



# 2023

## Environmental, Social, and Governance (ESG) Report

Amlogic (Shanghai) Co.,Ltd.

## Regarding the Report

2023 Environmental, Social, and Governance (ESG) Report (hereinafter referred to as 'the Report') extensively shows the practices and performance of Amlogic (Shanghai) Co.,Ltd. in the areas of economic, environmental, social, and corporate governance responsibilities for the year 2023. Its objective is to engage in effective communication with all stakeholders, in a systematic manner, to respond the expectations and demands of these stakeholders.

### Period

For the period from January 1, 2023 to December 31, 2023, certain aspects of the Report are moderately extended to surrounding years to enhance comparability and foresight.

### Reporting Scope

The Report unveils information on the economic, social, and environmental responsibilities fulfilled by Amlogic (Shanghai) Co.,Ltd. and its subsidiaries. The relevant typical cases are sourced from the company and its affiliates.

### Data Sources

The Report utilizes data from a variety of sources, including original operational data of the company, publicly available government data, annual financial data, internal relevant statistical reports, third-party questionnaire surveys, and third-party evaluation interviews. The financial data in this Report is presented in CNY. In case of any inconsistency with the financial report, the financial report shall prevail.

### Compilation Basis

- United Nations Sustainable Development Goals (SDGs)
- *Global Reporting Initiative Standards (GRI Standards)* by Global Reporting Initiative (GRI)
- *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises* by Chinese Academy of Social Sciences (CASS-ESG 5.0)

- *ISO 26000: Guidance on Social Responsibility (2010)* by International Organization for Standardization (ISO)

- *Guidelines of Shanghai Stock Exchange for Self-discipline Supervision of Listed Companies No. 1 - Standardized Operation (2023)* by Shanghai Stock Exchange Sci-Tech Innovation Board (SSE STAR Market)

### Report Compilation Process

This Report, based on our corporate social responsibility practices, follows a process flow of "project approval - data collection - compilation and revision - senior management review - board review - external unveiling." Throughout such stages as project approval and compilation and revision, we actively engage with relevant stakeholders, discussing and validating the framework structure and content of the Report.

### Report Reliability Guarantee

The company guarantees the veracity, accuracy, and completeness of the Report, with no false records, misleading statements, or significant omissions.

This report has been prepared in Chinese and English respectively. In case of discrepancy in the interpretation of this report, the Chinese version shall prevail.

### Title Description

For clarity and readability, "Amlogic (Shanghai) Co.,Ltd." is also referred to as "Amlogic", "the Company", or "we" throughout this Report.

### Report Acquisition

The electronic version of this Report can be accessed on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

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# About us

## Corporate Overview

Established in 2003, Amlogic (Shanghai) Co.,Ltd., Ltd is dedicated to the research and development, design, and sales of System-on-a-Chip (SoC) and peripheral chips. Its current main products include multimedia intelligent terminal SoCs, wireless connectivity chips, and automotive electronic chips, providing SoC main control chips and system-level solutions for numerous consumer electronics sectors. The Company's products are widely utilized in various fields such as home, automotive, office, education, sports & fitness, industry, commerce, agriculture, entertainment, and warehousing. It has emerged as a globally positioned and domestically leading non-wafer semiconductor system design manufacturer.

With business operations spanning across Mainland China, Hong Kong, North America, Europe, Latin America, Asia-Pacific, and Africa, the Company has established a solid customer base globally through long-term technological expertise, continuous research and development in new technologies and applications, as well as leveraging its strategic positioning and market resources worldwide.

In order to drive the sustainable and robust development of the Company, continuous efforts are being made to strengthen the construction of a global operational system and promote the brand, with a commitment to expanding into global markets. As the Company's global business further accelerates, various product lines are being optimized and enhanced, and new products are being continuously introduced, paving the way for broader horizons in the Company's operations.

## Corporate Culture

**Credit**  
We respect pragmatic business management with integrity, always giving top priority to clients and products.

**Creative**  
We encourage the fighting spirit of proactive innovation and progress, unceasingly promoting customer value, product value, enterprise value and personal value.

**Concentration**  
We advocate the working attitude of professional dedication and optimistic passion, focusing on the job and making it the best.

**Cooperation**  
We value the collaboration awareness of teamwork and mutual help, without underestimating anyone's hard work to a successful enterprise.

Corporate Culture

## Strategic Planning

**Strategic Planning**

We will further delve into the new products and technologies across our entire product line, continuously meeting the demands of customers in the intelligent terminal device chip market. We aim to enhance our own product design and development capabilities.

By optimizing product structures in line with downstream customer requirements, we will consistently provide highly integrated, high-performance and secure chip products. This will help to increase the stickiness of our partnerships with customers and strengthen the Company's profitability, further solidifying and enhancing our market position within the industry.

We will continue to strengthen our research into fundamental core and cutting-edge technologies in the aforementioned fields through the establishment of a dedicated technical R&D center. This will enable us to continually improve the Company's independent R&D and innovation capabilities, as well as reinforce our technical R&D advantages to consolidate and enhance our market competitiveness.

# Company History

Development Amlogic (Shanghai) Co.,Ltd.

**2007**

Amlogic introduced single chip solution to digital photo frame product and successfully won 70% global market share

**2009**

Amlogic was the pioneer to cooperate with ARM in Consumer Electronics product line, successfully grasping the direction of technological change

**2010**

Amlogic developed the world's first 1080P full HD decoder based on CortexA9CPU and Mali400GPU, running on the Android operating system

**2011**

World's first to release smart TV, tablet PC and IP-STB based on Android 4.0

**2012**

Among the first batch of strategic partners of Google TV4.0, Amlogic released dual-core Cortex-A9 SoC which was then successfully applied in Consumer Electronics like Tablet/ STB/ DTV

**2013**

Amlogic successfully realized mass production of 28nm quad-core A9 CPU SoC and led the shipment of smart STB SoC in the industry

**2014**

Amlogic released quad core flagship application processor featuring in 4K2K H.265 decoder and ultra-low power consumption

**2015**

Amlogic released 64-bit Multi-Core 4K2K OTT/STB SoC

**2016**

Amlogic released Google Cast Ready WiFi Audio SoC 64-bit Multi-Core 4K2K VP9 SoC

**2017**

Voice control for speakers/ soundbar and global TV SoC

**2018**

Amlogic released 12nm UHD TV/STB SoC and industry leading Smart Vision SoC

**2019**

Amlogic successfully achieved large-scale production of smart TV SoC and 4KSmart Vision SoC, and went public on the Science and Technology Innovation Board (STAR Market) within the same year

**2020**

Amlogic developed AV1 STB/TV SoC

**2021**

Amlogic released MEMC/ AI-SR global DTV SoC and put front-loading IVI in-car entertainment SoC into mass production

**2022**

Amlogic released the first 8K UHD smart STB processor and Wi-Fi 6 SoC

**2023**

Amlogic developed a new generation 6-nanometer SoC platform



## Sustainable Management

Amlogic attaches great importance to the identification and management of social responsibility issues. In response to the demands of stakeholders, we continuously enhances the process of identifying and confirming social responsibility issues, improves communication and research content with stakeholders, optimizes issue assessment methods, establishes a substantive issue matrix, and focuses on unveiling and responding to stakeholder expectations in the Report.



## Stakeholder Identification and Communication

Amlogic has laid a solid foundation for the long-term development of the Company, emphasizing the importance of listening to and understanding the demands of stakeholders. We actively explores various channels to maintain communication with stakeholders and seeks the trust and support of all parties in order to promote the continuous improvement of social responsibility management.

Stakeholder Identification	Expectations and Demands	Communication and Response
<b>Stockholder</b>	<ul style="list-style-type: none"> <li>Operating in accordance with laws and regulations</li> <li>Adequate information disclosure</li> <li>Protection of stockholders' rights and interests</li> <li>Investor Relations management</li> <li>Adhering to business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Compliant operations</li> <li>Risk management</li> <li>Information disclosure</li> <li>Building communication channels for investors</li> <li>Intellectual property management</li> <li>Information security protection system</li> </ul>
<b>Government regulator</b>	<ul style="list-style-type: none"> <li>Operating in accordance with laws and regulations</li> <li>Anti-corruption</li> <li>Internal control</li> <li>Complying with regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Management policy implementation</li> <li>Cooperating with regulatory inspections</li> <li>Compliance with regulations</li> </ul>
<b>Customer</b>	<ul style="list-style-type: none"> <li>High-quality products</li> <li>After-sales service</li> <li>Privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Scientific research innovation</li> <li>High-quality service</li> <li>Protecting customer privacy security</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Compensation and benefits</li> <li>Protection of employee rights and interests</li> <li>Employee training and career development</li> <li>Employee health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Employee rights and protection</li> <li>Complete salary management system</li> <li>Complete employee training plans</li> <li>Sound democratic management</li> <li>Various employee care activities</li> </ul>
<b>Industry</b>	<ul style="list-style-type: none"> <li>Supplier management</li> <li>Industry advancement</li> <li>Industry cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Supplier management system</li> <li>Participating in industry research activities</li> <li>Building a business ecological cooperation circle</li> </ul>
<b>Community and public</b>	<ul style="list-style-type: none"> <li>Public welfare</li> </ul>	<ul style="list-style-type: none"> <li>Poverty alleviation and agricultural assistance</li> <li>Volunteer service</li> </ul>

# Corporate Governance

## Compliant Operations & Long-Term Development

### Idea

Amlogic consistently adheres to a robust and standardized governance philosophy, focusing on the compliance of corporate governance. Through implementing an efficient governance structure and a comprehensive governance system, the Company continually drives the overall improvement of governance and management levels. Furthermore, Amlogic places great emphasis on risk management and prevention, and effectively reduces the risk of internal corruption and embezzlement by establishing a thorough risk management system and a whistleblowing and penalty mechanism, ensuring the Company's healthy and stable development.

### Our actions

- Corporate governance
- Information disclosure
- Anti-corruption and integrity
- Risk management
- Intellectual property
- Information security

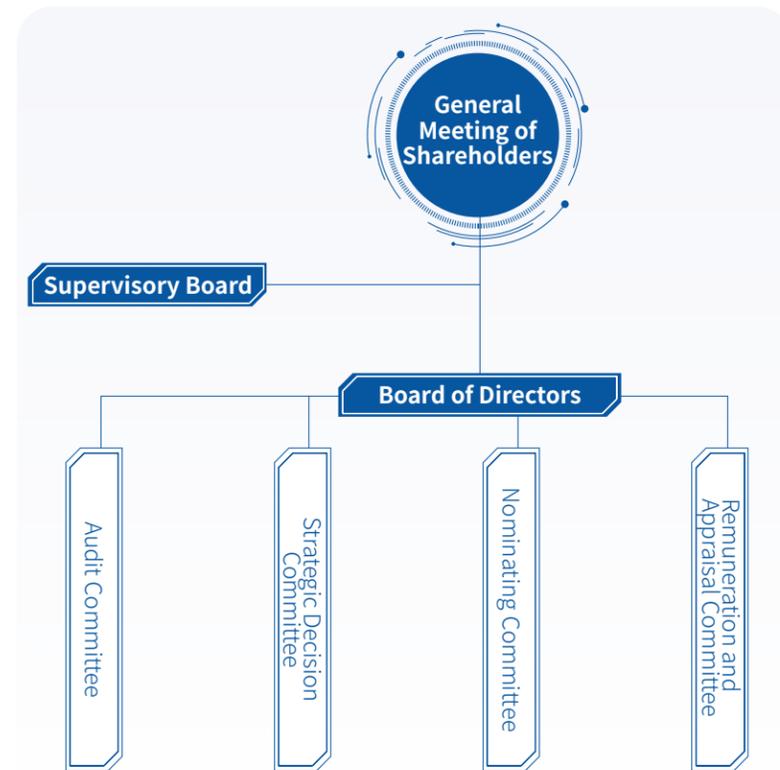
### SDGs benchmarking



# Corporate Governance

Amlogic continuously improves its corporate governance structure, establishes a comprehensive internal control system and amends its Articles of Association in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Governance for Listed Companies*, the *Guidelines on the Articles of Association of Listed Companies* and other relevant laws, regulations and standardized documents, to further regulate the operation of the Company and to improve the level of corporate governance.

