



Stock code: 600745

2022 Sustainability Report



Contents

About This Report	/ 02
Chairman's Message	/ 03
About Wingtech	/ 04
Sustainable Development Management	/ 08
Appendix. GRI Standards Index	/ 46

U1 Sustainable Governance for Long-standing Business

High Quality Corporate Governance	/ 12
Risk Management	/ 12
Business Ethics and Anti-Corruption	/ 13
Information Network Security and Privacy Protection	/ 14

U2 Set an Example of Ingenuity Driven by Innovation

Boost Product Innovation and Lead Technological Advancement	/ 17
Develop Clean Technologies and Promote Green Products	/ 18
Guarantee Product Quality and Strictly Control Hazardous Substances	/ 18
Focus on Premium Services and Improve Client Satisfaction	/ 22

U3 Low-carbon Development for a Green Future

Strengthen Environmental Management and Consolidate the Green Foundation	/ 24
Advocate Energy Conservation and Carbon Reduction and Combat Climate Change	/ 24
Practice Green Operation and Facilitate Green Production	/ 28

U4 People-oriented to Realize Dreams for Employees

Protect Employees' Rights and Interests and Create a Blissful Workplace	/ 31
Open up Promotion Channels, Cultivate Outstanding Talents	/ 35
Implement Safety Management to Ensure the Health of Employees	/ 37

U5 Join Hands Responsibly for Common Benefits

Standardize Responsible Procurement and Build a Green Supply Chain	/ 40
Manage Conflict Minerals and Practice Responsible Procurement	/ 41
Deepen Industrial Exchanges and Share Industrial Development	/ 42

U6 Engage in Charitable Activities to Enjoy a Beautiful Life

Concept of Public Welfare	/ 44
Assist in Rural Revitalization	/ 44
Give Back to Society with Love	/ 44

About This Report

This Report is the 2022 sustainability report released by Wingtech Technology Co., Ltd, with the aim of integrating the concept of sustainable development into corporate governance and 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, 2022 to December 31, 2022, 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	refer(s) to	Wingtech Technology Co., Ltd.
Wingtech Communications	refers to	Wingtech Mobile Communications Co., Ltd.
Nexperia, Nexperia Semiconductor	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, 2022 to December 31, 2022
Company Law	refers to	Company Law of the People's Republic of China
Securities Law	refers to	Securities Law of the People's Republic of China
Articles of Association	refers to	Articles of Association of Wingtech Technology Co., Ltd
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
AIoT	refers to	Artificial Intelligence & Internet of Things

Note :

The semiconductor business sector of the Group has published the sustainability report. For more detailed information on Nexperia 's ESG performance, please refer to Nexperia Sustainability Report.

Data Description

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, 2022.

Currency	Exchange rate
USD	6.964600

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



Zhang Xuezheng

Chairman and CEO of Wingtech
Chairman and CEO of Nexperia
Chairman and CEO of Delta

As we look back on the year 2022, a time of complexity and difficulty for the global economy, Wingtech remained steadfast in its commitment to becoming a socially responsible multinational company while embracing challenges and seizing opportunities. We have deeply incorporated the ESG sustainability concept into our strategic development, management, and operation. In addition, we never stop seeking improved methods to achieve economic, environmental, and social benefits.

In the face of these challenges, we have taken unremitting actions to promote international operations, improve our domestic and global strategy, and expand our capabilities in technological innovation and new product development. This has laid a solid foundation for our mid-and long-term goals, advanced the progress of strategic objectives in a practical manner, and continuously enhanced our core competitiveness and sustainable profitability. In 2022, the Group recorded a business revenue of RMB 58.079 billion, an increase of 10.15% YOY, while our asset scale reached RMB 76.69 billion, an increase of 5.67% YOY. Our solid growth demonstrates our strong resilience and sustainability. Notably, our semiconductor business achieved unprecedented profits and growth during the period. Additionally, we keep improving our governance capability, governance structure and risk control system, while strictly abiding by business ethics. We are fully committed to eradicating corruption and promoting long-lasting and ever-prosperous development.

Recognizing the importance of innovation to sustainable development, we leverage innovative approaches to drive business development and fulfill our responsibility to pursue energy conservation and environmental protection. In 2022, the Group invested RMB 4.565 billion in research and development, and ranked 38th in China's Top 100 Innovative Large Enterprises in 2022 based on our three major accomplishments in business innovation. In 2022, we also made significant strides in clean technology, securing a total of 260 valid patents related to clean technology to this domain. In 2022, we maintained efforts to incorporate the green concept into product innovation. For instance, we continued to launch a full line of environmentally friendly, high-performance, and low-power semiconductor chips, components, and terminal products, including the green and low-carbon semiconductor products developed with Nexperia's advanced silicon carbide and gallium nitride technology. Those products are utilized in energy-saving servers, helping our clients build green data centers.

We also place great emphasis on reducing the environmental impact of our production, operation, and products in the full lifecycle. We have implemented a comprehensive environmental management system and organizational structure to fulfill our commitment to reducing greenhouse gas emissions and improving energy efficiency by taking further actions. In 2022, the greenhouse gas emission density of our product integration business sector was 2.0 tons of carbon dioxide equivalent/million revenue in RMB, a decrease of 9.86% YOY; the greenhouse gas emission density of the semiconductor business segment was 18.9 tons of carbon dioxide equivalent/million revenue in RMB, a decrease of 10.17% YOY; the amount of non-hazardous waste decreased by 8.64%. We were rated as one of the Top 50 Forbes China Sustainable Development Industrial Enterprises in 2022 for our remarkable work in environmental protection.

We adopt a people-oriented policy where talents are treated as our most valuable asset for our development. We have established a diversified, fair, and inclusive talent introduction mechanism and a "double-pyramid" career development path. Also, we provide a fair and respectful environment, continuously improve the compensation and benefit system, and fully safeguard the legitimate rights and interests of employees. Furthermore, we value every employee and place a high focus on providing humanistic care. We have organized a series of activities for employees, including family visits, birthday parties, and other festive celebrations, to demonstrate how much we care for and value our employees. We also received a number of employer-specific awards this year, including the "Most Promising Young Employer 2022" and the "China's Best Employer of the Year 2022 - Best Employer in Smart Manufacturing".

Upholding the concept of win-win cooperation, we cooperate with upstream and downstream partners to construct a healthy, secure, green, and sustainable supply chain. We recognize the importance of environmental management in the supply chain, and view it as an administrative measure towards fulfilling our supply chain social responsibilities. We actively seek partnerships with suppliers who prioritize the use of environmentally friendly materials and technologies, treat stakeholders fairly and honestly, and respect and uphold human rights. Furthermore, we have established a comprehensive conflict mineral management system and work with suppliers to prevent the use of conflict minerals. We are also dedicated to fostering industrial exchanges, cultivating industry talents, and realizing multilateral benefits and prosperity of the industry. For instance, we attended the China-Nordic Economic and Trade Cooperation Forum & Fortune 500 Dialog with Hubei in 2022, and had exchanges and discussions with Shenzhen University, Chinese University of Hong Kong, Shanghai University, Xi'an Technological University, Yunnan University, Kunming University, Jiaxing University, and other universities.

In addition to actively supporting charity causes and keeping the principle of "giving back to society while realizing corporate value", we also engage in a series of voluntary activities and social assistance activities, such as blood donation, consolation to the elderly, etc. At the same time, we support sports and educational initiatives to promote the sustainable development of communities. To further our commitment to rural revitalization in 2022, we organized job fairs in Sichuan, Gansu, and other remote and poverty-stricken areas and provided skills training to 1,119 local employees, at a cost of RMB 21,683,200. We also donated RMB 500,000 to the Charity Federation of Nanhu District of Jiaxing City to support local charities, which marks our donation to the local charity federation for the second consecutive year. Moreover, Nexperia partnered with the Manchester Food Bank to address the pressing issue of hunger and poverty in the UK. In 2022, we won a number of awards and honorary titles in public welfare and our efforts were recognized by all walks of life, which fully embody our fulfillment of social responsibility.

Looking forward to 2023, we will adhere to the "Be Upward, Be Kind, Be Sunshine." values and continue to advance through innovation! In order to promote the sustainable development of the economy, environment, and society, we will implement our sustainable development plan, actively assume our social responsibilities, and collaborate with our investors, clients, employees, and partners. Together, we can ensure a green future for humanity.

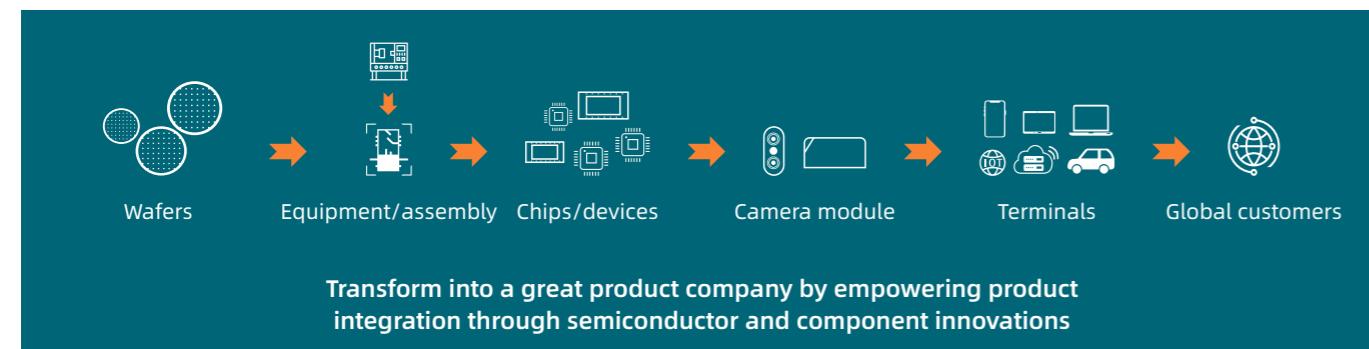
About Wingtech

While adhering to the values of "Be upward, be kind, be sunshine.", Wingtech is committed to becoming a highly competitive global industry leader in technology product manufacturing spearheaded by semiconductor innovation and is founded on a hardware circulation platform, giving back to shareholders, clients, employees, and society.

Group Profile



Wingtech stands as the world's foremost enterprise in product integration, basic semiconductors and optics, integrating R&D, design and manufacturing. We are an A-share listed company in China, with the stock code 600745. Upholding the great vision of "Wing the tech, win the world. To be a Great Product Company.", we continue expanding product applications. Our comprehensive industrial chain presence spans across chip design, wafer manufacturing, packaging and testing, semiconductor devices and components (imaging/display), communication terminals, laptops, AIoT, servers, and automotive electronics.



Semiconductors



The world's leading manufacturer of analog, logic and power devices
Globally no.1 in terms of shipments with 100 billion chips shipped annually



Imaging module

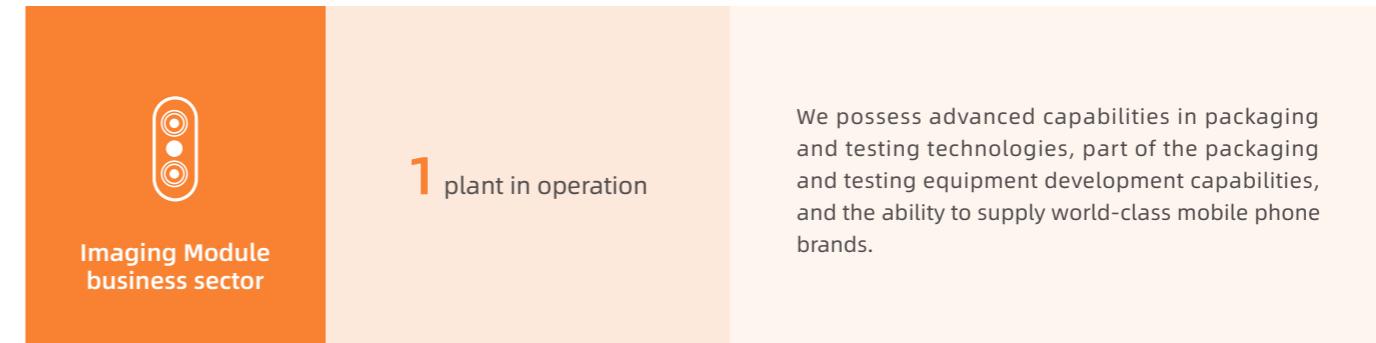
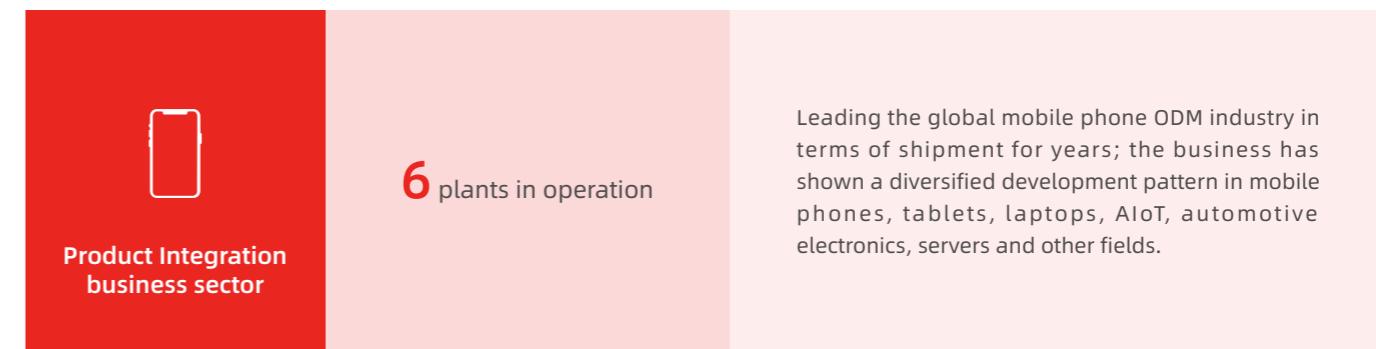
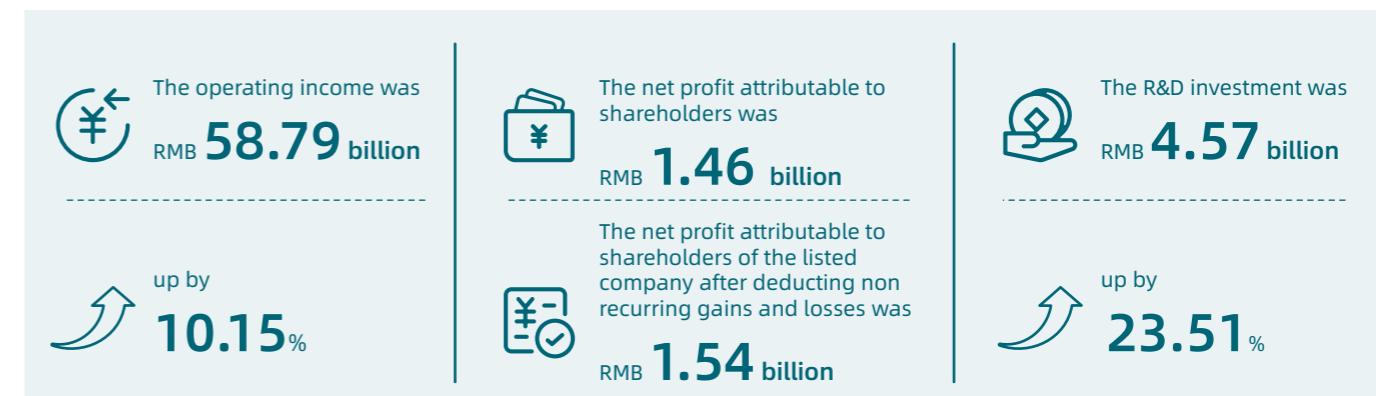


A core supplier of specific North American clients in terms of camera modules
A leading manufacturer of automotive cameras

Operating Condition

We keep innovating and boosting the accomplishment of our goals, and continue to increase our core competitiveness and sustainable profitability.

Operating status table of Wingtech in 2022



Global Layout

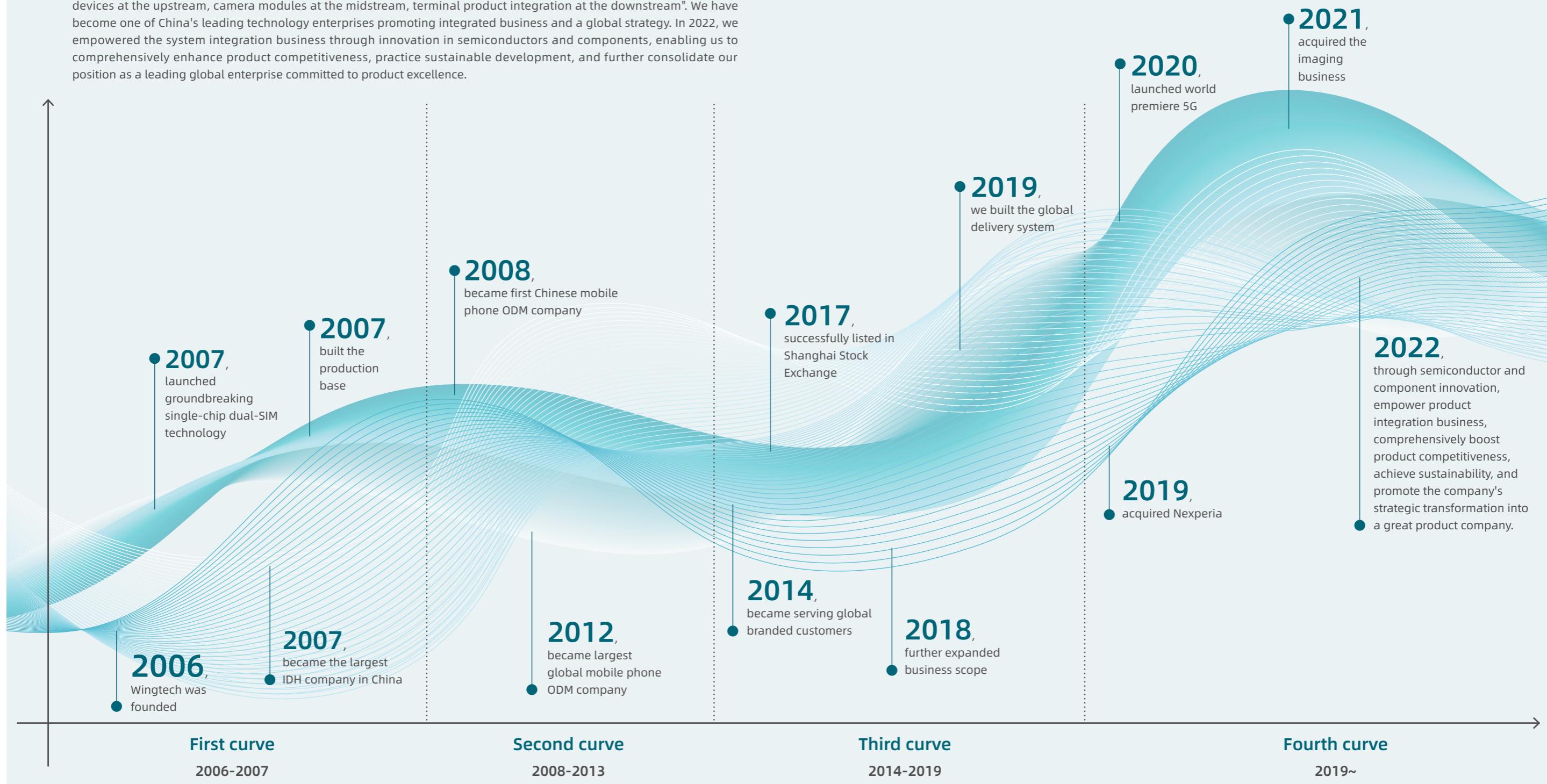
Wingtech goes global through endogenous development and international mergers and acquisitions. We actively explore the new development path of Chinese enterprises toward globalization and accelerate their global layout.



