



2021 SOCIAL RESPONSIBILITY REPORT



About the Report

Reporting Period

This report is the 1st CSR report issued by Zhongji InnoLight Co., Ltd. for its stakeholders. The information and performance of the report mainly cover the period from January 1, 2021 to December 31, 2021. Certain information and performance may refer to previous years or reflect the guidelines and practices for 2022.

Reporting Scope

The report discloses information on the fulfillment of economic, social and environmental responsibilities by Zhongji InnoLight Co., Ltd. and its subsidiaries, with the relevant typical cases from Zhongji InnoLight, its subsidiaries and the affiliated companies.

Information Source

The information and data disclosed in this report are derived from the internal official documents, statistical reports and annual reports of Zhongji InnoLight Co., Ltd. The board of directors and all directors of the Company guarantee that there is no false record, misleading statement or material omission in the content of this report, and assume individual and joint responsibility for the truthfulness, accuracy and completeness of its content. The financial data in this report are denominated in RMB, and in case of any inconsistency with the financial report, the financial report shall prevail.

Abbreviations

- Zhongji InnoLight Co., Ltd. ("Zhongji InnoLight", the "Company" or "we")
- InnoLight Technology (Suzhou) Ltd. ("Suzhou InnoLight" or "InnoLight Technology")
- Chengdu Tsuhan Science & Technology Co., Ltd. ("Tsuhan Science & Technology")
- InnoLight Technology (Tongling) Ltd. ("Tongling InnoLight")

Basis of Preparation

- GB/T 36001-2015 Guidance on Social Responsibility Reporting (Chinese national standard)
- Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR4.0) issued by the Institute of Economics of the Chinese Academy of Social Sciences (CASS)
- The United Nations Sustainable Development Goals (SDGs) 2030
- International Standard ISO 26000 Guidance on Social Responsibility 2010
- Global Sustainability Standards Board (GSSB) GRI Sustainability Reporting Standards (GRI Standards)
- Guidelines of Shenzhen Stock Exchange on Self-regulation of Listed Companies No. 2 - Standardized Operation of ChiNext Listed Companies

Access to the Report

This report is available on the official website of the Company at www.zj-innolight.com for your reading in electronic format. In case of any questions or suggestions about this report, please send an e-mail to info@zj-innolight.com or call 0535-8573360.

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Message from the President

President Liu Sheng

Despite challenges of global changes to the international industrial landscape since the COVID-19 outbreak, Zhongji InnoLight always adheres to its original aspiration and has proactively responded to the industry upgrade and iteration by relying on its technology research capability. We took up our corporate responsibility while engaging deeply in the industry, and have made remarkable achievements in undertaking social responsibility, protecting the rights and interests of investors, and building a benign working environment for employees. With the concerted efforts of all our colleagues, we have further optimized our operation and management and made steady progress in the strategic deployment of corporate governance.

Zhongji InnoLight has witnessed the development of the industry along with its own growth. We have experienced both rapid development and low market demands. In light of the differentiated demands in the market, we took the initiative to seek solutions. We advanced the digital intelligence technology with technology innovation, and empowered our product and service innovation with what we have achieved. While building our own strength, we have upheld our social responsibility to focus on the high-speed optical transceivers and promote the intensive resource utilization in the optical transceivers industry chain, thus promoting the benign development of the industry. We owe what we have achieved today to our responsible, high-quality development. Currently, we have developed into an industry leader in global high-end optical transceivers with a global technology research and development system and a multinational sales network, and will continue to provide customers with better products and solutions.

In 2021, Zhongji InnoLight insisted on its corporate vision of "Innovation lights our future". As one of the world's major optical transceivers providers, we have obvious competitive advantages in high-speed optical transceivers products and have

gained considerable recognition in the commercial deployment of international 400G optical transceivers and the promotion of 800G optical transceivers technology standards. In 2022, the Company will continue to strengthen technological innovation, enhance the synergy development of supply chain channels and further optimize the industrial layout, so as to meet the technological requirements as the time goes by.

In 2021, adhering to the mission of "Innovate optoelectronics products, embrace infotelligence era", Zhongji InnoLight carried out in-depth cooperation with various parties. With the advantage of the cooperation platforms such as the InnoLight Innovation Center of the Industrial Technology Research Institute and the Optical Communication Industry Alliance, the Company strived to promote the innovative development of the optoelectronic information industry chain and accelerate the industrial agglomeration. It has always been our corporate purpose to share the industrial development dividends and benefit the society. As for environment protection, employees' benefits, shareholders' return, community welfare and donations, we, as a responsible company, insist on maintaining the community with a shared future and giving back to the society.

Zhongji InnoLight has fulfilled its social responsibilities during its development. We promote continuous innovation, ensure quality while pursuing speed, keep prudent to seek truth and improve team cohesion for a common faith. For this purpose, our sincere gratitude is hereby extended to all our employees for their dedication in 2021. Looking forward to 2022, in spite of new challenges, we will remain industry-sensitive to improve our innovation capability, and strengthen our connection and cooperation with customers, partners and industries, as to achieve two-way choice and win-win situation in the rapid evolution of the industry. In the future, Zhongji InnoLight will maintain its long-term, stable growth by making responsible reforms, advancing innovation and changing life with technology.

Stakeholder Engagement

Stakeholders	Expectations and Demands	Communication Channels and Measures
 Governments and Regulators	<ul style="list-style-type: none"> • Compliance • Tax payment by laws • Innovative development 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Cooperate with regulators for verification • Improve management system • Enhance core technologies
 Investors	<ul style="list-style-type: none"> • Transparent information disclosure • Asset preservation and appreciation • Steady growth of performance 	<ul style="list-style-type: none"> • General meetings • Regular information disclosure • Investor communication platform • Performance briefing • Online meetings • Investment strategy sessions • Open day for investors • Reasonable shareholder returns
 Suppliers and Partners	<ul style="list-style-type: none"> • Joint development • Transparent procurement • Quality products and services • Convenient sales platforms and channels 	<ul style="list-style-type: none"> • Enhance product safety and environmental performance • Provide quality products and services • Strengthen strategic cooperation among enterprises • Strengthen supply chain management • Join industry alliance
 Employees	<ul style="list-style-type: none"> • Protect employees' rights and interests • Reasonable remuneration package • Occupational training and development opportunities • Quality benefits package • Humanistic care 	<ul style="list-style-type: none"> • Compliance with relevant laws and regulations • Establish employee complaint handling process • Improve the compensation incentive policy • Occupational health and safety education • Enrich employees' spare time activities
 Community and the Public	<ul style="list-style-type: none"> • Rural revitalization • Social welfare 	<ul style="list-style-type: none"> • Establish foundation • Appoint river chiefs • Carry out volunteer activities

About Zhongji InnoLight

Company Profile

Zhongji InnoLight Co., Ltd. (SZ: 300308), as an industry-leading high-speed optical transceivers solution provider, is a technology innovation-based company integrating R&D, design, packaging, testing and sales of high-end optical communication transceiver modules. The Company provides cloud data center customers with 800G, 400G, 200G and 100G high-speed optical transceivers, and telecommunication customers with high-end integrated solutions such as 5G front-haul, mid-haul and back-haul optical transceivers and transmission optical transceivers for Metropolitan Area Networks, Backbone Networks and Core Networks.

In recent years, Zhongji InnoLight has maintained solid revenue performance and excellent capital operation ability. We integrated industrial resources by leveraging on the platform advantage of a listed company to continuously strengthen our investment in the whole chain of the optoelectronic industry. We have been awarded many honors including National High-tech Enterprise, National Enterprise Technical Center and First Prize of National Science and Technology Progress Award. The Company is constantly adjusting and transforming in innovation services, and regards high customer satisfaction, developing strategic partners and working together for win-win cooperation as a new concept of customer service and cooperative development in the future. We look forward to working with you in the new journey to create a bright future.



Global Operations

Corporate Culture



Innovation lights our future



Innovate optoelectronics products
Embrace in fotelligence era



Innovation

- Technological Innovation- The Key to Winning
- Method Innovation – The Guarantee to Efficiency

Quality

- Success or Failure Depends on the Details
- The Endless Pursuits of Quality

Speed

- Quick Response to Market Changes
- Active Cooperation with Department Needs

Teamwork

- Teamwork-The Key to Success

Our History

In 2005

- Longkou Zhongji Electrical Machinery Co., Ltd., the predecessor of Zhongji InnoLight Co., Ltd., was founded.

In 2010

- The Company was restructured and named as Shandong Zhongji Electrical Equipment Co., Ltd. as a whole.

In 2012

- Shandong Zhongji Electrical Equipment Co., Ltd.** was listed on the Shenzhen Stock Exchange.

In 2008

- InnoLight Technology (Suzhou) Ltd.** was established in Suzhou Industrial Park.

In 2012

- The Company launched the industry-leading 40G QSFP+ SR4/IR4/LR4 series products.

In 2016

- The Company launched and unveiled 100G QSFP28 LR4-Lite/ ER4-Lite/ CWDM4/ AOC breakout products, representing InnoLight Technology became a company owning the most complete 100G series of products in the industry.

To be continued

In 2021

- The Company launched 100G QSFP-DD, 400G QSFP-DD ZR/OpenZR+ and 400G LH CFP2 DCO coherent optical transceivers products, providing customers with the coherent solutions with the industry's smallest package and highest rate in China.
- The Company established Chengdu InnoLight, a R&D-focused holding subsidiary, to increase technology investment in the domestic market.
- To focus on the development of optical communication-related business, the Company transferred its 100% equity interests in Zhongji Intelligence, its wholly-owned subsidiary, to Zhongji Holdings.
- Raised RMB2.699 billion through private placement mainly for 800G, 400G and 200G high-end optical transceivers capacity and the construction of the optoelectronic industrial park and R&D center.

In 2020

- The Company acquired Tsuhan Science & Technology, developing a comprehensive development pattern of "Data Communication + 5G + Access Network".
- The Company launched 50G/200G products for mid-and back-haul in 5G as well as 100G/200G/400G CFP2 DCO series coherent optical transceivers products.
- InnoLight Technology, the wholly-owned subsidiary of the Company, was recognized as "National Enterprise Technology Center".
- The Company launched the industry's first 800G pluggable OSFP and QSFP-DD800 optical transceivers.
- Zhongji InnoLight ranked No. 2 in global revenue from optical transceivers according to Lightcounting's annual report.

In 2019

- The Company launched 400G QSFP-DD (SiPh) DR4 and 200G Coherent CFP DCO products, demonstrating its design and manufacturing capabilities in silicon optical transceivers and long-haul transmission coherent modules.
- The project of Tongling InnoLight, the wholly-owned sub-subsidiary of Zhongji InnoLight, was put into operation, which further increased the Company's production capacity.

In 2017

- Zhongji Equipment and InnoLight Technology completed major asset reorganization, after which the Company's stock abbreviation was **Zhongji InnoLight** with a stock code of **300308**.

In 2018

- The Company introduced the industry's first 400G QSFP-DD FR4 at OFC.

Honors in 2021



Recognized as "National Enterprise Technical Center"

Won the first prize of "2020 National Science and Technology Progress Award"

Listed as one of the "Top 100 Enterprises for Electronic Information Competitiveness in 2021"



Listed as one of the "Top 50 Most Innovative Companies in China" by Forbes in 2021

Listed as one of the "Best Listed Company" by New Fortune in 2021

Awarded the Silver Award of "China International Optoelectronic Exposition" in 2021



Awarded the "Most Competitive Product of Optical Communication in 2021"

Awarded the Excellence Performance Award for Enterprise's Water Safety in 2021

Awarded the Excellent Enterprise for Labor Relations of Jiangsu Province in 2021



Ranked 8th in the list of "Top 100 Innovative Enterprises of Jiangsu Province in 2021"

Listed as one of the Top 100 Innovative Enterprises of Jiangsu Province in 2021

Listed as one of the Top 200 Private Enterprises of Jiangsu Province in 2021

Listed as one of the Top 100 Manufacturing Private Enterprises of Jiangsu Province in 2021

Shareholders

Sound
Governance

SHAREHOLDER

01



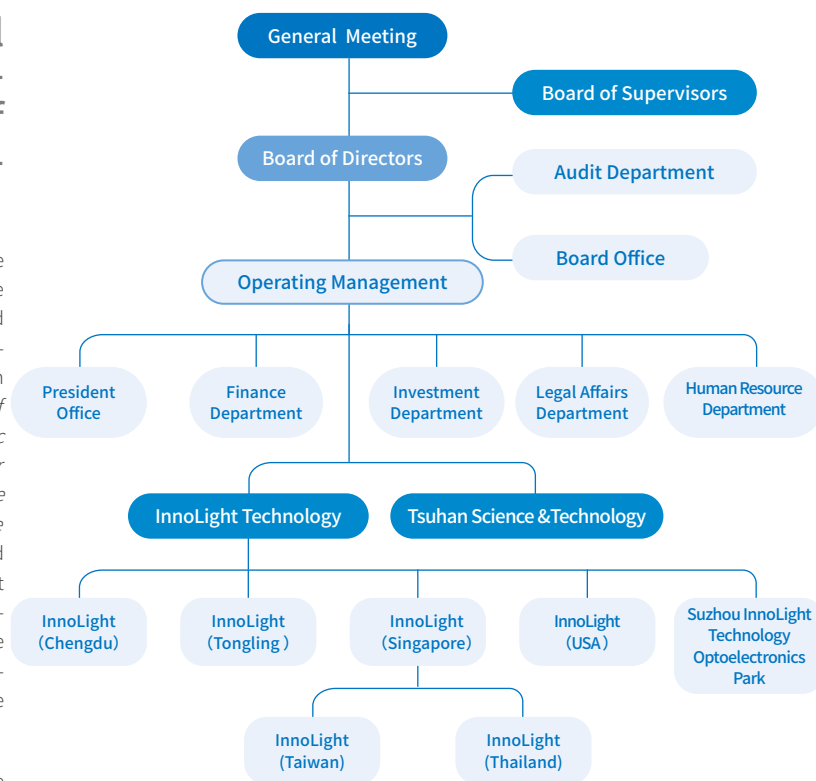
Operation of the General Meeting, the Board of Directors and the Board of Supervisors, and Information Disclosure

Zhongji InnoLight further improved its corporate governance structure by developing a scientific and effective division of responsibilities and working mechanism through standardizing the operation of the general meeting, the board of directors and the board of supervisors, in a bid to strengthen information disclosure.

Operation of the General Meeting, the Board of Directors and the Board of Supervisors, and Information Disclosure

The Company has established and improved the governance structure of the general meeting, the board of directors, the board of supervisors and the management in strict accordance with the requirements of relevant laws and regulations, such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* and the *Rules Governing the Listing of Shares on the ChiNext Market of the Shenzhen Stock Exchange*, with clearly defined powers and responsibilities for each department to perform their own duties subject to mutual constraints, so as to enhance corporate governance and effectively protect the orderly operation of corporate governance and the equal and legitimate rights and interests of all stakeholders.

During the reporting period, the Company made two amendments to its *Articles of Association* based on its actual situation and in accordance with the provisions of relevant laws, administrative regulations and regulatory documents, such as the *Company Law*, the *Guidelines on the Articles of Association of Listed Companies* and the *Rules Governing the Listing of Shares on the ChiNext Market of the Shenzhen Stock Exchange*, to promote the standardized operation of the Company.



