**2024 ESG Factsheet**

January 1, 2024 – December 31, 2024

# ABOUT Kopin

Kopin Corporation is a leading developer and provider of high-performance application-specific optical solutions consisting of high-resolution microdisplays, microdisplay subassemblies and related components for defense, medical, enterprise, training simulation, and consumer products.

Our products are used for soldier, avionic, armored vehicle, and training & centric simulation defense applications; industrial, public safety and medical headsets and 3D automated optical inspection systems.



## Approach to ESG

At Kopin Corporation, we recognize Environmental, Social, and Governance (ESG) factors as cornerstone elements of our long-term success. Through responsible resource management and sustainable practices, we demonstrate our commitment to environmental stewardship. We prioritize social responsibility by investing in employee development and maintaining ethical operations. Our governance framework strives to ensure effective oversight and the highest business standards.

We strategically integrate these ESG principles into our business operations to create lasting stakeholder value while advancing sustainable practices.

## ESG Oversight

Our Board of Directors are committed to ESG principles, recognizing their vital role in shaping Kopin's long-term success. As our program matures, the Board anticipates receiving more comprehensive and frequent updates to effectively monitor the company's progress in fulfilling its sustainability.

*"As a leader in microdisplays and optical solutions, Kopin is committed to inspiring innovation for a more sustainable future. By aligning our strategic priorities with our ESG strategy, we aim to make a meaningful impact. Our focus on ESG-related initiatives empowers us to grow sustainably alongside our vendors and customers in attractive end-markets."*

**Michael Murray, CEO, Chairperson, President - Kopin**

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KOPIN

## Materiality Assessment

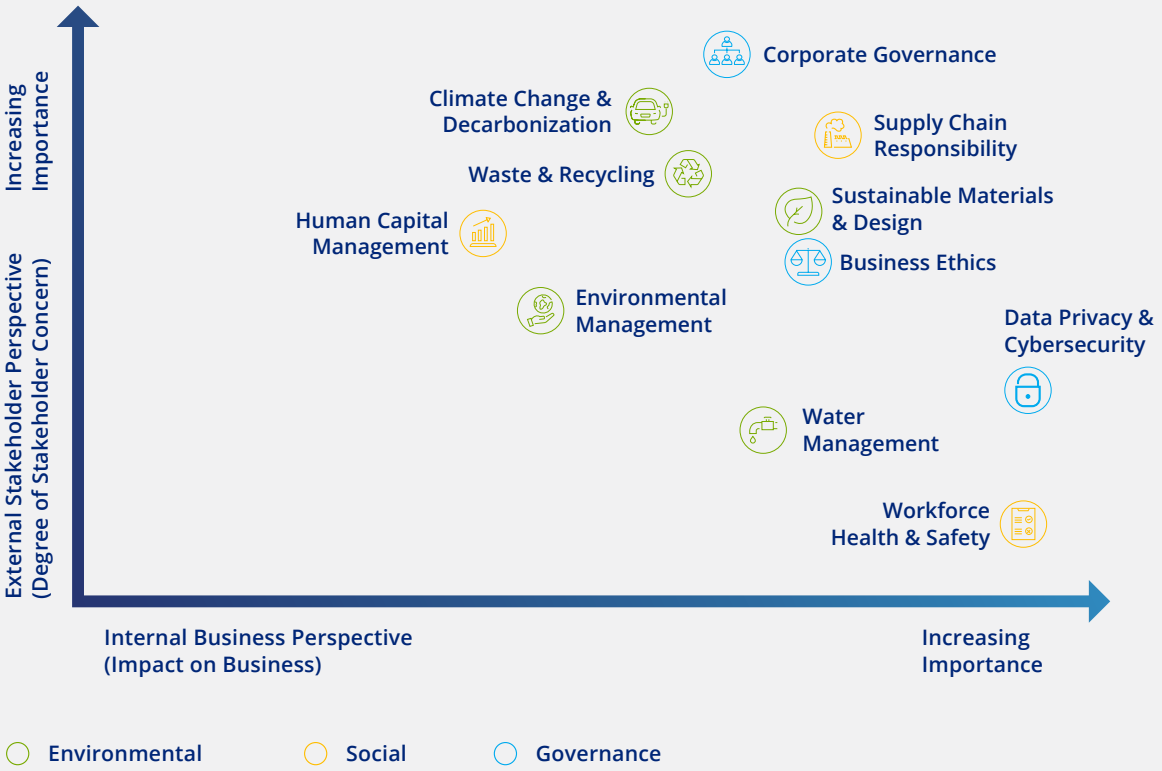
As a demonstration of our commitment to ESG initiatives, we partnered with an independent third party to conduct a materiality assessment of our business.

