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

SSE: 601231



2025 Sustainability Report



Sustainability Report

Cover Story

Green City x Living with Nature

A bird takes flight, tracing a green path into the distance.
Below, city and nature converge in everyday coexistence.
Sustainability unfolds as a journey shaped through action.
Driven by technology, grounded in responsibility,
USI charts a clear course ahead.
Each step, a promise forward.

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About this Report

Since 2013, Universal Scientific Industrial (Shanghai) Co., Ltd. (USI, Company, We) has published annual Sustainability Reports in Traditional/Simplified Chinese and English and is accessible on the USI Sustainability Web. This report is the 14th Sustainability Report published by USI and its subsidiaries (from 2010 to 2012, USI's former parent company, now its subsidiary, Universal Scientific Industrial Co., Ltd., published 3 Sustainability Reports) released in August 2026. Stakeholders could learn about USI's sustainability practices and our environmental, social, and governance (ESG) target performances through this report.



This report has been prepared with reference to the GRI Standards 2021 and the SASB Electronic Manufacturing Services & Original Design Manufacturing Standards. We also refer to the SSE Listed Companies Self-Regulatory Guidelines No.14-Sustainability Report (Preliminary Version) providing ESG data. Please refer to the Materiality Analysis section for material issues and report boundaries.



The data in this report covers the period from 01/01/2025 to 12/31/2025 consistent with the 2025 Annual Report, and monetary figures are presented in CNY. Environmental, health, and safety data are reported using internationally recognized units and indicators. The scope of this report [(1)] encompasses approximately 82% of our consolidated revenue and covers the following facilities: Zhangjiang, Jinqiao, Huizhou, Kunshan, Nantou (including Nantou-TT and Nantou-NK), Mexico, and Vietnam. Where data falls outside this defined scope, a note is provided to indicate the specific scope applicable.

Additionally, this report separately discloses key ESG performance metrics for the Suzhou Facility of our subsidiary, Asteelflash (AFG-SUZ), in the Subsidiary Overview section.

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



We follow the USI ESG Best Practice Principles in disclosing sustainability information. The data presented in this report was provided by members of the Sustainability Committee and AFG-SUZ and reviewed by respective department managers. The Executive Secretariat compiled the report and submitted it to the Board for review and approval.



We annually conduct a third-party assurance for this report to ensure information transparency and accountability. Deloitte & Touche provided third-party verification in accordance with ISAE 3000 (Revised) for this report. For details, please refer to the Third-Party Verification Statement.

USI manufacturing facilities have acquired and continuously updated various environmental, social, and governance management system certifications. For more information, please refer to the Management Systems and Certifications Table.

If you have any suggestions, please contact us at

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- Website: https://www.usiglobal.com

- Address: No.141, Lane 351, Sec. 1, Taiping Road, Tsaotuen, Nantou County 542007
- Tel: +886-49-235-0876

Note:
1. For details on entities included in the financial statements and an overview of major subsidiaries and joint ventures, please refer to Section 3.V(VI) Analysis of Major Business Operations in the 2025 Annual Report.

About USI

Headquarters

Pudong New Area, Shanghai

Area of Manufacturing Facilities [1]

585,465 m^2

Global Total of Employees [2] (as of 12/31/2025)

21,726

2025 Revenue (CNY)

59.2 billion

Chairman and CEO

Jeffrey Chen

President and COO

C.Y. Wei

Registered Capital (CNY)

2,196,393,270

SSE Stock Number/Name

601231/USI Shanghai

Date of Stock Issue

February 20, 2012

Main Products and Services

Wireless Communication, Computer and Storage, Consumer, Industrial, Medical and Automotive Electronics

USI is a member of ASEH (TWSE: 3711, NYSE: ASX). We provide design, manufacturing, miniaturization, industrial software and hardware solutions, and material procurement, logistics and maintenance services of electronic devices/modules for brand owners. USI leverages cutting-edge technologies and local talent across its global facilities to enhance service capabilities and better meet customer needs. These efforts reflect the Company's sustainable strategic vision and commitment to regional growth. In August 2025, USI acquired a facility in the Taichung City Precision Machinery Innovation Technology Park as part of its capacity expansion strategy, integrating Nantou Facility's resources to enhance overall efficiency. The facility is scheduled to begin production in 2026. USI also signed a memorandum of understanding (MOU) with Saigon-Haiphong Industrial Park Corporation (SHP) in December 2025 to support the launch of its second facility in Vietnam. This project includes investment in additional optical module manufacturing capacity, further strengthening USI's global manufacturing footprint.

Note:
1. The area of manufacturing facilities only includes facilities in the scope of this report, please refer to Global Locations for more details.
2. The global total of employees includes the total number of USI and Asteelflash (AFG) employees.



Global Locations

Supply chain with a global mindset coupled with **volume purchasing capabilities**



Operations span across **Asia, Europe, America, and Africa**, providing a complete range of services

27 manufacturing locations

Manufacturing Locations (USI+AFG+Eugenlight Technologies)

Letter from the Chairman and President



In an era marked by accelerating sustainability regulations and rapidly evolving industrial dynamics, sustainability has become a fundamental foundation for building resilience and long-term competitiveness in an uncertain world.

The UN 17 Sustainable Development Goals (SDGs) call upon governments and industries alike to address persistent global challenges, including poverty, environmental degradation, and social inequality. However, as highlighted in the UN SDGs Report 2025, progress toward these goals has fallen behind expectations due to widening funding gaps, intensifying climate risks, and ongoing geopolitical uncertainties. At the same time, sustainability disclosure requirements are shifting from voluntary initiatives toward mandatory obligations across major economies. Sustainability information now carries the same level of importance as financial data in evaluating a company's governance effectiveness and long-term value creation.

Against this backdrop, USI recognizes the need to move beyond regulatory compliance and focus on embedding sustainability as a core driver of long-term growth and operational resilience. Through disciplined risk management and forward-looking strategic planning, we continue to adapt to industry transformation, strengthen innovation capabilities, and optimize our global footprint. Guided by our four sustainability pillars, Low-Carbon, Circular, Inclusive, and Collaborative, we are committed to creating positive economic, environmental, and social value, while advancing our vision of becoming the most reliable global partner.

Realize Low Carbon through Smart Manufacturing

We believe that the manufacturing sector plays a proactive role in the transition toward a low-carbon future. By strengthening technological capabilities and management practices, carbon reduction efforts can be integrated into operational efficiency and long-term competitiveness.

As 2025 marks the tenth anniversary of the Paris Agreement, expectations for climate action continue to rise. USI has established Green Product Specifications based on international green product regulations, enabling the development of products and production solutions that meet both customer requirements and sustainability standards, while progressively building a structured green supply chain.

We have also defined quantitative climate-related targets, addressing both mitigation and adaptation. Progress is disclosed annually to ensure accountability and transparency, with measurable outcomes supporting these commitments. Our renewable energy utilization has reached 88%, reflecting a long-term perspective on transforming energy structures and manufacturing models.

At the same time, we are advancing the deployment of AI-driven smart manufacturing. In 2025, we developed 10 AI-based automation modules, moving toward the realization of lights-out production. AI applications have also been integrated into product testing and operational management, improving real-time responsiveness, strengthening manufacturing efficiency, and reducing energy consumption.

Promote Circularity and Save Environmental Resources

Resource efficiency remains a key factor in sustaining long-term operational resilience. To reduce the environmental impact associated with raw material extraction and carbon-intensive processes while mitigating supply risks related to scarce materials, USI aligns with the EU Circular Economy Action Plan.

We are transitioning toward a circular model centered on reduction, reuse, and recycling, supported by our Sustainable Materials Policy and Green Product Policy. These frameworks position resources as part of a continuous lifecycle rather than single-use inputs. In 2025, recyclable

Chairman Jeffrey Chen



materials accounted for 96% of mechanical component design, while our overall waste recycling rate reached 88%. These results reflect sustained efforts in system development and the cultivation of environmental awareness across the organization.

Enhance Inclusiveness through Diversity and Equality

People are the foundation of sustainable growth. USI is committed to building a diverse and inclusive workplace by attracting and developing talent across global markets, ensuring alignment between individual capabilities and organizational needs. We actively support employees in enhancing their professional skills and qualifications, while strengthening industry–academia collaboration to prepare future talent. In 2025, 129 students participated in internship programs, gaining practical industry experience.

At the same time, we continue to deepen our engagement with local communities. Through financial contributions and employee volunteerism, we invest in social development and extend our resources to areas of need. In 2025, USI contributed CNY 7.65 million to social initiatives and external organizations, with employees dedicating 6,839 volunteer hours.

Integrate Resources to Create Collaborative Value

USI advances sustainability through the integration of supply chain systems, green manufacturing, and technological collaboration. In response to increasing data transmission demands driven by the expansion of AI models, we are investing in high-speed computing and AI data center applications, including the expansion of optical module capabilities.

In 2025, we continued to advance our investment in Vietnam, leveraging a well-established supply chain ecosystem while accelerating the development of a second production facility to enhance resilience and product quality.

Within our supply chain, we support partners in strengthening carbon management capabilities. Key suppliers are required to obtain ISO 14064-1 and ISO 14067 third-party certifications. In addition, we encourage participation in the CDP Supply Chain Program, enabling transparent environmental data disclosure and structured improvement planning, which strengthens long-term collaboration.

In 2025, USI was once again recognized with the Top 5% distinction in the EEIC Industry and included in the S&P Global Sustainability Yearbook, achieving top industry scores in environmental and social dimensions for three consecutive years. We also received ISS ESG Prime rating, Sustainalytics Low Risk rating, and a tenth "A" disclosure rating from the Shanghai Stock Exchange, achieving a social contribution value [(1)] of CNY 3.33 per share, reflecting our commitment to creating shared value for society.

Sustainability as a Foundation for Resilience and Growth

For USI, sustainability is not merely a strategic priority, it is a long-term commitment to the world. We will continue to work alongside our employees, partners, and stakeholders to navigate change with resilience, create shared value for society, and contribute to lasting prosperity for future generations.

Note:
1. Social Contribution Value per Share = Basic Earnings per Share + (Taxes Paid + Employee Compensation + Interest Expenses + Public Welfare Contributions) ÷ Total Number of Outstanding Common Shares for the Year



President C.Y. Wei

Chen-Yen Wei

Sustainable Performance Highlights

S&P Global
Top 5%
Corporate Sustainability Assessment 2025 Score
©S&P Global 2026.
For terms of use, visit www.spglobal.com/yearbook

Industry Top 5%
S&P Global Sustainability Yearbook Member (2022-2026)

Corporate ESG Performance
RATED BY ISS ESG
Prime

ISS "Prime" Status
ISS ESG Corporate Rating

CDP
Discloser 2025

Dual CDP B Ratings
Climate Change & Water Security

上海华证指数信息服务有限公司
Sino-Securities Index Information Service (Shanghai) Co.Ltd

ESG Rating AA
Obtained ESG Rating AA from Sino-Securities Index



Best Sustainable Practices
2025 Best Sustainable Development Practices Award



Best ESG Report
2025 Leading ESG Report of Shanghai FIEs

ESG

- Sustainalytics **Low Risk** ESG risk rating
- SynTao Green Finance 2025 ESG Rating **A**
- 2025 Wind ESG Rating **AA**
- Included in MSCI **Sustainability and Climate Indexes**

Social

Huizhou Facility

- AAA Level Huizhou Harmonious Labor Relations Enterprise

Kunshan Facility

- Top 10 Enterprises with Harmonious Labor Relations

Nantou Facility

- 2025 Nantou County Top Cancer Screening Workplace
- 2025-2027 Accredited Healthy Workplace-Health Promotion Badge
- 2025 Workplace Health Promotion Self Assessment Certificate
- 2025-2028 Accredited Nantou County Breastfeeding Room-Most Accommodating Room

Governance

Zhangjiang Facility

- 2025 Best Practice Award for the Internal Control of Listed Companies
- 2025 Excellent Practice Award for the Board of Listed Companies
- 2024 Outstanding Contributions to Scientific and Technological Innovation
- 2024 Top 5 Sales in Shanghai Integrated Circuit Packaging and Testing Industry
- 2024 Nissan Best Purchasing Partner Award

Jinqiao Facility

- Authorized Economic Operator (AEO) Certification

Huizhou Facility

- 2025 Guangdong Top 500 Manufacturers
- 2025 Lenovo Quality Benchmark Award
- 2025 Lenovo Outstanding Serviceability Award
- China Customs Economic Climate Benchmark Enterprises

Kunshan Facility

- 2025 AUO Asia-Pacific Sustainability Partner Award
- 2024 Recognition for Outstanding Local Contribution

Nantou Facility

- 2025 AUO Supplier Quality 4.0 Award

Vietnam Facility

- 2024 Outstanding Contributions to High Export Turnover

Environmental

Zhangjiang Facility

- 2025 Zero Waste Factory Recognition
- 2025 Shanghai Positive Environmental Monitoring Enforcement
- 2025 Shanghai Four Star Green Manufacturing
- 2025 Shanghai Roots & Shoots Million Tree Project Sponsorship Award

Kunshan Facility

- 2025 Suzhou Net-Zero Factory

Nantou Facility

- 2025 Clean Air Leadership Award

Sustainability Management



USI integrates the core values of four sustainability strategies, Low Carbon, Circular, Inclusive, and Collaborative, into corporate policy and operational management.

Sustainable development and balance between the environment, society, and governance benefit shareholders and investors and engender social value that fosters the common good for all.

We commit to

- Providing a diversified, inclusive, and stimulating working environment for employees
- Generating exceptional value for stakeholders
- Contributing toward building a better place to live
- Deploying safe and adaptable solutions across our global operations

Realizing the Sustainable Development Goals

According to the identified material issues and annual sustainable goals, USI focused on 6 SDGs to be key indicators of sustainable development in 2025.





Talent is a crucial factor in driving enterprise growth. USI has continuously sponsored education to encourage students to pursue further studies while offering several industrial-academic partnerships and internship opportunities to enhance youth employability and develop the next generation of technology talents and future human capital.



USI incorporates waste reduction and reuse into corporate policy. To uphold policy principles of "Impact Mitigation & Continuous Improvement" and "Effective Reduction & Circular Reuse" in facilities worldwide, they have been set as annual key performance indicators to strengthen the effective control of waste and promote resource circulation throughout the value chain.



USI effectively controls risks by identifying, assessing, and responding to them. We establish Information Security Policy and Privacy Policy to ensure core systems' confidentiality, integrity, availability, and compliance, and secure the rights and interests of data subject to reduce the occurrence of crises.



Facing global economic fluctuations, USI creates business growth through steady operation strategies to support production and employment opportunities. We provide employees with a safe working environment, protect their rights, and plan competency training to enhance their professional capability and achieve organizational targets.



Following our Low-Carbon strategy, USI mitigates its environmental impact and adapts low-carbon measures in response to climate change. We use the Task Force on Climate-related Financial Disclosures (TCFD) framework to manage our carbon emissions throughout our products lifecycles, from design and supply chain to manufacturing, and map our path to 2050 Net Zero Carbon Emissions.



As a global corporate citizen, USI advocates industrial key issues to business partners through the organizations we joined, increases the influence of sustainable goals through daily operations, and strengthens global partnerships to achieve our sustainability vision.

Sustainability Committee

To strengthen USI's core competitiveness, enhance sustainable decision-making, and optimize corporate governance, the Strategy and Sustainability Committee was established under the Board of Directors, the highest authority in corporate sustainability. Chaired by Jeffrey Chen, the Board committee includes board members such as the Chairman and President and oversees strategic sustainability initiatives.

Each year, the Sustainability Committee submits the annual Sustainability Report including material issues assessment results to the Board for review, guiding discussions and implementation of corporate social responsibilities by the Board. In 2025, the Board approved the revised versions of USI's Group Tax Policy and Code of Business Conduct and Ethics, laying the foundation for the company's tax governance and ethical conduct.

Reporting to the Strategy and Sustainability Committee, the Sustainability Committee spans all manufacturing facilities and is chaired by USI President C.Y. Wei.

Senior managers serve as Leaders and Coordinators, with departmental representatives forming five dedicated taskforces: Corporate Governance, Green Product & Innovation, Value Chain Management, Employee & Society Well-being Engagement, and Environmental Protection & Occupational Safety.

A Chief Sustainability Officer is appointed from senior management to drive progress and track goals and performance through quarterly meetings. The Chairman and President attend the Sustainability Committee Annual Meeting to oversee goal setting and ESG implementation. In 2025, this meeting was held on December 18, featuring presentations of sustainability achievements and insights from invited sustainability consultants.

For detailed performance metrics and targets, please refer to the Sustainable Issue Performance and Targets section of the respective chapters.



Sustainable Promotion

USI holds various sustainable activities to enhance employees' sustainability capabilities each year. In 2025, we held sustainable activities with three major themes:

Capacity Building

- Developed ESG e-learning materials to introduce Social Inclusive concepts to indirect employees worldwide.



Seminar

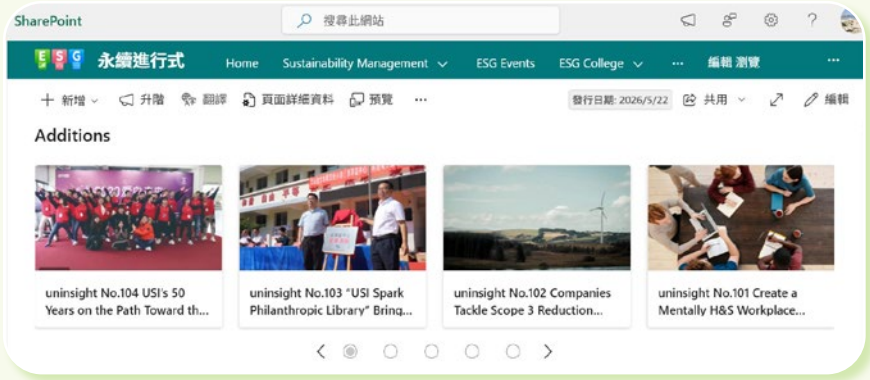
- Held seminars to share global sustainability trends, including introductions to Critical Raw Material Risks and New Opportunities for Category 3 Reduction.
- Shared Human Rights and Forced Labor issues with the Sustainability Committee members.





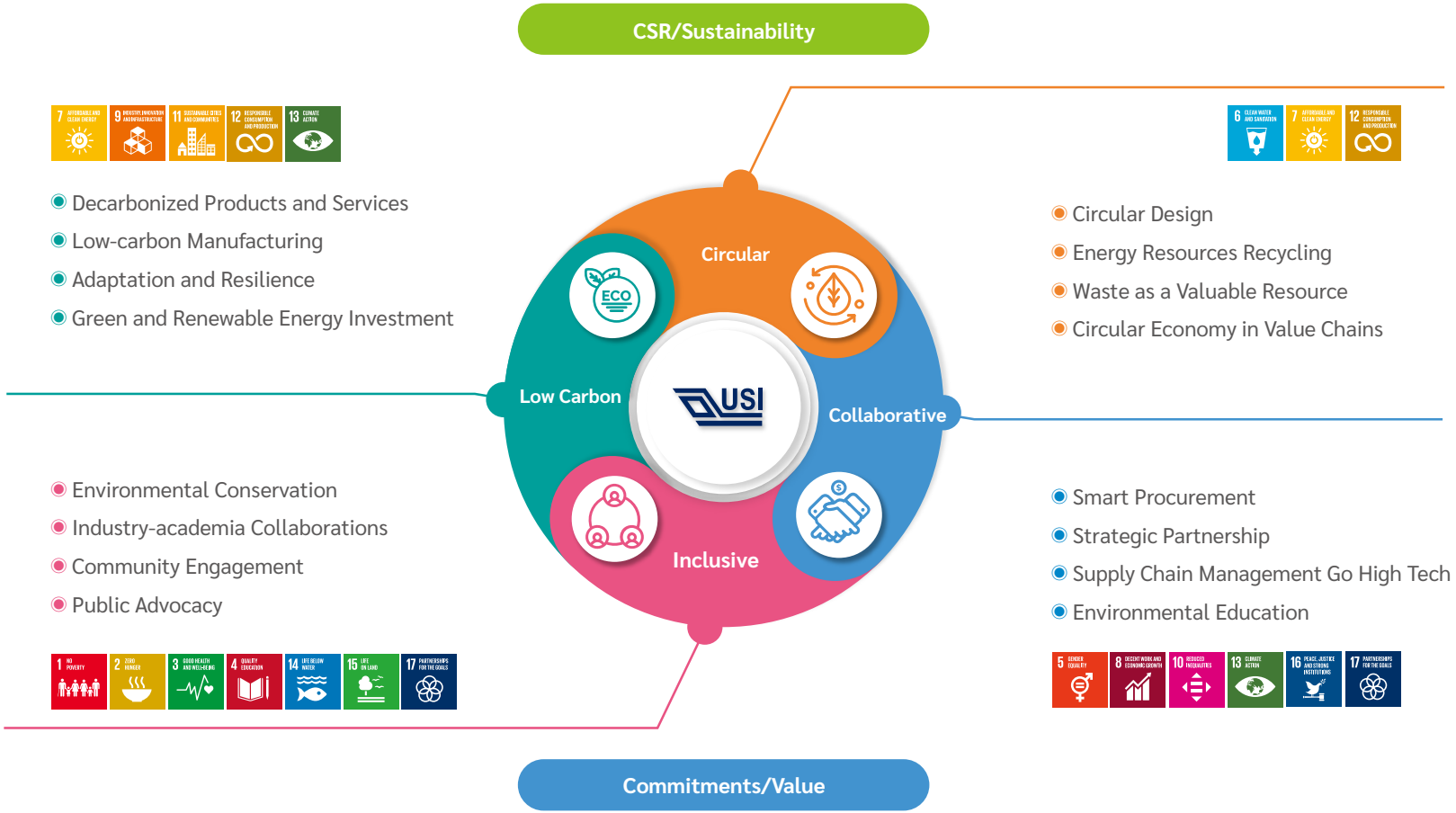
Knowledge Sharing

- Shared sustainability-related information and activities on the company's SharePoint platform, "ESG-ing".
- Published 4 articles with Sustainability topics in the internal newsletter *usinsight*, under the "ESG 360" column:
  - ✓ From "Globalization" to "Trustworthiness": Building and Addressing Challenges in Supply Chain Security Management
  - ✓ Aligning with International Standards to Create a Mentally Healthy and Safe Workplace Culture
  - ✓ Companies Tackle Scope 3 Emissions Reduction Challenges
  - ✓ USI Spark Philanthropic Library



Sustainability Strategy

To accomplish ESG goals effectively and meet stakeholders' expectations, USI sets a Sustainability Policy to cover the issues of labor rights, workplace safety and health, environmental protection, and business ethics. And we develop four sustainability strategies, Low Carbon, Circular, Collaborative, and Inclusive, to prioritize response SDGs based on the Company's core values. This enables the Company to take comprehensive actions concerning corporate sustainability. In 2025, we generated strategic approaches and long-term targets according to key sustainable issues, focused on the corresponding SDGs, tracked the target achievements, published sustainable issues and performances in the Sustainability Committee Annual Meeting. For strategic approaches and targets of key sustainable issues, please refer to the respective chapters and sections for more information.

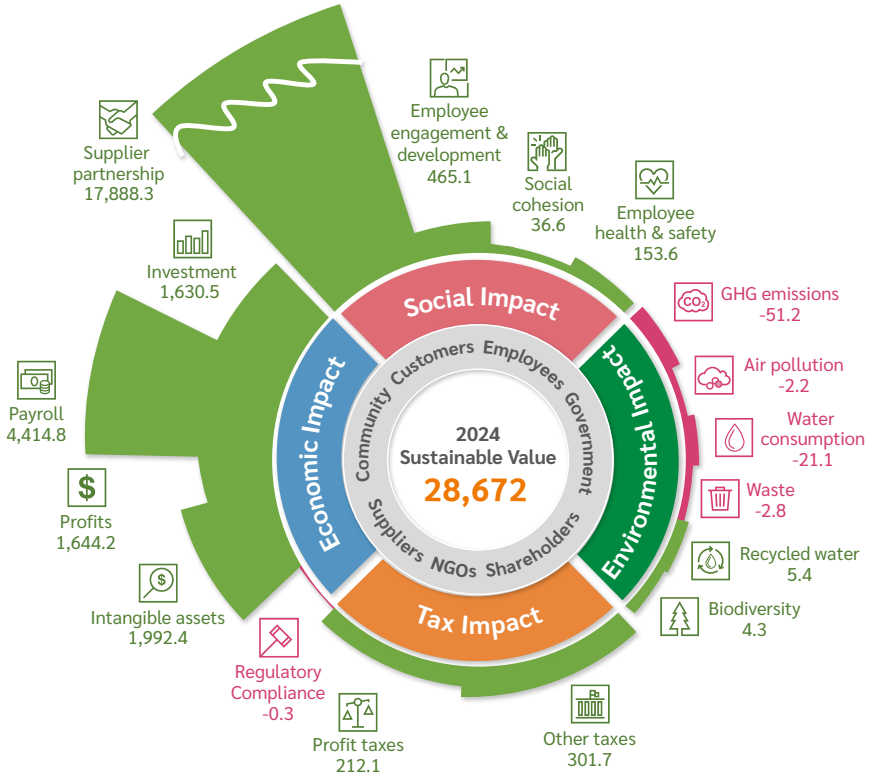


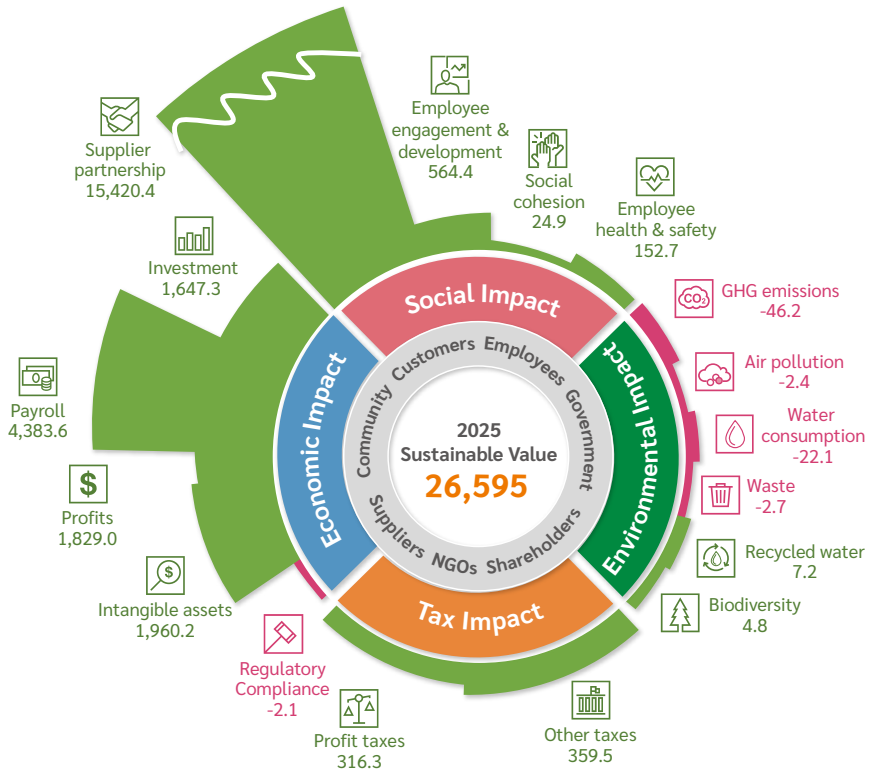
Sustainable Impact Assessment

To implement sustainability strategies and monitor our progress toward goals, USI introduced Social Return on Investment (SROI) and Environmental Profit and Loss (EP&L) in 2019 and 2020 separately to manage social projects' performances and make effective decisions on environmental issues. In 2021, USI implemented Total Impact Measurement and Management (TIMM) evaluation to assess the impacts and contributions to stakeholders from the Company's operations in Economic, Social, Environmental, and Tax dimensions. USI created positive contributions on economic and tax dimensions and invested in environmental and social activities to bring contributions to stakeholders.

Sustainability Value and Impacts

The scope of the TIMM assessment, along with the analyses presented in Sections Environmental Profit & Loss and Social Impact, includes AFG-SUZ. Based on the TIMM evaluation, USI generated CNY 26,595 million in sustainability value for stakeholders in 2025, reflecting a 7% decrease in positive societal contributions compared to 2024 due to social dimension performance.





Unit: CNY million

Economic and Tax Dimensions

USI's economic and tax-related value increased 3% in 2025 compared to 2024. The positive development of the economic dimension was mainly contributed by cost control and gains from land disposal. In addition, USI increased 32% of positive contribution in tax dimension compared to 2024, tax expenditures can help the government to promote social welfare and develop public infrastructure. But due to geopolitics and the trend of economic regionalization, and the US's imposition of tariffs on multiple regions, customers have adjusted order demands and diversified supply chains to mitigate risks, that makes the company's operating environment more challenging. Looking ahead to 2026, USI will actively introduce intelligent and automated production capabilities to reduce costs and improve production efficiency; deepen cooperation with customers and increase the added value of products to stand out in the fierce market competition.

Environmental Dimension

In 2025, USI reduced its environmental negative value by 9% compared to 2024, with greenhouse gas (GHG) emissions and water consumption remaining the primary impact areas. To address this, USI continues to implement GHG reduction policies, including emissions inventory and product carbon footprint (PCF) tracking. We set carbon reduction targets and implemented related actions to achieve our climate-related policies and goals. Our Mainland China, Mexico and Vietnam Facilities are using 100% renewable energy. As a result, the renewable energy usage rate rose to 88% from 83% in 2025. To conserve water, USI is enhancing equipment and technology to maximize recycling. The process water recycling system achieved a 29% recycling rate in 2025. USI remains committed to advancing green initiatives and environmental protection for a more sustainable future.

Social Dimension

USI's social positive value decreased by 13% in 2025 compared to 2024, it was mainly impacted by supplier partnership and social cohesion. We support local suppliers to boost employment, stimulate regional economies, and reduce transportation-related energy use. But the level of local procurement was reduced in 2025 due to customer requirements mandating the use of designated sources for specific materials and components. We will continue to expand decentralized production and onboard new suppliers, while offering training, presentations, and technical support to strengthen their sustainability capabilities. Regarding social cohesion, the reduction in industry-academia cooperation at Mexico facility resulted in a decrease in the overall contribution to social cohesion compared to 2024. Based on the operating conditions of each facility, we will continue to plan industry-academia programs to cultivate students with both practical and theoretical knowledge.

Environmental Profit and Loss

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

The environmental impact of USI production operations in 2025, after value conversion, was CNY 61.4 million. Compared with 2024, our external environmental costs reduced CNY 6.2 million, a decrease of 9%, which proves the company's implementation on its environmental policy to reduce negative impacts significantly. After our further analysis, the major reasons for GHG emissions (the impact of GHG emissions is the result of offsetting the positive benefits of carbon capture from biodiversity) Scopes 1 and 2 (market-based) account for 68%; followed by water consumption accounting for 24%. In addition to the continuous efforts in energy efficiency improvement and reduction in energy costs, USI's environmentally friendly measures, such as biodiversity and recycled water, respectively generated a positive value of CNY 4.8 million and CNY 7.2 million in 2025, signifying that USI's efforts in environmental protection were able to mitigate negative impacts.

Impact Driver	2025 Activity/Output	Outcome/Impact [1]
GHG Emissions	◉ Continue to promote GHG reduction policies to reduce energy consumption. ✦ Scope 1 & 2 (location-based) GHG emissions totaled 170,436.05 metric tonnes CO_2e, up 1% from 2024. ✦ 100% renewable energy use in Mainland China, Mexico, and Vietnam facilities.	◉ The impact value is CNY -46.2 million. ◉ Please refer to the Carbon Management and Energy Management sections for further details.
Water Resource	◉ Commit to water conservation and recycling through equipment and technology improvements. ✦ Total water consumption was 1,100.44 ML, a decrease of 4% from 2024. ✦ Overall water recycling rate was 29% that increased 6% compared with 2024.	◉ The impact value is CNY -14.9 million. ◉ Please refer to the Water Resources Management section for further details.

Note:
1. AFG-SUZ environmental outcome/impact details are in Subsidiary Overview's Environmental Protection section.

Impact Driver	2025 Activity/Output	Outcome/Impact
Air Pollution	◉ Regularly monitor and manage regulated pollutants such as volatile organic compounds (VOCs), nitrogen oxides (NO_X), sulfur oxides (SO_X) and fine suspended particulates. ✦ Measured 42.40 metric tonnes of VOCs emissions, an increase of 4% from 2024.	◉ The impact value is CNY -2.4 million. ◉ Please refer to the Air Pollution Control section for further details.
Waste	◉ Strictly monitor and track waste usage and outputs through regular data recording. ✦ Overall waste recycling rate was 88%, a decrease of 3% from 2024. ✦ Recycled 92% of non-hazardous waste, a decrease of 2% from 2024.	◉ The impact value is CNY -2.7 million. ◉ Please refer to the Waste Management section for further details.
Biodiversity	◉ Enhance biodiversity and soil and water conservation through afforestation while preserving ecosystem integrity. ✦ USI has planted 183,517 trees covering 112.85 hectares. ✦ The latest ecological survey reports 49 species observed in Inner Mongolia and 8 species in Ningxia. ✦ Conserved about 154,830.2 metric tonnes of water, a 7% increase from 2024, and captured 1,449.95 metric tonnes CO_2e, a 36% increase from 2024.	◉ The impact value is CNY 4.8 million. ◉ Please refer to the Conserving the Environment section for further details.

Social Impact

USI's business operations not only have direct financial impacts on stakeholders, but also positive and negative social impacts including supplier partnership, employee engagement & development, employee health & safety, and social cohesion. In 2025, the total value of social impact was CNY 16,162.4 million which was mainly contributed by supplier partnership. The impact value of social dimension from direct operations [(1)] was CNY 16,143.3 million, CNY 2,387.3 million lower than in 2024.

Impact Driver		2025 Activity/Output	Outcome/Impact [(2)]
Direct Operations	**Supplier partnerships**	◉ USI conducted document reviews and on-site audits of 69 material suppliers, and on-site audits of 41 on-site service contractors, audit results were 100% low-risk. ◉ USI held Sustainable Supply Chain Webinar for the Greater China region at the Nantou Facility. 388 supplier partners attended this webinar, and 254 feedback surveys conveyed they were "very satisfied". ◉ Global local procurement reached 34%, down 8% from 2024.	◉ The impact value is CNY 15,420.4 million. ◉ Please refer to the Supply Chain Management section for further details.
	Employee engagement & development	◉ Carried out biennial employee engagement survey in 2025. The overall score was 83%, a 3% increase compared to 2023.	◉ The impact value is CNY 564.4 million. ◉ Please refer to the Employee Engagement Survey section for further details.
	Employee health & safety	◉ USI goes beyond legal requirements and provides free employee physicals every year. Also, specialized health exams are provided for employees who work in high-risk environments. ◉ There were 12 occupational injuries.	◉ The impact value is CNY 152.7 million. ◉ Please refer to the Occupational Health and Safety section for further details.
	Social cohesion	◉ 3,226 students participated in 76,920 hours and built capacity in industrial-academic partnerships programs.	◉ The impact value is CNY 5.8 million. ◉ Please refer to the Investing in Education section for further details.
Indirect Operations	**Social cohesion**	◉ USI engaged 1,397 employees to volunteer 6,975 hours of service in 2025, totally increased 392 employee volunteers and 1,947 volunteer hours compared to 2024.	◉ The impact value is CNY 19.1 million. ◉ Please refer to the Social Activities Overview section for further details.

Note:
1. The social impact value directly related to operations is calculated by excluding charitable donations and non-industrial-academic educational programs.
2. AFG-SUZ social outcome/impact details are in Subsidiary Overview's Social section.

Materiality Analysis

Material Issues Identification

USI annually conducts a materiality analysis using the GRI Standards, AA1000 Stakeholder Engagement Standards, and the AA1000 Accountability Principles of Inclusivity, Materiality, Responsiveness, and Impact as our framework to identify material issues for ESG disclosure. The assessment is conducted based on the Double Materiality principle referenced from GRI 3: Material Topics 2021, the European Sustainability Reporting Standards (ESRS) under the EU Corporate Sustainability Reporting Directive (CSRD). To evaluate and rank the significance of sustainable issues across economic, environment, and people/human rights dimensions, we integrate the Value Balancing Alliance (VBA) methodology, Harvard Business School Impact-Weighted Accounts methodology, London Benchmarking Group (LBG) framework, and TIMM Impact Evaluation framework.

In 2025, in response to global trends and stakeholder expectations, we refined our list of sustainability issues. By aligning our materiality assessment with external developments based on investor concerns, climate risks, international regulations, and global political and economic changes, we re-evaluated our long-term internal sustainability goals. Following consultations with external experts, scholars, and the Sustainability Committee, Data Privacy and Air Pollution Control were elevated as material issues while Innovation Management, Diversity & Inclusion, and Social Involvement were reclassified as non-material. Regulatory Compliance and Business Ethics were classified as general outcome-oriented disclosures and excluded from the list of material issues.

Although Innovation Management, Diversity & Inclusion, and Social Involvement are not material issues, they are still part of USI's long-term sustainability management, and their performance results are also disclosed in this report. Final material issues are then prioritized and ranked according to their significance, presented to the Sustainability Committee, and incorporated into our enterprise risk management (ERM) process to serve as a reference for setting our long-term sustainability goals and strategies. For more details, please refer to the Enterprise Risk Management section. Our materiality assessment process, content, and data are independently verified by a third-party assurance provider and disclosed in the Third-Party Verification Statement.



Process to Determine Material Issues

Phase I. Inclusivity

The Sustainability Committee, following ASEH's guidelines, reviewed our stakeholder relationships and identified 7 most significant stakeholder groups: shareholders/investors/banks, employees, customers, suppliers/contractors, schools/academic institutions, governments/industry unions/associations, and communities (including NGOs and the media).

We integrated the SDGs, GRI Standards, SASB Standards, TCFD and Taskforce on Nature-related Financial Disclosures (TNFD) frameworks, CDP disclosures, S&P Global Corporate Sustainability Assessment indicators, and Morgan Stanley Capital International (MSCI) ESG Rating indicators, and SSE No.14-Sustainability Report (Preliminary Version) indicators with our industry specific characteristics and ASEH's requirements and compiled them into 9 governance issues, 7 environmental issues, and 6 social issues, 22 issues in total.

Phase II. Materiality

In 2025, we collected 1,591 Stakeholder Concern Surveys from external and internal stakeholders. Respondents include shareholders/investors/banks (26), customers (25), employees (803), suppliers/contractors (569), schools/academic institutions (79), government/industry unions/associations (28), and communities (including NGOs and the media) (61). We analyzed the surveys and identified issues of high stakeholder concern.

Taking the EU concept of double materiality into consideration, USI assessed the **Financial Materiality** of sustainability issues by measuring their impact on revenue, risk management, customer satisfaction, and employee engagement. A total of 95 senior executives and Sustainability Committee members completed the Operational Impact Survey, while 32 employees from across functions evaluated the financial implications of sustainability risks and opportunities identified through peer benchmarking. This dual approach incorporated both strategic and operational perspectives, providing a comprehensive assessment of the financial significance of each sustainability issue.

For **Significance Materiality**, apart from incorporating TIMM impact evaluation results, 57 managers and colleagues filled an External Sustainability Impact Survey that includes 13 positive impacts and 7 negative impacts on the economy, environment, people/human rights and assessed the severity (1) and likelihood (2) of actual and potential impacts. The survey results identified 8 significant impacts, including 2 positive economic impacts, 1 positive, and 4 negative environmental impacts, and 1 negative social impact.

Step 1 **Identify Stakeholders**
- **7** stakeholders

Step 2 **Design Sustainability Surveys**
- **22** issues summarized

Step 3 **Investigate Stakeholder Concerns**
- **1,591** feedback surveys

Step 4 **Double Materiality Impact Analysis**
- **95** Operational Impact Surveys
- **32** Financial Risk Impact Surveys
- **57** External Sustainability Impact Surveys

Design Materiality Surveys and Set Scope

Selection Principle 1

Note:
1. Severity: an actual or potential negative impact is determined by the following characteristics:
   - Scale: how grave the impact is.
   - Scope: how widespread the impact is, for example, the number of individuals affected or the extent of environmental damage.
   - Irremediable character: how hard it is to counteract or make good the resulting harm.
2. Likelihood: a potential negative impact refers to the chance/probability of the impact happening.

Phase III. Responsiveness

We assessed the significance of the issues by cross analyzing the Stakeholder Concern Survey, Operational Impact Survey, Financial Risk Impact Survey, and External Sustainability Impact Survey, then mapped it to previous material issues and those with long-term goals and consulted external experts and the Sustainability Committee to determine 14 material issues. The materiality assessment results were then reviewed and approved by the Board of Directors. We mapped each material issue's impact boundaries in USI's value chain and aligned it with 15 GRI topic standards and 7 USI specific topics [1] that respond to the material issues identified. Non-material issues are also disclosed in this report as they remain relevant in USI's sustainable development.

Scope and Structure of the Report: Following the principle of comparability, our 2025 Sustainability Report covers the material issues of the previous year. The structure of this report is based on collecting internal data and management approaches, following indicator reporting requirements, and fully disclosing USI's current policy and plans for fulfilling ESG sustainability development.

Phase IV. Impact

USI's five Sustainability Taskforces have disclosed management approaches, short- and long-term goals, and strategies for each material issue according to their requirements, formulating 32 long-term goals.

In addition to quarterly Executive Team meetings, the Sustainability Taskforces also meet semiannually to review the progress of each goal. At the annual Sustainability Committee meeting, we review our achievements, make rolling adjustments, track sustainability trends, and manage the impact of our sustainability goals. We publicly disclose the direction, progress, and performance of our sustainability goals in our annual Sustainability Report.



Note:
1. USI specific topics include Customer Relations, Risk & Crisis Management, Sustainable Supply Chain, Sustainable Production, Data Privacy, Information Security Management, and Green Products.

Impact Evaluation - Monetization Model (TIMM)

Dimension	Impact Driver	Type of Impact	Cause of Impact	Stakeholder/ Impact Area	Output Metric	Impact Valuation	Monetization (M CNY)	Impacted Sustainable Issue
Economic	Investments	Positive	Operations	Shareholders/ investors/banks	Capital expenditure	Asset depreciation, repair expenses	1,647.3	Sustainable Production
	Payroll	Positive	Operations	Employees	Payroll and benefits given	Employee salary, social insurance, pension funds	4,383.6	Talent Attraction & Retention
	Profits	Positive	Products/ Services	Shareholders/ investors/banks	Profit distribution	Net profit reported	1,829.0	Financial Performance; Customer Relations
	Intangible assets	Positive	Operations	Shareholders/ investors/banks	R&D investment and intellectual property acquisition	Amortization of intangible assets, R&D expenses	1,960.2	Green Products; Innovation Mgmt.
	Regulatory compliance	Negative	Operations	Shareholders/ investors/banks Governments Customers Employees	Litigation and arbitration costs, fines	Litigation costs, legal advisor fees, fines	-2.1	Business Ethics; Customer Relations; Information Security Mgmt.; Data Privacy; Risk & Crisis Mgmt.; Talent Attraction & Retention
Environmental	GHG	Negative	Operations	Environment	GHG emissions	Social cost of carbon	-46.2	Climate Strategy; Energy Mgmt.
	Air pollution	Negative	Operations	Environment	Pollutant emissions	Natural capital cost	-2.4	Air Pollution Control
	Water use	Negative	Operations	Environment	Water consumption	Natural capital cost	-22.1	Water Resources Management
	Waste	Negative	Operations	Environment	Hazardous and non-hazardous waste	Natural capital cost	-2.7	Waste Management
	Recycled water	Positive	Operations	Environment	Reduced water consumption	Natural capital cost	7.2	Water Resources Management
	Biodiversity	Positive	Operations	Environment	Water conservation Reduced soil erosion Carbon sequestration and air purification	Ecological benefits of vegetation restoration	4.8	Biodiversity; Climate Strategy
Social	Supplier partnerships	Positive	Supply chain Business activities	Suppliers Customers	Supplier sustainability audit Supplier training Local procurement	Market price valuation: Property losses or external training fees Perceived value according to supplier survey Local procurement value	15,420.4	Sustainable Supply Chain; Customer Relations
	Employee engagement & development	Positive	Operations	Employees	Employee career development Work environment Employee care	Market price valuation: Mental well-being courses Company benefits and subsidies Training and development expenses Team-building motivational course fees	564.4	Talent Attraction & Retention; Human Capital Development; Diversity & Inclusion; Human Rights
	Social cohesion	Positive	Operations	Society Environment	Occupational training Arts & culture sponsorship Disadvantaged groups support	Value transfer valuation [1]	24.9	Social Involvement
	Employee health & safety	Positive	Operations	Employees	Number of occupational injuries Employee physicals Health insurance expenses	Health and safety expenses	152.7	Occupational Health & Safety
Tax	Profit taxes	Positive	Operations	Governments	Taxes paid	Income tax	316.3	Regulatory Compliance; Business Ethics
	Other taxes	Positive	Operations	Governments	Taxes paid	Real estate taxes, other taxes, and fees	359.5	Regulatory Compliance; Business Ethics

Note:
1. Based on the value transfer model described in the Social Capital Protocol, we referenced Taiwan SROI reports certified by Social Value International on similar topics, mapped and matched impact paths with USI activities to calculate the social value.

Impact Evaluation - Prioritizing Significant Impacts/Quantitative Data Model

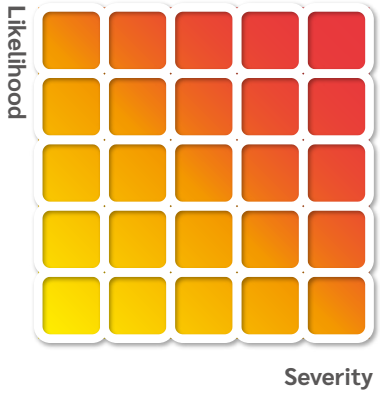
Identifying Actual & Potential Impacts

20 Impacts

Impact	Positive	Negative
Economy	4	1
Environment	2	4
People/ Human Rights	7	2

Sources:
(1) VBA methodology
(2) Harvard Business School Impact-Weighted Accounts
(3) LBG framework
(4) USI

Defining Significance



Severity = (1) + (2) + (3)
(1) Scale
(2) Scope
(3) Irremediability

Impact Significance Assessment

8 Significant Impacts

- ⊕ Innovating products that advance industrial development
- ⊕ Supporting infrastructure and welfare through taxes
- ⊕ Using renewable energy to avoid external impact
- ⊖ Resource consumption affecting humans and the ecosystem
- ⊖ Non-renewable resource consumption
- ⊖ GHG emissions affecting climate change
- ⊖ Procurement demand affecting the environment
- ⊖ Human rights risks rising from production and procurement

Economic Impact
Environmental Impact
People/Human Rights Impact

+ Positive
− Negative

Sustainable Issues Prioritized by Significance

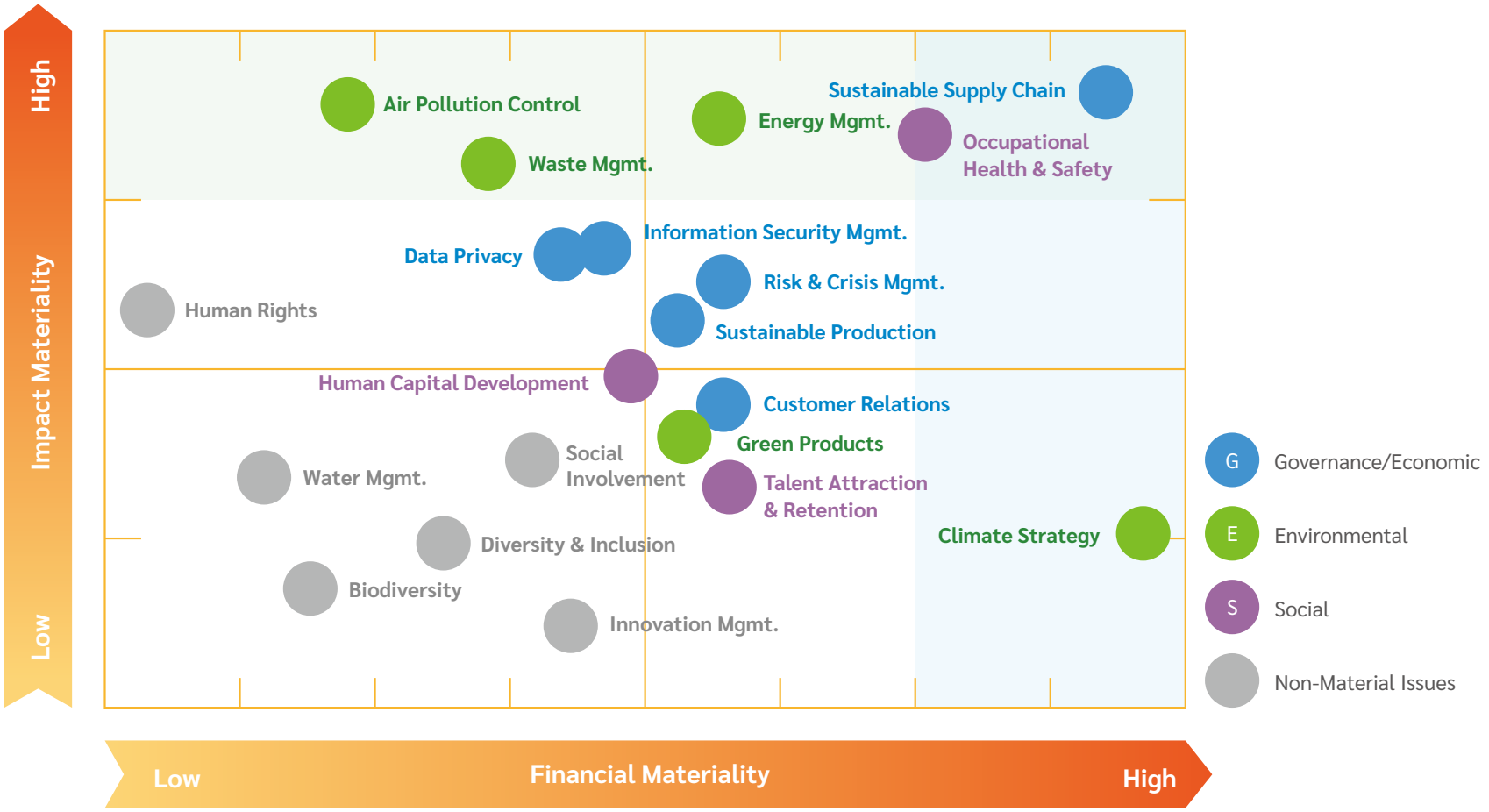
Material Issues	Impact Degree
Energy Management	Primary Impact
Air Pollution Control	
Waste Management	
Sustainable Supply Chain	Secondary Impact
Customer Relations	Low Impact
Risk & Crisis Management	
Innovation Management	
Sustainable Production	
Green Products	
Climate Strategy	
Water Management	
Human Rights	
Social Involvement	

Double Materiality Assessment Results

Dimension	Material Issue	Operational Impact (Financial Materiality)				External Sustainability Impact (Significance Materiality)							
		Revenue	Risks	Customer Satisfaction	Employee Engagement	Innovating Industrial Development (+ Positive)	Supporting Welfare through Taxes (+ Positive)	Using Renewable Resources (+ Positive)	Consumption Affecting Humans & the Ecosystem (- Negative)	Non-renewable Resource Consumption (- Negative)	Emissions Affecting Climate Change (- Negative)	Procurement Demand Affecting the Environment (- Negative)	Human Rights Risks from Operations (- Negative)
Governance/ Economic	Customer Relations	✓	✓	✓		✓							
	Risk & Crisis Mgmt.	✓	✓	✓	✓					✓			
	Sustainable Supply Chain	✓	✓	✓						✓		✓	
	Sustainable Production									✓			
	Information Security Mgmt.	✓	✓	✓									
	Data Privacy		✓	✓	✓								
Environmental	Green Products			✓						✓			
	Climate Strategy										✓		
	Energy Management							✓	✓		✓		
	Waste Management							✓	✓	✓			
	Air Pollution Control								✓		✓	✓	
Social	Occupational Health & Safety		✓		✓								
	Talent Attraction & Retention	✓	✓		✓								
	Human Capital Development	✓			✓								

Financial [1] Impact [2] Materiality Matrix

USI evaluated and ranked material issues by integrating stakeholder input and expert assessments, constructing a double materiality matrix based on their significance to financial performance and sustainability impact.



Note:
1. Financial Materiality: defined financial materiality through a combined analysis of our Operational Impact and Financial Risk Impact Surveys.
2. Impact Materiality: defined impact materiality through a blended assessment of our Stakeholder Concerns and External Sustainability Impact Surveys.

We identified 3 financially material issues (including those with double materiality) and present key disclosures on governance, strategy, impact/risk and opportunity management, and metric targets:

Financial Materiality Issue	Governance	Strategy	Impact/Risk and Opportunity Management	Metrics and Targets
Climate Strategy	USI integrates sustainability into business decision-making and operations, with the Board of Directors and senior management holding overall accountability. The Board-level Strategy and Sustainability Committee provides oversight and strategic direction, while a management-level Sustainability Committee is responsible for implementation, coordination, and reporting; aligned with TCFD and TNFD, this structure ensures effective oversight and escalation of climate- and nature-related risks, strategies, and performance to the Board.	USI applies multi-scenario analysis (e.g., 1.5℃, 2℃, market trends) to assess the financial impacts of carbon pricing, CBAM, energy costs, and demand shifts, integrating results into investment and product strategies. We address climate and nature dependencies across the value chain and adapt actions over short-, medium-, and long-term horizons.	USI integrates climate- and nature-related dependencies and impact into its ERM framework, identifying and assessing value chain risks and opportunities through cross-functional collaboration. Financial impacts are evaluated and managed through mitigation and adaptation actions to strengthen resilience and support decision-making.	● Reduce GHG emissions ✦ Scope 1&2 (market-based): 58.8% by 2030 (base year: 2016) ✦ Scope 3: 25% by 2030 (base year 2020) ● Increase renewable energy use: 90% by 2040 ● On-site low-carbon transportation: 100% by 2040 ● Upstream & downstream low-carbon transportation: 100% by 2045 ● Low-carbon key materials: 100% by 2045 ● Net Zero Carbon Emissions: 100% by 2050
Occupational Health & Safety	USI establishes its OHS management framework under the EHS & Energy Policy, with performance regularly reported through the Sustainability Committee to the Board. Aligned with ISO 45001, the framework covers hazard identification, risk assessment, training, audits, and corrective actions to systematically enhance safety performance. At the facility level, Safety and Health Production Committees meet quarterly to support employee engagement and grievance mechanisms, while contractors are managed under the same standards to ensure consistent risk oversight.	USI prioritizes engineering controls in high-risk processes and critical areas, including automation, isolation, enhanced protection, and real-time monitoring, to reduce risks at the source and prevent accidents. These measures aim to improve operational reliability while lowering incident rates, downtime, insurance costs, and regulatory exposure, thereby strengthening customer confidence.	We conduct job hazard analyses across key risk areas (e.g., chemical handling, working at height, confined spaces) using a risk matrix to identify and assess OHS risks. Control measures follow the hierarchy of elimination, substitution, engineering, administrative controls, and PPE, with key risk indicators and emergency response plans established for major hazards. Continuous improvement is ensured through audits, contractor management, and incident investigations.	● Major occupational diseases: 0 cases ● Major infectious diseases: 0 cases ● Major employee occupational injuries: 0 cases ● Major contractor occupational injuries: 0 cases
Sustainable Supply Chain	USI's supply chain management is overseen by the Board-level Strategy and Sustainability Committee to ensure alignment with sustainability policies and long-term objectives. A management-level Sustainability Committee reviews supply chain performance every six months, including supplier incentives and exits, risk classification, audits, and capability-building initiatives, to drive systematic management and green supply chain transformation.	USI implements diversified sourcing, quality-first procurement, sustainable sourcing, responsible minerals management, and low-carbon supply chain initiatives to reduce operational and compliance risks. Through supplier engagement, efficiency improvements, and decarbonization measures, we enhance customer competitiveness while supporting long-term cost optimization and growth opportunities.	USI operates a standardized supplier evaluation and performance management system, assessing suppliers across quality, environmental compliance, and sustainability risks. Based on procurement criticality and ESG risk levels, we apply tiered management, conduct risk assessments and audits, and engage suppliers through training and technical support to strengthen compliance, reduce disruption risks, and improve overall supply chain resilience and efficiency.	● Global local procurement: 32% by 2030 ● Responsible minerals sourcing: 100% conflict-free by 2030 ● Sustainability risk assessment: 75% of Tier 1 suppliers by 2030 ● GHG emissions verification (key suppliers for decarbonization engagement): 100% by 2030 ● PCF verification (key material suppliers for decarbonization engagement): 80% by 2030 ● CDP supply chain program: 100% key suppliers completed by 2030

Material Issues Risk Impact Management

Material Issues Prioritization Ranking & Impact Boundaries

Impact: Causes ● Contributes to ○

Rank	Material Issue	GRI	SASB	SSE No.14	Influence Boundaries [1]			
					Suppliers	USI [2]	Customers	Society
1	Sustainable Supply Chain	204 Procurement Practices 308 Supplier Environmental Assessment 414 Supplier Social Assessment USI Specific Topic	TC-ES-440a.1 Materials Sourcing TC-ES-320a.2 Workforce Conditions, Health & Safety TC-ES-320a.3 Workforce Conditions, Health & Safety	13. Supply Chain Safety 14. Fair Treatment of SMEs	○	●	○	
2	Energy Management	302 Energy	-	6. Energy	○	●		
3	Occupational Health & Safety	403 Occupational Health and Safety	TC-ES-320a.1 Workforce Conditions, Health & Safety	17. Employees	○	●		
4	Waste Management	306 Waste	TC-ES-150a.1 Waste Management	3. Waste Management 8. Circular Economy		●		○
5	Data Privacy	418 Customer Privacy USI Specific Topic	-	16. Data Security & Customer Privacy		●	○	
6	Green Products	416 Customer Health and Safety USI Specific Topic	-	-	○	●	○	
7	Customer Relations	USI Specific Topic	-	15. Product & Services Quality and Safety	○	●	○	
7	Sustainable Production	USI Specific Topic	-	-		●	○	
7	Talent Attraction & Retention	201 Economic Performance 202 Market Presence 401 Employment 402 Labor/Management Relations 405 Diversity and Equal Opportunity	TC-ES-000.C Activity Metrics	17. Employees		●		○
10	Risk & Crisis Management	USI Specific Topic	-	-	○	●	○	
11	Human Capital Development	404 Training and Education	-	17. Employees		●		
12	Information Security Mgmt.	USI Specific Topic	-	-		●	○	
13	Air Pollution Control	305 Emissions	-	2. Emissions		●		○
14	Climate Strategy	201 Economic Performance 305 Emissions	-	1. Climate Change 5. Environmental Compliance Mgmt.	○	●		

Note:
1. Grievance Mechanism: stakeholders can report grievances and provide feedback through channels provided in the Business Ethics section.
2. USI's seven major manufacturing boundaries cover Zhangjiang Facility, Jinqiao Facility, Huizhou Facility, Kunshan Facility (collectively called Mainland China Facilities), Nantou Facility, Mexico Facility, Vietnam Facility and USI subsidiary AFG-SUZ.

Material Issues Risk Management

Risk Type: Strategic ❖ Operational ★ Hazards ⚠

Material Issue	Risk Factor	Risk Type	Risk Impact Evaluation	Likelihood [1]	Severity	Mitigation/ Management Approach
Sustainable Supply Chain	Supplier non-compliance with USI or regulatory requirements	★	Supply chain activities may create economic, environmental, and human rights impacts. We conduct supplier sustainability assessments and audits to mitigate supply disruptions, component shortages, conflict minerals risks, and adverse human rights impacts, while collaborating with suppliers to support environmental protection, labor rights, and social well-being to maintain our commitments.	3	3	Value Chain Management
Energy Management	Excessive energy consumption in operations	★ ⚠	Power shortages and disruptions may cause operational losses and delivery delays, affecting customer confidence and USI's reputation. To reduce the actual and potential impact on the economy and the environment, we improve energy efficiency and replace aging equipment to reduce GHG emissions and operational risks.	3	4	Environmental Protection & Occupational Safety
Occupational Health & Safety	Natural or man-made disasters	⚠	Natural disasters and workplace incidents may impact people, the environment, and business continuity. Through robust safety management and contractor engagement, we strengthen safety culture, prevent incidents, and enhance operational resilience.	3	2	Environmental Protection & Occupational Safety
Waste Management	Improper waste disposal and pollution	⚠	Improper waste handling may cause environmental pollution and reputational damage. We work with qualified treatment providers and promote resource reuse and recycling to reduce waste generation and environmental impacts.	3	2	Environmental Protection & Occupational Safety
Data Privacy	Improper handling of personal or sensitive data	★	Improper collection or processing of personal data may result in legal, financial, and reputational risks, potentially causing significant negative economic, and people impact. Our Privacy Policy and data protection controls safeguard individual privacy rights and support compliance management.	2	5	Operations & Governance
Green Products	Failure to meet demand for green products	❖ ★	Increasingly stringent environmental regulations and customer expectations may affect market competitiveness. We develop low-carbon products, improve energy efficiency, and strengthen eco-design capabilities to create sustainable business opportunities.	3	4	Green Products & Innovation

Note:
1. On a scale of 1 to 5, higher scores indicate greater likelihood or severity, defined as follows:
   - 1: minimal/insignificant impact on the environment, people/human rights, or corporate economy; occurrence is rare
   - 2: minor impact on the environment, people/human rights, or corporate economy; occurrence is unlikely
   - 3: moderate impact on the environment, people/human rights, or corporate economy; occurrence is occasional
   - 4: major impact on the environment, people/human rights, or corporate economy; occurrence is likely
   - 5: catastrophic impact on the environment, people/human rights, or corporate economy; occurrence is almost certain

Risk Type: Strategic ❖ Operational ★ Hazards ⚠

Material Issue	Risk Factor	Risk Type	Risk Impact Evaluation	Likelihood	Severity	Mitigation/ Management Approach
Customer Relations	Failure to meet customer needs	★	Failure to meet evolving customer needs may result in lost business opportunities. We focus on delivering quality products and professional services to enhance customer satisfaction, loyalty, and long-term value creation.	1	3	Value Chain Management
Sustainable Production	Failure to adapt to industry trends	❖ ★	Advanced manufacturing technologies require significant investment and technical capability and potentially creating a negative economic impact. We continue to invest in automation and smart manufacturing while fostering continuous improvement to strengthen competitiveness.	2	3	Green Products & Innovation
Talent Attraction & Retention	Inability to attract and retain diverse talent	★	Inadequate compensation and benefits may hinder our ability to attract and retain talent. This may limit our capacity to develop new markets and affect our business. We strive to be an attractive employer by offering competitive salaries and benefits and maintaining positive labor relations to create positive economic benefits.	3	1	Inclusive Workplace
Risk & Crisis Management	Ineffective risk identification and control	❖ ★	Ineffective risk control will cause failure to recognize and respond to risks, potentially causing multiple negative economic, environmental, and people impacts. To mitigate this, we adopted the Three Lines of Defense model in our internal control to turn risks into opportunities and ensure sustainable operations.	2	2	Operations & Governance
Human Capital Development	Insufficient workforce capability development	★	Skills gaps may affect long-term growth and competitiveness and has a potential human and economic impact. With suitable training, knowledge sharing, and learning mechanisms, we can develop employees' abilities to help achieve business objectives.	1	1	Inclusive Workplace
Information Security Management	Cyberattacks and security breaches	★	Weak cybersecurity awareness may result in data breaches and financial losses. Implementing training and a holistic information security system can lower risks, increase customer confidence, and generate positive economic benefits.	3	5	Operations & Governance
Air Pollution Control	Air pollution incidents and regulatory sanctions	⚠	Excessive emissions or chemical leaks may result in regulatory penalties, reputational damage, and health impacts. We continuously monitor regulatory requirements and conduct regular third-party testing and reporting to mitigate risks.	3	4	Environmental Protection & Occupational Safety
Climate Strategy	Climate-related operational disruption; GHG regulatory compliance risks	❖ ★ ⚠	Rising stakeholders' expectations for renewable energy adoption may increase operating costs, while failure to meet these expectations could affect business opportunities. We continue expanding renewable energy use to reduce environmental impacts and support stakeholder expectations.	3	4	Environmental Protection & Occupational Safety

Stakeholder Engagement

To respond to issues[1] that are high stakeholder concern, we communicate with our stakeholders through various platforms on our sustainable development strategies and progress to maintain and strengthen our relationships. Issues identified as non-material will also be disclosed in their respective chapters to maintain report continuity.

Communication Channel (Frequency)	2025 Performance
Shareholders/Investors/Banks	**Focus Issues: Risk & Crisis Management, Sustainable Supply Chain, Innovation Management, Data Privacy, Green Products, Occupational Health & Safety**
◉ Investor briefings (quarterly) ◉ Board meetings (semiannually/non-periodic) ◉ Annual general meeting (yearly/non-periodic) ◉ Quarterly/semiannual/annual report (periodic) ◉ Investor Relations on USI website (all the time) ◉ SSE e-interaction (all the time) ◉ Receptions, visits, and roadshows[2] (non-periodic) ◉ Other interim announcements (non-periodic)	◉ Held quarterly online investor briefings to explain USI's overall business operation status and strategies. ◉ Held 6 board meetings. ◉ Held 2 shareholders' meetings to explain our performance, investment plans, and respond to investors' concerns. ◉ Published quarterly/semi-annual/annual financial reports that analyze USI's business performance on the SSE website. ◉ Joined broker strategy meetings and hosted investor visits. ◉ Signed a MOU with SHP, launching USI Vietnam Phase 2 expansion that includes a full production line (100,000 units/month) for 800G/1.6T silicon photonics optical modules, encompassing optical engine manufacturing, module assembly, and end-of-line testing capabilities. ◉ Acquired new facility in the Taichung Precision Machinery Park to expand Nantou Facility's production capacity and enhance customer service coverage.
Customers	**Focus Issues: Customer Relations, Sustainable Supply Chain, Sustainable Production, Risk & Crisis Management, Information Security Management, Occupational Health & Safety**
◉ Customer satisfaction questionnaire (quarterly) ◉ Online platform (all the time) ◉ After-sales service system (all the time) ◉ Mailbox (all the time)	◉ Conducted quarterly customer satisfaction surveys, reaching an average satisfaction score of 86.3. ◉ Reported Self-Assessment Questionnaire (SAQ) assessment results through an online platform. ◉ Constantly monitored product Return Merchandise Authorization (RMA) status through the eRMA system. ◉ No product recalls, and 100% customer complaints resolution rate. ◉ Responded to customers' green product needs and requirements with 100% compliance with international safety standards/ environmental regulations or energy-saving requirements. ◉ Enhanced customer confidence through continuous implementation of NIST CSF[3] maturity assessments and strengthened cybersecurity management capabilities. ◉ Continued cybersecurity awareness training to strengthen employees' information security awareness. In 2025, the information security training completion rate reached 100%. ◉ Partnered with global customers to co-develop solutions for emerging AI-era miniaturized manufacturing challenges, demonstrating cross-disciplinary, system-level miniaturized packaging capabilities with tangible results. USI integrated vacuum printing encapsulation with high–aspect ratio (>1: 3) copper pillar mass transfer and applied these innovations to capsule endoscopy modules and high heat-dissipation power modules for mobile devices.

Note:
1. Top five issues for each key stakeholder were identified and disclosed from the 2025 Stakeholder Concerns Survey.
2. Roadshows, securities issuers' promotional activities targeting institutional investors before the issuance of securities that focuses on full communication between investors and financiers.
3. NIST CSF, US National Institute of Standards and Technology Cybersecurity Framework

Communication Channel (Frequency)	2025 Performance
Employees	**Focus Issues: Occupational Health & Safety, Data Privacy, Human Rights, Customer Relations, Talent Attraction & Retention**
◉ Employee Welfare Committee/labor–management meetings (quarterly) ◉ General Manager Symposium (quarterly) ◉ Internal publications (quarterly) ◉ Staff congress (yearly) ◉ Employee engagement survey (biennial) ◉ Official social media accounts (all the time) ◉ Company Intranet (all the time) ◉ Announcement (all the time) ◉ Training programs (non-periodic)	◉ Convened regular labor–management meetings to co-plan welfare programs and initiatives. Organized 316 employee activities and 371 occupational health & safety training sessions during the year, integrating employee well-being and professional health support. ◉ Communicated benefits and activities through the Employee Relations Network on the company intranet and enabled feedback through a digital Employee Suggestion Box. Received 6,516 submissions with 99.9% resolved and effectively addressed. ◉ Hosted General Manager Symposiums where executive management shared corporate vision and addressed employee concerns, complemented with internal departmental meetings to ensure effective feedback. 140 communication sessions were conducted throughout the year. ◉ Published *usinsight* quarterly newsletter and leveraged internal platforms to share management insights and industry trends, strengthening alignment with company vision. ◉ Conducted periodic anonymous engagement surveys to capture authentic feedback and optimize talent development and retention strategy. In 2025, the survey achieved a 96% valid response rate, and an 83% engagement score. ◉ Implemented annual salary adjustments aligned with USI's compensation framework, referencing regional salary surveys and living wage standards to ensure compensation exceeded regulatory minimums while providing equity incentive schemes to reward high-performing employees. In 2025, USI introduced differentiated salary increases across global facilities (Vietnam: 7.0%, Mexico: 4.0%~15.0%, Nantou: 3.0%~4.2%, Mainland China: 0.1%~10.3%) to maintain market competitiveness and talent retention. ◉ Offered a wide range of periodic training programs to enhance employee professional skills and employability, reaching an average of 43.8 training hours per employee.
Suppliers/Contractors	**Focus Issues: Occupational Health & Safety, Customer Relations, Risk & Crisis Management, Data Privacy, Information Security Management**
◉ Quarterly business review (quarterly) ◉ Supplier evaluation (yearly) ◉ Questionnaire investigation for suppliers (yearly) ◉ Supplier sustainability conferences (yearly) ◉ Purchase contracts/Conducts (in contract period) ◉ Training of suppliers (non-periodic) ◉ On-site audit for suppliers (non-periodic) ◉ Business meetings (non-periodic)	◉ Held 25 Executive Business Reviews with material suppliers and hosted 25 new product and technology presentations. ◉ Evaluated 39 new suppliers with a 95% approval rate, onboarding them as approved vendors. ◉ Surveyed suppliers to assess status and perspectives and collected 495 supplier responses. ◉ Hosted Sustainable Supply Chain Webinar (Greater China) to promote ESG supplier requirements and share future goals. Engaged 388 supplier partners in the webinar. ◉ Required suppliers to sign the Supplier Code of Business Integrity and Supplier's Commitment to Corporate Social Responsibilities in addition to business contracts. Utilized Green Parts Aggregations & Reporting System to drive green sourcing, responsible sourcing of raw materials and ensure compliance with product regulations. ◉ Trained 1,091 contractors on occupational health & safety. ◉ Selected 110 suppliers for document review and on-site sustainability audits. ◉ Mentored 1 supplier to establish GHG and PCF systems (ISO 14064-1 and ISO 14067).

Communication Channel (Frequency)	2025 Performance
Schools/Academic Institutions ◉ Briefings/seminars/forum/project collaboration (non-periodic)	**Focus Issues: Human Rights, Occupational Health & Safety, Talent Attraction & Retention, Human Capital Development, Green Products, Waste Management** ◉ Partnered with Soochow University to establish the USI (Kunshan) Intelligent Manufacturing Innovation Center, driving smart upgrades in communications and automotive electronics. ◉ Delivered 28 talks through USI University (USIU) internal lecturers to share expertise, industry trends, and insights with universities and industry peers. ◉ Provided internships to 129 students to bridge academic learning and practical experience and conducted 2 research projects in collaboration with university professors.
Government & Industry Unions/ Associations ◉ Official document (non-periodic) ◉ Briefings/public hearings/seminars/forum (non-periodic) ◉ Industry conferences/member meeting (non-periodic)	**Focus Issues: Occupational Health & Safety, Water Management, Waste Management, Energy Management, Social Involvement** ◉ Complied with all local regulations with no major violations. Disclosed operational performance and strategic direction from time to time. ◉ Invested in R&D talent to advance energy-saving and carbon reduction innovations. Offset emissions via green energy certificates, achieving 88% renewable energy usage across our operations. ◉ Implemented Reduce, Reuse, Recycle practices to minimize waste and achieved 92% non-hazardous waste recycling rate. ◉ Increased process water recycling to lower consumption and mitigate water risks. Reached 65% recycling rate. ◉ Engaged with regulators and industry associations through briefings, hearings, and forums. Participated in 48 external organizations and events.
Communities (NGOs and the Media) ◉ USI Website/Email/Phone/Press release (all the time) ◉ Community activities (non-periodic)	**Focus Issues: Social Involvement, Data Privacy, Occupational Health & Safety, Human Rights, Sustainable Supply Chain, Air Pollution Control** ◉ Reviewed and implemented environmental protection, occupational health & safety SOP to minimize negative environmental impact. Maintain strong community relations with local residents through established communication channels. ◉ Reduced emissions through continuous improvement initiatives. USI has not been sanctioned for any significant air pollution. ◉ Conducted 100 philanthropic activities to strengthen engagement and relationships with local communities.

