

Empower the Sensing by Technology

2023

Environmental, Social and Governance Report

Website: www.omnivision-group.com (Chinese) ; www.ovt.com (English)

Email: Will_ESG@ovt.com

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

Postcode: 201203



WILLSEMI

Will Semiconductor Co., Ltd. Shanghai

(SH:603501)

Contents

About This Report	03
Message from the Chairman	05
About Us	07
Response to Sustainable Development Goals	13

01

Robust Governance for Sustainable Development	15
Corporate Governance	17
Integrity and Compliance	19
ESG Governance and Strategy	22

02

Constant Innovation for Reliable Products	27
Technological Innovation	29
Quality Control	35
Information Security	40

03

High Synergy for Building a Thriving Ecosystem	43
High-quality Customer Service	45
Sustainable Supply Chain	48

04

People-oriented for Creating Value Together	51
Talent Attraction and Reserve	53
Employee Development and Cultivation	57
Employee Benefits and Care	63
Work Safety and Occupational Health	71
Community Dedication and Charity	77
Social KPIs	80

05

Environmentally Friendly and Practicing Green Operations	81
Response to Climate Change	83
Protecting the Environment Together	87
Advocating Green Office	90
Environmental KPIs	92

GRI Index	93
Feedback from Readers	94

About This Report

Will Semiconductor Co., Ltd. Shanghai (hereinafter referred to as “Will Semiconductor”, “the Company” or “we”) hereby publishes the Environmental, Social and Governance (“ESG”) Report (“the Report”) for the year 2023 to the public. This is the 4th ESG Report issued by the Company to demonstrate the Company’s vision, strategies, practices and achievements on ESG issues.

Reporting Standards

The Report is prepared in accordance with the *Guidelines No.1 for Self-Regulation Rules for Listed Companies - Standard Operation* issued by Shanghai Stock Exchange, the Global Reporting Initiative (GRI)’s *Sustainability Reporting Standards* (GRI Standards), and the United Nations Sustainable Development Goals (UN SDGs).

Reporting Scope

The Report covers the ESG activities and accomplishments of Will Semiconductor and its main subsidiaries. The scope of the environmental disclosure in this Report covers the performance of the Company’s main offices, including Shanghai Zhangjiang Park, Shanghai Songjiang Park, Silicon Valley (specifically Santa Clara) in the United States etc. This report mainly covers the period from 1 January 2023 to 31 December 2023 (the “Reporting Period”), and some contents in it may 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:

Website: www.omnivision-group.com (Chinese); www.ovt.com (English)

Email: Will_ESG@ovt.com

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

Postcode: 201203



Message from the Chairman



Will Semiconductor Co., Ltd. Shanghai
Chairman: Yu Renrong

The continuous advancement of chip technology has become a crucial driving force in the digital era. As a globally renowned chip design company providing advanced digital imaging solutions, Will Semiconductor has always adhered to the mission statement of “Empower the Sensing by Technology”. The Company has integrated the concept of sustainable development into every aspect of our operations, committed to responsible practices and the fulfillment of our ESG vision, “Fostering a highly creative team and developing highly innovative products”.

Will Semiconductor recognizes that sound corporate governance structure and effective decision-making mechanisms are the key factors for its stability and success. We continuously optimize the composition of our board of directors and conduct business activities with high standards of integrity. Regarding our workforce, Will Semiconductor is dedicated to creating an equitable, inclusive and diverse workplace with room for growth to attract and retain talent. We strictly prohibit employment discrimination and ensure fair treatment for all employees. During the Reporting Period, the proportion of women in the Company’s management team has reached 26%. Furthermore, we address the learning needs of employees in different roles, continuously enhancing our training approach and resources. For example, we have established onboarding training and mentorship programs for new graduates, and leadership training programs for management, supporting the personal growth of employees at Will Semiconductor. The Company also actively fulfills the corporate citizenship spirit of “Taking from Society and Giving Back to Society” by working with its global employees to care for disadvantaged communities and continuously supporting children’s welfare institutions and impoverished students, contributing to the inclusive development of society.

With continuous technological innovation, we stay at the forefront of technology and constantly develop and expand our patent portfolio. Our product, OV50H, was honored as the *Best Sensor of the Year* for 2023 by AspenCore, achieving a breakthrough in high-end imaging. We also focused on integrating green and low-carbon concepts into the research, development, and design of new products, constantly developing products with lower energy consumption and those suitable for clean technology fields such as new energy vehicles, thereby facilitating the low-carbon transition of society. At the same time, through strict quality standards, responsible supply chain management, and excellent professional services, we provide customers with high-quality and reliable products, creating greater value for global consumers.

Will Semiconductor continues to monitor and manage the environmental impact of its operations. Cooperating globally to address climate change, our subsidiary, OMNIVISION USA, has committed to the Science-Based Targets initiative (SBTi) and will set scientific carbon targets by 2025. Meanwhile, we continue to explore the use and application of clean energy and actively engage in energy-saving methods. During the Reporting Period, our Songjiang Park has expanded rooftop photovoltaic facilities, generating a cumulative total of 1,935.39 MWh of green electricity throughout the year. For parks in mainland China, we have fully replaced shuttle buses with electric buses, providing our employees with diversified green commuting options to reduce greenhouse gas emissions.

Will Semiconductor believes that the continuous practice of sustainable development will help the company maintain resilience in the face of future opportunities and challenges. Moving forward, continuous technological innovation will be coupled with partnerships with diverse and exceptional talent, as well as collaboration with leading and highly synergistic suppliers and partners, all aimed at fostering the development of a sustainable and intelligent future.

About Us

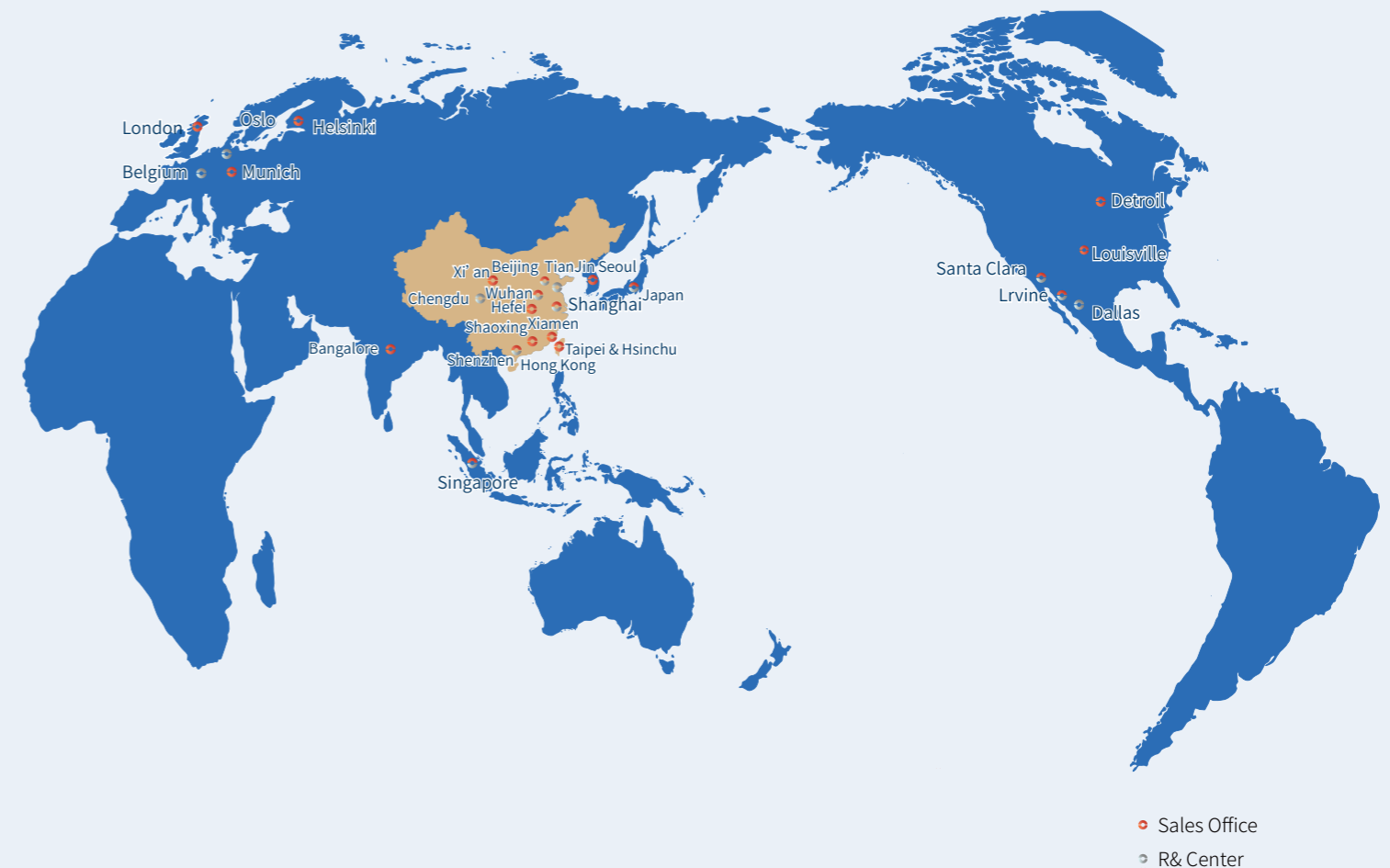
Will Semiconductor Co., Ltd. Shanghai (stock code: "603501" ; stock name: Will Semiconductor) is a world-leading Chinese semiconductor design company. Headquartered in Shanghai, the Company has R&D centers and business networks worldwide. By committing to providing image sensor solutions, analog solutions, and touch and display solutions, Will Semiconductor helps customers address technical challenges in the applications of mobile phones, automotive electronics, security & surveillance, wearable devices, Internet of Things (IoT), communications, computing, consumer electronics, industrial, medical, and other technology spaces. These solutions are able to meet the growing demand for artificial intelligence and green energy in the market.

We adhere to the service concept of "Greater Synergy Creates More Value for Customers" and focus on developing core competencies of "Continuous Innovation", "High Synergy for Supply Chains and Clients" and "Diversified Talent". Based on this, the Company continues to optimize its products and services, promoting the sustainable development of the Company and the industry.

Global Presence

Will Semiconductor has enhanced its global strategic layout and continued to optimize and expand its business development in the global semiconductor industry. By implementing a comprehensive strategy, the Company leverages integration to achieve the synergistic effect between various business systems, scale the business and achieve market competitiveness while providing better products and services to customers. As a result, this creates greater value in collaboration with global consumers.

To efficiently provide services and support for customers worldwide, Will Semiconductor established offices in China (including Hong Kong and Taiwan), the United States, Korea, Singapore, Japan, India and several European countries. By the end of the Reporting Period, 17 R&D centers are established in China, the United States, Japan and Europe.





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
	Application specific integrated circuit (ASIC)
Touch and display solutions	Touch and display driver integration (TDDI)
	Display driver integrated circuit (DDIC)
	TCON Embedded Driver(TED) IC
Analog IC solutions	Transient voltage suppresser (TVS)
	Metal-oxide-semiconductor field-effect transistor (MOSFET)
	Schottky barrier diode (SBD)
	Low dropout regulator (LDO)
	Direct current-Direct current (DC-DC)
	Light emitting diode (LED)
	Analog Switches
	Controller Area Network (CAN) Interface Chip
	Local Interconnect Network (LIN) Interface Chip



Semiconductor Distribution Business:

As a technical authorized semiconductor distributor, the Company has a tenured, experienced team of field application engineers (FAE). Adapting to the industry layout, Will Semiconductor established subsidiaries both domestically and internationally, which provide a comprehensive support network across procurement, sales, technical and logistics functions.

Portfolio of the Semiconductor Distribution Business

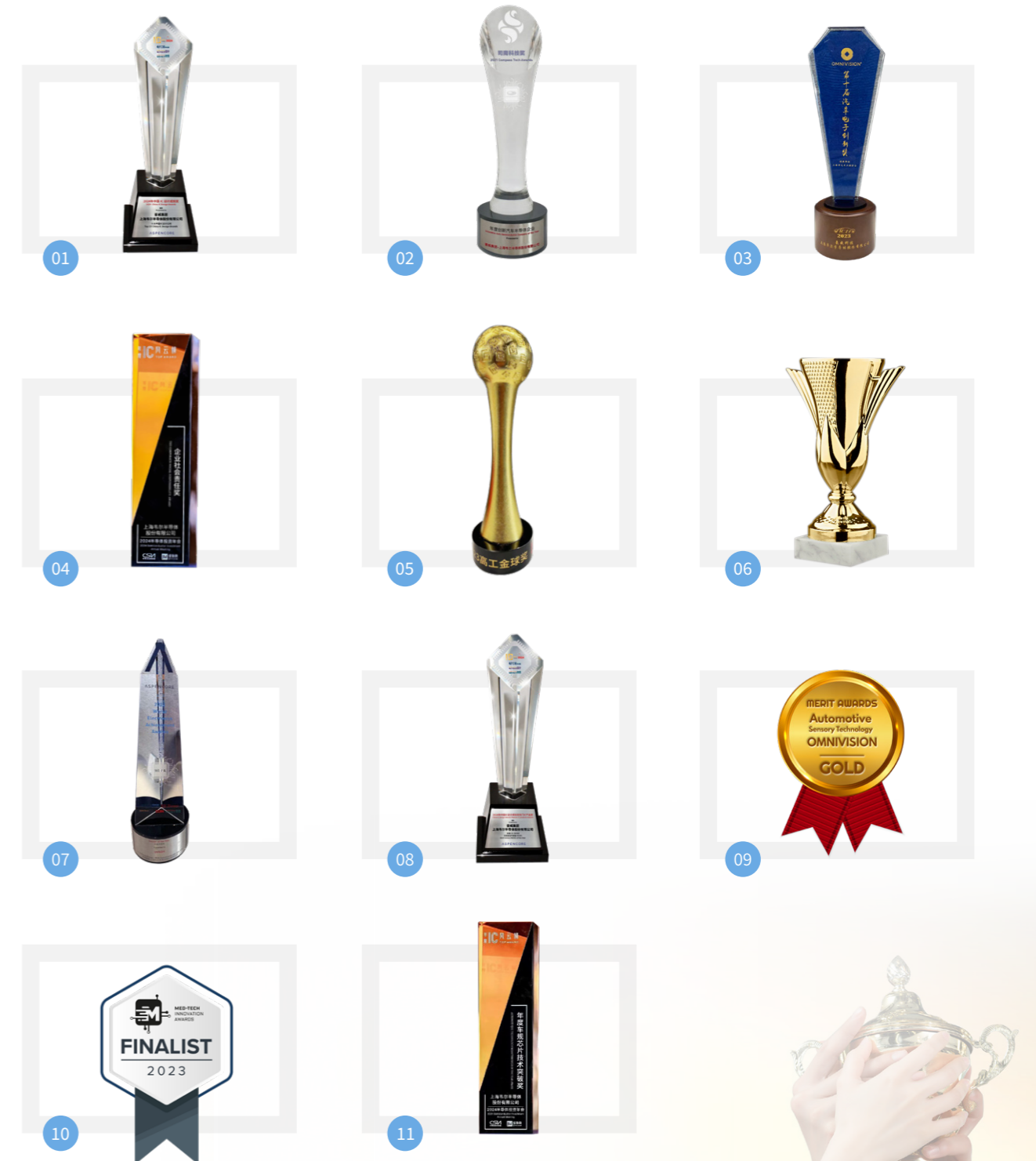
Type	Product
Electronic components	Resistors, capacitors, inductors, crystals, etc.
Electronic structures	Connector, card socket, chassis, cartridges, PCBs, speakers, electret, etc.
Electromechanical systems	Servo, motor, fan, PLC, etc.
Integrated circuits	Chips, sensor, memory, flash, diodes, etc.
Radio frequency (RF) device	Filters, etc.



Honors and Recognition








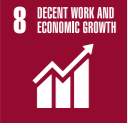






Through continuous technological innovation, end-to-end quality management, a collaborative supply chain network and diversified talent, the Company has established trust and credibility globally. During the Reporting Period, the Company received recognition from various stakeholders within and outside the industry.

Number	Awarded by	Name of Award
1	AspenCore	2024 Top 10 Chinese IC Design Companies
2	The 3rd China (Lin-Gang) International Semiconductor Summit in 2023	The 2nd Compass Tech Awards for Innovative Auto Semiconductor Company of the Year 2023
3	Shanghai Society of Automotive Engineers	The 10th Auto Electronic Innovation Awards
4	China Semiconductor Investment Alliance, JW Insights	Corporate Social Responsibility Award
5	Gaogong Intelligent Auto Research Institute	2023 Gaogong Golden Globe Award - Leading Provider of Automotive Image Sensors of the Year
6	CAEV EXPO	2023 People's Choice Award – Autonomous Vehicle
7	AspenCore	2023 World Electronics Achievement Awards - Best Sensor of the Year (OV50H)
8	AspenCore	Best Sensor of the Year 2024 (OX8D)
9	Merit Awards	Sensory Technology: Sensory Technology Solution of the Year (OX8D/ TheiaCel™)
10	Med-Tech Innovations Awards 2023	Med-Tech Innovations Awards 2023 Finalist (OCH2B & AntLinx™ Endoscope Imaging)
11	China Semiconductor Investment Alliance, JW Insights	Automotive-Grade Chip Technology Breakthrough of the Year (OX8D10)



Response to Sustainable Development Goals

United Nations Sustainable Development Goals (UN SDGs) integrate economic, social, and environmental topics, and are the blueprint to guide the world toward a better and more sustainable future. 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
	Business ethics	Robust Governance for Sustainable Development	Based on its global strategic layout, Will Semiconductor has formulated and continuously optimized its ESG strategy and ESG governance structure, improved its corporate governance structure and integrity and compliance-related management, and integrated the concept of sustainable development into every aspect of the Company's operations.
 	Product innovation and R&D High-quality green products Trade secret protection	Constant Innovation for Reliable Products	Will Semiconductor continues to increase investment in technological innovation and product development and provides reliable products to the market and customers with a continuously improved quality management system. At the same time, we continue to improve the Company's information security management and emergency response capabilities, to protect innovative achievements and trade secrets.
 	Customer service Sustainable supply chain	High Synergy for Building a Thriving Ecosystem	Will Semiconductor continues to build a highly synergistic supply chain and customer base and is committed to providing customers with professional technical support and attentive service, as well as establishing a standardized supplier management system to promote the sustainable development of the industry ecosystem.
     	Human rights Talent attraction and retention Employee diversity and inclusion Talent training and development Employee health and safety Social contribution and involvement	People-oriented for Creating Value Together	Adhering to the principle of "people-oriented", Will Semiconductor is committed to providing employees with an equal and inclusive working environment, emphasizing the development and cultivation of talents, safeguarding the health and safety of employees, and realizing the long-term common development of employees and the enterprise. At the same time, we insist on taking social responsibility, actively participate in public welfare undertakings, and are committed to building a harmonious and beautiful home.
   	Climate change Energy management Waste Water resource and wastewater discharge Exhaust emission	Environmentally Friendly and Practicing Green Operations	Will Semiconductor implements the environmental policy of "optimizing resources, reducing pollution and waste, making continuous improvements, protecting the environment, and complying with regulations", and actively responds to climate change through the application of clean energy and energy-saving renovations. In addition, we are committed to building an environmentally friendly enterprise by improving resource recycling based on compliant emissions.



01

Robust Governance for Sustainable Development

Robust corporate governance is a prerequisite for sustainable development. Will Semiconductor has been optimizing corporate governance and promoting business ethics management and the Company's ESG strategies. Through the high-level governance, we aim at promoting the sustainable development of the Company's and the industry's ecosystems and creating long-term benefits for stakeholders.

