

2014 CORPORATE SOCIAL RESPONSIBILITY REPORT

Table of Contents

Introduction of the Report	2
Important Achievements	3
Letter from President	4
Sustainable Management	
Introduction	6
Sustainable Management	6
Business Strategy	7
Business Model	12
Business Process	12
Business Structure	13

Company Profile

Introduction	15
Business Strategy	16
Business Model	16

Corporate Governance

Introduction	20
Board of Directors	21
Board of Directors	22
Board of Directors	22

Environmental Sustainability

Introduction	24
Environmental Policy	25
Environmental Policy	26
Environmental Policy	26
Environmental Policy	29
Environmental Policy	29
Environmental Policy	34
Environmental Policy	34
Environmental Policy	35
Environmental Policy	35
Environmental Policy	35
Environmental Policy	36
Environmental Policy	38
Environmental Policy	38

Employee Care and Cultivation

Introduction	41
Introduction	41
Introduction	46
Introduction	46
Introduction	49
Introduction	49
Introduction	49
Introduction	50
Introduction	51
Introduction	63

Customer Service and Supplier Management

Introduction	72
Introduction	72
Introduction	73
Introduction	74
Introduction	74
Introduction	75
Introduction	76
Introduction	77

Social Participation

Introduction	79
Introduction	82
Introduction	85

Third Party Assurance Statement

90

GRI Index

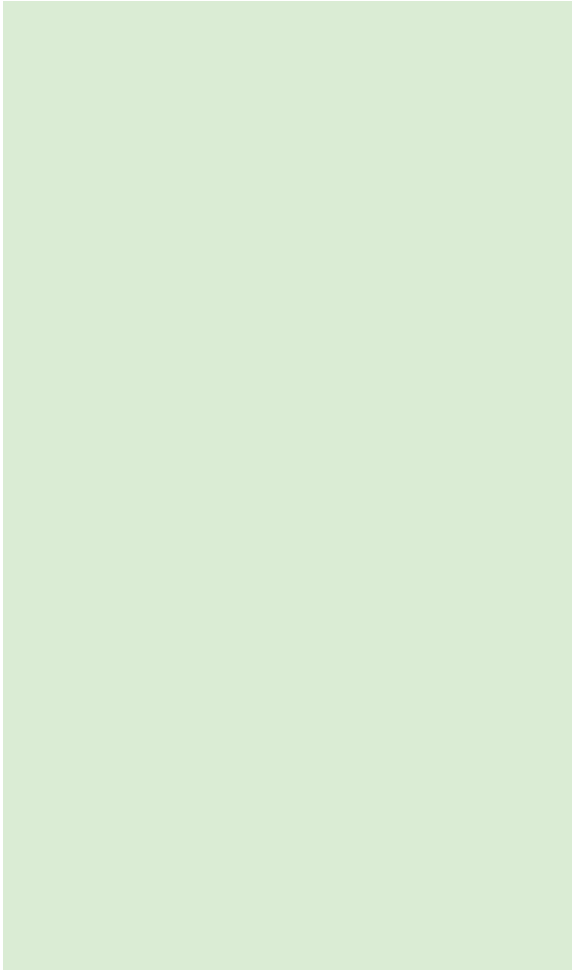
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Introduction of the Report

Report Scope and Overview

This report provides a comprehensive overview of the project's scope and objectives. It details the key findings and conclusions derived from the research conducted between 2010 and 2012. The study focuses on the impact of various factors on the overall performance of the system, with a particular emphasis on the role of the human element. The data presented here is based on a series of experiments and observations, which have been carefully analyzed to identify the most significant trends and patterns. The results indicate that there is a strong correlation between the variables studied, and that the proposed interventions have a positive effect on the system's efficiency. This report is intended to serve as a valuable resource for stakeholders, providing them with the information they need to make informed decisions about the project's future direction. The findings are supported by a wealth of data and are presented in a clear and concise manner, making them easy to understand and act upon. The report also includes a detailed discussion of the limitations of the study and the potential for further research in this area. Overall, the report provides a thorough and insightful look into the project, highlighting the key challenges and opportunities that have been identified.



Important Achievements

Corporate Governance

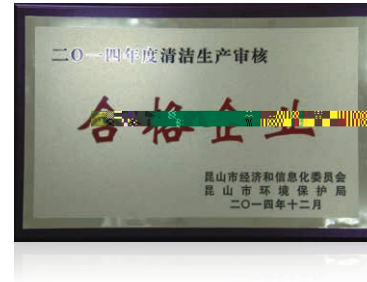
- 环胜电子(深圳)有限公司荣获“广东省企业500强”(2013年-2014年)
- 环胜电子(深圳)有限公司荣获“广东省制造业百强企业”(2013年-2014年)
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Environmental Protection

- 环胜电子(深圳)有限公司荣获“广东省清洁生产审核合格企业”(2013年-2014年)



Healthy Workplace

- 环胜电子(深圳)有限公司荣获“2014年度广东省企业社会责任奖”(2014年)



01



Sustainable Management

USI is aware that modern industry should not only create economic value, bring in the most benefits for shareholders and investors, but create social value. As obeying morality and regulations, USI works hard to practice social responsibilities such as corporate management, environmental protection, community participation, and employee rights protection. USI pursues the sustainable development of co-existing economy, society and environment.



01 Sustainable Management

Vision and Promise

"We are committed to providing a safe and healthy working environment for our employees, and to ensuring that our products are safe and healthy for our customers. We are also committed to providing a better place to live for future generations."



We commit to

- Provide rewarding and challenging working environment for employees
- Generate consistent return on investment for our shareholders
- Build a better place to live for future

CSR Policy and Operation

"We are committed to providing a safe and healthy working environment for our employees, and to ensuring that our products are safe and healthy for our customers. We are also committed to providing a better place to live for future generations."

▶ Comply with regional, national and international laws; and regulations signed by USI.

▶ Labor Assurance:

- Provide a safe and healthy working environment for our employees.
- Provide a fair and equitable working environment for our employees.
- Provide a better place to live for future generations.



▶ Ensure safe and healthy workplace, and minimize environmental impact on manufacturing, activities, and products.

▶ Emphasize business ethics of respect for intellectual property, business integrity and disclosure of information. Besides,

- Provide a safe and healthy working environment for our employees.
- Provide a fair and equitable working environment for our employees.

▶ Participate in community activities.

▶ Do not procure metals and raw materials originating in conflict regions (Democratic Republic of the Congo or adjoining country) determined to be financing the conflict by following measures:

- Provide a safe and healthy working environment for our employees.
- Provide a fair and equitable working environment for our employees.

▶ Strictly prohibit slavery and human trafficking ; the supplier shall also comply.

▶ Improve CSR achievement continually through effective management and public announcement.

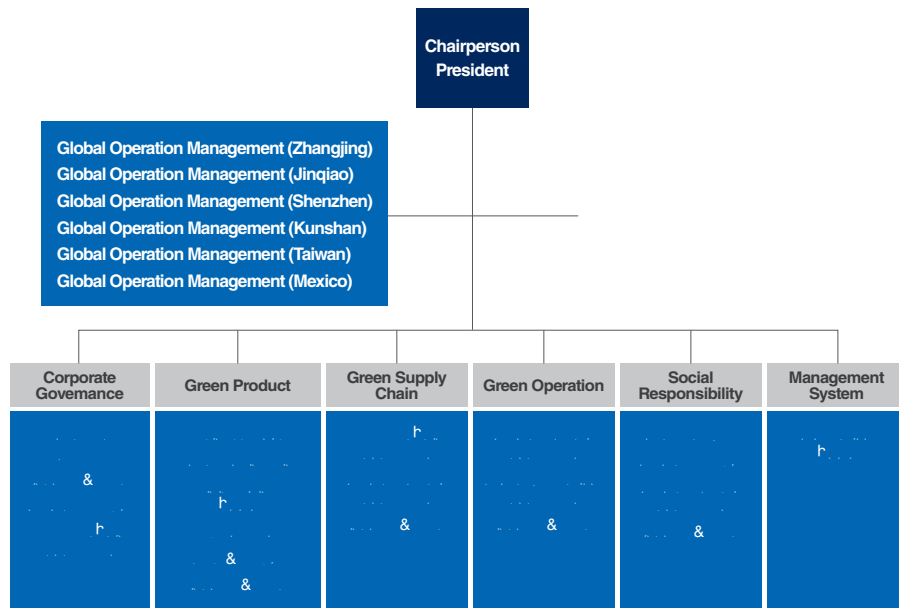
USI CSR Promotion Committee

1. 委员会由主席、副主席、委员组成。主席由董事长担任，副主席由总裁担任，委员由各部门负责人担任。委员会的主要职责是：制定公司CSR政策、推动CSR实施、监督CSR绩效、开展CSR宣传等。

2. 委员会下设四个工作组：环境工作组、社会工作组、人权工作组、反腐败工作组。每个工作组由一名委员担任组长，负责该领域的CSR工作。

3. 委员会定期召开例会，汇报CSR工作进展，研究解决CSR工作中的重大问题。委员会还负责组织CSR培训、开展CSR调研、发布CSR报告等。

4. 委员会的工作目标是：提高公司CSR管理水平，增强公司竞争力，实现可持续发展。



Stakeholders Management

• Identification and Selection of Stakeholders

1. 识别利益相关者：识别所有可能影响公司运营或受公司运营影响的个人或组织。包括：政府、员工、客户、供应商、社区、媒体、投资者等。

2. 评估利益相关者的影响力：根据利益相关者对公司运营的影响程度，评估其影响力。影响力越大，关注度越高。

3. 选择利益相关者：根据评估结果，选择对公司运营影响最大的利益相关者作为重点管理对象。

4. 制定利益相关者管理策略：针对不同利益相关者的需求，制定相应的管理策略。包括：沟通、参与、合作等。

5. 实施利益相关者管理：按照制定的策略，开展利益相关者管理工作。包括：定期沟通、开展活动、解决问题等。

6. 监测利益相关者管理效果：定期评估利益相关者管理工作的效果，并根据实际情况进行调整。



- 1 Corporate Governance
- 2 Financial Performance
- 3 Employees' Welfare
- 4 Occupational Safety and Health
- 5 Customer Relation Management
- 6 Communications with Stakeholders
- 7 Product Innovation
- 8 Attracting and Keeping Talents
- 9 Corporate Citizens and Public Interests
- 10 Environmental Performance
- 11

