

# 2025

## Environment, Social And Governance (ESG) Report

# 2025

## Environment, Social And Governance (ESG) Report



Leyard Optoelectronic Co., Ltd.

<https://www.leyard.com>

No. 9, Zheng Hong Qi West Street, North of the Summer Palace, Haidian District, Beijing, China

0086-10-62864532

[leyard2010@leyard.com](mailto:leyard2010@leyard.com)

Leyard Optoelectronic Co., Ltd.

Stock Code: 300296

# About the Report

This is the Environmental, Social and Governance (ESG) Report issued by Leyard Optoelectronic Co., Ltd. (the "Company") to disclose its performance of responsibilities in 2025 toward key stakeholders, including shareholders, customers, employees, suppliers and partners, the environment, and the community, reflecting the Company's progress in environmental, social, and governance aspects.

## Scope and Boundary

This annual report covers the period from January 1 to December 31, 2025, for the Company and its subsidiaries. To facilitate comparability and continuous tracking of the Company's ESG performance, certain data and information have been extrapolated. The scope of disclosure in this Report aligns with that of the consolidated financial statements in the Company's annual report. This Report was approved for release by the Company's Board of Directors on April 15, 2026.

## Data Description

The information and data used in this Report are derived from the Company's official documents, annual financial data, and statistical reports, as well as raw operational data and third-party certifications that have been compiled, aggregated, and reviewed by the Company. Financial data are presented in Chinese Yuan (CNY). This Report was prepared in accordance with a process that includes industry benchmarking, stakeholder identification and engagement, material issue identification and prioritization, information collection and review, report writing, and Board review.

## Basis of Preparation

This Report has been prepared with reference to the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 — Sustainability Report (Trial), the Shenzhen Stock Exchange Self-Regulatory Guide for Listed Companies No. 3 — Sustainability Report Preparation (2026 Revision), the Shenzhen Stock Exchange GEM Self-Regulatory Guide for Listed Companies No. 3 — Sustainability Report Preparation (2026 Revision), the China Corporate Sustainable Development Report Guide: ESG Guide 6.0 (CASS-ESG 6.0), the Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021), and other applicable standards, as well as the United Nations Sustainable Development Goals (SDGs).

## Commitment

The Board of Directors and all directors of the Company represent and warrant that this Report contains no false records, misleading statements, or material omissions, and that they assume joint and several liability for the authenticity, accuracy, and completeness of the information contained herein.

## Access

This Report is published in electronic format and is available at the Company's website at <https://www.leyard.com/> or the Shenzhen Stock Exchange website at <http://www.szse.cn/>.

## Feedback

For any questions or feedback regarding this Report or its content, please contact us using the information below:

Tel: 0086-10-62864532

Email: [leyard2010@leyard.com](mailto:leyard2010@leyard.com)

## List of Abbreviations Used in the Main Text

Company, the Company, Leyard	means	Leyard Optoelectronic Co., Ltd.
Leyard Group, Leyard Group Headquarters, the Group	means	Leyard Optoelectronic Group (parent company name: Leyard Optoelectronic Co., Ltd.)
Reporting Period	means	January 1, 2025 to December 31, 2025
Same Period of the Previous Year	means	January 1, 2024 to December 31, 2024
Shenzhen Leyard / Shenzhen Company	means	Wholly-owned subsidiary "Shenzhen Leyard Optoelectronic Co., Ltd."
Leyard TV / Beijing Factory	means	Wholly-owned subsidiary "Leyard TV Technology Co., Ltd."
Leafun Culture	means	Wholly-owned subsidiary "Guangzhou Leafun Culture Science and Technology Co., Ltd."
Glux, Leyard Performing Arts and Culture	means	Wholly-owned subsidiary "Glux Visual Effects Technology (Beijing) Co., Ltd." now renamed "Leyard (Beijing) Performing Arts and Culture Co., Ltd."
Leyard Intel & Tech	means	Wholly-owned subsidiary "Leyard Intel & Tech Group Co., Ltd.", formerly known as "Leyard Lighting Co., Ltd." and "Shenzhen Jinda Lighting Co., Ltd."
Virtual Point	means	Wholly-owned subsidiary "Beijing Virtual Point Technology Co., Ltd."
Leadstar / Leadstar Micro-Crystal Display	means	Leadstar Micro-Crystal Display Corporation (Jiangsu) Ltd., in which Leyard holds 56.67% equity
Leyard Hong Kong	means	Wholly-owned subsidiary "Leyard (Hong Kong) Co., Ltd.", registered in Hong Kong by Leyard on June 28, 2013
Planar (US), Planar	means	PLANAR SYSTEMS, INC., formerly a NASDAQ-listed company with stock code PLNR. It was acquired by Leyard American Corporation, a wholly-owned subsidiary of the Company, which now holds 100% of the equity following its delisting.
Hunan Leyard	means	Leyard (Hunan) Optoelectronics Co., Ltd., in which Leyard indirectly holds 74.06% equity

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# Chairman's Address



Li Jun

Chairman and General  
Manager of Leyard

瘦身健体迎风雨，  
创新研发抢先机；  
全球布局走出去，  
千锤百炼更强劲。

# Spotlight 1: Thirty Years of Ever-Forward Innovation, Pioneering a New Era of LED Display

Founded in Zhongguancun, Beijing, in 1995, Leyard has established itself as a dedicated force in the LED display industry, evolving from a follower into a global leader. The Company has built a synergistic ecosystem that integrates display technology, cultural tourism, AI, and spatial computing. On September 19, 2025, Leyard celebrated its 30th anniversary at the Beijing Water Cube, bringing together over a thousand partners, industry experts, government leaders, and employees from around the world. Together, they reflected on Leyard's remarkable journey and looked ahead to its vision of "pioneering visual effects and realizing a second growth curve"—an occasion that marked the Company's official entry into a new chapter as a pioneer in the LED industry.

## Technology-Driven Growth: Three Major Leaps Leading Industry Evolution

With innovation as its engine, Leyard has delivered a series of technological breakthroughs over the past three decades—each redefining the industry's trajectory. In 1998, the Company launched China's first full-color LED display, propelling the industry from the mono-chrome and dual-color era into the full-color era. In 2010, it introduced the world's first P2.5 HD fine-pixel-pitch (FPP) LED TV, breaking the outdoor-only paradigm and bringing LED displays into core indoor applications. In 2020, Leyard pioneered the mass production of Micro LED, driving the industrialization of the industry's ultimate display technology. In 2025, the Company unveiled substrate-free Hi-Micro technology, setting a new benchmark for high-end displays with a 99% black area ratio and ultra-low power consumption.

Technological innovation has been the driving force at Leyard for over three decades. At its 30th anniversary celebration in 2025, the Company unveiled next-generation LiFi visible light communication technology, alongside breakthrough products such as 49-gram ultra-light AR smart glasses and a 135-inch foldable, liftable smart conference terminal—continuously expanding the boundaries of technological application. Since 2020, Leyard has steadily increased its promotion efforts and R&D investment in Micro LED, driving rapid business expansion. In 2024, Micro LED revenue accounted for approximately 10%, doubling within two years. Building on continued advancements in Micro LED technology, the Company secured new orders exceeding 1.7 billion CNY in 2025, representing a year-on-year increase of 50%. Empowered by substrate-free Micro LED technology, Micro LED products are emerging as a significant growth driver for the Company's performance.

## Culture at the Core: Shared Prosperity and Social Responsibility

"Ethics Before Profits" is the core value that has guided Leyard for three decades. Guided by Chairman Li Jun's philosophy of "sharing with employees for common prosperity", the Company has shared the fruits of growth with 2,000 employees through five employee stock ownership plans and two equity incentive programs since its IPO, establishing a distinctive "Leyard Model".

Alongside its corporate development, Leyard remains steadfast in fulfilling its social responsibilities. To date, Leyard and its actual controller have donated over CNY 100 million in cash and supplies, sponsored more than 4,000 students, supported over 350 schools, and established over 40 smart classrooms—benefiting more than 20,000 teachers and students. Through these efforts, Leyard continues to make meaningful contributions to the advancement of education. In addition, Leyard advocates for an "anti-internal competition" approach. The Company refrains from blindly pursuing projects at low prices, ensures reasonable profits for suppliers, and works with industry chain partners to foster a healthy industry ecosystem.





# Spotlight 2: "Display as the Foundation, Cultural Tourism as the Driver, and AI as the Enabler" – Leyard's New Chapter on the Second Growth Curve

At its "Together for Coexistence and Thriving" Ecosystem Partner Conference in April 2025, Leyard unveiled its three-year core strategy for the fifth strategic development cycle (2025–2027): embracing AI, pioneering visual effects, and realizing a second growth curve—with the ultimate vision of becoming a globally trusted and respected century-spanning enterprise. Seizing the opportunities presented by AI-driven industry transformation, Leyard is advancing a strategic framework grounded in "Display as the Foundation, Cultural Tourism as the Driver, and AI as the Enabler"—an approach designed to foster a synergistic ecosystem across its three core business segments. While solidifying its global leadership in display technology, the Company is also forging new pathways for sustainable growth.

## Display as the Foundation: Building a Solid Foundation for Industrial Development

With intelligent display as its cornerstone, Leyard continues to strengthen its position as a global industry leader. Drawing on more than three decades of technological expertise, the Company focuses on the R&D and large-scale deployment of core Micro LED technology. Guided by a development strategy built around "digitalized enterprise management, integrated domestic direct sales, channelized standard products, diversified AI-driven application scenarios, and comprehensive international expansion", Leyard is building a full-scenario, full-category display product matrix while steadily shaping the trajectory of industry technology. Through continuous technological innovation, the Company provides the hardware foundation and technical capabilities that empower its cultural tourism and AI segments—driving synergistic growth across its three core businesses.

## Cultural Tourism as the Driver: Broadening the Second Growth Curve

Leyard drives its second growth curve through cultural tourism and night tour initiatives, deepening the implementation of its "2+4+1" business model. By integrating display technology with cultural creativity, the Company propels the cultural tourism industry from "illumination" to "aesthetic enhancement" and ultimately to "cultural experience". This transformation is powered by a strategic framework: cultural tourism enhancement and urban renewal as accelerators; nighttime economy, digital exhibitions, cultural entertainment, performing arts, and IP collaboration as core drivers; and an operations-first approach as the key to success. Leveraging its strengths in display technology and AI empowerment, Leyard builds differentiated core competitiveness, striving to become a world-leading integrated cultural tourism operation service provider.

## AI as the Enabler: Creating Synergy Across the Industry Chain

Leyard is fully embracing the AI era by strategically pursuing growth through its AI and spatial computing segment. Centered on its world-leading optical motion capture technology—integrating OptiTrack, LydCap, LYDIA products, and algorithmic capabilities—the Company provides robotics with spatial perception, motion decision-making, and motion control, marking its entry into the embodied AI field. It is building a full-chain spatial computing ecosystem encompassing "hardware + software + content + applications", driving deep integration of AI technology with its display and cultural tourism businesses. By optimizing display experiences through AI algorithms, empowering cultural tourism operations with AI big data, and expanding application scenarios through AI-powered interaction technologies, Leyard enables technological synergy across its three core segments, fosters complementary scenarios, and cultivates an integrated

## Strategic Goal: Building a New Landscape of Collaborative Growth

In the future, Leyard will continue to deepen the synergistic deployment of its three core business segments—solidifying its foundation through display, unlocking growth potential through cultural tourism, and driving overall efficiency with AI. The goal is to further enhance its global market competitiveness, steadily increase the share of overseas business, and build a closed-loop "AI + display + cultural tourism" industrial ecosystem. Through technological innovation, scenario expansion, and ecosystem co-development, Leyard aims to

# Leyard at a Glance

## Innovation for the World



### About the Company

Founded in 1995 and listed on Shenzhen Stock Exchange in 2012 (300296), Leyard operates 10 manufacturing bases and 9 R&D centers worldwide, maintaining a leading global market share with its LED display products gaining widespread recognition across the world. Committed to driving technological and product innovation as well as high-end manufacturing, the Company aims to lead the new era of all-scenario intelligent display applications. Over the past 30 years, the Company has remained dedicated to the field of intelligent displays, adhering to steady operations, continuous innovation, and open collaboration. It has established a comprehensive ecosystem centered on the smart LED display industry, while fostering integrated development in cultural tourism and night tour, as well as AI and spatial computing. With technology R&D as its foundation and product innovation at its core, the Company focuses on delivering visual technology and applications for both commercial and consumer markets. Notably, it has provided visual effects (display) products and services to support major state events for over 20 years in a row, including the celebrations of the 50th, 60th and 70th National Day, the military parade celebrating the 80th anniversary of the Victory of the Chinese People's War of Resistance Against Japanese Aggression and the World Anti-Fascist War (the "V-Day Parade"), the opening and closing ceremonies of Beijing 2008 Summer Olympics, the 2019 Military World Games in Wuhan, Beijing 2022 Winter Olympics, Chengdu 2023 FISU World University Games and the Asian Games Hangzhou, the earth-space call between Secretary-General Xi and the astronauts of Shenzhou-12, the Centennial Red Memory of the Central Party History Museum, the Great Journey performance for celebrating the 100th anniversary of the founding of the CPC, and the centennial celebration of the CPC in Tiananmen Square.

As an industry leader, the Group has received numerous prestigious recognitions, including National Technology and Innovation Demonstration Enterprise, MIIT Individual Champion Product of Manufacturing, MIIT Company with Green Supply Chain, China's 500 Most Valuable Brands, Fortune China Tech 50, China VR50 Enterprises (4 times in five years), China's Top 100 Electronic Information Firms (Beijing Top 10), China's Top 100 Software and Information Service Enterprises, National Culture and Technology Integration Demonstration Base. In 2020, the Company was officially approved to establish a Postdoctoral Research Workstation. These honors reflect the strong recognition from authoritative bodies and industry professionals of Leyard's long-term commitment to sustained, in-depth industry focus and ongoing independent innovation. They also provide important platforms for the Company to

accelerate talent acquisition, foster independent innovation, and strengthen core technological capabilities, effectively promoting the integration of industry, academia, and research. In addition to the Postdoctoral Workstation, the Company operates two CNAS-accredited central laboratories, a Beijing Enterprise Technology Center, and several other national and municipal key laboratories.

Since 2015, the Company has been independently disclosing ESG/CSR reports. Its ESG ratings consistently exceed the industry average, including an AA rating from China Securities Index and CNI Index, an A from Wind, an AA from Sino-Securities Index, and an A- from IIGF. Additionally, the Company has received several ESG awards and recognitions. For example, it was selected again for the 2025 edition of the "Listed Company Sustainable Development Best Practice Cases" published by the China Association for Public Companies. It was also included in the "2025 A-Share Listed Companies Information Technology Industry ESG Performance TOP 20" list by Sino-Securities Index.



## Worldwide Footprint

Its marketing and service network spans six continents and nearly a hundred countries/regions.



As a representative of "Created in China", Leyard has embraced an international vision from day one. Driven by the dual strategy of "technology export + local operations", the Company has built a sales and service network spanning over 160 countries and regions across six continents, with 844 employees based overseas and in Hong Kong, Macau, and Taiwan. In 2025, Leyard's overseas intelligent display revenue reached 3.267 billion CNY, accounting for 54.32% of total revenue—a significant increase in contribution.

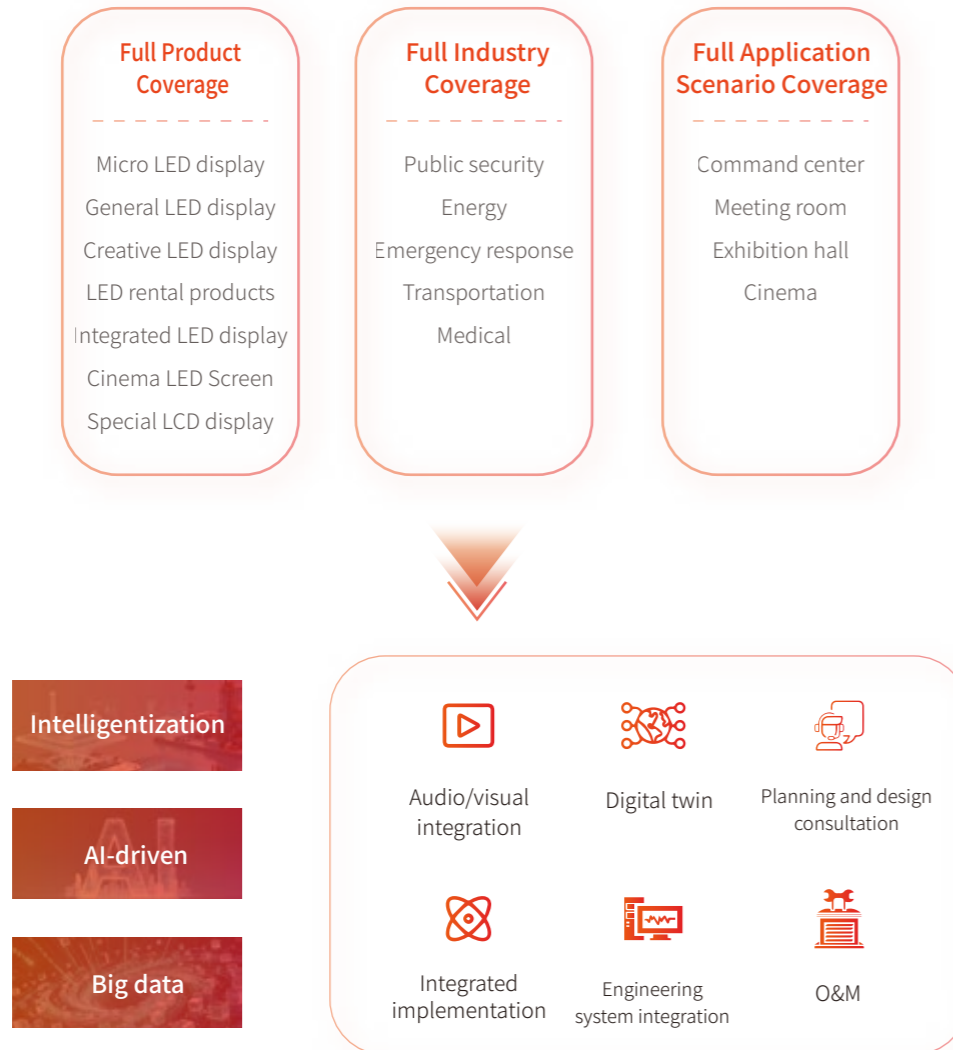
Leyard leverages its "Planar + Leyard" dual-brand strategy to achieve full global market coverage. Powered by cutting-edge technology and premium service, Planar remains a leader in North America's high-end FPP LED market. Meanwhile, the Leyard brand precisely targets the diverse needs of the mid-range and lower-tier segments in Europe and the Americas. The Slovakian factory is steadily expanding capacity to serve European and American markets, while the Saudi factory is under accelerated construction, featuring automated production lines and intelligent management systems. Once operational, it is set to become one of the largest LED smart manufacturing bases in the Middle East, strengthening regional supply chain resilience against global market fluctuations.

## Business Overview

Committed to driving technological and product innovation as well as high-end manufacturing, the Company aims to lead the new era of all-scenario intelligent display applications. Over the past 30 years, the Company has remained dedicated to the field of intelligent displays, adhering to steady operations, continuous innovation, and open collaboration. It has established a comprehensive ecosystem centered on the smart LED display industry, while fostering integrated development in cultural tourism and night tour, as well as AI and spatial computing.

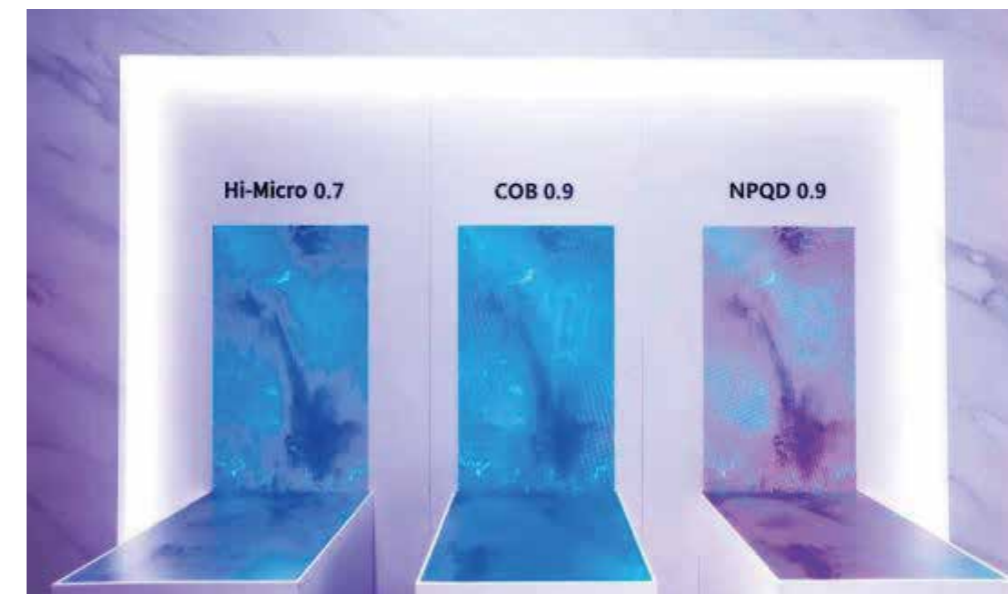
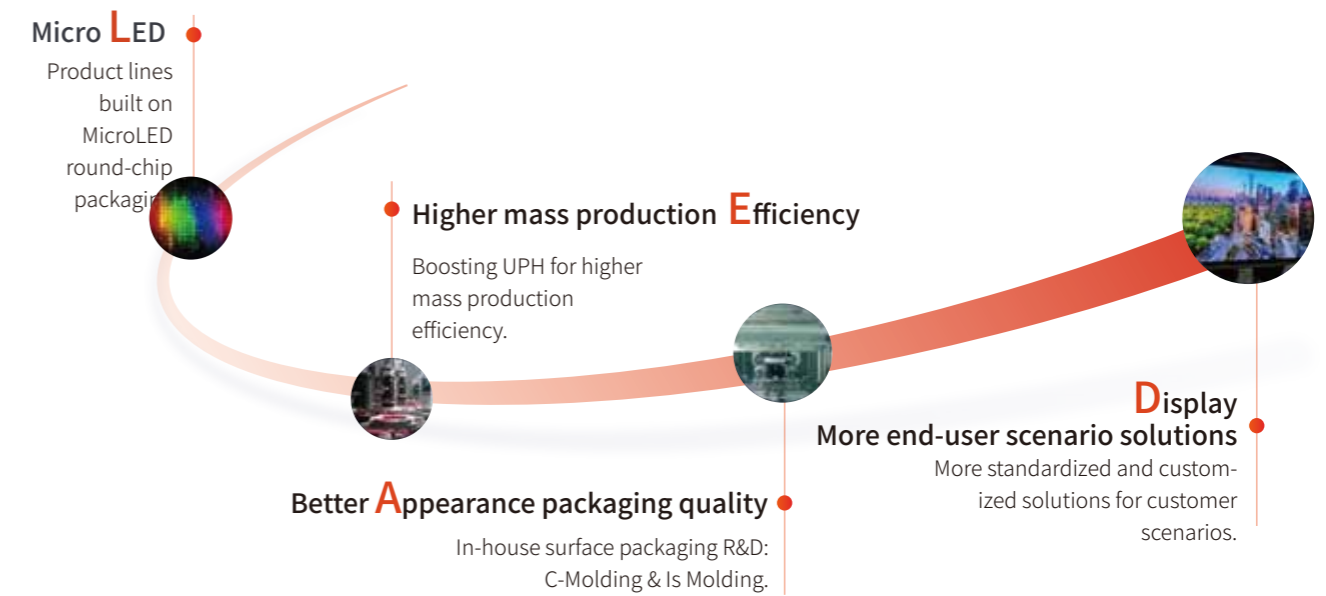
Through continuous R&D and product innovation, the Company has secured over 2,800 patents while actively exploring the trillion-level commercial and civil markets for visual effects technology and applications that enhance human audiovisual experiences.

### Business Capability Enhancement



## 3.1 Intelligent Display

Leyard has achieved continuous breakthroughs in Micro LED technology, sustaining its industry leadership. As the world's first company to launch mass-producible Micro LED display technology in 2020, the Company has continued to drive technological innovation and steadily advance its upgrade and application.



## (1) Business Coverage

Domestic Market: Leyard provides a comprehensive portfolio of display products—ranging from general-purpose LED and professional LCD displays to creative displays—serving sectors including public safety, energy, healthcare, and transportation. Application scenarios cover command centers, conference rooms, cinemas, and beyond.

