



2023 Sustainability Report



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About This Report

This Report is the 2023 sustainability report released by Wingtech Technology Co., Ltd, with the aim of presenting the Company's practice information and related performance in sustainable development to our stakeholders.



Reporting Scope

The content of the Report covers Wingtech and its subsidiaries. The Report covers the period from January 1, 2023 to December 31, 2023, with an annual publication cycle. To enhance the timeliness, comparability and completeness of the Report, some of the content may be extended to the previous and future years.



Terms

Definition of words

The Group	refers to	Wingtech Technology Co., Ltd. and its subsidiaries
The Company, we, us, Wingtech, Wingtech Technology	refers to	Wingtech Technology Co., Ltd.
Wingtech Communications, Product Integration Business Sector	refers to	Wingtech Mobile Communications Co., Ltd.
Nexperia, Nexperia Semiconductor, Semiconductor Business Sector	refers to	Nexperia B.V., an overseas operating entity under Nexperia Group
Delta	refers to	Guangzhou Delta Image Tech Co., Ltd. and Zhuhai Delta Image Tech Co., Ltd.
Reporting Period	refers to	January 1, 2023 to December 31, 2023
RMB, Ten Thousand RMB, Hundred Million RMB	refers to	Renminbi Yuan, Renminbi Ten Thousand Yuan, and Renminbi Hundred Million Yuan, respectively.
Company Law	refers to	<i>Company Law of the People's Republic of China</i>
Securities Law	refers to	<i>Securities Law of the People's Republic of China</i>
Articles of Association	refers to	<i>Articles of Association of Wingtech Technology Co., Ltd</i>
IDM	refers to	Integrated Design & Manufacture, a semiconductor company operating mode integrating design and manufacturing
ODM	refers to	Original Design Manufacturer develops, designs and manufactures products according to client's requirements
IoT	refers to	Internet of Things

Note: The Semiconductor Business Sector of the Group also publishes the sustainability report. For more detailed information on its economic, environmental, and social performance, please refer to the *Nexperia 2023 Sustainability Report* : www.nexperia.com/about/sustainability.



Data Description

The data and cases cited in this Report are sourced from official documents, statistical reports, and annual reports of the Company and its subsidiaries. Unless otherwise specified, the amounts shown in this Report are presented in RMB, and amounts of foreign currencies have been converted into RMB according to the foreign exchange rate announced by the Bank of China on December 31, 2023.

Currency	Exchange rate
USD	7.0827



Reporting Principles

The Report was developed with reference to the *GRI Sustainability Reporting Standards (GRI Standards)* released by the Global Sustainability Standards Board (GSSB), *Guideline No. 1 Self-Regulatory Rules for Companies Listed on the Shanghai Stock Exchange - Regulated Operations and Guideline No. 2 Content and Format of Disclosure of Information for Companies issuing Public Securities - Content and Format of Annual Reports* (Revised 2021) released by the Shanghai Stock Exchange, *Guidance on the Social Responsibility of the Information and Communication Technology Industry (SJ/T16000-2016)* released by the China Electronics Industry Standardization Technology Association, Ministry of Industry and Information Technology, China and the disclosure requirements of the UN Sustainable Development Goals (SDGs).



Release Method

The Report is released on our official website (<http://www.wingtech.com/>) in electronic form. The Report is prepared in both Simplified Chinese and English. If there is any discrepancy between the two versions, the Simplified Chinese version shall prevail.



Contact Information

If you have any questions or suggestions about the content of this Report, please contact us in the following ways.

Official website: <http://www.wingtech.com/cn>

Email: 600745mail@wingtech.com

Address: No. 777, Yazhong Road, Nanhu District, Jiaxing City, Zhejiang Province

Postal code: 314000

Chairman's Message

In 2023, it was a challenging year, as the industry stood at a crossroads of technological iteration. Against this backdrop, Wingtech Technology remained strategically focused and actively addressed challenges. Leveraging the significant innovation opportunities brought by AI, we explored new frontiers, increased research and development ("**R&D**") investment, and focused on technological innovation and efficiency improvement. We centered our efforts around the "**Artificial Intelligence+ (AI+)**" strategy to achieve comprehensive iteration and transformation. Remaining strategically steadfast and agile in responding to changes, we seized both risks and opportunities. Upholding our original mission of "To Motivate the Innovation; to Contribute to the Society; to Change the World", we stay true to our values, by constantly improving our operation and governance, and practicing green and sustainable development, thereby to contribute to social sustainability.

Well aware of our environmental responsibility, we actively respond to the national "dual carbon" strategy. Wingtech Technology commits to achieving carbon neutrality for Scope 1 and 2 emissions by 2050, with the Semiconductor Business Sector reaching this goal by 2035. We actively influence the upstream and downstream supply chains, incorporating Scope 3 emissions into future emission reduction plans to enhance the overall emission reduction performance of the entire industrial chain. Through measures such as corporate technological transformation, technological innovation, implementation of clean production, and improvement of energy conservation and emission reduction, we are fully committed to shaping a green corporate culture and building a green enterprise. In 2023, Wingtech's total investment in environmental management amounted to RMB 27.4 million.

We step up our efforts to promote the innovation-driven, green, low-carbon, and high-quality sustainable development. In 2023, we also made significant strides in clean technology and technologies relating to improving efficiency and reducing consumption. Statistically, we newly secured 46 clean technology-related patents, 18 patents relating to reducing energy consumption in various scenarios and 28 patents relating to improving charging efficiency and battery life. We maintained efforts to incorporate the green concept into product innovation, and launched a full line of environmentally friendly, high-performance, and low-power semiconductor chips, components, and terminal products. We make sustained efforts to enhance governance for long-standing business. Wingtech continuously optimizes corporate governance structure, establishes and improves the operational risk management and response mechanism, strictly abides by principles of business ethics and anti-corruption, and advocates integrity and honesty in business operations, to promote high-quality development. We have established the ESG (Environmental, Social, and Governance) and Sustainability Management Committee and the ESG and Sustainability Management Working Group made up of Board members and senior executives. They are responsible for formulating the Group's strategic objectives and action plans, improving internal management mechanisms, and continuously enhancing Wingtech's sustainable development capabilities. In 2023, we appointed an additional female independent director, bringing the proportion of female directors to 40% and female supervisors to 66.7%.

Following the people-oriented principle, we emphasize cultivating talents and protecting employees' rights and interests. Wingtech launched the stock incentive plan, which aims to motivate and retain core talents, and further inspire employees' enthusiasm and creativity. We focus on employee diversity and humanistic care. For instance, we provide more employment and development opportunities for people with disabilities. We also establish dormitories and canteens for minority employees. We devote ourselves to public welfare cause and fulfill our corporate social responsibilities. In 2023, we provided jobs and employment opportunities for people in poverty-stricken areas, and set up complete product workshops for common prosperity. We have organized job fairs in Sichuan, Gansu and other remote areas for years, and provided skill training for employees. We helped impoverished students in Yunnan Nationalities High School finish their studies by organizing internal donations through the Tencent charitable donation platform and launching the Wingtech Class Initiative for Pearl Students. We helped poverty-stricken areas by creating job opportunities for local residents, providing education support, and assisting with product sales, thus boosting local economic development and promoting rural revitalization.

We adhere to building a green and sustainable supply chain in collaboration with global upstream and downstream partners. Wingtech regards supply chain environmental management as a measure to fulfill supply chain social responsibility. We are committed to collaborating with suppliers who use environmentally friendly materials and technologies, treat stakeholders fairly and honestly, and respect and uphold human rights. We have established a comprehensive conflict minerals management system and work with supply chain enterprises to implement actions to avoid sourcing conflict minerals. In 2023, we continued to conduct mineral usage surveys on relevant suppliers and pledged not to use conflict minerals.

Looking ahead, Wingtech will further deepen its global presence, continuing to uphold the core values of "Be Upward, Be Kind, Be Sunshine". With the product integration business and semiconductor business as the twin engines, we will synergize to create a core competitive edge of "What Others Lack, We Possess; What Others Have, We Excel in." Meanwhile, we are committed to becoming a socially responsible company, striving alongside investors, customers, employees, and partners for a better future for humanity!



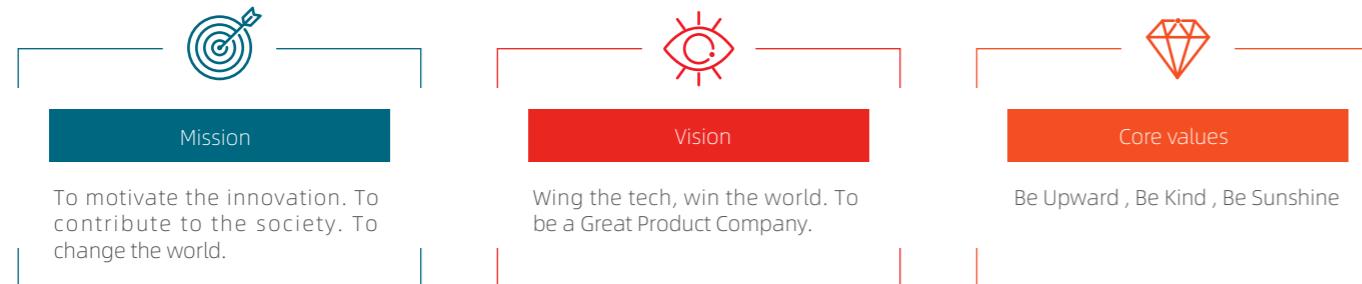
Zhang Xuezheng

Chairman and CEO of Wingtech
Chairman and CEO of Nexpria

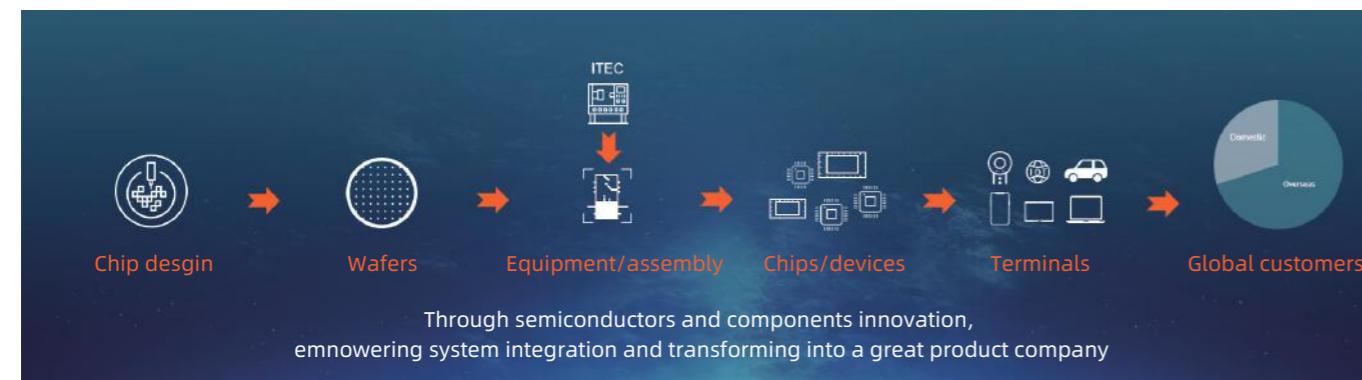
Global Layout for a Brighter Future

While adhering to the core values of "Be Upward, Be Kind, Be Sunshine", Wingtech makes sustained efforts to become a technology product manufacturer spearheaded by semiconductor innovation and founded on a hardware circulation platform. We are committed to becoming a highly competitive global industry leader and giving back to shareholders, clients, employees, and society.

Group Profile



Wingtech Technology is a leading global semiconductor and product integration enterprise that integrates R&D, design, and manufacturing. We primarily offer R&D, design, wafer manufacturing, and packaging testing services for semiconductor power devices and analog chips to global customers. Additionally, we provide R&D and manufacturing services for terminal products such as mobile phones, tablets, laptops, IoT, household electrical appliances and automotive electronics. As a company listed on the A-share market in China with the stock code 600745, Wingtech has accumulated extensive industry experience over the years. We have established a robust supply chain management system and vertically integrated industrial chain capabilities. Our strengths lie in outstanding R&D design, technological innovation, a comprehensive global delivery system, and industry-leading large-scale intelligent manufacturing capabilities. This has made us a long-term partner for renowned domestic and international companies in sectors such as automotive, communication, consumer electronics, and industrial fields.



nexperia
Semiconductor

The world's leading manufacturer of
Analog & Logic ICs and Power semiconductor devices

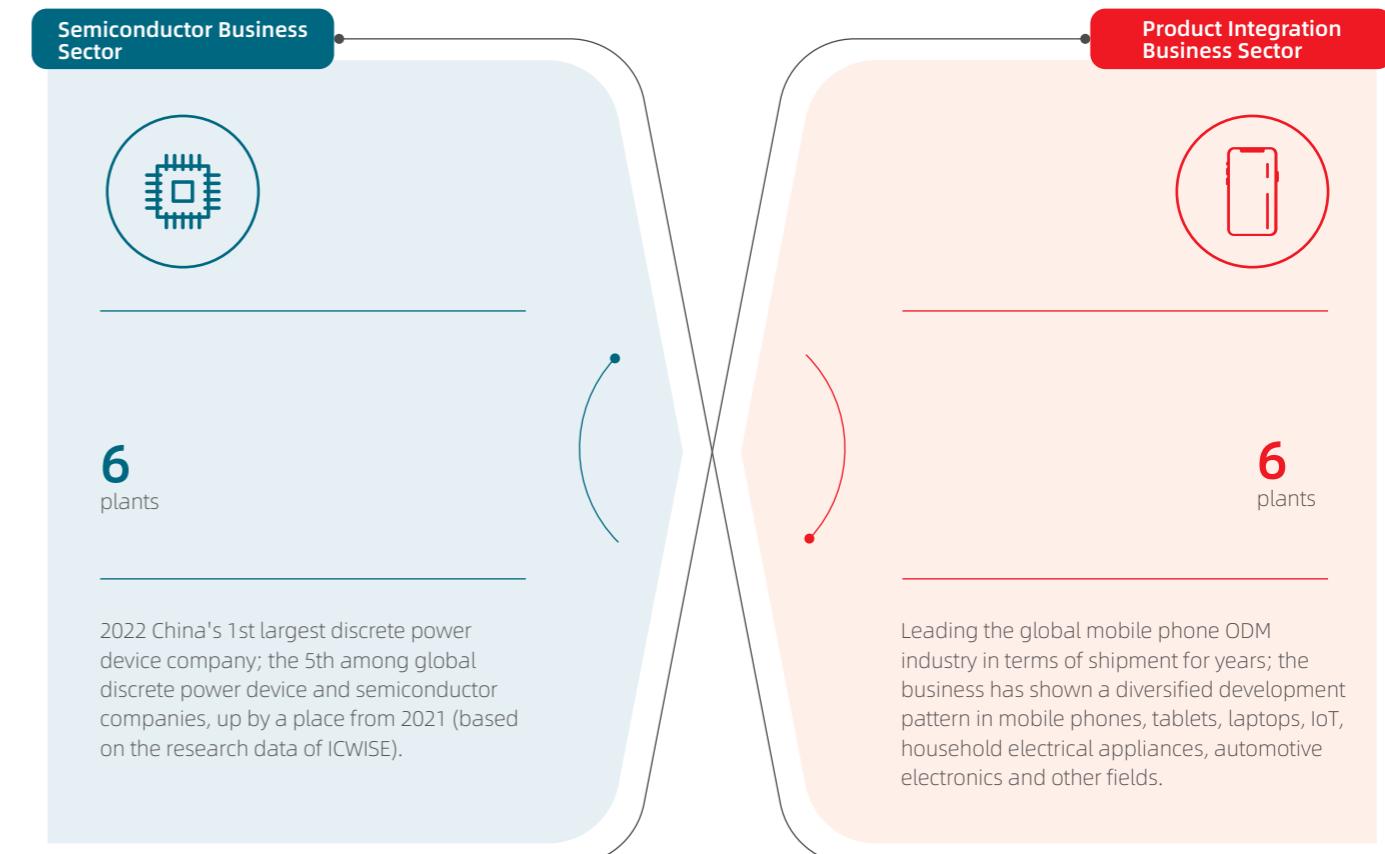
WINGTECH
Product Integration

Global leader in ODM for communication products
Shipments exceed 100 million pcs/year, accounting for
7%-10% of the global smartphone market

Operating Condition

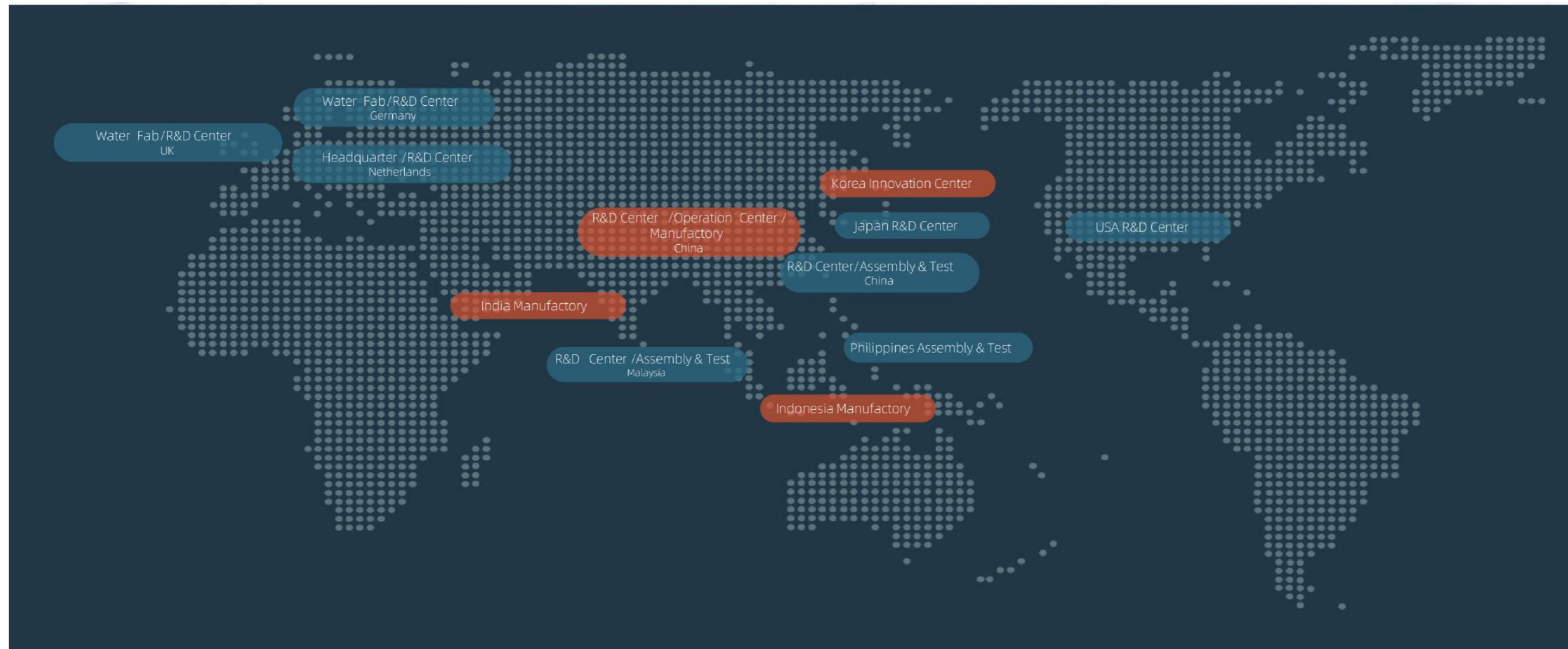
We keep innovating and boosting the accomplishment of our goals in a steady manner. With continuous improvement of core competitiveness and profitability, the Company has established a good brand image in the market, while winning wide recognition in the industry.

Operating status table of Wingtech in 2023		
The operating income was RMB 61.21 billion Up by 5.40%	¥ ↗	The net profit attributable to shareholders was RMB 1.18 billion The net profit attributable to shareholders of the listed company after deducting non recurring gains and losses was RMB 1.13 billion
	¥ - ✓	Net cash flow from operating activities was RMB 5.82 billion Up by 250.48%
	¥ ↗	



Global Layout

Wingtech goes global through endogenous development and international mergers and acquisitions. We actively explore the new development path of Chinese enterprises toward globalization and accelerate their global layout.



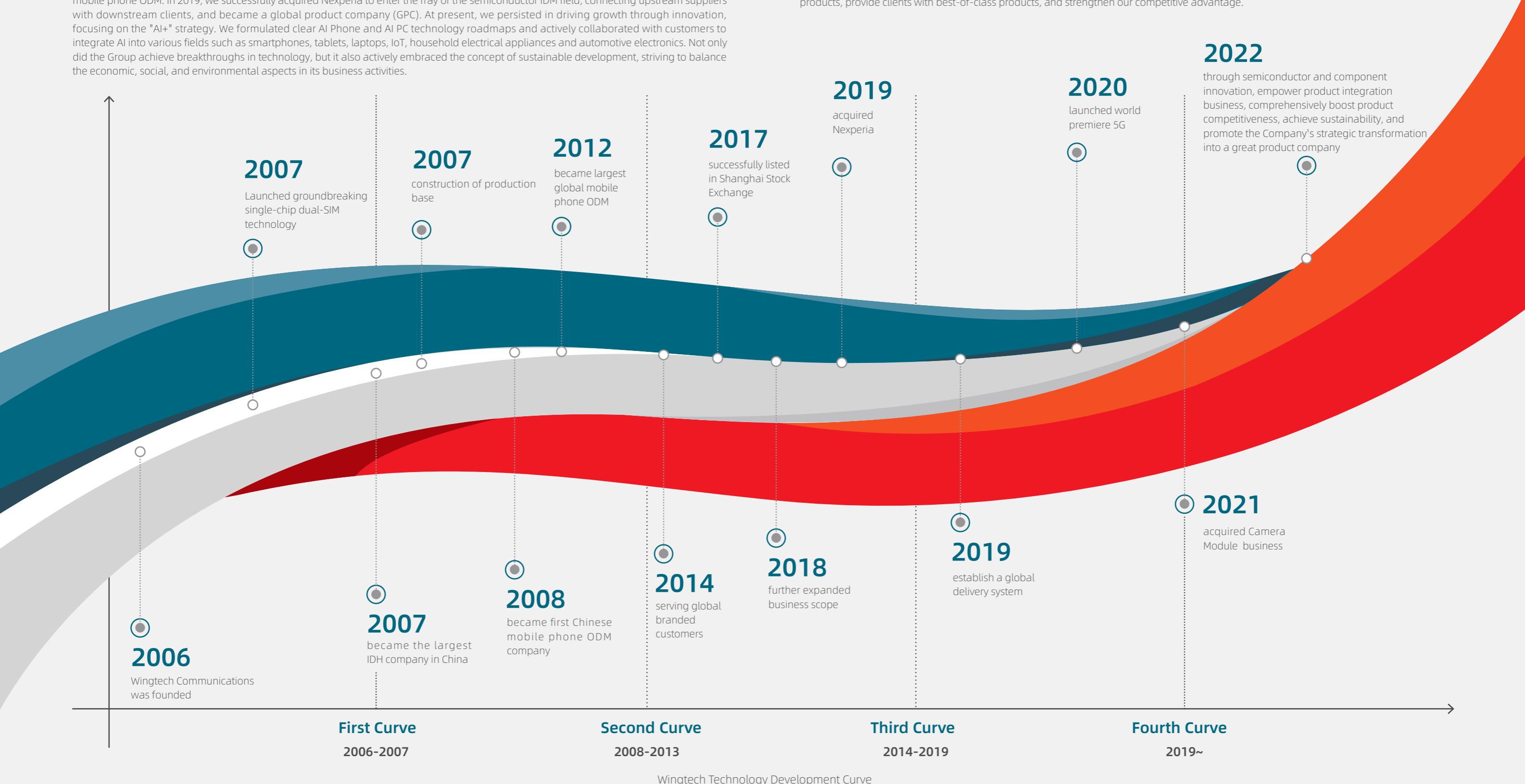
● Semiconductor
Nexperia

● Product Integration
Wingtech Communications

Development History

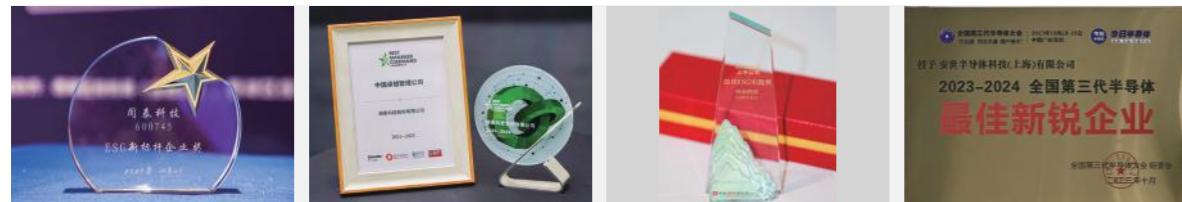
The Product Integration Business Sector started to specialize in mobile phone solution design in 2006. Since then, we have been gradually transformed from an independent design house (IDH) to an ODM, integrating R&D design, and manufacturing. We are now a world-leading mobile phone ODM. In 2019, we successfully acquired Nexpria to enter the fray of the semiconductor IDM field, connecting upstream suppliers with downstream clients, and became a global product company (GPC). At present, we persisted in driving growth through innovation, focusing on the "AI+" strategy. We formulated clear AI Phone and AI PC technology roadmaps and actively collaborated with customers to integrate AI into various fields such as smartphones, tablets, laptops, IoT, household electrical appliances and automotive electronics. Not only did the Group achieve breakthroughs in technology, but it also actively embraced the concept of sustainable development, striving to balance the economic, social, and environmental aspects in its business activities.

Looking ahead, Wingtech will accelerate vertical integration, increase investment and improve our innovation ability with semiconductors as the leading capability. We will also empower part and product integration, comprehensively improve the core competitiveness of complete products, provide clients with best-of-class products, and strengthen our competitive advantage.