Company Organization Structure

In 2021

The Company had

9 directors

including

4 independent directors

The Company held

4 general meetings

considering

27 resolutions

The Company held

13 meetings of board of directors

considering

64 resolutions

The Company held

12 meetings of board of supervisors

considering

56 resolutions



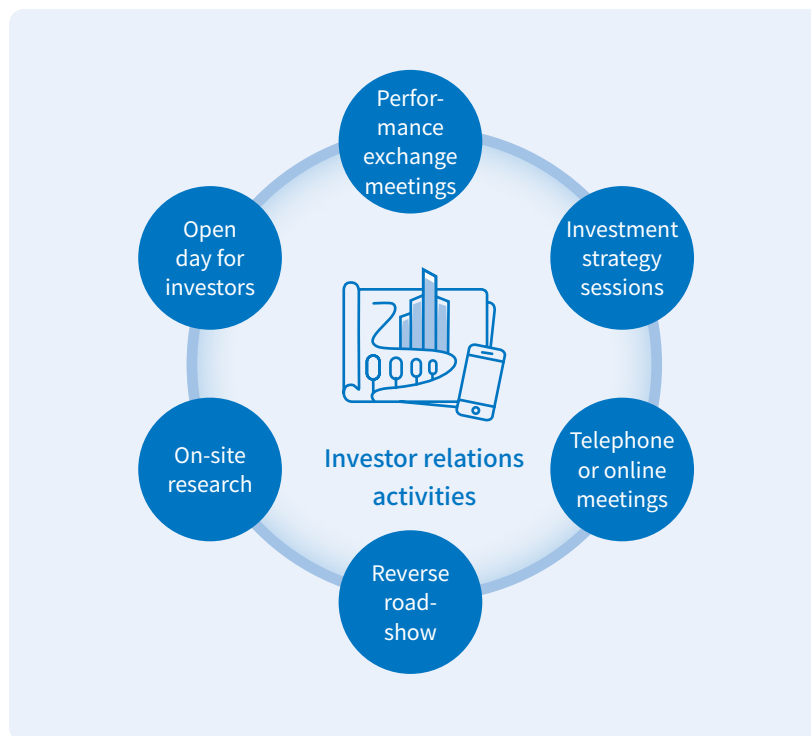
Information Disclosure

The Company has fulfilled its information disclosure obligations and standardized the completion of information disclosure in strict accordance with the *Measures for the Administration of Information Disclosure of Listed Companies*, the *Rules Governing the Listing of Shares on Shenzhen Stock Exchange* and other relevant requirements, so as to ensure the truthfulness, accuracy, punctuality, completeness and fairness of information disclosed to shareholders and investors, and continuously improve the quality of information disclosure. In 2021, the Company has been granted A-level rating for information disclosure by the Shenzhen Stock Exchange for four consecutive years.

Investor Relations Management

Investor Relations

Zhongji InnoLight attaches great importance to communication with investors and is committed to establishing long-term and stable relationships with them. The Company has innovated in communication and feedback channels and established an investor contact station consisting of our official website, investor.org.cn, CSI Shandong Mediation Station and Shandong Supervision Bureau of China Securities Regulatory Commission. We have also strengthened interaction with investors by holding performance exchange meetings, open day for investors as well as participating in investment strategy sessions, telephone or online meetings and receiving investors for on-site research, etc. to convey our values to investors and promote investors' understanding and recognition of the Company.



Investor relations activities

In 2021

The Company disclosed

4 periodic reports

282

ad hoc announcements



In 2021

The Company held investor relations activities through various ways and means, and released

6 records of investor relations activities.





Case

The Company Held the 2020 and 2021Q1 Performance Exchange Meeting

In April 2021, the Company held the 2020 and 2021Q1 Zhongji InnoLight performance exchange meeting, where more than 20 investors and representatives of communication industry researchers were invited. Wang Jun, Vice President and Secretary of the Board of Directors of Zhongji InnoLight, gave an overview and explanation of the operation and performance, and communicated directly with the investors on the industry demands and development trend. Through the performance exchange meeting, on-site investors had a more intuitive understanding of the Company's products and business processes, and gained a profound understanding of the Company.



2020 and 2021Q1 Zhongji InnoLight performance exchange meeting



Case

The Company Participated in the 2020 Performance Briefings of Listed Companies Focused on "Creativity, Innovation, and Originality; and New Technologies, New Industries, New Businesses, and New Models"

In May 2021, Shenzhen Stock Exchange held the 2020 performance briefings of listed companies focused on "creativity, innovation, and originality; and new technologies, new industries, new businesses, and new models", where five listed companies, including Zhongji InnoLight, were invited. Mr. Liu Sheng, Director and President of the Company, Wang Jun, Vice President and Secretary of the Board of Directors, and Wang Xiaoli, Vice President and Chief Financial Officer, conducted in-depth communications with investors and media representatives at the meeting. Through the performance briefings, the Company took the initiative to contact and listen to the demands of investors. In the future, the Company will uphold the sincerity of respecting investors, deliver the latest corporate news to investors in a timely manner, and maintain a positive interaction with investors.



2020 performance briefings of listed companies focused on "creativity, innovation, and originality; and new technologies, new industries, new businesses, and new models"



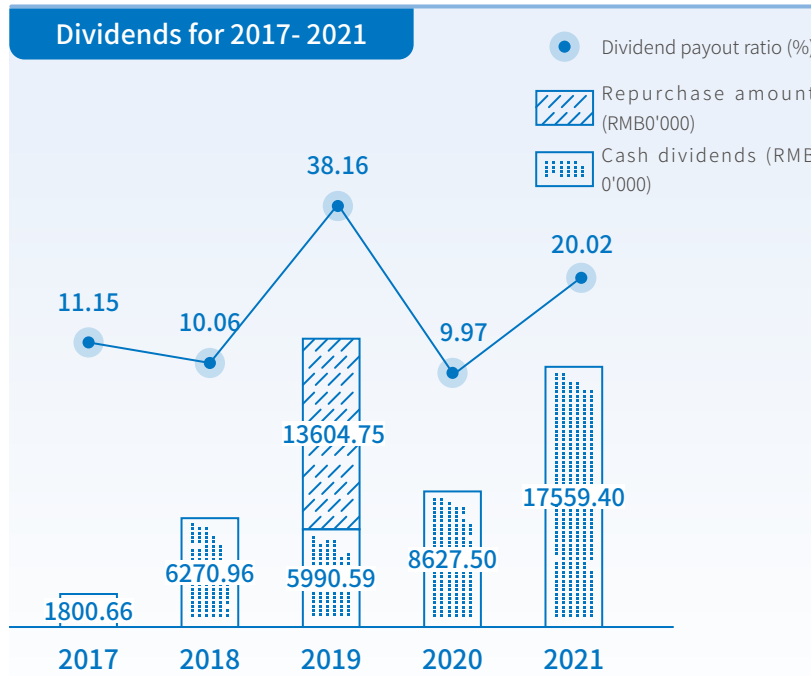
Case

The Company Participated in the 2021 Online Reception Day for Investors of Listed Companies in Shandong Province

In November 2021, to further strengthen the communication and interaction with investors, Zhongji InnoLight participated in the 2021 Online Reception Day for Investors of Listed Companies in Shandong Province jointly organized by Shandong Supervision Bureau of China Securities Regulatory Commission and Shandong Listed Company Association and hosted by Shenzhen Quanjing Network Co., Ltd. Wang Jun, Vice President and Secretary of the Board of Directors, and Wang Shaohua, the securities representative, communicated with investors on corporate governance, operation status, development strategy and other issues of concern to investors through online text communication. Through the benign, two-way communication with investors, investors can gain a comprehensive and objective understanding of the Company's operation. Meanwhile, the Company can listen to investors' suggestions on its development during the zero-distance communication with investors, which is conducive to further improve the corporate governance.

Investor Return

Zhongji InnoLight attaches importance to the reasonable investment return to investors in profit distribution and takes into account the sustainable development of the Company. Based on the comprehensive analysis of the actual operating and development situation, shareholders' requirements and willingness, social capital cost, external financing environment and other factors, the Company has established a sustainable, stable and scientific return mechanism for investors, and specified it in the *Articles of Association* and other institutional documents to effectively protect shareholders' rights and interests.



Note: The data of 2021 should be subject to the final implementation of the distribution plan approved by the Company's general meetings of shareholders.

From 2017 to 2021, the Company has distributed profits of

539 million
RMB

(including repurchase amounts through centralized bidding)

136 million
RMB



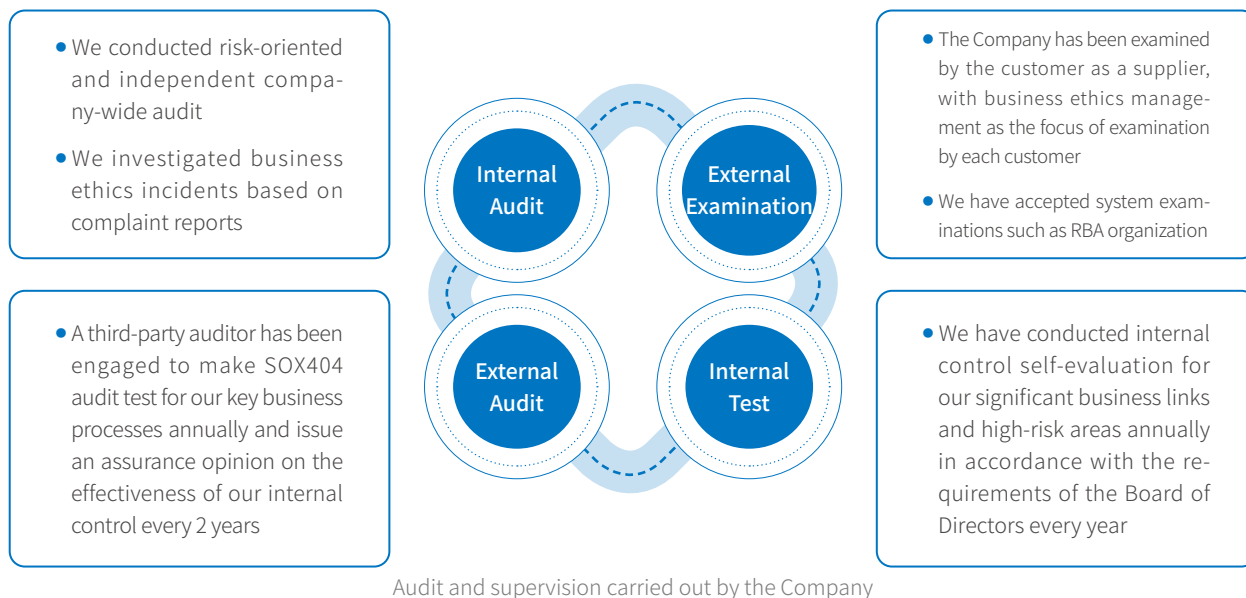
Internal Control and Risk Management

Zhongji InnoLight constantly improved its internal control and risk management system. We established a complete and compliant internal control system and effectively performed the function of internal control and risk management, which realized the prevention and disposal of risks for all its businesses.

Internal Control and Audit

Zhongji InnoLight has established the *Internal Control System* and *Internal Audit System*. The Audit Department was set up under the Audit Committee to independently and objectively exercise the internal control and audit supervision functions within the Company. The Company has reasonably monitored and checked possible corruption and bribery in its internal audit, and effectively controlled key risk areas and positions by browsing reporting information every week and evaluating and investigating them on case-by-case basis, so as to control the risks.

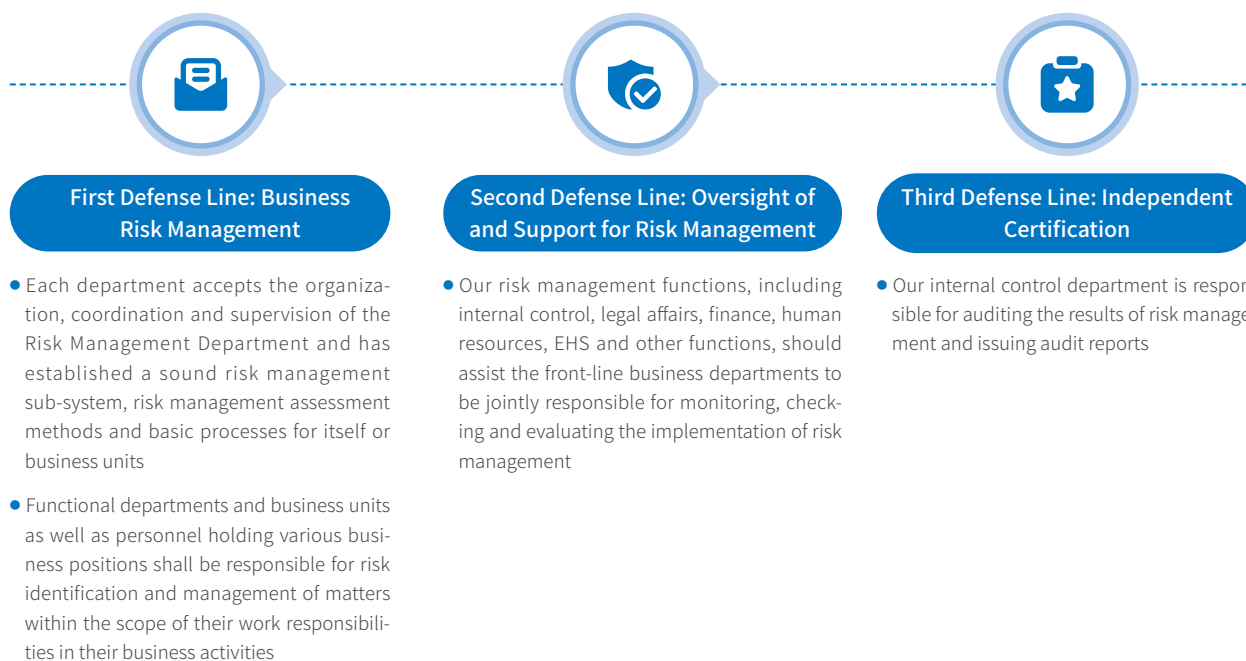
During the reporting period, the Company detected no material or significant internal control deficiencies in its internal control audits.



