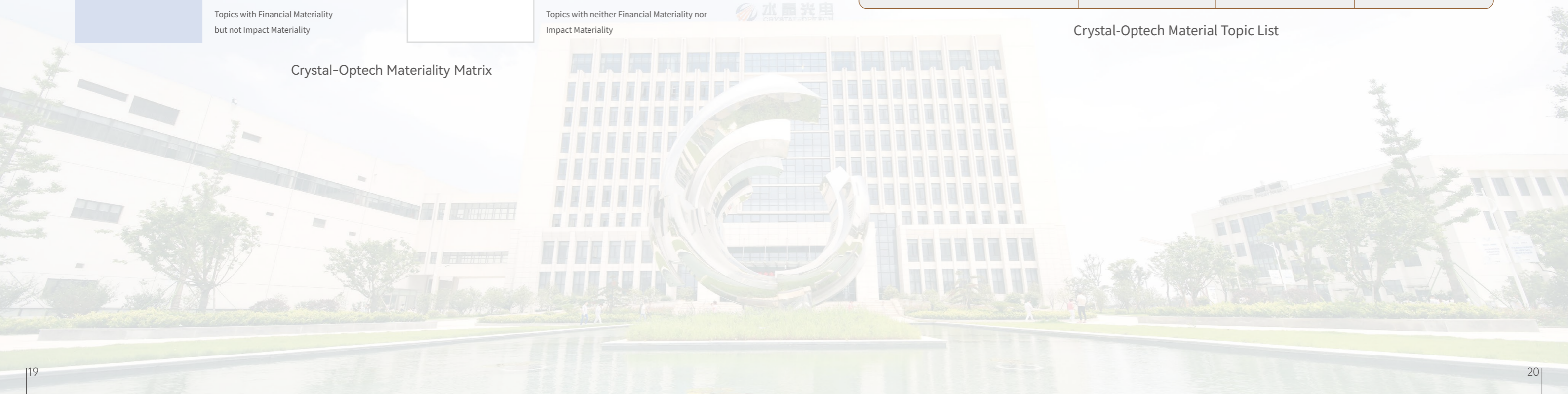


Crystal-Optech Materiality Matrix

- 1 Environmental Compliance Management
- 2 Energy Utilization
- 3 Addressing Climate Change
- 4 Circular Economy
- 5 Water Resource Utilization
- 6 Pollutant Emissions
- 7 Waste Management
- 8 Ecosystem and Biodiversity
- 9 Protecting the Legitimate Rights and Interests of Employees
- 10 Employee Training and Development
- 11 Occupational Health and Safety
- 12 Innovation-Driven
- 13 Technology Ethics
- 14 Product Safety and Quality
- 15 Protection of Customers' Rights and Interests
- 16 Information Security and Privacy Protection
- 17 Responsible Supply Chain Management
- 18 Equal Treatment of SMEs
- 19 Social Contribution
- 20 Rural Revitalization
- 21 Protection of Shareholders' Rights and Interests
- 22 Standardized Corporate Governance
- 23 Anti-Commercial Bribery and Anti-Corruption
- 24 Anti-Unfair Competition
- 25 Tax Compliance
- 26 Risk Management
- 27 Due Diligence
- 28 Stakeholder Engagement
- 29 ESG Governance

Materiality Description	Topics		
	Environmental Dimension	Social Dimension	Governance Dimension
Topics with both Financial and Impact Materiality	Addressing Climate Change Environmental Compliance Management Energy Utilization Pollutant Emissions Waste Treatment	Occupational Health and Safety Innovation-Driven Product Safety and Quality Responsible Supply Chain Management	/
Topics with Financial Materiality but not Impact Materiality	/	/	/
Topics with Impact Materiality but not Financial Materiality	Circular Economy Water Resource Utilization	Protecting the Legitimate Rights and Interests of Employees Employee Training and Development Protection of Customers' Rights and Interests Information Security and Privacy Protection Social Contribution Rural Revitalization	Protection of Shareholders' Rights Standardized Corporate Governance Anti-commercial Bribery and Anti-corruption Anti-unfair Competition Tax Compliance Risk Management Due Diligence Stakeholder Engagement ESG Governance
Topics with neither Financial Materiality nor Impact Materiality	Ecosystem and Biodiversity Protection	Technology Ethics Equal Treatment of Small and Medium-sized Enterprises	/

Crystal-Optech Material Topic List



# 03 | Standardized Governance and Steady Operation

## CRYSTAL-OPTECH

### Our Philosophy

Crystal-Optech always adheres to leading high-quality development with high-quality Party building, continuously improves the internal governance system, strengthens internal control, and ensures the scientificity and compliance of decision-making. The Company places high importance on protecting investor rights and interests, establishing transparent and mutually trusting investor relations through close communication. Upholding the principle of integrity in operations and adhering to business ethics, we provide a solid guarantee for achieving high-quality corporate development.

### Our Actions

Adhere to Standardize Corporate Governance, Strengthen Internal Control, Protect Investor Rights and Interests, Practice Business Ethics.

### Responded SDGs

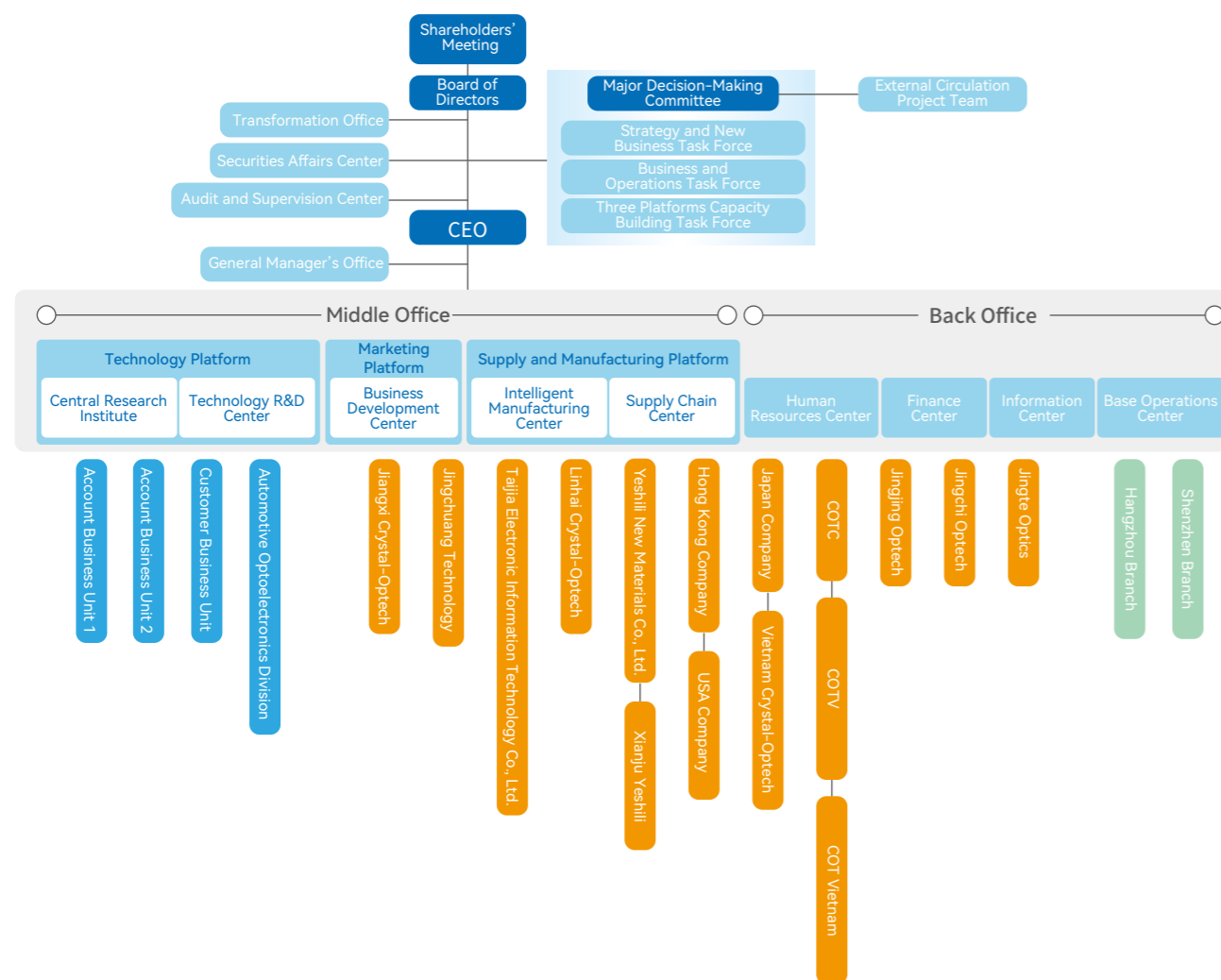


## Standardizing Corporate Governance

Crystal-Optech adheres to the principle of lawful and compliant operations, continuously improves its internal governance, and enhances management efficiency. Concurrently, the Company persistently refines its information disclosure and investor communication mechanisms, striving to build transparent and mutually trusting investor relations.

### Governance Structure

Crystal-Optech strictly complies with the requirements of relevant laws and regulations, including the *Company Law of the People's Republic of China* (hereinafter referred to as the "Company Law"), the *Securities Law of the People's Republic of China* (hereinafter referred to as the "Securities Law"), and the *Shenzhen Stock Exchange Stock Listing Rules*. It has formulated the *Articles of Association of Zhejiang Crystal-Optech Co., Ltd.* (hereinafter referred to as the "Articles of Association"), forming a governance structure composed of the Shareholders' Meeting, the Board of Directors and its special committees, and senior management, ensuring the Company's compliant operation and effective functioning.



Crystal-Optech's Organizational Structure Chart

## Operational Mechanisms

### Shareholders' Meeting

The Company strictly formulates the *Rules of Procedure for Shareholders' Meetings* in accordance with relevant laws and regulations such as the *Company Law* and the *Securities Law*. The convening, notification, holding, and voting procedures of the Shareholders' Meeting strictly follow established rules, adopting a combination of on-site meetings and online voting to facilitate shareholder participation in decision-making. For major matters affecting the interests of minority investors, votes are counted separately for minority investors, and the voting results are promptly disclosed to protect the participation and voting rights of minority shareholders.

#### During the Reporting Period

The Company convened a total of **5** Shareholders' Meetings, including **1** Annual Shareholders' Meeting and **4** Extraordinary Shareholders' Meetings, reviewing and approving **19** proposals.

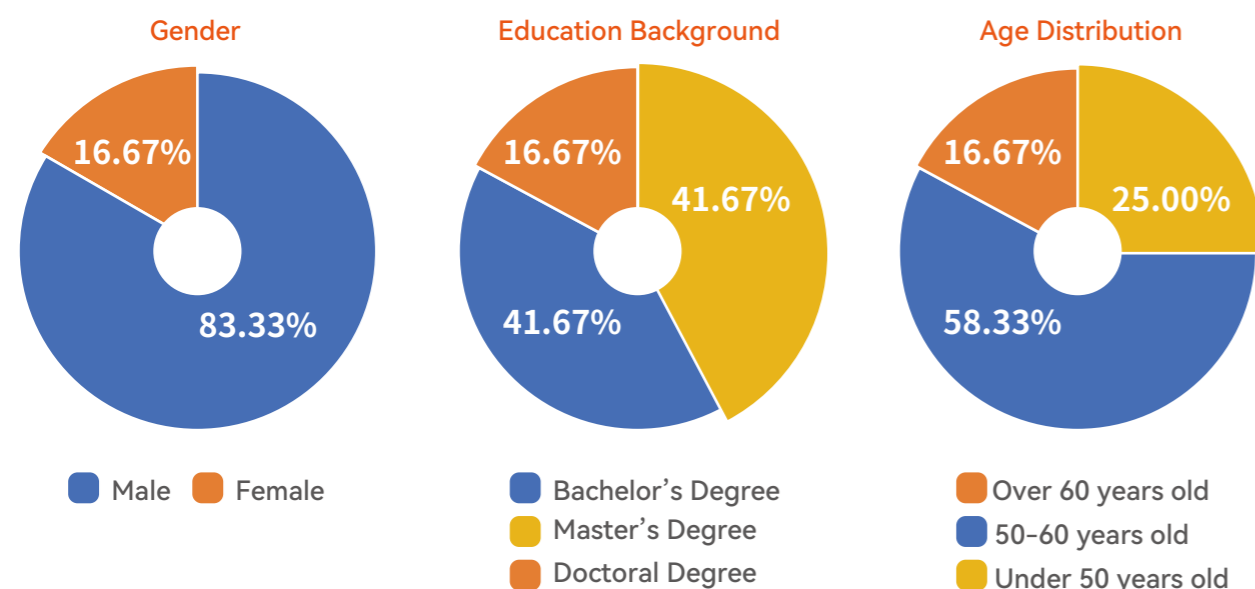
### Board of Directors

The Board of Directors is the decision-making body of the Company, elected by the Shareholders' Meeting, and is responsible for the formulation and execution of the Company's daily operational decisions. In accordance with the *Articles of Association*, the *Rules of Procedure for the Board of Directors*, and other regulations, the Company standardizes the deliberation and decision-making procedures of the Board to ensure the timeliness and effectiveness of its decisions. All procedures for convening, holding, deliberating, and voting of Board meetings are legal and compliant, with complete and accurate meeting records, effectively safeguarding the quality and efficiency of the Company's major development strategies and operational decisions.

The Company's Board of Directors has four special committees: the Strategy and Sustainable Development Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Audit Committee. Each special committee exercises its powers in accordance with their respective rules of procedure, namely the *Rules of Procedure for the Strategy and Sustainable Development Committee*, the *Rules of Procedure for the Remuneration and Appraisal Committee*, the *Rules of Procedure for the Nomination Committee*, and the *Rules of Procedure for the Audit Committee*, providing professional advice and support for the Board's decisions, and effectively protecting the rights and interests of all shareholders and creditors. Among them, the Audit Committee legally undertakes and performs the functions of the Board of Supervisors as stipulated in the *Company Law*.

## Diversity

The Company values the diversification of the Board of Directors, fully considering factors such as gender, age, ethnicity, culture, educational background, skills and knowledge, and professional experience to ensure diverse perspectives are brought to the Company's strategic decision-making. The Company nominates director candidates in accordance with the *Articles of Association*, who are elected by vote at the Shareholders' Meeting for a term of three years. The Company's Board of Directors consists of 12 directors, with one new employee representative director added during the Reporting Period. Board members possess professional knowledge and industry experience in multiple fields, including corporate management, economics, finance, financial accounting, auditing, legal compliance, and the automotive industry, providing a strong foundation for the Company's decision-making.



Diversity of Board Members

## Independence

The Company has formulated systems such as the *Independent Director Working System*, which clarifies the responsibilities and performance methods of independent directors, and continuously improves the performance efficiency of independent directors. During the Reporting Period, the Company optimized and improved the working mechanism of special meetings for independent directors, guaranteed the on-site working hours of independent directors, strengthened performance efficiency, and ensured the independence and professionalism of their decision-making. The independent directors of the Company maintained independent performance, actively participated in relevant meetings, carefully reviewed various proposals, and effectively safeguarded the rights and interests of the Company and all shareholders. Independent directors conduct self-inspection on their independence every year and submit the self-inspection report to the Board of Directors. The Board of Directors evaluates the independence of the incumbent independent directors every year and issues a special opinion, which is disclosed together with the annual report. During the Reporting Period, the Company had 4 independent directors, accounting for 33.33%.

## During the Reporting Period

The Company held 12 meetings of the Board of Directors and deliberated and approved 50 proposals; held 4 special meetings of independent directors and deliberated 4 proposals; the Strategy and Sustainability Committee held 2 meetings and deliberated 2 proposals; the Nomination Committee held 2 meetings and deliberated 5 proposals; the Audit Committee held 4 meetings and deliberated 15 proposals; the Remuneration and Assessment Committee held 5 meetings and deliberated 10 proposals.

## Remuneration Management

In accordance with the provisions of the *Company Law*, the *Articles of Association*, the *Rules of Procedure for the Remuneration and Assessment Committee of the Board of Directors* and other regulations, the Company has formulated the 2025 annual remuneration plan for directors and senior executives. The internal directors and senior executives of the Company implement an annual salary system based on structural salary, which consists of three parts: basic salary, performance salary and benefit bonus. The remuneration of independent directors is determined by the allowance plan reviewed and approved by the Board of Directors and the General Meeting of Shareholders.

The remuneration plan for non-independent directors and senior management is researched, formulated and proposed by the Remuneration and Assessment Committee, and submitted to the Board of Directors for deliberation and approval. Among them, the director remuneration plan also needs to be submitted to the General Meeting of Shareholders for deliberation, with a standardized and transparent decision-making process. In addition, the Company also discloses detailed information on the remuneration of directors and senior executives in the annual report to facilitate the understanding and supervision of shareholders and the public.



## Compliance Development

### Internal Control

In accordance with the requirements of relevant laws and regulations such as the *Basic Norms for Enterprise Internal Control* and the *Code of Corporate Governance for Listed Companies*, Crystal-Optech has built and continuously optimized the internal control system. The Company has formulated the *Internal Audit Management System* and the *Internal Audit Work Management System*, and established the Audit Committee of the Board of Directors and the Audit Department to inspect and supervise the establishment and implementation of the Company's internal control system, the authenticity and integrity of the Company's financial information, etc. The Audit Department evaluates and supervises the risk management of various departments of the Company, holding subsidiaries and participating companies with significant influence, including but not limited to strategic, financial, market, operational and legal risks, and is subject to the supervision and guidance of the Audit Committee at the same time. The internal audit of the Company adheres to the principles of independence, avoidance, prudence, confidentiality, impartiality, objectivity and seeking truth from facts. During the Reporting Period, the Company carried out a total of 16 audit projects, with a rectification rate of 76% for audit issues.

The Company continuously strengthens the construction of internal control, takes the effectiveness of internal control as an effective guarantee and support for operation, and continuously promotes the construction of internal control from five aspects: control environment, risk assessment, control activities, information and communication, and supervision activities, to promote the standardized operation of the internal control system of the Company and its affiliated enterprises. The Company carries out the effectiveness evaluation of internal control every year, and truthfully discloses the *Self-Evaluation Report on Internal Control*. During the Reporting Period, Crystal-Optech was successfully selected into the "Best Practice Cases of Internal Control for Listed Companies" by the China Association for Public Companies.

In terms of operation mechanism, the Company strengthens the management of compliance awareness in key areas, links and personnel, organizes multiple legal knowledge training sessions, improves the awareness of compliance and risk control of all employees, and ensures the steady operation of the Company.



Best Practice Case of Internal Control for Listed Companies

Case Study

### Special Training on Contract Legal Risk Prevention



In January 2025, the Company organized a special training on "Contract Legal Risk Prevention" for the supply chain center. Focusing on four aspects including before signing, during signing, during performance and the whole process of contract management, the training systematically sorted out common legal risk points, and carried out targeted Q&A combined with the actual supply chain business, which effectively enhanced the legal risk awareness of supply chain business personnel and improved the standardization of contract management.



Special Training on Contract Legal Risk Prevention

### Tax Management

In strict compliance with the provisions of relevant national laws, regulations and policies such as the *Law of the People's Republic of China on the Administration of Tax Collection*, the *Interim Regulations of the People's Republic of China on Value-Added Tax*, and the *Enterprise Income Tax Law of the People's Republic of China*, Crystal-Optech has formulated the *Financial Management System*, continuously improved the tax management system, actively fulfilled tax payment obligations, timely and publicly disclosed tax-related information, effectively managed and controlled tax risks, and comprehensively improved the Company's tax management capabilities.

#### During the Reporting Period

The total amount of taxes paid by the Company was **582.4126** million yuan.

### Related Party Transaction Management

To further standardize the management of related transactions, Crystal-Optech has formulated the *Measures for the Administration of Related Transactions*, which clarifies the identification of related parties, transaction decision-making authority, deliberation procedures and information disclosure requirements. All related transactions of the Company strictly follow the corresponding approval procedures of the Board of Directors or the General Meeting of Shareholders, and are announced and disclosed in a timely manner. During the deliberation process, the mechanism of abstention from voting by related directors and related shareholders is strictly implemented. Related transactions follow the market-oriented pricing principle to ensure fair and equitable transaction conditions. The Audit Committee of the Company is responsible for supervising the performance of related transactions, and effectively protects the legitimate rights and interests of the Company and all shareholders, especially minority shareholders.

## Protecting Investor Rights

Crystal-Optech always attaches great importance to the protection of investor rights and interests, strictly adhering to the principles of truthful, accurate, and complete information disclosure, and promptly disclosing information related to the Company's operations and governance. The Company continuously keeps communication channels with investors open, building efficient interactive bridges through diverse forms, while also improving the mechanism for protecting shareholder rights, equally safeguarding the legitimate rights and interests of various types of shareholders, and consolidating the foundation of trust in the capital market.

### Information Disclosure

In strict compliance with the relevant requirements of the Shenzhen Stock Exchange such as the *Measures for the Administration of Information Disclosure of Listed Companies*, the *Stock Listing Rules*, and the *Self-Regulatory Guidelines for Listed Companies No. 5 – Administration of Information Disclosure Affairs*, the Company has formulated systems such as the *Implementation Rules for the Information Disclosure Management System* and the *Administrative System for the Suspension and Exemption of Information Disclosure*, established an effective information disclosure management mechanism, standardized the information disclosure behavior of the Company, and safeguarded the legitimate rights and interests of the Company, investors and other stakeholders. During the Reporting Period, the Company fulfilled its information disclosure obligations for periodic reports and interim reports in accordance with laws and regulations, and there were no penalties from securities regulatory authorities due to violations of information disclosure.

#### During the Reporting Period

The Company disclosed a total of **4** periodic reports and **70** interim announcements.

### Capital Market Public Opinion Management

The Company incorporates reputation management into the core link of value management, formulated the *Emergency Handling System*, and timely eliminates information deviation through real-time public opinion monitoring and rapid response and clarification, to help investors make rational judgments and maintain the corporate image in the capital market.

### Investor Relations Management

To establish a diversified and multi-channel investor communication system and ensure timely dissemination of the Company's operational information, we have leveraged our official WeChat account to launch distinctive columns such as "Visualizing Regular Reports," "Digital Human Interpretations," and "Investor Q&A Selections," continuously innovating the format of information disclosure. Among these, the "Digital Human Interpretations" column utilizes digital human technology to create an exclusive avatar of the Chairman, offering visual explanations of core data, performance growth logic, and key drivers in regular reports. This approach enhances the efficiency and readability of information transmission in a vivid and intuitive manner, yielding positive market feedback. The Company has established a dedicated "Investor Relations" section on its official WeChat account, integrating practical features such as stock price inquiries, financial summaries, and an investor calendar. Additionally, it includes an AI digital human intelligent response module, promoting the deep integration of artificial intelligence technology with investor relations management. In

terms of offline communication, the Company continues to enrich investor exchange activities. During the 2025 Investor Day event, the Chairman and the head of the AR business were invited to provide investors with a detailed introduction to the Company's "15th Five-Year Plan" strategic framework and the latest developments in the AR industry, precisely addressing key concerns raised by investors.

In 2025, the Company was honored with the "16th China Listed Company Investor Relations Management Tianma Award" and the "2024 Zhejiang Investor Reward Excellence Case" by the Zhejiang Listed Companies Association. It was also included in the China Listed Companies Association's 2025 Cash Dividend List for Listed Companies. These accolades fully reflect the capital market's high recognition of the Company's investor relations management and its effectiveness in delivering returns to investors.



Investor Reception Day Event



Investors Visiting Crystal-Optech Activity

#### During the Reporting Period

The Company effectively answered **140** investor questions on the "Hudong Yi" platform, achieving a **100%** response rate. It proactively disclosed **20** records of investor relations activities, held **5** online performance briefings for periodic reports, proactively released **3** "Understanding the Company's Periodic Reports and Performance Forecast in One Picture" posts and **1** "Understanding the ESG Report in One Picture" post on its official WeChat account, held **1** open exchange meeting for investors, and hosted **1** "Investors Visiting Listed Companies" activity.



## Protection of Shareholders' Rights and Interests

Crystal-Optech attaches importance to protecting the legitimate rights and interests of minority shareholders, strictly following the profit distribution policies and share repurchase clauses stipulated in the *Articles of Association*. The Company's profit distribution policy maintains continuity and stability while taking into account the long-term interests of the Company, the overall interests of all shareholders, and the Company's sustainable development, ensuring that shareholders share the fruits of development.

Indicator <sup>1</sup>	Unit	2023	2024	2025
Total Cash Dividends Paid	10,000 yuan	41,239.49	41,261.99	41,562.34
Proportion of the Net Profit Attributable to Shareholders of the Listed Company in the Consolidated Financial Statements	%	68.70	40.07	35.45
Cash Dividend Per Share	yuan	0.3	0.3	0.3

<sup>1</sup> The statistical scope is based on the calendar year to which the cash dividend pertains, consistent with the scope of the annual report.

## Practicing Business Ethics

Crystal-Optech regards anti-commercial bribery and anti-corruption as the cornerstone of corporate governance and sustainable development. It strictly complies with relevant anti-corruption and anti-bribery laws and regulations in its operating locations, strengthens the anti-corruption and integrity awareness of all employees, and encourages both internal and external stakeholders to jointly foster a clean and fair business environment.