Identified areas of focus were plotted on a materiality matrix based on their significance to stakeholders and their impact on business operations. The matrix serves as our initial tool in guiding the company's sustainability strategy, decision-making processes and facilitating the identification of initiatives that align with our stakeholder expectations.




Guided by our materiality assessment, this tear sheet showcases our performance in five key areas that matter most to our business and stakeholders. The following pages present metrics and initiatives demonstrating our commitment to responsible business practices.

- Human Capital Management
- Manufacturing & Waste Management
- Health & Safety
- Supply Chain
- Governance



# *HUMAN RESOURCE MANAGEMENT*

## Board Oversight and Governance

Our Board maintains strategic oversight of human resource management through structured annual HR briefings. This governance structure ensures our human resource initiatives align with corporate objectives.

## Talent Acquisition and Recruitment

We employ a comprehensive multi-channel recruitment strategy utilizing employee referrals, internal hiring programs, and veteran recruitment initiatives.

In 2024, this strategy resulted in:

***10%***
**of our new hires being veterans**

***15%***
**of our available roles filled by internal candidates**

## Performance Management and Development

We foster employee growth through:

- Quarterly performance reviews
- Structured annual goal setting processes
- Department-specific professional development budgets
- Tuition reimbursement programs

### 2024 Workforce Highlights

**2**
of our new employees came via our internal referral program

**$50,000**
invested in employee training and development

***74%***
favorable view of work life at Kopin

## Investment in Human Capital

In 2024, we invested **$50,000** in employee training and development initiatives, demonstrating our commitment to workforce advancement.

As one of our key strategic initiatives, we are currently developing formal career tracks across multiple disciplines within Kopin. The initial framework is scheduled for implementation in 2025, reinforcing our long-term commitment to employee career progression and organizational development.

## Employee Well Being

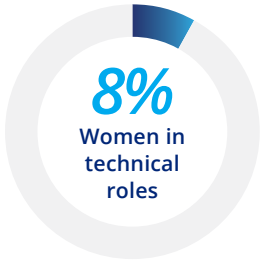
Kopin is committed to fostering a positive work environment, as demonstrated by our annual employee engagement survey administered through the Culture Amp platform and made available to all employees. The results show that **74%** of our employees maintain a favorable view of their work life at Kopin.

We support our employees' well-being through a comprehensive benefits package that includes medical, dental, and vision coverage, flexible spending accounts, a 401(k) matching program, paid term life insurance, and both long-term and short-term disability benefits.












# *MANUFACTURING & WASTE MANAGEMENT*

At Kopin, we have implemented comprehensive waste management and material control systems that reflect our commitment to responsible manufacturing and environmental protection.

### Regulatory Framework

We maintain strict compliance with EPA (Environmental Protection Agency) requirements across all our operations. Additionally, we adhere to state environmental protection requirements and have implemented systematic monitoring and reporting procedures to ensure continuous compliance with all applicable regulations.