Development History

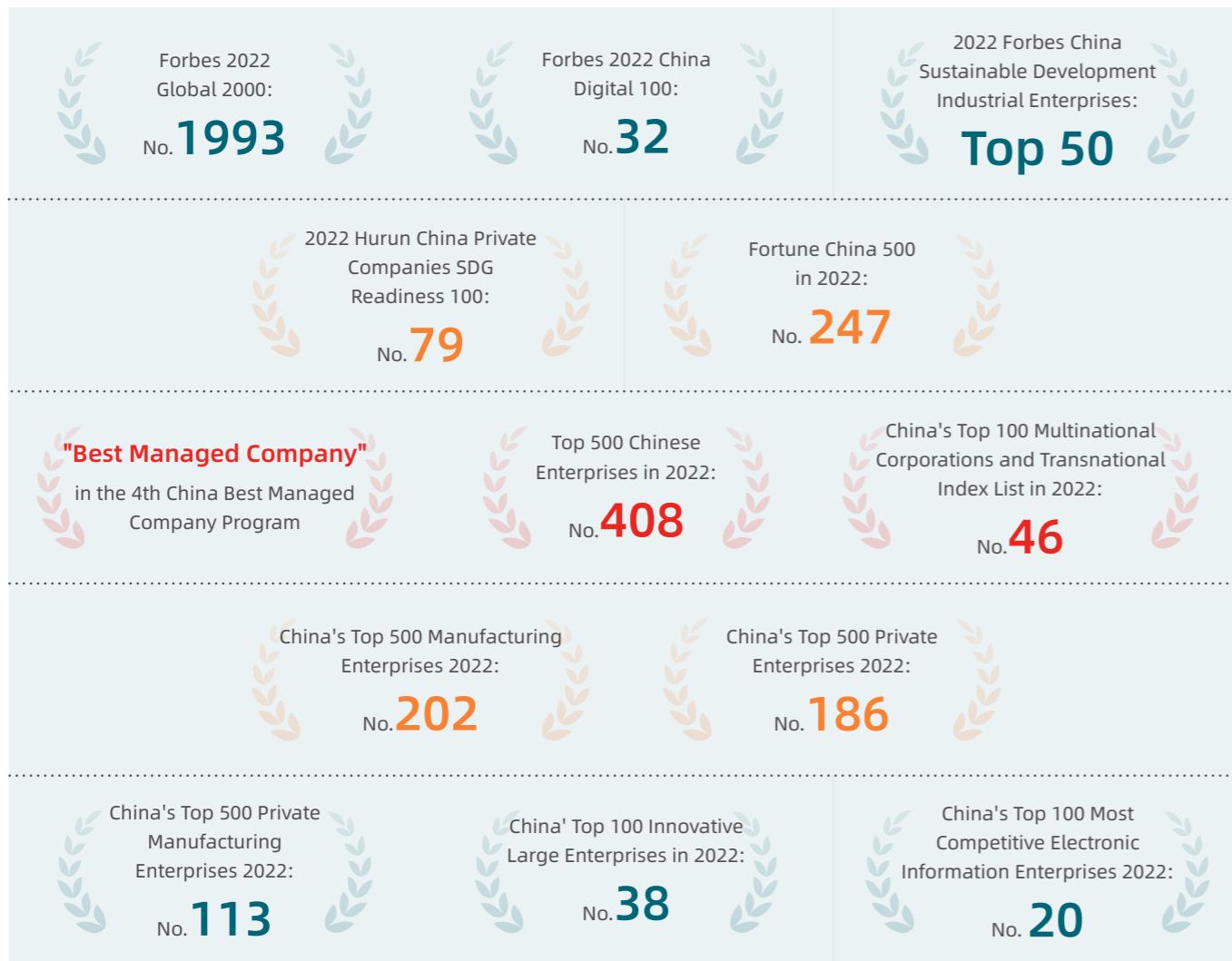
Wingtech Communications started to specialize in mobile phone solution design in 2006. Since then, we have been gradually transformed from an independent design house (IDH) to an ODM, integrating research, development, design, and manufacturing. We are now a world-leading mobile phone ODM. In 2019, we 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). In 2021, we successfully acquired 100% of Delta, an imaging company, which has resulted in three remarkable transformations. We established a presence throughout the industrial chain with "semiconductor devices at the upstream, camera modules at the midstream, terminal product integration at the downstream". We have become one of China's leading technology enterprises promoting integrated business and a global strategy. In 2022, we empowered the system integration business through innovation in semiconductors and components, enabling us to comprehensively enhance product competitiveness, practice sustainable development, and further consolidate our position as a leading global enterprise committed to product excellence.

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.

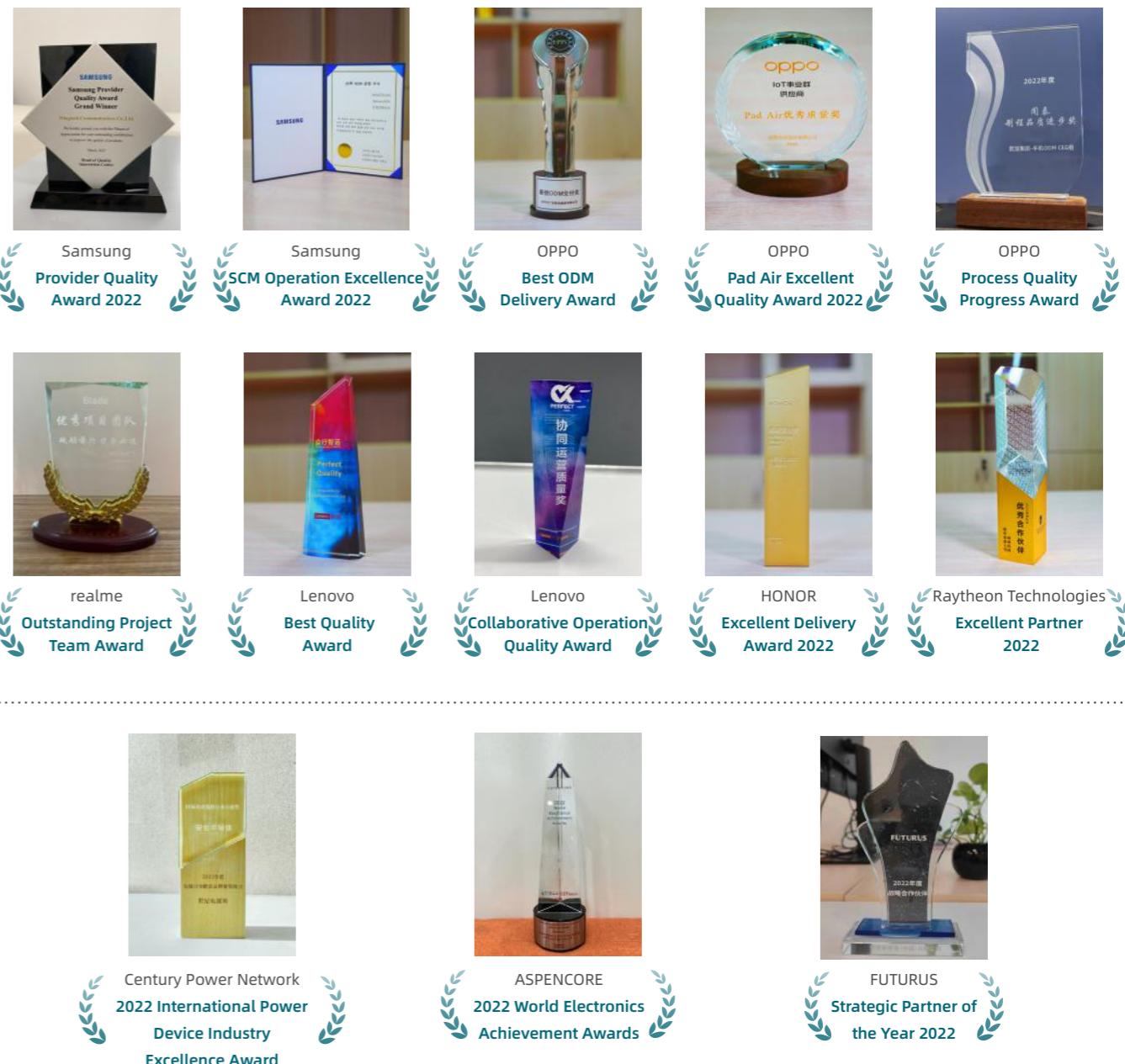


Honorable Moments

Honors of Wingtech



Customer Recognition



Capital market recognition

We have been included in a number of mainstream indexes inside and outside China, including the FTSE Russell Flagship Index, MSCI Global Standard Index, SSE 50 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, Quantdata, Wind and other domestic and international institutions.



Key Performance in 2022



Sustainable Development Management

Implementing the concept of sustainable development and actively assuming social responsibility are important components of our development strategy. 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 Governance Framework

In order to ensure the continuous and effective operation of the sustainable development management system, we have incorporated ESG into our strategic planning and implemented it. We have established a three-tier sustainable development governance structure consisting of the Board of Directors, the ESG Working Group, and the ESG implementation teams of three business sectors, spanning the process of "decision-making, planning, and implementation".



To ensure that our sustainable development management system meets the requirements for labor protection, health, safety, environment, and ethics, and to fulfill our bounden social responsibilities, Wingtech has complied and is continuously updating the Social Responsibility Management Manual with reference to the Responsible Business Alliance (RBA) Code of Conduct, the JAC Supply Chain Sustainability Guidelines, the Business Social Compliance Initiative, and the SA 8000 Social Accountability System while taking into account our actual conditions. The purpose is to guide the sustainable development management of the Company. Wingtech (Wuxi) Co., Ltd. has passed the Business Social Compliance Initiative (BSCI) certification. Nexperia became a member of the Responsible Business Alliance (RBA) in 2017 and completed the annual RBA self-assessment in 2022 with a score of 89.6.



Social Accountability 8000

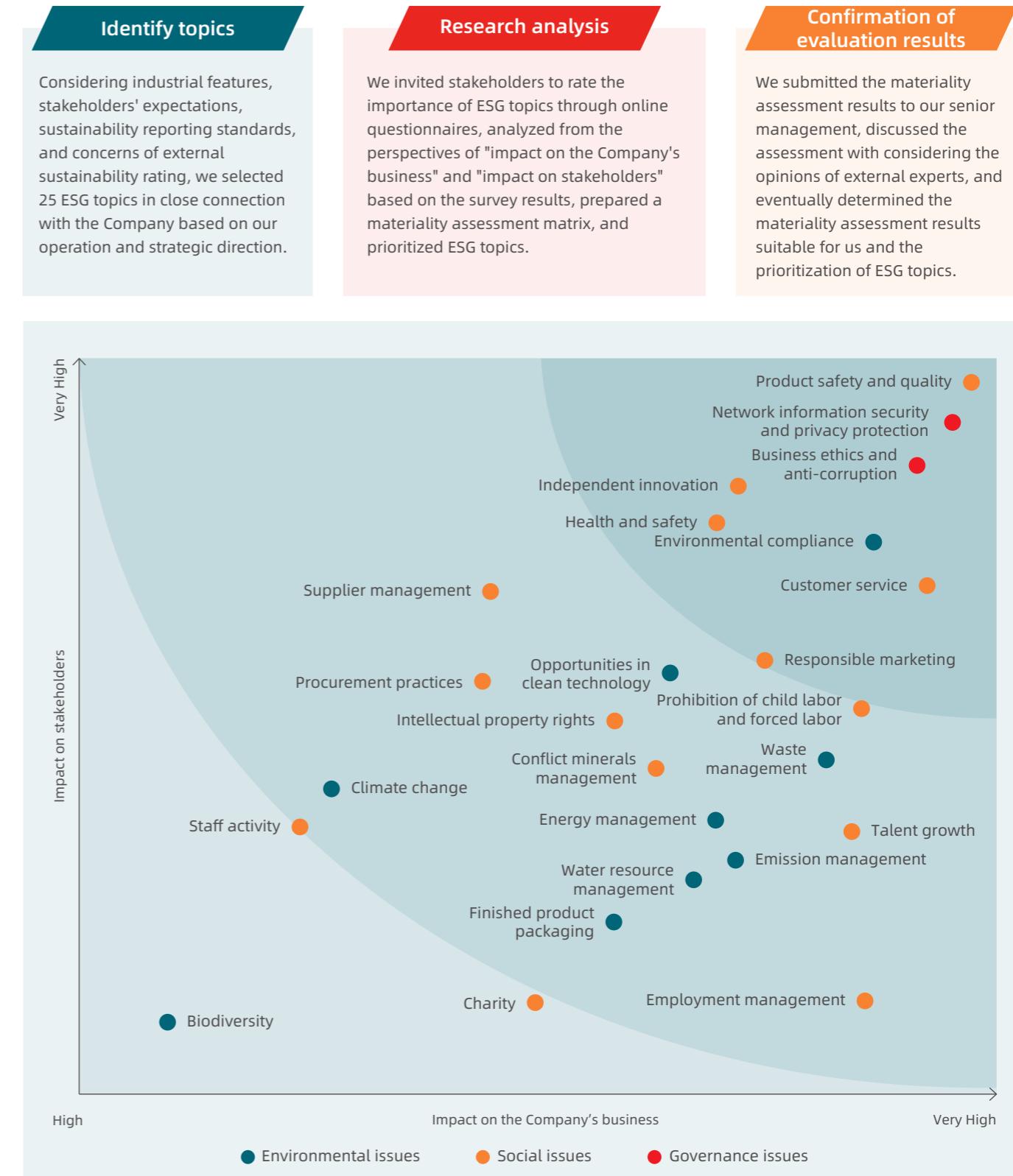
Stakeholder Communication

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	<ul style="list-style-type: none"> Compliance operation Environmental management Promote employment Community contribution 	<ul style="list-style-type: none"> Strictly comply with laws and regulations Devote to green operation Actively provide job opportunities Participate in community construction 	<ul style="list-style-type: none"> Exchanges on conferences Daily regulatory communication Supervision and examination Policy consultation Regulatory information feed News reports
 Shareholders and investors	<ul style="list-style-type: none"> Protect the rights and interests of shareholders Gain investment returns Disclose material information 	<ul style="list-style-type: none"> Ensure the healthy development of the Company Hold annual general meetings and extraordinary general meetings Disclose material information 	<ul style="list-style-type: none"> Annual general meetings Extraordinary general meetings Periodic reports Investor meetings
 Clients	<ul style="list-style-type: none"> Product R&D and technical innovation Product safety and quality management Information security and privacy protection 	<ul style="list-style-type: none"> Strictly control R&D, procurement, and production stages Respond rapidly to clients' needs Complete the quality management system Establish the information security system and set permissions 	<ul style="list-style-type: none"> Client satisfaction survey Exchanges in seminars
 Suppliers	<ul style="list-style-type: none"> Supplier management and sustainable development Anti-corruption and anti-fraud 	<ul style="list-style-type: none"> Apply the supplier admission and delisting mechanism Provide supplier training and audit Sign a letter of commitment to the honest operation 	<ul style="list-style-type: none"> Annual supplier meetings Supplier training sessions Field audit against suppliers
 Employees	<ul style="list-style-type: none"> Employee recruitment and team building Employee development and training Rights, interests and protection for employees Occupational health and safety 	<ul style="list-style-type: none"> Follow labor guidelines Improve the occupational development and training mechanism Establish labor union to protect rights and interests Provide competitive salaries and benefits Implement the health and safety management system 	<ul style="list-style-type: none"> Congress of workers and employees Employee satisfaction survey "Wingtech Culture" WeChat Official Account Regular training
 Community	<ul style="list-style-type: none"> Promote employment Support community construction 	<ul style="list-style-type: none"> Organize volunteer activities Participate in community construction 	<ul style="list-style-type: none"> Volunteer service Charitable donation

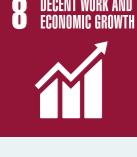
Materiality Assessment

We invited stakeholders to participate in the materiality assessment to determine issues that are important to our business and stakeholders, and disclose them more in the Report.



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.

UN SDGs	Report Sections	Our significant milestones in 2022
 1 NO POVERTY	Engage in Charitable Activities to Enjoy a Beautiful Life —Assist in Rural Revitalization	<ul style="list-style-type: none"> We partnered with enterprises of a poverty-stricken county to create job opportunities for local residents, thus boosting local economic development and promoting rural revitalization.
 3 GOOD HEALTH AND WELL-BEING	People-oriented to Realize Dreams for Employees —Implement Safety Management to Ensure the Health of Employees	<ul style="list-style-type: none"> We utilized safety management process control, and carried health and safety training to protect the physical and mental health of employees.
 4 QUALITY EDUCATION	People-oriented to Realize Dreams for Employees —Open up Promotion Channels, Cultivate Outstanding Talents Engage in Charitable Activities to Enjoy a Beautiful Life —Return to Society with Love	<ul style="list-style-type: none"> We established a "dual-pyramid" position system and implemented the talent review model to cultivate outstanding talents. Our efforts in education support involve contributing high quality education resources to students and teachers in remote areas.
 5 GENDER EQUALITY	People-oriented to Realize Dreams for Employees —Protect Employees' Rights and Interests and Create a Blissful Workplace	<ul style="list-style-type: none"> We are dedicated to ensuring equal employment opportunities for all and providing labor protection and care for our female employees.
 6 CLEAN WATER AND SANITATION	Low-carbon Development for a Green Future —Practice Green Operation and Facilitate Green Production	<ul style="list-style-type: none"> We encouraged water conservation and recycling to save water resources.
 7 AFFORDABLE AND CLEAN ENERGY	Low-carbon Development for a Green Future —Advocate Energy Conservation and Carbon Reduction and Combat Climate Change	<ul style="list-style-type: none"> We facilitated green production and took energy-saving measures.
 8 DECENT WORK AND ECONOMIC GROWTH	People-oriented to Realize Dreams for Employees —Protect Employees' Rights and Interests and Create a Blissful Workplace	<ul style="list-style-type: none"> We are fully committed to protecting the legitimate rights and interests of employees, and prohibited the use of child labor and forced labor.

UN SDGs	Report Sections	Our significant milestones in 2022
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Set an Example of Ingenuity Driven by Innovation —Boost Product Innovation and Lead Technological Advancement	<ul style="list-style-type: none"> We promoted research driven and innovation empowered development, and actively facilitated the research, development, and application of clean technologies.
 10 REDUCED INEQUALITIES	People-oriented to Realize Dreams for Employees —Protect Employees' Rights and Interests and Create a Blissful Workplace	<ul style="list-style-type: none"> We created a fair and respectful workplace and provided equal opportunities for all.
 11 SUSTAINABLE CITIES AND COMMUNITIES	Engage in Charitable Activities to Enjoy a Beautiful Life —Return to Society with Love	<ul style="list-style-type: none"> We engaged in volunteer services, social assistance, education assistance, psychological health assistance and other charitable activities to offer help to poverty-stricken and vulnerable populations.
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Set an Example of Ingenuity Driven by Innovation —Develop Clean Technologies and Promote Green Products	<ul style="list-style-type: none"> We realized responsible production by facilitating the research, development, and application of clean technologies.
 13 CLIMATE ACTION	Low-carbon Development for a Green Future —Advocate Energy Conservation and Carbon Reduction and Combat Climate Change	<ul style="list-style-type: none"> We strengthened environmental management, established emission reduction action plans, and adopted energy-saving measures to achieve emission reduction targets.
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Sustainable Governance for Long-standing Business —Business Ethics and Anti-Corruption	<ul style="list-style-type: none"> We conducted business ethics reviews, anti-corruption training, and other efforts to foster a disciplined and clean-handed environment.
 17 PARTNERSHIPS FOR THE GOALS	Join Hands Responsibly for Common Benefits —Deepen Industrial Exchanges and Share Industrial Development	<ul style="list-style-type: none"> We built a responsible supply chain, actively participated in industrial exchanges and boost cooperation and mutual benefits along the entire industrial chain.