## Anti-Bribery and Anti-Corruption

### Integrity Management System

Crystal-Optech has formulated systems such as the *Control Procedure for Anti-Corruption, Anti-Bribery, and Misappropriation of Company Funds*, strictly regulating the behavior of its employees and influencing suppliers to protect the interests of the Company, shareholders, directors, employees, customers, business partners, and other parties from infringement. In addition, through the *Code of Ethical Conduct* and the *Employee Handbook*, and by having employees sign an *Integrity and Self-Discipline Commitment Letter*, the Company standardizes the integrity and ethical behavior of all employees.

The Company's business ethics are supervised by committees under the Board of Directors and senior management. The Company's audit department is responsible for receiving and handling reports and complaints regarding corruption, extortion, and embezzlement, and the handling results must be submitted to the Audit Committee for review and approval. During the Reporting Period, the Company had no major penalties related to bribery or corruption incidents.

### During the Reporting Period

The signing rate of the Company's *Letter of Commitment on Integrity and Self-Discipline* was **95%** (for personnel above P4 level, **500** people were required to sign, and **475** people actually signed.)

### Corruption Risk Assessment

The Company conducts audits on business ethics-related content from time to time, continuously evaluating the business ethics performance of its subsidiaries, supply chain, and production processes. It encourages supply chain partners to jointly adhere to integrity and ethical standards, ensuring consistency between the internal and external business environment. The Company reports audit results and rectification plans to the Board of Directors and management, and after summarizing the issues found in the audits, communicates them to all employees through internal meetings, corporate information platforms, and other channels, enhancing the transparency of supervision.

### Integrity Culture Building

The Company actively promotes the deep integration of integrity culture with the corporate governance system and job responsibilities, actively carries out anti-corruption publicity activities, and regularly conducts anti-corruption training for employees, effectively strengthening the integrity awareness of all employees.

### During the Reporting Period

The Company held **3** anti-corruption training sessions, with **7,680** participants.

Case Study

### Anti-Corruption Work Promotion and Education Conference



On October 30, 2025, Crystal-Optech held its 2025 Anti-Corruption Work Promotion and Education Conference. At the meeting, the Company, in conjunction with the Jiaojiang Public Security Economic Investigation Brigade, jointly conducted economic crime warning education, providing in-depth analysis and case explanations on common crime types such as bribery by non-state functionaries, embezzlement, and misappropriation of funds. The conference called on all employees to be strict with themselves, resolutely resist corruption, actively participate in anti-corruption work, and jointly create a clean and upright Crystal-Optech.



Themed Warning Education on Economic Crimes

## Reporting and Complaints

Crystal-Optech encourages all employees, partners, and other informed individuals to report any corrupt practices or provide relevant evidence as witnesses in corruption investigations. Upon receiving a report, the Audit Department will establish a special investigation team within three working days to carry out evidence collection and investigation in accordance with laws and regulations. For confirmed reports, the Company will reward the whistleblower accordingly according to regulations. At the same time, the investigation results and handling status will be promptly reported to the General Manager and relevant department heads to ensure serious and closed-loop handling of the case.

To facilitate internal and external personnel in raising issues, the Company has established multiple reporting channels, including an anonymous email and a dedicated telephone line. The contact information is displayed in prominent positions in office spaces such as meeting rooms. The Company solemnly promises to implement the principle of “every report will be investigated, and every real-name report will receive feedback,” and implements a strict confidentiality policy for whistleblower information, effectively safeguarding the personal safety and legitimate rights and interests of whistleblowers, and strictly prohibits any form of retaliation.

✉ Reporting Email: [sjb@crystal-optech.com](mailto:sjb@crystal-optech.com) 📞 Reporting Hotline: 0576-89811996

## Anti-Monopoly and Anti-Unfair Competition

Crystal-Optech strictly complies with national laws and regulations such as the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. It has formulated the *Fair Trading Management Procedure*, with the audit department responsible for centralized management. The Company and all parties mutually keep business secrets confidential during transactions, explicitly prohibiting employees from illegally obtaining, disclosing, or using the other party's business secrets, thereby creating a market environment of integrity and fair competition. At the same time, the Company regularly conducts training for employees on the interpretation of anti-unfair competition regulations and risk response. During the Reporting Period, the Company had no lawsuits or major administrative penalties due to unfair competition practices.

The Company adheres to responsible marketing, formulating the *Quality Integrity Management Measures* to ensure that all advertisements, introductions, brochures, announcements, etc., are true and credible, and there are no illegal acts such as fabricating or spreading false facts to disrupt the market order. In addition, the Company regularly organizes quality integrity publicity and education for employees, continuously strengthening the quality awareness and professional ethics of all employees. Relevant functional departments fully leverage the role of the credit risk management mechanism, implementing full-process monitoring of business activities to effectively identify and avoid various credit risks.

### During the Reporting Period

The Company conducted **1** anti-unfair competition training session, with **20** participants.

Case Study

#### Key Account Manager Training



During the Reporting Period, the Company organized relevant key account managers to conduct training focusing on the interpretation of fair competition legal provisions, identification of typical violations, corporate compliance practices, and risk response, achieving the goals of enhancing employee awareness, standardizing behavior, and reducing corporate compliance risks.



Key Account Manager Training



# 04 | Low-Carbon Actions, Green Development

## CRYSTAL-OPTTECH

### Our Philosophy

Crystal-Optech actively fulfills its responsibility for environmental protection. Guided by green, economic, and intelligent principles, we commit ourselves to building an ecological civilization, strengthening pollution control and efficient resource utilization, and leading the industry's low-carbon transformation. Through concrete actions, we demonstrate our firm belief and relentless pursuit on the path of sustainable development, striving to paint a beautiful picture of harmonious coexistence between economic prosperity and ecological balance.

### Our Actions

Addressing Climate Change, Greenhouse Gas Emission Management, Improving Environmental Management System, Pollutant and Waste Management, Energy Utilization, Water Conservation, Practicing Circular Economy Principles, Biodiversity and Ecosystem Protection

### Responded SDGs



## Addressing Climate Change

Facing the environmental challenges posed by climate change, all of Crystal-Optech's production bases continuously improve the integrated emergency mechanism of "monitoring-warning-response." On the basis of ensuring safe production, we unwaveringly fulfill our primary responsibility for corporate environmental protection, fully implement the concept of green manufacturing, and are committed to achieving low-carbon, circular, and harmless production processes, reducing energy consumption and carbon emissions.

### Governance

Crystal-Optech integrates environmental protection and sustainable development into its overall operational strategy. The Board of Directors and management are responsible for supervising and managing matters related to addressing climate change. The Company has formulated the *Greenhouse Gas Management System*, with the Utility Engineering Department responsible for greenhouse gas management, confirming and calculating greenhouse gas emissions, and strengthening the Company's climate governance. The Company has set up incentive bonuses for energy conservation and consumption reduction project teams to boost the enthusiasm of the entire team. During the Reporting Period, the Company conducted training on addressing climate change, explaining the process of identifying, assessing, and managing climate risks and opportunities, effectively strengthening the climate management awareness and practical understanding of relevant employees.



Crystal-Optech Training on Addressing Climate Change

### Strategy

Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Crystal-Optech identifies and assesses climate change-related risks and opportunities and actively takes countermeasures to ensure the Company's safe and stable operation.

Risk/Opportunity Type	Risk/Opportunity Description	Likelihood of Occurrence <sup>2</sup>	Impact Timeframe <sup>3</sup>	Expected Financial Impact	Countermeasures
Physical Risk	Acute Risk Extreme weather such as heavy rain, floods and typhoons may cause damage to coastal factory facilities and production interruption.	High	Short Term	Rising costs and reduced revenue	<ul style="list-style-type: none"> <li>Pay close attention to weather disaster forecasts and equip emergency supplies;</li> <li>Establish and improve the emergency management mechanism, formulate emergency plans, and conduct regular emergency drills;</li> <li>Take reinforcement and protection measures for important equipment and buildings.</li> </ul>
	Chronic Risk Drought or water shortage caused by climate change may expose factories to water restriction policies, affecting the cooling system and cleaning processes. At the same time, sustained high temperatures in summer will lead to a surge in power demand, and may also reduce the heat dissipation efficiency of electrical equipment, resulting in production interruption.	Medium	Medium and Long Term	Affected factory production efficiency and reduced revenue	<ul style="list-style-type: none"> <li>Build water collection and reclaimed water reuse systems, and apply water-free or low-water consumption cleaning technologies;</li> <li>Upgrade the plant cooling system and introduce liquid cooling technology to replace traditional air cooling;</li> <li>Develop high-temperature resistant material packaging technology to improve the thermal stability of products.</li> </ul>
Transition Risk	Policy Risk Governments at home and abroad have increasingly strict requirements for greenhouse gas management such as greenhouse gas accounting and investigation, and carbon emission standards are becoming stricter.	High	Short, Medium and Long Term	If the Company fails to timely disclose the corresponding environmental information, it may face increased fines or impact on export business	<ul style="list-style-type: none"> <li>Collect relevant laws and regulations, update them quarterly, implement management in accordance with the requirements of various regulations, and conduct compliance evaluation;</li> <li>Continuously pay attention to the disclosure requirements for greenhouse gas emissions from regulators, investment institutions, etc., strengthen carbon emission management, and enhance information disclosure related to addressing climate change.</li> </ul>
	Market Risk Consumer demand shifts to green and low-carbon products, intensifying market competition; the upstream supply chain may increase investment in carbon reduction due to carbon emission policies, leading to rising raw material prices and operating costs.	High	Short, Medium and Long Term	Increased operating costs and reduced revenue	<ul style="list-style-type: none"> <li>Strengthen market research and trend analysis, understand the changing trend of consumers' environmental protection needs, the dynamics of competitors' green products and the industry policy trend, and formulate green marketing strategies;</li> <li>Give priority to suppliers that provide low-carbon and environmentally friendly raw materials and services.</li> </ul>

Risk/Opportunity Type	Risk/Opportunity Description	Likelihood of Occurrence <sup>2</sup>	Impact Timeframe <sup>3</sup>	Expected Financial Impact	Countermeasures
Opportunity	Technology Opportunity	High	Short, Medium and Long Term	Reduced operating costs	<ul style="list-style-type: none"> <li>Strengthen the construction of the internal R&amp;D team and develop energy-saving and carbon reduction technologies;</li> <li>Carry out industry-university-research cooperation and explore technology introduction.</li> </ul>
	Products and Services	High	Short, Medium and Long Term	Expanded market share and increased revenue	Accelerate the R&D and innovation of green products.
	Policy Support	High	Short, Medium and Long Term	Reduced operating costs	Accelerate energy transformation, reduce dependence on traditional fossil energy, and lower carbon emissions.

2.Likelihood refers to the frequency interval or probability of the risk or opportunity occurring, primarily based on historical occurrence probability, external scenarios, policy implementation progress, and expert predictions. Likelihood ranges from "Low" to "High."

3.Impact Timeframe refers to the timeframe over which different climate-related risks and opportunities will impact the Company. The Company categorizes the time horizon as short-term (0-1 year), medium-term (1-5 years), and long-term (5+ years).

## Impact, Risk, and Opportunity Management

Crystal-Optech has formulated the *Management Procedure for Risk and Opportunity Countermeasures*, continuously improving the climate change risk and opportunity management process.



## Metrics and Targets

Based on national carbon peak and carbon neutrality goals and industry development trends, Crystal-Optech sets phased greenhouse gas emission reduction targets, carries out energy conservation and emission reduction work, and tracks target progress to ensure coordination between the Company's business growth and sustainable development.

Target Content	Achievement Status
Reduce carbon emissions per million yuan of output value by 3% in 2025 compared to 2024	✓ Achieved

Crystal-Optech accurately calculates and strictly controls greenhouse gas emissions. The Company's operational GHG emissions mainly originate from purchased electricity, gasoline, diesel, and natural gas. The primary GHG is carbon dioxide, with stationary combustion sources accounting for 99.87%, mobile sources for 0.13%, and fugitive emissions being negligible. The Company's greenhouse gas accounting is carried out in strict accordance with normative documents including *Appendix II of the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Electronic Equipment Manufacturers (for Trial Implementation)*, the *General Principle for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*, reference coefficients for converting various types of energy into standard coal in *Appendix 4 of the China Energy Statistical Yearbook, the 2023 Power Sector CO<sub>2</sub> Emission Factors*, and the *China Electric Power Industry Annual Development Report 2024*. The core calculation logic of the accounting is Activity Data × Emission Factor. The relevant accounting results have not been verified by a third-party verification institution.

Indicator <sup>4</sup>	Unit	2025
Direct (Scope 1) Greenhouse Gas Emissions	tCO <sub>2</sub> e	357.12
Indirect (Scope 2) Greenhouse Gas Emissions	tCO <sub>2</sub> e	20,105.44
Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	tCO <sub>2</sub> e	20,462.56
Direct (Scope 1) Greenhouse Gas Emissions per Million Yuan of Revenue	tCO <sub>2</sub> e	0.052
Indirect (Scope 2) Greenhouse Gas Emissions per Million Yuan of Revenue	tCO <sub>2</sub> e	2.90
Total Greenhouse Gas Emissions (Scope 1 and Scope 2) per Million Yuan of Revenue	tCO <sub>2</sub> e	2.95
Greenhouse Gas Emission Reduction	tCO <sub>2</sub> e	15,714.29

4.The greenhouse gas emission data only covers the consumption of the Binhai Factory Area. As for the remaining units, their emission scales are insignificant and have no material impact on the overall results, so they are excluded from the statistics. The same applies to the data on energy consumption and water resource utilization.

## Greenhouse Gas Emission Management

To achieve the greenhouse gas emission reduction targets, the Company has formulated detailed emission reduction measures and implementation plans, and reduced carbon emissions through the purchase and use of green electricity, photovoltaic power generation, production process optimization, and the commissioning of energy storage equipment. The Company has established a continuous improvement mechanism for greenhouse gas management, continuously optimized the Company's greenhouse gas management system and emission reduction strategies, continuously improved the Company's greenhouse gas management level and emission reduction results, and actively contributed to the realization of the Company's sustainable development and climate change response goals.

### Photovoltaic Power Generation

Crystal-Optech actively promotes the use of clean energy by installing photovoltaic power generation systems to increase the proportion of renewable energy used. In 2025, the total installed capacity of Crystal-Optech's distributed photovoltaic projects reached 11.215MW, including 3.8MW at the Taizhou Binhai plant, 1.89MW at Jiangxi Crystal-Optech, 2.325MW at Yeshili, and 3.2MW at Linhai Crystal-Optech. The distributed photovoltaic project at COT Vietnam is also being implemented intensively.



Taizhou Binhai 3.8MW



Yeshili 2.325MW



Jiangxi Crystal-Optech 1.89MW



Linhai Crystal-Optech 3.2MW



Energy Storage 5MW/10MWh Project



COT Vietnam Photovoltaic Project (Under Construction)

## Green Electricity Procurement

The Company continuously increases the proportion of green electricity procurement and extensively applies it across various aspects of its production and operations. In 2023, the Company purchased 70 million kWh of green electricity certificates. In 2024, the Company purchased 130 million kWh of green electricity certificates, of which the Binhai plant procured 27.281 million kWh of green electricity. In 2025, the Company purchased 205 million kWh of green electricity certificates, utilized 160 million kWh, and had a remaining balance of 45 million kWh, demonstrating its commitment to advancing the transformation of the energy structure through concrete actions.

## Green Electricity Certificate Transaction Voucher



### Supply Chain Decarbonization

The Company collaborates with suppliers to jointly promote GHG emission reduction in the supply chain, encouraging suppliers to provide low-carbon, environmentally friendly raw materials and services, optimizing supply chain logistics and distribution, and reducing GHG emissions during transportation. At the same time, the Company is committed to developing more energy-efficient and miniaturized optical components, indirectly helping downstream customers (e.g., consumer electronics, automotive electronics) reduce the energy consumption of their products.

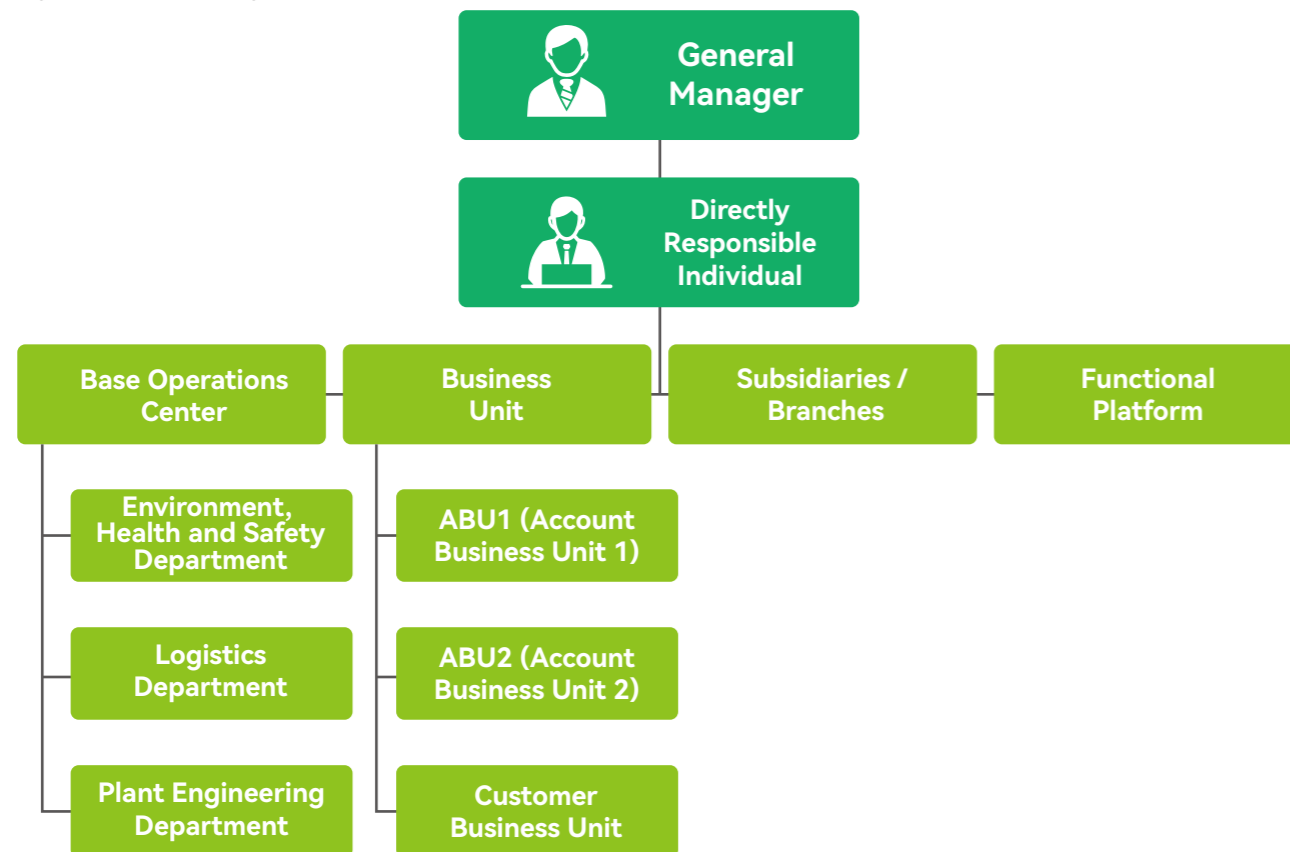
## Environmental Compliance Management

Crystal-Optech adheres to the environmental policy of “Controlling Environmental Substances, Creating a Green Environment.” It continuously improves its environmental management system by strengthening source prevention, process supervision, and resource utilization, effectively enhancing environmental performance and actively practicing the concepts of green operation and sustainable development.

### Environmental Management System

#### Governance

Crystal-Optech strictly complies with national laws and regulations such as the *Environmental Protection Law of the People’s Republic of China* and requirements in its operating locations. It has formulated internal systems like the *Environmental Permit Management Measures* and takes measures to reduce the environmental impact of its operations. We have established an environmental management team led by the General Manager, incorporated environmental protection work into performance appraisals, and regularly confirmed the effectiveness of the environmental management system, fulfilling the Company’s environmental responsibility through concrete actions. In 2025, Crystal-Optech’s environmental credit rating was A. The Company experienced no penalties for violating environmental management laws and regulations, and there were no significant deficiencies in its environmental monitoring plans and risk management measures.



Environmental Organization Structure Chart

## During the Reporting Period

Crystal-Optech and its branches and subsidiaries Xintaijia, Jiangxi Crystal-Optech, Jiangxi Jingchuang, Jingte Optics, and COT Vietnam were audited and complied with the requirements of ISO14001:2015 and obtained the corresponding certification certificates.



Crystal-Optech Environmental Management System Certification



Xintaijia Environmental Management System Certification



Jiangxi Crystal-Optech Environmental Management System Certification



Jiangxi Jingchuang Environmental Management System Certification



Jingte Optics Environmental Management System Certification



Vietnam Crystal-Optech Environmental Management System Certification

Indicator	Unit	2023	2024	2025
Environmental Protection Investment	10,000 yuan	390.06	302.17	1,390
Environmental Protection Tax Paid	10,000 yuan	0.18	0.04	0.28

## Strategy

As a key pollutant discharge unit, Crystal-Optech remains highly vigilant about environmental issues, systematically identifying and analyzing various environmental factors in its production and operations, as well as the risks and opportunities arising from these factors, and formulating corresponding measures.

Risk/Opportunity Type	Risk/Opportunity Description	Likelihood of Occurrence	Impact Timeframe	Expected Financial Impact	Countermeasures
Risk	Policy Risk	High	Short Term	May face high fines and litigation compensation, increasing operating costs	<ul style="list-style-type: none"> <li>Timely pay attention to and strictly abide by relevant laws and regulations on pollutants and waste;</li> <li>Timely maintain and update environmental protection facilities;</li> <li>Regularly carry out environmental hazard investigation and strengthen environmental monitoring.</li> </ul>
Opportunity	Technology Opportunity	High	Long Term	Reduced operating costs	<ul style="list-style-type: none"> <li>Optimize the production process, introduce advanced technologies and equipment to reduce the discharge of pollutants and waste;</li> <li>Strengthen the resource utilization of waste to achieve efficient resource allocation and benefit transformation.</li> </ul>

## Impact, Risk, and Opportunity Management

### Environmental Factor Identification and Evaluation

Crystal-Optech has formulated systems such as the *Control Procedure for Environmental Factor Identification and Evaluation* and the *Management Procedure for Risk and Opportunity Countermeasures*. Various departments and business groups identify and confirm environmental factors according to regulations and output the *List of Significant Environmental Factors*, clarifying potential environmental impacts and corresponding control plans to achieve efficient control of environmental risks.

### Environmental Monitoring and Hazard Inspection

The Company has formulated the *Environmental Monitoring Management Measures*, specifying and defining environmental monitoring activities and requirements within the management system. The Utility Engineering Department is responsible for monitoring the discharge of pollutants and solid waste. At the same time, the Company attaches importance to environmental management hazard inspections, regularly inspecting various production links. For identified hazards, special rectification plans are formulated, responsible parties and completion deadlines are clarified, effectively preventing and controlling environmental risks at the source.

#### During the Reporting Period

The Company conducted **7** special environmental protection inspections and **14** environmental hazard inspections, achieving a **100%** hazard rectification rate.

### Emergency Plans and Drills

The Company has formulated system documents such as the *Emergency Plan for Environmental Emergencies* and the *Emergency Preparedness and Response Procedure*, stipulating that the EHS Department of the Base Operations Center is responsible for formulating and implementing emergency response plans to ensure clear responsibilities and orderly response. At the same time, the Company tests the feasibility and effectiveness of emergency plans through drills and continuously optimizes emergency mechanisms based on drill results, effectively improving overall emergency response and risk control capabilities.

#### During the Reporting Period

Crystal-Optech and its subsidiaries organized a total of **5** environmental emergency drills.

## Metrics and Targets

Crystal-Optech strictly monitors emission indicators for various pollutants and waste, sets annual environmental targets, and regularly tracks target completion to drive continuous improvement in environmental management.

Target Content	Achievement Status
Zero pollution incidents related to waste gas, wastewater, and noise	✔ Achieved
Zero illegal disposal of solid waste (including hazardous waste), 100% recycled by qualified units	✔ Achieved
Zero illegal disposal of waste containers, 50% container recycling rate	✔ Achieved

## Environmental Training and Publicity

Crystal-Optech continuously carries out diverse environmental training and publicity activities. Training content covers environmental regulation interpretation, environmental concept promotion, and learning relevant operating procedures. The Company integrates environmental concepts into daily work and behavioral norms by displaying posters, playing promotional videos in office areas, and combining them with offline special lectures.



Environmental Protection Training

Environmental Protection Knowledge Competition

## Cleaner Production

By upgrading core processes such as coating, cleaning, and etching, introducing efficient and low-consumption technologies, and establishing reclaimed water reuse systems, the Company continuously improves resource utilization efficiency and reduces waste generation. In 2023, the Company conducted a cleaner production audit and successfully passed the acceptance, implementing a total of 21 cleaner production plans with a total investment of over 5 million yuan, effectively reducing pollutant emissions, energy consumption, and material consumption, achieving the expected emission reduction and energy-saving goals. In 2025, Crystal-Optech obtained Sony's Green Partner certification. In the future, the Company will continue to improve cleaner production management and promote the greening of production processes and resource recycling.