Operations and Governance



USI's vision is to be the most reliable global partner leveraging our capabilities and technologies to serve all stakeholders and the planet better. Through the collective contribution of employer and employees, we established effective governance mechanisms with respective responsibilities and accountabilities. We strive to generate exceptional rewards for stakeholders and build a better place to live.

Key Stakeholders:
Shareholders/Investors/Banks, Governments

SDGs

100%
Board Meeting Attendance

10 Times
A-level SSE Information Disclosure Rating

0
Major Information Security Incidents

108.5 Hrs.
Continuous Education for Board Members

Obtained Statement of
ISO 31000
Conformity

Nantou Facility Obtained
TISAX
Certification

Sustainable Issue Performance and Targets

Material Issue | Achieved | Not Achieved

Management Purpose	KPI	2025 Target	2025 Performance	Status	2026 Target	2030 Target
Enterprise Risk Management	**Management Approach:** Identify risk events and factors, evaluate and adopt proper countermeasures, control or reduce risks to ensure sustainable management and achieve business operational goals. **Evaluation Mechanism:** Ensure compliance through Risk Management Committee's annual review of USI internal control and audit system and conduct annual risk drills by business continuity management mechanism.					
Achieve sustainable business continuity through risk management	Follow ISO 31000 management principles and guidelines	Obtain ISO 31000 statement of conformity	Obtained ISO 31000 statement of conformity	Achieved	Integrate IFRS S1/S2 assessments into the risk management system	Introduce a risk management mechanism to Europe Facilities
	Follow ISO 22301 management principles and guidelines	Finish 100% of business continuity testing in Mainland China, Nantou, and Vietnam Facilities	Finished 100% of business continuity testing in Mainland China, Nantou, and Vietnam Facilities	Achieved	Implement business continuity mechanism in Mexico Facility	More than 10 employees qualified as ISO 22301: 2019 Lead Auditor
Information Security Management	**Management Approach:** Strengthen employee awareness of the Company's and customer's information asset protection responsibilities, construct a safe and convenient information network environment to protect employees from internal and external cybersecurity threats. **Evaluation Mechanism:** Grade information security incidents according to tolerable downtime of critical systems through the Information Security Steering Committee and adopt countermeasures to avoid damage expansion.					
Establish a holistic information security system and ensure its effectiveness	Major information security incidents [1]	No major information security incidents	0 major information security incidents	Achieved	No major information security incidents	No major information security incidents
Data Privacy	**Management Approach:** Establish a privacy policy in accordance with the transparency framework of the Personal Data Protection Act and implement sensitive information protection through risk assessment and compliance audits. **Evaluation Mechanism:** Classify personal data according to risk assessment results and establish appropriate management procedures to define the security levels to mitigate potential risks.					
Implement compliance management to secure the rights and interests of data subject	Major violations of data privacy or data breaches [2]	No major violations	0 major violations	Achieved	No major violations	No major violations

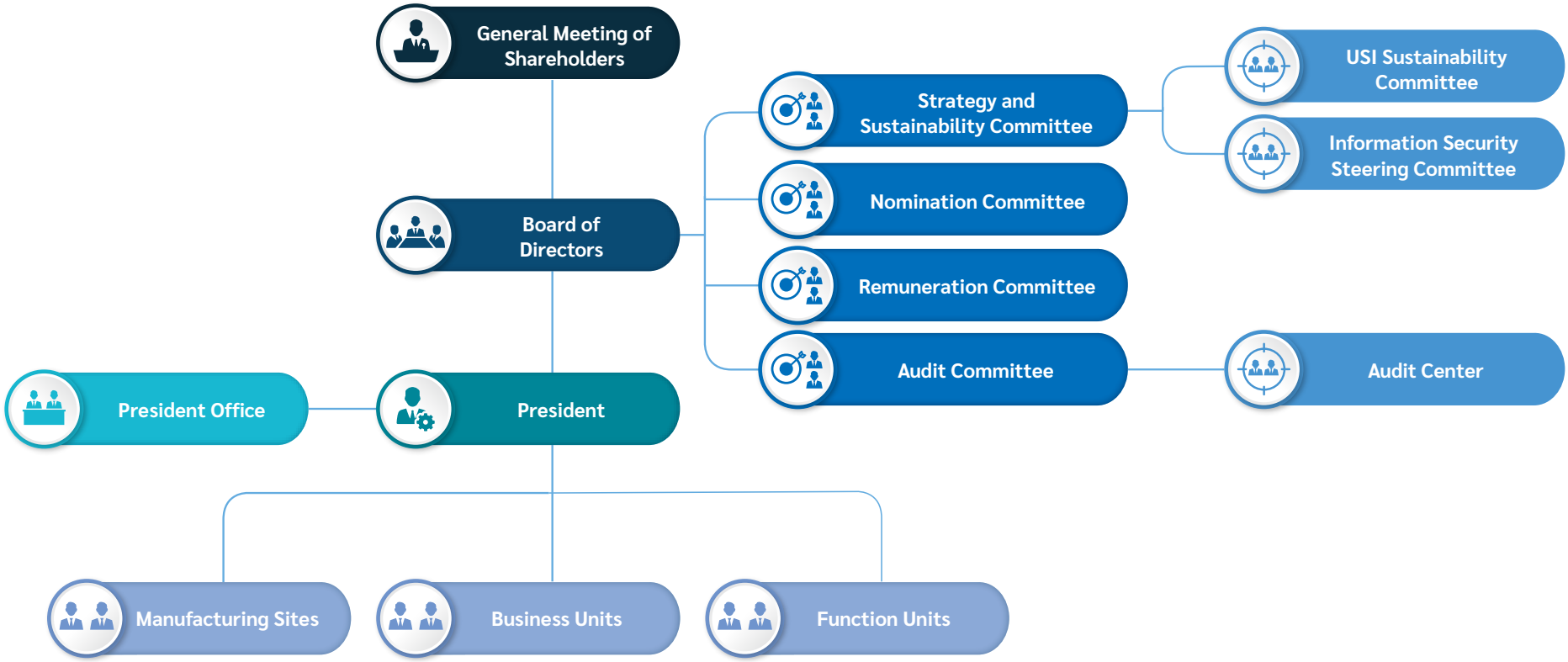
Note:
1. Major information security incidents: the cybersecurity incident results in daily operation and production disruption over 6 hours.
2. Major violations of data privacy or data breach: violating data privacy laws and regulations or infringing on the rights of data subjects that resulted in a significant penalty of over USD 10,000 (CNY 71,440).

Board Governance

Board Structure

USI's Board of Directors has four special committees that report directly to it: the Strategy and Sustainability Committee, the Nomination Committee, the Remuneration Committee, and the Audit Committee. Directors are appointed to these committees based on their expertise to enhance the Company's core competitiveness and formulate Board procedures. Each committee operates under its own charter, and proposals from these committees must be reviewed and approved by the Board. Committee membership is limited to Board directors.

Independent directors constitute a majority on the Audit, Nomination, and Remuneration Committees and serve as conveners of these committees, ensuring independent oversight in key governance areas. The Audit Committee exercises the powers and duties of the Board of Supervisors as stipulated in the Company Law, and its convener is an independent director with accounting expertise. The Company holds at least two Board meetings annually with a minimum 80% attendance requirement. In 2025, the Board convened 6 meetings, achieving a 100% attendance rate.

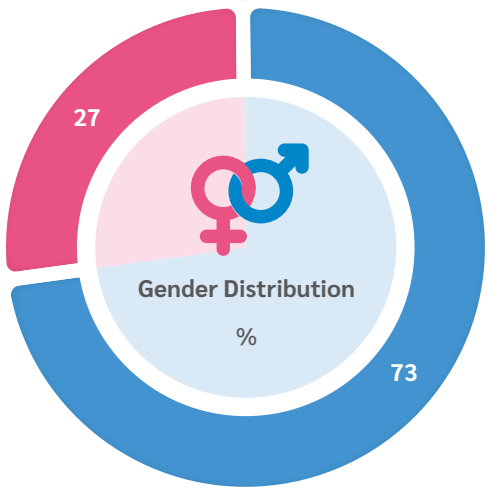


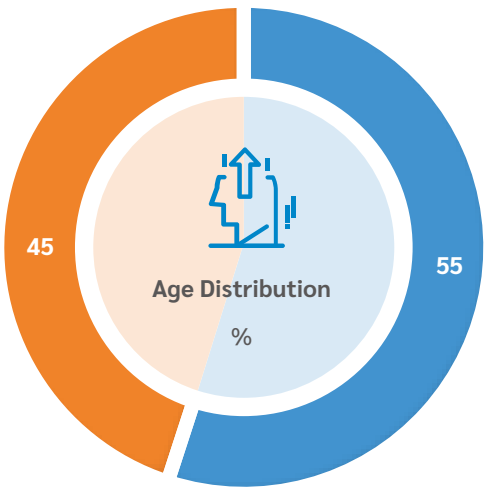
Board Nomination and Responsibilities

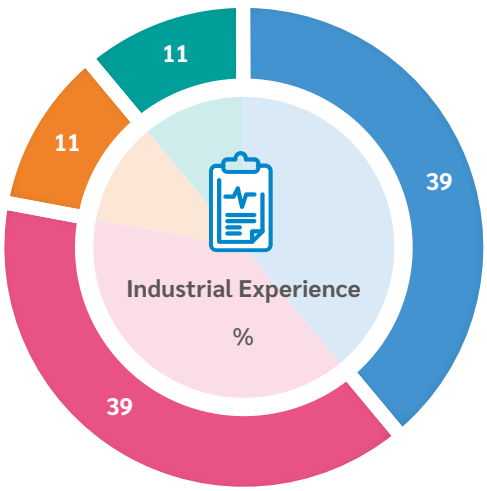
USI adheres to its Board Diversity Policy, selecting director candidates based on a broad range of criteria, including gender, age, nationality, culture, ethnicity, and industry background. Nominations follow the procedures outlined in USI's Articles of Association and are approved by the Shareholders' Meeting. Each director serves a three-year term, and directors may be re-elected upon expiration of their term. The Board of Directors comprises 9 to 11 members including one employee director. Candidates for independent director roles must demonstrate a strong commitment to independence. And the Board of Directors shall annually assess the independence of serving independent directors, issue a special opinion thereon, and disclose it together with the annual report. Jeffrey Chen currently serves as Chairman of the Board, overseeing the implementation of Board resolutions and acting as the Company's legal representative. The Board exercises its authority in accordance with laws, administrative regulations, and the Company's Articles. Major decisions require thorough discussion and formal voting by the Board. Matters beyond the Board's authority must be submitted to the Shareholders' Meeting for approval. In 2025, USI held 2 Shareholders' Meetings, during which resolutions on directors, supervisors and financial proposals were passed in compliance with legal requirements. For a full list of Board members, please visit the USI website.

Per the Company's Articles, any corporation with a conflict of interest in a resolution may not vote or represent other directors in that vote. The Company shall establish a special meeting mechanism attended exclusively by independent directors. Matters such as connected transactions to be deliberated by the Board of Directors shall obtain prior approval from the special meeting of independent directors. For details on related party relationships and transactions, refer to Section 8 of the 2025 Annual Report.

Board Diversity







Male | Female

30-50 years old | Over 50 years old

Information Technology | Finance | Education | Law

Board Performance and Remuneration

USI has established the Remuneration Policy for Directors and Senior Management to perfect the remuneration mechanism of directors and senior management. The Remuneration Committee is authorized by Board of Directors to be responsible for formulating performance appraisal standards and conducting appraisals, developing and reviewing the compensation policies and proposals for directors and senior management. The compensation proposals shall refer to the industry benchmarks of similar listed companies in the same region, and align executive pay with company's operating performance, long-term benefits, and performance appraisal system, including but not limited to equity, stock options, employee stock ownership plans, and other medium- to long-term incentives or bonuses formulated by USI. We conduct performance evaluations based on audited financial data, and a portion of performance-based salary shall be paid after the annual report disclosure and performance evaluation. In addition, directors conduct annual self-assessments and submit working reports to the Shareholders' Meeting.

To improve corporate governance and ensure the reliability of the company's financial results, USI rules clawback provision. If directors or senior management cause losses to the company due to illegal and non-compliant behaviors, USI has the right to reclaim full or partial performance compensation and medium- to long-term incentive previously paid during the period of the behavior occurred.

Remuneration Composition for Senior Management

The remuneration package for senior management (including the CEO) consists of a fixed base salary and variable compensation. Variable compensation is determined based on financial, strategic, and sustainability performance metrics, with sustainability indicators accounting for 20% of the overall performance assessment. Sustainability indicators include material issues identified through the annual materiality assessment, such as key talent retention and local procurement and their target achievements, as well as climate strategy-related performance, such as GHG emissions. Performance against these indicators is incorporated into executive evaluations and directly influences variable compensation outcomes, aligning business operational goals with long-term sustainable goals.

In accordance with the Remuneration Policy for Directors and Senior Management, excluding the fixed Board Director allowance, the remuneration of USI Chairman and CEO Jeffrey Chen follows the same remuneration structure and performance evaluation framework applicable to executive management. For details, please refer to Section 4 of the 2025 Annual Report.

Category		Indicator
Base Salary		◉ Senior management base salary based on job responsibilities and individual capabilities, taking into account industry compensation benchmarks
Variable Compensation (including performance-based compensation and mid- to long-term incentive income)	Financial Metrics 60%	◉ Revenue, operating profit, earnings per share (EPS), return on equity (ROE), return on invested capital (ROIC), etc
	Strategic Metrics 20%	◉ Centered on four core sustainability strategies—Low Carbon, Circular, Inclusive, and Collaborative—the company advances modularization, globalization, vertical integration, and smart manufacturing; fosters a diverse and inclusive work environment; strengthens value chain partnerships; and contributes to environmental sustainability.
	Sustainability Metrics 20%	◉ Inclusion in the S&P Global Sustainability Yearbook ◉ Achievement of sustainability targets by each business unit aligned with material issues ◉ Climate strategy-related performance, including GHG emissions, renewable energy utilization, energy intensity, etc.

Continuous Education for Board Members

To expand board members' competencies, USI arranges training courses that cover corporate governance and sustainability for board members in hopes that they will incorporate the spirit of sustainability in steering USI corporate policy, enhance risk awareness, and thus improve corporate resilience. In 2025, board members completed 108.5 hours of training.

Course Name	Hours
2025 Training Program of Compliance in Duty Performance for Directors, Supervisors and Senior Executives of Listed Companies (including Shareholding Change Management and Illegal Cases)	**45**
Third Follow-up Training Session of 2025 for Independent Directors of Listed Companies (including Key points for Fulfilling Anti-Fraud Performance)	**32**
2025 Training Program for Directors and Senior Executives of Listed Companies (including Legal and Compliance)	**31.5**

Financial Performance and Tax Governance

Financial Performance

USI has established an effective communication platform to strengthen direct engagement with investors. We maintain this platform by providing regular and transparent updates on business operations through our Investor Services website, supporting a long-term and stable relationship with stakeholders. In 2025, USI reported consolidated sales revenue of CNY 59.2 billion, representing a slight decrease of 2.46% compared with 2024. Earnings per share amounted to CNY 0.85, and dividend payments totaled CNY 503,587,677, accounting for 0.85% of revenue.

The data scope for this section covers USI's global operations. For more details, please refer to the ESG Key Performance Data – Governance: Financial Performance, or the Financial Information available on the USI website.

Tax Governance

USI's Tax Policy outlines the Company's principles of tax governance and ensures compliance with applicable tax laws across all jurisdictions in which it operates. The Policy has been approved by the Board of Directors, with the Chief Financial Officer responsible for overseeing its implementation and compliance. We are committed to maintaining compliance, transparency, and effective tax management practices. Acting as a responsible and trustworthy taxpayer, we contribute to economic development while supporting long-term business sustainability and creating lasting value for stakeholders. We emphasize tax risk management through conducting regular reviews and timely reporting of risks related to income tax assets and liabilities. In addition, finance personnel are required to participate in taxation training to address potential risks arising from evolving tax regulations. USI received a standard unqualified audit report for 2025. Please refer to the Important Notices section of the 2025 Annual Report for further details.

USI's principal operating facilities and offices are in Mainland China and Taiwan, which together accounted for approximately 76% of income tax expense and over 80% of income tax paid in 2025. The statutory tax rates in Mainland China and Taiwan are 25% and 20% respectively. Certain Mainland China facilities qualified as high-tech enterprises and were therefore eligible for a preferential tax rate of 15%, as well as additional deductions for research and development expenses. Nantou Facility also qualified for pre-tax deductions related to research and development expenses under industrial innovation incentives. In 2025, the effective tax rates in Mainland China and Taiwan were 10.11% and 13.80%, respectively.

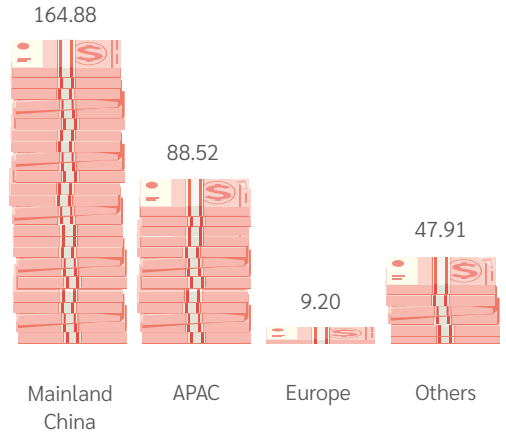
USI effective tax rate and cash tax rate for the last two fiscal years [1]

Unit: CNY

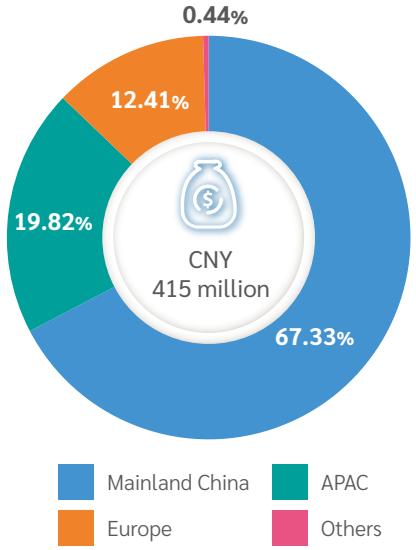
Financial Reporting	2024	2025	Calculated Average Rate
Earnings before tax	1,853,816,573.41	2,139,493,055.52	1,996,654,814.47
Reported taxes	209,647,374.75	310,523,233.88	260,085,304.32
Effective tax rate (%)	11.31	14.51	13.03
Cash taxes paid	255,258,202.48	184,587,009.54	219,922,606.01
Cash tax rate (%)	13.77	8.63	11.01

Please refer to the charts below for the 2025 income tax expenses (benefits) and income tax paid by operating regions. [2]

Income Tax Expenses (Benefits)
(CNY million)



Income Tax Paid

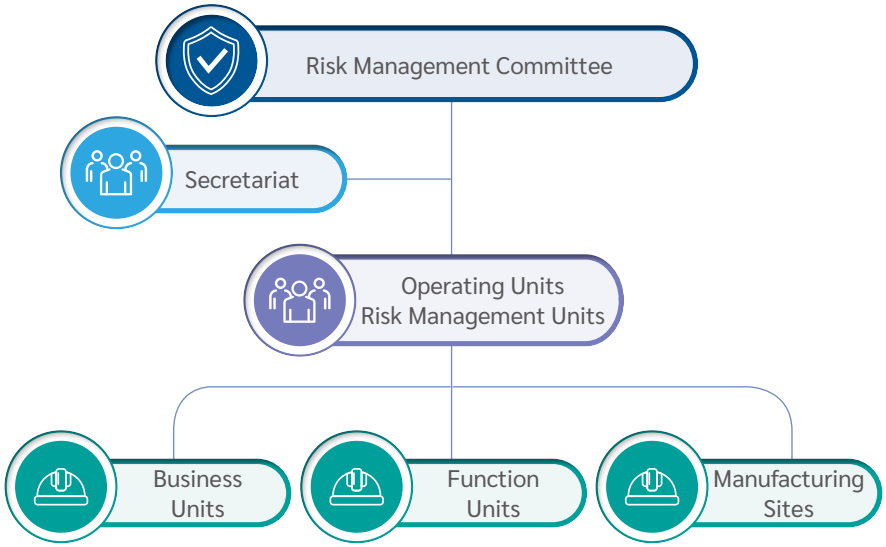


Note:
1. The major reason of calculated average rates lower than the industry group averages is because USI enjoys tax incentives in mainland China and Taiwan.
2. APAC: includes Taiwan, Hong Kong, Vietnam, and Japan; Europe: includes France, Germany, UK, Czech, Poland, and Tunisia; Others: includes Mexico and the U.S.A.

Enterprise Risk Management

Risk Management Committee and Framework

The USI Audit Committee comprises five directors, with more than half being independent directors. To meet internal control and audit requirements and ensure sustainable business achievements, USI follows internal audit mechanism to organize a Risk Management Committee and applies ISO 31000 Risk Management-Principles and Guidelines to execute annual risk management activities according to business environment, industrial trend, and company operations. The COO acts as the Chair, committee members are representatives chosen from Vice Presidents of business units, functional units, and manufacturing sites.



USI determines risk appetite based on its internal control and audit framework, and Enterprise Risk Management (ERM) is established as an important part of the internal control system and incorporated into the corporate governance structure. The Risk Management Committee is responsible for identifying and defining USI's top risks based on enterprise risk assessments, business operations, and strategic objectives. These identified risk items reflect the company's overall risk appetite and management priorities. All business units, functional units, and manufacturing sites are required to assess and implement appropriate risk mitigation actions according to the defined risk priorities.

Audit Center conducts periodically auditing activities to review the overall risk framework (including top risks and related management measures) and makes necessary adjustments and enhancements to reflect changes in the business and operating environment.

First line of defense (operational risk ownership) ➜ manufacturing sites, functional units, and business units

The operating units of Risk Management Committee are responsible for the first line risks management to identify the internal and external risk factors, evaluate the risk levels, and inspect the effectiveness of activities. According to evaluation of risk level, the committee takes responsibility to adopt countermeasures and ensure the risk management policy can be executed by each operation unit.

Second line of defense (risk management and compliance oversight) ➜ Risk Management Committee

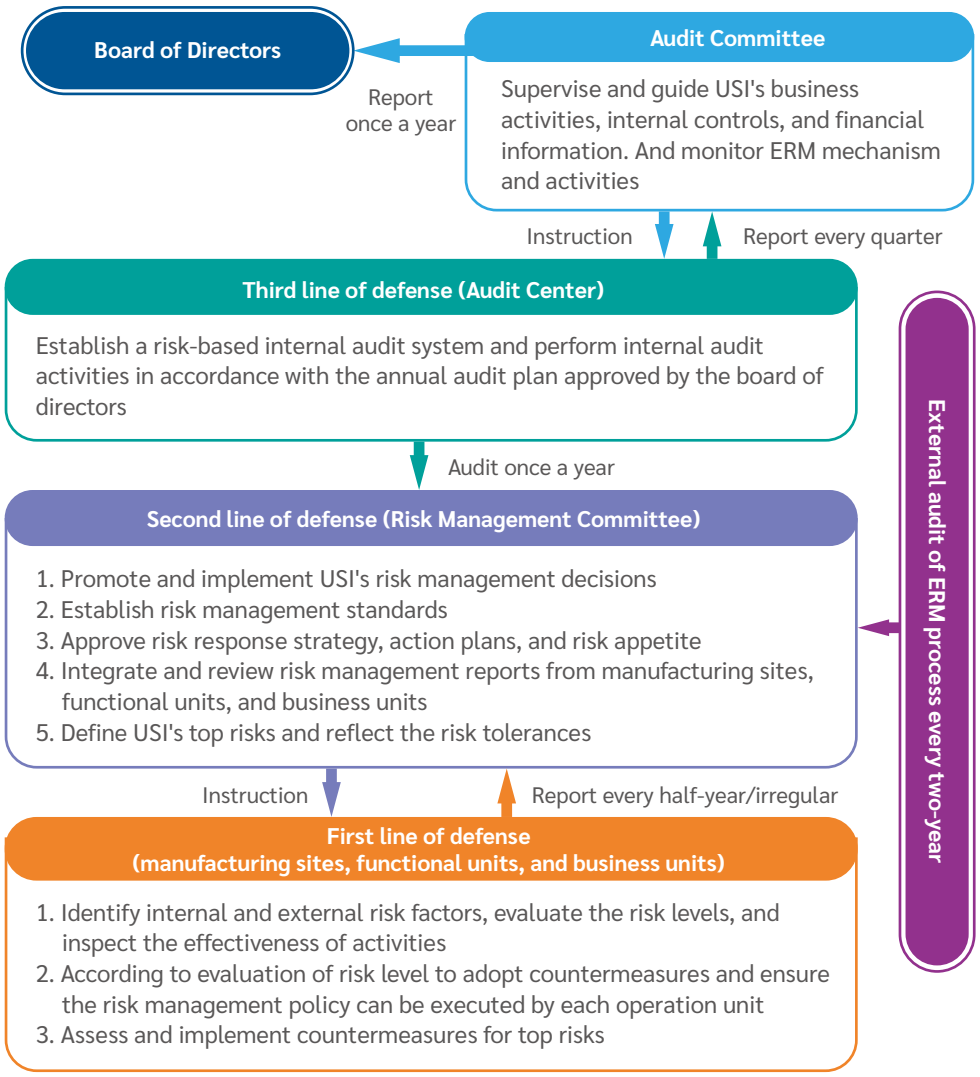
The Risk Management Committee takes the second line responsibility; committee secretariat will track the targets of risk management activities from each operating unit. And the achievements will be presented to Vice President of the Risk Management unit.

Third line of defense (independent audit unit) ➜ Audit Center

The Audit Center is subordinate to the Audit Committee. The employment of the head of auditing must be approved by half of the board members. A full-time head auditor is established, and auditors are established in major facilities as well. Group Internal Audit establishes a risk-based internal audit system and performs internal audit activities in accordance with the annual audit plan approved by the board of directors.

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

Risk Management Framework

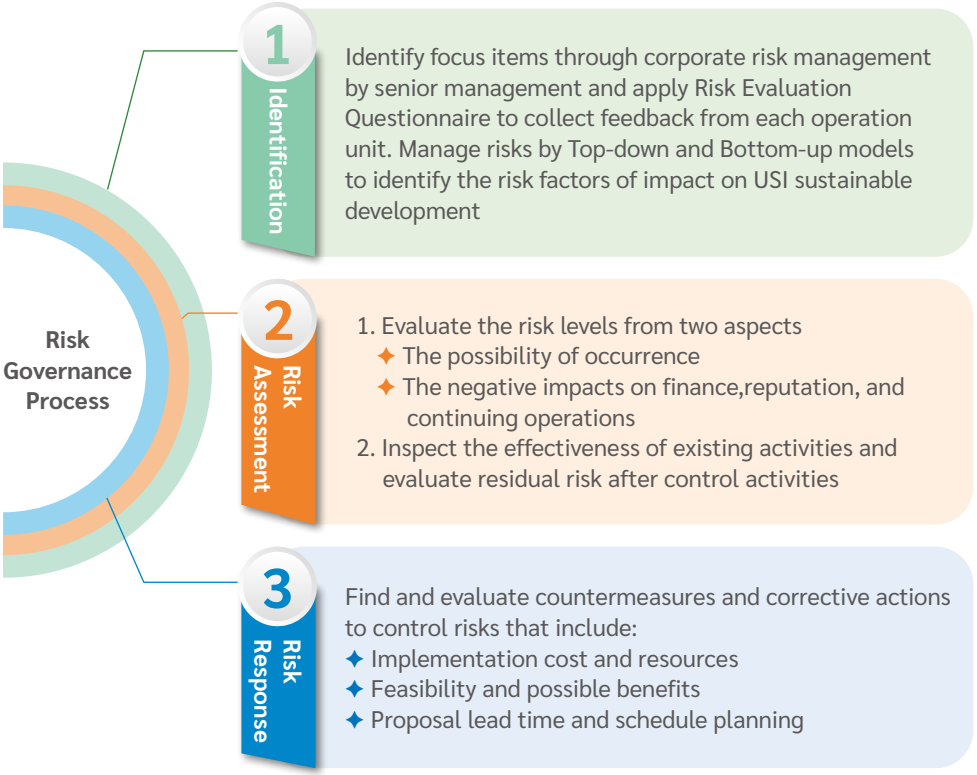


Risk Governance Policy

USI implements an ERM framework across its global manufacturing sites, business units, and functional units to identify, assess, and mitigate enterprise risks. Risk mitigation plans are regularly monitored to ensure effective risk control and to integrate risk management into strategic decision-making, supporting sustainable operations and business objectives.

The Risk Management Committee reviews the Company's risk exposure twice annually. A top-down assessment is conducted mid-year to identify key risks arising from macroeconomic conditions and global operational developments. A bottom-up assessment is conducted at year-end to review operational risks identified by business units, manufacturing sites, and functional units.

To validate the effectiveness of its ERM framework, USI engaged an independent third party[1] to conduct a verification against the ISO 31000 Risk Management Principles and Guidelines and successfully obtained a Statement of Conformity.



Note:
1. ISO 31000 was certified by Wanhung Information Consulting Co., Ltd.

Build an Effective Risk Culture

To cultivate risk awareness, we arrange annual training courses for employees, hold business continuity exercise and emergency escape drill, and build an incentive mechanism based on risk prevention performance.

Incentives

According to operational risks, USI has established the Golden Ring Award, which is linked to risk management. By analyzing risk factors that may have a significant impact on operations and production, the business units and functional units of each manufacturing site will conduct risk control evaluation every month and provide incentives to the units with excellent performances.

Risk Control of Product Development

In response to international environmental regulations for green products, in the planning stages of product development, we follow green management and product eco-design strategies to introduce a professional green value chain management platform, the Green Parts Aggregations & Reporting System (GPARS), to build Green Parts (GP) database and take necessary control measures. Each year, we conduct management system verification and inventory through third-party, and integrate and stipulate Standards for Green Environmental Protection Products. Please refer to Green Products Design and Management for details.



Risk Management Education

Besides arranging risk-related courses for directors, USI held Risk Management Introduction for Mainland China, Taiwan, Mexico, and Vietnam employees by online courses in 2025. It is expected to reduce crisis through risk prevention and monitoring process.

Trainee	Number of Trainees	Total Training Hours [2]
Board of Directors	11	108.5
Employees	4,205 [1]	23,600

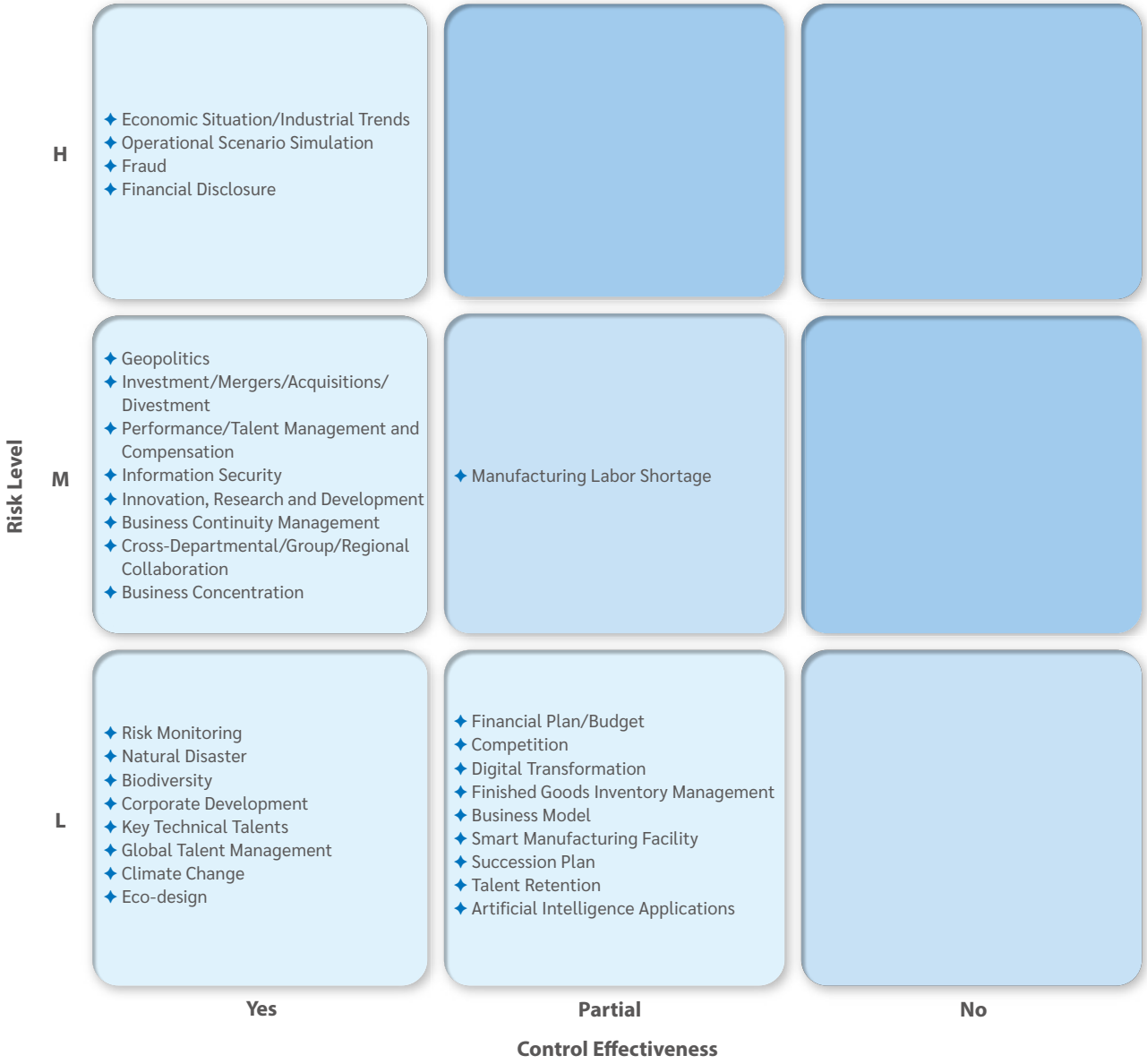
Course Illustration

ERM plays a key role in sustainable operations. Each year, USI arranges corporate governance and sustainable operation related courses for directors to improve directors' risk governance awareness. Please refer to Continuous Education for Board Members for 2025 training courses.

To improve all employees' understanding about the meaning and basic principles of risk management, USI designs regular training courses based on ISO 31000 framework and spirit. The training courses focus on general concepts of risk management including common risk types, the basic logic of risk analysis and assessment, and conceptual introduction of risk response and monitoring.
In addition, we also promote risk management and compliance awareness through the training courses of anti-corruption and ethical corporate management, confidential document control and information security, factory access control, trade secrets and intellectual property protection. It is expected to strengthen employees' ability to identify and prevent potential risks through organizational culture.

Note:
1. Number of Trainees: the maximum number of trainees among the listed training courses.
2. Total Training Hours = the number of trainees who passed the training courses × training hours

Risk Assessment Matrix



In the risk assessment phase, USI requires each business unit to identify the risk level by occurrence frequency and possibility according to different business relevance and facility's location, and evaluate the enterprise significant risk impact levels from the dimensions of finance, reputation, and continuing operations. Comprehensive both of risk possibility and significance of impact, we will refer to the control effectiveness criteria to scale our existing controls and countermeasures and decide whether an action plan needs to be developed.

Risk Level	Action Plan
Low	This level falls under the risk appetite scope; we will keep tracking the control effectiveness
Moderate	This is the company's risk tolerance level; we need improve the controls or countermeasures
High	Take immediate action, confirm the action owner and schedule to track the improvement progress periodically

Every year, USI reviews company's exposure to the major operational risks. We also conduct sensitivity analysis on financial risks that include interest/exchange rates and credit risks. Please refer to Section 8 of the 2025 Annual Report for details.

Risk Tolerance Level of Product Development

Innovation and R&D are keys for the company's product development and market competitiveness but with uncertainty. Therefore, we identified Innovation and R&D as major risk of product development and adopted prudent management approach with moderate risk tolerance: we accept reasonable technological and innovative practices during R&D phase, but we do not accept the R&D directions out of market or customers' needs for a long time, or the technological gaps and product development delays caused by the loss of key R&D personnel, which impact business growth and technological competitiveness. So, USI strengthens its R&D capabilities through market-oriented R&D plannings, continuous technical knowledge exchanges, and talent incentive mechanisms to align product technology development with market demands.

Risk Tolerance Level of Human Resources

USI continues to promote overseas investment and global strategies. The impacts of stability, continuity and internationalization of human resources are significant to operational development. Therefore, the risk level of human resources was identified by high and adopted low risk tolerance principle: we do not accept our global operation or organizational experience transfer affected by insufficient key successors or imbalances in the development, allocation and management of global talents. We support global operations and organizational long-term resilience through systematic succession planning, global talent development, and diversified learning and development mechanisms.

Risk Tolerance Level of External Factors

Geopolitics may cause operational disruption, supply chain concentration, or manufacturing and delivery disruption, which will impact operational stability, supply chain resilience, or long-term competitiveness. Thus, the risk level of geopolitical impacts was identified as high. USI adopts low risk tolerance principle: we actively develop local suppliers, adjust purchasing and manufacturing footprints, and improve operational efficiency and energy use through automation technologies, intelligent and low-carbon product designs to strengthen overall operational resilience and support sustainable development.

Risk Tolerance Level of Strategies

Corporate growth involves strategic planning and resource allocation, it is the strategic risk of promoting long-term competitiveness and sustainable development. USI identified corporate growth as a major strategic risk, we adopt a prudent management principle with a moderately low risk tolerance: we accept the uncertainty from reasonable strategic adjustments and market changes, but we do not accept the insufficient information disclosure, lack of communication with stakeholders, or failure strategies to respond market and industry trends timely affect operational transparency, resource allocation, or long-term competitiveness.



2025 USI Risk Assessment & Countermeasures Table [1]

Operation & Infrastructure Risk	Risk Scenario	Countermeasure
Innovation and R&D	1. Failure to develop technologies and products that meet market demand may reduce competitiveness, market share, and returns on innovation investments. 2. Loss of key R&D talent may weaken innovation capabilities and delay product development.	**Enhance R&D and innovation capabilities through technological sharing, strategic planning and talent motivation** 1. Establish customer-aligned technology roadmaps and annual development plans in line with market trends. 2. Promote participation in industry exchanges, exhibitions, and technical learning activities. 3. Hold technology forums and invite external experts to share emerging trends. 4. Encourage innovation through R&D competitions and recognition programs.
Succession Planning	Inadequate succession planning and talent pipeline development may result in capability gaps, operational disruption, and knowledge loss during personnel transitions.	**Safeguard leadership continuity through succession planning and targeted talent development** 1. Maintain a succession planning framework for key positions and regularly assess successor readiness. 2. Develop and evaluate potential successors through talent assessment programs. Provide job rotation, cross-functional assignments, expanded responsibilities, and strategic projects to strengthen leadership capabilities.
Global Talent Management	Global talent development may fail to support overseas expansion and operational needs, resulting in talent shortages and delayed execution of globalization strategies.	**Build a globally capable workforce through structured talent development and cross-border learning programs** 1. Integrate global learning resources and maintain dual career paths for managerial and professional talent. 2. Provide role-based development programs and diverse learning opportunities through USIU to strengthen professional and leadership capabilities. Extend global learning initiatives across subsidiaries to support multicultural collaboration and globalization efforts.
Strategy & Planning Risks	**Risk Scenario**	**Countermeasure**
Geopolitics	Geopolitical tensions, trade restrictions, sanctions, and regional conflicts may disrupt operations, increase costs, and affect supply chain stability.	**Bolster operational resilience through market monitoring, business diversification, and supply chain risk management** 1. Monitor macroeconomic developments, industry trends, and emerging geopolitical risks while maintaining stakeholder engagement. 2. Optimize manufacturing footprint and business allocation to enhance regional diversification. 3. Strengthen supply chain risk management through supplier monitoring, corrective actions, and procurement strategy adjustments.
Corporate Growth	Failure to adapt growth strategies to market conditions and stakeholder expectations may result in inefficient resource allocation, reduced competitiveness, and constrained long-term growth.	**Drive sustainable growth through stakeholder engagement, market intelligence, and strategic planning** 1. Conduct quarterly investor conferences to enhance transparency regarding business performance and development strategies. 2. Monitor market developments and communicate significant business impacts to investors in a timely manner. 3. Benchmark industry and competitor trends to support strategic adjustments and resource allocation decisions.

Note:
1. The focus items are risk factors integrated by ASEH. Please refer to the 2025 Annual Report Risk Management: Section 3: VI. (IV) Possible Risks.

Emerging Risks	Risk Scenarios	Countermeasures
Talent and/or Labor Shortage	Global shortages of highly skilled talent may create gaps in critical technical and IT positions, delaying innovation, digital transformation, and business growth.	**Enhance talent retention and incentive mechanism** 1. Conduct regular salary surveys, review and adjust salary structure based on performance and market trends. Implement annual salary adjustment to maintain market competitiveness. 2. Plan and implement attractive retention and incentives to enhance pay equity and incentive effectiveness, improve employee satisfaction and loyalty. 3. Offer additional job allowance to strengthen retention and career commitment for key talents.
Online Harms	Increasing digitalization and adoption of generative AI may heighten cybersecurity, data privacy, and AI misuse risks, potentially disrupting operations and undermining stakeholder trust.	**Fortify information security and operational resilience through governance, technology controls, and employee awareness** 1. Maintain ISO 27001 certification and continuously improve information security management practices. 2. Operate an Information Security Steering Committee and regularly update information security policies and procedures. 3. Implement access controls, data protection measures, and multi-factor authentication to safeguard systems and sensitive information. 4. Conduct regular cybersecurity awareness training and phishing simulation exercises. 5. Maintain document classification and access management mechanisms. 6. Conduct periodic cybersecurity assessments, vulnerability scanning, malware monitoring, and security testing.
Infectious Disease	Disease outbreaks or pandemics may result in labor shortages, supply chain disruptions, logistics constraints, and production delays, affecting operational continuity and product delivery.	**Preserve business resilience through supply chain diversification, workforce flexibility, automation, and crisis preparedness** 1. Establish alternative suppliers across multiple regions and evaluate localization opportunities to improve supply chain resilience. 2. Maintain flexible workforce arrangements, including shift scheduling and remote work where applicable. 3. Expand automation and smart manufacturing to reduce dependence on labor-intensive operations. 4. Maintain crisis communication and response mechanisms and regularly review emergency response plans. 5. Incorporate infectious disease risks into business continuity planning and conduct related exercises.

Business Ethics and Compliance

Business Ethics

USI strives to foster a culture of integrity and accountability; we adopt a zero-tolerance policy for any violations of business ethics. To prevent fraudulent behavior or illicit profit exchanges with affiliated entities, employees are expected to uphold the highest standards of integrity. Company regulations strictly prohibit the use of authority for personal gain. USI has established a Code of Business Conduct and Ethics to serve as the standard for ethical business practices across all employees, business partners, and stakeholders.

Promotion and Training

To ensure that employees understand and comply with the USI Employee Code of Conduct, Code of Business Conduct and Ethics, Anti-Bribery Policy, Anti-Fraud Policy, Sunshine Conduct Policies, and the reporting process. Except the newcomers are given related training courses, all employees need to finish the required reading and pass the quiz every year. All records are listed as tracking lists to ensure the courses have been finished by each employee. For the number of employees who accepted the Business Ethics Anti-Corruption training course, please refer to the Sustainability Data - Governance A. 2025 Business Ethics, Anti-Bribery & Anti-Corruption Training.

Furthermore, the Sunshine Conduct Policies and reporting process have been conducted to employees quarterly to remind them of relevant corporate regulations and strict observance of rules. And Sunshine Conduct is also announced to suppliers every year. Once the violations of the Sunshine Conduct Policies have been verified to be true, the punished personnel must, depending on the severity of the case, return unjustified enrichment to compensate for the company's losses and accept dismissal. Those involved in illegal activities will be transferred to the judicial authorities for handling. In addition, USI has established relevant regulations for the stock option incentive plan to prevent insider trading: before the company's performance or financial report is announced, the incentive targets will be notified of the blackout period during which they are prohibited from exercising their options.

Risk Assessment

Based on the risk management assessments conducted across facilities within the reporting scope in 2025, the inherent risk of fraud was assessed as high but remains controllable through existing control measures. We will continue to implement and regularly review these controls to ensure their effectiveness.

Grievance Mechanism and Whistleblowing Protection

Stakeholders can Contact USI to give feedback or appeal through various channels, such as meetings or e-mail. The Company provides a mailbox for all internal and external stakeholders to report any corruption and fraud cases. Other integrity-related improper or suspected illegal practices may be reported to local HR Employee Relations contacts. Anonymous or named reporting are both accepted. All reports are handled in accordance with the Code of Business Conduct and Ethics, with due diligence applied to investigations. Reporter confidentiality is strictly maintained in compliance with legal requirements to ensure safety and protect their rights. In 2025, five harassment cases were reported. For more details, please refer to the Human Rights Risk Assessment Results section.

2025 Code of Business Conduct and Ethics violations:

Reporting areas	Substantiated cases
Corruption or Bribery	0
Discrimination or Harassment	5
Customer Privacy Data	0
Conflicts of Interest	0
Money Laundering or Insider Trading	0

Regulatory Compliance

USI is committed to upholding its corporate image through strict compliance with national or international laws and regulations. This includes governance, finance, taxation, intellectual property, environmental protection, workplace safety, labor rights, and fair competition. We value and protect customers' rights and interests and actively monitor legal updates across all facilities to ensure compliance. In the event of any legal violation or reputational risk, USI promptly forms a task force to implement corrective actions. By the end of 2025, there were no violations nor significant penalties (over USD 10,000) related to insider trading, corruption, bribery, or antitrust laws and regulations. However, a tax compliance matter was raised by the local authorities, resulting in an administrative fine of over USD 12,855 (CNY 92,872). The company has taken corrective actions and enhanced its compliance management practices.

Protection of Privacy and Personal Data

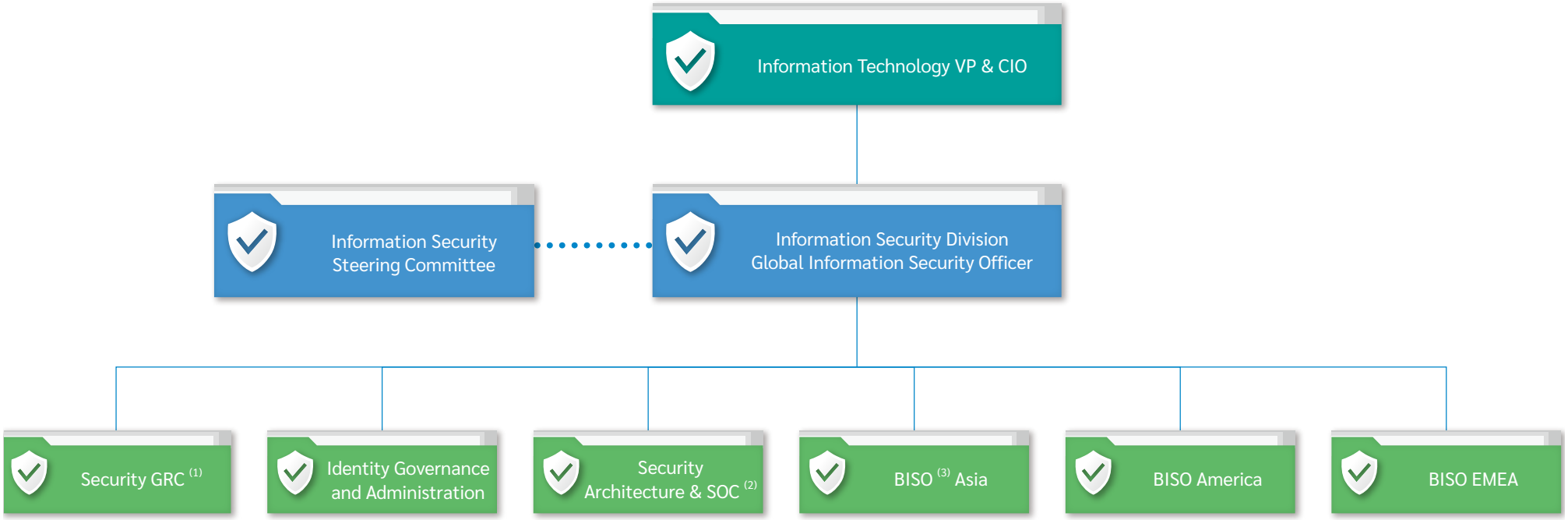
We value the importance of privacy and personal data protection. USI adopts the Policy on the Protection of Privacy and Personal Data to guide and manage the compliance and protection of stakeholder personal data. If employees or external stakeholders discover any violations of privacy laws or regulations, they can appeal or report through e-mail, and the Legal Compliance & IP Division will organize relevant parties to investigate and respond to incidents. By the end of 2025, we did not use collected personal data for any secondary purposes other than the specific purposes for which the personal data was first collected, and there were no incidents of infringement of privacy rights, and no incidents of data leakage and losses.

Information Security Management

USI believes effective information security management is fundamental to all operations and has been devoted to a holistic cybersecurity system enhancement through resources investment. We formulate Information Security Policy to ensure the preservation of Confidentiality, Integrity, Availability and Compliance of the core systems. In addition, with the rapid development and extensive application of AI technologies, we realize"responsible AI" through our AI Policy and implement related Responsible AI training to all global IDL employees to strengthen corporate cybersecurity resilience and reduce new cybersecurity risks, and ensure stakeholders trust in USI.

Information Security Steering Committee

USI Strategy and Sustainability Committee under the Board of Directors responsible for overseeing information security issues. Under the Strategy and Sustainability Committee, USI sets up Information Security Steering Committee to complete information security management. The committee members are composed of the CIO, CFO, GISO, Vice Presidents or Division heads level above. The CIO reports to the Senior Vice President of the Administration Group. Under the committee, there are information security representatives who implement cybersecurity affairs. Dtuang Wang, ASEH CISO (Chief of Information Security Officer), has role in the USI board and Information Security Steering Committee member. He joins strategy meetings to achieve cybersecurity targets. The Information Security Division is responsible for the planning, construction, operation and maintenance of information security. The committee holds semi-annual meetings, information security representative reports cybersecurity status to committee management team and provides guidance for cybersecurity strategies and implementation.



Note:
1. GRC, Governance/Risk/Compliance
2. SOC, Security Operation Center
3. BISO, Business Information Security Officer

Information Security Measures

USI builds a comprehensive management system to enhance employees' information security awareness and knowledge. Through internal independent audit mechanism to ensure the company's continuous and stable operation. In 2025, USI had no major cybersecurity incidents.

Category	Measures	Actions
Cybersecurity System	Management Framework	USI establishes a consistent cybersecurity management framework for worldwide facilities to clearly define cybersecurity targets, principles, organization structure, responsibilities and management process to ensure the specifications can be effective developed.
	System Criteria	The criteria of cybersecurity system provide the security personnel a practical guidance which includes security principles, management system, technical specifications and operation instructions.
	International Certificate	USI has maintained its ISO 27001 certification (1) annually since 2020, and passed TISAX (2) certification (3) in Zhangjiang Facility, Kunshan Facility, Nantou Facility and Mexico Facility, which prove USI has achieved international cybersecurity management level.
	Maturity Assessment	ASEH conducts a third-party assessment for cybersecurity maturity assessment based on NIST CSF every year to assist USI continuously monitoring and improving cybersecurity governance capabilities.
Cybersecurity Awareness Training and Promotion	New Employee Orientation	All newcomers must take Cybersecurity courses and pass tests.
	Annual Training Course	USI conducts annual on-job training which focuses on cybersecurity threats including Phishing Attack, Social Engineering, Password Security, Information Security and Device Safety. All employees should take Cybersecurity courses and pass tests. Cybersecurity training completion rate was 100% in 2025.
	Phish Insight	We conduct Phishing exercises 9 times per year to validate employees' identification and response ability, and provide targeted training programs according to the results of Phishing exercises.
Reporting Mechanism	Multiple Reporting Channels	Employees can appeal to cybersecurity issues through telephone, e-mail, or USI internal system to ensure the events can be discovered and solved in time.
	Clear Reporting Process	Define a clear cybersecurity reporting process to identify event categories, reporting deadline and process to ensure the event can be effectively solved in time.
	Employees' Participation	Actively encourage employees to participate in the cybersecurity task, and reward the employees who discover and report cybersecurity incidents in time to achieve full participation in cybersecurity.
	Regular Emergency Drills	Exercise regular emergency drills to help worldwide manufacturing facilities and business units better understanding the cybersecurity incident reporting and handling procedures.

Note:
1. ISO 27001 was certified by TNV Certification Pvt. Ltd.
2. TISAX, Trusted Information Security Assessment Exchange
3. TISAX was certified by ENX Association.

Category	Measures	Actions
Business Continuity Planning	Business Continuity Plan (BCP)	Generate a business continuity plan including emergency response process, recovery strategy and resources allocation proposal for key business system and process.
	Regular Practice & Assessment	USI holds annual business continuity plan exercise with different types of disasters to examine if the employees can successfully recover business operations within the specified time frame. The 2024-2025 BCP exercise had been completed, and all targets had been met.
	Data Backup and Recovery	Build a completed data backup mechanism to regularly backup important data according to business conditions, and perform backup and restore testing at least once a year to ensure the data resiliency.
Vulnerability Assessment	Regular Vulnerability Assessment	Apply professional vulnerability scanners to comprehensively detect the potential safety vulnerabilities of internet, operation systems and application programs regularly.
	Penetration Testing	Invite professional third party to conduct simulated hacker attacks to deeper discover the system vulnerabilities and assess the protection in information security.
	Vulnerability Remediation and Verification	Through timely remediation and verification test to ensure the vulnerabilities have been fixed.
	Red Team Exercise	Hold annual Red Teaming by USI internal cybersecurity team (blue team) and external cybersecurity experts (red team) to test the effectiveness of USI safety defense system, perfect safety principles and measures through cyber offensive and defensive exercise.
Internal Cybersecurity Audit	Audit Plan	USI and ASEH schedule internal audits focused on information security, based on operational risk. Audit Center will assess each facility using USI's security standards, including penetration test results, red team reports, and vulnerability scans.
	Perform Auditing Work	Establish a professional taskforce to perform internal cybersecurity audit and evaluate the effectiveness of cybersecurity control based on the audit plan.
	Auditing Report & Corrective Actions	Based on audit results to issue an audit report with improvement suggestions, and track the relevant departments' improvement progress to ensure the cybersecurity management system has been continuously improved. There were no any high cybersecurity risks from 2024-2025 internal audit, and all non-high risks had been fixed.

Green Products and Innovation



As the industry leader, we focus on smart manufacturing and continuously improve our eco-design capabilities. We promote low-carbon product designs, enhance energy efficiency, and advance smart manufacturing projects. USI's Green Product (Clean Technology) Strategy of Modularization, Globalization, Diversification, Vertical Integration, and Smart Manufacturing aligns with the SDGs, addresses climate change, and aims to reduce energy resources.

Key Stakeholders:
Shareholders/Investors/Banks, Customers, Suppliers/Contractors

SDGs

100 %
Meet International Green Standards

1,744
Cumulative Number of Patents

59 GWh
Product Energy Efficiency

Assisted Obtaining
EPEAT Silver
Grade Certification for Customer's Set-Top Box Products

CNY 460 Million
Saved from CIP and Smart Manufacturing Projects

1,736 Metric Tonnes
Carbon Reduced from CIP Key Projects

Sustainable Issue Performance and Targets

Material Issue | Achieved | Not Achieved

Management Purpose	KPI	2025 Target	2025 Performance	Status	2026 Target	2030 Target
Green Products	**Management Approach:** Introduce Eco-design concepts and comply with green product regulations. Set medium and long-term goals for sustainable products to implement sustainable management actions. **Evaluation Mechanism:** Sustainability technology and product plans are established, and taskforce meetings are convened periodically to review performance.					
Ensure green products sold and produced meet various international standards and stakeholder demands	Meet international safety, environmental, energy saving standards	100% shipped products meet standards	100% shipped products met standards	Achieved	100% shipped products meet standards	100% shipped products meet standards
	Sustainable mechanical design	More than 80% of mechanical components use recycled raw materials	Recycled raw materials accounted for 96% of mechanical parts, total 15 new project products	Achieved	More than 81% of mechanical components use recycled raw materials	More than 85% of mechanical components use recycled raw materials
	PCF inventory	Inventory carbon footprints for 3 product series	Completed 5 series products inventory, total 179 products	Achieved	Inventory carbon footprints for 3 product series	Inventory carbon footprints for 3 product series
Sustainable Production	**Management Approach:** Automated Lights-Out Factory is introduced to increase efficiency, improve quality, and satisfy customer's delivery date. Continuous improvement plans are also promoted to optimize design, manufacturing, and energy saving as well as carbon reduction. **Evaluation Mechanism:** Sustainable production targets are established, and taskforce meetings are convened periodically to review performance.					
Enhance corporate competitiveness through smart automation and encouraging employees to continuously improve	Smart manufacturing [(1)]	Reach 3.37-Stars in the Industry 4.0 5-Star rating standard	Reached an average of 3.37-Stars	Achieved	Reach an average of 3.59-Stars	Reach an average of 4.35-Stars
	Continuous Improvement Program	Cost saved accounts for 0.21% of revenue	Cost saved accounted for 0.24% of revenue	Achieved	Cost saved accounts for 0.21% of revenue	Cost saved accounts for 0.21% of revenue
Innovation Management						
Continue to innovate and strengthen competitiveness, increase revenue and enhance corporate image	Cumulative number of patents	1,730 patents	1,744 patents	Achieved	1,800 patents	2,050 patents
	Internal proposals number of approved patents	100 proposals	129 proposals	Achieved	100 proposals	100 proposals

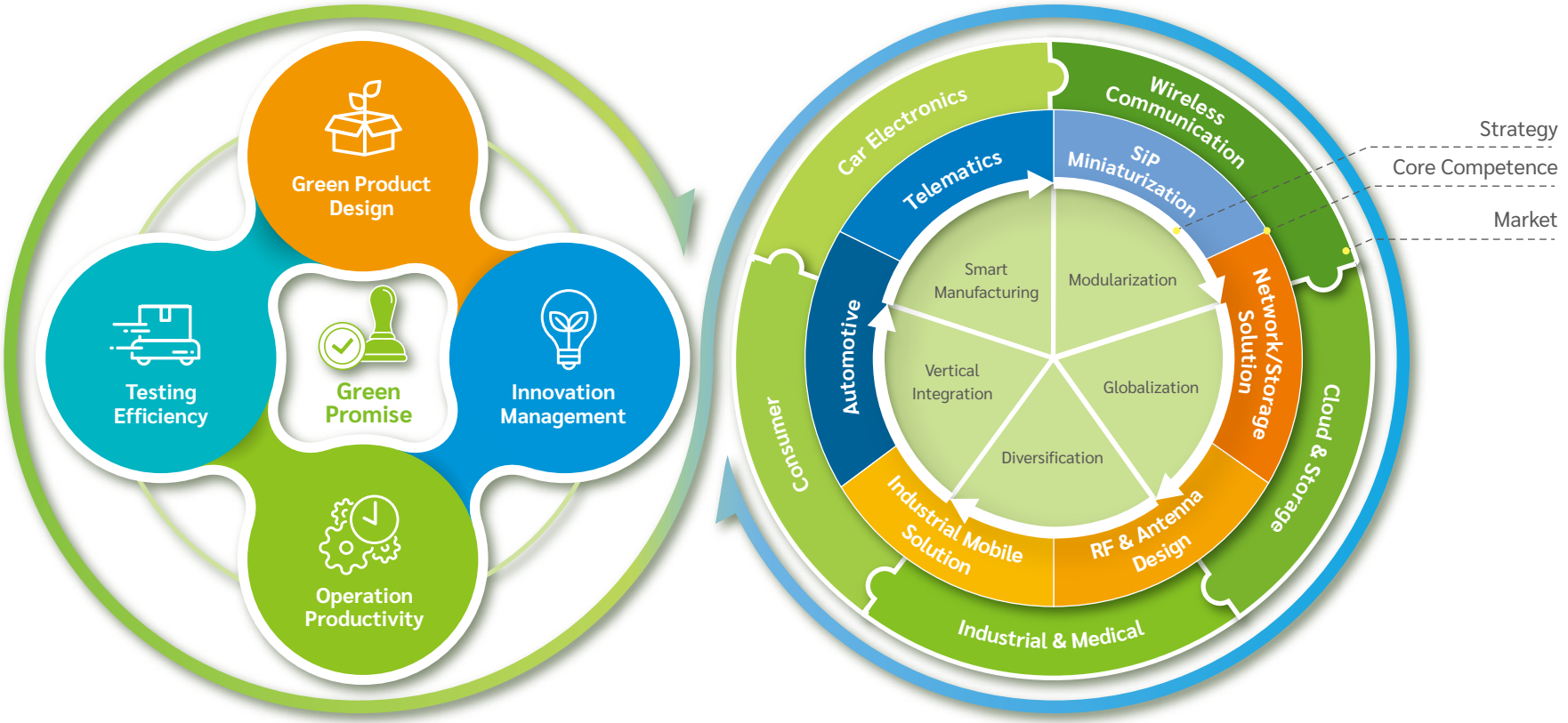
Note:
1. Due to variations in the foundational maturity of USI's global manufacturing sites and the continued impact of softening market demand, coupled with the redefinition of smart factory evaluation criteria in alignment with ASEH, we adjusted smart manufacturing maturity level targets.

Green Products

Green Products Vision

USI has five product categories: Wireless Communication, Cloud & Storage, Industrial & Medical, Consumer, and Car Electronics. Our vision for green products for the medium term lies in using miniaturization technology to vertically integrate SiP modules in our customers' products, promoting low-carbon design, energy efficiency, and environmental impact reduction. Additionally, we are investing in developing electronic products for electric vehicles to reduce CO_2 emissions and mitigate pollution.

In the long term, we will certify our 5G testing capabilities to provide the best-miniaturized antenna design for smart mobile devices. We will apply this to computers, communication, wearable and industrial electronics, and electric vehicles. Then integrate all product technologies to form an Internet of Things network. With our green product clean technologies, we will develop market opportunities for low carbon, low consumption, and low pollution products to meet customer demands.



Green Products Design and Management

USI is committed to advancing environmentally friendly products by integrating environmental and social considerations into product lifecycle management. USI defines green products as "products that meet at least one of USI's Green Product Design Principles, including safety, circularity, low-carbon design, and resource-efficient design" in alignment with the EU Taxonomy (Circular Economy Activity 1.2: Manufacture of electrical and electronic equipment) and the Taiwan Sustainable Taxonomy (Computers and Peripherals). Detailed classifications of eco-labeled product revenue are provided in the Sustainability Data – Environmental G. Revenues from Eco-Labeled Products table.

To operationalize these principles, USI implements lifecycle controls and collaborates with suppliers and customers across all stages, from raw material sourcing to after-sales services, to minimize environmental impacts from products and production processes. This approach is reinforced through certified management systems (IECQ QC 080000, ISO 14001, ISO 14064-1), with annual third-party audits and inventories ensuring regulatory compliance.

USI further translates eco-design principles into measurable business outcomes through its commercial strategy. Sales teams set annual targets for taxonomy-aligned and green product sales in line with corporate objectives, with progress regularly monitored and reviewed by senior management. Performance is evaluated under the Employee Performance Management framework, with incentives and bonuses directly linked to target achievement. Supported by these mechanisms, revenue from taxonomy-aligned and green products has exceeded 99% for the past four consecutive years.

Green Products Policy

- Product development and raw materials 100% meet the requirements of customers and USI green product environmental protection regulations
- Products must comply with international regulations and directives on hazardous substances
- Product introduction of ecological design concept

USI Green Product Design Principles

Classification: EU Taxonomy ◆ Taiwan Sustainable Taxonomy ▲ Industry Standards/Regulations ■ USI Self-Classification ▣

Aspect	Regulation/Framework	Requirement	Target	Benefit
Safety (Hazardous Substances Management)	◆ RoHS (Restriction of Hazardous Substances) ◆ REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) ◆ Batteries Regulation ◆ PPWR (Packaging and Packaging Waste Regulation) ◆ ELV (End-of-Life Vehicles) ■ Halogen Free	Must not contain hazardous substances exceeding regulatory or directive limits	◉ Low polluting ◉ Non-toxic	◉ Enhance occupational safety and health ◉ Support green manufacturing ◉ Reduce environmental impact
Circular (Recyclability and Reuse)	◆ WEEE (Waste Electrical and Electronic Equipment)[1]	Recycling rate greater than 80%	◉ Recyclable ◉ Easy disassembly ◉ Easy recycling	◉ Reduce tools used to take machines apart ◉ Increase material recovery and reuse ◉ Introduce recyclable electronics labeling
	▲ ISO 14021 Recycled Material[2]	Meet customer request	◉ Low polluting ◉ Low impact	◉ Support a circular economy ◉ Low impact
Low-carbon (Energy Saving Design)	▲ ErP (Energy-related Product) ▲ CEC (California Energy Commission) ▲ Energy Star or related Certification ▲ ISO 14024 Eco-label/EPEAT (Electronic Product Environmental Assessment Tool) ■ ISO 14067 (Product Carbon Footprint, PCF)	Compliant with labeling/ declaration requirements	◉ Energy saving ◉ Resource saving ◉ Low impact	◉ Reduce energy consumption in standby & off mode ◉ Improve energy conversion efficiency ◉ Keep machinery in power-saving mode ◉ Lower carbon emissions
Resource-efficient (Miniaturization Design)	▣ SiP (System in Package) ▣ SOM (System on Module)	At least 1% smaller than previous generation	◉ Compact ◉ Easy integration	◉ Support material use ◉ Improve production efficiency

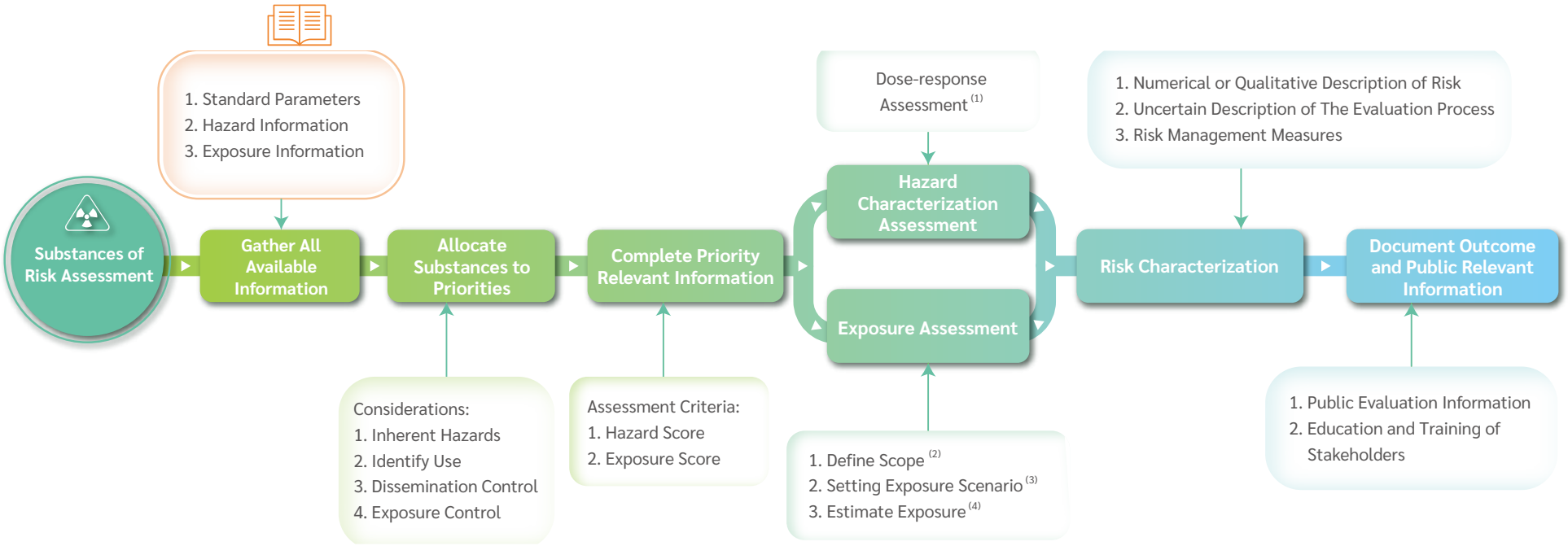
Note:
1. In line with WEEE Directive requirements, a target of ≥85% recycling and reuse has been set for 2030.
2. For ISO 14021 recycled materials, USI has set 2030 targets of 14.71% recycled plastic use and 26.93% recycled aluminum use.

Hazardous Substance Management

To manage and minimize possible hazardous substances contained in our shipped products, we follow the IECQ QC080000 standard to establish a Hazardous Substances Process Management System to comply with relevant directives/regulations and HSF standards and ensure all substances are within specified limits. The main management requirements are listed below (for a partial list of banned substances and requirements, please refer to the Sustainability Data - Environmental F. Partial Selection of Restricted Environmentally Hazardous Substances Contained in Products table):

Directive/ Regulation	Control Requirements
EU Directive - RoHS	◉ RoHS directive was officially implemented on July 1, 2006. It mainly regulates the material and technical standards of electronic and electrical products. To protect human and environmental health, it prohibits the use of lead, mercury, cadmium, hexavalent chromium, PBB, PBDE, DEHP, BBP, DBP, and DIBP in electronic products. (RoHS Directive includes (2011/65/EU) and Amendment Directive (EU) 2015/863).
EU Regulation - REACH	◉ REACH is a statutory ordinance that compulsory registration, evaluation, permitting, and monitoring of chemicals entering the EU market, which came into effect on June 1, 2007. The bill raises the quality requirements and entry barriers for products from different countries and regions to enter the EU. ◉ For SVHC in REACH, suppliers must confirm all provided components, non-BOM and packaging materials, and report back to USI via GPARS or questionnaire methods for any SVHC substances at/or above the 0.1% weight by weight (w/w) concentration. For the current SVHC candidate list, please visit ECHA. ◉ The chemical substances restricted in REACH regulations are REACH Annex XVII hazardous substances. USI requests suppliers to confirm all provided components, non-BOM and packaging materials, and ban the use of Annex XVII list of dangerous substances. For detailed conditions of restriction, please refer to Annex XVII (amended directive) content. For the current Annex XVII list, please visit ECHA.
California Proposition 65	◉ California Proposition 65, officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986, was enacted as a ballot initiative in November 1986. The proposition protects the state's drinking water sources from being contaminated with chemicals known to cause cancer, birth defects or other reproductive harm, and requires businesses to inform Californians about exposure to such chemicals. USI supplier must confirm all provided components, non-BOM and packaging materials, and report back to USI via GPARS or Questionnaire methods for any containing hazardous substances. For the current Proposition 65 list, please visit OEHHA.
Toxic Substances Control Act (TSCA)	◉ The TSCA is a U.S. law that was implemented by the U.S. Environmental Protection Agency (EPA) in 1976. The law regulates the introduction of new or existing chemicals. The main goal is to evaluate and supervise new commercial chemicals before they enter the market, to regulate the chemicals that existed in 1976 and pose unreasonable risks to health or the environment and regulate the distribution and use of these chemicals. ◉ TSCA prohibits the production or import of chemicals that are not on the TSCA list or subject to exemptions. Chemicals listed in TSCA are called Existing Chemicals, while chemicals not listed are called new chemicals. Manufacturers must submit a pre-manufacturing notice to the EPA before manufacturing or importing new chemicals for commercial use. USI suppliers must confirm and reply whether the materials provided contain hazardous substances controlled by TSCA through questionnaires. For the current TSCA control list, please visit the EPA.

USI's Hazardous Substance Risk Assessment process includes the management of hazardous substances in products and chemicals used in production. We evaluate hazardous substance risks and opportunities based on frequency of occurrence, frequency of exposure, and degree/severity of impact, and the higher the risk multiplier score, the higher the risk level. The risk identification of hazardous substances used in products and production varies according to factory standards. The Company uses the risk level identification to propose countermeasures to reduce the potential impacts on human health and the environment, publicize the assessment information, and carry out education and training for stakeholders in order to prevent hazards from occurring. The main risk assessment process is shown in the following:



Risk Value for Hazardous Substances

Item	Hazardous Substances in Product	Chemicals in Manufacturing Production
Value at Risk Calculation	Risk = Occurrence Frequency × Severity	Possibility = Occurrence Frequency × Operational Exposure Frequency Risk = Possibility × Severity
Risk Level	3 Risk Level: High, Medium and Low	6 Risk Level: Serious, High, Medium High, Moderate, Low and Slight

Note:
1. Dose-response assessment include the human health hazard, physicochemical hazard, environmental hazard, persistent, bioaccumulative and toxic (PBT) and very persistent and very bioaccumulative (vPvB).
2. Define scope include the material manufacturing, use and exposure information.
3. Setting exposure scenario include the used scope, usage, possible exposure routes and exposure control measures.
4. Estimate exposure include the worker exposure/concentration or environmental exposure concentration.

