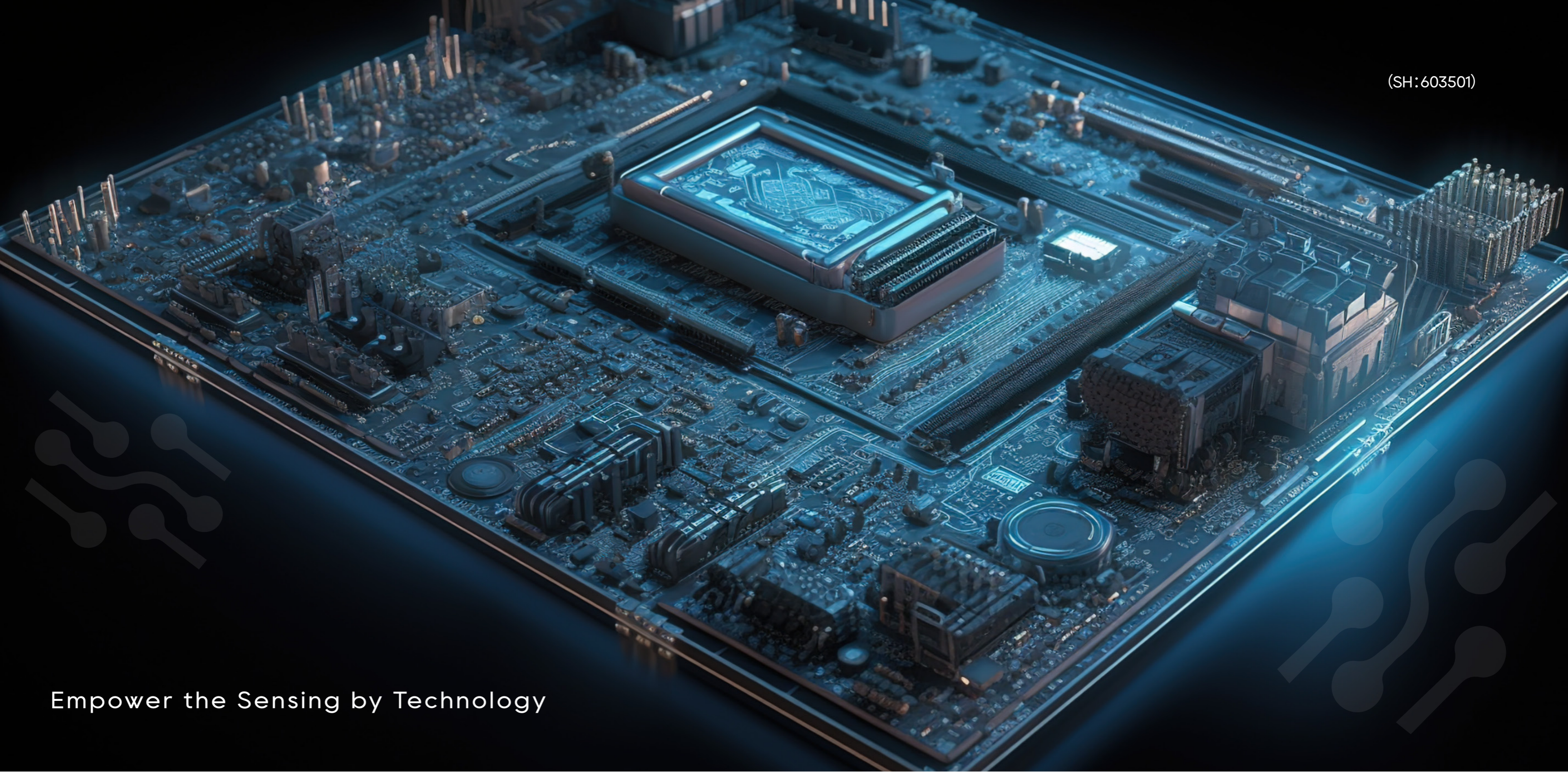


(SH:603501)



Empower the Sensing by Technology



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2022 Environmental, Social and Governance Report

Will Semiconductor Co., Ltd. Shanghai

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About This Report

Will Semiconductor Co., Ltd. Shanghai hereby publishes the Environmental, Social and Governance Report (the "Report") for the year 2022 to demonstrate the Company's vision, strategies, practices and achievements on environmental, social and governance issues ("ESG"). This is the 3rd ESG Report issued by the Company.

Reporting Standards

The Report is prepared in accordance with the Global Reporting Initiative (GRI)'s *Sustainability Reporting Standards (GRI Standards)*, the *Guidelines No.1 for Self-Regulation Rules for Listed Companies - Standard Operation* issued by Shanghai Stock Exchange, and the *Social Responsibility Management System for Electronic Information Industry (SJ/T11728-2018)*.

Reporting Scope

The Report covers Will Semiconductor and its subsidiaries. The scope of the environmental disclosure in this Report covers the main offices of the Company, including Shanghai Zhangjiang Park, Shanghai Songjiang Park, Silicon Valley (specifically Santa Clara) in the United States etc. The Reporting Period is from 1 January 2022 to 31 December 2022, and some contents exceed the aforementioned time frame.

Abbreviations

In this Report, "Will Semiconductor Co., Ltd. Shanghai" is referred to as "Will Semiconductor", "the Company" or "we". Subsidiaries "OmniVision Semiconductor (Shanghai) Co., Ltd.", "OmniVision Optoelectronics Technologies (Shanghai) Co.,Ltd." and "OmniVision Technologies, Inc." are referred to as "OMNIVISION Semiconductor", "OmniVision Optoelectronics", and "OMNIVISION USA" respectively.

Report Availability

The Report is published in Simplified Chinese and English, which can be viewed or downloaded on the official website (www.omnivision-group.com).

Contacts

If you have any questions or suggestions about the Report, please feel free to contact us by:
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 Postcode: 201210



Message from the Chairman



Will Semiconductor Co., Ltd. Shanghai

Chairman: Yu Renrong

The year 2022 posed significant challenges, as the global environment remains fraught with uncertainty. Will Semiconductor, however, has always been self-driven by the mission of “Empower the Sensing by Technology”. We continuously strive to create cutting-edge products and technologies that align with the demands of the modern era while adhering to our sustainable development strategy. We have deeply integrated the concept of sustainability into the development and operation of our Company and made progress in the three major ESG action directives, namely our “Innovation-driven, People-oriented, and Green Operation” directives. We are committed to achieving the ESG vision of “Creating a highly creative team and developing highly innovative products”.

Innovation is the driving force behind Will Semiconductor’s flourishing development. We consistently prioritize product and technological innovation as our core competitive advantage, maintaining stable R&D investments in various product fields, promoting technological advancement, and pursuing the utmost product quality. For two consecutive years, we have been rated among “China’s Top 10 IC Design Companies” by AspenCore. In 2022, our products received multiple international awards, such as the Annual Sensor of 2022 World Electronics Achievement Awards. We also incorporate green and low-carbon design concepts into our products, continuously developing energy-efficient and environmentally friendly products. We take a responsible approach to partnering with suppliers and customers to build sustainable relationships, jointly implementing conflict-free mineral procurement initiatives, embracing social responsibility and creating responsible business models.

We place a high value on the quality of our company’s management, continuously improving our governance structure and risk management system to prevent corruption, data security, and other risks. Putting people first is the cornerstone of Will Semiconductor’s steady development. We are committed to creating a safe, healthy, fair, and inclusive work environment for our employees. We continuously optimize our compensation and benefits systems, implement equity incentive plans, strengthen occupational health risk management, improve talent retention and development mechanisms, to provide employees with a platform for personal value and growth, and share the company’s development achievements with them. Furthermore, we also actively contribute to public welfare undertakings, and sincerely give back to society by participating in activities such as caring for the vulnerable and charitable donations.

Green Operations are the foundation of Will Semiconductor’s sustainable development. We are committed to continuously reducing our environmental impact. To this end, we continue to improve our environmental management system to ensure that emissions are 100% compliantly disposed of. We also seek every possible opportunity in the design and production process to lower the consumption of energy and resources. We have built a rooftop solar photovoltaic power plant at our Songjiang factory, which produced 1,770,982kWh of renewable electricity in 2022. We also installed a reverse osmosis water treatment system at the Songjiang factory in 2022, which recovered 100,766 tons of reused water in 2022, which significantly improved the water use efficiency.

Looking into the future, Will Semiconductor will continue to empower our clients with advanced technology and products. Upholding the values of “keeping pace with the times, daring to innovate, being honest and trustworthy, and taking responsibility”, we will also make relentless efforts together with our employees, suppliers, and partners to practice sustainable development while upholding the cornerstone of “Empower the Sensing by Technology”.

About Us

Company Profile

Will Semiconductor Co., Ltd. Shanghai (stock code: "603501"; stock name: Will Semiconductor) is a world-leading Chinese semiconductor design company. Headquartered in Shanghai, the Company has research and development (R&D) centers and business networks all over the world. By committing to the development and delivery of advanced digital imaging, touch and display, and analog IC solutions for multiple applications across several industries, Will Semiconductor helps customers address technical challenges in the fields of mobile phones, security & surveillance, automotive, wearable devices, Internet of Things (IoT), communications, computing, consumer electronics, industrial, medical, and emerging technology spaces. Our main business consists of semiconductor design services and semiconductor distribution services.

During the Reporting Period, we launched a new brand logo that aligns with our core value of "Empower the Sensing by Technology". Building on this foundation, we adhere to the concept of strong collaboration to create greater value for our customers.



Semiconductor Design Business

The Company's semiconductor design business operates on a Fabless model, which is an integrated circuit design enterprise without a wafer fabrication plant, solely engaged in the research and development, design, and sales of integrated circuits. The semiconductor product design business mainly consists of three major business systems: image sensor solutions, touch and display solutions, and analog IC solutions. The sales model is primarily direct sales with some sales through agents.

Portfolio of the Semiconductor Design Business

Business	Product
Image sensor solutions	Complementary metal oxide semiconductor (CMOS) image sensor
	CameraCubeChip®
	Liquid crystal on silicon (LCOS) projector
Touch and display solutions	Application specific integrated circuit (ASIC)
	Touch and display driver integration (TDDI)
Analog IC solutions	Display driver integrated circuit (DDIC)
	Transient voltage suppresser (TVS)
	Metal-oxide-semiconductor field-effect transistor (MOSFET)
	Schottky diode
	Low dropout regulator (LDO)
	Direct current-Direct current (DC-DC)
	Light emitting diode (LED)
	Analog Switch



Semiconductor Distribution Business

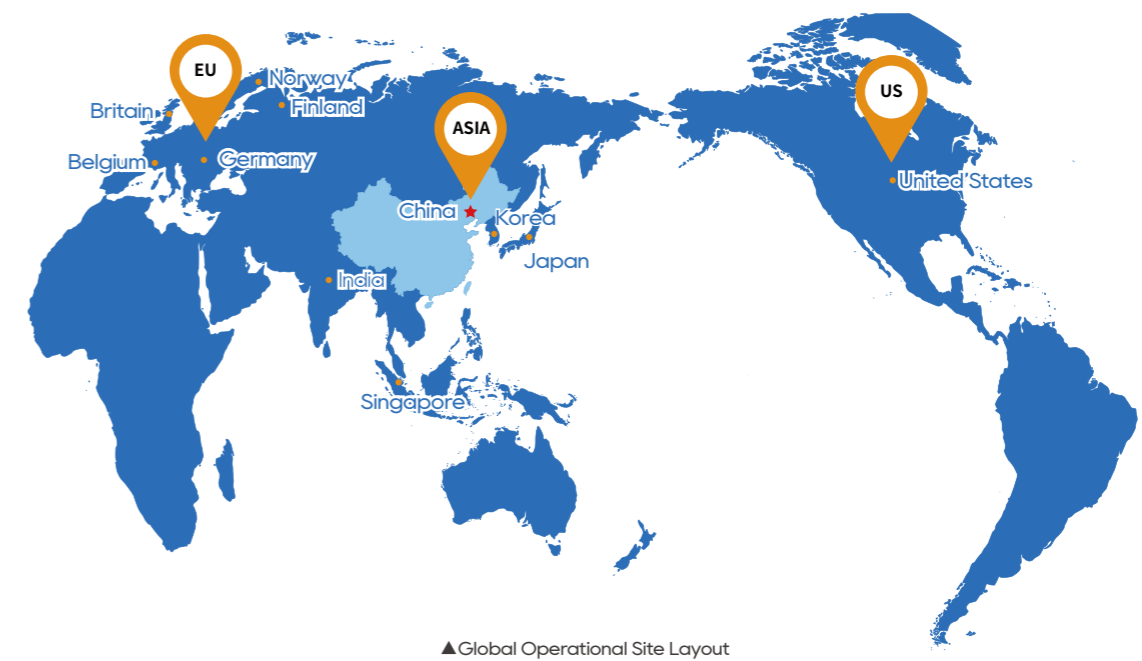
As a technical authorized semiconductor distributor, the Company has a mature team of field application engineers (FAE). Adapting to the industry layout, Will Semiconductor established subsidiaries both at home and abroad, creating a fully-fledged network of procurement, sales, technical support, after-sales and logistics that offer professional services.

Portfolio of the Semiconductor Distribution Business

Type	Product
Electronic components	Resistance, capacitance, inductance, etc.
Structural components	Connector, card socket, card holder, Printed circuit board (PCB), etc.
Discrete components	Photoelectric semiconductor component, oscillator, semiconductor, etc.
Integrated circuits	Chips, sensor, memory, flash, etc.
Radio frequency (RF) device	Filters, etc.
Display Module	Passive matrix OLED (PMOLED), LCD Module (LCM), Advanced In-Cell Touch (AIT), etc.

Global Presence

With a well-developed global strategic layout, the Company makes overall arrangements in the development strategies of each business segment, fully exploiting the synergy of various business systems, seeking to expand its business scale and enhance competitiveness in the semiconductor field. To promptly provide services and support for customers worldwide, Will Semiconductor sets up offices in China (including Hong Kong and Taiwan), the United States, Korea, Singapore, Japan, India and European countries. By the end of 2022, 17 R&D centers have been set up in China, the United States, Japan and Europe.

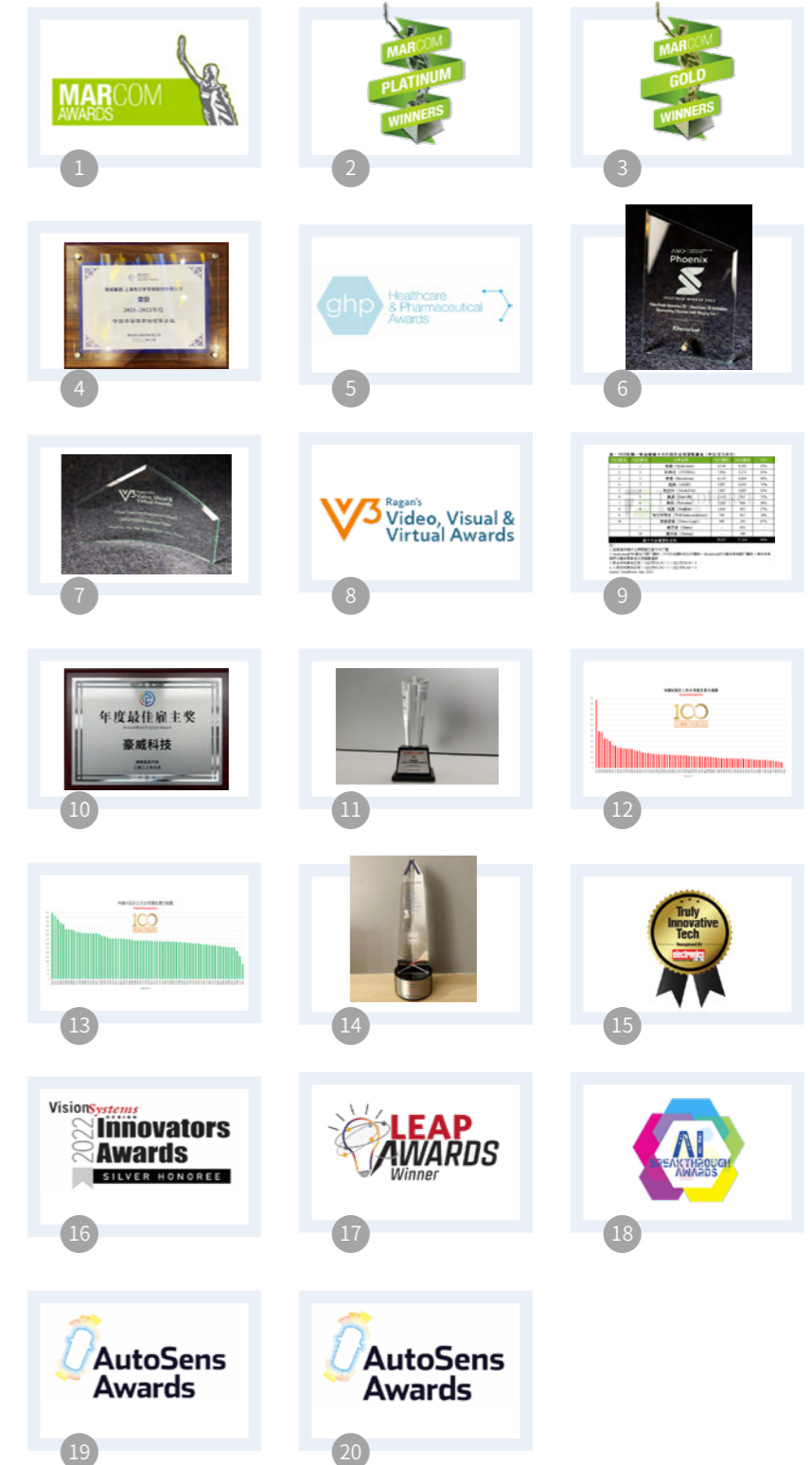


▲ Global Operational Site Layout

Honors and Recognition

The Company has realized synergy from shared advantages and resources by fully utilizing continuous innovation, whole-chain quality management, a highly connected supply chain and diversified talents. As a result, we have built trust and credibility and our customer satisfaction improved, with greater value delivered to the global market. We are proud of the number of awards and honors received during the Reporting Period. These awards help solidify our reputation as a trustworthy brand that delivers.