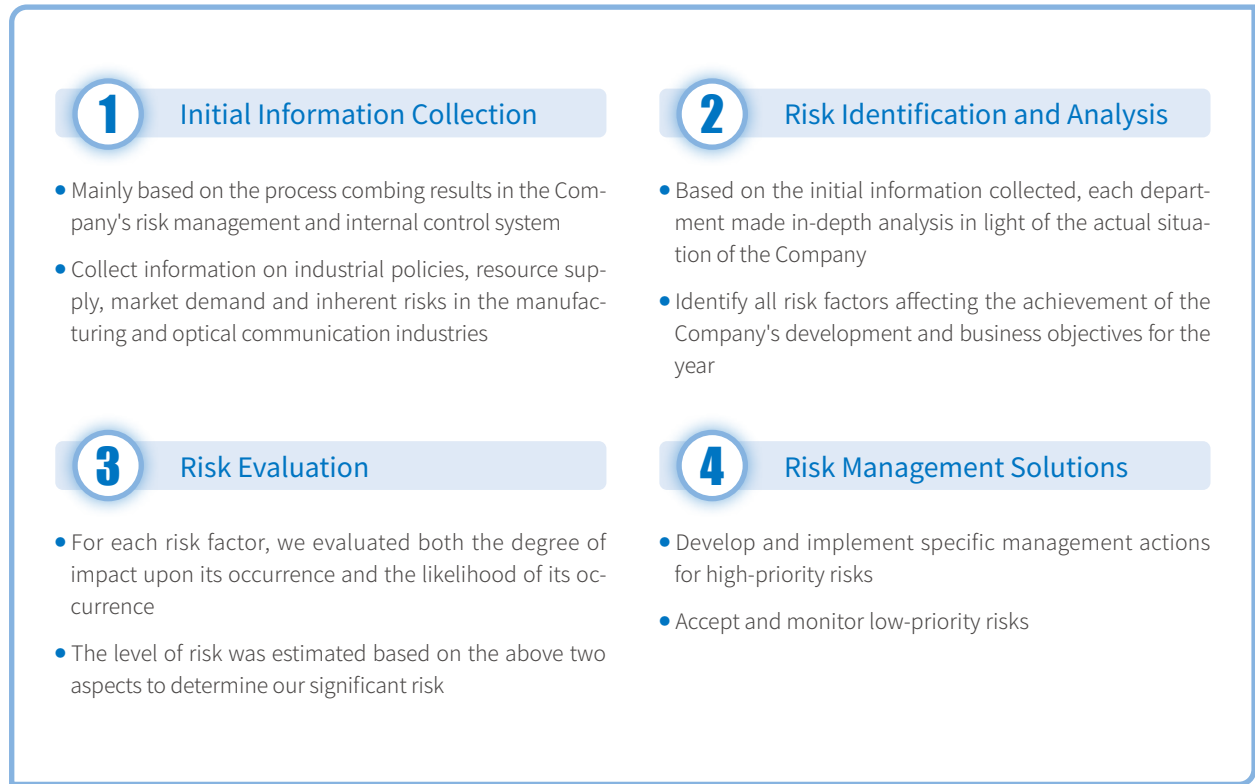
The Company has established a complete complaint reporting channels and clear complaint acceptance and investigation procedures to deal with the issues reflected internally and externally. All the complaints during the reporting period have been handled and followed up, and no complaint has been received on behaviors that have caused significant impact or harm.

Risk Management

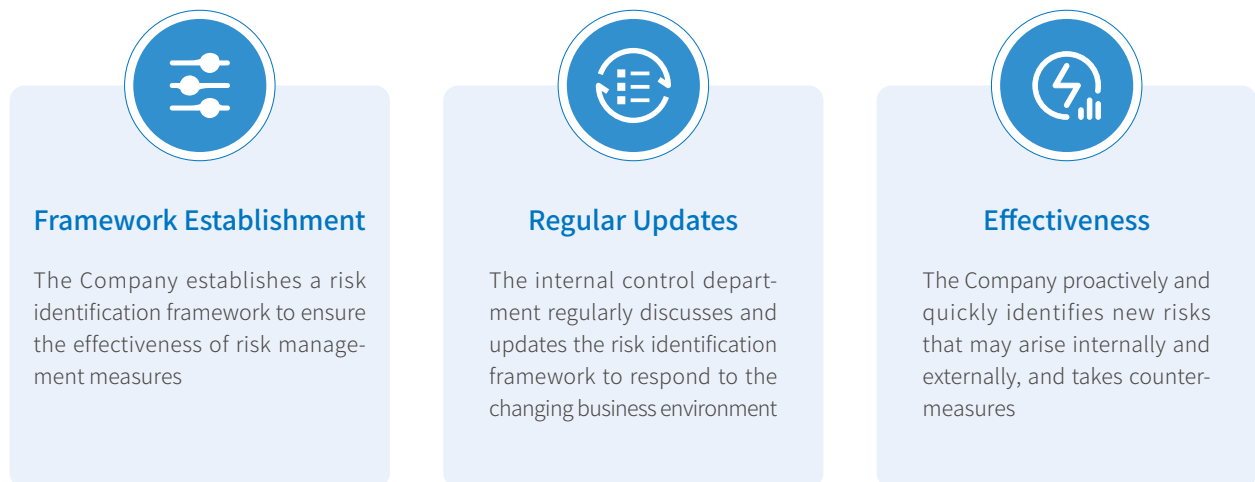
Zhongji InnoLight has continuously strengthened its risk management by establishing the "three defense lines" risk management structure, proactively carrying out risk assessment and continuous risk monitoring to improve its risk control capability and protect the legitimate rights and interests of investors. The Company has reviewed and evaluated the various risks identified and promoted corresponding response strategies, achieving effective risk control. No high-risk matters were identified during the reporting period.



Our "three defense lines" risk management structure



Process of risk assessment of the Company



Risk warning mechanism of the Company

Anti-corruption

Zhongji InnoLight has promoted the *Integrity and Self-discipline Code*, which clarifies the principles and requirements of managing corruption and bribery risks in the system, encourages employees and partners to maintain self-discipline while strengthening the supervision of violations, and creates a compliance culture of integrity and self-discipline. The Company has proactively carried out integrity self-examination and strived to create a transparent, honest and healthy internal environment for corporate development.

Supplier Integrity Management

Zhongji InnoLight has entered into the *Supplier Honesty and Integrity Agreement* with its suppliers and strictly abided by the honesty and integrity requirements of its partners. The Company will inform and remind the partners on the eve of important holidays and upon the updates of important systems.

Employee Integrity Management

Zhongji InnoLight has promoted the *Employee Handbook*, the *Employee Complaint and Report Handling Process*, the *Gift Giving Management System* and the *Business Ethics Guidelines*, and has trained all employees on business ethics, honesty and integrity education and anti-fraud compliance, which demonstrated the Company's attitude and strict requirements for employees' integrity and self-discipline from the system level to the operation standardization level.

Define Clear Power and Responsibility to Regulate Decision-making

- Establish a whistleblower protection system
- Clarify the criteria for business transaction expenses in the financial management system and review and control the reasonableness and compliance of the expenses when they are actually incurred
- Take honesty and integrity as the basic code of conduct for employees

Channel Initiatives

- Set up a dedicated corruption and bribery reporting hotline
- Sign the *Integrity and Self-discipline Declaration* with employees

Publicity Training

- Develop regular training courses and mandatory courses in our executive training series on honesty and integrity, anti-fraud and compliance
- Conduct training on commercial bribery and anti-fraud in employee orientation and special trainings

Our integrity management on employees



Integrity training provided by the Company to employees



Business ethics training provided by the Company to management-level employees



Integrity and corruption crimes prevention training conducted by the Company

感谢您对旭创科技的一贯支持，在新年佳节到来之际，向您表示新年的问候和节日的祝福！

Thank you for your constant support for InnoLight. As the New Year approach, InnoLight would like to extend festive greetings to you.

同时，提醒您恪守贵公司签署的《供应商诚信廉洁合作协议》，尤其注意：

Also, we would like to remind you to comply with the 'InnoLight's Supplier Honesty and Integrity Agreement' signed by your company, especially the following terms:

1. 不以任何形式向旭创员工及其家属馈赠礼金、购物卡、娱乐票务、会员卡、贵重礼品等赠礼。

Do not offer cash, gift vouchers, entertainment tickets, membership cards, expensive gifts, or any other valuables to InnoLight employees or their relatives.

2. 不组织旭创员工及其家属参加旅游、高消费娱乐、景区开会等活动。

On the eve of Chinese New Year, the Company reminded employees to maintain integrity and self-discipline by email



Integrity training and orientation provided by the Company to middle-level management and key personnel

Intellectual Property Management

Zhongji InnoLight attaches great importance to the protection of intellectual property rights. We strictly complied with the requirements of the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China* and other laws and regulations to strengthen the protection of intellectual property rights while increasing innovation, safeguard the legitimate rights and interests of the Company, and respect the intellectual property rights outside the Company, striving to eliminate unfair competition and promote fair competition.

During the reporting period, the Company issued the *Standards on Intellectual Property Management in the Process of Procurement and Cooperative (Entrusted) Development* and passed the inspection of *Suzhou Trade Secret Protection Demonstration Point*.

As of the end of 2021, the Company owned 26 USA and PCT patents, of which a total of 24 PCT patents were filed in 2021.

As of the end of 2021, The Company's Domestic Patent Data Statistics were as follows:

	New applications for the year	Total
Number of patents	84	178
Number of trademark and word registration rights	4	94
Number of software copyrights	3	3

Note: The data covers Suzhou InnoLight and Tsuhan Science & Technology.



The Company received the "Outstanding Contribution to Intellectual Property" award from Suzhou Industrial Park Science and Technology Innovation Committee

Customers

Comprehensive
Services

02

CLIENT



Leading Trends with Professional R&D and Innovation

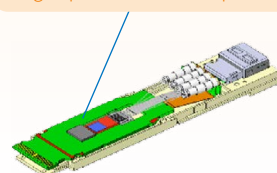
With the core values of "Technological Innovation- The Key to Winning; Method Innovation – The Guarantee to Efficiency", Zhongji InnoLight takes "innovation" as the root of development and adheres to the innovation-driven development strategy. We continuously increased the investment in R&D and technological innovation and carries out core technology research. The Company has advanced technologies such as single-mode and multi-mode parallel optical design, high-efficiency fiber coupling and precision manufacturing, and has independently developed a fully automatic and high-efficiency multi-channel test platform, making it a recognized leader in the industry for high-end optical transceivers in the data center internal interconnection and infinite interconnection markets.

The Company has constantly optimized and iterated product development, design and manufacturing technologies. We have been approved as a key high-tech enterprise under China Torch Program, the Electronic Information Industry Development Fund of the Ministry of Industry and Information Technology, and the Industrial Foundation Project, and have participated in the "National 863 Program", the Key R&D Program of the Ministry of Science and Technology, and several major provincial-level projects. We were recognized as the National Enterprise Technical Center in November 2020 and won the first prize of 2020 National Science and Technology Progress Award.

High-Speed Optoelectronic Chip Design and Integrated Packaging Technology

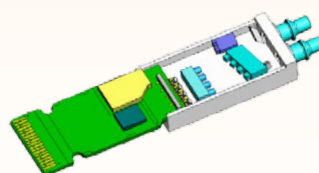
Adopt optoelectronic integrated chip and multi-channel efficient alignment technology to promote the development of high-density, high-speed optoelectronic integration technology

Hybrid packaging of high-speed silicon optical chips and high-speed electrical chips



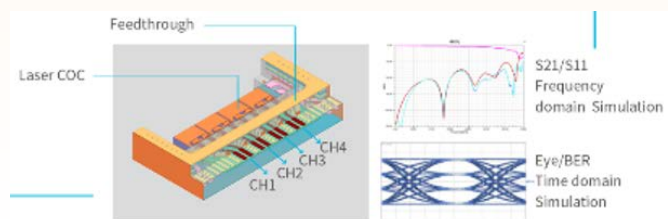
Multi-Channel Chip-on-board Module Design

Adopt COB structure and parallel optical design which guarantees high performance, low cost and high reliability



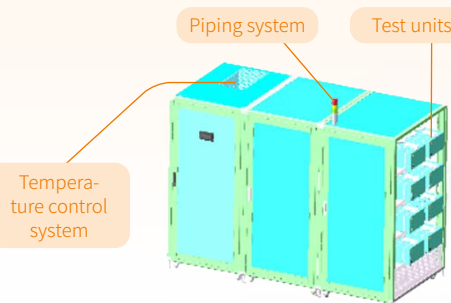
High-Speed Digital-to-analog Circuit Design

Professional high-speed link design and high-frequency test capability support the hermetically sealed and non-hermetically sealed packages of 8*100G PAM4



Self-developed Test Platform and Intelligent Production Line

Adopt optoelectronic integrated chip and multi-channel efficient alignment technology to promote the development of high-density, high-speed optoelectronic integration technology



Our four technology platforms



The Company was recognized as National Enterprise Technical Center.



InnoLight Technology won the first prize of National Science and Technology Progress Award.

Product Advantages

With advanced R&D and manufacturing capabilities as well as strong technology partnerships, Zhongji InnoLight continued to provide more competitive product solutions to the industry.



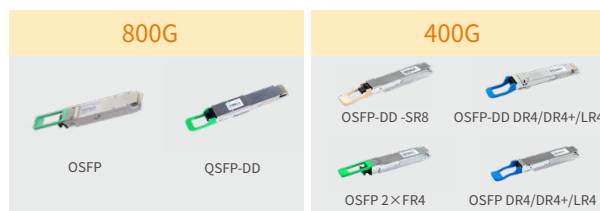
Data Center Solution

In recent years, the explosive growth of data traffic and the growing number of cloud data centers have generated massive demand for high-speed optical transceivers and accelerated product iterations and updates. The Company has proactively expanded 100G/200G/400G capacity and developed 800G products in advance to promote their introduction to the market and form a first-mover advantage, with its optical transceivers products maintaining the first echelon of the industry.



Wireless Interconnect Solution

As a mainstream supplier with a leading market share in the 5G front-haul sector, the Company has achieved a technological breakthrough in 50G/200G products required for mid-haul and has gradually delivered the products in volume, providing a comprehensive and optimized solution of 25G, 50G, 100G, 200G and 400G front-haul, mid-haul and back-haul optical transceivers for the 5G market. The Company has developed the whole chain of optical transceivers products in the telecommunication market to provide customers with comprehensive solutions.





Coherent Transmission Solution

The rapid advancement of "new infrastructure" and the explosive traffic growth of data centers are inseparable from the high-capacity, high-speed and long-distance network communication conditions. Coherent optical communication technology stands out with its advantages of high speed, dispersion compensation, PMD compensation, high sensitivity and long distance, and has rapidly become the new focus of next generation network technology. The Company has been able to provide 100G, 200G and 400G coherent optical solutions with packaging methods supporting CFP, CFP2, OSFP and QSFP-DD, modules supporting 400GZR CFEC, 100G, 200G, 400G OpenZR+ and OpenRoadm and super strong SDFEC algorithms based on probabilistic shaping.



Fiber to the Home Solution

With a full range of ONU and OLT series optical components and optical transceivers, the Company has built a complete optoelectronic device industry chain from chip packaging, optoelectronic device components to optoelectronic modules, including Triplexer&RF ONU, 10G EPON, XGSPON and Comobo PON which have been widely welcomed by domestic and overseas customers.

TO-CAN Solution



PON Solution



OSA Solution





Case

400G ZR QSFP-DD DCO Optical Transceivers Project

InnoLight Technology promotes product upgrade by taking advantage of technology to meet different customer needs. The 400G ZR QSFP-DD DCO module developed by the Company is a high-end optical transceivers product in high-speed optical communication industry and adopts miniaturized, low-power, high-bandwidth and high-performance DSP, COSA, ITLA and other components, which can realize coherent transmission of 400G single carrier in C-band 96-wave tunable and achieve up to 120km point-to-point coherent transmission while meeting OSNR sensitivity and ultimate error correction rate based on high performance optical components and optoelectronic chips.

Our 400G ZR QSFP-DD DCO adopts the industry's smallest Inno ITLA design and has achieved several domestic firsts, including: the first 400G coherent transmission solution with the smallest package size and highest speed in China, the first 400G coherent product to market with 7nm coherent DSP, the first 400G transceiver integrated COSA optical chip using silicon optical technology, and the first IPowerDWM coherent transmission solution in China.