● In-scope ○ Out-of-scope

Scope	Boundaries with in the Organization						Boundaries outside the Organization		
	Zhangjiang	Shenzhen	Kunshan	Taiwan	Mexico	Jinqiao	Local Communities	Suppliers	Customers
Economic Category									
Product Development	●	●	●	●	●	●			
Production	●	●	●	●	●	●			
Product Sales	●	●	●	●	●	●			
Environmental Category									
Product Development	●	●	●	○	○	●		○	
Production	●	●	●	●	●	●		○	●
Product Sales	●	●	●	●	●	●			
Product Development	●	●	●	●	○	○		○	●
Production	●	●	●	●	●	●		○	●
Product Sales	●	●	●	●	●	●		○	●
Product Development	●	●	●	●	●	●		○	●
Production	●	●	●	●	○	○			
Product Sales	●	●	●	●	●	●		○	●
Product Development	●	●	●	●	●	●		○	●
Production	●	●	●	●	●	●	●	○	●
Product Sales	●	●	●	●	●	●		○	●
Labor Practices and Decent Work Category									
Product Development	●	●	●	●	●	●			
Production / Sales	●	●	●	●	●	●			
Product Development	●	●	●	●	●	●		○	●
Production	●	●	●	●	●	●		○	
Product Development	●	●	●	●	●	●			
Production	●	●	●	●	●	●		○	
Product Sales	●	●	●	●	●	●		○	●
Product Development	●	●	●	●	●	●		○	●
Production	●	●	●	●	●	●		○	●



02



Company Profile

USI emphasizes honest industrial operation. Based on related national regulations, USI has established flawless managing framework and systems, drew up anti-bribery behavioral principles, realized internal audit and strengthened internal risk management. By promoting the governance of the corporation, USI seeks sustainable industrial development.

Global Operative System

Our global operative system is designed to support our growth strategy. We have established a robust network of R&D, manufacturing, sales, and logistics hubs across various regions, including Europe, Asia, and North America. This system enables us to efficiently manage our global operations and respond to market demands.



Financial Performance

In 2014, our financial performance was strong, with total revenue of RMB 15.873 billion, an increase of 11.22% from RMB 14.271 billion in 2013. Our operating profit was RMB 701 million, representing a 24.31% margin, compared to RMB 600.7 million in 2013. Our net profit was RMB 245.950 million, an increase from RMB 158.326 million in 2013. Our total assets were RMB 6.007 billion, an increase from RMB 6.326 billion in 2013.

RMB 15.873RMB

RMB 15.873

Items	2014	2013
1. Operating Revenue	15,873,001,002.01	14,272,346,742.83
2. Operating Costs	13,804,620,593.43	12,570,727,506.56
Business Taxes and Levies	18,268,037.56	12,222,217.55
Selling Expenses	279,292,658.94	217,944,096.29
Administrative Expenses	1,036,451,435.78	855,429,773.38
Financing Expenses	(15,002,997.72)	14,528,162.46
Impairment losses of assets	1,159,276.38	13,233,134.53
Add: Gain from change of fair value (loss is filled with "Negative")	(2,071,959.27)	(167,259.38)
Investment Income (loss is filled with "Negative")	52,749,613.01	28,436,325.23
3. Operating Profit	798,889,651.38	616,530,917.91
Add: Non-operating Income and Expenses	12,277,808.09	14,641,185.83
4. Total Profit	811,167,459.47	631,172,103.74
5. Net Profit	701,393,987.26	564,213,068.19

Unit: RMB million

• Interests paid to loan providers

Unit: RMB million

Zhangjiang Facility	Jinqiao Facility	Shenzhen Facility	Kunshan Facility	Taiwan Facility	Total
8,611	10,841	79	2,513	830	22,873

Unit: RMB million

• Payment to government: taxes payable (business tax, income tax, property tax, etc.)

Unit: RMB million

Zhangjiang Facility	Jinqiao Facility	Shenzhen Facility	Kunshan Facility	Taiwan Facility	Mexico Facility	Total
55,828	2,161	73,827	18,832	18,209	2,745	171,602

• Employee Salary and Employee Welfare Expenses

Unit: RMB million

Zhangjiang Facility	Jinqiao Facility	Shenzhen Facility	Kunshan Facility	Taiwan Facility	Mexico Facility	Total
383,574	109,775	315,007	145,450	389,334	3,820	1,346,960

• Community Investment

Unit: RMB million

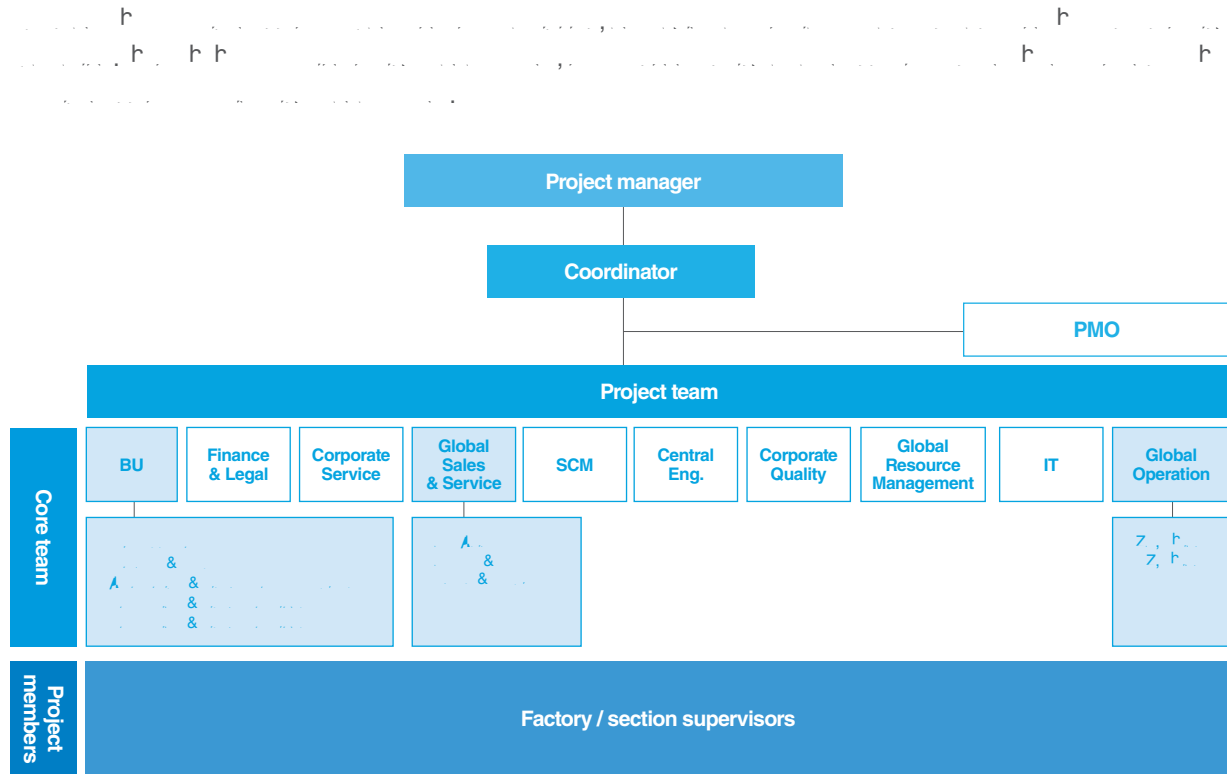
Zhangjiang Facility	Shenzhen Facility	Shenzhen Facility	Taiwan Facility	Total
100	600	49	714	1,563



03

The Operation of Internal Audit

- ▶ The Internal Audit Department is an independent and objective organization that provides assurance and consulting services designed to add value and improve the organization's operations. It helps the organization to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- ▶ The Internal Audit Department reports to the Audit Committee and the Board of Directors. It is not part of the management and does not have any authority over the management.
- ▶ The Internal Audit Department is responsible for:
 - Assessing the effectiveness of the organization's risk management, control, and governance processes.
 - Identifying and reporting to the Audit Committee and the Board of Directors on the results of its audits.
 - Providing consulting services to the organization to help it improve its operations.



Risk Management of Enterprise

- ▶ The Enterprise Risk Management (ERM) system is designed to identify, assess, and manage the risks that could affect the organization's ability to achieve its strategic objectives. It is a systematic and integrated process that covers the entire organization and all levels of the hierarchy.
- ▶ The ERM system is based on the following principles:
 - Risk management is an integral part of the organization's overall strategy and operations.
 - Risk management is a continuous and dynamic process.
 - Risk management is based on a clear understanding of the organization's risk appetite and tolerance.

- ▶ The ERM system is implemented through the following steps:
 - Risk identification: Identifying the risks that could affect the organization's ability to achieve its strategic objectives.
 - Risk assessment: Assessing the likelihood and potential impact of the identified risks.
 - Risk management: Developing and implementing measures to manage the risks.
 - Risk monitoring and reporting: Monitoring the risks and reporting on the results of the risk management process.