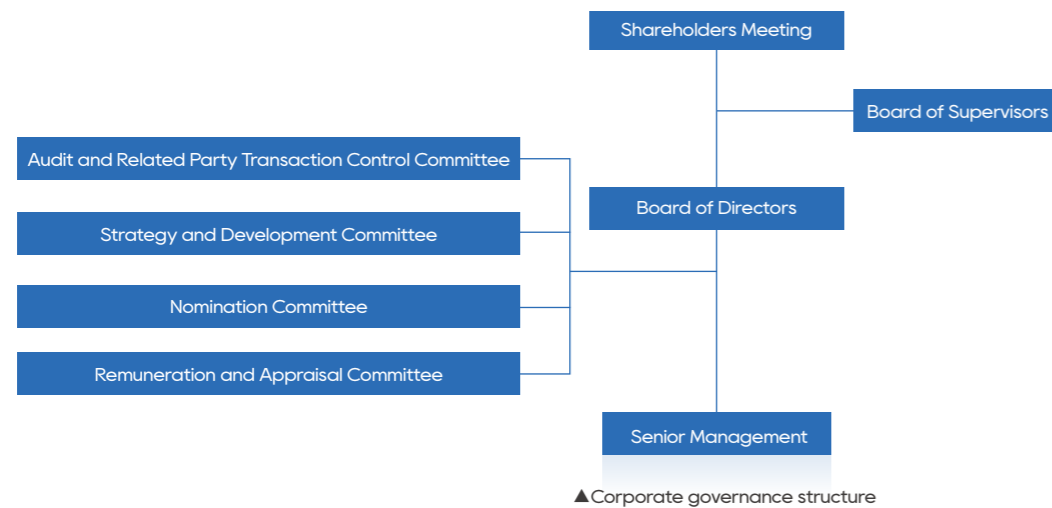
Number	Awarding Institution	Name of Award	Product Name
1	MarCom	2022 Honorable Mention for Marketing	-
2	MarCom	2022 Platinum Award for Digital Video Creation	-
3	MarCom	2022 Gold Award for Social Media	-
4	World Semiconductor Conference & Nanjing International Semiconductor Expo	2022 China Semiconductor Market Leader Award	-
5	Global Health and Pharma Magazine	2022 Best Imaging Solutions Manufacturer	-
6	American Marketing Association	2022 Phoenix Chapter Spectrum Awards	-
7	Ragan	2022 Video, Visual & Virtual Awards - Winner of Best Virtual Customer Engagement Event	-
8	Ragan	2022 Video, Visual & Virtual Awards - Honorable Mention for Company Overview Video	-
9	TrendForce	2022 Q1 Top 10 global IC design companies	-
10	ELECTREND.NET	2022 Annual Best Employer Award	-
11	AspenCore	2022 Top 10 Chinese IC Design Companies	-
12	AspenCore	Comprehensive strength index of 70 domestic IC design listed companies	-
13	AspenCore	Growth potential index of 70 domestic IC design listed companies	-
14	AspenCore	2022 World Electronics Achievement Awards (WEAA)-Annual Sensor	OX05B1S
15	Electronics	2022 Truly Innovative Electronics Award	OG0TB
16	Vision System Design	2022 Innovators Awards: Silver Award	OVB0B
17	LEAP	2022 LEAP Award: Embedded Computing - Bronze	OAX4600
18	AI Breakthrough Awards	2022 Best Imaging Solutions	OAX8000
19	AutoSens	2022 Most Innovative In-Cabin Perception Application - Silver Award	OX05B
20	AutoSens	Hardware Development of the Year - Silver	OAX4600



Corporate Governance

Governance Structure

In strict accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, the *Code of Corporate Governance of Listed Companies*, and relevant laws and regulations released by the China Securities Regulatory Commission, Will Semiconductor continuously improves the corporate governance structure and standardizes its operation, developing a standardized and scientific decision-making mechanism for operation through the Shareholders Meeting, the Board of Directors, the Board of Supervisors and Senior Management. The Shareholders Meeting, the Board of Directors and the Board of Supervisors are the highest authority, executive body and supervisory body of the Company. The three bodies and the Senior Management have jointly established a coordinated and balanced operating mechanism with a clear division of labor.



Shareholders Meeting

Shareholders Meeting is the supreme governing body of the Company. The convening, proposal submission, notice, voting and resolution of the Shareholders Meeting strictly comply with the rules of procedure set out in the *Articles of Association of Will Semiconductor Shanghai*.



Board of Directors

The Board of Directors is the executive body of the Company's Shareholders Meeting, with nine directors, including three independent directors and one chairman. All directors are actively engaged in board meetings and formulate and implement fair articles of association to safeguard the legitimate rights and interests of the Company and all shareholders. There are four special committees under the Board of Directors, i.e., the Audit and Related Party Transaction Control Committee, the Strategy and Development Committee, the Nomination Committee and the Remuneration and Appraisal Committee, which all answer to the Board of Directors. Strictly abiding by the *Independent Directors' Work Policy*, all independent directors seriously deliberate on proposals of the Board of Directors and express independent opinions on relevant major issues, such as related party transactions and internal control standards.



Board of Supervisors

The Board of Supervisors is the supervisory body of the Company with three supervisors, of whom one is elected chairman by the majority of supervisors. For and on behalf of the shareholders, the Board of Supervisors supervises the legality and compliance of the periodic reports prepared by financial staff and the Board of Directors, as well as the duties performed by directors and senior management.

Diversified Governance

Will Semiconductor believes that board diversity is one of the essential elements to maintain competitiveness and promote sustainable development. The Company has developed the *Board Diversity Policy*, and the Nomination Committee will take the business model and specific needs into account and select the Board of Directors on a variety of criteria, including but not limited to gender, age, race, language, culture background, educational background, industry experience and professional skills. The Company has established appropriate procedures to develop Board members with broad backgrounds, more diverse work experience and skills.

Senior Management Remuneration

The Company has formulated the *Administrative Measures for Remuneration and Performance of Senior Management of Shanghai Will Semiconductor*, an incentive and restraint mechanism for modern enterprise management. Under the mechanism, the business performance, compliance management, and environmental and social responsibilities of senior management will be taken into consideration when assessing their performance. Environmental and social performance includes but is not limited to contributions to energy conservation and emission reduction, talent attraction and retention, sustainable supply chain, business ethics, product innovation, and R&D.

To further prevent violations of law or company policies, fraud or dereliction of duty by senior management, Will Semiconductor has established a clear clawback policy in the *Compensation Recovery System for Senior Managers of Shanghai Will Semiconductor*. In the case of misconduct during the tenure, the Remuneration and Appraisal Committee has the right to decide whether to recover the remuneration (other than the base salary) paid to senior management based on the seriousness of the case and to determine the exact amount to be recovered.

Information Disclosure

In strict compliance with relevant laws and regulations such as the *Measures for the Administration of Information Disclosure by Listed Companies* and the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, the Company has formulated and implemented the *Information Disclosure Management Policy* to ensure that disclosed information is authentic, accurate, complete, timely and fair. During the Reporting Period, we issued 252 announcements and held quarterly briefings via the Shanghai Stock Exchange to ensure all investors have equal access to the latest information.

In addition, the Company has established various communication channels to keep consistent and close contact with investors, which fully protect the interests of investors, promote sustainable development and improve operational efficiency.

Designated media for annual report disclosure

The Company designates *China Securities Journal*, *Shanghai Securities News*, *Securities Times* and *Securities Daily* as the newspapers for information disclosure.

Communication platform

Communicate with investors on the e-interactive platform of Shanghai Stock Exchange, and regularly hold online performance presentations.

Contact us

We have dedicated personnel responsible for the communication with investors, and welcome visits and inquiries from investors.
 Contact : Securities and Investment Department
 T e l : +86 021-50805043; Fax:+86 021-50152760
 E - m a i l : Will_stock@corp.ovt.com
 Address : East Building, No.88 Shangke Road, Pudong New District, Shanghai; Postcode: 201210

Internal Risk Control

Will Semiconductor refines its risk management system that specifies the responsibilities of the Board of Directors, Board of Supervisors and Management. We conduct internal control evaluations according to the enterprise internal control standardized system and the internal control manual. With a focus on high-risk areas like capital activities, procurement business, marketing business and related party transactions, we carried out a series of precautionary measures, such as risk identification and monitoring, aiming to secure sustainable development and move towards strategic and operational goals.



▲ Internal risk control structure

Anti-corruption

Target and review

Target for 2025



Targets for 2022/2023

100% participation rate of employees in annual business ethics training courses	Completed
100% completion rate of employees signing anti-bribery and anti-corruption related agreements	Completed
Zero violation of business ethics	Completed

2022 Target review

Putting integrity and compliance at the core of sustainable development and business operations, we strictly follow the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the requirements of relevant laws and regulations of business locations. We have established a sound internal control system for creating a work atmosphere with morality and honesty.

Business Ethics

Determined to promote integrity in the workplace, we formulated the *Code of Business Conduct and Ethics*, *Employee Handbook* and other policies, which strictly require shareholders and employees to be honest and trustworthy and avoid conflicts of interest and illegal transactions. The Audit and Related Party Transaction Control Committee is responsible for overseeing the business conduct and ethics within the Company.

The Company imposes the same business ethics requirements on agents, contractors, consultants and other partners. If partners discover or identify any illegal behaviors, they can report via our channels to fight against corruption, ensuring that the Company, employees and partners all observe business ethics standards.

Anti-bribery and Anti-money Laundering

With "zero tolerance" for bribery and corruption, we formulated the *Anti-Bribery and Anti-Corruption Policy* to ensure that our business activities comply with the laws and regulations of relevant countries and regions. Based on periodic risk assessments of critical areas related to anti-bribery and anti-corruption, we review relevant policies and improve controls and policies regularly. Meanwhile, we also released the *Anti-Money Laundering Policy* and conducted an annual review based on records created to refine management processes and systems.

Culture of Integrity

The Company annually holds corporate governance training on business ethics, relevant functions and potential risks. In addition, we regularly issue publicity materials to strengthen integrity in the workplace.

Case: 2022 management policy training

The Company organizes annual management policy training for directors and all employees to create a culture of compliance, integrity, and self-discipline. During the Reporting Period, the training covered core policies and new documents related to business ethics, including the *Code of Business Conduct and Ethics*, *Employee Handbook*, ESG commitment, and the *Anti-Harassment Policy*. A training assessment was conducted to evaluate what employees have learned. After the training session, employees are required to sign the commitment letter to confirm that they have read and understood the *Code of Business Conduct and Ethics* (relating to anti-bribery and anti-corruption), *Whistleblower Policy* and other documents. This year, 100% of our full-time employees have signed the commitment letter.

Whistleblowing and Protection

The Company keeps the identity of whistleblowers and witnesses strictly confidential, protecting them from harassment, retaliation, harm, false accusation and any other acts that may threaten their safety. In addition, following the *Whistleblowing Policy*, the Audit and Related Party Transaction Control Committee is responsible for conducting investigation and assigning a qualified investigator to verify the reporting facts. Once confirmed, disciplinary actions will be taken against the violators. In serious cases, the violator will be dismissed, or their employment or partnership will be terminated.

As of the end of the Reporting Period, there were no breaches of business ethics at Will Semiconductor.



ESG Strategy

◆ ESG Governance Structure

◆ ESG Strategy

◆ Stakeholder Engagement

◆ Materiality Assessment

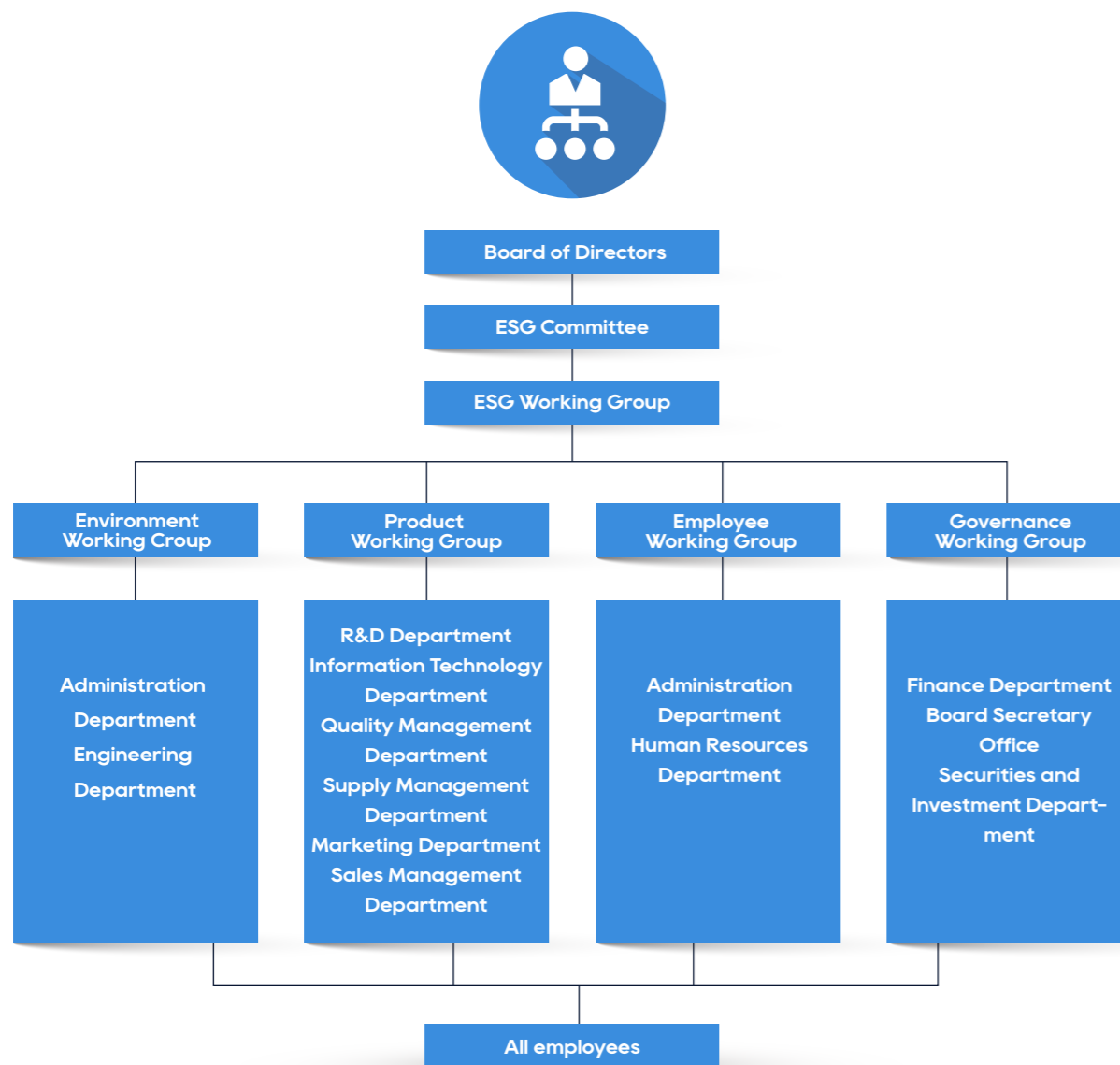
◆ Response to Sustainable Development Goals



ESG Strategy

ESG Governance Structure

Will Semiconductor relies on a clear and compelling governance structure to implement its ESG strategy. To this end, we established a three-tier ESG governance structure consisting of the Board of Directors, ESG Committee and ESG Working Group. The clearly defined responsibilities for each level enable the top-down supervision, management, and implementation of ESG plans and ensure a smooth progression of ESG work. Furthermore, we developed and published the *Environmental, Social Responsibility, and Governance Policy* to guide our responsible business practices in environmental, social, and governance aspects.



▲ESG governance structure

The Board of Directors assumes the full responsibility for the Company's ESG strategies and reporting, including assessing and determining risks and opportunities related to ESG, ensuring appropriate and effective ESG risk management and internal control systems are in place, formulating ESG management policies, strategies, and objectives, reviewing the Company's performance regularly and approving the disclosed information in the ESG report.

The ESG Committee is responsible for evaluating and determining the ESG-related risks and opportunities, and ensuring that an appropriate and effective ESG risk management system is in place. Additionally, it should also report ESG-related risks and opportunities to the Board of Directors and ensure the effectiveness of the system.

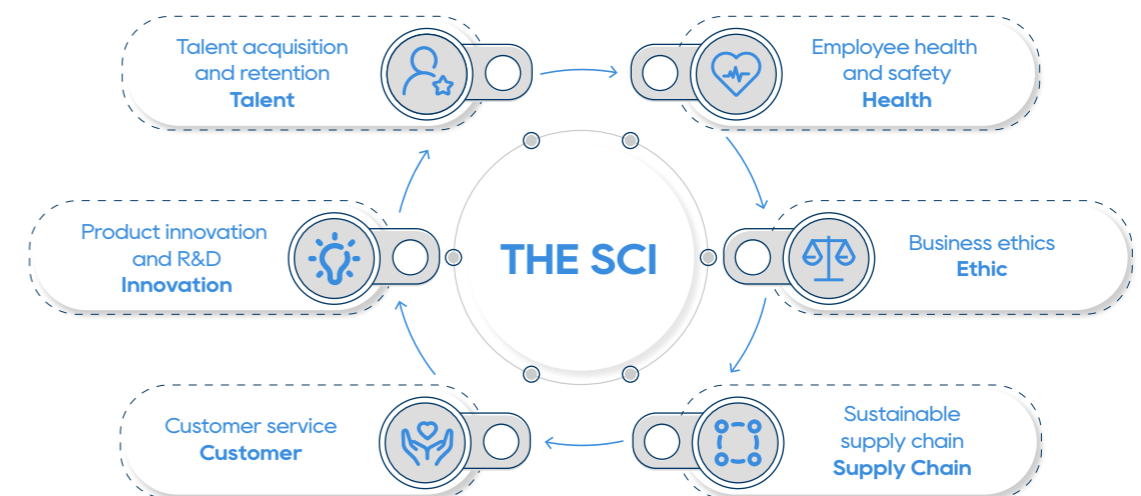
The ESG Working Group is composed of four groups: Environment Working Group, Product Working Group, Employee Working Group and Governance Working Group. These groups are responsible for implementing ESG management policies approved by the ESG Committee, managing and reporting ESG issues, and reporting on the progress of ESG work to the ESG Committee.