01

Sustainable Governance for Long-standing Business

Sound corporate governance helps to enhance a company's core competitiveness and promotes sustainable development. We are committed to enhancing our internal control system and continuously improving corporate governance and operational capacity to ensure that the Company operates in the best interest of our shareholders and the organization as a whole.



5 General Meetings of Shareholders,
16 meetings of the Board of Directors,
and 14 meetings of the Board of Supervisors were held

The ISO 27001 Information Security Management System Certification was obtained

Female directors accounted for 20%,

female supervisors

accounted for 66.7%

High Quality Corporate Governance

We strictly abide by the requirements of laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. We have also established a governance structure composed of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the Senior Management to effectively safeguard the interests of investors and the Company.

Governance Structure

In order to safeguard the legitimate rights and interests of the Company, our shareholders, and creditors, and regulate our organizational behavior, we have formulated and continuously improved the Articles of Association, clarified the responsibilities and powers, rules of procedure, and working procedures of units at all levels. In this way, we ensure the separation of decision-making, execution and supervision functions. During the Reporting Period, we held 5 General Meetings of Shareholders, 16 meetings of the Board of Directors and 14 meetings of the Board of Supervisors.

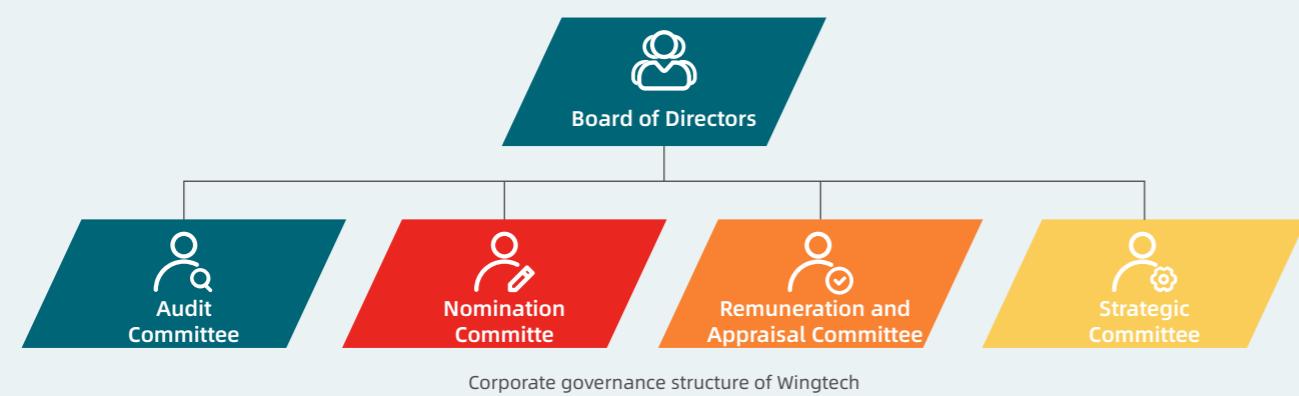
General Meeting of Shareholders

We strictly abide by the requirements of the Company Law and the Articles of Association 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 to act as non-voting delegates 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.

Board of Directors

At Wingtech, we prioritize the interests of our shareholders and scientific decision-making. Our process for electing directors is transparent, fair, and independent, following the guidelines stipulated in the Articles of Association. We 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, enabling them to fully implement the policy of diversification. As of the end of the Reporting Period, the Board of Directors consisted of five directors, including two independent directors, and the proportion of female directors was 20%.

The Board of Directors operates in full compliance with the legal requirements and provisions of the Company Law and the Articles of Association and follows standard norms in terms of convening methods, procedures, voting methods and resolutions. The Board of Directors governs four professional committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategic Committee. Those committees support the Board of Directors in carrying out its decision-making and supervisory duties, which is crucial for promoting the standardized operation and healthy development of the Company.



Board of Supervisors

The 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. To further enhance the working efficiency and scientific decision-making of the Board of Supervisors, 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, and we are continually enhancing the management of investor relations.

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

Risk Management

We believe that the implementation of a comprehensive risk control system is the key to the steady development of a company. Therefore, we continuously identify and monitor potential risks across multiple areas including product export, technology development, work safety, sales management, quality control, and financial accounting, and promptly take corresponding effective control measures. In addition, we have set up the International Situation Risk Response Team, which is made up of the rotating CEO and the heads of the supply chain, strategy, procurement, sales, manufacturing, products, finance, legal affairs, investment and financing, capital market, and public affairs, in order to identify operational risks in a timely manner and take effective measures to deal with them under complex international circumstances. Also, we have established and enhanced an operational risk management and response mechanism alongside an effective communication mechanism, enabling us to address risk items in all business scenarios and make sound judgments and decisions in a timely manner under various circumstances.



Business Ethics and Anti-Corruption

Strictly abiding by the Anti-unfair Competition Law of the People's Republic of China and other relevant laws and regulations, we adopt a zero-tolerance attitude toward any violation of business ethics, regardless of age and rank. We joined the "China Enterprise Anti-Fraud Alliance" in 2021, and any dishonest candidate will be rejected from being hired.

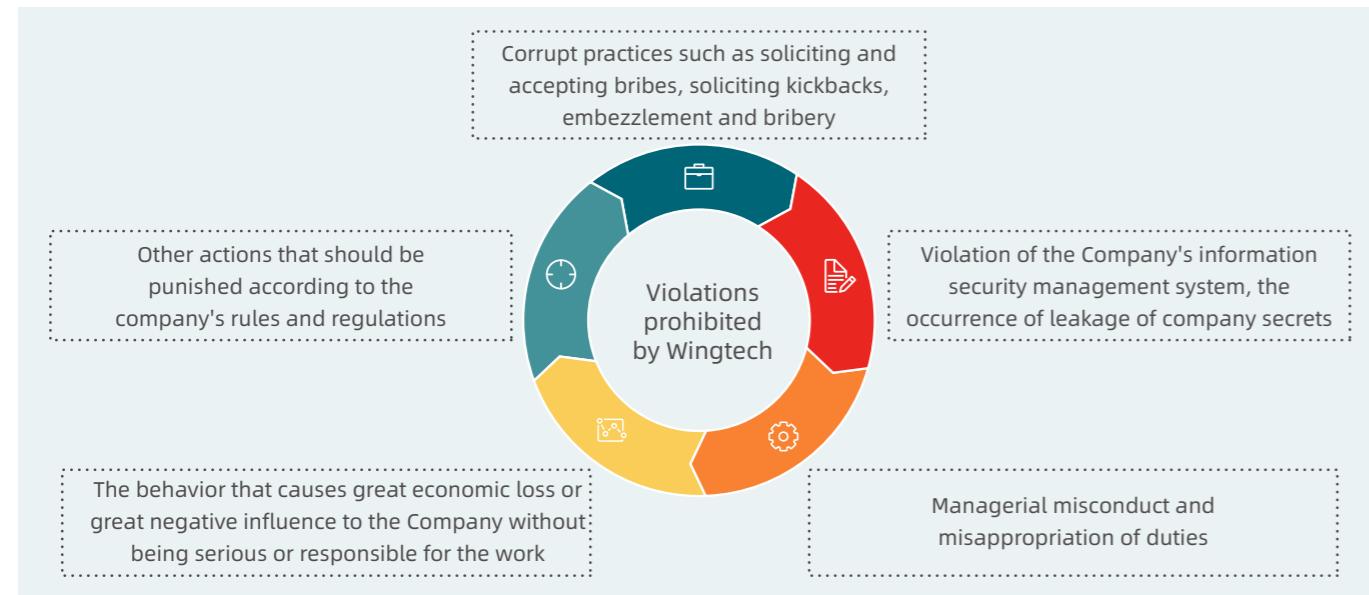


Business Ethics System

In order to tighten the working disciplines, standardize the code of conduct, and prevent any violation of laws and disciplines, we have formulated the Regulations on Supervision, the Code of Conduct and the Management Procedure for Labor and Business Ethics on top of strictly abiding by the Company law and other Chinese laws and regulations as well as local laws in other countries of operation. In those documents, we require all employees to be honest and self-disciplined in operation and production activities, and construct a progressive, healthy, and transparent corporate culture and atmosphere.

Click to learn more 

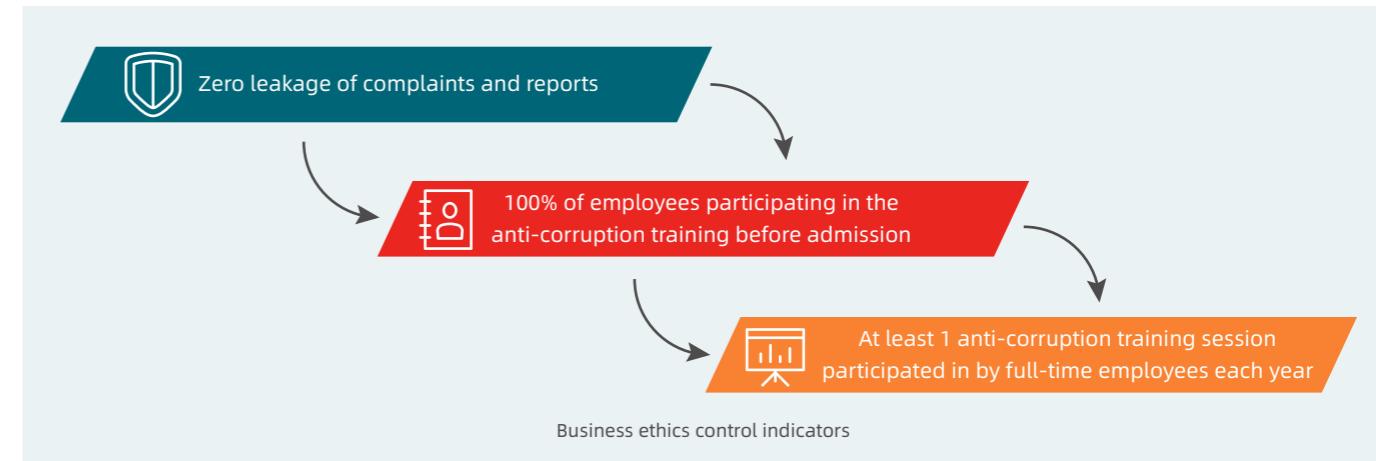
[Wingtech Employee Code of Conduct](#)
[Nexperia Code of Conduct](#)



The Supervision Department, as a department specially assigned to investigate and handle corruptions, has been established to supervise our internal activities. The department is vertically managed and directly reports to the chairman. Each department of the company designates a person at the director level or above as the "Department Monitor Interface person" who is responsible for coordinating the supervision work of the Supervisory Committee. At the same time, the supervisory department evaluates the supervision work carried out by the department's supervisory interface personnel, and continuously monitors the compliance with the company's internal normative documents.

Business Ethics Review

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. In 2022, we received 11 inquiries from the Human Resource Department regarding the integrity records of 139 employees up for promotion, ensuring a fair, just, and honest environment for the promotion and salary increase of managers. In addition, during the Reporting Period, we established the Labor and Business Ethics Control Indicators and Achievement Criteria to enhance our monitoring capabilities and foster a culture of honesty and integrity in the workplace.



We pay close attention to the compliance of suppliers with business ethics, continuously publicize our business ethics requirements and policies to suppliers, and 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 a blacklist and rejected from future collaboration.

Channels for Complaints and Reports

The company has set up numerous reporting channels. 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.

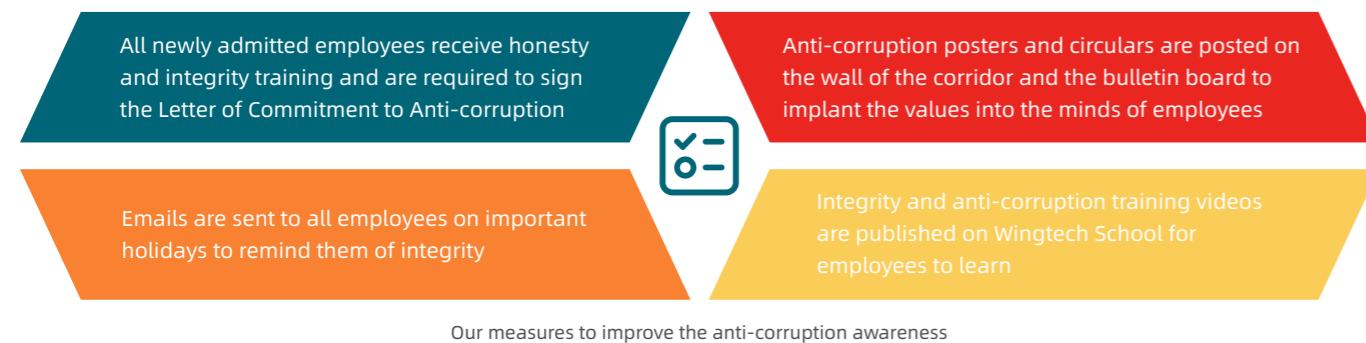
- Reporting mailbox: a mailbox hung at an appropriate location in the office area.
- Reporting email: wingtech_jc@wingtech.com
- Report website: Wentai Technology official website - integrity complaints channel
- Reporting telephone: 0755-22905515-6013, 18922885225 (also the WeChat number)
- Letters and visits: Office of the Supervisory Committee, 3/F, Podium Building, Kingkey Oriental Metropolis Tower, No. 1003, Yanhe North Road, Luohu District, Shenzhen



Once their claims are verified, employees who have come forward to disclose wrongdoing as whistleblowers will be rewarded. However, in the event of a false accusation or malicious report, the whistleblower will be held accountable, which may include financial and legal consequences. Both real-name reporting and anonymous reporting are acceptable; however, we prefer real names. Information about the whistleblower, including their identity, reporting material, or other details, will be kept strictly confidential and will not be disclosed to the reported unit, the reported person, or any other unrelated personnel in any case. Nexperia has established a Speak Up system that allows every employee, supplier, business partner and other stakeholder to submit complaints anonymous.

Improvement of the Anti-corruption Awareness

We attach great importance to raising every employee's anti-corruption awareness and commitment to fighting corruption. Therefore, to help all employees better understand the value of business ethics, regulations, and processes, we organize onboarding training, online training, and regular workshops.



Anti-corruption posters on the bulletin board of Delta



Integrity and anti-corruption training in Jiaxing Factory



The marketing department of Wingtech Communications is holding a compliance publicity training session

Information Network Security and Privacy Protection

While taking gradual steps to promote business development with digital technologies, we also deeply value the security of information and data. Therefore, we have formulated the information security policy of "prevention-based fast response; responsibility of information security for everyone" to regulate our information security management.

Information Network Security Management System

We have formulated the Information Security Management System, the Product Network Security Management Procedure, the Employee Red Line Management System and other regulations, and have established, implemented, maintained and improved our information security management system in accordance with the requirements of the ISO 27001 Information Security Management System Certification. With a three-tiered management structure consisting of the Compliance Management Committee, the Data Compliance Sub-Committee, and the Data Compliance Implementation Group that has been established, we can effectively guarantee the practical implementation of various regulations under the data compliance system. Furthermore, we set up the Product Network Security Sub-Committee under the Product Security Committee to construct the product network security system and make decisions on routine affairs, which are executed by the Product Network Security Implementation Group.



Organizational structure of our Compliance Management Committee

Our subsidiaries also formulate relevant systems in line with both their business scope and our general principles of information security. For example, Nexperia 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, Delta has developed multiple regulations, such as the Business Standard Information System Management Regulations of Guangzhou Delta Image Technology Co., Ltd. and the Delta Guidelines for Business Standard Information System Management, to integrate information security into its business process. Our subsidiaries have been certified by the ISO 27001 Information Security Management System Certification and passed the classified cybersecurity protection. In addition, Delta obtained the Integration of Informationization and Industrialization Management System Certificate (Grade A) in 2022.



ISO 27001 Information Security Management System Certification

Delta obtained the Integration of Informationization and Industrialization Management System Certificate (Grade A)



"Stay Vigilant to Anti-corruption" education training

In December 2022, Delta organized the "Stay Vigilant to Anti-corruption" training session to ensure its sustainable, healthy, and rapid development. Over 100 employees attended the training session, which covered a wide range of topics, including an introduction to the Supervision Department, case briefing, interpretation of supervisory regulations, laws and regulations, and reflections on corrupted behaviors, to further strengthen the institutional construction of the Company, standardize the behaviors of employees, and incorporate compliance requirements into daily operation.

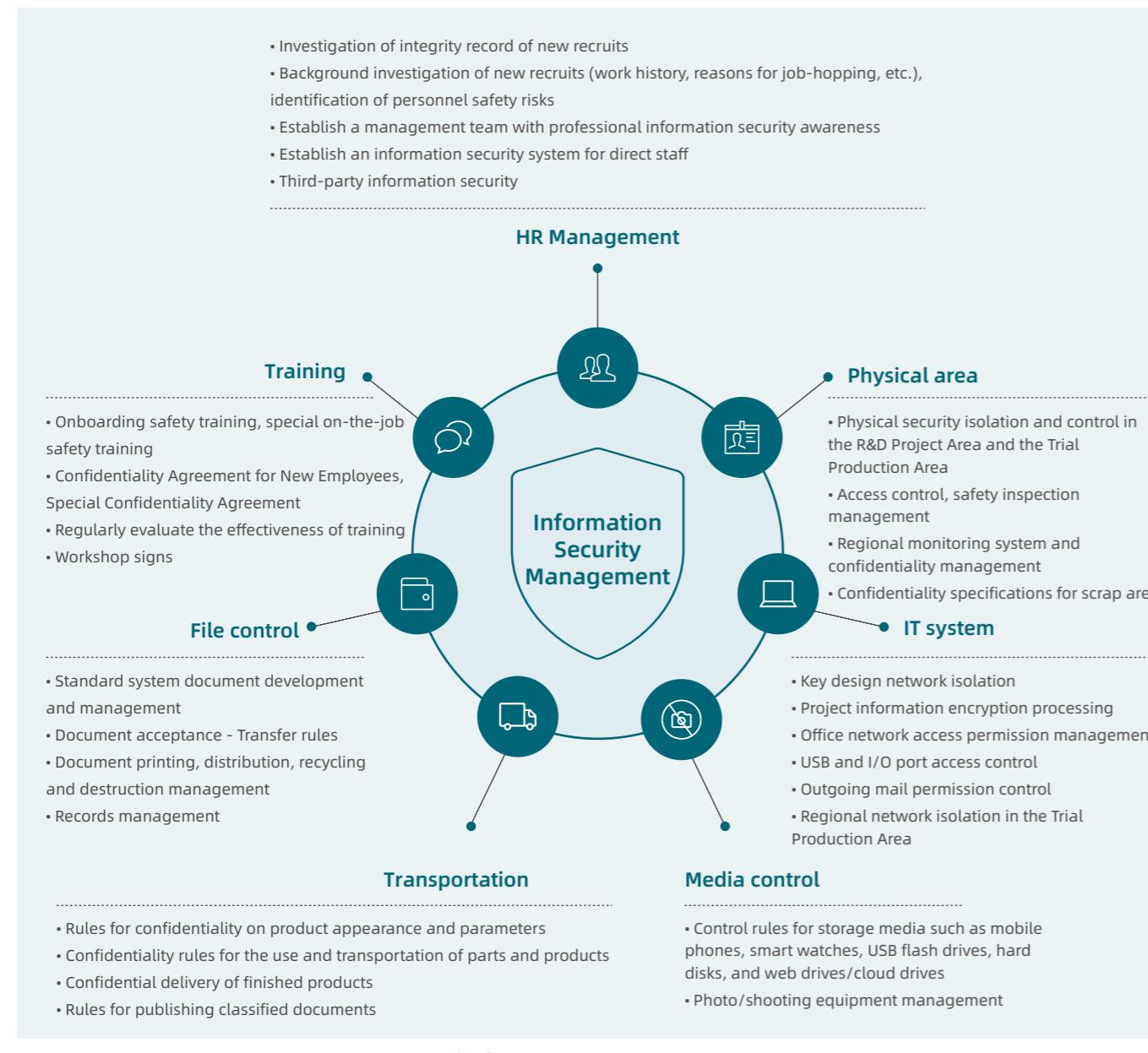


Nexperia's full training on the Code of Conduct

Nexperia continuously updates the Code of Conduct and takes active actions in organizing new employee training and annual training on anti-corruption and other related topics. In December 2022, Nexperia organized online and offline training on the updated version of the Code of Conduct during the Reporting Period, and all employees participated in the training. During the training, employees were explained the meaning, principles and values of the Code of Conduct, requirements for employees and case sharing, aiming to improve their anti-corruption awareness and enable them to keep abreast of our latest requirements for personal conduct.

