2021 ESG Report Highlights

Sustainability Award
Bronze Class 2022
S&P Global
Letter from the Chairman

In the past year, the world has yet to shake off the volatility brought about by the COVID-19 pandemic while facing increasingly severe natural disasters caused by extreme weather. As people face the threat of environmental problems, governments have put forward countermeasures to show their determination to protect the environment. Mainland China has committed to reducing carbon emissions to achieve 2030 Peak Carbon Emissions and 2060 Carbon Neutral goals, with specific policies and implementation standards to be released. Therefore, environmental protection (E), social responsibility (S), and corporate governance (G) are not only the criteria for investment decisions but have also become key to sustainable business operations.

Chairman Jeffrey Chen

Letter from the President

Through the Sustainability Committee’s five Taskforces - Corporate Governance, Green Products & Innovation, Value Chain Management, Employee Care & Social Involvement, and Environmental Protection & Occupational Safety, USI continues to utilize corporate resources and invest in social services to contribute to the long-term development of Earth. No one is an outsider when it comes to ESG compliance. We must work together to reduce energy consumption and protect the natural environment, improve the working environment, and promote diverse talents, proactively disclose information, achieve fair and transparent management, and strive for sustainable development.

President C.Y. Wei
USI Value Fields

USI (SSE: 601231) is an industry leader in SiP (System in Package) modules. We provide D(MS)² product services: Design, Manufacturing, Miniaturization, industrial software and hardware Solutions, and material procurement, Logistics and maintenance Services for brand owners. To meet and exceed customer needs and expectations, we integrate three core technologies: computing, communications, and multimedia processing, and provide customers with the most complete solution for wireless communication products, computer and industrial applications, storage of products and servers, automotive and video products, and miniaturized products.

With years of experience and technology through working with top clients worldwide, USI provides a Turnkey Service that gives customers high-stability, high reliability, and cost-advantage products. USI's business performance hits new highs through steady operation strategies. In 2021, USI reported consolidated sales revenue of CNY 55.30 billion, with an increase of 15.94% compared with 2020. Not only do the sales benefit shareholders and investors, but they also create social value to pursue the sustainable governance of the environment, society, and economy.

### Turnkey Service

- Material sourcing & RFQ
- Inventory management
- RMA service
- System integrator relationship
- PCBA & Box assembly
- Material planning & purchasing
- VMI hub management
- Supplier management
- Logistic arrangements
USI Sustainability Committee is the highest organizational unit to manage USI’s sustainable development. To effectively implement our Sustainability Policy, we set our Sustainability Strategy that includes four dimensions, Low Carbon, Circular, Collaborative, and Inclusive. In response to the United Nations SDGs, USI prioritizes the ones based on our core values and carries out comprehensive actions through the Committee Taskforces to pursue corporate sustainability.

**Sustainable Strategy and Framework**

**Sustainability Policy**
- Governance
  - Upgrade corporate governance; Uphold business ethics
  - Create company value; Connect with stakeholders
  - Drive transparency culture; Disclose sustainable indicators
- Environmental
  - Respond to climate action; Reduce greenhouse gas emissions
  - Invest in green innovation; Improve energy efficiency
  - Promote circular economy; Prevent and control pollutants
- Social
  - Ensure workforce diversity; Endorse human rights
  - Stimulate social welfare; Support community investment
  - Advocate supplier development; Achieve global partnership

**Sustainability Strategy**

**CSR/ Sustainability**

**Low Carbon**
- Decarbonized Products & Services
- Low-carbon Manufacturing
- Adaptation and Resilience
- Green and Renewable Energy Investment

**Circular**
- Circular Design
- Energy Resources Recycling
- Waste as a Valuable Resource
- Circular Economy in Value Chains

**Inclusive**
- Environmental Conservation
- Industry-academia Collaborations
- Community Engagement
- Public Advocacy

**Collaborative**
- Smart Procurement
- Strategic Partnership
- Supply Chain Management
- Go High Tech
- Environmental Education