The Company has established a corporate governance structure centered around the General Meeting of Shareholders, the Board of Directors, the Supervisory Board, Independent Directors, and Senior Management. This structure includes a mechanism for mutual coordination and checks and balances among the power body, decision-making body, supervisory body, and management, providing institutional guarantees for the Company's efficient, stable, and standardized operation.



Company Organizational Structure

## General Meeting of Shareholders

The convening, holding, attendee qualification, voting procedures, and other related matters of the General Meeting of Shareholders are in compliance with the provisions of laws, regulations, and the *Articles of Association of the Company*. The Company will invite lawyer to attend the General Meeting of Shareholders, verify the identities of attendees, witness the meeting's convening procedures, deliberation items, and the voting results of the General Meeting of Shareholders, and issue a pertinent legal opinion letter to safeguard the legitimate rights and interests of all shareholders.

### Key performance

The Board of Directors currently consists of

**5** members

including

**2** Independent Directors

**1** Female Director

In order to enhance the professional competence of the directors, supervisors, and senior management, the Company has conducted a total of

**11** specialized training sessions for them

achieving a

**100%** attendance rate

**5** General Meetings of Shareholders held

## Supervisory Board

The Supervisory Board plays an effective oversight role to ensure the legality and compliance of all business activities of the Company. All members of the Supervisory Board diligently and honestly fulfill their duties in accordance with the *Company Law of the People's Republic of China*, the *Articles of Association of the Company* as well as relevant regulations. They independently exercise their powers in compliance with the law to safeguard the standardized operation of the Company and protect the interests of the Company and its shareholders.

## Board of Directors

The Board of Directors of the Company establishes four specialized committees: the Audit Committee, the Strategic Decision Committee, the Nominating Committee, the Remuneration and the Appraisal Committee. The composition of their members is reasonable and compliant.

These specialized committees are responsible to the Board of Directors, and they carry out their duties in accordance the *Articles of Association of the Company* and the authorization of the Board of Directors. They play a significant role in the operational management of the Company by fully leveraging their expertise.



### Training on the management measures for independent directors to ensure the establishment of a scientific and rational system

On August 1, 2023, the China Securities Regulatory Commission (CSRC) announced the *Management Measures for the Administration of Independent Directors of Listed Companies*, which came into effect on September 4, 2023. The Company conducted specialized training for independent directors in response to this new regulation.

Furthermore, the Company compiles and analyzes regulatory sanction cases on a weekly basis. In the event of any matters that require the attention of the directors, supervisors, and senior management, timely notifications will be issued to them.

### Key performance

**14** meetings of the Supervisory Board

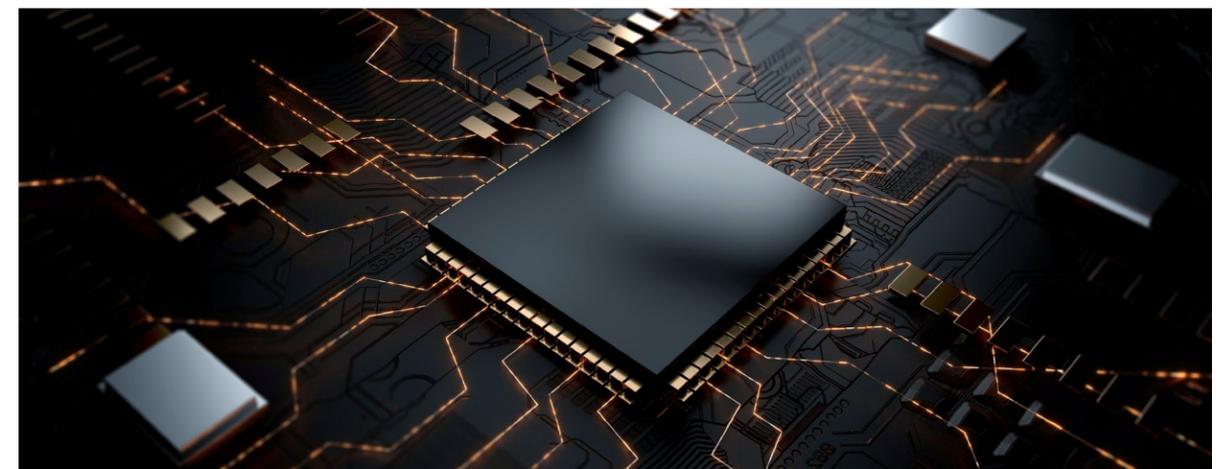
The Supervisory Board currently has **3** supervisors

The Audit Committee was convened **5** times

the Strategic Decision Committee was convened **3** times

the Remuneration and Appraisal Committee was convened **10** times

the Nominating Committee was convened **1** time



# Information Disclosure

Effective information disclosure is pivotal in fostering trust within the market, bolstering the Company's position in the capital market, mitigating internal corruption risks, and ensuring investors possess a comprehensive understanding of the Company's operations and financial health. Adhering rigorously to pertinent legislation such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, the Company discloses information in a manner that is objective, equitable, timely, and precise, safeguarding investor interests while furnishing them with a solid foundation for decision-making. Moreover, the Company prioritizes Investor Relations management, consistently amplifying engagement and trust with investors through diverse channels, cultivating enduring and mutually beneficial relationships, fortifying the Company's standing in the capital market, and augmenting market trust and recognition.

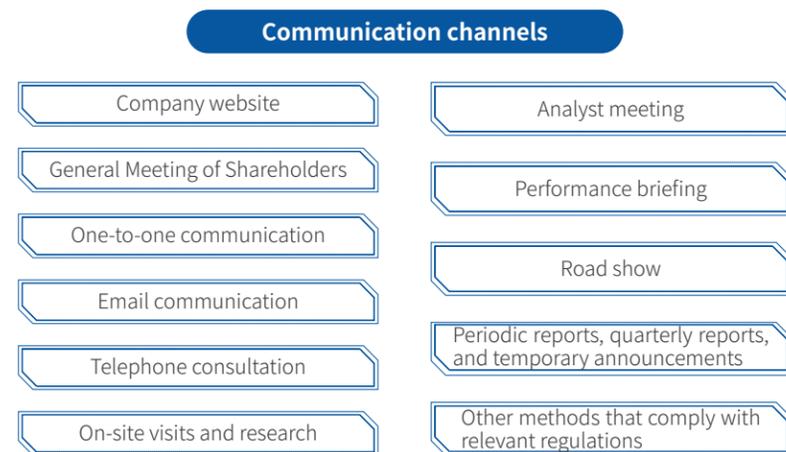
Key Honor

Amlogic was rated **A** in the 2022-2023 information disclosure work comprehensive evaluation by the Shanghai Stock Exchange



## Investor Relations Management

The Company has updated certain provisions of the *Investor Relations Management System* in accordance with the *Guidelines for the Investor Relations Management of Listed Companies*, the *Rules for the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange*, and the *Guidelines of the Science and Technology Innovation Board of Shanghai Stock Exchange for Self-discipline Supervision of Listed Companies No. 1 - Standardized Operation*. These updates focus on enhancing the responsibilities of senior management, disciplinary measures for employees who violate this system, and the establishment of a punishment mechanism. The Company has established multiple communication channels to actively maintain sound relationships with investors, ensuring that investors can stay informed about the Company's situation and more.



Communication channels between the company and investors

Key performance

In 2023, the Company received around **550** visits from individuals including fund managers and analysts.

Participating once in annual, semi-annual, and quarterly performance briefings at the Shanghai Stock Exchange, totaling **3** times

## Information Disclosure Management

The Company adheres to the principles of transparency, fairness, effectiveness, timeliness, and accuracy in information disclosure when carrying out the Company's *Information Disclosure Management System*. It actively fulfills its disclosure obligations, promptly revises internal related systems such as the *Articles of Association of the Company* based on relevant regulations, and strives to carry out insider information work effectively to ensure that all shareholders have equal access to Company information, safeguarding investors' right to information. During the reporting period, the Company has not received any written criticisms, public condemnations, or administrative penalties from regulatory authorities due to violations of information disclosure regulations.



Type of document disclosed by the company

Key performance

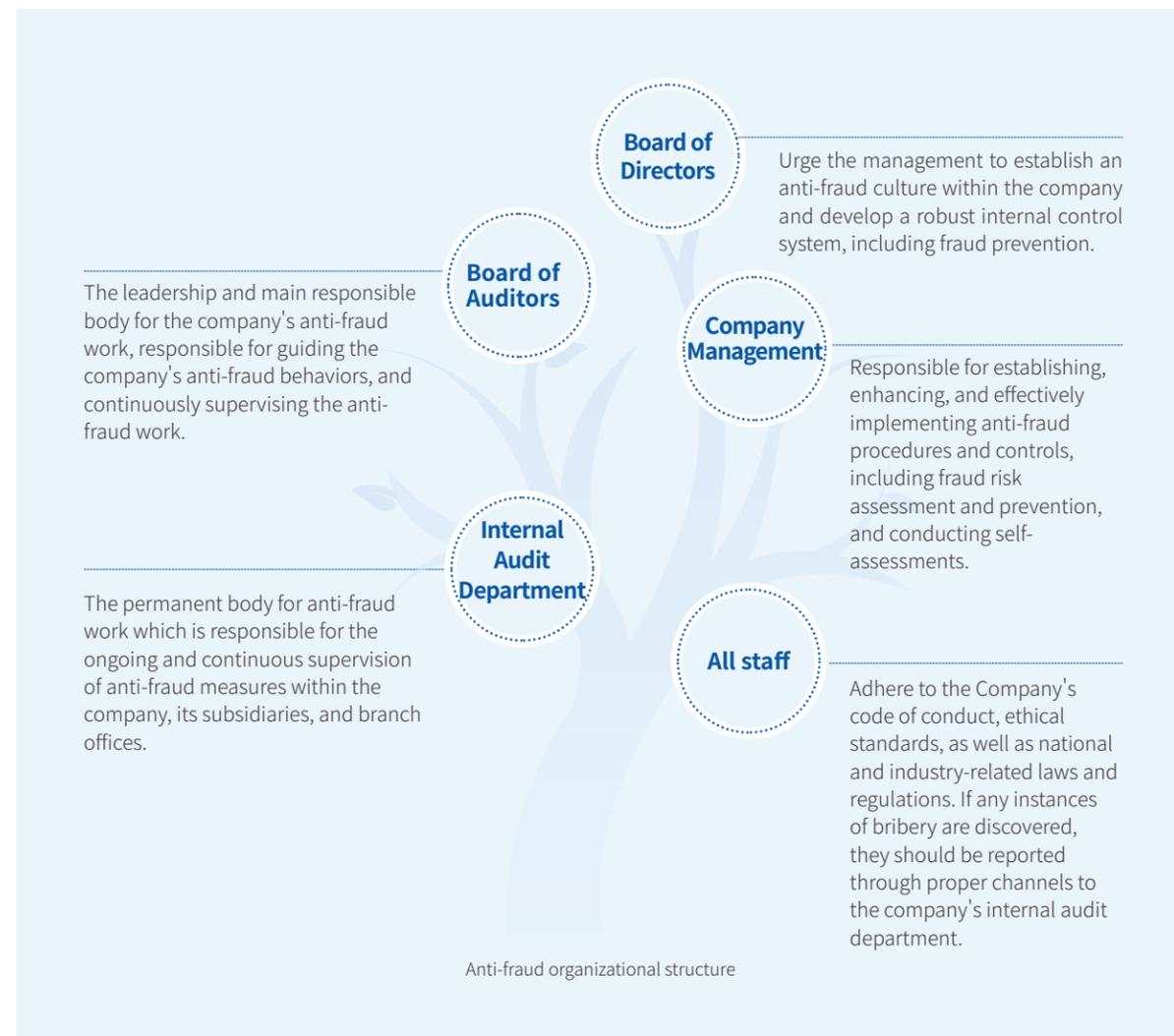
In 2023, Amlogic revised a total of **2** internal documents disclosed **182** documents to the public in accordance with the A-share information disclosure regulations totaling over **1.4** million words

# Anti-Corruption and Integrity

Amlogic strictly complies with relevant laws and regulations such as the *Civil Code of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, staunchly opposes and expressly prohibits corrupt practices. The Company has established an anti-corruption and anti-bribery compliance system, covering anti-corruption and anti-bribery aspects such as fair trade, gift-giving, and business hospitality. This system explicitly requires employees to adhere to the provisions related to commercial transactions or business advancement, ensuring that employees conduct business activities within the scope of legal requirements while upholding the principles of honesty, integrity, and self-discipline.