Information Network Security and Privacy Protection

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. We have designated physical isolation areas and confidential areas to safeguard clients' sensitive information. Our T&T Confidential Material Tracking System, which has functions such as mandatory inventory checking and alarms, tracks and controls every piece of confidential material. It also includes a face recognition permission verification system to enhance security.



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.

Information Network 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. In order to achieve this, we 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. Nexpria has also published articles on data protection in its in-house e-magazine X. Press, in an effort to enhance employees' awareness of information security and data compliance.

Case **Information security training for new employees**

Every month, we provide new hires with information security awareness training that covers topics such as the information security management system, access management of confidential areas, equipment management, information classification management, permissions control, and application management. These training activities can lower the risk of information leakage and ensure that new employees become familiar with our information security policies and procedures.

Information security training for new employees

Case **Information security knowledge contest**

In September 2022, we launched the annual information security knowledge contest to encourage all employees to learn the most recent information security policies and procedures. During the early stage, we provided access to email, on-site publicity, video and other channels so that employees could learn and comprehend the latest information security standards. In the later stage, we held online quizzes and selected experts in information security knowledge. The purpose was to ensure that employees understand the latest information rules and regulations and improve their awareness of information security.

Information security knowledge contest



02

RMB **4.565 billion**
of R&D investment

1,725
patents
obtained

260
valid patents related
to clean technology

Rank **38**th in China's Top 100
Innovative Large Enterprises
in 2022

Set an Example of Ingenuity Driven by Innovation

With a deep foothold in the fields of semiconductors, product integration, and imaging module, Wingtech always holds that innovation is the key to a company's long-term success. In response to growing market expectations, we make continuous investments to expand our efforts in innovation-driven, green, and clean technologies, think about how to improve the quality management system, and promote outstanding and eco-friendly products to win the trust of clients.



Boost Product Innovation and Lead Technological Advancement

Wingtech places a high value on technology research and development, and constantly develops innovative technologies. In 2022, we ranked 38th in China's Top 100 Innovative Large Enterprises due to our advancements in semiconductors, imaging module, and communication product integration.

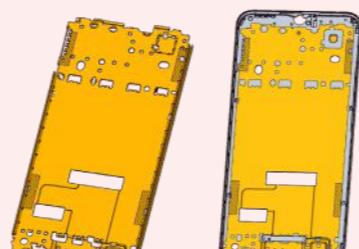
Progress of R&D Innovation

Semiconductor business sector

As an industry-leading innovator, Nexperia continues to improve and develop product applications that reduce energy and material consumption, and is making progress in three generations of semiconductor technology to contribute to a sustainable future. For detailed R&D and innovation progress in the semiconductor business sector, please refer to the Nexperia Sustainability Report.

Product Integration business sector

In 2022, Wingtech Communications replaced die-casting aluminum alloys with front-shell stamped aluminum sheets in the structural design of smart phones. This modification has resulted in an increase in the automation rate and yield of the process while ensuring the stability of stamping dies. The productivity of a die is increased by five times and the costs are more than 50% less when compared with cast dies. Moreover, the material consumption and the energy consumption for die heating have been reduced during production, and there is no high-temperature environment around the workbench, thus improving the operational environment of the production line.



Front-shell stamped aluminum sheets

Imaging Module business sector

In 2022, Delta developed and validated many new products of varying areas, produced the prototype of in-vehicle cameras, and shipped supporting modules from the product integration sector. Those measures prove our solid steps to expand clients and product portfolios.

The industry-leading flip-chip technology applied by Delta can provide stabler performance, stronger anti-interference capability, and smaller footprints than the previously-used wire-bond technology. Delta's imaging module quality leads the entire world.



WT-N1M601

Case

Smart manufacturing

Taking smart manufacturing as one of the important drivers for long-term development, we are committed to crafting intelligent factories that are both high-quality and personalized, with a view to promoting energy conservation, and improving production efficiency and product quality. In 2022, Wingtech Communications' Jiaxing factory expanded its automation equipment portfolio to encompass ten machine types, including an automatic current transplanting test device, a CCD internal monitoring binding device, an automatic battery mounting and rolling device, an automatic screw gap detection device, an automatic battery cover mounting and binding device, an automatic lens mounting device, an automatic mainboard dispensing device, an automatic test manipulator, an automatic labeling, number checking & upgrading device set, and an automatic standard test station.



Automatic test manipulator



An automatic labeling, number checking & upgrading device set

In order to safeguard our brand's reputation, goodwill, and intellectual property accomplishments, Wingtech is committed to enhancing the intellectual property system. While strictly abiding by relevant laws and regulations at home and abroad, we have also formulated and promulgated administrative documents including the Intellectual Property Risk Management System, the Intellectual Property Reward and Punishment System, the Intellectual Property Audit Procedure, and the Patent Management System. We also maintain a sound intellectual property management system, and continuously optimize the management and operation of intellectual property. Meanwhile, we continue to refine our intellectual property management measures and have introduced the intellectual property management system to streamline the whole process online. During the Reporting Period, the intellectual property management system of Wingtech Communications was certified by the GB/T 2940-2013 Corporate Intellectual Property Management System Certification.

We also occasionally conduct intellectual property training to raise employees' understanding of the protection of intellectual property. During the Reporting Period, we carried out a number of intellectual property training sessions, addressing important topics such as patent infringement risks, patent search and other topics, and invited American lawyers to give us practical training on American patents, which effectively enhanced employees' awareness of intellectual property protection.

As of December 31, 2022



We owned a total of **1,725** authorized patents, of which **803, 838**, and **84** patents were authorized for the semiconductor, product integration, and imaging module business sectors, respectively

No infringement of patents, trade secrets or trademarks occurred

Develop Clean Technologies and Promote Green Products

We hold steadfast in our belief in the importance of technology and respect for human development, and are always committed to our global responsibility as a company while focusing on innovation to achieve sustainable development. By fully exerting our expertise, we actively facilitate the research, development, and application of new clean technologies, and take the initiative to study and develop clean technologies in consideration of the national strategy of energy conservation and low carbon as well as our own needs for business development. We continue to reduce energy consumption in material manufacturing, improve product performance, and will help achieve carbon neutrality in the near future. In 2022, Wingtech was rated as one of the Top 50 of Forbes China Sustainable Development Industrial Enterprises.

We have implemented an advanced environmentally-friendly technology to replace paints containing volatile organic compounds (VOCs) in two product models with environmentally-friendly low-VOC paints. Our clients have the option to switch to water-soluble paints at any time, which can help improve the atmosphere quality and better protect the health of users. 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.



Case

Nexperia invests in developing sustainable alternatives to batteries

In November 2022, Nexperia expanded its power management expertise with the acquisition of Nowi to include energy harvesting solutions that capture energy in light, vibration, radio waves or temperature gradients. Nowi's power management chips (PMICs) combine outstanding capture performance, the world's smallest PCB package, and ultra-low BOM cost to replace batteries for low-power applications such as smart wearables and automotive wireless sensor nodes. Nowi will help Nexperia's customers in consumer electronics, automotive and other fields accelerate the production process of solutions, quickly achieve large-scale production and transportation, and provide sustainable alternatives to batteries for customers' products.



Case

Contributing to carbon neutrality

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. With Nexperia's advanced silicon carbide and gallium nitride technology, we provide green and low-carbon semiconductor products and solutions carried on energy-saving servers, enabling our clients to build green data centers.

Wingtech recognizes that energy conservation and enhancing energy efficiency are crucial steps towards achieving significant carbon dioxide emission reductions. Therefore, we are continually promoting the development of and innovation in the liquid cooling technology of data centers. To improve the overall energy efficiency of the refrigeration system, we have identified and addressed the problems of high energy consumption and low efficiency in traditional cooling technologies such as cold plate liquid cooling and immersion liquid cooling. In addition, our Ark Lab has initiated a research and development project aimed at creating high-efficiency server power supplies, which is expected to reduce energy consumption and emissions for data centers. Taking a data center with 10,000 servers as an example, our 98% efficient server power supply can reduce carbon emissions by more than 10,000 tons every four years compared with 96% efficient power supplies.

As of December 31, 2022



Wingtech Communication owned a total of **260** valid patents related to clean technologies. Among them, there were **158** patents related to energy consumption in various application scenarios, **57** related to the improvement of charging efficiency, and **45** related to the enhancement of battery life.

Guarantee Product Quality and Strictly Control Hazardous Substances

Wingtech keeps reviewing and updating quality management to uphold an effective quality system while demonstrating our dedication to providing clients with premium products. While ensuring product quality, we also implement rigorous measures to regulate the presence of hazardous substances as a means of establishing a robust defense mechanism.

Improve Management Systems and Strictly Control Product Quality

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, ANSI/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.



IATF 16949 Quality Management System Certification for the Automotive Industry



ISO 9001 Quality Management System Certification



IECQ QC 080000 International Electrotechnical Commission Quality Assessment System for Electronic Components - Hazardous Substance Process Management



TL 9000 Quality Management System Certification for the Telecommunications Industry



ANSI/ESD S20.20 American National Standards Institute Electrostatic Discharge Association Standard Certification



AS 9100 Quality Management System Certification for the Aerospace and Defense Industry

Deepen Quality Management and Pursue Quality Excellence

 **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

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

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

Process management

Manufacturing Execution System

- Key part tracking
- System alert
- ...

Outgoing quality control

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

We established testing positions to test and monitor product quality at key production points. As for non-conforming products, we define the product processing procedures at each stage. We also ensure that reworked products meet our quality requirements by reviewing various documents. These documents include risk analysis reports and processing records of reworked and repaired products, as well as validation records of corrected non-conforming products. As for non-conforming products found in the process of picking-up, manufacturing, market circulation and all inspection stages, we require suppliers to rework them as soon as possible or take other effective measures to improve them. If the results still fail after the rework, the products will be returned.

Case

Quality Control Circle (QCC) quality improvement projects

Continuous improvement encompasses the entire product life cycle, and also involves every employee and every production stage. In 2022, Wingtech Communications set up QCC promotion committees in all factories, conducted improvement group activities on an ongoing basis, and provided cash rewards for award-winning projects, to encourage employees to work together to improve product quality. During the Reporting Period, numerous quality improvement initiatives were implemented to further enhance quality management. For example, regarding the welding problem in the Circle of Excellence, the Jiaxing factory of Wingtech Communications successfully reduced the defect rate of welding by 70% after analyzing the reason and the root cause, devising and verifying countermeasures, and implementing them.



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.



Case

Wingtech Quality Month

In June 2022, Wingtech held the "Quality Month". This Quality Month included eleven activities, including quality class, knowledge quiz, process recap, excellent improvement case selection, skill contest, quality knowledge show, and quality practitioner selection. Those activities increased the engagement of all employees and fostered a culture of excellence.



Case

ISO 9001 internal auditor training

In November 2022, the Huangshi factory of Wingtech Communications carried out the internal auditor training for the ISO 9001 quality management system. The training session covered the interpretation of system standards and clauses, the essential competencies required for internal auditors of the system, and the execution of internal audit procedures. The training facilitated comprehension among employees regarding the latest quality management system requirements, thereby ensuring the effectiveness of our quality system.



ISO 9001 internal auditor training

Quality class

There were two segments of the quality class attended by 9,800 employees. In July 2022, the Quality Director of Nexperia introduced how Nexperia achieved exceptional quality performance through the application of quality tools and the development of quality culture. In August 2022, the head of Integrated Product Development (IPD) Operation Management Department presented the current situation and problems of product R&D, the concept of big quality and how to establish this concept, quality management in the R&D process, and product quality construction. In addition, we invited external experts to train us on the TL 9000 Telecom Quality Management System and improve the system operation capability. A total of 186 employees attended the training, 131 of whom passed the examination and obtained the TL 9000 internal auditor qualification.



Quality class

Excellent improvement case selection

To effectively improve product quality and work quality, we compiled exemplary cases of quality improvement within the Group and enhanced the capabilities of all employees in deploying quality tools, analyzing issues, and resolving quality challenges. Five exemplary cases were selected to better motivate all employees to engage in quality improvement.

Quality model

To recognize those who have made exemplary contributions to quality management, we launched a selection campaign to commend the individuals who have made outstanding contributions to our quality commitment and set an excellent example. Three employees were chosen as "Quality Models of Wingtech".

Manage processes and systems

Through analyzing and auditing the key processes of the quality system, this activity evaluated the operational status of the quality management system. Diagnostic reports were generated as a result, and responsible departments were prompted to make improvements, ultimately enhancing the overall health of the system. A total of 28 nonconformities were identified during the activity; all corrective and preventive measures were implemented effectively; and all cases were closed.



Manage processes and systems

The first QCC launch contest

In order to improve the capability of applying quality tools and create a healthy atmosphere for continuous improvement, each production base conducts an internal evaluation of QCC topics during the second quarter and recommends excellent topics to the manufacturing center. Six excellent topics were selected and awarded.



The first QCC launch contest

Strictly Control Hazardous Substances and Consolidate the Green Foundation

2007	<ul style="list-style-type: none"> • We completely eliminated the use of cadmium, lead, mercury, hexavalent chromium, polybrominated diphenyl ethers, and polybrominated biphenyls
2008	<ul style="list-style-type: none"> • We established a RoHS laboratory and a self-monitoring system
2015	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • We initiated the RoHS 2.0 supply chain compliance investigation for 4 phthalates
2017	<ul style="list-style-type: none"> • 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
2018	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • We added the control requirements of the US Toxic Substances Control Act (TSCA) and the Toxics in Packaging Clearinghouse (TPCH)
2022	<ul style="list-style-type: none"> • New control requirements have been added for fluorine compounds and French printing ink, while requirements for vehicle-mounted and wearable products were also extended

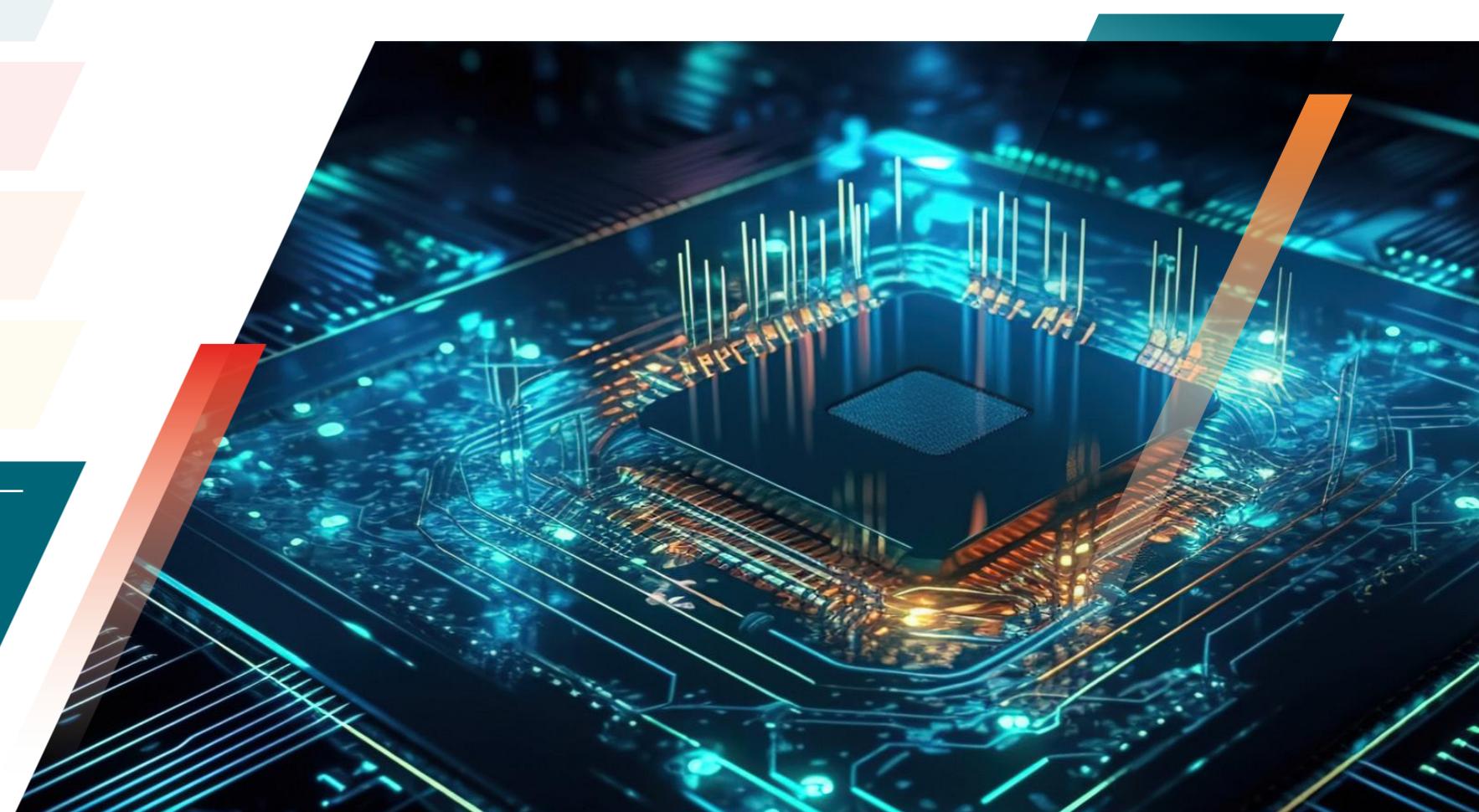
Wingtech abides by many international regulations and client requirements, including the EU Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS), the Regulations Concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), 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.

Organizational Structure and System

We have established organizational structures for hazardous substance management, and 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, timely identify key evaluation items, complete hazardous substance evaluation for factories, suppliers, and processing plants, and receive examinations by clients each year.

We have identified all chemicals to make sure they meet RoHS and REACH requirements. Wingtech Communications has formulated the Standards for Limited Use of Hazardous Substances, Measures for the Management of Chemicals and other management systems, and Delta has formulated and promulgated the Rules for the Management of Hazardous Substances. Nexperia continuously develops its standards on restricted substances in manufacturing, products, and packaging to align with both internal regulations and national laws, as well as customer expectations. Compliance is verified through analytical test reports obtained from independent third-party laboratories and assessed as early as during the qualification of new materials. Notably, Nexperia's scope of chemical analysis surpasses that of RoHS requirements. Demonstrating commitment to transparency and excellence, the most recent versions of these standards are publicly available. As part of supply chain engagement, suppliers and external manufacturers of Nexperia are mandated to uphold these high standards.

We maintain a constant focus on the latest laws and regulations on hazardous substances, actively promote hazardous substance goal management, and collect the requirements for hazardous substances specified by clients. According to our standards for the limitation of harmful substances, we categorize such substances, mark the source for management, and specify the permissible threshold of harmful substances contained in products.



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 accept annual audits of hazardous substances from clients, and 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. Wingtech Communications 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. Nexperia also releases the chemical compositions of its product portfolios. Clients can retrieve detailed chemical compositions from the general product database.