## Pollutant Emissions

Crystal-Optech resolutely implements the Environmental Impact Assessment and the "Three Simultaneities" system (environmental protection facilities designed, constructed, and commissioned simultaneously with the main project). It participates in emissions trading according to law and systematically monitors the discharge of wastewater, waste gas, and noise by formulating and publishing self-monitoring plans for the environment and entrusting third parties for regular testing. During the Reporting Period, all key pollutant discharge units of the Company achieved stable compliance, with no major environmental safety accidents or exceedance incidents, and no impact on employees or surrounding residents.

Indicator	Unit	2023	2024	2025
Pollutant Monitoring Compliance Rate	%	100	100	100
Concurrent Operation Rate of Environmental Facilities	%	100	100	100
Implementation Rate of "Three Simultaneities" for Construction Projects	%	100	100	100

## Wastewater Management

To strengthen wastewater management, the Company has formulated systems such as the *Wastewater Management Measures*, the *Groundwater and Soil Pollution Prevention and Control Measures*, and the *Rainwater Pollution Discharge Control Procedure*. The EHS Department of the Base Operations Center is responsible for measuring pollutant emissions in wastewater during production. The wastewater generated by the Company mainly comes from cold processing and cleaning processes in various stages. In daily operations, we continuously strengthen the construction and operation management of wastewater pollutant prevention facilities, focusing on reducing waste liquid generation at the source. By optimizing cutting layouts, canceling pre-cleaning processes, and increasing the loading rate of cleaning baskets, we effectively reduce the generation of wastewater and waste liquid.

Indicator	Unit	2023	2024	2025
Wastewater Discharge Volume	Ton	1,707,410.82	1,622,847.23	1,872,486.02
Chemical Oxygen Demand (COD)	Ton	223.75	354.41	311.03
Ammonia Nitrogen (NH <sub>3</sub> -N)	Ton	3.71	2.01	2.46
Total Nitrogen (as N)	Ton	7.70	6.59	8.73

Case Study

### Wastewater Treatment Station Operation and Management Training



In October 2025, Crystal-Optech conducted training on the operation and management of the wastewater treatment station. The training aimed to equip employees with the core essentials of daily operation, monitoring, and adjustment of the wastewater treatment system, as well as familiarize them with the maintenance procedures of key equipment, ensuring the normal operation of the Company's wastewater treatment system.



Training on Operation and Management of Sewage Treatment Plant

## Waste Gas Management

The Company has formulated the *Waste Gas Management Measures*, establishing and updating the “List of Waste Gas Emission Sources” to ensure systematic and standardized emission control. The Company’s waste gas mainly originates from product manufacturing processes. Currently, 8 sets of waste gas treatment facilities are installed, using processes such as activated carbon adsorption and acid/alkaline scrubbers for centralized treatment. During the Reporting Period, through the phase-out of projects involving sapphire LED substrates, spherical lenses, and AR projection engines, the Company reduced waste acid by approximately 60 tons for the year and reduced VOC emissions by 1.744 tons/year.

Indicator	Unit	2023	2024	2025
Waste Gas Emission Volume	Ton	3.384	3.814	3.418
Volatile Organic Compounds (VOC)	Ton	2.225	2.421	0.84

## Noise Management

Noise sources controlled by the Company include noise generated by the operation of production equipment such as air compressors, fans, pumps, and chillers, as well as noise from contractors’ construction activities within the plant area. We have formulated the *Noise Management Measures*, systematically identify and control noise sources from production equipment and construction activities, and adopt comprehensive noise reduction measures such as installing sound insulation facilities, adding silencers, and equipment vibration isolation to effectively reduce noise impact at the factory boundary.

## Waste Management

Crystal-Optech has formulated the *Industrial Solid Waste Management Measures*. The General Manager’s Office, Supply Chain Center, EHS Department of the Base Operations Center, and Logistics Department of the Base Operations Center participate in the Company’s solid waste management. The EHS Department of the Base Operations Center is responsible for classifying and regularly updating industrial solid waste, formulating management specifications, conducting training and publicity, and proposing specific measures to reduce the generation of industrial solid waste and promote comprehensive utilization. In 2025, the total amount of waste recycled and reused by the Company was 1,613.51 tons, accounting for 53% of the total waste.



Indicator	Unit	2023	2024	2025
General Waste Generation Volume	Ton	2,135.34	2,463.40	2,698.59
General Waste Recycled/ Reused Volume	Ton	589.12	1,015.80	1,498.86
General Waste Disposal Volume	Ton	2,146.47	2,463.40	2,698.59
Hazardous Waste Generation Volume	Ton	400.71	380.58	357.58
Hazardous Waste Disposal Volume	Ton	393.08	397.75	340.98
Hazardous Waste Recycling and Reuse Rate	%	24	23	32

## Waste Compliance Disposal

The Company strictly classifies and stores waste according to the *National Catalogue of Hazardous Wastes* and entrusts qualified units for safe disposal. In daily management, the Company has established a comprehensive waste ledger and traceability mechanism, setting and regularly reviewing key performance indicators such as reduction rate and recycling rate, continuously promoting systematic and standardized solid waste management.



## Waste Disposal Practices

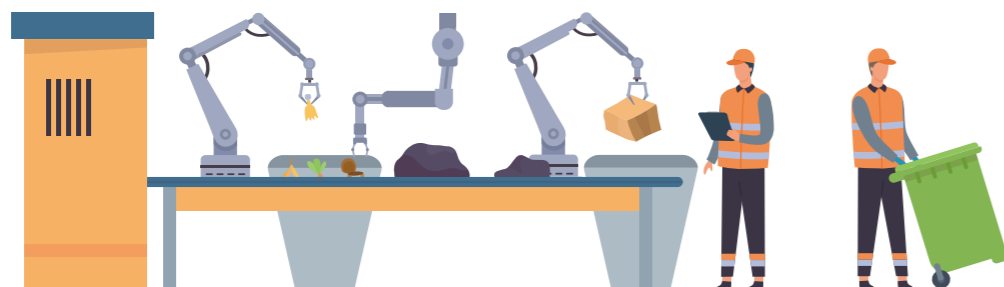
 <p>Non-Hazardous Waste</p>	<ul style="list-style-type: none"> <li>Source Separation: Set up clearly labeled trash bins (e.g., recyclables, other waste) in production workshops and office areas.</li> <li>Compliant Disposal: Cooperate with qualified renewable resource recycling companies for recyclables; entrust other general waste to local municipal sanitation departments or compliant waste removal units for transport to waste-to-energy incineration plants.</li> <li>Storage and Transport: Establish unified temporary storage points for general solid waste within the plant area, ensuring rain and seepage prevention to avoid secondary pollution; standardize the removal process to prevent spillage.</li> </ul>
 <p>Hazardous Waste</p>	<ul style="list-style-type: none"> <li>Accurate Identification and Classification: Identify hazardous waste according to production processes, use special leak-proof closed containers for storage, and affix "Hazardous Waste Labels" conforming to national standards with clear information.</li> <li>Safe Storage: Set up independent "Hazardous Waste Temporary Storage Warehouses" conforming to national standards, store different types of hazardous waste in separate areas, and strictly implement the warehouse entry and exit registration system.</li> <li>Compliant Transfer and Disposal: Only entrust disposal to qualified units holding a <i>Hazardous Waste Operation Permit</i> with corresponding disposal capabilities; strictly implement the "Hazardous Waste Transfer Manifest" system; use professional disposal methods such as safe landfill, high-temperature incineration, physical-chemical treatment, and resource utilization (e.g., waste solvent recovery and purification) based on the nature of the hazardous waste.</li> <li>Emergency Preparedness: Develop special emergency plans for hazardous waste leakage, fire, etc.; equip emergency supplies and organize regular drills to ensure rapid and effective response.</li> </ul>

## Reducing Waste Generation

By promoting cleaner production and optimizing process flows, the Company reduces solid waste generation at the source while actively exploring effective paths for waste resource utilization. We reduce the generation of by-products and waste emissions by selecting precise materials, controlling input quantities and reaction conditions; we increase the utilization of raw materials and reduce the generation of scraps by adjusting dicing process technology, thereby reducing waste emissions.

### Case Study BD Stacking Optimization

In the BD stacking process, the Company previously used a combination of 2 dummy pieces + 8 product pieces + 2 dummy pieces. To reduce dummy piece consumption, we optimized the combination to a new stacking mode of 1 dummy piece + 9 product pieces + 1 dummy piece, achieving a 55.56% reduction in dummy piece usage per unit and reducing waste glass generation by 74 tons annually.



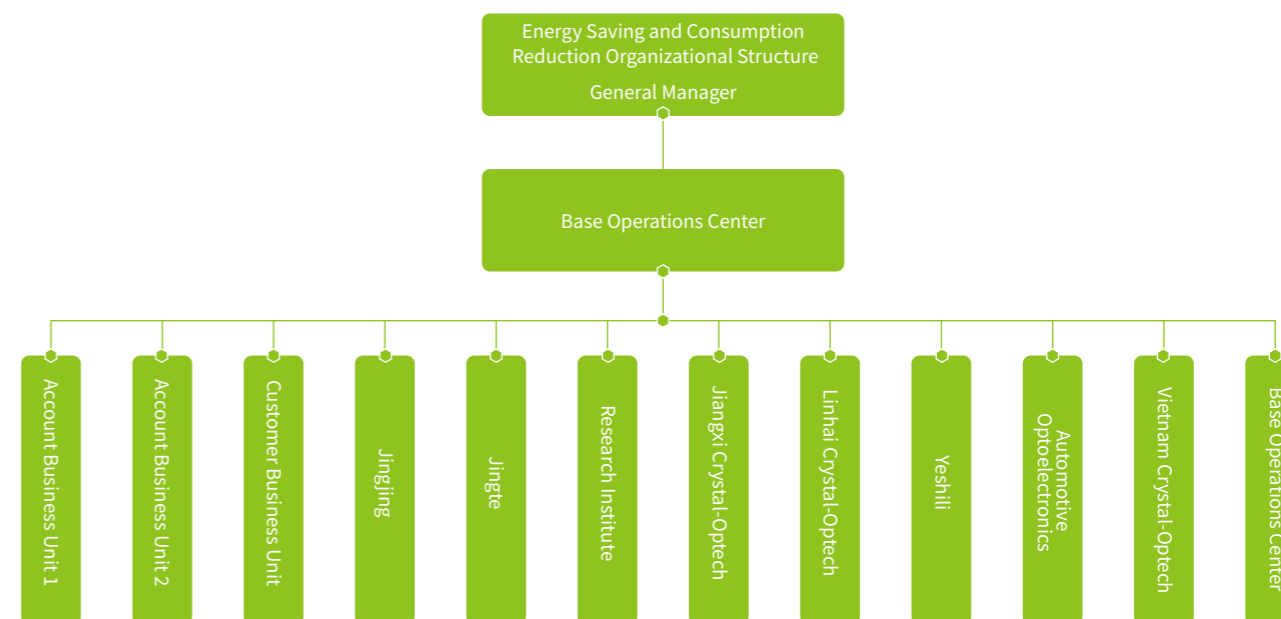
## Resource Management

Crystal-Optech actively optimizes the energy structure, lays out clean energy projects, promotes efficient energy circulation and resource reuse; relying on the smart energy management platform, it realizes accurate metering and intelligent control of various energy consumption such as water, electricity and gas, and simultaneously promotes the elimination of high-energy-consuming equipment and technological transformation, continuously reducing production energy consumption.

### Resource Management System

#### Governance

Crystal-Optech strictly complies with national laws, regulations, and rules such as the *Energy Conservation Law of the People's Republic of China* and the *Water Law of the People's Republic of China*. It has formulated systems including the *Energy Management System*, *Planned Water Use Management System*, and *Water Conservation Management System*, clarifying departmental responsibilities and resource management requirements. The Company has established an Energy Conservation and Consumption Reduction organization, led by the General Manager, with the Base Operations Center taking the lead in coordinating various Business Units and subsidiaries to implement the Company's energy conservation and consumption reduction targets. The main types of energy used by the Company include natural gas, diesel, gasoline, electricity, and other clean energy sources; the production water used is primarily municipal water supply.



Energy Conservation and Consumption Reduction Organization Structure Chart

To ensure the effective implementation of energy conservation and consumption reduction incentive measures, the Company has established corresponding assessment indicators and supervision mechanisms. At the same time, the Company pays attention to cultivating the energy conservation and emission reduction awareness and capabilities of team members, and regularly holds monthly meetings on energy conservation and consumption reduction as well as energy conservation training to support the sustainable development of the Company.



Crystal-Optech Energy Conservation Training

## Strategy

The Company comprehensively sorts out energy consumption data, equipment operation and maintenance ledgers, etc., combined with policy dynamics and market trend analysis, systematically carries out energy risk and opportunity identification, and forms a list of energy use risks and opportunities.

Risk/Opportunity Type	Risk/Opportunity Description	Likelihood of Occurrence	Impact Timeframe	Financial Impact Description	Countermeasures
Risk	Market Risk Rising energy prices will require enterprises to pay higher energy costs.	Medium	Short-term	Increased costs, reduced profits	<ul style="list-style-type: none"> <li>Strengthen energy management, set reasonable energy consumption targets.</li> <li>Optimize energy usage structure, continuously promote photovoltaic power generation.</li> <li>Analyze energy use rationality, promptly identify and address anomalies in energy consumption.</li> </ul>
Opportunity	Technology Opportunity As the country emphasizes sustainable development, enterprises can adopt advanced production technologies and equipment to reduce energy consumption and improve energy efficiency.	High	Short, Medium, Long-term	Cost reduction	<ul style="list-style-type: none"> <li>Continuously optimize production processes.</li> <li>Build an energy management center and implement a series of technical energy-saving projects.</li> </ul>

## Impact, Risk, and Opportunity Management

Crystal-Optech integrates factors related to resource utilization and circularity into the Company's risk control system, ensuring consistency with the Company's energy and resource policy when planning the energy resource management system. The Company establishes energy use ledgers and the Seed Energy System to record and analyze energy consumption, identify and assess potential risks and opportunities in the energy utilization process, formulate corresponding strategies and improvement measures, and track their implementation, thereby promoting continuous improvement in energy resource performance and building a corporate core with high energy utilization efficiency and sustainable development potential.

## Metrics and Targets

Crystal-Optech sets targets for reducing electricity consumption and water consumption per million yuan of output value, incorporating them into the annual organizational performance appraisal of each unit and breaking them down for implementation at all levels.

Target Content	Achievement Status
Reduce electricity consumption per million yuan of output value by 3% in 2025 compared to 2024	✓ Achieved
Reduce water consumption per million yuan of output value by 10% in 2025 compared to 2024	✓ Achieved

## Energy Utilization

Crystal-Optech anchors energy-saving practices as one of the core driving forces for the Company's sustainable development. By implementing a series of scientific and reasonable energy-saving measures, the Company controls energy consumption at the source, optimizes the energy utilization structure, and achieves a win-win situation for environmental and economic benefits.

### Energy Consumption at Crystal-Optech Binhai Plant

Indicator	Unit	2023	2024	2025
Natural Gas	10,000 Cubic Meter	16.41	11.42	11.11
Gasoline	Ton	22.8	29.12	26.10
Diesel	Ton	3.12	10.92	13.10
Total Purchased Electricity	kWh	199,241,400.00	196,744,594.00	197,468,200.00
Non-fossil Energy Consumption	kWh	3,489,630.00	4,115,910.2	4,597,890.00
Other Clean Energy Usage	kWh	70,000,000.00	157,281,000.00	160,000,000.00
Total Energy Consumption	Tons of SCE	22,893.98	23,187.04	25,039.18

## Energy-Saving Retrofits

Crystal-Optech actively promotes energy-saving retrofits through projects such as equipment renovation and upgrade, air conditioning system optimization, application of high-efficiency equipment, energy recovery and reuse, and application of high-efficiency lighting, thereby reducing energy consumption. During the Reporting Period, the Company carried out over 70 energy-saving technology retrofits, including LED energy-saving tube retrofits and independent dedicated pipe energy-saving retrofits for sandblasting machines, saving over 8 million kWh of electricity.

### Case Study Cold Energy Recovery

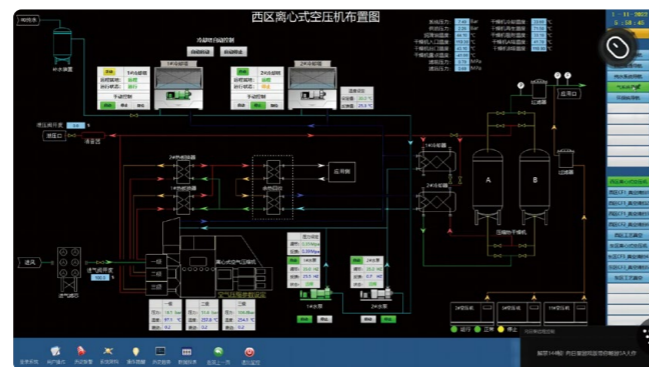
The liquid nitrogen gasification process releases a large amount of cold energy. The plant's PCW system requires cooling. By directly exchanging the liquid nitrogen pipeline with the PCW hot water tank, the cold energy is fully recovered. After the retrofit, approximately 1.5 million kWh of electricity is saved annually, reducing carbon emissions by about 937.5 tons.



Picture after Transformation

### Case Study Air Compressor Waste Heat Recovery

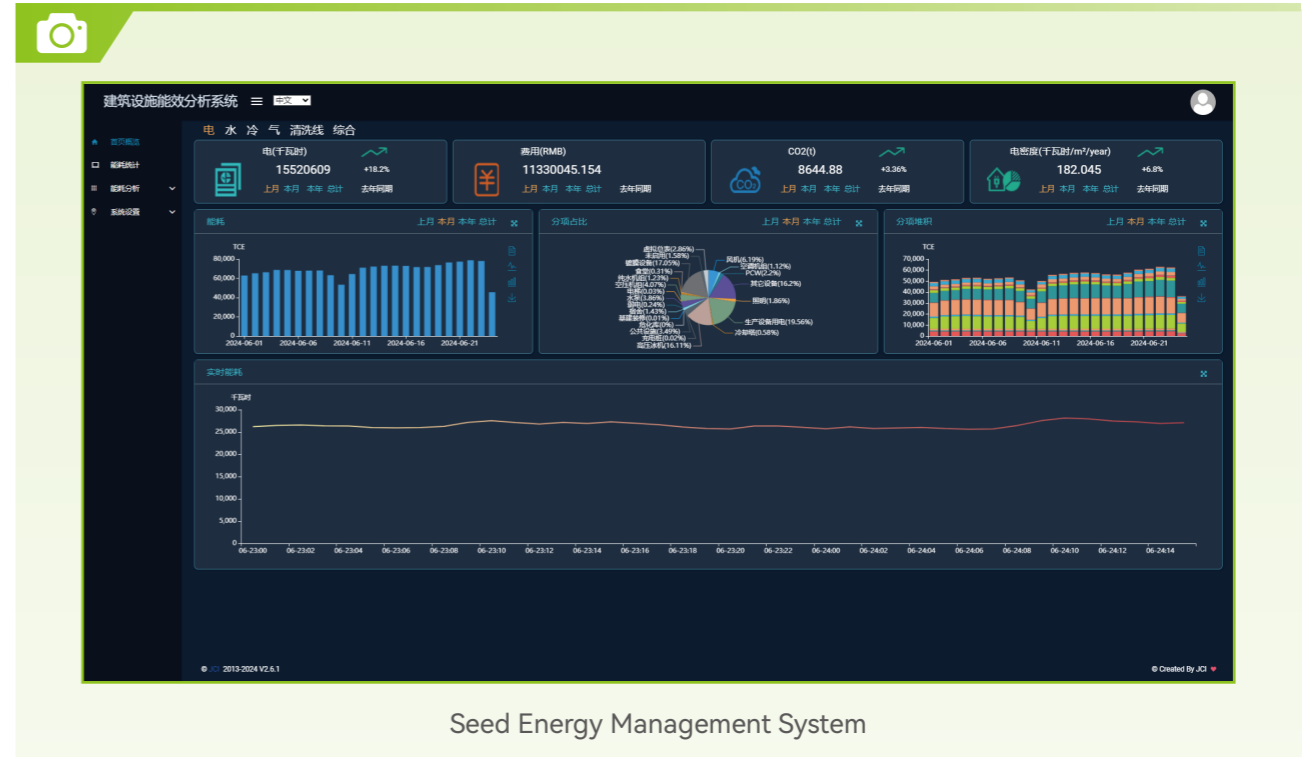
Air compressors generate a large amount of heat when compressing air. The Company centrally recovers this heat for reuse, such as for supplying hot water to dormitories. This saves approximately 1.5 million kWh of electricity annually, reducing carbon emissions by about 937.5 tons.



Picture after Transformation

## Digital Management

Crystal-Optech promotes smart facility management by establishing systems such as the Seed Energy Management system and the BA Chiller Plant Group Control system. These systems enable automatic group control of chiller plants, automatic fault warning, automatic work order dispatch, maintenance reminders, automatic statistical reporting of energy metering, and online inspections, significantly improving facility management work efficiency and production stability, saving about 2.5 million yuan in electricity costs annually, saving about 3.6 million kWh of electricity annually, and reducing carbon emissions by 2,250 tons.



Seed Energy Management System

## Water Resource Utilization

Crystal-Optech's production processes involve multiple stages, each with specific requirements for the quality and quantity of production water. For instance, in the manufacturing of optical products, processes like cleaning and dicing require substantial amounts of pure water and RO water to ensure product quality and precision. The cooling of production equipment also demands a consistent and stable water supply. To protect and rationally utilize the Company's water resources, the Company implements water conservation measures, increases the water recycling rate, and reduces fresh water consumption. At the same time, the Company uses the Water Risk Filter tool developed by the World Wide Fund for Nature (WWF) to conduct water risk assessments at its various operating locations and formulates response plans based on the risk levels.

## Promoting Water-Saving Technologies

The Company achieves water conservation goals through process optimization, introduction of water-saving equipment, and wastewater regeneration, thereby recycling water resources. In cleaning processes, advanced laser cutting technology replaces traditional dicing processes that require water. This includes the adoption of advanced ultrasonic cleaning technology and precise constant flow control, which enhances cleaning efficiency while significantly reducing water consumption. Concurrently, the Company actively introduces a series of advanced water production and conservation equipment, such as ultrapure water equipment, high-efficiency cooling towers, and constant flow devices. During the Reporting Period, the Company implemented 25 water-saving projects, including projects for recycling dicing water, reusing ultra-concentrated water, retrofitting cleaning machines for constant flow water saving, and reusing treated wastewater from the treatment station in cooling towers, saving over 600,000 tons of water.

**Case Study** Dicing Water Recycling



The composition of dicing wastewater mainly includes dispersants, RO water, glass debris, and UV tape. After filtering the particulate matter from the dicing wastewater using semiconductor inorganic membranes, the dicing water can be recycled. This project can save 300,000 tons of water per year, effectively reducing costs.

Indicator	Unit	2025
Total Water Withdrawal	Ton	5,099,142.38
Water Withdrawal Intensity	Ton/10,000 yuan	7.36
Recycled Water Volume	Ton	1,378,617.7
Proportion of Recycled Water in Total Water Consumption	%	27

**Enhancing Water Conservation Awareness**

The Company organizes diverse water conservation training and publicity activities. Through methods such as holding water conservation knowledge lectures, distributing water conservation publicity materials, and conducting water conservation competitions, it promotes water conservation education among employees and their families, advocates a civilized lifestyle of water conservation, and cultivates an awareness among all staff to cherish and protect water resources. It mobilizes all employees to participate in water conservation activities, contributing more to the building of a water-conserving society and a water-conserving enterprise.

**Circular Economy**

Crystal-Optech actively explores and deeply cultivates the field of circular economy, committed to building a comprehensive, multi-level circular economy ecosystem. The Company has formulated systems such as the *Management Measures for Material Code Addition, Classification, Change, and Retirement* and the *Provisions on the Utilization of Recycled Materials* to strengthen material lifecycle management. The Company establishes green design priorities during the product lifecycle stage. In the product R&D and production process, it actively adopts environmentally friendly, biodegradable, or recyclable materials. Through technological innovation and process optimization, such as precision cutting and automated proportioning, it maximizes material utilization efficiency and reduces environmental pollution. During the Reporting Period, the Company conducted material standardization training to further improve the standardization level of material management.

At the same time, the Company has formulated systems such as the *Management Measures for Packaging Material Recycling and Reuse* to strengthen packaging material management, formulate packaging design specifications, actively recycle and reuse packaging materials, achieve lightweight and reduced packaging materials, and continuously increase the “green content” of the optical industry.



Certification of Packaging Material Supplier









Material Standardization Training

Material Circularity at Crystal-Optech		
Product Lifecycle Stage	Green Design Focus	Performance
Distribution, Storage, Transport	Reduce plastic and packaging materials	Increased the quantity per packaging box and eliminated the use of bubble wrap, saving 10% of packaging material usage annually.
	Packaging material recycling and reuse	Recycled approximately 350 tons of plastic Tray trays, 10 tons of wooden pallets, and 50 tons of cartons; reducing waste generation by 410 tons in total.