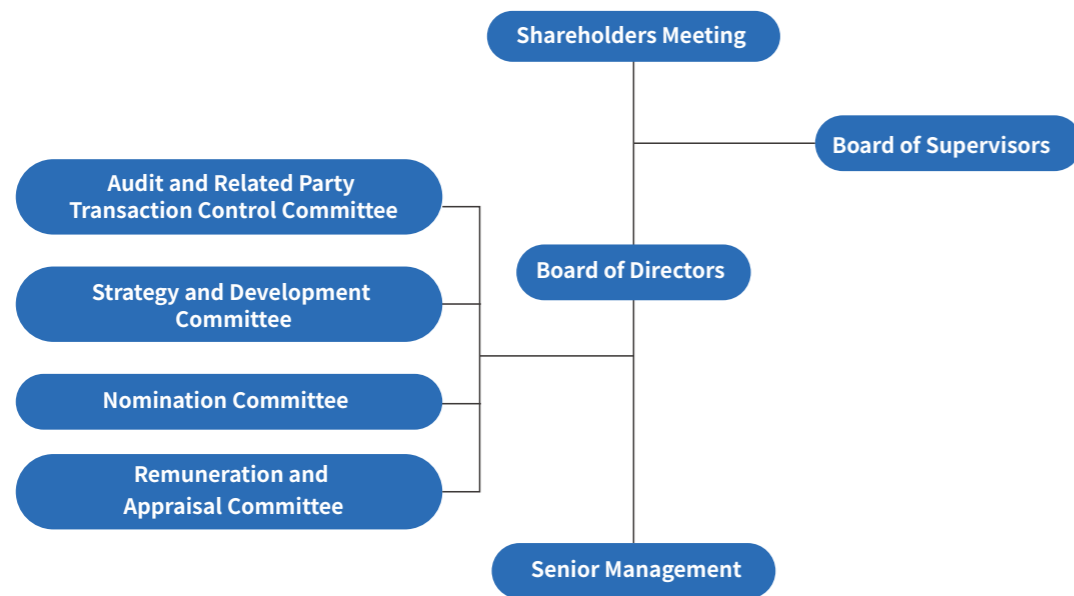
- Corporate Governance
- Integrity and Compliance
- ESG Governance and Strategy

Corporate Governance

Governance Structure

A standardized and rational governance structure is the cornerstone of an enterprise's efficient operation. 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 has built the corporate governance structure and mechanism. The Shareholders Meeting, the Board of Directors and the Board of Supervisors are the supreme governing body, executive body and supervisory body of the Company. The three bodies and the senior management perform their respective duties with mutual collaboration as well as with checks and balances, forming a scientific and efficient business decision-making mechanism for operation.

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. These four committees give full play to their professional roles in the Company's operation and management. During the Reporting Period, the Company has revised its government systems, such as the *Articles of Association*, the *Rules of Procedure for the Shareholders Meeting*, the *Rules of Procedure for the Board of Directors*, the *Work Rules for Independent Directors* and the *Work Rules of the Special Committee of the Board of Directors*, in accordance with relevant laws and regulations, including the *Management Measures for Independent Directors of Listed Companies*. These revisions include clearer guidelines for the "independence" of independent directors to avoid significant conflicts of interest. Additionally, the Company has adjusted the responsibilities of independent directors to focus their duties and has established a dedicated section for performance assurance. This section provides necessary working conditions and personnel support to ensure that independent directors can make meaningful contributions to corporate governance.



▲Corporate governance structure

Diversity and Independence of the Board of Directors

Will Semiconductor attaches great importance to the diversity and independence of the Board of Directors, believing that a Board of Directors with diverse member backgrounds can provide new perspectives on corporate governance, improving the board's decision-making and problem-solving capabilities. We have developed the Board Diversity Policy, and the Nomination Committee shall take our business model and specific needs into account when selecting director candidates, and proposing improvement advice. The Nominating Committee selects director candidates based on a variety of criteria, including but not limited to gender, age, race, language, culture background, educational background, industry experience and professional skills. During the Reporting Period, we added a new female director to the Board of Directors, bringing more diverse views and perspectives to it.

In addition, we believe that in the event of a potential material interest conflict, independent directors can facilitate the Board of Directors to make decisions that protect the overall interests of the Company as well as the legitimate rights and interests of small and medium shareholders. Therefore, we have been improving the powers and duties of independent directors. As of the end of the Reporting Period, we had a total of 3 independent directors. The Audit and Related Party Transaction Control Committee and the Remuneration and Appraisal Committee under the Board of Directors were changed to both composed of independent directors, effectively enhancing the independence of these professional committees.



we added **1** new female director to the Board of Directors



we had a total of **3** independent directors

Protection of Shareholders' Rights and Interests

Good investor relations lay a foundation for gaining investors' trust. To make information more transparent for our investors, we communicate with them in various ways, such as regularly releasing reports, arranging performance presentations, answering investors' calls, and responding to investors' inquiries on the e-interactive platform of Shanghai Stock Exchange. Thus, we are able to provide shareholders and investors with true, accurate and complete information to safeguard their rights and interests.

Moreover, after taking the operating and financial conditions and the future development of the business, during the Reporting Period, the Company used its own funds to repurchase 9,230,536 shares through centralized competitive bidding, safeguarding shareholders' rights and interests as well as the value of the Company.



Integrity and Compliance

Putting integrity and compliance at the core of sustainable development and business operations. The Company strictly follows the relevant laws and regulations of business locations and have established and publicized policies such as the *Code of Business Conduct and Ethics*, the *Anti-Bribery and Anti-Corruption Policy*, and the *Whistleblowing Policy*. These documents state detailed requirements on anti-money laundering, anti-corruption, anti-bribery, interest conflicts, protection of trade secrets, and insider trading, enabling us to uphold high integrity in our business activities.



Target and Review



Targets for 2025

- ◆ 100% participation rate of employees in annual business ethics training courses
- ◆ 100% completion rate of employees signing anti-bribery and anticorruption related agreements
- ◆ Zero violation of business ethics
- ◆ 100% coverage in business ethics audit

Targets for 2023

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

2023 Target Review

Completed
Completed
Completed

Trade Compliance

As an international semiconductor design company, Will Semiconductor has established a three-dimensional trade compliance review mechanism, which “led by the legal department, coordinated by the business department, and assisted by external lawyers”, to ensure that our global operations comply with applicable export control and economic sanctions regulations. The Company has established a long-term cooperative relationship and stable communication mechanism with professional trade compliance lawyers and will continuously seek professional advice from external lawyers on trade compliance-related issues from time to time to further improve the Company’s trade compliance work.

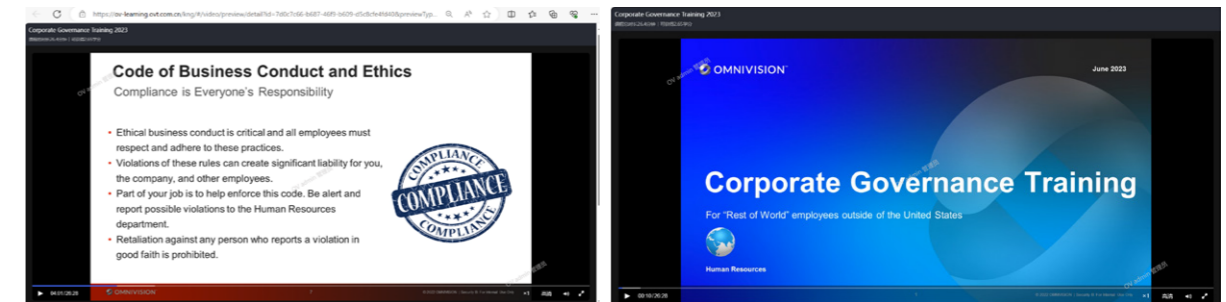
Business Ethics

Will Semiconductor has established a comprehensive top-down mechanism for regulating business conducts. The internal audit department is responsible for monitoring and ensuring the implementation and enforcement of business conduct and ethical standards. At the same time, to ensure that all employees can fully understand and adhere to integrity in daily work, we conduct policy interpretation training for them. All employees are also required to sign the commitment letter to confirm that they have read and understood the *Code of Business Conduct and Ethics*, the *Whistleblowing Policy* and other documents. As of the end of the Reporting Period, 100% of our employees had signed the commitment letter.

Case

Will Semiconductor’s 2023 business ethics training

Will Semiconductor provides annual training for directors and all employees on the annual corporate management policy to foster a work environment of compliance, integrity and self-discipline. During the Reporting Period, the business ethics training conducted by the Company covered the core system of business ethics and the newly added system documents, including *Code of Business Conduct and Ethics*, *Employee Handbook*, *Public Communications Policy*, *Whistleblowing Policy*, *Information Security Policy*, *Electronic Communications*, *Resource Usage*, and *Privacy Security Policy*, *Employment*, *Confidential Information*, and *Intellectual Property Agreement*, *Anti-Money Laundering Policy*, *Anti-Harassment Policy*, *Corporate Social Responsibility Guidelines* etc.



▲ 2023 business ethics training

In addition, our business ethics requirements are also applicable to our partners such as agents, contractors and consultants. During the Reporting Period, we established the *Supplier Code of Conduct* to clearly communicate our ethical requirements to suppliers. This ensures that all suppliers follow the same standard in business transactions. During the Reporting Period, there were no breaches of business ethics at Will Semiconductor.

Anti-bribery and Anti-corruption

Will Semiconductor maintains “zero tolerance” attitude to bribery and corruption. Based on periodic risk assessments of critical areas that are prone to bribery and corruption, we review and improve relevant policies and measures. Every year, the Company’s Audit Department assesses and analyzes key points based on the results of corruption/bribery complaints, aiming to minimize such incidents, maintain the Company’s image and credibility, and ensure operation compliance of the Company. In addition, we have established robust documents/records archiving policies, under which we properly record transactions and activities. By doing so, we can readily facilitate internal and external audits and investigations.



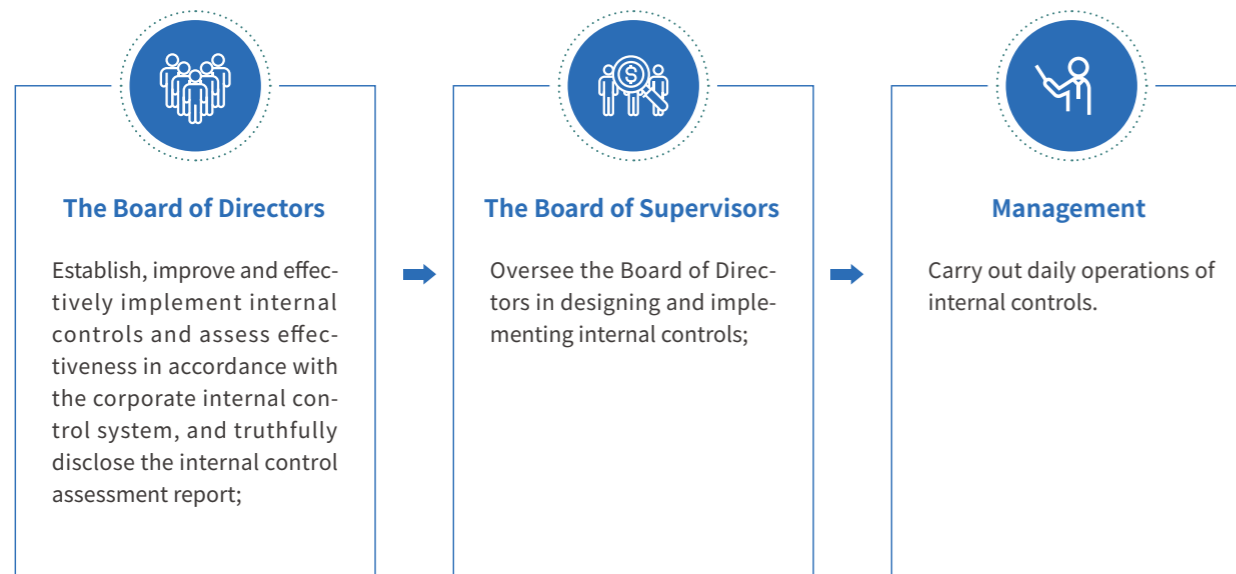
Whistleblowing and Whistleblower Protection

To solidify the protection of the interests of customers, employees, shareholders, partners, suppliers and communities, the Company has made public the whistleblower channel (whistleblower@ovt.com). In this way, stakeholders are encouraged to contact us if they find any violations of business conduct codes or norms by Will Semiconductor’s employees or partners.

The internal audit department is responsible for conducting fact investigation upon receipt of any reports of suspected violations of business ethics. The internal audit department shall, based on the nature and content of the reported incident, designate investigators within the Company who have no conflict of interests with respect to the incident or qualified external investigators to conduct the investigation. Once the fact is confirmed, the Company will, depending on the severity of the case, take measures against the violators, such as disciplinary actions, dismissal, and termination of cooperation. In this way, we promote the employees and partners to abide by business ethics in daily operations. In addition, to protect whistleblowers and witnesses from harassment, accusation or retaliation or being victimized as a result of reporting, the Company keeps their identities strictly confidential.

Internal Control

Internal controls are critical to ensure legal compliance in business management and to facilitate the implementation of the Company’s strategies. Will Semiconductor, based on clear segregation of duties, carries out internal controls annually in accordance with the provisions of the *Basic Standard for Corporate Internal Control* and the Company’s internal control manuals.



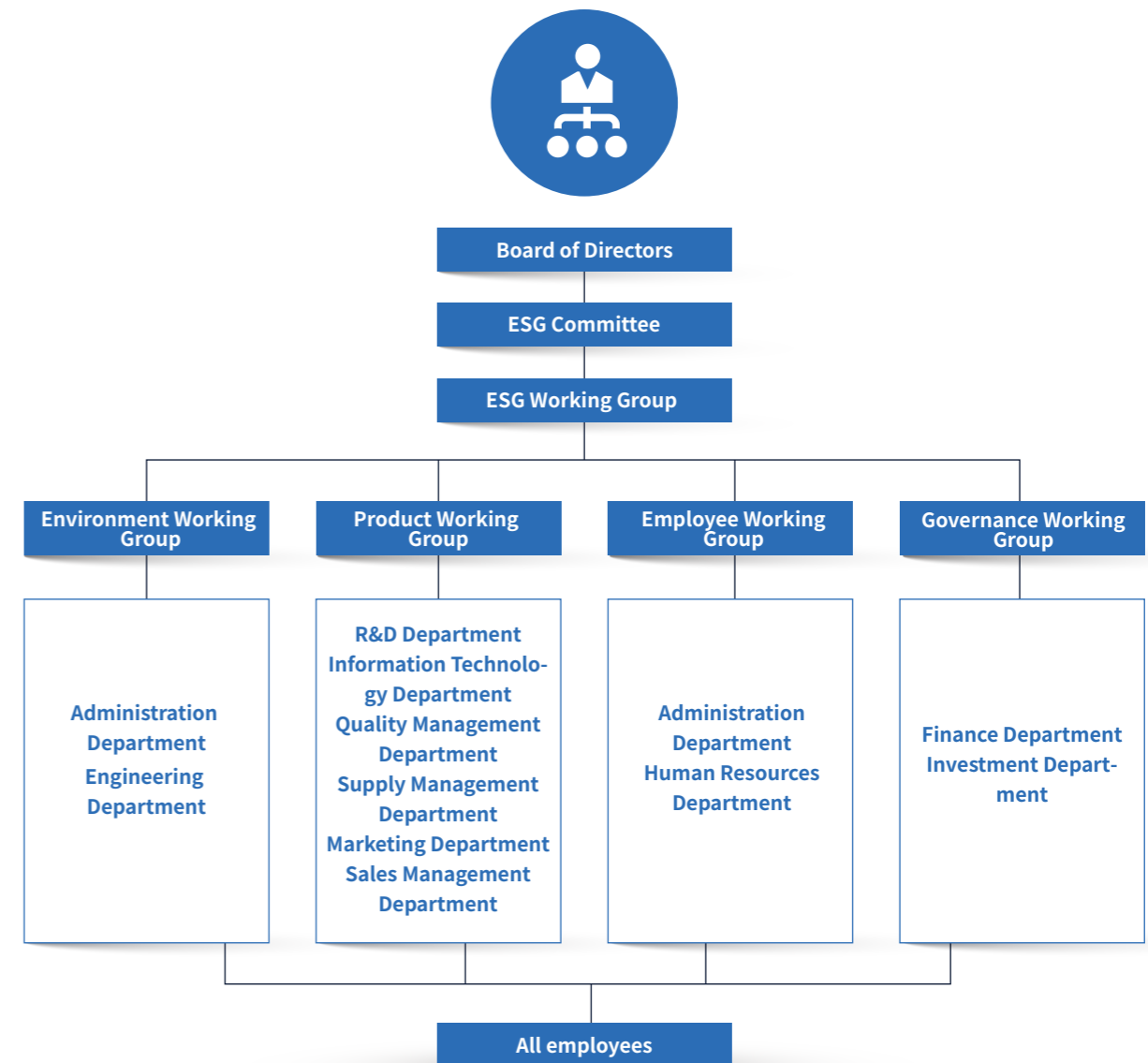
▲Segregation of internal control duties

During the Reporting Period, the Company determined the major units, businesses and matters in the assessment based on the risk-oriented principle, the operating conditions of the enterprises. During the assessment, we focused on high-risk matters like capital activities, procurement business, marketing business and related party transactions. The Company will continue to enhance our awareness of risk management and promote risk management and internal control, aiming to secure sustainable development and move towards strategic and operational goals.

ESG Governance and Strategy

ESG Governance Structure

Will Semiconductor is committed to responsible business practices that contribute to the sustainable development of itself and society. To this end, the Company 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 overall supervision, management, and implementation of ESG plans and ensure a smooth progression of the Company’s ESG strategy and targets. Furthermore, Will Semiconductor developed and published the *Environmental, Social Responsibility and Governance Policy* to guide our practices in environmental protection, social responsibility, and corporate governance. This allows us to accomplish our business goals while efficiently managing environmental and social risks for long-term sustainability.



▲ESG governance structure

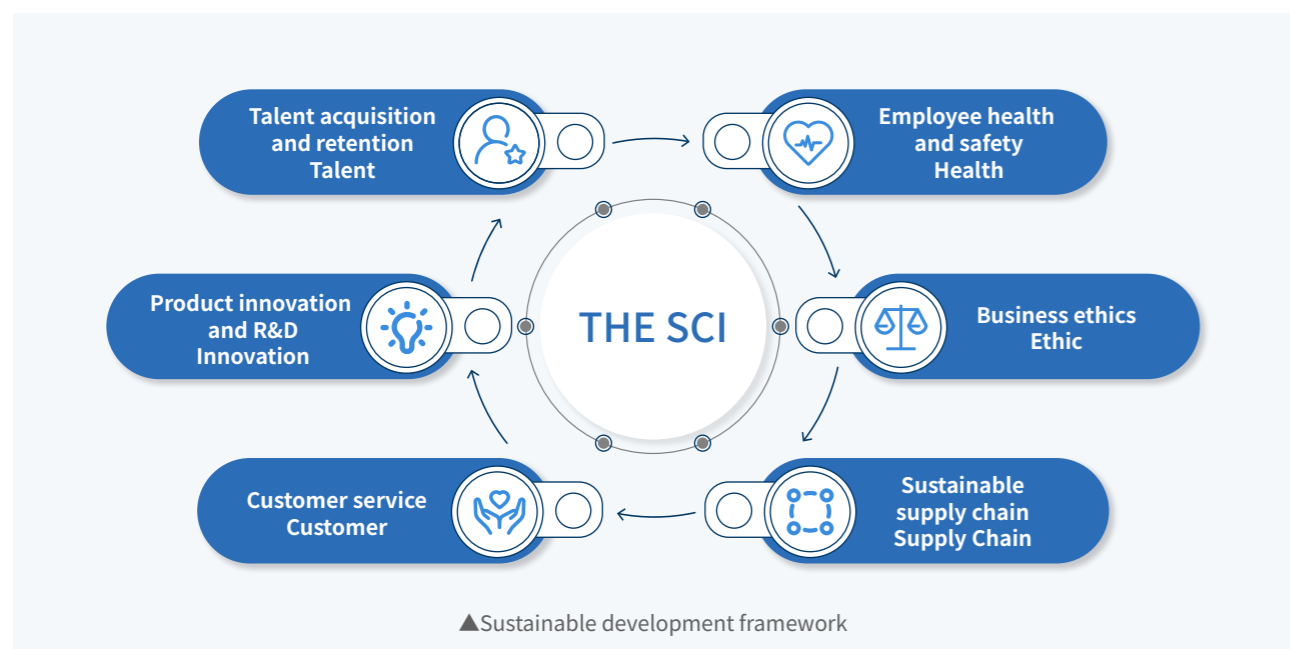
Board of Directors	The Board of Directors assumes the full responsibility for the Company’s ESG strategies and reporting, including assessing and determining risks and opportunities related to ESG, ensuring appropriate and effective ESG risk management and internal control systems are in place, formulating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

Will Semiconductor adheres to the mission statement of “Empower the Sensing by Technology” and the service concept of “Greater Synergy Create More Values for Customers”. We have developed sustainable development framework and strategy that are supported by core competitiveness of “Continuous Innovation”, “High Synergy for Supply Chains and Clients” and “Diversified Talents”. Will Semiconductor have also set clear targets and regularly review their progress to ensure that the ESG strategy is effectively implemented.

