



# 2015 CORPORATE SOCIAL RESPONSIBILITY REPORT



# Table of Contents

<b>Corporate Sustainability Profile</b>	2	<b>Corporate Governance</b>		<b>Employee Care and Cultivation</b>		<b>Social Participation</b>	
		Managing Structure	20	Human Rights Policy	40	Invest in Education	69
<b>Letter from President</b>	5	Anti-Corruption and Anti-Bribery	20	Global Workforce	41	Contribute to the Society	72
		Regulations Abidance	21	Promises for Employees	43	- Social Care	72
<b>Stakeholders Management</b>		Risk Management of Enterprise	21	- Equal Employment Opportunity	43	- Environment Friendly	76
				- Integral Training Program	44	Promote Artistic Events	80
Identification of Stakeholders and Definition of Material Aspects	7	<b>Environmental Sustainability</b>		- Comprehensive Welfare and Salary System	48		
Stakeholders Communications and Responses	10	EHS & Energy Policy	24	- Strong Employee Engagement	53	<b>Third Party Assurance Statement</b>	82
		Climate Change Mitigation	25	- Excellent Working Environment	53		
		- Carbon Management	25	<b>Customer Service and Supplier Management</b>		<b>GRI Index</b>	83
		- Energy Management	26	Customer Service and Satisfaction	59		
<b>Company Profile</b>		Pollution Control	27	- Customer Service	59		
Company Introduction	14	- Water Resource Management	27	- Customer Satisfaction	61		
Financial Performance	15	- Waste Management	28	- Customer Privacy	62		
External Participation	16	- Air Pollution Control	30	Supply Chain Management	62		
Promotion of EICC	17	Green Promise	30	- The Suppliers of USI	62		
Promotion of CFSI	17	- Green Management	31	- Supplier Evaluation & EICC Audit	63		
Continuous Improvement Program(CIP)	17	- Design Results of Green Products	34	- Supplier Communication	65		
		- Green Supply Chain	37	- Conflict Minerals Management and Investigation	65		
		- Green Education	38	- Contractor Management	67		
		- Green Expenditures	38				



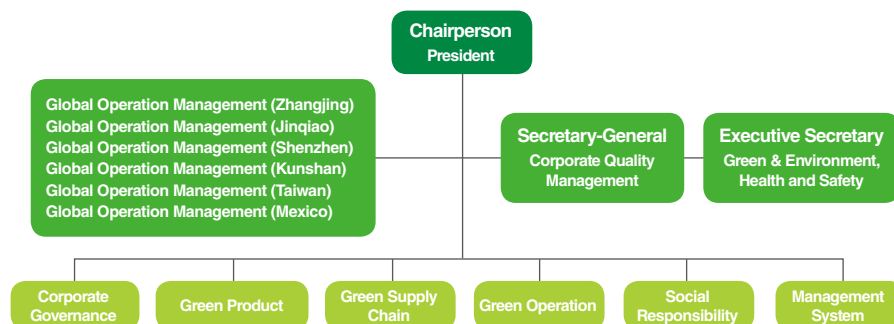
## Corporate Sustainability Profile

USI is aware that modern industry should not only create economic value, bring in the most benefits for shareholders and investors, but create social value. As obeying morality and regulations, USI works hard to practice social responsibilities such as corporate management, environmental protection, community participation, and employee rights protection. USI pursues the sustainable development of co-existing economy, society and environment.

USI extends industrial core values of "Practical Innovation" and "Enthusiastic Service" to corporate social responsibility. By integrating core values into the corporate policy and operation management, USI pursues the vision of sustainable development.

### Corporate Sustainable Management Mechanism

To smoothly promote USI's CSR, USI has established a responsible unit (USI CSR Promotion Committee). The president of USI serves as chairperson, and the committee is composed of units and GOM of USI. Additionally, USI's Green and Environment, Safety and Health Department serve as executive secretary. Moreover, promotion rules for the committee have been stipulated, and the committee has to plan the CSR promotion project of the next year in the meeting held on a regular basis and review related activity results of this year. Through the operation of the committee and the cooperation of each member, USI can effectively convey matters to be executed.



### CSR Policy

USI, through the understanding of Corporate Social Responsibility (CSR), considers that the business sustainable development of USI is closely linked with interests of employees, community, society, and shareholders. The scope of the CSR covers the issues of labor right, safe and healthy workplace, environmental protection, business ethics, and so on. In order to deploy USI CSR effectively and to meet the expectancy of the stakeholders, USI will undertake the following measures to achieve the goal:



- ▶ **Comply with regional, national and international laws.**
- ▶ **Assure Labor Rights.**
- ▶ **Ensure safe and healthy workplace; minimize environmental impact.**
- ▶ **Carry out Business Ethics.**
- ▶ **Participate in community activities.**
- ▶ **Do not procure conflict minerals including suppliers.**
- ▶ **Strictly prohibit slavery and human trafficking including suppliers.**
- ▶ **Improvement Continuously; Public Disclosure.**

### We commit to

- ▶ **Provide rewarding and challenging working environment for employees**
- ▶ **Generate consistent return on investment for our shareholders**
- ▶ **Build a better place to live for future**

## Report Scope and Overview

This is the fourth corporate social responsibility report ever published by Universal Scientific Industrial (Shanghai) Co., Ltd. (USI) and its subsidiaries. (From 2010 to 2012, USI Shanghai's indirect controlling shareholder Universal Scientific Industrial Co., Ltd. has published three Corporate Social Responsibility reports, which also reported the company's status of fulfilling its social responsibilities.) The report aims to disclose USI's commitment and endeavor in sustainable development in environmental, social and corporate governance (ESG) aspects.

This report provides information about the concerns of the stakeholders of USI, including business information of facilities in Zhangjiang, Shenzhen, Kunshan, Taiwan, Mexico and Jinqiao. The statistic data are in RMB and US dollars; environmental, health and safety performances are expressed using accepted international indices.

### Note:

Zhangjiang facility: USI Shanghai as the parent company (It was called Shanghai facility in the reports before 2013)

Shenzhen facility: USI Electronics (Shenzhen) Co., Ltd.

Kunshan facility: Universal Global Technology (Kunshan) Co., Ltd.

Taiwan facility: Universal Global Scientific Industrial Co., Ltd.

Mexico facility: Universal Scientific Industrial de México, S. A. de C. V.

Jinqiao facility: Universal Global Technology (Shanghai) Co., Ltd.

## Time Category and Assurance of the Report

USI publishes Corporate Social Responsibility Report (CSR Report) every year, and the previous one was published in July 2015. In each chapter of this report, performances are based on the statistics and information of 2015 (from 01/01/2015 to 12/31/2015). The report refers to Global Reporting Initiative (GRI) 4 version and in accordance with core option, disclosing the executive achievements, responding policies, and future plans of various key issues about ESG of USI. Please refer to the chapter of "Stakeholders Management" for the identification of material topics and report boundaries.

In order to improve the information transparency and accountability, this report has been assured by SGS Taiwan Ltd. and corresponds to GRI G4 and the standard of AA1000 AS: 2008 Type 1 Moderate Level. The following specific indexes are verified with the standard of AA1000 AS: 2008 Type 2 High Level.

EN3: Energy consumption within the organization

EN8: Total water withdrawal by source

EN10: Percentage and total volume of water recycled and reused

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)


EN21: NO<sub>x</sub>, SO<sub>x</sub>, and other significant air emissions

EN23: Total weight of waste by type and disposal method



## Feedback and Contact Methods


This report are written in Traditional/Simplified Chinese and English versions and published on the corporate website for reference. If you have any comments, questions, or suggestions, please contact us. The contact information is as follows:


 No.1558, Zhang Dong Rd., Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai 201203, China

 +86-21-5896-8418 Ext. 67850


 public@usish.com

 www.usish.com


 +86-21-5896-8415

 No.141, Lane 351, Sec. 1, Taiping Road, Tsao-tuen, Nantou County 54261, Taiwan

 +886-49-235-0876 Ext. 26157

 csr@ms.usi.com.tw

 www.usish.com

 +886-49-239-3571



## Corporate Sustainability

- Taiwan Corporate Sustainability Awards-Electronic Information Manufacturing Industry Bronze Award
- Social Responsibility Indexes of Shanghai Listed Companies 11<sup>th</sup> Prize

## Economic/Corporate Governance

### » USI

- USI was awarded as one of the "China Top 500 Manufacturing Enterprises"
- USI was awarded the "China Top 500 Foreign Trade Enterprises"
- USI was awarded the "China Most Respected Listed Companies"
- USI was awarded as one of the "Taurus Listed Company TOP 100"
- USI was awarded as one of the "Main Board Listed Company TOP 100"
- USI was awarded as one of the "Shanghai Foreign-invested Enterprise TOP 100"
- Award of 2015 Top 10 Best Economic Benefits in IC Industry in Shanghai
- Award of 2015 Top 10 Sales in IC Assembly and Testing Industry in Shanghai

### » Shenzhen Facility

- USI was awarded as one of the "Shenzhen Enterprise TOP 100 of Manufacturing Industry"
- USI was awarded "Export Quality Safety Demonstration Enterprises"
- USI was awarded "Senior Customs Certification Enterprises"

## Important Achievements in 2015



## Customer

- USI was awarded "Partner Excellence Award" by Honeywell
- USI was awarded "Recognition of Outstanding Partnership" by Micron
- USI was awarded "Perfect Quality Award" by Lenovo. (X86 Server)
- USI was awarded "Quality Copper Award" by Lenovo. (MB CMs)
- USI was awarded "Quality Copper Award" by Lenovo. (DTMB))

## Society

### » Taiwan Facility

- Awarded the certificate of "Zero Accident Working Hours"
- Awarded "2015 Excellent Healthy Weight Control Workplace" by Health Bureau, Nantou County Government
- Awarded "Healthy Workplace Certification and Health Promotion Mark" by Health Promotion Administration, Ministry of Health and Welfare
- Awarded "2015 Nantou County Excellent Breastfeeding Room Certification"

## Letter from President

The corporate social responsibility of USI is to build excellent and sustainable living space for future generations in addition to creating continuous and stable return on investment for our stockholders. Over these years, we have been searching for more innovative approaches to our existing corporate governance, environmental sustainability, employee care, supply chain management and social participation.

Green products are the R&D and innovation indexes of USI. We have accumulated rich product experience through our R&D awards and competitions which integrate with our core techniques each year. In 2015, we developed all-in-on PC which has satisfied the ErP Lot 3/Lot 6 standards of European Union. As the product is manufactured with a lead-free manufacturing process, it has completely achieved the goal of energy saving and carbon reduction. Moreover, with respect to wireless module products, our team has successfully designed antennas for printed circuit boards (PCB) and metallic dual antennas. The inventions have not only enhanced the efficiency of antennas, but also reduced waste water, consumables and energy consumption.

In addition to our endeavor to produce green products, USI has been promoting carbon management, energy management, water resources management and waste management to slow down climate change. Our total expenditure on environmental protection this year increased 38% compared with 2014. Achievements that our colleagues made in 2015 are as follows:

- Light fixtures and air conditioning facilities were renewed in all factories around the globe. The carbon emission was 4,633 tons less in 2015 than in 2014.
- With respect to water resources usage, the second stage waste water recycling system for Jinqiao Factory and Shenzhen Factory were completed (the first stage was completed in 2013).
- The gross water in 2015 was 738,553 tons, which was 6.3% lower than in 2014 (788,340 tons). The actual monitored water loss base ratio was -8.3%, which was 6.3% lower than the goal value (-2%).

- The recycling rate of waste was 86.74% which exceeded the set goal of 84%.
- To continue the "Million Trees Project," 4,000 trees (12,000 trees in total up until 2015) were planted in Hure Banner, Inner Mongolia. Each mature tree can absorb 250 kilograms of carbon dioxide, implying that the 12,000 trees can absorb 3 million kilograms of carbon dioxide.

In facing dual pressure from shrinking natural resources due to climate change and economic development, USI still upholds the spirit of "many a little makes a mickle" to find balance for the corporate development between environmental sustainability and business value. In 2015, our social contribution per share was RMB 1.25 (social contribution per share = basic earnings per share + (tax amount + wages and salaries of employees + interest expense + public welfare investment)/the number of shares of outstanding common stock).

Corporate social responsibility is a sustainable task of USI. I appreciate all of our staff's endeavors to dedicate ourselves to becoming a foundation stone of enterprise culture. We will continue to make improvements to fulfill our commitments. We sincerely welcome your precious opinions to help us move forward on this road.



C.Y. Wei  
President





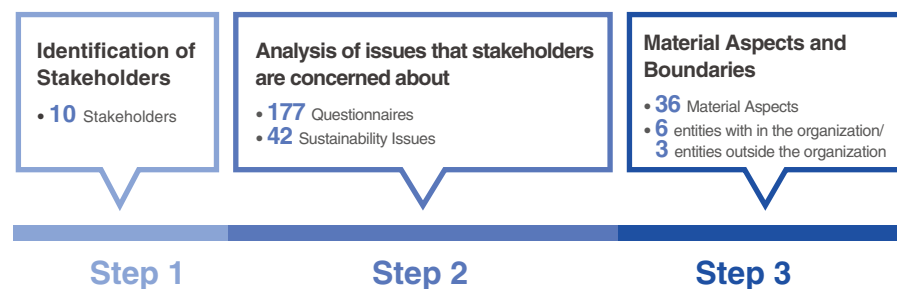
## 01 Stakeholders Management

For pursuing the sustainable management, USI put emphasis on the interaction and communication with all stakeholders. By understanding the issues concerned by all stakeholders, and by responding to relevant suggestions and demand with various communication channels and platforms, we continue to propose improvement strategies and implement them.

# 01 Stakeholders Management

## Identification of Stakeholders and Definition of Material Aspects

Upholding the spirit of sustainable management of stakeholders is the principle of compiling the report. The procedure of each stage is as follows:

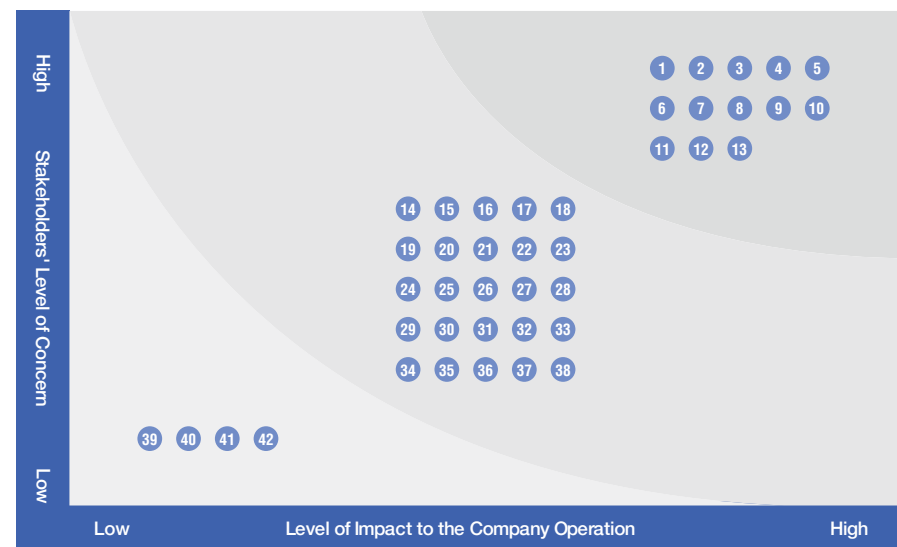


### • Step 1: Identification and Selection of Stakeholders

This year, USI's CSR promotion committee discussed and referred to the identification results of the CSR report last year before reexamining the list of stakeholders. USI has identified stakeholders, who are closely connected to our company, such as the stockholder/investor, employee, customer, media, supplier, NGO/NPO, government department, community, academic/research institution and industry unions/association.

### • Step 2: Analysis of issues that stakeholders are concerned about

A total of 177 questionnaires were retrieved from identified stakeholders who were surveyed and analyzed and 42 issues were surveyed in the questionnaires. Additionally, executives in each organization were surveyed regarding the impact degree of each issue on USI. A result analysis was carried out for issues that stakeholders were concerned about to compile major economic, environmental and social issues of USI. The issues have been classified according to their levels of importance into high, medium and low levels. Moreover, CSR promotion committee has identified and discussed two issues, conflict-free sourcing initiative (CFSI) and continuous improvement, which are disclosed in the report.



#### High Level:

- 1 Sustainable Development Strategy
- 2 Risk Management
- 3 Ethics/Code of Conduct
- 4 Compliance
- 5 Economic Performance
- 6 Waste Management and Recycle
- 7 Employees Recruitment and Retention
- 8 Employees' Welfare
- 9 Labor-Management Relations
- 10 Occupational Safety and Health
- 11 Customer Health and Safety
- 12 Customer Satisfaction Survey
- 13 Customer Privacy

#### Medium Level:

- 14 Governance Structure and Composition
- 15 Stakeholder Communication
- 16 Supply Chain Management/Procurement Practices
- 17 Ratio of Local Hiring/Basic Salary
- 18 Energy Management
- 19 Water Resource Management
- 20 Carbon Management/GHG Emission
- 21 Green Design
- 22 Green Expenditure
- 23 Supplier Environmental Assessment
- 24 Environmental Grievance Mechanisms
- 25 Training and Education

#### Low Level:

- 26 Diversity and Equal Opportunity
- 27 Equal Remuneration for Women and Men
- 28 Supplier Assessment for Labor Practices
- 29 Labor Practices Grievance Mechanisms
- 30 Training of Human Rights
- 31 Non-discrimination
- 32 Child Labor
- 33 Forced or Compulsory Labor
- 34 Human Rights Grievance Mechanisms
- 35 Community Development/Promoting of Public Welfare
- 36 Anti-corruption
- 37 Using Materials
- 38 Anti-competitive Behavior
- 39 Freedom of Association and Collective Bargaining
- 40 Supplier Human Rights Assessment
- 41 Supplier Assessment for Impacts on Society
- 42 Grievance Mechanisms for Impacts on Society

Note:

High level: Major issues that are completely disclosed.

Midium level: Secondary issues that are partially disclosed.

Low level: Minor issues that are unnecessarily disclosed. However, in this analysis result, as issues of low level concern cover partial EICC issues, policies and management guidelines related to EICC are still stated.

Therefore, the report still discloses issues of this category.

### • Step 3: Material Aspects and Boundaries

Scope and structure of the report: In accordance with the comparability principle, substantial issues in this year's report extend the Scope of last year's report. Issues that our stakeholders are chiefly concerned about determine the content and framework of the report, thoroughly reveal our current policies and future plans of implementing our corporate social responsibility.

39 issues out of 42 surveyed issues disclosed in this report have been compared with 38 aspects including 36 aspects selected from 46 aspects in GRI G4 along with 2 aspects belonging to corporate characteristics. Every aspect is an index of reporting one or more than one indicator with the widest boundary. Besides, advices from the specialists and scholars are also considered to obtain the final result. Identification results are as shown in the following table:

● This Report ○ Future Plan

Scope	Boundaries with in the Organization						Boundaries outside the Organization		
	Zhangjiang	Shenzhen	Kunshan	Taiwan	Mexico	Jinqiao	Local Communities	Suppliers	Customers
Economic Category									
Economic Performance	●	●	●	●	●	●			
Market Presence	●	●	●	●	●	●			
Procurement Practices	●	●	●	●	●	●			
Environmental Category									
Energy	●	●	●	●	●	●		○	●
Water	●	●	●	●	●	●			
Emissions	●	●	●	●	●	●		○	●
Effluents and Waste	●	●	●	●	●	●		○	●

Scope	Boundaries with in the Organization						Boundaries outside the Organization		
	Zhangjiang	Shenzhen	Kunshan	Taiwan	Mexico	Jinqiao	Local Communities	Suppliers	Customers
Compliance	●	●	●	●	●	●		○	●
Overall	●	●	●	●	●	●			
Supplier Environmental Assessment	●	●	●	●	●	●		●	●
Environmental Grievance Mechanisms	●	●	●	●	●	●	●	●	●
Labor Practices and Decent Work Category									
Employment	●	●	●	●	●	●			
Labor/Management Relations	●	●	●	●	●	●			
Occupational Health and Safety	●	●	●	●	●	●		○	●
Training and Education	●	●	●	●	●	●		○	
Diversity and Equal Opportunity	●	●	●	●	●	●			
Equal Remuneration for Women and Men	●	●	●	●	●	●		○	
Supplier Assessment for Labor Practices	●	●	●	●	●	●		●	●
Labor Practices Grievance Mechanisms	●	●	●	●	●	●		●	●
Human Rights Category									
Investment	●	●	●	●	●	●		○	●
Non-discrimination	●	●	●	●	●	●		●	●
Freedom of Association and Collective Bargaining	●	●	●	●	●	●		●	●
Child Labor	●	●	●	●	●	●		●	●
Forced or Compulsory Labor	●	●	●	●	●	●		●	●
Assessment	●	●	●	●	●	●		●	●
Supplier Human Rights Assessment	●	●	●	●	●	●		●	●
Human Rights Grievance Mechanisms	●	●	●	●	●	●		●	●







Scope	Boundaries with in the Organization						Boundaries outside the Organization		
	Zhangjiang	Shenzhen	Kunshan	Taiwan	Mexico	Jinqiao	Local Communities	Suppliers	Customers
Society Category									
Local Communities	●	●	●	●	●	●	●		
Anti-corruption	●	●	●	●	●	●		●	●
Compliance	●	●	●	●	●	●			●
Supplier Assessment for Impacts on Society	●	●	●	●	●	●		●	●
Grievance Mechanisms for Impacts on Society	●	●	●	●	●	●	●	●	●
Product Responsibility Category									
Customer Health and Safety	●	●	●	●	●	●		○	●
Product and Service Labeling	●	●	●	●	●	●			●
Customer Privacy	●	●	●	●	●	●			●
Compliance	●	●	●	●	●	●			●
Other Issues									
Conflict Minerals	●	●	●	●	●	●		●	●
Continuous Improvement	●	●	●	●	●	●			

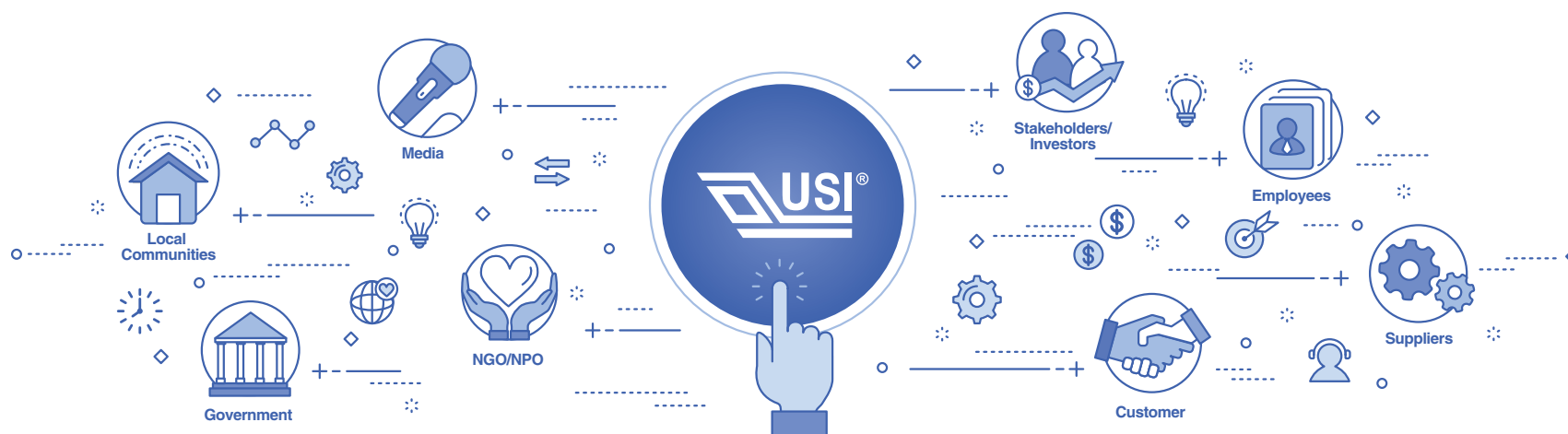
## Stakeholders Communications and Responses

In light of issues that highly impact corporate operation and that stakeholders are highly concerned about, to meet their expectations, we have built a good communication platform, adopt relevant corresponding strategies, and maintain and strengthen the relationship between our company and the stakeholders. Issues that they are not so concerned about will be responded in each chapter of the report.

Stakeholders	Material Topics	Communication Channels	Practice
 <b>Stakeholders/ Investors</b>	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Investor section on corporate website</li> <li>Annual meetings of shareholders</li> <li>Shanghai Stock Exchange—SSE E-interaction</li> </ul>	<ul style="list-style-type: none"> <li>USI reveals the company's financial information through stock exchange websites and annual financial statements, and review constantly the company's business status and data</li> <li>Shareholder meetings are held regularly for explaining managing performance to investors and responding to their concerned issues</li> <li>A telephone conference is held each quarter to explain USI's production and management to investors</li> </ul>

Stakeholders	Material Topics	Communication Channels	Practice
 Employees	<ul style="list-style-type: none"> <li>Employees' Welfare</li> <li>Employees Recruitment and Retention</li> </ul>	<ul style="list-style-type: none"> <li>Employees' Welfare Committee/ Staff congress</li> <li>Employee relationship website</li> <li>"Meet the President" session</li> <li>Industrial relations meetings</li> <li>Training programs</li> <li>Employee Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>A workers conference is held on a regular basis each quarter to discuss and plan recent events related to employees and propose employees' opinions</li> <li>A employee relation website is set up in USI's intranet. In addition to providing information regarding employees' welfare and activities, employees can share their opinions in the "suggestions box for employees" on the website</li> <li>A "general manager's symposium" is held each quarter for the general manager to announce the future trend and expectations of USI to colleagues. Additionally, the general manager can listen to employees' opinions in the meeting</li> <li>USI University has been established to irregularly provide employees with various educational training programs to perfect their professional skills</li> <li>"Employee satisfaction survey" is conducted every other year on USI's intranet</li> </ul>
 Customer	<ul style="list-style-type: none"> <li>Customer Relation Management</li> <li>Product Innovation</li> <li>Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>EICC-ON Platform</li> <li>After-sales service system</li> <li>Customers' satisfaction questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>To report the Self-Assessment Questionnaire (SAQ) assessment status and results through the EICC-ON platform</li> <li>Design green products, reduce the usage of hazard substances in production, and increase the recycling rate of products</li> <li>It is provided to corresponding windows through business each quarter to help carry out satisfaction surveys.</li> </ul>
 Media	<ul style="list-style-type: none"> <li>Environmental Performance</li> <li>Financial Performance</li> </ul>	<ul style="list-style-type: none"> <li>Company Website/E-mail</li> </ul>	<ul style="list-style-type: none"> <li>To announce revenue related information every month, and publish operating results and development direction periodically</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Product Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Business Review, QBR</li> <li>Preferred Supplier List, PSL</li> <li>Purchase contracts</li> <li>On-site audit for suppliers</li> <li>Questionnaire investigation for suppliers.</li> <li>Supplier Conference</li> </ul>	<ul style="list-style-type: none"> <li>Continually promote green supply chain, ask and help suppliers to pass quality management system certifications. Control the usage of raw materials to ensure the products and materials correspond to the regulations of USI green products</li> <li>To irregularly request suppliers and USI to implement the EICC code and Conflict Minerals Policy</li> <li>Suppliers are selected each year to carry out on-site inspection for EICC</li> <li>A supplier survey is conducted irregular to comprehend the current situations and trends of suppliers. Suppliers can express their expectations toward USI through the survey as well</li> <li>A supplier conference is held on a regular basis each year to declare policies that USI promotes and the company's philosophy</li> </ul>

Stakeholders	Material Topics	Communication Channels	Practice
 <b>NGO/NPO</b>	<ul style="list-style-type: none"> <li>Corporate citizens and public interests</li> <li>Environmental Performance</li> </ul>	<ul style="list-style-type: none"> <li>To participate in forums and guilds/associations</li> <li>To sponsor and held activities</li> </ul>	<ul style="list-style-type: none"> <li>To actively participate in relevant forums and guilds/associations (Taiwan Electrical and Electronic Manufacturers' Association, Industrial Safety and Health Association, and Industrial Development and Investment Promotion Committee)</li> <li>Keep donating new books to elementary schools in Nantou County every year. Sponsor the tour of artist groups and join in emergency service and rescue</li> </ul>
 <b>Government</b>	<ul style="list-style-type: none"> <li>Environmental Performance</li> <li>Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>Official document</li> <li>Participation in conferences</li> </ul>	<ul style="list-style-type: none"> <li>Actively participate in conferences held by competent authorities on an irregular basis</li> </ul>
 <b>Local Communities</b>	<ul style="list-style-type: none"> <li>Environmental Performance</li> <li>Corporate citizens and public interests</li> <li>Stakeholders Communications</li> </ul>	<ul style="list-style-type: none"> <li>Attendance at the meetings</li> <li>Company Website/E-mail</li> </ul>	<ul style="list-style-type: none"> <li>Draw up environmental protection, occupational safety &amp; health (ESH) SOP and measures of environment safety communication, consultancy, and participation. Keep friendly relationships with community residents</li> <li>To sustainable sponsor road adoptions and maintenance works</li> </ul>





## 02 Company Profile

Successful industrial operation depends on the common contribution of employer and employees, and on all-out support from investors. Therefore, we established managing mechanisms in charge for respective responsibility and publish the operative condition. All departments worked as one, creating the highest value for investors.