Honorable Moments

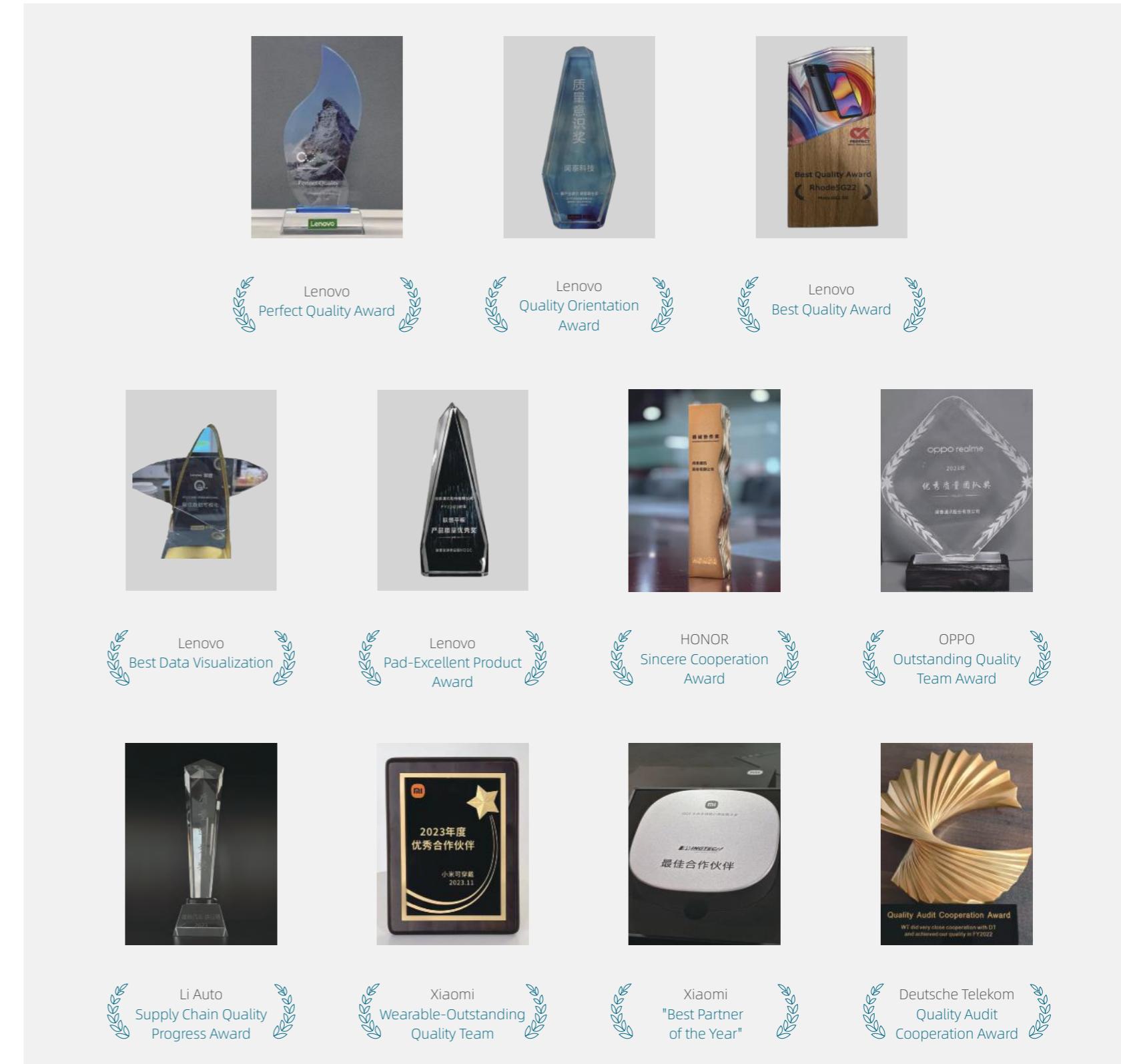
Honors of Wingtech



ESG New Benchmark Enterprise Award Best Managed Company awarded by Deloitte ESG Best Practice Case for Listed Companies Global Best Emerging Enterprises in the Third-Generation Semiconductor



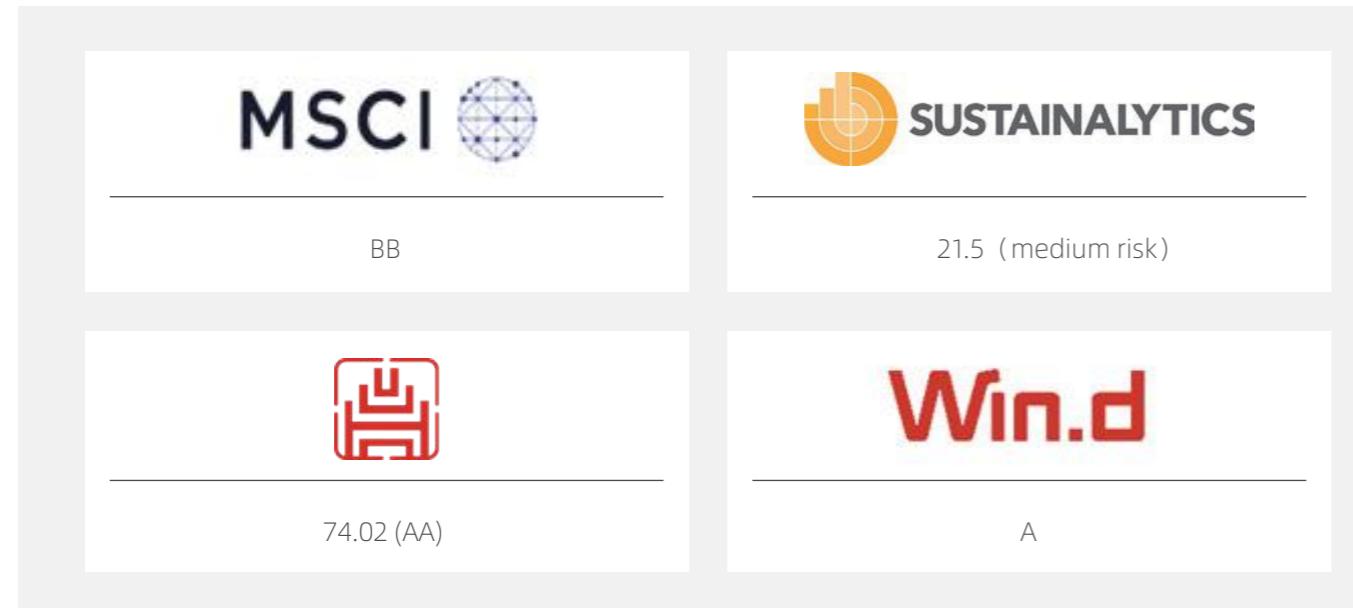
Customer Recognition



Capital Market Recognition

The Company have been included in a number of mainstream indexes inside and outside China, including the FTSE Russell Flagship Index, MSCI Global Standard Index, SSE 180 Index, and CSI 300 Index. Those honors fully demonstrate our market position as a blue-chip technology stock and reflect our influence in the capital market.

Meanwhile, we attach great importance to sustainable development as evidenced by our ESG ratings from MSCI, Sustainalytics, Refinitiv, Wind, and Quantdata.



Industry Associations

To fulfil our social responsibilities and promote industry development collaboratively for mutual benefit, the Group actively maintains close ties with industry associations and various sectors of society. We participate in industry associations and alliances such as China Federation of Electronics and Information Industry, the China Semiconductor Industry Association, the China advanced semiconductor industry innovation alliance, and the China Automotive Chip Industry Innovation Strategic Alliance. Additionally, we actively engage with chambers of commerce and associations in regions such as Hubei, Shanghai, Zhejiang, Jiangsu, and Yunnan, effectively leveraging Wingtech's role in the synergy of the electronics and semiconductor fields.



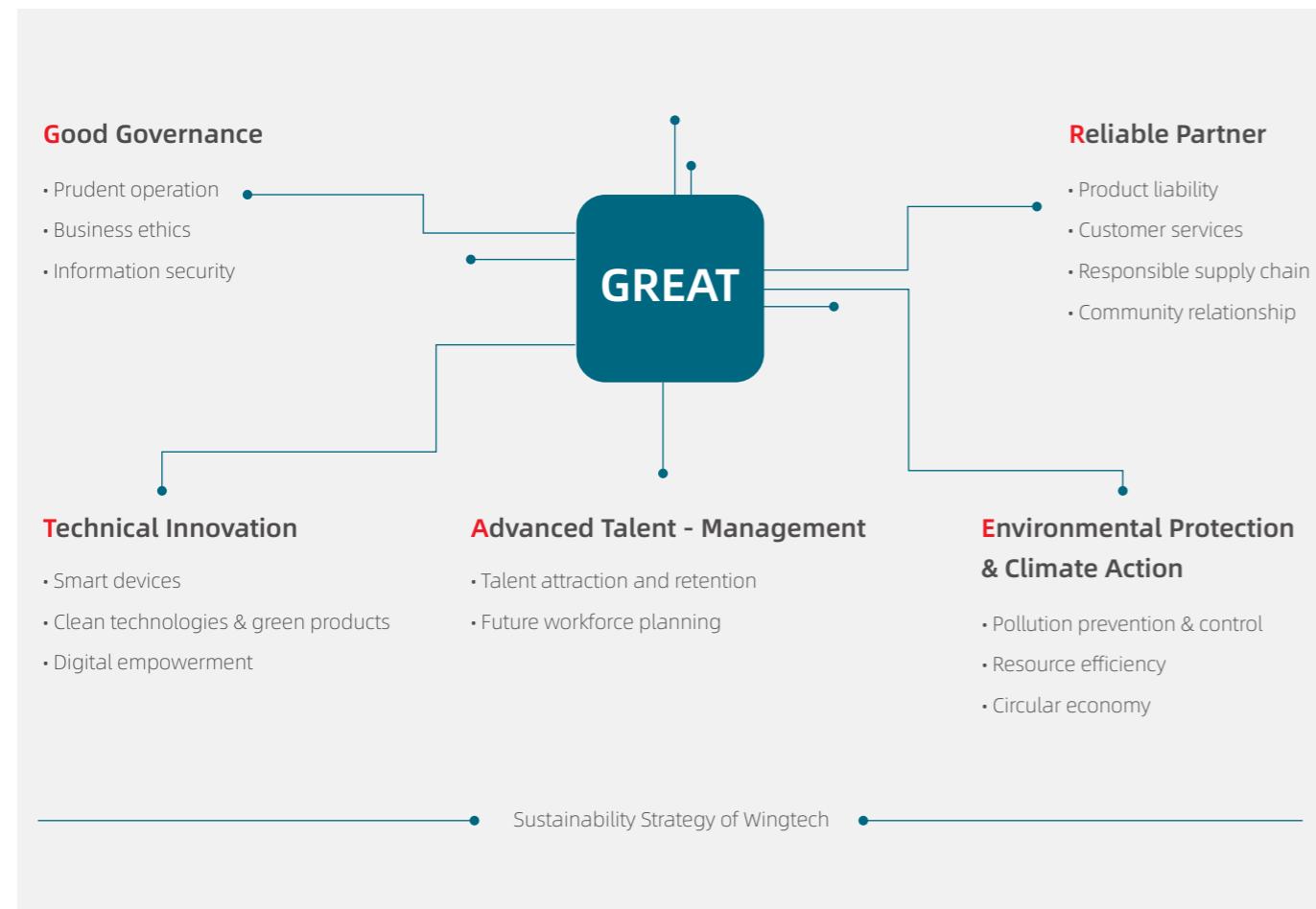
Sustainable Development Management

Wingtech Technology is committed to promoting the concept of sustainable development, actively fulfilling social responsibilities, and creating long-term value for all stakeholders. Integrating the concept of sustainable development into our routine operations, we strengthen our sustainable development capabilities while continuously improving the business value to achieve sustainable operation goals.

Sustainability Strategy

Upholding the philosophy of "To Motivate the Innovation; To Contribute to the Society; To Change the World", in the past year, we comprehensively analyzed and researched sustainable development trends, risks and opportunities related to our business. With the transformation vision of becoming a "Great Product Company" as the foundation, culminating in the Wingtech Technology "GREAT" sustainable development strategy. Apart from working on sound management and technological innovation, we also focus on the needs of employees and all partners while promoting the sustainability of business. In doing so, we hope to build a more eco-friendly, socially responsible and economically sustainable ecosystem in the electronics industry for long-term and steady development.

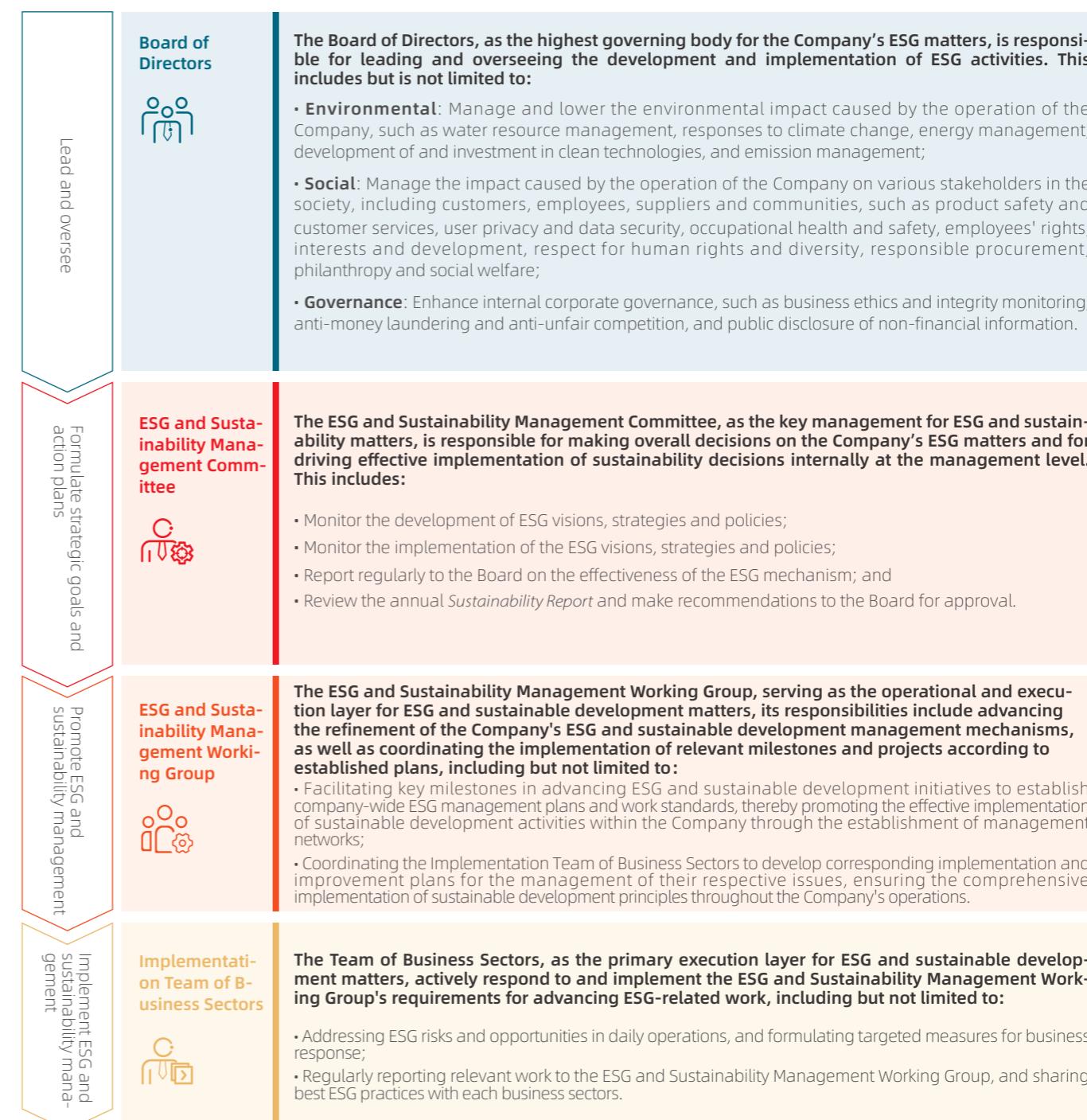
By understanding the expectations and concerns of stakeholders, and considering global industry-leading practices and our business development strategy, we map out a sustainability plan in the five aspects, i.e., "Good Governance, Reliable Partner, Technical Innovation, Advanced Talent Management, Environmental Protection & Climate Action". Wingtech will build a green ecosystem and promote sustainable development through collaboration with all partners.



Sustainability Governance Framework

To facilitate the long-term and sustainable development of its business, Wingtech Technology employs scientific management mechanisms to create lasting value for all stakeholders. During the Reporting Period, Wingtech Technology strategically upgraded its sustainable development governance structure, establishing a four-tier governance framework comprising the Board of Directors ("the Board"), ESG and Sustainable Management Committee, ESG and Sustainable Management Working Group, and the Implementation Team of Business Sectors, spanning the process of "governance, decision-making, execution, and implementation". For specific responsibilities, please refer to the official website of the Group. The Group's Board of Directors supervises the ESG management performance assessment and progressively links the ESG management performance assessment mechanism, and continuously improving indicators with the performance of relevant management levels, empowering sustainable value creation with a heightened sense of responsibility.

Sustainability Governance Framework of Wingtech



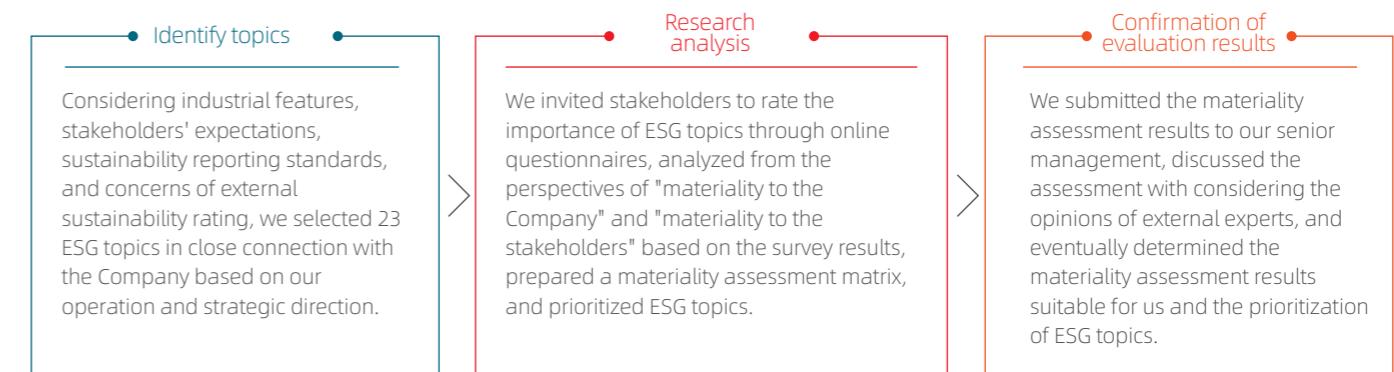
Stakeholder Communication

Taking the opinions of stakeholders into account, we have established a standardized communication mechanism to understand the expectations and requirements of stakeholders in a timely manner through diversified communication and exchanges. We also strive to maintain positive relationships with our stakeholders. When making strategic decisions, we prioritize the concerns of stakeholders and work towards mutual benefits and positive outcomes for everyone involved.

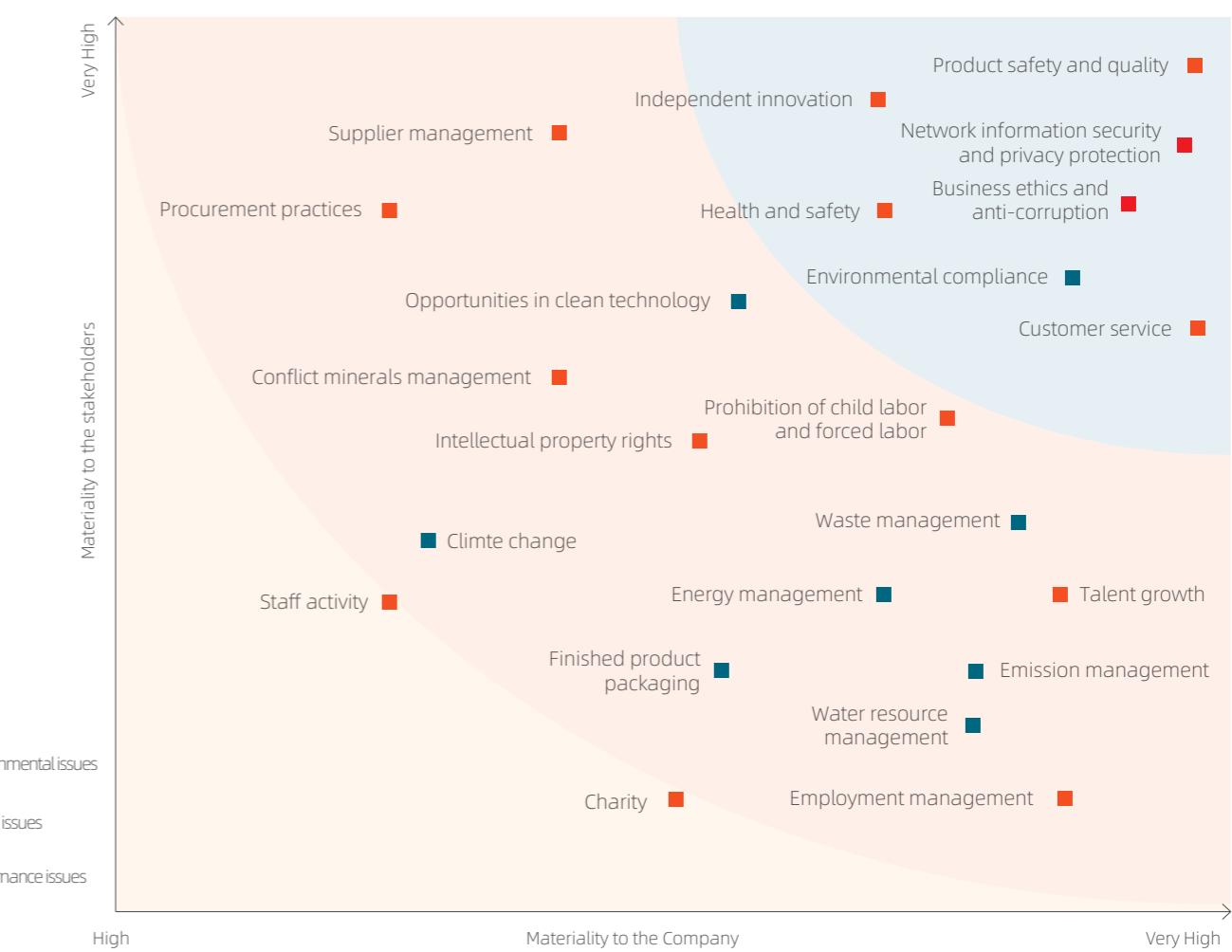
Stakeholder	Expectation and requirement	Our response	Communication channel
Government and regulatory agencies 	Compliance operation	Strictly comply with laws and regulations	Exchanges on conferences
	Environmental management	Devote to green operation	Daily regulatory communication
	Promote employment	Actively provide job opportunities	Supervision and examination
	Community contribution	Participate in community construction	Policy consultation Regulatory information feed News reports
Shareholders and investors 	Protect the rights and interests of shareholders	Ensure the healthy development of the Company	Annual general meetings
	Gain investment returns	Hold annual general meetings and extraordinary general meetings	Extraordinary general meetings Periodic reports
	Disclose material information	Disclose material information	Investor meetings
Clients 	Product R&D and technical innovation	Strictly control R&D, procurement, and production stages	Client satisfaction survey
	Product safety and quality management	Respond rapidly to clients' needs	Exchanges in seminars
	Information security and privacy protection	Complete the quality management system Establish the information security system and set permissions	
Suppliers 	Supplier management and sustainable development	Apply the supplier admission and delisting mechanism	Annual supplier meetings
	Anti-corruption and anti-fraud	Provide supplier training and audit Sign a letter of commitment to the honest operation	Supplier training sessions Field audit against suppliers
Employees 	Employee recruitment and team building	Follow labor guidelines	Congress of workers and employees
	Employee development and training	Improve the occupational development and training mechanism	Employee satisfaction survey
	Rights, interests and protection for employees	Establish labor union to protect rights and interests	Regular training
	Occupational health and safety	Provide competitive salaries and benefits Implement the health and safety management system	"Wingtech Culture" WeChat Official Account
Community 	Promote employment	Organize volunteer activities	Volunteer service
	Support community construction	Participate in community construction	Charitable donation

Materiality Assessment

Wingtech Technology actively engages in materiality assessments by regularly inviting stakeholders to fill out surveys and other means to analyze significant ESG risks in operational processes, clarifying issues of importance to its own business and stakeholders, and highlighting them in the Report.

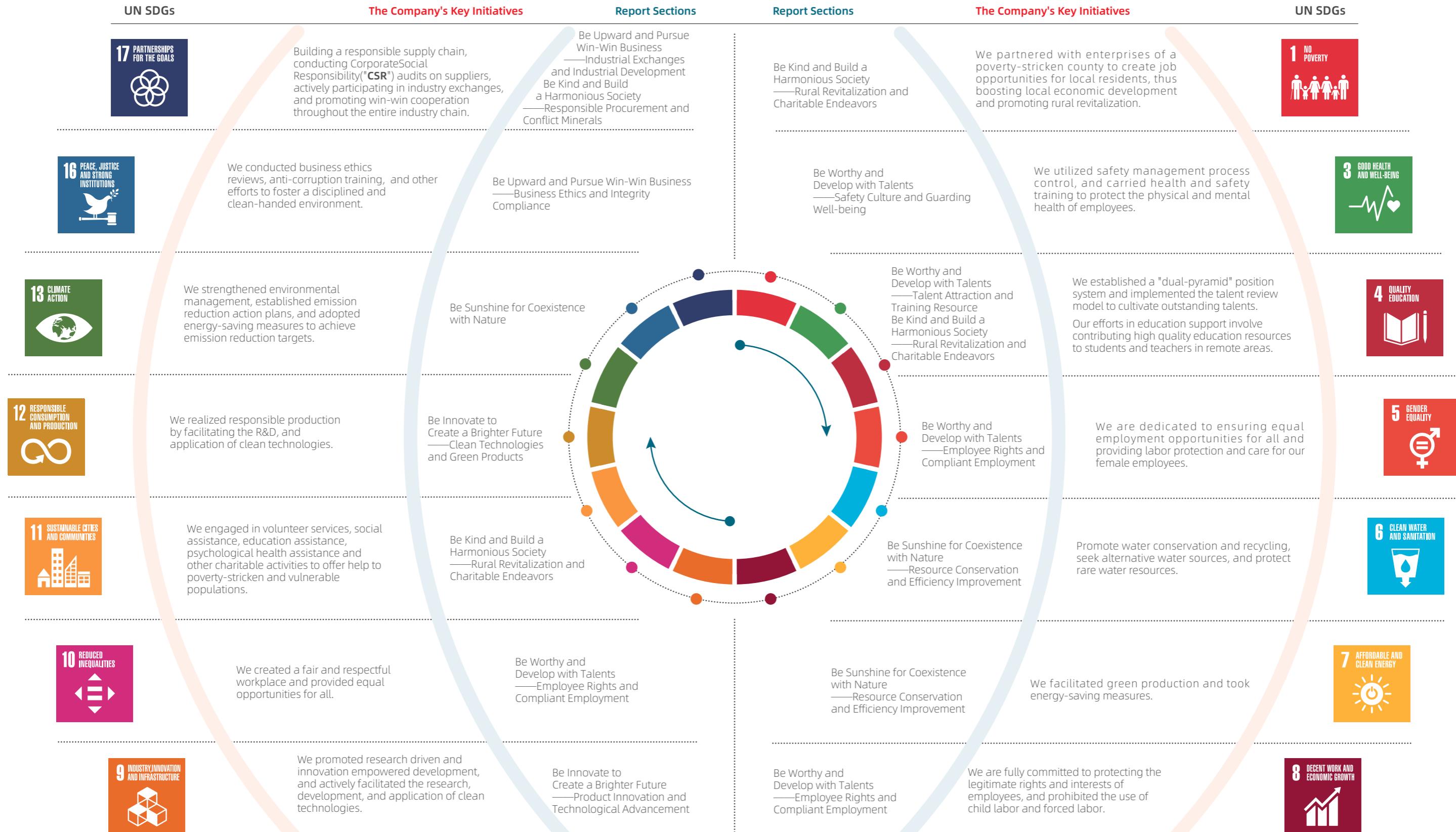


During the Reporting Period, the Company reviewed and evaluated ESG issues and their materiality assessment results. After assessment, there were no significant changes in the Company's business and external environment in 2023. The 23 identified ESG issues remain relevant to the Group's business, and we have confirmed their impact. The materiality ESG matrix after confirmation is as follows:



Response to United Nations Sustainable Development Goals

Responding to the United Nations Sustainable Development Goals (UN SDGs), we continuously improve sustainability management from the environmental and social perspectives, contributing to the realization of the global sustainable development blueprint.



01

Be Sunshine for Coexistence with Nature

How to protect the environment and shared homeland is becoming a common challenge for all countries, industries, and enterprises worldwide. In response to the national's call, we stick to the path of green and low-carbon development. We focus on protecting the finite resources of the earth and contribute to building a sustainable community by improving environmental management system, proactively protecting water resources and improving water stress management, addressing climate change, and deploying innovative plans. The Board of Directors, the highest governance body of the Group's environmental management, is responsible for supervising the Group's commitment and performance on key issues such as climate change, environmental protection, water resources and water stress management, energy management and waste management.