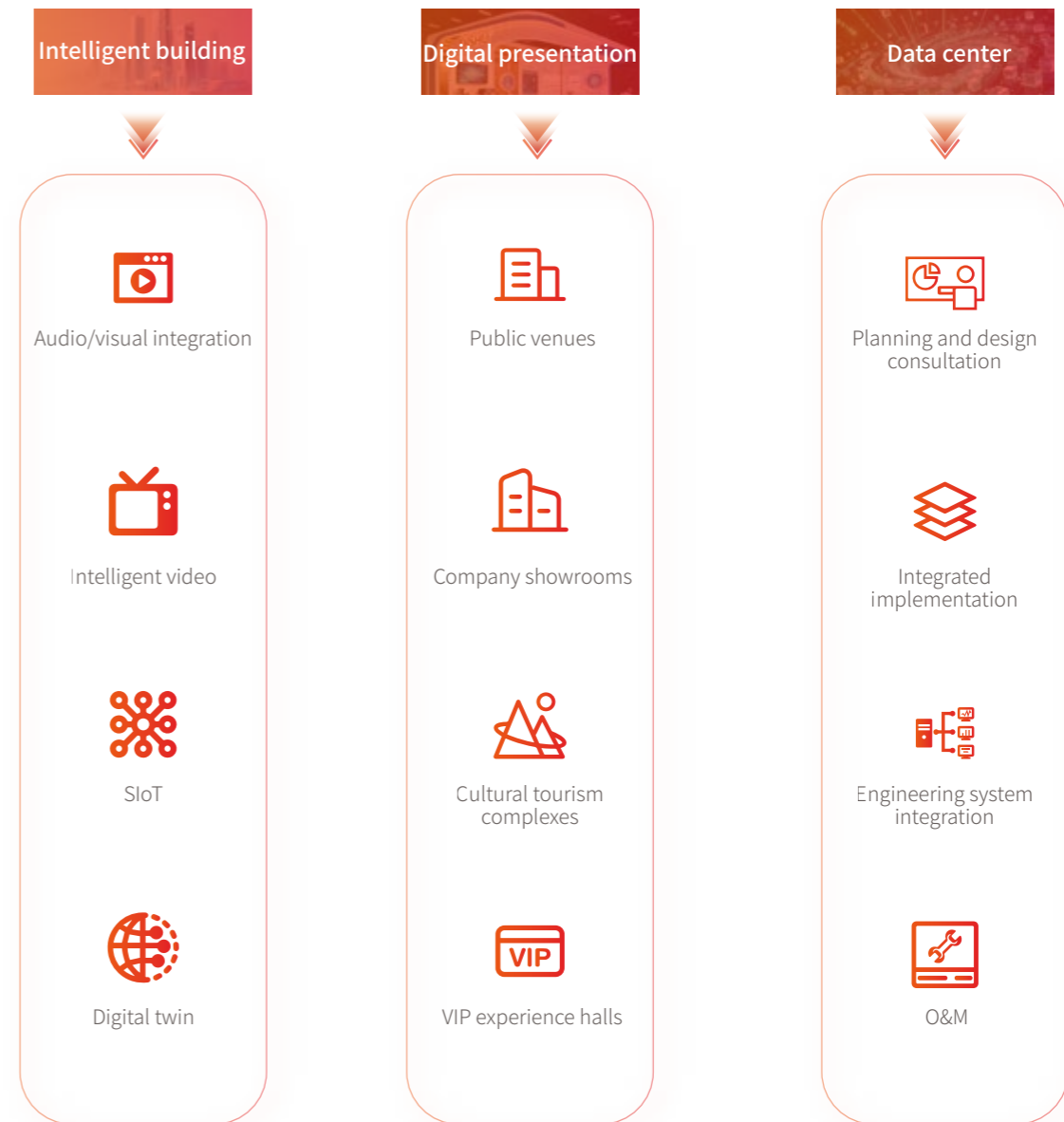
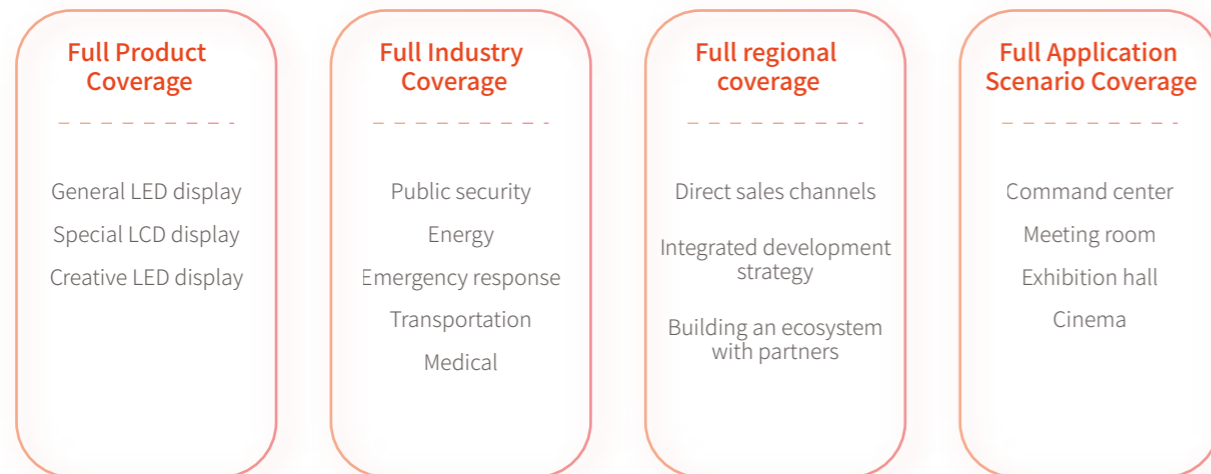
International Market: Through sub-brands including Planar and Leyard, the Company has established a presence across Europe, the Americas, and Asia-Pacific, supplying display solutions for benchmark international projects such as the United Nations Headquarters, NASA, and the Qatar World Cup.

## (2) Technological Innovation

In 1998, Leyard pioneered the full-color LED display. In 2010, it launched the world's first FPP LED technology. By 2020, the Company had achieved mass production of Micro LED and released the industry's first Micro LED White Paper.

In 2025, Leyard unveiled its Hi-Micro technology and new products, featuring chips with a short side of less than 30 μm.

### Full Intelligent Display Coverage



### 3.2 Cultural Tourism and Night Tour

At its 30th anniversary celebration, Leyard unveiled a strategic blueprint centered on "Display + Cultural Tourism + AI and Spatial Computing", introducing the "2+4+1" operating model for its core Cultural Tourism & Night Tour business segment. The "2+4+1" model is structured as follows: 2 (Two Pillars): Cultural Tourism Enhancement and Urban Renewal; 4 (Four Drivers): Four key business directions—Night Tour, Digital Exhibitions, Cultural Entertainment & Performing Arts, and IP Cooperation & Operations; 1 (One Front-Loaded Approach): An operations-first strategy aimed at positioning Leyard as a global integrated cultural tourism operator. Responding to the national strategy to develop the cultural tourism and night tour sector, Leyard is positioning this area as its second growth curve, aiming to become a world-leading integrated cultural tourism operator.



### 3.3 AI and Spatial Computing

In 2025, Leyard established its development goal as "embracing AI, pioneering visual effects, and realizing a second growth curve". Rooted in its intelligent LED display business, the Company seeks to unlock synergies across its three major segments in the AI era, progressively building a closed-loop industrial ecosystem of "AI + display + cultural tourism".

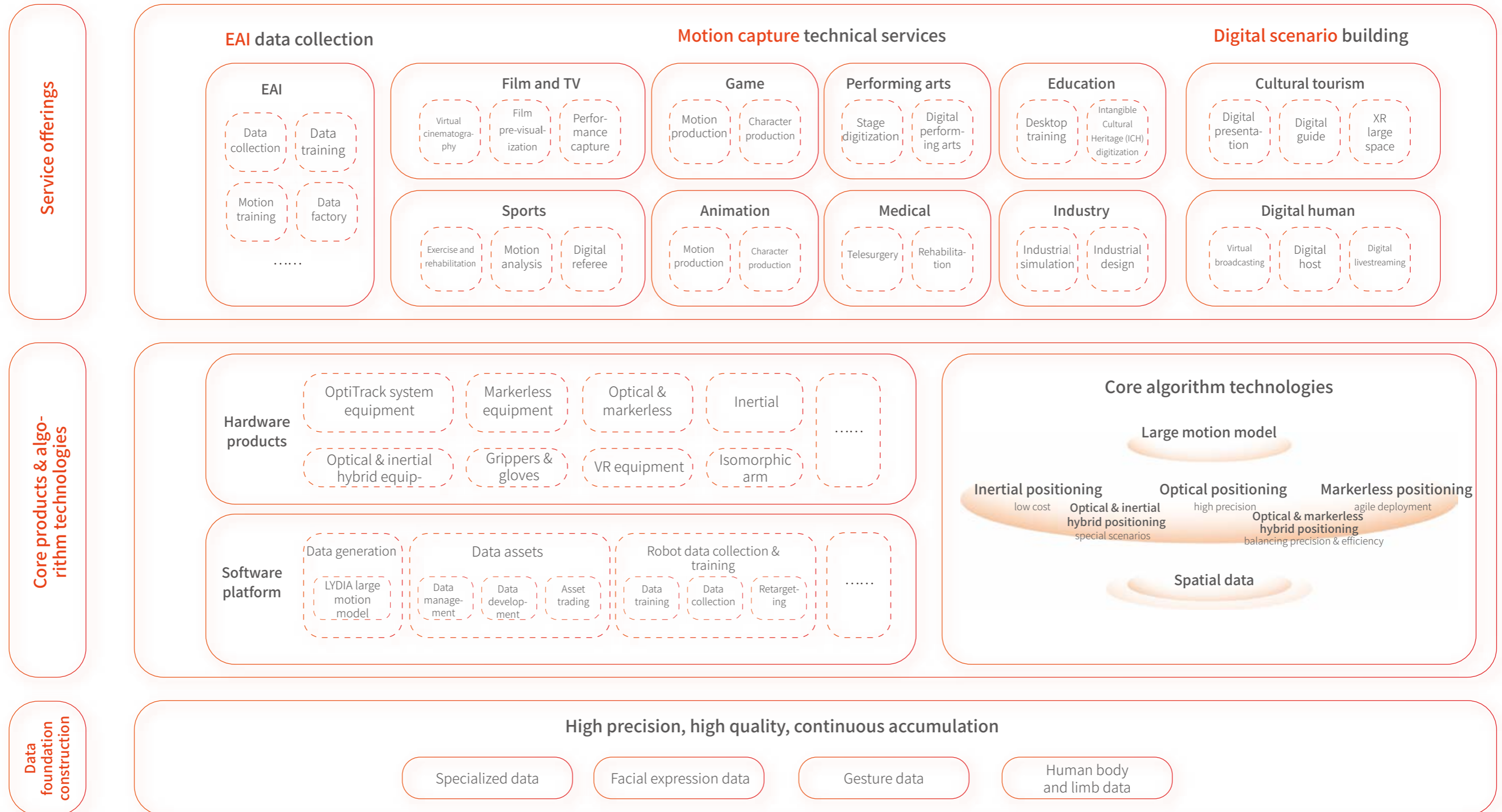
In its AI and spatial computing segment, Leyard combines OptiTrack optical recognition, Lyacap markerless recognition, and the LYDIA large motion model to deliver solutions across nine sectors—including film and television, video games, sports, culture, and medical—covering more than a dozen application scenarios such as digital human interaction, unmanned vehicles, and robotic embodied intelligence.

#### Core Capabilities

Optical Motion Capture: The OptiTrack system, renowned for its high precision, low latency, wide coverage, and exceptional stability, has established itself as a global leader in 3D tracking systems. LYDIA Large Motion Model: Featuring core capabilities in the "cognition, perception, prediction, and generation" of spatial motion data, the model supports multimodal interactions—including text-to-motion and music-to-motion—while delivering real-time 3D motion output. It offers flexible deployment options (both private and cloud-based), enabling broad adaptability across a wide range of application scenarios.

#### Application

1. OptiTrack series products and solutions are widely used across fields such as robotic data collection and training, drone tracking, sports science, film, game, and animation production, healthcare, cultural tourism and exhibitions, virtual production, and VR/XR. As a result, they have become the preferred choice for academic researchers and industry professionals alike. The Company serves leading global and domestic enterprises including Meta, Boeing, ByteDance, Tencent, and Alibaba, and supports numerous universities. It also provides product and technical support to robot training centers such as Futian Laboratory in the Greater Bay Area, UBTECH, Leju, Galbot, and Neotix Robotics.
2. In film and television production, OptiTrack has provided motion capture and virtual production support for domestic works such as The Wandering Earth and A Writer's Odyssey, while also delivering core technology for 69% of Hollywood blockbusters, including Avatar and Avengers.
3. In game development, OptiTrack has powered major overseas titles such as Call of Duty and NBA 2K, and provided technical support for the domestic AAA game Black Myth: Wukong.



## Major Milestones

### Overseas Revenue Share Surpassing Domestic for the First Time

Leyard's globalization strategy has yielded significant results. In 2025, the share of overseas intelligent display business revenue increased to 54.32%, surpassing the domestic market for the first time. North America delivered outstanding performance, while Asia, Africa, and Latin America continued to experience rapid growth, further strengthening the Company's global operational capabilities.



### Further Expansion of Global Intelligent Manufacturing Footprint

The Company expanded production capacity at its European factory to meet rising demand from European and American markets. The Changsha LED Industrial Park was officially commissioned, enabling full-process digital upgrades in manufacturing and warehousing. Steady progress continued on the Saudi Arabia factory, while the Beijing Application Industrial Park (Phase II) project broke ground.



### Strong Commitment to Industry-University-Research Collaborative Innovation in "AI + Spatial Computing"

The Company collaborated with Peking University on the R&D of the LYDIA 2.0 large AI motion model. NP launched new OptiTrack products, featuring the world's only single-camera dual-function technological innovation that combines marker-based and markerless optical motion capture, with patents applied. Additionally, the Company has engaged in in-depth collaborations with educational and research institutions including the University of Oregon, Carnegie Mellon University, Stanford University, the University of California, and Amazon's FAR division.



### Extensive Motion Data Empowering Embodied AI Development

Leyard's extensive motion data, algorithms, and service capabilities have made it a key partner to leading robotics companies. Working with government and industry partners, the Company has set up multiple humanoid robot data training centers across China. OptiTrack has also delivered on high-profile stages—enabling the penalty shootout between Cristiano Ronaldo and a robot, supporting the world's first Humanoid Robot Games, and helping its robot partners clinch two gold medals and one silver.



### Leyard and Its Actual Controller's Donations Exceed CNY 100 Million: Forging the "Leyard Model" of Common Prosperity

Based on its robust incentive mechanisms, the Company has created over 30 billionaires, several hundred multi-millionaires, and more than a thousand millionaires (in CNY), ensuring that employees share in the Company's growth and prosperity. In 2025, the Leyard Charity Foundation and the Stars Education Fund donated nearly CNY 10 million, including CNY 1 million (approximately HKD 1.1 million) to support fire relief efforts in Hong Kong.



### Mass Production of Advanced MIP (Hi-Micro) and Full-Scenario Innovative Products

The Company successfully achieved mass production of its advanced MIP (Hi-Micro) series, which features chips with a short side of less than 30 μm. In addition, innovative products including creative spherical screens, fantasy art displays, next-generation MG-COB cold screens, and LiFi optical communication solutions were unveiled.



### Impeccable Support for Major State and International Events

The Company once again delivered strong support for the V-Day Parade and the sixth state event in Tiananmen Square and offered professional visual solutions for high-profile events and tournaments including the 15th National Games of China, the SCO Summit (Shanghai Cooperation Organization Summit), and CCTV Spring Festival Gala.



### Integrated Cultural Tourism & Night Tour Development: Unveiling the "AI + Pan Entertainment" Strategy

Leyard strives to become a world-leading integrated cultural tourism operator by advancing integrated cultural tourism and night tour development, with a focus on cultural tourism enhancement and urban renewal.

The Company's successful involvement in the Golden Legend Tour Concert, MARIa Music Land Tour 2025, China Open, Shanghai Masters, and other cultural and sports events in 2025 officially kicked off its "AI + pan entertainment" strategy.



### Comprehensive Management Upgrades Through AI and Digitalization

The Company is driving a full-chain digital management transformation by embedding AI technologies across management, production, supply chain, sales, and service through an integrated digital collaboration platform, achieving cost reduction and efficiency gains.



### Tech Brand Honored with Multiple Accolades and Authoritative Green Development Certifications

In 2025, the Company secured several prestigious honors, including a place among China's 500 Most Valuable Brands and the Fortune China Tech 50, as well as retaining fourth position in "China VR50 Enterprises" and ranking seventh in the "2025 XR Enterprise Top 100".

The Company's case study was successfully selected for the United Nations COP30 Chinese Enterprise Green Transition Practice Report 2025. It also retained its designation as a "Best Practice Case for Sustainable Development of Listed Companies" and achieved a Wind ESG A rating, along with a China Securities ESG AA rating.





## Leyard by the Numbers

Net assets attributable to the parent company

**8.111** billion CNY

Operating revenue

**7.064** billion CNY

Total assets

**13.905** billion CNY

Domestic holding enterprises

**43**

Overseas holding enterprises

**14**

Net profit attributable to the parent company

**307** million CNY

Net cash flow

**1.066** billion CNY (up 59.59% YoY)

Overseas intelligent display revenue share

**54.32%**

GHG emission intensity

**3.11** tons per million CNY of revenue

Total GHG emissions

**21,939.80** tCO<sub>2</sub>e

Cumulative granted invention patents

**2,896**



# Annual Awards





# 01

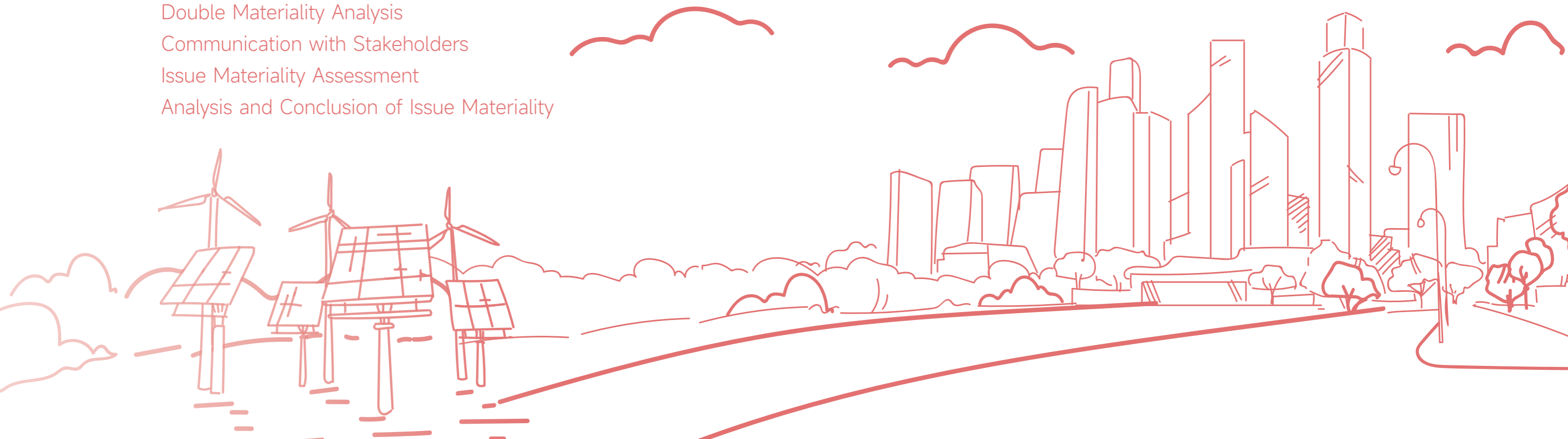
## Assessment of Issue Materiality

Double Materiality Analysis

Communication with Stakeholders

Issue Materiality Assessment

Analysis and Conclusion of Issue Materiality



## Double Materiality Analysis

To proactively address potential challenges from internal and external changes, Leyard identified its material issues based on the double materiality assessment principle. This process followed the 21 issues outlined in the Shenzhen Stock Exchange Self-Regulatory Guideline for Listed Companies No. 17 — Sustainability Report (Trial), and integrated the following factors: the LED industry's characteristics and development stage, the Company's business model and value chain, stakeholder expectations and demands, and expert opinions as well as industry peers' practices.

### Context of Company Activities and Business Relationships

In identifying its 2025 material issues and creating the materiality matrix, Leyard gave full consideration to the following categories of factors:

ESG Standards	Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 — Sustainability Report (Trial), China Corporate Sustainable Development Report Guide issued by the Chinese Academy of Social Sciences (CASS-ESG 6.0); ESG Guide 6.0, etc.
International Initiatives	United Nations Sustainable Development Goals (SDGs), etc.
Economic & Macro Policy Trends	Outline of the 15th Five-Year Plan for Economic and Social Development and Long-Range Objectives Through the Year 2035 of the Peoples Republic of China, 3060 Carbon Peak and Carbon Neutrality Targets, etc.
Industry Policies	Guidelines for Accelerating the Development and Large-Scale Application of New Scenarios, Notice on the Development and Regulation of Digital Films and LED (Light Emitting Diode) Theaters, Joint Statement on Economic and Trade Meeting in Geneva, and others.
Market Trends	The LED industry is at a critical inflection point, transitioning from a mature phase to a new growth cycle. The growth of the previous generation of mainstream display technology, represented by FPP LEDs, has plateaued. As a result, the industry's core engine has shifted to next-generation display technologies led by Micro LEDs, which are moving from R&D and pilot runs toward accelerating mass production and commercial deployment.
Company Strategy	Make every effort to promote the development of a green and low-carbon economy, and unwaveringly pursue the path of sustainable development.

## Establishment of an Issue List

Based on thorough identification, Leyard has established its 2025 issue library as follows:

Dimension	Issue		
Environmental	Climate change response	Ecosystem and biodiversity protection	Water resource utilization
	Pollutant emissions	Environmental compliance management	Waste disposal
	Energy utilization	Circular economy	
Social	Employees	Product and Service Safety and Quality	Data security & privacy protection
	Supply Chain Security	Rural Revitalization	Equal treatment of small and medium-sized enterprises
	Innovation-Driven	Social Contribution	Serving national strategies
	Industry promotion	Conflict minerals	
Governance Related to Sustainable Development	Due diligence	Anti-Unfair Competition	Risk management
	Communication with Stakeholders	Anti-bribery and anti-corruption	

## Communication with Stakeholders

Leyard values and actively builds strong relationships with its stakeholders to create long-term shared value. To better understand stakeholders' suggestions and expectations regarding the Company's operations and development, Leyard has established diverse communication mechanisms, including interviews, questionnaires, and other engagement methods. The Company continuously monitors and responds to stakeholder expectations and concerns, striving for mutual benefit and win-win outcomes.

Key Stakeholder	Key Concern	Communication and Response
Government and Regulatory Agencies	Compliance with laws and regulations Tax compliance Response to national policies Law-abiding and compliant operations Local economic development	Implementation of national policies Implementation of regulatory policies Risk management and internal control system development Tax information submission Strengthening communication with government and regulatory agencies
Shareholders and Investors	Protection of shareholder rights Return on Investment Risk management Transparent information disclosure	Proactive capital markets outreach Supervision improvement Internal control strengthening Regular disclosure
Employees	Protection of employee rights and interests Growth and development Occupational safety and health	Adherence to labor standards Improvement of career tracks Protection of labor rights Establishment of occupational health and safety management systems
Customers	Improvement of product quality High-quality customer service Customer privacy protection	Strict product quality control Responsiveness to customer needs Establishment of information security systems
Supplier及合作伙伴	Industry development Mutual benefit and win-win outcomes Improvement of procurement and bidding systems	Promotion of healthy industry development Compliant performance of contracts Protection of supply chain security
Society and the Public	Public welfare initiatives Advancement of rural revitalization Community engagement	Charitable donations Community co-development Empowerment of urban development
Environment	Reduction of environmental impact Prefabricated and green building Energy conservation and emission reduction	Implementation of green construction practices Promotion of green office practices Energy management strengthening Active response to climate change

## Issue Materiality Assessment

Specific Issue	Impact Materiality	Financial Materiality	Double Materiality	Disclosure Requirement (Based on the Guidelines)
Product and Service Safety and Quality	15.82	Very high	Double materiality issue	Based on four elements
Innovation-Driven	15.71	Very high	Double materiality issue	Based on four elements
Employee Care	13.56	Very low	Impact materiality issue, not financially material	General disclosure
Compliance Management	13.17	Very high	Double materiality issue	Based on four elements
Training and Development	12	Low	Impact materiality issue, not financially material	General disclosure
Risk management	11.77	Very low	Impact materiality issue, not financially material	General disclosure
Responsible Marketing	10.25	Very low	Impact materiality issue, not financially material	General disclosure
Supply Chain Security	10.14	Very high	Double materiality issue	Based on four elements
OHS	9.14	High	Double materiality issue	Based on four elements
ESG Management	6.87	High	Double materiality issue	Based on four elements
Data Governance	6.59	High	Financial materiality issue, not impact materiality	Based on four elements
Anti-Unfair Competition	5.78	Very low	Dual non-materiality issue	General disclosure
Social Welfare	5.3	High	Financial materiality issue, not impact materiality	Based on four elements
Anti-Bribery and Anti-Corruption	5.19	Medium	Financial materiality issue, not impact materiality	Based on four elements
Customer privacy protection	4.47	High	Financial materiality issue, not impact materiality	Based on four elements
Circular economy	4.32	Low	Dual non-materiality issue	General disclosure
Environmental compliance management	3.16	High	Financial materiality issue, not impact materiality	Based on four elements
Energy utilization	3.01	High	Financial materiality issue, not impact materiality	Based on four elements
Pollutant emissions	1.91	Medium	Financial materiality issue, not impact materiality	Based on four elements
Waste disposal	1.77	Medium	Financial materiality issue, not impact materiality	Based on four elements

Specific Issue	Impact Materiality	Financial Materiality	Double Materiality	Disclosure Requirement (Based on the Guidelines)
Ecosystem and biodiversity protection	1.65	Very low	Dual non-materiality issue	General disclosure
Climate change response	1.09	Medium	Financial materiality issue, not impact materiality	Based on four elements
Conflict minerals	0.73	Very low	Dual non-materiality issue	General disclosure
Water resource utilization	0.59	Very low	Dual non-materiality issue	General disclosure

Note: Impact materiality is determined on the basis of a significance threshold set at the arithmetic mean value of 6.83.