## Green Office

The Company actively practices green office principles. By issuing the *Low-Carbon Living Initiative*, it guides employees to save electricity, water, and paper, reduce unnecessary business travel, and continuously improve the ecological benefits of the Company's office operations.

 <p>Energy Conservation</p>	<ul style="list-style-type: none"> <li>Office Areas: Make full use of natural light to reduce lighting time; ensure computers, printers, and other electrical equipment are promptly turned off when leaving the office.</li> <li>Meeting Rooms: Improve meeting efficiency, reasonably schedule meeting times, and reduce energy consumption from equipment and air conditioning.</li> <li>Central air conditioning temperature in office areas uniformly set to 26 ° C, with scheduled daily on/off for energy saving.</li> <li>Use LED lights for lighting in plant areas, corridors, and basements.</li> <li>Use recycled water for flushing toilets in plant areas.</li> </ul>
 <p>Green Commuting</p>	<ul style="list-style-type: none"> <li>Encourage everyone to choose public transportation, bicycles, or walking for commuting. For necessary car trips, carpool as much as possible to reduce vehicle emissions.</li> <li>Reduce travel frequency, prioritize low-carbon travel methods such as high-speed rail when traveling.</li> </ul>
 <p>Paper Conservation</p>	<ul style="list-style-type: none"> <li>Promote paperless offices to reduce paper usage. Circulate and save documents electronically whenever possible. When printing documents, use double-sided printing to reduce paper waste.</li> </ul>
 <p>Waste Reduction</p>	<ul style="list-style-type: none"> <li>Advocate for all employees to take reasonable portions in the cafeteria to reduce food waste.</li> </ul>
 <p>Reduce Disposables</p>	<ul style="list-style-type: none"> <li>Reduce the use of disposable cups and utensils within the Company, encouraging everyone to bring their own water cups and tableware.</li> </ul>
 <p>Green Procurement</p>	<ul style="list-style-type: none"> <li>When purchasing equipment and office supplies, prioritize energy-saving and environmentally friendly types.</li> </ul>



Reduction of Disposable Products



Energy Conservation



Waste Sorting

# 05 | Technology Empowerment, Value Co-Creation

## CRYSTAL-OPTECH

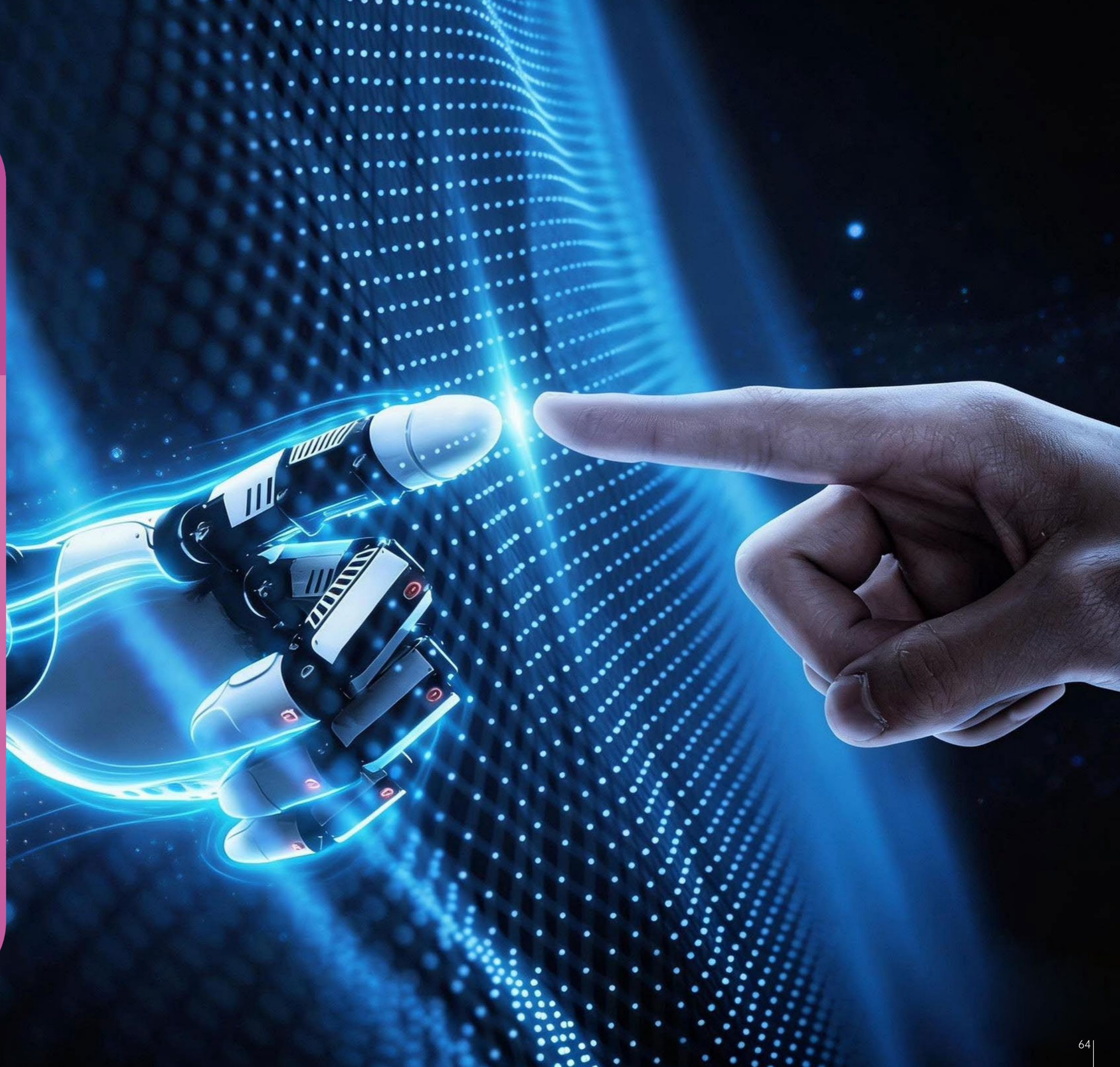
### Our Philosophy

Crystal-Optech adheres to an innovation-driven development strategy, coordinating R&D innovation, market expansion, product development, resource integration, and organizational and team building from a global perspective. It upholds responsible procurement principles, establishing a secure and reliable supply chain collaboration system. The Company implements full lifecycle product management, standardizes the use and handling of hazardous substances, and provides high-quality products to customers. It strictly fulfills the primary responsibility for information security management to ensure data security.

### Our Actions

Commitment to R&D Innovation, Strengthening Supply Chain Management, Responsible Procurement, Conflict Mineral Management, Full Lifecycle Quality Management, Hazardous Substance Management, Optimizing Customer Service, Information Security and Privacy Protection.

### Responded SDGs



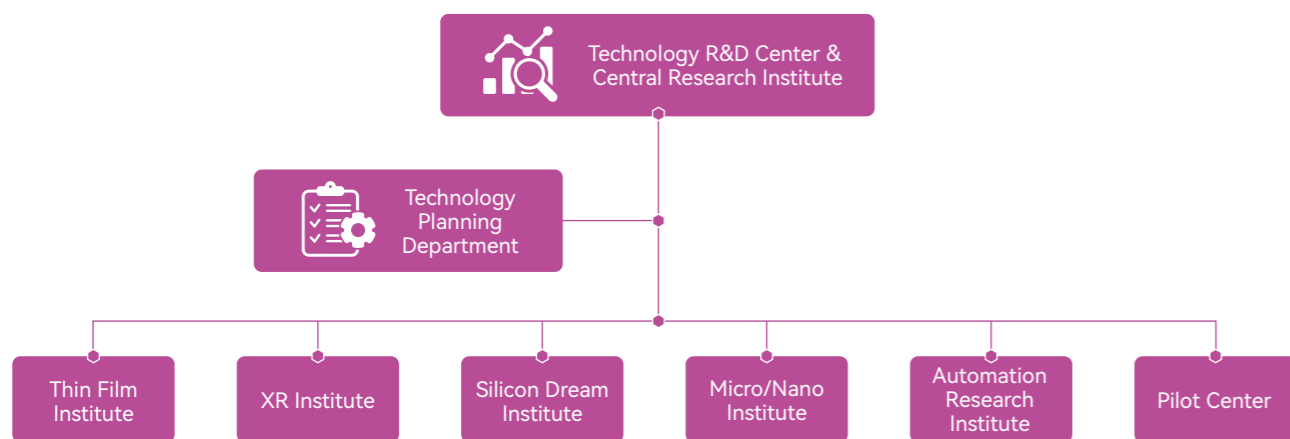
## Innovation-Driven

Crystal-Optech has established a comprehensive innovation management system, strengthening the foundation for innovation through IPD management methods, multi-R&D platform development, and talent cultivation. It also implements multiple R&D innovation initiatives, deepens industry-academia-research collaboration with fruitful results, and builds a robust intellectual property management system to strictly regulate processes and mitigate IP risks.

### Innovative Management System




#### Governance

Crystal-Optech places high importance on product innovation and technological R&D. The Board's Strategy and Sustainability Committee oversees and guides innovation and R&D management, with the Technology R&D Center serving as the dedicated department for innovation. The Company has formulated and implemented the *IPD (Integrated Product Development) Management Measures*, focusing on market demand to continuously optimize investment portfolios. It streamlines cross-departmental collaboration throughout the product development lifecycle, defining full-process controls such as TR1 demand review, TR2 project initiation review, TR3 design review, TR4 technical review, and TR5 project closure review to effectively manage the entire R&D process. During the Reporting Period, Crystal-Optech, as a high-tech enterprise, established multiple R&D platforms, including the National Enterprise Technology Center.



R&D Innovation Organizational Structure Chart

The Company regards innovation team building as a core pillar of its technological innovation system. It has established a corporate university platform with subordinate Leadership Academy and Engineering Academy to cultivate high-quality management teams and senior engineers. Simultaneously, the Company continues to recruit top-tier scientific and technical talent, forming interdisciplinary internal innovation teams to maintain its technological leadership in a highly competitive market.

	Indicator	Unit	2025
 R&D Team	Number of R&D Personnel	Person	1,506
	Proportion of R&D Personnel	%	17.27
 By Educational Background	Bachelor's Degree	Person	420
	Master's Degree or Above	Person	181
	Associate Degree or Below	Person	905
 By Gender	Male	Person	1,101
	Female	Person	405





#### Strategy

Considering the iterative nature of optical subfield technologies, shifts in market demand, and value chain dynamics, the Company has identified innovation-driven risks and opportunities, compiling the following list for process-based management.

Risk/Opportunity Type	Risk/Opportunity Description	Likelihood of Occurrence	Impact Timeframe	Expected Financial Impact	Countermeasures
Risk	Market Risk	Medium	Medium to long term	Decreased income	<ul style="list-style-type: none"> <li>Strengthen the TR1 requirement review phase in the IPD process, with BD deepening market research and demand forecasting;</li> <li>Continue to develop new projects, strengthen cooperation with end customers, and increase market share.</li> </ul>
Opportunity	Technological Leadership	High	Short to long term	Increased income	<ul style="list-style-type: none"> <li>Increase investment in forward-looking R&amp;D projects and accelerate the transformation of technological achievements through the IPD process.</li> </ul>



## Impact, Risk, and Opportunity Management

Crystal-Optech integrates risk management into every phase of project management. By identifying, assessing, managing, and monitoring risks, unnecessary losses are minimized, ensuring business robustness and sustainability.

 <p>Risk Identification</p>	<p>Regularly identify internal and external quality risks and compile the <i>2025 Risk and Opportunity Evaluation and Countermeasures Table</i>. During the Reporting Period, two technical risks were identified in the external environment dimension.</p>
 <p>Risk Assessment</p>	<p>Assess identified risks to determine their likelihood, impact duration, severity, etc. During the Reporting Period, the severity of technical risks was assessed as 5, with a frequency of 2, resulting in a medium risk level.</p>
 <p>Risk Monitoring</p>	<p>Establish a risk monitoring mechanism to promptly identify and resolve potential issues.</p>
 <p>Risk Management</p>	<p>Closely monitor project R&amp;D progress, take timely and effective measures to control risks associated with new product development, and continuously enhance the Company's innovation capabilities.</p>

## Metrics and Objectives

### R&D Innovation Goals and Planning

Target Content	Achievement Status
<p>Establish a patent review committee to improve patent quality and increase the proportion of invention patents in applications (above 50%), while phasing out low-value patents.</p>	 In progress
<p>Implement a PLM system to enhance R&amp;D project efficiency through digitalization and gradually achieve process standardization.</p>	 In progress

### R&D Investment

In 2025, Crystal-Optech's R&D investment totaled **414.76** million yuan, an **1.71%** year-on-year increase, with R&D investment accounting for **5.99%** of operating revenue.

## R&D Innovation Initiatives and Outcomes

### Encourage R&D Innovation

The Company continuously improves its intellectual property incentive mechanism, formulates systems such as the *Patent and Software Copyright Management Measures*, and provides corresponding material and spiritual rewards to employees who create, protect, and utilize intellectual property. The Company organizes multiple training sessions annually, encourages employees to actively apply for patents, sets up special bonuses, and considers patents as an important factor in employee promotion, thereby stimulating the innovation enthusiasm and potential of internal employees.

### Construct R&D Platform

The Company has established platforms for technological innovation and knowledge sharing, including the National Enterprise Technology Center, Zhejiang Provincial Key Enterprise Research Institute for Thin Film and Micro-Nano Optical Technology, Zhejiang Provincial Thin Film and Micro-Nano Engineering Research Center, and Zhejiang Provincial Postdoctoral Workstation. During the Reporting Period, Crystal-Optech deepened the collaborative construction of industry-academia-research, partnering with Xiamen University and Shaanxi University of Science and Technology to explore new paradigms of industry-education integration. On September 26, 2025, Crystal-Optech and Shaanxi University of Science and Technology initiated several core collaborations: establishing the "Crystal-Optech" scholarship to incentivize outstanding students, donating advanced instruments to support teaching and research, and launching the industry-education integration reform class "Crystal Class" featuring "project-driven, joint research by teachers and students, and practical results." Under the joint guidance of enterprise and university mentors, 35 students majoring in Applied Physics and Optoelectronic Information Science and Engineering deeply participated in real technical projects such as optical coating and optical intelligent sensing, enhancing industry adaptability through immersive practice.



"Crystal Class" Opening and Instrument Donation Ceremony

## R&D Achievements Showcase

Crystal-Optech focuses on the optical track, centering on core technologies such as thin-film optics, optical cold processing, semi-conductor optics, and optical system design, and deploys in three major industries: consumer electronics, automotive optics, and AR/VR, building the second and third growth curves. Crystal-Optech is now a national manufacturing single champion demonstration enterprise, one of China's top 50 electronic materials companies, a Zhejiang Provincial Eagle Enterprise, a Zhejiang Provincial Innovative Leading Enterprise, a Zhejiang Provincial Hidden Champion, a national high-tech enterprise, and a national intellectual property management advantage enterprise. By the end of the Reporting Period, the Company had participated in/formulated 6 national standards, 2 industry standards, and 2 Zhejiang manufacturing group standards.

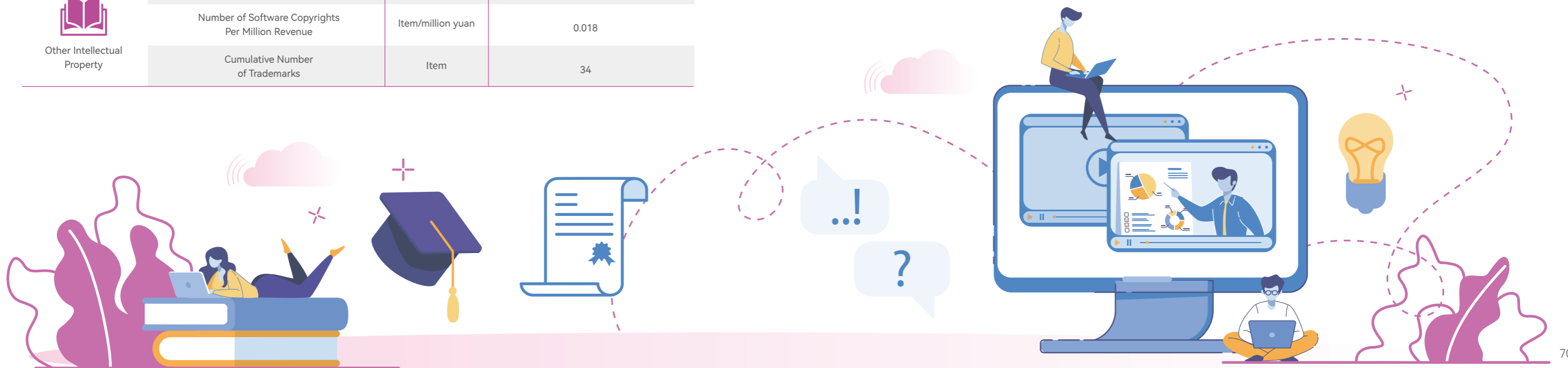
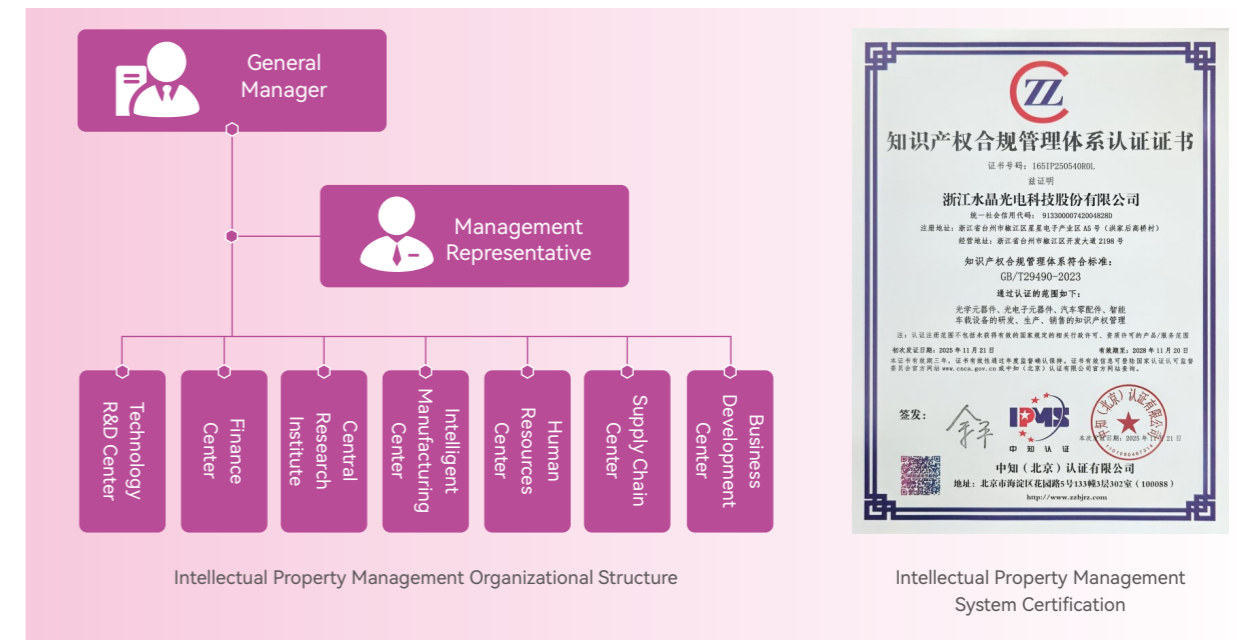
During the Reporting Period, the Company won the 25th China Patent Excellence Award and was selected as a Zhejiang Provincial Eagle Enterprise and a Zhejiang Provincial Leading Enterprise in Private Economy Headquarters. Its technological innovation and industrial upgrading capabilities were highlighted in the front-page report of *Xinhua Daily Telegraph*, with two innovative products selected for the 2025 "Zhejiang Manufacturing Excellence" and "Zhejiang Excellent Industrial New Products" lists.

	Indicator	Unit	2025
R&D Innovation Achievements	Cumulative Number of Valid Patents	Item	618
	Number of Patent Applications	Item	18
	Number of Valid Patents Per Million Yuan of Revenue	Item/million yuan	0.089
By Patent Type	Cumulative Number of Valid Invention Patents	Item	137
	Cumulative Number of Valid Utility Model Patents	Item	416
	Cumulative Number of Valid Design Patents	Item	65
Other Intellectual Property	Cumulative Number of Software Copyrights	Item	124
	Number of Software Copyrights Per Million Revenue	Item/million yuan	0.018
	Cumulative Number of Trademarks	Item	34

## Intellectual Property Protection

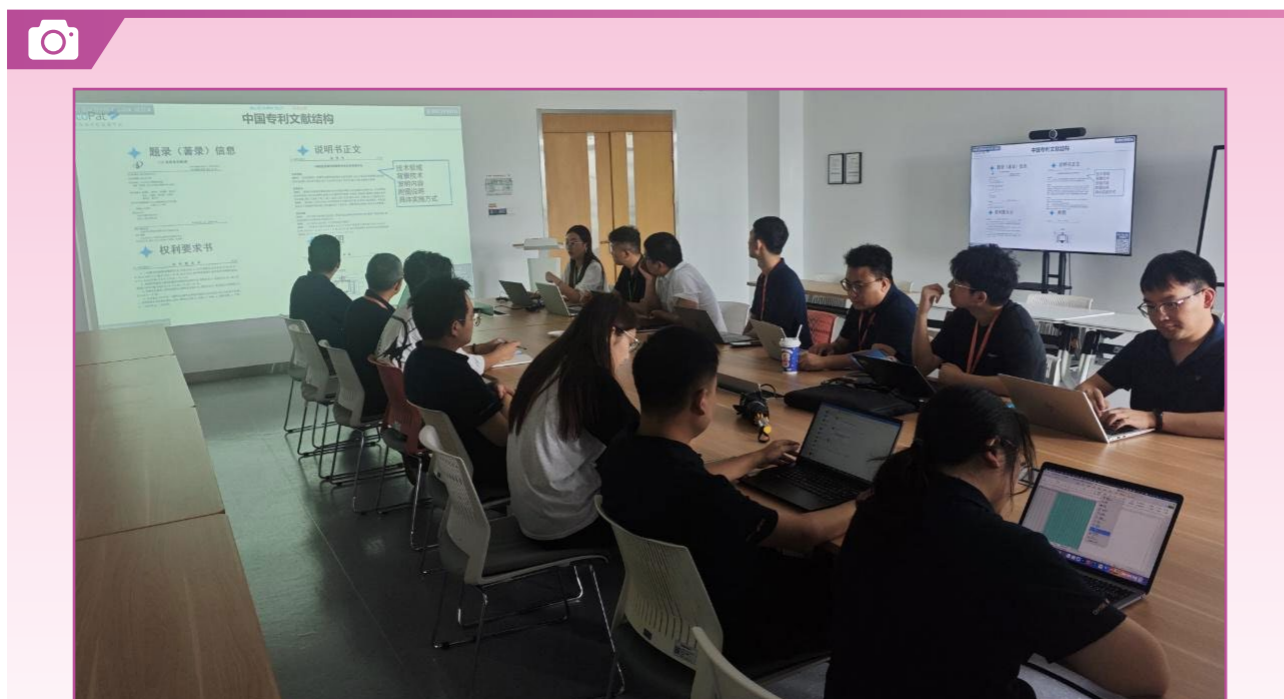
### Management System

The Company strictly complies with relevant laws and regulations such as the *Patent Law of the People's Republic of China* and the *Copyright Law of the People's Republic of China*. It has established a specialized intellectual property management institution and built an intellectual property management framework led by the general manager. The Company has formulated systems such as the *Intellectual Property Protection Control Procedures* and the *Patent and Software Copyright Management Measures* to encourage and protect inventions, and to standardize the Company's patent application, patent management, patent rewards, copyright application, and other management processes and requirements. During the Reporting Period, the Company has passed the intellectual property management system certification and obtained titles such as 'National Intellectual Property Advantage Enterprise' and 'Zhejiang Province Intellectual Property Demonstration Enterprise'.



## Intellectual Property Protection Training

To further strengthen the awareness of intellectual property protection among all employees and standardize intellectual property management, the Company organized specialized intellectual property training during the Reporting Period. This helped employees deeply understand the key role of intellectual property in corporate development and enhanced their ability to prevent intellectual property risks and comply with management requirements.



Intellectual Property Protection Training Scene

## Protection Measures

Crystal-Optech promptly applies for patents for its independent innovations, builds a comprehensive intellectual property protection system, and prevents infringement of its own intellectual property. If any infringement is discovered, the Company will quickly collect compliant evidence, take decisive measures to protect its rights, and resolutely defend its legitimate rights and interests. The Company deeply embeds intellectual property management into the entire product development process. By purchasing commercial patent databases and regularly tracking industry patent trends, it conducts early patent risk warnings and designs avoidance paths for R&D. For hardware and software provided by customers involving intellectual property protection, the Company strictly requires customers to provide written authorization documents and uses them only within the permitted scope to avoid property disputes at the source. At the same time, the Company strengthens confidential management to prevent unauthorized personnel from accessing or disclosing related intellectual property to third parties. In the procurement process, the Company clearly stipulates the ownership of intellectual property generated by related operations in contracts with suppliers and signs confidentiality agreements or adds confidentiality clauses to prevent infringement of others' trademarks, copyrights, patents, trade secrets, and other intellectual property rights.