### Hazardous Waste Management

Our waste management strategy follows the EPA's recommended hierarchy of disposal methods. We begin with waste reduction at the source, followed by reuse and recycling initiatives, appropriate treatment methods, and finally, proper disposal when necessary. We maintain strong partnerships with certified waste management facilities to ensure proper handling and disposal of all materials.

### Material Management Controls

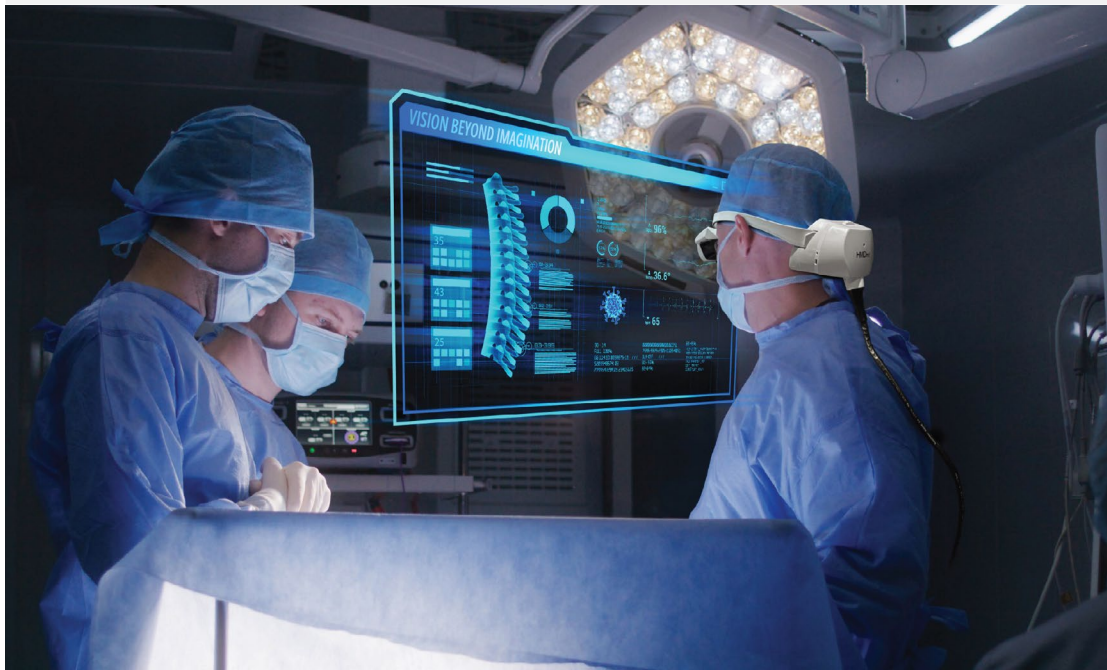
All new materials must obtain approval before use, during which we screen for harmful substances, evaluate environmental impact, and establish clear handling and disposal requirements. We maintain strict inventory control for all hazardous materials in our operations.

**In 2024 approximately**

**40%**



**of the hazardous waste from our manufacturing processes was recycled.**



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# HEALTH & SAFETY

At Kopin, we maintain a robust Environmental, Health, and Safety (EHS) governance structure that includes comprehensive policy reviews, morning safety meetings, and monthly safety committee meetings. Our commitment to workplace safety is demonstrated through various initiatives, including our Safety Walks and Quality in Action programs, which provide proactive measures for hazard identification and safety improvement.

Kopin has established multiple layers of safety oversight, including a dedicated Medical Emergency Response (MER) team and regular facility inspections conducted by the fire department. We also collaborate with external consultants to ensure compliance with safety regulations and industry best practices.

Our training framework encompasses detailed written safety programs with corresponding training modules for all relevant procedures and protocols. We are developing an enhanced training program that will require each employee to complete approximately 8 hours of health and safety training annually, including mandatory refresher courses. While this comprehensive training program is in the development phase, we are committed to achieving full employee participation.

| OSHA Metrics | |
|---|---|
| Lost Time Incident Rate (LTIR) | 0.00 |
| Total Recordable Incident Rate (TRIR) | 0.61 |

# SUPPLY CHAIN

We issue annual compliance documentation requirements to all suppliers covering Conflict Minerals Reporting, Affirmative Action, Human Trafficking, RoHS/REACH Certification, and where applicable, ISO certifications.

