



Sustainability Award Bronze Class 2022

S&P Global



2022 ESG Report Highlights 🔷

Chairman Jeffrey Chen

### **Letter from the Chairman**

For years, with sustainable operations as our utmost goal, USI continually enhanced our corporate governance and investor relations to establish a good corporate image in the capital market, increasing our corporate social value. Our strategy of stable operations and effective risk control resulted in a consolidated revenue of CNY 68.5 billion in 2022, achieving record revenue growth of 24%. This achievement brought excellent financial value to our investors and made positive contributions to society. These honors recognize our past year's efforts and encourage us to keep moving forward on our ESG journey. USI will continue to follow our Low Carbon, Circular, Collaborative, and Inclusive Sustainability Strategy, uphold our corporate philosophy of sustainable operations, and practice the motto "think responsibly, learn deeply, and work productively" to work together for the long-term coexistence and prosperity of Earth and society.

### Letter from the President

Looking back at 2022, the world faced many challenges such as the ongoing war between Russia and Ukraine, energy and price spikes that led to inflation, extreme climate disasters, and geopolitical issues that affected supply chains. To tackle these issues, we are committed to improving our environmental protection (E), social responsibility (S), and corporate governance (G) practices. We realize that improving overall awareness is the first step to implement ESG. USI provides trainings to enhance employees' understanding of global sustainability trends and corporate sustainability actions and encourages employees to work with the Company to achieve USI ESG commitments.