## Technology Ethics

Crystal-Optech strictly adheres to current laws, regulations, and industry standards in its daily operations, technology applications, and related activities, maintaining a firm commitment to compliance. The Company's business does not involve areas related to technological ethics, and there are no potential risks arising from technological ethics issues.

## Supply Chain Management

Crystal-Optech continuously optimizes the supplier management system, builds a dynamic risk control and win-win cooperation mechanism, establishes long-term partnerships with strategic suppliers, jointly enhances the transparency and resilience of the value chain, and creates a responsible, efficient, and sustainable supply chain ecosystem.

## Governance

Crystal-Optech has formulated regulations such as the *Strategic Sourcing and Supplier Management Measures* and the *Procurement Delivery and Performance Management Measures*, establishing a full lifecycle management approach for supplier sourcing, qualification, evaluation, grading, performance, and elimination. The Supply Chain Center, as the coordinating department at the group level, is responsible for formulating the overall strategy and management framework. Its subordinate Strategic Sourcing and Supplier Management Department (hereinafter referred to as the "Supplier Management Department") is responsible for overall management; the Cost Management Department is responsible for reviewing the rationality of procurement costs and coordinating cost reduction targets; the Centralized Procurement Department is responsible for strategy formulation and supplier management for centralized procurement materials. At the level of various business units and subsidiaries, procurement BPs or procurement departments are set up to handle sample development, order execution, delivery follow-up, daily supplier management, and cost reduction target implementation within their respective business units. They also collaborate with group functional departments in supplier development and evaluation, forming an efficient cross-functional, multi-level collaborative management mechanism centered around the Supply Chain Center. In December 2021, Crystal-Optech obtained the AEO (Authorized Economic Operator) certification issued by Hangzhou Customs.



AEO Certification Certificate

### Supplier Management Process

 <b>Supplier Development</b>	<ul style="list-style-type: none"> <li>Based on the supplier status of procurement categories, such as supply capability and stability, response speed, service and management level, price and payment terms, and the number of suppliers, a supplier development plan is formulated.</li> <li>Develop through multiple channels, establish a list of qualified suppliers, and select suitable suppliers for sample inquiries.</li> </ul>
 <b>Supplier Evaluation</b>	<ul style="list-style-type: none"> <li>An audit team composed of procurement, quality, and technical departments conducts on-site or document audits for new suppliers.</li> <li>Annual audits are conducted for qualified suppliers to optimize supply chain management and enhance overall competitiveness.</li> </ul>
 <b>Supplier Onboarding</b>	<ul style="list-style-type: none"> <li>Supplier onboarding is divided into three stages: temporary—assessment—qualified. Temporary suppliers can only transact for 1 month, while assessment suppliers can transact for a 6-month assessment period. Qualified suppliers generally have no duration requirements unless they are naturally or actively eliminated.</li> <li>During the 1-month transaction period, if the supplier meets The Company's needs, the temporary procurement officer can apply to transition the supplier to the assessment stage.</li> <li>During the 6-month assessment period, if the supplier demonstrates stable quality, timely service, and reasonable costs, the assessment procurement officer can apply for a supplier review, and qualified suppliers can be upgraded to the qualified stage.</li> </ul>
 <b>Supplier Classification</b>	<ul style="list-style-type: none"> <li>Suppliers are classified into five levels—strategic, preferred, alternative, restricted, and eliminated—based on their R&amp;D and production capabilities, bidding and cost reduction abilities, willingness to cooperate, and collaboration performance.</li> </ul>
 <b>Supplier Performance</b>	<ul style="list-style-type: none"> <li>Suppliers are evaluated across four dimensions: quality, delivery, cost, and technology.</li> <li>Based on performance evaluation results, suppliers are upgraded, downgraded, or eliminated.</li> </ul>
 <b>Supplier Elimination</b>	<ul style="list-style-type: none"> <li>Develop a supplier elimination plan and elimination list.</li> <li>Suppliers that are eliminated or naturally phased out may submit an application to resume transactions, stating the reasons, which will take effect upon company approval.</li> </ul>

#### During the Reporting Period

Crystal-Optech collaborated with a total of **2,426** suppliers nationwide. Among them, there were **608** suppliers in Zhejiang, with a supplier localization rate of **25.1%** and localized procurement accounting for **12.7%**.

We conduct two rounds of supplier onboarding and management procedure training for supply chain personnel to ensure all relevant staff understand supplier management processes and operational requirements.

### Strategy

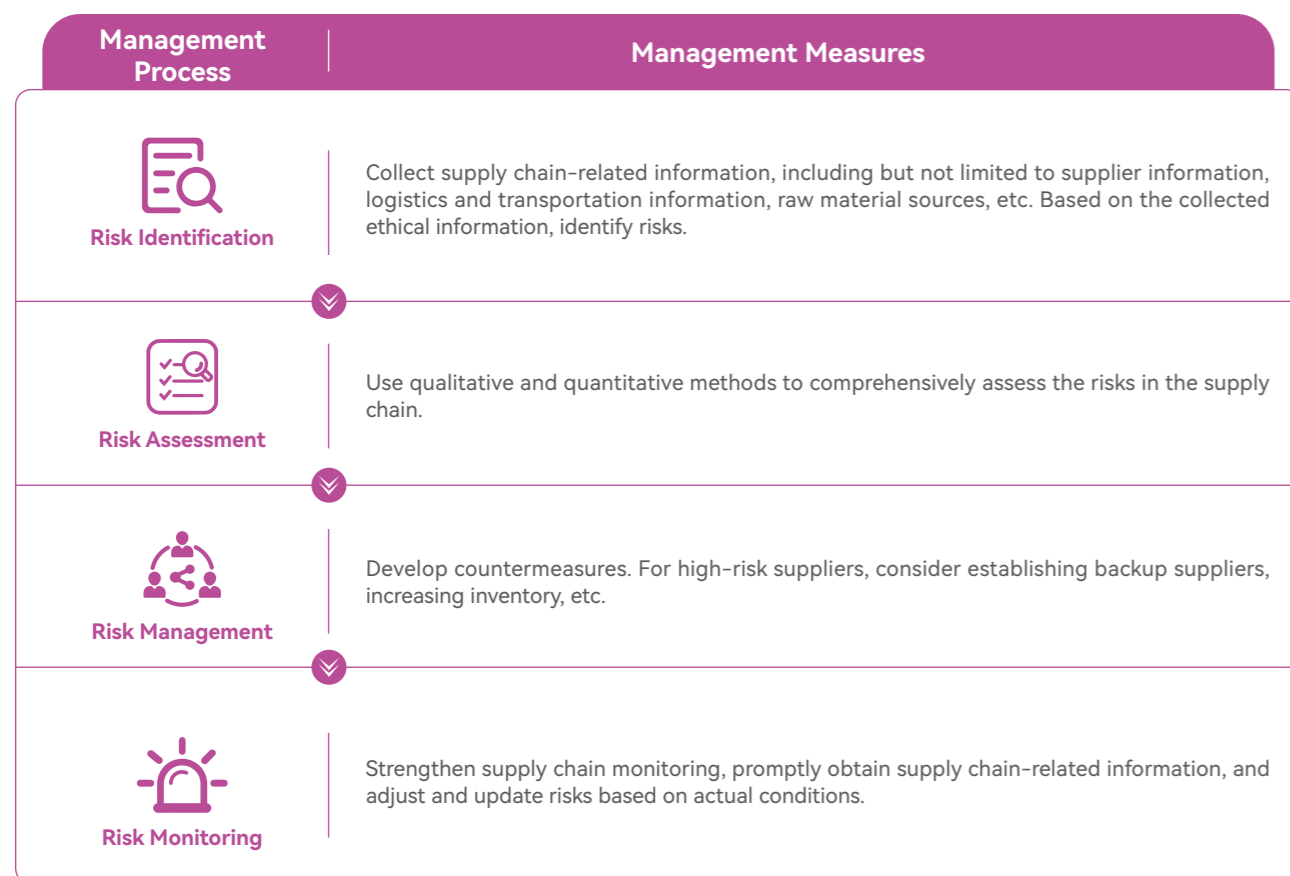
Crystal-Optech systematically identifies potential risks and opportunities in the supply chain, evaluates the effectiveness of existing supplier onboarding, grading, and performance management measures, continuously improves the end-to-end optimization mechanism from sourcing to elimination, and enhances supply chain resilience to promote sustainable development.

Risk/Opportunity Type	Risk/Opportunity Description	Likelihood of Occurrence	Impact Timeframe	Expected Financial Impact	Countermeasures
Risk	Supply Chain Disruption Risk	Medium	Short to medium term	Reduced revenue	<ul style="list-style-type: none"> <li>Develop and maintain qualified alternative suppliers;</li> <li>Establish a safety stock strategy for key raw materials;</li> <li>Sign capacity guarantee agreements with strategic suppliers.</li> </ul>
Opportunity	Building a Green Supply Chain	High	Long term	Increased revenue and reduced operational cost	<ul style="list-style-type: none"> <li>Gradually incorporate environmental management performance into supplier selection and evaluation criteria;</li> <li>Collect supplier carbon footprint data;</li> <li>Prioritize procurement of eco-friendly materials and energy-efficient equipment.</li> </ul>



## Impact, Risk, and Opportunity Management

The Company strengthens supply chain risk management by establishing a comprehensive risk management process to ensure stable and healthy supply chain operations.



## Indicators and Targets

### Indicators

Indicator	Unit	2023	2024	2025
Number of Suppliers With Quality Management System Certification	per	574	569	600
Number of Suppliers With Environmental Management System Certification	per	288	287	304
Number of Suppliers With Occupational Health and Safety Management System Certification	per	195	195	195

### Objectives

Target Content	Achievements Status
100% Signing Rate of the <i>Supplier Social Responsibility Commitment Letter</i>	<input checked="" type="checkbox"/> Achieved
100% Signing Rate of the <i>Integrity and Clean Commitment Letter</i>	<input checked="" type="checkbox"/> Achieved
100% Signing Rate of the <i>Prohibited Substances Non-Use Guarantee Letter</i> for A/B Class Suppliers	<input checked="" type="checkbox"/> Achieved
Proportion of Tier I suppliers increased to over 33%	<input checked="" type="checkbox"/> Achieved

## Supplier ESG Management

Crystal-Optech continues to deepen the integration of ESG concepts into supply chain management, further improving a multi-dimensional supplier evaluation system. Focusing on the three pillars of quality assurance, environmental safety, and social responsibility, the Company systematically promotes the sustainable development of the supply chain. The Company requires suppliers to sign the *Supplier Social Responsibility Commitment Letter*, which covers key responsibility areas such as environmental protection, health and safety, business ethics, and labor rights. For suppliers that fail to meet requirements, the Company proactively provides improvement suggestions and urges them to implement corrective actions. For suppliers that still fail to meet standards after the rectification period, corresponding elimination mechanisms are initiated. Additionally, the Company regularly organizes ESG training for suppliers to communicate core ESG policies and requirements, continuously improving suppliers' ESG management levels and jointly building a robust, responsible, and sustainable supply chain ecosystem.

We conduct two rounds of online ESG training for suppliers to promote ESG concepts and related requirements, and send relevant course materials to suppliers, requiring them to internally synchronize the promotion. Conduct on-site audits of main and auxiliary material suppliers annually. Ensure suppliers meet the requirements of the three key elements: quality assurance, environmental safety, and social responsibility.

### Multi-dimensional Supplier Evaluation System

Quality	Environmental Safety	Social Responsibility
<ul style="list-style-type: none"> <li>○ ISO9001 Quality Management System (Consumer Electronics Product Certification)</li> <li>○ IATF16949 Automotive Quality Management System Standard (Automotive Product Certification)</li> <li>○ QCDS Supplier Periodic Evaluation System</li> <li>○ Material Acceptance Standards</li> <li>○ Abnormal Feedback Process and Closed-loop Tracking System</li> <li>○ Intelligent Manufacturing and Systematic Requirements</li> </ul>	<ul style="list-style-type: none"> <li>○ ISO14001 Environmental Management System</li> <li>○ Chemical Management (General Chemicals and Hazardous Chemicals Management)</li> <li>○ Fire Safety and Emergency Management</li> </ul>	<ul style="list-style-type: none"> <li>○ Human Rights Requirements</li> <li>○ Environmental Assessment Requirements</li> <li>○ Conflict Minerals Management</li> <li>○ Information Security</li> </ul>

By 2025, the Company's *Supplier Social Responsibility Commitment Letter* signing rate will reach **100%**.

## Responsible Procurement

### Ethical Procurement

Crystal-Optech consistently upholds the principles of mutual benefit and honesty, implementing "transparent procurement" practices. We require all suppliers to sign an *Integrity and Clean Commitment Letter*, resolutely opposing commercial bribery, market monopolies, and any other forms of unfair competition. We are committed to safeguarding the legitimate rights and interests of both parties, jointly fostering and maintaining a fair, competitive, healthy, and transparent market environment.

By 2025, the Company's *Integrity and Clean Commitment Letter* signing rate will reach **100%**.

### Green Procurement

Crystal-Optech continuously promotes the construction of a green supply chain, prioritizing suppliers with environmental or social responsibility certifications at the source of the supply chain. In the procurement process, priority is given to products and services with minimal environmental impact, high resource utilization, and compliance with environmental standards, increasing the proportion of certified raw materials to further reduce the environmental impact in the supply chain and build a more sustainable business model.

### Digital Procurement

Crystal-Optech continues to deepen the construction of a big data management system for raw materials, leveraging digital technology to optimize operational processes and enhance business efficiency. The Company establishes and improves a supplier quality anomaly system. When substandard materials are detected, the system can automatically issue real-time anomaly alerts via SMS and other methods, helping the Company respond quickly and take targeted measures, thereby effectively ensuring the safety and reliability of the supply chain system.

## Conflict Minerals Management

Crystal-Optech adheres to responsible mineral procurement, strictly complies with the Responsible Minerals Initiative (RMI), the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, and other requirements. The Company has formulated a *Conflict Minerals Control Policy* to strengthen the procurement management of metal materials such as tantalum (Ta), tin (Sn), gold (Au), tungsten (W), cobalt (Co), and mica (Mica), enhance supply chain transparency, and ensure the traceability of minerals used in the supply chain.

During the Reporting Period, the Company conducted mineral traceability for coating materials involving conflict minerals (tin). It distributed conflict mineral questionnaires based on the Conflict Minerals Reporting Template (CMRT) principles issued by the Responsible Minerals Initiative (RMI) to all raw material suppliers, achieving a 100% traceability rate. No procurement of conflict minerals occurred.



#### Policy Requirements

- Suppliers sign the *Supplier Social Responsibility Commitment Letter* to ensure that the metals used in the materials provided to the Company do not originate from conflict areas.
- Suppliers should impose the same conflict mineral management requirements on their upstream suppliers.



#### Due Diligence

- The Company uses the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) provided by RMI to conduct due diligence on identified suppliers.
- The Company verifies the compliance of CMRT and EMRT questionnaires. If supplier responses are incomplete or incorrect, the Company requests re-submission or supporting evidence.

## Equal Treatment of Small and Medium-sized Enterprises

Crystal-Optech is committed to building a diverse, inclusive, and win-win supply chain ecosystem, promoting collaborative growth across the industry chain. In procurement and cooperation processes, the Company adheres to treating enterprises of all sizes equally, without setting differentiated thresholds based on company size, and continuously provides equal business participation opportunities for small and medium-sized enterprises. We value the potential for collaboration with small and medium-sized enterprises in areas such as technological innovation and service responsiveness. Through specialized training, information sharing, and process support, we help them enhance their compliance management and sustainable development capabilities. During the Reporting Period, the Company did not engage in any overdue payments to small and medium-sized enterprises.

## Product and Service Safety and Quality

Quality is the foundation of Crystal-Optech, and the spirit of craftsmanship drives the core of quality construction. The Company upholds the quality management policy of 'Customer satisfaction is our eternal pursuit,' always focusing on customer needs, continuously improving the product lifecycle management mechanism, steadily advancing the iteration and upgrade of product and service quality, and fully enhancing customer satisfaction.

### Quality Assurance System

#### Governance

Crystal-Optech strictly complies with laws and regulations such as the *Product Quality Law of the People's Republic of China* and has established systems like the *Quality, Environment/HSF, and Occupational Health and Safety Integrated Management System Manual* to ensure effective quality control at every stage. As of the end of the Reporting Period, the Company had not experienced any major quality or safety incidents or large-scale quality and safety complaints.

The Company continuously improves its quality system, striving to provide high-quality products and services to customers. It has obtained ISO9001 and IATF16949 quality management system certifications. The Company conducts annual internal quality audits to promptly identify and address deficiencies and potential issues in the quality management system, thereby continuously improving its effectiveness and efficiency.



Crystal-Optech ISO9001 Quality Management System Certification

Jiangxi Crystal ISO9001 Quality Management System Certification Certificate

Xintaijia ISO9001 Quality Management System Certification Certificate



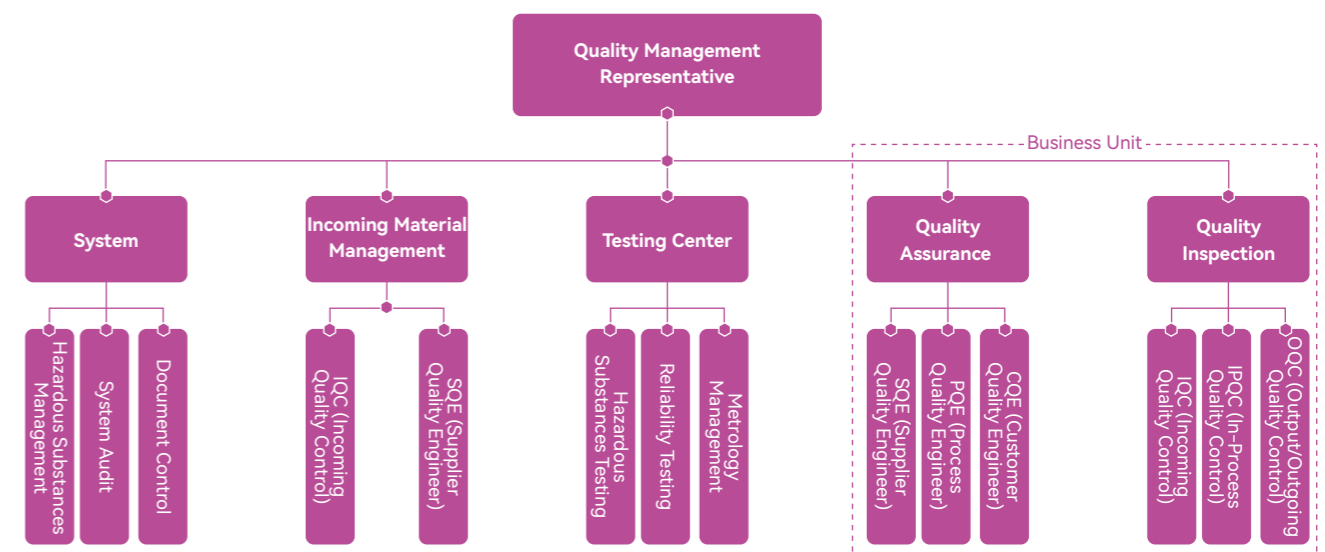
COT Vietnam ISO9001 Quality Management System Certification Certificate



Crystal-Optech IATF16949 Quality Management System Certification Certificate

Crystal-Optech has established a scientific and effective quality management framework. The Board's Strategy and Sustainable Development Committee is responsible for guiding and supervising quality management work, while the Quality Management Representative is responsible for coordinating and overseeing all quality-related activities. Under the leadership of the Quality Management Representative, the Company has established five modules: system, incoming material management, testing center, quality assurance, and quality inspection, to achieve full lifecycle management of product quality.

The Company includes quality improvement as one of its top ten tasks. The General Manager attends monthly quality meetings to review quality KPIs, quality anomalies, and continuous improvement reports. Additionally, the General Manager serves as the director of the newly established Quality Technology Committee, with the Management Representative as the deputy director.



Quality Management Organizational Structure



## Strategy

Crystal-Optech identifies and evaluates risks and opportunities in the production process, formulating the *2025 Risk and Opportunity Evaluation Countermeasures Table*. This systematically outlines core risks and opportunities in the Company's internal and external environment, clarifying the scope of impact, financial implications, and countermeasures for each item, providing strong support for stable operations.

Risk/Opportunity Type	Risk/Opportunity Description	Likelihood of Occurrence	Impact Timeframe	Expected Financial Impact	Countermeasures
Risk	<ul style="list-style-type: none"> <li>Exchange rate fluctuations and international trade environment volatility affect export business;</li> <li>Incomplete identification of customer needs leads to insufficient product adaptation.</li> </ul>	Medium	Short to medium term	Decreased income	<ul style="list-style-type: none"> <li>Convert customer settlement methods, improve overseas factory and office layouts, and strengthen customer demand review processes;</li> <li>Repeatedly analyze market trends and ensure review procedures are Achieved before contract signing.</li> </ul>
	The selected third-party testing institutions lack sufficient qualifications and capabilities, leading to testing errors.	Medium	Short-term	Decreased income	The Company establishes standards to regulate the qualifications and capabilities of third-party testing institutions, specifying five testing institutions—SGS, CTI, Intertek, ITS, and PONY—for sample submission.
Opportunity	Growing demand in consumer electronics, automotive photonics, and other fields, along with deepened customer cooperation, brings more business orders.	Large	Medium to long term	Increased income	<ul style="list-style-type: none"> <li>Increase market development and new project expansion efforts while continuously improving product quality;</li> <li>Respond quickly to customer needs and consolidate cooperative relationships with high-quality service.</li> </ul>

## Impact, Risk, and Opportunity Management

Crystal-Optech continuously improves its quality risk management process, strengthening quality risk management through steps such as risk identification, risk assessment, risk response, and risk management.

 <p><b>Risk Identification</b></p>	Regularly identify internal and external quality risks and compile the <i>2025 Risk and Opportunity Evaluation and Countermeasures Table</i> . During the Reporting Period, potential quality risks were identified in multiple procedures, including design and development, production, testing, and measurement resource management. These risks encompass scenarios such as missing self-inspections in production, improper product handling protection, defective raw materials, and incomplete identification of customer needs.
 <p><b>Risk Assessment</b></p>	Quantify various risks that the Company may face to form the <i>2025 BCP Risk Register</i> , calculating the risk coefficient (frequency × severity) from two core dimensions: frequency of occurrence and impact severity (scored 1-5), to clarify the priority ranking of quality risks. During the Reporting Period, the severity of quality anomaly risks was assessed as 5, the frequency of occurrence as 2, and the risk level as M (moderate risk).



### Risk Response

The quality department continuously tracks the dynamic changes of identified quality risks, monitoring the effectiveness of control through daily inspections, product sampling, and customer feedback collection. Each responsible department records the progress of risk responses as required and integrates it into the business continuity plan tracking system.



### Risk Management

Referring to system documents such as the *Risk and Opportunity Countermeasures Management Procedure*, specialized countermeasures are developed for assessed quality risks. The Company enhances overall quality control capabilities through quality training and BCP drills.

### During the Reporting Period

The Company conducted **1** quality risk assessment.

