

2022

SUSTAINABILITY REPORT

WUHAN FINGU ELECTRONIC TECHNOLOGY CO.,LTD.



Summary of Report

This report is the first social responsibility report released by Wuhan Fingu Electronic Technology Co., Ltd. (sz002194). The report provides a comprehensive overview of the company's sustainable development efforts in the areas such as environment, society, and governance for the year 2022. It meticulously presents the company's corporate social responsibility practices and their progress in a systematic manner.

Report Period

This report is an annual report, with the same time span as the annual report released by Wuhan Fingu Electronic Technology Co., Ltd., which is from January 1, 2022 to December 31, 2022.

This report partially relies on the investigation of project continuity or factors that have significant impact, which may involve tracing back or extending forward.

Scope of Report

This report covers the social responsibility performance of Wuhan Fingu Electronic Technology Co., Ltd. and its main subsidiaries, specifically including:

- Ezhou Fujing Electronic Technology Co., Ltd.
- Xianning Jinzhan Electronics Co., Ltd.
- Wuhan Fingu Ceramic Materials Co., Ltd.
- Wuhan Finguxin Electronics Technology Co., Ltd.
- Wuhan Device Technology Co., Ltd.,
- Wuhan FINGU Electronic Vocational and Technical School

Explanation of Reference

Unless otherwise stated, in this report:

- "Fingu Electronics", "Fingu", "Company" or "We" are all abbreviations for Wuhan Fingu Electronic Technology Co., Ltd.
- "SZSE" is the abbreviation of Shenzhen Stock Exchange.
- "ESG" is an abbreviation for "Environmental, Social, and Governance".

Data Source

The data utilized in this report have been derived from the raw data of the company's actual operations, public data sourced from government departments, annual financial data, and pertinent internal statistical statements.

This report's financial data is in RMB. If there is any discrepancy with the company's published annual report, the annual report shall prevail.

Reference Standard

This report has been prepared in accordance with the requirements of the "Self-Regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies No. 1 - Business Processing (Revised in February 2023)" and "Self-Regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies No. 1 - Standardized Operation of Main Board Listed Companies".

This report also uses the GRI (Global Reporting Initiative) standards issued by the GSSB (Global Sustainability Standards Board) as a reference for preparation.

Acquisition Method

This report is published in both Chinese and English electronic versions. Readers can visit <http://www.fingu.com> for more information.

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Manager's Address



Looking back at 2022, a series of black swan events such as supply chain reconstruction and the Russo-Ukrainian war have created an unprecedentedly complex and turbulent international political and economic environment. At the industry level, global 4G and 5G networks have continued to be built synchronously, with overall stable development, and the number of operators investing in 5G networks has been continuously increasing. According to statistics from the Global Mobile Suppliers Association (GSA), as of the end of 2022, 515 telecommunications operators from 155 countries and regions worldwide are investing in 5G.

On the domestic front, the Chinese government has issued a series of policy documents, such as the "14th Five-Year Plan for the Development of the Digital Economy", to accelerate the construction of 5G. It has proposed the comprehensive deployment of next-generation communication network infrastructure,

including 5G, gigabit fiber optic, IPv6, mobile Internet of Things, and satellite communication networks. It also has emphasized forward-looking preparations for 6G network technology and has increased support for 6G technology research and development.

Guided by these policies, China's 5G construction has been accelerated in 2022, gradually extending coverage from urban areas to towns and rural areas. By the end of 2022, the total number of mobile communication base stations in China has reached 10.83 million, with a net increase of 870,000 throughout the year. Among them, there were 2.312 million 5G base stations, with 887,000 newly built 5G base stations during the year, accounting for 21.3% of the total number of mobile base stations and an increase of 7 percentage points compared to the end of the previous year.

The aforementioned network investment and construction have had a positive impact on the company's performance during the reporting period. In 2022, the company adopted a proactive development strategy in a complex and ever-changing environment, continuously creating value for society, customers, and partners.

I. Focus on the main business and collaborate closely with customers

In 2022, the company has persisted in its main focus strategy and deepened its involvement in the RF filter industry. It has integrated various disciplines and professional technologies required by the industry (such as electronics, mechanics, and ceramic materials) in depth. It has also conducted in-depth cooperation with domestic and foreign partners, fully leveraging synergies, innovating product solutions, constructing a flexible, high-quality, and efficient supply chain, and quickly seizing market share. While consolidating its competitive advantage in 4G, it has also seized the development opportunities brought by 5G.

II. Increase investment in research and development, upgrade product iterations, and achieve breakthroughs in new business

In 2022, the company has continued to implement the strategy of technological leadership, carrying out product iteration and development of new products to meet the customized requirements of different customers. The company focuses on wideband technology, multiple-transmitter multiple-receiver technology, adjustable filter technology, and sheet metal filter technology. It has established multiple research and development teams in different fields, overcoming challenges from design to production, ensuring a high pass rate, and setting industry benchmarks.

In terms of microwave products, the company has further expanded the range of microwave antennas, cooperating with customers to develop larger aperture antennas, wideband antennas, and multi-frequency antennas with higher levels of customization, achieving full coverage of product families and corresponding growth in production and sales. At the same time, the company has successfully delivered microwave adjustable filter technology with independent intellectual property rights in bulk to customers. The company has also overcome various design process bottlenecks and technical difficulties in the E-band series products, achieving mass production and delivery.

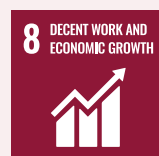
In terms of AFU, the company's relevant product technology and quality have been highly recognized by customers, resulting in a significant increase in the number of AFU projects undertaken by the company (including various categories of antenna products such as FDD, TDD, Massive MIMO, etc.).

In the field of ceramic materials, with the establishment of a new professional team, investment in high-end precision instruments and equipment, and the construction of new production workshops, the development and application capabilities of ceramic materials have been further improved. The company has achieved significant results in various material systems, including precision structural ceramic materials, ceramic materials for chip packaging, and conductive pastes.

2022 was extraordinary, and 2023 will be full of hope. The National Industrial and Information Technology Work Conference held at the beginning of the year emphasized the need to accelerate the construction of 5G and gigabit optical networks in 2023, initiate the construction of "broadband frontier" and comprehensively promote the research and development of 6G technology. On March 5, 2023, Minister of Industry and Information Technology, Jin Zhuanglong, pointed out that the 5G network needs to have broader coverage and deeper penetration. China plans to build and open 600,000 new 5G base stations within this year.

Looking ahead to the future, the company will continue to fully implement its development strategy targeting the global market, and strive to become a world-class comprehensive RF service provider. Simultaneously, the company will enhance its strategic vision, diligently implement the principles of green development, foster technological innovation, and remain committed to fulfilling its social responsibilities. Throughout its operations and business growth, the company will place great importance on ensuring safety, conserving energy, reducing emissions, protecting the environment, and safeguarding the rights and interests of shareholders, customers, suppliers, and employees. By prioritizing the well-being and harmony of its employees, society, and the environment, the company will strive to promote stable and sustainable growth, thereby contributing to a globally harmonious ecology and sustainable development.

General Manager 



About Fingu Electronics

Company Profile

Wuhan Fingu Electronic Technology Co., Ltd. (hereinafter referred to as the "Company") was formerly known as Wuhan Fingu Electronic Technology Research Institute, established on October 20, 1989. The company mainly engages in the research and development, production, sales, and service of RF devices and RF subsystems. The main products are filters, duplexers, and RF subsystems, which are used in 2G, 3G, 4G, 5G, and other communication networks. The company's headquarters is located in Wuhan, with offices in the United States, Sweden, Finland, Shanghai, Guangdong, and other places.

The company was listed on the Shenzhen Stock Exchange on December 7, 2007 (stock code: 002194). The company upholds the corporate tenet of

"pursuing excellence, striving for perfection, fostering technological innovation, serving the communication industry, demonstrating diligence and perseverance, and contributing to the advancement of the country's industry". It embraces the corporate philosophy of "compliance with laws and regulations, demonstrating diligence and responsibility, fostering equality and friendship, and promoting harmony and unity". Additionally, it adheres to the management philosophy of "integrity and honesty, courageously taking responsibility, maintaining incorruptibility, utilizing wisdom wisely, caring for employees, and dedicating itself to society", actively seeks to integrate its corporate development with fulfilling social responsibilities and is dedicated to becoming a world-class comprehensive RF service provider.

Corporate Culture

Vision

To become a world-class comprehensive RF service provider

Mission

Serving the communication industry, and contributing to the advancement of the country's industry

Philosophy

Compliance with laws and regulations, demonstrating diligence and responsibility, fostering equality and friendship, and promoting harmony and unity

Tenet

Pursuing excellence, striving for perfection, fostering technological innovation, serving the communication industry, demonstrating diligence and perseverance, and contributing to the advancement of the country's industry

Management Philosophy

Integrity and honesty, courageously taking responsibility, maintaining incorruptibility, utilizing wisdom wisely, care for employees, and dedicating itself to society

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Company Development History/Key Events Table

1989	The predecessor of the group company, Wuhan Fingu Electronic Technology Research Institute, was established, focusing on research and development as well as production in the field of wireless antenna products. This marked the beginning of Fingu's arduous entrepreneurial journey from scratch.
1994	Entering the field of RF devices, it took more than 5 years to complete all the processing procedures of RF devices and gradually develop new products. The product structure of the company underwent significant changes, gradually evolving from a single RF device to multiple related products, and the company began to take shape.
1996	The company completed the development of another batch of new products and gained a larger market and development space. It began to make a name for itself in the field of RF devices, attracting a multitude of customers and becoming a long-term strategic supplier for them. The company's scale reached new heights.
2000	The company obtained ISO9001 certification for its strict production process and excellent product quality. In the same year, the company successfully completed the research and development as well as delivery of a new batch of products.
2001	The company successively established wholly-owned subsidiaries such as Fujing Electronics, Device Electronics, and Jinzhan Electronics. Supporting production bases were built and put into operation in Liufang, Jiangxia, Ezhou, and Xianning. The vertically integrated supply system began to take shape, propelling its development into the fast lane.
2005	In accordance with the overseas customers' requirements for hazardous substance management, the company implemented RoHS management to align its production standards with international standards. In the same year, the company collaborated with renowned international brands and gradually became their upstream supplier.
2007	After years of development, the company was listed on the Shenzhen Stock Exchange. The funds raised by the company were invested in the integration and processing of the Tiankui system, the expansion of research and development centers and electronic production, the isolator module industry, and internal informationization construction, which accelerated the company's development pace.
2012	The company established automation and ceramic materials subsidiaries, expanding the variety of products and initially forming a diversified development pattern with a combination of production, sales, and research. The company mainly focused on the mobile communication electronics industry, with various other businesses as supplementary, and aimed for global development.
2014	The company established automation and ceramic materials subsidiaries, expanding the variety of products and initially forming a diversified development pattern with a combination of production, sales, and research. The company mainly focused on the mobile communication electronics industry, with various other businesses as supplementary, and aimed for global development.
2017	The company underwent a significant overhaul of its product line division and organizational structure, with a primary focus on customer dimensions. This comprehensive adjustment involved product structure refinement, streamlining processes, optimizing products, and enhancing management efficiency. As a result, the company experienced a gradual reduction in monthly losses. However, this also led to a slowdown in overall development.
2018	The company took multiple measures to adjust its operations and management, including the implementation of the MF product line, the introduction of strategic investors, and collaboration with China Mobile 5G Innovation Center. By the end of that year, the company began to turn losses into profits.
2019	The company achieved mass production of its 5G products.

Main Products and Services

The company has a complete filter industry chain, which builds an integrated competitive advantage in the industry chain. This not only shortens the product's technical preparation and manufacturing cycle, accelerating the response speed to customers, but also adapts to the industry's customization characteristics, meeting customers' personalized needs. The company provides high-quality, fast-response, and highly flexible product manufacturing services, enhancing the stickiness of core customers.

The company has established a customer-centered management model with a core focus on quickly responding to customer needs, and is committed to building a win-win cooperation model with customers.

The company's products are mostly customized for customers, with a wide variety and fast update speed. To this end, the company has established the SAP system to monitor the entire process of business operations, establish a business analysis database, and provide production organization and market management data quickly and accurately, in order to achieve scientific and refined operation of production organization, supplier management, and customer relationship maintenance. During the reporting period, the company's customer relationships have been comprehensively improved and enhanced, and it has received praise and recognition from customers multiple times.



Company Size and Influence

In 2022, the company's total operating revenue was 2,073,142,300 yuan, an increase of 235,619,000 yuan compared to the previous year, with a growth rate of 12.82%. Among them, domestic sales revenue increased by 93,910,400 yuan, with a growth rate of 8.14%, and export sales revenue increased by 141,708,600 yuan, with a growth rate of 20.71%. The operating profit was 275,639,300 yuan, an increase of 14.19% compared to the previous year. The total profit was 275,280,900 yuan, an increase of 16.25% compared to the previous

year. The net profit attributable to shareholders of the listed company was 276,260,500 yuan, an increase of 21.32% compared to the previous year. The company's financial condition is good. As of the end of 2022, the total assets of the company amounted to 3,448,795,400 yuan, representing a growth of 15.44% compared to the beginning of the year. The owner's equity attributable to the shareholders of the listed company amounted to 2,707,990,300 yuan, representing a growth of 16.97% compared to the beginning of the year.

The company's total operating revenue is

2,073,142,300yuan

The total assets of the company amounted to

3,448,795,400yuan

Company Honor

Honors received by the company in the past three years

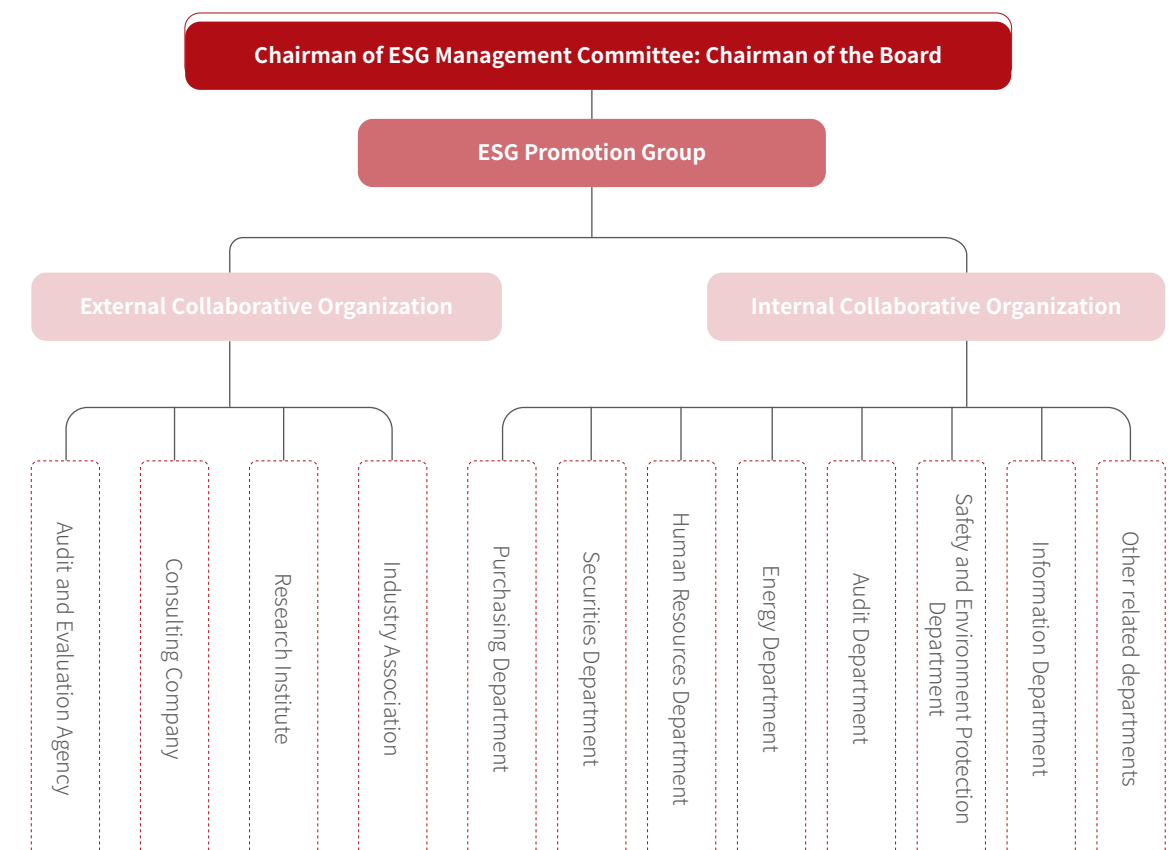
Year of Award	Name of Award	Awarding Organization
2020	Excellent Organization for Safety Production	Jiangxia District People's Government
	5G Industrial Internet Joint Innovation Laboratory	Hubei Province Industrial Internet Industry Alliance
	Top 100 Private Enterprises in Wuhan	Wuhan Federation of Industry and Commerce
	Top 50 Private Manufacturing Companies in Wuhan	Wuhan Federation of Industry and Commerce
	Member Organizations of Wuhan Industrial Internet Industry Alliance	Wuhan Industrial Internet Industry Alliance
	High-tech Enterprise	Department of Science and Technology of Hubei Province, Hubei Provincial Department of Finance
	Hubei Province 5G Fully Connected Digital Factory Demonstration Organization	Next Generation Internet Access System National Engineering Laboratory
	Demonstration Enterprises of Invisible Champions in Segments of Pillar Industries in Hubei Province	Department of Economy and Information Technology of Hubei Province
2021	Excellent Enterprise	East Lake New Technology Development Zone Safety Production Committee
	3551 Optics Valley Talent Plan	Management Committee of Wuhan East Lake High-tech Development Zone
	Top 100 High-tech Enterprises	Department of Science and Technology of Hubei Province
	Advanced Trade Union	Wuhan East Lake High-tech Development Zone, Optical Valley Optoelectronic Information Industry Park General Trade Union
2022	Outstanding Contribution from Private Enterprises of Wuhan City	Wuhan City's Leading Group for the Breakthrough Development of the Private Economy
	High-tech Enterprise	Department of Science and Technology of Hubei Province, Hubei Provincial Department of Finance
	National Enterprise Technology Center	National Development and Reform Commission
	Hubei Province Specialized and Innovative "Little Giant" Enterprise - Fingu Ceramic	Department of Economy and Information Technology of Hubei Province

Social Responsibility Management

Sustainable Governance Framework and Practice

Fingu Electronic has always been committed to balancing economic goals and social responsibilities as part of its development policy. The company embraces the new development concept of "innovation, coordination, green, openness, and sharing", and upholds the ESG governance policy of "scientific governance, green and low-carbon, harmonious and healthy, responsible procurement." With the aim of becoming a world-class comprehensive RF service provider, Fingu Electronic aligns its efforts with the United Nations Sustainable Development Goals (SDGs) and takes into account the concerns of stakeholders. This approach allows the company to establish a sustainable development strategic system that encompasses three key dimensions: environment, society, and governance.

The company has established an ESG Management Committee, led by the Chairman of the board. This committee holds the crucial responsibility of overseeing and managing all aspects of the company's sustainable development initiatives. The ESG Management Committee has set up an ESG Promotion Group to implement specific requirements for ESG governance and carry out related activities. Within the company, the ESG Promotion Group coordinates the securities, audit, human resources, procurement, safety and environmental protection, energy, information, and other departments according to their respective responsibilities, and promotes the company's sustainable development work under the unified leadership of the ESG Management Committee. At the same time, the ESG Promotion Group is responsible for contacting research institutions, consulting firms, audit and evaluation agencies, industry associations, and other external organizations, continuously improving the company's ESG management level through the introduction of external empowerment.



Communication with Stakeholders

The expectations of stakeholders are important considerations in formulating ESG strategies and optimizing ESG management. The company identifies stakeholders and their key areas of concern through various methods. Based on our own business characteristics and drawing on the experiences and practices of our peers, we have identified the main stakeholders, including government and regulatory agencies, employees, shareholders and investors, customers, partners, and the general public.

Identification of Stakeholders	Main Stakeholders	Issues of Concern	Communication Channels and Methods
Government and regulatory agencies	Various levels of regulatory authorities for securities, environment, market, taxation and so on	<ul style="list-style-type: none">• Compliance operation• Tax payment according to law• Emission management• Community and public welfare	<ul style="list-style-type: none">• Institutional investigation• Accepting supervision• Participating in relevant meetings• Information disclosure
Employees	Company employees	<ul style="list-style-type: none">• Talent development and retention• Employee rights and benefits• Occupational health and safety• Diversity and equality• Corporate documents	<ul style="list-style-type: none">• System release• Internal platform for online communication• Employee training• Employee activities• Trade unions and mass organizations• Employee satisfaction survey
Shareholders and investors	Investors who engage in equity and debt investments in the company	<ul style="list-style-type: none">• Financial performance• Corporate governance• Risk management• Technology and innovation• Return on investment	<ul style="list-style-type: none">• Shareholders' meeting• Information disclosure• Online communication• Reception day event
Customers	Organizations purchasing or using the company's products	<ul style="list-style-type: none">• Intellectual property protection• Business information security• Product and service quality• Business ethics and anti-corruption• Sustainable supply chain• Greenhouse gas reduction• Conflict minerals management	<ul style="list-style-type: none">• Daily communication and visits• Customer complaints and follow-up visits• Technical exchanges• Monthly, quarterly, and annual meetings• Customer satisfaction surveys
Partners	Suppliers and Contractors	<ul style="list-style-type: none">• Sustainable supply chain• Transparent procurement• Supplier management• Greenhouse gas reduction• Conflict minerals management	<ul style="list-style-type: none">• Daily communication with suppliers• Supplier investigation and audit• Supplier training and empowerment• Annual supplier conference
Community and general public	Non-governmental organizations, social groups, media, etc. in the surrounding community	<ul style="list-style-type: none">• Community and public welfare• Climate change and greenhouse gas reduction• Emission control and resource utilization• Environmental protection	<ul style="list-style-type: none">• Community activities• Communications and interviews• Information disclosure

The company highly values communication with stakeholders and establishes and continuously improves communication mechanisms with stakeholders, in order to respond to their demands in a timely manner through regular communication. The company's communication channels with stakeholders include proactive information disclosure, press conferences, online and offline meetings, face-to-face meetings, online interactions, interviews, surveys, on-site investigations, etc.

