



SUSTAINABILITY REPORT 2022



INDEX

p. 2	Stakeholder letter
p. 4	chapter 1 - METHODOLOGICAL NOTE
p. 12	chapter 2 - THE COMPANY
p. 22	chapter 3- IMPACT
p. 28	chapter 4 - SUPPLY CHAIN
p. 32	chapter 5 - ECONOMIC
p. 36	chapter 6 - PEOPLE
p. 42	chapter 7 - ENVIROMENT
p. 44	CRESTOPTICS' GOALS
p. 46	GRI SUSTAINABILITY REPORTING STANDARD

STAKEHOLDER LETTER

Dear Stakeholders,

I am pleased to present to you our first Sustainability Report, which reflects CrestOptics' commitment to go beyond mere profit maximization. We believe that business success should include the creation of long-term economic, environmental, and social value for all stakeholders and future generations.

At CrestOptics, we are driven by a purpose that goes beyond financial gains. We are dedicated to advancing scientific research and improving lives through cutting-edge optical technologies and scientific instruments. To realize our medium to long-term objectives, we have outlined specific actions in key areas:

Innovation, Research, and Development:

- Fostering adoption of the spinning disk technology and increasing accessibility of advanced scientific instruments also leveraging the recent launch of the Cicero
- Investing in state-of-the-art laboratories and equipment to foster research and development of breakthrough technologies and to accelerate the development of new products and solutions.

Enhancing, Training, and Developing Employees' Skills:

- Providing opportunities for cross-functional collaboration and knowledge sharing to encourage innovation and a multidisciplinary approach.
- Establishing mentorship programs where experienced employees and external professionals can guide and support the professional growth of the people at CrestOptics.

Corporate Welfare and Well-being:

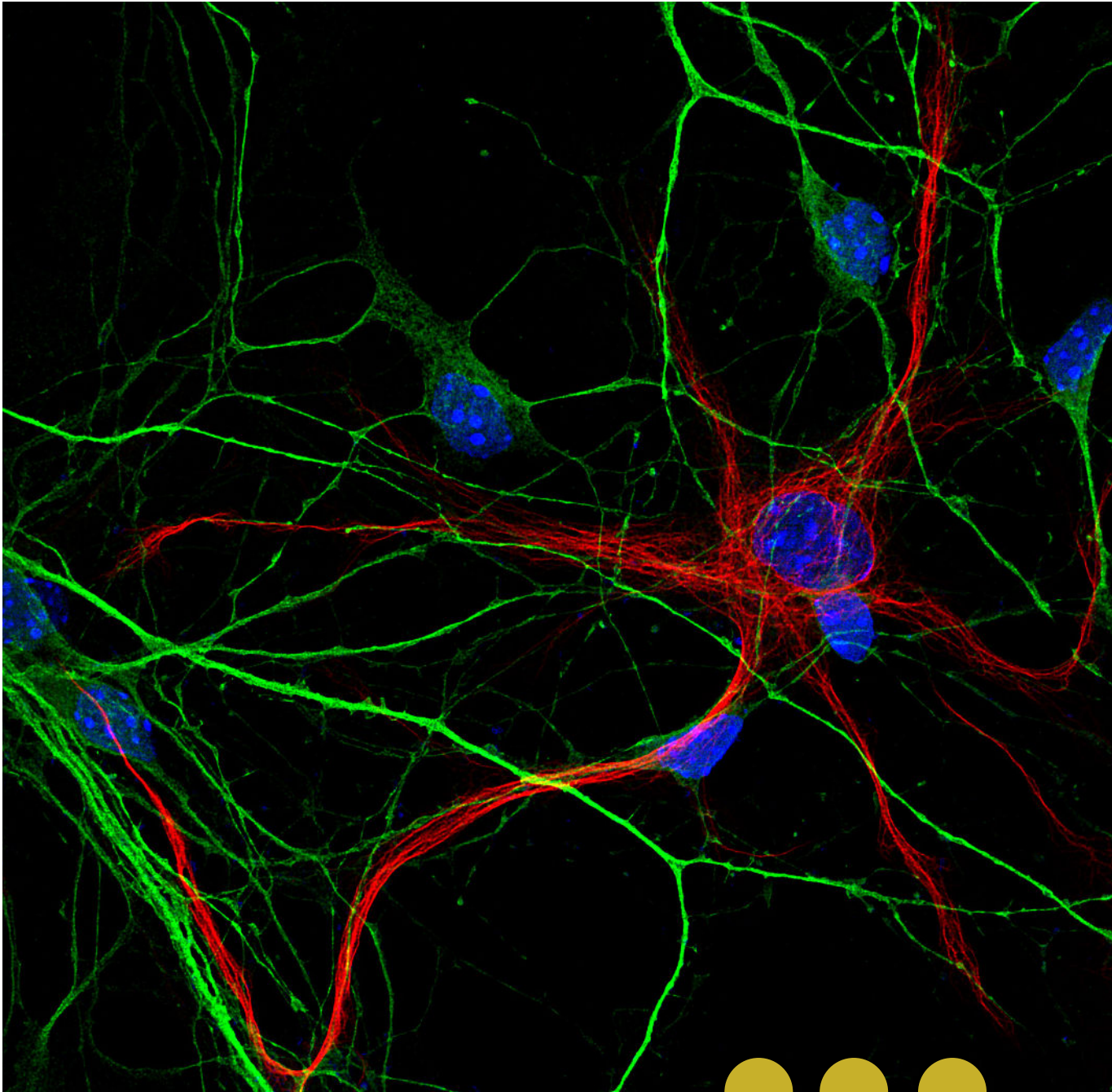
- Establishing a robust employee feedback and satisfaction monitoring system to regularly assess the climate within the company and gather valuable insights for improvement.
- Creating a comfortable and productive workspace by investing in ergonomic furniture, state-of-the-art equipment, and technology tools that enhance efficiency and well-being.

These actions demonstrate our commitment to fostering a culture of innovation, continuous learning, and employee well-being. By investing in research and development, enhancing the skills of our workforce, and prioritizing corporate welfare, we aim to create a sustainable and fulfilling workplace that drives long-term success.

This first Sustainability Report serves as a voluntary and strategic disclosure tool, providing a comprehensive overview of CrestOptics' activities and transparently communicating the objectives we set for the future. It is a testament to our belief that elements such as quality, research and innovation, inclusivity, environmental stewardship, and legal compliance are fundamental to sustainable and enduring business growth.

We thank you, our valued stakeholders, for your ongoing support and trust in CrestOptics. Together, we are poised to embrace the challenges of the future and achieve our shared goal of a better tomorrow.

Best regards,
Renato Giacobbo Scavo





chapter 1

METHODOLOGICAL NOTE



This document represents the first Sustainability Report of CrestOptics S.p.A.

It contains information related to economic, environmental, and social issues, which is useful for understanding the activities carried out by CrestOptics, its performance, results, and their impact.

The Sustainability Report has been drawn by reporting a selection of the "GRI Sustainability Reporting 2021" published by the Global Reporting Initiative (GRI), as indicated in the GRI Content Index of this document, according to the "Referenced" reporting option.

It should be noted that CrestOptics does not fall within the scope of Legislative Decree No. 254 of December 30, 2016. The current Sustainability Report is therefore drawn up on a voluntary basis and does not account for a NFD.

The general principles applied in drawing up the Sustainability Report are those established by the GRI Standards: relevance, inclusiveness, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability, clarity and verifiability.

The performance indicators selected are those provided by the adopted reporting standards, representing the specific areas of sustainability analyzed, and consistent with the activity carried out by CrestOptics and the impacts it produces. These indicators were selected on the basis of an analysis of their significance as described in the "Materiality Analysis" section. In the different sections of the Sustainability Report, quantitative information for which estimates were used is reported.

The reporting area of qualitative and quantitative data and information refers to the performance of the company CrestOptics S.p.A as of December 31, 2022.

The Sustainability Report is drawn up annually. The process of drawing up the Sustainability Report involved the departmental managers of CrestOptics.

The Sustainability Report has been approved by the Board of Directors of CrestOptics S.p.A. on July 25, 2023, and has not been audited by any independent auditor.

The Sustainability Report is published on the Company's institutional website at the following address: www.crestoptycs.com.