**Sustainable Promotion Issues**

**Corporate Governance**
- Board Governance
- Financial Performance and Tax Governance
- Business Ethics and Compliance

**Green Products & Innovation**
- Innovation Management
- Sustainable Manufacturing
- Green Education

**Environmental Protection & Occupational Safety**
- Climate Change and Carbon Management
- Energy Management
- Water Resource Management
- Waste Management
- Air Pollution Control
- Green Manufacturing and Expenditures
- Occupational Health and Safety

**Value Chain Management**
- Product Value Chain
- Customer Service and Satisfaction
- Customer Privacy and Product Safety
- Supply Chain Management
- Conflict Minerals Compliance

**Employee Care & Social Involvement**
- Human Rights Protection
- Talent Attraction and Retention
- Human Capital Development
- External Participation
- Investing in Education
- Contributing to Society
- Conserving the Environment
- Promoting Arts and Culture
### Sustainable Promotion Issues and Targets

#### Corporate Governance
- **Key Issue**: Included in SSE Corporate Governance Index
- **KPI**: Continue to be included in SSE Corporate Governance Index
- **2026 Target**:

#### Business Continuity
- **Key Issue**: Obtain ISO 23201 certification
- **KPI**: Implement BCM to major facilities
- **2026 Target**:

#### Cybersecurity Management
- **Key Issue**: USI Cybersecurity training completion rate
- **KPI**: 100% completion rate of USI Cybersecurity training
- **2026 Target**:

#### Business Ethics
- **Key Issue**: USI Employee Code of Conduct training completion rate
- **KPI**: 100% completion rate of USI Employee Code of Conduct training
- **2026 Target**:

#### Value Chain Management
- **Key Issue**: Customer Relationship Management
- **KPI**: Major customer satisfaction
- **2026 Target**: Major customer satisfaction rate reaches 84%

#### Sustainable Supply Chain
- **Key Issue**: Percentage of target suppliers completing the conflict-free minerals
- **KPI**: 100% Target suppliers use conflict-free minerals
- **2026 Target**:

#### Employee Care & Social Involvement
- **Key Issue**: Talent Attraction and Retention
- **KPI**: Employee engagement
- **2026 Target**: Employee engagement rate is more than 85%

#### Human Capital Development
- **Key Issue**: Human Rights
- **KPI**: Human rights risk assessment
- **2026 Target**: Implement human rights risk identification and mitigation procedure in all facilities

#### Green Products & Innovation
- **Key Issue**: Patents and Research
- **KPI**: Apply for green product and design patents
- **2026 Target**: Continue the incentive system for green product design, targeting a cumulative number of patents to 1,611

#### Continuous Improvement
- **Key Issue**: Continuous introduction of proposals for improvement
- **KPI**: Continuously introduce proposals for improvement in each facility
- **2026 Target**:

#### Green Design/ Green Product
- **Key Issue**: International energy conservation certification
- **KPI**: The AC-DC internal power supply conversion efficiency complies with 80 Plus Titanium certification
- **2026 Target**:

#### Climate Change
- **Key Issue**: Obtain ISO 14064-1:2018 certification
- **KPI**: Obtain/ maintain ISO 14064-1:2018 certification in all major facilities
- **2026 Target**:

#### Energy Management
- **Key Issue**: Electricity intensity
- **KPI**: Electricity intensity decreases by 11% from baseline year 2015
- **2026 Target**:

#### Water Resource Management
- **Key Issue**: Water use intensity
- **KPI**: Water use intensity decreases by 11% from baseline year 2015
- **2026 Target**:

#### Waste and Recycling
- **Key Issue**: Hazardous waste generation intensity
- **KPI**: Hazardous waste generation intensity decreases by 11% from baseline year 2015
- **2026 Target**:

#### Occupational Health & Safety
- **Key Issue**: Major occupational disease incidences
- **KPI**: Obtain/ maintain ISO 45001 certification
- **2026 Target**:

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### Other Topics

- **Investing in Education**: Rural area reading activities, Number of industrial-academic partnerships, Number of interns, Number of USIU classes shared, Hold 6 reading activities in rural areas, Conduct 2 research industrial-academic partnerships, Admit 150 interns, Share 40 USIU classes.
- **Contributing to Society**: Number of people benefiting from rural revitalization programs, Number of volunteers, Hold 6 reading activities in rural areas, Conduct 2 research industrial-academic partnerships, Admit 150 interns, Share 40 USIU classes.
- **Promoting Arts & Culture**: Number of art groups supported, Support 3 art groups.
- **Conserving the Environment**: Number of trees planted, Amount of coastal trash picked, Number of environmental seminars held, Plant 8,250 trees in employee forest, Pick 1,000 kg of trash, Hold 5 environmental seminars.
# ESG Key Performance Summary

<table>
<thead>
<tr>
<th>Key Performance</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
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<tbody>
<tr>
<td>Financial Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>K CNY</td>
<td>33,550,275.0</td>
<td>37,204,188.4</td>
<td>47,966,228.2</td>
<td>55,299,654.8</td>
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<tr>
<td>Total profit</td>
<td>K CNY</td>
<td>1,393,319.9</td>
<td>1,432,763.0</td>
<td>1,973,653.1</td>
<td>2,138,888.9</td>
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<tr>
<td>Earnings per share</td>
<td>CNY</td>
<td>0.54</td>
<td>0.58</td>
<td>0.80</td>
<td>0.85</td>
</tr>
<tr>
<td>Taxes</td>
<td>K CNY</td>
<td>398,023.3</td>
<td>352,271.7</td>
<td>397,576.8</td>
<td>618,995.5</td>
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<tr>
<td>Amount invested in R&amp;D</td>
<td>M CNY</td>
<td>1,312</td>
<td>1,373</td>
<td>1,576</td>
<td>1,641</td>
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<tr>
<td>Number of patents accumulated</td>
<td>-</td>
<td>589</td>
<td>628</td>
<td>660</td>
<td>696</td>
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<tr>
<td>Continuous Improvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of improvement proposals</td>
<td>-</td>
<td>356</td>
<td>275</td>
<td>319</td>
<td>304</td>
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<tr>
<td>Cost saved</td>
<td>K CNY</td>
<td>83,576</td>
<td>92,628</td>
<td>76,951</td>
<td>78,756</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>%</td>
<td>82</td>
<td>83</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>On-time delivery</td>
<td>%</td>
<td>98.5</td>
<td>99.0</td>
<td>99.0</td>
<td>99.5</td>
</tr>
<tr>
<td>Renewable Energy Use Percentage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USI Group</td>
<td>%</td>
<td>87.2</td>
<td>82.7</td>
<td>79.6</td>
<td>80.3</td>
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<tr>