USI compiles and maintains records of chemicals and restricted or prohibited substances based on multi-year inventory data. These records are used to establish and update internal chemical control lists, which define banned substances and related restrictions. Detailed control procedures are provided in the Chemical Safety Management section. As of the end of 2025, a total of 1,193 controlled substances had been identified within USI's facilities.

In accordance with its risk assessment procedures, USI conducts evaluations on 100% of mass-production products to assess potential impacts on human health and the environment. In 2022, the number of restricted and prohibited substances increased by 179 following the implementation of stricter regulations on toxic chemical substances by Taiwan's Ministry of Environment.

Zhangjiang Facility initiated an environmental improvement project to replace n-propyl bromide (nPB) cleaning processes with a water-based alternative in response to regulatory requirements and customer expectations. The project involved approximately CNY 14.3 million in investment and was implemented over a two-year period. Key activities included environmental impact assessments, equipment selection and procurement, construction of a wastewater treatment system, discharge permit applications, solvent performance evaluation, process validation, production data collection, and reliability testing. A new flux-removal cleaning process was successfully deployed across production lines in 2020.

At Nantou Facility, a complete replacement of n-propyl bromide processes has not yet been achieved on certain production lines. However, additional improvement measures were implemented in 2025. With an investment of approximately CNY 910, USI introduced movable semi-enclosed tank covers and optimized the solvent reflux system to reduce the volatilization of n-propyl bromide, improve condensation recovery, and lower solvent consumption.

These initiatives demonstrate USI's ongoing efforts to reduce VOCs emissions at the source and to phase out n-propyl bromide, which poses risks to both human health and the environment.

Chemical Assessment and Statistics of Prohibited and Restricted Substances

Item \ Year	2022	2023	2024	2025
Chemical Assessment	160	153	301	93
Added Prohibited and Restricted Substances	179	5	6	1
New Prohibited and Restricted Substances (non-exhaustive)	Cumene, Acetaldehyde, Benzyl chloride, Diphenylamine, Melamine, Sudan II, Ammonium nitrate, Tetrabromobisphenol A, Bisphenol S etc.	2,4,6-Tri-tert-butylphenol, 2-tert-Butyl-6-(5-chloro-2H-benzotriazol-2-yl)-4-methylphenol, Oligomerisation and alkylation reaction products of 2-phenylpropene and phenol etc.	Dicumyl peroxide, Perfluorotripropylamine, Octamethyltrisiloxane etc.	Decabromodiphenyl ethane



Sustainable Raw Materials Management

USI recognizes that establishing transparent and responsible raw materials management in the supply chain is pivotal for avoiding operational disruptions due to critical raw material scarcity, mitigating negative impacts on the environment and society, and preserving resource sustainability. This Sustainable Raw Materials Policy is thus ratified and endorsed by the Board of Directors. We are committed to sustainable raw materials sourcing practices through detoxification, decarbonization, and dematerialization while avoiding human rights infringements.

	Raw Materials	Suppliers
Tracking and Collecting Data	◉ **Material tracking and origin tracing:** By leveraging GPARS, we gather detailed information on the sources of metals from USI's global suppliers, extending our focus beyond conflict minerals to also cover cobalt and mica. Since 2024, we have been assessing and collecting sourcing information of critical raw materials (including but not limited to metals such as aluminum, copper, iron, nickel, and titanium) in accordance with internationally recognized supply chain mineral traceability due diligence methods.	◉ **Proactive investigation:** We conduct preliminary assessments on our suppliers based on key factors like level of business relationship and procurement value. At the same time, we review the risks of potential negative impacts on the environmental, social, and governance dimensions with respect to the supplier's category type (including raw material suppliers etc.).
Risk Assessment	◉ **Reduction of negative social impacts:** ✦ **Conflict Materials:** Aligning with the due diligence process established by the Organization for Economic Cooperation and Development (OECD) to regularly examine the country of origin of raw materials (including conflict minerals) to avoid using materials from conflict zones. ◉ **Reduction of negative environmental impact:** ✦ **Non-toxicity:** Enhancing product compliance with regulations and customers' sustainability requirements by establishing a hazardous substance process management system to ensure that the raw materials used for production do not contain substances harmful to humans or the environment. ✦ **Recyclability:** Conducting green material assessments and developing non-toxic (or low-toxicity) raw materials, as well as analyzes material and waste recycling, reduction, and reuse technologies. ✦ **Eco-friendliness:** Using Life Cycle Assessment (LCA) techniques to analyze the environmental impact of products and raw materials, and identifying improvement opportunities through hotspot analyses to enhance the eco-friendly content of products and raw materials.	◉ **Reduction of negative social impacts:** A supplier Sustainability Assessment Questionnaire (SAQ) was developed based on the Responsible Business Code of Conduct and international standards such as the UN Universal Declaration of Human Rights. The SAQ for all Tier 1 raw material suppliers are conducted regularly. ◉ **Reduction of negative environmental impacts:** ✦ **Climate risk:** Utilize the World Resources Institute (WRI) database to assess supplier water stress and integrate data on extreme rainfall conditions to identify suppliers at risk of experiencing flooding and landslides. ✦ **Biodiversity:** We use World Database on Protected Areas (WDPA) of International Union for Conservation of Nature (IUCN) and apply the LEAP (Locate, Evaluate, Assess, Prepare) approach recommended by the TNFD framework to assess whether the production areas of our raw material suppliers are located in biodiversity-sensitive areas.
Coordinated Action	◉ **Eco-design guidelines:** Eco-design guidelines have to be incorporated throughout all new product and new technology development stages, especially in the selection of sustainable raw materials (choosing materials with lower negative sustainability impacts, avoiding materials from key biodiversity areas, and prioritizing the use of recycled metals, minerals and materials with third-party certifications). And include relevant review items in the project checklist to ensure implementation in each product or technology development project.	◉ **Supplier guidance:** USI has implemented initiatives for raw material suppliers, including carbon inventory guidance and renewable energy development programs. As of 2025, a total of 7 suppliers have completed the guidance process. In addition, 36 suppliers have completed CDP assessments, and engagement activities on energy-saving projects have been conducted with 5 equipment suppliers. ✦ Through hotspot analysis and subsequent improvement actions by the suppliers receiving carbon inventory guidance, a total emissions reduction of 79,094 metric tonnes has been achieved in customer products in 2025.

Sustainable Green Supply Chain

USI designs green products that meet global regulations based on the aspects of green product design and constantly improves design capabilities so that products can meet current eco-friendly trends. As a principle, we Eco-Design products in the planning stages of product development. USI introduced the Green Parts Aggregations & Reporting System (GPARS), a professional green value chain management platform and a Green Parts (GP) database to manage the materials we use in our products and whether they meet the latest relevant requirements that include but are not limited to Hazardous Substance Free (HSF), RoHS, REACH [(1)], USI Green Environmental Protection Products Requirements and conduct a reasonable degree of investigation on the country of origin of the minerals and assess their priority as sustainable raw materials.

In response to the increase in global green product regulations, customer expectations for green product standards reduce the impact of raw material acquisition on the environment and society. Suppliers can refer to GPARS to learn about the latest green product specifications, conduct green parts certifications, track raw materials to Tier 1 suppliers' material composition list, and comply with USI Green Product Specifications requirements. For substances without feasible substitutes at this stage, USI has devised a Banned Substance Elimination Plan and communicated this information to suppliers in the Annual Conferences, requiring suppliers to comply with the specifications and cooperate with implementing the Banned Substance Elimination Plan. In addition, suppliers must provide Environmental Hazard Non-Use Declaration, material composition tables and verification reports, all raw materials are 100% in line with sustainable risk assessment results, including human rights, climate, biological and other factors to ensure that the purchased parts and materials are 100% in compliance with company specifications. Please refer to the Hazardous Substance Management section for other hazardous substance requirements.

New Control Green Environmental Protection Products Requirements in 2025

Item	Explanation
Total Controlled Substances	475
New Controlled Substances	39
Names of New Controlled Substances (illustrative examples)	N-Nitrosodiphenylamine, 4-Acryloylmorpholine, 4-Chlorophenyl cyclopropyl ketone etc.

European Chemicals Agency (ECHA) proposed a restriction proposal in 2023 to reduce the use of PFAS. In the same year, USI also included PFAS in the Prohibited Substances Elimination Plan and implemented relevant controls according to the latest EU announcement to provide customers with the most guaranteed green products.

Year	PFAS Elimination Plan
2023-2024	◉ Added PFSA in Banned Substance Elimination Plan list ◉ Conduct PFAS survey based on customer requirements
2025-2026	◉ Build system tools and investigate whether the components contain PFAS ◉ Follow PFAS regulatory restrictions and exemptions
2027-2028	◉ Establish PFAS control mechanisms for components, including testing report requirements and limit values ◉ Communicate PFAS regulatory compliance and customer reporting requirements to suppliers
2029-2039	◉ Ensure supplier components compliance ◉ Evaluate PFAS alternative solutions

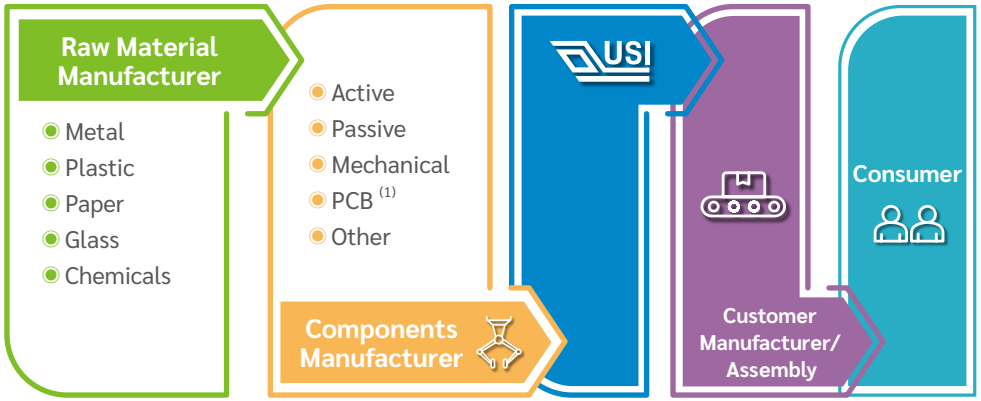
GPARS System



Note:
1. In response to the announcement of adding the 36th batch Substances of Very High Concern (SVHC), the REACH list has been extended to 253 substances.
2. API, Application Program Interface

The trend toward sustainable green products is inevitable. Industries could face upcoming challenges only by establishing a sustainable supply chain. USI integrates upstream and downstream partners to generate maximum environmental benefits from the entire production process, including product design, material procurement, manufacturing, transportation, packing, selling, and product recycling through a comprehensive and transparent management system. Our R&D, production, and quality assurance teams can also stay up to date on current standards for our products through GPARS and take necessary control measures. The systematic management of our global green product supply chain helps us improve data accuracy, strengthen cooperation with supply chain partners, and achieve a green supply chain.

USI Supply Chain





Note:
1. PCB, Printed Circuit Board

Promoting Green Design

USI has organized internal technology forums since 2016 to develop and strengthen the capabilities of its design and R&D personnel. The forums cover a broad range of topics, including miniaturization and packaging technologies, Wi-Fi systems, testing methodologies, reliability engineering, mechanical design, hardware development, and smart manufacturing, as well as their practical applications within the Company. They provide a platform for knowledge exchange, bringing together design engineers and employees with related interests to share insights on emerging technologies and applied practices. Since 2020, the program has been expanded from a one-day to a two-day program. In 2025, USI invited distinguished experts to share their perspectives. Speakers included Professor Yung-Jr. Hung (National Sun Yat-sen University), Dr. Y. E. Yeh (Vice President of R&D, ASE Inc.), and Thomas Adam (R&D Director, Hirschmann Car Communication). Topics ranged from Co-Packaged Optics (CPO) and heterogeneous integration to integrated antenna system design for automotive communications. These engagements provided recommendations to support USI's development initiatives and further strengthen employees' technical expertise.

As highlighted by Chairman Jeffrey Chen in *usinsight*, the rapid advancement of generative AI is driving unprecedented demand for computing power across industries. This trend marks the emergence of a new cycle of hardware reconfiguration, characterized by innovations such as new chip architectures, heterogeneous integration platforms, and advanced packaging technologies—including Chip-on-Wafer-on-Substrate (CoWoS), silicon photonics, Co-Packaged Optics (CPO), and System-in-Package (SiP). These developments are critical to overcoming existing hardware constraints and present significant opportunities in the AI era.

Dr. Li-Cheng Shen positions USI as a key co-developer of AI infrastructure, supported by a comprehensive toolbox of capabilities spanning semiconductor packaging, module design, and system assembly. These capabilities integrate multiple core technologies to strengthen readiness for the accelerating AI era:

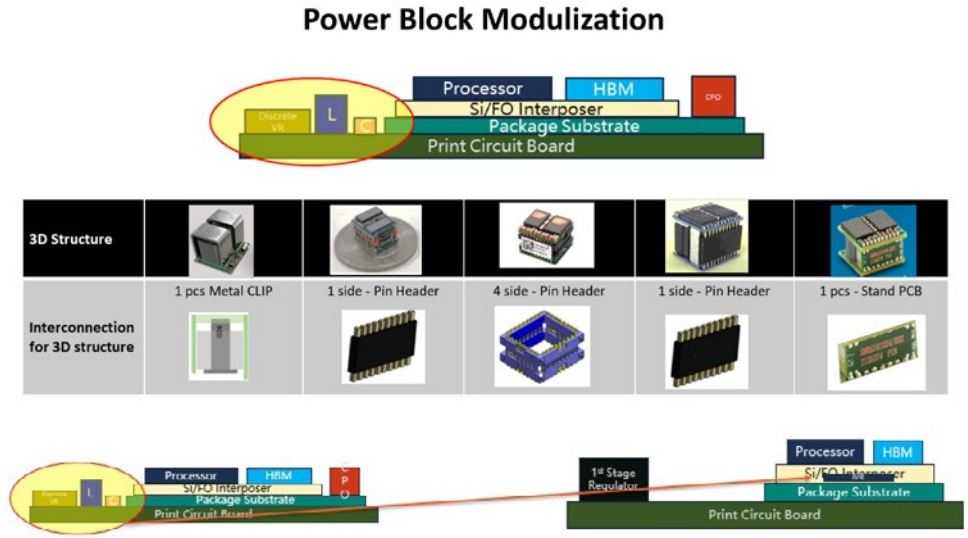
- Stacked Power Modules (Modularization): Discrete components, including driver-MOSFETs (DrMOS), inductors, and capacitors, are pre-integrated into three-dimensional stacked power modules "power blocks", streamlining assembly processes and shortening development cycles.
- Vertically Integrated Multi-stage VRM and Miniaturization: Power modules are integrated beneath the processor package, rather than positioned side by side, bringing power delivery closer to the point of load.

This vertically integrated VRM design delivers measurable performance advantages:

- Reduced size and transmission distance: Shorter power delivery paths reduce copper losses, while the overall footprint is reduced by approximately 25% compared to conventional configurations.
- Enhanced efficiency: Power routing losses are reduced by 50%.
- Improved power density: Current density increases from 0.4 A/mm² to 0.6 A/mm².

The design has successfully passed rigorous reliability testing, including 96 hours of unbiased highly accelerated stress testing (UHAST) under conditions of high temperature, humidity, and pressure, as well as 1,000 cycles of temperature cycling testing (TCT), demonstrating its robustness and practical applicability.

By advancing these modular power technologies and strengthening integration capabilities, USI is well positioned to address key challenges such as thermal management in high-density computing environments and the delivery of stable, high-quality power to advanced processors. As AI chips continue to increase in scale and performance, supporting components must become smaller, more intelligent, and more highly integrated.



Note:
1. For more detailed information, please refer to the USI blog.

USI's R&D personnel possess ecological design capabilities and continue to integrate green concepts and clean technologies into product development, enabling us to deliver environmentally responsible products globally. In accordance with its Design for Environment (DfE) procedures, USI considers potential environmental impacts from the design stage onward and works closely with project managers and customers to ensure that product specifications meet the requirements of Energy Star and the EU ErP. Key environmental considerations include material selection, energy efficiency and carbon reduction, water resource management, pollutant emissions, resource efficiency, and product recyclability, with the aim of minimizing environmental impact across the product lifecycle.

Green products incorporating clean technologies are required to comply with at least two applicable eco-design standards to enhance energy efficiency and reduce environmental impact. In 2025, revenue from clean technology-related products accounted for 55.71% of total revenue [1], representing a slight decrease of 1.28% due to softened market demand. USI conducts annual analyses of product revenue, categorizing its portfolio into energy-efficient products, products compliant with electronic waste recycling requirements, and miniaturized or modular light and compact products. These categories have collectively accounted for more than 80% of total revenue on average over the past four years, reflecting consistent progress in eco-design implementation.

Looking ahead, USI will continue to invest in research and development to expand the adoption of clean technologies and further advance sustainable product design.

2025 Green Product Revenue to USI's Overall Revenue

Green Product Category [2]	Revenue Percentage
Communication	26.82%
Industrial & Automobile Electronics	1.60%
Consumer Electronics & Cloud and Storage	27.30%
Total	**55.71%**

Ecological Design Products Revenue Share

Category \ Year	2022	2023	2024	2025
Energy Efficiency	11.2%	2.5%	2.5%	2.0%
Electronic Waste Recycling	13.2%	11.9%	9.7%	11.8%
Light and Compact	58.0%	67.0%	67.8%	67.1%
The Proportion of Total Revenue	**82.4%**	**81.4%**	**80.0%**	**80.9%**

In our product energy saving evaluation, USI's eco-design products saved 58.7 GWh (about 211,353 GJ), equivalent to reducing 23,716 metric tonnes of CO_2.

Product Energy Efficiency Evaluation [3]

Item \ Product Category	Consumer Electronics	Cloud and Storage	Automobile Electronic
Energy Saving in 2025 (MWh)	438	7,207	51,064
Total (MWh)	**58,709**		



Note:
1. The clean technology revenue excluding AFG-SUZ accounted for 0.14%.
2. USI's product categories fall into five categories, and this section does not cover medical categories.
3. The energy saving benefit is calculated based on the previous generation of products or market equivalent products.

USI established the Green Design Innovation and Invention Patent Incentive System since 2017. To encourage a culture of sustainability and innovation, weighted scores are assigned to green-related design initiatives. In 2025, USI further advanced green product development based on its green product design principles and the four pillars of its Green Promise. The results of these green-related design efforts are presented below:

USI 2025 Green Design

Product Design Aspect	Key Features	Performances
Choice of raw materials or components that have a lower environmental footprint	Miniaturized design and reduced waste	◉ Reduced raw material usage by a total of 826 kg in the annual shipment of miniaturized products. ✦ Utilized Computer Aided Design (CAD) reports to optimize the layout of components and wiring, reducing the use of capacitive/resistive components by up to 9%. ✦ Optimized the component layout density and wiring, and the PCB area is reduced by approximately 19%. ✦ Using the size code 0201 and 01005 components to improve the layout density and reduced space about 9%. ✦ Module size is reduced via advanced manufacturing process, and the area is reduced by approximately 18%.
	Using recycled materials	◉ Total 37 metric tonnes of recycled plastic and metal in products. ◉ Actively promote the adoption of recycled solder paste among customers; many SiP product lines have achieved 100% implementation, resulting in an annual carbon reduction of 121 metric tonnes.
	Hazardous Substance management	◉ 100% met RoHS environmental protection requirements.
	Enhance transportation efficiency to reduce carbon emissions	◉ Through the implementation of a centralized logistics hub management mechanism, material transportation was reduced by 1,378 land shipments, 660 sea shipments, and 1,530 air shipments.
Direct operations, production & manufacturing	Reduced energy consumption	◉ Improve product testing efficiency to reduce energy consumption from testing equipment, achieving a 22% reduction in testing time. ◉ Optimize product testing items by eliminating a total of 20 test items, saving 35 hours of testing time.
	Optimized material usage	◉ Design movable semi-tank covers to optimize the raw solution reflux system, reducing cleaning solvent volatilization, enhancing condensation recovery efficiency, and lowering solvent consumption by 12%.
	Reduced emissions and circular reuse	◉ Facilities promote energy saving schemes, which saved a total of 2,073 MWh of electricity and reduced CO_2 emissions by 1,170 metric tonnes. ◉ We plan to recycle as much water as possible via improvement of equipment and technology, the process water recycling rate of 65%. ◉ Collaborate with suppliers to convert non-value waste into Refuse Derived Fuel (RDF), a stable alternative to fossil fuels, transforming waste into a new energy carrier and enabling the recycling and reuse of a total of 447 metric tonnes of waste.
Distribution, storage, and transportation	Recycled and reused packaging material	◉ USI recycled and reused about 39,000 plastic pallets, 6,000 wood pallets, 9.1 million trays, 0.53 million partitions, and 0.18 million recycling bins, reducing a total of 3,587 metric tonnes of waste.
Use phase - operation and servicing/ maintenance	Improved energy efficiency	◉ The DC-DC conversion efficiency of the DC power supply of the server product is more than 90.7%.
	Energy efficiency regulation	◉ 100% in compliance with California's Appliance Efficiency Regulations (CEC) and EU's Eco-design Directive (EU ErP).
	Energy saving	◉ In our product energy saving evaluation, eco-design products saved 58.7 GWh.
End of life management	Meet WEEE criteria	◉ Collaborated with customers and 100% met WEEE criteria in mechanical parts design. ◉ 1,106 metric tonnes of recyclable and reusable materials were used in USI's annual shipments.

Product Compliance

Throughout the product design process, USI complies with all applicable regulatory and compliance requirements, including market-specific safety and regulatory standards in the regions where its products are sold. This helps ensure that products do not pose health or safety hazards to customers. Suppliers are required to comply with USI's Green Product Specification, and products and management systems must meet relevant international standards as well as applicable safety regulations in each market. Raw materials are strictly controlled, with preference given to low-pollution and non-toxic materials to ensure compliance. In addition, product life cycle inventory assessments and eco-design evaluations are conducted, and product eco-characteristic manuals are published to comply with the EU ErP Directive. USI has also established a Chemicals Management Procedure to assess and mitigate potential risks associated with the introduction of new chemicals into production processes, as described in the Chemical Safety Management section.

USI Products Compliance with Human Health Directives in 2025

Products \ Directive	EU RoHS	Halogen Free [1]	China RoHS
Intelligent Connectivity Solutions	100%	100%	100%
Automotive & Industrial Power Electronics	100%	100%	100%
Advanced Mobile and Miniaturization Solutions	100%	100%	100%
Smart Manufacturing Products	100%	100%	100%
Global Business & Operation Products	100%	100%	100%
NexGen Swift Manufacture Products	100%	100%	100%

Products undergo rigorous design reviews, including the assessment of potential use scenarios during the early development stage and the identification of regulatory gaps to enhance product safety. Through the Factory Inspection Mechanism [2], products are subject to quarterly or annual third-party audits (e.g., UL, TÜV, and CCC) to verify compliance with applicable safety requirements and regulations in global markets. Safety-certified electronic products are labeled with appropriate safety warnings and accompanied by user manuals.

In 2025, USI established an information security testing framework aligned with the EN 18031 series standards, covering third-party testing, certification pathways, and wireless product development. The framework enabled support for two customers in obtaining certification. Developed under the EU Radio Equipment Directive, the EN 18031 standards define cybersecurity requirements for network protection, personal data and privacy, and fraud prevention. Their adoption has strengthened product cybersecurity resilience, reduced supply chain risks, and enhanced governance and regulatory compliance.

To prepare for the phased implementation of the EU Cyber Resilience Act beginning in September 2026, we developed a compliance roadmap and implemented Phase 1 in 2026. Key initiatives include establishing a vulnerability reporting mechanism, strengthening secure product design, enhancing technical documentation, and improving vulnerability disclosure processes. These efforts support compliance with EU cybersecurity requirements while reducing security and regulatory risks.

In 2025, USI received no complaints related to product-related health and safety risks, and no incidents of non-compliance with product safety regulations were identified.

USI System Products Compliance with Safety Standards in 2025

Products \ Standard	UL 62368-1	IEC 62368-1	CNS 14336.1	GB 4943.1
Intelligent Connectivity Solutions	50%	52%	36%	9%
Global Business & Operation Products	29%	43%	0%	14%

Note:
1. Conducting a halogen free compliance survey on the product bill of materials (BOM) based on customer requirements.
2. Factory Inspection Mechanism: a manufacturing factory that manufactures products which are labeled with safety regulations shall receive factory inspection (to be audited by an external certification unit) based on the request of a certification issuance unit to ensure that its products conform to safety regulations.

Product Life Cycle Assessment

Life Cycle Assessment (LCA) is a systematic method for evaluating the environmental impacts of a product or technology throughout its entire life cycle, from raw material extraction and processing to manufacturing, transportation, use, and end-of-life treatment, including recycling or disposal. Among LCA methodologies, a PCF quantifies GHG emissions generated across each life cycle stage and expresses them as CO_2 equivalents, making it a widely used form of Simplified Life Cycle Assessment (SLCA).

Given the diversity of USI's product portfolio, carbon footprint inventories are conducted in phases. To meet customer demand for green products and strengthen capabilities across facilities, relevant expertise and experience in green product development and low-carbon materials have been shared.

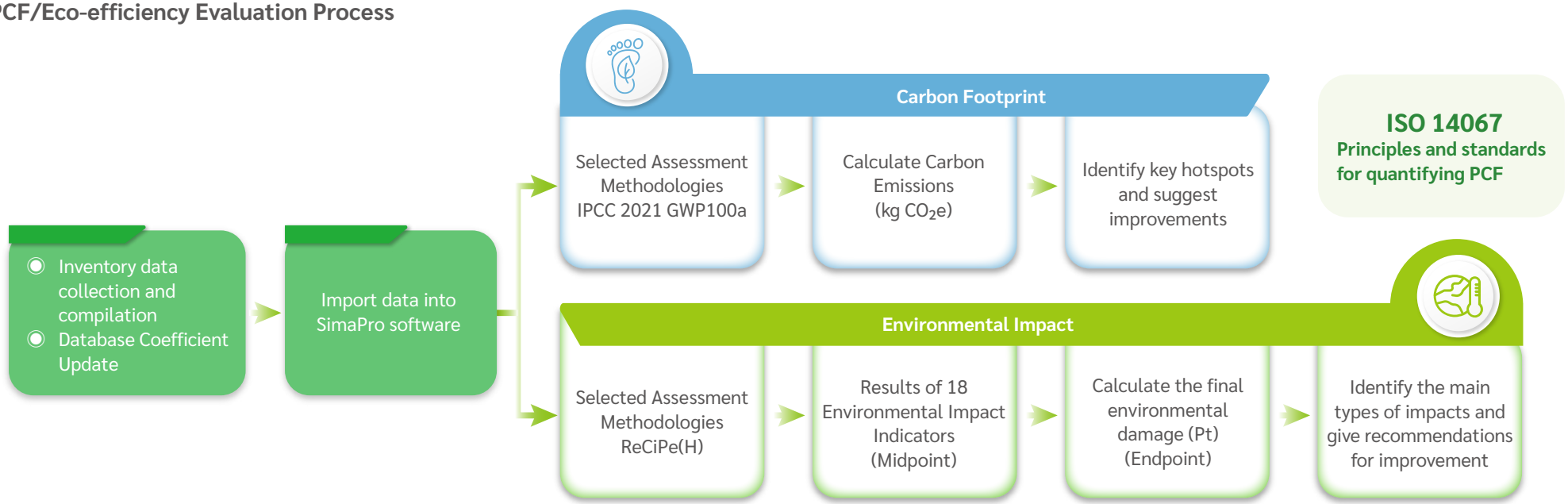
In 2025, carbon footprint inventories were completed for 5 product series, covering a total of 179 products. Environmental impact assessments were conducted for all products, including full LCAs performed by USI and its customers (representing 47.34% of revenue)[1], SLCAs based on ISO 14067 PCF verification (3.55% of revenue), and other assessment methods focused on restricted substances, such as RoHS compliance (49.11% of revenue).

USI conducted carbon footprint and eco-efficiency evaluations for one product series using SimaPro, the IPCC 2021 GWP100a methodology, and ReCiPe 2016. The assessments were performed in accordance with ISO 14067 and ISO 14045 to evaluate impacts across 18 environmental categories, identify hotspots, and assess eco-efficiency based on product value and environmental performance[2].

The analysis showed that approximately 90% of product carbon emissions originated from raw materials and manufacturing processes. Improvement opportunities identified included optimizing material utilization and cutting ratios to reduce waste, increasing local sourcing to lower transportation-related emissions, replacing aging equipment to improve energy efficiency, and integrating PCF data with facility-level GHG inventories to evaluate emissions reduction performance. USI also continued promoting the use of renewable energy in its facilities (see the Energy Management section).

In 2025, hotspot analyses and targeted improvement measures enabled customer products to achieve a total carbon reduction of 79,094 metric tonnes. Building on these results, USI will continue to expand product-level carbon reduction initiatives and enhance its carbon footprint inventory program to further reduce environmental impacts and support the development of low-carbon products.

PCF/Eco-efficiency Evaluation Process



Note:
1. Of the total, 7.76% was assessed internally by USI.
2. Eco Efficiency ↑ = Product or Service Value ↑ ÷ Environmental Impact ↓

Product Carbon Footprint Inventory Performances

Product Category	Product Name	Carbon Footprint	Eco-efficiency Assessment/ Environmental Footprint	Emissions(kg CO_2e/pcs)	Certificate/Inventory Report
Industrial, Automobile Electronic	Audio Amplifier	✓	✓	206.72	Audio Amplifier Inventory Report
Cloud and Storage	Server Mainboard	✓	✓	5.78	Server Mainboard Inventory Report
Industrial, Automobile Electronic	Mobile Computer	✓	✓	14.63	Mobile Computer Inventory Report
Cloud and Storage	HZ_Smart Dock	✓	-	87.60	HZ Smart Dock Inventory Report
Cloud and Storage	HPH_Smart Dock	✓	-	80.90	HPH Smart Dock Inventory Report
Consumer	Charger for Hearing Aids	✓	✓	9.00	Hearing Aids Inventory Report
Consumer	ATM Control Board	✓	✓	50.30	ATM Control Board Inventory Report
Industrial, Automobile Electronic	Car Wiper Controller	✓	✓	1.97	Car Wiper Controller Inventory Report
Cloud and Storage	Workstation Dock	✓	-	69.66	Workstation Dock Inventory Report
Cloud and Storage	Smart Dock	✓	-	89.40	Smart Dock Inventory Report
Consumer	Clickshare Button	✓	✓	1.81	Clickshare Button Inventory Report
Industrial, Automobile Electronic	Industrial Tablet	✓	✓	49.20	Industrial Tablet Inventory Report
Cloud and Storage	Add-on Card (AOC)	✓	-	16.56	AOC Inventory Report
Consumer	LCD Drive X Board	✓	✓	4.00	X Board Certificate
Consumer	LCD Drive XC Board	✓	✓	9.20	XC Board Certificate
Industrial, Automobile Electronic	Digital Inkjet Printhead	✓	✓	31.07	Printhead Certificate
Cloud and Storage	USB-C Dock	✓	✓	290.36	USB-C Dock Certificate
Cloud and Storage	XnBay Smart Server	✓	✓	163.60	XnBay Certificate
Communication	4G LTE Module	✓	✓	6.56	4G LTE Certificate

Eco Labels

EPEAT

Green Electronics Council (GEC) developed EPEAT which is an environmental performance assessment tool published by the U.S. EPA. There are 51 stipulated standards, of which 23 are required criteria and 28 are optional criteria to assess the computer and display, imaging equipment, mobile phones, network equipment, photovoltaic modules and inverters, servers, and television products. EPEAT covers the full product life cycle from design, production, energy use and product recycling conditions.

First rule for hazardous substance: The first essential indicator to the reduction of use of environmental hazardous substance is to comply with the EU's RoHS standard. The eight performance categories also specify the requirement that batteries must not contain more than 25 mg of lead, cadmium, mercury, and plastic material, and except for wires and cables, the content of polyvinyl chloride (PVC) is prohibited. Furthermore, according to the 8th rule: the first essential indicator for product packaging is to reduce and eliminate packaging materials with intentional addition of toxic substances, and the rule specifies that "Pb+Cd+Hg+Cr^{6+}" must be less than 100 ppm.

In comparison to traditional computer equipment, all EPEAT registered computer products have lower contents of lead, cadmium and mercury based on the factor of protection of human health and environment, and such products are more energy saving and facilitated for upgrade and recycle/reuse. Accordingly, they can reduce GHG emissions due to climate change. For products registered by manufacturers in the EPEAT registry, it is necessary to provide solutions beneficial to the environment and facilitating the recycle operation. If a product is able to satisfy environmental performance related standards in each stage of its life cycle, it is able to receive the reward of bonus points.

In 2025, the Company assisted one of our customers to obtain the certification of silver medal grade for Set-Top Box products, the revenue from EPEAT-related products accounted for 0.28%, such that our customer was able to gain greater opportunities of product purchase agreements in the global market. This is an example demonstrating USI's commitment to green design and development together with customers and suppliers. Furthermore, the Company will also continue to exert effort in the GHG emission reduction due to climate change.

Energy Star

Energy Star is an energy efficiency and environmental protection program launched by the U.S. Department of Energy and the Environmental Protection Agency. Its goal is to help consumers, businesses, and industries save money and reduce carbon emissions by promoting energy-efficient products. The program established comprehensive energy efficiency standards for computers and IT equipment, electrical appliances, office equipment, lighting, household appliances, homes, and buildings. Products or properties that meet high performance and cost-effectiveness criteria are eligible to carry the Energy Star label. In 2025, 6 of our cloud & storage, and industrial products met the Energy Star requirements, accounting for approximately 0.47% of our total revenue.

WEEE

The WEEE Directive is an environmental directive passed by the European Union in 2003. It was established to address the disposal of waste electronic and electrical equipment by setting regulations for the collection, recycling, and recovery of such products, aiming to reduce environmental pollution caused by hazardous substances. The directive requires that all electronic and electrical products within its jurisdiction bear the Wheelie Bin symbol and be properly registered, inspected, and monitored in accordance with the specified requirements.



Recycling Symbol of System



Recycling Symbol of Lithium Battery

To meet the product requirements of customers selling to the European Union, we have established a standard operating procedure for WEEE Directive compliance. This procedure outlines the relevant management and operational processes. R&D personnel are required to provide a 3R (Recycle, Reuse, Reduce) ratio assessment and disassembly report during the product mass production phase, based on project-specific requirements, to ensure the product meets Design for Environment (DfE) standards. In 2025, we launched 15 new industrial project products, with recyclable and reusable materials accounting for 96% of their composition.

SDG 12, Responsible Consumption and Production, calls on organizations to promote a circular economy by improving material management and resource circulation. This includes advancing green design principles to develop products that are durable, repairable, and fully recyclable, thereby enabling closed-loop supply chains, extending product lifecycles, and reducing waste generation.

In alignment with this objective, USI collected and analyzed data on all new mass-produced products in 2025 that comply with WEEE reporting requirements, including information on the use of recycled materials. The analysis indicates a growing market demand for products incorporating recycled materials, reinforcing the importance of sustainable product design and circular economy practices

Percentage of Post-Consumer Recycled (PCR) Plastic Relative to Total Products Produced

Item \ Year	2022	2023	2024	2025
% of total products	0.14%	4.43%	0.27%	0.35%

USI has established targets for increasing the use of recycled plastics and aluminum based on data analysis of specific product applications and customer adoption trends. A five-year roadmap has been defined, aiming for an average annual growth rate of 8%. By 2030, the target is to achieve 14.71% usage of recycled plastics and 26.93% usage of recycled aluminum. In 2025, we achieved our 8.80% recycled plastics and 18.00% recycled aluminum targets.

In addition, given that high-temperature solder paste typically contains over 80% tin, USI actively promotes the adoption of recycled solder paste to support resource sustainability. In 2025, recycled solder paste has been fully implemented across multiple SiP product lines, resulting in a total carbon reduction of 121 metric tonnes. Building on the progress of this initiative, we have set a target to reduce carbon emissions by 2 metric tonnes annually through the continued use of recycled solder paste, contributing to its net-zero ambitions.

2025 Plastic Raw Materials in Products

Plastic Materials in Products: (thermoplastic materials only, no packaging)	Amount (metric tonnes)	% of Materials from Recycled Sources	% of Materials Recycled Target	Status	2030 Target
Acrylic, Acrylonitrile Butadiene Styrene (ABS), Polybutylene Terephthalate, Polyamide, Polycarbonate, Polyester, Polyoxymethylene, Polystyrene, Polyurethane, Silicon Rubber	279.02	9.83%	8.80%		14.71%

2025 Metal Raw Materials in Products

Metal Materials	Aluminum	Cobalt	Copper	Iron/Steel	Nickel	Lithium	Titanium
Amount (metric tonnes)	657.6987	0.0011	5.8675	68.6226	0.4285	0.9329	0.0998
% of Materials from Recycled Sources	19.5156%	0.0000%	40.1847%	1.7139%	4.9411%	0.0000%	3.1680%

Sustainable Green Education

Besides implementing 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 GHG emission reduction). We keep communicating with employees, suppliers and contractors regarding our net zero carbon emissions target, EHS-associated principles, knowledge, and requirements. USI's training courses on sustainable green production train employees in R&D, procurement, and quality control departments on GP-related regulations, requirements, procedures, and eco-friendly materials. In 2025, all facilities implemented 13,168 lessons (6,347 hours).

To meet customer requirements, company is not only keen to participate in international forums on carbon emission disclosure but also carry out plans for energy conservation and carbon emission reduction. By instilling the green concepts at internal training programs while drawing from external experiences, USI conveyed its green values and fulfilled the Green Promises.

Sustainable Green Education Courses

Hazardous Substance Management System Requirements for Green Products

- Quality Policy
- Hazardous Substance Management System
- Green Product Management System
- Green Product Workflow
- RoHS (EU) 2015/863
- GP Label in Production Line
- Halogen-Free
- Green Non-BOM Materials
- Engineering Change Request (ECR) Process

Green Products Regulations Introduction

- RoHS Requirement by Country
- REACH
- EU Battery Regulation (EU) 2023/1542
- Regulation (EU) 2025/40 on Packaging and Packaging Waste
- EU Directive - ELV
- WEEE
- Halogen-Free
- CEC
- ErP
- California Proposition 65

Green Products Manufacture, Non-BOM Material and Shipping Control

- Green Manufacture Management
- RoHS (EU) 2015/863
- GP & HF Definition
- Green Non-BOM Management
- Outgoing Management

Green Design Controlling Process

- Green Product Workflow



Green Part Verification and Approval

- Operating Standards and Regulations for Green Products

Developing Sustainability Competency

- Sustainable Product Design and Assessment
- Responsible Business Code of Conduct
- Responsible Minerals Management
- Sustainable Supply Chain Training

Innovation Management

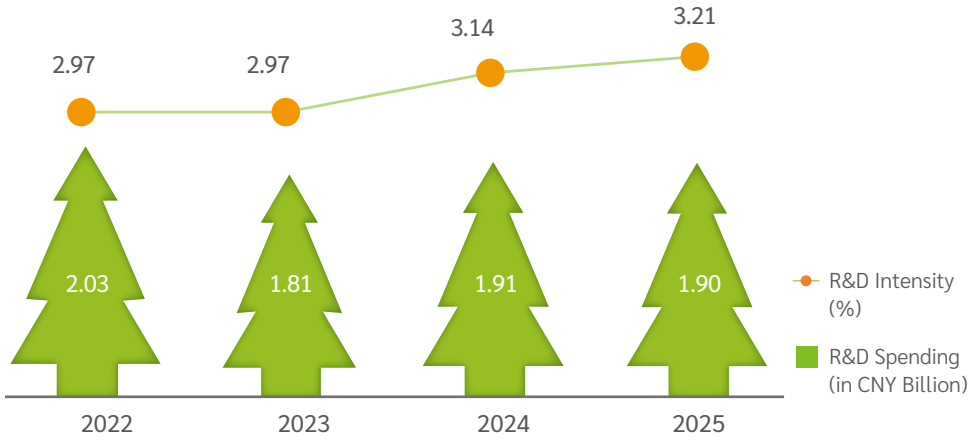
USI recognizes innovation as a key driver of sustainable growth and regards Intellectual Property (IP) as one of its most valuable assets. In addition to protecting its own IP, USI respects the intellectual property rights of others worldwide.

Research and Patents

USI has established an IP Management Policy to govern the acquisition, protection, maintenance, and utilization of IP while preventing infringement. The policy emphasizes that IP protection is a shared responsibility and promotes a culture of innovation that creates value for stakeholders. Through a structured management framework aligned with the PDCA cycle, IP management is integrated with business and operational objectives. USI also shares its R&D achievements with industry and academia through patent filings and publications in international journals, demonstrating its commitment to innovation and knowledge exchange.

In 2025, USI employed 3,030 R&D personnel, representing 13.95% of its workforce, an increase of 0.75% from 2024. R&D investment totaled CNY 1.901 billion, accounting for 3.21% [(1)] of revenue. USI continues to invest in the development of its design and engineering talent to sustain its R&D intensity and strengthen long-term innovation capabilities.

R&D Spending and Intensity



To encourage innovation and enhance technological competitiveness, USI operates a Patent Management and Incentive Program that rewards employees for approved intellectual property applications. In 2025, total incentives for approved IP applications amounted to CNY 274 thousand. USI also regularly holds R&D Innovation Competitions to recognize outstanding projects and technologies. In 2025, 24 teams participated, including 9 in the Successful Projects category and 15 in the Innovative Technology category. Following a rigorous evaluation process, 10 teams received awards, with total incentive payments of approximately CNY 409 thousand. Through these initiatives, USI continues to foster a culture of innovation while strengthening its long-term technological capabilities and competitiveness.

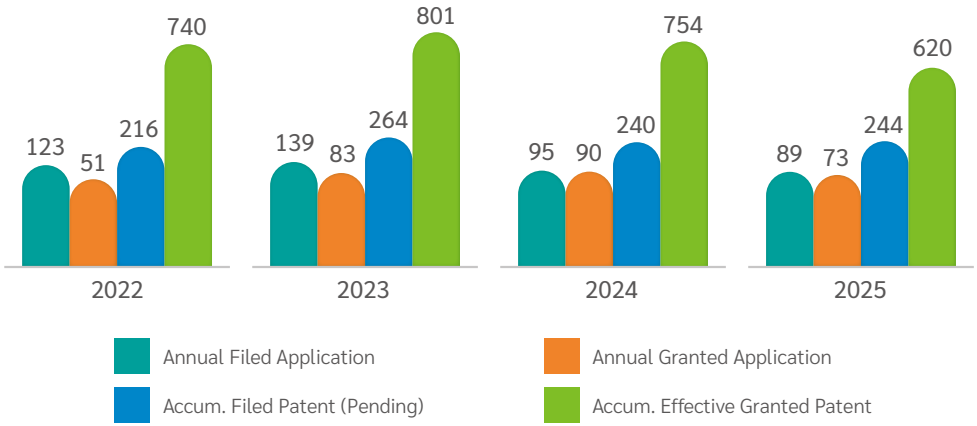
Rank	Project Name	Project Content
Successful Project		
Champion	WM-MQ1	A dual sided molded miniaturized Wi-Fi/Bluetooth combo module for smart eyewear applications, incorporating a Wi-Fi 7 solution with a QC 2-die front end modules
2nd Place	WM23	Confidential business information; not disclosed
3rd Place	MMW	Confidential business information; not disclosed
Important Strategy Award	5G Rugged Handheld	Integrated with 5G and Wi-Fi 6E connectivity, along with advanced scanning capabilities (optical zoom), this solution is specifically designed for industrial mobile applications. It features enhanced facial recognition decoding, precise indoor positioning technology, and military-grade durability
Innovative Technology		
Champion	Copper Pillar Pin Mass Transfer	Successfully developed high aspect ratio (>1: 3) copper pillar mass transfer technology, and took the lead in applying it to concealed capsule endoscopy miniaturized modules, as well as high heat dissipation power management modules for mobile device
2nd Place	Smarter HW Design Enables SiPs in Bendable Application	Warpage improvement technology in the SiP level, incorporating chamfered structures for bendable applications, and passed Wi-Fi 7 High Band Simultaneous (HBS) design and validations

Note:
1. Please refer to page 34 of the 2025 Annual Report for detailed information.

Rank	Project Name	Project Content
Innovative Technology		
2nd Place	Selective Vacuum Printing Encapsulation with Fence	A breakthrough solution in vacuum printing encapsulation technology utilizes stencil-based molding and liquid resin printing under ambient temperature and pressure conditions, eliminating the need for costly customized molds and high-temperature, high-pressure molding required in conventional semiconductor encapsulation. In addition, FR4 PCBs are used as a substitute for BT substrates, effectively reducing development costs for miniaturized products
3rd Place	Auto Via Filling Curing Transfer Machine	An automated panel transfer machine was developed for post via-filling panel handling, replacing manual operations and effectively addressing quality-related issues
	Copper Pin Module Development For DSM	Cu-pin module is adopted to expand the process window, enabling support smaller I/O pitch, thicker bottom mold, high conductivity and low heat dissipation of 2.5D & 3D advanced package
	AI-Driven PCB Design Rule Auto-Check Platform	A platform integrating rule-based logic with AI-assisted capabilities was developed to enable automated PCB design rule checking, thereby reducing manual effort and improving review accuracy

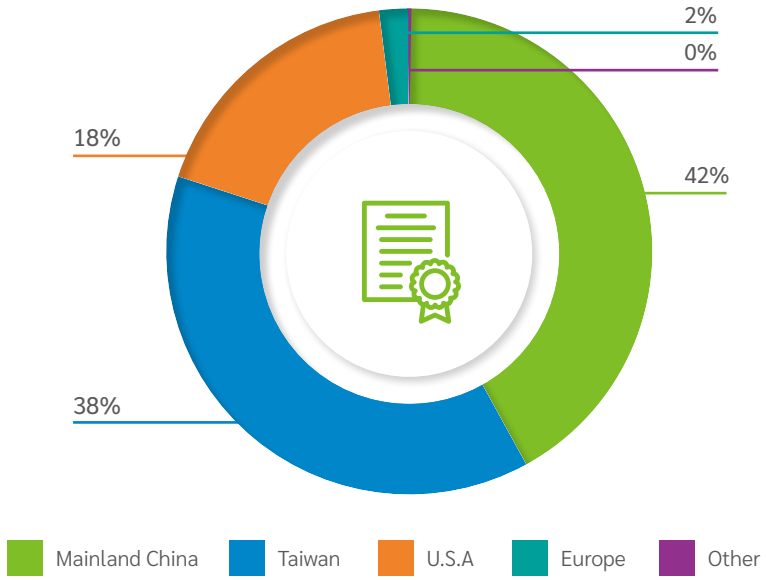
Over the past five years, the number of patent proposals approved by the Patent Review Committee has consistently exceeded 140 annually. In 2025, 129 patent proposals were filed and approved, including 16 related to key technologies such as SiP miniaturization, electric vehicle technologies, and wireless communication technologies.

As of 2025, USI held 620 valid granted patents [(1)], while the cumulative number of approved patent applications reached 1,744, representing a 4% increase from 2024. Patent application and grant trends over the past four years are presented on the right.



USI's patent portfolio in electronics manufacturing and related service technologies includes 257 granted patents in Mainland China, 238 in Taiwan, 111 in the United States, 12 in Europe, and 2 in other countries.

Distributed of Accumulated Effective Patents



Note:
1. The scope of patents counted includes those from USI Science and Technology (Shenzhen) Co., Ltd. and USI Electronics (Shenzhen) Co., Ltd., in addition to the Report scope.

Green Proposal

In 2025, total 7 of the proposals involved green process designs and have passed internal patent review meetings. The green process proposal is to increase the proportion of automated and unmanned facility operations by reducing work hours, lowering labor costs, or improving efficiency to achieve energy and carbon savings in the process. The Company further encourages employees to submit relevant design proposals to participate in R&D competitions, enabling them to obtain enhanced incentives and secure intellectual property rights more effectively. Please refer to the following table for details:

Facility	Green Proposal	Proposal Benefit	Green Product Design Aspects
Zhangjiang	A specialized copper pillar design for module packaging structures	◉ Copper-based eco-friendly lead pins increase solder joint area by over 200%, improving thermal and drop resistance while enabling direct sidewall exposure without additional processing.	◉ Safety ◉ Resource-efficient
	A broadband dual-polarized dielectric antenna design for millimeter-wave applications	◉ Supports dual polarization with a 24-43.5 GHz bandwidth, meeting 5G mmWave multi-band requirements. ◉ Simplified structure using molding and vacuum sputtering, reducing heavy metal wastewater by over 80% compared to electroplating. ◉ Axial radiation enables improved thermal dissipation, reducing cooling power from 1.5W to 1.0W. ◉ Manufacturing steps reduced by 20%~30%, lowering carbon emissions by approximately 12 g CO_2e per unit. ◉ Detachable modular design enhances recyclability, achieving over 85% material recovery.	◉ Low-carbon ◉ Resource-efficient
Kunshan	A dual dam encapsulation barrier fabrication method for module packaging structures	◉ Copper and eco-friendly plastic materials are adopted to reduce stress on key chips and connectors, thereby lowering failure rates during module assembly.	◉ Safety ◉ Resource-efficient
	A placement method for 3D passive components	◉ 3D Surface Mount Technology (SMT) stacking technology is applied to utilize vertical space above passive components, achieving over 40% reduction in module size.	◉ Resource-efficient
	An electronic structure design with high aspect ratio and flexible layout, including its interconnection interface and manufacturing method	◉ Halogen-free materials are used to replace air dielectric areas with rubber (Vacuum Pad E, VPE) filling, improving SiP thermal performance and reducing power consumption.	◉ Safety ◉ Low-carbon
	A high-density, flexible interconnection interface enhancing thermal and electrical performance, with its semiconductor packaging structure and manufacturing method	◉ With halogen-free materials, SiP I/O pitch is reduced from 0.4 mm to 0.2 mm within the same footprint, further minimizing design area requirements. ◉ Copper pillar structures are utilized to enhance thermal conductivity, improving heat dissipation and reducing power consumption.	◉ Safety ◉ Low-carbon ◉ Resource-efficient
Nantou	An integrated communication interface architecture for one to many test cards and its applications	◉ Halogen-free materials and logic control reduce components and wiring, optimizing circuit design. ◉ Modular, detachable design lowers hardware costs while improving stability and energy efficiency. ◉ Fast switching between control boards accelerates testing and reduces energy consumption. ◉ Scalable modular architecture enables multi-channel testing with lower standby energy use.	◉ Safety ◉ Low-carbon

Sustainable Production

USI actively introduces smart manufacturing through the automated Lights-Out Factory project to streamline production quality and efficiency, meet customer demand, and continue optimization of design, production, and energy efficiency through the Continuous Improvement Program.

Smart Manufacturing

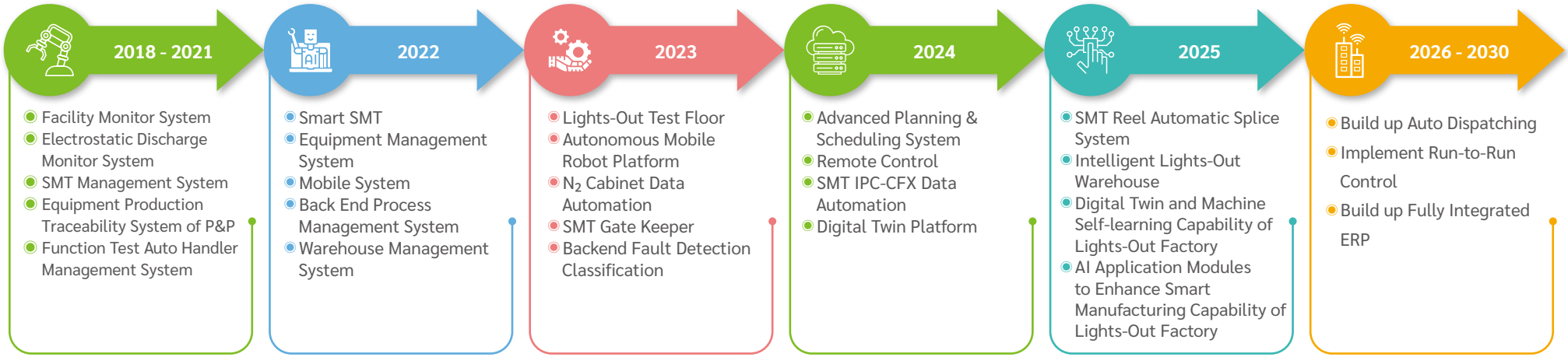
Since 2015, USI has established Zhangjiang Facility as a model factory, and the name of Automation Development Division managed by the Zhangjiang Facility general manager has been changed to Smart Manufacturing Development Division with the introduction of smart manufacturing. In 2016, the Company further established the Information Automation Team to further improve the function and scope of the Smart Manufacturing Development Division. Moreover, in 2021, the Division was further upgraded to Smart Manufacturing Development Center, and the organization members were also expanded to support and promote the 5-Star Lights-Out Factory development for all facilities worldwide. The Smart Manufacturing Development Center completed the first WiFi SiP Module Test Lights-Out production line at Zhangjiang Facility in 2021. In addition, four production lines were upgraded to Lights Out operations, further advancing the Company's smart manufacturing capabilities in 2025.

USI's Smart Manufacturing Program has adopted the concept of Industrial Internet of Things (IIoT) and plans the development of the Industry 4.0 Smart Manufacturing Program in line with the electronic manufacturing industry, and this is called the 5-Star Industry 4.0 Smart Manufacturing. We have also formulated the 5-Star Factory Standard with reference to the industry, i.e. more than 90% automation of machines, more than 90% of machine connection & real time monitoring, and labor efficiency increased by 90%. This plan sets out a phased development over the next five to ten years to increase the level of automation in USI facilities around the world, and continue to be at the forefront of the industry.

In 2025, USI successfully introduced 87 automated manufacturing projects [(1)], achieving total labor cost savings of CNY 346.78 million. The overall smart manufacturing maturity level reached an average of 3.37-Stars, with the highest facility achieving 4.0-Stars. In addition, 71 application modules were newly developed, including 10 AI application modules, alongside the implementation of talent development programs that trained 34 professionals in automation and smart manufacturing, strengthening the Company's innovation capabilities.

We plan to develop 6 common platforms annually and upgrade all facilities with implementation of Industry 4.0 to 3-Star or 4-Star factories in 2030, such that the average class of facilities will reach 4.35-Star and develop 30 AI application modules. USI aims to implement Lights-Out Factory in all facilities worldwide, at least building one fully automated smart manufacturing production in each facility. This demonstrates our determination to provide advanced manufacturing solutions capable of satisfying global customer demands and creating better business results for shareholders and investors.

Lights-Out Factory Roadmap



Note:
1. The data includes Zhangjiang, Jinqiao, Huizhou, Kunshan, Nantou, Mexico, Vietnam, and AFG-SUZ Facilities.

Industry–Academia Collaboration – Intelligent Manufacturing Innovation Center

Empowering Industrial Upgrade through a Joint Innovation Center

Driven by the growing demand for digital transformation and intelligent manufacturing, companies around the world are accelerating investments in smart technologies to enhance competitiveness and operational efficiency. To support this trend, USI invested CNY 2 million to jointly establish the Soochow University–USI (Kunshan) Intelligent Manufacturing Innovation Center, strengthening industry–academia collaboration and advancing the development of applied technologies and innovation capabilities.

Officially inaugurated on November 18, 2025, the center represents a significant milestone in USI's intelligent manufacturing journey and reinforces its commitment to the digital transformation of communications and automotive electronics manufacturing. By integrating academic research with industrial expertise, the center serves as a platform for accelerating technology innovation, cultivating talent, and promoting the practical application of research outcomes.





Three Core Areas of Focus

- Technological Innovation: Enhancing R&D efficiency and facilitating the application of research outcomes in industrial settings.
- Talent Development: Providing practical training opportunities while supporting recruitment and skills development.
- Resource Integration: Leveraging academic, industrial, and policy resources to support innovation and improve competitiveness.

Sustainable Collaboration Framework

The collaboration combines Soochow University's strengths in mechatronics, artificial intelligence, materials science, and advanced research capabilities with USI's extensive manufacturing experience and application expertise. Through close cooperation, both parties work to develop innovative and practical solutions that address evolving industry needs.

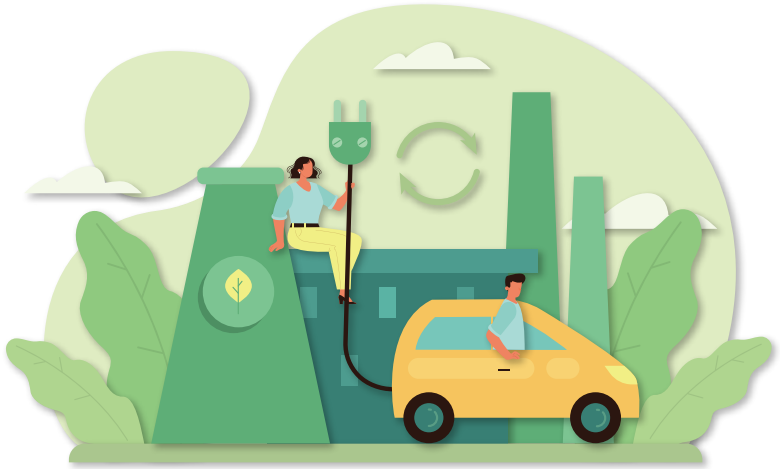
Kunshan Facility, recognized as a Jiangsu Province Smart Manufacturing Demonstration Factory since 2011, provides a real-world environment for validating and implementing advanced manufacturing technologies. Meanwhile, Soochow University contributes a strong pipeline of talent as well as expertise in robotics, intelligent manufacturing, and engineering research. Ongoing collaboration in research and development, technical exchange, and engineering applications facilitate knowledge sharing and support continuous technological advancement.

As an integrated platform for research, talent cultivation, and industrial application, the Innovation Center helps bridge the gap between academia and industry while fostering long-term sustainable development.

Future Development: from Collaboration to Ecosystem Co-creation

USI and Soochow University will continue to expand collaboration in joint talent development and explore extending this model to additional USI facilities. The center will focus on addressing technical challenges in communications and automotive electronics, with an emphasis on applying research outcomes in production environments.

Through continued collaboration, the center is expected to support ongoing innovation and contribute to the development of more efficient and sustainable manufacturing practices.



Continuous Improvement Program

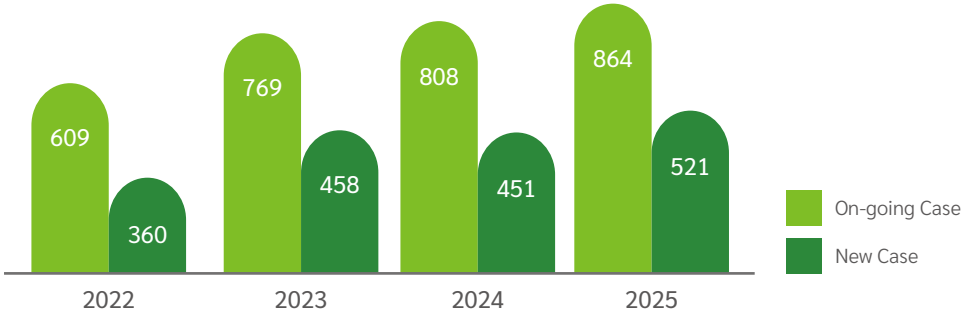
Continuous Improvement Program (CIP) proposes improvement plans for productivity, process, quality, efficiency, equipment, software, hardware, energy conservation and CO_2 emission reduction, automation, safety, digital innovation, and have cost saving benefits.



CIP Purpose

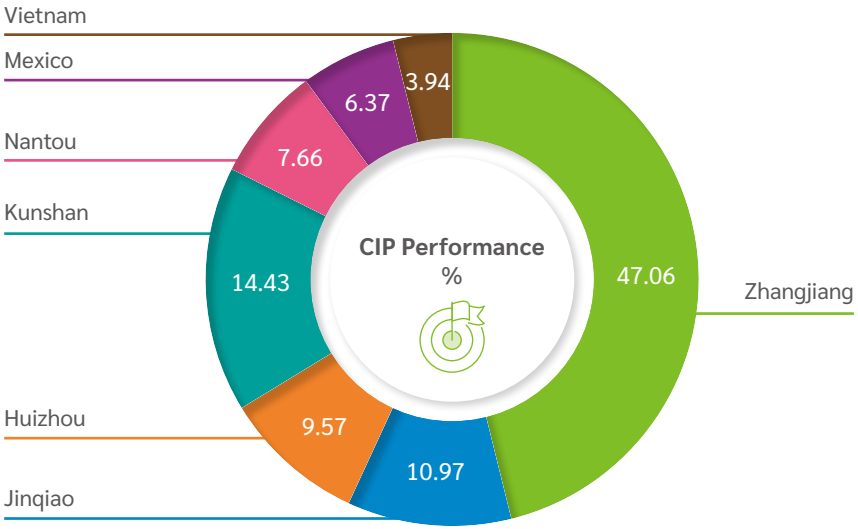
- Build a platform to realize ideas and approve employees' endeavors and awards
- Encourage employees devoting to continuous improvement to achieve cost savings in operations
- Enhance teamwork and enterprise competitiveness

The proposed cases are reviewed by Site Review Committee (SRC) for their project results that including innovation and development capability, actual saving value attainment capability, technical application capability, standard operation capability, and reproduction operation capability. For the annual review meeting, the hosting unit (Corporate Operation Development, COD) selects cases and submits them to the Corporate Review Committee (CRC) to review the content and effect of saving. In addition, facilities are encouraged to replicate cases of outstanding implementation effect, to expand the positive outcome. In the past year, 864 projects have been executed. In addition, according to the statistics shown in the graph below, on average about 440 new projects are proposed each year.



After the total performance of 2025 is calculated by COD, the actual tangible cost saving was CNY 112.98 million and the saving cost accounted for 0.24% of revenue. Please refer to the figure for the details of each facility.

CIP Performance by Facility



The CIP annual performance reward is based on performance achievement and facility profitability, comprising a base reward and a performance-based bonus. The bonus is split between individual/team contributions (20~70%) and departmental or organizational performance (30~80%), ensuring recognition reflects both personal impact and collective success. The Facility general manager makes comprehensive determination, followed by distributing bonus to project responsible persons (including employees and their department/division supervisors who are involved in project improvement activities). The total bonus distributed was CNY 785,000. In addition, the CIP Excellent Contribution Award is a global competition that in 2025 includes a Case Category competition and a SMT Run Rate Improving Gains Award competition, in which the winning teams are awarded trophy and awarded a total of CNY 289,000 to winning employees for their efforts in continuous improvement.

CIP Excellent Contribution Award

In response to climate change, USI has incorporated energy saving and carbon reduction into the key award categories of the CIP Excellence Contribution Awards. In line with AI-driven trends, digital transformation has also been recognized since 2024 as a key driver of sustainable operations and included as a priority category. The organizing unit (COD) has established corresponding evaluation criteria and increased the quota for key project awards to encourage green and digital innovation proposals.

In 2025, a total of 9 award-winning projects, among which there were 3 digitalization innovation projects and 2 energy-saving and carbon reduction projects receiving awards, the total carbon reduction amount 1,736 metric tonnes. For the annual award-winning projects, please refer to the following table for details:

Facility	Rank	Project Name	Project Benefit
Key Projects			
Zhangjiang	Gold	Independent R&D and Implementation of the SECS/GEM (1) EAP (2) Platform (digitalization innovation)	An in-house SECS/GEM driver and EAP platform enables precise equipment data integration with MES and RMS systems, supporting automated process control, full traceability, improved product quality, and AMHS (3) integration for end-to-end automated manufacturing, with cumulative savings of CNY 1.21 million.
Nantou	Silver	COD Digital Optimization - WW Mfg. KPI Dashboard (digitalization innovation)	An interactive digital dashboard covering all USI manufacturing sites integrates equipment-related metrics with automatic updates. Leveraging in-house IT capabilities and AI tools (e.g., Copilot), it consolidates multi-system data into a unified cloud-based platform, enhancing data accessibility, flexibility, and scalability, with cumulative savings of CNY 0.35 million.
Huizhou	Silver	Warehouse 3-in-1 Creative Material Reception Process (digitalization innovation)	Through the integration and automation of SAP, WMS, and MES systems, operational workflows and workstations are streamlined. Barcode-based processes enable automated material receiving, palletizing, and SAP posting, reducing labor requirements and space utilization, with cumulative savings of CNY 0.46 million.
Kunshan	Bronze	Energy Saving and Optimization of Compressed Air Systems (energy-saving and carbon reduction)	Implement online monitoring of compressed air systems to enable visualized and digitalized operations, thereby reducing energy consumption, saving 2.84 GWh of electricity annually and reducing carbon emissions by 1,715 metric tonnes, with cumulative savings of CNY 1.33 million.
Zhangjiang	Bronze	Handler UPS (4) System Optimization (energy-saving and carbon reduction)	Through load analysis and risk validation, the removal of one UPS was confirmed to have no impact on testing quality, while optimizing power protection, reducing costs, lowering carbon emissions, and decreasing annual battery waste by 34 units, saving 35.7 MWh of electricity annually and reducing carbon emissions by 21 metric tonnes, with cumulative savings of CNY 0.17 million.
Other Projects			
Jinqiao	Gold	Laser Head (SP Talon 532-40) Lifetime Extension	A laser head power and lifetime monitoring system was developed, along with standardized replacement and health assessment procedures, to reduce procurement and production costs, with cumulative savings of CNY 1.43 million.
Zhangjiang	Silver	Laser Drill UPH (5) Improvement	Audio products adopt a laser drilling process with new desmear materials to ensure via filling and printing continuity. Silver paste is used to replace antenna modules, reducing downstream packaging steps and overall costs, with cumulative savings of CNY 0.75 million.
Kunshan	Bronze	Develop PC M/B Streamline Automation Line with Test, Assembly and AVI (6)	Collaborative robots and autonomous mobile robots were implemented to enable automation across testing, assembly, and AVI stations, establishing USI's first flexible automated PC M/B production line, reducing labor effort, minimizing handling risks, and increasing automation levels, with cumulative savings of CNY 0.75 million.
Zhangjiang	Bronze	Auto Reel Loading and Unloading for SMT Production Lines Project	An integrated system with material shortage management, feeder handling, and AGV (7) automation streamlines material flow, reduces manual errors, and enhances traceability, with cumulative savings of CNY 0.55 million.

Note:
1. SECS/GEM, SEMI Equipment Communications Standard/Generic Equipment Model
2. EAP, Enterprise AI Platform
3. AMHS, Automated Material Handling System
4. UPS, Uninterruptible Power Supply
5. UPH, Unit Per Hour
6. AVI, Automatic Visual Inspection
7. AGV, Automated Guided Vehicle

Value Chain Management



In response to rapid global development, effective supply chain management not only reduces production costs and improves product quality to enhance customer satisfaction but also strengthens business growth and social responsibility. By collaborating with partners, we can build a resilient supply chain and contribute to a more sustainable future.

Key Stakeholders:
Customers, Suppliers/Contractors

SDGs



86.3
Customer Satisfaction Score

0 Cases
Product Recalls

95 % New Suppliers
Passed the Sustainability Assessment

4,058 Metric Tonnes
Waste Reduced in Collaboration with Suppliers

388 Supplier Partners
Participated in the Sustainable Value Chain Webinar

95 % Key Suppliers
Completed the CDP Questionnaire

Sustainable Issue Performance and Targets

Material Issue | Achieved | Not Achieved [1]

Management Purpose	KPI	2025 Target	2025 Performance	Status	2026 Target	2030 Target
Customer Relations	**Management Approach:** Manage and monitor customer satisfaction through surveys and feedback channels, gain insight and respond to customer expectations accurately, provide quality and diversified service solutions, and create a win-win situation with customers. **Evaluation Mechanism:** Develop and implement improvement plans to enhance customer satisfaction through surveys and customer feedback systems.					
Meet customers' diverse needs and resolve customer feedback ensuring continued business	Customer satisfaction score	Customer satisfaction score reaches 85.2	86.3 Customer satisfaction score	Achieved	Customer satisfaction score reaches 85.8	Customer Satisfaction Score reaches 86.2
	Zero product recalls	0 product recalls	0 product recalls	Achieved	0 product recalls	0 product recalls
Sustainable Supply Chain	**Management Approach:** Develop sustainable procurement policies around evaluating supplier environmental/social performance, avoiding purchasing conflict minerals, and advancing with our suppliers to lower operational risks and secure overall supply chain resilience. **Evaluation Mechanism:** Conduct annual surveys, including Minerals Reporting Template (MRT), SAQ survey, and a Net Zero questionnaire for Key Suppliers for Decarbonization Engagement [2] to evaluate and track deficiencies based on survey results and establish a traceable management for supply chain decarbonization.					
Collaborate with suppliers to build a sustainable supply chain that protects the environment, upholds social responsibility, respects labor and human rights, and promotes health and safety, while advancing the value chain toward net zero through supply chain decarbonization efforts	Support local suppliers and procurement	Global local procurement rate reaches 37%	33% Global local procurement rate	Not Achieved	Global local procurement maintains at least 30%	Global local procurement maintains at least 32%
	Percentage of target suppliers that completed the MRT	100% Target suppliers use conflict-free minerals	100% Target suppliers use conflict-free minerals	Achieved	100% Target suppliers use conflict-free minerals	100% Target suppliers use conflict-free minerals
	Percentage of Tier 1 suppliers completing the SAQ	Tier 1 Suppliers SAQ completion rate reaches 75%	76% SAQ completion rate	Achieved	Tier 1 Suppliers SAQ completion rate reaches 75%	Tier 1 Suppliers SAQ completion rate reaches 75%
	Percentage of Key Suppliers for Decarbonization Engagement that have obtained GHG emissions verification (ISO 14064-1 or equivalent third-party assurance)	Reach 50% GHG emissions verification for raw material suppliers	76% of raw material suppliers completed verification	Achieved	Raw material suppliers' verification rate reaches 60%	Raw material suppliers' verification rate reaches 100%
		Equipment suppliers achieve a verification rate of 40%	40% of Equipment suppliers completed verification	Achieved	Equipment suppliers' verification rate reaches 60%	Equipment suppliers' verification rate reaches 100%
	Percentage of key raw material suppliers for Decarbonization Engagement that have obtained PCF verification	Raw material suppliers achieve a verification rate of 30%	23% of raw material suppliers completed verification	Not Achieved	Raw material suppliers' verification rate reaches 40%	Raw material suppliers' verification rate reaches 80%
	Questionnaire Completion Rate of Key Suppliers [3] in the CDP Supply Chain Program	Completed CDP questionnaire responses reached 80%	95% CDP questionnaire completion rate	Achieved	Completion rate reaches 85%	Completion rate reaches 100%

Note:
1. For not achieved targets, please refer to the corresponding sections for relevant explanations and future improvement plans.
2. Key Suppliers for Decarbonization Engagement: (1) Top five raw material categories with the highest carbon emissions; (2) high energy-consuming machinery and equipment. In 2025, a total of 26 key suppliers were engaged in decarbonization efforts, including 21 raw material suppliers and 5 machinery and equipment suppliers.
3. CDP Key Suppliers: Suppliers account for 80% of raw material and equipment procurement spending.

Product Value Chain

USI is a global leader in electronic design and manufacturing, providing Design, Manufacturing, Miniaturization, industrial Software, and hardware Solutions, as well as material procurement, logistics, and maintenance services for leading domestic and international brands. We integrate our products and services into a Value Chain and provide a Turnkey Service [1] for our customers, as shown in the figures below:

Product Value Chain



Turnkey Service



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

Customer Relations

USI provides engineering and manufacturing services across the product lifecycle, from design and development to production and distribution, to meet the needs of global customers. Its capabilities in research and development and manufacturing support integrated solutions across multiple application areas.