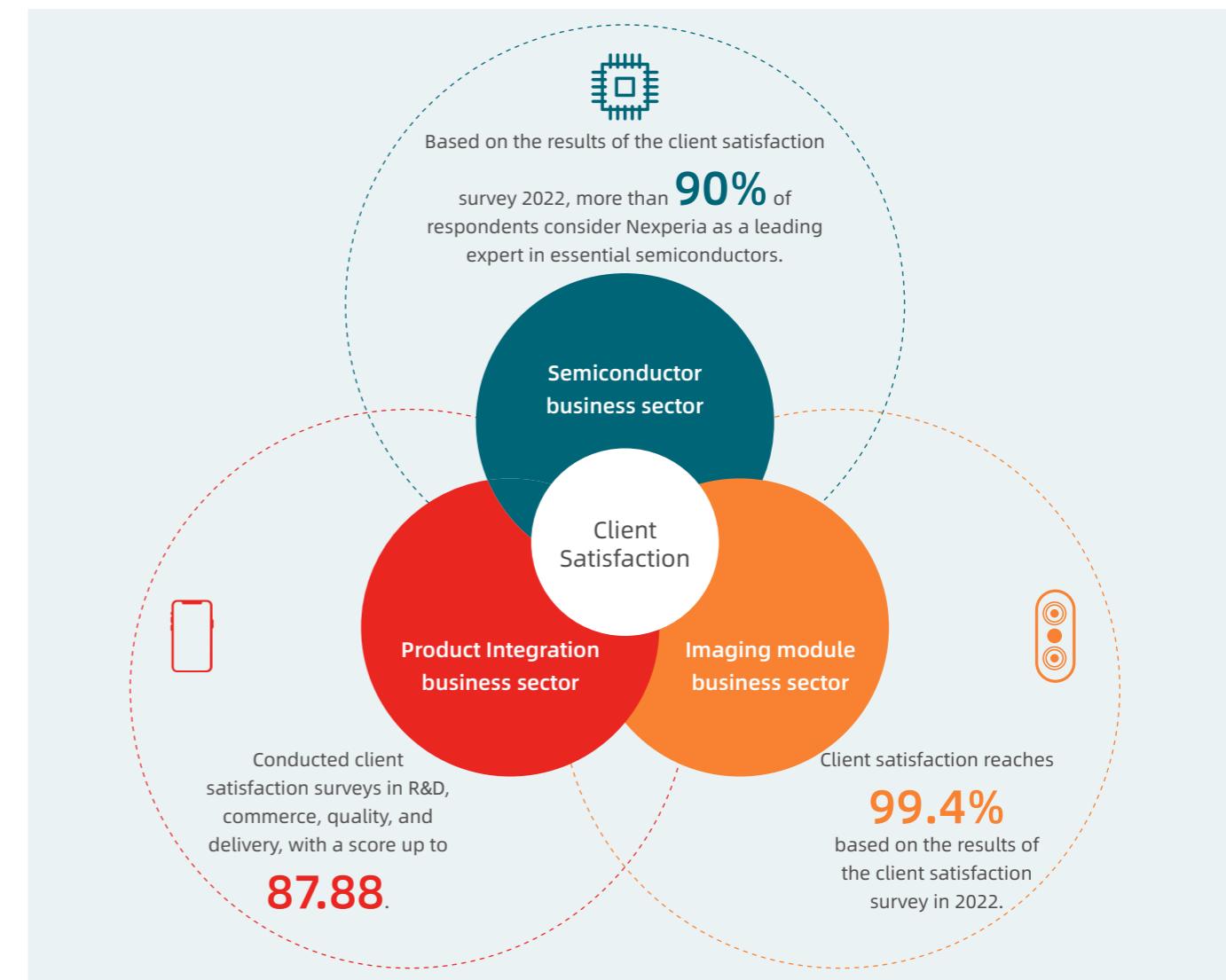
Education and training

Every year, we collect training needs, formulate and implement annual training plans, integrate hazardous substance management knowledge into our onboarding program, and provide online training on hazardous substance management to our suppliers. In 2022, we organized the training of hazardous substances tailored to meet client needs, intensified the efforts in providing targeted training in key areas such as R&D, quality and procurement as required by major clients, and effectively promoted the control of hazardous substances.

Focus on Premium Services and Improve Client Satisfaction

To establish a strong reputation in the industry, we are dedicated to delivering high quality products and services while continuously promoting and improving services for clients in the full lifecycle. We utilize the Integrated Product Development (IPD) methodology to provide comprehensive services to our clients across the board throughout the product evaluation, product development, validation, and release stages. For every project, Wingtech Communications assigns contact people from different fields to communicate with clients. The contact people include representatives from R&D, sales, products, manufacturing, quality, procurement, supply, and finance. These representatives respond to clients' requests and serve them through inter-departmental teamwork. We have formulated and promulgated the Business Guidelines for Client Satisfaction Control, the Business Guidelines for Response to Clients' Complaints, and other administrative documents, implementing a standardized procedure for reworking and analyzing defective products to facilitate continuous improvement of products.

In addition, we pay regular visits to clients and collect their opinions on our products and services via client satisfaction surveys. We require corresponding departments to analyze the cause of deficiencies and rectify them, thus ensuring premium services for clients. In 2022, our semiconductor business sector was highly praised by clients in terms of cooperative relationships, product performance, and responsiveness of sales representatives. Based on 1,021 client feedback forms we received, more than 90% of respondents consider Nexperia as a leading expert in essential semiconductors. The product integration business sector conducted client satisfaction surveys in R&D, commerce, quality, and delivery, with a score up to 87.88. The imaging module sector focuses on eight dimensions of product quality, with the client satisfaction up to 99.4%.



03

Low-carbon Development for a Green Future

Climate change is becoming a shared challenge for all countries, industries, and enterprises worldwide. In response to the state's call, we stick to the path of green and low-carbon development, actively assess climate resilience, and continuously intensify our efforts to reduce greenhouse gas emissions. Together, we safeguard the green future of all mankind.

GHG emissions intensity of product integration business sector

2.0 tCO₂e/RMB Million of Revenue

GHG emissions intensity of semiconductor business sector

18.9 tCO₂e/RMB Million of Revenue

Total non-hazardous waste

15,004.9 tons



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](#)

Strengthen Environmental Management and Consolidate the Green Foundation



ISO 14001 Environmental Management System Certification

With a watchful eye 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 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 sector, imaging module sector, and product integration sector were all granted certification by the ISO 14001 Environmental Management System. Nexperia's factories in Hamburg, Germany and Newport, UK have been certified by the ISO 50001 Energy Management System. Also, we provide environmental training to our employees and organized some employees to receive training on ISO 14001 to obtain the internal auditor certificate.

The Group has established a sound environmental management structure to enhance the efficiency and effectiveness of the environmental management system. Nexperia has assigned a global environment, health, and safety (EHS) manager to execute the global EHS management system and coordinate social responsibility management work. Furthermore, Nexperia has assigned the VP of Front End Operations, Global Real Estate and Facilities Management to be responsible for the effectiveness of the EHS management system and social responsibilities. Wingtech Communications 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 the charge of the Safety and Environment Department and their own safety officer.

Advocate Energy Conservation and Carbon Reduction and Combat Climate Change

By taking actions in green transformation, Wingtech is proactively addressing the national requirements for carbon peak and carbon neutrality and coping with the challenges posed by climate change. 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 facilitate 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

To mitigate the potential impact of climate change on our business, Wingtech has implemented a comprehensive strategy that involves the integration of resources and the establishment of a robust EHS management system. Additionally, we have appointed a senior executive to oversee our efforts to reduce carbon emissions. We have also set up a carbon emission reduction project team to deeply integrate our operation and production with climate change response.



Strategies and risk 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	Following the implementation of carbon control policies and the enhancement of combat against climate change and disclosure requirements, Wingtech is facing greater risks in the compliance with environmental protection laws, including but not limited to regulations of various countries and regions on pollutant emission, waste water discharge, hazardous substance use and treatment. Violation of those regulations may lead to financial penalties or sanctions.	Wingtech hires experienced financial specialists, strengthens the compliance system construction and related training, and will strictly comply with the latest international and national climate-related laws and regulations, timely evaluate our operation, products, and supply chain, so as to understand the possible risks of new regulations and their impact on our business.
	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 research and development 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 Wingtech may not be able to fully satisfy clients' requirements for product performance in recycling and repair.	Wingtech 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, Wingtech can maintain close communication with and active response to stakeholders from such aspects as strategic planning system, legal compliance system, client marketing system, product research and development 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.
Physical risk	Immediate	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 the Group'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.
	Potential	Rising temperatures, rising sea levels, and water stress may limit our access to water and energy resources, increase our cost, and heighten supervisory constraints.	Wingtech 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.	Wingtech 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.	Wingtech 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.
Products and services	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.	Wingtech 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 and imaging module sectors, we will expedite product penetration into downstream electric vehicle manufacturers, green energy producers, and server users.
Market	Wingtech maintains 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, Wingtech 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.	Wingtech 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.



Indicators and goals



Carbon neutrality commitment

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

2050

Product Integration business sector

Achieving carbon neutrality for Scope 1 and 2 emissions by 2050

●

Imaging Module business sector

Achieving carbon neutrality for Scope 1 and 2 emissions by 2050



Carbon emission reduction targets

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

20% reduction in total GHG emissions by 2030 compared to 2017

Product Integration business sector

30% reduction in GHG emissions intensity by 2030 compared to 2015

Imaging Module business sector

30% reduction in GHG emissions intensity by 2030 compared to 2016



Science-based target setting

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.



Improve Energy Efficiency and Fulfill Responsibility for Environmental Protection

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, and the Carbon Emission Reduction Statistics Table. 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 Sustainability Report.



Our data-based performance of energy consumption and greenhouse gas emission in 2022 is shown as follows:

Indicator ^{1,2}	2022
Natural gas (10,000 cubic meters)	1,970.9
Steam (GJ) ³	/
Gasoline (L)	100,629.5
Diesel (L)	215,273.1
Liquefied petroleum gas (L) ⁴	49,377.0
Purchased electricity (10,000 kWh)	64,534.9
Direct GHG emissions (Scope 1) (tCO2e) ⁵	115,776.0
Indirect GHG emissions from energy (Scope 2) (tCO2e) ⁶	290,652.5
Total GHG emissions (tCO2e)	406,428.5
-GHG emissions intensity of product integration business sector (tCO2e / RMB Million of Revenue)	2.0
-GHG emissions intensity of semiconductor business sector (tCO2e / RMB Million of Revenue)	18.9

Notes :

1. The data of energy consumption and greenhouse gas emissions in 2022 add the imaging module sector, so our energy usage data and greenhouse gas emissions data increased.
2. The greenhouse gas emissions of the imaging module business sector are at a low level and therefore exempted from disclosing the emission density for the time being.
3. As Wingtech Communications turned off its steam heating system in 2021, there is no data on steam usage in 2022.
4. In 2022, we added the statistics and disclosure scope of liquefied petroleum gas for the semiconductor business sector.
5. Direct greenhouse gas emissions (scope 1) are calculated according to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the GB/T2589-2020 General Rules for the Calculation of Comprehensive Energy Consumption.
6. In 2022, our 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.

We also focus on the use of packaging materials in the production and operation process. We are committed to continuously improving 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.

Practice Green Operation and Facilitate Green Production

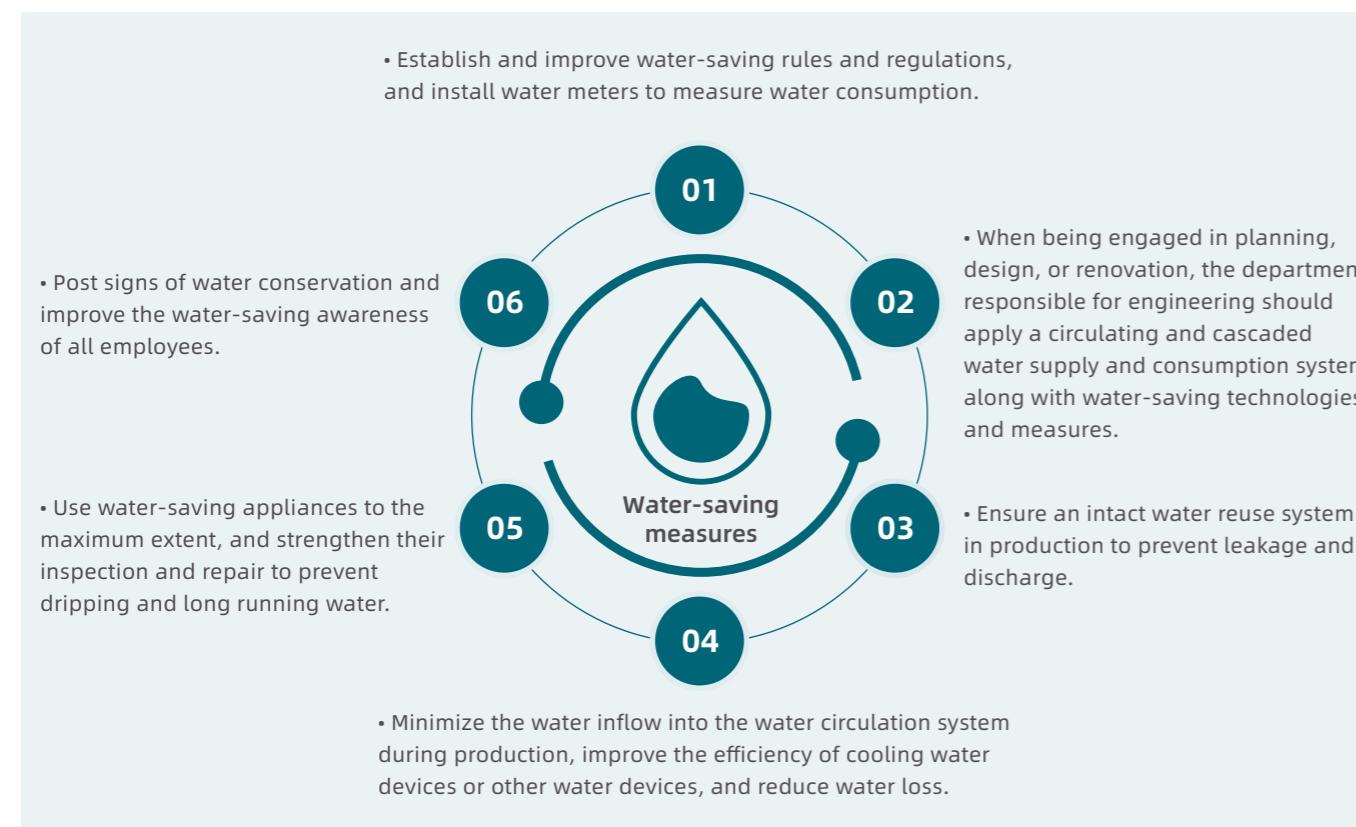
We closely monitor the topics of water resource efficiency and waste reduction while prioritizing the efficient use of water and the recycling of resources. We also implement various measures to mitigate the environmental impact of operation and production activities and construct green offices and production sites.

Manage Water Resources and Reduce Water Footprint

We prioritize the protection and conservation of water resources and have implemented water-saving goals and measures in all our factories, office areas, and living spaces to promote water conservation and recycling.

Business sector	Water-saving goal	Goal attainment
Product integration business sector	Annual water consumption reduced by 2% YOY	Water consumption of Wuxi Factory reduced by 27% in 2022 compared with that of 2021 Product Integration business sector reduced water use by 15.8% compared to 2020
Semiconductor business sector	All factories developed their own annual water-saving goals. For example, the goal of the Hamburg factory in 2022 is to reduce water consumption by 28.5 m ³ /m ² ; the goal of the Manchester factory in 2022 is to reduce water consumption by 43.3 m ³ /m ²	Water consumption reduced by 25% in 2022 compared with that of 2017 19% water recycled in 2022

During operation, we mainly consume water for production and living. The product integration business sector consumes less water than other business sectors and all wastewater produced during production is recycled instead of being discharged. The wastewater produced in other business sectors is discharged in compliance with local laws and regulations.

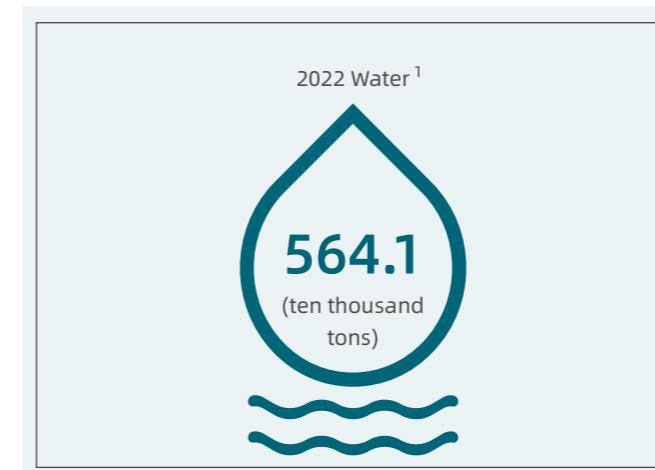


Case

Air-conditioning system cooling water improvement project

One example can be seen at our site in Dongguan China. It previously used local mains water to cool its air-conditioning system, consuming approximately 300 tons of fresh water every day. However, in 2020, the site switched to using recycled water from its wastewater treatment station. This initiative now saves 300 tons of fresh water daily and reduces the amount of wastewater discharged.

Our data on water use and wastewater discharge of 2022 are shown in the table below:



Notes:

1.The Kunming Factory of Wingtech Communications was launched for production in June 2021, and the time span is prolonged (the data of 2021 covers half a year while the data of 2022 covers the whole year). The Jiaxing Factory of Wingtech Communications started to clean paint slag on the bottom of wastewater pools, pipelines, and walls, resulting to the increase of water usage in 2022.



Compliant Discharge and Enhanced Environmental Risk Management

Wingtech is committed to reducing all kinds of emissions and discharges generated during our production and operation process. To achieve this, we have incorporated waste management into the environmental management system to promote sustainable production and operation. We employ professional equipment and innovative technologies to properly manage various kinds of emissions produced during operation, and entrust qualified third parties to test those emissions to ensure compliance with established standards.

Waste Gas Emissions

We have formulated and promulgated the Measures for the Management of Waste Water, Waste Gas and Noise to standardize the management of waste gas emissions. The waste gas generated during operation mainly comes from a small amount of VOCs generated in the spraying process. We use an advanced green treatment technology to combust the waste gas, such as the latest ceramic regenerative catalytic combustion method with a waste gas treatment rate of up to 95%, which is higher than the nationally stipulated 90%. We also introduce the VOC online monitoring system to monitor the emission and treatment of waste gas and make sure they are up to standards. In addition, we collect gas in different regions and environments and apply photocatalysis along with activated carbon filtration to ensure compliant emissions in all production areas. In 2022, the Jiaxing Factory of Wingtech Communications upgraded its original waste gas treatment facilities by installing a more efficient secondary activated carbon treatment device, which improved the waste gas treatment performance of the factory.

Solid waste

The solid waste generated by the Group includes hazardous waste, general industrial solid waste, and domestic waste. 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 waste management, we collect and classify solid waste according to the requirements of national laws and regulations. We also entrust qualified third-party processors to process all the solid waste according to requirements and keep ledgers of various kinds to ensure compliant treatment of waste. In 2022, we recycled and reused a total of 12,766.8 tons of waste.

All factories of the Group have established waste management goals, such as a waste recycling rate of 80% in 2022 as set by Nexperia's Hamburg factory in German. The goal of Nexperia's Manchester Factory in England for 2022 is to achieve 95% of waste recovery. The waste management goal of the product integration business sector is 100% compliant disposal of waste.