04



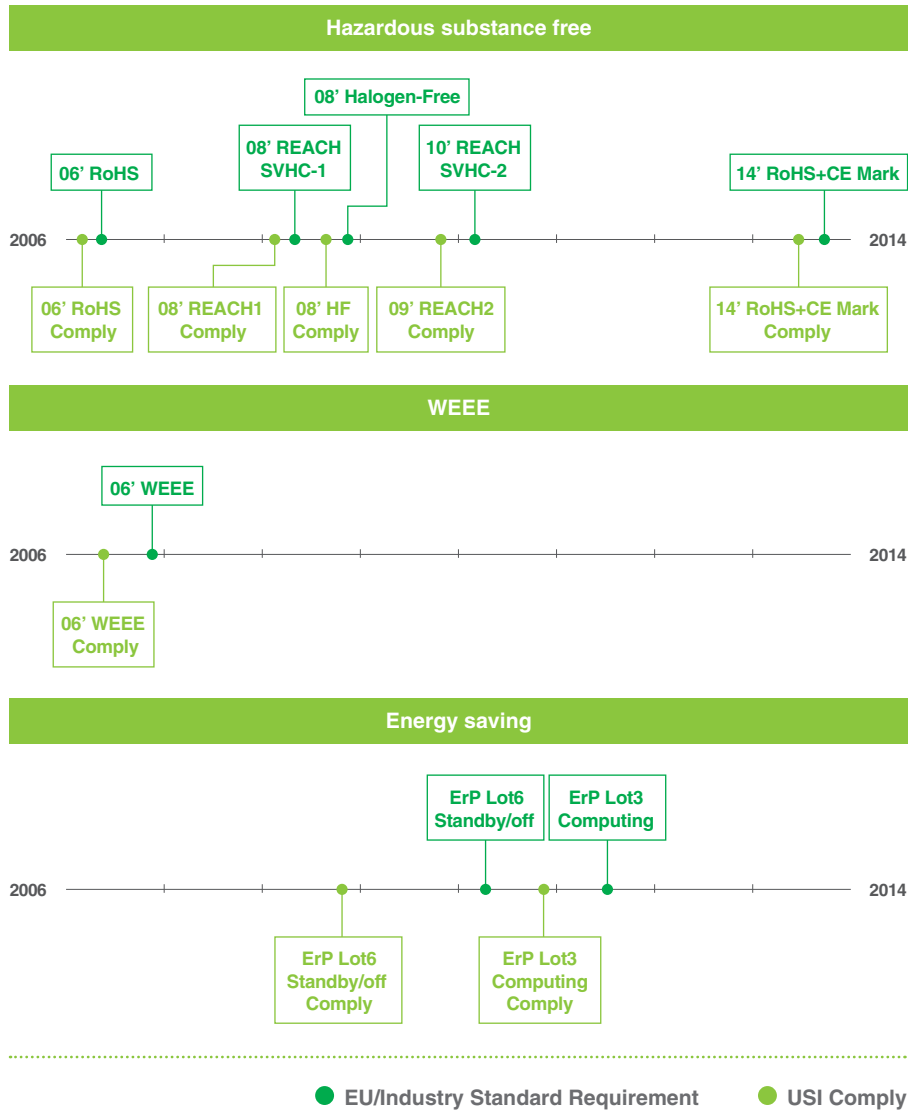
Environmental Sustainability

Given the record-breaking to the extreme weather and the fact that disasters are becoming the norm, industries nowadays are facing a brand-new operating environment and risks. The UN Climate Change Conference reached an agreement that calls on industries to pay extra attention to the reduction of greenhouse gas emissions and the green management at the corporate level in order to effectively alleviate the growing concern over global warming.

Green Promise

Green Promise is a commitment to environmental stewardship, social responsibility, and ethical business practices. It is a pledge to protect the planet, support our communities, and ensure the long-term success of our organization. Green Promise is a commitment to transparency, accountability, and continuous improvement. It is a commitment to the well-being of our planet, our people, and our future.

• Process of green products conforming to European Union directives (Picture 1)

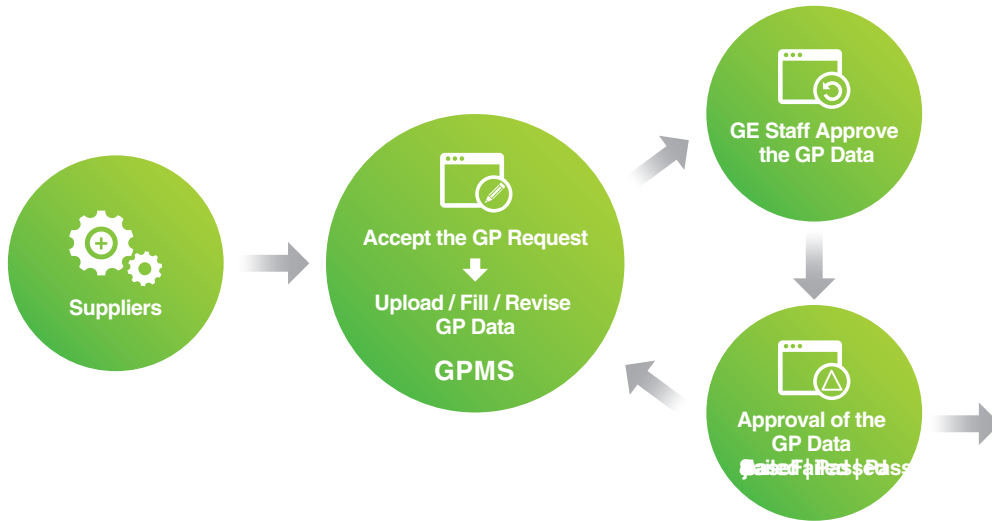


• Three main aspects of Eco-design of green product (Picture 2)



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• GPMS、EHS System (Picture 3)



• ISO14001、IECQ QC080000 and ISO14064-1 Certificates

• Schedule for the Introduction of Green Management System

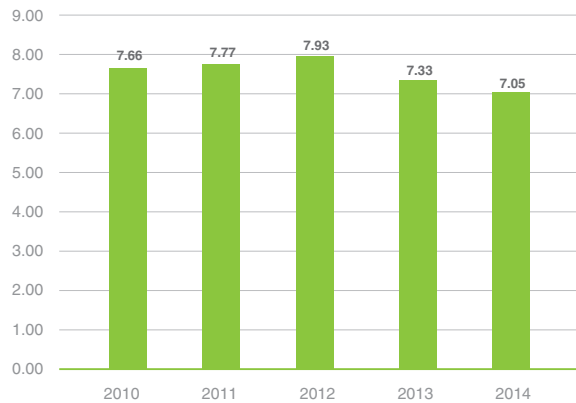
Management System	Zhangjiang	Shenzhen	Kunshan	Taiwan	Mexico
14001	2005	2001	2012	1998	2006
080000	2007	2007	2012	2006	2007
14064-1	2010	2010	2011	2010	

Product Category	Key Feature(s) of the Green Design	Benefits
Smart Handheld Device - System part	<ul style="list-style-type: none"> • 100% of the system parts are designed to be compatible with the existing products, reducing the need for new components and minimizing waste. 	<ul style="list-style-type: none"> • Reduces the environmental impact of the product lifecycle by extending the life of existing components.
3C electronic products - electronic and machine parts	<ul style="list-style-type: none"> • 100% of the electronic and machine parts are designed to be compatible with the existing products, reducing the need for new components and minimizing waste. 	<ul style="list-style-type: none"> • Reduces the environmental impact of the product lifecycle by extending the life of existing components.
Smart Handheld Device - Mechanical Design	<ul style="list-style-type: none"> • 100% of the mechanical parts are designed to be compatible with the existing products, reducing the need for new components and minimizing waste. 	<ul style="list-style-type: none"> • Reduces the environmental impact of the product lifecycle by extending the life of existing components.
PDA- external AC Adapter	<ul style="list-style-type: none"> • 100% of the external AC adapters are designed to be compatible with the existing products, reducing the need for new components and minimizing waste. 	<ul style="list-style-type: none"> • Reduces the environmental impact of the product lifecycle by extending the life of existing components.
POS, Desktop-internal ATX PSU multi outputs	<ul style="list-style-type: none"> • 100% of the internal ATX PSUs are designed to be compatible with the existing products, reducing the need for new components and minimizing waste. 	<ul style="list-style-type: none"> • 80% of the internal ATX PSUs are designed to be compatible with the existing products, reducing the need for new components and minimizing waste.
Server, Storage-redundant single output	<ul style="list-style-type: none"> • 100% of the server storage units are designed to be compatible with the existing products, reducing the need for new components and minimizing waste. 	<ul style="list-style-type: none"> • 81% of the server storage units are designed to be compatible with the existing products, reducing the need for new components and minimizing waste.
Desktop - Mother Board	<ul style="list-style-type: none"> • 100% of the motherboards are designed to be compatible with the existing products, reducing the need for new components and minimizing waste. 	<ul style="list-style-type: none"> • 10% of the motherboards are designed to be compatible with the existing products, reducing the need for new components and minimizing waste.

Product Category	Key Feature(s) of the Green Design	Benefits
Smart Handheld and Wearable Device - System part	<ul style="list-style-type: none"> h h h h 	<ul style="list-style-type: none"> h h h h
NS Internet product		<ul style="list-style-type: none"> h h
POS Desktop	<ul style="list-style-type: none"> h h h 	<ul style="list-style-type: none"> h h h
SHD2	<ul style="list-style-type: none"> h h h h 	<ul style="list-style-type: none"> h h h h

Product Category	Key Feature(s) of the Green Design	Benefits
JBOD system	<ul style="list-style-type: none"> • h (A /) • h h h 	<ul style="list-style-type: none"> • h / 85%; A " (90%), h h 80%. • 12 h
HBA card	<ul style="list-style-type: none"> • h () 	<ul style="list-style-type: none"> • h / 85%.
NAS system	<ul style="list-style-type: none"> • h • h h • h h / 	<ul style="list-style-type: none"> • h h 20% . 50% 7 2713() .7()-156()-17.3()-11.6()-13.9(8)-21.6(0)-10.2(%)-1 413() .7()-15 2713() .7()

● Analysis of USI's GHG Emissions and Operating Revenue



資料出典：USI

1. 本報告書は、2014年12月31日現在の情報に基づき作成された。
2. 本報告書の作成に当たっては、2007年4月（第4回）の「環境方針」に基づき、ISO 14064-1:2006の規格に基づき、2010年1月1日～2014年12月31日までの期間を対象として、USIのGHG排出量を算出した。
3. 本報告書の算出対象となるGHG排出量は、USIの事業活動に伴って発生した排出量（Scope 1）と、USIが購入した電力・熱・蒸気等に伴って発生した排出量（Scope 2）の合計である。Scope 3の排出量は、本報告書には含まれていない。
4. 本報告書の算出対象となるGHG排出量は、2010年1月1日～2014年12月31日までの期間を対象として算出された。2010年1月1日以前に発生した排出量は、本報告書には含まれていない。
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Energy Management

USIは、2007年4月に「環境方針」を定め、2008年1月に「環境方針」に基づき、ISO 14064-1:2006の規格に基づき、2010年1月1日～2014年12月31日までの期間を対象として、USIのGHG排出量を算出した。また、2010年1月1日～2014年12月31日までの期間を対象として、USIのGHG排出量を算出した。また、2010年1月1日～2014年12月31日までの期間を対象として、USIのGHG排出量を算出した。

● Energy Consumption

Category				

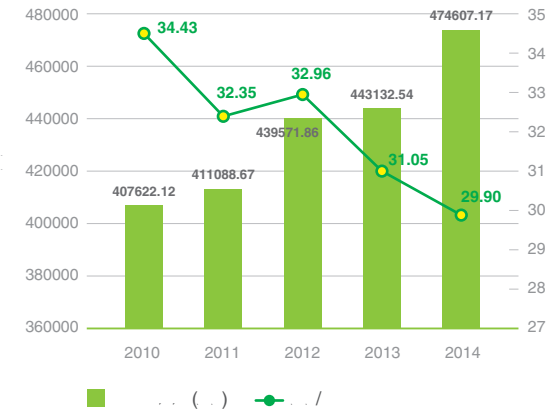
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2014 541,603, 37,165 (7%) 504,368 2013. 1 1.22 (3.58%) 2014 2013.