President C.Y. Wei Chen-Yen Wei



Awarded 2022 AUO Supplier Intelligent Supply Chain Contribution Award



Maintained Five Years
Information Disclosure
A Rating on the SSE 2018-2022



Included in the

S&P Global Sustainability Yearbook

Top 10% S&P Global ESG Score 2022

Top 1% S&P Global ESG Score (China) 2022



Received 2022

EcoVadis

Silver Sustainability Rating



Received BBB Rating
2022 China Listed Companies
TCFD Disclosures



Nantou-NK 1
Received
Green Factory Certification

#### **USI Values Fields**

**SHD & POS** 

& Warehousing

WW No.2 for Logistics

**Power Module** 

Car LED Lighting

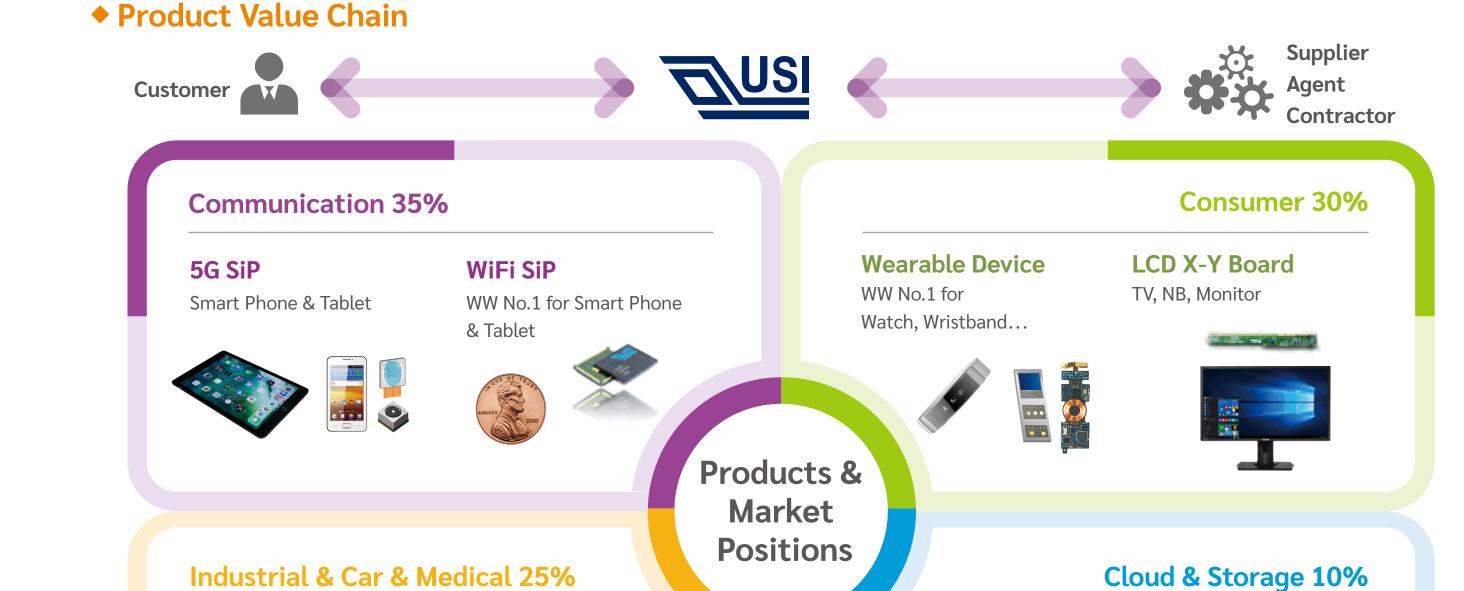
Power Module

xEV Powertrain

Inverter

Universal Scientific Industrial (Shanghai) Co., Ltd. (USI, Company, We) (SSE: 601231) leads the industry in the field of miniaturized modules and system-in-package (SiP) products manufacturing and provides comprehensive D(MS)<sup>2</sup> product services, specializing in providing "Design", "Manufacturing", "Miniaturization", "Solutions" for the industry software and hardware, and "Services" of material procurement, logistics and maintenance for well-known domestic and foreign electronic product brand manufacturers, and serve them with our one-shop Turnkey Service. In 2022, we created a total revenue of CNY 68.5 billion, with an annual growth rate of up to 24%, to achieve a superior business performance for stakeholders. In addition to bringing excellent financial value to shareholders and investors, USI is also committed to practicing social responsibilities and pursuing sustainable development with coexistence and co-prosperity of the environment, society, and governance.

To meet or exceed customer needs and expectations provides customers with high-stability, high-reliability, and cost-advantage products. With the experience and technology accumulation by working with top clients in the world for years, we integrate the 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.



SSD & Array

Enterprise & SMB

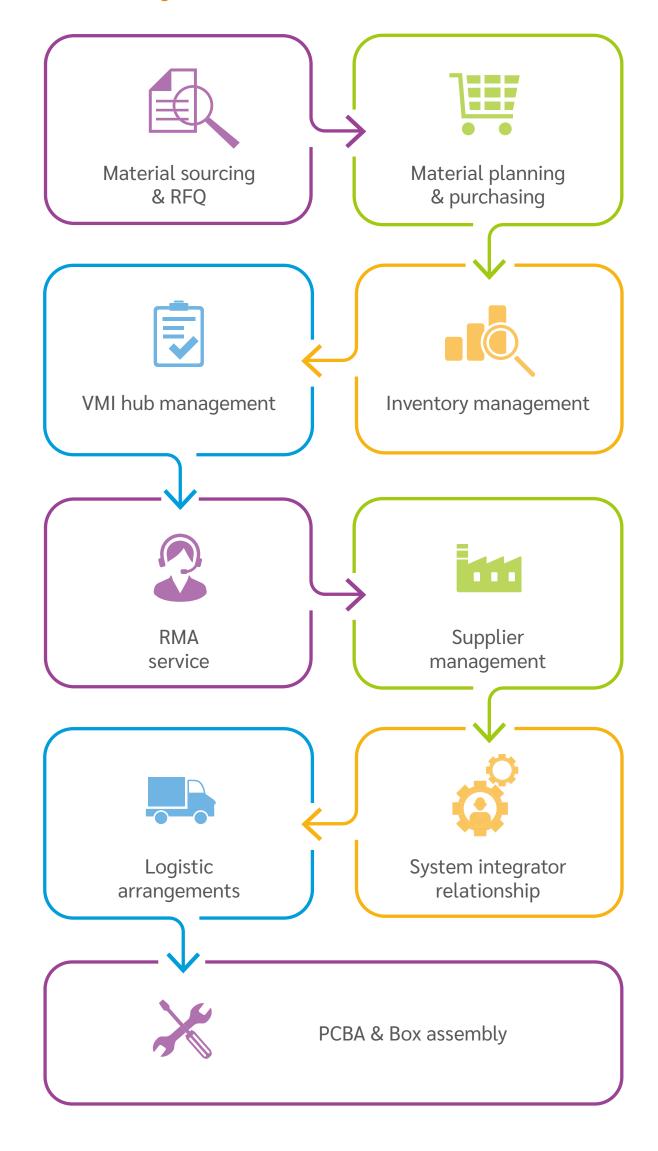
X-86 M/B & Docking

Server/WS

Docking for NB

### **◆ Turnkey Service**

**USI Value & Sustainability** 



### **Sustainable Strategy and Framework**

The USI Sustainability Committee was established as the highest-level organization of corporate sustainable development management. The President acts as the Chair, and senior managers act as Leaders and Coordinators respectively. The scope of the committee covers all USI's global manufacturing facilities. In order to effectively implement our Sustainability Policy, we follow four sustainability strategies, Low Carbon, Circular, Collaborative, and Inclusive, to prioritize the Company's core values and echo the United Nations Sustainability tasks are carried out through the Corporate Governance, Green Products and Innovation, Value Chain Management, Employee Care and Social Involvement, Environmental Protection and Occupational Safety" five taskforces, reviewed the achievement of every target at the Sustainability Committee Annual Meeting, and publicly disclosed in the ESG Report as a record of our progress in sustainable development.

