Sustainable Supply Chain Projects

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