## 02 Company Profile

To safeguard investor interests, USI has stipulated the "investor relations management system" to build a good communication platform for the corporation and investors. USI has set up a specialized unit to respond to the various needs of investors, and also appoints professional lawyers to provide legal advice services, in addition to the set-up of investor relations section on the company website to provide monthly updated business information in the purpose of revealing USI operation status transparently. This has formed a long-term, stable and harmonious interaction between the corporation and investors.

### Company Introduction

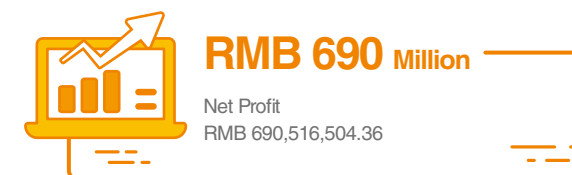
<b>Company Name</b>	<b>Universal Scientific Industrial (Shanghai) Co., Ltd.</b>
<b>Headquarter Location</b>	No.1558, Zhang Dong Road, Zhangjiang Hi-Tech Park, Shanghai, P.R. China
<b>Registered Capital</b>	RMB 2,175,923,580
<b>Location of Stock Issue</b>	Shanghai Stock Exchange
<b>Stock Number/Name</b>	601231/USI Shanghai
<b>Date of Stock Issue</b>	Feb 20 2012
<b>Main Products and Services</b>	Communication products/consumer electronics/computer products, storage products/industrial products/development and design of car electronics/minimization/material purchase/manufacturing/logistics/maintenance
<b>Number of Employees</b>	15,226 (As of 2015/12)
<b>Area of Operation</b>	Shanghai/Shenzhen/Kunshan/Taiwan/Japan/USA/Mexico

Invested by foreign capital, USI is a Shanghai Stock Exchange (SSE) listed company. USI exploits the company's own advanced miniaturization technology to establish unique competitive superiority. From the professional service spectrum covering development, design, material purchase, production, manufacturing, logistics and maintenance of electronic products, we provide clients with overall service that is high in timeliness, quality and cost effectiveness and has the biggest cost competitiveness.

USI is committed to providing professional service of design and manufacture for electronic industry. We focus on top of development 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 fields such as wireless network access, digital storage and LCD panel control.

At present, USI has R&D centers and manufacturing facilities in China and Taiwan with a group of clients from all over the world. Our major manufacturing service bases include facilities in Zhangjiang in Shanghai, in Jinqiao in Shanghai, Shenzhen, Kunshan, Taiwan; and our oversea facility in Mexico. The global service network covers Asia and Americas.

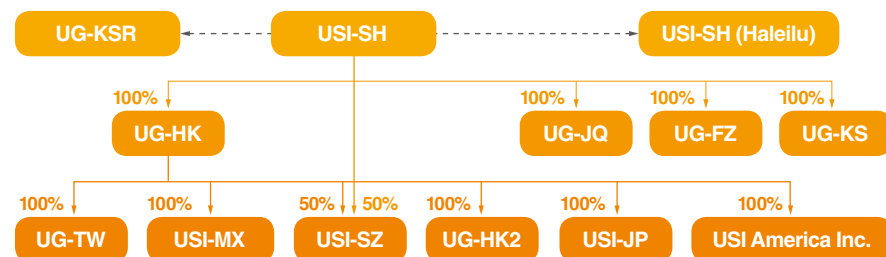


### • Global Operative System

In order to provide global customers fast and timely comprehensive services, in addition to Zhangjiang, Jinqiao, Shenzhen, Kunshan, Taiwan and Mexico, USI provides offices and after-sales service points in the North America region as well.



### • Association Organization Map



Note: USI America Inc., a wholly-owned subsidiary of USI, merged USI@Work Inc., USI's another wholly-owned subsidiary, in August 2015.

### Financial Performance

In 2015, USI reported consolidated sales revenue of RMB 21.323 billion with a growth of 34.34% comparing with 2014; the net profit was RMB 691 million with a decrease of 1.55% comparing with 2013; the net sales was RMB 21.323 billion; its total capital is divided into liabilities and equity, which are RMB 6.222 billion and RMB 6.809 billion, making a 47.75% liability ratio. Additionally, USI's R&D investment totaled RMB 915 million, accounting for 4.29% of its revenue. The company has provided 324,065,170 products or services.

Unit: in RMB

Items	2015	2014
<b>1. Operating Revenue</b>	21,323,077,287.23	15,873,001,002.01
<b>2. Operating Costs</b>	19,093,432,555.92	13,804,620,593.43
Business Taxes and Levies	23,961,491.53	18,268,037.56
Selling Expenses	225,404,135.51	279,292,658.94
Administrative Expenses	1,306,975,085.60	1,036,451,435.78
Financing Expenses	12,153,155.65	(15,002,997.72)
Impairment losses of assets	2,240,927.37	1,159,276.38
Add: Gain from change of fair value (loss is filled with "Negative")	(779,055.78)	(2,071,959.27)
Investment Income (loss is filled with "Negative")	79,923,540.88	52,749,613.01
<b>3. Operating Profit</b>	738,054,420.75	798,889,651.38
Add: Non-operating Income and Expenses	19,498,435.26	12,277,808.09
<b>4. Total Profit</b>	757,552,856.01	811,167,459.47
<b>5. Net Profit</b>	690,516,504.36	701,393,987.26

Note: Consolidated results shown



## • Interests paid to loan providers

Unit: USD

Zhangjiang Facility	Jinqiao Facility	Shenzhen Facility	Kunshan Facility	Taiwan Facility	Total
820,391	1,954,969	872	225,571	107,620	3,109,424

Note: The Facility in Mexico has no interest expenses.

• Payment to government: all taxes payable  
(business tax, income tax, property tax, etc.)

Unit: USD

Zhangjiang Facility	Jinqiao Facility	Shenzhen Facility	Kunshan Facility	Taiwan Facility	Mexico Facility	Total
13,710,669	1,338,869	15,768,569	4,205,534	5,606,530	2,856,099	43,486,269

## • Employee Salary and Employee Welfare Expenses

Unit: USD

Zhangjiang Facility	Jinqiao Facility	Shenzhen Facility	Kunshan Facility	Taiwan Facility	Mexico Facility	Total
80,799,081	49,342,869	53,301,904	25,650,256	66,722,918	7,270,362	283,087,390

## • Community Investment

Unit: USD

Zhangjiang Facility	Jinqiao Facility	Shenzhen Facility	Kunshan Facility	Taiwan Facility	Mexico Facility	Total
24,065	4,273	107,400	28,518	63,240	6,423	233,920

## • Government Subsidy

Unit: USD

Zhangjiang Facility	Jinqiao Facility	Shenzhen Facility	Kunshan Facility	Taiwan Facility	Total
6,754,147	2,018,225	1,735,781	1,031,300	1,106	11,540,559

Note: The main subsidized items are R&amp;D charges, training subsidies and tax rebates.

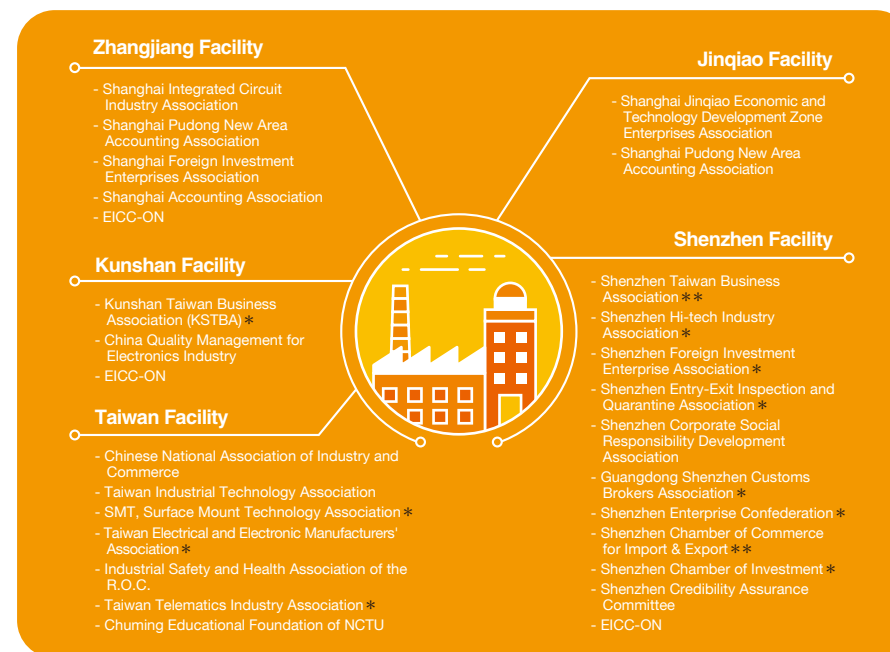
## • CIP Cost Saving

Unit: USD

Zhangjiang Facility	Jinqiao Facility	Shenzhen Facility	Kunshan Facility	Taiwan Facility	Mexico Facility	Total
2,610,000	1,536,000	1,726,000	895,000	172,000	6,000	6,945,000

## External Participation

USI took part in activities held by industrial organizations and associations. Through participating in meetings, exchanging information, and serving important positions, USI keeps close touch and communication with the industry, contributing to the development of electronic and engineering industry. The following is the list of organizations USI takes part in:



\* Represent the position of Director/Supervisor

\*\* Represent the position of Honorary President/Honorary Vice President

## Promotion of EICC

ASE Group joined Electronic Industry Citizenship Coalition (EICC) and became its member in 2015. Being a member of ASE Group, USI actively abides by the behavioral norms of EICC and requests its facilities around the globe to implement the corporate responsibility. In 2012, USI joined the EICC-ON platform which evaluates the corporation's labor rights, workplace health and safety, enterprise ethics and environmental protection.

The results of the self-assessment questionnaire (SAQ) on the EICC-ON platform show that Zhangjiang, Shenzhen, Kunshan and Mexico facilities are at low risks. Additionally, Zhangjiang, Jinqiao, Shenzhen, Kunshan and Taiwan facilities received and passed the clients EICC auditing in 2015, and internal auditing will be executed on a regular basis each year in the company.

## Promotion of CFSI

In 2011, EICC set up the information website of Conflict-Free Sourcing Initiative (CFSI) with Global e-Sustainability Initiative (GeSI). In 2015, ASE Group joined CFSI and became its member. Being a member of ASE Group, USI makes wise decisions for conflict minerals in its supply chain by using information and guidance provided by CFSI to make a supply chain of conflict-free minerals. Moreover, USI has made a purchasing policy for conflict minerals, and requests its suppliers not to purchase conflict minerals from unqualified smelters.

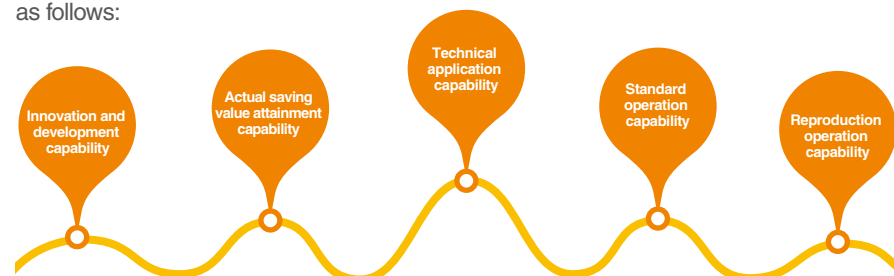
## Continuous Improvement Program(CIP)

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:



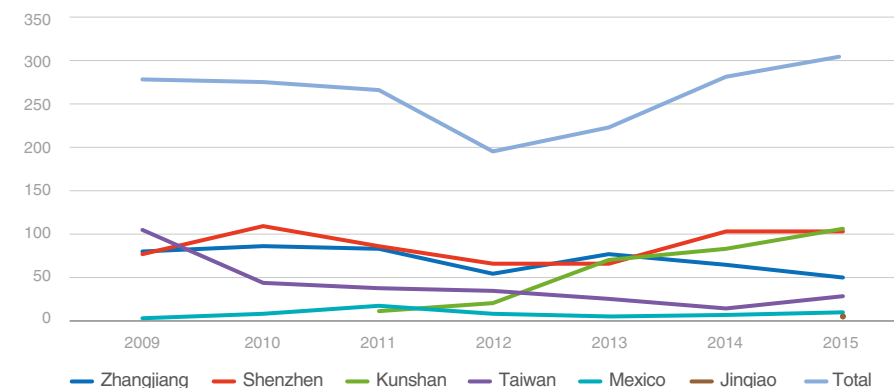
Each facility first proposes cases which are reviewed by Site Review Committee (SRC) for their project results and saving benefits before they are defined. After the cases are sampled by the organizer, Corporate Review Committee (CRC) is invited to review their saving benefits and promote cases with reproducible results to enlarge the results.

A case has to be evaluated by SRC whether it is defined or not. The evaluation criteria are as follows:



According to the statistics in the table below, over 200 cases on average are defined each year. In addition, the number of cases being defined has been increasing year by year since 2012.

### • The Number of Cases Being Defined



Note: 1. Kunshan Facility joined the project in June 2011

2. Jinqiao Facility joined the project in July 2015

After the total performance of 2015 was reviewed by CRC, the actual value of saved tangible costs is USD 6,945,000, and its ratio to the revenue is 0.228% (Target: 0.21%). Incentive payments were not awarded to facilities that did not achieve the target. A total of USD 34,300 was awarded. The performance for CIP and incentive payments are as shown in the table below:

Facility	Cost Saving Amount (K USD)	CIP Ratio (Target: 0.21%)	Amount of Incentive Payments (K USD)
Zhangjiang	2,610	0.176	0
Jinqiao	1,536	0.715	10.8
Shenzhen	1,726	0.225	11.8
Kunshan	895	0.224	7.6
Taiwan	172	0.213	4
Mexico	6	0.005	0
<b>Total</b>	<b>6,945</b>	<b>0.228</b>	<b>34.3</b>

#### • CIP Excellent Contribution Award

Each facility proposes representative or innovative cases to enter global competitions. Awarded teams are granted trophies and incentive payments. In 2015, four projects achieved the target and were awarded bronze medals.



#### Improvement Project for Mini Automatic Burner **Bronze Medal**

#### ► Description of problems

As the workload of the burner in our facility is too large, burning tasks is chiefly outsourced, and the outsourcing charges are expensive. Therefore, we have planned to

have another burner to burn IC in the facility.

#### ► Execution Method

As mini automatic burners in the market cannot burn required integrated circuits (IC), we have purchased accessories and requested the specialized unit to design the structure of a burner and the control unit of programmable logic controller (PLC) to transform the structure of the burner.



#### ► Result Evaluation and Saving Achievement Capability

Self-made burners in our facility have been realized. This has not only saved outsourcing charges for burning, but also increased our experience in designing and developing equipment. After the introduction of the case, it is estimated that USD 63,875 will be saved in a year. Up until December, a total of USD 35,523 has actually been saved.

Before August, our facility did not have a self-made burner, and we only had two burners that can burn QFN-type IC. The load factor of each burner was 259%. Therefore, we had to outsource part of the work. After our self-made burners are introduced, the load factor has significantly declined.

Up until December, there are four automatic burners in the facility. As there is more demand for burning, one more burner has to be made. It is estimated that it will be completed in February 2016.

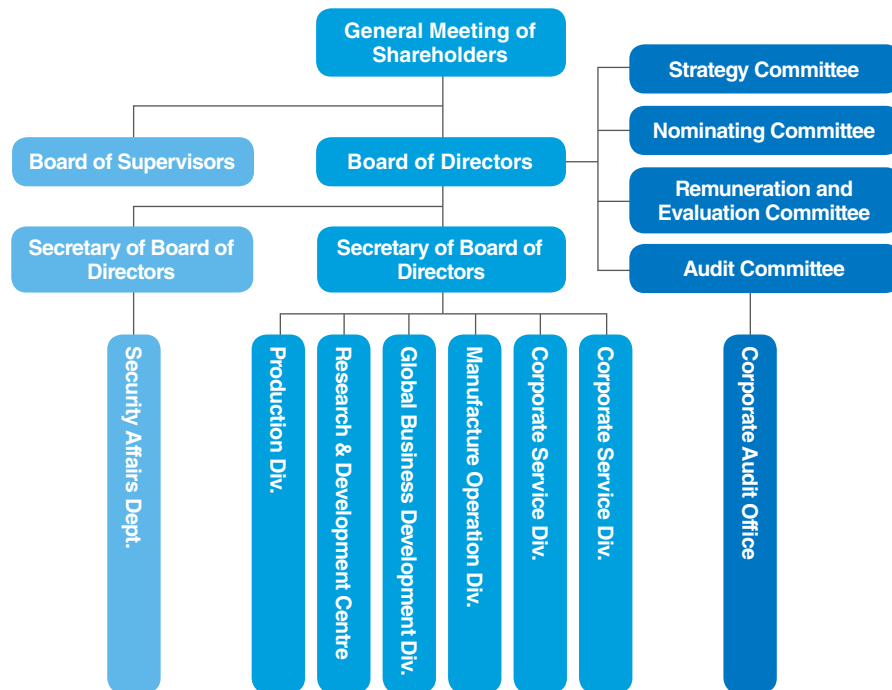


## 03 Corporate Governance

USI emphasizes honest industrial operation. Based on related national regulations, USI has established flawless managing framework and systems, drew up anti-bribery behavioral principles, realized internal audit and strengthened internal risk management. By promoting the governance of the corporation, USI seeks sustainable industrial development.

## 03 Corporate Governance

### Managing Structure



### The Organization and Operation of Internal Audit

#### • Internal Audit Organization

The internal auditing of the company is charged 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 with a staff of 3 auditors, and the auditing departments and auditing offices of each facility is established with auditors as well.



#### • The Operation of Internal Audit

- ▶ Range of audit: all financial and operational business and management 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. Special case audit will be practiced if needed. The goal is to prevent the possible mistake of internally controlled systems and present improving suggestions. Besides, the audit office urges all departments to practice self examination and assessment and to evaluate the rationality and effectiveness of the outcomes. The audit office produces an auditing report after the auditing is performed. The report, once compiled, is submitted to the board of directors as the realization of the company's governance spirits.

### Anti-Corruption and Anti-Bribery

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 definitely required not to deal with private affairs through USI's resources and to engage in activities for personal gain with their authority. When freshmen are accepting training, they are given related training courses. Currently, USI has drawn up "fraud risk management approach" and the sun procurement policies to strictly forbid any kind of corruption and bribery. Till now, there are no corruption and bribery happening in USI.

To acknowledge employees to follow the "Employee Codes of Conduct", USI has not only announced related information on the company's internal website, but also made them into e-learning educational materials and the compulsory course. That is, all the employees must read this course e-learning and conduct quizzes at the end of the class. Employees' course attendance record will be listed as tracking projects to ensure that every employee has accomplished the "Employee Codes of Conduct" course. Besides, USI also holds irregular promotions on the "Sunny Action (honest and incorruptible employees)" policy to remind the employees to pay attention to and to comply with relevant regulations. USI has so far not discovered any actions of corruption and bribery.

- **Examination Policy of Integrity Deeds**

- ▶ Require employees to sign the commitment for incorruptible deeds and sign incorruptible clauses with related suppliers
- ▶ Set up prosecution box
- ▶ Enhance the promotion of Integrity deeds principles
- ▶ Draw up the examination scope of Integrity deeds
- ▶ Design examination program of Integrity deeds
- ▶ Expect to increase audit frequency and entrust responsible auditors

- **Employee Codes of Conduct**

- ▶ Employment Morality and Code of Ethics
- ▶ Rules of Avoiding Conflict of Interest
- ▶ Rules of Gifting and Entertaining
- ▶ Reporting Responsibilities and Obligations
- ▶ Violation Handling

## Regulations Abidance

USI worked hard to maintain its industrial image in these years, following regulations and rules related to corporate governance, financial management, environmental protection, employee welfare, and production supply. If some deeds cause influence on the industrial image or violate regulations, USI will establish special case group for drawing up responsible solutions. USI has not yet been seriously fined or punished in other forms due to illegal events till now.

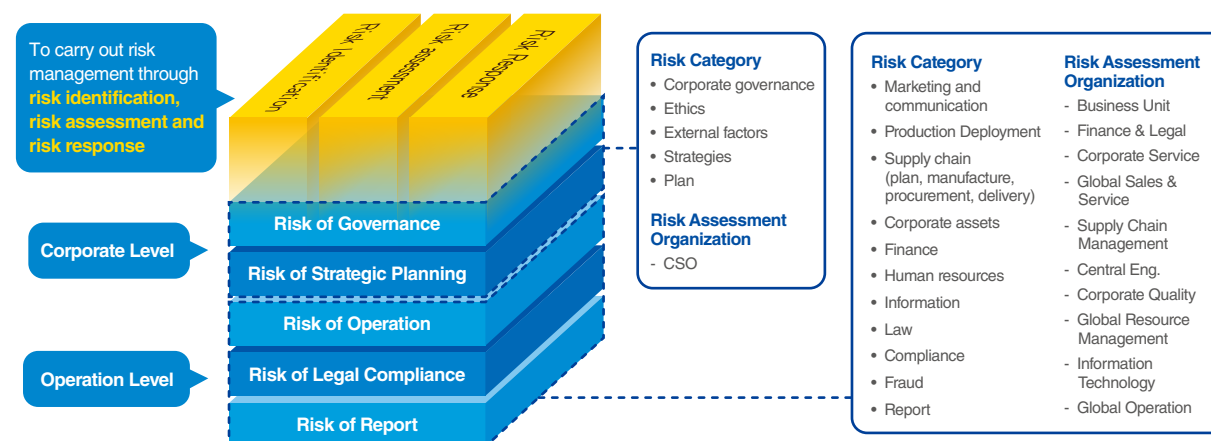
USI is in compliance with all applicable national or international law, including environmental protection and actively cooperate with the safety requirements, respect for intellectual property rights, promote fair market competition, emphasis on customer value and labor rights.

## Risk Management of Enterprise

To conform to the internal control of Sarbanes-Oxley and take management environment, industrial trends and corporate operation into consideration, the company shall execute annual risk management to ensure that risks can be timely and appropriately identified, evaluated and responded with proper measures to assure sustainable management and to achieve its operation goal.

Each unit takes charge of identifying internal and external risk factors that might affect USI's sustainable development and operation goals, evaluating risk levels and the effectiveness of relevant controlled activities, and taking appropriate measures based on the results of risk evaluation. Through the execution of risk management, our personnel's risk awareness will be strengthened to ensure the effectiveness of executing risk management.

- **Organizational Framework of Risk Management**





Risk assessment includes various risks that an enterprise might face, and it is primarily divided into the corporate level and operation level. Relevant risks are as follows:

- ▶ Corporate level: Including risk categories of corporate governance, ethics, external factors, strategies and planning.
- ▶ Operation level: Including marketing and communication, product development, supply chain, corporate assets, finance, human resources, information, law, compliance, fraud, and other risk categories. The category of marketing and communication chiefly covers client service such as order processing, quotes and client satisfaction. Supply chains cover production planning, procurement, production and logistics management.
- ▶ Risk categories regarding fraud, compliance and information are affairs that USI is concerned about.

#### • Results of Risk Assessment

USI's risk items in 2015 mainly focus on risks regarding "Compliance", "Talents", "Business concentration", and "Inventory Management".

- ▶ Risk of "Compliance"
  - Chemicals not declared in accordance with regulations
  - The response rate of surveys and target for conflict minerals not meeting clients' requests
- ▶ Risk of "Talents"
  - Difficult to recruit senior personnel specializing in the system integration and failure analysis of minimized manufacturing procedures
  - As management executives in USI are old, the risk of lacking successors is shown
- ▶ Risk of "Business concentration rate"
  - Turnover ratio from single customers is too high

#### ▶ Risk of "Inventory management"

- Excess materials due to an excess of materials prepared for ODM machines or inaccurate estimation of distributors and market
- Remainders or excess materials due to inaccurate clients' demand forecasting or sudden increase or decrease of orders

Risk Level	H	<ul style="list-style-type: none"> <li>▶ Enterprises development</li> <li>▶ Credit management</li> <li>▶ Product/Technical strategy</li> <li>▶ Fraud</li> <li>▶ R&amp;D information management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Key technical personnel</li> <li>▶ Business concentration</li> <li>▶ Inventory management</li> </ul>	
	M	<ul style="list-style-type: none"> <li>▶ Successor plan</li> <li>▶ Operation plan</li> <li>▶ Talent retention</li> <li>▶ Disasters and catastrophes</li> <li>▶ Purchasing cost management</li> <li>▶ Quality standard/management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Legal compliance</li> <li>▶ Inventory management</li> <li>▶ In-house safety risks</li> <li>▶ Order processing</li> <li>▶ Product test/certification</li> </ul>	
	L	<ul style="list-style-type: none"> <li>▶ Price quotes</li> <li>▶ Delivery management</li> <li>▶ R&amp;D information management</li> <li>▶ Bad change management</li> <li>▶ Contract management</li> <li>▶ Human resources planning</li> <li>▶ Supplier management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Promotion opportunity</li> <li>▶ Employee's health and safety</li> <li>▶ Risks of natural disaster</li> <li>▶ In-house safety risks</li> <li>▶ Product/Technical development</li> </ul>	
		Yes	Partial	No
Control effectiveness				



## O4 Environmental Sustainability

With an emphasis on environmental protection, USI takes aggressive measures against climate change and has shown impressive results: It incorporates environmental concerns into the operating decisions and business management, with the board of directors and high-level executives both held accountable for such tasks as communicating with USI's stakeholders, proposing feasible improvements to cope with climate change. Additionally, USI continues to promote ISO14001, ISO14064-1, energy management system and cleaner production each year. To fulfill its Green Responsibilities, USI also adopts a green management model by effectively disclosing environmental data.