Our waste emission and discharge performance of 2022 is shown in the following table:

Indicator ¹	2022
Total hazardous waste (tons)	4,575.9
-Total hazardous waste in the product integration business sector (tons)	941.0
-Total hazardous waste in the semiconductor business sector (tons)	3,620.0
-Total hazardous waste in the imaging module business sector (tons)	14.9
Total non-hazardous waste (tons)	15,004.9
-Total non-hazardous waste in the product integration business sector (tons)	6,737.9
-Total non-hazardous waste in the semiconductor business sector (tons)	7,746.0
-Total non-hazardous waste in the imaging module business sector (tons)	521.0

Notes:

1. Our 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.

Enhance Environmental Awareness in Green Office

The Group regularly implements measures to promote environmentally sustainable practices in our office and integrates the concept of green and low carbon into our daily operations to enhance the environmental awareness of our employees. During the Reporting Period, Nexperia's Dongguan-based factory in China achieved paperless offices, resulting in a significant reduction in the use of natural wood resources; Nexperia's Hamburg-based factory in Germany organized with the EHS team an annual environmental activity on electronic and metal waste recycling, encouraging employees to collect unused and broken electronic products and the proceeds after recycling are donated to a local children's charities; Wingtech Communications provided training to its production and management personnel on environmental protection laws and regulations as well as environmental management priorities.



Wingtech Communications is holding a training session on environmental protection laws and regulations



Donation handover from Nexperia's electronic and metal waste recycling activity



04

People-oriented to Realize Dreams for Employees

At Wingtech, talents have always been the most valuable asset for our development. Upholding the "people-oriented" business philosophy, we prioritize the legitimate rights and interests of employees and strive to create a safe, healthy, harmonious and positive workplace that fosters the all-around development and growth of our employees. By doing so, we hope to achieve the aspiration and goal that all employees will endeavor and prosper alongside us.



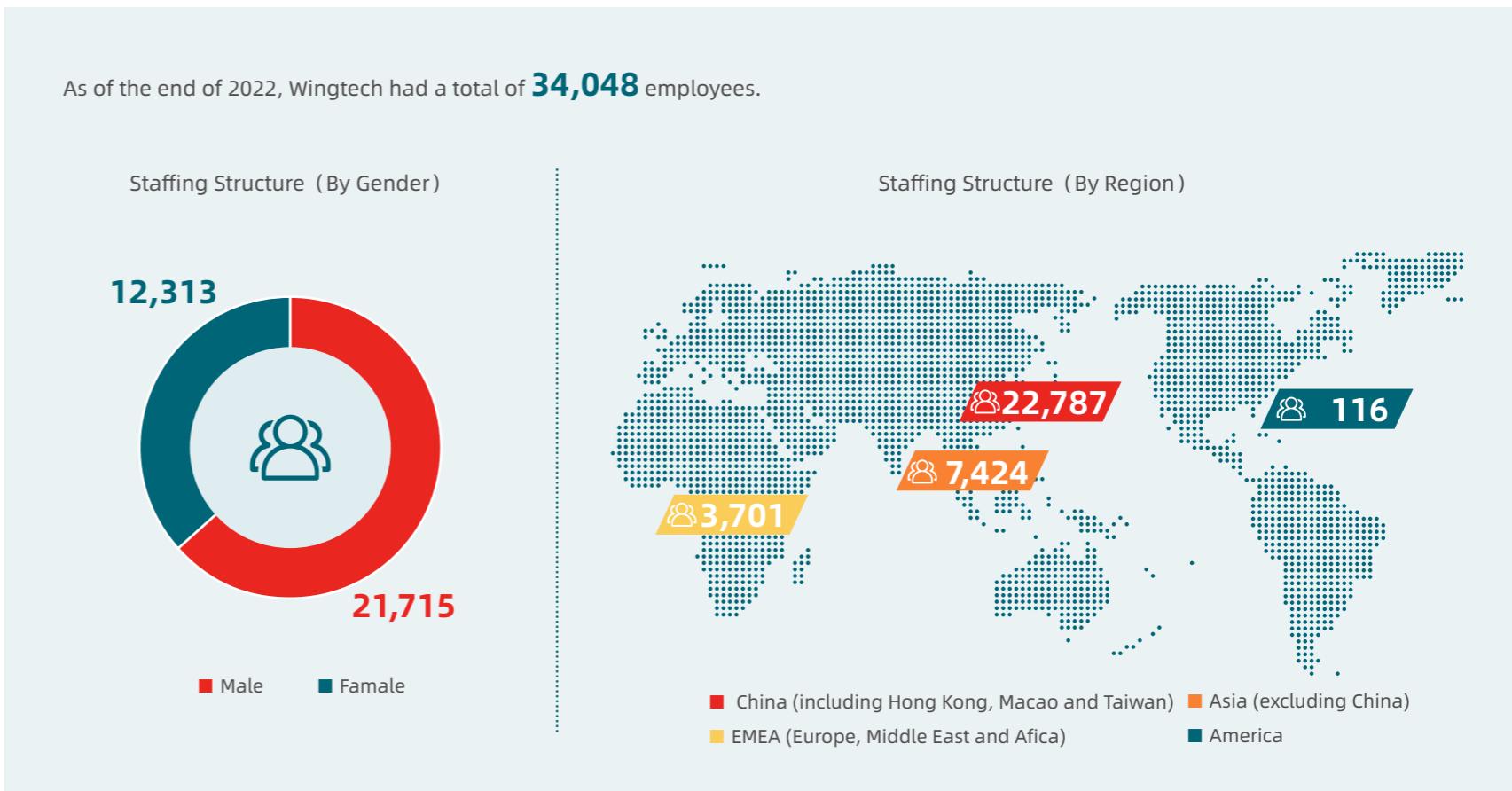
Protect Employees' Rights and Interests and Create a Blissful Workplace

We always abide by labor standards; safeguard the legitimate rights and interests of employees; extend support to their work and personal lives; strive to create a positive and harmonious workplace where all employees can trust, embrace, and respect each other.

Employment Management

Diversified recruitment

To satisfy our need for talents to facilitate sustainable, stable, and rapid development, we have formulated the Recruitment Management System to define and standardize our recruitment process and guarantee the quality of our talent pool. We employ a variety of recruitment channels and mechanisms to rapidly attract more high-performing young talents to join us, including internal recommendation, social recruitment, campus recruitment, headhunting recruitment, and school-enterprise cooperation.



/ Campus recruitment /

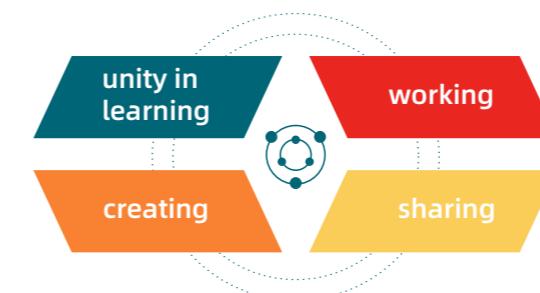
We also keep expanding the coverage of our campus recruitment. In September 2022, we livestreamed the serial activities of campus recruitment for senior students and carried out internal and external promotion campaigns to increase campus recruitment's notoriety, thereby enhancing our employer brand. In 2022, Wingtech Communications recruited approximately 2,000 graduates from 2021 to 2023.



Wingtech campus recruitment in 2022

Daily Management

Clinging to the employee management concept of "unity in learning, working, creating, and sharing", we strictly abide by the laws and regulations in countries of our operations, such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. In addition, we actively respond to international conventions such as the Universal Declaration of Human Rights and the Convention on the Rights of the Child. To protect the rights and interests of employees, administrative documents such as the Recruitment Management System, the Employee Turnover System, and the Employee Handbook have been formulated.



Diversity and anti-discrimination

We strongly endorse a corporate culture that is pluralistic and inclusive, and uphold the principles of inclusiveness, diversity and equal opportunities. We have created an environment where everyone is treated fairly and with respect and has access to equal opportunities. Every employee is able to leverage their unique talents and capabilities in our diversified platform, without experiencing any form of discrimination or unfair treatment on the grounds of race, religion, color, age, gender, sexual orientation and other factors.

Furthermore, we recognize gender equality as an important part of our corporate culture of pluralism, inclusiveness, and equality. We have formulated the Measures on Labor Protection for Female Employees to protect their legitimate rights and interests. We fully implement labor protection for female employees in every aspect of their life and work including recruitment and employment, training and physical examination, promotion and work arrangement, and other special circumstances. Lactating employees can enjoy maternity leave, extended leave, as well as lactation benefits and care. A baby care room is also provided. Delta has also developed the Protection Procedures for Female Workers (Pregnant Women), and conducts regular training for managers on anti-discrimination.

Compliant employment

We prohibit the use of child labor and forced labor. We have formulated the Labor Protection and Management System for Underage Workers and Child Laborers and other relevant systems to regulate the identity verification process for applicants and the corrective procedures for child labor. Prior to the interview, it is mandatory for all candidates to present their valid identification certificates. Additionally, we ensure that all employees sign legal labor contracts. In the event of any violation of employment policies, we will take timely measures to ensure a legitimate working environment.

We make sure employees have the freedom to choose their career and work for a reasonable number of hours a day. We strictly prohibit the use of forced, guaranteed, indentured or involuntary employees under the Management Procedures for Prohibition of Forced Labor that has been established. We also make public the procedures for reporting forced labor cases, and take serious action against the use of forced labor.

Protection of human rights

We sincerely believe that respecting and protecting human rights is essential for ensuring sustainable business practices. We strictly abide by relevant laws, regulations, and standards related to human rights. In the Handbook of Social Responsibility Management, we stipulate the strict prohibition of any form of corporal punishment, threat of violence, or any other form of verbal, physical, psychological or sexual disciplinary measures. This includes but is not any form of sexual harassment, sexual abuse, physical punishment, mental or physical oppression or verbal abuse. By adopting this approach, we establish a professional environment and a community that upholds and safeguards human rights.

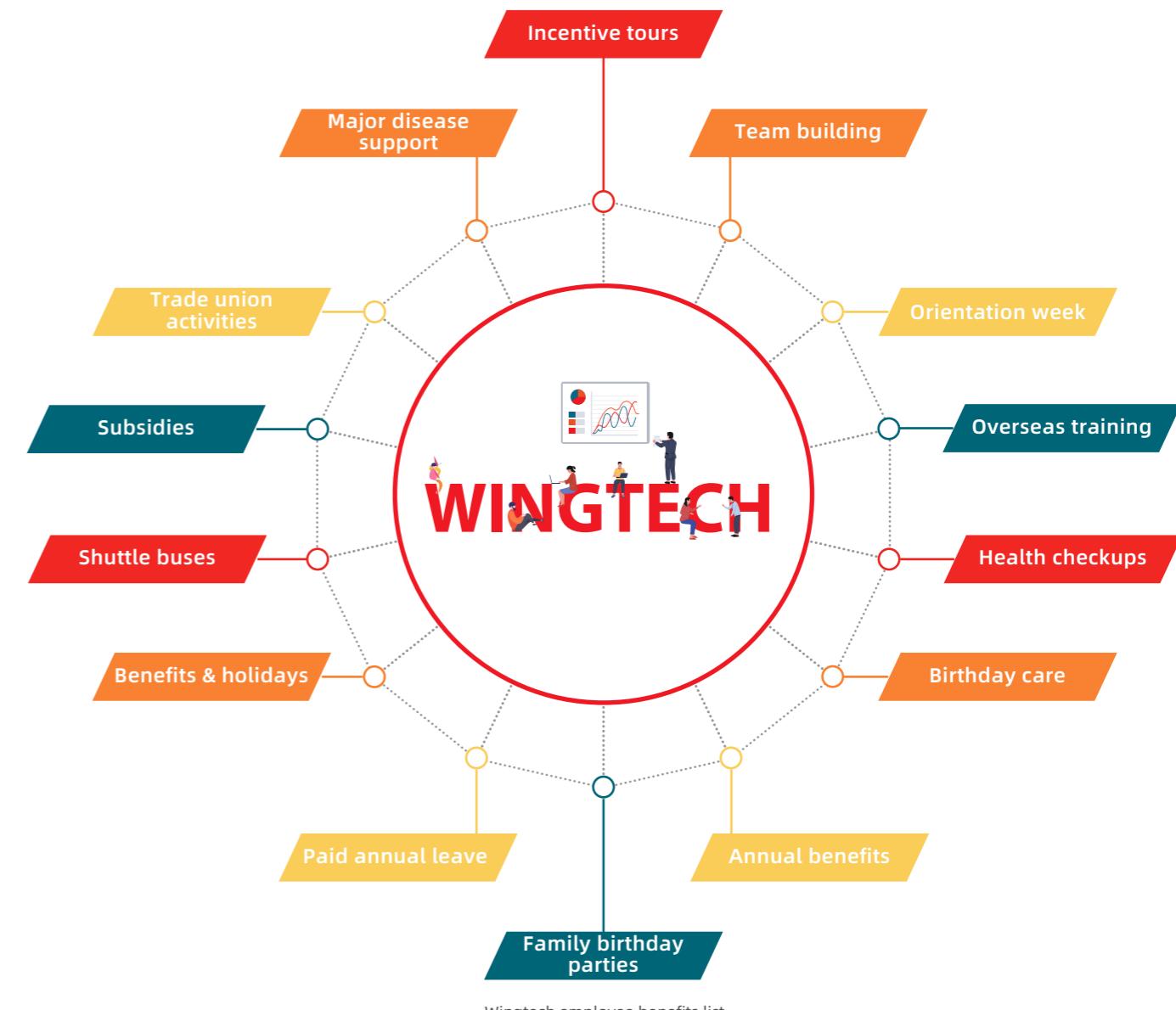
We respect the rights and liberties of employees to participate in trade unions, associations, collective bargaining and equal consultation. We do not interfere with or sanction employees who engage in negotiations. We carefully listen to the feedback and requirements of our employees through the Congress of Workers and Employees while ensuring the communication channels between employees and us remain unimpeded. In 2022, all employees of our product integration business sector joined the labor union, with a 100% participation rate in signing the collective agreement; 99.9% of Delta's employees joined the labor union, with 100% of them signing the collective agreement.



Salary and Welfare

Following the principle of being "legal, fair, competitive, incentive, and economic", we have formulated and keep improving internal systems such as the Salary Management System and the Bonus Management Measures. Our scientific, fair, and reasonable salary structure can effectively motivate employees at all levels with corresponding rewards paid to employees with exceptional performance, enhancing our general competitiveness.

In accordance with national labor laws and regulations, relevant industry standards, and in consideration of our business management and development needs, we have formulated the Company Welfare Management System to standardize welfare management and ensure harmonious labor relations. We strictly abide by local laws and regulations and provide employees with statutory benefits including pensions, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing provident funds. We also provide employees with a range of statutory holidays, including marriage leave, funeral leave and annual leave. Moreover, we offer various kinds of subsidies to employees, including transportation subsidies, commercial insurance, and travel subsidies, enhancing employees' sense of happiness and job satisfaction.



We prioritize employee well-being by implementing a range of welfare initiatives. In order to cater to the specific needs of our female employees, we have established fully-equipped and comfortable baby care rooms at multiple locations. Our baby care rooms are equipped with a refrigerator, a table, chairs, and a disinfection cabinet. In addition to providing comprehensive employee benefits, Delta has also taken a series of actions to offer support to employees, such as visiting employees who are hospitalized, extending congratulations to those who have recently become parents, and expressing condolences to employees who have experienced a loss.



Consolation for cross-border workers



Yoga activities



Gifts in the Dragon Boat Festival



Birthday party

In addition, Wingtech Communications conducts quarterly employee satisfaction surveys to assess corporate culture, management methods, working environment, and salary & benefits. These surveys are conducted to gain insight into the needs of employees and to develop and execute appropriate action plans for improvement. In 2022, the overall employee satisfaction of Wingtech Communications exceeds 90%, and that of Nexperia was 87.2%.

Aimed at enhancing the quality of life for our employees, we offer a diverse range of colorful cultural and sports activities to fill the off-work hours of employees. We set up a number of sports associations and organize a variety of recreational activities for our employees. We strive to foster a happy, healthy, and harmonious work environment to promote cohesion and sense of belonging among employees, organize thoughtful activities on Dragon Boat Festival and Mid-Autumn Festival and give warm-hearted gifts to our employees and their families, cultivating an image as a "loving and warm" employer.



Employee Interactions

We are committed to creating a respectful and democratic workplace. In order to enhance effective communication among employees, we consistently implement various methods such as face-to-face policy explanation meetings, general manager reception days, staff tea parties, and other initiatives to provide a robust communication platform for our employees. With those activities, we efficiently address the diverse needs of employees about work and life, create harmonious labor relations, and cultivate a sense of shared purpose and commitment between employees and the Company.



Face-to-face policy explanation meeting



General manager reception day



Staff tea party

Special activities

Dragon Boat Festival activities

We launch celebration activities in many places to show our appreciation for employees' enthusiasm and hard work, and to enhance communication among employees.



Dragon Boat Festival activities



Dragon boat regatta

Mid-Autumn Festival activities

We carry out Mid-Autumn Festival activities in many places, including movie viewings and exquisite culinary tastings, to strengthen internal communication among employees and increase their sense of belonging.



DIY lantern activity



Family Open Day

Nexperia and Wingtech Communications organized Family Open Day activities to encourage employees to interact with their children, and to introduce their families to their work values and our corporate culture.



Family Open Day



Activities for women

We value the physical and mental health of female employees and firmly safeguard their legitimate rights and special interests. In 2022, we launched a series of women's activities, including the "Female Star of Smart Manufacturing" selection and the care extension on Women's Day, to continuously enhance the senses of honor, happiness and security of female employees.



Care extension on Women's Day



"Female Star of Smart Manufacturing" selection

Case

Tribute to she-power

In Wingtech, more and more outstanding women have contributed their unique wisdom and demonstrated their positive, upward and good power in life and work. On March 8, 2022, we conducted interviews with outstanding female employees in different departments and positions, invited them to share their work and learning experiences, and paid tribute to she-power of Wingtech.

When asked how to handle all kinds of work confidently and calmly, Cathy, secretary of the board of directors replied, "Everyone should constantly explore their own career concept in the company's values, find their own shining point in continuous efforts and learning, and then give full play to it, the sense of value and satisfaction will naturally come with your determination." Rowe, a department manager of SQA who develops technology platform, often encourages team members to learn together and cultivate the ability of deep thinking. "Time and age are never enemies of women. Only by being their friends can we constantly surpass ourselves!"

We continue to provide guidance and support for women's career development, encourage more female employees to be positive and confident, and constantly form their own career concept in the company's values, so as to empower women's career development.

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, we won a number of employer-specific awards, including the "Most Promising Young Employer 2022" and the "China's Best Employer of the Year 2022 - Best Employer in Smart Manufacturing", highlighting our exceptional performance in talent recruitment and talent management.

- ① Name of award: China's Best Employer of the Year 2022 - Best Employer in Smart Manufacturing
Awarded by: Zhaopin.com



②

- ② Name of award: Most Influential Employer 2023
Awarded by: haitou.cc



③

- ③ Name of award: Most Promising Young Employer 2022
Awarded by: CIWEI



Open up Promotion Channels, Cultivate Outstanding Talents

We pay close attention to the development of talents and the construction of the knowledge system. Therefore, we improve the competence of employees and boost their occupational development by providing them with a reasonable career development path, abundant training resources, and a well-designed occupational development system. By doing so, we can continuously provide professional talents for our steady development.