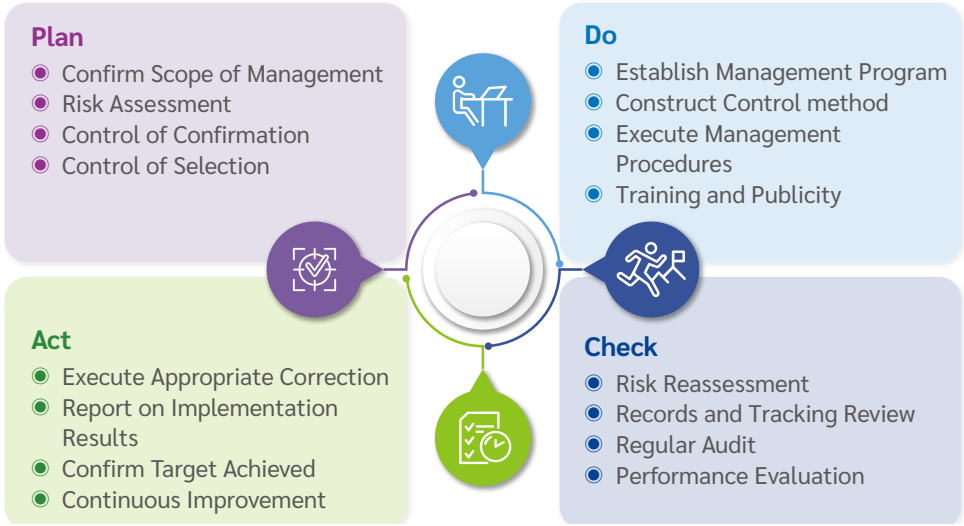
Drawing on extensive experience in customer collaboration, USI integrates core technologies in computing, communications, and multimedia processing. These capabilities support solutions for wireless communication products, computing and industrial applications, storage and server systems, automotive electronics, video applications, and miniaturized products. Customer satisfaction remains a central operational priority.

Quality Management

USI has established a comprehensive quality management system supported by a formal Quality Policy. All facilities are certified under ISO 9001 to ensure that products comply with applicable regulations and customer requirements. Selected facilities have also obtained additional certifications, including ISO 26262 (Road Vehicles—Functional Safety) and ISO 13485 (Medical Devices—Quality Management Systems). A full overview is provided in the Management Systems and Certifications Table.



USI's quality management system covers all major product and service activities, including business planning, product design and development, manufacturing process development and control, material planning, production scheduling, production management, delivery, and after-sales service. Through the PDCA cycle, USI strengthens process control, quality assurance, and risk management, supporting continuous improvement in product quality and the reduction of operational risks.



To ensure the effectiveness and compliance of quality control and hazardous substance management systems, USI implements an annual internal audit program conducted by cross-functional teams. Audits include interviews, document reviews, and on-site inspections. Identified non-conformities are assigned to responsible units for corrective action, with follow-up to ensure timely resolution. Audit results are reported regularly to management to support continuous improvement and strengthen system performance.

USI has also established a Quality College to provide structured training programs that enhance employees' technical competencies and reinforce quality management awareness. In 2025, training activities recorded a total of 21,167 attendances and 13,710 training hours. These programs support ongoing improvements in quality management and customer satisfaction.

Customer Service and Feedback

USI has established a structured customer relationship and feedback management framework that integrates feedback collection, complaint handling, quality improvement, and after-sales services. Customer input is gathered through multiple communication channels and incorporated into internal management processes to support operational improvements and service quality.

Customer Communication and Feedback Management

In line with its Quality Policy, USI has defined an Operation Procedure for Communication with Customers, based on the PDCA cycle, to standardize communication and feedback integration. Customers may submit feedback or request support through multiple channels, including online forms, email, dedicated phone lines, and in-person meetings. USI collects customer feedback across all stages of the product lifecycle—from development and mass production to after-sales service—covering key areas such as quality, delivery, service, and design. Feedback is integrated into design review and quality management processes through cross-functional collaboration, with gap analyses and corrective actions systematically tracked and monitored. Insights derived from this feedback are continuously incorporated into product design optimization, process improvement, and service development. USI regularly reviews KPI performance to further strengthen its customer-centric approach to product and service development.

Under the Customer Complaint Handling Procedure, all complaints are formally recorded and assigned to responsible units for investigation and resolution. Customers receive acknowledgment of receipt and are informed of the handling process. Response timelines follow customer-defined requirements where applicable. Otherwise, USI provides an initial response within 48 hours and a detailed explanation of corrective and preventive actions within seven working days. All cases are expected to be closed within 90 days. Where additional time is required, customers are informed in advance and agreement on revised timelines is obtained.

If a case involves product safety concerns or significant quality risks, risk control measures—including product recall procedures, where necessary—are initiated in accordance with internal protocols. In 2025, USI recorded 12 customer complaint cases, with no product recalls. Customer feedback data is used to support ongoing improvements in quality management and customer service processes.

Customer Feedback and Complaint Classification

Classification	Quantity	Case closure rate
Manufacturing Process	4	100%
Personnel Operations	4	
Material Defects	3	
Product Design	1	

Customer Feedback and Complaint Handling Process



All-Encompassing After-Sales Service

USI provides lifecycle-oriented service solutions, including spare parts replacement, system refurbishment, reverse logistics, and Return to Vendor (RTV) services. These services enable customers to extend product lifespans, reduce disposal, and improve resource efficiency, ultimately minimizing electronic waste.

To improve global service consistency and enhance transparency in request submission and tracking, USI continues to optimize its eRMA system and integrate it with Systems, Applications and Products (SAP), enabling real-time tracking of request status.

In parallel, USI has established a structured spare parts management framework supported by material substitution options, technical expertise, repair training, and failure analysis. These initiatives support customer operations and maintenance activities while improving service quality and strengthening long-term collaboration.

After-Sales Service Scope

RMA service	Spare Parts	Technical Support
Service plan proposal	Standard lead-time and emergency order spare parts sale	Need-based on site support
Warranty repair		Repair training
Engineering Change rework		Troubleshooting & failure analysis
Product swap/ Refurbishment		Test fixture and technical documentation

Driving Up Customer Satisfaction

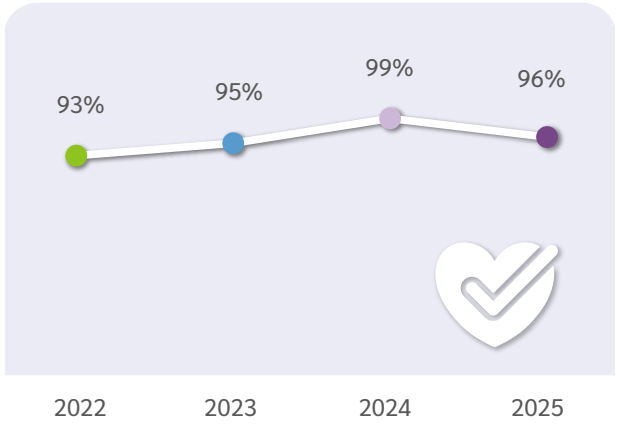
USI places customer satisfaction at the core of its operations and recognizes it as a key driver of sustainable development and value creation. Through regular meetings, project discussions, customer scorecards, and satisfaction surveys, USI systematically collects feedback on product quality, delivery performance, and service. Feedback is consolidated by responsible units and reviewed in cross-functional meetings. Improvement actions are developed to address identified issues and potential risks, with progress tracked systematically. This closed-loop feedback process supports the effective translation of customer input into operational improvements.

The 2025 Customer Satisfaction Survey [1] covered all customers, representing 100% of USI's revenue. Using a target satisfaction threshold of 93%, 96.4% of customers surveyed reported satisfaction with USI's services. The average customer satisfaction score across all measured dimensions was 86.3.

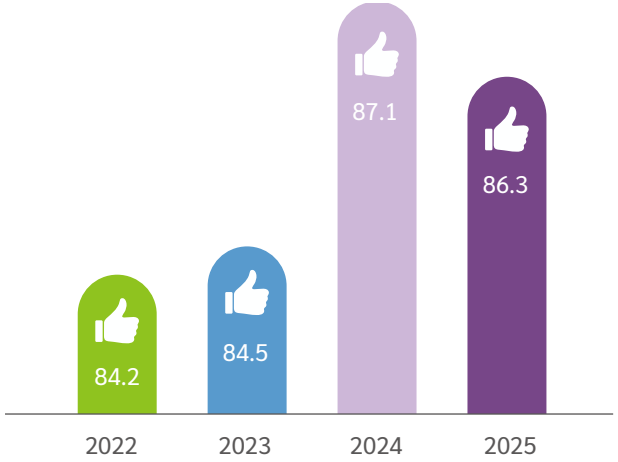
USI strengthens service effectiveness through cross-functional coordination, process optimization, and quality management initiatives. Through structured communication, USI supports customer engagement and long-term collaboration, building a resilient and sustainable partnership.



Percentage of Satisfied Customers



Customer Satisfaction Score



Note:
1. Customer Satisfaction Score: Outstanding (Satisfaction ≥ 90), Excellent (Satisfaction ≥ 85), Successful (Satisfaction ≥ 80), Satisfied (Satisfaction ≥ 70), Improvement Required (Satisfaction ≥ 60), Unacceptable (Satisfaction < 60).

Customer Privacy Protection

Customer confidential information is regarded as a critical asset and a cornerstone of mutual trust. Our company is deeply committed to safeguarding customer privacy and the integrity of confidential data. To ensure this, we enter into non-disclosure agreements (NDAs) with our clients, with contractual provisions explicitly outlining our responsibility to protect such information. Additionally, we have also established privacy and personal information protection policies that serve as the basis for compliance management. This includes managing the collection, processing, and use of personal information, and practicing privacy and personal information protection to ensure the rights and interests of all. Relevant details are outlined in our Privacy Policy. Please refer to the Business Ethics and Compliance section for our Privacy Policy.

Regarding customer document management, the Company stipulates that all customer documents are defined to have the highest level of confidentiality to protect product information provided by customers. Document information shall be encrypted and stored in USI's internal network system. For information security management, USI's cybersecurity objectives are to ensure the preservation of Confidentiality, Integrity, Availability, and Compliance of the core systems engaged in business operations, establish information security standard management procedures and training courses to promote and implement information security policies through various management systems and management committees, strengthen information security environment and incident response capabilities, and protect the Company's intellectual property and customer data from leaking or unauthorized access. For details, please refer to the Information Security Management section.



Supply Chain Management

In recent years, the global electronics industry has experienced steady growth, reflecting sustained demand. However, the operating environment remains challenging, with uncertainties in semiconductor supply, geopolitical risks, natural disasters, inflationary pressures, and increasingly stringent environmental regulations across regions. These factors may result in supply disruptions, cost volatility, and heightened compliance requirements, increasing the need for effective risk management and response capabilities.

Against this backdrop, the electronics industry is gradually transforming from a traditional execution-oriented supply chain to a value-driven supply chain that emphasizes resilience and agility. Companies are required not only to ensure the stability of production and delivery, but also to make rapid adjustments in response to market fluctuations and policy changes. Amid an environment of both growth and challenges, USI is committed to balancing market expansion, supply chain resilience, and sustainable development.

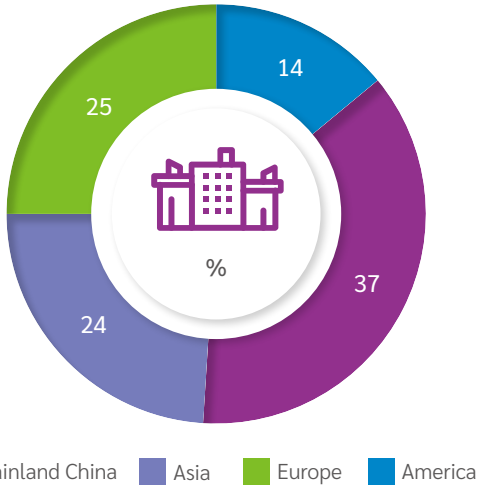
For materials with specialized specifications, limited substitutes, or constrained market supply, USI has identified five categories of critical production materials and established corresponding management mechanisms. Procurement functions have implemented targeted measures to reduce supply disruption risks and maintain operational stability. USI continues to strengthen communication and collaboration with suppliers to support a stable and efficient supply chain.



Supply Chain Overview

USI products are diverse and can be applied in many sectors. Our raw material suppliers, including original manufacturers, agents, and distributors, are spread worldwide to meet our product demand.

Raw Material Suppliers Distribution [1]



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

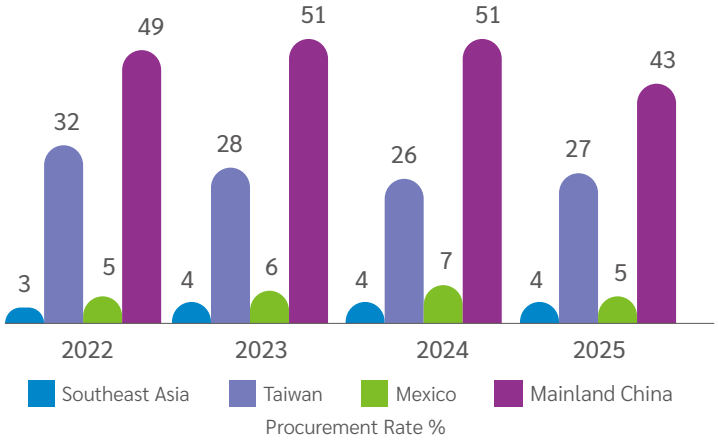
Local Procurement

USI supports local suppliers to promote regional economic development and create employment opportunities. This approach also helps reduce transportation time and energy consumption, lowering environmental impacts from logistics.

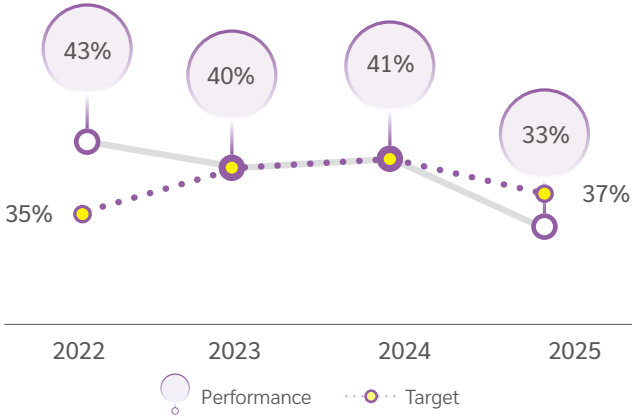
In 2025, spending on local suppliers declined, primarily due to customer requirements mandating the use of designated sources for specific materials and components. These constraints limited the participation of local suppliers. This not only affected the overall proportion of local procurement but also increased reliance on multinational suppliers, adding management complexity and cost pressures.

Going forward, USI aims to meet customer requirements while diversifying its manufacturing footprint and evaluating new suppliers. It will also develop multi-source strategies for raw materials to gradually increase local procurement and reinforce its commitment to sustainable and responsible supply chain management.

Percentage of Procurement from Local Suppliers at All Facilities [2]



Global Local Procurement Rate



Unique Significant Suppliers

Within the supply chain, raw material suppliers and machinery and equipment suppliers have the most direct impact on daily operations and production activities.

Raw material suppliers are further classified into two categories: direct materials, which are used in production processes, and indirect and packaging materials, which support operations or are used for product packaging. Based on materiality, USI has established corresponding management requirements and control mechanisms to enhance overall supply chain stability and resilience.

To support efficient resource allocation and prioritize management efforts, USI focuses on raw material suppliers and machinery and equipment suppliers with ongoing business relationships. Suppliers with annual procurement volumes above a defined threshold and sustained transaction activity are designated as "unique suppliers" [(1)] and are managed in accordance with established policies and procedures. In 2025, a total of 495 suppliers met this definition.

Building on this framework, USI conducts supply chain risk and criticality assessments to identify suppliers with a greater operational impact. These suppliers are designated as "unique significant suppliers" [(2)] and are subject to enhanced management and development measures. In 2025, 196 suppliers were identified in this category. For additional details on supplier screening, refer to the Sustainability Data – Social K. KPI for Supplier Assessment and Development table.

Supplier Code of Conduct

As a key component of USI's value chain and an extension of its corporate values, the supply chain is expected to operate in alignment with the Supplier Code of Conduct. USI requires its suppliers, as well as their upstream suppliers, to comply with the Code. Suppliers must adhere to applicable laws and regulations in their respective countries and regions, and meet standards related to labor practices, health and safety, environmental protection, business ethics, and management systems. Suppliers are also expected to promote compliance with these requirements within their own supply chains.

USI communicates the Code to suppliers on an annual basis to ensure awareness and alignment. In 2025, 100% of suppliers with active transactions were notified of the Code and required compliance expectations.

As part of its anti-corruption governance framework, USI maintains a dedicated whistleblowing channel through which stakeholders may report concerns related to business ethics and integrity (see the Business Ethics and Compliance section). No cases of corruption or bribery involving suppliers were reported in 2025.

Supply Chain Strategy

USI fully understands that the overall power of procurement is a unique resource. To pursue sustainable growth while meeting the needs of our customers, in the Company's daily procurement operations, in addition to cost and quality considerations, we have developed six major supply chain strategies and evaluated the sustainability value of different projects such as supply chain diversity and sustainable procurement. With the development and progress of these projects, the Company shall continue to improve overall supply chain resilience, grow together with our suppliers, and implement sustainable procurement. In all, we hope to create a mutually beneficial future for our customers, our company, and our suppliers by developing stable partnerships with them.

Supply Chain Management Strategy



Note:
1. Unique Suppliers: (1) Tier 1 suppliers: Suppliers with transactions over two consecutive years, including (a) raw material suppliers with annual procurement amounts exceeding USD 200,000; and (b) equipment suppliers accounting for the top 80% of annual procurement spend. (2) Non-Tier 1 suppliers: Suppliers providing raw materials or equipment through agents or distributors.
2. Unique Significant Suppliers: (1) Critical Tier 1 Suppliers: (a) Raw material and equipment suppliers accounting for the top 85% of procurement spend, with transactions maintained over two consecutive years. (b) Suppliers for key raw materials and low replaceability, such as printed circuit boards, semiconductor parts, mechanical parts, and connectors. (2) High Risk Suppliers: Suppliers with priority or other non-conformances regarding labor rights, health and safety, environment, sustainability, supply chain management, unsafe production practices that result in fines or shutdowns.

Sustainable Supply Chain Projects

Projects	Highlights	Quantitative/Qualitative Results
Supplier Financial Risk Monitoring	USI regularly reviews suppliers' financial risk and identifies those with potential operational concerns to mitigate material shortages due to supplier financial risk.	In 2025, the Procurement and Finance Departments collaborated to conduct semi-annual financial risk assessments covering 46 suppliers.
Valued Supplier Development	To reduce reliance on single regions or suppliers, USI diversifies suppliers and increases local sourcing, thereby strengthening supply chain stability and resilience.	USI is actively developing competitive suppliers in the Mainland China market and proposing alternative sourcing solutions to our customers. Projects implemented in 2025 resulted in annual cost savings of CNY 28.4 million.
Centralized Distribution Hub	USI established a centralized distribution hub to consolidate goods from multiple sources, optimize routing and scheduling by destination, and improve overall transport efficiency. This approach reduces logistics costs, minimizes handling, and supports USI's decarbonization and logistics efficiency strategy.	2025 supplier coordination reduced transportation frequency: Vietnam Facility—road shipments decreased from 1,685 to 307, Mexico Facility—sea shipments decreased from 960 to 300, and air shipments from 1,731 to 201. These improvements resulted in total cost savings of CNY 19.6 million.
Spent Activated Carbon Recycling	USI reduced waste by recycling spent activated carbon, diverting material previously sent for incineration back into the circular system. This initiative supports resource recovery and contributes to progress toward zero-waste manufacturing.	In 2025, USI collaborated with environmental technology partners to recycle 24.6 metric tonnes of spent activated carbon, including 16.2 metric tonnes at the Zhangjiang Facility and 8.4 metric tonnes at the Jinqiao Facility.
Solid Waste-to-Energy Conversion	Collaborate with third-party specialists to develop Refuse Derived Fuel (RDF) solutions, converting non-recyclable production waste into alternative fuel compliant with T/SCEA 00016-2025, reducing incineration impacts while enhancing energy recovery and supporting waste reduction, energy substitution, and carbon optimization	In 2025, we collaborated with environmental service providers to convert non-recyclable waste from incineration to RDF-based resource recovery. A total of 446.6 metric tonnes were recovered, including 314.9 metric tonnes at the Zhangjiang Facility and 131.7 metric tonnes at the Jinqiao Facility, significantly enhancing waste circularity performance.
Recycling Packaging Materials	Collaborate with major processing vendors and recycle packaging materials, reducing raw material, energy, and pollutant treatment costs, and minimizing environmental impact.	In 2025, Zhangjiang, Huizhou, Kunshan, and Nantou Facilities recycled 9.07 million trays, 180,000 partitions, and 530,000 recycling bins, reducing 3,587 metric tonnes of waste and saving approximately CNY 50 million.
Pallet Recycling and Reuse	Cooperate with local suppliers and reuse shipping pallets, reducing pallets used and subsequent environmental damage.	In 2025, Huizhou, Kunshan, and Nantou Facilities recycled and reused 38,657 plastic pallets and 6,002 wood pallets and saved approximately CNY 6 million.

Supplier Evaluation

Following customer demands, procurement strategy, and future trends, USI has a system to evaluate potential suppliers for technical capability, quality, and productivity and select those that meet the requirements as our official suppliers. A cross-departmental evaluation team would initially survey potential new suppliers' capacity by screening their basic company information, financials, product services, and primary customers and then assess their quality, green product management, and sustainability through the SAQ (including labor rights, health and safety, environmental protection, and other components).

The team would rate the supplier on the survey report and present it to the Quality Review Board for final assessment and approval. All new suppliers developed by USI are required to sign the Supplier's Commitment to Corporate Social Responsibilities and Supplier Code of Business Integrity along with the Purchasing Contract to ensure they will address and manage their environmental, labor, and human rights impacts. In 2025, a total of 39 new suppliers were evaluated, and 95% passed the screening criteria to become qualified suppliers.

Sustainable Supply Chain

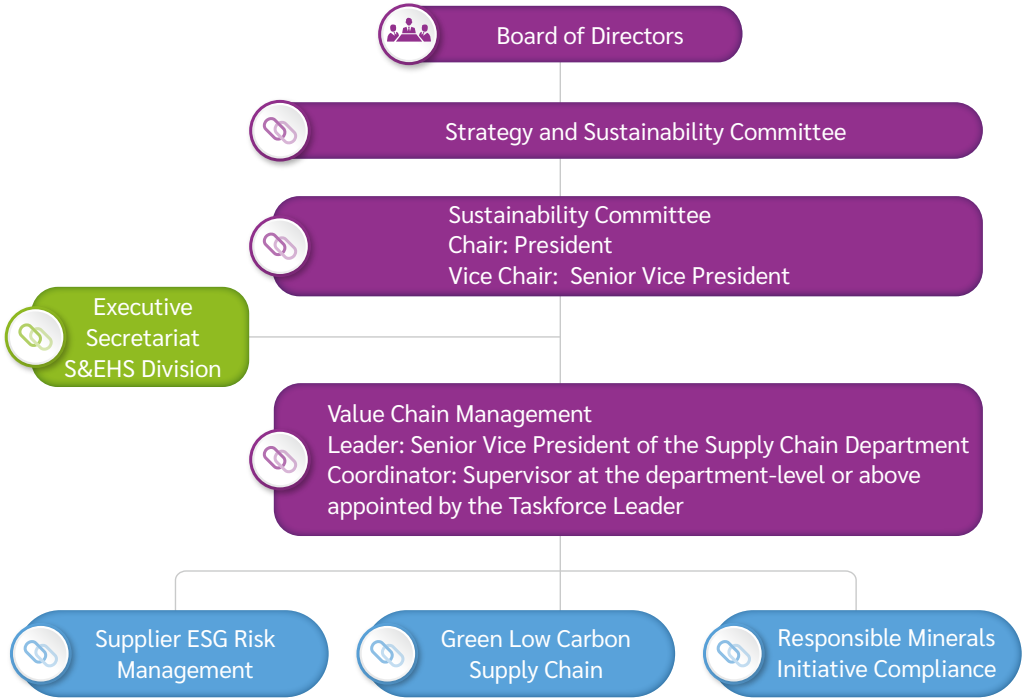
With the UN's advocacy and worldwide trend in supply chain management, suppliers are expected to meet environmental, social, and governance standards in addition to quality, delivery, and cost to create sustainable value with partners across the value chain.

USI's Supplier ESG Programs are executed and overseen by the Strategy and Sustainability Committee, led by the Chair under authorization from the Board of Directors. This structure ensures Board-level supervision, alignment of company policies and implementation, and continuous improvement to achieve long-term goals. In addition, the Sustainability Committee also track and review the performance of supply chain sustainability indicators on a semi-annual basis, including supplier rewards and exclusions, supplier risk assessment and tiered management, desk or on-site audits and corrective actions, supplier capability/ technology development programs, and training initiatives.

USI regularly evaluates suppliers through its Supplier Performance Measurement Procedure, prioritizing assessments based on transaction volume. Performance is rated across five levels. Top-performing suppliers are rewarded with preferential access to new product contracts and increased order volumes.

If the supplier does not meet the expectations, the Company will request a Vendor Corrective Action Report (VCAR) and require the supplier to provide a reply and proof of improvement within one month.

If the response and follow-up reviews remain unsatisfactory, USI will initiate a transaction freeze in coordination with relevant departments. Frozen suppliers are excluded from placing orders in internal systems. Reinstatement requires approval from the Procurement and Product Engineering departments, followed by a compliance audit by the Quality Engineering team.

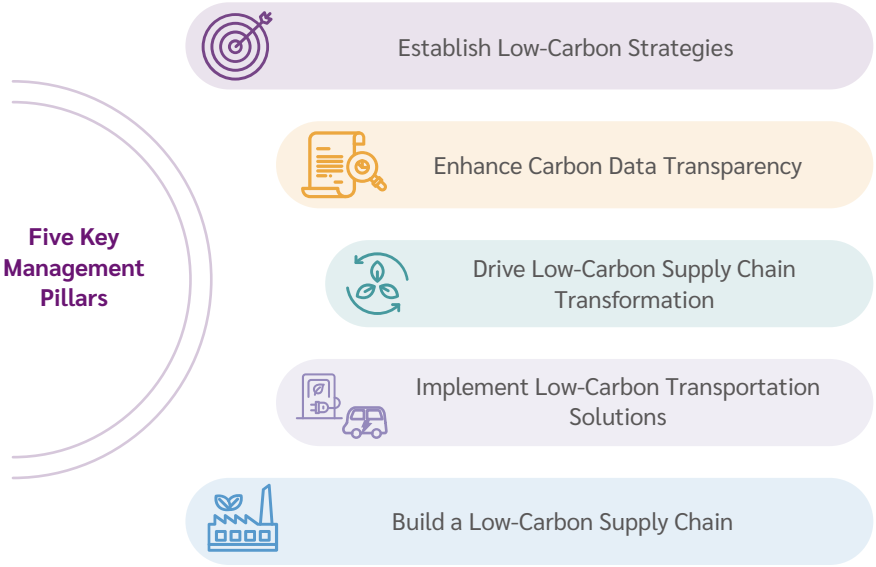


In addition, based on the quarterly supplier performance measurement results, USI invites select suppliers to participate in the Company's quarterly Executive Business Review (EBR) meetings, using a scorecard to score the four major components of price, delivery and cooperation, quality and ESG by the responsible units. Through this channel of communication, USI can educate suppliers on the Company's sustainability policy and ESG strategy, gain insights into market supply and demand and development trends, share experiences with each other, maintain close interaction with suppliers, and find long-term suppliers. In 2025, a total of 25 EBR meetings were held.

In addition to the supplier assessment process, in 2025 we trained 100% of our internal procurement staff and other employees in sustainability knowledge and awareness, with a total of 3,556 employees participating 2,654 hours in the training sessions, to ensure that they understand the Company's Supplier ESG Program and instill ESG principles and knowledge into each employee's role and implement their daily operations. The Company follows the Supplier ESG Program to build strong relationships with suppliers and promote sustainability improvements throughout the supply chain to reduce overall supply chain risk and simultaneously build resilience and capacity to respond to global climate change.

Green Low Carbon Supply Chain

As regulatory frameworks such as the Science Based Targets initiative (SBTi) and the Carbon Border Adjustment Mechanism (CBAM) increasingly drive carbon management as a prerequisite for market access, low-carbon supply chains have become a core operational priority. Strengthening supply chain resilience enables companies to mitigate climate-related risks and enhance competitiveness. To support its net-zero target, USI collaborates with supply chain partners to reduce emissions and advance a low-carbon supply chain through five key management pillars:



Through systematic analysis of supply chain carbon hotspots, USI identifies Key Suppliers for Decarbonization Engagement based on carbon-intensive materials, procurement value, and energy-intensive equipment. Based on this assessment, USI establishes corresponding management requirements. USI conducts structured surveys to assess Tier 1 suppliers' GHG inventory status and carbon management maturity and progressively requires Key Suppliers for Decarbonization Engagement to complete third-party GHG inventory and verification, as well as PCF certification, by 2030. These actions improve the accuracy, transparency, and comparability of supply chain carbon data.

To support suppliers in strengthening carbon management, including the identification of climate-related risks and opportunities, USI collaborated with ASEH and CDP in 2025 to implement supply chain climate change and water security questionnaires. This initiative encourages suppliers to set emission reduction targets, establish renewable energy and net-zero commitments, and implement improvement measures.

In 2025, USI completed a survey of Tier 1 suppliers' [(1)] GHG inventory status, with 149 suppliers demonstrating established inventory mechanisms. Among key suppliers for decarbonization engagement, 16 raw material suppliers and 2 equipment suppliers obtained ISO 14064-1 verification, while 5 raw material suppliers achieved ISO 14067 PCF certification. The remaining suppliers are progressing according to plan. These efforts enhance visibility into key emission sources across the supply chain and provide a foundation for subsequent decarbonization actions and management decisions.

Under the CDP Supply Chain program, 38 key suppliers were invited to participate, with a 95% response rate, indicating a high level of climate disclosure. Among respondents, 76% achieved a CDP rating of B or above, reflecting solid progress in climate management. For lower-performing suppliers, USI provides targeted feedback and practical recommendations. Through training and knowledge-sharing, USI supports improvements in GHG inventory, decarbonization planning, and disclosure, strengthening overall supply chain climate performance.

Driving Low-Carbon Supply Chain Transformation

In 2025, USI launched the Next-Generation and Existing Equipment Energy Efficiency Program to reduce equipment energy consumption and improve product energy performance. USI also issued an Equipment Energy Management White Paper, defining energy management and design requirements for key testing equipment to guide future development. Through standardized design specifications and energy-saving technologies, USI is advancing the development of high-efficiency, low-energy equipment in support of its target to reduce electricity consumption per unit of output by 20% by 2030.

In the initial phase, USI identified five key equipment suppliers for decarbonization and conducted baseline energy assessments. Energy-intensive equipment was selected for measurement under both operating and idle conditions. Based on technical feasibility, USI developed energy-saving measures, including high-efficiency components, variable frequency drive (VFD) technologies, optimized heat exchange and power systems, improved standby control, and firmware-based intelligent energy-saving modes.

By the end of 2025, all five suppliers had submitted energy-saving proposals. Three proposed retrofit solutions with expected energy savings of approximately 10%, although implementation has been delayed due to extended payback periods. One supplier is implementing measures to reduce material usage and energy consumption, while another continues to develop next-generation energy-efficient designs and is planning implementation.

USI continues to collaborate with suppliers to advance energy-saving technologies. Through technical exchange, data analysis, and pilot validation, USI aims to accelerate adoption of energy efficiency solutions and improve equipment performance while reducing energy use.

Note:
1. Tier 1 suppliers refer to raw material and equipment suppliers that have conducted transactions with USI for two consecutive years, with an annual procurement value exceeding USD 200,000.

Sustainable Supply Chain Development

Suppliers' sustainable development supports the reduction of environmental impacts and operational risks, while contributing to long-term value creation. USI regards suppliers as key partners and promotes engagement and capability development through training, knowledge sharing, and technical support, strengthening sustainability practices across the supply chain.

Supplier Support for Corrective/Improvement Actions

USI conducts document reviews and on-site audits of raw material suppliers and service contractors, providing targeted guidance to address identified gaps. In 2025, 60 suppliers received recommendations (Including 50 on-site assessments and 10 desk assessments) on areas such as production capacity planning, safety practices, and crisis response. In addition, 12 suppliers received guidance following conflict minerals assessments to address incomplete disclosures or gaps in management processes. In total, 72 suppliers were supported through these activities.

Sustainable Supply Chain Training

USI organizes an annual Sustainable Supply Chain Webinar for suppliers. In 2025, the Greater China session was held at the Nantou Facility, where USI communicated its ESG strategy, supply chain requirements, and future targets. Supplier partner Cyntec Co., Ltd. shared its approach to ESG goal setting and implementation, providing practical insights for participants. In addition, a PwC Sustainability Services speaker delivered a session on "Carbon Management and the Path toward Net Zero Standards 2.0," highlighting evolving regulatory expectations and the importance of transparent, verifiable decarbonization actions.

A total of 388 suppliers participated in the online session, generating 556 training hours. Post-event feedback indicated high satisfaction levels.

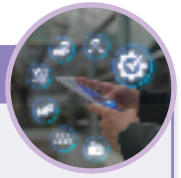
Technology and Product Exchange

Through its Technology Forum, USI facilitates knowledge exchange on emerging technologies and market developments with suppliers. In 2025, 25 sessions were conducted with material suppliers, supporting alignment on new products and technological applications.

Supplier Capacity/Technology Development Program

USI supports supplier capability and technology development through technical assistance and structured programs. These efforts aim to strengthen suppliers' understanding of ESG requirements and improve performance in quality, efficiency, and sustainability.

CDP Supply Chain Program



In February 2025, USI joined the CDP Supply Chain Program at the invitation of its parent company, with implementation carried out through the end of the year. USI encouraged key suppliers to complete the CDP Climate Change Questionnaire and provided training and guidance on disclosure requirements, environmental risk identification, and reporting.
Through this engagement, suppliers improved their ability to identify emission hotspots and decarbonization opportunities. USI also worked with suppliers to develop improvement plans and monitor progress in alignment with CDP standards. In 2025, 38 key suppliers were invited to participate, of which 36 completed the disclosure.

Supplier Carbon Mentoring Program



To address climate-related risks and support USI's net-zero pathway, the Supplier Carbon Mentoring Program promotes GHG reduction and encourages suppliers to adopt energy-saving and low-carbon practices. The program also supports the establishment of supplier carbon inventories, laying the groundwork for future initiatives such as carbon hotspot analysis and quantitative emissions assessment.
In April 2025, USI launched the program and assigned a dedicated team to train and support suppliers in establishing GHG inventory management systems (ISO 14064-1) and calculating PCF (ISO 14067). Over a six-month period, both on-site and online training were provided to strengthen suppliers' carbon accounting capabilities and improve their competitiveness. In 2025, one supplier obtained certification for both GHG inventory and PCF with USI's support. Since 2022, the program has supported seven suppliers.

Supplier Sustainability Risk Management

To properly assess the sustainability risk of suppliers and ensure they comply with USI's Supplier Code of Conduct, USI suppliers are required to sign a commitment to follow the Code and respond to USI's sustainability risk assessment questionnaire, which covers five aspects: labor rights, health and safety, environmental protection, sustainability and risk management, and supply chain management.

These supplier risk assessments ensure their risks can be effectively reduced and controlled. On-site audits are conducted for suppliers that may have higher risks to gain a deeper understanding of their sustainability development status, implement effective supplier management, reduce risks, improve the overall efficiency of the supply chain, and strengthen the sustainable development of the supply chain.

Sustainability Risk Assessment Process

Sustainability Compliance

- Suppliers sign the Corporate Social Responsibilities Commitment and follow the USI's Supplier Code of Conduct

Risk Investigation and Assessment

- Proactive supplier selection
- Risk assessment through supplier SAQ responses
- High-risk supplier audits

Validation

- On-site/Online/Document Audit
- Supplier Sustainability Assessment Program
- Corrective action verification

Improvement

- Supplier training & support
- Uncompliant suppliers would have their transactions reduced or frozen

Before conducting a risk assessment of suppliers, the Company must first proactively conduct supplier screening. The Company selects suppliers to be included in control by annual procurement amount and identifies suppliers with potentially high risks in terms of governance, environment and social as the basis for key management. For supplier country analysis, please refer to the Sustainability Data – Social L. Supplier Selection by Country table.

Supplier Screening

Methodology for Suppliers Screening

We proactively review and investigate all suppliers' countries/regions, their production processes, and their respective product categories to conduct preliminary assessments of suppliers and analyze potential risks.

- Country/location-specific risk: Depending on the supplier's location, it may be monitored as a high-risk country. Minerals from the Democratic Republic of the Congo and neighboring countries in Central Africa may lead to human rights violations and risks of environmental damage.
- Sector-specific risk: Suppliers of raw materials, labor agencies, contractors and field service providers that provide labor, energy consumption, and manufacturing processes with special risks of pollution emissions in the manufacturing industry, as well as labor agencies, contractors and field service providers who provide manpower.
- Commodity-specific risk: Parts containing metals and hazardous materials are selected according to the classification of parts.

Aspects of Suppliers Screening

Environmental	Social	Governance	Business Relevance
◉ Any fire, explosion, industrial accident resulting in serious injury, death, toxic substance release into the environment, or property damage ◉ Any violation of applicable environmental protection laws and regulations, such as penalties or work suspensions ordered by competent authorities	◉ Any violation of labor, human rights, and health and safety related laws and regulations that results in penalties or work suspensions ordered by competent authorities	◉ Any violation of the Company Act, Securities and Exchange Act, information security or other network security incidents	◉ Annual procurement amount of direct, indirect, and packaging materials ◉ Technical and price advantages ◉ Productivity satisfaction and cooperation

Supplier Sustainability Risk Assessment

To enhance supply chain resilience and ensure that suppliers meet CSR standards, USI establishes an annual audit task force led by the Human Resources and CSR departments or engages an independent third-party verification body. The assessment framework covers five areas: labor practices, occupational health and safety, environmental performance, business ethics, and management systems. Evaluations are conducted through both desk reviews and on-site audits.

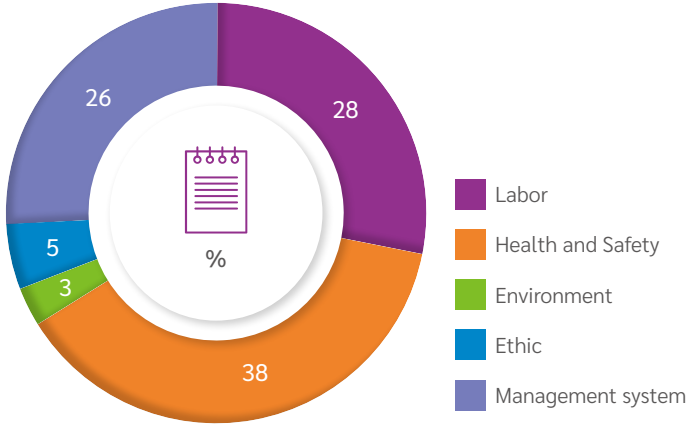
For unique suppliers, USI goes further by requiring completion of the SAQ survey and submission of relevant system certifications, such as ISO 14001, ISO 14064-1, ISO 45001, and ISO 27001. In 2025, USI surveyed 495 unique suppliers, achieving a 76% response rate.

Based on SAQ responses, USI identified suppliers with potential sustainability risks and conducted targeted audits. In 2025, USI carried out on-site audits and document reviews for 69 material suppliers. Non-conformances identified during these audits were addressed through online or in-person consultation. Suppliers were required to submit corrective action plans and complete remediation within one month. Follow-up reviews confirmed an 87% closure rate of identified findings.

Suppliers with unresolved issues are subject to continued follow-up. Depending on the nature of the deficiencies and remediation progress, suppliers are required to complete corrective actions within defined timelines or are placed on a priority management list for closer monitoring. Overall audit results indicate a low level of risk. Detailed data are provided in the Sustainability Data – Social K. KPI for Supplier Assessment and Development table. Suppliers that did not respond to the SAQ were subject to additional risk screening using publicly available information. No supplier relationships were terminated following assessment in 2025.

USI extended its sustainability oversight beyond suppliers by conducting on-site audits of 41 service contractors across all facilities in 2025, ensuring alignment with USI's Code of Conduct. Analysis of audit findings indicates that 38% of deficiencies were related to occupational health and safety, with the remaining categories presented in the accompanying chart. USI continues to promote and help its suppliers strengthen their sustainability management capabilities.

Distribution of Supplier and Contractors Sustainability Audit Findings



Supplier and Contractors Audit Findings and Corrective Actions [1]

Category	Classification	Major Non-conformance Findings	Corrective Actions
Labor	Working Hours	Ineffective working hours control exceeds local overtime hours legal limits	◉ Adjust production allocation based on capacity to avoid overloading and reduce urgent orders ◉ Enforce system-based overtime controls; require prior approval for exceptions
	Wages and Benefits	Internal policies impose salary deductions as penalties and are enforced	◉ Strengthen employee reward and disciplinary mechanisms ◉ Implement performance-based allowance adjustments for disciplinary actions
		Final wages were not paid upon termination of employment	◉ Inform employees of final wage payment timelines during onboarding ◉ Provide system notifications on final wage payment upon termination request
	Young Workers	No documented policy for the management of underage workers	◉ Update policies to include protections for underage workers

Note:
1. Identify the first three main categories of the key audit deficiencies.

Category	Classification	Major Non-conformance Findings	Corrective Actions
Health and Safety	Occupational Health and Safety	Lack of Personal Protective Equipment (PPE) issuance records	◉ Revise PPE procedures to include issuance records and guidelines
		No management provisions for female employees during pregnancy, maternity, and postnatal periods	◉ Update occupational health procedures to include provisions for pregnancy, maternity, and postnatal employees
	Emergency Preparedness	Emergency exits were obstructed by stored items	◉ Remove obstructions from emergency exits and keep access clear ◉ Enhance safety training to strengthen emergency response awareness
		No drills were conducted for fire safety, chemicals, or electrical hazards	◉ Conduct required emergency drills promptly
		Dormitories and night shift personnel were not included in emergency response procedures	◉ Include dormitories and night shift personnel in emergency drills
	Health and Safety Communication	Hazardous equipment lacked required safety warning signage	◉ Complete hazard labeling for equipment (e.g., electrical panels, ovens, chemicals, noise)
		Insufficient multilingual signage for foreign workers	◉ Provide multilingual hazard signage, SOPs, procedures, and evacuation routes for foreign workers
		Inadequate hazard management and communication practices	◉ Conduct monthly inspections and maintain hazard labeling inventory
Environment	Hazardous Substances	Chemical hazard labeling was not compliant with international standards	◉ Update labels to ensure alignment with international standards
	Energy Consumption and GHG Emissions	No identification and tracking of CO_2 cylinder emissions under Scope 1 was conducted	◉ Include CO_2 cylinders in emission identification and conduct regular tracking
Ethics	Privacy	Collection of sensitive personal data (e.g., marital status, blood type, military status)	◉ Revise personnel data forms to remove sensitive information
		No formal data privacy and confidentiality policy	◉ Establish and communicate data privacy and confidentiality procedures
	Protection of Identity and Non-Retaliation	Grievance mechanism lacks anti-retaliation protection and anonymous reporting channel	◉ Introduce anti-retaliation protection and anonymous grievance mechanisms
Management System	Company Commitment	No social responsibility policy covering labor and business ethics	◉ Establish relevant policies and communicate them during onboarding
	Legal and Customer Requirements	No regulatory identification and compliance procedures	◉ Review applicable labor laws and regulations quarterly and update procedures accordingly
	Documentation and Records	Outdated documents not updated to reflect current practices	◉ Update procedural documents and provide related training ◉ Ensure strict adherence to updated procedures

Based on SAQ responses, supplier sustainability reports, and publicly available information, USI conducted a 2025 human rights risk assessment of its supplier base. The assessment identified key risk areas, including human rights policies and commitments, non-discrimination and humane treatment, occupational health and safety, and industrial hygiene.

Suppliers with potential high-risk exposure were identified, and appropriate follow-up measures were implemented. USI monitors the effectiveness of corrective actions based on risk level and continues to engage and support suppliers on human rights issues. Additional attention is given to suppliers that do not respond or provide sufficient disclosure.

Category	Risk Issue	Mitigation Measures	Compensation Measures
Labor	Human Rights Policy and Commitment Non-Discrimination/ Non-Harassment/ Humane Treatment	1. Supply Chain Risk Assessment and Segmentation • Conduct regular human rights risk assessments for all suppliers and include high-risk suppliers in a priority management list • Apply enhanced audit frequency and corrective action follow-up for high-risk suppliers 2. Policy Implementation and Documentation • Require suppliers to establish and disclose human rights, anti-discrimination, and anti-harassment policies aligned with the Supplier Code of Conduct and local regulations 3. Training and Capacity Building • Enhance suppliers' capability to identify and manage human rights risks through briefings, e-learning, and guidance materials	1. Corrective Actions and Timeline Management • Require suppliers to submit Corrective Action Plans (CAPs) within defined timelines for identified human rights violations or high-risk issues, including root cause analysis and preventive measures • Monitored by USI on an ongoing basis until full closure of identified findings 2. Remedy for Affected Workers • Require suppliers to provide appropriate remedies to affected workers, including compensation, reinstatement, correction of working conditions, or other reasonable measures • Ensure remedies are implemented without retaliation or further harm 3. Escalation and Enforcement • Apply enhanced audits, order suspension, or termination of business relationships where remediation is insufficient
Health and Safety	Occupational Health & Safety Industrial Hygiene	1. OHS Management Systems • Require suppliers to establish OHS management systems, including risk identification, hazard assessment, and control measures 2. Preventive Management and Monitoring • Conduct periodic reviews of suppliers' OHS performance indicators • Verify workplace conditions and protective measures through document reviews and on-site audits 3. Worker Protection and Communication • Require provision and proper management of PPE • Establish worker feedback and reporting channels to ensure timely communication of health and safety concerns	1. Incident Investigation and Immediate Action • Require suppliers to conduct prompt incident investigations and implement corrective actions to prevent recurrence 2. Medical Support and Compensation • Ensure affected workers receive necessary medical care, occupational injury compensation, and statutory benefits 3. Continuous Improvement and Verification • Require submission of supporting evidence and remediation reports, with effectiveness verified through follow-up audits • Classify similar incidents as key risks and incorporate them into ongoing risk assessment and prevention mechanisms

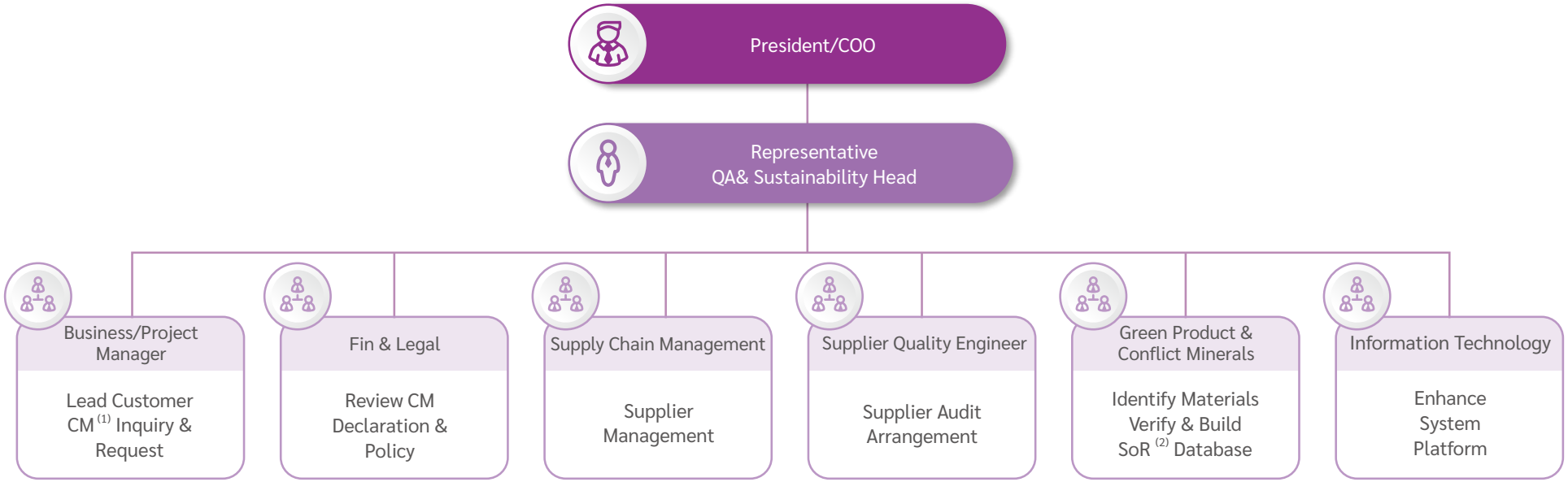
External grievance mechanism & reporting mailbox: for details, please refer to the Business Ethics and Compliance section.

Responsible Minerals Commitment

Conflict minerals refer to tantalum, tin, tungsten, and gold (collectively referred to as 3TG), as well as cobalt, which may originate from conflict-affected and high-risk areas. These materials have been associated with risks such as forced labor, child labor, and human rights abuses in the Democratic Republic of the Congo (DRC) and surrounding regions. USI is committed to responsible sourcing and the protection of human rights and the environment. In alignment with ASEH's sustainability policies, USI promotes responsible mineral sourcing across its supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), with the objective of supporting a conflict-free mineral supply chain.

To implement conflict minerals management, USI has established a governance structure with defined roles and responsibilities. The organizational framework is presented below:

Responsible Minerals Organization



Responsible Minerals Management

To manage the risk of conflict minerals in its production chain, USI has established a Corporate Policy for Sourcing Conflict Minerals in alignment with ASEH requirements. These requirements aim to prevent the use of non-conformant metals originating from Conflict-Affected and High-Risk Areas (CAHRA) and source them from conformant smelters or smelting facilities verified by independent third-party programs.

USI follows the OECD Due Diligence and has established its USI Supply Chain Policy for Responsible Sourcing of Minerals from Conflict-Affected and High-Risk Areas. USI does not support or engage with mineral sources associated with severe human rights abuses, armed conflict, illegal mining, or corruption and prohibits the use of conflict minerals in its supply chain.

USI has established a management system aligned with the five-step framework of the OECD Guidance. Through its due diligence process, supply chain risks are identified, assessed, and mitigated. USI has developed supplier audit tools and conducts on-site and document-based reviews to evaluate supplier practices and promote alignment with OECD requirements.

Conflict minerals requirements are integrated into USI's procurement framework. Suppliers are required to source minerals from independently validated smelters and refiners to comply with USI's sourcing policy. These requirements are incorporated into supplier contracts as conditions of engagement.

Note:
1. CM, Conflict Minerals
2. SoR, Smelter or Refiner

Responsible Minerals Management Process

Conflict Minerals Management
Management system
- Comply with USI conflict minerals sourcing policy
- Set corporate annual conflict minerals objectives

Reasonable Country of Origin Inquiry (RCOI)
Identify and assess risks
- Assess supplier mineral reports
- Request supplier conflict minerals representation

Due Diligence (DD)
Respond to identified risks
- Define supplier risk assessment criteria
- Conduct supplier documents or on-site audit
- Support suppliers with management mechanism

Independent Private Sector Audit (IPSA)
Conduct third-party audits
- Undergo annual IPSA

Conflict Minerals Report (CMR)
Report annually on due diligence
- Disclose annual conflict minerals reporting

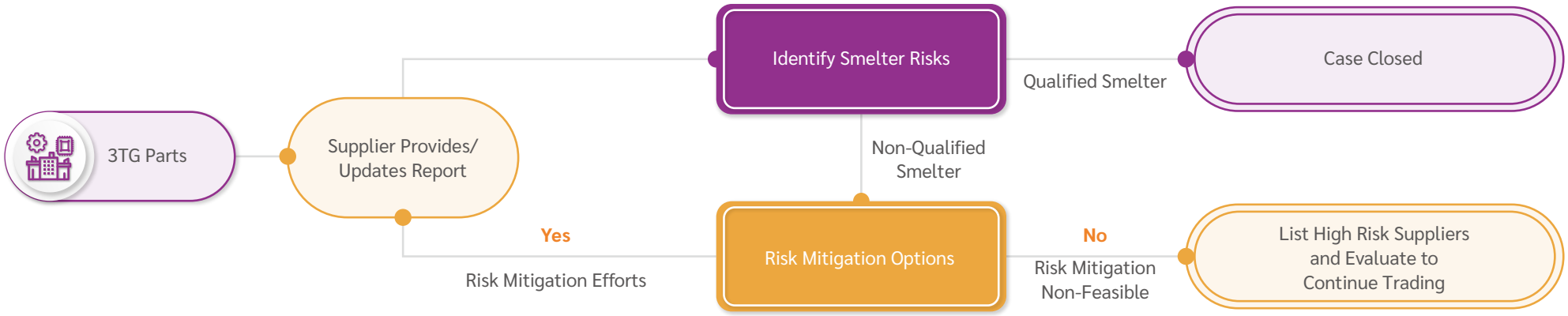
Reasonable Country of Origin Inquiry

USI has established conflict minerals management procedures and conducts annual RCOI for target suppliers[1]. These assessments are used to identify and verify the sources of 3TG, as well as cobalt and mica, contained in products and components. Information is cross-checked against the latest list of conformant smelters and refiners that have undergone independent due diligence assessments, as well as RCOI data provided by the parent company and other publicly available sources, to assess whether materials may originate from CAHRAs.

USI uses the GPARS system to collect mineral disclosures from suppliers covering 3TG, cobalt, mica, and other additional minerals. This information is consolidated and compared with the latest independently validated smelter lists to assess smelter conformance status.

Where non-conformant smelters are identified, USI applies a risk management process that includes three mitigation options: continued engagement with corrective actions, temporary suspension during a defined remediation period, or, where appropriate, termination of the business relationship. Suppliers are required to adopt corrective measures, including the removal or replacement of non-conformant smelters, within defined timelines.

Risk Identification Management Process



Note:
1. Target suppliers are the top 85% of suppliers according to the annual purchase amount.

Due Diligence

USI promotes responsible mineral sourcing across its supply chain and, through its due diligence processes, requires suppliers to source from smelters and refiners that have undergone independent due diligence assessments. The MRT survey scope [(1)] covers designated target suppliers for the reporting year. Where non-conformant smelters or refiners are identified, suppliers are required to implement corrective actions and transition to conformant sources within defined timelines.

In 2025, USI completed conflict minerals due diligence for 347 target suppliers, representing 85% of total procurement spend, and obtained independent third-party assurance. A total of 233 smelters and refiners were identified, all of which were independently validated. The geographic distribution of 3TG smelters is concentrated primarily in Asia, followed by the Americas.

3TG Qualified Smelter Distribution Area



Beyond 3TG, USI is progressively expanding its scope to include additional minerals from CAHRAs, including cobalt, mica, nickel, copper, lithium and graphite. In 2025, 225 suppliers were surveyed under this scope. USI applies a risk-based approach to supplier segmentation and conducted document reviews for 53 suppliers. Suppliers with identified gaps were provided with guidance to strengthen their processes and reduce sourcing risks. USI also communicates its conflict minerals policy and requirements through sustainability webinars to encourage supplier participation in responsible sourcing practices.

Independent Private Sector Audit and Annual Report

USI complies with customer requirements regarding conflict minerals audits and management standards. Each year, USI conducts an IPSA based on the results of supplier due diligence. Target suppliers are required to source from conformant smelters and to provide annual conflict minerals declarations.

USI's parent company, ASEH, files an annual Conflict Minerals Report with the United States Securities and Exchange Commission (SEC), covering USI and its subsidiaries. Additional information is available on the USI Website.

Availability of Grievance

To promote transparency and accountability in conflict minerals management, USI has established a publicly accessible grievance mechanism in accordance with the OECD Due Diligence Guidance. Stakeholders with concerns related to USI's conflict minerals policy, supply chain due diligence, or SoR sourcing may submit grievances or provide feedback through the following channels.

Grievance Channels: conflict_minerals@usiglobal.com

100% **2018~2025 Conflict Minerals Compliant Target Suppliers**

Future Plans

1. Conduct comprehensive supplier assessments and support the development of sustainability management systems.
2. Establish automated mineral source verification process to enhance the quality of smelter data management and meet customer reporting requirements.
3. Promote USI's policies and implement due diligence practices through supplier conferences.
4. Expand supply chain due diligence beyond priority minerals to include silver, aluminum, rare earths, and other minerals of significance.
5. Maintain conflict minerals due diligence coverage for suppliers representing at least 85% of total procurement spend through 2030.

Note:
1. The survey scope included suppliers of USI, AFG, and HCC

Environmental Protection and Occupational Safety



With an emphasis on environmental protection, USI takes aggressive measures against climate change. We look forward to considering environmental protection as well as achieving environmental sustainability while pursuing high quality products and services. In addition, we are committed to promoting a culture of occupational safety and health and providing a quality working environment for our employees.

Key Stakeholders:
Shareholders/Investors/Banks, Employees, Suppliers/ Contractors, Governments

SDGs



100 %
Renewable Energy Use in Mainland China, Mexico, and Vietnam Facilities

8,238 MWh
Renewable Energy Produced through Solar Panels

0 Cases
Contractor Occupational Injuries

CNY 36 Million
Invested in Environmental Protection

92 %
Non-hazardous Waste Recycling Rate

3,955 Participants
Attended Health Promotion Activities

Sustainable Issue Performance and Targets

Material Issue | Achieved | Not Achieved[1]

Management Purpose	KPI	2025 Target	2025 Performance	Status	2026 Target	2030 Target
Occupational Health & Safety	**Management Approach:** Establish ISO 45001 OHS management systems, regularly inspect and review work processes, and implement the PDCA cycle to raise awareness, assess risks, and ensure the health and safety of all workers in the workplace. **Evaluation Mechanism:** Periodic tracking of management indicators through the Safety and Health Production Committee.					
Promote OHS culture and enhance risk management, injury prevention, and emergency response capabilities to create a safe workplace for all workers	Obtain/maintain ISO 45001 certification	Obtain/maintain ISO 45001 certification	Maintained ISO 45001 certification in all major facilities [2]	✓	Obtain/maintain ISO 45001 certification in all major facilities	Obtain/maintain ISO 45001 certification in all major facilities
	Major occupational disease incidences	No major occupational diseases	0 major occupational diseases	✓	No major occupational diseases	No major occupational diseases
	Major occupational injury incidences [3]	No major occupational injuries	0 major occupational injuries	✓	No major occupational injuries	No major occupational injuries
	Major infectious disease incidences	No major infectious diseases	0 major infectious diseases	✓	No major infectious diseases	No major infectious diseases
Climate Strategy	**Management Approach:** Introduce ISO 14064-1 to all facilities and annually conduct GHG inventory to manage related emissions and work towards reaching the 2050 Net Zero Carbon Emissions goal. **Evaluation Mechanism:** Annual review of facility GHG emissions to ensure ISO 14064-1 certification.					
Monitor and reduce GHG emissions as part of the Low Carbon strategy	Obtain ISO 14064-1 certification	Obtain ISO 14064-1 certification	Obtained ISO 14064-1 certification	✓	Obtain ISO 14064-1 certification for all major facilities	Obtain ISO 14064-1 certification for all major facilities
	Absolute Scope 1 & 2 (market-based) GHG emissions	37.8% decrease from 2016	84% decrease from 2016 (reduced 126,487 metric tonnes CO_2e)	✓	42.0% decrease from 2016	58.8% decrease from 2016
	Absolute Scope 3 GHG emissions	12.5% decrease from 2020	77% decrease from 2020 (reduced 13,484,105 metric tonnes CO_2e)	✓	15.0% decrease from 2020	25.0% decrease from 2020

Note:
1. For not achieved targets, please refer to the corresponding sections for relevant explanations and future improvement plans.
2. Manufacturing facilities comprise the Zhangjiang, Jinqiao, Huizhou, Kunshan, Nantou, Mexico, and Vietnam facilities. Environmental performance data disclosed in this chapter relate to these facilities unless otherwise stated.
3. Number of occupational injury deaths.

Material Issue | Achieved | Not Achieved

Management Purpose	KPI	2025 Target	2025 Performance	Status	2026 Target	2030 Target
Energy Management	**Management Approach:** Establish ISO 50001 energy management systems to improve energy efficiency and reduce the risk of changes in energy supply, cost, and demand, enhancing business sustainability. **Evaluation Mechanism:** Annual review of regulations and site energy consumption ratios to propose energy saving improvement projects and ensure energy intensity performance.					
Improve energy efficiency and reduce energy costs	Energy intensity	10% decrease from 2015	25% decrease from 2015	Achieved	11% decrease from 2015	15% decrease from 2015
Waste Management	**Management Approach:** Comply with local waste management regulations, implement waste separation and reduction, continuously review and reduce the total amount of waste. **Evaluation Mechanism:** Monthly review of waste types and total amount of waste on site and confirm no violation of regulations.					
Reduce waste generation and disposal costs through effective recycling and reuse of resources	Hazardous waste generation intensity	1% decrease from the previous year	4.9% increase from the previous year	Not Achieved	1% decrease from the previous year	1% decrease from the previous year
	Non-hazardous waste recycling rate	90% non-hazardous waste recycling rate	Non-hazardous waste recycling rate reached 92%	Achieved	90% non-hazardous waste recycling rate	90% non-hazardous waste recycling rate
Air Pollution Control	**Management Approach:** Comply with local regulations on air pollution prevention and control, and continuously reduce air pollution. **Evaluation Mechanism:** Annual regular emissions monitoring and recording, and prevent regulatory violations.					
Reduce air pollution emissions and improve air quality	Air pollution violations	No significant air pollution violations [(1)]	0 significant air pollution violations	Achieved	No significant air pollution violations	No significant air pollution violations
Water Management						
Increase process water recovery rate to reduce water demand and risks	Water intensity	10% decrease from 2015	15% decrease from 2015	Achieved	11% decrease from 2015	15% decrease from 2015

Note:
1. The definition of a significant fine or penalty is sanctions over USD 10,000 (CNY 71,440)

Climate Change Impacts and Adaptation

As manufacturing and climate-related challenges continue to evolve, USI strives to minimize environmental impacts while improving resource efficiency and operational resilience. Environmental sustainability considerations are integrated into business decision-making and operational management, with oversight provided by the Board of Directors and senior management. In establishing environmental strategies, policies, and objectives, USI considers stakeholder expectations and seeks to create long-term value while contributing to a more sustainable future. To systematically manage environmental impacts and risks, USI maintains management systems aligned with internationally recognized standards, including ISO 14001, ISO 50001, and ISO 14064-1 (please refer to the Management Systems and Certifications Table).

Through regular monitoring, risk assessments, and employee training programs, USI continuously identifies and manages material environmental issues, including climate change, energy use, air emissions, water resources, wastewater, waste, hazardous substances, noise, and soil pollution. Environmental considerations are integrated into daily operations to improve resource efficiency, reduce environmental impacts, and support continuous improvement. USI also publicly discloses environmental information to promote transparency and accountability.

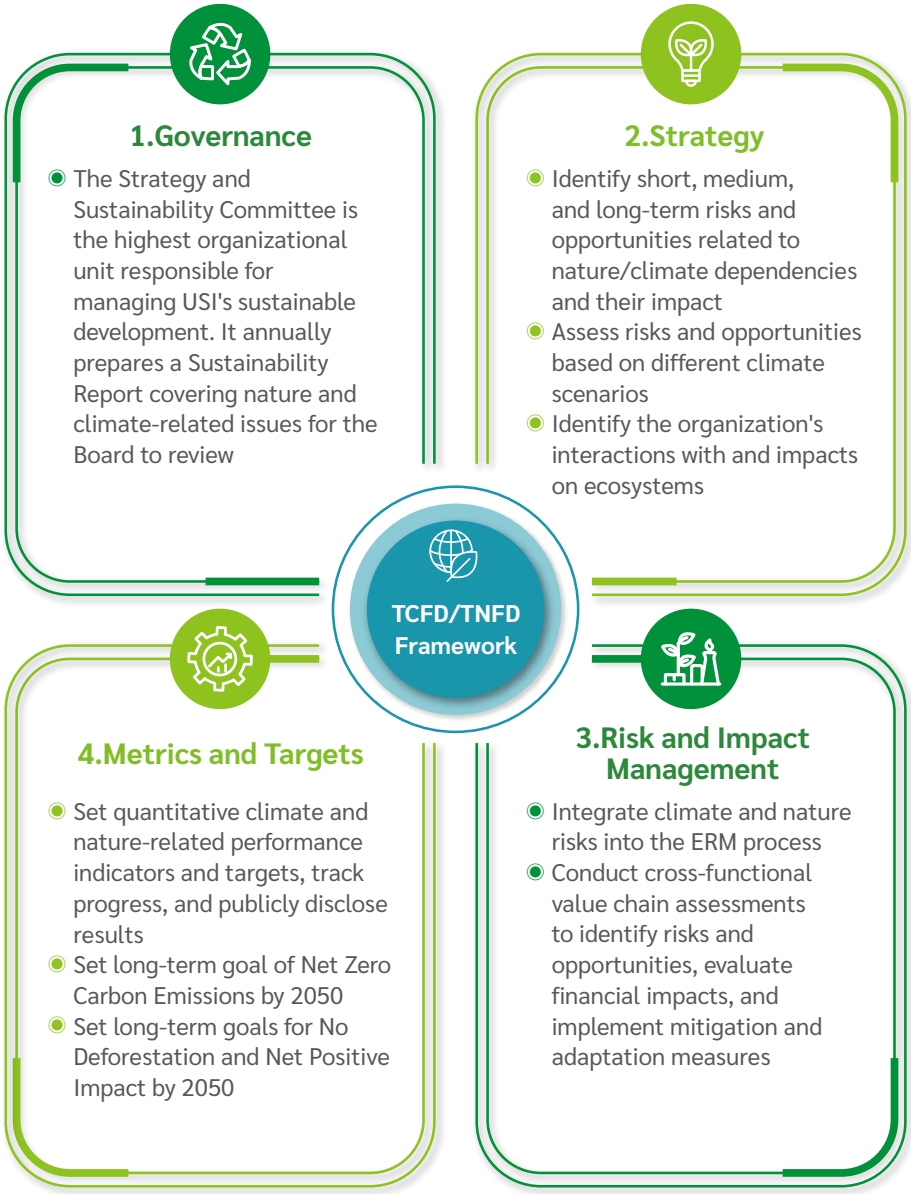
Guided by its EHS & Energy Policy, USI is committed to legal compliance, environmental protection, and responsible resource use. USI actively engages with regulatory authorities, industry organizations, and other stakeholders to stay informed of emerging environmental requirements and best practices. Stakeholders may submit environmental inquiries, recommendations, or complaints through dedicated communication channels, including telephone and email.

In 2025, USI received no environment-related complaints, recorded no environmental pollution incidents, and reported no violations of environmental laws or regulations. In addition, USI is not subject to any significant fines or penalties [(1)] related to the environment or ecology.

Climate and Nature Risk Management

Climate change and nature loss present increasingly important risks and opportunities for businesses worldwide. Recognizing the potential financial and operational impacts of these global challenges, USI supports the goals of the Paris Agreement and has integrated climate- and nature-related considerations into its sustainability strategy. Following the recommendations of the TCFD and TNFD frameworks, USI published its inaugural Climate and Nature Risk Management Report in 2024, providing transparent disclosure of climate and nature-related risks, opportunities, governance mechanisms, and response strategies.

With oversight from the Strategy and Sustainability Committee, USI continuously monitors and evaluates emerging developments related to climate change, biodiversity, natural resource management, and evolving sustainability regulations and initiatives. Through ongoing risk assessment and strategic planning, USI seeks to strengthen organizational resilience, identify sustainable growth opportunities, and support long-term value creation.



Note:
1. The definition of a significant fine or penalty is sanctions over USD 10,000 (CNY 71,440).

USI implements an ERM framework to identify and manage sustainability-related risks and opportunities across its value chain, encompassing direct operations as well as upstream and downstream activities. Assessments consider short, medium, and long-term time horizons, including potential financial impacts. Climate and nature-related risks and opportunities are evaluated to determine their significance to business operations, strategy, and financial planning. Based on the assessment results, USI develops corresponding mitigation and adaptation measures, identifies opportunities, and establishes monitoring indicators to track performance and effectiveness.

Performance is reviewed annually and reported to the Board of Directors. For details, please refer to the 2025 Climate and Nature Risk Management Report.

Category and Issue		Time	Impact Description	Value Chain Stages	Potential Financial Impact
Transition Risk	Regulatory requirements for existing products and services	Short term (within 3 years)	Stricter regulations and carbon pricing increase compliance and production costs; mitigation through equipment optimization and renewable energy adoption	Direct operations Downstream customers	Under carbon pricing schemes, inadequate emissions control and disclosure may lead to higher carbon costs or penalties, increasing compliance expenses
Physical Risk	Increased severity of extreme weather (flooding)	Short term (within 3 years)	Geographic differences expose sites to various extreme weather risks; rising frequency and intensity may disrupt operations and increase costs	Upstream suppliers Direct operations	Intensified extreme events may cause flooding or landslides, leading to operational shutdowns, equipment damage, and financial losses
	Increased severity of extreme weather (landslide-prone areas)	Short term (within 3 years)		Upstream suppliers Direct operations	
	Changes in climate patterns (drought, water stress)	Medium term (4–5 years)	Rising temperatures and shifting precipitation increase cooling and electricity demand and intensify water stress, raising operational risk and costs	Upstream suppliers Direct operations	Long-term changes in precipitation may cause droughts and water shortages, leading to operational disruptions or shutdowns, supply shortages, and financial losses
Opportunity	Adoption of low-carbon energy	Medium term (4–5 years)	Adopting renewable energy, energy storage, and energy management systems reduces emissions and enhances market reputation	Direct operations Downstream customers	Adoption of renewable energy or low-carbon fuels reduces energy and carbon costs, and meets demand for low-carbon manufacturing



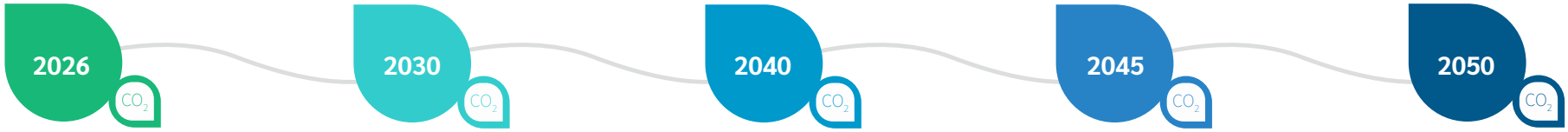
Energy and Carbon Management

Net Zero Carbon Emission Targets

USI is committed to delivering high-quality, low-carbon products and supporting customers in advancing low-carbon manufacturing. At the same time, we actively address climate change through the effective management of energy, water resources, waste, and air emissions, while strengthening adaptation and resilience efforts across our operations. In alignment with ASEH's SBTs, which were revalidated by SBTi in 2025 under the 1.5° C pathway, USI has established GHG reduction targets that support the parent company's commitment to achieve net-zero emissions by 2050. In response to customer expectations and global climate commitments, USI aims to achieve a 90% absolute reduction in Scope 1, Scope 2, and Scope 3 emissions by 2050. To address the remaining residual emissions, USI will evaluate and invest in carbon removal solutions, including carbon capture, utilization and storage (CCUS), new energy technologies, and nature-based solutions, supplemented by the responsible use of carbon credits.

To support this transition, USI adopts internationally recognized climate disclosure frameworks to track performance, strengthen climate awareness, and guide decarbonization planning. USI continues to expand renewable energy deployment across its global manufacturing operations and plans to invest approximately CNY 18 million in renewable energy projects in 2026, further enhancing climate resilience and supporting long-term sustainable development.

Net Zero Carbon Emissions Roadmap



2026
- Complete GHG Inventory in All Sites
- 85% Renewable Energy in Operations
- Set Internal Carbon Pricing
- 30% Tier 1 Equipment & Material Suppliers Engaged in GHG Inventory & Reduction

2030
- Accomplish SBT Targets [1]
  - ✦ Reduce Absolute Scope 1& 2 GHG Emissions by 58.8% (Base Year: 2016)
  - ✦ Reduce Absolute Scope 3 GHG Emissions by 25% (Base Year: 2020)
- 88% Renewable Energy in Operations
- 50% Tier 1 Equipment & Material Suppliers Engaged in GHG Inventory & Reduction

2040
- 90% Renewable Energy in Operations
- 100% On-site Low-Carbon Transportation
- 100% Tier 1 Equipment & Material Suppliers Engaged in GHG Inventory & Reduction

2045
- 95% Renewable Energy in Operations
- 100% Upstream and Downstream Low-Carbon Transportation
- 100% Low-Carbon Key Materials

2050
- Net zero carbon emissions
  - ✦ Scope 1 & 2: 90% reduction from 2016 baseline
  - ✦ Scope 3: 90% reduction from 2020 baseline
- 100% Renewable Energy in Operations
- Carbon Credit Investment

Note:
1. Scope 1, 2, and 3 GHG base year emissions cover 100% of our manufacturing facilities, with the following emission amounts:
   - Scope 1 & 2 (market-based): 150,100 metric tonnes CO_2e (base year: 2016)
   - Scope 3: 17,467,257 metric tonnes CO_2e (base year 2020)

On the path toward net-zero emissions, USI continues to engage stakeholders in carbon reduction initiatives and awareness programs, as outlined below.