## Analysis and Conclusion of Issue Materiality

Following the dual-materiality principle and in accordance with the Guidelines, Leyard, together with a third-party ESG professional institution, assesses the materiality of issues using methods such as interviews with key departments and questionnaire surveys. The issues are then prioritized based on two dimensions – “financial materiality to the company” and “materiality to the economy, society, and environment” – and a materiality matrix is generated.

<p><b>Issues with Impact Materiality but Not Financial Materiality</b></p> <ul style="list-style-type: none"> <li>Employee Care</li> <li>Training and Development</li> <li>Risk management</li> <li>Responsible Marketing</li> </ul>	<p><b>Issues with Both Impact Materiality and Financial Materiality</b></p> <ul style="list-style-type: none"> <li>Product and Service Safety and Quality</li> <li>Innovation-Driven</li> <li>Compliance Management</li> <li>Supply Chain Security</li> <li>OHS</li> <li>ESG Management</li> </ul>
<p><b>Issues with Neither Impact Materiality Nor Financial Materiality</b></p> <ul style="list-style-type: none"> <li>Conflict minerals</li> <li>Water resource utilization</li> <li>Anti-Unfair Competition</li> <li>Circular economy</li> <li>Ecosystem and Biodiversity Conservation</li> </ul>	<p><b>Issues with Financial Materiality but Not Impact Materiality</b></p> <ul style="list-style-type: none"> <li>Data Governance</li> <li>Social Welfare</li> <li>Anti-Bribery and Anti-Corruption</li> <li>Customer privacy protection</li> <li>Environmental compliance management</li> <li>Energy utilization</li> <li>Pollutant emissions</li> <li>Waste disposal</li> <li>Climate change response</li> </ul>



# 02

## Sound and Robust Governance

Compliance Governance

Risk management

Business Ethics

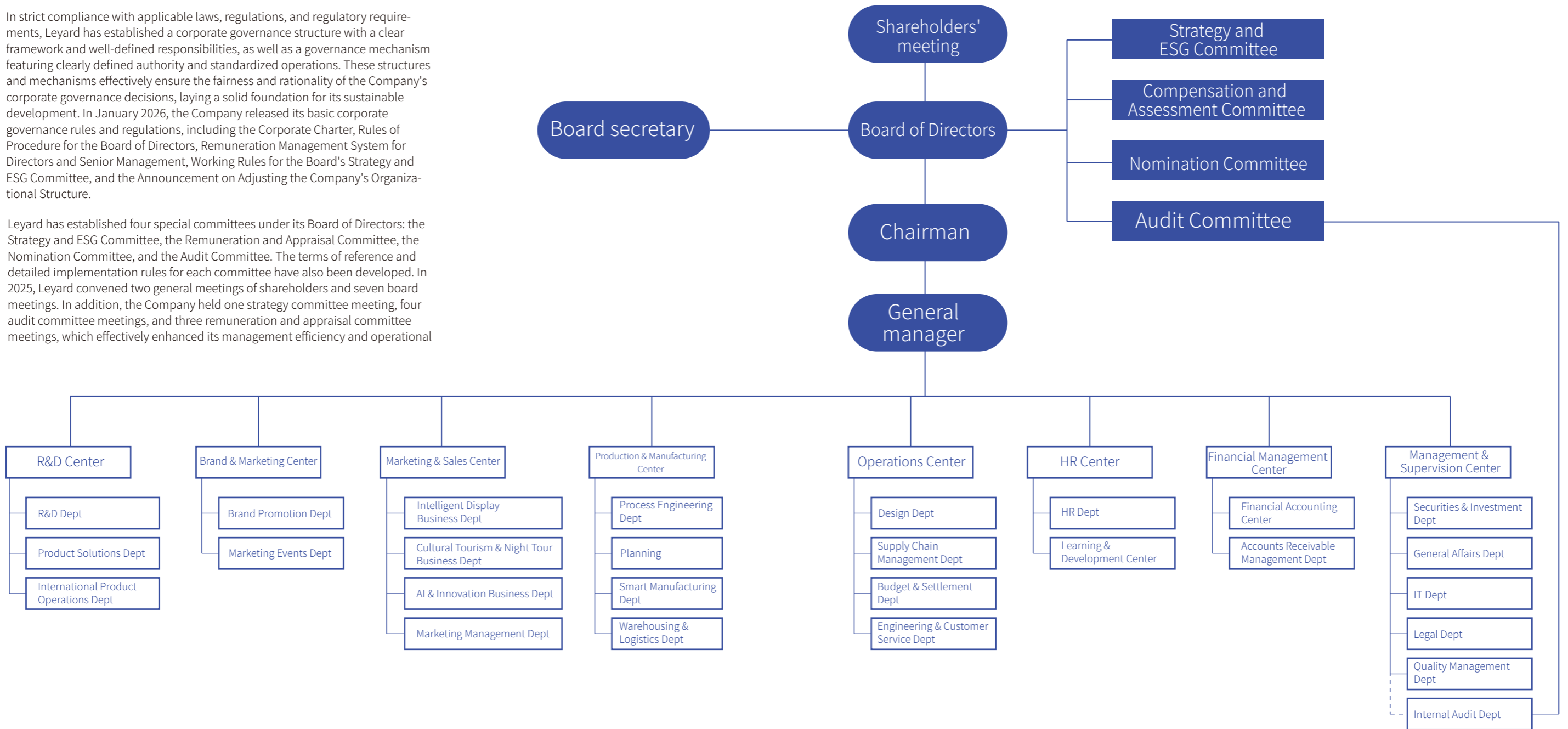


## Analysis and Conclusion of Issue Materiality

### Governance

In strict compliance with applicable laws, regulations, and regulatory requirements, Leyard has established a corporate governance structure with a clear framework and well-defined responsibilities, as well as a governance mechanism featuring clearly defined authority and standardized operations. These structures and mechanisms effectively ensure the fairness and rationality of the Company's corporate governance decisions, laying a solid foundation for its sustainable development. In January 2026, the Company released its basic corporate governance rules and regulations, including the Corporate Charter, Rules of Procedure for the Board of Directors, Remuneration Management System for Directors and Senior Management, Working Rules for the Board's Strategy and ESG Committee, and the Announcement on Adjusting the Company's Organizational Structure.

Leyard has established four special committees under its Board of Directors: the Strategy and ESG Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Audit Committee. The terms of reference and detailed implementation rules for each committee have also been developed. In 2025, Leyard convened two general meetings of shareholders and seven board meetings. In addition, the Company held one strategy committee meeting, four audit committee meetings, and three remuneration and appraisal committee meetings, which effectively enhanced its management efficiency and operational



## Corporate Strategies and Culture

### Corporate Strategies

#### Customer-Centric Strategy

Leyard prioritizes its customers and operates on a foundation of "customer sharing." Guided by the core philosophy of "high quality, exceptional service, integrity, dedication, and total customer satisfaction," the Company is committed to building a strong corporate image and earning customer recognition through the delivery of superior products and services, thereby continuously expanding its market presence. This customer-focused approach helps establish long-term, stable customer relationships, creates a distinct brand advantage, and lays a solid foundation for the Company's sustainable development.

#### Social Welfare Strategy

In 2014, Leyard established the Stars Education Fund under its "community sharing" principle, focusing on education-based poverty alleviation in underprivileged areas to help students pursue their academic dreams. This strategy demonstrates the Company's social responsibility, enhances its public image and reputation, and fosters a supportive external environment. In 2024, Leyard and its Chairman, Mr. Li Jun, jointly donated CNY 10 million to establish the Beijing Leyard Charitable Foundation. Leveraging its strengths, the foundation integrates resources to advance charitable initiatives in education support and rural revitalization, marking a new chapter in Leyard's philanthropic endeavors.

#### Win-Win with Investors Strategy

Driven by the principle of "investor sharing", Leyard is committed to delivering value to its investment partners by increasing market capitalization. This approach enables partners to participate in urban development and share in the resulting pride. Consequently, it attracts a broader investor base, provides strong financial backing for the Company's growth, and fosters close collaboration that leads to mutual success.

#### Employee Incentive Strategy

Leyard has established a comprehensive employee incentive system, which includes employee stock ownership plans of varying scales and durations. This approach closely aligns employee interests with those of the Company, fully unlocking employee motivation and creativity. As a result, it helps attract and retain top talent, building a strong talent foundation to support the Company's growth.

## Corporate Culture

### Leyard puts ethics before profits.

While the name Leyard means the Company puts ethics before profits, the essence of its corporate culture is sharing.

Leyard incorporates these factors into its mission, vision and values to get the Group on the same page and drive the Group forward over the past 30 years.

#### Mission

Enhancing the human audiovisual experience

#### Vision

Becoming a global VFX technology & innovation leader

#### Values

Equality, respect, trust, collaboration, win-win

#### Customer Sharing

Grounded in the principle of "customer sharing" and guided by the operating philosophy of "high quality, exceptional service, integrity, dedication, and total customer satisfaction", Leyard has built a customer-centric corporate image. By earning market share through its strong reputation, the Company rewards customers through meaningful sharing. Delivering quality products and

#### Community Sharing

Taking "community sharing" as its social responsibility, Leyard established the Stars Education Fund in 2014 to support education-based poverty alleviation projects in impoverished areas, helping disadvantaged students realize their dreams of returning to school and lighting up

#### Investor Sharing

Driven by the principle of "investor sharing", Leyard's investment partners not only share in the Company's remarkable market value growth but also share the pride of being part of urban development.

#### Employee Sharing

With "employee sharing" as its cornerstone, Leyard uses sharing as the key to unlock the code for mutual prosperity and growth. Since going public in 2012, the Company has implemented five employee stock ownership plans and two equity incentive programs.

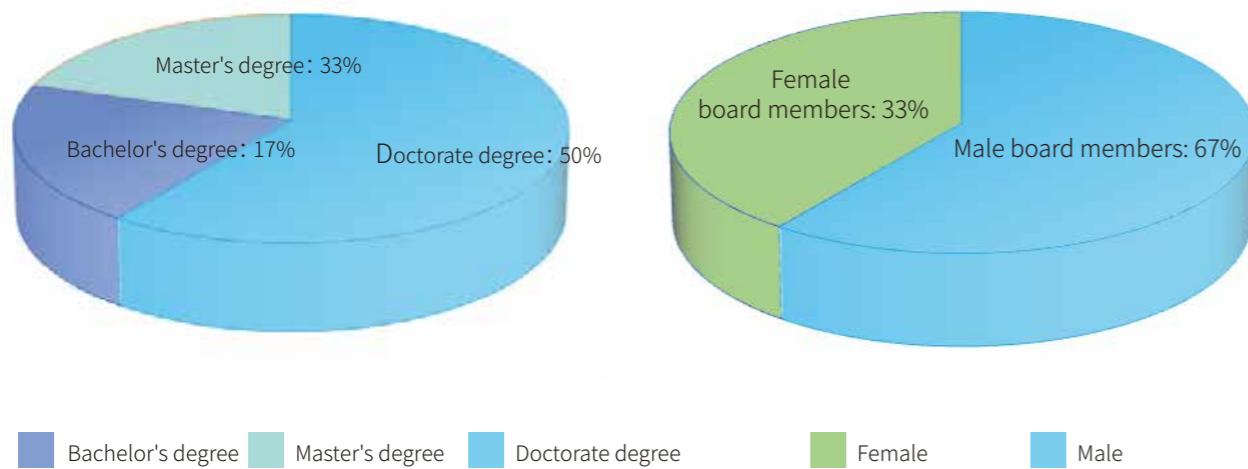


Core Values

Equality, respect, trust, collaboration, and win-win – these are the values that guide Leyard's interactions with customers, community, investors, and employees. In customer cooperation, equality and respect mean listening to customer needs and delivering quality service. Trust, earned through integrity, serves as the foundation of cooperation. Collaboration and win-win are the ultimate goals, achieved by sharing growth to maximize mutual benefits. In social engagement, Leyard actively participates in education-based poverty alleviation to fulfill its social responsibility and translate its win-win philosophy into societal impact – creating value for the community while building a strong reputation. In investor engagement, Leyard shares business achievements with investment partners, a practice that embodies the Company's values of equality, collaboration, and win-win. In employee engagement, Leyard takes multiple initiatives to foster a sense of ownership, promote collaboration, and achieve shared development between employees and the Company.

Board Diversity

During the reporting period, the board of directors of Leyard comprised six members, including four non-independent directors and two independent directors. Among them, two were female directors, and there was also one employee representative director. All incumbent directors possess strong professional competence, with educational backgrounds at the doctoral and master's degree levels. The professional expertise of the board members spans management, accounting, corporate governance, and industry-specific knowledge.



Return on Investment

[Case Study] Leyard's 30th Anniversary & Shareholders' Day Event

In order to establish a long-term and diversified mechanism for shareholder returns and to express gratitude for its shareholders' longstanding interest and support, Leyard seized the occasion of its 30th anniversary to collaborate with Hithink Royalflush Information Network Co., Ltd. ("Royalflush Info") in launching a "Listed Company Shareholders' Day" event, designed to reward shareholders in October 2025.

Investors who held shares of "Leyard (Ticker: 300296)" during the event period and whose personal trading accounts can access the Royalflush Info App were eligible to participate in a lucky draw. Winning investors received a variety of customized prizes created exclusively for the 30th anniversary.



证券代码: 300296 证券简称: 利亚德 公告编号: 2025-053

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本公司及董事会全体成员保证信息披露内容的真实、准确和完整,没有虚假记载、误导性陈述或重大遗漏。

时值利亚德光电股份有限公司(以下简称“公司”)成立三十周年之际,为建立长效、多样的股东回报机制,感谢广大股东长期以来对公司的关注和支持,公司将联合浙江核新同花顺网络信息股份有限公司(以下简称“同花顺”)开展“上市公司股东节”股东回馈活动。现将本次活动内容公告如下:

- 一、活动内容**  
 活动形式: 抽奖  
 活动时间: 2025年10月30日至2025年11月10日17:00止。  
 参与范围: 活动期间持有“利亚德(代码: 300296)”股票且个人交易账号可以在同花顺 App 登录的投资者。  
 活动设有多款利亚德三十周年定制奖品,款式以活动页面展示为准。

- 二、参与方式**  
 1、进入利亚德股东节专场活动页;同花顺 App 搜索“股东节”或扫描下方二维码:



## Sustainable Development Strategy

### People-Oriented

A diverse talent pool is the cornerstone of business success. Leyard's rapid development is driven by the collective efforts of employees from diverse countries, ages, and technical backgrounds, united by genuine integrity, as well as its business partners and suppliers who adhere to the same standards. Together, they uphold the Company's commitment to rejuvenating China, boosting the industry, and benefiting the people—all in healthy and safe workplaces.

### Innovation-Driven

Leyard drives technological and managerial upgrades through innovation in strategy, management, technology, business models, and corporate culture. This enables the Company to meet customers' increasingly demanding audiovisual requirements, respond to the need for disruptive innovation in display technology in the 5G era, and lead the display industry toward a "Created in China" future.

### Public Welfare and Environmental Protection

Leyard helps improve the learning environment for children in mountain areas and enhance the local quality of life by establishing a nonprofit fund, organizing charitable activities, and making donations. Leyard adheres to green and environmentally friendly production and operations, delivering innovative, energy-efficient products and technologies that provide customers with an experience of efficiency and environmental friendliness, thus contributing to holistic sustainable development.

### Collaboration with Stakeholders

Leyard places great importance on communication and collaboration with its stakeholders—including governments, shareholders, customers, suppliers, communities, and employees—to understand their sustainability priorities and expectations of the Company. Through effective cooperation, the Company allocates resources efficiently and contributes to sustainable development across society by means of advocacy, training and capacity building, and policy recommendations.

## ESG governance

In January 2026, Leyard optimized its organizational structure by renaming the Board's "Strategy Committee" to the "Strategy and ESG Committee", establishing an ESG governance structure that covers decision-making, execution, and supervision—further integrating corporate governance and sustainable development governance.

### Decision-Making Level

The Board's Strategy and ESG Committee is the core decision-making body. Comprising three directors and chaired by the Company's Chairman (who also serves as the Committee's convener), its key responsibilities include studying and recommending the Company's long-term development strategy, major investment decisions, and ESG-related matters; identifying and overseeing material ESG risks and opportunities affecting the Company's business; and reviewing ESG-related reports prior to their submission to the Board.

### Execution Level

The Management Supervision Center has taken the lead in establishing a dedicated ESG Management Working Group, which is responsible for overseeing ESG matters, researching and implementing ESG development plans and management systems, establishing effective ESG risk management and internal monitoring mechanisms, defining ESG goals, policies, and measures, monitoring the achievement of ESG indicators, and organizing the preparation of ESG reports. In addition, each business department, based on its respective functions and operational characteristics, sets its own ESG issue management objectives and measures, and regularly monitors their progress.

Leyard has established a comprehensive governance framework that spans multiple dimensions, including corporate governance, sustainable development, and business ethics.

### Governance Rules and Regulations

Key documents, including the Corporate Charter, Rules of Procedure for Shareholders' Meetings, Rules of Procedure for the Board of Directors, and the Working Rules for the Board's Strategy and ESG Committee clearly define essential governance components, such as the governance structure, decision-making procedures, and allocation of responsibilities.

### Strategic Planning

#### Strategic Positioning of Sustainable Development

Leyard positions "Rejuvenating China, Boosting the Industry, Benefiting the People" as the core of its sustainable development strategy. With the mission of "enhancing the human audiovisual experience", the Company is committed to becoming a global leader in VFX technology and innovation. To this end, Leyard drives advancements in audiovisual technology through innovation, delivers high-quality products and services to customers, supports the growth of the cultural industry, and achieves the coordinated development of economic, social, and environmental goals.

Strategic Planning and Implementation Pathways:

1. Innovation-Driven: Leyard continues to increase R&D investment and drive innovation across strategy, management, technology, business models, and corporate culture. These efforts are aimed at breaking through display technology barriers, launching innovative products that meet market demands, and enhancing the Company's core competitiveness. In 2025, Leyard focused on advancing the iterative upgrading of core technologies, including substrate-free Micro LED and AI-powered large motion models.

2. Global Expansion: Leyard pursues a global development strategy by expanding into overseas markets and integrating resources via mergers and acquisitions, thereby achieving mutual benefits and strengthening the Company's global presence. The Company continues to advance its "Planar + Leyard" dual-brand strategy, expedites the development of overseas production facilities in Slovakia, Saudi Arabia, and other regions, and targets increasing the proportion of overseas business to over 50% within the next two to three years.

3. Integration of Technology and Culture: Leyard actively promotes the deep integration of technology and culture, leveraging technology to empower the cultural industry, create new drivers of business growth, and contribute to the sector's prosperous development. Centered on its "2+4+1" strategy for cultural tourism and night tours, the Company plans to develop additional benchmark projects in immersive cultural tourism.

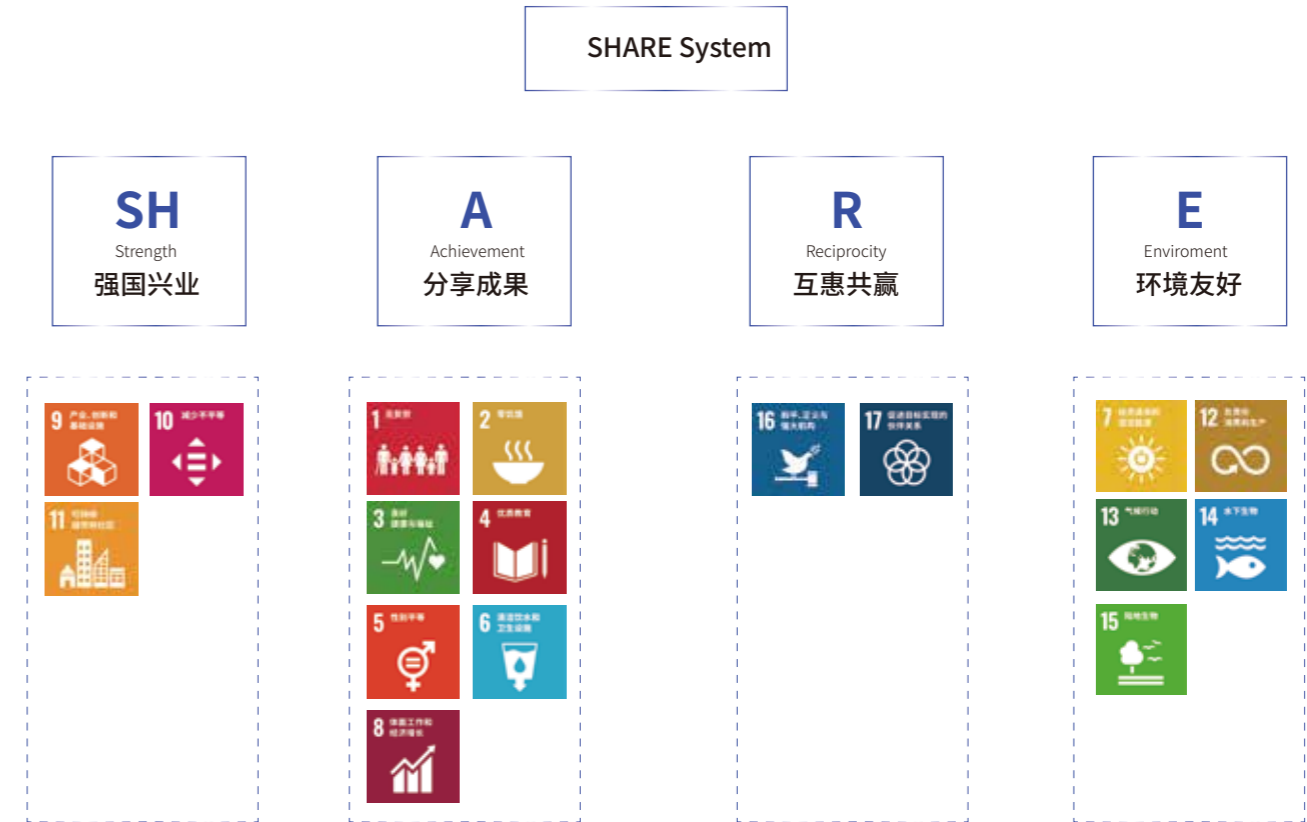
4. Public Welfare and Environmental Protection: Leyard has established public welfare funds and carries out charitable activities, including education-based poverty alleviation. In its production and operations, the Company adheres to green and environmentally friendly practices, develops energy-efficient products, reduces its environmental impact, and contributes to the achievement of the national "dual carbon" goals.

Indicators and Targets

The "SHARE" framework embodies Leyard's commitment to aligning with and implementing the SDGs. It incorporates the identified key sustainability goals, along with the social value of "Rejuvenating China, Boosting the Industry, Benefiting the People", into the Company's sustainable development action areas.

For 30 years, Leyard has remained committed to its corporate mission and responsible vision of "enhancing the human audiovisual experience," integrating sustainable development management into its strategic decision-making and day-to-day operations. Rooted in its CSR philosophy, the Company has built a distinctive, future-oriented sustainable development system that comprehensively balances economic, environmental, and social impacts, thereby charting a clear course for its sustainability efforts.

SHARE stands for "Sharing Innovation Achievement". The SHARE framework embodies the meaning of sharing innovation achievements.



Risk management

The Leyard Optoelectronic Co., Ltd. Risk Control Management System has been established based on the Company's operational and management realities, with a view to develop a standardized and effective risk control system, enhancing risk prevention capabilities, ensuring safe and stable operations, and elevating the overall management level.

Pursuant to this System, the Company's risk management governance structure has the president's office serving as the highest management level, the internal audit department and the audit committee as the management level, and the Company's functional departments as the execution level. Each functional department, acting within its designated scope of responsibilities, identifies, analyzes, and evaluates risks associated with relevant business processes, and formulates risk response plans accordingly. On the basis of these plans, the departments enhance control designs, organize the implementation of control systems, and collaborate with the internal audit department to investigate and address incidents in which control failures have led to significant losses or adverse effects.

Primary responsibilities of functional management departments in risk control and management:

- 1 Each functional management department, acts within its designated scope of responsibilities, identifies, analyzes, and evaluates risks associated with relevant business processes, and formulates risk response plans accordingly.
- 2 Using identified risks and determined response plans, functional management departments revise and improve control designs to meet risk management requirements. This includes establishing a control and management system and documenting business processes using prescribed methods and tools.
- 3 They organize the implementation of control systems; identify, collect, and analyze control deficiencies; propose improvement measures for such deficiencies; and implement those measures. For significant deficiencies and
- 4 They cooperate with the internal audit department in investigating and handling incidents in which control failures

## Risk Types

Based on their nature, the Company's risks are grouped into four categories: strategic, operational, financial, and legal. Based on their impact level, risks are classified as either general or significant.