# Sustainability Policy • Upgrade corporate governance; Uphold business ethics Create company value; Connect with stakeholders • Drive transparency culture; Disclose sustainable indicators • Respond to climate action; Reduce greenhouse gas emissions Invest in green innovation; Improve energy efficiency

• Promote circular economy; Prevent and control pollutants



- Ensure workforce diversity; Endorse human rights
- Stimulate social welfare; Support community investment
- Advocate supplier development; Achieve global partnership

#### **Sustainability Strategy** CSR/Sustainability Decarbonized Products Circular Design and Services Energy Resources Recycling Circular Low-carbon Manufacturing **Low Carbon** Adaptation and Resilience Waste as a Valuable Green and Renewable Resource **Energy Investment** Circular Economy in Value Chains Smart Procurement Environmental Conservation Strategic Partnership Industry-academia Inclusive Collaborative Collaborations Management Go High Community Engagement Public Advocacy Environmental Education Commitments/Values

### Realizing the SDGs



USI advocates industrial key issues to business partners through the organizations we joined, strengthen global partnership to achieve our sustainability vision.



Talent is an important driving force for the growth of enterprises. USI focuses on investment in education, investing in rural education to narrow the education gap between urban and rural areas.



USI promotes the rule of law and builds a responsible system for sustainability development.





USI is committed to creating business growth by the steady operation strategies to support productive activities and create jobs.



USI adopts mitigation and adaptation two strategies to cope with climate change to set a carbon reduction path to meet Net Zero target by 2050.



USI actively creates sustainable communities, prevents environmental impact, adheres to pollution prevention and continuous improvement, and implements pollution prevention and control management.

### **Sustainability Tasks**

#### **Corporate Governance**

- Board Governance • Business Ethics and
- Compliance
- Financial Performance and Tax Governance
- Enterprise Risk Management
- Cybersecurity Management
- Stakeholder Engagement

#### Value Chain Management

- ◆ Product Value Chain
- Quality and Service
- Customer Satisfaction Improvement
- Customer Privacy Protection
- Supply Chain Management
- Conflict Minerals Compliance
- Sustainable Supply Chain Development

#### **Green Products & Innovation**

 Green Products Management

Innovation Management

- ◆ Sustainable Production Green Education

  - Green Supply Chain

#### **Environmental Protection & Occupational Safety**

- Climate Change and Carbon Management
- Energy Management
- ◆ Water Resource Management
- ◆ Waste Management
- ◆ Air Pollution Control
- Biodiversity
- Occupational Health and Safety

#### **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 KPIs and Targets

Taskforce	Key Issue	KPI	2027 Target		
	Corporate Governance	◆ Included in the SSE Corporate Governance Index	◆ Continue To Be Included in the SSE Corporate Governance Index		
Corporate	Business Continuity	Obtain ISO 22301 Certification	◆ Implement BCMS To Major Facilities		
Governance	Cybersecurity Management	◆ Cybersecurity Training Completion Rate	◆ 100% Cybersecurity Training Completion Rate		
	Business Ethics	• USI Employee Code of Conduct Training Completion Rate	◆ 100% Completion Rate of USI Employee Code of Conduct Training		
	Customer Relationship Management	◆ Customer Satisfaction Score	Customer Satisfaction Score Reaches 84		
		◆ Product Recalls	◆ 0 Product Recalls		
Value Chain		◆ Local Procurement Rate	◆ Local Procurement Rate Maintains At Least 40% Globally		
Management	Sustainable Supply Chain	◆ Percentage of Target Suppliers Completing the Conflict- Free Minerals		◆ 100% Target Suppliers Use Conflict-Free Minerals	
		<ul> <li>Percentage of Tier 1 Suppliers Complete the Supplier Sustainability Assessment Questionnaire (SSAQ)</li> </ul>	◆ Tier 1 Suppliers SSAQ Complete Rate Reaches 75%		

Taskforce Key Issue KPI		2027 Target			
	Climate Change	◆ Obtain ISO 14064-1 Certification	◆ Obtain/Maintain ISO 14064-1 Certification in All Major Facilities		
	Energy Management	◆ Electricity Intensity	◆ 12% Decrease from 2015		
	Water Resource Management	◆ Water Intensity	◆ 12% Decrease from 2015		
Environmental Protection & Occupational	Waste & Recycling	Hazardous Waste Generation Intensity	◆ 1% Decrease from Previous Year		
Safety		◆ Non-Hazardous Waste Recovery Rate	◆ Recycling Rate Reaches 90%		
	Occupational Health and Safety	<ul> <li>Get ISO 45001 Certification</li> <li>Major Occupational Diseases</li> <li>Major Occupational Injuries</li> <li>Major Infectious Disease</li> </ul>	<ul> <li>Obtain/Maintain ISO 45001 Certification in All Major Facilities</li> <li>No Major Occupational Diseases</li> <li>No Major Occupational Injuries</li> <li>No Major Infectious Diseases</li> </ul>		

Taskforce	Key Issue	КРІ	2027 Target		
	Innovation Management & Sustainable Production	◆ Meet International Safety, Environmental Protection, Energy Saving Standards	◆ 100% Shipped Products Meet Standards		
		◆ Sustainable Design (For Mechanism)	◆ More Than 80% of Mechanical Components Use Recyclable and Reusable Raw Materials		
Green Products &		◆ Product Carbon Footprint Inventory	◆ Keep Promoting 1 Series of Product Carbon Footprint Inventory		
Innovation		◆ Cumulative Number of Patents	◆ Hold More Than 1,672 Patents		
		◆ Smart Manufacturing	◆ 100% of the Industry 4.0 Facilities Accredited as 5-Star Lights-Out Factory		
		◆ Continuous Improvement Program	◆ Cost Saved 0.21% of Revenue		

Taskforce	Key Issue	KPI	2027 Target		
	Talent Attraction & Retention	◆ Turnover Rate	<ul> <li>DL Turnover Rate Lower Than 40%</li> <li>IDL Turnover Rate Lower Than 12%</li> </ul>		
		◆ Key Talent Retention Rate	◆ Over 95% Key Talent Retention Rate		
	Human Capital Development	• Employee Career Plan	◆ Subsidize More Than 40 Employees to Obtain Degrees		
		◆ Improve Employees' Competency	◆ Have Over 970 Internal Instructors		
	Human Rights		• Over 25% of Females Serve in Top Management Positions		
Employee Care &		Equal Employment Opportunities	◆ Employ More Than 160 Disabled Employees		
Social Involvement	Investing in Education	<ul> <li>Rural Area Reading Activities</li> <li>Number of Industrial-Academic Partnerships</li> <li>Number of Interns</li> <li>Number of USIU Classes Shared</li> </ul>	<ul> <li>Hold 6 Reading Activities in Rural Areas</li> <li>Conduct 2 Research Industrial-Academic Partnerships</li> <li>Admit 150 Interns</li> <li>Share 40 USIU Classes</li> </ul>		
	Contributing To Society	<ul> <li>Number of People Benefiting from Rural Revitalization Programs</li> <li>Number of Volunteers</li> </ul>	<ul><li>Support 2,000 Rural Students</li><li>Reach 2,000 Volunteers</li></ul>		
	Promoting Arts & Culture	◆ Number of Art Groups Supported	◆ Support 3 Art Groups		
	Conserving the Environment	<ul> <li>Number of Trees Planted</li> <li>Amount of Trash Picked</li> <li>Number of Environmental Seminars Held</li> </ul>	<ul> <li>Plant 14,000 Trees in the Corporate Forest</li> <li>Pick 1,000 kg of Trash</li> <li>Hold 5 Environmental Seminars</li> </ul>		

## **ESG Key Performance Summary**

	Key Performance		Unit	2019	2020	2021	2022
	Financial Performance	Operating Revenue	K CNY	37,204,188.4	47,696,228.2	55,299,654.8	68,516,076.0
		Total Profit	K CNY	1,432,763.0	1,973,563.1	2,138,858.9	3,477,195.2
		Earnings per Share	CNY	0.58	0.80	0.85	1.40
		Taxes	K CNY	352,271.7	397,576.8	618,989.5	897,547.9
	Research and Patents	R&D Investment	M CNY	1,373	1,576	1,641	2,034
	nesearch and raterits	Accumulated Number of Patents	-	628	660	696	740
	Sustainable Production	Number of New Improvement Proposals	-	277	319	340	360
d)	Sustainable i roduction	Cost Saving	K CNY	183,859	219,339	287,003	414,690
Governance	Customer Relationship Customer Satisfaction Score		-	83.8	84.1	84.1	84.2
ern	USI Supply Chain	Global Local Purchasing Rate	%	18	37	39	43
Gov		Percentage of Suppliers That Completed SSAQ	%	70	70	73	73
	Supplier Sustainability Evaluation	Number of Suppliers and Contractors On-Site Audited with Sustainability Metrics	-	80	76	83	81
	Supplier Communication	Number of Suppliers Attending Sustainable Supply Chain Briefing	-	222	120	276	342
		Number of Suppliers Completed Due Diligence (CMRT Survey)	-	352	359	416	199
	Conflict Minerals	Percentage of Target Suppliers Completing the Conflict-Free Minerals	%	100	100	100	100
	Renewable Energy Use (1)	USI Group	%	82.7	79.6	80.3	81.6
	Greenhouse Gas Emissions <sup>(2)</sup>	Scope 1	Metric Tonnes CO <sub>2</sub> e	8,438.84	6,802.39	4,592.71	5,385.74
		Scope 2 - Location	Metric Tonnes CO <sub>2</sub> e	168,730.49	184,225.84	201,538.85	215,510.73
		Scope 2 - Market	Metric Tonnes CO <sub>2</sub> e	22,165.63	26,056.90	26,617.41	26,912.82
Environmental		Scope 3	Metric Tonnes CO <sub>2</sub> e	22,623.67	16,722,053.37	12,980,878.70	10,473,941.30
Jme		Direct Energy Consumption - Diesel	GJ	1,065.38	1,393.59	1,335.80	1,266.00
/iro		Direct Energy Consumption - Gasoline	GJ	3,572.89	2,523.89	2,575.20	2,215.40
En	Energy Consumption	Direct Energy Consumption - Natural Gas	GJ	103,881.07	74,103.64	34,238.98	28,307.90
		Indirect Energy Consumption - Electricity	GJ	769,756.87	870,905.19	948,483.21	1,063,884.00
		Total Energy Consumption	GJ	878,276.21	948,926.31	986,633.19	1,095,673.30
		Water Withdrawal	ML	681.848	803.690	861.887	1,068.173
	Water Resource Management	Recycled Water	ML	155.058	179.145	236.972	307.539
	J. T.	Recovery Rate	%	22.7	22.3	27.5	28.8

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<sup>1.</sup> Renewable energy use fluctuated in 2020 and 2021 because: (1) we included Nantou-TT 1 energy consumption data in 2020 and (2) expanded production lines in Nantou-NK 1 sharply increased energy

	Ke	y Performance	Unit	2019	2020	2021	2022
Environmental		Hazardous Waste Generated	Metric Tonnes	696.641	783.065	967.233	1,006.243
	Westa Management	Recycling/Reuse	Metric Tonnes	255.13	247.23	202.79	232.13
	Waste Management	Non-Hazardous Waste Generated	Metric Tonnes	7,813.671	7,805.962	8,766.093	9,835.675
		Recycling/Reuse	Metric Tonnes	7,072.29	7,079.35	8,115.46	9,097.26
<u>Б</u>	Materials Recycled and Reused	Total Financial Benefits	K CNY	3,452,049	3,050,159	2,387,932	8,248,872
	Air Pollution Control Volatile Organic Compounds (VOCs)		Metric Tonnes	44.640	47.056	55.238	60.064
	Environmental Expenditures	Total Expenses	CNY	23,179,611	28,131,112	25,989,443	29,912,628
		Percentage of Females in Total Workforce	%	46.0	46.1	45.0	44.4
		Percentage of Females in Top Management Positions	%	12.8	12.9	17.6	19.2
	Talent Attraction & Retention	Percentage of Females in Management Positions	%	23.4	23.6	22.6	23.1
	Retention	Employee Turnover Rate	%	44.2	33.7	38.7	28.8
		Employee Engagement Score	%	77	-	84	-
		Retention Rate of Employees That Took Parental Leave	%	100	100	79	47
ی ا	Training & Talent	Total Cost of Employee Training and Development	M CNY	7.3	4.2	28.9	17.1
Social	Development	Average Training Hours per Employee	Hours	22.6	31.0	30.7	28.8
S		Number of Employee Symposiums	-	294	216	116	140
	Human Rights	Percentage of Total Workforce in Trade Unions	%	24.3	33.7	35.1	35.4
		Number of Employees with Disabilities	-	79	73	83	83
		Work-Related Deaths - Employees	-	0	0	0	0
	Occupational Health & Safety	Work-Related Deaths - Contractor	-	0	0	0	0
		Lost-Time Injury Frequency Rate (LTIFR) (3)	-	0.31	0.29	0.31	0.23
		Lost Day Rate (LDR) (4)	-	1.64	2.95	10.33	6.54
		Amount Invested in Safety Production	M CNY	150	166	159	184
		Total Amount of Social Involvement	CNY	6,269,375	5,970,377	3,826,752	5,281,086
	Social Involvement	Number of Employees Engaged in Social Activities	-	536	1,412	314	701
		Number of Hours Volunteered	Hours	3,633	1,674	1,717	2,047

<sup>3.</sup> LTIFR = (Number of recordable occupational injuries  $\div$  total working hours) imes 1,000,000

<sup>2.</sup> Scope 3: In 2019, it covered the Mainland China Facilities and Nantou Facility; in 2020, the inspection items were added according to ISO 14064-1:2018 requirement

<sup>4.</sup> LDR = (Lost days due to work injury  $\div$  total working hours) imes 1,000,000

### Contributions to the SDGs



- ◆ Reduced **28.5%** water use intensity from the baseline year 2015.
- Recycled **78.1%** of process water.