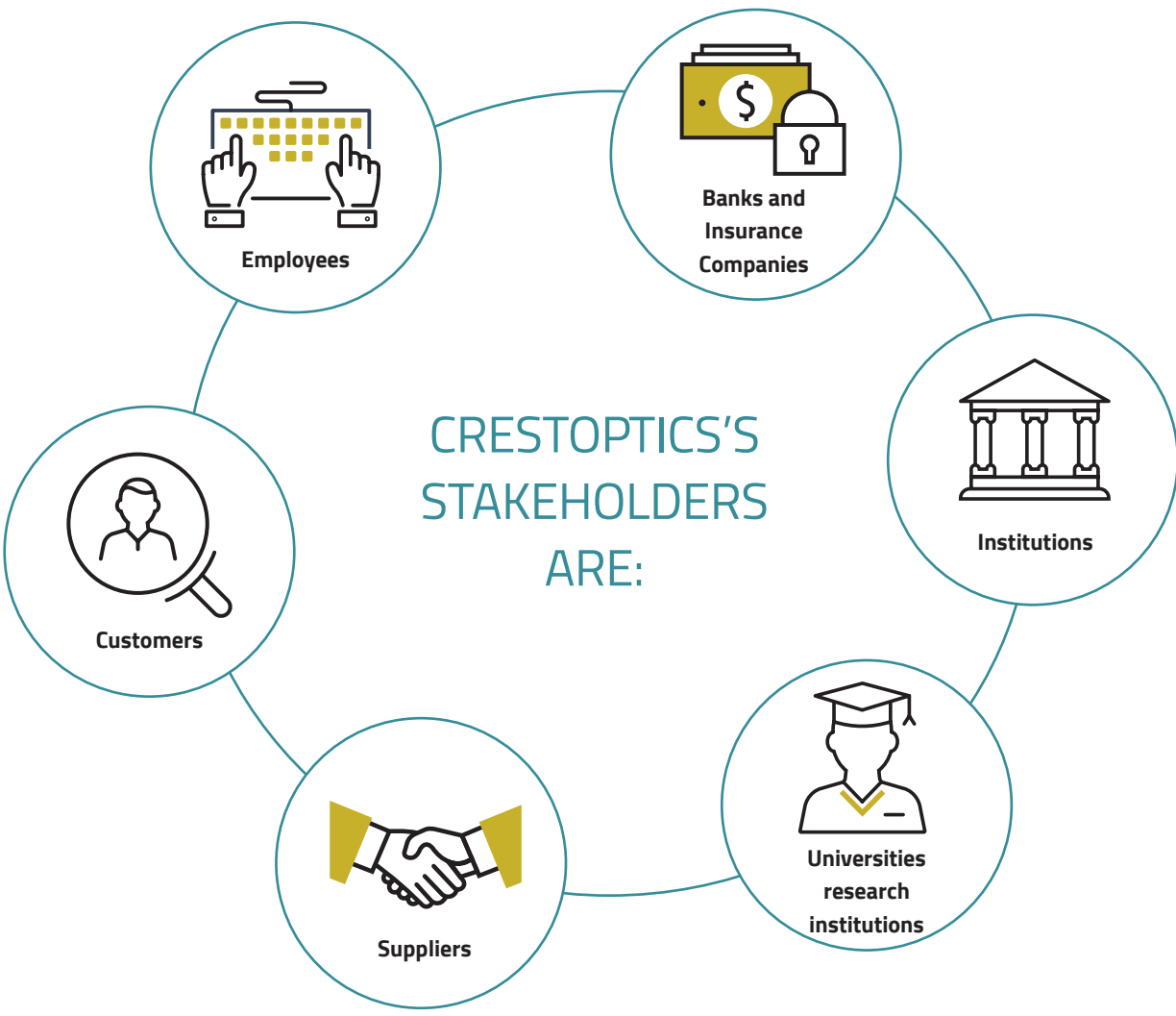
MATERIALITY ASSESSMENT

The Role of Stakeholders

Stakeholders are individuals or groups that express different interests in a company and with whom a company interacts in the conduct of its business. Engaging and discussing with stakeholders (stakeholder engagement) not only allows to understand their needs, expectations and evaluations, but also enables the enterprise to define business and objectives more

effectively, while assessing change, risks and opportunities.

CrestOptics maintains a relationship system with its stakeholders that includes tailored tools and communication channels for different categories of stakeholders, taking into account the level of interdependence and influence on the organization.



Material issues

● ● ● Governance

- Economic and financial performance
- Business transparency, ethics and integrity
- Innovation, research and development
- Quality, compliance and product safety
- Sustainable supply chain selection and management

● ● ● Environmental responsibility

- Reduction of CO2 emissions
- Management of indirect environmental impacts
- Development of environmentally sustainable products from a circular economy perspective
- Management of raw materials

● ● ● Social responsibility

- Enhancement, training and development of employee skills
- Corporate welfare and well-being
- Diversity and equal opportunities
- Workers' health, safety and welfare
- Local community support (civic welfare)
- Communication

In defining the areas and issues to be reported within its Sustainability Report, CrestOptics has conducted a materiality analysis aimed at identifying and prioritizing issues considered relevant and significant to its business and stakeholders. These issues are defined as "material" because they reflect the economic, social and environmental impacts of the organization and may influence the decisions of internal and external stakeholders.

In order to identify the most relevant and significant issues for CrestOptics, a survey has been conducted according to a structured process based on the following steps:

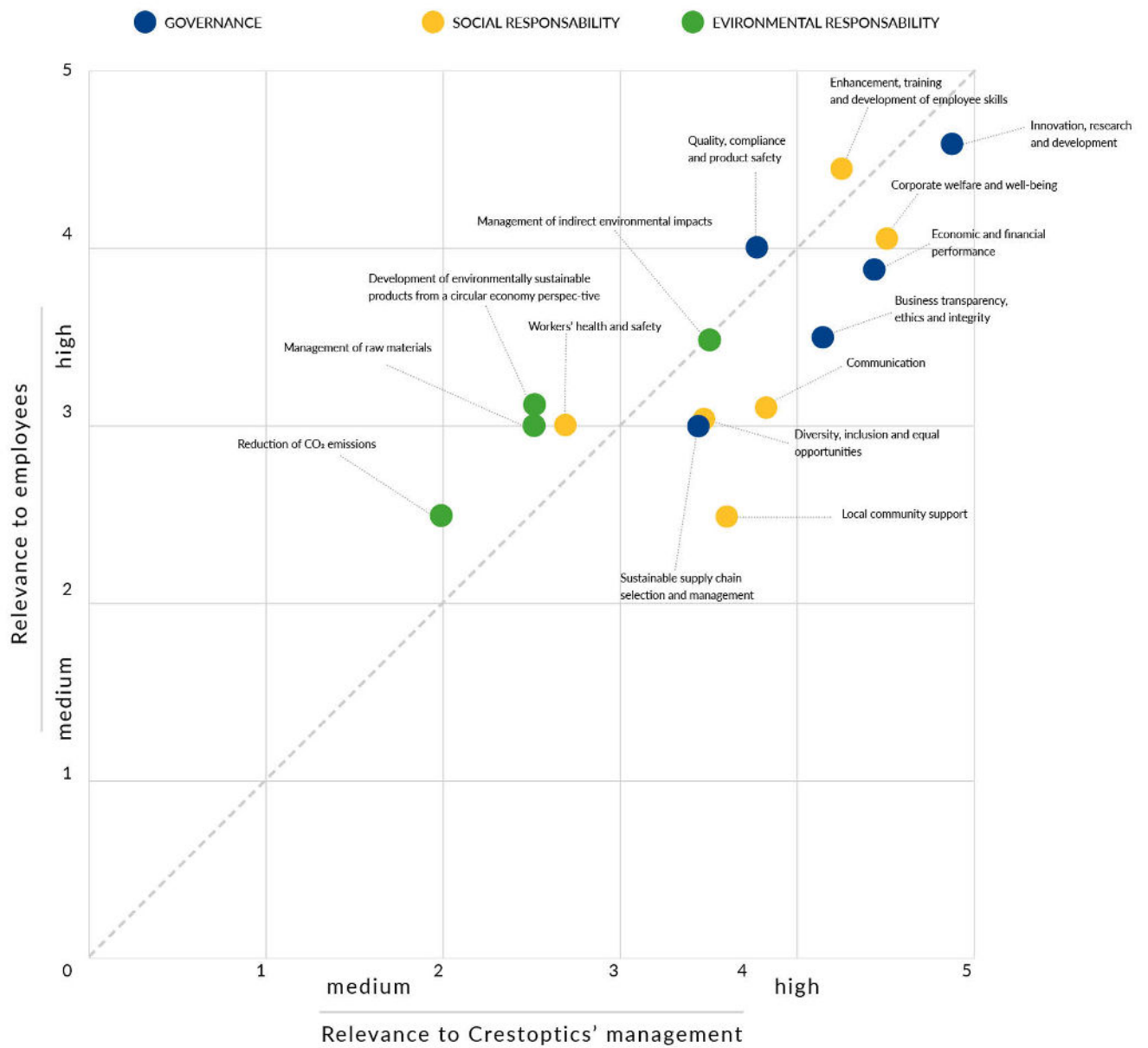
- analysis of industry sector and benchmark analysis in order to identify the main issues that also competitors focus on;
- conducting interviews with company contact persons who hold key functions in the areas identified as priorities

in relation to sustainability issues.

These issues were, finally, subjected to individual evaluation by the management team and all CrestOptics employees through a survey, within which they were asked to assign a score (from 1=little relevant to 5 = extremely relevant).

The Materiality Matrix therefore identifies relevant issues, defined as those aspects that can generate significant economic, social and environmental impacts on the company's activities and that, by influencing stakeholders' expectations, decisions and actions, are perceived by stakeholders as critical, either positively or negatively. Once all the assessments, emerging from the individual surveys, were collected, they were analyzed and consolidated. The result obtained is a materiality matrix that allows for a concise representation of the issues analyzed.

MATERIALITY MATRIX



Looking at the matrix we can immediately see that the environmental issues are all less priority than governance and social ones: this is because the company is not energy consuming and is placed in a building where all utilities are centralized and it is therefore difficult to be improved, in the short term, from this point of view. The environmental issue with the highest rating is the one related to **indirect impacts**, meant as employees' daily commute, on which improvement projects can be created.

The most strategic issue for both management and employees at CrestOptics is **innovation, research and development**. For a company making advanced fluorescence microscopy systems, it is essential to pay special attention to research, development, and evolving scientific applications.

Next, two closely-related social issues emerge as preponderant: **enhancing, training and developing employees' skills** and **corporate welfare and well being**. It is evident that working on the relationship with employees to maintain a united and peaceful workplace, listening to and understanding their needs to create a bond of mutual trust and satisfaction, is strategically important. This is to avoid having a high turnover as the specificity of the sector in which CrestOptics operates makes it difficult to find the right staff and it is therefore important to retain resources, by creating an increasingly strong group caring about the future of the company.