Strategic 风险	Negative factors arising from the failure to formulate a strategy or the formulation of incorrect strategic decisions,
经营 风险	Factors arising from improper operational decisions that hinder or affect the achievement of operational objectives.
财务 风险	Risk of financial report distortion stemming from incomplete, inaccurate, or untimely financial accounting reports or information disclosures; risk to asset security, resulting in the reduction or loss of the use value and liquidity of the Company's assets, such as equipment and inventory; and fraud risk involving intentional acts to obtain unfair or undue benefits.
法律 风险	Factors resulting from non-compliance with national laws, regulations, and policies in daily operations that undermine the attainment of compliance objectives.

Leyard has established a risk management information communication channel that runs through the risk management process and connects all levels and departments. This channel ensures timely, accurate, and complete information flow, laying a solid foundation for risk management oversight and continuous improvement. Each functional department regularly conducts self-inspections and evaluations of its risk management work, promptly identifies deficiencies, and makes improvements. Inspection and evaluation reports are submitted promptly to the department's supervising leader. The internal audit department, on a regular or ad hoc basis, supervises and evaluates whether relevant departments have carried out risk management work in accordance with applicable regulations and assesses the effectiveness of such work.

## Risk Identification

All relevant functional departments extensively and continuously collect internal and external initial risk-related information, including historical data and future projections. Such information is then screened, refined, compared, classified, and combined as necessary to facilitate risk assessment.



## Risk Assessment

Risk Assessment Procedure: The Company's risk assessment process consists of four basic steps: objective setting, risk identification, risk analysis, and risk response.

- 1 Objective setting is a prerequisite for risk identification, risk analysis, and risk response. The Company's objectives span strategic, operational, compliance, and financial reporting aspects. All objectives comply with national laws, regulations, and industry development plans, and remain aligned with the Company's strategic development plan.

2

Risk identification is the process of identifying factors that may hinder the achievement of the Company's objectives, impede the Company's value creation, or erode existing value. The methods employed for risk identification include questionnaires, group discussions, expert consultations, scenario analysis, policy analysis, industry benchmarking, and interviews.

3

The Company uses qualitative analysis for risk assessment, primarily based on the likelihood of occurrence and the degree of impact on the Company's objectives. Through this analysis, risks are classified into those warranting significant attention and those warranting general attention. Risks requiring significant attention are further designated as "significant risks" or "general risks", thereby laying the foundation for risk response. The determination of risk significance is based primarily on the likelihood of occurrence and the degree of impact.

- (1) If the likelihood of risk occurrence is "remote", the risk may be disregarded.
- (2) If the likelihood is "possible" or higher and the degree of impact is low, the risk is classified as a general risk.
- (3) If the likelihood is "possible" or higher and the degree of impact is high, the risk is classified as a significant risk.

## Risk Response

Based on the risk response strategy, risk management solutions for each type of risk or each significant risk is developed. These solutions include specific objectives for risk resolution, the required organizational leadership, the management and business processes involved, necessary conditions, means, and other resources, specific response measures to be taken before, during, and after the occurrence of risk events, and risk management tools.

Internal control solutions for risk resolution are developed by aligning business strategy with risk strategy and balancing risk control against operational efficiency and effectiveness. For management and business processes involving significant risks, full-process control measures covering each stage are established. For business processes involving other risks, key stages serve as control points, with corresponding control measures adopted accordingly.

Risk response options. After risk analysis, a risk response option—to avoid, accept, reduce, or share the risk—is selected based on the results of the analysis and the causes of the risk.

## Business Ethics

### Governance

The Company has always upheld integrity and self-discipline as the basic principle of its business operations and development, and strictly complies with applicable national laws and regulations. It has established a business ethics governance system featuring multi-level governance, clear authority and responsibility, full-process collaborative control, and comprehensive institutional coverage. Business ethics and compliance requirements are embedded throughout the Company's business processes and across all stages of the supply chain, creating a robust defense for compliant operations.

#### Governance Structure and Functions

The Company has established a multi-level business ethics governance structure that clearly defines the business ethics-related management and supervisory responsibilities of the Group's management, heads of holding companies, and department heads within their respective scopes of authority, thereby creating a multi-level governance structure. Under this framework, the Group's quality supervision department, internal audit department, legal department, human resources (HR) department, and budget and cost control department operate in coordination. Meanwhile, each department performs its designated functions, ranging from monitoring system implementation and investigating violations to conducting compliance education.

#### Compliance Management System

The Company has formulated and issued a series of management systems for business ethics and compliance operations, establishing a comprehensive institutional framework. The core systems include the Leyard Optoelectronic Group Disciplinary Policy (Trial), the Leyard Optoelectronic Group Workplace Integrity System, the Leyard Group Supplier Anti-Corruption Convention, and the Leyard Risk Control System. These systems collectively address all dimensions of business ethics—including disciplinary actions, workplace integrity, supplier compliance, and operational risk control—providing a clear institutional basis and implementation standards for business ethics management.

## Strategy

Based on its actual business development, combined with the industry environment and full-process management requirements, Leyard has identified short-, medium-, and long-term risks and opportunities related to business ethics. The potential impact of each has been assessed, and corresponding response strategies have been developed, as detailed below.

Risk/Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Risks of operational violations arising from employees' insufficient understanding of company policies	<p>Business Impact: Due to unfamiliarity with integrity, compliance, and business ethics policies, employees may commit minor violations. Such violations can disrupt internal team dynamics, undermine the compliant operating environment, and affect internal management order.</p> <p>Financial Impact: No direct economic loss, but increased management costs for compliance checks and policy dissemination.</p>	Short-term	Organize regular company-wide integrity and compliance training; conduct specialized integrity training for new employees; strengthen policy dissemination and compliance awareness cultivation; establish a regular policy interpretation mechanism to ensure that all employees are familiar with business ethics policies and requirements.

Risk/Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Risks arising from suppliers' attempts to engage in non-compliant cooperation	<p>Business Impact: Suppliers may attempt to engage in violations—such as improper benefit transfers—to seek undue cooperative benefits, thereby undermining a fair cooperation environment and damaging the Company's procurement compliance.</p> <p>Financial Impact: May lead to an unreasonable increase in procurement costs, and increase compliance risks and audit costs in the procurement process.</p>	Short-term	Sign the Leyard Group Supplier Anti-Corruption Convention with suppliers, incorporating clauses that clearly prohibit improper benefit transfers and other violations, as well as stipulating breach of contract liability; distribute integrity and compliance questionnaires to suppliers, conduct regular supplier integrity and compliance reviews, and strengthen cooperative relationships with compliant suppliers.
Risks of employee integrity violations driven by intensified industry competition	<p>Business Impact: Some employees, tempted by personal gain, may engage in misconduct such as bribery or illicit transfer of benefits, which harms the company's commercial reputation and brand image, and erodes the trust of customers and partners.</p> <p>Financial Impact: Non-compliance may lead to lower project returns and higher costs for corrective actions and legal litigation.</p>	Medium-term	Improve the Leyard Risk Control System; strengthen internal audit supervision and integrity compliance investigations; establish full-process business risk control mechanisms; develop comprehensive supplier management standards; and embed business ethics compliance requirements into all business processes.
Risks of fraud arising from expanded commercial cooperation	<p>Business Impact: Increased probability of violations such as fraud and unfair competition due to the growing number of business collaboration scenarios and partners, leading to damage to the company's compliance management system and disruption of normal business operations.</p> <p>Financial Impact: Fraud may lead to asset loss, project cost overruns, financial losses, and compliance penalties.</p>	Medium-term	Optimize internal management processes; strengthen compliance review and supervision throughout the business cooperation process. All departments conduct regular integrity self-inspections. The internal audit department and legal department conduct regular and ad hoc compliance reviews to promptly identify and address fraud risks.
Risks of insufficient management coverage due to company expansion	<p>Business Impact: As the Company scales its operations and expands its business footprint, gaps in the coverage of business ethics management and weaknesses in policy implementation may emerge. This could render the compliance management system ineffective and hinder the Company's sustainable and healthy development.</p> <p>Financial Impact: Management loopholes may expose the Company to large-scale violations, resulting in significant financial losses and undermining investor confidence and capital</p>	Long-term	Continuously enhance the multi-level business ethics governance structure, strengthen the management and oversight responsibilities of heads of holding companies and departments, embed business ethics management into corporate culture, and drive the full-coverage, full-process implementation of compliance concepts.

Risk/Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Risks related to escalating unfair competition practices in the industry	<p>Business Impact: Escalating unfair competition, false advertising, trademark infringement, and unauthorized use of the Company's name for non-compliant operations could severely damage the Company's brand reputation and market image, and disrupt normal market order.</p> <p>Financial Impact: Infringement may lead to customer loss, reduced market share, and increased costs for brand protection and legal proceedings.</p>	Long-term	Drive industry self-discipline and set a benchmark for integrity-driven operations, issue strong statements against unfair competition and infringement—clearly defining legal boundaries and holding infringers liable through legal channels, launch a public whistleblower hotline to encourage social oversight, and protect both the Company's rights and fair market order.
Opportunities to build an integrity and compliance system for new employees and deepen collaboration with compliant suppliers.	<p>Business Impact: Strengthen integrity training for new hires to uphold compliant operation across the company and foster a clean and transparent internal management environment. Deepen collaboration with compliant suppliers to build a trustworthy and win-win supply chain system, ensuring the stable operation of procurement activities.</p> <p>Financial Impact: Reduce compliance risks in the procurement process and minimize additional management costs and financial losses caused by violations.</p>	Short-term	Make integrity training a mandatory course for new employee onboarding, ensuring that all new employees fully understand business ethics policy requirements; provide priority cooperation support to compliant suppliers, consolidate long-term, stable cooperative relationships, and continuously optimize the supplier compliance management system.
Opportunities to establish the Company as a benchmark for integrity-driven operations in the industry and expand market presence.	<p>Business Impact: Help the Company establish itself as an industry benchmark for integrity-driven and compliant operations through continuous improvement of its business ethics governance system, thereby enhancing market competitiveness and expanding access to high-quality customers and broader market space.</p> <p>Financial Impact: Expansion of high-quality market resources drives revenue growth, while a compliant operating system reduces long-term operational risks and ensures sustained, stable profitability.</p>	Long-term	Continuously improve the business ethics governance structure, promote industry self-discipline and the development of an integrity-driven business system, and integrate business ethics and compliant operations into the Company's long-term development strategy to empower sustainable growth through integrity and compliance.

### Impact, Risks, and Opportunity Management

The Company has established a full-process commercial ethics risk and opportunity management mechanism that follows the "risk identification – risk assessment – tiered control – closed-loop resolution – continuous optimization" approach, in accordance with relevant systems such as the Leyard Risk Control System. This mechanism enables comprehensive, end-to-end management of commercial ethics-related risks while ensuring the effective realization of development opportunities.

For identified commercial ethics-related risks, the Company continuously improves its relevant management systems to clearly define violation criteria and corresponding disciplinary rules. In accordance with the Leyard Optoelectronic Group Disciplinary Policy, appropriate disciplinary actions are taken against violators and related incidents. Any institutional gaps or management shortcomings identified during the risk resolution process are promptly addressed, and improvements are made to management systems and control processes to ensure the continuous evolution of the commercial ethics management system.

Meanwhile, the Company transforms every commercial ethics-related development opportunity into competitive advantages by enhancing its compliance management system, cultivating a culture of integrity, and building a brand image of honest operations. It further empowers business development and market expansion by recognizing compliant business practices, incentivizing suppliers' compliant cooperation, and embedding commercial ethics requirements across all employees and the entire supply chain.

### Indicators and Targets

Leyard's business ethics indicators and targets are approached from two aspects: the communication of anti-corruption policies and anti-corruption training. Clear indicators and targets are defined so that the data can better reflect the company's progress and efforts in business ethics.



#### [Case Study] Leyard Anti-Corruption and Integrity Convention

Leyard has issued the Anti-Corruption and Integrity Convention to uphold a positive image of the Company and its employees, advocate integrity and self-discipline across the organization, and support the Company's healthy development. The Company establishes basic integrity and compliance requirements through internal management, encourages employees to report any commercial ethics violations to the Group's internal audit department, and commits to protecting whistleblowers. The Company also provides regular anti-corruption education and training to strengthen legal awareness and moral integrity, helping prevent corrupt practices before they occur.

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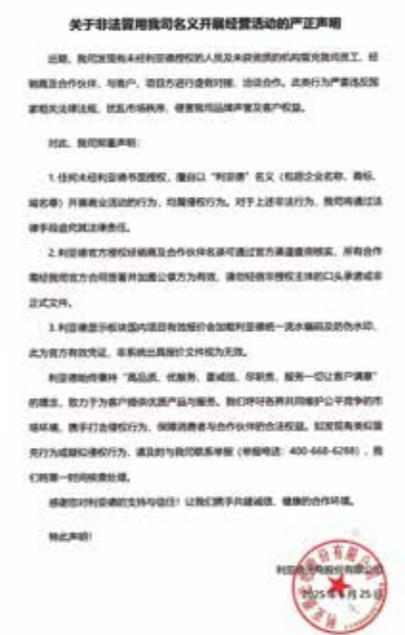
**利亚德集团反腐倡廉从业公约**

各位领导、同事：

为树立利亚德集团企业与员工队伍的良好形象，倡导全体员工诚信从业、廉洁自律，促进公司健康发展，特制定本公约。

#### [Case Study] Anti-Unfair Competition

In June 2025, Leyard discovered that unauthorized individuals and entities were impersonating its employees, distributors, or partners in fraudulent commercial activities, which severely damaged the Company's reputation and customer rights. In response, Leyard promptly issued a firm statement to clarify the boundaries of legitimate conduct: First, any commercial activity using the name "Leyard" without the Company's written authorization is an infringement, and Leyard will pursue legal action. Second, customers can verify all valid cooperation through the official authorized directory, and valid cooperation should also be supported by a formally stamped contract — informal commitments are not reliable. Third, for domestic projects of its display division, every valid quotation document comes with a unique serial code and anti-counterfeit watermark. Upholding its commitment to integrity-driven operations, Leyard called on all stakeholders to help maintain market order and set up a whistleblower hotline (400-668-6288) to encourage public oversight.





# 03

## Commitment to Environmental Governance

Environmental Compliance Governance

Climate Change Response and Integrated Energy Governance

Water Resource Management

Pollutant Management

Circular Economy and Waste Management



## Environmental Compliance Governance

### Governance

#### Governance Structure and Responsible Parties

The Company integrates environmental compliance governance into its sustainable governance framework, aligning it with the corporate governance system. This establishes a closed-loop governance structure characterized by leadership from top management, coordination by management representative, execution by functional departments, and verification by supervisory departments. Meanwhile, responsibilities at the decision-making and execution levels are defined as follows:

**Decision-Making Level**

Top management personally participates in energy standard training, leads the formulation of the energy policy, cascades energy objectives and targets across all levels, monitors target achievement throughout the process, organizes internal audits, and chairs management reviews.

**Execution Level**

The management representative collaborates with top management to push forward environmental compliance and energy management efforts. The supervisory department, Beijing factory, and Shenzhen company serve as the main execution bodies, responsible for implementing energy-efficient management measures, conducting on-site inspections and patrols, and carrying out corrective actions.

**Coverage**

As of the end of 2025, the environmental compliance and energy management system had been rolled out to major production bases such as Hunan Leyard and Leadstar Micro-Crystal Display.

### Policy and Procedure System Development

The Company strictly complies with national and industry standards, including the Requirements of the Energy Management System and the Energy Management System—Certification Requirements for Electronic Information Enterprises, as well as its internal Leyard Integrated Management Manual. Based on these, the Company has established robust policies for environmental compliance and energy management, forming a complete system architecture centered on a "Manual + Responsibility Matrix + Core Procedures." Specifically, the Energy and Carbon Emission Management Manual defines the overarching principles, objectives, and management requirements for environmental compliance and energy and carbon management. The Energy/Carbon Management System Responsibility Allocation Matrix details the specific responsibilities of each department and role in environmental compliance and energy management. The Monitoring, Measurement, Analysis and Evaluation Control Procedure, Compliance Evaluation Control Procedure, Internal Audit Control Procedure, Nonconformity, Corrective Action and Continual Improvement Control Procedure, and Management Review Control Procedure standardize the entire process of environmental compliance audits, issue identification, corrective action implementation, and continuous optimization, thereby mitigating risks related to energy savings and compliance.



Environmental Management System Certification

### Strategy

Based on the Company's strategic environmental compliance governance initiatives, and considering the unique environmental management characteristics inherent in the LED display industry's production processes, three core categories of risks and opportunities have been identified — namely, compliance, operations, and low-carbon transformation. The table below provides the detailed impact analysis and corresponding response strategies.

Risk/Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Environmental Regulatory Compliance Risks	<p>Business Impact: Production bases could be required to suspend operations for corrective actions, which would adversely affect order delivery schedules, tarnish the Company's reputation for environmental compliance, and erode stakeholder confidence.</p> <p>Financial Impact: Risk of regulatory fines and additional rectification costs. Contractual penalties may also arise from order delays.</p>	Short-term	Strictly implement the Compliance Evaluation Control Procedure and the Internal Audit Control Procedure, while conducting regular compliance evaluations and internal audits.
Environmental Management Operational Risks	<p>Business Impact: Low energy efficiency at new bases reduces overall production efficiency and increases energy waste, conflicting with the Company's low-carbon development strategy.</p> <p>Financial Impact: Higher energy costs squeeze product profit margins, and underdeveloped policies and systems at new bases result in added retrofitting expenses.</p>	Medium-term	Reinforce on-site inspections and patrols, strengthen process monitoring, and establish a routine hazard identification mechanism. Furthermore, it should improve the energy target assessment mechanism by incorporating energy-saving indicators into the performance appraisals of each production base.
Green and Low-Carbon Transition Opportunities	<p>Business Impact: Leverage environmental compliance advantages and low-carbon products to enhance competitiveness in the high-end display market. Meet the green procurement requirements of overseas customers and support overseas business expansion (overseas revenue accounts for over 50%, primarily from intelligent display products).</p> <p>Financial Impact: Deliver green order premiums, improved product gross margins, lower overseas market access costs, and sustained offshore revenue growth.</p>	Long-term	Continuously optimize the R&D of low-power products and production processes, while also strengthening disclosure of its environmental compliance achievements to enhance the brand's reputation for environmental stewardship. In addition, it should incorporate environmental compliance requirements into supplier selection criteria to build a green supply chain system.

## Impact, Risks, and Opportunity Management

The Company engages a qualified third party to conduct environmental assessments for its new projects. Upon completion of the assessment, the application materials for record-filing are submitted to the local Bureau of Ecology and Environment.

Leyard strictly complies with the Emergency Response Law of the People's Republic of China and the Environmental Protection Law of the People's Republic of China. Each year, the Company conducts risk assessments of the environmental factors associated with its production operations. Using three timeframes and three states as the analytical framework, Leyard evaluates the impact of these environmental factors on water, air, soil, resources, and energy. For unacceptable risks identified through the assessment—such as potential fires and hazardous waste handling—the Company establishes management control measures and emergency response systems.

To prevent potential fires and accidental hazardous waste releases and to enable swift and effective responses in the event of anomalies, the Company has put in place the Environmental Monitoring and Measurement Management Procedure, the Hazardous Waste Control Procedure, and the Emergency Response Control Procedure, along with separate response plans for fires and chemical spills. These plans are tested through annual drills. In addition, every Leyard factory runs its own emergency drills at least once a year to verify its response capabilities. After each drill, the department responsible for emergency response assesses how well the site-specific plan worked. The same assessment is conducted following any real emergency.

## Indicators and Targets

### Environmental Management Indicators

Indicator		Unit	2024	2025
Environmental protection investment and training	Total environmental protection investment	10,000 CNY	61.40	148
	Total hours of environmental protection training	Hour	666	956.50
	Total number of environmental protection training participants		833	1,335
	Of which: Directors and senior executives		22	27
	Employees		811	1,308

## Climate Change Response and Integrated Energy Governance

### Governance

Leyard is committed to driving low-carbon development in the LED display industry through green innovation. The Company actively explores new models for green development and applies scientific methods to manage energy and carbon, continuously improving energy efficiency, reducing energy consumption, and cutting greenhouse gas emissions. To support the national "dual carbon" goals, Leyard has developed the Integrated Management Manual for Energy, Carbon Emissions, and Carbon Management and the Energy and Carbon Management System Responsibility Allocation Matrix, in line with applicable standards such as the Requirements for Energy Management Systems and the Energy Management Systems – Certification Requirements for Electronic Information Enterprises. The Company has established an energy management system directly overseen by the General Manager. Under this system, a management representative is appointed to manage day-to-day operations, and the supervisory department is designated as the primary execution-level responsible body. Through energy and carbon management training, the Company aims to enhance company-wide awareness of energy conservation and carbon reduction, while gradually building a low-carbon development culture with distinctive Leyard characteristics.

### Strategy

The Company's operations primarily rely on natural gas, gasoline, and electricity. The Company has comprehensively assessed the adaptability of its corporate strategy and business model to climate change in accordance with the Control Procedure for Identifying Internal and External Environment and Climate Change Factors, taking into account the climate-related risks and opportunities specific to the LED display manufacturing industry.

Regarding strategy and business model impact assessment and response methods, Leyard has analyzed the impact of factors such as raw material supply fluctuations caused by climate change, rising energy costs, and low-carbon policy orientation on product R&D, manufacturing, supply chain management, and market expansion. In response, the Company has developed a green supply chain plan, advanced low-power LED display technology R&D and product iteration, optimized production processes to cut per-unit carbon emissions, and pursued green product certifications to drive demand in low-carbon markets.

In assessing climate adaptability, the Company has placed special emphasis on several key uncertainties: the unpredictability of the frequency and intensity of future extreme weather events; the dynamic adjustment of regional carbon policies and industry-specific low-carbon standards; the pace of low-carbon transition and associated cost fluctuations for upstream raw materials; and the extent of changes in downstream customers' preferences for green products.

Regarding strategy and business model adjustment, the Company will, in the short term, complete energy efficiency retrofits at its existing production bases, establish an early warning mechanism for climate-related risks in the supply chain, and achieve dynamic optimization of key material inventories. In the medium term, it will build a low-carbon-centric product R&D system, drive technological innovation in energy-intensive production processes, and develop a competitive green product portfolio. In the long term, it will fully transition to a green development model, embed climate resilience across its corporate development strategy, and build a sustainable business model encompassing green R&D, green manufacturing, and a green supply chain.

Risk/Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Extreme climate change risks (physical risk)	<p>Business Impact: Disrupt the continuity of product R&amp;D, manufacturing, and supply chain management, potentially leading to production delays and affecting market delivery.</p> <p>Financial Impact: Unstable raw material supply could cause fluctuations in procurement costs, increase inventory management expenses, and affect profit stability.</p>	Short- to medium-term	It's essential to continuously identify climate-related risks in the supply chain in accordance with the Control Procedure for Identifying Internal and External Environment and Climate Change Factors and develop response plans in advance.
Risks related to rising energy costs due to natural disasters (physical risk)	<p>Business Impact: Since the Company's operations primarily rely on natural gas, gasoline, and electricity, rising energy costs will increase production and operational pressures, potentially hindering production process optimization.</p> <p>Financial Impact: Directly drive up energy costs, leading to higher total production and operating expenses, reduced profitability, and compressed profit margins.</p>	Long-term	(1) Optimize production processes to reduce carbon emissions and energy consumption per unit of product; and (2) Advance the R&D and product iteration of low-power LED display technology to reduce energy-related costs from the product side.
Risks related to dynamic adjustments to low-carbon policies and industry standards (transition risk)	<p>Business Impact: Changes in regional carbon policies and industry-specific low-carbon standards could render existing production models and products non-compliant, exposing the Company to policy compliance risks and hindering market expansion.</p> <p>Financial Impact: Adapting to new policies requires additional investment in technological upgrades and product enhancements, increasing upfront costs.</p>	Long-term	(1) Continuously monitor developments in regional carbon policies and industry-specific low-carbon standards and adjust its corporate strategy and production and operational models in a timely manner; and (2) build a low-carbon-centric product R&D system and drive technological innovation in energy-intensive production processes to ensure product and production compliance.

Risk/Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Opportunities to expand low-carbon market demand	Business Impact: With increasing downstream customer demand for green products, securing green product certifications enables the Company to tap into the low-carbon market, strengthen its competitive position, and accelerate product structure optimization. Financial impact: The substantial premium potential of green products allows for higher value-added, thereby contributing to increased revenue and profit.	Medium- to long-term	(1) Advance the R&D and product iteration of low-power LED display technology to build a green product portfolio; and (2) Actively pursue green product certifications, improve its green supply chain, and precisely align with low-carbon market demand.
Green development and transition opportunities	Business Impact: Drive a comprehensive green transition across production, R&D, and the supply chain to embed low-carbon development principles, enhance climate adaptability, and establish a green corporate image. Financial Impact: Reduces long-term operating costs through energy-saving retrofits and technological innovation while achieving sustainable profitability via a green business model.	Long-term	Integrate climate adaptability into all aspects of its corporate development strategy and build a sustainable business model that encompasses green R&D, green production, and a green supply chain.
Risk of rising energy costs	Business Impact: Since the Company's operations primarily rely on natural gas, gasoline, and electricity, rising energy costs will increase production and operational pressures, potentially hindering production process optimization. Financial Impact: Directly drive up total production and operating expenses, reduce profitability, and compress profit margins.	Long-term	Optimize production processes to reduce carbon emissions and energy consumption per unit of product, and advance the R&D and product iteration of low-power LED display technology to reduce energy-related costs from the product side.