• Direct Energy Consumption



• Indirect Energy Consumption



• Measures Taken to Save Energy and the Results in 2014

Facility	Electricity-Saving Measures	Results
Shenzhen	...	1,066 (3,838...)
	...	979 ... 2
Taiwan	...	48 (173...)
	...	44 ... 2
Taiwan	...	357 (1,286...)
	...	187 ... 2
Taiwan	...	29 (104...)
	...	15 ... 2

1. ...

2. ...

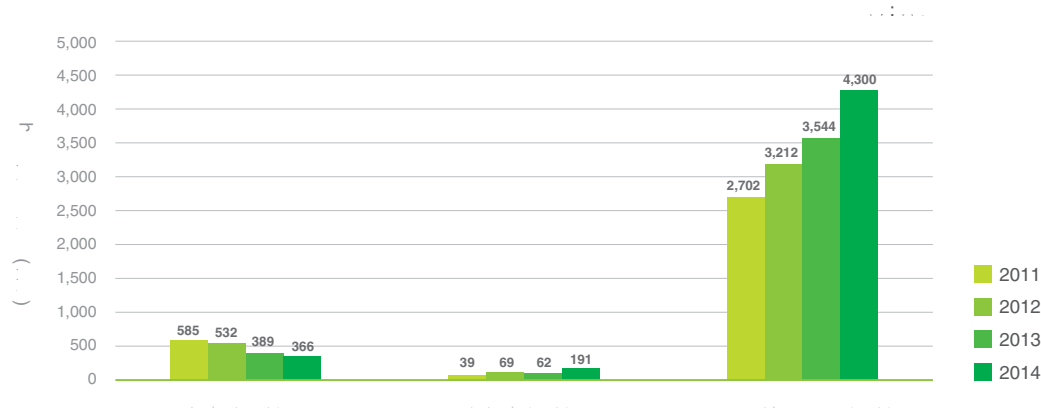
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• The Total Waste



1. Sewage treatment process: Sewage is treated through a series of processes including primary, secondary, and tertiary treatment to ensure it meets environmental standards before being discharged or reused.

2. Solid waste management: Solid waste is collected, sorted, and either recycled or sent to a landfill. The company aims to reduce the amount of waste sent to landfills by increasing recycling efforts.

3. Air pollution control: Air pollution is controlled through the use of advanced filtration systems and regular maintenance of equipment to minimize emissions.

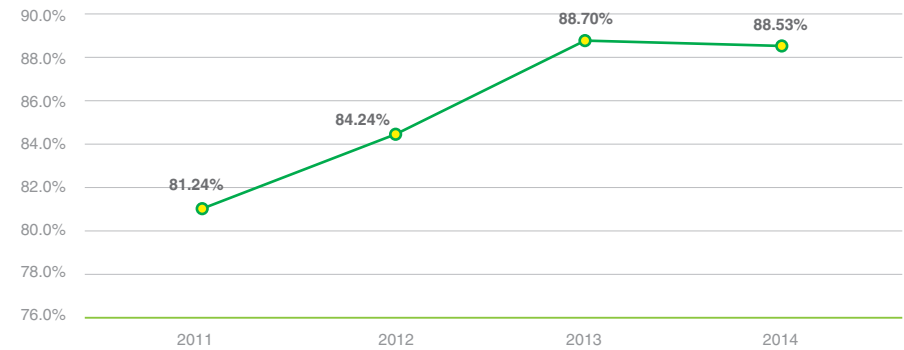
Waste management is a key part of our environmental sustainability strategy. We are committed to reducing our waste footprint and ensuring that all waste is properly treated and disposed of.

Category	Treatment Process	Incineration		Recycle	Total
		2011	2012		
Sewage	0.56	X	0.56		
Solid Waste	159.94	332.14	492.08		
Air Pollution	160.56	332.14	492.64		

1. Sewage treatment process: Sewage is treated through a series of processes including primary, secondary, and tertiary treatment to ensure it meets environmental standards before being discharged or reused.

2. Solid waste management: Solid waste is collected, sorted, and either recycled or sent to a landfill. The company aims to reduce the amount of waste sent to landfills by increasing recycling efforts.

• Percentage of Waste Recycled



The percentage of waste recycled has increased significantly over the period, reflecting our commitment to environmental sustainability and waste reduction.

05



Employee Care and Cultivation

Human capital is important seed for the constant growth of USI, requiring considerate care and irrigation. Therefore, we contributed to build high quality, safe, and challenge working environments. Besides strictly ensuring the safety and health in the workplace and caring of employees' physical and mental health, we also provided well systematic training programs.

• Contract & Gender

Gender	Contract Category	Zhangjiang		Jinqiao		Shenzhen		Kunshan		Taiwan		Mexico		Total	
		NO. of PPL	%	NO. of PPL	%	NO. of PPL	%	NO. of PPL	%	NO. of PPL	%	NO. of PPL	%		
Male	Contract	1,846	37%	1,895	63%	1,553	41%	779	41%	966	61%	127	16%	7,166	44%
Female	Contract	56	1%	15	0%	13	0%	18	1%	3	0%	1	0%	106	1%
	(Contract)	1,902	38%	1,910	63%	1,566	41%	797	42%	969	61%	128	16%	7,272	45%
	Contract	499	10%	0	0%	1	0%	181	9%	1	0%	53	7%	735	5%
	Contract	2,401	48%	1,910	63%	1,567	41%	978	51%	970	61%	181	22%	8,007	50%
Male	Contract	2,011	41%	1,098	36%	2,255	59%	653	34%	555	35%	222	27%	6,794	42%
Female	Contract	12	0%	3	0%	1	0%	3	0%	0	0%	0	0%	19	0%
	(Contract)	2,023	41%	1,101	37%	2,256	59%	656	34%	555	35%	222	27%	6,813	42%
	Contract	531	11%	0	0%	3	0%	286	15%	66	4%	410	50%	1,296	8%
	Contract	2,554	52%	1,101	37%	2,259	59%	942	49%	621	39%	632	78%	8,109	50%
	Total	4,955	100%	3,011	100%	3,826	100%	1,920	100%	1,591	100%	813	100%	16,116	100%

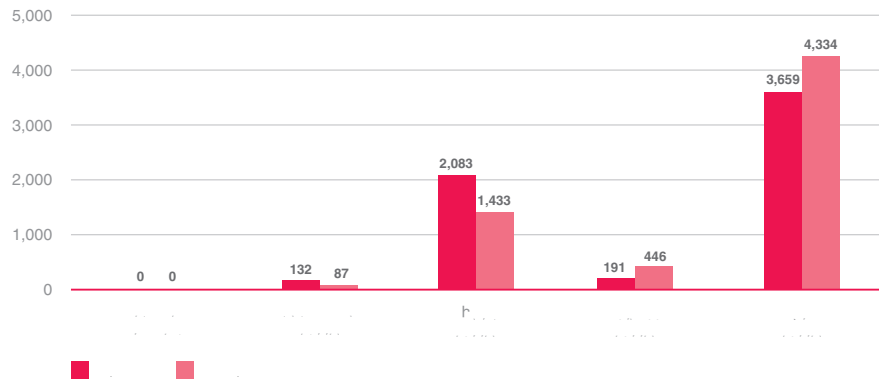
Contract: 2014, 2015, 2016, 2017, 2018, 2019, 2020; Contract: 2014, 2015, 2016, 2017, 2018, 2019, 2020; Contract: 2014, 2015, 2016, 2017, 2018, 2019, 2020

• Occupations and Gender

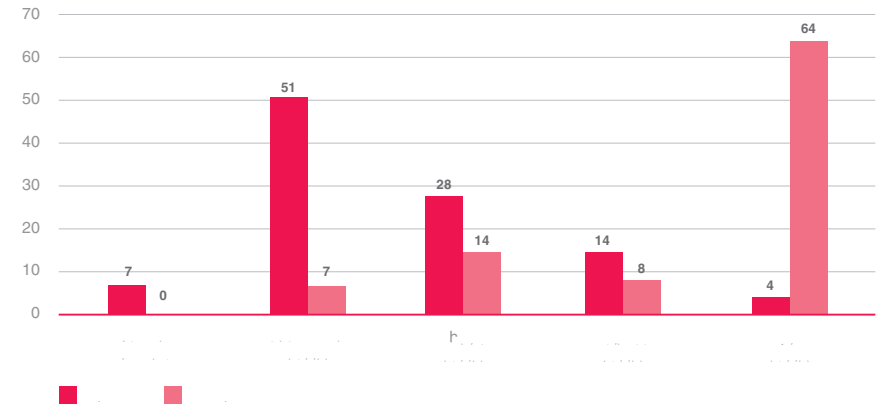
Gender	Employee Categories	Zhangjiang		Jinqiao		Shenzhen		Kunshan		Taiwan		Mexico		Total	%
		NO. of PPL	%	NO. of PPL	%	NO. of PPL	%	NO. of PPL	%	NO. of PPL	%	NO. of PPL	%		
Male	Production workers	177	4%	67	2%	116	3%	84	4%	153	10%	21	3%	618	4%
	Technical workers	938	19%	626	21%	543	14%	303	16%	683	43%	74	9%	3,167	20%
	Administrative workers	80	2%	32	1%	108	3%	56	3%	102	6%	29	4%	407	3%
	Service workers	1,206	24%	1,185	39%	800	21%	535	28%	32	2%	57	7%	3,815	24%
	Others	2,401	48%	1,910	63%	1,567	41%	978	51%	970	61%	181	22%	8,007	50%
Female	Production workers	87	2%	13	0%	71	2%	35	2%	20	1%	14	2%	240	1%
	Technical workers	653	13%	301	10%	459	12%	208	11%	215	14%	52	6%	1,888	12%
	Administrative workers	184	4%	41	1%	243	6%	97	5%	188	12%	31	4%	784	5%
	Service workers	1,630	33%	746	25%	1,486	39%	602	31%	198	12%	535	66%	5,197	32%
	Others	2,554	52%	1,101	37%	2,259	59%	942	49%	621	39%	632	78%	8,109	50%
Total		4,955	100%	3,011	100%	3,826	100%	1,920	100%	1,591	100%	813	100%	16,116	100%