## 04 Environmental Sustainability

Climate change has taken its tolls on USI. For example, carbon quota management is now in place in Shanghai, Shenzhen China, and legislation regarding greenhouse gas (GHG) reduction is in progress in Taiwan. 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 place 2016 in facilities to minimize risks from climate change and improve corporate competitiveness.

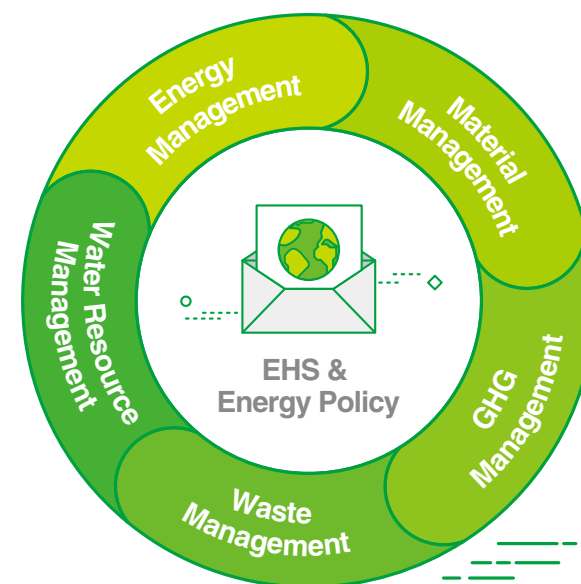
USI continues to include clients' environmental protection requirements into its green management system and green production procedure, to devote itself to creating the growing opportunity of the green industry, and to reveal environmental information on a regular basis to stakeholders about USI's green commitment and implementation results. In addition, USI always refers to stakeholders' opinions to adjust its green management strategies. Moreover, USI also requests its employees to participate in environmental protection and resource recycling to reduce the operational costs of its facilities around the globe and elevate economic benefits when the enterprise promotes environmental protection by saving water and electricity costs. It is hoped that USI can carry out corporate social responsibility and pursue the sustainable development of the enterprise and environment while taking its management and environmental protection into consideration.

### EHS & Energy Policy

USI is not only committed to providing high-quality products and services, it also keen to create an eco-friendly, healthy and safe working environment.

Therefore, under three important goals: Environmental Protection, Occupational Safety and Health, USI established Energy, Environment, Health & Safety (EHS & Energy) policy. USI made good use of limited internal resources and required all staffs to comply with the policies below to reduce impacts on environment and employees' safety and health caused by activities, products and services. That way, USI will be able to fulfill the corporate social responsibilities.

USI has been dedicating to reducing negative impact from production procedures upon environment. Moreover, USI effectively manages the usage of raw materials, energy saving, waste disposal, greenhouse gas reduction and the utilization of water resources in accordance with its environmental, safety, health and energy policies.



- ▶ Comply with EHS and Energy regulations, and participate in related global environmental campaign.
- ▶ Communicate, participate and consult the knowledge and the requirements of EHS and Energy Policy continually with all employees, suppliers and contractors. And implement trainings and drills to reduce EHS risks and Energy consumption, to prevent potential events from happening.
- ▶ Endeavor pollution prevention, energy management and promote environmental performance of products continuously.

- ▶ Increase resource utilization by energy conservation, production improvement, waste reduction & recycling, and other cost-effective measures.
- ▶ Maintain EHS and Energy Management system with objectives, targets and audits, in accordance with ISO 14001, OHSAS 18001 & ISO 50001 requirements.

## Climate Change Mitigation

Global warming and climate change are now very important issues of sustainable development. Being a corporation that is willing to do its part as a world citizen for sustainable development, USI will pay close attention to the trend of climate change in the world and how other countries cope with it. Additionally, it will continue to analyze and control the issue to pursue the sustainable coexistence of the environment and the corporation.

## Carbon Management

USI continues to launch greenhouse gas reduction policy. The greenhouse gas emission inventory check was performed in 2007 according to ISO14064-1. 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.

USI will continue to collect and reveal relevant data as government regulations and customers require, and publish the data of greenhouse gas emission in the corporate social responsibility report.

### ▶ Greenhouse Gas Emissions

USI's lately published report has covered the 2015 data and information of 5 facilities located in Zhangjiang, Jinqiao, Shenzhen, Kunshan and Taiwan. Due to the addition of Jinqiao facility and the adoption of the fifth evaluation report (2013) of IPCC for GWP value, the original base year (2010) has been changed to 2015.

In 2015, the total emission of CO<sub>2</sub>e was 152,666.99 tons, and the CO<sub>2</sub>e emission of each RMB million turnover was 7.16 tons. The emission of greenhouse gases is as shown in the table below:

#### • All Greenhouse Gas Emissions

Year	Greenhouse Gas Emissions (Tons, CO <sub>2</sub> e/year)				
	Fixed Burning Emission	Mobile Burning Emission	Fugitive Emission	Processing Emission	Indirect Energy Emission
2015	5,740.21	342.89	1,569.19	0	145,014.71

#### • Categories of Greenhouse Gas Emissions

Year	Emissions of Each Category (Tons, CO <sub>2</sub> e/year)		
	Scope 1	Scope 2	Total
2015	7,652.28	145,014.71	152,666.99

Note:

1. The data collected above were rounded.
2. GWP data source: IPCC AR5( 2013)
3. The data included Zhangjiang, Jinqiao, Shenzhen, Kunshan and Taiwan facilities. Data collected at the boundaries of the organization have adopted the Regulations of the Operation Control Right.
4. The conspicuous threshold is set at 3%, whereas the materiality threshold is set at 5%.
5. The greenhouse gas emission includes various categories such as CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC and SF<sub>6</sub>.

#### • Categories of Greenhouse Gas Emissions in Mexico Facility

In addition to greenhouse gases inventories in facilities in Taiwan and China, USI also carried out the 2015 greenhouse gases inventory in Mexico facility this year, and it has been verified by the third party. The results are as follows:

Year	Emissions of Each Category (Tons, CO <sub>2</sub> e/year)		
	Scope 1	Scope 2	Total
2015	345.93	3,028.29	3,374.22

## Energy Management

To consume less energy and lower costs of business operations and manufacturing process, USI gave priority to low energy-consuming external power suppliers in product-design stage, and conducted an assessment to make sure each product meets the requirements for an energy-saving design. All USI sites took energy-saving measures for the air-conditioning, lighting and equipment of factories, keeping reducing both the energy consumption and electricity expenditure. For example, the installation of frequency conversion control on some pumps, adjusted temperatures of air-conditioning seasonally, the elimination of old equipment, and monitored the electricity expenditure.

### • Energy Consumption

Category Year	Direct Energy Consumption(GJ)			Indirect Energy Consumption(GJ)	Total Energy Consumption(GJ)
	Diesel	Gasoline	Natural Gas	Electricity	
2015	701.15	4,096.90	101,996.69	643,066.46	749,861.20
2014	854.22	3,564.96	61,298.81	474,607.17	540,325.16
2013	911.46	3,187.17	57,150.71	443,132.54	504,381.89
2012	1,121.44	2,831.84	69,856.23	439,571.86	513,381.37
2011	940.51	2559.77	57,750.09	411,088.67	472,339.04

Note:

- Above information are acquired through the ISO14064-1 examination procedures.
- The data collected above were rounded.
- The boundary range of 2012 includes Zhangjiang, Shenzhen, Kunshan and Taiwan, totally 4 production facilities; the range has then increased in 2015, where the Jinqiao facility is also included.
- Conversion Data of the Heat Value Index
  - Zhangjiang, Jinqiao, Shenzhen and Kunshan facilities have adopted "Table of Reference Coefficients for All Types of Energy" stated in Annex 4 of the 2013 China Electric Power Press.
  - Taiwan facility has adopted "Heat Content of Energy Products" of Taiwan Energy Statistics Handbook(2014).



**22,260.51 GJ**

Reduced 22,260.51 GJ total energy consumption



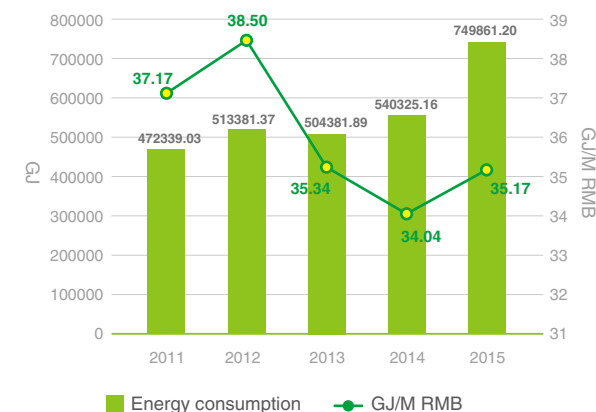
**4,779 Tons**

Reduced 4,779 tons CO<sub>2</sub>e emission

The total energy consumption in 2015 is 749,861.20 GJ, which has increased 209,536.04 GJ (with an increase of 28%) comparing with 540,325.16 GJ in 2014. However, if the energy consumption of newly-added Jinqiao facility in 2015 is deducted, the total energy consumption has declined 22,260.51 GJ (with a decrease of 4%) comparing with 2014.

With respect to turnover, the energy consumption of each RMB million turnover in 2015 increased 1.13 GJ (with an increase of 3.20%) comparing with 2014. However, if the energy consumption of newly-added Jinqiao facility in 2015 is deducted, the energy consumption of each RMB million turnover has declined 5.26 GJ (with a decrease of 18%) comparing with 2014. Related analysis is as shown in the chart below:

### • Energy Consumption



### • Measures Taken to Save Energy and the Results in 2015

Facility	Electricity-Saving Measures	Results
Zhangjiang	Renewed light fixtures in Wing A • T8/T5 changed to LED lights	Annual Energy saving result is approximately 1,350 MW-hr Reduced around 1093 tons of CO <sub>2</sub> e
	Renewed ice machines in Wing B • Renewed 2 450RT ice machines	Annual Energy saving result is approximately 3,171 MW-hr Reduced around 2,567 tons of CO <sub>2</sub> e
Kunshan	Automatic control system of air units • Electric valves installed for outdoor air and return air	Annual Energy saving result is approximately 453 MW-hr Reduced around 367 tons of CO <sub>2</sub> e
Taiwan	Renewed water chillers • Spiral 240RT×2 replaced by 500 RT Trane centrifugal ice machine Efficiency (KW/RT) : 1.35 → 0.53	Annual Energy saving result is approximately 1,444 MW-hr Reduced around 752 tons of CO <sub>2</sub> e

Note:

1. Power saving results = Power saving amount x heat value coefficient upon the conversion of units.

2. Electricity emission factory:

A: Facilities in China: Based on "2014 Baseline Emission Factors for Regional Power Grids in China" promulgated by National People's Congress Resolution on Climate Change

(Zhangjiang and Kunshan facilities has adopted East China Grid: 0.8095 tons CO<sub>2</sub>e/MW-hr)

B: Taiwan facility has adopted "103 Electricity Emission Factory" announced by Bureau of Energy, Ministry of Economic Affairs: 0.521 tons CO<sub>2</sub>e/MW-hr

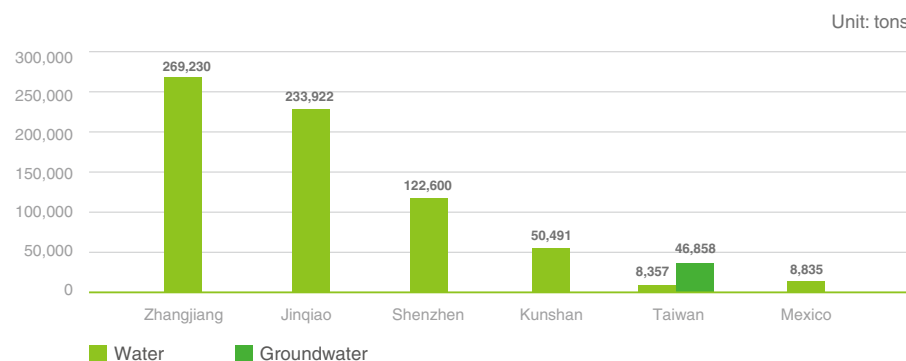
## Pollution Control

### Water Resource Management

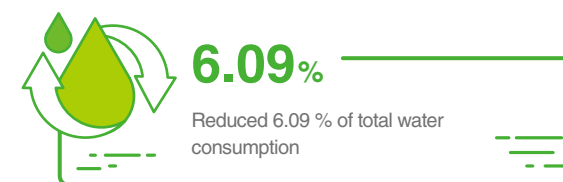
As global warming has resulted in obvious climate changes, the storage and distribution of water resources have also become an important topic for us. For USI, we do not have issues on contaminating catchment areas as our facilities are not built around it. Besides, we do not own, rent or manage any factories located in ecological reserve zones or water resource protection areas. Therefore, we do not make impacts on catchment areas and our well-designed drainage systems also comply with drainage standards. Despite

the fact that we do not use lots of water resources in our production, we still 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.

USI collects data of drainage reduction and water saving at all 6 facilities around the world on a regular basis for the control of water consumption at these facilities. The statistics show that the water consumption of USI in 2015 (740,293 tons) decreased by 6.09% compared to 2014 (788,340 tons). The water consumption baseline ratio has been adopted to compare and analyze the data, and it shows that our water consumption in 2015 decreased by 8.30%, which was 6.30% lower than the target (2%). In 2016, we will continue the result of the reuse of water resources in 2015 by setting the target of the water consumption baseline ratio at 3% to control the utilization of water resources and conserve the resources in the hope that we will become an environmentally-friendly enterprise which has less impact on the environment. Moreover, to improve the quality of our manufacturing procedures, the water purification system was introduced to Taiwan facility in March 2015. At present, the usage amount of pure water accounts for 2.85% of total water usage amount. We will increase the usage of pure water in the future.



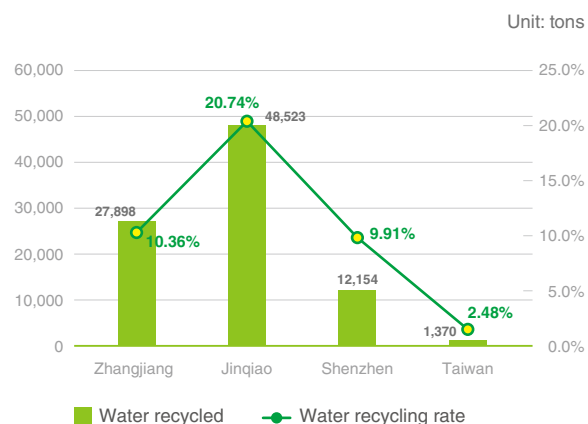
Note: Groundwater is used only at Taiwan facility.





With respect to waste water drainage, Taiwan facility is equipped with a waste water treatment plant, and its waste water is drained to Maoluo River in Nantou County. A total of 54,196 tons of waste water was drained in 2015, and USI actively received the test of water quality of effluent (BOD:5.0 mg/L; COD:20.2 mg/L; SS:8.4 mg/L) which did not exceed the safety standard for effluent.

To make the best use of water resources, USI actively improves its facilities and techniques to renew and reuse water resources. Following Zhangjiang and Taiwan facilities, the system of reclaimed water from manufacturing processes at Jinqiao facility was completed in 2015, and the facility reclaims and reuses RO water for toilets. In addition to the overflow water recycling system at the air-conditioned cooling tower of Shenzhen facility, the waste water recycling system for water dispensers was completed in December. It is estimated that the annual water recycled will increase to 5,000 tons, which will greatly enhance recycling efficiency. The results of the recycling water system in 2015 are as shown in the table below:



In addition, to strengthen water pollution control, Jinqiao facility is equipped with a water quality laboratory. Specialized personnel carry out tests for the water quality of effluent each week to ensure that it conforms to drainage standards and to assure the normal operation of its waste water treatment plant. Moreover, RMB 110,000 has been invested in its restaurant to install a grease trap facility. Upon the completion of the grease interceptor, grease removal rate has reached 98% to ensure that the water quality of effluent meets the standard.



Water Quality Laboratory



Grease Trap

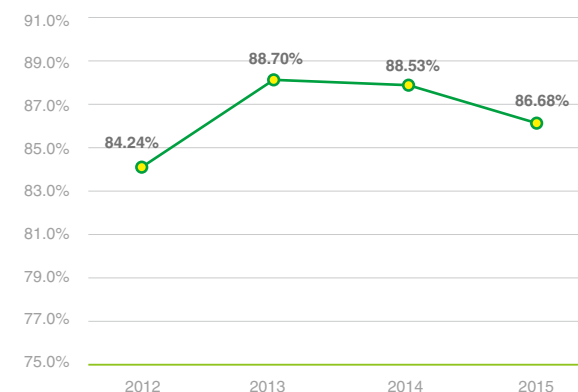
### Waste Management

Upholding the principles of "preventing pollutions, carrying on improvements", USI has gradually decreased the amount of industrial waste year by year. Waste reuse and reduction are the company's policy, which has been fully implemented in all factories and listed as our annual key performance index. Therefore, not only production, R&D, factory affairs and environmental & safety departments have devotedly promoted this policy, but also the "Green & Environment, Health and Safety Management Department" has carried on the overall

planning and management works. USI has established industrial waste cleaning plan to categorize wastes and recycle PC scraps, waste paper, waste plastics, waste package materials, waste wood pallets and waste metal in accordance with applicable government regulations.

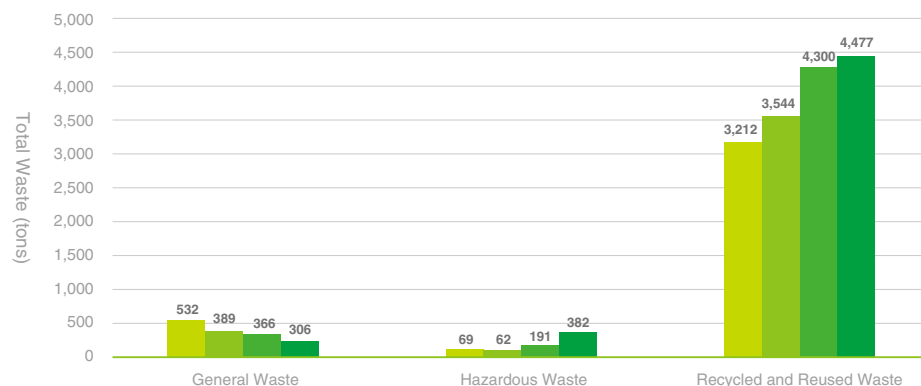
The statistics show that USI's waste recycling rate in 2015 was 86.68% which exceeds the target, 84%. However, the rate declined by 1.85% compared with 2014. The reason is that the products of newly-established Jinqiao facility in 2014 were mostly not recyclable, which leads to the decline of the recycling rate. In the future, USI will continue to implement the waste reduction policy by reducing wastes from the source to achieve the goal of sustainable resources.

### Percentage of Waste Recycled



Note: The data covered Zhangjiang, Jinqiao, Shenzhen, Kunshan, Taiwan and Mexico facilities.

### • The Total Waste



Note:

1. Wastes are given to licensed recyclers for recycling and reuse; hazardous wastes are given to qualified waste processing companies for disposal; and general wastes are shipped to local licensed incinerators for incineration.
2. Wastes to be recycled or reused include metal wastes, PCB trimmings, plastics, package materials, pallets and waste paper/paper boxes; hazardous wastes include waste solutions and others.

Statistics of disposal methods for various wastes in each facility are as shown in the table below:

### • Hazardous Wastes

Unit: tons

Treatment Process Facility	Reuse	Recycling	Landfill	Incineration	Materialization
Zhangjian	0	0	1.26	75.20	70.90
Jinqiao	0	18.25	0	111.26	0
Shenzhen	0	64.93	0	27.64	0
Kunshan	0	0	0	4.36	0
Taiwan	7.60	0	0	0.34	0
Mexico	0	0	0	0	0

### • Non-Hazardous Wastes

Unit: tons

Treatment Facility	Reuse	Recycling	Landfill	Incineration
Zhangjiang	0	561.40	24.00	0
Jinqiao	0	335.07	57.70	0
Shenzhen	459.17	1,912.78	117.62	0
Kunshan	0	590.35	43.91	0
Taiwan	32.40	137.12	0	138.56
Mexico	0	357.86	15.14	0

## Air Pollution Control

USI strictly controls hazardous and harmful substances required for manufacturing procedures in its facilities. In addition to using low-toxic substances, chemicals are stored in accordance with their hazard characteristics, storage facilities comply with laws and regulations, the labeling of hazardous substances conform to laws and regulations and GHS, and safety data sheets (SDS) are available in operation sites. Additionally, ventilation has been improved in operation environment, operation environment is inspected in accordance with laws and regulations, operators receive hazardous substances training and drills on a regular basis, and emergency treatment equipment is equipped.

In the light of air pollutants, Zhangjiang facility and Shenzhen facility do not have rules and regulations to request tests. With respect to nitrogen oxides, sulfur oxides and suspensions, only Zhangjiang facility has spontaneously carried out tests and disclosure. In the future, USI will request other facilities to disclose air pollutants. Related data are as shown in the table below:

### • Air Pollutants

Unit: Kg

Category \ Facility	Zhangjiang	Shenzhen	Taiwan
Volatile organic compounds(VOC)	11,412.18	14.17	8,938.31
Nitrogen oxides(NOx)	2,016.90	N/A	N/A
Sulfur oxides(SOx)	10.78	N/A	N/A
Particulate matter(PM)	4,892.39	N/A	N/A

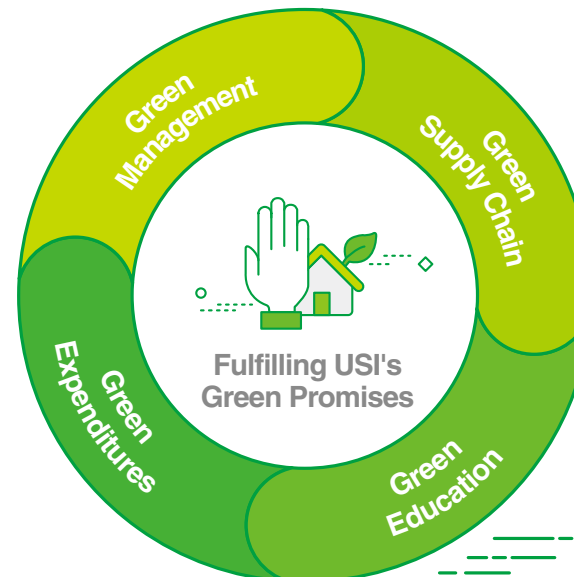
Note:

1. The discharge amount of Zhangjiang and Shenzhen facilities are based on the discharge concentration × exhaust × days of discharge × 24 hours ÷ 10<sup>6</sup> in the report of local third party testing institutions.
2. The discharge amount of Taiwan facility is based on the declared amount of air pollution fees collected by local environmental protection organizations, which is calculated with mass balance.

## Green Promise

To present the corporation's green promotion, and pursue harmonious dialogs between and coexisting development of environment and culture, USI established Green & Environment, Health and Safety Management Department to assure products and operating systems comply with international environmental regulations and clients' standard requirements. Within the green supply chain, from product materials procurement to product final disposal, a series of preventive green-management measures were implemented in order to reduce the environmental impact of the product and production process.

Meanwhile, USI conveyed earth-loving, eco-friendly and green concepts through meetings, training sessions and forums. Through a 3-way partnership, enterprise, employees and suppliers, USI fulfilled Green Promises as an enterprise citizen.



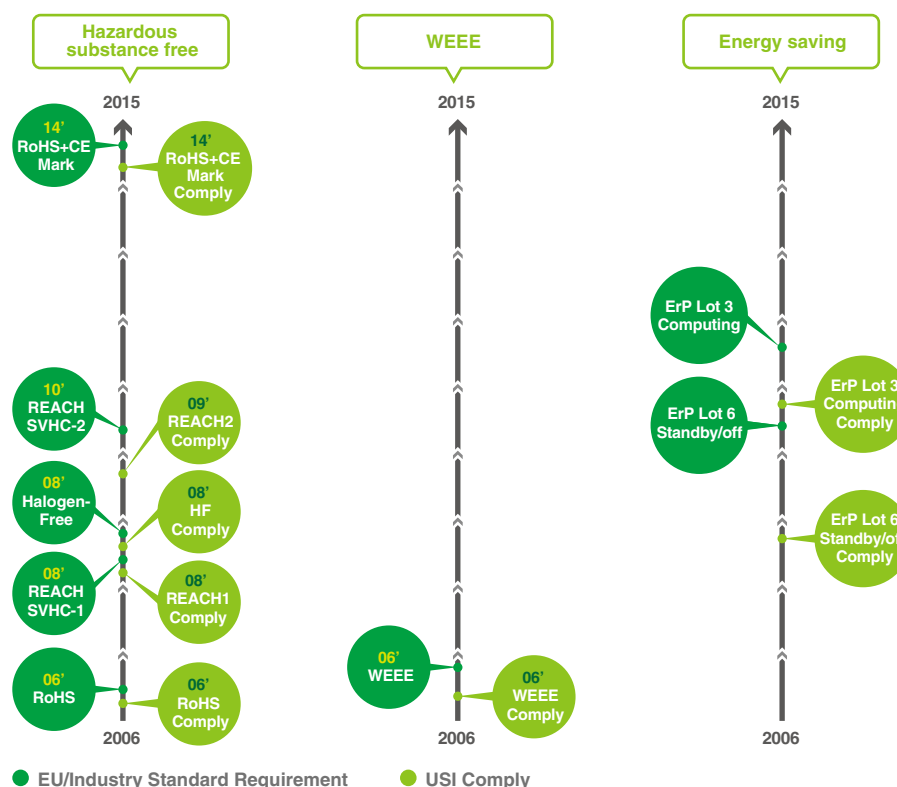
#### • Four Green Promises of USI



#### Green Management

With respect to the strategies of green management and ecological design on products, USI continuously commands the latest 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, and they can manufacture green products (as shown in the picture below) conforming to requirements prior to the request of European Union environmental protection directives. The range of chief environmental protection laws and regulations is as follows:

#### • Process of green products conforming to European Union directives



### 1. RoHS Directives for Electronic Products :

- ▶ To conform to the RoHS Directives (Restriction of Hazardous Substances) of the European Union, since 2015, we have adopted corresponding measures based on RoHS 2.0 of the European Union with conformity technical files to ensure our products definitely conform to the directives. Additionally, in the light of four restricted substances, di(2-ethylhexyl) phthalate (DEHP), benzyl butyl phthalate (BBP), dibutyl phthalate (DBP) and diisobutyl phthalate (DIBP), we have requested suppliers not to use them on the products. In addition to the RoHS Directives of the European Union, products that USI designs and manufactures also comply with the laws and regulations in the area of product sales for customers or the voluntary standard such as no brominated flame retardants are used on the plastic cases of our products.
- ▶ USI renews the latest substances of very high concern (SVHC) in REACH (Registration, Evaluation and Authorization of Chemicals) of the European Union on a regular basis. On December 17 2015, USI promulgated the newly-added five SVHC of the fourteenth batch, and there are 168 SVHC in REACH on our list.
- ▶ The request of China RoHS, Japan RoHS and others.
- ▶ Halogen-free components and manufacturing requirements reduce the content of hazardous substances in products.
- ▶ Battery directive and packaging material related regulations(PPW).