## Guarantee System

To establish a comprehensive anti-fraud system, effectively prevent and combat fraudulent activities, and protect the interests of the Company and investors, the Company has introduced the *Anti-Fraud Policy* to regulate all employees, especially middle and senior management, as well as key personnel in their professional conduct. Employees are required to sign the *Anti-Commercial Corruption and Business Bribery Commitment Agreement*, committing to fulfilling their duties to combat bribery, corruption, and other related matters. The internal Audit Department of the Company is responsible for investigating instances of bribery within the Company, accept reports from employees, and based on this foundation, has developed an effective system of regulations.



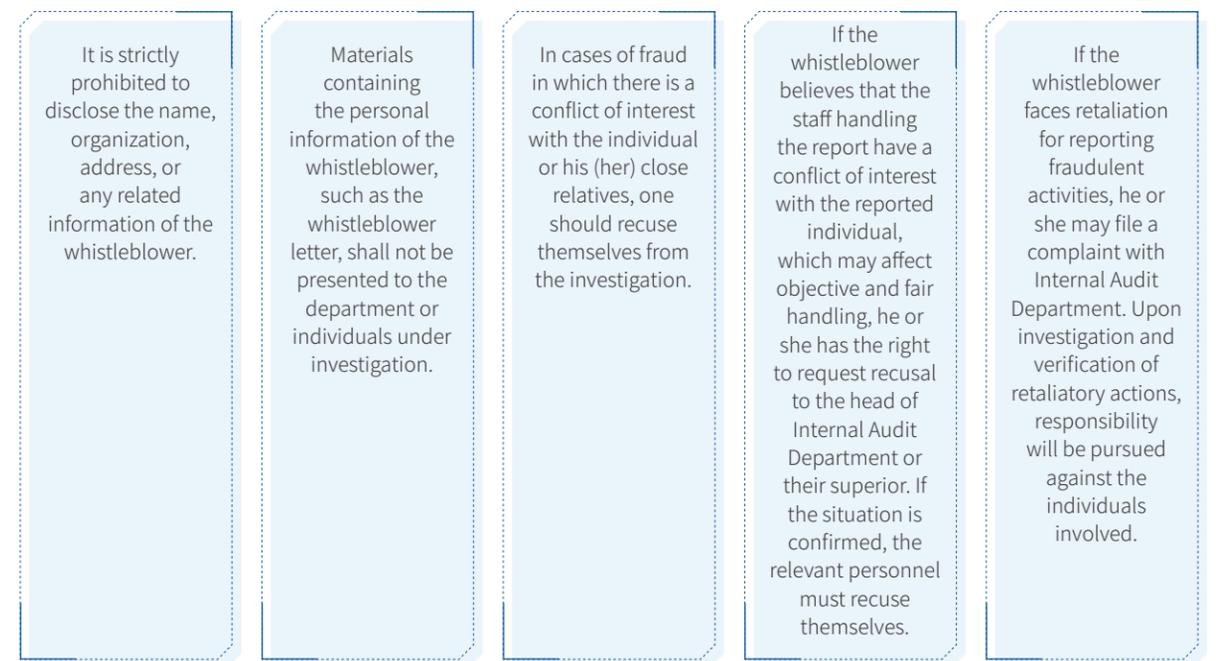
## Reporting Process

The Company has established a sound and diverse reporting channel, through which employees and all stakeholders who have direct or indirect business relationships with the Company can report information about actual or suspected fraudulent cases involving the Company and its personnel via various methods such as telephone, email, and written correspondence, either anonymously or with their identity disclosed



Reporting Process

## Whistleblower protection



## Risk Control

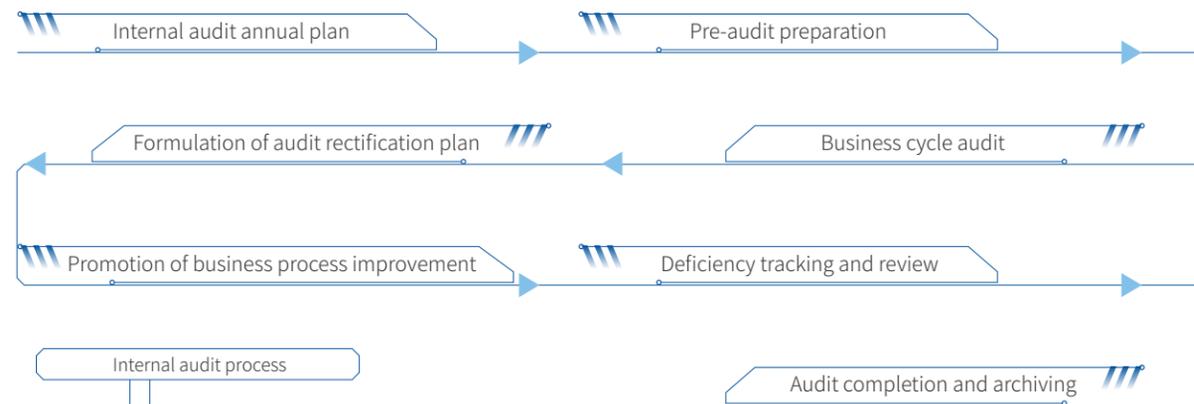
To ensure prompt and precise decision-making in the presence of risks, Amlogic consistently reinforces its risk management and control measures. This is aimed at boosting the efficiency and effectiveness of risk management, thereby enhancing the Company's response capabilities. Amlogic's Internal Control Department is responsible for assisting various business departments in identifying and assessing the processes and systems of each department, promptly discovering risks, introducing risk response plans, improving risk evaluation standards, and continuously monitoring risk points in the Company's business activities.



Risk control process

## Internal Audit

Internal Audit Department formulates an annual internal audit plan each year, which includes routine supervision through audit checks on business cycles such as corporate governance, information disclosure management, and human resources management. It conducts regular and continuous monitoring and inspections of the Company's operations, correcting issues promptly upon discovery. Identified issues during audits prompt Internal Audit Department to propose internal control deficiencies and corrective actions, urging responsible departments to make corrections, and promptly reporting to the Company's leadership and Board of Auditors.



## Intellectual Property

Amlogic has established a comprehensive intellectual property system and *Intellectual Property Rights Incentive Distribution Mechanism* to protect employees' research and development (R&D) achievements, maintain the Company's competitive edge in the market, and encourage more innovation and R&D. In addition, the Company convenes comprehensive standard supervision and audit meetings to ensure that the intellectual property management system complies with standards and is effective, thereby reducing production risks. By strengthening internal intellectual property management and participating in intellectual property rights protection activities, the Company has cultivated a favorable commercial image.



IPMS Certification

### Key performance

During the reporting period, Amlogic filed **52** new IP patent applications, including **30** invention patents; we were granted **80** patents, including **54** invention patents.

	Increase in 2023	
	Number of applications	Number of granted patents
Invention patent	30	54
Utility model patent	1	0
Software copyright	19	24
Integrated circuit layout design	2	2
<b>Total</b>	<b>52</b>	<b>80</b>

**Case** Implementing comprehensive standard supervision and audit to reduce the risk in intellectual property management

In the fiscal year 2023, the Company actively implemented comprehensive standard supervision and audit, primarily focusing on spot checks of intellectual property management in the Research and Development Department, Sales Department, Finance Department, Legal Department, and HR Department. The audit covered the distribution of patent rewards in each department, identification of intellectual property risks in the R&D and sales processes, and payment status for authorized patents. All audits yielded satisfactory results, demonstrating compliance with corporate intellectual property management standards. The Company successfully passed the 2023 comprehensive standard supervision audit and was awarded the "IPMS Certification" again.



The first and final meetings for comprehensive standard supervision and audit of the intellectual property management system

**Case** Training on intellectual property management system to strengthen employees' awareness of intellectual property protection

In December 2023, the company conducted training on the intellectual property management system. This training was carried out in a hybrid format combining online and offline sessions. The training enhanced employees' innovation awareness, reinforced their understanding of intellectual property protection, helped standardize their behavior regarding intellectual property, and mitigated legal disputes and losses arising from infringement, piracy, and other related activities.



Training on intellectual property management system

# Information Security

Amlogic places a high priority on information security, strictly adheres to relevant laws and regulatory requirements regarding information security management, and aims to protect core business secrets and competitiveness, to ensure business continuity and operational efficiency, and to uphold market investor trust and market reputation. The Company has internally developed comprehensive standards for protecting information assets and an information security management system to prevent unauthorized access, concessions, or disclosures, continuously enhancing the Company's information security defense capabilities. The Company has formulated the *Amlogic Information Classification Policy* to assist in managing and safeguarding information assets, with strict requirements for employees to adhere to the information category principles outlined in this policy when handling information security matters.

**Key performance**

In 2023, the Company conducted information security training with a total participation of

**1,777** individuals

with each session lasting

**30** minutes



**Case** Information security management

Currently, all offices of the Company have fully deployed firewalls, and encrypted links are used for data transmission between offices. In addition, IPS protection is implemented for external websites. The Company's critical data is fully backed up and core data is backed up in a remote location. Furthermore, the Company adopts segregated access to core data. Authorization is mandatory for data upload and download through designated servers.

# Social Responsibility

## Intelligent Innovation for Collective Development

### Concept

Amlogic is committed to scientific research and innovation, continuously driving digital intelligence with the core objective of enhancing product and service quality. Simultaneously, the Company places great emphasis on the growth and development of its employees, providing them with premium career advancement opportunities and a comfortable working environment. Moreover, the Company actively collaborates with industry partners to collectively advance and develop the industry. As a socially responsible enterprise, the Company also actively participates in public welfare activities such as rural revitalization and shareholder feedback, taking concrete actions to give back to society, thus promoting sustainable social development and fostering mutual prosperity.

### Our actions

- Scientific research and innovation
- Employee development
- Quality control
- Industry collaboration
- Digital intelligence leadership
- Social contribution

### SDGsbenchmarking



## Scientific Research Innovation

The R&D of technology, along with innovation, constitute the core competitiveness of modern enterprises and serve as crucial factors driving sustained business growth. The capability for scientific research and innovation stands as a significant manifestation of a Company's competitive edge and its capacity for continual advancement, relating to the development and destiny of the Company. Amlogic places paramount importance on the work of technological research and innovation, integrating it into the Company's overarching development strategy.

## Quality Control

Quality management is crucial for the Company. Amlogic as a Fabless company solely engaged in chip design and sales, relies on outsourced units for product manufacturing, packaging and testing. Therefore, the Company has established stringent *Outsourcing Management Procedures* to require outsourced units to control product quality, reduce failure rates and maintenance costs, as well as enhance customer satisfaction and customer stickiness, thereby maintaining a leading position in the fierce market competition.

## Quality Management System

The Company strictly adheres to the relevant provisions of ISO 9001:2015 *Quality Management System Requirements* and the applicable laws, regulations, and industry standards of the operational location, and conducts comprehensive quality management system construction. This includes the formulation of the *Quality Manual* and departmental procedural documents, standardizing the entire process of product quality management to effectively prevent quality risks. In 2023, the Company's quality management efforts yielded significant results, with no major quality incidents having occurred.

In 2023, the Company integrated quality management with performance evaluation, incentivizing employees to place greater emphasis on product quality and work efficiency, thereby fostering an overall enhancement in Company performance. By establishing clear quality objectives and performance assessment criteria, employees are better equipped to comprehend job requirements, facilitating mutual development for both individuals and the Company.