• Age and Gender

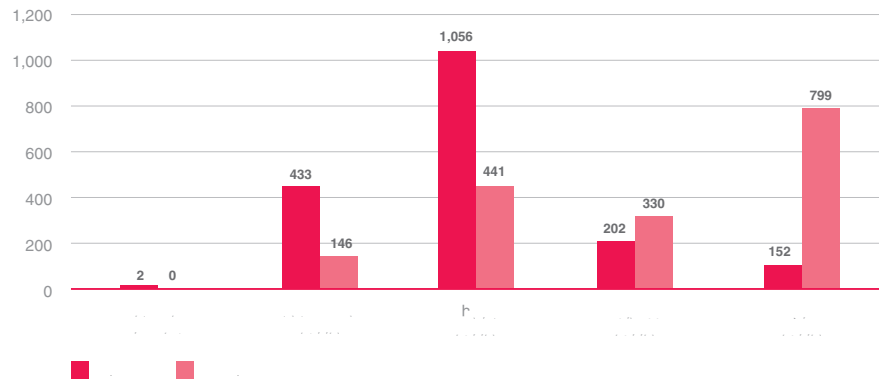
▶ A < 30



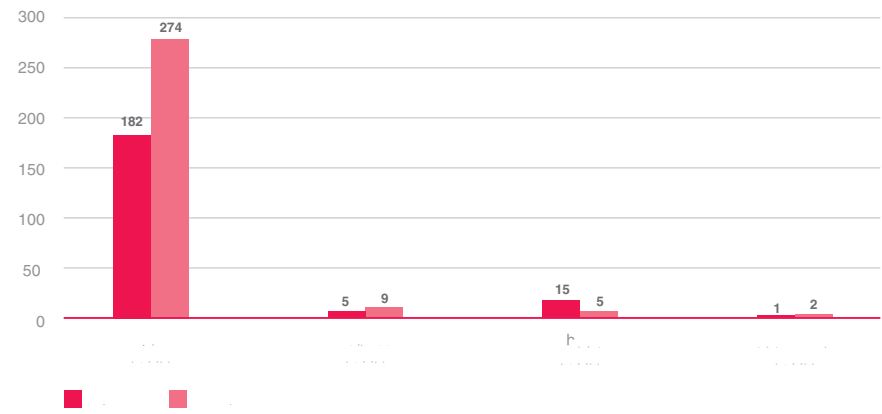
▶ A 50

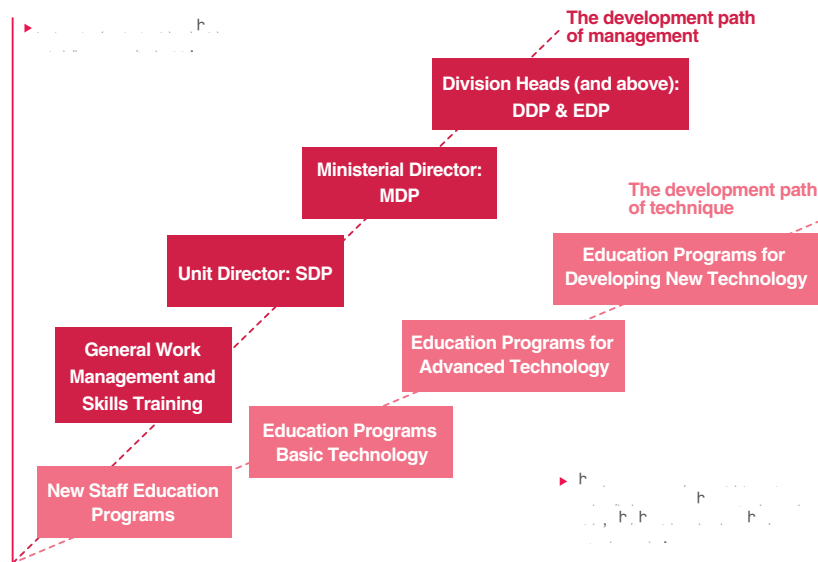


▶ 30 < A < 50

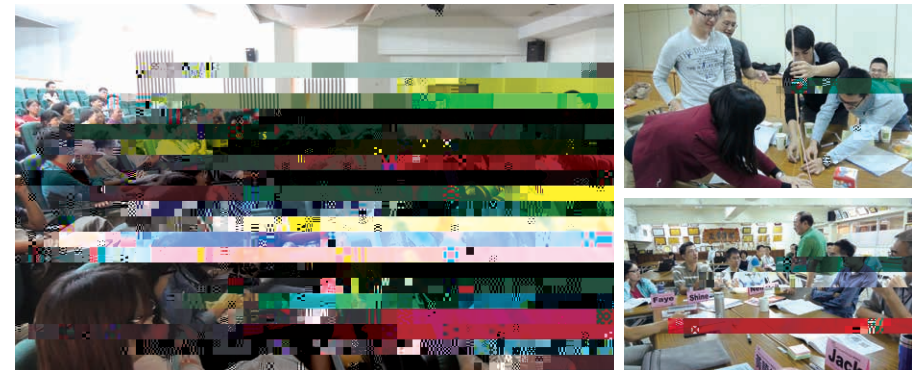


• Minorities





Stage I (G4, G5)	Stage II (G6, G7)	Stage III (G8~ G10)	Stage IV (G11 Above)
<ul style="list-style-type: none"> • New Staff Education Programs • General Work Management and Skills Training • Education Programs Basic Technology 	<ul style="list-style-type: none"> • Unit Director: SDP • Education Programs for Advanced Technology 	<ul style="list-style-type: none"> • Ministerial Director: MDP • Education Programs for Developing New Technology 	<ul style="list-style-type: none"> • Division Heads (and above): DDP & EDP



• **Various Employee Education and Training Courses of USI**

▶ **Orientation training program**

USI provides orientation training for new employees to help them understand the company's culture, values, and policies. The program includes a mix of classroom and on-the-job training. The orientation training program is designed to help new employees understand the company's culture, values, and policies. The program includes a mix of classroom and on-the-job training. The orientation training program is designed to help new employees understand the company's culture, values, and policies. The program includes a mix of classroom and on-the-job training.

▶ **Core Competencies Courses**

USI provides core competencies courses for employees to help them develop the skills and knowledge needed to succeed in their roles. The courses cover a range of topics, including communication, problem-solving, and leadership. The core competencies courses are designed to help employees develop the skills and knowledge needed to succeed in their roles. The courses cover a range of topics, including communication, problem-solving, and leadership.

Employee Performance Appraisal

USI has implemented a performance appraisal system for all employees. The system is designed to evaluate employee performance based on their job responsibilities and competencies. The appraisal process involves a series of steps, including setting performance goals, conducting regular check-ins, and providing feedback. The system is designed to be fair and transparent, and to provide employees with the opportunity to improve their performance. The appraisal process is also used to identify areas for training and development. The system is designed to be a tool for employee development and growth, and to help USI achieve its business objectives.

- The proportion of employees receiving regular performance and function development review based on employee types and gender.

Gender	Hiring Types	Amount of the Employees	No. of Employees accepted Regular Examinations on the Performance and Competence Development	Percentage
Male	Regular	561	561	100%
	Part-time	1,314	1,314	100%
	Contract	254	254	100%
	Others	0	0	0%
Male		2,129	2,129	100%
Female	Regular	226	226	100%
	Part-time	341	341	100%
	Contract	454	454	100%
	Others	1	1	100%
Female		1,022	1,022	100%
Total		3,151	3,151	100%

USI has implemented a performance appraisal system for all employees. The system is designed to evaluate employee performance based on their job responsibilities and competencies. The appraisal process involves a series of steps, including setting performance goals, conducting regular check-ins, and providing feedback. The system is designed to be fair and transparent, and to provide employees with the opportunity to improve their performance. The appraisal process is also used to identify areas for training and development. The system is designed to be a tool for employee development and growth, and to help USI achieve its business objectives.