ESG Strategy

We established the sustainable development framework to address stakeholder expectations and our business needs. Within this framework, we set goals for the major topics identified and regularly review the progress to ensure that our practices align with the ESG strategy.

Sustainable development framework: THE SCI

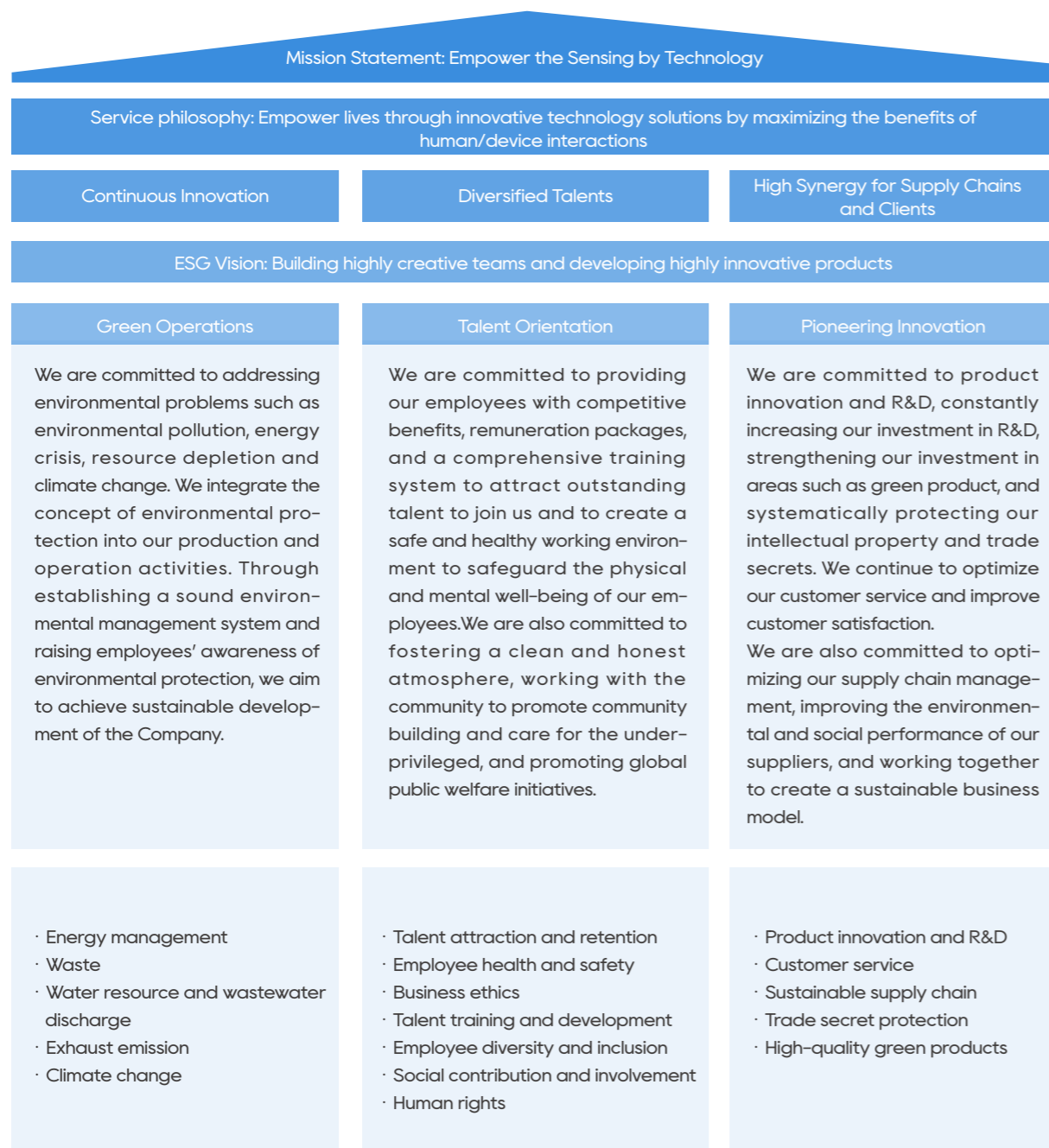
Will Semiconductor has a framework for sustainable development - "THE SCI", where the T, H, E, S, C, I stand for "Talent Attraction and Retention", "Health and Safety of Employees", "Business Ethics", "Supply Chain Sustainability", "Customer Service" and "Product Innovation and R&D" respectively, corresponding to the major issues that have been identified one by one. This demonstrates our commitment to working with our employees, clients, suppliers and partners to achieve sustainable development.



▲Sustainable development framework

Sustainable development strategy

Will Semiconductor adheres to the mission statement of "Empower the Sensing by Technology" and the service philosophy of "Empowering lives through innovative technology solutions by maximizing the benefits of human/device interactions". We developed a sustainable development strategy that is supported by core competitiveness of "continuous innovation, diversified talents and high synergy for supply chains and clients". As a multinational company, we consider, examine and manage the environmental, social, and economic impacts in the global context, develop targeted, sustainable development strategies, and integrate the concept of sustainable development into every operational level.



▲ Sustainable development strategy

Stakeholder Engagement

We are committed to creating long-term value for stakeholders. Our major stakeholders include government, shareholders/investors, employees, customers, partners/suppliers, environment, and the community. Putting a premium on communication with stakeholders, we understand their expectations and demands through various effective channels and take timely actions to address their concerns.

Stakeholders	Expectations and requirements	Communication mechanism
Government	Law and discipline observation Tax payment by-laws Support for local development	Daily management Conferences Supervision and inspection
Shareholders/investors	Return to shareholders Information disclosure Investor relations Corporate governance Risk control	Shareholders Meeting Information disclosure Activities promoting investor relations Investor visits and inquiries
Employees	Compensation and welfare Occupational health and safety Career development platform Fair opportunity for promotion and development	Dual-channel career development system Performance appraisal management measures Employee activities Healthy and safe working environment
Customers	Innovative environmental products Quality of service Customer demands Customer rights	Customer satisfaction survey Follow-up to daily communications Product experience center Industry conferences and forums
Partners/Suppliers	Fulfillment of promises Procurement in an equal, open, and fair manner Win-win development Corporate social responsibility issues	Supplier management Compliant procurement Contract fulfillment
Environment	Environmental protection Ecological balance	Reduction of emissions and wastes Energy conservation and emission reduction
Community	Improvement of community environment Support for community welfare	Visits to children with disabilities/in need Green public welfare activities

Materiality Assessment

We regularly conduct materiality assessments to analyze impacts of ESG topics on our business, which serve as a reference for ESG strategy formulation and optimization and ESG information disclosure. Materiality assessment consists of the following steps:

Step 1 Identify ESG topics

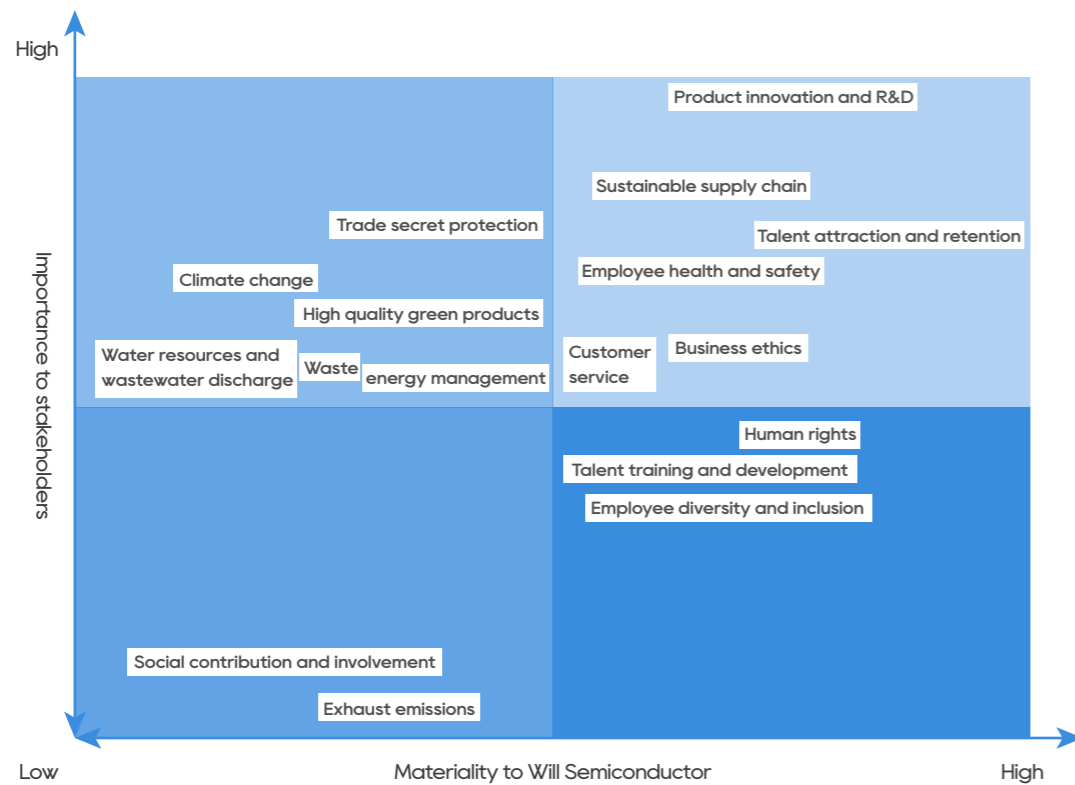
Based on industry and business characteristics, and concerning *GRI Standards*, the *Guidelines No.1 for Self-Regulation Rules for Listed Companies - Standard Operation* issued by Shanghai Stock Exchange, and the *Social Responsibility Management System for Electronic Information Industry (SJ/T 11728-2018)*, ESG topics concerning economy, society, and environment were identified.

Step 2 Analyse and prioritize

In 2021, we assessed and adjusted the ESG topics based on internal interviews and discussions and external expert opinions, generating a materiality assessment matrix that prioritizes ESG topics against two factors: "materiality to Will Semiconductor" and "materiality to stakeholders." During the Reporting Period, we re-assessed each topic's materiality to Will Semiconductor, and the results remained mainly unchanged compared with last year.

Step 3 Validate results

Our management and ESG Working Group review and confirm the assessment results.

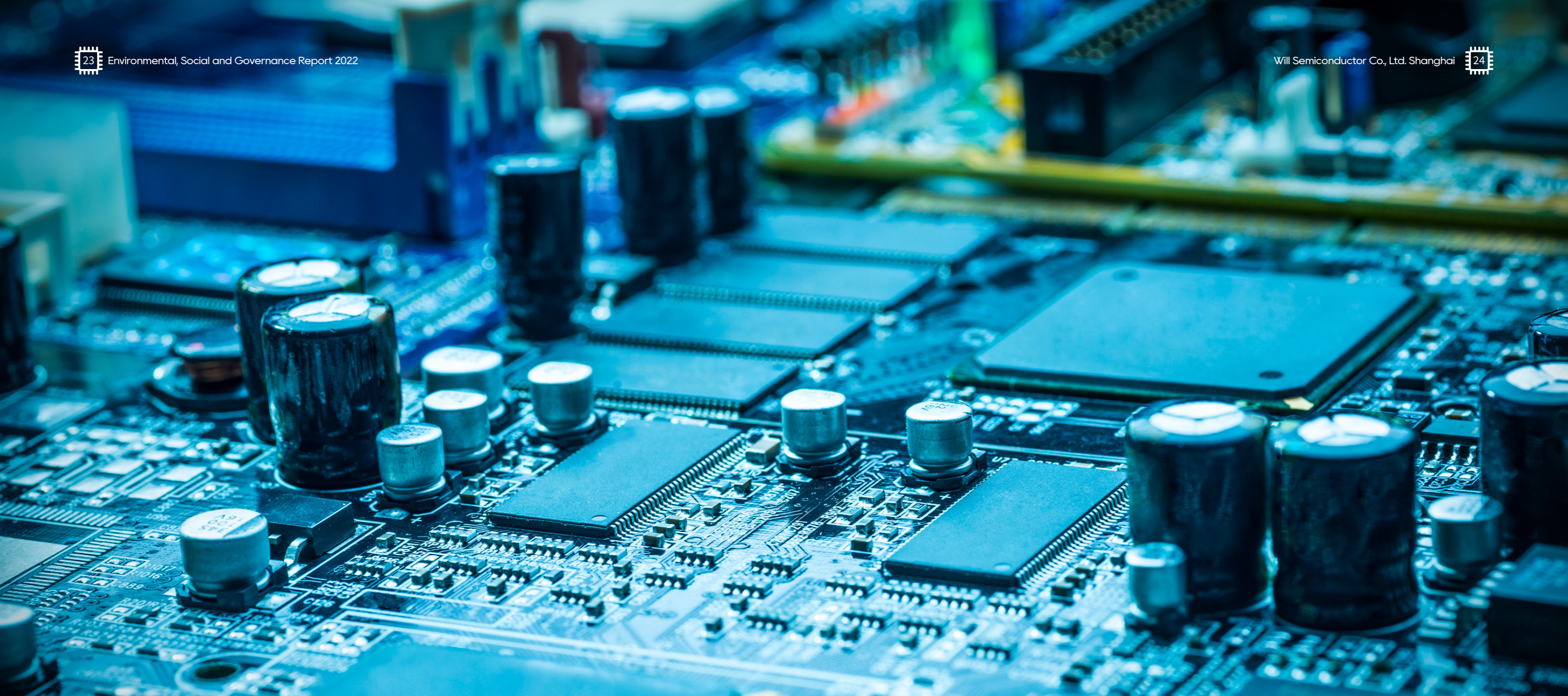


▲Materiality Assessment Matrix

Response to Sustainable Development Goals

United Nations Sustainable Development Goals (UN SDGs), integrating economic, social, and environmental topics, are the blueprint to achieve a better and more sustainable future for all. To deliver contributions to the UN 2030 Agenda for Sustainable Development, we identify sustainable development goals relevant to our business and integrate them into our ESG strategy for further action.

UN SDGs	Topic	Section	Section introduction	
8 高质量发展 经济成长	16 和平、正义与 强大机构	Business ethics	About Us	Adhering to the mission of "Empower the Sensing by Technology", Will Semiconductor continues to optimize the global strategic deployment and integrity building, strengthen internal supervision and business ethics management, and thereby create value for international customers and end consumers.
16 和平、正义与 强大机构	Business ethics	ESG Strategy	Will Semiconductor has formulated targeted ESG strategies and ESG governance structures based on global thinking to embed the concept of sustainable development at every level of the company's operations.	
3 良好健康与福祉 经济成长	12 负责任 消费和生产	Product innovation and R&D High-quality green products Customer service Trade secret protection	High-quality products	Will Semiconductor has established a robust product quality management system and continuously encourages R&D innovation, striving to offer global customers sustained value with cutting-edge R&D achievements and high-quality products and services.
12 负责任 消费和生产	17 促进目标实现的 伙伴关系	Sustainable supply chain	Responsible procurement	Will Semiconductor has established a standardized supplier management system, incorporating ESG-related factors into evaluating suppliers. Moreover, the Company resolutely prohibits conflict minerals from pushing for sustainability throughout the industry supply chain.
1 无贫困 3 良好健康与福祉 5 性别平等 10 减少不平等 12 负责任 消费和生产 8 高质量发展 经济成长	Human rights Talent attraction and retention Employee diversity and inclusion Talent training and development Employee health and safety Social contribution and involvement	Co-development with the Society	Adhering to the "Talent Orientation" concept, Will Semiconductor strives to protect employees' legitimate rights and interests, health and safety, and seek progress together with employees. Moreover, being keen on social welfare, the Company contributes to public charity programs as part of its social responsibility efforts.	
6 清洁饮水和 卫生设施 7 经济适用的 清洁能源 13 气候行动 12 负责任 消费和生产	Climate change Energy management Waste Water resource and wastewater discharge Exhaust emission	Green operation - live with nature	Will Semiconductor embraces renewable energy to protect our green planet and actively addresses climate change. While doing so, the Company pursues the environmental protection policy of "maximizing resources, reducing pollution and waste, making continuous improvements, protecting the environment, and complying with regulations".	



High-quality Products

◆ Innovation and R&D

◆ Product Quality

◆ Service Quality

◆ Information Security



High-quality Products

As a chip design company driven by technology, Will Semiconductor is defined by its core competitiveness of continuous innovation and high synergy for supply chains and clients. Encouraging R&D and innovation, the Company works with its supply chain to deliver more excellent sustainable value to customers worldwide, with cutting-edge R&D achievements and high-quality offerings.

Target and review

Target for 2025

We strive to become a perfect model of high-quality services across customers through professional technical support, client-focused service, and enhanced product quality.