### Improve the quality organizational structure

Implement quality accountability management by decomposing it into three levels: company, department, and position, to clearly define the quality work requirements and responsibilities of employees

### Build quality digital system

Continuously drive quality digitalization, empowering quality digitalization and systematized management

### Strengthen quality inspection

To ensure quality and reliability, comprehensive and complete testing is conducted for each stage

### Control quality risks

Conduct comprehensive quality inspection and control throughout the entire lifecycle

### Key performance

During the industry downturn, the Company continued to maintain high-intensity R&D investment. In 2023, the number of R&D personnel increased by

**99** compared to 2022; the R&D expenses incurred were CNY

**1.283** billion, an increase of

CNY **97** million from 2022, accounting for **23.88%** of the operating revenue.

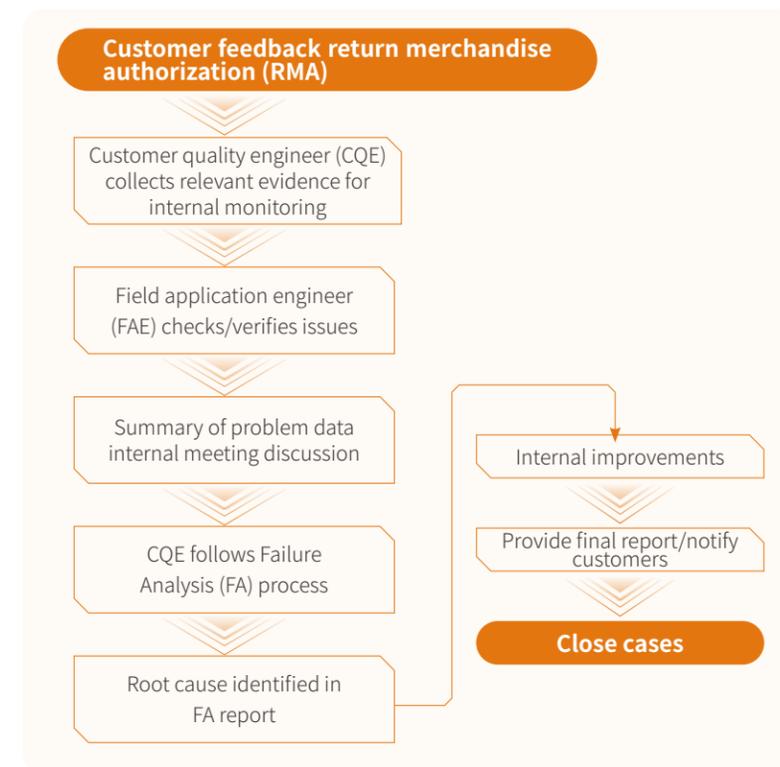
The high-intensity R&D investment has driven the commercial launch of a series of important products. In the significant field of smart home appliances, heavyweight new products from leading international customers were launched. The pre-installed automotive-grade smart cockpit chips achieved commercial use in mass produced vehicles and were launched internationally. WiFi chips have reached a cumulative sales volume of over

**16** million units.

And new products like WiFi6 and 8K reached commercial mass production in 2023, which will continue to provide new growth momentum for the Company.

## Defective Product Treatment Process

Under the explicit guidance of the quality management system, the Company has comprehensively optimized the process for treating defective products, ensuring that each stage is more efficient and precise. Furthermore, the Company has redesigned the inspection, repair, and feedback processes for defective products, reducing processing time and enhancing operational efficiency. In addition, by integrating scientific methodologies with actual product yield performance, the Company has defined annual yield targets. Through target decomposition and process monitoring, each department and employee are ensured to clearly understand their responsibilities and collectively strive towards achieving the yield targets.



Defective Product Treatment Process

### Key performance

The average qualification rate of Company products:

ASSY

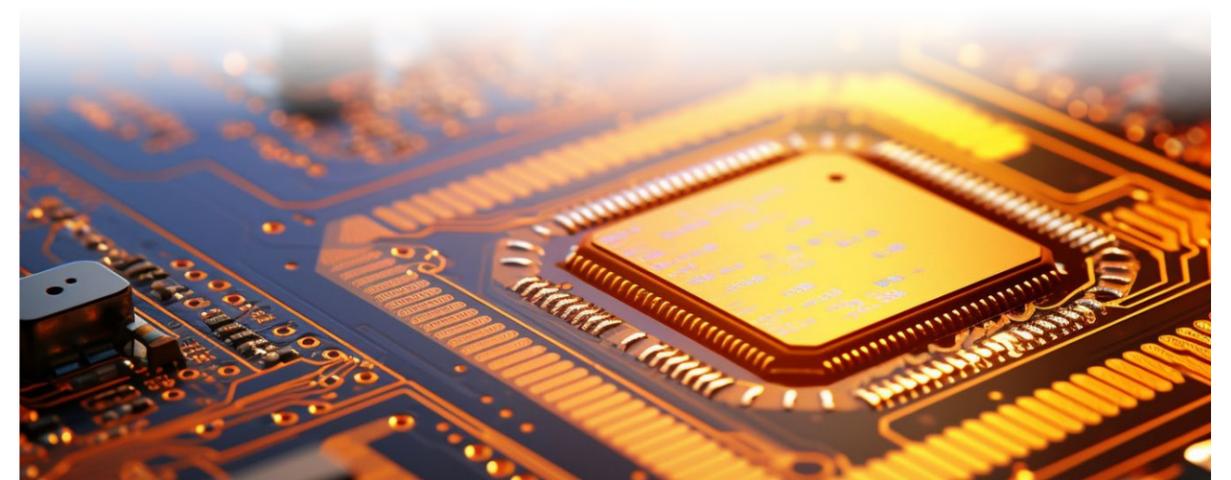
**99.91%**

FT

**98.54%**

Customer complaint resolution rate:

**100%**

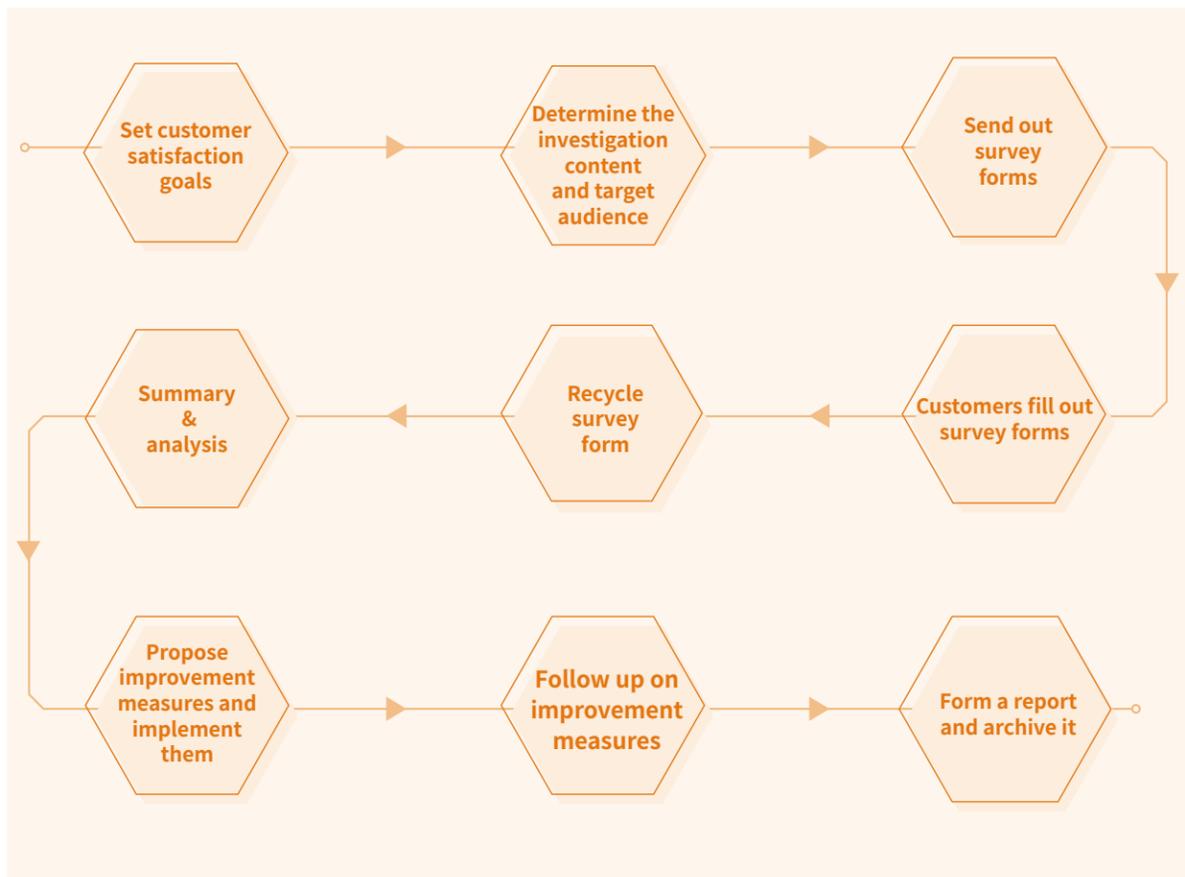


## Customer Satisfaction Survey

Customer satisfaction surveys are an essential avenue for enterprises to gain insights into customer needs, enhance service quality, and improve product performance. By systematically collecting and analyzing customer feedback on a regular basis, the Company can promptly identify issues and shortcomings in its products and services, enabling targeted improvements and optimizations. Through customer satisfaction surveys, the Company can not only enhance customer satisfaction and customer stickiness but also garner substantial strategic support for its sustained development.

**Key performance**

In 2023, the Company conducted a customer satisfaction survey covering aspects such as **quality**, **delivery time**, and **service**. A total of **39** customer satisfaction surveys were collected. The actual customer satisfaction score reached an impressive **98.28**



Customer satisfaction survey process

## Digital Intelligence Leadership

Under the backdrop of accelerating digital development and construction, the advantages of the digital economy have gradually become apparent. As a global leading fabless semiconductor company, AMLOGC (Shanghai) Co., Ltd is committed to the fields of digitalization and intelligentization. Through digital intelligence operations and empowerment, we drive product innovation and market expansion, laying a solid foundation for the sustainable development of the Company.

### Electronic Operation

Since its establishment, the Company has been actively promoting the electronic management of internal operations. In 2023, the Company launched a new electronic system, integrating intelligent products into its daily operations, and comprehensively optimizing internal management efficiency through digital intelligence management. This strategic shift towards digitalization provides strong support for the Company's long-term development.

**1 Linksquares system and electronic seal system**

To enhance the efficiency of contract approval and strengthen internal management capabilities, the company has developed and launched the Linksquares contract approval workflow system and electronic seal system. By eliminating the traditional method of approval via email and manager signatures, these systems facilitate electronic approvals and real-time status tracking. This effectively achieves operational management digitization. The integration and interaction of the two systems provide a smooth channel for the company's relevant departments such as Legal Department and Finance Department to proactively manage risks, thereby significantly improving internal management efficiency.

**2 CRM sales system**

To further enhance the company's sales efficiency and the quality of business decision-making, the company has developed and launched a CRM sales system that features real-time reporting, future forecasting, online process management, and more. By providing multi-channel customer communication tools, it effectively empowers team collaboration, maintains and optimizes customer relationships, and strengthens the company's ability to track and understand market trends. This system enables the company to uncover potential customer demands, enhance business value, and strengthen competitiveness.

CRM sales system - Customer-centered purchase journey

customer expansion: Exhibition activities, Advertising placement, Customer profiling, Direct mail marketing, Business visits, Keyword ranking

customer accumulation: Opportunity identification, Opportunity confirmation, Opportunity validation, Value prosecution, Solution confirmation, Business contract, Order execution, Service delivery

customer maintenance: Customer satisfaction management

customer retention: Quality control, Customer complaint service, Customer care, Customer satisfaction

### 3 HR main system

The establishment of a comprehensive human resources management system serves as the cornerstone for the sustained development of a company. In order to systematically manage the internal talent pool, the company has developed the Human Resources Management Platform that integrates employee information, recruitment, talent management, compensation, and benefits functions, among others.

#### HR main system

- By integrating extensive data analysis and automated workflows, the internal management effectiveness of the Human Resources Department has been improved.
- Simultaneously, it has established an integrated automated system with employee self-service, learning, and development modules, creating a tangible mechanism for employee development.