The single carrier 400G ZR QSFP-DD DCO products have been verified and used by several customers, especially in IPowerDWM applications, InnoLight has cooperated with several vendors in completing IPowerDWM transmission experiments, which helps reduce network complexity of data center interconnection, increase the reliability of transmission system and reduce system power consumption and cost.



400G ZR QSFP-DD DCO
optical transceivers



400G ZR and Open ZR+ series coherent optical transceivers were awarded the 2021 Most Influential Product (Coherent optical transceivers) Award by Cordacord Industry Research Center



Single carrier 400G ZR QSFP-DD DCO coherent optical transceivers was awarded the "Silver Award of China International Optoelectronic Exposition"



Case

800G High-speed Optical Optical Transceivers Project

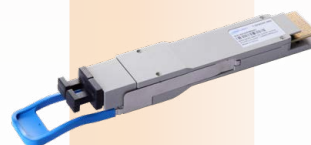
The 800G optical transceivers self-developed by InnoLight Technology belongs to the high-speed optical communication sector, which is mainly used in 800G Ethernet and data centers and can be used in artificial intelligence and high-performance computing. The 800G optical transceivers include OSFP and QSFP-DD packaging modules and 4x100Gx2 and 8x100G architectures, and have been equipped with COP design scheme. This product series have complied with IEEE802.3ck, 800G MSA standard and supported CMIS management interface, achieving miniaturization, low power consumption and high cost performance. More than ten technical patents have been filed and registered during the product design and development process.

InnoLight Technology introduced the industry's first 800G pluggable OSFP and QSFP-DD800 optical transceivers at ECOC2020, and demonstrated the 800G pluggable OSFP 2xFR4 and QSFP-DD800DR8+ silicon optical transceivers live at OFC 2022, further improving the product performance by optimizing the self-designed silicon optical chip, chip packaging process and module manufacturing process. Currently, the products have been sample tested in key clients with good test results and small batch delivery. The attention and recognition from top global customers further establishes our leading position in the industry. The Company will continue to innovate, respond to market demand in a timely manner and launch optical transceivers solutions to meet customer needs, so as to strongly support the construction and upgrade of data center network.

800G OSFP DR8



800G OSFP LR8

800G QSFP-DD
2XFR4

InnoLight Technology Research Institute

To enhance the exploration and control of cutting-edge technologies, Zhongji InnoLight has set up the InnoLight Research Institute to bring in overseas high-end technical talents to explore optical communication and other segments of the optoelectronic industry chain. The institute works closely with the Company's product development team internally, and also cooperates extensively and deeply with experts, scholars and research institutes in academia and industry to demonstrate and promote innovative applications in optical interconnection, optical communication and other related fields, so as to create new market opportunities to fuel the growth of the Company.

Following the development trend of optical communications and InnoLight's future product roadmap with the mission to enhance InnoLight's future core competence, and catering to the market demands of the information optoelectronics field including optical interconnects in data centers, 5G wireless communications, next generation optical communication networks, intelligent sensing, etc., the Technology Research Institute will focus on new optoelectronic chip technologies and advanced 3D packaging to carry out research on new materials, new processes, new devices and new technical platforms that are essential for super-high-speed, super-high-bandwidth, super-low-power, super-compact, and super-reliable (5S) optical communication modules and systems in the future. In addition, InnoLight Technology Research Institute also pays attentions to new technology fields such as optical computing, LIDAR, and biosensing.



High-end Manufacturing for Efficient Production

Global Production Bases

Currently, Zhongji InnoLight has established production or R&D bases in Suzhou, Tongling, Chengdu, Taiwan and Thailand, with its production scale and supply capacity among the top in the industry. With the increasing ability to undertake large orders, our scale advantage has been gradually highlighted.



Large Order Receiving Capacity Increased



Production Cost Reduction



Procurement Cost Reduction

Scale advantage



InnoLight Technology (Suzhou) Ltd.



Taiwan Branch of InnoLight Technology Pte. Limited



Chengdu Tsuhan Science & Technology Co., Ltd.



InnoLight Technology (Tongling) Ltd.



Innolight Technology (Thailand) Company Limited

Intelligent Production System

Zhongji InnoLight vigorously promoted the construction of intelligent manufacturing, and introduced MES system in the manufacturing and production process to ensure that the information collected by the production executive officers, such as personnel and material information, various processes and abnormality handling, can be accurately and completely conveyed to the production management officers, so that the production management officers can make accurate decisions. We also promoted the automation of the production process, including the automation of key processes on a single machine and the gradual replacement of manual labor by machines. The Company also encouraged the use of artificial intelligence technology to save labor and avoid human errors.

Rapid Mass Production

High Precision Facility and Equipment



Production Facilities

Optical Packaging

10,000-class constant temperature and humidity clean room

Assembly Test

100,000-class constant temperature and humidity clean room



Production Equipment

Optical Packaging

Multi-chip connection, fillet welding, laser welding, coupling equipment, etc.

Assembly Test

10G/25G/100G/200G/400G/800G assembly test



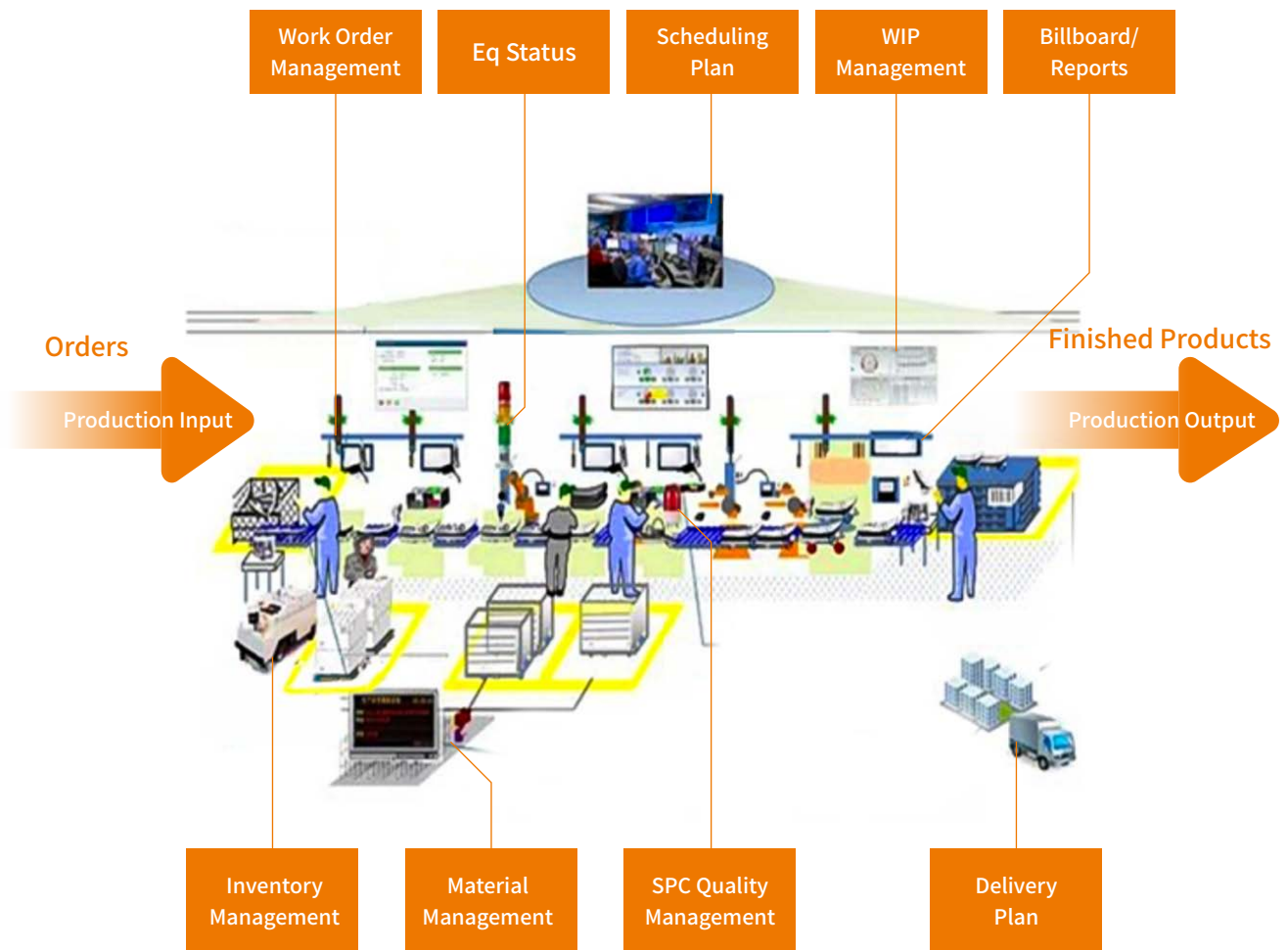
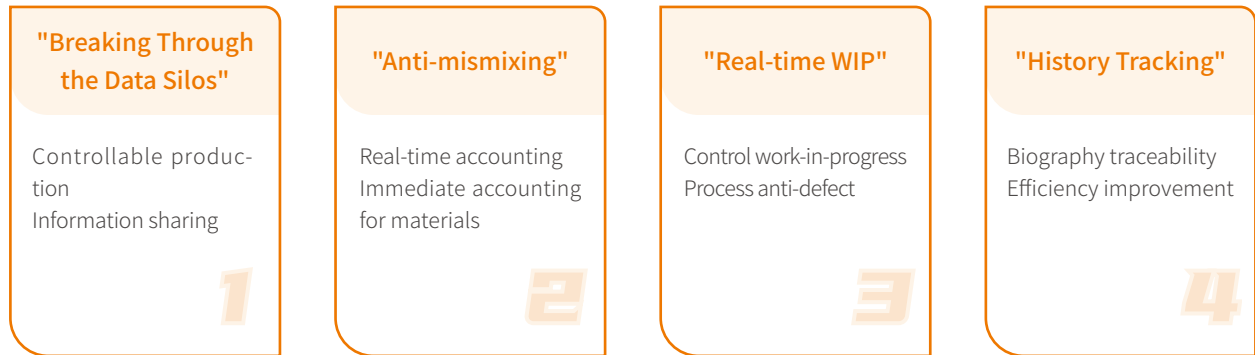
Automated Production Line

- Automate production line to reduce quality risks
- Improve production efficiency
- Overall ESD environment, 6S control



Equipment Developed by Zhongji InnoLight

- Customized automatic coupling equipment, chip/module aging equipment, visual inspection equipment, high and low temperature test equipment
- Widely used in the optical and module sector of 100G and 400G products



Our intelligent manufacturing practices in the production chain

Strict Quality Control to Produce Excellent Quality Products

Zhongji InnoLight is committed to providing customers with quality products and services, continuously consolidating quality management, ensuring stable product quality through method and process innovation, and creating excellent quality. The Company has built a R&D quality management team to effectively control the quality of products and detect hidden quality problems in advance, as to provide guarantee for product quality. The Company has also established product recall management procedures to provide customers with satisfactory products to the maximum extent and avoid damaging the legitimate rights and interests of consumers.

Multiple measures were taken in 2021 to optimize product quality. At the management level, we tried to improve the quality awareness of employees by posting quality slogans and promotional boards, organizing regular training and other campaigns; at the manufacturing level, we automated the work stations of optical transceivers screw punching, component glass patching and TO transfer to enhance the production efficiency. During the reporting period, the Company passed the annual review of quality management system (TL 9000 & ISO 9001) certification.

R&D Quality Management

- Product risk assessment based on market feedback (DFC)
- Destructive Physical Analysis (DPA)
- Product design reliability risk assessment (DFR)
- Design for manufacturability risk assessment (DFM)
- Material type determination risk assessment (DFP)

R&D quality management of the Company



The Company has passed the TL 9000 & ISO 9001 quality management system certification

Intelligent Quality Inspection

- IQC automatic measurement data collection
The measurement data is automatically collected and uploaded for SPC analysis to monitor the quality of raw materials effectively.
- FQC multi-part test platform
The test efficiency is improved and the labor costs are reduced.

Digital Quality Management System

- IQC & QC data systematization platform
Uniform visual monitoring system for the inspection data/reports from different plants.
Systematic platforms realize the informatization of process quality data (business data, data processing, data integration, report presentation and other links).
- Production yield warning system
System monitoring with early warning baseline for critical processes in the MES system preset according to different rules to ensure the stability of the production process.
- Production SPC system
SPC monitoring system for process capability of critical processes.

Typical initiatives to continuously inspect, manage and optimize the quality of products/service in 2021



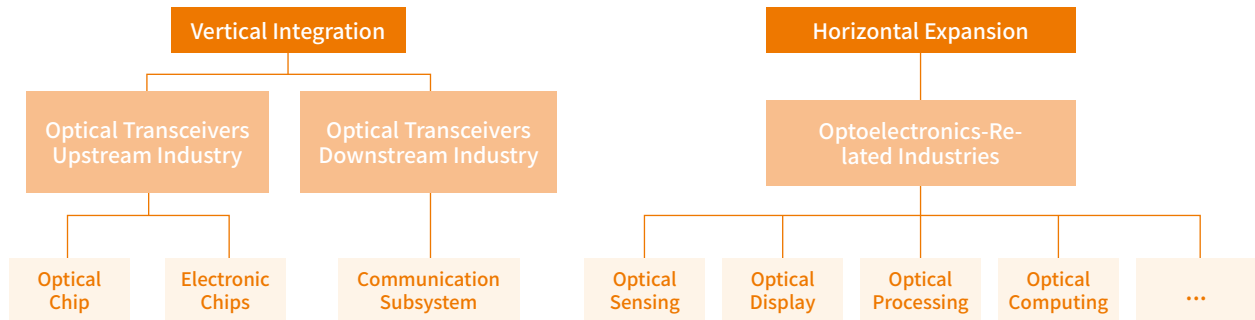
Case

The Company was awarded the Brand Recognition Certificate of "Made in Suzhou"

In 2021, the Company has passed the review conducted by the MADE IN SUZHOU International Certification Network in accordance with the Certification Qualification Requirements for MADE IN SUZHOU successfully and the Company was highly recognized in all respects, including the excellent quality, precise management, innovation development, brand leadership, social responsibilities, and intelligent production etc. With the Brand Recognition Certificate of "MADE IN SUZHOU", the Company becomes one of the innovative, high-end, service-excellent, reliable and leading brands in the market.