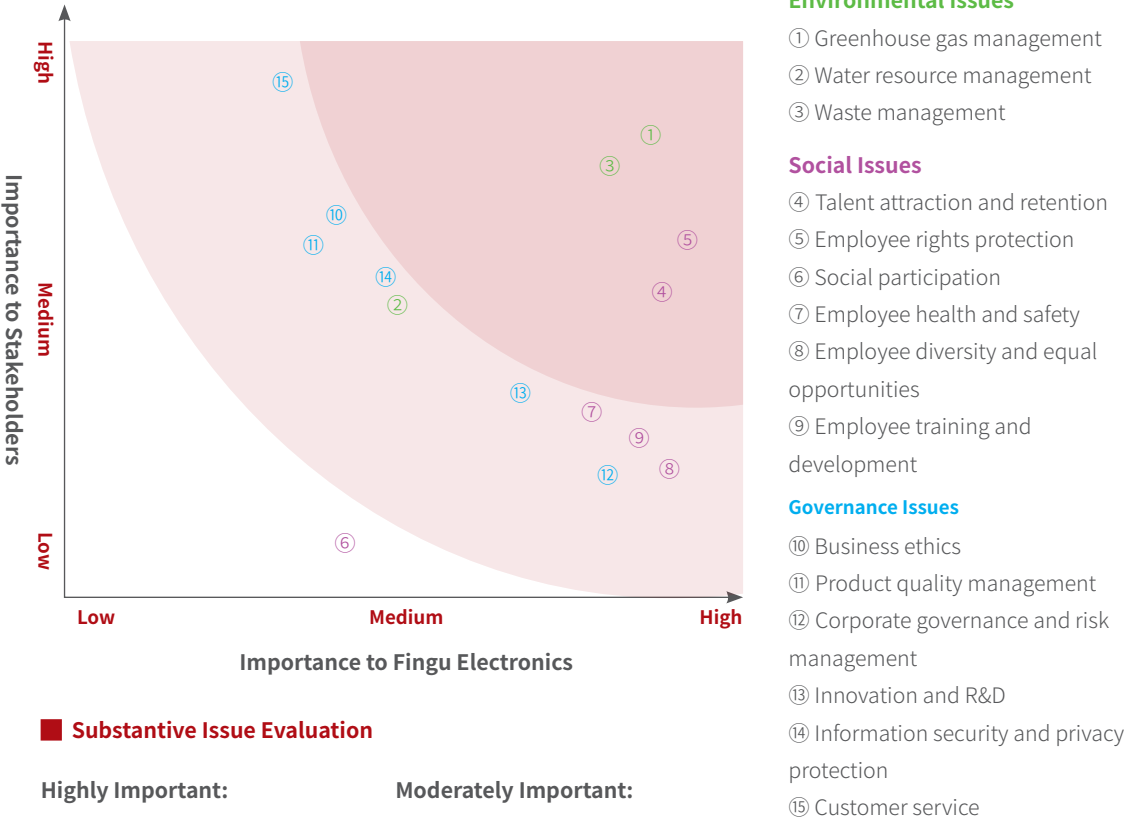
The company strictly complies with relevant laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, as well as regulatory norms and requirements such as the Guidelines for the Governance of Listed Companies and the Rules of Shenzhen Stock Exchange Governing the Listing of Shares. The company has formulated and implemented regulations and systems for investor relations management and information disclosure management. While fulfilling its information disclosure obligations in accordance with the law and regulations, the company maintains timely and effective communication with investors.

In 2022, the company disclosed 98 announcements on designated information disclosure media such as the China Securities Journal, and actively strengthened communication and contact with investors through dedicated telephone

lines, public email, the Shenzhen Stock Exchange Interactive Easy Platform, and online performance briefings. During the year, the company held the 2021 online performance briefing through the "Wuhan Fingu Investor Relations" mini-program and participated in activities such as the 2022 Hubei District Listed Companies Investor Reception Day and the 2021 performance briefing organized by the Hubei Securities Regulatory Bureau, engaging in online communication with investors on issues concerning the company's development strategy, corporate governance, and operational performance. The company places significant emphasis on delivering returns to its shareholders, and the profit distribution plan for 2022 is as follows: a cash dividend of 3.00 yuan (tax included) per 10 shares will be distributed to all shareholders, with a total cash dividend amount of approximately 205 million yuan (tax included).

Substantive Issue Assessment

The company has conducted a thorough analysis of ESG governance issues, taking into account its unique business and operational characteristics, as well as national and industry policies. Additionally, the company has drawn upon ESG governance practices both domestically and internationally. Furthermore, the company has utilized the GRI substantive issue analysis method to assess the significance of ESG governance issues. This evaluation has been conducted through a comprehensive business review, while also considering the opinions and expectations of stakeholders.



Substantive Issue Evaluation

Highly Important:

- Greenhouse gas management
- Waste management
- Talent attraction and retention
- Employee rights protection
- 可持续采购

Slightly Important:

- Social participation

Moderately Important:

- Water resource management
- Employee health and safety
- Employee diversity and equal opportunity
- Employee training and development
- Business ethics
- Product quality management
- Corporate governance and risk management
- Innovation and R&D
- Information security and privacy protection
- Customer Service

Scientific Governance Standardized Operation

18/Corporate Governance
24/Internal Control System

20/Honesty and Integrity in Business
25/Information Security



Corporate Governance

"Compliance with laws and regulations" is the fundamental principle that Fingu Electronics adheres to in corporate governance. Based on comprehensive corporate governance standards and systems, Fingu Electronics is committed to continuously improving business strategies and policies to enhance corporate value, striving to increase operational transparency and accountability. The company strives to continuously improve its governance structure to effectively assess, supervise, and adjust the company's operations and management.

The company strictly follows the "Company Law of the People's Republic of China", "Securities Law of the People's Republic of China", "Guidelines for the Governance of Listed Companies" and other relevant laws, regulations and regulatory requirements, and has established a modern corporate organizational system consisting of the Shareholders' Meeting, Board of directors, Board of Supervisors, and management level, "three boards and one level", building a clear and well-regulated corporate governance mechanism.



◎ Shareholders' Meeting

The shareholders' meeting exercises major decision-making matters within the scope stipulated in the "Articles of Association", such as business policy and investment plan decisions, director elections and remuneration matters, deliberation of work reports of the Board of Directors and the Board of Supervisors, deliberation of significant asset disposals, and amendments to the "Articles of Association".

In 2022, the company held a total of 3 shareholders' meetings, all convened by the board of directors. Voting and deliberation were conducted through a combination of on-site and online voting, with witnessing lawyers present on-site and providing legal opinions; the proposal review complied with legal procedures, ensuring that all shareholders have the right to know, participate, and vote on major company matters, enabling them to fully exercise their legitimate shareholder rights.

◎ Board of Directors

The company's board of directors consists of 9 directors, of which 3 are independent directors. The board of directors, in accordance with the "Articles of Association" and within the scope of authorization granted by the shareholders' meeting, decides on matters such as the company's external investments, asset acquisitions and sales, asset mortgages, entrusted financial management, and related party transactions.

In 2022, the company held a total of 7 board meetings and approved multiple proposals, including the "Proposal on Appointment of the Company's President (General Manager)" and "Proposal on Supplementing Directors". The board of directors as a whole is committed to fulfilling their duties with integrity, loyalty, diligence, professionalism, and due diligence, in the best interests of the company and shareholders, effectively safeguarding their legitimate rights and interests.

The Strategic Committee, Audit Committee, Nomination Committee, and Salary and Performance Evaluation Committee, which are subordinate to the board of directors, are specialized working bodies established by the Board of Directors in accordance with resolutions of the shareholders' meeting. The Strategic Committee is primarily responsible for studying and providing recommendations on the company's long-term development strategy and major investment decisions. The Audit Committee is mainly responsible for communication, supervision, and verification of internal and external audits of the company. The Nomination Committee focuses on the selection, criteria, and procedures for directors and senior management personnel. The Salary and Performance Evaluation Committee is primarily responsible for establishing assessment criteria for directors and managers of the company and conducting assessments. In 2022, the main tasks carried out by the company's various specialized committees include:

The Strategic Committee conducted research and made recommendations on the company's 2022 business plan and the cancellation of follow-up investments for a certain project;

The Audit Committee deliberates on the audit work reports and work plans submitted by the company's internal audit department every quarter, audits the company's internal control situation, and issues the 2021 annual internal control self-assessment report. It also maintains active and effective communication with the Certified Practicing Accountants conducting the annual audit and urges them to submit relevant audit reports within the agreed time limit;

The Nomination Committee deliberates on matters related to the nomination of the company's president (general manager) and director candidates, and audits the candidates' qualifications and conditions for appointment;

The Salary and Performance Evaluation Committee deliberates on the company's actual salary distribution for directors, supervisors, and senior management in 2021, the salary plan for 2022, the first grant and reserved grant portions of the 2019 stock option incentive plan's third exercise period, and the lifting of restrictions for the first restricted period of the 2021 restricted stock incentive plan.

◎ Board of Supervisors

The company's Board of Supervisors consists of 3 supervisors (with no less than 1/3 of them being employee representatives), responsible for supervising the performance of directors and senior managers, auditing documents and reports prepared by the board of directors, and providing opinions, etc.

In 2022, the company held a total of 4 Board of Supervisors meetings. The entire Board of Supervisors effectively fulfilled their responsibilities and supervised and inspected various aspects of the company's standardized operations, financial condition, and information disclosure.

Honesty and Integrity in Business

Fingu Electronics adheres to the values and corporate culture of anti-corruption and anti-bribery, and is committed to creating a company image of morality, integrity, and trustworthiness. We strive to promote the construction of a clean and transparent business society, and create a fair and just business environment.

Enhancing the Foundation of Business Ethics

Business ethics has always served as the cornerstone for the operation and growth of a company. At Fingu Electronics, we are committed to continuously reinforcing our employees' awareness of business ethics by implementing system improvements, enhancing management practices, and fostering a culture of integrity. This approach effectively guides and regulates the conduct of our employees, managers, and partners, cultivating a corporate environment characterized by honesty, integrity, transparency, fairness, reliability, compliance, and self-discipline.

In line with our unwavering commitment to ethical business practices, Fingu Electronics maintains a strict "zero tolerance" stance towards bribery and corruption. We firmly adhere to the principles of addressing both the symptoms and root causes of these unethical behaviors, implementing comprehensive governance measures, combining punishment and prevention strategies, and placing a strong emphasis on prevention. We consistently strive to promote the establishment of robust anti-corruption and anti-commercial bribery management systems, further bolstering our ethical framework.

Improvement of the System

We regard the improvement of systems as the foundation of business ethics construction. We have formulated a series of regulations and systems, such as the "Employee Handbook", "Employee Code of Conduct", "Code of Ethical Conduct for Managers", "Post Avoidance Management Regulations", and "Fair Competition and Anti-Monopoly Management Regulations." We continuously promote the improvement and enhancement of the "no corruption" system framework, forming a multi-level and comprehensive business ethics management model that runs through governance structure, departmental levels, and business levels.

We attach great importance to the management and supervision of cadres. Managers and above must undergo public scrutiny before being appointed to accept the supervision of all staff. The company regards integrity as the moral bottom line for cadres and corruption as the red line for measuring the qualification of cadres. We establish integrity files for cadres and regularly organize the Anti-Corruption Management Committee to investigate the integrity risks of key positions, strictly preventing "promotion with illness" and "taking office with illness".

We also require all employees and suppliers to sign a commitment to integrity, continuously strengthen their awareness of integrity in their work, and create a cultural atmosphere of "upholding integrity, advocating integrity, and punishing corruption". During the reporting

period, the signing rate of the "Integrity Agreement", "Employee Code of Conduct", and "Code of Conduct of Employees' Professional Ethics and External Business Activities" of Fingu Electronics was 100%.

Strict Supervision

The company has clarified the responsibilities and authorities of supervisory institutions such as the Board of Supervisors, Audit Committee, and audit department in internal supervision, establishing a multi-level supervision mechanism.

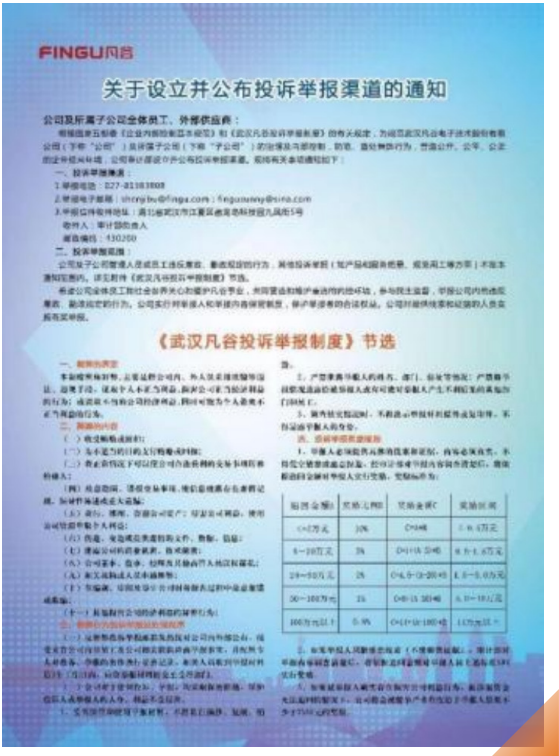
The company regards overall staff supervision as an important measure against corruption. In addition to maintaining existing channels for overall staff supervision, we have specifically created the "Voice of Employees" online platform to promote integrity and anti-corruption supervision comprehensively and at the grassroots level.

The company continuously improves the complaint reporting system by publicizing reporting phone numbers and email addresses to receive complaints and reports from employees, customers, suppliers, and other individuals regarding company employees. We protect and reward whistleblowers who provide information.



Report Phone Number: 027-81383808

Report Email: shenjibu@fingu.com



Fingu Complaint Reporting Poster



亲爱的同事：
感谢您加入凡谷集团大家庭，凡谷的发展离不开您的努力和辛勤付出，现开设《员工之声》互动留言平台，欢迎大家在此互动留言。

大家可对公司、制度、流程以及工作过程中的改善提出您的建议及意见；

留言原则
● 留言中涉及到流程制度的，需说明制度的内容，以及您的建议内容及建议原因；
● 留言中如涉及到投诉或举报内容，举报者必须遵循实事求是原则，秉承客观、尊重事实，对所留言内容负责的态度，切勿有其他不良行为；
● 留言中如涉及到遇到困难，需要协助解决，请写明具体的事件、原因及需协助事项；

留言方法
● 点击文章末尾“写留言”，输入内容提交即可。

Fingu Employee Complaint Channel

During the reporting period, the company did not receive any complaints or reports regarding business ethics. There have been no confirmed cases of corruption or bribery either.

During the reporting period, the company received 0 complaints and reports related to business ethics.

Confirmed corruption and bribery incident 0

◎ Enhancing the Quality of Education

Fingu requires all employees and third parties representing the company in business activities to comply with the laws and regulations of the country, customer anti-corruption and anti-commercial bribery requirements. The company organizes employees in positions with commercial ethics risks to learn the "Interim Provisions on Prohibition of Commercial Bribery", the "Anti-Unfair Competition Law of the People's Republic of China", and the company's "Fair Competition and Anti-Monopoly Management Regulations".

The company actively promotes integrity culture education and continuously innovates and enriches the forms and connotations of business ethics construction. We have successfully implemented integrity and internal control training, initiated the "loosening the soil" project in crucial positions, administered oaths, and obtained commitment letters from all participants. Additionally, we have effectively promoted these initiatives through dedicated columns and integrated the assessment results of integrity education and training into employees' annual evaluations. These measures have significantly enhanced the integrity consciousness of our entire workforce.

Company and Subsidiary Business Ethics Training Data Overview Table

Total number of business ethics training sessions	Total number of business ethics training participants	Average training hours in business ethics	Business ethics training coverage
47 times	3037 person-time	1.25 hours	88.93%
Business ethics training - senior management		Business ethics training - percentage of senior management personnel in number of senior management positions	
57 person-time		100%	
Business ethics training - number of employee participants		Business ethics training - percentage of employees covered	
2980 person-time		88.74%	

On July 8, 2022, the company organized a training and oath-taking event for all procurement staff to uphold integrity and honesty. This ongoing effort aims to reinforce professional behavior standards among procurement staff, guiding them to cultivate a clean heart, follow a clean path, and become clean individuals.



The employees of Fingu pledge to be honest and upright in their purchasing activities

Creating a Fair Competitive Environment

◎ Anti-Unfair Competition

Fingu Electronics actively creates a fair and just corporate environment, in accordance with the "Advertising Law of the People's Republic of China", "Anti-Unfair Competition Law of the People's Republic of China", "Several Provisions on Prohibiting Infringement of Trade Secrets" and all applicable unfair competition laws and regulations in the business location. By formulating internal rules and regulations such as the "Employee Handbook", "Employee Code of Conduct", "Code of Ethical Conduct for Managers", and "Confidentiality Management Regulations", we focus on key dimensions such as anti-bribery, anti-fraud, anti-money laundering, conflicts of interest, and unfair competition. We comprehensively regulate the business behavior of employees, suppliers, and other partners, and create a transparent and fair business environment.

The company strictly prohibits employees from using illegal means to obtain competitors' trade secrets or other confidential information, engaging in illegal intrusion, theft, eavesdropping, bribery, or stealing, publishing false or misleading advertising information, and engaging in illegal activities such as colluding with peers to disrupt market order.

In 2022, the company did not experience any legal lawsuits related to anti-unfair competition, anti-trust, and anti-monopoly.

In 2022, the company had 0 legal lawsuits related to anti-unfair competition, anti-trust, and anti-monopoly

◎ Compliant Operation

The company adheres to honest management, abides by business ethics, complies with all applicable domestic and international laws and regulations, and is committed to establishing and improving a compliance management system in the long term. Compliance management requirements cover production and operation management, various business areas, all departments, subsidiaries at all levels, and all employees. They run through decision-making, implementation, and supervision processes to enhance the company's legal and compliant operation and management level, effectively prevent and control compliance risks, and ensure the company's sustained, stable, and healthy development.

The company adheres to all applicable laws and regulations in the countries where it operates, including export control and sanction laws and regulations applicable to the United Nations, China, the United States, and the European Union. The company actively tracks changes in external laws and regulations, integrates trade compliance into its systems and processes, and achieves compliance management and supervision in various business aspects such as procurement, research and development, sales, supply, and services.

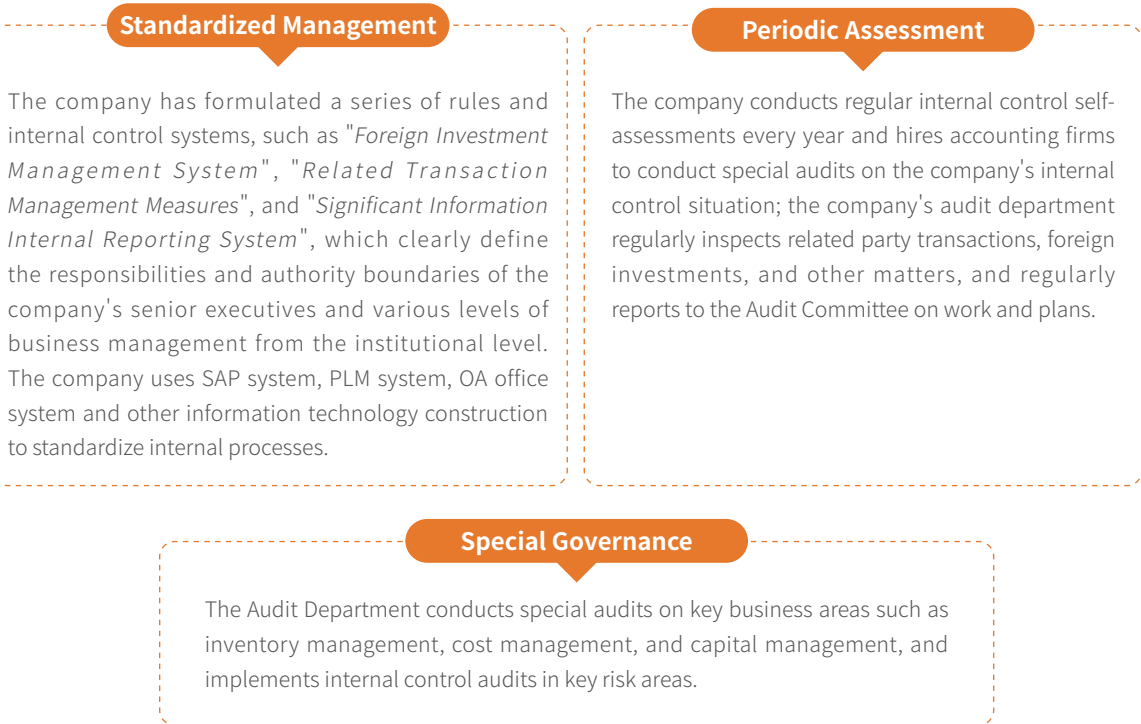
The company continuously enhances employees' trade compliance awareness and requires all employees to comply with relevant export control laws and regulations.

Internal Control System

The company attaches great importance to internal control construction and risk management. In accordance with the "Basic Norms for Enterprise Internal Control" and the "Supporting Guidelines for Enterprise Internal Control", the company integrates advanced risk management, internal control, and process management concepts, formulates and releases the "Internal Control Management Manual", and establishes a suitable, scientifically designed, and effectively operated internal control system for the company's development, promoting the standardization and normalization of the company's business.