During the low-carbon transition, we regularly review internal workforce allocation to ensure that transformation measures do not adversely affect employees' existing roles. We also pay close attention to the quality of life in surrounding communities, avoiding potential impacts on local residents' rights and interests, thereby balancing sustainable development with stakeholder protection.

Category		Key Actions
GHG Reduction Targets	Scope 1	◉ Continued investment in renewable energy to replace conventional electricity and fossil fuels, reducing GHG emissions. In 2025, emissions decreased by 84% compared to 2016 (reduced 126,487 metric tonnes CO_2e)
	Scope 2 (market-based)	
	Scope 3	◉ Implemented supplier engagement programs, including carbon inventory guidance and renewable energy initiatives. By 2025, a total of 7 suppliers had been supported. Based on hotspot analysis, emissions from purchased goods were reduced by 79,094 metric tonnes CO_2e
Stakeholder Engagement	Value Chain	◉ **Upstream suppliers, contractors, distributors, and agents:** Conducted 11 Sustainable Supply Chain Webinars to communicate ESG policies, sustainability requirements, and future. ◉ **Customers and investors:** Disclosed net-zero targets and progress through the corporate website and sustainability reports. ◉ **Banks:** Since 2024, secured sustainability-linked loans totaling over USD 320 million, achieving sustainability targets for two consecutive years and benefiting from interest rate incentives to drive continuous ESG performance improvement.
	Industry Associations/ Initiatives	◉ Participated in Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), supporting energy-saving and carbon reduction initiatives in line with international trends. USI follows ASEH's SBT and supports the Paris Agreement, while adopting TCFD and CDP frameworks.
	Government/ Public Sector/ Communities	◉ Supported the Ministry of Environment's Air Quality Improvement Program. Collaborated with ecological experts to develop and green air quality purification sites near schools, creating sustainable green spaces for environmental education in local communities.

Carbon Management

USI is committed to reducing GHG emissions and advancing its transition toward a low-carbon economy. We initiated our first GHG inventory in 2007 in accordance with ISO 14064-1 and expanded the scope in 2010 to cover global manufacturing operations. GHG inventories are regularly verified by independent third parties to ensure data accuracy and establish a consistent basis for emissions management and performance tracking.

To further strengthen climate action, USI began conducting PCF assessments in 2017 and disclosing relevant information in response to customer requirements and evolving international standards. In alignment with ASEH's SBTs, USI has established carbon reduction objectives and continues to implement initiatives that support the achievement of its decarbonization goals. We have also participated in CDP disclosure since 2022 to enhance transparency regarding climate-related risks, opportunities, and performance.

USI integrates climate considerations into business decision-making and financial planning. Through assessments of physical and transition risks, we identify opportunities related to energy efficiency, renewable energy adoption, and low-carbon investments, while closely monitoring emerging climate regulations, carbon markets, and other policy developments that may affect its operations.

USI's Sustainability Committee Taskforce regularly reviews energy conservation and carbon reduction initiatives across all sites. Since 2023, we have applied an internal carbon pricing mechanism based on an implicit carbon price to support climate-related decision-making and investment planning. Covering Scope 1 & 2 emissions across global operations, the internal carbon price ranged from CNY 9 to 260 per metric tonnes CO_2e (approximately USD 1 to 36 per metric tonnes CO_2e) in 2025, providing a reference for evaluating emissions reduction opportunities and prioritizing climate investments.

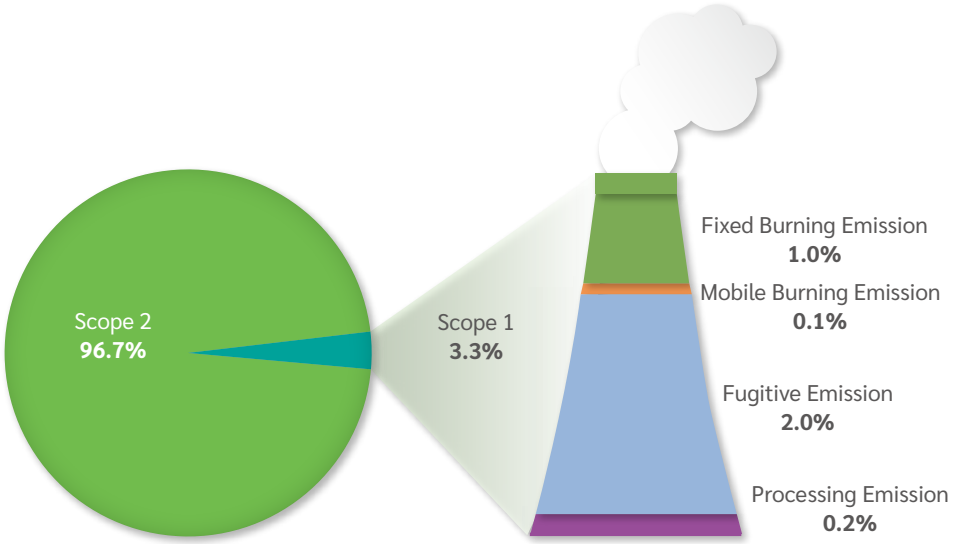
To reduce climate-related risks and accelerate decarbonization, USI continues to expand the use of renewable energy and improve energy efficiency across its operations. In 2025, facilities in Mainland China, Mexico, and Vietnam operated using 100% renewable electricity, while Nantou Facility further increased renewable energy procurement. In addition, Zhangjiang and Jinqiao Facilities implemented carbon quota management practices in accordance with local regulatory requirements. USI will continue to monitor developments related to emissions trading schemes, carbon pricing mechanisms, and climate-related regulations while advancing energy efficiency, renewable energy adoption, and environmental management programs to strengthen climate resilience and support long-term emissions reduction.

Greenhouse Gas Emissions

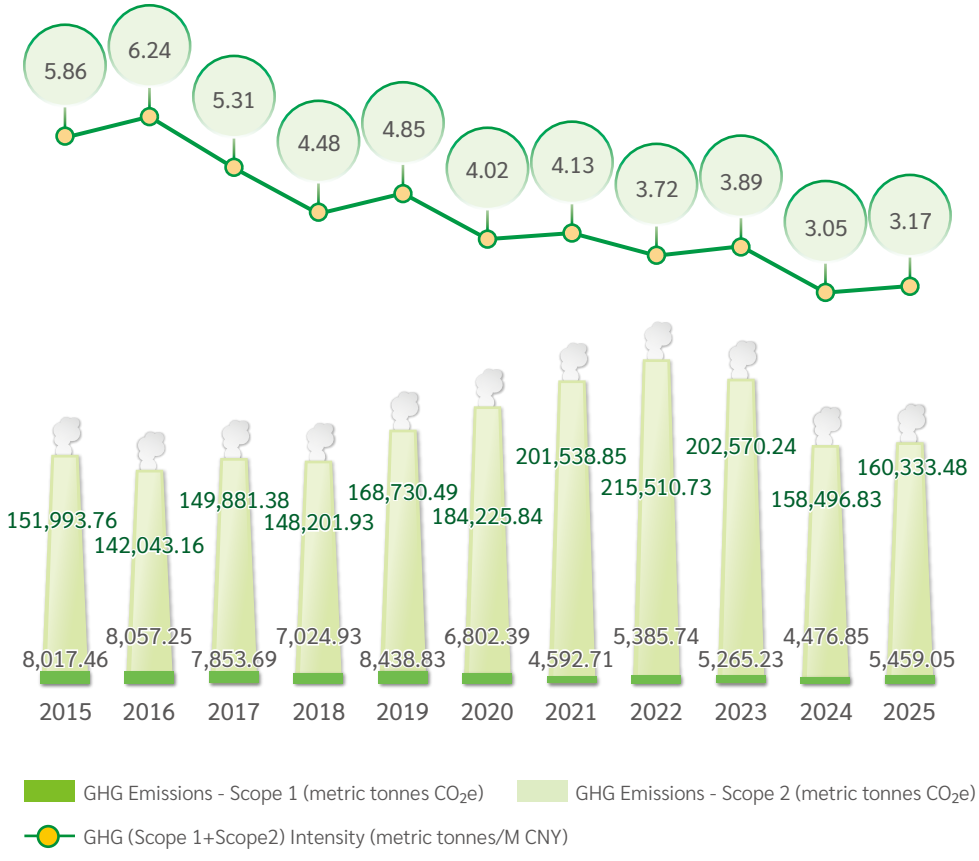
In 2025, USI's total Scope 1 & 2 (location-based) GHG emissions were 165,792.53 metric tonnes CO_2e, an increase of 2,818.86 metric tonnes CO_2e from 2024. Scope 1 emissions totaled 5,459.05 metric tonnes CO_2e, while Scope 2 (location-based) emissions amounted to 160,333.48 metric tonnes CO_2e. GHG emissions intensity was 3.17 metric tonnes CO_2e per million CNY of revenue, compared with 3.05 metric tonnes CO_2e per million CNY in 2024. The increase was primarily driven by greater emissions associated with dry ice cleaning processes and higher indirect electricity consumption. USI will continue to advance emissions reduction and energy efficiency initiatives to support its decarbonization goals.

The breakdown of GHG emissions is shown in the following figures:

The Ratio of Scope 1 to Scope 2 Greenhouse Gas Emissions (1~6)



Greenhouse Gas Emissions and Intensity



Note:
1. The data presented came from the ISO 14064-1 inventory results, rounded to the 1st decimal place.
2. The data organization boundary is summarized by the operation control method.
3. The significant threshold is set at 3%, and the substantial threshold is set at 5%.
4. The GHG emissions includes various categories such as CO_2, CH_4, N_2O, HFCs, PFCs, NF_3, and SF_6.
5. Global Warming Potential (GWP) value adopts the IPCC Sixth Assessment Report (2021).
6. Scope 1 emissions from processes and land-use change were below 0.1% of the total and thus not shown.

Indirect Greenhouse Gas Emissions

Since 2020, we have expanded our GHG inventory to encompass all 15 upstream and downstream Scope 3 categories and conducted significance assessments to identify material emission sources. The 2025 third-party verified results are shown below:

Indirect Greenhouse Gas Emissions [1-2]

Unit: metric tonnes CO_2e

Category	Description	Greenhouse Gas Emissions
1	Purchased goods and services	3,068,573.97
2	Capital goods	154,563.90
3	Fuel and energy related activities	24,788.34
4	Upstream transportation and distribution	15,937.45
5	Waste generated in operations	525.76
6	Business travel	1,116.22
7	Employee commuting	12,872.41
8	Upstream leased assets	21,798.11
9	Downstream transportation and distribution	42,261.99
10	Processing of sold products	N/A
11	Use of sold products	619,450.72
12	End-of-life treatment of sold products	6,054.95
13	Downstream leased assets	N/A
14	Franchises	N/A
15	Investments	15,208.08
Total		**3,983,151.90**

Note:
1. The data presented came from the ISO 14064-1 inventory results, rounded to the 2nd decimal place, converted to the GHG Protocol for disclosure.
2. N/A: non-significant after assessment of the indirect emissions materiality criteria in accordance with ISO 14064-1.

Energy Management

Electricity consumption accounts for approximately 96.7% of USI's GHG emissions, making energy efficiency a key component of our climate strategy. To reduce energy consumption and support decarbonization, USI invests in energy-saving technologies, process optimization, and renewable energy procurement, including the purchase of Renewable Energy Certificates (RECs). Energy efficiency considerations are also incorporated into product design, with priority given to low-energy-consumption components and environmentally responsible design practices.

USI has established an energy management system based on ISO 50001, integrating processes, equipment, facilities, and environmental health and safety functions. Through regular energy audits, performance monitoring, and data analysis, we identify significant energy uses, evaluate improvement opportunities, and develop targeted energy reduction initiatives. Dedicated energy management personnel receive regular external training to strengthen expertise in energy conservation and energy management practices. In addition, all facilities provide annual energy efficiency and carbon reduction training to employees. In 2025, total training hours reached approximately 6,919, with 15,627 participant attendances.

To improve energy performance, USI implements a range of energy-saving measures across its facilities, including variable-frequency drive controls, seasonal optimization of air-conditioning systems, replacement of aging equipment with higher-efficiency alternatives, and enhanced electricity monitoring and management. Energy-saving opportunities are continuously evaluated and prioritized based on energy consumption data and operational requirements.

In 2025, total energy consumption was 1,146,070 GJ, covering both manufacturing facilities and office operations. [1] Energy consumption at manufacturing facilities totaled 1,139,916 GJ, an increase of 59,452 GJ compared with 2024, primarily due to higher production-related energy demand.

Based on revenue, energy intensity in 2025 was 21.8 GJ/M CNY, an increase of 8.0% from 2024. However, compared with the 2015 baseline of 29.1 GJ/M CNY, energy intensity decreased by 25.1%, demonstrating continued long-term improvements in energy efficiency.

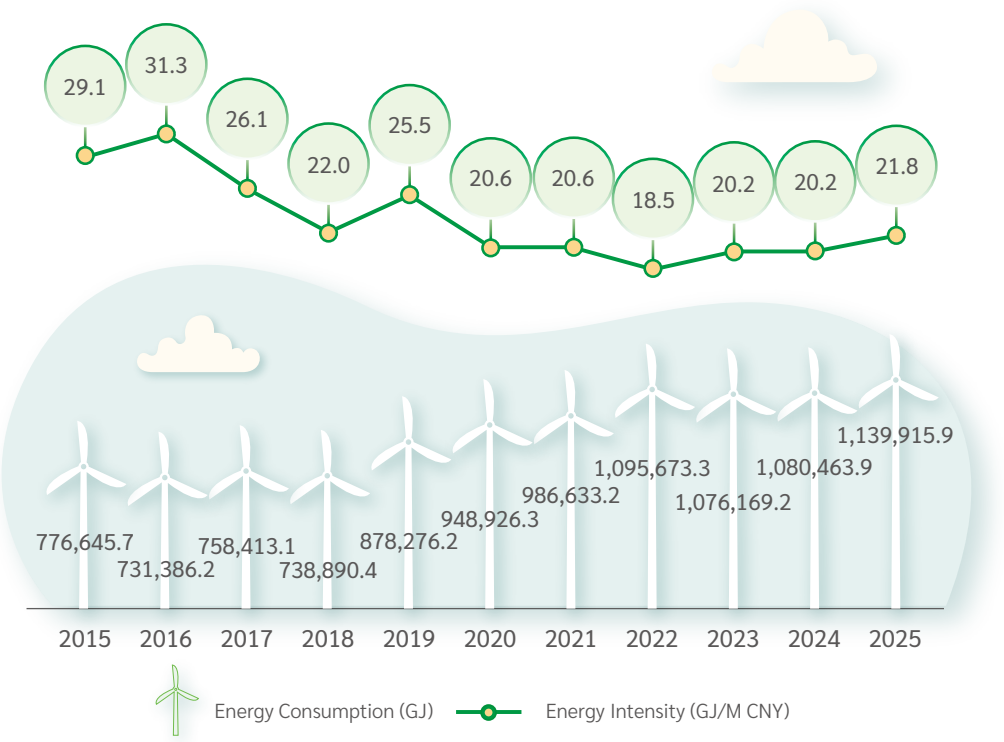
USI implemented 11 major energy-saving projects in 2025, resulting in annual electricity savings of 2,089 MWh (7,522 GJ) and GHG emission reductions of approximately 1,181 metric tonnes CO_2e. Total investment in these projects amounted to CNY 3.09 million. Through ongoing investment in energy efficiency, renewable energy, and operational improvements, USI will continue to strengthen energy management and reduce the environmental impacts of its operations.

Energy Consumption [2]

Unit: GJ

Category / Year	Direct Energy Consumption			Indirect Energy Consumption	Total Energy Consumption
	Diesel	Gasoline	Natural Gas/Liquid Petrol Gas	Electricity	
2025	926.1	1,846.4	30,015.5	1,107,127.9	1,139,915.9
2024	858.2	2,159.6	27,566.2	1,049,880.0	1,080,463.9
2023	1,225.2	2,277.3	30,110.9	1,042,555.7	1,076,169.2
2022	1,266.0	2,215.4	28,307.9	1,063,884.0	1,095,673.3

Energy Consumption and Intensity



Note:
1. Includes offices located in the United States, Japan, Shenzhen, Zhuhai, and Hong Kong.
2. Conversion data of the heat value index:
   - Zhangjiang, Jinqiao, Huizhou, and Kunshan Facilities adopted the General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2008), Appendix A (Reference coefficients for converting various energy sources to standard coal).
   - Nantou Facility adopted the Unit Calorific Value Table for Energy Products published by the Energy Administration, Ministry of Economic Affairs.
   - Mexico Facility adopted "Secretaría de Energía (SENER) - Dirección General de Planeación e Información Energéticas/Oficio GPIE.210.010.2024".
   - Vietnam Facility adopted data from the Intergovernmental Panel on Climate Change (IPCC).

Power Saving Performances in 2025

Facility	Project	Description	Power Saved (MWh)	Power Saved (GJ)	CO_2 Reduction[1~2] (metric tonnes CO_2e)
Zhangjiang	Compressed air system heat exchange improvement project	Installed additional heat exchangers to recover heat generated during compressor operation, increasing the temperature of purified water endpoints and HVAC[3] hot water systems.	372.2	1,340.4	213
	Cooling tower energy efficiency project	Integrated cooling towers across HVAC, compressed air, and refrigeration systems to reduce overall equipment energy consumption.	371.8	1,338.7	213
Jinqiao	Compressed air-cooling pump and corridor exhaust fan upgrade	Installed variable frequency drives (VFDs) on cooling water pumps and corridor exhaust fans to reduce energy consumption.	109.4	393.9	63
Kunshan	Improved compressed air system	Replaced a 900 kW air compressor with a 450 kW high-efficiency model.	955.7	3,441.3	557
Huizhou	Thermal exhaust fan VFD retrofit	Upgraded a constant-speed thermal exhaust fan to variable frequency control to enable energy-efficient operation.	22.4	80.7	9
Nantou	Air handling unit (AHU) energy efficiency improvement	Installed VFDs on AHU fan motors to reduce HVAC energy consumption.	4.0	14.3	2
	AHU heater energy efficiency upgrade	Replaced a 50 kW heater with a 20 kW heat pump system to improve energy efficiency.	122.4	440.6	58
	Elevator regenerative energy system	Installed regenerative drives on elevators to capture braking energy for reuse.	11.8	42.4	6
	Improved chilled water system	Added VFDs to chilled water pumps to reduce energy consumption.	38.6	139.1	18
	AHU replacement project	Replaced AHUs with high-efficiency motors and added VFDs to reduce operational energy use.	64.5	232.3	31
Vietnam	LED lighting upgrade	Replaced existing LED bulbs with lower-wattage LED bulbs.	16.4	59.1	11
		Total	**2,089.2**	**7,522.8**	**1,181**

Renewable Energy

USI actively responds to the call for renewable energy use. We purchased 255,500 MWh (920,010 GJ) of I-RECs, Green Electricity Certificates (GEC), and Taiwan Renewable Energy Certificates (T-REC) in 2026 to offset CO_2 emitted by traditional power in 2025 (the annual electricity usage for Zhangjiang, Jinqiao, Huizhou, Kunshan, Mexico, and Vietnam Facilities were all offset, Nantou-NK Facility was partially offset). Low-carbon products produced in facilities using renewable energy account for 87% of USI's annual revenue. According to GHG Protocol Scope 2 Guidance, the statements are used to neutralize Scope 2 market-based emissions. The GHG emissions amount by location and market[4] are as follows:

Category	Item	Scope 1	Scope 2	Total
Location based	GHG Emissions (metric tonnes CO_2e)	5,459.05	160,333.48	165,792.53
	Percentage	3%	97%	100%
Market based	GHG Emissions (metric tonnes CO_2e)	5,459.05	18,154.37	23,613.42
	Percentage	23%	77%	100%

Note:
1. Carbon emissions reduction = electricity saved x electricity emission coefficient
2. Electricity emission coefficient:
   - Zhangjiang and Jinqiao Facilities adopted the 2023 Provincial Average Electricity CO_2 Emission Factors by the Ministry of Ecology and Environment, Shanghai emission factor: 0.574 kg CO_2e/kWh.
   - Kunshan Facility adopted the 2023 Provincial Average Electricity CO_2 Emission Factors by the Ministry of Ecology and Environment, Jiangsu emission factor: 0.583 kg CO_2e/kWh.
   - Huizhou Facility adopted the 2023 Provincial Average Electricity CO_2 Emission Factors by the Ministry of Ecology and Environment, Guangdong emission factor: 0.404 kg CO_2e/kWh.
   - Nantou Facility adopted the 2024 Electricity Emission Factor announced by the Bureau of Energy, with a CO_2 emission factor of 0.474 kg CO_2e/kWh.
3. HVAC, Heating, Ventilation and Air Conditioning
4. The data presented came from the ISO 14064-1 inventory results, rounded to the 2nd decimal place.

Water Resources Management

Although none of USI's manufacturing facilities are located within water source protection areas, water resource management remains an important focus of our environmental stewardship efforts. USI implements water efficiency management programs across its operations to monitor consumption, improve efficiency, and minimize environmental impacts associated with water use and wastewater discharge.

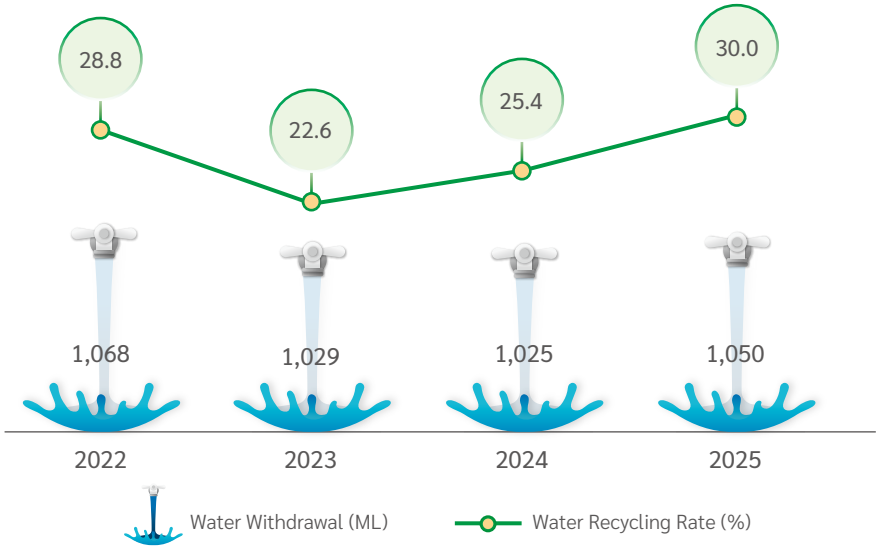
Water consumption is monitored through facility-level metering systems and monthly reviews to identify conservation opportunities and support continuous improvement. To strengthen water stewardship, USI provides regular water conservation and environmental awareness training, encouraging employees to identify water-saving opportunities and participate in improvement initiatives. In 2025, total training hours reached approximately 6,083, with 16,207 participant attendances.

USI also maintains stringent wastewater management practices. Process-related chemicals are separately collected and managed at each facility, while wastewater is treated through on-site treatment systems or authorized industrial park wastewater treatment plants prior to discharge. Regular inspections, monitoring, and third-party testing are conducted to ensure compliance with applicable discharge standards. All facilities perform inspections in accordance with local regulatory requirements. [1] In 2025, there were no incidents of wastewater discharge exceeding regulatory limits.

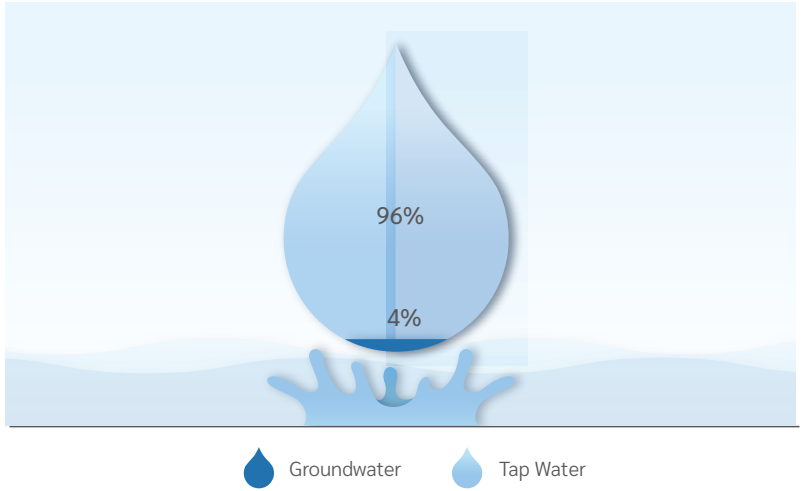
Total water withdrawal in 2025 was 1,049.81 ML, an increase of 2.4% from 1,024.70 ML in 2024, primarily due to higher water demand from new product manufacturing processes. Despite this increase, water intensity decreased by 15.1% compared with the 2015 baseline, reflecting continued improvements in water-use efficiency. [2]

With the exception of Nantou-TT Facility, which withdrew 46.86 ML of groundwater, all facilities sourced water from municipal supplies, totaling 1,002.95 ML. Wastewater discharge amounted to 896.02 ML and was discharged to municipal or industrial park sewerage systems following applicable treatment requirements. USI will continue to strengthen water conservation, wastewater quality management, and employee engagement efforts to support the sustainable use of water resources.

Water Withdrawal and Recycle



Water Usage Ratio



Note:
1. Kunshan Facility occupies leased space within the parent company's facility. Water withdrawal and wastewater discharge are managed and controlled by the parent company, while Kunshan Facility only shares the associated water-related costs; Main test: pH, Suspended Solids (SS), Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Ammonia Nitrogen, Total Phosphorus, Total Nitrogen, Petroleum Hydrocarbons, Animal and Vegetable Oils, Copper, Nickel, Cadmium, Lead, Zinc, Arsenic, Fluoride, Hexavalent Chromium, Selenium, Silver, Total Mercury, Sulfides.
2. Water intensity of 0.169 (m^3/K USD) in 2015 and 0.144 (m^3/K USD) in 2025, a decrease of 15.1% from the base year.

USI assesses water-related risks using the World Resources Institute Aqueduct Water Risk Atlas, with baseline water stress used to evaluate the balance between water demand and available renewable surface and groundwater resources. Based on this assessment, Zhangjiang, Jinqiao, Kunshan, and Mexico Facilities are located in areas of high baseline water stress, while Huizhou, Nantou, and Vietnam Facilities are located in areas of lower water stress.

In 2025, 58.6% of total water withdrawal and 40.0% of total water consumption occurred in high water-stress areas. To mitigate water-related risks, USI implements site-specific water management measures, including the establishment of water efficiency targets and the evaluation and deployment of water recycling and reuse systems.

USI continues to improve water efficiency through process optimization and investment in water recycling and reuse technologies. At Zhangjiang Facility, a process water recycling system enables treated wastewater to be reused in production processes, reducing freshwater demand. At Jinqiao Facility, water recovery initiatives include a zero liquid discharge (ZLD) system and the reuse of HVAC condensate in cooling tower operations. These measures support water conservation efforts, particularly at facilities located in water-stressed regions.

In 2025, USI recycled 315.12 ML of water, achieving an overall water recycling rate of 30%. Process water recycling volume reached 488.15 ML, corresponding to a process water recycling rate of 65%. Moving forward, USI will continue to strengthen water resource management, expand water reuse opportunities, and improve water-use efficiency across its operations to support long-term sustainable water stewardship.

Water Withdrawal and Discharge [1-2]

Unit: ML

Facility	Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou			Mexico	Vietnam
					TT		NK		
Water Stressed Areas	YES	YES	NO	YES	NO		NO	YES	NO
Source	Tap water	Tap water	Tap water	Tap water	Tap water	Groundwater	Tap water	Tap water	Tap water
Water Withdrawal	392.351	75.349	130.189	96.321	19.565	46.858	105.309	51.317	132.547
Discharge	353.116	67.814	117.170	86.689	24.229		94.779	46.185	106.038
Water Consumption	39.235	7.535	13.019	9.632	42.194		10.531	5.132	26.509
Fresh Water (≤ 1,000 mg/L TDS)	N/A	N/A	N/A	96.321	66.423		105.309	N/A	132.547
Discharge Flow	Sewage treatment facility	Sewage treatment facility	Sewage treatment facility	Sewage treatment facility	Sewage treatment facility		Sewage treatment facility	City sewage treatment facility	Sewage treatment facility

Note:
1. Apart from Nantou-TT Facility, USI has no discharge water flow meter in each facility. Vietnam Facility is estimated based on 80% of the water withdrawal, while other facilities use a 90% estimation based on water withdrawal.
2. N/A: water at all facilities is supplied by municipal water utilities and complies with local water quality standards, but there is no total dissolved solids (TDS) test data.

Waste Management

USI is committed to minimizing waste generation and maximizing resource recovery through the principles "Impact Mitigation & Continuous Improvement" and "Effective Reduction & Circular Reuse". Waste management performance is incorporated into annual operational objectives across all facilities. Through regular waste data collection, tracking, and analysis, process, facilities, and EHS units monitor waste generation and identify opportunities for source reduction, recycling, and reuse. To strengthen employee engagement, USI regularly provides waste reduction and recycling training to enhance awareness of waste classification, minimization, and resource conservation practices. In 2025, total training hours reached approximately 9,346, with 18,497 participant attendances.

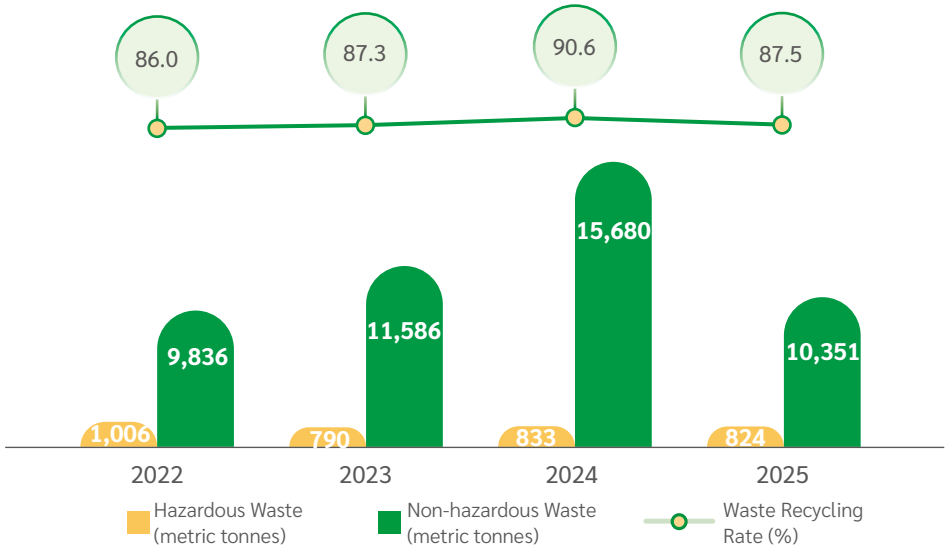
In 2025, USI generated 11,175 metric tonnes of waste, of which 9,783 metric tonnes were recycled, achieving an overall recycling rate of 87.5% and exceeding the annual target of 80%. Hazardous waste generation totaled 824 metric tonnes, with 241 metric tonnes recycled (29.2% recycling rate), while non-hazardous waste generation amounted to 10,351 metric tonnes, with 9,542 metric tonnes recycled (92.2% recycling rate), exceeding the annual target of 90%.

Hazardous waste intensity was 0.113 kg/K USD in 2025, slightly higher than the previous year, primarily due to changes in revenue rather than a significant increase in hazardous waste generation. To further reduce hazardous waste generation, USI continues to evaluate opportunities to replace hazardous materials with lower-impact alternatives and improve material utilization efficiency.

In 2025, discarded products and electronic waste totaled 251.093 metric tonnes and were managed by qualified recycling vendors. USI also promoted the reuse of packaging materials, including cartons, partitions, and trays, achieving a total reuse volume of 2,983 metric tonnes.

Through regular waste assessments, USI identified chemical containers and wipes, organic solvents, and mixed waste plastics as key waste streams. We continue to implement waste reduction initiatives focused on source reduction, material reuse, and recycling to decrease waste requiring treatment and disposal. By advancing circular resource utilization and continuously improving waste management practices, USI seeks to further reduce environmental impacts and support its long-term sustainability objectives.

Waste Generation and Recycling Rates





USI has established a waste management program requiring hazardous waste to be handled by qualified and licensed contractors, while non-hazardous waste is directed to authorized recycling facilities or licensed waste-to-energy and treatment facilities, as appropriate. To ensure compliance and minimize environmental risks, facilities conduct annual assessments of waste disposal contractors through document reviews, online evaluations, site inspections, and periodic unannounced audits.

Zhangjiang, Jinqiao, Huizhou, Kunshan, Nantou-TT, Nantou-NK, and Vietnam Facilities achieved zero waste to landfill in 2025. USI continues to monitor regulatory developments, strengthen waste management practices, and invest in initiatives that promote waste reduction, recycling, and reuse to further support circular resource utilization.

Waste is classified by treatment method to enhance monitoring and identify opportunities for diversion from landfill. Certain waste streams are processed through waste-to-energy recovery systems, where energy generated during treatment is utilized as a secondary resource, reducing reliance on external energy sources and associated GHG emissions. The breakdown of waste by treatment method is shown below.

Waste Disposal by Treatment Method [1]

Unit: metric tonnes

Facility \ Treatment		Reused		Recycled		Composted		Landfilled		Incinerated			
										Hazardous		Nonhazardous	
		Hazardous	Nonhazardous	Hazardous	Nonhazardous	Hazardous	Nonhazardous	Hazardous	Nonhazardous	Energy recovery	Without energy recovery	Energy recovery	Without energy recovery
Zhangjiang		0.000	0.000	51.350	1,309.023	0.000	473.283	0.000	0.000	350.697	0.000	28.078	0.000
Jinqiao		0.000	0.000	12.156	369.395	0.000	267.675	0.000	0.000	38.367	0.000	10.906	0.000
Huizhou		0.000	0.000	27.545	1,697.190	0.000	73.737	0.000	0.000	33.830	0.000	64.104	0.000
Kunshan		0.000	0.000	118.000	1,625.396	0.000	164.512	0.000	0.000	96.380	0.000	33.241	0.000
Nantou	TT	0.000	0.000	0.000	179.331	0.000	71.340	0.000	0.000	4.670	0.000	36.609	0.000
	NK	0.000	0.000	0.000	491.368	0.000	66.960	0.000	0.000	17.178	0.000	145.349	0.000
Mexico		0.000	0.000	2.379	2,010.420	0.000	47.900	0.000	323.492	0.000	37.777	0.000	0.000
Vietnam		0.000	0.000	29.397	678.679	0.000	16.203	0.000	0.000	4.014	0.000	166.793	0.000
On-site		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Off-site		0.000	0.000	240.826	8,360.803	0.000	1,181.611	0.000	323.492	545.136	37.777	485.080	0.000
Subtotal		0.000	0.000	240.826	8,360.803	0.000	1,181.611	0.000	323.492	545.136	37.777	485.080	0.000
Percentage		0.00%	0.00%	2.16%	74.82%	0.00%	10.57%	0.00%	2.89%	4.88%	0.34%	4.34%	0.00%
Total		0.000		8,601.629		1,181.611		323.492		582.914		485.080	

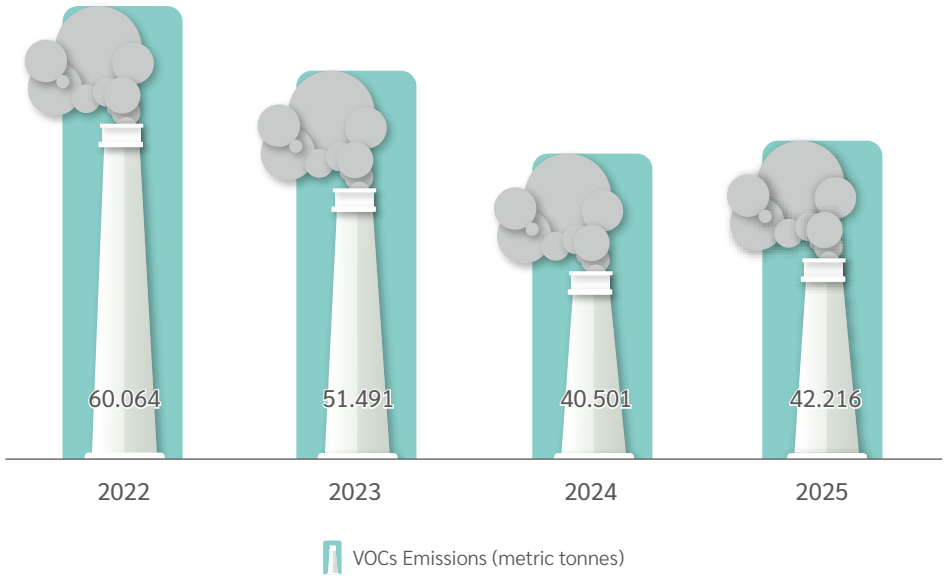
Note:
1. Data is rounded to the 3rd decimal place.

Air Pollution Control

Air quality remains an important environmental issue in the regions where USI operates. To minimize the environmental impacts of air emissions and ensure regulatory compliance, USI implements air emissions management programs across its manufacturing facilities, focusing on the monitoring, control, and reduction of regulated pollutants.

USI regularly monitors key air pollutants, including volatile organic compounds (VOCs), nitrogen oxides (NO_X), sulfur oxides (SO_X), and particulate matter (PM), in accordance with applicable regulations. To reduce emissions, facilities deploy a variety of air pollution control technologies, including activated carbon treatment systems, scrubbers, UV photolysis [(1)], zeolite rotor concentration systems, and thermal or catalytic oxidation technologies.

For VOCs management, Nantou Facility conducts air emissions reporting in accordance with local regulations, while Zhangjiang and Jinqiao Facilities comply with applicable environmental tax reporting requirements. Mainland China Facilities perform routine emissions monitoring and management programs to support compliance and identify opportunities for continuous improvement.



USI continues to invest in emissions reduction initiatives. Jinqiao Facility upgraded its boiler system with low-NO_X burners to reduce nitrogen oxide emissions, while Nantou-NK Facility installed a zeolite rotor and regenerative thermal oxidizer (RTO) system to enhance VOCs abatement. Mexico Facility also performs routine PM monitoring and management as part of its air emissions control program.

In 2025, USI emitted 42.216 metric tonnes of VOCs, an increase of 4.2% compared with the previous year, primarily due to the use of volatile organic substances in new product manufacturing processes. USI will continue to strengthen emissions management, expand air pollutant monitoring and disclosure coverage, and implement improvement initiatives to reduce emissions and mitigate environmental impacts.

Detailed air pollutant emissions data [(2–5)] for 2025 are presented in the table below:

Unit: metric tonnes

Pollutant \ Facility	Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou		Mexico	Vietnam
					TT	NK		
Volatile Organic Compounds (VOCs)	3.796	1.308	0.418	1.848	11.982	22.865	N/A	N.D.
Nitrogen Oxides (NO_X)	1.022	0.037	N/A	N/A	N/A	1.820	N/A	N/A
Sulfur Oxides (SO_X)	N.D.	N.D.	N/A	N/A	N/A	0.001	N/A	N/A
Particulate Matter (PM)	0.100	0.092	0.865	N.D.	0.001	0.822	0.961	14.116

Note:
1. UV beams can break the molecular bond of industrial waste as well as the water and oxygen in the air. Then, with the use of ozone, the oxidization reaction takes place for deodorization and sterilization.
2. The estimated emission level and amount in the test report produced by a third-party test body are adopted for Zhangjiang, Jinqiao, Huizhou, Kunshan, Mexico and Vietnam Facilities, and the data is rounded to the 3rd decimal place.
3. The discharge amount of Nantou Facility is based on the declared amount of air pollution fees collected by local environmental protection agencies, which are calculated with mass balance.
4. N.D.: non-detectable, below detection limit.
5. N/A: Not required by local regulations; no testing was conducted.

Biodiversity

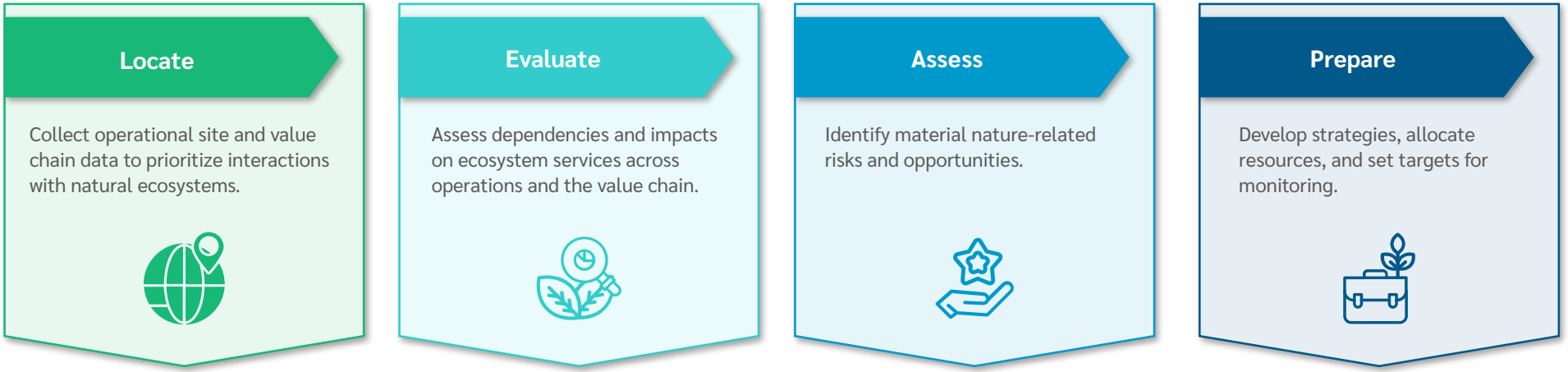
USI recognizes that healthy ecosystems provide essential services that support business operations, including water supply, water quality regulation, flood mitigation, and climate regulation. To support biodiversity conservation and responsible land use, USI has established and publicly disclosed its Biodiversity Conservation and No Deforestation Commitment, which applies across global operations, subsidiaries, suppliers, and value chain partners. Approved by the Board of Directors, the commitment includes a long-term goal of achieving a Net Positive Impact (NPI) on biodiversity by 2050.

To identify and manage nature-related risks and opportunities, USI adopts the TNFD LEAP (Locate, Evaluate, Assess, Prepare) approach and utilizes the ENCORE tool to assess biodiversity-related dependencies and impacts across its operations and value chain. Site locations are evaluated against the IUCN protected area classification system and national ecological conservation databases. Based on the assessment, none of USI's operational sites are located within designated protected areas. However, Nantou Facility is situated within a nationally identified ecological conservation zone, and USI continues to monitor relevant environmental requirements and potential ecological risks.

USI also conducts location-specific assessments of supplier sites. While no supplier facilities were identified within protected areas, several are located within a 5-km buffer zone. USI will continue to evaluate potential biodiversity impacts and strengthen engagement with suppliers on appropriate mitigation measures.

The assessment identified key nature-related dependencies, including water supply, water quality regulation, flow regulation and flood and storm mitigation. Key impacts include emissions, waste generation, water use, and operational disturbances such as noise and light. To mitigate these impacts and enhance resilience, USI integrates biodiversity considerations into its water resource management, climate action, energy management, waste management, and air emissions management programs.

Since 2013, USI has collaborated with external organizations to support afforestation and ecological restoration initiatives that contribute to biodiversity enhancement as well as soil and water conservation. Through the application of the mitigation hierarchy—avoid, minimize, restore, and offset—USI seeks to reduce biodiversity impacts across its operations and value chain while advancing its no-deforestation commitment and long-term biodiversity objectives. For further details, please refer to the 2025 Climate and Nature Risk Management Report.



Green Manufacturing and Expenditures

In addition to incorporating eco-design principles into its products, USI promotes cleaner production practices across its operations, including manufacturing, logistics, environmental management, and corporate responsibility. Guided by the principles of cleaner production, USI focuses on resource conservation, green manufacturing, pollution prevention, and environmentally friendly design. These efforts help reduce environmental impacts while improving operational efficiency, lowering resource consumption, and generating both economic and environmental benefits.

USI continues to invest in green buildings and renewable energy projects. Nantou-NK Facility obtained EEWH Green Building certification in 2020 and has operated a rooftop solar power system with a total installed capacity of 499 kWp since 2019. [1] In 2023, Huizhou Facility installed a rooftop solar power system with a total capacity of 1,814 kWp, generating 551.9 MWh annually. Vietnam Facility added a 568 kWp rooftop solar power system in 2025, generating approximately 55 MWh during the year. By the end of 2025, cumulative solar power generation across USI facilities had reached 8,238 MWh. USI will continue to advance clean production initiatives and green infrastructure development to support the transition toward low-carbon manufacturing.

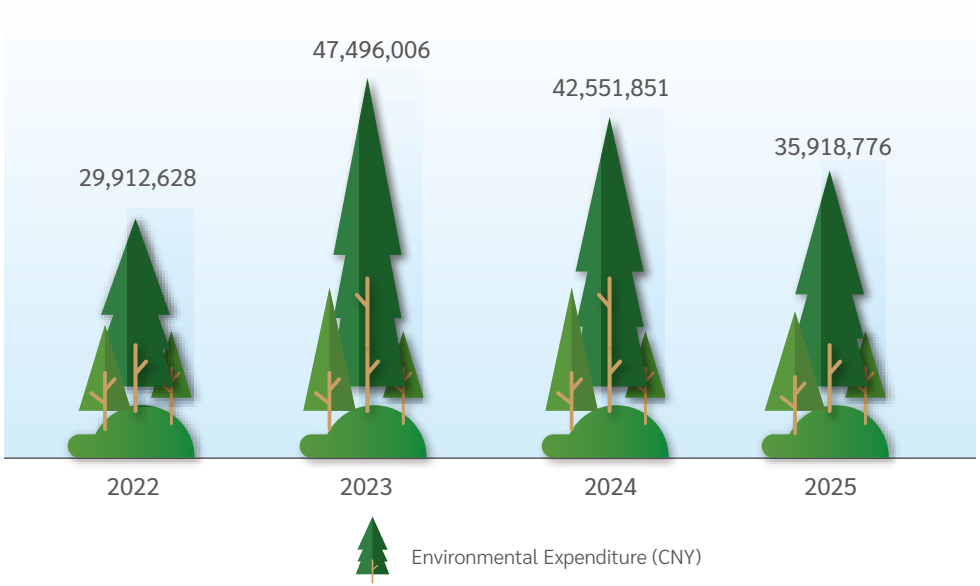
To evaluate environmental investments, USI classifies environmental expenditures according to ASEH's environmental expenditure framework, including operating costs, upstream and downstream costs, management overhead, and social activity costs. (For details, please refer to the Sustainability Data – Environmental D. Environmental Expenditures table). In 2025, total environmental expenditures amounted to approximately CNY 36 million, a decrease of 16% compared with the previous year, primarily due to lower operating costs. Through regular monitoring and performance reviews, USI continues to optimize environmental investments and enhance resource efficiency.

Sustainable Finance

To support its low-carbon transition and strengthen climate resilience, USI secured sustainability-linked loans totaling more than USD 320 million in 2024. The financing framework links borrowing costs to sustainability performance, with targets focused on increasing renewable energy use and achieving greenhouse gas reductions aligned with SBTi-validated pathways. Through these mechanisms, USI reinforces accountability for sustainability performance while supporting long-term energy conservation, emissions reduction, and sustainable growth objectives.



Environmental Protection Expenditures



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

Occupational Health and Safety

In addition to complying with applicable labor and occupational safety regulations, all seven manufacturing facilities operate ISO 45001-certified Occupational Health and Safety (OHS) management systems. These systems cover employees and non-employee workers [1] within the defined operational boundary (coverage rate: 100%). USI maintains documented OHS policies, standard operating procedures, drills and training programs to raise workplace safety awareness, and holds various health and well-being activities to ensure workers' physical and mental health in the workplace. To maintain certification, OHS policies and performance are reviewed annually in accordance with regulatory requirements and internal standards. These reviews support continual improvement of the management system and workplace safety conditions.

Occupational Health and Safety Management

Health and Safety Management Goals and Statuses in 2025

Goals	Performance
Maintain Zero Occupational Disease Incidences	No cases of occupational disease occurred
Maintain Zero Work-Related Deaths	No cases of work-related deaths occurred
Zero Infections from Infectious Diseases within Facilities	Since 2016, we established a universal notification system and enhanced our emergency response capabilities. No infectious disease-related cases occurred in 2025

Each facility has established a Safety and Health Production Committee in accordance with local regulatory requirements. Worker representatives account for at least one-third of committee membership. Committees meet at least quarterly to review OHS performance and provide recommendations on risk management and workplace safety measures. Facilities also maintain internal communication channels, including WeChat groups and periodic exchange sessions, to facilitate information sharing and ensure effective communication.

Safety and Health Production Committee's Responsibilities



To ensure the safety and health of workers in the facility, USI invested CNY 233 million in safety production and chemical safety management in 2025. Occupational safety and health costs include employee insurance, physical check-up, labor protection, safety measures improvements, operating environment monitoring, and ISO 45001 certification fees.

Note:
1. Non-employee workers: workers that include temporary workers and contractors, such as construction, cafeteria, security, cleaning personnel, stationed personnel, and others, with 5,347 people in total by the end of 2025.

Occupational Safety Risk Management

USI integrates OHS into its enterprise risk and opportunity management processes, including procurement, contractor management, and management of change. This approach is designed to identify and control safety and health risks arising from changes in production processes, operational activities, or services that may affect working conditions or the environment.

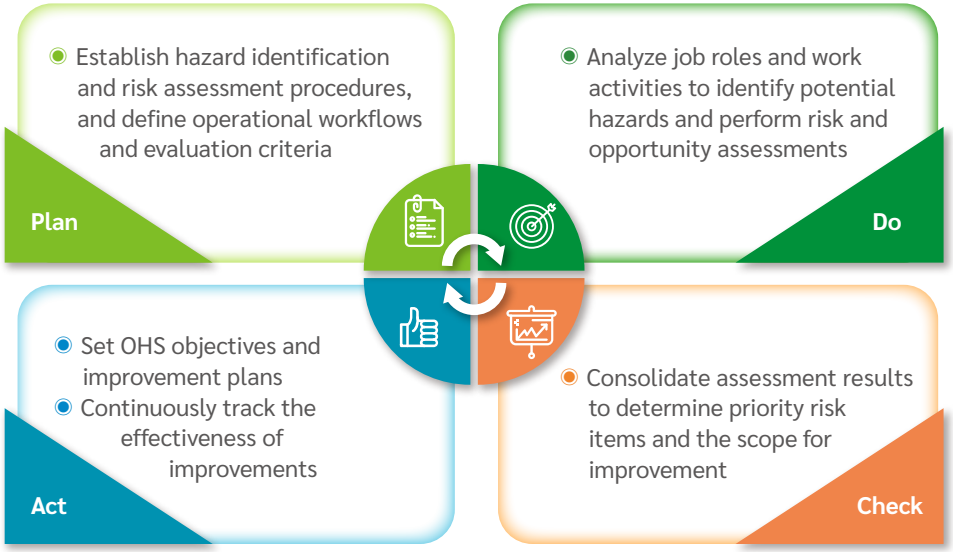
Defined control measures include application and approval procedures, safety evaluations, personnel notification and training, and updates to technical documentation to mitigate identified risks.

Responsible units conduct regular hazard identification and risk assessments and also in response to triggers such as process changes, procurement activities, stakeholder input, and regulatory updates following the established Safety and Health Risk and Opportunity Assessment Procedures.

Based on assessment outcomes and applicable regulatory and internal requirements, priority risks are identified and corresponding control and improvement measures are implemented to reduce operational risks and enhance OHS management system effectiveness.

To strengthen the quality and consistency of risk assessments, the dedicated OHS unit provides periodic and ad hoc training and awareness programs (please refer to the Occupational Health and Safety Training section). In addition, designated safety and health representatives and personnel are required to complete ISO 45001 internal auditor training and obtain relevant certification.

Hazards, Risks, and Opportunities Identification Procedure



Hazards, Risks, and Opportunities Identification Management Measures in 2025

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

In 2025, more than 30 safety and health management programs were tracked, which includes strengthening the management of hazardous operations, eliminating safety hazards of machinery and equipment, reducing chemical use or using alternatives, and occupational disease prevention.

At the same time, to provide a better workplace environment, USI rewards employees for proposing any improvement measures that mitigate any occupational hazard or disease, and if employees find that there is a direct threat to personal safety and other emergency situations, they can immediately suspend their work at hand and evacuate the workplace according to the emergency response measures of each facility. USI will not punish any employees for the above actions.

Safe Workplace

To ensure the safety of workers and facilities, each facility conducts inspections in accordance with local government regulations and the Company's operating standards, and EHS personnel also conduct routine facility safety audits, with the scope encompassing Occupational Health and Safety Management Systems. In some facilities, the inspection results are included in the occupational safety and health evaluation activities, and outstanding units are publicly recognized in the regular occupational safety and health (production) meetings to encourage personnel to participate in safety and health management and improvement measures.

Audit Findings Results Over the Years

Aspects \ Year	2022	2023	2024	2025
Safety	535	594	1,210	941
Health	59	33	12	104
Management System	13	0	14	49

In addition, according to the actual operating hazards of each facility, qualified institutions are also commissioned to regularly implement environmental testing to control the operating environment of the hazard factors, testing items such as building security, drinking water safety, sewage testing, Legionella pneumophila bacteria, emergency lighting, lightning protection testing, smoke detection equipment and fire equipment testing. At the same time, the Company also regularly monitors operational environments with high risks including noises, the concentration of carbon dioxide, organic solvents, specific chemical substances, lead in the workplace and free radiation to ensure that the threshold values of concentration of harmful substances and noises are below standards. If there are any abnormalities, it will be immediately corrected and maintained; if it is close to the abnormal state, we will provide employees with appropriate preventive training, and with a healthy and safe working environment.

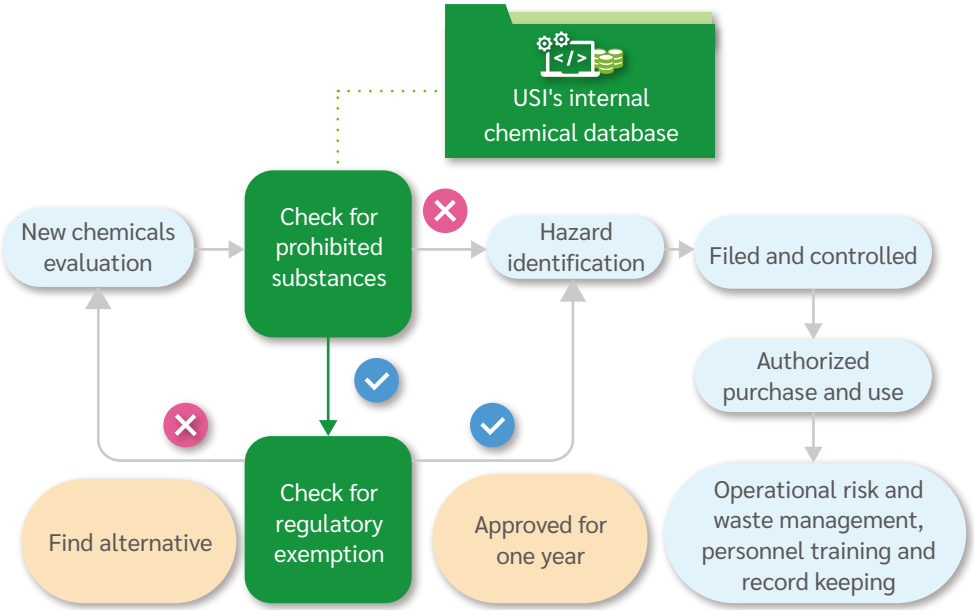
Chemical Safety Management

In alignment with the United Nations Strategic Approach to International Chemicals Management and the SDGs, which call for sound chemicals management by 2030 to reduce the release of hazardous substances, USI has established Chemical Management Procedures to strengthen source control and manage chemical-related risks within its operations.

These procedures include a chemical control list specifying prohibited substances. All chemicals are required to be screened against an internal database prior to introduction and, following review and approval by designated authorities, formally registered before entering the procurement process. Operational controls cover transportation, loading and unloading, storage, handling, labeling, use, pollutant management, and emergency response. Relevant personnel must complete pre-job and periodic training, with training records maintained.

Chemical risk levels are determined based on hazard characteristics and exposure assessments. Corresponding control measures are implemented in accordance with the hierarchy of controls to reduce exposure risks and mitigate occupational hazards.

Chemical Safety Management Process



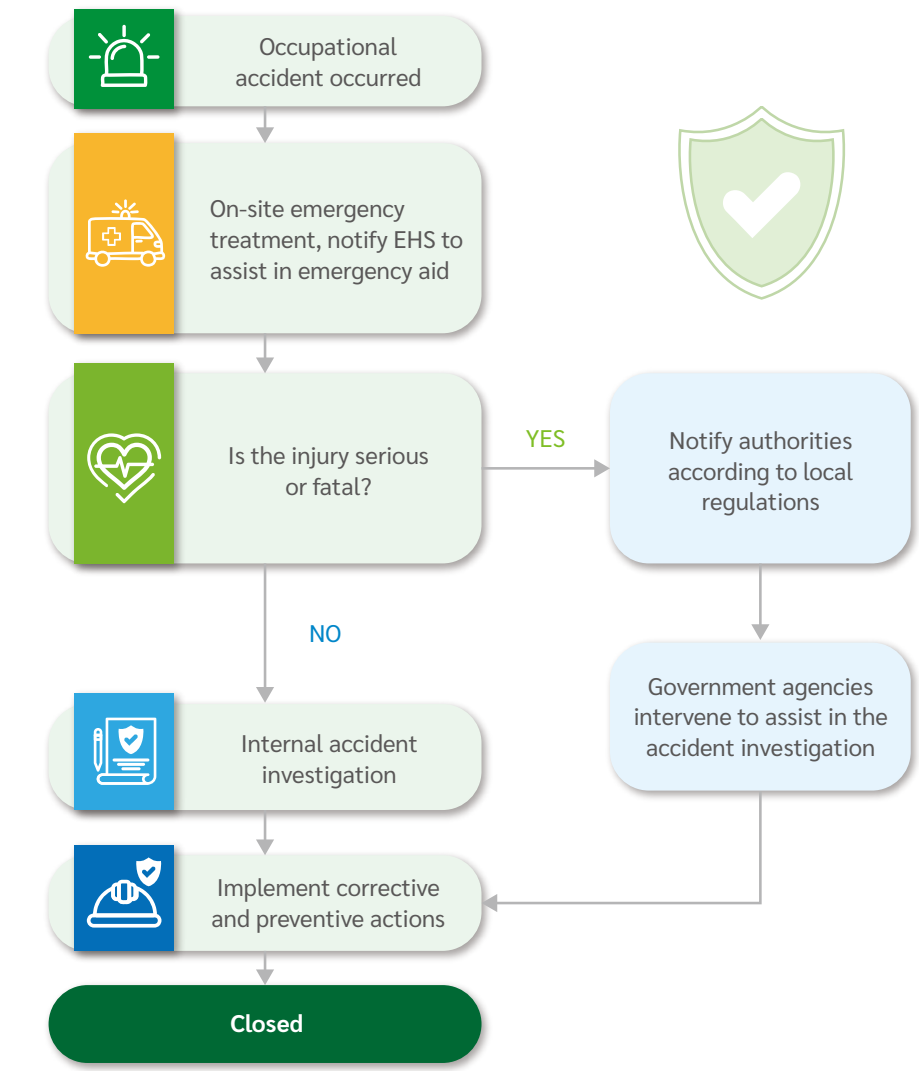
Occupational Incident Management

To ensure that the relevant units can respond quickly when an occupational incident occurs, each facility has established procedures for accident investigation and handling, stipulating that if a near miss, occupational injury or occupational disease occurs in the facility, procedures such as first aid, reporting, investigation, and improvement measures would be carried out, and at the same time improvement measures are proposed based on the root cause of the accident. All improvement measures would be carried out across all facilities, and relevant continuous improvement would be tracked regularly to prevent the recurrence of similar accidents. In 2025, there were 12 physical work-related injuries. In addition to improving the hardware and equipment, the Company is also actively raising the safety awareness of its employees and continuing to work towards the goal of Zero Accidents. There were no accidents resulting in injury or death of employees or damage to equipment resulting in production stoppage in 2025.

Occupational Injury Causes and Improvement Measures

Injury Type	Cases		Improvement Measures
Physical	Slip/Trip	3	◉ Re-examine the actions and procedures of the personnel operating the machine, make further modifications, add protective devices, and post warning signs to prevent recurrence. ◉ Enhance training and issue personal protective equipment to protect personnel safety. ◉ Increase inspections, develop strict SOPs, enhance safe operation promotion, and continuously improve operation procedures to reduce accidents.
	Contusion	3	
	Crush injury	2	
	Fall	2	
	Puncture wound	1	
	Other	1	

Occupational Injury Accident Reporting Procedures



Occupational Injuries and Occupational Diseases Over the Years [1]

Items \ Year	2022	2023	2024	2025
Total hours worked	47,217,045	37,813,798	37,577,554	36,283,442
Number of lost-time injuries	11	14	7	12
Lost-Time Injury Frequency Rate (LTIFR) [2]	0.23	0.37	0.19	0.33
Number of high-consequence work-related injuries	1	0	0	0
Rate of high-consequence work-related injuries [3]	0.02	0.00	0.00	0.00
Number of near misses	5	0	3	0
Near Miss Frequency Rate (NMFR) [4]	0.11	0.00	0.08	0.00
Number of work-related fatalities	0	0	0	0
Rate of fatalities as a result of work-related injuries [5]	0.00	0.00	0.00	0.00
Occupational Diseases Rate (ODR) [6]	0.00	0.00	0.00	0.00
Number of days lost due to injuries	309	444	424	415
Lost Day Rate (LDR) [7]	6.54	11.74	11.28	11.44

Note:
1. Statistical count excludes traffic accidents during commutes. Please refer to the Sustainability Data – Social: I. Facilities Occupational Injuries and Occupational Diseases and Contractor Management section for each facility and contractor work-related injuries data.
2. Lost-time injuries frequency rate (LTIFR) = (Number of lost-time injuries ÷ Total hours worked) × 1,000,000
3. Rate of high-consequence work-related injuries = (Number of high-consequence work-related injuries ÷ Total hours worked) × 1,000,000
4. Near Miss Frequency Rate (NMFR) = (Number of Near Misses ÷ Total hours worked) × 1,000,000
5. Rate of fatalities as a result of work-related injury = (Number of fatalities as a result of work-related injuries ÷ Total hours worked) × 1,000,000

Occupational Safety and Health Training

In order to enhance employees' awareness of occupational safety and health, USI has established "Environmental Safety and Health and Energy Education and Training Management Regulations" at each facility to draw up annual environmental safety and health education and training plans according to practical needs, and to conduct safety and health education and training for new recruits and in-service personnel (e.g., chemical safety operation, electrical safety, personal protective equipment use and workplace accident management training), regulatory and certification training (e.g., first aid personnel, special machinery and equipment safety management and radiation device operation training), management system operational training, emergency response training, and contractor training (please refer to the Contractor Management section), as well as arranging drills and tests for employees to enhance their knowledge and skills and their ability to deal with emergencies. In 2025, USI held 371 training courses and 33,328 employees logged 45,381 hours in occupational safety training.

Occupational Health and Safety Training Data

Items \ Year	2022	2023	2024	2025
Total Number of Courses	118	224	190	371
Total Number of Trainees	10,967	19,956	13,101	33,328
Total Training Hours	11,008	22,702	13,790	45,381

As a manufacturing company, USI has comprehensive Emergency Response Procedures to control and mitigate negative impacts caused by disasters. Our EHS Emergency Response Center conducts emergency response training for disasters caused by earthquakes, fires, and chemical leaks to ensure employees fully understand facility evacuation routes and how to use emergency response equipment. In 2025, over 40 emergency drills were held, including first responder training and earthquake, fire, and chemical spill drills.





6. Occupational Diseases Rate (ODR) = (Number of occupational diseases ÷ Total hours worked) × 1,000,000. Statistics of occupational disease are in accordance with the definition of occupational diseases from relevant local laws and regulations for each facility.
7. Lost Day Rate (LDR) = (Number of days lost due to injury ÷ Total hours worked) × 1,000,000. Number of days lost due to injury are based on the information collection period until 12/31/2025.

Contractor Management

Nowadays, outsourcing technical and professional projects to contractors are part of daily operations. Besides requesting contract project quality and schedule, USI values contractors' safety and health. USI's Policy clearly commits to "Awareness Training" and communication for all workers, and our Contractor and On-Site Construction Management Regulations were formulated using the concept and principle of the PDCA cycle, and we use the Regulations as our guidance to effectively manage and improve contractor occupational safety and health.

The quality of the contractor's personnel has a significant impact on the quality, duration, and safety of the work being contracted. Therefore, USI contractors are asked to provide the necessary documentation of education and training, as well as participate in occupational safety and health education and training conducted by USI.

In 2025, more than 2,051 occupational safety and health training sessions were held for 9,347 participants from 1,091 contracting companies (trainees include contractors for material contractors, factory services, construction, waste, and other services). After training and evaluation by each facility's EHS departments, 3,055 contractor employees obtained construction permits.

To ensure construction safety during work performed by contractors, we focus on dangerous operations and repeat offenders to strengthen the inspection of operational safety during construction, such as protective equipment for workers and compliance with safe conduct. If deficiencies are found and not improved immediately, penalties will be imposed in accordance with company regulations and the results will be included in the evaluation of the contractor's qualifications. In 2025, no qualified contractors were disqualified due to safety and health audits.

Contractor and On-Site Construction Management Regulations

1 Construction Assessment
- Construction requirements
- Contractor qualification evaluation

2 Document Review
- Contractor information review
- Construction application form
- Hazardous work application form

3 Education and Training
- Construction worker training
- Construction permit application
- Sub-contractor training

4 Construction Management
- Notification of working environment hazards
- Sub-contractor meeting
- Construction supervision
- Environmental safety inspection and audit

5 Post-Construction Management
- Fines for violation
- Occupational injury statistics
- Feedback to contractor evaluation





Contractor Construction Application and Audit Findings [1]

Items \ Year	2022	2023	2024	2025
No. of construction applications	3,174	3,386	3,789	3,964
No. of applications for hazardous work [2]	886	584	1,302	1,099
No. of on-site audit findings	66	20	13	29
No. of major findings [3]	28	20	4	11

Note:
1. From 2022 to 2023, the data includes Zhangjiang, Jinqiao, Huizhou, Kunshan, and Nantou Facilities. Starting from 2024, the scope of the statistics is consistent with the disclosure scope of this report.
2. Hazardous work: includes hot work, hanging work, confined space work, elevated work.
3. Major findings: on-site audit findings and issuing a ticket.

Through its ISO 45001 Occupational Health and Safety Management System, USI has established a structured framework for managing contractor operations. Contractors working on-site are required to follow established incident reporting and investigation procedures for all incidents, including occupational injuries, fires, and explosions. These procedures include immediate reporting, root cause analysis, implementation of corrective and preventive actions, and complete documentation to support timely and effective incident management and strengthen risk control.

With the continued implementation of these management and risk prevention measures, no contractor work-related injuries or major occupational safety incidents were recorded from 2022 to 2025. This performance indicates the effectiveness of the contractor management framework and progress toward the occupational health and safety objective of zero incidents.

Contractor Occupational Injuries and Occupational Diseases [1]

Items \ Year	2022	2023	2024	2025
Total hours worked	7,724,377	8,087,325	7,842,256	8,909,887
Number of lost-time injuries	0	0	0	0
Lost-Time Injury Frequency Rate (LTIFR)	0.00	0.00	0.00	0.00
Number of high consequence work-related injuries	0	0	0	0
Rate of high consequence work-related injuries	0.00	0.00	0.00	0.00
Number of near misses	0	0	0	0
Near Miss Frequency Rate (NMFR)	0.00	0.00	0.00	0.00
Number of work-related fatalities	0	0	0	0
Rate of fatalities as a result of work-related injuries	0.00	0.00	0.00	0.00
Occupational Diseases Rate (ODR)	0.00	0.00	0.00	0.00
Number of days lost due to injuries	0	0	0	0
Lost Day Rate (LDR)	0.00	0.00	0.00	0.00

Physical and Mental Healthcare

To provide employees with comprehensive health care, USI has built a healthy workplace better than what is required by law. We have amenities and programs on-site with specialized personnel to provide professional services. Programs include health knowledge bulletins, health seminars, workshops, and group activities regularly conveyed through channels such as the USI Newsletter, WeChat groups, email announcements, and bulletin boards to enhance employee health knowledge and skills and build an excellent healthy workplace.

Amenities and Programs

USI provides employees with quality healthcare services. We have on-site nurses and regularly invite specialized family medicine doctors, occupational medicine doctors, psychologists, physiotherapists, and nutritionists to provide employees with psychological, work stress, career, and other consulting services. In 2025, USI provided approximately 12,000 health consultations, totaling 9,960 service hours. USI nurse stations are equipped with basic medical supplies, including first-aid materials, blood pressure monitors, and weighing scales, to provide primary healthcare support for employees and on-site workers. Facilities also include rest areas, counseling rooms, and breastfeeding rooms to accommodate needs for rest, consultation, and nursing. Nantou Facility has received the Nantou County Excellent Breastfeeding Room certification for 12 consecutive years, reflecting its continued provision of a supportive environment for nursing mothers.

To serve the needs of all customers, USI implemented customer service improvements for seniors and persons with disabilities. Measures include upgraded barrier-free access routes, enhanced accessibility facilities and signage, and dedicated staff assistance. Through these initiatives, USI provides a safe, accessible, and inclusive service environment that meets the diverse needs of elderly and disabled customers.

Physical Therapist Intervention



Accredited Nantou County Breastfeeding Room

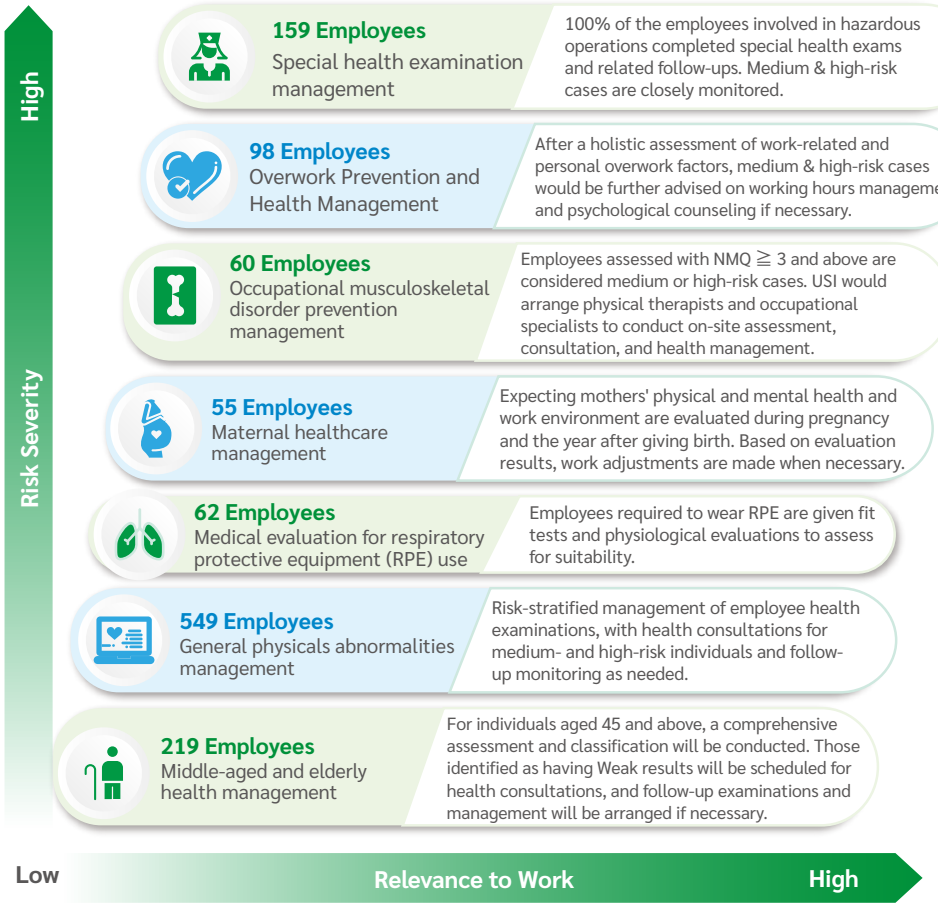


Note:
1.Please refer to the Occupational Incident Management section for the relevant ratio calculation formula.

Health Risk Management

Employee health is a critical foundation for enhancing corporate competitiveness and advancing sustainable development. To implement comprehensive and effective health management, USI provides annual free health examinations that exceed regulatory requirements. For employees working in high-risk environments, additional specialized health examinations are arranged, with results used for risk stratification and continuous follow-up.

Occupational Health Risk [1]



In addition to complying with regulations and relevant guidelines, we systematically identify health risks based on employees' job characteristics and through health risk matrix analysis. Our efforts focus on three core management areas: special health hazard management, cardiovascular disease prevention, and musculoskeletal disorder prevention.

Regarding special health hazard management, analysis of health examination results has not identified any abnormalities directly related to work. However, employees' physical health is closely associated with workload and psychological stress, making these key areas in overwork prevention management and critical factors influencing cardiovascular disease risk. Furthermore, based on industry characteristics, occupational diseases remain primarily related to musculoskeletal disorders.

Based on these risk characteristics, we integrate health examination results with overwork assessment mechanisms to establish management indicators for three major health risk categories—metabolic[2] syndrome, cardiovascular disease, and musculoskeletal disorders. These indicators serve as the basis for risk identification, classification, and follow-up management, as detailed in the table below.

Health Risk Issues and Management Metrics

Issues	Management Metrics	2025 Performance	Status
Metabolic Syndrome	Less than 22%	15.84%	
Cerebrovascular and Cardiovascular Disease	Risk level of 3 or more, less than 2%	0.65%	
Musculoskeletal Disorders	NMQ [3] of 3 or more, less than 10%	2.3%	

Health Promotion

Health promotion is an integral part of preventive healthcare. Based on the results of the health examination and the willingness to participate in health promotion activities, USI holds various health seminars, trainings, and activities such as pregnancy healthcare, cancer screening services, vaccination services, blood donation activities, weight-loss competitions, quit smoking contests, and bone density detection to prevent chronic and occupational diseases. USI also encourages employees to exercise regularly, eat and drink healthily, and maintain good living habits.

Note:
1. The data includes Nantou Facility.
2. Metabolic syndrome: when three out of five factors are met (a. abdominal obesity, b. high blood pressure, c. high blood sugar, d. high triglycerides, e. low high-density lipoprotein cholesterol).
3. NMQ, Nordic Musculoskeletal Questionnaire

In mental health, USI not only holds fellowship campaigns regularly for employees (please refer to the Employee Benefits section for details), but also has Employee Assistance Programs (EAP). It works with the human resources department to improve their performance by enhancing employees' mental well-being. In addition to managing human resources more effectively, it can deal with crises efficiently, improve production efficiency, and make sure employees' pressure from their families, work, and life can be balanced and addressed. We have specially arranged an overall work adaptability assessment for employees with physical or mental difficulties this year to ensure that all employees have received professional assistance.

Annual Health Promotion Activities



Diverse Health Activities Performance Highlights

- A total of 48 health promotion activities were conducted throughout the year, with 3,955 participant instances and a satisfaction rate exceeding 90%
- Nantou Facility was awarded the Healthy Workplace Certification - Health Promotion Label by the National Health Agency.
- More than 650 employees participated in joint hospital charity clinics, providing one-stop health check-ups and specialist consultation services.
- 500 employees participated in mid-to-senior age programs to gain awareness of health risk management and chronic disease prevention.

Charity Clinic



First Aid Competition



Cancer Screening



Technology-enabled Fitness



Slow Jogging



Vaccination



Inclusive Workplace



Talents are the essential seeds for USI's continuous growth and need to be carefully nurtured and watered. We build an inclusive workplace for employees by Enforcing Human Rights, Implementing Talent Development, Providing Comprehensive Benefits, and Cultivating Harmonious Labor Relations.

Key Stakeholders:
Employees, Government

SDGs:



17,636
Job Opportunities Provided

56%
Women in Revenue Generating Function Management

93%
Local Hire Ratio

140
Employee Communication Symposiums

86%
Facilities have Union Representation

571 Employees
Sponsored to Obtain Degrees

Sustainable Issue Performance and Targets

Material Issue | Achieved | Not Achieved [1]

Management Purpose	KPI	2025 Target	2025 Performance	Status	2026 Target	2030 Target
Human Rights/Diversity & Inclusion						
Construct a workplace where there are no human rights violations, equality of gender and job opportunities, and with diversity and inclusion	Ensure women have participating chances in all-level decision-making leadership	More than 21% women in top management positions	20% women in top management positions		More than 23% women in top management positions	More than 26% women in top management positions
	Employ disabled employees	Employ more than 100 disabled employees	105 disabled employees		More than 100 disabled employees	More than 100 disabled employees
Human Capital Development	**Management Approach:** Encourage employees to continue their advanced studies. Plan training courses for employees to fit in the right position and cultivate internal instructors to inherit corporate culture and organizational capabilities **Evaluation Mechanism:** Quarterly/yearly review the internal Instructor training plan and track employee training status					
Provide employees with a lifelong and optimized learning environment to enhance their ability for future career development	Improve employee competence	More than 1,100 Internal instructors	1,243 internal instructors		More than 1,150 internal instructors	More than 1,350 internal instructors
	Employee career development plan	Subsidize more than 100 employees to obtain degrees	152 employees subsidized for degrees		More than 100 employees subsidized for degree	More than 100 employees subsidized for degree
Talent Attraction & Retention	**Management Approach:** Provide competitive salary plans and welfare measures, build a sound welfare system and harmonious labor relations, increase employees' willingness to stay, and reduce employee turnover **Evaluation Mechanism:**Monthly/quarterly/yearly statistics on employee turnover and retention rates to ensure management performance					
Provide employees with suitable jobs and retain talents for the company's sustainable operation	Employee[2] turnover rate	▸ DL turnover rate is less than 26.5% ▸ IDL turnover rate is less than 8%	▸ DL: 20.8% ▸ IDL: 8.9%		▸ DL: less than 20% ▸ IDL: less than 7%	▸ DL: less than 18% ▸ IDL: less than 6.5%
	Key talent retention rate	More than 98%	93%		More than 95% [3]	More than 95%

Note:
1. For not achieved targets, please refer to the corresponding sections for relevant explanations and future improvement plans.
2. Employee includes direct employee (DL) and indirect employee (IDL).
3. Based on retention performance over the past three years, we have proactively revised our short- to long-term targets. This adjustment aims to align metrics with practical levels, ensuring more precise execution and measurement of our talent retention efforts.

Human Rights Protection

USI firmly commits to its responsibility to respect and uphold human rights across its operations and value chain. We fully align our human rights commitments with internationally recognized standards, including the Universal Declaration of Human Rights, the United Nations Global Compact (Principles 1 and 2), the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, and applicable national laws and regulations in the countries where we operate. We are committed to preventing and addressing adverse human rights impacts and to promoting a workplace and business environment founded on dignity, equality, diversity, inclusion, and mutual respect. We work collaboratively with our stakeholders, including employees, joint ventures (JVs), contractors, business partners (suppliers and customers), governments, and communities. USI human rights management-related policies include the Human Rights Policy, Anti-Discrimination and Anti-Harassment Policy, Sustainable Development Manual, USI Code of Business Conduct and Ethics, Supplier Code of Conduct, USI Corporate Policy for Sourcing Conflict Minerals, Environment, Health, Safety (EHS) & Energy Policy, Policy on the Protection of Privacy and Personal Data.

Human Rights Due Diligence

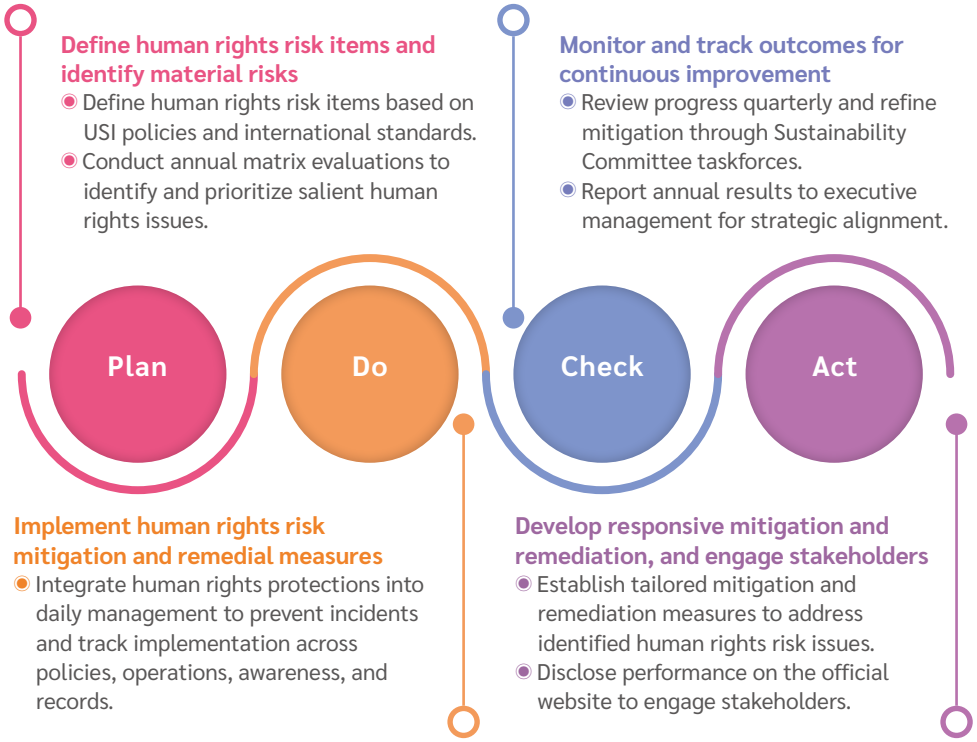
USI has established a human rights governance and management system covering employees, suppliers, and JVs across all operations. Guided by the PDCA approach, we identify, assess, monitor, mitigate, and track actual and potential human rights impacts to support effective risk management and continuous improvement.

Human rights risk management is overseen by dedicated taskforces operating under the Sustainability Committee. Through quarterly reviews, the Committee monitors performance indicators related to labor practices, business ethics, environmental management, and OHS, and reports consolidated annual results to executive management. To promote transparency and accountability, we regularly disclose our human rights due diligence (HRDD) activities and outcomes through our corporate website.

To identify and assess human rights risks, USI conducts annual risk assessments across all operating sites and evaluates new business partners based on the likelihood and severity of potential impacts. Human rights self-assessments and independent third-party audits are integrated to identify and verify potential risks. Where non-conformities are identified, corrective action plans are implemented, monitored, and tracked to completion within defined timeframes. We also employ a cross-site peer audit mechanism to strengthen oversight and share best practices across facilities.

Our HRDD approach extends throughout the value chain, including JVs and suppliers. JVs are required to conduct annual human rights risk assessments and implement appropriate mitigation and remediation measures based on identified risks and reported findings. For Tier 1 suppliers, we conduct sustainability risk assessments through desk reviews, on-site audits, and other due diligence measures to identify higher-risk suppliers for enhanced engagement and monitoring. Through these efforts, we work collaboratively with our business partners to foster a responsible, compliant, and resilient value chain. For supply chain management details, please refer to the Supply Chain Management section.

HRDD Process



Human Rights Risk Issues and Due Diligence

USI Role	Target	Human Rights Issues	Main Policies	Due Diligence	Grievance Mechanism
Employer Value Chain Partner (Including Mergers & Acquisitions, Joint Ventures)	◉ Employees ◉ Foreign migrant employees ◉ Young workers ◉ Third-party workers ◉ Female employees	Forced labor, working hours, wages and benefits, anti-discrimination/anti-harassment/humane treatment, wage equality, gender equality, young workers, freedom of association and collective bargaining, freedom of religion, OHS, emergency preparedness, occupational injury and illness, data privacy, unlawful infringement, sanitation, food & housing	Human Rights Policy, Anti-Discrimination and Anti-Harassment Policy, EHS & Energy Policy, Policy on the Protection of Privacy and Personal Data	Human rights risk assessments, third-party audits, internal audit	◉ Internal reporting channels: all reporting channels of each facility ◉ External reporting channels: please refer to the Business Ethics and Compliance section for details
Purchaser	◉ Suppliers ◉ Contractors	Forced labor, working hours, wages and benefits, anti-discrimination/anti-harassment/humane treatment, young workers, OHS, emergency preparedness, occupational injury and illness, data privacy, conflict minerals	Supplier Code of Conduct, USI Corporate Policy for Sourcing Conflict Minerals, Policy on the Protection of Privacy and Personal Data	Sustainability risk assessments, desk review, on-site audit	
Product/Service Provider	◉ Customers	Data privacy	Policy on the Protection of Privacy and Personal Data	Risk assessment, internal/external audit	

Grievance Mechanisms & Whistleblower Protection

USI views grievance mechanisms as a critical line of defense against human rights violations. To this end, we have established standardized employee reporting channels and a non-retaliation policy, while ensuring the impartiality of the verification process through investigations led entirely by an independent unit. Operating in strict accordance with the whistleblower protection principle, we rigorously enforce confidentiality protocols across all reporting formats. The primary investigation procedures are as follows:

1. Case Intake

- Internal channels: suggestion boxes, reporting mechanisms
- External channels: USI official website "Contact Us", phone, mail, ethics inbox (ethics@usiglobal.com)

2. Independent Investigation

- Jointly register complaints via department heads and HR.
- Form a separate investigation team adhering to conflict-of-interest rules.
- Complete within 30 days.

3. Committee Review

- Convene Disciplinary Review Committee
- Evaluate findings and determine resolutions or disciplinary actions based on investigation report

4. Outcome Notification

- Communicate disciplinary results and actions to relevant parties.
- Secure all complainant and investigation data under strict confidentiality.

5. Remediation & Improvement

- Propose and implement improvement plans based on findings.
- Provide necessary consultation and substantial assistance to affected parties.
- Conduct human rights training.

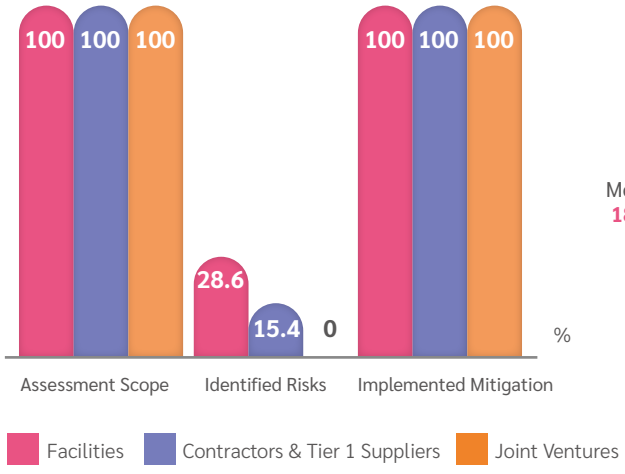
Human Rights Risks Assessment Results

USI's global manufacturing facilities identify site-specific risks by integrating the results of human rights risk assessments, third-party audits, and employee grievance data to develop targeted mitigation plans. The 2025 HRDD confirmed zero instances of child labor, hazardous work involving young workers, forced or compulsory labor, violations of indigenous peoples ' rights, or any form of discrimination.

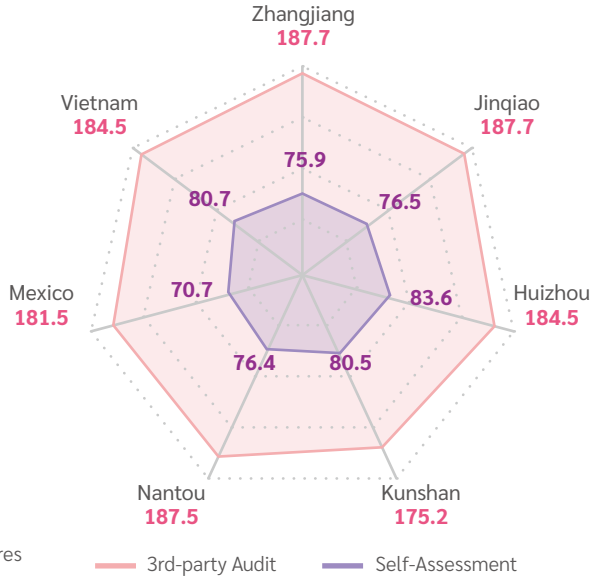
Human rights self-assessments conducted across all global facilities indicated low to medium risk levels, while all facilities achieved third-party audit scores above 175 points with no major findings. Based on the assessment and verification results, Working Hours was identified as the salient human rights issue requiring ongoing management attention.

In 2025, USI received 15 employee grievance cases, 10 of which were substantiated following independent investigations. 5 cases were related to verbal, physical, or quid pro quo sexual harassment, while 5 cases involved workplace harassment, including verbal abuse and threats. Appropriate disciplinary actions were taken in all substantiated cases, ranging from reprimands and demerits to termination of employment, depending on the severity of the violation. All cases have been resolved, and remedial actions and support measures for affected individuals have been completed. For detailed analysis regarding workplace health and safety and supplier human rights, please refer to the sections in Supplier Evaluation and Occupational Health and Safety.

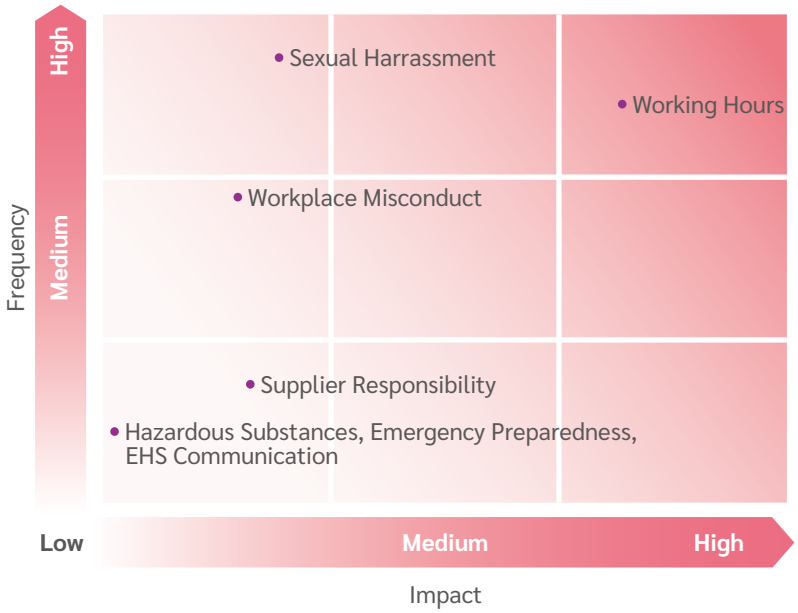
Human Rights Risk Assessment Scope (1)



Human Rights Risk Assessment Results (2)



Human Rights Risk Analysis (3)



Note:
1. Assessment Scope: Encompasses manufacturing facilities (by full-time employee headcount), contractors and Tier 1 suppliers (by total count), and our joint venture (Memtech International Ltd).
2. Risk Rating Criteria: Self-assessment scores above 80 indicate low risk, scores of 60–80 indicate medium risk, and scores below 60 indicate high risk. For third-party audits, scores above 180 indicate strong performance and lower risk, while scores of 160–180 indicate basic compliance and opportunities for improvement.
3. Risk Classification: Major risks are defined as events with high frequency and high impact; minor risks are events with low frequency and low impact; all other events are categorized as secondary risks.

Human Rights Risk Mitigation & Remediation

To address key human rights risks identified for 2025, USI has deployed targeted mitigation and remediation measures across its seven major manufacturing facilities, with a primary focus on "Unlawful Infringement [1] (including Sexual Harassment)" and "Working Hours". Through specialized training, proactive recruitment, and systematic oversight, USI reinforces workplace equality and ensures full compliance with legal and corporate standards. Details are as follows:

Item \ Target	Labor
Risk Issues	Unlawful Infringement and Working Hours
Mitigation	**Unlawful Infringement** ◉ **Systemic Promotion and Implementation:** Issued the "Statement on Prohibiting Unlawful Infringement in the Workplace" and the "Workplace Infringement Prevention and Management Measures." A dedicated portal has been established on SharePoint, integrating grievance channels, management workflows, legal regulations, preventive measures, and training materials. ◉ **Education, Training, and Communication:** Annual training on human rights and humane treatment is conducted, covering labor standards, gender equality, and anti-harassment laws. Multiple channels are utilized to communicate grievance procedures, ensuring human rights awareness is deeply embedded in the corporate culture through strengthened labor-management dialogue. ◉ **Victim Protection and Counseling:** Rigorous confidential investigation procedures and disciplinary mechanisms are in place. Beyond case-specific remedies, USI provides on-site physician consultations to assist employees with psychological counseling and stress management, aiming to alleviate workplace pressure and frustration. **Working Hours** ◉ **Workforce and Recruitment Strategy:** Recruit sufficient staff to meet production requirements and optimize dynamic manpower allocation, addressing the root causes of labor shortages to prevent excessive overtime risks. ◉ **Digitalized Intelligent Control:** Utilize an automated management system to implement real-time alerts. Automatic notifications are sent to employees and their direct supervisors regarding overtime limits and seven-consecutive-day work rules, enabling management to precisely control personnel attendance. ◉ **Management Performance and Milestones:** In 2025, the working hour compliance rate [2] reached 89%, reflecting a year-over-year increase of 1,666 instances of compliance with maximum weekly working hour and continuous work requirements. This improvement demonstrates the effectiveness of strengthened monitoring and management measures.
Remediation	◉ **Remediation and Transformation of Unlawful Infringement:** For issues related to human rights and humane treatment, USI conducts independent investigations via grievance mechanisms, followed by disciplinary actions and follow-up coaching to ensure measures are effectively implemented. Furthermore, USI reviews and adjusts internal management mechanisms and compensation schemes based on specific cases, while enhancing managers' leadership skills and human rights awareness through targeted training. ◉ **Working Hours Management and Compensation:** Strictly adhering to local regulations and industry sustainability standards, USI provides lawful compensation for all overtime work. Digital monitoring is utilized to ensure the fairness of labor remunerations, safeguarding employees' economic interests and their right to rest. ◉ **Comprehensive Holistic Support System:** Organizes mental health seminars and stress-relief activities; provides on-site physician consultations and proactively promotes Employee Assistance Programs (EAPs). These initiatives leverage professional resources to assist employees with psychological counseling and stress management.
Grievance	Internal reporting channels include the Human Resources mailbox, a dedicated employee grievance hotline, and reporting boxes located at all facilities.

Note:
1. Unlawful Infringement: refers to the physical or mental unlawful infringement of a worker by his or her employer, supervisor, co-worker or other third party in the workplace, such as workplace violence, workplace bullying, sexual harassment or employment discrimination.
2. Working hours compliance rate = 100% - (sum of monthly headcount that employees work more than 60 hours per week ÷ sum of employees at the end of each month) × 100%

In line with our "Policy on Humane Treatment in the Workplace," USI prioritizes the protection of all parties involved during any remediation and improvement process. Every grievance undergoes a strict confidential investigation, featuring individual interviews to ensure both parties can fully present their accounts. For substantiated misconduct, the Disciplinary Committee collectively determines appropriate sanctions based on the Work Rules, followed by a formal announcement. We facilitate communication and mediation to implement response and improvement measures, while collaborating with on-site physicians to provide psychological support, workplace stress management, and career counseling. Furthermore, to foster a gender-equal, healthy, and happy workplace, we establish comprehensive grievance procedures, institute victim privacy protection systems, and continuously strengthen the communication of human rights laws, policies, and management systems across all manufacturing facilities.

Sexual Harassment Case Handling and Remediation Principles

Disciplinary Actions

- Determine appropriate disciplinary measures through the Disciplinary Committee based on the severity of the violation and the Work Rules

Support

- Enforce strict confidentiality throughout the process, provide access to medical and counseling resources, and facilitate workplace adjustments if necessary.

Remediation

- Review root causes, track the effectiveness of corrective actions, and strengthen policies, procedures, and programs to prevent recurrence and retaliation.

Employee Rights

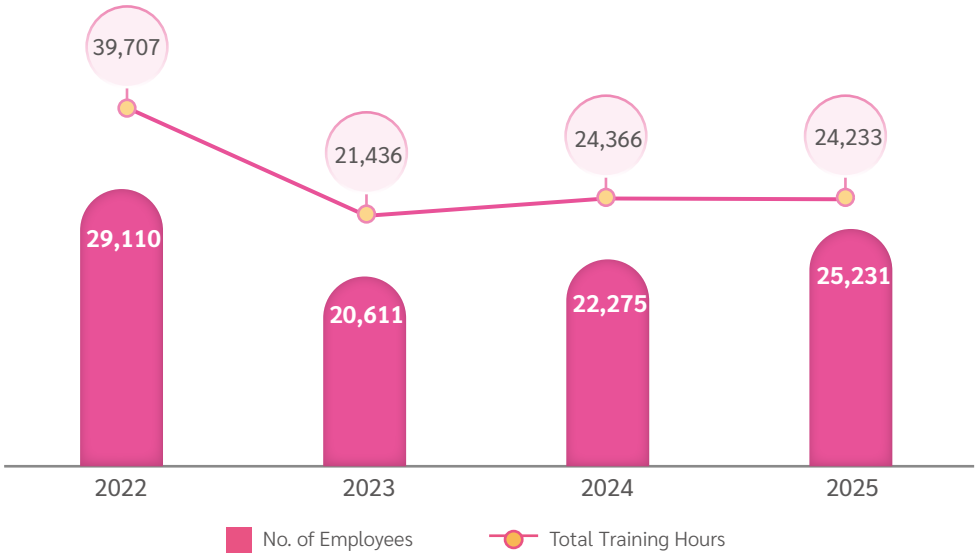
USI strictly abides by the human rights and labor laws of all operating locations, achieving a 100% employment contract signing rate with agreements in employees' native languages (or languages they can comprehend). These contracts clearly define mutual rights and obligations. In the event of significant operational changes leading to the inability to maintain employment relationships, USI not only provides advance notice in accordance with local statutory notice periods[(1)] but also actively communicates with affected employees to explain their rights. Furthermore, we enhance employee competitiveness through internal training and proactively assist them in preparing for career transitions. For instance, the Nantou Facility proactively collaborates with the Workforce Development Agency to provide training information and gather local job vacancies, fully assisting employees with retraining and career transitions.

All USI facilities have established Work Rules to ensure employees are fully aware of their rights and obligations. For instance, Nantou Facility specifies terms in its Work Rules regarding employment, resignation, working hours, leave, bonuses, insurance, and conduct standards, which are prominently disclosed on the intranet, bulletin boards, and within workplace areas. Additionally, each facility implements Recruitment Guidelines to standardize processes, ensuring that diverse talent selection is guided by non-discrimination principles. We have also instituted the Policy on Humane Treatment in the Workplace to foster an inclusive and respectful workplace culture. Through dedicated communication channels and grievance mechanisms, we protect employees from physical or psychological harm, safeguarding their overall well-being.

Human Rights Training

USI is committed to respecting human rights, strengthening employee awareness, and mitigating potential risks through ongoing training and education. Employees across all global sites are required to complete annual training on the Employee Code of Conduct and the Policy on Humane Treatment in the Workplace, including assessments to ensure understanding of expected behaviors, requirements, and applicable standards. In 2025, USI provided a total of 24,233 human rights training hours, with 25,231 participants (including former employees) and an average of 1.0 hour per employee. Training completion among active employees reached 100%.

Human Rights Training Participant Numbers and Training Hours



Note:
1. Notice Periods: Mainland China Facilities: 30 days in advance for both individual and mass layoffs; Nantou Facility: at least 10 days for individual layoffs, and at least 60 days for mass layoffs (notice to authorities and employees); Mexico Facility: no legal mandate, but 3 days in practice; Vietnam facility: 3–45 days depending on contract type for individual layoffs, and 30 days for mass layoffs (notice to authorities).

Employee Unions

USI strictly complies with international labor standards and local regulations, publicly communicating our Human Rights Policy to safeguard freedom of association, grievance mechanisms, and anonymity protection. All employees may voluntarily establish, join organizations, or exercise collective bargaining rights. We guarantee that no employee will face discrimination, retaliation, or harassment for exercising or refraining from these rights.

USI does not interfere with the establishment, operation, or management of unions, and provides necessary operational support. Currently, unions are established at six of our seven facilities (Zhangjiang, Jinqiao, Huizhou, Kunshan, Mexico, and Vietnam), with Nantou Facility being the exception. Although Nantou Facility has no union yet, we uphold the same principles to facilitate labor dialogue and protect employee rights through existing communication channels and regular labor-management meetings.

In 2025, 41.2% of employees were covered by collective agreements [(1)]. All agreements were regularly renegotiated and updated per local regulations. For employees not covered, working conditions strictly comply with local laws or align with existing agreements that offer terms superior to statutory requirements. For details on union communication, please refer to the Diversified Employee Communication section.



Note:
1. Collective agreement coverage rate = Number of employees covered by collective bargaining agreements ÷ total number of employees within the calculation scope at period-end × 100%. Employees at Huizhou Facility were excluded, as no collective bargaining agreement was in place as of year-end.

Talent Attraction and Retention

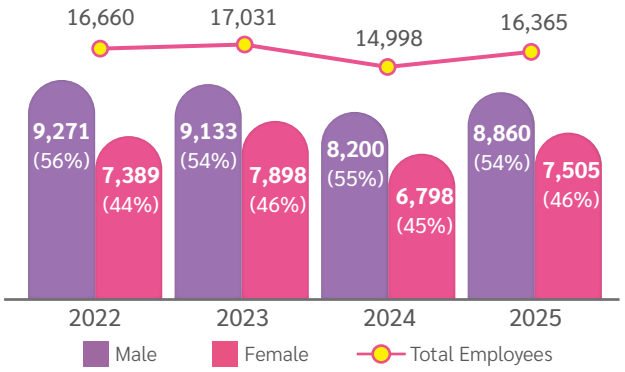
In response to global talent trends and demographic shifts, USI builds sustainable human capital and a thriving workplace to attract and retain top-tier global talent across four key pillars: employee rights protection, a diverse and inclusive workplace, competitive compensation and benefits, and talent competency development.

Human Capital Policy	Practice
Employee Rights Protection	• **Robust Working Hours Management:** We implement rigorous workforce allocation and working hours management. All overtime arrangements must adhere to the voluntary principle, requiring employee consent or proactive application. The attendance system features real-time warnings of working hour limits to automatically alert employees and supervisors, ensuring precise time tracking. Exceptional overtime requires two-tier managerial approval to prevent fatigue. • **Transparent & Compliant Policies:** In response to legislative changes, we update and publicize management policies, including work rules, leaves, compensation structures, and resignation procedures, ensuring employees understand their rights. We guarantee employees' leave entitlements, requiring employees to pre-plan their annual leave, and ensure any unused days are compensated via cash payouts meeting or exceeding statutory standards. • **Diverse Labor-Management Communication:** We engage in regular negotiations with employee representatives or trade unions regarding labor conditions to establish a two-way collective communication channel. In tandem, a compensation and leave review mechanism is in place; should employees have concerns regarding salary, overtime pay, or annual leave encashment, they can report to the responsible departments for prompt clarification or correction.
Diverse and Inclusive Workplace	• **Equality and Inclusion Practice:** We regularly host equality-themed events (such as cross-cultural food sharing, Day of the Dead cultural celebrations, and International Women's Day activities) along with care seminars to eliminate workplace bias, boosting employees' recognition of and engagement in a diverse, equitable, and inclusive environment. • **Physical and Mental Health Support:** We conduct regular employee health check-ups, fitness assessments, mental decompression activities, and diverse sports competitions to comprehensively safeguard employee well-being. • **Localized Social Responsibility:** We practice the principle of "local talent recruitment" to support surrounding communities and implement job redesign initiatives to fulfill our commitment to maintaining an employment scale of over 100 employees with disabilities annually.
Employee Compensation and Benefits	• **Fair Compensation System:** We regularly monitor the gender pay gap to achieve equal pay for equal work, while also establishing a Living Wage management framework to ensure that wages across all facilities are 100% at or above local living cost benchmarks. Our total rewards program includes performance bonuses, annual profit sharing, and equity incentive plans to tangibly reward employee contributions. • **Elevating Well-Being and Protection:** Beyond statutory coverage, we offer comprehensive safety nets including commercial group, personal accident, employer liability, and business travel insurance. We also extend self-paid group insurance options to employees' families, delivering all-around protection. • **Child-Friendly & Parental Initiatives:** In compliance with local laws, we offer robust maternal protection, including maternity, parental, and family care leaves, alongside paid time off for prenatal checkups and paternity or pregnancy accompaniment. Combined with childcare subsidies, lactation rooms, and flexible working arrangements, we fully support employees in balancing family responsibilities and career development.
Talent Competency Development	• **Structured & Innovative Learning:** We host regular hackathons and offer digital tool training to deeply embed the benefits of digital transformation; we establish a structured learning mechanism to provide professional competence cultivation and internal certification courses to strengthen employees' expertise • **Deepening Sustainability Awareness:** We publish the quarterly newsletter *usinsight* and hold sustainability seminars and online courses, covering topics such as workplace inclusion, carbon footprint, and carbon pricing, to elevate the organization-wide awareness of sustainability. • **Diverse Talent Cultivation:** We tailor Individual Development Plans (IDPs), job rotations, and talent transition mechanisms that empower employees to achieve continuous, multifaceted growth through challenging assignments, overseas postings, preferential selection, reskilling, and outplacement support.

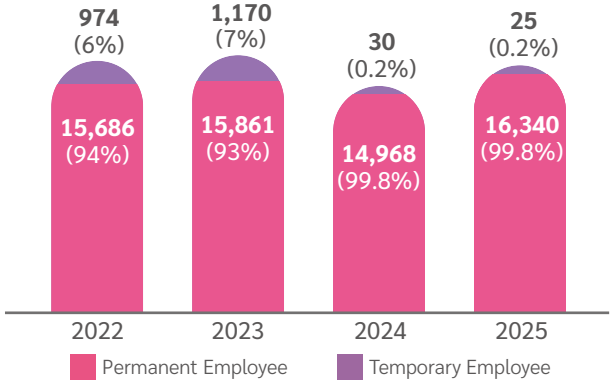
Workforce Structure

As of the end of 2025, the total workforce across USI's seven manufacturing facilities covered in this report reached 16,365 employees, consisting of 99.8% (16,340) permanent employees and 0.2% (25) temporary employees. By job category, the workforce comprised 1,112 management, 3,999 technical, 1,636 administrative, and 9,618 skilled positions. By nationality, our employees hail from 9 countries, including 15,261 local nationals and 1,104 foreign nationals; by region, the distribution includes 7,279 employees in Mainland China, 3,933 in Taiwan, 2,847 in Mexico, and 2,306 in Vietnam. Additionally, 2,252 non-employee workers from third-party contractors are stationed at our global facilities, providing services including production support, security, facility cleaning, cafeteria operations, and convenience store services. We uphold the same principles of safety and respect for these partners, ensuring a safe and healthy environment where their rights are fully protected, thereby extending our corporate responsibility across the entire value chain. For other detailed classification information, please refer to Sustainability Data - Social A. Workforce Structure table.

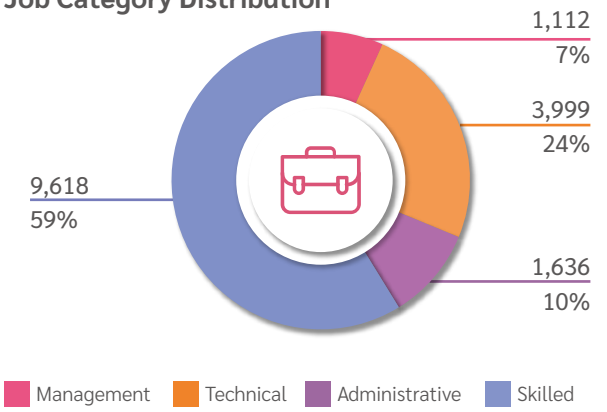
Employee Headcount



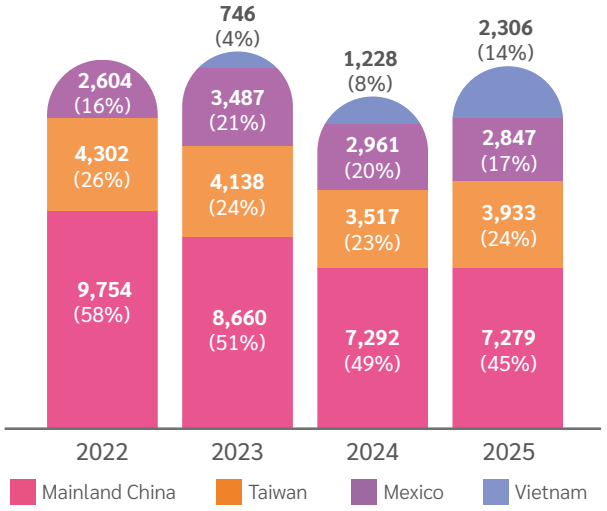
Permanent/Temporary Employees [1]



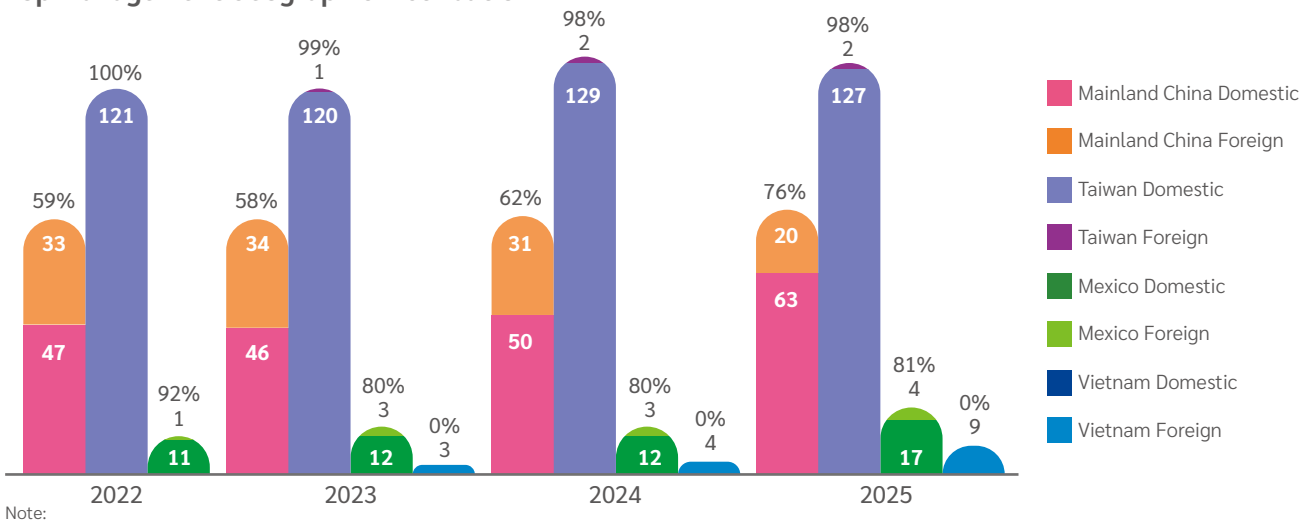
Job Category Distribution



Geographic Distribution



Top Management Geographic Distribution [2]



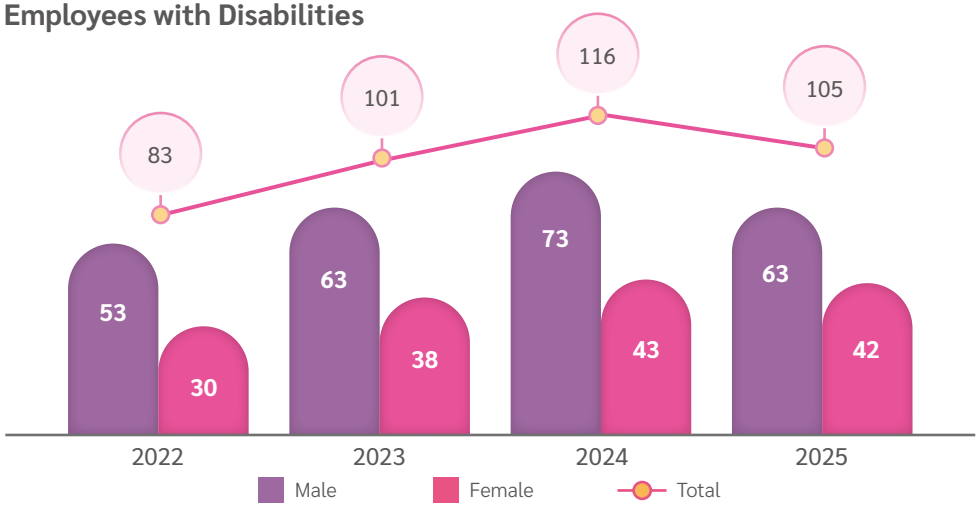
Note:
1. Permanent (regular) employees refer to employees who have signed an indefinite labor contract with the company. Temporary employees refer to employees who sign a fixed-term labor contract with the company and are also called contracted employees. Permanent/regular/temporary/contracted employees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

As our business globalizes, building a diverse workplace that integrates multiculturalism, embraces individual differences, and remains free from bias regardless of age, gender, race, religion, nationality, political affiliation, or disability has become a top priority. USI is committed to cultivating a gender-friendly and inclusive environment, recently focusing our efforts on two primary pillars: "promoting female empowerment and decision-making participation" and "securing employment and local integration for individuals with disabilities."

For female empowerment, we raise awareness of workplace equality through initiatives such as International Women's Day and place significant emphasis on developing women for top management roles, with a clear target to increase their representation by 1% annually, aiming to exceed 26% by 2029. As of the end of 2025, females comprised 45.9% of our total workforce and 23.5% of management roles. Although the percentage of females in top management has trended upward since 2018, it declined to 19.8% in 2025 due to organizational restructuring, executive retirements, and health factors. To address this fluctuation, we have launched a dedicated enhancement plan: identifying high-potential female mid-level managers through internal talent reviews and providing executive mentorship and cross-functional project experience. Furthermore, we have optimized our promotion mechanisms by requiring a specific proportion of female candidates in candidate shortlists for top management, ensuring a robust talent pipeline to resume our growth trajectory.

For social inclusion and local engagement, USI actively facilitates employment for local residents and individuals with disabilities. Adhering to our "local talent recruitment" principle, 93.5% of our employees are residents of our operating communities, thereby fostering local economic growth. For colleagues with disabilities, we implement "job redesign" and "customized work planning" to ensure proper placement, role competence, and professional fulfillment. In 2025, we employed 105 individuals with disabilities (approximately 0.64% of our total workforce); we pledge to maintain an annual employment scale of over 100 individuals, continuing to create an inclusive and barrier-free workplace.

Employees with Disabilities



Gender Diversity Indicators

Indicators \ Year	2022	2023	2024	2025
Females in total employees	44.4%	46.4%	45.3%	45.9%
Females in management positions	23.1%	23.6%	24.5%	23.5%
Female in junior management positions (1)	25.6%	24.3%	26.4%	24.8%
Females in middle management positions (2)	21.8%	24.8%	24.7%	24.0%
Females in top management positions (3)	19.2%	20.1%	19.9%	19.8%
Females in revenue-generation function management positions (4)	50.0%	50.6%	51.4%	56.3%
Females in STEM job positions (5)	21.7%	21.8%	20.8%	24.8%







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

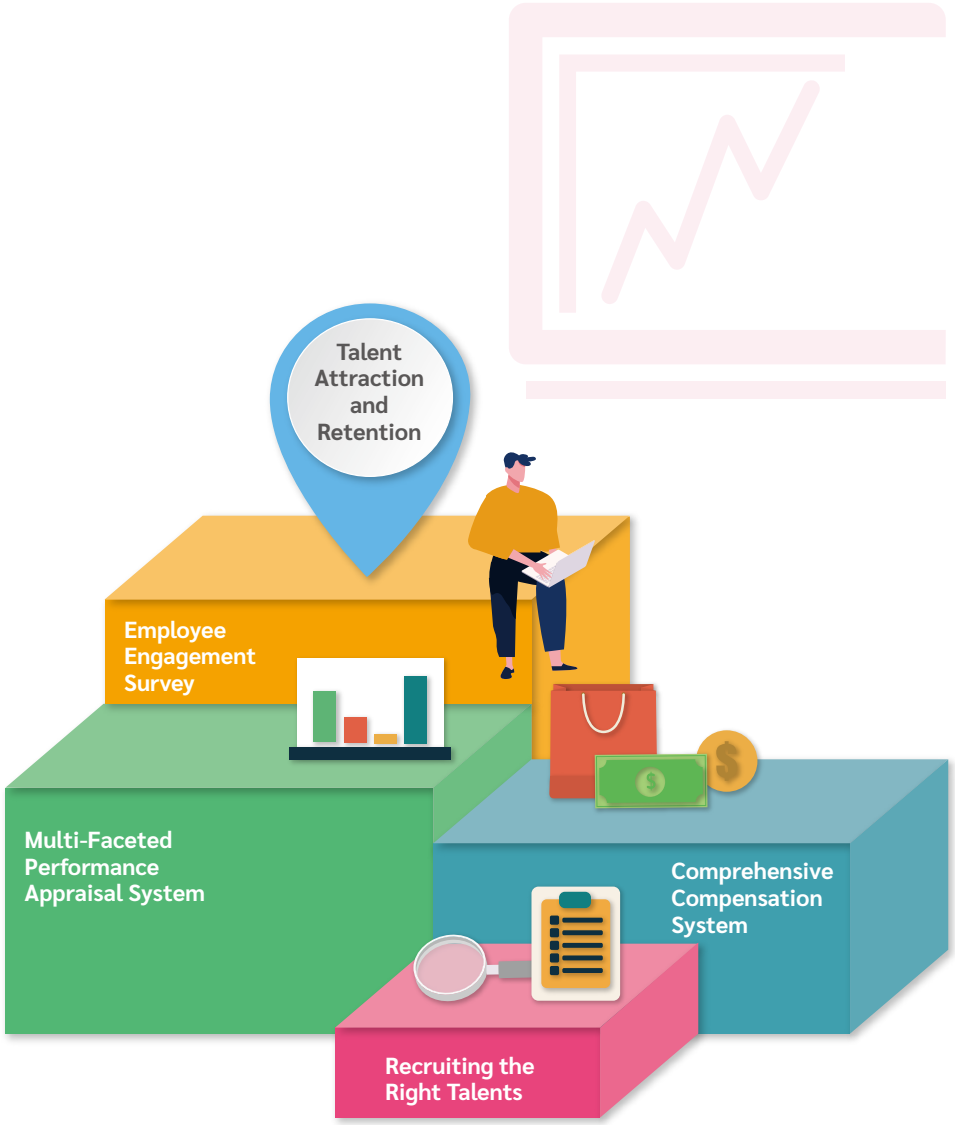
Recruiting the Right Talents

USI recruits global professional talent guided by our operational development goals and core competencies. Our human resources recruitment department analyzes labor market conditions to design strategic, diverse hiring channels and employment models, including campus recruitment, employee referrals, industry-academic internship programs, corporate briefing sessions, and multimedia online recruitment platforms to conduct talent selection openly. Based on facility-specific manpower requirements, each site establishes appropriate employment relationships, such as full-time or part-time employees, fixed-term or open-ended contract workers, and dispatched labor. We treat all applicants with strict impartiality, remaining free from prejudice or discrimination, and evaluate candidates utilizing objective testing tools tailored to specific professional characteristics. By leveraging the strengths of a diverse global workforce, we build the momentum necessary for continuous growth and innovative R&D to satisfy diverse customer and market demands.

In 2025, USI recruited 6,126 new employees globally, comprising 4,931 DL [(1)] and 1,195 IDL [(2)]. To strengthen our global talent layout and connect with outstanding professionals worldwide, we implemented SAP SuccessFactors as our core global HR cloud platform to enhance talent management efficiency, identify the potential of cross-regional talent, and realize our goals of "Respecting, Developing, and Retaining Talent." Additionally, we continuously promote internship programs to allow students to gain early insight into future job roles and strengthen their professional skills, while enabling USI to engage with outstanding students at an early stage. Through these efforts, we aim to cultivate youth career capabilities and fulfill our corporate social responsibility.

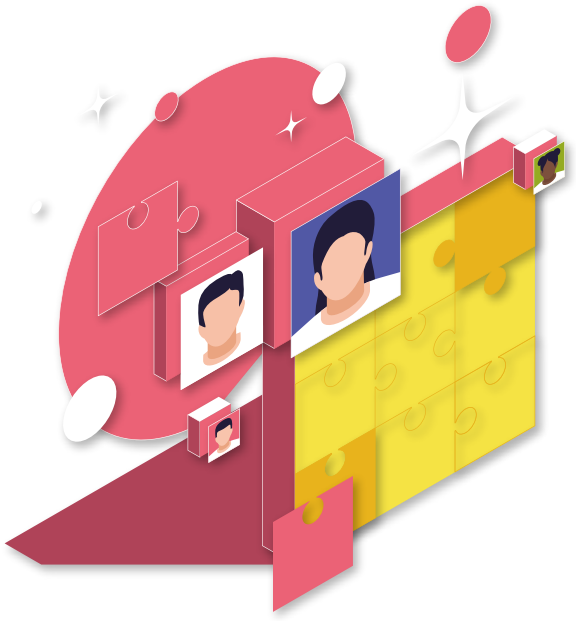
We actively promote the "3-6-9 New Hire Care Trilogy," assigning dedicated mentors to guide new employees quickly familiarizing themselves with our comprehensive benefits and comfortable working environment. Through scheduled interviews and proactive check-ins on the 30th, 60th, and 90th days of employment, we monitor their work adjustment and living conditions in real-time. By establishing open communication channels, we help new hires seamlessly integrate into our corporate culture, enhancing their sense of identity and belonging to reduce early-stage turnover and prevent the loss of human capital.

By analyzing the turnover reasons of both DL & IDL, we further refine our interviewing techniques, enabling us to precisely identify and screen out candidates at the source of recruitment who may not align with or integrate into our organizational culture. Concurrently, USI combines these turnover insights with the results of our regular employee satisfaction and Employee Engagement Surveys to implement targeted retention programs, demonstrating our commitment to continuously optimizing the workplace environment, fostering a sense of belonging, and proactively responding to our employees' expectations.

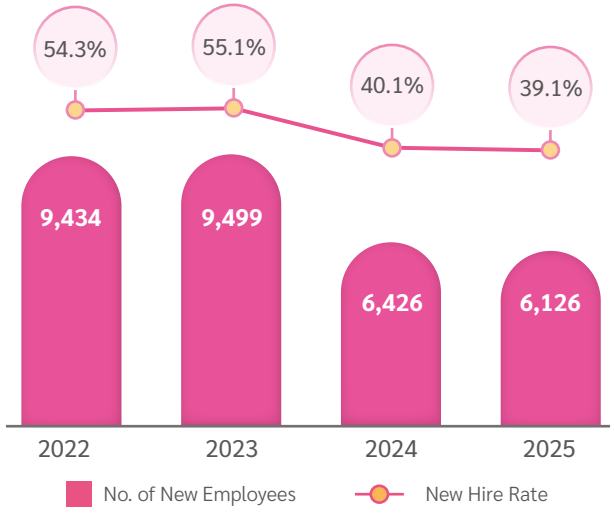


Note:
1. DL refers to employees working in skilled positions.
2. IDL refers to employees working in management, technical and administrative positions.

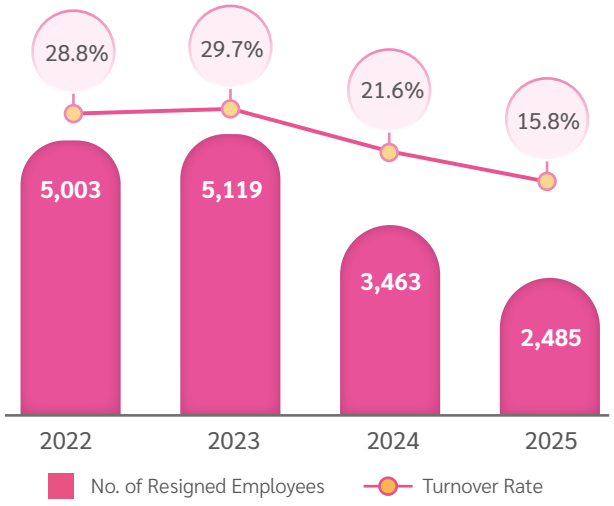
In 2025, the implementation of our differentiated retention program successfully drove a significant reduction in the overall turnover rate, bringing it down to 15.8%. The key breakthrough lay in DL retention, where the turnover rate plummeted to 20.8%, while the rate for IDL was consistently maintained at a low 8.9%. For DL, we enhanced workplace stability for front-line employees by strengthening supervisors' scheduling and communication skills, encouraging participation in skill certifications and internal transfers, and deepening employee relations mechanisms. Regarding IDL, beyond intensifying employee care initiatives, we established clear career development pathways, offered cross-functional learning and overseas assignment opportunities, and optimized recruitment and retention precision through in-depth turnover analysis. For key talent retention, we provided comprehensive training and challenging job rotations, with supervisors assisting in the formulation of IDPs to ensure professional growth through practice. Furthermore, we upheld the principle of "Internal Priority Promotion" coupled with equity incentive schemes to reinforce the long-term commitment of key talent to USI. For other detailed classification information, please refer to the Sustainability Data - Social B. New Hires and Employee Turnover table.



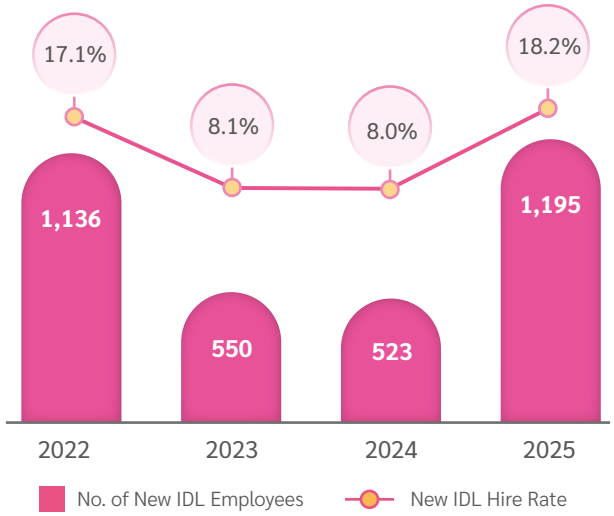
Overall New Hire Numbers and Ratios



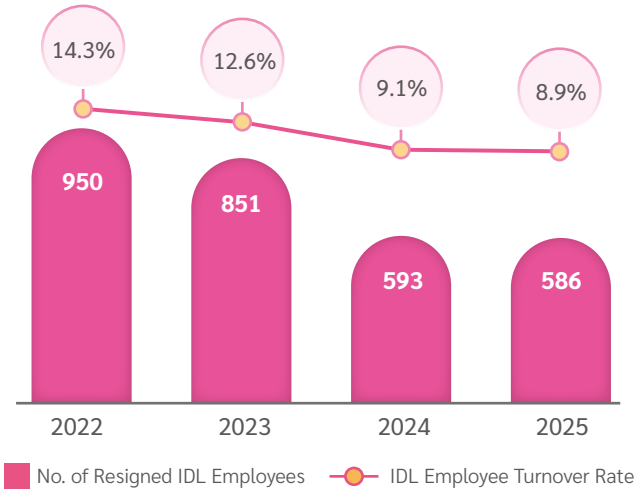
Overall Turnover Numbers and Ratios



IDL New Hire Numbers and Ratios



IDL Turnover Numbers and Ratios



Comprehensive Compensation System

USI Compensation Principles

- Recognize employee contributions, define internal relativity between positions, and maintain equitable salary structures
- Align remuneration with individual performance to motivate current staff and attract top market talent
- Ensure fair and reasonable compensation, with adjustments that correspond directly to expanded scopes of responsibility
- Maintain flexible agility to adapt to labor market trends and organizational restructuring

USI views employees as our most vital capital for sustainable operations, guided by the philosophy that "talents are the seeds for continuous growth." We strictly adhere to local labor laws and implement an inclusive, gender-equal remuneration policy, ensuring the consistency and fairness of our starting pay and incentives irrespective of gender, religion, political stance, or marital status. Through a rigorous performance appraisal system, we provide substantive returns for employee contributions. Beyond competitive basic salaries, we share our business success through monthly performance bonuses, equity incentive schemes [1], employee stock ownership plans, and annual profit-sharing bonuses to reward outstanding performance.

Supporting UN SDG 8 (Decent Work and Economic Growth), USI established the "Fair Remuneration and Living Wage Management Framework" to regularly review global salary levels against the Anker living wage benchmark or localized official economic indicators. In 2025, USI achieved 100% compliance with the living wage standard across all global sites. This ensures our colleagues and their families receive income sufficient to cover basic needs, including food, housing, healthcare, and education, underlining our long-term commitment to employee well-being.

Furthermore, USI participates annually in compensation surveys conducted by prominent consulting firms and regional remuneration associations. We evaluate macroeconomic indicators, market compensation standards, external talent competitiveness, and labor market supply-and-demand dynamics to make appropriate salary adjustments, ensuring our overall remuneration remains highly competitive. In 2025, USI adjusted basic salaries across various sites: 0.1% [2] to 10.3% for Mainland China, 3.0% to 4.2% for Nantou Facility, 4.0% to 15.0% for Mexico Facility, and an overall 7.0% for Vietnam Facility. Following precise calculations, the ratio of standard entry-level salaries to the local statutory minimum wage stands between 1.00 and 1.51, highlighting USI's market-leading starting pay that consistently exceeds local statutory minimums. The gender pay ratio [3] of basic salary [4] and compensation [5] for each facility is shown in the table below:

Pay Equity Indicators: Entry-Level Wage Ratio and Gender Pay Ratio

Female-to-Male Basic Salary & Compensation Ratios [7] \ DL Entry-level Wage to Local Minimum Wage Ratio [6]		Zhang jiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam
		1.00	1.00	1.28	1.02	1.00	1.00	1.51
Management	Basic salary ratio	0.79	1.06	0.88	0.89	0.80	0.56	0.91
	Compensation ratio	0.79	1.17	0.90	0.91	0.75	0.57	0.87
Technical	Basic salary ratio	1.09	1.02	0.93	1.02	0.83	0.81	0.83
	Compensation ratio	0.98	0.99	0.91	0.98	0.79	0.81	0.83
Administrative	Basic salary ratio	0.89	0.98	0.88	0.94	1.00	0.91	0.91
	Compensation ratio	0.94	0.97	0.87	0.90	1.04	0.91	0.91
Skilled	Basic salary ratio	1.02	1.01	1.01	0.97	0.96	0.78	0.98
	Compensation ratio	1.02	1.00	1.01	0.95	0.93	0.78	0.98

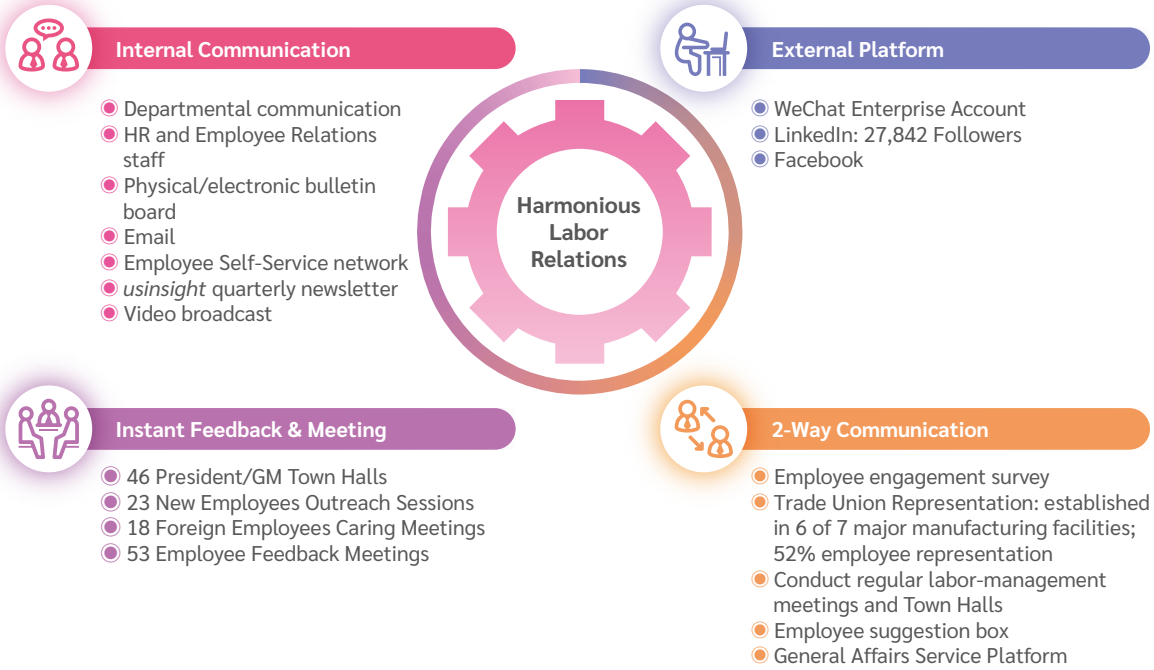
Note:
1. Equity Incentive Scheme: aimed at talent attraction, retention, and motivation. Eligible employees may exercise shares at a set price during the validity period, provided that both the corporate financial and sustainability performance thresholds for the grant year and individual performance ratings are met.
2. The lower average salary adjustment is the result of structural base-salary tweaks for non-technical positions at select facilities in Mainland China.
3. Basic Salary: fixed monthly remuneration, including base pay, fixed allowances, and recurring bonuses (e.g., meal, shift, night-shift, expatriate, position, monthly performance, and attendance).
4. Compensation: total remuneration comprising basic salary, allowances, overtime pay, and non-monthly rewards (e.g., festival bonuses, employee profit sharing, performance bonuses, and special bonuses).
5. Gender Pay Ratio Analysis: most global sites demonstrate a strong commitment to equal pay for equal work; the lower ratio in Mexico's management category highlights a key focus area for future organizational structural optimization.
6. DL entry-level wage to local statutory minimum wage ratio = DL starting salary ÷ local statutory minimum wage
7. Female-to-male basic salary (or compensation) ratio = female basic salary (or compensation) ÷ male basic salary (or compensation)

Diversified Employee Communication

USI actively fosters positive employee relations by establishing an open, transparent, and seamless one-way and two-way communication environment, ensuring that employees stay informed about company updates and their rights. Beyond providing dedicated training on feedback and grievance channels, we conduct regular management symposiums, real-time feedback mechanisms, and engagement surveys to listen to our employees' voices, taking concrete actions to promote harmonious labor relations.

Regarding collective bargaining mechanisms, USI adopts a tailored-to-local-needs strategy to ensure structured labor-management dialogue across global facilities. The execution frequency is as follows: sites in Mainland China and Vietnam hold Employee Representative Congresses at least once a year; the Nantou Facility conducts quarterly labor-management meetings; and the Mexico Facility engages in annual collective negotiations with the trade union. In 2025, the core negotiation topics covered salary adjustments and work rule revisions, demonstrating USI's proactive response to employees' expectations for improved labor conditions. Through sincere communication and consensus-driven implementation, all covered facilities remained stable, with no major labor disputes or work stoppages due to strikes.

A total of 140 communication sessions were held across all covered facilities in 2025 to strengthen care for targeted groups, including 46 GM Town Halls, 23 New Employee Outreach Sessions, 18 Foreign Employee Caring Meetings, and 53 Employee Feedback Meetings. Furthermore, USI integrates multiple channels, including digital and physical Suggestion Boxes, grievance hotlines, and the Employee Relationship Network, to actively broadcast information and listen to frontline voices. During the reporting period, USI received 6,516 feedback cases globally; 6,510 cases were successfully resolved (achieving a 99.9% closure rate) through mutual communication, while the remaining 6 cases continue to be tracked for processing. This underscores USI's high regard for employee feedback and its commitment to efficient execution.





Employee Benefits

To address the diverse global needs of our employees in food, housing, education, recreation, transportation, and physical and mental health, USI provides localized welfare systems and comprehensive insurance plans. We offer well-equipped facilities and diverse activities to promote physical and mental well-being, helping employees achieve a healthy work-life balance. Furthermore, through our EAPs, career transition plans, and retirement counseling mechanisms, we safeguard the professional resilience and personal transitions of our colleagues at every stage. (Please refer to Tailored Career Plan-Talent Value Reinvention & Career Transition Mechanisms and Sustainability Data - Social H. Comprehensive Welfare System).

Flexible Working Hours

To support global business and cross-time zone demands, we offer diverse shift patterns for operational flexibility. Additionally, employees may request schedule adjustments for personal needs, such as family care or professional development, subject to managerial approval. Our flexible working hours empower team members to achieve a self-managed work-life balance.

Remote Workplace (Work from Home)

USI continues to enhance flexible work arrangements based on operational needs and role requirements. By providing greater workplace flexibility where appropriate, we support employee well-being, attract and retain talent, enable global workforce deployment, and strengthen organizational resilience and long-term operational efficiency.

Holistic Wellbeing

USI supports holistic employee well-being through third-party provided EAPs offering mental health, legal, financial, and medical counseling. Combined with stress assessments, career transition and retirement support, health promotion seminars, sports club subsidies, and cultural activities, these initiatives strengthen employee well-being, engagement, and workplace resilience.

Employee Support Programs

Category		Details
Employee Benefits	Workplace stress management	◉ Conduct stress assessments, provide professional counseling services, and offer wellness seminars, recreational activities, and arts and cultural programs to support employee well-being.
	Sport & health initiatives	◉ Sports Activities: Provide dedicated facilities and subsidies for employee sports clubs and wellness activities. ◉ Health Management: Offer annual health examinations and access to on-site healthcare professionals for medical consultation and health promotion services.
Work Conditions	Flexible working hours	◉ Staggered hours: Provide multiple start-time options within the same shift (e.g., day shift options starting at 08:00, 08:30, and 09:00) to accommodate operational needs and employee circumstances. Eligible employees may select a suitable schedule with supervisor approval. ◉ Flex-time: In 2025, Nantou Facility introduced Flexible Commuting Hours to enhance work efficiency and support work-life balance based on local workforce needs.
	Working-from-home arrangements	◉ Offer remote or hybrid work arrangements for eligible positions based on business needs and job requirements, supporting talent attraction, retention, and organizational resilience.
Family Benefits	Childcare facilities or contributions	◉ Provide preschool tuition and fee discounts through contracted childcare service providers.
	Breast-feeding room and benefits	◉ Maintain dedicated lactation rooms at all facilities to support nursing employees. ◉ Paid lactation breaks: Provide 60 minutes per day for nursing employees.
	Maternity leave, pregnancy check-up leaves	◉ Paid maternity leave: Mainland China facilities: 98/158+ days; Nantou Facility: 70 days (Effective 2025); Mexico Facility: 84 days; Vietnam Facility: 180 days. ◉ Paid pregnancy check-up leaves: Mainland China facilities: 4 hours per visit; Nantou Facility: 7 days; Vietnam Facility: 5 days.
	Paternity leave, parental leave, and caregiver leave	◉ Paid Paternity (and Check-up Accompaniment) Leave: Mainland China facilities: 10/15 days; Nantou Facility: 10 days (Effective 2025, exceeding the statutory 7 days); Mexico Facility: 5 days; Vietnam Facility: 5–14 days (depending on delivery conditions). ◉ Parental Leave: Mainland China facilities: 5 or 10 days per year (paid); Nantou Facility: Maximum 2 years per child before age 3 (unpaid leave); Vietnam Facility: 15 or 20 days per year (paid, depending on adoption or maternity insurance standards). ◉ Paid Caregiver Leave (for parents aged 60+ hospitalized): Mainland China: 5 or 15 days/year for only-child, and 5 days/year for non-only-child.

Employee Benefits and Subsidies

Benefit Item	Beneficiaries	Benefit Amount (CNY)
Three Festival Gift Certificate	29,891	5,622,372
Birthday Gift Certificate	12,014	156,336,124
Employee Continued Education Subsidy	229	516,817
Scholarships for Employees' Children	4,302	2,977,780
Retirement Gift	2,831	1,005,674
Total	**49,267**	**166,458,767**

Subsidy Item	Subsidy Recipients	Subsidy Amount (CNY)
Wedding Subsidy	243	91,027
Childbirth Subsidy	233	98,819
Travel Subsidy	5,552	2,466,890
Hospital Consolation Subsidy	187	40,739
Condolence Payment	254	376,300
Emergency Assistance	10	87,984
Total	**6,479**	**3,161,759**

Family Support

To address the challenges of an aging population and echo government birth incentives, USI complies with local laws and integrates site-specific needs to build a comprehensive family support system. We offer competitive welfare benefits, providing marriage and childbirth allowances to support colleagues at every stage of family life. Nantou Facility has taken the lead by implementing measures that exceed statutory requirements, extending maternity leave to 70 days and paternity/pregnancy check-up leave to 10 days. Combined with flexible shifts, parental leave options, pregnancy nutritional supplements, and childcare subsidies, these initiatives enable employees to balance work and family life. This supportive framework serves as a solid pillar for stable employment, with 312 newborns welcomed across global facilities in 2025.

Beyond economic and leave benefits, USI actively enhances physical infrastructure and institutional safeguards. We provide private, comfortable lactation rooms and paid breaks to support breastfeeding employees, while our Proactive Notification and Reinstatement Care Mechanism guarantee smooth workplace reintegration when leave expires. In 2025, 59% of eligible employees applied for parental leave, driving a 25% year-on-year increase in leave-taking intent. Concurrently, the proportion of male applicants reached 48.7% [(1)], demonstrating a shifting corporate culture toward gender balance in childcare.

Driven by our proactive care mechanism, the reinstatement rates for male and female employees increased by 18% and 2% respectively, while the retention rate one-year post-reinstatement reached 62.1% [(2)], reflecting concrete success in talent retention. Moving forward, USI will continuously optimize family-friendly measures to foster long-term retention benefits and organizational resilience.

Parental Leave Indicators

Item	2022	2023	2024	2025		
				Male	Female	Total
Employees eligible for parental leave in the reporting year [(3)]	192	102	118	39	32	71
Employees that applied for parental leave in the reporting year	34	35	40	19	23	42
Employees expected to be reinstated in the reporting year	34	42	42	11	12	23
Employees reinstated in the reporting year	23	33	29	8	10	18
Employees reinstated in the previous year	17	23	33	11	18	29
Employees remaining employed 12 months post-reinstatement in previous year	8	20	20	8	10	18
Reinstatement rate [(4)]	68%	79%	69%	73%	83%	78%
Retention rate [(5)] post-leave	47%	87%	61%	73%	56%	62%

Note:
1. Male parental leave application rate= (male employees who applied for parental leave in the current year ÷ total male employees eligible for statutory parental leave in the current year) × 100%. USI defines statutory eligibility as employees with children under three years old.
2. Retention rate after one year of reinstatement = (employees who returned to work from parental leave in the previous year and remained employed for at least 1 year ÷ total number of employees who returned to work from parental leave in the previous year) × 100%
3. Eligibility for parental leave in the current year: those who have taken paternity leave or pregnancy leave (20 weeks or more) from 2022 to 2025 and are still working in 2025.
4. Reinstatement rate = (Actual employees reinstated after parental leave in reporting year ÷ Expected employees to be reinstated) × 100%
5. Retention rate = (Employees remaining employed 12 months after return in previous year ÷ Total employees returned in previous year) × 100%

Employee Retirement Plans

USI and its subsidiaries strictly comply with the retirement regulations of each operational site, fully allocating pensions and old-age social security insurance. Any employee who meets the statutory retirement criteria can legally apply for pension withdrawal or old-age annuity. In 2025, a total of 75 employees retired globally (34 from Nantou Facility, 9 from Mainland China Facilities, and 32 from Mexico Facility), with a total pension allocation of CNY 261,029,835.8 across global facilities[(1)]. Beyond financial protection, USI provides retirement counseling and re-employment mechanisms to ensure the inheritance of core technologies, realizing a sustainable cycle of talent value.

Nantou (Old System)

- Legal Compliance:
  - ✦In accordance with the Labor Standards Act, USI allocates defined-benefit retirement funds managed by the Labor Retirement Reserve Fund Supervisory Committee, which are deposited into a dedicated account at the Bank of Taiwan. The company conducts annual actuarial evaluations to assess funding status; if the account balance falls short of the estimated payout for the reporting year, the deficit is fully funded in the following year. This pension payment is calculated based on the employee's average wage of the six months prior to retirement, multiplied by the statutory bases of service seniority.
- Contribution Rate:
  - ✦The employer contributes 2% of the employees' total monthly salary to the labor retirement reserve fund.
- 2025 Performance:
  - ✦A total of CNY 569,334 was contributed to the retirement reserve fund, with an ending balance of CNY 159,454,616.

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

- Legal Compliance:
  - ✦Mainland China and Vietnam Facilities: monthly contributions are made in accordance with local social insurance regulations (Mainland China: Social Insurance Law; Vietnam: Law on Social Insurance) based on contribution base percentages.
  - ✦Nantou Facility: under the Labor Pension Act, employers and employees contribute a fixed monthly percentage of the employee's salary to individual pension accounts, determined by the employee's employee bracket. Voluntary employee contributions are tax-exempt.
  - ✦Mexico Facility: monthly deposits are made to employee pension savings accounts, based on a fixed percentage the employee's salary, following local retirement benefit regulations.
- Contribution Rate:
  - ✦Employer contribution rates: 16% for Mainland China Facilities, 6% for Nantou Facility, 2% for Mexico Facility, and 21.5% for Vietnam Facility.
  - ✦Employee contribution rates: 8% for Mainland China Facilities, 0% to 6% for Nantou Facility, 0% for Mexico Facility, and 10.5% for Vietnam Facility.
- 2025 Performance:
  - ✦A total of CNY 260,460,502 was contributed to the retirement insurance fund.

Work-Life Balance

At USI, employees with physical and mental well-being, along with fulfilling personal lives, are the core of corporate vitality and sustainability. Embracing "Health, Happiness, and Learning," we deepen work-life balance by encouraging effective time management and family bonding. Through family-inclusive events, we foster a family-friendly workplace, realizing our philosophy of joyous learning by bringing life into skills and skills into life. This allows colleagues to unwind while strengthening teamwork and cohesion, shaping a high-trust, efficient workplace culture that drives stable corporate growth.

Three Main Themes of Employee Activities

Health	Create infinite possibilities through a healthy body. We enhance employees' wellness knowledge and work environments to boost operational efficiency and double overall productivity.
Happiness	Drive mutual win-win outcomes through the happiness philosophy. If failure is the mother of success, then happiness is its father. We inspire our employees' passion and creativity, serving as the ultimate source of energy for continuous dedication.
Learning	Inspire lifelong vitality through continuous learning. Learning secures our employees' long-term future. We design training programs for employee career development to rediscover the joy of learning, provide a sense of purpose to life, and inject vibrant energy into work.

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

Prioritizing employee health, USI allocates annual budgets to support diverse club operations, utilizing well-equipped wellness facilities to host regular seminars, experiential activities, and sports tournaments. Covering sports and health, learning and growth, arts and culture, and public service, we facilitate holistic personal development. Through structured welfare planning, we collaborate with clubs to build a supportive environment, enabling colleagues to pursue professional growth while safeguarding personal well-being and life quality.

In 2025, to optimize resource allocation, USI supported 48 employee clubs based on their substantive performance. With the dedicated budget adjusted to CNY 363,000, a more flexible and standardized subsidy mechanism successfully drove annual club events up from 141 last year to 316. Regarding participation, the program shifted toward in-person, in-depth club interactions and specialized courses. Due to this format transition, annual attendance reached 12,379 attendees; however, the small-class structure and deep engagement effectively enhanced employee satisfaction and interaction quality.

48
Clubs

- 29 Sports Clubs
- 6 Health Clubs
- 10 Arts & Culture Clubs
- 3 Charity Clubs

316
Employee Activities

- 23 Sports Activities
- 237 Health & Wellness Activities
- 35 Other Activities, e.g., Celebrity Lectures, DIY Workshops, and Family-Friendly Events
- 21 Charity & Volunteer Service Activities

12,379
Attendees

- 2,237 Sports Competitions Attendees
- 3,203 Health Activity Attendees
- 5,675 Arts & Culture Activity Attendees
- 1,264 Charity & Volunteer Service Attendees

Employee Activities

Sports Competition

Enhance physical fitness and individual skills through exercise, training, and competitive matches, thereby enriching employees' cultural lives.









Art, Culture & LOHAS

Provide diverse arts and cultural activities to promote individual exploration and holistic growth of mind, body, and spirit.









Energy Supplement

Offer diverse seminars, appreciations, and stress-relieving DIY workshops to help employees boost personal energy and absorb cross-disciplinary knowledge.












Warmth & Gratitude

Engage in charity and volunteer activities to support colleagues and those in need, fostering team solidarity, humanistic care, and self-actualization.








Employee Performance Management

USI has established a strategy-aligned performance management system that translates long-term corporate vision into concrete employee action metrics, ensuring organizational goals are highly aligned with individual performance indicators. We implement regular evaluations for all employees by incorporating a professional Review Committee system. This integrates multi-dimensional feedback from supervisors, cross-departmental partners, and customers to effectively reduce subjective bias and ensure fair, objective assessments.

During the appraisal process, managers combine a "guided performance normal distribution" system with IDPs to implement differentiated management, precisely identifying high-potential talent and establishing succession pipelines for critical positions. These appraisal results are directly linked to competitive compensation, performance bonuses, and long-term incentives. Through a transparent promotion mechanism, top performance is translated into tangible career advancement, effectively attracting and retaining key talent while strengthening USI's sustainable competitiveness amid industry shifts.



Employee Performance Appraisal Types

Types of PA	Objectives	Frequency	Practices
Agile Conversations	IDL	Ongoing/ all the time	Through the SuccessFactors system, USI cascades annual objectives and enables dynamic performance tracking. The platform facilitates an ongoing, two-way performance management process, whereby supervisors provide regular and ad hoc feedback on KPIs and work behaviors, while employees are encouraged to proactively initiate performance discussions and development dialogues.
Management by Objectives and Ranking	All	Annual	Employees and supervisors align on measurable goals at the beginning of the year through the SuccessFactors system. Throughout the performance cycle, supervisors provide ongoing feedback and guidance, with year-end performance assessed against agreed objectives and incorporated into the calibration process.
Multidimensional	IDL	Semi/annual	Through a Review Committee approach, employee performance is evaluated using multi-source feedback from senior management, cross-functional supervisors, peers, and clients. Supervisors provide developmental feedback, and results are incorporated into the final performance rating process.
Team-based Matrix Management	IDL	Ongoing/ all the time	Through a cross-functional matrix structure, team members report to both Project Leads and functional supervisors. Project Leads provide ongoing input throughout the project lifecycle and contribute structured performance feedback during review and evaluation discussions.
Multiskilled	DL	Quarterly	For workstation/line operations, machinery handling, product inspection, and troubleshooting, Instructors determine qualification by assessing and certifying exam results.

Employee and Distribution of Taking Regular Performance Appraisal and Competency Review [1~2]

Gender	Position	Performance Appraisal			Competency Review		
		Number of Employees	No. of Employees Taking Performance Appraisal	Percentage of Taking Performance Appraisal	Number of Employees	No. of Employees Taking Review	Percentage of Taking Review
Males	Management	840	840	100.00%	802	802	100.00%
	Technical	3,041	3,041	100.00%	3,041	3,041	100.00%
	Administrative	409	409	100.00%	409	409	100.00%
	Skilled	4,027	4,027	100.00%	4,027	4,027	100.00%
Subtotal		8,317	8,317	100.00%	8,279	8,279	100.00%
Females	Management	258	258	100.00%	256	256	100.00%
	Technical	748	748	100.00%	748	748	100.00%
	Administrative	1,163	1,163	100.00%	1,163	1,163	100.00%
	Skilled	4,819	4,819	100.00%	4,819	4,819	100.00%
Subtotal		6,988	6,988	100.00%	6,986	6,986	100.00%
Total		**15,305**	**15,305**	**100.00%**	**15,265**	**15,265**	**100.00%**

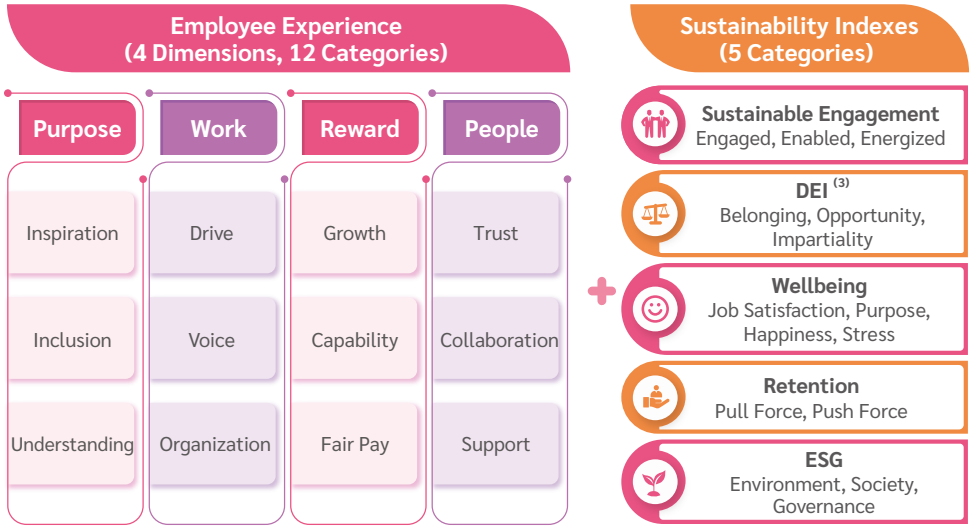
Note:
1. Eligibility for Performance and Competency Appraisals: Regular employees who have been with the company for three months or more are eligible. However, those who have not passed their probationary assessment, or those on leave without pay for more than three months, are excluded from the evaluation list.
2. Management at the Vice President level and above is excluded from the competency appraisal list.

Employee Engagement Survey

Sustainable employee engagement reflects workforce resilience, organizational support, and employee well-being. Engaged employees are more likely to share feedback and improvement ideas that contribute to organizational development. To bolster this long-term commitment, USI began collaborating with expert consultants since 2017 to launch its first biennial Employee Engagement Survey. In 2021, we introduced a Sustainable Development Index framework and measurement benchmark [1] covering Sustainable Engagement, Wellbeing, Retention and ESG categories to better understand employee perspectives. Survey insights are integrated into talent attraction, retention, and development initiatives, helping refine organizational processes and management practices to better address employee needs.

In 2025, a 14-day survey was conducted among all DL and IDL hired before June 30, 2025. The survey yielded 15,253 valid responses [2], representing a 96% coverage rate, with an overall engagement score of 83%. While the findings show strong positive alignment in Supervisor Support, Cross-boundary Collaboration & Teamwork, and Individual Career Growth, they also highlight Internal Communication, Organizational Efficiency, and Timely Recognition as critical priorities for future development.

Employee Engagement Survey Framework



Employee Engagement Survey Annual Targets

Items (%) \ Year	2021		2023		2025		2027
	Target	Result	Target	Result	Target	Result	Target
Engagement	80	84	83	80	85	83	87
Data coverage	80	89	85	83	85	96	85

Guided by the belief that employee well-being drives performance, USI applies the Oxford Wellbeing Research Centre framework to assess employee well-being. In 2025, employees reported an average positive well-being score of 84%, with improvements in both job satisfaction and sense of purpose compared with the previous assessment. Survey results also indicate that employees utilize available support resources to help manage stress and maintain engagement. Going forward, we will continue strengthening well-being and inclusion initiatives through a data-driven approach to support employee engagement, retention, and organizational performance.

Employee Well-being Measurement Results (%)



Note:
1. Measured on a 5-point scale, and the results are calculated based on the sum of two positive evaluations of Strongly Agree (5) and Agree (4).
2. The survey scope includes employees at all report-scope facilities, as well as AFG-Suzhou, AFG-Poland, and AFG-Tijuana facilities and sales offices.
3. DEI, Diversity, Equity, and Inclusion

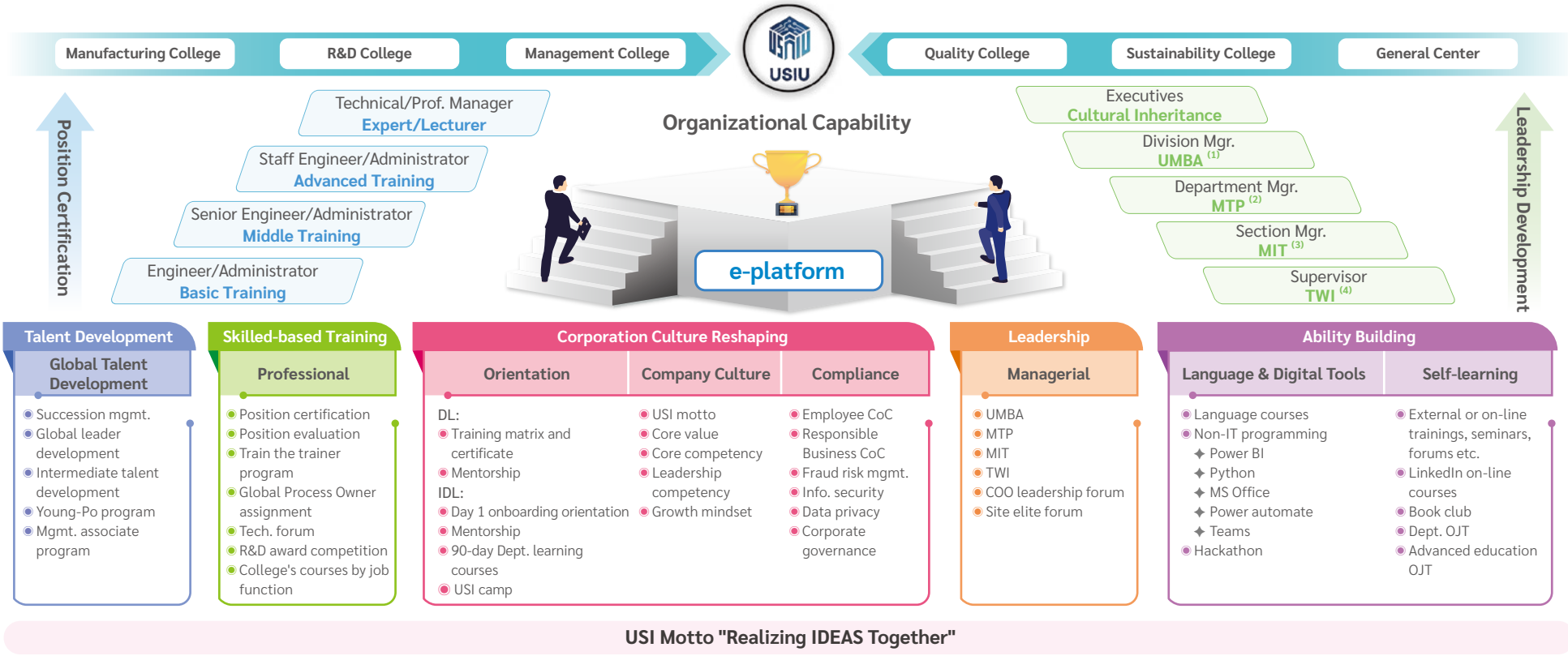
Human Capital Development

Recognizing that our employees are the soul of our growth, USI is dedicated to talent investment and fostering a learning-oriented culture. Through tailored resources and effective training models, we enable our team to continuously evolve and maximize their professional impact.

Dual Career Ladder

The cornerstone of USI's talent cultivation is USI University (USIU), a dedicated learning and development system. USIU comprises the Colleges of Management, R&D, Manufacturing, Quality, and Sustainability, alongside the General Education Center. USIU is presided over by our President, with Vice Presidents—each a recognized authority in their respective field—serving as Deans. This structure integrates global learning resources to support continuous employee growth.

To proactively retain talent, USIU provides a comprehensive development framework built upon a "dual-track system" for managerial and professional career paths, aiming to achieve high operational performance through an innovative learning environment. We design tailored training programs to help employees solve problems, enhance expertise, and strengthen leadership and innovation, ultimately driving the achievement of our organizational goals.



Note:
1. UMBA, USI Master of Business Administration
2. MTP, Manager Training Program
3. MIT, Manager Initial Training
4. TWI, Training Within Industry for Supervisors

Diversified Channels and Platforms of Learning

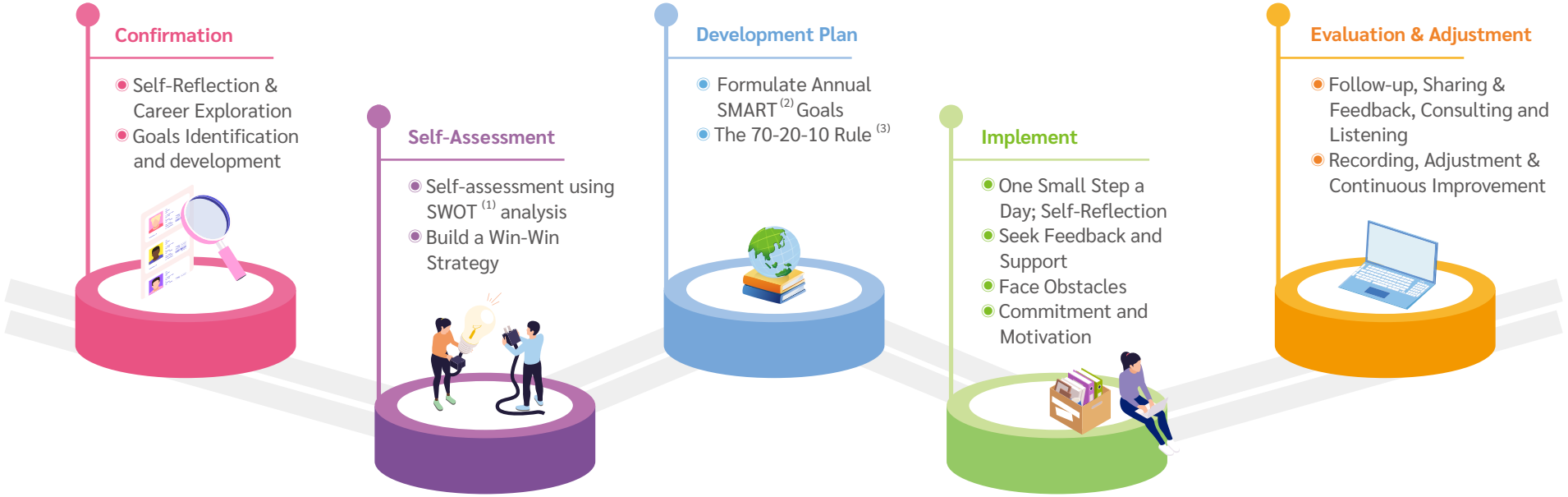
Building a "learning organization" through USIU, USI utilizes its digital Learning Management System (LMS) and diverse learning channels to offer a curriculum covering leadership development, professional certification, global talent cultivation, cross-cultural integration, and digital transformation. In practice, we adopt external courses and forums to track the latest industry trends. Internal training features instructor-led lectures, face-to-face interaction, or self-paced e-learning via the LMS. Beyond this, USI implements a mentoring system using supervisors and senior peers as mentors, pairs LinkedIn Learning mandatorily with insight sharing, and organizes topic-based cohort group and network learning like "Book Clubs," "Sustainability ESG-ing," and "Copilot Learning Cohorts." This enables cross-functional collaboration through interaction, transforming individual study into a robust internal knowledge network that drives USI's sustainable competitive practice.

To navigate transformational challenges, USI regards talent development as a core foundation for our sustainable business growth. We continuously deepen our IDP management mechanism, which aligns three core elements: personal capabilities, personal interests, and organizational needs. Through "role swapping," we encourage employees to build hands-on experience and cross-functional perspectives across diverse teams, and, under managers' guidance, co-create career growth blueprints that align with USI's strategic mission.

To drive digital transformation and reshape talent value, we have made "AI Empowerment" our top priority this year using a phased approach. Following the completion of foundational literacy training, we are introducing job-specific certifications in big data, cloud applications, and digital ethics. This shift steers our team away from repetitive tasks toward data collaboration and smart decision-making. Ultimately, this initiative turns digital literacy into employees' long-term career assets, ensuring that both our team and USI achieve sustainable growth powered by intelligence.

Meanwhile, we regularly host navigator and technical forums to facilitate deep dialogues between experts and peers, thereby strengthening competency while fostering an organizational culture of knowledge sharing and cross-domain collaboration. This effort creates a sustainable development platform that inspires a sense of belonging and achievement. In 2025, the Leadership and Management Forum, Technical Forum, and Sustainability Seminars attracted a total of 3,892 participants, tangibly demonstrating a corporate culture of self-driven growth and proactive adaptation to change.

IDP Management Mechanism



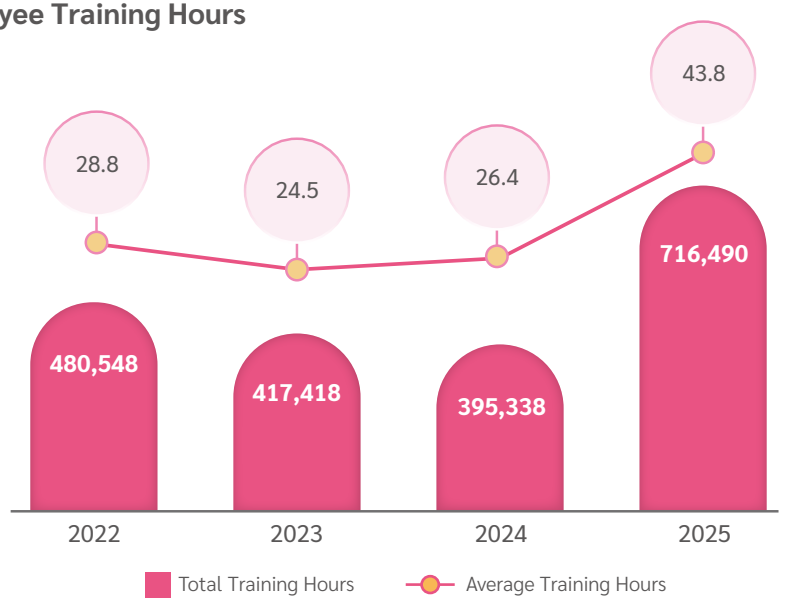
Note:
1. SWOT, Strengths, Weaknesses, Opportunities, and Threats
2. SMART, Specific, Measurable, Attainable, Relevant, Time-Based
3. The 70-20-10 Rule, Learning by Doing - Learning from Others - Learning by Curriculum

Amidst the waves of global industrial transformation and sustainable transition, USI has precisely aligned its training initiatives with organizational strategies through annual training needs surveys, optimizing training resource allocation. In 2025, total annual training reached 716,490 hours, with average training hours per person leaping from 24.2 to 43.8 hours, reflecting a strategic focus on job-specific certification courses and the strengthening of critical topics such as climate resilience and business ethics. A total of CNY 8.4 million was invested in talent development to comprehensively enhance employees' core competitiveness and build a resilient foundation for USI's long-term sustainable operations. For details, please refer to the Sustainability Data - Social G. Training Hours and Cost table.

Training Statistics by Employee Category

Category	2025	
	Total Training Hours	Average Training Hours
Male	442,168	49.9
Female	274,321	36.6
Management Position	66,810	60.1
Technical Position	138,512	34.6
Administrative Position	84,816	51.8
Skilled Position	426,352	44.3
New Employees	202,324	33.0
Total Employees	716,490	43.8

Employee Training Hours



Training Statistics on Topics

Items \ Training Topics	Environment	Health & Safety	Human Rights	Green Product	Business Ethics	Enterprise Risk	Cybersecurity
Total Training Hours	55,495	53,138	24,233	6,347	43,949	7,101	10,736
No. of Employees	22,738	24,137	25,231	12,524	24,626	7,961	8,974
Average Training Hours	2.4	2.2	1.0	0.5	1.8	0.9	1.2

Note:
1. Average training hours = The actual total training hours of employees of this category/gender ÷ the number of employees of this category/gender at the end of the period

Tailored Career Plan

USI promotes a "Dual-Track Development" system for both managerial and professional positions, utilizing the Kirkpatrick Four-Level Evaluation Model [(1)] to ensure training aligns with business goals through an "end-to-beginning" design. Since 2020, we have standardized global learning materials in four languages—Chinese, English, Spanish, and Vietnamese—enabling our workforce to stay aligned with corporate policies and strategy, thereby achieving our long-term sustainability goals in talent development.

Enhancing Employee Employability

In response to career transformations and diverse talent demands, USI provides systematic skill management and tailored training programs. These initiatives empower employees to excel in current roles while developing the competitive edge needed for career transitions, ultimately optimizing organizational agility and competitive advantage.

- **Deepening Professional Certifications and Setting Industry Benchmarks**

  Recognized in 2019 as one of the first High-Skilled Certification Enterprises in Jiangsu Province, our Kunshan Facility provides accreditation for three specialized categories: electronic equipment assembly, testing, and soldering, spanning four levels from Junior to Master Technician. As of year-end 2025, we have cultivated a total of 3,345 skilled professionals, including 424 Master Technicians, 1,378 Senior, 823 Intermediate, and 720 Junior Technicians. This robust talent pool establishes a high-standard technical reserve, driving the industry's workforce transformation.

- **Stimulating Internal Mobility and Expanding Career Horizons**

  We have established a transparent internal recruitment and rotation platform to encourage employees to expand their multi-functional potential. The inter-departmental IDL replacement rate [(2)] rose significantly from 40% in 2022 and stabilized at 46% in 2025, following a period of high-efficiency matching. This reflects a mature mechanism for talent self-sufficiency and deployment flexibility. Through cross-functional collaboration and rotation, employees not only deepen their expertise but also cultivate agile adaptability and long-term employability, fostering a win-win outcome for both the enterprise and its talent.

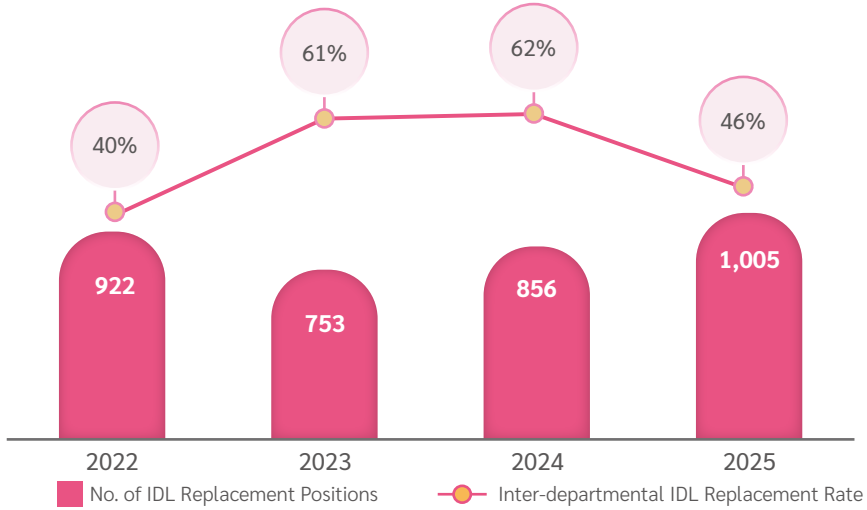
- **Driving Transformational Learning to Build Talent Resilience**

  USI identifies "Digital Empowerment" as the core of talent development, leveraging "Interest" as the primary driver for autonomous learning. Through digital tool training and process optimization, we facilitate the evolution of digital mindsets and professional skills, enhancing per-capita output and team agility. Simultaneously, creative initiatives such as "Book Sharing Sessions" and "Language Competitions" spark a passion for self-driven learning. These activities transform cross-disciplinary knowledge into innovative inspiration, strengthening cross-functional communication resilience and cultivating career soft skills to achieve harmony between personal growth and corporate sustainability.

Talent Value Reinvention & Career Transition Mechanisms

- **Performance Coaching and Resilience Building**
  USI has established a standardized performance improvement system for employees with growth potential. Through gap analysis, mentorship, and personalized improvement plans—complemented by extended evaluations or internal transfers—we help employees regain momentum and enhance their competitiveness for future roles or retirement, achieving a win-win for both individual and organizational growth.
- **Competency Transition and Reskilling**
  We invest in diverse training resources to help employees navigate future transformations. Key initiatives include Professional Certifications to deepen expertise; Digital Transformation tools (AI/BI, data analytics) to drive innovation; and Workplace Resilience training (multi-skilling, cross-departmental communication) to ensure employees realize their self-worth throughout all stages of their careers.
- **Senior Care and Value Inheritance**
  To ensure a dignified transition for retiring employees, USI provides regular updates on retirement benefits and personal financial planning to help them achieve mental and physical well-being and life balance. Furthermore, we actively establish an "Elite Talent Rehiring Mechanism," inviting senior employees with critical professional skills to return. This allows them to pass on core technologies and corporate culture to younger generations. In doing so, we simultaneously empower our senior colleagues with new career value and build a sustainable cycle of talent value.

IDL Job Transfer Numbers & Rate



Note:
1. The Kirkpatrick Four-Level Evaluation Model is a classic framework for measuring training effectiveness through four progressive levels—Reaction, Learning, Behavior, and Results—helping organizations verify whether training investments truly translate into tangible business performance.
2. Inter-departmental IDL replacement rate = Total IDL Job Transfers ÷ (Total IDL Job Transfers + Total New IDL Employees) × 100%

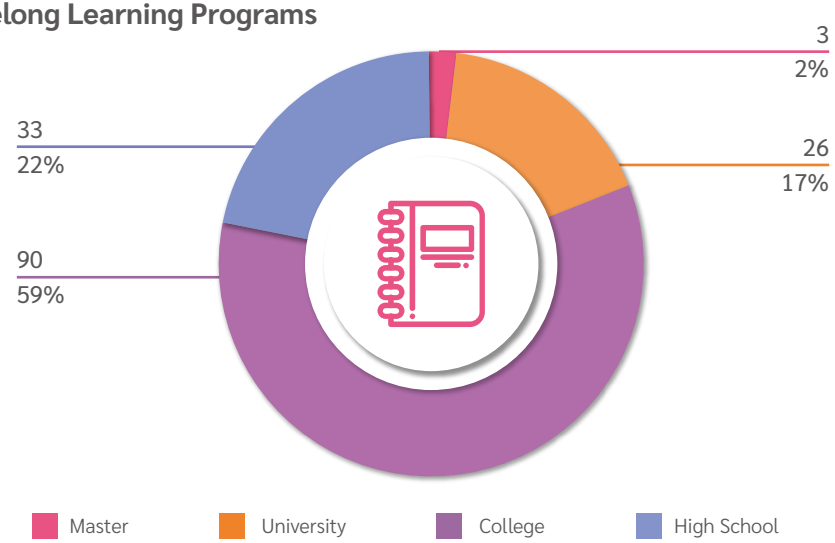
Course and Training Modes	Course Description and Business Impact
Managerial Competencies ◉ Managerial Positions ◉ In-person courses	**Strategic Leadership Development Program (TWI/MIT/MTP)** To support succession planning, we implement tiered Strategic Leadership Development Programs based on core competencies and global leadership models to enhance managerial effectiveness. **Participants:** 469 (2.5%)[(1)] **Key Achievements:** ✦Operational Excellence: Transitioned to strategic leadership via automation and lean management, boosting efficiency by 19%–50% and minimizing waste. ✦Coaching Leadership: Enhanced coaching-style leadership to foster autonomy, resulting in a 40% increase in independent task completion. **Business Benefits:** Approximately CNY 26.89 million.
Professional Competencies ◉ Regular and Contract Employees ◉ In-person/online courses, supervisor guidance, OJT	**Position Certification** USI's Position Certification System standardizes expertise by evaluating the specific professional skills required for every role. **Participants:**1,005 (5.4%) completed the certification. **Key Achievements:** ✦Recruitment Optimization & Talent Mobility: Achieved a 46% inter-departmental IDL replacement rate, reducing recruitment costs and accelerating productivity. **Business Benefits:** Approximately CNY 30.7 million
Company Culture ◉ Regular and Contract Employees ◉ In-person/online courses, coaching, mentorship, apprenticeship and work-life guidance	**New Employee Camp** USI integrates corporate philosophy, global trends, and gender equality into its curriculum to drive sustainable practices and DEI values. By fostering awareness and respect for diversity, we reshape our culture to enhance inclusivity and talent retention. **Participants:** 7,924 (48.4%) **Key Achievements:** ✦Talent Retention: Employee turnover rate decreased by 5.8% compared to 2024. **Business Benefits:** Approximately CNY 52.86 million
Digital Tools ◉ Indirect Employees ◉ In-person/online courses	**Microsoft Copilot** We leverage digital tools to optimize large-scale data analysis and cross-regional collaboration, enhancing corporate agility and operational efficiency. **Participants:** 300 (1.8%) **Key Achievements:** ✦AI automation of routine tasks (copywriting, minutes, data) saves 14–25 minutes daily. Complex decision-making analysis was slashed from 8 hours to 30 minutes, yielding a 70% boost in overall efficiency. **Business Benefits:** Approximately CNY 9.65 million

Note:
1. Ratio = the number of trainees ÷ total employees at the end of the year × 100%

Lifelong Learning Program

Since 2018, Zhangjiang, Kunshan, and Mexico Facilities have collaborated with local colleges and universities to bring "Academic Education" programs directly to our sites. In 2025, 152 employees successfully earned degrees with USI's encouragement, including 46 who obtained bachelor's degrees through Customized Corporate Programs in fields such as Human Resources, Electronic Information Engineering, Automation Technology, and Business Administration. Since its inception, the program has supported a total of 571 employees in advancing their education. This initiative effectively optimizes time management for learning, empowers employees to achieve personal value transformation, and fosters a robust corporate culture of lifelong learning.

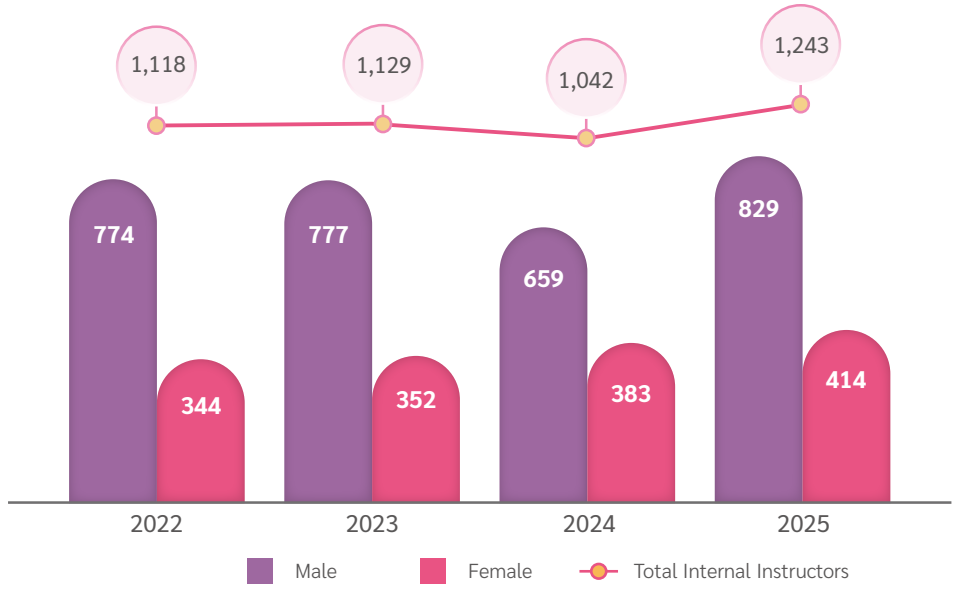
Lifelong Learning Programs



Internal Instructor Cultivation and Knowledge Inheritance

Knowledge inheritance is the cornerstone of our corporate competitiveness. Through a comprehensive instructor training and certification system, we encourage top-performing employees to transform practical experience into forward-looking curricula, fostering a virtuous cycle of knowledge. As of year-end 2025, we have certified a total of 1,243 internal instructors worldwide. These instructors continuously distill field-proven expertise to cultivate world-class talent with a global perspective.

Internal Instructors





Social Involvement



To manage our relationships with our surrounding communities and the environment, USI actively engages in corporate citizenship through external participation and four approaches: Investing in Education, Contributing to Society, Conserving the Environment, and Promoting Arts & Culture. Together, we can create social value and build a sustainable future.

Key Stakeholders:
Employees, Communities, Industry Unions/Associations

SDGs:



CNY 7.65 Million
Invested in Social Involvement

183,517 Trees
Planted in the Million Tree Project

3,226 Students
Participated in Industrial-Academic Partnerships

6,839 Volunteer Hours
Contributed to Local Communities

2,923 Students
Reached through 6 Rural Revitalization Programs

2,330 Participants
Engaged in Environmental Activities

Sustainable Issue Performance and Targets

Material Issue | Achieved | Not Achieved

Management Purpose	KPI	2025 Target	2025 Performance	Status	2026 Target	2030 Target
Social Involvement						
Effective management of social activities investment to maximize social value for both the company and the beneficiaries	Rural area reading activities	Hold 6 reading activities in rural areas	Held 6 rural reading activities	✓	Hold 6 reading activities in rural areas	Hold 6 reading activities in rural areas
	Number of industrial-academic partnerships	Conduct 2 industrial-academic partnerships	Conducted 2 research industrial-academic partnerships	✓	Conduct 2 industrial-academic partnerships	Conduct 2 research industrial-academic partnerships
	Number of interns	Admit 100 interns	Admitted 129 interns	✓	Admit 100 interns	Admit 100 interns
	Number of USIU classes shared	Share 25 USIU classes	Shared 28 classes	✓	Share 25 USIU classes	Share USIU 35 classes
	Number of students benefiting from rural revitalization programs	Support 1,800 rural students	2,923 rural students supported through 6 programs	✓	Support 1,800 rural students	Support 2,000 rural students
	Number of volunteer hours	Reach 2,200 volunteer hours	Reached 6,839 volunteer hours	✓	Reach 2,310 volunteer hours	Reach 2,800 volunteer hours
	Number of art groups supported	Support 4 art groups	Supported 4 art groups and 12 artists	✓	Support 4 art groups	Support 4 art groups
	Number of trees planted	Plant 15,000 trees	Planted 17,252 trees	✓	Plant 15,000 trees	Plant 18,000 trees
	Number of participants in environmental activities	Reach 1,000 participants	Reached 2,330 participants	✓	1,000 participants in environmental activities	2,500 participants in environmental activities

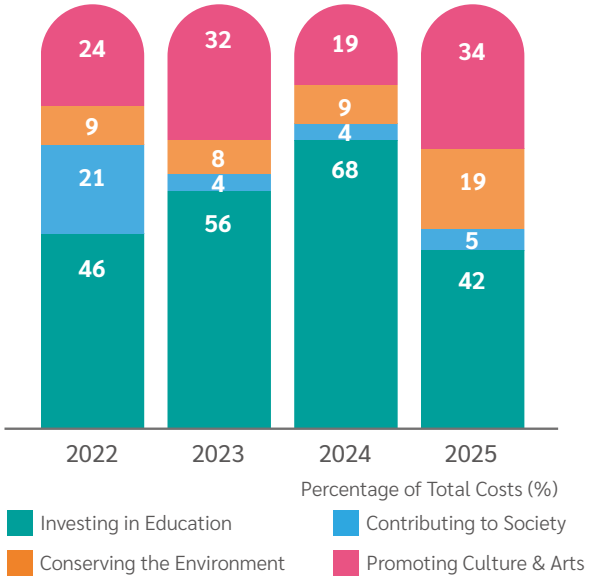
Social Activities Overview

As a corporate citizen, we believe that social involvement is more than monetary investments. Our contributions should be anchored in sustainable development and contribute to community development, making a positive impact. As the top management for Social Involvement, the Sustainability Committee established our Public Affairs Engagement Policy and Corporate Volunteer Regulations to systematically manage and focus our strategic direction. We encourage employees to volunteer in social activities that align with our four approaches: Investing in Education, Contributing to Society, Conserving the Environment, and Promoting Arts and Culture.

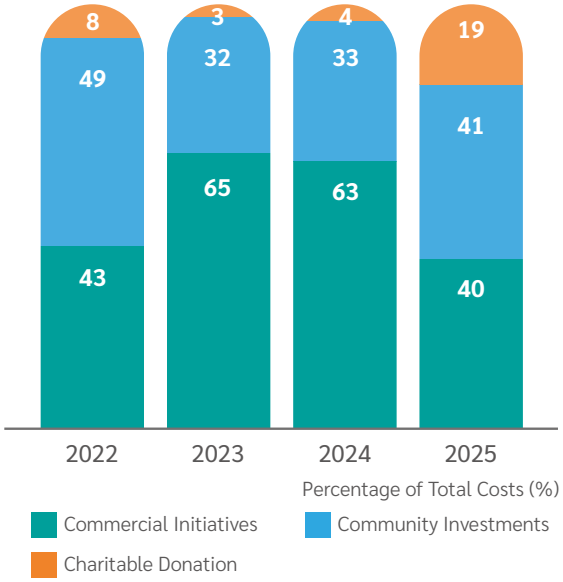
To measure the social value of our programs, we adapted the LBG framework to make better decisions, be more accountable, and maximize the effectiveness of each program by evaluating our inputs, outputs, and impact. USI invested CNY 7.65 million [1] in 100 social activities and 48 external organizations in 2025 and engaged 1,349 employees to volunteer 6,839 hours of service throughout the year.

The following figures show the ratio of CNY Invested by type of approach [2], type of activities, and type of contribution:

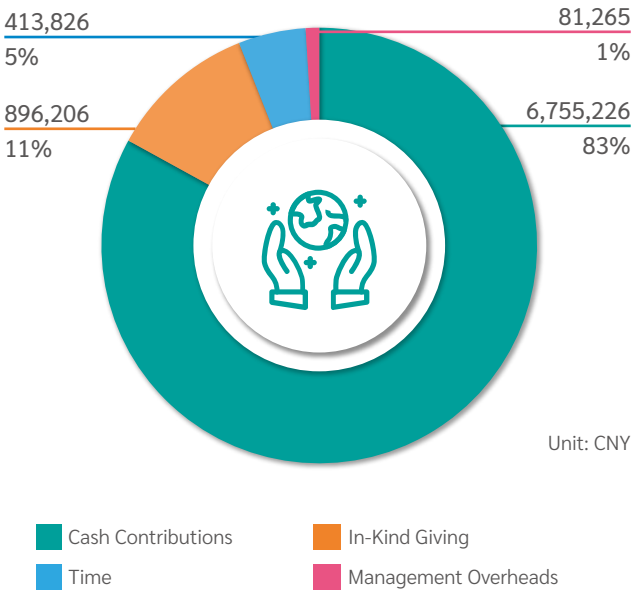
Investment by Approach



Investment by Type of Activity



Type of Contribution



Note:
1. Total social investment costs are based on cash and in-kind giving. Volunteering time and management overhead costs are not included in the calculations.
2. External organization participation costs are excluded from the four approaches of social involvement.

Investing in Education

Talent is an important growth driver for enterprises. Reading is the groundwork for accumulating innovative capabilities. As part of the Investing in Education strategic pillar, USI helped establish the Taiwan Reading Culture Foundation and its Philanthropic Library. The Library is set up in each township as a resource for teachers to borrow and use in class. We co-organized the Chinese Literary Prize for Global Youth to encourage students in literary pursuits. In terms of youth training, we have several industrial-academic partnership and internship projects in multiple facilities to enhance youth employability and develop the next-generation of technology talents.



Sponsor Taiwan Reading Foundation (Nantou Facility)

Broadening children's horizons and cultivating reading interest cannot be done overnight. Therefore, USI has continuously sponsored the Taiwan Reading Culture Foundation to build Philanthropic Libraries since 2005 and invested CNY 114,000 every year purchasing new books for the Libraries. To date we have donated 887 boxes of books, developing the reading ability of students in rural and remote areas. We understand that only continuous investment can bring substantial impact and change to students, and not just financial and material assistance.

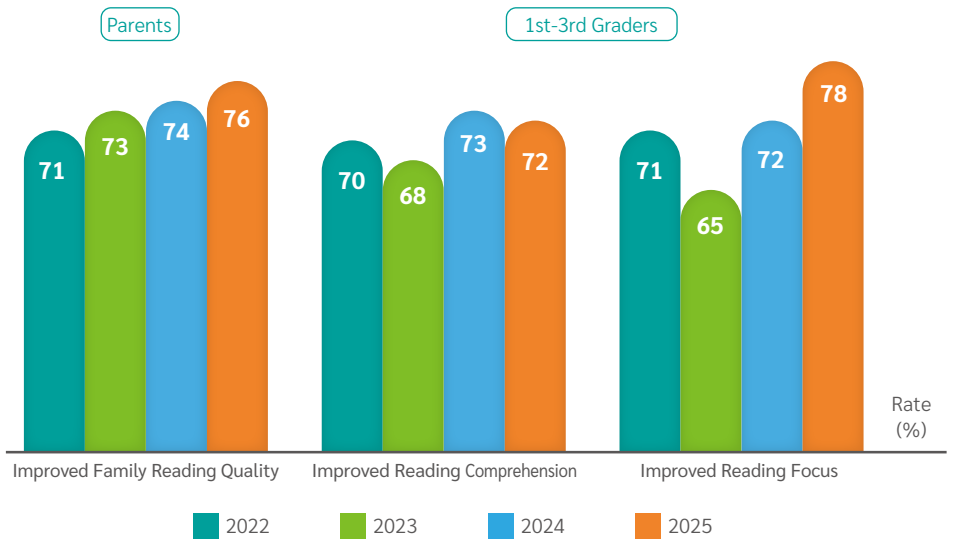
Understanding that different methods are needed for different age groups to guide reading, in addition to book donations, USI collaborates with the Foundation to organize Parent-Child Reading, Meet the Author, and Magical Physics Science Camp activities. We spare no effort to expand investment in local education, enhance reading habits, and promote interest in science. In 2025, we held 6 reading activities. For preschool to lower graders, families are the cradle of learning. We held 2 Parent-Child Reading activities and guided children to read picture books in a lively way to cultivate active interest in reading and learning. Additionally, for upper graders, we held 2 Magical Physics Science Camps where students can test physics experiments with their five senses and a hands-on approach. We also held 2 Meet the Author activities where invited authors talked at schools about their works and experiences, letting students approach books from another perspective.

We continued to use SROI to analyze and quantify our impact on students and children through the Philanthropic Libraries program and activities. Through our survey, we found 83% of students who participated in the Magical Physics Science Camp felt their science knowledge increased. Of the parents that participated in the Parent-Child Reading activity, 78% of parents believed that the event could improve reading focus. For detailed analysis, please refer to the charts on the next page. In total, every $1 invested in the Philanthropic Libraries can generate $6.41 of social value.

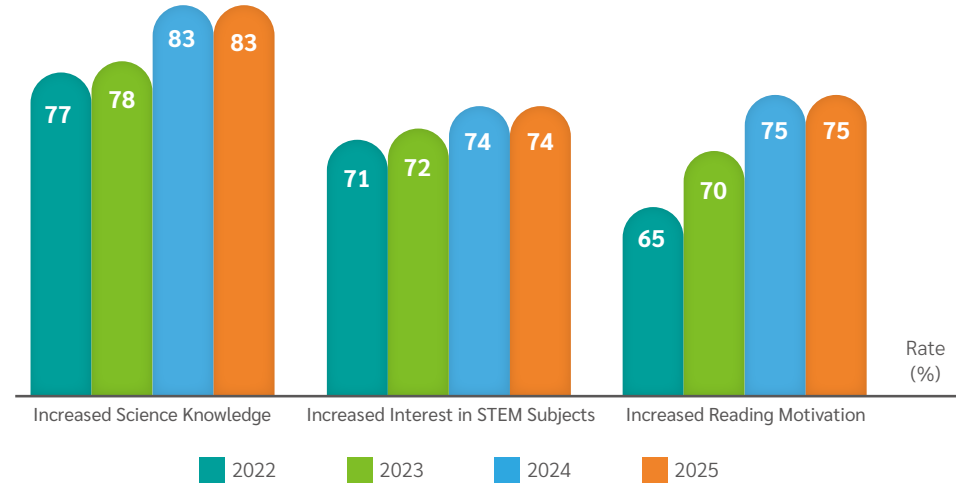




Parent-Child Reading: Outcome Incidences



Magical Physics Science Camp - Outcome Incidences for Students



Sponsor Chinese Literary Prize for Global Youth (Nantou Facility)

The Chinese Literary Prize for Global Youth is known as the fountain of living waters for new literary talents. Many literary luminaries such as Chang Man-Chuan, Jian Zhen, and Hou Wenyong had won this prize as students. To encourage student participation and advance Chinese literary culture, USI sponsors CNY 68,000 every year as prize money to scout for new literary stars. The call for manuscripts has expanded to include Chinese students from all over the world. In 2025, the 43rd Global Chinese Student Literature Award received 1,318 entries, with 340 entries from overseas. We look forward to more award-winning students emerging in the Chinese literary world.



USI University Courses & Industrial-Academic Partnerships (Global)

USI has always emphasized employee training and passing down knowledge. Internal lecturers from USI University cooperate with industry unions, associations, and universities and freely share their knowledge, experience, or the industry's latest trends to associated organizations and students. Through diverse courses like Introduction to the Semiconductor Industry, HR Digital Transformation, Career Planning, and Marketing Skills, we share our experiences with industry peers and hold career planning courses to help university students grasp the job market. We shared 28 courses that totaled 5,185 hours of lessons in 2025, contributing to enhancing youth employability.



Also, to put academic theory into practice, USI provides internship opportunities in Zhangjiang, Kunshan, Nantou, Mexico, and Vietnam Facilities with one-on-one mentor system so students can bridge the gap between school and work after graduation. In 2025, 129 students interned in our internship programs. In addition to internship opportunities, Nantou Facility partnered with National Taiwan University to conduct research projects such as the Smart Handheld Desensitization Modeling and Electromagnetic Interference research. Overall, 3,226 students benefited from these industrial-academic partnerships and participated 76,920 hours in 2025.

USI University Courses (Global)

Facility	Course Name
Zhangjiang	• Introduction to the Semiconductor Industry (Shanghai Tech School) • Angel Podcaster Tours USI-AI Manufacturing (Shanghai Disability Union) • HR Digital Transformation Practices (Beisen) • ESD Protection Training (Suppliers)
Huizhou	• Career Planning (Schools) • How HR Powers Innovative Management (Industry)
Kunshan	• Four Step Marketing Skills (School) • Pearl Students Exploration Camp (School) • Empowering Employment (Industry)
Nantou	• Corporate Digital Transformation (National Chung Hsing University) • Intro to Power Modules (National Yang Ming Chiao Tung University) • Intro to A&I PE (National Chung Hsing University) • Intro to MCC SiP (Feng Chia University)
Mexico	• Introduction to Corporate Sustainable Development (Tec Milenio) • Introduction to the Semiconductor Industry (Technology University of Jiquilpan) • ESD Protection Training (Tec Milenio)

Contributing to Society

Rural Revitalization

In response to SDGs (Goal 1: No Poverty; Goal 4: Quality Education), USI sponsors several educational rural revitalization programs to help children in impoverished regions obtain resources for quality education and narrow the gap between urban and rural areas. For example, in 2025, USI invested CNY 609 thousand in the Rural Digital Education Program, Hope for Pearls Project, Spark Philanthropic Library, Western Region Student Aid Program, Shanghai Tech Partnership Program, and the Kunshan Charity Foundation's Donation Drive, assisting 2,923 students in need.

Rural Digital Education Program (Zhangjiang Facility)

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

This program provides customized training material and tech support for 7 schools and held mini typing competitions to encourage and strengthen what they learned. In 2025, 2,073 students benefited from this program, with a cumulative beneficiary of 4,590 students.



Hope for Pearls Project (Huizhou, Kunshan Facilities)

Since 2016, USI has actively participated in the Hope for Pearls Project, helping students with excellent grades but cannot afford tuition to actualize their dream of finishing high school. In 2025, we held "DIY for Pearls" and "99 Charity Sale" activities at USI where employees bought produce from 12 low-income farmers to raise funds for 50 students in 2024 USI Pearl Class. In addition to financial aid, we also sent learning supplies to wish them luck in their studies.



Spark Philanthropic Library (Zhangjiang, Jinqiao Facilities)

Books are a beacon of light that guides our path forward. Reading sparks wisdom and knowledge accumulating the foundation for innovation. To realize investing in education, and letting the light of knowledge shine in all corners, we built a Philanthropic Library at Wenguang Elementary School in Yunnan.

During the construction period, USI employees held a book donation campaign to bring better educational resources to 670 students. When the Library was completed, USI and employees donated 3,390 books and 20 audio players with 600 audiobooks to enrich the school's resources. We hope to provide practical help to narrow the urban-rural gap. We sincerely hope that the students will learn from books, keep up with the times, and thrive like the children in the city.



Western Region Student Aid Program (Zhangjiang Facility)

USI believes that the merit of investing in education lies in the present, while the benefit is in the future. We provided financial aid to 12 impoverished outstanding university students from rural areas such as Yunnan and Sichuan through Cihui Foundation's Western Region Student Aid Program to ensure their opportunities for education and growth.

Shanghai Tech Partnership Program (Zhangjiang Facility)

To cultivate high tech talent, USI partnered with Shanghai Tech University where we hosted a seminar for 64 students, offered 10 internships, and provided 12 scholarships. This integration of academic instruction and practical training ensures a seamless alignment between the university's talent development and the company's workforce needs, creating a mutually beneficial outcome.

Kunshan Charity Foundation Donation Drive (Kunshan Facility)

With love in our hearts, we participated in the Donation Drive and donated supplies for 20 profoundly disabled children, and vulnerable people in need.

Social Inclusion

Our mission is to give back to the community by gathering resources and encouraging employee participation in community activities. We aim to build a society where everyone has a sense of growth, purpose, and fulfillment.

Accompanying Disadvantaged Children (Nantou, Mexico Facilities)

Every child has the right to education and is expected to grow up happily. USI volunteers not only lead guided tours of the Science Museum for elementary schools in remote areas but also organize baseball and musicals watching. At the end of the year, we held Christmas parties to enrich the lives of children at the Nantou Home for Children and the Mexican Salvation Army, brightening up every moment of their childhoods. USI also reaches out to children fighting cancer, donating supplies to them and their families to cheer them on, conveying "you are not alone".

Caring for the Elderly in the Community (Huizhou, Kunshan, Nantou, and Mexico Facilities)

As society ages, addressing the challenges of elderly care and loneliness becomes critical. Our company organizes meal donations and visits nursing homes to engage with seniors. Through the ASEH Chang Yao Hong-Ying Social Welfare & Charity Foundation, we organize the Senior LOHAS Program, offering healthy exercises, educational games, and friendly chats to promote active aging and an age-friendly society.

Science Museum Trip



Christmas Party



Senior Home Visitation

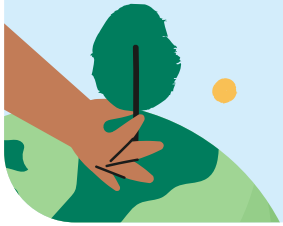


Retirement Home Visitation

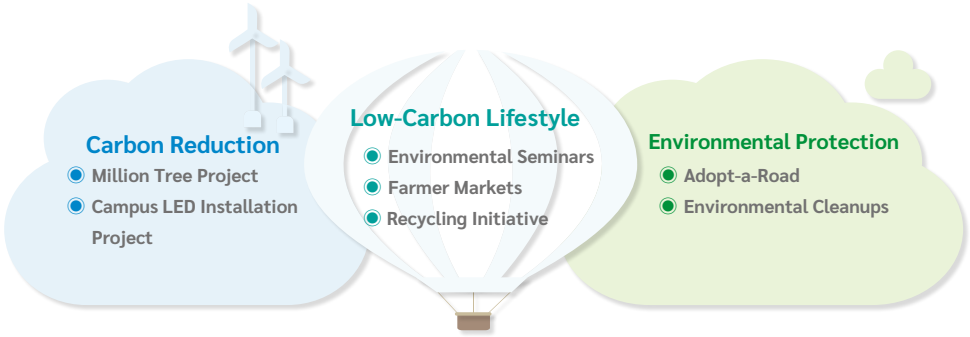


Conserving the Environment

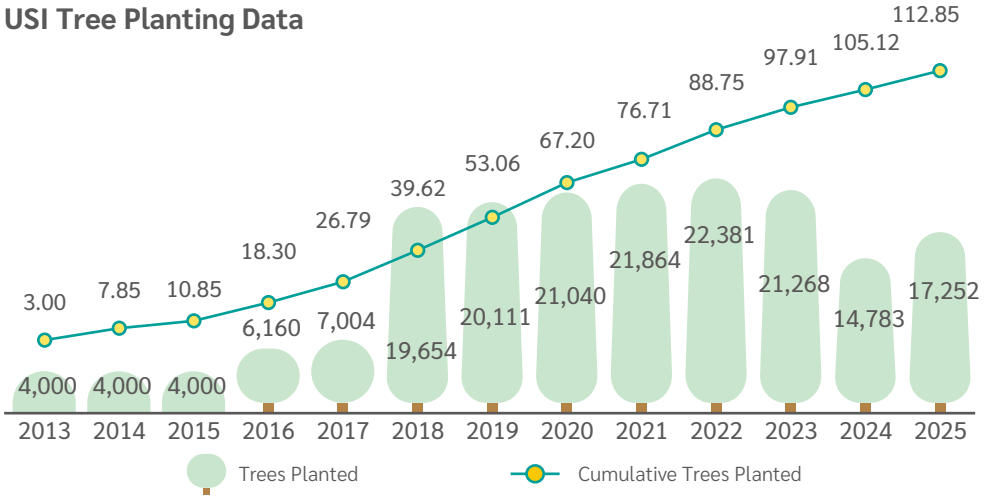
Climate change is an issue that humanity must face. Saving energy and reducing carbon emissions are the starting points for Conserving the Environment. For years, USI has been cooperating with Shanghai Roots & Shoots in the Million Tree Project to purify air quality and restore biodiversity. We also work with the ASE Environmental Protection and Sustainability Foundation in the Campus LED Installation Project to replace LED lighting for rural schools to save energy and schoolchildren's eyesight. We host activities such as Environmental Seminars, Mini Farmers' Markets, and Environmental Cleanups to promote green and low-carbon lifestyles, raise environmental awareness, deepen connections with neighboring communities, mitigate negative impacts, and contribute to the global environment.



Activity Approaches



USI Tree Planting Data



Million Tree Project (Global)



In response to SDGs (Goal 13: Climate Action; Goal 15: Life on Land), USI actively promotes environmental education, protects ecosystems, combats desertification, and reverses land degradation through collaborating with Shanghai Roots and Shoots' Million Tree Project. To expand this project, we began reforesting in Vietnam's Cuc Phong National Park. In addition to reversing land degradation and desertification in Inner Mongolia and Ningxia, planting trees also restores local biodiversity. The latest ecological survey reports 49 species observed in Inner Mongolia and 8 species in Ningxia, indicating the sand has begun stabilizing, the ecosystem is reaching a balance, and there are early signs of recovery. By the end of 2025, USI has planted 183,517 trees covering 112.85 hectares and cumulatively captured 1,449.95 metric tonnes of CO_2e using IPCC Guidelines. The afforested land conserves about 154,830.2 metric tonnes of water annually through water balance estimation methods.

USI tree ambassadors is a global initiative to engage employees in environmental action. In 2025, 85 ambassadors went to Inner Mongolia, Ningxia, Vietnam, and Mexico to plant trees, doing our part to protect the environment. Participants deeply realized that environmental restoration is an uphill battle and were even more supportive of environmental protection activities. In 2025, 17,252 trees were newly planted, of which employees donated 336 trees.





Campus LED Installation Project (Nantou and Vietnam Facilities)

Since 2014, USI has assisted the ASE Environmental Protection and Sustainability Foundation in launching the Campus LED Installation Project in remote elementary and middle schools in Nantou to enhance energy conversion and lighting in rural schools. The project aims to replace old fluorescent lights with energy-saving T8-LED lights, which not only effectively reduce electricity consumption and thus achieve energy-saving and carbon reduction benefits but also protect children's eyesight and create a high-quality education and learning environment. In 2025, we assisted in the installation of 2,930 LED lights for a total of 754 teachers and students in Nantou's Zhongliao Middle School, Mingang and Gongxie Elementary Schools and Vietnam's Van Phong Primary and Secondary School, saving 63,288 kWh of power and thus reducing 29,999 kg of CO_2. In total, we have installed 47,524 lights in 53 schools, creating low-carbon and sustainable campuses.

Year	Schools	LED Lights Installed	Annually Saved Energy (kWh)
2023	3	2,723	58,817
2024	3	2,300	49,680
2025	4	2,930	63,288





Green Zone Adoption (Nantou Facility)

Environmental pollution is an increasingly pressing global challenge, with air quality posing a significant threat to public health and quality of life. In response, USI has partnered with ecological experts to develop a community green space and improve local air quality adjacent to Caotun Elementary School, implementing targeted greening initiatives to create a cleaner, healthier environment. Beyond improving local air quality and residents' well-being, the restored green space also serves as a model for community-based air purification efforts. It provides a valuable platform for ecological education, supporting both school learning and broader community engagement in environmental protection.



Environmental Cleanup, Low-Carbon Life (Huizhou, Kunshan, and Nantou Facilities)

Loving the planet begins with our everyday habits and the communities around us. To encourage low-carbon lifestyles, Huizhou Facility launched a seven-day challenge, inspiring employees to adopt greener practices and reduce their environmental footprint. A total of 530 employees participated, actively choosing low-carbon transportation such as subways and carpooling, collectively logging 11.8 million steps and recycling 106 kg of clothing. At Kunshan Facility, a team of 14 volunteers visited Qiandeng Old Town, collecting approximately 50 kg of litter to help preserve its scenic environment. Meanwhile, Nantou Facility's annual beach cleanup went ahead despite heavy rain, with 123 dedicated volunteers quickly removing 90.3 kg of waste. Through these initiatives, each facility not only raised awareness about reducing and preventing litter but also brought employees together to help create cleaner, more vibrant communities.







Promoting Arts and Culture

Sponsored Youth Go Competitions (Zhangjiang Facility)

USI continued to sponsor CNY 76 thousand in youth Go tournaments so evenly matched Go players across the strait could meet and compete through the Twin Cities Cup and extend their friendships and dreams through the chessboard. We hope to encourage more youths to test their skills and grow through such activities.



Sponsored Cross-Strait Student Baseball League and Breakdancing Competition (Zhangjiang Facility)

To promote diverse youth exchange initiatives across the strait, USI sponsored both the 6th Cross-Strait Baseball League and the inaugural Breakdancing Competition in Nanjing. Through these sports and cultural activities, the programs created meaningful opportunities for young people to foster cultural exchange and mutual understanding. Nearly 300 dancers and 1,100 baseball players from both sides took part, bringing together young people to celebrate shared interests through sports and creative expression.



Sponsored Cloud Gate Dance Theatre Annual Tour (Nantou Facility)

Since 2005, USI has annually supported the Cloud Gate Culture and Art Foundation as we believe that while technology can improve our quality of life, art can improve the quality of our minds and souls. This year, we sponsored the *All Ears* production and invited supplier partners to enjoy dancers expressing the joy of life and depth of culture through dance.



Sponsored Ming Hua Yuan Theatre Performance (Nantou Facility)

Promoting traditional arts and giving back to the community is central to USI's commitment to social activities. In 2025, we continued supporting the Straw Crafts Culture Festival by inviting the Minghuayuan Theatre Group to perform *Master of Sword - Lu Dongbin* at Caotun Zhongshan Park, where over 2,200 locals came and enjoyed the traditional opera outdoors, keeping traditional culture alive.



External Participation

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

The Sustainability Committee systemically manages and guides our company-wide associations through the Public Affairs Engagement Policy. Organizations we choose to participate in are ones we share similar values with, and we regularly review our memberships for alignment on material issues, such as the Paris Agreement goals. Every year, the Senior Vice President of the Administration Group and the Employee & Social Well-being Engagement Taskforce, responsible for the stewardship of public affairs engagement, reports review results to the Sustainability Committee. Where misalignments are found, the Committee reviews and deliberates whether to continue our membership.

USI actively participated in 48 industrial organizations [(1~3)] and contributed CNY 865 thousand in 2025 [(4)]. Upon review, most associations we joined focus on other industry-specific issues, including workplace safety, sharing best practices, and professional development. Through networking events and serving important positions, USI keeps in touch with the industry and contributes to its progress. The following is a partial list of organizations USI joined:

Zhangjiang Facility

- ✦✦✦Pudong Association of Foreign Investment
- ✦✦✦Shanghai Integrated Circuit Industry Association
- ✦✦✦Pudong New Area Association of Work Safety

Huizhou Facility

- ✦✦✦Guangdong Greater Bay Area Strategic Development Association
- ✦✦✦Huizhou Association of Taiwan Investment Enterprises

Kunshan Facility

- ✦ Kunshan Labor Relations Association
- ✦✦ Taiwan Compatriot Investment Enterprises Association of Kunshan
- ✦✦✦Kunshan Workplace Health Association

Nantou Facility

- ✦✦ Taiwan Electrical and Electronic Manufacturers' Association
- ✦✦✦Taiwan Telematics Industry Association
- ✦✦✦Nangang Industrial Manufacturers Association
- ✦✦✦Taiwan Association of Occupational Health Nurses

Note:
1. ✦Represents the position of Chairman/Vice-chairman
2. ✦✦Represents the position of Executive Director
3. ✦✦✦Represents the position of Director/Supervisor

Our assessment determined that 30 industrial associations we joined are Paris-aligned. An example of an association actively involved in developing climate policy and advocacy is listed below:

- **Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)**

TEEMA's mission is to promote economic development and act as a bridge for cross-sector communications. In response to international trends and regulations, TEEMA actively participates in and promotes energy saving and carbon reduction. USI responded by setting and achieving energy-saving goals. In addition to meeting the SBT targets pledged by ASEH to support the Paris Agreement goals, we have also introduced the TCFD & CDP frameworks into our environmental management system. Please refer to the Climate and Nature Risk Management section for our performance and progress results.



4. USI's Business Code of Conduct prohibits political participation through donations to lobbyists and political groups. And USI did not make any monetary contributions to political campaigns or organizations, lobbyists, or other tax-exempt groups whose role is to influence political campaigns or legislation.



Subsidiary Overview

Asteelflash Suzhou Facility

EcoVadis Bronze Sustainability Rating

Asteelflash Suzhou Co., Ltd. (AFG-SUZ) specializes in printed circuit board surface-mount technology (SMT) processing and assembly. Its product portfolio covers automotive electronics, networking equipment, consumer electronics, industrial control systems, and medical devices. To enhance local value chain and service capabilities, USI has established a finance center, a Design for Manufacturing (DFM) team, and a global mechanical component supplier development team at AFG-SUZ.

Company Name: Asteelflash Suzhou Co., Ltd.

Date of Establishment: 2002

Legal Representative: Andrew Wu

Company Address: No. 8 Gutang Rd., Wujiang ETDZ, Suzhou, Jiangsu, China

Reporting Period: 01/01/2025 to 12/31/2025



Governance and Economic

Stakeholder Engagement

Communication Channel (Frequency)	2025 Performance
Shareholders/Banks	**Focus Issues:** Risk & Crisis Management, Sustainable Supply Chain, Innovation Management, Data Privacy, Green Products, Occupational Health & Safety
◉ Board Meeting (annual/non-periodic) ◉ Periodic Reports (monthly/quarterly/semiannual/annual) ◉ Bank Visits & Receptions (non-periodic)	◉ Participated in 2 AFG board meetings in 2025. ◉ Provided financial disclosures and performance analysis through official USI Financial Reports. ◉ Hosted 2 bank on-site visits.
Customers	**Focus Issues:** Customer Relations, Sustainable Supply Chain, Green Products, Risk & Crisis Management, Information Security, Occupational Health & Safety
◉ Customer Satisfaction Survey (annual) ◉ After-Sales Service System (all the time) ◉ Project Team (all the time) ◉ Dedicated Email Support (all the time) ◉ Customer inquiries and audits (all the time)	◉ Achieved an average customer satisfaction score of 4.74 out of 5 across quality, delivery, service, and overall performance. ◉ Recorded zero product recalls and resolved 100% of customer complaints. ◉ Provided timely customer services in quality, engineering, and delivery through dedicated project teams. Customers may provide feedback, suggestions, or complaints at any time via company email channels. ◉ Held periodic meetings with customers on quality, delivery, CIP, and ESG performance. ◉ Passed 11 OHS & environmental compliance customer audits.

Communication Channel (Frequency)	2025 Performance
Employees ◉ Workers' Catering Committee (monthly) ◉ Workers' Congress (annual) ◉ GM/Employee Suggestion Box (all the time) ◉ Social Media Accounts (all the time) ◉ Company Announcements (all the time) ◉ Training Programs (non-periodic) ◉ Internal Evaluation & Incentives (Quarterly) ◉ Emergency Drills (Monthly)	**Focus Issues: Occupational Health & Safety, Data Privacy, Human Rights, Information Security, Risk & Crisis Management** ◉ Held catering meetings to introduce new menus and rating systems, promoting a clean and pleasant dining experience. The labor union also held an annual employee representative meeting to share company updates and facility improvements. ◉ Established an anonymous suggestion box, with the General Manager personally responding to all submissions and achieving a 100% resolution rate (22 cases). ◉ Shared employee activities, training updates, and other news via WeChat. Held 13 events with 2,171 total participants. ◉ Provided diverse training programs to enhance employee skills, averaging 30.2 training hours per employee. ◉ Granted quarterly AFG-SUZ Stars and Outstanding Team awards, and recognized Safety Excellent Management Teams through internal evaluations. ◉ Completed 22 emergency drills with 2,259 participants in line with safety and environmental response plans.
Suppliers/Contractors ◉ Quarterly Business Review (quarterly/semi-annual) ◉ New Supplier Assessment (annual) ◉ Supplier Questionnaire (annual) ◉ Supplier Sustainability Conferences (annual) ◉ Supplier Training (annual)	**Focus Issues: Occupational Health & Safety, Customer Relations, Risk & Crisis Management, Data Privacy, Information Security** ◉ Conducted 4 quarterly business reviews with key automotive material suppliers and 2 semi-annual reviews with non-automotive suppliers. ◉ Approved 2 new suppliers through sustainability evaluations and qualification audits. All signed the Supplier Code of Conduct commitment and achieved a 100% audit pass rate. ◉ Surveyed 34 suppliers through supplier SAQ, and completed on-site audits of 27 raw material suppliers and 5 labor/service contractors to assess their current sustainability status. ◉ Promoted corporate policies such as the Code of Conduct and Human Rights to 929 suppliers and contractors. Engaged 36 suppliers in the annual Stakeholder Concern Survey. ◉ Conducted labor law training for 3 HR service contractors and conflict minerals training for 39 raw material suppliers.
Schools/Academic Institutions ◉ Briefings/Seminars/Forums/Project Collaborations (non-periodic)	**Focus Issues: Human Rights, Occupational Health & Safety, Talent Attraction & Retention, Human Capital Development, Green Products, Waste Management** ◉ Since the launch of the lifelong learning initiative in 2023, 27 employees have pursued further education (17 associate's, 8 bachelor's and 2 master's degrees). ◉ Established a skills certification system aligned with operational needs; 236 employees obtained certifications (124 intermediate, 112 advanced).
Governments & Industry Unions/ Associations ◉ Official document (non-periodic) ◉ Industry conferences/member meeting (non-periodic)	**Focus Issues: Occupational Health & Safety, Water Resource Management, Waste Management, Energy Management, Social Involvement** ◉ Hosted 11 government inspections with a 100% pass rate. ◉ AFG-SUZ complied with regulatory requirements without major compliance violations, and regularly disclosed operational performance and development updates. ◉ Installed a 1.5 MWh solar power system, generating 1,021 MWh in 2025. ◉ Achieved a 96% non-hazardous waste recycling rate. ◉ Participated in five external training sessions and seminars, including safety regulations, risk prevention, and fire safety.

Communication Channel (Frequency)	2025 Performance
Community (NGO, Media)	**Focus Issues: Social Involvement, Data Privacy, Occupational Health & Safety, Human Rights, Sustainable Supply Chain, Air Pollution Control**
◉ Resident representatives on-site meeting (non-periodic)	◉ Developed emergency response plans for production safety and environmental incidents; engaged local community representatives and signed a Right-to-Know and Mutual Assistance Agreement. ◉ Maintained zero major environmental pollution violations. ◉ Actively engaged in community activities, participating in/organizing four events to foster positive community relations.

Customer Satisfaction

AFG-SUZ regularly gathers customer feedback through business reviews, customer scorecards, and satisfaction surveys, assessing performance across four key dimensions: quality, delivery, service, and overall satisfaction. In 2025, the satisfaction survey covered all mass-production customers, with a target score of 4.2 (on a 5-point scale, where 4–5 indicates "excellent"). Results showed that over 97% of customers rated AFG-SUZ 's overall satisfaction as "excellent," with an average satisfaction score of 4.74 points, a slight increase from 4.70 in 2024.

To address customer feedback, we regularly form dedicated task forces to implement targeted improvements, enhancing product and service quality. AFG-SUZ was honored with the "Outstanding Contribution Award" by ROBAM (Boss Appliances).



Risk & Crisis Management

2025 Enterprise Risk Assessment

Risk Category	Risk Scenario	Risk Response	Enterprise Opportunities
Geopolitics	1. China–Europe cultural differences impacting cross-border talent initiatives at AFG-SUZ. 2. Continued China–U.S. trade tensions intensifying regional economic competition.	1. Provide cross-cultural training for support teams (e.g., local etiquette, values, and work styles) to enhance communication efficiency. 2. Promote localized supply chain deployment to reduce reliance on single sources and improve supply stability. 3. Develop tailored solutions for domestic clients to increase local orders and mitigate demand fluctuations.	1. Leverage localized supply chain strategies of multinational companies to capture European orders in China. 2. Maximize local supply chain advantages to reduce costs and enhance price competitiveness. 3. Leverage group strengths to rapidly expand domestic customers and create growth chances.

Risk Category	Risk Scenario	Risk Response	Enterprise Opportunities
Innovation, Research & Development	1. Insufficient assessment of technology trends leading to poor technology selection, causing delays and budget overruns. 2. Loss or reassignment of key personnel causing knowledge gaps and affecting project progress and quality. 3. Unplanned specification changes by client causing delays and resource waste 4. Inadequate cost assessment in early R&D stages reducing project profitability.	1. Conduct research and select appropriate technologies. 2. Build cross-functional teams and establish standardized documentation to ensure continuity. 3. Confirm design freeze timelines and cost responsibilities with customers early to enhance transparency and reduce risks. 4. Conduct detailed cost evaluations before initiating innovation projects.	1. Apply business intelligence tools to improve cost transparency and decision-making. 2. Proactively deploy state-of-the-art technologies to gain market advantage. 3. Leverage AI to enhance R&D efficiency and accelerate innovation cycles.
Succession Planning	1. Talent loss among mid-level managers and key staff. 2. Aging workforce among mid- and senior-level management and key roles. 3. Talent gaps across management levels with insufficient successors. 4. No structured succession planning or tracking system	1. Regularly review and update succession plan. 2. Establish backup stems and internal/external talent pools. 3. Conduct biennial talent reviews and development plans. 4. Rehire experienced talent in line with delayed retirement policies. 5. Develop high-potential young talent with expanded growth opportunities.	1. Build a robust talent pipeline through succession identification and backup role systems. 2. Develop successors with required capabilities for key positions. 3. Enhance retention through diversified development resources. 4. Introduce external talent to bring new perspectives and ideas.

Information Security and Data Privacy

Since obtaining TISAX certification in 2024, AFG-SUZ has continuously enhanced information security controls and prototype protection within the certification scope, successfully upgrading from TISAX V5.1 to V6.0. The upgrade included standard training, regulatory gap analysis, policy updates, and internal audits, strengthening overall information security governance. In 2025, five information security procedures were updated, with 1,662 training participations to enhance employee awareness and compliance.

In network and system security, AFG-SUZ implemented FortiGate 200E firewalls to achieve physical separation of OA and OT networks, strengthening operational security. The company also completed a full upgrade to Windows 11, improving system security and stability.

For data privacy, legal teams regularly updated privacy policies and regulations, and enhanced procedures including data breach handling, data subject access requests, and retention policies. Visitor ID registration was eliminated to minimize sensitive data collection. External visitors, including long-term on-site clients and suppliers, signed privacy notices, total 53 in 2025. Overall, we achieved significant improvements in systems, technology, and privacy management, providing a secure and reliable operating environment.

Innovation

As of 2025, there are a total of 60 valid intellectual property rights, in which 11 patents were granted in 2025. Furthermore, 5 applications are under review, and 6 applications are accepted.

Status	Invention	Utility Model	Total
Granted and Valid	3	57	60
Under Review	5	-	5
Application Submitted	-	6	6

Sustainable Manufacturing

Continuous Improvement

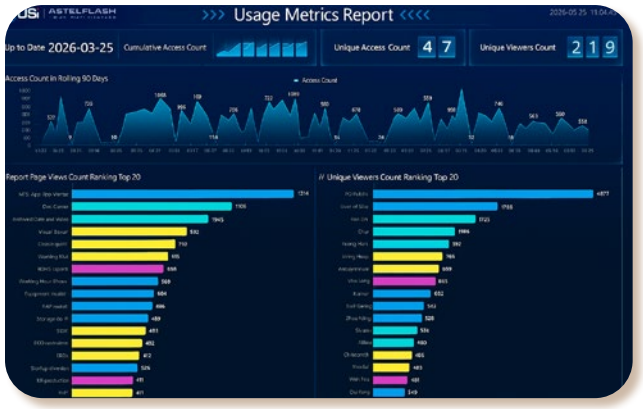
In 2025, AFG-SUZ set annual improvement targets and incentive mechanisms, supported by a review committee led by General Manager. Employee proposals were submitted via an electronic system and reviewed monthly. In total, 53 improvement projects were completed, delivering cost savings of CNY 3.14 million and enhancing operational efficiency.

Digitalization

AFG-SUZ upgraded its BI platform to LEANBI 2.0, optimizing interface design, refining KPIs, and adding over 100 dashboards. The system now includes 438 pages with over 20,000 monthly visits, serving as a transparent and traceable management tool. Leveraging low-code platforms, we digitalized KPI management processes, improving standardization, automation, and decision-making efficiency.

AI Applications

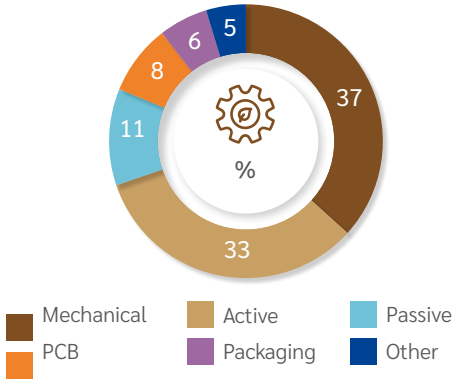
AI Applications In 2025, seven AI training sessions were conducted with 255 total participations. Since rollout in August, AI systems have delivered an average of 8,904 monthly responses, supporting daily operations and significantly improving efficiency and digital capabilities.



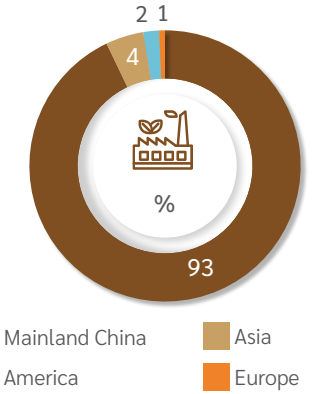
Sustainable Supply Chain

In 2025, AFG-SUZ engaged 623 raw material suppliers across Mainland China, Asia, Europe, and the Americas. AFG-SUZ adjusted sourcing strategies based on industry trends and adopted differentiated procurement approaches to diversify risks and ensure price competitiveness, cost efficiency, timely delivery, and stable quality localized sourcing was promoted to reduce logistics costs and carbon emissions, with 93% of suppliers located in Mainland China.

Raw Material Category Distribution



Raw Material Supplier Regional Distribution[1]



Supplier Code of Conduct

Promoted compliance with the Supplier Code of Conduct via USI website platform. In 2025, all 929 active suppliers were covered, ensuring their adherence to applicable laws, regulations, and anti-corruption requirements, with no reported grievances or violations.

Supplier Assessment

New suppliers developed by AFG-SUZ are required to sign procurement contracts, CSR commitments, and business integrity agreements to ensure environmental, social, and human rights considerations are addressed. In 2025, two new suppliers were assessed, with a 100% qualification rate.

Conflict Minerals Compliance

To ensure responsible mineral sourcing, we conducted due diligence surveys in accordance with USI's Responsible Minerals Management requirements, please refer to the Responsible Minerals Commitment section.

Note:
1. Purchase percentages are calculated based on supplier regions.

Environmental Protection

Green Products

We conducted hazardous substance compliance surveys per customer requirements, with the 2025 results as follows:

Green Products Directive	Automotive Products
EU RoHS	100%
China RoHS	100%

Waste Management

In 2025, 496 metric tonnes of waste were generated, including 97 metric tonnes of hazardous waste and 399 metric tonnes of non-hazardous waste. A total of 430 metric tonnes were recycled, achieving an overall recycling rate of 87%. Non-hazardous waste achieved a recycling rate of 96%, exceeding the annual target of 90%. Discarded products and e-waste (48.26 metric tonnes) were managed by licensed contractors, while 292 metric tonnes of packaging materials (pallets, turnover boxes, and wooden skids) were reused. Waste by treatment method is shown below.

Project	2025 Performance
Packaging Material Recycling	Total 150,000 trays and 30,000 cartons were recycled, reducing waste generation by 273 metric tonnes and saving CNY 3.39 million.
Pallet Recycling and Reuse	Plastic pallets were reused over 1,300 times, reducing 19 metric tonnes of waste and saving CNY 280,000.

Unit: metric tonnes

Treatment / Facility	Reused		Recycled		Composted		Landfilled		Incinerated			
									Hazardous		Nonhazardous	
	Hazardous	Nonhazardous	Hazardous	Nonhazardous	Hazardous	Nonhazardous	Hazardous	Nonhazardous	Energy recovered	No energy recovered	Energy recovered	No energy recovered
AFG-Suzhou	0.000	0.000	48.260	346.890	0.000	35.163	0.000	0.000	48.180	0.000	17.340	0.000
On-site	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Off-site	0.000	0.000	48.260	346.890	0.000	35.163	0.000	0.000	48.180	0.000	17.340	0.000
Subtotal	0.000	0.000	48.260	346.890	0.000	35.163	0.000	0.000	48.180	0.000	17.340	0.000
Percentage	0.00%	0.00%	9.73%	69.96%	0.00%	7.09%	0.00%	0.00%	9.72%	0.00%	3.50%	0.00%
Total	0.000		395.150		35.163		0.000		48.180		17.340	

Climate Strategy

To mitigate climate impact, AFG-SUZ began quantifying and reporting the organizational carbon emissions inventory in 2023 and achieved ISO 14064-1 certification. In 2025, we continued monitoring and reducing GHG emissions, purchasing 8,961 MWh of renewable energy certificates to offset emissions from purchased electricity. Refer to the table below for Scope 1 & 2 GHG emission:

Unit: metric tonnes CO_2e

Category	Scope 1	Scope 2	Total
Location-based Emissions	172.51	4,471.01	4,643.52
Market-based Emissions	172.51	971.12	1,143.62

We conducted 15 categories of significant identification and inventory of upstream and downstream activities in Scope 3. 2025 results verified by a third-party as follows: (1-2)

Unit: metric tonnes CO_2e

Category	Description	GHG Emissions
1	Purchased goods and services	55,078.77
2	Capital goods	182.47
3	Fuel and energy related activities	391.45
4	Upstream transportation and distribution	2,296.20
5	Waste generated in operations	3.44
6	Business travel	40.86
7	Employee commuting	248.29
8	Upstream leased assets	6.50
9	Downstream transportation and distribution	N/A
10	Processing of sold products	N/A
11	Use of sold products	N/A
12	End-of-life treatment of sold products	N/A
13	Downstream leased assets	N/A
14	Franchises	N/A
15	Investments	N/A
Total		58,247.99

Note:
1. The data presented came from the ISO 14064-1 inventory results, rounded to the 2nd decimal place, converted to the GHG Protocol for disclosure.
2. N/A: non-significant after assessment of the indirect emissions materiality criteria in accordance with ISO 14064-1.

Energy Management

In 2025, the AFG-SUZ implemented multiple energy initiatives to mitigate the impacts of climate change:

- Installed a new 1.5 MWh solar power generation system, with total annual generation reaching 1,021 MWh.
- Solar-powered streetlights were installed across the facility, with estimated electricity savings reaching 2.27 MWh.
- Collaborated with the power utility to use green electricity, accounting for 73% of total consumption.

AFG-SUZ was recognized as a Suzhou Near-Zero Carbon Factory for the strong performance in energy conservation and carbon reduction.



2025 Energy Consumption

Energy Category	Unit	Consumption
Electricity	GJ	33,679
Gasoline (non-renewable)	GJ	221
Diesel (non-renewable)	GJ	42

Water Resources Management

In 2025, total water consumption was 50.626 million liters, a 34% decrease from 77.044 million liters in the previous year, mainly due to converting underground pipelines to above-ground piping and fixing leaks. We continue to review and implement water-saving initiatives to reduce water demand and mitigate water scarcity risks.

Unit: ML

Item	AFG-Suzhou
Water-Stressed Region	Yes
Source	Tap Water
Water Withdrawal	50.626
Discharge[1]	45.563
Water Consumption	5.063
Fresh Water (≤ 1,000 mg/L TDS) [2]	N/A
Discharge Flow	Municipal Sewage Treatment Plant

Air Pollution Control

In 2025, VOCs and PM emissions were tested in accordance with local regulations. Emissions data are shown in the table below. Quantities were estimated from third-party reports (based on concentration and exhaust volume) and rounded to the third decimal place [3].

Unit: metric tonnes

Pollutant	AFG-Suzhou
Volatile Organic Compounds (VOCs)	0.180
Nitrogen Oxides (NO_X)	N/A
Sulfur Oxides (SO_X)	N/A
Particulate Matter (PM)	0.042

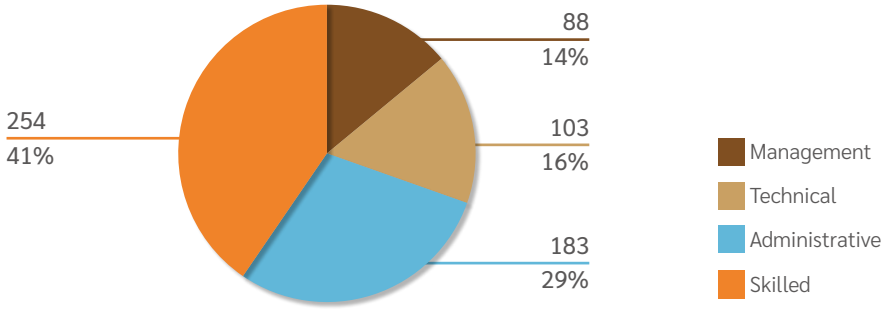


Note:
1. AFG-SUZ uses 90% withdrawal volume estimation principle.
2. N/A: AFG-SUZ sources water is supplied by municipal water utilities and complies with local water quality standards, but there is no total dissolved solids (TDS) test data.
3. N/A: Not required by local regulations; no testing was conducted.

Social

Inclusive Workplace

AFG-SUZ's total workforce comprises 628 employees, with 300 males (48%) and 328 females (52%), distributed across job categories as follows:



Workforce Breakdown by Category

Diversity Indicators (Ratio)	Male	Female
Management	49 (56%)	39 (44%)
Junior Management	19 (51%)	18 (49%)
Middle Management	24 (55%)	20 (45%)
Top Management	6 (86%)	1 (14%)
Operational Supervisors	27 (69%)	12 (31%)
New Hires	39 (57%)	30 (43%)
Resigned Employees	41 (53%)	37 (47%)
Age Distribution (Ratio)	**New Hires**	**Resignations**
<30 Years-Old	45 (65%)	37 (47%)
30~50 Years-Old	24 (35%)	40 (52%)
>50 Years-Old	0 (0%)	1 (1%)

Talent Attraction and Retention

- **Equal and Fair Compensation & Benefits System**
  - Direct Labor: full attendance/performance/night shift/position allowances or bonuses.
  - Indirect Labor: annual/quarterly incentive bonuses.
  - Annually review and adjust salaries and bonuses based on individual performance, market conditions, and company revenue.
- **Optimize Benefits & Boost Employee Engagement**
  - In 2025, 2,171 employees engaged in 13 activities such as skills competitions, basketball tournaments, and green hikes.
- **Multiple Communication Channels**
  - Various channels are available to collect employee feedback, with ongoing improvements and transparent communication (e.g., GM's mailbox and complaint hotline).

We analyze gender-based salary ratios and run quarterly awards for outstanding employees and teams, promoting our core values.





Gender Pay Ratio by Job Category

Category	Female-to-male Basic Salary Ratio	Female-to-male Remuneration Ratio
Management	0.90	0.89
Technical	0.86	0.88
Administrative	0.97	0.97
Skilled	0.98	0.95

AFG-SUZ provides various benefits and subsidies, including parental leave.

Employee Benefits and Subsidies

Item	Beneficiaries	Benefit Amount(CNY)
Festival Gift	1,161	168,815
Wedding Subsidy	7	2,100
Childbirth Subsidy	7	1,400
Continued Education Subsidy	7	18,000
Total	1,182	190,315

2025 Parental Leave Summary

Item	Male	Female	Total
Employees qualified to apply for parental leave	10	17	27
Employees that applied for parental leave	10	17	27
Employees expected to return from leave	10	17	27

2025 Employee Activities

Environmental Protection and Employee Health Initiatives

During International Women's Day, the company launched the "Cans for Plants" event. A total of 402 female employees participated, collecting 808 empty cosmetic bottles (618 plastic, 190 glass) and reducing waste by approximately 78 kg.





Mid-Autumn Environmental Awareness Campaign

This initiative promoted the concept that small, everyday actions can support environmental protection through learning modules and online quizzes. Participants who achieved a perfect score were awarded a Mid-Autumn Festival gift box.





Clean Plate Campaign

The company cafeteria promoted the Clean Plate Campaign to reduce food waste, conserve resources, minimize kitchen waste, and lower greenhouse gas emissions. In 2025, both food waste and carbon emissions decreased by 35% compared to 2024.





Health Promotion

- Monthly themed articles on occupational health, nutrition, seasonal prevention, and emergency awareness were published on the WeChat Official Account, reaching up to 600 views and promoting healthy habits.
- A basketball competition was organized involving 25 participants and other employees attended as spectators to encourage exercise and enhance team cohesion, fostering a culture of health and teamwork





Talent Development

AFG-SUZ provides diverse learning opportunities to support continuous employee development. Since becoming a pilot enterprise for skill level certification in 2023, we have been qualified to certify electronic equipment assembly technicians at multiple levels, with 124 intermediate and 112 senior technicians certified by the end of 2025. In addition, through an internal trainer management system, 125 employees have been certified as in-house trainers, facilitating knowledge transfer.

Training Records Summary

Category	Training Hours	Average Training Hours
Male	8,714	29.0
Female	10,243	31.2
Management	2,460	28.0
Technical	3,772	36.6
Administrative	3,688	20.2
Skilled	9,037	35.6
New Employees	3,004	43.5
Total	18,957	30.2

Occupational Health and Safety

AFG-SUZ is ISO 45001 certified, ensuring a safe workplace for all employees. Below are its safety and health objectives and status for 2025:

KPI and Target	Performance	Status
Zero Occupational Disease Incidences	0	
Zero Work-Related Deaths	0	

We have established an incentive-driven performance management system to support strategy execution and employee growth, fostering teamwork to achieve company goals and create value for customers.

Employee Coverage in Regular Performance Appraisal

Gender	Position	Regular Performance Appraisal		
		Eligible Employees	Assessed Employees	Coverage
Male	Management	49	49	100%
	Technical	65	65	100%
	Administrative	50	50	100%
	Skilled	136	136	100%
Subtotal		300	300	100%
Female	Management	39	39	100%
	Technical	38	38	100%
	Administrative	133	133	100%
	Skilled	118	118	100%
Subtotal		328	328	100%

Occupational Health and Safety Training

Category	Performance
Total Number of Courses	38
Total Number of Trainees	947
Total Training Hours	707

2025 Occupational Injuries and Occupational Disease Summary

Items	Employee	Contractor
Total hours worked	1,570,215	845,290
Number of lost-time injuries	0	0
Lost-Time Injury Frequency Rate (LTIFR)	0.00	0.00
Number of high-consequence work-related injuries	0	0
Rate of high-consequence work-related injuries	0.00	0.00
Number of near misses	0	0
Near Miss Frequency Rate (NMFR)	0.00	0.00
Number of work-related fatalities	0	0
Rate of fatalities as a result of work-related injuries	0.00	0.00
Occupational Diseases Rate (ODR)	0.00	0.00
Number of days lost due to injuries	0	0
Lost Day Rate (LDR)	0.00	0.00



Social Involvement

In 2025, AFG-SUZ invested CNY 15,718 in social activities and engaged 48 employees to volunteer 136 hours of service throughout the year.

Green Hiking for Low-Carbon Living

AFG-SUZ organized a hike at Qionglong Mountain in Suzhou for employees and their families, promoting green travel and environmental awareness. During the event, 110 participants collected over 200 pieces of litter and organic waste, contributing to cleaner environment.





Book Donation Initiative

AFG-SUZ has organized a book donation drive for four years, with 99 employees donating 542 children's books in 2025 to support children in underprivileged areas.



Caring for Persons with Disabilities in the Community

Under the guidance of community staff, union representatives and volunteers visited families of persons with disabilities in need, providing donated supplies such as wheelchairs, rice, cooking oil, and milk. New Year care packages were also delivered to employees with disabilities within the company.



Support for Underprivileged Children

In collaboration with the Foreign-Invested Enterprises Association and the Intelligent Manufacturing Association, we provided donated supplies and delivered festive greetings and care to children at the Wujiang Social Welfare Institute.





Appendix

Contributions to the SDGs





- Invested in **6** rural revitalization programs, benefiting **2,923** students.
- USI provides pension insurance and elder insurance in accordance with the retirement laws and regulations of each business location, USI has allocated CNY **261** million in total for the retirement programs.



- Donated **235** Chinese New Year's Eve dinners to disadvantaged lonely elders to spread warmth and cheer.



- Held **48** health activities, such as blood donation, weight-loss competition, and bone density testing with **3,955** participants.
- Provide medical and emergency support for unexpected or sudden illnesses for employees stationed overseas or on business trips.



- Donated a cumulative total of **887** boxes of books to the Philanthropic Libraries for 21 years running.
- Built **7** computer classrooms through the Rural Digital Education Program, benefiting **4,590** students.
- Trained cumulative total of **1,243** USIU internal lecturers.
- Supported total **571** employees to take advanced studies.



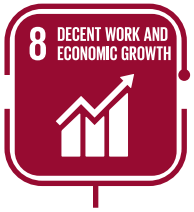
- Increased percentage of females in top management positions reaching **20%** by 2025.
- Strengthen human rights training and publicity including non-discrimination and sexual harassment. A total of **25,231** employees participated in the training, with **24,233** training hours.



- Reduced **15%** water use intensity from the baseline year 2015.
- Recycled **65%** of process water in 2025.



- Purchased certified renewable energy to offset carbon dioxide emissions generated by traditional electricity used. **100%** renewable energy use in Mainland China, Mexico, and Vietnam Facilities.



- CNY **59.2** billion revenue in 2025.
- Customer satisfaction score reached **86.3**.
- Starting salaries for direct laborers at each facility are higher than local minimum wages. Employees have the right to equal pay for equal work regardless of gender.
- Provided **18,686** job opportunities worldwide with **94.3%** local hires.



- An R&D intensity of **3.21%** and a workforce composition of **13.95%** R&D personnel in 2025 reflect USI's strong commitment to cultivating innovation in design and development.
- Solar panels installed on Nantou-NK, Huizhou, and Vietnam Facilities generated **8,238** MWh of renewable energy as of 2025.

- USI established Tax Policy to guide the principles of tax governance and follow tax laws of global operation locations.
- Employed **105** people with disabilities.
- Employed **439** ethnic minorities with **5** in management positions.



- Consistently monitored our compliance with legal emission regulations to lessen our negative environmental impact and contribute to building sustainable communities. There were **0** significant air pollution incidents in 2025.
- Recycled **92%** of non-hazardous waste through qualified disposal/recyclers.



- Cooperated with suppliers to recycle pallets and packaging materials, reducing **4,058** metric tonnes of waste, and saved CNY **57** million.
- Included **PFAS** in the Prohibited Substances Elimination Plan to minimize their impact on workers and the environment.
- Assisted customers to obtain **EPEAT Silver** certification for Set-Top Box products.
- Used **96%** recyclable or reusable materials in designing mechanical products, which reached **1,106** metric tonnes in USI's annual shipments.



- Promoted green product design, reduced energy loss, and engaged in continuous improvement to reduce CO_2 emissions, saving **58.7** GWh of electricity in 2025, equivalent to reducing **23,716** metric tonnes of CO_2.
- **0** days of production interruptions due to climate-related disasters.
- Implemented TCFD to analyze USI climate risks. USI will use **100%** renewable energy in our operations and invest in carbon credits to achieve **net-zero carbon emissions** by 2050.





- Cleaned up 1 coast and picked up **90.3** kg of trash.
- Held 1 environmental seminar and **2** environmental protection film screenings.



- Supported the Million Tree Project for 13 years running, planting a total of **183,517** trees covering **112.85** hectares.
- Established Biodiversity and No Deforestation Commitment. Through the hierarchical mitigation approach of prevention, mitigation, restoration, and offsetting in our facilities to reduce the Potentially Disappeared Fraction of species and achieve **Net Positive Impact** and **No Gross Deforestation** by 2050.



- Established Sunshine Conduct Policies and Anti-Corruption Management Measures with reporting mechanisms to ensure compliance from suppliers and employees. No corruption or bribery instances were found.
- No major fines or violations related to insider trading, anti-competitive practices, or antitrust laws and regulations.
- Formulated Information Security Policy and Privacy Policy. No cybersecurity incidents, privacy violations, or data leaks or losses occurred in 2025.



- Provide a wide range of electronic products and services under Global Demand, Local Service to our customers with operations covering Asia, Europe, America, and Africa.
- Global local procurement rate reached **33%**.

ESG Key Performance Data

Environmental

Renewable Energy Use	Unit	2022	2023	2024	2025
USI Group	%	81.6	81.7	83.4	87.5
Mainland China Facilities	%	100	100	100	100
Mexico Facility	%	50	100	100	100
Vietnam Facility	%	-	100	100	100
Nantou Facility	%	0	0	6	23
GHG Emissions	**Unit**	**2022**	**2023**	**2024**	**2025**
Scope 1	metric tonnes CO_2e	5,385.74	5,265.23	4,476.85	5,459.05
Scope 2 Location-based	metric tonnes CO_2e	215,510.73	202,570.24	158,496.83	160,333.48
Scope3 [(1)]	metric tonnes CO_2e	11,521,990.32	8,764,066.55	13,188,624.96	3,983,151.90
Water Resource Management	Unit	2022	2023	2024	2025
Water withdrawal	ML	1,068.173	1,028.620	1,024.702	1,049.806
Recycled water	ML	307.539	232.938	260.242	315.123
Recycling rate	%	28.8	22.6	25.4	30.0
Waste Management	**Unit**	**2022**	**2023**	**2024**	**2025**
Hazardous waste generated	metric tonnes	1,006.243	790.359	833.189	823.739
Non-hazardous waste generated	metric tonnes	9,835.675	11,586.338	15,679.655	10,350.985
Non-hazardous waste recycled	metric tonnes	9,097.263	10,599.595	14,758.800	9,542.413
Non-hazardous waste recycling rate	%	92.49	91.48	94.13	92.19

Note:
1. The 2024 emissions figure increased, supported by the strategic procurement of inventory.

Environmental Expenditures	Unit	2022	2023	2024	2025
Total	CNY	29,912,628	47,496,006	42,551,852	35,918,776
Operating cost	CNY	12,634,136	27,857,337	26,403,041	17,338,672
Upstream/downstream cost	CNY	862,255	262,200	421,888	640,651
Management overhead	CNY	16,237,399	18,599,286	15,327,772	17,627,118
Social activities cost	CNY	178,839	777,183	399,151	312,335

Green Products	Unit	2022	2023	2024	2025
Annual product energy efficiency	GWh	22.02	7,108.28	151.84	58.70
Revenue ratio of eco-design products	%	82.4	81.4	80.0	80.9
Number of LCA products inventoried	-	28	33	110	179

Social

Talent Attraction and Retention	Unit	2022	2023	2024	2025
Number of employees	-	16,660	17,031	14,998	16,365
Male	-	9,271	9,133	8,200	8,860
Female	-	7,389	7,898	6,798	7,505
Percentage of females in total workforce	%	44.4	46.4	45.3	45.9
Employees in top management positions (director and above)	-	213	219	231	242
Female employees in top management	-	41	44	46	48
Percentage of females in top management positions	%	19.2	20.1	19.9	19.8
Employees in management positions	-	1,061	1,113	1,096	1,112
Female employees in management	-	245	263	268	261
Percentage of females in management positions	%	23.1	23.6	24.5	23.5

Talent Attraction and Retention	Unit	2022	2023	2024	2025
IDL employees promoted	-	745	834	837	698
Female IDL employees promoted	-	278	320	315	250
Employees with disabilities	-	83	101	116	105
Average age of employees	year	33.0	33.8	35.5	34.8
Average number of years employees worked in USI	year	5.2	5.4	6.6	6.4
Employee turnover rate	%	28.8	29.7	21.6	15.8
Ratio of DL entry level wage compared to local minimum wage	-	1.00~1.09	1.00~2.51	1.00~1.37	1.00~1.51
Employee engagement score	%	-	80	-	83
Return to work rate of employees that took parental leave	%	68	79	69	78
Retention rate of employees that took parental leave	%	47	87	61	62
Training and Talent Development	**Unit**	**2022**	**2023**	**2024**	**2025**
Employees that complete the internal lecturer training program	-	1,118	1,129	1,042	1,243
Female internal lecturers	-	344	352	383	414
Employee training and development cost	M CNY	17.1	10.4	7.1	8.4
Employee training coverage	%	100	100	100	100
Average training per employee	hour	28.8	24.5	26.4	43.8
Employees supported to take advanced studies	-	24	155	107	152
Human Rights	**Unit**	**2022**	**2023**	**2024**	**2025**
Average human rights training per employee	hour	1.4	1.0	1.1	1.0
Labor contract signage rate	%	100	100	100	100
Number of employee symposiums	-	140	167	139	140
Employees in unions	-	5,901	6,887	6,607	8,474
Percentage of union labor in workforce	%	35.4	40.4	44.1	51.8

Occupational Health and Safety	Unit	2022	2023	2024	2025
Occupational disease incidences	-	0	0	0	0
Work-related fatalities	-	0	0	0	0
Amount invested in safety production	M CNY	184	197	217	233
Number of emergency drills conducted	-	30	36	41	40
Number of health and well-being activities held	-	51	40	63	48
Number of participants in health and well-being activities	-	8,611	10,705	6,554	3,955
Number of doctor consultations held	-	30,211	14,856	13,902	12,813
Total hours consulted	hour	9,777	9,720	9,231	9,960
Social Involvement	**Unit**	**2022**	**2023**	**2024**	**2025**
Total social involvement cost	CNY	5,281,086	9,248,749	9,548,459	7,651,432
Investing in Education	CNY	2,205,556	4,960,776	6,061,126	2,883,338
Contributing to Society	CNY	1,015,895	306,252	395,842	332,756
Conserving the Environment	CNY	423,275	696,683	753,805	1,286,124
Promoting Arts & Culture	CNY	1,188,091	2,834,620	1,700,169	2,284,122
External Participation	CNY	448,269	450,417	637,517	865,092
Number of employees engaged in social activities	-	701	535	968	1,349
Number of hours volunteered	hour	2,047	3,645	4,844	6,839
Environmental Protection	**Unit**	**2022**	**2023**	**2024**	**2025**
Annual number of trees planted	-	22,381	21,268	14,783	17,252
USI Corporate Forest	-	14,000	14,000	14,501	16,916
USI Employee Forest	-	8,381	7,268	282	336
Annual area of trees planted	Ha	12.04	9.16	7.21	7.73
Cumulative number of trees planted	-	130,214	151,482	166,265	183,517
Cumulative area of trees planted	Ha	86.36	97.91	105.12	112.85
Weight of trash picked or reduced	Kg	200.00	35,040.00	865.00	246.3

Rural Revitalization	Unit	2022	2023	2024	2025
Number of programs invested	-	5	6	6	6
Number of students assisted	-	1,838	2,732	2,803	2,923
Amount invested in targeted programs	K CNY	818	531	523	609
Investing in Education	**Unit**	**2022**	**2023**	**2024**	**2025**
Cumulative number of Philanthropic Library boxes donated	box	767	807	847	887
Number of people engaged in reading activities	-	479	689	347	572
Number of students participating in industrial-academic partnerships	-	660	679	1,447	3,226
Local Procurement	**Unit**	**2022**	**2023**	**2024**	**2025**
Global	%	43	40	41	33
Mexico	%	5	6	7	5
Taiwan	%	30	28	26	27
Mainland China	%	50	51	51	43
Southeast Asia	%	3	4	4	4
Supplier Sustainability Evaluation	**Unit**	**2022**	**2023**	**2024**	**2025**
Number of suppliers evaluated with sustainability metrics	-	525	456	469	495
Percentage of suppliers that completed the SAQ	%	73	76	76	76
Number of suppliers and contractors on-site audited with sustainability metrics	-	81	99	108	110
Supplier Communication	**Unit**	**2022**	**2023**	**2024**	**2025**
Number of suppliers that attended the Sustainable Supply Chain Webinar	-	342	507	529	388
Conflict Minerals	**Unit**	**2022**	**2023**	**2024**	**2025**
Number of suppliers that completed due diligence	-	199	219	241	347
Percentage of target suppliers that completed the MRT	%	100	100	100	100

Governance

Financial Performance	Unit	2022	2023	2024	2025
Operating revenue	M CNY	68,516.08	60,791.91	60,690.65	59,195.06
Operating cost	M CNY	61,327.07	54,939.14	54,929.61	53,579.58
Operating profit	M CNY	3,460.80	2,177.68	1,872.48	2,104.57
Total profit	M CNY	3,477.20	2,189.69	1,853.82	2,139.49
Net profit	M CNY	3,059.99	1,949.71	1,644.17	1,878.63
Government subsidies	M CNY	56.14	89.40	59.89	56.90
Taxes	M CNY	897.55	963.30	826.56	877.75
Earnings per share	CNY	1.40	0.89	0.76	0.85
Research and Patents	**Unit**	**2022**	**2023**	**2024**	**2025**
Share of R&D personnel of total workforce	%	11.5	12.2	13.2	14.0
Amount invested in R&D	M CNY	2,034.46	1,807.20	1,907.55	1,901.27
R&D intensity	%	2.97	2.97	3.14	3.21
Number of patents accumulated	-	740	801	754	620
Smart Manufacturing	**Unit**	**2022**	**2023**	**2024**	**2025**
Number of introduced projects	-	70	62	68	87
Saving benefits	M CNY	295.44	299.71	310.38	346.78
Continuous Improvement	**Unit**	**2022**	**2023**	**2024**	**2025**
Amount of carbon reduced from CIP key projects	metric tonnes CO_2e	1,316	2,877	2,543	1,736
Number of improvement proposals	-	360	458	451	521
Cost saved	M CNY	119.25	108.74	120.26	112.98

Customer Relations	Unit	2022	2023	2024	2025
Customer satisfaction score	-	84.2	84.5	87.1	86.3
Satisfied customers	%	93	95	99	96
Percentage of revenue covered by customer surveys	%	100	100	100	100

Board of Directors	Unit	
Number of board directors [1]	-	11
Independent directors	-	4
Percentage of independent directors	%	36.4

Strategy and Sustainability Committee	Unit	
Number of committee members	-	7
Number of independent directors in the committee	-	2
Percentage of independent directors	%	28.6

Audit Committee	Unit	
Number of committee members	-	5
Number of independent directors in the committee	-	3
Percentage of independent directors	%	60.0

Remuneration Committee	Unit	
Number of committee members	-	5
Number of independent directors in the committee	-	4
Percentage of independent directors	%	80.0

Nomination Committee	Unit	
Number of committee members	-	5
Number of independent directors in the committee	-	3
Percentage of independent directors	%	60.0

Note:
1. Board directors include three females.

Sustainability Data

Environmental

A. Scope 2 Market-based GHG Emissions

Item	Unit	2022	2023	2024	2025
Scope 2 Market-based	metric tonnes CO_2e	26,912.82	26,286.99	23,938.40	18,154.37

B. Hazardous Waste

Item	Unit	2022	2023	2024	2025
Recycled/reused	metric tonnes	232.13	205.74	205.58	240.83
Total	metric tonnes	774.11	584.62	627.61	582.91
Landfilled	metric tonnes	0.00	0.00	0.00	0.00
Incinerated with energy recovery [1]	metric tonnes	N/A	494.35	514.21	545.14
Incinerated without energy recovery	metric tonnes	774.11	90.27	113.41	37.78

C. Non-hazardous Waste

Item	Unit	2022	2023	2024	2025
Recycled/reused	metric tonnes	9,097.26	10,599.60	14,758.80	9,542.41
Total	metric tonnes	738.41	986.74	920.86	808.57
Landfilled	metric tonnes	393.25	440.43	429.75	323.49
Incinerated with energy recovery	metric tonnes	N/A	546.31	491.10	485.08
Incinerated without energy recovery	metric tonnes	345.16	0.00	0.00	0.00

Note:
1. N/A: no survey on the energy recovery status of hazardous and non-hazardous waste incineration facilities before 2023.

D. Environmental Expenditures [1]

Unit: CNY

Category	2022		2023		2024		2025	
	Capital Investment	Operating Expenses	Capital Investment	Operating Expenses	Capital Investment	Operating Expenses	Capital Investment	Operating Expenses
Operating costs [2]	532,048	12,102,087	13,314,133	14,543,205	15,255,151	11,147,890	3,989,768	13,348,904
Upstream/downstream cost [3]	-	862,255	-	262,200	133,064	288,824	-	640,651
Management overhead [4]	2,416,689	13,820,710	317,708	18,281,577	248,203	15,079,569	8,886	17,618,232
Social activities cost [5]	-	178,839	-	777,183	-	399,151	-	312,335
Total	2,948,737	26,963,891	13,631,841	33,864,164	15,636,418	26,915,433	3,998,654	31,920,122

E. Water Consumption & Discharge

Item	Unit	2022	2023	2024	2025
Discharged water	ML	930.22	892.84	872.79	896.02
Total water consumption	ML	137.95	135.78	151.91	153.79

Note:
1. The data covers Zhangjiang, Jinqiao, Huizhou, Kunshan, Nantou, Mexico, and Vietnam Facilities.
2. Operating cost: includes pollution prevention costs (air, water, noise, and hazardous substances) and resource circulation costs (efficient resource utilization, waste reduction, and recycling and disposal costs).
3. Upstream/downstream cost: includes green procurement and recycling of used products.
4. Management overhead: includes workers engaged in environmental improvement activities and environmental education, acquisition of external environmental licenses/certifications, and government environmental fees.
5. Social activities cost: include donations to, and support for, environmental groups or activities.

F. Partial Selection of Restricted Environmentally Hazardous Substances Contained in Products

Requirement	Substance/Regulation Code	Requirement	Substance/Regulation Code
Banned substances and legal requirements	Cadmium (Cd) and its compounds	Banned substances and legal requirements	Perfluorooctyl acid and its salts (PFOA)
	Lead (Pb) and its compounds		Polychlorinated Biphenyls (PCB)
	Mercury (Hg) and its compounds		Regulation (EU) 2025/40 on Packaging and Packaging Waste
	Hexavalent chromium (Cr^{6+}) and its compounds		Regulation (EU) 2023/1542
	Polybrominated Biphenyls (PBB)		POPs recast regulation 2019/1021
	Polybrominated Diphenyl Ethers (PBDE)		REACH regulation (EC) 1907/2006
	Diethylhexyl Phthalate (DEHP) (117-81-7)		California Proposition 65
	Butyl Benzyl Phthalate (BBP) (85-68-7)		Toxic Substances Control Act (TSCA)
	Dibutyl Phthalate (DBP) (84-74-2)		Mineral Oil Aromatic Hydrocarbons (MOAH) (from 1 to 7 aromatic cycles)
	Diisobutyl Phthalate (DIBP) (84-69-5)		Mineral Oil Saturated Hydrocarbons (MOSH) (from 16 to 35 aromatic cycles)
	Bromine	Planned elimination	Per-and Polyfluoroalkyl Substances (PFAS)
	Chlorine		
	Per-and Polyfluoroalkyl Substances (PFAS)	Reporting substance	Global Automotive Declarable Substance List (GADSL)
	Perfluorooctanyl Sulphonic acid and its salts (PFOS)		Responsible Minerals

G. Revenues from Eco-Labeled Products

Revenues from	Unit	2022	2023	2024	2025
Product certified with Type I eco-labels (ISO 14024): Industrial Products compliant with ISO 14024 or EPEAT.	M CNY	0	201.41	1,043.42	164.74
Products certified with single/multi attribute eco-labels: Wireless Communication, Cloud & Storage, Medical, Consumer and Car Electronics Products that comply with ISO 14067 or Energy Star standards.	M CNY	17,470.42	7,222.15	27,274.93	6,696.00
Other sustainable products or services: Wireless Communication, Cloud & Storage, Medical, Consumer, Car Electronics & RMA services that comply with CE/RoHS, EU Taxonomy Regulation: 1.2: Manufacture of electrical and electronic equipment: Design for Environment Products and the Taiwan Sustainable Taxonomy under Computers and Peripherals for general economic activities	M CNY	50,999.68	53,306.28	32,296.32	52,252.51
Total revenues from sustainable products or services	M CNY	68,470.09	60,729.84	60,614.67	59,113.24
Percentage of sustainable revenues	%	99.93	99.90	99.87	99.86

Social

A. Workforce Structure

Category		Zhangjiang		Jinqiao		Huizhou		Kunshan		Nantou		Mexico		Vietnam		Category Total & Percentage	
		HC	% (Facility)	HC	% (Facility)	HC	% (Facility)	HC	% (Facility)	HC	% (Facility)	HC	% (Facility)	HC	% (Facility)	HC	% of Total
Position [1]	Management-Male	124	11.2%	79	7.1%	92	8.3%	106	9.5%	270	24.3%	68	6.1%	112	10.1%	851	5.2%
	Management-Female	57	5.1%	17	1.5%	46	4.1%	18	1.6%	76	6.8%	20	1.8%	27	2.4%	261	1.6%
	Technical-Male	547	13.7%	270	6.8%	292	7.3%	301	7.5%	1,191	29.8%	208	5.2%	398	10.0%	3,207	19.6%
	Technical-Female	142	3.6%	77	1.9%	81	2.0%	78	2.0%	280	7.0%	54	1.4%	80	2.0%	792	4.8%
	Administrative-Male	42	2.6%	15	0.9%	52	3.2%	74	4.5%	119	7.3%	80	4.9%	43	2.6%	425	2.6%
	Administrative-Female	162	9.9%	41	2.5%	225	13.8%	194	11.9%	391	23.9%	78	4.8%	120	7.3%	1,211	7.4%
	Skilled-Male	752	7.8%	290	3.0%	519	5.4%	738	7.7%	349	3.6%	805	8.4%	924	9.6%	4,377	26.7%
	Skilled-Female	522	5.4%	234	2.4%	519	5.4%	573	6.0%	1,257	13.1%	1,534	15.9%	602	6.3%	5,241	32.0%
Gender	Male	1,465	16.5%	654	7.4%	955	10.8%	1,219	13.8%	1,929	21.8%	1,161	13.1%	1,477	16.7%	8,860	54.1%
	Female	883	11.8%	369	4.9%	871	11.6%	863	11.5%	2,004	26.7%	1,686	22.5%	829	11.0%	7,505	45.9%
Employment Type	Permanent [2]	2,347	14.4%	1,023	6.3%	1,826	11.2%	2,082	12.7%	3,923	24.0%	2,847	17.4%	2,292	14.0%	16,340	99.8%
	Temporary [3]	1	4.0%	0	0.0%	0	0.0%	0	0.0%	10	40.0%	0	0.0%	14	56.0%	25	0.2%

Note:
1. Position: categorized into Management (defined as employees with management responsibilities ranging from Sub-Section Managers to Vice Presidents), Technical, Administrative, and Skilled roles.
2. Permanent Employees: refers to employees who have signed an employment contract with the Company and work 8 hours per day, excluding dispatched workers.
3. Temporary Employees: refers to employees who have signed a fixed-term employment contract with the Company, excluding dispatched workers and hourly-wage workers.

Category		Zhangjiang		Jinqiao		Huizhou		Kunshan		Nantou		Mexico		Vietnam		Category Total & Percentage	
		HC	% (Facility)	HC	% (Facility)	HC	% (Facility)	HC	% (Facility)	HC	% (Facility)	HC	% (Facility)	HC	% (Facility)	HC	% of Total
Nationality	Domestic-Management	172	1.1%	92	0.6%	136	0.9%	115	0.8%	344	2.3%	80	0.5%	70	0.5%	1,009	6.2%
	Domestic-Professional	2,159	14.1%	927	6.1%	1,687	11.1%	1,955	12.8%	2,676	17.5%	2,751	18.0%	2,097	13.7%	14,252	87.1%
	Foreign-Management	9	0.8%	4	0.4%	2	0.2%	9	0.8%	2	0.2%	8	0.7%	69	6.3%	103	0.6%
	Foreign-Professional	8	0.7%	0	0.0%	1	0.1%	3	0.3%	911	82.5%	8	0.7%	70	6.3%	1,001	6.1%
Age	< 30	651	11.0%	286	4.8%	418	7.0%	947	16.0%	965	16.3%	1,247	21.0%	1,419	23.9%	5,933	36.3%
	30~50	1,671	17.9%	729	7.8%	1,364	14.6%	1,121	12.0%	2,365	25.3%	1,233	13.2%	877	9.4%	9,360	57.2%
	> 50	26	2.4%	8	0.7%	44	4.1%	14	1.3%	603	56.3%	367	34.2%	10	0.9%	1,072	6.5%
Education	Ph D.	4	16.0%	0	0.0%	0	0.0%	0	0.0%	13	52.0%	5	20.0%	3	12.0%	25	0.1%
	Master	86	7.0%	34	2.8%	21	1.7%	26	2.1%	1,015	82.4%	19	1.5%	31	2.5%	1,232	7.5%
	Bachelor	1,164	15.4%	571	7.6%	727	9.6%	870	11.5%	2,273	30.1%	943	12.5%	1,005	13.3%	7,553	46.2%
	High School & Under	1,094	14.5%	418	5.5%	1,078	14.3%	1,186	15.7%	632	8.4%	1,880	24.9%	1,267	16.8%	7,555	46.2%
Subtotal by Facility		2,348	14.3%	1,023	6.3%	1,826	11.2%	2,082	12.7%	3,933	24.0%	2,847	17.4%	2,306	14.1%	-	-
Total																	16,365

B. New Hires and Employee Turnover

New Hires		2022	2023	2024	2025							
					Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam	Total
Gender	Male	5,869	5,602	3,880	290	184	29	259	386	447	1,914	3,509
	New Entry Rate [(1)]	61%	59%	45%	20%	29%	3%	21%	20%	37%	168%	41%
	Female	3,565	3,897	2,546	125	72	7	165	588	636	1,024	2,617
	New Entry Rate	46%	50%	35%	14%	20%	1%	20%	32%	37%	163%	37%
Position	Management	71	58	28	0	3	2	0	19	7	9	40
	New Entry Rate	7%	5%	3%	0%	3%	1%	0%	5%	7%	9%	4%
	Technical	636	314	320	43	30	18	15	158	25	229	516
	New Entry Rate	18%	9%	10%	6%	9%	5%	4%	12%	10%	65%	14%
	Administrative	429	178	175	44	28	6	39	179	47	296	639
	New Entry Rate	21%	8%	8%	19%	41%	2%	14%	31%	23%	219%	35%
	Skilled	8,298	8,949	5,903	330	195	10	370	618	1,004	2,404	4,931
	New Entry Rate	77%	85%	62%	26%	40%	1%	29%	43%	43%	205%	54%
Age	<30	6,623	6,648	4,670	280	173	10	348	625	598	1,990	4,024
	New Entry Rate	85%	98%	85%	45%	72%	2%	39%	83%	48%	188%	77%
	30~50	2,691	2,696	1,682	134	83	26	76	327	399	948	1,993
	New Entry Rate	30%	28%	18%	8%	11%	2%	7%	14%	31%	136%	21%
	>50	120	155	74	1	0	0	0	22	86	0	109
	New Entry Rate	14%	16%	7%	4%	0%	0%	0%	4%	23%	0%	10%

Note:
1. Category New Entry Rate = New employee headcount of the category in the current year ÷ [(employee headcount of the category at the beginning of the current year + employee headcount of the category at the end of the current year) ÷ 2] × 100%

New Hires	2022	2023	2024	2025							
				Zhang-jiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam	Total
Total No. of New Employees	9,434	9,499	6,426	415	256	36	424	974	1,083	2,938	6,126
New Entry Rate	54%	55%	41%	18%	26%	2%	21%	26%	37%	166%	39%
Total No. of New IDL	1,136	550	523	85	61	26	54	356	79	534	1,195
New Entry Rate	17%	8%	8%	8%	12%	3%	7%	16%	14%	90%	18%
Total No. of New DL	8,298	8,949	5,903	330	195	10	370	618	1,004	2,404	4,931
New Entry Rate	77%	85%	63%	26%	40%	1%	29%	43%	43%	205%	54%
Average Hiring Cost (CNY)	3,317	1,723	1,811								3,126
Total No. of IDL Job Transfers	753	845	856								1,005
Inter-departmental IDL Replacement Rate [1]	40%	61%	62%								46%

Employee Turnover		2022	2023	2024	2025							
					Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam	Total
Gender	Male	2,808	3,069	1,831	172	74	103	228	204	339	272	1,392
	Turnover Rate [2~3]	29%	33%	21%	12%	12%	10%	19%	11%	28%	24%	16%
	Female	2,195	2,050	1,632	83	47	82	135	193	427	126	1,093
	Turnover Rate	28%	26%	22%	9%	13%	9%	16%	10%	25%	20%	15%
Position	Management	72	72	48	5	7	1	0	22	29	2	66
	Turnover Rate	7%	7%	4%	3%	7%	1%	0%	6%	30%	2%	6%
	Technical	518	481	325	21	10	12	11	103	45	22	224
	Turnover Rate	15%	14%	10%	3%	3%	3%	3%	8%	18%	6%	6%
	Administrative	360	298	220	24	17	20	18	97	74	46	296
	Turnover Rate	18%	14%	10%	10%	25%	7%	7%	17%	35%	33%	16%
	Skilled	4,053	4,268	2,870	205	87	152	334	175	618	328	1,899
	Turnover Rate	38%	41%	30%	16%	18%	14%	26%	12%	26%	28%	21%

Note:
1. Inter-departmental IDL replacement rate = Total IDL Job Transfers ÷ (Total IDL Job Transfers + Total New IDL Employees) × 100%
2. Turnover Rate for the Category = (Number of Turnovers in the Category during the Year ÷ ((Headcount at Beginning of Year for the Category + Headcount at End of Year for the Category) ÷ 2)) × 100%
3. Turnovers exclude employees who left within 90 days of their onboarding date.

Employee Turnover		2022	2023	2024	2025							
					Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam	Total
Age	<30	2,962	3,312	1,978	122	44	78	283	104	328	269	1,228
	Turnover Rate	40%	49%	36%	20%	18%	17%	32%	14%	27%	25%	23%
	30~50	1,935	1,700	1,334	130	77	107	80	252	358	129	1,133
	Turnover Rate	21%	18%	14%	8%	10%	8%	7%	11%	28%	18%	12%
	>50	106	107	151	3	0	0	0	41	80	0	124
	Turnover Rate	13%	11%	14%	11%	0%	0%	0%	7%	21%	0%	11%
Total Resigned Employees		5,003	5,119	3,463	255	121	185	363	397	766	398	2,485
Total Employee Turnover Rate		29%	29.7%	21.6%	11%	12%	10%	18%	11%	26%	23%	16%
Total Resigned IDL		950	851	593	50	34	33	29	222	148	70	586
IDL Turnover Rate		14%	12.6%	9.1%	5%	7%	4%	4%	10%	27%	12%	9%
Total Resigned DL		4,053	4,268	2,870	205	87	152	334	175	618	328	1,899
DL Turnover Rate		38%	40.7%	30.2%	16%	18%	14%	26%	12%	26%	28%	21%
Total Voluntary Turnovers [1]		4,089	4,634	2,639								2,150
Voluntary Turnover Rate		24%	28%	16%								14%

C. Workforce Breakdown: Nationality Distribution

Nationality	Total Workforce		Management	
	Headcount	%	Headcount	%
Mainland China	7,375	45.06%	575	51.72%
Taiwan	3,082	18.83%	384	34.53%
Mexico	2,831	17.30%	80	7.19%
Vietnam	2,228	13.61%	70	6.29%
Philippines	844	5.16%	0	0.00%
Great Britain	2	0.01%	2	0.18%
France	1	0.01%	0	0.00%
Malaysia	1	0.01%	0	0.00%
Germany	1	0.01%	1	0.09%
Total	16,365		1,112	

D. Workforce Breakdown: Ethnic Minorities[2]

Ethnicity	Employees		Management	
	Headcount	% of total workforce	Headcount	% of management
Han	3,861	89.79%	202	97.58%
Yi	100	2.33%	0	0.00%
Zhuang	73	1.70%	0	0.00%
Miao	68	1.58%	0	0.00%
Tujia	41	0.95%	2	0.97%
Dong	28	0.65%	0	0.00%
Yao	21	0.49%	0	0.00%
Bai	18	0.42%	1	0.48%
Dai	13	0.30%	0	0.00%

Note:
1. Total Voluntary Turnovers: refers to the total number of turnovers excluding those who failed the probation period and those who were laid off.
2. There are 439 employees that are ethnic minorities, accounting for 2.68% of the total workforce. This includes 5 employees in management positions, representing 0.45% of the total management. 77 employees not included above are from other 18 ethnicities, with fewer than 10 individuals in each category. Therefore, these are not further broken down for statistical purposes.

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

Item	2022	2023	2024	2025
Human Capital Return on Investment [1] (HC ROI)	2.62%	2.49%	2.38%	1.37%
Average Profit per Employee [2] (Unit: CNY)	200,178	129,987	115,759	136,434

F. Average Salary and Compensation Ratio by Employee Category

Category	Ratio of average salary/ compensation female to male
Non-Management Average Salary	0.941
Non-Management Average Compensation	0.928
Technical Average Salary	0.932
Technical Average Compensation	0.899
Administrative Average Salary	0.930
Administrative Average Compensation	0.935
Skilled Average Salary	0.960
Skilled Average Compensation	0.950

Category	Ratio of average salary/ compensation female to male
Management Average Salary	0.956
Management Average Compensation	0.973
Top Management Salary	0.958
Top Management Compensation	1.020
Middle Management Salary	0.924
Middle Management Compensation	0.927
Junior Management Salary	0.985
Junior Management Compensation	0.972

Category	Ratio of average salary/ compensation female to male
Executive Average Salary	-
Executive Average Compensation [3]	1.000

G. Training Hours and Cost

Category	Group		Facility							Subtotal	% of Group
			Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam		
Training Hours (hours)	Gender	Male	86,963	34,352	27,088	58,204	33,312	11,552	190,697	442,168	62%
		Female	46,668	20,627	19,059	38,568	27,028	16,694	105,678	274,321	38%
	Position	Management	7,268	3,001	4,619	4,669	10,300	1,966	34,987	66,810	9%
		Technical	23,426	10,916	6,196	6,571	8,092	2,016	81,295	138,512	19%
		Administrative	5,917	1,229	4,860	5,659	22,523	2,754	41,874	84,816	12%
		Skilled	97,020	39,832	30,473	79,873	19,424	21,510	138,219	426,352	60%
	Types of Courses	Compulsory [4]	56,648	8,415	7,029	88,793	3,886	17,967	157,984	340,721	48%
		Elective [5]	76,983	46,564	39,118	7,980	56,454	10,279	138,391	375,768	52%
	Total		**133,631**	**54,978**	**46,147**	**96,772**	**60,340**	**28,246**	**296,375**	**716,490**	-

Note:
1. Human Capital Return on Investment (HC ROI) = (Total Revenue - (Total Operating Costs - Total Employee-Related Investment (Salaries + Benefits))) ÷ Total Employee-Related Investment × 100%
2. Average Profit per Employee = Total Profit ÷ ((Headcount at Beginning of Year + Headcount at End of Year) ÷ 2))
3. Executive level compensation is calculated based on the 2025 Annual Report. The average male executive median compensation is CNY 2,328,333.33.
4. Compulsory Courses: refers to fundamental and essential training for employees, such as the Sunshine Conduct Policy promotion, Establishment of Humane Treatment in the Workplace, and Code of Conduct.
5. Elective Courses: refers to skill-enhancement training in relevant professional fields for employees, such as Design of Experiments (DOE), software programming, and other related training courses.

Category	Group		Facility							Subtotal	% of Group
			Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam		
Training Cost (CNY)	Gender	Male	9,848	5,254	1,525,895	2,901,782	539,750	104,092	52	5,086,673	61%
		Female	5,366	3,041	958,843	1,740,820	535,553	45,393	29	3,289,044	39%
	Age	<30	4,483	2,511	670,159	2,323,918	247,320	42,728	30	3,291,149	39%
		30~50	10,605	5,746	1,648,462	2,264,348	655,935	90,492	38	4,675,625	56%
		>50	126	39	166,116	54,335	172,048	16,266	13	408,943	5%
	Types of Courses	Compulsory	4,365	1,506	364,247	3,723,085	537,651	146,945	76	4,777,875	57%
		Elective	10,849	6,789	2,120,490	919,517	537,651	2,540	6	3,597,842	43%
	Total		15,213	8,296	2,484,737	4,642,602	1,075,303	149,485	81	8,375,717	-
	Management	Junior	427	253	123,764	188,800	107,530	8,969	1	429,745	24%
		Middle	383	197	368,946	305,375	215,061	13,251	0	903,213	50%
		Top	151	56	155,575	214,620	107,530	0	0	477,933	26%

H. Comprehensive Welfare System

Category		Details
Labor Practices	Compensation	◉ Year-end bonus, attendance bonus, overtime allowance, performance bonus, festive vouchers, birthday vouchers, Employee Stock Option Program, R&D rewards, intellectual property rewards, long-service bonus (Mainland China Facilities; Nantou Facility)
	Leave & Attendance	◉ Statutory holidays, weekends off, paid birthday leave (Nantou Facility), paid annual leave [(1)], paid welfare leave [(2)] (Mainland China Facilities; Nantou Facility), paid indigenous ritual leave (Nantou Facility), paid voting leave (Nantou Facility) ◉ Implementation of work from home options, flexible working hours (Nantou Facility), and multi-shift work models
	Insurance	◉ Statutory social insurance and pension contributions, commercial insurance such as group insurance, local and overseas business travel insurance (For expatriate employees, their dependents are covered during the assignment period), employer's liability insurance, life insurance (Mexico Facility)
	Dining	◉ Meal subsidy, staff cafeteria (with calorie-controlled menus designed by nutritionists)
	Housing	◉ Employee dormitories (equipped with home appliances, air conditioning, water heaters, Wi-Fi, and furniture) ◉ Housing/rental subsidies (Mainland China Facilities; Nantou Facility), housing provident fund for regular employees (Mainland China Facilities)
	Transportation	◉ Free inter-site shuttle buses, ride-hailing services, subway commuter shuttles and fare subsidies (Huizhou Facility) ◉ Exclusive staff parking lots, priority parking spaces for pregnant employees (Huizhou Facility; Nantou Facility)

Note:

1. Paid Annual Leave (Per local regulations; unused leave reimbursed). Mainland China: 1–10 years: 5 days; 10–20 years: 10 days; 20+ years: 15 days (unused paid at 300%). Nantou: 6 months–1 year: 3 days; 1–2 years: 7 days; 2–3 years: 10 days; 3–5 years: 14 days; 5–10 years: 15 days; 10+ years: +1 day/year (max 30 days). Mexico: 1 year: 12 days; +2 days/year; +2 days every 5 years after 5th year. Vietnam: 1 year: 12 days; +1 day every 5 years.
2. Paid Welfare Leave. Mainland China Facilities: long-service incentive, 2+ years tenure: 2–10 days scaled by tenure. Nantou Facility: onboarding incentive, new hires: 4 days (valid for 1 year from start date).

Category		Details
Sports and Health	Sports & Recreation	◉ Recreational activities: Family Day, parent-child activities, year-end party & lucky draw, birthday celebrations, sports day, singing competitions, and other cultural and recreational activities ◉ Club sponsorship: Subsidies for 29 sports clubs, 6 wellness clubs, 10 arts clubs, and 3 charity/service clubs, along with hosting various competitions ◉ Venues: Shared basketball/volleyball courts, badminton courts, table tennis, billiards, treadmills, and other recreational facilities
	Stress Management	◉ Employee Assistance Program (EAP), stress assessment surveys, psychological counseling services, mental health lectures and activities, movie appreciation events
	Health Management	◉ On-site health clinic with full-time medical staff and professional resident doctors (free consultations and emergency response) ◉ Annual free physicals and regular follow-ups, pre-employment checkup subsidies, health promotion activities, hygiene training, and health lectures
Family Support	Parental Support	◉ Paid paternity leave, paid pregnancy checkup leave, paid maternity leave, parental leave (Nantou Facility), childcare leave (paid in Mainland China Facilities; Vietnam Facility), paid breastfeeding leave ◉ On-site lactation rooms ◉ Marriage allowance, childbirth subsidy/congratulatory gift, education subsidies for employees and their children, priority dining stickers for pregnant employees (for larger food portions), tuition discounts at contracted preschool childcare facilities (Nantou Facility)
	Compassionate Care	◉ Family care leave (Nantou Facility), paid caregiver leave (Mainland China Facilities) ◉ Funeral subsidies for employees and dependents, hospitalization consolation money/allowances for employees, hospitalization consolation money for employee dependents (Mexico Facility), emergency relief funds ◉ Adult day care policy information and guidance (Nantou Facility)
Miscellaneous		◉ Residence/work permits for foreign or expatriate employees; communication allowances and Team Care support (Mainland China Facilities) ◉ Dedicated activity rooms: prayer rooms, computer classrooms, libraries, and Muse and Creativity Center (fitness room) ◉ On-site convenience stores providing payment and ticketing services (Mainland China Facilities; Nantou Facility) ◉ Merchant partnerships covering restaurants, retail shops, medical clinics, and language learning institutions

I. Occupational Injuries and Occupational Diseases by Facility

Items	Facility						
	Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam
Total hours worked	6,054,245	2,422,228	4,888,139	6,805,401	8,029,663	3,643,842	4,439,924
Number of lost-time injuries	0	0	0	4	4	3	1
Lost-Time Injury Frequency Rate (LTIFR)	0.00	0.00	0.00	0.59	0.50	0.82	0.23
Number of high-consequence work-related injuries	0	0	0	0	0	0	0
Rate of high-consequence work-related injuries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of near misses	0	0	0	0	0	0	0
Near Miss Frequency Rate (NMFR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of work-related fatalities	0	0	0	0	0	0	0
Rate of fatalities as a result of work-related injuries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Occupational Diseases Rate (ODR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of days lost due to injuries	0	0	0	204	144	62	5
Lost Day Rate (LDR)	0.00	0.00	0.00	29.98	17.93	17.02	1.13

J. Conflict Mineral Indicators

Revenues from [1]	2022	2023	2024	2025
Percentage of total revenues from products containing minerals from conflict-affected and high-risk areas	99.93%	99.90%	99.87%	99.86%
Percentage of total revenues from products containing minerals from conflict-affected and high-risk areas coming from suppliers that have been verified conflict-free	75.70%	81.10%	87.50%	88.25%

Note:
1.Revenues presented in the table exclude non-product income (i.e., scrap sales and investment income).

K. KPI for Supplier Assessment and Development

	2025	Percentage
Total number of unique suppliers (Tier 1 and non-Tier 1 suppliers)	495	
Number of unique significant suppliers	196	
Number of unique significant suppliers supported with development measures	89	45%
Number of unique significant suppliers assessed via desk assessments/on-site assessments	169	86%
Number of unique significant suppliers assessed with substantial actual/potential negative impacts	69	
Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	60	87%
Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated	0	

L. Supplier Selection by Country

Country	Number of Suppliers	Percentage	Country	Number of Suppliers	Percentage
Mainland China	200	40.40%	France	2	0.40%
Taiwan	181	36.57%	Netherlands	2	0.40%
United States	36	7.27%	British Virgin Islands	2	0.40%
Mexico	12	2.42%	Mauritius	2	0.40%
Singapore	15	3.03%	Canada	1	0.20%
Japan	10	2.02%	Switzerland	1	0.20%
Korea	8	1.62%	Italy	1	0.20%
Ireland	4	0.81%	Poland	1	0.20%
United Kingdom	3	0.61%	American Samoa	1	0.20%
Vietnam	3	0.61%	Western Samoa	1	0.20%
Malaysia	3	0.61%	Armenia	1	0.20%
Germany	2	0.40%	Saint Kitts and Nevis	1	0.20%
Denmark	2	0.40%	Total	495	100.00%

Governance

A. 2025 Business Ethics, Anti-Bribery & Anti-Corruption Training

Item \ Facility	Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam	Total
Management	532	290	336	369	527	221	276	2,551
Non-Management	7,342	2,817	6,122	18,590	4,632	6,874	6,438	52,815
End-of-Period Headcount	2,348	1,023	1,826	2,082	3,933	2,847	2,306	16,365
Training Coverage Rate [1]	335%	304%	354%	911%	131%	249%	291%	338%

Note:
1. Training Coverage Rate = employees trained ÷ end-of-period headcount × 100%

GRI Index

Statement of use	USI has reported the information cited in this GRI Index for the period of 01/01/2025 to 12/31/2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

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Note:
1. There were no identified leaks, thefts, or losses of customer data in 2025.

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409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor [4]	Responsible Minerals Commitment	93

Note:
1. There were no discrimination incidents in 2025.
2. There were no significant freedom of association and collective bargaining risks found for any of our operations or suppliers.
3. There were no risks of employing child or youth labor to work that endangers their health and safety.
4. There were no significant risks for incidents of forced or compulsory labor.

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5. There were no violations of indigenous peoples' rights.
6. There were no violations or complaints concerning health and safety impact of products in 2025.
7. There were no incidents of non-compliance concerning marketing communications in 2025.

SASB Index

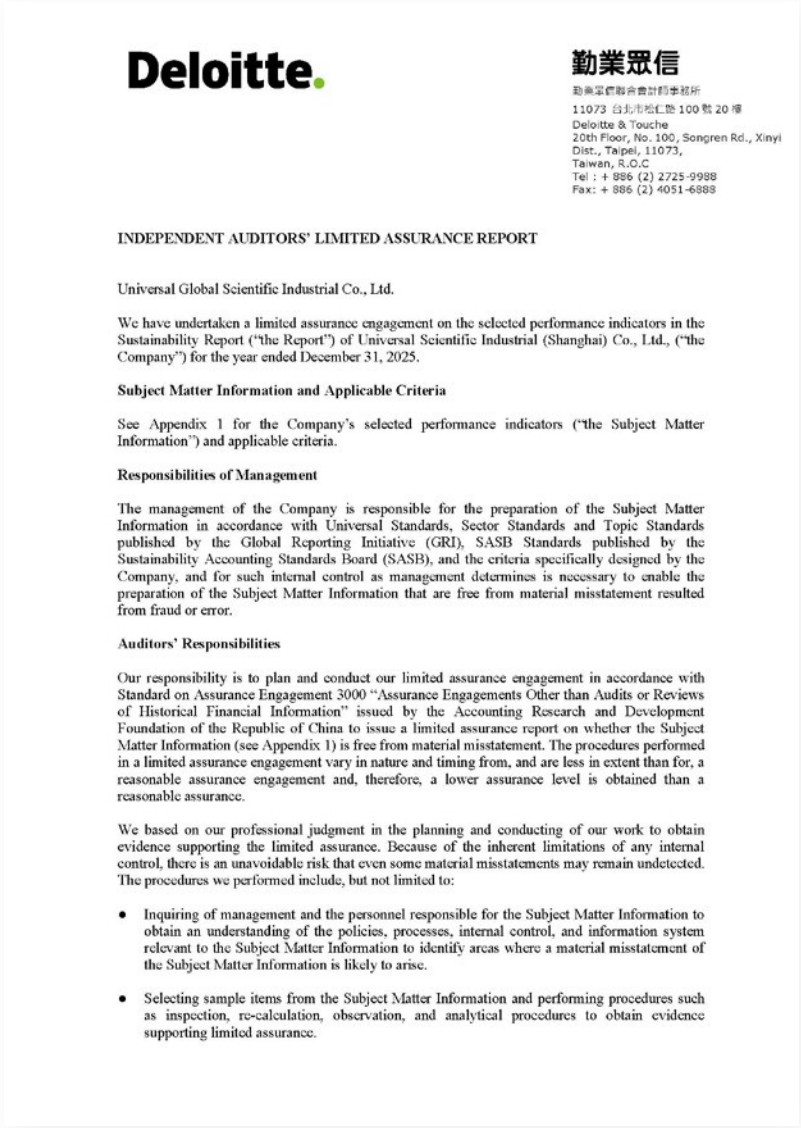
Topic	Code	Metric	Unit of Measure	Summary	Section	Page
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Waste Management	TC-ES-150a.1	(1) Amount of hazardous waste from manufacturing, (2) percentage recycled	t, %		Waste Management	109
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Materials Sourcing	TC-ES-440a.1	Description of the management of risks associated with the use of critical materials	N/A		Supply Chain Management Responsible Minerals Commitment	83 93
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	TC-ES-000.C	Number of employees	Number		About USI	5

Management Systems and Certifications Table

Management System [1] \ Facility	Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam	AFG-Suzhou
ISO 14001	✓	✓	✓	✓	✓	✓	✓	✓
ISO 14064-1	✓	✓	✓	✓	✓	✓	✓	✓
ISO 50001	✓	✓	✓	✓	✓	✓	✓	✓
ISO 45001	✓	✓	✓	✓	✓	✓	✓	✓
IECQ QC080000	✓	✓	✓	✓	✓	✓	✓	
TL 9000								✓
ISO 9001	✓	✓	✓	✓	✓	✓	✓	✓
IATF 16949	✓			✓	✓	✓	✓	✓
ANSI/ESD S20.20	✓	✓	✓	✓	✓	✓	✓	✓
ISO 13485			✓	✓	✓			✓
ISO 26262	✓			✓	✓	✓		
ISO/SAE 21434	✓				✓			
ISO 22301					✓			
TISAX	✓			✓	✓	✓		✓

Note:
1. All management systems are continuously updated to the latest version as of 2025.

Third-Party Assurance Statement



Deloitte.

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

Universal Global Scientific Industrial Co., Ltd.

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of Universal Scientific Industrial (Shanghai) Co., Ltd., ("the Company") for the year ended December 31, 2025.

Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

Responsibilities of Management

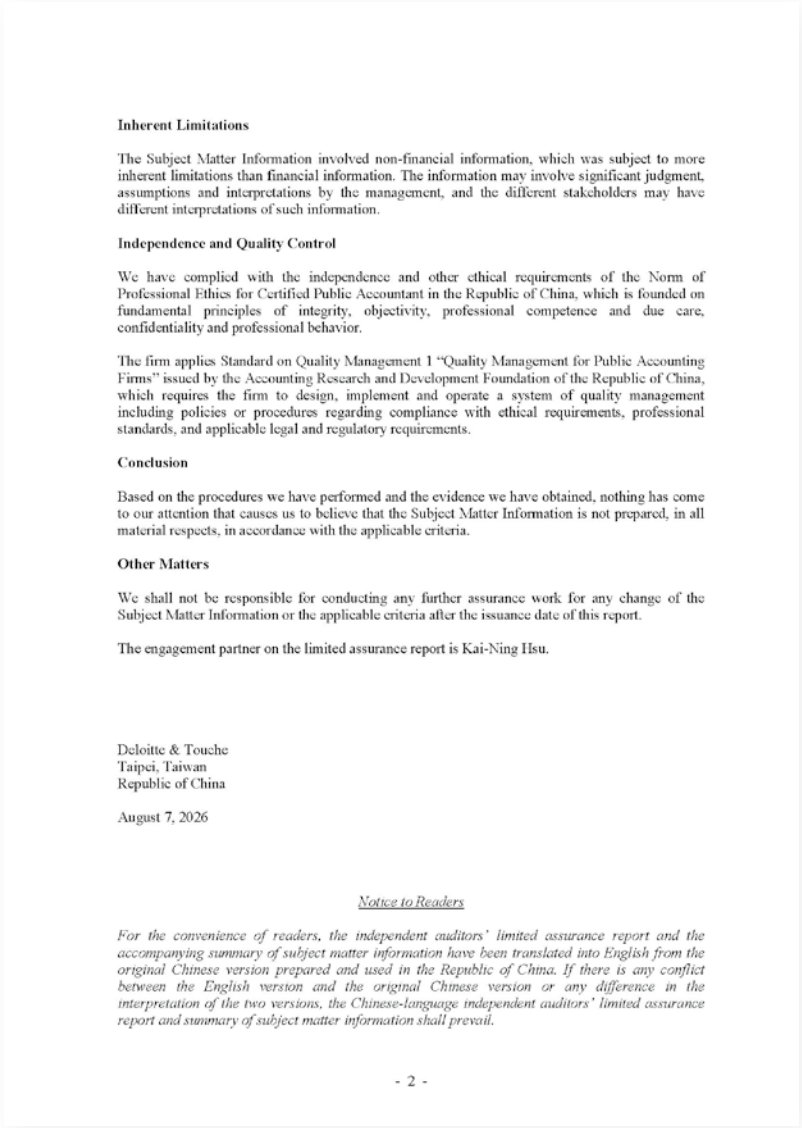
The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), SASB Standards published by the Sustainability Accounting Standards Board (SASB), and the criteria specifically designed by the Company, and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

Auditors' Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, processes, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the Subject Matter Information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, observation, and analytical procedures to obtain evidence supporting limited assurance.



Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Kai-Ning Hsu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 7, 2026

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of subject matter information shall prevail.

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For the complete and detailed verification statement, please refer to the Limited Assurance Report.

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