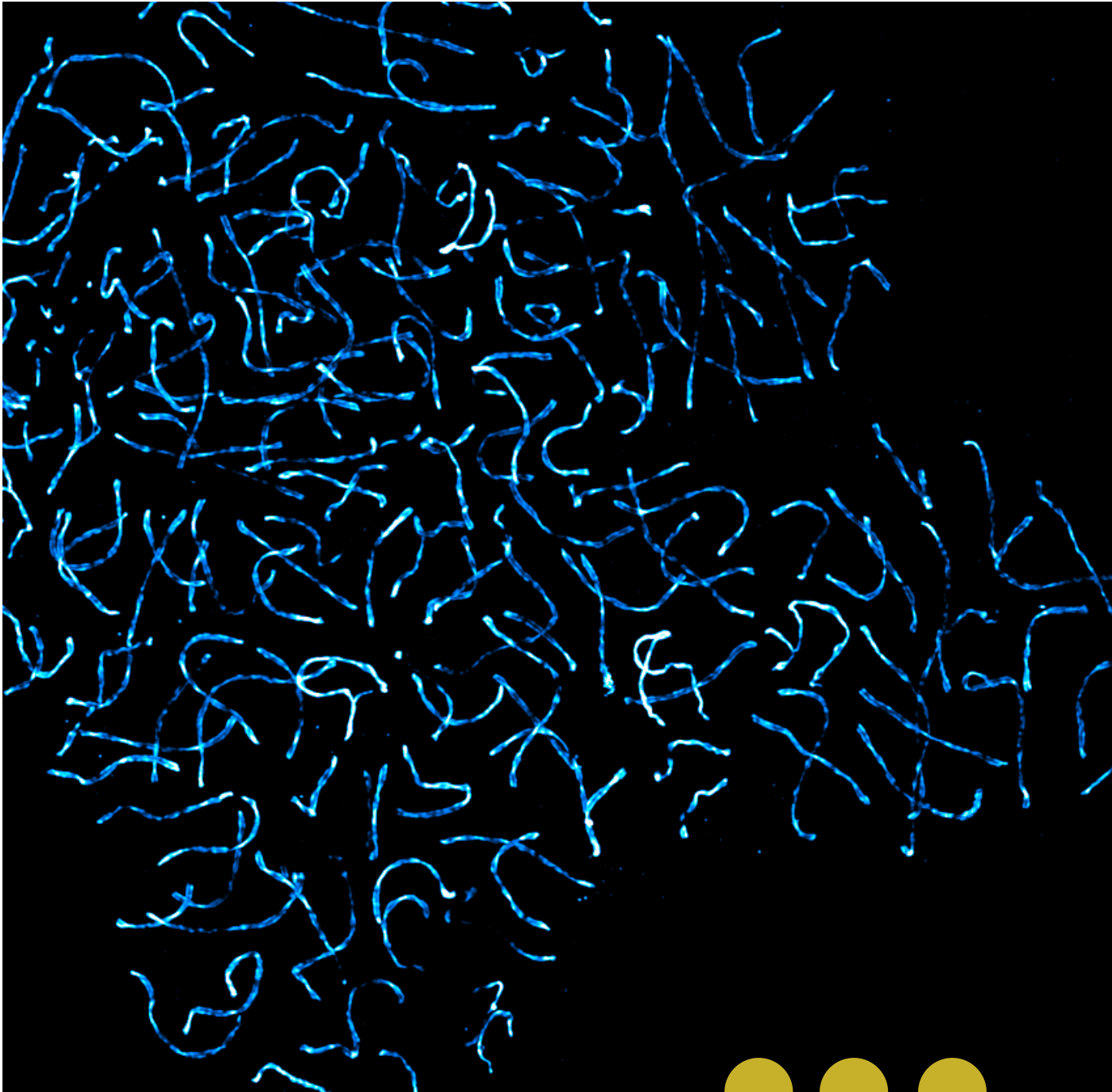
Economic performance and the issues of **quality, compliance and product safety** also turn out to be strategic for the company to remain competitive in the market.

Occupational safety and health and diversity, inclusion and equal opportunities have received lower ratings because the assessment has shown that these are issues that are deeply felt by the company and on which therefore work has already been done over the years: there are no issues on these two points and there is no intention to lower guard but they do not appear to be priorities.

Information transparency and business ethics is considered essential by management for the workplace to be first-rate and attractive. The company has worked extensively on this issue and it is not an area where placing additional resources, but it is nonetheless the core of the work of such a fast-growing company.

Communication is seen as a strategic topic for the future, to tell about good practices but only after having actually been done. The idea is to communicate only actions that are actually underway and not goals.

Sustainable supply chain selection and management is a difficult topic to approach because the business sector is very niche and it is difficult to diversify the supply chain too much. One can work in spurring current deficient suppliers to improve their environmental and social performance.



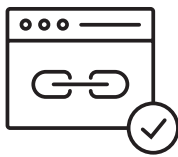


chapter 2

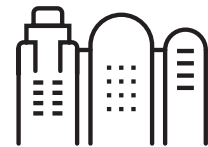
THE COMPANY



Last 12 months performance and key achievements



Sustained demand from customers proved the worth of our **value chain** during an unprecedented crisis



Improvement of **Corporate Governance** and implementation of **operational** best practices



Significant increase in the **number of distributors** and covered **geographies**



Strengthened **New Product Introduction** capabilities to support a **challenging growth roadmap**



Industry award recognition for the new high end super resolution product launch, **DeepSIM**

CrestOptics S.p.A. is a leading company in the development and manufacture of advanced systems for fluorescence microscopy. Thanks to our strength in R&D and engineering, our technology supports the research community and life science industry with highly customized

solutions, paying special attention to our customers needs and constantly evolving scientific applications.

Our mission is to deliver to the life science research community and the pharma industry cutting edge technology to support scientific advancement.

Our story

CrestOptics was created in 2011 with the vision of creating accessible high end solutions for the life science industry based on spinning disk confocal technology. The founders rapidly created a team of physicists, biologists, engineers, designers and highly specialized technicians coming from both the research and the industrial world, establishing the know-how required to build those high end confocal systems that are now essential in the research community for advanced biological discoveries. CrestOptics' products are supported globally by an experienced network of distributors and integrated as OEM components in prestigious and highly complex equipment.

Since inception CrestOptics has had significant involvement from public and private investment funds which has

supported rapid business expansion. In November 2021 Apposite Capital, a specialist international healthcare and life science investor, acquired a majority shareholding in CrestOptics in order to partner with the management team and CrestOptics employees to accelerate market penetration globally and launch new products.

In 2014 CrestOptics established the Joint Lab in collaboration with the Italian Institute of Technology (IIT) to develop new diagnostic solutions for a variety of applications. This collaboration is a further demonstration of CrestOptics' technological and scientific expertise and in October 2021 this venture was spun off into a newly created sister company, D-TAILS, to continue the development of such products in a focused way.

Governance

The Board of Directors holds the broadest authority for the ordinary and extraordinary management of the company, enabling them to carry out all necessary actions to fulfill the corporate purpose, except for those explicitly reserved to the competence of the shareholders by the company bylaws and/or the law. Both the Chairman of the Board of Directors and the Chief Executive Officer, along with other directors to whom management powers have been delegated within the limits of their assigned authority, are jointly and severally authorized to represent the company in dealings with third parties and legal proceedings, as well as to execute resolutions adopted by the Board of Directors.

Moreover, the Board of Directors set up internal committees to support, consult and make proposals in the management of specific topics.

In particular, the Remuneration Committee and the Audit Committee, both composed of members of the Board of Directors, were established.

The main task of the Remuneration Committee is related to advising on appointments and compensation of directors, general managers and managers with strategic responsibilities, as well as proposing and validating the guidelines for the strategic management of employee talent in compensation and professional development.

The main task of the Audit Committee relates to assessments and decisions regarding the internal control and risk management system and decisions regarding the approval

of the periodic financial and non-financial reports.

For the strategic decisions related to ESG issues, the Board of Directors appointed one ESG Champion among its members and set up an operative ESG Committee made up of four members internal to the company.

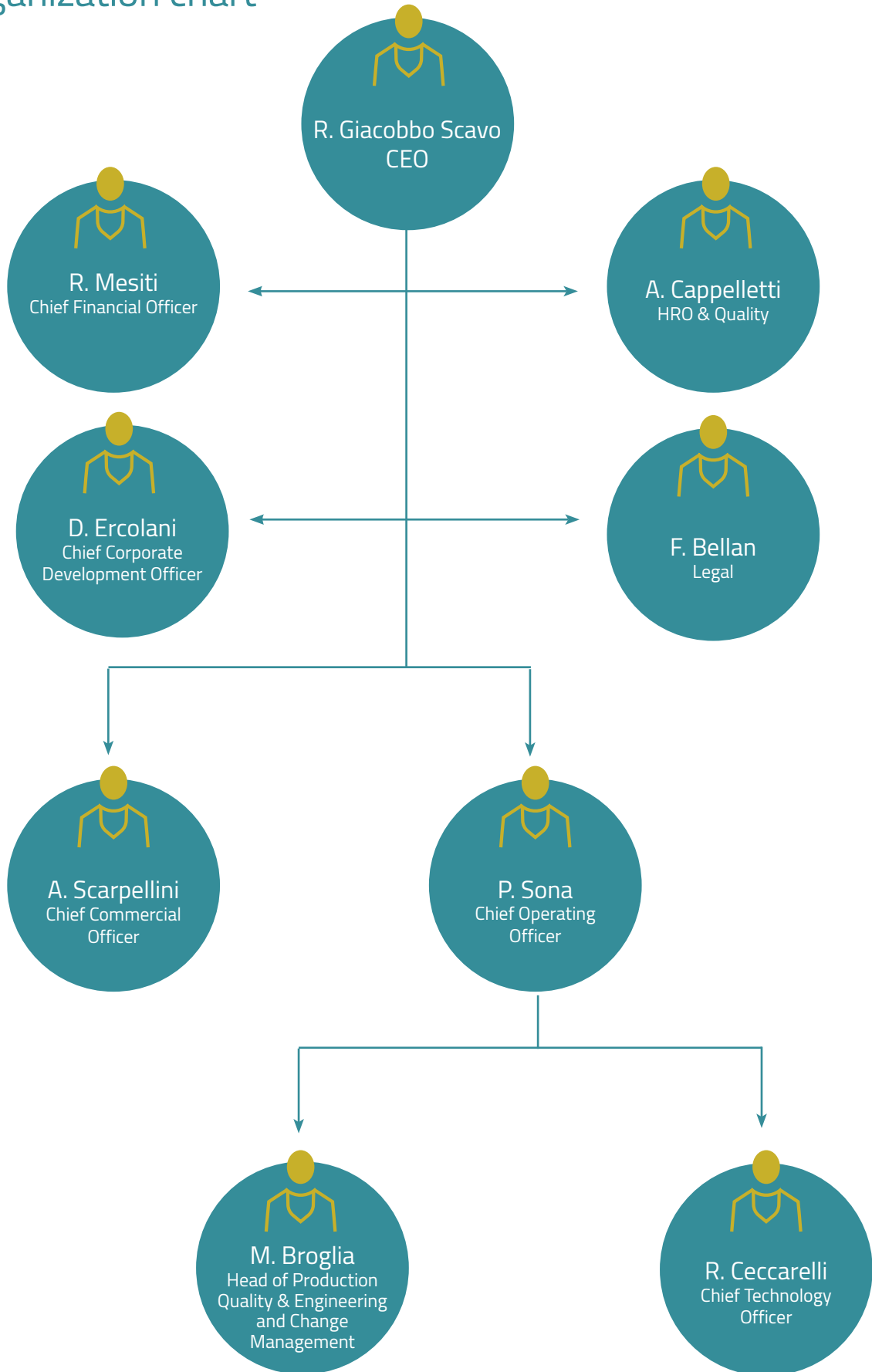
The Board of Directors was appointed on 10th Nov 2021 for the next three fiscal years. It is made up of 8 members:

- Only 1 has an executive role
- 3 members, including the Chairman, are independent
- 1 out of 8 is a woman
- 1 of the members, appointed ESG champion, is President of a benefit company operating in the consulting industry for sustainable design and project management

According to the bylaws, the Chairman of the Board of Directors is an independent director of the company with no executive duties.