2022 target review

The Company kept investing in R&D in all fields and optimizing the mechanism for innovation and R&D and the system for quality management to support product upgrades and delivery. Meanwhile, the Company takes customer feedback seriously. Specifically, the customer service and satisfaction survey mechanism has been optimized to improve customer satisfaction. With professional technical support and client-focused service, customers highly recognized us during this Reporting Period.

Innovation and R&D

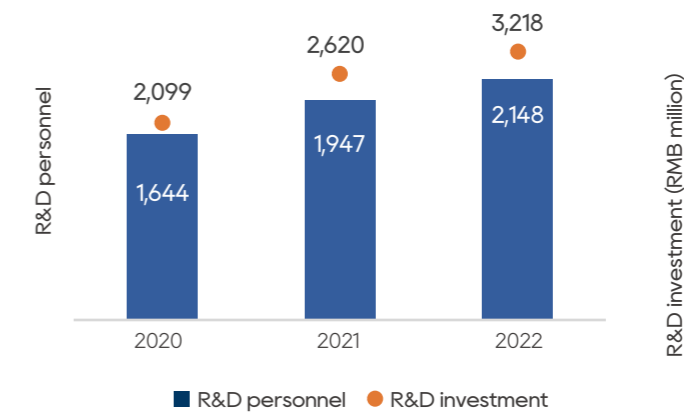
Target and review

Target	2022 target review
Continue to invest in R&D and build an R&D team	R&D investment amounted to RMB 3.218 billion, up by 22.82% over last year
Expand the number of patents	The number of patents is 4,559, increased by 21 over last year
Continue to develop green products	R&D of green technology and products with high energy efficiency
Provide innovative products for the world's top brands	Continue to provide better solutions for first-line brands in the fields of consumer electronics, security, automotive, medical, AR/VR, and other fields

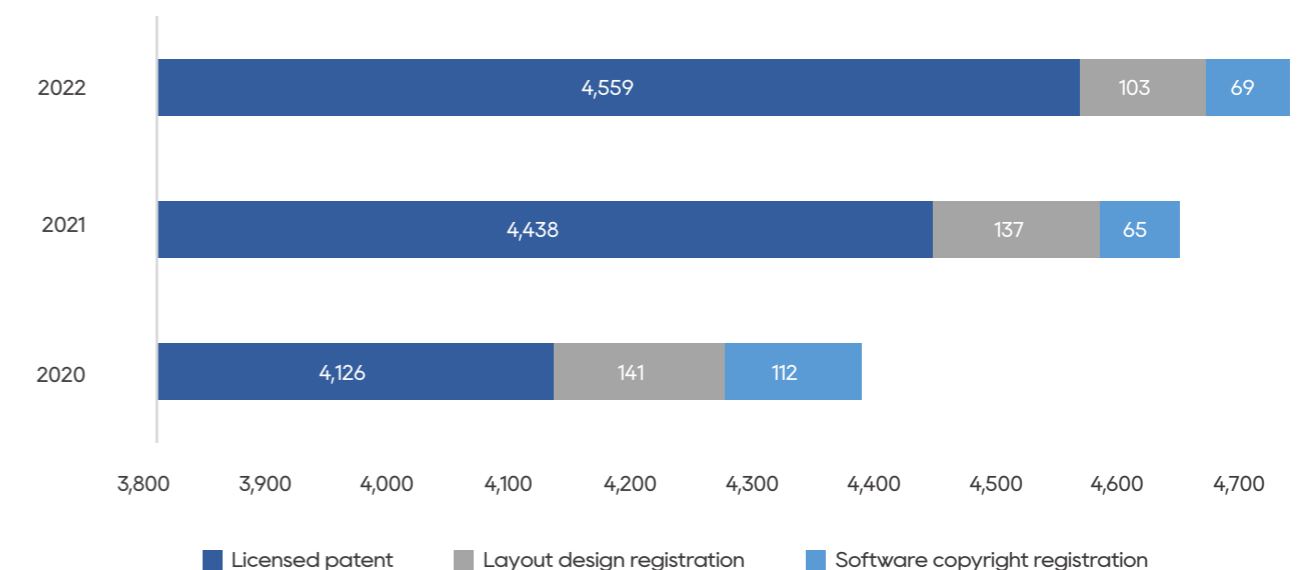
As the semiconductor design industry is knowledge-intensive, continuous innovation is the core factor that differentiates us from competitors. With R&D as the cornerstone of long-term growth, we are keen on exploring technology potentials. And by leveraging the well-established innovation mechanism, intensive R&D investment, and excellent talents, we work on technology with higher complexity and accuracy to offer clients and end-consumers diversified products with better performance.

Innovation and R&D mechanism

Our excellent R&D team and well-established innovation mechanism empower product upgrades and R&D and improve innovation ability. During the Reporting Period, we invested RMB 3.218 billion in R&D of semiconductor design, an increase of 22.82% over last year. In addition, to maintain strong R&D competence, we built a team where core members all hold Master's degrees or above in related disciplines from leading local and international universities and have rich working experience in related industries. As of the end of the Reporting Period, we had 2,148 employees working in R&D-related areas, accounting for 43.13% of the total workforce.



Moreover, fully-fledged invention and patent application policies are in place to encourage employee innovation and intellectual creation. During the Reporting Period, we revised the *Intellectual Property Protection and Inventor Reward Policy* to motivate employees further, promote the transformation of scientific and technological achievements, and improve our production efficiency and economic benefits. As of the end of the Reporting Period, the Company had 4,599 licensed patents, 103 layout design registrations, and 69 software copyright registrations.



Leading R&D achievements

Core technological advantages

Through years of independent R&D and technological evolution, we have accumulated remarkable technical advantages in CMOS image sensor circuit design, packaging, digital image processing, and supporting software. Our core technologies, including Pure Cel®, Pure Cel®Plus, and RGB-Ir, can meet the market demands of cell phones for application scenarios such as high pixel, depth-of-field control, optical zoom, and biometric features recognition and provide high-quality static image acquisition and video performance across the industry for cell phones.

In addition, the Company developed the CameraCubeChip® technology, which can integrate wafer-level optics with CMOS image sensors, delivering miniature sensors applicable to medical devices. The liquid crystal on silicon (LCOS) display technology offers a compact microdisplay solution with high resolution, low power, and low cost, which can be applied in wearable electronic devices, mobile displays, pico projectors, and automotive and medical equipment.

Technology	Features	Applications
Pure Cel®	Reduce pixel crosstalk and noise for better color reproduction under low-light conditions.	Smartphones, surveillance
PureCel®Plus	An ultra-compact system with the enhanced sensor sensitivity.	Smartphones, PC/notebook
RGB-Ir	Enable normal image capture from the same device for biometric authentication, gesture detection, etc.	Smartphones, surveillance, PC/notebook
CameraCubeChip®	Incorporate CMOS image sensors into a wafer-level chip-scale package, and enable ultra-thin, compact devices with advanced imaging capability.	Medical, AR/VR, mobile devices
LCOS	A low-power compact system design with high resolution, high frame rate, and up to 6 color fields to deliver crystal clear, stable images.	Automotive, medical, AR/VR, intelligent shelves, pico projectors

Diversified new products

The Company keeps expanding product lines to drive business in market segments. As a chip design company providing advanced digital imaging solutions, we have an established presence in consumer electronics, surveillance, automotive, medical, AR/VR, and other markets. During the Reporting Period, we continued to launch new products that deliver better solutions, and our significant R&D achievements are as follows:



Image sensor solutions

OX05B1S

The automotive industry's first 5-megapixel (MP) RGB-IR BSI global shutter sensor for in-cabin monitoring systems. High near-infrared (NIR) sensitivity offers the best performance even in extremely low light conditions. It has a wide field of view and enough pixels to view both the driver and occupants, reducing complexity, space, power, and cost. The stack package makes it 50% smaller than competitive products.

It was awarded as the Annual Sensor in the 2022 World Electronics Achievement Awards.

OVB0B

The world's most miniature 200MP image sensor for smartphones with a small package size and highest pixel has the best low-light performance among similar products.

It won Silver Award in the 2022 Vision System Designs Innovators Awards.

OV50E

Low noise, 100% phase detection, and single exposure high dynamic range support are featured. It brings the industry's best low-light image and high dynamic range (HDR) video-capturing capabilities to rear-facing main cameras in high-end and mainstream smartphones.

OS03B10

It uses high-sensitivity frontside illumination (FSI) for true-to-life color reproduction in bright and dark conditions, applicable for security surveillance, drive recorders, and other video applications.

Touch and display solutions

TD4377

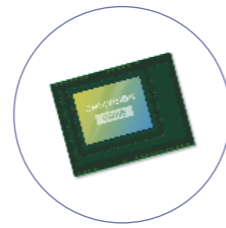
Being an updated TDDI solution, it supports higher performance in display and touches with much lower power consumption. It has been in mass production and adopted by millions of top brands of smartphones.

Green products R&D

Practicing innovation with the philosophy of sustainable development, the Company integrates energy conservation and emission reduction in product R&D and strives to provide energy-efficient solutions to meet the increasingly higher demand for intelligent life and green energy.

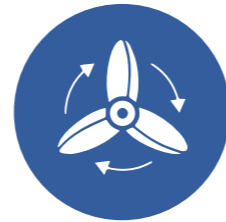
Improving product energy efficiency

In 2022, the Company unveiled OG0VE global shutter image sensor for AR/VR/MR, Metaverse, drones, machine vision, barcode scanners, and other devices. The new generation OG0VE is featured by low power consumption, with energy efficiency 50% higher than its predecessor.



Empowering renewable energy

High-performance switching devices are indispensable for high energy conversion efficiency and reliable failure protection in power management systems. WNM6008, unveiled by the Company, is applicable for solar power devices, power supply devices, and battery-powered applications (e.g., electric scooters), providing the highest power density and energy efficiency that increases the efficiency and reliability of power supply.



Intellectual property protection

Strictly abiding by the laws, regulations, and standards about intellectual property rights in the countries and regions where it operates, such as the *Patent Law of the People's Republic of China*, the *Detailed Rules for the Implementation of the Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and the *Enterprise Intellectual Property Management Standards*, Will Semiconductor has developed the *Intellectual Property Management Policy*, the *Patent Management Policy*, the *Trademark Management Policy*, the *Enterprise Copyright Management Policy*, etc., to establish a robust intellectual property management system. The Company will resort to legal procedures against any identified or suspected infringement of intellectual property rights.

In addition, the Company carries out training and publicity on intellectual property to enhance employees' understanding and awareness of intellectual property protection. During the Reporting Period, the Company held online and offline training on patents for employees to promote the management of intellectual properties.



Product Quality

Will Semiconductor strictly abides by the *Product Quality Law of the People's Republic of China* and other laws, regulations, and standards about product quality in its countries and regions. With the quality goal of "provision of sophisticated solutions, high-quality products, and efficient services", the Company strives to meet the ever-changing market expectations and demands with high-quality and competitive products.

Quality management system

Will Semiconductor has established and continuously updates processes and quality management systems based on the characteristics of products. The Company has obtained the ISO9001:2015 Quality Management System Certification. During the Reporting Period, the Company made further efforts to comply with IATF 16949:2016 Vehicle Quality Management System. It integrated relevant quality requirements of the automotive industry into its quality management system. Meanwhile, we regularly conduct an annual internal audit to verify the effectiveness of the Company's quality system and quality activities and provide inputs for improvement or correction. In addition, the Company's U.S. subsidiary, OMNIVISION USA, obtained the ISO 13485: 2016 Medical Device Quality Management System Certification, ensuring medical products' quality.



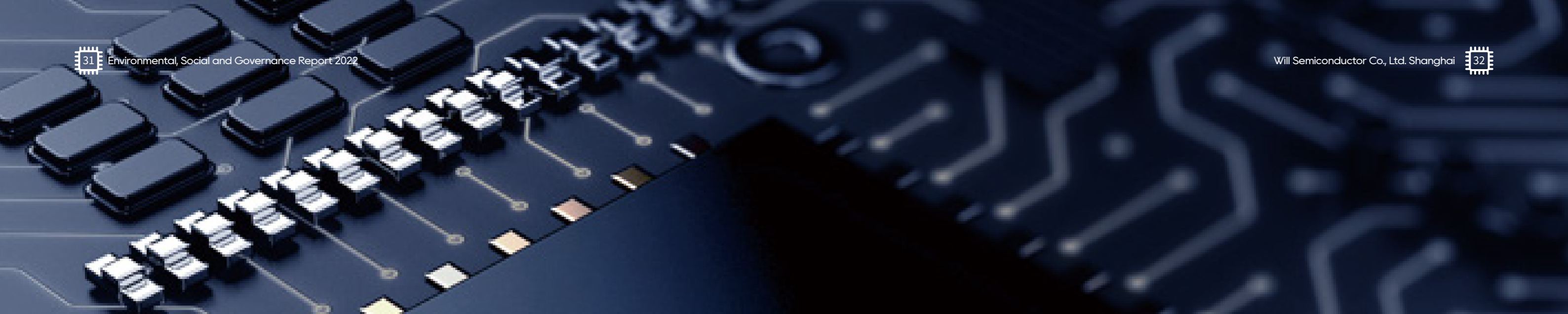
▲ Will Semiconductor's ISO 9001:2015 Quality Management System Certificate



▲ OMNIVISION USA's ISO 13485: 2016 Medical Device Quality Management System Certificate

Overall quality control

Will Semiconductor is devoted to the design and R&D of integrated circuit (IC) chips while contracting manufacturing, packaging, and testing to third parties. To ensure the quality of delivery products, the Company oversees and controls the quality of products from suppliers by requiring suppliers to sign the *Quality Agreement*, formulating, and implementing the *Supplier Quality Management Procedures*, the *Production Process Control Procedures*, and other relevant documents, as well as testing products during wafer fabrication and packaging. During the Reporting Period, the Company issued the *Specification for the Reliability Test of Discrete Devices* and the *Specification for the Reliability Test of IC Products* to regulate further the Company's reliability test for new product introduction.



Wafer fabrication	Functional test and reliability verification test
Packaging test	Including reliability test, product function test and appearance inspection

▲Quality control over wafer fabrication and packaging test

The Company has set quality objectives for each phase of product design and production and performance indicators for the implementation process to ensure the execution of quality management. During the Reporting Period, Will Semiconductor added "order fulfillment rate (for automotive electronics)" in its quality objectives to further control the punctual completion and delivery of automotive electronic products to meet the needs of customers and the market.

In addition, the Company formulated the *Unqualified Products Control Procedure* to avoid improper use, receipt, or delivery of unqualified products and protect the rights and interests of the Company and its customers. If products are identified as complete after the customer's delivery, the Company will recall the products for rework/repair, sorting, returning to the supplier, or scrapping based on the actual conditions. Meanwhile, we will carry out a root cause analysis and take corrective measures for the unqualified products to prevent the recurrence of similar incidents. During the Reporting Period, the Company had no major products recalled.

Quality culture construction

To implement the quality management system, Will Semiconductor continues to enhance all employees' quality awareness and instill a quality culture through training and publicity events.

Case: Mandatory training on the quality management system of the automotive industry

During the Reporting Period, the Company carried out mandatory training for relevant personnel on the five tools of the quality management system of automotive products based on IATF 16949:2016. The training comprised online courses and examinations to ensure that trainees gained relevant knowledge and raised awareness of quality management.

In addition, the Company continuously improves the work processes and management system with a robust improvement proposal established to encourage all employees to give improvement suggestions for production, technology, and management in daily work. Improvement proposals are collected twice a year. After collecting the proposals from relevant departments, the Company will organize an assessment meeting and award outstanding recommendations to encourage employees to participate and increase work efficiency and product quality.

Hazardous substances control

For hazardous substances control, Will Semiconductor has established a hazardous substance process management (HSPM) system that conforms to IECQ-QC080000:2017 Hazardous Substance Process Management. During the Reporting Period, we updated the HSPM system with newly added document control, record control, internal audit control, management review control, and other process documents. Meanwhile, the Company regularly conducts training for personnel of relevant departments on the internal audit of the HSPM system to improve the management of hazardous substances.



Case: Training for internal auditors of the HSPM system

In September 2022, the Company engaged an external authoritative institution to give a two-day training for the internal auditors of the HSPM system to help management better understand hazardous substances control. The training targets key personnel from Quality Department, Production Management Department, Sales Management Department, Warehousing and Logistics Department, Packaging Department, R&D Department, and Marketing Department. After the two-day training, the trainees gained a basic understanding of the regulations and systematic management of hazardous substances. They further enhanced their awareness of hazardous substances in daily work.

For suppliers' management of hazardous substances, the Company has formulated the *Hazardous Substances Control Standards* and the *Environment Management System Manual* to set forth requirements for materials provided by suppliers. Suppliers must ensure that their products' chemical concentration conforms to the RoHS standard, REACH standard, HF standard, and other relevant regulatory requirements and submit third-party test reports to guarantee the authenticity of the information. If the customer imposes requirements more stringent than environmental protection regulations, the Company will review each supplier's capability in hazardous substance control based on the customer's requirements to select appropriate suppliers.

In addition, we have taken into consideration the hazardous substance management for the onboarding, evaluation, and audit of suppliers, with a focus on the suppliers' compliance with hazardous substance standards, as well as the establishment and management of HSPM systems. The audit shall cover the establishment, design, development, and change of the suppliers' hazardous substance management system, raw material management, supplier management, process management, warehousing and logistics, exception management, education, and training, etc., enabling the Company to better understand and control the supplier's hazardous substance management. Suppliers failing to comply with the Company's requirements will be required to take corrective actions until they satisfy relevant standards to ensure the compliance of the Company's products with related standards.



Service Quality

Will Semiconductor is committed to providing satisfactory services for customers. The Company provides customers with reliable services before, during, and after sales through a dedicated customer service team and a robust customer communication mechanism. Moreover, it continuously improves service quality based on customers' feedback to increase customer satisfaction.