The company's Board of Directors has established an Audit Committee, which is responsible for the organization, leadership, and supervision of internal control evaluations. The company establishes an audit department, which evaluates the company's internal control level, process control, and organizational efficiency and effectiveness through various methods such as regular project audits, special audits, daily supervision, and risk assessment. For internal control deficiencies and potential risks found during the supervision and inspection process, the audit department promptly reports to the management and the Audit Committee, and promotes relevant departments to develop action plans and follow up on rectification to ensure the effective implementation of internal controls.

The main methods of implementing internal control in a company are:



The company updates and improves its internal control system in a timely manner based on actual conditions, continuously optimizes the internal control management system, and ensures that the risk management process runs through all aspects of the company's operations and management. During the reporting period, the company carried out the risk identification and assessment work for 2022, and through a combination of qualitative and quantitative methods, identified and assessed a series of risks including market risk, supply chain risk, information system risk, and human resource risk, and formulated response strategies.

During the reporting period, the company, in accordance with the requirements of the internal control standards system, publicly disclosed the "2021 Annual Internal Control Evaluation Report."

Information Security

Fingu Electronics has established an Information Security Committee and corresponding information security management implementation framework, and formulated more than 30 internal regulations and operating procedures, including "Information Security Planning", "Confidentiality Management Regulations", "Computer and Network Data Security Management Specifications", and "Information Security Incident Management Specifications", to build a strong information security system and ensure the security of the company's information infrastructure, information application systems, products, and customer information.

The company continuously implements the goal of "zero major information security breaches, zero major information system failures, and zero business continuity interruptions". During the reporting period, no information leakage incidents occurred.

Information Security Management Measures

◎ Organization and Personnel Management

- Internal organizational management processes are established to control and inspect the construction and operation of information security.
- Information security awareness training for company employees is conducted, clearly defining their information security responsibilities in their work. The training was conducted at least every half year. Corresponding training sessions were organized in April and August of 2022.
- Confidentiality agreements have been signed with all employees, clearly stating that any confidential information obtained through work should not be taken home or to public places, and should not be disclosed to outsiders. The DPS data encryption system has been deployed in 2015 to encrypt and secure data assets, reducing the risk of information leakage.

◎ Network Access Control Management

- According to the "Information System Access Control Specifications", a clear definition of access rights management for personnel at all levels has been established, with 815 information system access applications accepted in 2022.
- Access control for network boundaries and security zones has been set up to monitor and manage network devices and network activities. Hardware firewalls have been deployed to isolate the production networks of various workshop areas, and access control for wireless production network segments has been established through MAC address admission. 171 applications have been accepted in 2022.

◎ Software Development Security Management

- Before system deployment, the management of the information center reviews, assesses, and analyzes the security requirements of the system. Based on the system coverage area, business dependency, downtime impact scope, and system operation and maintenance complexity, the system security level is determined and recorded in the "Information System Registration Form". 6 information system records have been maintained in 2022.
- Independent development environments have been established for important production-related systems, including but not limited to SAP systems, MES systems, collaborative office systems, and PDM systems. During the system deployment phase, development and production environments have been set up separately to ensure information security in the design and implementation of the information system development lifecycle.
- Code audit in the development process has been conducted, with a built-in SVN server. The code of development projects is managed within this platform, which ensures code backup, version management, traceability management, and guarantees code security. For the deployment review of code development, the development engineer submits the development requirements, and the system management engineer confirms and reviews the program configuration items for deployment one by one before officially deploying. 258 development items have been submitted for deployment review in 2022.

© Physical Security Management

- Necessary environmental protection has been provided according to the computer room level, including UPS, temperature and humidity, fire protection, and electrostatic protection.
- All computer rooms adopt regional isolation, access control systems, video surveillance, security, and other forms to prevent unauthorized activities from accessing, damaging, and interfering with the secure areas. Network equipment and servers within the computer rooms use real-time software monitoring to ensure timely detection and handling of device alarms and failures.
- According to the "Data Center Management Regulations", the computer room administrator is required to inspect the data center daily on legal working days and fill out the "Computer Room Daily Inspection Record Form". Routine weekly inspections have been conducted on all servers in the computer room and the "Computer Room Equipment Inspection Record Form" has been filled out.
- According to the user access requirements stipulated in the "Information System Access Control Specification", computer application personnel should use legal usernames, passwords or tokens, and passwords or tokens must not be disclosed to unrelated or unauthorized persons. Computers are centrally managed through the AD domain system and a high-strength password management policy is enabled: periodic changes to the operating system user passwords are mandatory, with specific requirements for password length and special characters.

The company also draws on the guiding practices of ISMS to establish systems related to network security, such as: collaborative platform role and authority adjustment specifications, industrial control computer information security management specifications, information system integration project acceptance and transfer, operation and maintenance document specifications, etc. At the same time, the company has established and has been continuously improving the information security management system and management strategy covering all aspects, fields, and processes, from basic infrastructure to network transmission to desktop terminals, from application environment to development environment to usage environment, from system requirements to system implementation to system operation and maintenance, and from data backup to permission management.

Regarding network security, a network security supervision team has been established under the leadership of the Information Security Committee to carry out daily inspections of network security. No major security risks were found during the reporting period.

During the reporting period, the company has not experienced any confirmed information security incidents.

During the reporting period,

0 major safety hazards have been discovered

During the reporting period, the company has experienced

0 confirmed information security incidents



Information Security Training

Trade Secret and Privacy Protection

Fingu Electronics pays high attention to the privacy and security of customers, employees, and itself. Guided by national laws and regulations, it has formulated a series of privacy management measures such as "Confidentiality Management Regulations" and "Information Security Incident Management Standards". We use the "Employee Handbook", "Post Avoidance Management Regulations", "Employee Code of Conduct", and "Customer Standard Management Operation Guide" to constrain employee behavior and prohibit the disclosure of partners' privacy and business information. During the reporting period, there have been no confirmed complaints involving infringement of customer privacy and loss of customer information.

The company also promotes confidentiality awareness among employees through internal training and other methods. In the event of significant matters, information management should be strengthened through measures such as reporting in accordance with the company's established "Information Communication and Internal Complaint Control Procedures" to ensure the company's standardized operation.

The company ensures the implementation of trade secret and privacy protection by signing a confidentiality agreement with its employees. For specific products or projects, targeted confidentiality agreements shall also be signed with relevant personnel, and layered and graded management shall be implemented for the signing of confidentiality agreements according to the different levels of confidentiality involved in various positions. During the reporting period, the coverage of signed confidentiality agreements has reached 100%.

During the reporting period, there have been

0 confirmed complaints involving infringement of customer privacy and loss of customer information.

During the reporting period, the coverage of signed confidentiality agreements has reached

100%



Innovation and Creation Quality Leadership

30/R&D and Innovation
33/Customer Service

32/Quality Construction
35/Sustainable Procurement

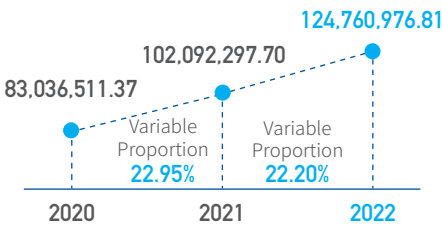


R&D and Innovation

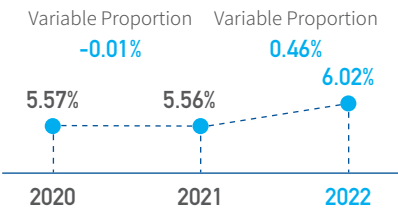
The company has always placed technological innovation in an important position for corporate development, insisting on technology-driven development. It has now formed a complete R&D system and efficient R&D mechanism, and has built a R&D team with rich industry experience and strong professional skills. During the reporting period, the company has increased R&D investment, strengthened cooperation with external research institutions, increased technical pre-research reserves, expanded product development scope, and laid a solid foundation for achieving new growth.

R&D Investment

R&D Investment Amount (Yuan)

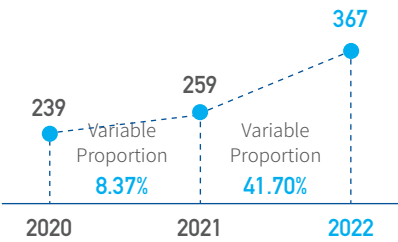


R&D Investment as a Percentage of Operating Revenue (%)

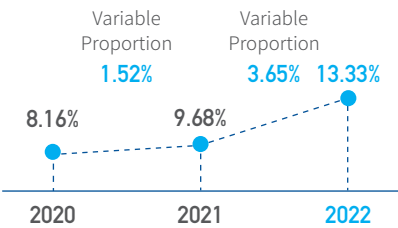


R&D Personnel

Number of R&D personnel (people)



R&D Personnel Percentage (%)



Intellectual Property

Protecting technological innovation achievements is the foundation for motivating researchers to continue innovating. Fingu Electronics strictly adheres to the "Patent Law of the People's Republic of China", "Copyright Law of the People's Republic of China", "Trademark Law of the People's Republic of China" and other intellectual property-related laws, regulations and standards, implementing a strict intellectual property protection system to protect the legitimate rights and interests of enterprises, as well as ensuring no infringement of other rights holders' legitimate rights and interests.

The company has established an intellectual property management department, formulated corporate intellectual property strategies, supervised the implementation of the system, and ensured that the company's intellectual property work is put into practice. Every year, special training on intellectual property rights is conducted for employees, particularly for the marketing department, research and development center, and company managers, to become familiar with and master knowledge of intellectual property rights laws such as patent law and trademark law. This aims to establish awareness of intellectual property rights, understand how to utilize the intellectual property rights system, make reasonable use of litigation, and fully protect the interests of the company.

While fully protecting our own intellectual property (including trademarks), we also actively take measures to avoid infringing on the intellectual property of others: our company conducts FTO investigations from the start of product planning, carries out intellectual property investigations and patent analysis at every key stage of the R&D process, and conducts intellectual property risk screening before product sales.

As of December 31, 2022, the company (including subsidiaries) holds 293 valid patents (76 invention patents, 204 utility model patents, and 13 design patents). In 2022, the company (including subsidiaries) has obtained a total of 95 patents (26 invention patents, 56 utility model patents, and 13 design patents), with an additional 42 patents in the application process.

R&D Achievements

In 2022, the company's main R&D projects are as follows:

Names of main R&D projects	Project purpose	Project progress	Objectives to be achieved
Low-cost, high-performance filter	5G macro base station main equipment project, with high performance and high reliability, meeting the three-dimensional and wide area coverage requirements of mobile communication systems for signal transmission; adopting multi-channel integrated solution, meeting the technical requirements of communication systems for large capacity data communication; effectively reducing TCO.	Some new product prototypes are in the small batch stage, while others are in the large batch production stage	Optimal cost International leading position
Broadband filter	The globally mainstream SUB6G wide dual-frequency and three-frequency base station project has high integration and high performance, effectively saving site addresses and feeder resources, significantly reducing the construction cost of operators' networks. Having low loss, high power, and high reliability, adopting a wide-frequency multi-channel integrated solution, it can meet the technical requirements of communication systems for high-capacity data communication.	Some new product prototypes are in the small batch stage, while others are in the batch production stage	International leading position
High-performance dual-band 5G AFU	The world's first mass-produced dual-band 5G metal AFU product, featuring a 64-channel MIMO antenna and metal filter multi-channel integrated solution, offers low cost, high performance, and high reliability advantages, meeting the technical requirements of communication systems for large-capacity data transmission.	Some new product prototypes are in the small batch stage, while others are in the batch production stage	International leading position
Adjustable filter	We have mastered the core technology of adjustable filters, successfully implementing the electrical adjustment function of filters. We have achieved significant breakthroughs in multiple SUB6G and mainstream microwave frequency band adjustable filters, meeting the coverage requirements for various application scenarios in communication systems.	Some new product prototypes are in the small batch stage, while others are in the batch production stage	International leading position
5G ceramic filter	The product is small in size, light in weight, low in cost, high in performance, and highly reliable, meeting the technical requirements of communication systems for high-capacity data communication.	Currently in batch production	International leading position
Ceramic tube shell	By adopting the HTCC co-firing process, the ceramic packaging tube shell meets the high-performance and high-reliability requirements of customers. The project is mainly used for packaging in aerospace, optical communication, infrared laser devices, and other fields.	Some new product prototypes are in the small batch stage, while others are in the batch production stage	Domestic leading position
Ceramic substrate	Mainly used in the fields of optical communication heat sink substrates, automotive electronics, aerospace, and so on.	Currently in the sample stage	Domestic leading position
5G microwave big data return products	Microwave E-band products, with wide bandwidth, high precision, high thermal conductivity material application, and high-performance microwave device integration, meet the high-performance application requirements of large data return.	Some new product prototypes are in the small batch stage, while others are in the batch ramp-up stage	Domestic leading position
Sheet metal filter	Small volume, light weight (comparable to ceramic filters), low cost, high Q value, good heat dissipation performance, high power, wider continuous bandwidth—effectively solving the problems of insufficient loss in ceramic filters. It can meet the technical requirements of communication systems for high-capacity data communication and also save energy and reduce consumption.	Currently in batch production ramp-up	Domestic leading position
High performance tower top amplifier	The product can effectively improve the uplink reception sensitivity, solve the uplink and downlink link balance problem of the base station, enhance the uplink signal of the base station, improve the signal penetration through obstacles, expand the coverage area of the base station, and has low RF insertion loss, high intermodulation, light weight, high power, and high reliability. The product line includes single-frequency tower top amplifiers, dual-frequency tower top amplifiers, triple-frequency tower top amplifiers, frequency-shifting tower top amplifiers, Bypass tower top amplifiers, and TDD tower top amplifiers.	Some new product prototypes are in the small batch stage, while others are in the batch production stage	International leading position
High-performance intelligent combiner	The product enables the merging of different frequency bands to allow various base stations to share antennas, effectively improving the complex links and site construction issues caused by multiple communication co-siting. Through software and hardware control, it can automatically detect and switch the DC/AISG communication on/off based on the port status, thereby achieving communication channel switching and efficiency improvement, and meeting the requirements of various complex application scenarios.	Some new product prototypes are in the small batch stage, while others are in the batch production stage	International leading position
Microwave reflector antenna	Developing a new category of large-caliber, single and dual-polarization microwave antennas mainly used for long-distance point-to-point relay transmission and base station data return.	Some new product prototypes are in the small batch stage, while others are in the batch production stage	International leading position

Quality Construction

Quality management is the prerequisite for the survival and development of enterprises, the focus of customer attention, and the lifeline for market development. As a manufacturer of RF device solutions that integrates R&D, production, and sales, Fingu Electronics adheres to a customer-centric quality management model, fully implements lean quality management, and provides customers with high-quality products.

Quality Policy



- All staff members participate in ensuring that the supporting products of the communication base station system meet customer, national, and industry requirements;
- we focus on customers and continuously improve our research and development capabilities, production capabilities, and management capabilities;
- We strive for continuous improvement to enhance the overall strength of the company and customer satisfaction;

Fingu Electronics strictly complies with the "Product Quality Law of the People's Republic of China" and local laws and regulations at each operating location. We implement standardized management in accordance with the requirements of the international quality management system, obtain external certifications, promote continuous improvement within the company, and continuously improve the company's internal quality management level and product quality.

As of now, Fingu Electronics and its major production parks have obtained ISO 9001 quality management system certification.

Each major production subsidiary of the company sets quantifiable quality management objectives in terms of incoming materials, process control, finished product inspection, and supplier performance, in accordance with the production characteristics and requirements of the products. These quality objectives are implemented at each level of the relevant processes and assigned to the direct responsible persons, establishing a quality objective management system linked to the performance of each responsible person. The system group and quality control department of the company are responsible for conducting regular quality inspections, supervising the achievement of quality management objectives, analyzing the completion of annual objectives, summarizing quality management experience, and promoting it.

The company uses intelligent means to control the production of defective products. When process parameters undergo gradual changes that may produce defective products, automatic parameter compensation adjustments or production stops are carried out. The company attaches great importance to the compliance of materials and products, adopting the "three transformations and one stability, strict entry and exit" quality management mode. This mode includes production automation, management IT, personnel specialization, and stable key position personnel. We shift the focus of incoming quality and process quality from standard to key parameter CPK control, ensuring that all shipped products meet the specifications and promptly intercepting defective products.

The company attaches great importance to the compliance of materials and products. In 2006, the company purchased RoHS 1.0 testing equipment to comply with the RoHS directive for lead, mercury, cadmium, hexavalent chromium, bromine, and other element content testing. As of the end of the reporting period, the company has also acquired RoHS 2.0 testing equipment and enhanced the detection of four phthalates (DEHP, BBP, DBP, DIBP) to ensure strict compliance with the RoHS 2.0 directive and guarantee the environmental compliance of the company's products.



Customer Service

Fingu Electronics places great importance on customer experience. We continuously strengthen the foundation of long-term cooperation between the company and customers through solid work in areas such as on-time delivery, high-quality service, and timely response.

The company has established related systems such as the "Service Control Procedure", "Customer Complaint Handling Operation Guide", "Customer Return and Material Handling Operation Guide", and "Customer Satisfaction Evaluation Operation Guide" to establish a customer service system and standardize customer service processes. We also ensure smooth customer feedback channels and seamless integration between customer service and internal processes. Additionally, we enhance customer-oriented awareness by involving the company's top management in important decision-making matters related to after-sales service. This allows for quick mobilization of resources and efficient resolution of customer issues.

The company offers customers comprehensive pre-sales, sales, and after-sales services through technology exchange, visits, training, on-site or remote technical support, etc. This helps in continuously improving service quality, enhancing customer satisfaction, and improving corporate reputation.

Dedicated personnel handle customer complaints to improve the efficiency of complaint handling. The company records and retains complete information about complaints and their handling for subsequent analysis, review, and summary. Additionally, the company follows up on customer feedback after receiving complaints.

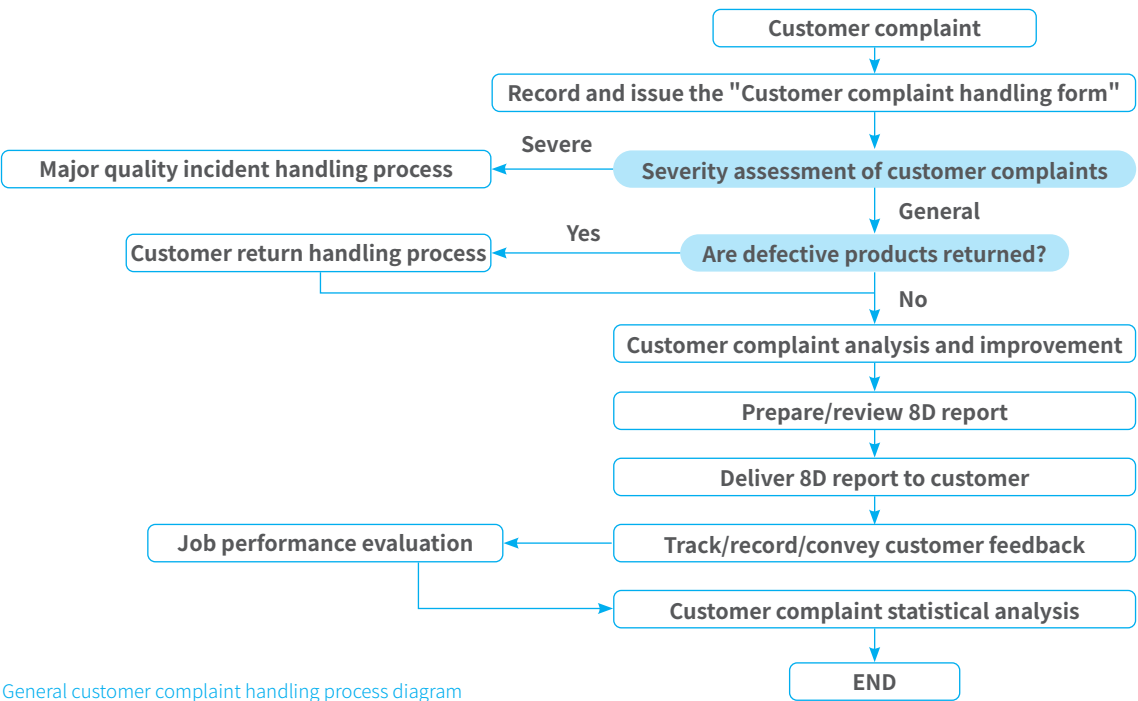
The company has independently developed an ITR management process, which utilizes IT processes to manage customer needs and issues. This includes problem or fault classification, fault handling and request handling, and problem or fault reporting. This process allows the company to monitor the processing progress and results in real time, shorten processing time, and improve processing efficiency. In 2022, there were a total of 117 cases of poor quality customer complaints throughout the year, and the complaints were analyzed and improved according to the customer's required time points.