## Indicators and Targets

### Product Safety and Quality Indicators

Indicator	Unit	2023	2024	2025
Product Qualification Rate	%	86.6	88.8	91.2

### Target Content

### Achievement Status

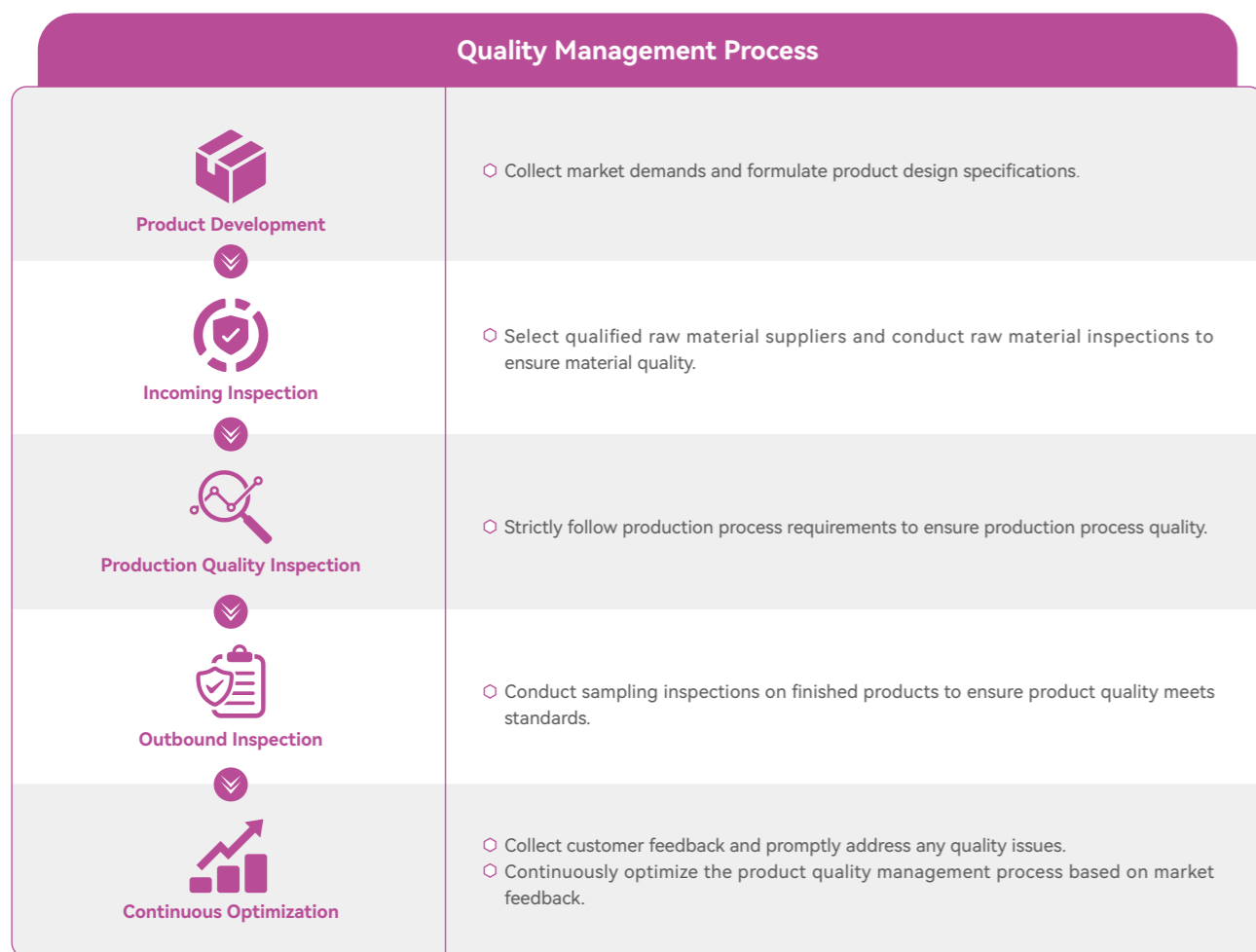
Product yield rate ≥ 90%	<input checked="" type="checkbox"/> Achieved
Customer satisfaction score ≥ 88	<input checked="" type="checkbox"/> Achieved



## Product Quality Management Initiatives

### Full Lifecycle Management

Crystal-Optech has established a quality management system covering the entire product lifecycle, spanning product design, production, and service to ensure the delivery of excellent quality. The Company strictly adheres to quality control standards, relying on advanced process technology and precision testing equipment to ensure product compliance with quality requirements from raw material inspection, production process control to finished product testing.



## Hazardous Substance Management

Crystal-Optech has established a series of systems such as the *Hazardous Substance Management Regulations*, *Hazardous Substance Control Standards*, *Hazardous Substance Identification and Evaluation Control Procedures*, and *Hazardous Substance Testing Standards* to build a comprehensive hazardous substance control system. Through these systems, clear requirements are established to ensure that the hazardous substance content in purchased materials, production process controls, and final products complies with domestic and international laws and regulations such as the EU REACH Regulation, EU RoHS Directive, Packaging and Packaging Waste Directive, Norway POHS Ban, and SS-00259 *Management Regulations on Hazardous Substances in Components and Materials*, while also meeting customer requirements for hazardous substance control. As of the end of the Reporting Period, the Company has obtained certification for the Hazardous Substance Process Management System (IECQ QC080000).

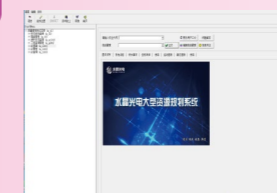


IECQ QC080000 Certification Certificate

## Digital Empowerment

Based on its actual conditions, Crystal-Optech has built a digital quality management system suitable for its development, leveraging digital and intelligent systems to achieve comprehensive quality management. By collecting and analyzing various data from the production process in real time, the Company can quickly identify quality issues, accurately pinpoint their root causes, thereby improving the efficiency and accuracy of quality management and driving continuous optimization and upgrading of products and services.

### ERP System



Through this system, the Company manages the purchase, storage, and inspection of raw materials, ensuring supply security and quality control.

### MES System



Through real-time data collection, monitoring, and analysis, the MES system enhances product quality and traceability, providing strong support for efficient management.

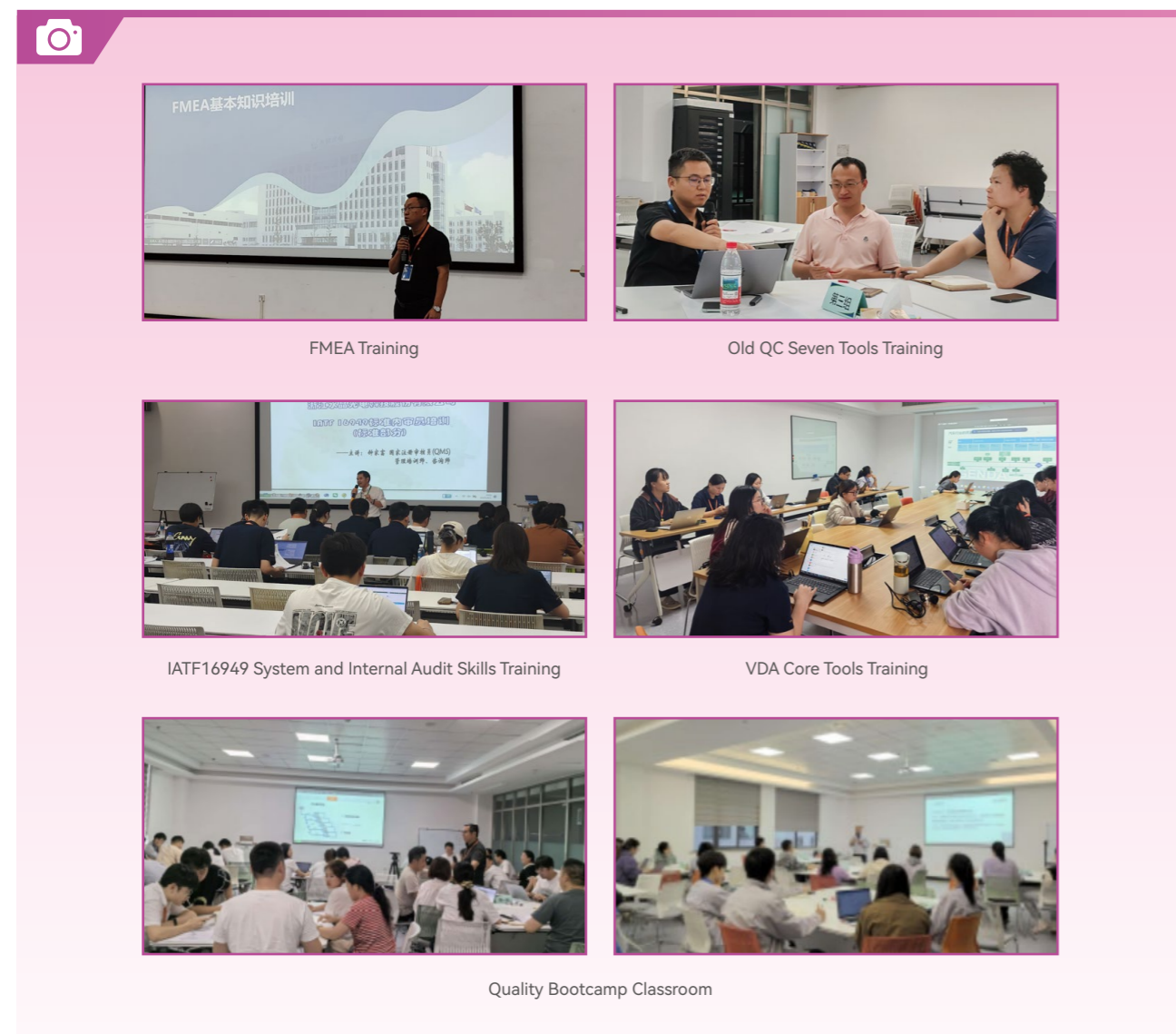
### Digital Cloud Platform



Real-time monitoring of quality data enables refined control over different stages, timely identification and resolution of quality issues in the production process, and effectively improves product quality.

## Product Quality Training

During the Reporting Period, the Company focused on the core needs of product quality control and systematically advanced quality training in accordance with the 2025 Annual (Quality + System Department) Training Plan, covering core modules such as quality systems, key processes, and testing standards. The training was tailored to the differentiated needs of personnel in R&D, production, procurement, and other roles. Additionally, the Company established a 3-month “Quality Bootcamp” aimed at helping quality assurance personnel master core quality management tools and methods, improve on-site problem analysis and resolution capabilities, and achieve the transition from theory to practice.



FMEA Training

Old QC Seven Tools Training

IATF16949 System and Internal Audit Skills Training

VDA Core Tools Training

Quality Bootcamp Classroom

### During the Reporting Period

The Company conducted **21** quality training sessions, totaling **72** hours, with a total of **1,442** participants.

## Product Testing Capability Development

During the Reporting Period, Crystal-Optech focused on upgrading its laboratory capabilities. In October 2025, its Failure Analysis and Materials Research Laboratory passed the review conducted by the China National Accreditation Service for Conformity Assessment (CNAS) and obtained the ISO/IEC 17025 accreditation certificate for testing laboratories. The laboratory is equipped with over 100 advanced instruments, both domestic and international, including SEM, FIB-STEM, FT-IR, GC-MS, white light interferometers, and environmental reliability testing equipment. This has established a comprehensive technical closed-loop process covering “metrological calibration—material physical property testing—failure analysis—optical performance testing—reliability verification.” It enables precise tracing of failure origins at the nanoscale, providing scientifically rigorous solutions for product iteration and upgrading. Through deep integration of CNAS standardization requirements with the LIMS, a six-dimensional management system encompassing “personnel, equipment, materials, methods, environment, and testing” has been built, ensuring that every set of data is accurate and traceable, and every conclusion is professional and reliable. This lays a solid technical foundation for the high-quality development of its four core businesses.



ISO/IEC 17025 Testing Laboratory  
Accreditation Certificate for the  
Failure Analysis and Materials  
Research Laboratory

## Enhancing Product Accessibility

Crystal-Optech enhances product accessibility through collaborative optimization across the entire value chain. Guided by market demand, it leverages a robust R&D system and supply chain management mechanisms to ensure stable supply of raw materials and efficient production operations. It optimizes capacity layout and delivery processes, establishes a business continuity assurance system, and simultaneously, through the deployment of overseas factories and offices, shortens the geographical distance with international customers. Coupled with efficient logistics coordination and customer service responsiveness, products reach domestic and international customers more quickly and reliably.

## Customer Service Management

### Customer Service Management System

Crystal-Optech has established a customer management system centered on the *Control Procedure for Processes Related to Customers*, defining the responsibilities of each department in customer management to ensure standardized and orderly execution of customer-related processes. The marketing department, as the centralized department for customer service management, coordinates the entire process of pre-sales, in-sales, and after-sales services. Pre-sales activities include technical consultation and product promotion; in-sales activities involve tracking order execution and promptly communicating any anomalies; after-sales activities are responsible for handling customer complaints and returns management.

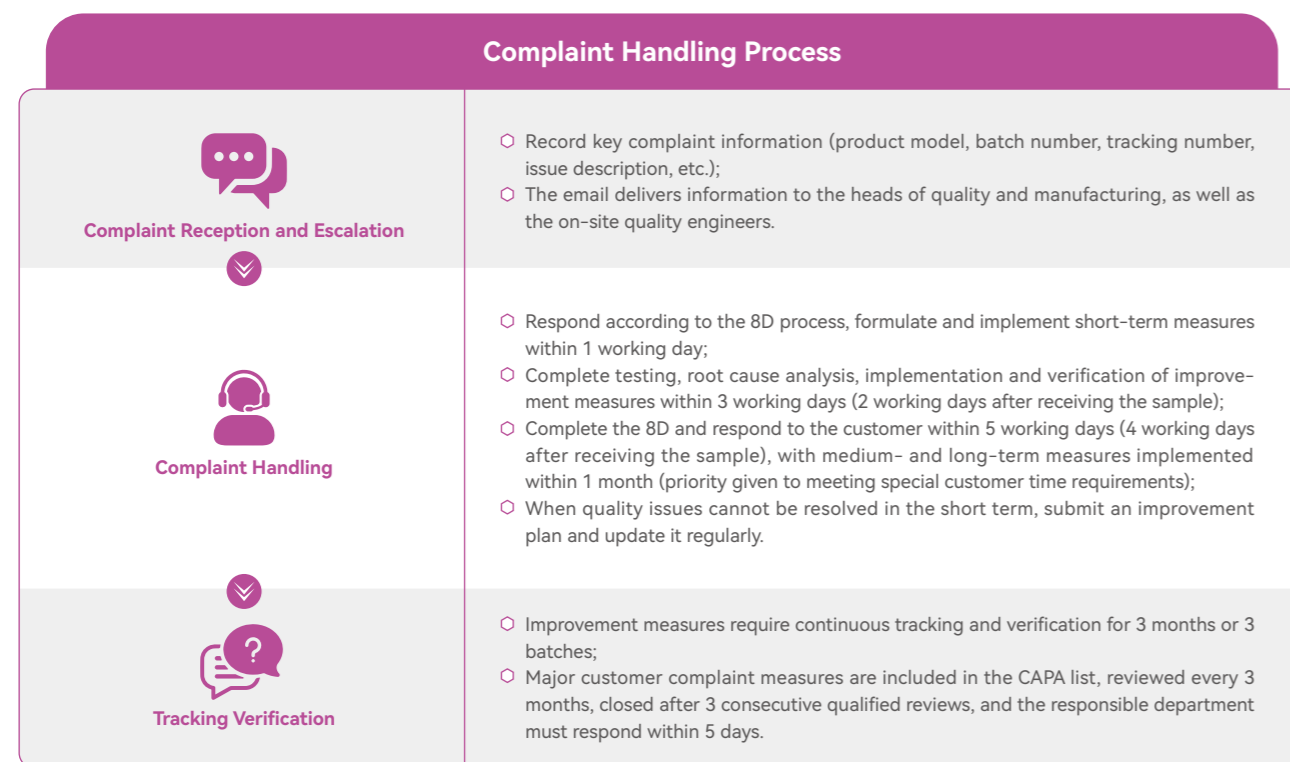
## Customer Service Management Initiatives

### Communication Channel Development

In terms of daily communication, the marketing department has established a mechanism for monthly customer exchange meetings. By preparing the *Monthly Customer Visit Implementation Form*, customer visits are carried out as planned. At the same time, using tools such as *Quotation Sheets*, emails, and phone calls, it standardizes information transmission throughout the entire process, including product inquiries, quotation communication, and order follow-up, ensuring consistency between oral communication and written records. For special customer requirements, approval is initiated through the "OA workflow" and a *List of Special Customer Requirements* is created, which is then synchronized with relevant departments to ensure information alignment without deviation.

### Complaint Response Mechanism

Crystal-Optech has formulated the *Management Measures for Customer Complaint Handling*, which defines the responsibilities and specific operational methods for receiving, processing, transmitting, and implementing measures related to customer complaints. By patiently accepting, diligently handling, and actively responding to customer complaints, it collects relevant information and data about the market, customers, and products, and formulates quality improvement measures to achieve continuous improvement in customer management and customer service.



### During the Reporting Period

The Company received **292** customer complaints, with a complaint resolution rate of **100%**.

### Customer Satisfaction Survey

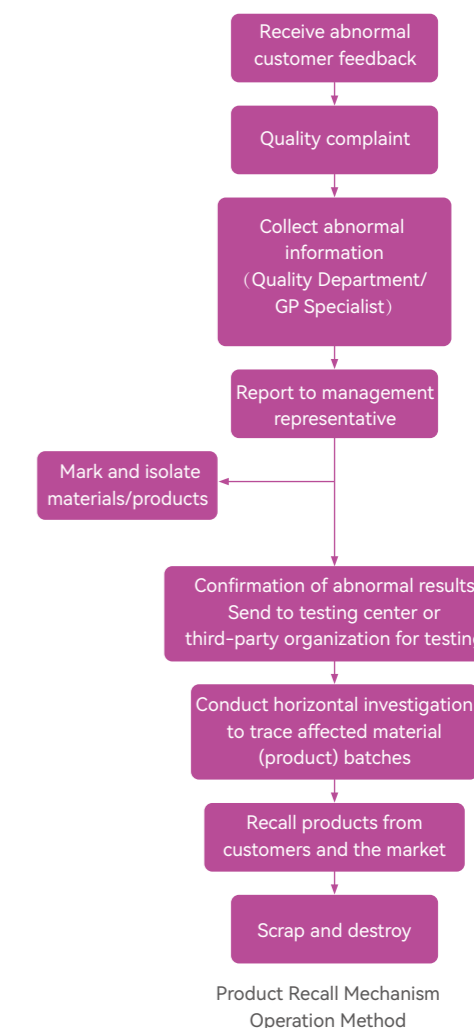
Crystal-Optech conducts annual customer satisfaction evaluations, coordinated and implemented by the marketing department. After the customer satisfaction survey is achieved, the marketing department compiles and forms the *Customer Satisfaction Evaluation Form*, which is simultaneously communicated to the heads of each business unit and the leaders of the marketing department. The head of the marketing department will conduct specialized analysis and formulate improvement measures based on customer suggestions and related issues; if necessary, organize relevant departments to jointly discuss and form a specialized improvement report, followed by continuous tracking of the implementation of improvement measures to optimize customer service and steadily improve customer satisfaction.

### During the Reporting Period

The Company distributed **30** customer satisfaction questionnaires, with a customer satisfaction rate of **89.7** points.

### Product Recall

The Company has established a standardized product recall management mechanism. When HSF test failures, reliability test failures, or other quality issues that may affect customer use occur, and the non-compliant products have been shipped to customers, the product recall process will be initiated. After confirming the non-compliance, the quality department immediately organizes the tracing of involved raw materials, semi-finished products, and finished product batches, clarifies the recall scope and quantity, and the management representative must notify the customer within 3 hours, detailing the core information such as the materials involved in the non-compliance, inventory status, work-in-progress, and shipment status, and take measures such as product recall or other methods approved by the customer. During the Reporting Period, the Company's product recall rate was 0%, and no large-scale product recall incidents occurred.



### Specialized Customer Service Training

To improve employees' customer service standards, during the Reporting Period, the Company conducted training on customer key information management tools for business personnel in the business development center, using a combination of online and offline methods to help business personnel master the use of the tools, improve the efficiency and accuracy of customer information processing, and further standardize the customer service process.



Customer Key Information Management Tool Training

### Data Security and Privacy Protection

Crystal-Optech regards the continuous protection of information security as a key measure to safeguard customer rights and enhance the Company's core competitiveness. The Company further strengthens the construction and management level of its information security system, implements network and data security responsibilities at all levels, and ensures the continuous and stable development of all business operations in a secure, efficient, and robust manner.





#### Information Security Management System

The Company strictly complies with laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China*, and *Personal Information Protection Law of the People's Republic of China*. It has established and continuously improved systems such as the *Information Security Management Manual*, *Network Information Security*

*Management System*, and *IT System Permissions and Software Usage Management System*, stipulating that the IT management department is responsible for the security of computer network equipment, supporting facilities, information, and operational environments. In accordance with the *Confidential Area Security Management Measures*, the Company requires information security specialists to organize relevant personnel monthly (or at frequencies instructed by clients) to audit existing confidential areas, security systems, infrastructure, security equipment, and operations using the "Information Security Audit Checklist". On-site audits are conducted through interviews, questions, document/record reviews, and site inspections with responsible personnel, collecting evidence and maintaining on-site audit records to accurately reflect objective facts. Meanwhile, the Company has established a clear information security reward and punishment mechanism under the *Information Security Reward and Punishment Management Procedures*, penalizing employees who violate information security policies and procedures and rewarding those who effectively prevent information security incidents. This reinforces the information security awareness of all employees and prevents the occurrence of information security incidents. As of the end of the Reporting Period, the Company has not experienced any data security incidents.

#### Routine Information Security Governance Measures

Crystal-Optech, in accordance with procedural management documents such as the *Computer Room Security Management System* and *Vulnerability Scanning Measures*, addresses multiple aspects including information system management, physical environment management, and information security training to provide solid safeguards for the Company's information security management.

Category	Main Measures
 <p><b>Data Security Management</b></p>	<ul style="list-style-type: none"> <li>Data backup is performed, and the responsible person for data sources must daily check whether the data they are responsible for has been backed up, promptly organize backup files, and record any abnormal backup events.</li> <li>Disaster recovery plans are established to ensure that business systems and data can resume normal operations after major security incidents.</li> </ul>
 <p><b>System Security Management</b></p>	<ul style="list-style-type: none"> <li>Vulnerability scans are conducted on the Company's main system hosts, and timely repairs are made.</li> <li>Computer virus checks are performed, and the operation of computer equipment is regularly inspected.</li> <li>Confidential files are encrypted to prevent internal company data from being leaked.</li> <li>VPN multi-factor authentication is implemented to ensure data security.</li> <li>Permissions for OA accounts (external access), enterprise email accounts, and other communication software, as well as the internal network (referring to external computers accessing the Company's LAN), must be applied for via an application form.</li> </ul>
 <p><b>Computer Room Environment Management</b></p>	<ul style="list-style-type: none"> <li>Regularly inspect power supply, electrical equipment, firefighting facilities, etc., and resolve any issues promptly.</li> <li>Regularly inspect and organize physical connection lines of hardware, and check the operational status of hardware (e.g., device indicator lights, meters).</li> </ul>
 <p><b>Information Security Training</b></p>	<ul style="list-style-type: none"> <li>Regularly arrange computer network security training to strengthen the concept of computer network security.</li> <li>Regularly arrange for network administrators to participate in relevant computer network security training to improve their network management capabilities.</li> </ul>



Phishing Email Prevention Guide Training



Information Security Compliance Training

### During the Reporting Period

The Company conducted a total of **189** information security training sessions.

## Emergency Incident Management

Crystal-Optech has formulated a series of policy documents, including the *Emergency Management Procedure for Information Systems*, *Network and Information Security Emergency Plan*, and *Management System for Data Backup, Disaster Recovery, and Drills*. This establishes a scientific, efficient, and rapidly responsive emergency working mechanism, reasonably prevents risks during the use of computers and information systems, and minimizes and mitigates network and information security emergencies and the damage they cause. Based on factors such as the nature, severity, controllability, and impact scope of the incident, the Company classifies its information security incidents into two levels: company-level and department-level. Different emergency plans are formulated for each level to ensure that network information faults are detected, reported, and addressed early.

The Company's IT management department decides on and deploys emergency management work for unexpected events. When a network and information security emergency occurs, the Company quickly initiates an emergency response, takes effective measures to control the development of the situation, and summarizes and analyzes the incident afterwards to learn lessons and continuously improve the emergency response mechanism. This continuously enhances future response capabilities and minimizes the various impacts that data security incidents may cause.

### Case Study

#### Network Security Emergency Response Drill



In October 2025, Crystal-Optech conducted its second-half 2025 network security emergency response drill. The drill's objective was to fully execute the emergency response process from incident discovery to final review, successfully contain simulated attacks, and restore business operations. This emergency response drill tested the feasibility and effectiveness of the *Security Emergency Response Plan*, enhanced the collaborative combat capability, decision-making ability, and communication efficiency of the emergency response team under pressure, and increased security awareness among all employees.

## Customer Privacy Protection

To systematically implement customer privacy protection, Crystal-Optech has established a series of internal control policies, including the *Market Information Confidentiality Management System*, which clearly defines the scope of confidentiality, classification levels, and management responsibilities. The Company adopts multi-layered protection measures, including but not limited to: using code names for customer information, avoiding the direct use of full customer names in daily communications and documents; adding confidentiality statements and warnings when transmitting confidential documents externally; conducting exit audits and continuous monitoring for personnel in key positions; restricting the use of unauthorized storage devices through technical means to prevent data leakage; and strictly controlling access rights to confidential areas to reduce information exposure.

The Company always adheres to the principles of legality, justification, and necessity when handling customer information, continuously improves its information security management system, effectively safeguards customer privacy rights, and maintains long-term trust and cooperative relationships with its customers.

# 06

## People-Oriented, Uniting for Common Progress

### CRYSTAL-OPTTECH

#### Our Philosophy

Crystal-Opttech has always adhered to the core value of "people-oriented" and places high importance on the protection of employees' rights and interests. The Company prioritizes the safety and physical and mental health of employees, strives to create a diverse, inclusive, equal, and safe working environment, and provides employees with broad career development platforms and diverse growth opportunities, fostering synergy between individuals and the Company to create value together.

#### Our Actions

Ensuring Occupational Health and Safety, Protecting Employees' Legal Rights, Focusing on Employee Training and Development, Practicing Democratic Management

#### Responded SDGs

<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>4</b> QUALITY EDUCATION 	<b>5</b> GENDER EQUALITY 
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>10</b> REDUCED INEQUALITIES 	



## Occupational Health and Safety

Crystal-Optech adheres to the safety production policy of "Safety First, Prevention Focused, Comprehensive Management" and the occupational health and safety policy of "Building a Harmonious Living and Working Environment." It upholds the safety management concept that "hidden dangers are accidents," conscientiously implements laws and regulations such as the *Work Safety Law of the People's Republic of China* (hereinafter referred to as the *Work Safety Law*) and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, continuously improves the occupational health and safety production management system, implements the work safety responsibility system, strengthens safety education, and safeguards employee safety and health.