### Supply Chain Controls & Governance

We maintain strict controls over our procurement processes through our ERP system, with defined authorization levels and segregation of duties. Our procurement staff operates under a structured approval hierarchy, ensuring proper oversight of all purchasing decisions. All financial commitments are carefully monitored with approval thresholds ranging from manager to CFO level, demonstrating our commitment to financial responsibility and risk management.

### Supplier Selection & Qualification

Our supplier selection process includes comprehensive evaluation of:

- Quality management systems and certifications
- Operational capabilities and risk assessments
- Financial stability
- Disaster recovery planning
- Technology controls and security infrastructure
- Environmental compliance (RoHS/REACH)
- Social responsibility commitments
- Implement robust counterfeit prevention protocols and quality control measures
- Stringent part qualification processes
- Comprehensive testing and validation procedures
- Quarantine and verification protocols for high-risk sourcing
- Engineering and Quality approval requirements for all rework operations
- Regular supplier performance monitoring and quarterly business reviews

# GOVERNANCE

## Ethics at Kopin

Ethics policy reviews are completed as part of our employee on-boarding process and completed by all (100%) of on-boarded employees. In addition, all employees are periodically reminded/retrained on our ethics policies.

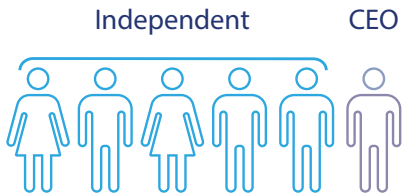
Our whistleblower hotline is available 24/7 for employees, customers, and suppliers to report concerns or instances of misconduct anonymously.

As of the end of the 2024 fiscal year, we have received no whistleblower reports through the hotline. As necessary, each report of misconduct is investigated promptly and impartially by our designated compliance team.

To learn more about our ethical values as an organization we invite you to read our full Code of Conduct, which can be accessed here.

## Board Independence

Our governance structure ensures we adhere to our core principles, that our decision making is informed and effective, and that we appropriately monitor performance and maintain compliance.




## Data Privacy & Cybersecurity

At Kopin, we recognize the critical importance of protecting sensitive information and maintaining robust cybersecurity measures in today's digital landscape. Our commitment to data protection and cybersecurity is demonstrated through our comprehensive approach aligned with the Cybersecurity Maturity Model Certification (CMMC) 2.0 framework, supplemented by NIST SP 800-171 and SP 800-172 controls.

### Security Infrastructure and Monitoring

Our security infrastructure implements multiple layers of protection to safeguard our digital assets and stakeholder information. We have deployed:

- A Security Information and Event Management (SIEM) system, operated by a qualified third-party provider
- Intrusion Detection Systems (IDS) and Intrusion Prevention Systems (IPS) at endpoint levels
- Regular security assessments and continuous monitoring protocols

### Governance Structure

Our cybersecurity governance follows a clear reporting structure where:

- The IT Director consolidates and analyzes security related information
- Reports are provided to the Chief Financial Officer (CFO)
- The CFO provides direct oversight and reporting to the Board on cybersecurity matters

### Training and Compliance

We maintain a robust training and compliance program:

- Bi-annual cybersecurity training for employees through a third-party provider
- Comprehensive curriculum covering spam detection, password security, and other critical areas
- Regular third-party compliance reviews for NIST and CMMC frameworks

### Security Performance

Our commitment to security is reflected in our track record:

- Zero data breaches reported
- Regular internal and third-party security reviews
- Continuous monitoring and evaluation of potential security threats
- Systematic risk assessment procedures
- Prompt incident response and remediation protocols