Key Performance

GHG emissions intensity **6.86** tCO₂e/RMB Million of Revenue

Environmental protection investment amount RMB **27.4** million

Contributions to UN SDGs



Green Operation and Environment Management

Environmental protection policies

Facilitate energy conservation and emission reduction and continuously improve environmental protection capabilities in compliance with laws and regulations.

Satisfy global clients' requirements for environmental protection in products and production.



Click to learn more:

[Wingtech Sustainable Development Policy](#)

[Nexperia Sustainable Development Policy](#)



ISO 14001 Environmental Management System Certification

With the watchful eyes on our operational performance in environmental protection and sustainability, the Group strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *EU Waste Electrical and Electronic Equipment (WEEE)*, the CA65 Proposition of the *Safe Drinking Water and Toxic Enforcement Act*, and other laws and regulations, and has formulated and promulgated the *Business Guidelines for Environmental, Health and Safety (EHS) Goals, Indicators and Performance Measurement Management Control* and other administrative documents. In order to mitigate the environmental impact of our business operations, the Group has established a comprehensive environmental management system in accordance with ISO 14001. As of the end of the Reporting Period, our Semiconductor Business Sector and Product Integration Business Sector were both granted certification by the ISO 14001 Environmental Management System. Meanwhile, our manufacturing sites for both of our business sectors, as well as the headquarters of the Semiconductor Business Sector, have all certified ISO 45001 Occupational Health and Safety Management System certification. In addition, some of Nexperia's factories have also obtained the ISO 50001 Energy Management System certificate, such as the operating site located in Hamburg, Germany.

The Group has established a sound environmental management structure to enhance the efficiency and effectiveness of the environmental management system. Semiconductor Business Sector has assigned a global environment, health, and safety (EHS) manager to execute the global EHS management system and coordinate social responsibility management work. Meanwhile, the VP of Front-End Operations, Global Real Estate and Facilities Management has been assigned to be responsible for the effectiveness of the EHS management system and social responsibilities. Product Integration Business Sector has established the Safety Production Committee to supervise the safety and environmental protection management efforts at all levels. The EHS implementation of each department is in charge of by the Safety and Environment Department and their own safety officer.

Response to Climate Change and Dual Carbon Commitment

The climate change response and "dual carbon" commitment demonstrate that we shoulder our responsibilities for global sustainable development. The "dual carbon" goal is not only a major strategic decision made by China to build a community with a shared future for mankind, but also an inevitable choice to achieve long-term sustainable development. By taking actions in green transformation, Wingtech is proactively addressing the national requirements for carbon peak and carbon neutrality. Moreover, we identify and evaluate potential climate-related risks and opportunities with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) framework to further strengthens the exploration and practice of low-carbon development.

Response to and Management of Climate Change

We provide disclosure on our efforts and advancements in addressing climate change risks, with reference to the TCFD framework. This includes our initiatives in governance, strategies, risk management, and indicators.



Governance

Wingtech Technology has taken proactive measures to actively address the potential impacts of climate change on the Group's business. By integrating internal resources, Wingtech Technology has established a comprehensive EHS management system, appointed a senior executive responsible for carbon reduction, and established a dedicated carbon emission reduction project team to ensure the integration of operational activities and climate change response efforts.



Strategies and Risks Management

The sustainable development of Wingtech will be impacted by both risks and opportunities arising from climate change. To better combat climate change in a strategic manner, we have identified the following transformational risks, physical risks, and opportunities that may arise in the future.

	Category of risks	Description	Countermeasure
Transformational risk	Policies and regulations 	With countries worldwide enacting increasingly stringent climate policies and carbon reduction requirements, including the establishment of net-zero emission targets, strengthened requirements and regulations for existing products and services, carbon tariffs, green buildings, etc., Wingtech Technology's global operational sites will face more rigorous policy and regulatory pressures in the medium to long term.	We have appointed experienced employees at the legal affairs level to strengthen the development and training of compliance systems related to climate-related issues. We will closely monitor the latest climate-related regulations at both the international and national levels and promptly assess the operational, product, and supply chain aspects of the Company to understand the risks and business impacts posed by new regulations.
	Technology 	The use of clean technology and the implementation of low-carbon emission technology requirements have the risk that the technical specifications of products and product quality will not meet the standards after the new process/equipment is put into production.	Wingtech maintains investment in the R&D of clean technologies, and makes sure we can satisfy customer demands in product quality and supply capability by means of science-based energy-conservation renovation and standardized clean technology introduction.
	Market 	The sustainability requirements of clients for product design involve the selection of materials, energy consumption design, and product quality design in the process of product research and development. There is a risk that the Company may not be able to fully satisfy clients' requirements for product performance in recycling and repair.	The Company maintains a smooth communication channel with existing international and domestic clients to keep updated on their sustainability requirements. The evaluation system for different clients enables us to continuously communicate with clients and iterate our response to their demands on sustainability planning, product design, and carbon emission control, so as to guarantee the continuity of products and business.
	Reputation 	The failure of satisfying the evaluation requirements of stakeholders during the transition to sustainable development may increase the risk in our reputation and litigation.	By establishing an ESG and sustainability operation organization, the Company can maintain close communication with and active response to stakeholders from such aspects as strategic planning system, legal compliance system, client marketing system, product R&D system, quality management system, security and environmental protection system, supply chain procurement system, human resource system, and public affairs system. By publicizing our ESG information, we make sure that stakeholders can evaluate and supervise our efforts in sustainable development.
	Acute 	Extreme environments or severe natural disasters may damage manufacturing facilities or even halt the operation and spread to distribution channels and the supply chain, which may pose a significant negative impact on our products and revenue. The degree of immediate disaster impacts depends on the geographical location, and some of Wingtech's plants are located in areas vulnerable to storms and floods.	Although Wingtech cannot predict extreme environments or natural disasters caused by climate change or their economic impacts, we can guarantee product and business continuity by means of reasonable supply and production planning as well as capacity distribution, thus reducing the risk to the minimum level.
	Chronic 	Rising temperatures, rising sea levels, and water stress may limit our access to water and energy resources, increase our cost, and heighten supervisory constraints.	We adopts water-saving technologies to reduce the cost of using and processing water while expanding the proportion of renewable energy. All production departments are also well prepared to cope with the supervisory requirements of different countries/regions.

Category of opportunities	Description	Countermeasure
Resource efficiency 	Technological improvement and renovation in the production process will be helpful in increasing our manufacturing efficiency and reducing manufacturing costs.	We will facilitate the introduction of new technologies in the production process, reduce the negative environmental impact of production and manufacturing, and increase capacity utilization and output efficiency through technological improvement.
Energy efficiency 	The incentive policies of governments for renewable energy will help us accelerate the transformation of the energy structure and reduce operation costs.	We will take locally appropriate measures to install and transform photovoltaic equipment, procure green electricity, and realize energy recycling in various factories in line with international and national policies on renewable energy.
Product and service 	The transformation to low-carbon products has brought about a trend for products and services, which will give us opportunities in the development of electric vehicles and green energy.	The Company will accelerate the research and development of industrial-grade and automotive-grade high-efficiency power devices in the Semiconductor Business Sector and expand the scope of product application. In the Product Integration Business Sectors, we will expedite product penetration into downstream electric vehicle manufacturers and green energy producers.
Market 	We maintain a smooth communication channel with existing clients to keep us updated on their sustainability requirements. The sustainability management work proceeds in an orderly manner. Carbon emission monitoring and reducing programs are promoted at a steady pace.	Wingtech's ESG and sustainability operation organization formulates ESG promotion plans and indicator management plans.
Resilience 	With improved capability in the response to climate change risks and in sustainability development, we will lead and enable upstream enterprises to some extent during the operation, so that the operation of suppliers can be more sustainable and stable, thereby guaranteeing the resilience of the supply chain system.	We will keep improving supplier access rules during operation and step up the control of climate change risks and the requirements for sustainable development. We will also continuously strengthen the resilience of the supply chain with an aim of creating a green supply chain system.

With the action plan for carbon emission reduction already established, we continue to strengthen our risk identification and resilience capabilities. During the Reporting Period, Nexperia has received for \$800 million Sustainability-Linked Loan. For more information, please refer to the chapter *ESG Risk Rating* of the *Nexperia 2023 Sustainability Report*.



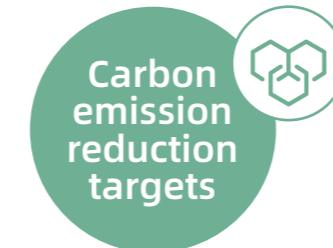
Indicators and Goals



- Wingtech commits to achieving carbon neutrality for Scope 1 and 2 emissions by 2050, with the Semiconductor Business Sector reaching this goal by 2035. We will also incorporate Scope 3 emissions into our future carbon neutrality programs to enhance the emission reduction performance of the value chain.



2035 • Semiconductor Business Sector
Achieving carbon neutrality for Scope 1 and 2 emissions by 2035



- Having designed GHG emission goals, Wingtech calculates GHG emissions every year and reviews the progress of goal attainment, to help achieve the carbon peaking and carbon neutrality vision.

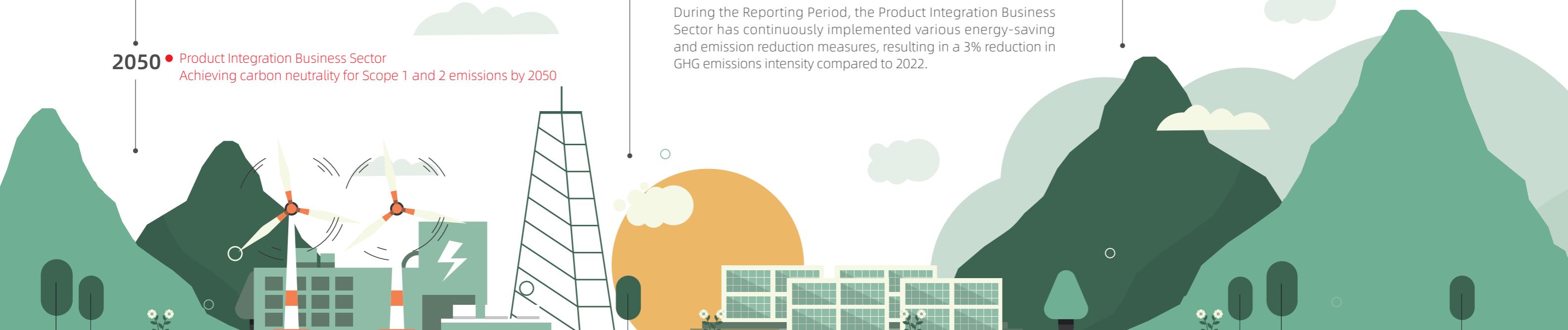
2030

- Semiconductor Business Sector
By 2030, the total GHG emissions will decrease by more than 20% compared to 2017;
During the Reporting Period, the Semiconductor Business Sector has achieved its emission reduction target and has updated its mid-term goal:
To reduce the Scope 1 and 2 emissions by 4 % a year between 2024 and 2029 (against a 2022 baseline).



- Wingtech is actively preparing for setting of the science-based targets, will continuously work on strategy and pathway planning, and will strengthen the promotion of the use of clean/renewable power in product development and manufacturing process. By referring SBTi's recommendations and guides, we will strive to improve the realizability of our targets and pathways. During the Reporting Period, the Semiconductor Business Sector started planning the process of comprehensive Scope 3 data collection and aims to provide more updates in 2024.

2050 • Product Integration Business Sector
Achieving carbon neutrality for Scope 1 and 2 emissions by 2050



Resource Conservation and Efficiency Improvement

Saving resources and improving energy efficiency play an important role in practicing the basic national policy and supporting sustainable development strategies. As an active responder, Wingtech has taken a series of measures to build a "five-type enterprise" characterized by intrinsic safety, quality and efficiency, scientific and technological innovation, resource saving and harmonious development. We continue to improve unit energy consumption indicators, striving to enhance enterprise value creativity and sustainable development.

Energy Resources Management

The Company's environmental protection efforts are centrally managed by the ESG and Sustainability Management Committee which oversees resource usage across all business sectors and tracks the progress of environmental initiatives at various operational sites.

We have formulated and promulgated administrative documents such as the *Management Operation Specification for Resource Conservation*, the *Management Specification for Carbon Emission Reduction*, the *Greenhouse Gas Checklist*, the *Carbon Emission Reduction Statistics Table*, and the *Energy Conservation Management System*. Also, we continuously improve energy-saving measures in various business sectors to enhance our energy efficiency. For energy conservation and

environmental protection measures in the Semiconductor Business Sector, please refer to the *Nexperia 2023 Sustainability Report*.

The Semiconductor Business Sector is committed to significantly enhancing the use of renewable energy. Through ongoing communication with stakeholders, we facilitate long-term sustainable development partnerships by adopting internationally recognized renewable energy contracts and certifications. We actively develop green energy mechanisms, including Power Purchase Agreements (PPAs), Energy Attribute Certificates (EACs), green electricity prices, on-site generation, and other customized solutions, effectively reducing greenhouse gas emissions from purchased electricity.

The Product Integration Business Sector also holds monthly energy-saving control special meetings to summarize the implementation effectiveness of energy-saving control measures. To enhance energy-saving awareness among all employees, we also post energy-saving promotional posters in prominent locations at each factory.

Energy-saving measures in 2023

- The Kunming factory of the Product Integration Business Sector purchased 59.51 million kWh of clean energy electricity;

- The Jiaxing Factory of Product Integration Business Sector installed the photovoltaic power generation equipment on the roof, with an average annual effective power generation capacity of 13 million kWh;

- The Jiaxing factory of Product Integration Business Sector provided solar water heaters for employees, saving about 500 thousand kWh of electricity per year;
- Nexperia has procured renewable energy for 100% of its front-end facilities.

- The Jiaxing factory of Product Integration Business Sector transformed air compressors in frequency conversion and constant pressure by applying a centralized control system, saving around 150 thousand kWh of electricity per year.

- To avoid increased costs due to power loss during non-production hours, power control measures such as turning off perimeter lights, reducing the frequency of air conditioning unit fans, and slowing down FFUs (Fan Filter Units) have been implemented. The accumulated electricity cost savings for the year amount to nearly 2 million RMB;

- The Semiconductor Business Sector turns equipment off when it is not in use.



- The Jiaxing Factory of Product Integration Business Sector used waste heat of air compressors to provide hot bath water for employees. 390 thousand m³ tap water was converted into hot water. Annual thermal energy converted water is about 58 thousand m³, saving about RMB 50 thousand of annual electricity cost;

- The Jiaxing Factory of Product Integration Business Sector cooled facilities in production workshops by using liquid nitrogen by means of water circulation cooling capacity recovery based on the principle of heat absorption in converting liquid nitrogen into nitrogen, saving about 140 thousand kWh of electricity per year;

- The Semiconductor Business Sector uses waste heat to produce cooling via an adsorption chiller.

- The Manufacturing Center of Product Integration Business Sector installed an intelligent automatic control system through sound and light control and redesigned the park's lighting equipment to save energy and reduce consumption. It also installed a timing controller on exhaust fans and other facilities, enabling remote control, timing and other functions. This resulted in an annual electricity saving of at least 3.87 millions kWh without affecting production.

- The Semiconductor Business Sector upgraded its air dryers, and purchased energy-efficient chillers, compressors, and vacuum pumps; Reduced and optimized exhaust and air-extraction systems.

Our data-based performance of energy consumption and greenhouse gas emission in 2023 is shown as follows:

Indicator ³	2023
Natural gas consumption (10000 cubic meters)	2,283.7
Gasoline consumption (Liters)	131,003.1
Diesel consumption (Liters)	44,948.9
Liquefied petroleum gas consumption (Liters)	86,420.6
Electricity consumption (10000 kWh) ⁴	63,038.5
Direct GHG emissions (Scope 1) (tCO ₂ e) ¹	137,101.3
Indirect GHG emissions from energy (Scope 2) (tCO ₂ e) ²	282,623.5
Total GHG emissions (tCO ₂ e)	419,724.7
GHG emissions intensity of Business Sectors (tCO ₂ e / RMB Million of Revenue)	6.86

Notes:

1. Direct greenhouse gas emissions (scope 1) are compliant with *GHG Protocol* and calculated according to the 2019 *IPCC Guidelines for National Greenhouse Gas Inventories* and the *GB/T2589-2020 General Rules for the Calculation of Comprehensive Energy Consumption*.

2. In 2023, the Product Integration Business Sector's indirect greenhouse gas emissions (scope 2) were calculated based on the emission factors of 2022 specified in the *Notice on Doing a Good Job in the Management of Greenhouse Gas Emission Reports for Enterprises in the Power Generation Industry from 2023 to 2025* issued by the Ministry of Ecology and Environment of China; While Semiconductor Business Sector's indirect greenhouse gas emissions (scope 2) were calculated based on the *GHG Protocol* using market-based CO₂ conversion factors.

3. In 2023, with the commissioning of new factories, the scope of data collection has expanded to include the Huangshi and Phase II Kunming factories of the Product Integration Business Sector, resulting in increased energy usage and greenhouse gas emissions data; While the Semiconductor Business Sector's calculation of perfluorocarbons, SF₆, etc., was changed from 2006 *IPCC Guidelines for National Greenhouse Gas Inventories* to 2019 *IPCC Guidelines for National Greenhouse Gas Inventories* leading to a rise in direct GHG emissions.

4. Specifically, the electricity consumption of the Product Integration Business Sector includes 59.51 million kWh of green electricity.

We also focus on the use of packaging materials in the production and operation process. We are committed to continuously improve packaging technologies from multiple perspectives, i.e., the selection of sustainable materials, the optimization of production processes, the recycling and reuse of packaging, and the extension of product life cycles, to improving the recycling rate of materials, saving the consumption of packaging materials and reducing the impact on the environment.

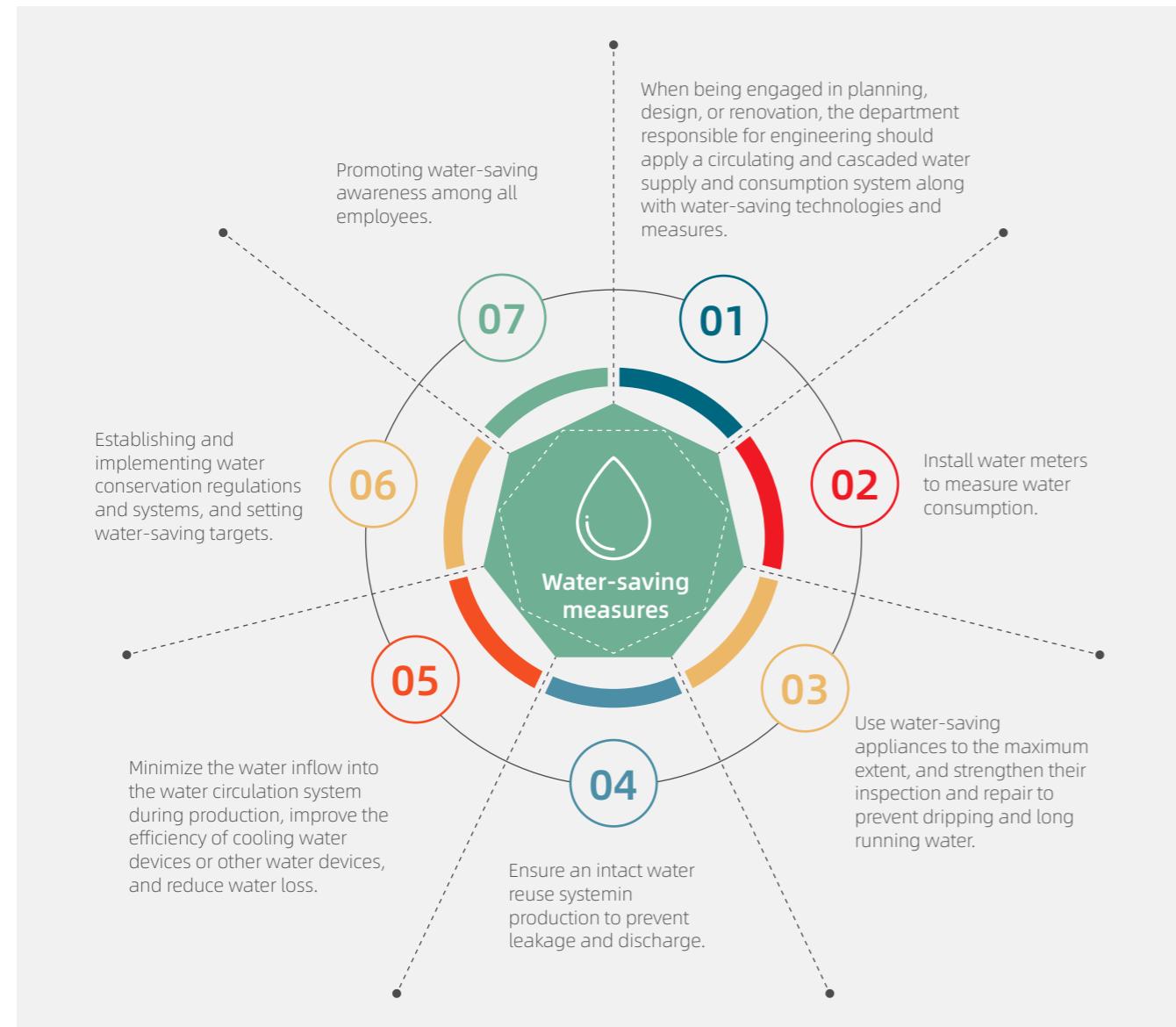
Water Management

Wingtech Technology attaches great importance to the environmental impact of water resource consumption, striving to reduce reliance on natural water resources, decrease water footprint, and minimize the environmental impact of production and operational activities. Our water resource management strategy and performance are overseen by the ESG and Sustainability Management Committee.

The Company has actively set water conservation targets, promoting water-saving and water recycling measures in various factory, office, and residential areas to address the increasingly severe water resource crisis.

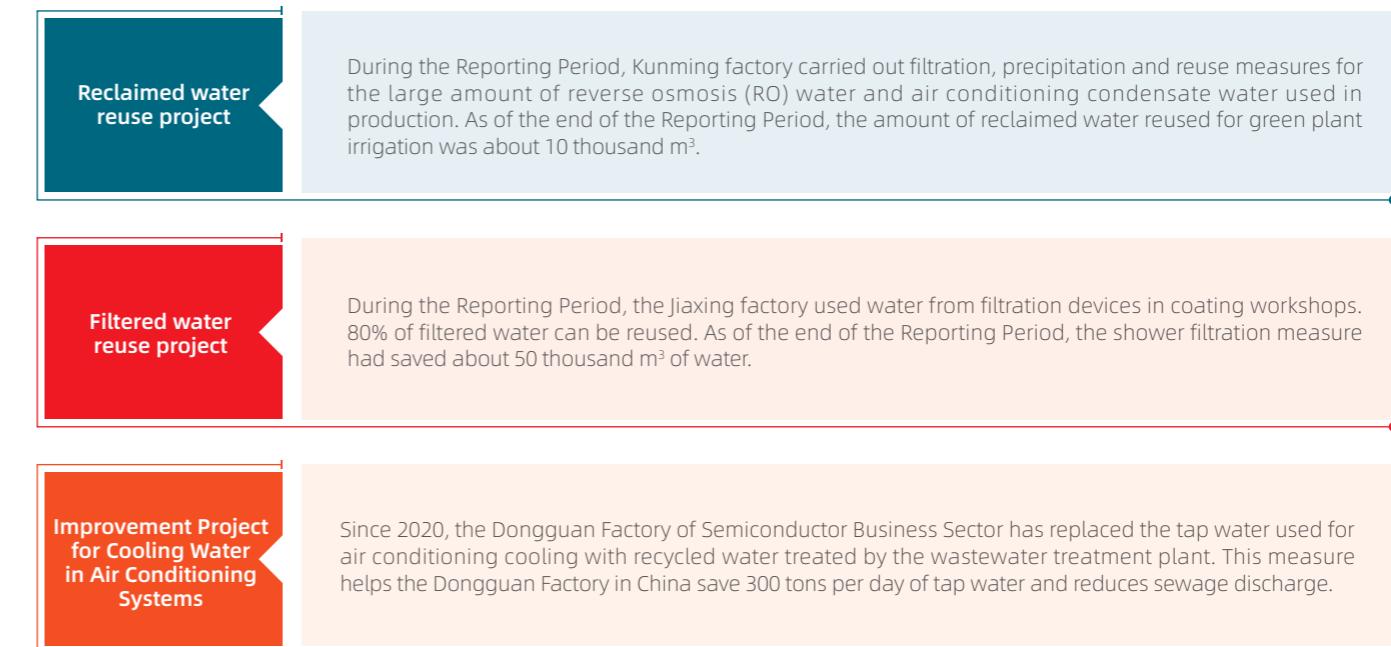
The Product Integration Business Sector has set an annual water reduction target of 2%, with water usage at R&D and operational sites in 2023 decreasing by 12% compared to 2022. With the addition of the Huangshi and Phase II Kunming factories within the operational scope, we will further evaluate the water resource demands of existing operations, striving to reduce resource consumption and updating targets accordingly. The Semiconductor Business Sector has achieved a 30% reduction in normalized water usage in 2023 compared to the 2017 baseline, with water recycling reaching 20%.

Water consumption in Wingtech Technology's operations primarily involves production and domestic use. In the Product Integration Business Sector, water usage for production is minimal, and all wastewater generated during production is recycled without being discharged. Wastewater from other business sectors is disposed of and discharged in accordance with local laws and regulations.

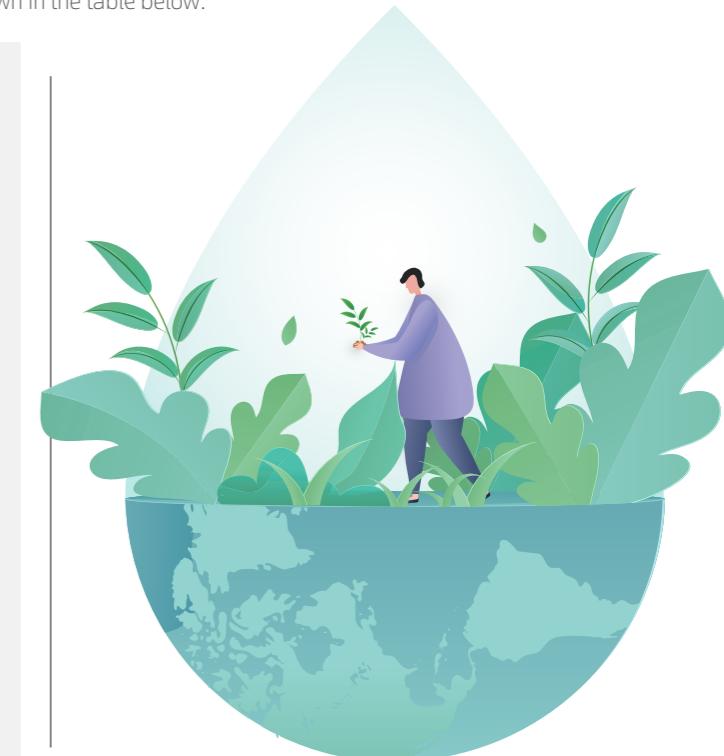


We adhere to innovation, application, and advancement of water-saving technologies, employ various water source substitution measures, explore new models of water recycling, and utilize recycled water to reduce water consumption in the production process.

Alternative Water Source Practices in 2023



Our data on water use and wastewater discharge of 2023 are shown in the table below:



Compliant Discharge and Green Operation

Compliant emissions are essential measures for companies to comply with environmental regulations, uphold corporate reputation, and enhance market competitiveness. Wingtech attaches great importance to its obligation for compliant emissions, as emissions of waste can have negative impacts on the environment and human health. We are committed to reducing various emissions generated during production and operations, integrating waste management into our environmental management system, and promoting sustainable production and operations. We employ professional equipment and innovative technologies to handle emissions properly and engage qualified third parties to test emissions to ensure compliance. We also focus on efficient resource utilization and recycling, reducing the environmental impact of operations and production through multiple measures and establishing green office and production facilities.