## Safety and Health Management System

### Governance

The Company has formulated a series of health and safety production policy documents, including the *Work Safety Management System*, *Work Safety Responsibility System*, *Work Safety Reward and Punishment System*, and *Comprehensive Occupational Health Management System*. These documents strengthen the management and prevention of potential hazards in the production process and promote the construction of the safety system. During the Reporting Period, the Company obtained ISO 45001 Occupational Health and Safety Management System certification and received the Certificate for Level II Enterprise in Work Safety Standardization. Its branches and subsidiaries, Jiangxi Crystal-Optech, Xintaijia, Jingte Optics, and Yeshili, have all passed the occupational health and safety management system certification.



The Company has established a safety management organizational structure with clear responsibilities, comprehensively overseeing safety matters at the organizational level, supervising the implementation of safety work and the achievement of safety goals, and adhering to the bottom line of work safety. To ensure the implementation of work safety responsibilities at all levels and strengthen safety awareness at all levels, the Company signs work safety target assessment responsibility letters with employees and business units. During the Reporting Period, the Company signed a total of 7,821 work safety target assessment responsibility letters. The Company strictly follows the *Regulations on the Management of Work Safety Targets and Assessment* to promote the standardized management of safety work, ensuring that safety work in all units has goals, behaviors have standards, assessments have criteria, and rewards and punishments have a basis.



## Strategy

The Company assesses and identifies potential risks and opportunities in its production processes and environment, and provides corresponding countermeasures to reduce potential risks and improve management efficiency.

Risk/Opportunity Type	Risk/Opportunity Description	Likelihood of Occurrence	Impact Timeframe	Expected Financial Impact	Countermeasures
Risk	Operational Risk Occurrence of occupational health or work safety accidents may lead to a decline in the Company's operational efficiency, and in severe cases, may cause business interruption.	Medium	Short-term	Increased operating costs / fines	Establish standard procedures for hazard identification, prevention, rectification, and management to control related risks in a timely manner.
	Reputational Risk Occurrence of occupational health or work safety accidents may lead to a decline in customer trust, affecting market share.	Low	Long-term	Decreased operating income	Formulate work safety plans and ensure proper emergency response to work safety accidents; disclose accident handling information promptly and transparently.
Opportunity	Management Efficiency Optimizing financial budgets and management processes related to occupational health and safety will improve the Company's overall operational efficiency and reduce accident handling time and costs.	High	Medium to Long-term	Reduced expenses	Optimize internal processes, strengthen risk assessment and hazard investigation, and improve response speed; invest in R&D or introduce advanced safety management systems and technologies to enhance the efficiency of occupational health and safety management.
	Healthy and Stable Productivity Providing a healthy and safe working environment for employees helps reduce the risk of employee injury, reduces absenteeism due to illness, and improves employee stability, sustainability, and work efficiency.	High	Medium to Long-term	Reduced labor costs	Strengthen safety education, training, and promotion; regularly conduct occupational health monitoring; continuously optimize the workplace environment and increase investment in protective facilities.

## Impact, Risk, and Opportunity Management

The Company has formulated systems and procedures such as the *Control Procedure for Hazard Identification and Risk Assessment*, *Emergency Preparedness and Response Procedure*, and *Emergency Preparedness and Response Management Measures*, forming a complete management process to effectively identify, assess, and manage safety risks hierarchically.

### Management Process

### Management Measures

**Risk Hierarchical Control**

Identify hazards by business unit, operation, and product category, and provide control measures; update hazard sources annually, tracking the number of newly identified, reduced, and eliminated hazards.

**Hazard Investigation and Rectification**

Formulate the *Work Safety Inspection and Hazard Investigation and Rectification System*; conduct monthly safety hazard investigations and implement closed-loop management for hazard rectification; disclose hazard investigation data, including trend charts of the number of verified safety hazards, distribution charts of hazard types, and hazard rectification tracking tables, and conduct hazard type analysis. During the Reporting Period, the Company organized 185 hazard investigations, identified 835 hazards, all of which have been rectified, achieving a 100% rectification rate.

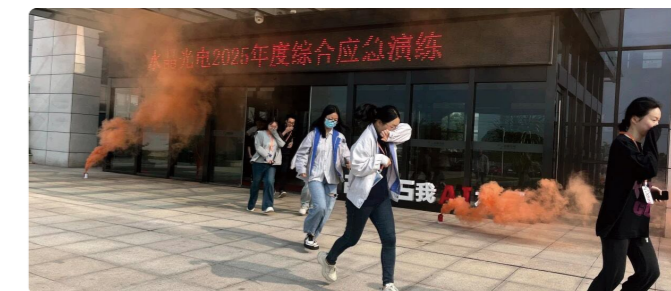
**Emergency Plans**

Formulate *Emergency Plans for Work Safety Accidents*, including specific emergency plans and on-site disposal plans; strengthen the construction of emergency response teams and conscientiously carry out emergency drills to effectively protect the safety of employees' lives and property. During the Reporting Period, a total of 14 safety emergency drills were conducted.

### Case Study

#### Comprehensive Emergency Drill for Safety Production Month

On May 30, 2025, ahead of the 24th National "Safety Production Month," focusing on the theme of "Everyone Talks about Safety, Everyone Knows How to Respond in Emergencies," Crystal-Optech organized an annual comprehensive emergency drill at its Binhai facility. All employees present at the park and supplier personnel participated in this event. This drill effectively tested the practicality of various procedures in the Company's comprehensive emergency plans, honed the response and organizational capabilities of the emergency team, and improved the emergency avoidance, self-rescue, and mutual rescue skills of the employees.



Comprehensive Emergency Drill

### Case Study

#### Emergency Drill for Sudden Chemical Leak

On April 16, 2025, the Company organized a "Sudden Leak Accident Emergency Drill for Corrosive Chemical Spill" at the hazardous chemicals warehouse, with a total of 52 participants. This drill effectively exercised the emergency rescue and handling capabilities of the emergency teams, further standardized the procedures and content for information reporting and dissemination regarding sudden chemical leak incidents, and comprehensively enhanced the collaboration and response capabilities of various emergency groups in dealing with sudden chemical leaks.

## Metrics and Objectives

### Indicator

Indicator	Unit	2025
Total Investment in Safety Training	10,000 yuan	60.5
Number of Safety Training Sessions	Session	156
Number of Participants in Safety Training	Person-time	35,015
Total Duration of Safety Training	Hour	93,056
Average Duration of Safety Training per Person	Hour/person	10.67
Coverage Rate of Safety Training	%	100
Coverage Rate of Safety Risk Protection Training	%	100
Safety Production Investment	10,000 yuan	626
Number of Work-Related Deaths	Person	0
Number of Workdays Lost due to Work-Related Injuries	Day	0
Work Injury Rate	%	0

### Target

The Company sets occupational health and safety goals for the year 2025.

Target Content	Achievement Status
Zero fire accidents in 2025	☑ Achieved
Zero new occupational diseases in 2025	☑ Achieved
Zero serious or fatal safety production accidents in 2025	☑ Achieved
Minor injury accident rate in 2025 ≤ 1‰	☑ Achieved

## Safety and Health Management Measures

### Production Equipment Management

The Company formulates the *Equipment Management Regulations* to manage the entire lifecycle of equipment operation and specifies the responsibilities for equipment management as well as pre-, mid-, and post-use management of equipment. Additionally, the Company regularly conducts equipment safety hazard identification and rectification supervision in a closed-loop process.

## Contractor Safety Management

To strengthen contractor safety management, the Company formulates the *Contractor Safety Management Regulations*, signs the *Contractor EHS Management Agreement* with contractors, conducts pre-qualification reviews of contractors, requires contractors to provide relevant qualification certificates, and signs the *Contractor Entry Park Safety Management Notice*, which includes on-site work safety and environmental protection guidelines and emergency response procedures. When processing contractor entry permits for construction, the Security Department must review the *Contractor EHS Management Agreement* and the *Contractor Entry Park Safety Education Notice* and confirm their accuracy before issuing the entry permits. During the contractor's work process, the Company assigns a project supervisor to oversee operations, requiring the contractor to complete the 'Contractor Daily Inspection Record Form' and promptly address any identified issues.

## Safety Promotion and Training

The Company places high importance on safety culture development, regularly organizing activities such as 'Safety Production Month' and 'Fire Safety Promotion Month,' actively conducting occupational health and safety training for employees, including hazard identification, anti-three violations safety knowledge, accident case studies, and various safety training sessions. The Company also regularly publishes 'EHS Encyclopedia' to popularize safety knowledge and enhance the safety awareness of all employees.

### Case Study

### Safety Production Month Series Activities

In June 2025, the Company carried out a series of activities for Safety Production Month, including safety awareness promotion, hazard reporting activities, safety skills competitions, Red Cross first aid certification training, safety officer certification training, safety leadership training, special inspections, and emergency drills. Through multi-level and multi-dimensional activity arrangements, the Company effectively strengthens safety management at all levels and enhances the emergency self-rescue and mutual rescue capabilities of all employees.



Safety Awareness Promotion



Jiaojiang District 2025 "Ankang Cup" Work Safety Knowledge Competition



Red Cross First Aid Certification Training



Team Leader Safety Leadership Training



Hazard Identification Training



Anti-Three Violations Safety Knowledge Training

In addition, the Company conducts specialized safety training for contractors to ensure strict compliance with safety regulations during project execution, jointly maintaining the Company's work safety order and working together to build a harmonious work environment with zero accidents and zero injuries.

Case Study Contractor Safety Training

On April 23, 2025, the Company conducted contractor operation standard training for third-party construction personnel. The safety training mainly included basic safety knowledge, accident case warnings, special operation standards, emergency response and fire evacuation, etc. Additionally, an EHS assessment of the contractors was conducted, and safety agreements were signed.

### Safety Facility Management

To strengthen the Company's fire safety management, the Company formulated the *Fire Safety Management Regulations*, regularly entrusting professional third-party institutions to conduct comprehensive fire facility inspections. After the inspections, rectification reports are promptly provided, and various improvement measures are quickly implemented. Furthermore, the Company itself conducts regular maintenance of fire facilities to ensure their effectiveness and safety. In terms of hazardous chemical safety management, the Company strictly adheres to chemical storage and usage standards, focusing on leak-proof measures to comprehensively protect employees' lives, property, and environmental harmony.



### Occupational Health Protection

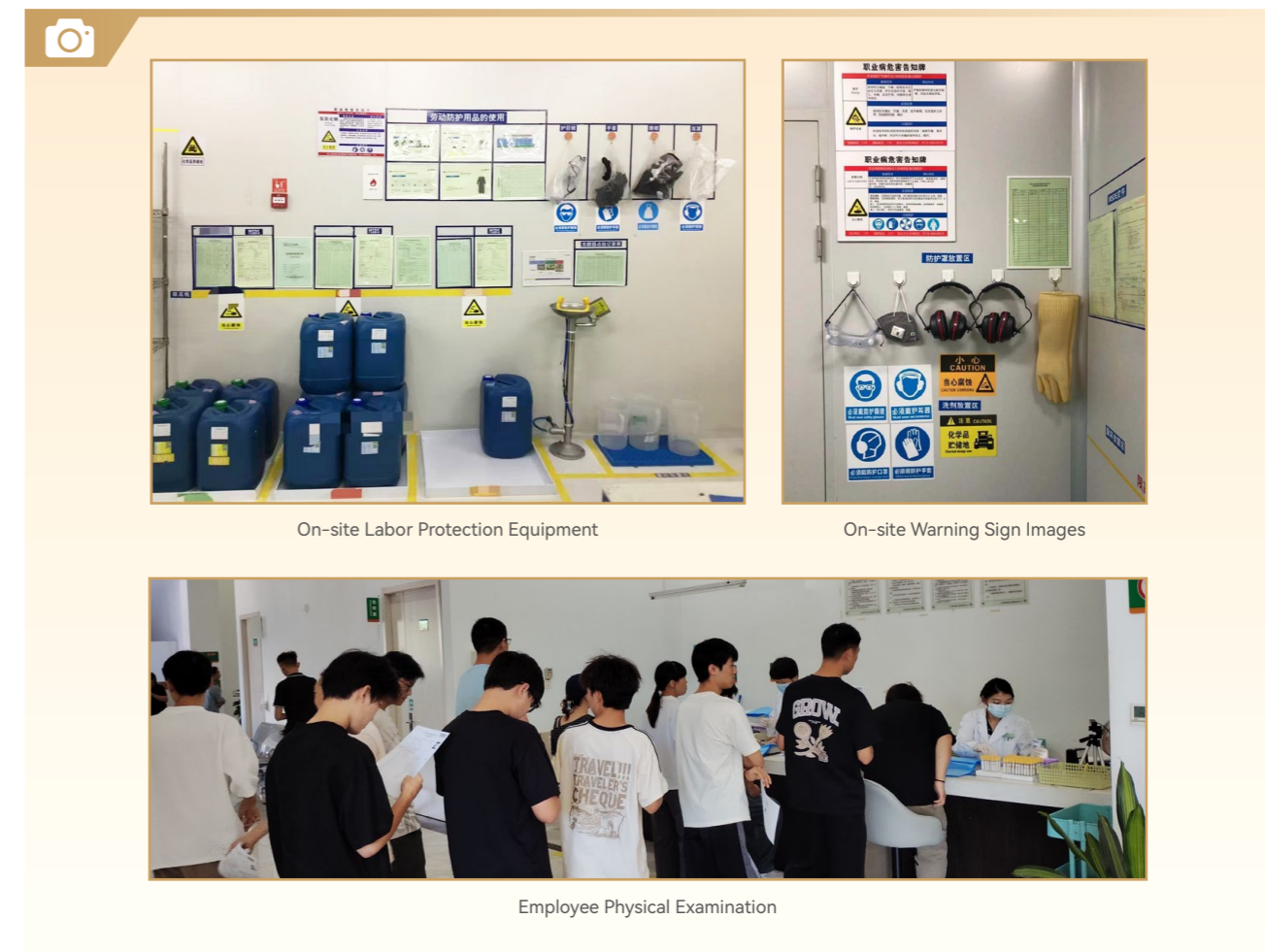
#### Occupational Disease Hazard Factor Testing

The Company formulated the *Occupational Health Comprehensive Management System*, which stipulates occupational disease hazard monitoring and evaluation management. The Company shall entrust qualified occupational health technical service agencies to conduct occupational disease hazard factor testing at least once a year and occupational disease hazard status evaluation at

least once every three years, ensuring that the intensity or concentration of occupational disease hazard factors in the workplace complies with national occupational health standards. During the Reporting Period, the Company's occupational disease hazard factor testing compliance rate was 100%.

### Occupational Disease Protection

The Company has formulated occupational disease prevention systems such as the *Labor Protection Equipment Management Measures*, the *Safety and Occupational Health Warning and Notification System*, and the *Occupational Health Examination Management Measures*, implementing various occupational disease prevention measures to effectively prevent, control, and eliminate occupational hazards, prevent occupational diseases, and protect the health of all employees. Employees may encounter hazards such as noise, radiation, and chemical exposure during production work. The Company provides complete labor protection equipment and conducts maintenance, management, and regular inspections of such equipment. The Company establishes and posts hazard notification signs and warning labels to remind workers to protect their health and safety. The EHS Department of the Base Operations Center annually identifies occupational health hazard positions within the Company and issues the *Occupational Hazard Assessment Form*, listing occupational hazard factors, their impact on the human body, and potential occupational diseases, and assesses whether medical examinations are required. The scope of employee occupational health examinations includes pre-employment, in-service, and emergency medical examinations. During the Reporting Period, the employee medical examination coverage rate was 100%, with 0 new cases of occupational diseases.



## Protecting the Legitimate Rights and Interests of Employees

Crystal-Optech regards employees as the primary resource for the Company's development, cares for and respects their rights, continuously optimizes the employee structure, improves the welfare and security system, facilitates democratic communication channels, effectively enhances employees' sense of belonging and cohesion, and builds a harmonious and stable labor relationship.

### Protection of Employee Rights

#### Human Rights Protection

The Company strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China* (hereinafter referred to as the *Labor Law*) and the *Labor Contract Law of the People's Republic of China* (hereinafter referred to as the *Labor Contract Law*). It formulates and implements regulations such as the *Employee Handbook*, *Procedures for Prohibiting Discrimination, Harassment or Abuse*, *Non-Forced Labor Procedures*, and *Child Labor and Juvenile Worker Control Procedures* to safeguard the legitimate rights and interests of employees. The Company prohibits all forms of harassment, abuse, sexual harassment, or corporal punishment as disciplinary measures, firmly opposes discriminatory behavior, and does not differentiate treatment of employees based on factors such as age, disability, ethnicity, gender, marital status, nationality, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by applicable national or local laws. The Company prohibits the use of any form of forced or compulsory labor, ensuring that all employees across the Company are voluntarily employed. The Company prohibits the employment of child labor and strictly verifies the identity information of job applicants during the recruitment process to ensure that all applicants meet the legal working age. If employees discover any of the above prohibited behaviors within the Company, they may file a complaint verbally or in writing to their superiors.

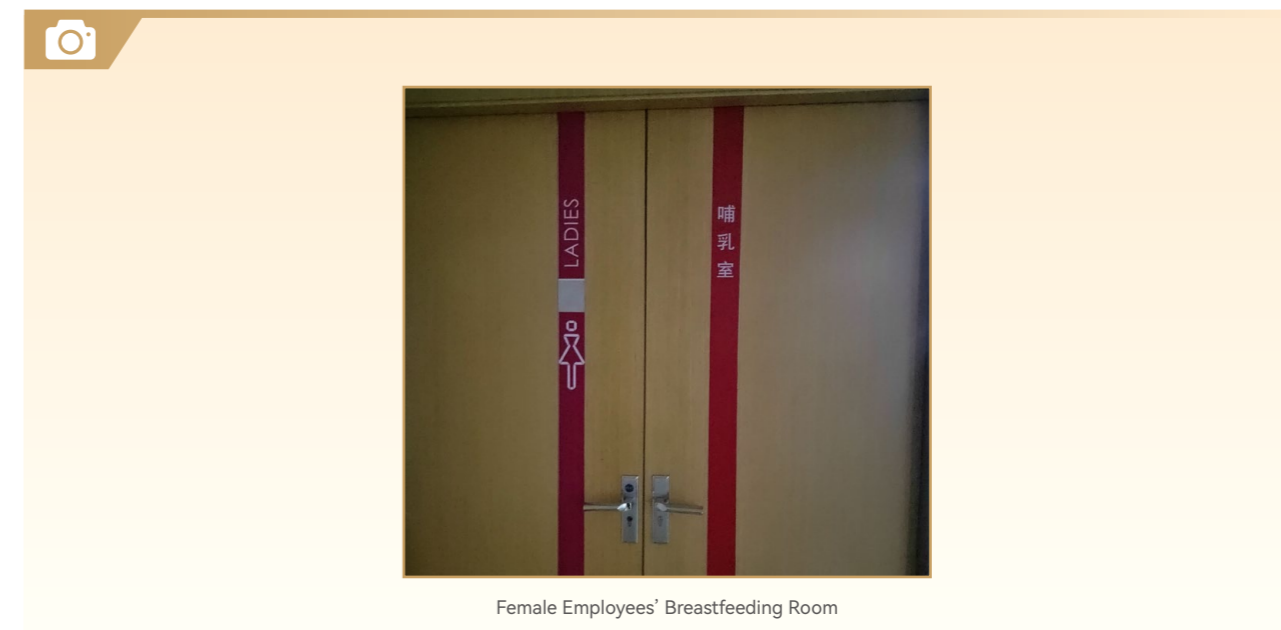
To further enhance employees' awareness of human rights protection, the Company provides specialized RBA corporate social responsibility training for new employees, teaching relevant codes of conduct and human rights protection clauses to help employees deeply understand and consciously practice the values of respect and inclusion in their work.

#### During the Reporting Period

The employee labor contract signing rate was **100%**, and no illegal or non-compliant incidents such as employment discrimination, harassment, child labor, or forced labor occurred.

## Protection of Women's Rights

The Company values the protection of women's rights and has established the *Female Employee Labor Protection Management Procedures*, stipulating the principle of gender equality in promotions, compensation, and benefits. It strengthens humanized care for special stages such as pregnancy, maternity, and breastfeeding, helping female employees better achieve work-life balance. The Company provides female employees with exclusive paid leave such as breastfeeding leave, prenatal check-up leave, childcare leave, and single-child accompanying leave. It also sets up breastfeeding rooms to offer convenience and a comfortable space for female employees during the breastfeeding period.



Indicator	Unit	2025
Number of Employees Enjoying Maternity Leave	Person	80
Return-to-Work Rate of Employees Enjoying Maternity Leave	%	96
Number of Employees Enjoying Childcare Leave	Person	372
Return-to-Work Rate of Employees Enjoying Childcare Leave	%	100
Proportion of Female Employees in Management Positions	%	23

## Talent Recruitment and Retention

### Talent Recruitment

The Company adheres to the principles of 'fairness, openness, competition, merit-based selection, and non-discrimination,' strictly complies with laws and regulations such as the *Labor Law* and the *Labor Contract Law*, and formulates the *Recruitment and Employment Control Procedures* to standardize processes such as employee interviews and hiring, improve recruitment quality, ensure the timely introduction of required talents, and gradually establish a stable talent team. The Company continuously conducts diversified recruitment through channels including social recruitment (online platforms such as BOSS, 51job, and Liepin), campus recruitment (partner institutions such as Changchun University of Science and Technology, Shaanxi University of Science and Technology, and Xi'an Technological University), recruitment through labor departments, collaboration with headhunting firms, as well as internal recruitment, labor dispatch, and media recruitment. Additionally, the Company has established dedicated recruitment channels for veterans and individuals with disabilities, tailoring suitable positions based on their unique skills, experiences, and personal traits.



### Employee Structure

	Indicator	Unit	2025
	Total Number of Employees	Person	8,721
 By Gender	Female	Person	3,175
	Male	Person	5,546

	Indicator	Unit	2025
 By Age	Under 30 Years Old (Excluding 30)	Person	4,343
	30-40 Years Old (Including 30, Excluding 40)	Person	3,031
	40-50 Years Old (Including 40, Excluding 50)	Person	1,169
	50 Years Old and Above	Person	178
 By Profession	Production Staff	Person	6,517
	Sales Staff	Person	160
	Technical Staff	Person	1,405
	Financial Staff	Person	64
	Administrative Staff	Person	575
 By Educational Background	Doctorate	Person	25
	Master's Degree	Person	274
	Bachelor's Degree	Person	1,357
	Associate Degree	Person	1,883
	High School (Secondary Specialized)	Person	2,910
	Below Junior High School	Person	2,272
 By Job Level	Senior Management	Person	60
	Middle Management	Person	200
	Frontline Employees	Person	8,461
 By Region	Mainland China	Person	8,399
	Hong Kong, Macau, and Taiwan Regions of China	Person	10
	Overseas Regions	Person	312

	Indicator	Unit	2025
	Number of Ethnic Minority Employees	Person	473
	Number of Ethnic Minorities in Management	Person	1

## Talent Retention

Equity incentives are an indispensable tool for cultivating and building a professional, market-oriented, and high-quality workforce. The Company actively implements employee stock ownership plans and sets unlocking conditions tied to individual performance appraisal results, striving to retain talent resources and continuously motivate employees' enthusiasm and dedication. During the Reporting Period, the employee turnover rate in the Company's functional platforms was 20%.

## Compensation and Benefits Management

### Employee Compensation

The Company formulates the *Compensation Management Regulations*, adhering to the compensation design principles of 'fairness, competitiveness, motivation, legality, differentiation, and sustainability,' and establishes a compensation distribution system that is externally competitive and internally balanced. Employee compensation includes fixed income, variable income, and long-term incentives, with variable and long-term incentives linked to company and individual performance. The compensation and benefits standards for frontline employees are higher than the local minimum wage.