According to statistics, the customer complaint response rate in 2022 is

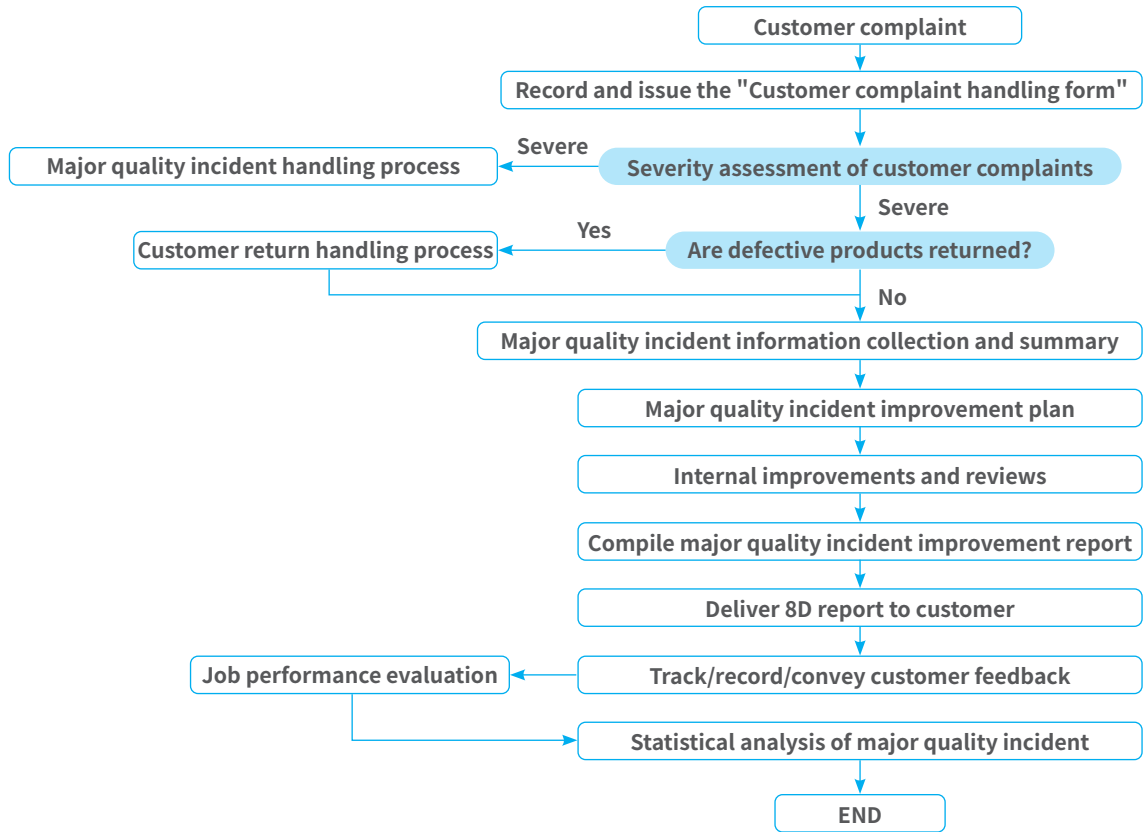
100%

Implementation of countermeasures, verification of the effectiveness of countermeasures, and timeliness rate

100%



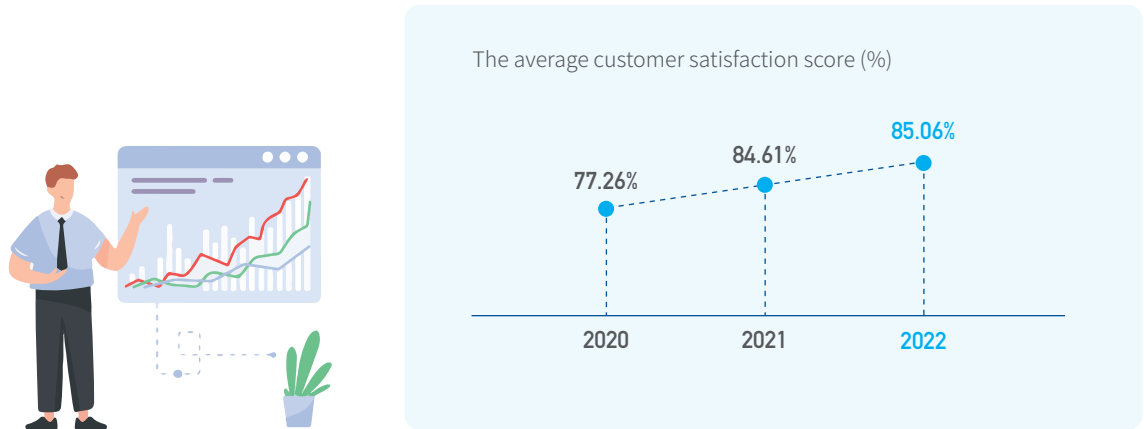
General customer complaint handling process diagram



Major quality incident handling process diagram

The company has established regulations such as the "Product Recall Management Regulations" and the "Non-conforming Product Control Procedures" to improve the product recall mechanism, ensuring product quality and safety, and protecting customer rights. In March 2023, through internal investigation, it was discovered that there was a hidden risk of performance failure in the "Microwave Electrical Performance Accessory". The company promptly recalled 296 units of the product, and after passing the re-inspection, they were released.

The company insists on conducting satisfaction surveys from five dimensions: technology, price, delivery, quality and after-sales service, and communication management. Customer feedback is collected to improve overall service capabilities. After multiple efforts, the customer satisfaction has reached the standard and has continuously improved for three consecutive years.



Sustainable Procurement

Supplier Management

The company vigorously promotes the management concepts of green procurement and responsible procurement. It gradually introduces corporate social responsibility management into the supply chain management process. The company formulates and implements internal control documents such as the "Supplier Development Control Procedure" to coordinate and standardize the management mechanisms for supplier selection, admission, evaluation, and elimination. It also aims to jointly build transparent, win-win, and responsible procurement relationships with suppliers, creating a sustainable supply chain:

- During supplier development, the company signs seven major agreements and related investigation forms. These include the "Supplier Corporate Social Responsibility Agreement" and the "Supplier Material Environmental Protection (EU RoHS Directive Requirements) Compensation Agreement".
- Suppliers are required to fill out a credit investigation form, which includes a self-assessment on social responsibility.
- On-site audits are conducted for supplier admission, and the audit form includes clauses related to social responsibility.
- The annual performance evaluation of suppliers includes a performance score on social responsibility.

During the supplier development process, we will provide suppliers with a complete set of documents, including social responsibility requirements, and conduct relevant training.

Sustainable procurement performance overview of the company

Indicators	Unit	2021	2022
Number of important suppliers	individual	216	245
Number of new suppliers	individual	37	44
Number of corporate social responsibility assessments conducted for suppliers	time	253	289
Percentage of suppliers assessed for Corporate Social Responsibility (CSR) (e.g., through questionnaires)	%	89.33	83.04
Percentage of important suppliers who have signed the Supplier Code of Conduct	%	-	87
Percentage of suppliers who have signed contracts containing environmental, labor, and human rights requirements	%	-	87

Procurement Staff Training

The company always pays attention to the training of procurement personnel, implements the concept of green supply chain management, and incorporates training content that includes green procurement, green design, green production, green marketing, green recycling, corporate social responsibility, sunshine procurement, anti-bribery, anti-monopoly, conflict minerals, and strategic partnerships within the green supply chain.

Procurement staff training overview of the company

In 2021, the percentage of purchasers in all regions who have undergone sustainable procurement training is

100%

In 2022, the percentage of purchasers in all regions who have undergone sustainable procurement training is

100%

Localized Procurement

The company also regards "local procurement" as an important task to fulfill social responsibility and promote local economic development and employment growth. In the operational process, priority is given to purchasing products from local suppliers. In the past three years, the proportion of material procurement within Hubei Province has increased year by year, with percentages of 27.99%, 29.08%, and 34.24% respectively.

Potential Risk Warning and Sensitive Material Management

The company has established internal control documents such as the "Product Environmental Management and Control Operation Guidelines", "Material Procurement Environmental Certification Specifications", "RoHS Compliance Testing Specifications", and "WEEE Directive Management Specifications" to ensure that the company's products meet the requirements of the RoHS Directive, REACH regulations, WEEE Directive, Packaging Directive, etc.

- We strictly adhere to laws and regulations, customer requirements, and internal control procedures to ensure the environmental compliance of product materials.
- All materials require suppliers to provide third-party RoHS 2.0 test reports and a "Composition Table".
- Enter the "Composition Table" of materials into the company's environment protection data platform, enabling automatic identification of substance risks and ensuring the accuracy and security of data.

In our daily work, we also implement risk avoidance through the following measures:

1. Pay attention to the latest developments in environmental laws and regulations and customer-controlled material requirements, and promptly issue risk warnings for potential risks;
2. Strictly follow the "Material Environmental Risk Classification Table" and the supplier's environmental risk level to develop and implement testing plans, and strengthen RoHS testing and control for environmentally risky materials.

In 2020, the number of environmental certification for materials was	In 2021, the number of environmental certification for materials was	In 2022, the number of environmental certification for materials was
1095times	1634times	2076times
Qualification rate of environmental certification for materials was	Qualification rate of environmental certification for materials was	Qualification rate of environmental certification for materials was
100%	100%	100%

3. Establish risk control procedures: All materials at every stage of supplier usage, storage, inspection, transit, and production shall be thoroughly isolated. Once the reasons have been investigated and identified, decisions shall be made based on the investigation results regarding whether to lift the isolation, return the materials, or impose penalties.
4. Conduct annual inspections to ensure suppliers' compliance with environmental regulations.

Promote the procurement of recyclable materials

The company considers the use of recyclable materials as a crucial aspect of promoting low-carbon environmental protection and green operations. It continuously introduces recyclable materials and gradually expands their procurement scale through process and method optimization in processing, packaging, and other production links.

Typical case study of a company's application of recyclable materials:

Aluminum recycling

Optimize and improve the die-casting aluminum melting process by incorporating a specific proportion of recycled scrap and edge materials (with raw material aluminum ingots comprising not less than 65%, and first-class recycled materials + second-class recycled materials comprising less than 35%) during the melting stage, thus establishing a sustainable cycle of aluminum material utilization.

Internal turnover of packaging materials for recycling

All internal turnover within the company shall be carried out using recyclable packaging materials for turnover.



Turnover packaging materials for electronic components

Turnover packaging materials for resonant bars

Recycling and reusing of wooden shipping pallets

Pack single products in individual cardboard boxes, optimize packaging by using one large cardboard box and a recyclable wooden pallet for multiple products. This not only saves packaging materials but also reduces the usage of wooden pallets. Additionally, with the assistance of customers, the company regularly recycles and reuses the wooden pallets.



Single item in a single box on a pallet (about 20 products/pallet)

Multiple items in a single box on a pallet (81 products/pallet)

As the scale of using recyclable materials in the company's storage and transportation process expands, the domestic usage of recyclable materials for storage and transportation reaches 100%.

The proportion of domestic storage and transportation using recyclable materials is

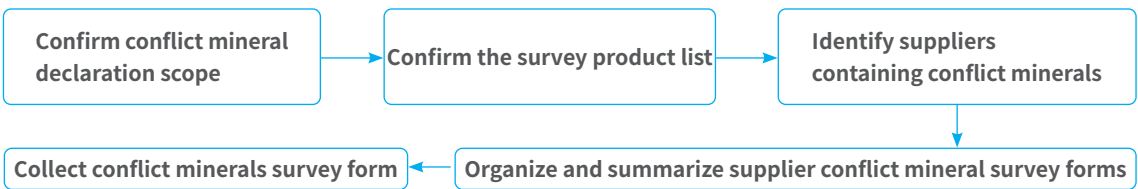
100%

Conflict Minerals Management

Fingu Electronics is committed to responsible mineral procurement and continuously improving the management of conflict minerals. We require all suppliers to purchase minerals from the Responsible Minerals Initiative (RMI) confirmed Responsible Minerals Assurance Process (RMAP) certified SORs list. Any smelters and refineries that are not RMAP certified or fail to meet customer requirements must be removed from the supply chain. We actively communicate and exchange information with suppliers regarding conflict minerals issues, effectively conveying our conflict minerals management philosophy and requirements.

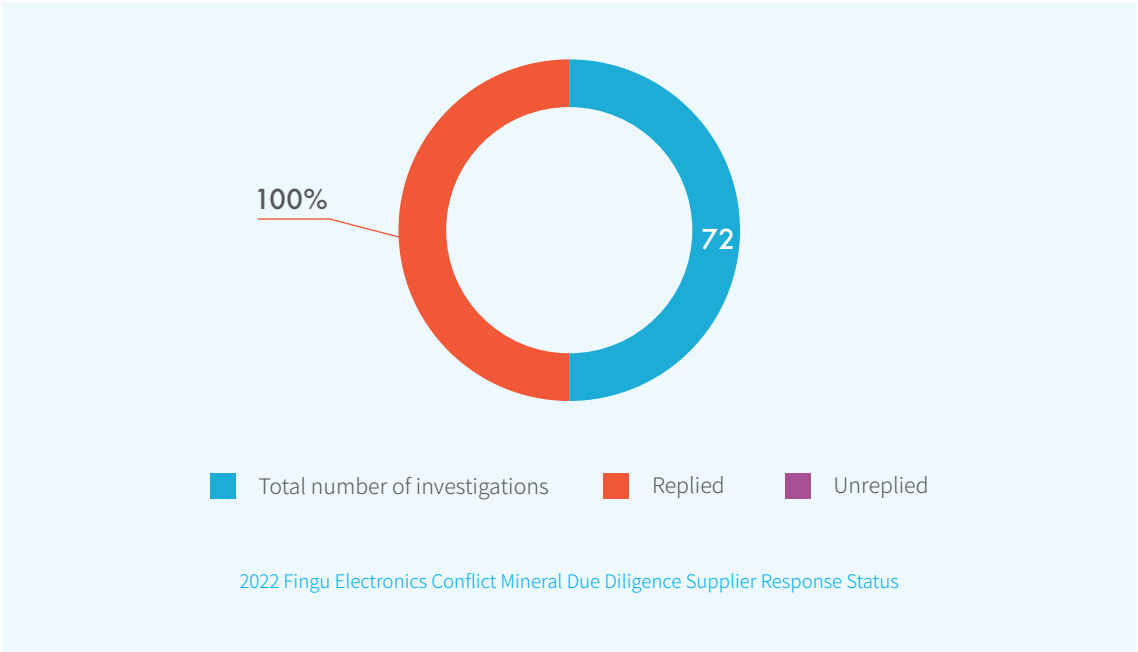
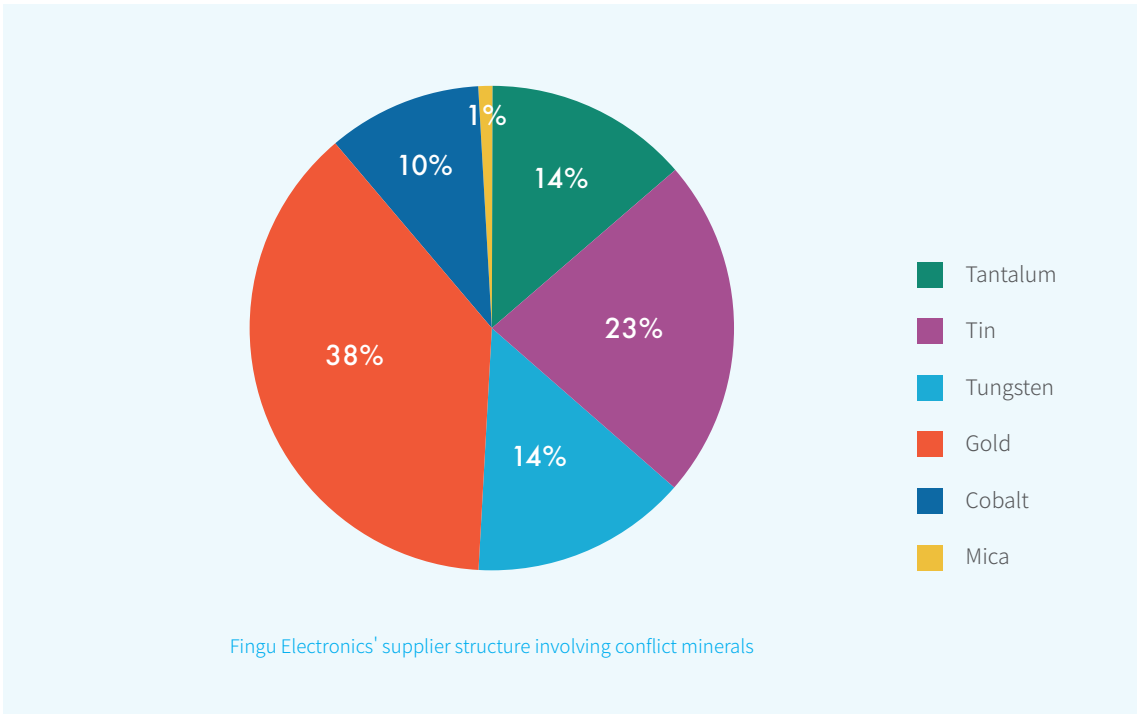
We have developed a due diligence framework for conflict minerals value chain suppliers, based on the five-step process of the Organization for Economic Cooperation and Development (OECD). We have planned and implemented specific processes for establishing conflict minerals management systems and conducting due diligence to ensure that the conflict minerals used in our products are “conflict-free” .

Fingu Electronics Conflict Mineral Due Diligence Process:



We have established a conflict minerals due diligence investigation project team, led by the pilot plant department of the R&D center and guided by the review team. We are collaborating with subsidiaries and suppliers in the mineral supply chain to promote responsible mineral procurement and conduct conflict minerals due diligence.

To conduct surveys on six minerals in the supply chain (tantalum, tin, tungsten, gold, cobalt, and mica), we are utilizing the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Due Diligence Questionnaire Template (EMRT) provided by the Responsible Minerals Initiative (RMI). This is being done to advance the due diligence audit of SORs (smelters or refiners).



In 2022, we will include the mass-produced products from September 2021 to September 2022 within the scope of our due diligence investigation on conflict minerals. Through the investigation, we have identified a total of 261 suppliers in the supply chain of Fingu Electronics involved in SORs, out of which 242 suppliers have already obtained SORs certification, resulting in a certification rate of 92.72%. Additionally, 19 suppliers are currently in the process of implementing certification. We have identified 72 high-risk suppliers through the investigation and have contacted them to confirm and urge them to manage and improve their practices. Based on the findings of the due diligence investigation, we have compiled the "2021/22 Conflict Minerals Report."



Care for Employees

Growing Together

Talent is the most valuable wealth of a company. Fingu Electronics respects and values every employee. We actively create a diverse and inclusive cultural atmosphere, always pay attention to the physical and mental health of employees, and help them grow continuously.



44/Employee Rights and Interests
53/Employee Growth

46/Occupational Health and Safety
56/Care for Employees



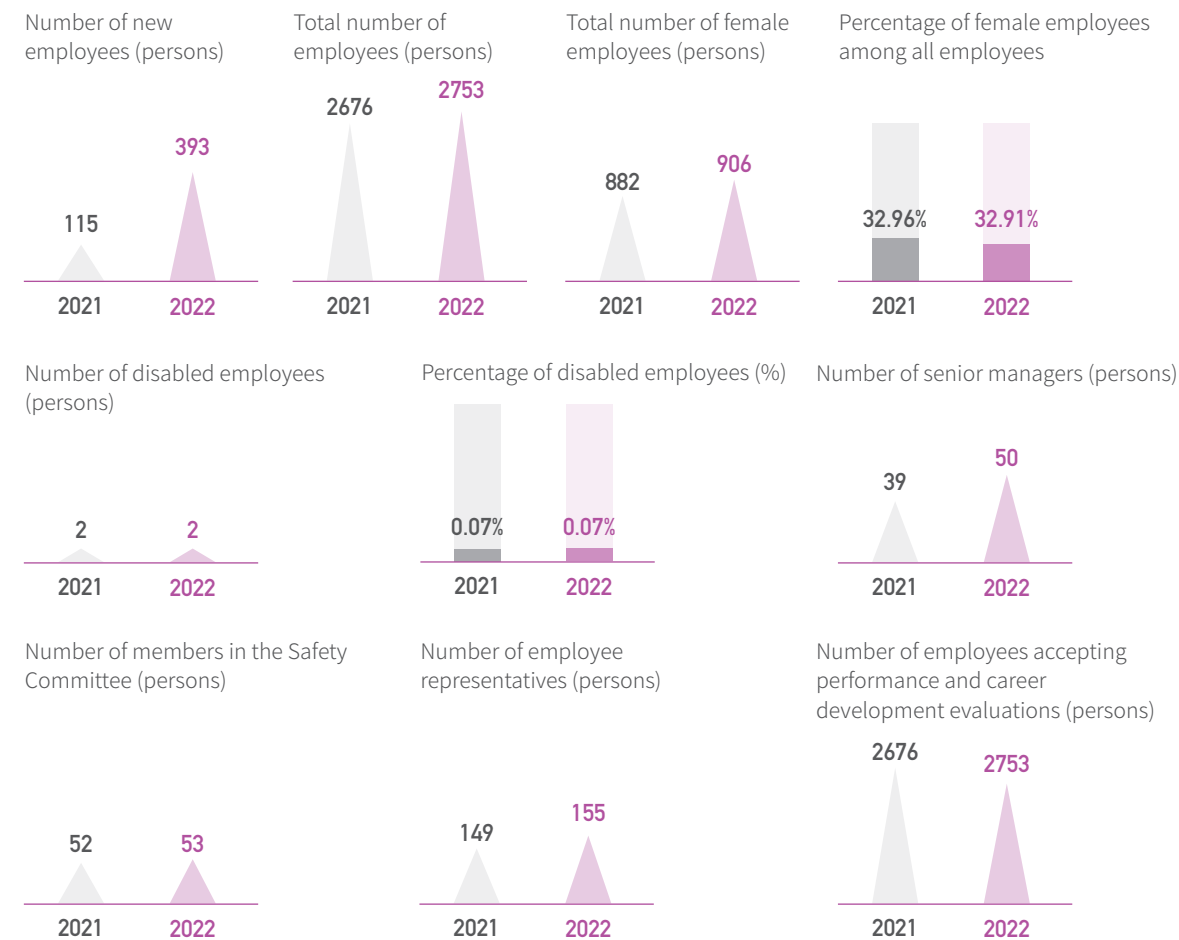
We always adhere to creating a diverse and inclusive working environment, providing diversity and human rights-related training, and continuously building a diverse workforce. As of the end of the reporting period, the company has 2,753 employees.

The company clearly stipulates in the "Code of Conduct and Professional Ethics for Managers" that engaging in or supporting any discriminatory behavior based on race, color, nationality, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, membership in organizations, or marital status in matters related to employee recruitment, compensation, training opportunities, promotion, dismissal, or retirement that violates equality and fairness is not allowed.

