

2024 HUMAN RIGHTS DUE DELIGENCE REPORT

UNIVERSAL SCIENTIFIC INDUSTRIAL (SHANGHAI) CO., LTD.

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1 COMMITMENT TO RESPECT HUMAN RIGHTS

Universal Scientific Industrial (Shanghai) Co., Ltd. and its subsidiaries (hereafter referred to as “USI, Company, we”) support, respect, and are committed to human rights as defined in Principles 1 and 2 in the United Nations (UN) Global Compact, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labor Organization’s Declaration of Fundamental Principles and Rights at Work, the USI Code of Business Conduct and Ethics and the laws of the countries in which we operate. Being a member of the Responsible Business Alliance (RBA), we adopt its Code of Conduct in our global operations to enforce our commitment to protect human rights.

USI firmly believes that businesses have a responsibility to respect human rights and committed to protecting and promoting human rights with our employees, joint ventures, contractors, business partners (supplier, customers), local governments, communities, and other stakeholders.

Management principles

- **Regular Policy Review:** This policy is reviewed annually and updated as necessary to ensure its effectiveness.
- **Human Rights Due Diligence:**
 - ✧ Integrate RBA Code of Conduct into USI’s human rights management system and conduct regular human rights due diligence to identify and assess human rights risks and potential impacts, formulate corresponding prevention and mitigation measures, and track implementation results.
 - ✧ If reveals human rights risks, potential impacts or human rights violations, the mitigation or remedial measures will be taken respectively.
 - ✧ The human rights risks, potential impacts or human rights violations that are assessed and identified through human rights due diligence, as well as the implementation performance of human rights management, will be regularly reported to senior management. The corresponding human rights policies, human rights management regulations or procedures, etc. will be revised to promote a more complete implementation of human rights protection. Simultaneously, the human rights management targets, actions, performance and progress on the company official sustainability website, sustainability reports and human rights due diligence reports will be disclosed to the public.
- **Human Rights Training and Propagation:** Continuously advocate the human rights policy internally and externally, provide human rights training to our employees and suppliers to raise concern and attention to human rights issues and convey information of the complaint channels to apply the implementation and culture of respecting human rights.

1.1 HUMAN RIGHTS POLICY

- **Diversity and Anti-discrimination:** We respect the diversity of our employees, contractors, business partners, communities and all other stakeholders. We strictly prohibit differential treatments due to any discrimination based on ethnicity, color, gender, gender identity, sexual orientation, marital status, language, age, nationality, religion, political affiliation, ancestry, physical or mental disability, pregnancy, illness or any other characteristics protected by law to ensure equal recruitment and promotion opportunities are offered to all.
- **Respect and Humane Treatment:** We are committed to treating people with respect and humanity. It is not tolerated to have any form of disrespectful or inappropriate behaviors in the workplace and work-related environment, including but not limited to sexual harassment, maltreatment, corporal punishment, mockery, insult, discrimination, hatred, derogation, threats, hostile behavior, interference, tracking, mental coercion, and aggression, etc.
- **No Forced Labor and Human Trafficking:** Being an employer and a global corporate citizen, we firmly forbid any form of forced labor, including human trafficking and illegal employment, and ensure all employment to be built upon the willingness, which means all employees have the right to choose or terminate the employment with the reasonable notice period in compliance with local laws.
- **Child Labor and Young Workers:** Any form of child labor is strictly prohibited. It is not allowed to employ workers under the age of 16. And there is no tolerance to employ the young workers between the ages of 16 and 18 to perform any work that could jeopardize their health and safety, including night shifts and overtime.
- **Compensation, Benefits and Working Hours:** All relevant laws and regulations on salary, social security, working hours, etc. of the country or the jurisdiction where our operations are located are compliance with. No less than the local legal minimum wage shall be paid to employees on time and unequal pay for equal work is eliminated; working hours are not to exceed the maximum set by local law, with a maximum daily working time, and a workweek should not be more than 60 hours per week (except in emergency or unusual situations), and all employees shall be allowed at least one day off every seven days; special leave or compensation for unused leave is granted by law.
- **Safety and Health in the Workplace:** We are committed to providing our employees with a safe and healthy work environment and striving for with zero injuries and accidents through complying with all applicable health and safety regulations and ensuring all procedures right in place.
- **Freedom of Speech and Association:** It is fully respected and supported that all employees have the right to freely associate and express their points of view. We commit not to hinder their legitimate exercise of rights with any interference or restriction and are dedicated to building a trust and positive environment and provide diverse, open, and two-way communication channels for internal and external stakeholders to share their concerns or suggestions without fear of interference, intimidation, reprisal, discrimination, or harassment.
- **Protection of Privacy:** We recognize privacy as a fundamental human right, shall be protected. Complying with the USI Privacy Policy, we strive to safeguard personal data privacy and data security.
- **Product Responsibility and Conflict-Free Minerals Commitment:** We recognize the corporate responsibility for the products covers the entire life cycle from the raw materials used to their use and subsequent cycling. Keeping with USI conflict-free mineral procurement commitments, no metal or product from conflict minerals or areas that violate human rights is purchased or used on USI manufacturing and production. It is also not tolerated that USI products will be used for human rights violations.

HUMAN RIGHTS RELATED POLICIES ¹

No.	Policy	Description
1	ESG Best Practice Principles	USI values corporate governance, environmental protection, and social participation and includes them in strategic decisions and business operations. We consider the rights and interests of stakeholders and promote sustainable development in the pursuit of sustainable profits. Following the materiality principle, USI conducts risk assessments of corporate governance and environmental and social issues concerning operations and establishes relevant risk management policies or strategies.
2	Human Rights Policy	USI supports, respects, and is committed to human rights as defined in Principles 1 and 2 in the UN Global Compact, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work, the USI Code of Business Conduct and Ethics and the laws of the countries in which we operate. We adopt RBA Code of Conduct in our global operations to enforce our commitment to protecting human rights with our employees, joint ventures, suppliers, business partners, clients, local governments, communicates and other stakeholders.
3	Anti-Discrimination and Anti-Harassment Policy	USI provides employees with a workplace in which they can receive respectful, fair, reasonable and professional treatment, and are free from any form of discrimination and harassment, so that all employees can safely develop their personal expertise and their maximum potential and keep their physical and mental health.
4	Code of Business Conduct and Ethics	USI is committed to searching for a way that the effects on nature, people and society are all ecologically and ethically acceptable. The purpose of this Code is to help USI practice good corporate citizenship and social responsibility wherever we operate and do our business, and make sure consistent with the laws, regulations, and policies that govern USI.
5	Environment, Health, Safety (EHS) & Energy Policy	USI, customers, suppliers, contractors, and all other business partners in the value chain are required to comply with this policy in the operations, products, activities, and services they provide.
6	Policy on the Protection of Privacy and Personal Data	USI values the importance of privacy and personal data protection. This Policy on the Protection of Privacy and Personal Data is adopted by Company in accordance with the Personal Data Protection Act of Taiwan, Enforcement Rules of the Personal Data Protection Act of Taiwan, EU General Data Protection Regulation (GDPR) and applicable laws and regulations on the protection of privacy and personal data in the United States, China and other countries or areas where Company or its affiliates operate, to guide and manage the compliance by USI. We request each of USI's suppliers (including vendors, contractors, external consultants) to implement relevant compliance management in compliance with the Policy, cooperate with USI to protect the privacy and personal data, and secure the rights and interests of data subject.
7	Supplier Code of Conduct	USI established this Supplier Code of Conduct following ASE Technology Holding Co., Ltd. Supplier Code of Conduct, also reference to the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work, and the RBA Code of Conduct, to ensure safe working conditions, ethical and environmentally responsible business operations, and worker dignity in our business and supply chain.
8	USI Corporate Policy for Sourcing Conflict Minerals	USI is committed to only using responsibly sourced "conflict-free minerals" in accordance with the specifications of the Responsible Minerals Initiative. We follow the due diligence framework of the "Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" formulated by the Organization for Economic Co-operation and Development (OECD) and exercise due diligence with our suppliers and establish the conflict minerals management mechanism.
9	Other SOPs	Worldwide Responsible Business Alliance (RBA) Management Procedure