HR main system

#### Main Issue Addressed in Project Phase One

Establishing a solid foundation platform	Enhancing HR efficiency	Continuous talent supply	Data insight and analysis
<ul style="list-style-type: none"> <li>• Constructing an inclusive and integrated HR management platform for all staff</li> <li>• Implementing the centralized management of organizational structure, with hierarchical and positional authorization</li> <li>• Achieving dynamic monitoring of human capital</li> <li>• Clarifying HR business logic, solidifying business processes, and standardizing business practices</li> </ul>	<ul style="list-style-type: none"> <li>• Intelligent automation of repetitive and replicable tasks</li> <li>• Integrated completion of cross-departmental collaborative efforts</li> <li>• Automated report generation with timely reminders</li> <li>• Establishment of a self-service platform for all employees to elevate the level and quality of HR management services</li> </ul>	<ul style="list-style-type: none"> <li>• Transformation of HR function from cost center to profit center</li> <li>• Establishing internal talent development and retention mechanisms to ensure the abundance of talent within the enterprise</li> <li>• Building an internal sustainable talent supply chain to facilitate rapid business growth</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing a real-time, dynamic human resources data analysis platform</li> <li>• Developing enterprise human capital planning and trend analysis models</li> <li>• Providing data support for human resources decision-making</li> </ul>

Company HR system objectives

### 4 WeChat Mini-Program

The Company has established administrative WeChat mini-programs, engineering warehouse WeChat mini-programs, maintenance WeChat mini-programs, etc., tailored to specific business needs. These platforms focus on streamlining daily administrative tasks, engineering management, and digitizing complex workflows, effectively enhancing the company's business efficiency, decision-making effectiveness, and real-time tracking and accessibility of management.



Company repair WeChat mini-program interface



## Employee Development

A high-quality talent team is a crucial foundation for a Company's long-term prosperity. The Company has established a compliant talent recruitment system, a scientific performance management system, comprehensive democratic communication channels, and a multi-level employee training program. With a commitment to employee development and maximizing employee value, the Company places employee welfare and care at its core, striving to create a dream stage for employees of Amlogic to realize their maximum potential.

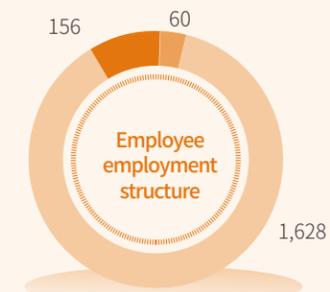
### Employment and Benefits

Based on the modern corporate governance elements represented by compliant employment, school-enterprise cooperation, and protection of employee rights, internal talent management in the Company leverages the integration of various resources. On one hand, it promotes technological innovation and industrial development within the Company; on the other hand, it effectively creates equal employment opportunities and a harmonious working environment, paving the way for win-win cooperation for both the high-quality development of the Company and the career advancement of its employees.

### Compliant employment

During the process of recruiting employees, we consistently adhere strictly to the relevant laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, in order to protect the rights of employees in accordance with the law. Furthermore, the Company strictly complies with the *Provisions on the Prohibition of Child Labor*, prohibiting the employment of child labor and ensuring the legitimate rights of laborers are safeguarded. In the process of standardizing and enhancing the construction of the Company's talent recruitment system, the Company follows the guidance principles outlined in the *Employee Handbook of Amlogic* and actively recruits outstanding talents through fair, transparent, and diversified means.

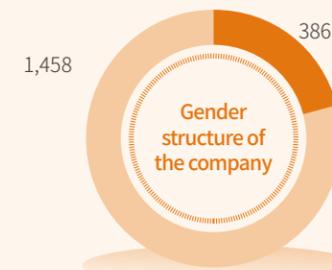
#### Employee structure



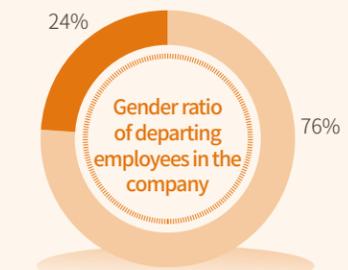
- Total number of middle-level management employees
- Total number of grassroots employees
- Total number of senior management employees



The proportion of labor contracts signed by the company



- Number of female employees
- Number of male employees



- Female employees
- Male employees

Key performance

During the reporting period, the total number of employees in the Company was **1844**. A total of **193** new employees were recruited, including **125** hired through social recruitment;

The Company has a total of **68** new employees who are recent graduates, among whom more than **30%** are former interns who have become full-time employees, more than **30%** were recommended by colleagues, and the rest were recruited through online channels;

There are **12** registered employees with disabilities in the Company.



Employee rights

A sound democratic communication mechanism and a harmonious employment environment not only contribute to enhancing employees' work performance and satisfaction but also prompt companies to pay attention to diverse voices from employees, enabling the Company to take further action in building a dual helix development path of collaborative progress between the enterprise and its employees.

Democratic communication

Amlogic has always walked hand in hand with its employees, listening to their voices and collecting their suggestions in daily management. The Company has established a comprehensive employee feedback mechanism and implemented standardized complaint procedures. Various channels are provided for employees to offer feedback, including but not limited to the Workers' Congress, ensuring that all issues raised by employees are addressed promptly and enhancing the quality of democratic communication within the Company.



The Workers' Congress in 2023 was successfully held, ensuring the participation and decision-making rights of employees

In July 2023, the Company convened the first Workers' Congress in 2023, during which resolutions regarding the 2023 Employee Handbook and other matters were deliberated and approved. The effective convening of the Congress has ensured the safeguarding of employees' legitimate rights and interests, thereby enhancing their sense of identification and belonging to the Company. This, in turn, promotes the stability and development of the Company while elevating its overall management standards.



Invitation letter for Workers' Congress

Harmonious environment

Creating a harmonious and respectful working environment is one of the key initiatives that the Company undertakes to safeguard employee rights. The Company is dedicated to fostering a democratic, harmonious, and safe office environment, ensuring smooth operations for all employees. Through initiatives such as conducting administrative service surveys and employee satisfaction surveys, as well as organizing campaigns against discrimination and workplace harassment, the Company strives to cultivate a reliable and harmonious work atmosphere, effectively safeguarding the fundamental rights of its employees.



Administrative Services Questionnaire

Salary and Performance

Salary management, performance management, and equity incentives are crucial elements in establishing a robust human resources management system. They are interrelated to ensure alignment of interests between employees and the Company, driving both individual career development and overall business performance. By scientifically building a salary and performance system, Amlogic ignites employees' long-term intrinsic motivation, assisting them in enhancing their competitiveness in the workplace from within.

Salary management

To enhance employees' self-drive and spirit of striving, the Company has formulated the *Employee Welfare System*, which clearly defines a salary structure that links to the overall business performance and individual achievements, as well as work performance. The system sets forth transparent requirements for salary adjustments to employees. By building a scientific, market-competitive, and strategically aligned salary system, the Company deeply integrates corporate goals with individual development, thereby boosting employees' proactive engagement at work.

Performance management

Performance management plays a pivotal role in the operational framework of a Company, evaluating and incentivizing employee performance through quantified outcomes, effectively driving the achievement of organizational goals. The Company has established the Performance Management System based on outcomes, providing crucial support for employee career development through timely rewards on a quarterly basis and a clear promotion mechanism, enhancing motivation for individual growth.

Key performance

During the reporting period, the Company's starting salary compared to the local minimum wage was

**2.23** times for male employees

**2.35** times for female employees

## Medium - and long-term incentives

The Company is actively exploring equity-based incentive tools, creating a community of shared interests among employees, the Company, and shareholders.

### Amlogic is continuously exploring a salary securitization incentive mechanism utilizing equity incentives.



In March 2023, the Company successively convened the 24th meeting of the 2nd session of the board of directors and the first interim general meeting of shareholders in 2023, deliberating and approving resolutions such as *Resolution on the Company's <2023 Restricted Stock Incentive Plan (Draft)> and its Abstract*.

In May 2023, Amlogic held the 27th meeting of the second board of directors and the 24th meeting of the second board of supervisors, determining May 4, 2023, as the grant date and agreeing to grant 4.9 million restricted shares to 570 incentive recipients at a grant price of 37.04 yuan per share.

In November 2023, the Company held the 6th meeting of the 3rd session of the board of directors, during which it deliberated and approved the resolutions on the *Draft of the Company's 2023 Second Restricted Stock Incentive Plan and its Abstract*. In December 2023, the *Company's 2023 Second Restricted Stock Incentive Plan and its Abstract* obtained approval at the 4th interim general meeting of shareholders. In the same month, the Company convened the 7th meeting of the 3rd session of the board of directors and the 3rd session of the supervisory board, where it designated December 19, 2023, as the grant date and agreed to grant 1,391,375 restricted stocks to 586 incentive recipients at a price of CNY 31.65 per share.

### Amlogic always focuses on the implementation and scientificity of medium and long-term incentives



During the reporting period, we have completed the registration procedures for the shares granted for the second vesting period of the first grant, the first vesting period of the fourth batch's reserved grant, and the second vesting period of the first, second, and third batch's reserved grants of the "2019 Restricted Stock Incentive Plan".

Furthermore, we have completed the registration procedures for the shares granted for the first vesting period of the second batch of reserved grants, the second vesting period of the first category of incentive recipients for the first grant, and the first vesting period of the first batch of reserved grants of the "2021 Restricted Stock Incentive Plan".

By 2023, the cumulative total of restricted stock attributable shares reached 2,894,088 shares.

The effective utilization of equity-based incentive tools enables employees to share in the continuous enhancement of the Company's core values through collective efforts, thereby participating in the rewards brought about by the Company's sustained growth.

## Training and Development

Throughout the continuous development of the Company, a strong emphasis has been placed on enhancing employees' professional expertise and overall competencies, with a focus on their long-term growth. By fostering a culture of innovation within the organization, equal importance is given to the comprehensive development of employees. Through a diverse range of training and development initiatives, the Company endeavors to create a platform for employees to pursue their growth aspirations, enabling them to achieve their career goals and facilitating their ongoing development.

### Employee training

To continuously enhance employees' comprehensive competencies and improve their professional technical skills, the Company has established the Training Management System. By conducting diversified employee training activities, the Company effectively strengthens its talent pool, continuously enhances its core competitiveness, and promotes the comprehensive development of employees' individual capabilities.

Case

### Diversified employee training promotes employee growth

In April 2023, the Company conducted a training program centered around business conduct and ethical standards. A total of 1,777 employees participated in this training, focusing on nine major modules including "anti-discrimination and anti-harassment," "anti-commercial corruption and bribery," "anti-fraud," and "conflict of interest." Through this training initiative, employees' sensitivity and awareness towards ethical issues were further enhanced, their ethical decision-making abilities were improved, and there was a significant increase in employees' identification with the company's values.

商业行为和道德规范培训

Amlogic HR

培训内容

01 反歧视和反骚扰	04 利益冲突	07 信息安全
02 反商业腐败和商业贿赂	05 信息保密	08 计算机和网络使用规定
03 反舞弊	06 知识产权	09 公共安全

Overview of materials for "Business Conduct and Ethics Training"

Case

### Amlogic Knowledge Sharing Forum & Professional Lecturers Guide Employee Growth

To break down the "knowledge silos" and "professional barriers" across departments or within the industry, we regularly holds 1 to 2 knowledge-sharing forums per quarter to enhance the professional depth and breadth of employees. These forums are led by technical experts from various departments who voluntarily share insights or collect training needs from different departments and employees. Subsequently, Knowledge Sharing Forum are organized periodically based on identified needs.