### 2. The Recycling and Management of Waste Electronic Products:

EU's Waste Electrical and Electronic Equipment (WEEE) Directive.

With respect to the ecological design of our products, we comply with WEEE to mark recycling labels on our products and provide dismantling instructions for each product. As a result, our products can easily be dismantled before being recycled to reduce the waste of resources.



Recycling label in the system



Recycling label on lithium battery

### 3. Product Eco-Design and Energy Management:

- ▶ Such as EU's ErP (Eco-design Requirements of Energy-using Products) Directive and US's CEC (California Energy Commission).

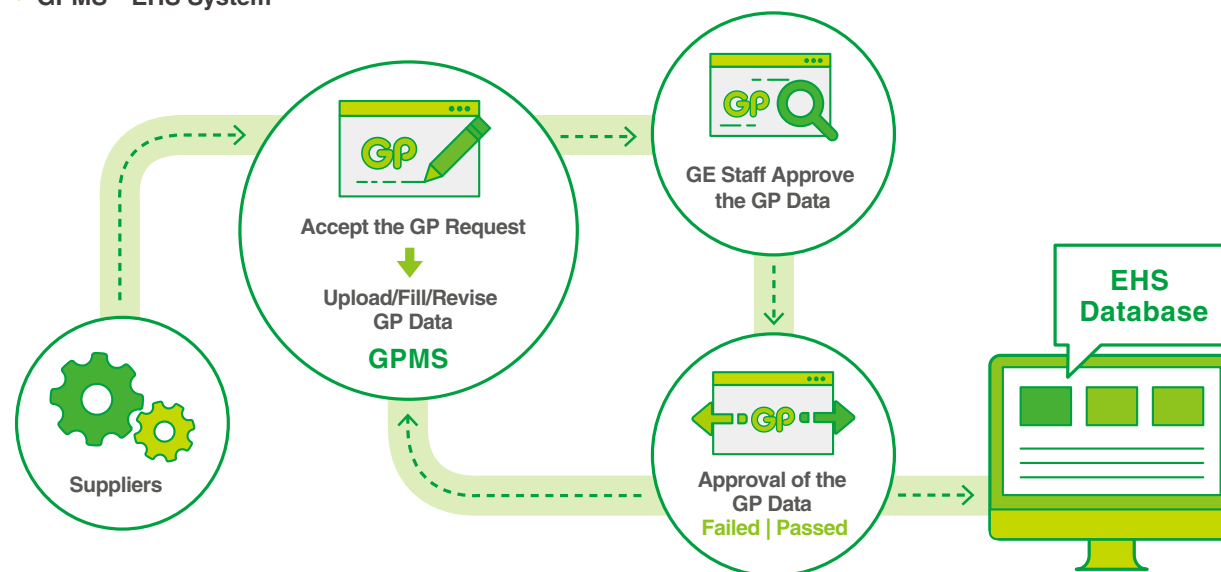
#### • Three main aspects of Eco-design of green product

Environment Directives	Requirements	USI' DfEs
<b>RoHS</b>	<ul style="list-style-type: none"> <li>• Low-polluting</li> <li>• Non-toxic</li> </ul>	<ul style="list-style-type: none"> <li>• Phase out the use of BFRs</li> <li>• Phase out the use of PVC</li> <li>• Use non-halogen materials</li> </ul>
<b>WEEE</b>	<ul style="list-style-type: none"> <li>• Recyclable</li> <li>• Easy to take apart</li> <li>• Easy to process</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the number of tools used to take machines apart</li> <li>• Introduce the labeling for recyclable plastics</li> <li>• Increase the percentage of recyclable module designs</li> </ul>
<b>ErP</b>	<ul style="list-style-type: none"> <li>• Energy-saving</li> <li>• Resource-saving</li> <li>• Reduced environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the energy consumption of machinery in stand-by or off mode</li> <li>• Increase the efficiency of energy conversion of EPS</li> <li>• Keep machinery in power-saving mode</li> </ul>

USI has ecological design capabilities for products, plans green products conforming to global laws and decrees, and responds to the trend of continuous development of green products. Meanwhile, with respect to the management of hazardous substances in the environment, USI continuously strengthens the function of green product management system (GPMS) and the establishment of a database for environmental hazardous substances (EHS) (as shown in Picture). Moreover, through standards for green environmental protection products and the operating procedure of Design for Environment (DfE), USI synchronously verifies with USI's project development unit and clients, helps evaluate the life cycle of products, and obtains required environmental protection marks based on clients' demand. Each year, USI assures that our plants

home and abroad pass the inspection of the third unit and complete the examination of "Environment management system", "hazardous substance management system", "GHG management system" to rapidly respond to the change of international environmental protection laws and regulations and conform to them.

#### • GPMS 、EHS System



#### • Schedule for the Introduction of Green Management System

Management System	Zhangjiang	Jinqiao	Shenzhen	Kunshan	Taiwan	Mexico
ISO 14001	2004	To be introduced in 2016	2001	2012	1998	2006
IECQ QC080000	2007	2015	2007	2012	2006	2007
ISO 14064-1	2010	2015	2010	2011	2009	To be introduced in 2016

#### • ISO14001 、IECQ QC080000 and ISO14064-1 Certificates



### Design Results of Green Products

To respond to the global environmental and power saving trend, USI has proactively developed new technology and closely worked with its suppliers. USI follows its green environmental protection policies, and materials that it uses conform to the requests of HSF (Hazardous Substance Free), RoHS (Restriction of Hazardous Substances 2002/95/EC) and WEEE (Waste Electrical and Electronic Equipment Directive 2002/96/EC). Additionally, energy saving design has been introduced to make sure that its products conform to the latest international energy consumption regulations, Energy Star and Energy-related Product (ErP). Moreover, with the principle of eco-design, USI reduces the use of energy with design for reduce. In this way, the company is then expected to overcome environmental challenges such as: the use of material, energy saving and carbon reduction, utilization of water resources, pollution and emission, waste of resources and recyclability.

### • Medium to long-term objectives

Items	2016	2016-2018
<b>DC-DC Converter Efficiency</b>	Full load 91%	Full load 93%
<b>External power supply</b>	Conforming to European Union CoC Level 6 Tier-1 and Level 6 of United	Conforming to European Union CoC Level 6 Tier-2 and Level 6 of United States Department of Energy
<b>Internal power supply</b>	Conforming to 80 PLUS platinum	Conforming to 80 PLUS titanium

Each business unit has relevant design for green products in 2015. The key points and environmental/economic benefits of each design are as shown in the following table:

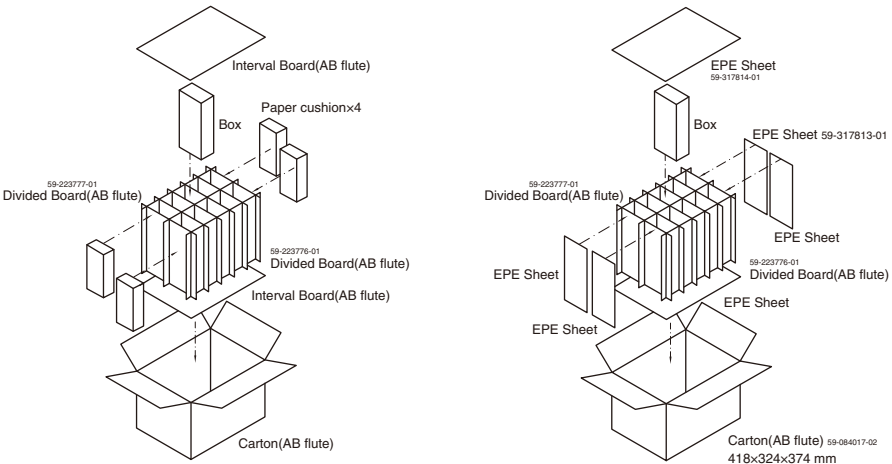
Product Category	Key Feature(s) of the Green Design	Benefits
<b>Smart Handheld Device - System part</b>	<ul style="list-style-type: none"> <li>Body safety electromagnetic wave design</li> </ul>	<ul style="list-style-type: none"> <li>Conforming to SAR regulations to reduce the harm of electromagnetic waves to human bodies</li> </ul>
<b>3C electronic products - electronic and machine parts</b>	<ul style="list-style-type: none"> <li>Selection of components, semi-finished products or finished products</li> </ul>	<ul style="list-style-type: none"> <li>Conforming to RoHS regulations on prohibition on use of detrimental materials, recycling of waste electrical and electronic equipment (WEEE) and energy saving laws for energy-related products (ErP)</li> </ul>
<b>Smart Handheld Device - Mechanical Design</b>	<ul style="list-style-type: none"> <li>RoHS and 3R (reduce, reuse and recycle)</li> </ul>	<ul style="list-style-type: none"> <li>Mechanical parts meet the RoHS &amp; 3R spec</li> </ul>
<b>POS, Desktop</b>	<ul style="list-style-type: none"> <li>The product design shall take the eco-environmental index and efficiency under consideration.</li> </ul>	<ul style="list-style-type: none"> <li>Designs since 2005 shall be 100% RoHS compliant.</li> <li>USI's design projects for specific products have 100% introduced wire rods with low phthalates since 2014.</li> <li>Since 2015, all AC Adaptors of POS designs are created in accordance with the Energy Star Level 6 regulations. That is, not only to decrease the standby power lower than 0.1W, but also to increase the power conversion efficiency higher than 87.4%.</li> <li>80 Plus Silver medal efficiency is elevated to golden medal efficiency</li> </ul>



Product Category	Key Feature(s) of the Green Design	Benefits
NAS	<ul style="list-style-type: none"> <li>Labels are simplified</li> <li>Packaging design is renewed to increase space usage</li> <li>Impact of material handling upon environment is taken into consideration when adopting raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the use of labels on boxes for products by printing information on a label or directly on the box. For example, battery warning labels are not used on the box, and the information is directly printed on the box</li> <li>Smaller pallets are designed for smaller shipments to save wood for pallets and reduce area when products are shipped</li> <li>New products use DC/DC power chips with less peripheral devices</li> <li>When developing new products, common materials are used to reduce the kinds of materials used and carbon emission due to material handling</li> </ul>
SSD	<ul style="list-style-type: none"> <li>Energy saving and carbon reduction</li> </ul>	<ul style="list-style-type: none"> <li>SSD products support ultra low power mode. SATA SSD products support the function of DEVSLP and reach the standby power &lt; 20mW. Certain products can even reach the standby power &lt; 1mW</li> <li>Power designed to achieve the most efficient output by using PWM mode under medium/high load conditions, and to reduce waste when switching to PFM mode under light load conditions</li> </ul>
Server	<ul style="list-style-type: none"> <li>Structures are simplified</li> <li>Green environmentally-friendly elements are used</li> <li>Modularization</li> </ul>	<ul style="list-style-type: none"> <li>The design structure of the system is simplified, and Tool-less and Cable-less are introduced to reduce the kinds of materials used on products to save energy and make eco-friendly products</li> <li>RoHS and HF material components and PCB are adopted to reduce the impact of heavy metals upon the environment</li> <li>Modularized product design makes it easy to renew and upgrade primary components, which helps prolong the life cycles of products. In addition, the design makes it easy and eco-friendly to dismantle and recycle products</li> </ul> <hr/> <ul style="list-style-type: none"> <li>To make the best control of fans by developing the control mechanism of CPU and Virtual hard drives anytime so that fans can have the lowest rotational speed when CPU or HDD is at the standby mode to minimize electric consumption</li> <li>The efficiency of Power (Vcore/DDR) DC-DC on main boards can reach 90% when the load of the system is over 20% to make the best use of energy</li> <li>Highly efficient power components and platinum and titanium energy consumption power supplies are adopted to make the power efficiency of CPU and memory better than 92% when it is fully loaded</li> <li>"Intel Node Manager", advanced power management mechanism, is integrated to BMC/BIOS. In addition, USI has designed smart heat dissipation system configuration for different systems to provide highly efficient, energy saving and eco-friendly solutions</li> </ul>

Important Achievement

- USI is devoted to green design. The design of all-in-one PCs developed for the new platform of Intel Skylake in 2015 has satisfied the norms of ErP Lot 3/Lot 6 of the European Union and completely achieved the goal of energy saving and carbon reduction. Components used for the product have been examined by specialized units, and a lead-free manufacturing process has been introduced to produce it. The product has obtained GS certification to guarantee its safety. Additionally, it has received 100% safety and health impact evaluation, and responding strategies have been drafted.
- The products of USI conform to RoHS Directive 2002/95/EC of the European Union. In 2015, the plan of EPE foam reduction for 99EX products was implemented, and paper cushions are used to replace EPE foam for packaging as shown in the picture. In 2015, a total of 10,208,534 cubic centimeters of EPE foam was reduced, and a total of RMB 89,868.8 was saved for costs.





Note: From April to December 2015, the shipping quantity of 99EX was 140,412 sets (14,042 boxes in total were shipped). 727 cubic centimeters of EPE foam were used for each box, and RMB 6.4 was saved for each box.

- When "WM-BAC-BM-31" module was designed in 2015, our clients requested us to use metallic antennas. However, after we evaluated the design, we decided to use one metallic antenna and one printed circuit antenna for the module. The actual testing results show that the entire efficiency of antennas has been slightly enhanced, and the module has been praised by our clients as well after they tested it. The same antenna structure (one printed circuit antenna and one metallic antenna) has been applied to our "WM-BAN-BM-37" product which has been recognized by our clients as well.

Benefits are as follows:

- A. 50% of plug-in antenna components have been reduced, implying that half of plug-in antennas have been reduced. This has naturally reduced waste water, consumables and energy consumption when antenna manufacturers manufacture metallic antennas.
- B. Comparison of antenna efficiency: The information and data transmission efficiency (one meter apart; information and data are transmitted with MCS15 modulation) of competitor design (two metallic antennas) and USI/WP design has been compared in the table below. It shows that the consumables of USI/WP are reduced, and it is more efficient as well.

	Competitor Design 2 metallic antennas	USI/WP Design 1 metallic antenna + 1 printed circuit antenna
		
2G efficiency	60%~80%	71%~81%
5G efficiency	43%~60%	60%~81%
2G throughput	Tx:143M, Rx:169M	Tx:146M, Rx:172M
5G throughput	Tx:156M, Rx:155M	Tx:155M, Rx:166M

Note: Throughput: All modules are used MCS15 HT40(300M) in Chamber (1 meter)

### • Cleaner 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, Taiwan, Shenzhen and Kunshan facilities have successively obtained cleaner production certification. It is planned that Jinqiao facility will receive related certification in 2016. USI will continue to devote itself to the promotion of cleaner production and the establishment of a green factory.

Improvement plan for packaging of recycling trays in Taiwan facility

Plan	Amount of energy/resources saved and consumed (year)		Benefits (amount saved/year)	Explanation
	Before improvement	After improvement		
Improvement of packaging of recycling tray	Bottom film: 2,940 pieces	Bottom film: 98 pieces	Bottom film: 2,842 pieces	<ul style="list-style-type: none"> <li>Consumables used for tray pallets are dust-proof, and PE has to be laid. PE films use pallet plastic wrapping which is not easy to be laid and to be fixed. In addition, it causes environmental pollution</li> <li>PE films are replaced with PE plastic bags which can be recycled and reused and which reduce operational costs. After being tests, the bags can be used for approximately 30 times</li> </ul>
	Up film: 2,940 pieces	Up film: 98 pieces	Up film: 2,842 pieces	
	Side film: 2,940 pieces	Side film: 0 pieces	Side film: 2,940 pieces	
	(911Kg)	(64Kg)	(847Kg, 93%)	

#### Before



Two people have to work together as PE films are easy to be torn when the bottom layer is laid.

#### After



### Green Supply Chain

The trend toward sustainable development of Green Products 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, 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 and eventually be transformed into a Green Enterprise.

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 Specifications and Regulations on Chemicals stipulated by USI, and suppliers should provide ingredient tables for components, test reports, declarations of conformity and safety information for its environmental, safety and health department to examine before the components can be used.



## 30 Times

PE films have been replaced by eco-friendly PE plastic bags which can be used approximately 30 times after being tested

## 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. An e-learning program was added to USI's internal training that informed the employees of GP-related regulations, requirements, operating procedures and eco-friendly materials.

To meet customer requirements, USI was not only keen to participate in international forums that disclose carbon emission details, 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.

### • The Green Education Training Program

Courses	Course Content
Introduce the GP Quality Management System	<ul style="list-style-type: none"> <li>International environmental regulations and requirements for green products</li> <li>Framework of green management system</li> <li>The operating procedure for GP design/manufacture</li> </ul>
Assess the Specs of GP and Parts	<ul style="list-style-type: none"> <li>Require the data about green parts</li> <li>Keep track of Green raw-materials inventory</li> <li>Recognition and change of Green raw materials</li> <li>Recognition of the green environmental products</li> </ul>
Introduce Relevant Laws on GP	<ul style="list-style-type: none"> <li>EU RoHS and RoHS 2.0</li> <li>China &amp; Japan RoHS</li> <li>Halogen-Free</li> <li>REACH</li> <li>USA_CEC</li> <li>The relevant regulations of Battery</li> <li>WEEE directive</li> <li>ErP</li> <li>USA_Energy Star</li> <li>Eco-label &amp; EPEAT</li> <li>Carbon Footprint</li> </ul>

## Green Expenditures

USI complies with and conforms to the requirements of environmental protection laws and regulations of other countries. The manufacturing processes of and materials used in each facility do not produce any pollution, and waste is cleared, transported and disposed by qualified firms in accordance with environmental protection laws and regulations. In 2015, there was no violation of environmental laws and regulations and environmental pollution. USI has stipulated four expenditure items, and its environmental protection expenditure in 2015, totaling US\$1.88 millions, is as shown in the following table:

### • Expenditures of Environmental Protection

Unit: USD

Expenditure Items	Amount of Expenditure in 2015
Cost of pollution prevention	173,331
Prevention of Climate Change	291,063
Cost of disposing industrial waste	369,865
Others	1,048,218
<b>Total</b>	<b>1,882,447</b>

Note:

- The statistics covered Zhangjiang, Jinqiao, Shenzhen, Kunshan and Taiwan facilities.
- "Others" item cover green procurement, eco-friendly product, educational training, related certification and environmental donation.



## 05 Employee Care and Cultivation

Human capital is important seed for the constant growth of USI, requiring considerate care and irrigation. Therefore, we contributed to build high quality, safe, and challenge working environments.

## 05 Employee Care and Cultivation


Besides strictly ensuring the safety and health in the workplace and caring of employees' physical and mental health, we also provided well systematic training programs. Through multiple training and development programs, employees could continually grow and increase their professional value. There is also comprehensive welfare system in the company to ensure various employee rights. Managers base on human oriented management philosophy to foster employee's sense of achievement and commitment to maintain harmonious employer-employee relations.

### Human Rights Policy

The spirit of EICC was incorporated in USI's corporate sustainability policy in June 2008 in order to protect workers' freedom of employment, humane treatment, freedom of assembly and for prevention of discrimination. Employee information database is carefully maintained.

USI obeys the local labor laws and acts, and all USI employees must observe Employee Codes of Conduct. USI also requires each department to consider their physical and mental condition. Practicing dangerous work won't be allowed. When hiring foreign employees, employment contract must be signed according to local regulations, to ensure employees' personal certificates or property don't need to be retained when formally working for USI.

USI "Employee Work Rules" point out clearly:

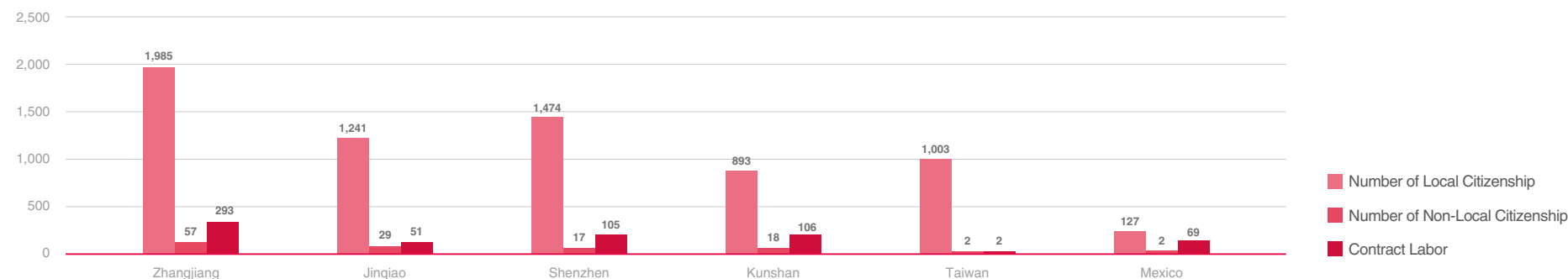
- 
- ▶ **No recruitment of child labor**
  - ▶ **Inform employees before dismissal and give severance pay**
  - ▶ **Employees' salary must not lower based salary standard of the governmental regulations**
  - ▶ **Extending work-hour due to business/work requirements must be processed according to Labor Standards Act**
  - ▶ **Prohibition of sexual harassment in the workplace**
  - ▶ **Enforce "non-discrimination" policy: no one will be discriminated regardless of race, religion, skin color, age, sex, nationality, and disability**

All USI employees must learn Employee Codes of Conduct online for at least 0.5 hours and total training is 7,613 hours in 2015. Additionally, employee human rights educational training such as EICC educational training is conducted. Total training hours of human rights education at all facilities in 2015 is 12,071 hours, and 11,252 employees, accounting for 73.90%, received the training.

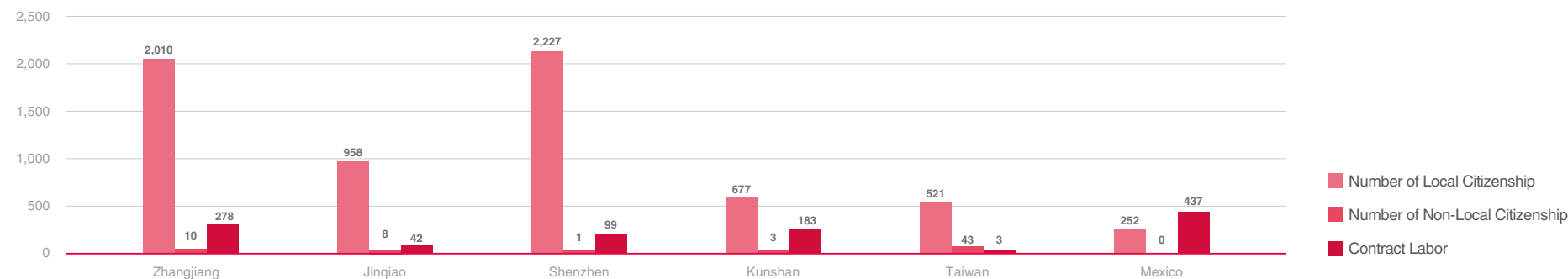
## Global Workforce

USI has a workforce of (contain contract labor) 15,226 in total up to the end of 2015, including 12,765 in Zhangjiang, Jinqiao, Kunshan and Shenzhen; 1,574 in Taiwan and 887 in Mexico. It consists of 981 at the management level, 1,180 administration personnel, 3,095 technical personnel (including 1,842 R&D personnel accounting for 12% of total workforce), and 9,970 skill personnel. 7,752 or 51% of USI's workforce composes of women.

### • Contract Category (Male)



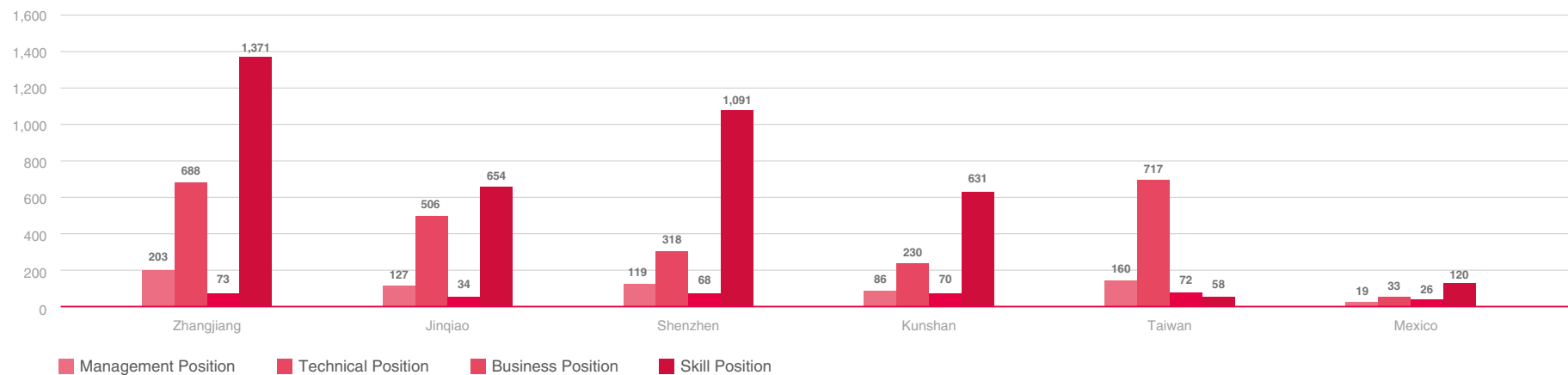
### • Contract Category (Female)



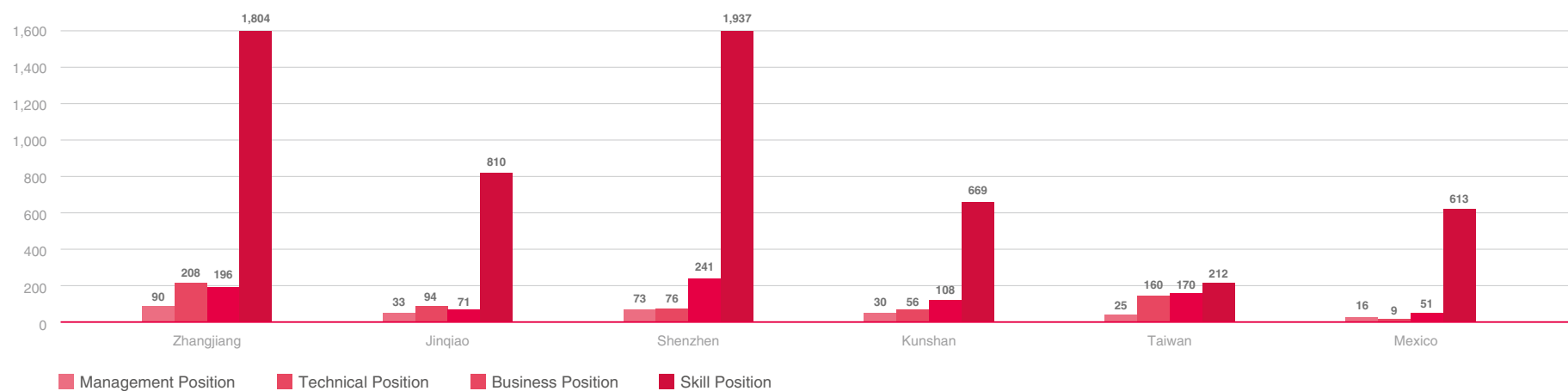
Note: Dispatched workers only work in Taiwan Facility, man: 41 person, woman: 18 person, total: 59 person.