¹ Items 1 to 8 can be downloaded from the Sustainability Governance Documents in the Resource Center of the USI Sustainability Official Website (<https://www.usiglobal.com/tw/resources>)

1.2 HUMAN RIGHTS GOVERNANCE

To strengthen USI's core competitiveness, enhance sustainable decision-making, and optimize corporate governance, in 2024, USI expanded the functions of the Strategic Committee and established the Strategy and Sustainability Committee, the highest authority in corporate sustainability, to oversee strategic sustainability initiatives.

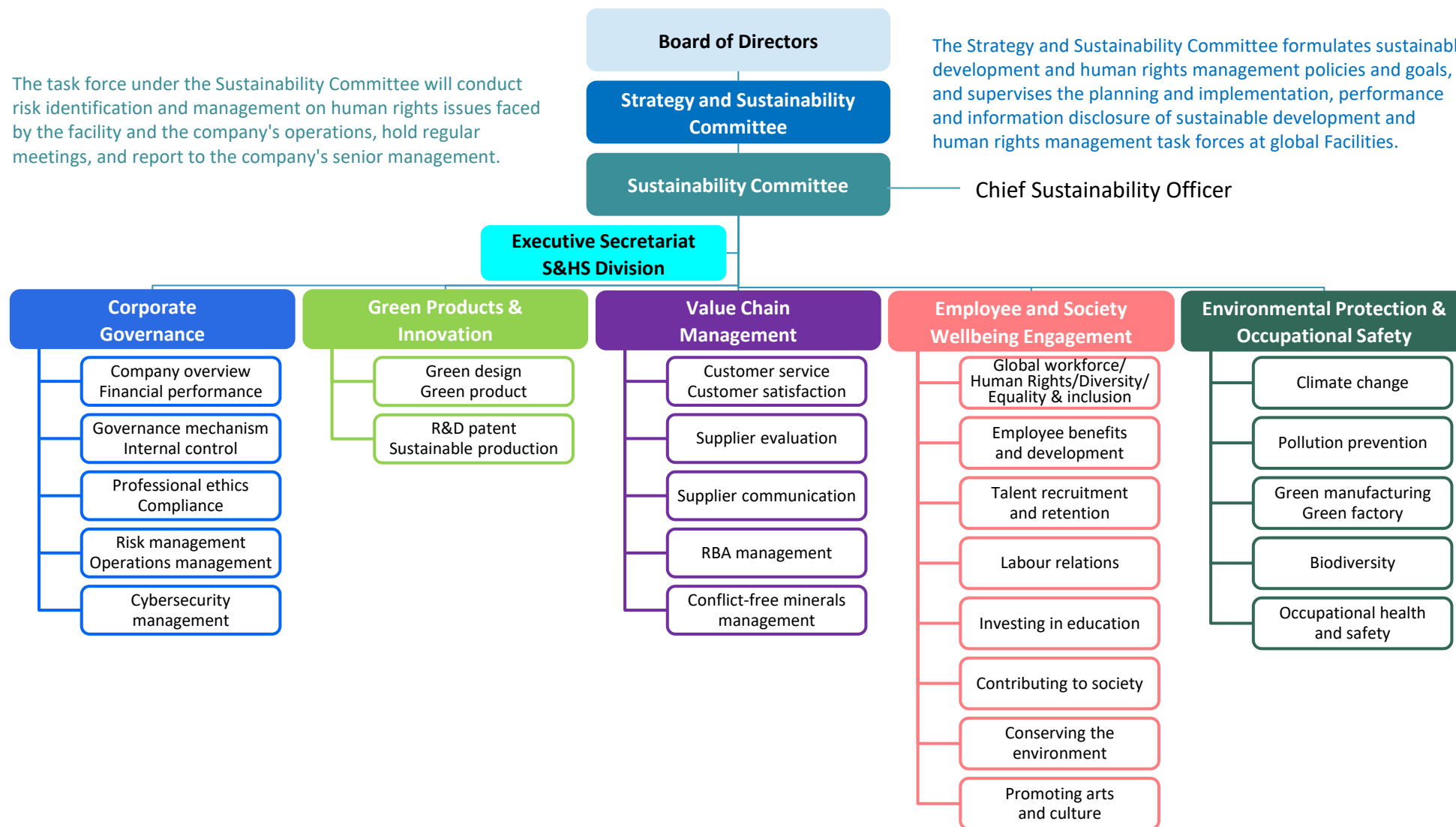
Reporting to the Strategy and Sustainability Committee, the Sustainability Committee spans all manufacturing facilities. Senior managers serve as Leaders and Coordinators, with departmental representatives forming five dedicated taskforces: Corporate Governance, Green Product & Innovation, Value Chain Management, Employee & Society Well-being Engagement, and Environmental Protection & Occupational Safety. So does the Chief Sustainability Officer who is appointed from senior management to drive progress.

The Sustainability Committee's taskforces will identify and manage risks related to human rights issues within the facilities and Company operations. The Committee's Director-General convenes quarterly task force meetings. The Taskforces will develop sustainability targets and track the progress of each target quarterly. The annual achievement of every taskforce will be reported to the Chairperson and Committee members at the Sustainability Committee's annual meeting.

1.2.1 ORGANIZATION OF HUMAN RIGHTS MANAGEMENT

The task force under the Sustainability Committee will conduct risk identification and management on human rights issues faced by the facility and the company's operations, hold regular meetings, and report to the company's senior management.

The Strategy and Sustainability Committee formulates sustainable development and human rights management policies and goals, and supervises the planning and implementation, performance and information disclosure of sustainable development and human rights management task forces at global Facilities.



2 HUMAN RIGHTS DUE DELIGENCE

2.1 SCOPE OF HUMAN RIGHTS DUE DELIGENCE

USI conducts human rights due diligence every year, which covers the company's seven manufacturing Facilities², merger and acquisition targets, joint ventures and suppliers.