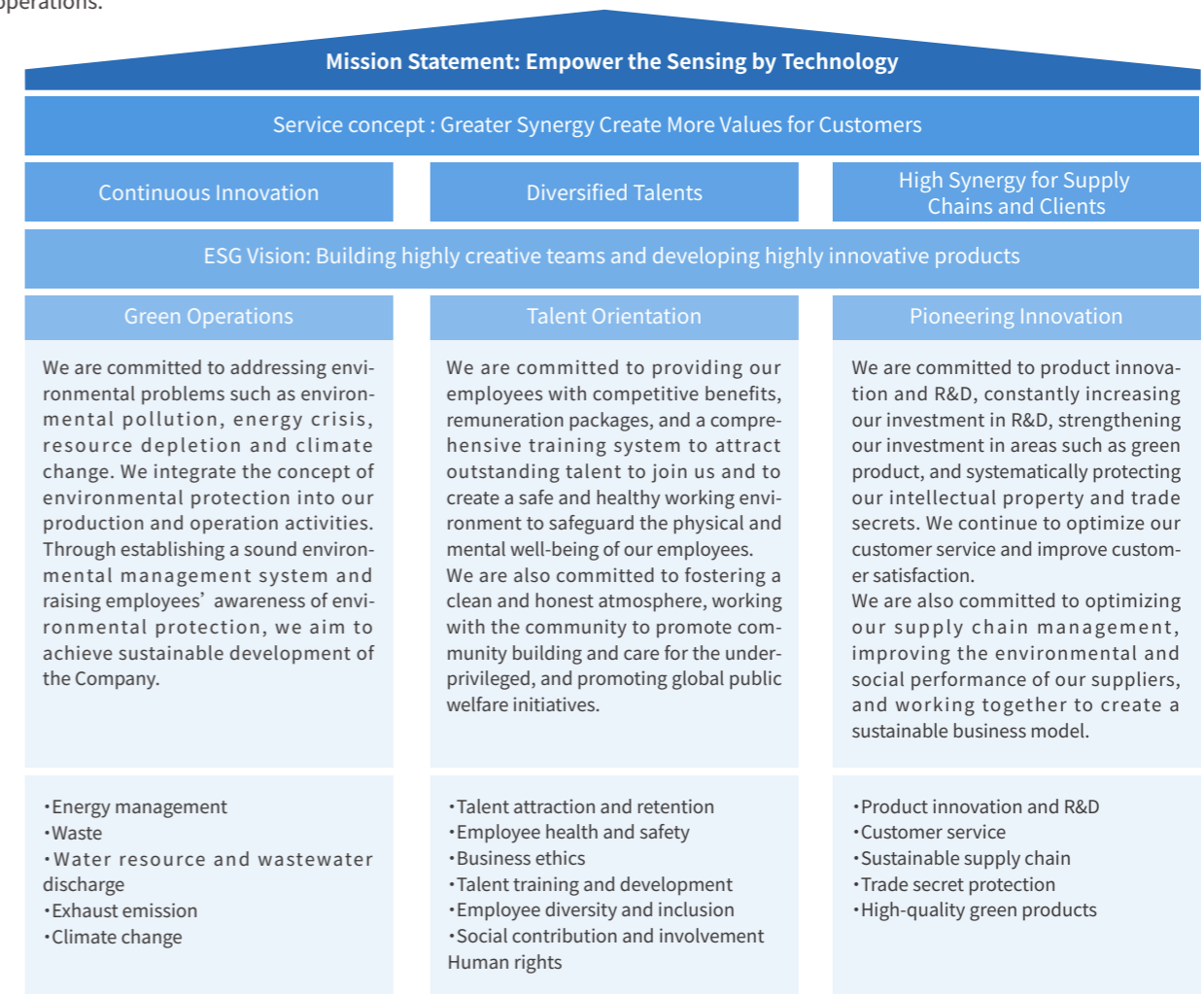
Sustainable development framework: THE SCI

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 strategy

As a multinational company, Will Semiconductor continuously examines and manages the environmental, social and economic impacts of its operations based on a global perspective. Under the guidance of sustainability framework, THE SCI, Will Semiconductor has formulated a three-pronged sustainable development strategy, which includes the following: “Green Operation”, “Talent-oriented”, and “Pioneering Innovation”, in order to integrate the concept of sustainable development into all aspects of our operations.



ESG Performance-linked Senior Management Remuneration

To further consolidate the effectiveness of the ESG strategic goals and sustainable development of the Company, during the Reporting Period, Will Semiconductor revised the *Administrative Measures for Remuneration and Performance of Senior Management*. In this document, performance relating to ESG topics such as energy saving and emission reduction, talent attraction and retention, sustainable supply chain, business ethics, product innovation and R&D are included in the performance appraisal of senior management. This effectively ensures the implementation of the Company’s ESG strategy and targets.

The *Administrative Measures for Remuneration and Performance of Senior Management* also specifies a recovery mechanism. In case of any misconduct of a senior manager during the term of service, the Remuneration and Appraisal Committee shall decide, based on the severity of the case, whether to recover remuneration other than the annual basic salary and the specific amount to be recovered.

Stakeholder Engagement

Will Semiconductor recognizes the significance of good communication with stakeholders. The major stakeholders we have identified include the government, shareholders and investors, employees, customers, suppliers, the environment, and the community. Through diverse and effective communication channels, we strive to fully understand the expectations and needs of the Company's stakeholders and act to create and sustain long-term value for them.

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
Suppliers	Fulfilment of promises Procurement in an equal, open, and fair manner Win-win development Corporate social responsibility issues	Supplier management Compliant procurement Contract fulfilment
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

Will Semiconductor regularly conducts materiality assessments to analyze impacts of ESG topics on our business, where the results serve as a reference for ESG strategy formulation and optimization, initiative determination, and ESG information disclosure. Materiality assessment consists of the following steps:

Step 1 Identify ESG topics

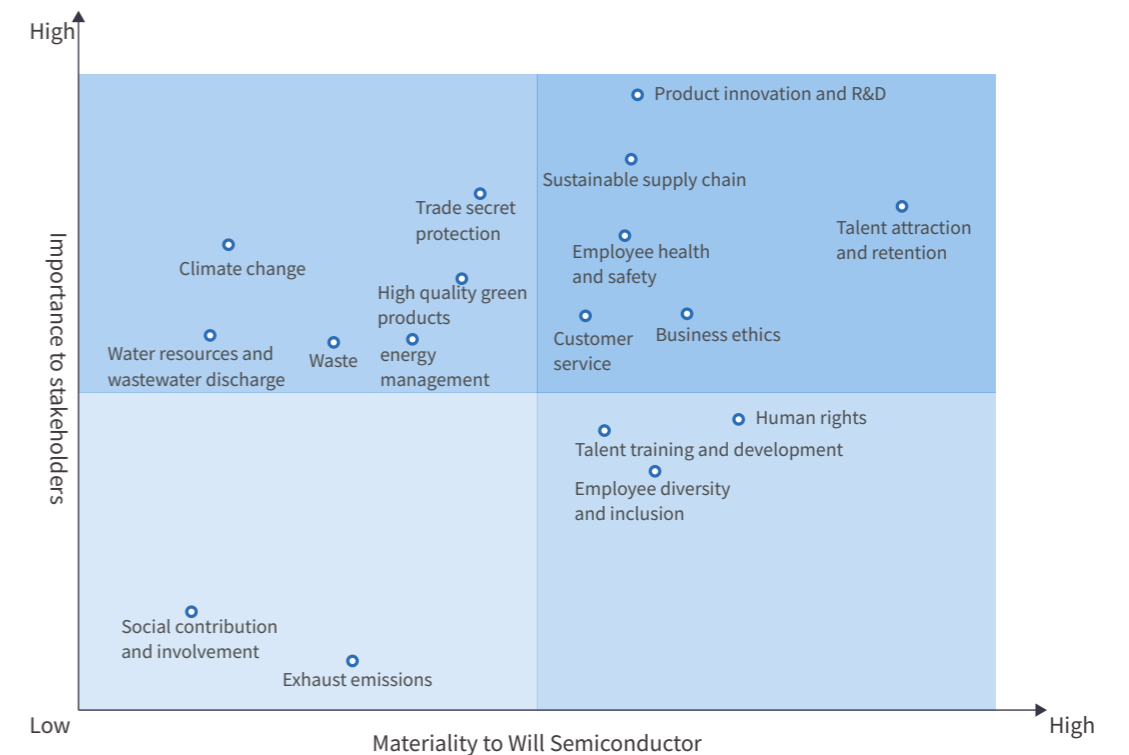
Based on the characteristics of Will Semiconductor's industry and business, stakeholders' concerns and GRI standards, the ESG issues related to the three major areas (economy, society and environment) closely related to Will Semiconductor's business are determined.

Step 2 Analyse and prioritize

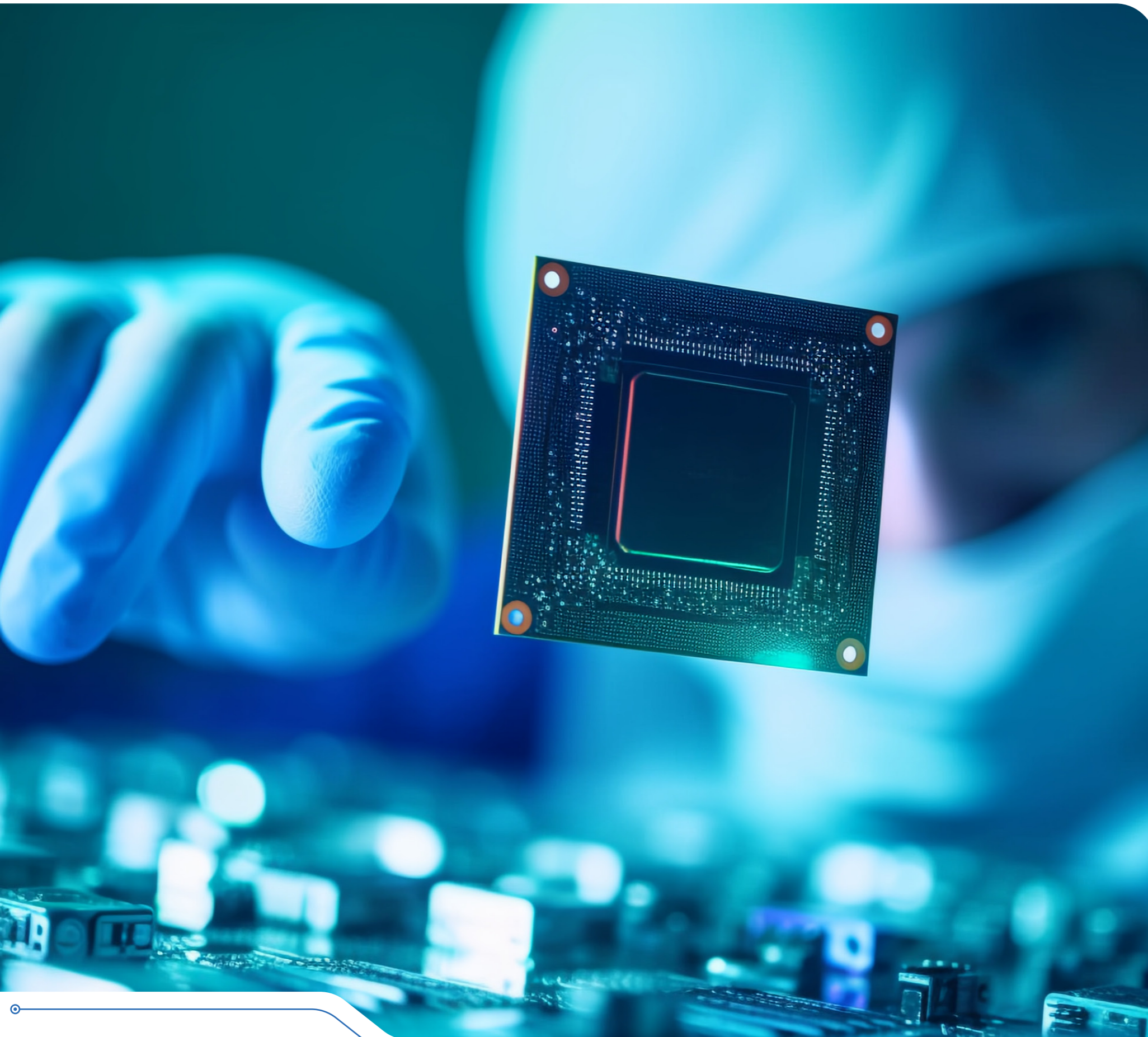
The Company conducts a systematic evaluation of ESG issues from the aspects of "importance to Will Semiconductor" and "importance to stakeholders" through internal interviews and discussions, and consults external expert advice, etc., and generates a materiality assessment matrix based on the research results.

Step 3 Validate results

During the Reporting Period, after discussion by the ESG Committee, it was confirmed that the research results of various ESG topics were applicable to the current situation of Will Semiconductor, and there were no major adjustments compared with previous years.



▲Materiality Assessment Matrix



02

Constant Innovation for Reliable Products

Innovative and high-quality products are prerequisites for maintaining the competitiveness of enterprises. With leading technologies in the industry, Will Semiconductor has been increasing investment in technological innovation and product development and optimizing quality management, so as to deliver reliable products to the market and customers. In addition, we attach great importance to information security and continuously improve our information security management and emergency response capabilities, to guard the innovation achievements and secure competitiveness in the marketplace.

- ① Technological Innovation
- ② Quality Control
- ③ Information Security

Technological Innovation

Will Semiconductor always takes innovation as the cornerstone of sustainable development. We focus on technological innovation and reforms and continuously improve our R&D mechanism. With the globally leading innovative talents and deep insights into the market and technology trends, we deliver diverse technologies and products with better performance to our customers and end users, contributing to the advancement and application of innovative technologies.

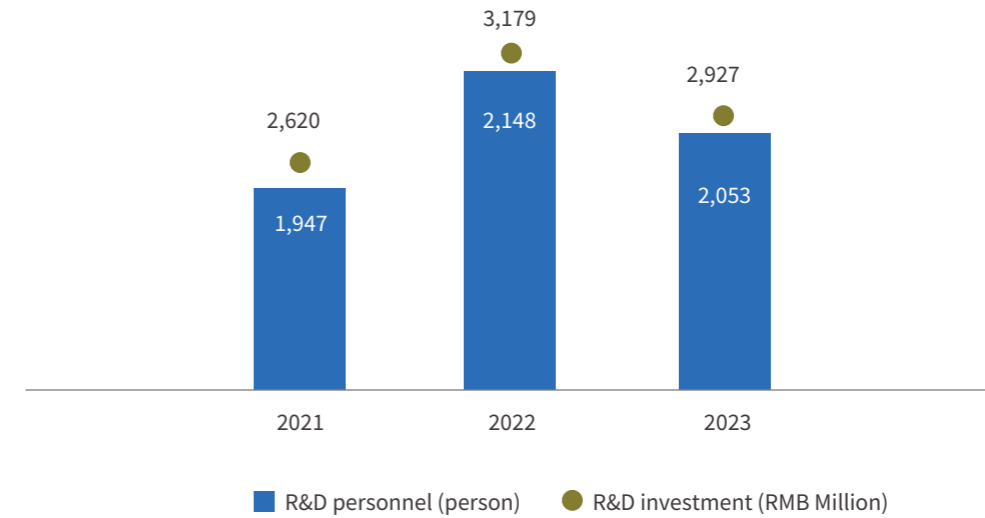
Target and Review

Target

- ◆ Continue to invest in R&D and R&D team building
- ◆ Expand the number of patents
- ◆ Continue to develop green products
- ◆ Provide innovative products for the world's top brands

2023 Target Review

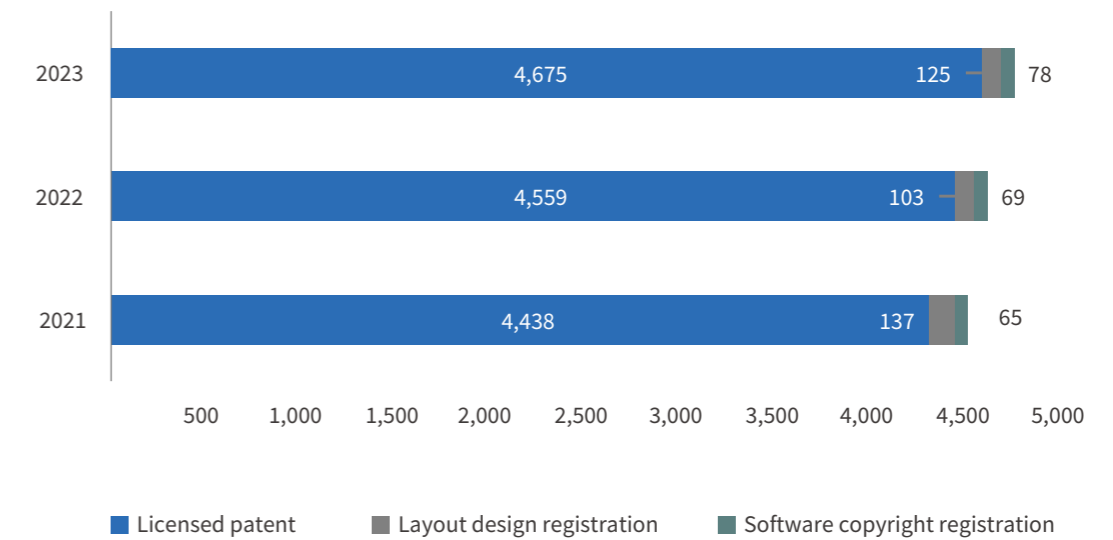
- ◆ The Company invested RMB 2.927 billion in semiconductor design and R&D
- ◆ The Company had 4,675 patents in total, with an increase of 116 patents over last year
- ◆ Developed green technology and products with high energy efficiency
- ◆ Provided better solutions for first-line brands in the fields of consumer electronics, security, automotive, medical, AR/VR, and other fields



Strengthening Innovative Advantages

We understand that innovativeness is the core competence of semiconductor design companies. The Company strictly abide 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*. To this end, the Company 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.

We bring together the efforts of diverse outstanding talents and have been investing more in R&D innovation based on a sound internal innovation mechanism. This enables us to enhance our product design and technologies to meet the changing market demands and maintain a competitive edge in the industry. As of the end of the Reporting Period, the Company had 2,053 employees working in R&D-related areas, accounting for 42.77% of the total workforce. the Company have built a core R&D team whose members all hold master's degrees or above in related disciplines from leading domestic and international universities and have rich working experience in related industries. During the Reporting Period, the Company invested RMB 2.927 billion in semiconductor design and R&D. As of the end of the Reporting Period, the Company had 4,675 licensed patents, 125 layout design registrations, and 78 software copyright registrations.



To further tap the Company's innovation potentials and to promote the transformation of scientific and technological achievements, during the Reporting Period, we optimized the *Intellectual Property Reward System* by offering richer rewards in a wider scope. For employees and teams who have made significant intellectual property contributions, we honor them with the "Outstanding Contribution Award". In this way, they are encouraged to participate in intellectual property protection and innovation, uplifting the Company to a new level of innovation. In addition, to raise employees' awareness of intellectual property protection, we conduct online and offline training and publicity on intellectual property protection.

Continuous Technological Innovation

Through years of independent R&D and technological evolution, the Company have accumulated remarkable technical advantages in CMOS image sensor circuit design, packaging, digital image processing, and supporting software. As one of the first companies that have commercialized BSI (Backside Illumination) technology in the CMOS image sensor field, we continues to leverage the innovation strength, building brand presence and awareness worldwide.

The application of the Company's core technologies such as Pure Cel®, Pure Cel®Plus, RGB-Ir can fully meet the needs of the mobile phone market for high pixel, depth of field control, optical zoom, biometrics and other application scenarios, providing high-quality still image acquisition and video performance in the industry.

The strength in Nyxel® near-infrared, ultralow-light and other technologies underpin the Company's competitive advantage in global shutter sensors for automotive, monitors, AR/VR, and other emerging markets. Today, with Nyxel® 2 technology, we have improved quantum efficiency by 25% in the invisible 940 nm near-infrared spectrum and by 17% in the nearly invisible 850 nm near-infrared spectrum. With higher sensitivity, the image sensor product can capture images with higher resolution and at a longer distance under the same illumination conditions.