Pre-sales services

Provide quotation, samples, documents, technology, product certification and other supports based on the needs of customers

In-sales services

Provide order placing, delivery and other supports based on the needs of customers



▲Customer service process

After-sales services

Provide overall support for the exceptions of the product delivered or customers' additional requirements, such as testing and packaging

Building a dedicated service team

The Company has established an FAE team with high performance in technology, execution, and service to provide customers with a more targeted service experience. With knowledge in electronics, electricity, semiconductor, automation, computer, etc., members of the FAE team have a profound understanding of the performance, technical parameters, new product features, and other information of the Company's self-developed chips and the original products of the agency. Therefore, they can provide customers with various product application solutions to help customers curtail R&D costs. In addition, the FAE team can quickly communicate customer feedback and market information to R&D personnel, driving the Company to make quick responses and adjustments and provide appropriate products and services.

Responding to customer feedback

The Company has established refined customer complaint and product return processes to respond to and satisfy customer demands as quickly as possible. We have formulated the *After-sales Customer Complaint Process*, the *Customer Complaint Notification and Failure Analysis Process*, and the *Return Material Authorization Process* to regulate the processes and handling of customers' complaints and claims for product return or exchange. The Company will communicate with customers and further collect product information within 8 hours upon receiving complaints, and arrange relevant internal and external departments or parties, such as procurement plants, packaging plants, R&D departments, etc., to carry out cause investigation and analysis and work out solutions satisfactory to customers.

Increasing customer satisfaction

The Company has formulated the *Customer Satisfaction Survey Procedure* and established an active service mechanism. We carry out a customer satisfaction survey through various channels, such as after-sales telephone follow-up, on-site visits, personnel dispatching, information collection during service, etc. We will work with customers to develop and implement correction plans based on the customer's scores and feedback regarding product quality, overall service, technical support, and other dimensions in the survey to increase customer satisfaction further.

During the Reporting Period, the Company further refined the process for customer satisfaction surveys and strengthened follow-up and closed-loop management. If the overall score of customer satisfaction is below 85, we will investigate accordingly and propose and implement a relevant correction plan within a specified period until the customers are satisfied. Upon completing correction actions, the customer is expected to fill in a feedback questionnaire to confirm the correction result and score the satisfaction again to ensure substantive improvement of customer satisfaction.

Case: New product experience center in Beijing Zhongguancun IC Park

In September 2022, Will Semiconductor opened a new product experience center in Beijing Zhongguancun IC Park. This is the Company's second all-around experience space after the opening of the Shanghai product experience center in 2021. This center provides a one-stop experience of solutions that integrate a suite of the Company's high-quality products through visual presentation and touch interaction. Providing multi-dimensional expertise, the product experience centers in Beijing and Shanghai enable face-to-face communication between the Company and customers and other relevant parties, improving customer experience and increasing the Company's brand awareness.



Information Security

Safeguarding information security is critical to maintaining Will Semiconductor's competitiveness and customers' interests. Strictly abiding by the *Cybersecurity Law of the People's Republic of China*, the *Regulations of the People's Republic of China on Protecting the Safety of Computer Information Systems*, and the *Administrative Measures for the Graded Protection of Information Security* and relevant laws and regulations about information security in the countries and regions where it operates, the Company has formulated the rules and systems, such as *Regulations for Information Security Management*, *General Policy for Information Security*, etc., to enhance overall security protection of the information system.

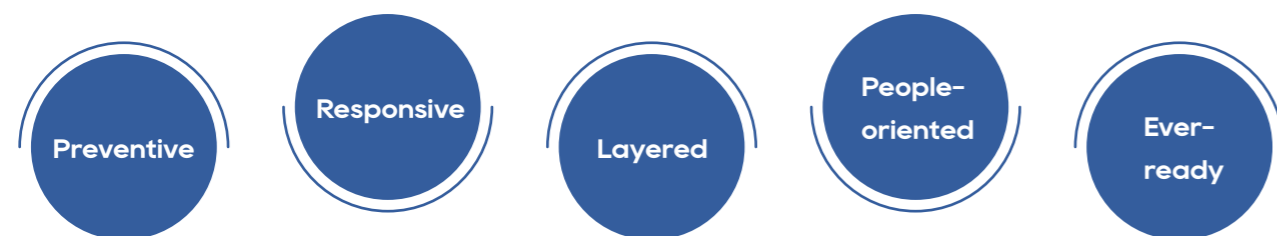
The Company adheres to the overall policy of "security first, prevention first, equal emphasis on management and technology, comprehensive prevention", so that the security of information systems can be controlled or in control. Information security management is conducted under unified leadership and in hierarchical control, by the principle of "those who monitor, operate, and use shall be held liable". Relevant departments and individuals at each level hold corresponding responsibilities to jointly operate and maintain the safety of the Company's information systems.



Responding to emergencies

In response to emergencies that may occur in data centers, the Company has formulated *Network and Information Security Emergency Plan* and conducts information system disaster drills. We adopt a "preventive, responsive, layered, people-oriented and ever-ready" approach and cope with information and network security emergencies based on science, reasonable procedures and standards to build an information and network security protection system. In addition, the Company has made a remote disaster resilience architecture with high availability for the information system, which enables the continuity of the system through the remote mirror architecture in case of a single node failure to avoid business interruption due to a blackout.

The Company has configured the office network and production network with competent virus detection and removal tools, installed a firewall on the Company's computers and strengthened network security management to protect the network from viruses and malicious attacks and maintain stable operation. The Company's network security and virus detection are subject to regular inspection by relevant personnel.



Preventing information leakage

To prevent information leakage, the Company exercises close supervision over the information transmission of the mail system. Moreover, the trusted platform module (TPM) chip and Bitlocker drive encryption are adopted to protect the data on users' computers, preventing unintentional leakage of data caused by loss or theft of the computer or dismounting of the hard disk. In the meantime, documents of the Company are under classified management based on confidentiality levels, and the transmission scope of confidential documents is limited by the Digital Guardian data platform to prevent intentional or unintentional leakage of information by employees. In addition, the Company has adopted a personal password change policy to protect employee privacy. It has introduced the two-factor authentication mechanism during the Reporting Period to strengthen the protection further.

At the same time, the Company strictly protects trade secrets. New joiners must enter into the *Confidentiality Agreement* and comply with relevant regulations under the *Labor Contract*. Before partnering with suppliers, the Company will require suppliers to fulfill confidentiality obligations by entering into information confidentiality agreements.

Raising awareness of information security

The Company holds regular information security meetings to report the situation and conducts training to improve information security awareness among all employees. Information security topics are included in orientation training for new employees to ensure compliance with the Company's requirements in information security. The Company also organizes an annual appraisal for information security management work and commends and rewards the units and individuals with outstanding performance. Employees who violate corresponding rules will be held accountable depending on the severity of the circumstances.

75%

38

60%



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Responsible Procurement

◆ Supplier Management

◆ Sustainable Supply Chain



Responsible Procurement

Our high-synergy supply chain contributes to the core competitiveness of Will Semiconductor. Closely partnering with suppliers, we have established standardized processes for supplier onboarding, evaluation, etc., and implemented classified management to promote suppliers' performance continuously. In addition, holding the philosophy of sustainable development, the Company has incorporated ESG-related factors, such as product quality management, environmental protection, social responsibility management, etc., into supplier evaluation. It unshakably rejects conflict minerals to promote the sustainable development of the industry supply chain.



Target and review

Target for 2025

- Fully implement due diligence and management of conflict minerals and require 100% of suppliers to abide by the conflict-free minerals policy
- Require suppliers to comply with the supplier code of conduct
- Increase the coverage of supplier environmental and social management system certification or the signing rate of supplier code of conduct, and improve the level of environmental and social risk management

Target for 2022/2023

- Conduct due diligence and management of conflict minerals, and require 100% of suppliers to abide by the conflict-free minerals policy
- Continuously assess the environmental and social performance of suppliers and ultimately attain 100% coverage of major suppliers
- Require main suppliers to comply with the supplier code of conduct

2022 Target review

- Completed
- Completed
- Completed

Supplier Management

The Company has formulated relevant documents and forms such as the *Supplier Quality Control Procedures*, the *Record Form of Regular Supplier Evaluation* and the *Guideline for the On-site Audit of Suppliers* to ensure the long-term and stable supply of high-quality materials and processing services. In addition, the Company always adheres to the principle of local procurement, contributing to economic prosperity and increasing local employment while minimizing operational costs and reducing carbon emissions during material transportation.

Supplier onboarding

The Company has formulated detailed processes for new supplier onboarding, which require suppliers to accept quality system investigations and on-site audits, and sign the *Quality Agreement*. Only the suppliers that have passed the supplier review are allowed for onboarding. The Company has set additional requirements for automotive electronics suppliers' key processes and raw materials. In addition, it has established a production part approval procedure (PPAP) for suppliers' automotive-grade products to ensure the compliance of products with relevant standards and customer requirements.

Regular supplier evaluation

The Company has formulated and continuously improved the supplier audit and evaluation system to ensure a stable supply of high-quality products. The Company classifies suppliers into Class 1 suppliers (wafer fabrication plant and packaging plant) and Class 2 suppliers (wafer auxiliary processing plant, wafer purchaser, finished product purchaser and outsourcing service provider) based on the types of products and services they provide. The suppliers of different classes are subject to different audit frequencies.

The Company annually formulates the supplier audit and evaluation plan and organizes relevant departments for implementation. The evaluation covers quality assurance, process technology, prices, production capacity, lead time, services, etc. Subsequently, suppliers are subject to the quarterly review based on which they are accordingly rated into grades A, B, C and D. Suppliers with different ratings are subject to other treatment, such as incremental procurement, supervised improvement or disqualifications. In addition, suppliers with findings identified in the evaluation must submit the correction plan and completion progress promptly under the supervision of the Company until the corrective actions are completed.

Grade A

Excellent suppliers, incremental orders of products/services may be placed.

Grade B

Qualified suppliers, normal quantity of orders of products/services may be placed.

Grade C

Alternative suppliers, who are required to submit a correction report within two weeks, with supplier quality engineers (SQE) following up on their corrective actions. Suppliers rated as Grade C for three consecutive quarters will be degraded to Grade D.

Grade D

Unqualified suppliers, the Company will issue a warning and order them to rectify. If they fail to upgrade to Grade C after three months, they will be eliminated from the qualified supplier pool.

▲ Graded supplier management

Meanwhile, to ensure product quality and stable supply, the Company will assign SQEs to the suppliers' plants if necessary, who are responsible for daily data confirmation, exception handling, attendance of regular meetings and patrol inspection to ensure effective control of suppliers' quality risks.



Sustainable Supply Chain

Continuously practicing responsible procurement, the Company is committed to incorporating the philosophy of sustainability into supply chain management. We have developed and issued the *Supplier Code of Conduct*, which provides clear guidance and requirements for suppliers in labor and human rights, health and safety, environment, ethics and compliance, and will gradually require suppliers to sign and comply with the *Supplier Code of Conduct* to contribute to the sustainable development of the supply chain.

Labor and human rights

- Child labor:** Suppliers are prohibited from using child labor.
- Corporal punishment/disciplinary action:** Suppliers are prohibited from harassment, abuse, corporal punishment or inhumane treatment.
- Forced labor:** Suppliers are prohibited from forced, bonded, or indentured labor.
- Freedom of association and collective bargaining:** Supplier's employees are entitled to freedom of association and collective bargaining rights.
- Working hours:** Unless required by emergency or exceptional circumstances, the weekly working hours of suppliers' hourly-paid employees shall not exceed 60 hours (including overtime). It prevails if the limit imposed by local laws is below 60 hours. Employees are entitled to at least one day off every seven days.
- Remuneration:** Suppliers shall pay wages and benefits as required by law, with payslips or other similar documents provided.
- Fairness, non-discrimination, diversity and inclusion:** Suppliers are prohibited from arranging unlawful physical examinations of employees or potential employees. Suppliers are not permitted to practice discrimination in candidate screening, recruitment, or employment on the grounds of race, color, age, sex, gender identity, gender expression, sexual orientation, marital status, ethnicity, national origin, caste, disability, genetic information, medical condition, pregnancy, religion, political affiliation, union membership, veteran status etc.



Health and safety

Suppliers shall comply with all applicable laws and regulations concerning occupational health and safety. Moreover, they shall identify, evaluate, and control the hazards to employees' safety and health by adequately designing, managing and maintaining safe work procedures and providing health and safety guidance on an ongoing basis.



Environment

Suppliers shall strive to innovate recycling processes in their operations and constructions to ensure the health and safety of the public by minimizing adverse impacts on communities, the environment and natural resources.



Ethics and compliance

Suppliers shall apply the highest ethical standards to foster integrity and honesty in business operations, such as business integrity, intellectual property protection, responsible procurement of materials, privacy and information security, and compliance with import and export regulations.



Sustainable supply chain management

Will Semiconductor closely monitors suppliers' performance and relevant management certifications in economy, environment and society and oversees the sustainability-related risks in the supply chain by integrating ESG-related factors in the supplier onboarding and evaluation processes.

Dimension	Management system	Proportion in 2022
Economy	<ul style="list-style-type: none"> ISO 9001 Quality Management System IATF 16949 Vehicle Quality Management System 	100.0% 85.33%
Environment	<ul style="list-style-type: none"> ISO 14001 Environmental Management System QC080000 Hazardous Substances-involved Process Management System 	96.00% 60.00%
Society	<ul style="list-style-type: none"> ISO 45001 Occupational Health and Safety Management System 	64.00%

During supplier onboarding, new suppliers are required to pass the audit conducted by the Company concerning management on environmental and social responsibilities and sign the *Environmental Protection Agreement* and the *Supplement to the Environmental Protection Agreement* to complete the onboarding process. Totally 64 items in the social responsibility management system, compliance with labor code, occupational health and safety, and environment management and business ethics are covered in the audit to enable the Company to fully understand the performance of new suppliers in environmental and social responsibility management.

The Company has added the consideration for suppliers' environmental and social responsibility management in the regular evaluation and conducts on-site audits and ratings of suppliers regularly. Suppliers are classified into "Qualified", "Subject to correction" and "Unqualified" based on their ratings. In addition, the Company has set the maximum "number of times of non-compliance" with environmental regulations. Suppliers with one environmental exception identified in the regular evaluation will be classified as "Unqualified". We will communicate the non-compliance and recommendations to unqualified suppliers and urge them to make satisfactory corrections to improve the ESG-related performance of the Company's supply chain and control related risks.

Management of conflict minerals

Conflict minerals refer to those exploited in armed conflicts or human rights violations. Will Semiconductor is fully aware of the hazards conflict minerals impose on the environment and society. The fund generated during the mining, smelting, transportation, and other processes of the tantalum, tungsten, tin and gold (3TG) used for the Company's products may flow to illegal armed groups, which indirectly violates human rights and causes pollution.

Therefore, the Company continues to keep an eye on the origination of minerals used by suppliers and has formulated the *Conflict Minerals Policy*, requiring all suppliers to use conflict-free minerals in products. In the new supplier onboarding process and day-to-day management, we conduct 3TG investigation in the supply chain based on the *Conflict Mineral Reporting Template* (CMRT) released by the Responsible Minerals Initiative (RMI) to identify the origination of minerals and smelters in the supply chain.

- New supplier onboarding** Suppliers must fill in the *Conflict Minerals Due Diligence* and proactively declare the origination of minerals.
- Day-to-day supplier management** The Company collects the list of smelters in the supply chain at least once a year.

If any smelter is identified as non-compliant, the Company will urge the relevant supplier to take corrective actions or stop purchasing raw materials from the non-compliant smelter. If necessary, the Company will terminate cooperation with the supplier to ensure the products originated from the smelters or countries certified by the RMI. During the Reporting Period, the Company has formulated and placed in effect the *Conflict Minerals Control Procedure* to control further the implementation of the conflict minerals policy in the supply chain.

During the Reporting Period, Will Semiconductor had a total of 58 3TG-related suppliers. According to the investigation, 100% of the 3TG mineral raw materials used by the Company were from RMI-certified smelters.



Co-development with the Society

◆Co-Development with Employees

◆Ensure Safety at the Workplace

◆Growing with Communities



Co-development with the Society

The constant and steady development of the Company is dependent on the growth of talent. Respecting and caring for every employee, Will Semiconductor is committed to creating a diversified, equal, and inclusive workplace where every employee can work in a safe, healthy, and pleasant environment, and strives to protect the legal rights and benefits of employees by refining talent training and incentive mechanism, in an effort to build a harmonious and stable labor relationship for common growth.

Co-Development with Employees

Target and review

Target

- Offer competitive remuneration packages
- Maintain effective communication to foster and enhance employees' sense of belonging
- Organize team building to enrich the employee experience
- Maintain collaboration and creation to attract and retain talents
- Carry out comprehensive training to improve employees' professional skills

2022 target review

- We offered employees competitive remuneration packages fully aligned with the market
- We launched the new 1:1 talk (one-on-one talk) to learn about the progress of every employee
- We supported the Employee Assistance Program (EAP) throughout the year, and arranged various events, such as club activities, to enrich employees' spare-time life
- We continued to optimize the diversified talent structure and support employee development with various resources and established a special reward system to encourage innovation
- We enhanced the internal instructor system, updated the learning management system, online training delivery system, expanded online and offline course resources, and increased the staff training coverage by 10% compared to the previous year

Talent attraction and development

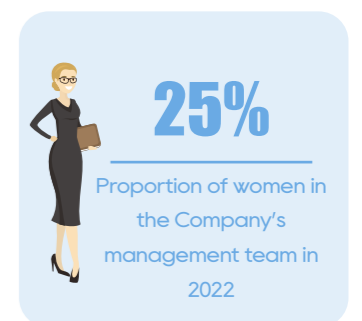
Will Semiconductor strictly abides by the laws and regulations concerning employment and labor of the countries and regions where we operate, including but not limited to the *Labor Law of the People's Republic of China*, the *Provisions on the Prohibition of Using Child Labor*, the *Federal Labor Fairness Act*, etc. The Company has formulated the *Human Resources Management Procedure*, the *Employee Handbook*, and other internal systems, which specify the requirements for recruitment, performance evaluation, etc., establishing fair, transparent, and comprehensive channels and systems for career development to help our employees fully unleash their potential.

Talent recruitment

The Company places great emphasis on talent attraction and retention and continuously promotes the development of our talent pool. The Company has established a robust human resources management system, following the principle of fairness, justice, and openness. The Company strives to select excellent and suitable talent through multiple channels such as campus recruitment, social recruitment, recruitment agencies, employee referrals, and internal recruitment.



Upholding the principle of equal employment and diversity, the Company prohibits the selection and recruitment of employees based on race, color, religion, disabilities, sex, national origin, sexual orientation, gender identity, gender expression, age, genetic information, military status, or any other legally protected characteristics. We follow the principle of merit-based recruitment to ensure that job seekers are provided with equal and reasonable employment opportunities. During the Reporting Period, the proportion of women in our management team was 25%. We also improved our recruitment efficiency and focused more on candidate feedback by optimizing the recruitment process, detailing the competency evaluation methods, and conducting training on interview skills for recruiters. In addition, we have established an online recruitment system and a reserve talent pool through digital measures to achieve talent classification management, coordinated recruitment progress, talent activation, and excavation, maximizing the utilization of our talent resources.



The Company continuously enhances cooperation with excellent colleges and universities to look for outstanding candidates. We have maintained our ongoing partnerships with leading universities both domestically and abroad, including Shanghai Jiao Tong University and University of Shanghai for Science and Technology and their students in first-class majors, providing students with internship and work abroad opportunities, and having company executives serve as on-campus mentors. Through these initiatives, we effectively connect with targeted candidates and offer students the chance to gain early exposure to the professional world and help them plan for their future careers and attract more outstanding students to work for our company after graduation.

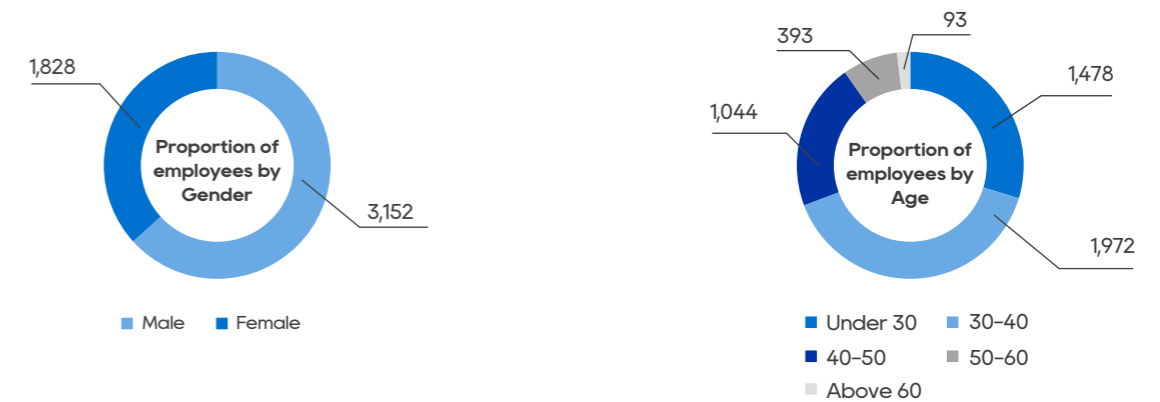


▲ Appointment letter for on-campus mentor at Shanghai Jiao Tong University and industry-academia-research activities.

During the Reporting Period, the Company further expanded its recruitment channels both online and offline, reaching out to campus candidates through a variety of channels such as online recruitment roadshows, live streaming recruitment, online job fairs, Handshake and Career Eco, and our local internship programs, laying a solid foundation for a high-performance talent team.

Diversity

As of 31 December 2022, Will Semiconductor had a total of 4,980 full-time employees, and the overall employee turnover rate was 8.64%. The number of employees categorized by gender, region, and function types is as follows:

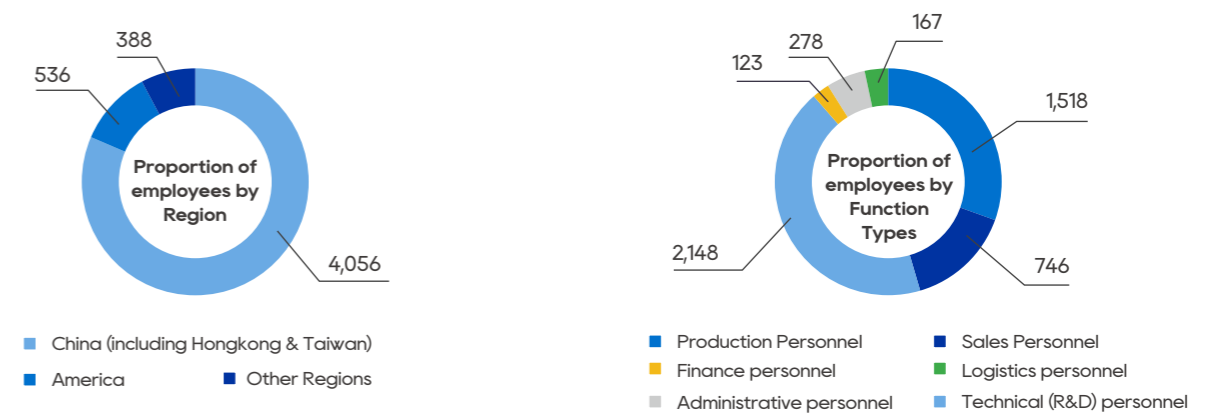


Case: On-campus job fairs 2022

Talent with versatility and creativity sourced through campus recruiting are expected to unlock more opportunities for the Company's development. Will Semiconductor attaches great importance to the recruitment of university sourced talent. During the Reporting Period, we collaborated with a number of universities such as Southeast University and Xidian University to carry out various events. By organizing on-campus job fairs and recruitment information sessions, we continuously improved the Company's brand awareness among students. We invited alumni working for the Company to share their career experiences with the students, helping them better plan their career paths. We expanded our talent pool for future operations through such events.

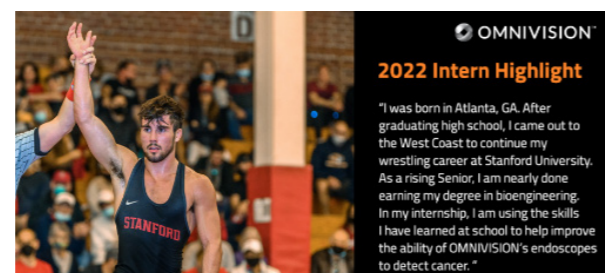


▲ On-campus job fairs



Case: Intern Program 2022

The internships are a great way to secure full-time talent for the company. In 2022, we hosted 20 interns at our Santa Clara, California, USA location. We have a solid intern conversion rate of 15-25% depending on the year. Here is a sample from our social media posting from our program highlighting one of our bioengineering interns from Stanford.



▲ Our intern's story

The Company has always been committed to creating a diverse and inclusive work environment that respects the differences and values of each individual. We adhere to the requirements of international conventions such as the *International Labour Organization (ILO) Convention Concerning Discrimination in Respect of Employment and Occupation*, the *United Nations Global Compact*, and the *Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises*, and explicitly stipulated in our internal *Employee Handbook* and *Environmental, Social Responsibility, and Governance Policy* that all employees shall not be subject to differential treatment or discrimination in employment relationships due to factors such as religious beliefs, gender, race, color, sexual orientation, qualifications, etc.

The Company's U.S. subsidiary, OMNIVISION USA, submits an annual EEO-1 report to the Federal Equal Employment Opportunity Commission (EEOC), which also reflects the Company's efforts to build a diverse talent team. The EEO-1 report is a mandatory annual data collection that requires all private sector employers with 100 or more employees to submit demographic workforce data.

Case: 2022 global team promotion video

We have an excellent and diverse team where employees from different backgrounds learn and grow through interaction and create value for the Company around the world. During the Reporting Period, the Company released a career introduction video to showcase the global team and share their experiences working at Will Semiconductor.

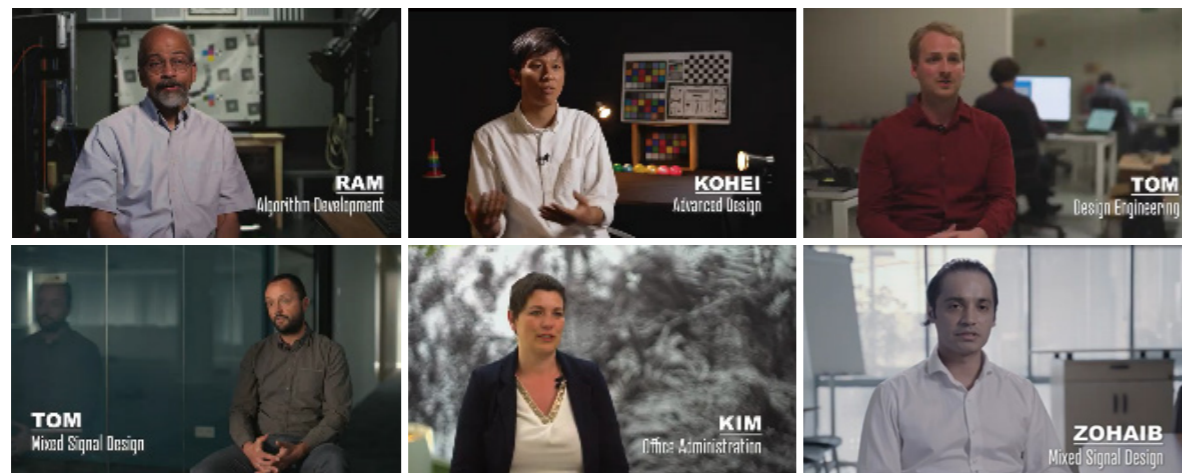
Here are some employees' voices:

"Our company values internationalization and every employee knows his or her mission";

"I am always exposed to new things";

"We have friendly colleagues, comfortable work environment and unlimited possibilities here";

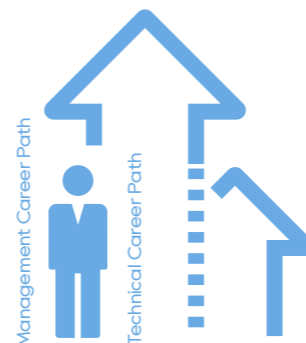
"The Company always supports us in our continued efforts to explore cutting-edge technologies".



▲Our diversified talent team

Career development

In terms of career advancement, we provide a dual-channel career development system for employees, and employees can flexibly choose either management or technology career paths according to their personal skills and career plans. The dual-channel promotion mechanism effectively helps employees align their abilities with enterprise management systems to satisfy their short, medium, and long-term development needs. We also support employees who are not interested in management roles to switch to the technical career development track based on their expertise and interests, encouraging them to maximize their value while helping the company retain talented employees. To better familiarize employees with our career development opportunities and thus motivate them to grow with us, we publicly introduced our career development channels to all employees during the Reporting Period. In addition, we also have a comprehensive and strengths-based job transfer mechanism for employees to diversify their career pathways, thus enabling them to better utilize their ingenuity at work.



Employee training

The semiconductor design industry is a knowledge-intensive industry. As such, we advocate independent learning and encourage employees to fully leverage internal and external lecturer resources to build technical expertise and develop management skills on a step-by-step basis. Our existing talent cultivation and development plan has covered all businesses, functions, and talents at all levels. We have built a systematic training system and a comprehensive talent development plan to meet the professional and technical needs of different positions through internal policies such as *Training Management Procedures Documents*, *Internal Lecturer Management Policy*, and *Tutor Management Policy for Fresh Graduates*.

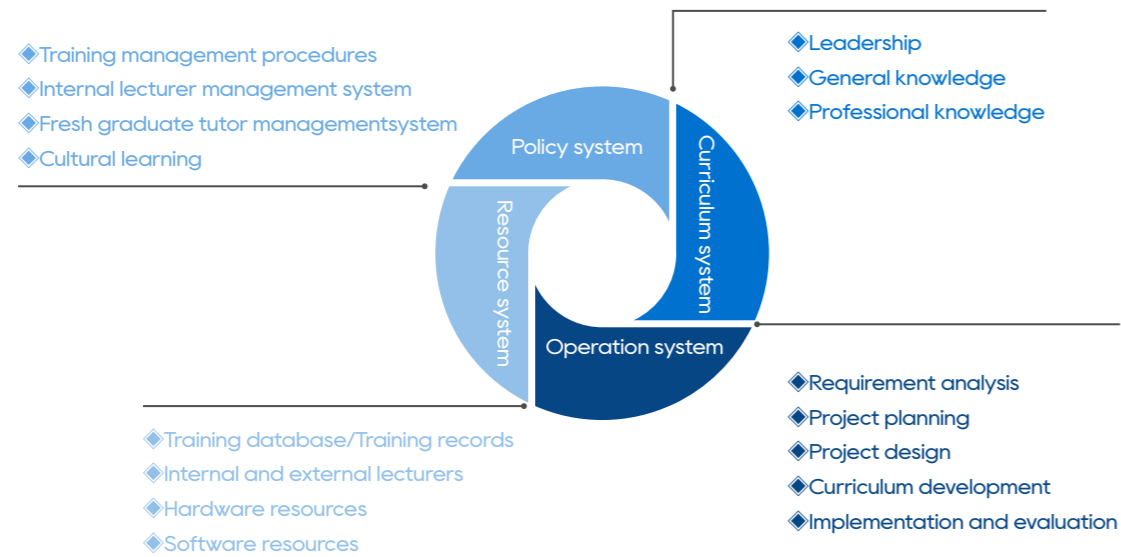
The effectiveness of training is what we always aspire to. To achieve this, we institutionalize the procedures of training needs identification, plan formulation, training application, resource development, implementation, and effectiveness evaluation. Furthermore, we use digital tools to properly manage various training resources and records. And a comprehensive training effectiveness evaluation system has also been established, which evaluates training effectiveness at three levels for a comprehensive evaluation, including reaction level evaluation, learning level evaluation, and behavior level evaluation, which helps optimize the training system for better training effectiveness.



Beyond that, we develop and implement annual training plans to meet the development needs at the company or department level each year. During the Reporting Period, with the continuous upgrading of our online and offline training systems, and the gradual enrichment of training projects, the training coverage rate of employees reached 88%, and the average training hours per person reached 26.2 hours.

While engaging more employees in training, we continue to upgrade our existing training system and expand customized and multi-dimensional online and offline curriculum resources. Our training system is supported by three major systems including policy, resource, and operation systems, and our various training programs are developed based on three core capabilities including leadership, professional knowledge, and general knowledge, targeting employees at all levels and professions including new joiners, junior, middle, senior management, and R&D personnel and administrative personnel etc. At the same time, we have developed targeted on-the-job training plans to enhance the ability and performance of employees in key positions and to further help us stay competitive in the areas of management, technology, and product quality.





We have built and continuously updated OV-Learning (OMNIVISION online training system) to help employees access learning resources anytime and anywhere. During the Reporting Period, we launched 417 online courses, covering general skills, management, and professional technology.

We have also set up an internal lecturer program to accumulate organizational wisdom and further enrich training resources. We organize and select excellent internal managers and business experts to develop courses and case libraries based on their experiences in business and management practices. During the Reporting Period, we cultivated a total of 98 internal lecturers, with 26 new certified lecturers, and developed 29 courses.

Case: Primary leadership training - Eagle Growth Camp

The Eagle Growth Camp empowers new managers with clear role positioning, adjustment of work focus, and establishment of trust relationships with team members through three dimensions role transition, team management, and performance improvement.



▲ Eagle Growth Camp Activity

Case: Professional knowledge training - Expert Lecture Series

To share profession-specific and technology-specific knowledge, "technical experts" within the Company were invited to the expert lecture program to design courses from easy to difficult, and thus promote the understanding of professional technologies employing interaction and discussion.



▲ Expert Lecture Activity

Employee rights and benefits

Will Semiconductor strictly abides by the employment and labor-related laws and regulations of the countries and regions where we operate. Adhering to the people-oriented concept, we actively protect the rights and interests of employees and create a working environment that makes employees feel respected, which will continuously enhance engagement of employees. Our Environmental, Social Responsibility, and Governance Policy set out detailed provisions on labor rights, freedom of association and collective bargaining, child labor and forced labor, diversity, and non-discrimination to protect the legitimate rights and interests of our employees. During the Reporting Period, we did not have any incidents of violation of labor laws and regulations.

Working hours and holidays

Will Semiconductor highly values humanistic care for employees and strives to enhance their sense of satisfaction and belonging at work. We rigorously comply with national and local laws and regulations regarding working hours and overtime requirements. In case overtime is required under special circumstances, employees need to apply for overtime according to the internal process, which shall be approved by the head of each department in advance. We implement the statutory paid annual leave system to ensure that employees are entitled to statutory holidays and other leave such as sick leave, marriage leave, bereavement leave, maternity leave, paternity leave, lactation leave and other leave entitlements. During the Reporting Period, in response to the newly launched parental leave policy in China, we have added this category of leave for our employees and improved the related configuration in our human resources system so that our employees in China can enjoy this welfare policy promptly. In addition, in our China region, we have extended the bereavement leave to three days and employees can now request the bereavement leave due to the loss of parents-in-law and siblings. We honor the unique bereavement and family leave programs as are customary in different regions around the world.

Anti-harassment

Will Semiconductor has long been committed to creating a well-organized working environment free from illegal harassment. During the Reporting Period, we formulated and issued the *Anti-harassment Policy* and promised to take all reasonable measures to prevent or stop harassment in all workplaces. Violators will be disciplined, including suspension or dismissal, based on the circumstances and severity of their actions. We also establish a system to protect individuals who participate in harassment investigations from retaliation, actively creating a work environment that prohibits any form of harassment. We train our employees on anti-harassment annually through our Corporate Governance training.



Compensation and benefits

At Will Semiconductor, we establish remuneration levels using a market-based approach and provide employees with competitive remuneration in the industry. We align employee growth with our development goals and focus on their career development. In terms of employee performance evaluation, we uphold fair and impartial principles using objective facts-, targets- and results-based approach. During the assessment, we have defined the evaluation cycle, process, and feedback mechanism to ensure the adequacy and objectivity of results. We organize monthly and annual performance evaluations following the *Measures for Performance Evaluation*, which serve as an important basis for assessing employees' personal growth and development to further determine their bonus, salary adjustment, promotion, and training, to achieve the goal of maximizing our employees' potential. During the Reporting Period, 100% of our employees underwent regular performance evaluations and career development assessments. In addition, we expanded our promotional budget for each region as well as our merit increase pool during the Reporting Period.

Meanwhile, we launched our online performance review and merit increase system for managers and employees around the globe during the Reporting Period. The system can fulfill the needs of different functional groups in different regions. Employees received the merit increases and extra incentive bonuses based on their individual performance ratings. We also encouraged our people managers to review the performance appraisals, assess employees' competence to perform the job and review their job descriptions.

The compensation package for company employees consists of salary, bonus, allowance, and subsidy. Employees may be given a salary increase based on their work performance, the Company's operating conditions, labor market trends, and other factors. We are committed to providing equal pay for both men and women for equal work without gender discrimination. To encourage employees to do their best work and to embrace creativity and innovation, we implement special reward systems, such as equity incentive plans, anniversary awards, invention and innovation, and corporate patent application policies.

Case: Equity incentive plan

The Company has developed an equity incentive plan to share its achievements with employees, so as to fully motivate the enthusiasm of employees and inspire management teams at all levels, outstanding core staff, and core technical staff. During the Reporting Period, the Company implemented the 2022 Share Option Incentive Plan to provide incentives to more than 2,300 managers and employees in the form of incentive stock options.



Case: Anniversary awards: Silver Jubilee Work Anniversaries

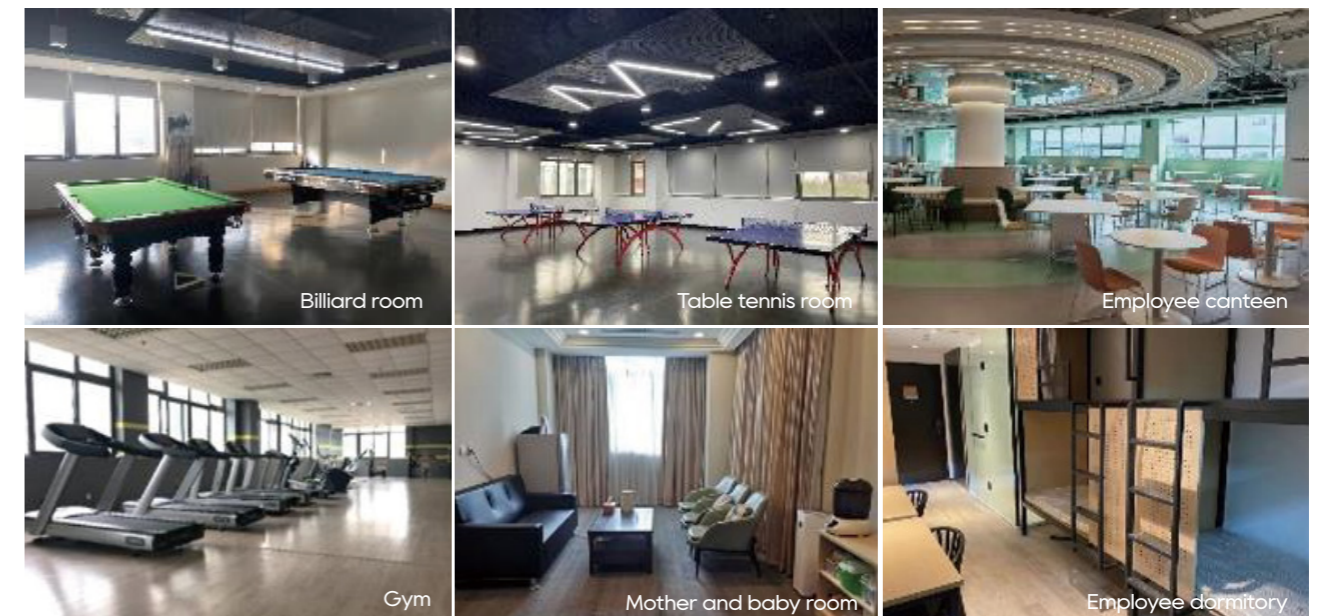
Very rarely would you find people who remain with an organization for a decade — let alone for twenty-five years. When you have employees who have worked for your company for 25 years, then they seriously deserve respect, praise, and all the good wishes that come their way. We also celebrate 5-, 10-, 15-, and 20-year anniversaries through impressive plaques. Here are two employees celebrating their 25 work anniversaries. We held a luncheon and award ceremony to mark and honor this special occasion in our company courtyard.



▲ Silver Jubilee Work Anniversaries

Furthermore, we provide employees with additional benefits beyond statutory ones, including commercial insurance, health examination, catering and accommodation, gyms, and feeding rooms. To ensure safe and healthy eating at work, we sign the *Environmental Health and Safety Related Party Notice* with the canteen supplier and conduct regular sampling tests on the canteen's tableware. We also regularly undertake sampling tests on drinking water from direct drinking machines, and disinfect air conditioning outlets and filters, so as to strictly protect the health of employees.

The Company helps employees keep abreast of various government talent policies, assists eligible employees in applying for rewards and enjoying policy benefits, such as the special awards for high-end talents in the Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone and the awards for talents in key areas of the Shanghai Municipal Commission of Economy and Information.



Employee care

We care for the mental health of each employee and sponsor an Employee Assistance Program (EAP) to help employees relieve stress, enjoy physical and mental well-being and increase engagement through a variety of activities. We regularly publish a series of EAP cartoons, incorporating current hot topics to popularize psychological knowledge among employees and help them analyze problems from a psychological perspective. During the Reporting Period, we organized a series of EAP lectures to care for our employees' mental health.



▲EAP Cartoon Series

Case: 2022 EAP lecture series

In June 2022, the Company conducted a lecture on the parent-child relationship with the theme of "heart-to-heart" communication, which helped employees communicate effectively with their children and establish a harmonious, high-quality parent-child relationship.

In August 2022, the Company organized an EAP salon with the theme of "Time Traveler - To Live Mindfully", which introduced the concept of mindfulness to strengthen thought management and help employees to soothe their minds and bodies, boost their spirits, and exercise their concentration.



▲EAP Yoga Class

In October 2022, the Company organized an EAP lecture on the theme of "Take Care of Yourself and Stay Resilient - Smart Management of Stress and Emotion", which helped employees understand, manage and enjoy stress in various scenarios such as work and interpersonal communication.

Case: 2022 Taiwan Employee Assistance Program (TEAP)

During the Reporting Period, we launched the TEAP, providing comprehensive care for the physical and psychological health of employees through services such as physical and mental health examinations, psychological counseling, mindfulness-based cognitive courses, and mental health knowledge courses. Employees who participated in this program would receive a "Personal Assessment Report", which helps them better understand their physical and mental status. The program also included a 12-week "mindfulness-based cognitive course" to improve employees' psychological health. In addition, we organized sports courses such as boxing, and yoga, to help employees relax after work, and enhance their sense of belonging to the Company.



▲Mindfulness-based cognitive course, boxing course

In addition, the Company has also organized various associations of interest, such as a photography club, reading club, and basketball club, to enrich employees' lives and increase team cohesion. We also regularly carry out various employee activities to create a relaxed and pleasant working atmosphere and enhance employees' sense of belonging to the Company.

Case: Women's Day activities in 2022

The Company provides female employees with considerable benefits on special holidays every year. On International Women's Day in 2022, the Company invited the "male representatives" to greet female employees during the morning peak and distribute holiday gifts.



▲International Women's Day Event

Case: "Rising with Joy, Enjoying the Ride" outdoor cycling

On 29 October 2022, the Company launched an outdoor cycling activity on Changxing Island with the theme of "Rising with Joy, Enjoying the Ride", and provided customized T-shirts and supply packages for more than 400 participants in the 15-kilometer ride. The activity showed the positive attitude of employees and enhance team cohesion.



▲Outdoor Cycling Event

Case: International Women and Girls in Science Day

11 Feb 2022 was International Women and Girls in Science Day. We posted a clip of one of our female engineer's interviews as an encouragement to other female engineers. In the interview, we asked, "As a female engineer, what opportunities and challenges do you face in the engineering profession?" She answered: "I don't feel any difference as a female engineer at the Company, I am facing the same challenges and opportunities." We think this conversation is inspiring because it showcases gender equality in our working environment. It can help us hire more female talent in the future. This engineer was highlighted in the initial congratulatory video as the recent award winner for the Howard Rhodes Achievement Award and was posted on social media outlets.



▲International Women and Girls in Science Day

Employee communication

We listen carefully to the voice of every employee and encourage smooth and transparent communication. We put more effort to build effective communication mechanisms and a sincere communication culture. The Company has established a labor union organization and sees freedom of association as the basis for regular communication with employees. We comply with local laws and regulations and respect employees' freedom of religious belief, freedom of association, collective bargaining, and the right to freely join labor unions. We introduced our global employees to the importance of ESG through our corporate governance training and provided them with a link to our ESG page through our global newsletter.

We have multiple channels to collect employees' feedback including interviews, face-to-face meetings, and emails. And we also organize regular employee satisfaction and dedication surveys to improve our internal management. At Will Semiconductor, we hold an All Hands Meeting every year to inform all employees of the latest information, strategic outlook, and decisions. In May 2022, the All-Hands Meeting was held online in May, with more than 3,000 employees attending worldwide. As we always value the unique voice of each employee, the Human Resources Department established a 1:1 talk mechanism during the Reporting Period to discuss with employees in detail their current work objectives, challenges, support, or suggestions needed monthly, and took follow-up actions accordingly.

Ensure Safety at the Workplace

Target and review

Targets for 2022/2023

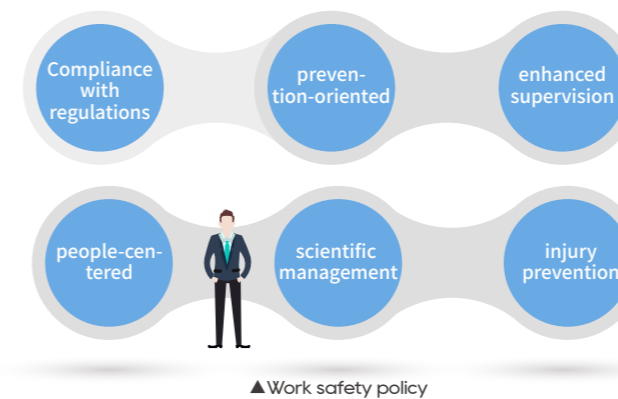
- Number of major accidents for each BU will be 0
- Encourage employees' voluntary participation in health promotion activities year over year
- Continue to arrange employee safety training programs with an attendance rate $\geq 80\%$
- The correction rate of hazard tracking in safety checks will reach 95%

2022 target review

- There were no major accidents in each BU
- Organized first-aid training and other activities to help employees improve their safety and health skills
- Organized various fire drills, chemical safety training, etc. to enhance employees' safety awareness and practical skills
- During the Reporting Period, the correction rate of hazard tracking in safety checks reached 100%

Work safety

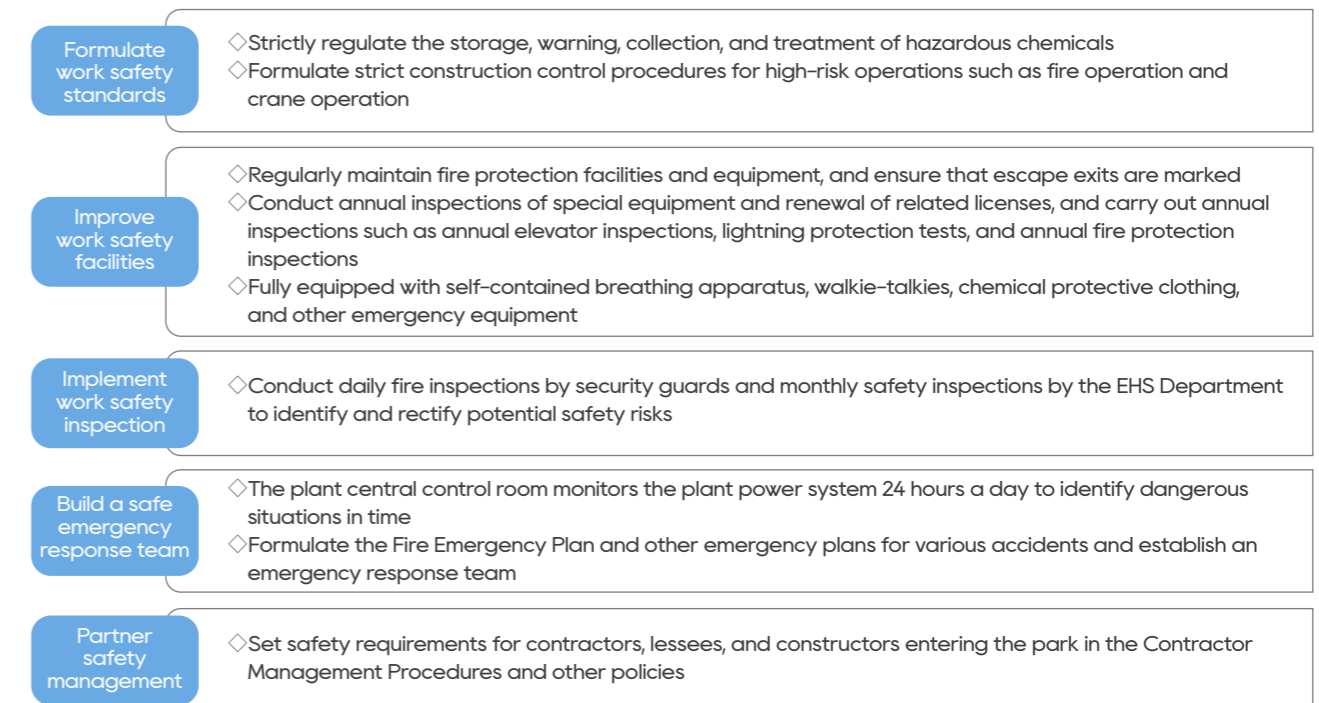
Work safety is the top priority of a company. Will Semiconductor earnestly implements the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Regulation on Work-Related Injury Insurance* and the laws and regulations of other regions or countries where we operate and is committed to providing employees with safe and healthy working environments and facilities. We have set up a dedicated EHS Committee and formulated internal policies such as the *EHS Committee Management Regulations*. To ensure concerted efforts to work safety, we also organize regular safety meetings, carry out safety education and training for all employees, and implement safety checks and hidden danger rectification and other measures. We also conduct annual internal and external audits of the occupational health and safety system to ensure the efficient operation of the EHS system. Our subsidiary OMNIVISION Semiconductor has obtained ISO45001:2018 Occupational Health and Safety System Certification.



During the Reporting Period, the Company's performance regarding work safety was shown as below:

KPI	Number
Recordable work-related injury	3
High-consequence work-related injury	0
Fatality as a result of work-related injury	0

The company's management of work safety covers all aspects of production and operation, with detailed safety production standards, complete safety facilities, comprehensive safety inspection mechanisms, and the establishment of safety emergency response teams, to prevent and respond promptly to safety accidents.



Comprehensively strengthen safety awareness

In addition, we conduct regular training on ergonomics, chemical knowledge and other topics and organize emergency drills to continuously improve the safety awareness and practical skills of all employees.

"Work Safety Month" activities	Fire drills	Emergency drills	Special training
By organizing "Work Safety Month" activities, the Company carries out a series of activities such as relay race of protective equipment wearing, safety phrase guessing, knowledge video displaying and safety risks investigation in the form of static and dynamic combination, to intensify the awareness of work safety among all employees.	The Company regularly conducts fire drills covering all production and operation locations. In this way, our employees can keep in mind the fire evacuation and escape routes, and master the use of fire extinguishers and other fire-fighting equipment, so as to better deal with fire safety risk in their thoughts and in actions.	The Company carries out flood and typhoon prevention drills, earthquake drills and hazardous waste leakage drills to improve employees' safety awareness and emergency response capability in case of various dangerous situations.	Internal and external professional lecturers are invited to deliver special trainings on chemical safety, internal and external accident cases and other themes. Participants further share what they have learned in the training with their colleagues to raise the safety awareness of all employees.

Occupational health

We are committed to creating a safe and friendly working environment for our employees. Through the use of occupational hazard warning signs, emergency response facilities, and accident ventilation facilities, we comprehensively implement occupational health protection from the three aspects of prevention, control, and reduction or elimination of occupational hazards. In addition, we provide comprehensive labor protection appliances for positions with potential occupational hazards, including anti-toxic masks, face covering, protective clothing, protective gloves, and acid and alkali-resistant shoes. We provide pre-employment, on-the-job, and post-employment occupational health examinations and monitoring for employees who are exposed to occupational hazard factors to ensure that they are free from occupational health contraindications and occupational diseases. Meanwhile, we also regularly invite third-party organizations to conduct occupational health and safety evaluations to further ensure production safety.

In addition to the strict protection of occupational health, we also work to create a clean and healthy environment for employees to live and work in. In the daily operation, we constantly send warm reminders regarding hot weather, typhoon weather, and traffic safety to employees, helping them become more aware of safety prevention. We also regularly launch first-aid knowledge sharing and place first-aid kits in eye-catching locations in the office area to facilitate employees to cope with emergencies.