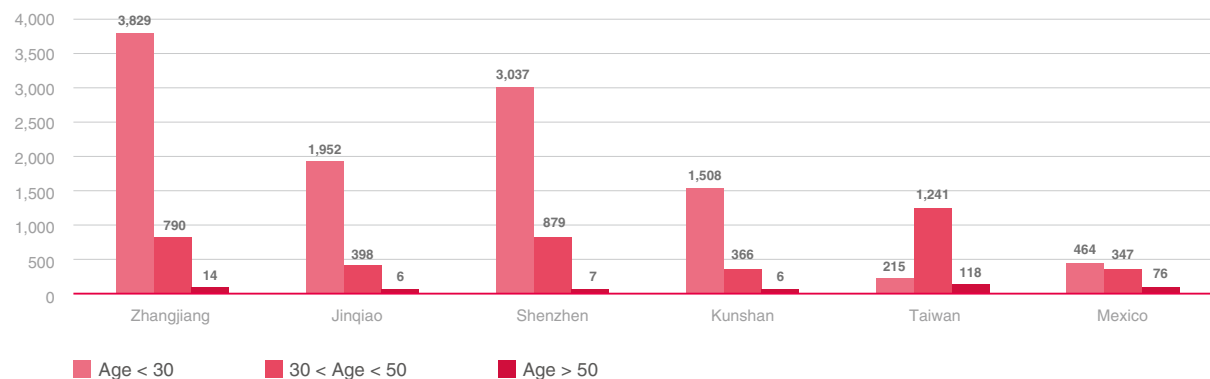
### • Employee Categories (Male)



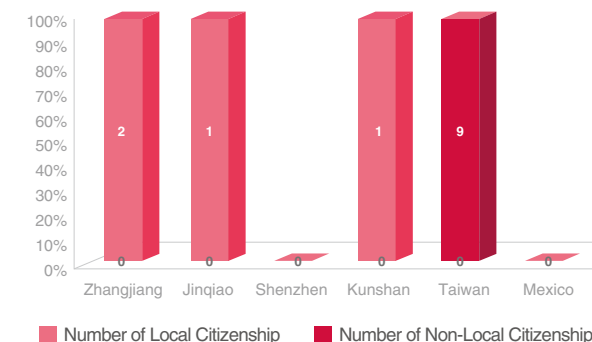
### • Employee Categories (Female)



### • Distribution of Employees' Ages at All Facilities



The proportion of hiring local citizens as high profile managers in each facility is as shown in the following table. The rest managers are Taiwanese supervisors due to operational demand.



Note: High profile managers are vice general managers.

## Promises for Employees

### • USI Promises for Employees From Five Aspects



## Equal Employment Opportunity

USI provided developmental training programs, comprehensive welfare system, comfortable and convenient working environments. USI also established excellent communication channels, cared conditions for building up a sense of belonging and reducing employee turnover rate. 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 lists verified by each department, the recruiting department announced advertisements and recruitment procedure, and then hold recruitment publicly.

As recruiting employees, USI also followed fair and righteous principles regardless of age, sex, race, religion, nationality, or political party. USI treated all employees equally without bias and discrimination.

### • Statistics of New Employees and Staff Leaving Office

#### ► Distribution of Newly-Employed Staff

Facility	Zhangjiang	Jinqiao	Kunshan	Shenzhen	Taiwan	Mexico	Total
Male	1,868	2,671	1,066	868	144	125	6,742
Female	2,596	3,717	2,196	1,019	77	729	10,334
Age < 30	4,230	5,927	3,024	1,820	121	631	15,753
30 < Age < 50	233	461	238	67	96	214	1,309
Age > 50	1	0	0	0	4	9	14
Percentage of New Employees	96%	274%	83%	100%	14%	96%	112%

#### ► Distribution of Staff Leaving Office

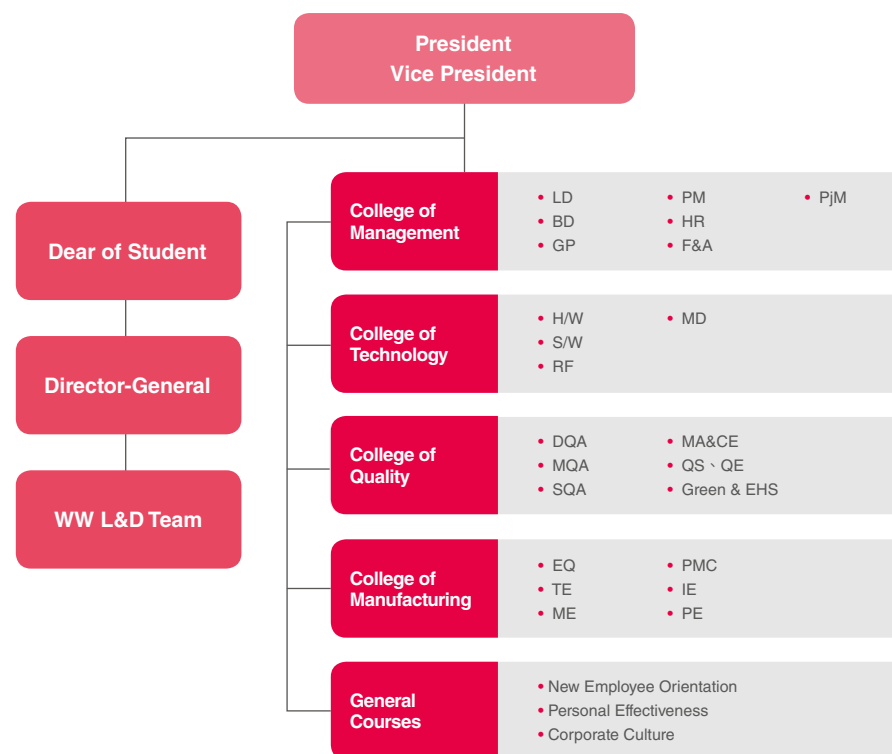
Facility	Zhangjiang	Jinqiao	Kunshan	Shenzhen	Taiwan	Mexico	Total
Male	2,104	3,256	1,119	837	96	105	7,517
Female	3,075	3,786	2,279	1,102	97	659	10,998
Age < 30	4,838	6,506	3,127	1,859	113	546	16,989
30 < Age < 50	341	536	270	79	73	205	1,504
Age > 50	0	0	1	1	7	13	22
Percentage of Staff Leaving Office	112%	302%	87%	103%	12%	86%	122%

Note: The Jinqiao facility has higher personnel turnover rate because it takes orders by batches.

### Integral Training Program

#### • Employee Learning and Development

Through multiple educational training, USI helps its employees cultivate professional abilities and grow. The most important learning and development system of USI is USI University (hereinafter referred to as USIU). USIU has "Management College", "Technology College", "Quality College" and "Manufacturing College" to integrate global learning resources and build an innovative learning environment for its employees to learn and develop. In 2015, total training hours reached 203,397 hours, and 15,226 employees received the training. Each employee received 13.4 hours of training on average.

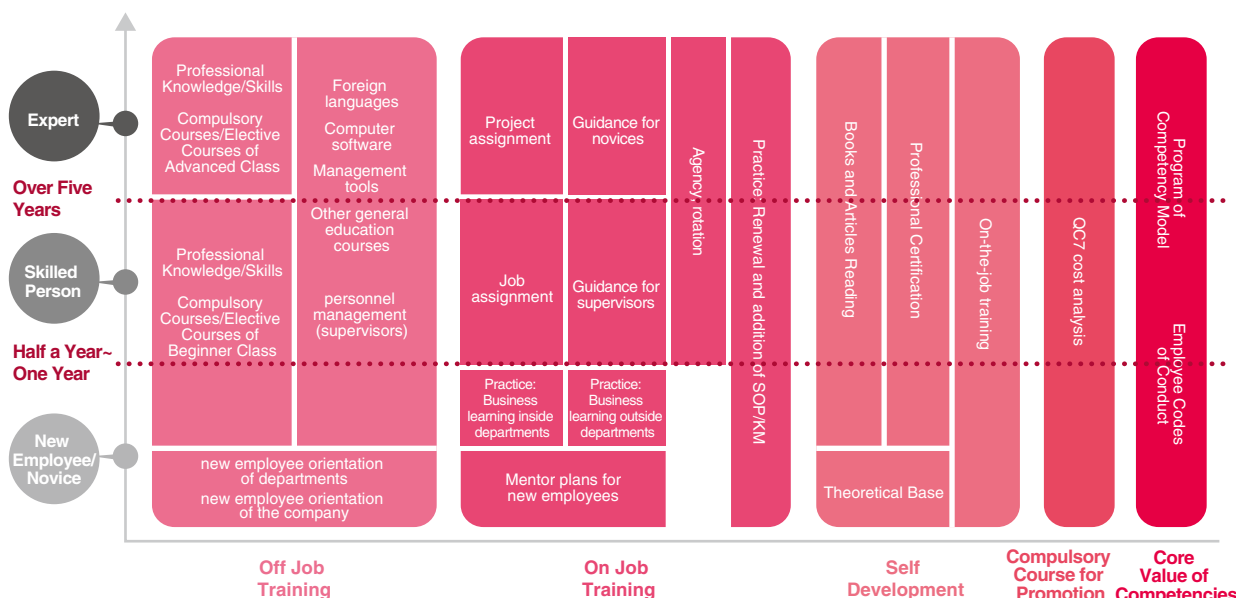


• Distribution of Average Training Hours of Employees

Category	Training Hours	Zhangjiang	Jinqiao	Shenzhen	Kunshan	Taiwan	Mexico	Total
Magagement Position	Total Training Hours (Male)	3,912.8	1,680.0	400.5	1,233.9	5,837.8	117.0	13,182.0
	Total Training Hours (Female)	1,467.3	360.0	245.5	447.1	849.5	48.0	3,417.4
	Average time of Training (Male)	19.3	13.2	3.4	14.3	36.5	6.2	18.5
	Average time of Training (Female)	16.3	10.9	3.4	14.9	34.0	3.0	12.8
Technical Position	Total Training Hours (Male)	3,488.9	8,640.0	913.6	2,403.2	20,263.4	1,181.0	36,890.1
	Total Training Hours (Female)	1,287.9	7,704.0	217.0	707.2	4,609.7	951.0	15,476.7
	Average time of Training (Male)	5.1	17.1	2.9	10.4	28.3	35.8	14.8
	Average time of Training (Female)	6.2	82.0	2.9	12.6	28.8	105.7	25.7
Business Position	Total Training Hours (Male)	3,016.1	10,500.0	119.8	821.6	1,072.6	1,571.0	17,101.1
	Total Training Hours (Female)	3,570.4	1,350.0	445.0	1,189.5	2,197.2	195.0	8,947.1
	Average time of Training (Male)	41.3	308.8	1.8	11.7	14.9	60.4	49.9
	Average time of Training (Female)	18.2	19.0	1.8	11.0	12.9	3.8	10.7
Skill Position	Total Training Hours (Male)	26,998.3	4,200.0	982.7	10,425.0	683.8	783.0	44,072.8
	Total Training Hours (Female)	30,911.1	3,888.0	1,747.1	13,820.1	2,944.9	10,999.0	64,310.2
	Average time of Training (Male)	19.7	6.4	0.9	16.5	11.8	6.5	11.2
	Average time of Training (Female)	17.1	4.8	0.9	20.7	13.9	17.9	10.6
Total	Total Training Hours (Male)	37,416	25,020	2,417	14,884	27,858	3,652	111,246
	Total Training Hours (Female)	37,237	13,302	2,655	16,164	10,601	12,193	92,151.3
	Average time of Training (Male)	85	346	9	53	91	109	14.9
	Average time of Training (Female)	58	117	9	59	90	130	11.9

With the mission of establishing an innovative learning environment in order to reach a high operational performance, USIU is dedicated to enhance the quality of human resources, leadership management and innovative research and development ability inside the organization. It has targeted employees with different competence to plan various staff trainings and courses, provide them a complete learning system, help them to solve work issues and enhance their professional competence in order to reach the organizational target.

#### • USIU's Learning and Development Path



To provide training courses required by comprehensive talents, USIU not only offers diverse educational training content, but also designed the methods of taking the class and relevant activities based on the course category. For example, case study, group discussion and experience learning. In the meantime, USIU also offers on-line courses to help USIU employees to learn and develop themselves.

For many years, USIU has developed excellent teachers and fine knowledge for delivering culture. And by providing employees with high quality and compromising courses, USIU developed world-class talents and promoted industrial competition for USIU.

The company's library also offers over a hundred of management, electronic technology and computer periodicals and magazines from the world. This helps employees to flexibly and instantly replenish their professional knowledge.

#### • Various Employee Education and Training Courses of USIU

##### ► Orientation training program

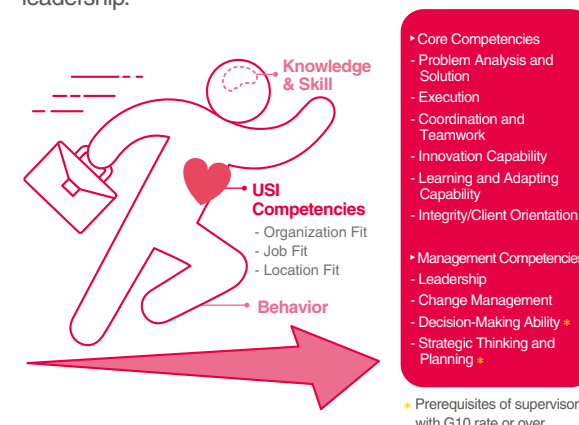
When newcomers enter the company, USIU quickly arranges guidance courses with three phases to help them understand the operation of company. Then, USIU will provide tailor-made professional skill courses for each newcomer to quickly get into the working environment. The training program includes EICC (Electronic Industry Code of Conduct) training courses.

##### ► Core Competencies Courses

Employees' core competencies and the company's future development are closely related. To enhance employees' abilities in their core competency area, USIU has offered a series of courses based on employees' specialty to help them reach another level.

##### ► Management training course

USIU plans a series of management courses for administrators in the company, promoting administrators' ability of communication and negotiation and their leadership.



### ► Professional Cultivation Courses

"College of Management", "College of Science and Engineering", "College of Quality" and "College of Manufacturing" have designed a number of compulsory and elective courses based on professionals' job and nature of work. These practice-oriented courses have, through lecturers' sharing of experiences and case studies, simulated the real working environment. After the trainings, participants must pass an examination to ensure their ability of applying these newly learned skills and knowledge at work.

### ► Direct employee training

In order to keep developing operative ability of production for direct employees after entering the manufacturing facilities, USI invites engineers or administrators with excellent expertise as internal lecturers. USI also teaches employees working methods and skills directly according to their different operation features.

### ► Personal Efficiency Courses

A good balance between employees' work and life is also one of USI's goals. Therefore, USI has arranged a series of personal efficiency courses including all types of tools and skills, workplace etiquette, legal knowledge, language skills, and stress release and health.

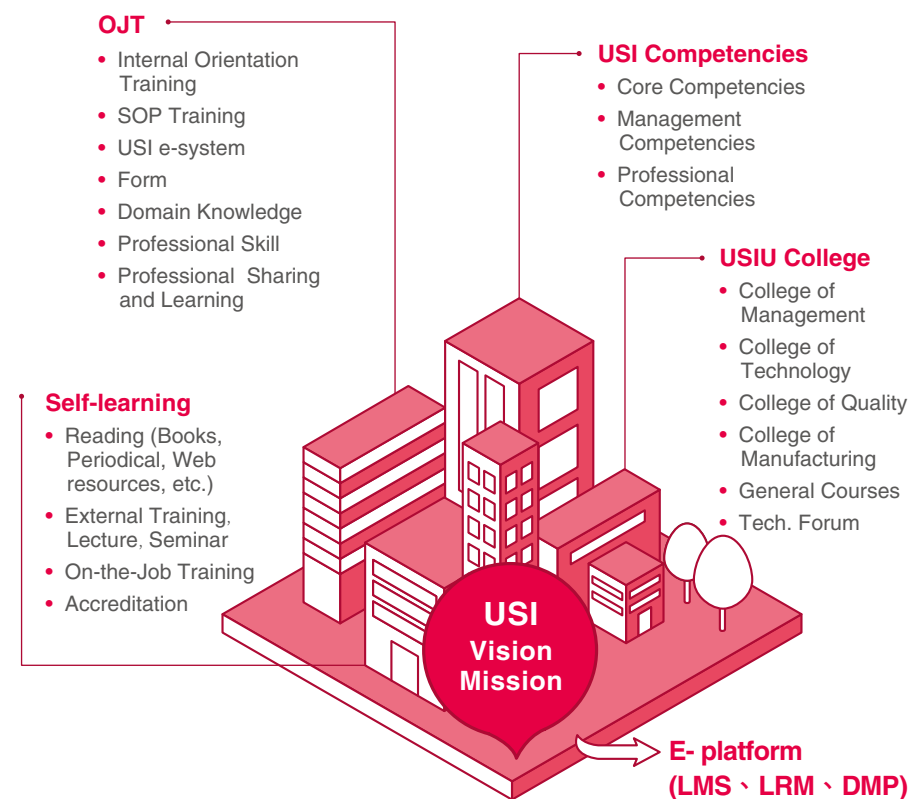
### ► On-the-Job Training (OJT) Professional Certification Course

Being a newly-built factory, Jinqiao Facility has rapidly established a system of professional certification courses for engineers in the past one year. In addition, it continues to perfect its auditing and tracking mechanism and deepen its courses through trial and error. In the aspect of engineers' professional knowledge and personal professional skills, the facility has provided professional and top-grade service for its courses.

### ► External Trainings

USI dispatches employees to national and international training institutions, schools and business consultancy firms to take on-the-job trainings and to learn up-to-date professional knowledge and skills.

Based on the target of establishing a learning organization, USI continues to assist employees to achieve self-growth. In the future, we will continue to pay attention to the cultivation of professional talents, to develop comprehensive trainings, and to promote the development of USI and our employees.



## Comprehensive Welfare and Salary System

### • Salary Management Strategy

USI is willing to give employees reasonable rewards for what they have given for the company. A competitive remuneration system is established based on salary standards in the market, workers' competitive outside of the company and the demand and supply in the employment market. USI provides reasonable payments to employees by adjusting their salaries and providing bonuses based on company's business status, annual employee performance assessment and auditing results and how well the workers perform in their positions.

### • USI sets up salary systems according to the following concepts

- ▶ Recognize employees' contribution 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.

USI abides by local labor laws and decrees, and the starting salaries and rewards of its employees do not vary due to gender, religion, political affiliation and marital statuses (the proportion of starting salaries of male and female employees is 1:1). The proportion of starting salaries of direct labor at all facilities and local minimum wages is as shown in the chart below. Additionally, the proportion of salaries of male and female employees is approximately 1.2:1. The proportion of salaries of male and female employees of different categories is as shown in the chart below.



Note:

Proportion of starting salaries of direct labor and local minimum wages = Starting salaries of direct labor ÷ local minimum wages

Proportion of male and female salaries = Salaries of male employees ÷ Salaries of female employees



• **Employee Performance Appraisal**

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 were set up to execute 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 ability, soft skills, and working attitude. Through the performance evaluation system, we hoped to help employees reach their personal and organizational performances targets, stepping forward to the integral goals set up by USI.

• **The proportion of employees receiving regular performance and function development review based on employee types and gender in 2015.**

Gender	Hiring Types	Amount of the Employees	No. of Employees accepted Regular Examinations	Percentage of Employees accepted Regular Examinations
Male	Management Position	714	674	94%
	Technical Position	2,492	2,292	92%
	Business Position	343	339	99%
	Skill Position	3,925	3,039	77%
	Subtotal, Man	7,474	6,344	85%
Female	Management Position	267	263	99%
	Technical Position	603	562	93%
	Business Position	837	851	102%
	Skill Position	6,045	4,730	78%
	Subtotal, Woman	7,752	6,406	83%
	<b>Total</b>	<b>15,226</b>	<b>12,750</b>	<b>84%</b>

Note: Subjects of annual performance assessment:

1. Employees taking office for one year (included) and over: Work period of the current year  $\geq$  3 months.
2. New employees of the current year: Probation evaluation due before December 31 (included) and those passing the evaluation.

## • Employees' Welfare

In addition to various protections provided by local laws and regulations, USI provides the following welfare systems as well.

USI has its own employees' restaurants and provides subsidies for dining. In addition, USI has stipulated "Regulations on Safety and Hygiene of Food at Employees' Restaurants" in the light of food safety incidents in Taiwan, and it strictly checks on food purchase, preservation, cooking and the environment of its restaurants and has established an emergency response mechanism. There was no food safety incident in USI in 2015. Upholding the spirit, we hope to achieve the goal of "zero food safety incident" in 2016 and continue to provide our employees with a safe dining environment.

### Bonus

Full attendance bonus, birthday gift certificate, annual bonus, overtime wage, R&D incentive bonus, patent incentive reward, performance bonus, three festival gift certificate, DL senior bonus and employee pension.

### Holiday and Vacation

Besides national holidays and weekends, there are accompanying maternity leave for male employees, female employees to take prenatal visit leave, maternity leave for female employees, parental leaves, nursing leave, menstrual leave, earned paid sick leave, annual leave and paid-time off.

### Insurance

Labor insurance, health insurance, employee comfort and compensation, employee/dependents group insurance.

### Dining

There is broad and sanitary employee restaurant and meal subsidy.

### Accommodation

Different types of accommodations with household appliances, air-conditioner, hot-water heater, wireless net, and furniture. USI pays for all full-time employees' housing accumulation funds and provides housing subsidies. Employees of Grade 3.1 or lower are provided with accommodations free of charge.

### Transportation

USI provides comfortable and convenient transportation between facilities, well-equipped exclusive parking lots for employees and pregnant mom parking.

### Recreation

Domestic and foreign employee travels, family day, parent-child activities, end-of-the-year banquet and drawing lots, Birthday celebration, athletic meet, singing competitions, chorus and etc.

### Health

Each facility is equipped with a medical room and 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.

### Other

Other employees' welfare bonuses include travel allowance, wedding subsidies, subsidies for continued education at a domestic or foreign institution, child birth subsidy, education subsidies and scholarships for employees' children, hospitalization benefits for employees and their families, communications expenses, care for work groups, and application of residence permits for current employees.

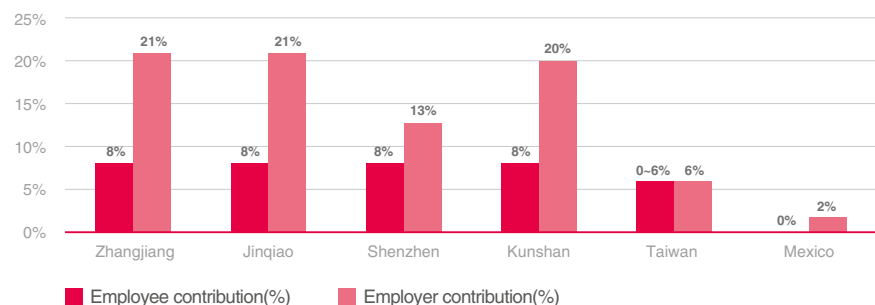


### • Employee Insurance and Retirement

Social insurance and accident insurance policies are purchased at Shenzhen Facility as legally required. At Zhangjiang and Jinqiao Facility, workers are provided with urban employee insurance along with commercially available employee accident insurance as extra. Employees working for USI for more than 2 years are provided with commercial ER insurance coverage. At Kunshan Facility, social insurance (endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, childbirth insurance and housing accumulation funds) is provided as required, and employees and the company pay for their share of payment based on government regulations. In addition, the company pays for workers' group insurance that covers clinic treatments and hospitalization as part of employees' life protection.

Following governmental regulations, Taiwan site takes part in labor insurance and national health insurance, and holds group insurance covering life insurance, accident insurance, and occupational accident insurance. USI will be responsible for all insurance premiums to ensure employees' life. As for employees' retirement policy, USI established Employee Retirement Fund Supervisory Committee. According to the regulations, the retirement fund is contributed monthly, saves in the special retirement fund account in Central Trust of China. Based on the regulations in Labor Pension Act, fixed ratio of employees' salary is contributed to their personal retirement fund account.

USI and its subsidiaries provide retirement welfare by following local laws and regulations, and the rate of employees participating in the retirement program is 100%. Employees who obey the new labor retirement system in Taiwan have to appropriate 6% of their insurance wages each month to the new retirement accounts for individual labor of Bureau of Labor Insurance. However, employees who obey the old labor retirement system have to appropriate 2% of their total salaries each month to their labor retirement accounts in banks. Each year, actuaries calculate retirement pay to prepare for labor retirement pay for its employees from USI's financial accounts. The percentage of salaries appropriated by employees or employers for retirement pay at each facility is as follows:



### • Parental Leave

Facility	Taiwan		
	Male	Female	Total
No. of people qualified to apply for parental leave that year	67	18	85
No. of people actually applied for parental leave that year	5	7	12
No. of people expected to be reinstated that year	4	3	7
No. of people actually reinstated that year	0	2	2
No. of people reinstated in previous year and continued to work for more than one year	0	4	4
No. of people reinstated in previous year	0	9	9
Reinstatement rate for parental leave (%)	0%	67%	29%
Percentage of people holding their post due to parental leave (%)	0%	44%	44%

Note: The data only cover Taiwan Facility because other facilities do not provide parental leave.

In addition, Taiwan Facility has established "priority parking spaces" for the disabled and pregnant women in accordance with "Physically and Mentally Disabled Citizens Protection Act" and "Gender Equity and Encouraging Childbirth Policies."



### • Balancing Work and Life

USI is equipped with recreation rooms such as computer classrooms, libraries, KTV rooms, fitness rooms, and indoor basketball and badminton courts. In addition, various recreational facilities such as table tennis, pool, and large game machines are available. Moreover, various clubs have been established for the purposes of health, happiness and learning such as table tennis club, swimming club, fishing club, charity club, Chinese chess club, chorus and so on. Related expenses are appropriated each year for the clubs to hold activities.

### • 3 Main Axes of the Event

#### ► 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 related activities, the Taiwan facility has established "the Employees' Welfare Committee". The committee holds interesting and public events with clubs to let more employees and their families attend and achieve the objective of "cultivating useful skills in life". In addition to bringing spiritual joy and healthy and happy life to employees, these activities can cultivate teamwork, promote harmonious work atmosphere and enhance work efficiency. In 2015, USI held at least 70 events with over 20,000 participants.





## Strong Employee Engagement

USI makes a great effort to build a community to balance employees' work and life. To build a good employer-employee communication mechanism, an employee relation website and suggestion box for employees have been set up. Additionally, a general manager's symposium is held each quarter (A Site general manager's communication conference is held in Kunshan Facility each month.), and USI's general managers and executives are invited to attend the meeting. There are the employee communication and interaction meetings every 2 months at Kunshan Facility. In addition, employee satisfaction surveys are carried out on a regular basis in order to establish an open and trusting management environment and an obstacle-free communication channel for better employer-employee relationship and improvement of coherence of employees.

USI signs labor contracts conforming to local laws and regulations with its employees. The contracts explicitly state rights and obligations for both parties to abide by. 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. Moreover, employees can complain of issues such as labor conditions, human rights and environment through USI's communication or complaint channels such as suggestion box for employees, employees' communication conference and mailbox of the auditing room. In 2015, USI did not receive any complaint from employees about the violation of labor conditions or human rights and environment.