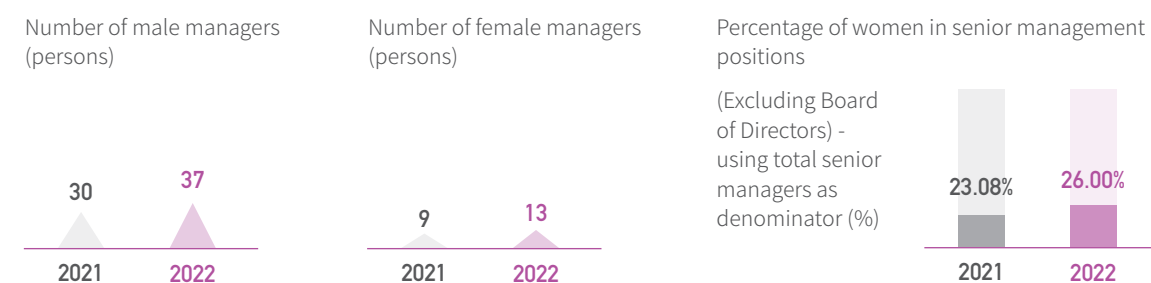
In 2022, the company enhanced the adjustment of the talent's educational structure, resulting in a certain increase in the number of employees with college degrees or above compared to 2021.

Overview of the company's employee situation

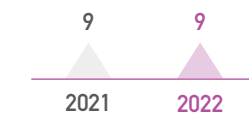
Employee data



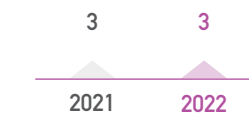
Gender structure



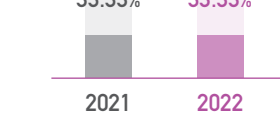
Total number of members on the Board of Directors (persons)



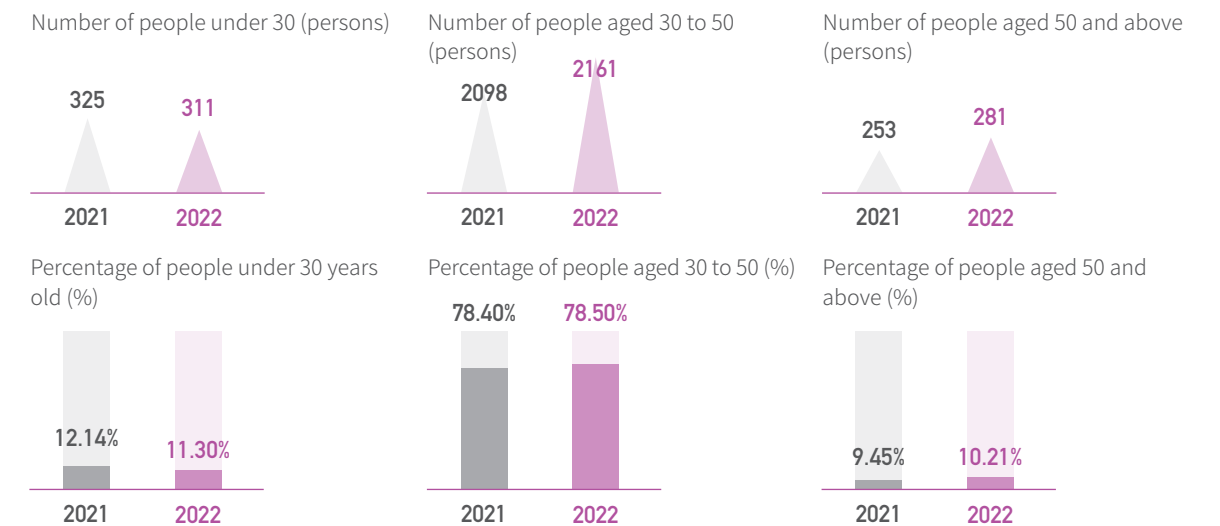
Number of women on the board of directors of the organization (persons)



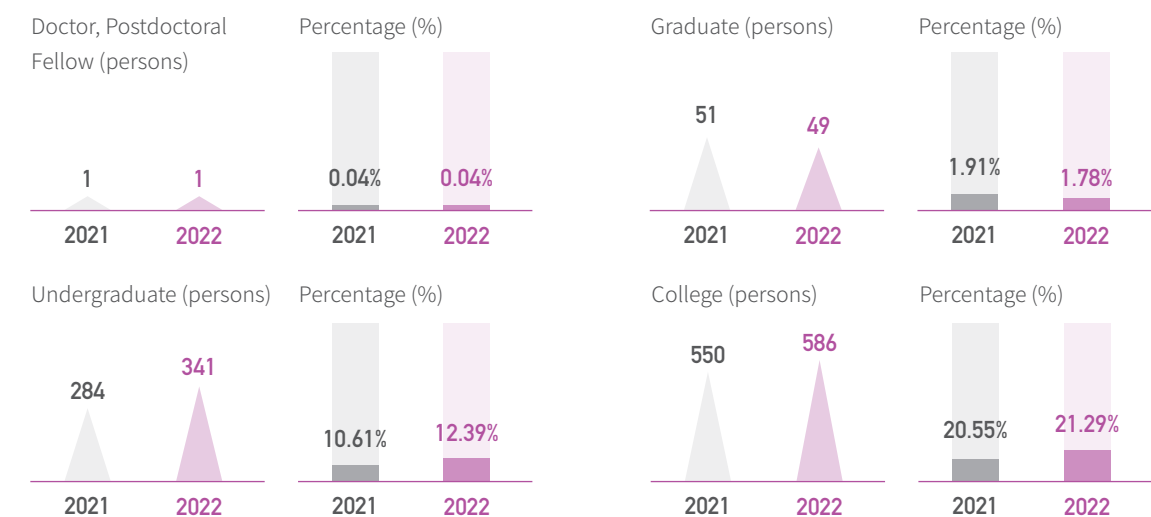
Percentage of women on the board of directors of the organization (%)



Age structure

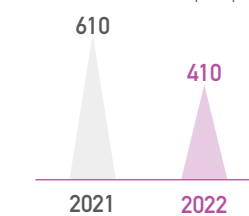


Education structure

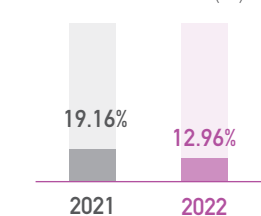


Status of attrition rate

Total number of people lost (persons)



Total attrition rate (%)



Employee Rights and Interests

◎ Rights Protection

We actively respond to international initiatives and standards such as the "United Nations Universal Declaration of Human Rights", "International Labor Organization Core Conventions", "United Nations Guiding Principles on Business and Human Rights", "International Sullivan Principles", and the social responsibility standard SA 8000. We strictly comply with laws and regulations, such as the "Labor Law of the People's Republic of China", "Labor Contract Law of the People's Republic of China", "Employment Promotion Law of the People's Republic of China", and "Employment Service and Employment Management Regulations". Additionally, we strictly adhere to the requirements of the "Code of Conduct for Responsible Business Alliance (RBA)", value and respect the basic human rights of all employees, and commit to never infringing upon human rights.

We have established a series of labor and human rights protection systems, including the "Social Responsibility Management Manual", "Employee Handbook", "Recruitment Management Regulations", "Prohibition of Child Labor and Remedial Procedures", "Overtime Management Measures", "Code of Conduct and Professional Ethics for Managers", etc., in order to create a diverse and inclusive working environment.

The company pays attention to the employment of disabled individuals and strives to provide suitable job opportunities for them.

◎ Human Rights Protection

Forced Labor



We have formulated the "Code of Conduct and Professional Ethics for Managers", which stipulates that no trafficking in persons or employing any form of slaves, forced, bonded, indentured, or prison labor is allowed, and forced labor is prohibited.

Child Labor Prevention



We have formulated internal regulations, such as the "Recruitment Management Measures" and the "Prohibition of Child Labor Recruitment and Remediation Procedures", to strictly prohibit the recruitment of child labor as stipulated by the laws of various operating locations. Additionally, we have implemented a control module in the personnel system that automatically alerts for individuals who have not reached the legal age.

Working Hours



We have formulated internal regulations, such as the "Employee Handbook", "Overtime Management Measures", and "Non-Compulsory Work Procedures", to prohibit forced overtime. These regulations stipulate that all overtime shall be voluntary, and employees shall not be coerced into participating in production, manufacturing, or related meetings or activities outside of their regular working hours. If employees need to work overtime temporarily due to work requirements, they shall follow the overtime application process specified in the "Employee Handbook" and submit it to the relevant supervisor for approval and confirmation before implementation.

Overtime Compensation



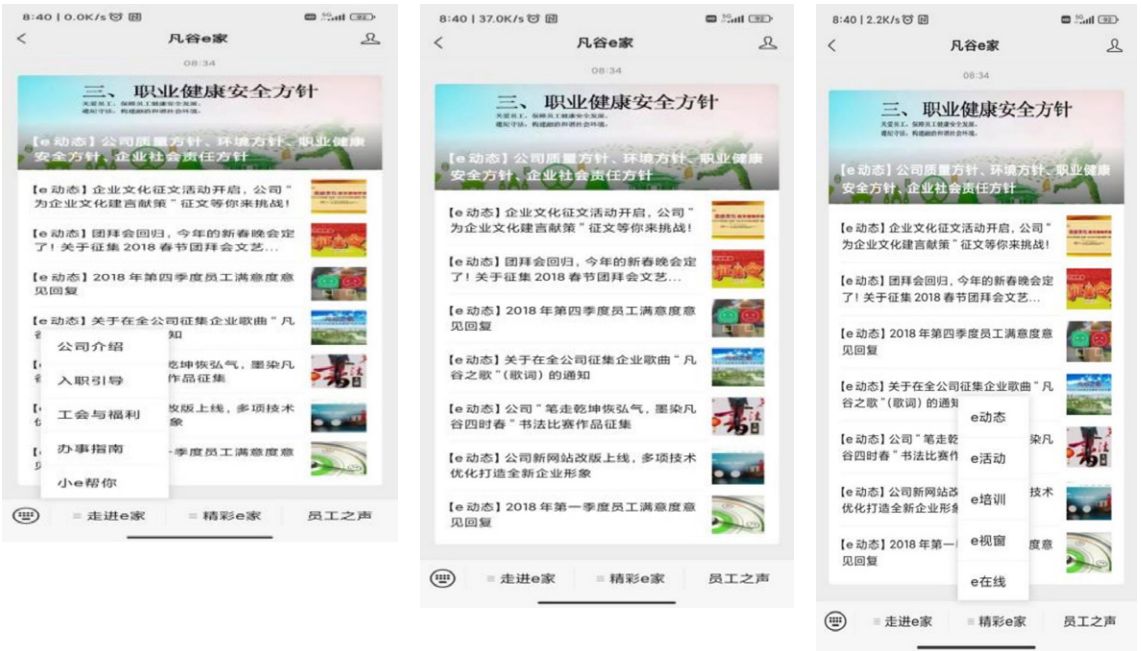
According to the requirements in the "Employee Handbook", employees who work beyond normal working hours shall be compensated for overtime and extra hours. The overtime pay shall be calculated based on the following standards:

- For overtime that cannot be compensated with time off, it shall be calculated at 150% of the basic salary;
- For overtime on rest days that cannot be compensated with time off, it shall be calculated at 200% of the basic salary;
- For overtime on statutory holidays, it shall be calculated at 300% of the basic salary.

◎ Communication with Employees

The company has launched an online communication platform "Fingu eHome" to provide all employees with more efficient, convenient, and unimpeded information exchange and interactive listening channels, showcasing the spirit and demeanor of Fingu people and promoting the establishment of Fingu culture.

Fingu eHome



The company also conducts employee satisfaction surveys, implements the concept of caring for employees and encouraging full participation in management, improves communication mechanisms between management and employees, and expands information feedback channels. By systematically and emphatically understanding employees' satisfaction and opinions on various aspects of the company, we can identify the current issues that need to be resolved and the key areas for management improvement. The employee satisfaction survey mainly focuses on the work atmosphere, catering satisfaction, dormitory satisfaction, and transportation satisfaction, and is organized and implemented by the Human Resources Department. The 2022 employee satisfaction survey has a coverage rate of 92%, with an overall employee satisfaction rate of 80%. During the period, employees put forward 19 suggestions for improvement, and the relevant departments of the company have formulated action plans and implemented them one by one.



Occupational Health and Safety

Fingu Electronics considers the health and safety of its employees as the foundation of the company's long-term growth. The company is dedicated to offering a healthy and safe working environment for its employees, consistently enhancing the group's occupational health and safety management, and ensuring that employees can work with peace of mind.

Occupational Safety

The company strictly adheres to the "Safety Production Law of the People's Republic of China", the "Regulations on Work-related Injury Insurance of the People's Republic of China", and other laws and regulations. It insists on the basic policy of "caring for employees, ensuring the health and safety development of employees; abiding by laws and regulations, and building a harmonious social environment". The company has formulated and issued the "Employee Occupational Health, Safety, and Environmental Protection Manual". It has also established a comprehensive EHS (Environment, Health, Safety) management framework and policies. The company has organically integrated compliance, governance, measures, procedures, and resources to form a dynamic management system for occupational health and safety. The aim is to provide protection for employees' physical and mental health based on a safe working environment.

Overview of 2022 Annual Company Safety Production Data

Indicators	Unit	Total
Safe production investment	10,000 yuan	769.7
Permanent staff	persons	2,753
Injury incidents resulting in a loss of working hours	cases	14
Number of workdays lost due to work-related injuries	days	1,252
Serious accident rate for lost working hours in direct labor: (days lost due to injuries) x (100/total working days)	/	0.17
Total Recordable Incident Rate (TRIR) of million working hours (number of injury accidents causing a loss of working hours x 1,000,000 /total working hours)	/	1.88
Total working hours	Million working hours	7.44
Average number of safety training sessions per on-the-job personnel	time	6

© Improve the system and strengthen the foundation

The company implements the safety production policy of "safety first, prevention-oriented, and comprehensive management" with the goal of achieving "zero accidents, zero casualties, and zero environmental pollution". We are committed to promoting the construction of safety standardization, consolidating the foundation, and strengthening internal supervision. To ensure the effective implementation of the company's occupational health and safety management work, a professional occupational health and safety production committee has been established, headed by the general manager.

In accordance with ISO 45001 standards, the company has established a safety standardization management system and a complete safety management network system. Under the guidance of the safety production supervision and management department, and in compliance with the requirements of "AQ/T 9006-2010 Basic Norms for Work

Safety Standardization of Enterprises" and "Basic Evaluation Specifications for Safety Production Standardization of Metallurgical and Other Industrial and Commercial Enterprises", the company has made "Safety Standardization Level 2 Compliance Work" a focal point of safety management. Additionally, a continuous improvement mechanism for long-term safety production has been established.

The company has established a safety management department and is equipped with full-time safety management personnel. The main person in charge and safety management personnel of the company have all undergone training from qualified training institutions and obtained certificates of qualification. The company has established a sound safety production responsibility system, post responsibility system, safety production management system, and safety operating procedures in compliance with regulations, and conscientiously implements them in actual work. By signing the 100% safety production responsibility agreement, the company breaks down safety goals and responsibilities to all levels of safety production personnel, consolidating responsibility and ensuring the stability of the company's safety production situation.

© Strengthen supervision and eliminate hidden dangers

By annually formulating a work plan and implementing measures to standardize safety, conducting inspections and reviews of safety goals, performing compliance checks and modifications of laws, regulations, rules, and operating procedures, and conducting investigations and rectifications of hidden dangers, the company continuously improves its safety performance.

The company has assigned dedicated personnel to establish an inspection leadership group, with inspections as the main component of safety management, in order to shift from reactive post-event handling to proactive prevention. The company emphasizes the importance of safety inspection management and promotes self-inspection and rectification by all employees, creating a mechanism of "using inspections to promote checks, using checks to conduct self-inspection, using self-inspection to lead re-inspection, and using re-inspection to drive rectification" to eliminate safety hazards.

© Strengthen education and raise awareness

The company persistently promotes safety knowledge throughout the year and annually collects training needs to develop training plans, systematically advancing safety education and training in a categorized manner. Additionally, the company hires external professional training institutions to conduct on-site training.

The pre-job safety training system is an important means to ensure standardized management, safe operation of employees, and command-based operation in enterprises. The company strictly implements pre-job safety training systems, improves employees' awareness, enhances safety consciousness, and at the same time, refines responsibilities to teams and individuals, providing a safeguard for the enterprise's safe production.

During the reporting period, the company conducted a total of 16,513 person-time safety trainings for on-the-job personnel, with an average of 6 training sessions per person.

During the reporting period, the company has conducted a total of

16513

person-time safety trainings for on-the-job personnel.

Average training sessions participated

6

times



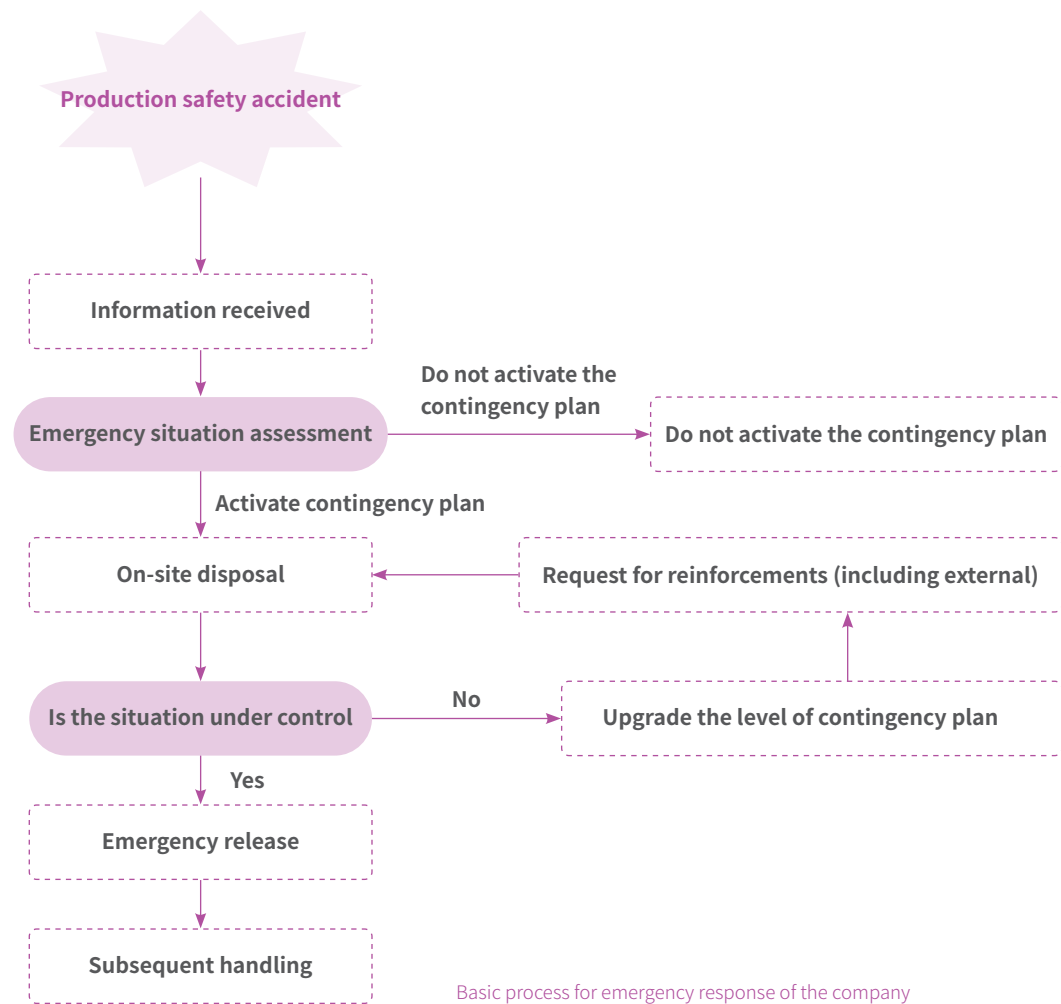
Safety education training



Fire safety theme training

◎ Integrate training and practice and cultivate abilities

The company has formulated and registered the "Emergency Plan for Production Safety Accidents of Wuhan Fingu Electronic Technology Co., Ltd." It has also equipped itself with emergency rescue personnel, necessary emergency rescue equipment and facilities, and established a safety emergency management mechanism.



The company regularly organizes drills and assesses the effectiveness of emergency response drills to help employees become proficient in emergency response methods and improve the ability of on-site management personnel to command and handle major incidents.

2022 Company Emergency Safety Drill Schedule

Drill project	Frequency	Number of participants
Fire drill	8	3528
Emergency drill for accidental power outage and wastewater leakage	1	10
Mechanical injury emergency drill	1	30
Electric shock emergency drill	1	40
Elevator emergency rescue drill	1	10

| Electric shock emergency drill



Fire emergency drill

On May 25, 2022, the company's electronic production line carried out a "day shift fire safety drill" with the cooperation of the security department.



Emergency evacuation



Safety assembly point/headcount report for evacuated people



Explanation and demonstration of equipment usage



Employee practical operation

Occupational Health

◎ Sound Management System

The company follows the "Occupational Disease Prevention and Control Law of the People's Republic of China" and other laws and regulations, and has formulated the "Occupational Disease Hazard Prevention and Control Responsibility System", "Occupational Disease Hazard Warning and Notification System", "Occupational Disease Hazard Project Declaration System", "Occupational Disease Prevention and Control Publicity Education and Training System", and "Occupational Disease Protective Equipment Management System" and other related management systems. Under the leadership of the company's Occupational Health and Safety Production Committee, we will continuously promote the construction of the company's occupational health management system.

◎ Set up PPE and Other Resources

The company continuously identifies occupational hazard factors for various positions and provides labor protection supplies, such as masks, earplugs, and gloves, for positions with occupational disease hazards. Taking into account employees' usage habits and wearing comfort, the company purchases and configures labor protection supplies that exceed national standards. These supplies are then distributed to employees in accordance with relevant regulations, with employees being required to wear them correctly.