## Governance

The Company has identified and evaluated significant environmental aspects and major risks in accordance with the Energy and Carbon Emission Management Manual and the Risk and Opportunity Identification and Management Control Procedure. Based on the List of Risk and Opportunity Response Measures, it has defined corresponding response measures. In addition, the Company has developed the Leyard Energy and Carbon Emission Management Manual and issued the 2025 Energy Review Report, which comprehensively assesses the energy and emission profiles of each operational site to mitigate their impact on the Company.

### Leyard's Complete GHG Emission Inventory and Verification Process

#### Core Inventory Process (Per ISO 14064-1 / GHG Protocol)

**Boundary and Baseline Setting:** The organizational boundary follows the control approach, covering manufacturing, R&D, and warehousing facilities in Beijing, Shenzhen, Jiangsu, and Hunan. The operational boundary includes Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity and steam), with a pilot program for Scope 3 (upstream and downstream value chain). Using 2024 as the baseline year, the Company achieved its target of a 1% reduction in emissions.

**Emission Source Identification:** Scope 1 includes gas-fired boilers in production workshops, fuel-powered vehicles (excluding electric forklifts), and fugitive emissions from refrigerants and fire extinguishing agents. Scope 2 covers purchased electricity and steam at each plant site. For Scope 3, the Beijing plant pilot covers transportation and distribution, employee commuting, and solid waste disposal.

**Data Collection and Calculation:** Activity data is sourced from electricity, gas, and fuel meters, financial invoices, equipment ledgers, and production daily reports, with all measuring instruments calibrated regularly. The primary calculation method is the emission factor approach (activity data × emission factor × GWP), supplemented by the actual measurement method for key equipment. Scope 2 emissions are calculated using the average grid emission factor, with purchased green electricity separately noted.

**Reporting and Quality Control:** A Greenhouse Gas Emission Inventory Report is prepared, covering boundaries, emission sources, data, calculation methods, results, and uncertainty analysis. A data traceability and review mechanism has been established, emission factors are updated regularly, and all records are archived to support future verification and traceability.

Third-Party Verification (Taking Leyard TV Technology Co., Ltd. as an Example)

Verification Preparation: China Certification Center Inc. is engaged to verify the manufacturing plant of Leyard TV Technology Co., Ltd. for the reporting period, in accordance with ISO 14064 / GHG Protocol. The Company is required to submit the inventory report, energy/fuel consumption records, equipment lists, calibration certificates, and other relevant documents.

Document Review: The verifier checks data completeness and consistency, verifies the compliance of emission factor selection, and confirms that the accounting logic for Scopes 1, 2, 3 and 4 is free from crossover or omission.

On-Site Verification: Interviews are conducted with energy, production, and finance personnel to confirm data processes, and the operation and calibration of measurement equipment are verified. In addition, production processes and emission sources are observed, with sample checks performed to match energy consumption with emissions.

Reporting and Assurance: A Greenhouse Gas Emission Verification Report is issued, confirming that the data "fairly reflects" the emissions. Leyard TV Technology Co., Ltd. obtains a third-party verification certificate, while certain product lines are certified under ISO 14067 for Product Carbon Footprint.

Indicators and Targets

[Targets] Leyard established its 2025 energy reduction targets to decrease both comprehensive energy consumption per ten thousand CNY of output value and comprehensive energy consumption per unit of product by 1% from the baseline value. The 2025 energy baseline is set as the average of actual energy consumption in 2024. These targets have been achieved.

Based on its energy management system and in alignment with the T/CCAA 39-2022 standard, Leyard has established a carbon management system. In 2024, the Company set its baseline carbon reduction targets to decrease both carbon emissions per ten thousand CNY of output value and emissions per unit of product by 1% from the baseline value. The 2024 carbon baseline was set as the average of actual carbon emissions in 2023. These targets have also been achieved.

[Indicator]: Energy consumption in 2025

Indicator		Unit	2024	2025
Energy	Natural gas	m <sup>3</sup>	151,008.00	149,745.00
	Gasoline	l	29,840.60	18.39
	Electricity consumption	kWh	56,998,890.00	32,451,609.70
	Solar energy usage	kWh	2,531,337.00	20,317,964.00
	Comprehensive energy consumption	tce	7,221	5,261.34

Note: Data sources include Leyard Group Headquarters, Beijing Factory, Hunan Leyard, Leadstar Micro-Crystal

2025 Carbon Emission Profile

Indicator		Unit	2024	2025
GHG emissions	Total GHG emissions	tCO <sub>2</sub> e	30,953.26	21,939.80
	Scope 1: Direct GHG emissions	tCO <sub>2</sub> e	367.65	476.18
	Scope 2: Indirect GHG emissions	tCO <sub>2</sub> e	30,585.60	21,463.62

Notes:

(1) Data sources include Leyard Group Headquarters, Beijing Factory, Hunan Leyard, Leadstar Micro-Crystal Display, and Shenzhen Company.

(2) Scope 1: Direct GHG emissions are calculated in accordance with the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020). Pursuant to this standard, the calorific value of natural gas is taken as 356.085 GJ/m<sup>3</sup>, and that of gasoline as 43.12 GJ/t.

(3) Scope 2: Indirect GHG emissions are calculated based on the Guidelines for Accounting and Reporting of Enterprise GHG Emissions — Power Generation Facilities, issued by the Ministry of Ecology and Environment of China in December 2025. The emission factor used is the 2023 national average CO<sub>2</sub> emission factor for electricity of 0.5306 kg/kWh.

(4) Gasoline density is calculated as 0.74 kg/L.

Carbon Management System Certificate



Leyard Energy-Efficient Products

Centered around Micro LED and self-developed energy-saving driver ICs, Leyard's energy-efficient product lineup includes the MG cold screen, the advanced MIP (Hi-Micro), and the next-generation MG COB series. Featuring three times lower power consumption, low temperature rise, and high reliability, these products are well-suited for command centers, commercial displays, data centers, and similar applications.

I. Core Energy-Efficient Technologies (Three Pillars)

1. Self-Developed Energy-Efficient Driver IC (55nm process): BGA324 package; 18bit+10bit grayscale; EMC Class B; 20% additional power reduction vs. the best available market solutions; chip-level backup; 7×24 stable operation.
2. Micro LED: RGB full flip-chip, no bonding wires; mass transfer integrated packaging; three times lower power consumption than traditional SMD.
3. Common Cathode Constant Current Drive: Improved luminous efficiency; lower power consumption and temperature rise; screen surface temperature <30°C after 2 hours at 600 nits.

II. Mainstream Energy-Efficient Product Portfolio

Product Series	Core Energy-Efficient Features	Key Data	Typical Scenarios
MG COG cold screen	Micro + COB + energy-efficient IC 3× lower power consumption than SMD; 20,000:1 contrast ratio; at 600 nits for 0.9mm pitch products	Screen temperature <30°C after 2 hours of operation	Command and control centers, exhibitions and displays
Advanced MIP (Hi-Micro)	Substrate-free Micro chip + cold screen technology; 99% black area ratio; wide viewing angle without color shift; at 500 nits for 0.7mm pitch products	Screen surface temperature <38°C after 2 hours of operation in video mode	High-end commercial displays, virtual production

III. Core Advantages (Quantified Value)

- Ultimate Energy Efficiency: The Micro series consumes one-third the power of conventional SMD products.
- Low Temperature and Stable Operation: At 600 nits, the screen temperature remains below 30°C after two hours of operation, reducing air conditioning energy consumption and extending product lifespan.
- Full Lifecycle Green Design: Easy-to-disassemble design supports recycling and reuse. Select products have obtained carbon footprint/energy efficiency certifications, supporting customers' carbon accounting efforts.

Water Resource Management

Leyard places great emphasis on water resource management. The Company and its subsidiaries manage water resource utilization and wastewater discharge, and establish water conservation targets in strict accordance with the Water Law of the People's Republic of China and other applicable laws, regulations, and discharge standards. They also actively develop and refine various technologies to continuously optimize water use efficiency. Leyard's water resource management is fully integrated into its overall environmental compliance governance system and aligned with its existing energy management and environmental management frameworks, forming a complete, end-to-end management system. In terms of policy development, water resource management requirements have been incorporated into the Company's environmental management system and the Integrated Management Manual. Together with key existing policies such as the Energy and Carbon Emission Management Manual and the Energy Conservation and Consumption Reduction Control Procedure, these documents define specific standards and operating procedures for water conservation, utilization, and discharge, providing clear guidelines for water resource management.

Regarding governance structure, the Company continues to apply the closed-loop model characterized by "leadership from top management, coordination by management representative, execution by functional departments, and verification by supervisory departments." Specifically, top management is responsible for overseeing the formulation of water resource management policies, management representative coordinates the implementation of various initiatives, each production base (including covered bases such as Hunan Leyard and Leadstar Micro-Crystal Display) is accountable for specific water resource control and execution, and the supervisory department, along with the internal audit team and other relevant entities, performs supervisory functions.

Regarding operational management, the Company focuses on efficient water use in production, standardizes water use procedures, promotes the maintenance of water-saving facilities, and strengthens employee conservation awareness. Water conservation is embedded into daily operations

to ensure rational allocation and efficient use of water resources. For risk control, the Company identifies potential risks, including water waste and non-compliant discharges based on its production operations and develops targeted prevention measures. Regular risk assessments are conducted to promptly identify and resolve issues related to water conservation and abnormal discharges, thereby mitigating water resource management risks.

For supervision, the Company employs a three-tier system of "routine inspections + internal audits + management reviews" to integrate water resource management into on-site inspections and internal audits. The supervisory department leads regular compliance inspections, the internal audit team periodically reviews compliance and policy implementation, and the management representative chairs management reviews to evaluate performance. These mechanisms ensure effective implementation of management measures and continuous improvement of water resource management.

Indicator		Unit	2024	2025
Water resource utilization	Total water consumption	ton	239,934.95	247,433.00
	Recycled / reclaimed water usage	ton	59,087.00	62,550
	Total wastewater discharged	ton	174,915.76	247,433.00

## Pollutant Management

Leyard's pollutant management is fully integrated into its environmental compliance governance system and aligned with its energy and environmental management frameworks, forming an end-to-end system that covers all production stages and pollutant types. In terms of policy development, the Company has incorporated pollutant management into its environmental management system and the Integrated Management Manual in strict accordance with the Air Pollution Prevention and Control Law of the People's Republic of China, the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, the Standard for Fugitive Emission of Volatile Organic Compounds, and other applicable national, local, and industry-specific laws, regulations, and standards, taking into account its actual business operations, including the production of LED electronic displays and LED modules. Together with core existing policies such as the Control Procedure for Noise Pollution Prevention, the Control Procedure for Soil Pollution Prevention, and the Control Procedure for Waste Gas and Wastewater Pollution Prevention, these documents define specific standards and operating procedures for the prevention, collection, treatment, emission compliance, disposal, and utilization of various pollutants, including waste gas, wastewater, noise, and solid waste. Additionally, the Company has developed targeted control requirements tailored to the pollutant emission characteristics of different production bases, providing clear rules and a reliable basis for pollutant management.

Regarding governance structure, the Company continues to apply the closed-loop model characterized by "leadership from top management, coordination by management representative, execution by functional departments, and verification by supervisory departments." Specifically, top management oversees the formulation of pollutant management policies and targets, the management representative coordinates the implementation of various initiatives, and each production base, including covered bases such as Shenzhen Leyard and Leadstar Micro-Crystal Display serves as a key executor, responsible for daily pollutant control, operation and maintenance of treatment facilities, and emission monitoring at its own site. The supervisory department, along with the internal audit team and other relevant entities, supervises the entire process. Thus, a three-tier responsibility system comprising decision-making, execution, and supervision is established.

Regarding operational management, the Company places great emphasis on pollutant prevention across the production process. For example, at its subsidiary Leadstar Micro-Crystal Display, fume hoods and collection pipelines have been installed, equipped with treatment facilities such as two-stage activated carbon adsorption, and the setup and maintenance of exhaust stacks have been standardized to ensure that exhaust gases — including soldering fumes and organic gases — are treated to meet emission standards before discharge. For wastewater, the company has implemented a rainwater and sewage diversion system. Domestic sewage is pretreated in septic tanks, and production wastewater is treated at the on-site wastewater treatment station before being discharged into the municipal sewage network or sent to a water purification plant for further treatment, strictly preventing uncontrolled wastewater discharge. For noise control, measures such as factory building sound insulation, rational equipment layout, distance attenuation, and the

installation of anti-vibration pads and silencers have been adopted to reduce noise propagation. For solid waste, a strict distinction is made between hazardous solid waste and general solid waste. Hazardous solid waste is disposed of by qualified third-party entities, while general solid waste is either recycled or collected and transported by municipal sanitation departments. The entire solid waste management process — from temporary storage to transfer and disposal — is standardized. Additionally, employees are educated to enhance their awareness of pollutant prevention and control. Pollutant management requirements are integrated into daily operations to ensure the effective implementation of all operational measures.

For risk control, the Company thoroughly assesses potential risks in pollutant management — such as excessive emissions, treatment facility failures, non-compliant solid waste disposal, and abnormal discharges — based on the production processes and pollutant characteristics of each manufacturing base. Targeted preventive measures and clear emergency response protocols have been developed to define emergency response procedures in accordance with applicable pollutant control procedures. In the event of an exhaust gas treatment facility or collection pipeline failure, production is halted immediately, discharge valves are closed, and repairs are carried out promptly to prevent pollution from spreading. Regular risk assessments are conducted to promptly identify and address potential hazards, thereby preventing compliance risks associated with pollutant management.

For supervision, the Company has incorporated pollutant management into its on-site inspections and internal audits. Led by the supervisory department, routine inspections are carried out to monitor the operating condition of pollutant treatment facilities, verify pollutant discharge levels, and ensure compliance in the storage and disposal of solid waste. The internal audit team periodically reviews pollutant management compliance, policy implementation, and facility maintenance effectiveness. The management representative chairs management reviews to evaluate pollutant management performance. Using monitoring data, inspection results, and audit findings, the Company continuously improves its pollutant management measures to ensure that all discharges meet applicable standards and to drive sustained progress.

## Circular Economy and Waste Management (Green Manufacturing)

### Governance

The Company has established an energy conservation and consumption reduction management system centered on the Energy Conservation and Consumption Reduction Control Procedure (LYD-EOP-005-C0). Together with supporting documents such as the Office Supplies Management Regulations, the Water and Electricity Conservation Management Regulations, and the Raw Material Usage Management Regulations, this system forms an institutional framework that governs resource and energy usage across the Company. Management responsibilities are clearly defined by department. Each department is required to develop its own resource and energy conservation measures and conduct internal education on conservation practices. All employees, while performing their duties, are responsible for conserving resources, reducing the use of non-renewable materials, and minimizing waste generation. The Shenzhen and Beijing factories, along with the customer service centers, serve as the entities responsible for material consumption management. They work together with the administration department to oversee the overall implementation and management of energy conservation and consumption reduction efforts. The administration department holds independent responsibility for office supplies management. The quality department is responsible for verifying the implementation and effectiveness of energy conservation and consumption reduction measures across the Company, and also coordinates the review, tracking, and archiving of improvement suggestions related to these efforts. All departments participate in the execution and advancement of energy conservation and consumption reduction initiatives. The management representative is responsible for the overall coordination and approval of related efforts. As a result, a management structure characterized by "division of labor among departments, specialized departmental management, oversight by the quality department, and coordination by the management representative" has been established.

### Strategy

The Company has outlined its core strategies for circular economy and waste management to conserve energy and reduce consumption, minimize waste and scrap during production and installation, lower resource consumption, and reduce pollution. Through scientific management of resource and energy usage, enhanced statistical analysis of energy and material consumption, and the effective implementation of improvement suggestions, the Company aims to achieve its strategic goals of enhancing economic performance and driving continuous improvement. The specific risks and opportunities associated with resource and energy usage and waste management are analyzed as follows:

Risk/Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Risks related to excessive resource and energy consumption	<p>Business Impact: Result in resource waste, higher scrap rates during production and installation, and non-compliance with green manufacturing requirements.</p> <p>Financial Impact: Directly increase procurement costs for resources and energy such as water, electricity, raw materials, and auxiliary materials, thereby driving up total production and operating costs.</p>	Long-term	<p>(1) Each department develops targeted resource and energy conservation measures, provides internal conservation training, and fosters work habits that save water and electricity and minimize scrap. (2) The Office Supplies Management Regulations, Water and Electricity Conservation Management Regulations, and Raw Material Usage Management Regulations are implemented across the Company to ensure the scientific and rational use of resources and energy.(3) Each department proactively adopts energy-saving measures.</p>
Risks related to unreasonable material consumption quotas	<p>Business Impact: This could lead to inefficiencies in the requisition and inventory management of raw and auxiliary materials, disrupt the orderly progress of production planning, and increase the risk of material overstocking or shortages.</p> <p>Financial Impact: Hoarding raises storage costs, while shortages could cause production stoppages, resulting in lost productivity and added expenses.</p>	Long-term	<p>At the end of each year, consumption quotas are revised based on actual material consumption, submitted to the supervising manager for approval, and then monitored for implementation.</p>
Risks related to ineffective implementation of energy conservation and consumption reduction measures	<p>Business Impact: Energy conservation efforts remain superficial, failing to meet pollution reduction and continuous improvement goals, impeding the development of the Company's green manufacturing system.</p> <p>Financial Impact: Persistent resource and energy waste undermines effective control of operating costs.</p>	Long-term	<p>The implementation and effectiveness of Company-wide energy conservation and consumption reduction measures are verified through enhanced supervision and assessment. Each department collects, aggregates, and analyzes energy conservation and consumption reduction data on a monthly basis to promptly identify implementation issues.</p>

Risk/Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Insufficient collection of energy conservation and con-	<p>Business Impact: Missed opportunities to optimize resource and energy usage and reduce waste generation, hindering efficiency improvements and green upgrades in production and operations.</p> <p>Financial Impact: Inability to reduce resource consumption costs through internal optimization, resulting in lost potential for cost control and economic performance improvement.</p>	Long-term	<p>(1) Each department is encouraged to complete and submit Improvement Suggestion Forms pertaining to energy conservation and consumption reduction. (2) The quality department is responsible for reviewing and categorizing such suggestions and for communicating them to the relevant departments for implementation.</p>
Opportunities to scientifically manage energy and material	<p>Business Impact: Enable the standardization of resource and energy usage, reduction of waste and scrap in production and installation, and enhancement of the Company's green manufacturing capabilities and brand image.</p> <p>Financial Impact: Lower unit consumption of water, electricity, raw materials, and auxiliary materials, reduce the use of office supplies such as paper, effectively control production and operating costs, and improve economic performance.</p>	Long-term	<p>At the beginning of each year, the Annual Energy Conservation and Consumption Reduction Plan is prepared, submitted to the supervising manager for approval, and thereafter monitored to ensure implementation, thereby guiding the Company's energy conservation and consumption reduction activities for the year.</p>

## Impact, Risks, and Opportunity Management

The Company has established an end-to-end energy conservation and consumption reduction management mechanism to systematically address the impacts, risks, and opportunities associated with resource and energy usage and waste management.

### 1. Routine Management Mechanism

The Company adheres to scientific management and rational utilization throughout its operations, strictly implementing various special management regulations, including the Energy Conservation and Consumption Reduction Control Procedure. Each department independently develops its own conservation measures and conducts internal education to mitigate resource waste risks at the employee level and identify internal conservation opportunities. The administration department, together with the Shenzhen and Beijing factories and the customer service center, is responsible for the daily management of office supplies, material consumption, and energy consumption, respectively, within their defined roles. This ensures routine control over resource and energy usage.



### 2. Measurement and Statistical Analysis Mechanism

A monthly and annual measurement and statistical analysis system for energy and material consumption has been established. Under this system, the Shenzhen and Beijing factories and the customer service center perform monthly statistical analysis of raw and auxiliary material usage, requisition, and inventory data. The administration department, together with the Shenzhen and Beijing factories, analyzes energy consumption monthly and completes the relevant reporting forms. All departments collect and consolidate energy conservation and consumption reduction data. This data-driven approach enables the timely identification of abnormal resource consumption risks and uncovers opportunities for cost optimization.

### 3. Suggestion Management Mechanism

A full-process system has been established for the submission, review, implementation, and follow-up of energy conservation and consumption reduction suggestions. Any department may submit suggestions. The quality department reviews and categorizes the suggestions and forwards them to the relevant departments, which are required to respond within five working days. The quality department also tracks implementation progress and centrally archives all suggestion forms, using internal input to identify opportunities for circular economy improvements.

### 4. Supervision and Inspection Mechanism

The quality department serves as the designated supervisory body, responsible for verifying the implementation and effectiveness of company-wide energy conservation and consumption reduction measures, and providing timely oversight and corrective actions for any risks arising from insufficient implementation, thereby ensuring the effective progress of all energy conservation and consumption reduction efforts.

### 5. Planning and Quota Optimization Mechanism

At the end of each year, consumption quotas are optimized based on actual material usage. At the beginning of each year, the annual energy conservation and consumption reduction plan is developed. Both the optimized quotas and the annual plan are submitted to the supervising manager for approval and subsequently monitored for implementation. The plan and quotas are adjusted from time to time based on the Company's actual production and operational needs, in order to effectively manage the risks of material hoarding and excessive energy consumption.

## Indicators and Targets

Quantitative Disclosure Item	Beijing Factory	Shenzhen Company	Leadstar Micro-Crystal Display
Total amount of recyclable packaging materials used	2.80 tons	100 tons	Blister trays: 51,085 / Cartons: 15,915 Packaging bags: 438,081 / Foam: 59,191
Proportion of recyclable products and recyclable packaging materials used	100%	100%	99%

## Ecosystem and Biodiversity

During the reporting period, the Group and its subsidiaries' business operations had no adverse impact on ecologically sensitive areas, and no violations related to ecological damage occurred. Looking ahead, the Company will continue to monitor the impact of its operations on ecosystems and biodiversity, strengthen its protection efforts, further optimize business processes to reduce environmental impact, actively participate in public welfare initiatives for ecological protection, integrate ecological protection requirements across the entire business chain, and contribute to regional ecological security.



# 04

## Commitment to Employee Development

- Compliant Employment System
- OHS
- Career Development and Training
- Employee Rights and Care



## Compliant Employment System

Compliant employment is a key element of Leyard's ESG management framework and a fundamental cornerstone of the Company's sustainable development. Leyard consistently upholds legality, compliance, fairness, and justice in its employment management, embedding employee rights protection into every stage of the employment process. Through responsible employment practices, the Company unites talent, fulfills its social responsibilities, and fosters the shared growth and collaborative progress of both the organization and its workforce.

In terms of employment management, Leyard consistently follows a compliance-first approach, strictly abiding by applicable national laws and regulations, including the Company Law of the People's Republic of China, the Labor Law of the People's Republic of China, and the Trade Union Law of the People's Republic of China. At the same time, with reference to international labor standards, the Company has established a comprehensive and standardized compliant employment system. It is fully committed to fulfilling its corporate social responsibility, safeguarding employees' legitimate rights and interests, and fostering an equitable, diverse, and inclusive sustainable work environment.

Leyard firmly upholds the principle of non-discriminatory employment. Across all stages of recruitment, hiring, promotion, training, and compensation, there is no differential treatment based on gender, age, educational background, ethnicity, race, color, sexual orientation, disability, pregnancy, religion, political affiliation, social status, or marital status. The Company also strictly prohibits and resolutely opposes child labor and all forms of forced labor, effectively safeguarding every employee's right to equal employment.

Diverse talent serves as an essential component of Leyard's sustainable development. The Company actively attracts outstanding individuals from various countries, age groups, and technical backgrounds—all of whom uphold high standards of integrity. Leyard also engages with business partners and suppliers who share the same values, jointly fostering a healthy and safe working environment and delivering on its corporate commitment to "rejuvenating China, boosting the industry and benefiting the people".

As of 2025, the Group had 4,405 employees, comprising 2,801 men and 1,604 women. Employees under the age of 50 accounted for 91.49% of the total, reflecting a clear trend toward a younger workforce. With 844 employees based overseas or in Hong Kong, Macau, and Taiwan regions, the Group demonstrates its diverse and inclusive talent philosophy. Employees holding a bachelor's degree or higher made up 43.72% of the workforce, providing solid personnel support for the innovation-driven development of this technology-driven enterprise.

Regarding employee rights and interests, Leyard has established an Employee Representative Congress Management System and the Implementing Rules of the Employee Representative Congress Management System based on its operational context, ensuring the standardized functioning of the congress. This framework effectively safeguards employees' democratic rights while enhancing their motivation and creativity. The Company continues to strengthen democratic management. In 2025, it convened three sessions of the Employee Representative Congress, held quarterly employee symposiums, and organized semi-annual democratic life meetings across various departments. Furthermore, the Company utilizes diversified visual communication platforms—including its internal messaging system, OA system, and suggestion boxes—to establish efficient two-way communication channels. These mechanisms enable Leyard to promptly address employee concerns, respond to their needs, and strengthen employee cohesion and sense of belonging, thereby effectively protecting their legitimate rights and interests.

Regarding compensation and benefits, Leyard fully implements a universal labor contract system to standardize labor relations and clarify employee rights and obligations. The Company strictly complies with national social insurance regulations, making timely and full contributions to the housing provident fund and social insurances including pension, medical, unemployment, work-related injury, and maternity insurance, thereby ensuring that employees are entitled to benefits as required by law. In addition, Leyard provides diversified benefits such as commercial personal accident insurance, annual health check-ups, and meal allowances, supporting employees to work with peace of mind and achieve steady development. Furthermore, the Company has established a scientific and standardized compensation assessment mechanism. Specifically, the compensation and assessment committee is responsible for researching and proposing compensation plans for directors, supervisors, and senior management. The compensation of directors and supervisors is determined based on performance assessment management and approved by the shareholders' meeting. The income of senior management is directly tied to their work performance, ensuring fair, just, and well-founded compensation distribution.

## OHS

### Governance

Leyard has integrated occupational health and safety (OHS) into its core ESG management system. The Company strictly complies with all applicable laws and regulations, including the Work Safety Law of the People's Republic of China, the Occupational Disease Prevention Law of the People's Republic of China, the Fire Protection Law of the People's Republic of China, the Work-Related Injury Insurance Regulations, and Beijing Work Safety Regulations. To operationalize these requirements, Leyard has developed and released the Compilation of Work Safety Rules and Regulations, establishing an OHS governance system with full institutional coverage, clear accountability, and closed-loop processes.

At the management system level, the Company has established 26 specialized management systems covering the full spectrum of occupational health and work safety. These systems address core areas including work safety targets and indicators, accountability, performance assessment, training and education, safety inspections, hazard identification and control, high-risk operations, fire protection, personal protective equipment (PPE), emergency response, special equipment operations, facility and equipment safety, as well as third-party and supplier safety management. Complemented by comprehensive safety operating procedures and emergency response plans, these systems form an integrated institutional framework that ensures both routine standardized management and effective emergency response.

Regarding governance structure and division of rights and responsibilities, Leyard has established a tiered accountability and company-wide participation mechanism for OHS management.

The general manager serves as the primary responsible person for workplace safety, overseeing the establishment, implementation, maintenance, and continuous improvement of the OHS management system. Key responsibilities include approving annual work safety targets and ensuring the execution of all management requirements. The work safety committee coordinates the Company's OHS efforts, formulates work safety policies and targets, leads major hazard control and emergency response initiatives, and convenes quarterly work safety meetings. Department heads fulfill OHS duties within their respective scopes of authority, break down and implement departmental safety targets, and conduct hazard identification and training. Full-time and part-time safety officers conduct annual reviews and performance assessments of the work safety accountability system, perform routine safety inspections, oversee hazard rectification, and ensure the implementation of training programs. The HR department manages special operation personnel, organizes safety training, and verifies personnel qualifications. The procurement department reviews and manages the safety qualifications of suppliers and relevant stakeholders. The administration department manages fire protection facilities and emergency supplies on a day-to-day basis and coordinates emergency duty arrangements. All employees are required to strictly comply with work safety rules and regulations, participate in safety training, fulfill their post-specific safety responsibilities, and promptly report potential hazards.

### Strategy

Based on its production, operational, and office environments, the Company systematically identifies OHS risks across work sites and office premises, while also identifying development opportunities arising from safety management upgrades. Taking into account the potential impacts of these risks and opportunities, the Company has developed targeted response strategies. The detailed analysis is presented below:

Risk/Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Physical safety risks	<p>Business Impact: Could lead to safety incidents or occupational diseases, resulting in employee injuries and absenteeism, disrupting production efficiency and normal operations.</p> <p>Financial Impact: Incur costs such as work injury compensation, equipment repair, and accident remediation, thereby increasing operating costs.</p>	Short-term	<p>(1) Establish routine equipment inspection and maintenance systems to ensure timely defect resolution; (2) Provide compliant PPE for high-risk roles and mandate its correct usage; (3) Control noise and electromagnetic radiation in both office and production areas to enhance the working environment; and (4) Strictly enforce hot work procedures and regulate fire and electrical safety.</p>
Risks related to rising energy costs due to natural disasters (physical risk)	<p>Business Impact: could result in safety accidents, potentially causing production interruptions and workflow disruptions, while also undermining team safety management efficiency.</p> <p>Financial Impact: Incur costs related to accident response, property damage, and work injury compensation.</p>	Long-term	<p>(1) Mandate OHS training as part of both new hire orientation and ongoing employee training to raise safety awareness; (2) Post clear safety signs in hazardous and high-risk areas, clearly specifying operational standards; (3) Enhance on-site supervision to promptly address unsafe behaviors and ensure strict adherence to safety regulations.</p>
Office health risks	<p>Business Impact: Could cause cervical and lumbar spine issues and weakened immune function, potentially leading to reduced work efficiency and increased absenteeism.</p> <p>Financial Impact: Could result in elevated employee medical benefit expenses, as well as indirect operational losses arising from productivity decline.</p>	Long-term	<p>(1) Provide office health education to encourage healthy work habits among employees; (2) Organize wellness initiatives, including daily running check-in challenges and parent-child study tours, to reduce work-related stress; and (3) Optimize scheduling and workload management to prevent overwork and guarantee sufficient rest time for employees.</p>

Risk/Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Fire safety risk	<p>Business Impact: Could lead to fire accidents, potentially resulting in casualties and severe damage to production or office facilities, thereby causing a complete and prolonged disruption of business operations.</p> <p>Financial Impact: Could generate substantial costs associated with fire damage compensation, facility reconstruction, and accident remediation. In addition, the Company could face administrative penalties.</p>	Medium- to long-term	<p>(1) Implement fire safety policies that prohibit smoking in office areas and regulate hot work procedures; (2) Conduct routine inspections of electrical wiring and equipment to prevent overloads and address electrical faults promptly; (3) Keep fire exits and emergency routes clear at all times, with regular checks and maintenance of fire safety equipment; and (4) Provide fire safety training and emergency evacuation drills to strengthen fire emergency preparedness.</p>
Opportunities to upgrade occupational health management	<p>Business Impact: Could enhance the Company's safety management standards, reduce the occurrence of safety accidents and occupational diseases, protect employee physical and mental health, strengthen employee belonging and cohesion, and improve overall team efficiency.</p> <p>Financial Impact: Could reduce unnecessary expenses, such as injury compensation and accident remediation, while achieving operational efficiency gains through improved productivity.</p>	Long-term	<p>(1) Continuously enhance its OHS management system and streamline related processes; (2) Boost investment in safety training, diversify delivery methods, and raise overall employee safety competence; (3) Maintain employee health surveillance records and schedule regular occupational health exams for early prevention, detection, and intervention of occupational diseases; and (4) Utilize digital platforms for online risk identification and training to drive management efficiency gains.</p>

## Impact, Risks, and Opportunity Management

The Company has developed a comprehensive, multi-dimensional OHS risk and opportunity management mechanism that integrates risk prevention and control, along with opportunity realization, into all aspects of daily operations, thereby creating a closed-loop management framework following the "identification – assessment – control – optimization" cycle.

1. Risk Identification and Monitoring: The Company systematically identifies various risks at production sites, including physical, chemical, biological, psycho-physiological, and behavioral risks in accordance with the Classification and Code for Hazardous and Harmful Factors in Production Process (GB/T13861-2009). Concurrently, it continuously monitors office environment health risks such as electromagnetic radiation, noise, and sedentary behavior. Furthermore, the Company has established a workplace occupational hazard monitoring and evaluation system, conducting regular risk inspections and level assessments to capture real-time risk dynamics.

2. Risk Prevention, Control, and Handling: Adhering to "prevention first, combined with control" principle, the Company eliminates identified risks at the source via institutional measures, on-site supervision, facility upgrades, and PPE provision. It strictly enforces the "Four Don't Let Go" principle—requiring that an incident remains open until the cause is identified, responsible parties are held accountable, corrective actions are implemented, and relevant personnel are educated. Safety hazards and accidents are promptly rectified, accompanied by company-wide awareness campaigns.

3. Employee Rights, Responsibilities, and Participation: The Company clearly defines employees' obligations in the prevention and control of occupational diseases, requiring them to conscientiously receive safety training, comply with safety operating procedures, correctly use personal protective equipment (PPE), and promptly report potential hazards. Concurrently, the Company collects employee opinions and suggestions on OHS management and encourages employee participation through communication channels such as the employee representative congress and employee symposiums, fostering a management culture of "Engaging everyone and benefiting everyone".

4. Opportunity Realization and Optimization: The Company leverages occupational health management upgrades to integrate work safety training into its learning and development system. In 2025, online OHS training was delivered through the Corporate WeChat Learning Center platform, making it mandatory for new hires while also making it available to all employees. Additionally, the Company embeds safety management into its corporate culture by organizing recreational and wellness activities to alleviate employee work-related stress. This approach integrates health management concepts into employees' daily lives, driving continuous improvements in both safety management capabilities and employee well-being.

## Indicators and Targets

Quantitative Disclosure Item		Unit	2024	2025
Work Safety	Total number of participants of safety training		9,994	6,085
	Total hours of safety training	Hour	11,014	11,330.50
Emergency Drill	Total number of emergency drills conducted		21	35
	Number of participants in emergency drills		/	2,638

### [Case Study] Emergency First Aid Training

In 2025, the Company actively responded to the trade union's first aid training initiative, putting its safety responsibilities into action by following the "theory first, practice-driven" principle. Under the guidance of Red Cross instructors, trainees practiced on mannequins through exercises such as scene assessment, chest compressions, and using an AED. This hands-on approach not only helped them master standardized techniques but also build solid muscle memory—giving them the confidence to act and the know-how to save lives when needed.

A total of 26 employees passed the assessment and obtained or renewed their first aid certificates over the course of the year. This outcome demonstrates the effectiveness of the training and employees' dedication to self-rescue and mutual aid. Moving forward, the Company will continue to support these initiatives to embed safety awareness, enhance emergency response capabilities, and protect life safety.



## ■ Career Development and Training

Employees are the key driving force behind Leyard's sustainable development. Guided by its strategic goals, the Company has established a diversified and standardized career development and training system—featuring clear career tracks, a scientific evaluation mechanism, and personalized development plans—to align employee growth with corporate development and build a solid talent foundation for high-quality growth.

## Building a Career Development System

### System Design Principles

The Company builds its career development system upon four core principles to ensure a scientific and forward-looking foundation: First, future-oriented – aligning with the Company’s fast-growing talent demands to provide broad development space for employees willing to challenge themselves. Second, ability-focused – putting capability development at the core of career growth and designing differentiated development tracks for employees with different aptitude tendencies. Third, results-driven – tying employee performance to career development. Only those who consistently deliver outstanding performance can achieve sustainable growth. Fourth, communication-centered – recognizing employees as the main drivers of their own career development, while requiring supervisors at all levels to act as guides and build a communication bridge between the Company and its employees.

### Dual Career Tracks

The Company has established dual career tracks—management and professional—that run in parallel for all employees across the Group. Employees can choose the track that best fits their role and development goals. Managers are expected to continuously sharpen their professional expertise to stay ahead of industry trends, while also fulfilling their management duties.

1. Management Track: This track has four levels—junior, middle, senior, and corporate leadership—offering a progressive route from frontline team management to corporate strategic decision-making. Employees transition from handling tasks independently to leading teams and owning key responsibilities. Each level clearly defines core duties, management scope, decision-making authority, and required skills.
2. Professional Track: Based on the Company’s business characteristics, this track is divided into three sub-categories—product technology, marketing, and professional skills—corresponding to the technology, marketing, and professional job families. Each sub-category consists of six progressive levels, from lowest to highest: beginner, experienced, core contributor, expert, senior expert, and authority. Each level is further broken down into three sub-levels—basic, standard, and professional—with clearly defined competency benchmarks for each level.

### Job Families and Level Classification

At the Company, jobs are organized into four families—management, marketing, professional, and technology—which are further divided into 21 categories covering all business areas, including management, marketing, R&D, administration, finance, and legal affairs. Within the technology, marketing, and professional families, each level has a corresponding abbreviation (T1–T6 for technology, M1–M6 for marketing, S1–S6 for professional). The management track consists of four levels: junior, middle, senior, and corporate leadership. Each level has clearly defined competency requirements and promotion criteria, providing a standardized and well-defined career development route.

## Career Development Management Mechanism

### Multi-Party Roles and Responsibilities System

The Company clearly defines the roles and responsibilities of employees, direct supervisors, department heads, and the HR department in career development planning, forming a collaborative management system. Specifically, employees are responsible for proactively planning their career direction, cooperating with promotion/demotion applications, and implementing development plans. Direct supervisors are responsible for recommending subordinate level assignments, promotions, and demotions, helping implement development plans, and conducting regular performance evaluations. Department heads are responsible for reviewing departmental employee development plans and promotion/demotion applications. The HR department is responsible for coordinating and supporting employees throughout the entire process of job levelling, planning, and implementation.

### Regular Competency Assessment and Talent Review

The Company conducts employee competency assessments and talent reviews twice a year, initiated by the HR department in January and July. During these reviews, supervisors at all levels assess talent and consolidate information on employee promotions, demotions, and track transfers. During the assessment, the Leyard Career Development System Talent Review Form is used to organize employee information such as job experience, performance records, career track, and job level. Based on this data, employee competency is evaluated using three criteria: fully competent (non-compliance rate ≤10%), basically competent (10% < non-compliance rate ≤30%), and not competent (non-compliance rate >30%). The results inform career development adjustments.

### Job Leveling, Promotion, and Grievance Procedure

1. Job Leveling and Promotion: New hires receive their job level upon recruitment. Level adjustments for current employees are determined by semi-annual evaluations. Those who fully or substantially meet competency requirements are eligible for direct promotion. Employees who partially meet or fall short of requirements will receive a customized learning and development plan. Employees with exceptional performance—defined as two consecutive "excellent" ratings—or those who have made special contributions to the Company may qualify for an exceptional promotion. Regular promotions follow a step-by-step principle, with no skipping of levels.
2. Certification and Grievance: Employees applying for a level promotion or career track change submit the Employee Competency Assessment and Certification Form designed to evaluate capabilities across dimensions such as knowledge and skills. The department and the HR department jointly review the form to determine the outcome. If an employee disagrees with the evaluation result, they may file a grievance with the HR department using the Employee Career Development Level Grievance Form. The HR department will then investigate and issue a resolution.

Application of Results: Finalized level changes (promotion or demotion) are immediately reflected in performance assessment, compensation, job assignment, and other relevant areas, ensuring seamless integration between career development and employee motivation.

### Personalized Career Development Plan

After the competency assessment, the direct supervisor and employee jointly create a personalized career development plan, outlining the development direction, advancement pathway, and implementation measures to clarify where the employee is headed and how to get there.

1. Development Direction Confirmation: Based on competency assessment results, three development directions are identified—consolidation (remain in current track and level), upward development (advance within the current track), or cross-track development (switch to a different career track). Employees who transfer to a new track will be reassessed against its standards, and a new development plan will be created accordingly.
2. Capability Gap Analysis: Based on the Company's strategy and job-specific tasks, five core competencies are identified as essential for satisfactory job performance. Among these, the three that most urgently require improvement are pinpointed, clearly defining the capability gaps.
3. Development Plan Formulation: The Employee Career Development Plan Form is used to define capability improvement measures, expected outcomes, implementation timelines, and required support. In addition, a job-specific promotion curriculum is designed, creating a job learning map based on competencies and expertise—ensuring that capability enhancement is precisely aligned with career development.
4. Plan Tracking and Evaluation: Employees document development plan implementation in real time. At mid-year and year-end, direct supervisors and employees jointly review progress using self-assessments and supervisor evaluations, forming a closed-loop management system of "formulation → execution → evaluation → optimization".

## Diversified Training and Capability Enhancement System

### Training System Positioning

The Company views training as an essential component of employee career development. Through the Leyard Learning and Development Center, it has built a training system aligned with the competency requirements of each career level. The system enhances job competence and professional skills, helping employees achieve career goals while meeting the Company's strategic talent needs.

### Diverse Training and Development Options

As employees' capability needs differ, the Company provides diverse training and development options (online, offline, and hands-on practice), enabling each employee to select the approach that best aligns with their personal development plan.

1. Offline Training: In-person training sessions, various forms of seminars and symposiums, lectures and classroom instruction, attendance at high-level conferences, delivering presentations and chairing meetings;
2. Online Training: Computer-based online training, self-paced learning;
3. Hands-on Development: Project research, job rotation, learning from others, job diversification, task forces or special committees, participation in industry associations, academic courses.

### Promotion Course Package & Learning Map

The Company designs tailored promotion course packages for each career track and level, allowing employees to enroll in any course up to one level above their current level. A competency- and expertise-based job learning map covering product & technology, professional skills, marketing, and management & leadership is also established. This framework tightly links learning with capability growth and career progression, ensuring that learning is combined with application to drive career advancement and training precisely meets employees' career development needs.

## Core Value of the Career Development System

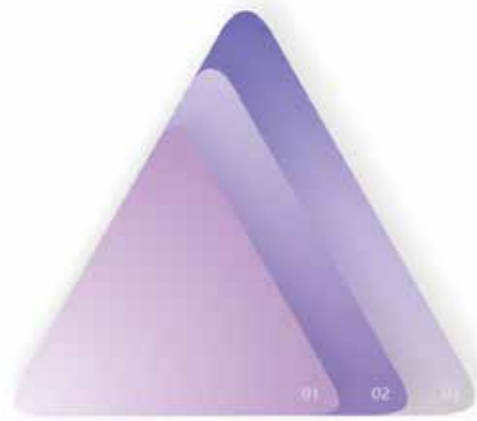
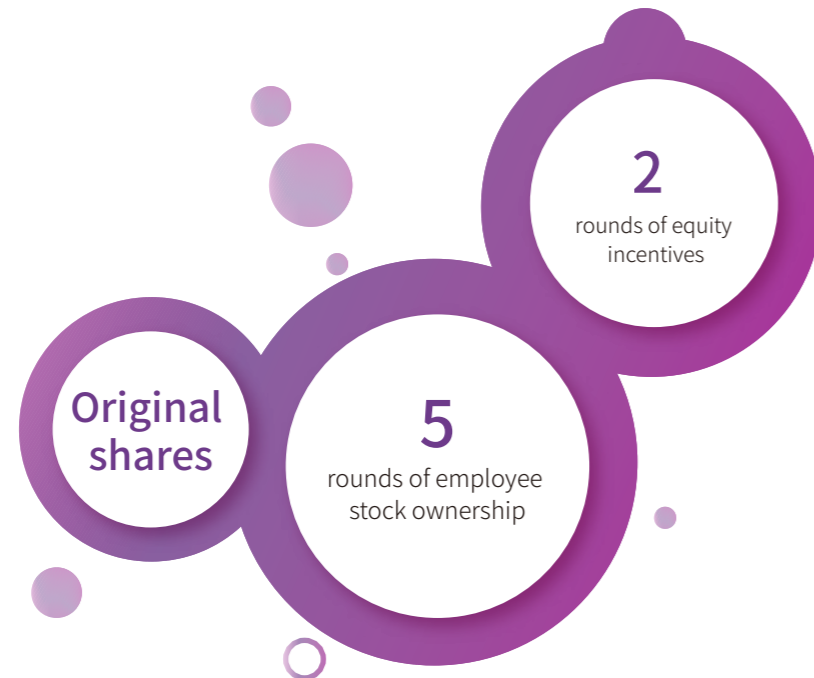
Leyard's career development and training system breaks down traditional advancement barriers, offering employees broad growth opportunities in both management and professional tracks to maximize their potential. With scientific competency assessments, personalized development plans, and diverse training options, the system enhances employees' skills and capabilities while strengthening their sense of belonging, achievement, and growth drive. It also enables the Company to fully leverage its internal talent pool, building a high-quality workforce aligned with strategic development—providing sustained talent vitality and creating a win-win situation where employee growth and business performance reinforce each other.

## Employee Rights and Care

Employees serve as an essential driver of sustainable corporate development. As an integral part of its corporate development strategy, Leyard has established a comprehensive, multi-tiered employee rights and care system—grounded in compliant employment, centered on shared prosperity, supported by growth and empowerment, and connected through heartfelt care. Through this system, the Company enables employees to realize their personal value while achieving shared growth and prosperity together—continuously reinforcing the social value foundation of its ESG framework.

Based on a long-term approach, Leyard has created a unique "common prosperity model." Since its IPO in 2012, the Company has implemented five employee stock ownership plans and two equity incentive plans—fostering a sense of ownership among innovators and value creators in its growth and enabling employees to tangibly share in its success, thereby achieving mutual benefit and shared prosperity.

### Shared Prosperity for Employees



- 01 15-30 billionaires
- 02 50-100 multimillionaires
- 03 1000 millionaires

In terms of compensation, benefits, and daily care, Leyard provides statutory benefits while continuously optimizing its welfare system—embedding a caring, people-first culture into employees' daily work and life. The Company fully implements a universal labor contract system for statutory benefits, making timely and full contributions to the housing provident fund and the five social insurances (pension, medical, unemployment, work-related injury, and maternity insurance). In addition, it offers supplementary benefits such as commercial personal accident insurance and annual health check-ups, ensuring a basic livelihood standard for all employees.

Beyond equity incentives, Leyard has built a comprehensive, multi-tiered employee benefits and growth system. In 2025, the Company continued to enhance its welfare offerings, organizing events such as private movie screenings, singles mixers, daily running challenges, and parent-child study tours. Seasonal initiatives were also rolled out during the Lantern Festival, International Women's Day, the Dragon Boat Festival, and the Winter Solstice. Through these efforts, the Company embeds a caring, people-first culture into employees' daily work and life.





# 05

## Partnering for Shared Success

Full-Lifecycle Management

R&D and Innovation

Product and Service Safety and Quality

Supply Chain Security

Data Governance

Information Security



## Full-Lifecycle Management

The full-lifecycle management of products and services across Leyard's three business segments—intelligent display, cultural tourism & night tour, and AI & spatial computing—rests on five key elements: (i) Technology leadership that builds the product foundation for all three segments; (ii) Smart manufacturing and customized delivery that ensures production quality and scenario adaptation; (iii) Diverse channels that expand global market coverage; (iv) End-to-end services that enhance customer loyalty; and (v) Circular utilization and value preservation that enable sustainable development. These elements do not stand alone but form a closed loop—"front-end foresight, mid-stream execution, and post-launch optimization"—driven by digital management, technical coordination, and service extension. This ensures that from R&D to application, all three segments balance technological iteration, cost control, and environmental responsibility while meeting diverse customer needs. The ultimate goal is a triple-win for the Company, its customers, and society, fostering a development landscape defined by technology interoperability, scenario complementarity, and value symbiosis.

This framework delivers technological leadership, quality stability, and scenario adaptability across Leyard's three business segments while enabling synergy and value symbiosis among them. It also reflects the Company's commitment to environmental responsibility and social value. Together, these efforts help Leyard maintain its leading position across its main business segments and set a replicable benchmark for full-lifecycle management in multi-business operations.

## R&D and Innovation

### Governance

Taking R&D and innovation as its primary growth drivers, Leyard has established a robust R&D and innovation management system and a clear governance structure with well-defined departmental roles, ensuring the smooth execution of R&D and innovation activities. Rooted in technological R&D and driven by product innovation, the Company has developed a full lifecycle management system that covers project initiation, execution, outcome commercialization, and IP protection, and standardizes the whole R&D process in strict accordance with the Product Design and Development Control Procedure (LYD-QP-041), enabling standardized control from needs assessment to project closure. The R&D Center leads technology R&D, new product development, and technological breakthroughs. It works closely with each business segment to advance projects through a structured process—initiation, solution design, engineering prototyping, small-batch trial production, and closing review—ensuring that R&D outcomes effectively meet business needs. The HR department is responsible for recruiting, fostering, and motivating R&D talent, and for establishing clear career paths that support team stability and professional growth. The intellectual property (IP) department, together with the R&D department, manages patent and software copyright filings and protection. Specifically, they carry out patent filing, search, and analysis in line with the Intellectual Property Acquisition Control Procedure (LYD-IPGL-71-01) and the Patent Management Policy, and perform routine maintenance and valuation of patents, trademarks, and copyrights under the Intellectual Property Maintenance Control Procedure (LYD-IPGL-72), creating a closed-loop "R&D – Protection – Commercialization" mechanism. Furthermore, the Company has enhanced its digital systems, including the PLM platform, to optimize R&D processes, standardize the management of R&D documentation, project tracking, and technology status, improve R&D management efficiency, and provide a strong institutional and organizational foundation for innovation.

## Strategy

Building on its leadership in the global visual technology sector and driven by technological innovation, the Company identifies R&D- and innovation-related risks and opportunities by assessing industry trends, market demand, and its strategic business portfolio. It then evaluates the potential business and financial impacts and develops corresponding response strategies, as detailed below:

Risk/ Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Risks related to R&D failure	<p>Business Impact: Core technology R&amp;D falling short of expectations, inability to achieve technological breakthroughs, missing industry development opportunities, reduced product competitiveness, difficulty meeting market and business development needs.</p> <p>Financial Impact: R&amp;D investment failing to generate effective results, increasing R&amp;D costs, impairing profitability.</p>	Short-, medium- to long-term	Establish a comprehensive R&D project evaluation mechanism. Prior to project initiation, it should conduct thorough research and feasibility analysis in accordance with the Product Design and Development Control Procedure, and submit both a project initiation report and a risk assessment report.
Risks related to R&D talent turnover	<p>Business Impact: Loss of core R&amp;D talent leading to delayed project progress, disruption of technical knowledge transfer, reduced R&amp;D innovation efficiency and technological breakthrough capability.</p> <p>Financial Impact: Increased recruitment and training costs, delayed commercialization of R&amp;D outcomes, indirect impact on revenue growth.</p>	Medium- to long-term	Establish structured career paths for R&D talent, tie compensation and incentives to patent filings and technological breakthroughs, and introduce employee stock ownership plans to strengthen employees' sense of belonging. A diversified training system should be established to offer R&D staff personalized training and development opportunities, such as patent writing and core technology problem-solving—to boost both their professional competence and career

Risk/ Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Risks related to intensified industry competition	<p>Business Impact: Increased R&amp;D investment by competitors and the launch of similar innovative products may intensify market competition, reduce market share, and weaken market position.</p> <p>Financial Impact: In order to sustain its competitiveness, the Company is required to ramp up R&amp;D spending. This could result in increased R&amp;D expenses and a corresponding decline in product gross margins.</p>	Medium- to long-term	Continuously increase R&D investment in core technologies, focus on frontier areas, and build differentiated technological advantages. It should also strengthen the commercialization of R&D outcomes and launch innovative products that meet market demand. Additionally, it should enhance IP protection to mitigate competitive risks.
Opportunities from the industry's technology upgrade	<p>Business Impact: Capitalize on technological upgrades in the LED industry to strengthen its leadership in intelligent display through key breakthroughs, expand into high-end product markets, and drive innovation across related business segments.</p> <p>Financial Impact: Drive mass production and sales of high-end products, increase product added value, boost revenue and profits, and enhance profitability.</p>	Medium- to long-term	Continue ramping up R&D investment, exploring core display technology areas, and developing key technologies. Efforts should be made to accelerate the mass production of high-end products in strict accordance with the Product Design and Development Control Procedure for achieving technology leadership. In parallel, a strategic patent portfolio should be built to establish a core technology patent barrier.
Opportunities from growing demand across multiple applica-	<p>Business Impact: Use the R&amp;D outcomes to enter multi-domain application scenarios, foster deep integration between technology and culture, and generate new drivers of business growth.</p> <p>Financial Impact: Broaden market coverage, gain market share, achieve sustainable revenue growth, and improve its revenue mix.</p>	Medium- to long-term	Enhance cross-domain technology adaptability, integrate R&D outcomes into various application scenarios, strengthen partnerships, and expand into new application markets.
Opportunities from policy support and standard setting	<p>Business Impact: By leveraging support from national industrial policies, the Company can participate in setting national and industry standards, establish industry technology benchmarks, and enhance its corporate influence and standing.</p> <p>Financial Impact: Benefit from policy incentives to reduce R&amp;D costs, promote large-scale adoption of standardized products, and improve its market competitiveness.</p>	Medium- to long-term	Actively participate in the development of national, industry, and group standards, stay aligned with industrial policies, and pursue R&D projects in policy-driven areas to access government support.

## Impact, Risks, and Opportunity Management

The Company has put in place a comprehensive mechanism for identifying, assessing, and responding to R&D and innovation-related impacts, risks, and opportunities. These R&D and innovation risks are embedded within the Company's broader risk management system, creating a closed loop of "identification – assessment – response – monitoring" that operates in close alignment with the Product Design and Development Control Procedure and the Intellectual Property Related Control Procedures. During the risk and opportunity identification phase, the Company identifies R&D and innovation risks and opportunities across core dimensions—technology R&D, talent, market competition, and IP protection—using R&D discussions, IP searches, and market research. These efforts are informed by industry trends, policy directions, market demand, and internal R&D capabilities. Potential R&D process failures are also identified and documented using the Design Potential Failure Mode and Effects Analysis Form. During the assessment phase, the Company uses qualitative analysis to prioritize risks and opportunities based on their likelihood and potential impact on business and finance. It conducts focused assessments of risks related to core patents and key R&D projects, and produces the Intellectual Property Assessment Report and the Project Risk Assessment Report. During the response phase, the Company tailors its response strategies by risk and opportunity type, assigning clear ownership to departments (e.g., R&D, IP, HR), along with implementation steps and timelines, and coordinates efforts to drive effective execution. For example, the R&D department takes the lead in managing R&D risks, while the IP department takes the lead in addressing IP risks. During the tracking phase, the Company regularly monitors changes in R&D and innovation risks and opportunities. Using the PLM platform, it tracks project progress and risk response status, evaluates strategy effectiveness, and adjusts measures as needed. R&D and innovation risk management is also embedded in the annual risk management self-inspection and review process, supported by regular supervision and evaluation. Together with technical and project closing reviews, this ensures an effective management mechanism that minimizes risk impact and captures development opportunities.

## Indicators and Targets



Leyard Group's R&D investment for the current year amounted to 403.7897 million CNY, representing 5.72% of its revenue from principal operations.

Quantitative Disclosure Item	Unit	2024	2025
Number of invention patents applied to principal operations		326	387
Number of new invention patent applications during the reporting period		55	56
Number of newly granted invention patents during the reporting period		107	90
Cumulative number of granted patents		2,662	2,896
Number of active patents during the reporting period		2,109	2,186

## Product and Service Safety and Quality

### Governance

Leyard views product and service safety and quality as fundamental to its corporate development. The Company has built a value chain-wide quality management system with a clear governance structure that assigns clear roles and responsibilities across all levels and departments to ensure effective quality control. Driven by a commitment to quality and its mission of "enhancing the human audiovisual experience," Leyard continues to deepen its ISO 9000-based total quality management. By aligning with customer needs and corporate strategy, it implements quality management across all employees, processes, and the entire value chain, consistently delivering customer value.

Leyard's ISO 9000-based total quality management system is fully certified by leading industry authorities, covering quality management, delivery and service, privacy protection and information security, business continuity, and more. The Company's subsidiary, Leyard Micro Crystal Display (Jiangsu) Co., Ltd., obtained ISO 9001:2015 certification (Certificate No.: 22ACM16620Q), initially registered on July 11, 2022 and valid until July 10, 2025, for the design and production of Micro LED beads and Micro LED modules.

### Governance Structure

Position/Department	Core Responsibilities
General manager	As the core leader, the general manager is fully responsible for the establishment, implementation, maintenance, and improvement of the quality, environmental, hazardous substance free (HSF), and OHS management systems.
Management representative	He/she leads the development of the management systems in accordance with applicable standards.
Heads of departments	They fulfill responsibilities within their respective scopes of authority and participate in policy and objective development.
Subsidiaries and factories	They are responsible for document management, system organization and coordination, quality control, and continuous improvement.
All employees	They participate in training, implement the Company's management policies and objectives, comply with laws and regulations, and maintain relevant facilities.

### Management System

In terms of systems and processes, Leyard has continuously implemented, maintained, and improved its quality, environmental, HSF, and OHS management systems in accordance with the Quality Management Systems—Requirements (GB/T19001—2016, GJB9001C-2017), Environmental Management Systems—Requirements with Guidance for Use (GB/T24001—2016/ISO14001:2015), Occupational Health and Safety Management Systems (ISO45001:2018), and Hazardous Substance Process Management (QC080000:2017). To ensure unified and standardized management of quality, environment, HSF, and OHS, the Company has developed the Leyard Optoelectronics Co., Ltd. Integrated Management Manual.



Quality Management System Certificate

### Strategy

Based on the core requirements for product and service safety and quality, and taking into account industry standards, market feedback, and its own operational realities, the Company systematically identifies quality and safety risks across the entire product lifecycle, analyzes their potential impact and develops targeted response strategies, as detailed below:

Risk/ Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Risks that may compromise design realization, delay schedule, or result in design failure during the product design & development phase	Business Impact: Reduced product yield and substandard performance from design defects; contract violations and patent lag from schedule delays; product recalls and supply chain trust crisis from design failures.  Financial Impact: Additional costs incurred from low yield and recalls; penalty payments for contract violations; and increased cooperation costs resulting from supply chain trust crises.	Medium- to long-term	Establish a robust design risk control mechanism that systematically identifies, analyzes, and tracks risks throughout the entire design process.
Risks related to supplier's quality and delivery capability during procurement	Business Impact: Material quality fluctuations reduce product yield; delivery delays cause production line stoppages or costly emergency procurement; sole-source dependency and long replacement cycles heighten supply chain vulnerability.  Financial Impact: Reduced yield increases production costs; emergency procurement drives up purchasing costs; production line stoppages lead to	Short- to medium-term	Establish a supplier risk control system that rigorously evaluates supplier's quality, delivery, and related risks, and develops effective countermeasures to keep risks manageable.
Contractual performance risks such as delayed delivery under sales contracts and failure to meet	Business Impact: Delayed delivery leads to customer churn and goodwill impairment; poor sales of customized products or overstocking of general-purpose products lead to inventory write-downs.  Financial Impact: Customer churn reduces revenue; goodwill impairment constrains market expansion; inventory write-downs increase financial pressure; rigid contract terms incur penalties and compliance costs.	Short-term  Long-term	Establish a contract performance risk control mechanism that comprehensively identifies and manages relevant risks before contract signing, ensuring timely fulfillment and customer satisfaction.

Risk/ Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Opportunities to enhance the quality system and improve standards	<p>Business Impact: Based on its existing ISO system and certifications, the Company can upgrade its quality management systems to align with new industry standards, thereby enhancing product competitiveness, building customer trust, and expanding into high-end client markets.</p> <p>Financial Impact: Reduce quality-related losses and after-sales costs, improve product pricing power, and drive steady revenue growth.</p>	Medium- to long-term	Continuous optimization of the quality management system, alignment with evolving industry standards, regular system audits and improvements, and enhanced quality control across the entire value chain.
Product iteration opportunities from rising customer quality expectations	<p>Business Impact: Respond to higher customer demands for product safety, performance, and stability, drive product iteration and upgrades, create differentiated advantages, enhance customer satisfaction and loyalty, and solidify its market position.</p> <p>Financial Impact: Increase sales of high-end products, optimize its revenue structure, and reduce losses from customer churn.</p>	Medium- to long-term	Strengthen customer needs research, optimize product design based on those needs, continuously improve product quality and safety performance, and drive product iteration and upgrades.

## Impact, Risks, and Opportunity Management

During the risk and opportunity identification phase, the Company employs various means to identify impacts, risks, and opportunities pertaining to product safety and quality. Throughout product development and manufacturing, it closely monitors shifts in market demand regarding product quality and safety, updates to industry quality standards and technical specifications, as well as competitor activities in product quality—enabling timely adjustments to product development direction and quality control strategies. Concurrently, the Company regularly reviews internal product quality test results and production processes to identify potential product safety risks, such as raw material quality issues and manufacturing process defects. Furthermore, it maintains vigilance over industry quality incidents and regulatory developments to detect external factors that may affect the Company's product safety and quality.

During the risk assessment phase, the Company adopts a combination of qualitative and quantitative methods to evaluate risks. For product development projects, it comprehensively assesses factors such as technical feasibility, market demand alignment, and cost control to determine the product safety and quality risk levels the project may face. In terms of product safety and quality assurance, the Company evaluates the effectiveness of its existing quality control system, and categorizes quality control measures into critical, auxiliary, and general control points based on factors such as their alignment with the Company's product safety objectives and the rigor of execution—enabling corresponding management strategies. At the same time, the Company regularly assesses the reasonableness and applicability of its product quality testing indicators and safety standards.

During the risk response phase, the Company designates a responsible department and develops targeted countermeasures for each identified quality and safety risk. These countermeasures are then implemented in strict compliance with relevant management systems to ensure effective risk control, thereby minimizing adverse impacts on product and service safety and quality and ultimately ensuring orderly business operations.

## Indicators and Targets

The Company has developed the Control Procedure for Objectives, Targets, and Management Programs to drive the ongoing improvement of its quality, environmental, HSF, and OHS management systems, ensuring all related goals are met.

## Supply Chain Security

### Governance

The Company places great emphasis on supply chain security management and recognizes supplier management as a key component of supply chain security, which serves as a vital safeguard for its sustainable development. The Company has consistently integrated supplier management and supply chain security development into its overall corporate strategy.

Leyard has established the Supplier Management Procedure, which defines full-process management requirements covering supplier classification, development, qualification, evaluation, and record-keeping to standardize supplier management and ensures that practices align with company requirements. Suppliers are classified into three categories—A, B, and C—based on the type of materials they supply. The Company conducts dynamic evaluations using the Annual Supplier Review Plan and the Supplier Assessment/Evaluation Report, resulting in a Qualified Supplier List. This process is supported by the Procurement Record Management System, to standardize the filing of supplier documentation and provide full lifecycle institutional safeguards. In terms of management structure and functions, the Company has developed a multi-department collaborative management mechanism with clearly defined core responsibilities for each department.

Department	Roles and Responsibilities
Planning	Responsible for participating in periodic performance evaluation of suppliers regarding delivery.
Manufacturing, process	Responsible for confirming auxiliary production material samples and following up on trial runs.
R&D	Responsible for providing technical documentation for production materials and confirming relevant technical standards with suppliers; confirming and approving samples; providing feedback on sample testing plans within 2 working days; preparing and issuing sample test result reports.
Technical support	Responsible for confirming samples of equipment, cables, and flight cases as specified in the contract's bill of materials.
Quality	Responsible for participating in dynamic evaluations, periodic performance reviews, and management of suppliers; supervising supplier quality.
Procurement	Responsible for developing and onboarding new suppliers; participating in dynamic supplier evaluations and management, as well as periodic performance reviews.

## Emergency Response Team and Division of Responsibilities

The Company has developed the Supplier Risk Emergency Response Plan to ensure business continuity and stability, and to minimize potential losses in the event of a supplier emergency. The plan outlines the emergency response process, role assignments, contact details, and disaster recovery measures, enabling the Company to respond swiftly and effectively to supplier risks. When a supplier emergency occurs, the Company promptly sets up a supplier risk emergency response team, led by the supply chain management department with the involvement of relevant departments. At the same time, the roles and responsibilities of each team member are

## Supplier ESG Management

Leyard has established ESG policies and guidelines, as well as the Supply Chain ESG Management System, to enhance its ESG management system and ensure that ESG principles are followed across the supply chain. The Company has also assembled an ESG management leadership team responsible for formulating ESG strategies, goals, and implementation plans. In addition, an ESG performance evaluation system has been put in place to integrate ESG performance into supplier assessment and evaluation.

Building on the Supplier Management Procedure, the Supply Chain ESG Management System focuses on supplier ESG management, aiming to promote sustainable supply chain development while ensuring supply chain security and product quality through standardized, systematic ESG control.

In system development, the Company has assembled an ESG management leadership team to formulate relevant policies, strategies, and internal management systems. By incorporating ESG performance into supplier evaluations and assessments, the Company has developed a comprehensive ESG management and evaluation framework.

The core of management is to achieve supply chain sustainability. This means improving supplier management with rigorous access audits, optimizing processes to cut both costs and carbon emissions, establishing early warning mechanisms for stronger control, promoting green procurement, and enhancing system transparency through institutional upgrades.

The Company's review process combines self-assessments with third-party audits, focusing on supplier environmental management, integrity, compliance, and carbon emissions to ensure effective implementation of controls.

## Strategy

Based on the actual management practices across the entire supply chain, and taking into account material classification characteristics and supplier management requirements, the Company systematically identifies risks and opportunities related to supply chain security, analyzes their potential impacts, and develops targeted response strategies, as detailed below:

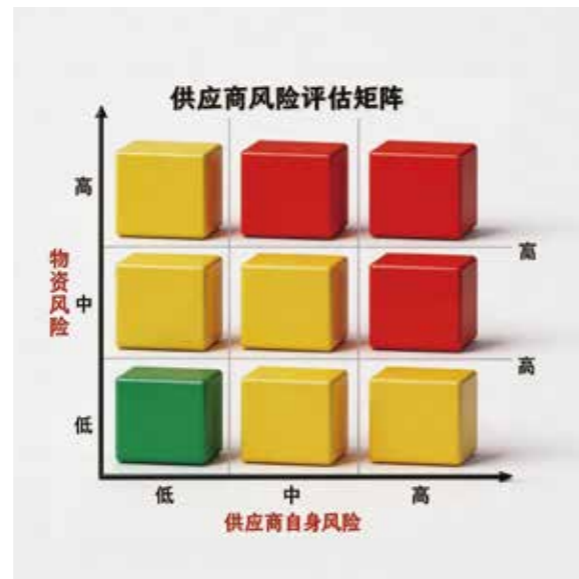
Risk/ Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Risks related to supplier qualification non-compliance	Business Impact: Non-conforming materials; compromised product performance and safety; production disruptions and delivery delays; erosion of customer trust. Financial Impact: Additional costs from material returns, rework, and scrap, plus higher quality control and compensation expenses.	Long-term	Establish a rigorous supplier qualification process that collects and reviews basic supplier information, conducts comprehensive evaluations of new suppliers, and directly eliminates unqualified ones to control supplier quality at the source.
Risks related to supplier sample non-compliance	Business Impact: Obstruction of supplier onboarding; extended material supply lead times; disruption of production planning. Financial Impact: Increased time and labor costs for repeated sample testing and re-submission.	Short-term Medium-term	Standardize the sample qualification process with cross-departmental collaboration on sample confirmation. Unqualified suppliers are either directly eliminated or required to resubmit samples. Suppliers that resubmit may only proceed to the next stage after qualification.
Risks related to on-site supplier assessment non-compliance	Business Impact: Supplier production capacity and quality control levels failing to meet requirements, leading to compromised supply stability and quality, and creating risks of supply disruption or quality issues. Financial Impact: Increased costs from supplier corrective actions and reassessments; correction failures leading to new supplier development and extended supply lead times.	Medium-term	For suppliers requiring on-site assessment, the quality, procurement, and R&D departments should jointly conduct the evaluation and produce a Supplier Assessment Report. Non-compliant suppliers may be required to take corrective actions or be directly eliminated; they are added to the Qualified Supplier List only after successful correction.
Risks related to dynamic supplier evaluation non-compliance	Business Impact: Decline in supplier quality, delivery, service, and other metrics, leading to product quality fluctuations and delivery delays, affecting customer satisfaction. Financial Impact: Costs from quality losses and delivery penalty payments; increased supply chain adjustment costs.	Long-term	Implement a dynamic supplier evaluation mechanism with assessment cycles tailored to supplier classifications. Based on evaluation results, the Company should adjust procurement share, payment priority, and payment terms, and remove non-compliant suppliers from the Qualified Supplier List.
Risks related to single-source dependency for core materials	Business Impact: Over-reliance on a single supplier increases vulnerability to supply disruptions caused by unforeseen events, affecting production continuity and constraining new model procurement as well as existing model supply stability. Financial Impact: Lack of bargaining power may lead to higher procurement costs; supply disruptions cause capacity loss.	Long-term	Establish a multi-source supply system, ensuring at least three qualified suppliers for the same category of ordinary materials. For core materials, Tier 1 suppliers should be prioritized to diversify supply risk.

Risk/ Opportunity Type	Potential Impact (Business and Financial)	Time Horizon	Response Strategy
Opportunities associated with deepened collaboration with high-quality suppliers	Business Impact: Building long-term, stable partnerships with Tier 1 suppliers improves material supply quality and delivery efficiency, supports new model development and mass production, and enhances product market competitiveness. Financial Impact: Securing better pricing and payment terms reduces quality control and supply chain adjustment costs, and improves profitability.	Long-term	Provide incentives—such as new model procurement preference, increased procurement share, and shortened payment terms—to Tier 1 suppliers with scores of 90 or above, in order to deepen collaboration bonds.
Opportunities associated with optimized	Business Impact: Differentiated management for different material categories; focused resources on core material suppliers; improved supply chain management efficiency; reduced control costs. Financial Impact: Optimized procurement resource allocation; reduced management input	Long-term	The classification and control system should be continuously improved. By refining supplier assessment cycles and management standards based on the characteristics of A, B,


### Impact, Risks, and Opportunity Management

Leyard uses the Supplier Quality Risk Assessment Form to build a Supply Chain Risk Assessment Matrix for comprehensive supplier evaluation. This assessment covers financial health, production capacity, delivery capability, compliance, credit status, and reputation. The Company also reviews each supplier's cooperation history with other customers and relevant customer feedback. Based on the results, suppliers are classified into high, medium, and low risk levels, with priorities determined by the severity and potential impact of identified risks. The Company regularly updates these assessment results and adjusts supplier risk levels and management strategies accordingly.

For supplier ESG management, the Company has established an ESG risk control mechanism to comprehensively assess environmental, social, and governance risks across the supply chain. An early warning system has also been implemented to promptly identify potential risk factors and trigger corrective actions. For example, if an environmental risk is identified with a particular supplier, the early warning mechanism is activated, requiring the supplier to take corrective measures, thereby ensuring the stable operation of the supply chain.



### Indicators and Targets

 Leyard has a total of 6,579 active suppliers. Among them, 363 suppliers are registered in Beijing, accounting for 5% of the total supplier base. Procurement spending on local suppliers represents 8.30% of total procurement expenditure.

### Supplier Environmental and Social Assessment

Environmental		
Management Measure	Main Guideline	Specific Action and Output
1. Policy and commitment	Establishing the overall principles and top-level commitment for supplier environmental management.	Developing a Supplier Code of Conduct (Green Procurement Policy) that clearly defines environmental requirements.
2. Organization and responsibilities	Defining the departments and personnel responsible for implementing and overseeing the management measures.	The supply chain management department takes the lead, with professional support from the sustainability/ESG department, and reports to senior management.
3. Supplier screening and onboarding (GRI 308-1)	Establishing environmental entry barriers for new suppliers.	Incorporating specific environmental criteria into procurement contracts and assessment forms; requiring environmental certifications, completion of environmental questionnaires, and development of environmental management plans.
4. Supplier risk assessment and audit	Identifying significant negative environmental risks within the existing supply chain.	Conducting on-site audits or special assessments for high-risk suppliers. Implementing a three-tier environmental assessment for suppliers providing hazardous waste management services.
5. Improvement and capacity building (GRI 308-2)	Taking corrective and preventive actions against identified negative impacts.	Providing training and coaching to suppliers and sharing best practices with them to help enhance their environmental management capabilities.
6. Performance evaluation and integration	Integrating environmental performance into overall supplier performance assessments.	Linking environmental assessment results to order allocation, contract renewal, and reward/penalty mechanisms.
7. Recordkeeping, disclosure and review	Retaining evidence for GRI reporting and periodically reviewing the effectiveness of the management measures.	Systematically documenting supplier screening rates, identified issues, and corrective actions for GRI 308-1 and 308-2 reporting; annually evaluating the effectiveness of the management measure.

Social Assessment		
Management Measure	Main Guideline	Specific Action and
1. Policy and commitment	Establishing overall principles and senior management commitment regarding human rights and labor rights.	Developing a Supplier Code of Conduct that explicitly prohibits forced labor, child labor, and discrimination, while committing to freedom of association, occupational health and safety, etc.
2. Organization and responsibilities	Defining the departments responsible for implementation and oversight.	The procurement department takes the lead, with support from the sustainability/human rights department, and reports to senior management.
3. Supplier screening and onboarding (GRI 414-1)	Establishing social entry barriers for new suppliers.	Incorporating social criteria into procurement contracts; requiring new suppliers to sign the code of conduct; conducting initial screening through questionnaires or third-party certifications.
4. Risk assessment and due diligence	Identifying significant social risks within the existing supply chain.	Conducting on-site audits or third-party verification audits for suppliers in high-risk countries/industries. The assessment scope covers labor rights, working conditions, health and safety, etc.
5. Improvement, integration and capacity building (GRI 414-2)	Taking action against identified negative impacts.	Requiring non-compliant suppliers to develop and implement corrective action plans; providing training support; Linking assessment results to order allocation, performance evaluation, and contract renewal.
6. Grievance, remediation and relationship management	Establishing remediation and responsible exit mechanisms.	Establishing or supporting the establishment of worker grievance channels. For severe violations where suppliers refuse to take corrective action, establishing responsible relationship termination procedures.
7. Recordkeeping, disclosure and review	Providing evidence for GRI reporting and driving continuous improvement.	Systematically documenting supplier screening rates, identified issues, and corrective actions for GRI 414-1 and 414-2 reporting; annually evaluating the effectiveness of the management measure.

Quantitative Disclosure Item		Unit	2024	2025
Number of suppliers	Total number of Suppliers		5,222	6,579
	Of which: number of suppliers in Mainland China		5,213	6,569
	Number of suppliers in Hong Kong, Macao, and Taiwan regions		7	7
	Number of foreign suppliers		2	3
	Of which: number of Tier 1 suppliers		900	923
	Number of Tier 2 suppliers		1,800	1,879
	Number of Tier 3 suppliers		2,522	3,777
	Number of new suppliers added during the year		300	1,357
	Of which: number of Tier 1 suppliers		50	23
	Number of Tier 2 suppliers		180	79
	Number of Tier 3 suppliers		70	1,255

### Equal treatment of small and medium-sized enterprises

During the reporting period, the Company treated SMEs fairly and equally. It managed its supply chain, performed contracts, and conducted business cooperation in strict compliance with the Regulation on Ensuring SME Payments and all applicable rules and requirements. The Company had no outstanding balance of accounts payable (including notes payable) that exceeded either CNY 30 billion or 50% of its total assets.

## Data Governance

As early as 2018, Leyard embarked on a path of management innovation that integrated digital transformation with high-end manufacturing. In early 2021, Leyard and Huawei worked together to explore the deep integration of digitization and industrial manufacturing and build a Leyard digital factory based on Huawei cloud for fully enhancing the intelligent level of manufacturing and the efficiency of production and management. In 2023, the Company successfully passed the assessment under two national standards: the Capability Maturity Model for Intelligent Manufacturing and the Evaluation Method of Intelligent Manufacturing Capability Maturity.

Leyard Group is continuously adopting advanced digital technologies and intelligent equipment to fully optimize production processes and achieve intelligent management, giving a strong boost to its sustainable development.

The launch of its intelligent manufacturing digitalization project allows the Company to seize new opportunities for upgrading its digital and smart manufacturing capabilities, setting a new benchmark for digital transformation and intelligent upgrading across the industry.

Leyard has streamlined management processes and improved operational efficiency through digital upgrades. Using cutting-edge information technologies and a robust internal control system, the Group ensures secure storage and transmission of customer data while preventing information leakage. It also publicly commits—on its website and in disclosures—that protecting customer privacy is a fundamental obligation. Technical and administrative measures are also in place to safeguard customer information from unauthorized access or use.



## Information Security

Leyard places a high priority on information security management. It has built and continuously enhances a group-wide information security protection framework and internal controls, consistently implementing risk prevention measures in full compliance with regulatory requirements to safeguard its information systems, operational data, and insider information. During the reporting period, the information security management system remained stable, with no security incidents or related regulatory violations. Accordingly, no such incidents occurred, and no specific investment amount was incurred.

### [Case Study] Network Information Security Training

As the first training session of early 2025, the Network Information Security Training helped set the security tone for the year ahead. It aimed to boost employees' security awareness and safeguard both personal information and corporate data assets.

The training stressed the importance of building secure habits in daily work and life. It required that company data be processed through secure channels and that public networks not be used to transmit sensitive information. Employees were advised to set strong passwords for their personal devices and update them regularly, to be cautious when installing unknown software, and to take other similar steps to help maintain a secure network environment. The training also highlighted the growing threat of new fraudulent "subsidy" scams. Employees were reminded to stay vigilant, to treat any "subsidy" or "refund" email that asks for critical information with suspicion, to never click on suspicious links or share verification codes, and to always verify such notifications through official channels.





# 06

## Fulfillment of National and Social Responsibilities

Rural Revitalization  
Social Contribution



For three decades, Leyard has actively lived out its social responsibilities by systematically driving philanthropic efforts. The Company has funded the China Siyuan Foundation · Stars Education Fund, the Hunan Zhijiang Peace and Development Foundation, the Beijing Leyard Charitable Foundation, and the Zhijiang Education Foundation. With over CNY 100 million in cash and in-kind donations from Leyard and its actual controller, it has supported more than 4,000 students, over 1,000 teachers, and over 350 schools—spreading public goodwill across China and helping countless people in need. Through the Leyard Foundation and the Stars Education Fund, the Company continues to run programs such as the Life-Saving Aid Initiative, the Heart-to-Heart Student Support Program, the Warmth and Home Renovation Program, and the Tech-Enabled Growth Program. By funding disadvantaged students, donating learning materials, and supplying tech equipment, Leyard is building pathways to growth for children in remote areas, shining the light of educational equity further than ever before. Leyard has remained true to its founding mission: "rejuvenate China, boost the industry, and benefit the people." The Group integrates social responsibility into its development strategy—strengthening the foundation of common prosperity through rural revitalization and fulfilling its role as a corporate citizen through social contributions. It has built a social responsibility system centered on industrial empowerment, public welfare support, and value sharing, enabling the Company to grow in harmony with both society and the nation.

In 2025, Leyard Optoelectronics Co., Ltd., the Stars Education Fund, and the Beijing Leyard Charitable Foundation carried out a total of 12

### Beijing Leyard Charitable Foundation

The foundation was established in January 2024 with a CNY 10 million endowment from Leyard Optoelectronics Co., Ltd. and its Chairman, Li Jun.

<p><b>宗旨</b></p> <p>以开展慈善活动为宗旨，不以营利为目的，通过资助公益项目促进公益事业发展。</p>	<p><b>愿景</b></p> <p>世界因分享，而更加精彩。</p>
<p><b>使命</b></p> <p>科技创新驱动公益发展，慈善公益赋能科技进步。</p>	<p><b>目标</b></p> <p>发扬慈善精神，弘扬慈善文化，为推动首都慈善公益事业作出贡献。</p>



### China Siyuan Foundation · Stars Education Fund

The fund was established in June 2014 as a partnership between Leyard Group and the China Siyuan Foundation.

<p><b>使命</b></p> <p>关注贫困地区教育难题，帮助及改善贫困教育文化事业。</p>	<p><b>文化</b></p> <p>表达爱 奉献爱 分享爱 感受爱 传播爱</p>	<p><b>主张</b></p> <p>科技创新驱动公益发展，慈善公益赋能科技进步。</p>
<p><b>参与</b></p> <p>由利亚德和中华思源工程扶贫基金会共同发起，向富有社会责任感的企业和爱心人士发出倡议，引导更多的人关注贫困地区中小学生学习存在的问题，号召企业及个人向贫困生伸出援助之手，携手参与到救助即将失学贫困生的助学行动中来！</p>		



## Rural Revitalization

Leyard has embedded ESG principles into its long-term strategy, identifying education and rural revitalization as key priorities for its social responsibility initiatives. The Company has steadily enhanced its organizational capabilities and philanthropic resources through the establishment of foundations and special funds. The professional operating model of these entities ensures that both financial resources and projects are deployed efficiently and transparently. In 2025, Leyard invested CNY 220,000 in rural revitalization efforts,

### [Case Study] Targeted Donations: Alleviating Poverty and Revitalizing Rural Areas

<p>The Warmth and Home Renovation Program donated CNY 20,000 to the Shenzhen Longhua District Charity Federation</p>	<p>The Guanlan Subdistrict Office in Longhua District, Shenzhen launched the "2025 Guanlan Subdistrict 'Guangdong Poverty Alleviation and Relief Day' Rural Revitalization Initiative," calling on government agencies, caring enterprises, social organizations, and individuals to join hands—ignite hope with compassion and support rural revitalization.</p>
<p>The Warmth and Home Renovation Program donated CNY 100,000 to the People's Government of Nimu Township, Tunba Town, Nimu County, Tibet</p>	<p>Nimu Township, located in western Nimu County, frequently suffers from geological disasters such as mudslides and rockfalls in Dongga and Puba villages due to heavy rainfall. Meanwhile, local community initiatives—including urban and rural environmental improvement, holiday outreach to vulnerable groups, and infrastructure upgrades for township government—are underfunded and in urgent need of external philanthropic support. This donation aligns with the national strategy of supporting Tibet's development and rural revitalization, directly addressing the development challenges and livelihood needs of Nimu Township.</p>
<p>The Warmth and Home Renovation Program donated CNY 100,000 to the People's Government of Pusong Township, Nimu Township, Tunba Town, Nimu County, Tibet</p>	<p>Tibetan chicken farming is a key specialty industry in Pusong Township and an important source of steady income for local residents, especially those who have been lifted out of poverty. However, the township's Tibetan chicken breeding base is currently facing a severe "aging flock" crisis. The average age of the existing flock exceeds 400 days, well past their peak egg-laying period, leading to a sharp drop in both egg production and farming profitability. This has severely sapped the industry's long-term momentum and threatens the income base of some residents.</p>

The future is full of possibilities. Looking ahead, Leyard will continue to support national strategies, participate in rural revitalization, and build a brand image that is both compassionate and responsible. At the same time, the Company will promote positive values and further strengthen its brand identity.

## Social Contribution

Leyard has put in place a comprehensive social contribution management system, integrating social contribution efforts into its long-term ESG development plan. Through the establishment of public welfare foundations, the Company has created an independent philanthropic management structure. Senior management oversees strategic planning, major project approvals, and resource allocation. The relevant foundation departments lead the coordination, planning, implementation, fund management, and impact evaluation of social contribution projects. Business units, based on their functions, engage in philanthropic activities, emergency support, industry leadership, and other related efforts. The professional operating model of the foundations and special funds ensures efficiency and transparency in both fund use and project execution, keeping all work on a standardized and orderly track.

In terms of institutional development, the Beijing Leyard Charitable Foundation has adopted a range of policies, including those governing project management, information disclosure, physical asset management, and financial management and accounting. Collectively, these policies underpin a professional and standardized operating model for the foundation.

The governance structure of the foundation is composed of the board of directors, the secretariat, the finance department, and the project department. As the highest decision-making body, the board of directors has ultimate authority over project management. The secretariat is responsible for the execution of projects, which includes developing annual plans and budgets, as well as managing information disclosure. Within the secretariat, the secretary-general acts as the accountable person. The finance department is in charge of financial management and fund oversight. The project department, which reports to the secretariat, handles the planning and implementation of foundation-operated projects.

In 2025, Leyard Optoelectronics Co., Ltd., together with the Stars Education Fund and the Beijing Leyard Charitable Foundation, completed nine charitable donation projects. Cash contributions reached CNY 1,664,400, and in-kind donations amounted to CNY 7,216,700, bringing the total donations to CNY 8,881,100.

### Social Welfare and Charitable Donation Projects

In 2025, Leyard Optoelectronics Co., Ltd., together with the Stars Education Fund and the Beijing Leyard Charitable Foundation, completed 12 charitable donation projects.

#### Beijing Leyard Charitable Foundation

In 2025, the Beijing Leyard Charitable Foundation launched a series of initiatives, including the Heart-to-Heart Student Aid Program, the Life-Saving Aid Initiative, the Warmth and Home Renovation Program, the Tech-Enabled Growth Program, and the Caring Guardian Disaster Relief Action. These efforts focused on education assistance, medical aid, preventing poverty relapse caused by critical illness, facilitating technology transfer, visually presenting philanthropic outcomes, and providing emergency relief for the Tai Po fire in Hong Kong.

#### Stars Education Fund

The fund donated 3,500 care packages, valued at CNY 454,000, to the Education Bureau of Zhijiang Dong Autonomous County in Hunan Province. The donation aims to support local teachers by upgrading their teaching aids and daily necessities, boosting teacher motivation, and promoting the sustainable development of local education.

#### Leyard Optoelectronic Co., Ltd.

The company donated display screens valued at CNY 6.7628 million to the Education Foundation of Renmin University of China in Beijing.

[Case Study] Chairman Li Jun Donates to Zhijiang Education Foundation and Zhijiang Peace and Development Foundation

In April 2025, the donation ceremony for the Zhijiang Education Foundation and the Zhijiang Peace and Development Foundation was successfully held in Zhijiang, Huaihua, Hunan Province.



[Case Study] Beijing Leyard Charitable Foundation · Beijing Summer Camp Study Tour

In July 2025, the Beijing Leyard Charitable Foundation · Beijing Summer Camp Study Tour launched under the theme "Youth Chasing Light · Drawing the Future." A group of 46 outstanding teachers and students from Zhijiang Dong Autonomous County, Hunan Province, set off on an immersive journey of technological innovation and cultural discovery.

Guided by its "Technology for Good" philosophy, Leyard is committed to opening a window to the world of technology for children in mountainous regions. Since 1995, the Company has built the Leyard Hope School in Nanmijing Township, Zhijiang Dong Autonomous County, Hunan Province, and established the Leyard Scholarship—a commitment it has upheld for 30 years without interruption. To date, Leyard has supported more than 350 schools, over 4,000 students, and more than 1,000 teachers, making significant contributions to the advancement of education.



# 展望2026

Time moves fast, but our purpose has never wavered. In 2025, Leyard reached its 30th anniversary. What began as a 16-person startup grew over three decades into a company that broke foreign technology monopolies and led China's LED display industry from follower to leader. Along the way, it has remained deeply committed to audio-visual technology, steadfast in its sense of responsibility, and dedicated to the coordinated development of economic performance and social value. As we mark this 30-year milestone, we look back with pride—and look forward with purpose. As a global VFX technology & innovation leader, we stay true to our vision: to build a century-spanning enterprise that is trusted and respected worldwide. With three decades of strength in technology, brand, and resources, we are ready to drive future growth, deliver on our strategy, and open the next 30 years of high-quality development.

Going forward, we will stay true to our core strategy. Guided by "embracing AI and leading in visual effects", we will build an integrated "AI + display + cultural tourism" ecosystem, drive synergies across our businesses, and evolve from a pure LED product supplier into an intelligent display ecosystem service provider. On the display front, we will continue to drive technological innovation, staying true to the philosophy that has guided us for three decades: innovation-driven growth and focus-driven expertise. In particular, we will push forward core Micro LED technologies, accelerate the R&D and commercialization of next-generation solutions such as substrate-free Micro LED and advanced MIP (Hi-Micro), and expand our product portfolio to serve a broader range of high-end and diverse application scenarios. At the same time, we will leverage our full lifecycle carbon footprint management system to continuously refine the low-power products and manufacturing processes. By embedding green technology into every stage—from R&D and production to application—we will maintain our leadership in driving the industry's green transition.

For global expansion, we will continue to advance our dual-brand strategy of "Planar + Leyard." We will further strengthen our position in the high-end North American market based on Planar's strong presence there. Meanwhile, we will ramp up production at our overseas facilities in Slovakia and Saudi Arabia, and enhance our global localization system for R&D, manufacturing, and sales. We will focus on expanding into emerging markets such as Asia, Africa, Latin America and the Middle East, driving sustained growth in the quality and efficiency of our overseas operations, and bringing the power of "created in China" to every corner of the globe and drive high-quality growth on a global scale. We will remain committed to compliant operations, respect local cultures and development needs across regions, foster synergy along the industry chain, and pursue win-win outcomes with our global partners.

The cultural tourism and night tour segment is a key driver of our second growth curve, guided by our "2+4+1" strategic framework. Leveraging our strength in visual technology, we will go deeper into local cultural stories and create more immersive landmark projects—such as the Lu You's Former Residence in Shaoxing—to transform cultural tourism from sightseeing into true immersion. Thus, we will support cultural heritage preservation and urban regeneration, with the goal of becoming a globally leading integrated cultural tourism operator. At the same time, we will accelerate the R&D and application of AI and spatial computing technologies, driving deeper

integration across our display, cultural tourism, and night tour businesses. This will empower industries across the board and unlock new growth drivers—ensuring that technology better serves humanity and enriches lives.

We are committed to both responsible growth and our founding mission. Going forward, we will embed ESG principles into our strategy and operations—upholding compliant governance, refining our corporate structure, strengthening internal controls and risk management, and enhancing disclosure transparency to protect the rights of investors and stakeholders. On the social responsibility front, we will build on three decades of philanthropic commitment—focusing on education philanthropy and emergency response. Through the Leyard Foundation and the Stars Education Fund, we will expand our Heart-to-Heart Student Support Program to enhance education quality and talent development. We will also respond to emergency needs, fulfilling our role as a responsible corporate citizen and further extending our philanthropic reach. Regarding employee development, we will continue to strengthen the mechanisms that protect employee rights and support professional growth. By promoting shared prosperity and co-development between our employees and the Company, we aim to build a united and resilient force that drives our sustainable, long-term success.

At thirty, Leyard is both established and full of energy—ready for the long journey ahead. Marking this milestone, we will build on our innovation-driven heritage and commitment to responsibility. With an open mind, we will embrace industry change, and with firm resolve, we will deliver on our strategy. We will continue to advance audiovisual technology, creating synergies across innovation, business upgrading, and global expansion. As we pursue high-quality growth, we will embed ESG principles into everything we do—supporting the low-carbon transition and building a more caring society. Our goal is to build a century-spanning enterprise where technology serves the greater good, green solutions thrive alongside development, and light and shadow bring brilliance to every corner of a better human life.



# Appendices

## Key Performance Table

### Governance Performance

Indicator		Unit	2024	2025
Corporate governance	Number of board directors		5	6
	Percentage of female board directors	%	40	33.3
	Number of executive directors		2	2
	Number of independent non-executive directors		2	2
	Number of shareholders' meetings held		7	2
	Number of Board meetings held		13	7
	Number of strategy committee meetings held		0	1
	Number of nomination committee meetings held		1	0
	Number of remuneration and appraisal committee meetings held		2	3
	Number of audit committee meetings held		4	4
Information disclosure	Number of performance briefing sessions held (online)		15	3
	Number of investor exchange meetings held (offline)		11	16
	Number of investor questions answered online		504	-
	Communication via phone or email		~600 calls, 102 emails	~600 calls, 200 emails

Indicator		Unit	2024	2025
ESG governance	Total number of ESG training sessions		-	26
	Total number of ESG training participants		-	1,077
	Total hours of ESG training	Hour	-	629.80
Information security and privacy protection	Number of information security incidents		0	0
Business Ethics	Total number of anti-corruption training sessions		4	0
	Total hours of anti-corruption training	Hour	4.5	0
	Total number of management personnel covered by anti-bribery and anti-corruption training		49	0
	Percentage of management personnel covered by anti-bribery and anti-corruption training	%	77	0
	Total number of employees covered by anti-bribery and anti-corruption training		92	0
	Percentage of employees covered by anti-bribery and anti-corruption training	%	79	0

Notes: No anti-corruption training was conducted during the reporting period. Instead, the Company communicated with employees and suppliers via covenant clauses and written notifications. For further details, refer to the Business Ethics – Compliance Management System section.

Note: The board of directors includes one employee representative director.

## Environmental Performance

Indicator		Unit	2024	2025
Environmental protection investment and training	Total environmental protection investment	10,000 CNY	61.4	148
	Total hours of environmental protection training	Hour	666	956.5
	Total number of environmental protection training participants		833	1,335
	Of which: Directors and senior executives		22	27
	Employees		811	1,308
Air pollution	Total waste gas volume	m <sup>3</sup>	18,219	164,702,184
	Particulate matter (PM)	kg	39.30	6.03
	Sulfur oxides (SOx)	kg	10.70	0
	Nitrogen oxides (NOx)	kg	525.40	0
	Volatile organic compounds (VOCs)	kg	1,246.50	6.44
	Non-methane total hydrocarbons	kg	/	97.29
Water pollutants	Total wastewater volume	m <sup>3</sup>	174,917.14	197,946.40
	Chemical oxygen demand (COD)	ton	3,089.23	3,944.76
	Biochemical oxygen demand (BOD)	ton	1,109.84	1,068.33
	Ammonia nitrogen (NH <sub>3</sub> -N)	ton	171.03	328.18
	Total nitrogen (TN)	ton	0.70	234.24
	Total phosphorus (TP)	ton	44.03	66.52

Indicator		Unit	2024	2025
Waste	Total waste generated	ton	119.2	415.81
	Total hazardous waste generated	ton	20.84	19.37
	Total hazardous waste disposed	ton	20.84	19.37
	Total non-hazardous waste generated	ton	98.36	396.44
	Total non-hazardous waste disposed	ton	98.36	396.44
Energy utilization	Natural gas	10,000 m <sup>3</sup>	15.04	14.97
	Gasoline	L	29,840.60	24,855.77
	Electricity consumption	10,000 kWh	4,651.95	3,245.16
	Solar energy usage	MWh	253.13	2031.80
	Comprehensive energy consumption	tce	5,917.25	5,261.34
Water resource utilization	Total water consumption	ton	239,934.95	247,433.00
	Recycled / reclaimed water usage	ton	59,087.00	62,550.00
	Total wastewater discharged	ton	174,915.76	247,433.00
GHG emissions	Total GHG emissions	tCO <sub>2</sub> e	30,953.26	21,939.80
	Scope 1: Direct GHG emissions	tCO <sub>2</sub> e	367.65	476.18
	Scope 2: Indirect GHG emissions	tCO <sub>2</sub> e	30,585.60	21,463.62
	GHG emission intensity	tCO <sub>2</sub> e per CNY million of revenue	4.33	3.11

Note: Compared to the previous year's ESG report, the scope of total waste gas volume data has been expanded to now include the Beijing factory, Leadstar Micro-Crystal Display and the Shenzhen company.



## Social Performance

### (1) Employee Responsibility

Indicator		Unit	2024	2025
Employment	Employment contract signing rate	%	100	100
	Total number of employees		4,660	4,405
	By gender			
	Number of male employees		2,907	2,801
	Number of female employees		1,753	1,604
	By age			
	Number of employees under 30		1,199	936
	Number of employees aged 30 to 49		2,108	3,093
	Number of employees aged 50 and above		353	376
	By education level			
	Doctorate degree		11	11
	Master's degree		263	254
	Bachelor's degree		1,666	1,661
	Associate degree		1,109	1,015
	Other educational background		1,611	1,464

Indicator		Unit	2024	2025
Employment	Number of new hires during the year		76	755
	Of which: Campus recruits		5	27
	Experienced hires		71	728
	Male new hires		55	467
	Female new hires		21	288
	Employee turnover rate	%	14.40	22%
Career development	Total number of participants of training for the year		27,305	26,146
	Total training hours for the year	Hour	149,088	78,301.45
	Total employee training expenditure	CNY 10,000	200.60	92.40

**(2) Safety and Health**

Indicator		Unit	2024	2025
Occupational health	Number of work-related accidents during the year		0	0
	Number of work-related fatalities		0	0
	Number of severe work-related injuries (Level 4 or above)		0	0
	Number of employees who received health check-ups		2,745	4,376
	Rate of employees notified of position-specific occupational hazards	%	100	100
	Incidence rate of occupational diseases	%	0	0
	Work injury insurance coverage rate for employees	%	0	100
Work Safety	Safety investment	CNY 10,000	268	750.55
	Total number of emergency drills conducted		21	35
Work safety training	Total number of participants of safety training for the year		9,994	6,085
	Total safety training hours for the year	Hour	11,014.00	11,330.50

**(3) Upstream and Downstream of the Industry Chain**

Indicator		Unit	2024	2025
Customer compliant service	Number of complaints regarding products and services		29	21
	Customer complaint resolution rate	%	100	100
	Customer complaint response rate	%	100	100
Customer Satisfaction	Customer satisfaction score		96.88	96.95
	Number of customers participating in the survey		385	406
Responsible marketing	Number of employees trained in responsible marketing		26	0
	Total hours of responsible marketing training	Hour	201	0
	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications (including advertising, promotion, and sponsorship)		0	0
Supplier Number of suppliers	Total number of Suppliers		5,222	6,579
	Of which: number of suppliers in Mainland China		5,213	6,569
	Number of suppliers in Hong Kong, Macao, and Taiwan regions		7	7
	Number of foreign suppliers		2	3
	Of which: number of Tier 1 suppliers		900	923
	Number of Tier 2 suppliers		1,800	1,879
	Number of Tier 3 suppliers		2,522	3,777
	Number of new suppliers added during the year		300	1,357

Indicator				
Supplier- Number of suppliers	Of which: number of Tier 1 suppliers		50	23
	Number of Tier 2 suppliers		180	79
	Number of Tier 3 suppliers		70	1,255
Supplier onboarding	Percentage of new suppliers screened using ESG criteria			
	Of which: Environmental (E)	%	18	11
	S	%	33	11
	G	%	49	11
Supplier audit	Number of suppliers certified under quality management systems		2,500	2,600
	Number of suppliers certified under OHS management systems		1,800	1,850
	Number of suppliers certified under environmental management systems		1,500	1,600
	Number of suppliers that have signed an integrity-based cooperation agreement (or letter of commitment)		5,222	6,579
	Number of suppliers assessed in the annual review		100	20
	Number of suppliers disqualified		30	18
	Number of suppliers terminated due to environmental or social issues during the year		5	2
Supplier onboarding	Number of suppliers that have undergone an environmental impact assessment		40	/
	Number of supplier ESG training during the year	-		
	Of which: Environmental (E)		178	21
	S		89	21
	G		106	21

**(4) Innovation-Driven**

Indicator		Unit	2024	2025
R&D and Innovation	R&D investment	CNY 10,000	40,363.75	
	R&D investment as a percentage of revenue from core business	%	5.65	
	Number of R&D personnel		979	920
	Percentage of R&D personnel	%	20	21
	Number of new invention patent applications during the reporting period		55	56
	Number of newly granted invention patents during the reporting period		107	90
	Cumulative number of invention patents granted		2,662	2,896
	Number of entities recognized as high-tech enterprises		15	15
	Number of entities recognized as "Little Giant" specialized and sophisticated SMEs		1	2
	Number of entities recognized as specialized and sophisticated SMEs		12	12

(5) Social Welfare

Indicator		Unit	2024	2025
Social Welfare	Investment in rural revitalization	CNY 10,000	110	22
	Number of people benefited from rural revitalization programs		50	40
	Number of charitable / public welfare activities		8	12
	Charitable donations	CNY 10,000	24.49	166.44
	Number of employee volunteers		0	0
	Volunteering hours	Hour	0	0
	Total social welfare investment	CNY 10,000	197.62	910.11

Indicator Index Table

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## Indicator Index Table

Dear readers:

Greetings! Thank you for reading the Leyard Environmental, Social and Governance (ESG) Report 2025. Your feedback is very important to our ongoing improvement. Please share your comments and suggestions below.

Selective questions (please tick "√" in the appropriate box)

1. What is your overall impression of the report?

Very good  Good  Average  Poor  Very poor

2. How would you rate the quality of the social responsibility information disclosed in the report?

Very high  High  Average  Low  Very low

3. How would you rate the structure of the report?

Very reasonable  Reasonable  Average  Poor  Very poor

4. How would you rate the layout and presentation of the report?

Very good  Good  Average  Poor  Very poor

Open-ended question:

Please share any comments or suggestions you have for improving the Leyard ESG Report 2025. We greatly appreciate your input.

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Note: In case of any discrepancies, the Chinese version shall prevail.