The globally developed of us, such as CameraCubeChip® technology offers an innovative combination of wafer-scale optics and CMOS image sensors to provide ultra-small sensors for devices in the medical market. The Company's silicon based Liquid Crystal Display technology (LCOS) provides a high-resolution, compact, low-power and low-cost micro display solution for micro projection systems, which can be widely used in wearable electronic devices, mobile displays, micro projection, automotive and medical machinery. Image sensors equipped with TheiaCel™ technology for Advanced Driver Assistance Systems (ADAS) and Automated Driving (AD) exterior cameras provide higher resolution and image quality for improved vehicle safety.



Diverse Products

With the advantage of innovative technology, our CMOS image sensors are widely used in major markets such as smartphones, tablets, and automotive. In addition, we have complete product lines to serve medical, drones, surveillance, AR/VR and other fields. During the Reporting Period, we also enriched our product lines. Relying on customer stickiness in the relevant application markets and the synchronized promotion among products, we had increased the value contributed to end users' products.



Product Highlights Unveiled in 2023

OV50H

The OV50H is built on PureCel® Plus-S stacked-die technology for best-in-class image sensor performance. At the same time, as the Company's first sensor product with H/V QPD function, it provides excellent autofocus capability.

Awarded as 2023 World Electronics Achievement Awards

OX08D

With industry-leading low-light performance and low power consumption, the size has 50% smaller than other comparable external sensors. As the first image sensor to use Will Semiconductor's new 2.1-micron TheiaCel™ technology, the OX08D10 enables HDR image capture from up to 200 meters away, providing automakers with a device that integrates all important features, including low light performance, LED flicker Mitigation (LFM), small size and low power consumption.

Awarded as China IC Design Awards Popular IC products – Best Sensor/MEMS of the Year

OV05C10

As the first 5.2-megapixel image sensor developed specifically for laptops with a 16:10 aspect ratio, OV05C10 supports interlaced high dynamic range (HDR). It is applicable for mainstream and high-end laptops, tablets, and IoT devices.

OKX0210

As a new system base chip for automotive body control unit, OKX0210 adopts DFN 3.5*5.5 packaging and supports up to 40V input. The product is applicable to 12V automotive power supply system, featuring high integration, high safety, convenience, and other advantages.

OP03011

As the only ultra-compact single-chip solution, this new 648p single-chip LCOS panel is ideal for applications that require a smaller field of view and lower resolution. It is applicable to stylish and innovatively designed AR glasses.

Opportunities in Clean Technology

As the concept of sustainable development has become the consensus of the society, the demand for green products is increasing in the market. Taking environmental friendliness as a key consideration in product innovation, the Company has been committed to boosting the development of new energy and other clean technologies by continuously providing energy-efficient solutions to the market.

Case

OMX14x series chips helps develop new energy vehicles

As the main component of various automotive electronic control units (ECUs), microcontroller units (MCUs) are widely used in advanced driver assistance systems (ADASs), body, chassis, and safety/infotainment/powertrain and other systems. In July 2023, we unveiled our independently developed automotive-grade MCUs, the OMX14x series chips. This series of chips enables customers to achieve the complete compatibility of their hardware products with peer-to-peer technology. This greatly reduces customers' verification and migration costs, promoting the development and application of new energy vehicles and as well as green and sustainable transport.



▲OMX14x

Case

Low-power OS04D helps improve product energy efficiency

The OS04D image sensor comes in a 1/3-inch optical format and its 2.0-micron (μm) BSI pixel enables higher sensitivity, ultra-low noise and better overall image quality. Compared with its predecessor, OS04D's signal-to-noise ratio (SNR1) is increased by more than 30%, sensitivity increased by 40%, and its power consumption is 40% lower. The energy efficiency of the product in use has been improved, making it widely applicable to scenarios such as consumer security and surveillance cameras.



▲OS04D image sensor

Quality Control

Will Semiconductor strictly abides by the *Product Quality Law of the People's Republic of China* and other relevant laws and regulations of the country or region where it is located. In line with the quality goal of "provision of sophisticated solutions, high-quality products, and efficient services", the Company has built a solid defense line for product quality by constantly improving the quality management system, strengthening whole-process quality control and fostering a culture of quality excellence within the organization.

Sound Quality Management System

We are committed to providing quality products to customers from various industries and continuously optimizing our internal quality management system. The Company has established the quality management system in accordance with the ISO9001 Quality Management System and the IATF 16949 Vehicle Quality Management System and obtained the ISO 9001 Quality Management System Certification. During the Reporting Period, with reference to IATF 16949, we drafted two documents for automobile products, namely the *Market Requirements Documentation and Procedures* and the *Advanced Product Quality Planning and Control Plan*, to further strengthen our compliance with the quality requirements of the automotive industry and enhance the quality and competitiveness of our automotive products. In addition, the Company's subsidiary, OMNIVISION USA, has obtained the ISO 13485 Medical Device Quality Management System Certification, demonstrating our expertise and high quality in the medical device field.



▲Will Semiconductor's ISO 9001 Quality Management System certificate

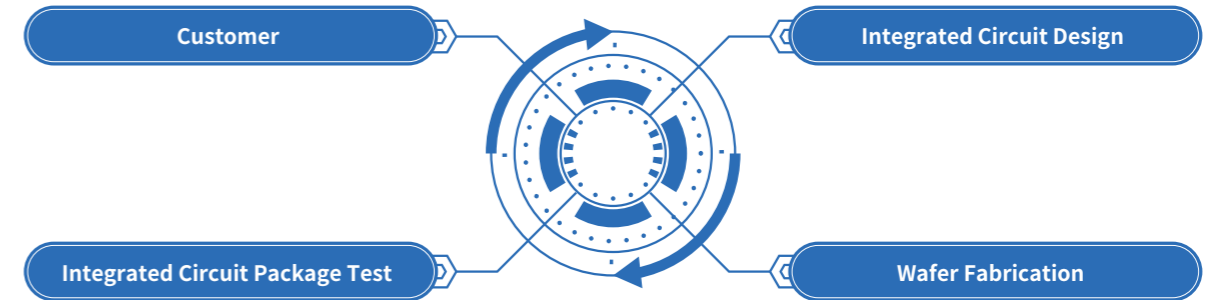


▲OMNIVISION USA's ISO 9001 Quality Management System and ISO 13485 Medical Device Quality Management System certificate

To improve product quality, the Company sets general quality targets every year and breaks them down to each responsible department. By doing so, the Company's quality targets are effectively conveyed and implemented throughout the organization. At the same time, to identify and correct potential issues in the implementation of the quality system, we regularly conduct annual internal quality audits. Based on this, we improve the internal quality system with the PDCA (Plan-Do-Check-Act) cycle and risk management thinking to ensure consistency and reliability of the products and services.

Whole-process Quality Management

Will Semiconductor keeps optimizing product quality management throughout the entire process. From understanding customer requirements, designing integrated circuits, wafer fabrication, wafer test to package test, the Company strictly control the quality at each step. We implement stringent quality management not only for ourselves but also for suppliers, and constantly refine the management to provide premium products and solutions to customers.



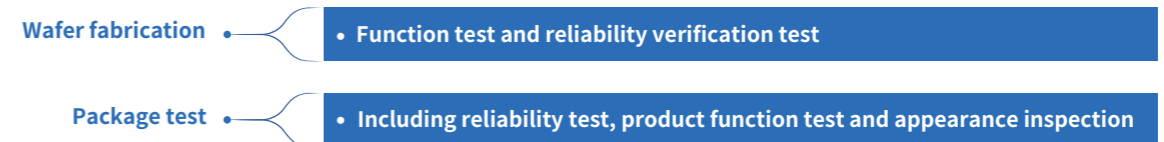
▲Production process flowchart

Integration of Customer Requirements and IC Design

After receiving and fully understanding customer requirements, the R&D personnel carries out IC design as required by the *Design and Development Control Program*. To make our IC designs meet customer requirements and comply with quality standards, we have professionals reviewing the outputs at each design stage. In the development, we verify the design through multiple party review and thorough communication and discussion with relevant departments, team members and customers. By doing so, we are able to ensure that each design solution meets customer requirements and is feasible, thus facilitating the smooth progress of the project.

Wafer Fabrication and Package Test

To ensure that the products we deliver meet customers' quality requirements, we strictly control the quality in wafer fabrication and package test by means of reliability test, function test, appearance inspection and others. During the Reporting Period, the Company optimized the sampling rules for reliability tests and adopted scientific sampling methods to improve the representativeness of samples and test effectiveness.



▲Quality control over wafer fabrication and package test

Supplier Quality Management

With respect to quality management by suppliers, we have prepared internal policies such as the *Supplier Quality Management Procedures* and the *Production Process Control Procedures*. At the same time, we expressly state the quality requirements and responsibilities in the *Quality Agreement* signed with suppliers. In addition, we carry out all-round quality management and communicate with suppliers through annual audits, on-site inspections and SQE (supplier quality engineer) daily meetings. These measures contribute to maintaining the stable product quality.

		
<h3>Annual Audits</h3> <p>Through on-site annual audits, we review and verify the suppliers' quality management systems and on-site implementation situation in the year.</p>	<h3>SQE Daily Meetings</h3> <p>A mechanism of weekly, monthly, and quarterly business review meetings between the Company's SQEs and suppliers has been established. On these meetings, SQEs confirm with suppliers the quality issues and trends of the products during the relevant period and require the suppliers to propose solutions. After the meetings, SQEs will track the implementation of the solutions, monitor the improvement results and confirm the closure of issues.</p>	<h3>On-site Inspections</h3> <p>Through on-site inspections, we are able to get a real-time view of the factory production situation and check the implementation of our requirements at the suppliers' sites.</p>

▲All-round quality management and communication

Handling of Unqualified Products

To standardize the handling of unqualified products and enhance product quality control, the Company has formulated the *Unqualified Products Control Procedure*. If any products are found to be unqualified, the Company will identify and record the details of the products and recall them 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. We also focus on overall product quality trend on an on-going basis through data analysis. This allows us to identify and prevent potential non-conformities in advance and improve product quality.

During the Reporting Period, the Company entered the tracking numbers provided by factories into its internal system to improve product traceability. In this way, we are able to accurately track product sources and production processes, increasing the efficiency of identifying issues and causes. During the Reporting Period, the Company had no products recalled.

Optimized Hazardous Substances Control

Will Semiconductor has established a hazardous substance process management (HSPM) system that conforms to IECQ QC 080000 Hazardous Substance Process Management System. We set annual targets and regularly conducts training for personnel of relevant departments on the internal audit of the HSPM system. This enables them to understand the Company's requirements and perform internal HSPM audits as required, and to timely identify and correct potential issues. At the same time, to better understand customers' thoughts on the control of hazardous substances, the Company add hazardous substance management content to its customer satisfaction surveys, to ensure that the customers' expectations and requirements are met.

The Company's Hazardous Substances Management Targets for 2023	2023 Target Review
Annual hazardous substance defective rate of 0	Completed

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. To make the products more reliable and compliant with environmental regulations, we require suppliers to ensure that their products' chemical concentration conforms to the RoHS standard, REACH standard, HF standard, and other relevant regulations. Besides, they are required to submit third-party test reports to guarantee the authenticity of the information. During the Reporting Period, we updated the *Hazardous Substances Control Standards* based on regulatory changes and customer requirements. We have expanded the scope of hazardous substance control and adjusted the limits for certain substances to ensure the compliance and safety of our products.

To further control hazardous substances, we have fully integrated hazardous substance management requirements into the onboarding, evaluation, and audit of suppliers. In the evaluation, we focus on the suppliers' compliance with hazardous substance standards, as well as the establishment and management of HSPM systems. Suppliers failing to comply with the Company's requirements will be required to take corrective actions until they meet relevant standards to ensure the compliance of the Company's products with related standards.



Building Quality Excellence Awareness

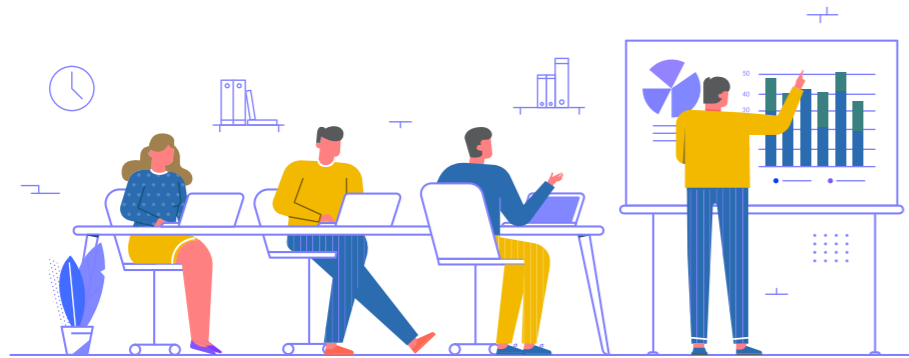
We believe that quality excellence awareness is essential for creating high-quality products. We attach importance to cultivating new employees' quality management awareness. During the Reporting Period, all new employees had completed the quality training on the Company's online learning platform within two weeks after joining the Company. For quality management personnel, we also offer various training courses on five quality management tools, helping them deepen their understanding of quality management and acquire the relevant practical skills.

Case

Mandatory training on five quality management tools

In October 2023, the Company launched a mandatory training on the five quality management tools for quality management personnel, aiming to deepen their knowledge and understanding of quality management. Our "online + offline" learning mode provides employees with a more flexible and comprehensive training experience. To evaluate training effectiveness and strengthen the employees' understanding and mastery of the five tools, we conduct a course assessment, helping them to consolidate the knowledge and skills they had acquired from the training.

At the same time, to motivate employees and unleash their creativity with respect to work efficiency and product quality, we have prepared the *Corporate Improvement Proposal Management Measures* and established a sound improvement proposal mechanism. The Company's Proposal Committee is responsible for planning annual proposal activities, assessing proposals, and verifying assessment results. For excellent improvement proposals, we award the proposers with bonuses and praise and publicize them on different occasions from time to time. Meanwhile, for employee promotions and year-end appraisals, we take improvement proposal rewards as a dimension of evaluation. By doing so, we enhance employees' initiative and participation in improvement work, so as to improve the product quality and promote the sustainable development of the Company.



Case

An excellent improvement proposal in 2023 - the improvement proposal on wafer bonding

To eliminate the wafer bonding (WB) anomalies encountered during the mass production of some projects, we optimized the process and the WB system based on employees' suggestions. The optimization significantly improved package yield and operation stability, and the packaging efficiency was also improved due to a shorter packaging cycle. Meanwhile, additional process costs were saved after the optimization, enabling us to better meet customers' needs and enhance the Company's competitiveness.

Information Security

We treat information assets as one core asset of the Company. Will Semiconductor strictly abides 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 *Management Rules for Multi-Level Protection of Information Security* and relevant laws and regulations about information security in the countries and regions where it operates. We have improved our information security management system by formulating regulations and systems such as the *Regulations for Information Security Management* and the *General Policy for Information Security*. During the Reporting Period, we developed a new system, the *Information Security Governance*, to further clarify the Company's information security management framework and enhance information protection.

We adhere to the overall policy of "security first, prevention first, equal emphasis on management and technology, comprehensive prevention". Based on the principle of "those who monitor, operate, and use shall be held liable", we have assigned the information protection responsibilities to the corresponding departments and individuals at all levels. Meanwhile, the Company has taken diverse measures to prevent information leakage that may occur in daily work. By continuously improving employees' emergency response capability and information security awareness, we effectively safeguard the Company's information assets.

Prevention of Information Leakage

To mitigate potential information security threats in the Company's operations, we have implemented measures such as internal and external network isolation and standardized file classification management. These actions have effectively severed potential avenues for information leakage. Additionally, we continuously optimize our information security protection systems to safeguard business continuity and protect commercial secrets and operations.

Isolated R&D Intranet

- Isolate the R&D intranet from public networks to prohibit the intranet from communicating with the Internet, preventing unauthorized data transfer and information leakage.
- Build a data security protection system into the R&D intranet to provide R&D personnel with a virtual terminal for transferring data between the intranet and public networks. In this way, R&D personnel can securely access intranet resources while ensuring the security and control of data transfer.

Standardized Document Management

- Manage company documents based on confidentiality level. Leverage the Digital Guardian data platform to limit the transmission scope of confidential documents, preventing intentional or unintentional data leakage by employees.
- Develop document approval policies and enable automated document circulation workflows based on established policies to ensure that documents are approved and circulated as required.
- Enable the log traceability function to monitor and trace the circulation and approval progress of documents.

Robust Protection System

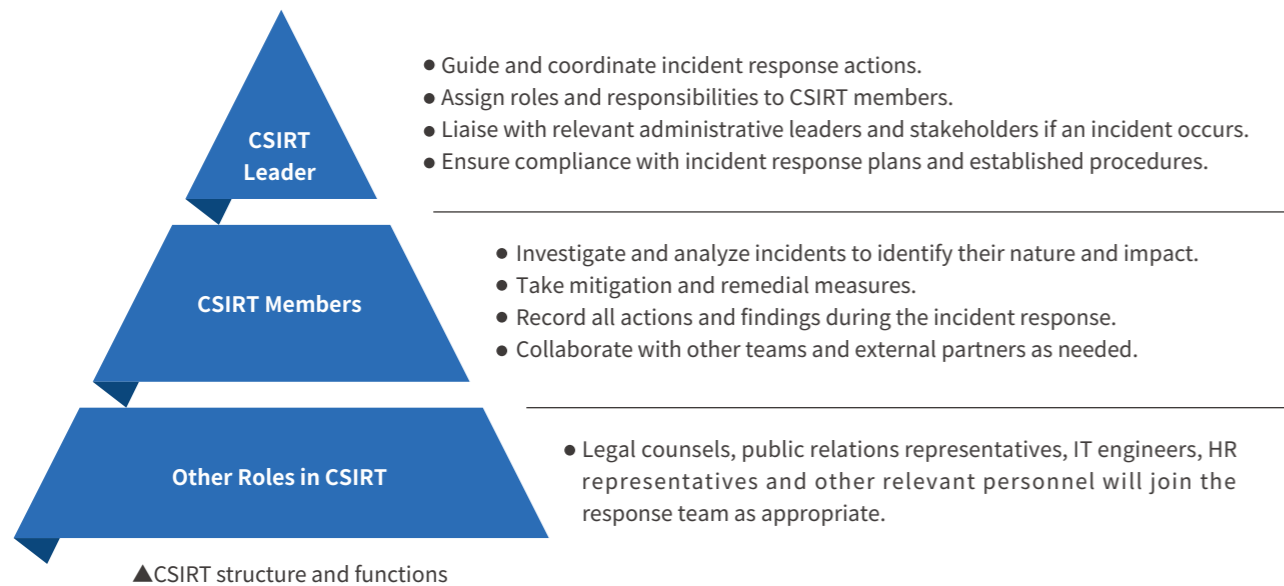
- Install firewall systems on the Company's computers and ensure that all firewall firmware is up-to-date to provide effective defense and protection against attacks. Set up a security log server for centralized collection and management of firewall logs, facilitating real-time monitoring and analysis of network activities and detecting potential security threats.
- Configure the office network and production network with certified computer virus detection and removal tools to ensure timely detection and removal of potential malware and viruses.
- Adopt the trusted platform module (TPM) chip and BitLocker drive encryption to protect the data on users' computers, preventing unintentional data leakage caused by computer loss or theft or dismounting of hard disks.

▲Measures for preventing information leakage

Meanwhile, our employees and suppliers are held accountable for the protection of information. New employees must enter into the *Confidentiality Agreement* and commit to comply with relevant regulations under the *Labor Contract*. Employees are required to regularly change their personal passwords and two-factor authentication is enabled, further enhancing the security of information access. Before partnering with suppliers, the Company requires them to fulfill confidentiality obligations by entering into information confidentiality agreements. This helps to protect the Company's trade secrets and sensitive information.

Rapid Response to Emergencies

In response to information emergencies that may occur, the Company has built a remote disaster recovery architecture with high availability for the information system. This ensures the continuity of the system through a remote mirror architecture in case of a single node failure, avoiding business interruption or network failures due to a blackout. During the Reporting Period, we developed new internal regulations such as the *Information Emergencies Framework* and the *Information Emergencies Response Strategy*. Under the guidance of these documents, we set up the Computer Security Incident Response Team (CSIRT) with clear responsibilities and roles, enhancing our response to cybersecurity incidents.



Upon receipt of an incident report, the CSIRT investigates and identifies the incident, classifies it based on the severity, and initiates appropriate response procedures. To improve CSIRT members' incident handling skills, analysis and decision-making capabilities, the Company has provided them with special training courses and drills. This ensures that all team members are familiar with the emergency response plan, their respective duties and response processes. At the end of the drills, a comprehensive assessment is conducted, and an improvement plan is developed for continuously optimizing the Company's emergency response.