PPE for electroplating position



PPE for spray coating position

The company has also set up medical kits and other equipment in the production workshop and other locations, providing employees with essential emergency response resources.



Eyewash station and first aid kit

Occupational Hazard Detection

Every year, the company regularly entrusts qualified institutions, such as the Wuhan Occupational Disease Prevention and Control Institute, to monitor the occupational hazard positions in the factory area and issue monitoring reports. In response to the abnormal conditions mentioned in the report, the company promptly rectifies them according to the suggestions provided in the report, ensuring the physical health of employees in positions with occupational hazards.



Occupational Health Check

The company offers annual physical examinations for employees in positions with occupational hazards and maintains employee health records to consistently monitor their occupational health. During the reporting period, the company achieved 100% coverage for employee health check-ups and occupational health records.

Through efficient management of occupational diseases, the company has achieved a “0” incidence rate for such diseases and occupational contraindications.

Coverage rate of company employees' physical examinations

100%

Coverage rate of occupational health record

100%

Occupational disease incidence rate within the company scope is

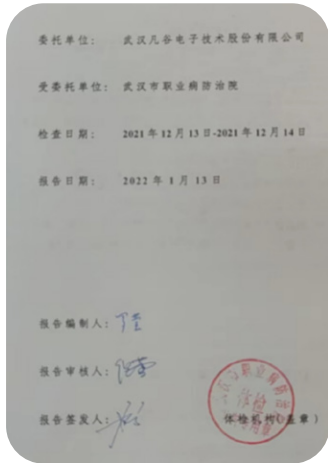
0

Occupational contraindication incidence rate is

0



Occupational hazard periodic inspection report



Occupational health examination report

Employee Growth

Employee Training

The company focuses on developing the quality and capability of its employees. To meet the human resource needs for the company's operational goals, it formulates and implements talent development plans through layered and systematic approaches. The company continuously strives to explore effective solutions for building a learning and talent-driven organization.

Company Employee Training Data Overview

Indicators	Unit	2021	2022
Total training investment	10,000 yuan	1.45	2.17
Number of trained participants	person-time	42,331	59,418
Training times	time	887	856
Total training hours	hours	48,223	63,332
Average training hours per employee	hours	18	23
Security personnel	persons	32	34
Formally trained security personnel	persons	19	18
Percentage of formally trained security personnel	%	59.38	52.94

Improve the Training System

In order to meet the training needs of employees at different levels, we have established a comprehensive training system. This system includes training for new employee onboarding, skills and professional knowledge for on-the-job employees, job requirements for induction and transfer, and management capability enhancement. It provides employees with a range of key training courses, such as corporate culture, employee career planning, business ethics, information security, job operation skills, and management skills enhancement.

New employee onboarding training:

Regular employees: The company provides training on company introduction, corporate culture, rules and regulations, quality requirements, business ethics, information security, three-level security requirements, and entry-level job skills.

Management and technical personnel:In addition to the above training, management and technical personnel receive training on organizational structure, product knowledge, business processes, and job-related professional knowledge.

On-the-job training: The company conducts annual training needs surveys to develop training plans based on job requirements, business needs, and employees' personal development needs. The training content includes job requirements, professional knowledge, job skill operations, and employee development.

Induction and transfer: The company offers specialized training plans for employees who are transferring or newly hired, focusing on job skills and professional knowledge.

Management capability enhancement:To meet employees' career development needs and improve the management level of internal staff, a combination of internal and external training methods is used. This includes sharing management ideas and methods from excellent internal managers and bringing in external teachers for training.

Mainly includes: human resources, leadership, financial cost analysis, project management, outstanding leaders and other training courses.

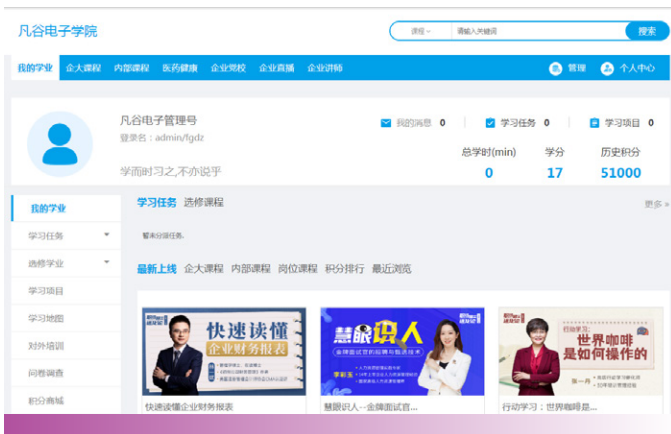
◎ Promote Talent Cultivation

Fingu adheres to the principle of localizing cadres. We reserve outstanding talents through multiple channels such as campus recruitment and social recruitment, and establish a solid foundation for talent cultivation based on the improvement of the talent training system.

Outstanding graduates from top universities are an important part of the company's talent pool construction. The company implements a special training program for university graduates, enabling them to quickly understand the company's basic situation, production processes, etc., adapt to job requirements, and help them grow rapidly and integrate into the Fingu collective.

◎ Build an Online Platform

In order to better promote employee learning and enhance workplace skills, the company has collaborated with external platforms to establish the "Fingu Electronics Academy" online platform. It provides employees with comprehensive multi-module content, including office software, professional abilities, lean manufacturing, marketing, procurement supply chain, and strategic management, allowing them to learn and improve anytime and anywhere.



◎ Motivate Internal Instructors

The company has established the "Incentive Management System for Internal Instructors", which is generated through the designation, selection, and recommendation of internal instructors. The target audience includes department managers, supervisors, professional technicians, key business personnel, and grassroots employees who have been evaluated and appointed by the company. Internal instructors are divided into five levels: junior, intermediate, senior, expert, and gold training instructor. They receive course fees according to the level certified and appointed by the Human Resources Department. By the end of 2022, the company has certified 64 employees as instructors through internal selection and awarded them the Instructor Appointment Certificate.

◎ Launch Labor Competition

The company organizes labor competitions for relevant positions to test employees' theoretical knowledge, practical skills, and quality level in their positions. These competitions help identify deficiencies in job training, process operations, and job management, propose and implement improvement directions, and enhance the overall ability of the positions, creating a professional team of skilled employees.



MSA competition



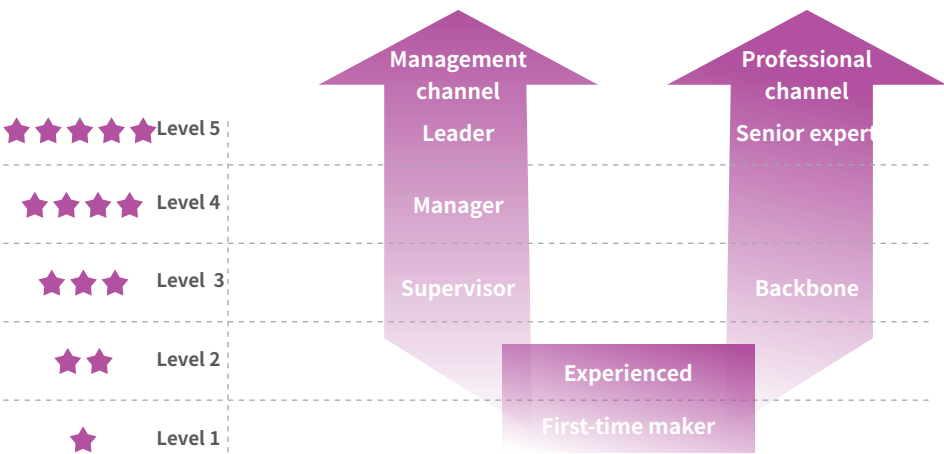
Welding competition



Commissioning competition

Career Development

Talent is the cornerstone of enterprise development, and Fingu Electronics has always focused on the career development of its employees. In order to gain a sustainable competitive advantage, retain outstanding employees, unleash their potential, and create a fair and competitive working environment, the company provides employees with opportunities for promotion, career development, upward mobility, and career planning. The company offers two promotion channels for all employees, namely the management track and the technical track.



Promotion Pathway Diagram for Fingu Employees

◎ Principle for Employee Promotion



◎ Employee Promotion Methods

- ① The employee development channels are divided into management channels and professional channels, and all employees can be promoted vertically within the same channel;
- ② The company determines promotion requirements based on organizational structure adjustments and the personnel needs of business departments;
- ③ Technical personnel undergo a unified job evaluation once a year, which refreshes their technical levels based on their comprehensive skills and contributions;
- ④ Promotions are comprehensively evaluated based on job positions, employee capabilities, performance assessments, rewards and punishments, training and learning situations, and whether they are reserved personnel for department talent pipelines;
- ⑤ Individuals who make significant contributions in innovation, invention, patents, etc. are given priority in promotion nominations.

◎ Employee Promotion Process

Employee promotion requires relevant personnel from the production, process, and quality departments of the requesting entity to fill out the "Recommendation Form for Promotion". The company's human resources department organizes interviews with the recommended personnel from the relevant departments, followed by personnel training. After the probation period, an assessment is conducted, and upon passing the assessment, a promotion announcement is made. During the reporting period, the company obtained 4 senior professional titles, 39 intermediate professional titles, and 19 junior professional titles.

Employee Care

Employee Life

◎ Employee Benefits

Fingu Electronics always pays close attention to the happiness and satisfaction of its employees, fully understands their needs, continuously improves the employee welfare system, and enhances employee satisfaction.

In 2022, the company invested 1.5 million yuan to implement projects for improving the dormitory environment and renovating the employee rest area. These initiatives aim to enhance the living conditions of employees and provide them with a more comfortable resting space, allowing them to enjoy a superior and comfortable living environment.

In 2022, the company's investment in the improvement of dormitory environment and renovation of employee rest areas is

1.5 million yuan

In 2022, the company's investment in the renovation of the cafeteria and upgrading of the dining environment is

390,000 yuan



Renovated employee dormitory

In 2022, the company invested 390,000 yuan to carry out a restaurant renovation and dining environment upgrade project. The aim was to create a comfortable, aesthetically pleasing, and convenient dining environment for employees, enabling them to fully enjoy delicious food and relieve work pressure during their leisure time.



Renovated employee cafeteria

During every festival, the company sends holiday greetings and blessings to employees through the WeChat official account, and also provides holiday benefits to employees.



Holiday greetings and blessings



Reunion dinner



Distribution of fruits, rice, and other benefits

Taking into consideration the needs of female employees, the company also provides health care benefits such as cervical cancer and breast cancer screenings for female workers.



Cervical cancer and breast cancer screenings for female workers

◎ Employee Activities

Fingu Electronics is committed to creating a healthy, comfortable, and enjoyable working and living environment for its employees. We continuously organize a variety of activities for our employees, focusing on their physical and mental health, daily life, and spiritual culture, to enrich their leisure time.



Basketball game



International Women's Day activities



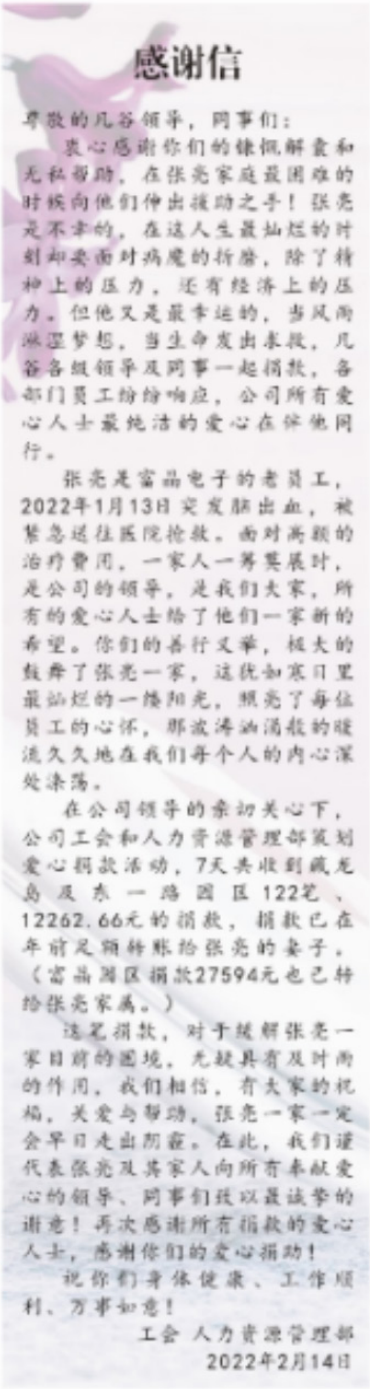
Lantern riddle guessing for Lantern Festival celebration

Relieve Difficulties and Solving Problems

Doing good deeds, attending to practical matters, and solving difficulties for employees reflects the company's commitment and care for its employees, continuously enhancing their sense of belonging.

In December 2022, the Fingu Union, Fujung Union, and the Human Resources Department conducted investigations and reviews on the situation of employees from disadvantaged families within the company. They distributed a total of 125,000 yuan in consolation money to 35 employees from such families.

In 2022, the company's labor union organized five donation drives for employee illnesses and accidents, resulting in a total donation amount of over 200,000 yuan.



Compassionate Donations

Low Carbon and Environmental Protection Green Development

62/Environmental Management
70/Emission Management

67/Resource Management



Environmental Management

Environmental Management System

The company actively responds to the national strategy of green development, deeply implements the ecological civilization concept of "green waters and mountains are as valuable as gold and silver", strictly complies with relevant laws and regulations such as the "Environmental Protection Law of the People's Republic of China", establishes a firm concept of green development, and promotes green and low-carbon transformation and development.

The company adheres to the management policy of "full participation, energy conservation, consumption reduction, and clean production", continuously improves the company's environmental management system, and enhances the level of environmental protection management. At the same time, we continue to increase investment in various environmental protection technologies and projects, supporting the company's transformation towards green manufacturing.

During the reporting period, three factories of the company have obtained ISO 14001:2015 environmental management system certification.

The company strictly adheres to the laws and regulations such as the "Environmental Protection Law of the People's Republic of China", the "Law of the People's Republic of China on Evaluation of Environmental Effects", the "Cleaner Production Promotion Law of the People's Republic of China", the "Regulations on Environmental Impact Assessment for Planning", and the "Measures for the Management of Ecological Environment Standards". It has formulated and implemented institutional documents related to environmental management, such as the "Management Handbook" and the "EHS Inspection and Performance Assessment Measures". Additionally, we have established environmental management procedures such as the "Environmental Factor Identification and Evaluation Control Procedure", the "Laws and Regulations Identification and Compliance Evaluation Control Procedure", the "Stakeholder Management Control Procedure", the "Management Objective Control Procedure", and the "Product Environmental Management and Control Operation Guide". We continuously promote the standardization of environmental management within the company and strive for improved environmental performance while ensuring compliance with environmental regulations.

In accordance with the system requirements and institutional guidelines, and in conjunction with actual production and operations, the company consistently identifies and evaluates controllable environmental factors at various stages of production and operations. This is done to ensure effective supervision and continuous improvement of significant environmental factors and their management systems. Additionally, the company ensures that all environmental indicators meet relevant legal requirements and industry standards, and effectively fulfills its environmental responsibilities by implementing daily monitoring and reviews.

The company entrusts qualified third-party monitoring agencies to conduct testing and accepts supervision and monitoring from the ecological environment department in accordance with relevant requirements, based on solid internal control. The company publicly discloses basic information, operation records, execution reports, monitoring plans, and monitoring data of its environmental protection through the "National Pollutant Discharge Permit Management Information Platform" and the "National Pollution Source Monitoring Information Management and Sharing Platform". Furthermore, every year, the company entrusts qualified third-party monitoring agencies to test the soil in the Fijing Electronics factory area, and the test report information is publicly displayed on the designated website of the ecological environment department. During the reporting period, the company did not receive any administrative penalties for environmental issues.

Overview of Company and Major Subsidiaries Environmental Investment Data

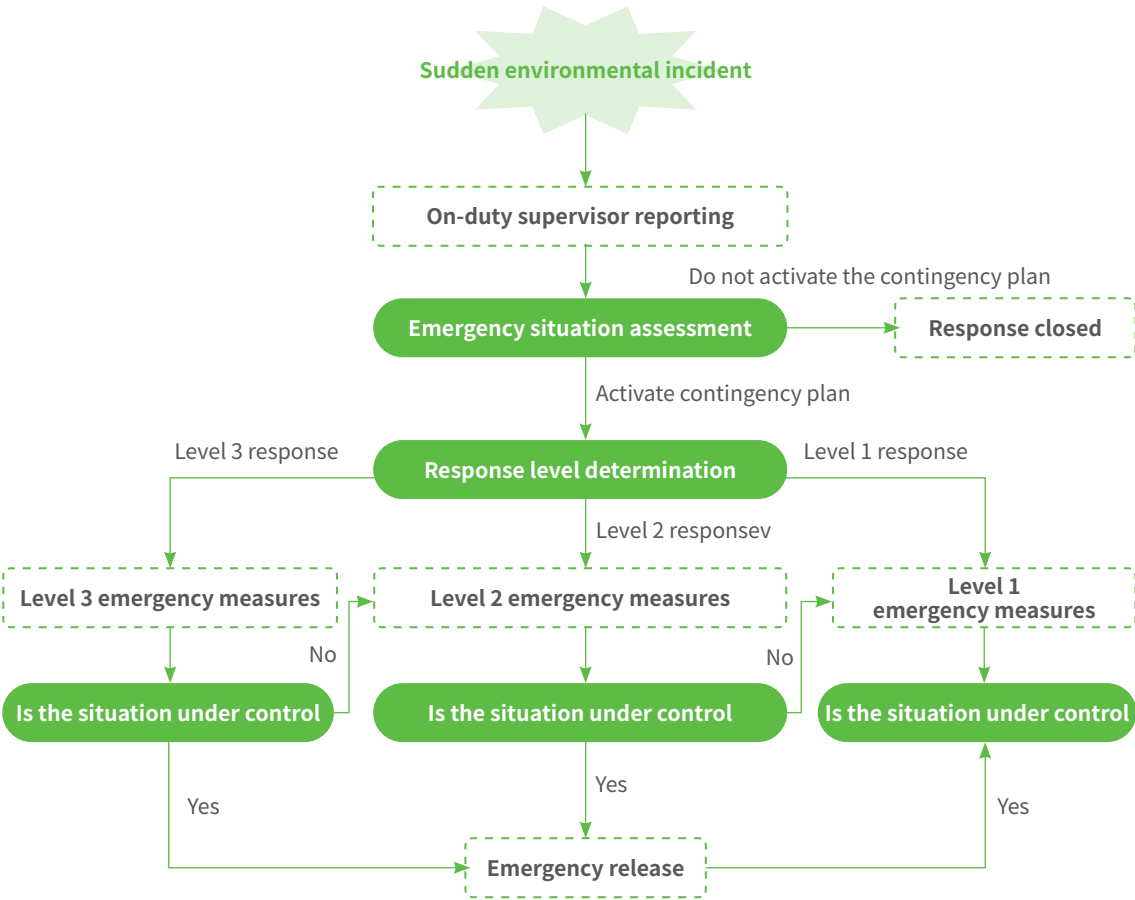
2021 Environmental Protection Investment	2022 Environmental Protection Investment
4,066,929.21 yuan	4,322,189.26 yuan

Environmental Emergency Mechanism

The company has incorporated environmental emergency management into the environmental management system to ensure its continuous and effective operation. Based on actual production and operations, the company has developed corresponding emergency plans for environmental accidents, taking into account the characteristics of the site, facilities, equipment, technological processes, and tools, to ensure that emergency work can be implemented quickly and efficiently in the event of accidents or emergencies.

Considering the company's actual situation, as well as the distribution and nature of surrounding environmentally sensitive targets, the company determines the warning levels and response procedures. Based on the investigation and evaluation of risk sources in the "Environmental Risk Assessment Report of Wuhan Fingu Electronics Technology Co., Ltd.", the company has formulated the "Emergency Plan for Sudden Environmental Incidents of Wuhan Fingu Electronics Technology Co., Ltd. (East 1st Road)", "Emergency Plan for Sudden Environmental Incidents of Wuhan Fingu Electronics Technology Co., Ltd. (Canglong Island)", and "Emergency Plan for Sudden Environmental Incidents of Ezhou Fijing Electronic Technology Co., Ltd.", and has filed them with the regulatory department as required.

The company classifies environmental accident emergency responses into Level 1 response (serious and major accidents), Level 2 response (significant accidents), and Level 3 response (general or minor accidents or incidents), based on the controllability of accidents, severity, scope of impact, and resources required for emergency response.



Emergency Response Process for Sudden Environmental Incidents

In 2022, the company has organized a total of four environmental emergency drills in Dongyi Road Park and Fijing Electronics Park. These drills include emergency handling of chemical leaks, pollution discharge leaks, abnormal emergency handling of pollution control facilities, and emergency handling of accidental power outage and wastewater leakage incidents. The purpose of these drills is to test the feasibility of the company's emergency response plans for sudden environmental incidents and evaluate the emergency response and rescue capabilities of employees when facing emergencies.

Emergency response drill for sewage discharge and leakage

On September 22, 2022, the company conducted an emergency handling drill for sewage discharge and leakage at the wastewater treatment plant in Dongyi Road Park.



Danger discovered



Danger report



Closing the valve



Leakage containment and cleanup



Leakage containment and cleanup



Replacing valve

Environmental Protection Training and Promotion

The company actively promotes the crucial concept of "environmental protection, everyone's responsibility" among its entire workforce. This is achieved through the effective utilization of impactful slogans, informative signs, and various other methods of environmental management. Additionally, the company organizes daily environmental education and training using various forms such as meetings, learning sessions, enterprise WeChat push, and pre-shift meetings to continuously enhance the environmental protection awareness of all employees.