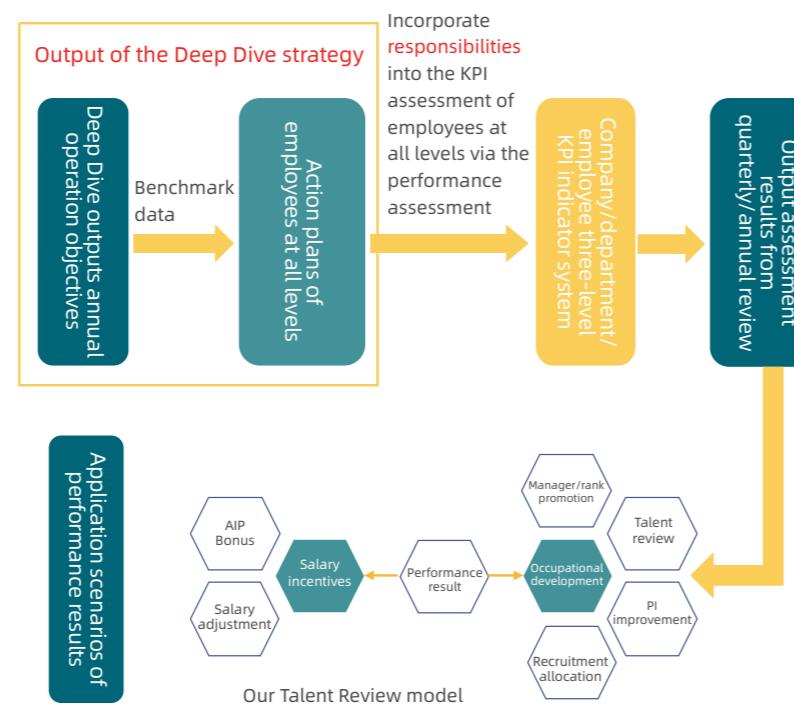
"Double-pyramid" Career Development Path

We have implemented a "double-pyramid" career development system, utilizing talent management strategies employed by leading global enterprises, to enhance our career planning and retention mechanisms for key personnel. This mechanism involves the division of a position's promotion channel into two distinct categories: managerial and technical, covering 7 groups, 32 categories and 109 sub-categories, so as to meet the development needs of employees in different businesses, regions and fields.



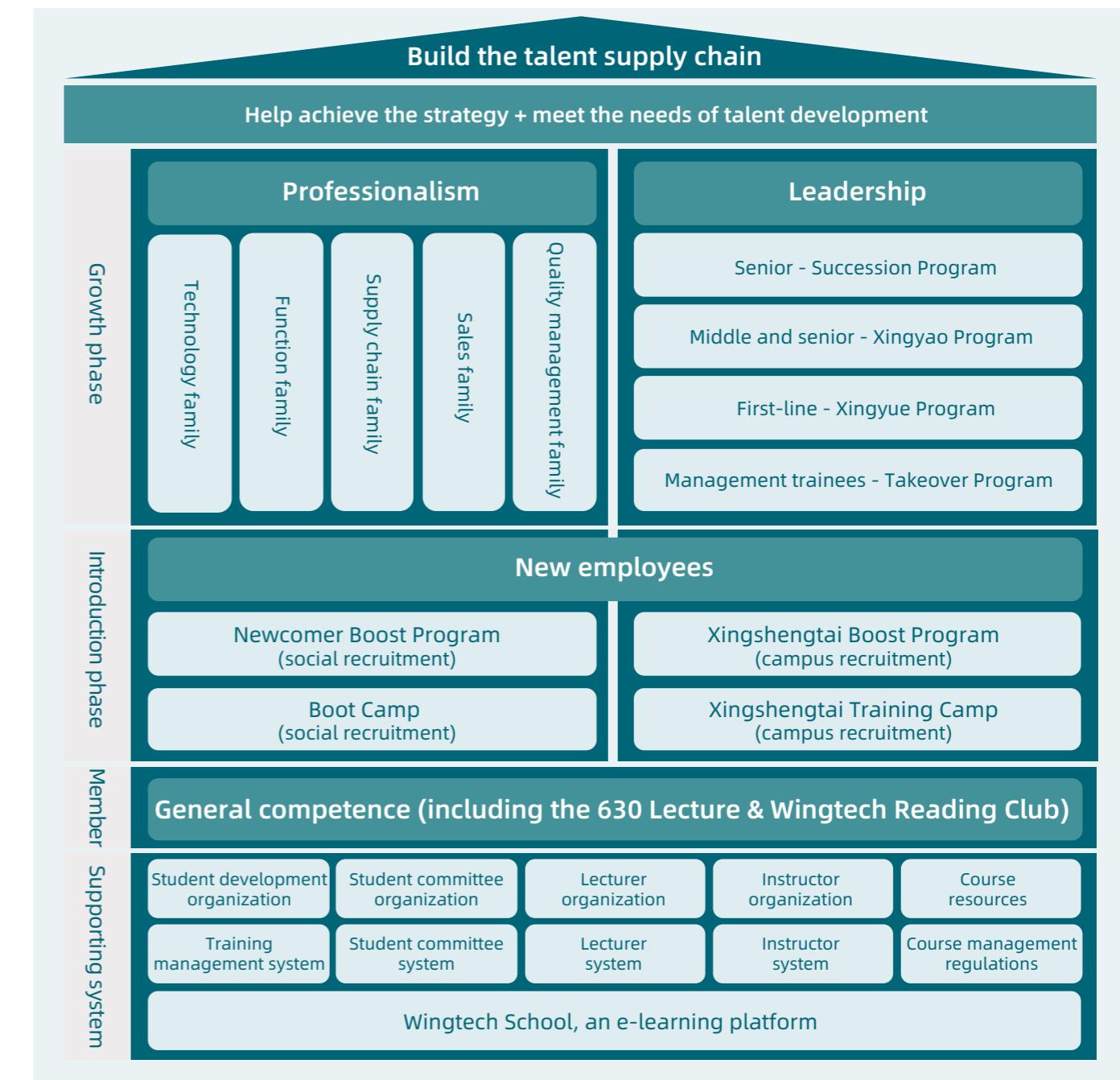
Performance Appraisal

In 2022, we implemented 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. We release quarterly assessment results and provide differentiated incentives to employees based on their performance to help us achieve 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. 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, trainers, 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.



In order to establish a consistent approach to managing our position and rank system and create a comprehensive career development pathway for employees, we have formulated internal systems such as the Wingtech Training Management System and the Wingtech Organizational Structure and Cadre Management System. Those documents serve as the basis for job matching, talent development and promotion.

Training performance in 2022



Total number of trainees **146,882**
530,505 total hours of employee training
11,942 times of course training
16 hours of training per capita
2,385 internal training instructors

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 staff 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**• Xingyue Program - a leadership training program**

As a leadership training program tailored for first-line managers, "Xingyue Program" aims at improving organizational capacity, achieving performance goals, and creating a team of outstanding talents. The program consists of five parts, namely talent review, talent training, talent certification and entry into the talent pool, continuous empowerment, and selection & promotion. It aims to streamline the promotion channels of managers and facilitate full-process cadre management. In 2022, we held seven intensive face-to-face training sessions, successfully equipping over 300 front-line managers and exceptional personnel with enhanced management skills. This initiative not only bolstered their capabilities, but also fostered a positive, learning-based environment.



Face-to-face instruction



Group photo upon completion of the face-to-face instruction

• Xingshengtai Program

The Xingshengtai program enables us to design customized training paths and career development channels for newly recruited employees through campus recruitment and improve their senses of belonging and accomplishment, thereby discovering promising talents.



The program helps new graduate employees transit from the school to the company through the training methods of onboarding training + outward bound training + on-the-job practice.



New employees are comprehensively reviewed and top 25% are selected as management trainees to receive prioritized cultivation.



After completing their training, management trainees are further screened to single out the best-performing employees, who will be included in the succession plan, provided possibilities for quick advancement, and personally instructed by the Chairman of the Board.

Training cycle of Xingshengtai

The "Xingshengtai" Training Camp is an important part of the training program. In the first week after admission, we will provide a five-day offline face-to-face instruction to help new graduates better adapt themselves into the company. In 2022, 15 training sessions were conducted in the first Xingshengtai Training Camp and 745 new graduate employees completed the learning and assessment for the first stage "Professional Training".



Xingshengtai training program in 2022

Implement Safety Management to Ensure the Health of Employees



Occupational health and safety policy

Compliance to the law, safe production every second;

Continuous improvement, healthy production every day.

We are committed to providing a healthy and safe workplace for employees and continuously improving our management of their occupational health and safety. We strictly abide by the Law of the People's Republic of China on Work Safety, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations, maintain a sound environment, health and safety (EHS) management structure in place, and have been certified by the ISO 45001 Occupational Health and Safety Management System.

Safety First

In recognition of the importance of safety management, we have formulated a number of administrative documents such as the Safety Operation Procedures and the Safety Management System for Special Operations. We also strengthen employees' awareness of safety risks and standardize safety management and safety operation behavior, so as to effectively prevent and eliminate safety accidents and control the safety management process. Also, we are committed to integrating process control with our goals. Every year, we revise and update the Tracking Table of Environment, Occupational Health and Safety, CSR Target Indicators and Management Scheme, create improvement reports for nonconformities, and constantly track the improvement progress. We take concrete steps to ensure the effective implementation of work safety management at all levels of the Company.



Management of hazardous chemicals

- Establish strict safety operation procedures for the distribution, routine management, storage and disposal of hazardous chemicals.
- Practitioners of hazardous chemicals must receive professional training; suppliers of hazardous chemicals must provide business licenses, material safety data sheets (MSDS), inspection reports, and other reports or certificates; personnel engaged in transportation, loading, and unloading must receive training from relevant departments, pass the examination, and hold valid certificates before assuming their positions.



Management of special equipment

- Special equipment operators must all be certified and strictly abide by the operation rules.
- Special equipment must receive annual inspections and generate inspection reports. A complete list of special equipment must be established and maintained.



Emergency management

- All subsidiaries formulate and implement the emergency handling procedure and contingency plan for production safety accidents.
- An emergency rescue steering and leading group is set up to take charge of matters related to emergency management.
- Annual emergency drill plans are developed, and special emergency drills are organized every year, such as hazardous chemical leakage drills.

Wingtech safety production measures

In addition, we have formulated the Control Procedure for Hazard Identification and Evaluation to identify the potential hazards that may impact occupational health and safety in our activities, products, services or operations; evaluate the hazards and risk factors; determine and update major risk factors; create the Hazard Identification and Risk Assessment Form to manage and control hazards. As a member of the European Semiconductor Industry Association (ESIA), Nexperia shares safety data with ESIA every year, including recordable accidents, days absent, hours worked, full-time equivalent (FTE), recordable case rates, severity rates, and other safety-related indicators.

In 2022, we had 19 work-related injuries, 579 lost workdays due to work-related injuries, and 0 work-related deaths. We will continue to strengthen employee safety awareness to reduce the number of work-related injuries and lost working days due to work-related injuries.



We value the establishment of a safety culture and regularly provide a three-level safety education, fire safety emergency drills, safety knowledge training, and other activities for all employees, aiming to develop and strengthen employees' capability of handling safety emergencies and ensure a safe atmosphere.



Joint fire drill on 11.9 for the Fire Awareness Month



Chemical leakage emergency drill



Mechanical injury emergency drill



Case Work safety training

In 2022, the Wuxi factory of Wingtech Communications carried out a safety training session titled "Abide by Work Safety Laws and Assume Responsibilities as the First Responsible Person" for department heads and higher-level managers. The purpose of the training is to enhance awareness of safety responsibility for all managers as well as to enhance our safety management level.



Work safety training in Wuxi Factory

Health Concerns

In order to manage and prevent occupational diseases caused by toxic and harmful factors in the production process, improve the working environment, and strengthen personal protection for employees, Wingtech Communications has formulated the Management Regulations for Occupational Diseases, the Management Regulations for Safety Protection Equipment and other internal guidelines related to occupational health; Delta has formulated the Guidelines for the Management of Labor Protection Articles, the Guidelines for the Management of Occupational Diseases and Infectious Diseases, and other relevant regulations to protect the occupational health and safety of employees in daily work. In addition, we invite a distinguished third-party organization to identify occupational-disease-inductive factors every year, and produce and disseminate the Report on the Detection and Evaluation of Occupational Disease Inductive Factors. Also, we continuously monitor and assess the improvement progress and closely track any associated problems, so as to reduce or prevent the occurrence of occupational diseases.

Occupational health examination

Provide pre-post, in-post and off-post occupational health examinations for employees, and ask them to sign the Notice of Occupational Health Examination

Provision of labor protection articles

Provide all employees with necessary labor protection articles such as safety helmets, goggles and earplugs, and closely monitor compliance with their correct usage

Posting of warning signs

Post warning signs and notification of occupational hazards at locations where occupational hazards may occur

Our measures to prevent occupational diseases



Earpieces are worn by workers in a noisy environment



Post notifications and warning signs of occupational hazards

Occupational health training

We encourage employees to actively participate in health training courses, improve their awareness and skills of occupational health and safety, and prevent and reduce the incidence of safety accidents and occupational diseases.



Case

Special training for Red Cross paramedics

The Huangshi factory and Huangshi Red Cross Society jointly organized a special training to certify Red Cross paramedics in order to enhance emergency rescue knowledge among employees, improve their ability to handle unforeseen incidents, and reduce personal injuries and property losses. A total of thirty employees participated in the training, which covered aspects including the introduction to Red Cross first aid, basic knowledge and operation techniques of cardiac resuscitation, AED operation, common emergencies, trauma rescue, etc.



Special training for Red Cross paramedics



05

Join Hands Responsibly for Common Benefits

We prioritize mutual benefits through cooperative collaboration, insist on shared development with both upstream and downstream partners, and construct a healthy, secure, green, and sustainable supply chain. Also we actively participate in industry exchanges to promote the prosperity and advancement of the industry.

Total number of suppliers

6,228

82%
of Wingtech's suppliers have signed social responsibility commitments

Have landed and implemented school-enterprise cooperation projects with **5** colleges and universities

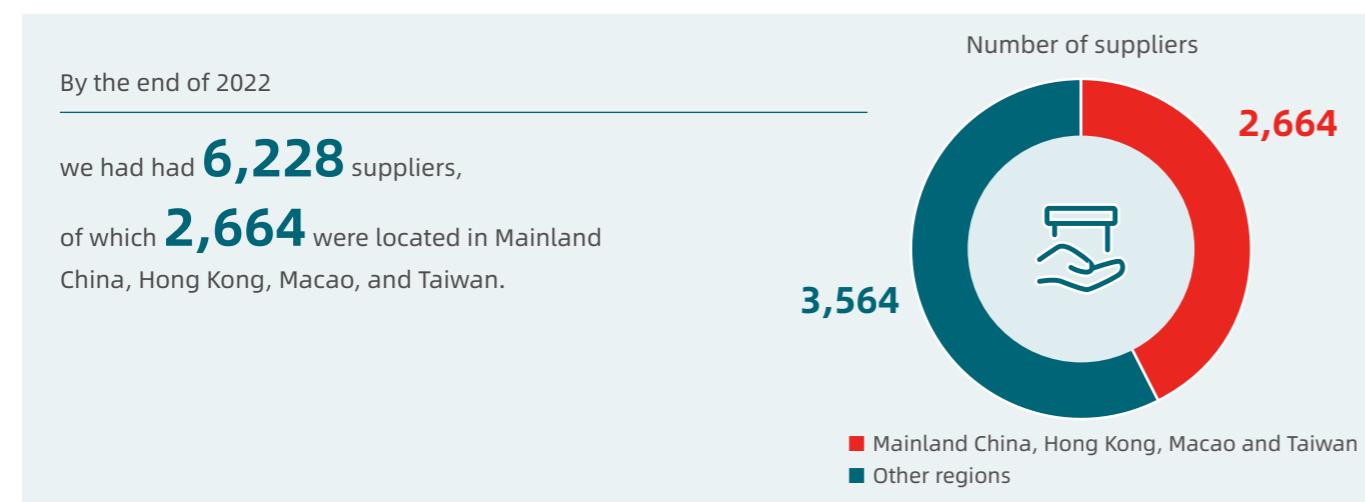
200+
suppliers conducted conflict mineral surveys

Standardize Responsible Procurement and Build a Green Supply Chain

Insisting on responsible procurement, we standardize the management of the supply chain, strictly control the admission of suppliers, strengthen communication with them, and work with them to build a green and sustainable supply chain.

Standardize Procurement Management and Control Supply Quality

We have developed a sophisticated procurement system and supplier management system to strictly control the introduction, routine management, and performance assessment of suppliers, thereby ensuring premium and stable supplies. Wingtech Communications has established a procurement committee, which is responsible for the procurement strategies of all categories and the evaluation and decision-making of suppliers when they are admitted and selected. The committee also works with other departments to improve and complete the supplier system. The Procurement Department of Nexperia is responsible for the selection and management of suppliers, while the Supplier Quality Department and the EHS Department oversee auditing procedures. The EHS and CSR departments are accountable for supervising the implementation of the audit plan and rectifying any noncompliance issues that may arise.



Admission of suppliers and quality assurance

We select suitable suppliers according to the New Supplier Selection and Certification Procedure, which stipulates that new suppliers are required to be certified in ISO 9001 and ISO 14001 or hold other equivalent certifications, adhere to industrial or national standards, and ensure their deliverables meet quality and environmental requirements. Nexperia also requires new suppliers to complete a self-assessment questionnaire, which includes CSR assessment and grading, before being admitted. Each questionnaire must be thoroughly reviewed and signed by a member of the supplier's top management and approved by Nexperia's EHS and CSR departments.

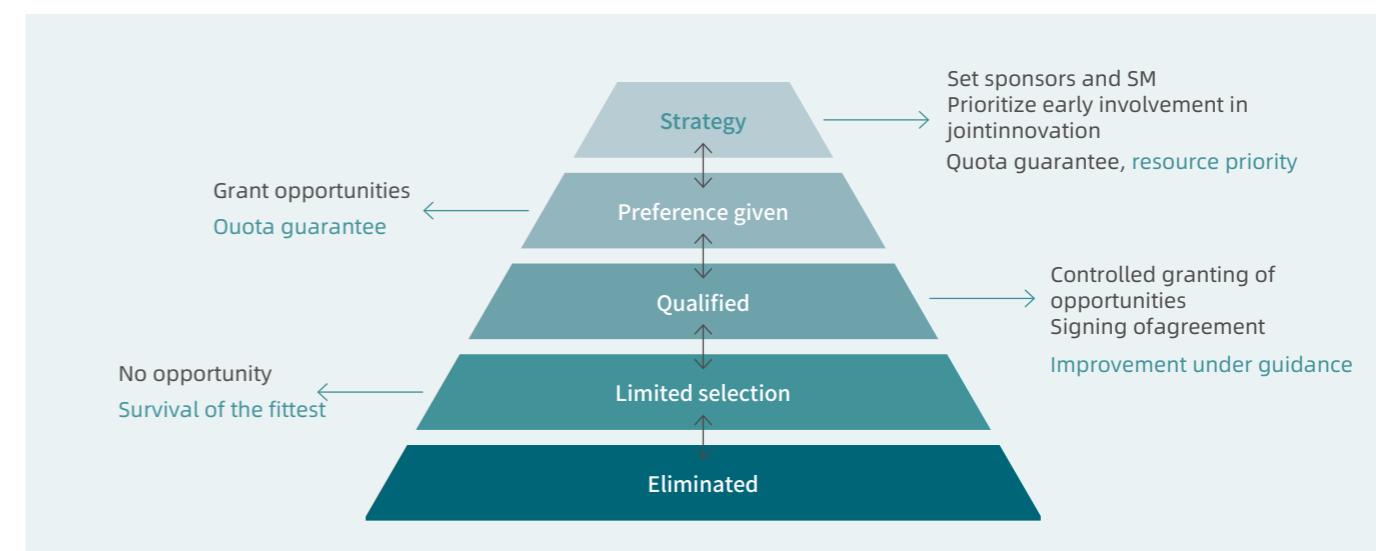


To ensure product quality, we design quality indicators for suppliers and hold quality communication meetings with the senior managers of those suppliers that participate in key projects or that are not meeting our quality requirements. Together we identify quality risks and develop preventive measures. In necessary circumstances, the Quality Department assigns personnel to the site of suppliers to monitor their processes. When a supplier doesn't achieve our quality standards, we arrange quality review meetings and require their top quality managers to report on their quality improvement efforts. If no improvement is made, we will reduce their supply proportion, downgrade them, or disqualify them, and we also have the right to ask them to bear corresponding losses.