Waste Gas Emission

Wingtech's gas emissions during operations primarily stem from volatile organic compounds (VOCs) and nitrogen oxides (NOx) generated in the spraying and photolithography processes. To regulate and manage gas emissions, we have formulated and issued documents such as the *Measures for the Management of Waste Water, Waste Gas and Noise* and employ advanced environmental treatment processes, such as the latest ceramic regenerative catalytic combustion method, to treat gas emissions. The gas treatment efficiency reaches 95%, far exceeding the national requirement of 90%. Additionally, we have implemented an online VOCs monitoring system to monitor emission compliance in real-time. Furthermore, we collect gases from different areas and treat them using secondary activated carbon to ensure that all production areas meet emission standards.

Solid Waste

The solid waste generated by the Group includes hazardous waste, general industrial solid waste, and domestic waste. Paying attention to solid waste is crucial, as improper handling can lead to environmental pollution, resource wastage, and health hazards for employees.

We have formulated a series of management procedures and measures such as the *Management Operation Specifications for Wastewater, Waste Gas, and Solid Waste*, the *Waste Collection and Disposal Measures*, and the *Management Policy for Hazardous Waste* and a handful of administrative procedures and measures and continuously improve the waste management system. To ensure proper execution of waste management, we classify and categorize solid waste according to applicable laws and regulations at each operating location, and we entrust qualified third-party disposal units to handle all solid waste in compliance with regulations, maintaining various registers.

Each factory within the Group has set annual waste management goals, such as the waste management goal for the Product Integration Business Sector, which aims for 100% compliant waste disposal and actively engage in waste recycling activities to reduce resource wastage, environmental pollution, energy consumption, and production costs. The Semiconductor Business Sector's waste management primary goal is to reduce or completely eliminate waste or waste streams. For waste that cannot be avoided, we continuously seek solutions to increase reuse or recycling. During the Reporting Period, the waste recycling rate at the Semiconductor Business Sector manufacturing sites reached 83%.



Zero-waste to landfill

To minimize environmental pollution and resource wastage, promote the development of a circular economy, and achieve sustainability goals, zero landfilling of waste aims to increase the conversion rate of waste and promote the environmental concept of waste recycling. Even for waste that cannot be reused, proper disposal is necessary to achieve zero landfilling of waste and to minimize environmental pollution.

During the Reporting Period, Kunming factory classified waste (solid waste, hazardous waste, domestic waste, kitchen waste) and conducted statistics. Based on the number of employees and production capacity, the factory conducted logistics analysis of generated waste (incineration for energy recovery, incineration without energy recovery, recycling, bioenergy production, composting, landfilling) to calculate the conversion rate. As of the end of the Reporting Period, the waste conversion rate exceeded 90%.

Our waste emission and discharge performance of 2023 is shown in the following table:

Indicator ^{1, 2, 3}	2023
Hazardous wastes (tons)	5,806.2
Total non-hazardous waste (tons)	23,240.7

Note:

- Product Integration Business Sector's hazardous waste mainly includes waste degreasers cleaning agents and paint grease generated in the production process. Non-hazardous waste mainly includes industrial solid waste generated in the production process and waste such as miscellaneous materials, plastic, paper, wood, kitchen waste, construction waste, etc.
- Semiconductor Business Sector's manufacturing generates hazardous and non-hazardous waste streams, including solvents, acids, and metal plating waste. The operations also produce paper, plastic, wood, metal, electronic, kitchen, and general office waste.
- In 2023, with the commissioning of new factories, the scope of data collection expanded to include the Huangshi factory and Phase II of the Kunming factory in the Product Integration Business Sector. As a result, the total volume of hazardous and non-hazardous waste increased.

Green Office, Environmental Awareness Enhancement

The Group actively promotes green office practices by integrating the concepts of green and low-carbon into daily operations to enhance employee environmental awareness. The Nexpria's Dongguan-based factory in China has fully implemented paperless office operations, contributing to the reduction of demand for natural wood resources, mitigating deforestation, and lowering environmental impact. During the Reporting Period, Wingtech actively promoted the digitization of its procurement center, successfully creating a digital system for lifecycle management. This initiative has achieved paperless procurement operations throughout the process. The Nexpria's Hamburg-based factory in Germany continued its environmental activities of electronic and metal waste recycling. Nexpria encourages employees to collect unused or damaged electronic products for resale in the recycling market. During the Reporting Period, through these efforts, employees at the Hamburg facility donated 6,000 Euros to the local children's charity organization Dunkelziffer e.V.



The Product Integration Business Sector actively conducts various environmental protection training activities aimed at enhancing the environmental awareness of all employees. During the Reporting Period, we conducted training on the classification of hazardous waste and its disposal methods, as well as courses on hazardous waste storage management. These training activities not only deepened employees' understanding of environmental issues but also enhanced their awareness and ability to take environmental measures in their work, further promoting the comprehensive development of environmental protection work. As of the end of the Reporting Period, the Product Integration Business Sector has conducted a total of 36 environmental-related training sessions, covering 1,512 participants.

02

Be Innovate to Create a Brighter Future

Adhering to the corporate vision of "To Motivate the Innovation. To Contribute to the Society. To Change the World" Wingtech continues to optimize its R&D innovation strategy and system, shifting to a new model driven by technological innovation. We are deeply engaged in the electronics industry. While attaching importance to endogenous development, we have also expanded our business and achieved rapid business growth.

Key Performance

RMB **4.29** billion of R&D investment

Accumulated **2,678** patents obtained

Rank **58**th in China's Top 100 Innovative Large Enterprises in 2023

Contributions to UN SDGs



Clean Technologies and Green Products

Clean technology is a technology that takes environmental protection as its core and adopts highly efficient, energy-saving, low-consumption, and low-pollution technological means to achieve clean and efficient use of energy and reduce carbon emissions. It can help minimize human impact on the environment and maximize resource utilization. Green products refer to products that have fewer negative effects on the environment during design, production, use, and disposal, and are good for resource regeneration and recycling. As a listed company with a sense of social responsibility, we actively facilitate the R&D and application of new clean technologies in alignment with the national strategy of energy conservation and low carbon. We continue to reduce energy consumption in material manufacturing, improve product performance, and will help achieve carbon neutrality in the near future. In 2023, we were rated as one of the Top 50 Forbes China Sustainable Development Industrial Enterprises, which was a strong testament to our contributions and achievements in environmental protection and sustainable development.

Actively Promoting Sustainable Development

To meet the ever-growing energy demand and address global issues such as environmental pollution and climate change, we are committed to reducing carbon footprint, mitigating adverse environmental impacts, and actively supporting the new energy industry. Currently, we have ventured into two major product directions: charging piles and energy storage. These initiatives will help reduce reliance on finite resources, lower energy consumption costs, and drive economic sustainability:

Charging pile:

With the rapid growth of the new energy vehicle (NEV) market, the market capacity of charging piles, as a support facility for the development of NEVs, is also expanding rapidly. The popularization and development of charging piles are of great significance for popularizing NEVs, reducing the use of conventional fuel vehicles, and decreasing environmental pollution. As a global leader with a presence in the entire industry chain of "upstream semiconductor + midstream module + downstream terminal" whole-industry-chain presence, we have established charging module and DC fast charging businesses to meet diversified customer needs and drive the development of the charging piling industry.

Energy storage:

With the continuous growth of installed capacity and power generation capacity of renewable energy, photovoltaic power, wind power, and other renewable energy sources are playing an increasingly important role in energy production. Wingtech has unique advantages in the energy storage field and has actively supported in the energy storage segment. Such a strategy is helpful to reduce the dependence on traditional energy and can promote the development of clean energy.

Case

In 2023, we continued to practice the concept of sustainable development and launched a series of cleantech projects, with remarkable results achieved:

Cleantech project	Measures and results
Die-cut MIC sealing sleeve	We replace die-open silicone sleeves with die-cut silicone sleeves in some production processes. Its processing is simple and has the characteristics of good sealing effect, low cost, and good consistency. Since there is no need to reopen the mold, it can effectively lower energy consumption
Use renewable materials for cutting sleeve	In formulating the product design scheme, we change the key cap material from the original ordinary PC+ABS material to the environmentally friendly PCR material, so as to achieve the purpose of recycling product accessories
Charge Pump	Charge Pump technology is widely used in consumer electronics. Charge Pump technology boosts the voltage by charge transfer instead of traditional linear or switching regulators, which can reduce energy loss during the boosting process. It converts the energy from the incoming power supply more effectively into the energy needed to charge the battery, reducing the overall energy consumption
Eco-friendly water-based paints	In developing some product design schemes, we replace paints with high VOCs with eco-friendly paints with low or zero VOCs
Reduce solder paste disposal	We reduce some solder paste disposal for the empty paste position of the motherboard of consumer electronics to reduce the use of environmentally hazardous substances
Special cleaning in the manufacturing of terminal products	Ion cleaning equipment utilizes plasma-generated high-energy ions and active species to clean up and decontaminate surfaces, effectively removing organic matter, dirt and grease, and effectively preventing and controlling pollutant emissions.
One-way locking mechanism	In the vehicle flip-down display screen project, we independently develop the one-way locking mechanism to replace the scheme of providing screen hovering retention force using static friction damping, which greatly reduces system load and improves energy efficiency

Clean Technology Investment Targets

We have embedded the concept of sustainable development into our R&D strategy, and defined the vision, strategy, and objectives of our cleantech investment to actively propel the R&D and application of cleantech. During the Reporting Period, Wingtech continued to increase its presence in the cleantech sector. As "electrification, connectivity, and intelligence" have become the development trend of the automotive industry, the proportion of sales revenue of NEV-related modules in the vehicle product business line rose to 84% of the Product Integration Business Sector's total revenue. During the year, the vehicle product business line invested RMB 62 million in product R&D, of which 75% of the product terminals from mass production projects were used in the field of new energy vehicles.

As part of our commitment to environmental protection and sustainable development, Wingtech has released a torrent of environmentally friendly, high-performance, and low-power semiconductor chips, devices, and terminal products, adhering to our carbon neutrality strategy. The power semiconductor products we develop containing third-generation compounds such as gallium nitride field effect transistor (GaN FET) can effectively extend the battery life of automobiles, speed up charging, reduce heat loss from integrated applications, reduce material usage, and effectively improve product efficiency. Compared to silicon materials, wide bandgap materials developed by Nexperia can significantly save energy and reduce CO₂ emissions, which are expected to reduce energy consumption by 15% in the EU region. By 2025, wide bandgap material equipment is expected to save energy of 45 TWh/year and reduce about 11 million tonnes of carbon dioxide.

As of December 31, 2023

The Product Integration Business Sector owned a total of **306** valid patents related to clean technologies. Among them,

Patents related to energy consumption in various application scenarios

Patents related to the improvement of charging efficiency

Patents related to the enhancement of battery life

176

65

65

Note: The specific information of clean technology related patents in the Semiconductor Business Sector will be disclosed in 2024. For information regarding clean technologies and products, please refer to the *Nexperia 2023 Sustainability Report*.

Excellent Quality and Building a Solid Foundation

Product quality is the foundation of the Group. Wingtech strictly abides by national laws and regulations, including the *Product Quality Law of the People's Republic of China*, the *Tort Law of the People's Republic of China*, and the EU *General Product Safety Regulation (GPSR)* and has established a sound quality management system. We select and use green materials that meet the requirements of laws and regulations, and pass the life-cycle environmental testing to ensure that our products have no significant impact on the environment.

Improve Management System

We strictly abide by relevant laws and regulations domestically and internationally as well as international management systems in quality, environment, safety and other aspects. We are committed to the ongoing enhancement of technology and product quality and have secured several quality system certifications, including IATF 16949 Automotive Industry Quality Management System, ISO 9001 Quality Management System Certification, IECQ QC 080000 International Electrotechnical Commission Quality Assessment System for Electronic Components - Hazardous Substance Process Management, TL 9000 Telecom Quality Management System, NSI/ESD S20.20 American National Standards Institute Electrostatic Discharge Association Standard Certification, AS 9100 Quality Management Systems - Requirements for Aviation, Space, and Defense Organizations, etc.



Deepen Quality Management

Quality policy

Quality is the lifeline of Wingtech and the cornerstone for excellent products;
Build an industry-leading quality management system to align ourselves with the corporate development strategy of "Pursuing Excellence as an Industrial Leader";
Promote quality-oriented values in Wingtech's industrial chain to jointly achieve high quality.



Organizational Structure

We have established a comprehensive quality management organizational structure. Top management is responsible for formulating quality policies and quality objectives, supporting other managers to play the leading role within their duties, and conducting annual management reviews of each management system. We appoint management representatives, client representatives, and safety affairs representatives to protect the interests of clients and employees. We collaborate with the Product Center, the Manufacturing Center, the Quality Center, the Supply Center, the Procurement Center and many other departments to jointly control product quality.

Process Management

We have established three procedures for incoming quality control, process management, and outgoing quality control to control product quality across the board.

Incoming quality control

Manufacturing Execution System

Process management

Outgoing quality control

- Daily inspection records
- Timely analysis of defect reports
- Equipment and tool management
- ...

- Key part tracking
- System alert
- ...

- Minimize defects
- Uniformity control of complete products, packaging, cartons and pallets
- Delivery precision control
- ...

We have established testing positions at all key production points to test and monitor product quality. For non-conforming products, we have developed clear handling procedures, including risk analysis reports for rework and repair processes, processing records, and verification records after corrective actions, to ensure that products meet our quality standards. For non-conforming products identified during receipt, processing, market circulation, and all inspection processes, we require suppliers to rework promptly or take other effective measures for improvement. If the reworked products still do not meet the standards, they will be returned.

To promote continuous improvement activities, the Product Integration Business Sector has set up Quality Control Circle (QCC) promotion committees in each factory and initiated continuous improvement team activities. We provide cash rewards to teams that achieve improvement results to encourage teamwork and continuous enhancement of product quality.

Culture of Quality

Through quality leadership construction, quality rewards and punishments, quality publicity, quality retrospection and accountability, Wingtech continues to improve the quality awareness of all employees, and establishes and implements a quality culture that is customer-centric, doing things right at one time and continuous improvement. The Product Integration Business Sector regularly carries out quality culture activities such as "Quality Month" every year. The Semiconductor Business Sector conducts comprehensive quality and safety awareness training for all employees.

Case

Pursue Excellent Quality Performance and Help the Company to Operate Sustainably

During the Reporting Period, the Product Integration Business Sector held the "Quality Month" activity as scheduled. This year's Quality Month activity was based on the theme of "Pursue Excellent Quality Performance and Help the Company to Operate Sustainably", which demonstrated a zero-tolerance attitude toward substandard products. During the Quality Month, our Chief Operating Officer (COO) took the lead in smashing defective products, hoping to improve the quality awareness of all employees and eliminate the production of substandard products.



Kick-off Meeting of Quality Month



Defective Goods Smashing Activity at the Kick-off Meeting

Strictly Control Hazardous Substances

As a socially responsible enterprise, we fully understand the importance of internal management. To this end, we have established a sound environmental risk management system for toxic and hazardous chemical substances and strengthened source access management. In addition, we also adopt timely and appropriate environmental risk control measures based on the list of key controlled new pollutants issued by the authorities of the places where the Group operates.

All operating sites of Product Integration Business Sector obtained the IECQ QC 080000 Hazardous Substance Process Management System Certification

Objective of Hazardous Substance Management: "0" complaints about environmentally hazardous substances from clients

Management of Toxic and Hazardous Substances

- 2007 We completely eliminated the use of cadmium, lead, mercury, hexavalent chromium, polybrominated diphenyl ethers, and polybrominated biphenyls
- 2008 We established a RoHS laboratory and a self-monitoring system
- 2015 We developed corporate standards for restricting the use of hazardous substances, besting the requirements of international regulations such as RoHS and REACH in terms of hazardous substance management
We initiated the environmental protection system review for all qualified suppliers, including regulatory compliance and process compliance
- 2016 We initiated the RoHS 2.0 supply chain compliance investigation for 4 phthalates
- 2017 We completed the switch to RoHS 2.0, and satisfied corresponding requirements before the deadline (July 22, 2019) of the switch to the EU RoHS 2.0
- 2020 We implemented the Standardization Administration of China's requirements for VOCs released in 2020, and fully replaced non-conforming raw materials to ensure our compliance
- 2021 We added the control requirements of the US Toxic Substances Control Act (TSCA) and the Toxics in Packaging Clearinghouse (TPCH)
- 2022 New control requirements have been added for fluorine compounds and French printing ink, while requirements for vehicle-mounted and wearable products were also extended
- 2023 New control requirements for PFHxS and its related salts and PFAS substances, as well as new reporting requirements for key raw materials and strategic raw materials

Wingtech abides by many international regulations and client requirements, including the EU *Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment* (RoHS), the *Regulations Concerning the Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH), and the *Stockholm Convention on Persistent Organic Pollutants* (POPs). We have also acquired certification for IECQ QC 080000 Quality Assessment Systems for Electronic Components - Hazardous Substance Process Management, realizing the management of hazardous substances in products and production processes. Semiconductor Business Sector has formulated an environmentally preferred products program that works across the Company, which aims to ensure that products do not contain any hazardous substances. This program is managed by Semiconductor Business Sector Environmental Compliance Organization (ECO). The goal is to provide products that comply with regulatory and customer-defined restrictions on the use of such substances and minerals.

In addition, we are highly responsive to customers' requests for chemical management above and beyond the requirements required by laws and regulations to ensure that our products meet the relevant requirements of the customers. During the Reporting Period, we achieved the objective of "0" complaints from clients about environmentally hazardous substances. All operating sites of Product Integration Business Sector obtained the IECQ QC 080000 Hazardous Substance Process Management System Certification and achieved environmental management of products and production processes under the requirements of the IECQ QC 080000 System. All these could ensure that our environmental protection control meets the requirements of customers and industry.

Organizational Structure and System

Wingtech has a well-established organizational structure for the management of hazardous substances and has designated special persons at key nodes to be fully responsible for environmental management audits. We continuously follow up on the updates of laws, regulations, and client requirements for hazardous substance management. We also evaluate and confirm those requirements, transform them into internal management standards, identify key evaluation items, complete hazardous substance evaluation for factories, suppliers, and processing plants, and receive examinations by clients each year. According to the *Standard for Limited Use of Hazardous Substances*, we categorize such substances, mark the source for management, and specify the permissible threshold of harmful substances contained in products. During the Reporting Period, we revised the *Standard for Limited Use of Hazardous Substances* to ensure that Wingtech's products meet the requirements of customers and relevant regulations.

Wingtech Technology have identified all chemicals to make sure they meet RoHS and REACH requirements. The Product Integration Business Sector has formulated the *Standards for Limited Use of Hazardous Substances*, *Measures for the Management of Chemicals* and other management systems. Semiconductor Business Sector continuously develops and optimizes standards and policies on restricted substances in manufacturing, products, and packaging to align with national laws and regulations, customer expectations and internal rules. Compliance is verified through analytical test reports obtained from independent third-party laboratories and assessed as early as possible during the qualification of new materials. Semiconductor Business Sector has publicly disclosed its chemical analysis, and its scope surpasses that of RoHS requirements, demonstrating commitment to transparency and excellence. As part of supply chain engagement, suppliers and external manufacturers of Semiconductor Business Sector are mandated to uphold above standards.



Process Management

We manage the full process, covering supplier management, product design and development, incoming quality control, process control, and exception handling. In addition, we complete the audits of hazardous substances for our internal and external suppliers and processing plants to optimize and improve our operation based on the audit findings.

Product design and development

We develop action plans for hazardous substance control in accordance with laws, regulations, and client requirements. We also define testing requirements in the trial and mass production stages and apply environmental protection evaluation for the "three new" materials in the material selection period while recognizing and preventing risks in the early stage.

Selection of suppliers

For new suppliers, we conduct special reviews of hazardous substances in terms of environmental protection system management, R&D management, and procurement management. Product Integration Business Sector has set a threshold that suppliers must obtain an HSF score above 70 to be qualified for being its suppliers.

Management of suppliers

Qualified suppliers must sign environmental protection agreements and declare the substances controlled by Wingtech. Also, suppliers must establish a hazardous substance process management system according to the requirements of IECQ QC 080000. They must also run environmental protection tests on raw materials each year, and accept our evaluation and management. Furthermore, we require suppliers to declare substances of very high concern that they use on the SCIP database of ECHA. In 2023, we evaluated the environmental protection performance of 44 new suppliers of our Product Integration Business Sector, and sifted out five suppliers that failed to meet our requirements for hazardous substances.

Material inspection

Incoming new materials are screened for hazardous substances according to our hazardous substance checklist. If suspicious hazardous substances are identified, the corresponding raw material supplier must provide the RoHS report, the halogen-free report and other third-party environmental reports. They must also provide the Material Safety Data Sheet (MSDS), and evidential technical data to prove that the materials they supplied conform to our hazardous substance control requirements. If a supplier fails to meet our requirements, we will not use their materials. In addition, we run environmental protection tests on samples before they are admitted, which means satisfactory test results are a must for sample admission.

Process management

We design tools and fixtures according to hazardous substance requirements and run comprehensive examinations before production to make sure every process point has been cleaned, isolated, and labeled, and all relevant personnel have been properly trained.

Identification and storage management

We have clear regulations regarding the application scope, design, and dimension of environmental protection labels. These labels are indicated on products, user manuals, batteries, and accessories. Some of the labels include the Waste Electrical and Electronic Equipment (WEEE) label, the recyclable battery label, the RoHS label, the halogenfree label, and the lead-free label. During the warehousing process, materials and products are stored in designated areas based on their attributes and clearly marked; non-conforming products are isolated and labeled with "rejected" for disposal.

Full substance declaration

To better serve clients, we help them with compliance assessment to facilitate their compliance with full substance declaration and hazardous substance disclosure requirements. We have evaluated the full substance information management scheme of products and gradually realized the connection with third-party declaration systems and tools such as GDX and IPC-1752 to better declare substances and disclose hazardous substances. Semiconductor Business Sector also releases the chemical compositions of its product portfolios. Clients can retrieve detailed chemical compositions from the general product database.

Education and Training

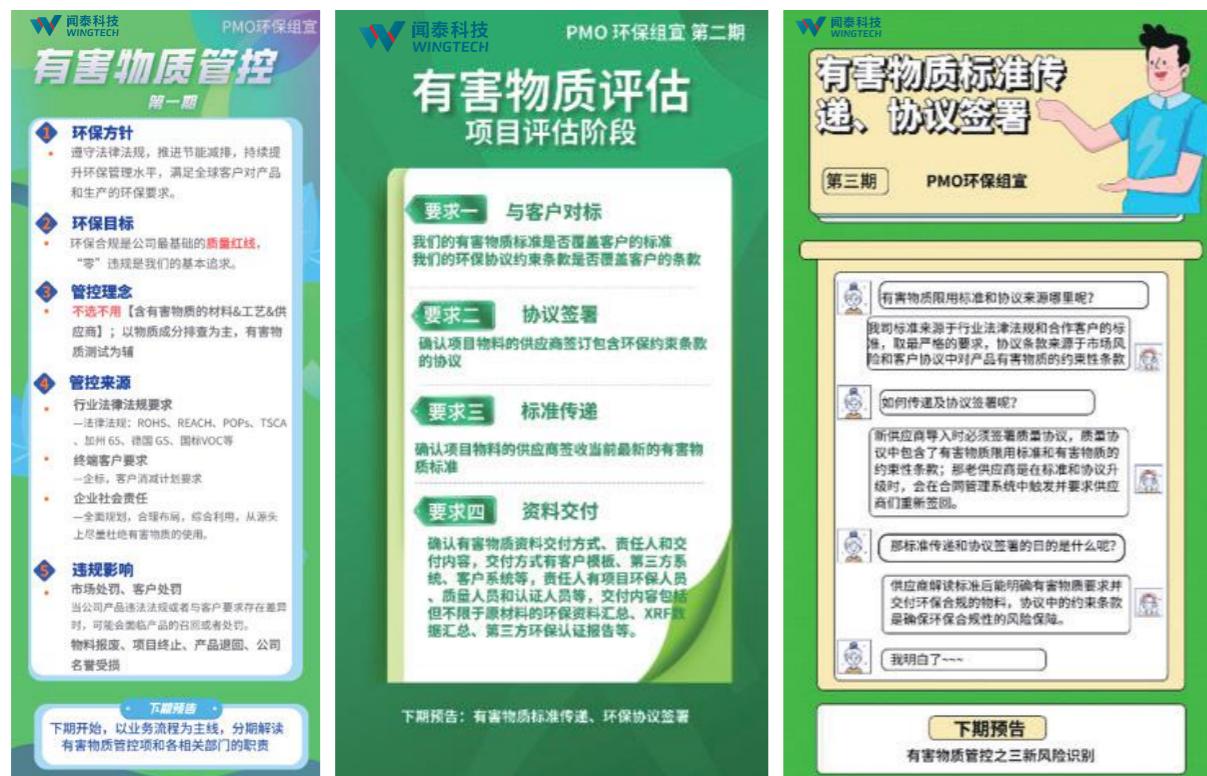
Wingtech is well aware of the importance of environmental management and incorporates this awareness into the training of all employees. We have incorporated knowledge of hazardous materials management in our annual training program and orientation training, with the aim of raising employees' awareness of environmental protection and enhancing their ability to control hazardous substances. We also provide online training on hazardous materials management to our suppliers.



Environmental Management Training and Advocacy

Through various channels, such as internal advocacy posters, Wenda forums, and Wingtech School, we provide environmental management education for all employees, aiming to enhance their awareness of hazardous substance control.

During the Reporting Period, we provided general training and advanced training on hazardous substance management for all employees involved in quality services. The training covered case studies of excess hazardous substances in the development process, which served as a warning to employees, and underscored the compliance with relevant regulations to avoid negative outcomes.



Wingtech Hazardous Substance Control Advocacy Posters

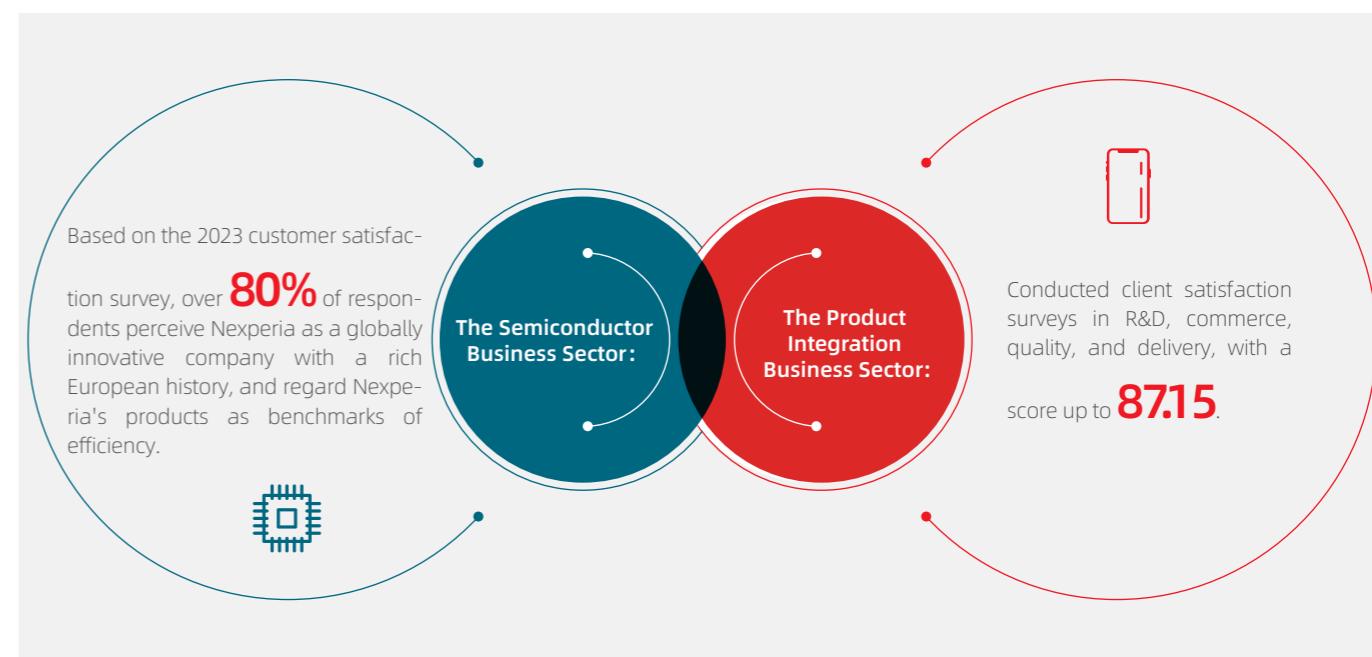
Customer Service Management Optimization

Wingtech Technology is committed to providing high-quality products and services, continuously advancing and improving the customer service system throughout the entire lifecycle to establish a good industry reputation. We are continuously enhancing the customer service system and developing various customer complaint and feedback handling procedures to standardize the process, allowing for timely identification of issues within the management system. The Company has established and issued management documents such as the *Business Guidelines for Client Satisfaction Control*, the *Business Guidelines for Response to Clients' Complaints*, and the *Customer Reception Process and Standard Manual* to establish standardized return and analysis processes for defective products, promoting continuous product improvement to meet customer expectations and needs.