In 2022, the company has conducted special training sessions including "identification of environmental factors", "identification and risk control of hazards", "safety of hazardous chemicals", "safety production laws", and "special equipment (forklift) training" to ensure that employees understand the environmental safety hazards associated with their positions, acquire knowledge of hazard control methods, and learn emergency response measures in the event of environmental safety incidents, with the aim of preventing and eliminating accidents.

Green Operation

The company continuously promotes and improves its green operations by implementing green office practices, green packaging, and green transportation measures:

Green office

The company has implemented several measures to promote a green office environment. These include requiring office electrical equipment to be set to power-saving mode, reducing standby power consumption, and powering off office-related equipment and facilities after work. Additionally, the company is accelerating the elimination of high-energy-consuming office equipment and implementing video conferences in various company campuses.



Compatible packaging design

Based on meeting customer needs and safety requirements, a high compatibility design is adopted, which can be used as both a bottom tray and a top cover. Through verification with the SP1523 series products, it has been calculated that the single pallet packing volume can be increased by 16.7% while saving material costs by 24.4%.

Stacked material design

Furthermore, a stacking design has been applied to the packaging materials, resulting in a 20% saving in storage space. This has been verified with the SP1481 series products.

Introduction of box packaging method

This method combines grid corrugated paper cards and bubble bags, taking advantage of the high strength, low cost, and small volume characteristics of grid paper cards. Through verification and application with the BP1819 series products, it has been calculated that the transportation packing volume can be increased by 50% and packaging costs can be reduced by 22%.

Eco-friendly materials and labels

Eco-friendly materials are selected when designing product packaging. Additionally, incorporating easily identifiable recycling symbols on the packaging will aid both internal and external users in proper waste management. Our company predominantly employs environmentally conscious materials such as cardboard, EPE, plywood, and other similar alternatives for packaging purposes. These materials are specifically utilized for packaging customer Y's shipments.



Unusable foam can be decomposed naturally, returning to the environment without causing pollution.



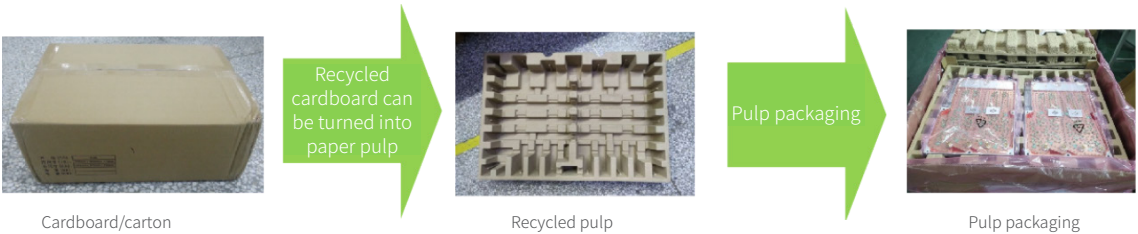
Similarly, paper materials can be regenerated into pulp, allowing for their reuse. Ultimately, all unusable materials can be decomposed back into nature without any adverse environmental impact.

Packaging materials recycling

The packaging materials sent by the company to customer Y include one type of plywood pallet and four types of recycled rotating trays.

Using recycled materials

The paper pulp packaging materials used by the company are made from 100% recycled paperboard, and these materials are used in the shipping packaging for X customers.



Green Transportation

In 2022, the transportation of exported products by the company is statistically divided as follows: 8.55% by land transportation, 9.75% by air transportation, 30.34% by railway transportation, and 51.36% by sea transportation.

Resource Management

The company has established energy resource management standards such as the "Resource and Energy Control Procedure", "Energy Conservation and Emission Reduction Control Procedure", and "Greenhouse Gas Inventory Procedure", and strengthened energy conservation management through the assessment of energy management goals and responsibilities. Considering the characteristics of production processes, the company has conducted industrial energy-saving diagnosis, energy-saving planning, and energy-saving technology transformation to effectively reduce energy consumption and optimize energy utilization efficiency.

To reduce the company's energy consumption indicators, the company has optimized the "five rates" (verification rate, rotation rate, suitability rate, error rate, and testing rate), managed the "five costs" (water, electricity, gas, office, and meeting expenses) throughout the entire process, and combined with technological progress to explore the potential for energy conservation, continuously promoting the refined management of resources and energy.

Energy Conservation Management

The company monitors and analyzes energy consumption of different units, including workshops, teams, and equipment. It evaluates, researches, and formulates corresponding technical and management improvement measures to fully utilize energy resources.

The company considers various aspects like production processes, power facilities, electrical equipment, buildings, and production equipment. While ensuring stable process quality and effective capacity release, it formulates energy-saving plans based on input-output analysis and gradually implements them in a targeted manner.

The company also conducts research and discussions on promoting climate change response and achieving scientific carbon targets. It explores long-term planning of intelligent energy monitoring platforms, solar energy applications, and photovoltaic power generation projects to scientifically implement energy-saving measures and vigorously promote the use of clean energy.

Overview of Company and Subsidiary Energy Usage

Energy name	Unit	2021	2022
Natural gas	kilowatt-hour	38,922,199	38,422,055
Diesel	kilowatt-hour	1,139,212	1,125,621
Gasoline	kilowatt-hour	164,815	131,311
Electricity	kilowatt-hour	51,255,770	54,365,399
Total		91,481,995.78	94,044,385.29



In the fourth quarter of 2021, Fingu Electronics launched a special energy-saving campaign, which included a series of energy-saving improvement measures in power, air conditioning, lighting, office, and compressed air.

Fingu Electronics upgraded the filter welding production line and introduced gas phase welding equipment, reducing electricity consumption and CO2 emissions. After the improvement, the annual electricity consumption was reduced to 18,720 kWh, half of the previous consumption of 37,440 kWh. At the same time, CO2 emissions decreased from 21,352.03 kg to 10,676.01 kg.



The company's Canglong Island Park achieved a comprehensive energy consumption reduction of 12.58% by implementing measures such as "peak-shaving and valley-filling time-of-use electricity", eliminating high-energy-consuming equipment, controlling the startup temperature of air conditioning, replacing with LED efficient energy-saving lamps, eliminating old air compressors, inspecting and repairing gas leaks in pipelines, and transforming gas guns. The annual electricity savings reached 1,676,470 kWh.

The energy-saving campaign received positive responses from various departments and units. According to statistics, as of the end of 2022, only the Fujing/Jinzhan Park implemented 19 energy-saving measures, including "optimization and upgrading of air compressors", "servo motor renewal and transformation of die-casting machines", "control of oil pollution collector opening and closing", "control of natural gas usage", and "improvement of lighting facilities". After calculation, the implementation of these measures can save 2,063,672 kWh of electricity and 29,200 m³ of natural gas annually.

Water Conservation Management

The company actively promotes water conservation by strengthening water-saving publicity, organizing centralized training for department representatives, posting water-saving slogans, organizing inspections, recording areas with water leakage, and promptly making improvements. It also promotes water-saving work through equipment and facility renovations.

Overview of Company and Subsidiary Water Usage

Indicators	Unit	2022
Total water usage	ton	1,180,555
Unit water consumption for revenue	tons of water per 10,000 yuan	5.69

The company has set up a landscape pond in the factory area for rainwater collection and uses the collected rainwater to irrigate the trees in the park, improving water resource utilization efficiency.

The company has implemented a series of special water resource management measures based on the production process characteristics:

- The replacement of the rinsing tank in the electroplating production shall be determined based on the actual water quality of each process. The replacement of tap water and pure water shall be based on the conductivity test specified by the process regulations, and it is not allowed to directly replace the cleaning water of all rinsing tanks.
- During continuous production, the water valve and overflow water switch of the production line shall be set within the specified range to reduce the flow rate of the overflow water. Before the last pass and during the production gap, all water valves shall be closed to ensure that there is no dripping from each valve.
- Each electroplating process needs to reduce the carry-out of the solution and reduce the pollution rate of the cleaning water. The requirements of the operating instructions shall be strictly followed. When taking out the workpiece from each plating tank, the hanging tool shall be placed on the edge of the tank and tilted according to the specified process requirements to allow the residual water to flow naturally into the tank. At the same time, the drip time shall be set according to the process regulations for relevant processes in the automatic line.
- Each rinsing tank in the electroplating production line shall be assigned to a responsible person or process to ensure smooth overflow, so as to avoid a large amount of waste caused by the overflow water overflowing the tank edge due to blockage of the overflow port.
- In principle, pure water and tap water shall be prohibited from being mixed in the electroplating production line.
- During the operation of the CNC machine tool water tank in the machining process, the filter screen shall be cleaned in a timely manner. When adding clean water, it shall only be filled up to 3/4 of the water tank as required to avoid overflow of cutting fluid.
- By implementing the above measures, an estimated 18,338 m³ of water can be saved annually.



Emission Control

The company strictly adheres to national and local environmental protection policies, laws, and regulations. It has established a waste management system to strengthen the management and continuous improvement of waste emissions. There were no violations or irregularities in emissions during the reporting period.

The company's wholly-owned subsidiary, Ezhou Fujing Electronic Technology Co., Ltd., is listed as a key pollutant discharge unit by the environmental protection department. Fujing strictly follows national pollutant emission standards and requirements, such as the Environmental Impact Assessment Report and the approved "Comprehensive Emission Standards for Atmospheric Pollutants" (GB 16297-1996), "Comprehensive Emission Standards for Wastewater" (GB 8978-1996), and "Emission Standards for Electroplating Pollutants" (GB 21900-2008). It implements various environmental protection measures and has obtained a pollutant discharge permit in accordance with the requirements of the national "Technical Specifications for Application and Issuance of Pollutant Discharge Permits". It has also formulated and implemented a self-monitoring plan in accordance with the requirements of the "General Guidelines for Self-Monitoring of Pollutant Discharge Units" (HJ 819-2017) and environmental monitoring technical specifications. At the same time, it discloses information on the Hubei Province Enterprise Self-Monitoring Platform.

Waste management

Exhaust gas

The company's factory area has dedicated exhaust gas treatment equipment for all pollution-producing processes, and the exhaust gas is discharged after meeting the standards through the treatment equipment.

Overview of Fujing Company Exhaust Emissions

Item	Unit	2021	2022
Total exhaust emissions	ton	10.268	10.934
Nitric oxide	ton	3.297	3.856
Particulate Matter (PM)	ton	1.964	1.638
Sulfuric acid mist	ton	2.366	2.640
Hydrogen chloride	ton	1.200	1.360
Volatile Organic Compounds VOCs	ton	1.441	1.440

The company has conducted technological transformation for the treatment of oil mist exhaust (VOCs) in mechanical processing. By adopting a centralized collection method for individual machine processing, the oil mist exhaust generated during the machining process is collected, treated, and discharged, achieving satisfactory outcomes.

The company's measures in waste gas emission management also include:

- Discharging is conducted through a 15m exhaust pipe after spray drying dust cyclone + bag dust removal treatment. The exhaust gas from burning is discharged through a 15m exhaust pipe after being treated with activated carbon.
- The exhaust gas from silver immersion, silver brushing, and drying is discharged through a 15m exhaust pipe after being treated with activated carbon and laser etching dust treated by a smoke purifier.
- The exhaust gas from burning, silver immersion, silver brushing, and drying is discharged through a 15m exhaust pipe after being treated with activated carbon and laser etching dust treated by a smoke purifier.
- The purified fumes are led to the top of the integrated building through a dedicated smoke duct for discharge.

- For the organized waste gas from machining oil mist, 4 sets of oil mist collection and purification devices are installed, using metal filter screens + electrostatic oil removal treatment process, and then discharged through 4 15m exhaust pipes. A suction exhaust branch pipe is installed under the roof of the machining workshop to collect and treat the unorganized waste gas, which is then discharged through an exhaust pipe after being treated by an oil mist purifier.
- 1 set of cartridge dust collector is installed to treat the grinding dust, and the exhaust gas is discharged through a 15m exhaust pipe.
- The reflow welding fumes are adsorbed and treated with activated carbon, and then discharged through a 15m exhaust pipe.
- The soldering iron welding fumes are collected and treated with a welding fume purifier, and then discharged inside the workshop after being treated with activated carbon adsorption.

Wastewater

In order to ensure standard sewage discharge, Fingu Dongyi Road Park has constructed a sewage treatment station and installed online monitoring facilities for sewage. These facilities are used to treat domestic sewage and industrial wastewater (machining wastewater and ceramic wastewater) generated within the factory area. After the cafeteria wastewater is treated in the grease trap, it is mixed with domestic sewage and enters the septic tank for treatment. Afterwards, it is treated together with the industrial wastewater in the factory's sewage treatment station. The treated water meets the "Comprehensive Discharge Standard for Sewage" (GB 8978-1996) and is discharged into the municipal sewage pipe on Liufangyuan Road, and then enters the Tangxun Lake sewage treatment plant.

Fujing Company has invested more than 15 million yuan to build a fully enclosed electroplating wastewater treatment station specifically for treating the wastewater generated by electroplating production. After treatment, the electroplating wastewater meets the "Emission Standard for Electroplating Pollutants" (GB 21900-2008) "New Enterprise Standard" and is discharged into the general discharge. To improve the treatment efficiency of the electroplating wastewater station, the company has invested more than 8 million yuan to add UF ultrafiltration membrane system and RO membrane treatment system, and upgrade and transform the existing treatment facilities, equipment, and biochemical system. At the same time, the company has invested more than 2 million yuan to install COD and wastewater online monitoring systems.

Overview of Company Wastewater Discharge

Indicators	Unit	2021	2022
Total amount of wastewater discharge	ton	583329	547094
Total amount of pollutants discharged in water	ton	25.91	28.78
COD	ton	18.58	21.61
Ammonia nitrogen	ton	1.13	1.62
Floating matter	ton	6.06	5.35
Total phosphorus	ton	0.14	0.21

Note: The above data does not include the company's Canglong Island Park, and Canglong Island Park is not involved in the production of wastewater.

◎ Solid waste

The company has established a solid waste management mechanism: general solid waste (domestic waste) is managed by the property and entrusted to the sanitation department for collection and disposal. Non-hazardous solid waste with recycling value (recyclable waste) is managed by the general office for recycling and disposal work. Hazardous waste is uniformly managed by the safety and environmental department and handed over to qualified hazardous waste disposal units for treatment in accordance with regulatory requirements.

The company has set up hazardous waste warehouses in each park and assigned dedicated personnel to receive hazardous waste generated within the park.

Overview of Company Solid Waste Emission

Item		Unit	2021				2022				Note
			Total	Fingu (including Finguxin/Dongyi Road)	Fujing	Jinzhan	Total	Fingu (including Finguxin/Dongyi Road)	Fujing	Jinzhan	
General solid waste	Total generation	ton	5137.96	1967.51	3166.45	4.00	5079.91	1961.43	3114.48	4.00	
	Recyclable metal	ton	3541.96	560.23	2854.45	0	3483.91	550.17	2802.48	0	
	Total disposal amount	ton	5137.96	1967.51	3166.45	4.00	5079.91	1961.43	3114.48	4.00	
	Comprehensive utilization rate	%	68.94	34.94	90.15	-	68.58	34.74	89.98	-	
Note: In the table, "Comprehensive utilization rate = Recyclable solid waste ÷ Total generation of general solid waste"											
Hazardous waste	Total disposal amount	ton	2954.99	25.33	2928.66	1.00	2632.79	18.09	2613.70	1.00	
	HW08	ton	46.25	19.68	25.57	1.00	22.94	9.51	12.43	1.00	
	HW49	ton	38.37	5.65	32.72	-	14.00	8.58	5.42	-	
	HW17	ton	2870.37	-	2870.37	-	2595.85	-	2595.85	-	
	Disposal rate	%	100	100	100	100	100	100	100	100	
Total amount of waste disposal		ton	8092.95	1992.84	6095.11	5.00	7712.70	1979.52	5728.18	5.00	

Fujing's hazardous waste treatment is representative:

During the operation process of Fujing, the main hazardous waste generated includes sediment waste and copper-containing cotton core sticks produced during the electroplating workshop production process, as well as copper-containing sludge generated during the electroplating wastewater treatment process, and oil-containing waste generated during the mechanical processing process and wastewater treatment process. The company has established a dedicated hazardous waste warehouse for storing hazardous waste generated during the production process. Furthermore, due to the large amount of copper-containing hazardous waste generated during the wastewater treatment process, Fujing has built a dedicated electroplating sludge drying facility for storing copper-containing sludge. All hazardous waste generated by Fujing is handed over to hazardous waste disposal entities with corresponding disposal qualifications for recycling and disposal. The "Five-Party Transfer Form" for hazardous waste transfer is processed.

Greenhouse gases

Fingu Electronics adheres to a firm belief in sustainable development, actively responds to global climate actions, sets scientific carbon reduction goals, and takes active actions. While investing heavily in energy conservation and emission reduction, it also helps supply chain partners achieve green and low-carbon development.

Carbon emission reduction target of Wuhan Fingu

Percentage of carbon emission reduction relative to the base year (%)	Base year	Carbon emissions (relative to target)	Start year	Target year
50%	2015	9 tons/million (RMB)	2015	2030

In order to make the company's resource utilization more reasonable, effectively suppress greenhouse gas emissions, and achieve reduction goals, Fingu Electronics actively promotes the implementation of relevant measures:

- (1) Establishing a greenhouse gas project team to investigate and account for various types of greenhouse gas emissions sources and emission data in the company, analyzing the energy-saving elements of each emission source, and providing basic data support for greenhouse gas reduction.
- (2) Incorporating greenhouse gas investigation and control into the company's environmental management system and improving the company's environmental management system.
- (3) Actively promoting the company's energy-saving and carbon reduction, and environmental protection work to maintain the company's environmental quality.
- (4) Developing and implementing energy-saving targets, indicators, and management plans for implementation of greenhouse gas reduction.
- (5) Developing and implementing energy-saving and emission reduction projects for various types of energy.
- (6) Organizing environmental education and training for all departments to enhance the environmental awareness of all employees in the company.

Overview of Company's Greenhouse Gas Emissions in 2022

Indicators	Unit	Wuhan Fingu	Fujing	Total
Total amount of greenhouse gas emissions	tCO ₂ e	14,890	24,274	39,164
Category 1	tCO ₂ e	236	7,923	8,159
Category 2	tCO ₂ e	14,654	16,351	31,005

Note: The accounting boundary includes Canglong Island Park, Dongyi Road Park, and Fujing Electronics Park.
Data sources: "2022 Greenhouse Gas Emissions Inventory - Fujing + Jinzhan 7-14-2023" and "Greenhouse Gas Inventory of Wuhan Fingu Electronics in 2022 7/14/2023".

Public Welfare and Advancing Together Harmoniously

Fingu Electronics has always advocated the philanthropic concept of caring for society and giving back to society, and is committed to achieving the harmonious development between the company and society.

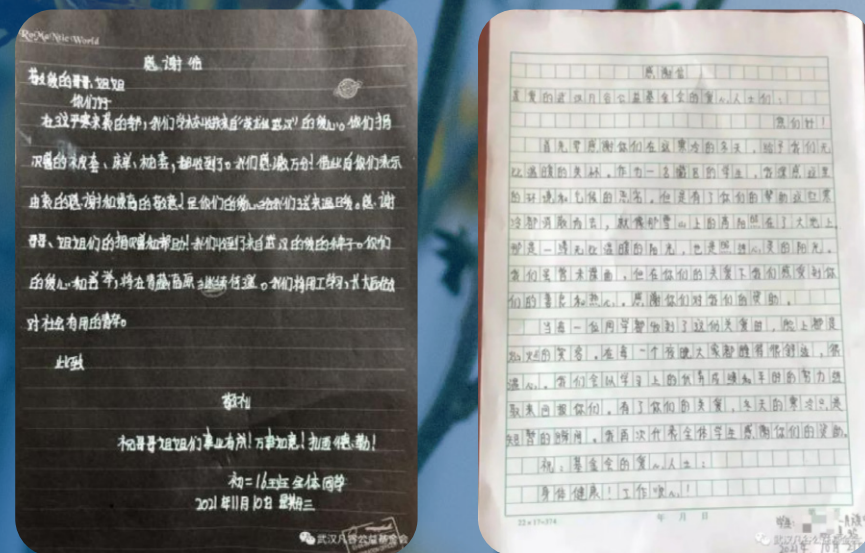
We continue to focus on various areas such as schools in mountainous areas, impoverished students, orphanages, flood prevention and disaster relief, medical research, poverty alleviation, and assistance. Our philanthropic activities have spread to multiple provinces and cities including Yunnan, Guizhou, Ningxia, Qinghai, Sichuan, Hubei, etc. From 2015 to present, we have donated a total of over 6.8 million yuan in goods and cash.

© Assisting Rural Revitalization

The company focuses on assisting rural revitalization and common prosperity, continuously paying attention to the economic development of remote areas. From 2015 to the present, it has invested 2.3 million yuan in special funds for rural revitalization.

© Focusing on Education

Achieving dreams with love and igniting hope through educational assistance, Fingu actively engages in various initiatives to promote the development of education. Through generous donations of learning materials, daily necessities, and other means, we strive to make a positive impact on the lives of individuals in need. From 2015 to the present, a total of 2.95 million yuan in scholarships has been awarded, benefiting more than 300 students, helping them realize their educational dreams and achieve their own life values.



Donated goods and cash totaled over
6.8 million yuan

From 2015 to now, a total of
2.95 million yuan in scholarships has been awarded

A total of more than
300 students have been assisted



In June 2022, Fingu organized a donation campaign in Shiyan City, donating over 5,127 carefully selected and beautifully designed books to three schools: Experimental Primary School of Shiyan Economic and Technological Development Zone, Dongfeng Senior High School, and Yunyang Middle School.



Volunteer Activity - Book Donation for schools of Shiyan City in 2022



Volunteer activities
Donate living supplies to Qinghai Tibetans in 2021

© Wuhan Fingu's Kind Act Moves Huangmei

Wuhan Fingu Company, upon learning about the devastating flooding in Huangmei, promptly decided to extend a helping hand by organizing volunteer service activities in the affected area. On the evening of July 22, 2020, the dedicated Wuhan Fingu volunteer team arrived in Huangmei, armed with three trucks brimming with essential emergency relief supplies. The total value of these supplies was approximately 180,000 yuan. With the cooperation and participation of members of the County Civil Affairs Bureau Party Group, such as Shi Xiaoming, and other civil affairs officials, the donated supplies were transported to Caishan Town and Xinkai Town that night. The team continued to work tirelessly until around 2 am the next day.



Look Ahead

Fingu Electronics will refer to international excellent cases and successful customer practices, identify its own value chain activities, actively respond to the United Nations Sustainable Development Goals (SDGs), and continuously explore the contribution and action path of the entire value chain's production and operation activities to the SDGs.

We will continuously improve our corporate governance structure, enhance our corporate governance level, comply with the requirements of business ethics, establish trust relationships with all stakeholders, and enhance long-term company value.

We will continuously enhance our innovation capabilities and promote technological progress and application. We will actively invest in research and development and collaborate with industry partners for technology exchange, accelerating the development and commercialization of sustainable technologies.

Through continuous innovation, responsible management, and the establishment of partnerships, we will maintain mutually beneficial and win-win relationships with suppliers, establish a sound supply chain social responsibility management system, and create a green and responsible value chain.

We will implement the national green development strategy, promote green and low-carbon transformation, reduce waste and increase efficiency, promote green environmental products and services, help achieve scientific carbon targets, seize clean technology opportunities, and promote green and low-carbon development in the industry and society.

We will also strengthen cooperation with government and regulatory agencies, academic institutions, and non-governmental organizations to jointly promote the sustainable development agenda. We will actively participate in the formulation of standards and policies in related industries, advocating for environmentally friendly and socially responsible practices.

We will work closely with local communities to promote environmental awareness and advocate for sustainable lifestyles.

We will create a harmonious workplace, respect employee rights, establish smooth communication channels, continuously improve democratic management systems, provide employees with diversified development paths, and establish a sound occupational health management system, creating a harmonious, safe, and comfortable working environment.

We look forward to working together with all parties to jointly create a prosperous and sustainable future.



Index of Indicators

Statement of use	Wuhan Fingu Electronics Technology Co., Ltd. has reported the information cited in this GRI content index for the period 2022.1.1-2022.12.31 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI Standards	Disclosure	Location
GRI 2: General Disclosures	2-1 Organizational details	Company Profile
	2-2 Entities included in the organization’ s sustainability reporting	Scope of Report
	2-3 Reporting period, frequency and contact point	Summary of Report
	2-4 Restatements of information	/
	2-5 External assurance	/
	2-6 Activities, value chain and other business relationships	Main Products and Services
	2-7 Employees	Overview of the company's employee situation
	2-8 Workers who are not employees	/
	2-9 Governance structure and composition	Corporate Governance
	2-10 Nomination and selection of the highest governance body	Corporate Governance
	2-11 Chair of the highest governance body	Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	Sustainable Governance Framework and Practice
	2-15 Conflicts of interest	/
	2-16 Communication of critical concerns	/
	2-17 Collective knowledge of the highest governance body	/
	2-18 Evaluation of the performance of the highest governance body	/
	2-19 Remuneration policies	/
	2-20 Process to determine remuneration	Corporate Governance
	2-21 Annual total compensation ratio	/
	2-22 Statement on sustainable development strategy	Sustainable Governance Framework and Practice
	2-23 Policy commitments	/
	2-24 Embedding policy commitments	/
	2-25 Processes to remediate negative	Enhancing the Foundation of Business Ethics
	2-26 Mechanisms for seeking advice and raising concerns	/
	2-27 Compliance with laws and regulations	Corporate Governance
	2-28 Membership associations	/
	2-29 Approach to stakeholder engagement	Communication with Stakeholders
	2-30 Collective bargaining agreements	/

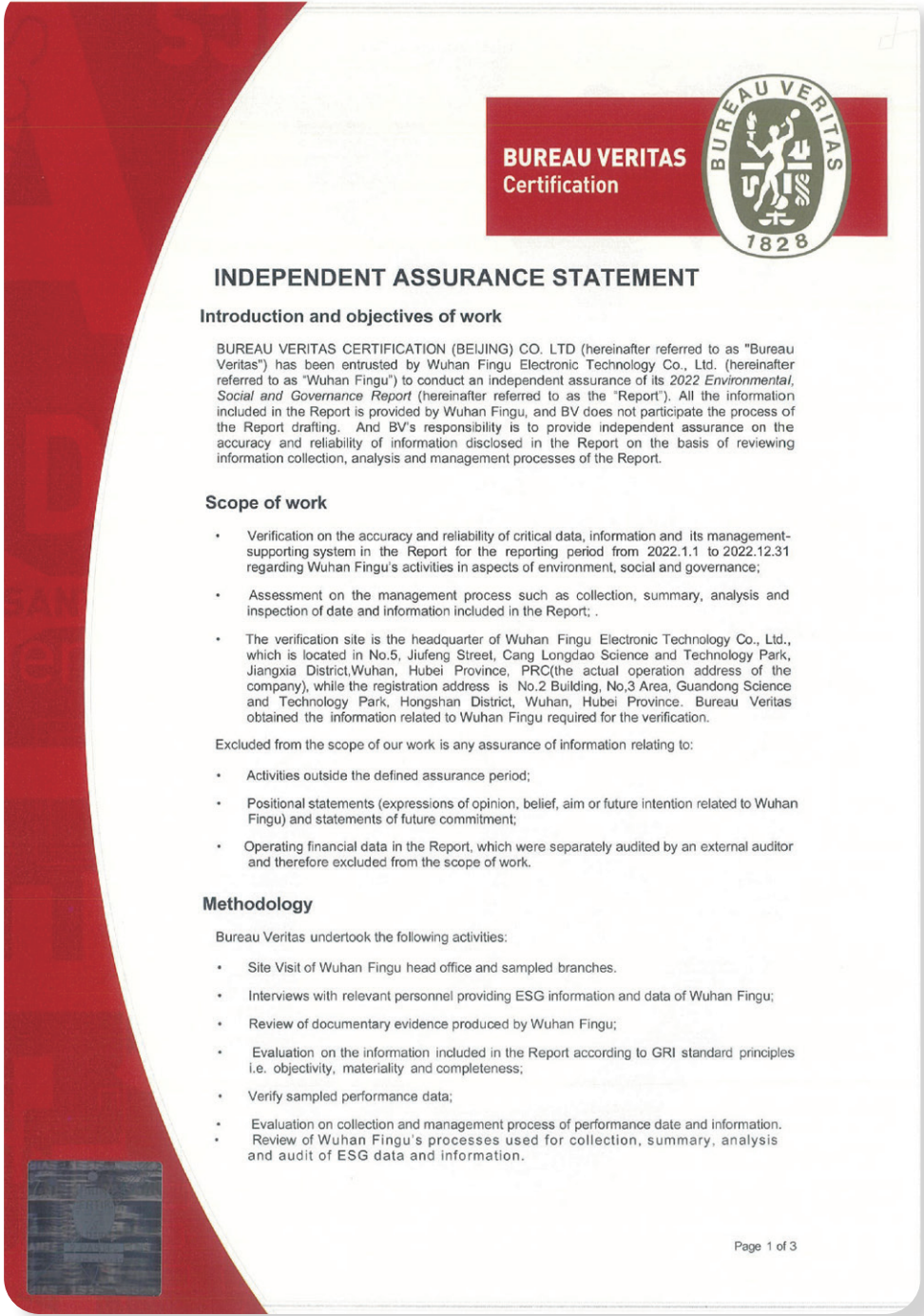
GRI 3: Material Topics	3-1 Process to determine material topics	Substantive Issue Assessment
	3-2 List of material topics	Substantive Issue Assessment
	3-3 Management of material topics	Substantive Issue Assessment
GRI 201: Economic Performance	3-3 Management of material topics	Company Size and Influence
	201-1 Direct economic value generated and distributed	Company Size and Influence
	201-2 Financial implications and other risks and opportunities due to climate change	/
	201-3 Defined benefit plan obligations and other retirement plans	/
	201-4 Financial assistance received from government	/
GRI 203: Indirect Economic Impacts	3-3 Management of material topics	Public Welfare and Advancing Together Harmoniously
	203-1 Infrastructure investments and services supported	Public Welfare and Advancing Together Harmoniously
	203-2 Significant indirect economic impacts	/
GRI 205: Anti-corruption	3-3 Management of material topics	Enhancing the Foundation of Business Ethics
	205-1 Operations assessed for risks related to corruption	/
	205-2 Communication and training about anti-corruption policies and procedures	Enhancing the Foundation of Business Ethics
GRI 206: Anti-competitive Behavior	205-3 Confirmed incidents of corruption and actions taken	Enhancing the Foundation of Business Ethics
	3-3 Management of material topics	Creating a Fair Competitive Environment
GRI 301: Materials	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Creating a Fair Competitive Environment
	3-3 Management of material topics	Green Operation Sustainable Procurement
	301-1 Materials used by weight or volume	/
	301-2 Recycled input materials used	Sustainable Procurement
GRI 302: Energy	301-3 Reclaimed products and their packaging materials	Green Operation
	3-3 Management of material topics	Energy Conservation Management
	302-1 Energy consumption within the organization	Energy Conservation Management
	302-2 Energy consumption outside of the org	/
	302-3 Energy intensity	/
	302-4 Reduction of energy consumption	Energy Conservation Management
	302-5 Reductions in energy requirements of products and services	Energy Conservation Management

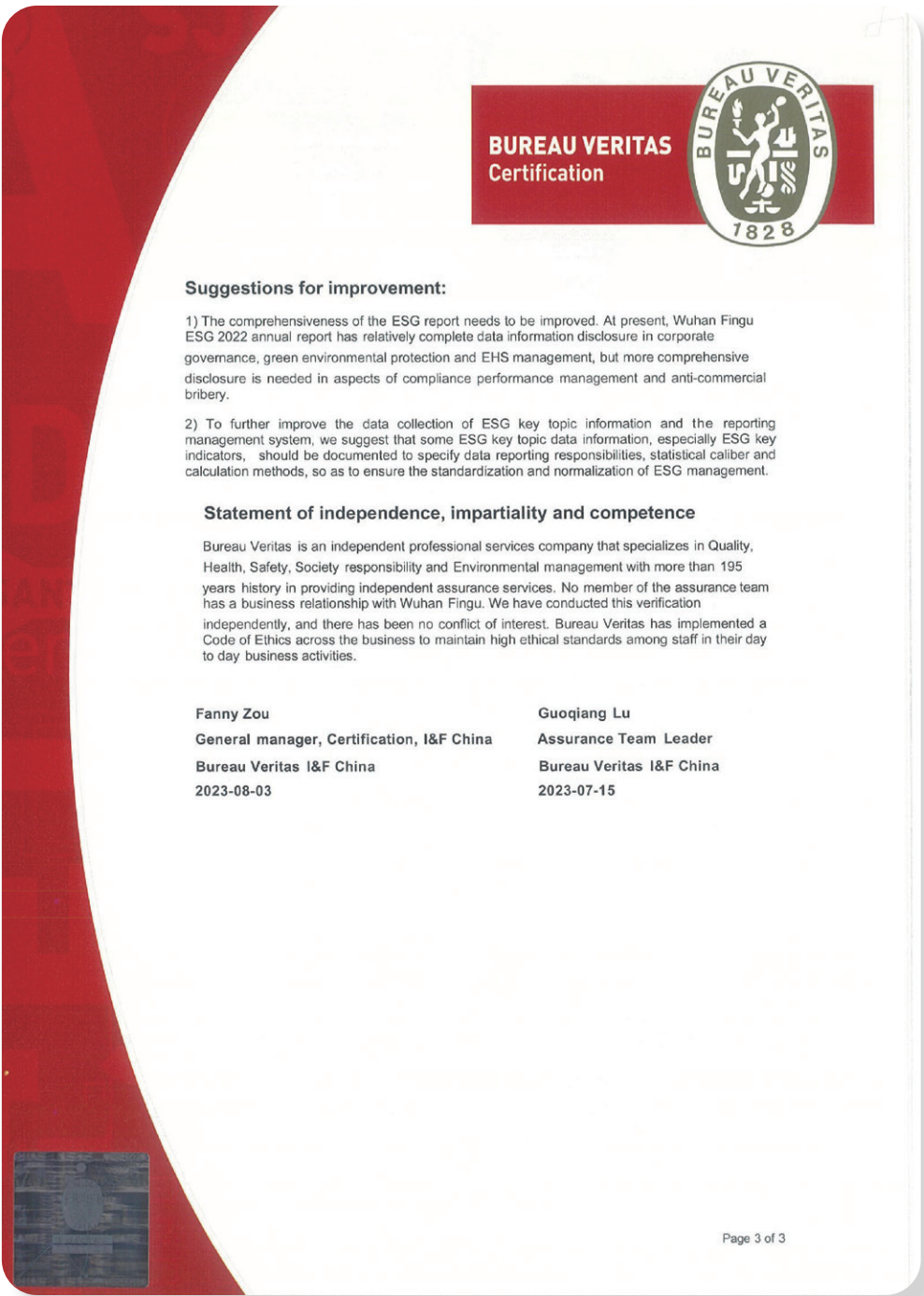
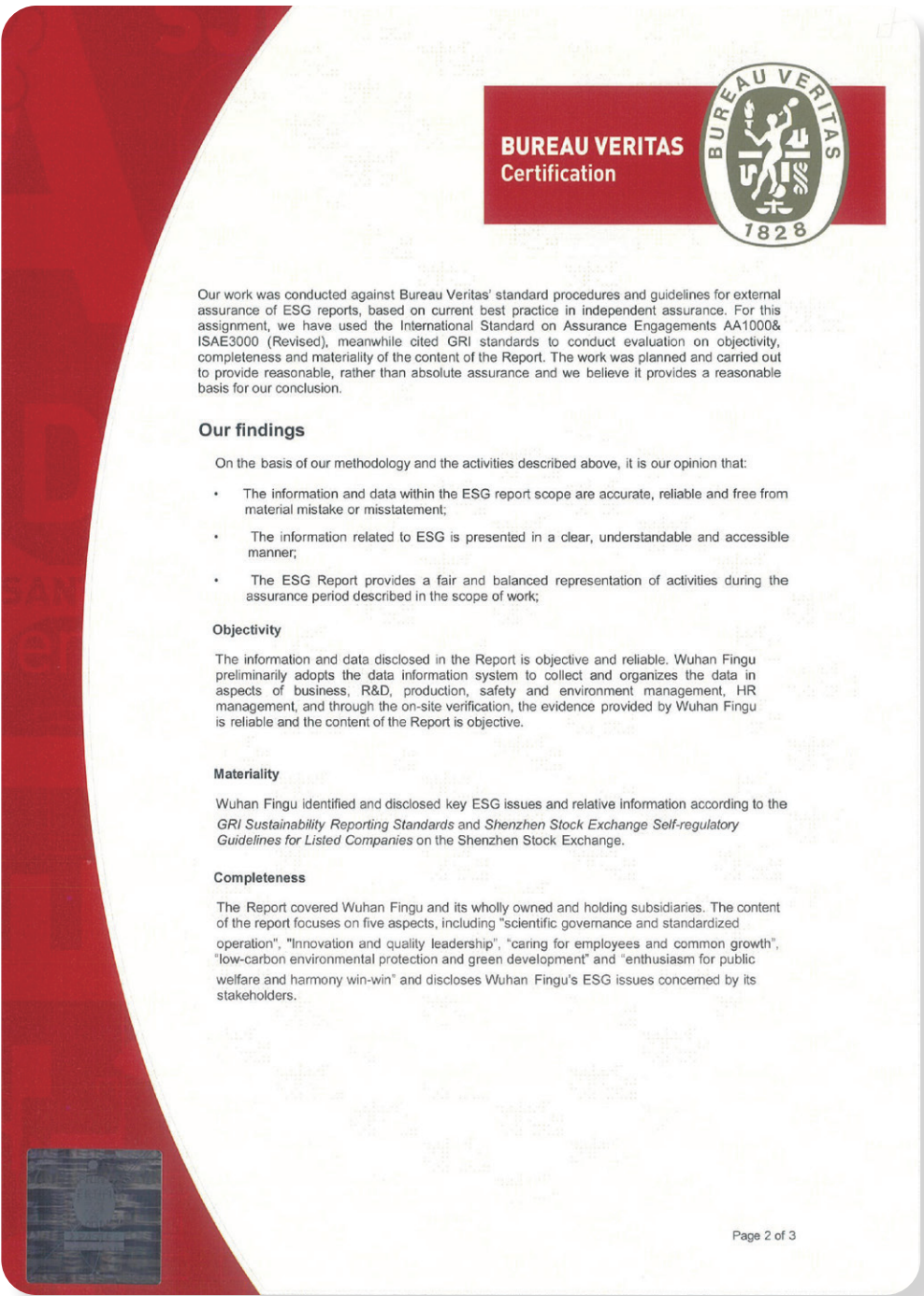
GRI 303: Water and Effluents	3-3 Management of material topics	Water Conservation Management
	303-1 Interactions with water as a shared resource	/
	303-2 Management of water discharge_x0002_related impacts	/
	303-3 Water withdrawal	/
	303-4 Water discharge	Waste management
	303-5 Water consumption	Water Conservation Management
GRI 305: Emissions	3-3 Management of material topics	Greenhouse gases
	305-1 Direct (Scope 1) GHG emissions	Greenhouse gases
	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse gases
	305-3 Other indirect (Scope 3) GHG emissions	/
	305-4 GHG emissions intensity	/
	305-5 Reduction of GHG emissions	Greenhouse gases
	305-6 Emissions of ozone-depleting substances (ODS)	/
GRI 306: Waste	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Waste management
	3-3 Management of material topics	Waste management
	306-1 Waste generation and significant waste-related impacts	/
	306-2 Management of significant waste_x0002_related impacts	/
	306-3 Waste generated	Waste management
	306-4 Waste diverted from disposal	/
GRI 308: Supplier Environmental Assessment	306-5 Waste directed to disposal	Waste management
	3-3 Management of material topics	Sustainable Procurement
	308-1 New suppliers that were screened using environmental criteria	Sustainable Procurement
GRI 401: Employment	308-2 Negative environmental impacts in the supply chain and actions taken	/
	3-3 Management of material topics	Employee Rights and Interests
	401-1 New employee hires and employee turnover	Employee Rights and Interests
	401-2 Benefits provided to full-time employees that are not provided to temporary or part_x0002_time employees	Employee Rights and Interests
	401-3 Parental leave	/

GRI 403: Occupational Health and Safety	3-3 Management of material topics	Occupational Health Occupational Safety Employee Rights and Interests
	403-1 Occupational health and safety management system	Occupational Health
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Safety
	403-3 Occupational health services	Occupational Health
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Rights and Interests
	403-5 Worker training on occupational health and safety	Occupational Safety
	403-6 Promotion of worker health	Occupational Health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health
	403-8 Workers covered by an occupational health and safety management system	Occupational Health
	403-9 Work-related injuries	Occupational Safety
GRI 404: Training and Education	403-10 Work-related ill health	/
	3-3 Management of material topics	Employee Training Overview of the company's employee situation
	404-1 Average hours of training per year per employee	Employee Training
	404-2 Programs for upgrading employee skills and transition assistance programs	Career Development
GRI 405: Diversity and Equal Opportunity	404-3 Percentage of employees receiving regular performance and career development reviews	Overview of the company's employee situation
	3-3 Management of material topics	Overview of the company's employee situation
	405-1 Diversity of governance bodies and employees	Overview of the company's employee situation
GRI 413: Local Communities	405-2 Ratio of basic salary and remuneration of women to men	/
	3-3 Management of material topics	Public Welfare and Advancing Together Harmoniously
	413-1 Operations with local community engagement, impact assessments, and development programs	Public Welfare and Advancing Together Harmoniously
	413-2 Operations with significant actual and potential negative impacts on local communities	/
GRI 414: Supplier Social Assessment	3-3 Management of material topics	Sustainable Procurement
	414-1 New suppliers that were screened using social criteria	Sustainable Procurement
	414-2 Negative social impacts in the supply chain and actions taken	/
GRI 416: Customer Health and Safety	3-3 Management of material topics	Customer Service
	416-1 Assessment of the health and safety impacts of product and service categories	Customer Service
GRI 418: Customer Privacy	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	/
	3-3 Management of material topics	Trade Secret and Privacy ProtectionTrade Secret and Privacy Protection
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Trade Secret and Privacy Protection

Alignment with SDGs

Sustainable Development Goals (SDGs)	Corresponding Chapter
	Employee Care, Dedicated to Public Welfare, Advancing Together Harmoniously
	Public Welfare and Advancing Together Harmoniously
	Quality Construction, Sustainable Procurement, Occupational Health and Safety, Employee Care
	Employee Growth, Dedicated to Public Welfare, Advancing Together Harmoniously
	Corporate Culture, Employee Rights and Interests, Employee Care
	Sustainable Procurement, Resource Management, Emission Management
	Environmental Management, Resource Management
	Manager's Address, About Fingu Electronics, Social Responsibility Management, Honesty and Integrity in Business, Care for Employees, Growing Together
	Manager's Address, Corporate Culture, Main Products and Services, R&D and Innovation, Quality Construction
	Corporate Culture, Employee Rights and Interests, Employee Care
	Environmental Management, Environmental Management, Dedicated to Public Welfare, Advancing Together Harmoniously, Look Ahead
	Manager's Address, Sustainable Governance Framework and Practice, Quality Construction, Sustainable Procurement, Low-carbon and Environmental Protection, Green Development, Look Ahead
	Sustainable Procurement, Environmental Management, Emission Management, Look Ahead
	About Fingu Electronics, Scientific governance, standardized operation, Sustainable Procurement, Employee Rights and Interests, Look Ahead
	Communication with Stakeholders, Social Responsibility Management, Corporate Governance, Honesty and Integrity in Business, Customer Service, Look Ahead







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