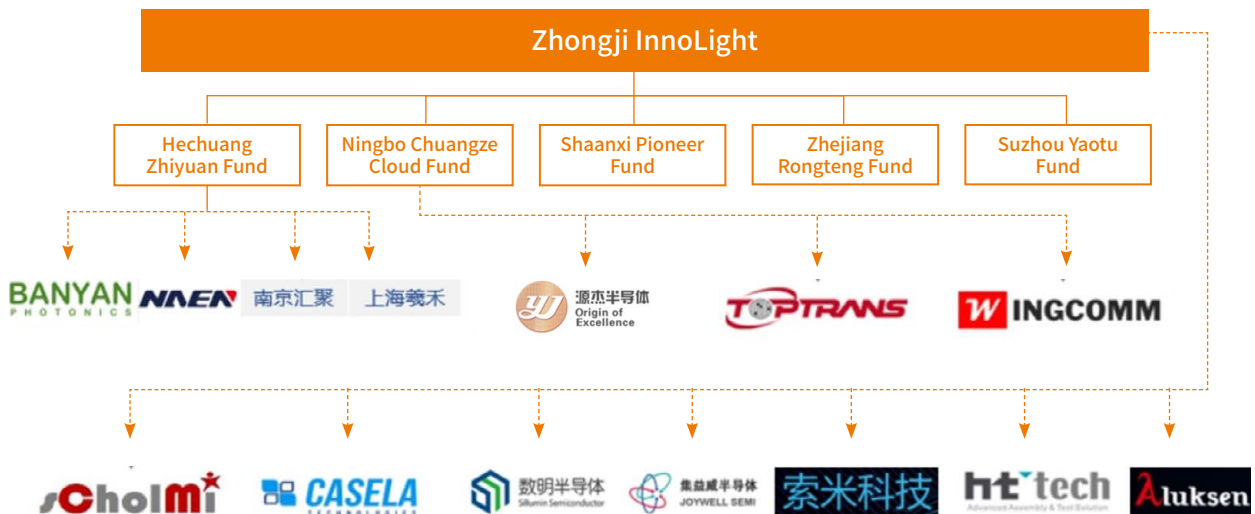
Industrial Deployment to Expand Industry Chain

During the reporting period, the industrial footprint of Zhongji InnoLight has covered data center, wireless interconnection, coherent transmission and fixed-line broadband access in the optical communication industry. In the future, we will vertically integrate the upstream and downstream industries of optical transceivers and horizontally expand the optoelectronics-related industries to build a comprehensive industrial chain in the optical communication industry through two-way exploration.



Our industrial deployment

The Company continues to focus on optical transceivers application in fields of cloud data center, wireless interconnection, coherent transmission and access network to maintain the endogenous growth of its existing businesses. Meanwhile, through direct investment or participation in several industrial funds, the Company proactively develops silicon optical, optoelectronic chips, artificial intelligence, wide bandgap semiconductors (SiC/GaN), LIDAR and other fields.



Industrial funds invested by the Company



Sectors covered by fund investments

Enhance Services to Protect the Rights and Interests of Customers

Guided by the core values of "Innovation, Speed, Preciseness and Teamwork", Zhongji InnoLight continues to consolidate its advantages and create more cost-effective solutions for its customers. At the same time, we insist on the service principle of "user first, high quality, reliability and practicality", and provide customers with after-sales services that save their efforts, rest their mind, give them peace of mind, confidence and happiness through high-standard technical ability and complete service support system. Based on the domestic and international service standards, we have established a set of complete customer support service system.

Guarantee Service Quality

Zhongji InnoLight has proactively coordinated all departments and insisted on refined technical service and system maintenance team to respond to users' requests and deal with all kinds of problems and failures in customers' system at the fastest speed, so as to guarantee the normal operation of customers' system, provide customers with comprehensive, timely and perfect after-sales services, thus eliminating customers' worries and minimizing the risk of customers' use.



Fast Response

- Take troubleshooting and guarantee of equipment operation as the first principle
- Fast response, through 7 * 8-hour hotline and email to provide remote or on-site support according to demands
- One-stop service, providing comprehensive service through establishment of project-oriented "special technical service teams" according to project requirements



System Service

- After-sales service management system, recording and monitoring customer complaints and troubleshooting to ensure traceability of the whole service process and improve after-sales service quality
- Customer satisfaction survey, contacting with customers closely to find the reasons of customer dissatisfaction to take correction and prevention comprehensively, so as to improve customer satisfaction
- Customer privacy protection, protecting users' commercial and technical information with relevant confidentiality agreement executed by and between the Company and customers to ensure customer information safety
- Global interconnection, playing the Company's leading advantage to continuously innovate and connect production, sales and research, as to provide users with overall product solutions

Provide comprehensive technical support and services to customers

Enhance Customer Satisfaction

The Company has established the *Customer Satisfaction Survey Control Procedures*, the *Customer Complaint and RMA Return Operation Procedures* and the *Corrective and Preventive Measures Control Procedures* to conduct analysis and improvement on the customer satisfaction survey.



Survey Content

- Include the degree of accurate understanding of customer demands, the internal transmission and implementation of customer demands, the daily service to customers and ultimately the achievement of commitments to customers
- Specifically including the satisfaction level for six main demands in terms of product quality, technology (including packaging, marking and delivery methods), service, delivery, price, and environmental protection (green product requirements), etc.



Analysis and Improvement

- Investigate the main reasons for customer dissatisfaction according to the analysis rules for customer satisfaction survey
- Require relevant competent departments to take corresponding corrective and preventive measures and promote their implementation according to the requirements of the *Corrective and Preventive Measures Control Procedures*
- Continuously measure actual implementation results at the customer premises

In 2021

The Company conducted mid-year and year-end customer satisfaction surveys and obtained 91.44 and 94.23 scores respectively, both exceeding

the target score of **90**



Content and procedure of customer satisfaction survey

Strengthen Supervision and Management for Information Security

The Company has promoted the *Product Production Environment Security Specification*, the *Information Security Risk Management Procedures* and the *Network Security Management Procedures* to strengthen the identification of the production environment security and the management of information security inspection, so as to ensure the compliance of our production environment with the requirements of laws and regulations and our information security policy and the standardization of our network planning and design, construction, operation and security management. In the meantime, the Company has improved employees' awareness of information security by carrying out information security publicity and training, and monthly magazine publicity. During the reporting period, the Company has passed ISO/IEC 27001 information security management system certification.



The Company promoted information security through training system



The Company promoted information security by producing monthly information security reports



Certificate of Registration

信息安全管理体系 - GB/T 22080-2016 / ISO/IEC 27001:2013

注册号: 25756918
 认证范围: 为苏州旭创科技有限公司提供IT信息系统的开发、运营服务。这符合2021年6月21日1311.006版本的适用范围。

为苏州旭创科技有限公司提供IT信息系统的开发、运营服务。这符合2021年6月21日1311.006版本的适用范围。



The Company carried out ISO 27001 information security system training

The Company passed ISO/IEC 27001 information security management system certification

A person wearing a white lab coat with a black grid pattern is working on a circuit board. The person's face is partially visible, looking down at the work. The background is a blurred laboratory or industrial setting with various equipment and cables. A large, semi-transparent purple rectangle is overlaid on the left side of the image, containing the text "Employees Growing Together" and the large number "03".

Employees

Growing
Together

PERSONNEL
03

Protect Employees' Rights and Listen to Their Voice

Employment Policy

In strict accordance with the requirements of the *Company Law*, the *Employment Contract Law* and other laws and regulations, Zhongji InnoLight protects employees to enjoy labor rights and fulfill labor obligations in accordance with the law, maintaining stable job positions and promoting full employment.



Promote the growth of both employees and the Company for win-win situation

Higher challenges, more rewards, equal opportunities and value-oriented environment

Set up job positions based on people's merits, utilize people's strengths and regard people as the key

Recruit competent people

Our employment philosophy

In 2021, according to the development stage of human resource management and combined with the requirements of internal and external policies and regulations, the Company updated and optimized human resource-related policies of the Company, which were divided into three major categories and established dozens of institutional documents.

Add the Personal Information Protection Law

- Incorporate the Personal Information Protection Law and privacy protection into the human resources policy, and into the employee training and education.

Add Personal Rights and Interests, Etc.

- Effectively protect the legitimate rights and interests of employees, and make revision and improvement for the different situations in each factory.

Update and Improve the Employee Handbook

- Revised some provisions that are inconsistent with the regulations.

HR-related policy updates in 2021



Objective-oriented

- First of all, the Company adopts a combination of KPI and OKR as performance management tools. The Company sets KPI according to the strategy, and each department then decomposes the total objective to form the KPI of the department and their employees. Employees first select the important KPI as their personal O in setting their personal OKR, to ensure that the objectives set are in line with the objective of the Company and the department, so that there will be no deviation in the direction and the problem of "what to assess and what to get" can be solved.
- Secondly, in addition to adopting existing experience or methods, employees are also encouraged to make innovative improvements and optimization. Employees can set more innovative and improvement objectives on the regular objective items in setting objectives, so that they can change from "I am required to do" to "I want to do".



Emphasis on Challenges

- It is the essence of our OKR to emphasize challenges. In terms of employment, we believe that employees' happiness comes from growing in the workplace, and the effective way to grow quickly is to step out of their comfort zone and challenge themselves. Therefore, the Company encourages employees to do more challenging things based on the actual situation. The "challenge" criterion depends on whether the objectives set are challenging to the employee's personal ability and perception, or whether they exceed the qualification standard of the employee's current position.
- Employees are not required to set too many objectives, generally 3 to 5, in submitting OKRs, but the submitted objectives should be in high-quality. Each objective is rated as "high, medium and low" according to the degree of challenge, which is used to encourage employees to challenge themselves and set difficult and higher objectives that they need to fight for. The level of challenge is differentiated, and the rating for the objective is adjusted upward or downward accordingly, and the quarter-end award distribution is also affected.



Sharing and Openness

- In the process of implementing OKR appraisal mechanism, the Company conducts reviews on a quarterly basis, not for the purpose of appraisal, but for the purpose of timely tracking the achievement of objectives and quick detection of problems. Therefore, the objective is not to appraise but to keep enough openness and sharing.
- Employees share their OKRs through the system platform, which allows everyone to identify common objective. Such "cross-group team for upgrade and fighting" can address the inherent miscommunication among departments brought by the functional system.
- Each department shall keep its quarterly review open, so that employees from other departments can attend and understand the completion of its OKRs, which not only aligns information, but also deepens mutual understanding and promotes further communication among employees.
- With the cooperation of all departments, the Human Resources Department has developed supporting measures, pursuant to which employees with better OKR completion are linked to year-end personal KPI and are eligible for promotion and salary adjustment on a priority basis; and various forms are taken to promote the use of OKR, such as opening a column called "Good People, Good O" to promote good objective projects and solutions, and promote the use of OKR as a management tool for personal work from supervisors to employees in each department to create a positive working atmosphere.



Background Knowledge

OKR stands for Objectives and Key Results, which is a set of management tools and methods to define and track objectives and their accomplishment, and is the most popular management method in current business management. OKR enables companies to clarify their development objectives and directions, and also enables everyone to understand what facts can prove that the objectives have been achieved, and make the objectives specific and quantifiable as key results, thus helping companies to develop at a high speed.



The Company was awarded the "Excellence Award in Human Resource Management in 2021"



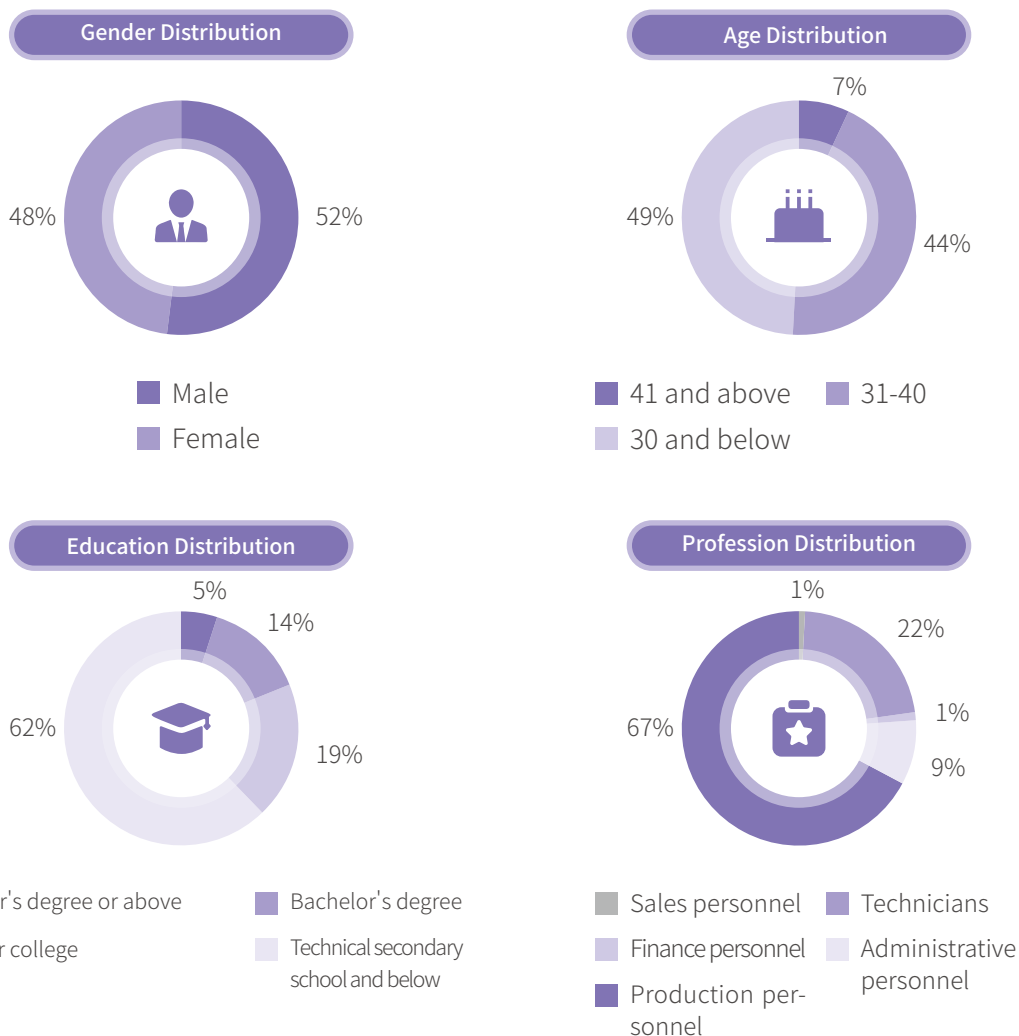
The Company was awarded the "Excellent Enterprise for Labor Relations" of Jiangsu Province in 2021



The Company was awarded the "Outstanding Employer" by 51job Greater China in 2022

Employee Composition

Based on the development requirements, Zhongji InnoLight employs qualified personnel from all aspects of society through open recruitment and selection based on the applicant's professional knowledge, experience, ability and personality. In 2021, Zhongji InnoLight had a total of 5,583 employees and Tsuhan Science & Technology employed 15 disabled employees.



Democratic Management

Zhongji InnoLight is committed to maintaining a working environment with open communication and prompt problem resolution. Employees are encouraged to raise problems, disagreements and suggestions with their immediate supervisors and the Human Resources Department. To ensure smooth complaint channels, guide internal employees to use internal complaint tools reasonably and effectively, standardize internal employees' complaints and handling, and protect the privacy of whistleblowers, the Company has promoted the *Employee Complaint Reporting Process*.

Complaint Method

- Face-to-face interview
- Tel
- E-mail
- Suggestion box
- Official WeChat account

Establish Training System to Provide the Growth Path

Zhongji InnoLight has established a complete human resource management system, a sound and perfect employee training and promotion mechanism, and a scientific and reasonable salary mechanism.

Employee Training

Zhongji InnoLight values each employee and is dedicated to provide good environment for the growth of employees, to maximize their career development and realize their personal value. The Company is always committed to creating a "practice-oriented" talent training system, and strives to achieve the win-win situation of "the growth of employees' ability" and "the development of the Company", so as to provide talent guarantee for its career development. We have stepped up the training of management, professional and skilled talents to enhance the foresight of talent training and improve the core competitiveness of talents, thus supporting our business development in various fields.