- Desktop Drill** Simulate incident scenarios in a controlled environment, allowing CSIRT members to practice the response strategy and identify potential gaps in the response procedures.
- Functional Exercise** Conduct a larger simulation with multiple teams and stakeholders participated to assess coordination, communication, and decision-making of them during a complex incident.
- Comprehensive Drill** Conduct a large-scale drill with multiple departments, external partners and third-party organizations participated to assess the Company's capability in responding to major cybersecurity incidents.
- Red Team Assessment** Engage external cybersecurity experts to simulate real cyberattacks and assess CSIRT's capabilities in detecting, responding to, and recovering from complex threats.

▲CSIRT's response drills against cybersecurity incidents

Raising Information Security Awareness

Information security maintenance requires the joint effort of all employees. To cultivate employees' information security awareness and enhance their ability to identify potential network threats, the Company regularly hold cybersecurity awareness training sessions. We require all new employees to complete security awareness training after onboarding. Employees who need to access the Company's specific sensitive information are subject to additional training on relevant security procedures.

Case:

Information Security Training for New Employees

As part of the onboarding process, new employees receive systematic information technology training on their first day of employment and sign the Company's information technology security system document and data *confidentiality agreement* to ensure that they understand and comply with Will Semiconductor's information security regulations and raise their awareness of information security. In addition, we provide online information security training videos and require new employees to study the training within 14 days to raise employees' awareness of information security, and encourage them to take appropriate security measures in their work to protect the Company's data and information resources.

Additionally, the Company holds regular information security meetings and organizes annual information security management assessments, where subsidiaries and individuals outperforming in information security are praised and rewarded. For employees who violate the relevant regulations, the Company imposes penalties depending on the severity of the situation.



03

High Synergy for Building a Thriving Ecosystem

A healthy industry ecosystem is crucial to the growth of enterprises. Will Semiconductor has been building a highly synergistic supply chain and customer base, working together with upstream and downstream partners to create more value for global consumers. We care deeply about our customers' experience and are committed to improving customer satisfaction through continuous optimization of whole-process services. Meanwhile, as a semiconductor design company adopting the Fabless business model, we have been optimizing the supplier management mechanism in an effort to create high-quality, reliable and responsible products in collaboration with our upstream suppliers and bolster the sustainable development of the supply chain.

- ④ High-quality Customer Service
- ④ Sustainable Supply Chain

High-quality Customer Service

Target and Review

Targets for 2025

Become a model company excellent in high-quality customer services by providing professional technical support and thoughtful services and enhancing product quality

2023 Target Review

Attaching great importance to customer experience, we built a professional service team. We also listened to our customers' voices through satisfaction surveys so as to continuously optimize our services and increase customers' satisfaction. During the Reporting Period, we received awards and honors from many customers, which is a recognition and proof of our competitive advantages in the market and industry influence.

Dedicated Service Team

A high level service team is essential for good service. The Company has established an FAE team with high performance in technology, execution, and service. The FAE team have a profound understanding of the performance, technical parameters, new product features, and other information of the Company's products. Therefore, they can provide customers with various application solutions to help customers curtail R&D costs. In addition, we provide various training sessions to the front-end FAE and sales teams to enhance their understanding of products, markets, and industry trends. During the Reporting Period, to enhance the service capabilities of relevant employees, we conducted a knowledge sharing session on "Reliability Tests of Will Products" and other training on power supply products, TVS discrete devices, etc. In addition, during the Reporting Period, we integrated all sales systems into a single platform and provided sales personnel with operating manuals to improve the efficiency of pre-sales services.



Enhancing Whole-process Services

We are committed to enhancing the whole-process experience of customers. During the Reporting Period, we continued to optimize our pre-sales, in-sales and after-sales processes to provide timely, reliable and professional services and support to customers.



▲Customer service process

Response to Customer Complaints

Will Semiconductor values and timely responds to customer feedback and complaints. To standardize the process of handling customer complaints, we have formulated the *After-sales Customer Complaint Process* and updated it from time to time. After receiving customer feedback, we will investigate the issues promptly and provide customers with analysis reports and solutions within a specified time limit. When an issue is solved, we request the customer to fill in the *Customer Complaint Feedback Questionnaire* to confirm the closure of the issue.

To address customers' issues more quickly and more efficiently, during the Reporting Period, we optimized the duties of the Customer Complaint Team and supplemented the team with staff from the System Application Engineering Department. We have also refined and standardized the handling procedures for various issues like application and packaging issues, aiming to cover all the possible issue scenarios. By doing so, we have improved the response efficiency and laid a solid foundation for good after-sales experience.

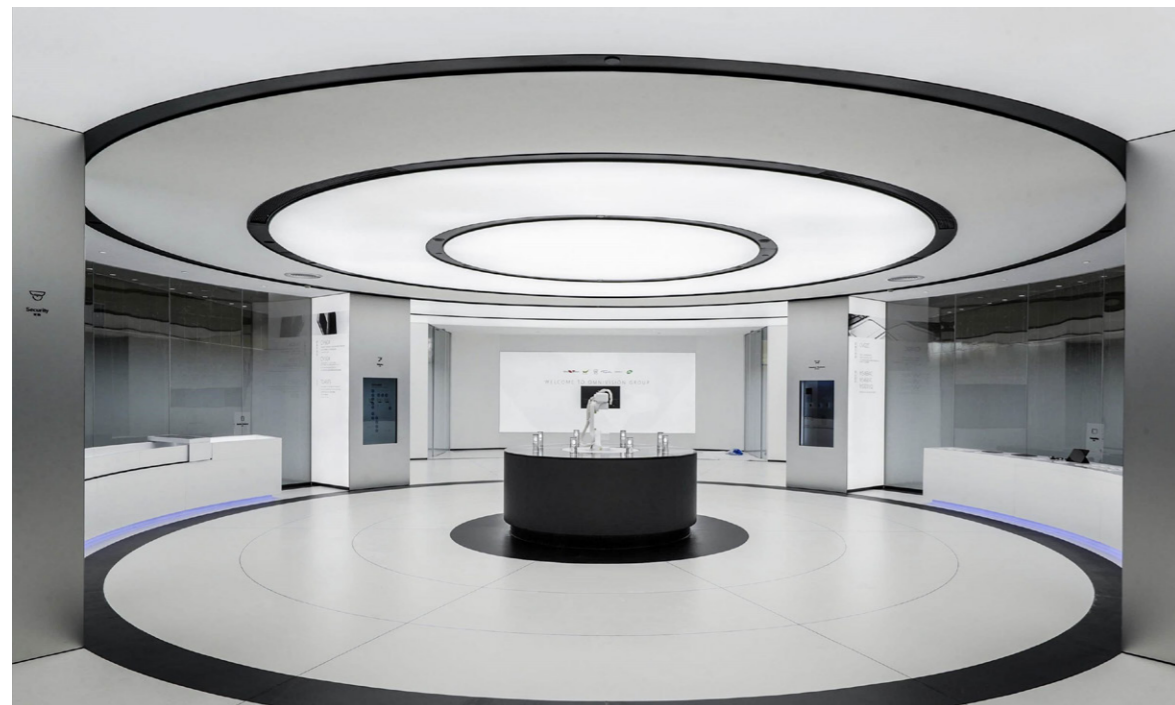
Moreover, to track and increase customer satisfaction, Will Semiconductor has formulated the *Customer Satisfaction Survey Procedure* and annually invites customers to provide scores and feedback on dimensions such as product quality, overall service, and technical support. This helps us to identify the direction and space for improvements. If the overall satisfaction score of a customer is below 85%, the Company will investigate the reason and propose and implement a correction plan. After that, we will follow-up via a feedback questionnaire completed by the customer, ensuring that the customer's concerns are completely resolved. We summarize the common issues identified in satisfaction surveys and customer complaints and notify the relevant departments to take corrective actions or provide feedback. By doing so, we aim to further improve overall customer satisfaction. During the reporting Period, in response to customers' demand for faster failure mode and Failure mode analysis (FA), we built a new FA lab in Shanghai Songjiang Park. The lab is staffed with 2 full-time FA engineers, shortening the FA cycle and improving response efficiency.

Building Product Experience Centers

To enable customers and other stakeholders to understand and experience our products and services, we have built two product experience centers in Beijing and Shanghai, respectively. During the Reporting Period, we exhibited the latest chip modules based on technology and product updates, and provided English explanations to facilitate foreign customers and investors. In 2023, the two centers totally received over 600 customers, personnel from investment institutions, government officials, university scholars and others. Their positive feedback further enhanced the influence of our products, technologies, and brands.



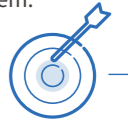
▼ Will Semiconductor's Product Experience Center in Beijing



▼ Will Semiconductor's Product Experience Center in Shanghai

Sustainable Supply Chain

As a semiconductor chip designer, the Company relies on outsourcing service providers for wafer fabrication and packaging testing. So, the Company attaches great importance to the resilience and sustainability of the supply chain and maintains product quality through continuous optimization of the supply chain management system. In addition, throughout the supply chain management, we comply with ESG management requirements such as hazardous substances management requirements and the conflict-free minerals policy. This promotes the suppliers to work with us to build a sustainable supply chain ecosystem.



Target and Review



Targets 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

Targets for 2023

2023 Target Review

1. Conduct due diligence and management of conflict minerals and require 100% of suppliers to abide by the conflict-free minerals policy	Completed
2. Continuously assess the environmental and social performance of suppliers and ultimately attain 100% coverage of major suppliers	Completed
3. Require main suppliers to comply with the <i>Supplier Code of Conduct</i>	Completed

Supply Chain Management

Will Semiconductor has established a comprehensive supply chain management system covering supplier onboarding, evaluation, and improvement. We have formulated and implemented the *Procedures for Recognition of New Suppliers and New Outsourced Products*. Specifically, all new suppliers are required to go through an onboarding process and be evaluated and approved by the Production Management Department, the Quality Department and other departments before they are included on the qualified supplier list.



▲ Supplier onboarding process

For qualified suppliers, the Company have formulated and implemented the *Supplier Quality Management Procedures*. In addition, we conduct quarterly evaluations for qualified suppliers on quality assurance, process and technology, production capacity, lead time, services, price, environmental protection, etc. Based on the evaluation results, they are accordingly rated into grades A, B, C and D. Suppliers with different ratings are subject to different treatments, such as incremental procurement, supervised improvement, or disqualifications. In addition, we make and implement annual on-site audit and on-site inspection plans to monitor and manage suppliers on-site. All records of supply audits and matters are entered into a supply management system and will be followed up until they are closed.

To motivate suppliers to continuously improve quality management, we conduct annual evaluations to identify suppliers who outperform in quality control and present them with appropriate quality awards. Besides, we share typical cases or cutting-edge technologies with all suppliers through letters.

Sustainable Supply Chain

To effectively supervise and manage ESG risks in the supply chain, the Company has incorporated ESG-related requirements in the whole-process management of the supply chain. During supplier onboarding, new suppliers are required to sign the *Environmental Protection Agreement* and the *Supplement to the Environmental Protection Agreement*, committing to fulfill their environmental protection responsibilities. For qualified suppliers, regular evaluations and on-site audits allow us to continually monitor their performance in environmental protection and fulfillment of social responsibilities. In this way, we can help them to make improvements. Our audits cover dimensions such as the social responsibility management system, compliance with labor code, occupational health and safety, and environment management and business ethics. In addition, the Company has set the maximum “number of times of non-compliance” with environmental regulations. That is, suppliers with one identified environmental exception will be classified as “Unqualified”.

For unqualified suppliers, we will list the non-conformities and recommendations, and monitor their improvement to achieve conformity. During the Reporting Period, we conducted monitoring and auditing for four main suppliers on hazardous substances management and social responsibilities, where we raised over 20 non-conformities and recommendations, and supervised their improvements, helping suppliers improve the sustainability of their own development.

Will Semiconductor places a high priority on supply chain sustainability. During the Reporting Period, we 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. Also, our main suppliers signed our *Supplier Code of Conduct* to enhance the sustainability of the supply chain. Moreover, Will Semiconductor closely monitors suppliers’ performance and relevant management certifications in quality, environment and society. During the Reporting Period, the proportion of the Company’s suppliers who passed various management system certifications was as follows:

Dimension	Management System	Proportion in 2023
Quality	ISO 9001 Quality Management System	100%
	IATF 16949 Vehicle Quality Management System	82.19%
Environment	ISO 14001 Environmental Management System	95.89%
	QC 080000 Hazardous Substance Process Management System	61.64%
Society	ISO 45001 Occupational Health and Safety Management System	65.75%

Conflict Minerals

Conflict minerals are the metallic minerals of tantalum, tungsten, tin and gold (3TG) originating in the Democratic Republic of the Congo and its neighboring countries. Conflict minerals have always been an important issue to be managed in the process of building sustainable supply chains, due to the vulnerability of funds flowing to illegal armed groups in the extraction, smelting, and transportation of 3TGs, which indirectly leads to human rights violations, environmental degradation, and other problems.

Will Semiconductor actively fulfills its corporate social responsibility by resolutely not using conflict minerals directly or indirectly from the Democratic Republic of the Congo and its neighboring countries. We require all suppliers to refrain from using conflict minerals in products and conduct due diligence on an on-going basis, focusing on the source of their mineral raw materials. To further standardize the control of conflict minerals in supplier onboarding and daily management, we have developed the *Conflict Minerals Policy* and the *Conflict Minerals Control Procedure*.

New supplier onboarding

New suppliers are required to sign the *Environmental Protection Agreement* that includes a commitment of not using conflict minerals and fill in the *Conflict Minerals Due Diligence* to proactively declare the origination of minerals.

Annual supplier due diligence

We conduct investigation based on the Conflict Mineral Reporting Template (CMRT) released by the Responsible Minerals Initiative (RMI) to identify the smelters in the supply chain.

If any smelter is identified as not on RMI’s list, Will Semiconductor will ask the supplier to make an explanation and take corrective actions to stop purchasing raw materials from the non-compliant smelter. If necessary, the Company will terminate cooperation with the supplier to ensure that all of our materials originated from the smelters or countries certified by the RMI.

During the Reporting Period, Will Semiconductor had a total of 60 3TG suppliers. According to the investigation, 100% of the 3TG mineral raw materials used by the Company were from RMI-certified smelters.





04

People-oriented for Creating Value Together

Talent is the first and foremost driver for scientific and technological innovation. Adhering to the principle of “people-oriented”, Will Semiconductor respects and protects the rights and interests of each employee. We provide employees with an inclusive workplace, competitive remuneration, rich training resources and a broad career path to promote the common development of both employees and the Company. Also, the Company attaches importance to work safety and provides diverse benefits to care for employees’ physical and mental health. On social contribution, Will Semiconductor acts on the spirit of corporate citizenship “taking from society and giving back to society”. The Company works alongside employees in various public welfare activities to build a harmonious society.

- Talent Attraction and Reserve
- Employee Development and Cultivation
- Employee Benefits and Care
- Work Safety and Occupational Health
- Community Dedication and Charity
- Social KPIs



Target and Review



Targets

2023 Targets Review

1. Offer competitive remuneration packages	We conducted regular market surveys to provide employees with competitive remuneration in the industry and implemented the equity incentive plan.
2. Maintain effective communications to foster and enhance employees' sense of belonging	We set up a multi-channel communications mechanism to understand the status of each employee and regularly conducted employee satisfaction and dedication surveys.
3. Organize team building to enrich the employee experience	We held various activities such as club activities, newcomer welcome activities, and birthday parties to enrich employees' spare-time life.
4. Maintain collaboration and creation to attract and retain talent	We created a diversified, equal, and inclusive workplace with broad career paths and a sound incentive mechanism for employees.
5. Carry out comprehensive training to improve employees' professional skills and to ensure we are compliant in all regions globally	We further explored internal and external training resources and provided training programs for employees by position level and category. During the Reporting Period, 100% of employees completed the training.

Talent Attraction and Reserve

Diversity, equity, and inclusion

Will Semiconductor recognizes the significance of a diversified, equal, and inclusive (DEI) workplace culture in attracting talent and respects the uniqueness and differences of each employee. In the *Human Resources Management Procedure*, we explicitly prohibit employment discrimination. All employees shall be treated fairly in hiring and promotion, without discrimination against race, skin color, disability, religious belief, gender, political affiliation and other factors. During the Reporting Period, the female employees accounted for 26% of the Company's management and 32% of the Company's fresh graduates, higher than the industry average. Every year, we fulfill our social responsibility also by cooperating with the government and external organizations in employing persons with disabilities.

Will Semiconductor's U.S. subsidiary, OMNIVISION USA, submits an annual EEO-1 report to the Federal Equal Employment Opportunity Commission (EEOC), which discloses employee statistics by job category, gender, race, and ethnicity. By doing so, we comply with our legal obligations to file workforce demographic data and at the same time, strive to build a diverse talent pool

In addition, we formulated the *Anti-harassment Policy* and committed to take all reasonable measures to prevent or stop harassment in the workplaces. Offenders will be disciplined, including suspension or dismissal, based on the circumstances and severity of their actions. During the Reporting Period, multiple DEI-related training activities, such as "Positive Interaction with Mutual Respect in the Workplace" and "Valuing Diversity", were carried out in our domestic and international workplaces, further promoting DEI in the workplaces.

Case

"Valuing Diversity" cultural awareness training in Japan

Cultural awareness training does not only help to enhance employees' sense of belonging and recognition, but also promotes their collaboration with others and pride in their own culture. In July 2023, the Company conducted cultural awareness training for employees from different business units across Japan (Yokohama, Sendai, Kumagaya, and Takasaki). During the training, all participants expressed their views on diversity and inclusion in the workplace. Together, they explored how to work together to achieve goals and create an equal and inclusive workplace.



▲ Cultural awareness training

Protecting Employees' Rights and Interests

At Will Semiconductor, we respect and protect the rights and interests of each and every employee. We adhere to the requirements of international conventions such as the *International Labor 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*. Besides, we strictly abide by the laws and regulations related to labor and employment of the regions where we operate, including but not limited to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Provisions on the Prohibition of Using Child Labor* and the *Fair Labor Standards Act*.

Our internal policies, such as the *Human Resources Management Procedure*, the *Employee Handbook*, and the *Environmental, Social Responsibility, and Governance Policy*, have also set detailed provisions on child labor, forced labor, forced overtime, human rights, freedom of association and collective bargaining. Through these efforts, we aim to respect and protect the legitimate rights and interests of our employees. Should there be any violation of human rights and labor standards, the Company will promptly launch investigations and take measures to protect the rights and interests of employees in accordance with local labor laws. During the Reporting Period, the Company had no incidents of forced labor, child labor or other human rights violations.

Attracting Outstanding Talent

Top talent is one of the Company's most valuable resources. We uphold the principle of fairness, equity, and integrity in the recruitment process. We have developed clear recruitment policies along with detailed and accurate job descriptions. We manage to attract a wide range of top talent across all levels and diverse backgrounds to include senior experts and young engineers with job postings on various channels (online recruitment, internal and external referrals and talent sourcing companies (headhunters)).

To further expand the Company's talent pool and industry influence, Will Semiconductor has been actively cooperating with renowned universities in the search for quality talents. During the Reporting Period, we visited dozens of prestigious universities such as Nanyang Technology University, Katholieke Universiteit Leuven and Shanghai University, and held offline information sessions. Meanwhile, we built an online campus recruitment platform to recruit graduates from all over the world. We also invited students to visit our company and offered internships to give young elites with the opportunity to learn more about the industry and to increase our influence as an employer to attract more potential and talented future candidates. During the Reporting Period, we updated and released a promotional video for the Company to further increase our impact.



▲The Company's promotional video

Case

Autumn campus recruitment - Shanghai University information session

On October 10, 2023, Will Semiconductor held a special information session at the Baoshan Campus of Shanghai University, which was attended by the Company's heads of technology and personnel from the Human Resources Department. At the session, we gave a detailed introduction to the Company's background, technical strength and vacant positions, attracting more than one hundred students to the venue to exchange ideas, thus preparing in advance to expand the Company's talent pool.



▲Shanghai University information session

Case

Students from Tsinghua University visiting and exchanging

In July 2023, teachers from the IC Platform of Shanghai Tsinghua International Innovation Center led more than 10 undergraduate students from Weiyang College of Tsinghua University to visit Will Semiconductor during their holidays. The Company invited the senior director of the Technical Department to introduce the Company's background, product applications and other information for the students, and organized students to visit and experience the Company's product display center, so that they could have close contact with the Company's products and understand the application of the products. We also held an interactive symposium to encourage students to actively ask questions, which triggered them to think thoroughly about the semiconductor industry.



