

2025 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. To fulfill our commitment to human rights protection, we adopt industry sustainability codes of conduct across our global operations.

USI firmly believes that businesses have a responsibility to respect human rights and are 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:**
 - ✧ USI has established a human rights governance and 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 and 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 do 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 are 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 industry sustainability 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, 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.

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/en/resources>)

1.2 HUMAN RIGHTS GOVERNANCE

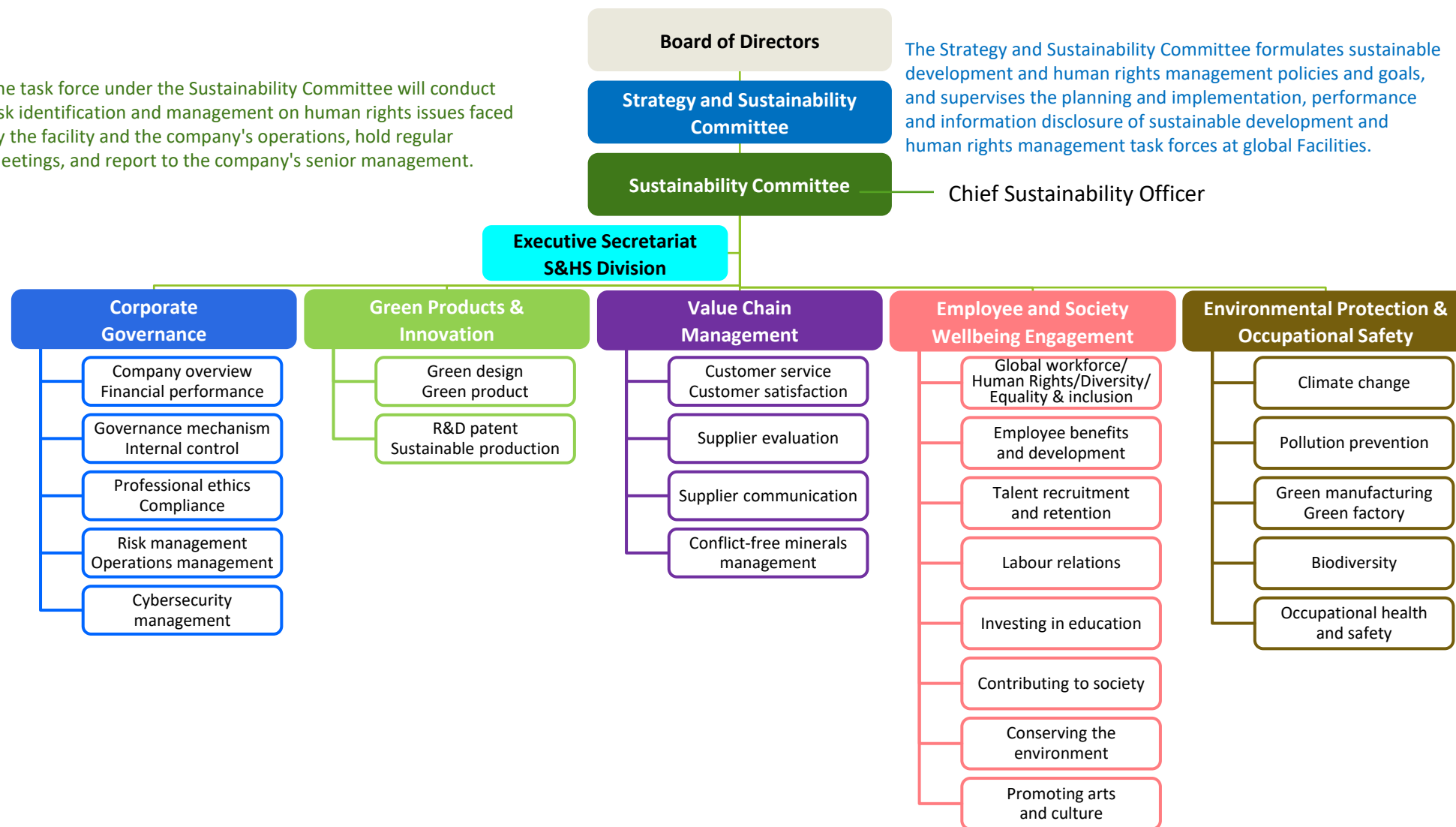
To strengthen USI's core competitiveness, enhance sustainable decision-making, and optimize corporate governance, in 2024, USI expanded the functions of the Strategic Committee and established the Strategy and Sustainability Committee, the highest authority in corporate sustainability, to oversee strategic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