Interviews with employees are arranged at every department of Zhangjiang, Jinqiao and Shenzhen Facilities on a regular basis. Counselors have conversation with employees to help them with their problems. Employees' comments and suggestions, including employees' needs, law and regulations and company's regulations, are collected through various channels. Also, the management level of Zhangjiang and Jinqiao Facility helps basic-level foremen and leaders to make arrangement of excursions for relief of work stresses, and there are company vacations and movies for employees regularly.

The Zhangjiang facility has established the Trade Union Committee of Universal Scientific Industrial (Shanghai) Co., Ltd. The Committee not only maintains major employees' legal rights, but also promotes employees' active, proactive and creative attitudes toward work and enhances USI's coherence and competitiveness, and creates a trusting relationship and communications channels between the company and the employees. At the moment, both the Zhangjiang and Mexico facilities have Union Committee, and the Mexico facility has signed a group agreement which benefits approximately 59% of its employees.

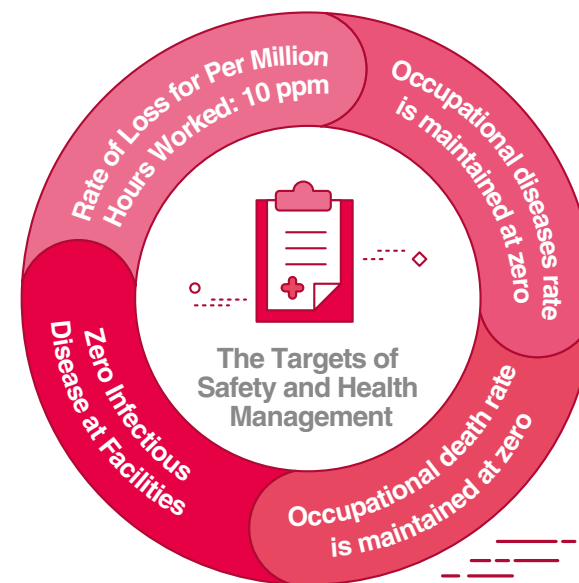


Communication Meeting with GM

## Excellent Working Environment

### • Safety and Health Management

To safeguard employees' operational safety and maintain environmental health, USI has stipulated safety and health policies, objectives and standard procedures and conducted educational training. Additionally, each facility has passed OHSAS 18001 and Occupational Safety and Health Management System (including the Zhangjiang, Shenzhen, Kunshan, Taiwan and Mexico facilities). The Jinqiao facility is planned to obtain the certification in 2016 which serves as a norm to maintain employees' occupational health and safety.



The ratios of USI regarding occupational injuries, occupational diseases, loss of working time, and attendance are as shown in the following table (There was zero case of occupational diseases and job-related death in 2015.)

Facility	Injury Rate (IR)		Occupational Diseases Rate (ODR)		Lost Day Rate (LDR)		Absentee Rate (AR)	
	Male	Female	Male	Female	Male	Female	Male	Female
Zhangjiang	0.07	0.04	0	0	4.20	2.75	0.67	0.97
Jinqiao	0.05	0.05	0	0	0.16	0.51	0.004	0.001
Shenzhen	0.04	0	0	0	0.31	0	0.71	1.33
Kunshan	0	0.04	0	0	0	0.79	1.30	1.60
Taiwan	0.11	0.06	0	0	0.51	0.06	0.14	0.11
Mexico	0	0	0	0	0	0	0.24	1.35

Note:

Injury Rate (IR) = (Times of injuries/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 days lost due to absence/Total days worked) × 100%; number of days lost due to absence covers injury and sick leaves

To prevent work injury accidents from happening home and abroad, USI irregularly holds work injuries orientations and conducts educational training for employees. Additionally, it records occupational injuries values at each facility on a regular basis and proposes reports to improve. Moreover, USI monitors operational environments with high risks including noises, the concentration of carbon dioxide, organic solvents, specific chemical substances and lead in the workplace to ensure that the threshold values of concentration of harmful substances and noises are below standards. The monitoring results show that no harmful substance or noise exceeded standards at all facilities in 2015.

In order to ensure the health and safety of the employees in the radiation workplace and to protect them from the harm of non-ionizing radiation, USI follows "Ionizing Radiation Operation Management Regulations" and fully implements radiation protection and control and examines all used X-ray machines based on related laws and regulations. Employees are requested to wear detectors (badges) to detect the mass of harmful substances in the workplace. In addition to specific prevention measures, specific physical check-ups are provided for high-risk employees to make sure they work in a healthy and safe working environment.

#### • Record of Zero Accident Working Hours (Taiwan Facility)



### • Responses to Newly-Revised Laws and Regulations

Additionally, to cope with the change of laws and regulations for chemicals of Occupational Safety and Health Administration, Ministry of Labor and Environmental Protection Administration, Executive Yuan (newly-added existing chemical substances, new chemical substances, priority management and controlled chemicals and GHS (Globally Harmonized System of Classification and Labeling of Chemicals) take effect from January 1 2016) in the Taiwan facility, USI's Chemical Management Regulations have been revised, and chemicals shall pass the following examinations before they can be used in the facility in addition to being verified by USI's environmental and safety department to make sure there is no prohibited list on safety data sheets (SDS).

- ▶ Whether it is listed on the existing chemicals list announced by central authorities
- ▶ Whether it is directly imported from a foreign country
- ▶ Whether it is a priority management chemical
- ▶ Whether it is a controlled chemical
- ▶ Whether there is a mark of GHS on SDS

### • 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 procedure. In addition, 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 emergency response abilities. These drills and training help prevent work accidents from happening. Units using hazardous substances are examined on a regular basis and audited irregularly.

In July 2015, the general manager of the Jinqiao facility approved and promulgated Measures for the Administration of Contingency Plans for Work Safety Incidents and Contingency Plans for Leakage of Hazardous Chemicals and Fires which have been put on file by a local safety supervision department after they were reviewed by experts.

Moreover, in order to let its employees receive more training on professional labor protective equipment, USI's environmental safety department invited the 3M Company in December to offer training courses in which 3M told employees what danger they might face if they wear protective equipment wrong. In addition, the company demonstrated the correct wearing methods for activated carbon masks, gas masks and protective glasses, which were greatly satisfied by participating employees.



In 2015, USI held 3 earthquake disaster prevention drills, 13 fire drills and 9 chemical disaster drills and was audited by central authorities 18 times. It did not receive any ticket or fine related to health and safety issues.

### • Fire Evacuation Drill



### • Chemical Disaster Drill





### • Physical and Mental Health Care

To provide employees with comprehensive health care, USI has built a healthy workplace system better than what is regulated in laws. 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 irregularly. Moreover, USI conveys information of the company to its employees through health newsletter, health email and bulletin board on a regular basis to enhance their health knowledge and skills to maintain their physical and mental health and to build an excellent healthy workplace.



In recent years, contagious diseases have stricken all facilities around the globe and caused loss of countries and the company. To cope with the sudden outburst of infectious diseases, USI has reviewed related regulations, and the company did not suffer any great loss due to contagious diseases in 2015.

### • Software and Hard measures

USI has full-time registered nurse, contracted doctor of Family Medicine Department, contractor doctor of Occupational Medicine Department and psychological counselors to provide workplace service in software; as for hardware, USI has a medical room equipped with changing dressing facilities, manometers and weighing scales, rest room, lounge, counseling room and breastfeeding room for employees to take a rest, consult a doctor and breastfeed.

To improve its hardware facilities, the Taiwan facility renovated its breastfeeding room in 2015 to provide mothers with more comfortable breastfeeding space. To extend the honor of the previous two years, the Taiwan facility once again won "2015 Nantou County Excellent Breastfeeding Room Certification". As for emergency care, the company's sports field and security room have three automated external defibrillators (AEDs) to improve medical services. The manufacturer of the AED has been invited to the company to instruct employees who are interested in the machine to learn how to operate it in addition to security guards and paramedics who have to be familiar with the operation of AED.



### • Training and Consultation

To prevent the happening of chronic and occupational diseases, apart from consultations on the prevention of ordinary diseases, USI holds various workshops and training such as pregnancy care, identification of mental diseases and first-aid training to strengthen the safety and health management of workplace, enhance its ability of identifying health risks, and assist to prevent and cure occupational diseases.



### • Health Check

To effectively achieve health management, USI conducts physical check-ups each year in accordance with laws and regulations. In addition, USI tracks employees with major abnormalities and conducts the prevention and management of contagious diseases to achieve the goal of early diagnosis, early treatment.

### • Mental Health

In addition to holding birthday parties and single parties on a regular basis for employees, USI has Employee Assistance Programs (EAPs), and it works with its human resources department to make sure employees' pressure from their families, work and life can be taken care of.

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

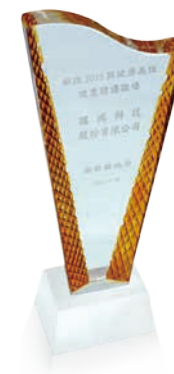
The Jinqiao facility provides the "Course on Life without Regret" to guide its employees to have correct perspectives on love and friendship, get rid of bad hobbies and have a correct idea of being responsible for their jobs and themselves to enjoy life without any regret. Additionally, the course helps cultivate employees' hard-working spirit and lower the turnover rate. 2,863 employees in total participated in 45 training sessions held by 7 instructors.

### • Health Promotion

Upon evaluating annual physical check-up reports regarding top ten abnormalities in Taiwan facility, it has been found that the proportion of employees with abnormal blood lipid is high. To prevent cardiovascular diseases, chronic diseases and some cancer, health management is important. Since 2003, the Taiwan facility has been holding a weight loss competition each year. 500 employees participated in the competition in 2015, which is 20% higher compared with 2014.

The secretary-general of the Employees' Welfare Committee made a vow with USI's employees in 2015, "the goal of total weight loss is 600 kilograms." The result reached 805.8 kilograms, which is far beyond the expectation. The waist abnormal rate decreased to 32% from 55%, which shows the decline of visceral fat. Meanwhile, the abnormality of BMI dropped to 55% from 59%, and blood pressure, blood lipid and blood sugar were improved as well.

The health conditions of USI's employees have been improved, and its health promotion action has been approved and recognized by others as well. In 2015, USI was once again awarded "2015 Excellent Healthy Weight Control Workplace" by Health Bureau, Nantou County Government and "Healthy Workplace Certification - Health Promotion Mark" by Health Promotion Administration, Ministry of Health and Welfare.



Additionally, to strengthen employees' muscles and bones and alleviate sores and pain, USI has held "Say Bye-Bye to Pain with Smiles," a pain prevention event. Moreover, it has held over 30 sessions including mental health educational training, screening for four cancers, mothers' classroom, nutrition courses, Chinese medicine class, physical fitness tests, blood donations and so on, and 2,808 employees in total participated in these events with over 90% of satisfaction.



## 06 Customer Service and Supplier Management

In facing the boundless development trend in the globe, good supply chain management can not only effectively lower production costs and enhance the quality of products, but also build the company's competitiveness and image with its partners to win more satisfaction and orders from customers.

## 06 Customer Service and Supplier Management

### Customer Service and Satisfaction

USI, the world's leading provider of Design & Manufacturing Services (DMS), has been committed to providing professional services and fine-quality products since its inception and fulfilling various needs of customers. Besides its advanced R&D capabilities and manufacturing process, USI offers each customer a comprehensive package that includes services ranging from product design to distribution. The company's worldwide manufacturing bases also ensure immediate and flexible on-site support, both technologically and logistically.

To ensure effective communication with customers worldwide, USI eagerly collects the voices of customers through satisfaction surveys, establishing websites and the designed workflow system to handle customers' opinions promptly. The company features an all-encompassing mechanism that promises an immediate and comprehensive after-sales service, for all the customers.

### Customer Service

In order to provide highly stable, highly reliable, and cost-competitive products that meet, or exceed the customers' expectations, USI accumulates years of experiences in providing services to the world's leading companies, and applies a combination of three core technologies--- computing, communications, and multimedia processing technologies---to the design and manufacturing of Wireless Product, Computing & Vertical Solutions, Storage & Server, Automotive & Visual Product Devices, and Miniaturized Products, hoping to offer the most comprehensive DMS solutions. With implementation of quality policy, USI ensures its system operating effectively under the applicable international standards that products and services are required.

### Management System Certifications

Management System	Zhangjiang	Jinqiao	Shenzhen	Kunshan	Taiwan	Mexico
TL 9000	2005	2015	2002	2013	-	-
ISO 9001	2004	2015	2001	2011	1993	2005
TS 16949	2007	-	-	2013	2003	2005
IECQ QC080000	2007	2015	2007	2012	2006	2007
ANSI/ESD S20.20	2013	2015	-	-	-	-
ISO 13485	-	-	-	2014	-	-

Note: The Year refers to the year of acquiring the certification.



USI considerably emphasizes on the voices of customers, and consequently introduces a mechanism that incorporates customers' demands into product design. The company's products and operating system are also in line with international standard requirements and the safety guidelines of countries that its products are sold to.

For example, it adopts stringent rules and uses only the low-pollution, non-toxic raw materials. For product planning, USI ensures products meets the specifications required by environmental regulations, and then conducts the life cycle assessment and eco-design evaluation. Meanwhile USI generates eco-profile in response to EU's Energy-related Products (ErP) Directive.

As for product safety, a factory inspection mechanism (see note) has been adopted to ensure that its products conform to international and regional laws and decrees and that its electronic products with safety certification are explicitly labeled with safety warnings and correct instructions in user's manuals to provide customers with excellent, healthy and safe products. In 2015, USI did not receive any complaint about its products being detrimental to people's health and safety, and all of its products complied with related laws and regulations and did not violate any law.

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

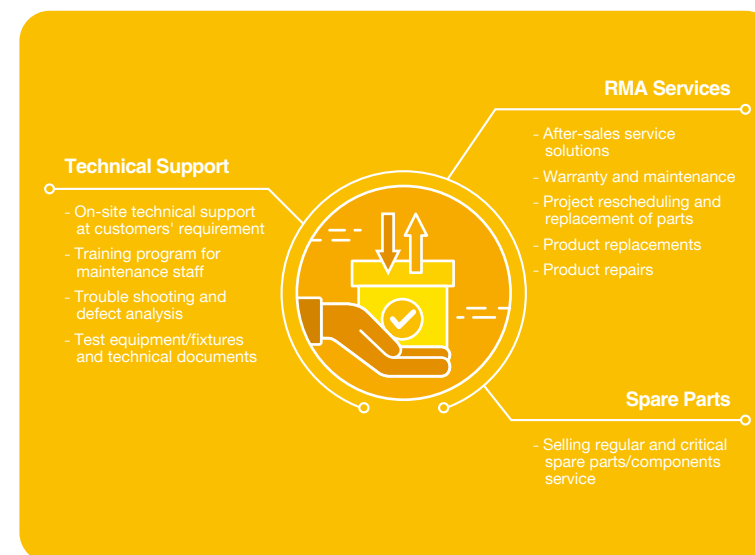
Green Products Directive	Percentage of USI products within the directive
EU RoHS	• Wireless communication products (WP): 100%
	• Computer and industry application (CVS) : 100%
	• Storage products and servers (S&S) : 100%
	• Automobile electronics and visual products (AE/VPD) : 100%
	• Minimized products (MP) : 100%
Halogen Free (HF)	• Wireless communication products (WP) : 48%
	• Storage products and servers (S&S) : 57%
	• Automobile electronics and visual products (AE/VPD) : 69%
CHINA RoHS	• Wireless communication products (WP) : 100%
	• Computer and industry application (CVS) : 100%
	• Storage products and servers (S&S) : 100%
	• Automobile electronics and visual products (AE/VPD) : 100%
	• Minimized products (MP) : 100%

### • All-Encompassing After-Sales Service

USI creates a wide range of tailor-made service programs to meet the varying needs of customers and customized after-sales services which in compliance with industry standards. Such a close-knit partnership helps develop genuinely satisfying solutions for each customer.

Through ERP-based global service network, SAP and e-RMA, Service Department at USI collects, distributes and categorizes defect-related information to provide the valid data rapidly back to customers or internal departments for product defect analysis. The customers are also allowed to monitor the RMA status ---anytime, anywhere--- via e-RMA, where they can apply to the RMA service and submit status inquiries. In 2015, our main customers' satisfaction with the manufacturing, supply and services of our products ranked among the best, which fully shows USI's competitive potential.

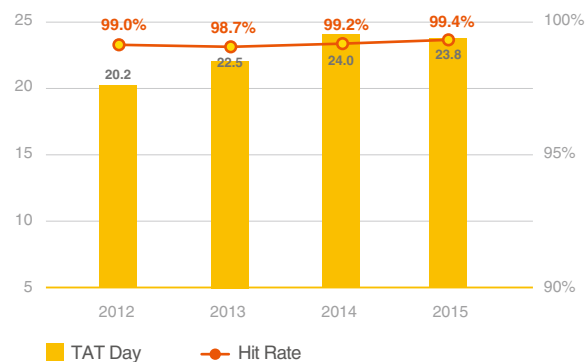
### • Categories of USI After-Sales Services





- Number of days for returned goods and repair, and the achievement rate of punctual delivery

Number of days for returned goods refers to the time interval between the receipt of customers' returned goods and delivery. It has to be measured with the rate of punctual delivery based on the punctual delivery of batches which is negotiated with customers due to the attributes of products and the number of returned goods. USI has achieved over 98% of punctual delivery rate negotiated with customers in the most recent four years.


**98%**

Over 98% of punctual delivery rate in the most recent four years


**85.7%**

85.7% of customer overall satisfaction in 2015

### Customer Satisfaction

USI provides clients with high-quality, high-efficiency, and flexible after-sales comprehensive services so as to satisfy clients' requirements. Also, USI has dedicated units that deal with clients' services, hold regular and irregular meetings and questionnaires to collect clients' responses, constantly improve company's quality of services, strengthen company's good partnership with clients, and create the maximum value of enterprise together.

#### 2015 Award Records:

Customer	Awards
Honeywell	Partner Excellence Award
Micron	Recognition of Outstanding Partnership
	Perfect Quality Award (X86 Server)
Lenovo	Bronze Quality Award (MB CMs)
	Bronze Quality Award (DTMB)



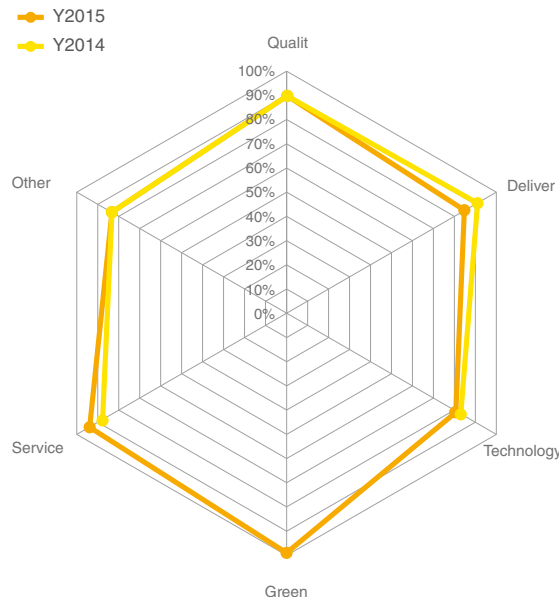
- Driving up Customer Satisfaction

Through surveying clients' questionnaires and holding QBR(Quarterly Business Review) conference, USI actively collects clients' opinions and responses to understand product evaluation of technical, quality, price and delivery time, etc.



In 2015, the overall satisfaction of USI's main customers is 85.7% (Excellent). With respect to satisfaction with services, all services reached the Excellent standard except "techniques" and "others" which are 81.3% and 83.5% (Successful) respectively. To make sure all services achieve Excellent, USI's responsible unit will hold a meeting upon the compilation of satisfaction surveys to make feasible corresponding strategies. Additionally, based on customers' needs, the unit will negotiate and discuss with customers and make improvement plans to track the improvement progress and send the latest progress to customers to enhance both communication quality and customer satisfaction.

Customer satisfaction of USI's main customers:



### Customer Privacy

Customer confidential information is important assets of both USI and its customers and is the foundation of mutual trust. Therefore, USI manages confidential information with the highest standard in addition to signing confidentiality agreements with its customers.

To ensure that drawing, programs, specifications, technical files and other important product information (such as material specifications, inspection specifications and so on) for USI from customers are properly kept, customers' documents have to be placed in USI's PDM (Product Data Management) or DMP (Document Management and Protection) through the DCN (Document Change Notice) workflow, and reading authority has to be set. USI's personnel who directly contact customers' documents have to receive confidential document management training and retraining every three years to ensure that they clearly comprehend the requirements of customer document management. In 2015, there was no leakage of customers' documents.

### Supply Chain Management

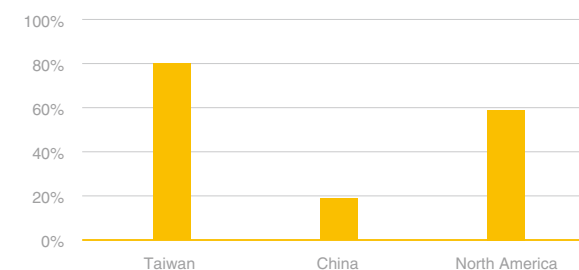
#### The Suppliers of USI

In facing the boundless development trend in the globe, good supply chain management can not only effectively lower production costs and enhance the quality of products, but also build the company's competitiveness and image with its partners to win more satisfaction and orders from customers.

USI's main production facilities are located in Zhangjiang, Jinqiao, Kunshan, Shenzhen, Taiwan and Mexico. In 2015, global raw materials purchased by USI chiefly came from local suppliers of these production sites (80%

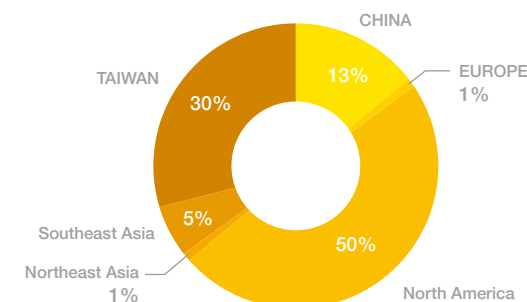
of the raw materials in Taiwan facility came from Taiwan; 59% of the raw materials in Mexico came from North America; and 19% of the raw materials in the Mainland of China came from China). This has not only efficiently saved energy and time cost during the transportation, but also reduced environmental pollution. With over 1,300 suppliers in 2015, USI's source of suppliers includes original factories, agents, spot suppliers etc. Compared with 2014, USI had 180 more suppliers in 2015.

#### Percentage of Local Suppliers at All Facilities in 2015



Note: To be calculated in accordance with the amount of money for procurement

#### Distribution of raw material suppliers in 2015 (drawn based on the amount of money for procurement of the distribution areas of suppliers)





• Number of Suppliers and Percentage of Transaction Amount at All Facilities in 2015

Facility	Zhangjiang	Jinqiao	Shenzhen	Kunshan	Taiwan	Mexico
Number of Suppliers	455	74	746	553	398	130
Percentage of the Transaction Amount	42%	17%	19%	9%	10%	3%

### Supplier Evaluation & EICC Audit

The progress of the suppliers' corporate social responsibility (CSR) will be one of many key factors behind USI's future prospects. USI considers its supply-chain development from the viewpoints of resource-use improvement and environmental pollution reduction, controlling and keeping track of all products from the start of raw-material procurement. This practice ensures full compliance with environmental regulations at the stage of product research & design thereby reducing environmental impact during the period of product use and recycling. Additionally, a standard supplier evaluation system and vendor rating have been established. USI selects its suppliers based on supplier selection regulations. It continues to have close partnership with its suppliers to build a long-term, stable and sustainable green supply chain to safeguard human rights, protect the environment, provide consumers with healthy and safe products and fulfill its corporate social responsibility.

USI's supplier certification process is based on the company's needs for the future product trend and purchasing strategies, where suppliers' production capacity, technology innovation capability, quality, service and other management systems are examined for compliance and as a future certification reference. The evaluation of new suppliers must be conducted by an evaluation team composed by personnel of the purchasing, quality, R&D and engineering departments. A questionnaire will be offered to suppliers and have the evaluation team to confirm the final examination results. The evaluation range shall cover the basic company information, product information, major customers and financial status, suppliers' green management procedures and green product commitment, suppliers' social responsibilities, and the environment safety and health investigation. To ensure that the suppliers' influences on the environmental sustainability, social labor and human rights are also evaluated and controlled, new manufacturers developed by USI

are also requested to sign an agreement of not using RoHS materials, "Integrity Trading Declaration" or to provide a QC080000 certification. In 2015, 98.2% of potential suppliers of USI have passed this evaluation and become our new suppliers.

Furthermore, to fulfill its commitment to EICC policies and conform to EICC spirit while improving the competitiveness of the entire supply chain, USI has stipulated basic norms for suppliers in accordance with EICC Code of Conduct to request its suppliers to comply with related social responsibilities. Additionally, USI has made EICC auditing regulations for its suppliers in five aspects including labor, environmental protection, health and safety, ethics and management system to evaluate the prohibition of using child labor, the protection of human rights, no discrimination, fair treatment, legal working hours and wages, and environmental management and request its suppliers to safeguard their employees' rights, implement human rights policies and improve their corporate social performance.

The auditing procedure is as follows:



Suppliers are selected based on transaction amount, chief suppliers requested by customers and other selection standards. In 2015, USI had a spot check on five suppliers at each facility (including Zhangjiang, Jinqiao, Shenzhen, Kunshan and Taiwan facilities), and 25 suppliers in total were audited. USI issued an EICC auditing report through questionnaires and on-site

auditing, and it shows that over 80% of suppliers were at low risks, and USI will continue to track the improvement of other suppliers. Additionally, USI will continue to audit suppliers and assist them to conform to EICC Code of Conduct in the hope that all of USI's suppliers will reach low risks in the future.

The EICC auditing results of USI's suppliers in 2015 are as shown in the chart below. USI will track and manage items that the suppliers were still improving up to the end of 2015 in 2016 to make sure they can completely improve these items.

Dimensions	Number of suppliers that need improvement upon auditing	Items that are identified with impact	Number of suppliers that have improved	Proportion of suppliers that have improved
Labor	12	Working hour, Non-Discrimination	10	83%
	10	Wage and Welfare	8	80%
	10	Free Choice of Occupation	9	90%
Health and Safety	17	Emergency Response	13	76%
	14	Injury and Occupational Disease	10	71%
	11	Industrial Health	9	82%
Environment	11	Hazardous Substance	9	82%
	4	Sewage, Solid Waste and Air Emissions	3	75%
	2	Rainwater Management	1	50%
Ethics	2	Integrity Operations	1	50%
	2	Protection of Identity and Non-Retaliation	2	100%
	2	Privacy	0	0%
Management System	7	Regulation and Customer Requirement, Validation and Evaluation	5	71%
	3	Improvement Goals and Training	3	100%
	4	Supplier's Responsibility	3	75%

### Supplier Communication

To establish a good communication with the suppliers, USI call together a supplier assessment team that consists of representatives from quality control, engineering and procurement divisions. The team is in charge of communication with suppliers and inviting them to attend USI quarterly QBR (Quarterly Business Review), where the team members explain to the suppliers USI's viewpoints on social responsibility and environmental safety and health policies, such as USI's green supply chain, restrictions on using hazardous substances in product, environmental regulations and customer product quality requirements, while maintaining a close working interactions with suppliers.