▲Students from Tsinghua University visiting and exchanging

Case

Summer intern program in Santa Clara Park

During the Reporting Period, we recruited 13 engineering interns from elite universities at our Santa Clara Park. As part of our internship program, we aim to help interns learn, innovate and grow in their projects, and answer their questions about careers. Under the guidance of our Human Resources Department and project managers, the interns successfully completed their assignments and continuously gained practical experience for their future careers.



▲Engineering interns from elite universities

We are committed to a fair and comprehensive assessment of each candidate. To this end, we use a combination of interview team assessment and systematic evaluation to create a positive interview experience that is fair and equitable. During the Reporting Period, we introduced a new interview scoring and feedback section where candidates can complete a questionnaire to provide timely feedback on their feelings during the recruitment process. This helps us to self-examine and improve the recruitment process. During the Reporting Period, candidates gave us an average score of 4.83 (out of 5) for their interview experience.

Employee Development and Cultivation

Will Semiconductor is devoted to achieving synergistic growth with employees through talent cultivation. We provide employees with sufficient room for development and a sound career development path, supplemented by rich and complete training resources. We encourage employees to combine their personal career development with the Company's development to jointly enhance and share productivity and innovation.

Career Development

Will Semiconductor provides employees with a dual-channel career development path, namely management and technology career paths, and employees have a wide range of options to meet their needs for different personal skills and career plans. We have announced the career development paths of our employees through the OV-Learning (OMNIVISION online training system), and have communicated with our employees about their career development through internal communication as well as in public, to ensure that they have a clear understanding of the Company's promotion paths and mechanisms. In addition, during the Reporting Period, the Company carried out a talent inventory program to identify the potential and core employees in each department as a basis for the subsequent talent team building and position adjustment. Also, we provided internal promotion opportunities for employees with outstanding performance to build a broader development platform.



▲Dual career development for management and technical professionals

Based on the Company's global business, its subsidiary OMNIVISION USA also offers employees the opportunity for expatriate assignment and encourages them to explore their potential in a diverse work environment. During the Reporting Period, OMNIVISION USA supported more than 10 expatriate assignments of our employees.

At the same time, we organize annual career development celebrations to communicate the Company's business development, technological breakthroughs, and career development opportunities to employees. We also invite promoted employees to share their success stories. During the Reporting Period, we provided leadership assessment tools for newly promoted management personnel to help them identify and understand their management skills, potential, and management personality, so that they can better transition into the management role and unleash their potential.



▲The Company's career development celebration at Songjiang Park

To motivate employees' intrinsic drive and enthusiasm for work, we have formulated the Measures for Performance Evaluation to standardize the performance evaluation cycle, process and feedback mechanism. The Company organizes monthly and annual employee performance evaluations in an objective, fair and open manner, which serve as an important basis for assessing employees' personal growth and development to further determine their bonus, salary adjustment, promotion and training. We also launched our online performance review and merit increase system for managers and employees around the globe. Employees received the merit increases and extra incentive bonuses based on their individual performance ratings.

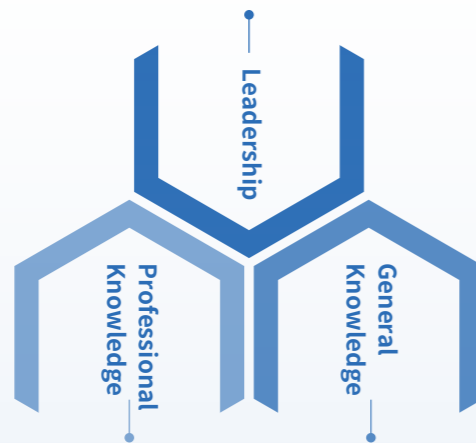
Employee Training

Will Semiconductor attaches great importance to employee development and is committed to providing its employees with informative training programs. Based on the OV-Learning platform, we provide employees with convenient training channels, and effectively meet the development needs of employees in different positions. In this way, we continuously improve the talent training system. During the Reporting Period, all of the Company's employees attended the training, with an average of 14.66 training hours per person.

Diversified Training

Based on three core capabilities including leadership, professional knowledge, and general knowledge, the Company continues to develop and enrich training resources, and improve curriculum system to meet the needs of employees at all professions and levels. For example, orientation training and tutor mentorship are provided for fresh graduates and leadership training is provided for management. To establish an internal tutor membership for fresh graduates, we adopt a method of regular mentoring to timely communicate with fresh graduates and submit Training Review forms. This facilitates the Company to keep track of the status of mentoring at any time, and ensures a continual understanding of the growth and adaptability of fresh graduates. In addition, during the Reporting Period, we ran the "New Manager Training Program - Falcon Growth", "Expert Lecture Series" and other key training programs in a project-based manner. Specifically, we set up multiple online and offline sessions like classroom learning, seminar and after-class review to further enhance work practices.

- Provide leadership training for reserved management, new managers and middle management through the Falcon Program, Elite Program and Tiercel Program.



- Provide training for new hires to enhance their general skills and professional quality by opening Eyas Training Camp and setting up Graduate Return Day.
- During the Reporting Period, the fixed sharing topics newly included market and product category presentations.
- Provide target training for employees to upgrade their professional skills by organizing regular Technical Forums, Lunch & Learn and Expert Rostrums.
- During the Reporting Period, we added expert lecture series and micro-course competitions to further enrich professional training resources.

▲ Training programs focused on three core capabilities

Case

Orientation training for Shanghai University's graduates

In July 2023, 41 fresh university graduates attended the Company's orientation training at Will Semiconductor's Zhangjiang Park to facilitate and accelerate their transition from campus to workplace. During the week-long training, we emphasized the Company's pro-file, culture, business and professional knowledge, leveraging factory tours and online learning while encouraging them to become outstanding technical engineers.



▲ Orientation training for major University's graduates in Shanghai

Case

New manager training program - Eagle Growth

During the Reporting Period, the Company conducted training for 40 new managers in aspects of role positioning, performance management and team leadership. We used internal use cases and methods like group experience activities and reflections to convey the Company's philosophy of management and leadership philosophy to new managers. The training received solid feedback and produced 7 stories around group leadership and 15 post-course behavioral examples, helping new managers quickly adapt to their new roles.

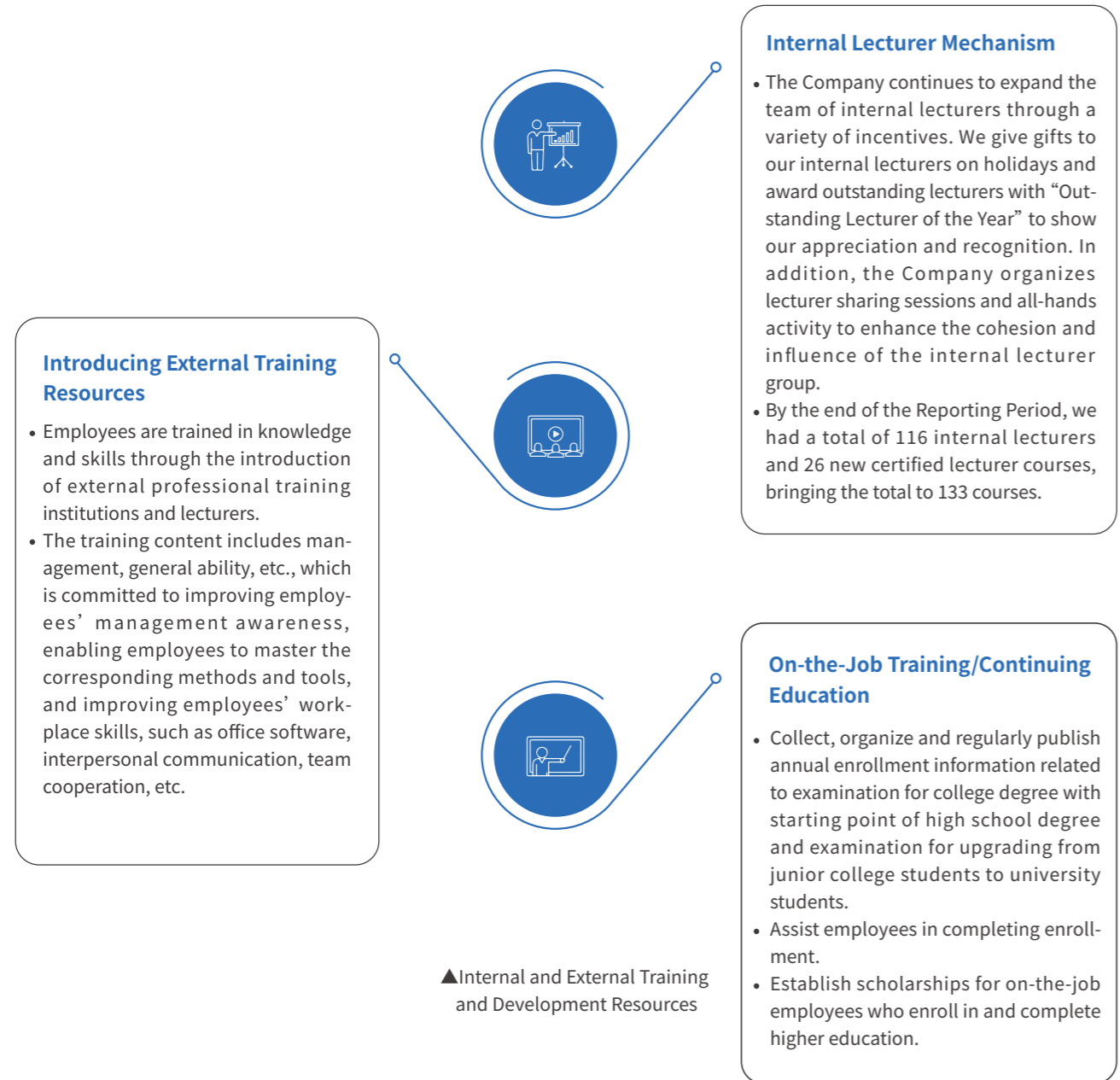
Case

Expert Lecture series courses deepened, and the new series expanded

The Company comprehensively promoted Python, Linux and semiconductor devices physics course by advancing the Expert Lecture Series Course Level 2 course, and introduced new series of courses, Image Signal Processor (ISP). While promoting the Expert Lecture Series Course Level 2 course, we added question discussions and practical operations to improve the efficiency of employees in absorbing and applying knowledge. During the Reporting Period, we provided 4 series, and conducted 13 seminar sharing sessions, with a total of 739 participants.

Comprehensive Support System

The training system is supported by three major systems including policy, resource, and operation systems to continuously enhance the quality and efficiency of training activities. We have formulated policy documents related to training including the *Training Management Procedures Documents*, the *Internal Lecturer Management Policy*, and the *Tutor Management Policy for Fresh Graduates*. We keep developing internal and external resources to provide employees with a variety of training activities and courses. We continue to increase the number of the Company's internal lecturers and accelerate the development of courses, as well as introduce external lecturers and training resources. Besides, the Company collects and publishes all kinds of enrollment information for various of employees, and establishes scholarships to encourage them to upgrade their academic degrees and enhance their skills.



Online intergenerational Leadership Course

As the number of new generation employees increases year by year, the differences in generation characteristics and habits also gradually emerge. Therefore, in cooperation with external institutions, the company introduced the live course "Intergenerational Leadership - Flexible Management Strategies for the New Generation" to help more than 100 managers at different levels have a more comprehensive cognition and understanding of the new generation from the aspects of psychological characteristics and value tendencies, so that they can learn and master the way of communication with the new generation, as well as the theories, methods and strategies to guide the growth of the new generation and to help managers accelerate the understanding and development of the next generation of employees.



▲Online Intergenerational Leadership Course

Micro-course competition

During the Reporting Period, we held the Company's first micro-course competition. The competition was independently developed by employees and participated in the production of 25 online professional courses, with a total of about 1,400 students. The holding of this competition not only expands the staff's internal professional knowledge course library, but also creates opportunities for employees to pass on and share professional knowledge, enabling employees to progress together in learning.



▲Micro-course competition

Will Semiconductor is devoted to the continuous improvement of its training programs and its effectiveness through the continuous evaluation of training programs. We classify the training effectiveness into three levels: reaction level evaluation, learning level evaluation and behavior level evaluation, and carry out a hierarchical assessment of the training effectiveness, in order to judge the actual effectiveness of the training more effectively, and promote the training activities in synch with the needs of the employees. In addition, during the Reporting Period, we further updated the training evaluation questionnaire to achieve a more comprehensive evaluation of courses.



▲Three levels of evaluation

Employee Benefits and Care

We place a high priority on the needs of its employees and their mental, financial and physical health. In addition to providing competitive compensation and treatment for our employees, we continuously optimize the Company's welfare facilities. We also carry out diversified staff activities, with multi-dimensional care and companionship to make our employees feel cared for.

Compensation and Benefits

Will Semiconductor is committed to providing employees with competitive compensation. The Company regularly conducts market salary surveys, and adjusts compensation in a timely manner to remain competitive in the market. In the meantime, the Company implemented an employee stock ownership plan, and continuously expands the scope of the plan to motivate more of our exceptional employees to share the benefits of development with the Company. We also help our employees keep abreast of various government talent policies, and actively assist eligible employees in applying for various policy subsidies and special awards to support their personal and professional growth.

Employee Stock Ownership Plan	Government Talent Policy
 <p>During the Reporting Period, the Company implemented the <i>2023 First Phase Stock Option Incentive Plan</i> and the <i>2023 Second Phase Stock Option Incentive Plan</i>, granting a total of 199,875 hundred stock options to 2,856 incentive recipients.</p> <p>Additionally, the Company implemented the <i>2023 Employee Shareholding Plan</i> during the Reporting Period. Thirty eligible employees voluntarily participated in this plan, in accordance with legal and regulatory requirements, and assumed the associated risks.</p>	 <p>We actively apply for all kinds of policy subsidies and special talent incentive awards for our employees, including Shanghai Key Industries Talent Special Incentive Program, Lingang New Area Key Industries Domestic High-end Talent Financial Incentive, Mingzhu Engineer awards.</p>

To support employees' life-work balance, we implement a statutory paid annual leave system to ensure that employees are entitled to statutory holidays and other leaves such as sick leave, marriage leave, bereavement leave, maternity leave, paternity leave, lactation leave, personal leave, and parental leave. Meanwhile, we honor the unique leave programs as are customary in different regions around the world. During the Reporting Period, OMNIVISION USA added the category of leave, enabling employees to use paid time off to care for self, a family member or other designated person. In addition, we provide employees with benefits such as employee insurance, housing fund, supplementary housing fund and commercial insurance that are higher than the statutory requirements, helping employees to continuously enhance their sense of well-being and belonging at work.

Employee Communication

Effective communication is the key to keeping the team running efficiently and creating a favorable working environment. Through an annual All-Hands Meeting, the Company communicates strategic outlook, the latest information and relevant decisions with all of its employees. At the same time, we have set up multiple communication channels to listen carefully to the voice of every employee. Employees can provide feedback to the Company through interviews, meetings, websites, email, bulletin boards, employee suggestion boxes and other diversified channels. During the Reporting Period, the Human Resources Department held a one-on-one talk with fresh graduates to address their questions and concerns and help them better transition from students to employees.

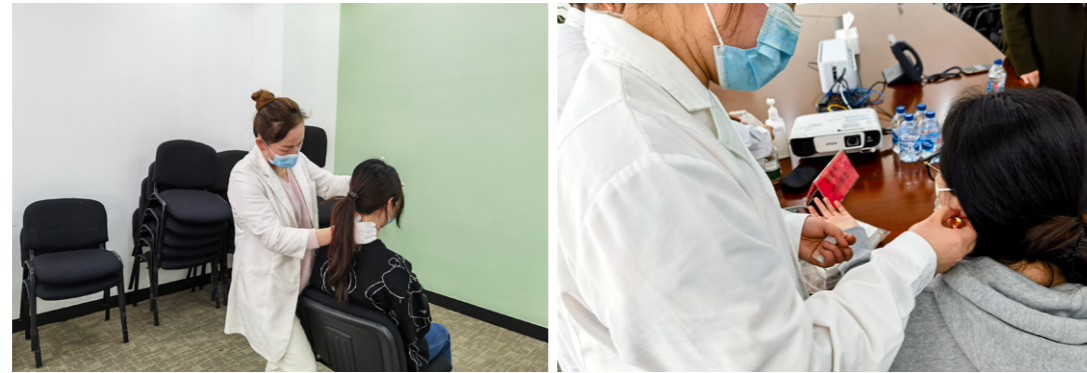
The Company also organizes regular employee satisfaction and dedication surveys to understand the needs of our employees and improve our internal management. During the Reporting Period, we also innovatively conducted an annual survey on employee incentive factors to gain an in-depth understanding of what employees consider to be effective and important incentives, and established a database on employee incentives based on the results of the survey, which provided guidance for the Company to continually improve our incentive offering.



▲The results of the survey on employee incentive factors

Employee Care

We always give priority to employees' physical and mental health. The Company has provided its employees with a well-developed infrastructure, including gyms, mother and baby rooms, lounges and employee dormitory, as well as a variety of nutritious meals to meet their health needs. The Company also provides free medical check-ups for employees, with a variety of programs to choose from. During the Reporting Period, we arranged health and wellness activities for our employees during work breaks, aiming to help them alleviate work fatigue and safeguard the health of our employees.



▲Shoulder and neck massages

▲Auricular-plaster therapies



▲Gym

▲Mother and baby room



▲Lounge

▲Employee dormitory

In addition, Will Semiconductor focuses on taking multiple initiatives to provide safety in the daily diet of its employees. The Company has developed a canteen supplier selection system to select suppliers that can continuously meet the Company's quality standards. At the same time, we develop the Standard Operating Procedure (SOPs) for food safety control and make every effort to ensure the food safety of employees through daily kitchen inspection, quarterly central kitchen audit, incoming inspection of raw materials, third-party testing of tableware and food safety training for operators. We also provide employees with a variety of dining options, which are continuously optimized according to employee preferences and enhance employee happiness under the premise of ensuring employees' comprehensive nutritional intake.



Abundant Meal Options

Provide breakfast, lunch and dinner, and offer heat-relieving dampness-removing dishes or nutritious and warm foods as the seasons change, update the dishes constantly, so as to ensure a nutritionally balanced diet.

Conduct canteen satisfaction surveys to understand the needs and preferences of employees, and adjust the taste of dishes based on their feedback.

Initiate meal card redemption activities for food courts and F&B stores around the office to increase the choices and variety of meals available to employees.



▲The cafeteria's new dishes

▲Seasonal specialty food

Meanwhile, to care for the mental health of each employee, Will Semiconductor sponsors an Employee Assistance Program (EAP) in various regional office. The EAP program provides a 24-hour psychological service hotline to all employees and their immediate family member. Full-time psychological support is also available. During the Reporting Period, we conducted a number of seminars and training sessions on the themes of self-develop-ment and self-care and relationships to help our employees strengthen their attention to themselves, relationships and enjoy a happy life.

We sincerely appreciate every employee's contribution to Will Semiconductor. During the Reporting Period, ONMIVISION USA held the Company's anniversary celebration and awarded trophies to the employees who have grown together with the Company over the years. We sincerely thank them for their contribution and dedication to the Company. At the same time, the Company updated the *Management Measures for Employee Retirement*. We awarded retirement trophies to retired employees, and organized farewell activities to express the Company's sincere gratitude and respect for their years of hard work and contribution.