晶晨知识分享讲坛

Learning Sharing Forum

- 分享平台名称: Amlogic Learning Sharing Forum 晶晨知识分享讲坛
- 分享目的: 打通部门之间或行业内的“知识壁垒”和“专业壁垒”, 拓宽伙伴的专业深度和广度, 增进互相理解与协作, 碰撞思维火花, 从而实现共同成长。
- 分享内容: 有部门技术大咖自发分享或收集各部门及员工的培训需求, 特邀国家/国际/行业/协会/专家/学者/技术大咖进行相关专业/行业/学术分享, 如: 行业/公司/部门/新技术、学术成果、专业技术分享, 质量事故/客户投诉/经验教训分享等。
- 分享周期: 每季度1-2次
- 分享形式: 线下主会场(讲师/嘉宾/Team)线上分会场, 分享内容会后上传到培训中心共享
- 受众群体: 全员(员工按需选择参与)

Amlogic Knowledge Sharing Forum

Amlogic Knowledge Sharing Forum

Key performance

During the reporting period, the Company conducted **38** employee training activities

with a total of **1,777** participants

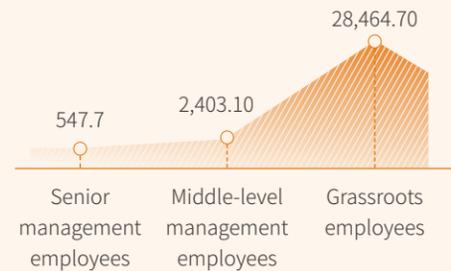
The total training time for employees is **31,415.50** hours

with an average training time of **17.67** hours per employee

Number of employees at different levels receiving training



Total hours of training received by employees at different levels



Employee development

The Company has established a diverse talent development system for employees at various levels and has created specialized enhancement programs for different levels of staff, including the "Voyage Plan" for new graduate recruits, the "Odyssey Plan" for grassroots managers, and the "Leadership Plan" for mid-to-senior level executives. These initiatives lay out a comprehensive growth trajectory throughout employees' careers at the Company, empowering them for long-term development.

Case "Sailing Program" realizes the role transition of fresh graduates in the workplace

In 2023, the Company launched a six-month "Sailing Program" for newly hired graduates, with a total of 68 employees participating. This nurturing program consisted of both the "Sailing Training Camp" and "1-on-1 Sailing Mentorship," aiming to help participants quickly grasp various knowledge and skills required for work and address any work-related uncertainties. The successful implementation of the "Sailing Program" enabled the new generation of employees at Amlogic to rapidly enhance their job competence, undergo a transformation into professional individuals, accelerate their growth trajectory, and leave a remarkable imprint on the beginning of their career development journey.



"Sailing Program"

Case "Voyage Program" realizes the transformation of grass-roots managers to perfect managers

To enhance the comprehensive management capabilities of grassroots managers and facilitate their transformation into perfect managers, the Company has launched a 5-month "Voyage Program" involving 36 participants. Following the Harvard classic blended learning concept, the program's learning journey is designed with five modules: "Initiation - Capability Assessment - Online Micro-learning - Offline Flipped Classroom - On-the-job Application Training - Conclusion." Through this approach, the program aims to help participants apply what they have learned in the dimensions of work philosophy, leadership skills, and time management, effectively achieving their transformation into perfect managers. This initiative will aid in broadening self-awareness and solidifying leadership skills, ultimately empowering individuals to excel in their roles.



"Voyage Program"

Case "Pilot Program" empowers leadership development of key teams

Mid-to-senior managers play a crucial role in the development of a Company, serving as strategic executors, culture shapers, coordinators, and more. In terms of ensuring the long-term, steady, and sustainable growth of the Company, they hold profound significance. In 2023, the Company implemented a six-month "Pilot Program" involving 31 employees, drawing from the Ram Charan talent development theory. Tailored to the developmental stages of mid-to-senior managers, the plan focused on "Operational Leadership" and "General Leadership," providing targeted training. Leveraging expertise in market trends, business models, strategic planning, and risk management, the plan offered in-depth guidance and structured thinking to enhance leadership capabilities and foster a shared cultural understanding among the participants. This initiative also provided structured thinking guidance for them to handle complex problems, continuously helping the long-term development of mid-to-senior managers in the Company.



"Pilot Program"



**Key performance**

During the reporting period, the Company conducted a total of

**12** safety inspections

identified

**1** potential safety hazards

and achieved a rectification completion rate of

**100%**

**Health and Safety**

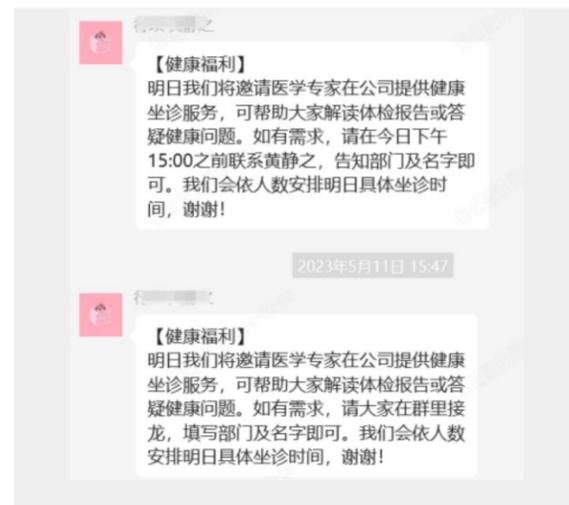
The Company has always attached great importance to and invested resources in establishing and maintaining a safe and healthy working environment for employees, further solidifying the foundation of safety production within the Company and implementing the principal responsibility for safety production. It aims to enhance employees' safety awareness and safeguard their health through small actions, thereby achieving the mutual development goals of employees and the Company.

**Occupational health**

Amlogic places a high priority on employee health management by organizing employee psychological counseling activities and inviting medical experts for health consultations, effectively safeguarding the health of employees. This initiative also significantly boosts employee satisfaction, reduces work-related stress and physical ailments, and enhances overall employee health and quality of life.

**Case** Incremental actions converge to harness the power of Amlogic , jointly safeguarding employee health

Through continuous efforts, the Company is safeguarding the health of the employees. The Company regularly invites medical experts to provide offline health consultations for employees, addressing red-flag indicators in their health check reports and answering health-related queries. This initiative has significantly enhanced employees' health awareness.



Health Q&A notification from medical experts

**Safety management**

In order to effectively implement the Company's safety management philosophy, enhance employees' awareness of safety production, and jointly establish a safe and compliant working environment, the Company has taken measures such as organizing safety training activities and fire drills. These initiatives have further improved employees' understanding of safety production, supplemented their knowledge of safety production, and enhanced their comprehensive management skills. This has also elevated employees' abilities in emergency risk prevention and professional handling, continuously driving the building of the Company's safety management system, and ensuring the practical implementation of safety management work.

**Case** The Company conducted fire drills to enhance employee safety awareness

In December 2022, the Company organized a fire drill exercise, with a total of 564 employees participating. The activities included evacuation drills and practical training on the correct usage of fire extinguishers. This fire drill not only disseminated professional fire safety knowledge but also cultivated employees' ability to respond effectively to emergency risks and handle unexpected situations with resilience.



Fire Drill

## Welfare and Care

In the pursuit of a mutually beneficial employment relationship, Amlogic has always been dedicated to the well-being of its employees. By making improvements to the quality of life for employees at a grass-roots level, the Company conveys its heartfelt concern and enhances the overall sense of happiness among its staff.

### Employee welfare

The Company has always been attentive to the value of its employees, placing a high emphasis on caring for their welfare. We have established regulations such as the *Salary and Welfare Management of Amlogic* and the *Employee Leave Management Measures of Amlogic* providing employees with a structured welfare program and an honorable retirement plan. Furthermore, by offering differentiated welfare to employees of different types, the Company integrates employee care into its corporate culture, gradually enhancing employees' sense of belonging and happiness.

#### Amlogic Fixed Welfare Plan - Supplementary Welfare



Details of supplementary welfare in the company's fixed welfare plan



#### Seeking home for employees and enhancing their sense of belonging

In order to further cultivate a sense of belonging within the Company and demonstrate continuous care for our employees, in 2023, the Company secured 11 dormitories for 44 interns and leased 7 apartments for 32 business travelers at a relatively low cost without compromising on the quality of living spaces. By providing housing support for our employees, they truly experience the caring nature of being a part of the Amlogic family, which significantly increases their sense of belonging.

## Employee care

Employee care initiatives are crucial actions for a Company to fulfill its social responsibility. Amlogic prioritizes the needs of employees as its own, conveying respect, care, and support to them. In 2023, the Company created a conducive work environment for employees by establishing nursing rooms, organizing employee care activities, among other measures, enhancing employee welfare and boosting the happiness index of Amlogic employees.

### Key performance



#### Creating a cozy environment for novice mothers to enhance employee happiness

In order to further safeguard women's rights and effectively address the challenges faced by new mothers at Amlogic, the Company has upgraded the children's room to a mother-and-baby activity room. The glass partitions have been transformed into opaque partitions, with the addition of internal locks on the room doors to enhance the security of new mothers. Through the renovation of the mother-and-baby activity room, the sense of belonging for new mothers at Amlogic has been significantly enhanced. They feel the understanding and support from the Company towards their family responsibilities, thereby alleviating their life pressure.



Mother-and-baby activity room of Amlogic

**Case** Carrying out diversified club activities to help employees develop comprehensively

To effectively enhance employee satisfaction, promote employee well-being, and strengthen Company team building, the Company has established 34 clubs in seven locations. Each club actively organizes diverse activities such as sports, providing employees with more opportunities for cross-departmental collaboration, reducing work pressure, and offering a restful and recreational space away from the workplace. This initiative has effectively enhanced employees' teamwork and collaborative abilities.

Overview of 34 club names in the Company

Xi'an	Beijing	Chengdu	Shenzhen	Hefei	Shanghai	Nanjing
Basketball Club Badminton Club Swimming Club Amlogic Running Club Amlogic Billiards Club	Star Fun Reading * Amlogic Beijing Reading Club* Amlogic Swimming and Fitness Club Amlogic Yixiu Badminton Club Amlogic Chip • Attitudeful Running Team Table Tennis Club Basketball Club	Football Club Basketball Club Fitness Club Tennis Club Badminton Club Table Tennis Club	Badminton Club Basketball Club Fitness Club Swimming Club Yoga Society	Badminton Club - "Amlogic Breaks Waves & Goes with You" Running Club Basketball Club	Basketball Club Badminton Club Running Club Swimming Club Fitness Club Photography Club Board Game Club Tai Chi Society	Badminton Club



Group photo of the first "Amlogic Color World Cup" football match of the football club



Group photo of the "Amlogic Running Cup" of the running club



Basketball club activity



Table tennis club activity

**Case** Carrying out women's care activities to convey the caring heart for female employees

In March 2023, the Company launched a "Women's Day Care Activity," preparing exquisite gifts for female employees and conveying heartfelt blessings. Seizing the opportunity of "Women's Day," the Company expressed equal respect for its female employees, fostering a fair and inclusive work environment, and conveying thoughtfulness and care to its female staff.



Photos of company women's care activities



Other related activities

Regular family day activities to make Amlogic a cozy home

Family Day Activity of Beijing Site



Family Day Activity of Chengdu Site



Family Day Activity of Hefei Site



Family Day Activity of Nanjing Site

Regular birthday party activities to convey the sincere care of employees



Birthday Party Activities



Birthday Party Activities

# Industry Collaboration

Amlogic actively engages in collaborative partnerships with suppliers, customers, and industry partners, driving innovation through sustainable supply chain management, customer relationship management, and industry exchanges. This relentless pursuit of innovation enhances the overall competitiveness of the industry, collectively contributing to the sustainable development of the industry.

## Sustainable Supply Chain

In the process of building a sustainable supply chain, the Company consistently upholds the principles of green, fairness, and transparency, working closely with suppliers to jointly promote the green development of the industry. Through continuously improving supplier management systems, introducing guidance standards and quality management systems, and providing training, the Company ensures that suppliers meet high standards in terms of environmental, social, and corporate governance, thereby safeguarding the sustainability and stability of the entire supply chain.

**Key performance**

In 2023, the Company successfully onboarded

**2** new suppliers who have obtained multiple-system certifications such as ISO9001 quality management system and ISO14001 environmental management system.



Supplier management system

**Case** **Updating the Supplier Evaluation Form to promote sustainable development of the supply chain**

In 2023, the Company updated its supplier management system, imposing higher requirements on suppliers' environmental management capabilities and social responsibility levels, incorporating ISO and CSR standards, and conducting investigations into suppliers' conflict mineral situations. This initiative is aimed at reducing the negative impacts of the Company's supply chain activities on the environment and society, as well as improving the working conditions of suppliers.

**☐ New supplier onboarding evaluation form – CRS checklist**

<input type="checkbox"/> Environment management	<input type="checkbox"/> Freedom of association and collective bargaining rights
<input type="checkbox"/> Child Labor	<input type="checkbox"/> Discrimination
<input type="checkbox"/> Forced and Compulsory Labor	<input type="checkbox"/> Disciplinary measures
<input type="checkbox"/> Health and Safety	<input type="checkbox"/> Working hours
	<input type="checkbox"/> Renumeration <input type="checkbox"/> Supplier management

CSR Checklist in the Supplier Evaluation Form

**Case** **Amlogic joins hands with suppliers to promote green production and build a green future together**

The Company has established and continuously updates the *Hazardous Substance Control Specification for Products*, exercising control over suppliers in areas such as green production, enhancing supply chain stability and leading the industry towards green development.



**5.7 产品法规一览表:**

Item	标准编号	提出国家或地区组织	是否符合
ROHS	2011/65/EU	欧盟	符合
REACH	REACH SVHC	欧盟	符合
Halogen Free	IEC61249-2-21	IEC	符合
冲突矿产	EICC Ge-SI, H.R.4173	EICC	符合
包材	94/62/EC, CONEG	欧盟/美国	符合
GP	SS-00259	SONY	符合

Control regulations for hazardous substances in products

**Case** **Conducting supplier training to ensure supply chain stability**

In March 2023, the Company conducted training for suppliers on production testing factory guidance and requirements. The main contents included aspects of testing control and requirements, testing environment protection and anomaly troubleshooting, as well as sharing of production testing abnormal cases. This aimed to enhance the capabilities and levels of suppliers, ensuring the quality of products and the stability of the supply chain.



**Contents**

- 测试管控方面及要求
- 测试环境保障及异常排查
- 量产测试异常case相关分享

Supplier training

## Sunshine Procurement

The Company has always regarded sunshine procurement as a fundamental operational principle, fully implementing it in its daily procurement activities. In order to ensure fairness, transparency, and compliance, the Company has established strict procurement processes and oversight mechanisms, emphasizing the enhancement of the procurement team's integrity awareness and professional competence. Through regular internal training and integrity advocacy, the occurrence of issues such as corruption and bribery is effectively prevented, thereby enhancing the Company's procurement efficiency and quality, and earning widespread trust and acclaim from suppliers and partners.

**Case** **Insight into sunshine procurement, leading enterprise supply chain innovation**

In December 2023, the Company conducted a training session on "Sunshine Procurement," with a duration of 60 minutes. This training aimed to assist the procurement team in comprehending the philosophy and practical operational skills of sunshine procurement, thus promoting the Company to achieve a more transparent, fair, and efficient procurement process.



Sunshine procurement training

## Accountable Marketing

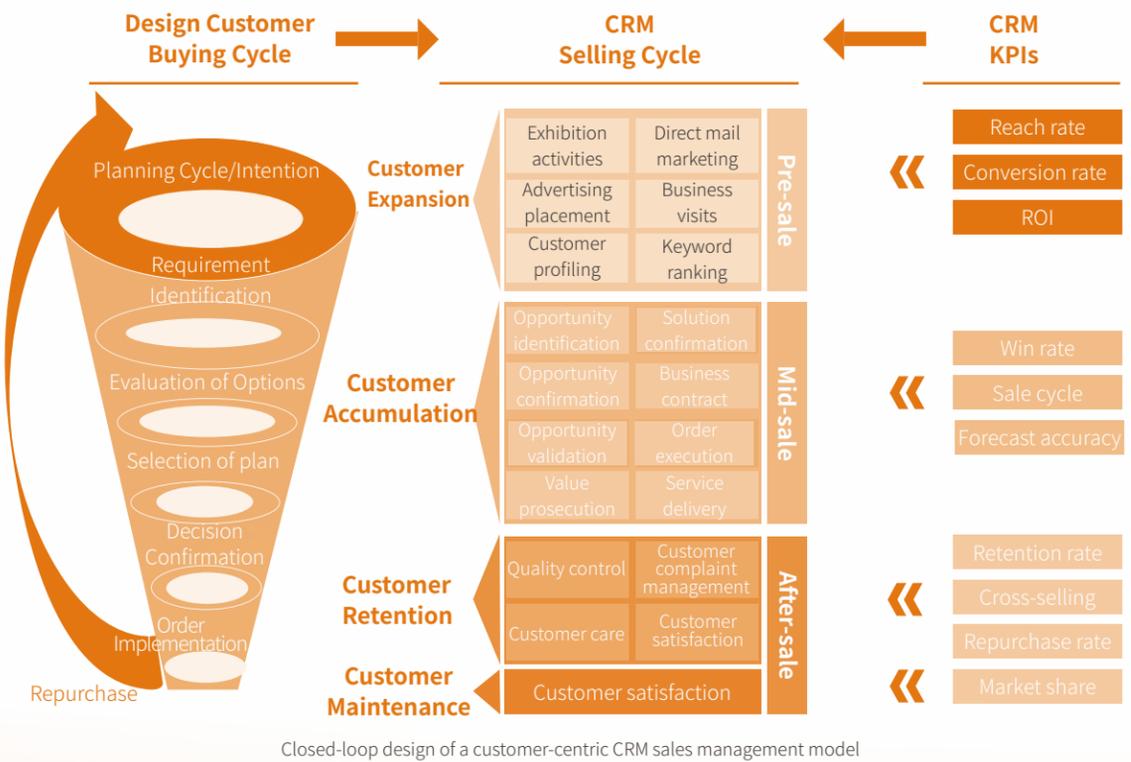
The Company has always adhered to a customer-centric approach, committed to optimizing customer relationship management. By introducing a CRM system, the Company has not only developed a comprehensive "market customer profile," but also optimized marketing and sales processes to enhance customer satisfaction, improving sales efficiency and quality. This demonstrates the Company's professional expertise and steadfast determination in accountable marketing, making a positive contribution to driving the healthy development of the entire industry.

42

43

**Case** Building a customer-centric closed-loop management to improve sales efficiency and profitability

In 2023, in order to optimize customer relationship management, the Company introduced a CRM sales system, which provides advanced features such as real-time reporting, future predictions, and online process management. This has improved sales efficiency and the quality of business decision-making, bringing greater business value and competitive advantage to the Company.

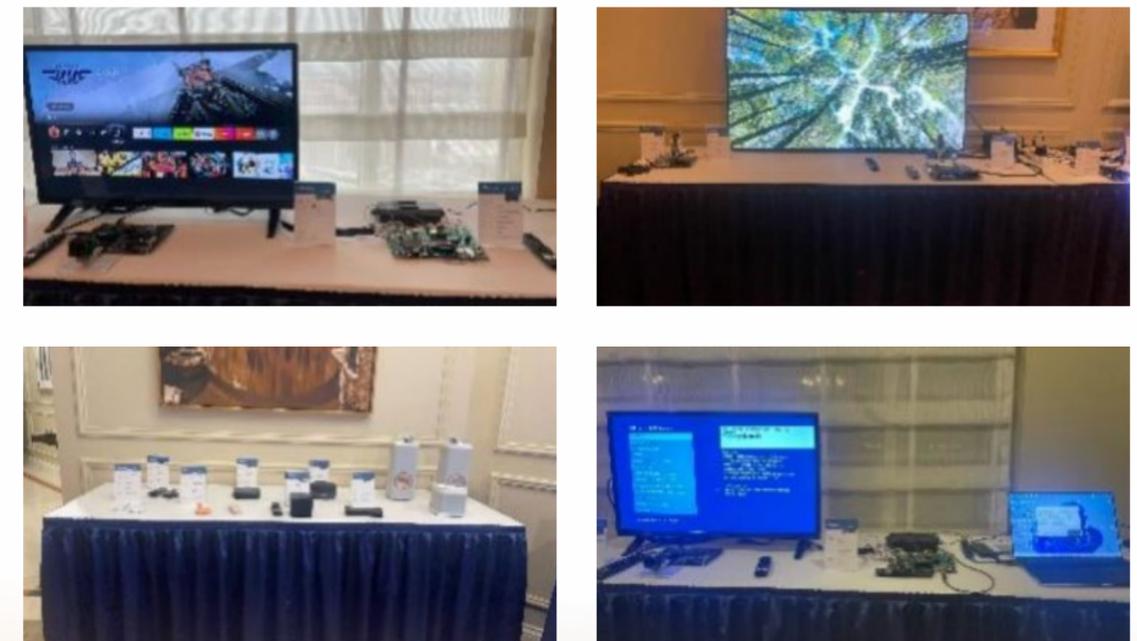


**Industry Advancement**

The Company is committed to establishing deep cooperative relationships with partners from various sectors, actively participating in industry associations, exhibitions, and seminars, promoting the innovation and application of industry technologies, and leading the flourishing development of the industry.

**Case** Amlogic invited to participate in the 2023 International Consumer Electronics Exhibition (CES)

In January 2023, the Company was invited to participate in the world's largest consumer electronics event, the International Consumer Electronics Show (CES), held in Las Vegas, USA. Through this exhibition, the Company showcased its latest technologies and products to global industry peers, while engaging in in-depth discussions and gaining insights into the latest trends in the industry, thus facilitating mutual progress within the industry.



Amlogic's booth at CES





**Case Amlogic appearing at IBC2023: Showcasing innovative strength and jointly building a new future for the global broadcasting and television industry**

In September 2023, the Company was invited to participate in the International Broadcasting Convention (IBC) 2023 in the Netherlands, showcasing our latest achievements in consumer electronics field to the world. The event provided an opportunity for in-depth communication and discussion with broadcasting industry partners from around the globe.



Amlogic's booth at IBC

**Industry-University-Research Cooperation**

The Company continues to explore a new model of university-enterprise cooperation in collaborating with universities to enhance the talent pool, and actively establishing cooperative relationships with universities to promote talent development, technological innovation, and knowledge sharing. Together, they are delving into cutting-edge technologies, nurturing emerging forces in the industry.

In 2023, the Company continued to advance the joint laboratory project with the School of Communication & Electronic Engineering at East China Normal University, and the joint training program with Xidian University, injecting new talent into the Company's talent pool.



**Social Contribution**

The Company has always adhered to the philosophy of "originating from society and giving back to society". Amlogic contributes to the sustainable development of the rural agricultural economy by purchasing rice and other agricultural products to help farmers. At the same time, the Company has consistently focused on delivering investment returns to shareholders, committed to creating long-term and stable value for shareholders and safeguarding their legitimate rights and interests.



**Case Procuring agricultural assistance grains and oils to pave the way for sustainable development in agriculture and rural areas**

In 2023, Amlogic purchased 20,000 kilograms of frog rice from Hongda Family Farm in Xueduo Village, Huzhuang Town, Gaogang District, Taizhou City, and 200 barrels of rapeseed oil from Gaopo Village, Litian Town, totaling CNY 533,600, directly supporting agricultural production and boosting local farmers' income.



Procurement of Agricultural Assistance Grains and Oils

**Shareholder Return**

Amlogic has always attached great importance to providing reasonable returns on investment for shareholders and fully safeguarding their legitimate rights and interests. In the first three quarters of 2023, the Company distributed cash dividends totaling CNY 208,159,508.54, accounting for 66.35% of the net profit attributable to the parent Company's shareholders in the consolidated financial statements for the first three quarters of 2023.

In 2023, the total cash dividends paid by the Company accounted for 41.80% of the net profit attributable to shareholders of the listed company as per the consolidated financial statements for the year.

03

# Environmental Protection

## Green Operation and Responsible Development

### Idea

Amlogic adheres to the core philosophy of "harmonious coexistence and mutual prosperity between humanity and nature", taking green environmental protection and sustainable development as our mission. In our daily operations, we actively implement energy conservation and emission reduction measures, actively construct a green ecological system, pay attention to the protection of biodiversity, and strive to minimize the burden on the environment. At the same time, we advocates and promote various green and energy-saving actions, working hand in hand with employees to create a greener and more beautiful future.

### SDGs benchmarking



Amlogic is a Fabless IC design company specializing in the R&D of integrated circuits. It outsources wafer fabrication, chip packaging, and testing to external professional foundries and packaging/testing facilities, thereby avoiding any direct involvement in environmentally polluting processes. Its core focus lies in chip innovation, development, and sales, with a commitment to environmental sustainability.

**Case Monet's Garden: Reshaping green space and creating harmonious ecology**

With the establishment of the new campus, the Company has undergone environmental renovation of the entrance area, including the introduction of river water to create an artificial lake, planting aquatic plants such as water lilies and reeds, and stocking fish such as koi. In addition, willow trees and fountains have been added for decoration, along with parasols for relaxation. This provides a natural and tranquil environment for employees to unwind amid the natural landscape, while also promoting harmonious coexistence between humans and nature.



Monet's Garden

**Key performance**

In 2023, the Company's cumulative electricity consumption was **3,230** MWH, of which the cumulative photovoltaic power generation was **102,58** MWH, equivalent to an increase of **5,588.66** trees planted;

In 2023, the Company consumed **6,721** cubic meters of water, a decrease of approximately **22%** YoY, and **6,172** liters of gasoline, a decrease of approximately **17%** YoY.

**Case Actively adopting stray animals and raising awareness of biodiversity conservation**

In August 2020, employees of the Company discovered and rescued three stray rabbits, providing ongoing care including ample food, clean water, and a safe living environment. Additionally, the Company established a shelter for stray cats, encouraging employee participation in feeding and care. Through these actions, the Company has strengthened employees' awareness and sense of responsibility for animal protection, promoted biodiversity conservation, and contributed to building harmonious development between humans and nature.



Stray rabbits

**Green operation measures**

**Energy management:**

- R & D, design and use of Integrated control panels with one-touch switches for electrical devices are employed to reduce energy consumption and enhance energy efficiency.
- Priority is given to the use of new energy vehicles over traditional fuel-powered vehicles to reduce carbon emissions and promote environmental conservation.
- The introduction of a vehicle management system optimizes vehicle dispatch and routes, leading to reduced fuel consumption.
- During weekdays from 12:00 to 13:00, designated personnel are responsible for turning off the lights on each floor, contributing to energy conservation efforts.
- Prior to holidays, announcements are made to remind employees to turn off electrical devices, further strengthening energy-saving awareness and minimizing unnecessary energy waste.

**Resource management:**

- Procure water-soluble toilet paper to replace traditional paper-based toilet tissue, thereby reducing deforestation and paper waste.
- Provide stainless steel and porcelain cups as alternatives to disposable paper cups and bottled water, while encouraging employees to bring their own cups to reduce resource wastage.
- Encourage double-sided printing of documents and posting invoices on scrap paper
- Introduce a corporate travel platform and transportation services for issuing electronic invoices online, aiming to reduce paper-based reimbursement documents.
- Implement a plastic-free campaign to minimize the usage of plastic items (such as plastic bags) and strengthen pollution prevention and control measures for disposable plastic products.





Reducing plastic usage



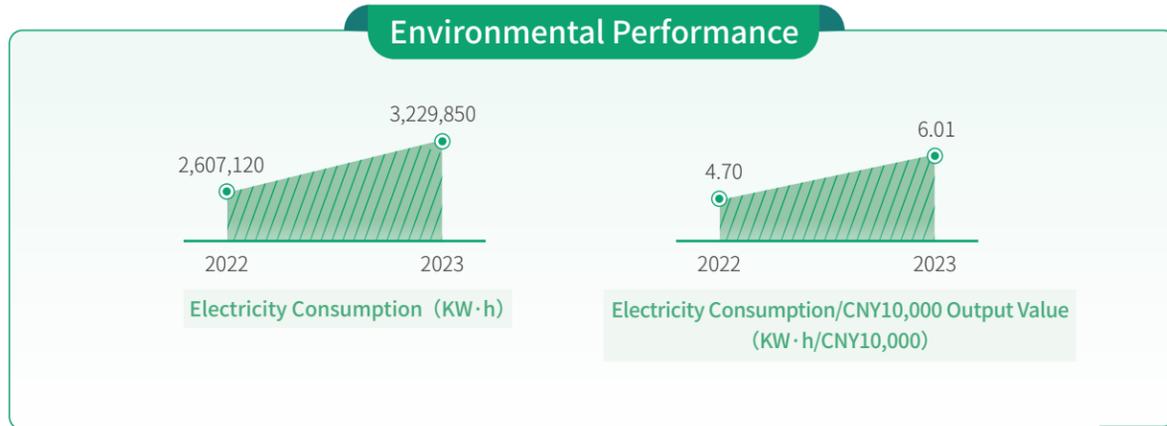
Energy conserving promotional slogan



one-touch switches for electrical devices

# Appendix

## Key Performance Table



# Index of Indicators

## GRI Content Index

GRI Standards	Item Disclosed	Corresponding Section or Document
<b>The organization and its reporting practices</b>		
G2-1	Organizational details	Regarding the Report
G2-2	Entities included in the organization's sustainability reporting	Regarding the Report
G2-3	Reporting period, frequency and contact point	Regarding the Report
<b>Activities and workers</b>		
G2-6	Activities, value chain and other business relationships	Company Overview
G2-7	Employees	Employee Development
<b>Governance</b>		
G2-9	Governance structure and composition	Corporate Governance
G2-10	Nomination and selection of the highest governance body	Corporate Governance
G2-11	Chair of the highest governance body	2023 Annual Report
G2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance
G2-13	Delegation of responsibility for managing impacts	Sustainable Management
G2-14	Role of the highest governance body in sustainability reporting	Sustainable Management
G2-16	Communication of critical concerns	Sustainable Management
G2-17	Collective knowledge of the highest governance body	Stakeholder Identification and Communication
G2-20	Process to determine remuneration	2023 Annual Report
<b>Strategy, policies and practices</b>		
G2-23	Policy commitments	Anti-Corruption and Integrity
G2-24	Embedding policy commitments	Anti-Corruption and Integrity
G2-25	Processes to remediate negative impacts	Anti-Corruption and Integrity
G2-26	Mechanisms for seeking advice and raising concerns	Anti-Corruption and Integrity
<b>Stakeholder engagement</b>		
G2-29	Approach to stakeholder engagement	Stakeholder Identification and Communication
<b>Material Topics</b>		
G3-1	Process to determine material topics	Sustainable Management
G3-2	List of material topics	Sustainable Management
<b>Economic Performance</b>		
G201-1	Direct economic value generated and distributed	2023 Annual Report
G201-2	Financial implications and other risks and opportunities due to climate change	2023 Annual Report
G201-3	Defined benefit plan obligations and other retirement plans	Employee Development
G201-4	Financial assistance received from government	2023 Annual Report

GRI Standards	Item Disclosed	Corresponding Section or Document
<b>Market Presence</b>		
G202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employee Development
<b>Anti-corruption</b>		
G205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption and Integrity
<b>Tax</b>		
G207-1	Approach to tax	2023 Annual Report
G207-2	Tax governance, control, and risk management	2023 Annual Report
G207-3	Stakeholder engagement and management of concerns related to tax	2023 Annual Report
<b>Energy</b>		
G302-1	Energy consumption within the organization	Environmental Protection
<b>Water and Effluents</b>		
G303-5	Water consumption	Environmental Protection
<b>Biodiversity</b>		
G304-2	Significant impacts of activities, products and services on biodiversity	Environmental Protection
<b>Supplier Environmental Assessment</b>		
G308-1	New suppliers that were screened using environmental criteria	Industry Collaboration
G308-2	Negative environmental impacts in the supply chain and actions taken	Industry Collaboration
<b>Employment</b>		
G401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Development
<b>Occupational Health and Safety</b>		
G403-3	Occupational health services	Employee Development
G403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Development
G403-5	Worker training on occupational health and safety	Employee Development
G403-6	Promotion of worker health	Employee Development
<b>Training and Education</b>		
G404-1	Average hours of training per year per employee	Employee Development
G404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development
<b>Diversity and Equal Opportunity</b>		
G405-1	Diversity of governance bodies and employees	Employee Development
<b>Child Labor</b>		
G408-1	Operations and suppliers at significant risk for incidents of child labor	Employee Development
<b>Local Communities</b>		
G413-1	Operations with local community engagement, impact assessments, and development programs	Social Contribution
<b>Supplier Social Assessment</b>		
G414-1	New suppliers that were screened using social criteria	Industry Collaboration

### Chinese Academy of Social Sciences CASS-ESG 5.0 Standard Index

Indicator	Topic	Indicator No.	Corresponding Section or Document		
<b>Preface (P)</b>	Reporting Specifications	P1.2	Regarding the Report		
		P1.3	Regarding the Report		
	Company Profile	P4.1	Company Overview		
		P4.2	Company Culture, Strategic Planning		
		P4.3	Company Overview		
		G1.1	Corporate Governance		
<b>Governance Responsibility (G)</b>	Corporate Governance	G1.2	Corporate Governance		
		G1.3	Risk Control		
		G1.6	Anti-Corruption and Integrity		
		G1.7	Anti-Corruption and Integrity		
		G1.10	Information Disclosure		
		G3.5	Sustainable Management		
	ESG Management	G3.6	Stakeholder Identification and Communication		
		G3.7	Regarding the Report		
		<b>Environmental Risk Management (E)</b>	Environmental Management	E1.1	Environmental Protection
				E2.2	Environmental Protection
Resource Utilization	E2.5		Environmental Protection		
	E2.14		Environmental Protection		
Safeguarding Ecological Security	E4.2		Environmental Protection		
	E4.3		Environmental Protection		
<b>Social Risk Management (S)</b>	Employment	S1.1	Employee Development		
		S1.2	Employee Development		
		S1.3	Employee Development		
		S1.4	Employee Development		
		S1.5	Employee Development		
		S1.6	Employee Development		
		S1.7	Employee Development		
		S1.8	Employee Development		
		S1.9	Employee Development		

Indicator	Topic	Indicator No.	Corresponding Section or Document
Social Risk Management (S)	Development and Training	S2.1	Employee Development
		S2.2	Employee Development
		S2.4	Employee Development
	Occupational Health and Work Safety	S3.1	Employee Development
		S3.5	Employee Development
	Customer Responsibility	S4.1	Quality Control
		S4.2	Quality Control
		S4.3	Industry Collaboration
		S4.4	Quality Control
		S4.5	Quality Control
		S4.6	Information Security
	Responsible Supply Chain Management	S4.7	Quality Control
		S4.8	Quality Control
Value Creation (V)	Industrial Value	S5.1	Industry Collaboration
		S5.2	Industry Collaboration
		V2.1	Scientific Research Innovation
Postscript (A)	Key performance indicators	V2.3	Scientific Research Innovation
		V2.4	Scientific Research Innovation
		A2	Key Performance Table
	Reference index	A4	Index of Indicators
	Suggestions and feedback	A5	Reader Feedback Form

## Reader Feedback Form

Dear readers:

Hello!

Thank you very much for taking the time to read the *2023 Environmental, Social, and Governance (ESG) Report of Amlogic (Shanghai) Co.,Ltd.* amid your busy schedule. In order to provide you and other stakeholders with more valuable information and effectively promote the company's ability and level of fulfilling corporate social responsibility, we sincerely look forward to your opinions and suggestions.

### Multiple choice questions (please tick the corresponding box)

1.Your overall evaluation of this report is:

Good Very good     Good     General     Bad Poor     Bad

2.Response and disclosure of issues of concern to stakeholders in the report?

Good Very good     Good     General     Bad Poor     Bad

3.How do you think Amlogic has done in terms of economic responsibility?

Good Very good     Good     General     Bad Poor     Bad

4.How do you think Amlogic has done in terms of environmental responsibility?

Good Very good     Good     General     Bad Poor     Bad

5.How do you think Amlogic has done in terms of safety management?

Good Very good     Good     General     Bad Poor     Bad

6.How do you think Amlogic has done in terms of employee responsibilities?

Good Very good     Good     General     Bad Poor     Bad

7.How do you think Amlogic has done in terms of community responsibility?

Good Very good     Good     General     Bad Poor     Bad

8.Are the information, indicators, and data disclosed in the report clear, accurate, and complete?

Yes     No

9.Do you think the content arrangement and layout design of this report are convenient to read?

Yes     No

### Open question

Do you have any opinions or suggestions on Amlogic fulfillment of social responsibility and this report?

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 **amlogic** 晶晨