Stay close to the business and conduct valuable trainings



Our training workflow



The PDCA Circular Working Method 23



The IE7 Techniques: Human-Machine Analysis



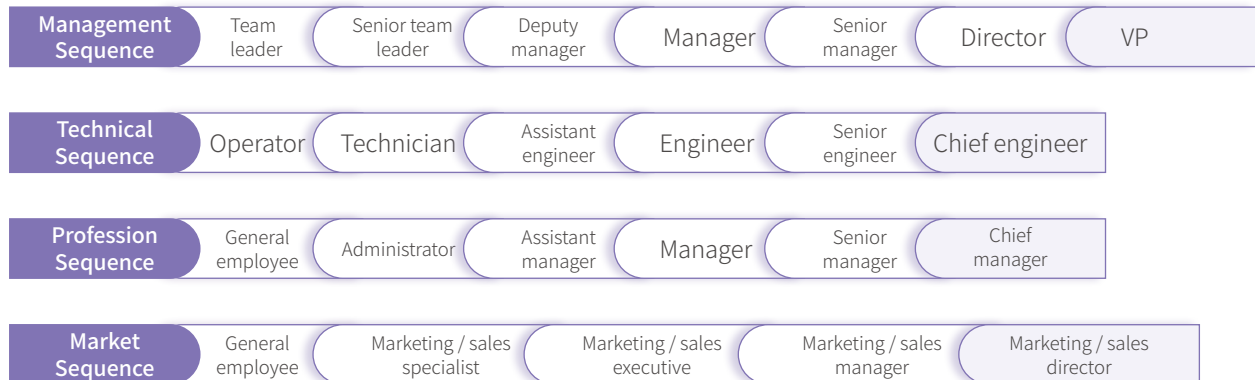
MES System Training



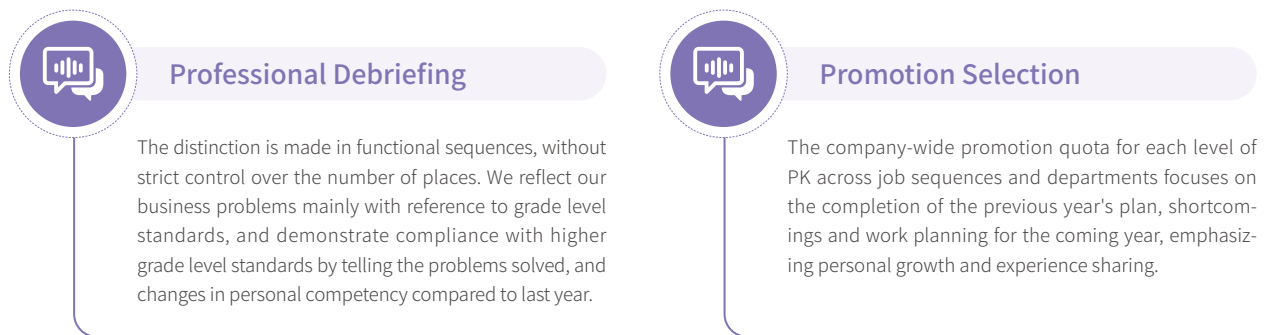
Introduction to the DL On-boarding and On-job Training Process

Promotion mechanism

Zhongji InnoLight has divided employees into four professional lines and developed a talent promotion ranking system and a promotion review workflow, creating tailor-made career development planning paths for employees.



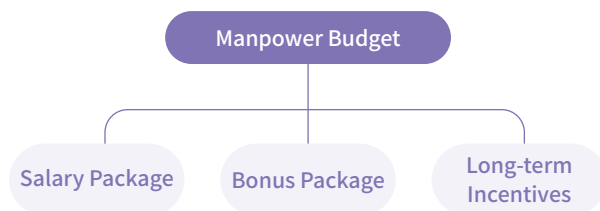
Our ranking system



Our promotion review

Compensation Incentives

According to the actual situation, Zhongji InnoLight has implemented the strategy of salary package, that is, decomposing the budget from top to bottom level by level, and forming the overall labor budget of the Company by decomposing to each department to improve the manpower effectiveness. The specific decomposition idea is to split the salary package into fixed package, bonus package and benefit package, and to implement the policy of adding people without adding package and subtracting people without subtracting package.



Our decomposition idea of compensation incentives

Employee Benefits

- Five insurances (endowment insurance, medical insurance, unemployment insurance, employment injury insurance and maternity insurance) and One Fund (housing provident fund)
- Commercial
- Paid annual leave
- Rental concessions
- High-level talent subsidy
- Annual medical examination
- Annual tour
- Year-end salary adjustment window
- High year-end bonus
- Project bonus
- Household registration in Suzhou
- Equity incentives
- Allowance for weddings, funerals and childbirth

Focus on Safety Management to Protect the Health of Employees

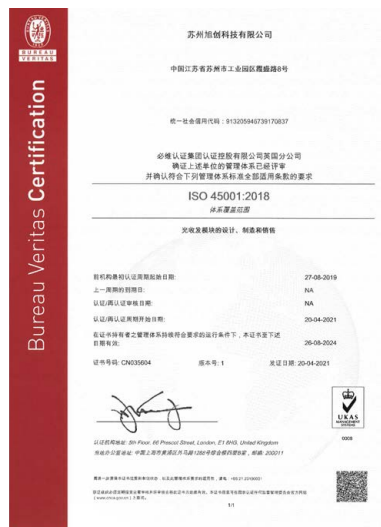
Safety Management System

Zhongji InnoLight is committed to providing employees with safe and hygienic working and living conditions to ensure the health and safety of employees. The Company has passed ISO45001 occupational health and safety management system certification, established a reasonable and effective occupational health and safety management system with reference to international standards and local regulations, to pursue the goal of zero occupational accidents and diseases, and has set up safety and health management bodies and committees. By formulating various rules and regulations on occupational health and safety and holding various health and safety trainings and activities, the Company has fully protected the health and safety of its employees and has adopted the cycle model of P-D-C-A for continuous improvement and refinement of the health and safety management system.

The Company has promoted the *Environmental Factors and Hazardous Sources Identification Procedures* to identify the various hazardous sources in production and operation activities, and evaluated the hazardous sources according to the possibility and severity of the consequences that may lead to accidents to analyze the evaluation results and draw a four-color spatial distribution of safety risks, so as to carry out hierarchical control according to the evaluation results. The Company has promoted the *Operation Control Management Procedures* to carry out control according to the risk control level based on the results of hazardous sources identification and assessment. We make regular daily inspection, maintenance and repair on relevant equipment and facilities, and invite qualified third-party organizations to test the items related to hazard positions, conduct training for relevant personnel, carry out regular hidden danger inspection, special inspection and daily routine safety inspection, and conduct regular drills for possible emergencies, etc. in order to continuously improve the health and safety management system and reduce the impact of various risks on personnel.



Our occupational health and safety policy



InnoLight Technology passed ISO 45001 occupational health and safety management system certification

In 2021

Investments in employees' health and safety exceeded

RMB **2** million

Accident rate of work-related injuries (fatalities)

0%

Fire accident rate

0%

Safety education rate for in-service employees

100%

Occupational health examination rate

100%

Occupational hazard detection rate

100%



InnoLight Technology was awarded the "Model Enterprise on Safety and Public Welfare"



Safe Production Standardization
Certificate of InnoLight Technology



Safe Production Standardization Certificate
of Tsuhan Science & Technology

Health and Safety Activities

In addition to the induction training for new employees, more than ten occupational health and safety training courses were conducted in all plants of Zhongji InnoLight. (The following training is an example of Suzhou InnoLight)

Course name	Training target	Training date(s)
Spring Festival Holiday Safety Training	All employees of the manufacturing department	2021/2/10&2/18
Production Accountability Training	Supervisors, department managers, team leaders and employees at all levels	2021/3/3
Chemical Safety Training	Chemical managers in all departments	2021/4/8
May Day Holiday Safety Training	All employees of the manufacturing department	2021/4/29&5/6
First Aid Training	ERT team members in each department	2021/6/8
Traffic Safety Training	All employees of the manufacturing department	2021/7/29
Environmental Factors & Hazardous Source Identification and Evalua	Safety officers/team leaders of each department	2021/8/11
Training on the New Production Safety Law	Supervisors at all levels, all employees	2021/8
Fire Safety Training	All employees of the manufacturing department	2021/8/28
Chemical Safety Training	Chemical managers in all departments	2021/9/14
Personnel Safety and Protection Training	Site management foreman	2021/11/11



Chemical Safety Training



Fire Escape Simulation Experience



Evacuation Drills

- In order to enhance employees' fire safety awareness and familiarity with the fire escape routes, the Company conducts an evacuation drill in the first and second half of each year.

Emergency Drills

- In order to strengthen employees' capability to deal with emergencies, the Company conducted more than ten emergency drills for chemicals, special equipment, food poisoning, power outages, abnormal weather, etc. throughout 2021.



First Aid Training

- In order to enhance the professional skills and awareness of the emergency response team, the Company invites external units to conduct first-aid training for members of the first-aid team every year, and conducted more than ten emergency trainings on firefighting, first aid, chemicals, etc. throughout the year.

Taiwan InnoLight invites medical personnel on a regular basis to provide health services to employees in the plant.

InnoLight Technology trained

102 first aiders

Tsuan Science & Technology trained

16 Red Cross
ambulance men



Medical personnel provide health services in the factory

Employees' Mental Health

Zhongji InnoLight cares for employees' mental health and attaches importance to their psychological growth. The Company regularly pushes health-related articles in the official WeChat account, and also invites professionals from external organizations to hold offline lectures on health from time to time. For female employees, especially those during pregnancy, the Company has conducted seminars on newborn-related knowledge to prepare employees for the birth of newborns.



Seminar on newborn knowledge

Maintain Work-life Balance

Zhongji InnoLight focuses on establishing and promoting the right value proposition, and is committed to providing employees with a beautiful home and comfortable life, so that employees can realize their own values while enjoying themselves without worries, resulting in employees' satisfaction and happiness increasing, and thus contributing to the harmony and stability of society.

**Case**

Employee Birthday Party

The Company prepares birthday benefits and special birthday party activities for nearly 300 birthday employees every month, sets up themed activities and games to extend its care to employees, and also invites the senior management to participate and listen to employees' voices and answer their questions.



Birthday Party



⤴ Basketball Match



⤴ Dragon Boat Competition



⤴ Mooncakes for Mid-Autumn Festival



Case

Cultural Arts Festival

The Company regularly holds cultural art festivals and year-end parties every year to provide a stage for versatile employees to show their talents, enrich their cultural life and make them more confident and happy to demonstrate their unique charm.



Cultural Arts Festival



Soccer Match



Year-end Party



Support for Employees in Difficulty

A composite image featuring a group of business people in the foreground, their hands joined together in a supportive gesture. The background is a hazy, high-angle view of a city with numerous skyscrapers. A semi-transparent red rectangle is positioned on the left side, containing white text. The overall tone is professional and optimistic.

Cooperation

Join Hands for
Win-Win

COOPERATE
04

Keep Transparent Procurement for Sustainable Supply Chain

Zhongji InnoLight has promoted a series of procurement process documents such as the *Procurement Control Procedures*, the *New Supplier Evaluation Procedures*, the *Supplier Bidding Management Procedures*, the *Qualified Supplier Management Procedures* and the *Supplier Honesty and Integrity Agreement*, which provide sufficient institutional guarantee for the complete and effective operation of the supply chain. In 2021, the Company continued to improve the construction of the supply chain management platform, optimize the inquiry and quotation and bidding system, strictly regulate the operation and management in the procurement business process and establish a fair and just new supplier evaluation system and supplier management methods, so as to fully protect the legitimate rights and interests of suppliers and create a transparent, efficient procurement ecology.

In introducing new suppliers, the Company has certified the social responsibility system for new suppliers, required suppliers to provide environmental management system certification and occupational health and safety system certification, evaluated the level of social responsibility management of suppliers in production safety, occupational health, resource conservation, etc., and identified the risks of suppliers. Meanwhile, the Company has entered into agreements with suppliers on social responsibility, safety, environmental protection and guarantee of not using harmful substances.

The Company insists on the concept of mutual benefit and win-win and common development with suppliers. We have integrated high-quality suppliers to develop strategic partnerships, and taken the initiative to help suppliers improve their management and technical capabilities, solve quality abnormalities and analyze cost structures, thus establishing a platform for sharing technology and information among companies. Through such close teamwork, we seek for a reasonable balance among cost, quality and technology to enhance our competitive advantage and seek long-term development.

Every year, the Company conducts due diligence and raw material risk assessments of suppliers in accordance with the documents such as the *Supplier Questionnaire*, the *Supplier Corporate Social Responsibility Examination Form* and the *Conflict Minerals Policy*, and selects suppliers according to their performances in social responsibility, with those with good performance selected and those with poor performance eliminated, thereby encouraging all suppliers to take measures to improve their performances in social responsibility.

In 2021

Zhongji InnoLight had nearly

400 suppliers in total

The Company has entered into the Supplier Code of Conduct with all suppliers

100%

All suppliers have passed the evaluation of environmental and social criteria

100%



Conduct Seminar and Exchanges to Promote Industry Progress

Development of Industry Standards

Serial No.	Name	Rev./No.	Type of Standard	Role
1	QSFP-DD Hardware Specification for QSFP DOUBLE DENSITY 8X PLUGGABLE TRANSCEIVER	V6.0	International	Promoter
2	Specification for OSFP Octal Small Form Factor Pluggable Module	V4.0	International	Promoter
3	OpenZR+ Specifications, v.1.0	V1.0	International	Promoter
4	QSFP112 Specification	V1.0	Domestic	Promoter (leading)
5	800G PSM8 100M SPECIFICATION V1.0	V1.0	Domestic	Promoter
6	400Gb/s Intensity Modulated Pluggable Optical Transceiver Module Part 3: 4 × 100Gb/s	YD/T 3538.3-2020	Domestic	Promoter
7	Parallel Transmission Active Optical Cable Optical Transceivers Part 5: 400Gb/s AOC	YD/T 2796.5-2021	Domestic	Promoter
8	On-board Optical Transceiver Module Part 1: N×50Gb/s	YD/T 3945.1-2021	Domestic	Promoter
9	Enhanced SFP Optical Transceiver Module (SFP+) for Communication- Part 3: Tunable 10Gb/s	YD/T 3125.3-2021	Domestic	Promoter
10	Enhanced SFP Optical Transceiver Module (SFP+) for Communication- Part 1: 8.5Gbit/s and 10Gbit/s	2020-0631T-YD	Domestic	Promoter (leading)

Promotion of Local Industries

Along with the accelerating iteration and upgrade of global information communication technology, the optical communication industry in Suzhou grows up rapidly, which has already established the industry cluster of optic fiber, optic cable, wire and cable as well as the optical instrument and optical transceivers industry cluster led by Suzhou InnoLight, forming a harmonious and symbiotic industrial ecosystem with the most concentrated, supporting and complete industrial chain, innovation chain and supply chain. It has been listed as one of the Top 10 100 Billion Advanced Manufacturing Clusters in Suzhou and Top 10 Key Industrial Chains in Suzhou.

In July 2021, Suzhou Optical Communication Industry Alliance was inaugurated to take up the empowerment and services for the development of Suzhou's optical communication industry, with the optical rod and fiber optic cable branch, optical device and module branch, optical network system and equipment branch, and communication network and service branch established under it. InnoLight Technology, as the co-chairman of Suzhou Optical Communication Industry Alliance, will leverage on its own profound technology and operation advantages to promote "Suzhou optical communication manufacturing" to the higher end of the global industry chain and value chain.

Construction Task

Make a breakthrough in major key core industry technology
Collaborate to create innovative industrial clusters
Provide public services for industrial innovation

Carry out industrial support for government decisions
Build the best cluster for high-end talents
Create a sound ecology for industrial innovation



Alliance Preparatory Meeting



Alliance Inauguration Ceremony

Export of Corporate Views

Zhongji InnoLight has proactively participated in industry exhibitions and forums to communicate with upstream and downstream industry chains and enterprises in the same industry, share industry views and jointly promote the healthy development of the industry.



Case InnoLight Technology Exhibited at OFC2021

In June 2021, OFC2021 was held in an interactive and fully virtual format. InnoLight Technology attended the online virtual exhibition and displayed the 800G and 400G coherent series optical transceivers. Osa Mok, Vice President of Zhongji InnoLight and Chief Marketing Officer of InnoLight Technology, presented the market progress of 400G and higher speed optical transceivers products at the OFC seminar, and also expressed that the Company's technical reserve in 400G plug-gable modules have been ready for the route evolution of 800G/1.6T/3.2 T and other products.





Case

InnoLight Technology Exhibited at CFCF2021

In June 2021, the first Yangtze River Delta Optical Communication Industry Summit Forum and CFCF2021 Optical Connectivity Expo were successfully held in Jinji Lake, Suzhou. InnoLight Technology attended this conference as a co-organizer, exchanged with experts in the same industry, shared the latest leading achievements, explored more driving ideas and solutions, and looked forward to the future and development of next generation optical communication technology.

At the main forum session, Mr. Zheng Defeng, Senior Director of Product Management of InnoLight Technology, gave his views on the future and technology evolution of high speed digital-communication optical transceivers. He said that 400G optical transceivers based on 50G SerDes have been deployed in large scale in North America and other data centers, and 800G optical transceivers are expected to be deployed commercially from 2022. The future evolution path of pluggable optical transceivers, from the upstream and downstream industry chain roadmap planning on ASIC/DSP and key components such as major optical devices, electric port 100G SerDes can support up to 1.6Tbps optical transceivers, and electric port 200G SerDes can support 3.2Tbps optical transceivers. Meanwhile, the demand for silicon optical transceivers and coherent modules in digital communication and DCI is also increasing, and the prospect is rather promising. As a representative of optical communication enterprise, InnoLight Technology expects to strengthen cooperation with excellent industry colleagues in technology innovation and industry expansion to create more vital development together.



CFCF2021



Case

InnoLight Technology Exhibited at CIOE2021

In September 2021, InnoLight Technology exhibited at the 23rd China International Optoelectronic Exposition (CIOE2021) with the theme of "Smart Light, Collaborative Innovation". The CIOE gathered innovative products and technologies of emerging applications in the optoelectronic industry. InnoLight Technology attracted a lot of attention and received unanimous praise with its comprehensive display of four market solutions and live practice with partners, fully demonstrating the Company's innovative development in optical technology and empowering with light and paying tribute to the future.

To bring into play the synergy of the industry, during the CIOE, InnoLight Technology jointly established NGOC MSA (Next Generation Optic Connector Multi-Source Agreement) working group with 6 other companies, focusing on data center and Ethernet interconnection application scenarios to build the industry chain ecology and promote the innovative and healthy development of the optical communication industry.



CIOE2021

The background of the entire page is a photograph of several hands of different skin tones reaching up to form a heart shape. The hands are positioned at the top and bottom edges of the frame, with fingers pointing towards the center. The lighting is warm, creating a golden-brown glow around the hands.

Community

Create a Beautiful
Life Together

COMMUNITY

05

Insist on Green Operation and Energy Saving and Emission Reduction

Green Management

With the environmental protection concept of "green creation and environmental protection", Zhongji InnoLight attaches great importance to the organic connection between human social development and natural environment. We actively Promoter corporate environmental protection goals, adopt efficient and sustainable development measures, insist on exploring low-carbon and environmental protection production and life style, take the initiative to cooperate with many parties to cope with the impact of climate change, and devote to guarding the sustainable future of human society.

Environmental Policy

- Exercise strict control over hazardous substances, and manufacture green and environmentally friendly products
- Prevent pollution, conserve energy, and reduce energy consumption and emission
- Observe the laws and regulations and keep improving

The Company has always been committed to strengthening environmental protection and fulfilling social responsibility, and implemented a comprehensive and multi-faceted environment policy on green development to promote the corporate policy on green creation.

Green Management Actions



- Develop an effective and appropriate environmental management system according to the requirements of ISO 14001 Environmental Management System, and pass the third-party ISO 14001 Environmental Management System Certification.



- Evaluate the environmental impact of products throughout their life cycle, consider green requirements at the design and development stage of new products, and establish a comprehensive control system for hazardous substances to ensure that all materials comply with green laws and regulations, international standards and customer requirements.



- The environmental impact assessment and acceptance of new and expanded projects are strictly carried out in accordance with the requirements of relevant national and local laws and regulations, and the indicators of waste water and waste gas are far below the requirements of environmental regulations.



- Carry out comprehensive environmental protection publicity and environmental protection training activities to raise employees' awareness of environmental protection, and implement and improve the inspection mechanism.



The Company passed ISO 14001 environmental management system certification



The Company has proactively responded to the initiative of society, government and customers on environmental resources and energy disclosure by disclosing its carbon emission and water management projects on the official website of CDP, and was awarded the "Excellence Performance Award for Enterprise's Water Safety".



Awarded the Excellence Performance Award for Enterprise's Water Safety

According to the chemical-related laws and regulations, international standards and customer requirements, the Company has formed internal *Chemical Management Procedures* to maintain strict and regulated management on the process of chemical import, procurement, storage, transportation, use and disposal, etc. The Company has implemented green management programs, striving to maximize the environmental friendliness of the chemical management process.

New Chemical Import

- We started to evaluate the environmental, health and safety risks and control measures of chemicals, and those that did not meet the relevant requirements cannot be imported for use.

Procurement

- We have strictly examined the qualification of chemical suppliers, including business license, hazardous chemical business license, hazardous chemical road transportation license, operation escort certificate and other related qualifications, and also required suppliers to provide valid chemical safety technical instructions (SDS), third-party test reports and other documents. For suppliers without the qualification, we will stop procurement from them.

Storage and Transportation

- We have regulated the transportation and storage of chemicals according to the SDS of chemicals to determine the hazardous characteristics of the chemicals, and the site has been equipped with sufficient and effective emergency materials, warning signs, anti-leakage and other safety measures as required. We have also conducted regular daily inspections to ensure safety.

Use

- We have provided operators with relevant knowledge training to ensure that they wear personal protective equipment according to SDS requirements and use and operate chemicals in accordance with work instructions. We have also conducted regular emergency drills to improve their ability to deal with chemical emergencies.

Waste Treatment

- We have strictly referred to the SDS requirements for chemical scrapping, and strictly controlled the qualification of vendors in selection. The vendors have strictly followed the laws and regulations for disposal, so as to prevent any harm generated from waste chemicals on the environment and people.

Green Production

Energy Management and Climate Change Response

"Carbon peaking and carbon neutrality" is an inevitable, widespread and profound systemic change facing the economy and society. Under the guidance of the concept of a community with a shared future for mankind, the Company has actively responded to the global call to continuously improve energy efficiency and low-carbon production. Suzhou InnoLight has introduced ISO50001 energy management system and promoted the *Energy Management Manual*, according to which it makes statistics on monthly water and electricity consumption. The Company also has summarized and analyzed the energy consumption and devised improvement measures for the projects with large energy consumption, with consumed energy including electricity, diesel, natural gas, etc., among which electricity is the most important energy consumption. Through various measures such as replacing old equipment with new one, improving processes and using energy scientifically, the Company has reduced energy consumption and improved energy efficiency continuously.

Key Energy Consumption Data of Zhongji InnoLight from 2019 to 2021

No.	Energy category	Unit	2019	2020	2021
1	Purchased electricity	Kwh	57,906,540	94,414,320	88,292,524
2	Natural gas	cubic meters	332,938	263,308	241,692
3	Diesel	liters	922	922	922

Note: 1. The data of 2019 include Suzhou InnoLight, while the data of 2020 and 2021 include Suzhou InnoLight and Tsuhan Science & Technology.

With innovation at the core of our philosophy, we have set the following Relative objectives for the next ten years and will strive to achieve them. At the same time, having taken account of the requirements of our rapid development, we have set relative annual objectives for the period from 2018 to 2030 to balance the possible conflicts between development and the environment. We reduced carbon emissions continuously while maintaining development, and exceeded the relative objectives.

Relative Objectives

The carbon emissions per unit of output revenue (GHG emissions Scope I and Scope II) in 2030 will be reduced by 30% as compared to 2018

Relative Annual Objective

In 2021, carbon emissions per unit of output revenue (GHG emissions scope I and scope II) decreased by 5% as compared to 2018

Actual Achievements

In 2021, carbon emissions per unit of output revenue (GHG emissions scope I and scope II) decreased by 18.77% as compared to 2018



GHG Emission Data of Zhongji InnoLight from 2019 to 2021					
No.	Indicator name	Unit	2019	2020	2021
1	Direct emissions (Scope 1)	tons of CO2 equivalent	733.17	580.45	533.04
2	Indirect emissions (Scope 2)		45,867.77	75,394.04	70,574.07
3	Total GHG emissions		46,600.94	75,974.49	71,107.11
4	GHG emission intensity	Tons of CO2 equivalent / RMB0'000 revenue	0.09794893	0.107771497	0.092402036

Notes: 1.The data of 2019 include Suzhou InnoLight, while the data of 2020 and 2021 include Suzhou InnoLight and Tsuhan Science & Technology;
 2.Direct emissions (Scope 1) represent GHG emissions from fossil energy combustion activities such as coal, natural gas and oil, and industrial production processes;
 3.Indirect energy emissions (Scope 2) represent GHG emissions resulting from purchased electricity and heat, etc.;
 4.Direct emissions are accounted for in accordance with the *Technical Guidelines for GHG Accounting for the Removal of Pollutants from Pollution Control Facilities in Industrial Enterprises for Cooperative Control (for Trial Implementation)*;
 5.Indirect emissions are accounted for in accordance with the *2019 Emission Reduction Project China Regional Grid Baseline Emission Factors*.

Energy Saving, Emission Reduction and Management of "Three Wastes"

Resource-saving society is one of the strategic deployments to implement the Scientific Outlook on Development. The Company has actively implemented the fundamental policy to protect the ecological environment, starting from water and electricity and other types of high-consumption resources and striving to create an ecological and economical resource utilization system within the Company through rational allocation, efficient use and recycling of resources.

Turning harm into benefit is the macro orientation for our hazardous waste management. Zhongji InnoLight has established the management system focused on three wastes, namely, waste gas, waste water and waste residues. The waste gas and waste water generated from each production line must be treated with effective measures and discharged according to the standard. The Company has compiled the *Waste Water Discharge Management Measures*, the *Air Pollution Management Measures* and the *Waste Management Procedures* to practice the concept of waste-free discharge, advocate employees to reasonably classify waste from the source and realize full recycling through resource classification, thus establishing a sound waste recycling system within the Company and realizing a comprehensive win-win situation for resources and environment, company and society as well as economy and development.

Efficient management system focused on three wastes		
	InnoLight Technology	Tsuhan Science & Technology
Solid waste	recycling material packaging boxes and reducing the disposal amount of plastic packaging boxes	
Waste gas	A small amount of organic waste gas has been absorbed through UV photocatalytic + activated carbon in the waste gas treatment facilities to ensure the waste gas is emitted under compliance and emission standards	Waste gas shall be discharged after the treatment in the activated carbon facilities as required in the environmental impact assessment
Hazardous waste	Generation per unit capacity reduced by 31.2% in 2021 as compared to 2020	The amount of hazardous waste (mainly waste organic solvents, waste oil, waste circuit board trimmings and other wastes) in 2021 reduced by 14.28% as compared to 2020
Recyclable waste	Generation per unit capacity increased by 15.4% in 2021 as compared to 2020	Generation per unit capacity increased by about 18.4% in 2021 as compared to 2020

**Case****Retrofitting Resources Through Water Reuse While Getting Economic Benefits**

As the primary condition to maintain the sustainable development of the earth's ecological environment, water resources are the material basis for our existence. In the face of the severe water resource environment, Zhongji InnoLight has proactively responded to the national sewage resource utilization policy and developed and promoted its water reuse program, realizing the win-win situation of economic benefits and social and environmental benefits. The Company has recycled the wastewater produced by the pure water equipment to the roof water tank for bathroom use, achieving the annual recycling of 4,939 tons of water and saving RMB20,299 in water costs.



Water reuse equipment

The construction of ecological civilization, as a crucial part of the Five-sphere Integrated Plan, is the general guidance for our development. Zhongji InnoLight, with great importance attached to both development and conservation, have promoted the development of green equipment, accelerated the application of energy-saving technology products, optimized the energy supply structure, and practiced the concept of green development actively. Among our annual objectives, the objective for energy saving and consumption reduction, as a key part to be strictly enforced, has been realized with several times more than the relative objective as well.

Relative Objective

In 2021, the electricity-saving renovation project reduced electricity consumption by 5% as compared to that before the renovation.

Actual Achievement

In 2021, the electricity-saving renovation project saved 16% electricity as compared to that in the same period before the renovation, and the annual electricity consumption in 2021 was 8% lower than that in 2020.

**Case****Air Conditioning Box Energy Saving Optimization Project**

Due to more and more workshop equipment and increasing heat load, difficulty in controlling temperature and humidity, and limitations and deficiencies of existing high-energy consumed air conditioning boxes, the Company has improved the existing air conditioning boxes by adding a large surface cooler and the fresh air pretreatment function, so as to better control the workshop temperature and humidity and to reduce the energy consumption of the air conditioning boxes.

In addition, as original workshop humidifiers are traditional high-energy consumed electrode humidifiers with high energy consumption and poor economy, the Company transformed the high energy consumption electrode humidifiers of the air conditioning boxes into energy-saving wet film humidifiers, effectively reducing the energy consumption of the corresponding air conditioning boxes.

After a review and verification, this air conditioning box energy saving optimization project can reduce annual electricity consumption of 61.44 million kWh, equivalent to 202.76 tons of standard coal, and save RMB430,000 annually.



Energy-saving optimization of air-conditioning boxes

Green Operation

Relying on the perfect environmental management system, Zhongji InnoLight has promoted environmental protection publicity and special activities through offline environmental protection training, online environmental protection competition and information pushing on internal official account, etc., and has achieved good effect. The employees' environmental protection awareness has also been effectively improved through their personal practice and learning.



Environmental Protection Activities

The Company has focused on the sustainable future of society and proactively responded to the impact of global climate changes. We organize various environmental protection activities every year and motivate employees to participate collectively. For example, Suzhou InnoLight and Tongling InnoLight organized tree planting day activities, leading employees to implement the corporate environmental responsibility in the hands-on practice and realizing their environmental return to nature.



Suzhou Unity Forest Tree Planting Day Activities



Tongling InnoLight Tree Planting Day Activities



Environmental Protection Training and Promotion

The Company pays attention to the cultivation of environmental protection knowledge of employees. We organized employees to study the environmental protection knowledge through offline lectures and online publicity, so as to enhance the green awareness and environmental protection consciousness of employees. We also published the initiative of energy saving and consumption reduction through official WeChat account and emails, calling on employees to strictly regulate their behaviors in terms of water and electricity consumption, food and material saving, green recycling, green travel and other aspects, and motivate others to participate in energy saving and consumption reduction actions, thus promoting the construction of green enterprises together with employees.

Suzhou InnoLight proactively joined the "Green Partnership Program", which has been participated by government departments, industry experts, enterprises and third-party organizations, to enhance its environmental management capability and employees' environmental awareness with the help of internal and external resources.



Offline environmental protection lectures

节能降碳 绿色发展

eco energy

节能降耗倡议书

低碳生活从我做起 一点一滴共同努力

今年以来，节能降耗的形势十分严峻。我们每个员工应该认识在先、行动在前，带头控制能源资源消耗，积极倡导节约绿色观念，从日常工作和生活点滴做起，抵制浪费行为。

具体倡议如下：

节约每一度电

合理控制空调温度，办公室、会议室等办公区域夏季室内空调温度设置不低于26摄氏度，冬季室内温度不高于20摄氏度，开空调不要开窗。办公区空调电源设定可正常开启时间段：07:30-17:30，17:32-20:30；系统自动关闭时间：17:30-17:32，20:30-次日07:30。离开小办公室或会议室结束及时关灯关空调。打印机、饮水机等办公设备，下班后要开启省

今年以来，节能降耗的形势十分严峻。我们每个员工应该认识在先、行动在前，带头控制能源资源消耗，积极倡导节约绿色观念，从日常工作和生活点滴做起，抵制浪费行为。

具体倡议如下：

Initiative on Environmental Protection Publicity

The Company insists on the concept of green development and takes the route of resource-saving development. Energy saving and emission reduction is not only the responsibility of the Company, but also the responsibility of every employee. Green office is the work mode that our employees collectively adhere to and carry out. They used products that conserve resources, reduce the generation and emission of pollutants and can be recycled in office activities, cherished water and electricity, saved paper and ink, eliminated wastefulness and actively participated in the construction of green home.

We advocate electricity conservation by using energy-saving LED lights and posting electricity-saving slogans on air conditioner switches and lighting switches



We advocate water conservation by posting water conservation posters on the bulletin board and "Please conserve water" reminders at the taps



We advocate waste sorting by setting up waste sorting bins and signage in the pantry, restaurant and other places where waste shall be placed as required, conducting training and promotion of waste sorting for employees and organizing waste sorting activities



We advocate paper conservation by opening online OA paperless office process to reduce the use of paper

Focus on Philanthropy and Charity to Promote a Harmonious Society

Zhongji InnoLight always believes that social welfare is not only its social responsibility, but also the need for its long-term development. The Company insists on continuous development of public welfare undertakings, strives to fulfill its social responsibility, and actively contributes in all fields to live with the environment and achieve a win-win situation with the society.

Xiangrong Public Welfare Foundation

The pain point of the society is the starting point of public welfare. Zhongji InnoLight cares about the people's livelihood, the disadvantaged and the needs of the society. At the end of 2017, Mr. Liu Sheng, President of Zhongji InnoLight, jointly established Xiangrong Public Welfare Foundation with a number of caring entrepreneurs, which shined the light of public welfare to rural education. Xiangrong Public Welfare Foundation is committed to supporting rural education and providing useful and meaningful education, so that children in mountain villages can experience the beauty around them, grow up loving their hometown, being confident and having a healthy and sunny mentality. With such an original intention, Xiangrong Public Welfare Foundation was established to reach out to the rural land of China and build a public welfare service platform for rural education with an innovative model. Through projects such as Book Culture Campus and Local Sunshine Course, every rural schoolchild can enjoy a fair and quality education, so that they can have a sense of belonging, loving environment and a bright future.

By the end of 2021, Xiangrong Public Welfare Foundation's achievements included supporting 163 schools in Hunan, Sichuan, Henan, Gansu, Shaanxi and other provinces and cities, training 1,300 principals and teachers, establishing 18 rural education model schools, completing the construction of 621 classroom book corners and 7 rural reading rooms, and donating numerous high-quality children books containing literature, science, rural and other categories. Xiangrong Public Welfare Foundation also designed and organized 21 summer camps to enrich the horizons of rural school children.

In 2021

As of February 28, 2022, Xiangrong Public Welfare Foundation has developed and implemented many rural education public welfare projects in Hunan, Sichuan, Gansu, Henan and other provinces and cities to support children in remote mountainous areas to enjoy a fair and quality education.

Rural schools and
teaching points

163

Children benefited

61,319

Classroom book corners

621

School reading rooms

7

Rural education mod-
el schools

18

Rural summer camps

21

Principals and teachers trained

1,300



Case

School Visits in Spring

In April 2021, Mr. Liu Sheng, founder of Xiangrong Public Welfare Foundation, led a number of caring individuals and entrepreneurs from Shanghai, Suzhou and Hangzhou to rural schools in Yibin and Suining, Sichuan, to examine the implementation of public welfare projects by experiencing rural campus life and understanding the real needs and feelings of rural children and teachers. Mr. Liu Sheng and the executive team of Xiangrong Public Welfare Foundation also plan to continuously carry out a series of funding projects and activities to pass on love and care to the children and support a more balanced development of local education in Sichuan province.



New Horizon's book corner



School visits in spring



Case

Xiangrong Public Welfare Foundation Held a Charity Dinner

In 2020 and 2021, Xiangrong Public Welfare Foundation held annual charity dinners consecutively to report the progress of supporting rural education throughout the year to caring people and raise funds for charity.



Charity dinner



Case

Counterpart Support in Dumidu Village, Huize County, Yunnan Province

InnoLight Technology, as invited by Suzhou Industrial Park Economic Development Commission, participated in the counterpart poverty alleviation support to Huize County of Qujing City in Yunnan Province, and arranged employees to Yunnan Province to experience the counterpart support activities in person. The volunteers, after learned the urgent problems of Dumidu Village and the pain points and difficulties of the poor households to get rid of poverty, signed the Counterpart Support Agreement between InnoLight Technology and Dumidu Village of Huize County. In addition to financial support, the Company also explored a series of measures to help the poor, such as employment and procurement of agricultural products, so as to participate in the process of poverty alleviation with practical actions by making targeted efforts and radiating the energy of the Company and our people.



Counterpart support in Dumidu Village, Huize County

River Chief System



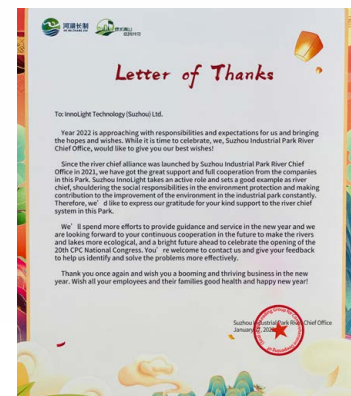
Case

We Participated in the "River Chief System" Governance Action by Use of Drones

InnoLight Technology has actively responded to the comprehensive deepening of the reform of river chief system in Suzhou Park, and promoted the consolidation and improvement of ecological environment quality and a new situation of river and lake management. According to the instructions of the river chief office, the Company innovated the mechanism and implemented the new model of river patrol by combining air-ground and human-machine, trying to let drones act as "river patrollers" to gain insight into each river channel from a higher view, and monitor the changes of river water quality, river pollution source management, water surface floating materials, outfalls and dangerous sections of rivers in real time, thus achieving all-round observation of river conditions.



Results of management under the river chief system



Letter of thanks from Suzhou Industrial Park River Chief Office

Volunteer Activities

Creating green mountains and rivers, protecting people's livelihood and carrying out the public welfare are all protracted wars. With its responsibility integrated with that of nation and family, the Company has established the InnoLight Volunteer Team to push ahead with public welfare undertakings. Since its establishment, the volunteer team has attracted more than 100 enthusiastic young people as the backbone of the team. Adhering to its original aspiration and striving to "gather glimmer for light and accumulate all strength to realize hope", the team has successfully held many volunteer activities by uniting everyone's enthusiasm, passion and dedication and devoted itself to the wonderful life of people.



InnoLight Volunteer Team



Case

Raise Funds for Rural Children Through the Flea Market

From July to September 2021, the Company and Xiangrong Public Welfare Foundation held the first "99 Charity Day" flea market event, calling on employees to support the dreams of rural children. The event attracted a large number of employees. In front of the long tables in each love-gathering center, there were second-hand goods and various homemade food carefully prepared by employees. On the first day of the bazaar, nearly 20 stalls were attracted, and the income during the lunch break was nearly RMB10,000. Thanks to the overflowing love, the event was a complete success.

With the belief of "not one person does a lot, but every person insists on doing a little", the Company has led its employees to join the public welfare, and called on the caring enterprises and people from all walks of life to donate the unused items and participate in the flea market event. We gathered and turned all the small kindness into great energy represented by more than RMB460,000 raised for the children in rural areas, helping the children in the mountainous areas fulfill their dreams to go to school.



The public welfare event of Zhongji InnoLight



Case

Sort Waste to Promote Green Transformation

Waste sorting, despite a small thing for everyone, matters for social civilization and affects China's green development transformation. Zhongji InnoLight has proactively responded to the goal of "double carbon", promoted waste sorting, and advanced national green development. In March 2021, the Company carried out the volunteer activity of "Learning from Lei Feng and Providing Volunteer Services", aiming to help employees to develop the habit of waste sorting. In October 2021, the Company carried out the public welfare activity of "climbing and collecting garbage to protect environment and promote civilization" in Tianping Mountain, striving to be practitioner of green environmental protection and contributing to the society in creating lush mountains and lucid waters.



Waste sorting activity



The public welfare activity of "climbing and collecting garbage" at Tianping Mountain

Key Performance

Category	Indicator	Unit	2019	2020	2021
Economic performance	Revenue	RMB0'000	475,767.70	704,959.01	769,540.48
	Net profit attributable to the parent company	RMB0'000	51,348.72	86,548.36	87,697.71
	Total assets	RMB0'000	1,049,116.61	1,361,573.23	1,656,468.08
Environmental performance	Electricity consumption intensity (electricity consumption for RMB0'000 revenue)	Kwh/RMB0'000	121.71	133.93	114.73
	Water consumption intensity (water consumption for RMB0'000 revenue)	t/ RMB0'000	0.38963553	0.343841268	0.3121577
	Total GHG emissions	tons of CO2 equivalent	46,600.94	75,974.49	71,107.11
	GHG emission intensity	tons of CO2 equivalent/ RMB0'000 revenue	0.09794893	0.107771497	0.0924020
Social performance	Total number of employee	person	3,449	5,815	5,583
	Percentage of female employees	%	42	46	48
	Total hours of training received by employees	hour	18,666	16,789	18,303
	R&D investment	RMB0'000	44,571.67	52,150.31	56,584.58

Index of Indicators

Content		SDGs	GRI Standards	CASS-4.0
About the Report			GRI 101 GRI 102	P1
Message from the President			GRI 102	P2
Stakeholder Engagement			GRI 102	G6
About Zhongji Innolight			GRI 102	P4.1/P4.2/ P4.3/G1.1
Shareholders · Sound Governance	Operation of the General Meeting, the Board of Directors and the Board of Supervisors, and Information Disclosure		GRI 102	P4.2/M1.1/ M1.4
	Investor Relations Management		GRI 102	M1.5/M1.7
	Internal Control and Risk Management		GRI 102	S1.1
	Anti-corruption		GRI 205	M1.3/M3.8
	Intellectual Property ManagementIntellectual Property Management		GRI 206	M3.5
Customers · Comprehensive Services	Leading Trends With Professional R&D and Innovation		GRI 102	M2.1/M2.4/ M2.7
	High-end Manufacturing for Efficient Production		GRI 102	M2.7
	Strict Quality Control to Produce Excellent Quality Products		GRI 102	M2.2/M2.3
	Industrial Deployment to Expand Industry Chain		GRI 102	M2.5/M2.7
	Enhance Services to Protect the Rights and Interests of Customers		GRI 102	M2.14/M2.15/ M2.17/M2.18
	Strengthen Supervision and Management for Information Security		GRI 418	M2.13
Employees · Growing Together	Protect Employees' Rights and Listen to Their Voice		GRI 401 GRI 402 GRI 405 GRI 406	S1.5/S2.1/ S2.2 /S2.4/S2.8
	Establish Training System to Provide the Growth Path		GRI 404	S2.10/S2.14/ S2.15/S2.16
	Focus on Safety Management to Protect the Health of Employees		GRI 403	S2.11
	Maintain Work-life Balance		GRI 401	S2.17

Content		SDGs	GRI Standards	CASS-4.0
Cooperation · Join Hands for Win-Win	Keep Transparent Procurement for Sustainable Supply Chain	 	GRI 102 GRI 103 GRI 204 GRI 308 GRI 414	M3.8/M3.10/ M3.12/M3.14
	Conduct Seminar and Exchanges to Promote Industry Progress		GRI 203 GRI 413 GRI 415	M3.6
Community · Create a Beautiful Life Together	Insist on Green Operation and Energy Saving and Emission Reduction	 	GRI 302 GRI 303 GRI 305 GRI 306 GRI 308	E1.1/E1.5/E1.9/ E2.3/E2.4/E2.8/ E2.11/E2.13/ E2.14/E2.15/ E2.16/E2.23/ E2.24/E2.25/ E3.1/E3.6
	Focus on Philanthropy and Charity to Promote a Harmonious Society	    	GRI 413 GRI 415	S4.5/S4.6/S4.7 /S4.8/S4.10/ S4.12
Key Performance				A2
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Feedback Form				A6

Feedback Form

Dear readers:

Thank you very much for taking time out of your busy schedule to read the *2021 Social Responsibility Report of Zhongji InnoLight Co., Ltd.* In order to provide you and other stakeholders with more valuable information, and effectively promote the Company's ability and level to fulfill corporate social responsibility, we sincerely look forward to your comments and suggestions.

Multiple-choice Questions (please tick ✓ in the appropriate place)

Your overall assessment of this report is:

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

How do you evaluate the response and disclosure of this report to the concerns of stakeholders?

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

What do you think of Zhongji InnoLight's performance on economic responsibility?

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

What do you think of Zhongji InnoLight's performance on environmental responsibility?

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

What do you think of Zhongji InnoLight's performance on safety management?

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

What do you think of Zhongji InnoLight's performance on employee responsibility?

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

What do you think of Zhongji InnoLight's performance on community responsibility?

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

Are the information, indicators and data disclosed in this report clear, accurate and complete?

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

Do you think the content arrangement and layout design of this report are easy to read?

☐ Yes ☐ No

Open Questions

Do you have any comments or suggestions on this report and the performance of Zhongji InnoLight Co., Ltd. on its social responsibility?

Your contact information:

Name:

Tel:

E-mail:

Workplace:

Position:

Contact address:





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Scan to learn more!