OMNIVISION®

EAP心理沙龙

OH卡发现未知的自己

OH卡是来自德国的心理图画投射卡牌

如果你对心理团体活动感兴趣，想在游戏中舒缓压力，如果你对潜意识充满好奇，想要自我探索。让专业咨询师带你发现未知的自己..... 直觉，联想，跟潜意识对话，认识自己，认识同事。

沙龙活动：

- 热身舒压 好玩有趣的放松游戏
- 价值观游戏 探索自我/团体价值观
- 创造性故事 故事接龙/我的故事/创造性故事

日期：2023年6月13日，周二，13:30-15:30
地点：上海张江豪威园区，Shanghai room,1F
报名：扫码或点击海报链接，报名截至6月8日

名额有限，先到先得（仅供40席位）

带领咨询师：高瑛
亚太EAP中心特聘讲师；OH卡执行师授证导师；NLP企业教练；IFSHC美国注册催眠治疗师；国际IAGC生命教练；埃里克森心理教练

EAP咨询预约热线 400-058-1018
注 6-8月暗号：小荷才露尖尖角

▲Poster for the on-site salon "Discovering the Unknown Self"

OMNIVISION®

亲密关系的秘密

爱情常常和我们期望的不一样，维护亲密关系又总是那么不容易，等我们进入了婚姻又觉得关系有点索然无味..... 我们一直想有所改变，但最后总是无力接受现状。也许是时候重修亲密关系这门课了，一起来参加EAP心理课堂吧！

课程内容

理解亲密关系发展阶段	<ul style="list-style-type: none"> 亲密关系五阶段 五阶段中的主要议题
了解影响亲密关系因素	<ul style="list-style-type: none"> 影响关系的主要因素 如何处理和应对
如何应对亲密关系危机	<ul style="list-style-type: none"> 亲密关系危机识别 如何建设性的应对危机，促进亲密关系发展

日期：2023年8月18日，周五，13:30-15:00
方式：Zoom线上
(报名后zoom直播链接将在课前发送)
报名：请在8月16日前扫码，或点击海报链接
注意：报名后请在项目内完成【培训前调研】

讲师：胡姚蕊
亚太EAP中心特聘讲师；国际家庭治疗协会（IFTA）会员；中国心理学会临床组会员；DMT舞动治疗师；国际注册催眠师；国家二级心理咨询师

如果您有任何心理困扰，欢迎使用EAP心理咨询
注 6-8月暗号：小荷才露尖尖角
豪威集团EAP员工关爱项目
EAP咨询预约热线 400-058-1018

▲Poster for the online themed lecture "Intimate Relationships"



▲Trophies awarded to employees who have worked for the Company for 25 years



▲Retirement trophy

Case

Retirement party

During the Reporting Period, we organized a retirement party for a retiring employee. She had been with the Company since 1997, spending 26 years of her career with the Company. Through the party, we not only wished her the best of luck in her new stage of life and showed our appreciation for the unforgettable journey she has spent with every employee and her contributions to the company.



▲Retirement party

Employee Activities

We regularly sponsor various employee activities to increase collaboration and team cohesion. The Company has also organized various associations of interest, such as basketball club, badminton club, yoga club, and football club. We have also held photography competitions, choirs, seasonal events, onboarding welcome parties, and birthday parties to enrich employees' lives and to grow team spirit. At the same time, we organize a variety of activities in our overseas offices to create a healthy and positive working atmosphere and enhance employ-ees' sense of happiness and belonging.



▲Basketball game



▲Yoga activities



▲Onboarding welcome parties and birthday parties of Shenzhen Office



▲Badminton club



▲Photography club



▲Onboarding welcome parties and birthday parties of Beijing Office



▲Singapore Office enjoys the Spring Festival



▲Football club



▲Choir




▲Outdoor game day activities of Singapore Office





Work Safety and Occupational Health

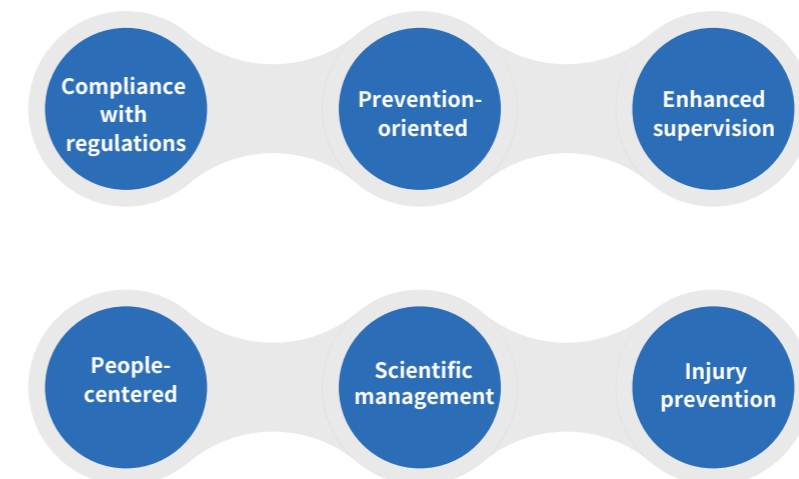
Will Semiconductor is committed to providing a healthy and safe working environment for employees. The Company has been making efforts in supervision and management of work safety. We actively identify and prevent occupational health and safety risks, and effectively protect the health and safety of employees. In addition, we regularly organize various emergency drills and training sessions for employees, aiming to enhance their safety awareness and skills, reduce the potential impact of emergencies, and build a safe enterprise.

Target and Review 	
2023 Targets	2023 Targets Review
1. Number of major accidents for each BU is 0	There were no major accidents in each BU nor minor and serious injuries to employees
2. Encourage employees' voluntary participation in health promotion activities	Organized first-aid training and other activities to help employees improve their safety and health skills
3. Continue to arrange employee safety training programs with an attendance rate $\geq 80\%$	Organized various fire drills, evacuation drills, chemical spill training, etc. to enhance employees' safety awareness and practical skills
4. The correction rate of hazard tracking team in safety checks will reach 95%	The correction rate of hazard tracking in safety checks reached 97%

Ensuring Work Safety

Work safety is an important responsibility and obligation of Will Semiconductor. We fully implement the *Work Safety Law of the People's Republic of China* and the laws and regulations of other regions or countries where we operate. We have developed and implemented internal systems such as the *Safety Inspection Management Regulations* to create a safe working environment.

Work safety is essential for the stable development of a company. It is also an important guarantee for the safety and health of employees. The Company has established an emergency response team. We ensure work safety during operations through standardized processes and maintenance and regular inspections of facilities.



▲Work safety policy

Safety Areas	Work Safety Measures
Build a safety emergency response team	<ul style="list-style-type: none"> Formulate the <i>Fire Emergency Plan</i> and other emergency plans for various accidents and establish an emergency response team Inspectors from various departments implement and promote relevant measures to ensure work safety The plant central control room monitors the plant power system 24 hours a day to respond to emergencies timely
Regulate work safety processes	<ul style="list-style-type: none"> Strictly regulate the storage, warning, collection, and treatment of hazardous chemicals Formulate strict construction control procedures for high-risk operations such as fire operation and crane operation
Maintain work safety facilities	<ul style="list-style-type: none"> Clearly stipulate the key points and frequency of safety inspections Regularly maintain fire protection facilities and equipment, and ensure that escape exits are marked Conduct annual inspections of special equipment and renewal of related licenses, and carry out annual inspections such as annual elevator inspections, lightning protection tests, and annual fire protection inspections Equip with self-contained breathing apparatus, walkie-talkies, chemical protective clothing, and other emergency equipment
Implement regular work safety inspection	<ul style="list-style-type: none"> Conduct daily fire inspections by security guards and monthly safety inspections by the EHS Department to identify and rectify potential safety risks Conduct monthly inspections of fire safety facilities and special inspections of flood control material safety Conduct targeted supervision in terms of self-inspections and cross inspections of the departments according to different office scenarios (laboratory business departments, Facility and Equipment Management Departments, areas of concentrated population in the park, canteens, etc.), and comprehensively identify safety hazards Follow up risks and hazards identified during work safety inspections, and confirm the completion of improvement measures Summarize and sort out common safety issues, and provide timely training to relevant departments to reduce similar incidents

We have developed the *Contractor Management Procedures* and other policies for contractors, lessees, and construction contractors entering the campus. These are designed to improve our management. During the Reporting Period, we updated the *Regulations on Safety Management of Construction Contractors* and the *Regulations on Safety Management of Special Operations*, and developed a comprehensive management system that includes plan review before work, supervision and spot checks during work, and safety acceptance and departure after work. We also required suppliers to obtain corresponding licenses, wear protective equipment, and apply for relevant approvals when carrying out hazardous operations, thus ensuring the operation safety throughout the entire process. In addition, we also regularly conduct annual safety lectures for long-term suppliers and those with whom we have a long and stable partnership, and require them to sign relevant safety commitments.



▲Shanghai Healthy Enterprise

Thanks to the Company's unrelenting efforts in work safety, OmniVision Semiconductor, a subsidiary of Will Semiconductor, was awarded the "2022 Safe Company" in Songjiang District, Shanghai and the "Shanghai Healthy Enterprise" during the Reporting Period.

Protecting Occupational Health

Will Semiconductor strictly abides by 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*. We are committed to protecting the occupational health and safety of employees. We have set up a dedicated Environment, Health and Safety (EHS) Committee and formulated the *EHS Committee Management Regulations* to implement a top-down occupational health management. At the same time, we continue to identify, control, and prevent occupational health and safety risks in our daily operations, aiming to create a safe and healthy workplace for employees in all aspects. The Company's subsidiary OmniVision Semiconductor has obtained ISO 45001 Occupational Health and Safety System Certification.



Risk Identification

- Pre-evaluate occupational hazards of new projects, and identify existing occupational hazards for new processes and new chemicals.
- Regularly invite third-party organizations to conduct occupational health and safety assessments.



Risk Control

- Set occupational hazards warning signs.
- Conduct pre-job, in-job and off-job health check-ups for employees engaged in jobs with occupational hazards, establish occupational health monitoring records conduct regular occupational health and safety training for employees, and provide chemical hazard awareness training for employees in chemical operation positions.
- 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.



Risk Prevention

- Provide emergency rescue and accident ventilation facilities at the production sites, and place first-aid kits in eye-catching locations in the office area to facilitate employees to cope with emergencies.

▲Occupational health protection measures

To raise awareness of occupational health and safety among employees, we conduct various fire drills, special exercises, and themed training every year, providing practical occupational health and safety knowledge and skills to prevent sudden accidents from occurring.

Comprehensively Enhance Employees' Occupational Health Awareness

Fire drills

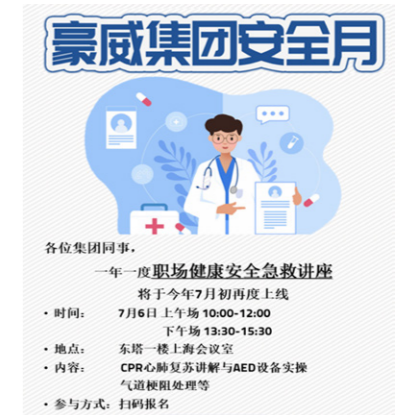
The Company regularly conducts fire drills to ensure employees are familiar with the fire evacuation and escape routes, and master the use of fire extinguishers and other fire-fighting equipment, so as to improve the fire safety awareness and professional skills of all employees.



▲Fire drill scene

Themed training

The Company invites internal and external professional lecturers to carry out various special themed trainings such as EHS training for new employees and workplace health first-aid lectures. We also discuss and share hot issues with employees to enhance their safety awareness.



▲Workplace health first-aid seminar



▲Onboarding EHS training for new employees

▲Automated External Defibrillator (AED) training

Special exercises

The Company conducts evacuation drills, chemical spill drills, and water jetting procedure drills to build employees' safety awareness and capabilities in response to various hazardous situations.



▲Evacuation training

▲Chemical spill drill

▲Water jetting procedure drills

▲Emergency response drill for people trapped in an elevator due to malfunction

▲Bus evacuation emergency drill

Community Dedication and Charity

Enterprise is a member of society, and society is the fertile ground on which the enterprise prospers. Will Semiconductor is committed to becoming a responsible corporate citizen. We actively engage in community building, care for the vulnerable groups in society, and encourage employees to participate in public welfare education, contributing to comfort, joy and inclusion in the community.

Caring for Vulnerable Groups

Will Semiconductor keeps a close eye on the needs of vulnerable groups in society and organizes employees to participate in public welfare and charitable activities, bringing care and warmth to those in need. During the Reporting Period, we cooperated actively with public welfare organizations locally and abroad, providing material and moral support to disadvantaged children, children in welfare institutions, and disaster affected groups through practical actions.

Case

“Accompany with love” public welfare program

“Uncle-Long-Legs Mailbox” project is a national public welfare project aimed at providing spiritual companionship for the disadvantaged and migrant children. In April 2023, relying on this project, the Company called on caring volunteers to accompany rural disadvantage children and urban migrant children through letters, supporting their mental health, and providing them with companionship and support.



▲“Accompany with love” public welfare program

Case

Volunteer activities in Shanghai Guangci Welfare House for Disabled Children

The Company has been supporting Shanghai Guangci Welfare House for Disabled Children (hereinafter referred to as “Guangci Welfare House”) for six years. In June 2023, we organized a charity event with the theme of “Love Games and Amusement Parks” for Guangci Welfare House. The event includes five game activities where employees can participate in the “Love Challenge” by purchasing charity event tickets or donate directly to contribute to their care. The event attracted a total of 321 participants, and raised RMB 11,687.88 for daily operations of Guangci Welfare House.

In addition, the Company organized 12 volunteers to visit children at Guangci Welfare House during the Reporting Period. We also donated RMB 22,000 to purchase 5 air conditioners and supplies towards for the care and support of the children.



▲Volunteer activities in Guangci Welfare House

Case

Spreading love and making Christmas wishes come true



▲Wishing Tree Activity promotional poster

The Family Giving Tree, founded in 1990, is the largest holiday gift and backpack donation program in California, USA. The Company works with the Family Giving Tree annually during the Christmas holiday season, aiming to fulfil the Christmas wishes of children, families and the elderly facing challenging financial conditions. In November 2023, we donated thoughtful Christmas gifts to economically disadvantaged children and elderly in the San Francisco Bay Area of California, allowing them to feel the concern and care of the community.

Case

Humanitarian aid for earthquake-stricken areas in Turkey

On February 6, 2023, a magnitude 7.8 earthquake struck Turkey, causing serious casualties and displacement due to lack of living necessities. The Company extended a helping hand as soon as possible, allocating disposable items, tents, sleeping bags, supplies and providing temporary shelter for the disaster-stricken population and improve their living conditions. We have donated more than 1,000 items to support the rebuilding and recovery of the community.



▲Living necessities donation for the Turkey earthquake

Dedication to Public Welfare Education

Will Semiconductor actively engages in public welfare education, bringing hope and educational support to poor students in need through multiple channels and funding. During the Reporting Period, we provided high-quality reading resources to rural primary schools through book donations, as well as academic support and living subsidies to poor students. Through these efforts, we aim to support the aspirations of students and cultivate qualities of self-improvement in them, playing the role of an advocate for education.

Case

Sharing children's books, sharing love

With the theme of "Share Children's Books, Share Love", the children's book donation program is a large-scale public welfare activity. It aimed to recycle children's books and donate and raise funds for new books for rural primary schools in underdeveloped areas. In October 2023, by collecting high-quality idle books from employees, the Company donated 988 volumes of children's books and RMB 1,976 to the Jiuxian Primary School in Baijia Town, Wan'an County, Ji'an City, Jiangxi Province. We hope that the circulation of books can open a window to the world for rural children and encourage the reuse of resources.



▲Children's book donation campaign

Case

Education assistance activities in Chongming District, Shanghai

In promoting education and social equity, supporting poor students is a fundamental task and a key part of education equity. We continue our support for 5 outstanding impoverished students in Miaozhong Village, Chongming District, Shanghai. In December 2023, 7 employee volunteers visited Miaozhong Village and communicated with the students, helping them in their lives and study to the best of our ability. In this activity, we offered scholarships and winter supplies worth RMB 18,000 to 5 poor students, and received gratitude from the students and the village committee secretary.

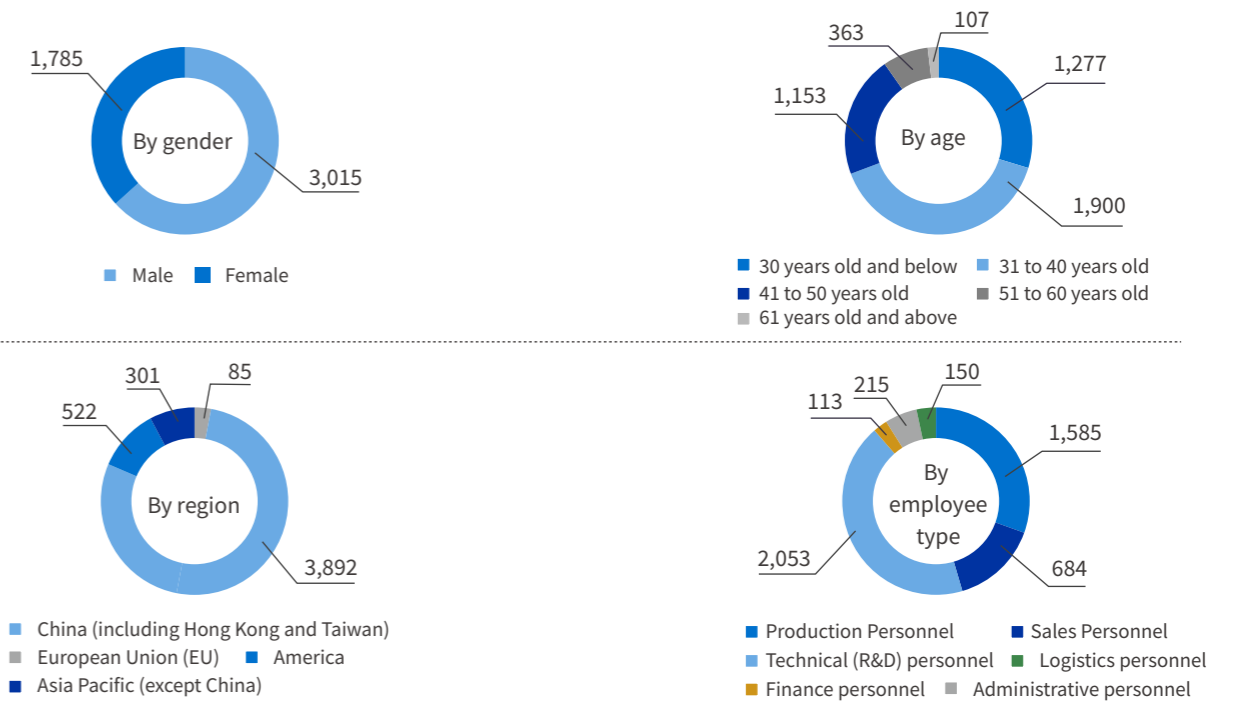


▲Education assistance activities in Chongming District, Shanghai

Social KPIs

Employee diversity

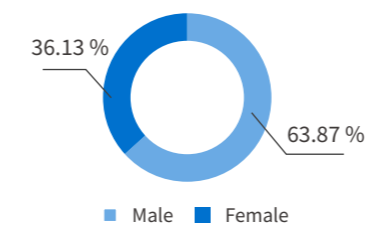
Total number of employees: 4,800 person



Employee turnover rate 1: 7.53%

Talent training and development

Percentage of trained employees by gender²



Average training hours per employee by gender³



Recordable injuries⁴
9 person

High-consequence work-related injuries
0 person

Work-related fatalities
0 person

Notes:

- Employee turnover rate = Number of employees who left during the Reporting Period / (Total number of employees at the end of the Reporting Period + Total number of employees at the beginning of the Reporting Period). The number of employees who left only includes voluntarily resigned employees.
- Percentage of trained employees = Number of employees in that category who received training during the Reporting Period / Total number of employees who received training.
- Average training hours per employee = Total training hours for employees in that category during the Reporting Period / Total number of employees in that category.
- The 9 individuals recorded in work-related injuries were all involved in commuting accidents, not accidents occurring during production or operational activities.



05

Environmentally Friendly and Practicing Green Operations

A good ecological environment is essential for sustainable economic and social development. Will Semiconductors continuously monitors and controls the impact of its operations on the environment with practical action, aiming to build an environmentally friendly enterprise. Adhering to the principle of green operation, we achieve energy conservation and carbon reduction through measures such as use of clean energy and energy-saving renovations. At the same time, while ensuring compliant emissions of exhaust gas, wastewater, and waste, the Company actively promotes the recycling and recovery of water resources and waste, and manages its own impact on the environment. In addition, we promote the concept of green office among our employees in their daily work and encourage them to actively participate in environmental protection in their lives, jointly contributing to environmental protection.

- ◎ Response to Climate Change
- ◎ Protecting the Environment Together
- ◎ Advocating Green Office
- ◎ Environmental KPIs

Response to Climate Change

The importance of addressing and adapting to climate change has become a scientific priority as the global warming continues. Will Semiconductor actively responds to the national goal of “carbon peaking by 2030 and carbon neutrality by 2060. Following the requirements of stakeholders and customers, we continuously promote carbon inventory, carbon target setting, energy conservation and carbon reduction through responsible corporate practices. In addition, we continue to enhance our adaptability to climate change, and prepare for intensified physical risks through diverse measures, making us more resilient to climate impacts.