<td>Greenhouse Gas Emissions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 1</td>
<td>metric tonnes CO₂</td>
<td>7,024.93</td>
<td>8,438.84</td>
<td>6,802.39</td>
<td>4,592.71</td>
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<tr>
<td>Category 2</td>
<td>metric tonnes CO₂</td>
<td>149,201.93</td>
<td>168,750.49</td>
<td>184,225.84</td>
<td>207,538.65</td>
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<tr>
<td>Category 2-Market Based</td>
<td>metric tonnes CO₂</td>
<td>12,879.25</td>
<td>22,165.63</td>
<td>26,056.90</td>
<td>26,617.41</td>
</tr>
<tr>
<td>Category 3+4</td>
<td>metric tonnes CO₂</td>
<td>115.48</td>
<td>22,623.67</td>
<td>17,023,537</td>
<td>12,980,876.70</td>
</tr>
<tr>
<td>Energy Consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct energy consumption Diesel</td>
<td>GJ</td>
<td>639.08</td>
<td>1,063.38</td>
<td>1,393.59</td>
<td>1,330.80</td>
</tr>
<tr>
<td>Direct energy consumption- Gasoline</td>
<td>GJ</td>
<td>4,011.47</td>
<td>3,572.89</td>
<td>2,523.89</td>
<td>2,575.20</td>
</tr>
<tr>
<td>Direct energy consumption- Natural Gas</td>
<td>GJ</td>
<td>76,708.91</td>
<td>103,881.07</td>
<td>74,103.64</td>
<td>98,463.21</td>
</tr>
<tr>
<td>Indirect energy consumption-Electricity</td>
<td>GJ</td>
<td>657,531.10</td>
<td>769,756.87</td>
<td>870,906.19</td>
<td>948,483.21</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>GJ</td>
<td>738,890.36</td>
<td>875,276.21</td>
<td>948,906.21</td>
<td>986,639.19</td>
</tr>
<tr>
<td>Water Resource Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water withdrawal</td>
<td>ML</td>
<td>581,537</td>
<td>681,848</td>
<td>863,690</td>
<td>861,887</td>
</tr>
<tr>
<td>Recycled water</td>
<td>ML</td>
<td>142,813</td>
<td>155,058</td>
<td>179,145</td>
<td>236,972</td>
</tr>
<tr>
<td>Recovery rate</td>
<td>%</td>
<td>24.6</td>
<td>22.7</td>
<td>22.3</td>
<td>27.5</td>
</tr>
<tr>
<td>Hazardous waste generated</td>
<td>metric tonnes</td>
<td>537,915</td>
<td>696,641</td>
<td>783,065</td>
<td>967,333</td>
</tr>
<tr>
<td>Recycling / Reuse</td>
<td>metric tonnes</td>
<td>210.95</td>
<td>255.13</td>
<td>247.23</td>
<td>202.79</td>
</tr>
<tr>
<td>Non-hazardous waste generated</td>
<td>metric tonnes</td>
<td>7,239,187</td>
<td>7,813,671</td>
<td>7,805,962</td>
<td>8,766,093</td>
</tr>
<tr>
<td>Waste Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial benefits</td>
<td>K CNY</td>
<td>3,751,216</td>
<td>3,452,049</td>
<td>3,058,159</td>
<td>2,387,932</td>
</tr>
<tr>
<td>Air Pollution Control</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volatile Organic Compounds (VOCs)</td>
<td>metric tonnes</td>
<td>23.29</td>
<td>44.64</td>
<td>47.05</td>
<td>52.28</td>
</tr>
<tr>
<td>Environmental Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>CNY</td>
<td>20,729,687</td>
<td>23,179,611</td>
<td>28,131,112</td>
<td>25,989,443</td>
</tr>
</tbody>
</table>

**Note:**
1. The reasons of Renewable Energy Use Percentage reduced in USI Group: (1) increased energy consumption data of Nantou-TT1 in 2020; (2) expanded production lines in Nantou-NK sharply increased energy consumption in 2021.
2. USI first inventoried GHG emissions Categories 3-6 in 2018, covering only Nantou Facility. In 2019, the inventory scope expanded to Mainland China and Nantou Facilities. In 2020, our inventory scope expanded according to ISO 14064-1:2018 requirements.
3. Lost-time Injury Frequency Rate (LTIFR) = (Number of lost-time injuries / Total of hours worked) × 1,000,000.
4. Lost Day Rate (LDR) = (Number of days lost due to injury / Total of hours worked) × 1,000,000.
USI Contributions to the SDGs

- **36.4%** reduction of water use intensity from the baseline year 2015.
- **73.1%** recycling rate of process water in 2021.
- Purchased certified renewable energy to offset carbon dioxide emissions generated by traditional electricity used. **100%** renewable energy use in Mainland China Facilities and **31%** in Mexico Facility.
- Saved 1,944 MWh of electricity with energy-saving measures in 2021.
- **1,508** MWh of green electricity in 2021.
- Installed solar panels on the roof of Nantou-NK Facility to promote solar power and generated 1,508 MWh of green electricity in 2021.
- Co-worked with suppliers to recycle pallets and packaging materials, saving approximately CNY 12.45 million.
- Promoted green product design, reduced energy loss, and engaged in continuous improvement to reduce CO₂ emissions, saving 95,754 MWh of electricity in 2021, equivalent to reducing 46,888 metric tons of CO₂.
- 6 days of production interruptions due to climate-related disasters.
- Implemented TCFD to analyze USI climate risks. TCFD results include 3 opportunities, 3 transition risks, and 3 physical disasters.
- Performed corporate risk management assessment and implemented relevant countermeasures.
- Established an email protection mechanism to strengthen USI email security.
- Introduced an APT system to strengthen cybersecurity protection capabilities.
- Established Sunshine Conduct Policies and Anti-Corruption Management Measures with reporting mechanisms to ensure compliance from suppliers and employees. No instances of corruption or bribery were found.
- Developed new management measures to improve employee satisfaction rate from our major customers.
- Promoted COVID-19 vaccination, with a complete vaccination rate of over 83%.
- Held 42 health activities, such as occupational health promotion, blood donation, weight loss competition, and bone density testing, with 13,028 participants.
- Provided medical and emergency support for unexpected or sudden illnesses for employees on business trips or stationed overseas.
- Co-worked with suppliers to recycle pallets and packaging materials, saving approximately CNY 12.45 million.
- Invested in 5 rural revitalization programs, benefiting 1,050 students.
- Donated Care Packages with rice, oil, and dried goods to 18 Kunshan households in need before Chinese New Year.
- Supplied free COVID-19 nucleic acid testing and rapid testing for employees, with 9,176 participants.
- Promoted COVID-19 vaccination, with a complete vaccination rate of over 83%.
- Held 42 health activities, such as occupational health promotion, blood donation, weight loss competition, and bone density testing, with 13,028 participants.
- Provide medical and emergency support for unexpected or sudden illnesses for employees on business trips or stationed overseas.
- Built 5 computer classrooms through the Rural Digital Education Program, benefiting 1,614 students.
- Trained a cumulative total of 867 USI internal lecturers.
- Started salaries for direct laborers at each facility are higher than local minimum wages.
- Employees have the right to equal pay for equal work regardless of gender.
- Increased percentage of females in senior management positions for 4 consecutive years and promoted 4.7%.
- Employees have the right to equal pay for equal work regardless of gender.
- Increased percentage of females in senior management positions for 4 consecutive years and promoted 4.7% compared with 2020.
- Starting salaries for direct laborers at each facility are higher than local minimum wages.
- Provided 17,923 job opportunities worldwide with 97% local employment.
- Employed 83 people with disabilities.
- Appointed 8 ethnic minorities to management positions.
- Local purchasing rate reached 39%.
- 100% of our key suppliers meet conflict-free mineral requirements.
- Participated in 40 industrial organizations and associations.
- Provided a wide range of electronic products and services under Global Demand, Local Service to our customers with operations covering Asia, Europe, America, and Africa.
Sustainable Impact Assessment

USI implemented TIMM (Total Impact Measurement and Management) to inventory the impacts and contributions to stakeholders from company’s operations in Economic, Social, Environmental and Taxes in hopes to help company to improve operation performances through key management indexes correction. Through TIMM assessment, USI generated CNY 25,786 million worth of sustainability value for stakeholders in 2021 that created positive and outstanding contributions.

Economic and Tax dimensions: USI has been an industry leading position and continuously improving core competitiveness through steady operation strategies. In 2021, USI achieved new high business profit bringing excellent benefits to shareholders, suppliers, employees, and government. Another major value was created by payroll. Company supports a comprehensive compensation mechanism though the growing numbers of employees, that does not only attract and retain talents, enhance employees’ cohesiveness and activeness, but also guarantee employees and company steady growth.

Environmental dimension: The major negative impacts were Water Consumption and Greenhouse Gas Emissions. Through process water recycling system, the positive benefit of recycled water has been increasing every year. The recycled water rate was 27.5% in 2021, and the renewable energy rate was improved to 80.3% by purchasing certified renewable energy. On the other hand, USI’s long-term cooperation in NPO-led tree planting project mitigates environmental impact.

Social dimension: The major performances were good relationships with suppliers and human capital cultivation. USI holds a Sustainable Value Chain Webinar every year to promote company ESG policy. Human capital cultivation was executed by employee engagement survey to exhibit employees’ working performances and values. While creating economic performances, company also actively engages in community construction and sustainability development and contributes to society through various charitable activities.

<table>
<thead>
<tr>
<th>Sustainable Value</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee engagement &amp; development</td>
<td>517.3</td>
<td>575.6</td>
<td>639.2</td>
</tr>
<tr>
<td>Education</td>
<td>6.7</td>
<td>7.9</td>
<td>9.2</td>
</tr>
<tr>
<td>Social cohesive</td>
<td>15.2</td>
<td>16.5</td>
<td>17.8</td>
</tr>
<tr>
<td>Health &amp; safety</td>
<td>124.0</td>
<td>137.2</td>
<td>150.3</td>
</tr>
<tr>
<td>Other taxes</td>
<td>274.3</td>
<td>306.9</td>
<td>339.7</td>
</tr>
<tr>
<td>Profit taxes</td>
<td>206.3</td>
<td>238.6</td>
<td>271.0</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,744.2</td>
<td>1,911.3</td>
<td>2,078.4</td>
</tr>
<tr>
<td>Profits</td>
<td>1,856.7</td>
<td>2,010.5</td>
<td>2,192.0</td>
</tr>
<tr>
<td>Payroll</td>
<td>3,696.0</td>
<td>3,990.8</td>
<td>4,285.0</td>
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<tr>
<td>Investment</td>
<td>1,244.3</td>
<td>1,415.6</td>
<td>1,587.3</td>
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<tr>
<td>Partnership</td>
<td>16,125.9</td>
<td>17,361.2</td>
<td>18,610.8</td>
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<tr>
<td>Greenhouse gas emissions</td>
<td>-11.1</td>
<td>-10.6</td>
<td>-10.1</td>
</tr>
<tr>
<td>Air pollution</td>
<td>-1.3</td>
<td>-1.0</td>
<td>-0.8</td>
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<tr>
<td>Water consumption</td>
<td>-14.4</td>
<td>-12.9</td>
<td>-11.4</td>
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<tr>
<td>Waste</td>
<td>-2.2</td>
<td>-1.9</td>
<td>-1.6</td>
</tr>
<tr>
<td>Recycle water</td>
<td>-4</td>
<td>-3</td>
<td>-2</td>
</tr>
<tr>
<td>Tree planting</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
</tbody>
</table>

USI Sustainable Impact Valuation Milestones

- Social Return of Investment, SROI
- Environmental Profit and Loss, EP&L
- Total Impact Measurement and Management, TIMM

Environmental dimension: The major negative impacts were Water Consumption and Greenhouse Gas Emissions. Through process water recycling system, the positive benefit of recycled water has been increasing every year. The recycled water rate was 27.5% in 2021, and the renewable energy rate was improved to 80.3% by purchasing certified renewable energy. On the other hand, USI’s long-term cooperation in NPO-led tree planting project mitigates environmental impact.

Social dimension: The major performances were good relationships with suppliers and human capital cultivation. USI holds a Sustainable Value Chain Webinar every year to promote company ESG policy. Human capital cultivation was executed by employee engagement survey to exhibit employees’ working performances and values. While creating economic performances, company also actively engages in community construction and sustainability development and contributes to society through various charitable activities.
Operations and Governance

USI's vision is to be the most reliable provider for electronic design, manufacturing service, and modularization with diversified global footprints and miniaturization solutions. Through the collective contribution of employer and employees, we established effective governance mechanisms with respective responsibilities and accountabilities. We strive to generate exceptional rewards for stakeholders and to build a better place to live.