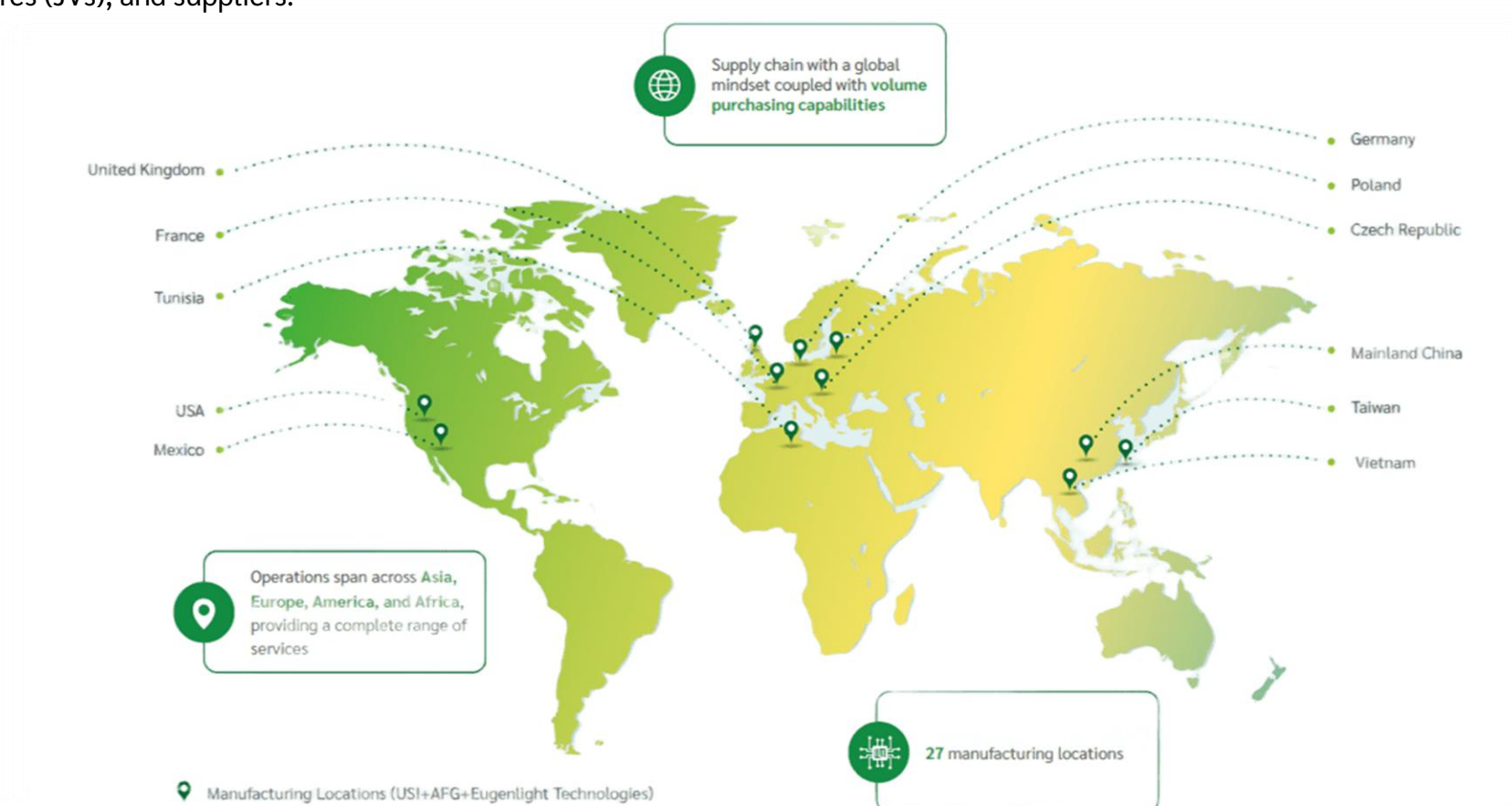
The task force under the Sustainability Committee will conduct risk identification and management on human rights issues faced by the facility and the company's operations, hold regular meetings, and report to the company's senior management.



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 (JVs), 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 HUMAN RIGHTS DUE DILIGENCE

USI has established a responsible 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 lower potential human rights impacts. 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.

- **Employees:** We conduct annual risk assessments across all operating sites based on the likelihood and severity of potential impacts, integrating human rights self-assessments and independent third-party audits 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.
- **Joint Ventures (JVs):** JVs are required to conduct annual human rights risk assessments and implement appropriate mitigation and remediation measures based on identified risks, sustainability report disclosures, or self-assessment findings.
- **Suppliers:** 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, targeted tracking, and guidance. Through these efforts, we work collaboratively with our business partners to foster a responsible, complaint, and resilient value 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)	- 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 <u>Business Ethics and Compliance</u> 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	

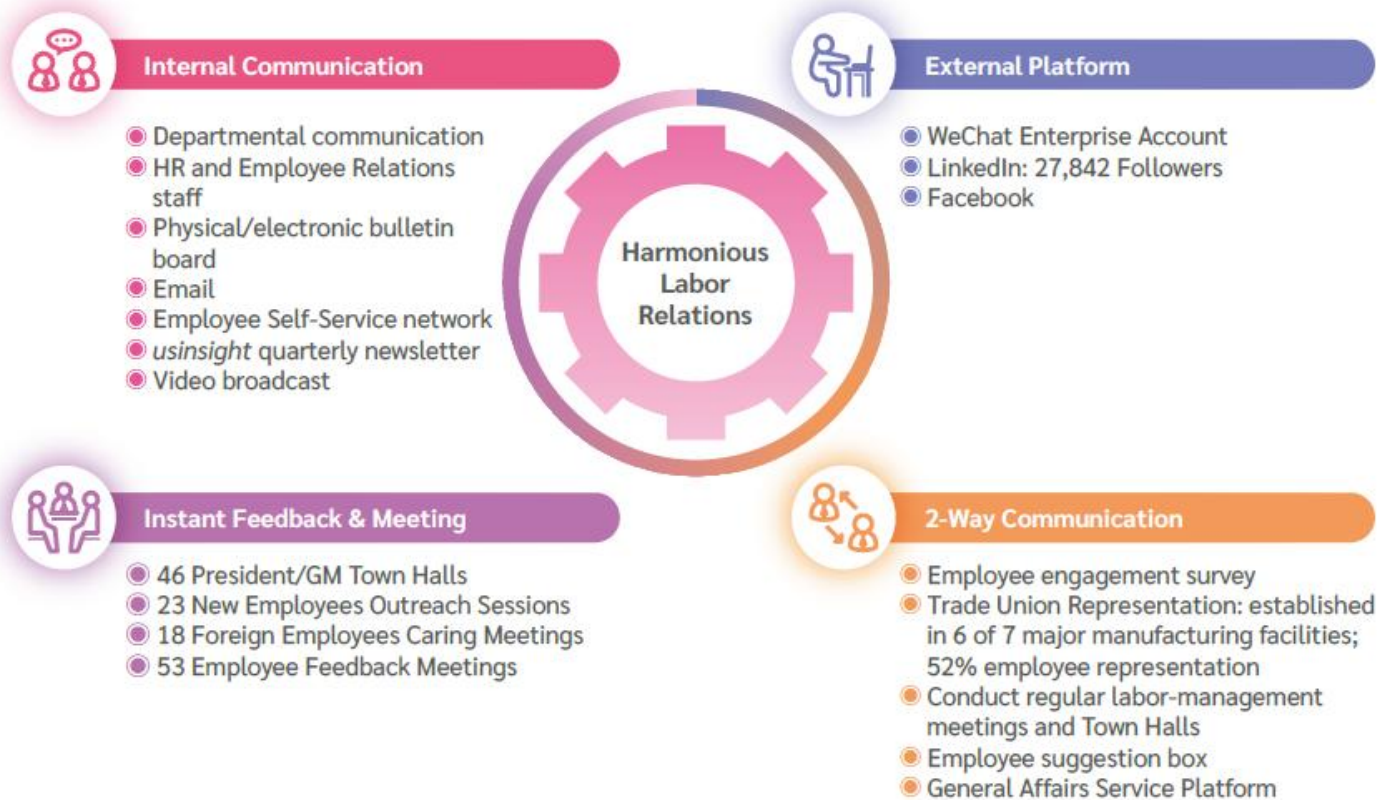
2.2.4 COMPLAINT PROCESS AND HANDLING MECHANISM

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:



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. We investigate the content of the report and keep 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.



2025 Engagement Performance:

Employees:

1. Routinely discussed labor conditions, corporate systems, and workplace improvements with employee representatives and labor unions, including salary adjustments and amendments to employee work rules.
2. Conducted "General Manager Forums" where executive management communicates corporate visions and directly addresses employee suggestions; integrate internal communication meetings across business units to capture employee feedback, hosting a total of 140 forum sessions throughout the year to ensure ideas are effectively transmitted and implemented.
3. Utilized the internal intranet portal "Employee Relations Network" to synchronize benefits and activities and establish a digital "Employee Suggestion Box" to provide an accessible feedback channel; handled a total of 6,516 global employee feedback items, with 6,510 items promptly resolved (achieving a 99.9% closure rate) and 6 items remaining under continuous follow-up.
4. Shared management insights, industry updates, health education, and employee event briefs through the publication of "usinsight" and corporate WeChat communication channels.
5. Periodically conducted anonymous "Employee Sustainability Engagement Surveys" to encourage authentic internal feedback, using results as core benchmarks to optimize talent cultivation and retention; achieved a 96% valid response rate and an engagement score of 83 points in 2025.
6. Conducted 371 employee health education sessions, combining professional wellness guidelines with employee welfare to comprehensively safeguard employee physical and mental well-being.

Suppliers:

1. Convened 25 Executive Business Review (EBR) meetings and 25 new product and technology briefing sessions with material suppliers.
2. Administered supplier questionnaires to understand the operational status and industrial trends of 469 partners and select target suppliers/contractors to conduct sustainability on-site and document audits, verifying a total of 110 suppliers/contractors.

3. Implemented supplier sustainability surveys covering 495 unique suppliers to evaluate current trends; assess 39 new suppliers, with 95% successfully passing the compliance audit to become certified partners.
4. Hosted the Greater China Sustainable Supply Chain Online Sharing Conference to communicate corporate visions and policy implementation, aligning suppliers with USI's ESG requirements and future milestones with 388 supplier partners attending; mentor 1 supplier to successfully adopt and obtain ISO 14064-1 and ISO 14067 certifications.

Communities :

1. 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.
2. Strengthened information transparency and strive to minimize air pollution sources to ensure operational compliance, achieving zero major environmental non-compliance incidents during the reporting period.
3. Actively participated in social and community activities to cultivate harmonious neighborhood relationships, participating in and organizing a total of 100 social activities.
4. Partnered with factory associations, industry public bodies, and academic institutions via USI University, leveraging company-trained lecturers to share corporate practices, expertise, or industrial technical trends with external stakeholders and students through 28 empowerment courses.
5. Cultivated students with both practical and theoretical skills by offering university-industry internship opportunities through USI to facilitate a smooth transition into the workplace, welcoming a total of 129 students for practical internships across 2 collaboration projects.
6. Proactively fulfilled environmental responsibilities by striving to maximize manufacturing water recycling rates to decrease facility water consumption, lowering localized water risks with a verified manufacturing water recycling rate of 65%.

2.2.6 Human Rights Trainings

USI continuously promotes human rights training to mitigate risks. Every employee worldwide is required to complete annual human rights courses and online assessments to reinforce awareness of behavioral guidelines. Additionally, we have introduced "micro-learning" modules to facilitate self-paced learning during fragmented time, further embedding human rights protection into our culture.

Courses	Objectives		Facility						
	DL ³	IDL ⁴	Zhangjiang	Jinqiao	Huizhou	Kunshan	Nantou	Mexico	Vietnam
Employee Code of Conduct	●	●	●	●	●	●	●	●	●
Humane Treatment in the Workplace	●	●	●	●	●	●	●	●	●
Newcomer training – USI Code of Business Conduct and Ethics	●	●	●	●	●	●	●	●	●
Newcomer training–Working Rules	●	●	●	●	●	●	●	●	●
Sustainable Trends Courses		●	●	●	●	●	●	●	●

³ DL, Direct employee refers to employees are those who directly work in the production line, working in skilled positions.

⁴ 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	◆ 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.	◆ Sign an employment contract based on workers' own free will on the premise of no violating 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		◆ 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.	◆ 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.	◆ Set up the SOPs for 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	Formulate policies and grievance channels and avoid any discrimination/harassment behavior.	- 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.	high	Low
Freedom of association		- 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.	- 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		- Protect the work rights of different genders. - Create a diverse and integrated workplace.	- 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		Provide maternal protection measures in accordance with local occupational safety laws and regulations.	- Prohibit pregnant employees from working night shifts or doing 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	◆ Create a diverse and integrated workplace.	◆ Tailor-made jobs for disabled people to increase their sense of work fulfillment.	Low	Low
Aboriginal people		◆ 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.	◆ 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		◆ Protect the rights of people with different religious beliefs. ◆ Create a diverse and integrated workplace.	◆ Provide employees with a worship area/space. ◆ Do not interfere with/restrict employees' worship time.	Low	Low
Foreign migrant workers		◆ 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.	◆ 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		◆ Ensure employee health in accordance with local occupational safety laws and regulations.	◆ 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		◆ Ensure the employees' safety in the workplace	◆ 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		◆ Provide employees with clean food and accommodation environment.	◆ 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

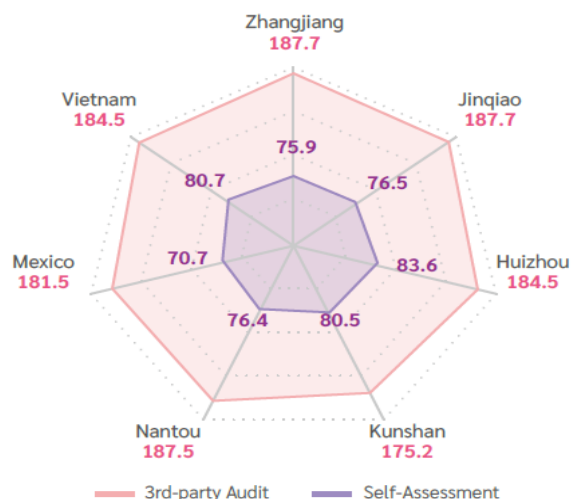
2.4.1 HUMAN RIGHTS RISK ASSESSMENT-MANUFACTURING OPERATIONS AND JOINT VENTURES (EMPLOYEE PART)

2.4.1.1 Seven Manufacturing Operations

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.

- (1) 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.
- (2) 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.

● Human Rights Risk Assessment Results ⁵



● Human Rights Risk Analysis ⁶



⁵ 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.

⁶ 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.

- (3)** USI received 15 employee complaints, 10 of which were formally filed following investigation.
- ✧ External case: None.
 - ✧ Internal case: 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.
- (4)** Occupational Hazard Management:
- ✧ There were no accidents resulting in injury or death of employees or damage to equipment resulting in production stoppage in 2025.
 - ✧ There were 12 physical work-related injuries.

2.4.1.2 Joint Ventures:

MUtek Electronics Co., Ltd. and MEMTECH International Pte. Ltd. are the 2 JV companies that USI hold more than 10% of ownership.

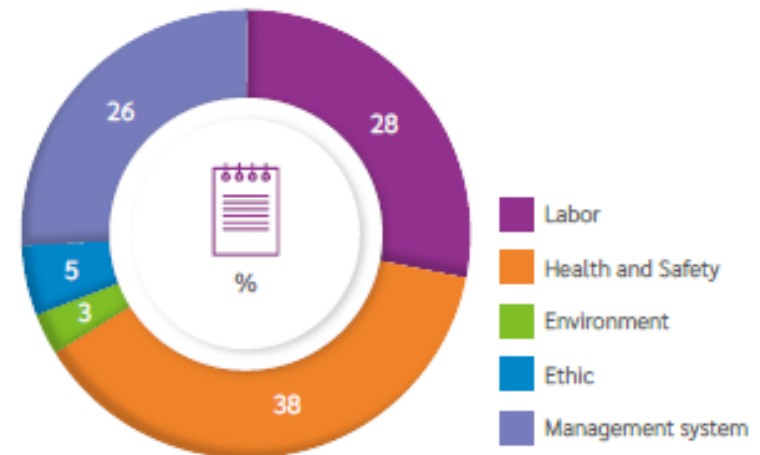
- (1)** MUtek Electronics Co., Ltd.: There are currently no formal operating activities, so no due diligence has been conducted.
- (2)** MEMTECH International Pte. Ltd.: No statements of human rights violations were found in its 2025 ESG Report.

2.4.2 HUMAN RIGHTS ASSESSMENT-SUPPLY CHAIN

To enhance supply chain resilience, USI establishes an annual audit task force led by the Human Resources and CSR departments or engages an independent third-party verification body to conduct desk reviews and on-site audits for suppliers across five core areas: labor practices, occupational health and safety, environmental performance, business ethics, and management systems. For non-conformances identified during these sustainability risk audits, USI provides guidance through online or in-person consultation, requiring suppliers to submit corrective action plans and complete follow-up reviews within one month; unresolved issues are subject to priority management and continued tracking to ensure risks are effectively controlled.

- In 2025, USI conducted a sustainability risk assessment survey covering 495 unique suppliers, achieving a 76% response rate.
- USI carried out sustainability audits through document reviews and on-site visits for 69 material suppliers and 41 service contractors, confirming an overall low level of risk and verifying an 87% closure rate upon follow-up reviews.
- Analysis of verified non-conformances from suppliers and contractors indicates that 38% of deficiencies were related to occupational health and safety, with the remaining categories presented in the accompanying chart.
- Comprehensive human rights risk assessments identified key areas of risk, including human rights policies and commitments, non-discrimination and humane treatment, occupational health and safety, and industrial hygiene.

Distribution of Supplier and Contractors Sustainability Audit Findings



3 MITIGATION & REMEDIATION

3.1 MANUFACTURING OPERATIONS AND JOINT VENTURES (EMPLOYEE PART)

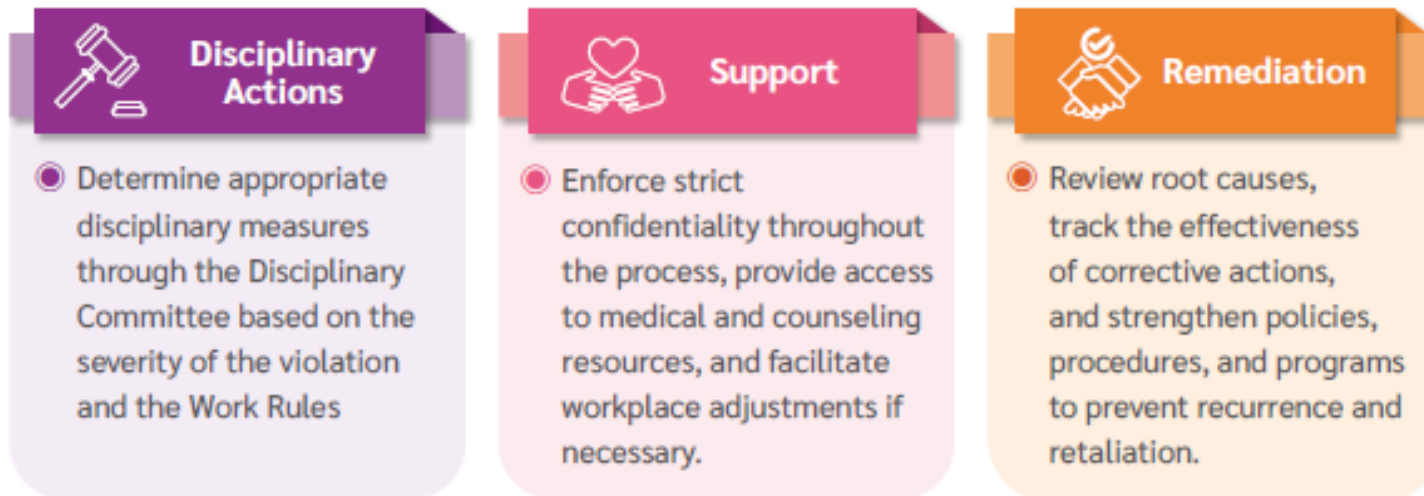
To address key human rights risks identified for 2025, USI has deployed targeted mitigation and remediation measures across its seven major manufacturing facilities, with a primary focus on "Unlawful Infringement (including Sexual Harassment)" and "Working Hours". Details are as follows:

Target	
Item	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.

3.1.1 FORMUNATE SEXSUAL HARASSMENT CASE HANDLING AND REMEDIATION PRINCIPLES

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



3.2 SUPPLY CHAIN

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 areas of risk, including human rights policies and commitments, non-discrimination and humane treatment, occupational health and safety, and industrial hygiene.

Category	Risk Issue	Mitigation Measures	Compensation Measures
Labor	Human Rights Policy and Commitment	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
	Non-Discrimination/ Non-Harassment/ Humane Treatment		
Health and Safety	Occupational Health & Safety	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
	Industrial Hygiene		

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

4 IMPLEMENT AND ACHIEVEMENT

4.1 2025 PRACTICES

4.1.1 MITIGATION MEASURES EFFECTIVENESS

- ♦ **Working Hours:** In 2025, the working hour compliance rate⁷ reached 89%, reflecting a year-over-year increase of 1,666 instances of compliance with maximum weekly working hours and continuous work requirements. This improvement demonstrates the effectiveness of strengthened monitoring and management measures.
- ♦ **Unlawful Infringement:** To safeguard human rights and maintain a safe workplace, the Company has implemented systematic prevention mechanisms. This includes issuing strict anti-infringement policies and establishing a dedicated SharePoint portal to centralize grievance channels, regulations, and training. Additionally, annual training on labor standards, gender equality, and anti-harassment laws is conducted to embed human rights awareness into our corporate culture. For victim protection, we enforce rigorous, confidential investigations and disciplinary actions, while providing on-site physician consultations for psychological counseling and stress management to ensure timely employee support.
- ♦ **Occupational Hazard Management:** No safety accidents resulting in casualties or equipment damage resulting in production halts occurred in 2025.

⁷ 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%

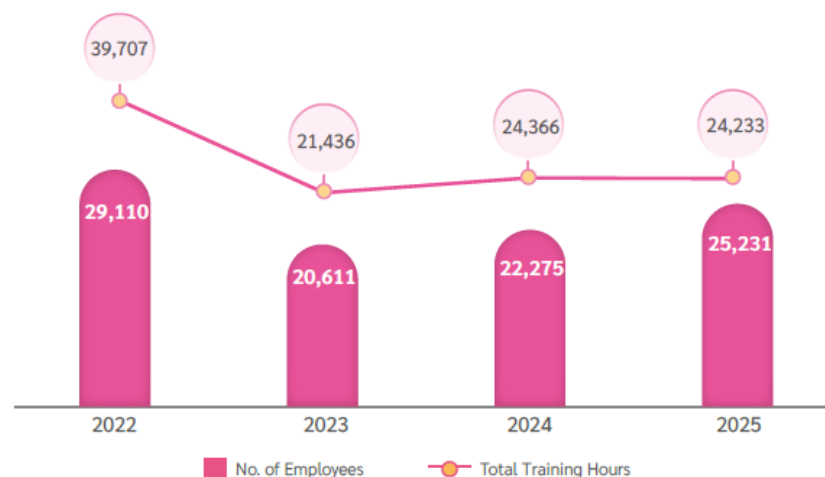
4.1.2 EMPLOYEE UNIONS

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 agreements⁸. 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. Thanks to the Company's proactive communication with labor unions and employees, no major labor disputes or work stoppages caused by strikes occurred in 2025.

4.1.3 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



⁸ 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.

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 HRDD mechanism, and regularly review and track the implementation results of improvement plans.
 - Publish the human rights due diligence report on the official website.