 Purchased certified renewable energy to offset carbon dioxide emissions generated by traditional electricity used. **100%** renewable energy use in Mainland China Facilities and **50%** in Mexico Facility.



◆ Solar panels installed on Nantou-NK 1 Facility generated **2,142** MWh of renewable energy as of 2022.



- ◆ Consistently monitored our compliance with legal emission regulations to lessen our negative environmental impact and contribute to building sustainable communities. There were **0** significant air pollution incidents in 2022.
- ◆ Reached **92.5%** recycling rate for non-hazardous waste through qualified disposal/recyclers.



- Cooperated with suppliers to recycle pallets and packaging materials, reducing **828** metric tonnes of waste, and saved CNY **36.65** million.
- ◆ Banned use of Indium Phosphide, Nickel Sulfate, and Nickel Amino Sulfate from 01/01/2023 and restricted use of TBBP-A and MCCP according to regulations to minimize their impact on workers and the environment.
- ◆ Used **87%** recyclable or reusable materials in designing mechanical products, which reached **33,362** kg in USI's annual shipments.



- ◆ Promoted green product design, reduced energy loss, and engaged in continuous improvement to reduce CO<sub>2</sub> emissions, saving **22,023** MWh of electricity in 2022, equivalent to reducing **14,191** metric tonnes of CO<sub>2</sub>.
- 0 days of production interruptions due to climate-related disasters.
- ◆ Implemented TCFD to analyze USI climate risks. USI will use **100%** renewable energy in our operations by 2035 and achieve **net-zero carbon emissions** by 2050.



- ◆ Cleaned up Maoluo River and picked **200** kg of trash.
- Held 4 environmental protection seminars.



◆ Supported the Million Tree Project for 10 years running, planting a total of **130,214** trees covering **86.36** hectares.





- ◆ 23.93% revenue growth in 2022 compared to 2021.
- Actively engaged in sound tax policies and honest tax contributions to support the government's efforts to promote economic growth.
- Customer satisfaction score reached 84.2.



- Implemented enterprise risk management assessment and applied relevant countermeasures.
- Established an email protection mechanism to strengthen USI email security.
- ◆Introduced **Threat Intelligence 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 corruption or bribery instances were found.
- No major fines or violations related to anti-competitive practices or antitrust laws and regulations.
- ◆ 100% target suppliers met Conflict-Free minerals requirements.



- ◆ Provide a wide range of electronic products and services under Global Demand, Local Service to our customers with operations covering Asia, Europe, America, and Africa.
- ◆ Global local procurement rate reached **43%**.



◆ Invested in **5** rural revitalization programs, benefiting **1,838** students



◆ Donated 268 Chinese New Year's Eve dinners to disadvantaged lonely elders to spread warmth and cheer.



- ◆ Held **51** health activities, such as blood donation, weight-loss competition, and bone density testing with **8,611** participants.
- Provide medical and emergency support for unexpected or sudden illnesses for employees on business trips or stationed overseas.



- Donated a cumulative total of **767** boxes of books to the Philanthropic Libraries for 18 years running.
- ◆ Built 3 more computer classrooms through the Rural Digital Education Program, benefiting **2,444** students.
- Trained cumulative total of 1,118 USIU internal lecturers.
- Supported 157 employees to take advanced studies.



- Employees have the right to equal pay for equal work regardless of gender.
- Increased percentage of females in senior management positions for 5 consecutive years and promoted 1.6% compared with 2021.



- Starting salaries for direct laborers at each facility are higher than local minimum
- ◆ Provided 18,267 job opportunities worldwide with 95% local hires.



- Employed 83 people with disabilities.
- ◆ Employed **703** ethnic minorities and **7** of them were in management positions.



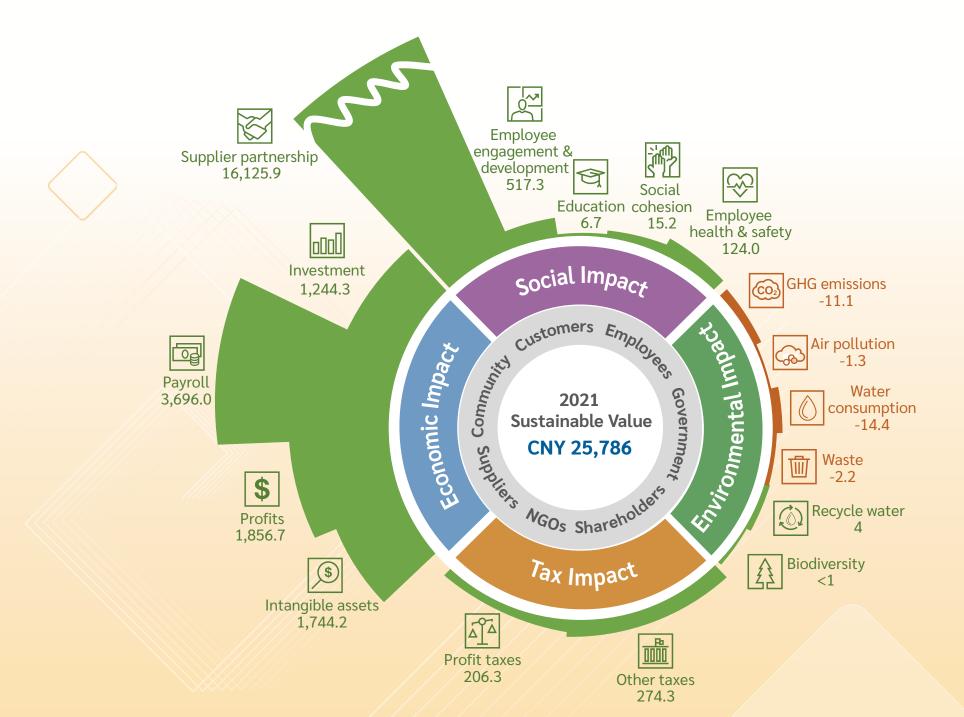
### **Sustainable Impact Assessment**

To monitor the progress of our sustainability strategies and goals, USI introduced the Total Impact Measurement and Management (TIMM) methodology to inventory the impacts and contributions to stakeholders from Company's operations in the Economic, Social, Environmental, and Taxes dimensions to revise key management indicators and improve operational performance. Through the TIMM assessment (1), USI generated CNY 33,283 million worth of sustainability value for stakeholders in 2022. Compared with 2021, we increased CNY 7,497 million or 29% in positive sustainability value, creating positive contributions to the society.



#### Economic and Tax Dimensions

USI created 26% higher of positive value than in 2021. Though the electronics production chain was impacted by geopolitics and COVID-19, USI applied glocalization strategy to make countermeasures and reduce the impacts of production capacity. On the other hand, USI grasps business opportunities to develop new energy vehicle power systems and power modules through providing a complete supply chain technology and continuously improving core competitiveness based on years of automotive electronics experiences. In 2022, USI increased 65% of annual net profit which created premium benefits for stockholders, suppliers, employees, and the government.

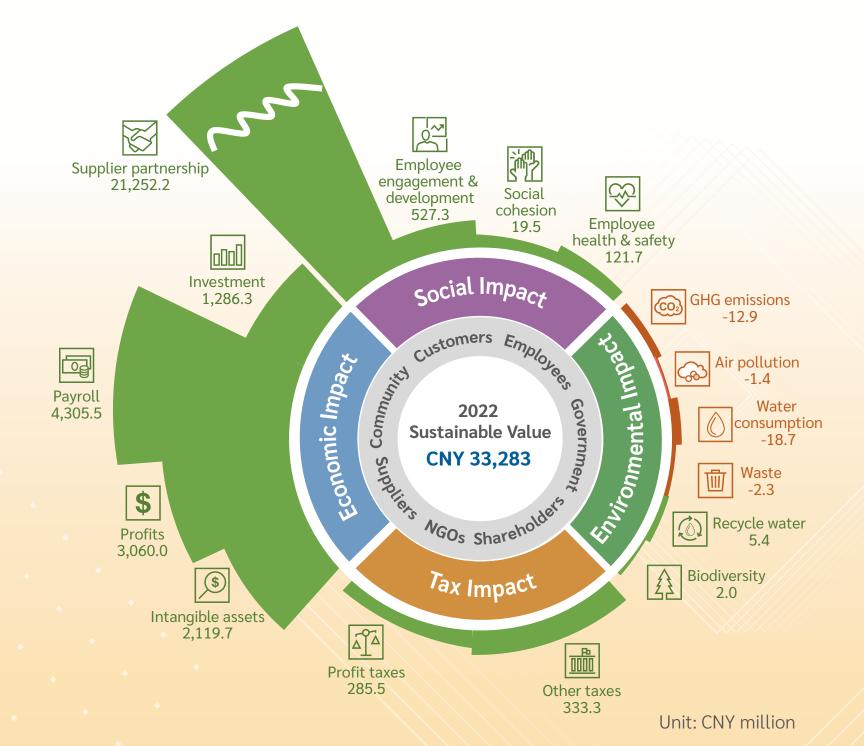




To compare with 2021, USI increased 12% of negative value due to expansion of production capacity. The major impacts were Water Consumption and GHG Emissions. To make sure the use out of every drop of water, USI has been planning to recycle as much water as possible via improvement of equipment and technology. Through process water recycling system, the positive benefit of recycled water has been increasing every year. The recycled water rate was 29% in 2022. And USI launches GHG reduction policy to inventory GHG emissions and product carbon footprint, purchase certified renewable energy to offset carbon dioxide emissions generated by traditional electricity used. The renewable energy rate was 82% in 2022. USI will continue to keep a track on the use of water resources and conserve water, promote green promises and environmental protection measurements for a friendly environment, and lower environmental impact.

#### **Social Dimension**

USI increased 31% of positive value compared with 2021. The primary performances were good relationships with suppliers and human capital cultivation. USI holds a Sustainable Value Chain Webinar every year to promote company ESG policy. We support local suppliers, which facilitates the growth of the local economy and increases local employment rates. In 2022, the average local purchasing rate was 43% which increased by 4% compared with 2021. Human capital development 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 sustainable development and contributes to society through various charitable activities.



Note:

1. The impact driver Education was merged with Social Cohesion in 2022



# **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.



2022 ESG Report Highlights 🔷

CNY 68.5 Billion Record High Sales Revenue



CNY 3.06 Billion





Received

**2022 Board Office Best Practices Award** 



Included in

**SSE Corporate Governance Index** 



Rating of Information Disclosure in the SSE





28 Manufacturing Facilities

Across Asia, Europe, America, and Africa



No.1

Leader in SiP Miniaturization Product Manufacturing



**O**Cases

Major Violations over CNY 67,000



121.51 Hours

Sustainability Training of Board Members



Female Director



# 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's business and social responsibility with partners to create a sustainable future.



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43%

Global Local Procurement Rate



100%

Target Suppliers Use Conflict-free Minerals



100% New Suppliers

Passed Sustainability Assessment



84.2

**Customer Satisfaction Score** 







342 Supplier Partners

Participated in the Sustainable Value Chain Webinar



Completed Suppliers Human Rights Due Diligence



19 Sessions

Supplier New Product and Technology Briefings



Over 1 Billion

**Product Shipped** 



81 Suppliers/Contractors

## **Green Products and Innovation**

With our core competitiveness as the industry leader, we grasp the smart manufacturing trend and actively enhance our eco-design capabilities, promote low-carbon product designs, improve product energy efficiency, and advance smart manufacturing projects. USI's Green Product (Clean Technology) Strategy of Modularization, Globalization, Diversification, Vertical Integration, and Smart Manufacturing responds to the SDGs and addresses climate change and energy resource reduction.





100%

Meet International Safety, Environmental Protection, Energy Saving Standards



1,501 Cases

Cumulative Patents Cases



CNY 415 Million

Saved from CIP and Smart Manufacturing Projects



82%

Eco-design Product to Revenue Ratio





1,316 Metric Tonnes

Carbon Reduced from CIP Key Projects



33 Metric Tonnes

Recycled and Reused Raw Materials Used in Products



2,728 Employees

Total Headcount in R&D



360 CIP Proposals

Approved by Site Review Committee



w-Carbon Products Share of Annual Revenue

# **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



2,142 MWh

Renewable Energy Produced through Solar Panels



92.5%

Non-hazardous Waste Recovery Rate



36.6%

Reduction in Electricity Intensity (Baseline Year: 2015)



CNY 30 Million

Invested in Environmental Conservation



28.5%

Reduction in Water Intensity (Baseline Year: 2015)



8,611 Participants

Attended Health Promotion Activities



78.5%

Absolute Emission Reduction Ratio of Scope 1 & 2 GHG (Baseline Year: 2016)



Contractor Occupational Injuries



Absolute Emission Reduction Ratio of Scope 3 GHG (Baseline Year: 2020)





# **Inclusive Workplace**

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



16,660 Employees



95%

Key Talent Retention Rate



95%

Local Hire Rate



140 Events

**Employee Communication Symposiums** 



Female in Top Management Position





157 Employees Sponsored to Obtain Degrees



72%

Group Agreement Coverage Rate



**O** Cases

Major Labor Disputes or Strikes



CNY 894 Million

Benefited Amount from Employee Benefits



Total Certified Internal Instructors







# Social Involvement

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



CNY 5.28 Million

Invested in Social Involvement



660 Students

Participated in Industrial-Academic Partnerships



2,047 Volunteer Hours

Contributed to Local Communities



1,838 Students

Reached through 5 Rural Revitalization Programs



Trash Picked from Creek Cleanup







767 Boxes

Donated to the Philanthropic Libraries



\$4 Value

Created for Every \$1 Invested through the Philanthropic Libraries



130,214 Trees

Planted in the Million Tree Project



86.36 Hectares

Tree Planted in the Million Tree Project



17,906 kg



### **Inclusive Society for a Better Tomorrow**

Intuiting threads of technology and society intertwined.

With technology's infusion, we can work to realize a better future together.

As a leading global company of electronic design and manufacturing services,

USI turns innovative technologies into value for our customers and continues to leverage corporate influence to promote public welfare and sustainable

development for the betterment of society.