Case: Hands-on training on Automated External Defibrillators (AED)

In August 2022, the Company organized two training sessions on first-aid incidents and how to use an AED to popularize first-aid knowledge such as airway obstruction treatment, guidelines for CPR, and specifications for AED to all departments. A total of 68 employees participated in the simulated first-aid drills to improve their emergency response capabilities.



▲ First aid and AED hands-on training

Growing with Communities

Upholding the corporate citizenship spirit of "benefiting from society, giving back to society", Will Semiconductor cares about social well-being, and actively undertakes social responsibilities. Our employees at all locations are encouraged to participate in community-based volunteerism and charitable activities, sponsored by the company's OMNIVISOIN Acts of Kindness (OAK) program.

During the Reporting Period, we continued promoting public welfare and charitable programs. In particular, we invested funds and materials in areas such as assistance to vulnerable groups, environmental protection, and poverty alleviation through education, and encouraged employees to participate in volunteer activities.

Case: Caring for children with disabilities to promote social inclusion and equality

Children with disabilities often suffer from psychological problems and behavioral disorders due to congenital abnormalities. In June 2022, the Company organized volunteers to carry out the "Mismatched Socks Activity" and visited children with disabilities at Shanghai Fengxian District Guangci Welfare House. Our visit and companionship were dedicated to support the physical and mental health of special children.



▲ Volunteers visit children with disabilities at Guangci Welfare House

Case: Promoting environmental protection via green travel and garbage collection

As environmental issues have gained increasing attention, more and more people choose garbage sorting and green travel. In October 2022, the Company organized environmental protection activities with the theme of "Low-carbon Travel, Garbage Collection" to strengthen employees' awareness of environmental protection and garbage sorting. Employees carried garbage bags and other necessary tools for garbage collection and sorting on the way of green cycling, thus contributing to environmental protection.



▲ Green cycling and garbage collection activity

Case: Launching a children's book donation campaign to disseminate knowledge and deliver love

In November 2022, the Company joined with the Stars Youth Development Center and the China Children and Teenagers' Fund to launch a children's book donation campaign with the theme of "Share Children's Books, Share Love". Through children's book recycling, new book donation, new book fundraising and other means, we donated 1,254 children's books to two rural primary schools, and donated RMB 6,691 to assist in building libraries and book corners in rural primary schools.



▲ The Company launches a children's book donation campaign

Case: Visiting economically disadvantaged students in Chongming to provide assistance

Education is of far-reaching significance to the sustainable development of society. As part of the efforts to support education, in December 2022, the Company organized a volunteer team to visit economically disadvantaged students in Chongming, extending a helping hand to assist them in pursuing their dreams through education.



▲ The Company visits economically disadvantaged students in Chongming

Case: Bringing joy during the holidays in Santa Clara, California

Family Giving Tree helps families in need in Silicon Valley, USA clear financial hurdles through Holiday Wish Drives. Each year, we aim to support students every school year and children, adults, and seniors during the Holiday Season. Through the Virtual Giving Tree (VGT) donation platform our employees granted wishes and helped spread comfort and joy in the community. The VGT opens each year early November.



▲ Family Giving Tree Recipients in Silicon Valley



Practicing Green Operations

◆ Implementing Emission Reduction

◆ Reducing Use of Resources

◆ Practicing Green Office

◆ Response to Climate Change



Practicing Green Operations

Protecting the environment is an unequivocal responsibility for enterprises, and Will Semiconductor takes this responsibility seriously. We are committed to implementing our environmental management policy of "optimizing resources, reducing pollution and waste, making continuous improvements, protecting the environment, and complying with regulations". We have incorporated the concept of sustainable development into our daily business operations, and we take numerous measures to minimize the impact of our operations on the environment. We actively seek opportunities throughout the entire production process to reduce waste emissions and conserve resources. We promote a green office culture and take proactive steps to address climate change. We collaborate closely with our employees and partners to safeguard and preserve our shared environment as a green home.

Implementing Emission Reduction

Will Semiconductor strictly complies with the relevant laws and regulations of the countries or regions where we operate, such as the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control 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 *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Waste*, continuously optimizing and strengthening the management of emissions and practicing green emissions reduction.

The main source of Will Semiconductor's emissions comes from its subsidiaries, OMNIVISION Semiconductor and OMNIVISION Optoelectronics, located at the Songjiang Park. The Songjiang Park has established and passed the ISO 14001:2015 Environmental Management System Certification. In addition, we have developed an *Environmental and Occupational Health Management Manual* based on international environmental standards to clarify each department's corresponding responsibilities and functions. We have established a series of control procedures, such as waste management and environmental health and safety monitoring and measurement, and established corresponding management documents and process specifications for external stakeholders (e.g. customers and suppliers) according to their requirements.



We have taken a series of measures to manage wastewater, exhaust gas, hazardous waste and non-hazardous solid waste respectively, and strive to reduce the emissions of relevant pollutants while ensuring compliance with regulations. The main measures taken by the Songjiang Park in terms of emissions management include:



Wastewater Management

Domestic wastewater and industrial wastewater generated from production and operation processes

- Designated a special area as a wastewater treatment station, where both domestic wastewater and industrial wastewater are treated through a series of processes and discharged into the municipal wastewater pipeline for unified treatment after meeting the standards;
- Developed an environmental self-testing program and regularly engage qualified third-party monitoring agencies to conduct comprehensive monitoring of wastewater discharge.



Exhaust Gas Management

VOCs (Volatile Organic Compound gases) emitted by manufacturing equipment during the design and production process

- Exhaust gas filtered through the activated carbon adsorption tower, and the pipe discharges the gas that meets the emission standard on the roof;
- Third-party monitoring institutions regularly test emission gases, and the results are uploaded to the pollution source monitoring data released platform.



Hazardous Waste Management

Including waste empty buckets, rags, waste organic solvents, electronic waste, waste alkali liquor and waste oil

- Developed an annual hazardous waste management plan;
- Signed contracts with qualified recycling companies for treating industrial hazardous waste, which is regularly removed and legally treated.



Non-hazardous Solid Waste Management

Mainly including general industrial solid waste and domestic waste

- General industrial solid waste is classified for storage. Valuable industrial solid waste is uniformly treated by recycling companies; general industrial solid waste with no value is uniformly destroyed by qualified manufacturers.

During the Reporting Period, the relevant pollution discharge of Songjiang Park during its production and operation is as follows:

Pollutant	Emission Method	Specific Pollutant	Total actual emissions during the Reporting Period (tonnes)	Total approved emissions during the Reporting Period (tonnes)	Implementation Standards	Excess Emissions
Wastewater	After being treated by the sewage treatment plant, the wastewater is discharged into the Water Purification Company	Generated industrial wastewater volume	84,143	133,694	Comprehensive Standard for Wastewater Discharge (DB31/199-2018)	N/A
		Chemical oxygen demand	6.85	42,662		
		Ammonia nitrogen	1.37	3,7102		
Exhaust gas	Organized Emissions	Particulate matter	0.015	0.3829	Comprehensive Standard for Atmosphere Pollutant Emissions (DB31/933-2015); Pollutant Discharge Standard for the Semiconductor Industry (DB31/373-2006)	N/A
		VOCs	0.8118	4.3508		

In addition to wastewater and gas, Songjiang Park generates hazardous wastes during production and operation, including empty barrels, rags, organic waste solvents, electronic waste, waste lye and waste oil. During the Reporting Period, Songjiang Park disposed of 9.43 tonnes of hazardous waste.

Reducing Use of Resources

Will Semiconductor is committed to continuously reducing its impact on the environment through ongoing investment in resource management and technology, and by continually optimizing the management of energy and water resources.

Energy conservation

Will Semiconductor strictly complies with relevant laws and regulations, such as the *Energy Conservation Law of the People's Republic of China* in the countries or regions where we operate, and we continue to promote the certification of International Standard Energy Management systems. During the Reporting Period, the Songjiang Park has passed the ISO 50001:2018 Energy Management System certification. In addition, Will Semiconductor attaches great importance to efficient energy management and the use of clean energy and has taken a series of energy-saving and consumption-reducing measures.



▲OMNIVISION Semiconductor's ISO50001:2018 Energy Management System Certificate



▲OMNIVISION Optoelectronics' ISO50001:2018 Energy Management System Certificate

During the Reporting Period, the energy-saving measures implemented in the Shanghai Songjiang Park and Zhangjiang Park have effectively reduced energy consumption, and we actively used green electricity to create a green energy lifestyle. The main measures include:

<p>Building an intelligent lighting system</p> <ul style="list-style-type: none"> Shanghai Zhangjiang Park replaced 503 lamps in its underground garage with those enabling intelligent control, which adjust the lighting brightness according to the passenger flow, with an estimated annual energy saving of 121,766 kWh The LED lamp renovation program of the plants in Shanghai Songjiang Park can realise energy saving of 57,143 kWh per year 	<p>Adjusting the running time of the equipment</p> <ul style="list-style-type: none"> Shanghai Zhangjiang Park optimized and adjusted the running time of equipment such as freezers in summer and boilers in winter, contributing to estimated annual energy saving of 37,200 kWh for freezers and 6,000 m³ of natural gas 	<p>Optimizing the constant temperature and humidity system in warehouses</p> <ul style="list-style-type: none"> Shanghai Zhangjiang Park optimized the renovation of its warehouse at Kangwei Road, and added independent dehumidifiers to the constant temperature and humidity warehouse to avoid heat loss, with estimated annual energy saving of 383,040 kWh
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Water conservation

Will Semiconductor strictly complies by the *Water Law of the People's Republic of China* and other relevant laws and regulations of the countries or regions where we operate. We adhere to water-saving management in our daily operations, optimize and upgrade equipment, and strengthen the recycling of water resources. At the same time, we carry out management and corrective measures to improve water-saving benefits, which include:

Case: Water saving program of Shanghai Songjiang Park

During the Reporting Period, we recycled the purified cutting wastewater from wastewater recovery devices of Shanghai Songjiang Park. And such wastewater is reused as cooling tower water and toilet water, which can save approximately 65,242 tonnes of urban water consumption per year.

In early 2022, we optimized the existing water recycling system by installing a reverse osmosis water treatment system in Songjiang Park. By the end of December 2022, the park recovered 100,766 tonnes of water, with the total reuse rate rising from 45% in 2021 to 66% in 2022, and we obtained a water saving certificate jointly issued by the Shanghai Water Authority and the Shanghai Municipal Commission of Economy and Information.



▲Shanghai Water-saving Enterprise Certificate

During the Reporting Period, the Company's energy consumption, Greenhouse Gas (GHG) emissions and water consumption are as follows:

KPI ¹	2022	2021 ²
Total energy consumption (MWh) ³	61,999.03	52,899.21
Direct energy consumption (MWh)	2,169.96	2,720.38
Indirect energy consumption (MWh)	59,829.07	50,178.83
Energy consumption intensity (MWh per capita)	12.45	11.77
Total GHG emissions (tCO ₂ e) ⁴	26,776.57	22,690.27
Direct GHG emissions (Scope 1) (tCO ₂ e)	438.25	549.41
Indirect GHG emissions from energy consumption (Scope 2) (tCO ₂ e)	26,338.33	22,140.86
GHG emission intensity (tCO ₂ e per capita)	5.38	5.05
Water consumption (tonnes)	250,511.39	232,268.40
Water consumption intensity (tonne per capita)	50.30	51.70

¹The scope of the environmental data in this section covers the main offices of the Company, including Shanghai Zhangjiang Park, Shanghai Songjiang Park, Silicon Valley (specifically Santa Clara) in the United States, etc.

²During the Reporting Period, the company adjusted and optimized the quantitative method and collection caliber of environmental data, recalculated the data in 2021, and calculated the greenhouse gases generated by overseas purchased power according to the power emission factor released by the International Energy Agency in 2022.

³The main categories of applicable energies include natural gas used for offices and factories (direct energy) and electricity purchased (indirect energy).

⁴Content and category of greenhouse gases collected in Scope 1 and Scope 2 include natural gas used for office and factories (Scope 1) and electricity purchased (Scope 2). GHG emissions are presented in CO₂ equivalents, and the greenhouse gas emission of natural gas and the electricity purchased from mainland China shall be calculated according to the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Other Industrial Enterprises (Trial)* issued by the National Development and Reform Commission. The greenhouse gases generated by purchasing electricity from abroad are calculated based on the electricity emission factor published by the International Energy Agency in 2022.

Practicing Green Office

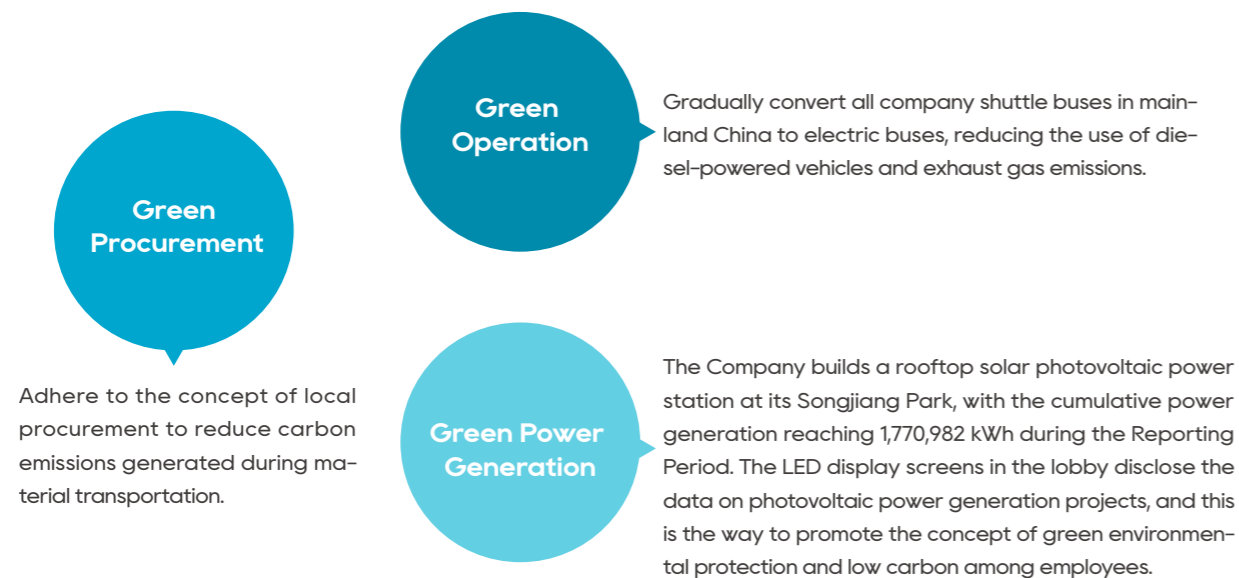
Will Semiconductor is committed to creating a green and healthy work environment. We have long been dedicated to promoting energy-saving awareness among our employees and advocating for green office lifestyles. In response to the global energy conservation campaign proposed by the World Wildlife Fund (WWF) to address global climate change, we held a World Environment Day-themed webinar on 5 June 2022 to share carbon knowledge, including popularizing the "Dual Carbon" policy, and our low-carbon energy-saving measures. In addition, the EHS Committee held a special lecture titled "Energy Conservation Knowledge - A Guide for Lazy People" to improve employees' awareness of energy conservation and environmental protection and expand employee participation in environmental protection.

To promote paperless office, we encourage employees to use electronic forms for approval to reduce the use of paper. And there are other measures we adopted into our routines, including turning off power equipment such as water dispensers and lamps in office areas at a regular time (21:00 p.m. - 7:00 a.m.); consistently managing the air conditioning system in the park during working hours, and adjusting the temperature as needed; and adopting flexible meeting formats to reduce unnecessary air travel. We also have energy and water-saving signs posted in office areas to promote resource conservation among employees.

Response to Climate Change

In response to the increasingly severe climate change issue, achieving green and sustainable development has become a common global goal. Will Semiconductor is well aware of the potential impact that extreme weather brought about by climate change could have on our business operations, and we continuously monitor climate change dynamics. To deal with extreme weather such as extremely cold weather, thunderstorms and typhoons, we have formulated internal policies such as the *Special Emergency Plan Against Typhoon and Flood* and the *Emergency Plan for Natural Disasters*, aiming to guarantee the safety of lives and property of the Company and our employees.

Acting upon the national strategy of achieving carbon peaking by 2030 and carbon neutrality by 2060, we strengthen control to reduce greenhouse gas emissions, trying everything to lower our environmental impacts:



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Feedback from Readers

Thank you for reading the *Environmental, Social and Governance Report 2022* of Will Semiconductor. In order to provide stakeholders with valuable information and improve the Company's ability and performance in fulfillment of social responsibility, we sincerely invite you to put forward your valuable comments and suggestions for the Report.

You can fill in the feedback form and return it to Will Semiconductor in any of the following ways:

Email: Will_ESG@ovt.com

Email Address: No. 88 Shangke Road, Pudong New District, Shanghai

1. Your overall opinion on this Report:

Very Good Good Average Bad Very Bad

2. Your rating for Will Semiconductor's fulfilment of social and environmental responsibility:

Social Responsibility Very Good Good Average Poor Very Poor

Environmental Responsibility Very Good Good Average Poor Very Poor

3. How the Report reflects the impact of Will Semiconductor's social responsibility practices on society and environment??

Very Good Good Average Poor Very Poor

4. How do you think about the clarity, accuracy and completeness of the information, data and indicators disclosed in the Report?

Clarity Very Good Good Average Poor Very Poor

Accuracy Very Good Good Average Poor Very Poor

Completeness Very Good Good Average Poor Very Poor

5. Are the content structure and layout design convenient for you to read?

Yes Average No

6. Other opinions or suggestions about Will Semiconductor's work and the Report:
