





## Sustainability Management 11

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## ◆ About this Report

USI Sustainability Web

through this report.

2021 and the SASB Electronic Manufacturing Services & Original Design

framework and provide ESG data consistent with the 2023 Annual Report. Please refer to the Materiality Analysis section for material issues and report boundaries.

We follow the USI ESG Best Practice Principles to disclose sustainability Sustainability Committee members and reviewed by department managers. Board for review and approval.

and monetary data are expressed in CNY throughout the report. Environmental, health and safety data are described using accepted includes

Vietnam Facility which covers around 90% of our annual revenue. If data will be a note indicating the particular scope for that data.

**ASE Technology Holding Co., Ltd.** is the parent company of USI and is referred to as our "parent company" or "ASEH" in this report.

Manufacturing disclosure topics. For details, please refer to the Assurance Statement.

various environmental, social, and governance management system



Note:

1. Please refer to the Sustainability Data - Governance B. Scope Comparison Table of the 2023 Annual Report and Sustainability Report.



● About USI

product services: Design, Manufacturing, Miniaturization, industrial software and hardware Solutions, material procurement, logistics

Pudong New Area,  
Shanghai

Area of Manufacturing Facilities

538,332 m<sup>2</sup>

23,009

60.8 billion

Chairman and CEO

Jeffrey Chen

President and COO

C.Y. Wei

2,201,284,633

601231/USI Shanghai

Date of Stock Issue

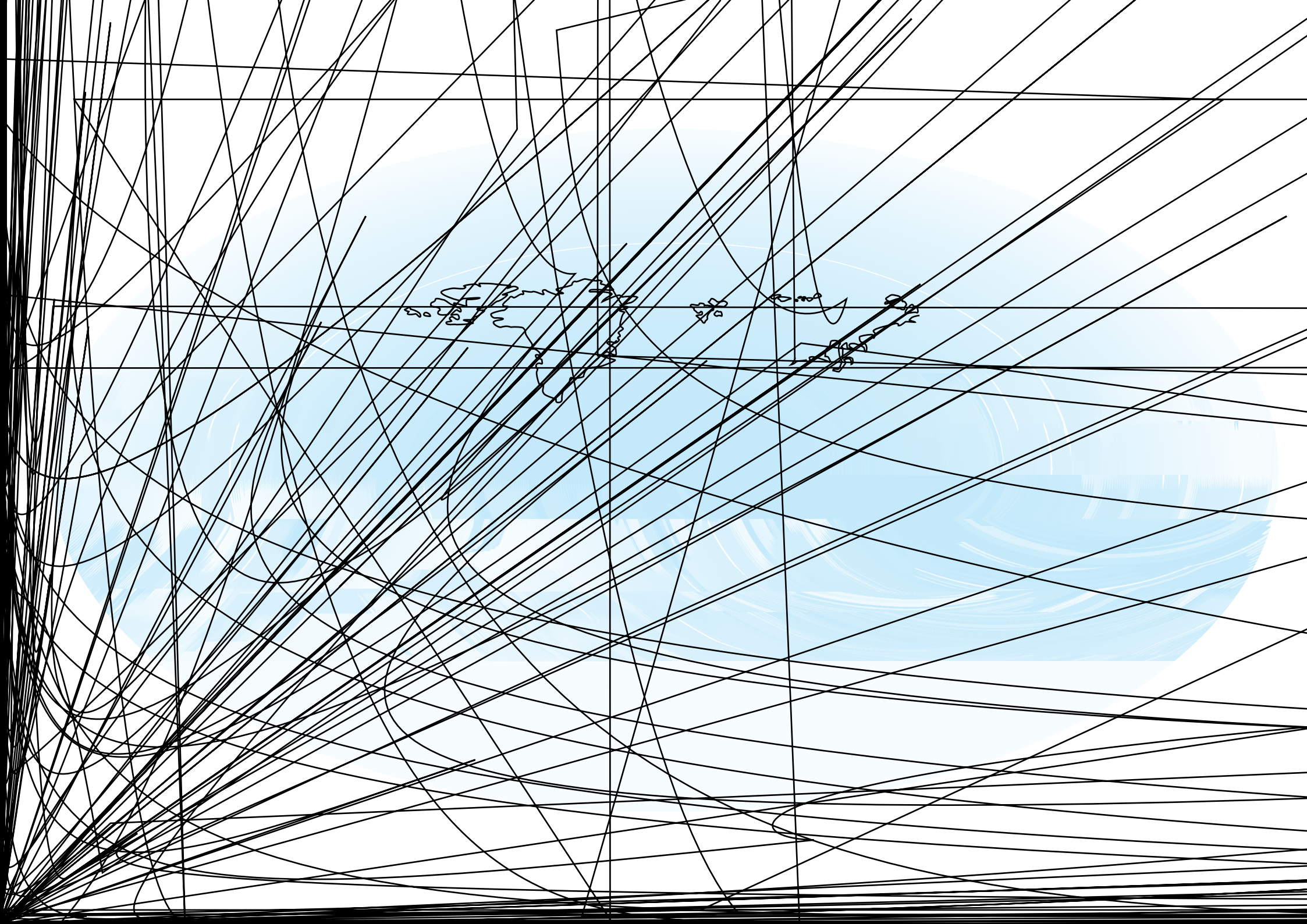
February 20, 2012

Main Products and Services

Wireless communication products,  
cloud and storage products, consumer  
electronics, industrial products, medical  
and automotive products

Note:

- 1. The area of manufacturing facilities only includes facilities in the scope of this report, please refer to [Global Locations](#) for more details.
- 2. The global total of employees includes the total number of USI, Asteelflash (AFG) and Hirschmann Car Communication (HCC) employees.





## ◆ Letter from the Chairman and President

Since 2009, USI has integrated sustainable development into

substantial outcomes. Despite challenges in 2023 due to the global economic recession and the slowing consumer market slightly affecting our performance, the management team showed strong resilience. We continued establishing a global presence, expanding our market through steady risk management strategies, and being unwavering in our goal of sustainable business operations.

After years of consistent effort, USI has gained recognition from various institutes for our ESG performance. In addition to being included in the S&P Global Sustainability Yearbook for three consecutive years, we received the highest environmental and

of companies worldwide in 2023. Several other institutions also

Sustainability Rating from EcoVadis and a Negligible Risk rating from Sustainalytics. USI has also been included in the SSE Corporate Governance Index for eleven consecutive years and received an

stem from the collective efforts of all employees to implement our four sustainable development strategies: Low Carbon, Circular, Collaborative, and Inclusive. In 2023, we created a social contribution value

---

Emissions by 2040.

change has on biodiversity, USI made a Biodiversity and No Deforestation Commitment, introduced biodiversity risk assessment

soil erosion while gradually restoring biodiversity. We are pleased to report that by the end of 2023, we had planted 151,482 trees, covering an area of 97.91 hectares, and observed 47 species in Inner Mongolia and 14 species in Ningxia in the annual ecological survey.

results, and the ecosystem is reaching a balance and showing signs of preliminary recovery.

employees, suppliers, and customers. As a global leader in electronic design and manufacturing with 30 manufacturing sites worldwide, we support and respect the Universal Declaration of Human Rights

rights of all stakeholders and build a diverse and inclusive workplace.

building courses. Many of our philanthropic outreach efforts involve investing in education, including rural student educational programs. In 2023, we invested CNY 9.25 million in social activities, of which

internships, and increased youth employability.

In a rapidly changing world, unexpected events have increased

we expect all employees to embody these principles in their daily operations, thus stimulating an even more sustainable impact. As USI expands its global operations, we must demonstrate our capability to address all sustainable issues. USI aims to enhance ESG resilience over the next 15 years to create a sustainable and balanced environment and society for future generations.

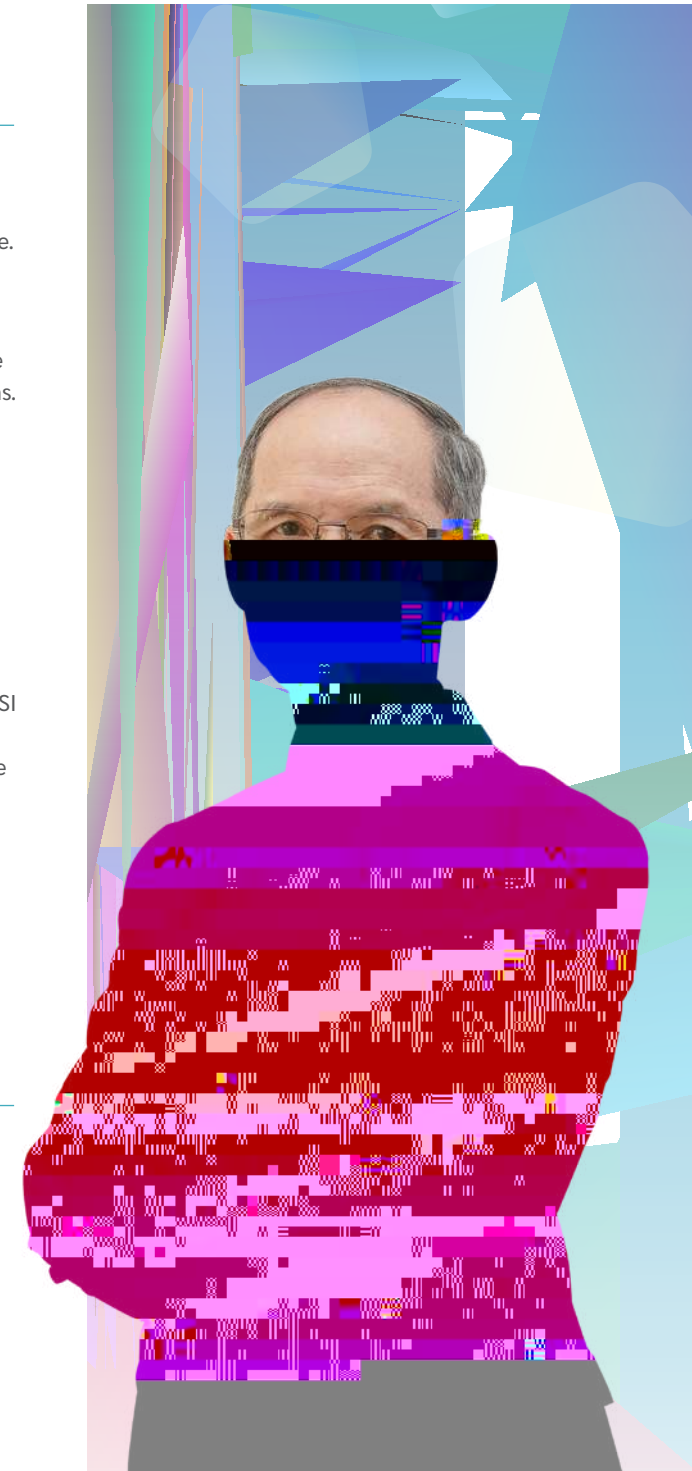
Note:

1. Social contribution value per share = (earnings per share + tax payments + employee salaries + interest expenses + total social input) ÷ total number of shares issued in the year

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President C.Y. Wei

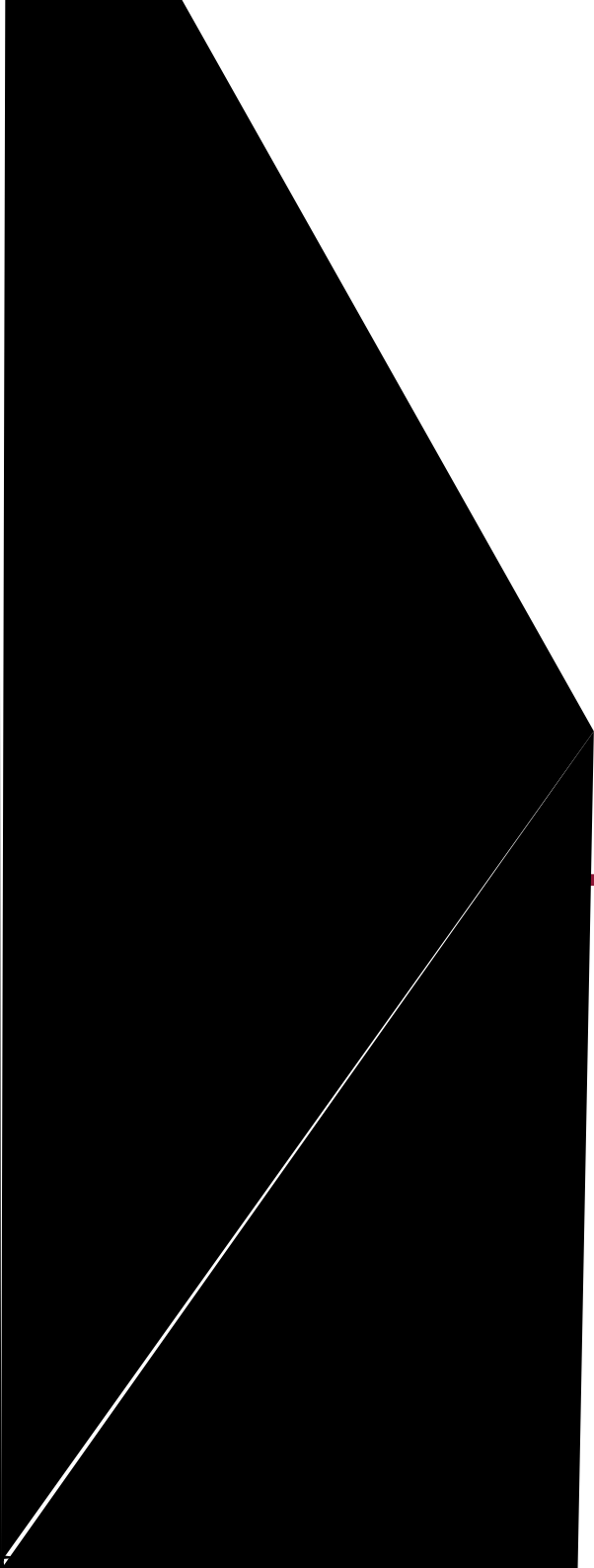
*Chen*











# Sustainability Committee

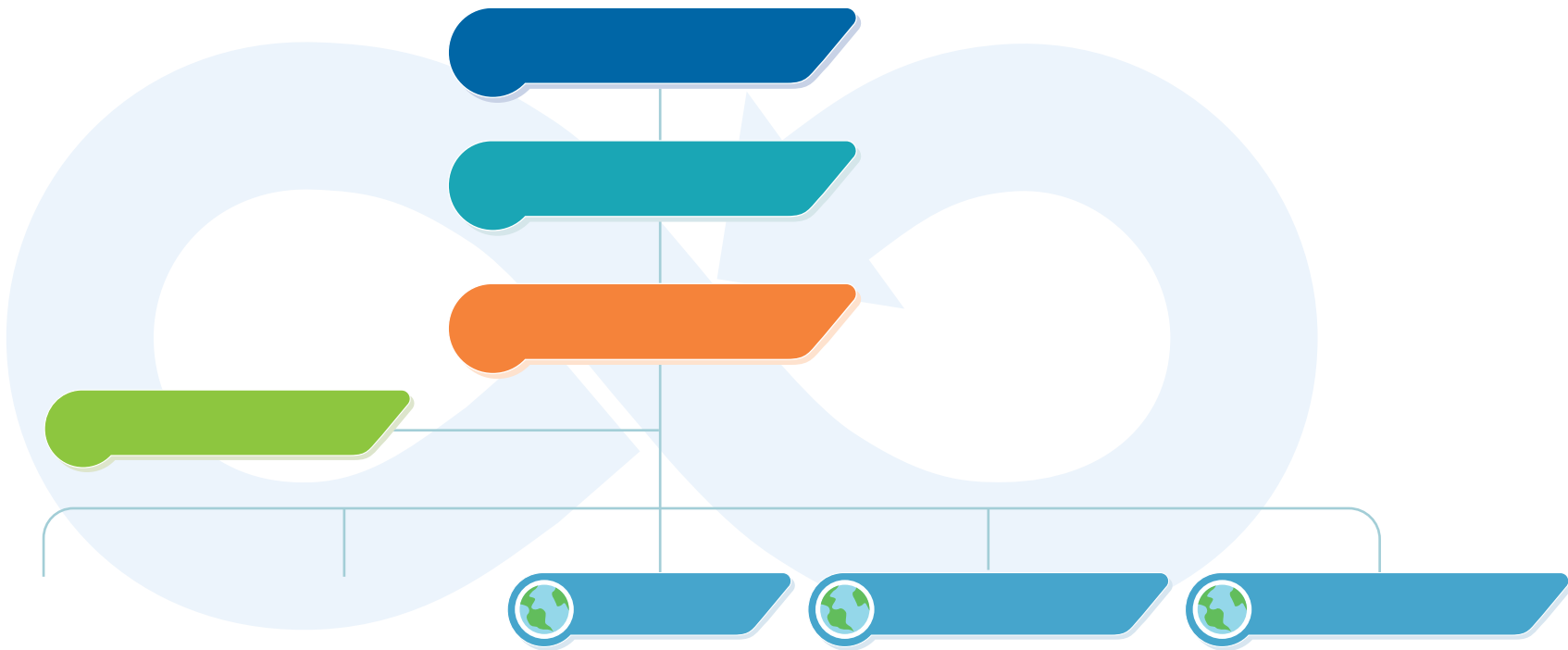
sustainable development, and improve corporate governance structure, USI expanded the functions of the Strategy Committee in 2024 and established the Strategy and Sustainability

Under the Strategy and Sustainability Committee, the Sustainability Committee covers all

Governance, Green Product & Innovation, Value Chain Management, Employee & Society, and Environmental Protection & Occupational Safety. Committee members are representatives chosen from each department, the President is the Chair, and senior managers are Leaders and Coordinators.

and track the sustainable targets in the meetings. Sustainable achievements are presented to the Committee Chair and members in the Sustainability Committee Annual Meeting, which was held on December 14, 2023. Sustainability consultants were invited to share and suggest

understand 2023 sustainability performances.



Note:  
1. The Employee Care & Social Involvement Taskforce was renamed as the Employee & Society Well-being Engagement Taskforce in 2023.



## Sustainable Promotion

### Capacity Training

- management training course.
- indirect employees.

### Seminar

- Held seminars to share global sustainability trends including introducing IFRS
- Held 3 Green Seminars to share how other industries incorporate sustainability in their contributing to sustainability.

### Knowledge Sharing

- worldwide facilities.
- Published sustainability topics in the USI Newsletter ESG 360 column.

### Prized Quiz

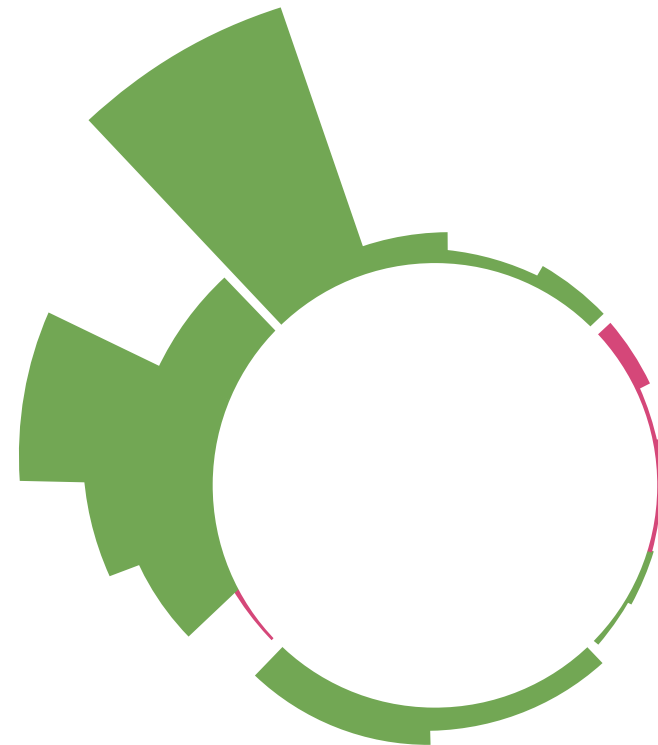
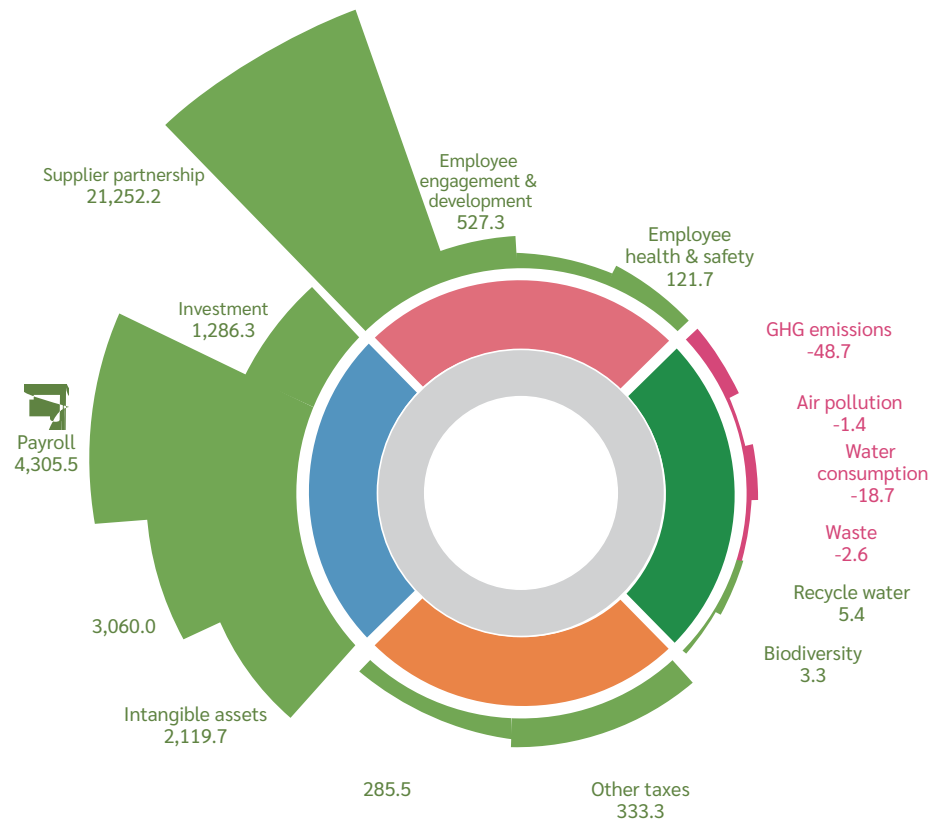
- sustainability development.

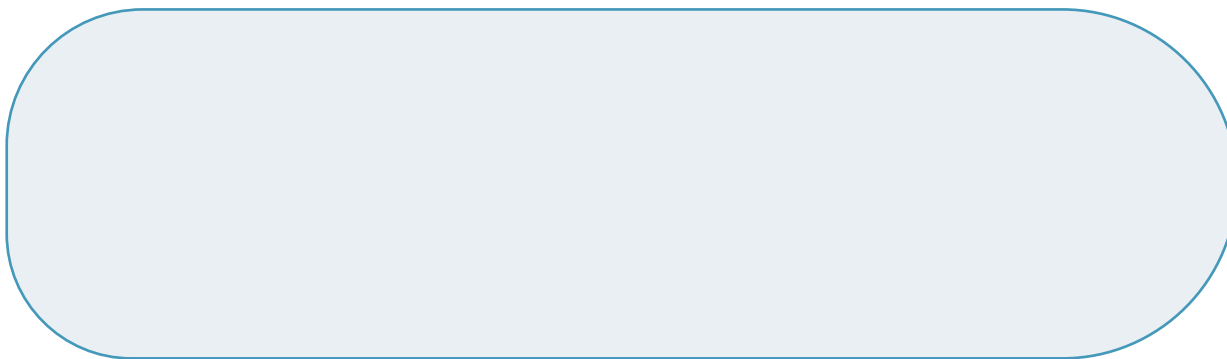
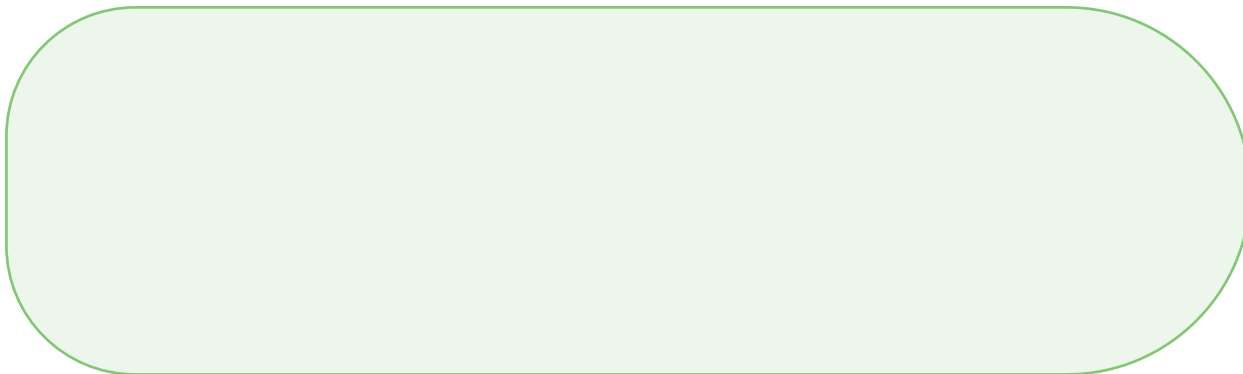


Note:

1. IFRS, International Financial Reporting Standards
2. TNFD, Taskforce on Nature-related Financial Disclosures







## Environmental Profit and Loss

capital and reduce the direct or indirect impact on the environment, we focus on major environmental issues related to operations, including GHG emissions, air pollution emissions, waste generation, water resources use, and biodiversity. We map out the impact event chain of environmental pollution emissions and resource consumption and calculate the environmental cost of human health damage, environmental resource reduction and ecosystem impact caused by these behaviors.

2023, after value conversion, was CNY 69.1 million.



| Impact Driver         | 2023 Activity/Output                                                                                                                                                                                                                                                                                                                                               | Outcome/Impact                                                                                                                                                              |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GHG Emissions</b>  | <ul style="list-style-type: none"> <li>Continue to promote GHG reduction policies to reduce energy consumption.               <ul style="list-style-type: none"> <li>Inventoried 207,835.48 metric tonnes of CO<sub>2</sub> 2022.</li> <li>100% renewable energy use in Mainland China, Mexico, and Vietnam facilities.</li> </ul> </li> </ul>                     | <ul style="list-style-type: none"> <li>Please refer to the <a href="#">Carbon Management</a> and <a href="#">Energy Management</a> sections for further details.</li> </ul> |
| <b>Water Resource</b> | <ul style="list-style-type: none"> <li>Overall water recycling rate of 23%.</li> </ul>                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Please refer to the <a href="#">Water Resource Management</a> section for further details.</li> </ul>                                |
| <b>Air Pollution</b>  | <ul style="list-style-type: none"> <li>Measured 51.49 metric tonnes of VOCs emissions, a decrease of 14.3% from 2022.</li> </ul>                                                                                                                                                                                                                                   | nitrogen <ul style="list-style-type: none"> <li>Please refer to the <a href="#">Air Pollution Control</a> section for further details.</li> </ul>                           |
| <b>Waste</b>          | <ul style="list-style-type: none"> <li>Strictly monitor and track waste usage and outputs through regular data recording.               <ul style="list-style-type: none"> <li>Overall waste recycling rate was 87.3%, an increase of 1.3% from 2022.</li> </ul> </li> </ul>                                                                                       | <ul style="list-style-type: none"> <li>Please refer to the <a href="#">Waste Management</a> section for further details.</li> </ul>                                         |
| <b>Biodiversity</b>   | <ul style="list-style-type: none"> <li>coexistence, and maintain the integrity of natural ecosystems.               <ul style="list-style-type: none"> <li>USI has planted 151,482 trees covering 97.91 hectares.</li> <li>Conserved about 134,332.52 metric tonnes of water and captured 729.44 metric tonnes of CO<sub>2</sub> in a year.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Please refer to the <a href="#">Conserving the Environment</a> section for further details.</li> </ul>                               |



## Social Impact

social impacts including supplier partnership, employee engagement & development, employee health & safety, and social cohesion. In 2023, the total value of social impact was CNY 16,885.8 million which was mainly contributed by was CNY 16,861.9 million, CNY 5,047.6 million lower than in 2022.

| Impact Driver       | 2023 Activity/Output              | Outcome/Impact                                                                                                                                                                                                                                                                                    |
|---------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Direct Operations   | Supplier partnerships             | <ul style="list-style-type: none"> <li>Held Sustainable Supply Chain Webinar for the Greater China region at the Nantou Facility. 507 supplier partners attended this webinar, and 338 feedback surveys conveyed they were</li> <li>Global local procurement rate reached 40% in 2023.</li> </ul> |
|                     | Employee engagement & development | <ul style="list-style-type: none"> <li>Carried out biennial employee engagement score was 80%.</li> </ul>                                                                                                                                                                                         |
|                     | Employee health & safety          | <ul style="list-style-type: none"> <li>provides free employee physicals every year. Also, specialized health exams are environments.</li> </ul>                                                                                                                                                   |
|                     | Social cohesion                   | <ul style="list-style-type: none"> <li>679 students engaged in 63,710 hours of</li> </ul>                                                                                                                                                                                                         |
| Indirect Operations | Social cohesion                   | <ul style="list-style-type: none"> <li>Engaged 535 employees to volunteer 3,645 hours of service in 2023.</li> </ul>                                                                                                                                                                              |

Note:

1. The social impact value directly related to operations is calculated by excluding charitable donations and non-industrial-academic educational programs.

## Materiality Analysis

USI annually conducts a materiality analysis using the AA1000 Stakeholder Engagement Standards and the AA1000 Accountability Principles of Inclusivity, Materiality, Responsiveness, and Impact as our framework to

based on the Double Materiality principle referenced from GRI 3: Material

EU Corporate Sustainability Reporting Directive and integrated the

incorporated into our enterprise risk management process to serve as a

For more details, please refer to the [Enterprise Risk Management](#) section. Our materiality assessment process, content, and data are independently

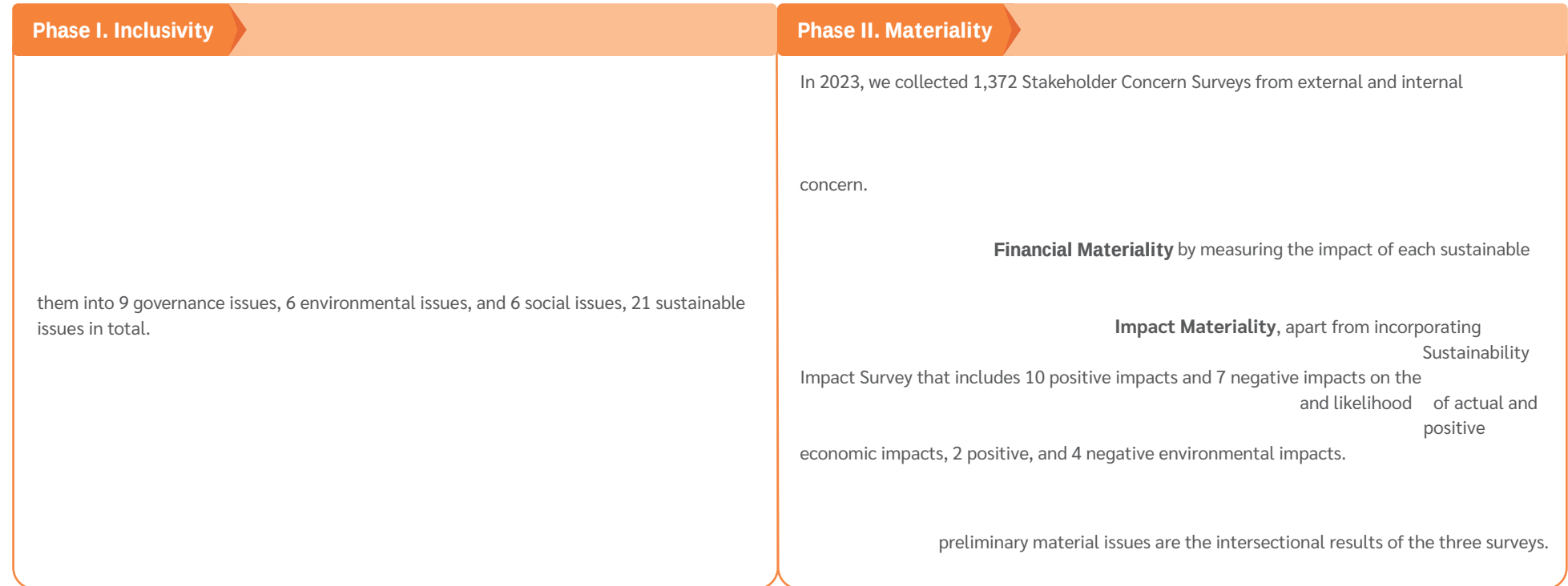
After examining global sustainable trends and communicating with stakeholders, we reevaluated the inclusiveness and relevance of our sustainable issues. We added Risk & Crisis Management, removed Work from Home, separated Innovation Management & Sustainable Production into Green Products & Innovation Management and Sustainable Production.

are primarily due to investor concerns for emerging risk management induced by extreme climate disasters and global political and economic turmoil. Companies are also emphasizing integrating material issues and risk management, so Risk & Crisis Management and Waste Management were elevated as material issues after external expert consultation and recommendations from the Sustainability Committee. Although Regulatory Compliance and Data Privacy are not material issues, they are still part of

are also disclosed in this report.



## Process to Determine Material Issues



Note:

1. Severity: an actual or potential negative impact is determined by the following characteristics:

- Scale: how grave the impact is.
- Scope: how widespread the impact is, for example, the number of individuals affected or the extent of environmental damage.
- Irremediable character: how hard it is to counteract or make good the resulting harm.

2. Likelihood: a potential negative impact refers to the chance/probability of the impact happening.



### Phase III. Responsiveness

Survey, Operational Impact Survey, and External Sustainability Impact Survey, then mapped it to previous material issues and consulted external experts and the Sustainability

reviewed and approved by the Board of Directors. We mapped 19 GRI topic standards and

sustainable development.

**Scope and Structure of the Report:** Following the principle of comparability, our 2023 this report is based on collecting internal data and management approaches, following

### Phase IV. Impact

semiannually to review the progress of each goal. At the annual Sustainability Committee meeting, we review our achievements, make rolling adjustments, track sustainability trends, and manage the impact of our sustainability goals. We publicly disclose the direction, progress, and performance of our sustainability goals in our annual Sustainability Report.

Step  
5

#### Identify Material Issues

- 14 material issues

Step  
6

#### Define Topic Disclosures and Boundaries

- 19 topic standards
- 7
- 7 manufacturing facilities

Step  
7

#### Formulate Long-term Goals

- 41

Step  
8

#### Evaluate Impact

- 7 regular meetings

Note:

1. USI specific topics include Customer Relations, Sustainable Supply Chain, Green Products & Innovation, Sustainable Production, Cybersecurity Management, Risk & Crisis Management, Social Involvement, Data Privacy, and Biodiversity.

## Impact Evaluation - Monetization Model (TIMM)

|               |                       |          |              |                          |                                            |                                                           |         |                                        |
|---------------|-----------------------|----------|--------------|--------------------------|--------------------------------------------|-----------------------------------------------------------|---------|----------------------------------------|
| Economic      | Investments           | Positive | Operations   |                          | Capital expenditure                        | Asset depreciation costs, repair expenses                 | 1,467.3 | Sustainable Production                 |
|               | Payroll               | Positive | Operations   | Employees                |                                            | Employee salary expenses, social insurance, pension funds | 4,159.2 |                                        |
|               |                       | Positive | Services     |                          |                                            |                                                           | 1,949.7 | Customer Relations                     |
|               | Intangible assets     | Positive | Operations   |                          | R&D investment and intellectual            | Amortization of intangible assets, R&D expenses           | 1,896.5 | Green Products & Innovation Management |
|               | Regulatory Compliance | Negative | Operations   | Governments<br>Customers | Litigation and arbitration costs,          |                                                           |         | Risk & Crisis Management               |
| Environmental | Greenhouse gases      | Negative | Operations   | Environment              | GHG emissions                              | Social cost of carbon                                     |         | Management                             |
|               | Other emissions       | Negative | Operations   | Environment              | Pollutant emissions                        | Natural capital cost                                      |         | Air Pollution Control                  |
|               | Water use             | Negative | Operations   | Environment              | Water consumption                          | Natural capital cost                                      |         | Water Resources Management             |
|               | Waste                 | Negative | Operations   | Environment              | waste                                      | Natural capital cost                                      |         | Waste Management                       |
|               | Recycled water        | Positive | Operations   | Environment              | Reduced water consumption                  | Natural capital cost                                      | 4.7     | Water Resources Management             |
|               | Biodiversity          | Positive | Operations   | Environment              | Water conservation<br>Reduced soil erosion | restoration                                               | 3.9     |                                        |
| Social        | Supplier partnerships | Positive | Supply chain |                          |                                            |                                                           |         |                                        |
|               |                       |          |              |                          |                                            |                                                           |         |                                        |
|               |                       |          |              |                          |                                            |                                                           |         |                                        |
|               |                       |          |              |                          |                                            |                                                           |         |                                        |
|               |                       |          |              |                          |                                            |                                                           |         |                                        |
|               |                       |          |              |                          |                                            |                                                           |         |                                        |

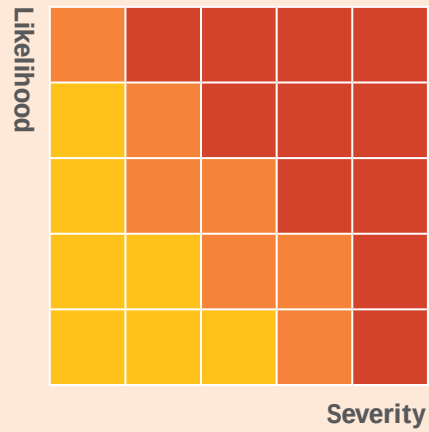
## Impact Evaluation - Prioritizing Significant Impacts/Quantitative Data Model

### 17 Impacts

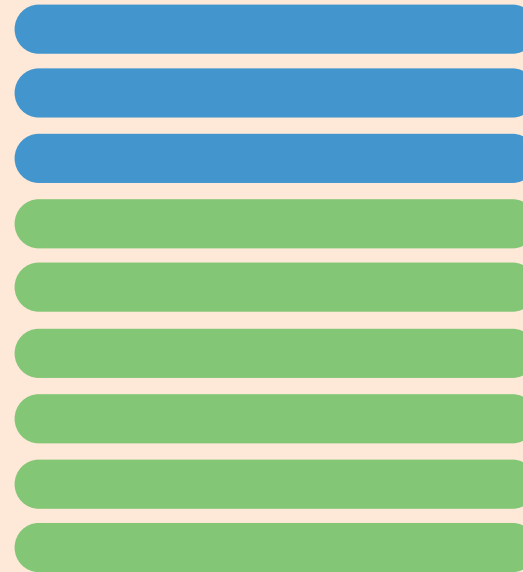
| Impact       | Positive | Negative |
|--------------|----------|----------|
| Economy      | 4        | 1        |
| Environment  | 2        | 4        |
| Human Rights | 4        | 2        |

Sources:

Weighted Accounts



### 9 Significant Impacts



Environmental Impact — Negative  
People/Human Rights Impact

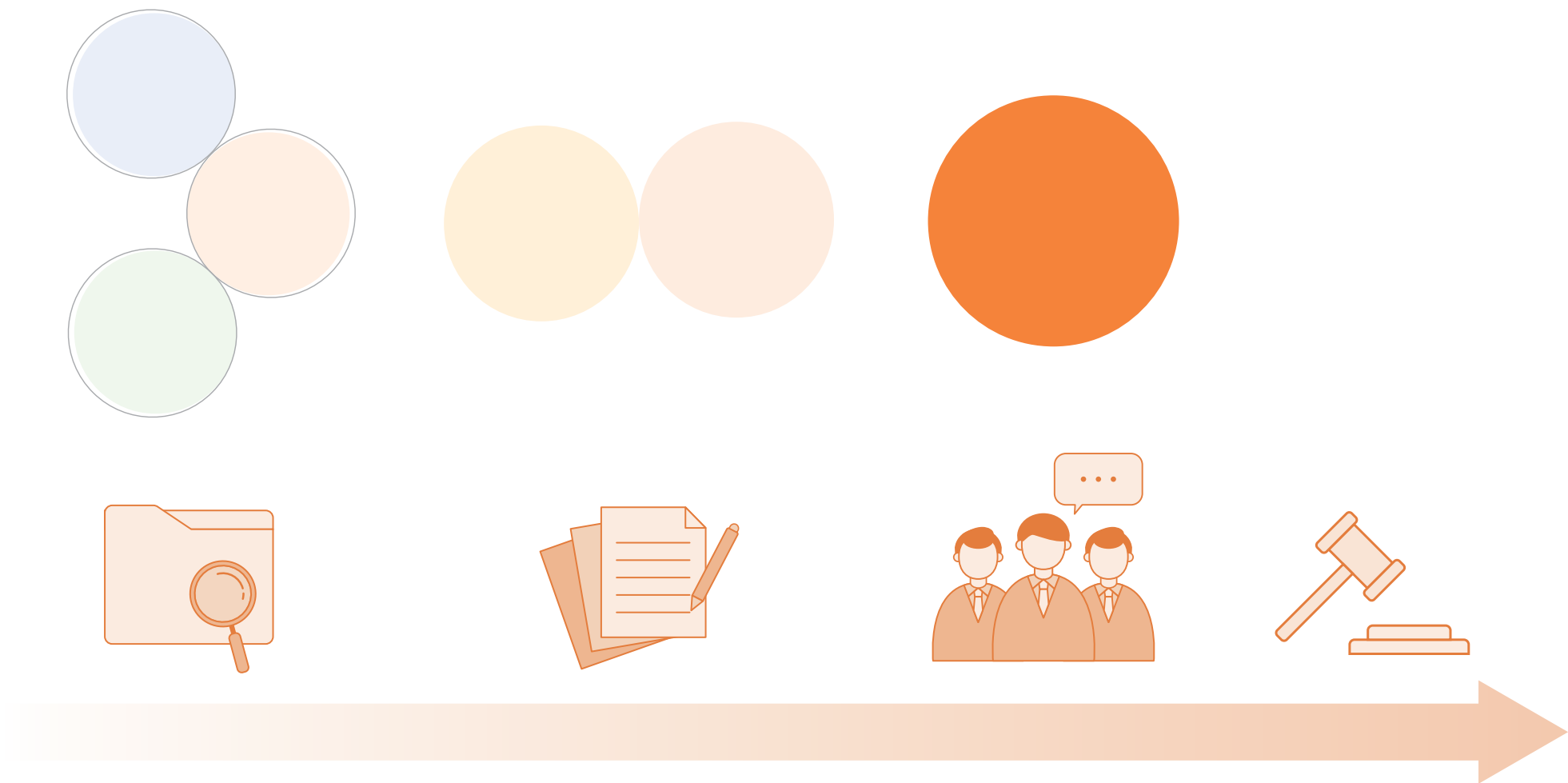


## Double Materiality Assessment Results

| Dimension                   | Material Issue                         | Operational Impact<br>(Financial Materiality) |       |                          |                        | External Sustainability Impact<br>(Impact Materiality)  |                                               |                                                           |                                                       |                                                 |                                                                       |                                                              |                                                             |                                                                       |
|-----------------------------|----------------------------------------|-----------------------------------------------|-------|--------------------------|------------------------|---------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------|
|                             |                                        | Revenue                                       | Risks | Customer<br>Satisfaction | Employee<br>Engagement | Innovating<br>Industrial<br>Development<br>(+ Positive) | Creating<br>Upstream<br>Value<br>(+ Positive) | Supporting<br>Welfare<br>through<br>Taxes<br>(+ Positive) | Producing<br>Eco-friendly<br>Products<br>(+ Positive) | Using<br>Renewable<br>Resources<br>(+ Positive) | Consumption<br>Affecting<br>Humans & the<br>Ecosystem<br>(- Negative) | Non-<br>renewable<br>Resource<br>Consumption<br>(- Negative) | Emissions<br>Affecting<br>Climate<br>Change<br>(- Negative) | Procurement<br>Demand<br>Affecting the<br>Environment<br>(- Negative) |
| <br>Governance/<br>Economic | Sustainable Supply Chain               | ✓                                             |       | ✓                        |                        | ✓                                                       | ✓                                             | ✓                                                         | ✓                                                     | ✓                                               |                                                                       | ✓                                                            |                                                             | ✓                                                                     |
|                             | Sustainable Production                 | ✓                                             |       | ✓                        |                        | ✓                                                       | ✓                                             | ✓                                                         | ✓                                                     | ✓                                               | ✓                                                                     | ✓                                                            |                                                             |                                                                       |
|                             | Green Products & Innovation Management | ✓                                             |       | ✓                        |                        | ✓                                                       | ✓                                             |                                                           | ✓                                                     |                                                 |                                                                       |                                                              |                                                             |                                                                       |
|                             | Customer Relations                     | ✓                                             |       | ✓                        |                        | ✓                                                       | ✓                                             |                                                           |                                                       |                                                 |                                                                       |                                                              |                                                             |                                                                       |
|                             | Cybersecurity Management               |                                               | ✓     | ✓                        |                        |                                                         |                                               |                                                           |                                                       |                                                 |                                                                       |                                                              |                                                             |                                                                       |
|                             | Risk & Crisis Management               | ✓                                             | ✓     |                          |                        |                                                         |                                               |                                                           |                                                       |                                                 |                                                                       | ✓                                                            | ✓                                                           |                                                                       |
| <br>Environmental           | Climate Strategy                       |                                               |       |                          |                        |                                                         |                                               |                                                           |                                                       |                                                 |                                                                       |                                                              | ✓                                                           | ✓                                                                     |
|                             | Energy Management                      |                                               |       |                          |                        | ✓                                                       |                                               |                                                           | ✓                                                     | ✓                                               | ✓                                                                     |                                                              | ✓                                                           |                                                                       |
|                             | Waste Management                       |                                               |       |                          |                        |                                                         |                                               |                                                           | ✓                                                     | ✓                                               | ✓                                                                     | ✓                                                            |                                                             | ✓                                                                     |
| <br>Social                  | Occupational Health & Safety           |                                               |       |                          | ✓                      |                                                         |                                               |                                                           |                                                       |                                                 |                                                                       |                                                              |                                                             |                                                                       |
|                             | Human Rights                           |                                               |       |                          | ✓                      |                                                         |                                               |                                                           |                                                       |                                                 |                                                                       |                                                              |                                                             |                                                                       |
|                             | & Retention                            |                                               |       |                          | ✓                      |                                                         |                                               |                                                           |                                                       |                                                 |                                                                       |                                                              |                                                             |                                                                       |
|                             | Human Capital Development              |                                               |       |                          | ✓                      |                                                         |                                               |                                                           |                                                       |                                                 |                                                                       |                                                              |                                                             |                                                                       |
|                             | Social Involvement                     |                                               |       |                          |                        |                                                         |                                               | ✓                                                         |                                                       |                                                 |                                                                       |                                                              |                                                             |                                                                       |

# Material Issues Risk Impact Management

## Determining Material Issues & Prioritization Ranking





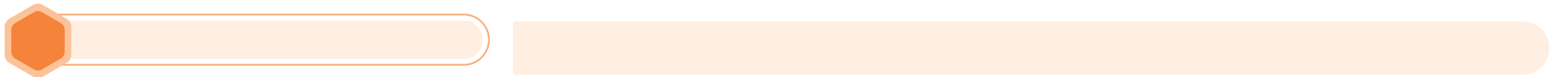
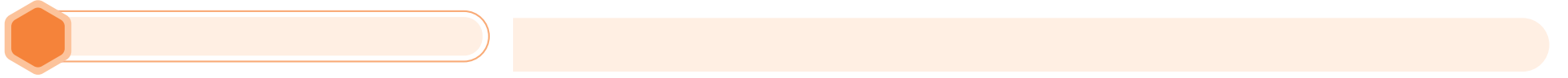
## Material Issues Risk Management

| Material Issue                         | Risk Factor                                                             | Risk Type | Risk Impact Evaluation                                                                                                                                                                                                                                                                                                        | Likelihood <sup>(1)</sup> | Severity | Mitigation/<br>Management<br>Approach  |
|----------------------------------------|-------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------|----------------------------------------|
| Sustainable Supply Chain               | Suppliers do not meet USI or regulation                                 | ★         | Supply chain procurement has potential negative economic, environmental, and human rights impacts. We promote supplier sustainability performance evaluations also collaborate with our supply chain partners to protect the environment, labor, and social welfare and maintain our operations and commitments to customers. | 3                         | 3        | <u>Value Chain Management</u>          |
| Sustainable Production                 | Failure to recognize industry trends and lose competitive edge          | ◆★        | Advanced fabrication technologies are increasingly challenging and costly, affecting impact. We continue to invest in smart, automated manufacturing processes and encourage employees to continuously discern possible improvements, creating a globally competitive smart manufacturing facility with better results.       | 2                         | 3        | <u>Green Products &amp; Innovation</u> |
| Green Products & Innovation Management | Unable to meet green product demand and develop innovative technologies | ◆★        | Green products are subject to complex international environmental regulations. capabilities to expand and create green business opportunities.                                                                                                                                                                                | 3                         | 4        | <u>Green Products &amp; Innovation</u> |
| Human Rights                           | Failure to protect USI human rights                                     |           |                                                                                                                                                                                                                                                                                                                               |                           |          |                                        |
|                                        |                                                                         |           |                                                                                                                                                                                                                                                                                                                               |                           |          |                                        |
|                                        |                                                                         |           |                                                                                                                                                                                                                                                                                                                               |                           |          |                                        |

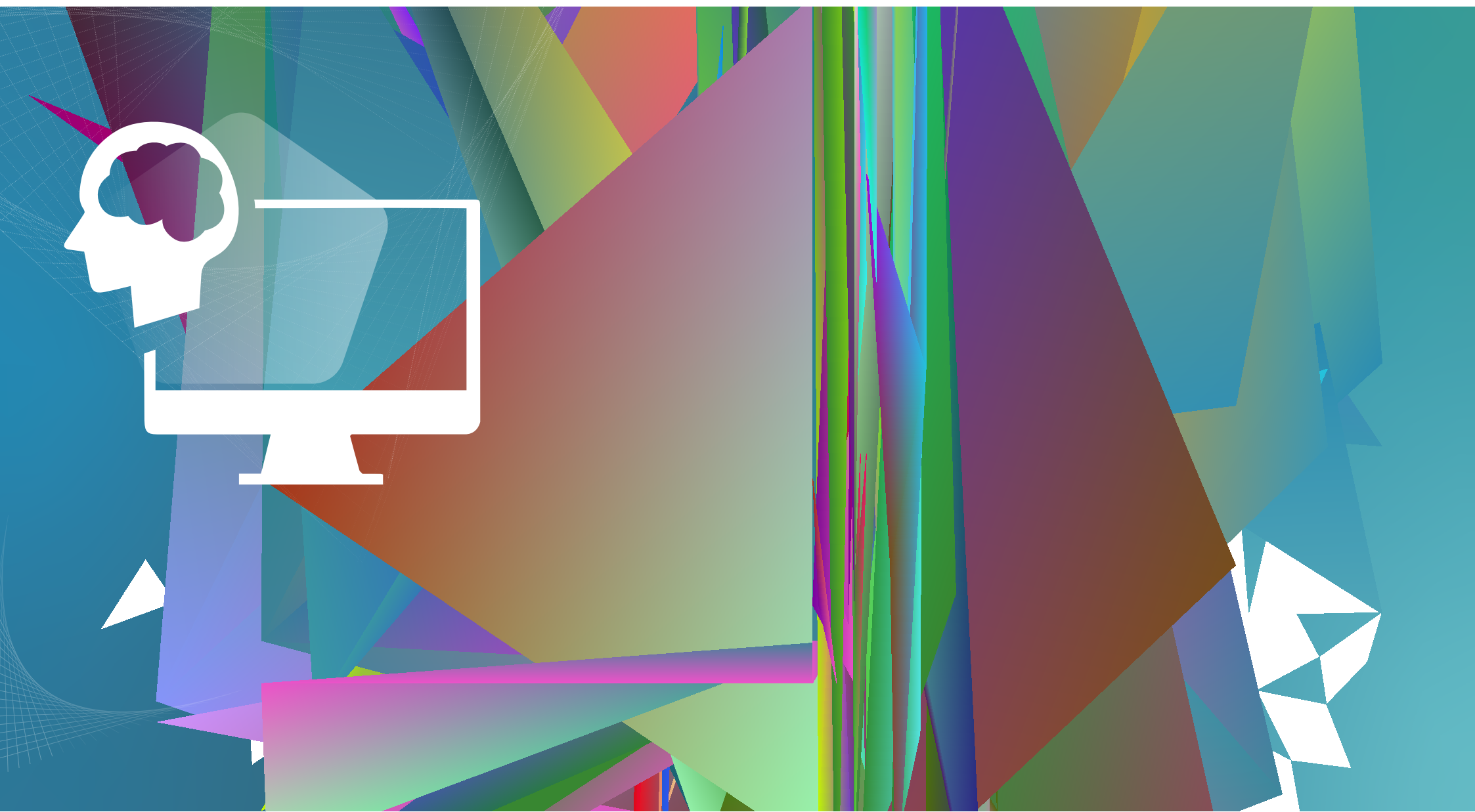
Risk Type: Strategic  Operational  Hazards 

[illegible]











## Sustainable Issue Performance and Targets



Material Issue



Achieved



Not Achieved

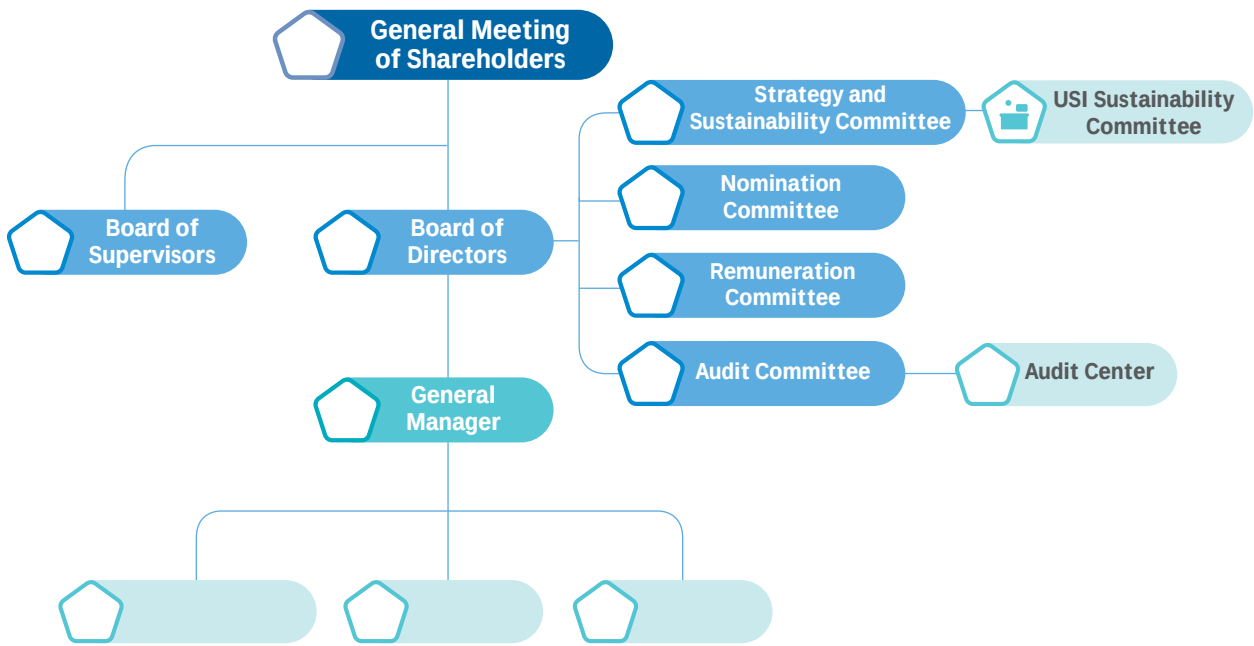
| Management Purpose                                                                                                                                                                                                                                                                                                                                                                                                               | KPI                                                                       | 2023 Target                                        | 2023 Performance                                                       | Status | 2024 Target                               | 2028 Target                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------|--------|-------------------------------------------|---------------------------------------------------|
| <b>Cybersecurity Management</b><br><b>Management Approach:</b> construct a safe and convenient information network environment to protect employees from internal and external cybersecurity threats.<br><b>Evaluation Mechanism:</b> Grade cybersecurity incidents according to tolerable downtime of critical systems through the Information Security Steering Committee and adopt countermeasures to avoid damage expansion. |                                                                           |                                                    |                                                                        |        |                                           |                                                   |
| Establish a holistic cybersecurity system and ensure its effectiveness                                                                                                                                                                                                                                                                                                                                                           | ▶ Major cybersecurity incidents                                           | ▶ No major cybersecurity incidents                 | ▶ 0 major cybersecurity incidents                                      |        | ▶ No major cybersecurity incidents        | ▶ No major cybersecurity incidents                |
| <b>Enterprise Risk Management / Business Continuity</b><br><b>Management Approach:</b> Identify risk events and factors, evaluate, and adopt proper countermeasures, convert risk management actions to the organization strategies to ensure sustainable management and achieve business operational goals.<br><b>Evaluation Mechanism:</b> conduct annual risk drills by business continuity management mechanism.             |                                                                           |                                                    |                                                                        |        |                                           |                                                   |
| Achieve sustainable business continuity through risk management                                                                                                                                                                                                                                                                                                                                                                  | ▶ Follow ISO 31000 management principles and guidelines                   | ▶ Introduce ISO 31000 to Huizhou Facility          | ▶ Introduced ISO 31000 to Huizhou Facility                             |        | ▶ Introduce ISO 31000 to Suzhou Facility  | ▶ Introduce ISO 31000 to North America Facilities |
|                                                                                                                                                                                                                                                                                                                                                                                                                                  | ▶ Follow ISO 22301 management principles and guidelines                   | ▶ Implement ISO 22301 in Mainland China Facilities | ▶ Implemented ISO 22301 in Zhangjiang, Huizhou, and Kunshan Facilities |        | ▶ Implement ISO 22301 in Vietnam Facility | ▶ Implement ISO 22301 in North America Facilities |
| <b>Regulatory Compliance/Data Privacy</b>                                                                                                                                                                                                                                                                                                                                                                                        |                                                                           |                                                    |                                                                        |        |                                           |                                                   |
| Ensure compliance with applicable laws and regulations and avoid violations                                                                                                                                                                                                                                                                                                                                                      | ▶ USI Regulation Compliance training completion rate                      | ▶ 90% training completion rate                     | ▶ 90% training completion rate                                         |        | ▶ 95% training completion rate            | ▶ 99% training completion rate                    |
| <b>Business Ethics</b>                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                           |                                                    |                                                                        |        |                                           |                                                   |
| Prevent corruption and bribery                                                                                                                                                                                                                                                                                                                                                                                                   | ▶ USI Code of Conduct or Sunshine Conduct Policy training completion rate | ▶ 100% training completion rate                    | ▶ 100% training completion rate of USI Code of Conduct                 |        | ▶ 100% training completion rate           | ▶ 100% training completion rate                   |

# Board Governance

special committees that report directly to them: the Strategy and Sustainability Committee,

procedure. All members of the special committees must be directors. Independent directors shall comprise the majority of the Audit Committee must be a professional accountant, and the Strategy and Sustainability Committee should include at least with a 100% attendance.

## Board Structure



## Audit Center

employment of the head of auditing must be approved by half and auditors are established in major facilities as well. Group and performs internal audit activities in accordance with the annual audit plan approved by the board of directors.

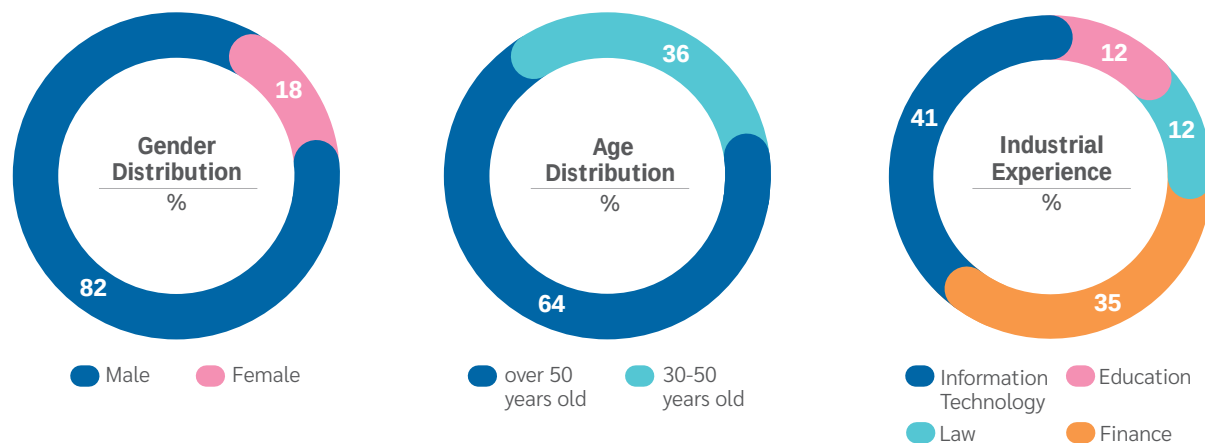
### Internal Audit Process

## Board Nomination and Responsibilities

USI implements the [Board of Directors Diversity Policy](#) to select candidates based on a range of diversity criteria, including but not limited to gender, age, nationality, culture, ethnicity and industrial background. Board director candidates are nominated according to [Articles of Association of USI](#)

regulations, department rules or articles of the company. Material events must be deliberated and voted by directors after full

### Board Diversity



According to the Company Articles, any corporations related to the matters in the resolutions made in the director meetings

has a Board of Supervisors which includes shareholders representatives and employee representatives. Supervisors shall monitor

auditors will issue an internal audit report annually. Please refer to [Section 10 of the 2023 Annual Report](#) for related party relationships and transactions.

## Board Participation in Sustainability Governance

USI has established the Strategy and Sustainability Committee directly under the Board of Directors, which is composed of board directors to supervise the goals setting

USI President C.Y. Wei, one of Board members, acts as the Chair of the Sustainability Committee. Chairman and President participate Annual Sustainability Committee to provide suggestions on ESG performance and targets, and it can also strengthen the relationship between the Board and sustainability strategies. Each year, the Sustainability Committee submits the annual Sustainability Report including material issues to the board of directors, and a series of discussions and plans will be carried out by the board of directors regarding our implementation of Corporate Social Responsibility activities.

In 2023, the Board of Directors approved the [Biodiversity and No Deforestation Commitment](#) and [EHS & Energy Policy](#) to establish the foundation of sustainable development.

## Board Performance and Remuneration

USI established an evaluation and incentive mechanism to

respectively. Board of Directors will submit Working Reports, and Remuneration Committee will draft a remuneration

and operating targets, and link to sustainable targets of

industrial salary level and company status, and interlinking

# Business Ethics and Compliance

## Business Ethics

activities for personal gain with their authority. USI has drawn up a Code of Business Conduct and Ethics to be the business dealing standards of company employees, business partners and other stakeholders.

### Promotion and Training

Fraud Risk Management Procedure, and the Sunshine Conduct Policies. Except the newcomers

Sustainability

Furthermore, the Sunshine Conduct Policies have been conducted to employees regularly to remind them of relevant corporate regulations and strict observance of rules. And Sunshine Conduct is also announced to suppliers every year. Once the violations of the Sunshine

promotion will be restricted according to the degree of negligence.

### Risk Assessment

### Grievance Mechanism and Whistleblowing Protection

Contact USI on the USI mailbox for all internal and external stakeholders to report

interests.

| Course Name         | Hours |
|---------------------|-------|
|                     | 75.00 |
|                     | 6.50  |
|                     | 13.00 |
|                     | 1.73  |
| of Listed Companies | 9.00  |

## Regulatory Compliance

USI has devoted to maintaining the corporate image for years and strictly complied with

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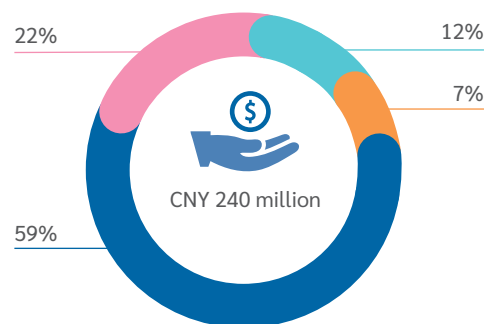


# Enterprise Risk Management

## Risk Management Committee

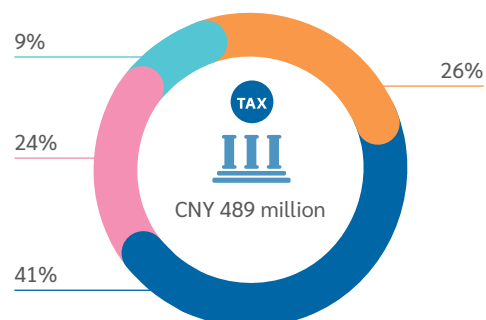
Please refer to the charts below for the 2023 income tax accrued and income tax paid by operating regions :

### Income Tax Accrued



● Mainland China ● APAC ● Europe ● Others

### Income Tax Paid



● Mainland China ● APAC ● Europe ● Others

Note:

1. APAC: includes Taiwan, Hongkong, Vietnam and Japan; Europe: includes France, Germany, UK, Czech, Poland, and Tunisia; Others: includes Mexico and the U.S.A.

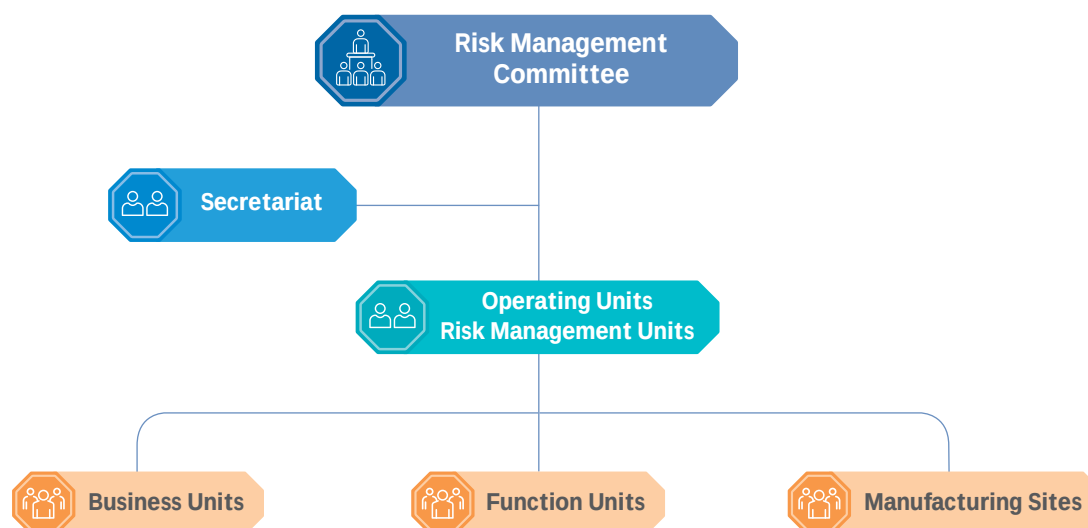
business achievements, USI follows internal audit mechanism to organize a Risk Management Committee to execute annual risk

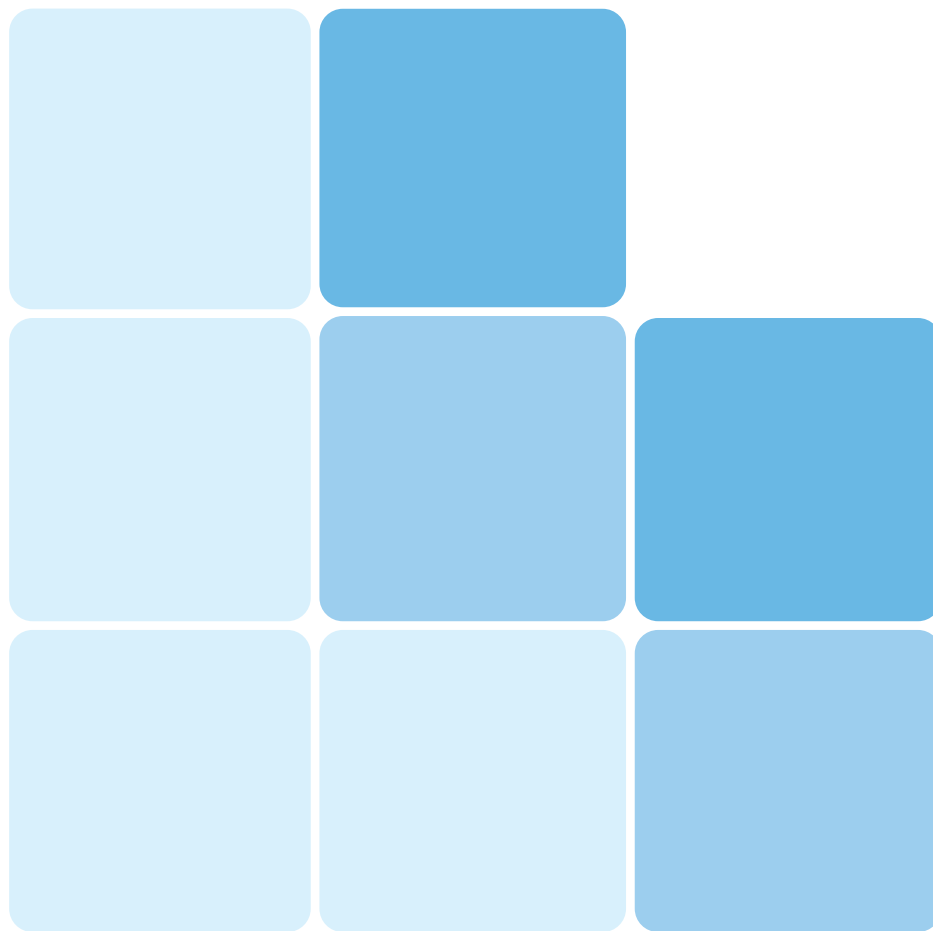
committee members are representatives chosen from Vice Presidents of business units, functional units, and manufacturing sites.

and external risk factors, evaluate the risk levels, and inspect the effectiveness of activities. According to evaluation of risk level, the committee takes the responsibility to adopt countermeasures and ensure the risk management policy can be executed by

targets of risk management activities from each operating unit. And the achievements will be presented to Vice President of the Risk Management unit. In addition, the company sets risk control indicators according to operational risks, the business units and functional units of each manufacturing site will conduct risk control evaluation every month and provide incentives to the units with excellent performances.

prevention and monitoring process.





continuing operations. Comprehensive both of risk impact effectiveness criteria to scale our existing controls and countermeasures and decide whether an action plan needs

to be developed. If the risk level is low, we will keep tracking the control effectiveness. But if the risk level is moderate, we need to improve the controls or countermeasures. Once

the action owner and schedule to track the improvement progress periodically.



After evaluating the risk tolerance level of information technology by risk governance

risk, USI immediately made corrective actions to concentrate resources to improve capabilities of

safety awareness and emergency response capabilities, and cooperate with cybersecurity consultants to strengthen information security level. We followed ISO 27001 guidelines to grade information security incidents which were reviewed by Information Security Steering Committee and established tolerable downtime

standards of operational and reputational impacts to set up risk team and adopt countermeasures to prevent the expansion



USI has built a complete human resources and global layout, but the risk tolerance level of

We set up KPI to track achievements and perform annual human rights risk assessment to ensure a diverse and inclusive workplace. In the dimension of human capital development, USI encourages employees to improve professional skills and take further education to obtain academic degrees and develop core competence and management competence for senior managers. In terms of talent retention, we build a key successor system to improve the potential

more key talents and reduce operating risks through comprehensive talent development and retention plans and establish the basis for sustainable operations.



years, the competitive trend is focusing on short supply chain, and manufacturing technologies have been promoted with intelligent, green,

cost of manufacturing sites are not the priority.

and cost. Automation technologies to improve

save production cost.



## 2023 USI Risk Assessment Countermeasures <sup>(1)</sup>

| Emerging Risks                         | Risk Situation                                                                                                                                             | Countermeasure                                                                                                                                                                                                                                                    | Corporate Chance                                                                                                                                                                                                                                                                                                           |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Cyberattacks</b>                    | vulnerabilities<br>2. Attacked by computer viruses or lack cybersecurity awareness<br>3. Production system is attacked by hackers                          | 1. Regular vulnerability assessment and remedy system vulnerabilities<br>2. Follow company cybersecurity management mechanism<br>3. Safety stock computer spares and backup hard disk to avoid emergencies<br>4. Quarterly check production software and hardware | 1. Upgrade system safety level with updated cybersecurity technologies to reduce the risks of hacker attacks<br><br>cyberattacks<br><br>to consolidate business competitive                                                                                                                                                |
| <b>Economic Conditions</b>             | impacted by unstable trading, high market volatility and protectionism<br>2. New business models and digital applications will bring unprecedented changes | 1. Understand the impacts from global economic changes and industry trends to adopt action plans and operating strategies<br>2. Cooperate with customers to develop technology portfolios, review, and adjust technology strategies                               | automation and intelligent production are promoted, and chain. Continue to provide comprehensive services for                                                                                                                                                                                                              |
| Operation and Infrastructure Risk      | Risk Situation                                                                                                                                             | Countermeasure                                                                                                                                                                                                                                                    | Corporate Chance                                                                                                                                                                                                                                                                                                           |
| <b>Succession Plan and Recruitment</b> | Operating risk from imperfect cultivation of the talent team and management.                                                                               | 1. Build key successor system:<br><br>resources<br><br>tracking<br>2. Build talent development scheme: the development plans of succession talents and potential talents                                                                                          | 1. Ensure corporate sustainable development through a successor system, and prevent business impact from unexpected changes in personnel<br>2. Implement talent development mechanism to ensure the successors have the capability to perform key responsibilities<br><br>talents, increase development opportunities, and |
| <b>Cybersecurity</b>                   | 1. Lack cybersecurity awareness<br>2. Leak system account or password<br>3. System is locked by hacker or data loss<br><br>vulnerabilities                 | 1. Hold regular cybersecurity training for employees<br><br>3. Regular backup & offsite backup<br>4. Regular vulnerability assessment and remedy system vulnerabilities                                                                                           | 2. Upgrade system safety level and assure corporate reputation<br><br>impacts                                                                                                                                                                                                                                              |

Note:

1. The focus items are risk factors integrated by ASEH. Please refer to the [2023 Annual Report](#) Risk Management: Section 3: (IV) Possible Risks.



| Strategy and Planning Risk | Risk Situation                                                                                                                                                  | Countermeasure                                                                                                                                                                                                                                                                                                                                                                                                                   | Corporate Chance                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regional Politics</b>   | the sanctions imposed by countries around the world, even impact global commodities and energy prices, and drag economic recovery from global investment risks. | <p>risks. Keep interactions with stakeholders. Enhance company core competence and operation resilience</p> <p>2. Adjust manufacturing sites and business allocation, through business growth and merger to enhance the</p> <p>3. Continue to enhance supply chain management and progress tracking to ensure supply chain resilience and sustainability and adjust purchasing strategies according to regionalization trend</p> | <p>facilities and improve products and services value</p> <p>strengthen company global manufacturing service capability</p>                                                                                                                                                                                                                                                                                                  |
| <b>Competition</b>         | Lose competitive edge from lacking countermeasures of short supply chain, smart manufacturing, and green technologies                                           | <p>1. Develop local suppliers in response to the trend of regional supply chain. Enhance global manufacturing layout through merger and strategic cooperations</p> <p>2. Continue to enhance automated processes to improve</p> <p>3. Develop company green product strategy, improve</p>                                                                                                                                        | weakness. Plan operation strategies and enhance                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Climate Change</b>      | Ignore sustainable operation threats from climate change risks.                                                                                                 | <p>1. Incorporate climate risks into the ERM process</p> <p>risks and opportunities. Assess risks and opportunities based on different climate scenarios</p> <p>disclose to the public without concealing information</p> <p>2040</p>                                                                                                                                                                                            | <p>1. Continue to implement climate change and energy management, water management, waste management and air pollution prevention to help customers</p> <p>2. Formulate relevant mitigation plans and measures, accelerate the implementation of risk control and climate change mitigation actions, strengthen our operating sustainability management capabilities, and move towards sustainable corporate development</p> |

# Cybersecurity Management

status to committee management team and provides guidance for cybersecurity strategies and implementation.



## Cybersecurity Goals

the achievements of the Information Security Management System implementations and cybersecurity goals.

- 4. Construct a safe and convenient information network environment to protect employees from internal and external cybersecurity threats.
- 5. Establish a cybersecurity sustainability plan to ensure business contingency.

the maturity of entire cybersecurity management.

## Cybersecurity Advocacy and Training

USI has made an Information Security Policy and established a Security Operation Center to increase

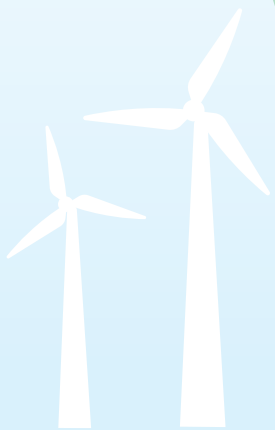
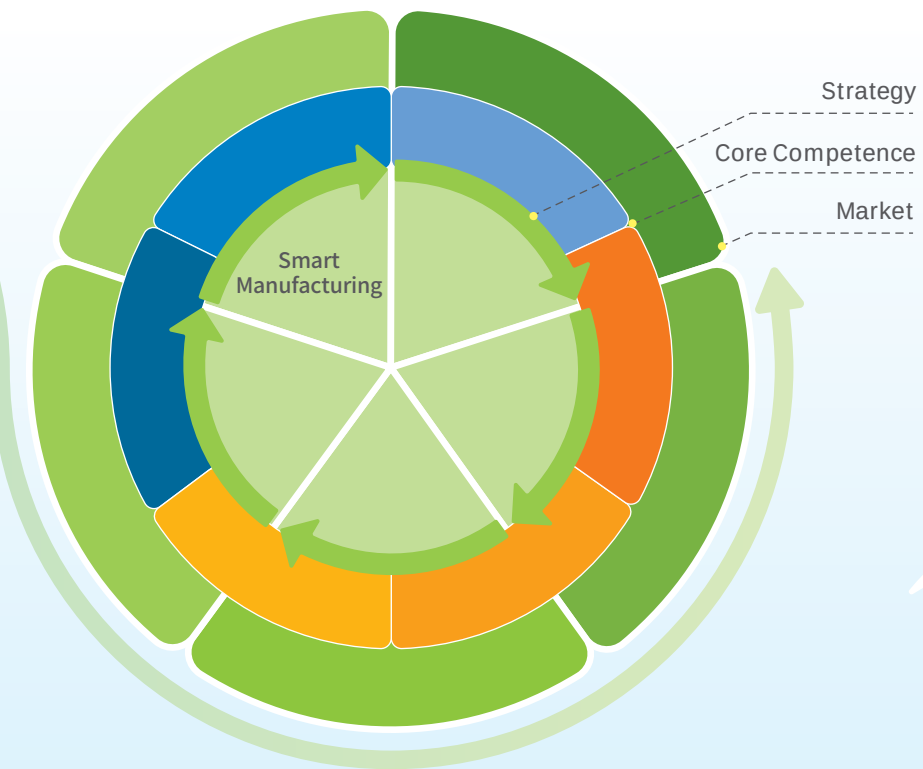
illegal cases will be punished according to regulations. USI arranges an online training course to strengthen

take Cybersecurity courses and pass tests. Cybersecurity training completion rate was 100% in 2023.

information security defense to provide reliable products and services for customers. Until the end of 2023, USI had no major cybersecurity incidents.



| Management Purpose                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | KPI                                                                 | 2023 Target                                                                        | 2023 Performance                                                              | Status                                                                              | 2024 Target                                                                        | 2028 Target                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <div>  <b>Green Products &amp; Innovation Management</b> </div> <div> <b>Management Approach:</b> Comply with green product regulations, engage in R&amp;D innovation, and focus on patented technologies. Set medium and           <b>Evaluation Mechanism:</b>Sustainability technology and product R&amp;D plans are established, and task force meetings are convened periodically to determine the achievement of each indicator and to review implementation performance.         </div> |                                                                     |                                                                                    |                                                                               |                                                                                     |                                                                                    |                                                                                    |
| Ensure green products sold meet various stakeholder demands and increase revenue and competitiveness through continuous improvement                                                                                                                                                                                                                                                                                                                                                                                                                                             | ▶ Meet international safety, environmental, energy saving standards | ▶ 100% shipped products meet standards                                             | ▶ 100% shipped products met standards                                         |  | ▶ 100% shipped products meet standards                                             | ▶ 100% shipped products meet standards                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ▶ Sustainable mechanical design                                     | ▶ More than 80% of mechanical components use recyclable and reusable raw materials | ▶ Recyclable and reusable raw materials accounted for 90% of mechanical parts |  | ▶ More than 80% of mechanical components use recyclable and reusable raw materials | ▶ More than 80% of mechanical components use recyclable and reusable raw materials |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ▶ Product carbon footprint inventory                                | ▶ Inventory 3 series of product carbon footprints                                  | ▶ 100% completed                                                              |  | ▶ Inventory 3 series of product carbon footprints                                  | ▶ Inventory 3 series of product carbon footprints                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ▶ Cumulative number of patents                                      | ▶ 1,527 patents                                                                    | ▶ 1,589 patents                                                               |  | ▶ 1,616 patents                                                                    | ▶ 1,740 patents                                                                    |
| <div>  <b>Sustainable Production</b> </div> <div> <b>Management Approach:</b> Continuous improvement plans are also promoted to optimize design, manufacturing, and energy saving as well as carbon reduction.           <b>Evaluation Mechanism:</b> Sustainable production targets are established, and taskforce meetings are convened periodically to review performance.         </div>                                                                                                  |                                                                     |                                                                                    |                                                                               |                                                                                     |                                                                                    |                                                                                    |
| Enhance corporate competitiveness through smart automation and encouraging employees to continuously improve                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ▶ Smart manufacturing                                               | ▶                                                                                  |                                                                               |                                                                                     |                                                                                    |                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                     |                                                                                    |                                                                               |                                                                                     |                                                                                    |                                                                                    |



## Green Products Management

USI has been devoted to green management to pursue a harmonious coexistence of our environment

our suppliers and customers and implemented preventive measures from the procurement of raw

impacts from our products and production.

## Green Supply Chain

USI designs green products that meet global regulations based on the four aspects of green

of product development. USI introduced the [Green Parts Aggregations & Reporting System](#)

database to manage the materials we use in our products and whether they meet the latest

RoHS, REACH

In response to the increase in global green product regulations, customer expectations for

feasible substitutes at this stage, the Company has also formulated a Banned Substance Elimination Plan and communicated this information to suppliers in the Annual Conferences,

Banned Substance Elimination Plan. In addition, suppliers must provide Environmental Hazard

Please refer to the [Hazardous Substance Management](#) section for other hazardous substance

challenges only by establishing a sustainable supply chain. USI integrates upstream and

process, including product design, material procurement, manufacturing, transportation, packing, selling, and product recycling through a comprehensive and transparent management

## GPARS System

Note:

1. In response to the announcement of adding the 30th batch of 5 Substances of Very High Concern (SVHC), the REACH list has been extended to 240 substances.
2. USI controls the MOAH (Mineral oil aromatic hydrocarbons, from 1 to 7 aromatic cycles) and MOSH (Mineral oil saturated hydrocarbons, from 16 to 35 aromatic cycles) and been defined in controlled substances list of Green Product Specification from 04/01/2024.
3. The threshold for Tetrabromobisphenol-A and Medium-chain Chlorinated paraffins is below 1,000 ppm. USI plans ban them from 01/01/2025 and ban their use according to the EU announcement date.



## Hazardous Substance Management

We follow the IECQ QC080000 Hazardous Substances Process Management System standard

Selection of Restricted Environmentally Hazardous Substances Contained in Products

| Directive/Controlled Substance            | Control Requirements                                                                                                                                                                                                                                                                                  |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EU Directive - RoHS                       | <ul style="list-style-type: none"> <li>•</li> </ul>                                                                                                                                                                                                                                                   |
| EU Directive - REACH                      | <ul style="list-style-type: none"> <li>• REACH is a statutory ordinance that compulsory registration, evaluation, permitting, and monitoring of chemicals entering the EU market, which came</li> <li>•</li> <li>• visit <a href="#">ECHA</a>.</li> <li>•</li> <li>• <a href="#">ECHA</a>.</li> </ul> |
| California Proposition 65                 | <ul style="list-style-type: none"> <li>•</li> <li>• Proposition 65 list, please visit <a href="#">OEHHA</a>.</li> </ul>                                                                                                                                                                               |
| Toxic Substances Control Act (TSCA)       | <ul style="list-style-type: none"> <li>•</li> <li>• existed in 1976 and pose unreasonable risks to health or the environment and regulate the distribution and use of these chemicals.</li> <li>•</li> <li>• <a href="#">EPA</a>.</li> </ul>                                                          |
| Per-and Polyfluoroalkyl Substances (PFAS) | <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>• disintegrated by the environment, such that it may eventually become a permanent organic pollutant.</li> <li>•</li> <li>• via GPARS or Questionnaire methods for any containing hazardous substances.</li> </ul>                       |

For hazardous substance management and green product management, USI adopts the following management procedure and follows the PDCA continuous improvement principle, to allow the GPARS platform to be maintained under the latest



## Eco Labels

## ■ Eight EPEAT Performance Categories

25mg of lead, cadmium, mercury, and plastic material, and except for wires and cables, the content indicator for product packaging is to reduce and eliminate packaging materials with intentional must be less than 100 ppm.

lower contents of lead, cadmium and mercury based on the factor of protection of human health and environment, and such products are more energy saving and facilitated for upgrade and

to the environment and facilitating the recycle operation. If a product is able to satisfy environmental performance related standards in each stage of its life cycle, it is able to receive the reward of bonus points.

products, such that our customer was able to gain greater opportunities of product purchase agreements in the global market.

Furthermore, the Company will also continue to exert effort in the GHG emission reduction due to climate change.



## Product Compliance

In the process of product design, USI is committed to meeting regulatory compliance

the safety regulations of the respective regions where they are sold. We stringently control

ensure that our products comply with the relevant regulations and directives. Furthermore,

characteristics manual to comply with the EU ErP Directives. USI also developed a Chemicals Management Procedure to assess and prevent risks that may arise whenever we introduce a new chemical into our production process as detailed in the [Occupational Health and Safety](#) section.

### USI Products Compliance with Directives in 2023

| Green Products Directive | Percentage of USI Products within the Directive    |                                             |                                                 |                                                     |                                                           |                                |
|--------------------------|----------------------------------------------------|---------------------------------------------|-------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------|--------------------------------|
|                          | Automotive & Industrial Power Electronics Products | Intelligent Connectivity Solutions Products | Advanced Low-Cost Module Manufacturing Products | Advanced Mobile & Miniaturization Solution Products | Specific Application Green Energy Products <sup>(1)</sup> | Visual Products <sup>(2)</sup> |
| EU RoHS                  | 100%                                               | 100%                                        | 100%                                            | 100%                                                | 100%                                                      | 100%                           |
| Halogen Free (HF)        | 0%                                                 | 12%                                         | 100%                                            | 87%                                                 | 34%                                                       | 93%                            |
| China RoHS               | 100%                                               | 100%                                        | 100%                                            | 100%                                                | 100%                                                      | 100%                           |

Our products undergo rigorous design review, such as modeling various usage scenarios in the

With our Factory Inspection Mechanism

with relevant laws, regulations, and ordinances internationally and where they are sold.

In addition, given the rapid development of the electric vehicle industry due to the global

piles, to enable the company to respond to the trend of the electric vehicle market and provide

### USI System Products Compliance with Safety Regulations in 2023

| Percentage of USI Products within the Regulations | Safety Regulations |             |             |           |
|---------------------------------------------------|--------------------|-------------|-------------|-----------|
|                                                   | UL 62368-1         | IEC 62368-1 | CNS 14336.1 | GB 4943.1 |
| Intelligent Connectivity Solutions Product        | 84%                | 78%         | 50%         | 50%       |

Note:

1. This product belongs to the Global Sales & Service and Corporate Operations Development and North America Operation and Specific Application Green Energy Business Group.

2. This product belongs to the Shenzhen/Huizhou and Kunshan Manufacturing Service and Visual Product Group.

3. Factory Inspection Mechanism: a manufacturing factory that manufactures products which are labeled with safety regulations shall receive factory inspection (to be audited by an external certification unit) based on the request of a certification issuance unit to ensure that its products conform to safety regulations.



## Product Life Cycle Assessment

handling of raw materials, through manufacturing, transportation, sales, use and maintenance of footprint is a life cycle inventory of carbon emissions generated at each stage of a product, which is converted into the sum of CO<sub>2</sub>

we have completed carbon footprint inventories for various products in phased stages. We intend

of green product integration development low carbon materials with other facilities. In 2023, all USI products completed environmental impact assessments, including full LCAs conducted by

Since 2017, USI has inventoried the carbon footprint data of one product series by using SimaPro, IPCC 2013 100a, and ReCiPe 2016 to calculate ISO 14067 product carbon footprint

of products in 18 environmental aspects, analyze the environmental impact of products at

in terms of the value of the product or service and its impact on carbon emissions or the environment. For example: about 85% of the carbon emissions come from raw materials and manufacturing processes. We also found that there are opportunities to further identify action

in the facility to analyze GHG reduction performance in the production and manufacturing, while also promoting the use of 100% renewable energy in the manufacturing facility, please refer to the [Energy Management](#) product projects and a more complete carbon footprint inventory to reduce environmental impact, achieve product responsibility and consumption, and realize the concept of low carbon footprint products.

### Product Carbon Footprint Inventory Performances

| Product Category                  | Product Name             | Carbon Footprint | Eco-efficiency Assessment/<br>Environmental Footprint | Emissions<br>(kg CO <sub>2</sub> e / pcs) | Certificate / Inventory Report                     |
|-----------------------------------|--------------------------|------------------|-------------------------------------------------------|-------------------------------------------|----------------------------------------------------|
| Consumer                          | Clickshare Button        |                  |                                                       | 1.81                                      | <a href="#">Clickshare Button Inventory Report</a> |
| Industrial, Automobile Electronic |                          |                  |                                                       | 49.20                                     | <a href="#">_____</a>                              |
| Cloud and Storage                 |                          |                  |                                                       | 16.56                                     | <a href="#">AOC Inventory Report</a>               |
| Consumer                          |                          |                  |                                                       | 4.00                                      | <a href="#">_____</a>                              |
| Consumer                          |                          |                  |                                                       | 9.20                                      | <a href="#">_____</a>                              |
| Industrial, Automobile Electronic | Digital Inkjet Printhead |                  |                                                       | 31.07                                     | <a href="#">_____</a>                              |
| Cloud and Storage                 |                          |                  |                                                       | 290.36                                    | <a href="#">_____</a>                              |
| Cloud and Storage                 |                          |                  |                                                       | 163.60                                    | <a href="#">_____</a>                              |
| Communication                     |                          |                  |                                                       | 6.56                                      | <a href="#">_____</a>                              |

Note:

1. Eco Efficiency ↑ = Product or Service Value ↑ ÷ Environmental Impact ↓

## Promoting Green Design

mechanism design, hardware design, and smart manufacturing. R&D personnel or employees interested in related topics can converge and exchange latest technological application

High Speed and Design for Additive Manufacturing and to provide advice on the development of USI projects. At the same time, USI has added an Intelligence Express column to our Newsletter so that employees who are unable to attend the events can learn new technologies and applications in our regular publications or bulletins to enhance their technical knowledge.

USI R&D personnel have ecological design capabilities and continue to implement green concepts and clean technology into their projects, which allows us to sell environmentally

procedures, USI not only considers potential environmental impacts in the design phase,

material use, energy saving and CO<sub>2</sub> emission, resource wasting and recyclability, in order to minimize negative impacts to our environment during the product life cycle.

A green product with clean technology needs to comply with two or more green products

revenue of the Company. Under the positive impact of the mass production of new generation of products and the low carbon trend, the overall revenue of green products was driven to increase by 16.86% from last year. In addition, in response to the promotion of miniaturization

recycle of electronic wastes, the total weight of material recycled and reused also increased by 16% from 2022, please refer to the and Reused table. In the future, we will continue to promote and invest in R&D to increase the

## The Proportion of Green Product Revenue to USI's Overall Revenue

| Green Product Category <sup>(1)</sup>            | Percentage of Revenue in 2023 |
|--------------------------------------------------|-------------------------------|
| Communication Product                            | 25.55%                        |
| Industrial & Automobile Electronic Product       | 7.82%                         |
| Consumer Electronics & Cloud and Storage Product | 8.06%                         |
| <b>Total</b>                                     | <b>41.43%</b>                 |

## Performance of Eco-designed Products

| Category                                           | 2020         | 2021         | 2022         | 2023         |
|----------------------------------------------------|--------------|--------------|--------------|--------------|
| WEEE Compliance Rate <sup>(2)</sup>                | 100%         | 100%         | 100%         | 100%         |
| RoHS Compliance Rate                               | 100%         | 100%         | 100%         | 100%         |
| Energy Efficiency (Product Revenue Ratio)          | 38.6%        | 45.9%        | 11.2%        | 2.5%         |
| Electronic Waste Recycling (Product Revenue Ratio) | 6.3%         | 5.2%         | 13.2%        | 11.9%        |
| Light and Compact (Product Revenue Ratio)          | 41.6%        | 41.0%        | 58.0%        | 67.0%        |
| <b>The Proportion of Total Revenue</b>             | <b>86.5%</b> | <b>92.1%</b> | <b>82.4%</b> | <b>81.4%</b> |

Note:

1. USI's product categories fall into five categories, and this section does not cover medical categories.

2. Compliance Rate: proportion of products that are required to comply with specifications.



metric tonnes of CO<sub>2</sub>  
revenue.

## Product Energy Efficiency Evaluation

| Product Category       | Energy Saving in 2023 (kWh) |
|------------------------|-----------------------------|
| Consumer Electronics   | 21,843,000                  |
| Cloud and Storage      | 4,324,796                   |
| Industrial             | 716                         |
| Automobile Electronics | 7,082,108,284               |
| <b>Total</b>           | <b>7,108,276,796</b>        |

the Green Design Innovation and Invention Patent Incentive System at the end of 2017. We give weighted scores to

corporate culture and facilitate green design proposals. In 2023, green products were designed based on the four main

in the right table:

## USI's Green Design in 2023

| Product Design Aspect                                                           | Key Features                                                                                        | Performances                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Choice of raw materials or components that have a lower environmental footprint | <ul style="list-style-type: none"> <li>Miniaturization design and reduction waste</li> </ul>        | <ul style="list-style-type: none"> <li>Reduced raw material usage by a total of 456 kg in the annual shipment of miniaturized products. <ul style="list-style-type: none"> <li>resistive components by up to 9%.</li> <li>Module size is reduced via advanced manufacturing process, and the area is reduced by approximately 13%.</li> <li>Introduction of miniaturization process to increase the component mounting density,</li> </ul> </li> </ul> |
|                                                                                 | <ul style="list-style-type: none"> <li>Hazardous Substance Free management</li> </ul>               | <ul style="list-style-type: none"> <li>with the previous generation of products.</li> </ul>                                                                                                                                                                                                                                                                                                                                                            |
| Direct operations, production & manufacturing                                   | <ul style="list-style-type: none"> <li>Reduction energy consumption</li> </ul>                      | <ul style="list-style-type: none"> <li>Streamlined the product testing process and reduced testing lead time by up to 10%~28% to reduce energy consumption in the production line and energy saving 3,025 kWh.</li> </ul>                                                                                                                                                                                                                              |
|                                                                                 | <ul style="list-style-type: none"> <li>Manufacture CO<sub>2</sub> reduction and circular</li> </ul> | <ul style="list-style-type: none"> <li>Facilities promote energy saving schemes, which saved a total of 3,187 MWh of electricity and reduced CO<sub>2</sub> emissions by 2.4 million metric tonnes.</li> <li>water saving program of CIP saves 8,768 metric tonnes of water annually.</li> </ul>                                                                                                                                                       |
| Distribution, storage, and transportation                                       | <ul style="list-style-type: none"> <li>Reduction the plastic and packaging material</li> </ul>      | <ul style="list-style-type: none"> <li>Foamed PE buffering material is replaced by the corrugated board design, and approximately 2 metric tonnes of plastic material output can be saved annually.</li> <li>wrap is eliminated, such that approximately 15% of packaging material consumption is saved.</li> </ul>                                                                                                                                    |
|                                                                                 | <ul style="list-style-type: none"> <li>Using recyclable and reusable packaging material</li> </ul>  | <ul style="list-style-type: none"> <li>USI recycled and reused about 40,000 plastic pallets, 9,000 wood pallets, 7 million trays, 170,000 partitions, and 380,000 recycling bins, reducing a total of 986 metric tonnes of waste.</li> </ul>                                                                                                                                                                                                           |
| Use phase - operation and servicing/ maintenance                                | <ul style="list-style-type: none"> <li>Improve energy</li> </ul>                                    | <ul style="list-style-type: none"> <li>than 90.5%.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                 | <ul style="list-style-type: none"> <li>regulations</li> </ul>                                       | <ul style="list-style-type: none"> <li></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                     |
| End of life management                                                          | <ul style="list-style-type: none"> <li>Energy saving</li> </ul>                                     | <ul style="list-style-type: none"> <li></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                                 | <ul style="list-style-type: none"> <li>Meet WEEE criteria</li> </ul>                                | <ul style="list-style-type: none"> <li>Collaborated with customers and 100% met WEEE criteria in mechanical parts design.</li> <li>shipments.</li> </ul>                                                                                                                                                                                                                                                                                               |

## Green Education

Besides implementing the green management internally, USI made stakeholders further aware of the importance of environment protection and applied the correct environmental concepts to various steps in production

\_\_\_\_\_

\_\_\_\_\_

Note:  
1. PPW, Packaging and Packaging Waste  
2. ELV, End-of-Life Vehicle



## Innovation Management

USI realizes that innovation is the key for continuous growth and considers Intellectual Property the IP around the world.

### Research and Patents

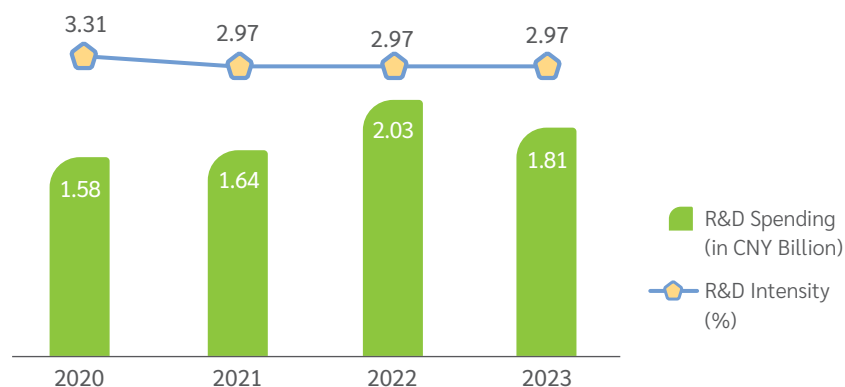
IP is considered the responsibility of every employee. We not only endeavor to lower the risk

devotes itself to creating an encouraging environment and management system to protect our IP. Please refer to the [IP Policy](#) for details. For years the Company has presented research performances to the electronics industry through applying patents and international journals.

USI has 2,809 R&D employees, accounting for 12.21% of the employee population, increased by 0.74% comparing with 2022, and invested CNY 1.807 billion, accounting for 2.97% of the

development personnel to maintain a stable and sustainable development in the intensity of research and development.

#### R&D Spending and Intensity



Note:

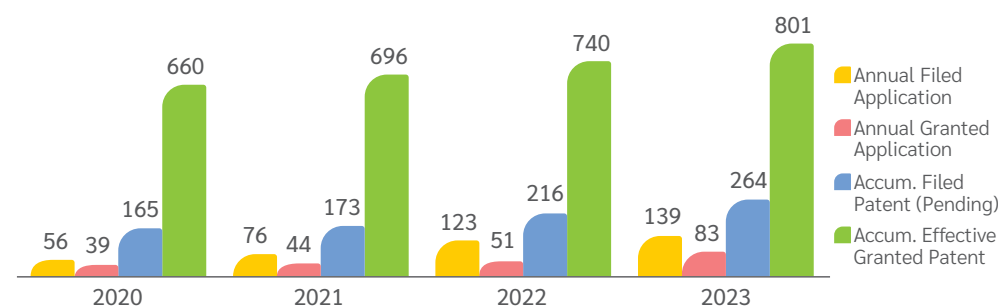
1. Please refer to page 30 of the [2023 Annual Report](#) for detailed information.

In terms of patents, to encourage research, development, innovation, and enhance technology and competitiveness, USI set up Patent Management and Incentive and regular R&D

proposals approved by the Patent Review Committee exceeded 130 annually, and a total of 171

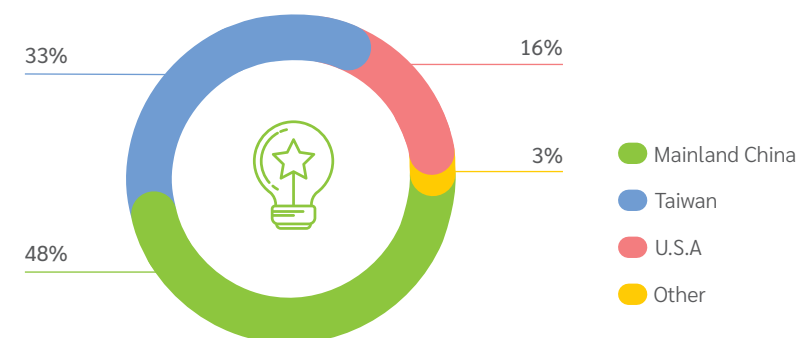
technologies. Key technologies refer to patents in relation to SiP miniaturization technology,

cumulative number of effective granted patents stood at 801, an increase of 61 over 2022, and



patents in the U.S.A and 24 patents in other countries.

#### Percentage of Accumulated Effective Patents by Country





## Sustainable Production

In 2023, eight of the proposals involved green process designs and have passed internal patent unmanned facility operations by reducing work hours, lowering labor costs, or improving table for details:

| Facility   | Green Proposal                                                              | Proposal Benefit                                                                                                                                                                                                                                                                                                    |
|------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Zhangjiang | New shield box design with temporary storage area                           | An additional test socket is installed at the external of the test isolation chamber as the temporary storage area. In addition, two nozzles of the rotating mechanism are further used to for position change. During the sealed test of the isolation box, the robotic arm can perform parallel processing of the |
| Zhangjiang | Panel Development Firmware Upgrade test                                     | test is developed. During the test, automated arm is used reduce manual operation and to reduce risks of picking and placing. Furthermore, jig status can be switched via manual control, such that during low production capability period, the consumption.                                                       |
| Jinqiao    | New PCB linkage separation mechanical design                                | A linkage mechanism capable of separating three layers of separation, in order to reduce the manual disengagement time and the PCB scrap rate due to disengagement.                                                                                                                                                 |
| Huizhou    | Check signal design                                                         | side or corner of the solder pad is performed during the PCB layout design, to reduce manual operation and working hours.                                                                                                                                                                                           |
| Kunshan    | semiconductor module                                                        | Under the original 2D parallel design, it is adjusted to a vertical structure for the component arrangement, such that the connection distance from the power IC to power inductor is shorter, and the parasitic inductance and resistance are also                                                                 |
| Nantou     | Check differential signaling design                                         | outlet differential signal automatic symmetry inspection is performed, to reduce manual operation and working hours.                                                                                                                                                                                                |
| Nantou     | Check differential signal interference design                               | the differential signal conduction hole is performed during the PCB layout design, to reduce manual operation and working hours.                                                                                                                                                                                    |
| Nantou     | Module structure with solder joint protection and electromagnetic shielding | Substrates are changed from the traditional packaging process system function and to reduce the circuit complexity, thereby reducing the substrate cost, jig expense and lead time.                                                                                                                                 |

## Smart Manufacturing

Since 2015, USI has established Zhangjiang Facility as a model factory, and the name of Automation Development Division managed by the Zhangjiang Facility general manager has been changed to Smart Manufacturing Development Division with the introduction of smart manufacturing. In 2016, the Company further established the Information Automation

Development Division. Moreover, in 2021, the Division was further upgraded to Smart Manufacturing Development Center, and the organization members were also expanded to

Out Factory of Zhangjiang Facility was completed in 2021. In addition, the Company plans to

and plans the development of the Industry 4.0 Smart Manufacturing Program in line with the

more than 90% automation of machines, more than 90% of machine connection & real time

In 2023, we successfully introduced 62 automated manufacturing projects , saving a total of

worldwide, at least building one fully automated smart manufacturing production in each facility.

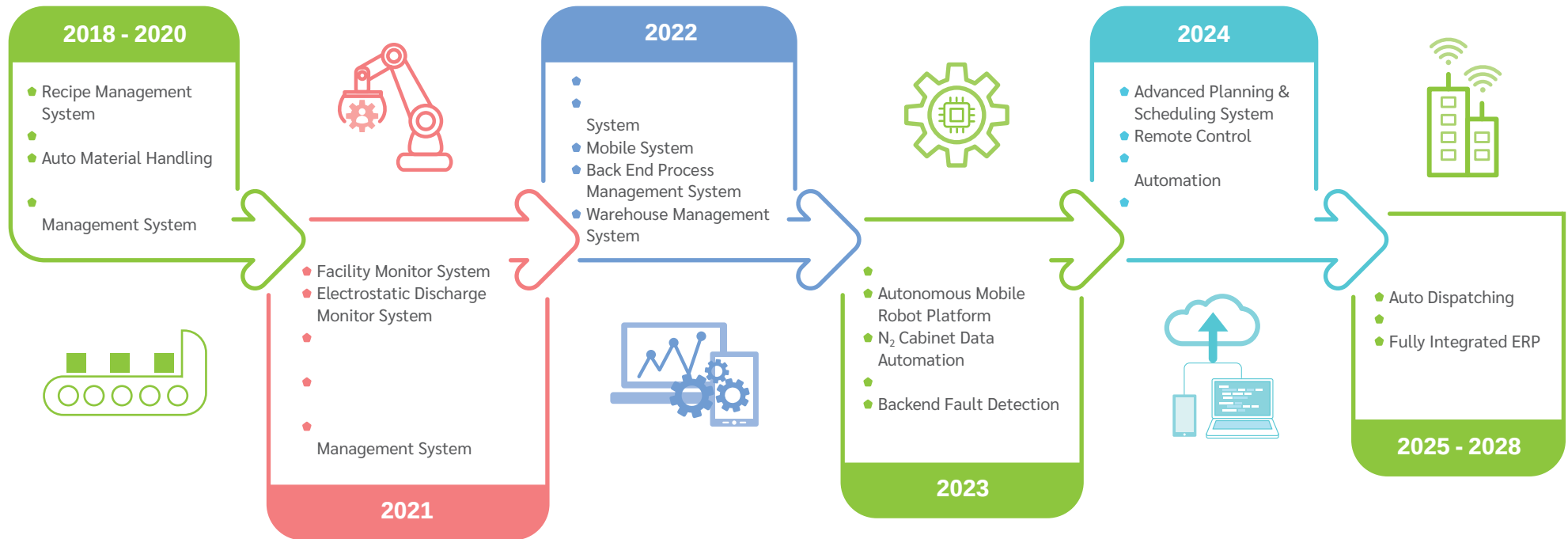
satisfying global customer demands and creating better business results for shareholders and investors.

Note:

1. The data includes Zhangjiang, Jinqiao, Huizhou, Kunshan, Nantou, Mexico, Vietnam, and Suzhou Facilities.

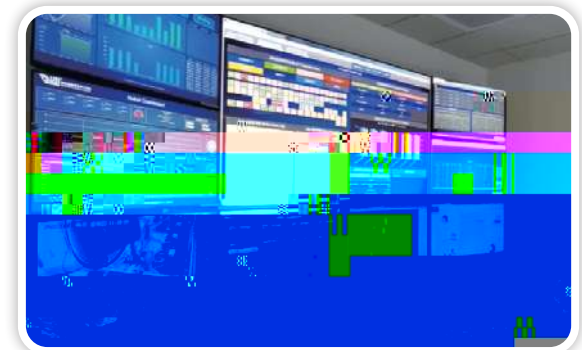
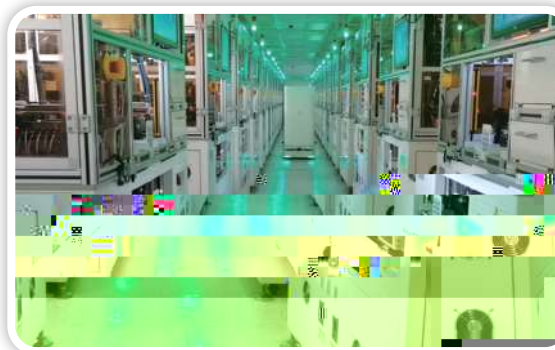


## Lights-Out Factory Roadmap



### USI's Industry 4.0 Automation Technology

- 5G and 4G
- testing workshops with fully automated robot arms
- remote access instrument boards



Overall Dashboard

## Continuous Improvement Program

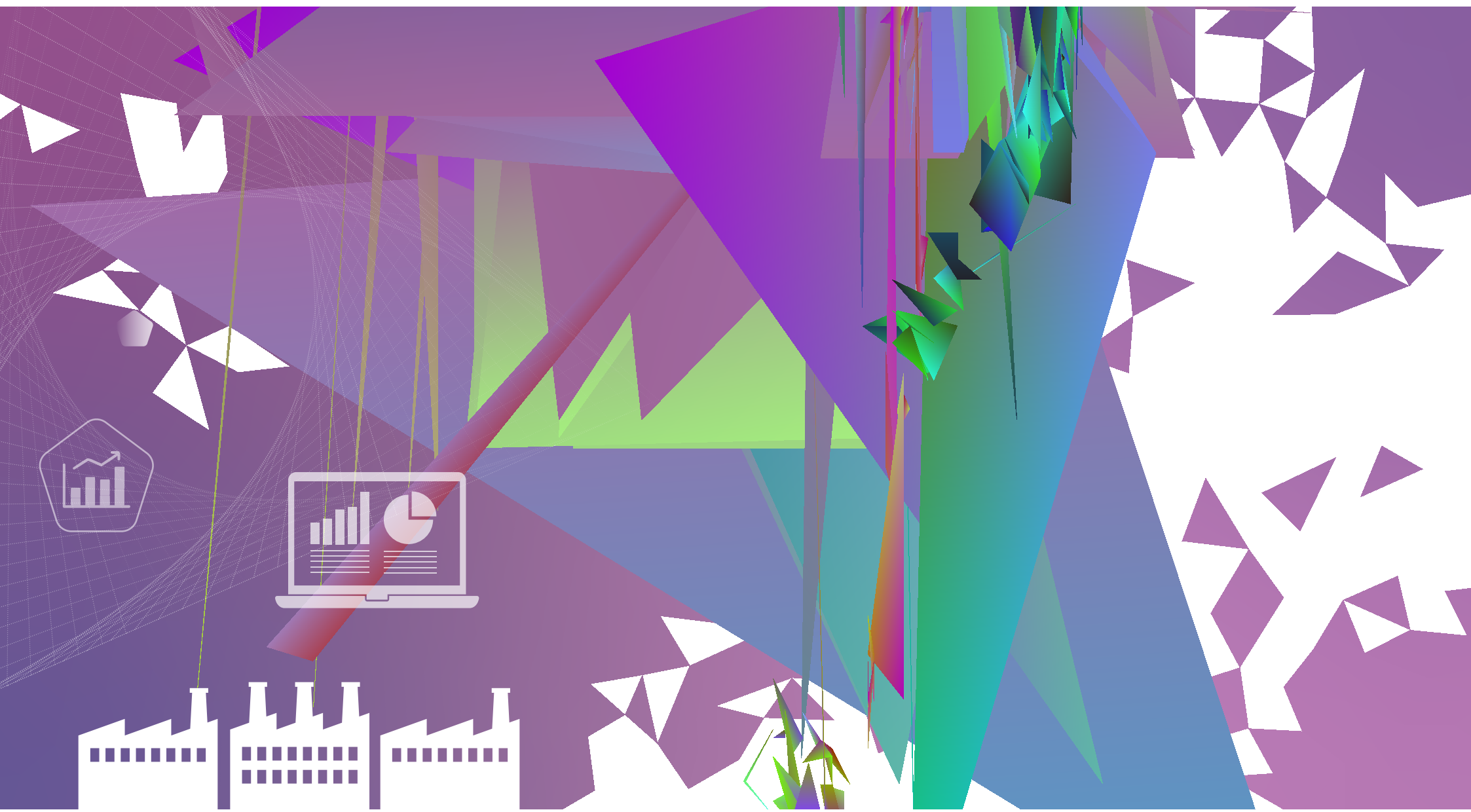
2

After the 2023 annual performance examined and approved by CRC, the actual tangible cost saving was CNY 108.7 million and the saving cost accounted for 0.27% of revenue. Please refer

project results that including innovation and development capability, actual saving value attainment capability, technical application capability, standard operation capability, and reproduction operation capability. For the annual review meeting, the hosting unit selects

project content and effect of saving. In addition, facilities are encouraged to replicate cases of outstanding implementation effect, to expand the positive outcome. In the past year, 769 projects have been executed. In addition, according to the statistics shown in the graph below, there are more than 300 new projects proposed annually in recent years.





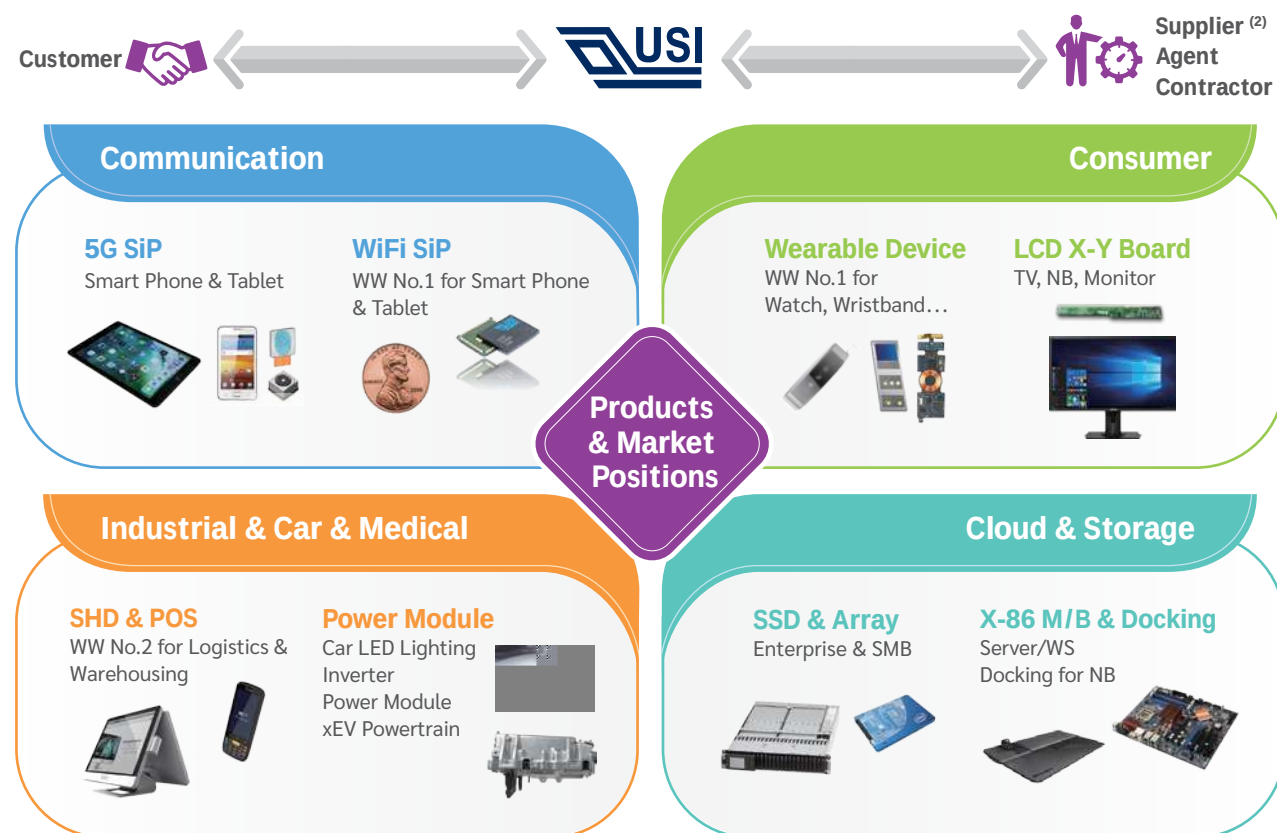
| Management Purpose                                                                                                                                                                                                                                                                                                                                                                                                                  | KPI                                                             | 2023 Target                                 | 2023 Performance                        | Status                                                                                | 2024 Target                                       | 2028 Target                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <div>  <b>Customer Relations</b> </div> <p><b>Management Approach:</b> Manage and monitor customer satisfaction through surveys and feedback channels, gain insight and respond to</p> <p><b>Evaluation Mechanism:</b> Develop and implement improvement plans to enhance customer satisfaction through surveys and customer feedback systems.</p> |                                                                 |                                             |                                         |                                                                                       |                                                   |                                                   |
| resolve customer feedback ensuring continued business                                                                                                                                                                                                                                                                                                                                                                               | ▶ Customer Satisfaction Score                                   | ▶ Customer Satisfaction Score reaches 84    | ▶ Customer satisfaction score is 84.5   |    | ▶ Customer Satisfaction Score reaches 84          | ▶ Customer Satisfaction Score reaches 84          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                     | ▶ Zero product recalls                                          | ▶ 0 product recalls                         | ▶ 0 product recalls                     |    | ▶ 0 product recalls                               | ▶ 0 product recalls                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                     | ▶ Customer feedback resolution rate                             | ▶ 100% Customer feedback resolution rate    | ▶ 100% Customer feedback resolution     |    | ▶ 100% Customer feedback resolution rate          | ▶ 100% Customer feedback resolution rate          |
| <div>  <b>Sustainable Supply Chain</b> </div> <p><b>Management Approach:</b></p> <p><b>Evaluation Mechanism:</b></p> <p>the achievement and completion rate of various indicators.</p>                                                                                                                                                             |                                                                 |                                             |                                         |                                                                                       |                                                   |                                                   |
| Work with suppliers to create a sustainable supply chain that protects the environment, emphasizes corporate social responsibility, enforces labor rights, and ensures health and safety                                                                                                                                                                                                                                            | ▶ Support local suppliers and procurement                       | ▶ Global local procurement rate reaches 40% | ▶ Global local procurement rate was 40% |  | ▶ Global local procurement maintains at least 43% | ▶ Global local procurement maintains at least 50% |
|                                                                                                                                                                                                                                                                                                                                                                                                                                     | ▶ Percentage of target suppliers completing the minerals survey | ▶ minerals                                  | ▶ minerals                              |  | ▶ minerals                                        | ▶ minerals                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                     | ▶ Percentage of completing the SSAQ                             | ▶                                           |                                         |                                                                                       |                                                   |                                                   |



## Product Value Chain

USI is a global leader in electronic design and manufacturing, providing Design, Manufacturing, Miniaturization, Industrial software, and hardware Solutions, as well as material procurement, logistics, and maintenance services for leading domestic for our

### Product Value Chain



Note:

1. Turnkey Service is service integration.
2. Material suppliers refers to suppliers of PCBs, substrates, active/passive components, other electromechanical components, mechanical components, packaging materials, and accessories.

### Turnkey Service



## Customer Relations

and manufacturing capabilities to provide customers with complete services from design to distribution and services spanning across global production locations. Regarding technical and supporting logistics services, USI is committed to providing the most agile and fastest services close to our customers. Customer satisfaction is a core goal and value pursued by the Company.

## Quality and Service

# Driving Up Customer Satisfaction

USI offers a full range of services tailored to customer needs. We communicate effectively with our customers worldwide and proactively collect valuable feedback and concerns through regular and ad hoc business meetings, customer scorecards, and

response to the survey results, the relevant units within the Company hold discussion

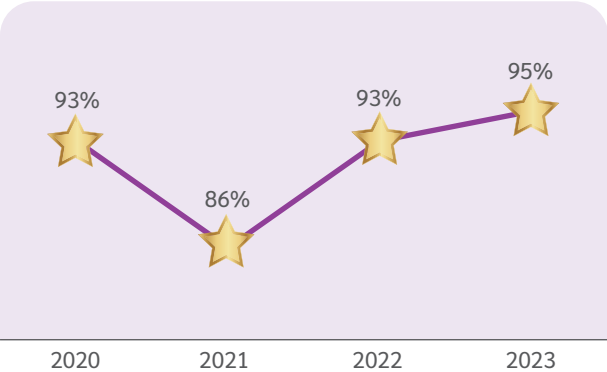
response strategies. Furthermore, we communicate effectively, formulate improvement plans and action plans, continuously track and monitor the improvement status, and

and customer satisfaction and strengthen the solid relationship with customers in order

covers all customers, accounting for 100% of

out to 84.5 across all satisfaction dimensions. In terms of individual satisfaction dimensions, all the dimensions reached Successful or above. USI strives to improve customer satisfaction in all aspects to achieve a higher level of customer satisfaction for sustainable corporate development and to maintain an annual goal of Successful or higher, with the expectation of moving towards Excellent in customer satisfaction in the future.

Note:  
1. Definition of Customer Satisfaction Score: Outstanding (Satisfaction ≥ 90), Excellent (Satisfaction ≥ 95)



# Supply Chain Management

such that the response capability of enterprises and the resilience of global supply chain were under severe impact and challenges. While facing such a changing and unstable situation, we still exerted joint effort together with the global partners

sustainable supply chain, we are adjusting our procurement strategy according to global industry trends and adopting various procurement strategies according to the major categories of raw materials to diversify our sources of supply to reduce risks and

supply constraints.

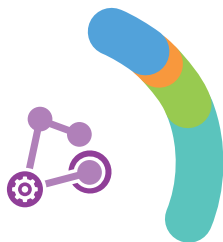
communicate and cooperate with our partners, driving a virtuous cycle.

## Supply Chain Overview

USI products are diverse and can be applied in many sectors. Our raw material suppliers, including original manufacturers, agents,

mechanical components, and other peripherals. Of our seven main manufacturing facilities, Zhangjiang Facilities mainly manufacture products for the biggest OEM customer, which makes up a substantial amount of transactions but procures relatively simple materials. In 2023, we strategically centralized our procurement and traded with over 1,870 material suppliers worldwide.

### Raw Material Supplier Categories



### Distribution of Raw Material Suppliers <sup>(1)</sup>

Note:  
1. The percentages of the amount purchased are calculated according to the supplier distribution regions.



### Transaction Amount at All Facilities <sup>(2)</sup>

2. The percentages of the purchase amount of each facility.



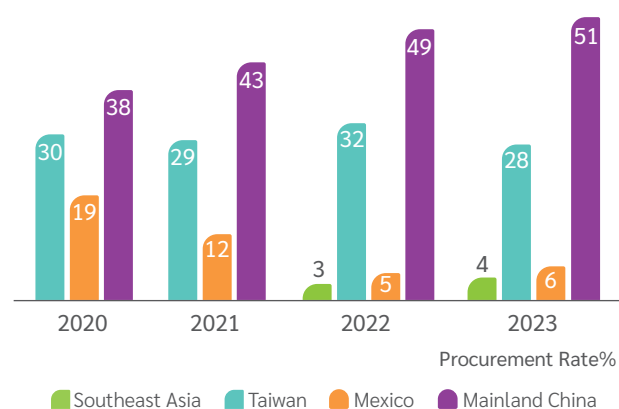
## Local Procurement

rates, but also effectively saves energy and time consumed in transportation, helping us to minimize the impact on our

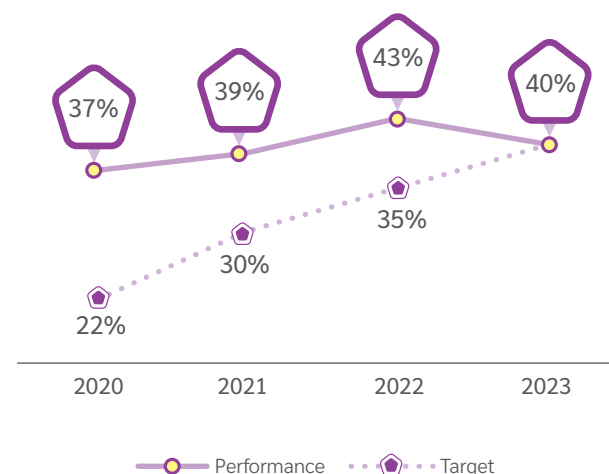
solutions for raw materials, increasing the proportion of local procurement in Mainland China by 2% and by 1% in Mexico. USI established a new Vietnam Facility in 2021, and some production demands were transferred to the Vietnam Facility. In addition,

each facility, the overall rate of local sourcing decreased from 43% to 40% in 2023 due to geopolitical impacts. Our strategic procurement department will continue to strengthen the management of target suppliers and select local vendors with competitive advantages. We will continue to develop local vendors with competitive advantages and aim to maintain a local procurement rate of at least 43% worldwide in 2024 to enhance the competitive advantage of the local industry and strengthen the partnership with suppliers.

### Percentage of Procurement from Local Suppliers at All Facilities <sup>(1)</sup>



### Global Local Procurement Rate



## Significant Suppliers <sup>(2)</sup>

that we have traded with for two consecutive years and have

Suppliers for Critical Raw Materials with Low Replaceability were winnowed from our Preferred Suppliers as Critical

purchasing competitiveness, we enhanced the supervision

For details regarding Supplier Screening, please refer to the [Sustainability Data – Social I. Coverage and Progress of our Supplier Screening Program](#) table.

Note:

1. The percentages of the purchase amount of each facility.

2. Definition of Significant Suppliers include:

I. Critical Tier-1 Suppliers:

- i. Top 85% of direct material procurement amount.
- ii. Indirect and packaging material suppliers with a procurement amount of more than USD 1 million.
- iii. Suppliers for critical raw materials with low replaceability, such as printed circuit boards, semiconductor parts, mechanical parts, and connectors.

II. High Risk Suppliers: Suppliers with priority or other non-conformances regarding labor rights, health and safety, environment, sustainability, supply chain management or production safety violations that result in fines or shutdowns.

III. Critical non-Tier 1 Suppliers: suppliers that supply Critical Tier-1 Suppliers or suppliers that supply 2 or more Tier-1 suppliers.

# Supplier Code of Conduct

has established the Supplier Code of Conduct

In 2023, the Company included biodiversity, zero deforestation and land conservation in the code of conduct, such that the supply chain would be able to jointly reduce the impact of business operations on the ecological environment and maintain the stability and balance of

of labor, health and safety, the environment, ethics, and management systems and monitor

Code of Conduct. In 2023, 100% of suppliers with transactions were advised of the Code to

to the Business Ethics and Compliance from suppliers in 2023.

## Supply Chain Strategy

major supply chain strategies and evaluated the sustainability value of different projects such as supply chain diversity and sustainable procurement. With the development and progress of these projects, the Company shall continue to improve overall supply chain resilience, grow together with our suppliers, and implement sustainable procurement. In all, we hope to create

stable partnerships with them.

### Supply Chain Management Strategy



### Sustainable Supply Chain Projects

|                                  | Supplier Financial Risk Monitoring                                                                                                                                  | Bringing in Second Sources                                                                                                                                                                                                    | Recycling Packaging Materials                                                                                                                                                                              | Pallet Recycling and Reuse                                                                                                                                   |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Highlights                       | operation of suppliers and prevent the risk of material shortage due we regularly review risks and identify suppliers with potential operational risks for control. | costs, strengthen supply resilience, foster vertical integration of procurement, and avoid serious material shortage problems, USI is establishing a substitute material supply chain to supply.                              | Collaborate with major processing vendors and recycle packaging materials, reducing raw material, energy, and pollutant treatment costs, and minimizing environmental impact.                              | Cooperate with local suppliers and reuse shipping pallets, reducing pallets environmental damage.                                                            |
| Quantitative/Qualitative Results | Department collaborated with the Finance Department and risks of 59 suppliers on 2023.                                                                              | USI is actively developing competitive suppliers in the Mainland China market and recommending parts solutions to our customers. Successful projects implemented in 2023 resulted in annual cost savings of CNY 11.4 million. | In 2023, Huizhou, Kunshan, and Nantou Facilities recycled 7 million trays, 170,000 partitions, and 380,000 recycling bins, reducing 986 metric tonnes of waste and saving approximately CNY 48.84 million. | In 2023, Huizhou, Kunshan, and Nantou Facilities recycled and reused 36,546 plastic pallets and 9,315 wood pallets and saved approximately CNY 7.11 million. |

## Supplier Evaluation

Following customer demands, procurement strategy, and future trends, USI has a system

Commitment to Corporate Social Responsibilities and Supplier Code of Business Integrity along with the Purchasing Contract to ensure they will address and manage their environmental, labor, and human rights impacts. In 2023, a total of 38 new suppliers were evaluated, and 95%

## Sustainable Supply Chain

ESG Program is overseen by the Board to ensure policy alignment and implementation. Authorized by the Board, the Strategy and Sustainability Committee, led by a Director, enforces

review.

impact, social responsibility and governance practices, and plan corrective measures for sustainability to ensure that suppliers continue to comply with our Supplier Code of Conduct, and implement sustainable supply chain responsibility management.

and proof of improvement within one month. If the supplier fails to meet the improvement

supply and demand and development trends, share experiences with each other, maintain close

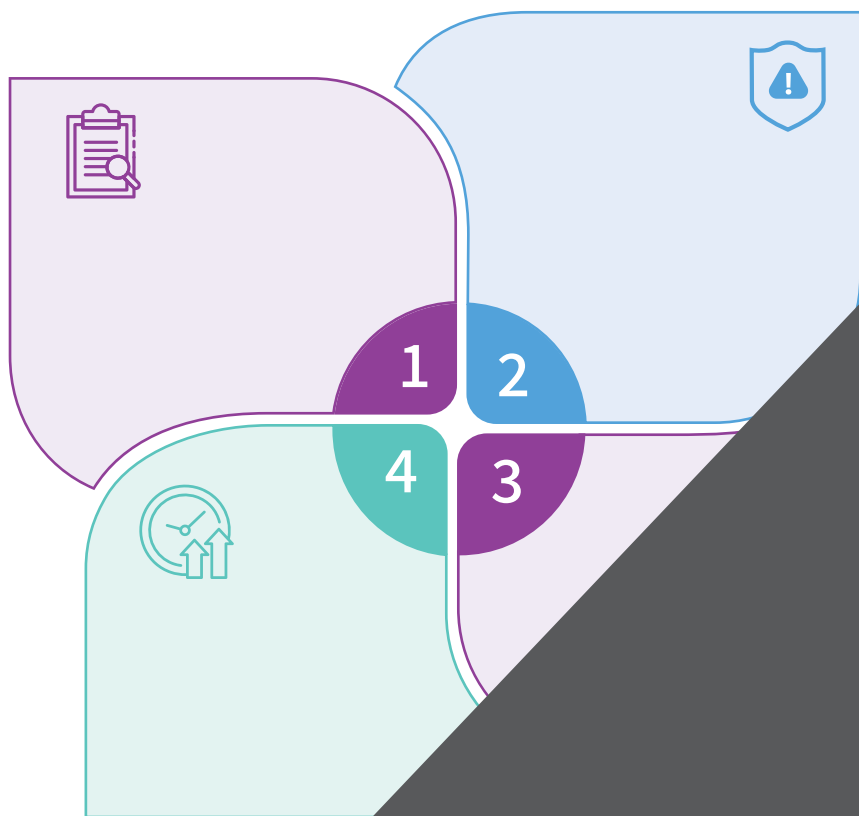
were held.

In addition to the supplier assessment process, in 2023 we trained 100% of our internal procurement staff and other employees in sustainability knowledge and awareness, with a total of 448 employees participating 290 hours in the training sessions, to ensure that they understand

Program to build strong relationships with suppliers and promote sustainability improvements throughout the supply chain to reduce overall supply chain risk and simultaneously build resilience and capacity to respond to global climate change.

### Developing Sustainability Competency in 2023

## Supplier Sustainability Risk Management



## Supplier Sustainability Risk Assessment

with a recovery rate of 76%. For details regarding Supplier Assessment data, please refer to the [Sustainability Data – Social K. Coverage and Progress of our Supplier Assessment Program](#) table.

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| Category          | RBA Classification               | Major Non-conformance Findings                                                                                                                                                                                                   | Corrective Actions                                                                                                                                                                                                                                    |
|-------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Labor             | Freely Chosen Employment         | <ul style="list-style-type: none"> <li>•</li> </ul>                                                                                                                                                                              | <ul style="list-style-type: none"> <li>• Relevant rules in the Employee Handbook have been revised</li> </ul>                                                                                                                                         |
|                   |                                  | <ul style="list-style-type: none"> <li>• examination fee</li> </ul>                                                                                                                                                              | <ul style="list-style-type: none"> <li>• amount</li> </ul>                                                                                                                                                                                            |
| Health and Safety | Occupational Safety              | <ul style="list-style-type: none"> <li>•</li> <li>• Relevant protection rules for female employees during their pregnancy or breastfeeding period were incomplete</li> </ul>                                                     | <ul style="list-style-type: none"> <li>•</li> <li>• New female employee protection management procedure has been independently established</li> </ul>                                                                                                 |
|                   |                                  | <ul style="list-style-type: none"> <li>•</li> <li>• Emergency response drill reports recorded in writing only, and no drill were explained</li> </ul>                                                                            | <ul style="list-style-type: none"> <li>• management are enhanced</li> <li>• Drill report content has been revised, and photos are added to present the drill process</li> </ul>                                                                       |
|                   | Emergency Preparedness           | <ul style="list-style-type: none"> <li>•</li> <li>• Emergency response drill reports recorded in writing only, and no drill were explained</li> </ul>                                                                            | <ul style="list-style-type: none"> <li>•</li> <li>• Drill report content has been revised, and photos are added to present the drill process</li> </ul>                                                                                               |
|                   |                                  | <ul style="list-style-type: none"> <li>• Failed to post labels of hazards, emergencies and warnings</li> <li>• Chemical labels and warnings failed to provide information in the native language of foreign employees</li> </ul> | <ul style="list-style-type: none"> <li>• Hazard warning labels have been reposted</li> <li>• Labels have been posted in the native language of foreign employees, and educational information is conveyed</li> </ul>                                  |
|                   | Health and Safety Communication  | <ul style="list-style-type: none"> <li>• Failed to post labels of hazards, emergencies and warnings</li> <li>• Chemical labels and warnings failed to provide information in the native language of foreign employees</li> </ul> | <ul style="list-style-type: none"> <li>• Hazard warning labels have been reposted</li> <li>• Labels have been posted in the native language of foreign employees, and educational information is conveyed</li> </ul>                                  |
|                   |                                  | <ul style="list-style-type: none"> <li>• Failed to post labels of hazards, emergencies and warnings</li> <li>• Chemical labels and warnings failed to provide information in the native language of foreign employees</li> </ul> | <ul style="list-style-type: none"> <li>• Hazard warning labels have been reposted</li> <li>• Labels have been posted in the native language of foreign employees, and educational information is conveyed</li> </ul>                                  |
| Environment       | Hazardous Substances             | <ul style="list-style-type: none"> <li>• Waste hazard disposal procedure incomplete, and labels failed to be updated</li> </ul>                                                                                                  | <ul style="list-style-type: none"> <li>• Handling procedures and labels have been updated</li> </ul>                                                                                                                                                  |
|                   | Solid Waste                      | <ul style="list-style-type: none"> <li>• Waste buckets in the waste storage warehouse failed to be disposed timely, and pallets were damaged and unstable</li> </ul>                                                             | <ul style="list-style-type: none"> <li>• Waste buckets have been disposed and pallets have been replaced immediately</li> </ul>                                                                                                                       |
| Ethics            | Responsible Sourcing of Minerals | <ul style="list-style-type: none"> <li>• internal training were established</li> </ul>                                                                                                                                           | <ul style="list-style-type: none"> <li>•</li> </ul>                                                                                                                                                                                                   |
|                   | Protection of Retaliation        | <ul style="list-style-type: none"> <li>• Employee Feedback Box failed to be installed in the area capable of protecting the identity of employees</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>• Surveillance camera monitoring range has been reviewed, and the Employee Feedback Box has been relocated</li> </ul>                                                                                          |
| Management System | Legal and Customer               | <ul style="list-style-type: none"> <li>•</li> <li>• the latest version for compliance</li> </ul>                                                                                                                                 | <ul style="list-style-type: none"> <li>• established</li> <li>• reviewed</li> </ul>                                                                                                                                                                   |
|                   |                                  | <ul style="list-style-type: none"> <li>• Employee management procedure failed to provide the version written in the native language of migrant workers</li> <li>• Employees failed to receive the Employee Handbook</li> </ul>   | <ul style="list-style-type: none"> <li>• Relevant documents have been translated immediately, and educational information is provided to migrant workers</li> <li>• Employee receipt form has been newly stipulated, the Employee Handbook</li> </ul> |
|                   | Communication                    | <ul style="list-style-type: none"> <li>• Employee management procedure failed to provide the version written in the native language of migrant workers</li> <li>• Employees failed to receive the Employee Handbook</li> </ul>   | <ul style="list-style-type: none"> <li>• Relevant documents have been translated immediately, and educational information is provided to migrant workers</li> <li>• Employee receipt form has been newly stipulated, the Employee Handbook</li> </ul> |
|                   |                                  | <ul style="list-style-type: none"> <li>• SOP failed to be updated and nonconforming with the current status</li> <li>• found</li> </ul>                                                                                          | <ul style="list-style-type: none"> <li>• SOP has been reviewed and updated immediately</li> <li>•</li> </ul>                                                                                                                                          |
|                   | Documentation and Records        | <ul style="list-style-type: none"> <li>• SOP failed to be updated and nonconforming with the current status</li> <li>• found</li> </ul>                                                                                          | <ul style="list-style-type: none"> <li>• SOP has been reviewed and updated immediately</li> <li>•</li> </ul>                                                                                                                                          |
|                   |                                  | <ul style="list-style-type: none"> <li>• SOP failed to be updated and nonconforming with the current status</li> <li>• found</li> </ul>                                                                                          | <ul style="list-style-type: none"> <li>• SOP has been reviewed and updated immediately</li> <li>•</li> </ul>                                                                                                                                          |

rights issues for suppliers who do not respond or disclose relevant information.

**Supplier Human Rights Incident Mitigation and Remediation Measures**

| Category            | Labor                                                                                                                                                                                                                                                                                                                      | Health and Safety                                                                                              |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Risk Issue          | <ul style="list-style-type: none"><li>● Freely Chosen Employment</li><li>●</li></ul>                                                                                                                                                                                                                                       | <ul style="list-style-type: none"><li>● Industrial Hygiene</li><li>● Health and Safety Communication</li></ul> |
| Mitigation Measure  | <ul style="list-style-type: none"><li>● Annual audits or RBA VAP to assess facility to mitigate risks</li><li>● measures for human rights risks and</li><li>● Instilling the importance of human rights in supplier labor through education and training on sustainable supply chains to reduce risks in advance</li></ul> |                                                                                                                |
| Remediation Measure | <ul style="list-style-type: none"><li>●</li><li>or compensation, or to implement policy changes or other measures for employees whose human rights have been violated</li><li>●</li></ul>                                                                                                                                  |                                                                                                                |
|                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                |

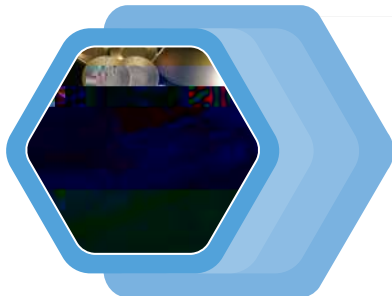
## **Supplier Capacity/Technology Development Program**

Supplier competency and technology development is an integral component of supplier management. USI provides technical support and counseling to reduce operational risk and foster supplier



### **Supplier Carbon Mentoring Program**

the Supplier Carbon Mentoring Program. A dedicated team was assigned to train and assist suppliers in establishing GHG inventory management





## Conflict Minerals Compliance

cobalt mined and traded illegally by local militias in the Democratic Republic of the Congo and neighboring countries through forced labor and abusive child labor. As a member of ASEH

chain.

### Conflict Minerals Management

USI has established the \_\_\_\_\_ according to the

have further established the USI Supply Chain Policy for Responsible Sourcing of Minerals from \_\_\_\_\_.

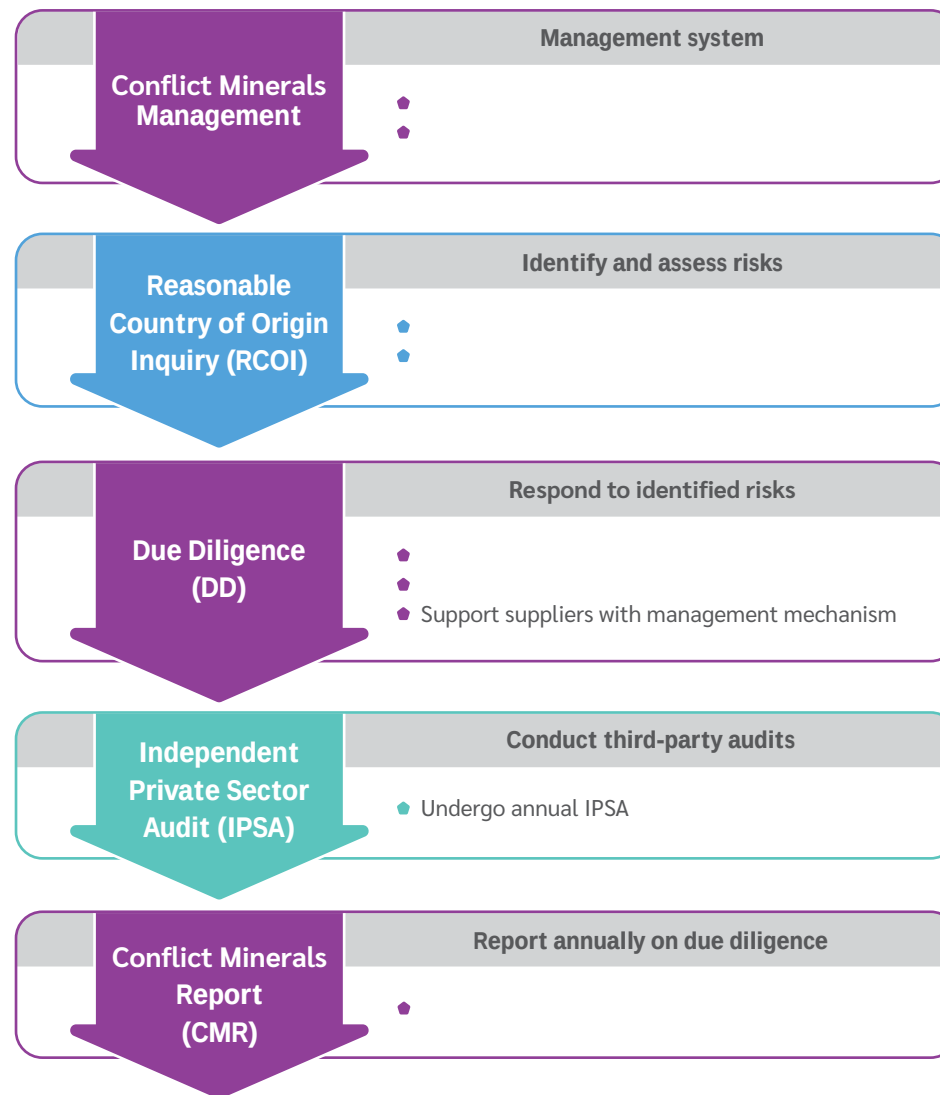
We guarantee to not support mineral sources obtained via any conduct seriously infringing

main frameworks described in the guidelines. Based on the due diligence procedure in the frameworks, we identify, assess, respond, and mitigate supply chain risk, and we further design

are guided to establish management mechanisms in compliance with the OECD due diligence. \_\_\_\_\_ and to



### Conflict Minerals Management Process



## Due Diligence (DD)

a total of 219 target suppliers completed due diligence with 100% compliance with the

sharing sessions and shared our future planning and promotion direction with our suppliers.

## Independent Private Sector Audit and Annual Report

IPSA based on the results of due diligence investigations conducted on our suppliers.

---







## Sustainable Issue Performance and Targets



Material Issue



Achieved



Not Achieved

| Management Purpose                                                                                                                                                                                                                                                                                                               | KPI                                     | 2023 Target                      | 2023 Performance                  | Status | 2024 Target                      | 2028 Target                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|-----------------------------------|--------|----------------------------------|----------------------------------|
| <b>Occupational Health &amp; Safety</b><br><b>Management Approach:</b> Establish ISO 45001 OHS management systems, regularly inspect and review work processes, and implement the PDCA cycle to raise awareness, assess risks, and ensure the health and safety of all workers in the workplace.<br><b>Evaluation Mechanism:</b> |                                         |                                  |                                   |        |                                  |                                  |
| Promote OHS culture and enhance risk management, injury prevention, and emergency response capabilities to create a safe workplace for all workers                                                                                                                                                                               | ▶ ISO 45001                             | ▶                                | ▶ Maintained ISO 45001 facilities |        | ▶ major facilities               | ▶ major facilities               |
|                                                                                                                                                                                                                                                                                                                                  | ▶ Major occupational disease incidences | ▶ No major occupational diseases | ▶ No major occupational diseases  |        | ▶ No major occupational diseases | ▶ No major occupational diseases |
|                                                                                                                                                                                                                                                                                                                                  | ▶ Major occupational injury incidences  | ▶ No major occupational injuries | ▶ No major occupational injuries  |        | ▶ No major occupational injuries | ▶ No major occupational injuries |
|                                                                                                                                                                                                                                                                                                                                  | ▶ Major infectious disease incidences   | ▶ No major infectious diseases   | ▶ No major infectious diseases    |        | ▶ No major infectious diseases   | ▶ No major infectious diseases   |
| <b>Climate Strategy</b><br><b>Management Approach:</b> towards reaching the 2040 Net Zero Carbon Emissions goal.<br><b>Evaluation Mechanism:</b>                                                                                                                                                                                 |                                         |                                  |                                   |        |                                  |                                  |
| Monitor and reduce GHG emissions as part of the Low Carbon strategy                                                                                                                                                                                                                                                              | ▶                                       | ▶                                | ▶                                 |        | ▶ facilities                     | ▶ facilities                     |
|                                                                                                                                                                                                                                                                                                                                  | ▶ GHG Scope 1 & 2 absolute emissions    | ▶ 17.5% decrease from 2016       | ▶ 79% decrease from 2016          |        | ▶ 20% decrease from 2016         | ▶ 30% decrease from 2016         |
|                                                                                                                                                                                                                                                                                                                                  | ▶ GHG Scope 3 absolute emissions        | ▶ 4.5% decrease from 2020        | ▶ 53% decrease from 2020          |        | ▶ 6% decrease from 2020          | ▶ 12% decrease from 2020         |

Note:

1. Number of occupational injury deaths.



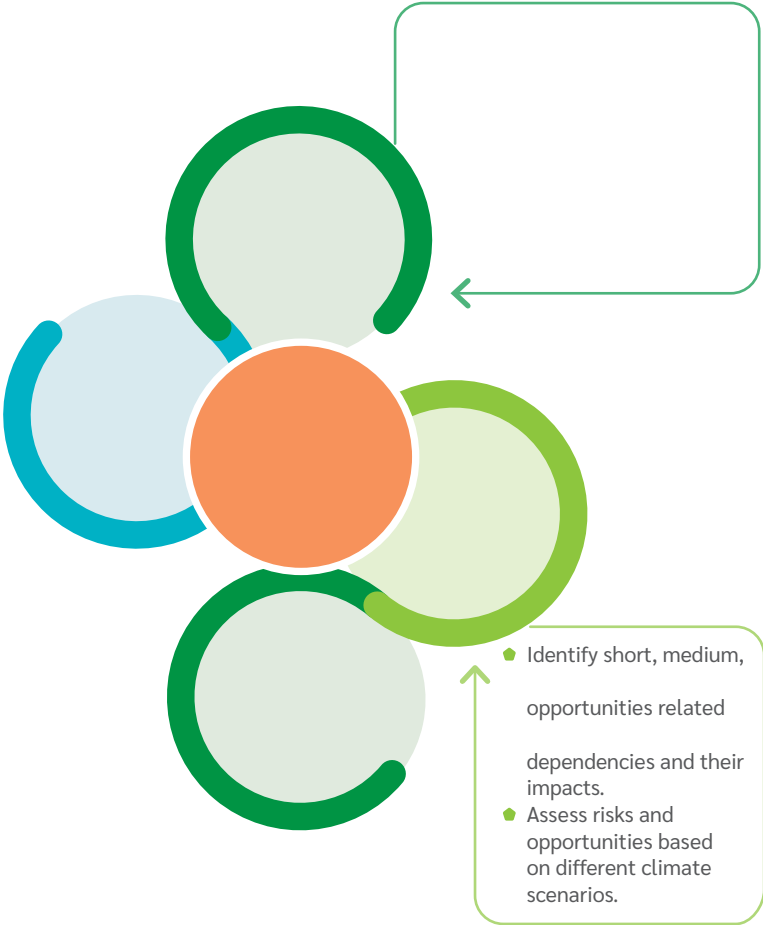
Energy Management

Management Approach:

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the management responsibility and consider the recommendations and expectations of all stakeholders to establish corresponding management policies. In accordance with relevant

are established. In addition, education and training activities have been implemented for the internal employees of the Company, and the total number of hours of relevant training activities



Note:  
1. The definition of significant fine or penalty is sanctions over USD 10,000 (CNY 70,000).

## Net Zero Carbon Emission Targets



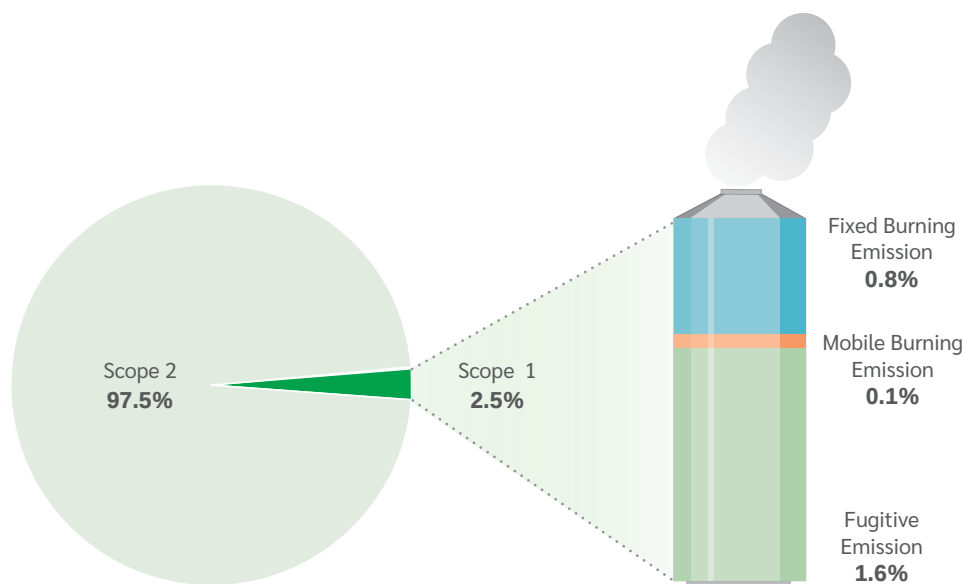
## Greenhouse Gas Emissions

13,061 metric tonnes of CO<sub>2</sub>e reduction from 2022. Scope 1 includes 5,281.02 metric tonnes of CO<sub>2</sub>e in direct GHG emissions and 15.79 metric tonnes of CO<sub>2</sub>

metric tonnes of CO<sub>2</sub>e, an increase of 0.17 metric tonnes from 2022. Despite the decrease

relative increase in emissions intensity per million CNY of turnover. Efforts to improve energy

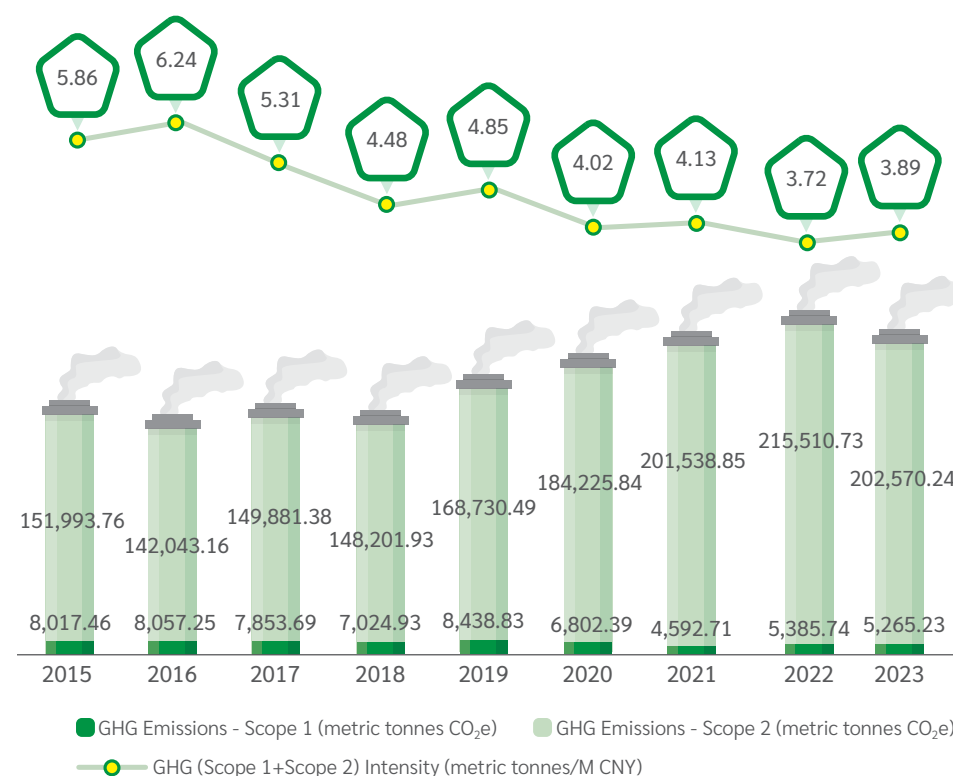
### The Ratio of Scope 1 to Scope 2 Greenhouse Gas Emissions <sup>(1-5)</sup>



Note:

1. The data presented came from the ISO 14064-1 inventory results, rounded to the 2nd decimal place.
2. The data organization boundary is summarized by the operation control method.
3. The significant threshold is set at 3%, and the substantial threshold is set at 5%.
4. GHG emissions includes various categories such as CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, NF<sub>3</sub>, and SF<sub>6</sub>.
5. GWP value adopts the IPCC Sixth Assessment Report (2021).

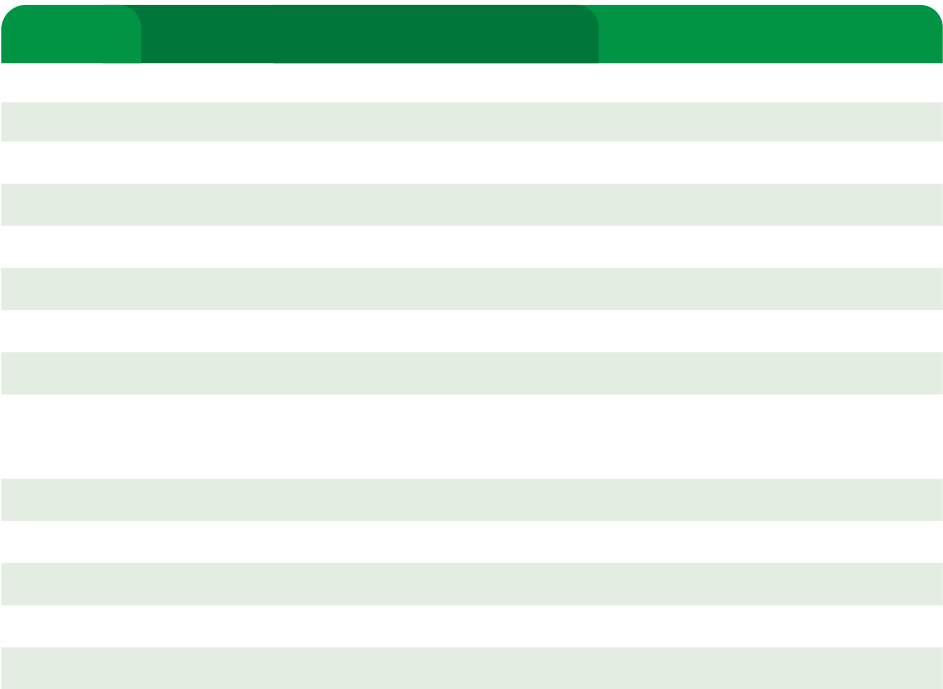
### Greenhouse Gas Emissions and Intensity



## Indirect Greenhouse Gas Emissions

Scope 3 inspection at Nantou Facility in 2018, in 2020 we began to conduct 15 categories of

### Indirect Greenhouse Gas Emissions<sup>(1)</sup>



Note:

1. The data presented came from the ISO 14064-1 inventory results, rounded to the 2nd decimal place, converted to the GHG Protocol for disclosure.
2. N/A: Non-significant after assessment of the indirect emissions materiality criteria in accordance with ISO 14064-1
3. Conversion data of the heat value index:
  - Zhangjiang, Jinqiao and Kunshan Facilities have adopted Annex A (referential energy conversion standard coal factors) of General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).
  - Huizhou Facility adopted Table E.2 (Fossil Fuel Combustion Emission Factors) of the Organizational Guidelines for Greenhouse Gas Emissions and Reporting (SZDB/Z 69-2018).
  - Nantou Facility adopted "Heat Content of Energy Products" from Taiwan Energy Statistics Handbook (2020).
  - Mexico Facility adopted "Lista de combustibles 2022".

## Energy Management

the Company invests in R&D as well as energy saving and carbon reduction activities and purchases operational activities and product processes and save costs, the external power supply unit with low energy consumption will be selected in priority when the products are designed, as well as the tests

USI establishes an energy management system and procedure according to ISO 50001, relevant

training and communication as well as collect energy consumption data. We conduct annual external training for energy management personnel to enhance their ability to research and utilize energy conservation knowledge. We also plan to invest internal resources to implement relevant energy conservation projects. Performances before and after energy improvement are compared, and risks

and management of electricity bill.

gigajoules from 2022. Mainly due to the decrease in the overall revenue in 2023 as compared to the

In terms of energy saving, there were 13 major energy saving schemes, which saved a total of

shown in the following chart:

### Energy Consumption<sup>(3)</sup>





## Power Saving Performances in 2023

| Facility   | Project                                                      | Description                                                                                                                                                                                                     | Power Saved (MWh) | CO <sub>2</sub> Reduction <sup>(1-2)</sup> (metric tonnes CO <sub>2</sub> e) |
|------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------|
| Zhangjiang | A building process cooling water system merger optimization  | the electricity consumption can be saved.                                                                                                                                                                       | 81.5              | 63.4                                                                         |
|            | A building washing machine exhaust air renovation            | Optimization of roof exhaust fan drying method.                                                                                                                                                                 | 79.9              | 62.1                                                                         |
|            | Air compressor heat recovery                                 | air compressor unit water temperature.                                                                                                                                                                          | 427.8             | 332.7                                                                        |
|            | Drainage heat recovery for washing machine                   | condition and to reduce the electricity consumed for the heating of the rinsing machine.                                                                                                                        | 714.9             | 556.0                                                                        |
|            | cooling adding inverter operation optimization               | chiller unit, condensing load, cooling tower water inlet and outlet temperature change, regulated automatically, thereby saving the energy consumption and expense incurred by the operation the water pump.    | 249.2             | 193.8                                                                        |
|            | Nitrogen station capacity expansion energy saving project    | When the nitrogen usage amount is small, excessive CDA is incorporated into the system compressor heat is recycled and provided to the air conditioning system for use, to save the consumption of natural gas. | 1.1               | 0.9                                                                          |
|            | Water washing machine energy saving and water saving program | to reduce the production cost.                                                                                                                                                                                  | 150.9             | 117.4                                                                        |
| Jinqiao    | PCW system energy saving improvement                         | that one unit of water pump is under standby state to save electricity consumption.                                                                                                                             | 501.6             | 390.1                                                                        |
| Kunshan    | technological transformation                                 | achieved along with the reduction of energy consumption expense.                                                                                                                                                | 43.5              | 33.8                                                                         |
|            |                                                              | that it can replace the chiller unit operation during the transition season.                                                                                                                                    | 518.6             | 403.3                                                                        |
| Nantou     | Vacuum machine replacement energy saving improvement         | be achieved.                                                                                                                                                                                                    | 131.4             | 65.0                                                                         |
|            | Air conditioning cooling tower energy saving improvement     | and water temperature change monitoring is utilized to perform unloading operation, thereby achieving the effect of energy saving and reduction of electricity expense.                                         | 256.4             | 126.9                                                                        |
|            | Energy saving improvement of district pump                   | achieve energy saving and carbon reduction.                                                                                                                                                                     | 30.4              | 15.0                                                                         |
| Total      |                                                              |                                                                                                                                                                                                                 | 3,187.2           | 2,360.5                                                                      |

Note:

1. Carbon emissions reduction = electricity saved x electricity emission coefficient

2. Electricity emission coefficient:

- Zhangjiang, Jinqiao, and Kunshan Facilities adopt the Huadong Power Grid 0.778 metric tonnes CO<sub>2</sub>e/MWh based on the "2021 Emission Reduction Project: China's regional grid baseline emission factor" by the Department of Climate Change.
- Nantou Facility adopts the "2022 Electricity Emission Factor" announced by the Bureau of Energy, with a CO<sub>2</sub> emission factor of 0.495 kg CO<sub>2</sub>e/kWh.



Note:  
1. The data presented came from the ISO 14064-1 inventory results, rounded to the 2nd decimal place.



World Resources Institute. For the water stress, the baseline water stress is considered to measure the ratio between the total water demand and the renewable surface water and groundwater.

establishment of water resource management goal to implement control properly.

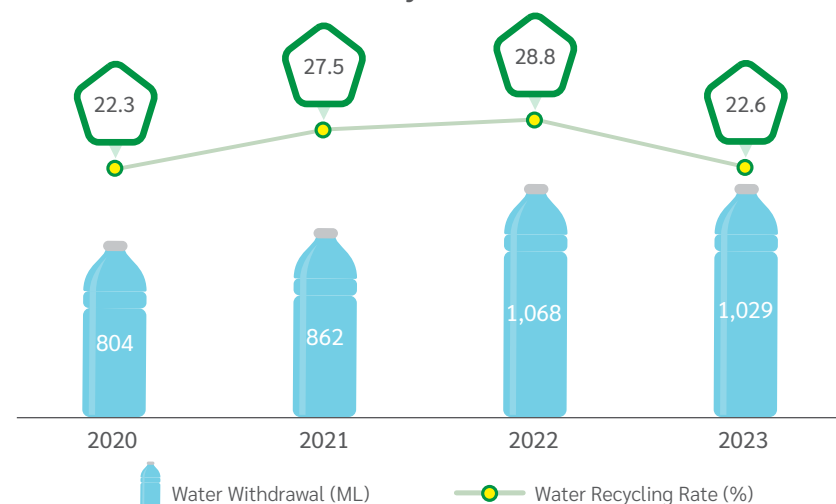
project has adopted advanced oxidation technology. In 2023, USI recycled 232.94 ML of water, with a recycling rate of 23%. In addition, the process water consumption is 188.94 ML, with a recycling rate of 64%.

## Water Withdrawal and Discharge <sup>(1)</sup>

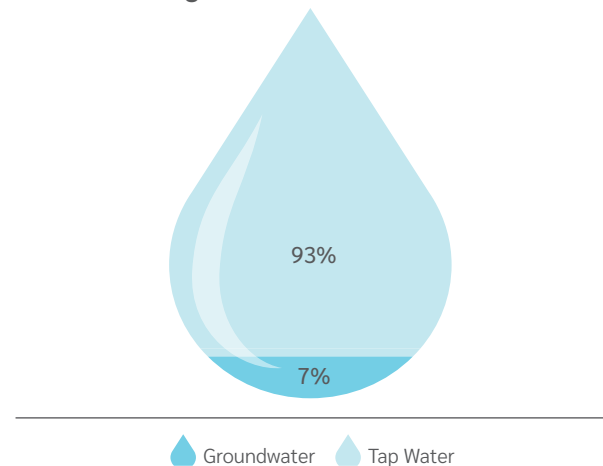
Unit: ML

| Facility         | Zhangjiang                | Jinqiao                   | Huizhou                   | Kunshan                   | Nantou                    |                           | Mexico                         | Vietnam                   |
|------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|---------------------------|
|                  |                           |                           |                           |                           | TT                        | NK                        |                                |                           |
| Source           |                           |                           |                           |                           |                           | Groundwater               |                                |                           |
| Water Withdrawal | 314.550                   | 96.188                    | 171.450                   | 92.122                    | 21.357                    | 69.984                    | 114.486                        | 60.490                    |
| Discharge Flow   | Sewage treatment facility | Sewage treatment facility | Sewage treatment facility | Sewage treatment facility | Sewage treatment facility | Sewage treatment facility | City sewage treatment facility | Sewage treatment facility |
| Water Discharge  | 283.095                   | 86.569                    | 154.305                   | 82.910                    | 49.288                    | 103.037                   | 54.441                         | 79.195                    |

## Water Withdrawal and Recycle



## Water Usage Ratio



Note:

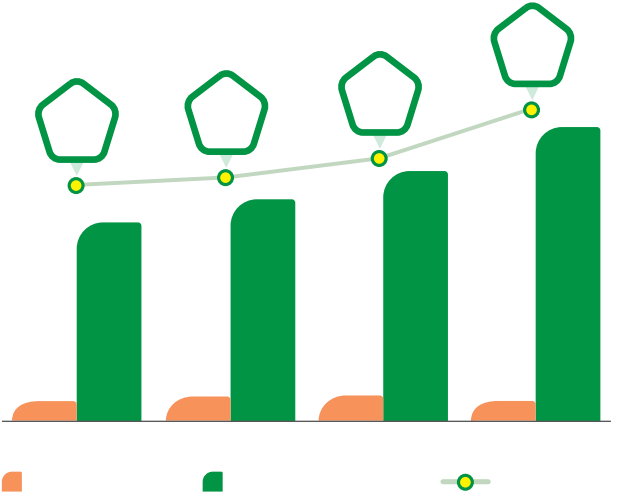
1. Apart from the Nantou-TT Facility, USI has no discharge water flow meter in each facility. Thus, the water discharge volume is estimated based on the estimation principle of 90% of the water intake.

# Waste Management

Improvement" and "Effective Reduction & Circular Reuse" have been carried out thoroughly in all the facilities and treated as affairs unit, and EHS unit strictly monitor the usage and outputs, and strengthen the effective control of waste.

According to the data, the total amount of waste generated in 2023 was 12,377 metric tonnes, and recycled 10,805 metric tonnes, with a recycling rate of 87.3%. Although it is a slight increase from the previous year, it still meets the annual target

materials in the facility, which effectively reduced the amount of hazardous waste generated. USI continues to focus on product package outer box, partition and tray cleaning and recycling, with a total weight of 3,052 metric tonnes recycled and reused. In the future, USI will continue to implement the waste reduction policy, reduce volume from the source, and strive to achieve the goal of resource sustainability.



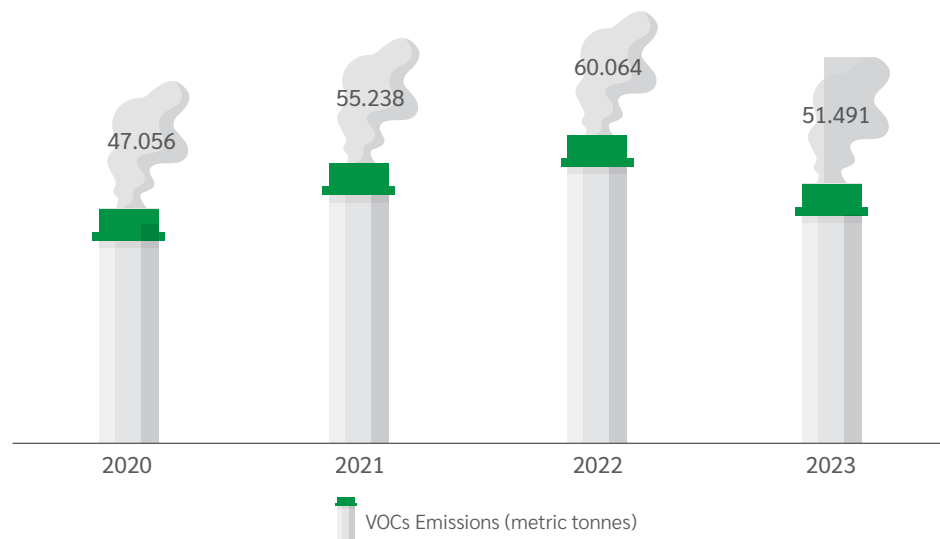
NK Facility have achieved zero burying of wastes. We will continue to review local waste management regulations of our facilities and invest in relevant research and human resources to evaluate the following according to the treatment method.

## Statistics of Disposal Methods for Various Wastes

Unit: metric tonnes

| Treatment<br>Facility |    | Reuse     |              | Recycle   |              | Compost   |              | Landfill  |              | Incinerate      |                         |                 |                         |
|-----------------------|----|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------------|-------------------------|-----------------|-------------------------|
|                       |    | Hazardous | Nonhazardous | Hazardous | Nonhazardous | Hazardous | Nonhazardous | Hazardous | Nonhazardous | Hazardous       |                         | Nonhazardous    |                         |
|                       |    |           |              |           |              |           |              |           |              | Energy recovery | Without energy recovery | Energy recovery | Without energy recovery |
| Zhangjiang            |    | 0.000     | 1,268.420    | 55.064    | 1,042.105    | 0.000     | 338.239      | 0.000     | 0.000        | 293.181         | 0.000                   | 45.094          | 0.000                   |
| Jinqiao               |    | 0.000     | 449.378      | 9.514     | 461.452      | 0.000     | 236.086      | 0.000     | 0.000        | 59.719          | 0.000                   | 11.852          | 0.000                   |
| Huizhou               |    | 0.000     | 603.202      | 35.697    | 1,183.660    | 0.000     | 89.230       | 0.000     | 0.000        | 48.635          | 0.000                   | 87.045          | 0.000                   |
| Kunshan               |    | 0.000     | 0.000        | 92.880    | 1,441.300    | 0.000     | 159.610      | 0.000     | 0.000        | 0.000           | 58.510                  | 32.569          | 0.000                   |
| Nantou                | TT | 0.000     | 602.578      | 0.000     | 153.967      | 0.000     | 71.920       | 0.000     | 0.000        | 69.770          | 0.000                   | 131.232         | 0.000                   |
|                       | NK | 0.000     | 128.256      | 0.000     | 570.824      | 0.000     | 66.960       | 0.000     | 0.000        | 21.556          | 0.000                   | 199.326         | 0.000                   |
| Mexico                |    | 0.000     | 0.000        | 3.776     | 1,466.419    | 0.000     | 60.113       | 0.000     | 420.951      | 0.000           | 31.759                  | 0.000           | 0.000                   |
| Vietnam               |    | 0.000     | 0.000        | 8.811     | 188.751      | 0.000     | 17.127       | 0.000     | 19.482       | 1.488           | 0.000                   | 39.193          | 0.000                   |
| Subtotal              |    | 0.000     | 3,051.834    | 205.742   | 6,508.478    | 0.000     | 1,039.284    | 0.000     | 440.433      | 494.348         | 90.269                  | 513.740         | 0.000                   |
| Total                 |    | 3,051.834 |              | 6,714.219 |              | 1,039.284 |              | 440.433   |              | 584.617         |                         | 546.310         |                         |
| Percentage            |    | 0.00%     | 24.66%       | 1.66%     | 52.59%       | 0.00%     | 8.40%        | 0.00%     | 3.56%        | 3.99%           | 0.73%                   | 4.41%           | 0.00%                   |

Note:  
1. Statistics are rounded to the 3rd decimal place.



Note:

1. UV beams can break the molecular bond of industrial waste as well as the water and oxygen in the air. Then, with

related preventive measures, such as UV photodegradation , activated carbon treatment, and zeolite rotor plus catalyst thermal oxidizer, to reduce VOCs and PM emissions. In 2023,

VOCs emissions. For NO , SO , and PM emissions, since 2019, to reduce the emissions of Nox in

local authorities. According to the data, USI generated 51.49 metric tonnes of VOCs in 2023, a

revenue decreased compared to the previous year and the relative VOCs emissions from some facilities decreased compared to the previous year.

In the future, USI will let other facilities disclose relevant information, and actively promote

data for 2023 is shown in the table below:



# Green Manufacturing and Expenditures

In addition to adopting ecological design for its products, USI conforms to the principles of the cleaner production evaluation system at all its facilities in production and manufacturing, logistics and transportation, green management, and social responsibility to implement resource conservation, green manufacturing processes, pollution prevention and innovative environment, but also reduced costs of raw materials, energy, and pollutant treatment while

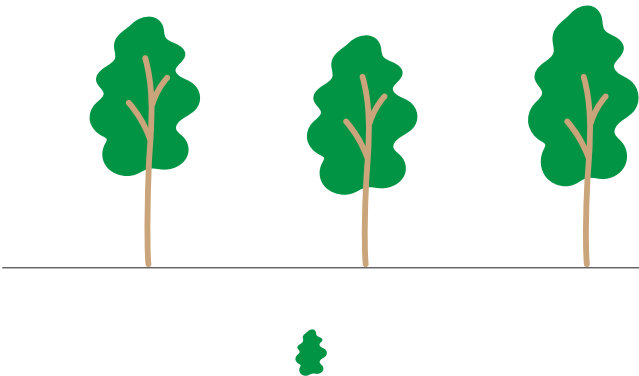
solar construction companies to build a solar power generation system with a total capacity of 499 kWp produced a total of 2,753.2 MWh green power.

In 2023, Huizhou Facility set up the solar power system on the roof of the facility, with a total total of 3,305 MWh of solar power generation. In the future, we will continue to focus on clean production and green building promotion to build up a green factory of USI.

Downstream Cost, Management Overhead and Social Activities Cost. For expenditure details, please refer to the [Sustainability Data – Environmental D. Environmental Expenditures](#)

was approximately CNY 50 million, an increase of 59% from the previous year. In the meantime, we have continued to further improve our environmental management by calculating and

## Environmental Protection Expenditures



Note:  
1. kWp is the calculation unit of the solar cell's power output under standard sunshine conditions;  
1 kWp = 1 kilowatt-hour (kWh)



# Occupational Health and Safety

In addition to complying with local labor laws and safety regulations, all major facilities have and safety policy, standard operating procedures, educational training, and LOHAS activities to

and safety laws and our own guidelines to continue to provide a safe and comfortable working environment for workers.

## Occupational Health and Safety Management

### Health and Safety Management Goals and Statuses in 2023

| Goals                                            | Performance                               |
|--------------------------------------------------|-------------------------------------------|
| Maintaining Zero Occupational Disease Incidences | No cases of occupational disease occurred |
| Maintaining Zero Work-Related Deaths             |                                           |
| Z                                                |                                           |

and recommend occupational safety and health management matters. Besides, an internal availability of smooth communication channels.

Note:  
1. Non-employee workers: workers that include temporary workers and contractors, such as construction, cafeteria, security, cleaning personnel, stationed personnel, and others, with 4,326 people in total.

### Safety and Health Production Committee's Responsibilities



# Occupational Safety Risk Management

establishes a process to manage procurement, contracts, and changes. We implement necessary safety assessments, training, identify and assess safety and health hazards and risks and opportunities derived from the operations and work environment, parties to amend plans based on the level of involved dangers and opportunities to minimize negative impacts, enhance our





In 2023, there were more than 40 safety and health management programs included in the tracking management, which includes strengthening the management of hazardous operations,

alternatives, and occupational disease prevention.

At the same time, to provide a better workplace environment, USI rewards employees for proposing any improvement measures that mitigate any occupational hazard or disease, and if

they can immediately suspend their work at hand and evacuate the workplace according to the emergency response measures of each facility. USI will not punish any employees for emergency evacuations.

## Safe Workplace

also conduct routine facility safety audits, with the scope encompassing Occupational Health and Safety Management Systems. In some facilities, the inspection results are included in the occupational safety and health evaluation activities, and outstanding units are publicly

personnel to participate in safety and health management and improvement measures.

### Audit Findings Results Over the Years <sup>(1)</sup>

| Aspects \ Year    | 2020 | 2021 | 2022 | 2023 |
|-------------------|------|------|------|------|
| Safety            | 376  | 747  | 535  | 594  |
| Health            | 108  | 121  | 59   | 33   |
| Management System | 11   | 47   | 13   | 0    |

are also commissioned to regularly implement environmental testing to control the operating environment of the hazard factors, testing items such as building security, drinking water safety, sewage testing, Legionella pneumophila bacteria, emergency lighting, lightning

the company also regularly monitors operational environments with high risks including noises,

workplace and free radiation to ensure that the threshold values of concentration of harmful substances and noises are below standards. If there are any abnormalities, it will be immediately

appropriate preventive training, and with a healthy and safe working environment.

## Chemical Safety Management

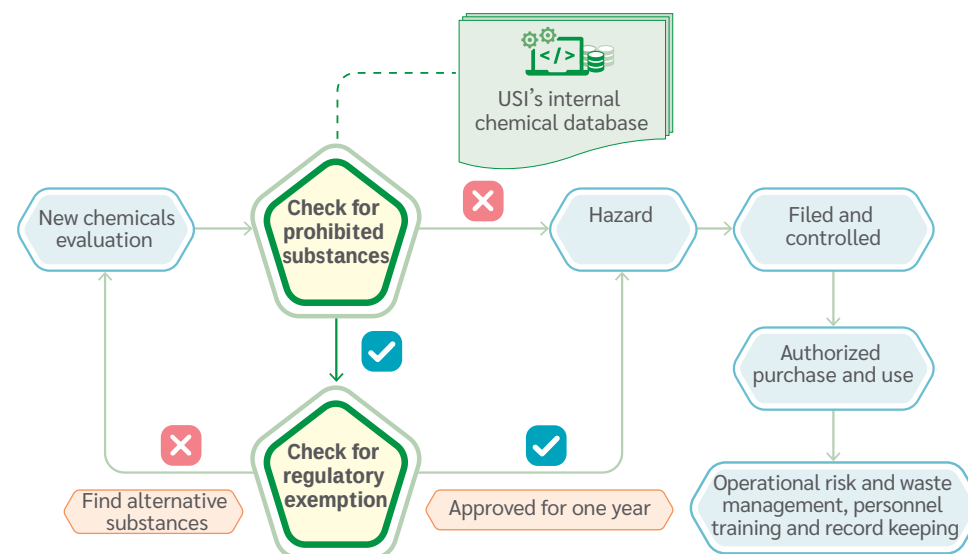
We developed our Chemical Management Procedure in line with the UN Strategic Approach

Procedure is a comprehensive review of substances and all applicable chemical regulations and use restrictions. We grade chemicals according to environmental and safety risks and constantly update them into our database. As part of source control, chemicals must be checked against

into our manufacturing process. All personnel involved with handling chemicals must undergo

moment they enter our operations until they are appropriately disposed or recycled. We keep all relative records to optimize our Procedure and prevent occupational hazards.

### Chemical Safety Management Process



Note:

1. The data includes Zhangjiang, Jinqiao, Huizhou, Kunshan, and Nantou Facilities.



## Occupational Incident Management

when an occupational incident occurs, each facility has established procedures for accident investigation and handling, stipulating that if a near miss, occupational injury or occupational disease occurs in the facility, procedures

measures would be carried out, and at the same time improvement measures are proposed based on the root cause of the accident. All improvement measures would be carried out across all facilities, and relevant continuous improvement would be tracked regularly to prevent the recurrence of similar accidents. In 2023, there were 14

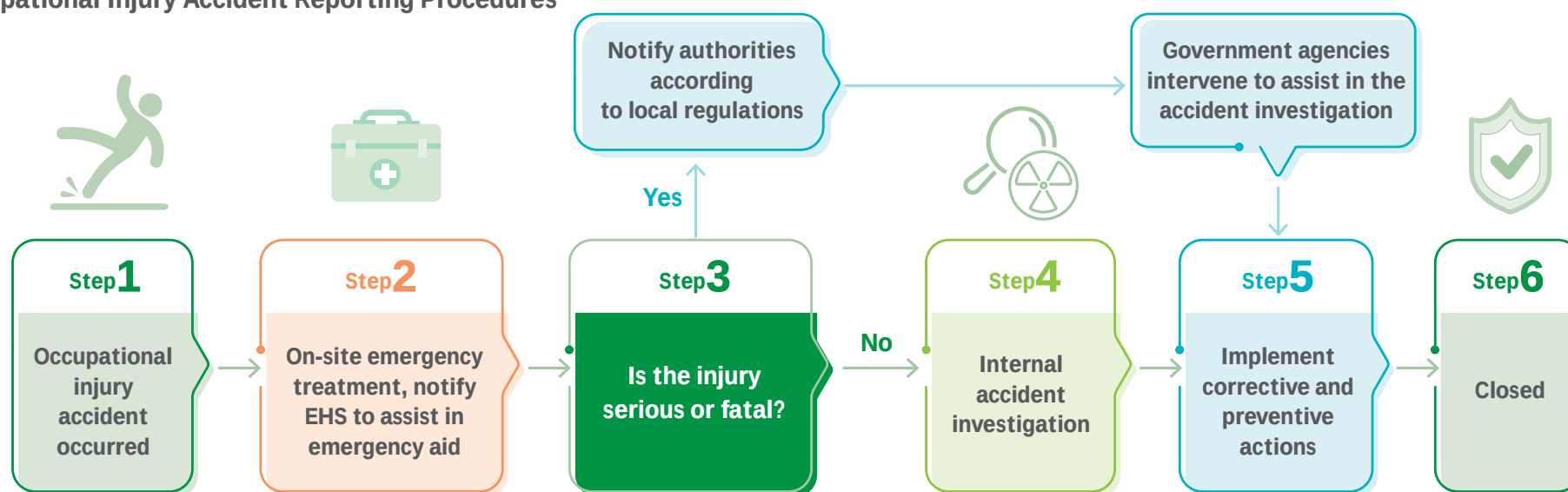
the safety awareness of its employees and continuing to work

resulting in injury or death of employees or damage to

### Occupational Injury Causes and Improvement Measures

| Injury Type Cases |   | Improvement Measures                                                                                                                                                                                                                                                  |  |
|-------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Bruise            | 5 | <ul style="list-style-type: none"> <li>prevent recurrence.</li> <li>protect personnel safety.</li> <li>Increase inspections, develop strict SOPs, and enhance safe operation promotion, and continuously improve operation procedures to reduce accidents.</li> </ul> |  |
| Fall/Slip         | 5 |                                                                                                                                                                                                                                                                       |  |
| Crush             | 3 |                                                                                                                                                                                                                                                                       |  |
| Fall              | 1 |                                                                                                                                                                                                                                                                       |  |

### Occupational Injury Accident Reporting Procedures







## Occupational Health and Safety Training

Regulations" at each facility to draw up annual environmental safety and health education and training plans according to practical needs, and to conduct safety and health education and

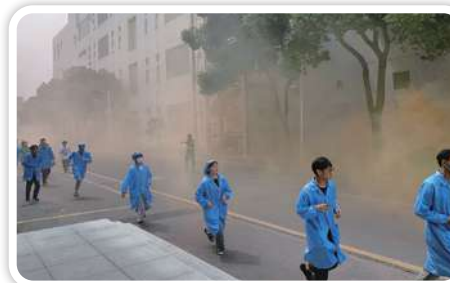
Management Contractor knowledge and skills and their ability to deal with emergencies. In 2023, there were held 224 training courses and 19,956 employees logged 22,702 hours in occupational safety training.

### Occupational Health and Safety Training Data

| Items \ Year             | 2020   | 2021   | 2022   | 2023   |
|--------------------------|--------|--------|--------|--------|
| Total Number of Courses  | 207    | 410    | 118    | 224    |
| Total Number of Trainees | 56,285 | 50,851 | 10,967 | 19,956 |
| Total Training Hours     | 48,411 | 57,776 | 11,008 | 22,702 |

As a manufacturing company, USI has comprehensive Emergency Response Procedures to control and mitigate negative impacts caused by disasters. Our EHS Emergency Response

chemical leaks to ensure employees fully understand facility evacuation routes and how to

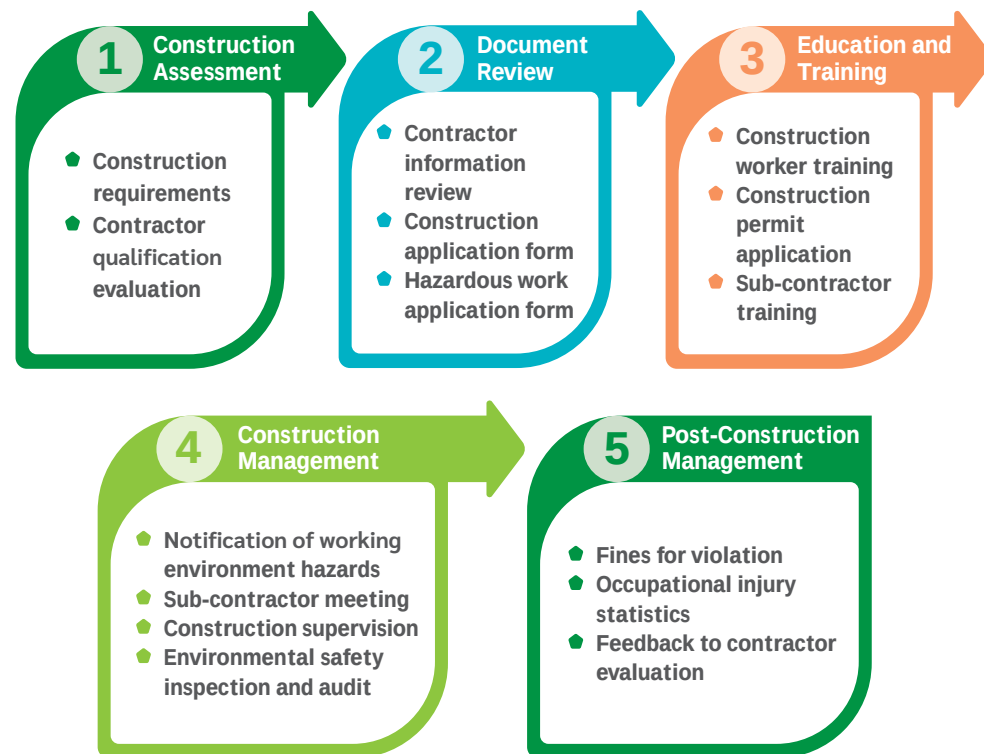


## Contractor Management

Nowadays, outsourcing technical and professional projects to contractors are part of daily

formulated using the concept and principle of the PDCA cycle, and we use the Regulations as our guidance to effectively manage and improve contractor occupational safety and health.

### Contractor and On-Site Construction Management Regulations



necessary documentation of education and training, as well as participate in occupational safety and health education and training conducted by USI.

In 2023, more than 250 occupational safety and health training sessions were held for 2,300

construction permits.

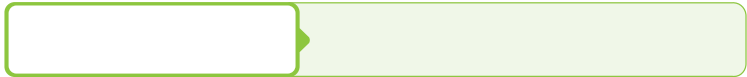


operations and repeat offenders to strengthen the inspection of operational safety during

audits.

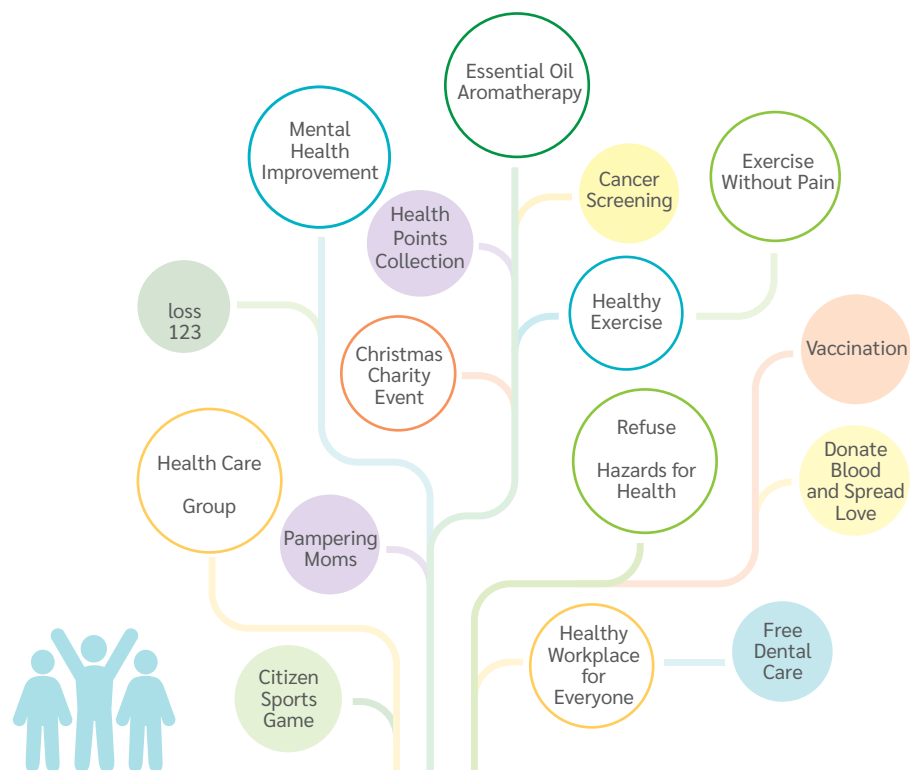
**Contractor Construction Application and Audit Findings <sup>(1)</sup>**







## Annual Health Promotion Activities



Cancer Screening



Blood Donation Drives



Citizen Sports Game



Essential Oil Aromatherapy



### Diverse Health Activities Performance Highlights

- ◆ A total of 40 health activities were organized for the whole year, with 10,705 participants and an activity satisfaction above 95%.
- ◆ Health Promotion Label by the National Health Agency.
- ◆ More than 4,000 employees attended health promotion activities.
- ◆ 1,372 participants took part in the ergonomic hazard prevention program.
- ◆ 309 employees participated in tobacco control and prevention activities.



Free Dental Care

**17,031** Employees  
Total Headcount



**167** Events  
Employee Communication  
Symposiums

**95 %**  
Local Hire Rate

**20 %**  
Females in Top Management

**71 %**  
Facilities with Trade Unions



**312** Employees  
Sponsored to Obtain Degrees in Total

SDGs ▶



Key Stakeholders: Employees, Government

| Management Purpose                                                                                                              | KPI                                                                                                                                                                                                                                                                                                                                    | 2023 Target | 2023 Performance | Status | 2024 Target | 2028 Target |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------|--------|-------------|-------------|
|  <b>Human Rights/Diversity &amp; Inclusion</b> | <b>Management Approach:</b> Respect and follow the Human Rights Policy. Manage and mitigate human rights risks through periodic audits and implement measures to ensure human rights compliance. Encourage diversity and inclusion in the workplace.<br><b>Evaluation Mechanism:</b> employment status of disabled employees annually. |             |                  |        |             |             |
| Construct a diverse and inclusive workplace free of human rights violations,                                                    | ► Ensure females                                                                                                                                                                                                                                                                                                                       |             |                  |        |             |             |
|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                        |             |                  |        |             |             |
|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                        |             |                  |        |             |             |
|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                        |             |                  |        |             |             |
|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                        |             |                  |        |             |             |
|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                        |             |                  |        |             |             |
|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                        |             |                  |        |             |             |
|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                        |             |                  |        |             |             |

# Human Rights Protection

USI strongly believes that corporations have the responsibility to respect human rights.

UNGC, the UN Guiding Principles on Business and Human Rights, the International Labor

countries in which we operate. We are committed to protecting and promoting human rights with our employees, joint ventures, suppliers, business partners, customers, local governments, communities, and other stakeholders. Being a member of the RBA, we adopt its Code of Conduct in our global operations to enforce our commitment to protecting human rights,

workplace, and making a commitment to a balanced life between work and family. [USI human](#)

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## Actual/Potential Human Rights Issues and Groups at Risk Identified

| USI Role                                            | Groups at Risk                                                                                                                                  | Human Rights Issues                                                                                                                                                                                                                                                                                                       | Main Policies                                                                                                                                                               | Due Diligence                                                                      | Grievance Mechanism                                                                                                                                                                                                                        |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employer (Including Mergers, Joint Ventures)</b> | <ul style="list-style-type: none"> <li>Employees</li> <li>Foreign migrant employees</li> <li>Young workers</li> <li>Female employees</li> </ul> | <ul style="list-style-type: none"> <li>employment, freedom of association, right of collective bargaining, freedom of religion, prohibition of forced labor, occupational health and safety, emergency preparedness, occupational injury and illness, data privacy and security, sanitation, food, and housing</li> </ul> | <ul style="list-style-type: none"> <li>Human Rights Policy</li> <li>EHS &amp; Energy Policy</li> <li>Policy on the Protection of Privacy and Personal Data</li> </ul>       | <ul style="list-style-type: none"> <li>RBA SAQ, RBA VAP, internal audit</li> </ul> | <ul style="list-style-type: none"> <li>Internal reporting channels: all reporting channels of each Facility</li> <li>External reporting channels: please refer to the <u>Business Ethics and Compliance</u> section for details</li> </ul> |
| <b>Purchaser</b>                                    | <ul style="list-style-type: none"> <li>Suppliers</li> <li>Contractors</li> </ul>                                                                | <ul style="list-style-type: none"> <li>labor, young worker employment, prohibition of forced labor, occupational health and safety, emergency preparedness, occupational injury and illness, data privacy and security,</li> </ul>                                                                                        | <ul style="list-style-type: none"> <li>Supplier Code of Conduct</li> <li>USI Corporate Policy for</li> <li>Policy on the Protection of Privacy and Personal Data</li> </ul> | <ul style="list-style-type: none"> <li>document review</li> </ul>                  |                                                                                                                                                                                                                                            |
| <b>Product / Service Provider</b>                   | <ul style="list-style-type: none"> <li>Customers</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>Data privacy and security</li> </ul>                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>Policy on the Protection of Privacy and Personal Data</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>Risk assessment, audit</li> </ul>           |                                                                                                                                                                                                                                            |

## RBA Human Rights Management Mechanism

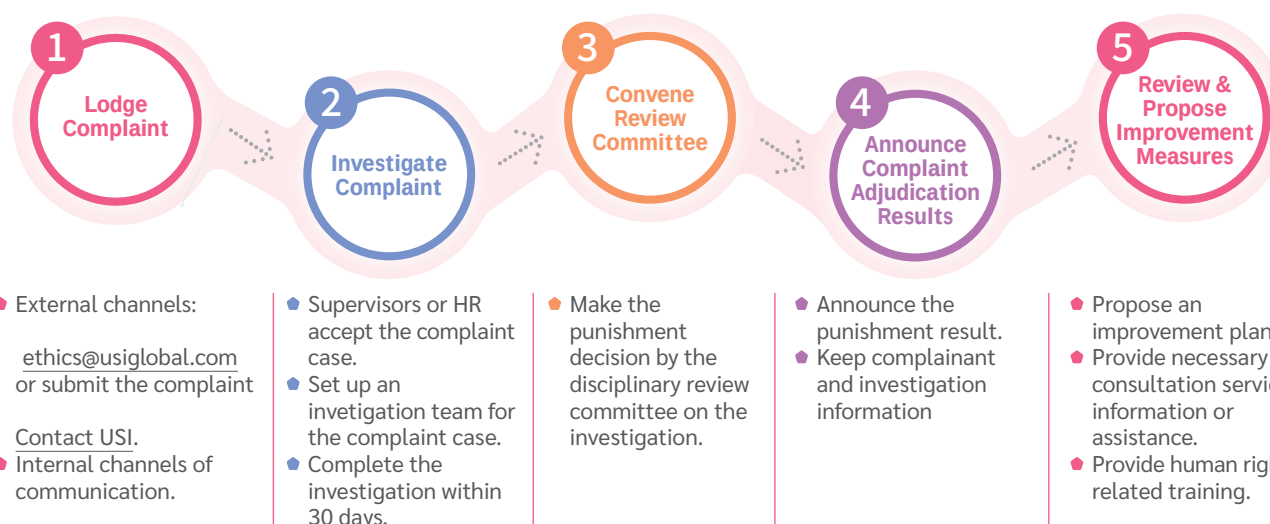
In accordance with the RBA management framework, each facility implements regular internal and external audits. We

items, corrective actions must be proposed and completed

health and safety, and ethics performance to ensure that

have established an investigation and employee reporting

complaints and ensure the implementation of human rights policies and avoid incidents that endanger human rights.







## Human Rights Risk Mitigation & Remediation

strengthening, to disciplinary actions, we have implemented mitigation measures and provided remediations detailed in the table below:

| Target              | Workers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Issues         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Mitigation          | <p><b>Working Hours:</b></p> <ul style="list-style-type: none"> <li>Establish a working hours management mechanism system to control overtime working hours, notify the overtime employees and their direct supervisors with an overtime</li> </ul> <p><b>Wages and Benefits:</b></p> <ul style="list-style-type: none"> <li>Strengthen communication with resigning employees and arrange job transfer counseling.</li> </ul> <p><b>Humane Treatment (including unlawful infringement and sexual harassment):</b> Reiterate that no sexual harassment and unlawful infringement are tolerated.</p> <ul style="list-style-type: none"> <li>Anyone who discovers an incident of unlawful infringement in the workplace or in which he or she is subjected to unlawful infringement, should immediately report it in accordance with the grievance procedures. After receiving the complaint case, an investigating process will</li> <li>and reiterate relevant human rights grievance mechanism and handling procedures.</li> </ul> <p>of potential risks in the working environment and understanding of possible aggressive behaviors and the methods to cope it, psychological counseling and emotion management, incident investigation and interview skills, etc.</p> <ul style="list-style-type: none"> <li>Issue trainings on the unlawful infringement prevention behaviors and publish documents on grievance process and punishment rules to consultation to alleviate employee stress and frustration.</li> <li>Announced the "Statement of Prohibiting Unlawful Infringement in the Workplace" and the "Unlawful Infringement Prevention and Management SOP", set those courses unlawful infringement grievance channels and management procedures, and trainings and promotion materials which are related to the laws and prevention measures, and medical consulting service information.</li> </ul> |
| Remediation         | <p><b>Humane Treatment (including unlawful infringement and sexual harassment):</b></p> <ul style="list-style-type: none"> <li>grievance mechanism, track the effective implementation of disciplinary and counseling measures, and adjust the corresponding internal management mechanisms and compensation at the same time.</li> <li>Provide clinic physician consultation service and information to assist employees in psychological counseling and stress relief counseling.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Grievance Mechanism | USI provides internal reporting channels, including human resources mailboxes, employee complaint lines, and reporting mailboxes in all facilities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |



Note:

1. Working hours compliance rate = [1- (sum of the monthly employees who work more than 60 hours per week ÷ sum of employees at the end of each month)] × 100%



litigation cases and 11 internal complaints. For the external cases, they were 1 closed win case involving occupational accident compensation disputes and 8 labor relations termination cases of the Huizhou Facility relocation. Internal complaints consisted of 4 harassments, 6 inappropriate management, and 1 case of disablement to use the attendance system. Regarding the failure using system case, we trained the employee to use the system and paid for the shortfall fee, so the

contacted by others against his or her will in the workplace, making the complainant feel offended.

investigation team process and collect statements with a manner of protecting privacy of both

employees underwent, we keep communicate and act actively to improve working conditions and provide employees with mental health counseling services for psychological reconstruction, work

facility where sexual harassment cases occurred, in 2023, after completing the sexual harassment handles, we delivered the harassment law propaganda, complaint process, and skills in handling such incidents in the management symposium with the General Manager of the Facility. Reiterate

participated in the training, with 1,513 training hours.

### Sexual Harassment Case Handling and Remediation Principles

#### Punishment

- For those who constitute sexual harassment cases, the Disciplinary Committee will make a punishment decision based on the violation and the Working Rules

#### Counseling

- provide psychological and medical consultation referrals, and provide HR assistance in adjusting work or units if necessary

#### Remediation

- Review the cause and track the effectiveness of the counseling or punishment, and adjust the system to avoid the occurrence of a similar incident or retaliation

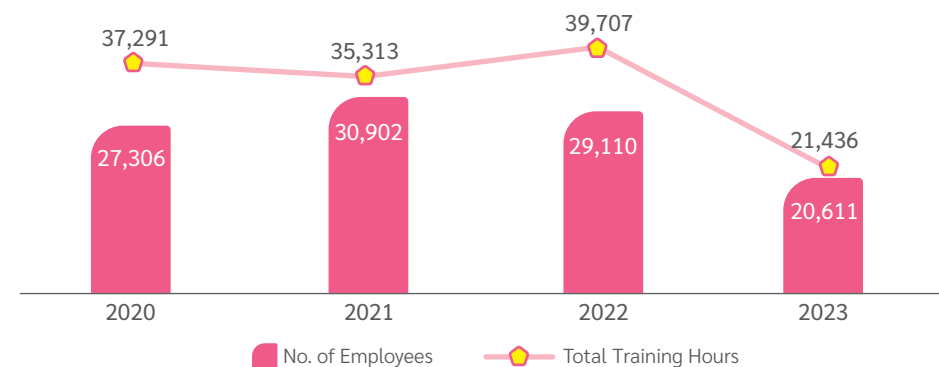
## Human Rights Training

USI continuously pays attention to human rights protection issues, promotes relevant training, and enhances human rights protection awareness to reduce the possibility of related risks. Every

learning" training videos for employees to learn during their fragmented time. In 2023, the per

employees have completed human rights training based on the training schedule.

### Human Rights Training Participants and Training Hours



## Employee Rights

USI complies with the employee human rights and labor laws in the country or jurisdiction where the Facility is located. All employees signed employment agreements with USI in compliance

obligations of both labor and the Company to protect and urges both parties to abide by it. When

the company shall inform the affected employees in advance per local laws and regulations of the notice period and explain their due rights and interests to them. In addition, the company will also try its best to assist employees to change jobs. As the Nantou Facility did, the Company will

Agency to provide employees with working competency training information, collect job information in neighboring areas, and assist employees in changing jobs.

Note:

- Notice period: Mainland China Facilities: employees should be notified at least 30 days in advance; Nantou Facility: employees should be notified at least 10 days in advance; Mexico Facility: employees should be notified at least 7 days in advance; Vietnam Facility: employees should be notified at least 3 days in advance.



All Facilities have formulated work rules to ensure that employees are aware of their relevant rights and obligations. For example, Nantou Facility clearly stipulates various employee rights in the Employee Work Rule, including appointment, resignation, working hours, vacations, bonuses, insurance, bulletin board, or conspicuous place in the workplace. Every Facility has Recruitment Guidelines that

from physical or mental harm while employees conduct their jobs.

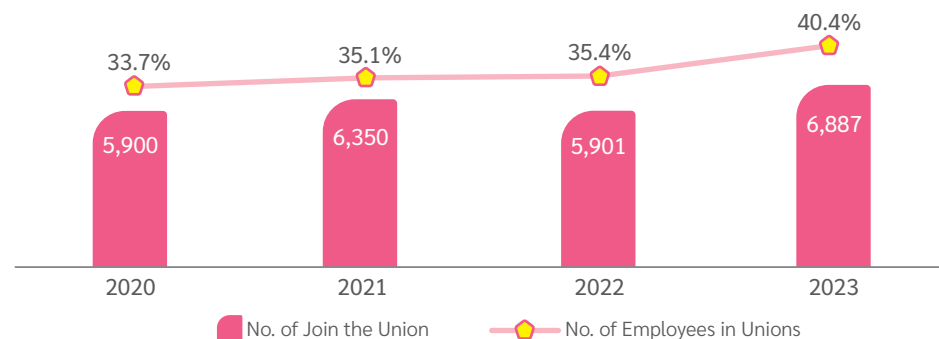
## Employee Unions

conduct collective consultations in accordance with relevant legal provisions. USI will not interfere in any way with the establishment, operation, or management of trade unions. USI will maintain smooth communication channels with the trade union, implement the matters related to employment, wage, and termination, and the regulations on employee health, safety, and sanitation, so that both labor and management can abide by them and form a labor union atmosphere for stable development. Now, except for the Nantou Facility and the Vietnam Facility, which have not established trade unions,

established their trade unions, and group agreements are signed with the trade unions. Employees

coverage rate is around 57% employees, there was no strike, which resulted from major labor disputes or work stoppages.

### The Proportion of Employees Participating in Trade Unions



## Talent Attraction and Retention

An inclusive work environment allows everyone to feel respected and supported, making

As USI expands worldwide, creating a workplace that grows with a multicultural culture,

## Workforce Structure

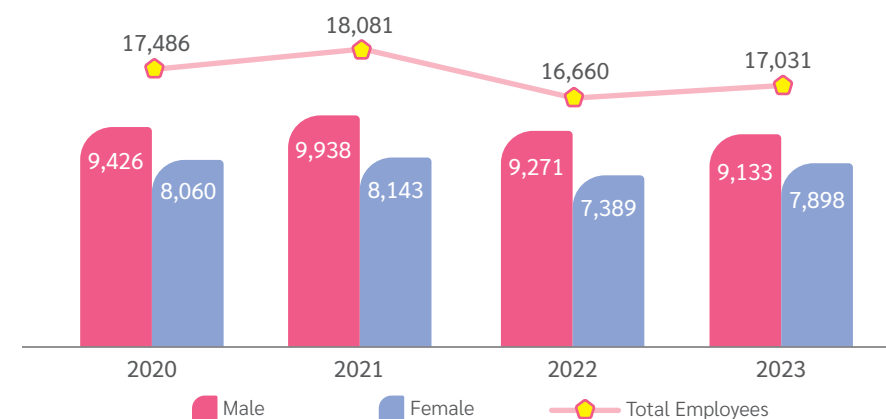
As of the end of 2023, the seven major manufacturing facilities covered by this report

were in management, 3,266 were in technical positions, 2,234 were in administrative

by locations, there were 8,660 employees in Mainland China, 4,138 employees in

Sustainability Data – Social A. Workforce Structure information.

### Employee Headcount

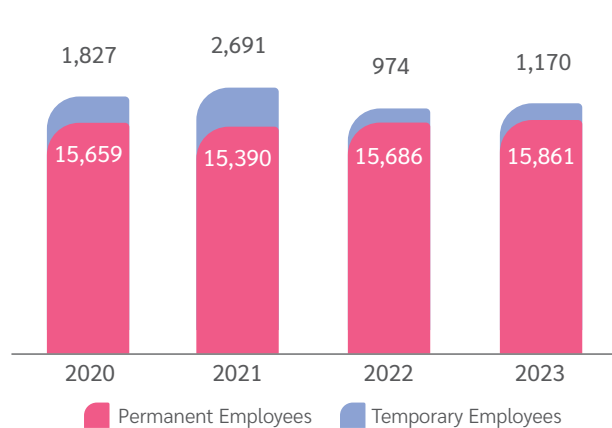


Note:

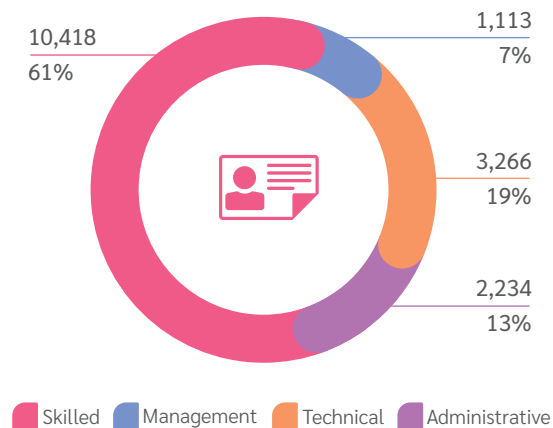
1. Group agreement coverage rate = number of employees participating in the labor union in the facility ÷ number of employees in the facility at the end of the period × 100%



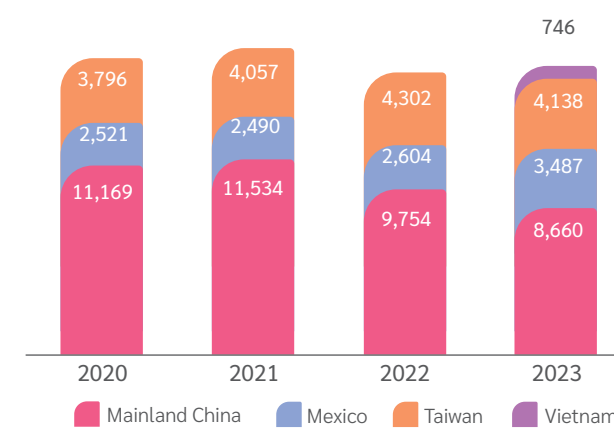
## Permanent/Temporary Employees <sup>(1)</sup>



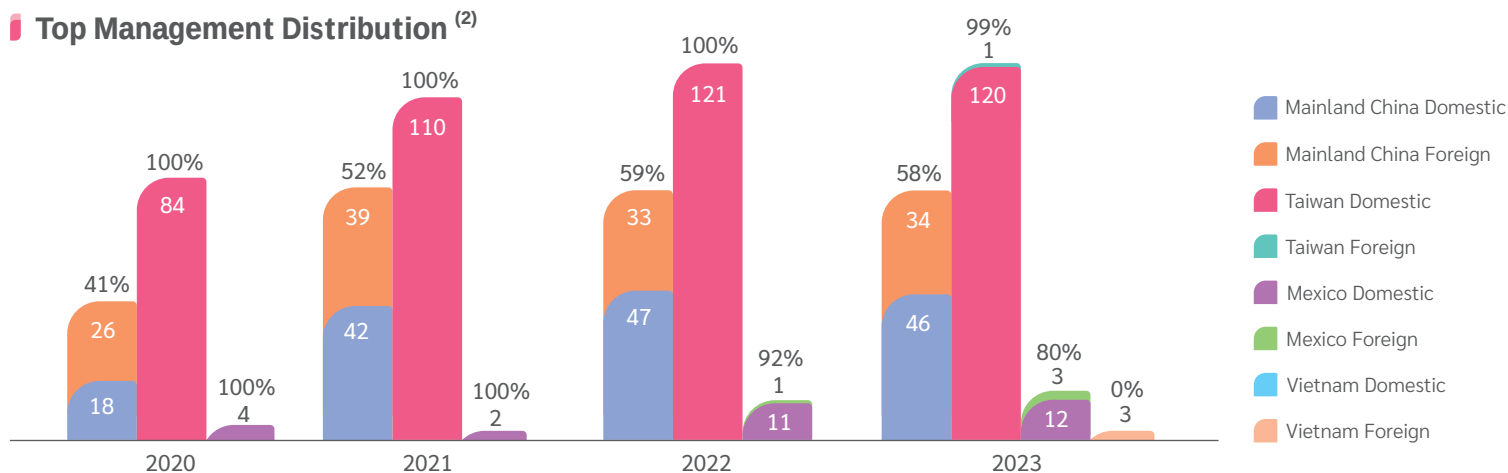
## Job Category Distribution



## Geographic Distribution



## Top Management Distribution <sup>(2)</sup>



Note:

1. Permanent (regular) employees refer to employees who have signed an indefinite labor contract with the company. Temporary employees refer to employees who sign a fixed-term labor contract with the company and are also called contracted employees. Permanent/regular/temporary/contracted employees are full-time employees.
2. The proportion of domestic top management position = No. of domestic top managers in the Facility ÷ No. of all top managers in the Facility × 100%



talents in a diverse and inclusive workplace. As of the end of 2023, female employees accounted

proportion of females in top management positions has increased yearly since 2018. We shall cultivate more female employees who can serve in top management positions. We are working towards having 25% females in top management by 2028, allowing more females to participate

## Gender Diversity Indicators

| Diversity Indicators (%)                                                   | 2020  | 2021  | 2022  | 2023  |
|----------------------------------------------------------------------------|-------|-------|-------|-------|
| Females in total employees                                                 | 46.1% | 45.0% | 44.4% | 46.4% |
| Females in management positions                                            | 23.6% | 22.6% | 23.1% | 23.6% |
| Females in junior management positions <sup>(1)</sup>                      | 26.2% | 25.9% | 25.6% | 24.3% |
| Females in middle management positions <sup>(2)</sup>                      | 23.5% | 20.3% | 21.8% | 24.8% |
| Females in top management positions <sup>(3)</sup>                         | 12.9% | 17.6% | 19.2% | 20.1% |
| Females in revenue-generation function management positions <sup>(4)</sup> | 45.5% | 47.9% | 50.0% | 50.6% |
| Females in STEM job positions <sup>(5)</sup>                               | 22.3% | 22.1% | 21.7% | 21.8% |

We actively solve the employment problem of local citizens and people with disabilities across

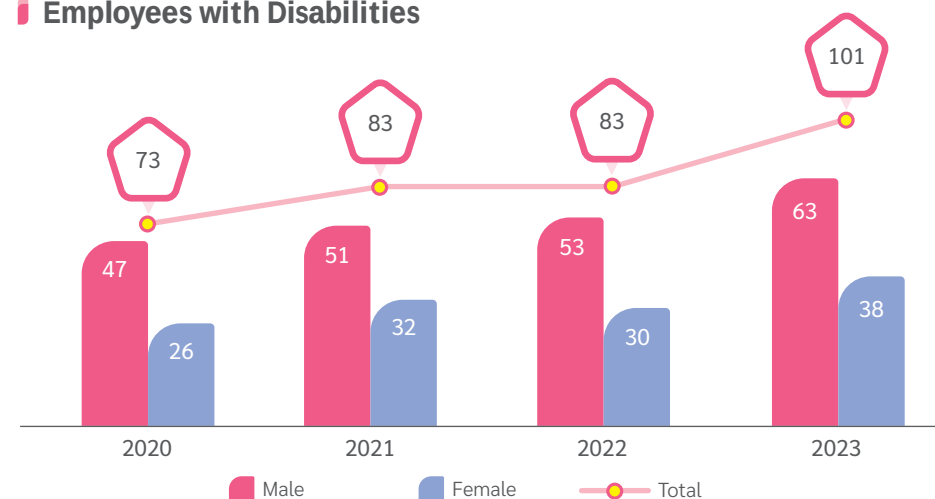
95% of employees are local citizens where the facilities were located. Over the years, the proportion of local employees promoted to management positions has increased to 94%. In addition, we strive to tailor jobs suited for our disabled employees, so they have a greater sense of job accomplishment. In 2023, 101 disabled employees were hired worldwide, accounting for approximately 0.6% of the total employees. We are willing to create more job opportunities to hire more people with disabilities and hope to employ 200 disabled people by 2028.

Note:

1. The junior management positions refer to section and sub-section heads.
2. The middle management positions refer to department heads.
3. The top management positions refer to the division heads and above.
4. Revenue-generating functions: sales function, excluding support functions such as HR, IT, and Legal.
5. STEM refers to personnel with job functions related to science, technology, engineering, and mathematics fields.



## Employees with Disabilities



## Recruiting the Right Talents

USI recruits suitable professionals based on business development goals and competencies. After receiving approved personnel demands, the recruiting department analyzes the labor market and plans various recruitment channels and employment models. We openly recruit talents through

academic internship programs, corporate sharing sessions, online recruitment, and multimedia

customers and diverse market needs.

In 2023, USI recruited 9,499 new employees, including 8,949 direct employees and 550 indirect employees

integrate into the Company. We have a complete welfare system, a comfortable and convenient

the loss of human capital.

analyzing the termination reasons of DL and IDL, we conduct corresponding improvement measures and propose a retention plan to reduce employee turnover.

the IDL turnover rate was 12.6%. USI has been established for nearly 50 years, so 49 employees were eligible and have retired this year. In addition to the need to strengthen the internal interaction of the new employees due to the relocation of the Huizhou Facility and the expansion of the Nantou Facility and Mexico Facility, each facility has launched corresponding improvement plans in response to the reasons for employee resignation. Regarding DL turnover, we strengthen the supervisory workforce arrangement ability by training, encouraging DL to participate in skills training, or

## Comprehensive Compensation System



### USI Compensation Philosophy

- ◆ Company, formulate the differences between each position, and maintain the balance of paying salaries.
- ◆ talents.
- ◆ Provide employees fair and reasonable treatment and adjust the salary as responsibilities are enriched.
- ◆ the changes in the organization.

gender, religion, politics, and marital status. We provide

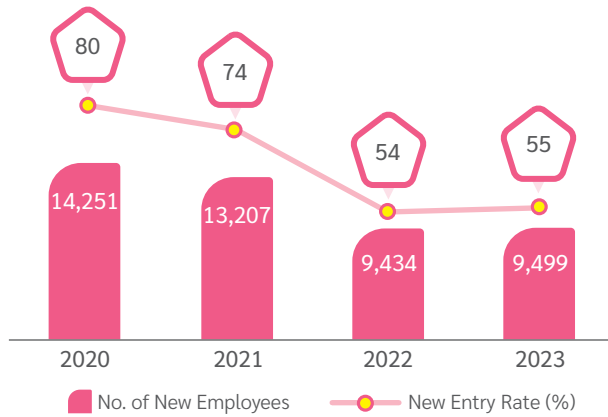
a fair, reasonable, and motivated salary assessment system. After

be given reasonable and substantial returns that are monthly job  
, employee stock options, and

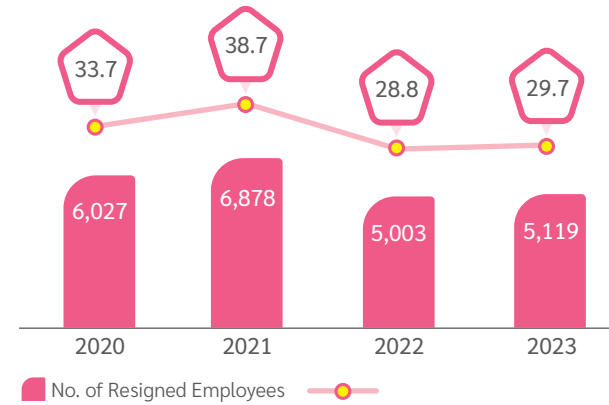
known public salary surveys held by local business consultants and regional salary associations to evaluate the overall economic indicators and market salary standards, external competitiveness of talents, and labor market supply and demand conditions to

compensation is competitive in the talent market.

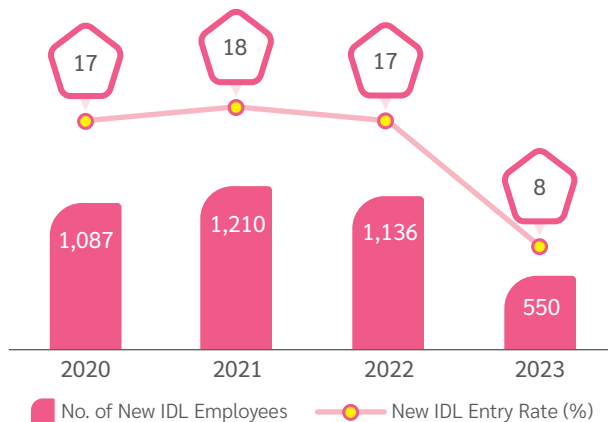
### Overall Number and Ratio of New Hires



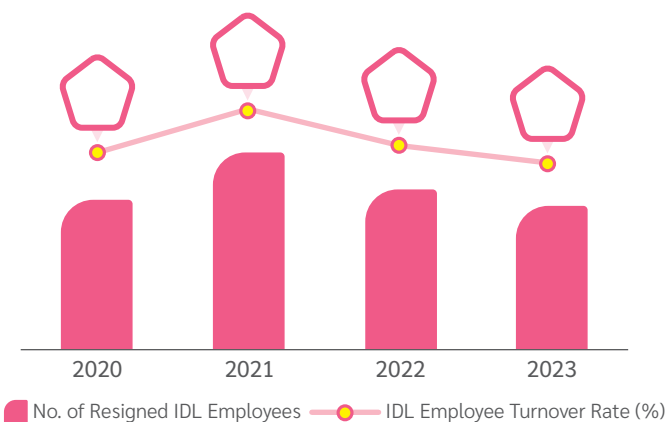
### Overall Turnover Numbers and Rates



### Number and Ratio of New IDL Employees



### IDL Turnover Numbers and Rates



Note:

1. Equity incentive plan: refers to the purpose of attracting, retaining and motivating employees, while meeting both the official Company annual goals (return ratio on net assets is not less than 10% and the GHG emissions reduction is not less than 3,752.5 metric tonnes) and the employee individual performance rating requirement, then under the stock exercising condition, the incentive objectives (i.e., the Company's core business mid-level managers and technical employees, as well as relevant employees deemed by the Board of Directors to need incentives) have the right to exercise their eligible shares within the validity period to purchase Company stock at a price. In 2023, employees who are not executives and are eligible to exercise their incentives accounted for 22% of all employees.





## Employee Benefits

Considering the different needs of all employees around the world in terms of food, housing, education, entertainment, transportation, and physical and mental health, USI provides employees with considerate welfare systems and insurance plans, provides facilities for physical and mental development, and designs various

employment relationship with USI can also have a balanced life with their families while working. For more details, please refer to [Sustainability Data – Social H. Comprehensive Welfare System](#).

## Flexible Working Hours

in different business hours or time zones. If any employee has the need for family care or takes an education, an employee can apply for a change of working hours after obtaining the approval of the supervisor.

## Distanced Working (Working from Home)

implemented a remote working model. Employees can comply with the "Global

around the world were applying to work remotely.

## Physical and Mental Health Management

USI implements an employee assistance program to help employees adjust to work

provide psychological counseling services. We organize physical and mental health lectures and activities, hold art appreciation events, and see movies to manage work stress through multiple channels. Simultaneously, USI provides event venues and subsidizes various sports clubs to hold activities. It encourages employees to exercise for good physical health.

## Employee Support Programs

|                   |                                           |                                                                                                                                                                                                                                                   |
|-------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employee Benefits | Workplace stress management               | <ul style="list-style-type: none"> <li>Conduct stress adjustment surveys, provide psychological counseling services, lectures and activities on physical and mental health, art, culture &amp; movie appreciation</li> </ul>                      |
|                   | Sport & health initiatives                | <ul style="list-style-type: none"> <li>Sports activities: the Company subsidizes various sports associations to organize activities and activity venues</li> <li>medical staff to provide free medical consultation</li> </ul>                    |
| Work Conditions   | Flexible working hours                    | <ul style="list-style-type: none"> <li>Set multiple working periods for one shift, for example: take care of their families or study can also apply to work in the approved time period that works for their multiple responsibilities</li> </ul> |
|                   | arrangements                              | <ul style="list-style-type: none"> <li>Set Global Remote Work Guidelines that provides subsidies employees who apply to work from home</li> </ul>                                                                                                 |
| Family Benefits   | Childcare facilities or contributions     | <ul style="list-style-type: none"> <li>childcare service contractors</li> </ul>                                                                                                                                                                   |
|                   | Breastfeeding room                        | <ul style="list-style-type: none"> <li>Breastfeeding leave: 60 minutes of breastfeeding time per day</li> </ul>                                                                                                                                   |
|                   | Maternity leave, pregnancy checkups leave | <ul style="list-style-type: none"> <li>Maternity leave: Mainland China Facilities: more than 22 Vietnam Facility: 26 weeks</li> <li>Pregnancy checkups leave: Mainland China Facilities: 4 hours</li> </ul>                                       |
|                   | Paternity leave, parental leave           | <ul style="list-style-type: none"> <li>Paternity leave: Mainland China Facilities: 15 days for giving accompany</li> <li>Facility: 20 days a year</li> </ul>                                                                                      |





## Employee Retirement Plan

USI and its subsidiaries provide pension insurance and elder insurance in accordance with the retirement laws and regulations of each business location. Employees who meet the statutory retirement conditions can apply for retirement to withdraw pensions or apply for elder annuities in accordance with the law. In 2023, there were 28 retired employees at the Nantou Facility, 11 at the Mainland China Facilities, and 10 at the Mexico Facility, for a total of 49 retired employees. USI has allocated CNY 232,422,846.31 in total for the retirement programs of all facilities

### Nantou (Old System)

#### Legal compliance:

- In accordance with the Labor Standards Act, the retirement provision fund is submitted to the Labor

average salary in the six months before retirement multiplied by the seniority base.

#### Provision ratio:

- employer.

#### 2023 actual results:

- A total of CNY 15,524,339 was withdrawn from the retirement reserve fund, and the balance at the end was CNY 128,165,752.

### Mainland China, Nantou (New System), Mexico and Vietnam

#### Legal compliance:

- In accordance with local social insurance law, Mainland China Facilities and Vietnam Facility pay monthly deposit fees according to the corresponding proportion of the deposit base.

salaries.

#### Contribution ratio:

- 
- 
- 
- 

#### 2023 actual results:

- A total of CNY 216,898,508 was deposited to employee individual accounts.

## Work-Life Balance

Based on the three tenets of Health, Happiness, and Learning, USI sponsors various clubs every year to organize various activities and promote the physical and spiritual development of employees.

### Three Main Themes of Employee Activities



Note:

1. All facilities include Zhangjiang, Jinqiao, Huizhou, Kunshan, Nantou, Mexico and Vietnam Facilities, other manufacturing facilities, and sales offices.



families. We invite our employees and their families to participate in the activities, create a happy learning atmosphere, provide employees with spiritual joy, implement the purpose of "life skills, skills life". At the same time as joining those employee activities, we cultivate team

USI attaches great importance to employee health and actively promotes employees to build exercise habits by sponsoring the activities of 38 various clubs. We plan and improve various facilities, regularly hold various lectures, activities, and competitions. In 2023, USI has provided a total of approximately CNY 1.5 million and organized a total of 205 employee activities, with 28,870 event participants.



## Employee Activities



### Sporting Competitions

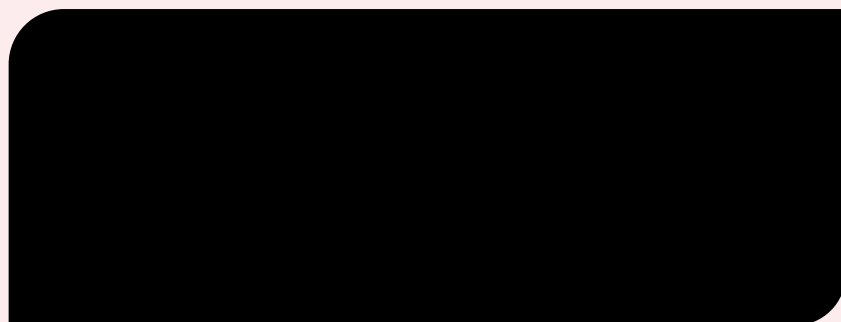
enrich their cultural life through physical exercise, technology, training, and competitive competitions.





## Art and LOHAS

Provide employees with various art and cultural activities to promote physical and spiritual exploration and growth.



## Energy Supplement

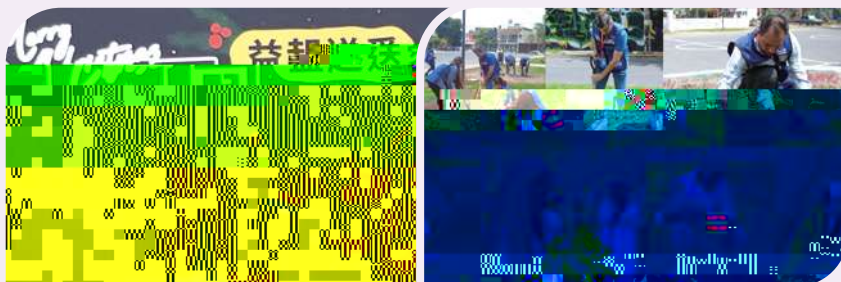
Provide employees with various talks and appreciation, DIY activities for energy.





## Warmth and Gratitude

Participate in social activities, offer blessings and care to colleagues and those who need help, gather solidarity among colleagues, show humanistic



Supervisors need to provide development suggestions and forced ranking results. According to the performance appraisal results, rewards, training plans, and various career development

and cultivated through an open and transparent promotion mechanism, providing higher responsibilities and compensation. Salary rewards motivate employees to achieve individual and

## Employee Performance Appraisal Types

| Types of PA                            | Target | Frequency    | Practices                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------|--------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agile Conversations                    | IDL    | all the time |  employees online by weekly or monthly regular reviews, or irregular reviews and provide employees timely guidance and feedback on a rolling basis.                                                                                                                                                                                                                                        |
| Management by Objectives and Ranking   | ALL    |              |  direct supervisor and agreeing with both parties, employees put their KPI based on this consensus. During the performance appraisal period, the supervisors provide their consultation and motivation to the employees to complete the assigned tasks. At the end of the appraisal cycle, the evaluation and forced ranking are conducted according to the achievement of each objective. |
| Team-based Matrix Management           | IDL    | all the time |                                                                                                                                                                                                                                                                                                                                                                                            |
| Multi-dimensional Management           | IDL    |              |  opinions, etc., and the judges jointly evaluate the individual performance from multiple angles. Supervisors need to provide development suggestions and forced ranking results.                                                                                                                                                                                                          |
| Multi-skilled Qualification Assessment | DL     | Quarterly    |                                                                                                                                                                                                                                                                                                                                                                                            |

### Employee and Distribution of Taking Regular Performance Appraisal and Competency Review<sup>(1~2)</sup>

# Employee Engagement Survey

offering others their work experiences and suggestions for improvement, and it also affects

In 2021, we implemented a new survey structure and measurement benchmark , adding the sustainable development index, which are the 3 categories of sustainable engagement, retention rate, and ESG, in the participation survey, which can listen to the voices of employees

attracting and retaining talents.

According to the results of the 2023 employee engagement survey, the overall employee engagement was 80%. We had higher engagement with our employees in three aspects of team

| Items \ Year      | 2019   |        | 2021   |        | 2023   |        | 2025   |
|-------------------|--------|--------|--------|--------|--------|--------|--------|
|                   | Target | Result | Target | Result | Target | Result | Target |
| Engagement (%)    | 75     | 77     | 80     | 84     | 83     | 80     | 85     |
| Data coverage (%) | 80     | 76     | 80     | 89     | 85     | 83     | 85     |

We also used the employee wellbeing measurement index developed by the University of

Note:  
1. Measurement: the survey is on a 5-point scale, and the results are calculated based on the sum of two positive evaluations of Strongly Agree (5) and Agree (4).

## Human Capital Development

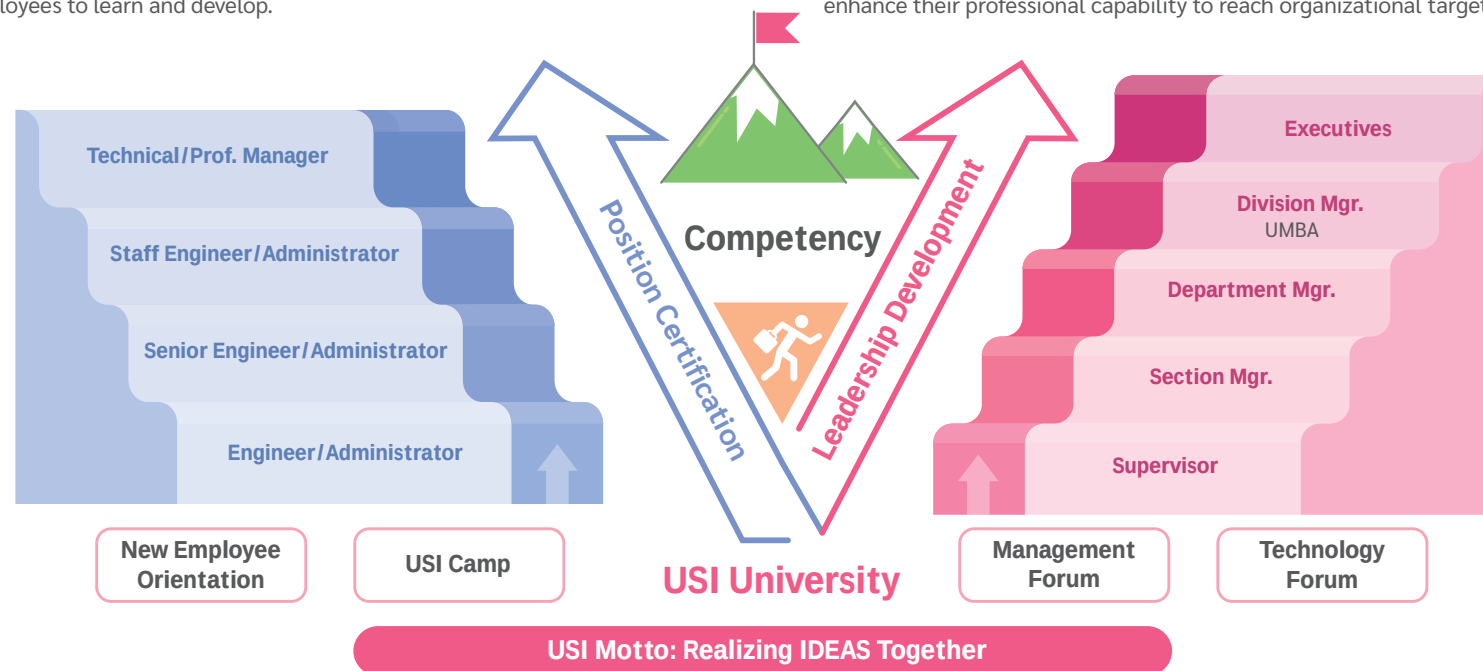
learning organization culture to provide employees with the most appropriate resources and effective learning models, helping them to enhance themselves and show their value in relevant expertise.

### Dual Career Ladder

president, and the deans of each college and General Knowledge Center are served by vice resources for employees to learn and develop.

USIU provides a holistic learning and development framework for employees to actively retain talents by strengthening the "Dual Career System" of management and professional positions. With a mission of realizing high operational performance, USIU establishes an innovative

management, and innovative research and development capabilities inside the organization. It has targeted employees with different competences to plan various employee training and courses, provide them with a complete learning platform, help them to solve work issues, and enhance their professional capability to reach organizational targets.



Note:

1. UMBA, USI Master of Business Administration  
2. MTP, Manager Training Program

3. MIT, Manager Initial Training  
4. TWI, Training Within Industry for Supervisors



trained for 24.5 hours

Training Statistics by Employee Category

| Category                | 2023                 |                        |
|-------------------------|----------------------|------------------------|
|                         | Total Training Hours | Average Training Hours |
| Male                    | 252,436              | 27.6                   |
| Female                  | 164,983              | 20.9                   |
| Management Position     | 34,349               | 30.9                   |
| Technical Position      | 138,562              | 42.4                   |
| Administrative Position | 38,386               | 17.2                   |
| Skilled Position        | 206,122              | 19.8                   |
| New Employees           | 159,347              | 16.8                   |
| Total Employees         | 417,418              | 24.5                   |

Training Statistics by Topic



Note:  
1.Average training hours = total training hours ÷ total employee headcount at the end of the year

table.

Employee Training Hours



## Strengthen Employee Sustainable Employment Ability and Lifelong Learning Program

skill are no longer enough to meet the working demands. USI has, therefore, continuously

future. Starting from 2018, Zhangjiang, Kunshan, and Mexico Facilities have invited local colleges

employees can avoid the commuting trouble and make the best use of their time to get a high

have been supported to obtain academic degrees, and a total of 155 employees have been

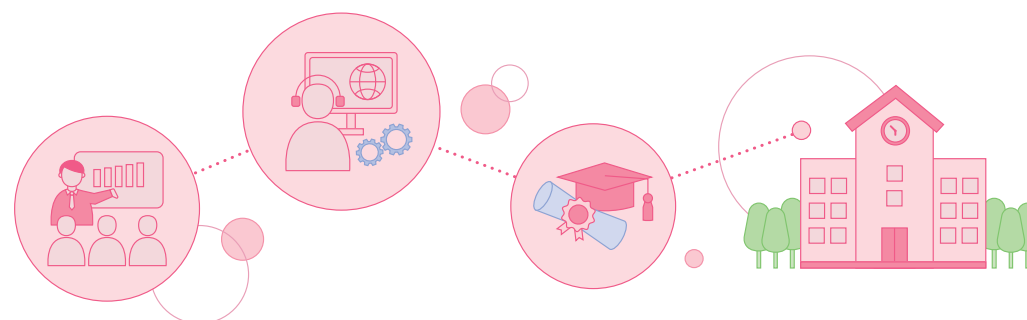
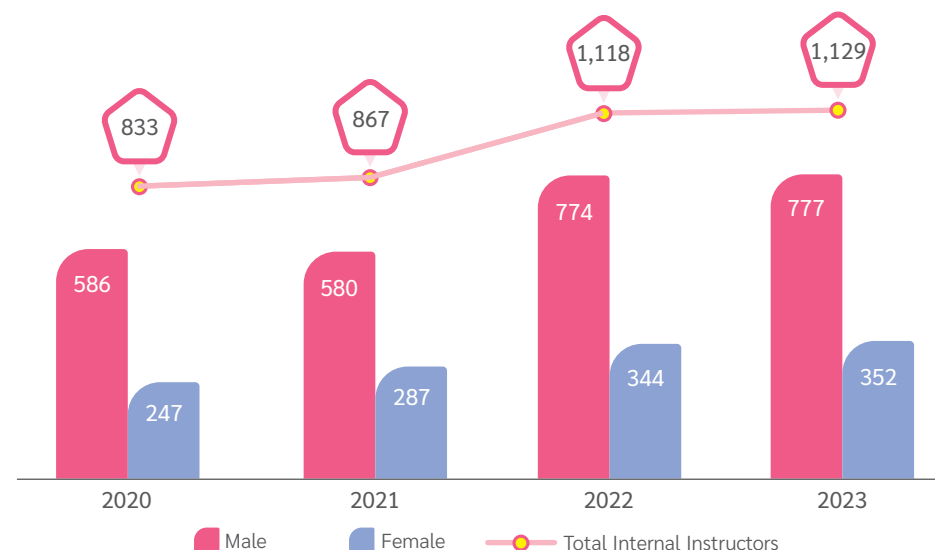
majors are shown as follows:

| Category         | Masters                                         | University                                                                                                                                                                                                                                                                                                                                               | College                                                                               | High School |
|------------------|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------|
| No. of employees | 2                                               | 56                                                                                                                                                                                                                                                                                                                                                       | 62                                                                                    | 35          |
| Major            | Business administration, electrical engineering | Information engineering, environmental design, computer science and technology, human resources management, business administration, exhibition economics and management, administrative management, transportation, automobile application engineering, internet of things engineering, visual communication design, advertising, logistics management, | Business management, visual communication design and production, logistics management | None        |

## Internal Instructor Training Program

to serve as lecturers, forming a good knowledge inheritance culture, and giving full play to

global competitiveness. By the end of 2023, 1,129 instructors have passed the internal instructor program.



SDGs ▶



Key Stakeholders: Employees, Communities, Industry Unions/Associations



## Sustainable Issue Performance and Targets



Material Issue



Achieved



Not Achieved

| Management Purpose                                                                                                          | KPI                                                                                                                                                                                                                                                                                                                                                                                               | 2023 Target                                  | 2023 Performance                                 | Status | 2024 Target                                  | 2028 Target                                  |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------------------|--------|----------------------------------------------|----------------------------------------------|
| <b>Social Involvement</b><br><br>Effective management of social activities investment to maximize social value for both the | <b>Management Approach:</b> Focus investment in accordance with the USI Public Affairs Engagement Policy and encourage employees to volunteer in social activities through the Corporate Volunteer Regulations.<br><b>Evaluation Mechanism:</b> Adopt the LBG framework and SROI methodology to assess social activities input, output, and outcome, and adjust investments to create more value. |                                              |                                                  |        |                                              |                                              |
|                                                                                                                             | ▶ Rural area reading activities                                                                                                                                                                                                                                                                                                                                                                   | ▶ Hold 6 reading activities in rural areas   | ▶ Held 6 reading activities                      |        | ▶ Hold 6 reading activities in rural areas   | ▶ Hold 6 reading activities in rural areas   |
|                                                                                                                             | ▶ academic partnerships                                                                                                                                                                                                                                                                                                                                                                           | ▶ academic partnerships                      | ▶ academic partnerships                          |        | ▶ academic partnerships                      | ▶ Conduct 2 research partnerships            |
|                                                                                                                             | ▶ Number of interns                                                                                                                                                                                                                                                                                                                                                                               | ▶ Admit 30 interns                           | ▶ Admitted 106 interns                           |        | ▶ Admit 60 interns                           | ▶ Admit 200 interns                          |
|                                                                                                                             | ▶ Number of USIU classes shared                                                                                                                                                                                                                                                                                                                                                                   | ▶ Share 20 USIU classes                      | ▶ Shared 20 USIU classes                         |        | ▶ Share 25 USIU classes                      | ▶ Share USIU 40 classes                      |
|                                                                                                                             | ▶ Number of students revitalization programs                                                                                                                                                                                                                                                                                                                                                      | ▶ Support 1,100 rural students               | ▶ 2,732 students supported through 6 programs    |        | ▶ Support 1,500 rural students               | ▶ Support 2,000 rural students               |
|                                                                                                                             | ▶ Number of volunteers                                                                                                                                                                                                                                                                                                                                                                            | ▶ Reach 500 volunteers                       | ▶ Reached 535 volunteers                         |        | ▶ Reach 500 volunteers                       | ▶ Reach 2,000 volunteers                     |
|                                                                                                                             | ▶ Number of art groups supported                                                                                                                                                                                                                                                                                                                                                                  | ▶ Support 3 art groups                       | ▶ Supported 4 art groups and 10 artists          |        | ▶ Support 3 art groups                       | ▶ Support 3 art groups                       |
|                                                                                                                             | ▶ Number of trees planted                                                                                                                                                                                                                                                                                                                                                                         | ▶ Plant 14,000 trees in the Corporate Forest | ▶ Planted 21,268 trees                           |        | ▶ Plant 14,000 trees in the Corporate Forest | ▶ Plant 14,000 trees in the Corporate Forest |
|                                                                                                                             | ▶ Amount of trash picked or reduced                                                                                                                                                                                                                                                                                                                                                               | ▶ Pick up or reduce 200 kg of trash          | ▶ Reduced 35,040 kg of trash after waste sorting |        | ▶ Pick up or reduce 300 kg of trash          | ▶ Pick up or reduce 1,000 kg of trash        |
|                                                                                                                             | ▶ Number of environmental seminars held                                                                                                                                                                                                                                                                                                                                                           | ▶ Hold 2 environmental seminars              | ▶ Held 2 environmental seminars                  |        | ▶ Hold 2 environmental seminars              | ▶ Hold 5 environmental seminars              |



## Investing in Education

enterprises. Reading is the groundwork for accumulating innovative capabilities. As part of the Investing in Education strategic pillar,

Culture Foundation and its Philanthropic



## USI University Courses & Industrial-Academic Partnerships (Global)

USI has always emphasized employee training and passing down knowledge. Internal lecturers from USI University cooperate with industrial guilds, associations, and universities provided

sharing, creating harmonious labor relations, DISC personality analysis and communications,

industry peers and hold career planning courses to help university students grasp the job market. We shared 20 courses that totaled 1,392 hours of lessons in 2023, contributing to enhancing youth employability.

Also, to put academic theory into practice, USI provides internship opportunities in Zhangjiang,

the gap between school and work after graduation. In 2023, 106 students interned in our internship programs. In addition to internship opportunities, Nantou Facility partnered with

### USI University Courses (Global)

| Facility   | Course Name                                             |
|------------|---------------------------------------------------------|
| Zhangjiang | <div><div></div><div></div><div></div><div></div></div> |
| Huizhou    | <div><div></div><div></div></div>                       |
| Kunshan    | <div><div></div><div></div><div></div><div></div></div> |
| Nantou     | <div><div></div><div></div><div></div></div>            |

# Contributing to Society

## Rural Revitalization

Philanthropy, and Heartfelt Wish Activities, assisting 2,732 students in need.

### Rural Digital Education Program (Zhangjiang Facility)

USI believes in tech for good and thus focuses on bridging the computer education gap by enriching tech resources and supporting local education in remote areas in response to the United Nations digital literacy advocacy initiative and rural revitalization efforts.

support for 8 schools and held mini typing competitions to encourage and strengthen what they learned. We added 2



## Western Region Student Aid Program (Zhangjiang Facility)

USI believes that the merit of investing in education lies in

students from rural areas such as Yunnan and Sichuan

Program to ensure their opportunities for education and growth.

## Shanghai Song Ching Ling Foundation Mother's Home Program (Zhangjiang Facility)

help schoolchildren obtain necessities and learning supplies.

## Kunshan Charity Foundation "Embracing Autistic Kids", "Lucheng Philanthropy", and "Heartfelt Wish" Activities (Kunshan Facility)

be affected. With love in our hearts, we participated in the Embracing Autistic Kids and Lucheng Philanthropy Activities and donated supplies for 60 profoundly disabled children, and vulnerable people in need. Also, we continued to participate

children students in economically disadvantaged areas.

## Social Inclusion

Our mission is to give back to the community by gathering resources and encouraging employee participation in community

### Accompanying Disadvantaged Children to Grow Up Happily (Nantou and Vietnam Facilities)

Every child has the right to education and is expected to grow up happily. USI encourages outstanding students with scholarships and school supplies, while USI volunteers not only lead guided tours of the Museum of Natural Science for

underprivileged children to accompany them in their studies, but also organize watching baseball game outings and Christmas parties to enrich the lives of children at the Nantou Home for Children, brightening up every moment of their childhoods.

### Caring for Seniors in our Communities (Kunshan, Nantou, and Mexico Facilities)

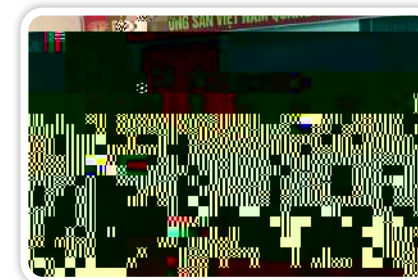
As society ages, addressing the challenges of senior care and loneliness

organized meal donations for vulnerable seniors. Also, for Double Ninth Day, we organized supplies donation for senior homes to show our respect for elders and make their lives more comfortable. We also have a volunteer team that visits retirement homes to

the ASE Cultural and Educational Foundation, we organize the Senior LOHAS Program, offering healthy exercises, educational games, and lively chats with peers and college students to promote active aging



After School Care for Disadvantaged Children



Scholarship for Cat Hai High School  
Disadvantaged Students

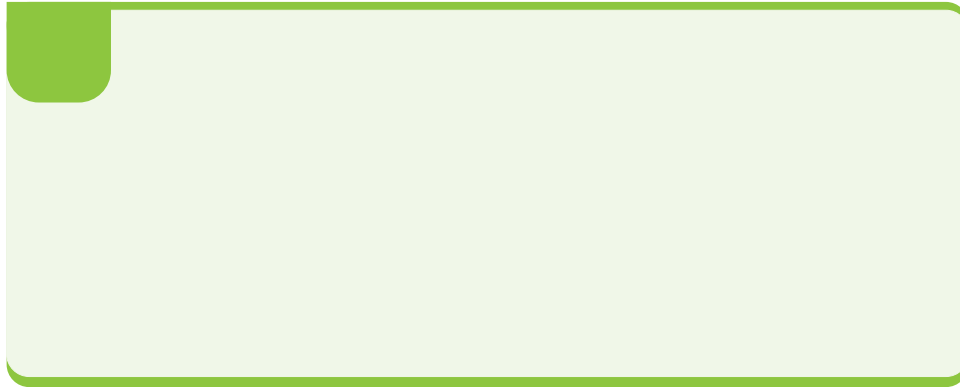


Senior Home Visitation



Senior LOHAS Program

## Conserving the Environment



**Million Tree Project** (Global)

Campus LED Installation Project (Nantou Facility)



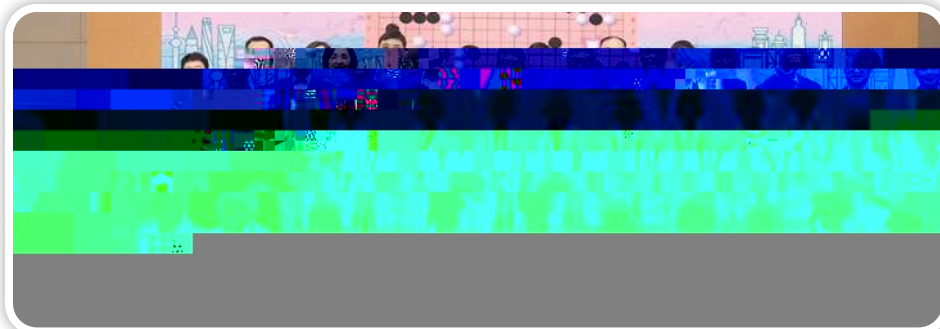


## Promoting Arts and Culture

### Sponsored Youth Go Competitions (Zhangjiang Facility)

USI continued to sponsor CNY 498 thousand in youth Go tournaments so evenly matched Go

skills and grow through such activities.



### Sponsored Cloud Gate Dance Theatre Annual Tour (Nantou Facility)

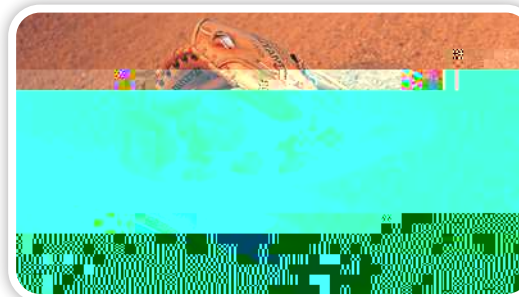
Since 2005, USI has annually supported the Cloud Gate Culture and Art Foundation as we

enjoy dancers expressing the joy of life and depth of culture through dance.



### Sponsored Cross-Strait Student Baseball League (Zhangjiang Facility)

and mingled through their shared enthusiasm and common language of baseball.



### Sponsored Ming Hua Yuan Theatre Performance (Nantou Facility)

social activities. In 2023, we continued supporting the Straw Crafts Culture Festival by inviting

2,000 locals came and enjoyed the traditional opera outdoors, keeping traditional culture alive.



# External Participation

As a global corporate citizen and leader in electronic design and manufacturing services, we recognize the need to be more visible in advocating key industry issues such as climate change, corporate sustainability, human rights, and supply chain resilience.

through the Public Affairs Engagement Policy. Organizations we choose to participate in are ones we share similar values with, and we regularly review our memberships for alignment on material issues, such as the Paris Agreement goals. Every year, the Senior Vice President

of public affairs engagement, reports review results to the Sustainability Committee. Where misalignments are found, the Committee reviews and deliberates whether to continue our membership.

USI actively participated in 40 industrial organizations and contributed CNY 450.4 thousand in 2023

networking events and serving important positions, USI keeps in touch with the industry and

### Zhangjiang Facility

Pudong Association of Foreign  
Investmen ●●●  
Shanghai Integrated Circuit Industry  
Association ●●●  
Pudong New Area Association of Work  
Safety ●●●

### Huizhou Facility

Shenzhen ●

### Kunshan Facility

Note:

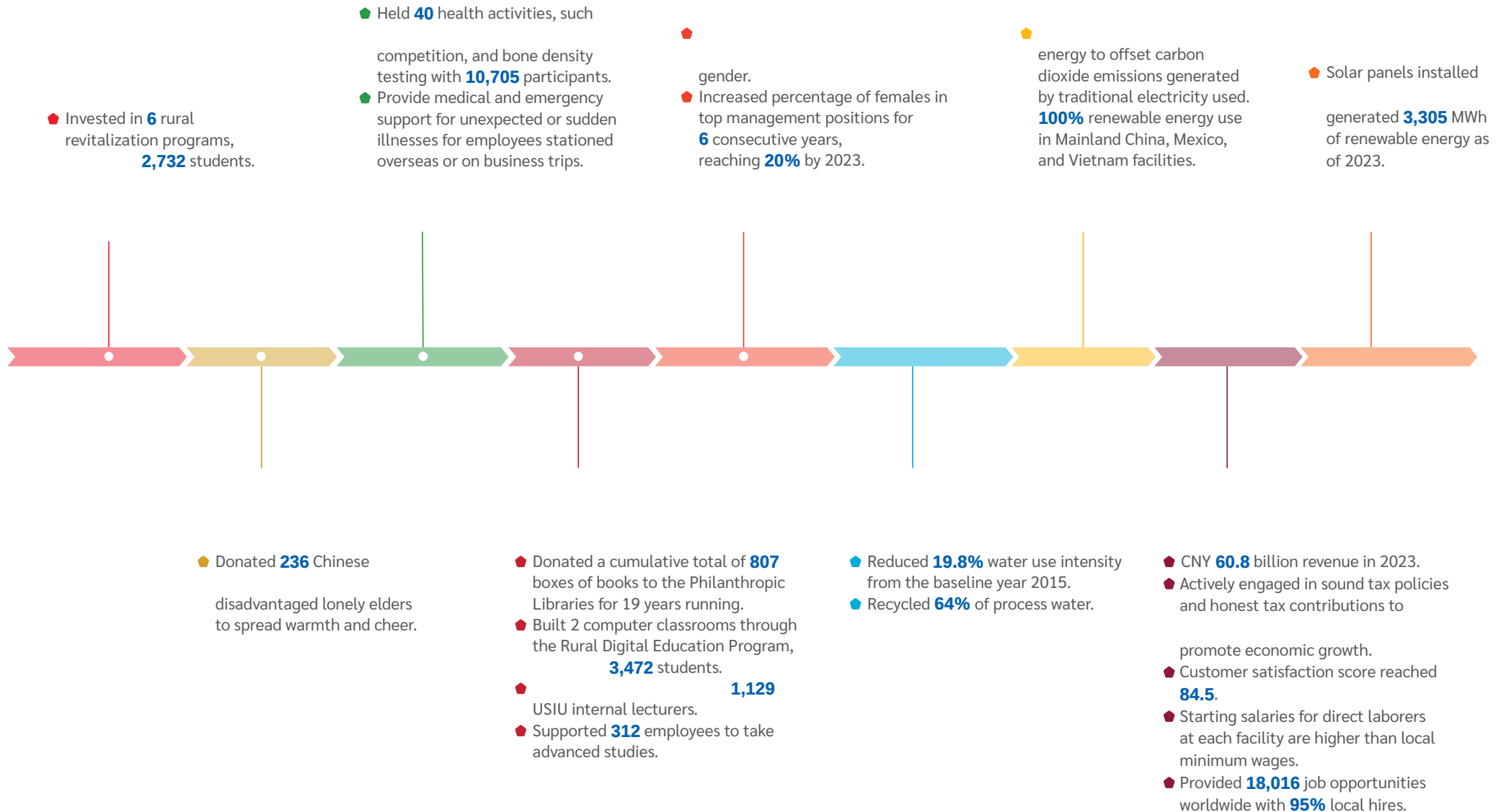
- Represents the position of Chairman/Vice-chairman
- Represents the position of Executive Director
- Represents the position of Director/Supervisor
- USI's Business Code of Conduct prohibits political participation through donations to lobbyists and political groups. And USI did not make any monetary contributions to political campaigns or organizations, lobbyists, or other tax-exempt groups whose role is to influence political campaigns or legislation.

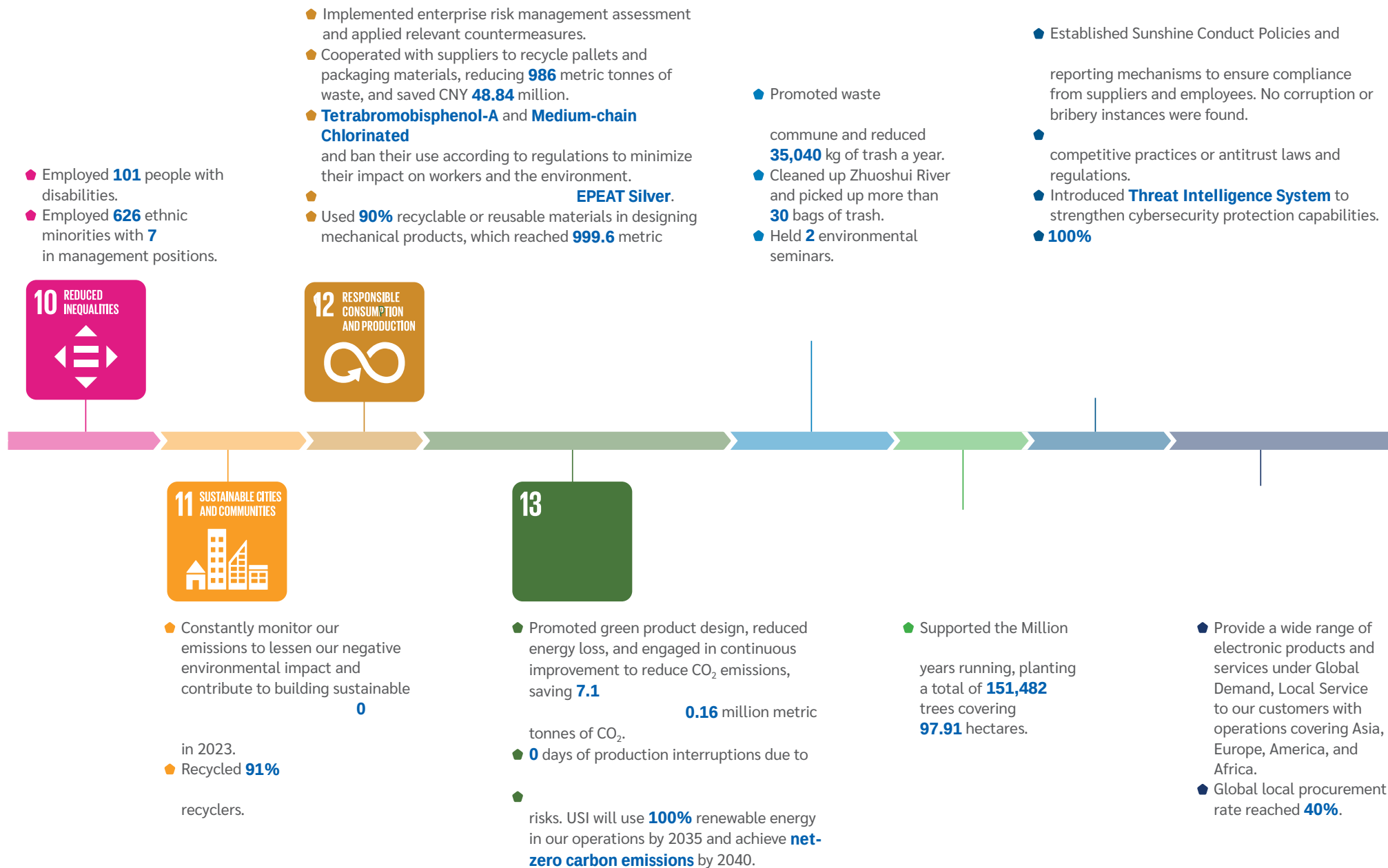
Examples of the associations actively involved in developing climate policy and advocacy are listed below:

- Responsible Business Alliance (RBA) and Responsible Minerals Initiative (RMI)**  
As a member of ASEH, USI joined the RBA and RMI in 2015. RBA is an industrial alliance implement it through annual RBA SAQ, internal audits, and 100% completion of RBA VAP. platform to disclose their results. For more information, please refer to the [Supply Chain Management](#) and [Human Rights Protection](#) sections.
- Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)**  
participates in and promotes energy saving and carbon reduction. USI responded by setting into our environmental management system. Please refer to the [Nature, Climate Change and Carbon Management](#) section for our performance and progress results.

# Appendix

## Contributions to the SDGs







## ESG Key Performance Data

### Environmental

| Renewable Energy Use                      | Unit                            | 2020          | 2021          | 2022          | 2023         |
|-------------------------------------------|---------------------------------|---------------|---------------|---------------|--------------|
| <b>USI Group</b>                          | %                               | 79.6          | 80.3          | 81.6          | 81.7         |
| <b>Mainland China Facilities</b>          | %                               | 100           | 100           | 100           | 100          |
| <b>Mexico Facility</b>                    | %                               | 21            | 31            | 50            | 100          |
| <b>Vietnam Facility</b>                   | %                               |               |               |               | 100          |
| <b>Nantou Facility</b>                    | %                               | 0             | 0             | 0             | 0            |
| GHG Emissions                             | Unit                            | 2020          | 2021          | 2022          | 2023         |
| <b>Scope 1</b>                            | metric tonnes CO <sub>2</sub> e | 6,802.39      | 4,592.71      | 5,385.74      | 5,265.23     |
| <b>Scope 2</b>                            | metric tonnes CO <sub>2</sub> e | 184,225.84    | 201,538.85    | 215,510.73    | 202,570.24   |
| <b>Scope 3</b>                            | metric tonnes CO <sub>2</sub> e | 16,722,053.37 | 12,980,878.70 | 10,473,941.30 | 7,883,729.04 |
| Water Resource Management                 | Unit                            | 2020          | 2021          | 2022          | 2023         |
| <b>Water withdrawal</b>                   | ML                              | 803.690       | 861.887       | 1,068.173     | 1,028.620    |
| <b>Recycled water</b>                     | ML                              | 179.145       | 236.972       | 307.539       | 232.938      |
| <b>Recycling rate</b>                     | %                               | 22.3          | 27.5          | 28.8          | 22.6         |
| Waste Management                          | Unit                            | 2020          | 2021          | 2022          | 2023         |
| <b>Hazardous waste generated</b>          | metric tonnes                   | 783.065       | 967.233       | 1,006.243     | 790.359      |
| <b>Non-hazardous waste generated</b>      | metric tonnes                   | 7,805.962     | 8,766.093     | 9,835.675     | 11,586.338   |
| <b>Non-hazardous waste recycled</b>       | metric tonnes                   | 7,079.345     | 8,115.463     | 9,097.263     | 10,599.595   |
| <b>Non-hazardous waste recycling rate</b> | %                               | 90.69         | 92.58         | 92.49         | 91.48        |

Note:

1. In 2023, both the water withdrawal and recycling rate proportionally decreased with the Company's revenue slight decline.



| Environmental Expenditures      | Unit | 2020       | 2021       | 2022       | 2023       |
|---------------------------------|------|------------|------------|------------|------------|
| <b>Total</b>                    | CNY  | 28,131,112 | 25,989,443 | 29,912,628 | 47,496,006 |
| <b>Operating cost</b>           | CNY  | 15,177,012 | 12,176,028 | 12,634,136 | 27,857,337 |
| <b>Upstream/downstream cost</b> | CNY  | 854,709    | 1,058,487  | 862,255    | 262,200    |
| <b>Management overhead</b>      | CNY  | 11,880,177 | 12,464,402 | 16,237,399 | 18,599,286 |
| <b>Social activities cost</b>   | CNY  | 219,214    | 290,527    | 178,839    | 777,183    |

## Social

|                                                                      | Unit | 2020   | 2021   | 2022   | 2023   |
|----------------------------------------------------------------------|------|--------|--------|--------|--------|
| <b>Number of employees</b>                                           |      | 17,486 | 18,081 | 16,660 | 17,031 |
| <b>Male</b>                                                          |      | 9,426  | 9,938  | 9,271  | 9,133  |
| <b>Female</b>                                                        |      | 8,060  | 8,143  | 7,389  | 7,898  |
| <b>Percentage of females in total workforce</b>                      | %    | 46.1   | 45.0   | 44.4   | 46.4   |
| <b>Employees in senior management positions (director and above)</b> |      | 132    | 199    | 213    | 219    |
| <b>Female employees in senior management</b>                         |      | 17     | 35     | 41     | 44     |
| <b>Percentage of females in senior management positions</b>          | %    | 12.9   | 17.6   | 19.2   | 20.1   |
| <b>Employees in management positions</b>                             |      | 1,082  | 1,091  | 1,061  | 1,113  |
| <b>Female employees in management</b>                                |      | 255    | 247    | 245    | 263    |
| <b>Percentage of females in management positions</b>                 | %    | 23.6   | 22.6   | 23.1   | 23.6   |
| <b>IDL employees promoted</b>                                        |      | 868    | 920    | 745    | 834    |
| <b>Female IDL employees promoted</b>                                 |      | 310    | 319    | 278    | 320    |
| <b>Employees with disabilities</b>                                   |      | 73     | 83     | 83     | 101    |



|                                                                | Unit  | 2020      | 2021      | 2022      | 2023      |
|----------------------------------------------------------------|-------|-----------|-----------|-----------|-----------|
| Average employee age                                           | year  | 31.6      | 31.7      | 33.0      | 33.8      |
| Average employee tenure                                        | year  | 4.7       | 4.8       | 5.2       | 5.4       |
| Employee turnover rate                                         | %     | 33.7      | 38.7      | 28.8      | 29.7      |
| Ratio of DL entry level wage compared to local minimum wage    |       | 1.00~1.10 | 1.00~1.08 | 1.00~1.09 | 1.00~2.51 |
| Employee engagement score                                      | %     |           | 84        |           | 80        |
| Return to work rate of employees that took parental leave      | %     | 100       | 68        | 68        | 79        |
| Retention rate of employees that took parental leave           | %     | 100       | 79        | 47        | 87        |
|                                                                | Unit  | 2020      | 2021      | 2022      | 2023      |
| Employees that complete the internal lecturer training program |       | 833       | 867       | 1,118     | 1,129     |
| Female internal lecturers                                      |       | 247       | 287       | 344       | 352       |
| Total cost of employee training and development                | M CNY | 4.2       | 28.9      | 17.1      | 10.4      |
| Coverage of employee training                                  | %     | 100       | 100       | 100       | 100       |
| Average training per employee                                  | hour  | 31.0      | 30.7      | 28.8      | 24.5      |
| Employees supported to take advanced studies                   |       | 43        | 73        | 24        | 155       |
| Human Rights                                                   | Unit  | 2020      | 2021      | 2022      | 2023      |
| Average human rights training per employee                     | hour  | 1.4       | 1.1       | 1.4       | 1.0       |
| Labor contract signage rate                                    | %     | 100       | 100       | 100       | 100       |
| Number of employee symposiums                                  |       | 216       | 116       | 140       | 167       |
| Employees in unions                                            |       | 5,900     | 6,350     | 5,901     | 6,887     |
| Percentage of union labor in workforce                         | %     | 33.7      | 35.1      | 35.4      | 40.4      |



| Occupational Health and Safety                            | Unit  | 2020      | 2021      | 2022      | 2023      |
|-----------------------------------------------------------|-------|-----------|-----------|-----------|-----------|
| Incidences of occupational disease                        |       | 0         | 0         | 0         | 0         |
| Work-related fatalities                                   |       | 0         | 0         | 0         | 0         |
| Amount invested in safety production                      | M CNY | 166       | 159       | 184       | 197       |
| Number of emergency drills conducted                      |       | 58        | 32        | 30        | 36        |
| Number of health and well-being activities held           |       | 53        | 42        | 51        | 40        |
| Number of participants in health and wellbeing activities |       | 13,701    | 13,028    | 8,611     | 10,705    |
| Number of doctor consultations held                       |       | 9,692     | 18,519    | 30,211    | 14,856    |
| Total hours consulted                                     | hour  | 9,140     | 9,558     | 9,777     | 9,720     |
| Social Involvement                                        | Unit  | 2020      | 2021      | 2022      | 2023      |
| Total amount of social involvement                        | CNY   | 5,970,377 | 3,826,752 | 5,281,086 | 9,248,749 |
| Investing in Education                                    | CNY   | 1,259,165 | 1,713,707 | 2,205,556 | 4,960,776 |
| Contributing to Society                                   | CNY   | 2,769,476 | 489,454   | 1,015,895 | 306,252   |
| Conserving the Environment                                | CNY   | 433,558   | 451,281   | 423,275   | 696,683   |
| Promoting Arts & Culture                                  | CNY   | 1,087,534 | 829,772   | 1,188,091 | 2,834,620 |
| External Participation                                    | CNY   | 420,645   | 342,538   | 448,269   | 450,417   |
| Number of employees engaged in social activities          |       | 1,412     | 314       | 701       | 535       |
| Number of hours volunteered                               | hour  | 1,674     | 1,717     | 2,047     | 3,645     |
| Environmental Protection                                  | Unit  | 2020      | 2021      | 2022      | 2023      |
| Annual number of trees planted                            |       | 21,040    | 21,864    | 22,381    | 21,268    |
| USI Corporate Forest                                      |       | 14,000    | 14,000    | 14,000    | 14,000    |
| USI Employee Forest                                       |       | 7,040     | 7,864     | 8,381     | 7,268     |
| Annual area of trees planted                              | ha    | 14.14     | 9.51      | 12.04     | 9.16      |

A decorative graphic consisting of horizontal bars in teal and dark teal colors, arranged in a staggered, overlapping pattern. The bars are of varying lengths and are positioned at different vertical levels, creating a sense of depth and movement. The colors are a vibrant teal and a darker, more muted teal, providing a modern and professional look.





| Smart Manufacturing                               | Unit                            | 2020 | 2021 | 2022  | 2023  |
|---------------------------------------------------|---------------------------------|------|------|-------|-------|
| Number of introduced projects                     |                                 |      | 33   | 70    | 62    |
| Saving benefits                                   | M CNY                           | 142  | 208  | 295   | 300   |
| Continuous Improvement                            | Unit                            | 2020 | 2021 | 2022  | 2023  |
| Amount of carbon reduced from CIP key projects    | metric tonnes CO <sub>2</sub> e |      | 819  | 1,316 | 2,877 |
| Number of improvement proposals                   |                                 | 319  | 340  | 360   | 458   |
| Cost saved                                        | M CNY                           | 77   | 79   | 119   | 109   |
| Customer Relations                                | Unit                            | 2020 | 2021 | 2022  | 2023  |
| Customer satisfaction score                       |                                 | 84.1 | 84.1 | 84.2  | 84.5  |
| Satisfied customers                               | %                               | 93   | 86   | 93    | 95    |
| Percentage of revenue covered by customer surveys | %                               | 93   | 89   | 100   | 100   |

| Board of Directors                               | Unit |      |
|--------------------------------------------------|------|------|
| Number of board directors <sup>(1)</sup>         |      | 11   |
| Independent directors                            |      | 4    |
| Percentage of independent directors              | %    | 36.4 |
| Strategy and Sustainability Committee            | Unit |      |
| Number of committee members                      |      | 7    |
| Number of independent directors in the committee |      | 2    |
| Percentage of independent directors              | %    | 28.6 |
| Audit Committee                                  | Unit |      |
| Number of committee members                      |      | 5    |
| Number of independent directors in the committee |      | 3    |
| Percentage of independent directors              | %    | 60.0 |

Note:

1. Two new directors were added in 2024, of which one of the new directors is independent.

| Remuneration Committee                           | Unit |      |
|--------------------------------------------------|------|------|
| Number of committee members                      |      | 5    |
| Number of independent directors in the committee |      | 4    |
| Percentage of independent directors              | %    | 80.0 |
| Nomination Committee                             | Unit |      |
| Number of committee members                      |      | 5    |
| Number of independent directors in the committee |      | 3    |
| Percentage of independent directors              | %    | 60.0 |
| Board of Supervisors                             | Unit |      |
| Number of board members                          |      | 3    |
| Number of employees on the board of supervisors  |      | 1    |
| Percentage of employees                          | %    | 33.3 |

# Sustainability Data

## Environmental

### A. Scope 2 Market-based GHG Emissions

| Item                 | Unit                            | 2020      | 2021      | 2022      | 2023      |
|----------------------|---------------------------------|-----------|-----------|-----------|-----------|
| Scope 2 market-based | metric tonnes CO <sub>2</sub> e | 26,056.90 | 26,617.41 | 26,912.82 | 26,286.99 |

### B. Hazardous Waste

| Item                                | Unit          | 2020   | 2021   | 2022   | 2023   |
|-------------------------------------|---------------|--------|--------|--------|--------|
| Recycled/reused                     | metric tonnes | 247.23 | 202.79 | 232.13 | 205.74 |
| Total                               | metric tonnes | 535.83 | 764.44 | 774.11 | 584.62 |
| Landfilled                          | metric tonnes | 29.83  | 0.64   | 0      | 0      |
| Incinerated with energy recovery    | metric tonnes |        |        |        | 494.35 |
| Incinerated without energy recovery | metric tonnes | 506.00 | 763.80 | 774.11 | 90.27  |

### C. Non-hazardous Waste

| Item                                | Unit          | 2020     | 2021     | 2022     | 2023      |
|-------------------------------------|---------------|----------|----------|----------|-----------|
| Recycled/reused                     | metric tonnes | 7,079.35 | 8,115.46 | 9,097.26 | 10,599.60 |
| Total                               | metric tonnes | 726.62   | 650.63   | 738.41   | 986.74    |
| Landfilled                          | metric tonnes | 353.46   | 312.78   | 393.25   | 440.43    |
| Incinerated with energy recovery    | metric tonnes |          |          |          | 546.31    |
| Incinerated without energy recovery | metric tonnes | 373.16   | 337.85   | 345.16   | 0         |





## G. Partial Selection of Restricted Environmentally Hazardous Substances Contained in Products

| Banned substances and legal requirements |          | Banned substances and legal requirements |                           |
|------------------------------------------|----------|------------------------------------------|---------------------------|
|                                          |          |                                          |                           |
|                                          |          |                                          |                           |
|                                          |          |                                          |                           |
|                                          |          |                                          |                           |
|                                          |          |                                          |                           |
|                                          |          |                                          |                           |
|                                          |          |                                          |                           |
|                                          |          |                                          | California Proposition 65 |
|                                          |          |                                          |                           |
|                                          |          |                                          |                           |
|                                          | Bromine  | Planned elimination                      |                           |
|                                          | Chlorine |                                          |                           |
|                                          |          | Reporting substance                      |                           |
|                                          |          |                                          |                           |

## H. Environmental Labels & Declarations

| Item                  |                      |           |           |
|-----------------------|----------------------|-----------|-----------|
| Labels/declarations   | RoHS 、 Energy Star 、 | ISO 14021 | ISO 14067 |
| % of revenues covered | 99.6%                | 0%        | 0.4%      |





## Social

### A. Workforce Structure

| Category                |           | Zhangjiang |       |     |      | Huizhou |       | Kunshan |       | Nantou |       | Mexico |       | Vietnam |      | & Percentage |       |
|-------------------------|-----------|------------|-------|-----|------|---------|-------|---------|-------|--------|-------|--------|-------|---------|------|--------------|-------|
|                         |           | HC         | %     | HC  | %    | HC      | %     | HC      | %     | HC     | %     | HC     | %     | HC      | %    | HC           | % of  |
| Position <sup>(1)</sup> |           | 141        | 12.7% | 79  | 7.1% | 104     | 9.3%  | 106     | 9.5%  | 296    | 26.6% | 85     | 7.6%  | 39      | 3.5% | 850          | 5.0%  |
|                         |           | 54         | 4.9%  | 22  | 2.0% | 54      | 4.9%  | 23      | 2.1%  | 78     | 7.0%  | 25     | 2.2%  | 7       | 0.6% | 263          | 1.5%  |
|                         |           | 483        | 14.8% | 257 | 7.9% | 294     | 9.0%  | 293     | 9.0%  | 1,008  | 30.9% | 232    | 7.1%  | 124     | 3.8% | 2,691        | 15.8% |
|                         |           | 107        | 3.3%  | 62  | 1.9% | 65      | 2.0%  | 60      | 1.8%  | 207    | 6.3%  | 51     | 1.6%  | 23      | 0.7% | 575          | 3.4%  |
|                         |           | 98         | 4.4%  | 32  | 1.4% | 94      | 4.2%  | 105     | 4.7%  | 330    | 14.8% | 172    | 7.7%  | 26      | 1.2% | 857          | 5.0%  |
|                         |           | 205        | 9.2%  | 59  | 2.6% | 261     | 11.7% | 179     | 8.0%  | 479    | 21.4% | 133    | 6.0%  | 61      | 2.7% | 1,377        | 8.1%  |
|                         |           | 666        | 6.4%  | 194 | 1.9% | 1,009   | 9.7%  | 1,193   | 11.5% | 460    | 4.4%  | 958    | 9.2%  | 255     | 2.4% | 4,735        | 27.8% |
|                         |           | 518        | 5.0%  | 210 | 2.0% | 820     | 7.9%  | 813     | 7.8%  | 1,280  | 12.3% | 1,831  | 17.6% | 211     | 2.0% | 5,683        | 33.4% |
| Gender                  | Male      | 1,388      | 15.2% | 562 | 6.2% | 1,501   | 16.4% | 1,697   | 18.6% | 2,094  | 22.9% | 1,447  | 15.8% | 444     | 2.6% | 9,133        | 53.6% |
|                         | Female    | 884        | 11.2% | 353 | 4.5% | 1,200   | 15.2% | 1,075   | 13.6% | 2,044  | 25.9% | 2,040  | 25.8% | 302     | 1.8% | 7,898        | 46.4% |
| Employment Type         | Permanent | 2,272      | 14.3% | 915 | 5.8% | 2,333   | 14.7% | 1,980   | 12.5% | 4,128  | 26.0% | 3,487  | 22.0% | 746     | 4.4% | 15,861       | 93.1% |
|                         |           | 0          | 0.0%  | 0   | 0.0% | 368     | 31.5% | 792     | 67.7% | 10     | 0.9%  | 0      | 0.0%  | 0       | 0.0% | 1,170        | 6.9%  |

Note:

1. Positions are categorized into Management (employees with management responsibilities such as the Sub-Section manager to Vice Presidents), Technical, Administrative, and Skilled.
2. Permanent employees: employees who have signed an employment contract with the company and work 8 hours a day, excluding dispatched workers.
3. Temporary employees: employees who have signed a fixed period employment contract with the company, excluding dispatched workers and hourly workers.



| Category             |                     | Zhangjiang |       |     |      | Huizhou |       | Kunshan |       | Nantou |       | Mexico |       | Vietnam |      | & Percentage |       |
|----------------------|---------------------|------------|-------|-----|------|---------|-------|---------|-------|--------|-------|--------|-------|---------|------|--------------|-------|
|                      |                     | HC         | %     | HC  | %    | HC      | %     | HC      | %     | HC     | %     | HC     | %     | HC      | %    | HC           | % of  |
| Nationality          | Management          | 176        | 1.1%  | 94  | 0.6% | 148     | 0.9%  | 120     | 0.7%  | 372    | 2.3%  | 103    | 0.6%  | 29      | 0.2% | 1,042        | 6.1%  |
|                      |                     | 2,062      | 12.8% | 814 | 5.0% | 2,529   | 15.6% | 2,639   | 16.3% | 3,016  | 18.7% | 3,364  | 20.8% | 696     | 4.3% | 15,120       | 88.8% |
|                      |                     | 19         | 2.2%  | 7   | 0.8% | 10      | 1.2%  | 9       | 1.0%  | 2      | 0.2%  | 7      | 0.8%  | 17      | 2.0% | 71           | 0.4%  |
|                      |                     | 15         | 1.7%  | 0   | 0.0% | 14      | 1.6%  | 4       | 0.5%  | 748    | 86.0% | 13     | 1.5%  | 4       | 0.5% | 798          | 4.7%  |
| Age                  | < 30                | 626        | 9.8%  | 208 | 3.3% | 1,031   | 16.1% | 1,605   | 25.1% | 931    | 14.6% | 1,590  | 24.9% | 400     | 6.3% | 6,391        | 37.5% |
|                      |                     | 1,617      | 16.9% | 699 | 7.3% | 1,624   | 17.0% | 1,153   | 12.1% | 2,623  | 27.5% | 1,497  | 15.7% | 340     | 3.6% | 9,553        | 56.1% |
|                      | > 50                | 29         | 2.7%  | 8   | 0.7% | 46      | 4.2%  | 14      | 1.3%  | 584    | 53.7% | 400    | 36.8% | 6       | 0.6% | 1,087        | 6.4%  |
| Education            | PhD                 | 1          | 9.1%  | 0   | 0.0% | 0       | 0.0%  | 0       | 0.0%  | 10     | 90.9% | 0      | 0.0%  | 0       | 0.0% | 11           | 0.1%  |
|                      | Masters             | 89         | 7.8%  | 36  | 3.1% | 24      | 2.1%  | 20      | 1.7%  | 966    | 84.3% | 11     | 1.0%  | 0       | 0.0% | 1,146        | 6.7%  |
|                      | Bachelors           | 1,090      | 19%   | 504 | 8.7% | 753     | 13.1% | 873     | 15.1% | 2,060  | 35.7% | 483    | 8.4%  | 1       | 0.0% | 5,764        | 33.8% |
|                      | High School & Under | 1,092      | 10.8% | 375 | 3.7% | 1,924   | 19.0% | 1,879   | 18.6% | 1,102  | 10.9% | 2,993  | 29.6% | 745     | 7.4% | 10,110       | 59.4% |
| Subtotal by Facility |                     | 2,272      | 13%   | 915 | 5%   | 2,701   | 16%   | 2,772   | 16%   | 4,138  | 24%   | 3,487  | 20%   | 746     | 4%   |              |       |
| Total                |                     | 17,031     |       |     |      |         |       |         |       |        |       |        |       |         |      |              |       |



## B. New Hires and Employee Turnover

| New Hires |                | 2020   | 2021   | 2022  | 2023       |    |         |         |        |        |         |       |
|-----------|----------------|--------|--------|-------|------------|----|---------|---------|--------|--------|---------|-------|
|           |                |        |        |       | Zhangjiang |    | Huizhou | Kunshan | Nantou | Mexico | Vietnam |       |
| Gender    | Male           | 8,628  | 8,619  | 5,869 | 172        | 10 | 1,674   | 2,429   | 246    | 929    | 142     | 5,602 |
|           | New entry rate | 89%    | 89%    | 61%   | 12%        | 1% | 110%    | 128%    | 12%    | 74%    | 31%     | 59%   |
|           | Female         | 5,623  | 4,588  | 3,565 | 89         | 9  | 1,118   | 1,245   | 154    | 1,183  | 99      | 3,897 |
|           | New entry rate | 68%    | 57%    | 46%   | 10%        | 2% | 94%     | 118%    | 7%     | 66%    | 33%     | 51%   |
| Position  | Management     | 70     | 77     | 71    | 1          | 0  | 0       | 0       | 15     | 40     | 2       | 58    |
|           | New entry rate | 7%     | 7%     | 7%    | 1%         | 0% | 0%      | 0%      | 4%     | 39%    | 5%      | 5%    |
|           |                | 632    | 660    | 636   | 20         | 1  | 4       | 1       | 110    | 112    | 66      | 314   |
|           | New entry rate | 18%    | 19%    | 18%   | 3%         | 0% | 1%      | 0%      | 8%     | 45%    | 47%     | 9%    |
|           | Administrative | 385    | 473    | 429   | 12         | 2  | 3       | 10      | 63     | 62     | 26      | 178   |
|           | New entry rate | 21%    | 25%    | 21%   | 4%         | 2% | 1%      | 3%      | 8%     | 22%    | 34%     | 8%    |
|           | Skilled        | 13,164 | 11,997 | 8,298 | 228        | 16 | 2,785   | 3,663   | 212    | 1,898  | 147     | 8,949 |
|           | New entry rate | 116%   | 107%   | 77%   | 18%        | 3% | 155%    | 169%    | 12%    | 79%    | 30%     | 85%   |
| Age       | < 30           | 10,973 | 9,967  | 6,623 | 171        | 15 | 1,822   | 3,130   | 183    | 1,170  | 157     | 6,648 |
|           | New entry rate | 125%   | 123%   | 85%   | 24%        | 4% | 175%    | 173%    | 18%    | 84%    | 38%     | 98%   |
|           |                | 3,191  | 3,146  | 2,691 | 90         | 4  | 970     | 544     | 208    | 796    | 84      | 2,696 |
|           | New entry rate | 38%    | 35%    | 30%   | 6%         | 0% | 60%     | 48%     | 8%     | 61%    | 25%     | 28%   |
|           | > 50           | 87     | 94     | 120   | 0          | 0  | 0       | 0       | 9      | 146    | 0       | 155   |
|           | New entry rate | 14%    | 13%    | 14%   | 0%         | 0% | 0%      | 0%      | 2%     | 42%    | 0%      | 16%   |

Note:

1. Category new entry rate = new employee headcount of the category in the current year ÷ [(employee headcount of the category at the beginning of the current year + employee headcount of the category at the end of the current year) ÷ 2] × 100%







[illegible]



### C. Workforce Breakdown: Nationality Distribution

| Nationality    |           |                      | Management |                       |
|----------------|-----------|----------------------|------------|-----------------------|
|                | Headcount | % of total workforce | Headcount  | % of total management |
| Mainland China | 8,624     | 50.64%               | 553        | 49.69%                |
| Taiwan         | 3,466     | 20.35%               | 422        | 37.92%                |
| Mexico         | 3,467     | 20.36%               | 103        | 9.25%                 |
| Philippines    | 575       | 3.38%                | 0          | 0.00%                 |
| Vietnam        | 891       | 5.23%                | 29         | 2.61%                 |
| United States  | 2         | 0.01%                | 2          | 0.18%                 |
| Great Britain  | 2         | 0.01%                | 2          | 0.18%                 |
| France         | 1         | 0.01%                | 0          | 0.00%                 |
| Singapore      | 1         | 0.01%                | 1          | 0.09%                 |
| Canada         | 1         | 0.01%                | 1          | 0.09%                 |
| Malaysia       | 1         | 0.01%                | 0          | 0.00%                 |
| Total          | 17,031    |                      | 1,113      |                       |

### D. Workforce Breakdown: Ethnic Minorities <sup>(1)</sup>

| Ethnicity | Employees |                      | Management |                       |
|-----------|-----------|----------------------|------------|-----------------------|
|           | Headcount | % of total workforce | Headcount  | % of total management |
| Han       | 4,472     | 26.26%               | 185        | 16.62%                |
| Yi        | 156       | 0.92%                | 0          | 0.00%                 |
| Miao      | 111       | 0.65%                | 1          | 0.09%                 |
| Zhuang    | 97        | 0.57%                | 1          | 0.09%                 |
| Tujia     | 47        | 0.28%                | 3          | 0.27%                 |
| Yao       | 33        | 0.19%                | 0          | 0.00%                 |
| Dong      | 31        | 0.18%                | 0          | 0.00%                 |
| Buyei     | 31        | 0.18%                | 0          | 0.00%                 |
| Bai       | 23        | 0.14%                | 0          | 0.00%                 |
| Hani      | 17        | 0.10%                | 0          | 0.00%                 |
| Dai       | 13        | 0.08%                | 0          | 0.00%                 |
| Lahu      | 12        | 0.07%                | 0          | 0.00%                 |

### E. Human Capital Return on Investment & Average Profit per Employee

| Item                                                       | 2020    | 2021    | 2022    | 2023    |
|------------------------------------------------------------|---------|---------|---------|---------|
| Human Capital Return on Investment <sup>(2)</sup> (HC ROI) | 1.58%   | 1.53%   | 2.62%   | 2.49%   |
| Average Profit per Employee <sup>(3)</sup> (CNY)           | 110,400 | 120,272 | 200,178 | 129,987 |

Note:

- There are 626 employees that are ethnic minorities, accounting for 3.68% of total employees, including 7 in management positions, accounting for 0.63% of managerial positions. 55 employees not listed above are from other 19 different ethnicities. Since there are less than 10 employees in each of these ethnic categories, they are not represented in the table.
- HC ROI = (total operating income for the current year – (total operating expenses for the current year – total employee-related expenditures for the current year (salary + benefits))) ÷ total employee-related expenditures for the current year × 100%
- Average profit per employee = total profit ÷ ((number of employees at the beginning of the year + number of employees at the end of the year) ÷ 2)



## F. Ratio of Female to Male Average Salary and Compensation Data

| Category                            | Female to Male Ratio |
|-------------------------------------|----------------------|
| Non-Management Average Salary       | 0.950                |
| Non-Management Average Compensation | 0.957                |
|                                     | 0.910                |
| Compensation                        | 0.900                |
| Administrative Average Salary       | 0.900                |
| Administrative Average Compensation | 0.930                |
| Skilled Average Salary              | 1.040                |
| Skilled Average Compensation        | 1.040                |

| Category                        | Female to Male Ratio |
|---------------------------------|----------------------|
| Management Average Salary       | 0.967                |
| Management Average Compensation | 0.970                |
|                                 | 1.012                |
| Compensation                    | 1.000                |
| Middle Management Salary        | 0.967                |
| Middle Management Compensation  | 1.020                |
|                                 | 0.922                |
| Compensation                    | 0.890                |

| Category                                       | Female to Male Ratio |
|------------------------------------------------|----------------------|
| Executives Average Salary                      |                      |
| Executives Average Compensation <sup>(1)</sup> | 1.000                |

## G. Training Hours and Cost

| Category               | Group    |                    | Facility   |        |         |         |        |        |         | Subtotal | % of Group |
|------------------------|----------|--------------------|------------|--------|---------|---------|--------|--------|---------|----------|------------|
|                        |          |                    | Zhangjiang |        | Huizhou | Kunshan | Nantou | Mexico | Vietnam |          |            |
| Training Hours (hours) | Gender   | Male               | 53,448     | 21,154 | 54,411  | 54,211  | 35,289 | 25,395 | 8,528   | 252,436  | 60%        |
|                        |          | Female             | 32,428     | 15,011 | 41,239  | 29,068  | 25,642 | 17,895 | 3,700   | 164,983  | 40%        |
|                        | Position | Management         | 7,461      | 2,617  | 6,037   | 4,208   | 11,753 | 2,026  | 247     | 34,349   | 8%         |
|                        |          |                    | 23,683     | 10,228 | 8,618   | 9,626   | 17,733 | 1,462  | 1,318   | 138,562  | 33%        |
|                        |          | Administrative     | 7,512      | 1,958  | 6,483   | 5,101   | 11,402 | 3,608  | 2,322   | 38,386   | 9%         |
|                        |          | Skilled            | 47,220     | 21,362 | 74,512  | 64,345  | 20,043 | 36,194 | 8,341   | 206,122  | 49%        |
|                        | Courses  | Compulsory Courses | 33,648     | 6,598  | 10,857  | 74,788  | 2,862  | 22,244 | 8,350   | 159,347  | 38%        |
|                        |          | Courses            | 52,229     | 29,567 | 84,792  | 8,491   | 58,068 | 21,045 | 3,878   | 258,071  | 62%        |
|                        | Total    |                    | 85,877     | 36,165 | 95,650  | 83,279  | 60,930 | 43,289 | 12,228  | 417,418  |            |

Note:

1. Executive level compensation is calculated based on the 2023 Annual Report. The average male executive median compensation is CNY 1,840 K.

2. Compulsory course: basic and necessary training for employees, such as: Sunshine behavior policy advocacy, establishment of humane treatment in the workplace, and RBA.

3. Non-compulsory course: training to improve the skills of employees in related fields, such as: DOE experimental design, program development and other related training courses.



| Category            | Group      |                    | Facility   |         |           |           |           |           |         | Subtotal  | % of Group |
|---------------------|------------|--------------------|------------|---------|-----------|-----------|-----------|-----------|---------|-----------|------------|
|                     |            |                    | Zhangjiang |         | Huizhou   | Kunshan   | Nantou    | Mexico    | Vietnam |           |            |
| Training Cost (CNY) | Gender     | Male               | 98,864     | 36,190  | 2,677,607 | 2,662,074 | 845,000   | 34,806    | 4       | 6,354,545 | 61%        |
|                     |            | Female             | 47,112     | 11,400  | 1,795,411 | 1,371,249 | 811,863   | 14,341    | 2       | 4,051,377 | 39%        |
|                     | Age        | < 30               | 10,642     | 9,450   | 1,630,219 | 1,900,541 | 397,647   | 22,253    | 3       | 3,970,755 | 38%        |
|                     |            |                    | 134,139    | 38,140  | 2,587,403 | 2,103,106 | 994,118   | 25,025    | 3       | 5,881,933 | 57%        |
|                     |            | > 50               | 1,195      | 0       | 255,396   | 29,676    | 265,098   | 1,869     | 0       | 553,234   | 5%         |
|                     | Management |                    | 15,215     | 5,945   | 199,526   | 231,223   | 21,002    | 1,432     | 0       | 474,342   | 28%        |
|                     |            | Middle             | 26,569     | 3,665   | 412,283   | 164,703   | 21,002    | 189       | 0       | 628,411   | 38%        |
|                     |            |                    | 6,925      | 365     | 317,695   | 226,120   | 21,002    | 0         | 0       | 572,107   | 34%        |
|                     | Courses    | Compulsory Courses | 2,150      | 2,970   | 455,753   | 3,381,971 | 0         | 28,175    | 3       | 3,871,022 | 37%        |
|                     |            | Courses            | 143,826    | 44,620  | 4,017,264 | 651,352   | 1,656,863 | 20,973    | 3       | 6,534,900 | 63%        |
|                     | Total      |                    |            | 145,976 | 47,590    | 4,473,018 | 4,033,323 | 1,656,863 | 49,147  | 6         | 10,405,922 |

## H. Comprehensive Welfare System

|                 |                   |                                                                                                                                                          |
|-----------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Labor Practices | Bonus             | •                                                                                                                                                        |
|                 | Holidays & Leaves | • welfare leave                                                                                                                                          |
|                 | Insurance         | • Provide social insurance and pensions for employees in accordance with the law, add commercial group insurance plans such as Employee Group Insurance, |
|                 | Meals             | • are provided with mother stickers to increase meal portions                                                                                            |

Note:

1. Paid sick leave: Beyond the legal requirement of 30 days of half-paid sick leave, USI gives employees with a year of service 7 days of paid sick leave a year.
2. Paid annual leave is implemented according to local regulations. Mainland China Facilities: Employees are entitled to 5 days of leave after a year of service, 10 days after 10 years, and 15 days for a service period exceeding 20 years. Nantou Facility: Employees are entitled to 3 days of leave after 6 months of service, 7 days after 1 year, 10 days after 2 years, 14 days after 3 years, and 15 days after 5 years, with an additional day for each year of service over 10 years, up to a maximum of 30 days. Mexico Facility: After one year of employment, employees are entitled to 12 days of annual leave, which increases by 2 days each subsequent year. After the sixth year, 2 days are added every 5 years. Vietnam Facility: Employees are entitled to 12 days after a year of service and receives an additional day for every 5 years of service.
3. Welfare leave: It is regarded as a long-term service reward in Mainland China Facilities. Employees who have served for more than two years will be rewarded with full-paid welfare leave ranging from 2 to 10 days according to their length of service. Nantou Facility: New hires are entitled to 4 days of special leave, which must be used within one year of their entry date.



|                   |                   |                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Labor Practices   | Dormitory         | <ul style="list-style-type: none"> <li>•</li> </ul>                                                                                                                                                                                                                                                                                                                                                             |
|                   |                   | <ul style="list-style-type: none"> <li>•</li> <li>•</li> </ul>                                                                                                                                                                                                                                                                                                                                                  |
| Sports and Health | Sport Activities  | <ul style="list-style-type: none"> <li>• competitions, and cultural and artistic activities</li> <li>• Sponsor various club activities and hold various events and activities: Sports clubs are basketball club, softball club, badminton club, bowling club, swimming</li> <li>• Leisure facilities: basketball and volleyball courts, badminton court, snooker table, tennis table, and treadmills</li> </ul> |
|                   | Stress Management | <ul style="list-style-type: none"> <li>• lectures and activities on physical and mental health, art, culture</li> </ul>                                                                                                                                                                                                                                                                                         |
|                   | Health Management | <ul style="list-style-type: none"> <li>• emergency response and other services</li> <li>• Our employees enjoy free health examination once a year and proactively track their physical conditions regularly. In addition, various health training and seminars, health promotion activities and hygiene activities are held from time to time</li> </ul>                                                        |
| Family Support    | Parenting Related | <ul style="list-style-type: none"> <li>• Paternity leave , pregnancy checkup leave , maternity leave</li> <li>• breastfeeding leave</li> <li>•</li> </ul>                                                                                                                                                                                                                                                       |
|                   | Condolences       | <ul style="list-style-type: none"> <li>•</li> </ul>                                                                                                                                                                                                                                                                                                                                                             |
| Others            |                   | <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> <li>• Provide information on restaurants, shopping stores, medical clinics, and language learning institutions with preferential partnerships</li> </ul>                                                                                                                                                                                    |

Note:

1. Paternity leave: Mainland China Facilities: 15 days; Nantou Facility: 7 days; Mexico Facility: 5 days; Vietnam Facility: 5 to 14 days.
2. Maternity checkup leave: Mainland China Facilities: 0.5 day each time; Nantou Facility: 7 days; Vietnam Facility: 5 days.
3. Maternity leave: Mainland China Facilities: more than 22 weeks; Nantou Facility: 8 weeks; Mexico Facility: 12 weeks; Vietnam Facility: 26 weeks.
4. Breastfeeding leave: 60 minutes of breastfeeding time per day.

## I. Coverage and Progress of our Supplier Screening Program

| Supplier Screening                                             | Unit | 2023 |
|----------------------------------------------------------------|------|------|
| Total number of Tier-1 suppliers                               |      | 456  |
| Total number of Significant Suppliers <sup>(1)</sup> in Tier-1 |      | 192  |
| Percentage of total spend on Significant Suppliers in Tier-1   | %    | 91   |
| Total number of Significant Suppliers in non-Tier 1            |      | 15   |
| Total number of Significant Suppliers (Tier-1 and non-Tier 1)  |      | 207  |

## J. Supplier Selection by Country

| Country        | Number of Suppliers | Percentage | Country                | Number of Suppliers | Percentage |
|----------------|---------------------|------------|------------------------|---------------------|------------|
| Mainland China | 189                 | 41.45%     | British Virgin Islands | 2                   | 0.44%      |
| Taiwan         | 179                 | 39.25%     | Netherlands            | 2                   | 0.44%      |
| United States  | 32                  | 7.02%      | Ireland                | 2                   | 0.44%      |
| Mexico         | 9                   | 1.97%      | Denmark                | 1                   | 0.22%      |
| Singapore      | 8                   | 1.75%      | Belgium                | 1                   | 0.22%      |
| Japan          | 7                   | 1.54%      | Eswatini               | 1                   | 0.22%      |
| Germany        | 6                   | 1.32%      | France                 | 1                   | 0.22%      |
| Korea          | 5                   | 1.10%      | American Samoa         | 1                   | 0.22%      |
| Israel         | 3                   | 0.66%      | Malaysia               | 1                   | 0.22%      |
| Canada         | 2                   | 0.44%      | Mauritius              | 1                   | 0.22%      |
| United Kingdom | 2                   | 0.44%      | Samoa Islands          | 1                   | 0.22%      |
| Total          |                     |            |                        | 456                 | 100%       |

Note:

1. Definition of Significant Suppliers include:

I. Critical Tier-1 Suppliers:

- Top 85% of direct material procurement amount.
- Indirect and packaging material suppliers with a procurement amount of more than USD 1 million.
- Suppliers for critical raw materials with low replaceability, such as printed circuit boards, semiconductor parts, mechanical parts, and connectors.

## K. Coverage and Progress of our Supplier Assessment Program

| Supplier Assessment                                                                                                       | Unit | 2023 |               |
|---------------------------------------------------------------------------------------------------------------------------|------|------|---------------|
| Total number of suppliers assessed via desk assessments/on-site assessments                                               |      | 357  | 320 suppliers |
| Percentage of unique Significant Suppliers assessed                                                                       | %    | 93   |               |
| Number of suppliers assessed with substantial actual/potential negative impacts                                           |      | 65   |               |
| Percentage of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan | %    | 100  |               |
| Number of suppliers with substantial actual/potential negative impacts that were terminated                               |      | 0    |               |

## L. Coverage and Progress of Suppliers with Corrective Action Plans

| Corrective Action Plan Support                                                                                                         | Unit | 2023 |              |
|----------------------------------------------------------------------------------------------------------------------------------------|------|------|--------------|
| Total number of suppliers supported in corrective action plan implementation                                                           |      | 65   | 65 suppliers |
| Percentage of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation | %    | 100  |              |

## M. Coverage and Progress of Suppliers in our Capacity Building Programs

| Capacity Building Programs                                               | Unit | 2023 |             |
|--------------------------------------------------------------------------|------|------|-------------|
| Total number of suppliers in capacity building programs                  |      | 19   | 4 suppliers |
| Percentage of unique Significant Suppliers in capacity building programs | %    | 1.0  |             |

II. High Risk Suppliers: suppliers with priority or other non-conformances regarding labor rights, health and safety, environment, sustainability, supply chain management or production safety violations that result in fines or shutdowns.

III. Critical non-Tier 1 Suppliers: Supplier that supply Critical Tier-1 suppliers or suppliers that supply 2 or more Tier-1 suppliers.



## Governance

### A. Business Ethics Anti-Corruption Trainings in 2023

| Facility                                 | Zhangjiang |       | Huizhou | Kunshan | Nantou | Mexico | Vietnam |        |
|------------------------------------------|------------|-------|---------|---------|--------|--------|---------|--------|
| Senior Managers                          | 203        | 107   | 165     | 131     | 391    | 116    | 51      | 1,164  |
| Employees<br>(excluding senior managers) | 2,315      | 1,049 | 4,071   | 2,090   | 4,074  | 2,052  | 624     | 16,275 |
| Training Rate <sup>(1)</sup>             | 111%       | 126%  | 157%    | 80%     | 108%   | 62%    | 90%     | 102%   |

### B. Scope Comparison Table of the 2023 Annual Report and Sustainability Report

| Entities Listed in the 2023 Annual Report            | Sustainability<br>Report Scope | Note                |
|------------------------------------------------------|--------------------------------|---------------------|
| Universal Scientific Industrial (Shanghai) Co., Ltd. | 🏠                              | Zhangjiang Facility |
| Universal Global Scientific Industrial Co., Ltd.     | 🏠                              | Nantou Facility     |
| Universal Global Technology (Kunshan) Co., Ltd.      | 🏠                              | Kunshan Facility    |
| Universal Global Technology Co., Ltd.                |                                |                     |
| Universal Global Technology (Shanghai) Co., Ltd.     | 🏠                              |                     |
| Universal Global Technology (Huizhou) Co., Ltd.      | 🏠                              | Huizhou Facility    |
| USI Electronics (Shenzhen) Co., Ltd.                 |                                |                     |
| Universal Global Industrial Co., Ltd.                |                                |                     |

| Entities Listed in the 2023 Annual Report              | Sustainability<br>Report Scope | Note             |
|--------------------------------------------------------|--------------------------------|------------------|
| Universal Scientific Industrial De Mexico S.A. De C.V. | 🏠                              | Mexico Facility  |
| Universal Scientific Industrial Vietnam Co., Ltd.      | 🏠                              | Vietnam Facility |
| Universal Scientific Industrial (France)               |                                |                  |
| Universal Scientific Industrial Co., Ltd.              | 🏠                              | Nantou Facility  |
| Universal Scientific Industrial Poland Sp.z o.o.       |                                |                  |
| Asteelflash (Suzhou) Co., Ltd.                         |                                |                  |
| M-Universe Investments                                 |                                |                  |

Note:

1. Training Rate = (number of trainees ÷ number of senior managers/ employees at the end of 2023) X 100%

## GRI Index

|                                 |                        |
|---------------------------------|------------------------|
| Statement of use                |                        |
| GRI 1 used                      | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standards | None                   |

| GRI Standard                                        | Disclosure                                               | Section             | Page | Additional explanation                                                                                   |
|-----------------------------------------------------|----------------------------------------------------------|---------------------|------|----------------------------------------------------------------------------------------------------------|
| <b>GRI 2 General Disclosures 2021</b>               |                                                          |                     |      |                                                                                                          |
| <b>The organization and its reporting practices</b> |                                                          |                     |      |                                                                                                          |
|                                                     | Organizational details                                   | About USI           | 5    |                                                                                                          |
|                                                     | reporting                                                | About this Report   | 4    |                                                                                                          |
|                                                     |                                                          | About this Report   | 4    |                                                                                                          |
|                                                     | Restatements of information                              |                     |      | Recalibrated smart manufacturing star rating targets, please refer to the note on <a href="#">P.45</a> . |
|                                                     | External assurance                                       |                     | 173  |                                                                                                          |
| <b>Activities and workers</b>                       |                                                          |                     |      |                                                                                                          |
|                                                     | Activities, value chain and other business relationships | About USI           | 5    |                                                                                                          |
|                                                     |                                                          | Product Value Chain | 63   |                                                                                                          |
|                                                     | Employees                                                |                     |      |                                                                                                          |
|                                                     |                                                          |                     |      |                                                                                                          |
|                                                     |                                                          |                     | 90   |                                                                                                          |
| <b>Governance</b>                                   |                                                          |                     |      |                                                                                                          |
|                                                     | Nomination and selection of the highest governance body  |                     | 35   |                                                                                                          |
|                                                     |                                                          |                     |      |                                                                                                          |
|                                                     | Delegation of responsibility for managing impacts        |                     | 13   |                                                                                                          |

| GRI Standard                        | Disclosure                                                      | Section                                          | Page | Additional Explanation                                                                           |
|-------------------------------------|-----------------------------------------------------------------|--------------------------------------------------|------|--------------------------------------------------------------------------------------------------|
|                                     | Role of the highest governance body in sustainability reporting | Board Participation in Sustainability Governance | 35   |                                                                                                  |
|                                     |                                                                 | Board Nomination and Responsibilities            | 35   | For details of directors serving other boards, please refer to the <a href="#">USI website</a> . |
|                                     | Collective knowledge of the highest governance body             | Continuous Education for Board Members           | 36   |                                                                                                  |
|                                     | Remuneration policies                                           | Board Performance and Remuneration               | 35   |                                                                                                  |
|                                     | Process to determine remuneration                               | Board Performance and Remuneration               | 35   |                                                                                                  |
|                                     |                                                                 | Comprehensive Compensation System                | 111  |                                                                                                  |
| Strategies, policies, and practices |                                                                 |                                                  |      |                                                                                                  |
|                                     | Statement on sustainable development strategy                   | Sustainability Strategy                          | 15   |                                                                                                  |
|                                     | Policy commitments<br>Embedding policy commitments              | Sustainability Policy                            | 15   |                                                                                                  |
|                                     |                                                                 | Business Ethics and Compliance                   | 36   |                                                                                                  |
|                                     |                                                                 | Quality and Service                              | 64   |                                                                                                  |
|                                     |                                                                 | Supplier Code of Conduct                         | 68   |                                                                                                  |
|                                     |                                                                 |                                                  | 75   |                                                                                                  |
|                                     |                                                                 | Nature, Climate Change and Carbon Management     | 80   |                                                                                                  |
|                                     |                                                                 | Human Rights Protection                          | 102  |                                                                                                  |
|                                     |                                                                 | Social Activities Overview                       | 128  |                                                                                                  |
|                                     | Processes to remediate negative impacts                         | Material Issues Risk Impact Management           | 27   |                                                                                                  |
|                                     |                                                                 | Stakeholder Engagement                           | 29   |                                                                                                  |
|                                     | Mechanisms for seeking advice and raising concerns              | Business Ethics                                  | 36   |                                                                                                  |
|                                     | Compliance with laws and regulations                            | Regulatory Compliance                            | 37   |                                                                                                  |
|                                     | Membership associations                                         | External Participation                           | 137  |                                                                                                  |



| GRI Standard               | Disclosure                           | Section                                | Page | Additional Explanation |
|----------------------------|--------------------------------------|----------------------------------------|------|------------------------|
| Stakeholder engagement     |                                      |                                        |      |                        |
|                            | Approach to stakeholder engagement   | Stakeholder Engagement                 | 29   |                        |
|                            | Collective bargaining agreements     | Employee Rights                        | 106  |                        |
|                            |                                      | Employee Unions                        | 107  |                        |
| GRI 3 Material Topics 2021 |                                      |                                        |      |                        |
|                            | Process to determine material topics | Materiality Analysis                   | 19   |                        |
|                            | List of material topics              | Material Issues Risk Impact Management | 25   |                        |

|                                       | Disclosure               | Section                                 | Page | Additional Explanation |
|---------------------------------------|--------------------------|-----------------------------------------|------|------------------------|
| <b>Material Topics</b>                |                          |                                         |      |                        |
| <b>Sustainable Supply Chain</b>       |                          |                                         |      |                        |
|                                       |                          | Value Chain Management                  | 62   |                        |
| 204 Procurement Practices             |                          | Supply Chain Management                 | 67   |                        |
| 308 Supplier Environmental Assessment | environmental criteria   | Supplier Evaluation                     | 69   |                        |
|                                       | and actions taken        | Supplier Sustainability Risk Management | 71   |                        |
| 414 Supplier Social Assessment        | criteria                 | Supplier Evaluation                     | 69   |                        |
|                                       | actions taken            | Supplier Sustainability Risk Management | 71   |                        |
|                                       | Sustainable Supply Chain | Compliance                              | 75   |                        |
| <b>Sustainable Production</b>         |                          |                                         |      |                        |
|                                       |                          | Green Products and Innovation           | 45   |                        |



|                                                      | Disclosure                                                               | Section                                                                     | Page | Additional Explanation                                                   |
|------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------|------|--------------------------------------------------------------------------|
|                                                      | Sustainable Production                                                   | Sustainable Production                                                      | 57   |                                                                          |
| <b>Green Products &amp; Innovation Management</b>    |                                                                          |                                                                             |      |                                                                          |
|                                                      |                                                                          | Green Products and Innovation                                               | 45   |                                                                          |
| 302 Energy                                           | services                                                                 | Promoting Green Design                                                      | 54   |                                                                          |
| 416 Customer Health and Safety                       | product and service categories                                           | Product Compliance                                                          | 51   |                                                                          |
|                                                      | Green Products and Innovation                                            | Green Products and Innovation                                               | 47   |                                                                          |
| Regulations                                          | Compliance with product safety laws, regulations, and industry standards | Product Compliance                                                          | 51   |                                                                          |
| <b>Human Rights</b>                                  |                                                                          |                                                                             |      |                                                                          |
|                                                      |                                                                          | Inclusive Workplace                                                         | 101  |                                                                          |
|                                                      | taken                                                                    | Human Rights Risk Mitigation & Remediation                                  | 105  |                                                                          |
| 407 Freedom of Association and Collective Bargaining | freedom of association and collective bargaining may be at risk          | Due Diligence<br>Employee Unions<br>Supplier Sustainability Risk Management | 102  | collective bargaining risks found for any of our operations or suppliers |
| 408 Child Labor                                      | incidents of child labor                                                 |                                                                             | 107  |                                                                          |
| 409 Forced or Compulsory Labor                       | incidents of forced or compulsory labor                                  |                                                                             | 71   |                                                                          |
|                                                      |                                                                          | Compliance                                                                  | 75   |                                                                          |
| 411 Rights of Indigenous Peoples                     | peoples                                                                  | Due Diligence                                                               | 102  |                                                                          |
| <b>Customer Relations</b>                            |                                                                          |                                                                             |      |                                                                          |
|                                                      |                                                                          | Value Chain Management                                                      | 62   |                                                                          |
|                                                      | Customer Relations                                                       | Customer Relations                                                          | 64   |                                                                          |

|                                          | Disclosure                     | Section                                          | Page | Additional Explanation |
|------------------------------------------|--------------------------------|--------------------------------------------------|------|------------------------|
| <b>Talent Attraction &amp; Retention</b> |                                |                                                  |      |                        |
|                                          |                                | Inclusive Workplace                              | 101  |                        |
| 201 Economic Performance                 | retirement plans               |                                                  | 113  |                        |
| 202 Market Presence                      | compared to local minimum wage | Comprehensive Compensation System                | 112  |                        |
|                                          | local community                | Workforce Structure                              | 108  |                        |
| 401 Employment                           |                                |                                                  | 110  |                        |
|                                          |                                |                                                  | 113  |                        |
|                                          |                                |                                                  | 114  |                        |
| Relations                                | changes                        | Employee Rights                                  | 106  |                        |
| Opportunity                              | men                            | Comprehensive Compensation System                | 112  |                        |
| <b>Cybersecurity Management</b>          |                                |                                                  |      |                        |
|                                          |                                | Operations and Governance                        | 33   |                        |
|                                          | Cybersecurity Management       | Cybersecurity Management                         | 43   |                        |
| <b>Risk &amp; Crisis Management</b>      |                                |                                                  |      |                        |
|                                          |                                | Operations and Governance                        | 33   |                        |
|                                          | Risk and Crisis Management     | Enterprise Risk Management                       | 38   |                        |
| <b>Climate Strategy</b>                  |                                |                                                  |      |                        |
|                                          |                                | Environmental Protection and Occupational Safety | 78   |                        |



|                          | Disclosure                          | Section                                          | Page | Additional Explanation |
|--------------------------|-------------------------------------|--------------------------------------------------|------|------------------------|
| 201 Economic Performance | opportunities due to climate change | Nature, Climate Change and Carbon Management     | 80   |                        |
| 305 Emissions            |                                     | Carbon Management                                | 82   |                        |
|                          |                                     | Carbon Management                                | 82   |                        |
|                          |                                     | Carbon Management                                | 83   |                        |
|                          |                                     | Carbon Management                                | 82   |                        |
|                          |                                     | Energy Management                                | 83   |                        |
| <b>Energy Management</b> |                                     |                                                  |      |                        |
|                          |                                     | Environmental Protection and Occupational Safety | 79   |                        |
| 302 Energy               |                                     | Energy Management                                | 83   |                        |
|                          |                                     | Energy Management                                | 83   |                        |
|                          |                                     | Energy Management                                | 84   |                        |
| <b>Waste Management</b>  |                                     |                                                  |      |                        |
|                          |                                     | Environmental Protection and Occupational Safety | 79   |                        |
|                          | impacts                             | Waste Management                                 | 87   |                        |
|                          |                                     | Waste Management                                 | 87   |                        |
|                          |                                     | Waste Management                                 | 87   |                        |
|                          |                                     | Waste Management                                 | 87   |                        |
|                          |                                     | Waste Management                                 | 87   |                        |



|                                         | Disclosure                                                   | Section                                          | Page | Additional Explanation |
|-----------------------------------------|--------------------------------------------------------------|--------------------------------------------------|------|------------------------|
| <b>Occupational Health &amp; Safety</b> |                                                              |                                                  |      |                        |
|                                         |                                                              | Environmental Protection and Occupational Safety | 78   |                        |
| 403 Occupational Health and             |                                                              | Occupational Health and Safety                   | 90   |                        |
|                                         | investigation                                                | Occupational Health and Safety                   | 91   |                        |
|                                         |                                                              | Physical and Mental Healthcare                   | 97   |                        |
|                                         | communication on occupational health and safety              | Occupational Health and Safety Management        | 90   |                        |
|                                         |                                                              | Occupational Health and Safety Management        | 95   |                        |
|                                         |                                                              | Physical and Mental Healthcare                   | 97   |                        |
|                                         | and safety impacts directly linked by business relationships | Occupational Health and Safety Management        | 91   |                        |
|                                         | safety management system                                     | Occupational Health and Safety                   | 90   |                        |
|                                         |                                                              | Occupational Incident Management                 | 93   |                        |
|                                         |                                                              | Occupational Health and Safety Management        | 90   |                        |
| <b>Human Capital Development</b>        |                                                              |                                                  |      |                        |
|                                         |                                                              | Inclusive Workplace                              | 101  |                        |
|                                         |                                                              | Human Capital Development                        | 123  |                        |
|                                         | transition assistance programs                               |                                                  | 124  |                        |
|                                         | performance and career development reviews                   | Employee Performance Appraisal & Development     | 119  |                        |



|                                   | Disclosure                       | Section                            | Page | Additional Explanation |
|-----------------------------------|----------------------------------|------------------------------------|------|------------------------|
| <b>Social Involvement</b>         |                                  |                                    |      |                        |
|                                   |                                  | Social Involvement                 | 127  |                        |
|                                   | Social Involvement               | Social Activities Overview         | 128  |                        |
| Regulations                       | Social Contribution per Share    | Letter from Chairman and President | 7    |                        |
|                                   | Community Responsibility Efforts | Social Activities Overview         | 128  |                        |
|                                   | Rural Revitalization Projects    | Contributing to Society            | 132  |                        |
| <b>Topic Standard Disclosures</b> |                                  |                                    |      |                        |
| 201 Economic Performance          |                                  | Financial Performance and          | 37   |                        |
|                                   |                                  | Comprehensive Compensation System  | 112  |                        |
|                                   |                                  | ESG Key Performance Data           | 145  |                        |
|                                   | policies and procedures          | Business Ethics                    | 36   |                        |
|                                   |                                  | Business Ethics                    | 36   |                        |
|                                   |                                  | Governance                         | 161  |                        |
|                                   |                                  | Supplier Code of Conduct           | 68   |                        |
|                                   |                                  | Business Ethics                    | 36   |                        |
|                                   | trust, and monopoly practices    | Regulatory Compliance              | 37   |                        |
|                                   |                                  | Water Management                   | 85   |                        |
|                                   |                                  | Water Management                   | 85   |                        |
|                                   |                                  | Water Management                   | 85   |                        |
|                                   |                                  | Water Management                   | 85   |                        |



|                                | Disclosure                                                                                        | Section                                      | Page | Additional Explanation                             |
|--------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------|------|----------------------------------------------------|
| 305 Emissions                  | x x                                                                                               | Air Pollution Control                        | 88   |                                                    |
| Opportunity                    |                                                                                                   | Board Nomination and Responsibilities        | 35   |                                                    |
|                                |                                                                                                   |                                              | 151  |                                                    |
| 416 Customer Health and Safety | and safety impacts of products and services                                                       | Product Compliance                           | 51   | and safety impact of products in 2023.             |
| 417 Marketing and Labeling     | communications                                                                                    | Regulatory Compliance                        | 37   | marketing communications in 2023.                  |
| 418 Customer Privacy           | customer privacy and losses of customer data                                                      | Regulatory Compliance                        | 37   | violations in 2023.                                |
|                                |                                                                                                   | Customer Privacy Protection                  | 65   | We did not receive any privacy complaints in 2023. |
| USI Specific Disclosures       |                                                                                                   |                                              |      |                                                    |
|                                | Data Privacy                                                                                      | Regulatory Compliance                        | 37   |                                                    |
|                                |                                                                                                   | Customer Privacy Protection                  | 65   |                                                    |
|                                | Biodiversity                                                                                      | Nature, Climate Change and Carbon Management | 80   |                                                    |
| Regulations                    | Environmental protection investment and green technology development                              | Green Manufacturing and Expenditures         | 89   |                                                    |
|                                | performance                                                                                       | Water Management                             | 85   |                                                    |
|                                | Voluntary agreements entered with environmental protection authorities to improve the environment | Nature, Climate Change and Carbon Management | 80   |                                                    |
|                                | Recognitions from environmental protection authorities                                            | Sustainable Performance Highlights           | 9    |                                                    |
|                                | Establishment of a safe and reliable production environment and process                           | Quality and Service                          | 64   |                                                    |
|                                | measures and emergency response plans for product safety incidents                                | Quality and Service                          | 64   |                                                    |

## SASB Index

|                  | Code | Metric                                                                          | Unit of Measure | Summary | Section          | Page |
|------------------|------|---------------------------------------------------------------------------------|-----------------|---------|------------------|------|
| Water Management |      | percentage of each in regions with High or Extremely High Baseline Water Stress | m³, %           |         | Water Management | 85   |
| Waste Management |      |                                                                                 |                 |         |                  |      |
|                  |      |                                                                                 |                 |         |                  |      |
|                  |      |                                                                                 |                 |         |                  |      |
|                  |      |                                                                                 |                 |         |                  |      |
|                  |      |                                                                                 |                 |         |                  |      |
|                  |      |                                                                                 |                 |         |                  |      |
|                  |      |                                                                                 |                 |         |                  |      |
|                  |      |                                                                                 |                 |         |                  |      |
|                  |      |                                                                                 |                 |         |                  |      |
|                  |      |                                                                                 |                 |         |                  |      |



## Management Systems and Certifications Table

| Management System <sup>(1)</sup> | Facility | Zhangjiang | Jinqiao | Huizhou | Kunshan | Nantou | Mexico | Vietnam |
|----------------------------------|----------|------------|---------|---------|---------|--------|--------|---------|
| ISO 14001                        |          | ✓          | ✓       | ✓       | ✓       | ✓      | ✓      | ✓       |
| ISO 14064-1                      |          | ✓          | ✓       | ✓       | ✓       | ✓      | ✓      | ✓       |
| ISO 50001                        |          | ✓          | ✓       | ✓       | ✓       | ✓      | ✓      | ✓       |
| ISO 45001                        |          | ✓          | ✓       | ✓       | ✓       | ✓      | ✓      | ✓       |
| IECQ QC080000                    |          | ✓          | ✓       | ✓       | ✓       | ✓      | ✓      | ✓       |
| TL 9000                          |          | ✓          | ✓       |         | ✓       |        |        |         |
| ISO 9001                         |          | ✓          | ✓       | ✓       | ✓       | ✓      | ✓      | ✓       |
| IATF 16949                       |          | ✓          |         | ✓       | ✓       | ✓      | ✓      |         |
| ANSI/ESD S20.20                  |          | ✓          | ✓       | ✓       | ✓       | ✓      | ✓      | ✓       |
| ISO 13485                        |          |            |         | ✓       | ✓       | ✓      |        | -       |
| ISO 26262                        |          | ✓          |         |         | ✓       |        | ✓      | -       |
| ISO 27001                        |          |            |         |         |         | ✓      |        | -       |
| ISO/SAE 21434                    |          | ✓          |         |         |         |        |        | -       |
| RBA VAP                          |          | ✓          | ✓       | ✓       | ✓       | ✓      | ✓      | ✓       |

Note:

1. All management systems are continuously updated to the latest version as of 2023.

# Third-Party Assurance Statement

The assurance of this report has been conducted according to the following Assurance Standards:

# Third-Party Assurance Statement

**ASSURANCE METHODOLOGY**

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability Committee Secretariat and the senior management in Nantou; documentation and record review and validation with external bodies and/or stakeholders where relevant.

**LIMITATIONS AND MITIGATION**

Financial data drawn directly from independently audited financial accounts, Total Impact Measurement and Management, and Social Return on Investment assessments (SROI) and Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**

## Manufacturing Sites

### USI

#### SHANGHAI-ZHANGJIANG

No.1558, Zhang Dong Road, Pudong New Area, Shanghai  
201203, China

#### SHANGHAI-JINQIAO

Zone, Pudong New Area, Shanghai 201201, China

#### SHANGHAI-SHENGXIA

Building 10, No.169, Shengxia Road, Pudong New Area,  
Shanghai 201210, China

#### HUIZHOU

Guangdong Province 516083, China

#### KUNSHAN

No.497 Huangpujiang Road, Qiandeng, Kunshan City, Suzhou,

#### NANTOU-TSAOTUEN

#### NANTOU-NANKANG 1

No.300, Gongye Road, Nantou City, Nantou County 540027,

#### NANTOU-NANKANG 2

#### MEXICO

#### POLAND

Poland

#### VIETNAM

Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

### Asteelflash

#### ASTEELFLASH TECHNOLOGIES

Valframbert, France

#### ASTEELFLASH ATLANTIQUE

Le Clos de La Grée, 35660 Langon, France

#### ASTEELFLASH EST

9, rue Ampère, 67120 Duttlenheim, France

#### ASTEELFLASH DÉVELOPPEMENT

#### ASTEELFLASH LORRAINE

#### ASTEELFLASH NORMANDIE

#### ASTEELFLASH ÎLE-DE-FRANCE

Zone Industrielle, BP 5, 02200 Mercin Et Vaux, France



## Asteelflash

### 🏠 ASTEELFLASH BAD HERSFELD

### 🏠 ASTEELFLASH FREMONT

4211 Starboard Drive, Fremont, CA 94538, USA

### 🏠 ASTEELFLASH BONN

### 🏠 ASTEELFLASH TIJUANA

### 🏠 ASTEELFLASH EBERBACH

### 🏠 ASTEELFLASH SUZHOU

### 🏠 ASTEELFLASH DESIGN SOLUTIONS HAMBURG

### 🏠 ASTEELFLASH BEDFORD

Bedford MK42 0LF, UK

### 🏠 ASTEELFLASH PLZEN

### 🏠 ASTEELFLASH LA SOUKRA

## Hirschmann Car Communication

### 🏠 NECKARTENZLINGEN

Germany

### 🏠 BÉKÉSCSABA

Csorvási út 35. 5600 Békéscsaba, Hungary

## Sales Offices

### 🏠 HEADQUARTERS

No.169, Shengxia Road, Pudong New Area, Shanghai 201210, China

### 🏠 SUZHOU

215200, China

### 🏠 HONG KONG

### 🏠 EUROPE

Drève Richelle, 161M, WOP, Box 23, 1410 Waterloo, Belgium

### 🏠 USA

4211 Starboard Drive, Fremont, CA 94538, USA

### 🏠 JAPAN

### 🏠 SINGAPORE

Singapore 138543

### 🏠 TAIPEI

**P u b l i s h e d b y**

**P u b l i s h e r**

**A d d r e s s** No.1558, Zhang Dong Road, Pudong New Area, Shanghai 201203

**T e l e p h o n e**

**E d i t o r i a l**

**S e c r e t a r y**

**E d i t o r i a l D e s i g n**

**E d i t o r i n - C h i e f** Aaron Chen

**S e n i o r E d i t o r** Yunren Lee

**E x e c u t i v e E d i t o r**

**W e b E d i t o r**

**W e b s i t e**

**E d i t o r i a l**  
**C o m m i t t e e**

**A r t D e s i g n**



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