2022
Wingtech
Communications removed
0 suppliers from the list due to quality issues

We have formulated the Supplier Monitoring Procedure for admitted suppliers. We enable the layered management of suppliers, as well as the quarterly performance evaluation and annual appraisal to rate suppliers in multiple dimensions based on their material quality, delivery capability, commercial service, and R&D support capability. We divide them into five grades of ABCDE according to the assessment results, namely, great suppliers, good suppliers, general suppliers, risky suppliers, and highly-risky suppliers. The assessment results will be linked to follow-up cooperation as a part of our continuous management of 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. In 2022, Wingtech Communications organized and conducted online training and exchanges with suppliers, with 500 suppliers participating in those events.

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.

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. For example, Delta mandates that suppliers to sign the Social Responsibility, Environmental Health and Safety Agreement of Suppliers to make sure that they follow our CSR management requirements. Additionally, Nexpria extends its responsibility of responsible procurement and supplier management to the management team, including Chief Operating Officer, Chief Procurement Officer, Vice President of Quality, and Senior Director of Global Environmental Health and Social Responsibility, strengthening the social responsibility management of the supply chain. In addition, we include CSR evaluation in the new supplier evaluation, quarterly performance evaluation of suppliers, and annual appraisal of suppliers. The special CSR appraisal allows us to rate suppliers' social responsibility performance.

Wingtech is fully aware of the importance of environmental management in the supply chain, and take supply chain environment management as an administrative measure to practice supply chain social responsibility. We strictly control the admission of suppliers and require them to comply with our environmental requirements, preferentially use pollution-free or low-pollution production technologies and equipment as well as environmentally friendly materials, and provide supporting materials to prove their qualification. Only suppliers satisfying our environmental requirements can be qualified as our suppliers. In the process of supplier management, we employ a variety of approaches for monitoring and checking the environmental management methods and measures taken by suppliers. Meanwhile, we monitor the commercial water and wastewater of suppliers, actively review the water footprint of products from key clients, as well as identify and manage water risks during the manufacturing process. Additionally, we work with suppliers and other stakeholders to reduce water footprints, thereby lowering the water consumption per unit of product and heightening the recycling of water resources. We also provide training for suppliers around environmental protection. We require suppliers to formulate and implement an environmental protection training system for employees, continuously improve their environmental protection awareness and management competence, and deeply practice the concept of sustainable development.

Regarding social risk management by suppliers, we require suppliers to make every effort to provide a list of diversified candidates for every position regardless of their race, gender, age, or other factors irrelevant to their performance at the position.



Case

Nexpria's supply chain social responsibility management

As a member of the Responsible Business Alliance (RBA), Nexpria requires all suppliers to sign the Statement of Suppliers on Compliance and asks them to always comply with Nexpria's Code of Conduct for Suppliers. Nexpria also continuously monitors suppliers' performance in social responsibility, and regularly audits them in terms of labor, human rights, environmental management, business ethics, governance and compliance. Nexpria has developed a social responsibility risk assessment process for all suppliers, contractors, and service providers. Suppliers that fall beyond the risk threshold or have low performance in ESG are subject to social responsibility audit procedures, and Nexpria would take measures against suppliers that violate business ethics. In 2022, Nexpria audited 20 suppliers for their social responsibility performance and plans to increase the number every year. In addition, a 24/7 hotline is available for stakeholders to anonymously report unethical supplier actions.

Click to learn more:
[Wingtech Code of Conduct for Suppliers](#)
[Nexpria Code of Conduct for Suppliers](#)



Supplier Environmental Risk Management

- Examine of their waste emission permits and other documents required by law, environmental impact assessment reports, conforming processing of exhaust gas/wastewater/solid waste and relevant records
- Reduce environmental impact by calculating and monitoring the usage of various resources and the emission volume of greenhouse gases

Supplier Social Risk Management

- Prohibit using child or forced labor
- Prohibited from harassing, abusing, or discriminating against any employee, including but not limited to temporary workers, interns, contract workers, and direct employees
- Prohibit any working conditions that pose a serious risk to the safety or health of employees, establish an occupational safety management procedure and provide personal protection articles
- The wages and benefits of suppliers' employees must comply with all applicable laws and regulations
- Employees must have the freedom of association and the right to collective bargaining. They must be allowed to openly communicate and share their thoughts regarding working conditions and management practices

Main contents of annual audit of social responsibility for suppliers

In 2022, Wingtech Communications achieved:



The percentage of suppliers who have signed the Commitment to Social Responsibilities is

100%

The percentage of suppliers who have completed the CSR review is

100%

Manage Conflict Minerals and Practice Responsible Procurement

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.

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. Meanwhile, we also note 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 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 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Wingtech Communications 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. As a member of the Responsible Minerals Initiative (RMI), Nexpria also reviews the CMRT statements of suppliers through the Responsible Mineral Review Procedure. If RMI updates the Smelters & Refiners Lists or a supplier's CMRT statement has expired for more than a year, Nexpria will begin the evaluation to determine supply chain risks.

By the end of 2022, we had completed conflict mineral investigations of more than 200 suppliers, and found no supplier involved in conflict minerals.



Case

CMRT training

We offer regular training and information on conflict minerals to ensure employees and partners have a better and more complete understanding of the conflict mineral issue. In June 2022, Delta continued training on CMRT to allow key position holders understand CMRT knowledge better and familiarize themselves with relevant policies and guidelines.



Delta CMRT training

Deepen Industrial Exchanges and Share Industrial Development

Through our close and mutually beneficial cooperation with global elite partners, Wingtech strives to enhance industrial exchanges, cultivate industrial talents, and achieve coordinated and multi-beneficial industry growth.

Industrial Exchange and Cooperation

Wingtech actively expands the channels of industrial exchanges and cooperation to demonstrate our innovative technological achievements, boost exchanges and cooperation between upstream and downstream entities, and promote joint development.

Case

Wingtech's servers became a benchmark for Intel

In January 2022, the Intel IPDC Summit was held and attended by more than 300 Intel solution experts, server system manufacturers, server system designers, and independent software developers from all over China. At the meeting, our G660T6 and G660T7 server products were chosen, for the first time, as the Common Design Standards of general servers in the Greater China Region by their high energy efficiency, high cost performance, high scalability, high reliability, and other characteristics.



Wingtech's servers became a benchmark for Intel

Case

Wingtech attended the China-Nordic Economic and Trade Cooperation Forum & Fortune 500 Dialog with Hubei 2022

In November 2022, Wingtech attended the China-Nordic Economic and Trade Cooperation Forum & Fortune 500 Dialog with Hubei 2022 held in Wuhan. During the event, we showcased the core technologies and latest semiconductor, imaging and communication products.

Cultivation of Industrial Talents

Wingtech kept expanding the school enterprise integration platform to accomplish extensive school enterprise cooperation via intern bases, scholarship programs, campus competitions, and co-construction of scientific research and technology capabilities. With efforts made to advance the integration of industry and education and cultivate talents for the industry, in 2022, Wingtech engaged in exchanges and negotiations with Shenzhen University, Chinese University of Hong Kong, Shanghai University, Xi'an Technological University, Yunnan University, Kunming University, Jiaxing University, and other universities. We concluded cooperation with five of those universities to build our own ecosystem of universities.

We also worked with Tsinghua University to establish the Joint Research Center of Industrial and Automotive-grade Semiconductor Chips. The center fully exerts the advantages of both parties to break the bottlenecks of key technologies in automotive-grade semiconductor chips, and boost the integration of industrial and academic resources as well as industrial development.



Cooperation and exchange with Jiaxing University

Case

Wingtech made a debut at the Fifth China International Import Export

On November 11, 2022, our subsidiaries Nexperia, Wingtech Communications, and Delta made a joint presence at the Fifth China International Import Expo. During the event, we showcased numerous core technologies and the latest semiconductor, imaging, and communication products, as well as cutting-edge solutions in many fields including automobile, industry (including 5G), mobile phones, computers, and consumer electronics.



Wingtech made a debut at the Fifth China International Import Export





06

Engage in Charitable Activities to Enjoy a Beautiful Life

Charitable investment amounts to about

1,775,032.65RMB

21,683,200RMB
is invested in rural revitalization

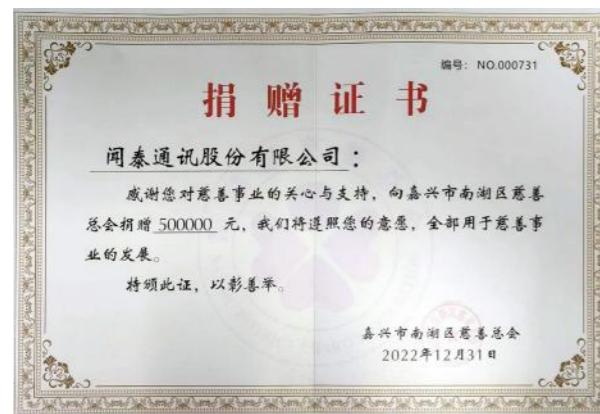
benefiting
1,119people

While realizing our corporate value, Wingtech is enthusiastic about participating in various public welfare activities, gathering positive and kind forces, actively giving back to society, and fostering the harmonious development of society.



Concept of Public Welfare

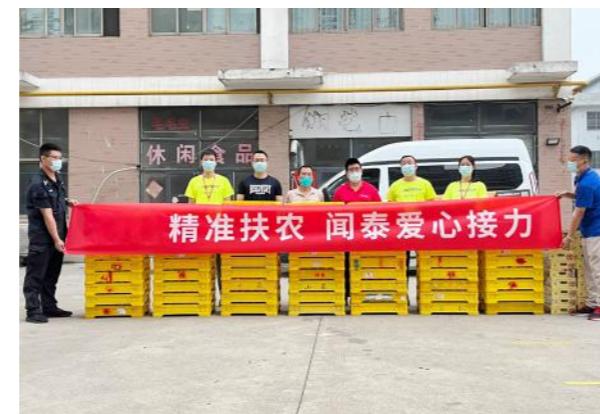
With the mission of "contributing to society while realizing enterprise value", Wingtech believes in and insist on undertaking public welfare activities. The Company has carried out a series of voluntary activities and social assistance activities, such as blood donation, visits to the elderly, etc. We have also actively supported education and poverty areas to promote the harmonious and sustainable development of the community. In 2022, the Group donated a total of approximately RMB 1,775,032.65 to the public. We have also won a number of awards and honorary titles that have been recognized by the community, fully demonstrating the Group's social commitment.



Charity Donation Certificate

Assist in Rural Revitalization

With a sustaining focus on the rural revitalization cause, Wingtech supports the community with practical actions and promote the high-quality development of rural areas. We actively provide jobs and employment opportunities for those in poverty-stricken areas as a way to promote regional economic development and rural revitalization. During the Reporting Period, we organized job fairs in Sichuan, Gansu and other remote and poverty-stricken areas, and provided skill training for 1,119 employees, with a total investment of RMB 21,683,200.



Accurate support fruit farmers in Yangshan



In September 2022, Wingtech and eight other listed companies participated in the Symposium on Cooperation of Listed Companies in the Electronic Information Industry 2022 initiated by the Susong County Government, during which the Shanghai Stock Exchange held a training class for secretaries of listed companies in the electronic components industry in Susong County, Anhui Province. During the event, we offered guidance and suggestions for the development of the electronic information industry in Susong County. Wingtech actively exchanged and cooperated with local electronic information enterprises to share industrial development and cooperation opportunities with them, helping to boost the development of industrial clusters in Susong and effectively supporting local social and economic development with high quality.

Give Back to Society with Love

In 2022, we gave back to society and promoted our positive values by carrying out charitable activities such as voluntary blood donation, education support, consolation to the elderly, and donations to the community.

Volunteer activities

Case	Care for children
<p>Nexperia launched a volunteer program that encourages employees to contribute 1,000 hours per year for selected charities or community projects during working hours. Concerned about the health, happiness, and growth of children in need, Nexperia's volunteers prepared beautifully packaged Christmas gifts for the children from Wish List Tree Campaign, brightening their spirit on Christmas Day 2022.</p> <p>Nexperia also attaches great importance to the happiness and development of impaired children. In 2022, Nexperia donated money to Bator Tabor for High Rope site renovation. The new site allows those impaired to climb ropes in wheelchairs and provides opportunities for children with disabilities to climb high ropes.</p>	



Blood donation

Consolation to the elderly on the Double Ninth Festival

Community Support

Wingtech supports our community through practical actions and help people in need. In 2022, we donated RMB 500,000 to the Charity Federation of Nanhu District, Jiaxing City to support local charities, marking our contribution to the local charity federation for the second year. In addition, we donated RMB 50,000 to many sub-districts in Tieshan District of Huangshi City for community construction.



The pennant was presented to us by the Zhangshan Sub-district, Tieshan District, Huangshi City



Case

Employee volunteers assist the Manchester Food Bank

In 2022, Nexperia partnered with the Manchester Food Bank to combat hunger and poverty across the UK. Nexperia not only organized an on-site food collection fair, but also donated a considerable amount of food. Nexperia's employees also provided volunteer services in the Food Bank to help people in need overcome poverty and hunger.

Education Support

We value the development of education in various regions, and provide high quality education resources to students and teachers in remote areas. In 2022, we donated RMB 20,000 to the Education Bureau of Huzhu County, Qinghai Province to purchase stationery and facilities. We also launched an education support campaign in Luquan County, Kunming City, donating RMB 200,000 to help poverty-stricken students with their study.



The Education Bureau of Huzhu County, Qinghai Province is granting the Certificate of Appreciation



Case

Wingtech carried out donation and education support campaigns in Luquan County

In June 2022, Wingtech conducted an executive symposium on talent support in Luquan County, Yunnan Province to learn about the talent support program's progress. Meanwhile, we donated RMB 200,000 to 88 students from low-income households to inspire them to live determinedly, pursue their studies with joy, and grow healthily. Students were also encouraged to change their destiny with knowledge and contribute to the future development of their hometown.



Wingtech is consoling the needy students in Luquan County

Pay Attention to Psychological Health

We are committed to helping people of all ages overcome psychological issues and live a happy life. In May 2022, Nexperia participated in the Charity Canoe Challenge held by Beacon, a psychological consulting company, in an effort to raise people's awareness of psychological health. Throughout this event, Nexperia raised GBP 4,640 of donations for Beacon, which will help those in need by offering psychiatric therapy services.



Appendix. GRI Standards Index

Instructions for the use of GRI: Wingtech Technology has disclosed the contents described in the GRI Content Index for the period from January 1, 2022 to December 31, 2022 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	Group Profile
	2-7 Employees	Protect Employees' Rights and Interests and Create a Blissful Workplace
	2-8 Workers who are not employees	Protect Employees' Rights and Interests and Create a Blissful Workplace
Governance	2-9 Governance structure and composition	High Quality Corporate Governance
	2-10 Nomination and selection of the highest governance body	Please refer to our annual report
	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	Sustainability Governance Framework
	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
Procurement Practices	2-19 Remuneration policies	Please refer to our annual report
	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	Sustainability Governance Framework
	2-23 Policy commitments	Sustainability Governance Framework
	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
GRI 3: Material Topics	2-30 Collective bargaining agreements	Protect Employees' Rights and Interests and Create a Blissful Workplace
	3-1 Process to determine material topics	Materiality Assessment
	3-2 List of material topics	Materiality Assessment
GRI 201: Economic Performance	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	Advocate Energy Conservation and Carbon Reduction and Combat Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	/
GRI 202: Market Presence	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	/
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Give back to Society with Love
	203-2 Significant indirect economic impacts	Assist in Rural Revitalization
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	/

GRI Standards	Disclosure	Section(s)
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Business Ethics and Anti-Corruption
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Anti-Corruption
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics and Anti-Corruption
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	/
GRI 207: Tax	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 301: Materials	301-1 Materials used by weight or volume	/
	301-2 Recycled input materials used	/
	301-3 Reclaimed products and their packaging materials	/
GRI 302: Energy	302-1 Energy consumption within the organization	Advocate Energy Conservation and Carbon Reduction and Combat Climate Change
	302-2 Energy consumption outside of the organization	/
	302-3 Energy intensity	Advocate Energy Conservation and Carbon Reduction and Combat Climate Change
	302-4 Reduction of energy consumption	Advocate Energy Conservation and Carbon Reduction and Combat Climate Change
	302-5 Reductions in energy requirements of products and services	Advocate Energy Conservation and Carbon Reduction and Combat Climate Change
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Advocate Energy Conservation and Carbon Reduction and Combat Climate Change
	303-2 Management of water discharge-related impacts	Practice Green Operation and Facilitate Green Production
	303-3 Water withdrawal	No such water source
	303-4 Water discharge	Practice Green Operation and Facilitate Green Production
	303-5 Water consumption	Practice Green Operation and Facilitate Green Production

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	Not applicable
	304-2 Significant impacts of activities, products and services on biodiversity	Not applicable
	304-3 Habitats protected or restored	Not applicable
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Advocate Energy Conservation and Carbon Reduction and Combat Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions	Advocate Energy Conservation and Carbon Reduction and Combat Climate Change
	305-3 Other indirect (Scope 3) GHG emissions	/
	305-4 GHG emissions intensity	Advocate Energy Conservation and Carbon Reduction and Combat Climate Change
	305-5 Reduction of GHG emissions	Advocate Energy Conservation and Carbon Reduction and Combat Climate Change
	305-6 Emissions of ozone-depleting substances (ODS)	/
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Practice Green Operation and Facilitate Green Production
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Practice Green Operation and Facilitate Green Production
	306-2 Management of significant waste-related impacts	Practice Green Operation and Facilitate Green Production
	306-3 Waste generated	Practice Green Operation and Facilitate Green Production
	306-4 Waste diverted from disposal	Practice Green Operation and Facilitate Green Production
	306-5 Waste directed to disposal	Practice Green Operation and Facilitate Green Production
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Guarantee Product Quality and Strictly Control Hazardous Substances Standardize Responsible Procurement and Build a Green Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken	Guarantee Product Quality and Strictly Control Hazardous Substances Standardize Responsible Procurement and Build a Green Supply Chain
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	Protect Employees' Rights and Interests and Create a Blissful Workplace
	401-3 Parental leave	/

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
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Implement Safety Management to Ensure the Health of Employees
	403-2 Hazard identification, risk assessment, and incident investigation	Implement Safety Management to Ensure the Health of Employees
	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	Implement Safety Management to Ensure the Health of Employees
	403-6 Promotion of worker health	Implement Safety Management to Ensure the Health of Employees
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Implement Safety Management to Ensure the Health of Employees
	403-8 Workers covered by an occupational health and safety management system	Implement Safety Management to Ensure the Health of Employees
	403-9 Work-related injuries	Implement Safety Management to Ensure the Health of Employees
	403-10 Work-related ill health	Implement Safety Management to Ensure the Health of Employees
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Open up Promotion Channels, Cultivate Outstanding Talents
	404-2 Programs for upgrading employee skills and transition assistance programs	Open up Promotion Channels, Cultivate Outstanding Talents
	404-3 Percentage of employees receiving regular performance and career development reviews	Open up Promotion Channels, Cultivate Outstanding Talents
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Protect Employees' Rights and Interests and Create a Blissful Workplace
	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	Protect Employees' Rights and Interests and Create a Blissful Workplace
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	Protect Employees' Rights and Interests and Create a Blissful Workplace

GRI Standards	Disclosure	Section(s)
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Protect Employees' Rights and Interests and Create a Blissful Workplace
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protect Employees' Rights and Interests and Create a Blissful Workplace
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
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Assist in Rural Revitalization
	413-2 Operations with significant actual and potential negative impacts on local communities	No such operation points
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Standardize Responsible Procurement and Build a Green Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	Standardize Responsible Procurement and Build a Green Supply Chain Manage Conflict Minerals and Practice Responsible Procurement
GRI 415: Public Policy	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	Guarantee Product Quality and Strictly Control Hazardous 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	Guarantee Product Quality and Strictly Control Hazardous 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	Focus on Premium Services and Improve Client Satisfaction