The 8 members are appointed in the Shareholders' meeting and represent the three shareholders categories: 4 appointed by Class A shareholders (of which 2 independent), 2 by Class B shareholders (of which 1 independent) and 2 by Class C shareholders. The appointment of Independent Directors is preceded by a good faith consultation between Class A Shareholders, Class B Shareholders and Top Management.

Organization chart



Conflicts of interest

Transactions with Related Parties are reserved matters to the Board of Directors.

Directors must communicate to the Board the existence of any conflict of interest and will abstain from the related

resolutions.

Transactions with Related Parties are reported in the Explanatory Note in the Financial Statements according to Italian law and IAS 24.

Membership of associations

Unindustria: the leading nationwide organization representing industrial enterprises.

Italian tech Alliance: is the association of those who invest, innovate, experiment and discover new tech-

nologies to make Italy grow. It represents and advances the demands of venture and corporate capital, business angels, family offices, startups and innovative SMEs.

Products



DeepSIM super resolution

Super resolution microscopy that answers the deep biological questions effortlessly

At CrestOptics, we believe that super-resolution should be accessible for all scientists to progress their research. This is the reason we have developed DeepSIM, the first super-resolution module that is compatible with any existing upright or inverted microscope with a camera port. It's as easy to use as a confocal microscope enabling scientists to access deep data from their biological samples



X-Light V3

Is the next generation of X-Light spinning disk confocal series.

It relies on the cutting-edge technology, advanced optical design approach and engineering solutions developed by CrestOptics to meet the very high-end specifications required by most of the modern fluorescence microscopy applications. The spinning disk design together with the careful design of the optical layout enhances sensitivity and image clarity. The first confocal unit which allows dual camera imaging at the full field of view of 25 mm on both cameras.



X-Light V2

Universal plug-in spinning disk for fast and gentle imaging. To guarantee each laboratory greater productivity without compromising the data quality, CrestOptics has created the X-Light V2, the most accessible spinning disk solution for fast and gentle confocal imaging. The X-light V2 is a truly enabling technology where the high-performance is combined with the application flexibility and a universal compatibility with any upright and inverted microscopes with a camera port. The X-light V2 enables researchers to routinely perform challenging live-imaging experiments for extended periods of time. The highest spinning disk rotation on the market allows to follow ultra-fast cell dynamics with an acquisition speed of over 1000 fps on full FOV. The multi-beam spinning method offers not only high-speed imaging but significantly reduced photo bleaching and phototoxicity. This gentle illumination combined with advanced optical sectioning makes the X-light V2 the standard tool for 3D live cell imaging.



CICERO

CICERO is a complete widefield and spinning disk solution, it can be integrated into any imaging setup transforming it into a user-friendly and reliable confocal system. Life sciences, metrology, and material sciences are among the disciplines relying increasingly on high-resolution 3D imaging.

CICERO spinning disk solution delivers fast image acquisition speed (15K rpm) and sensitivity, easily enabling live cell imaging and large-scale 3D object imaging. Due to its large field of view (up to 22mm FOV), CICERO offers a minimal scanning process and can capture large samples in a single frame.

CICERO is a reliable and flexible solution compatible with both LED and Laser as illumination sources. Moreover, the wide spectral range enables a large variety of applications. For this, CICERO allows to address both entry-level and challenging applications.

Countries served



As the map above highlights, CrestOptics' products are sold almost all over the world

Certification

For Crestoptics, certifications are a confirmation that what it does and what it offers to its customers has been done according to the highest standards of quality, safety and respect for the environment. Every project and every manufacturing process inherently carries with it the values that distinguish and identify the company as excellence.

Crestoptics has always based the production of its plants and the structure of its processes on high quality standards this has made it possible to obtain quality certification, according to the ISO 9001:2015 (Quality management system) standard and, over the years, has been able to raise its standards distinguishing itself more and more in the

market.

In addition, Crestoptics holds a number of product certifications:

CE Mark: The letters 'CE' appear on many products traded on the extended Single Market in the European Economic Area (EEA). They signify that products have been assessed to meet high safety, health, and environmental protection requirements.

IEC 60825-1: Safety of laser products

ISTA 3A: Packaged-product test, simulation test for individual packaged-products shipped through a parcel delivery system.

Values, principles, standards, and norms of behavior

Our mission is to deliver to the life science research community and the pharma industry cutting edge technology to support scientific advancement

The Company has issued an internal regulation governing the code of conduct. Also, during 2022 the Board of Directors approved the implementation of the Organizational Model according to 231 decree including the development of a Code of Ethics which is published online and made available to all commercial partners, also in English. The code of conduct and Code of Ethics are distributed to all the employees as part of their onboarding process.

The Company developed an internal set of values to en-

sure alignment among its employees. These values are published on internal channels and are printed on the wall of the main meeting room at Company's HQ.

A continuous focus on organizational culture and ethos plan is sustained during day-to-day interactions, company events and quarter meetings

The HR department is the natural focal point for consulting on ethical and legitimate behaviour. Moreover, as part of its duties, the Supervisory Body collects information on potential illicit behaviour and should inform immediately the Company executives in order to proceed with the appropriate measures.

Our Values

Stay young, informal and productive

Never lose the garage startup attitude.

Be more curious and ambitious than our clients

We make products to observe better.

Be ready to anticipate what clients might know in the future.

Be sure someone is in charge

If you are not, ask who is. If there is no one accountable, something will go wrong.

Bottleneck: ALARM

Wait and see is not a solution; instead, let's address roadblock and find effective ways to streamline processes.

Reduce waste

Time, space, resources are valuable assets.

Smartworking, handle with care

Distance work is important but don't forget the value of proximity and group.

Think big & for scale

Aspire to continuous improvement, every little helps to sustain growth.

Listen, and demand to be listened

Always respect colleagues and seek feedback.





chapter 3

IMPACT



Impact on research and society

World leader in the development and manufacturing of advanced microscopy systems, CrestOptics' mission is to support the global research community to sustain scientific developments and breakthrough innovations.

CrestOptics specializes in developing the most advanced optical instruments in the field of Fluorescence Microscopy. They support the research community through continuous investments in Research and Development (R&D) and by providing tailored solutions. CrestOptics achieves this by designing confocal systems that can be customized for high-end Original Equipment Manufacturer (OEM) clients or sold directly under the CrestOptics brand to system integrators. These integrators, in turn, sell complete microscope systems mainly to academic and research institutions, often through tenders.

Thus, health impact is a key impact area for CrestOptics. The company is motivated by a strong commitment to deliver high-quality products that support scientific advancements benefiting patients and contribute positively to the healthcare industry.

Since 2012 the company has developed the X-Light product line, that has become a must-have for molecular biology researchers, due to its unmatched compatibility, high-sectioning and speed, enhanced sensibility, and image quality. Moreover, in 2014 CrestOptics started a collaboration with the Italian Institute of Technology (IIT) - the leading public R&D institution in the country - for the creation of a joint lab that favors the development of new products in the Diagnostics domain and brought to the spin out of a separate company focusing on delivering disruptive innovations in life science.

The most advanced research applications in the field of Biomedicine and Confocal Microscopy, such as the study of pathogens and treatments, often are inhibited by the lack of adequate instruments. Research centers, pharmaceutical and biotech companies risk relying on tools that show the following flaws::

Imprecision

Standard microscopes do not provide the right mix of brightness, confocality, and image quality, thus returning blurry or insufficiently clear results.

Incompatibility

Standard optical devices often cannot be adapted to different microscope models, making it difficult for companies to scale existing devices to different research applications and forcing them to order custom models from optical device suppliers based on their actual needs.

CrestOptics has developed a set of solutions allowing researchers to rely on state-of-the-art devices. In particular, the X-Light product series ensures:

High Performance

CrestOptics offers the best solutions on the market in terms of sectioning and speed

High Resolution

The spinning disk design together with the careful design of the optical layout enhances sensitivity and image clarity;

Full Compatibility

with all the main fluorescence microscopes on the market.

New products in roadmap have the dual goal of improving performance of current products, but also of enabling applications in new fields.

The main impacts of the products made by the company fall in the following areas:

● ● ● Improving patient outcomes

Regarding benefits related to patient outcomes, CrestOptics technology indirectly improves patient outcomes by enabling better imaging in pharmaceutical and clinical research, which is essential for the development of innovative drugs and treatments.

As of December 2022 → **334** research papers were published through the use of CrestOptics products.

● ● ● Promote innovation

Promoting innovation is the company's goal. This is done through:

Technology → The company's products are at the cutting-edge, offering the fastest spinning disk and largest field of view on the microscopy market, enabling the highest resolution live imaging. The highly innovative new super-resolution DeepSIM product has already been highly acclaimed, recently winning the prestigious Microscopy Today Innovation Award.

R&D pipeline → Exciting pipeline of new products for biological and medical research (particularly covering cancer and neuroscience applications). More than 20% of the revenues were spent in R&D activities in 2022.


Partnerships → Well-established partnerships with leading universities and research institutes (e.g. IIT, Cineca, FBK, CNR)

Novel treatments → Ultimately the company enables the development of novel treatments for patients, through selling to research labs conducting life science research, and through integration of CrestOptics technology into OEM systems, for pharma company R&D

● ● ● **Improve affordability**

In the first quarter of 2023, Cicero has been launched. A new product which represent an entry level and flexible alternative to more complex spinning disk units, designed to target low budget institutions and emerging markets, increasing access to high-end microscopy tools.

The company has long followed a policy of cost-effectiveness. CrestOptics prices are industry-leading for key products, which help improve affordability for end customers.

Cheaper products than competitors  X-Light flagship product typically 20% cheaper than comparable offerings on the market. Product portfolio covering all the technical and budget needs of end users, from high flexibility and low budget to advanced performance

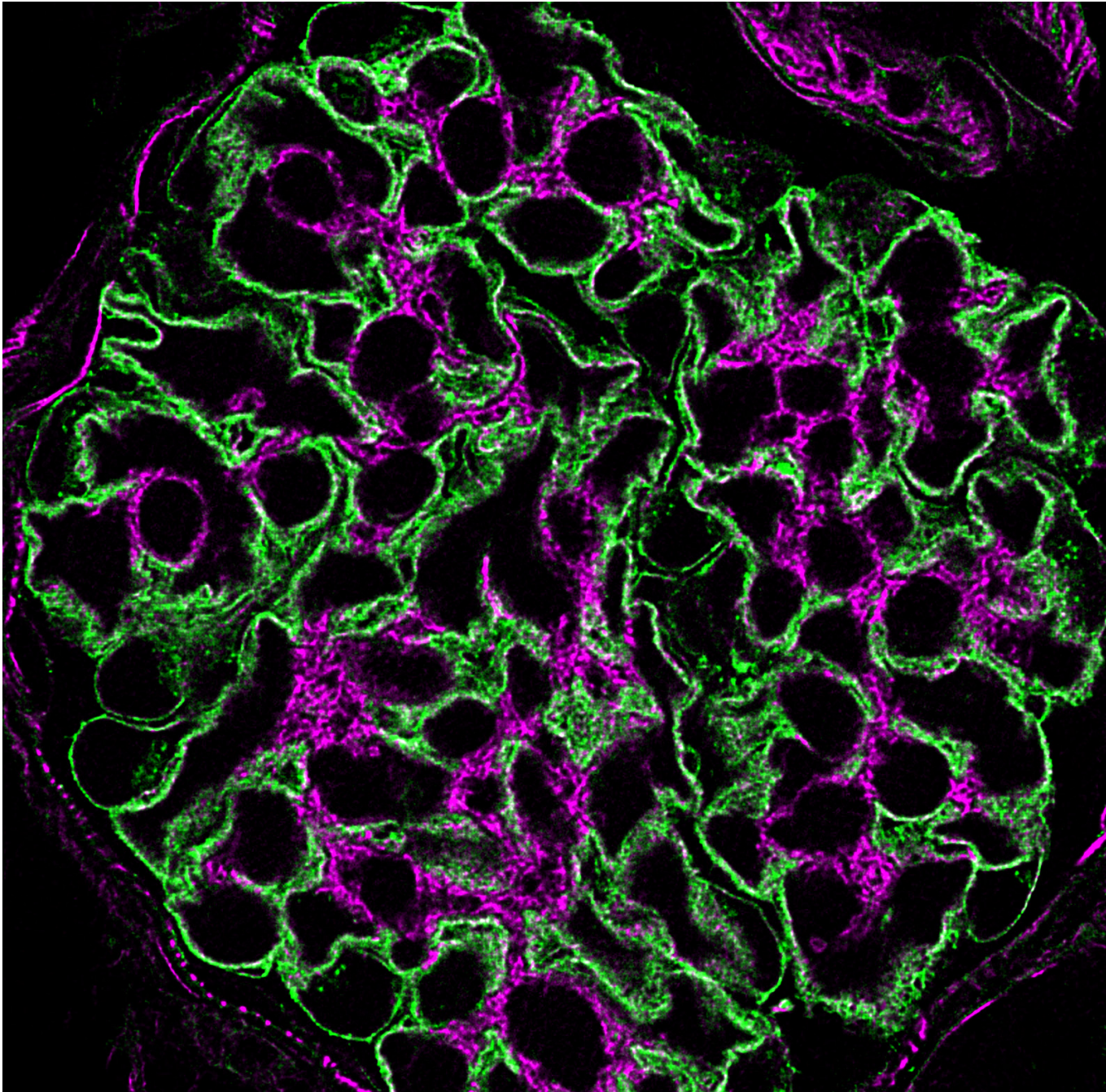
Impact on research and society

CrestOptics, in addition to being a company that supports the scientific community and thus faster and more incisive solutions in the treatment of diseases, also wants to be present in some initiatives to support the community and the territory.

In fact, in 2023 it supported the Race for the Cure, Komen Italia’s signature event and the largest event to fight breast cancer in Italy and around the world. It is a sports, health and solidarity event open to all. The protagonists of the RACE FOR THE CURE are the WOMEN IN PINK, women who are facing or have faced breast cancer who with their special pink jerseys raise awareness of the importance of prevention and send a strong message of encouragement to the 56,000 women in Italy who

face the disease every year. In addition to sponsoring the event, CrestOptics also participated in the event.

In conjunction with the usual Christmas gifts to major suppliers, in December 2022 CrestOptics sent a solidarity gift to support the Ronald Mc Donald Children’s Foundation. The Foundation is committed to ensuring that critically ill children have access to the care they need, supporting their families and providing them with accommodations that allow them to be active participants in their children’s care. Ensuring medical care and well-being for all at all ages is Goal No. 3 of the SDGs and is part of the 6 Sustainable Development Goals CrestOptics identified as most relevant to its business reality in its manifesto.





chapter 4

SUPPLY CHAIN



CrestOptics operates in close connection with a complex and articulated network of suppliers with whom, over time, it has been able to build solid relationships based on seriousness, trust and mutual respect and technical cooperation.

CrestOptics is certain of the strategic importance of the supply chain and is committed to maintaining relationships with major national and global players. Thanks also to the established careful and thorough process of supplier selection, CrestOptics is able to present itself to the market as a leading company in the industry, as it is able to pool the common

knowledge, skills and experience that it gathers in a structured and non-occasional manner throughout the supply chain.

Quality, fairness, professionalism, reliability, resilience, competitiveness and customer orientation are the hallmarks of CrestOptics' main suppliers.

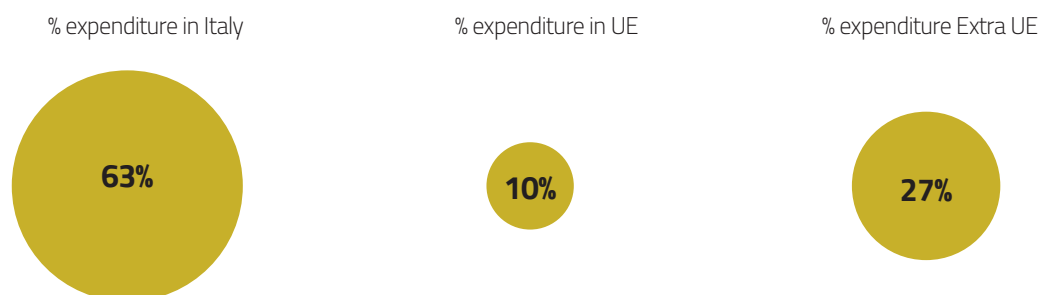
CrestOptics is committed to continuously monitoring the quality of performance and goods/services provided and, where it deems it useful, implements improvement plans and training to support its supply chain.

Suppliers are sensitized to conduct their business by following standards of conduct consistent with those set forth in CrestOptics' Code of Ethics. In particular, they must ensure seriousness in business, respect the rights of their workers, invest in quality, and responsibly manage environmental and social impacts.

Type of suppliers	Number of suppliers	% of total supply expenditure
Materials	69	81%
Services	40	19%
Total	109	100%

In 2022, CrestOptics used the expertise of 109 total suppliers, for goods and services. Eighty-six percent of the supply expenditure is destined for Italian suppliers. 25.5% of the total spend is destined for suppliers located in Lazio and therefore a quarter of total spend is deemed local.

In 2022, raw materials and components used in the production of finished products were supplied by 69 suppliers of which 44 are based in Italy. The geographical split of the number of suppliers for materials is distributed as follows:



As for service provision, all collaborators are based in Italy. Local supply spending stands at 40% for service supply spending and 27% for material supply spending.

	Materials	% of total supply expenditure	Services	% of total supply expenditure
Total number	69	81%	40	19%
Number Italian suppliers	44	85%	40	100%
Number of Lazio suppliers	13	27%	16	40%

From the product development stages, and then throughout the life cycle of a product the Company implements a process aimed at the responsible management of all aspects related to sustainability. Particular attention is devoted to compliance with all national and international standards applicable in the various reference markets, as well as compliance with contractual requirements and technical specifications. The process aims, in addition, to achieve the highest standards of safety for the user, to minimize impacts environmental and to achieve full involvement of the supply chain.

The value that distinguishes CrestOptics is that it develops

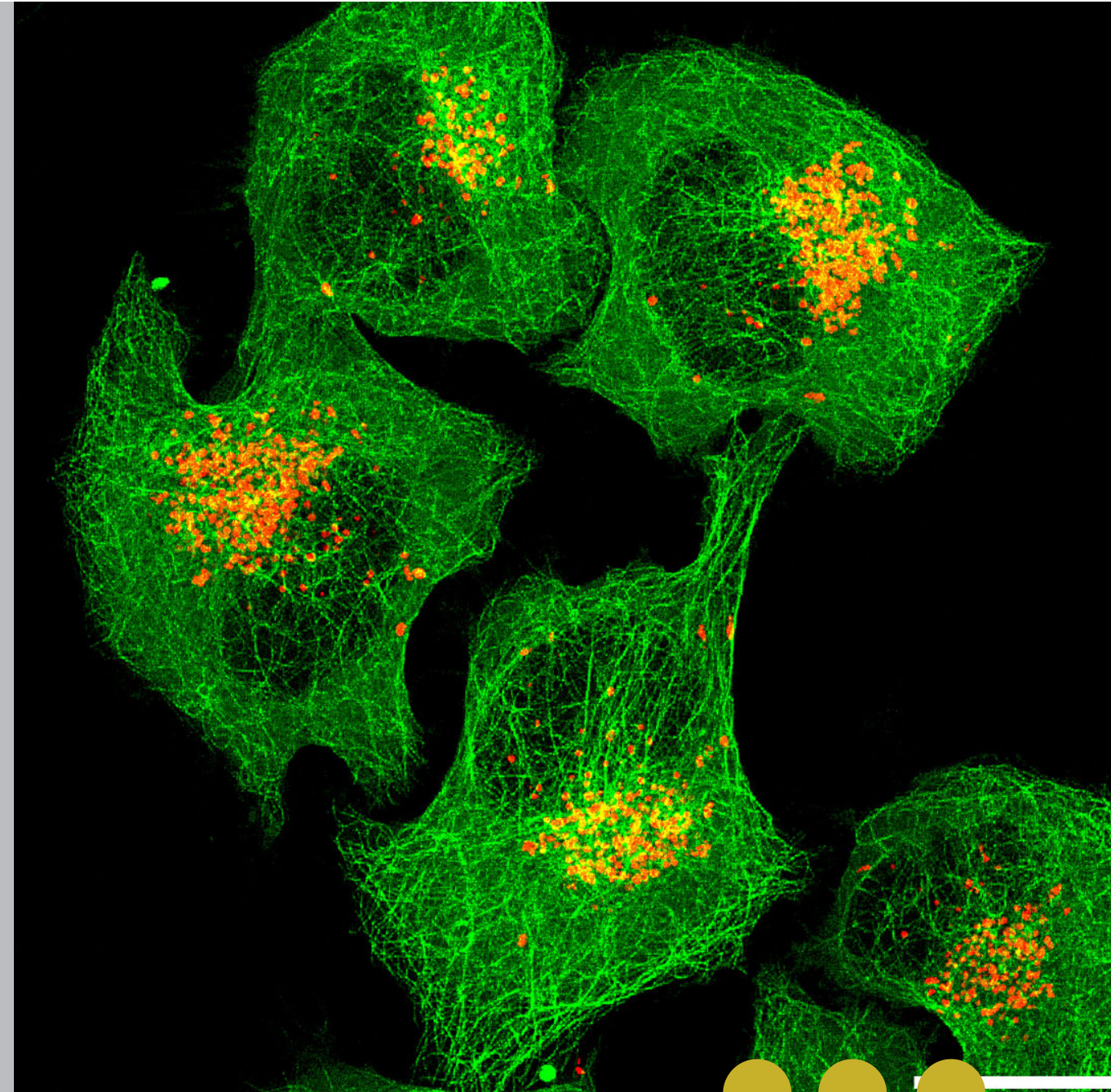
products tailored to its customers' needs and always has its eye on the future for the creation of new, increasingly high-performance devices. This means having a supply chain that is always responsive to the transformation needs of the components useful in making CrestOptics products.

The supply of materials very often requires strong collaboration with specialized suppliers in order to develop a custom product that can meet the technological needs required by CrestOptics' products systems. Also for this reason, the company prefers suppliers who are located in close proximity to the company and who have the ability to develop design skills in line with the requirements.

Clients

CrestOptics has 2 main B2B models to deliver its product to the market:

- Original Equipment Manufacturers (OEM): CrestOptics provides custom design of advanced optical components to be integrated into OEM partners' final products. OEM partners have their own distribution channels serving Pharma & Biotech companies, Hospitals & Clinics.
- Original Design Manufacturer (ODM): Own-branded products to be integrated into assembled microscope systems by system integrators, typically a complete system includes CrestOptics product, microscope body, light source and camera. System integrators sell complete microscope systems to Academics & Research Institutes primarily through tenders.





chapter 5

ECONOMIC



CrestOptics considers the distribution of the value generated by its business to its stakeholders to be of primary importance.

Through the analysis of distributed economic value, CrestOptics show the flow of resources addressed to its employees, its suppliers of goods, services and capital, public administration and the communities in which it operates.

CrestOptics focuses on the local communities with which it is in close contact. The team that works closely with the CEO consists of eight resources, five of which come

from the local community, a sign of the strong bond that the company has with the territory.

In 2022 workers' contributions were paid to the inps and about 20 thousand euros were paid into the professional insurance funds (Fondo EST, QUAS).

The company's typical operations are not subject to significant risks from climate change.

In 2022 CrestOptics generated an economic value of €13,688,978, 85% of which were distributed in favour of public administrations, suppliers, employees and the operating costs of the company.

Economic value generated and distributed 2022

Directly generated economic value	13.688.978 €	100%
Operating costs	7.221.496 €	52,8%
Employee compensation	3.376.214 €	24,7%
Remuneration to capital providers	31.678 €	0.2%
Remuneration to Public Administration	944.888 €	6.9%
Economic value distributed	11.574.276 €	84.6%
Economic value with held	2.114.702 €	15.4%

CrestOptics has been ranked by "La Repubblica – Affari & Finanza" among the 800 Italian companies with a higher rate of annual growth in the three-year period 2018-2021. The study "I campioni della crescita 2023" has been conducted by the "Istituto Tedesco Qualità e Finanza" (ITQF) taking into account strict criteria, such as the "Compounded Average Growth Rate".

231 Organizational model

CrestOptics has adopted the Organization, Management and Control Model pursuant to Legislative Decree 231/01, which aims at representing the system of operational and behavioral rules that govern the Company's activities, as well as the additional control elements that the company has adopted in order to prevent crimes and administrative offenses for which the Decree is applicable, committed by individuals in top manage-

ment positions and by individuals subject to their area or supervision, from which the administrative liability of the company itself may result, in application of the provisions of Decree 231.

The main objective of Model 231 is to prepare an organic and structured system of principles, procedures and controls, aimed at preventing the commission of the offenses prescribed in Legislative Decree 231/2001.

Conflict of interest

Conflict of Interest Management, implemented through the 231 Organizational Model, is a preventive activity: it identifies those areas of the company in which managers or employees might choose to act in the interest or to the advantage of the company, harming a number of widespread and legally relevant interests. Transactions with Related Parties are reserved mat-

ters to the Board of Directors.

Directors must communicate to the Board the existence of any conflict of interest and will abstain from the related resolutions.

Transactions with Related Parties are reported in the Explanatory Note in the Financial Statements according to Italian law and IAS 24.

Communication and training on anti-corruption policies and procedures

Anti-corruption communication and training has been lavished on the entire board and the entire management team. Policy on anti-corruption has been posted on the website and reported as a clause on suppliers. The document has been communicated to all employees and is available on the bulletin board.

Proportion of senior managers hired from the local community

The significant operational headquarters is located in Rome.

“Senior management” refers to the team reporting to the CEO, consisting of 8 resources. Five out of eight, thus more than 60%, come from the local community, that is, they were born in Lazio.

Legality Rating

Within the broader theme of sustainability, the Legality Rating is a synthetic indicator developed by the Antitrust Authority (AGCM), in agreement with the Ministries of the Interior and Justice, which recognizes rewards to companies that operate according to high standards of legality, transparency and social responsibility.

The legality rating is a tool for Italian companies, aimed at promoting and introducing principles of ethical behavior in the business environment. It is a certifica-

tion introduced in 2012 that attests the degree to which companies comply with high standards of legality and the degree of attention placed on the proper management of their business, through the attribution of an indicator to companies that have applied for it.

The legality rating, measured in “stars,” is valid for two years after issuance, renewable upon request.

The Authority resolved to award CrestOptics the Legality Rating with the following score: two stars out of a maximum of three.



chapter 6

PEOPLE



CrestOptics recognizes that human resources are a factor of crucial importance for the development of the Company. The management of human resources is based on respect for the personality and professionalism of each of them in the general framework of the current legislation.



It is the task of the Company to promote and develop the attitudes and work skills of each Employee. CrestOptics is aware that the high professionalism achieved by its employees and their dedication to the company are essential and decisive factors for the pursuit and achievement of its objectives.

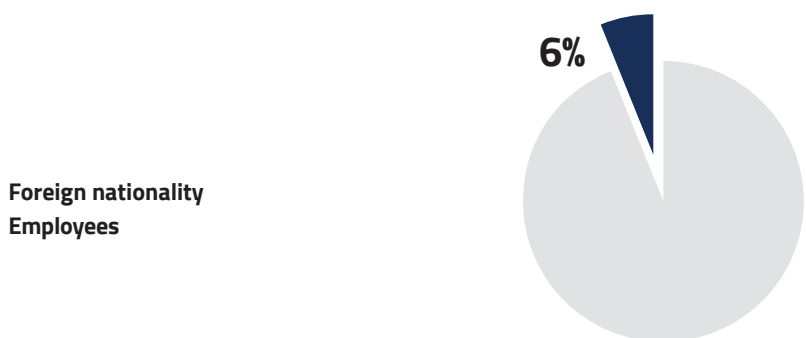
The selection of personnel to be hired is carried out based on the alignment of the candidates' profiles and their specific skills, with respect to what is expected and to the business needs as they result from the request made by the hiring function, and always respecting equal



opportunities for all interested parties.

It is strictly forbidden to hire foreign employees who are not in compliance with the residence permit, at the same time the Company helps foreign candidates to settle in Italy and comply with local laws in case they prove to be the ideal candidate. On top of that, the Company leveraged the Italian fiscal initiative to incentivize the return to Italy of Italian citizens who have relocated their residence abroad in recent years, contributing to the return to Italy of four employees in the recent years. The information requested during the hiring process is closely linked to the verification of the aspects provided for by the professional and psycho-attitudinal profile, respecting the private sphere and the opinions of the candidate. The Company, within the limits of the information available, takes appropriate measures to avoid favoritism, nepotism or forms of clientelism in the selection and recruitment processes.

As of December 2022, CrestOptics consists of 48 employees of whom 13 are women (27%) and 35 are men (73%). To these must be added the 7 members of staff in the roles of CEO, Legal, HRO, CCDO, Electronic design advisor, Mechanical design advisor, Corporate development and special projects.



					
	N.	%	N.	%	Total
Employees	13	27	35	73	48
Agents/VAT/Collaborators		7		100%	7



Age of employees		
	N.	N.
< 30	2	13
30 - 50	11	20
> 50	0	2

The data detailing the age of CrestOptics' employees highlights how it is a young company.

Competent young people and teamwork: these are the employees that CrestOptics, a global player in advanced fluorescence microscopy system solutions, has managed to attract with increasing success, so much so that it has a widespread presence in all company divisions, making a major contribution to the company's innovation and competitiveness. Only two employees, in fact, are over 50 years old.

					Total
	N.	%	N.	%	
Fixed-term	0	0	0	0	0
Indefinite time	13	27%	35	73%	48
Full time	9	20%	35	80%	44
Part time	4	100%	0	0	4
Terminations	1	17%	5	83%	6
New Hires	2	18%	9	82%	11

As of 2022, all of the employees' contracts are permanent: this highlights the company's desire to establish long-term relationships. Only four contracts are part-time following the request of the employees.

In 2022, 6 people terminated their employment with CrestOptics and 11 were hired. Total turnover in 2022 is 15 percent. The enhancement of diversity is a key factor for the involvement of people in corporate objectives, and diversity is consciously managed in order to create a competitive advantage for CrestOptics and to fuel its shared value.

Welfare

Aware of the increasingly important role of corporate welfare, CrestOptics has a system of benefits and protections that respond to timely needs and extend contractual provisions by promoting employee welfare and family-work balance.

The benefits reserved for employees reflect the values of the company: hourly flexibility and smart-working where aligned to the assigned job duties, give employees the opportunity to better organize and reconcile work-life balance.

The Edenred Welfare platform is active for all employees, which provides the use of tax-deferred bonus wages at Edenred partners through the platform, and the activation of ad hoc initiatives such as the provision of fuel vouchers to the employees proportionally to the distance between where they live and the workplace.

Meal vouchers in the amount of €6 per day are provided to all employees who work in attendance. They are delivered in electronic format for greater convenience, to reduce the usage of paper and simplify the distribution.

Moreover, following the requests from some employees,

in the first trimester of 2023 the company installed the Foorban fridge, a sustainability-driven dispenser of healthy and seasonal pre-packaged meals, snacks and beverages. With a contribution of expenses from the company, the employees benefit from a 20% discount on list price and the purchase can be done also through Edenred meal vouchers.

There is a long-term incentive system based on participation instruments, aimed at a limited but substantial number of employees. The company has implemented a variable compensation system (through premio di risultato and MBOs) that allow to annually reward the employees proportionally to the business performance achieved. Goals are set and reviewed with employees annually, in line with the company's growth objectives and in order to have every employee aligned on the most important priorities. Monthly, the company rents soccer and beach volleyball courts, a team-building-style incentive, to foster in play and sports interdepartmental interactions among employees outside working hours.

Training

The development of CrestOptics is closely linked to the growth journey of its employees.

Enhancing the technical-professional and cross-functional skills of CrestOptics' staff has always been essential to tackle the challenges arising from the market and the business environment.

Each year, CrestOptics designs, plans, and implements a Training Plan for all employees based on the analysis of identified training needs. The Training and Human Resources Development proposes the plan through inter-

views with departmental heads.

In 2022, total training hours were 3340, of which 1884 were dedicated to professionalizing and soft skills training and 1456 dedicated to health and safety.

The average number of training hours devoted to refresher programs was 40.6 hours for women and 39.8 for men. The main topics of the courses were technical English, confocal microscopy and technological innovation, business processes of procurement and supplier management, project management and digital marketing.

Average number of training hours in 2022

			
Professionalizing and soft skills training women	Health and safety training women	Professionalizing and soft skills training men	Health and safety training men
40,6	21,8	39,8	33,4

Occupational health and safety

For CrestOptics, people are at the core of their sustainable development strategy, and their ability to achieve sustainability goals is reliant on their workforce. That is why workplace health and safety protection is an essential factor in the performance of every activity.

CrestOptics is committed to ensuring its employees and collaborators suitable work environments to safeguard their health, safety and physical and moral integrity, in accordance with the laws and regulations in force.

The system applied complies with 81/08 regulations and is specified in the DVR. The presence of the RLS ensures the channel through which workers can report the presence of any risks in the workplace. As part of its functions, the RLS ensures the anonymity of reports and provides for informing the employer and RSPP.

100% of workers are covered by the occupational health and safety management system.

Occupational health services

Regular checkups, as specified in the Health Surveillance Program, are provided through the competent physician designated by the employer, as outlined in the annual program drawn up by the same competent physician. In order to facilitate access for all workers, medical examinations are arranged on site except for any specialist checkups that must be carried out at the specialist's office. In addition, within the framework of the relevant collective employment agreement, the company adheres to the "Fondo EST" to which the employee can access and benefit from full or partial reimbursement of basic health care benefits. The RLS appointed by and representing the workers holds regular meetings with the RSPP and employer. The frequency is currently set at once a year.

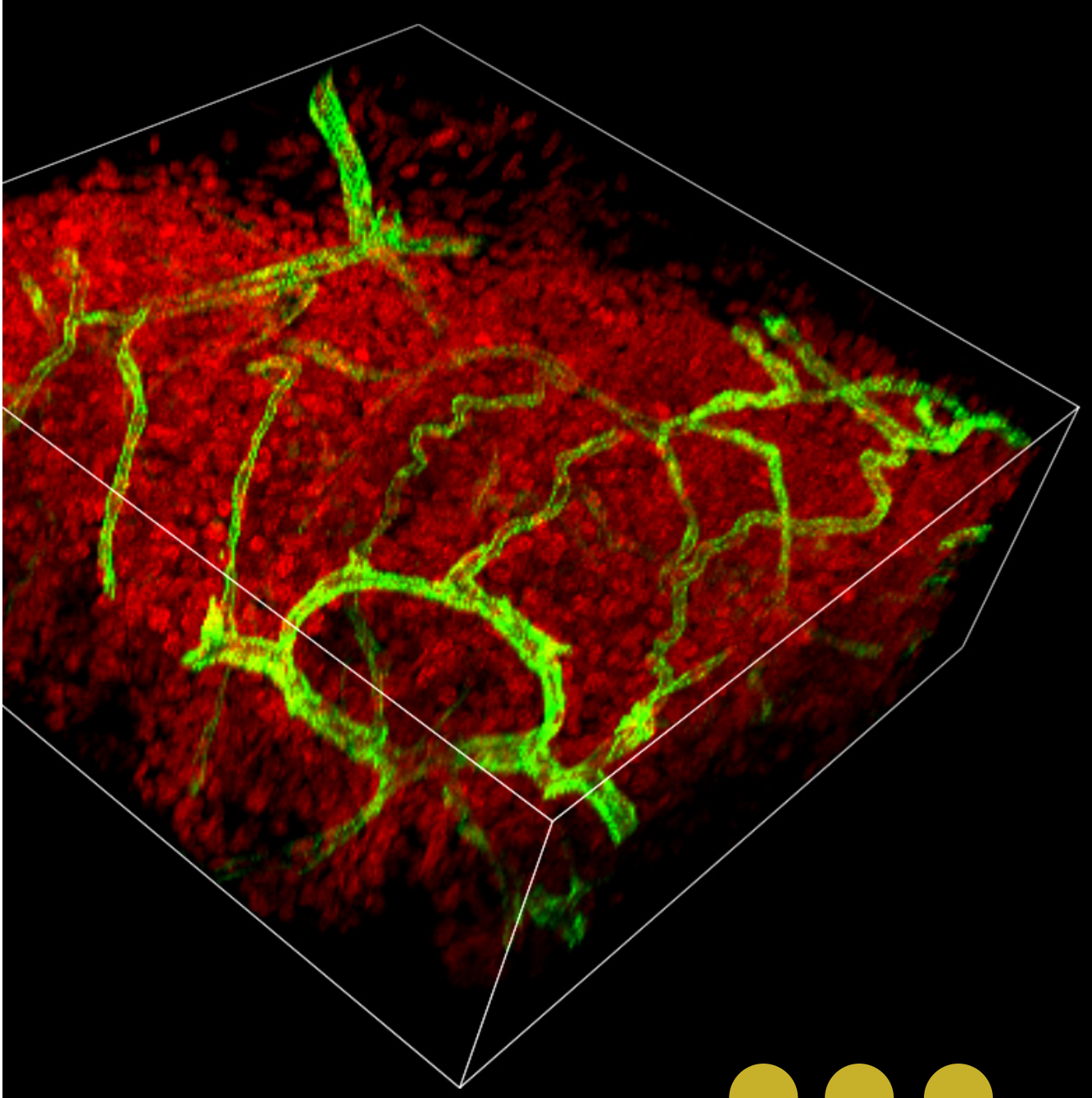
Safety training is provided to all workers through a certified platform that issues certification of training that complies with legal requirements.

There were no cases of occupational diseases or deaths attributable to them during the reporting period. There were no occupational accidents in 2022.

Customer health and safety

The company performs all testing according to CE product certification, which covers aspects related to electromagnetic emission and the use of RoHS-compliant products. In addition, CrestOptics also conducts tests for laser safety (according to IEC 60825-1) with related risk assessment attached to the use of laser sources.

The company has never received noncompliance inherent in regulations and/or self-regulatory codes regarding the impact on product or service health and safety.





chapter 7

ENVIROMENT



Our focus on the environment

Safeguarding the environment is a commitment and a prerequisite of any form of innovation because sustainability and modernization come through the protection of its territory. To do this, CrestOptics is committed to operating in a manner that complies with current laws and regulations and implements actions to reduce its environmental impacts and prevent any risks.

Realizing that businesses today play a key role in the transition to a zero-emissions economy, the company is determined to do its part.

CrestOptics is committed to spreading and consolidating

a culture of ecosystem protection, promoting responsible behavior, and giving adequate information and training for the purpose of energy conservation and proper management of waste and recyclable materials.

The company is headquartered in a building on Via di Torre Rossa in Rome, property of a real estate management fund, where several other companies are based. All utilities are centralized and it was not possible, for the year 2022, to have the actual consumption of CrestOptics alone. It will be the company's responsibility to find timely data for next year's report.

Water

For the company, water consumption is related to sanitation, water distribution systems and not related to production. Water withdrawal always refers to water from civil water supply for sanitary and firefighting use therefore for civil use. Discharge is directly to the sewerage system.

Materials

Materials purchased by CrestOptics in 2022 are all materials and components for product manufacturing and product packaging.

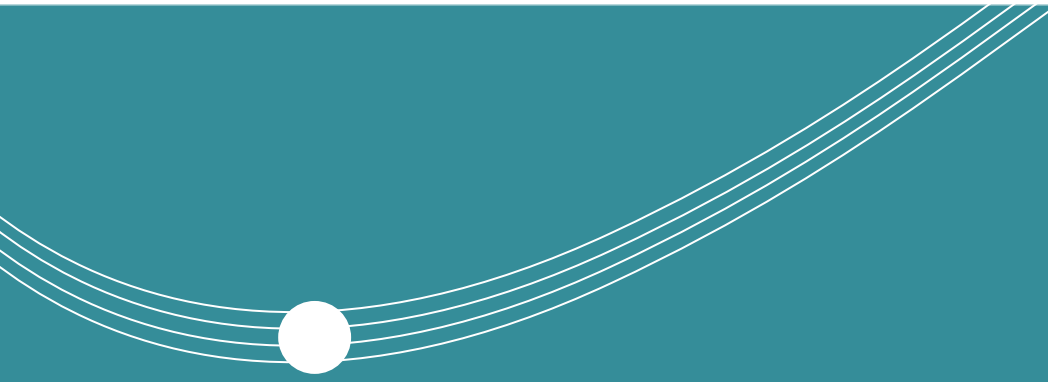
Materials	Weight in kg 2022	Recyclable	% of total purchases
Optical components	232	Yes	2,1%
Electronic Components	957	No	8,7%
Plastic	29	No	0,3%
Metal	8.381	Yes	76,1%
Foam	783	Yes	7,1%
Cardboard	638	Yes	5,8%

Waste management

CrestOptics does not manage the disposal of any hazardous waste while generating about 500 kg paper, 500 kg plastic each year. The data are estimated based on daily waste assumption and available working

days.

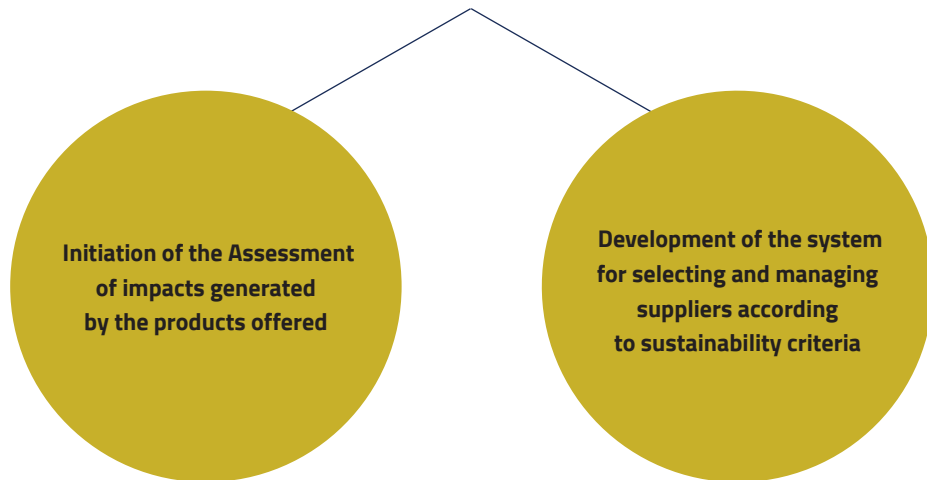
Separate waste collection is carried out within the company and everything is placed as municipal waste in the appropriate bins.



CRESTOPTICS' GOALS



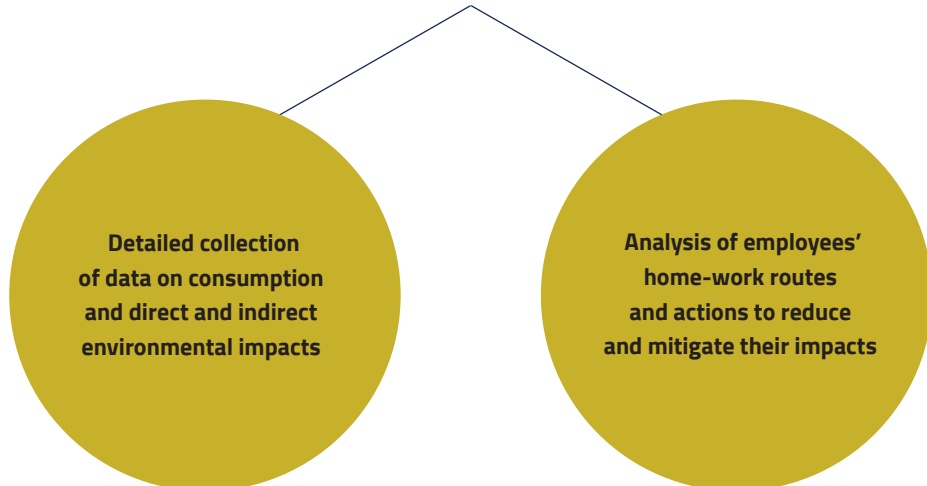
GOVERNANCE



SOCIAL



ENVIRONMENTAL



GRI Content Index

DECLARATION OF USE	CrestOptics reported the information mentioned in this GRI content index for the period 1/1/2022 31/12/2022 with reference to the GRI Standards
GRI 1 USED	GRI 1: Principles of Reporting 2021

GRI Sustainability Reporting Standard

2	GENERAL DISCLOSURES	PAGE
2-1	Organizational details	14-21
2-2	Entities included in the organization's sustainability reporting	5
2-3	Reporting period, frequency and contact point	5
ACTIVITIES AND WORKERS		
2-6	Activities, value chain and other business relationships	20-24
2-7	Employees	36-40
2-8	Workers who are not employees	36-40
GOVERNANCE		
2-9	Governance structure and composition	15, 16
2-10	Nomination and selection of the highest governance body	15
2-11	Chair of the highest governance body	15
2-12	Role of the highest governance body in overseeing the management of impacts	15
2-15	Conflicts of interest	17
STRATEGY, POLICY AND PRACTICE		
2-22	Statement on sustainable development strategy	2
2-23	Policy commitments	20
2-28	Membership associations	17
STAKEHOLDER ENGAGEMENT		
2-29	Approach to stakeholder engagement	6
2-30	Collective bargaining agreements	6
3	MATERIAL ISSUES	PAGE
INFORMATIVE ON MATERIAL TOPICS		
3-1	Process to determine material topics	8
3-2	List of material topics	7
3-3	Management of material topics	10

200	ECONOMIC TOPICS	PAGE
201	ECONOMIC PERFORMANCE	
201-1	Direct economic value generated and distributed	32
202	MARKET PRESENCE	
202-2	Proportion of senior management hired from the local community	35
203	INDIRECT ECONOMIC IMPACTS	
203-1	Infrastructure investments and services supported	33
204	PROCUREMENT PRACTICES	
204-1	Proportion of spending on local supplier	29, 30
205	ANTI-CORRUPTION	
205-1	Operations assessed for risks related to corruption	34, 35
205-2	Communication and training about anti-corruption policies and procedures	34, 35
205-3	Confirmed incidents of corruption and actions taken	none
300	ENVIRONMENTAL TOPICS	PAGE
301	MATERIALS	
301-1	Materials used by weight or volume	43
302	ENERGY	
302-1	Energy consumption within the organization	43
302-4	Reduction of energy consumption	43
303	WATER AND EFFLUENTS	
303-1	Interactions with water as a shared resource	43
303-3	Water withdrawal	43
303-4	Water discharge	43
303-5	Water consumption	43
306	WASTE	
306-1	Waste generation and significant waste-related impacts	43
306-2	Management of significant waste-related impacts	43
306-3	Waste generated	43
306-4	Waste diverted from disposal	43
306-5	Waste directed to disposal	43
308	SUPPLIER ENVIRONMENTAL ASSESSMENT	
308-1	New suppliers that were screened using environmental criteria	none

400	SOCIAL ISSUES	PAGE
401	EMPLOYMENT	
401-1	New employee hires and employee turnover	37, 38
401-3	Parental leave	37, 38
403	OCCUPATIONAL HEALTH AND SAFETY	
403-1	Occupational health and safety management system	40
403-2	Hazard identification, risk assessment, and incident investigation	40
403-3	Occupational health services	40
403-5	Worker training on occupational health and safety	39
403-6	Promotion of worker health	40
403-9	Work-related injuries	40
403-10	Work-related ill health	40
404	TRAINING AND EDUCATION	
404-1	Average hours of training per year per employee	39
404-2	Programs for upgrading employee skills and transition assistance programs	39
404-3	Percentage of employees receiving regular performance and career development reviews	39
405	DIVERSITY AND EQUAL OPPORTUNITY	
405-1	Diversity of governance bodies and employees	37
405-2	Ratio of basic salary and remuneration of women to men	37
413	LOCAL COMMUNITIES	
413-1	Operations with local community engagement, impact assessments, and development programs	23-26
414	SUPPLIER SOCIAL ASSESSMENT	
414-1	New suppliers that were screened using social criteria	none





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