Salary and Welfare

Salary Management Strategy

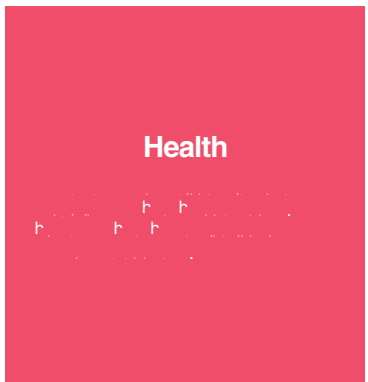
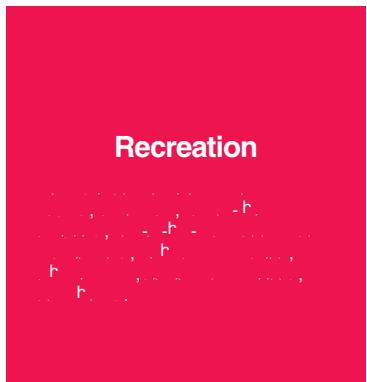
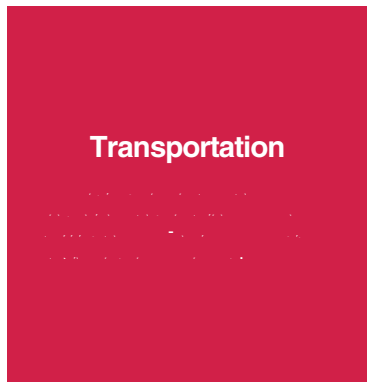
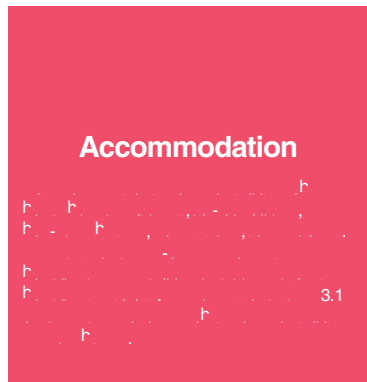
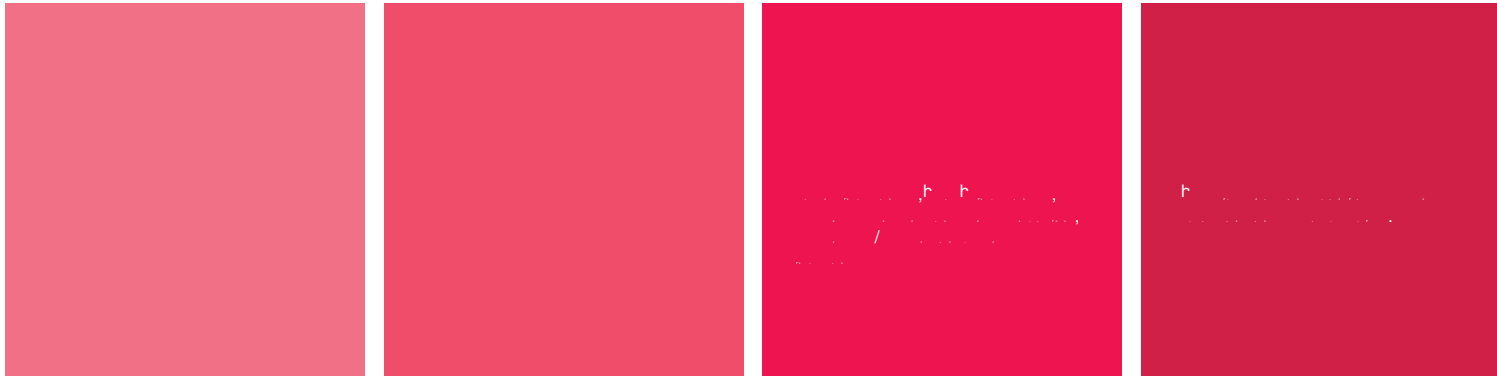
USI has implemented a salary management strategy that is designed to be fair and competitive. The strategy is based on the following concepts: 1. Market-based: USI sets its salary levels based on the market rate for similar positions in the industry. 2. Performance-based: USI sets its salary levels based on employee performance. 3. Job-based: USI sets its salary levels based on the job responsibilities and requirements. 4. Equity-based: USI sets its salary levels based on the principle of equity. The salary management strategy is designed to attract and retain top talent, and to provide employees with a fair and competitive salary. The strategy is also designed to be transparent and to provide employees with the opportunity to improve their performance.

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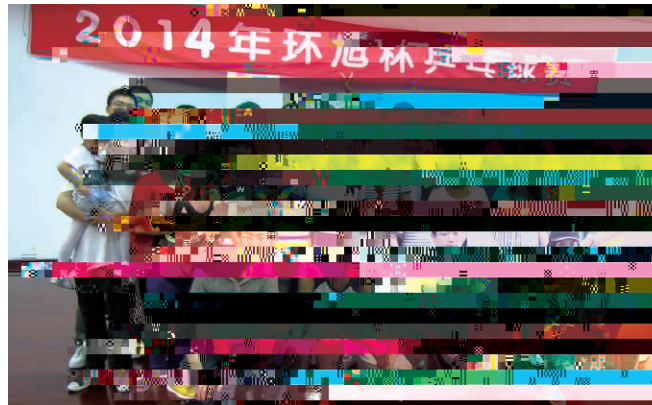
- USI sets up salary systems according to the following concepts

- ▶ Market-based: USI sets its salary levels based on the market rate for similar positions in the industry.
- ▶ Performance-based: USI sets its salary levels based on employee performance.
- ▶ Job-based: USI sets its salary levels based on the job responsibilities and requirements.
- ▶ Equity-based: USI sets its salary levels based on the principle of equity.

• Welfare Systems of USI



• Employee Recreation



SHENZHEN FACILITY



KUNSHAN FACILITY



MEXICO FACILITY

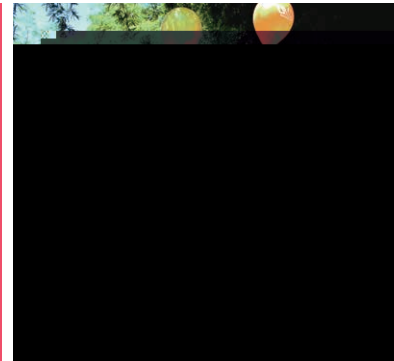


3 Main Axes of the Event

▶ **Axis 1: Employee Care and Cultivation**
 The event was designed to provide employees with a platform to relax and unwind, while also promoting a sense of team spirit and camaraderie. Through various activities, employees were able to strengthen their relationships and improve their overall well-being.

▶ **Axis 2: Social Participation**
 The event also served as a platform for social participation, allowing employees to engage with the community and support local initiatives. Through various activities, employees were able to contribute to the well-being of the community and promote a sense of social responsibility.

▶ **Axis 3: Environmental Sustainability**
 The event was designed to be environmentally friendly, with a focus on reducing waste and promoting sustainable practices. Through various activities, employees were able to learn about environmental issues and take steps to reduce their own carbon footprint.



Health

Number of participants: 9,623 (including family members)

Number of activities: 33

Number of employees: 17

Number of employees: 4.31 (including family members)



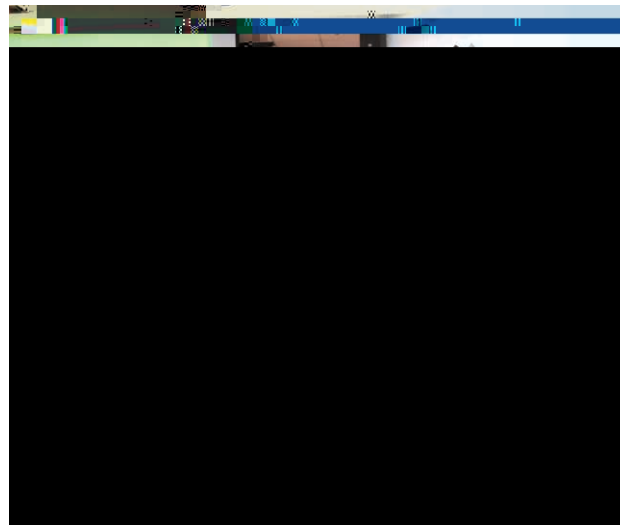
TAIWAN FACILITY



Happiness



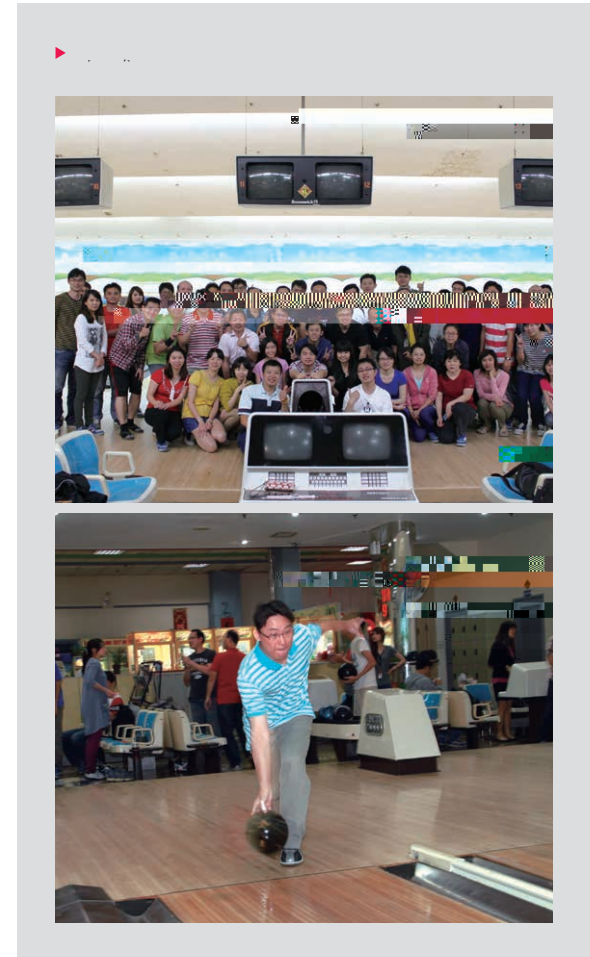
TAIWAN FACILITY

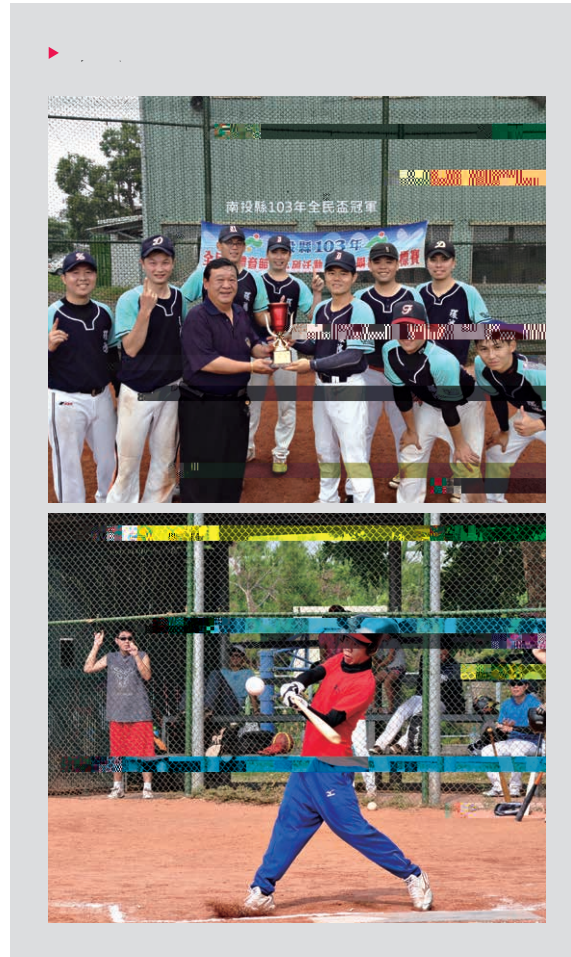


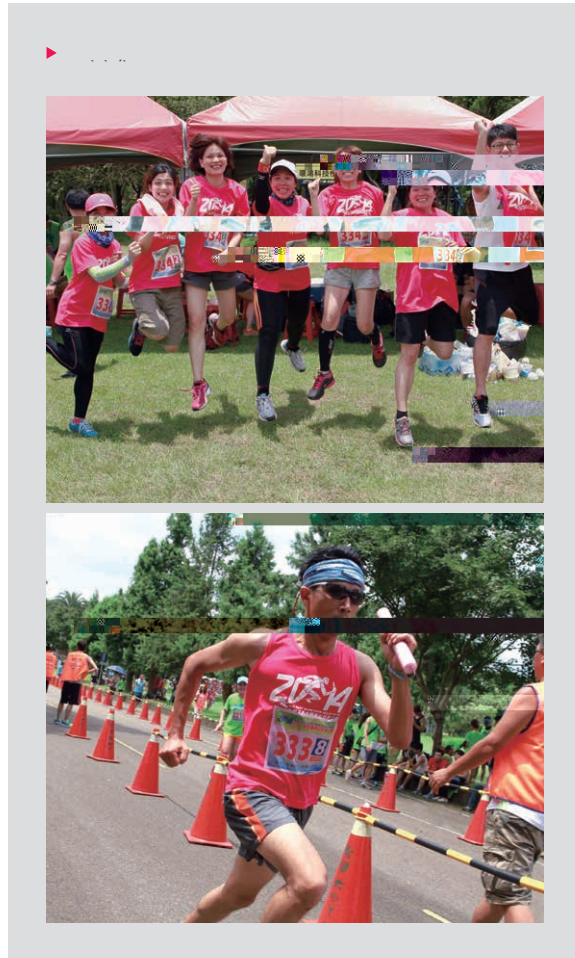
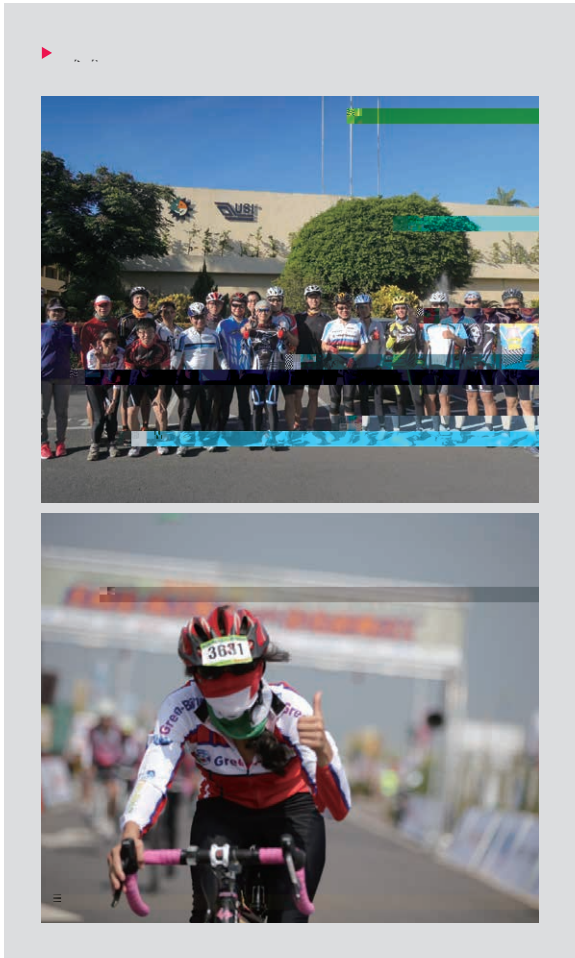
Learning

• To Encourage Employees to Participate in Club Activities (Taiwan Facility)

At the Taiwan Facility, we have established a comprehensive sports club to promote employee health and well-being. The club provides a wide range of activities, including badminton, table tennis, and bowling, all held in a modern, well-equipped sports center. To date, over 20,000 employees have participated in these activities, demonstrating a strong commitment to physical fitness and team building. The club also organizes regular tournaments and social events, fostering a sense of community and camaraderie among staff members. By offering these facilities, we aim to create a supportive work environment that encourages a healthy and active lifestyle for all employees.









• **Employee Insurance and Retirement**

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• Fire Evacuation Drill





06



Customer Service and Supplier Management

USI, the world's leading provider of Design & Manufacturing Services (DMS), has been committed to providing professional services and fine-quality products since its inception and fulfilling various needs of customers. Besides its advanced R&D capabilities and manufacturing process, USI offers each customer a comprehensive package that includes services ranging from product design to distribution. The company's worldwide manufacturing bases also ensure immediate and flexible on-site support, both technologically and logistically.



Customer Service and Supplier Management

Customer Service and Satisfaction

Customer service and satisfaction are key factors in the success of a business. It involves understanding customer needs, providing timely and effective solutions, and ensuring a positive customer experience. This includes handling complaints, providing product information, and offering personalized service. Customer satisfaction is measured by the extent to which customers' expectations are met or exceeded.

Customer Service

Customer service is the assistance and support provided to customers before, during, and after their purchase. It is a critical component of a company's reputation and can significantly impact customer loyalty and repeat business. Effective customer service involves listening to customer feedback, resolving issues promptly, and providing a high level of service. This can be achieved through various channels, including phone, email, and in-person interactions.

• All-Encompassing After-Sales Service

USI has established a comprehensive after-sales service system to ensure customer satisfaction and loyalty. This system includes technical support, RMA services, and spare parts management. The goal is to provide prompt and effective solutions to any issues that may arise during the product's lifecycle. USI's commitment to quality and customer service is reflected in its extensive network of service centers and trained technicians across various global markets.

• Categories of USI After-Sales Services

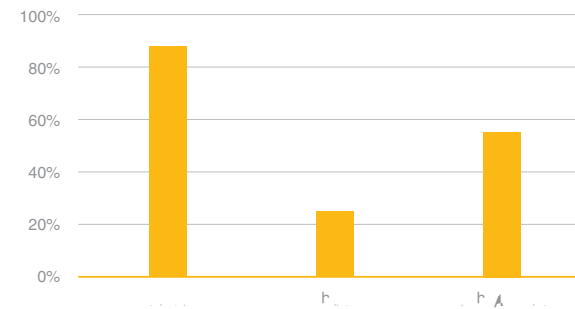


Supply Chain Management

The Suppliers of USI

USI has implemented a robust supply chain management strategy to ensure the quality and reliability of its products. In 2014, USI sourced 1,200 suppliers, with 87% being local suppliers. The company maintains a diverse supplier base to mitigate risks and ensure timely delivery of materials. USI's procurement process is transparent and fair, fostering long-term relationships with its suppliers. The company also focuses on sustainable sourcing practices to minimize its environmental footprint.

• Percentage of Local Suppliers at All Facilities



• Number of Suppliers and Percentage of Transaction Amount at All Facilities

Facility	Zhangjiang	Jinqiao	Shenzhen	Kunshan	Taiwan	Mexico
Number of Suppliers	473	60	749	538	383	130
Percentage of the Transaction Amount	47%	1%	30%	14%	5%	4%

Supplier Management and Communication

As a leading manufacturer of high-quality products, we understand the importance of our suppliers in ensuring the quality and reliability of our products. We have established a robust supplier management system that focuses on building long-term, mutually beneficial relationships with our suppliers. This system includes regular communication, performance evaluation, and collaborative problem-solving to address any challenges that may arise.

Our supplier management process involves several key steps: selection, evaluation, and development. We carefully select suppliers based on their quality, reliability, and ability to meet our requirements. Once selected, we conduct regular evaluations to ensure they continue to meet our standards. We also provide support and resources to help our suppliers improve their performance and efficiency.

At the end of 2014, we had a total of 1,234 suppliers, with 92.31% of them being long-term partners. This high percentage of long-term partners is a testament to the quality and reliability of our supplier base. We have also implemented a supplier development program that provides training and resources to help our suppliers improve their performance and efficiency. This program has resulted in significant improvements in our suppliers' quality and reliability, which has in turn led to improved customer satisfaction and loyalty.

Our supplier management system is designed to be flexible and adaptable to changing market conditions. We regularly review our supplier management process and make adjustments as needed to ensure it remains effective and efficient. We believe that our supplier management system is a key factor in our success as a leading manufacturer of high-quality products.

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2014. 2014, 2015, 2014.

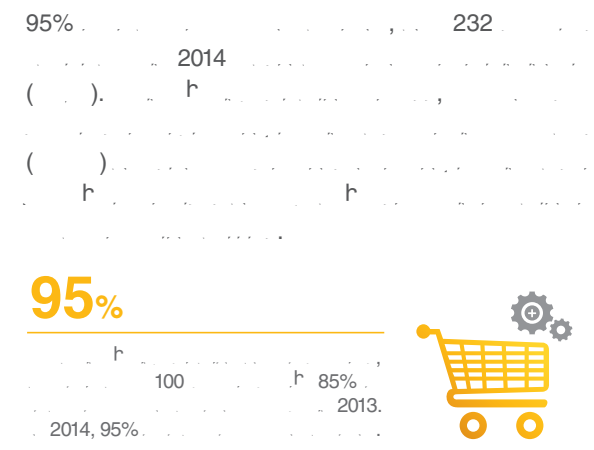
Facility	Number of suppliers with potential negative impact				Identifying items with impact				Proportion of suppliers which have made improvement after evaluation			
	Zhangjiang	Shenzhen	Kunshan	Taiwan	Zhangjiang	Shenzhen	Kunshan	Taiwan	Zhangjiang	Shenzhen	Kunshan	Taiwan
Environment	3	5	5	2					0%	60%	100%	40%
Human Rights	4	4	5	2					0%	60%	100%	40%
Labor	5	5	5	4					0%	60%	100%	80%

Conflict Minerals Management and Investigation

Conflict Minerals Management and Investigation

2011. 2012, 2013, 2014.

2011. 2012, 2013, 2014.





07



Social Participation

Under the three pillars of "Invest in education", "Promote artistic events" and "Contribute to the community". Such efforts have won USI recognitions as well as a wide range of awards, a sign of successful participation in public issues.

- **Sponsorship of the Taiwan Literacy and Culture Foundation (Taiwan Facility)**

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- Sponsorship of the Literature Award for Chinese-Speaking Students around the World (Taiwan Facility)

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Promote Artistic Events

Cloud Gate Dance Theatre (Taiwan Facility) is a leading contemporary dance company in Taiwan. It has been performing internationally since its establishment in 1975. The company has received numerous awards and recognition for its innovative and artistic performances. In 2014, the company performed "The Cloud Gate" at the National Sun Yat-sen Memorial Hall in Taipei, Taiwan. The performance was highly praised for its unique style and storytelling.

- Sponsorship of the Annual Autumn Tour of Cloud Gate Dance Theatre (Taiwan Facility)



- ▶ 2014 雲門舞集：2005
- ▶ 2013 雲門舞集：2005
- ▶ 2012 雲門舞集：2005
- ▶ 2011 雲門舞集：2005
- ▶ 2010 雲門舞集：2005
- ▶ 2009 雲門舞集：2005
- ▶ 2008 雲門舞集：2005
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Sponsored Projects

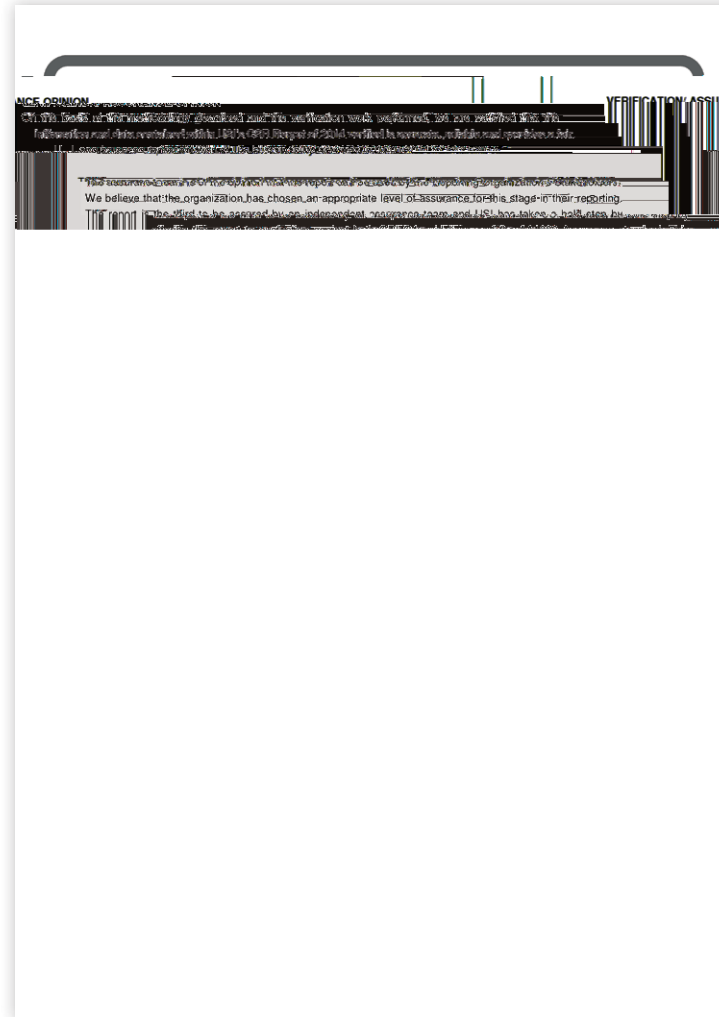
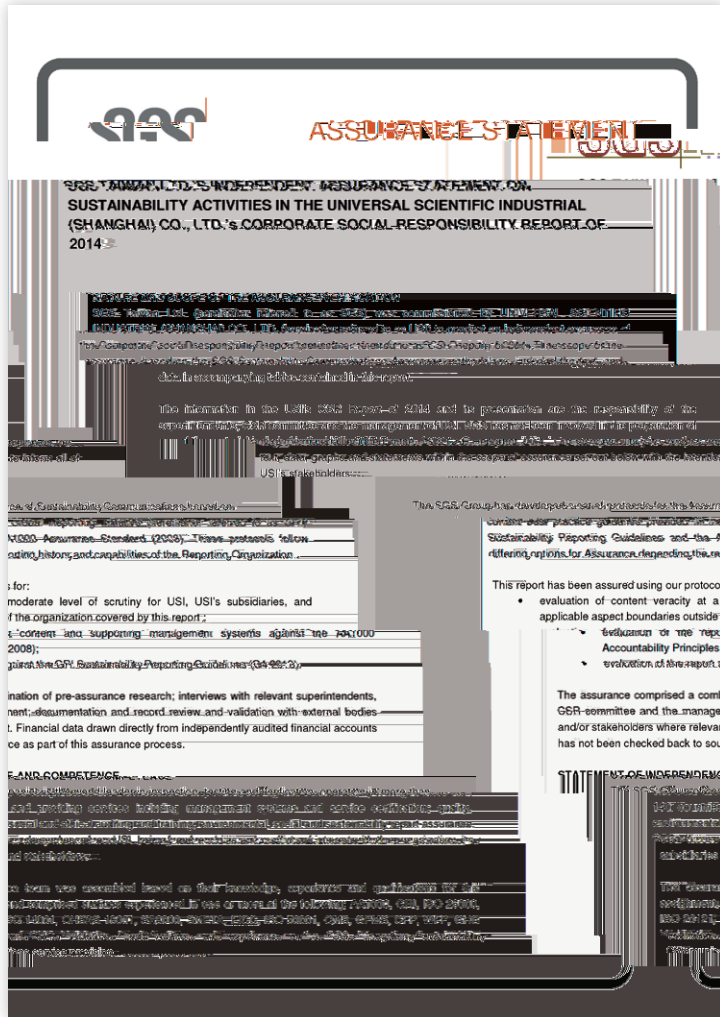
- 2014 雲門舞集：2005
- 2013 雲門舞集：2005
- 2012 雲門舞集：2005
- 2011 雲門舞集：2005
- 2010 雲門舞集：2005
- 2009 雲門舞集：2005
- 2008 雲門舞集：2005
- 2007 雲門舞集：2005
- 2006 雲門舞集：2005
- 2005 雲門舞集：2005

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Contribute to the Community

Third Party Assurance Statement



GRI Index

- General Standard Disclosures

Standard Disclosures	Chapter	Page	Additional Illustration	External Assurance Page
Strategy and Analysis				
4-1		4		90
Organization Profile				
4-3		15		90
4-4		15		90
4-5		15		90
4-6		15		90
		16		
4-7		15		90
4-8		16		90
4-9		15		90
		16		
4-10		41		90

	Standard Disclosures	Chapter	Page	Additional Illustration	External Assurance Page
4-10	<p>h</p> <p>h</p> <p>h h h h</p> <p>h</p> <p>h h</p>		41		90
4-11	h	h	50	A	90
4-12	h h	h	74		90
4-13	h h h		19	A, 2014, (h h) h h (h h) (h h)	90
4-14	h h h h h		25		90
4-15	h h h h h		12		90
4-16	h (h)		13		90

Management Approach & Indicators	Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Environmental Category					
4-1	...	35			90
4-1	...	35	...		90
4-3	...	36			90
4-3	...	36			90
4-5	...	37			90
4-6	...	37			90
4-7	...	29			90
4-8	...	38			90
4-8	...	38			90
4-10	...	38			90
4-15	...	35			90
4-15	...	35			90

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Management Approach & Indicators	Chapter	Page	Additional Illustration	Omissions	External Assurance Page
4-18 (b) (1)		35			90
4-19 (b) (1)					

Management Approach & Indicators	Chapter	Page	Additional Illustration	Omissions	External Assurance Page
4- 30	4- 30	25			90
4- 31	4- 31	34			90
4- 32	4- 32	75			90
4- 33	4- 33	76			90
4- 34	4- 34	75			90
4- 34	4- 34	34			90
4- 34	4- 34	75			90
Labor Practices and Decent Work Category					
4- A1	4- A1	41			90
4- A1	4- A1	45			90

Management Approach & Indicators	Chapter	Page	Additional Illustration	Omissions	External Assurance Page
4- A2	h	51	h		90
4- A3	h	46			90
4- A4	h	41			90
4- A4	h	41	A		90
4- A5	h &	63			90
4- A6	h &	64			90
4- A7	h	46			90
4- A9	h	48			90
4- A10	h	46			90
4- A11	A	49			90

Management Approach & Indicators	Chapter	Page	Additional Illustration	Omissions	External Assurance Page
Corporate Governance	Chapter 4	41			90
Environmental Sustainability	4- A12	42			90
Employee Care and Cultivation	Chapter 4	49			90
Customer Service and Supplier Management	4- A13	50			90
Social Participation	Chapter 4	75			90
Corporate Governance	4- A14	75			90
Environmental Sustainability	4- A15	76			90
Employee Care and Cultivation	Chapter 4	75			90
Customer Service and Supplier Management	4- A16	75	h 2014.		90

Management Approach & Indicators	Chapter	Page	Additional Illustration	Omissions	External Assurance Page
4-1	4-1	41			90
4-2	4-2	47			90
4-3	4-3	41	h 2014.		90
4-4	4-4	75	h 2014.		90

Management Approach & Indicators	Chapter	Page	Additional Illustration	Omissions	External Assurance Page
<p>Management Approach & Indicators</p> <p>4-5</p>	Chapter 4	41			90
	Chapter 5	75			90
	Chapter 4	41			90
	Chapter 5	75			90
	Chapter 4	41			90
	Chapter 5	75			90
<p>Management Approach & Indicators</p> <p>4-6</p>	Chapter 4	41			90
	Chapter 5	75	h 2014.		90
	Chapter 6	75			90
<p>Management Approach & Indicators</p> <p>4-9</p>	Chapter 4	6			90
	Chapter 9	6			90
	Chapter 12	12			90

Management Approach & Indicators	Chapter	Page	Additional Illustration	Omissions	External Assurance Page
A	4-10	75			90
	4-11	76			90
	4-12	75			90
Society Category					
A	4-1	79			90
	4-3	21			90
	4-3	21			90
	4-4	22			90

Management Approach & Indicators	Chapter	Page	Additional Illustration	Omissions	External Assurance Page
...	...	22			90
4- 8	...	22			90
...	...	75			90
4- 9	...	75			90
4- 10	...	76			90
Product Responsibility Category					
...	...	72			90
4- 1		90
4- 2	...	72			90