² USI's manufacturing Facilities include Zhangjiang, Jinqiao, Huizhou and Kunshan Facilities in mainland China, Nantou Facility in Taiwan, Mexico Facility and Vietnam Facility.

2.2 HUMAN RIGHTS DUE DILIGENCE MANAGEMENT

2.2.1 2.2 HUMAN RIGHTS DUE DILIGENCE

USI understands and manages human rights issues in a responsible manner, focusing on employees and suppliers and adhering to the concepts of the PDCA management process and continuous improvement. The corresponding taskforce teams under the Sustainability Committee identify, evaluate, monitor, prevent, and reduce human rights impacts through the due diligence process. We disclose the assessment results on the official website in the form of a Due Diligence Report. The performance indicators of the Labor, ethics, environment, safety and health are reviewed in the quarterly Sustainability Committee meetings. The execution results are summarized and submitted to the Sustainability Committee and reported to the top management team annually.

RBA Risk Assessment Mechanism

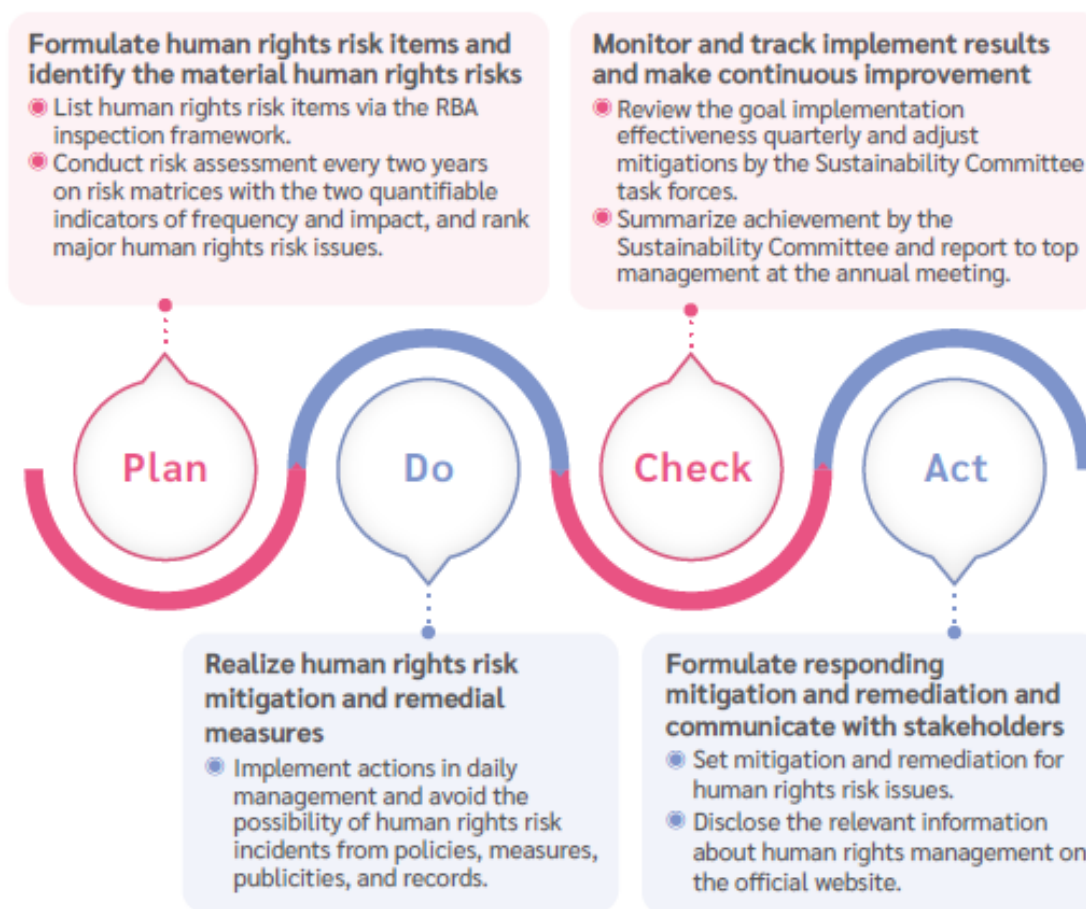
Through the RBA management mechanism, we conduct regular risk assessment in the labor, ethic, environment, safety and health dimensions with a two quantifiable indicators risk matrix: frequency and impact, to investigate risk assessment results in the past two years, identify issues and groups that are vulnerable to human rights risks, formulate measures and plans, and continue to make improvements.

- ◆ **Employees:** We implement Self-Assessment Questionnaire (SAQ) to self-assess human rights risk and entrust external third-party institutions with special training in social and environmental audits to simultaneously provide RBA Validated Assessment Program³ (VAP) audit services for the risk management of all USI facilities and new business relationships. At the same time, we arrange cross-site mutual audits every year to ensure full compliance with standards. If there are any non-compliant items, corrective actions must be proposed and completed within the requested period.
- ◆ **Joint ventures:** The annual human rights risk assessment is required to conduct human rights risk identification every year. Those human rights risk issues listed in their sustainability reports, or the SAQ human rights risk identification results are necessary to formulate corresponding improvement plans and track their mitigations.
- ◆ **Suppliers:** The annual human rights risk assessments will be conducted with the Tier 1 suppliers and further understand which high risks that suppliers may face through on-site RBA VAP audits and continuously track and improve the effectiveness of their countermeasures for different risks.

³ Validated Assessment Program: an on-site audit of suppliers, potential suppliers, and company facilities, performed by a RBA approved independent third-party audit company to provide the company with risk identification assurance, driving improvement, and implement a powerful management system of labor, ethics, health, safety, and environmental conditions in the supply chain.

2.2.2 Human Rights Due Diligence Process

USI regularly conducts human rights due diligence to assess human rights risks and potential impacts. If any human rights risks, potential impacts or human rights violations are discovered, corresponding mitigation measures or remedial measures will be actively taken, and human rights policies, relevant management regulations or procedures will be reviewed accordingly to ensure better implementation of human rights protection work.