### Employee Benefits

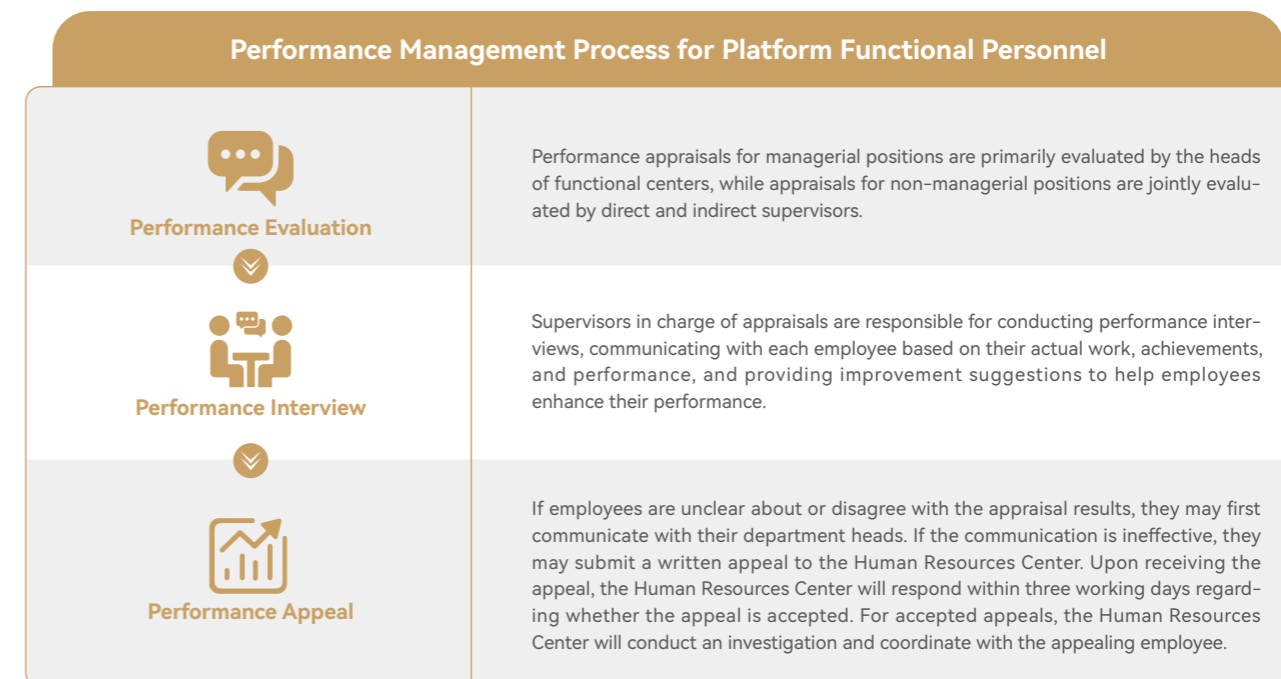
The Company has established the *Employee Benefits Management Regulations* for all domestic employees, covering benefits such as social security, employee life benefits, work condition benefits, employee health benefits, and cultural, recreational, and family activity benefits.

The Company strictly complies with national and local laws and regulations, providing social insurance and housing provident fund contributions for employees who have signed labor contracts with the Company. The Company offers employee dormitories for some staff, as well as life benefits such as holiday gifts, birthday benefits, and retirement condolence payments. Employees can enjoy work-related benefits such as housing subsidies, night shift allowances, and transportation subsidies.

	Indicator	Unit	2025
	Social Insurance Coverage Rate	%	100
	Average Number of Paid Annual Leave Days per Capita	Day	3.6

## Performance Appraisal Management

The Company has formulated the *Platform Functional Personnel Performance Incentive Plan* to establish a scientific incentive and restraint mechanism. Annual performance appraisals are conducted for all functional personnel on the platform. The appraisal process includes performance goal setting, performance evaluation, performance interviews, and performance appeals. The appraisal results are linked to annual performance bonuses, rewards, and personal development.



## Strengthening Democratic Management

### Democratic Management Mechanism

The Company strictly complies with the *Trade Union Law* and related regulations, formulates the *Trade Union Work Procedures*, and establishes a trade union and staff congress. The staff congress, as an institution representing and serving the interests of all employees, has its members elected by employee vote. Trade union members are democratically elected by the staff congress. In accordance with the law, the trade union organizes employees to participate in the Company's democratic decision-making, democratic management, and democratic supervision through the staff congress.

### Employee Communication and Exchange

The Company strengthens democratic development by formulating and implementing the *Employee Appeal and Handling Procedures*, encouraging employees to voice their opinions, suggestions, and concerns, promoting open communication between management and employees, and ensuring fairness, justice, and equality within the Company. The Human Resource Shared Service Center is responsible for handling employee appeals and archiving appeal records. The trade union assists in investigating and handling employee opinions and appeals, addressing violations of labor laws and regulations, infringements of employees' legal rights, and labor disputes within the Company. Employees may file an appeal if they encounter situations they believe harm their rights or involve violations of laws or regulations. To protect employees from retaliation, anonymous appeals are allowed through channels such as the general manager's mailbox, official WeChat account, email, or phone.

## Employee Satisfaction Survey

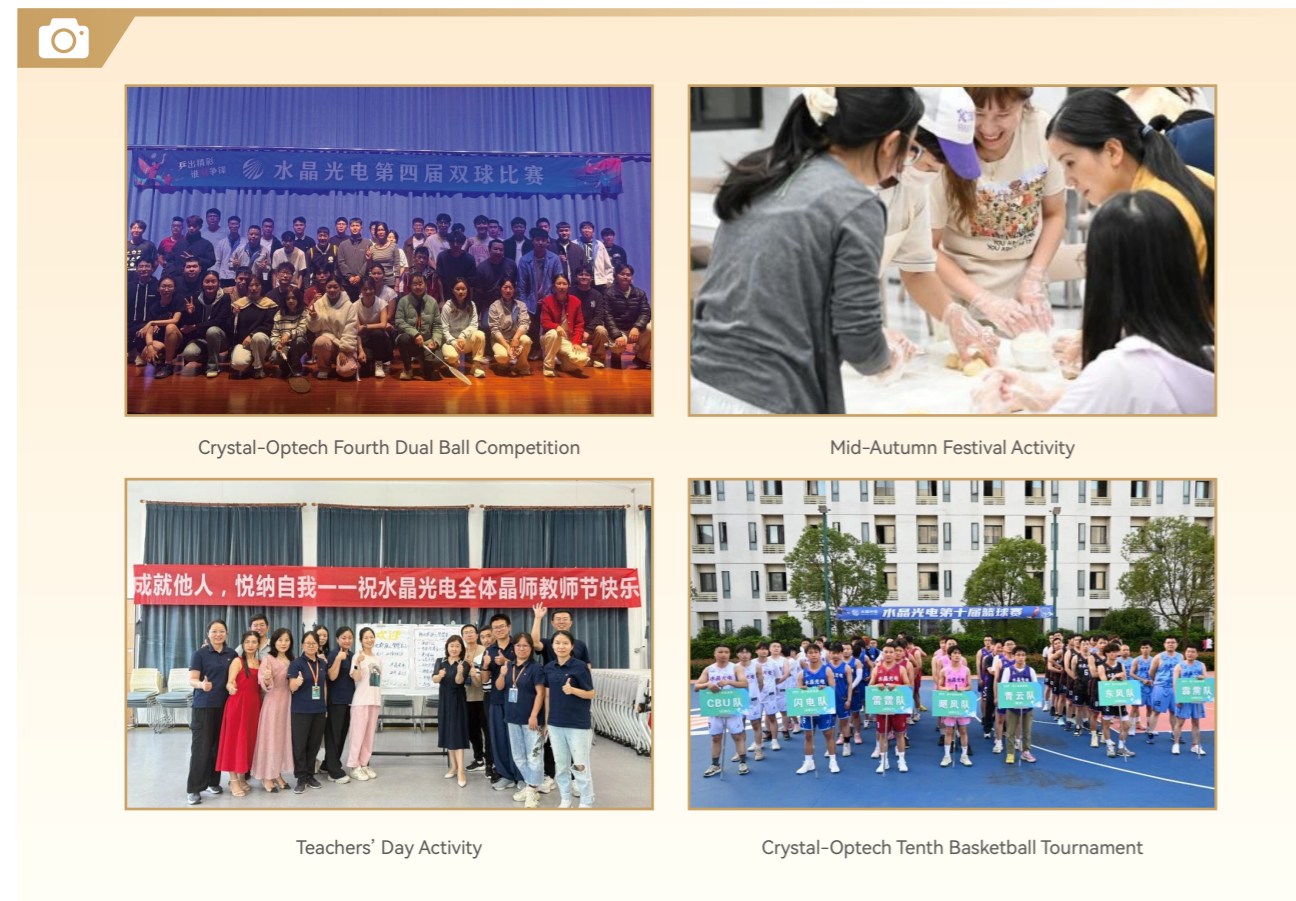
The Company conducts an annual satisfaction survey for all employees, continuously addressing their needs and resolving issues efficiently. In this year's satisfaction survey, the Company evaluated six core dimensions: appeal mechanisms, wages, health and safety, mental health, facilities, and workforce stability. A total of 2,125 employees participated, with a participation rate of 74%<sup>5</sup>.

<sup>5</sup>The statistical scope for the employee satisfaction survey participation rate is defined as the parent company.

## Employee Care

### Employee Activities

The Company places great emphasis on the construction of humanistic care, providing comprehensive care for employees in both work and life. By organizing a variety of employee activities, it promotes communication and collaboration among teams, enhances mutual understanding and trust among employees, and continuously fosters a harmonious and positive work atmosphere. In addition, the Company has established an 'Employee Home' as an important venue for employees' cultural and recreational activities and a platform for spiritual exchange and relaxation, further strengthening employees' sense of belonging and team cohesion.



Writing 'Fu' and Giving Spring Festival Couplets Activity



International Women's Day Activity



Dragon Boat Festival Activity

### Employee Assistance

The Company cares for and supports retired employees, conducting regular visits and condolences to ensure each retired employee deeply feels the Company's concern and warmth. To create a good atmosphere of unity and mutual assistance, the Company established a 'Gratitude Fund' committee, focusing on employees' actual difficulties and providing timely financial assistance and support to families of employees suffering from major illnesses. During the Reporting Period, the Company assisted 3 employees in need, with a total assistance amount of 59,800 yuan.

### Employee Mental Health

The Company firmly believes that employee mental health is a crucial foundation for stable corporate development. To this end, the Company has formulated the *Employee Mental Health Protection Mechanism*, implementing a series of measures and activities to ensure employees maintain good mental health and work-life balance while working efficiently. The Company has established a mental health leadership group and an execution group, regularly conducting mental health training and team-building activities for employees. Employee mental health is also incorporated into the monthly assessment system, with continuous optimization of the mental health protection mechanism based on assessment results, creating a healthy, harmonious, and positive work environment for employees.



## Employee Training and Development

Crystal-Optech attaches great importance to talent development and cultivation, committed to planning clear growth paths for employees, building a systematic and multi-dimensional training system, and providing abundant training resources and personalized learning support to empower employees to continuously enhance their professional capabilities and comprehensive qualities.

### Employee Training Management

#### Training Platform Construction

In 2017, the Company established the Crystal Business School, adhering to the mission of 'serving Crystal' s cultural heritage, strategic implementation, and business growth in a timely, precise, and effective manner' and the teaching philosophy of 'integrating knowledge and action, combining training and practice.' It has built a knowledge platform, learning platform, and service platform covering the entire Crystal domain, providing sufficient endogenous talent support for the Company' s development. Additionally, the Company has established a learning and growth system for managing employee training evaluations, along with setting evaluation standards that assess training outcomes from three aspects: credits, learning ability index, and learning sharing index.

The Company continuously upgrades its online learning platform, with courses covering leadership and professional competency systems. By the end of the Reporting Period, the platform offered a total of 455 courses, including 215 newly added or updated courses during the year.

#### Faculty Team Building

To promote team growth and business development, the Company has established a team of lecturers to conduct diversified internal training for various departments. Through the sharing of professional knowledge and practical experience, it helps employees quickly improve their business skills and practical problem-solving abilities. As of the end of the Reporting Period, the Business School has certified a total of 123 lecturers, with 17 new internal lecturers selected and certified during the year.

During the Reporting Period, to further enhance the course development and teaching abilities of lecturers, the Company organized specialized training such as *Vivid Teaching Techniques for Lecturers*, with a total of 27 lecturers participating.

#### Employee Training Programs

The Company places great emphasis on talent development. In terms of professional competency training, the Company has implemented programs such as the Optical Professional Required Course, Equipment Professional Required Course, Technical Position Engineering Crash Course, and Coating Bootcamp to solidly improve employees' technical literacy and practical business skills. In terms of leadership enhancement, the Company has launched specialized leadership training, the New Crystal Cadre Bootcamp, and New Executive Training programs to strengthen the management mindset, team leadership, and strategic execution capabilities of key personnel at all levels. Additionally, the Company conducts onboarding training programs to help new employees quickly integrate into the culture, familiarize themselves with the business, and accelerate their ability to perform their roles.



Case Study

2025 "Crystal Talent Program" Bootcamp

✔

During the Reporting Period, the Company meticulously planned and successfully held the 2025 "Crystal Talent Program" Bootcamp. This bootcamp focused on empowering new talents and solidifying the talent foundation. Through diversified courses and practical exercises, it helped Crystal Talent participants systematically master essential workplace knowledge and skills, effectively facilitating their smooth transition from campus to the workplace. It comprehensively enhanced their overall professional skills and job competency, continuously injecting fresh vitality into the Company's future development.

Crystal-Optech 2025 Crystal Talent Bootcamp

Indicator	Unit	2025
Total Investment in Employee Training	10,000 yuan	270.29
Number of Employee Training Sessions	Session	144
Total Number of Training Attendances	Person-time	98,107
Employee Training Coverage Rate	%	100
Total training duration	Hour	28,227.58
Average Training Hours per Employee	Hour/person	3.24

## Employee Development Pathways

### Job Rank System

The Company provides support and platforms for employee growth, offering broader development opportunities for talents who are willing to challenge themselves and pursue comprehensive development. The Company has formulated the *Career Planning - Artisan Ladder (T Series) Promotion System* and the *Career Planning - Excellence Ladder Promotion Management System* to establish professional career advancement paths for frontline key employees. Based on these systems, leaders assist subordinates in formulating and implementing career development plans, regularly evaluate the effectiveness of subordinates' career plans, provide improvement suggestions, and offer necessary support and assistance. Employees, guided by the Artisan Ladder, continuously enhance their professional capabilities, actively participate in various training programs provided by the Company, and independently apply for professional level certifications.

Level Code	Core Value	Typical Profile
T5	Development	Backbone
T4		
T3	Practice	Experienced
T2		
T1	Learning	Beginner

Artisan Ladder Level Settings

Level Code	Core Value	Typical Profile
P9	Leading	Authority
P8		
P7	Innovation	Expert
P6		
P5	Development	Backbone
P4		
P3	Practice	Experienced
P2		
P1	Learning	Beginner

Excellence Ladder Level Settings

### Internal Recruitment

To fully activate the Company's human resources and build a sustainable talent development mechanism, the Company has established the *Job Competition Management System* to systematically select, cultivate, and reserve outstanding talents, thereby broadening the channels for the Company to attract excellent talents and providing employees with a continuous growth career platform.



# 07

## Gathering Strength for Public Welfare, Benefiting People's Livelihood

### CRYSTAL-OPTTECH

#### Our Philosophy

Crystal-Optech has always regarded fulfilling corporate social responsibility as its original aspiration and duty, actively promoting community-enterprise co-construction, empowering rural development, and continuously carrying out charitable donations to give back to society with practical actions, achieving the common sustainable development of the enterprise and society.

#### Our Actions

Increasing Community Contributions, Supporting Rural Revitalization, Engaging in Public Welfare and Charity

#### Responded SDGs

<b>1</b> NO POVERTY 	<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>4</b> QUALITY EDUCATION 
<b>10</b> REDUCED INEQUALITIES 	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>17</b> PARTNERSHIPS FOR THE GOALS 



## Rural Revitalization

Crystal-Optech actively responds to the CPC Central Committee's call to "Comprehensively Promote Rural Revitalization" by fully carrying out consumption assistance, education assistance, employment assistance, and other work to empower rural revitalization in assisted areas and support the sustainable and healthy development of the rural economy. In 2025, the Company invested a total of 130,000 yuan in rural revitalization.

### Case Study Donating to Needy Students in Henan

To actively respond to the Party's relevant spirit and deployments, and thoroughly implement the requirements of the rural revitalization strategy, Crystal-Optech has always proactively practiced corporate social responsibility and deeply rooted the culture of gratitude within the enterprise. In 2025, the Company continued to provide educational support to five needy students in Zhongtuo Town, Jia County, Pingdingshan City, Henan Province. Through continuous actions of precise education poverty alleviation, the Company supports the revitalization of rural education, deeply integrates the fulfillment of social responsibility with the construction of a corporate culture of gratitude, and steadily advances and achieves the social value goals pursued by the Company.

### Case Study Consumption Assistance for Revitalization

Under the guidance of the rural revitalization strategy, Crystal-Optech deepens its social responsibility practices by focusing on consumption assistance, breaking through the production and sales chain of agricultural products in assisted areas through the "purchase instead of donation" model, and effectively helping farmers increase income and rural industries develop. In 2025, the Company directed purchases of agricultural products from impoverished counties in Sichuan, with a total purchase amount of 120,008 yuan, not only providing material support for employee welfare and daily operations but also directly helping assisted areas solve the problem of agricultural product sales, transforming farmers' "field harvests" into "stable incomes."



Purchasing Specialty Agricultural Products

## Public Welfare

Crystal-Optech actively participates in social welfare causes, orderly carries out external donation work, dedicates love with practical actions, and contributes to the construction of a harmonious society. In 2025, the Company's total public welfare investment was 200,000 yuan.

### Case Study Five-Year Public Welfare Commitment, Practicing Responsibility and Duty

In 2025, the Company officially signed the *Charitable Donation Agreement* with the Jiaojiang District Charity Federation in Taizhou City, launching a five-year systematic public welfare donation plan with a cumulative donation amount of RMB 1 million. Each year, a directed donation of RMB 200,000 will be made and Achieved before April of that year. Through the professional platform of the Jiaojiang District Charity Federation, the funds will be precisely used to assist disadvantaged groups and support the implementation of public welfare projects, effectively contributing to the development of local charitable causes.



# Looking Ahead

2026 marks a critical starting year for entering the new development phase of the “15th Five-Year Plan.” Crystal-Optech will continue to adhere to its corporate vision of “becoming a global leading one-stop optical expert,” embracing the operational principle of “consolidating foundations, focusing on strategic breakthroughs, and embracing the new era of AI.” It will persist in sustainable development, leading the optical industry toward a greener, more inclusive, and smarter future.

In the environmental domain, we will continue to uphold the concept of green development, actively address climate change, improve resource efficiency systems, promote low-carbon energy transition, reduce pollutant generation and emissions at the source, protect the ecological environment, and strive to achieve coordinated progress between economic development and ecological protection.

In the social domain, we will create outstanding value for customers through continuous technological innovation and stringent quality and safety guarantees. We will continue to build an inclusive, diverse, and mutually respectful work environment, providing employees with clear career paths and comprehensive care and support. We will more actively participate in public welfare actions, fulfill our social responsibilities, and genuinely give back to society.

In the governance domain, we will continue to improve the ESG management system, solidly integrating sustainable development goals into the Company’s strategy and implementation plans. We will continue to enhance the breadth and depth of information disclosure, maintain active dialogue with stakeholders, and continuously strengthen the resilience, transparency, and foresight of corporate governance, laying a solid foundation for long-term sustainable development.



Appendix

Report Chapters	Global Reporting Initiative (GRI Standards)	China Corporate Sustainability Reporting Guidelines (CASS-ESG 6.0)	Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Reporting (Trial)	
About This Report	2-2/2-3	P1.1/P1.2	Article 4 Article 6	
Chairman's Speech	/	P2.1	/	
About Crystal-Optech	Company Profile	2-1	P3.1/P3.3	/
	Development Strategy	/	P3.2	/
	Corporate Culture	/	P3.2	/
	Corporate Honors	/	/	/
	2025 Annual Highlights and Performance	201-1	A2	/
ESG Management	ESG Goals and Vision	/	/	/
	ESG Governance	2-14/2-17	G1.1.1/G1.1.2/G1.1.3/G1.1.5/G1.1.6	Article 12
	Stakeholder Engagement	2-16/2-29	G1.3.2	Article 9 Article 53
	Materiality Issue Management	2-29/3-1/3-2/3-3	G1.1.9/G1.1.10	Article 5
Standardized Governance and Steady Operations	Standardizing Corporate Governance	2-9/2-10/2-11/2-12/ 2-13/2-15/2-18/2-19/ 2-20/2-27/207-2	/	/
	Protecting Investor Rights	2-16	/	/
	Practicing Business Ethics	2-25/2-26/2-27/ 205-2/205-3/206-1	G2.1.1/G2.1.2/G2.1.3/G2.1.4/ G2.1.7/G2.1.8/G2.2.1/G2.2.2/G2.2.3	Article 54 Article 55 Article 56
Low-Carbon Actions, Green Development	201-2/305-1/305-2/ 305-4/305-5	E1.1.1/E1.1.2/E1.1.3/E1.1.4/E1.1.5/ E1.1.6/E1.1.7/E1.1.8/E1.1.15/ E1.1.16/E1.1.19/E3.1.4/E3.3.3	Article 11 Article 21 Article 22 Article 23 Article 24 Article 25 Article 27 Article 28	

Report Chapters	Global Reporting Initiative (GRI Standards)	China Corporate Sustainability Reporting Guidelines (CASS-ESG 6.0)	Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Reporting (Trial)	
Low-Carbon Actions, Green Development	Environmental Compliance Management	303-4/306-1/306-2/ 306-3/306-4/306-5	E2.1.1/E2.1.2/E2.1.3/E2.1.5/E2.1.6/ E2.1.8/E2.1.9/E2.2.1/E2.2.3/E2.2.5/ E2.2.6/E2.2.7/E2.4.1/E2.4.2/E2.4.3/ E2.4.4/E3.3.4/E3.3.5	Article 11 Article 29 Article 30 Article 31 Article 33
	Resource Management	302-1/302-4 /303-5	E3.1.1/E3.1.2/E3.1.4/E3.1.5/E3.2.1/ E3.2.2/E3.2.3/E3.2.4/E3.3.1/E3.3.2/ E3.3.4/E3.3.5	Article 11 Article 35 Article 36 Article 37
Technology Empowerment, Value Co-Creation	Innovation-Driven	/	S2.1.1/S2.1.2/S2.1.3/S2.1.4/S2.1.5/ S2.1.6/S2.1.7/S2.1.8/S2.1.10/S2.1.11/ S2.1.12/S2.1.13	Article 11 Article 42
	Supply Chain Management	2-6/308-1/308-2/ 414-1/414-2	S3.1.1/S3.1.2/S3.1.3/S3.1.4/ S3.2.1	Article 11 Article 45 Article 46
	Product and Service Safety and Quality	416-1/416-2/ 417-1/418-1	S3.3.1/S3.3.2/S3.3.3/S3.3.4/ S3.3.5/S3.3.6/S3.4.3/S3.4.4	Article 11 Article 47
	Data Security and Privacy Protection	418-1	S3.4.1/S3.4.2/S3.4.3	Article 48
People-oriented, Uniting for Common Progress	Occupational Health and Safety	403-1/403-2/403-3/ 403-4/403-5/403-7/ 403-9/403-10	S4.2.1/S4.2.2/S4.2.3/S4.2.4/S4.2.6	Article 11 Article 49 Article 50
	Protecting the Legitimate Rights and Interests of Employees	2-7/201-3/401-1/401-2/ 401-3/405-1/406-1/ 408-1/409-1	S4.1.1/S4.1.2/S4.1.3/S4.1.4/ S4.1.5/S4.1.6/S4.1.7/S4.1.8/ S4.1.9/S4.1.10/S4.1.11/S4.1.12	Article 49 Article 50
	Employee Training and Development	404-1/404-2	S4.3.1/S4.3.2/S4.3.3/ S4.3.4/S4.3.5/S4.3.6	Article 49 Article 50
Gathering Strength for Public Welfare, Benefiting People's Livelihood	Rural Revitalization	203-1/203-2	S1.1.1/S1.1.2/S1.1.3/S1.1.4	Article 38 Article 39
	Public Welfare	203-2	S1.2.1/S1.2.2	Article 38 Article 40
Looking Ahead	/	A1	/	
Appendix	Index of Indicators	/	A3	Article 57
	Feedback Form	/	A6	/

## Feedback Form

Thank you for reading the *Crystal-Optech Co., Ltd. 2025 Environmental, Social, and Governance Report*. To improve Crystal-Optech's work in environmental, social, and governance aspects, further enhance the Company's sustainable development capabilities and levels, and strengthen communication with all sectors of society, we sincerely hope that you can take the time to provide valuable comments and suggestions on our work and the report.

### Your Information

Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Organization: \_\_\_\_\_ Email: \_\_\_\_\_

Multiple-choice questions (please check  in the appropriate position)

1. Your overall evaluation of Crystal-Optech's 2025 Environmental, Social, and Governance Report:

Good  Average  Needs improvement  Unfamiliar

2. How do you think Crystal-Optech performs in customer service?

Good  Average  Needs improvement  Unfamiliar

3. How do you think Crystal-Optech is doing in terms of technological innovation?

Good  Average  Needs improvement  Unfamiliar

4. How do you think Crystal-Optech is doing in terms of corporate governance?

Good  Average  Needs improvement  Unfamiliar

5. How do you think Crystal-Optech is doing in terms of employee team building?

Good  Average  Needs improvement  Unfamiliar

6. How do you think Crystal-Optech is doing in terms of social welfare?

Good  Average  Needs improvement  Unfamiliar

7. How do you think Crystal-Optech is doing in terms of environmental protection?

Good  Average  Needs improvement  Unfamiliar

8. How do you think Crystal-Optech is doing in terms of sustainable supply chain?

Good  Average  Needs improvement  Unfamiliar

9. What are your other opinions on Crystal-Optech's ESG work?

---

---