Promoting low-carbon transition

Will Semiconductor actively supports and contributes to the transition of the global economy to the low-carbon development. The Company’s subsidiary OMNIVISION USA submitted a commitment letter to the Science Based Targets Initiative (SBTi) during the Reporting Period and will complete its science-based targets setting by 2025. Through continuous improvement in energy management, energy-saving renovation, and expansion in clean energy applications, we are committed to reducing carbon emissions from our operations and contributing to global carbon reduction.

We are aware that chip manufacturing is a resource-intensive industry. Therefore, in addition to focusing on greenhouse gas emissions generated by its own operations, Will Semiconductor also pays continuous attention to the carbon emissions of the supply chain, and gives priority to cooperating with leading suppliers in greenhouse gas emission reduction. In this way, we reduce the Company’s Scope 3 carbon emissions and build a low-carbon supply chain to ensure a stable and resilient supply chain.

Increasing Energy Efficiency

We 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. We actively promote the certification of energy management systems, and standardize the continuous improvement of energy management in major operating sites. The energy consumption of Will Semiconductor mainly comes from the use of electricity, and the Shanghai Songjiang Park and Shanghai Zhangjiang Park are the main sources of energy consumption for the Company. OmniVision Semiconductor and OmniVision Optoelectronics, subsidiaries of Will Semiconductor in Songjiang Park, have passed the ISO 50001 Energy Management System Certification, further promoting energy management standardization.



▲OmniVision Semiconductor’s ISO 50001 Energy Management System Certification



▲OmniVision Optoelectronics’ s ISO 50001 Energy Management System Certification

To further promote energy conservation and carbon reduction, we continuously improve and increase energy efficiency in our own operations. During the Reporting Period, Shanghai Songjiang Park implemented a series of energy-saving management measures, including but not limited to adjusting the operation mode of air compressors, shutting down the plant system during holidays, and adjusting the lighting and air conditioning modes in the office area. In this way, a total of 421.6MWh of electricity was reduced, and the annual completion rate of energy-saving plan reached 102%. At the same time, we have also implemented a number of energy-saving renovation measures at Shanghai Zhangjiang Park to further optimize the Company’s energy consumption management.

Intelligent Transformation of Cooling Tower

During the Reporting Period, we converted the cooling towers at Shanghai Zhangjiang Park from manual start and stop to automatic start and stop using a frequency modulation control system based on changes in external ambient temperature. This effectively saved 14,153kWh of energy.

Energy-saving Lamp Transformation

During the Reporting Period, we continued to upgrade office lighting with energy-saving lamps, replacing more than 180 lamps in total, actively promoting sustainable development practices and effectively reducing energy consumption and carbon emissions.

Optimization of Warehouse Constant Temperature and Humidity System

We carried out the warehouse cooling and humidification optimization and adjustment project in 2022, and it continued to produce economic effects during the Reporting Period. It saved electricity costs of more than RMB 0.3 million, with an estimated annual energy consumption of 10,779 kWh.

Installation of Subdivision Meters

During the Reporting Period, we installed sub-metering systems in the Park to conduct fine electricity consumption management on different floors and functional areas, and to more accurately monitor and record the electricity consumption of different floors and functional areas. This laid a solid data foundation for future targeted energy-saving renovations.

▲Energy-saving measures of Shanghai Zhangjiang Park

Optimizing Energy Structure

On the basis of continuous improvement in energy efficiency, we actively promote the use and substitution of clean energy. We provide employees with more green commuting options to continuously reduce greenhouse gas emissions generated during operations and employee commuting, thus contributing to a low-carbon future.



Exploring the Use of Clean Energy

- During the Reporting Period, Shanghai Songjiang Park continued to expand its building rooftop photovoltaic facilities, generating a total of 1,935.38MWh of electricity throughout the year, of which 248.46MWh was generated by the newly-built photovoltaic power facilities, in order to reduce indirect greenhouse gas emissions generated by energy consumption.

Practicing and Encouraging Green Commuting



- During the Reporting Period, all of the Company's shuttle buses in the Chinese mainland were electric buses;
- Companies in Shanghai Zhangjiang Park, Shanghai Songjiang Park, and Zhejiang Shaoxing Park have introduced electric vehicle charging piles in their own parks to provide employees with more sustainable travel solutions;
- Shanghai Zhangjiang Park continues to monitor and collect information on employees' way and frequency of travel, and other factors to effectively monitor carbon emissions from travel and encourage employees to choose more environmentally friendly modes of transportation;
- We encourage flexibility in meeting forms to reduce unnecessary air travel.



▲ Rooftop photovoltaic power generation at Shanghai Songjiang Park

Addressing Physical Risks

Extreme weather caused by climate change has become one of the biggest risks facing the world today. Will Semiconductor has been paying close attention to extreme weather disasters. We actively enhance the resilience and sustainability of its operations through multiple measures. We have formulated internal policies such as the *Emergency Plan for Natural Disasters* and the *Special Emergency Plan Against Typhoon and Flood*. To deal with extreme weather such as typhoons, thunderstorms, and extreme cold and hot, we have developed the *Emergency Plan for Freezing, Rain and Snow Weather* and the *Emergency Plan for Thunderstorm and Typhoon*, among others. These plans clarify the response process and division of duties, improve response efficiency, and guarantee the safety of lives and property of the Company and our employees.

Typhoon and Flood



- During the period of high typhoon risks, monitor the typhoon trend in real time, initiate corresponding emergency plans based on the typhoon level, and take the following measures: stop all outdoor operations, clean up debris in low-lying areas such as roofs, floors, and rainwater wells; close charging piles, reinforce doors and windows, mobilize corresponding emergency equipment for preparation; reduce or stop the frequency of security outdoor inspection, etc.;
- Regularly carry out typhoon and flood disaster weather drills to enhance employees' awareness of disaster prevention and self-rescue capabilities.



Extreme Cold or Heat



- Initiate the emergency plan for extremely cold weather, install insulation cotton for outdoor fire hydrant equipment units to prevent freezing, and close the basement roller shutters when necessary to prevent freezing and bursting of pipelines;
- Regularly carry out heat stroke emergency drills to improve employees' awareness of heat stroke symptoms and prevention, and reduce the impact of extremely hot weather on daily operations.

Countermeasures against extreme weather



Protecting the Environment Together

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 *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Waste*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*. At the same time, we have developed internal systems such as the *Environmental Operation and Waste Management Measures*, striving to constantly reduce the impact of our operations on the environment.

Will Semiconductor's emissions mainly come from the Shanghai Songjiang Park where its subsidiaries OmniVision Semiconductor and OmniVision Optoelectronics are located. The Park has successfully obtained the ISO14001 Environmental Management Systems Certification.



▲OmniVision Semiconductor's ISO14001 Environment Quality Management System Certification



▲OmniVision Optoelectronics's ISO14001 Environment Quality Management System Certification

Waste management

Will Semiconductor continues to strengthen the standardized management of various types of waste. Non-hazardous solid waste is classified and uniformly treated by qualified recycling companies. For hazardous waste, the Company has developed an annual hazardous waste management plan and entrusted professional disposal companies to regularly remove and legally treat this waste. At the same time, we also require contractors to classify and dispose of waste according to relevant national laws, regulations and contract requirements to avoid secondary environmental pollution. In addition, we set up waste collection containers at designated locations in our office, which are divided into non-recyclable, recyclable, dry and wet and hazardous waste. Relevant signs are also posted to enhance employees' awareness of waste sorting. We entrust qualified suppliers to recycle the recyclable waste generated by the office. During the Reporting Period, we continued to refine our waste management process and added the following highlights:



Hazardous Waste Management

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

During the Reporting Period, Shanghai Zhangjiang Park and Songjiang Park added digital identification codes and OR codes to hazardous wastes in accordance with the *Technical Specification for Setting Identification Signs of Hazardous Waste* issued by the Ministry of Ecology and Environment of the People's Republic of China. We used IoT technologies such as electronic tags for information management to achieve "one object, one code", effectively improving the efficiency of hazardous waste management and ensuring its safe disposal and traceability.

During the Reporting Period, the Shanghai Zhangjiang Park added a new system document entitled *Responsibility for Pollution Prevention and Control in Hazardous Waste Rooms*, which detailed the classification and storage of hazardous waste and related prevention and control responsibilities. At the same time, we have developed the *Hazardous Waste Zoning Sign*, and posted clear signs in the hazardous waste warehouse at the Park to further improve the standardization and visibility of hazardous waste management.



Non-hazardous Solid Waste Management

Mainly including general industrial solid waste and domestic waste

We encourage our employees to go paperless and use electronic forms for approval. During the reporting period, Shanghai Songjiang Park used Manufacturing Execution System (MES), an electronic alternative to text recording forms, and the use of dust-free paper decreased by 30% year-on-year.

▲Waste management measures of Shanghai Zhangjiang Park and Songjiang Park

Water Resource Management

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 actively explore and carry out water-saving and water recycling measures to improve water resources utilization efficiency and reduce sewage discharge in the operation process.

 Case

Wastewater reuse measures of Shanghai Songjiang Industrial Park

The Shanghai Songjiang Industrial Park is committed to maximizing the water resources to achieve sustainable management. During the Reporting Period, we explored various technologies and practices related to wastewater reuse. A total of 155,917 tonnes of water were reused, with an average annual wastewater reuse rate of about 60%:

Dicing wastewater reuse:

Dicing wastewater can be used for cooling towers and toilet water after being treated by immersion ultrafiltration technology and reverse osmosis membrane technology, to minimize the demand for tap water. During the Reporting Period, the recycling rate of dicing wastewater at Shanghai Songjiang Park reached 80%;

Recycling of grinding and cleaning wastewater:

Wastewater from the grinding and cleaning processes is pretreated through chemical precipitation, ultrafiltration, and other technologies, and then further treated using reverse osmosis membrane technology. It can be used to supply equipment or processes that require purified water. During the Reporting Period, the reuse rate of grinding and cleaning wastewater at Shanghai Songjiang Industrial Park was 55%;

Reuse of high-salt (RO) wastewater:

RO concentrated water is a kind of organic wastewater with complex composition, high insolubility and high salt content. During the Reporting Period, the reuse rate of RO concentrated water reuse system at Shanghai Songjiang Park reached 65%, effectively reducing water resource consumption and wastewater discharge.

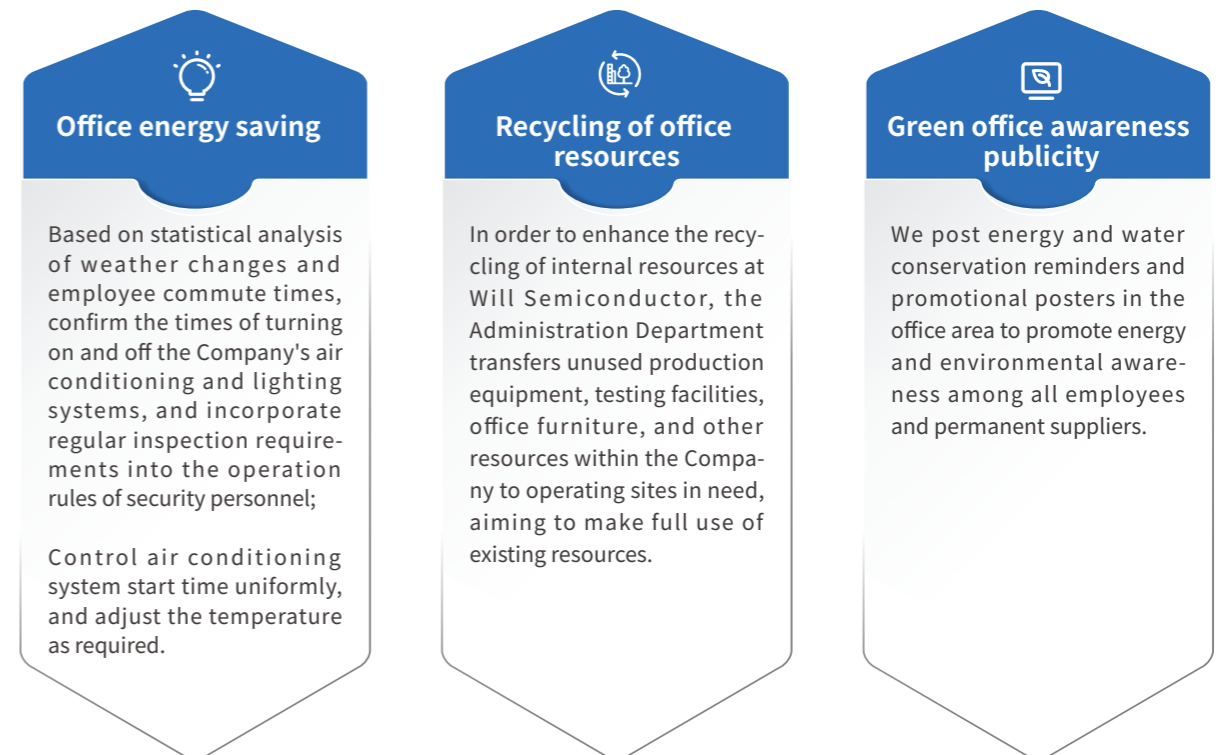
For non-recyclable wastewater, we have designated a special area within the park as a wastewater treatment station. During the Reporting Period, we adjusted the sampling frequency of on-line monitoring under flow conditions in accordance with the *Technical Specification for Operation of Wastewater On-line Monitoring System (HJ 355-2019)*, increasing from once every 2 hours to once every hour. This enhances the monitoring of wastewater and ensures that it is treated to meet standards before being discharged into the municipal sewage network for uniform treatment. We have developed a self-monitoring program to ensure that the quality of wastewater discharged meets relevant standards, and regularly invite qualified third-party monitoring agencies to conduct comprehensive monitoring of wastewater discharge. During the Reporting Period, a new wastewater treatment station and a wastewater treatment system were built in Shanghai Songjiang Industrial Park, further expanding the wastewater treatment capacity.

Regulating Exhaust Gas Emission

In terms of exhaust gas emissions management, we use activated carbon adsorption towers filter exhaust gas, and the gas that meets emission standards is discharged through pipes from the roof. The Company regularly invites third-party testing agencies to test exhaust gas, and upload the results of third-party environmental monitoring to the pollution source monitoring data release platform. During the Reporting Period, the Company's exhaust gas emissions during operation were in line with relevant national laws and regulations.

Advocating Green Office

Practicing the concept of green office, Will Semiconductor is committed to raising employees' awareness of energy conservation and environmental protection. We actively control the energy use of office air conditioning and lighting systems, and redistribute idle resources between operating sites to improve resource utilization in the office process. In addition, the Company carries out activities such as environmental protection day, to encourage employees to start from more obvious things around them with the goal of protecting the earth through a low-carbon, green and circular office and lifestyle.



▲ Highlights of green office initiatives



▲ post energy and water conservation reminders

Case

Case: "Circulation of Everything" Activity

From April 19 to 28, 2023, Will Semiconductor's R&D offices in Shanghai, Beijing, Shenzhen, Wuhan and other places jointly held an environmental protection day activity named "Circulation of Everything". During the event, we introduced the positive environmental benefits of resource recycling to employees by showing related knowledge about recycled products, recycled paper, plastic bottles and milk cartons, as well as data on energy conservation and emission reduction. In the Shanghai Zhangjiang Park, we also added five garbage cans made from 1,788 recycled and compressed milk cartons. This demonstrated the recycling of waste and resources. In addition, during the event, we also collaborated with third party organizations to encourage employees to place unwanted books and clothing on the recycling platform. A total of more than 100 old clothes and 300 books were collected, allowing employees to actively participate recycling.

Book Recycling

- Each recycled book is handled properly. Genuine books of better quality and condition are examined, cleaned, disinfected, and go through other processes before being returned to circulation as used books.
- Irreparable and unsuitable books are uniformly collected, centrally handled, outsourced for processing, and pulped for regeneration, so as to achieve sustainable reuse of resources.

Clothing Recycling

- The supplier carefully sorts and classifies every single item of used clothing collected, and handles it through three main steps: environmental regeneration, used clothing export, and environmental remanufacturing.
- After the clothing is recycled, participants will receive environmental certificates and Ant Forest energy to encourage employees to actively participate in green environmental protection activities.



▲ "Circulation of Everything" activity

Environmental KPIs

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

KPI	2023	2022	2021
Total energy consumption (MWh)	77,864.45	65,063.08	52,899.21
Direct energy consumption (MWh)	3,037.14	3,339.21	2,720.38
Indirect energy consumption (MWh)	74,827.31	61,723.87	50,178.83
Energy consumption intensity (MWh per capita)	16.22	13.06	11.77
Total GHG emissions (tCO ₂ e)	34,074.90	27,276.74	22,304.23
Direct GHG emissions (Scope 1) (tCO ₂ e)	613.38	674.39	549.41
Indirect GHG emissions from energy consumption (Scope 2) (tCO ₂ e)	33,461.52	26,602.35	21,754.82
GHG emission intensity (tCO ₂ e per capita)	7.10	5.48	4.96
Water consumption (tonnes)	353,600.67	250,511.39	232,268.40
Water consumption intensity (tonne per capita)	73.67	50.30	51.70

Notes:

1. The 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.
2. During the Reporting Period, the Company made calibrations and optimizations to energy-related data, and recalculated the energy consumption data for the year 2022.
3. Due to the comprehensive resumption of office and production, as well as the addition of new projects and acquisitions of factories, there was a certain increase in the total amount and densities of energy consumption, greenhouse gas emissions, and water usage during the Reporting Period compared to 2022.
4. The main categories of applicable energies include natural gas used for offices and factories (direct energy) and electricity purchased (indirect energy).
5. Content 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. Greenhouse gas emissions in Scope 2 were calculated based on the latest national average CO₂ emission factor for electricity, as announced in the *Announcement on the Release of the 2021 Carbon Dioxide Emission Factors for Electricity by the Ministry of Ecology and Environment and the National Bureau of Statistics*. Additionally, we recalculated the data for 2021 and 2022 based on the latest national average carbon dioxide emission factor for electricity. The greenhouse gas emissions from purchased electricity from overseas sources were calculated using the electricity emission factor published by the International Energy Agency in 2023.

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	117,487.00	133,694.00	Comprehensive Standard for Wastewater Discharge (DB31/199-2018)	N/A
		Chemical oxygen demand	14.86	46.00		
		Ammonia nitrogen	1.53	4.05		
Exhaust gas	Organized Emissions	VOCs	1.11	4.35	Comprehensive Standard for Atmosphere Pollutant Emissions (DB31/933-2015); Pollutant Discharge Standard for the Semiconductor Industry (DB31/374-2024)	N/A

GRI Index

Chapter	GRI Index
About This Report	2-2, 2-3, 2-26
Message from the Chairman	2-22
About Us	2-1, 2-6, 2-16, 2-18, 2-19, 2-20
Response to Sustainable Development Goals	/
1 Robust Governance for Sustainable Development	
1.1 Corporate Governance	2-9, 2-18, 2-19, 405-1
1.2 Integrity and Compliance	205-1, 205-2
1.3 ESG Governance and Strategy	2-12, 2-13, 2-16, 2-19, 2-22, 2-23, 2-24, 2-29, 3-1, 3-2, 3-3
2 Constantly Innovation for Reliable Products	
2.1 Technological Innovation	302-5
2.2 Quality Control	416-2
2.3 Information Security	418-1
3 High Synergy for Building a Thriving Ecosystem	
3.1 High-quality Customer Service	416-2
3.2 Sustainable Supply Chain	308-2, 414-2
4 People-oriented for Creating Value Together	
4.1 Talent Attraction and Reserve	2-30, 405-1, 406-1, 407-1, 408-1, 409-1
4.2 Employee Development and Cultivation	404-2, 404-3
4.3 Employee Benefits and Care	401-2, 401-3
4.4 Work Safety and Occupational Health	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
4.5 Community Dedication and Charity	203-1
4.6 Social KPIs	2-7, 401-1, 404-1, 405-1
5 Environmentally Friendly and Practicing Green Operations	
5.1 Response to Climate Change	201-2, 302-4, 302-5
5.2 Protecting the Environment Together	303-2, 306-1, 306-2, 306-4
5.3 Advocating Green Office	302-4, 303-2
5.4 Environmental KPIs	302-1, 302-3, 303-3, 303-4, 305-1, 305-2, 305-4, 306-3

Feedback from Readers

Thank you for reading the Environmental, Social and Governance Report 2023 of Will Semiconductor. In order to provide stakeholders with valuable information and improve the Company's ability and performance in fulfilment 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:
