USI® 环旭电子股份有限公司
Universal Scientific Industrial (Shanghai) Co., Ltd.

SSE : 601231

2019 CORPORATE SOCIAL RESPONSIBILITY REPORT

In 2019, global trade frictions and inflation became normalized; issues such as climate change, environmental pollution, and resource depletion remain severe. On top of that, the COVID-19 epidemic also started at the end of the year. These unfavorable factors have caused a substantial negative impact on the health and sustainable development of the global electronics industry and related capital markets and companies.

Letter from the President

The COVID-19 epidemic broke out at the end of 2019, and in less than three months, it quickly evolved into a global pandemic. USI immediately established an emergency response war room, co-chaired by the Chief Human Resource Officer and the Chief Quality Assurance and Corporate Social Responsibility Officer. Through daily teleconferences, we initiated and implemented a series of preventive actions based on three principles:

1. Comply with the laws and regulations.
2. Care for employees' health and safety.
3. Make every effort to meet the commitment to our customers on the above two premises.

Fortunately, we passed the first test. Before the end of March 2020, we almost caught up with all shipments delayed in January and February earning high recognition from our customers. To combat the outbreak, we immediately donated CNY 1 million to the Shanghai Red Cross for prevention and relief efforts. We also assisted some troubled suppliers to resume work.

The COVID-19 pandemic will not be subdued within a short time and will have a significant impact on society. As a corporate citizen, we should review what we did in 2019, and then look ahead to see what else we can contribute to in 2020.

Maintaining our strategy, we privatized Memtech, a Singapore-based component solutions provider, signed an acquisition for 100% equity of Asteelflash, the second-largest EMS company in Europe, and invested in constructing a new site in Haiphong, Vietnam. We restarted our Taiwan-NK Facility, built Guangdong Huizhou Facility, and established a third facility in Mexico and a second in Poland. As we expand our global presence, we implement the RBA Code of Conduct in all our sites and conduct regular audits to ensure compliance. Working with our partners, we strive to develop a sustainable supply chain.

In response to the challenges brought by climate change, we are reducing the environmental impact of our operations. We increased 7% investing in green expenditures compared to last year. 100% of our facilities in China are using renewable energy, and we recovered 76.7% of our process water.

Employees are the seeds for our continued growth, and we are committed to providing a safe and healthy workplace. USI invested CNY 150 million in safety production to protect employees, which is a 25% increase from last year. We offered seminars to educate employees on health hazards and how to prevent chronic and occupational diseases. Also, we provide counseling services soxpvic7 an and wivviro

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The dramatic spread of COVID-19 continues to disrupt lives, communities, and businesses worldwide. As a listed company in Shanghai, USI actively takes the mantle of social responsibility and contributes towards efforts to contain the spread of the virus. We took the lead and set measures to protect our employees and support local communities. This is our response to the "Notice on Full Support for the Supervision and Control of the New Coronavirus Outbreaks" Shanghai Stock Exchange issued.

Since the initial outbreak in January 2020, USI followed the situation closely and immediately established an emergency war room to ensure our employees' health and safety. Drawing on our SARS (2003) and MERS (2012) experience, the response team increased safety procedures, monitored personal protection equipment supply on each site, set return to work guidelines, and routinely disinfected offices and dormitories premises. Apart from working to safeguard our employees' well-being, we cooperate with local governments and strictly implement their measures and requirements to control and prevent outbreaks.

ESG Key Performance Data

Governance

- CNY 37.204 billion in revenue
- CNY 1.262 billion in profits
- CNY 302 million in taxes
- CNY 1.373 billion in R&D spending
- 82.5% customer satisfaction rate
- 100% conducted RBA VAP audits

Environmental

- 44.640 tonnes of VOCs emissions
- 8,510.312 tonnes of waste generated
- 696.641 tonnes of hazardous waste
- 7,813.671 tonnes of non-hazardous waste
- 86% waste recycled or recovered
- 681.846 megaliters of water consumed
- 41.674

USI Operation and Governance

USI's mission is to turn innovative technologies into value for customers. Through the collective contribution of employer and employees, we established managing mechanisms in charge of respective responsibility and published the operative condition. We strive to be the most reliable provider for electronic design and manufacturing services to generate exceptional rewards for stakeholders.

Company Profile

USI is a Shanghai Stock Exchange (SSE) listed Company (SSE: 601231). We are a leading global company of electronic design and manufacturing services and provide design, miniaturization, material sourcing, manufacturing, logistics, and after-sales of electronic devices/modules for brand owners. USI is a member of ASEH (TWSE: 3711, NYSE: ASX) and has many years of experience in the electronics manufacturing services industry. We leverage the industry-leading technology of ASE Inc., which enables USI to offer customers diversified products in wireless communication, computer and storage, consumer, industrial, and automotive electronics worldwide.

In November 2019, MSCI announced including USI in its Emerging Markets Indices. USI harnesses its advanced miniaturization technology to establish unique market competitiveness. From the professional service spectrum covering development, design, material procurement, manufacturing, logistics, and maintenance of electronic products, we provide clients with overall service that has high performance in timelines, quality and adding value and also the most significant cost competitiveness. USI is committed to providing professional service of design and manufacture for the electronics industry. We focus on top of developing trends in the business and maximize value for global clients based on complete systems and advanced miniaturization solutions. We started from car electronic elements and industrial devices at the beginning, and now we are capable of providing a wide range of high-quality and well-balanced products in fi-elds such as wireless network access, digital storage, and LCD panel control. In May 2019, it was the very first time for USI to receive "TOP 50 Most Valuable Shanghai Brands the Bund Ranking", affirming the Company's efforts in brand innovation in the industry.

Company Overview

Universal Scientific Industrial (Shanghai) Co., Ltd.		
Headquarters Location	No.1558 Zhang Dong Rd., Pudong New Area, Shanghai 201203	
Registered Capital	CNY 2,175,923,580	
Location of Stock Issue	Shanghai Stock Exchange	
Stock Number / Name	601231 / USI Shanghai	
Date of Stock Issue	Feb. 20, 2012	
Main Products and Services	Communication Products	Consumer Electronics Products
	Computer & Storage Products	Industrial & Car Electronics Products
Global	8195q8J0 Tc7u 55(l0.5(T)926(f7u 55(l0.5(E)926(ml0.5(p Td(G)0.5(l2Td(y)l)0d(e)0d(e)0d(s)-55(l(vices)TJ0 0 (	

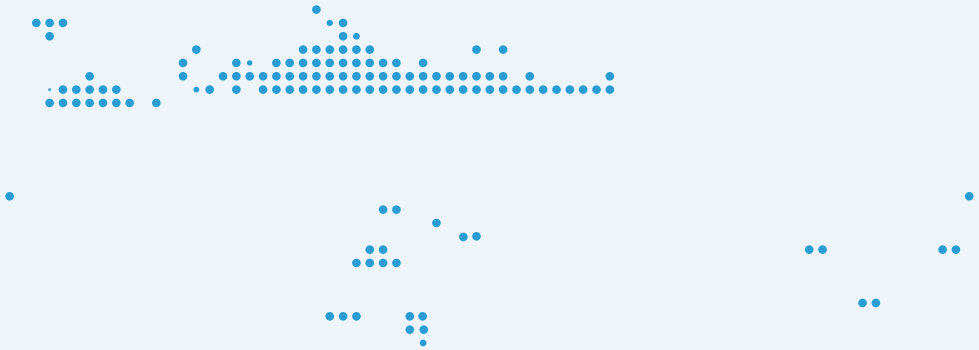
Note: Please refer to the company website (https://www.usiglobal.com) for details

Global Operations

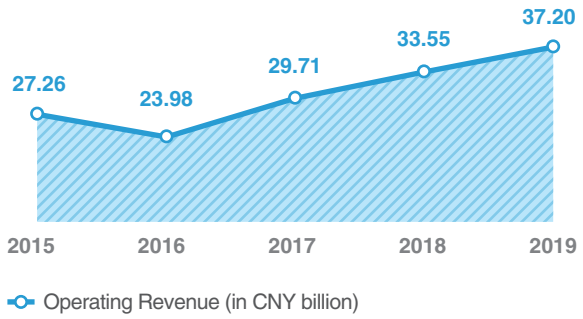
To date, USI has R&D centers and manufacturing facilities in China and Taiwan with clients from all over the world. To provide customers fast and timely services, in addition to Zhangjiang, Jinqiao, Shenzhen, Kunshan, Taiwan-TT, Taiwan-NK, Mexico, and Poland Facilities, USI has sales offices and after-sales service points in North America and Europe. Our global service network covers Asia, America, and Europe (Please see page 22 of 2019 USI Annual Report for the major holdings/participation company analysis).

In 2018, President C.Y. Wei announced that it was "the starting year of USI's expansion" and started making strategic investments for suitable manufacturing sites. Chairman Jeffery Chen mentioned that USI would change from "Localized Production to meet International Clients" to "Global Production to meet International Clients." It is a significant breakthrough and challenge for USI. In 2019, we privatized Memtech, a Singapore-based component solutions provider, signed an acquisition for 100% equity of Asteelflash, the second-largest EMS in Europe, and invested in constructing a new site in Haiphong, Vietnam. We restarted our Taiwan Nankang Facility, built Guangdong Huizhou Facility, and established a third facility in Mexico and a second in Poland.

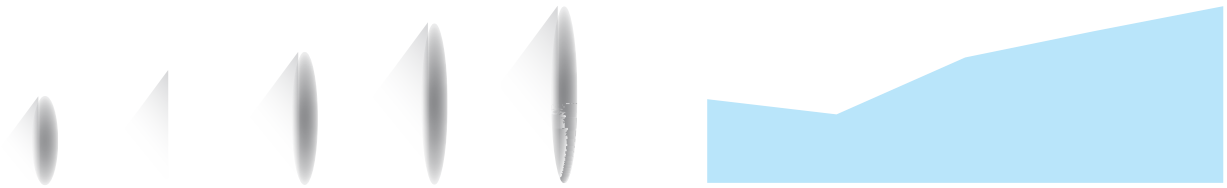
Note: Poland Facility is CHUNG HONG ELECTRONICS Poland Sp. Z.o.o.



Five Consecutive Years of Operating Revenue Trend



Five Consecutive Years of Total Capital Trend



r Continuous Improvement Program

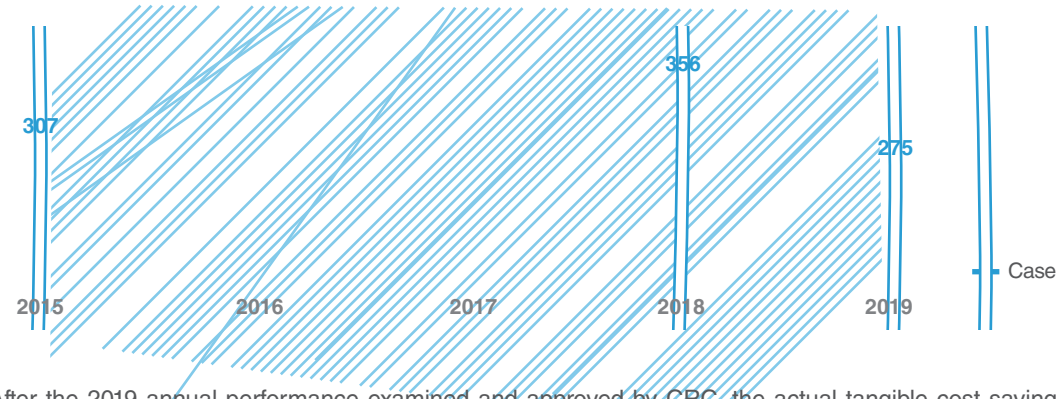
Continuous Improvement Program (CIP) proposes improvement plans for the quality, costs, lead time, services, efficiency and safety of manufacturing related operation and procedures. Its purposes are as follows:

Build a platform to realize ideas and approve employees' endeavors and awards

Encourage employees devoting to continuous improvement

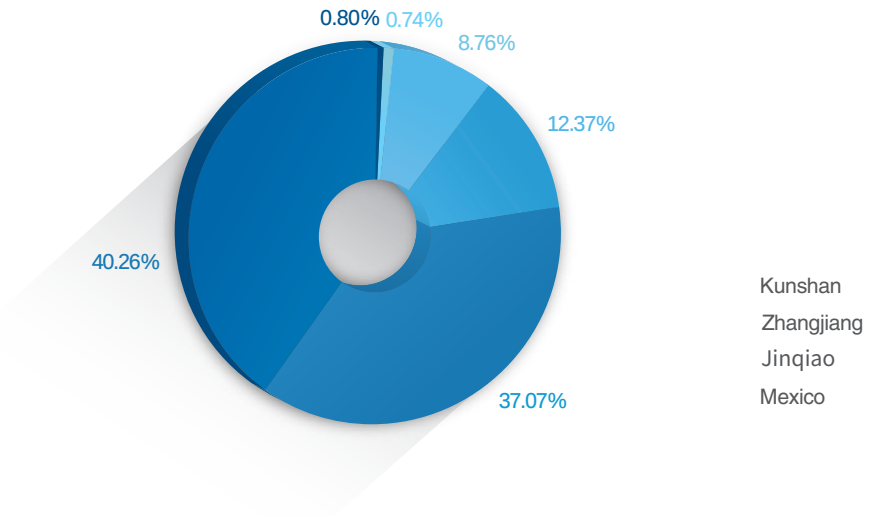
Enhance teamwork and enterprise competitiveness

The cases proposed by each facility are reviewed by Site Review Committee (SRC) for their project results that including innovation and development capability, actual saving value attainment capability, technical application capability, standard operation capability, and reproduction operation capability. After the organizer samples the cases, Corporate Review Committee (CRC) will review their saving benefits and promote cases with reproducible results to enlarge the benefits. According to the statistics in the figure below, over 250 cases on average are defined each year.



After the 2019 annual performance examined and approved by CRC, the actual tangible cost saving was USD 13.43 million, mainly from the improvement of new cutting method for irregular product design in Jinqiao Facility. Please refer to the figure below for the details of each facility. The saving cost accounted for 0.35% of revenue (target value: 0.21%) and a total of USD 90,800 has been awarded.

2019 CIP Performance by Facility



CIP Excellent Contribution Award

Each facility proposes representative or innovative cases to enter global competitions. Awarded teams are granted trophies and incentive payments. The following table explains the contribution award and its standard. In response to the issue of climate change, USI has included "energy saving and carbon reduction" in the rating system and the type of key project to promote relevant green proposals. In 2019, seven projects achieved the targets, but no Energy Saving and Carbon Reduction projects awarded.

Facility	Ranking	Project	Project Content
Key Project			
Kunshan	Silver Medal	VPD Automated Demonstration Production Line	Improved production flow of visual products through automatic lines. It can save the workforce and solve quality risks caused by manual operation. Its estimated annual saving amount is USD 102,355.
Zhangjiang	Bronze Medal	Oven Temperature Management System (OTMS)	Solved operational mistakes by oven temperature management system, it can also keep the oven parameter records for data analyzing and tracking. Its estimated saving amount is USD 299,737.
Jinqiao	Bronze Medal	Auto Packing Implementation	Applied real-time SFIS (Shop-flow information system), shipping information and automatic packaging process to save workforce cost. Its estimated annual saving amount is USD 279,715.
Other Project			
Jinqiao	Gold Medal	New Cutting Method for Irregular Product Design	Applied new cutting methods for irregular designs to reduce both labor and machine costs, and it also can reduce CO_2 emission compared with the original dry ice cleaning method. Its estimated saving amount is USD 13,328,671.
Zhangjiang	Silver Medal	Reduce Pre-solder Ball Height by Process Optimization	Developed pre-solder ball skills by the USI engineering team; it not only meets customers' higher-level spec but also saves outsourcing expenses. Its estimated annual saving amount is USD 187,779.
Zhangjiang	Bronze Medal	New Tooling Design for Sputter Quality & Capacity Improvement	Improved sputtering tooling design to upgrade production quality and capacity. Its estimated annual saving amount is USD 105,572.
Kunshan	Bronze Medal	Pogo Pin Test Fixture	Developed software and hardware of Pogo pin test fixture to realize USI self-made capability and also free from fixture vendor's monopoly to save fixture cost. Its estimated annual saving amount is USD 86,132.

Taiwan Facility

r Promotion of RBA

ASEH joined the Responsible Business Alliance (RBA) and became its member in 2015.

Board of Directors

The candidates of USI's Board of Directors are nominated by the Nominating Committee and then approved by the Board of Directors and the Shareholders' Meeting. Shareholders can nominate the directors and independent directors. The Nominating Committee will select candidates based on their professional experience. Independent director candidates are required for the attitude of independence. The term of service of the Board of Directors is three years.

Currently, USI's Board of Directors is composed of 9 directors, and three of them are male independent directors. Mr. Jeffery Chen serves as Chairman of the Board. Please refer to page 72 of "2019 USI Annual Report" for the members of Board of Directors. According to Articles of the Company, material events must be deliberated and voted by directors after full discussion. But if the events are out of the authorization to Board of Directors, it should be submitted to Shareholders' meeting for deliberation and approval. The Company holds at least one board meeting every three months. There were 8 board meetings in 2019.

USI's Board of Directors has four professional committees: Strategy Committee, Nominating Committee, Remuneration and Evaluation Committee, and the Audit Committee.

Strategy Committee

The Strategy Committee of USI's Board of Directors is composed of 5 directors, including one independent director. Strategy Committee enhances the Company's core competency according to the needs of strategic development to determine corporate development plan, improve investment decision-making procedures, and enhance scientific decisions, and increase the efficiency and quality of major investment decisions as well as to perfect the corporate governance structure.

Nominating Committee

The Nominating Committee of USI's Board of Directors is composed of 5 directors including three independent directors. The main responsibilities are to make recommendations for the size and composition of the Board of Directors as well as the composition of senior management personnel of the Company based on the Company's shareholding structure and the needs of corporate management and operation.

Remuneration and Evaluation Committee

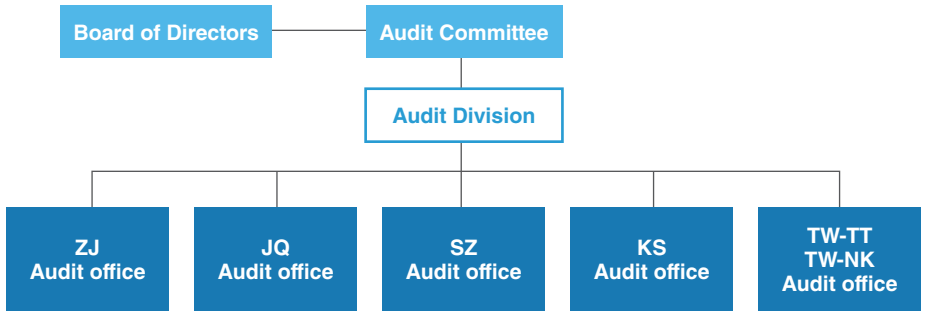
The Remuneration and Evaluation Committee of USI's Board of Directors is composed of 5 directors, including three independent directors. The main responsibilities are to study, draft, and implement the appraisal standards & methods and remuneration policy & plan for corporate directors and senior management personnel, as well as putting forward opinions or proposals. This committee also examines the performance of corporate directors and senior management personnel, conducts the annual performance reviews, and monitors the implementation of corporate compensation system.

Audit Committee

The Audit Committee of USI's Board of Directors is composed of 5 directors, including three independent directors. The main responsibilities are the proposals of hiring or replacing external auditing agencies and the supervision and implementation of the corporate internal audit system. This committee is also responsible for the communication betweel1E0.01 (e)2ltd30 -1Tommit6c83(,Ev)2485(aidnating C)2485(ompan)2485(y or mation anddisclosu(r)20(es)15(, r)20(e)30(vie)20wding tee rnizmatio Cernal cot rystes as we

Internal Audit Organization

The internal auditing is subordinate to the auditing committee under the board of directors. The employment of the head of auditing has to be approved by half of the board members. A full-time head auditor is established, and auditors are established in each facility as well.



Internal Audit Process

- Range of audit: All business and management of finance and operation are included. According to related regulations, there are nine divided circles responsible for respective audit.
- Object of audit: All institutes and legal branches around the world of USI.
- Audit strategy: The regular audit is practiced based on the annual audit project decided by the board of directors; a special case audit will be practiced if needed. The goal is to prevent possible shortages from the internal control system and present improving suggestions. Besides, the audit office urges all departments to practice self-examination and assessment to evaluate the rationality and effectiveness of the outcomes. The audit office will produce an auditing report after the auditing activity performed. The compiled report will be submitted to the board of directors as the realization of the Company's governance spirits.

zj.gpx@usiglobal.com

Business Ethics and Regulations Abidance

Business Ethics

To make sure USI employees do not have illegal profit exchanges with related institutes, USI employees must put more emphasis on incorruptible deeds. In employees' working regulations, they are required not to deal with private affairs through USI's resources and engage in activities for personal gain with their authority. When newcomers accept training, they are given related training courses. USI has drawn up Fraud Risk Management Procedure and The Rule of Punishment for Fraud in the Sunshine Act, and a mailbox for complaints and prosecutions is provided to forbid any kind of corruption and bribery strictly. Accusation mails could be non-anonymous or anonymous; Company should safeguard informants' safety and interests to ensure they will not be threatened.

Sunshine Conduct Policies

- **Require Employees and Suppliers to Sign and Declare Compliance with the Sunshine Conduct Policies**
- **Set up Channels to Report Incidences and Regularly Inform Employees and Suppliers of Reporting Channels**
- **Educate and Promote the Sunshine Conduct Policies**
- **Set Audit Scope for Sunshine Conduct**
- **Design Assessing Process for Sunshine Conduct**

Grievance Mechanism			
Zhangjiang	zj.gp.sox@usiglobal.com	**Kunshan**	ks.gp.sox@usiglobal.com
	K-m(4.gp)35Tks.625oupwx@usiglobal.com		

To ensure that employees understand and comply with the USI Employee Code of Conduct, we made it into a mandatory course on our internal e-learning platform. All employees need to finish the required reading and pass the quiz every year. All records are listed as tracking list to ensure the course of Employee Code of Conduct has been finished by each employee. Furthermore, the Sunshine Conduct Policies must be conducted to employees regularly to remind them of relevant corporate regulations and strict observance of rules. There was no bribery or corruption discovered in 2019.

Employee Code of Conduct

- **Employment Morality and Code of Ethics**
- **Rules to Avoid Conflict of Interests**
- **Rules of Gifting and Entertaining**
- **Reporting Responsibilities and Obligations**
- **Violation Handling**

r Regulations Abidance

USI has devoted to maintaining the corporate image for years and strictly complied with national or international laws and regulations related to corporate governance, financial management, intellectual property, green environmental protection and safety rules, labor rights, and fair market competition. We also cherish customer value, rights, and interests. The contract performance rate with the customers reached 90.07%*. For any negative impact on corporate image or violation of the law, a task force will be formed by USI to take countermeasures. By the end of 2019, no violations involving in a significant penalty* or other non-economic punishment occurred.

Note:

1. 110 contracts remained to be reviewed by both parties by the end of 2019.
2. The definition of significant penalty is sanctions over USD 10,000

Enterprise Risk Management

The Company assesses risks annually to ensure they can be identified, evaluated, and responded to in time with proper measures. Taking the environment, industrial trends, and corporate operations into consideration, we make all efforts to maintain sustainable management and achieve our business operational goals.

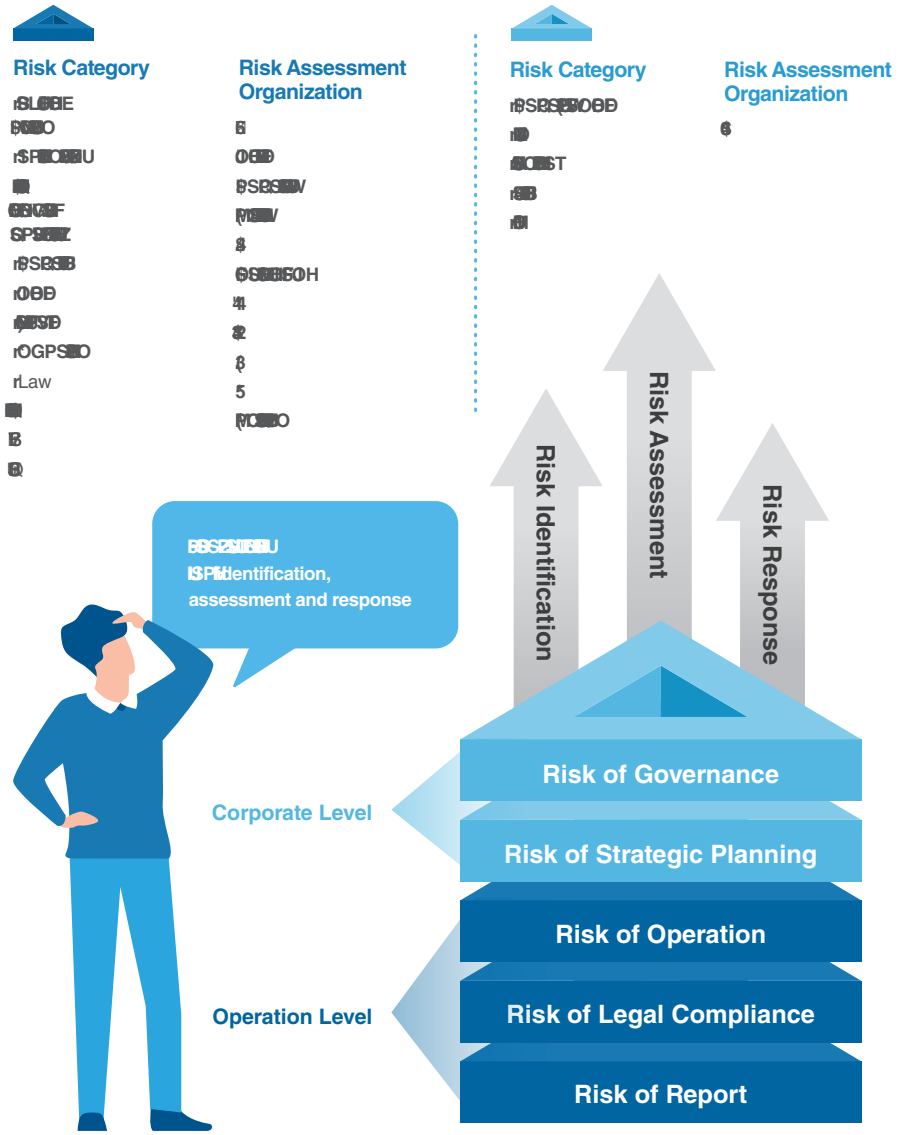
Each unit takes charge of identifying internal and external risk factors that might affect USI's sustainable development and operational goals, evaluating risk levels and the effectiveness of relevant controlled activities, and taking appropriate measures based on the results of risk evaluation.

After reviewing 2019 risk assessment, we rated all environmental and social issues as Effectively Controlled and Low Risk, so we did not include them to Risk Assessment items.

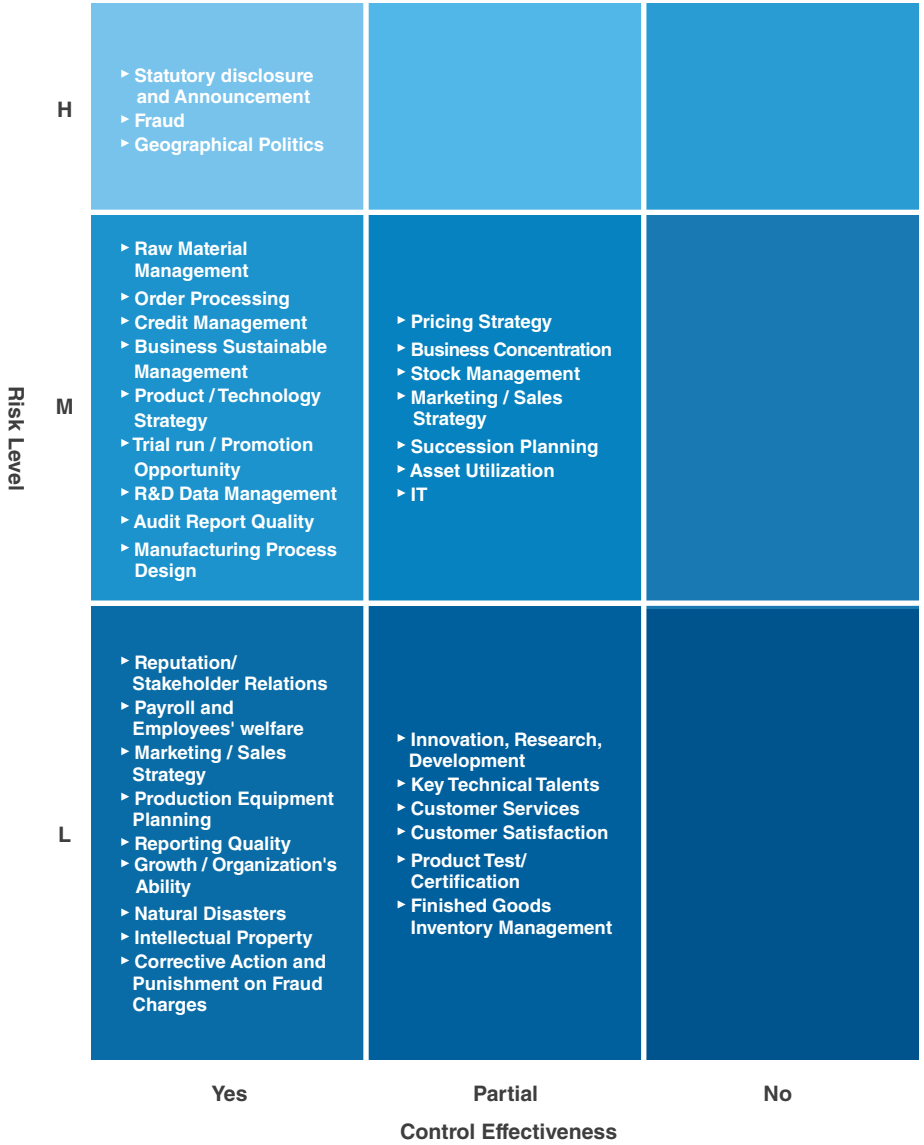
Risk assessment includes various risks that an enterprise might face, primarily divided into the corporate level and operation level:

- Corporate level risks: corporate governance, ethics, external factors, strategy and planning
- Operation level risks: marketing and communication, product development, supply chain, corporate assets, finance, climate change, natural disasters, waste reduction, human resources, information, law compliance, and fraud.
  Marketing and Communication chiefly covers customer services such as order processing, quotation, and customer satisfaction. The Supply Chain includes production planning, procurement, production, and logistics management. Climate Change, Natural Disasters, and Waste Reduction covers greenhouse gases emissions, natural disasters and epidemics, and waste disposal. Human Resources cover employee health and safety, labor and employment issues, salaryes

Risk Management Framework



Risk Assessment Results

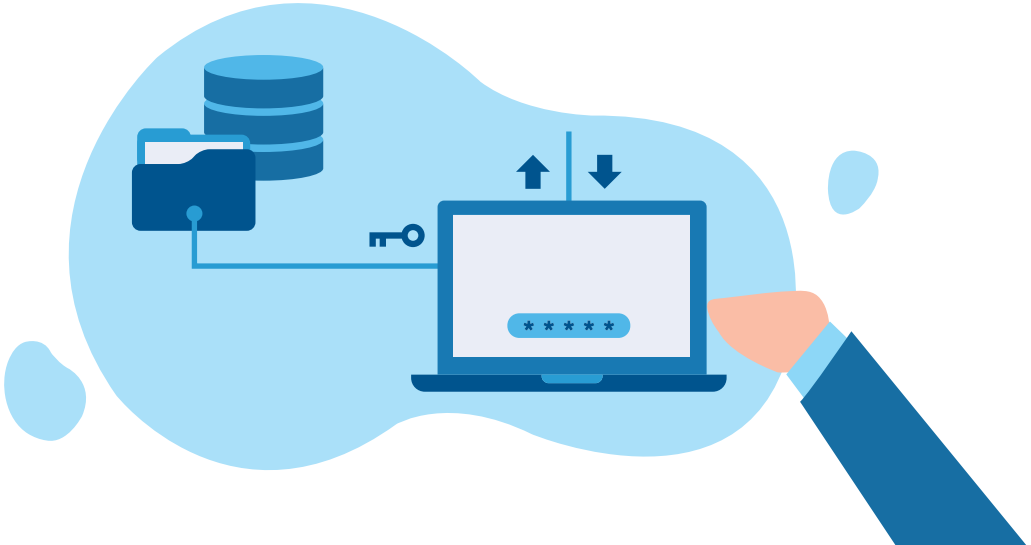


r **2019 USI Risk Assessment Countermeasures and Chances**

Aspect	Item	Countermeasure	Corporate Chance
		Macro-economy	
Political Environment	China-US trade war	Monitor the impacts of custom issues; transfer production lines to other manufacturing sites if necessary	Enhance manufacturing strategy in non-China areas and convert local resources to be competitive advantages; strengthen company global manufacturing service capability
		Micro-economy	
Market Demand	Sudden and significant increase/ decrease of demand forecast or order from clients leads to redundant/stagnant materials	A complete system to control the changes in orders. Any redundant/stagnant materials caused by clients will be well solved by effective enforcement	Control customers' business trends and product/service situations. Use database to analyze forecast model and improve production-marketing efficiency
	A single client accounts an alarmingly large percentage of sales revenue	Dedicate in new client development to reduce the revenue of one single client	Enhance development, acquirement and integration of key technologies and products. Increase cross selling to existing clients in different production lines, and also create new clients and business chances
Management After Investment	The reinvestment benefits from strategic investment activities are not as good as expected	Make an integration strategy and executive effective after investment management to monitor, feedback and adopt necessary actions for daily and major emergencies	Enhance and monitor integration activities on soft issues, such as cultural integration, to make sure the target benefits can be achieved
Competition	Adjust internal resources to feedback new business model if it has significant discrepancy with existing operation model	Check and adjust currently resources, and hold irregularly meetings to decide the related action plans; strategic alliances with benchmarking customers to reduce R&D cost and risk	Control industry evolution, business competition and customers' business development to ensure Company's capability and flexibility on product developments and manufacturing services, and attain the benefits of industrial division
	Bad gross margin performance caused by market competition sharply	Apply miniaturization solutions to upgrade the product diversity and technical barrier; utilize existing product design experience and promote to new customers	Integrate the advantages of miniaturization solution and modularized technology on different production lines. Help clients to innovate new products and business opportunities

Note:

1. Please refer to page 27 of 2019 USI Annual Report for Risk Management: "Chapter 3: Item 4. The risks we might be facing"
2. Please refer to 2019 ASEH Corporate Social Responsibility Report for the related risks of climate change



Contribute towards building a better place to live

Generate exceptional reward for stakeholders

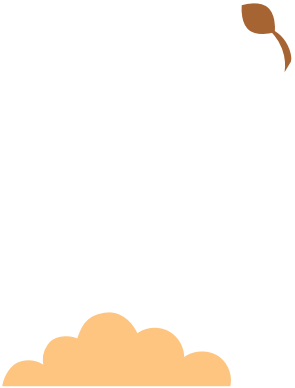
Provide a fulfilling and challenging working environment

2020 CSR Kick-off Meeting

USI
USI
2019 USI 高階主管永續論壇

Future Goals & Performances

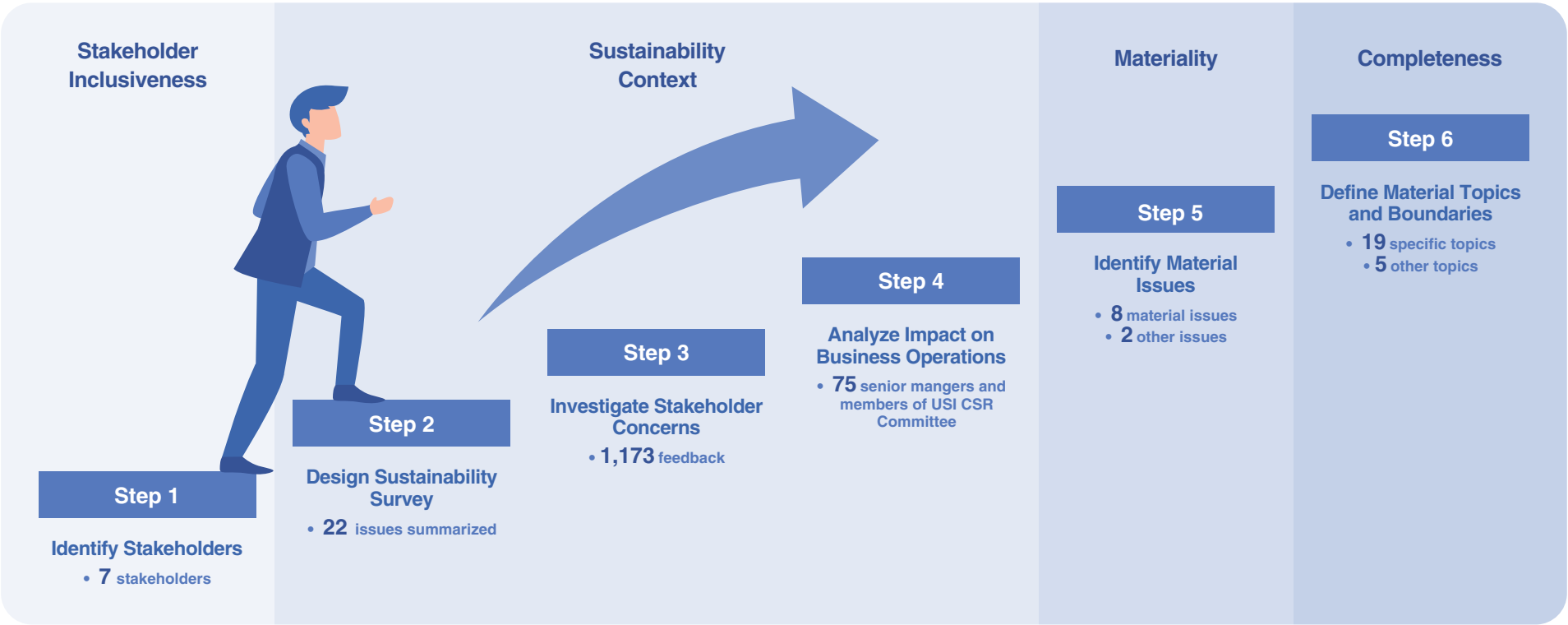
USI has set goals corresponding to the five aspects and set up short and future medium-term plans. These goals are connected to UN's 2030 Sustainable Development Goals (SDGs) to



Stakeholder Engagement

3

We are committed to operating with transparency and, through open and direct communication; we work to develop trusted relationships with all stakeholders. We maintain formal management systems to engage with, listen to, and learn from our stakeholders and incorporate their input as an essential basis for reviewing and continuously improving the Company's sustainable strategy.


Stakeholder Inclusiveness
Sustainability Context
Materiality
Completeness
Step 1
Identify Stakeholders
• 7 stakeholders
Step 2
Design Sustainability Survey
• 22 issues summarized
Step 3
Investigate Stakeholder Concerns
• 1,173 feedback
Step 4
Analyze Impact on Business Operations
• 75 senior mangers and members of USI CSR Committee
Step 5
Identify Material Issues
• 8 material issues
• 2 other issues
Step 6
Define Material Topics and Boundaries
• 19 specific topics
• 5 other topics

Material Issues in 2019

Material Issue	Content	GRI Topic	Chapter
Regulatory Compliance	All USI operational locations observe local regulations and laws, including environmental, economic, and labor regulations. (e.g., Environmental Protection, Human Rights, OHS, Product Labeling, Marketing, Business Confidentiality)	r 307 Environmental Compliance r 416 Customer Health and Safety r 417 Marketing and Labeling r 419 Socioeconomic Compliance	r Business Ethics and Regulations Abidance r Customer Privacy & Product Safety r USI with Environment
Supply Chain Management	USI procurement practices and supplier risk assessments, including environment, labor, and human rights assessment. (e.g., RBA Audit)	r 204 Procurement Practices r 308 Supplier Environmental Assessment r 414 Supplier Social Assessment Supply Chain Management	r Supply Chain Management
Economic Performance	Company's financial performance, including retirement plans and government subsidies	r 201 Economic Performance	r Financial Performance r Comprehensive Welfare and Salary System
Innovation and R&D	New processes/product development, focusing on integrating social innovation in R&D, enhancing product quality, and acquiring patents/intellectual property	r Topics of our parent company	r Patents Research and Continuous Improvement
Customer Relationship Management	Company's approaches to protect customer privacy, maintain customer satisfaction and provide quality customer service	r Topics of our parent company r 418 Customer Privacy	r Customer Service & Satisfaction r Customer Privacy & Product Safety
Green Product	Reducing environmental impact from procuring materials, manufacturing to product transportation. And the disclosure that the related green products within the reporting period	r 302 Energy	r Green Management
Waste Management	Company's waste management practices	r 306 Effluents and Waste	r Waste Management
Occupational Health and Safety	Company's Occupational Health and Safety management, including chemical safety management approaches	r 403 Occupational Health and Safety	r Excellent Working Environment
Energy Management	Company's energy management approaches	r 302 Energy	r Energy Management
Water Resource Management	Company's water resource management practices	r 303 Water and Effluents	r Water Resource Management
Climate Change	Company's greenhouse gas emission and reduction management plans	r 305 Emissions	r Carbon Management
Employment and Employee Welfare	Company's approaches to hiring (including local hiring), remuneration, and employee benefits	r 202 Market Presence r 401 Employment r 405 Diversity and Equal Opportunity	r Global Workforce r Equal Employment Opportunity r Comprehensive Welfare and Salary System
Training and Education	Employee training and development	r 404 Training and Education r 412 Human Rights Assessment	r Integral Training Program r Global Workforce

r Step 6 Define Material Topics and Boundaries

Scope and Structure of the Report: Substantial issues of the 2019 annual report has followed the scope of previous year's report to, based on materiality issues identified from the level of stakeholder's concerns and impacts to our Company as well as experts and scholars' feedback, determine the content and framework thereof. This approach made based on the principles of comparability enables us to fully disclose USI's current policy and future plans with respect to our fulfillment of corporate social responsibility. Finally, referring to the GRI Standards, we also selected 19 topics responding to material issues and according to the Company's industrial characteristics, outlined 2 topics, added 2 topics required by the parent company, and added 1 topic in response to current events. The final results are described in the following table:

⚙ Disclosure

Scope	Boundaries			
Topic	Internal	Community	Supplier	Customer
Economic				
Economic Performance	⚙			
Market Presence	⚙	⚙		
Procurement Practices	⚙		⚙	
Environmental				
Energy*	⚙			⚙
Water and Effluents*	⚙	⚙		
Emissions*	⚙			
Effluents and Waste*	⚙			
Environmental Compliance	⚙			
Supplier Environmental Assessment	⚙		⚙	

Note：
1. The internal boundaries cover our seven major manufacturing facilities, namely Zhangjiang, Jinqiao, Shenzhen, Kunshan, Taiwan-TT, Taiwan-NK and Mexico Facilities.
2. The disclosure boundaries of "Energy", "Water and Effluents", "Emissions" and "Effluents and Waste" will be explained in the "Environment & Green Innovation" chapter.

Scope	Boundaries			
Topic	Internal	Community	Supplier	Customer
Social				
Employment	⚙			
Occupational Health and Safety	⚙			
Training and Education	⚙			
Diversity and Equal Opportunity	⚙			
Human Rights Assessment	⚙			
Supplier Social Assessment	⚙		⚙	
Customer Health and Safety	⚙			⚙
Marketing and Labeling	⚙			⚙
Customer Privacy	⚙			⚙
Socioeconomic Compliance	⚙			
Other Topics				
Innovation and R&D	⚙			
Customer Relationship Management	⚙			⚙
Conflict Minerals Management	⚙		⚙	
Continuous Improvement Program	⚙			
USI Steps Up to Combat COVID-19	⚙	⚙	⚙	⚙

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Stakeholder	Material Issue	Communication Channel	Frequency	2019 Performance	Chapter
Customer	r Customer Relationship Management r Green Product r Anti-corruption r Supply Chain Management	r RBA-Online r After-sales service system (e-RMA) r Customer's satisfaction questionnaire r Green Product Management System (GPMS) r Mail	r All the time r All the time r Quarterly r All the time r All the time	r Report Self-Assessment Questionnaire (SAQ) assessment status and results through the RBA-Online platform. r Constant monitoring of RMA* status through the system (e-RMA). r	

Stakeholder	Material Issue	Communication Channel	Frequency	2019 Performance	Chapter
Affiliated Company	r Employment and Employee Welfare r Regulation Compliance	r Board meetings r Work/Business meetings	r Periodic/Non-periodic r Non-periodic	r 8 board meetings were held. r Work/business meetings of departments to communicate the policies, objectives, and requirements of the parent company (ASEH).	r Promises for Employees r Corporate Governance
Government	r Regulation Compliance	r Official document r Participation in conferences	r Non-periodic r Non-periodic	r Actively participate in conferences held by competent authorities on an irregular basis. Participated in 52 external organizations.	r Corporate Governance
Community	r Social Investment and Participation r Occupational Health and Safety	r Community activities r USI Website/E-mail/Direct line	r Non-periodic r All the time	r Actively participate in social/community activities and establish a good relationship with neighbors. Total participated/held in 49 philanthropic social activities. r Draw up environmental protection, occupational safety & health (ESH) Standard Operation Procedure and measures of environment safety communication, consultancy, and participation. Keep friendly relationships with community residents.	r Social Involvement r USI with Environment r Promises for Employees

Note: RMA, Return Merchandise Authorization

82.5%
customer satisfaction

100%
in compliance with
IEC 62368-1

Sustainable Value Chain

Customer Service & Satisfaction

USI, the world's leading provider of D(MS)^2, has been committed to providing professional services and fine-quality

r

Note:

1. e-RMA, e-Return Material Authorization
2. SAP, Systems Application and Products in Data Processing (It is a world-famous and universal ERP system developed by SAP.)

RMA Service

- After-sales service solutions
- Warranty and maintenance
- Project rescheduling and replacement of parts
- Product replacements
- Product repairs

Technical Support

- On-site technical support at customer's requirement
- Training program for maintenance staff
- Troubleshooting and defect analysis
- Test equipment / xtures and technical documents

Spare Parts

- Selling regular and critical spare parts / components service

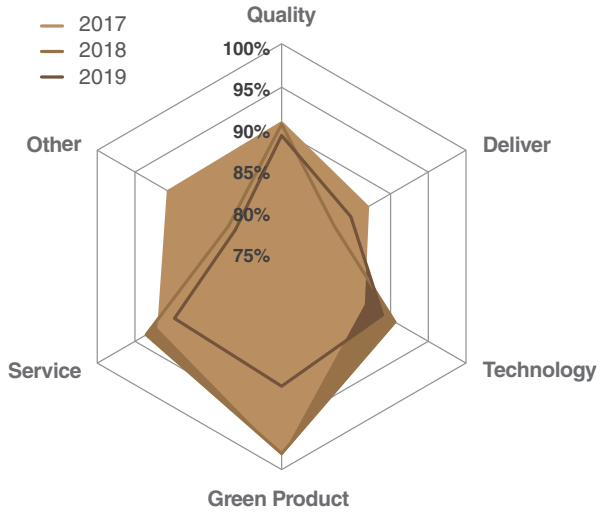
Driving up Customer Satisfaction

In order to ensure an effective communication with global customers, USI has dedicated personnel to deal with customer service incidents for all clients. Through the organization of QBR (Quarterly Business Review) meetings and occasional business meetings, questionnaires, we can actively collect customer opinions and appeals as well as understand the product evaluations in terms of technology, quality, price and delivery period, from customers to keep improving USI service quality and good cooperative relationship with customers so as to jointly create the best interests and values for the company. As for the results of survey, USI's internal responsible unit holds seminars to make feasible coping strategies and then negotiate with customers based on their needs. By the establishment of improvement plans, we continuously follow up the progress and always keep the customers in the loop to improve communication quality and customer satisfaction.

With respect to customer satisfaction, USI has made a great effort in reaching our goals this year (where the customer satisfaction level must reach 80%). As for our long-term goal, we hope that our customer satisfaction will reach the "Outstanding" level in 2021. In 2019, the overall satisfaction of USI's main customers is 82.5% (Successful). Concerning the satisfaction level for our respective services, all of our services have reached the "Successful" or "Excellent" level, except for "Others."

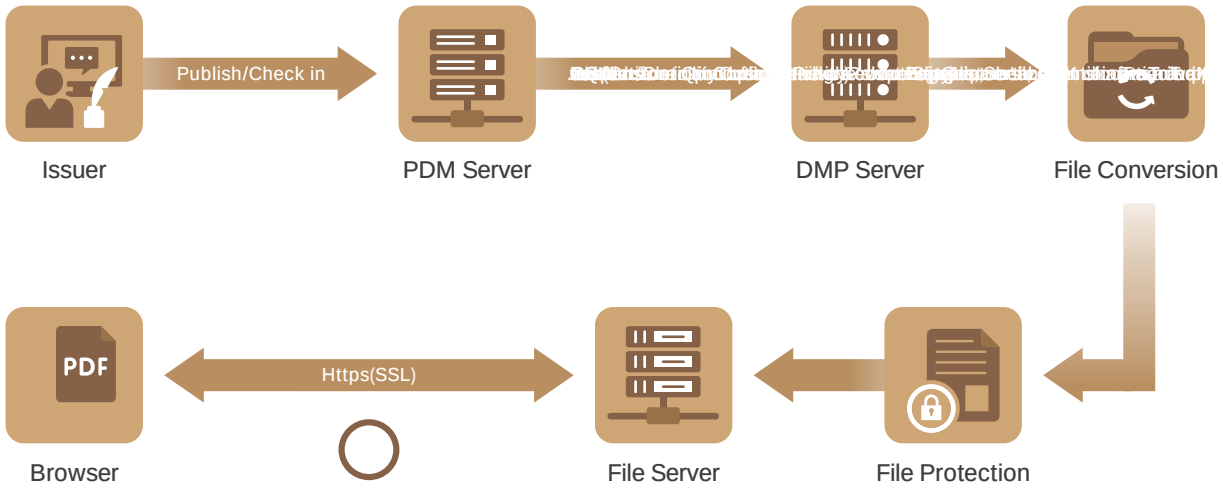
Note:
Major customers refer to the top 20 customers with the best annual revenue (accounting for above 90% of USI revenue) according to USI Central Staff Office's statistic.

Customer Satisfaction of USI's Main Customers



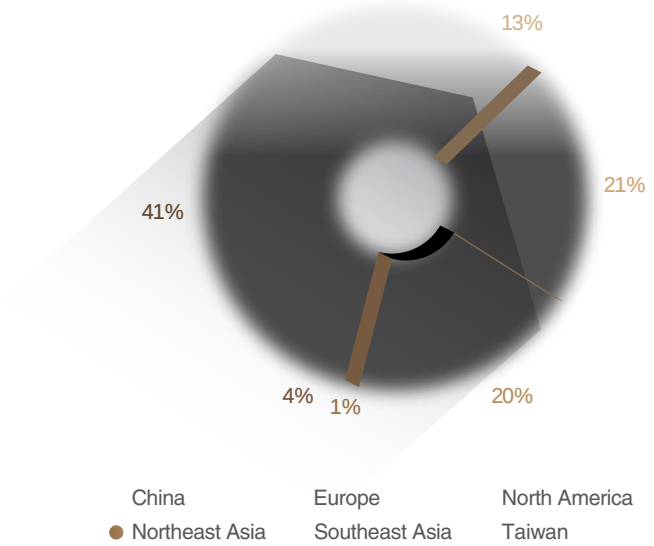
Customer Complaints Handling and Recall

By following the quality policy of "Each member in the company shall participate and endeavor for improvement continuously to pursue the Zero Defect in each operational segment", USI adheres to "Three Non-Defective Principles": No acceptance of defective products, No fabrication of defective products, and No delivery of defective products. The company is highly concerns about the products with potential quality issues. USI's R&D and engineering units are invited to discuss the treatment plans and cause analysis and the regular study meetings to continuously track the countermeasure effectiveness as well as to prevent from repetition of defective products. For the products with safety concerns or batch issues, the company establishes preventive measures to recall them right away. The losses can be avoided promptly and customer lives and properties can be protected from damage.


Publish/Check in
Issuer
PDM Server
DMP Server
File Conversion
PDF
Https(SSL)
Browser
File Server
File Protection

Supply Chain Management

Looking into the future trend of global information explosion and big data, a sound and efficient supply chain management can effectively reduce the production cost and increase product competitiveness. Supply chain management not only provides


13%
21%
41%
4%
1%
20%
China
Northeast Asia
Europe
Southeast Asia
North America
Taiwan

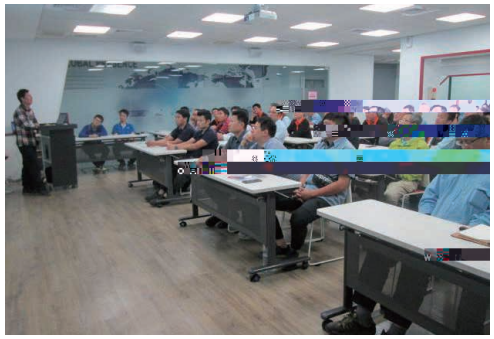
r **Supplier Evaluation**

The progress of the suppliers' CSR (Corporate Social Responsibility) will be one of the key factors behind USI's

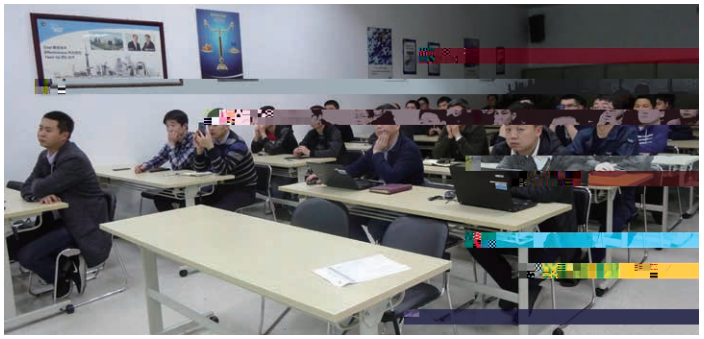
r Contractor Management

Companies outsource technical and professional projects to contractors have become an inevitable trend. Besides the requisition of contract project quality and schedule, USI values contractor's safety and health management. Environment safety and health policy clearly commits "on a continuous basis, employees, suppliers and contractors must conduct environmental safety and health policy, knowledge and requirements through communication, participation and consultation. USI also provides training and exercise to reduce safety and health risks & incidents". And by implementing safety and health management evaluation, contractors could enhance their safety and health performance. According to statistics, in 2019, the number of contractors participating in the company's occupational safety and health education and training reached 328 (trainees include contractors for: factory services, construction, waste, and other services). After training and evaluation by the EHS departments of each site, a total of 2,250 contractor employees obtained construction permits.

To ensure the safety of contractors, USI enhances the safety and health evaluation for unusual dangerous projects and recidivism contractors. In Taiwan Facilities, any contractor with major violation and fails to improve within a designated period will face one-year suspension after they got the notice, and the contractors will be removed the qualification in China Facilities, if there are two violations within 6 months. In 2019, a contractor safety accident occurred at the Taiwan-NK Facility. The contractor's screw drilled the wire and caused a short circuit during construction in the site, which was not carried out according to the standard protection plan, resulting in an electric burn injury. After analyzing the cause of the accident, the company requires the person in charge of the contractor to do daily pre-construction safety promotion education and full-range monitoring. In addition, the company's contractors need to audit from time to time to ensure the quality and safety of the construction, and include the focus of the promotion to prevent subsequent construction failure. This work-related accident resulted in 0.25 of the male contractor's work-related injury rate in Taiwan-NK Facility, and the lost day rate was 1.90 (please refer to the "Excellent Working Environment" chapter for the calculation formula). In 2019, no qualified contractors were disqualified due to safety and health audits.



Training for Contractors (Taiwan Facility)



Training for Contractors (Zhangjiang Facility)

Training for Contractors (Shenzhen Facility)

RBA Management

To enhance the overall competitiveness of our supply chain and ensure our suppliers' compliance with corporate social responsibilities, USI has abided by the RBA code of conducts to assess and audit our suppliers. Formed by the Human Resources Department and EHS Department, the audit team is in charge of the audit within the scope of labors, health and safety, environmental, ethics and management system. The assessed items include the protection of human rights, fair treatment, legal working hours and salary, and environmental management, where suppliers are requested to ensure the rights and benefits of our employees, to implement the human right policy and to enhance the Company's performance in the society.

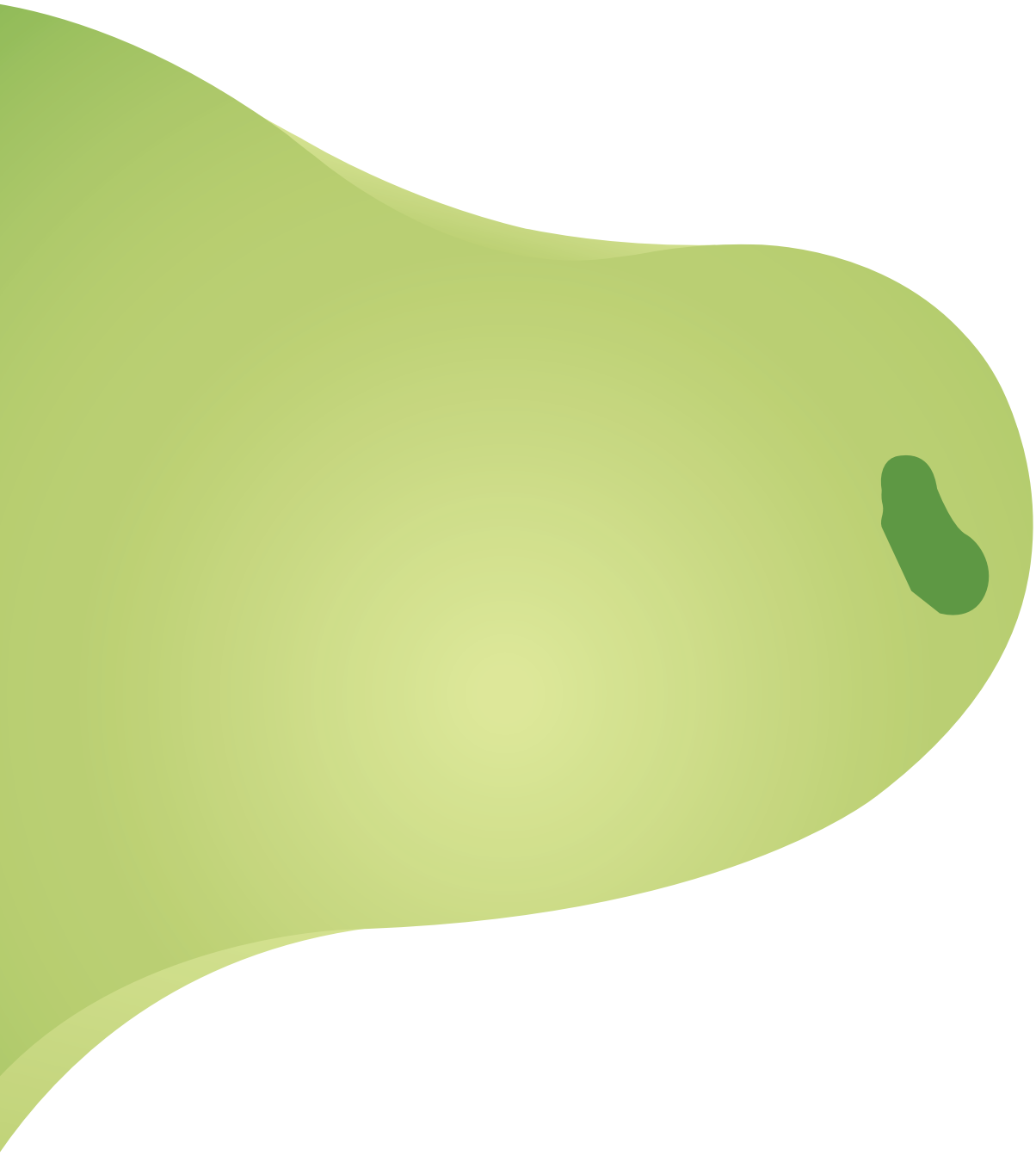
The Management Procedure

USI conducted a risk assessment of suppliers. In 2019, a total of 515 suppliers were given the sustainability assessment questionnaires. The recovery rate was close to 70%. The survey results showed that 90% of the suppliers' audit results were low-risk. In addition, 40 material suppliers and 40 site service suppliers were audited on the spot, and the audit results did not have a high risk level and were all in the qualified range. After the on-site audit and evaluation, all the projects that the suppliers needed to improve on have been improved. The company and the suppliers have contributed to the progress and improvement of the supply chain operating environment.

USI also analyzed items to be improved, where 86% they are from the labor and health and safety aspects as illustrated in the table as follows. In the future, USI will not only continue to audit our suppliers, but will also provide counseling services thereto based on these two aspects in 2020. In 2019, none of these suppliers were dissolved the partnership after the assessment. USI will keep assisting suppliers in making improvement and helping more suppliers to meet RBA Code of Conduct. We are expecting that 100% of suppliers can be rated as low-risk in the future.

Conflict Minerals Management	Management Approach	2019 Performance
Management Requirement	r Establish procedures governing conflict minerals according to regulations and customers' requirements r Make corporate policy for sourcing conflict minerals r All suppliers must comply with our conflict-free minerals procurement policy	r USI's conflict-free minerals procurement policy is on the Company's website. https://www.usiglobal.com/usi-code/conflict r All of our key suppliers comply with our conflict-free minerals policy
Material Management	r Investigate the smelters materials are procured from* r Conduct suppliers/materials risk assessment r Identify new risks	r All materials adopted by USI come from qualified smelters, the 3TG distribution in recent years is illustrated on the next page: Tantalum:1 under the certification process; 40 qualified Tin:2 under the certification process; 77 qualified Tungsten:2 under the certification process; 43 qualified Gold:1 under the certification process; 104 qualified r USI identifies new risks and pays attention to the use of cobalt ore smelters by suppliers. The use of cobalt smelters in 2019 is shown on the following page
Supplier Management	r Make a corporate policy for sourcing conflict minerals r Require suppliers to use qualified smelters r Conduct supplier on-site visits and counseling r Encourage unqualified smelters to work with RMI r Promote relevant requirements and plans through sustainable suppliers' briefings	r USI continues to promote the procurement of conflict-free minerals to the supply chain, and expanded supply chain due diligence. In 2019, a total of 352 suppliers completed the CMRT survey. The situation over the years is shown on the following page. In addition, we completed the CRT* survey of 75 suppliers r Audited 14 suppliers and provided counseling services to 5 of them to enhance their internal management mechanisms r Announced USI's requirements and future direction at the 2019 Sustainable Suppliers Briefing
Internal management	r Conduct relevant personnel trainings	r Opened a "Conflict Minerals Management" online training course. This course is required for all personnel engaging in relevant affairs. In 2019, 67 completed the training
Independent Private Sector Audit	r Carry out third-party audit, in compliance with the annual SEC* declaration r Cooperate with customers' requirements on conflict minerals audits	r USI's parent company ASEH discloses its annual conflict minerals report that is verified by a third party in compliance with the United States SEC requirements
Annual Report	r Compile annual conflict mineral report r Provide CMRT* requirements to the customers	r ASEH's annual conflict minerals report covers USI and its subsidiaries, the scope of the report is on the first page and can be accessed at: https://www.aseglobal.com/ch/pdf/2019_ASEH_CM_Report.pdf r Provided a complete conflict mineral report form in accordance with customer requirements

Note:
1. USI requests suppliers to source minerals from RMI approved qualified smelters. (http://www.responsiblemineralsinitiative.org/conformant-smelter-refiner-lists/)
2. SEC, United States Securities and Exchange Commission
3. CMRT, Conflict Minerals Reporting Template
4. CRT, Cobalt Reporting Template



Environment & Green Innovation

With an emphasis on environmental protection, USI takes aggressive measures against climate change. We look forward to taking into account of environmental protection as well as achieving environmental sustainability while pursuing high quality products and services.

USI with Environment

USI integrates the concept of ecologically sustainable development with company's managerial decision-making and operation management. The board of directors and the executives assume management responsibility and take the opinions of stakeholders as reference to formulate the corresponding management strategy. Through the continuous promotion of management system related to ISO 14001, ISO 50001, ISO 14064-1, etc. (please refer to the Management Systems Certification Table), we have improved and reduced environmental impact of our operation and hereby make a public disclosure about USI's environmental information for the implementation of corporate environmental responsibility.

In order to further create useful products and services through the use of natural capital and reduce the direct or indirect impact on the environment during the process, USI is expected to introduce Environmental Profit and Loss (EP&L) methodology in 2020 to help the company to make effective decisions by weighing different issues through monetization management.

USI established EHS & Energy Policy (Environment, Health, Safety, and Energy

Climate Change Mitigation

According to the World Meteorological Organization, 2015 to 2019 is the hottest period in Earth's recorded history. And 2019 is the second hottest year in history, second only to 2016, an El Niño Year. This indicates that global warming is spiraling out of control and immediate actions are urgent. As climate change has become one of important sustainable development issues, countries across the world have proposed reduction goals and methods in droves. For example, 2030 Sustainable Development Goals (2030 SDGs) proposed by the UN, the Carbon Disclosure Project (CDP) initiated by major investment institutions, the UN Global Compact, and the "Science-Based Targets initiative (SBTi)" co-founded by World Resource Institute and other institutions. As a company that takes our civic responsibility seriously and commits to sustainable development, USI has not only set carbon reduction goals and set out action plans to achieve them, but also pays attention to the international response measures to global warming, continuing our analysis and control works, and pursuing environmental and corporate sustainability.

Carbon Management

USI's medium and long-term goals in our Greenhouse Gases Reduction Policy are to reduce our emissions by 10% from the baseline year 2015. The greenhouse gas emission inventory check was performed in 2007 according to ISO 14064-1. Another check was conducted in 2010 on our worldwide production bases and the results were verified by third party institution for the establishment of USI inventory benchmark data. Since the introduction of the inspection of Scope 3 of the Taiwan-TT Facility in 2018, the facilities in China also began theirs in 2019. In 2017, we also started to conduct product carbon footprint inventory; and disclosed relevant information in compliance with international regulations, initiatives and customers' requirements. Besides, following one of the parent group's strategic sustainability themes "Low Carbon", USI have put Carbon Disclosure Project (CDP) and Task Force on Climate-related Financial Disclosures (TCFD) into actions. For detailed information, please refer to the 2019 ASEH Corporate Social Responsibility Report.

Climate change has taken its tolls on USI. The China Facilities already used 100% renewable energy, while the Mexico Facility used 10% of its annual electricity consumption (I-REC, please refer to the "Renewable Energy" chapter for the details). In addition, Zhangjiang Facility and Shenzhen Facility have also initiated carbon quota management in accordance with local regulations. Cap and trade system for GHG and possible energy or carbon taxes are issues USI is always paying attention to. In addition to the continuous efforts in energy efficiency improvement, the promotion of Green Promise and the environmental protection measures of will be in facilities to minimize risks from climate change.

Greenhouse Gas Emissions (Excluding Scope 3)

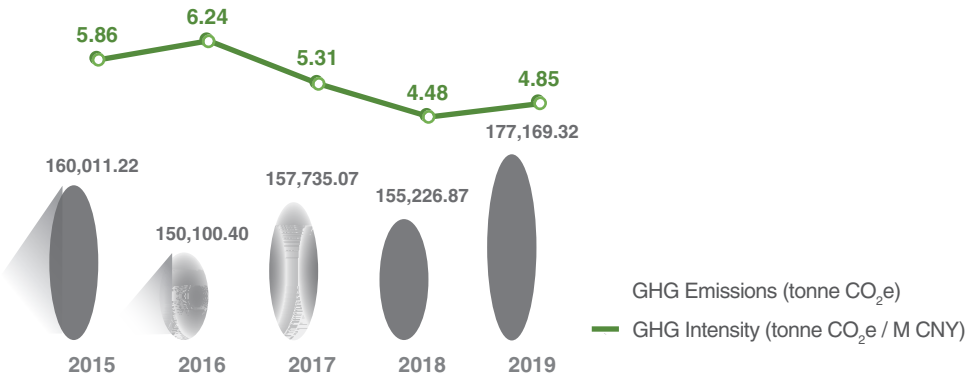
USI's total greenhouse gas emissions in 2019 were 177,169.32 tonnes of CO_2e (excluding Scope 3), an increase of 21,942.46 tonnes of CO_2e from 2018, and emissions per million CNY turnover were 4.85 tonnes of CO_2e, an increase of 0.37 tonnes of CO_2e from 2018. The analysis of the cause was the expansion of the Zhangjiang Facility in 2019 and the addition of the Taiwan-NK Facility. Because it was in the trial production stage, the energy consumption was unstable, resulting in increased carbon emissions. The analysis is shown in the following figure:

Greenhouse Gas Emissions

Unit: Tonne CO_2e

Type	Emission Source					Scope		Total Emission
Year	Fixed Burning Emission	Mobile Burning Emission	Fugitive Emission	Processing Emission	Indirect Energy Emission	Scope 1	Scope 2	
2019	6,042.40	318.35	2,078.09	0.00	168,730.49	8,438.84	168,730.49	177,169.33
2018	4,425.24	338.86	2,260.84	0.00	148,201.93	7,024.93	148,201.93	155,226.87
2017	5,472.90	339.07	2,041.72	0.00	149,881.38	7,853.69	149,881.38	157,735.07
2016	5,761.99	363.69	1,931.57	0.00	142,043.16	8,057.25	142,043.16	150,100.40
2015	5,776.50	349.52	1,891.45	0.00	151,993.76	8,017.46	151,993.76	160,011.22

Greenhouse Gas Emissions and Intensity



Note:

1. The data presented came from the ISO 14064-1 inventory results, rounded to the 2nd decimal point
2. The data organization boundary is summarized by the operation control method.
3. The statistical data covers the Zhangjiang, Jinqiao, Shenzhen, Kunshan, Taiwan-TT, Taiwan-NK and Mexico Facilities.
4. The significant threshold is set at 3%, and the substantial threshold is set at 5%
5. The baseline year is 2015
6. The greenhouse gas emission includes various categories such as CO_2, CH_4, N_2O, HFCs, PFCs, NF_3 and SF_6
7. GWP value adopts the IPCC Fifth Assessment Report (2013)

r Greenhouse Gas Emissions (Scope 3)

USI continued to promote the greenhouse gas inspection (ISO 14064-1). Following the introduction of the Scope 3 inspection at Taiwan-TT Facility in 2018, it further expanded to the China Facilities in 2019. The verification results by the third-party verification unit are as follows:

Greenhouse Gas Emissions (Scope 3)

Unit: Tonne CO_2e

Category		Description	Greenhouse Gas Emissions
Fuel and energy related activities (not included in Scope 1 and 2)	Electricity emissions	Coverage ranges from raw material mining, raw material transportation, refining and combustion, power generation operations, power grid transmission and distribution to user outlets and treatment of power generation operation waste, the Scope 2 results are deducted after the full life cycle calculated.	5,437.01
	Natural gas	Starting from natural gas extraction, production, refining, liquefaction, importing into internal, gasification back to gaseous state, and then distribution to users under high pressure and normal temperature environment, the Scope 1 and 2 results are deducted after the full life cycle is calculated.	6,931.68
	Gasoline	Starting from the extracting of the fuel crude oil used in the factory, delivering to internal, fractionation, refining, transportation and then the point of sale, the Scope 1 and 2 results are deducted after the full life cycle is calculated.	34.98
	Diesel oil		13.51
Waste generated in operations		Greenhouse gas emissions from the waste disposal process	5,148.80
Business travel		Employees take flights for business trips, excluding other transportation in business trips	1,020.64
Employee commuting		Greenhouse gas emissions from employees commuting to work	4,037.05
Total			22,623.68

Note:

1. The main source of the coefcient:
   - Taiwan Facilities: mainly use the emission coefcients that can be queried by the EPA product carbon footprint calculation platform.
   - China Facilities: mainly uses the emission coefcients that SimaPro can query.
2. In the "Employee commuting" category, because the electricity, electric or oil-electricity hybrid buses in the China Facilities have no suitable emission factors, they are not included in the statistical calculations.

Energy Management

In the green-house gas emissions, power loss shares about 95% in USI. The key to reducing carbon emission is to save power, making maximum efforts for electricity efficiency. In order to reduce energy consumption during the operational activities and product processes and save the cost, the external power supply unit with low energy consumption will be selected in priority when the products are designed, as well as the tests will be evaluated to ensure the products can meet the requirements of environmental protection. The different energy-saving improvement plans will be executed for air conditionings, lighting equipment and heavy-energy consumption facilities in all plants as well, continuously reducing the energy consumption and saving the electricity bill, such as variable-frequency control, seasonable adjustment of air-conditioning temperature, replacement of old equipment, monitoring and management of electricity bill.

The total energy consumption of USI in 2019 was 878,276.21 gigajoules, an increase of 139,385.85 gigajoules from 2018. Based on the turnover, the energy consumption per million (CNY) in 2019 increased by 3.40 gigajoules. In terms of energy saving, there were 6 major energy-saving schemes, which saved a total of 3,433,006 kWh of electricity and reduced carbon dioxide emissions by 880,471 tonnes. The detailed results are shown in the following chart:

Energy Consumption

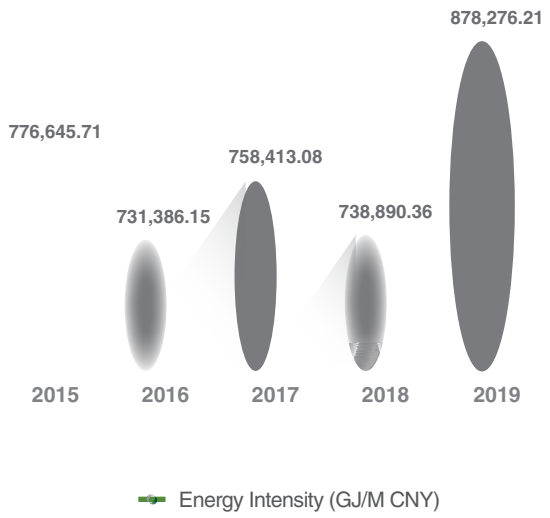
Unit: GJ

Year	Direct Energy Consumption			Indirect Energy Consumption	Total Energy Consumption
	Diesel	Gasoline	Natural Gas	Electricity	
2019	1,065.38	3,572.89	103,881.07	769,756.87	878,276.21
2018	639.08	4,011.47	76,708.71	657,531.10	738,890.36
2017	601.98	4,081.84	96,721.77	657,007.49	758,413.08
2016	530.25	4,367.25	101,997.58	624,491.07	731,386.15
2015	701.15	4,096.90	101,996.69	669,850.97	776,645.71

Note:

1. The data presented came from the ISO 14064-1 inventory results, rounded to the 2nd decimal point.
2. The data includes Zhangjiang, Jinqiao, Shenzhen, Kunshan, Taiwan-TT, Taiwan-NK Facilities.
3. Conversion data of the heat value index:
   - Facilities in Zhangjiang, Jinqiao, Shenzhen and Kunshan have adopted Annex A (referential energy conversion standard coal factors) of General Principles for Calculation of the Comprehensive Energy Consumption (GBT 2589-2008).
   - Taiwan Facilities have adopted page 159 of " Heat Content of Energy Products" of Taiwan Energy Statistics Handbook (2017)

Energy Intensity



Power Saving Performances in 2019

Facility	Project	Description	Power Saving(MWh)	CO_2 Reduction (tonne CO_2)
Zhangjiang	Ice water system optimization	r The ice water system of each building is independently supplied. The operation efficiency of the ice machine is low (<80%), and there is no standby machine during the peak period of the ice machine system of building A. The production line is then at high risk. By optimizing the ice water supply system, the operation efficiency of the ice machine is improved, which saves energy, reduces emissions, and reduces the risk of the production line	1,184.984	953.4
	Air compressor energy-saving transformation	r When the screw oil-injected air compressor was originally used, the production line not only generated oil and gas but also had low efficiency. The existing oil-injected air compressor is replaced with the oil-free centrifugal air compressor, and a compressor waste heat recovery system is established to provide excess heat to the air conditioning system to replace part of the heat generated by the boiler, which reduces the cost of natural gas	173.328	139.5
Kunshan	Air conditioning return air connection project	r Turning on one air conditioner cannot regulate the temperature and humidity of the breaking machine in the VPD workplace. When two are turned on, the remaining air volume is huge. With additional connecting pipes, one air conditioner can regulate the temperature and humidity within the standard	8.422	6.8
Taiwan-NK	Replace T8 lamps	r 38W T8 is replaced with 18W LED r 18W T8 is replaced with 9W LED	1,841.702	981.6
Mexico	Replace T8 lamps	r 32W T8 is replaced with 18W LED	119.508	60.4
	Replace air conditioning	r Replacement of air conditioning equipment	105.062	53.1

Note:

1. The amount of carbon reduction = the amount of calculated from amount of saved energy × electricity emission factor
2. Electricity emission factor:
   - USI's China Facilities (Zhangjiang, Jinqiao and Kunshan Facilities) have adopted "2017 Baseline Emission Factors for Regional Power Grids in China" drawn up by Ministry of Ecology and Environment with respect to climate change: use the power grid factor of eastern China (0.8046 tonnes CO_2e/MWh).
   - USI's Taiwan Facilities use the "2017 electricity emission factor" published by Bureau of Energy, Ministry of Economic Affairs: 0.533 kg CO_2e/kWh.
   - Mexico Facility adopts "Emission Factor of the National Electric System 2019": 0.505 tonnes CO_2e/MWh

r Renewable Energy

USI positively responds the use of renewable energy. International REC (I-REC, the registration authority is I-REC Registry) will be purchased with 181,176 MWh in 2020 to announce the neutralization of carbon dioxide emitted by the traditional power in 2019. (Zhangjiang, Jinqiao, Shenzhen, Kunshan Facilities all cancelled off, and the Mexico Facility was offset by 10% of annual electricity), According to GHG Protocol Scope 2 Guidance, the statements are used to neutralize market-based emissions. The greenhouse gas emissions and their proportions by location and market are as follows:

Method	Item	Scope 1	Scope 2	Total
Location-based	GHG Emissions (tonne CO_2e/year)	8,438.84	168,730.49	177,169.33
	Percentage (%)	4.76%	95.24%	100%
Market-based	GHG Emissions (tonne CO_2e/year)	8,438.84	22,165.63	30,604.47
	Percentage (%)	27.57%	72.43%	100%

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

Pollution Control

Water Resource Management

For USI, we do not have issues on contaminating catchment areas as our facilities are not built around it. But China's regulation has become increasingly rigorous and ASE Group paid close attention, the storage and distribution of water resources have also become an important topic for us. So, we pay a great attention to it. USI has been making efforts in conserving water resources and continues to manage the resources in our production and daily life. Apart from regularly tracking the water usage of USI's seven major manufacturing facilities, USI also commissions a third party to check the quality of effluent on a regularly basis in order to prevent water pollution from happening. Each facility tests the watch items in accordance with local laws and regulations: In Zhangjiang and Jinqiao Facilities, the watch items include pH value, SS, BOD, COD, ammonia nitrogen, total phosphorus, petroleum, animal and vegetable oils, and sulfides; in Taiwan Facilities, the watch items include water temperature, pH value, SS, BOD, and COD; in Mexico Facility, the watch items include BOD, TSS, copper, nickel, cadmium, lead, hexavalent chromium, zinc, arsenic, mercury, and grease; in Shenzhen Facility, there are no relevant watch items and the discharge water management follows the national discharge water standards; Kunshan Facility leases

To make the use out of every drop of water, USI is planning to recycle as much water as possible via improvement of equipment and technology. In 2018, the process water recycling system was introduced to Zhangjiang Facility. This system enables USI to recycle process water produced from the cutting process; filter and sterilize the water through filtration, disc filter, ceramic ultrafiltration membrane and UV sterilization processes; and reuse the water in the production. With respect to the second-phase installation of process water zero discharge system at Jinqiao Facility, this project has adopted advanced oxidation technology. In 2019, USI recycled 155.058 million liters of water, with a total recycling rate of 22.7%, and estimated savings of USD 58,569. In addition, the process water consumption is 160.198 million liters, with a recycling rate of 76.7%.

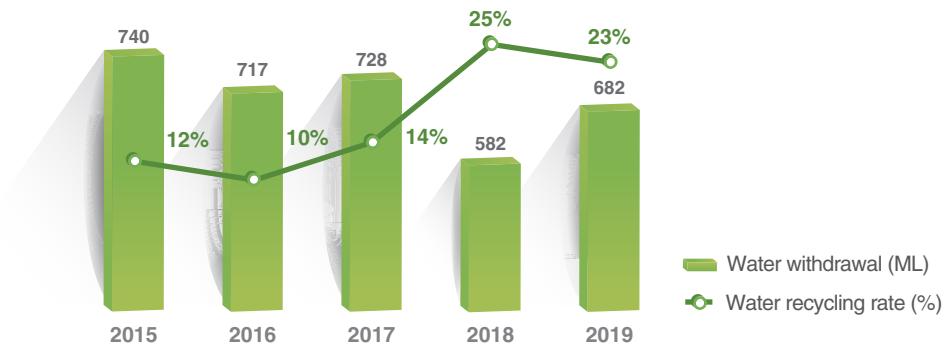
Water Withdrawal and Discharge in 2019

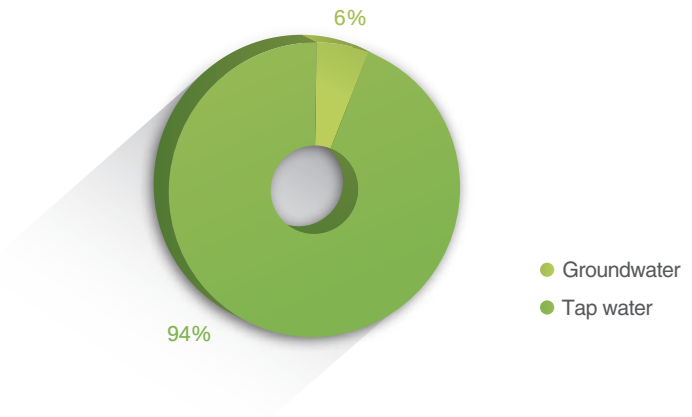
Unit: ML

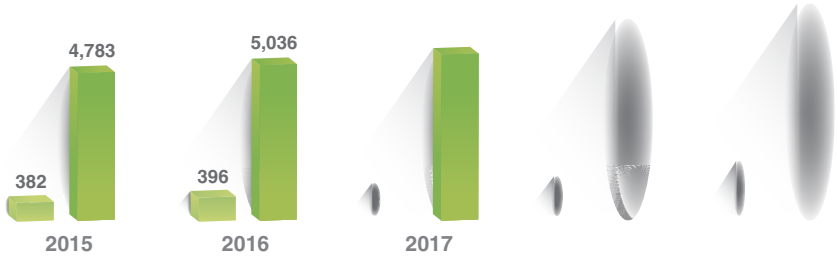
Facility	Zhangjiang	Jinqiao	Shenzhen	Kunshan	Taiwan-TT		Taiwan-NK	Mexico
Source	Tap water	Tap water	Tap water	Tap water	Tap water	Groundwater	Tap water	Tap water
Water Withdrawal	234.677	143.296	110.358	50.366	9.667	41.674	63.390	28.420
Discharge flow	Sewage treatment facility	Sewage treatment facility	Sewage treatment facility	Sewage treatment facility	Maoluo River		Sewage treatment facility	City sewage treatment facility
Water Discharge	211.209	128.966	99.322	45.329	46.207		57.051	25.578

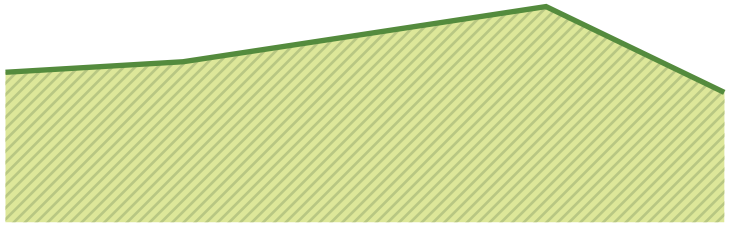
Note: Since there are no flow meters in each facility of USI, the discharge volume is estimated based on the principle of 90% water intake.

Water Withdrawal and Recycle






382
4,783
2015
396
5,036
2016
2017



USI has developed the waste disposal program specifying that hazardous wastes shall be given to the qualified suppliers with the valid licenses for disposal and that non-hazardous wastes shall be given to the licensed recycling operators for recycling or shipped to the licensed incinerators for incineration. Statistics of disposal methods for various wastes in each facility in 2019 are shown in the table below:

Unit: Tonne

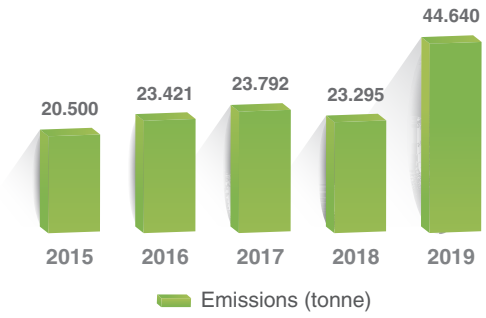
Treatment / Facility	Reuse		Recycling		Composting		Landfill		Incineration	
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
Zhangjiang	0.000	0.000	79.692	914.649	0.000	0.000	2.110	30.379	80.855	0.000
Jinqiao	0.000	0.000	14.438	439.080	0.000	0.000	12.466	44.280	77.165	0.000
Shenzhen	0.000	519.844	94.131	1,488.588	0.000	112.880	0.000	98.042	61.340	0.000
Kunshan	0.000	0.000	50.921	1,483.523	0.000	162.778	0.000	44.003	28.240	0.000
Taiwan-TT	0.000	30.365	0.033	237.371	0.000	65.985	0.000	0.000	158.035	225.100
Taiwan-NK	0.000	11.973	0.000	155.114	0.000	45.140	0.000	0.000	0.970	163.960
Mexico	0.000	409.093	15.911	879.744	0.000	116.160	0.000	135.620	20.334	0.000
Total	**971.275**		**5,853.195**		**502.943**		**366.900**		**815.999**	

Note: The data presented are rounded to the 3rd decimal point

Air Pollution Control

In recent years, air pollution is getting worse in China and Taiwan. It has been seriously affected the quality of life to local residents that become an urgent issue currently. This is the reason that local authority has made relevant amendments to local regulation. As our production facilities are within the affected areas, we also pay great attention to air pollutant control within our factory.

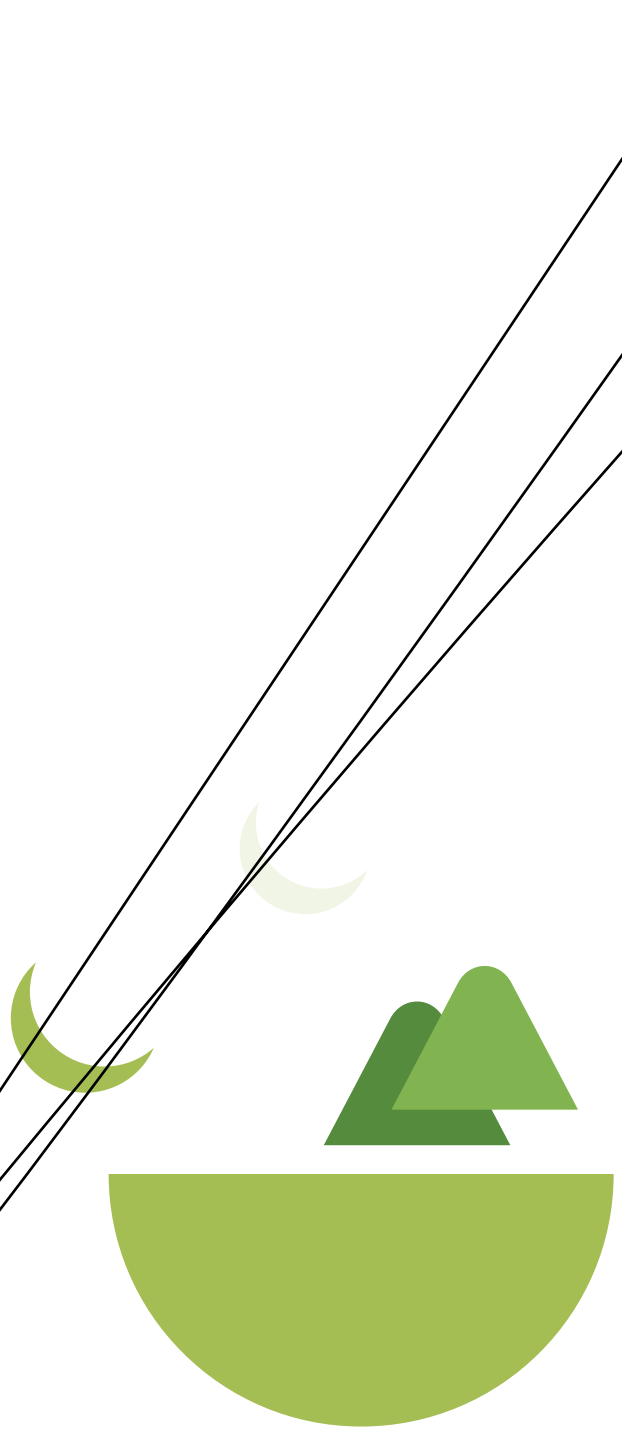
In terms of volatile organic compounds (VOCs), Taiwan Facility was the only one required to be regularly inspected and declared. However, requested by the competent authority of Shanghai City at the end of 2017, Zhangjiang Facility and Jinqiao Facility made their first declaration. In 2018, in response to the "Environment Protection Tax" declaration requirements of the supervisory authority, the statistical methods were adjusted and declared, and activated carbon towers and water washing towers were installed. Besides, although Shenzhen Facility and Kunshan Facility do not have



Note:

1. The data included Zhangjiang, Jinqiao, Shenzhen, Kunshan and Taiwan-TT and Taiwan-NK Facilities, in 2019, in response to the expansion of operations, the Taiwan-NK Facility was included in the data collection boundary.
2. As emission declaration was no longer required for our facilities in Shanghai (Zhanjiang and Jinqiao Facilities) starting from 2018, US has adopted to environmental protection tax therefor. Relevant VOCs statistical methods were also adjusted and integrated with the base year (2015) data according to the statistical methods of environmental protection tax.

For the emissions of nitrogen oxide (NOx), sulfur oxides (SOx), and suspended matter, although they have not been included into local regulations, Zhangjiang Facility and Jinqiao Facility still autonomously conduct detections and disclosures. In 2019, in order to reduce the emissions of nitrogen oxides in boiler exhaust gas, Jinqiao Facility carried out boiler exhaust gas transformation and equipped with a low-nitrogen burner. If we look at the situation of nitrogen discharge in 2019, it was 45% lower than the previous year. In the future, USI will let other facilities disclose relevant information, and also actively promote the expansion of related improvement measures to other facilities. The air pollutant emission data for 2019 is shown in the table below:



Green Management

Have a comprehensive Green Management System
´Introduce Design for Environment
´Maintain the EHS database
´mplement auditing for the hazardous substances management system
´Implement Product Carbon Footprint
´Introduction of Material Flow Cost Accounting
´Implement Green Office
´Implement cleaner production in each facility

Green Education

r Provide employees, suppliers and contractors with environmental training, hold forums and meetings to underscore USI eco-friendly values

Green Supply Chain

´Control the quality of materials with suppliers
´To request suppliers to provide component table, testing report(s) and declaration of conformity
´To carry out annual examination of green product suppliers
´Implement Responsible Minerals Initiative
´Improve the communication channel between and suppliers (e.g. supplier the sustainability conference, supplier questionnaires, etc.)

Green Expenditures

r Provide funding for pollution prevention initiatives, cut resource consumption, properly dispose industrial waste, build an environmental management system and obtain certifications

Green Management

With respect to the strategies of green management and ecological design on products, and through annual third-party IECQ QC08000, ISO 14001, and ISO 14064 management systems inspections. USI can quickly respond to changes in international environmental protection laws, directives, and clients' requests. In addition, USI integrates and stipulates "Standards for Green Environmental Protection Products" to control hazardous substances in electronic components and products. The design and R&D personnel of USI have ecological design capabilities for their products, which allows our environmental-friendly products to be sold around the world and ensures that the green products we manufacture and sell are in compliance with environmental laws, regulations, and requirements around the world in terms of environmental protection, while satisfying customers' needs and the development trends of environmental protection, and following company's standards for internal control.

Three Main Aspects of Green Product Eco-design

Aspects	Environmental Directives	Requirements	USI DfE
Hazardous substances in electronic products	r RoHS (Restriction of Hazardous Substances) r REACH (Registration Evaluation and Authorization of Chemicals) r Halogen-free parts and process requirements r Battery Directive and Packaging and Packaging Waste Directive	r Low-polluting r Non-toxic	r Phase out the use of BFRs r Phase out the use of PVC r Use non-halogen materials
Recycling management of electronics	r WEEE (Waste Electrical and Electronic Equipment)	r Recyclable r Easy to take apart r Easy to process	r Reduce the number of tools used to take machines apart r Increase the percentage of recyclable module designs r Introduce the labeling for recyclable plastics
Ecological energy design of products	r ErP (Energy-related Product) r CEC (California Energy Commission)	r Energy saving r Resource saving r Reduced environmental impact	r Reduce the energy consumption of machinery in stand-by or off mode r Increase the efficiency of energy conversion of EPS r Keep machinery in power-saving mode

Note:
To date, we have controlled over 300 chemical substances under the "Green Product Specifications" to ensure that our products are in compliance with ROHS European Union directives. Besides, in response to the announcement of adding the 21th batch of 4 Substances of Very High Concern (SVHC), the candidate list of REACH has been extended to 201 substances.

Recycling Symbol of System

Recycling Symbol of Lithium Battery

USI designs green products that meet global regulations based on the three aspects of Green Product Eco-design, and constantly improve ecological design capabilities so products can meet trends in green design. We design products with Eco-Design as the principle in the planning stages of product development. USI continuously strengthens the green product management system (GPMS) functions and database for environmental hazardous substances (EHS). The materials we use in our products meet Hazardous Substance Free (HSF), RoHS and WEEE requirements. Up to 2019, we have over 300 chemical substances controlled under "Green Product Specifications" to ensure that our products are in compliance with RoHS European Union directives. In response to REACH's announcement of adding the 21th batch of 4 Substances of Very High Concern (SVHC), the list of REACH substances has expanded to 201 substances. For substances that have not been replaced by technology at this stage, a "prohibited

substance eradication plan*" has been drawn up. In addition, suppliers must provide "Environmental Hazard Non-Use Declaration" and SDS (Safety Data Sheet) or material composition tables. According to the Design for Environment (DfE) operating procedures, USI not only takes potential environmental impacts under consideration when designing a product, but also have them confirmed with the project development unit and the customer to meet the requirements of Energy Star and ErP, as to meet a range of environmental factors, such as material use, energy saving and CO_2 reduction, efficient use of water resource, pollutant emission, resource wasting and recyclability, in order to minimize negative impacts to our environment during the product life cycle.

Note:
The current plan is to ban the use of the three substances "indium phosphide", "nickel sulfate", and "nickel amino sulfate" by 2023.

To intensify the promotion of green products, USI established the "Green Design Innovation and Invention: Patent Incentive System" at the end of 2017. The objectives thereof are to give green-related designs weighted scores; build a green and innovative corporate culture; and facilitate green design proposals. A total of 4 green design invention proposals entered the patent application process in 2019 (please refer to the "Research and Patents" chapter). The results of green design proposal for 2019 are as follows.

Future Goals

Types of Product	2020 Goals
Green design patent proposal	r Annual green design patent proposals reach 15% (compared with annual total patent proposals)
Green design encouragement mechanism	r Add green design weighing to USI's annual inventor event
Server	r To use PSU meets EU CoC Tier-2 & US DOE r To use 80 Plus titanium PSU r DC-DC converter Efficiency: Full load 92.6%
NAS (Network Attached Storage)	r To replace coin battery with super charge caps r To improve DC/DC design efficient, target: 90%
NS*	r To achieve the latest standby requirement of ErP Lot 26 r Adopt the high-efficiency power management microcontroller unit (MCU) and increase the power conversion efficiency.
SSD	r To achieve fully supports PCIe low power features r Develop mains regulators that can operate according to the operating mode, helping to reduce power consumption
Wireless Communication	r To continue to improve module design method and ability and realize product eco-design r To keep strengthening the integrated module design and improving the efficiency of energy use r Enhance product efficiency and reliability in order to extend the product service life and reduce resource consumption r TTR reduces power consumed during the production (reduce the testing time)
POS/PR	r Meet UL/IEC 62368 requirements in the design of all Tier 1 system products; and select the PSU that comply with UL/IEC 62368
Automobile Electronics	r Promote modular circuit design for vehicle related function in order to reduce the consumption of materials and time. r Enhance battery efficiency and optimize the battery life of Smart Key r Adopt the design of multi-screen dual system in one single hardware platform; and continue to reduce investment in hardware design r Launch the first BSG ECU

USI's Green Design in 2019

Product Category	Key Features	2019 Performances
Internal Power Supply	r Improve energy efficiency	r All internal power supplies complied with 80Plus Titanium certification
Solid State Disk (SSD)	r Reduce power consumed in both the In-use and standby status	r The product supported low energy consumption mode
Mobile Communication Product (IMS*)	r Reduce power consumed in both the In-use and standby status r Use low pollution materials r Modularization and compatibility r Reduce consumables	r The EC30 Enterprise Companion design was in compliance with the California Energy Commission (CEC) requirements. r Introduced the same design framework into the circuit and PCB layout design in a Block manner to reduce tester expenditures and equipment service energy used during the test phase r Adopted common product design to reduce process development and material use
Mobile Communication Product (CP*)	r Reduce power consumed in both the In-use and standby status r Use low pollution materials	r The design of the motherboard met the requirements for Energy Star, CEC, and ERP Lot 3 r The packaging materials of the motherboard were made of materials that are easy to recycle, with a design that makes recycling easy to avoid garbage pollution caused by the use of disposable packaging materials
Wireless Communication (WP*)	r Reduce power consumed in both the In-use and standby status r Use low pollution materials r Modularization and compatibility r Reduce consumables	r SMN-01A was a product developed by USI in 2019, which has passed NCC certification and can be sold in the Taiwan market r All of the developed and produced WP products were in compliance with EU RoHS r Supported low power consumption mode: PSM / Edrx r The WWAN / WLAN version of the WP product's SOM module design adopted a common PCB Footprint design. Customers can share one Carrier Board for two versions of SOM (LTE SOM and WLAN only SOM) to improve integration and commonality, and reduce Customer Carrier Board design needs to achieve the purpose of reducing energy
Wearable Solution Product	r Improve energy efficiency r Reduce power consumption in standby r Modularization and compatibility r Miniaturization	r Used wafer stacking technique to repackage two chips into one, saving half of the board area r Selected high-efficiency power supply parts, optimized the program flow, reduced the standby current, and improved the use efficiency - Standby current from 2mA → 1mA Fortinet, FAP-U43Xf: 7.6W r Continue to integrate antenna design, reduce antenna area, and simplify manufacturing and material use - Reduce area by 30%
Intelligent Connectivity Solution Product (ICS)	r Modularization and compatibility r Reduce consumables	r Adopted modular design (SOM, RF*), reduced process development and material use, and improved the energy efficiency of module design
enterprise Access Point Product (eAP)	r Improve energy efficiency	r Adopted high-performance power management microcontroller (MCU) and increased power conversion efficiency - Conversion efficiency increased from 92.5% to 93.5%
Automotive Electronics Product	r Improve energy efficiency r Miniaturization	r Improved 48V BSG ECU output efficiency - Increased from 75% to 80% r Developed wire bonding technique to replace MOSFET packaging and reduced module area by 50%

Note:
1. IMS, Integrated Mobility Solution
2. CP, Computing Products
3. NS, Network Solutions
4. WP, Wireless Product
5. RF: Printed-PCB aerial design and WWWAN/Wi-Fi/BT/GPS Integrated module design

Product Material Flow

As an environmental management accounting approach, Material Flow Cost Accounting (MFCA) had become a part of the ISO 14000 Environmental Management System in 2011. By recording material flows during the production process, companies are able not only to understand the resource use status and relevant costs, but also to further evaluate the possibility of reducing material use and loss. In the meantime, the objectives of protecting our environment and increasing economic benefits will be achieved as companies will be able to realize resource conservation and minimize pollutions. This is approach is therefore an effective way to put clean production into practice, such as increasing resource use efficiency from the origin and reducing or preventing the creation of pollutants.

In 2016, USI introduced MFCA to indicate resource losses, such as material recovery and waste treatment, with clear material and cash flows according to waste recycling and disposal steps of each stage. This allows us to have an in-depth understanding on our "process map" and "energy resource costs" to order to identify "positive products" or "negative products". Together with the interactions between human, organism and environment, this approach provides USI an important database that helps us to further enhance corporate sustainability and environmental management.

MFCA

ISO 14051:2011 Certification

Clean Production

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 eco-friendly design. This has not only lowered the impact of manufacturing processes upon the environment, but also reduced costs of raw materials, energy, and pollutant treatment while increasing economic and environmental protection benefits. Since 2011, its facilities including Zhangjiang, Jinqiao, Taiwan-TT, Shenzhen and Kunshan Facilities have successively obtained cleaner production certification. Due to the expiry of production certificates, Shenzhen Facility and Kunshan Facility are currently at the review stage of certificate extension; and are expected to receive renewed certificate in 2020. USI will continue to devote itself to the promotion of cleaner production and the establishment of a green factory. In 2019, the Taiwan-NK Facility has also started to promote the EEWH green building certification, which is expected to be certified in 2020. In addition, we have cooperated with solar construction companies to build a solar power generation system with a total capacity of 499kWp. Since October 2019, it has officially put into power generation. As of the end of the year, it produced a total of 153 MWh green power.

For "zero net deforestation", the wooden articles that we use in the company are mainly made by pallets or crates used in product transportation. In addition to the materials designated by customers, USI follows the requirements as below:

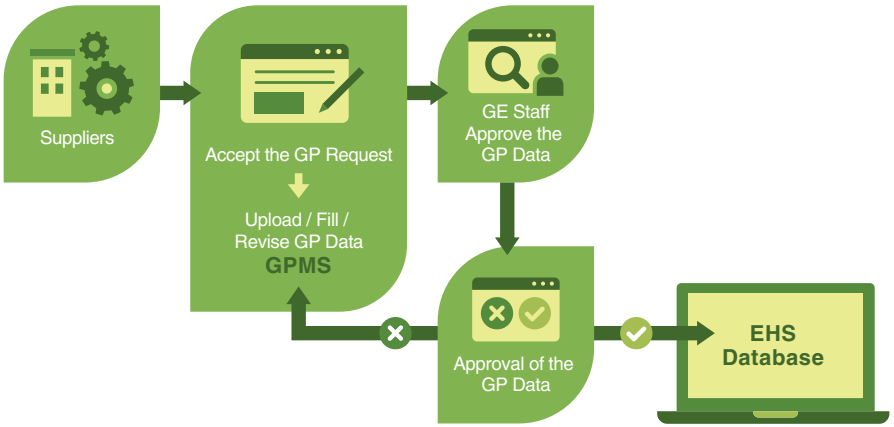
Type	Range of Use	Requirements
Plastic Pallets or Antistatic Plastic Crates	For all in-plant transportation and storage of products/raw material, as well as the transportation to the customers nearby	Self-recycling and reuse
Regenerated Wooden Pallets or Crates	For long-distance transportation to customers	Recycle and reuse by outsourced manufacturers
Fumigated Wooden Pallets	Designated by customers	Made by fast-growing trees

Green Supply Chain

The trend toward sustainable development of green product is inevitable. Only by establishing long-lasting management model of green supply chain could allow industries face up-coming challenges. As a result, USI ensured that the entire production process---which involves product design, procurement of materials, manufacturing, transportation, packing, sale and recycling of products---generated the maximum environmental benefits. With an effort to integrate upper and lower-stream partners, USI vowed to create a safe, stable green supply chain.

USI has introduced Green Product Management System (GPMS), and its suppliers can obtain information regarding USI's latest green product norms through the system and log in the platform to have their green components certified. USI's R&D, production and quality assurance units can comprehend control standards for the composition and content of green products and take required control measures. The labeling of materials from suppliers must conform to Green Product Specification and Chemicals Management Procedure by USI, and suppliers should provide ingredient tables for components, test reports, declarations of conformity and safety information for its responsible unit to examine before the components can be used. For information of other supplier auditing, communications and conflict-free sourcing projects, refer to "Supply Chain Management."

GPMS/EHS System



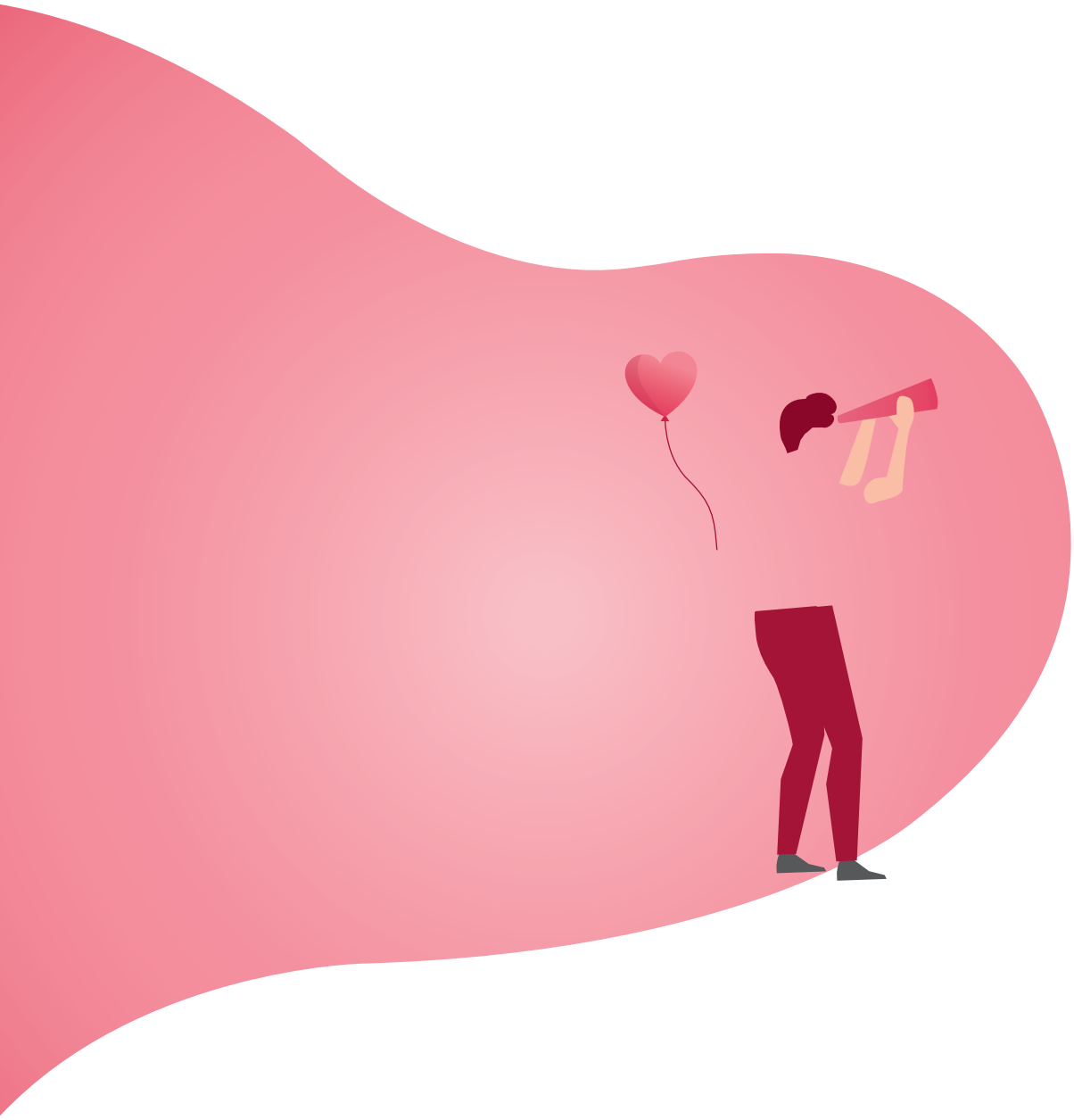
Green Education

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 process (i.e., the product planning, raw material control and greenhouse gas emission reduction). USI keeps communicating with its employees, suppliers and contractors regarding USI's ESH-associated principles, knowledge and requirements. The e-learning courses of green education were added to USI's internal training that informed the employees of GP-related regulations, requirements, operating procedures and eco-friendly materials. In 2019, the total number of all facilities' green education training hours was 5,833 hours.

To meet customer requirements, USI was not only keen to participate in international forums that carbon emission disclosure, but also carried out plans for energy conservation and carbon emission reduction. By instilling the green concepts at internal training programs while drawing from external experiences in this regard, USI conveyed its green values and fulfilled the Green Promises. Please refer to the chapter of "Supplier Communication" for associated activities in 2019.

Training Program for Green Education

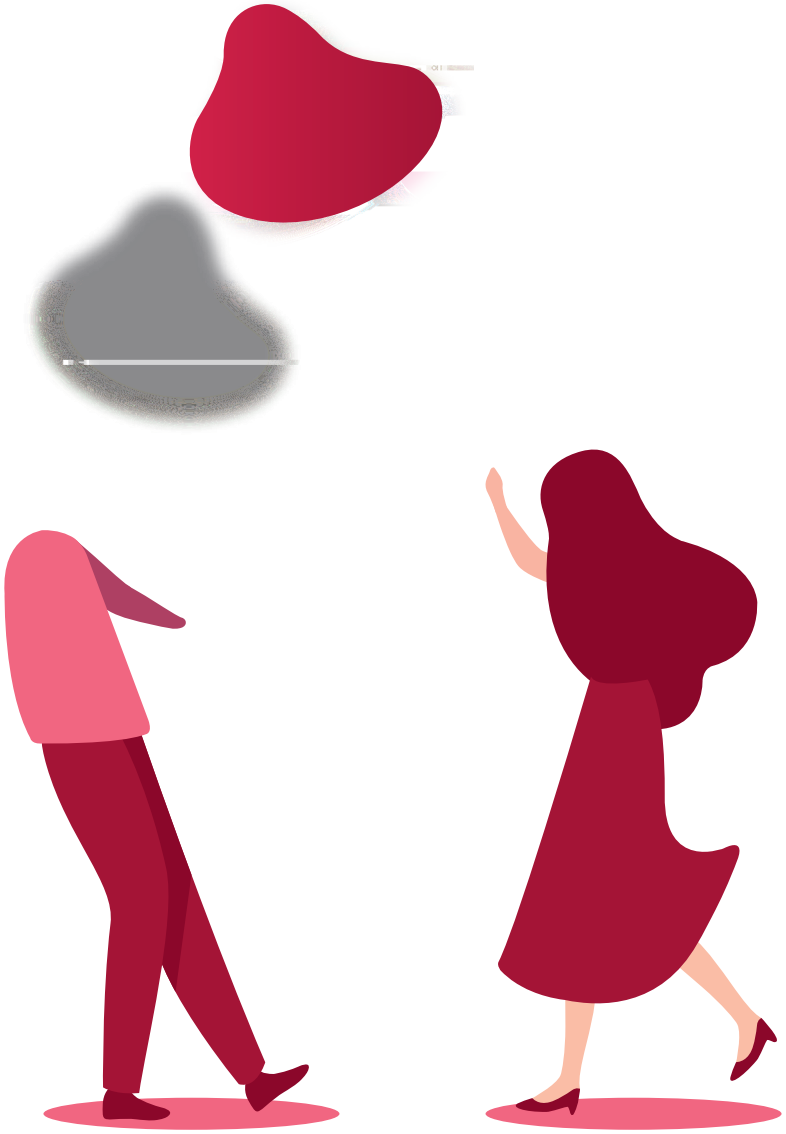
Course	Course Content		
Hazardous Substance Management System Requirements for Green Products	r Quality Policy r Hazardous Substance Management System	r Green Product Management System r RoHS (EU) 2015/863	r Halogen-Free r Green Product Workflow
Green Design Controlling Process	r Green Product Workflow		
Green Products Laws and Regulations Introduction	r EU RoHS r China RoHS r Taiwan RoHS	r Japan RoHS r REACH r WEEE	r Halogen-Free r CEC r ErP
Green Manufacture Management	r RoHS (EU) 2015/863 r WEEE 2012/19/EU	r Green Manufacture Management	
OQC Shipping Area Control	r Global green product environmental regulation r USI GP and HF labeling	r QQC items and standards	
Green Part Verification and Approval	r Operating standards and regulations for green products		



USI Workforce Structure

Category	Groups	Zhangjiang		Jinqiao		Shenzhen		Kunshan		Taiwan-TT		Taiwan-NK		Mexico		Subtotal and Percentage by Groups	
		Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Employee Category	Management Male	126	12.1%	135	13.0%	113	10.8%	117	11.2%	179	17.2%	77	7.4%	51	4.9%	798	4.3%
	Management Female	48	4.6%	30	2.9%	67	6.4%	24	2.3%	47	4.5%	11	1.1%	17	1.6%	244	1.3%
	Technical Male	467	13.1%	548	15.4%	330	9.3%	355	10.0%	795	22.3%	303	8.5%	117	3.3%	2,915	15.7%
	Technical Female	138	3.9%	116	3.3%	88	2.5%	63	1.8%	160	4.5%	64	1.8%	22	0.6%	651	3.5%
	Administrative Male	77	4.2%	54	2.9%	75	4.0%	120	6.5%	170	9.2%	43	2.3%	82	4.4%	621	3.4%
	Administrative Female	184	9.9%	87	4.7%	273	14.7%	176	9.5%	283	15.3%	103	5.6%	127	6.9%	1,233	6.7%
	Skilled Male	969	8.0%	1,081	9.0%	1,239	10.3%	1,399	11.6%	110	0.9%	273	2.3%	607	5.0%	5,678	30.7%
	Skilled Female	786	6.5%	775	6.4%	1,336	11.1%	940	7.8%	516	4.3%	620	5.1%	1,402	11.6%	6,375	34.4%
Gender	Male	1,639	16.4%	1,818	18.2%	1,757	17.5%	1,991	19.9%	1,254	12.5%	696	7.0%	857	8.6%	10,012	54.1%
	Female	1,156	13.6%	1,008	11.9%	1,764	20.7%	1,203	14.1%	1,006	11.8%	798	9.4%	1,568	18.4%	8,503	45.9%
Location	Domestic	2,745	15.4%	2,794	15.7%	3,506	19.7%	3,175	17.8%	2,062	11.6%	1,160	6.5%	2,394	13.4%	17,836	96.3%
	Foreign	50	7.4%	32	4.7%	15	2.2%	19	2.8%	198	29.2%	334	49.2%	31	4.6%	679	3.7%
Age	≤ 30	1,671	15.8%	1,917	18.1%	2,065	19.5%	2,396	22.6%	574	5.4%	670	6.3%	1,297	12.2%	10,590	57.2%
	31-49	1,105	15.1%	898	12.3%	1,432	19.5%	793	10.8%	1,403	19.2%	762	10.4%	933	12.7%	7,326	39.6%
	≥ 50	19	3.2%	11	1.8%	24	4.0%	5	0.8%	283	47.2%	62	10.4%	195	32.6%	599	3.2%
Subtotal by Facility		**2,795**	**15.1%**	**2,826**	**15.3%**	**3,521**	**19.0%**	**3,194**	**17.3%**	**2,260**	**12.2%**	**1,494**	**8.1%**	**2,425**	**13.1%**	**-**	**-**
Total																	**18,515**

Note:
1. Full-time Employees: Employees who signed the employment contract with the Company and who work 8-hour workdays, does not include dispatched workers.
2. Non-regular Employees: Employees who signed the fixed-term employment contract with the Company; does not include dispatched workers and pay-by-hour workers.
3. Only the Zhangjiang Facility has employed 45 dispatched workers (37 male and eight female), which accounts for 1.99% of the total number of Zhangjiang employees.
4. Employee categories: management, technical, Administrative, and skilled; Gender includes male and female groups. Other categories follow the same rule.



Equal Employment Opportunity

USI recruited professional talents according to objectives and competency. In worldwide sites, USI established systematic employment policies and standardized procedures. According to the human resource requirement verified by each department, and then hold recruitment publicly. USI also followed fair and righteous principles regardless of age, gender, race, religion, nationality, or political party. USI treated all employees equally without bias and discrimination. Select employees' professional characteristics using an objective testing tool. This enables diverse talents from the world to play their specialty.

USI has proactively established and promoted the 3-6-9 trio scheme to provide new employees with a series of training, a comprehensive welfare system, and a comfortable and convenient workplace. Besides, USI also established communication channels to care for employees' work and life; and hold an annual celebration party to enhance employees' recognition of and loyalty to the Company. According to statistical analysis, in 2019, in the new incoming rate part, due to the increase in workforce demand, except for the Jinqiao Facility*, the new joining rate in all other facilities is higher than the turnover rate. In the turnover rate part, the turnover rate of the indirect employees* is 14%, and the turnover rate of direct employees* is 122%; both decreased compared to 2018. Each category of employee new incoming and turnover rates is shown in the following table.

Note:
1. Due to the batch order at Jinqiao Facility, this caused the employee turnover rate to be higher.
2. The indirect employee includes management position, technical position, and administrative position; the direct employees are classified as skilled position

New Employee Incoming and Resignation in 2019

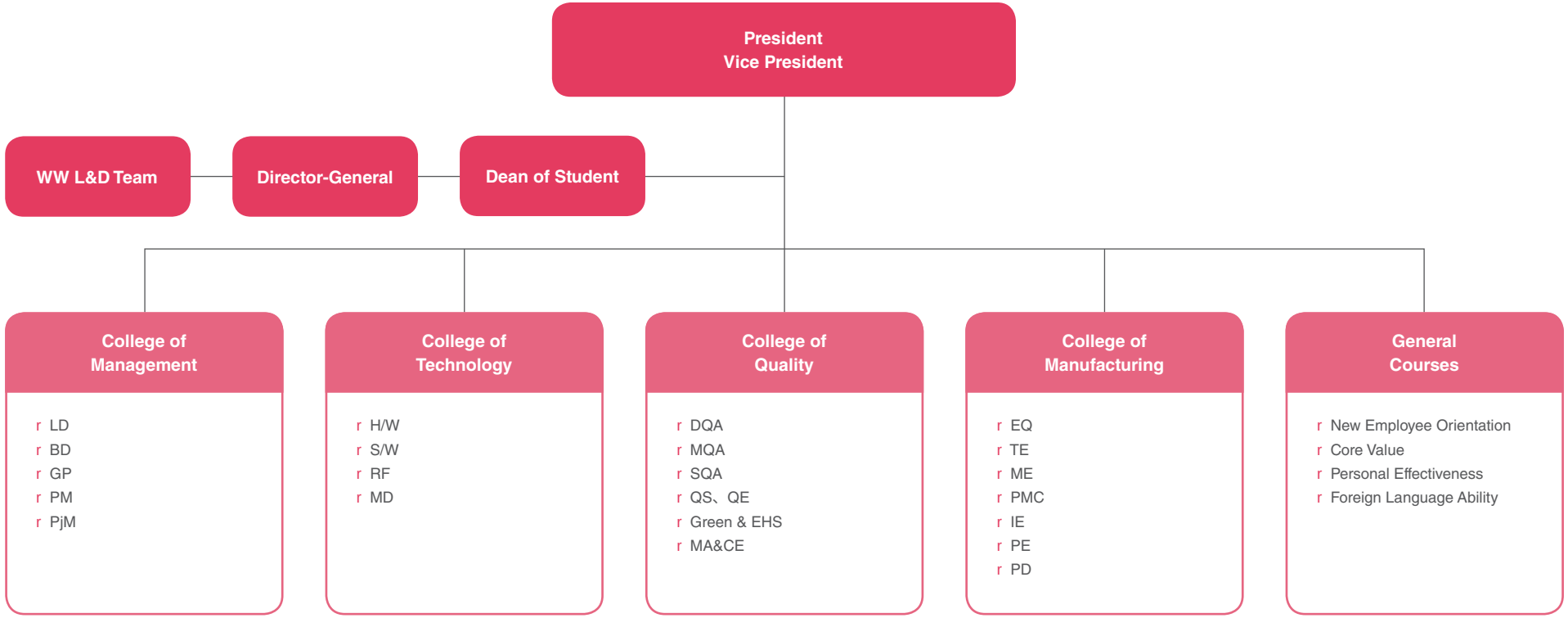
	Zhangjiang	Jinqiao	Shenzhen	Kunshan	Taiwan-TT	Taiwan-NK	Mexico	Total
New Employee Incoming								
Male	1,796	1,531	1,918	2,278	251	469	835	9,078
Female	1,050	985	1,607	1,426	191	643	1,440	7,342
Management Position	7	6	1	1	9	18	16	58
Technical Position	117	178	28	54	185	106	57	725
Administrative Position	35	47	37	46	126	46	100	437
Skilled Position	2,687	2,285	3,459	3,603	122	942	2,102	15,200
Age ≤ 30	2,438	2,178	3,057	3,490	262	719	1,508	13,652
31 ≤ Age ≤ 49	404	338	467	214	176	387	701	2,687
Age ≥ 50	4	0	1	0	4	6	66	81
Newly Employed Rate	102%	89%	100%	116%	20%	74%	94%	89%
Employee Resignation								
Male	1,607	2,386	1,802	2,123	139	188	662	8,907
Female	1,078	1,307	1,711	1,221	106	154	1,114	6,691
Management Position	16	11	2	2	6	8	8	53
Technical Position	122	160	45	43	85	41	51	547
Administrative Position	41	49	43	38	47	15	59	292
Skilled Position	2,506	3,473	3,423	3,261	107	278	1,658	14,706
Age ≤ 30	2,292	3,237	2,940	3,137	148	210	1,194	13,158
31 ≤ Age ≤ 49	393	456	570	207	83	128	525	2,362
Age ≥ 50	0	0	3	0	14	4	57	78
Employee Turnover Rate	96%	131%	100%	105%	11%	23%	73%	84%

Note:
1. Newly Employed Rate = No. of people assuming office this year ÷ No. of people remaining in office at year-end × 100%
2. Employee Turnover Rate = No. of people leaving office this year ÷ No. of people remaining in office at year-end × 100%

Integral Training Program

Employees are important assets of USI. They are also the spirit of and motivation for the Company to progress and grow. Therefore, USI has been devoted to investing talents and created a learning organization culture to providing employees the most appropriate resources and effective learning models, helping them to enhance themselves and show their value in relevant expertise.

Through multiple educational training, USI helps its employees cultivate professional abilities and grow, and improve in learning effectiveness. The most important learning and development system of USI is USI University (USIU). USIU has College of Management, College of Technology, College of Quality, College of Manufacturing, and General Courses, led by the General Manager as the university principal; professionals who are influential in the field and who are above the vice general director level are appointed as the deans of the said colleges and director of the center. USIU integrates global learning resources for employees to learn and develop. For many years, USIU has developed excellent teachers and fine knowledge for delivering culture.

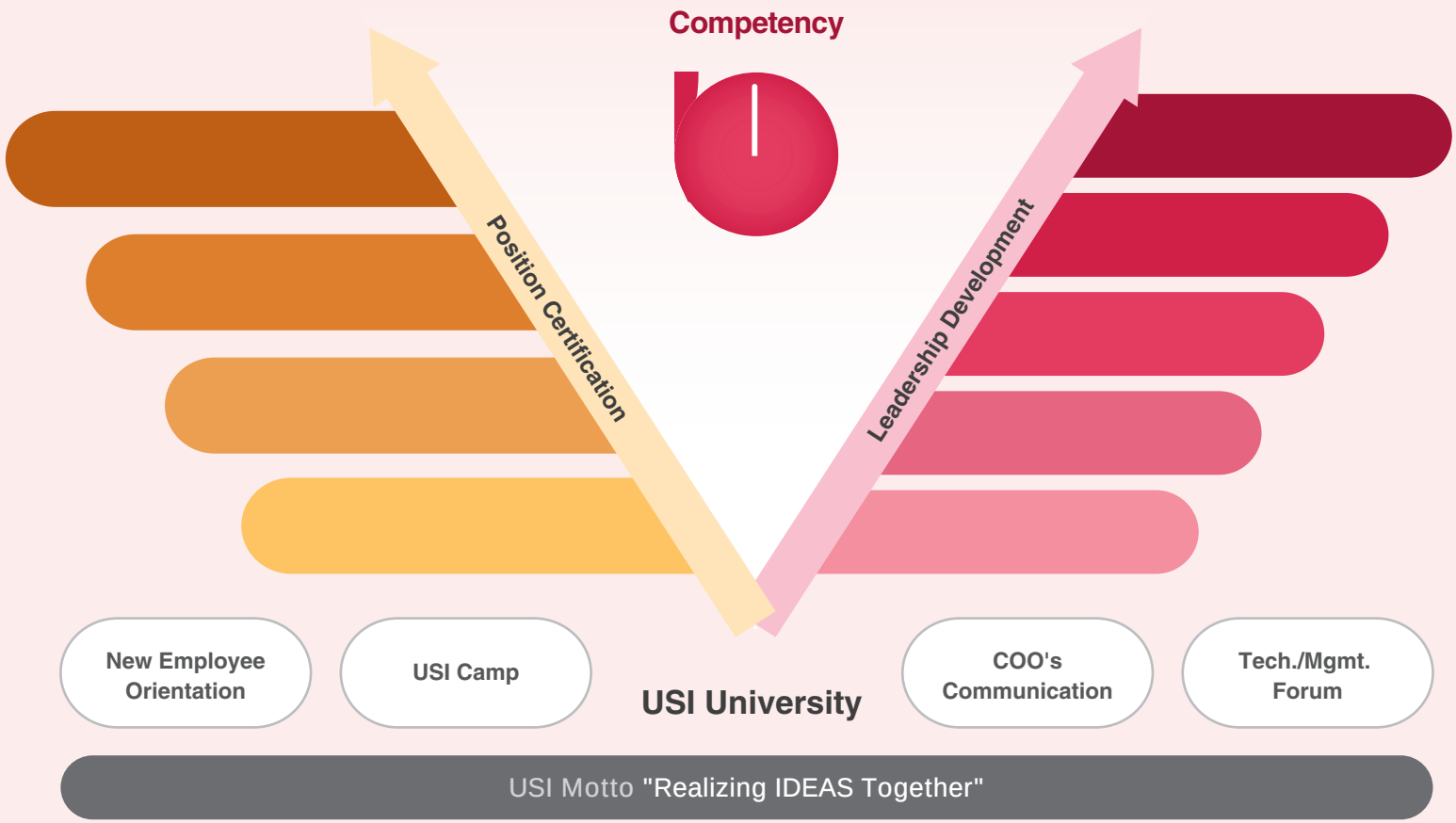


The Employees Training Hours

USI's total training reached 417,860 hours in 2019. Each employee received 22.6 hours of training on average. Training hours broke down by employee category shown below:

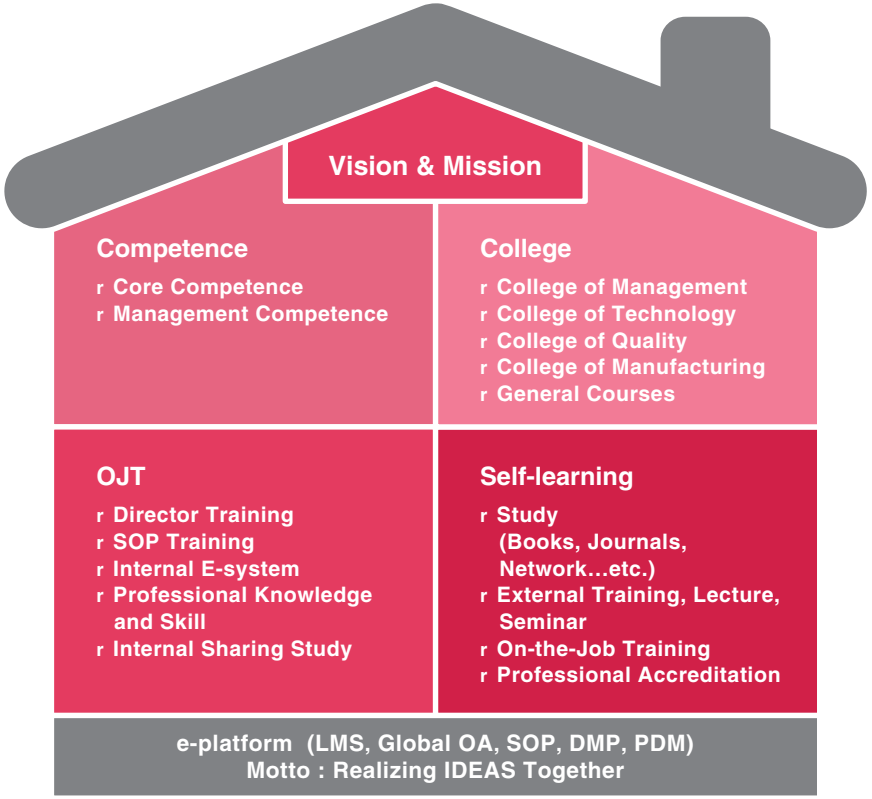
Category	2017	2018	2019		
	Average Training Hours for Per Employee	Average Training Hours for Per Employee	Total Training Hours	No. of Employees	Average Training Hours for Per Employee
Female	21.1	23.1	250,868	10,012	25.1
Male	23.3	20.4	166,993	8,503	19.6
Management Position	18.8	36.9	36,400	1,042	34.9
Technical Position	18.8	22.1	78,426	3,566	22.0
Administrative Position	18.8	16.6	35,694	1,854	19.3
Skilled Position	23.9	21.3	267,340	12,053	22.2
New Employees	19.6	27.5	168,397	12,573	13.4
All Employees	22.3	21.9	417,860	18,515	22.6

With the mission of establishing an innovative learning environment to reach high operational performance, USIU is dedicated to enhancing the quality of employee, leadership management, and innovative research and development ability inside the organization. It has targeted employees with different competence to plan various staff training and courses, provide them a complete learning platform, help them to solve work issues, and enhance their professional capability to reach organizational targets.


Competency
Position Certification
Leadership Development
New Employee Orientation
USI Camp
USI University
COO's Communication
Tech./Mgmt. Forum
USI Motto "Realizing IDEAS Together"

r Multiple Learning Channel and Platform

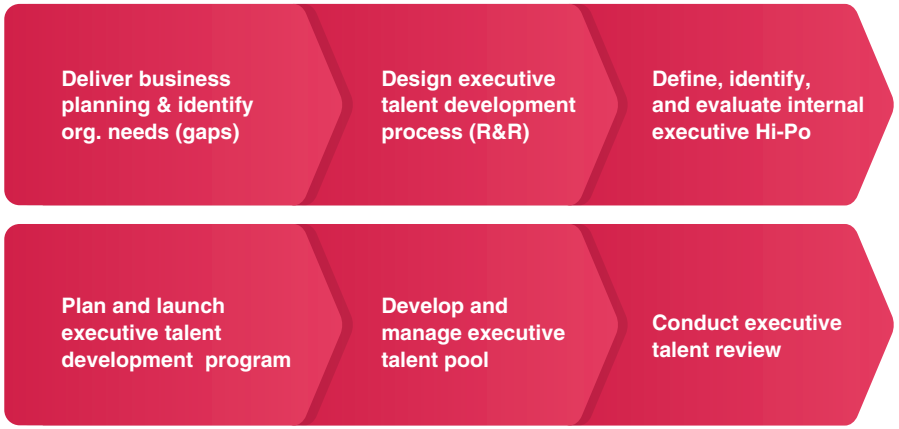
USIU provides training courses required by comprehensive talents for employees, offers not only diverse educational training content but also designed the methods of taking the class and relevant activities based on the course category. The courses include training in the classroom, e-learning training, on-job training, and external training. These courses help USI employees to learn and develop themselves. Multiple learning models and a precise and solid training framework. Plan diverse, innovative learning channels inside or outside the training, inspiring employees to grow continuously. By presenting the procedure, R&D, project, and innovation results, employees can also apply what they have learned in the work field.



▸ 2019 Performance

Item	Description
Strengthen Employee's Sustainable Employment Ability and Life-Time Learning Program	As the demand for multi-talents continues to increase, professionals with merely one skill can no longer satisfy workplace demands. The Company has, therefore, continuously enhanced employees' sustainable employment ability, improved our employee system, and assisted employees in acquiring skill management ability and life-time learning programs that are required for a job transfer in the future. We have supported 15 employees to get degrees in 2019.
Succession Program	Since 2018, in order to make up for the Company's internal executive talent gap, the Company has established an executive talent development program. The objectives of the program include improving the depth and breadth of personnel's work content, conducting work rotation and expatriate training to enhance cross-field management skills, assigning key tasks to strengthen management leadership, and conducting mentor training plans and management skills lecturer training to strengthen management functions. We have completed the process of generation succession program* and the establishment of a talent database in 2019.

Note: Generation Succession Program Workflow



- **Internal Instructor Program**

For many years, the Company has trained and certified employees through the internal instructor system to serve as lecturers, forming a good knowledge inheritance culture, and giving full play to internal human resources and influence. The Company provides employees with high-quality and forward-looking courses to train world-class talents for the Company to enhance the Company's competitiveness. USIU has developed excellent teachers, 608 people in our worldwide facilities have passed our internal instructor training by the end of 2019.

Comprehensive Welfare and Salary System

USI is willing to give employees reasonable rewards for their contribution to the Company. We designed a competitive salary system according to market salary standards, external competitiveness of talents, and the supply and demand status of the labor market. Also, the Company adjusts employees' salaries to reflect business performance, annual performance assessment results, and performance at work. To ensure our salary offers are reasonable and competitive, USI participates in well-known public salary surveys held by local business consultants and regional salary associations and promptly adjusts our offer to reflect market prices.

USI sets up salary systems according to the following concepts:

- **Recognize employees' contributions to the Company, formulate the differences between each position, and maintain the balance of paying salaries.**
- **Respond to employees' performances appropriately for encouraging employees and recruiting required human talents.**
- **Provide employees fair and reasonable treatment and adjust the salary as responsibilities are increased.**
- **Adjust flexibly with the human recourse market and the changes of organization.**

Note:

1. The ratio of starting salaries of direct labor and local minimum wages = Starting salaries of direct labor ÷ Local minimum wages.

Employee Performance Appraisal and Function Development

USI established a comprehensive performance evaluation system. Based on the organization strategy, guideline, and goal of USI, employees' personal working goals and working performance evaluation standards are executed after the discussion and agreement between administrators and employees. The evaluating items included: working goals and professional performances. Professional performances included: professional skills, learning and applying the ability, soft skills, and working attitude. Through the performance evaluation system, we hoped to help employees reach their personal and organizational performance targets, stepping forward to the integral goals set up by USI.

Distribution of Employees Receiving Regular Performance and Function Development Review in 2019

Gender	Category	Regular Performance Review			Function Development Review		
		Amount of Employees	No. of Employees Accepted Regular Examinations	Percentage of Employees Accepted Regular Examinations	Amount of Employees	No. of Employees Accepted Regular Examinations	Percentage of Employees Accepted Regular Examinations
Male	Management Position	784	784	100%	784	757	96.56%
	Technical Position	2,788	2,788	100%	2,788	2,788	100.00%
	Administrative Position	580	580	100%	580	580	100.00%
	Skilled Position	3,690	3,690	100%	3,690	3,690	100.00%
Subtotal		7,842	7,842	100%	7,842	7,815	99.66%
Female	Management Position	243	243	100%	243	243	100.00%
	Technical Position	627	627	100%	627	627	100.00%
	Administrative Position	1,186	1,186	100%	1,186	1,186	100.00%
	Skilled Position	5,176	5,176	100%	5,176	5,176	100.00%
Subtotal		7,232	7,232	100%	7,232	7,232	100.00%
Total		**15,074**	**15,074**	**100%**	**15,074**	**15,047**	**99.82%**

Note:

1. Performance Assessment Personnel Qualification: The regular staff who have assumed post for three months or more during the assessment period. However, those who haven't passed the probationary assessment, or those on leave without pay for over three months are not listed in the name list of performance assessment personnel.
2. Executives of vice general managerial rank or higher are not included in the functional development assessment and review.

r Employee Benefits

Holiday and Vacation

Besides national holidays and weekends, there are accompanying maternity leave for male employees (in China and Taiwan area), female employees to take prenatal visit leave (in China and Taiwan area), maternity leave for female employees, parental leaves (in Taiwan area), nursing leave (in China area), menstrual leave, paid sick leave, paid annual leave* and paid-time-off (in Taiwan area), Indigenous holiday leave (in Taiwan area).

LOHAS

Domestic and foreign employee trips, family day, parent-child activities, end-of-the-year banquet and drawing lots, birthday celebrations, athletic games, singing competitions, and choir

Table tennis club, badminton club, swimming club, fishing club, cycle club, yoga club, Chinese chess club, English club, and choir.

USI also is equipped with recreation rooms such as computer classrooms, libraries, fitness rooms, and basketball and badminton courts. Also, various recreational facilities such as table tennis and pool are available.

Bonus

Annual bonus, full attendance bonus, overtime wage, performance bonus, three festival gift certificate, birthday gift certificate, R&D incentive bonus, patent incentive reward, employee seniority bonus (in China and Taiwan area).

Each facility is equipped with a medical room and a breastfeeding room. Additionally, full-time nursing personnel and professional doctors provide services such as free medical consultation and emergency treatment. Moreover, our employees can enjoy one free physical check-up each year and attend various hygiene training sessions and seminars held irregularly.

Accom-modation

Dormitories are equipped with household appliances, air-conditioning, hot water, wi-fi, and furniture. USI pays for all full-time employees' housing accumulation funds and provides housing subsidies.

Transpor-tation

USI provides transportation between facilities, parking lots, and pregnancy priority parking (in Taiwan area).

Dining

All facilities have an employee cafeteria, meal subsidy, and mom sticker*.

Note:

1. "Paid annual leave" is implemented according to local regulations.
   - In China Facilities: An employee who has been working for more than one year and less than ten years will have five days of annual leave; more than ten years and less than 20 years have ten days; more than 20 years have 15 days.
   - In Taiwan Facilities: An employee who has been working for more than six months and less than one year will have three days of annual leave; more than one year and less than two years will have seven days; more than two years and less than three years will have ten days; more than three years and less than five years will have 14 days; more than five years and less than ten years will have 15 days; more than ten years will be offered with one additional day each year.
   - In Mexico Facility: Those who have been working for one year will have six days; more than one year will have one day of annual leave each additional year (no more than 12 days in total); more than four years will be offered with two additional annual leave every five years.
2. For pregnant employees who show the "mom sticker" can get an extra portion of the meal.
3. Employees who suffered from a difficult situation due to an emergency or major incident can apply for an emergency subsidy to the Company's welfare committee. Upon receipt of the Committee's approval, the "emergency subsidy" will be offered accordingly. In 2019, we had received three applications from our employees and had distributed CNY 16,835 to that, the additional emergency subsidy, to ease their urgency in life.

Statistics on Parental Leave in 2019

Taiwan Facilities	2017			2018			2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No. of people qualified to apply for parental leave that year	166	60	226	212	80	292	220	69	289
No. of people that applied for parental leave that year	2	7	9	3	5	8	5	11	16
No. of people expected to come back from leave that year	2	7	9	1	7	8	2	13	15
No. of people that came back from leave that year	1	7	8	0	3	3	2	9	11
No. of people that came back from leave the previous year	1	4	5	1	7	8	0	3	3
No. of people reinstated in previous year and continued to work for more than one year	1	4	5	1	7	8	0	3	3
Reinstatement rate for parental leave (%)	50%	100%	89%	0%	43%	38%	100%	69%	73%
Percentage of people holding their post due to parental leave (%)	100%	100%	100%	100%	100%	100%	0%	100%	100%

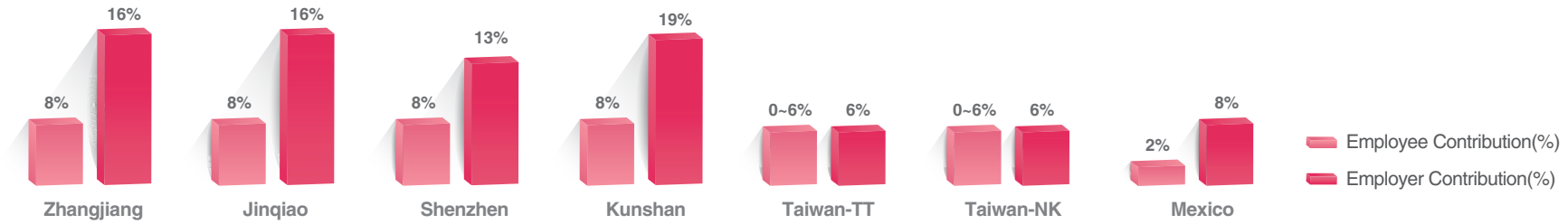
Note:

1. The data only cover Taiwan-TT Facility and Taiwan-NK Facility because other facilities do not provide parental leave.
2. Qualification for Application of Parental Leave without Pay that Year: Those who have applied for "Paternity Leave" or "Pregnancy Leave" (20 weeks or more) from 2016 to 2019 and who still hold a post in 2019.
3. Reinstatement rate for parental leave = No. of people reinstated that year ÷ No. of people expected to be reinstated that year × 100%.
4. Percentage of people holding their post due to parental leave = No. of people reinstated in the previous year and continued to work for more than one year ÷ No. of people reinstated in the previous year × 100%.

Employee Insurance and Retirement

USI and its subsidiaries provide retirement welfare by following local laws and regulations. In China Facilities, USI provides all employees with five social insurances and one housing funds*. The Taiwan Facilities, and according to the projected welfare unit law, the pension actuarial is carried out every year, and the employer and the employee are allocated to the employee retirement funds monthly. The Company also participates in special accounts for pension insurance or retirement insurance established by government agencies following the regulations and pays monthly deposit fees per the corresponding proportion of the paid base. If the special account balance is insufficient to pay the annual funds, the special account balance will be made up the following year. In 2019, the worldwide sites* appropriated retirement insurance funds total of CNY 164,106,891.18, and the balance was CNY 15,855,657.05.

The proportion of appropriation of each facility is as follows:



Note:

1. The five social insurances and one housing fund is standardized social insurance in China. It includes retirement insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund.
2. The worldwide sites included Zhangjiang, Jinqiao, Shenzhen, Kunshan, Taiwan-TT, Taiwan-NK, Mexico and other manufacturing facilities, and sales offices.
3. Please refer to page 153 in the 2019 USI Annual Report for detailed information.

r Balancing Work and Life

In USI, various clubs have been established for health, happiness, and learning. Related expenses are appropriated each year for the clubs to hold activities and to enhance the physical and mental development of employees.

3 Main Themes of Employee Activities

Health

Only a healthy body can create infinite possibilities. By improving employees' knowledge and environment of healthy life, the efficiency is improved and productivity doubled.

Happiness

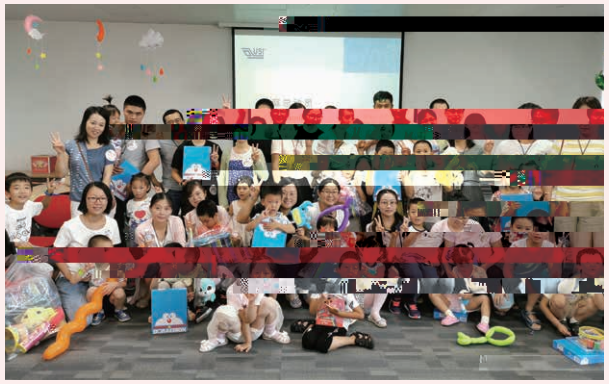
The philosophy of happiness is the magic wand to create win-win for a company and its employees. If failure is the mother of success, happiness will be the father of success. Employees get their passion and inspiration from happiness, whereas happiness is the spring of power that keeps employees going.

Learning

Learning keeps you young. Learning is to take care of employees for the rest of their lives. Learning programs are developed for employees' career development. Looking for the fun of learning keeps life going and makes employees willing to work harder.

To organize employees' welfare and activities, USI established the Employee Welfare Committee in Taiwan Facilities. The Committee holds public events with clubs for employees and their families to attend and achieve the objective of "cultivating useful skills in life." It has not only brought joy to employees but also cultivated teamwork, promote a harmonious work atmosphere, and enhance work efficiency.

Zhangjiang



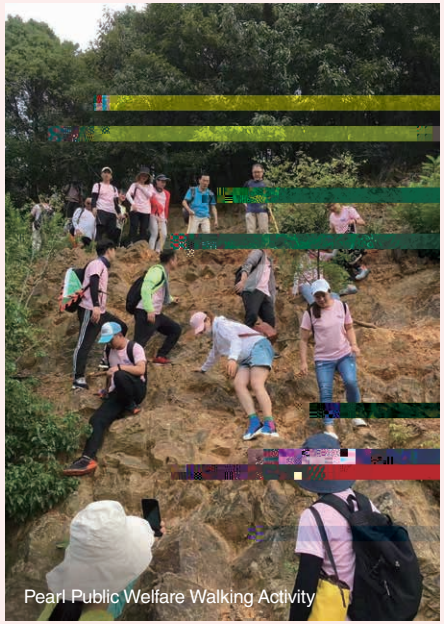
Shenzhen

Fun Games and Excellent Staff Selection

Police-civilian Cooperation Lecture

Birthday Party

Kunshan


Pearl Public Welfare Walking Activity

Fun Games

Badminton Tournament

Summer Party

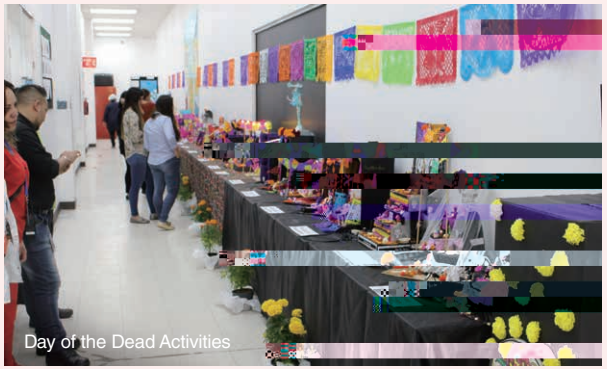
Taiwan-TT&NK

Charity Family Day

Parent-child Summer Camp

Mid-Autumn BBQ

Mexico


Day of the Dead Activities

Independence Day Activities

Christmas Party

Strong Employee Engagement

USI builds a good employer-employee communication mechanism, and signs labor contracts conforming to local laws and regulations with its employees (the signing rate reached 100%). The contracts explicitly state rights and obligations for both parties to follow. When there is any great change to USI's operation, which makes labor contracts unable to be fulfilled, employees shall be notified in advance in accordance with local laws and decrees. We also communicate with the affected employees, explaining the rights and interests that they should have. In addition, Taiwan Facilities cooperating with the Vocational Training Bureau to provide training and planning, and collecting information on job opportunities in nearby regions to assist the colleagues in transferring jobs.

Note: We will inform employees of Mexico Facility at least 15 days ago; the other facilities at least 30 days ago.

To provide a complete communication channel and to continuously establish an open and smooth management environment built upon mutual trust, so as to facilitate labor relations and effectively raise the coherence of all staff members, the communication channels provided are as follows:

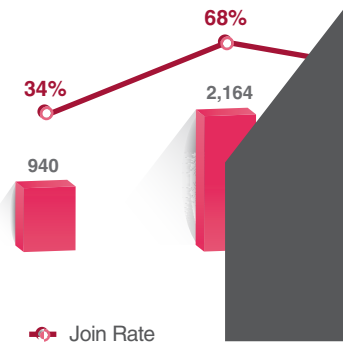
In 2019, the Company held a total of 294 employee symposiums. It was included 192 new employees, 13 foreign employees, and 89 general employees.

USI has a Policy of Workplace Humane Treatment Establishment which purpose is to establish a safe, dignified, non-discriminatory, respectful, inclusive, and equal workplace, and prevent all employees are from physical or mental infringement during work. In

In 2019, USI received a total of 1 employee compla been made response osed rate reaches 100%. Details are shown as follows:

Appeal Cases	onse Measures	Status
An employee has constantly received unknown c to official mobile phones or private mobile phones, caus tress an mental pressure (Taiwan-TT)	orting to the relevant supervisors based on collected he harasser a warning according to the employee's work	Closed

USI's employees may freely organize and parti in trade unions and conduct collective negot USI will not involve the establishment, opera or management of the trade union in any forn will maintain a smooth communication channe the trade union to facilitate the implementat agreements made in collective negotiations. moment, Zhangjiang, Kunshan, and Mexico Fa have all established a trade union. Among the trade union of Mexico Facility already sig collective agreement with the Company to ensu union members are protected under the contra proportion of employees participating in trade as follows:



and work, USI has been in line with the international in onsu "employee engagement survey." We hope that it can d collect h the survey results. We can use it as a policy tool ivating talents, esses, strategies, and various measures can be yees to achieve a win any and employees.

time, we surveyed employe f 15 driver factors of the 6 engagement we conducted a 14-day online ques e engagement. The survey target was yees who joined before June 30, 2019. We s and collected 5,259, resulting in a f 86.9%. Among the returned questionnaires, 4, e feedback rate was 80.5%, and e of engagement was 67%. Among the major questi ced, after being promoted by action plan project in 2018, the scores of each engagement ed.

Employee Engagement Survey Result

Item \ Year	2017	2019		2021
	Performance	Goals	Performance	Goals
Feedback Rate (%)	82.2	85.0	86.9	≧ 85.0
Engagement Score (%)	60.0	65.0	67.0	≧ 65.0

In 2020, the President and one-down of all units have participated in the "WW Engagement Survey" to clarify and focus the survey results and the following plan. The executive vice general manager of each plant will become the chairman, and the manager of each plant's human resource department will become the executive secretary to form a project team with representatives of each unit. The team shall carry out action plans based on the survey results and expect to raise employee engagement goals again.

Excellent Working Environment

To make sure staff and our workers' physical and mental health during working hours. In addition to complying with local labor laws and safety production regulations, USI has stipulated safety and health policies, objectives, standard procedures, and held educational training and LOHAS life events. All our facilities passed the OHSAS 18001 or ISO 45001 Occupational Safety and Health Management System which was included our staff and other workers* (Coverage Rate = 100%*), so we review our policy and performance by yearly to satisfy the requirements of occupational health and safety laws and our policies, and continuing to provide a safety and comfortable workspace.

Note:
Other workers are mainly temporary workers in the facilities, and other contractors such as meal contractor, resident personnel, security personnel, cleaning personnel, etc. ,and statistical data of workers included the seven major manufacturing facilities there were a total of 14,837 people.

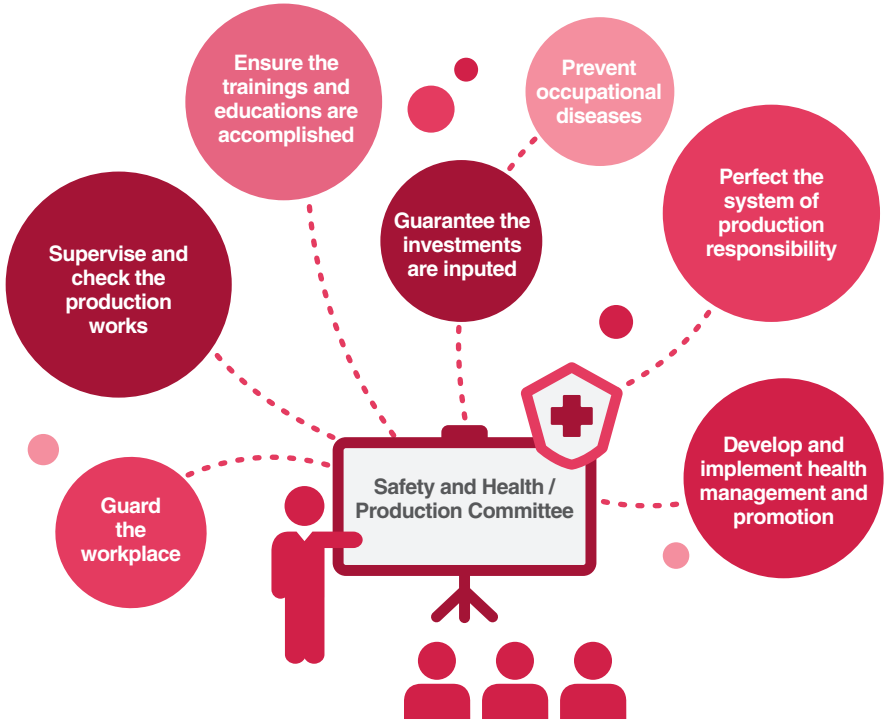
r Occupational Safety and Health Management

Safety and Health Management Goals and Statuses in 2019

Goals	Performance
Maintaining "Zero" Occupational Disease Incidences	There is one case of tendonitis at our Mexico Facility.
Maintaining "Zero" Work-Related Deaths	There were no work-related deaths in 2019.
"Zero" Infections from Infectious Diseases within Facilities	Since 2016, we established a universal notification system and enhanced our emergency response capabilities. No infectious disease-related cases occurred in 2019.

The occupational disease case recorded in Mexico Facility was acute finger tendonitis caused by a temporary workload increase. After taking 36 days off, that employee was no longer assigned work that would trigger the disease. We continued to monitor their status, and to date, there was no recurrence. The Company will always assess employees' physical and psychological capabilities when assigning temporary workloads and make appropriate rotation arrangements to avoid similar cases from reoccurring.

To comply with local regulations, the six major manufacturing facilities of USI (Zhangjiang, Jinqiao, Shenzhen, Kunshan Taiwan-TT, and Taiwan-NK Facilities) let their employees establish the Safety and Health/ Production Committee, and let employee there among to be the Committee's representative. The proportion of labor representatives also complies with local regulations and more than 50%. Although the meeting frequency of each plant's Committee is different, each Committee holds at least one regular meeting every three months, and the Committee's responsibilities will be in the following diagram. Besides, an internal exchange platform and paths for the sharing of the Company's information system are also established within the facility (including WeChat and irregular exchange sessions) to ensure the availability of smooth communication channels.



In 2019, USI invested CNY 0.15 billion* in safety production and chemical safety management. Occupational safety and health costs include employee insurance, physical check-up, labor protection, safety measures improvements, operating environment monitoring, and ISO 45001 certification fee.

Note:
Statistical data includes the Zhangjiang, Jinqiao, Shenzhen, Kunshan, Taiwan-TT and Taiwan-NK Facilities.

r Occupational Safety and Health Risk Management

As part of the risk-based thinking required by the ISO 45001 Occupational Safety and Health Management System, USI establishes a process to manage procurement, contracts, and changes. We implement necessary safety assessments, trainings, and data updating to reduce potential safety and health risks from operating conditions or the work environment.

To effectively identify and assess safety and health hazards and risks and opportunities derived from the operations and work environment, we request responsible units to identify hazards based on occurrence probability, exposure frequency, and consequence severity regularly each year. Where the identification and assessment procedures must be applied again due to any change to the production or activity; opinions or requests made by the stakeholders adjustments or amendments to legal regulations, the results must be evaluated together with potential risks and opportunities, regulatory rules and the Company's policy. The Company identifies and controls priority risks and opportunities and request relevant parties to amend plans based on the level of involved dangers and opportunities. The purpose is to minimize negative impacts that come from productions, activities, or services within the facility (please refer to Table 1); and to enhance the Company's occupational safety and health performance and to create a sound management system. In the meantime, to ensure the quality of identification and assessment procedures, not only should designated safety and health units conduct relevant educational training on a regular and irregular basis (the annual performance, please refer to "Emergency Response Center"), but also the representatives of promoting health and safety measures shall take internal auditor training within the OHSAS 18001 or ISO 45001 management system and acquire qualifications. At the end of 2019, 154* USI employees received the required trainings for internal auditors.

Note:
Statistical data includes the Zhangjiang, Jinqiao, Shenzhen, Kunshan, Taiwan-TT and Taiwan-NK Facilities.

Hazard Identification and Risk and Opportunities Procedure

Chemical Safety Management

We developed our Chemical Management Procedure in line with the UN Strategic Approach to International Chemicals Management (SAICM), so chemicals are controlled and used in ways that minimize adverse impacts on the environment and human health. The key to our 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 collate a list of banned substances. As part of source control, chemicals must be reviewed and filed before they can be procured and subsequently introduced into our manufacturing process. All personnel involved with handling chemicals must undergo before work training and regular training to ensure that chemicals are handled safely from the time they enter our operations until they are appropriately disposed of or recycled. We keep all relative records to perfect our Procedure and prevent occupational hazards of employees.

Chemical Safety Management Process

In order to enable our workers to work with peace of mind, each factory is equipped with a exclusive unit for inspection, maintenance and inspection. Company is responsible for the regular implementation of environmental testing, such as building security inspection, drinking water inspection, effluents inspection, Legionnaires' disease, emergency lighting, lightning protection detection, smoke detection equipment, and fire equipment testing on the operational environment, and monitors operational environments with high risks including noises, the concentration of carbon dioxide, organic solvents, specific chemical substances, lead in the 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 corrected and maintained; if it is close to the abnormal state, we will provide employees with appropriate preventive training, and with a healthy and safe working environment.

▸ **Table 1: The Negative Impacts Management for Hazard Identification and Risks and Opportunities**

Risk and Opportunity Level	Correct Action	Identification Result	Hazard or Impact Above Medium Level	Impact Management
1. Serious	1. Control measures must reduce the risk to an acceptable range. 2. Review the integrity of existing protection and control measures and formulate management plans for improvement. If there is no improvement, it is necessary to formulate operation control procedures or emergency response plans.	There are no Serious or High-Level risks and opportunities in the work activities or working environment of USI facilities.		
2. High				
3. Medium-High	It must be reviewed whether there are still opportunities to improve the performance of occupational safety and health, such as: 1. Measures to further reduce personnel exposure frequency or incident rate. 2. Adjust the work, work plan, and working environment suitable for workers. 3. Reduce the monotonous work or working frequency. 4. Strengthen existing control measures.	Part of the factory operations and high-risk operations employees have Medium High or Medium Level risks and opportunities; others are Low or Slight Level risks and opportunities.	Elevated operations: drop, fall	Must wear safety belts and helmets and use compliant auxiliary equipment; set up the operation control area and have workers from the same industry to assist in the operation.
4. Medium			Hotline work operation: electric induction	Need to wear insulated personal protective equipment.
5. Low			Hot work operation: fire	Must control fire sources and combustibles, wear personal protective equipment, and carry spare fire extinguishers.
6. Slight			High-risk work environment (such as using organic solvents, X-Ray inspections): inhalation hazard, skin contact hazard or body pathology	In addition to regular monitoring of high-risk operating environments, special health inspections should be carried out. The inspection items include noise, carbon dioxide concentration, organic solvents, specialized substances, dust, lead workplaces, and free radiation; they require personal protective gear during operation.

In case of discovering occupational hazards or other emergency conditions, employees may, according to the emergency response flowchart posted in each facility, report it to the senior management team and handle it accordingly. Where it is confirmed that the current condition can result in occupational injury or disease, the employee may notify the EHS Department for confirmation and leave the position. The purpose thereof is to protect the said employee from being harmed or punished. Whenever an accident occurs, the accident unit shall analyze "man, machine, material, method and environment" to adopt relevant corrective prevention measures. With complete investigation procedures P-D-C-A, not only will accident investigation become even more efficient, but also the facts and conditions will be clarified; reasons for identification; and action plans will all be taken place to minimize the occurrence of accidents.

Employee Occupational Health and Safety Statistics in 2019

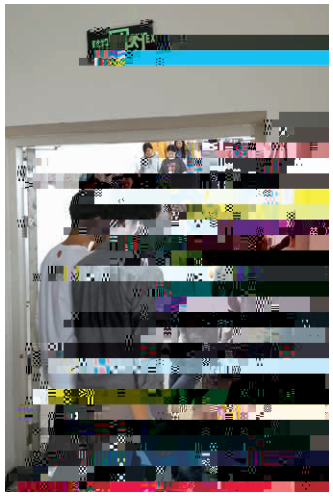
Facility	Injury Rate (IR)		Occupational Diseases Rate (ODR)		Lost Day Rate (LDR)		Absentee Rate (AR)	
	Male	Female	Male	Female	Male	Female	Male	Female
Zhangjiang	0.00	0.00	0.00	0.00	0.00	0.00	2.07%	1.85%
Jinqiao	0.00	0.00	0.00	0.00	0.00	0.00	8.49%	6.32%
Shenzhen	0.02	0.00	0.00	0.00	0.10	0.00	1.51%	1.64%
Kunshan	0.00	0.03	0.00	0.00	0.00	0.17	2.54%	2.42%
Taiwan-TT	0.19	0.14	0.00	0.00	0.23	0.28	0.31%	0.59%
Taiwan-NK	0.00	0.29	0.00	0.00	0.00	2.59	0.43%	0.59%
Mexico	0.02	0.02	0.00	0.02	0.24	1.15	1.11%	2.42%

Note:
1. Statistics of Data do not cover the injury information of contractors.
2. Statistics of occupational disease are in accordance with the definition of occupational diseases from relevant local laws and regulations for each facility.
3. Only the Absentee Rate (AR), the statistics of data cover traffic accidents to and from work. The statistical formulas for the various data are as follows:
   - Injury Rate (IR) = (Times of injuries ÷ Total hours worked) × 200,000.
   - Occupational Diseases Rate (ODR) = (Total numbers of occupational diseases ÷Total hours worked) × 200,000.
   - Lost Day Rate (LDR) = (Number of days lost due to injury ÷ Total hours worked) × 200,000.
   - Absence Rate (AR) = (Number of hours lost due to absence ÷ Total hours worked) × 100%. The number of hours lost due to absence covers injury and sick leaves.

A total of 14 work-related accidents occurred in 2019, including four sprains, three slips, three cuts, two bruises, one crush injury, and one incident with an object flying off, all of which were physical injuries of employees. According to the statistical results of work injury accidents in 2018 and 2019, walking injuries were the main accident factor. In addition to the improvement of lighting and floor slip prevention, the Company posted warnings and strengthened advocacy and training, incorporated its requirements into the employee work rules, and continued to work towards the goal of zero accidents. Our contractors had one injury case (please refer to the Contractor Management section). To prevent work injury accidents from happening at home and abroad, USI irregularly holds work injuries orientations and conducts educational training for employees and contractors, and follow-ups relevant data regularly to improve.

r Emergency Response Center

USI has established an emergency response center for environment and safety and made a general education proposal on hazards and emergency response procedures. Also, it conducts emergency response training for disasters caused by earthquakes, fires, hazardous substances, and infectious diseases. Moreover, it holds environmental, safety and health programs such as emergency response to organic solvents, the labeling of hazardous and harmful substances, the usage of labor protective equipment and general education training for employees to participate in drills and take examinations to enhance their safety awareness and emerconducts emer5e(af)30sage of -0.pat0(a0(et) occurd emer)coaccid laby ear1esponsun(y a)20



Physical and Mental Health Care

To provide employees with comprehensive health care, USI has built a healthy workplace system better than what is required by law. It has established complete software and hardware facilities and assigned specialized personnel to provide professional services. Additionally, it holds health training, workshops, and group activities. Moreover, USI conveys information of the Company to its employees through journals (Newsletter), WeChat group, health email and bulletin board regularly to enhance their health knowledge and skills to maintain their physical and mental health and to build an excellent healthy workplace.

Software and Hardware Measures

Regarding the software facilities, USI wishes to provide employees a quality healthcare service. It has not only hired several nurses, specialized family medicine doctors, occupational medicine doctors, and psychologists but also invited physiotherapists and nutritionists to provide services in the facility on an irregular basis. Provide psychological, work stress, career, and other consulting services for employees. In 2019, there were 19,169 participants in physician health consultations, and the total of hours is 13,455 hours.

As for hardware, USI has a medical room equipped with changing dressing facilities, manometers and weighing scales, provide basic health services for employees and workers working in USI manufacturing facilities; and set the restroom, lounge, counseling room and breastfeeding room for taking rest, consult a doctor and breastfeed. Among them, the Taiwan Facilities have received the "Nantou County Excellent Breast Feeding (Collection) Room" certification for six consecutive years, continuing to provide an even more comfortable breastfeeding space for mothers.

Physical Therapist Intervention

Nantou County Excellent Breastfeeding Room Certification

Physical and Mental Health

To effectively achieve health management, USI conducts physical check-ups each year. USI tracks employees with significant abnormalities and conducts the prevention and control of contagious diseases. Also, specific physical check-ups are provided for high-risk employees in the work environment to achieve the effect of early diagnosis and early treatment. In mental health, USI not only hold birthday parties and single parties regularly for employees (please refer to the Comprehensive Welfare and Salary System section for details), but also has Employee Assistance Programs (EAP). It works with the human resources department to make sure employees' pressure from their families, work, and life can be balanced and addressed.

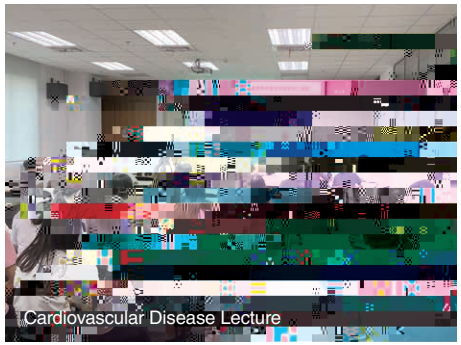
Employee Assistance Program provides welfare and supportive service for the Company's employees. Different from others, it helps enhance employees' mental abilities to improve their performances. In addition to managing human resources more effectively, it can deal with crises efficiently, improve production efficiency, and create a harmonious work environment

Health Promotion

To enhance occupational safety and health management; fortify the identification of health hazards; assist employees in preventing chronic and occupational diseases; encourage and remind employees to do regular sports, eat and drink healthily, and have good living habits, USI provides not only professional physician consultations, but also holds various health education seminars, training, and activities such as pregnancy healthcare, cancer screening services, first-

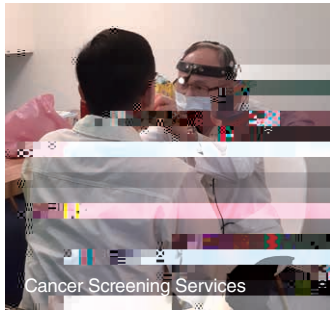
aid training, vaccination services, blood donation activities, weight-loss competitions, and smoking cessation contests. In 2019, 4,447 people participated in 38 events. Among them, 384 people participated in 5 blood donation drives and donated 612 bags of plasma in total; 697 people participated in 2 weight loss activities with a combined weight loss of 1,096.4 kg.

The Taiwan Facilities had specially held an ergonomic hazard health promotion program in 2019 to reduce the musculoskeletal health hazards of employees. After three months of various health promotion activities, the risk-free ratio of 200 employees has increased by 50%, and the overall satisfaction reached 4.47 scores. Moreover, Taiwan Facilities were awarded the Outstanding Award for Workplace Cancer Screening Incentive Program for its efforts in promoting relevant programs.


Cardiovascular Disease Lecture

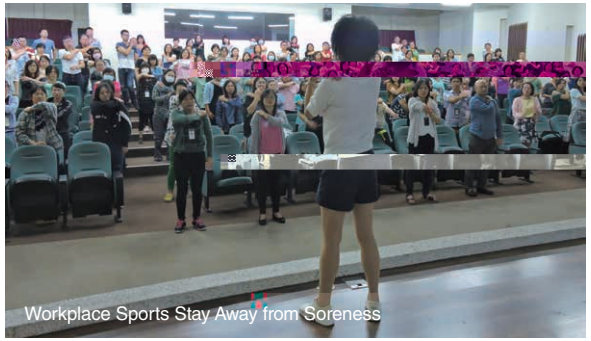
Posture Improvement Lecture

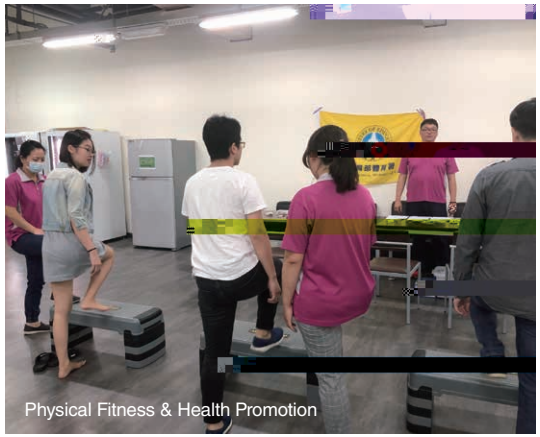
Lectures on Cognition and Prevention of Cervical and Lumbar Spine Diseases


Cancer Screening Services

Weight Loss Contest

Blood Donation


Workplace Sports Stay Away from Soreness


Physical Fitness & Health Promotion

Outstanding Award for Workplace Cancer Screening Incentive Program

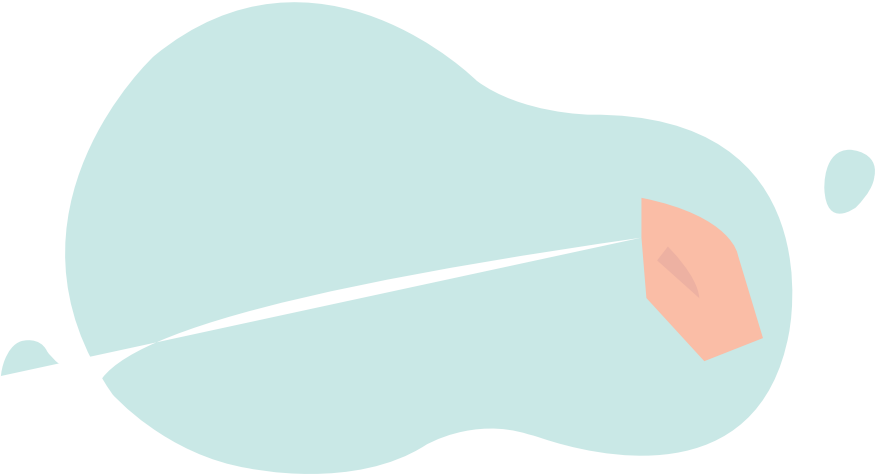
7

of value created for every $1 invested through Philanthropic Library

invested in Social Engagement

26,082
logged in Industrial-Academic Partnerships

3,633
contributed to local communities



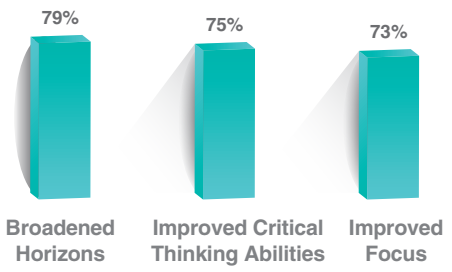
Three Approaches	Rationale	2019 Performance
Investing in Education	Education is the bedrock of progress and development. We wish to cultivate talented and upstanding citizens through diverse educational programs.	r Sponsor Taiwan Reading Foundation (Taiwan Facility) r Sponsor Chinese Literary Prize for Global Youth (Taiwan Facility) r USI University Courses & industrial-academic Partnerships (Jinqiao, Shenzhen, Taiwan Facilities)
Contributing to Society	With company support, we work together to bring more positive energy to society and the environment, hoping to make an impact on society.	**Targeted Poverty Alleviation** r Digital Education Poverty Alleviation Program (Zhangjiang Facility) r Kunshan Fundraising Charity Concert (Kunshan Facility) r Kunshan Charity Foundation "Heartfelt Wish" Activity (Kunshan Facility) r Hope for Pearls Project (Shenzhen, Kunshan Facilities) r Guangxi Baise City Left-Behind Children Project (Shenzhen Facility) r Western Region Student Aid Program (Zhangjiang Facility) **Social Inclusion** r Cross-strait Student Baseball League (Zhangjiang Facility) r Meals on Wheels (Taiwan Facility) r Dreams Come True Project (Taiwan Facility) r Sending Love to Retirement Homes (Zhangjiang, Jinqiao Facilities) **Environmental Protection** r The Million Tree Project (Global) r "Love the Source of Life" International Coastal Clean-up (Jinqiao Facility) r Adopt-a-Roa -0.836 -1.604 Td<0072Ïj050(aciliTf00.33 0 df0C0l3it)-20(y))ÏJExT1_0 1.28 0nn/T130 0.2-0.83 rKicipa.02 Tc in 52 tx ( )Tjc [("4)Tjnn /wvv072>Tj 850(aciliTf 00.33 0 df 0510(92 05.52y))]TJPTc .20 0 r r

Sponsor Taiwan Reading Foundation (Taiwan Facility)

"Broadening children's horizons and cultivating reading interest" cannot be done overnight. Therefore, USI has continuously sponsored the Taiwan Reading Culture Foundation to build Philanthropic Libraries since 2005 and invested NTD 500,000 every year purchasing new books for the Libraries and developing the reading ability of students in rural and remote areas. We understand that only continuous investment can bring substantial impact and change to students, and not just financial and material assistance.

In addition to book donations, USI collaborates with the Foundation to organize Meet the Author and Parent-Child Reading activities. We spare no effort to expand investment in local education, enhance our internal reading habits, and promote reading. In 2019, we held five Meet the Author activities in Lanyu with 186 participants in total. Having an author share tips and experience in writing helps set an example for children and broaden their horizons. 136 people participated in the Parent-Child Reading Activity. We hope to instill reading habits through parents and children reading together, and enrich children's minds.

▸ **Philanthropic Libraries: Outcome Incidences for 4th-6th Graders**



▸ **Parent-Child Reading: Outcomes Incidences for Parents and 1st-3rd Graders**

Sponsor Chinese Literary Prize for Global Youth (Taiwan Facility)

The Chinese Literary Prize for Global Youth is known as the fountain of living waters for new literary talents. Many literary luminaries such as Chang Man-Chuan, Jian Zhen, and Hou Wenyong had won this prize as students. To encourage student participation and advance Chinese literary culture, USI sponsors NTD 300,000 every year as prize money to scout for new literary stars. The call for manuscripts has expanded to include Chinese students from all over the world. In 2019, the 37th Global Chinese Student Literature Award received 1,619 entries from Taiwan, China, Malaysia, Singapore, Japan, and the US. There were 867 submissions from Taiwan and 752 from overseas. Entries by Taiwanese students has increased by 1.5 times compared with last year. The number of submissions from overseas has also kept pace. The Global Chinese Student Literature Award, co-sponsored by Mingdao Literature and Art Magazine, Mingdao Middle School, and Modern Literature Museum, is a cradle for literary talents in the Chinese region. We look forward to more award-winning students emerging in the Chinese literary world.

USI University Courses & Industrial-Academic Partnerships

(Jinqiao, Shenzhen, Taiwan Facilities)

Over the years, USI focused on internal employee education and training. Internal lecturers from USI University cooperate with industrial guilds, associations, and universities provided a number of free courses to share their knowledge, experience, or the industry's latest trends to associated organizations and students.

Also, to put academic theory into practice, USI provides internship opportunities in Jinqiao, Shenzhen, and Taiwan Facilities. In 2019, 93 students interned 26,082 hours in our internship programs. We designed a one-on-one mentor system so students can bridge the gap between school and work after graduation.

In addition to internship opportunities, Taiwan Facility continued to partner with National Chiao Tung University. In 2019, we invested NTD 4.56 million to implement various research projects such as Smartphone Radio Frequency Interference, Automated Optical Inspection (AOI) Optimization Model for Machine Learning, and Non-Solder AOI Optimization Model for Machine Learning.

▸ **USI University Courses (Taiwan Facility)**

Year	Guild/Association/Institution	University
2019	Strategic Planning Workshop (Nankang Industrial Association) HR 4.0 (Nankang Industrial Association) Crisis Management and the Role of HR (SME Association)	IOT Platform Introduction and Application (National Chung Hsing University, National Chiao Tung University) Talent Development and Generational Succession (National Chung Hsing University)
2018	Global Talent Development Practices Seminar (CHRMA)	Seminar- Applications of AI and Industry 4.0 (National Sun Yat-sen University, National Chiao Tung University) Introduction & Application of RF Technology (Feng Chia University)
2017	Strategic Planning Workshop (TEEMA) Case Studies of Recruiting & Promotion based on TOEIC (ETS)	Seminar- Signal Simulations (National Sun Yat-sen University)
2016	Talent Development (TEEMA) Precision Manufacturing (Nankang Industrial Association) Negotiation Skills (Tianzhong Industrial Parks-Industrial Development Bureau, Ministry of Economics)	Developing Cross-Disciplinary Skills (Tunghai University MBA)

Digital Education Poverty Alleviation Program (Zhangjiang Facility)

The United Nations believes that higher digital literacy in the digital age is needed to prevent marginalization in society which is an essential task of poverty alleviation and development. To implement China's 13th Five-Year Plan for poverty alleviation, USI upholds our value of Realizing IDEAS together, implements our sustainability policy of "actively participating in community activities", and focuses on the slow development of computer education of schools in remote areas. This is why we launched the Digital Education Poverty Alleviation Program. We invested CNY 200.25 million and donated computer classrooms for rural schools, improved the teaching environment, enrich teaching resources, enhance students' learning ability, and effectively make up for the shortage of teachers in schools in remote areas. Make positive contributions to poverty alleviation in China and realize the harmonious development of society.

Response from USI CSR Ambassador

Corporate resources come from the society and should be invested back into the society. I am honored to be able to participate in this event on behalf of the company. As the saying goes, "giving is more rewarding than receiving." In addition to computer checks, my task is to organize interactive mini-games. After consideration, the ambassadors and I designed a "Baidu search trivia," providing USI eco-bag gifts and personally adding delicious sweets. This session may be the most enjoyable moment of the trip. The students participated enthusiastically. Watching students work hard with one finger to spell the words, anxiously waiting for the network to respond, and the joy of winning when they got it right. Modern technology is changing the society at an unprecedented pace. Computers and the Internet have made the world far-reaching. Educational resources for remote primary schools are scarce. The Company's gift of school computers is a timely rain, which gives the students unlimited possibilities in life.

Kunshan Fundraising Charity Concert (Kunshan Facility)

Beautiful music not only soothes the soul but is also a way to rally people to contribute towards public welfare. In August 2019, USI donated CNY 100,000 and held "2019 Kuntai Philanthropic Choir Concert" at the Kunshan Culture and Arts Center, where music lovers from both sides of the strait share music. All proceeds went to low-income families in Kunshan so children can receive a good education. The central tenet of educational poverty alleviation "education is the way out of poverty".

Kunshan Charity Foundation "Heartfelt Wish" Activity (Kunshan Facility)

As the saying goes, "never omit to do a good deed thinking it's too trivial." For four years running, USI continues to support Kunshan Charity Foundation's "Heartfelt Wish" activity. We donate CNY 9,000 to adopt the wishes of 30 impoverished children living in the Kunshan mountains. There is nothing more powerful than seeing the results of our wish-granting efforts when the children receive a gift they wished for on Children's Day.

Hope for Pearls Project (Shenzhen, Kunshan Facilities)

Since 2016, USI has actively participated in the Hope for Pearls Project, helping students with excellent grades but cannot afford tuition to actualize their dream of finishing high school. In 2019, we organized a "Clean Plate Challenge" and "Walk for Pearls" to encourage direct employee participation. From the two fundraising events, we raised CNY 300,000 for Qianshan Yezhai Middle School in Anhui Province and set up the third USI Shueijin Pearl Class with 40 students.

In addition to funding, we continued to follow up on these pearl students and invited them for a factory study tour. Our mentor team introduced USI culture, shared their career stories, answered questions about growing up and the workplace, and gave suggestions for their future with humorous anecdotes. The pearl students, moved by our warm culture, expressed interest in internship opportunities. We plan to provide them with internship and employment opportunities as we believe pearl students are future stars that will shine and illuminate the community.

Guangxi Baise City Left-Behind Children Project (Shenzhen Facility)

In Guangxi, many families live below the poverty line, and their living conditions are extremely difficult. In order to give poor students more room for development and to have educational resources, USI participated in the Guangxi Affection for Old Districts Care for Students" sponsorship program, donated CNY 25,000 to support 25 primary school students for the school year, In addition, a charity sale was held, and the proceeds of the charity sale were donated to the students, so that the students could study with peace of mind, so that they could have more possibilities in the future.

Western Region Student Aid Program (Zhangjiang Facility)

Education can help people obtain more advanced technology and more comprehensive capabilities, so that the poor can get out of poverty. Therefore, USI carried out the Western Region Student Aid Program through the Cihui Foundation in poverty-stricken western regions such as Yunnan and Sichuan, and invested CNY 48,000 to provide financial aid to 12 impoverished outstanding college students to ensure their opportunities for education and growth. We believe when they successfully completed their studies, they will use the knowledge learned to help more people.

r Social Inclusion

Cross-Strait Student Baseball League (Zhangjiang Facility)

To promote baseball for students across the straits exchange of sports technology and cooperation between the two sides, USI and its parent company ASEH have both invested CNY 515,000 in sponsorship activities. This league is a fairly all-round baseball exchange, and teams on both sides of the strait have built a bridge of friendship.

Albert Liu, Senior Vice President of Advanced Mobile and Miniaturization Business Group, pitched the opening ball for the Taichung semifinals. Teams that advanced to the finals then gathered in Shenzhen for the 2019 Cross-Strait Youth Sports Summit Forum in December, where our Chairman Jeffery Chen was the opening guest. We have sponsored this event for three consecutive years to create a platform for youths from both sides of the strait to interact through baseball.

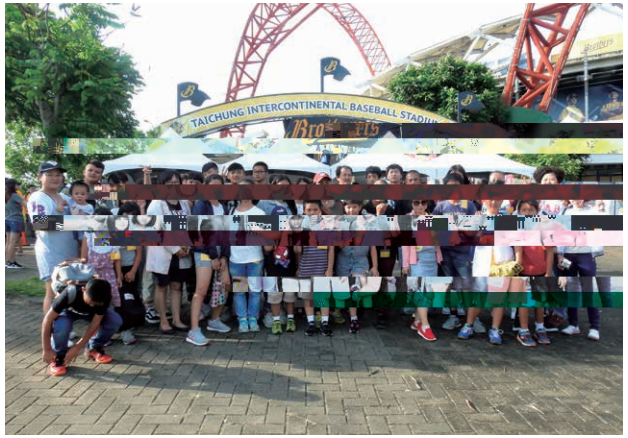
Meals on Wheels (Taiwan Facility)

A simple boxed lunch is not just a meal but also a start for providing holistic care. Partnering with Nantou County Life Reconstruction Association, USI jointly organized Meals on Wheels to help the most vulnerable seniors that are living alone, living in poverty, or living in rural indigenous tribes. The Welfare Committee rallied 22 employees to volunteer and touch the lives of dozens of seniors. Besides providing the nutrition they need, volunteers bring social contact and supplies making elders enjoy each mealtime visit with a smile.

Dreams Come True Project (Taiwan Facility)

Every great dream begins with a dreamer. No matter where you are from, your dreams are valid. To spark the imaginations of children from disadvantaged families and inspire them to dream, USI annually invites children from Taiwan Fund for Children and Families to join outings with our employees and their families. During the baseball game, emotions run high, with fans cheering at the top of their lungs while players deploy tactics and skills to win a point for their team. Energetic children might soak in the electric atmosphere of the baseball game, and be motivated to become professional players. *Princess Saves the Knight's* mold-breaking performance brought by If Kids Theatre encourages children to think outside the box and teaches them success comes in all forms. We hope to bring the warmth and support of the USI family to the children while broadening their horizons, watching actors onstage chase their dreams and embark on a journey of self-discovery.

To bring a bit of festive joy, USI employees organized a gift registry for colleagues to buy Christmas presents for the kids in the Nantou Renai Home for Children for the past two years. The head of the Welfare Committee led 72 volunteers to the Renai Home to spread Christmas cheer. With a little bit of love, we can make wishes come true and see the joy it brings.



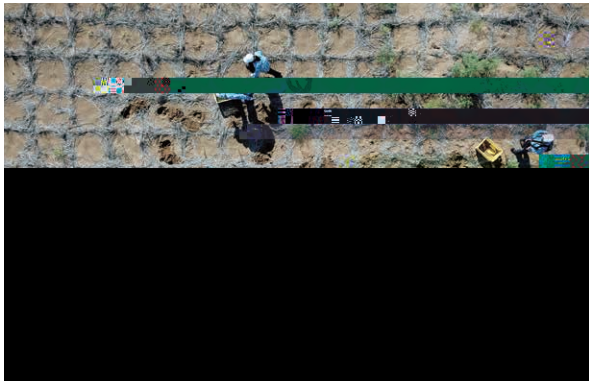
Sending Love to Retirement Homes (Jinqiao, Kunshan Facilities)

How to make sure seniors are well taken care of is the issue we face in our aging society. USI annually arranges employees to visit and purchase supplies for local retirement homes to pay respects to the elderly. In 2019, we donated air conditioners, fruit, rice, and other daily necessities worth about CNY 27,000 to Shanghai Tangzhen Retirement Home, Kunshan Retirement Home, and Qiandeng Retirement Home. During our visits, volunteers prepared performances to entertain the seniors, sang classic old songs together, and chatted with them. Red Sunset Senior Choir of Tangzhen Retirement Home thanked volunteers by performing their number. Both the volunteers and seniors spent a lively afternoon together, adding color to their everyday life. USI will continue to spread love with the spirit of dedication and responsibility to society.

abundant water sources, but after hundreds of years of human deforestation, it has become yellow sand. Without the fear of winds, sands, and the scorching sun, we were very conscientious and persistent in the activities of planting trees; perhaps wanting to redeem our sins for our predecessors, or probably wanting to bring a greener future for future generations. Looking at the Pine saplings planted into the ground, everyone silently wished them to thrive as if treating them like their own children. What makes everyone happy is that the Shanghai Roots & Shoots staff later told us that under the efforts of volunteers and the local government for decades, the local ecological environment has undergone tremendous changes, and green in slowly returning to this land. Through the experience of just two days, I have a more intuitive understanding of the concept of environmental protection. In the days to come, I will protect the earth with meager strength, and will set an example to influence more and more people to make the environment more and more beautiful!

▸ **Trees Planted by USI**

Forest	Year	Location	Area (Hectares)	Species / Quantity
USI Corporate Forest	2019	Baiyinnur Gacha, Nugusitai, Keerqin Left Back Banner, Tongliao City, Inner Mongolia	4.85	Pine/4,000
		Bajitan Natural Reserve, Lingwu City, Ningxia Autonomous Region	3.33	Shrubs/10,000
	2018	Agula Township, Keerqin Back Banner, Tongliao City, Inner Mongolia	4.85	Pine, Maple, and Elm/4,000
		Bajitan Natural Reserve, Lingwu City, Ningxia Autonomous Region	3.33	Shrubs/10,000
	2017	Derijiritu Gacha, Agula Township, Keerqin Left Back Banner, Tongliao City, Inner Mongolia	4.85	Pine/4,000
	2016	Nugusitai, Keerqin Left Back Banner, Tongliao City, Inner Mongolia	4.85	Pine/4,000
	2015	W. Bahuta, Keerqin Left Back Banner, Tongliao City, Inner Mongolia (Zhaogensumo)	3.00	Poplar/4,000
	2014 (Re-planted in 2018*)	Agula Township, Keerqin Back Banner, Tongliao City, Inner Mongolia	4.85	Pine/4,000
	2013	S. Zhogensumo Gacha, Keerqin Left Back Banner, Tongliao City, Inner Mongolia	3.00	Poplar/4,000
USI Employee Forest	2019	Baiyinnur Gacha, Nugusitai, Keerqin Left Back Banner, Tongliao City, Inner Mongolia	4.45	Pine/3,671
		Bajitan Natural Reserve, Lingwu City, Ningxia Autonomous Region	0.81	Shrubs/2,440
	2018	Agula Township, Keerqin Back Banner, Tongliao City, Inner Mongolia	3.82	Pine, Maple, and Elm/3,154
		Baijitan Natural Reserve, Lingwu City, Ningxia Autonomous Region	0.83	Shrubs/2,500
	2017	Derijiritu Gacha, Agula Township, Keerqin Left Back Banner, Tongliao City, Inner Mongolia	3.64	Pine/3,004
	2016	Baiyinnur Gacha, Nugusitai, Keerqin Left Back Banner, Tongliao City, Inner Mongolia	2.60	Pine/2,160



Note: We re-planted areas that had poor survival rates, thus the original 2014 USI Forest was replaced by newly planted trees in 2018.

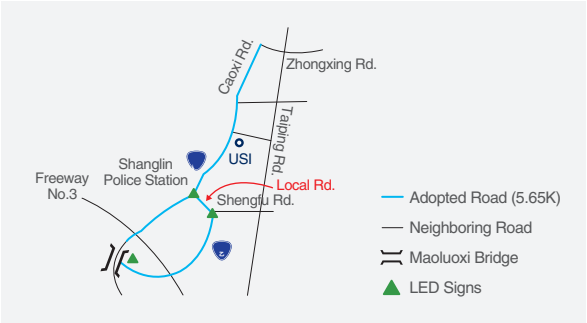
"Love the Source of Life" International Coastal Cleanup (Jinqiao Facility)

To protect the oceans and coastal ecosystem and take action to restore them, we cooperated with Shanghai Rendu Marine Public Welfare Development Center to collect and document the trash littering the coastlines of Shanghai. USI has joined the international coastal cleanup event each year since 2015 and encourages employees to volunteer to raise environmental protection awareness and educate through a hands-on approach. In 2019, we selected the Shanghai Jiuduansha Wetlands as our cleanup location. The wetlands ecosystem and the water quality has degraded in recent years, in a few hours USI volunteers picked up 1,395 pieces of trash, averaging 12.2 kilograms per person. Ocean trash affects the health of marine wildlife, contaminates the environment, and ultimately impacts human health. We hope our engagement with the coastal cleanup can save the habitat of wetland birds and help the fight for trash-free seas.

Jinqiao Facility	
Event Date	October 19, 2019
Location	Shanghai Jiuduansha Wetlands Sanjia Port
No. of Volunteers	40
Kilograms of Trash Collected	486.3 Kg

Adopt-a-Road Program (Taiwan Facility)

USI Taiwan Facility's Adopt-a-Road Program entered its 13th year. Our adopted roads include a stretch of Caoxi Road (from Zhongxing Road to Maoluoxi Bridge), the provincial highway No.14B access road to Freeway No.3 (from Maoluoxi Bridge to Shengfu Road intersection), and Shengfu Road intersection to the central island at Shanglin police station. We yearly donate NTD 869,000 to maintain the hedges and cleanliness of these roads and to sponsor our town's efforts in greening and landscaping Zhongxing Road.



Sponsor Min Hwa Yuan Theatre Performance (Taiwan Facility)

Giving back to the community and promoting traditional arts and culture are central pillars of USI's commitment to

Management Systems Certification Table

Management System \ Facility	Zhangjiang	Jinqiao	Shenzhen	Kunshan	Taiwan-TT	Taiwan-NK	Mexico
ISO 14001	2004	2016	2001	2012	1998	2019	2006
ISO 14064-1	2010	2016	2010	2011	2009	-	2016
ISO 50001	2013	2017	2014	2014	2014	-	2017
ISO 45001*	2019 （2004）	2019 （2016）	2019 （2004）	（2012）	2019 （2004）	2019	（2006）
IECQ QC080000	2007	2015	2007	2012	2006	2019	2007
TL 9000	2005	2015	-	2013	-	-	-
ISO 9001	2004	2015	2001	2011	1993	2019	2005
IATF 16964*	2018 （2007）	-	-	2018 （2013）	2018 （2004）	2019	2018 （2006）
ANSI/ESD S20.20	2013	2015	2017	-	-	-	-
ISO 13485	-	-	-	2014	-	-	-
ISO 26262	2017	-	-	2017	-	-	-

Note:

1. The year in the table refers to the initial year of certification. All management systems are continuously updated to the latest version as of 2019.
2. IATF 16949 replaced ISO/TS 16949 on September 14, 2018; USI has successfully converted to the new certification system in 2018. The year in parentheses refers to the year USI acquired ISO/TS 16949 for the first time.
3. ISO 45001 replaced OHSAS 18001 on March 12, 2018; USI has fully converted to a new version of the certificate in 2019. The year in parentheses refers to the year OHSAS 18001 was first obtained.

Third-Party Assurance Statement

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE UNIVERSAL SCIENTIFIC INDUSTRIAL(SHANGHAI) CO., LTD.'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2019

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS [redacted] INDUSTRIAL(SHANGHAI) CO., LTD. (hereinafter referred to as USI) to conduct an independent assurance of the Corporate Social Responsibility Report for 2019 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during on-site verification. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy [redacted] of the published version from the agreed standards requirements.

The information in the USI's CSR Report of 2019 and its presentation are the responsibility of the management of USI. SGS has not been involved in the preparation of any of the material included in USI's CSR Report of 2019.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all USI's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- evaluation of content veracity of the sustainability performance information based on the materiality determination at a moderate level of scrutiny for USI and moderate level of scrutiny for subsidiaries and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Acc[redacted]
- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content veracity at a high level of scrutiny for 25 GRI disclosures (202-2, 204-1, 302-1, 303-3(2018), 305-1,305-2, 305-3, 305-4, 305-5, 305-7, 306-2, 307-1, 308-1, 401-1, 401-2, 401-3, 403-8 (2018), 403-9(2018), 404-1, 404-3, 405-2, 412-2, 414-1, 414-2, 419-1) that reveal the sustainability performance information of Zhagjiang, Jinqiao, Shenzhen, Kunshan, Taiwan-TT [redacted]
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

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The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; de[redacted] review and validation with external bodies and/or stakeholders where relevant. Fina[redacted] independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from USI, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and [redacted] contained within USI's CSR Report of 2019 verified is accurate, reliable [redacted] provides a fair and balanced representation of USI sustainability activities in 01/01/2019 to 12/31/2019.

The assurance team is of the opinion that the Report can be used by the Report[redacted] organisation's stakeholders. We believe that the organisation has chosen an appropriate level of assurance [redacted] to their reporting. In our opinion, the contents of the report meet the requirements of GRI Standards in accordance with [redacted] Core Option and AA1000 Assurance Standard (2008) Type 2, Moderate level assurance and High level assurance for 25 disclosures related to Zhagjiang, Jinqiao, S[redacted]

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

USI has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR exp[redacted] and other stakeholders are implemented to unde[redacted] concerns. For future reporting, USI may proactively consider having more direct diversified involvement of stakeholders during future engagement.

Materiality

USI has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these [redacted] an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feed[redacted]

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GLOBAL REPORTING INITIATIVE REPORTING ST[redacted] AND RECOMMENDATIONS

The report, USI's CSR Report of 2019, is ac[redacted] Standards in accordance with Core Option. The material topics and their boundaries within [redacted] organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. USI has built up a systematic information collecting approach which provides the evidence of supporting reliability in assumptio[redacted] conclusions. For future reporting, more detailed the mechanisms for evaluating of the effectiveness of the management approach may be further enhanced (103-3). The goals and targets setting of k[redacted] demonstrate in the future report. Furthermore, more detailed descriptions of the highest governance body's involvement with ESG management is encouraged.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000
Licensed Assurance Provider
000-8

David Huang
Senior Director
Taipei, Taiwan
19 May, 2020
WWW.SGS.COM

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GRI Index

Disclosure		Section	Page	Additional Explanation	External Assurance
Strategy					
102-14	Statement from senior decision-maker	Letter from the Chairman	1		○
		Letter from the President	2		
102-15	Key impacts, risks, and opportunities	Future Goals & Performances	26		○
		Enterprise Risk Management	19		
Ethics and Integrity					
102-16	Values, principles, standards, and norms of behavior	Business Ethics and Regulations Abidance	17		○
102-17	Mechanisms for advice and concerns about ethics	Business Ethics and Regulations Abidance	17		○
Governance					
102-18	Governance structure	Corporate Governance	15		○
102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Management	23		○
102-22	Composition of the highest governance body and its committees	Corporate Governance	15		○
102-23	Chair of the highest governance body	Corporate Governance	15		○
102-24	Nominating and selecting the highest governance body	Corporate Governance	15		○
102-32	Highest governance body's role in sustainability reporting	Sustainability Management	23		○
102-33	Communicating critical concerns	Corporate Governance	15		○
		Sustainability Management	23		
102-36	Process for determining remuneration	Corporate Governance	15		○
		Comprehensive Welfare and Salary System	83		
Stakeholder Engagement					
102-40	List of stakeholder groups	Stakeholder Communication	36		○

Disclosure		Section	Page	Additional Explanation	External Assurance
102-41	Collective bargaining agreements	Strong Employee Engagement	92		○
102-42	Identifying and selecting stakeholders	Identification of Stakeholders and Material Topics	32		○
102-43	Approach to stakeholder engagement	Stakeholder Communication	36		○
102-44	Key topics and concerns raised	Identification of Stakeholders and Material Topics	33		○
		Stakeholder Communication	36		
Reporting Practice					
102-45	Entities included in the consolidated financial statements	Financial Performance	10		○
102-46	Defining report content and topic boundaries	Identification of Stakeholders and Material Topics	35		○
102-47	List of material topics	Identification of Stakeholders and Material Topics	34		○
102-48	Restatements of information	Patents Research and Continuous Improvement	11	The data shown on the 2018 CSR Report was updated after publication, so the numbers are slightly different	○
		Carbon Management	56	IPCC 2013 5th Assessment Report adopted in response to stakeholders' requirements. Corrected GWP values, and adjusted the baseline year and related data.	
102-49	Changes in reporting	Identification of Stakeholders and Material Topics	33		○
102-50	Reporting period	About this Report	-		○
102-51					

r Topic-Specific Standards (For Material Issues)

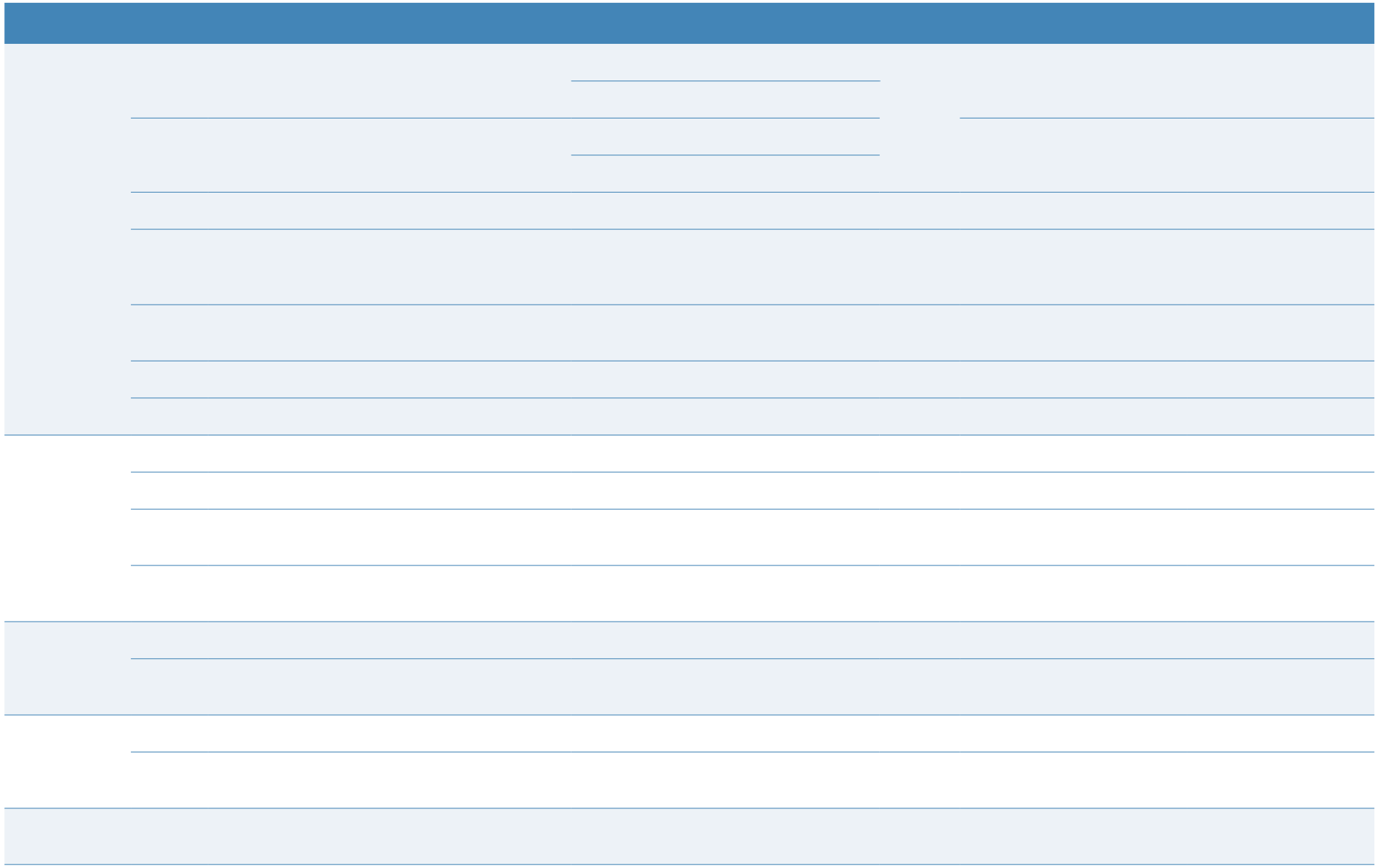
GRI 303: Water and Effluents and GRI 403: Occupational Health and Safety follow *GRI Standards 2018*, the rest follow *GRI Standards 2016*.

○ Moderate Level ● High Level

Management Approach and Disclosure			Section	Page	Additional Explanation	External Assurance
Economic						
Economic Performance	103-1~3	Management Approach	Company Introduction	8		○
			Comprehensive Welfare and Salary System	83		
	201-1	Direct economic value generated and distributed	Financial Performance	10		○
	201-3	Defined benefit plan obligations and other retirement plans	Comprehensive Welfare and Salary System	86		○
	201-4	Financial assistance received from government	Financial Performance	10		○
Market Presence	103-1~3	Management Approach	Global Workforce	75		○
			Comprehensive Welfare and Salary System	83		
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Comprehensive Welfare and Salary System	83		○
	202-2	Proportion of senior management hired from the local community	Global Workforce	77		●
Procurement Practices	103-1~3	Management Approach	Supply Chain Management	45		○
	204-1	Proportion of spending on local suppliers	Supply Chain Management	46		●
Environmental						
Energy	103-1~3	Management Approach	USI with Environment	55		○
			Climate Change Mitigation	56		
	302-1	Energy consumption within the organization	Energy Management	59		●
	302-2	Energy consumption outside of the organization	Energy Management	59		○
	302-3	Energy intensity	Energy Management	59		○

Management Approach and Disclosure			Section	Page	Additional Explanation	External Assurance
Energy	302-4	Reduction of energy consumption	Energy Management	60		○
	302-5	Reductions in energy requirements of products and services	Green Management	68		○
Water and Effluents (2018)	103-1~3	Management Approach	USI with Environment	55		○
			Water Resource Management	61		
	303-1	Interactions with water as a shared resource	Water Resource Management	61		○
	303-2	Management of water discharge-related impacts	Water Resource Management	61		○
	303-3	Water withdrawal	Water Resource Management	61		●
	303-4	Water discharge	Water Resource Management	61		○
Emissions	103-1~3	Management Approach	USI with Environment	55		○
			Climate Change Mitigation	56		
			Air Pollution Control	64		
	305-1	Direct (Scope 1) GHG emissions	Carbon Management	56		●
	305-2	Energy indirect (Scope 2) GHG emissions	Carbon Management	56		●
	305-3	Other indirect (Scope 3) GHG emissions	Carbon Management	58		●
	305-4	GHG emissions intensity	Carbon Management	58		●
	305-5	Reduction of GHG emissions	Energy Management	60		●
	305-7*	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Pollution Control	65		●
Effluents and Waste	103-1~3	Management Approach	USI with Environment	55		○
			Water Resource Management	61		
			Waste Management	62		
	306-2	Waste by type and disposal method	Waste Management	62		●

Management Approach and Disclosure			Section	Page	Additional Explanation	External Assurance
Effluents and Waste	306-3	Significant spills	-	-	There were no leakages of fuel, waste, chemicals, or other substances in 2019	○
Environmental Compliance	103-1~3	Management Approach	Business Ethics and Regulations Abidance	18		○
			USI with Environment	55		
	307-1	Non-compliance with environmental laws and regulations	USI with Environment	55	No major penalties or other non-pecuniary sanctions were imposed on USI in 2019	●
Supplier Environmental Assessment	103-1~3	Management Approach	Supply Chain Management	47		○
	308-1	New suppliers that were screened using environmental criteria	Supply Chain Management	47		●
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management	49		○
Social						
Employment	103-1~3	Management Approach	Equal Employment Opportunity	78		○
			Comprehensive Welfare and Salary System	83		
	401-1	New employee hires and employee turnover	Equal Employment Opportunity	78		●
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Comprehensive Welfare and Salary System	86		●
	401-3	Parental leave	Comprehensive Welfare and Salary System	87		●
Occupational Health and Safety (2018)	103-1~3	Management Approach	Excellent Working Environment	93		○
	403-1	Occupational health and safety management system	Excellent Working Environment	93		○
	403-2	Hazard identification, risk assessment, and incident investigation	Excellent Working Environment	94		○
	403-3	Occupational health services	Excellent Working Environment	99		○



Management Approach and Disclosure			Section	Page	Additional Explanation	External Assurance
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Supply Chain Management	47		●
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management	49		●
Customer Health and Safety	103-1~3	Management Approach	Customer Privacy & Product Safety	44		○
	416-1	Assessment of the health and safety impacts of product and service categories	Customer Privacy & Product Safety	45		○
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Privacy & Product Safety	45	There were no violations or complaints concerning health and safety impact of products in 2019.	○
Marketing and Labeling	103-1~3	Management Approach	Customer Privacy & Product Safety	45		○
	417-3	Incidents of non-compliance concerning marketing communications	Customer Privacy & Product Safety	45	There were no incidents of non-compliance concerning marketing communications in 2019.	○
Customer Privacy	103-1~3	Management Approach	Customer Privacy & Product Safety	44		○
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy & Product Safety	44	We did not receive any complaints in 2019	○
Socioeconomic Compliance	103-1~3	Management Approach	Business Ethics and Regulations Abidance	17		○
	419-1	Non-compliance with laws and regulations in the social and economic area	Business Ethics and Regulations Abidance	18	USI received six health, safety, and fire protection-related notice of improvement within time limit in 2019. All have been corrected within the time limit, and there were no significant penalties.	●

Note: Although GRI 305-7 was not identified as a material topic this year, it is still one of USI high level assured index.

CASS-CSR4.0 Index

Disclosure			Section	Page	Additional Explanation
Responsibility Management					
Vision (G1)	G1.1	Corporate mission, vision, and values	Sustainability Management	23	
	G1.2	Corporate social responsibility concept or slogan	Sustainability Management	23	
Strategy (G2)	G2.1	Substantive Social Responsibility Issues Identification and Management	Identification of Stakeholders and Material Issues	33	
	G2.2	Social responsibility strategy rules and annual plan	Sustainability Management	25	
			Future Goals & Performances	26	
	G2.3	Promote social responsibility into corporate development strategies and daily operations	Sustainability Management	24	
	G2.4	Model an impactful, sustainable brand	Awards and Recognition	3	
Organization (G3)	G3.1	Corporate executives support and promote social responsibility work	Sustainability Management	23	
	G3.2	Social responsibility leadership and working mechanism	Sustainability Management	23	
	G3.3	Social responsibility organization system and division of responsibilities	Sustainability Management	23	
System (G4)	G4.1	Establish social responsibility management system	Sustainability Management	23	
	G4.2	Building social responsibility index	Sustainability Management	23	
	G4.3	Rich social responsibility theory research	Sustainability Management	24	
Culture (G5)	G5.1	Develop organize social responsibility training	Sustainability Management	23	
Participation (G6)	G6.1	Identify and respond to stakeholder requirements	Stakeholder Communication	36	
	G6.2	Corporate-led social responsibility communication participation activities	About This Report	-	In addition to publishing the annual CSR report, our sustainable management strategies are available on our CSR website. (https://www.usiglobal.com/csr)
	G6.3	Externally initiated economic, environmental, social conventions, principles, or other initiatives that organization participate or support			

Disclosure			Section	Page	Additional Explanation
Market Performance					
Shareholder Responsibility (M1)	M1.1	Regulate corporate governance	Corporate Governance	15	
	M1.2	Nomination and selection process of the top governance unit and its committee	Corporate Governance	15	
	M1.3	Anti-corruption	Business Ethics and Regulations Abidance	17	
	M1.4	Compliance information disclosure	Business Ethics and Regulations Abidance	17	
	M1.5	Protect the interests of small and medium investors	-	-	Please refer to the 2019 USI Annual Report.
	M1.6	Growth	Financial Performance	10	
	M1.7	Profitability	Financial Performance	10	
	M1.8	Safety	Financial Performance	10	
Customer Responsibility (M2)	M2.1	Improve product and service accessibility	Company Introduction	8	
	M2.2	Product and service quality control system	Customer Service & Satisfaction	41	
			Management Systems Certification Table	117	
	M2.3	Pass rate	Customer Service & Satisfaction	41	
	M2.4	Adhere to the drive of innovation	Patents Research and Continuous Improvement	11	
	M2.5	Research and development investment	Patents Research and Continuous Improvement	11	
	M2.6	New number of patents	Patents Research and Continuous Improvement	11	
	M2.7	Industrialization of scientific and technological achievements	Customer Service & Satisfaction	12	
			Patents Research and Continuous Improvement	41	
	M2.10	Potential risk warning	Customer Privacy & Product Safety	45	
	M2.11	Fair trade	Business Ethics and Regulations Abidance	17	
	M2.12	Promote sustainability consumption	Green Management	67	
			Green Supply Chain	71	

Disclosure			Section	Page	Additional Explanation
Customer Responsibility (M2)	M2.13	Protect customer information	Customer Privacy & Product Safety	44	
	M2.14	Active after-sales service system	Customer Service & Satisfaction	42	
	M2.15	Actively respond to consumer complaint	Customer Service & Satisfaction	44	
	M2.16	Complaint resolution rate	Customer Service & Satisfaction	44	
	M2.17	Stop loss and compensation	Customer Service & Satisfaction	44	
	M2.18	Customer satisfaction	Customer Service & Satisfaction	42	
Partner Responsibility (M3)	M3.1	Business integrity	Business Ethics and Regulations Abidance	17	
			Sustainable Value Chain	40	
	M3.2	Economic contract compliance rate	Business Ethics and Regulations Abidance	18	
	M3.3	Fair competition	Business Ethics and Regulations Abidance	17	
	M3.4	Strategic common mechanism platform	Customer Service & Satisfaction	41	
			Green Supply Chain	71	
	M3.5	Respect and protect intellectual property right	Business Ethics and Regulations Abidance	18	
	M3.6	Helping the development of the industry	Customer Service & Satisfaction	41	
	M3.7	Fair trade	-	-	Please refer to the 2019 USI Annual Report for information on small shareholders' equity.
	M3.8	Social responsibility policy, Initiative and requirement for supplier	Sustainability Management	24	
			Supply Chain Management	49	
	M3.9	Number of potential suppliers that were rejected because of social irresponsibility	Supply Chain Management	49	
	M3.10	Supplier's social responsibility routine management mechanism	Supply Chain Management	49	
	M3.11	The process and method of supplier social responsibility audit	Supply Chain Management	49	
	M3.12	Number of suppliers audited during the reporting period	Supply Chain Management	49	

		Disclosure	Section	Page	Additional Explanation
Partner Responsibility (M3)	M3.13	Number of suppliers whose cooperation was terminated due to			

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Nqe4-a4- WyN(f)5201q)3 cc -0.01 Tww 0 --5(t)T9 4((N)-S)015(2)(0i)0-6.38(270.01 Tc4 -0.013 T4 T*06 0.62(N)-E)2da)1q19a4(e19a)-12.3aN4(E)14ad4s6-17.075(l237iliu.2-n)(eli)28 3-2.1

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Disclosure			Section	Page	Additional Explanation
Green Management (E1)	E1.11	Non-fossil energy proportion	Energy Management	61	USI doesn't use renewable energy and is currently promoting green energy voucher purchases at the China and Mexico Facilities. Please refer to the Energy Management section.
	E1.12	Carbon sink	Contributing to Society	112	Please refer to the Million Tree Project
Green Production (E2)	E2.1	Green design	Green Management	67	
	E2.2	Purchasing and using environmentally friendly raw material	Green Management	67	
			Green Supply Chain	71	
	E2.3	Improve energy efficiency	Energy Management	60	
			Green Management	69	
	E2.4	Annual total energy consumption and reduction	Energy Management	59	
	E2.5	Comprehensive energy consumption per unit output value	Energy Management	59	
	E2.6	Clean energy policy and measure	Energy Management	61	USI doesn't use clean energy and is currently promoting green energy voucher purchases at the China Facilities. Please refer to "Energy Management" section.
	E2.7	Clean energy usage	Energy Management	61	USI doesn't use clean energy and is currently promoting green energy voucher purchases at the China Facilities. Please refer to "Energy Management" section.
	E2.8	Water conservation policy and measure	Water Resource Management	61	
	E2.9	Annual fresh water consumption	Water Resource Management	61	
	E2.11	Reduce exhaust emissions policy, measure, or technique	Air Pollution Control	65	
	E2.12	Exhaust emissions and emission reduction	Air Pollution Control	65	
	E2.13	Reduce wastewater discharge policy, measure, or technique	Water Resource Management	61	
	E2.14	Wastewater discharge and emission reduction	Water Resource Management	61	
	E2.15	Reduce waste emissions policy, measure, or technique	Waste Management	63	
	E2.16	Waste emissions and emission reduction	Waste Management	63	

Disclosure			Section	Page	Additional Explanation
Green Production (E2)	E2.17	Develop circular economy policy and measure	Sustainability Management	25	
	E2.19	Green Package	Green Management	71	
	E2.20	Total amount of packaging materials used in finished products (in tons) and (if applicable) per unit	-	-	USI's shipments and packaging materials are complicated by industry characteristics. Currently, the number of piece is used for management.
	E2.21	Green transportation	Green Management	71	
	E2.22	Environmental impact of product transportation or hand haulage	Green Management	71	
	E2.23	Energy conservation policy measure	USI with Environment	55	
	E2.24	Plan and action to reduce greenhouse gas emissions	Climate Change Mitigation	56	
	E2.25	Greenhouse gas emission and emission reduction	Carbon Management	56	
			Energy Management	59	
Green Operation (E3)	E3.1	Green office measure	Green Management	70	
	E3.2	Green office performance	Green Management	70	
	E3.3	Ecological restoration and governance	Contributing to Society	112	Please refer to The Million Trees Project and "Love the Source of Life" International Coastal Cleanup
	E3.4	Protecting biodiversity	-	-	USI Facilities are not located in or adjacent to ecological protection areas, so currently there are no management policies for biological protection.
	E3.5	Zero net deforestation	Green Management	71	
	E3.6	Environmental activities	Contributing to Society	112	

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	Conflict Minerals Compliance	51
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