Apart from educating requirements of the green management system at the propagation meeting arranged and conducting face-to-face communications with the suppliers, USI holds related courses to interchange market dynamics with its suppliers on a regular basis. Additionally, USI promptly convenes orientations for its suppliers for different issues to let the entire supply chain command the latest information and regulations of the market. Therefore, the suppliers can comprehend USI's requirements of green procurement and of the conformity parts of WEEE, RoHS, REACH and CMRT.

On the sustainable orientation for its suppliers in 2015, USI directly propagandized its policies, communicated and consulted with the suppliers regarding the continuous promotion of green supply chain. Additionally,

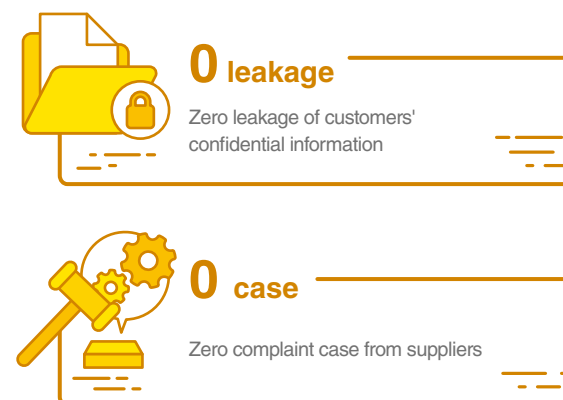
USI propagandized CSR policies, conflict minerals policies, USI's new version of regulations on hazardous substances and future environmental protection policies for the requirements of international environmental protection. 67 representatives from 49 suppliers attended the orientation, and they showed great satisfaction with the meeting on the satisfaction questionnaire.



In addition to ensure that its suppliers' quality system management and life cycle and origin of raw materials conform to international laws and regulations, USI requests the suppliers to abide by local laws and regulations. We also expect our suppliers to value corporate ethics like USI. With respect to implementing Suppliers' Sunshine Code of Conduct and anti-corruption, USI has set up a mailbox (ugtwsox@usish.com) for reporting an offense and to provide our suppliers with an unimpeded feedback and complaint channel. In 2015, no supplier proposed any feedback or complaint.

### Conflict Minerals Management and Investigation

The United States made regulations on conflict minerals in 2012, USI ensures that its products are not conflict minerals from illegal smelters in conflict regions (Democratic Republic of the Congo and its neighboring countries) by setting the goal of owning a conflict-free mineral supply chain. USI conveys its policy for sourcing conflict minerals to its suppliers, sets goals and requirements, cooperates with the suppliers and uses only conflict-free minerals to realize a conflict-free mineral supply chain. The website of USI corporate policy for sourcing conflict minerals: <http://www.usish.com/english/minerals.asp>



## • Conflict Minerals Management



Note:

1. CMRT, Conflict Minerals Reporting Template;

2. CFSI, Conflict-Free Sourcing Initiative;

3. OECD, Organization for Economic Co-operation and Development

## • Three-Point Information of Suppliers

To clearly comprehend suppliers' management mechanisms for conflict minerals and the origin of their smelters, USI propagandizes on its annual sustainable orientation for suppliers and requests its suppliers to provide three-point information including CMRT (conflict minerals reporting template) of CFSI, conflict minerals representations and conflict minerals audit checklists to responsibly manage and lower suppliers' risks.



CMRT



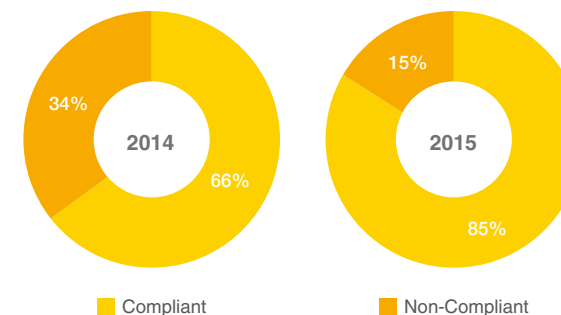
Representation



Audit Checklist

## • Qualified Suppliers for Conflict Minerals

USI continues to increase the range of its suppliers. In 2015, USI surveyed the total procurement amount of 95% of its suppliers and the suppliers of its top three customers, and approximately 260 suppliers received annual RCOI (reasonable country of origin inquiry). The survey results of the most recent two years are as shown in the chart below. In 2015, 85% of suppliers were qualified, and the percentage of unqualified suppliers declined to 15%.



### • Conflict Minerals System Tool

In 2015, USI became a member of CFSI (the Conflict-Free Sourcing Initiative) to promptly command the information of smelters provided by CFSI and effectively improve the promotion and information management of conflict minerals in the company. To respond to the regulations of CFSI, customers' demand and immense information about smelters, USI possesses information technology capabilities to build an internal conflict minerals system tool which can efficiently and rapidly manage and analyze information to promptly reply customers' reports.

### • To continue to improve the management of conflict minerals

- ▶ USI cooperates with the first-stage suppliers to request unqualified smelters in the supply chain to participate in CFSP or other third party certification program to become qualified ones.
- ▶ USI continues to make its product lines achieve DRC Conflict-Free.
- ▶ USI holds internal and external orientations for suppliers each year to effectively convey the company's requests and assist its suppliers to establish a management mechanism.
- ▶ USI upgrades its internal conflict minerals system tool to build high-level management and data analysis functions.

Note: CFSP, Conflict-Free Smelter Program

### 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. Taking an example of our facility in Taiwan:

- ▶ Only when the operators of contractors pass tests after they attend workplace health and safety workshops held by "USI Green & Environment, Health and Safety Department" will they receive certificates, and they have to receive three-hour job training every three years.
- ▶ Contractor employers must commit to follow labor safety laws and USI regulations, and shall undertake to ensure work safety for the employees.
- ▶ USI requires contractors to submit proof of either employees' labor or group insurance policies, to ensure the basic rights of employees.
- ▶ Improve workflow process application for contractor constructions.
- ▶ Strengthen the supervisory responsibility of outsourcing unit for monitoring the contractors.

### • Assessment of Contractors

To ensure the safety of contractors, USI enhances the safety and health evaluation for unusual dangerous projects and recidivism contractors. Any contractor with major violation and fails to improve within a designated period will face one-year suspension after USI discusses with the outsourcing and procurement divisions. Through training and evaluation by USI Green & Environment, Health and Safety Department in 2015, 263 contractors had successfully obtained the construction licenses, and no contractors were involved in any industrial accident at USI facilities.

### • USI provides contractors with safety and health training programs, construction permits only issued for qualified contractors.





## 07 Social Participation

Under the three pillars of "Invest in education", "Promote artistic events" and "Contribute to the Society". In addition to offering long-term sponsorship to "Taiwan Literacy and Culture Foundation", USI also took the initiative in building Taiwan's first Philanthropic Library adopted by corporates, as well as launched the ten-year "Million Trees Planting Project" to reduce increasingly severe climate changes.

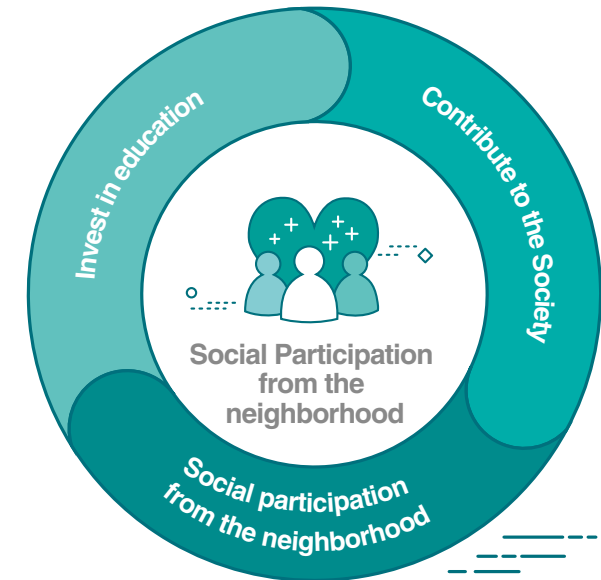


## 07 Social Participation

USI continues to sponsor annual autumn tours of "Cloud Gate Dance Theatre" and local public performances of "Ming Hwa Yuan Opera Troupe", in order to pass on local traditions. In practicing "give back to the community-get along with the environment", USI not only runs the ten-year "Million Trees Planting Project" and continues to engage in "Sponsorship of Road Maintenance Program", but also participated in "International Coastal Cleanup Day" of 2015 to ceaselessly contribute to this land.

### Invest in Education

USI believes that a competent staff is one of the major driving forces behind corporate growth, and a reading habit lays the foundation for innovation and R&D capabilities. To underscore its belief in extension education, USI co-founded the "Taiwan Literacy and Culture Foundation" and provided fund to purchase extracurricular books for "Philanthropic Libraries". That way, good books can be read over and over again, enabling children to broaden their horizons and amassing the "wealth of soul". USI also provided assistant to organize the "Global Literature Award for Chinese-Speaking Students" in the purpose of encouraging creative writing among students and helped them develop immense creativity.



#### Sponsorship of the Taiwan Literacy and Culture Foundation

#### Taiwan Facility



The sponsorship plan has been launched as elementary schools in the mountain area of Nantou County have less educational resources than schools in cities. In addition to textbooks, USI thinks children should dabble at diverse readers to broaden their horizons and inspire their curiosity. Therefore, USI assists its foundation to establish "Taiwan Literacy and Culture Foundation" to promote "Reading Plan in Elementary Schools" and build "Philanthropic Library" to purchase extracurricular books for elementary schools in the mountain area of Nantou County. After the plan supplements reading resources for students in remote areas and for disadvantaged students, the range of book donation has gradually expanded to elementary schools in other counties and cities. The idea that originally designed a library has successively developed "Reading Workshops" and "Parent-child Reading" activities.



- ▶ Starting Year: 2005
- ▶ Recipient: Taiwan Literacy and Culture Foundation



## 台灣閱讀文化基金會

### ▶ Benefited Stakeholders:

Currently, recipient schools, including Hu-Shan Elementary School (Nantou County), Tong-Fu Elementary School (Xinyi Township, Nantou County), Guo-Xing Elementary School (Nantou County), Ren-Ai Elementary School (Nantou County), Yu-Chi Elementary School (Nantou County), Ping-He Elementary School (Nantou City), Xi-Ling Elementary School, Shui-Li Elementary School, Yu-Ying Elementary School (Nantou County), Pingtung County Liutou Township Liou-Chiou Elementary, Yeyou Elementary School in Lanyu Township, USI employees participated in the parent-child reading activity, and Tazutuen Township library.

### ▶ Mid-and Long-Term Goals:

USI's long-term goal is to donate 400 boxes of books to "Philanthropic Library" for "Reading Plan in Elementary Schools" in ten years since 2014 and to sponsor 20 "Reading Workshops" and 10 "Parent-child Reading" activities. The former aims to invite teachers to participate in reading instruction to enhance their reading instruction abilities, while the latter attempts to extend these reading activities at school (in classrooms) to reading clubs in communities to open up students' creativity through sharing and discussions in addition

to improve parent-child relationships. In the future three years, USI plans to donate books to schools on outlying islands, in Taichung and Changhua.

### ▶ Implementation Methods:

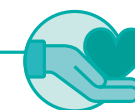
Each year, USI sponsors NTD 500,000 to support the foundation to promote reading activities such as "Philanthropic Library", "Reading Workshops" and "Parent-child Reading".

### ▶ Implementation Results:

- USI coordinated with and used community resources of Caotun Township Library to organize "Parent-Child Reading" environmental protection activity in Nantou County. We had 171 people participated in and enabled parents and children to enjoy the fun of reading together through parent-child reading, and further developed children's interest in reading and their understanding of Taiwan's environmental problems through green picture books and captivating animations, so as to increase their environmental awareness.

- Being the first "Philanthropic Library", Nantou County Caotun Township Hushan Elementary school is a benchmark, and a first choice for school teachers to borrow the books. Puli Township Yu-Ying Elementary School's "Philanthropic Library" also showed a distinguished result in its book circulation and management. USI coordinated with Nantou County Government to organize "2015 Let's Love Reading-Public and Private Sector Joint Book Donation Activity", and was awarded by the government in the public event.

- In the Second half of 2015, USI brought abundant reading resources to teachers and students of schools of remote areas and outlying islands, planning on building libraries in Pingtung County's Liutou area. We have donated 10 boxes of books, and plan to establish "Philanthropic Library" for Liou-Chiou Elementary in the first half of 2016.



### ▶ Sponsored Projects

- In 2015 "Reading Plan in Elementary Schools", USI donated 20 boxes to "Nantou County Caotun Township Hushan Elementary school", 15 boxes to "Puli Township Yu-Ying Elementary School", and 10 boxes to Taitung County Liutou Township "Philanthropic Library", as well as held one environmental protection activity "Parent-Child Reading" in "Philanthropic Library".
- In 2014 for "Reading Plan in Elementary Schools", USI donated 40 boxes of books to build a "Philanthropic Library" in Yeyou Elementary School in Lanyu Township, an outlying island of Taitung County. In addition, USI held a "Parent-child Reading" activity with Caotun Township Library.
- The 2013 "Reading Development Project for the Children": Donated 40 boxes of books (20 to Nantou County Ping-He Elementary School, 10 to Xi-Ling Elementary School and 10 to Shui-Li Elementary School); held 7 seminars of the "Philanthropic Library" co-reading teaching strategy and 1 "Parent-child Reading" activity.
- The 2012 "Reading Development Project for the Children": Donated 40 boxes of books to Nantou County Guo-Xing Elementary School and funded 10 videos of the "Philanthropic Library" co-reading teaching program.

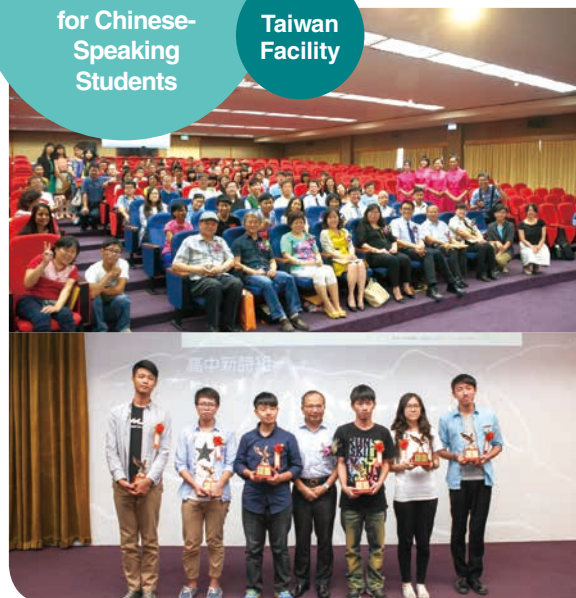
- The 2011 "Reading Development Project for the Children": Donated 40 boxes of books to Nantou County Ren-Ai Elementary School and held the "Philanthropic Library" seminars including the School Reading Teaching Workshop and Reading Seeds Teachers Training.
- The 2010 "Reading Development Project for the Children": Donated 40 boxes of books to Nantou County Yu-Chi Elementary School and held the "Philanthropic Library" seminars including the School Reading Teaching Workshop and Reading Seeds Teachers Training.
- The 2009 "Infusion of Love and Hope" disaster area visiting program: Donated 40 boxes of life education books to Tong-Fu Elementary School (Xinyi Township, Nantou County) and held 3 Parent-child Reading activities in indigenous villages.
- Participated in the "Ushering out the Old and Welcoming the New" project in 2008 and donated 100 boxes of books.
- Donated 100 boxes of books to Nantou County Hu-Shan Elementary School in 2007.
- Assisted in the registration of "Taiwan Literacy and Culture Foundation" in 2006.
- Sponsored the installation of the "Taiwan Literacy Promotion Center" website in 2005.


**485 boxes**

Donated cumulatively 485 boxes of books in 9 years

### Sponsorship of the Global Literature Award for Chinese- Speaking Students

Taiwan  
Facility



USI believes that the power of innovative R&D comes from imagination and creativity, and that's why USI has been working with organization, Mingdao Literature and Arts by combining the power of "culture" and "technology" to encourage students to create and help them improve their literacy in literature and come up with inspiration of creation. The award was promoted originally in Taiwan only. However, to respond to the development trend of Chinese in the world, since 2013, the range has been expanded to England, United States, Hong Kong, Macau, and Mainland China for students in junior high schools or above to participate in the event.

▶ Starting Year: 2007

▶ Recipient:



▶ Benefited Stakeholders:

The winners from 2007 until 2015.

▶ Implementation Methods:

USI sponsors NTD 300,000 awards for contributions each year to enhance people's cultural literacy by supporting literary creations and in the hope of cultivating more talents in creating Chinese works.

▶ Implementation Results:

The organization received a total of 1,102 applications for 2015"Global Literature Award Chinese-Speaking

Students", among which 605 were from Taiwan and 497 were from overseas; a total of 1,073 essays got past first qualifying round, among which 605 were from Taiwan and 468 were from overseas. The total number of overseas participating schools increased from 42 to 55, and the schools spanned across Malaysia, Singapore, Philippines, Japan and China. It was apparent that Chinese literature composing had been a growing trend around the globe.

It is worth mentioning that "Malaysia Johore Kluang High School" won four trophies and "Singapore National Junior College" won three, and half of the winners in high school short fiction writing contests were Singapore and Malaysia school students. This was a testimony that this literary prize was genuinely spread across Chinese-speaking areas from Taiwan and had become a desired prize among high school students.

• Past year's number of qualifying round essays, schools

Year	Total (Schools)	Total (Essays)	Taiwan (Essays)	Malaysia (Essays)	Singapore (Essays)	China (Essays)	Others (Essays)
2013	15	1,415	1,202	6	90	106	11
2014	42	1,356	831	299	130	84	12
2015	55	1,073	605	376	43	39	10

► Sponsored Projects

- The 33<sup>rd</sup> Global Literature Award for Chinese-Speaking Students
- The 32<sup>nd</sup> Global Literature Award for Chinese-Speaking Students
- The 31<sup>st</sup> Global Literature Award for Chinese-Speaking Students
- The 30<sup>th</sup> National Literature Award for Chinese-Speaking Students
- The 29<sup>th</sup> National Literature Award for Chinese-Speaking Students
- The 28<sup>th</sup> National Literature Award for Chinese-Speaking Students
- The 27<sup>th</sup> National Literature Award for Chinese-Speaking Students
- The 26<sup>th</sup> National Literature Award for Chinese-Speaking Students
- The 25<sup>th</sup> National Literature Award for Chinese-Speaking Students
- The 24<sup>th</sup> National Literature Award for Chinese-Speaking Students



## Contribute to the Society

With the belief in caring about the society and friending the community, USI gathers the power of employees and participates in public affairs and social activities of public welfare. In the meantime of seeking corporate growth, USI wishes to repay the community and devotes itself to the society. We spent a total of NTD 7.5 million in a variety of social activities in 2015.

## Social Care

USI cares for the disadvantaged for all the time, making regular donations to the charity, and sponsoring all kinds of welfare activities, festivals in neighborhood communities. USI employees also pay regular visits to the disadvantaged, in order to express compassion and make a contribution. Take an example of our facility in Taiwan, USI employees volunteered to establish groups of public welfare, such as Club of Tzu Chi and Caring Club. With the belief in "Everyone Saves NTD 100 and Saves the World", volunteers will be deducted a fixed amount of money from their monthly payroll to be compassion funds. More than 100 employees have participated in this activity.

The members of "Caring Club" not only regularly adopt two underprivileged children of Taiwan Fund for Children and Families and six blind children of Taichung Huei Ming School, but also assist employees and neighbors with emergency aid; besides, the Caring Club has hold projects to help disadvantaged groups and charitable organizations every year, and provides them with resources, such as sponsoring Genesis Social Welfare

Foundation, Chinese Association of Early Intervention Profession for Children with Developmental Delays, donating year-end winter assistance funds to Caotun Service Association, as well as sponsoring elderly celebration and National Indigenous Peoples Games. The following were major events for 2015 at all facilities:

"USI Dream Come True Project" A Ticket to a Dream Come True – A Dream Takes Off

Taiwan Facility



In order to allow children supported by Taiwan Fund for Children and Families to have a dream, we believe that one game can achieve a great player, even a lot of people's goals. We hope that with an activity of spiritual significance, we can enable the children more possibilities to choose.

- ▶ Time: July 4 2015 to October 10 2015
- ▶ Benefited Stakeholders: Taiwan Fund for Children and Families, Nantou Center
- ▶ Implementation Methods:

The activities are divided into two series:

Series One: Sports-oriented activities. We invited the children to Taichung Intercontinental Baseball Stadium to enjoy

brilliant performances of baseball stars in the game.

Series Two: We made cooperation with "If Kids Theater" on drama performances that presented body languages. We believe that there are topmost masters in every profession, and we should give children's dreams a pair of wings and let them take flight, instead of limiting their horizons and dreams.

▶ Implementation Results:

A dream represents a goal. Setting and accomplishment of goals are essential skills needed for the workplace. With a dream, people can achieve greatness and move forward in life. Through knowledge and attitude sharing in this activity, we can examine our direction in faith. Teaching others fosters self-learning, and teaching others to develop dreams encourages us to follow our own ones. Inspiring others is motivating us. For other people, this was a harmonious activity; for USI, this was a pep rally for self-motivation. As we nurtured the next generation, we were also developing a strong will that drove us toward a goal.

We also received feedback from the benefited stakeholder: "Thanks to USI, the activities you financed is very memorable for the children. Many children were visiting a stadium and theater for the first time. This has broadened their horizons and opened up their mind. Paying attention to the development of children's mentality is very important; it allows the opportunity for seeds of dream to sprout. Perhaps in the near future, these children's performance will proof that our efforts truly yield positive results."



## An Egg

Jinqiao  
Facility

China Development Research Foundation conducted a survey on 1,400 children of poor regions in 2010, and the results showed that: many school-age children were physically and mentally stunted in western regions because of the remote location, poor equipment and facilities in rural schools, and supplies deficiency. To improve the irrational structure of children's diet, as well as their insufficient nutrient intake, and ensure their balanced physical and mental developments, Jinqiao Facility participated in "An Egg" launched by Shanghai United Foundation. Within one month, a total of five schools and 1,289 students and teachers could have an egg a day.



On October 27, 2015, we invited Wu Jinrong, director of Shanghai United Foundation to introduce in detail relevant developments. We also invited project commissioners who visited schools in poor areas in Guangxi that year to give explicit illustration, so that we could have an understanding of facilities and teaching environment of local schools. Through photographs showing lovely and smiley faces, we could feel children's satisfaction and happiness with having an egg every day, and had more trust in where the funds went to.

Jinqiao Facility's participation in "An Egg" fostered the development of public welfare for USI. We hope that this action can inspire colleagues to actively participate, and take the initiative in contact and understand public welfare. Our participation also means the enhancement of USI's overall public service culture. We look forward to reach a new level of corporate social responsibility for USI.

Charity  
ConcertKunshan  
Facility

Kunshan Integration Charitable Foundation was established by Taiwan Business Association in Kunshan. It not only continuously offers material support to students with good academic performance, but also make them feel tender solicitude of the society through charitable and cultural activities, and encourage them to move forward in future study and life.

Therefore, in addition to donating RMB 150,000 to the Foundation, USI also supported the Foundation to organize "Integration between Kun-Tai, Gathering Benevolence" charity concert, to have 5 choirs from both Kunshan and Taiwan here to perform. We also invited Yin Cheng Yang, the famous Taiwanese folk song singer who has long been engaged in public charity to perform on stage, as well as more than 20 children from poor families to watch the show on that day.


**21 persons**

Donated 21 disabled persons

Assistive  
ActivityShenzhen  
Facility

Upholding Objective of "Care the Society; Be Friendly to Community", Shenzhen Facility Employees Actively Participate in Public Welfare Activities.

Since 2006, Shenzhen Facility has continued to help the disabled, and provide them with allowances for living expenses each month and purchase social insurance for them. In 2015, the plant sponsored 21 disabled people with a total of RMB 640,000. On holidays and their birthdays, the plant designates employees to express greetings to the disabled people. We have been putting effort and making contributions to activities for disabled and promotions of career development for disabilities, receiving high praise from Community Street Disabled Persons' Federation and Subdistrict Disabled Persons' Federation, and also reflecting humanitarian spirit of USI upon our comprehensive and meaningful activities.

## Activities for the elderly

## Shenzhen Facility



On November 7, 2015, more than 30 employees of Shenzhen Facility together with Taiwan Business Association, Nanshan Association came to Nanshan nursing home, to express sincere concern for the elderly and staffs of the nursing home. Shenzhen Facility prepared and donated more than 300 pairs of health slippers and arch supports to 210 old people and 108 heads and staffs of the nursing home, as well as suitable sideshow entertainment for all.

In addition to fantastic performances, USI volunteers also gave older people a massage to befriend and have small talks with them. During the activities, upon knowing there were several old people who had been lying in bed, general manager of USI led the colleagues to visit and wish them a quick recovery together. This event brought a lot of warmth to these lonely old people, as well as fulfillment to participating employees, and positive social feedback to USI.

## Environment Friendly

## The Million Trees Planting Project

## Zhangjiang Facility



USI is a long-term sponsor of "Million Trees Planting Project" of Shanghai Roots & Shoots. Since 2013, we have continued to donate money for the project. So far we have funded cumulatively 12,000 trees and 134.7 acres of forest area. In the year 2015 we funded 4,000 trees with a total area of 44.9 acres in Zhaogen Sumo Administrative Village.



# 12,000 trees

Planted cumulatively 12,000 trees in 3 years



This afforestation activity took into account both ecological risk and humanitarian assistance. In the ecological aspect, it can reduce desertification of land in Zhaogensumo Village Bagatala Sumu Keerqin Zuoyi Houqi County Tongliao City of Inner Mongolia. The growth of a forest can protect vegetation against sandstorm caused by desertification. From a humanitarian perspective, local residents can grow crops in the space between the trees for their livelihood without having to leave their homes, and revitalize local vitality.

The survival rate of ecological forest land funded by USI was 70.61% for 2015, and had reached requirements for afforestation. Part of the seedlings was dead, and part of the seedlings root had survived. The average tree height in ecological forest was 0.78m, which was lower than they were back at the purchase, showing the phenomenon of dwarfing. The management objectives of this land were "gradually fix moving dunes and rebuild the ecosystem". In 2015, summer project group of Shanghai Roots & Shoots conducted an ecological survey on the forest in order to obtain basic data and check the recovery of forest ecosystems. The results showed there was a total of 22 species of shrubs and trees, such as artemisia halodendron and cleistogenes squarrosa. The forest has a certain level of species richness and evenness.

Regarding vegetation structure, this land has not formed a complete canopy and sub-canopy layer, but it has a considerable proportion of understory vegetation, including a coverage rate of 16.15% for shrub layer and 28.08% for herb layer with a diverse spatial structure. If the vegetation levels continue to grow more diverse plants, it can provide a variety of habitats for all kinds of creatures, and help the development of soil and water conservation. From information obtained in the survey, the vegetation coverage was 30.13%, showing that the land has developed into semi-fixed sand dunes according to the land classification, and reflecting a certain level of achievements in ecological restoration on this land. We will pay attention to future progress by tracking and investigating the changes every year.