- **27** Manufacturing Facilities across Asia, Europe, America, and Africa
- **No.1** Industry Leader in SIP Modules
- **CNY 55.3 Billion** Record High Sales Revenue
- **CNY 1.86 Billion** Net Profit
- **0** Cases Major Regulatory Violations over CNY 65,000
- **A** level Rating of Information Disclosure in the SSE
- Listed as **Top 10 Exemplars of Pudong Headquarters Economy**
- Included in **MSCI Emerging Markets Index**
- Included in **SSE Corporate Governance Index**
Green Products and Innovation

In response to the latest changes in international environmental regulations, we have integrated and developed “Green Product Specifications” to control the hazardous substances contained in electronic components and products. Our design and R&D employees can design products ecologically to ensure that the green products manufactured and sold meet the requirements of environmental regulations in various countries, as well as customer needs, environmental development trends and the Company’s internal control standards. We have made continuous innovation and improvement in quality, cost, delivery, service, efficiency and safety in manufacturing related operations and processes.
Environmental Protection and Occupational Safety

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

- **100%** Renewable Energy Use in Mainland China Facilities
- **1,508 MWh** Renewable Energy Produced through Solar Panels
- **23%** Decrease in Electricity Intensity (Baseline year: 2015)
- **CNY 26 Million** Invested in Environmental Conservation
- **93%** Non-hazardous Waste Recovery Rate
- **36%** Decrease in Water Intensity (Baseline year: 2015)
- **410** Occupational Health & Safety Trainings
- **0** Cases Contractor Occupational Injuries
- **13,098** People Attended Health Promotion Activities
- **83%** Employees Fully Vaccinated Against COVID-19
- **1,508 MWh** Renewable Energy Produced through Solar Panels
Value Chain Management

Facing the boundless development trend in the globe, good supply chain management can not only effectively lower production costs and enhance the quality of products to win more satisfaction, but also expand the company business and social responsibility with partners to create a sustainable future.

- 84% Customer Satisfaction
- 416 Suppliers Conflict-free Mineral
- 0 Product Recalls
- 94% New Suppliers Passed Sustainability Assessment
- 276 Supplier Partners Participated in the Sustainable Value Chain Webinar
- 100% Supplier On-site Audit Improvement Rate
- 14 New Product and Technology Presentations
- 39% Global Local Purchasing Rate
- Over 1 Billion Products Shipped
- 83 Suppliers On-Site Audited for Sustainability Risks
Inclusive Workplace

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

- **Employee Engagement Rate**: 84%
- **Employee Activities**: 111 events
- **Local Hire Rate**: 97%
- **Key Talent Retention Rate**: 96%
- **Global Employee Symposiums**: 116 events
- **Employees New Hires**: 17,923
- **Working Hour Warning System Establishment**: 100%
- **Employees Sponsored to Obtain Degrees**: 133
- **Females in Top Management Positions**: 18%
Social Involvement

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

- **CNY 3.83 Million** Invested in Social Involvement
- **1,717** Volunteer Hours Contributed to Local Communities
- **1,050** Students Reached through 5 Rural Revitalization Programs
- **107,833 Trees** Planted in the Million Tree Project
- **76.71 Hectares** Trees Planted
- **16,416 kg** Carbon Captured
- **$3.88 Value** Created for Every $1 invested through Philanthropic Library
- **725 Boxes of Books** Donated to the Philanthropic Libraries
- **1,415 Students** Participated in Industrial-Academic Partnerships
- **335.2 kg** Trash Picked from 2 Coasts

107,833 Trees Planted in the Million Tree Project
16,416 kg Carbon Captured
725 Boxes of Books Donated to the Philanthropic Libraries
$3.88 Value Created for Every $1 invested through Philanthropic Library
Transforming the Future, Leading towards Sustainability

USI's vision is to become the most reliable Electronic Design and Manufacturing company in the world. As part of our social responsibility and obligations, we are committed to sustainable environmental, social, and governance development. The dots form a rotating spiral that symbolizes the continuous transformation of dreams into reality. Our dedication and attention to detail enable us to keep transforming and achieve sustainable development. The blue and green color scheme represents our Low Carbon and Circular Sustainability Strategy and accentuates our respect for nature and resources. We will continue our journey with a steadfast pace and realize a sustainable future.

For more information, please refer to USI's Sustainability Website and the 2021 ESG Report. If you have any suggestions, you are sincerely welcome to contact us at csr@usiglobal.com.