2.2.3 Significant Human Rights Risk Issues

USI Role	Target	Human Rights Issues	Main Policies	Due Diligence	Grievance Mechanism
Employer Value Chain Partner (Including Mergers & Acquisitions, Joint Ventures)	<ul style="list-style-type: none"> Employees Foreign migrant employees Young workers Third-party workers Female employees 	Prohibition of forced labor, working hours, wages and benefits, anti-discrimination/anti-harassment/humane treatment, wage equality, gender equality, young workers employment, freedom of assembly and collective bargaining, freedom of religion, occupational health and safety, emergency preparedness, occupational injury and illness, data privacy and security, avoid unlawful infringement, sanitation, food & housing	<ul style="list-style-type: none"> Human Rights Policy Anti-Discrimination and Anti-Harassment Policy EHS & Energy Policy Policy on the Protection of Privacy and Personal Data 	RBA SAQ, RBA VAP, internal audit	<ul style="list-style-type: none"> Internal reporting channels: all reporting channels of each Facility External reporting channels: please refer to the 2.2 Business Ethics and Compliance section for details
Purchaser	<ul style="list-style-type: none"> Suppliers Contractors 	Prohibition of forced labor, working hours, wages and benefits, anti-discrimination/anti-harassment/humane treatment, young workers employment, occupational health and safety, emergency preparedness, occupational injury and illness, data privacy and security, prohibition of use of conflict minerals	<ul style="list-style-type: none"> Supplier Code of Conduct USI Corporate Policy for Sourcing Conflict Minerals Policy on the Protection of Privacy and Personal Data 	SSAQ, on-site audit	
Product/Service Provider	<ul style="list-style-type: none"> Customers 	Data privacy and security	<ul style="list-style-type: none"> Policy on the Protection of Privacy and Personal Data 	Risk assessment, internal/external audit	

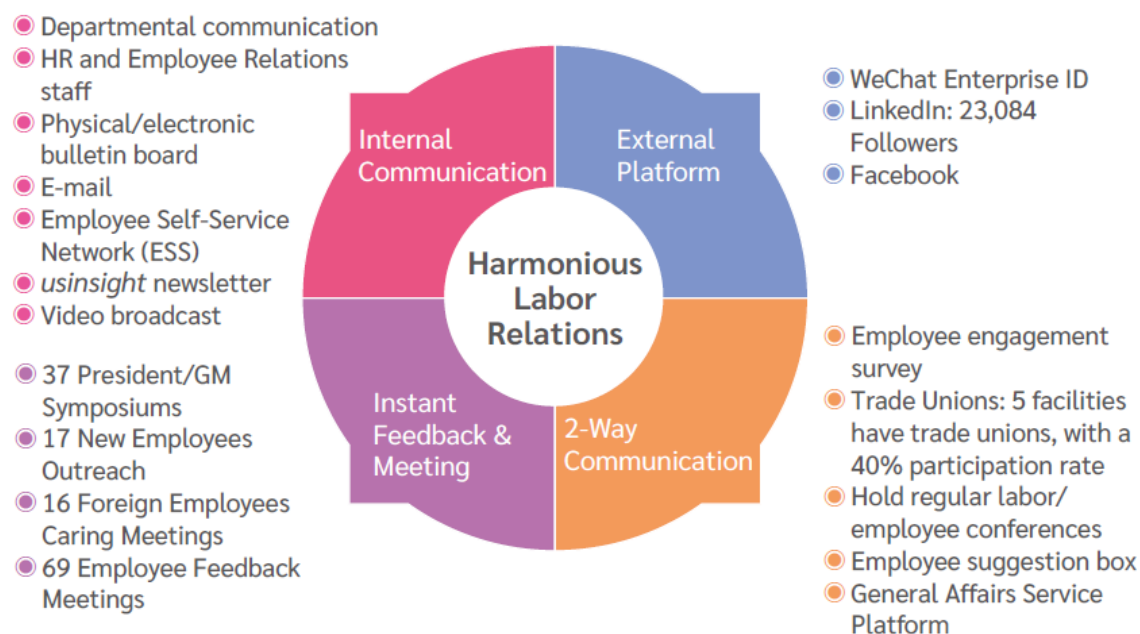
2.2.4 COMPLAINT PROCESS AND HANDLING MECHANISM

We have established investigation and employee reporting mechanisms and complaint channels to manage employees' complaints and ensure the implementation of human rights policies and avoid incidents that endanger human rights. The investigation procedure is as follows:



2.2.5 COMMUNICATION AND COMPLAINT CHANNELS

Stakeholders can give feedback and appeal through relevant phone calls, meetings, email, e-mail (ethics@usiglobal.com), or on the "[Contact Us](#)" official website. Whistleblowers can report by name or anonymously. The company investigates the content of the report and keeps the identity of the reporter confidential, ensuring the safety of the reporter in accordance with the law and preventing the reporter from being threatened or having his rights and interests harmed.



2024 Communicaitons:

Employees:

1. Held 139 Employee Communication Symposiums.
2. Regularly discuss with labor representatives/unions suggestions for improvements to working conditions, systems, and the work environment, including employee salaries, paid birthday leave, and extended maternity/paternity leave.

3. USI received 139 employee feedback submissions, all of which were processed and addressed.
4. We launched usinsight and shared senior management experience in WeChat groups, providing information on industry trends, health education, employee activities, and more.
5. Conducted 190 employee health education training sessions.

Suppliers:

1. Convened 25 Executive Business Review (EBR) meetings with material suppliers, coached 82 suppliers on improving deficiencies, and held 13 new product and technology briefings.
2. Conducted supplier questionnaires to understand the status and trends of 469 suppliers.
3. Conducted RBA on-site and document audits on selected suppliers/contractors, auditing a total of 108 suppliers/contractors.
4. Held a Greater China Sustainable Supply Chain Online Sharing Session to promote the company's philosophy and various implementation policies and explain USI's ESG requirements for suppliers and future goals. A total of 529 supplier partners attended. Two suppliers were coached to implement and obtain greenhouse gas or product carbon footprint certification (ISO 14064-1 or ISO 14067).

Communities :

1. Developed and implemented standard operating procedures for environmental, safety, and health to minimize negative impacts on the local environment and established communication channels to maintain good relationships with community residents.
2. Strived to reduce air pollution sources, resulting in no major environmental violations.
3. Strived to increase process water recovery rates to reduce water demand and mitigate water resource risks, achieving a 65% process water recovery rate.
4. Participated in social and community activities to foster good neighborhood relations, participating in and organizing 102 social events.

2.2.6 Human Rights Trainings

USI remains committed to human rights protection by promoting awareness and reducing related risks through ongoing training. Each year, employees across all global facilities are required to complete training on the Employee Code of Conduct and Humane Treatment in the Workplace, including an online test to ensure understanding of relevant regulations and expected behaviors. To strengthen employees' understanding of human rights issues, we developed micro-learning videos to help employees access bite-sized learning materials flexibly.

Courses	Objectives		Facility						
	DL ⁴	IDL ⁵	Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam
Employee Code of Conduct	●	●	●	●	●	●	●	●	●
Humane Treatment in the Workplace	●	●	●	●	●	●	●	●	●
RBA Code of Conduct	●	●	●	●	●	●	●	●	●
Newcomer training – USI Code of Business Conduct and Ethics	●	●	●	●	●	●	●	●	●
Newcomer training–Working Rules	●	●	●	●	●	●	●	●	●
Sustainable Trends Courses		●	●	●	●	●	●	●	●

⁴ DL, Direct employee refers to employees are those who directly work in the production line, working in skilled positions.

⁵ IDL, Indirect employee refers to employees working in management, technical, and administrative positions.

2.3 HUMAN RIGHTS RISK ITEMS

Issue	Impact objective	Description	Management & Practices	Frequency	Impact
Forced labor & Working hours Mgmt.	Employees JVs Suppliers	<ul style="list-style-type: none"> ◆ All employment is voluntary. ◆ Any overtime must be voluntary. ◆ The number of working hours should not exceed the maximum limit stipulated by local laws, and the number of working hours per week should not exceed 60 hours (including overtime), except in emergencies or exceptional circumstances. ◆ Workers should be allowed to have at least one day off every seven days. 	<ul style="list-style-type: none"> ◆ Sign an employment contract based on workers' own free will on the premise of no violate labor laws and regulations. ◆ Employees can decide on their own to terminate the labor contract and stop providing labor services. ◆ Overtime work must be scheduled in advance. Overtime must be voluntary. ◆ Recruit sufficient manpower according to production capacity to meet actual demand. ◆ Implement working hours control and early warning for overtime. ◆ Require suppliers to sign the "Supplier Code of Conduct". 	High	High
Child Labor		◆ Prohibition of child labor.	◆ Check and keep new employees' copies of age documents	Low	Low
Young Workers		◆ Do not employ young workers in jobs that may endanger their health or safety, including night shifts and overtime work.	◆ No hire young workers who are over 16 years old but under 18 years old to do a job that may endanger their health or safety, including night work and overtime work.	Low	Low
Wage and Benefits		<ul style="list-style-type: none"> ◆ Comply with the minimum wage payment standards stipulated by local government laws, overtime pay calculation and salary withholding, etc. ◆ Let employees know the correctness of paid salary items and amounts. ◆ Comply with local relevant statutory welfare regulations. 	<ul style="list-style-type: none"> ◆ Pay the wages by complying with the local minimum wage standards, overtime pay calculation and salary withholding and other regulations. ◆ Prohibits making wage deductions as a means of disciplinary action. ◆ Provide concise wage slips to verify that wages paid to workers are accurate. ◆ Set aside and pay insurance premiums in accordance with local social welfare regulations. 	Low	Low
Humane treatment		◆ Formulate policies and grievance channels and avoid harsh or inhumane treatment of employees, including violence, sexual violence, sexual harassment, sexual assault, corporal punishment, psychological or physical coercion, bullying, public humiliation or verbal abuse; nor conduct any such threaten behavior.	<ul style="list-style-type: none"> ◆ Set up SOPs of prohibiting all inhumane treatment of employees. ◆ For inhumane treatment or discrimination, provide reporting channels or complaint handling documents and convey employees' knowledge. ◆ Require employees to have annual training. 	Low	Low

Issue	Impact objective	Description	Management & Practices	Frequency	Impact
Discrimination and Harassment	Employees JVs Suppliers	<ul style="list-style-type: none"> Formulate policies and grievance channels and avoid any discrimination/harassment behavior. 	<ul style="list-style-type: none"> Work rules clearly stipulate to protect employees from discrimination and harassment and formulate anti-discrimination and anti-harassment policies and complaint channels to avoid any discrimination/harassment behavior. Prohibit discriminating against employees in recruitment or actual work based on any factor, or to affect their wages, promotions, rewards and training opportunities, etc. Prohibit any form of harassment in the workplace. 	Medium	Low
Freedom of association		<ul style="list-style-type: none"> In accordance with local law, respect the rights of all employees to organize and participate in or abstain from trade unions of their choice, to bargain collectively and to participate in peaceful assembly. Encourage employees to participate in club activities to achieve a lifestyle of physical fitness and balance between work and family. 	<ul style="list-style-type: none"> Employees and/or their representatives should be able to communicate openly with management and share their ideas and concerns about working conditions and management practices without fear of discrimination, retaliation, threats or harassment. Subsidize the operating expenses of the association continuously to achieve a balance between work and family life. Convene labor/employee meetings regularly, use meeting minutes, track relevant employee responses, keep all communication channels open, and build a harmonious and happy workplace. 	Low	Low
Gender equality		<ul style="list-style-type: none"> Protect the work rights of different genders. Create a diverse and integrated workplace. 	<ul style="list-style-type: none"> Gender must not be a screening indicator in recruitment advertisements. Protection of gender equality is stipulated clearly in Working Rules. Set short, medium and long-term annual targets for the proportions of women in the work structure and in top management positions. 	Low	Low
Maternal protection		<ul style="list-style-type: none"> Provide maternal protection measures in accordance with local occupational safety laws and regulations. 	<ul style="list-style-type: none"> Prohibit pregnant employees from working night shifts or do the physical exertion job. Employees are entitled to maternity leave, maternity check-up leave, breastfeeding leave and parenting/child leave. Provide convenient parking spaces and extra meal benefits for pregnant employees. 	Low	Low

Issue	Impact objective	Description	Management & Practices	Frequency	Impact
Disability People	Employees JVs Suppliers	<ul style="list-style-type: none"> ◆ Create a diverse and integrated workplace. 	<ul style="list-style-type: none"> ◆ Tailor-made jobs for disabled people to increase their sense of work fulfillment. 	Low	Low
Aboriginal people		<ul style="list-style-type: none"> ◆ Indigenous peoples have the right to be free from any form of discrimination in the exercise of their rights. ◆ Create a diverse and integrated workplace. 	<ul style="list-style-type: none"> ◆ Aboriginal employees can take one day off during the annual rituals of their own, parents' or spouse's ethnic group every year. 	Low	Low
Religious freedom		<ul style="list-style-type: none"> ◆ Protect the rights of people with different religious beliefs. ◆ Create a diverse and integrated workplace. 	<ul style="list-style-type: none"> ◆ Provide employees with a worship area/space. ◆ Do not interfere with/restrict employees' worship time. 	Low	Low
Foreign migrant workers		<ul style="list-style-type: none"> ◆ Prohibit migrant workers from being charged unreasonable fees during the recruitment process. ◆ Prohibition on restricting migrant workers' freedom of employment. ◆ Prohibition of forced/bonded labor. 	<ul style="list-style-type: none"> ◆ Prohibit having charge fees during the recruitment process, or to require payment of deposits or withholding identity documents as conditions for employment. ◆ Provide employment contracts or documents in the language of foreign workers to better understand the content of the documents. 	Low	Low
Employee health		<ul style="list-style-type: none"> ◆ Ensure employee health in accordance with local occupational safety laws and regulations. 	<ul style="list-style-type: none"> ◆ Formulate occupational safety and health management measures in accordance with local occupational safety laws and regulations, and plan and implement employee health examinations, health promotion and other matters. 	Low	Low
Occupational safety		<ul style="list-style-type: none"> ◆ Ensure the employees' safety in the workplace 	<ul style="list-style-type: none"> ◆ According to the ISO 45001 system verification standards, we formulate and implement relevant operating methods and procedures to ensure the workplace's safety. 	Medium	Low
Sanitation, food and housing		<ul style="list-style-type: none"> ◆ Provide employees with clean food and accommodation environment. 	<ul style="list-style-type: none"> ◆ Company or migrant labor agency should provide clean and safe employee dormitories with appropriate emergency exits, hot water for bathing, adequate lighting, heating and ventilation equipment, separate and secure places for storing personal and valuable belongings, and appropriate private space with easy access. 	Low	Low

2.4 HUMAN RIGHTS RISK ANALYSIS

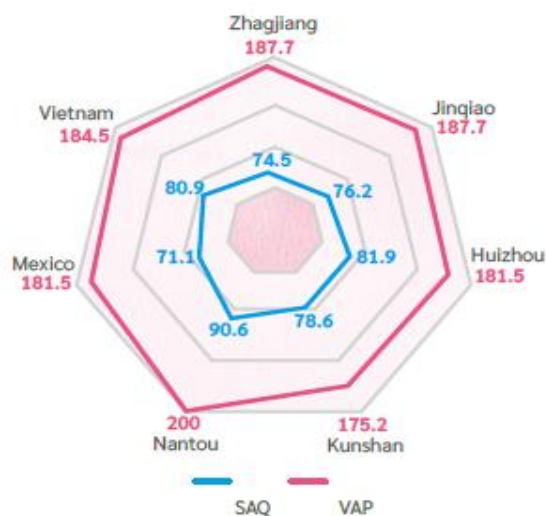
2.4.1 HUMAN RIGHTS RISK ASSESSMENT-MANUFACTURING OPERATIONS AND JOINT VENTURES (EMPLOYEE PART)

2.4.1.1 Seven Manufacturing Operations

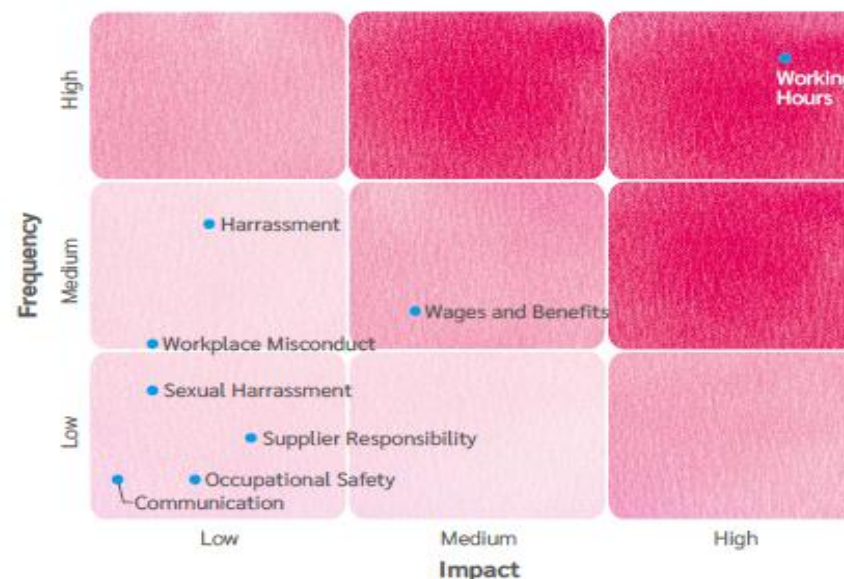
We conduct RBA SAQ and VAP human rights risk assessments of the global manufacturing facilities, as well as the statistics of employee complaint cases, identify the risks of each factory and propose corresponding mitigation plans.

- (1) The 2024 human rights due diligence results showed that the Company had no violations such as employing child labor, subjecting young workers to work that endangers their health or safety, forced or compulsory labor, infringing on the rights of indigenous peoples, or any form of discrimination.
- (2) The RBA SAQ assessment results of each facility were classified as low/medium-risk level, and the VAP results for all Facilities were scored above 175, and no priority findings were found. Working Hours and Wages and Benefits were identified as labor-related human rights issues with high exposure risk.

● Human Rights Risk Assessment Results ⁶



● Human Rights Risk Analysis ⁷



⁶ The SAQ assessment score: above 80 is considered low risk; 60~80 is considered medium risk; below 60 is high risk.

⁷ Major risks are those events with high frequency and high impact; minor risks are those events with low frequency and low impact; other events are classified as secondary risks.

(3) USI received 6 employee complaints, 3 of which were formally filed following investigation.

- ✧ External case: One case involved a sexual harassment complaint from an external vendor, who reported inappropriate behavior by an employee during a meeting. Despite the respondent's objections, USI took the complaint seriously and reassigned the individual.
- ✧ Internal case: 2 cases. One case concerned a supervisor whose management style encroached on a subordinate's personal boundaries. USI addressed the issue by removing the respondent from their management role. Another case involved prolonged verbal abuse by an employee toward a colleague. USI disciplined the respondent and issued one minor demerit.

(4) Occupational Hazard Management:

- ✧ No production safety accidents resulting in casualties or equipment damage leading to production stoppage occurred.
- ✧ A total of 6 physical and 1 chemical occupational injury incidents occurred.

2.4.1.2 Joint Ventures: MUtek Electronics Co.,Ltd. and MEMTECH International Pte. Ltd. are the 2 joint venture companies that USI holds more than 10% of ownership.

(1) MUtek Electronics Co.,Ltd.: There are currently no formal operating activities, so no due diligence has been conducted.

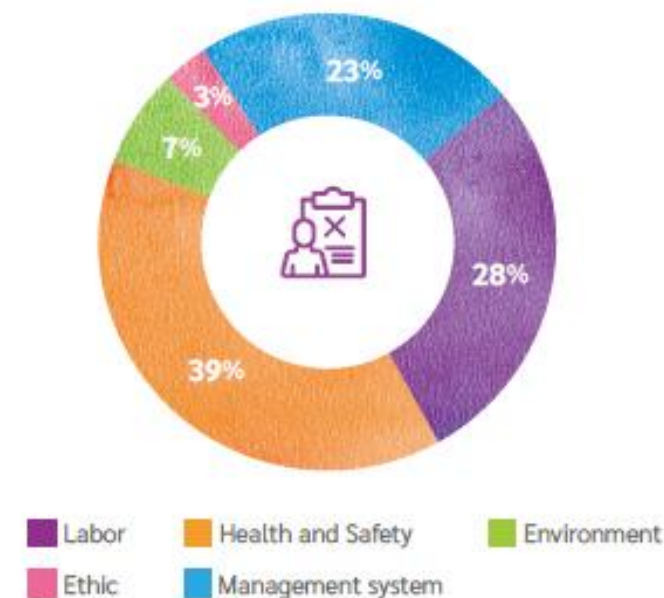
(2) MEMTECH International Pte. Ltd.: No statements of human rights violations were found in its 2023 ESG Report.

2.4.2 HUMAN RIGHTS ASSESSMENT-SUPPLY CHAIN

To enhance supply chain resilience and ensure suppliers meet corporate social responsibility standards, USI forms an annual audit taskforce led by the Human Resources and CSR departments or an independent third-party verification body. The assessment framework spans five key areas: labor practices, occupational health and safety, environmental impact, business ethics, and management systems.

- In 2024, USI surveyed 469 Tier 1 suppliers, achieving a 76% response rate. For suppliers who did not respond to the SSAQ, USI initiated sustainability risk investigations using publicly available information to ensure continued oversight. We did not terminate relationships in 2024 after assessment. During these assessments, non-conformances were addressed through online or in-person counseling sessions. Suppliers with deficiencies were required to submit corrective action plans and complete improvements within one month. A follow-up review confirmed a 100% closure rate, and all audited suppliers were reclassified as low-risk.
- Further analysis of supplier audit findings revealed that 39% of deficiencies were related to health and safety. The remaining findings are shown in the chart. USI continues to support suppliers in aligning with the RBA Code of Conduct, fostering a more responsible and resilient supply chain.
- Based on suppliers' SSAQ response, sustainability reports, or public information, our 2024 supplier human
- rights assessment identified Human Rights Policy and Commitment, Non-Discrimination/Non-Harassment/Humane Treatment, Occupational Health and Safety, and Industrial Hygiene as the main human rights risk issues. We also identified high risk suppliers and took corresponding measures to continuously track the effectiveness of their corrective actions. We will continue to assist and counsel suppliers on human rights issues for suppliers who do not respond to or disclose relevant information.

Distribution of Supplier and Contractors Sustainability Audit Findings



3 MITIGATION & REMEDIATION

3.1 MITIGATION & REMEDIATION-MANUFACTURING OPERATIONS AND JOINT VENTURES (EMPLOYEE PART)

The human rights risk mitigation and remediation of Unlawful Infringements⁸, Working Hours, and Wages and Benefits were implemented in our seven facilities, especially strengthening management in the corresponding facilities. Starting with human rights awareness trainings, recruiting sufficient manpower, and managing working hours, etc., we promoted publicity to ensure our colleagues understand the Company's management system from a legal perspective. The mitigation and remediation measures are detailed as follows:

Target	Labor
Risk Issues	Unlawful Infringement (Harassment, Sexual Harassment, Workplace Bullying), Working Hours, Wages and Benefits
Mitigation	Unlawful Infringement <ul style="list-style-type: none"> Reaffirm that unlawful infringement will not be tolerated. Employees who witness or experience such incidents should report them immediately through the grievance procedures. Upon receiving a complaint, a confidential investigation will be initiated. Verified cases will be addressed in accordance with the Work Rules. Conduct human rights and humane treatment in the workplace training and publicity annually (including but not limited to non-discrimination, sexual harassment, privacy rights) and reiterate relevant human rights complaints and handling procedures. The training courses include RBA, humane treatment in the workplace, gender equality and sexual harassment laws. Publish training content on the prevention of illegal and infringing behaviors and release documents such as complaint procedures and penalty rules to facilitate smooth communication with employees; provide on-site physician consultation services to assist employees with psychological counseling and stress relief consultation to reduce their stress and frustration.
	Working Hours <ul style="list-style-type: none"> Recruit enough employees to meet production capacity needs, shorten the review frequency of manpower deployment plans, and avoid overtime due to an insufficient workforce. Establish a working hour management mechanism to control overtime. The system automatically sends warnings of overtime quota to employees and their direct supervisors and assist supervisors in managing their subordinates' overtime. And enforce the "After Continuously Working 6 Days, Need to Take One Day Off" management and tracking mechanism to strictly implement the working time management mechanism.
	Wages and Benefits <ul style="list-style-type: none"> Regularly review relevant laws and regulations to correctly calculate overtime pay, social insurance premiums and severance pay. Update SOPs in response to law and regulation changes in wage and social benefits and provide wage and social benefits training. Promote the rules of wage calculation and social insurance and fee.

⁸ 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, etc.

Mitigation	Occupational Incident Management <ul style="list-style-type: none"> 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.
Remediation	Unlawful Infringement <ul style="list-style-type: none"> Provide trainings on topics related to human rights/humane treatment, improve the leadership capabilities of supervisors, complete investigations through the grievance mechanism, track the effective implementation of disciplinary and counseling measures, and adjust the corresponding internal management mechanisms and compensation at the same time. Provide clinic physician consultation service and information to assist employees in psychological counseling and stress relief counseling. Wages and Benefits <ul style="list-style-type: none"> Pay the underpaid overtime pay and correct the social insurance premium.
Grievance Mechanism	USI provides internal reporting channels, including human resources mailboxes, employee complaint lines, and reporting mailboxes in all facilities.

3.2 MITIGATION & REMEDIATION-SUPPLY CHAIN

Based on suppliers' SSAQ response, sustainability reports, or public information, our 2024 supplier human rights assessment identified Human Rights Policy and Commitment, Non-Discrimination/Non-Harassment/Humane Treatment, Occupational Health and Safety, and Industrial Hygiene as the main human rights risk issues. We also identified high risk suppliers and took corresponding measures to continuously track the effectiveness of their corrective actions. We will continue to assist and counsel suppliers on human rights issues. Suppliers with deficiencies were required to submit corrective action plans and complete improvements within one month. A follow-up review confirmed a 100% closure rate.

Target	Labor	Health and Safety
Risk Issues	<ul style="list-style-type: none"> Human Rights Policy and Commitment Non-Discrimination/ Non-Harassment/ Humane Treatment 	<ul style="list-style-type: none"> Occupational Health and Safety Industrial Hygiene
Mitigation	<ul style="list-style-type: none"> Annual audits and RBA VAP to assess suppliers' human rights risks through each facility to avoid risks. Requiring suppliers to adopt corrective measures for human rights risks and conduct follow-up on implementation. Instilling the importance of human rights in supplier labor through education and training on sustainable supply chains to reduce risks in advance. 	
Remediation	<ul style="list-style-type: none"> Suppliers with public human rights commitments were given positive evaluations to enhance overall supplier performance. Those without public commitments were classified as high-risk suppliers and subject to strengthened training and audits. Requiring suppliers to provide guidance or compensation, or to implement policy changes or other measures for employees whose human rights have been violated. If a high-risk supplier is identified, the Company shall conduct on-site audits and provide recommendations for improvement and require the vendor to submit improvement reports on a regular basis to track the performance of continuous improvement. 	

**External
Grievance
Mechanism**

- Stakeholders can [Contact USI](#) to give feedback or appeal through various channels, such as meetings, e-mail, or phone.
- The Company provides a mailbox (ethics@usiglobal.com) for all internal and external stakeholders to report any integrity-related improper or suspected illegal practices. 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.

4 IMPLEMENT AND ACHIEVEMENT

4.1 2024 PRACTICES

4.1.1 MITIGATION MEASURES EFFECTIVENESS

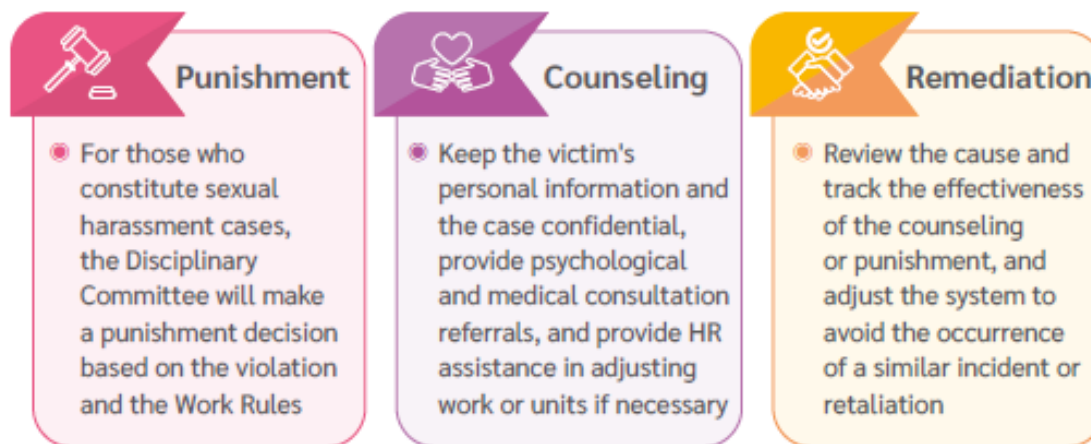
- ♦ **Working Hours:** The 2024 working hour compliance rate⁹ reached 86%, with 1,707 more people complying with the RBA working hours regulations than in 2023.
- ♦ **Unlawful Infringement:** Announced the "Statement of Prohibiting Unlawful Infringement in the Workplace" and the "Unlawful Infringement Prevention and Management SOP". Construct a Workplace Unlawful Infringement Prevention Special Area on SharePoint intranet (383 visitors) to share the unlawful infringement grievance channels and management procedures, training and promotional materials which are related to the laws and prevention measures, and medical consulting service information.
- ♦ **Harassment:** The "Anti-Discrimination and Anti-Harassment Policy" and "Humane Treatment in the Workplace" policy are posted on bulletin boards and the intranet. In addition to regular human rights training, we strengthen leadership and communication skills training for supervisors.
- ♦ **Occupational Hazard Management:** No safety accidents resulting in casualties or equipment damage resulting in production halts have occurred in 2024.

⁹ 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%.

4.1.2 FORMUNATE SEXUAL HARASSMENT CASE HANDLING AND REMEDIATION PRINCIPLES

In line with our Policy on Humane Treatment in the Workplace, USI ensures the protection of both the complainant and the respondent during investigations, which are conducted confidentially. Each party provides statements and is interviewed separately. If misconduct is confirmed, the Disciplinary Committee assigns penalties according to the Work Rules and communicates the outcome. We coordinate with all involved parties, take appropriate corrective actions, and implement improvements. Additionally, on-site doctors offer consulting services related to mental health, work stress, and career development. To prevent a lack of awareness about human rights laws and support the creation of an equal and inclusive workplace, USI actively promotes human rights education at each facility, establishes a clear complaint and resolution process, and enforces systems that protect victim privacy.

● Sexual Harassment Case Handling and Remediation Principles



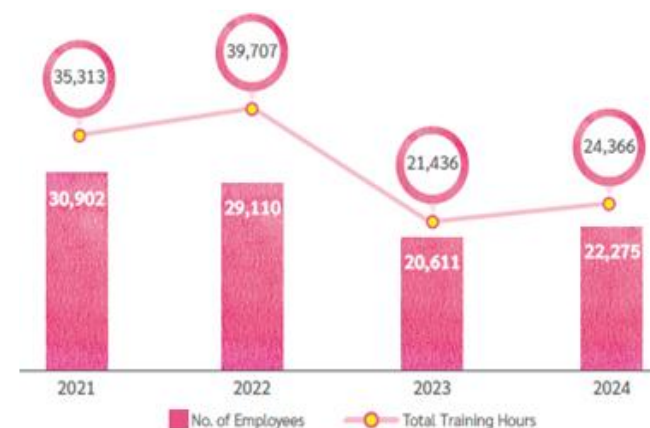
4.1.3 Human Rights Training

USI remains committed to human rights protection by promoting awareness and reducing related risks through ongoing training. Each year, employees across all global facilities are required to complete training on the Employee Code of Conduct and Humane Treatment in the Workplace, including an online test to ensure understanding of relevant regulations and expected behaviors. USI developed micro-learning videos to help employees access bite-sized learning materials flexibly. In 2024, the average duration of human rights-related training per employee was 1.1 hours, totaling 24,366 hours across 22,275 employees (including former employees). All employees completed the required human rights training, achieving a 100% completion rate.

4.1.4 EMPLOYEE UNIONS

USI respects employees' freedom of association. Employees who have like-minded or interested partners can independently form associations, and they are also free to organize and join trade unions and conduct collective consultations in accordance with the relevant legal provisions. USI will not interfere in any way with the establishment, operation, or management of trade unions, and USI will hold regular communication symposiums and keep smooth communication channels with the trade union, implement the conditions listed in the group agreement, such as employment, wage, and termination, etc., employee health and safety regulations, company benefits, and the other items should be abided by both labor and company to form a Stable and harmonious labor relation. Now, in addition to the Nantou Facility and the new setting Vietnam Facility, which have not established trade unions, the Zhangjiang Facility, Jinqiao Facility, Huizhou Facility, Kunshan Facility, and Mexico Facility have established their trade unions, and group agreements are signed with the trade unions. Employees participating in the trade union enjoy the protection of group agreements. The group agreement coverage rate¹⁰ is around 58%. The working conditions and employment terms of employees who are not covered by a union or collective agreement shall follow the collective agreement signed by the factory or the labor conditions stipulated by local laws and regulations where the Facility located. In 2024, with the Company's initiative-taking communication with employees, there was no strike, which resulted from major labor disputes or work stoppages.

• Human Rights Training Participant Numbers and Training Hours



¹⁰ Group agreement coverage rate = Number of employees covered by the group agreement in the facility area ÷ the number of total employees at the end of the period × 100%

5 FUTURE ACTIONS

USI commits to

- ◆ Continuously monitor global human rights trends, the development of human rights policies of domestic and international companies, and changes in the operating environment, reviewing and improving these practices accordingly, and maintaining positive communication and interaction with stakeholders.
- ◆ Regularly review and update its human rights policy, code of conduct, and educational materials, and to receive training on human rights-related issues.
- ◆ Fulfilling its responsibility to protect human rights by conducting annual human rights due diligence and striving to eliminate any human rights violations and abuses.
- ◆ Regularly holding communication meetings, listening to employee voices through various communication channels and employee engagement surveys, and formulating action plans.

Action Plans:

- ◆ Regularly review and update policies, codes of conduct and training materials on human rights. Employees should undergo an annual training review.
- ◆ Effectively implement employee/supplier human rights risk assessment processes, strengthen the RBA VAP management mechanism, and regularly review and track the implementation results of improvement plans.
- ◆ Publish the human rights due diligence report on the official website.