► Logo of recipient and the program:



A. 2015 growth of ecological forest land funded by USI (Capture Date: 2015.5.29)  
B. 2015 field tree planting conducted by representatives of all Facilities of USI in Inner Mongolia  
C. 2015 group photo was taken after the pruning activity conducted by representatives of all facilities of USI in Inner Mongolia

2013-2015 Information on ecological forest land donated by USI:

Year	Location	Area (Hectare)	Quantity/Species
2015	W.Bahuta, KeerqinzuoyiHouqi, Tongliao (Zhaogensumo)	44.9/3.0	4,000/Poplars
2014	ZhaogensumoGacha, KeerqinzuoyiHouqi, Tongliao	44.9/3.0	4,000/Poplars
2013	ZhaogensumoGacha, KeerqinzuoyiHouqi, Tongliao	44.9/3.0	4,000/Poplars
Total of USI Forest		134.7/9.0	12,000/Poplars

International  
Beach Clean-  
up ActionZhangjiang  
Jinqiao  
Facility

September 19, 2015 marked the thirtieth International Coastal Cleanup Day, as well as the day that Zhangjiang and Jinqiao Facility launched the beach clean-up activity in cooperation with Shanghai Rendu Ocean NPO Development Center in order to take this opportunity to arouse more public awareness of marine debris problem and encourage people's participation in marine environmental protection.

A total of 61 colleagues participated in this action. The volunteers started the training in the afternoon. Everyone was concentrating on memorizing related beach clean-up matters. After the training, people were divided into six working groups and heading to Nanhui Dongtan.

Each group classified and filled in the type and quantity of garbage they picked up in accordance with ICC requirements, enabling the data to be used for further analysis and research on trash composition on Nanhui beach and marine environment monitoring. The data was summarized along with information from the world's other region, in order to enhance people's environmental awareness of trash pollution on beaches around the globe, and facilitate everyone's response to the issue.

After more than an hour of hard work, the volunteers worked together to collect a total of 58 bags of trash weighing 133.5 kilograms. Many of our colleagues worked up a sweat during the clean-up, but when looking at the clean beaches, every effort was paid off.

Through the beach clean-up action, we allowed participants who paid close attention to rivers, lakes and marine environment to have a better understanding of environmental issues we faced together, and thus more actively participate in the actions to improve our way of life and production method, establish a friendly relationship with the sea, give our next generation a clean ocean.



### Sponsorship of Road Maintenance Program

#### Taiwan Facility



Since 2007, we have applied to Directorate General of Highways Nantou Branch to adopted Caotun Township Caoxi Road (Zhongxing intersection to Maoluo River bridge), Taiwan Freeway No.3 access road to provincial highway no.14B (Maoluo River bridge to Shengfu intersection), and Shengfu intersection to the station central island at Shanglin police, implementing shrub/tree trimming, turf maintenance, and landscape setting with an expenditure of NTD 666,000 every year. We also reacted to the greenification policy of Caotun Township by sponsoring Zhongxing Road's plant maintenance committed by the town hall for many years, in order to keep the city green and clean.

Nantou Branch Chief Chen Chun Chang personally issued certificates of appreciation in December 2015, and senior vice president of Taiwan Facility accepted the award on behalf of USI.





## Promote Artistic Events

By supporting and sponsoring artistic events, USI wishes to enhance the artistic appreciation of people, accumulate the energy of innovation and creativity, and establish a nice social convention. Therefore, USI has been concerned with the promotion of local arts and literatures. In addition to sponsoring the "annual autumn tours of Cloud Gate Dance Theatre" on a continuous basis, and invites "Ming Hwa Yuan Arts & Cultural Group" to perform in the soiree of public welfare at Zhongshan Park of Caotun Township for local citizens.

### Sponsorship of the Annual Autumn Tour of Cloud Gate Dance Theatre

#### Taiwan Facility



By supporting and sponsoring artistic events, USI wishes to enhance the artistic appreciation of people, accumulate the energy of innovation and creativity, and establish a nice social convention. Therefore, USI has been promoting to the promotion of artistic events.

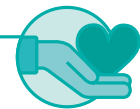
- ▶ Starting Year: 2005
- ▶ Recipient: Cloud Gate Dance Foundation
- ▶ Benefited Stakeholders:  
Cloud Gate Dance Foundation, USI employees

Implementation Methods:  
USI not only sponsors NTD 1 million on the daily operation of the foundation every year, but also promotes arts inside the company by holding the "Cloud Gate Gathering" activity.

- ▶ Implementation Results:  
In 2015 we sponsored dual dance performance "Smoke/Moon Water" of Cloud Gate Dance Theatre, and invited them to have a "Cloud Gate Gathering" with our Taipei office staffs. Also, we worked together with Enterprise Employee Welfare Committee on activities to invite our staffs to bring family and friends to watch "Moon Water" together in Taichung. A total of 200 people participated in the event.

### ▶ Sponsored Projects

- 2015 Smoke/Moon Water
- 2014 White Water Little Dusts
- 2013 The Rice
- 2012 Nine Songs
- 2011 How Can I Live without You
- 2010 Water Stains on the Wall
- 2009 Xing Cao
- 2008 Hwa Yu
- 2007 Nine Songs
- 2006 Tale of White Snake
- 2005 Dream of Red Chamber



### Sponsorship of Countryside Tour of Ming Hwa Yuan Arts & Cultural Group

#### Taiwan Facility



To cooperate with the year-end party of "Straw Crafts Festival" held by Nantou County Caotun Township Office, USI sponsors the Ming Hwa Yuan Arts & Cultural Group every year to give a public performance in townships and invites local residents, company employees and their families to relish the unique Taiwanese opera culture. "Ming Hwa Yuan Arts and Cultural Group" is one the biggest and most celebrated Taiwanese opera groups. Established in 1929, this large-scale art performing group has integrated rhythms of modern theater, experimental theater and scene-by-scene filming to elaborate the beauty of traditional arts with music, drama, dance, folk customs, arts and sound and light technology.



2015 marked the fourteenth year of USI's continuous sponsorship of Caotun Township's local public performance at "Straw Crafts Festival". Thousands of people in all ages were drawn to watch the brilliant "Ming Hwa Yuan opera's Drama: God of wealth comes down to earth". About 4,000 people participated in the performance. Every year the public performance plays to a full house, and has become a major year-end local event, gaining enthusiastic supports from the folks, as well as high praise from government units at all levels for USI's promotion of opera culture.

USI not only participates in public welfare activities enthusiastically, but also takes citizens' needs into consideration while handling these activities. For example, as the nights are cold, it has specially prepared ginger teas for citizens to drink while watching the drama. Besides, it has planned an area with "priority seats" for

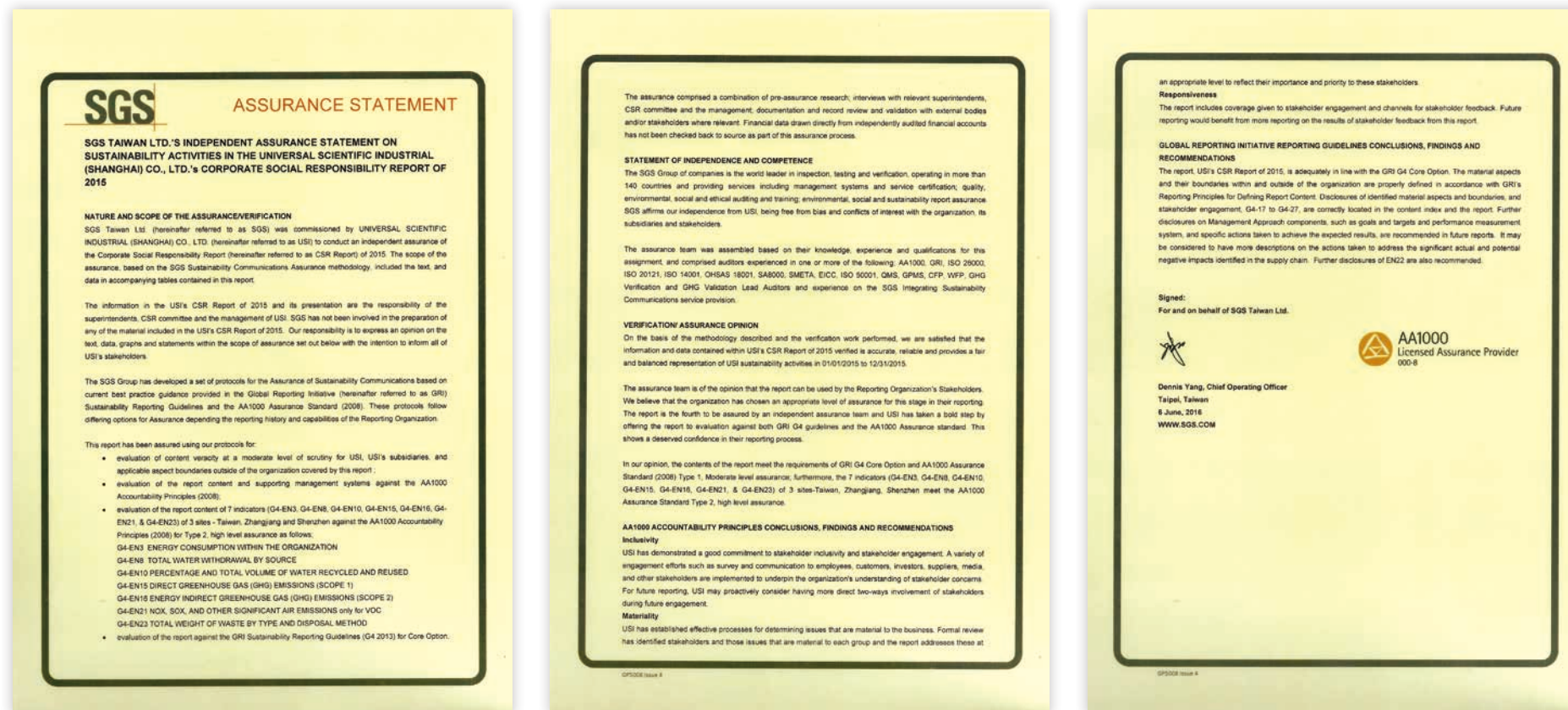


elder people or people with physical difficulties to enjoy the show. All of these have showed how much USI cares about local citizens and cherishes this kind of warm hospitality, also proved our care and responsibility to them.

### ► Sponsored Projects

Year	Production
2002	The Duck-Seller King
2003	Grand Immortal of Ponglai
2004	Xiang Yu and Liu Bei
2005	Wu Song, the Tiger Slayer
2006	Tale of Jigong
2007	Legend of Xue Ding Shan
2008	Tale of Zhou Gong and Cherry Blossom Lady
2009	Tale of Eight Fairies
2010	Hong Chen Pu Ti
2011	Wagon Driver and Detective
2012	Liu Quan's Trip to Hell
2013	Bao Zheng the Inquisitor
2014	Performing Wang's Family
2015	God of wealth comes down to earth

## Third Party Assurance Statement



## GRI Index

### • General Standard Disclosures

Standard Disclosures		Chapter	Page	Additional Illustration	External Assurance Page
<b>Strategy and Analysis</b>					
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and strategy	Letter from President	5		82
<b>Organization Profile</b>					
G4-3	Name of the organization	Corporate Introduction	14		82
G4-4	Primary brands, products, and/or services	Corporate Introduction	14		82
G4-5	Location of organization's headquarters	Corporate Introduction	14		82
G4-6	The number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Corporate Introduction	14		82
G4-7	Nature of ownership and legal form	Corporate Introduction	14		82
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Corporate Introduction	14		82
G4-9	Scale of the reporting organization	Corporate Introduction	14		82
		Financial Performance	15		
G4-10	a. The total number of employees by employment contract and gender	Global Workforce	41		82
	b. The total number of permanent employees by employment type and gender				



Standard Disclosures		Chapter	Page	Additional Illustration	External Assurance Page
G4-10	c. The total workforce by employees and supervised workers and by gender	Global Workforce	41		82
	d. The total workforce by region and gender				
	e. Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors				
G4-11	The percentage of total employees covered by collective bargaining agreements	Strong Employee Engagement	53		82
G4-12	Describe the organization's supply chain	The Suppliers of USI	62		82
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Company Introduction	14		82
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	Green Promise	30		82
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Promotion of EICC	17		82
		Promotion of CFSI	17		
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	External Participation	16		82
<b>Identified Material Aspects and Boundaries</b>					
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents	Corporate Sustainability Profile	2	There are totally 13 companies in the organizational structure chart and this report has only revealed 6 of them. The reason of not revealing these companies is that: These companies are operated as service centers with lower impacts on the environment and our community.	82
	b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	Company Introduction	14		

Standard Disclosures		Chapter	Page	Additional Illustration	External Assurance Page
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries	Identification of Stakeholders and Definition of Material Aspects	7		82
	b. Explain how the organization has implemented the Reporting Principles for Defining Report Content				
G4-19	List all the material Aspects identified in the process for defining report content	Identification of Stakeholders and Definition of Material Aspects	7		82
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows:	Identification of Stakeholders and Definition of Material Aspects	7		82
	a. Report whether the Aspect is material within the organization  b. If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: • The list of entities or groups of entities included in G4-17 for which the Aspect is not material or • The list of entities or groups of entities included in G4-17 for which the Aspects is material  c. Report any specific limitation regarding the Aspect Boundary within the organization				
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: 1. Report whether the Aspect is material outside of the organization  2. If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified  3. Report any specific limitation regarding the Aspect Boundary outside the organization	Identification of Stakeholders and Definition of Material Aspects	7		82

Standard Disclosures		Chapter	Page	Additional Illustration	External Assurance Page
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	Carbon Management	25	In 2015, due to the addition of Jinqiao facility and the adoption of the fifth evaluation report (2013) of IPCC for GWP value, the original base year (2010) has been changed to 2015.	82
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	Stakeholders Management	7		82
Stakeholder Engagement					
G4-24	Provide a list of stakeholder groups engaged by the organization	Identification of Stakeholders and Definition of Material Aspects	7		82
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	Identification of Stakeholders and Definition of Material Aspects	7		82
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Stakeholders Communications and Response	10		82
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	Stakeholders Communications and Response	10		82
Report Profile					
G4-28	Reporting period (such as fiscal or calendar year) for information provided	Corporate Sustainability Profile	2		82

Standard Disclosures		Chapter	Page	Additional Illustration	External Assurance Page
G4-29	Date of most recent previous report	Corporate Sustainability Profile	2		82
G4-30	Reporting cycle	Corporate Sustainability Profile	2		82
G4-31	Provide the contact point for questions regarding the report or its contents	Corporate Sustainability Profile	2		82
G4-32	a. Report the "in accordance" option the organization has chosen	Corporate Sustainability Profile	2		82
	b. Report the GRI Content Index for the chosen option				
	c. Report the reference to the External Assurance Report, if the report has been externally assured. (GRI recommends the use of external assurance but it is not a requirement to be "in accordance" with the Guidelines.)	GRI Index	83		
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report	Corporate Sustainability Profile	2		82
	b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided				
	c. Report the relationship between the organization and the assurance providers				
	d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report				
Governance					
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	Corporate Sustainability Profile	2		82
		Managing Structure	20		
Ethics and Integrity					
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Anti-Corruption and Anti-Bribery	20		82

• Specific Standard Disclosures

Management Approach & Indicators		Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Economic Category						
Economic Performance		Management Approach	Company Introduction	14		82
	G4-EC1	Direct economic value generated and distributed	Financial Performance	15		82
	G4-EC3	Retirement plans	Comprehensive Welfare and Salary System	48		82
	G4-EC4	Financial assistance received from government	Financial Performance	15		82
Market Presence			Global Workforce	41		82
		Management Approach	Comprehensive Welfare and Salary System	48		82
	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage	Comprehensive Welfare and Salary System	48		82
	G4-EC6	Proportion of senior management hired from the local community	Global Workforce	41		82
Procurement Practices		Management Approach	The Suppliers of USI	62		82
	G4-EC9	Proportion of spending on local suppliers	The Suppliers of USI	62		82

Management Approach & Indicators		Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Environmental Category						
Energy		Management Approach	Energy Management	26		82
	G4-EN3	Energy consumption within the organization	Energy Management	26		82
	G4-EN5	Energy intensity	Energy Management	26		82
	G4-EN6	Reduction of energy consumption	Energy Management	26		82
	G4-EN7	Reductions in energy requirements of products and services	Design Results of Green Products	34		82
Water		Management Approach	Water Resource Management	27		82
	G4-EN8	Total water withdrawal by source	Water Resource Management	27		82
	G4-EN10	Consumption and the percentage of recycling water	Water Resource Management	27		82
Emissions		Management Approach	Carbon Management	25		82
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Carbon Management	25		82
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Carbon Management	25		82
	G4-EN18	Greenhouse gas (GHG) emissions intensity	Carbon Management	25		82
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	Energy Management	26		82
	G4-EN21	NOx, SOx, and other significant air emissions	Air Pollution Control	30		82



Management Approach & Indicators			Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Effluents and Waste		Management Approach	Waste Management	28			82
	G4-EN22	Total water discharge by quality and destination	Water Resource Management	27			82
	G4-EN23	Total weight of waste by type and disposal method	Waste Management	28			82
	G4-EN24	Total number and volume of significant spills			No serious leakage events happened in any facility.		82
Products and Services		Management Approach	Green Promise	30			82
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Green Management	31			82
			Design Results of Green Products	34			82
Compliance		Management Approach	EHS & Energy Policy	24			82
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Regulations Abidance	21			82
Overall		Management Approach	Green Promise	30			82
	G4-EN31	Total environmental protection expenditures and investments by type	Green Expenditures	38			82
Supplier Environmental Assessment		Management Approach	Supplier Evaluation & EICC Audit	63			82
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Supplier Evaluation & EICC Audit	63			82
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Supplier Evaluation & EICC Audit	63			82

Management Approach & Indicators			Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Environmental Grievance Mechanisms		Management Approach	EHS & Energy Policy	24	There were no related cases in 2015.		82
			Green Supply Chain	37			
	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Pollution Control	27			82
			Supplier Communication	65			82
Labor Practices and Decent Work Category							
Employment		Management Approach	Equal Employment Opportunity	43			82
	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Equal Employment Opportunity	43			82
	G4-LA2	Benefits provided to full-time employees	Comprehensive Welfare and Salary System	48	The welfare system is applicable to both regular and non-regular employees.		82
	G4-LA3	Return to work and retention rates after parental leave, by gender	Comprehensive Welfare and Salary System	48			82
Labor/ Management Relations		Management Approach	Strong Employee Engagement	53			82
	G4-LA4	Minimum notice periods regarding operational changes	Strong Employee Engagement	53			82

Management Approach & Indicators			Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Occupational Health and Safety		Management Approach	Excellent Working Environment	53			82
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Excellent Working Environment	53			82
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Excellent Working Environment	53			82
Training and Education		Management Approach	Integral Training Program	44			82
	G4-LA9	Average training hours based on gender and occupations	Integral Training Program	44			82
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Integral Training Program	44			82
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Integral Training Program	44			82
Diversity and Equal Opportunity		Management Approach	Employee Care and Cultivation	40			82
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Global Workforce	41			82

Management Approach & Indicators			Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Equal Remuneration for Women and Men		Management Approach	Comprehensive Welfare System	48			82
	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category	Comprehensive Welfare System	48			82
Supplier Assessment for Labor Practices		Management Approach	Supplier Evaluation & EICC Audit	63			82
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Supplier Evaluation & EICC Audit	63			82
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Supplier Evaluation & EICC Audit	63			82
Labor Practices Grievance Mechanisms		Management Approach	Strong Employee Engagement	53	There were no related cases in 2015.		82
			Supplier Communication	65			
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Strong Employee Engagement	53			
			Supplier Communication	65			
Human Rights Category							
Investment		Management Approach	Human Rights Policy	40			82
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Human Rights Policy	40			82
			Integral Training Program	44			82

Management Approach & Indicators			Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Non-discrimination		Management Approach	Human Rights Policy	40			82
	G4-HR3	Human Rights Policy	Human Rights Policy	40	There were no discrimination cases in 2015.		82
Freedom of Association and Collective Bargaining			Human Rights Policy	40			82
		Management Approach	Supplier Evaluation & EICC Audit	63			82
	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Human Rights Policy	40	There were no related cases in 2015.		82
			Supplier Evaluation & EICC Audit	63			82
Child Labor			Human Rights Policy	40			82
		Management Approach	Supplier Evaluation & EICC Audit	63			82
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Human Rights Policy	40			82
			Supplier Evaluation & EICC Audit	63			82
Forced or Compulsory Labor			Human Rights Policy	40			82
		Management Approach	Supplier Evaluation & EICC Audit	63			82
	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Human Rights Policy	40	There were no related cases in 2015.		82
			Supplier Evaluation & EICC Audit	63			82

Management Approach & Indicators			Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Assessment		Management Approach	Corporate Sustainability Profile	2			82
	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	Promotion of EICC	17	Operating activities on facilities all consider the local situation of human rights.		82
			Human Rights Policy	40			
Supplier Human Rights Assessment		Management Approach	Supplier Evaluation & EICC Audit	63			82
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Supplier Evaluation & EICC Audit	63			82
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Supplier Evaluation & EICC Audit	63			82
Human Rights Grievance Mechanisms		Management Approach	Human Rights Policy	40			82
			Supplier Evaluation & EICC Audit	63			82
	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Strong Employee Engagement	53			82
			Supplier Communication	65			82
Society Category							
Local Communities		Management Approach	Social Participation	69			82
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Invest in Education	69	All operating activities take part in community development		82
			Contribute to the Society	72			
			Promote Artistic Events	80			



Management Approach & Indicators			Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Anti-corruption		Management Approach	Anti-Corruption and Anti-Bribery	20			82
			Promotion of EICC	17	Internal audit of anti-corruption and anti-bribery contains the whole company (nine cycles of sales, procurement, production, payroll, asset and etc.), and USI found no major issues within audit sampling results in 2015.		82
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Anti-Corruption and Anti-Bribery	20			82
	G4-SO4	Communication and training on anti-corruption policies and procedures	Anti-Corruption and Anti-Bribery	20			82
Compliance		Management Approach	Regulations Abidance	21			82
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Regulations Abidance	21			82
Supplier Assessment for Impacts on Society		Management Approach	Supplier Evaluation & EICC Audit	63			82
	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Supplier Evaluation & EICC Audit	63			82
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Supplier Evaluation & EICC Audit	63	There were no related cases in 2015.		82
Product Responsibility Category							
Customer Health and Safety		Management Approach	Customer Service and Satisfaction	59			82
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Customer Service	59			82

Management Approach & Indicators			Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Customer Health and Safety	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Customer Service	59	In 2015, USI did not violate any regulations that relate to health and safety.		82
Product and Service Labeling		Management Approach	Customer Service and Satisfaction	59			82
	G4-PR5	Results of surveys measuring customer	Customer Satisfaction	59			82
Customer Privacy		Management Approach	Customer Privacy	62			82
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Customer Privacy	62			82
Compliance			Regulations Abidance	21			
		Management Approach	Customer Service	59			82
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services			In 2015, USI did not violate any regulations.		82
Other Issues							
Conflict Minerals	Management Approach		Corporate Sustainability Profile	2			82
			Supplier Communication	65			82
	Conflict Minerals Management and Investigation		Conflict Minerals Management and Investigation	65			82
Continuous Improvement	Management Approach		Continuous Improvement Program(CIP)	17			82
	Continuous Improvement Program(CIP)		Continuous Improvement Program(CIP)	17			82





## • MANUFACTURING SITES

### SHANGHAI-ZHANGJIANG, CHINA

No.1558, Zhang Dong Rd., Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai 201203, China  
Tel: +86-21-5896-6996  
Fax: +86-21-5896-7931

### SHENZHEN, CHINA

USI Electronics Park, No.9028, Beihuan Road, North of High-Tech Industrial Park, Nanshan District, Shenzhen 518057, P. R. China  
Tel: +86-755-2699-1000  
Fax: +86-755-2699-0080

### SHANGHAI-JINQIAO, CHINA

No.501, Longgui Road, Jinqiao Export Processing (South) Zone, Pudong New Area, Shanghai 201201, P.R. China  
Tel: +86-21-3813-6688

### TSAOTUEN, TAIWAN

No.141, Lane 351, Sec. 1, Taiping Road, Tsao-tuen, Nantou County 54261, Taiwan  
Tel: +886-49-221-2700  
Fax: +886-49-239-1272

### KUNSHAN, CHINA

No.497 Huangpujiang Road, Qiandeng, Kunshan, Jiangsu Province 215341, P.R. China  
Tel: +86-512-5528-0000  
Fax: +86-512-5528-6666

### GUADALAJARA, MEXICO

Anillo Periferico Manuel Gomez Morin No. 656, Jardines de Santa Isabel, C. P. 44300, Guadalajara, Jalisco, Mexico  
Tel: +52-33-3648-1800

## • SALES OFFICES

### EUROPE

Waterloo Office Park - Building M, Drève Richelle, 161, Box 23, B-1410 Waterloo, Belgium  
Tel: +32-2-647-8461

### WEST COAST, USA

1255 E. Arques Avenue, Sunnyvale, CA 94085, USA  
Tel: +1-408-636-9600  
Fax: +1-408-636-9492

### EAST COAST, USA

2000 Regency Parkway, Suite 420 Cary, NC 27518, USA  
Tel: +1-919-466-8688  
Fax: +1-919-466-8689

### JAPAN

Sumitomo Fudosan Shin-yokohama Bldg. 10F 2-5-5, Shin-yokohama, Kouhoku-ku, Yokohama, 222-0033, Japan  
Tel: +81-45-548-4860  
Fax: +81-45-475-5991

### TAIPEI, TAIWAN

3F, No.66, Sanchong Road, Nangang District, Taipei 11502, Taiwan  
Tel: +886-2-2782-0366



# 2015 CORPORATE SOCIAL RESPONSIBILITY REPORT

<b>Published by</b>	Universal Scientific Industrial (Shanghai) Co., Ltd.
<b>Publisher</b>	C.Y. Wei
<b>Address</b>	No.1558, Zhang Dong Rd., Zhang Jiang High-Tech Park, Pudong New Area, Shanghai 201203, P. R. China. No.141, Lane 351, Sec. 1, Taiping Rd., Caotun, Nantou, Taiwan 54261
<b>Tel</b>	+86-21-5896-8418 +886-49-235-0876
<b>Editorial Supervisor</b>	CQM/Green & Environment, Health & Safety Dept.
<b>Editorial Design</b>	Central Staff Office
<b>General Editor</b>	Otto Yu
<b>Senior Editor</b>	Yunren Lee
<b>Executive Editor</b>	May Lee / Just Yu
<b>Web</b>	Ticky Wang / May Lee / Just Yu
<b>Website</b>	<a href="http://csr.usish.com/index.php">http://csr.usish.com/index.php</a>
<b>Editorial Committee</b>	Polly Wen / Lily Hong / Sherry Wang / YK Ho / Edward Ku / Emmy Yang / Edwin Hsu / Kevin Chen / Kathy Huang / Tong Lin / Wendy Gao / R.K. Shih / Jung Hui Bai / Andy Lin / Daniel Wu / Time Lee / Emma Tao / Mengmeng Wu / Lily Cao / Jenny Zhu / Howard Xian / Stone Jin / Gabriela Ochoa / Johnson Lin / Irene Chang / SW Tsai / Nancy Chang / Brendan Yao / Dotson Lin / CMH / Joanna Wei



FSC Paper from responsible sources and printed with EU RoHS compliant toner.



Realizing IDEAS Together