We employ an Integrated Product Development (IPD) management approach that spans product evaluation, development, validation, and release stages to comprehensively serve customers. To ensure the efficiency and professionalism of our services, the Product Integration Business Sector appoints eight representatives at the project level, including R&D, sales, product, manufacturing, quality, procurement, supply, and finance representatives, all possessing professional skills and extensive experience in their respective fields. Through cross-departmental teamwork, they promptly respond to and meet customer needs, providing superior service.

Additionally, we regularly visit and communicate with customers and collect their feedback on products and services through customer satisfaction surveys. For any shortcomings identified, the respective departments conduct root cause analysis and corrective actions to ensure customers receive high-quality service. For more detailed customer service content regarding the Semiconductor Business Sector, please refer to the *Nexperia 2023 Sustainability Report*.

Furthermore, we set Quarterly Business Review (QBR) target scores to continuously supervise and manage our service quality. When the estimated QBR score from customers is about to fall below the target, we take timely measures to address the issue through internal warning letters and the establishment of special improvement teams and organizational special improvement meetings, aiming to enhance service quality from the source.



03

Be Upward and Pursue Win-Win Business

The win-win cooperation is not only a business concept, but also an important engine for long-term success. Sound corporate governance, coupled with efficient management of business partner relationships, serves as the double assurance for enhancing core competitiveness and promoting sustainable development. Wingtech is committed to establishing a robust internal control system and continuously improving the level of corporate governance and operational capacity to ensure that the Company operates in the best long-term interest of our shareholders and the organization as a whole.

Key Performance

3 General Meetings of Shareholders, 14 meetings of the Board,

and 9 meetings of the Board of Supervisors were held

Female directors accounted for 40%, female supervisors

accounted for 66.7%

The ISO 27001 Information Security Management System Certification was obtained

Contributions to UN SDGs



Corporate Governance and Risk Management

We strictly complies with the applicable laws of the place where it operates, such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, etc. We have also established a governance structure composed of the General Meeting of Shareholders, the Board, the Board of Supervisors, and the Senior Management to effectively safeguard the interests of investors and the Company.

Governance Structure

The Group has established a corporate governance framework centered around the General Meeting of Shareholders, the Board, and the Board of Supervisors. Moreover, we have developed a sound management system for this structure. Under this system, the Board leads and supervises the Group's business development and operations, and governs four professional committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategic Committee. These committees support the Board in carrying out its decision-making and supervisory duties, ensuring that decisions are both prudent and compliant.

General Meeting of Shareholders



We strictly abide by the requirements of the to regulate the convening, holding and voting procedures of the General Meeting of Shareholders. Shareholders are entitled to certain rights and assume certain obligations according to the class of shares they hold. The rights and obligations assumed correspond to the class of shares held by shareholders. We enlist the services of legal practitioners in the General Meeting of Shareholders and to issue legal opinions and announcements on the convening and voting procedures of the General Meeting of Shareholders, which embodies our unwavering commitment to uphold the lawful rights and interests of all shareholders.

The Board



Wingtech prioritize the interests of our shareholders and scientific decision-making. Our process for electing directors follows the guidelines stipulated in the *Articles of Association*. When selecting candidates for the Board, we fully consider various dimensions such as skills, knowledge, gender, age, cultural and educational background, or professional experience to establish a diversified Board of Directors, thereby enhancing corporate governance and decision-making ability, and ultimately achieving the goal of sustainable development.

We ensure that the selection of directors is open, fair and independent, and have a highly talented Board of Directors composed of industry experts with diverse backgrounds in areas such as semiconductors, finance, accounting, marketing, etc. They have accumulated rich professional experience in their respective fields. As of the end of the Reporting Period, the Board consisted of five directors, including two independent directors, and the proportion of female directors was 40%.

The Board operates in full compliance with the legal requirements and provisions of the and follows standard norms in terms of convening methods, procedures, voting methods and resolutions.



Corporate Governance Structure of Wingtech

The Board of Supervisors



To further enhance the working efficiency and scientific decision-making of the Board of Supervisors, all members of our Board of Supervisors are elected in strict accordance with the election procedures stipulated in the *Company Law* and the *Articles of Association*. We have also formulated and clarified the rules of procedure, the discussion method, and the voting procedure. We hold meetings of the Board of Supervisors on a regular basis to provide oversight and offer feedback regarding the operation of the Company and the performance of duties by the directors and the senior management of the Company. As of the end of the Reporting Period, we had a total of three supervisors, two of whom were female, accounting for 66.7%.

Investor Communication

In order to ensure true, accurate, timely and complete information disclosure, we have developed the *Information Disclosure Management Regulations* and the *Internal System for Material Information* in strict accordance with relevant laws and regulations, which further refine the management of investor relations.

We take the initiative to strengthen communication and exchanges with shareholders and public shareholders through various means such as the General Meeting of Shareholders, regular reports, sns.sseinfo.com, and investor meetings. We vigorously manage the relationships with investors and patiently respond to their inquiries.

In addition, in order to improve the effect of information disclosure, we make our financial reports more accessible to investors by publishing them on our official Weibo account, WeChat public account, and other platforms after the disclosure of periodic reports, providing timely and comprehensive updates to all investors on our operation and development progress.

Case

Carry out Investor Exchange Activities, Show the Open and Transparent Image

During the Reporting Period, Wingtech conducted several communication activities for investors to further bolster communication and understanding with the investment community. All investor communication activities were led by at least one of our four senior management members, namely the Chairman, the Board Secretary, the Chief Financial Officer, and the Vice President. Their presence not only underscores our dedication to investor relations but also elevates the professionalism and credibility of these engagements. Participants included major investment institution representatives and other key stakeholders. We organized open discussions, addressing their concerns and inquiries about our operations, financial situation, future strategies, and market competitiveness.

Additionally, to allow participants to have a more intuitive understanding of the business operation and technical strength of Wingtech, we organized comprehensive tours of the Company and plants for stakeholders, allowing them to learn about our production processes, technology innovation capabilities, and quality control standards of product. Through these communication activities, we not only enhanced mutual understanding with existing and potential investors, but also established a positive, open, and transparent corporate image, showcasing our commitment to promoting industry development alongside our stakeholders.



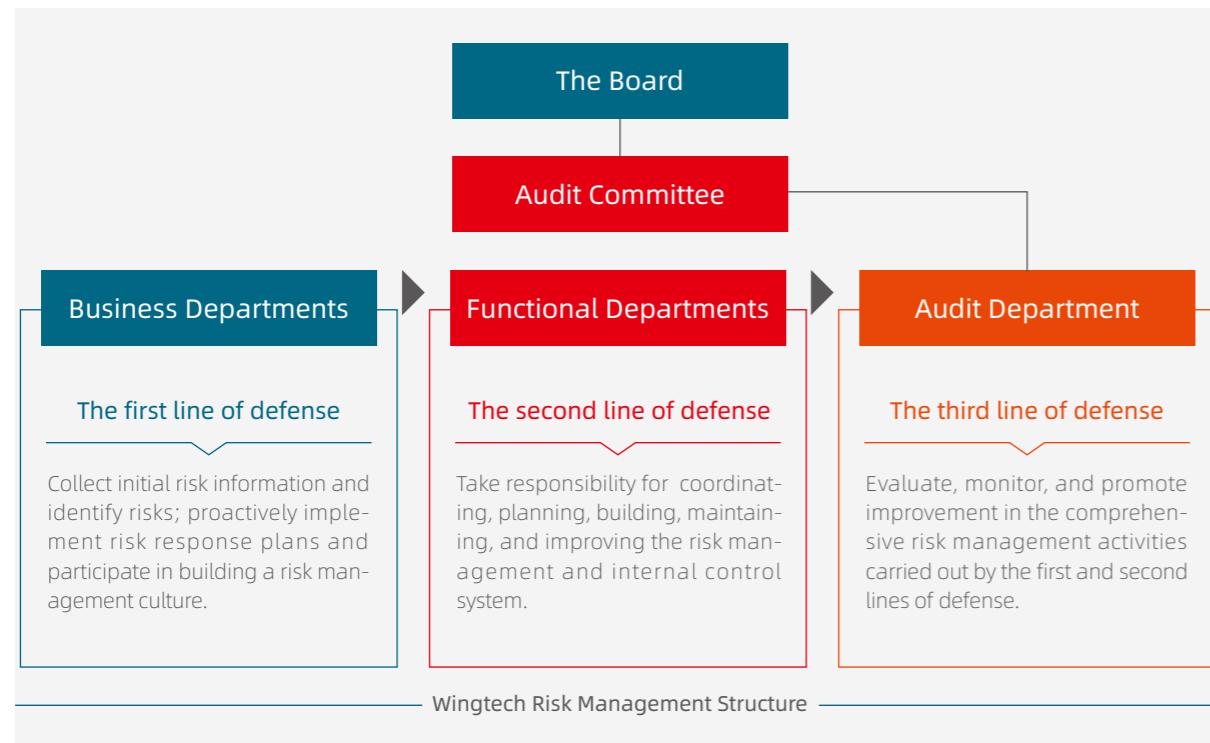
Wingtech Investor Communication Activities

Risk and Compliance Management

Wingtech believes that the implementation of a comprehensive risk control system is the key to steady development. To timely identify and address business risks promptly in a complex international context, Wingtech continuously strengthens the risk control system, systematically identifies risk spots in business operations and implements risk mitigation and avoidance measures.

Improve Risk Management

Wingtech continuously identifies and monitors potential risks across multiple areas including product export, technology development, work safety, sales management, quality control, and financial accounting. To promptly take corresponding effective control measures, targeted emergency plans including the *Emergency Network Security Incident Plan and Handling Flowchart* was established. The Board / Audit Committee are the highest decision-making bodies for the Company's risk management. During the Reporting Period, Wingtech has established a comprehensive risk management process to effectively reduce risk levels. Our risk management framework consists of three lines of defense: Business Departments, Functional Departments, and the Audit Department:



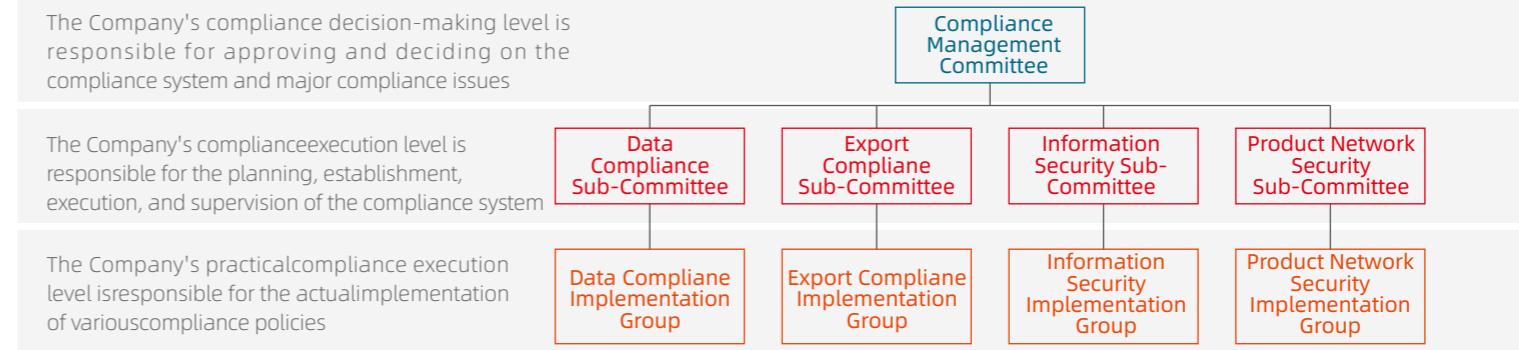
The Group integrates enterprise risk management into the business management and the compliance management system to establish a routine and dynamic risk management model. Through early warning risk indicators, we guide business departments in developing appropriate corrective actions and continuously optimize the implementation of risk management. A company-level emergency team is established in response to specific incidents. The emergency team is tasked with assessing and overseeing the comprehensive risk management efforts and facilitating the implementation of risk mitigation. Furthermore, we have set up an International Situation Risk Response Team, which is made up of senior management and the heads of supply chain, strategy, procurement, sales, manufacturing, products, finance, legal affairs, investment and financing, capital market, and public affairs. This team is designed to quickly respond to operational risks arising from complex international situations and to make timely and rational decisions under various conditions. During the Reporting Period, the Semiconductor Business Sector has implemented digital system to manage risks within the organization, enabling efficient and effective identification, analysis, and monitoring of internal risks within the organization.

The Group has also scientifically implemented a clawback mechanism to manage the salary risks of the Board and management effectively. When the Company's directors, supervisors, president, and other senior management members breach their duties to the Company, besides the rights and remedies specified by law, the Company can reclaim all or part of their compensation. These individuals must also return any benefits gained from such breaches.

Compliance Management

Wingtech has established the *Internal Audit System* and *Internal Audit Work Standards* by following laws and regulations such as the *Company Law of the People's Republic of China* and the *Basic Internal Control Norms for Enterprises*. These initiatives aim to standardize the internal audit work within the Group, and enhance the internal audit in promoting economic management and improving economic efficiency of the Company. During the Reporting Period, we issued the *Audit Guidelines for Continuous Compliance with Import and Export Business* and *AEO Advanced Certification* to comprehensively regulate the effectiveness of risk management in import and export business, the authenticity and integrity of financial information, and the efficiency and effectiveness of business operations.

We have developed a three-tiered compliance management structure focusing on data, export, information security, and product network security. The *Compliance Management Committee Establishment and Operation Standards* and other policies have been formulated to standardize the operations of the Compliance Management Committee. The Compliance Management Committee is in charge of reviewing the Company's compliance system and major compliance issues and coordinating internal and external resources. Under the Compliance Management Committee, there are four sub-committees responsible for the planning, establishment, execution, and supervision of the compliance system. The practical compliance execution level is in charge of the implementation of various compliance policies:



Wingtech Compliance Management Framework

Facing the global business landscape, the Compliance Management Committee collaborates with domestic and international law firms to conduct compliance risk assessments on the Company's specific operations and actively respond to relevant risks. During the Reporting Period, the Company completed compliance management related to export controls and an internal audit of data compliance and identified a list of compliance risks and a list of major compliance matters. For the compliance of product export, we sign compliance terms with customers, ensuring that the products provided to them would not be used, sold, re-exported, or incorporated by any individuals or entities listed on any government prohibition or restriction list, either directly or indirectly.

In light of policy changes from various government departments, we have formulated and dynamically disseminated rules on export control and economic sanctions. Furthermore, we have published guidelines such as the *Export Control Compliance Guidelines for the Procurement Center* and the *Export Control Compliance Guideline for the Sales and Marketing Center*, aiming to assist our colleagues in related business segments promptly. During the Reporting Period, we have also integrated denied party screening software (DPS software) to regularly screen suppliers against restriction lists from various countries. Compliance officers and legal staff will update and assess the restriction lists in real time and communicate any changes to colleagues in the Sales and Marketing Center immediately.



Strengthening Compliance and Risk Management by Being a Vigorous Part of the Industry

During the Reporting Period, Wingtech actively engaged in various compliance and risk management industry exchanges, including significant events like the Exchange for Comprehensive Guidance on Building a Compliance System for Sanctions and Export Controls, China Global Compliance Summit, etc. At these industry exchanges, Wingtech discussed the latest trends and practical experiences in compliance management with industry experts and peers. In this way, we enriched our understanding of compliance and risk management, and obtained valuable references and guidance for the Company's future compliance efforts.



2023 China Global Compliance Summit



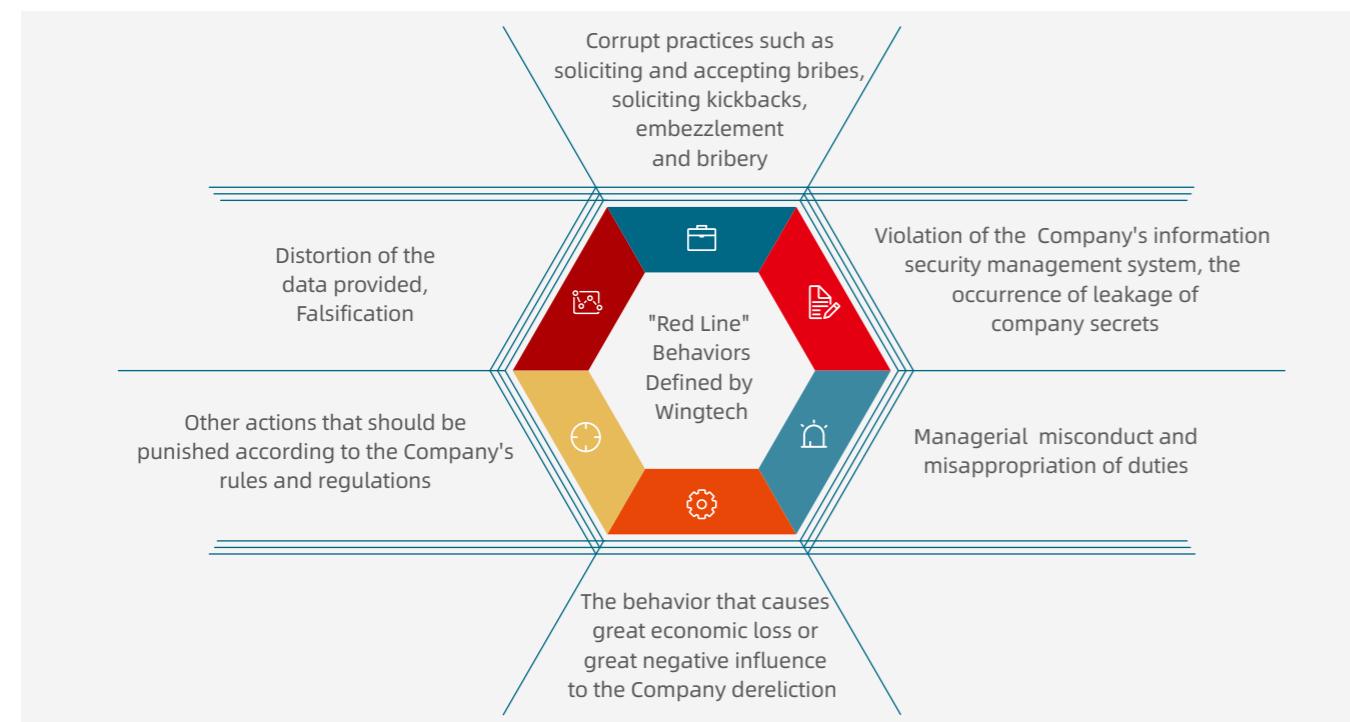
Exchange for Comprehensive Guidance on Building a Compliance System for Sanctions and Export Controls

Business Ethics and Integrity Compliance

We are well aware that business ethics is key to ensuring the Company's long-term and robust development. Wingtech actively practices the core values of "Be Upward, Be Kind, Be Sunshine" and strictly adheres to relevant laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Company Law of the People's Republic of China* in operational locations. Besides, we adopt a zero-tolerance attitude toward any violation of business ethics, regardless of age and rank. Any dishonest candidate will be rejected from being hired. For further ethical practices in the Semiconductor Business Sector, please refer to the *Business Integrity* chapter of *Nexperia 2023 Sustainability Report*.

Business Ethics System

Wingtech have formulated the *Regulations on Supervision*, the *Code of Conduct* and the *Management Procedure for Labor and Business Ethics*, regulating the behavior of management and employees, and eliminating illegal and disciplinary actions. We require all employees (including part-time and contractors) to be honest and self-disciplined in their business and production activities and to learn, master, and comply with all requirements of the *Code of Business Conduct*. During the Reporting Period, we summarized risk behaviors across seven functions, including supervision, supply, procurement, finance, information security, code of conduct, and legal affairs and regulations. On this basis, we formulated the *Red Line Management System*, which precisely defines violations and further eliminates incidents potentially impacting the Company's normal operations due to human factors. If an employee breaches the defined "Red Line", resulting in direct or indirect financial losses for the Company, damage to the Company's image, or violations of ethical standards, system requirements, and corporate culture, we will follow the *Employee Behavior Reward and Punishment Management Measures* to take disciplinary action against such violations, thereby protecting the Company's image and interests.



Wingtech Adopts Zero Tolerance for
Violations of Business Ethics

Click to learn more:

[Wingtech Employee Code of Conduct](#)

[Nexperia Code of Conduct](#)

Business Ethics Review

As the highest governing body for business ethics within the Group, the Board is responsible for overseeing issues related to business ethics. Each business sector establishes its own management structure for business ethics based on characteristics such as operational regions and business directions. Specifically, the Product Integration Business Sector appoints the Supervisory Committee as the dedicated department responsible for investigating and handling corrupt practices. The Supervisory Department, serving as the executive department for supervision, implements vertical management in business operations. Each first-level department appoints a director-level or above personnel as the Department Supervision Interface Person to fully cooperate with the work of the Supervisory Department, which also conducts assessments and evaluations of the Department Supervision Interface Persons. The Semiconductor Business Sector appoints an Ethics Committee, comprised of the COO, HR Director, Senior Director Legal, and Head of Global Audit of Nexperia, to oversee comprehensive management of Nexperia's business ethics and compliance operations. During the Reporting Period, we sent self-inspection emails regarding fraudulent behavior to all employees, encouraging them to self-declare. If employees self-declare corruption or fraud within a specified period and actively return illicit gains, the Company will consider mitigating, reducing, or exempting punishment.

The Group's Audit Department annually undertakes internal audits on all operations of Wingtech, focusing on internal control and risk management. These internal audits prioritize business operations, with compliance and internal control at their core, and place significant emphasis on business ethics as a crucial audit point. Regular audits are conducted annually in major business regions based on the type and place of the business.

We conduct a thorough review of the integrity records of employees eligible for promotion, salary increase, and commendation, and exercise veto power over the promotion and salary increase of any employee who has seriously violated business ethics. During the Reporting Period, Wingtech identified several cases of fraud and transferred 4 individuals to the judicial authorities, which saved the Company from direct or indirect economic losses and the punishment results were communicated to all employees.



While ensuring the Company's integrity in business operations, Wingtech continuously pays attention to the business ethics of suppliers and communicates the ethical requirements and policy to suppliers through regular interactions and at supplier conferences. Wingtech require all suppliers to sign the *Letter of Commitment to Integrity* to oppose commercial bribery and unfair competition. Once suppliers are proven to have broken corporate ethics, such as by bribing Wingtech workers, they will be placed on the List of non-cooperation. During the Reporting Period, we monitored and identified 3 suppliers with fraudulent behaviors and permanently blacklisted them.

Establishment of Integrity Culture

Wingtech places high importance on the anti-corruption awareness of all employees, including part-time and contractors. We employ various methods to enhance all employees' understanding of the importance of business ethics and regulatory systems. Besides orientation training, we annually send out publicity materials on business ethics during significant festivals. For outsourced staff and interns, we also regularly organize online courses on the Code of Business Conduct to remind them to maintain integrity and self-discipline.

We organize both online and offline training sessions on a regular basis, which cover topics such as anti-corruption laws and regulations and corporate rules and systems to help employees enhance their understanding and mastery of pertinent knowledge. Additionally, anti-corruption posters and slogans are displayed in the Company to remind employees to follow standards and guide them to develop proper business ethics. Through these initiatives, we endeavor to establish an honest, transparent, and fair corporate culture, which serves as a solid foundation for the Company's sustainable development. By the end of the Reporting Period, the Product Integration Business Sector had conducted a total of 45 training sessions on business ethics, reaching 2,796 attendees.

Since 2021, Wingtech has become a member of the "China Enterprise Anti-Fraud Alliance", and actively participated in various activities organized by the alliance. During the Reporting Period, the China Enterprise Anti-Fraud Alliance held "Leading Enterprises with Integrity and Innovation exclusive" event for its members. We joined with over 100 representatives and colleagues from industries such as manufacturing, real estate, internet, commerce, and logistics to explore the path of integrity and innovation and to safeguard the high-quality and long-term development of us.



Training themed on Preventing Corruption and Duty-Related Crimes

During the Reporting Period, the head of the Supervision Department of Product Integration Business Sector conducted business ethics training activities for all employees of Product Integration Business Sector, which was themed on *Preventing Corruption and Duty-Related Crimes*. This training aimed to strengthen employees' awareness and understanding of business ethics and to raise their vigilance against duty-related crimes.

We provided employees with detailed explanations of common duty-related crimes in private enterprises, delved into the causes and impacts of these crimes, and proposed corresponding prevention and resolution strategies. Through this training, we hope to further enhance the business ethics awareness among all employees, and improve their ability to identify duty-related crimes, thus working with them to protect the Company's good reputation and development environment.

What's Your Limit Theme Training

During the Reporting Period, the Semiconductor Business Sector conducted *code of conduct* training and ethical conduct dissemination activities for all employees under the theme *What's Your Limits*. Nexpria encourage all employees of the Semiconductor Business Sector to bravely report any suspicious misconduct and communicate Nexpria's high standards of business ethics and values.



Channels for Complaint and Reporting

Wingtech has established numerous reporting channels, including the Company's official website, reporting hotline, WeChat, and Official Account. By embracing the monitoring and reporting from all external stakeholders, including clients and suppliers, we can boost internal supervision while also identifying issues and enhancing our capacity for supervision.

o o o

- Reporting mailbox: a mailbox hung at an appropriate location in the office area
- Reporting email: wingtech_jc@wingtech.com
- Report website: [Wentai Technology official website - integrity complaints channel](#)
- Reporting telephone: 0755-22905515-6013, 18820246013 (also the WeChat number)
- Reporting wechat: 18820246013
- Official account: "Wingtech Supervision" WeChat Official Account
- Letters and visits: Office of the Supervisory Committee, 3/F, Podium Building, Kingkey Oriental Metropolis Tower, No. 1003, Yanhe North Road, Luohu District, Shenzhen



To further prevent and combat corruption, Wingtech has formulated systems related to reporting, as well as perfected the channels and processes for handling reports. Employees and external related parties can report violations of professional ethics or related incidents through emails, telephone, and other channels. For employees who report violations of laws and regulations within the Company, once the case is verified, rewards will be given to the whistleblowers based on the circumstances. We advocate for real-name complaints and reports, while also accepting anonymous complaints and reports. We have established a reward system for whistleblowers and a confidentiality system for their information, ensuring strict confidentiality of the whistleblowers' information and strictly prohibiting the disclosure of the whistleblowers' identity or revealing the reporting materials and whistleblowers' situations to the reported unit, the reported person, or other unrelated personnel. Furthermore, Wingtech Technology explicitly stipulates that no one may retaliate against whistleblowers in any form. If a whistleblower suffers any form of retaliation, We will promptly initiate an intervention procedure, deal with the retaliatory behavior severely, and pursue legal responsibilities for those who violate national laws and regulations. The Semiconductor Business Sector has established a SpeakUp Line that allows every employee, supplier, business partner, and other stakeholder to submit complaints anonymously. During the Reporting Period, we received 54 submissions via the SpeakUp Line and have followed up on all cases in compliance with our EC guidelines.

Information Network Security and Privacy Protection

With the rapid development of information technology, not only has it brought opportunities for the digital development and technological evolution of Wingtech, but it has also posed challenges to our information security management and business stability. Wingtech highly value the security of information and data. We have formulated the information security policy of prevention-based, fast response, responsibility of information security for everyone to regulate our information security management. During the Reporting Period, the Product Integration Business Sector set an annual goal of zero loss for the New Product Introduction (NPI) stage and implemented strict risk management measures at each key node, successfully achieving the set target; Our Semiconductor Business Sector has achieved "Zero high-level data breaches". For further information security protection measures in the Semiconductor Business Sector, please refer to the *Cybersecurity, Data Protection and Privacy chapter of Nexpria 2023 Sustainability Report*.

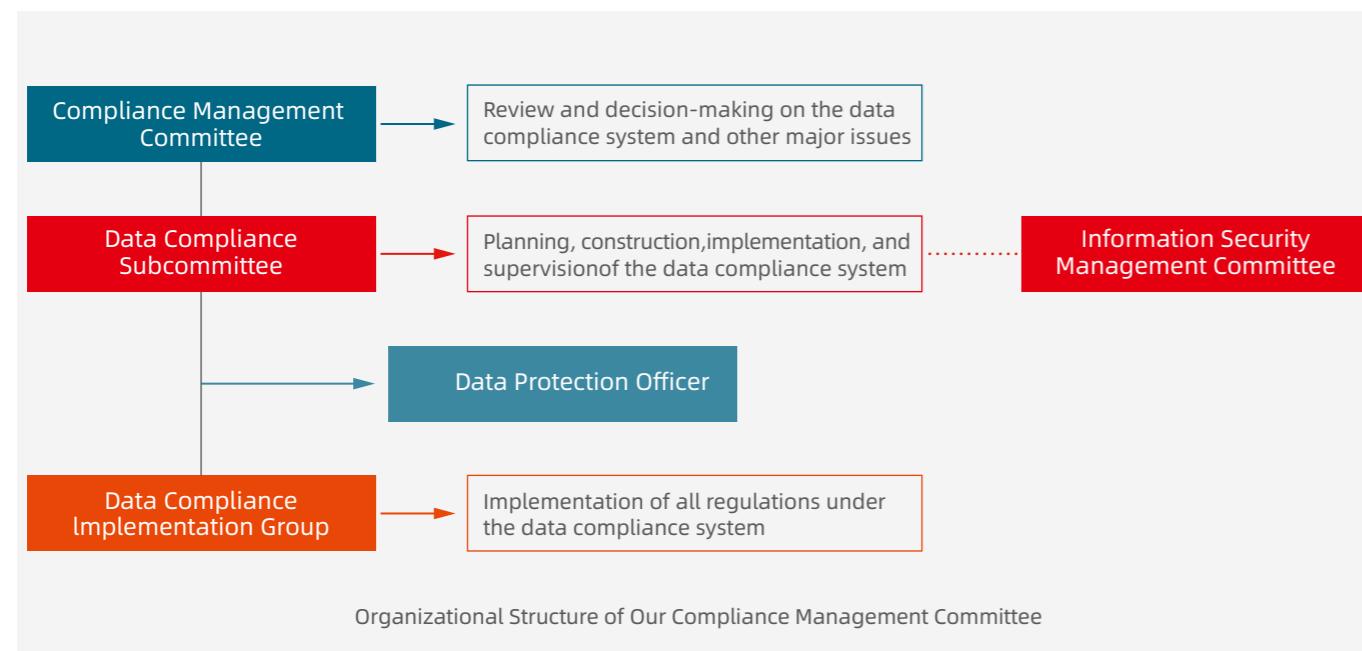
Information Network Security Management System

Wingtech Technology strictly adheres to relevant laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China*, *General Data Protection Regulation (GDPR)*, etc. Based on the requirements for information security outlined in these laws, we have formulated the *Information Security Management System*, the *Product Network Security Management Procedure*, the *Employee Red Line Management System* and other regulations to clarify the Company's requirements for information security.

At the same time, we uphold the requirements of the ISO 27001 Information Security Management System standard to establish, implement, maintain, and improve the Company's information security management system. During the Reporting Period, we further standardized the information security of our outsourcing departments and added information security requirements for outsourcing demand departments, outsourcing procurement departments, outsourcing development, and other outsourcing partners in related system regulations such as the *Construction and Exit Operation Guide for External Confidential Areas* and the *Daily Management Specification for External Confidential Area Security*. This is to strictly regulate the responsibilities of all parties and ensure that work matters are completed safely and efficiently.

To strengthen the Company's information security management capabilities, we have established a three-tier data security management structure consisting of the Compliance Management Committee, the Data Compliance Subcommittee, and the Data Compliance Implementation Group, to effectively ensure the actual implementation of various systems under the data compliance system.

The Information Security Management Committee and the Data Compliance Subcommittee operate in parallel to jointly supervise the construction and execution of the Company's data security. Wingtech has established the Product Network Security Subcommittee under the Product Safety Committee, which is responsible for the construction of the product network security system and the decision-making of daily matters. The Product Network Security Implementation Group is responsible for the actual execution.



Wingtech Technology's subsidiaries also formulate relevant systems in line with both their business scope and our general principles of information security. For example, Semiconductor Business Sector formulated the *Information Security Policy* with reference to the Cyber Security Framework (CSF) of the National Institute of Standards and Technology (NIST) of the USA. Similarly, Product Integration Business Sector has formulated the *Factory Information Security and Confidentiality System*, to integrate information security into its business process. Our four subsidiaries have been certified by the ISO 27001 Information Security Management System Certification.



Information Security and Privacy Protection

We continuously improve our network security capabilities in primary protection, basic protection, systematic control and other aspects with the aim of "Eliminating Objective Threats and Subjective Fear." We employ practical management and control means for information security management, such as routine inspection, audits, and reporting incentives.

Wingtech places a high emphasis on the information security and privacy protection of its employees. To prevent the leakage of employee information, the Legal and Compliance Department has formulated the *Employee Personal Information Handling Guidelines* for colleagues in the HR Department to enhance their awareness and execution of personal data protection. During the recruitment process, we also ensure the legal collection and protection of personal information, ensuring the transparency and legality of information collection.

We prioritize the information security of clients, employees, and ourselves. To ensure confidentiality, we require all employees to sign a general information security confidentiality agreement that outlines the repercussions and criminal liability for breach of contract, and key employees are required to sign a special confidentiality agreement. It is strictly forbidden for anyone to illegally obtain, disclose, tamper with, damage or sell personal data and information of clients and other people of the Company, gain unauthorized access to client systems and equipment, or collect, store, process and modify data and information within clients' networks and equipment. In addition, we have set up physical isolation zones in areas that may involve customer confidentiality, namely confidentiality zones.

Case

Creating an Information Security Knowledge Platform to Spread Information Security Culture

To strengthen the cultivation of information security awareness and the management of information security, we adopted various measures during the Reporting Period. We specially created an information security knowledge platform with a rich content format to expand the dissemination of information security culture. The platform covers 59 business-related processes, 14 operation guides, 18 security training sessions, 75 security promotion messages, and 9 violation cases, providing employees with abundant information security references and learning resources while enhancing the management level of employee information security.



Information Security Training

We bolster our efforts in information security publicity by regularly disseminating information security-related knowledge through e-mail, online self-study courses and on-site training sessions. We also pay great attention to raising employees' awareness of network security, carry out a series of training activities related to product network security, including security system training for new employees, project security strategy training, and product network security baseline training. At the end of the Reporting Period, the Product Integration Business Sector has carried out 94 information security related training sessions, covering 7,456 people in total.



Continuously Promoting Information Security Training to Cultivate Information Security Awareness

We attach great importance to the cultivation of employee information security awareness to reduce the risk of information leakage. During the Reporting Period, the Product Integration Business Sector continued to advance a series of training plans to ensure that all employees have a good understanding and grasp of information security. These trainings include information security training for all new employees upon their induction, customized information security training for various functional departments, and annual information security training for all employees. The training content covers detailed introductions to the Company's information security management measures such as information security classification and permission control, as well as solutions for common information security issues. We also regularly disseminate information security awareness to all employees through emails and other means, aiming to inspire employees to play an active role in protecting the Company's data and assets, and to safeguard the security of the Company.

The Information Security (InfoSec) Management Department of the Semiconductor Business Sector collaborates with IT and business teams in each operating location to provide training and awareness campaigns on information security and data protection for employees. We oversee the implementation of information security training and regularly publish articles on data protection in Nexperia's e-magazine, X.press. Additionally, Nexperia conducts additional training for departments handling personal data, such as the HR department.



Annual Information Security Training of the Product Integration Business Sector



Industrial Exchanges and Industrial Development

Wingtech Technology believes that deepening exchanges and cooperation helps achieve mutual benefits and development with global elite partners. We promote industry exchanges, cultivate industry talents, to achieve multi-party wins and the prosperity of the industrial chain.



Industrial Exchange and Cooperation

Wingtech Technology is committed to actively building an industrial ecosystem, driving the coordinated development of the upstream and downstream of the industrial chain. Through in-depth exchanges with industry partners, we continue to broaden the field of cooperation and promote the goal of achieving high-quality development together.

Case

Participating in the Telecommunications Industry Climate Change and Circular Economy Forum

The circular economy is an important driving force for climate change. During the Reporting Period, We was invited to participate in the Telecommunications Industry Climate Change and Circular Economy Forum. Through this forum, we gained an in-depth understanding of the European Union carbon market, China's circular economy, and carbon management requirements, including the EU Carbon Border Adjustment Mechanism, EU Battery Regulation, German Supply Chain Due Diligence Act, etc.



Telecommunications Industry Climate Change and Circular Economy Forum

Case

Joining Forces with Tsinghua to Build a Joint Research Center, Accelerating Technological Innovation

China's electric vehicle market is in a global leading position, leading to a huge demand for products such as charging piles and charging modules. During the Reporting Period, Wingtech Technology cooperated with the School of Integrated Circuits at Tsinghua University based on their respective advantages to jointly establish a joint research center, dedicated to the R&D of automotive-grade semiconductors. This cooperation combines Tsinghua's research environment and talent advantages with Wingtech Technology's industry technology and market layout, aiming to accelerate technological innovation and promote the development of electric vehicles and their charging infrastructure.



Wingtech and Tsinghua University Jointly Establish Collaborative Research Center



04

Be Worthy and Develop with Talents

Wingtech Technology adheres to a "People-oriented" business philosophy, treating talent as the most valuable asset in the development of us and focusing on the legitimate rights and interests of employees. We create a fair and friendly workplace atmosphere, provide a safe and healthy working environment for employees, establish a comprehensive talent development system, and strive to advance the mutual growth and shared success of employees and Wingtech Technology.

Key Performance

Total number of employees is **31,497**

Hours of training per capita **41.19** hours

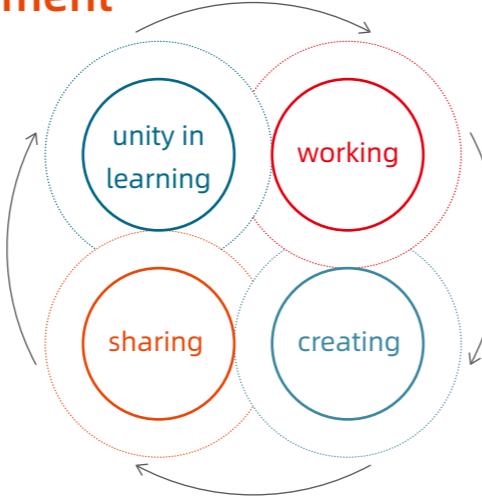
Number of internal training lecturers is **2,696**

Contributions to UN SDGs



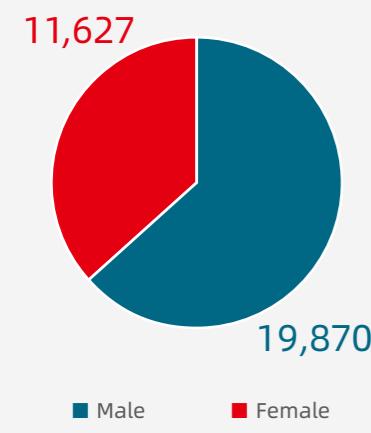
Employee Rights and Compliant Employment

Wingtech Technology adheres to the labor management philosophy of "Unify in Learning, Working, Creating, and Sharing", strictly follows and implements the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, and other laws and regulations in the operating locations of various businesses, actively responds to the *Universal Declaration of Human Rights*, the *International Labour Organization (ILO) Conventions*, and *Convention on the Rights of the Child*, and other international conventions and laws, and has formulated internal systems such as *Recruitment Management System*, *Employee Resignation System*, *Employee Handbook*, etc., to practically safeguard employee rights and interests. Meanwhile, Wingtech Technology (Wuxi) Co., Ltd. has passed the BSCI Business Social Compliance Initiative certification. Semiconductor Business Sector has been a member of the Responsible Business Alliance (RBA) since 2017, fully supporting RBA's vision and mission.



As of the end of 2023, Wingtech had a total of **31,497** employees.

Staffing Structure (By Gender)



Staffing Structure (By Region)



Labor Management

Wingtech Technology prohibits the use of child labor and forced labor. We have formulated relevant systems such as the *Management System for the Protection of Juvenile Workers and Child Labor*, continuously standardizing employee recruitment identity verification processes and child labor remediation procedures, verifying the identity of applicants by requiring them to present their real and valid ID documents, signing labor contracts that meet legal standards with all employees; if any violation of employment policies is found, the Company will take timely measures to maintain a legal employment environment. In addition, we ensure employees' freedom of employment and reasonable working hours, stipulate in the *Forced Labor Prohibition Management Procedure* that the use of forced, bonded, contract, or involuntary employees is strictly forbidden, publicize the procedure for employees to complain about forced labor, and strictly deal with the use of forced labor.

Responsible Labor Management

As a member of the Responsible Business Alliance (RBA), the Semiconductor Business Sector has established a Social Responsibility Management System. This system encompasses measures, policies, and social responsibility audit standards related to human rights and labor rights. It also complies with the guidelines of the Responsible Business Alliance. For more information on the Semiconductor Business Sector's employment management initiatives, please refer to the *Nexperia 2023 Sustainability Report*.

Protection of Human Rights

Wingtech Technology firmly believes that only by respecting and protecting human rights can the Company maintain its long-term prosperity. We strictly comply with the human rights-related laws, regulations, and standards of each operating location, and refer to the *Responsible Business Alliance Code of Conduct*, *JAC (Supply Chain Sustainability Audit Guidelines)*, *Business Social Compliance Initiative Code of Conduct*, and *SA 8000 Social Responsibility International Standard*, combined with the actual situation of the Company, to compile and continuously improve the CSR Social Responsibility Management Manual to guide the Company's labor management work.

To ensure that the Company's sustainable development management system meets the relevant requirements of labor, health and safety, environment, and ethics, and fulfills corporate social responsibilities, during the Reporting Period, the Product Integration Business Sector established a corporate social responsibility (CSR) risk list with more than 100 indicators and conducted internal audits in the production and operation locations, actively promoting improvements based on the issues found in the internal audits.

Wingtech Technology respects employees' rights of joining trade unions, freedom of association, collective bargaining, and equal negotiation, and does not interfere with or sanction employees participating in negotiations. Through the Workers' Representative Congress, we listen carefully to the voices and needs of employees, ensuring that communication and exchange channels between the Company and employees are unobstructed.

During the Reporting Period, all employees of our Product Integration Business Sector joined the labor union, with a 100% participation rate in signing the collective agreement. The Jiaxing factory won honorary titles including the Industrial Workforce Construction and "Reform Model of Nanhu District" and the "Worker Pioneer of Nanhu District". The Semiconductor Business Sector is also regularly involved in social dialogue with employee representation bodies, such as workers' councils and trade unions. Nexperia currently has collective bargaining agreements in place in several countries, such as Germany, the Philippines, the Netherlands, and UK site.



2023 Employee Representative Conference

Recruitment Channels

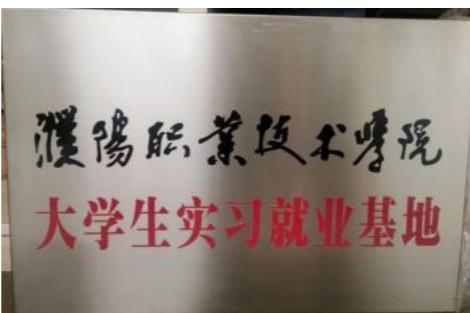
Talent diversity is the source of enterprise innovation and competitiveness. To meet the Company's needs for continuous, stable, and rapid development of talent and build an elite team that meets future development needs, we have formulated the *Recruitment Management System* to clarify and standardize the Company's recruitment implementation process, ensuring the quality of talent. Wingtech Technology adheres to the principles of "Legal and Compliant" and "Job-person Matching," using diversified recruitment channels and mechanisms such as internal recommendations, social recruitment, campus recruitment, headhunting recruitment, and school-enterprise cooperation to quickly lock in more outstanding young talents to join Wingtech Technology, injecting strong momentum into the talent resource pool of Wingtech Technology. The Semiconductor Business Sector has two programs in place to encourage employees to recommend suitable candidates for open positions: TalentMagnet and the Global Referral Program.

During the Reporting Period, we revised a series of recruitment policies, such as the *Recruitment Management System*, the *Internal Transfer System* and the *Cross-Business Sector Transfer System*, and established standard transfer procedures. With these efforts, we had reasonably arranged internal HR, promoted the reasonable mobility and allocation of talents, and improved the coordination and compliance of internal transfer.

• Case

Internship and Employment Base for College Students

Wingtech's Wuxi factory cooperated with Puyang Vocational and Technical College to provide students with internship opportunities and select excellent technical talents. During the Reporting Period, the college provided 99 technical talents to the Wuxi factory.



Internship and Employment Base for College Students at Wingtech's Wuxi factory

• Case

Campus Recruitment

During the Reporting Period, we participated in a series of campus recruitment campaigns such as the "Journey to the Beijing-Tianjin-Hebei Schools - Attract Elite Talents", the "Talent Recruitment Fair at Yangtze River Delta", and the "Shanghai Key Industrial Units Attract and Introduce Migrant Talents." In doing so, we aim to attract elite and innovative talents necessary for corporate development, and to strive for win-win cooperation with colleges and universities in "Gathering Talents" and "Stabilizing Employment".



Campus Talk



"Journey to the Beijing-Tianjin-Hebei Schools - Attract Elite Talents"

Diversity and Anti-discrimination

Wingtech Technology advocates a diverse and inclusive corporate culture, supporting the principles of inclusion, diversity, and equal opportunities. We have formulated the *Non-Discrimination Employment Management Practices*, establishing a fair and mutually respectful work environment, achieving equal pay for equal work, and providing equal promotion opportunities for all. Every employee can realize their personal value on the Company's diverse platform without being treated differently or discriminated against based on race, religion, skin color, age, gender, sexual orientation, etc. During the Reporting Period, the Semiconductor Business Sector launched a diversity and inclusion (D&I) strategy. It comprises three main goals: "Diverse workforce", "Leadership", and "Inclusive culture", and is coordinated by the Head of Talent Acquisition who represents the senior HR management and reports directly to the Chief Human Resources Officer (CHRO). For more diversity measures in the Semiconductor Business Sector, please refer to the *Diversity, Non-Discrimination, and Inclusion chapter of the Nexperia 2023 Sustainability Report*.

Wingtech Technology regards gender equality as an important part of the Company's diverse, inclusive, and equal culture. We have formulated the *Women Workers' Labor Protection Measures*, fully implementing labor protection for female employees in recruitment and employment, training and physical examination, promotion and work arrangement, and other special circumstances, and holding rights lectures for female employees to help them defend their rights. For breastfeeding employees, the Product Integration Business Sector provides maternity leave, extended leave, and benefits and care during breastfeeding by law, and sets up cozy mother and baby rooms for breastfeeding employees. The Semiconductor Business Sector also provides employees with benefits such as maternity leave, paternity leave, childcare leave, adoption leave, and foster care leave.

• Case

Establishment of Women's Employee Resource Group (ERG) for Collaborative Development

Under the advocacy of Irene Deng, a member of the executive team, more than 20 female employees from the Semiconductor Business Sector joined hands to establish the ERG during the Reporting Period. The mission of the ERG is to create communication channels for female employees across all global operational locations, aiming to inspire, educate, and guide all female employees of Nexperia. The ERG aims to facilitate discussions on career development resources and opportunities, fostering the full potential of female employees within the Company.

Adhering to equal employment, Wingtech also recruits people with disabilities to engage in logistics and administration, providing them with more employment and development opportunities.



Lectures on Female Employees' Rights and Interests



Recruitment of Individuals with Disabilities to Assist in Work

Compensation and Benefits to Create the Happy Workplace

Upholding "Win-win Development and Common Prosperity", we highlight the linkage between the interests of employees and corporate development to form a labor relationship with common interests. Wingtech implements a performance appraisal system, providing employees with fair and competitive salaries, bonuses, stock incentives, diverse benefits, and unique activities for all employees, comprehensively improving the happiness index of employees.

Salary and Welfare

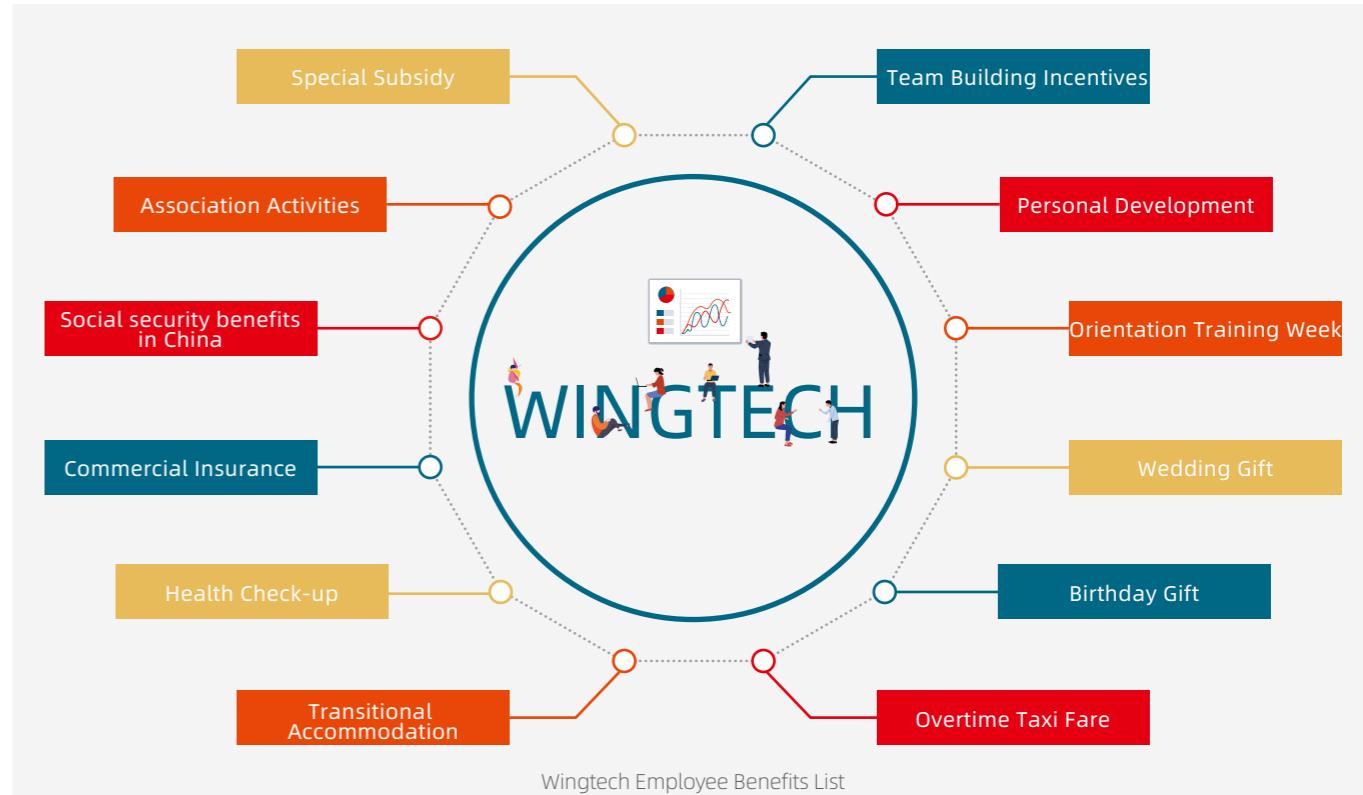
Following the principle of "Being Legal, Fair, Competitive, Incentive, and Economic", we have formulated internal policies and keep improving internal systems such as the *Salary Management System* and the *Performance Management System*. Through internal evaluation, market research, peer study, etc., we continue to optimize the current salary system, and establish and improve medium and long-term incentive and restraint mechanisms, to effectively attract and retain outstanding talents.

We implement KPI assessment for employees and pay bonuses according to the Company's annual business performance. On this basis, we have formulated the *2023 Stock Option Incentive Plan of Wingtech Technology Co., Ltd. (Draft)* to grant stock options to backbones and those deserving incentives upon the Board's decision. During the Reporting Period, we granted stock options to 1,903 employees for the first time, and reserved grants for 451 employees.

Employee Benefits List

Wingtech Technology refers to national labor regulations and relevant industry standards, combined with the Company's management and development needs, to formulate the *Company Benefits Management System*, providing all employees with statutory benefits such as social pension insurance, social unemployment insurance, social medical insurance, work injury insurance, maternity insurance, housing provident fund, as well as statutory holidays such as marriage leave, bereavement leave, and annual leave. Wingtech Technology also provides various benefits such as transportation subsidies, commercial insurance, and allowances to improve employees' happiness and satisfaction. Among them, in addition to the pension in the operating location, the Semiconductor Business Sector also provides benefits to employees retiring in multiple countries, such as company pensions or post-retirement medical benefits.

Wingtech attaches importance to the life and well-being of employees. We show our care for employees through a series of welfare activities such as logistics support, team building rewards, as well as holiday messages and gifts. To cater to the specific needs of our female employees, we have established fully equipped and comfortable baby care rooms at multiple locations. Wingtech's Kunming factory has also set up restrooms for employees, equipped with such devices as TVs, refrigerators, sofas, water dispensers, and medical kits.



Care for Employees Working at High Temperatures



Spring Festival Greetings



Gift Packages for the Spring Festival



Birthday Benefits

•Employee Benefits•

Employee Interactions

We are committed to creating a respectful and democratic workplace. In order to enhance effective communication among employees, we consistently implement face-to-face policy explanation meeting and other initiatives to provide a robust communication platform for our employees. With those activities, we strive to create harmonious labor relations, and cultivate a sense of shared purpose and commitment between employees and the Company.



Face-to-face Policy Explanation Meeting

Featured Activities

Wingtech pays attention to the physical and mental health of employees and their work-life balance, striving to cultivate an image as a "Loving and Warm" employer. We organize diversified group activities that are beneficial to the physical and mental health of employees. In specific, we carry out handicraft activities on traditional festivals such as the Dragon Boat Festival, the Mid-Autumn Festival, and the Lantern Festival. We also invite employees and their families to the family open day, and organize fitness exercises such as jogging and walking. In addition, subsidiaries of Wingtech have also set up many interest clubs such as Chinese traditional culture club, e-sports club, basketball club and football club, to enhance the friendship between colleagues.



Family Open Day Fan Painting on the Dragon Boat Festival Flower Arranging on the Lantern Festival Football Game Routine Running on the National Fitness Day Team Building Psychological Stress-relief Team Building Activity

Care for Employees

We regard employee health as a key for the Group to fulfill its social responsibilities. To this end, we not only provide basic health examinations for employees, but also carry out various health care activities, covering cervical & breast cancer screening, expert consultations, medical insurance, etc.

- Volunteer medical service** Regularly invite medical experts to conduct health consultations and consultation activities
- Cervical & Breast Cancer Screening** Provide free cervical & breast cancer screening services for female employees aged 50 and above
- Medical Mutual Aid** In response to the call of the local trade union, we purchased mutual medical insurance funds for employees and actively assisted employees in need to apply for assistance at the municipal and district levels
- Employee Assistance Program(EAP)** Nexperia has launched the EAP, which provides online guidance on issues that employees need help with, including health, finance, childcare, elderly relatives and legal matters
- Health Day Activities** Nexperia's Factories regularly holds health talks, health and safety fair, and health day activities

Health Care Activities



"Sight Day" Health Checkup Event



Free Traditional Chinese Medicine Health Therapyactivities in Summer

Wingtech places high emphasis on employee health, especially their mental health. During the Reporting Period, we carried out a series of mental health activities, including Q&A, training sessions, special lectures, and team-building activities aimed at reducing employees' work stress. In particular, we opened a service hotline for psychological counseling to provide timely care and support for those suffering from psychological distress. The Semiconductor Business Sector also offered various activities for mental health, such as mindfulness training, an anti-stress workshop and much more, to promote employees' physical and mental wellness. The Semiconductor Business Sector also guarantees its first aid capabilities by training employees as mental health first aiders. The primary focus is to provide timely professional assistance and support when a mental crisis occurs.



Psychological Stress-relief Team Building Activity Mental Health Lecture Online Q&A on Mental Health Mental Health Training

Wingtech is committed to providing comprehensive support and care for female employees in their life and career development. During the Reporting Period, we continued the "Female Star of Smart Manufacturing" selection, and organized special activities and greetings for female employees on International Women's Day and Mother's Day to show our respect and appreciation. Furthermore, the Women's Federation at Wingtech's Jiaxing factory received wide recognition for its outstanding work and was awarded the title of "Women's Civilization Post of Nanhui District". This is an affirmation of our dedication to creating an inclusive and equal workplace.



Wingtech is dedicated to creating a diverse and inclusive workplace, with a particular focus on meeting the cultural and religious needs of ethnic minority employees. We provide well-equipped halal canteens to accommodate the dietary preferences of our minority employees. Beyond that, we also hold regular symposiums with representatives of ethnic minority employees to listen to their opinions and suggestions, intending to further strengthen the Company's multicultural cohesion. According to the *Program for Eid-al-Fitr of Wingtech Technology Co., Ltd.* and the *Program for Corban Festival of Wingtech Technology Co., Ltd.*, we carefully prepare for Eid-al-Fitr and Corban Festival every year. By extending our best wishes for happy holidays to our ethnic minority employees through the distribution of holiday benefits, we show our respect and support for cultural diversity.



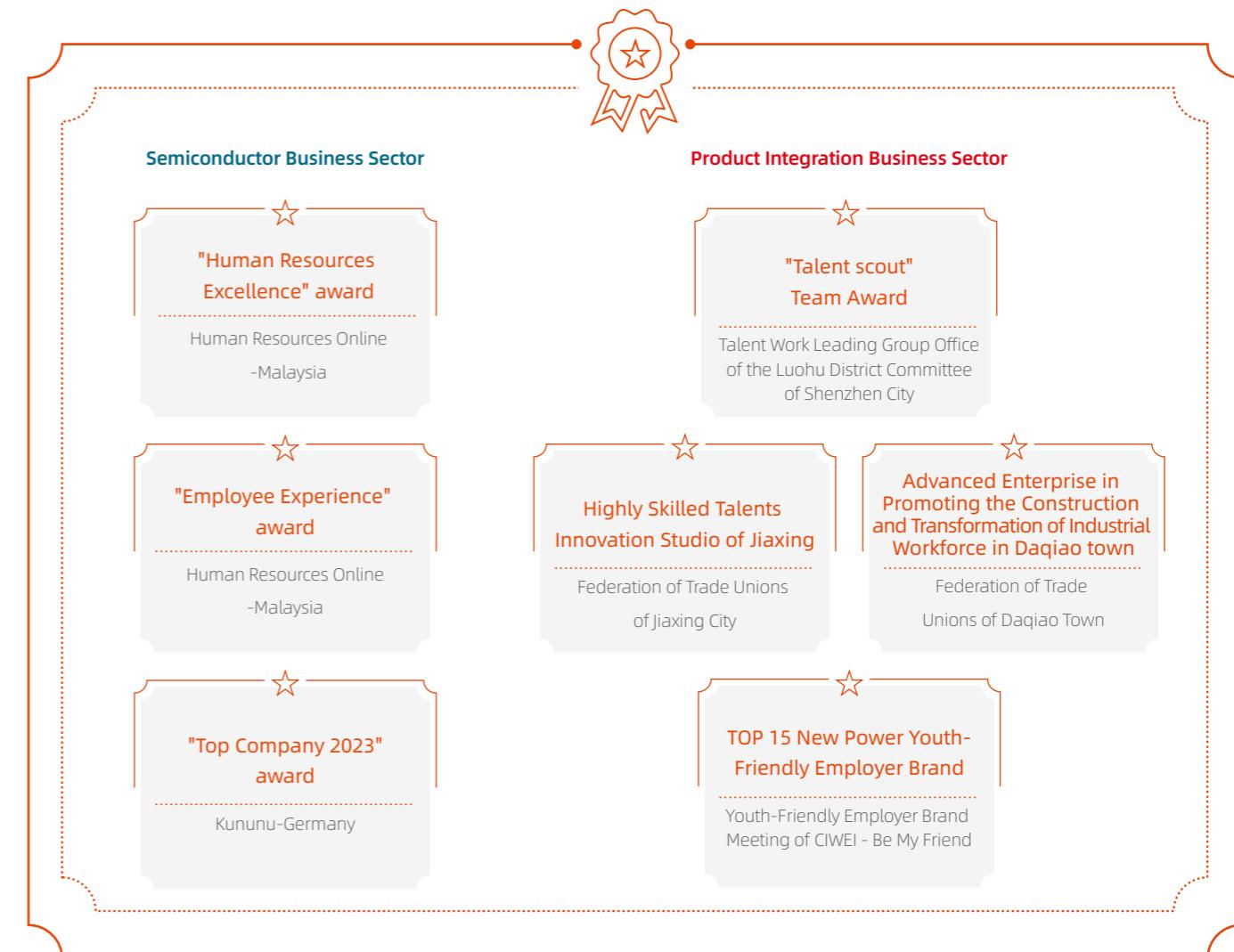
Symposium for Ethnic Minority Employee Representatives



Cafeteria for Ethnic Minority Employees

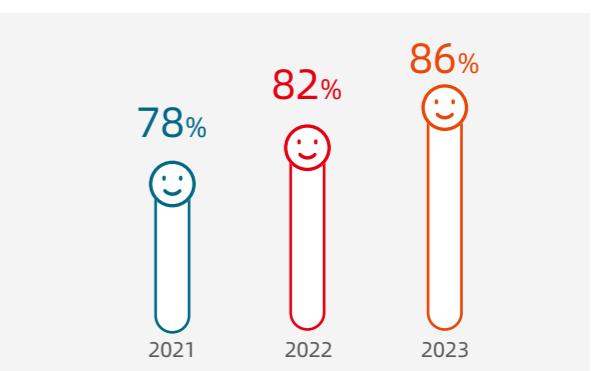
Achievements and Awards

We are committed to creating a positive brand image as an employer and enhancing our appeal to talents, employees' engagement and a sense of belonging, so as to continuously attract and retain talents and contribute to our long-term development. During the Reporting Period, our HR management work was also acknowledged by job seekers, employees, and communities, and won several awards.



Employee Satisfaction Surveys

Wingtech Technology conducts employee satisfaction surveys quarterly, covering corporate culture, management style, work environment, compensation and benefits, etc. Through the survey results, Wingtech Technology gains a deep understanding of employee needs and formulates and implements corresponding improvement action plans. During the Reporting Period, the overall employee satisfaction of Product Integration Business Sector reached 86%, achieving an improvement in employee satisfaction for 3 years in a row. The Semiconductor Business Sector conducts an employee engagement survey every two years. The survey covers 13 perspectives, including teamwork & collaboration, growth & development and values. The overall favorability of working at Nexperia was rated 84.7% this year.



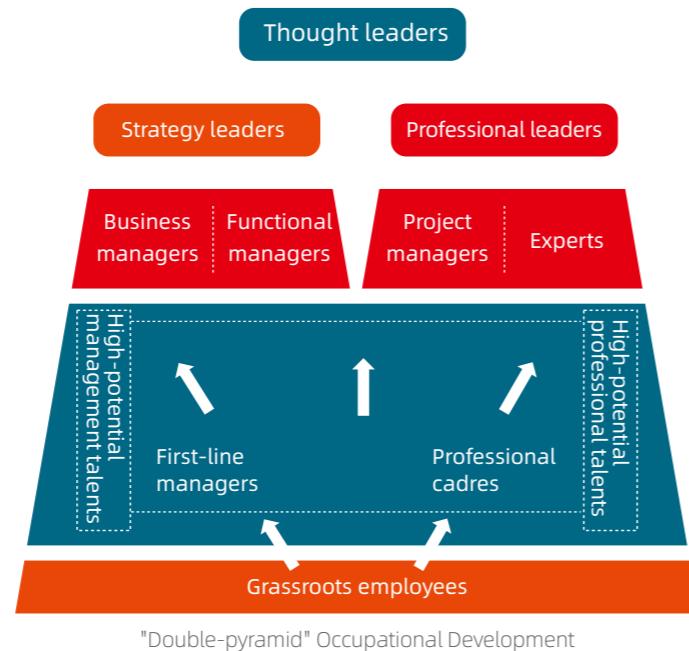
Product Integration Business Sector's employee satisfaction rate

Talent Attraction and Training Resource

Wingtech highly values talent development and is dedicated to improving employees' professional skills and abilities through diversified and targeted training activities. We keep improving employee career development and training, establishing a "double-pyramid" development path and building a talent supply chain system to help them realize their career aspirations.

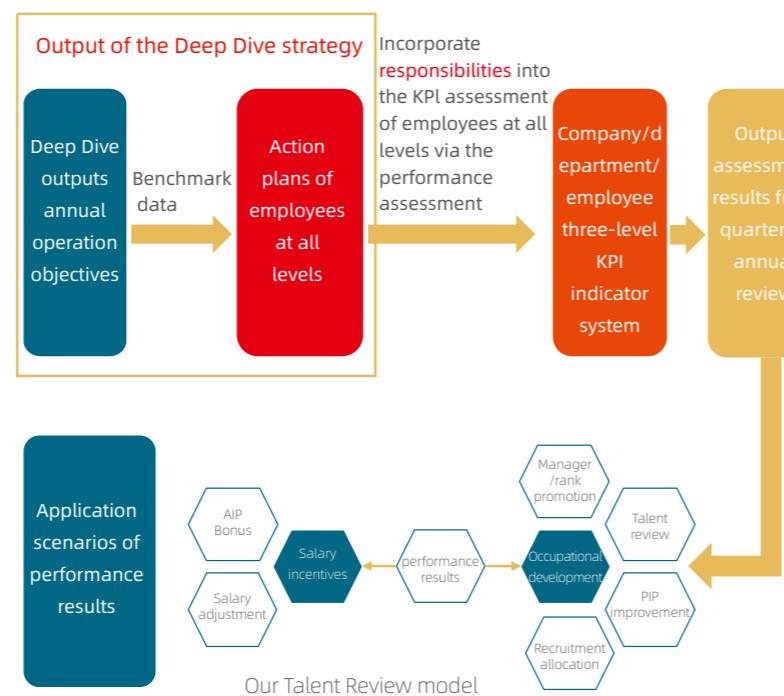
Career Development Path

To standardize the Company's position and rank system management and build a complete employee career development channel, Wingtech Technology has formulated internal systems such as the *Wingtech Training Management System* and the *Wingtech Organizational Structure and Cadre Management System*, providing a basis for job matching, talent development, and promotion. We benchmark against global best practices in talent management, establishing a "double-pyramid" occupational development path to improve the career planning of key talents and tap into talent potential. The system divides internal positions into management and professional technical channels, covering 7 families, 32 categories, and 109 subcategories of positions, to meet the development needs of employees in different businesses, regions, and fields.



Performance Appraisal

Wingtech continues to deepen the Talent Review model company-wide. By aligning our Deep Dive corporate strategy with individual KPIs of employees, we can accurately assess the contribution of each employee towards the attainment of our strategic objectives. During the Reporting Period, Wingtech fully implemented the Talent Review project on the basis of the DD model, conducted an in-depth review of employees to identify talents who align with the Company's current DD strategy. We prioritize the development of such employees and allocate more resources to them to achieve our strategic goals.

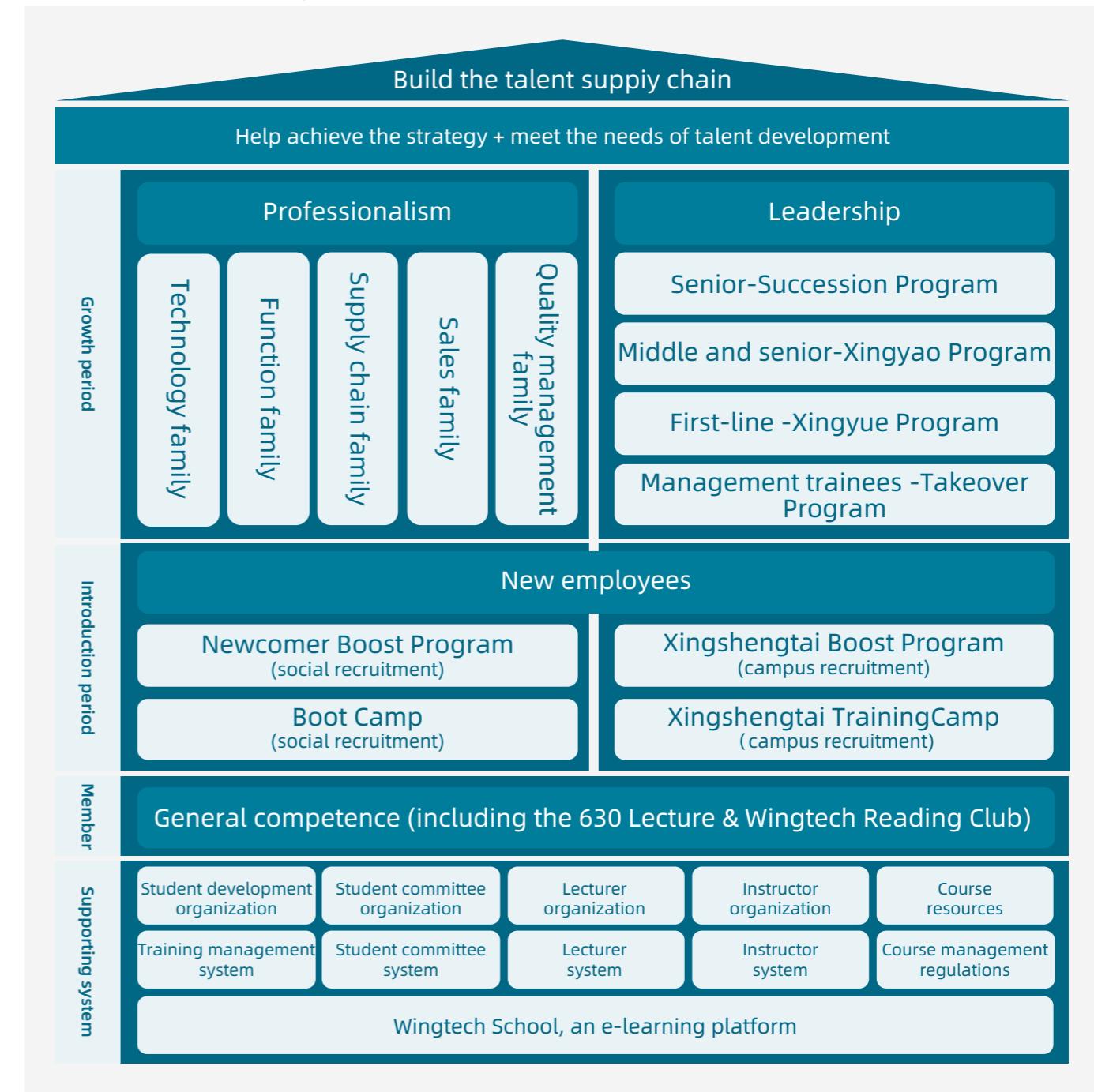


Talent Training System

We pay close attention to the development of talents and the construction of the knowledge system. Also, we continuously enhance the talent selection, employment, education and retention mechanism while offering abundant training resources for employees.

Talent Supply Chain Ladder Strategy

To accomplish our strategic goals and satisfy the needs for talent development, we have implemented a comprehensive, well-organized, and structured talent development system that is continuously enhanced in terms of its content, lecturers, and platform. We are committed to providing our employees with equal and ample opportunities for training and promotion, in order to continuously cultivate professional talent for our stable and sustainable development.



To meet the career development needs of employees at different levels, we organize diversified and targeted training programs, including new employee training, on-the-job training, and courses on professional skills enhancement, corporate culture, and relevant rules and regulations.

New employee training

Provide courses on corporate culture, rules and regulations, company-level work safety, and fraud prevention for all new employees

Pre-post training

Ensure that the qualifications of production workshop personnel meet relevant specifications, and that all relevant personnel complete pre-post training and have the job qualifications

Reserve cadres training

Arrange empowerment training for employees to make them meet the job requirements through a succession development program

Featured training

Conduct special training, including internal instructor training and Xingshengtai management trainee training

We encourage employees to register for various examinations to obtain professional certificates. After signing the *Training Agreement*, the Company will bear the examination costs of employees to meet their skill improvement needs. During the Reporting Period, as a pilot unit for vocational skill appraisal, Wingtech's Jiaxing factory conducted vocational skill level recognition for enterprise instructors (level 3), with a total of 1,511 persons passing the training and examination and receiving corresponding certificates.

Training Performance in 2023

Total number of trainees

514,813

Times of course training

41,615

Total hours of employee training

1,297,302.4

Hours of training per capita

41.19



Internal training instructors

2,696

Note:

1. The data growth in 2023 is due to our further refinement of the training data collection system and an update to the data statistics method.
2. Data coverage includes both online and offline training activities, including new employee training.

Wingtech School

The Wingtech School (univ.wingtech.com) is an online learning platform that incorporates resource management, training organization, learning operation, self-learning of employees, instructor management, and community communication. With more than 1,000 premium courses provided internally or externally, this platform continuously implements talent development programs to facilitate a learning-based organization.

630 Lecture Hall

The 630 Lecture Hall regularly carries out a variety of courses, focusing on various fields of professional knowledge/skills/information transmission, career quality improvement, positive attitude shaping, etc., to help employees quickly adapt to new changes, cope with the new environment, master new knowledge, and constantly strengthen the construction of Wingtech talent team.

Introduction to Featured Programs

Case

Organizing Reading Club Activities to Create a Learning Atmosphere for All Employees

Wingtech Reading Club is a learning platform upon which Wingtech regularly organizes employees to read, communicate, and engage in discussions. It encourages employees to keep learning, helps them broaden their horizons, and cultivates good reading habits and logical thinking abilities, thereby creating a learning atmosphere for all employees. During the Reporting Period, the Wingtech Reading Club organized three reading activities. Through planning and carrying out relevant reading activities, we fully activated participants' passion for reading and helped employees develop good reading habits.

Case

Advancing the Xingshengtai Campus Recruitment Training Program to Accelerate the Transformation of Newcomers in the Workplace

To accelerate the comprehensive quality training of campus recruits and improve their professional abilities and organizational cohesion, Wingtech Technology launched the Xingshengtai Campus Recruitment Training Program. During the six months from joining the Company to becoming regular employees, the Company arranged comprehensive and systematic training for them, achieving "three firsts" and "two new breakthroughs": the first time using the industry platform (OMO) training model, the first time setting the cultural mainline throughout the process, the first time conducting Xingshengtai pre-job activities, comprehensively upgrading mentor empowerment training courses and Xingshengtai general training model. This program received highly satisfactory feedback, helping campus recruits transition from "Rookie" to "Professional" and focusing on cultivating reserve talents that meet the Company's development needs.



Group Photo of Xingshengtai Training Camp



Gobang Cultural Activities

Case

Building a Modern Learning Platform to Empower Employee Growth

The Semiconductor Business Sector invested in the modern learning platform, "Nexperia Academy", and put it into use since 2022. Employees can receive e-learning training, manage learning plans, and share knowledge through the platform. Employing a blended learning approach with performance support, knowledge is presented in a partial format to enhance employee engagement and retention rates. Since the launch of the learning platform, a total of 598 courses have been logged into the system, with the record of 2,649 active users in a single month. In the future, Nexperia will continue to enhance the quality of learning content and standardize learning formats to achieve the goal of continuously attracting employees to training and retraining anytime, anywhere.

Safety Culture and Guarding Well-being

Wingtech Technology highly values occupational health and safety, always prioritizing employees' life safety and occupational health. Safe production is the foundation of sustainable operation, and Wingtech Technology follows strict safety standards and operating procedures, continuously improving safety management and emergency response capabilities to achieve annual safety targets and protect the safety of employees and company assets.

Safety First

Wingtech Technology and its subsidiaries adhere to the occupational health and safety policy of "Compliance to the law, safe production every second; Continuous improvement, healthy production every day." Based on laws and regulations such as the *Safety Production Law of the People's Republic of China* and the *Law on Prevention and Control of Occupational Diseases of the People's Republic of China*, we implement an EHS management framework. Several Wingtech operating locations have passed the ISO 45001 Occupational Health and Safety Management System certification and the third-level certification of safety production standardization.

Occupational health and safety policy

Compliance to the law, safe production every second;
Continuous improvement, healthy production every day.




During the Reporting Period, the Product Integration Business Sector established a safety risk control system construction leadership group to further standardize and promote the construction of safety production standardization, strengthen safety production risk classification control, and hidden danger investigation and management. Through rectification of various hidden dangers, the occupational health and safety targets of the Product Integration Business Sector for this year have all been achieved.



Safe Production

Wingtech Technology has always integrated safety production management into daily management since establishment. We continuously solidify the foundation of safety work, strengthen safety production management methods, and have established a comprehensive safety production system. We have formulated internal systems such as *Safety Operating Procedures*, *Special Operations Safety Management System*, and *Hot Work Permit System*, and regularly conduct safety training to enhance personnel safety risk awareness and standardize safety management and operation behaviors. We are committed to combining targets with process control, updating the *Environmental, Occupational Health and Safety, CSR Targets and Management Plan Tracking Table* every year, forming improvement reports for non-conforming items, and continuously tracking improvement progress to ensure the effective implementation of safety production management at all levels of the Company.

We have formulated and strictly follow the *Hazard Identification, Evaluation, and Control Procedure* to identify hazards affecting occupational health and safety in the Company's activities, products, services, or operations. We evaluate hazards and risk factors, identify and update significant risk factors, and form the *Hazard Identification and Risk Assessment Form* to manage and control them. The Semiconductor Business Sector performs comprehensive annual risk assessments at each site using the PDCA (Plan-Do-Check-Act) process. Besides, the Semiconductor Business Sector is a member of the European Semiconductor Industry Association (ESIA). Nexperia shares the safety data with ESIA each year, including the number of recordable cases, days away from work, working hours, FTEs, recordable case rate, severity rate, and other indicators.



During the Reporting Period, Wingtech Technology had 56 occupational injuries, resulting in 549 lost workdays due to occupational injuries, and zero fatalities. We will continue to strengthen employee safety knowledge promotion to reduce the number of occupational injuries and lost workdays due to injuries.

05

Be Kind and Build a Harmonious Society

Wingtech gathers positive and kind forces, actively giving back to society, and fostering the harmonious development of society. As a socially responsible corporate citizen, we are more than just an ordinary company. From rural rejuvenation to community services, we participate in diversified public welfare and charity projects, constantly pushing forward the development of public welfare. On the other hand, our partners are also an important part of our social responsibility practices. We have not only established close business relationships with our partners, but also worked together to support the sustainable development of the industrial chain. We not only focus on economic benefits, but also strive to build a harmonious and inclusive society when working closely with our partners. Our goal is to reach a triple win for the economy, environment and society.

Key Performance

The Product Integration Business Sector has achieved a **100%** ratio of suppliers signing social responsibility commitments

Nexperia completed its annual RBA Validation assessment project review for all plants, and achieved a score of **90.4** in RBA self-assessment

Total investment in external donations and public welfare projects: **2.22** million RMB

Total investment in poverty alleviation and rural revitalization: **10.39** million RMB

Contributions to UN SDGs



Responsible Procurement and Conflict Minerals

The Group is keenly aware that the sustainable development of a business requires collaboration along the supply chain. We actively participate in industry exchanges to advocate for responsible procurement. By working more closely with suppliers to ensure that raw materials do not involve conflict minerals, we strive to enhance supply chain transparency and promote sustainable industrial development.

Key Performance

Nexperia completed its annual RBA Validation assessment project review for all plants, and achieved a score of **90.4** in RBA self-assessment

The Product Integration Business Sector has achieved a **100%** ratio of suppliers signing social responsibility commitments

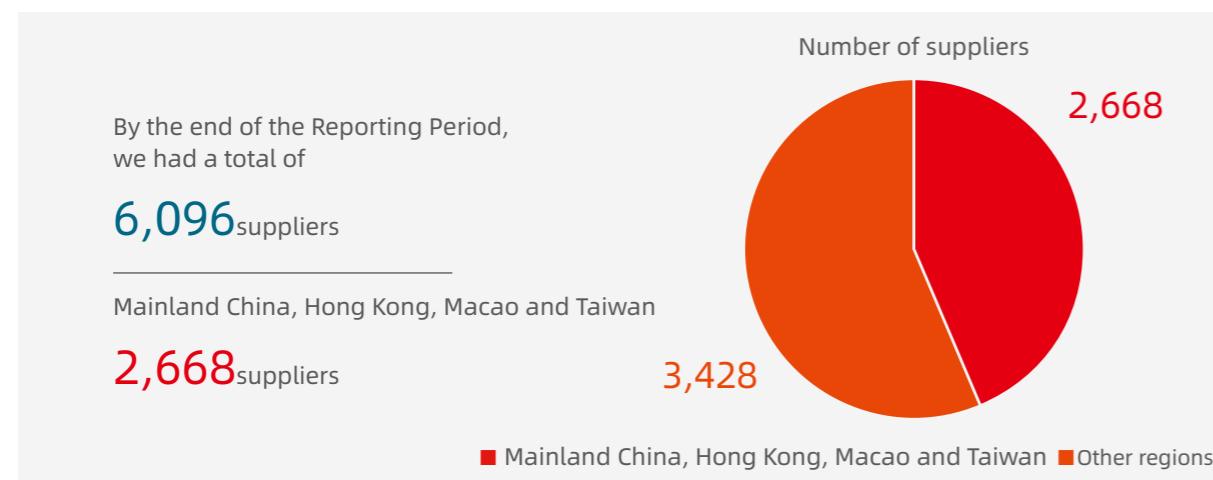
Green Supply Chain

To prevent or minimize potential environmental and social risks across our supply chain, we adhere to responsible procurement, regulate supply chain management, and strictly control supplier admission, giving preference to suppliers who demonstrate excellence in sustainable development.

Quality Control of the Supply

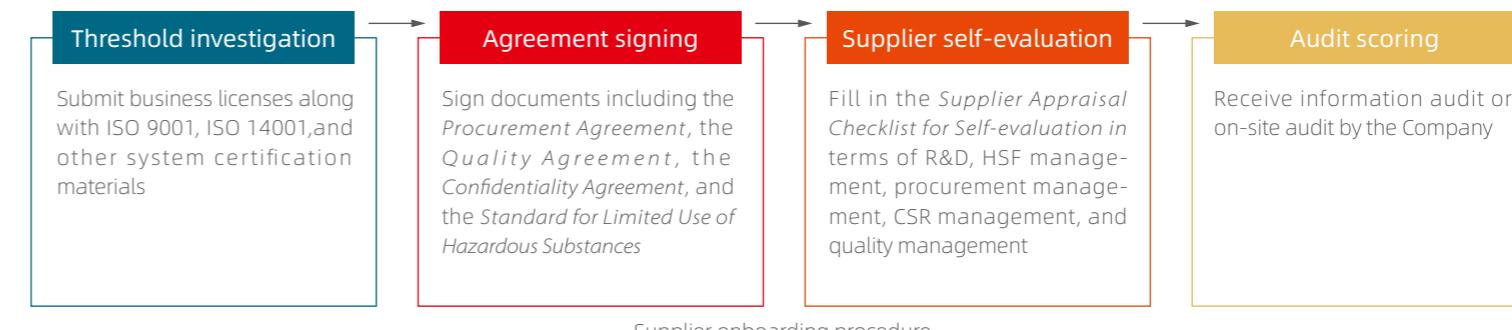
Wingtech has established comprehensive procurement and supplier management systems. Our tier 1 suppliers are mainly product assembly suppliers, tier 2 suppliers mainly component suppliers, and tier 3 suppliers mainly provide raw materials. We strictly control the admission, routine management, and performance assessment of suppliers, thereby ensuring premium and stable supplies.

Due to demand differences across various business segments, each segment has established its own scientific and comprehensive supplier management framework. For instance, the Product Integration Business Sector has established a Procurement Committee responsible for the procurement strategy and supplier admission, selection review, and decision-making for all categories, and jointly optimizes and improves the supplier system with various departments; The Procurement Department of the Nexperia Semiconductor is responsible for supplier selection and management. The Supplier Quality Department and EHS Department are responsible for auditing suppliers, while the EHS and CSR departments oversee the implementation and rectification of audit plans.



Admission of Suppliers and Quality Assurance

For the supplier admission stage, we have formulated the *New Supplier Certification Procedure* to select suitable suppliers, which stipulates that new suppliers must pass ISO 9001 and ISO 14001 system certification or other equivalent certifications, comply with industry or national standards, have no social responsibility red line behaviors, and ensure that their deliverables meet quality and environmental requirements. During the Reporting Period, Product Integration Business Sector, aligning with internal and external compliance management requirements, added compliance investigation requirements at the supplier admission stage. This ensures supplier compliance through on-site audits combined with the supplier's self-assessment. The Semiconductor Business Sector also requires new suppliers to complete a self-assessment questionnaire upon admission, including assessments and scoring on CSR aspects. Each survey questionnaire must be reviewed and signed by a member of the supplier's top management and approved by the EHS and CSR Departments of the Semiconductor Business Sector.



Wingtech Technology has clear quality requirements for suppliers. We have established supplier quality indicators, and for suppliers with unstable quality conditions, we will promptly hold quality communication meetings with their senior management to jointly identify quality risks and develop preventive measures. For suppliers whose quality performance does not meet the standards, we will organize quality review meetings and require the highest quality managers to report their quality improvement work to us. If the quality is not improved accordingly, we will impose penalties on the supplier, such as reducing the supply ratio, lowering the grade, canceling the supplier qualification, and reserve the right to demand compensation for corresponding losses from the supplier.

Quality indicators for suppliers

- Proportion of conforming sampling batches in total sampling batches in monthly inspections
- Reject ratio per one million incoming materials
- Reject ratio per one million products on the production line
- Client complaint ratio
- Major/batch quality incidents



For introduced suppliers, we manage and grade them in layers and evaluate them in multiple dimensions, such as material quality, delivery capability, business service, R&D support capability, and labor management, through quarterly performance assessments and annual audits. According to the assessment results, suppliers are classified into five levels: A, B, C, D, and E, representing excellent suppliers, good suppliers, general suppliers, risk suppliers, and high-risk suppliers. The assessment results will be linked to subsequent cooperation, continuously managing the supply chain.



Exchanges with Suppliers

Wingtech values communication with suppliers and maintain close cooperation with global elite partners for the benefit of mutual success. During Reporting Period, Product Integration Business Sector organized and conducted online training and exchanges with suppliers, daily exchanges with an average of 300 persons/day, and supplier visits over 500 times/year.

Case

European Supplier Day

During the Reporting Period, the Semiconductor Business Sector held its first European Supplier Day in Hamburg, Germany. At this meeting, strategic and key supply partners from 51 companies, along with representatives from Nexperia, gathered together. Both the CEO, Wing Zhang and the COO, Achim Kempe, attended the meeting and delivered speeches.

Supply Chain Social Responsibility Management

We are committed to the sustainable development of the supply chain. We require our suppliers to abide by the relevant laws and regulations where they operate and prefer to work with those who employ environmentally friendly materials and technologies, treat stakeholders fairly and honestly, and respect and uphold human rights.

In addition to compliance with relevant laws and regulations, the suppliers must adhere to the Company's CSR Code of Conduct. We have formulated the *Code of Conduct for Suppliers* and other administrative documents. We also ask suppliers to sign the *Commitment to Social Responsibilities* and other relevant agreements when signing *procurement agreements* with us. The Semiconductor Business Sector extends overall responsibility for responsible procurement and supplier management to the executive management team, including the COO, Chief Procurement Officer, Vice President of Quality, and Senior Director of Global Environment, Health, and Social Responsibility, strengthening the social responsibility management of the supply chain. Wingtech conducts CSR audits on relevant tier 1, tier 2 suppliers annually in accordance with the *Code of Conduct for Suppliers* and the *Supplier Monitoring Procedure*. During the Reporting Period, the planned supplier audit completion rate reached 100%.

Click to learn more

[Wingtech Code of Conduct for Suppliers](#)



[Nexperia Code of Conduct for Suppliers](#)

Wingtech Supplier Social Risk Management Requirements

- ✓ Ensure no records of labor, fire, environmental, and safety and health violations or illegal activities, nor any collective labor disputes;
- ✓ Establish effective recruitment procedures to identify child labor to ensure no records of child labor;
- ✓ Harassment, abuse, and discrimination against any employee, including but not limited to temporary workers, interns, contract workers, and direct employees, are strictly prohibited;
- ✓ Any work conditions that seriously endanger life safety or health are prohibited, and an occupational safety management program is established, with personal protective equipment provided;
- ✓ Supplier employees' wages and benefits should comply with all applicable laws and regulations;
- ✓ Employees have the right to freedom of association and collective bargaining, and can openly communicate and share ideas about working conditions and management practices;
- ✓ Sign a CSR agreement with Wingtech Technology.

Moreover, we implement the *Supplier Monitoring Procedure* to conduct daily control and performance assessments of 3 tiers of suppliers (raw materials, other materials) annually. Through the *Supplier CSR Audit Checklist*, we conduct audits (including conformity audit, environmental audit, reliability audit, and CSR audit) and carry out unannounced inspections on upstream suppliers, continuously conveying our concept of sustainable development.

We fully recognize the importance of environmental management in the supply chain and regard supply chain environmental management as a management measure for practicing supply chain social responsibility. We strictly control the introduction of suppliers, requiring suppliers to comply with our environmental requirements, prioritize pollution-free or low-pollution production processes, equipment, and environmentally friendly materials, and provide corresponding qualification documents. Only suppliers that meet our environmental requirements can enter the qualified supplier directory. In the process of supplier management, we monitor and inspect suppliers' environmental management methods and implementation measures in various ways.

In addition, we monitor suppliers' commercial water usage and wastewater and actively participate in key customers' product water footprint inventory work, identify and manage water risks in the product manufacturing process, and cooperate with suppliers and other stakeholders to reduce the water footprint, thereby reducing the water consumption per unit product and improving the water resource recycling rate. We also proactively provide environmental protection guidance to suppliers, and require suppliers to develop and implement employee environmental protection training systems, continuously improving employees' environmental protection awareness and management level, and thoroughly implementing the concept of sustainable development.

Supplier Environmental Risk Management

- Check suppliers' waste discharge permits and other legal documents, environmental impact assessment reports, compliance processing and related records of exhaust gas/wastewater/solid waste, etc
- Reduce environmental impact by statistically monitoring and controlling the usage of various resources and greenhouse gas emissions
- No negative records are found on the Institute of Public & Environmental Affairs website (www.IPE.org.cn)

Key Elements of Wingtech's Supplier Environmental Management

In 2023, the Product Integration Business Sector:

Achieved a **100%** ratio of suppliers signing social responsibility commitments

Completed the planned CSR audit of suppliers with a completion rate of **100%**

Case

Strengthening Supply Chain Management, Practicing Responsible Business Practices

As a member of RBA, Nexperia requires all suppliers to sign the *Statement of Suppliers on Compliance* and asks them to always comply with Nexperia's *Code of Conduct for Suppliers*. Nexperia also continuously monitors suppliers' performance in social responsibility, and regularly audits selected suppliers in terms of labor, human rights, environmental management, business ethics, governance and compliance. Nexperia has developed a social responsibility risk assessment process for all suppliers, contractors, and service providers. For suppliers that fall beyond the risk threshold or have low performance in ESG are subject to social responsibility audit procedures, Nexperia would take measures against suppliers that violate business ethics. During the Reporting Period, all of Nexperia's factories underwent the RBA Validated Assessment Project (VAP) audits. Additionally, Nexperia completed its annual RBA self-assessment and achieved a score of 90.4.

Conflict Minerals Management

Policies of conflict minerals

We do not support nor use conflict minerals;

We require all suppliers to comply with regulations on conflict-free minerals;

We conduct due diligence on suppliers whose products contain conflict minerals and identify the source of those metals;

We monitor and ensure suppliers sign agreements for not supporting or using conflict minerals.

The Group actively responds to the policies of prohibiting the use of conflict minerals to fulfill social responsibilities. We have established a complete conflict minerals management system, including the *Management Measures of Conflict Minerals*, the *Operational Guidelines for the Management of Conflict Minerals* and other institutional documents. We also openly disclose the *Statement on Policies for Purchasing Conflict-free Minerals* to avoid using conflict minerals obtained from illegal operations.

We also explicitly state our commitment to responsible mineral sourcing in our *Code of Conduct for Suppliers*. In addition, we have a specialized organizational structure to manage conflict minerals and specially designated personnel to collect, sort out, and evaluate standards and client requirements related to conflict minerals, cobalt and mica while overseeing the implementation of the conflict mineral management. We transform the standards and requirements into our internal *management measures of conflict minerals*, and deliver them to our suppliers as soon as possible to facilitate agreement signing and due diligence.

In terms of supplier management, we conduct annual investigations on our suppliers in accordance with the *Management Measures of Conflict Minerals*, and we require existing suppliers to read and return a signed *Non-Use of Conflict Minerals Agreement*. Product Integration Business Sector runs a company-wide evaluation of conflict minerals for suppliers every year based on the most recent Smelters & Refiners Lists from RMI's official website. During the Reporting Period, Product Integration Business Sector issued conflict minerals survey forms to all existing suppliers involved in the supply of tin, tungsten, tantalum, and gold (3TG). We require suppliers to complete the *Conflict Minerals Reporting Template* (CMRT) and the *Extended Minerals Reporting Template* (EMRT), both of which are issued by RMI and to report the source and the chain of custody of conflict minerals. We also audit the source and the chain of custody of conflict minerals in the supply chain in an effective and risk-based manner based on the Organisation for Economic Co-operation and Development (OECD)'s *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. As of the end of the Reporting Period, in total of 325 suppliers went through conflict material investigation.

As a member of RMI, the Semiconductor Business Sector conducts audits of suppliers' CMRT statements through the *Responsible Mineral Review Procedure*. If the RMI updates the Smelters & Refiners Lists or if a supplier's CMRT statement becomes outdated by more than one year, we proactively initiate assessment procedures to promptly identify supply chain risks. During the Reporting Period, suppliers that providing 3TG (Tin, Tungsten, Tantalum, Gold–3TG) with our Semiconductor Business Sector all responded by issuing a CMRT and were identified to exclusively report smelters/refiners on RMI's list of conformant SOR.

Conflict Minerals Survey Training for Suppliers/Outsourcing Factories: Empowering Key Personnel

During the Reporting Period, we conducted conflict minerals survey training for key personnel from departments involved in conflict mineral control, such as the Outsourced Business Department, Procurement Department, Delivery Quality Department, and Material Quality Departments. This training focused on various aspects including the background of conflict minerals surveys, execution plans for work of suppliers/ outsourcing factories, and the specifics of how to complete the survey reports. Such efforts were made to ensure that Wingtech's annual conflict minerals surveys for suppliers and outsourcing factories are conducted in compliance with established standards and regulations.

Rural Revitalization and Charitable Endeavors

Key Performance

Total investment in external donations and public welfare projects:

2.22 million RMB

Total investment in poverty alleviation and rural revitalization:

10.39 million RMB

The poverty alleviation and rural revitalization efforts benefited

913 people

Public Welfare Philosophy

Wingtech Technology adheres to the concept of "Realizing Corporate Value while Giving Back to Society" and is committed to charitable causes. For a long time, we have continuously carried out various volunteer activities and social assistance activities such as blood donation and visiting the elderly, while actively supporting education, poverty alleviation, and promoting community harmony and sustainable development. During the Reporting Period, Wingtech Technology's total donations and contributions to public welfare amounted to 2.22 million yuan, with 10.39 million yuan invested in poverty alleviation and rural revitalization, benefiting 913 people. We also won a number of awards and honorary titles that were recognized by the community, fully demonstrating the Group's social commitment.



Caring Enterprise from Donation Activity on Red Cross Day



Member of the Voluntary Service Alliance for People with Disabilities of Xinwu District

Rural revitalization

Wingtech actively responds to the national rural revitalization strategy, offering job opportunities for people in poverty-stricken areas and carrying out targeted poverty alleviation through agricultural investment.

Case

Rural Revitalization - Targeted Assistance

During the Reporting Period, we worked to alleviate poverty in Yichuan County through the fruit tree adoption program together with Xinwu District of Wuxi, and Jiaxing Nanhu District targeted assistance project for Suichang County's Mountain-Sea Collaboration for Common Prosperity, contributing to developing local rural agriculture.



Targeted Poverty Alleviation for Yichuan County - Adopt the Apple Tree

Case

Responding to Regional Government Calls, Collaborating for Common Prosperity

To promote the accelerated development of less developed areas in the province and achieve coordinated regional development, the Zhejiang Provincial Committee and Provincial Government launched the Mountain-Sea Collaboration Project. In response to this major strategic initiative and to support rural revitalization, Wingtech Technology participated in the "Little Chickens Run" Fast Mountain-Sea Collaboration for Common Prosperity project with Suichang County through the pairing of Jiaxing City's Nanhu District. This project not only provides free chicken seedlings and Chinese herbal feed but also timely carries out the purchase of free-range chickens in an order mode, effectively solving the worries of breeders. In this project, we made a designated purchase of live poultry worth 13,900 yuan, driving employment among low-income households in the village and directly promoting the economic income of farmers in Suichang County.



Community Support

Wingtech actively practices corporate social responsibility in long term. In 2021, Wingtech set up a RMB 10 million charity fund. Since its establishment, we have donated the proceeds from the fund to the Charity Federation of Nanhu District every year, and raised RMB 15,000 on Red Cross Day for 1,500 first aid courses.

During the Reporting Period, we joined the Voluntary Service Alliance for People with Disabilities of Xinwu District and donated RMB 10,000 to the Jiangsu Foundation for Disabled Persons. We also paid regular visits to needy families, joined hands with communities to carry out the summer camp activity of "Protect Migrant Birds", and actively participated in voluntary tree planting and other community public welfare activities, continuously spreading love and warmth to society.



Donation Certificate from
Jiangsu Foundation for
Disabled Persons



"Provincial Internet + Voluntary
Tree-Planting Base" in Xinwu District



Visit and offer condolences to the disadvantaged
families in the Asia-Europe community

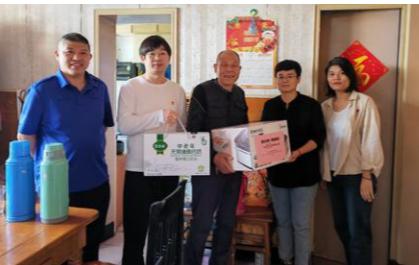
Wingtech actively encourages employees to get involved in volunteer activities. During the Reporting Period, we organized and supported multiple volunteering programs involving over 100 employees, who served almost 1,000 people. The pioneer team of Party members' volunteer service at Jiaxing factory was awarded the honorary titles of "Pioneer Team of Party Members" and "Pioneer Group of Party Members" of Daqiao Town for its outstanding performance.



The Lei Feng Charity Sale Event



Employee Voluntary Blood Donation



Consolation to the Needy Elderly
on the Double Ninth Festival

Taking to the Skies - Charity Skydiving Event

During the Reporting Period, 10 employees from the Semiconductor Business Sector's Manchester factory participated in a charity skydiving event to support cancer research projects at the British Cancer Institute. By experiencing the adrenaline rush, the employees challenged themselves both physically and mentally. We are immensely proud of our team for bravely participating in such an event with the support of the British Cancer Institute.



Case

Journey of Giving - Philanthropic Actions of the Compassionate Volunteer Team

During the free time, the volunteer team from our Semiconductor Business Sector actively engages in social welfare activities, including accompanying children at the Special School, visiting lonely elderly individuals, and collecting old books and clothes for donation to mountainous and disaster-stricken areas. Additionally, Nexperia organize charity sales, assist in traffic management, and promote civilized dining practices, demonstrating our commitment to social responsibility.

Every month, Nexperia arrange for volunteers to spend quality time with the children at Yuxing Special School, engaging in activities such as playing games, learning, and enjoying delicious food together. We also plant flowers and plants on the campus, creating a beautiful environment and bringing joy and happiness to the children.

Education Support

Bring together positive forces and walk with love. Wingtech firmly believes that education is the cornerstone of social progress and actively supports education. From 2021 to 2025, we donate RMB 200,000 to the Kunming Red Cross Society every year to subsidize impoverished students at Luquan Vocational Senior High School to complete their studies and pave the way for their future.

Case

"Charity Culture in the Campus" donation campaign

On September 5, 2023, the eighth Charity Day of China, Wingtech's Jiaxing factory donated RMB 350,000 to Jiaxing Experimental Primary School for the "Charity Culture in the Campus" project. The project is aimed at promoting a charity culture and sowing the seeds of "love" in the campus.



"Charity Culture in the Campus" Donation Certificate



Book Donations

Appendix. GRI Standards Index

Instructions for the use of GRI: Wingtech has disclosed the contents described in the GRI Content Index for the period from January 1, 2023 to December 31, 2023 with reference to the GRI Standards.

GRI Standards	Disclosure	Section(s)
The organization and its reporting practices	2-1 Organizational details	Group Profile
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting Period, frequency and contact point	About This Report
	2-4 Restatements of information	/
	2-5 External assurance	/
Activities and workers	2-6 Activities, value chain and other business relationships	Global Layout for a Brighter Future
	2-7 Employees	4.1. Employee Rights and Compliant Employment
	2-8 Workers who are not employees	4.1. Employee Rights and Compliant Employment
	2-9 Governance structure and composition	3.1. Corporate Governance and Risk Management
	2-10 Nomination and selection of the highest governance body	Please refer to our annual report
Governance	2-11 Chair of the highest governance body	Please refer to our annual report
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management
	2-13 Delegation of responsibility for managing impacts	/
	2-14 Role of the highest governance body in sustainability reporting	/
	2-15 Conflicts of interest	Please refer to our annual report
	2-16 Communication of critical concerns	Stakeholder Communication
	2-17 Collective knowledge of the highest governance body	/
	2-18 Evaluation of the performance of the highest governance body	Please refer to our annual report
	2-19 Remuneration policies	4.2. Compensation Benefits and Workplace Happiness, please refer to our annual report for more details
	2-20 Process to determine remuneration	/
	2-21 Annual total compensation ratio	/

GRI Standards	Disclosure	Section(s)
Strategy, policies and practices	2-22 Statement on sustainable development strategy	Sustainable Development Management
	2-23 Policy commitments	Sustainable Development Management
	2-24 Embedding policy commitments	/
	2-25 Processes to remediate negative impacts	/
	2-26 Mechanisms for seeking advice and raising concerns	/
Stakeholder engagement	2-27 Compliance with laws and regulations	Strictly comply with relevant laws and regulations in each country/region
	2-28 Membership associations	/
	2-29 Approach to stakeholder engagement	Stakeholder Communication
	2-30 Collective bargaining agreements	4.1. Employee Rights and Compliant Employment
	3-1 Process to determine material topics	Materiality Assessment
GRI 3 : Material Topics	3-2 List of material topics	Materiality Assessment
	3-3 Management of material topics	Materiality Assessment
	201-1 Direct economic value generated and distributed	Operating Condition
	201-2 Financial implications and other risks and opportunities due to climate change	1.2. Response to Climate Change and Dual Carbon Commitment
	201-3 Defined benefit plan obligations and other retirement plans	/
GRI 201 : Economic Performance	201-4 Financial assistance received from government	/
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	/
	203-1 Infrastructure investments and services supported	5.2. Rural Revitalization and Charitable Endeavors
	203-2 Significant indirect economic impacts	5.2. Rural Revitalization and Charitable Endeavors
GRI 202 : Market Presence	203-1 Infrastructure investments and services supported	5.2. Rural Revitalization and Charitable Endeavors
	203-2 Significant indirect economic impacts	5.2. Rural Revitalization and Charitable Endeavors
	203-1 Infrastructure investments and services supported	5.2. Rural Revitalization and Charitable Endeavors
	203-2 Significant indirect economic impacts	5.2. Rural Revitalization and Charitable Endeavors
	203-1 Infrastructure investments and services supported	5.2. Rural Revitalization and Charitable Endeavors
GRI 203 : Indirect Economic Impacts	203-2 Significant indirect economic impacts	5.2. Rural Revitalization and Charitable Endeavors
	203-1 Infrastructure investments and services supported	5.2. Rural Revitalization and Charitable Endeavors
	203-2 Significant indirect economic impacts	5.2. Rural Revitalization and Charitable Endeavors
	203-1 Infrastructure investments and services supported	5.2. Rural Revitalization and Charitable Endeavors
	203-2 Significant indirect economic impacts	5.2. Rural Revitalization and Charitable Endeavors

GRI Standards	Disclosure	Section(s)
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers Practices 205-1 Operations assessed for risks related to corruption	/ 3.2.Business Ethics and Integrity Compliance
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	3.2.Business Ethics and Integrity Compliance
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 207-1 Approach to tax 207-2 Tax governance, control, and risk management 207-3 Stakeholder engagement and management of concerns related to tax 207-4 Country-by-country reporting	/ / / /
GRI 207: Tax	301-1 Materials used by weight or volume 301-2 Recycled input materials used 301-3 Reclaimed products and their packaging materials	/
GRI 301: Materials	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization 302-3 Energy intensity 302-4 Reduction of energy consumption 302-5 Reductions in energy requirements of products and services	1.3.Resource Conservation and Efficiency Improvement / 1.3.Resource Conservation and Efficiency Improvement 1.3.Resource Conservation and Efficiency Improvement 1.3.Resource Conservation and Efficiency Improvement
GRI 302: Energy	303-1 Interactions with water as a shared resource 303-2 Management of water discharge related impacts 303-3 Water withdrawal 303-4 Water discharge 303-5 Water consumption	1.3.Resource Conservation and Efficiency Improvement No such water source 1.3.Resource Conservation and Efficiency Improvement 1.3.Resource Conservation and Efficiency Improvement 1.3.Resource Conservation and Efficiency Improvement
GRI 303: Water and Effluents		

GRI Standards	Disclosure	Section(s)
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas 304-2 Significant impacts of activities, products and services on biodiversity 304-3 Habitats protected or restored 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable Not applicable Not applicable Not applicable
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity 305-5 Reduction of GHG emissions 305-6 Emissions of ozone-depleting substances (ODS) 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	1.3.Resource Conservation and Efficiency Improvement 1.3.Resource Conservation and Efficiency Improvement / 1.3.Resource Conservation and Efficiency Improvement 1.3.Resource Conservation and Efficiency Improvement / 1.4.Compliant Discharge and Green Operation
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts 306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal	1.4.Compliant Discharge and Green Operation 1.4.Compliant Discharge and Green Operation 1.4.Compliant Discharge and Green Operation 1.4.Compliant Discharge and Green Operation 1.4.Compliant Discharge and Green Operation
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken	5.1.Responsible Procurement and Conflict Minerals 5.1.Responsible Procurement and Conflict Minerals
GRI 401: Employment	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave	/ 4.2.Compensation Benefits and Workplace Happiness /

GRI Standards	Disclosure	Section(s)
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	Strictly comply with relevant laws and regulations in each country/region regulations
	403-1 Occupational health and safety management system	4.4. Safety Culture and Guarding Well-being
	403-2 Hazard identification, risk assessment, and incident investigation	4.4. Safety Culture and Guarding Well-being
	403-3 Occupational health services	Not applicable
	403-4 Worker participation, consultation, and communication on occupational health and safety	/
	403-5 Worker training on occupational health and safety	4.4. Safety Culture and Guarding Well-being
	403-6 Promotion of worker health	4.4. Safety Culture and Guarding Well-being
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4. Safety Culture and Guarding Well-being
	403-8 Workers covered by an occupational health and safety management system	4.4. Safety Culture and Guarding Well-being
	403-9 Work-related injuries	4.4. Safety Culture and Guarding Well-being
GRI 403: Occupational Health and Safety	403-10 Work-related ill health	4.4. Safety Culture and Guarding Well-being
	404-1 Average hours of training per year per employee	4.3. Talent Attraction and Training Resource
	404-2 Programs for upgrading employee skills and transition assistance programs	4.3. Talent Attraction and Training Resource
	404-3 Percentage of employees receiving regular performance and career development reviews	4.3. Talent Attraction and Training Resource
GRI 404: Training and Education	405-1 Diversity of governance bodies and employees	4.1. Employee Rights and Compliant Employment
	405-2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	4.1. Employee Rights and Compliant Employment
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.1. Employee Rights and Compliant Employment
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	4.1. Employee Rights and Compliant Employment
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1. Employee Rights and Compliant Employment

GRI Standards	Disclosure	Section(s)
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable
	413-1 Operations with local community engagement, impact assessments, and development programs	5.2.Rural Revitalization and Charitable Endeavors
GRI 413: Local Communities	413-2 Operations with significant actual and potential negative impacts on local communities	No such operation points
	414-1 New suppliers that were screened using social criteria	5.1.Responsible Procurement and Conflict Minerals
GRI 414: Supplier Social Assessment	414-2 Negative social impacts in the supply chain and actions taken	5.1.Responsible Procurement and Conflict Minerals
	415-1 Political contributions	Not applicable
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	2.3.Strong Bottom Line for Restricted Substances
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	/
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	2.3.Strong Bottom Line for Restricted Substances
	417-2 Incidents of non-compliance concerning product and service information and labeling	/
	417-3 Incidents of non-compliance concerning marketing communications	/
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3.Information Network Security and Privacy Protection

