

2023

UNIVERSAL
MICROELECTRONICS
CO., LTD.



SUSTAINABILITY
REPORT

CONTENTS

0. PREFACE

About This Report	4
Message from the Chairman	6
2023 ESG Performance Highlights	7

1. CONCERN FOR STAKEHOLDERS

1.1 Stakeholder Identification and Communication	9
1.2 Material Topic Identification and Analysis	15

2. SINCERE UMEC

2.1 Get to Know UMEC	20
2.2 Corporate Governance	24
2.3 Operating Performance	34
2.4 Integrity and Compliance	38
2.5 Risk Management	42
2.6 Cybersecurity Risk Management	43

3. PROFESSIONAL SERVICES

3.1 Major Products and Services	49
3.2 Product Quality Management	53
3.3 Supply Chain Management	61

4. SUSTAINABLE ENVIRONMENT

4.1 Task Force on Climate-Related Financial Disclosures	68
4.2 Sustainable Environment and Resource Management	71
4.3 Water Usage Situation	75
4.4 Waste Management	76

5. SOCIAL CO-PROSPERITY

5.1 Talent Composition	81
5.2 Talent Development	84
5.3 Employee Benefits and Compensation	86
5.4 Safe Workplace	92
5.5 Caring for Society	100

6. APPENDIX

Appendix I: GRI Sustainability Reporting Standards (GRI Standards) Comparison Table	103
Appendix II: Sustainability Accounting Standards Board (SASB) Index	112
Appendix III: Taiwan Stock Exchange "Operating Procedures for the Preparation and Declaration of Sustainability Reports for Listed Companies"	114
Appendix IV: Climate-Related Information for Listed Companies	115
Appendix V: Management System Certification	118



CHAPTER

0

PREFACE

About This Report	4
Message from the Chairman	6
2023 ESG Performance Highlights	7

About This Report

This report is the second "Sustainability Report" issued by Universal Microelectronics Co., Ltd. (hereinafter referred to as "UMEC," "the Company," or "we"). Through the issuance of this report, the Company transparently discloses its sustainability actions and performance in three major areas: environment, society and corporate governance, allowing stakeholders to understand UMEC's efforts and determination for continuous improvement in corporate sustainable development and social responsibility practices.

The scope included in this report:

Company Name	Consolidated Financial Report Entity	Main Business Activities
Universal Microelectronics Co., Ltd. Taichung headquarters and Manufacturing Plant No. 2	Yes	Manufacturing and sales of electromagnetic components, switch-mode power supplies, information communication products, and optical communication products.

Not included in the scope of the report

Company Name	Consolidated Financial Report Entity	Main Business Activities
Tianlong Investment Limited	Yes	Professional investment and holding company.
UMEC Investment Co., Ltd.	Yes	Professional investment and holding company.
PT UMEC Green Tech Indonesia	Yes	Promotion and sale of electronic components.
Advanced Radar Technology Co.,Ltd.	Yes	Manufacturing and trading of electronic components.
UMEC USA, Inc.	Yes	Expanding into the U.S. and Canadian markets; subsidiaries established for the research and sales of electromagnetic components.
UMEC JAPAN CO., Ltd.	Yes	Promotion and sale of switch-mode power supplies, transformers, and circuit board assembly.
UMEC (H.K.) Company Ltd.	Yes	Establishment of a Hong Kong office to handle export shipping affairs to mainland China.
Global Development Company Ltd.	Yes	Overseas investment and holding company.
Jialong Technology (Shenzhen) Limited Company	Yes	Production of electromagnetic components, power supplies, information communication products, and optical communication products.
Fulong Electronics (Longyan) Co., Ltd.	Yes	Production of electromagnetic components and power supplies.
Universal Microelectronics (Vietnam) Limited Liability Company	Yes	Production of electromagnetic components, power supplies, information communication products, and optical communication products.

Report Boundary Scope

The data and content disclosed in this report primarily pertain to the year 2023 (from January 1, 2023, to December 31, 2023), with some data also reflecting instances from before and after 2023.

The scope of the report covers operations in Taiwan (Taichung headquarters and Manufacturing Plant No. 2), with no material differences compared to 2022. Any additional relevant reporting scope will be explained in the report text.

■ Report Preparation Basis

This report's structure refers to the Universal Standards 2021 published by the GRI Association in 2021 as a reference basis for information disclosure. It aligns with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," the Task Force on Climate-related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB) standards for preparation.

■ Internal and External Management of the Report

Sustainability Report	- The data and information in this report are provided by various departments of the headquarters and compiled by members of the sustainability report preparation team. After review and revision by senior executives, the final version is submitted for approval by the Chairman before publication. It has not yet been verified by an external assurance provider. - In addition to referencing the GRI's materiality disclosure principles, the Company prepares the report with rigorous standards, continually improving the data collection process and quality year by year.
Financial Data	The statistical data disclosed in the report comes from the Company's own statistics and surveys. Financial data is sourced from the audited financial annual report information, certified by the accounting firm Ernst & Young, calculated in New Taiwan Dollars.
Environmental Data	Environmental, health, and safety-related performance is presented using the internationally recognized ISO 14064: Greenhouse Gas Inventory Standard. Some data is referenced from publicly available information published on government agency websites, and is presented in commonly used numerical description formats. If any estimates are involved, they will be noted in the relevant sections.
Management System	- The Company's management systems include the following: » ISO 9001:2015: Quality Management System » IECQ QC 080000: Hazardous Substance Process Management System » IATF 16949:2016: Quality Management System for the Automotive Industry » ISO 14001: Environmental Management System » ISO 45001: Occupational Health and Safety Management System Certification - All of the above management systems have completed external audits and certifications. For related certifications, please refer to Appendix Five: Management System Certifications.

■ Report Issuance Date

This is the second sustainability report prepared by Universal Microelectronics Co., Ltd. The Company will regularly issue the "Sustainability Report."

- Previous issuance: December 2023.
- Current issuance: November 2024.

■ Report Contact Information

If you have any questions, guidance, or suggestions regarding this report, please contact us. Additionally, in response to environmental concerns and to promote paperless practices, this report is available in electronic format on UMEC's official website, allowing stakeholders and the public to access the sustainability report through the download link.

Contact Window	MAR, JONG-JYR, Associate Director
Contact Phone	(04) 235-900-96 Ext. 1200
Contact Email	kevin_mar@umec.com.tw
Report Download Link	https://www.umec.com.tw/CorporateSocialResponsibility



Message from the Chairman



Chairman

OU, CHENG-MIN

The worsening climate change has led to heavy rains, landslides, and the spread of wildfires, indicating a serious acceleration in global warming. The urgent need for companies to reduce carbon emissions is clear. The global trend aims for net-zero greenhouse gas emissions by 2050 to limit warming to below 1.5° C. UMEC has gradually replaced lighting equipment, added frequency conversion equipment to various facilities, replaced some exhaust motors with variable frequency motors and other energy-saving measures, and used solar panels to generate electricity, reducing outsourcing of electric energy to reduce greenhouse gas emissions.

UMEC will adhere to the principles of quality production, occupational safety, environmental protection, and energy conservation. The company aims to continuously improve and develop electromagnetic, power, information communication, and optical communication components to achieve green environmental goals and protect environmental resources. They will gradually upgrade production equipment to enhance efficiency and reduce energy consumption while implementing monitoring and management for high-energy-consuming machinery. The company also considers reducing carbon emissions and promoting green energy in product development, fulfilling its responsibility to create a better living environment for future generations.

2023 ESG Performance Highlights



Environmental Aspects

- In 2023, energy-saving measures achieved a reduction of 1,030,229 kW.
- Greenhouse gas emissions were reduced by approximately 11.58%.
- Water reuse rate reached 16.33%.
- A total of 13,410 tons of non-hazardous waste were recycled.



Social Aspects

- Employed 764 employees, with 55% being women.
- Employee turnover decreased by 18% from 2022.
- Hired 12 employees from underrepresented groups.
- Training involved 764 employees, totaling 4,961 hours.
- Each department's hazard identification risk was classified as below moderate risk, with no medium to high-risk incidents reported.
- Donated NT\$2,183,000 for public welfare.



Governance Aspects

- Four board members served less than three terms; one is an independent director.
- Governance training totaled 12 hours.
- The company did not experience any major penalties and did not violate environmental protection, occupational safety and health, or labor standards laws.
- Ten board members participated in insider trading prevention.
- 100% participation in information security training for new employees.
- Information security awareness training course had 88 participants, with a completion rate of 73.86%.
- Conducted six phishing simulation exercises with over 700 participants.



CHAPTER

1

CONCERN FOR STAKEHOLDERS

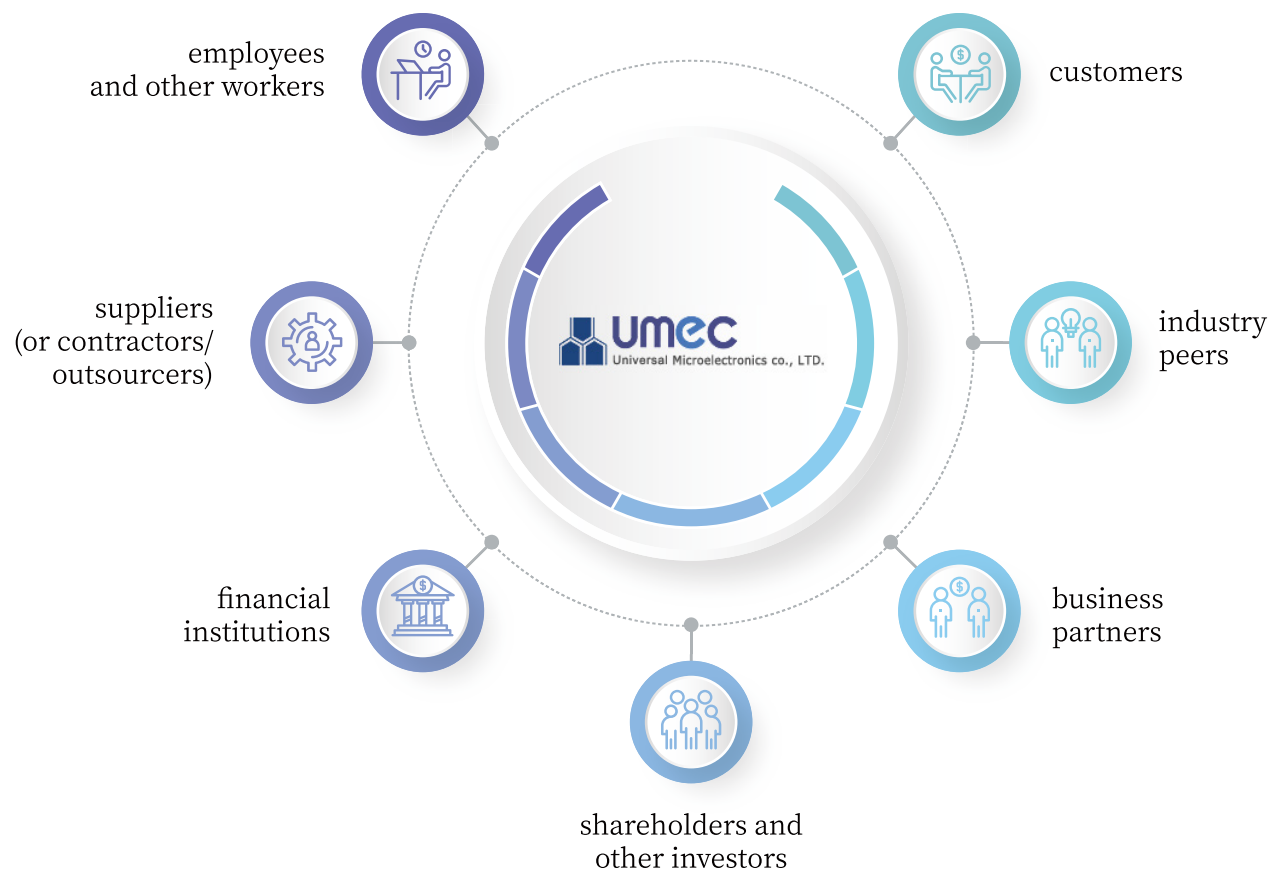
1.1 Stakeholder Identification and Communication	9
1.2 Material Topic Identification and Analysis	15

CONCERN FOR STAKEHOLDERS

1.1 Stakeholder Identification and Communication

The company identifies potential stakeholders based on the GRI guidelines, which include business partners, social welfare organizations, consumers, customers, employees and other workers, government, local communities, NGOs, shareholders, investors, suppliers, associations, and underrepresented groups. External experts rank these stakeholders by assessing actual and potential negative impacts and positive influences. Stakeholders with a total score greater than 10, along with insights from the 2022 assessment, are identified as important for the 2023 sustainability report.

The company prioritizes seven categories of stakeholders: employees and other workers, customers, industry peers, business partners, shareholders and other investors, financial institutions, and suppliers (or contractors/outsourcers).



CONCERN FOR STAKEHOLDERS

Stakeholder communication channels

Stakeholders	Meaning to the Company	Concerns	Communication Channels	Frequency	Communication Effectiveness
Employees and other workers	Employees are the backbone of UMEC sustainable operations and driving force behind its continuous growth. The company actively establishes a work environment that values human rights and is free from discrimination and harassment, adhering to the principles of merit-based hiring and appropriate placement. This approach fosters mutual trust and respect between employees and the company, allowing each individual to thrive in a supportive environment.	- Occupational safety and health, training and education - Regulatory compliance - Labor and employment relations - Corporate governance - Economic performance - Waste management - Customer health and safety (product safety standards) - Customer privacy (information security) - Labor relations - Employee diversity and equal opportunity - Non-discrimination - Forced and compulsory labor - Freedom of association and collective bargaining	- Dedicated email - Phone hotline - Website - Labor negotiation meetings - Written submissions/in-person communication	- Immediate - Irregular - Irregular - Quarterly - Irregular	- Regular labor-management communication meetings are held quarterly, with a total of four meetings in 2023. - Employees can send written feedback to the management department or directly to the top supervisor. They can also communicate their opinions in person to any management supervisor. No employee complaints occurred in 2023.
Customers	UMEC offers a comprehensive service system that meets customer needs in line with market trends. The company focuses on mass production to lower costs while ensuring product quality, providing the best prices and quality to customers. UMEC emphasizes "care" to understand customer needs, "professionalism" to drive business innovation, and "sincerity" to gain social trust, delivering reliable services to meet customer expectations.	- Economic performance - Customer health and safety (product safety standards) - Customer privacy (information security) - Waste management - Occupational safety and health, training, and education - Marketing and labeling (sales and product labeling laws) - Financial impacts of climate change - Information security - Product innovation - Social welfare	- Customer satisfaction survey - Customer complaint handling procedures	- Annually - Immediate	- Customer satisfaction has remained above 80 for three consecutive years. - Response and resolution time targets are set based on the types of customer complaints to enhance customer satisfaction with UMEC's services.

CONCERN FOR STAKEHOLDERS

Industry peers	Although industry peers are competitors, they also represent collaborative opportunities, convey market dynamics, and set industry standards and regulations. There are direct(or indirect) impacts between business and development on UMEC.	▪ Supplier environmental assessment ▪ Energy ▪ Marketing and labeling (sales and product labeling laws) ▪ Financial impacts of climate change ▪ Market position ▪ Emissions ▪ Materials (including recycling) ▪ Labor relations ▪ Water and wastewater ▪ Public policy	▪ Customer visits and meetings	▪ Irregular	The company gathers competitor information through joint customers, procurement, suppliers, agents, and R&D exchanges. This helps understand market demands and product development directions, accurately grasping end-market needs to meet customer expectations and gain more market share among peers.
Business partners	Ensure regulatory compliance.	▪ Occupational safety and health, training, and education ▪ Customer health and safety (product safety standards) ▪ Customer privacy (information security) ▪ Marketing and labeling (sales and product labeling laws) ▪ Supplier environmental assessment ▪ Energy ▪ Market position ▪ Financial impacts of climate change ▪ Taxation ▪ Public policy ▪ Freedom of association and collective bargaining ▪ Security practices	▪ Public Information Observation Station	▪ Irregular	Announce the company's financial and corporate governance information on the Public Information Observation Station and the company's official website.

CONCERN FOR STAKEHOLDERS

Shareholders and investors	Shareholders and investors are crucial supporters of the company's operations, providing funding and oversight for sustainable growth. UMEC values shareholder opinions and has established a spokesperson system and investor relations contact to enhance the timeliness and transparency of information disclosure, protecting investor rights.	▪ Economic performance ▪ Occupational safety and health, training, and education ▪ Regulatory compliance ▪ Corporate governance ▪ Waste management ▪ Marketing and labeling (sales and product labeling laws) ▪ Customer health and safety (product safety standards) ▪ Financial impacts of climate change ▪ Market position ▪ Emissions ▪ Social welfare ▪ Materials (including recycling) ▪ Indirect economic impacts ▪ Supplier social assessment ▪ Labor relations ▪ Anti-competitive behavior ▪ Water and wastewater ▪ Taxation ▪ Anti-corruption ▪ Employee diversity and equal opportunity ▪ Public policy ▪ Non-discrimination ▪ Biodiversity ▪ Freedom of association and collective bargaining ▪ Local communities ▪ Child labor ▪ Indigenous rights	▪ Shareholders' meeting ▪ Spokesperson contact channels ▪ Public Information Observation Station ▪ Company website ▪ Phone and email	▪ Annually ▪ Irregular ▪ Irregular ▪ Permanent ▪ Permanent	1. The annual shareholders' meeting was held once in 2023. 2. Shareholder suggestions, inquiries, and disputes are addressed through the spokesperson channel, with responses provided via phone or email. 3. The company announces financial and corporate governance information on the Public Information Observation Station and the official company website.
----------------------------	--	---	--	--	--

CONCERN FOR STAKEHOLDERS

Financial institutions	Financial institutions are an important source of funding for the company. Continuous and close communication ensures that partner banks fully understand the company's operational status.	▪ Economic performance ▪ Regulatory compliance ▪ Corporate governance ▪ Occupational safety and health, training, and education ▪ Financial impacts of climate change ▪ Market position ▪ Indirect economic impacts ▪ Labor relations ▪ Taxation ▪ Anti-corruption ▪ Anti-competitive behavior ▪ Public policy ▪ Forced and compulsory labor ▪ Child labor ▪ Security practices ▪ Indigenous rights	▪ Public Information Observation Station ▪ Company website ▪ Phone, fax, email	▪ Irregular ▪ Permanent ▪ Permanent	1. Announce the company's financial and corporate governance information on the Public Information Observation Station and the official company website. 2. Engage in irregular exchanges with banking institutions.
Suppliers (or contractors/outsourcers)	Our product production relies on stable support from numerous suppliers.	▪ Economic performance ▪ Procurement practices ▪ Occupational safety and health, training, and education ▪ Supplier environmental assessment ▪ Regulatory compliance ▪ Waste management ▪ Financial impacts of climate change ▪ Market position ▪ Supplier social assessment ▪ Labor relations ▪ Public policy ▪ Non-discrimination ▪ Security practices ▪ Forced and compulsory labor ▪ Freedom of association and collective bargaining ▪ Child labor ▪ Indigenous rights	▪ Email ▪ Phone hotline ▪ Questionnaire completion	▪ Immediate ▪ Immediate ▪ Irregular ▪ Irregular	1. Comply with quality management systems, environmental safety systems, and safety certification evaluations, conducting annual on-site audits for 15 companies. 2. Implement green procurement management principles through an electronic procurement system and reduce packaging materials in the supply chain to minimize negative environmental impacts.

CONCERN FOR STAKEHOLDERS

Stakeholder Contact Window

UMEC places great importance on stakeholder rights and opinions, establishing multiple communication channels. In addition to providing information on corporate sustainability and social responsibility, the company seeks to understand stakeholder concerns to assess and improve performance. Under management's leadership, each issue is systematically managed to collect information, communicate, and respond effectively to stakeholder topics.

Employee Contact Window	MAR, JONG-JYR, Associate Director (Spokesperson)
Complaint Email	kevin_mar@umec.com.tw
Communication Hotline	(04)235-900-96 Ext.1200
Dedicated Webpage	Employees can refer to the company's internal service webpage for relevant regulations, procedures, and other announcements. For related feedback, please contact the management department.

Investor Contact Window	MAR, JONG-JYR, Associate Director (Spokesperson)	YEN, HWEI-FANG (Deputy Spokesperson)	Shareholder Information	PRESIDENT SECURITIES CORPORATION
Complaint Email	kevin_mar@umec.com.tw	felicia@umec.com.tw	Contact Window	Shareholder Services Department
Communication Hotline	(04)235-900-96 Ext.1200	(04)235-900-96 Ext.1601	Contact Address	Basement Level 1, No. 8 Dongxing Road, Songshan District, Taipei City
			Contact Phone	(02)274-637-97
			Contact Website	http://www.pscnet.com.tw

Customer Contact Window	Miss Hsu	Supplier Contact Window	Mr. Wen	Non-Investor Contact Window	MAR, JONG-JYR, Associate Director (Spokesperson)
Complaint Hotline	(04)235-900-96 Ext.1705			Communication Hotline	(04)235-900-96 Ext.1200
Complaint Email	Maxine@umec.com.tw	Complaint Email	hewit@umec.com.tw	Complaint Email	kevin_mar@umec.com.tw

CONCERN FOR STAKEHOLDERS

1.2 Material Topic Identification and Analysis

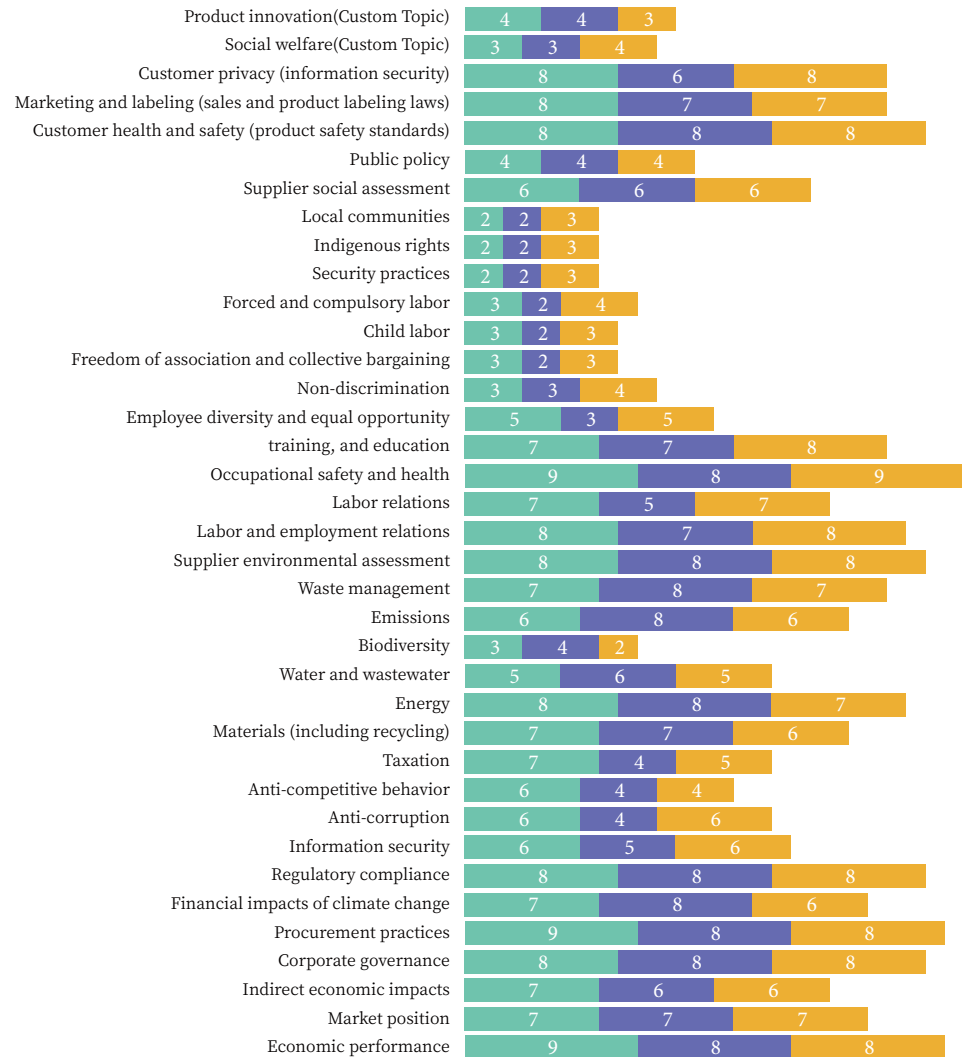
The selection of the material topics is based on the GRI Standards and SASB Standards, with input from company representatives, department heads, and external experts. These individuals identify the actual or potential negative impacts and positive influences of the company on the environment, society (people and human rights), and governance. To ensure that the information disclosed in the report meets the needs of stakeholders, four key steps are taken: "understanding the organizational context," "identifying the actual and potential impacts of sustainability issues," "assessing the significance of those impacts," and "prioritizing the reporting of the most significant impacts." These steps are used to determine the key sustainability topics.

STEP 1 Understanding Organizational Context	Based on GRI theme guidelines, SASB standards, and the FSC's sustainable disclosure indicators, a total of 37 sustainability topics were compiled.
STEP 2 Identifying Actual and Potential Impacts	External experts assess the actual or potential negative impacts and positive effects of the company's sustainability topics on the economy, environment, and society (people and human rights). Scores for actual negative impacts, potential negative impacts, actual positive impacts, and potential positive impacts are summed for each topic. Those with a total score greater than 30 are considered material topics for the company.
STEP 3 Assessing Impact Significance	External experts meet with various departments to discuss the significance and likelihood of the issues based on past operational experiences. Ultimately, 13 topics are selected as the company's material sustainability issues.
STEP 4 Prioritizing Reporting on the Most Significant Impacts	The analysis of material sustainability issues is evaluated by external experts in conjunction with various departments. The 13 material topics are consolidated into 12 management policy contents. The results are then presented for approval by the ESG Promotion Committee and reported to the board of directors, facilitating communication and responses to stakeholders through the sustainability report.

The company has identified 13 material topics, which are: Economic performance, Procurement practices, Occupational safety and health, training, and education, Supplier environmental assessment, Customer health and safety (product safety standards and quality), Energy, Regulatory compliance, Labor and employment relations, Corporate governance, Waste management, Customer privacy (information security), Marketing and labeling (sales and product labeling laws).

Results of Material Topic Identification

Positive Impacts of Material Topics



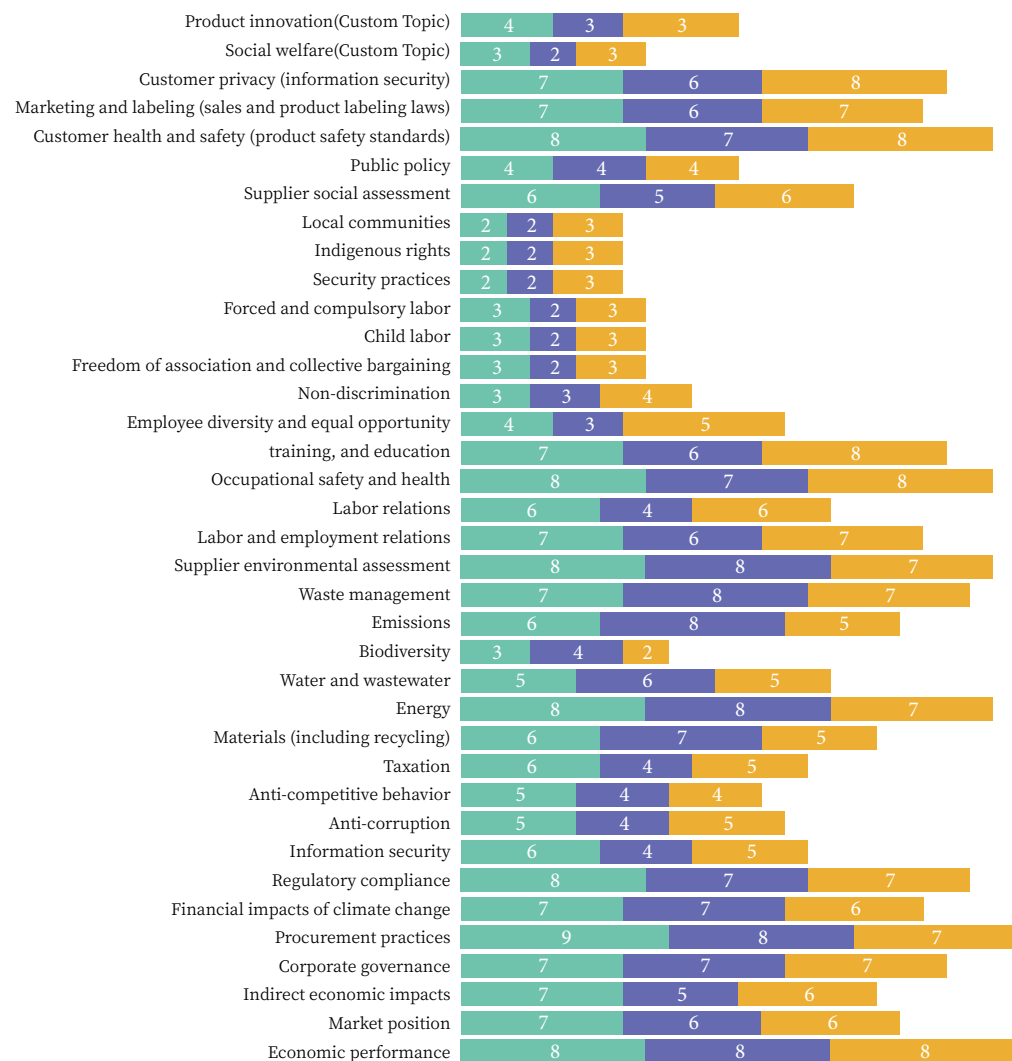
Positive Impact on the Economy

Positive Impact on the Environment

Positive Impact on Society

CONCERN FOR STAKEHOLDERS

Negative Impacts of Material Topics



Positive Impact on the Economy

Positive Impact on the Environment

Positive Impact on Society

Results of Material Topic Identification

Material Topics

1 Economic performance	2 Procurement practices	3 Occupational safety and health, training, and education
4 Supplier environmental assessment	5 Customer health and safety (product safety standards)	6 Energy
7 Regulatory compliance	8 Labor and employment relations	9 Corporate governance
10 Waste management	11 Customer privacy (information security)	12 Marketing and labeling (sales and product labeling laws)
Other Topics		
13 Financial impacts of climate change	14 Market position	15 Emissions
16 Materials (including recycling)	17 Indirect economic impacts	18 Supplier social assessment
19 Labor relations	20 Information security	21 Water and wastewater
22 Taxation	23 Anti-corruption	24 Anti-competitive behavior
25 Employee diversity and equal opportunity	26 Public policy	27 Product innovation
28 Non-discrimination	29 Biodiversity	30 Forced and compulsory labor
31 Social welfare	32 Freedom of association and collective bargaining	33 Local communities
34 Child labor	35 Indigenous rights	36 Security practices

CONCERN FOR STAKEHOLDERS

Material Topics List

Material Topics List	Sustainability Standards (Topics) Addressed	Impact and Influence on UMEC	Main Affected Parties	Corresponding Section
Corporate Governance	GRI Custom Topic	Good corporate governance enhances investor and market confidence to support future operations. Poor governance can lead to a negative company image and harm investor interests.	UMEC (causing) Financial Institutions (facilitating), Shareholders and Other Investors (directly related) Employees and Other Workers (directly related)	2.2 Corporate Governance
Regulatory Compliance	GRI 2-27 Regulatory Compliance	Continuous adherence to laws and regulations, along with effective guidelines and contingency measures for employees and other workers, ensures prompt responses in significant events. This enhances investor trust and increases the relevance of financial reports.	UMEC (causing) Financial Institutions (facilitating) Suppliers (or Contractors/Outsourcers) (facilitating) Employees and Other Workers (directly related)	2.4 Integrity and Compliance
Economic Performance	GRI 201 Economic Performance	The company focuses on technology, quality, service, and marketing to develop competitive products that meet market demands. This approach aims to achieve the basic business goal of generating profits for shareholders while sharing profits with employees to enhance performance and loyalty. This, in turn, increases customer satisfaction and fosters a positive profit cycle. Strengthening investor confidence supports future operations while ensuring maximum benefits for customers, suppliers, and employees. Poor economic performance may harm the company's image and negatively impact investor interests.	UMEC (causing) Financial Institutions (facilitating) Shareholders and Other Investors (facilitating) Customers (facilitating) Suppliers (or Contractors/Outsourcers) (directly related) Employees and Other Workers (directly related)	2.3 Operational Performance
Procurement Practices	GRI 204 Procurement Practices	The company procures from certified and inspected suppliers to minimize environmental impacts and implement carbon reduction. Additionally, it places significant emphasis on corporate social responsibility, focusing on enhancing human rights protections and reducing inequality/discrimination. Regular audits and surveys are conducted to prevent procurement from unregulated suppliers, thereby mitigating the risks of potential financial losses and legal violations.	UMEC (causing) Suppliers (or Contractors/Outsourcers) (directly related)	3.3 Supply Chain Management
Supplier environmental assessment	GRI 308 Supplier Environmental Assessment	Implementing sustainable management enhances sustainable risk control, requiring suppliers to meet sustainability standards. This approach focuses on protecting the environment from the source.	UMEC (causing) Suppliers (or Contractors/Outsourcers) (directly related)	3.3 Supply Chain Management
Energy	GRI 302 Energy	The adoption and continuous integration of renewable energy can reduce greenhouse gas emissions and air pollution. If energy management is not adequately addressed, the company may face government penalties, which could negatively impact the surrounding community and lead to a decline in the company's reputation.	UMEC (causing) Suppliers (or Contractors/Outsourcers) (facilitating) Industry Peers (facilitating) Customers (facilitating)	4.2 Energy and Emissions Management
Waste Management	GRI 306 Waste Management	The company has good waste management and follow-up disposal measures to control the output of waste, which is in line with government norms.	UMEC (causing) Suppliers (or Contractors/Outsourcers) (facilitating) Industry Peers (facilitating) Customers (facilitating)	4.4 Waste Management

CONCERN FOR STAKEHOLDERS

Material Topics List	Sustainability Standards (Topics) Addressed	Impact and Influence on UMEC	Main Affected Parties	Corresponding Section
Customer Health and Safety (product safety standards, product quality)	GRI 416 Customer Health and Safety	The company complies with hazardous substance restrictions to avoid including harmful components in products that could threaten human health or the environment, implementing the principle of using safe raw materials. Failure to comply may endanger consumers' lives and property, create doubts about the products, erode customer confidence, lead to decreased sales, and expose the company to potential lawsuits and compensation issues.	UMEC (causing) Business Partners (facilitating) Suppliers (or Contractors/Outsourcers) (facilitating) Industry Peers (facilitating) Customers (directly related)	3.2 Product Quality Management
Labor and Employment Relations	GRI 401 Labor and Employment Relations	Good labor and employment relations can help the company attract talent and stabilize operations. If there are no relevant human rights policies or benefits, it may lead to talent loss, resulting in operational setbacks and a talent gap.	UMEC (causing) Employees and Other Workers (directly related)	5. Social Prosperity
Customer Privacy (Information Security)	GRI 418 Customer Privacy	Through the implementation of a cybersecurity certification system, the company enhances protective resilience, raises employee awareness of cybersecurity, and reduces the impact of operational disruptions. To prevent customer information leaks, which could lead to distrust and affect long-term collaboration and public criticism, the company continuously strengthens customer privacy protection to avoid major incidents.	UMEC (causing) Employees and Other Workers (directly related) Customers (directly related)	2.5 Cybersecurity Risk Management
Marketing and Labeling (Sales and Product Labeling Laws)	GRI 417 Marketing and Labeling	Complying with hazardous substance restrictions and avoiding false or exaggerated advertising is essential to maintain customer confidence and encourage purchases. Failure to do so may lead consumers and the public to perceive the company as dishonest or irresponsible, resulting in decreased sales.	UMEC (causing) Industry Peers (facilitating) Business Partners (directly related) Customers (directly related)	3.2 Product Quality Management
Occupational Safety and Health and Training	GRI 403 Occupational Safety and Health GRI 404 Training and Education	Effective training helps employees perform their tasks efficiently and supports swift operational continuity. Additionally, training related to human rights is conducted to prevent employee violations. Without proper management regulations, emergency incidents may lead to penalties for non-compliance and can result in injuries and property damage.	UMEC (causing) Suppliers (or Contractors/Outsourcers) (directly related) Business Partners (directly related) Employees and Other Workers (directly related)	5.4 Safe Workplace
Explanation of Main Affected Parties: 1.Causing: The company's actions and inactions may result in negative impacts. 2.Facilitating: Organizational activities may promote or induce the emergence and recognition of material topics. 3.Directly Related: Factors that directly impact the relevant stakeholders.				



CHAPTER

2

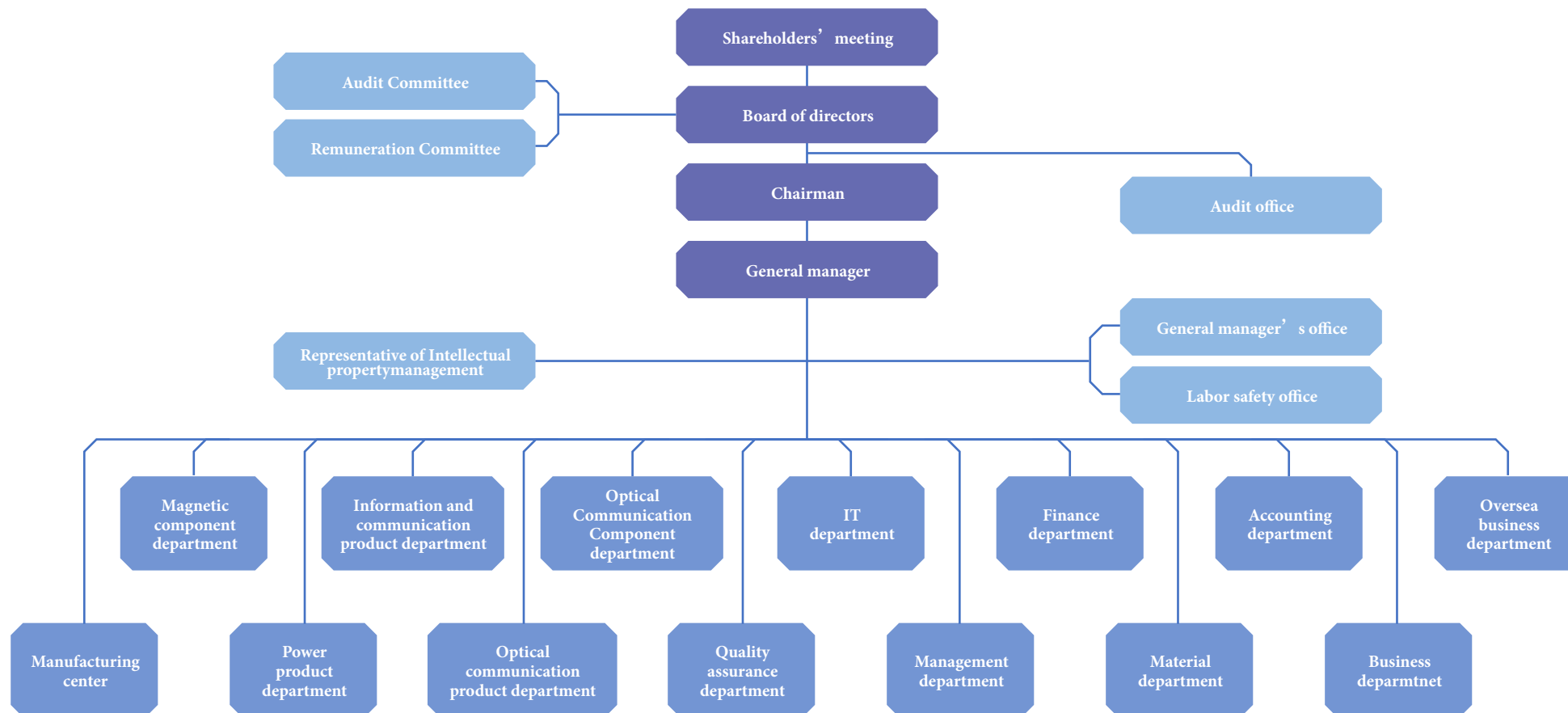
SINCERE UMEC

2.1 Get to Know UMEC	20
2.2 Corporate Governance	24
2.3 Operating Performance	34
2.4 Integrity and Compliance	38
2.5 Risk Management	42
2.6 Cybersecurity Risk Management	43

SINCERE UMEC

2.1 Get to Know UMEC

Organizational Structure



SINCERE UMEC

■ Company Overview

Universal Microelectronics Co., Ltd. was founded on February 18, 1984, with its headquarters in Taichung, Taiwan. It was listed on the Taiwan Stock Exchange in 1998 and became publicly traded in 2000. The company specializes in five major product categories: electromagnetic components, power supplies, information communication products, optical communication products, and high-efficiency LED smart streetlights.

Over the past 40 years, UMEC has aimed to be a market leader, focusing on sustainable development through initiatives such as carbon reduction in transportation, actively planting trees in Beinan Township, Taitung County, and other measures to contribute to Taiwan and the planet.



■ Company Information

Company Name

Universal Microelectronics CO., LTD.

Headquarters Address

1F-3F, No. 3, 27th Road, Industrial Park, Nantun District, Taichung City

Established

February 18, 1984

Chairman

OU, CHENG-MING

General Manager

OU, CHENG-MING

Company Type

Listed (2413)

Business Activities

Manufacturing and processing magnetic components, power supplies, FMCW mm wave radar/sensors, EV/battery charger, electronic custom product design and manufacturing services.

Number of Employees

764 (as of December 31, 2023)

Paid-in Capital (TWD)

1,273,592,000

SINCERE UMEC

Business Philosophy of Universal Microelectronics



Business Philosophy

- Build world-class products on the foundation of innovative technology and excellent quality.
- Concentrate resources for the most rational and effective use to maximize profits and promote sustainable operation and development.
- Care for the world and benefit humanity by sharing profits with society.



Corporate Vision

- Manufacture world-class products, expand into global markets, achieve sustainable operations, and create a win-win situation for employees, shareholders, and customers while benefiting society.



Corporate Mission

- Provide innovative, high-quality products, explore global markets, and create a win-win scenario for employees, customers, and shareholders.

Global Layout

UMEC's headquarters is located in Taichung, Taiwan, with branches in Tokyo, Japan; Las Vegas, USA; and Hong Kong, as well as an office in Suzhou, China. The company operates four main factories: in Taichung, Shenzhen, Longyan in China, and Vietnam.

With years of experience selling products to major international clients in Europe, America, and Japan, UMEC has established a comprehensive service system to meet customer demands while ensuring the best prices and quality for customers.



SINCERE UMEC

Shareholding Structure

Shareholding Structure List		
As of Date: April 28, 2024		
Shareholder	Shares Held	Ownership Percentage (%)
Government Agencies	0	0.00
Financial Institutions	0	0.00
Other Corporations	16,384,484	12.86
Individuals	110,249,749	86.57
Foreign Institutions and Individuals	724,967	0.57
Total	127,359,200	100.00

Participation in Associations

In addition to focusing on its business, UMEC actively engages in various associations and guilds to interact with industry peers, enhancing its capabilities and maintaining good relationships. The various associations and guilds that UMEC has joined are listed in the table below:

Industry Associations, Other Memberships, and National or International Advocacy Organizations	Membership
The Rotary Education Foundation of the Republic of China	Honorary Director
Taichung Industrial Park Manufacturers Association	Honorary Chairman
Taiwan Central Science Park Industry-Academia Training Association	Director
Taiwan Reading Culture Foundation	Board Member
Red Cross Society of Taichung City	Director
Taichung Education Foundation	Executive Supervisor
Taichung City Government Bureau of Economic Development	Municipal Advisor
Taiwan Electrical and Electronics Manufacturers' Association	Consultant for Association Strategies

SINCERE UMEC

2.2 Corporate Governance

■ Management Policy

Material Topic: Corporate Governance			
Sustainability Standards (Topics) Addressed	GRI Custom Topic	Main Affected Parties	UMEC (causing) Financial Institutions (facilitating) Shareholders and Other Investors (directly related) Employees and Other Workers (directly related)
Significance of this Topic	Sustainable business operations are built on a solid foundation of corporate governance. The company promotes good governance practices by establishing a "Corporate Governance Best Practice Principles" to protect shareholder rights, strengthen board functions, and enhance information transparency.		
Influence and Impact (Positive/Negative)	Positive Influence: Good corporate governance enhances investor and market confidence, supporting future operational development. Negative Impact: Poor corporate governance can lead to a negative company image and harm investor interests.		
Policy/Strategy	The board of directors is the highest governance body of UMEC, overseeing the "Remuneration Committee" and "Audit Committee" to ensure effective supervision and implementation of corporate governance codes, integrity policies, and prevention measures. On March 16, 2023, the board resolved to establish a corporate governance officer responsible for related affairs.		
Goals and Targets	Short-term Goals (1-3 years): - Establish a cybersecurity risk management framework, define information security policies, management plans, and allocate resources, with disclosures on the company website or annual report. - Ensure more than half of the directors (including at least one independent director) and the Audit Committee chair (or at least one supervisor) attend the shareholders' meeting in person, with attendance listed in the minutes. - Upload the English version of the meeting handbook and supplementary materials 30 days before the shareholders' meeting. Mid-to Long-term Goals (3-5 years): - Upload the English version of the annual report 7 days before the shareholders' meeting. - Report on the execution status of resolutions from the previous year's shareholders' meeting in the annual report. - Upload the annual financial report in English 7 days before the shareholders' meeting. - Improve the company's governance evaluation score.		
Management Evaluation Mechanism	- Improve board operations through annual internal performance evaluations. - Enhance corporate governance transparency via governance evaluation indicators. - Establish an audit department to ensure compliance with relevant regulations in business operations across all units.		
Performance and Adjustments	- Currently, 18% of the company's directors also serve as managers, ensuring the board's independence by not exceeding one-third of board seats. - The board includes one female director, representing 9%. - Four directors have served no more than three consecutive terms, including one independent director. - The company uploads uninterrupted audio and video recordings of shareholder meetings to enhance information transparency. Relevant information can be found on the official website: [UMEC Investor Relations] (https://www.umec.com.tw/Investor/FinanceAndShareholders). - In the 2023 corporate governance evaluation, the company scored between 81%-100% for listed firms, with continuous efforts to improve on areas where scores were not achieved.		
Preventive or Remedial Measures	- The company has established an "Audit Committee" composed of four independent directors, enhancing supervisory responsibilities through their independence. - Improvements in corporate governance are made based on feedback and evaluation indicators from governance assessments.		

SINCERE UMEC

■ Board of Directors

The board of directors at UMEC uses a candidate nomination system, where all nominees undergo qualification reviews and are approved by the board before being submitted for election at the shareholders' meeting. According to the "Corporate Governance Best Practice Principles," directors must possess the necessary knowledge, skills, and qualities to perform their duties. In addition to evaluating candidates' qualifications, stakeholder opinions are considered, following the "Director Election Methods" and "Corporate Governance Best Practice Principles" to ensure diversity and independence on the board.

The company's board of directors underwent a complete re-election in 2022, appointing 11 directors, including 4 independent directors and 1 female director, with a term of three years (June 20, 2022, to June 19, 2024), eligible for re-election. All directors possess rich academic and professional experience, leveraging diverse industry backgrounds to lead and manage the company while maintaining good governance.

The following table provides information on each board member and independent director.

Base date : 2024.04.28

Title	Name	Gender	Date of the first term of office	Major work (education) experience	Concurrent positions with the Company and other companies
Chairman	OU, CHENG-MING	Male	1984 01.26	- Education: Electronic Engineering, National Cheng Kung University - Experience: Deputy General Manager, Universal Scientific Industrial Co., Ltd.	- Universal Microelectronics Co., Ltd.: General manager - Other company: Chairman of Tian Long Investment Co., Ltd., Advanced Radar Technology Co., Ltd. (ARadTek), OUMEIYA INVESTMENT CO., LTD., etc. » Lightel Corporation Director, UMEC Investment(B.V.I) Co., Ltd., UMEC(H.K.) Company Ltd., UMEC USA Inc., Global Development Co., Ltd., ASIA PACIFIC MICROSYSTEMS, INC., Bao Qian Co., Ltd., Phoenix 3 Venture Capital Co., Ltd., Futron Corporation, Yuan Rong Investment Co., Ltd., Zhao Zan Investment Co., Ltd, etc. » Supervisor, Wanan Investment Co., Ltd. » Independent director, Lelon Electronics Corp, Liton Technology Corp., Sweeten Real Estate Development, etc.
Director	HSU, KUAN-CHUN	Male	1989 07.08	- Education: EMBA, National Cheng Kung University - Experience: Chairman, Nine Fine Co., Ltd.	- Universal Microelectronics Co., Ltd.: None. - Other company: » Chairman, Nine Fine Co., Ltd., Kai Yang Investment Co., Ltd., etc. » Director, Tian Long Investment Co., Ltd., A-ZPRO CORPORATION), Cutes Corporation, etc.
Director	Representative of Zhao Zan Investment Co., Ltd.: OU, JEN CHIEH	Male	2022 06.20	- Education: Ph.d., Department of Electrical Engineering, Case Western Reserve University. - Experience: Deputy General Manager, Universal Microelectronics Co., LTD.	- Universal Microelectronics Co., LTD.: Deputy general manager of business department - Other company : » Chairman, Zhao Zan Investment Co., Ltd.: » Director, OUMEIYA INVESTMENT CO.,LTD., Advanced Radar Technology Co., Ltd.(ARadTek), AMIT system service Ltd., Photonicore Technologies Co., Ltd., Yuan Rong Investment Co., Ltd., Wanan Investment Co., Ltd., Taiwan Full Long Industrial Co., Ltd., etc. » Supervisor, Tian Long Investment Co., Ltd.

SINCERE UMEC

Title	Name	Gender	Date of the first term of office	Major work (education) experience	Concurrent positions with the Company and other companies
Director	Representative of Yuan Rong Investment Co., Ltd: OU, TZU-HUEI	Female	2022 06.20	- Education: Master, Electrical Engineering, Arizona State University Ph.D., Institute of Communications Engineering, National Yang Ming Chiao Tung University Engineer. - Experience: International Intellectual Property Promotion Department, Industrial Technology Research Institute. General Manager, Planning and Promotion Operations Center, Institute of Biomedical Sciences Industrial Technology Research Institute.	- Universal Microelectronics Co., Ltd.: None. - Other company: » Chairman, Yuan Rong Investment Co., Ltd. » Deputy general manager/Director, Advanced Radar Technology Co., Ltd.(ARadTek) » Director, OUMEIYA INVESTMENT CO., LTD., Zhao Zan Investment Co., Ltd., etc. » Supervisor, Taiwan Full Long Industrial Co., Ltd.
Director	LIEN, TSUNG-FU	Male	1992 08.15	- Education: Department of Telecommunication, National Yang Ming Chiao Tung University - Experience: Deputy general manager, Universal Scientific Industrial Co., Ltd. Quality assurance department, Universal Microelectronics Co., Ltd.	- Universal Microelectronics Co., Ltd.: None - Other company: None.
Director	TSAI, KUO-CHI	Male	1995 10.16	- Education: Department of Industrial and Engineering, Chung Yuan Christian University - Experience: Senior specialist of Ability Enterprise Co., Ltd. ,Deputy general manager of the material department, Universal Microelectronics Co., Ltd.	- Universal Microelectronics Co., Ltd.: None - Other company: None.
Director	YANG, SHANG-JU	Male	2022 06.20	- Education: Department of Mechanical Engineering, Hsiuping University 、EMBA at National Chung Hsing University - Experience: Manager Director, Awea Mechantronic CO., LTD	- Universal Microelectronics Co., Ltd.: None. - Other company: » General manager, Awea Mechantronic CO., LTD; » Representative of Zong Han Investment Ltd. » Director, FITTECH CO., LTD., » Director, Zhiyuan Investment Ltd., Jiajin Investment Ltd., etc.; » Corporate director, Jawo mechantronic Co., Ltd., YIH CHUAN MACHINERY INDUSTRY CO., LTD. Zhuwei mechantronic Co., Ltd., Dawei mechantronic (Suzhou) Co., Ltd., Awea Mechantronic (Suzhou) Ltd. » Supervisor, Honggli Investment Ltd., HUNG JIU MACHINE CO., LTD.
Independent director	WU, TEH-CHUAN	Male	2016 06.21	- Education: Department of Electrical Engineering National Cheng Kung University - Experience: Chairman, Lelon Electronics Corp	- Universal Microelectronics Co., LTD.: None. - Other company: » Chairman, Lelon Electronics Corp, LIRO ELECTRONICS CO., LTD (also served as general manager), LITON (BVI) CO., LTD, V-TECH CO., LTD, FORVER CO., LTD, EVERTECH CAPA CO., LTD., Lelon International Industrial Ltd., Liton Technology Corp., Lifu Machinery Industrial Co., Ltd., Li-Yang Estate Development Co., Ltd., Bao Qian Co., Ltd., etc. » Director, Lelon Electronics Corp.(Huizhou), Lelon Electronics Corp.(Suzhou)

SINCERE UMEC

Title	Name	Gender	Date of the first term of office	Major work (education) experience	Concurrent positions with the Company and other companies
Independent director	WU, HUEI-HUANG	Male	2016 06.21	- Education: National Yang Ming Chiao Tung University Department of Electronic Engineering - Experience: Director/ General manager, Universal Scientific Industrial Co., Ltd.	- Universal Microelectronics Co., Ltd.: None. - Other company: » Kinsus Interconnect Technology Corp. Independent director, Merry Electronics Co., Ltd., etc.
Independent director	TSOU, YEN-CHUNG	Male	2016 06.21	- Education: Department of Accountancy, National Cheng Kung University - Experience: Person in charge, Sun Young CPAs Firm CPA, EY Taiwan	- Universal Microelectronics Co., Ltd.: None. - Other company: » Person in charge, Sun Young CPAs Firm » Independent director, Liton Technology Corp., Sunko Ink Co., Ltd., etc.
Independent director	KO, HSIN-SUI	Male	2022 06.20	- Education: Department of Business Administration, National Chung Hsing University Master, College of Management, National Chung Hsing University - Experience: Chairman, Sweeten Real Estate Development Co., Ltd.	- Universal Microelectronics Co., Ltd.: None. - Other company: » Chairman, Sweeten Real Estate Development Co., Ltd., JINGLE CONSTRUCTION CO., LTD., Shun Ding Construction Co., Ltd., Sweeten Huan Enterprise Co., Ltd., Tai Da Xing Co., Ltd., Tian Qi Investment Co., Ltd. » Chairman, Corporate Sweeten Culture and Education Foundation » Director, Lelon Electronics Corp., China Electric Mfg. Corp., Tien Hsing Investment Co., Ltd., Tien Sheng Investment Co., Ltd., etc.
Note: There are 8 board members aged 50 and above, and 3 board members aged between 30 and 50.					

SINCERE UMEC

Title	Name	Diversified Core Competencies								
		Financial Management	Electronic Technology	Production and Manufacturing	Business	Accounting	Laws	Information Technology	Marketing Management	Risk Management
Chairman	OU, CHENG MING		V	V	V				V	V
Director	HSU, KUAN CHUN		V	V	V				V	V
Director	Zhao Zan Investment Co., Ltd, Representative: OU, JEN CHIEH		V	V	V				V	V
Director	Yuan Rong Investme nt Co., Ltd. Representative: OU, TZU HUEI		V	V	V			V		V
Director	LIEN, TSUNG FU		V	V	V			V		V
Director	TSAI, KUO CHI		V	V	V				V	V
Director	YANG, SHANG JU			V	V			V	V	V
Independent director	WU, TEH CHUAN		V	V	V		V		V	V
Independent director	WU, HUEI HUANG		V	V	V		V			V
Independent director	TSOU, YEN CHUNG	V			V	V	V			V
Independent director	KO, HSIN-SUI	V		V	V			V	V	V

Board of Directors Operation

The board of directors at UMEC meets quarterly, with a total of 5 meetings held in 2023. The attendance details are as follows:

Title	Name	Actual Attendance	Proxy Attendance	Actual Attendance Rate (%)
Chairman	OU, CHENG MING	5	0	100
Director	HSU, KUAN CHUN	2	3	40
Director	Zhao Zan Investment Co., Ltd, Representative: OU, JEN CHIEH	4	1	80
Director	Yuan Rong Investme nt Co., Ltd. Representative: OU, TZU HUEI	5	0	100
Director	LIEN, TSUNG FU	5	0	100
Director	TSAI, KUO CHI	5	0	100
Director	YANG, SHANG JU	5	0	100
Independent director	WU, TEH CHUAN	5	0	100
Independent director	WU, HUEI HUANG	5	0	100
Independent director	TSOU, YEN CHUNG	5	0	100
Independent director	KO, HSIN-SUI	5	0	100

SINCERE UMEC

■ Board Member Continuing Education

In addition to managing based on their industry experience and expertise, UMEC arranges various continuing education courses for board members to align with international trends and market demands, ensuring the company's competitiveness. In 2023, board members completed a total of 66 hours of continuing education. The details of each board member's continuing education are shown in the table below:

Title	Name	Date of Course	Organizer	Name of Course	Study hours	Total hours
Chairman	OU, CHENG MING	2023.06.09	Securities & Futures Institute	Prevention of Insider Trading Campaign for 2023	3	6
		2023.04.14	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3	
Director	HSU, KUAN CHUN	2023.11.29	Securities & Futures Institute	Annual Internal Personnel Equity Transaction Legal Compliance Advocacy Seminar for 2023	3	6
		2023.06.02	Securities & Futures Institute	Corporate Governance Lecture	3	
Director	Zhao Zan Investment Co., Ltd, Representative: OU, JEN CHIEH	2023.11.10	Taiwan Corporate Governance Association	Practices and Development of Corporate Governance and Compliance	3	6
		2023.08.10	Taiwan Corporate Governance Association	ESG-related Legal Issues to be Considered by the Board of Directors	3	
Director	Yuan Rong Investment Co., Ltd. Representative: OU, TZU HUEI	2023.10.13	Securities & Futures Institute	Prevention of Insider Trading Campaign for 2023	3	6
		2023.04.14	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3	
Director	LIEN, TSUNG FU	2023.06.09	Securities & Futures Institute	Prevention of Insider Trading Campaign for 2023	3	6
		2023.04.14	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3	
Director	TSAI, KUO CHI	2023.06.09	Securities & Futures Institute	Prevention of Insider Trading Campaign for 2023	3	6
		2023.04.14	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3	
Director	YANG, SHANG JU	2023.12.08	Securities & Futures Institute	Annual Internal Personnel Equity Transaction Legal Compliance Advocacy Seminar for 2023	3	6
		2023.08.23	Taiwan Corporate Governance Association	How to Strengthen Strategy Execution Capability in Enterprises	3	
Independent director	WU, TEH CHUAN	2023.07.04	Taiwan Stock Exchange Corporation	Cathay Sustainable Finance and Climate Change Summit for 2023	6	9
		2023.06.09	Securities & Futures Institute	Prevention of Insider Trading Campaign for 2023	3	
Independent director	WU, HUEI HUANG	2023.04.28	Taiwan Corporate Governance Association	Investment-related Issues in ASEAN-Thailand, Malaysia, India, and Vietnam	3	6
		2023.04.14	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3	
Independent director	TSOU, YEN CHUNG	2023.09.23	Securities & Futures Institute	Practical Seminar on Sustainable Development	3	6
		2023.04.14	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3	
Independent director	KO, HSIN-SUI	2023.09.23	Securities & Futures Institute	Practical Seminar on Sustainable Development	3	6
		2023.07.15	Commerce Development Research Institute	Institute Corporate Governance and Sustainable Business Operations Workshop	3	

SINCERE UMEC

▪ Conflict of Interest

The chairman of UMEC also serves as the general manager to enhance operational efficiency and decision-making effectiveness. To strengthen the independence of the board, the company actively trains suitable candidates and appoints independent directors to improve independence. The chairman maintains close communication with all directors regarding the company's operational policies and has amended the articles of incorporation to increase the number of independent directors. Specific measures to avoid conflicts of interest include:

- The board consists of 11 members, including four independent directors with expertise in finance, accounting, and the electronic components industry, enhancing oversight.
- Each year, directors participate in external professional courses to improve board effectiveness.
- Independent directors can discuss and make recommendations in various functional committees for corporate governance.
- More than half of the board members do not hold positions as employees or managers.

In addition to the aforementioned measures, the company follows the board meeting regulations to prevent directors from improperly benefiting due to their positions.

The regulations state that directors must disclose any material interests related to meeting matters. If there is a risk to the company's interests, they must abstain from discussion and voting, and they may not exercise the voting rights of other directors. Directors' spouses, close relatives within the second degree of kinship, or companies under the director's control are considered to have conflicts of interest in these matters. The table below shows the conflict of interest situations for 2023.

Date	Agenda	Conflict of Interest
2023.01.17	Review of the 2022 Year-End Bonus and Allocation for Senior Managers	Due to personal interests, Directors OU CHENG MING, TSAI KUO CHI, OU JEN CHIEH, and OU TZU HUEI abstained from the discussion and voting. The remaining attending directors unanimously agreed to pass the proposal without objection.
	Review of the 2022 Annual Compensation for Senior Managers	Due to personal interests, Directors OU CHENG MING, TSAI KUO CHI, OU JEN CHIEH, and OU TZU HUEI abstained from the discussion and voting. The remaining attending directors unanimously agreed to pass the proposal without objection.
2023.05.04	Review of the 2022 Employee Compensation and Allocation for Senior Managers	Due to personal interests, Directors OU CHENG MING, TSAI KUO CHI, OU JEN CHIEH, and OU TZU HUEI abstained from the discussion and voting. The remaining attending directors unanimously agreed to pass the proposal without objection.
	Review of the proposed pricing date for private placement common stock and private placement pricing, along with related matters.	Due to personal interests, Directors OU CHENG MING, OU JEN CHIEH, and OU TZU HUEI abstained from the discussion and voting. The remaining attending directors unanimously agreed to pass the proposal without objection.
2023.08.07	Review of the 2023 Salary Adjustment Proposal	Due to personal interests, Directors OU CHENG MING, TSAI KUO CHI, OU JEN CHIEH, and OU TZU HUEI abstained from the discussion and voting. The remaining attending directors unanimously agreed to pass the proposal without objection.
2024.01.31	Review of the 2023 Year-End Bonus and Allocation for Senior Managers	Due to personal interests, Directors OU CHENG MING, TSAI KUO CHI, OU JEN CHIEH, and OU TZU HUEI abstained from the discussion and voting. The remaining attending directors unanimously agreed to pass the proposal without objection.
	Review of the 2023 Annual Compensation for Senior Managers	Due to personal interests, Directors OU CHENG MING, TSAI KUO CHI, OU JEN CHIEH, and OU TZU HUEI abstained from the discussion and voting. The remaining attending directors unanimously agreed to pass the proposal without objection.
2024.05.08	Review of the 2023 Employee Compensation and Allocation for Senior Managers	Due to personal interests, Directors OU CHENG MING, OU JEN CHIEH, and OU TZU HUEI abstained from the discussion and voting. The remaining attending directors unanimously agreed to pass the proposal without objection.
	Review of the 2024 Senior Manager Promotion Proposal	The proposal was unanimously agreed upon by the attending directors without objection.

SINCERE UMEC

■ Board Compensation

UMEC has established a remuneration system for directors and managers in accordance with the "Regulations Governing the Establishment and Exercise of Powers of the Compensation Committee for Companies Listed on the Stock Exchange or Trading at Securities Firms." The "Compensation Committee Organizational Rules" have been set for compliance.

The company's director compensation is determined based on their level of involvement and contribution to operations, considering domestic industry standards, with a maximum annual payment of NT\$1 million per director. If the company is profitable each year, at least 4% of profits will be allocated for employee compensation, and up to 3% for director compensation, while reserving amounts to offset any accumulated losses. The distribution of compensation requires a two-thirds majority attendance of directors and majority consent from those present, followed by reporting to the shareholders' meeting.

To ensure that manager performance is closely linked to company strategy and remains competitive, UMEC has established the "Manager Performance Assessment and Compensation Management Regulations." Manager compensation includes salary and bonuses. Salaries are based on company strategy, profitability, and the manager's professional skills, responsibilities, and market competitiveness. Bonuses consider individual performance evaluations, company performance, and associated risks. In cases of significant risk events impacting the company's reputation or management, bonuses may be reduced or withheld. The compensation policy aims to align personal goals with long-term company and shareholder interests, with all distributions according to the company's bylaws.

■ Company Governance Officer

On March 16, 2023, UMEC's board resolved to appoint Xue, Jing Yi, Assistant Manager of the Finance Department, as the Company Governance Officer, responsible for governance-related affairs. The Company Governance Officer has served in supervisory positions related to finance, shareholder affairs, and corporate governance in publicly traded companies for over three years, meeting the qualifications set forth in the "Guidelines for the Establishment and Exercise of Powers of the Board of Directors of Listed Companies." According to the guidelines, the Company Governance Officer is responsible for governance-related matters, primarily including the following:

- Handling board and shareholder meeting affairs in accordance with the law.
- Preparing minutes for board and shareholder meetings.
- Assisting directors in their appointments and ongoing education.
- Providing necessary information for directors to execute their duties.
- Assisting directors in complying with laws.
- Other matters as stipulated by company bylaws or contracts.

The key execution highlights for the Company Governance Officer in 2023 are as follows:

1	In 2023, five board meetings, four Audit Committee meetings, four Remuneration Committee meetings, and a shareholders' meeting were held. This included planning and drafting agendas, sending out notices within the legal timeframe, providing necessary materials, and preparing minutes.
2	2022 board performance evaluation was conducted and reported to the board on March 16, 2023.
3	The evaluation of the qualifications of independent directors during their term was reported to the board on November 2, 2023.
4	The officer provided timely company information to directors.
5	The officer managed directors' liability insurance matters.
6	Compile the latest regulatory revisions from the authorities and amend the company's internal regulations accordingly.
7	Legally announce all significant company resolutions and important information.
8	Plan and implement internal training to prevent insider trading.
9	Plan and execute other governance-related affairs.

In 2023, the Company Governance Officer completed 12 hours of continuing education. The details of the training are as follows:

Training Date	Organizing Institution	Course Name	Training Hours
2023.05.23	Taiwan Stock Exchange Corporation	Sustainable Development Action Plan Promotion Conference for Listed Companies	3
2023.06.09	Securities & Futures Institute	112Prevention of Insider Trading Campaign for 2023	3
2023.09.14		Compliance with Labor Laws and Case Analysis	3
2023.09.14		How to Apply Robotic Process Automation (RPA) to Enhance Internal Control Effectiveness	3

SINCERE UMEC

Functional Committees

Audit Committee

UMEC has established the "Audit Committee Organizational Rules" to assist in overseeing the proper presentation of financial statements, the selection and independence of auditors, the effective implementation of internal controls, compliance with relevant laws and regulations, and the management of existing or potential risks. The Audit Committee consists of four independent directors, with 75% having industry experience and 25% holding professional qualifications. In 2023, it held four meetings with a 100% attendance rate. The attendance details for the Audit Committee in 2023 are shown in the table below:

Title	Name	Actual Attendance	Proxy Attendance	Actual Attendance Rate (%)
Independent Director (Chair)	TSOU, YEN CHUNG	4	0	100
Independent Director	WU, TEH CHUAN	4	0	100
Independent Director	WU, HUEI HUANG	4	0	100
Independent Director	KO, HSIN-SUI	4	0	100

Note: The term for the Audit Committee is three years, from June 20, 2022, to June 19, 2025.

Audit Committee Work Highlights for 2023 are as follows:

1	Establish or amend internal control systems in accordance with Article 14-1 of the Securities Exchange Act.
2	Assessment of the effectiveness of internal control systems.
3	Matters involving directors' personal interests.
4	Significant transactions involving assets or derivative products.
5	Significant loans, endorsements, or guarantees.
6	Appointment, dismissal, or compensation of auditors.
7	Review of financial reports.

Remuneration Committee

UMEC has established the "Remuneration Committee Organizational Rules," with the committee executing and assessing the company's compensation policies for directors and managers in a professional and objective manner. Composed of four independent directors, the committee maintains independence, professionalism, and fairness while avoiding conflicts of interest.

The committee will diligently fulfill the following responsibilities and submit recommendations to the board for discussion, limited to matters authorized by the company's bylaws or board resolutions:

1. Regularly review and propose amendments to these rules.
2. Establish and periodically review annual and long-term performance goals and compensation policies for directors and managers.
3. Regularly evaluate the achievement of performance goals for directors and managers and determine their individual compensation amounts and details.

The committee meets regularly each year, stating the purpose of the meeting and notifying members seven days in advance, except in emergencies. If the convenor is unable to call a meeting, another independent director may be designated as a proxy; if no other independent directors are available, the convenor may appoint another member, or the other members can elect one to act as proxy.

The attendance details for the Remuneration Committee in 2023 are shown in the table below:

Title	Name	Actual Attendance	Proxy Attendance	Actual Attendance Rate (%)
Independent Director (Chair)	WU, HUEI HUANG	4	0	100
Independent Director (Member)	WU, TEH CHUAN	4	0	100
Independent Director (Member)	TSOU, YEN CHUNG	4	0	100
Independent Director (Member)	KO, HSIN-SUI	4	0	100

Notes:
 1. The term for the Remuneration Committee is three years, from August 8, 2022, to June 19, 2025.
 2. For the proposals and resolutions discussed in 2023 and how the company addressed member feedback, please refer to UMEC's official website. <https://www.umec.com.tw/Investor/CorporateGovernance>

SINCERE UMEC

■ Board and Functional Committee Performance Evaluation

UMEC has implemented governance practices to enhance board functionality by establishing performance goals to strengthen operational efficiency, and performance evaluations are conducted based on the "Board Performance Evaluation Guidelines" before the first quarter of the following year.

An internal self-assessment is conducted annually for the entire board, individual members, the Audit Committee, and the Remuneration Committee. The results of these evaluations are used as references for company review and improvement.

The overall internal self-assessment results for the board and its members were reported on March 12, 2024.

The evaluation criteria for the board's performance include:	
1	Level of participation in company operations.
2	Quality of board decisions.
3	Composition and structure of the board.
4	Appointment and ongoing education of directors.
5	Internal control.
The overall self-assessment score for the board's performance is above ninety, indicating a good evaluation result.	
The evaluation criteria for individual board members' performance include:	
1	Understanding of the company and awareness of responsibilities.
2	Awareness of directors' duties.
3	Level of participation in company operations.
4	Management of internal relationships and communication.
5	Professional qualifications and ongoing education of directors.
6	Internal control.
The overall self-assessment score for individual board members' performance is ninety-four, indicating an excellent evaluation result.	

■ Sustainable Information Disclosure Team

UMEC regularly holds internal operation meetings to discuss key issues across different departments. This regular review of significant topics promotes information sharing, enhances collaboration, and effectively addresses potential problems. Reports are submitted to the board to ensure continuous tracking of agendas and awareness of the company's current status, enabling timely solutions.

In 2015, UMEC established the "CSR Promotion Team," which was renamed the "Sustainable Information Disclosure Team" in 2022. The board has authorized senior management to handle ESG development goals, which are managed by the management department and reported quarterly to the board. Any sustainability-related proposals from shareholders will be considered for inclusion in the shareholders' meeting agenda.

The company implements governance strategies as directed by regulatory authorities, focusing on sustainable governance, environmental sustainability, and social responsibility. It continues to execute policies and plans to ensure goal achievement and identify sustainability issues relevant to operations and stakeholders.

In the fourth quarter of 2023, the company completed the previous year's "ESG Sustainability Report." In 2023, the company conducted greenhouse gas inventories and third-party verification for the Taiwan operations headquarters, Manufacturing Plant 2, the Vietnam subsidiary (UMEC Vietnam), and the China subsidiaries (Jia Long) according to the scheduled timeline. The company also regularly presented the ESG report and greenhouse gas inventory implementation status to the board of directors for review each quarter, while formulating company strategies.

The table below outlines the matters reported to the board.

Nature	Significant Event	Communication Overview
Environmental	Greenhouse gas assessments reported 3 times.	Report on greenhouse gas assessment and verification schedule.
Economic	Business reports totaling 4 times in 2024.	Consolidated revenue reached NT\$4.604 billion, with a net profit of NT\$106 million and earnings per share of NT\$0.84.
Corporate Governance	Financial condition report (financial report) totaling 4 times in 2023.	All financial reports approved by the board.
	Board self-assessment score above ninety, indicating a good evaluation result.	The board self-assessment score is above ninety, indicating a good evaluation result.

SINCERE UMEC

2.3 Operating Performance

■ Management Policy

Material Topic: Economic Performance			
Sustainability Standards (Topics) Addressed	GRI 201 Economic Performance	Main Affected Parties	UMEC (causing) Financial Institutions (facilitating) Shareholders and Other Investors (facilitating) Customers (facilitating) Suppliers (or Contractors/Outsourcers) (directly related) Employees and Other Workers (directly related)
Significance of this Topic	UMEC continuously develops high-quality products and actively expands domestic and international markets, aiming to become an industry benchmark. Therefore, the financial performance of operations directly impacts the economic interests of the company's stakeholders.		
Influence and Impact (Positive/Negative)	■ Positive Impact: 1. The company focuses on technology, quality, service, and marketing to develop competitive products that meet market demands, achieving the fundamental goal of distributing profits to shareholders. 2. Sharing corporate profits with employees enhances their performance and loyalty, leading to increased customer satisfaction and a positive profit cycle, which strengthens investor confidence and maximizes benefits for customers, suppliers, and employees. ■ Negative Impact: Poor economic performance may lead to a negative company image and harm investor interests.		
Policy/Strategy	■ Development of Energy Integration to Enhance Product Line Value: In addition to the existing product range, senior R&D personnel are challenged to develop higher-spec products. Through collaboration across product lines, the company provides subsystem integration services to enhance product value. ■ Diversified Production Facilities and Supply Chain Optimization: 1. To respond to rapid changes in the international political and economic landscape, the company is diversifying its supply chain and production facilities to strengthen resilience and risk management. 2. Substitute materials will be sourced from different production regions than the main materials. 3. Standardization of product processes and unified equipment training across production facilities will enhance mass production capabilities under risk conditions. ■ Core Customer Deepening: Project teams are formed to serve core customers, aiming to accelerate the mass production timeline for their projects, thereby increasing sales and profits.		

SINCERE UMEC

Goals and Targets	▪ Short-term Goals (1-3 Years): 1. Marketing Strategy: Adjust the ratio of standard to custom products to achieve the best balance between sales revenue and profit. 2. Production Policy: Optimize the configuration of existing production facilities to maximize capacity efficiency, enhance productivity, and reduce costs to strengthen international competitiveness. ▪ Medium to Long-term Goals (3-5 Years): 1. Marketing Strategy: Expand overseas business locations to provide direct services to local customers, agents, and distributors, thus increasing market share. 2. Production Policy: Utilize cross-regional advantages to provide necessary production services while adhering to ESG policies, ensuring sustainable commitments to customers and shareholders. Focus on OEM and ODM products while developing new ones to enhance value. 3. Product Development Direction: Develop in specialized product areas, focusing on key components and technology, with long-term goals aligned with resource conservation and efficiency. 4. Operational Scale and Financial Coordination: Support business growth through self-funding, bank loans, and timely capital increases or bond issuance to secure long-term operational funding.
Management Evaluation Mechanism	▪ The company conducts regular meetings to review the performance of various departments, while the board periodically examines the quarterly and annual financial reports issued by auditors.
Performance and Adjustments	▪ The company adjusts the ratio of standard products to custom products to achieve the best balance between sales revenue and profit. In the ICP (Internal Export Control System), about 80% are OEM custom production products, and 20% are standard product production. Standard and custom electromagnetic products each account for 50%. The power products continue to maintain contact with JDM and end brands to seek plans and schedules for standard products. Most projects allow customers to directly introduce or co-develop new projects with systems after evaluation; in addition to general power supplies, there is a custom charger project, and discussions are ongoing regarding redundant power for the cooling system CDU control unit, which helps enter the AI Data Center market. ▪ The company will rationally configure existing production facilities and continuously optimize production processes to maximize capacity efficiency. ▪ The increase in inventory due to supply issues for electronic materials for electromagnetic and power products has increased operational difficulties in 2023: 1.Consolidated revenue for 2023 decreased by 4.77% compared to the same period last year. 2.Consolidated net profit after tax for 2023 is NT\$106,046 thousand, with net profit attributable to the parent company' s owners at NT\$106,486 thousand.
Preventive or Remedial Measures	▪ The company combines its expertise in passive components, power supplies, automotive, and marine electronic integration design to plan products aligned with market trends in electrification, artificial intelligence computing, and next-generation communication architectures, aiming to maximize revenue and profitability. ▪ In response to rapid changes in global politics and economics, as well as shifts in human resources across production bases, the company must enhance innovation, research and development, and automate the entire product process while improving material procurement and inventory management to boost price competitiveness and profitability. ▪ The company aims to manufacture world-class products, actively expanding into global markets while sustainably benefiting society. ▪ The company adheres to IFRS international financial reporting standards and corporate social responsibility, continuously monitoring significant domestic and international policy and legal changes, assessing their impact, and taking appropriate actions to create maximum welfare for all employees, shareholders, and stakeholders. ▪ Quarterly meetings of the Audit Committee and Board are held to discuss financial reports reviewed or audited by accountants, ensuring the company's operations are secure.

SINCERE UMEC

Financial Performance

Due to supply issues with materials for electromagnetic and power products, inventory has increased, raising operational difficulties for 2023. As a result, consolidated revenue for the group in 2023 decreased by 4.77% compared to the same period in 2022. Consequently, the group's consolidated net profit after tax for 2023 is NT\$106,046 thousand, with earnings per share of NT\$0.84. The financial status for 2023 is shown in the table below:

Unit: NT\$ Thousand

Item / Year		2021	2022	2023
Operating Revenue		4,040,354	4,834,189	4,603,781
Operating (Cost) Expenses		3,414,832	3,995,500	3,918,917
Gross Operating Profit		625,522	838,689	684,864
Operating Expenses		568,738	581,324	599,310
Operating Profit (Loss)		56,784	257,365	85,554
Non-operating Income and Expenses		1,954	71,492	44,818
Pre-tax Net Income		58,738	328,857	130,372
Income Tax Expense		-14,611	-66,797	-24,326
Net Profit After Tax		44,127	262,060	106,046
Earnings Per Share (NT\$)		0.35	2.07	0.84
Employee Salaries and Employee Welfare	Salary Expenses	917,835	869,301	827,519
	Insurance Expenses	122,436	103,281	110,090
	Pension Expenses	19,012	18,990	19,589
	Other Employee Benefit Expenses	21,265	20,199	21,500
Payments to Investors	Interest Payments	26,952	33,516	35,666
	Dividend Payments	0	0	63,411
Payments to the Government		-8,408	-1,290	-18,650
Community Investment		1,593	1,492	2,183

Notes:
1. Payments to investors refer to dividends paid to all shareholders, plus interest payable to lenders (including any form of debt and loans) and unpaid dividends to preferred shareholders.
2. Payments to the government refer to all taxes (including business tax, corporate income tax, property tax, land value tax, etc.) and fines. The company's business tax enjoys export tax refunds, resulting in negative payments to the government.
3. Community investment refers to donations and contributions.

Government Subsidies

To meet Taiwan's goal of achieving net-zero emissions by 2050, the company recognizes the important role of forest carbon sinks. The former Council of Agriculture Chairman Chen Chi-chung has stated that there are three main strategies for forest carbon sinks: increasing forest area, enhancing forest management, and improving the utilization of domestic timber. Consequently, the "Forest Planting Incentive and Guidance Regulations" will be significantly revised to strengthen natural carbon sinks and mitigate the rise of carbon dioxide, improving land security and water conservation.

Starting in 2023, the company began reforestation efforts in the hillside areas of Beinan Township, Taitung County. The subsidies are as follows:

Item	Subsidizing Unit	Subsidy Amount (NT\$)
Taitung Land Afforestation Year 1 Subsidy	Taitung County Government	322,298



SINCERE UMEC

■ Tax Policy

UMEC's tax governance is managed by the headquarters' finance department, supported by experienced finance personnel from subsidiaries to fulfill local tax obligations. The company closely monitors changes in tax policies across countries, ensuring compliance and assessing potential tax risks from business developments.

For tax declarations, UMEC follows tax regulations and employs internal controls and risk management to meet legal requirements, supporting government initiatives in innovation, R&D, and tax incentives. The company adheres to honest tax principles, avoiding tax havens, and proactively communicates with tax authorities on unfamiliar tax matters.

The company adheres to regular trading principles and the OECD's internationally recognized transfer pricing guidelines. With increasing scrutiny on multinational transfer pricing, compliance costs have risen, and any failure to adapt to regulatory changes or transaction model shifts may result in tax risks and additional costs.

To mitigate these risks, the finance department regularly monitors subsidiary financial and accounting procedures, and the audit department executes annual checks to prevent legal sanctions or financial losses.

UMEC promotes tax information transparency in its financial reports and engages third-party auditors. The company invests in ongoing training and collaborates with stakeholders to support new tax policies and foster a robust tax environment.

Additionally, UMEC actively engages with stakeholders through various channels and participates in tax initiatives to support the implementation of new tax policies, jointly working to establish a sound tax environment.

Universal Microelectronics Co., Ltd. financial reports, annual reports, and shareholder meeting reports URL.

<https://www.umec.com.tw/Investor/FinanceAndShareholders>

SINCERE UMEC

2.4 Integrity and Compliance

■ Management Policy

Material Topic: Regulatory Compliance			
Sustainability Standards (Topics) Addressed	GRI 2-27 Regulatory Compliance	Main Affected Parties	Universal Microelectronics Co., Ltd. (Causing) Financial Institutions (Facilitating) Suppliers (or Contractors/Outsourcing) (Facilitating) Employees and Other Workers (Directly Related)
Significance of this Topic	The company continuously monitors regulatory developments and provides corresponding operational practices to board members, managers, and employees to avoid legal risks, ensuring the company's ongoing compliance and lawful operations.		
Influence and Impact (Positive/Negative)	■ Positive Impacts: 1. Compliance with regulations helps to increase investor trust, attracting more investors and enhancing the relevance of the company's financial reports. 2. Establishing good regulations and related contingency measures for employees ensures that the company maintains a good reputation in the industry, especially during significant events. ■ Negative Impacts: 1. If the company faces legal sanctions or fines without emergency response measures, it will lose investor trust. 2. Non-compliance with environmental regulations could lead to government penalties and damage the company's reputation.		
Policy/Strategy	■ The company adheres to the principle of not violating laws and establishes corresponding policies and operational procedures in compliance with regulations related to corporate governance, labor rights, product safety, and environmental protection, ensuring that its operations meet legal requirements. Additionally, the company actively promotes the improvement and compliance of internal management systems, enhancing transparency and social responsibility to achieve sustainable development goals.		
Goals and Targets	The company's short, medium, and long-term business goals all comply with relevant laws and regulations set by central and local governments, aiming to avoid significant violations and penalties. ■ Short-term Goals (1-3 years): Continuously monitor regulatory updates and ensure internal compliance. ■ Medium to Long-term Goals (3-5 years): Enhance the flexibility of internal systems and regulations while adhering to compliance in line with market and industry developments.		
Management Evaluation Mechanism	■ Each quarterly financial report is audited and signed off by an accountant and approved by the board of directors. ■ Annually, internal control audits are conducted to review whether the company complies with current regulatory requirements in its governance practices.		
Performance and Adjustments	■ The company continues to monitor regulatory developments and had no violations in 2023.		
Preventive or Remedial Measures	■ It remains vigilant about important domestic and international policy and legal changes, assessing their financial impact on the company and taking appropriate measures in response.		

SINCERE UMEC

■ Compliance with Laws and Regulations

UMEC views legal compliance as one of the key factors for sustainable development. During business expansion, it strictly adheres to domestic and international regulations, covering corporate governance, labor rights, product quality, and environmental protection. The company continuously monitors amendments and additions to laws, making timely adjustments to internal regulations and policies to ensure compliance with the latest requirements, reduce regulatory risks, and promote sustainable development. In 2023, there were no major penalties or violations of relevant laws.

The following table outlines the government regulations adhered to by the company:

Company Governance Regulations	Labor Rights Regulations
▪ No violations of the Company Act ▪ No violations of Commercial Act ▪ No violations of Securities and Financial regulations ▪ No political donations ▪ No corruption incidents	▪ No violations of Gender Equality Act ▪ No forced labor ▪ No use of child labor ▪ Violations of freedom of association and collective bargaining ▪ Incidents of discrimination or human rights violations ▪ Violations of indigenous rights
Product Regulations	Environmental Protection Regulations
▪ No prohibited or controversial products ▪ No violations of marketing regulations and voluntary codes ▪ No incidents resulting in substantial fines due to product and service provision violations ▪ No legal actions arising from anti-competitive behavior, antitrust, or monopolistic practices ▪ No violations of customer privacy ▪ No violations of marketing communication regulations	▪ No violations of environmental protection regulations
Notes: 1. According to the Financial Supervisory Commission, a significant penalty is defined as an individual case totaling no more than 1 million. 2. According to the Occupational Safety and Health Act, any penalty exceeding 300,000 is considered significant.	

SINCERE UMEC

■ Integrity Management

Universal Microelectronics has established its "Integrity Management Guidelines," "Integrity Management Operating Procedures and Conduct Guidelines," and "Code of Ethics" based on the "Integrity Management Principles for Listed Companies" and the "Model Code of Ethics for Listed Companies." These documents clearly define the integrity and ethical standards the company must adhere to in its operations. The company conducts corruption risk assessments covering operational sites such as the headquarters and manufacturing Plant 2, along with relevant risk management measures. The following are descriptions of the various guidelines:

Integrity Management Guidelines	These guidelines detail that directors, managers, and all employees are prohibited from participating in any business activities involving dishonest behavior, ensuring that the company's operations adhere to principles of integrity.
Integrity Management Operating Procedures and Conduct Guidelines	These guidelines explicitly prohibit the provision or acceptance of improper benefits and establish reporting channels and dedicated units to further implement measures against dishonest behavior, promoting a culture of integrity and compliant operations within the organization.
Code of Ethics	This code specifies the behavioral norms and operating procedures that employees must adhere to. When interacting with customers, suppliers, partners, or other business-related collaborators due to business needs, employees must also comply with these guidelines. Any actions that could damage the company's reputation and interests, such as corruption or bribery, are strictly prohibited.

To achieve sustainable business goals, the company regularly reports to the board and the Audit Committee each quarter on the implementation of integrity management policies and the status of measures taken to ensure independence and professionalism. The management department is responsible for planning and promoting the formulation and supervision of integrity management policies and preventive measures. The audit department conducts internal rule audits and executes an annual audit plan to provide recommendations and continuously track improvements until completion. Through the implementation of the audit plan, the company aims to eliminate potential violations and assess overall operational status, offering suggestions as needed to achieve sustainable business objectives.

To ensure the implementation of integrity management, the company establishes effective accounting systems and internal control systems. Internal auditors regularly check compliance with these systems and have not discovered any instances of transactions involving individuals with poor integrity records. In 2023, the company was not involved in any legal actions related to anti-competitive behavior, anti-trust, or monopoly measures, nor did it face fines from relevant authorities.

In business interactions with suppliers, both parties must act fairly, honestly, and transparently. Neither side should directly or indirectly offer, promise, request, or accept any improper benefits or engage in any other actions that violate integrity, legality, or obligations. This includes avoiding manipulation, concealment, or misuse of information gained from their positions, making false statements about important matters, or using other unfair transaction methods to protect both parties' legitimate interests.

For serious misconduct such as violations of integrity, conflicts of interest, unfair trade, bribery, and illegal payments, internal employees and external parties (such as suppliers, customers, or other stakeholders) can report through designated channels. Any reports received or discovered during routine audits will be investigated by responsible units, and an investigation report will be prepared. Once the facts are established, the responsible unit will report the violations, their handling methods, and subsequent improvement measures to the board, and promptly disclose information about the violations, including dates, content, and handling, on the company's internal website to prevent recurrence.

The company requires every employee to uphold the highest ethical standards to maintain UMEC's reputation. Violations of established guidelines will result in disciplinary action according to relevant regulations and local laws. The company emphasizes adherence to these standards to ensure the rights and interests of all stakeholders are protected.

SINCERE UMEC

Reporting Channels	
Receiving Unit	Management Department
Mailing Address	No. 3, 27th Road, Industrial Zone, Nantun District, Taichung City, Taiwan
Report Phone	(04)235-900-96 Ext. 1200
Email	kevin_mar@umec.com.tw

Preventing Insider Trading Promotion

UMEC has established the "Major Information Handling and Insider Trading Prevention Procedures" based on the Corporate Governance Code. This clearly outlines the obligations of directors, managers, and employees to act with due diligence and loyalty, following principles of honesty and good faith in executing company business. Since 2020, the company has held annual promotional activities to raise awareness of insider trading prevention, with 10 board members participating in the prevention propaganda, which further enhanced the understanding and compliance of directors with relevant laws and regulations in 2023.



SINCERE UMEC

2.5 Risk Management

UMEC establishes a complete internal control system to respond to rapid changes in external environments, market competition pressures, and internal operational management challenges. The company regularly conducts risk assessments to effectively manage unexpected situations. Different business risks are assigned to relevant departments for management, which assess existing or potential risks and produce a risk and opportunity management table. These measures ensure the company can cope with environmental changes, market pressures, and operational challenges while effectively managing various risks.

Internal Audit

UMEC has established internal control systems according to the "Guidelines for the Establishment of Internal Control Systems by Publicly Listed Companies." The chairman convenes the audit department and managers to draft and pass the internal control systems through the board, promoting effective operations internally and externally. The internal control system comprises five components: control environment, risk assessment, control activities, information and communication, and monitoring activities to assess the design and effectiveness of internal controls.

The board has an independent audit department that conducts audits based on the annual audit plan. Audit reports are submitted monthly to independent directors and reported at least annually to the board. In addition to internal reporting, audit results are also submitted to regulatory authorities to ensure transparency. The internal control statement was approved by the board on March 12, 2024; for detailed content, please refer to page 61 of UMEC's 2023 annual report.

Financial Risk

UMEC has established an audit department, and each unit has set various internal regulations to implement comprehensive risk management and assessment, ensuring strict control of risks. The company is committed to identifying, assessing, and effectively managing various risks to respond to the constantly changing external environment, market competition, and internal operational challenges, ensuring the company's sustainable development. The following table outlines the company's risk management scope:

Risk Management Scope	
Type	Response measures
Interest rate, exchange rate fluctuations, inflation	- The company continuously monitors bank loan interest rate trends and makes optimal arrangements based on short-, medium-, and long-term capital needs. - Sales are primarily quoted in US dollars; therefore, exchange rate fluctuations mainly affect the level of dollar holdings. Payments to suppliers are often made in US dollars, and the company pays attention to international trade risks related to exchange rate changes to minimize foreign exchange risk exposure. - The company keeps an eye on market price trends and adopts flexible strategies to mitigate the impact of inflation.
High-Risk Financial Activity Policy	The company does not engage in high-risk, high-leverage investment activities. Endorsements, guarantees, and derivative transactions are conducted in accordance with the company's "Operational Guidelines for Lending Funds to Others," "Endorsement and Guarantee Procedures," and "Procedures for Engaging in Derivative Transactions."
Policy and Impact of Rate Changes	- The company continuously monitors significant domestic and international policy and legal changes, assessing their impact. For instance, it closely follows the changes in the U.S.-China trade war and adjusts capacity planning for its domestic and overseas facilities. In response to China's wage increases that raise operational costs, it strengthens automation to lower labor costs. The company also complies with EU RoHS regulations, ensuring its production equipment, processes, inspection standards, and control points adhere to regulations for producing green products. - Regarding amendments to corporate law and securities regulations, the company takes appropriate measures in response to changes. - The company adheres to International Financial Reporting Standards (IFRS), establishing operational mechanisms to adapt to regulatory changes as updates to IFRS are announced.
R&D Expenses	The company's R&D philosophy focuses on forming strategic alliances to acquire key technologies, establishing a product technology information center that connects relevant information across all products as a reference for development. By employing a Design-in approach to seize market opportunities, close collaboration with major international communication companies allows the product design phase to advance from technical assessment to product concept. The estimated R&D expenditure for 2024 is NT\$231 million.

SINCERE UMEC

2.6 Cybersecurity Risk Management

■ Management Policy

Material Topic: Customer Privacy (Information Security)			
Sustainability Standards (Topics) Addressed	GRI 418 Customer Privacy	Main Affected Parties	UMEC (causing) Employees and Other Workers (directly related) Customers (directly related)
Significance of this Topic	To ensure customer data security and protect transaction information from harm, UMEC aims to maximize the value of information while complying with government regulations. The company will strengthen cybersecurity risk management to minimize impacts and continuously enhance its information security systems to reduce online security risks.		
Influence and Impact (Positive/Negative)	■ Positive Impact: (1). By implementing a cybersecurity certification system, the company enhances protection resilience, increases employee awareness of cybersecurity, and reduces the impact of operational interruptions. (2). Protecting customer privacy helps improve the company's reputation and trust, which can lead to increased sales and expanded market share. ■ Negative Impact: Customers may lose trust in the company due to data leaks, affecting long-term cooperation and willingness to collaborate, or leading to public criticism and boycotts, which could result in business competition and financial losses for the company.		
Policy/Strategy	■ The company complies with government regulations and has established an "Information Security Management Framework and Policy" to enhance cybersecurity measures. ■ It has an IT department and dedicated personnel to manage and review related management standards and items, ensuring adjustments or updates are made as needed. ■ The company regularly conducts cybersecurity training and awareness sessions to improve employee protection consciousness. ■ Customers must sign an "Information Security Confidentiality Agreement" before collaborating with the company to ensure that exchanged data is protected under strict security standards.		

SINCERE UMEC

Goals and Targets	▪ Short-term goals (1-3 years): 1. Information promotion: Arrange cybersecurity training for new employees. 2. Regularly conduct cybersecurity training to introduce new knowledge, complemented by assessments to enhance employee awareness. 3. Periodic social engineering drills to gauge employee cybersecurity awareness and reinforce training for those with weaker understanding. 4. Develop the information security management system based on Taiwan's Financial Supervisory Commission regulations and ISO 27001 framework. ▪ Mid-term goal (3-5 years): Implement a cloud backup mechanism for core application systems. ▪ Long-term goal (5+ years): 1. Zero major cybersecurity incidents. 2. Continuously improve cybersecurity and customer privacy management, addressing threats through risk assessment to ensure operational continuity.
Management Evaluation Mechanism	▪ Execute relevant management according to the information circulation internal control written system; the audit department and accounting firm will conduct audits annually and regularly inventory personal data files. ▪ Privileged account control: Management system for local administrator privileged accounts on client computers. ▪ Cybersecurity awareness control: Enhance information security awareness to reduce risks. ▪ Remote access control: Provide VPN to manage remote connections outside the company. ▪ Implement endpoint protection and endpoint virus/Behavior Stream Signatures detection management.
Performance and Adjustments	▪ Information Promotion: In 2023, new employees participated in information security education training, achieving a completion rate of 100%. ▪ Annual Online Information Security Awareness Training: In 2023, the information security awareness training course covered an introduction to internet security and social engineering fraud prevention, with 88 employees participating and a completion rate of 73.86%. ▪ Email Social Engineering Drills: The company conducted six phishing email drills, involving over 700 participants.
Preventive or Remedial Measures	▪ Understand and comply with all applicable laws and regulations. ▪ Regularly conduct safety inspections and assessments. ▪ Provide safety training for employees. ▪ Establish an effective information security management system. ▪ Implement various cybersecurity protective measures, managing risks through education and internal promotion to reduce the likelihood and impact of information risks. ▪ Cybersecurity awareness management: Conduct information security training mechanisms and periodically promote cybersecurity risks. ▪ Social engineering drills: Prevent employees from phishing and other social engineering threats. ▪ Remote access control: Allow employees to connect to internal information application systems from outside the company. ▪ Endpoint protection control: Monitor endpoint Behavior Stream Signatures to prevent attacks. ▪ Continuously promote cybersecurity to enhance overall employee awareness. ▪ In accordance with regulatory requirements, appoint a dedicated cybersecurity supervisor and personnel; assess the need for outsourcing cybersecurity services.

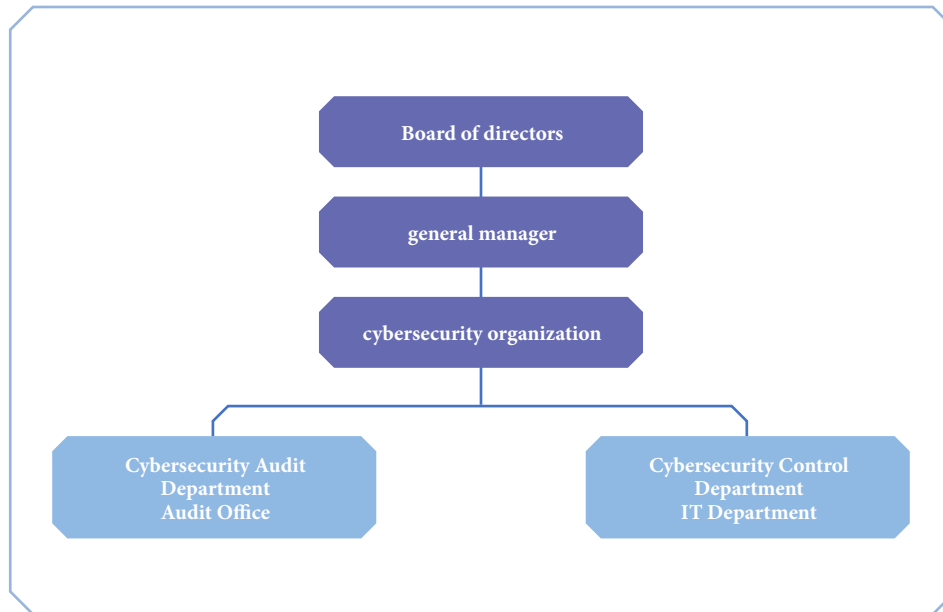
SINCERE UMEC

Information Security Structure

UMEC established the "Information Security Organization" in 2022. The top supervisor reports annually to the board on cybersecurity management effectiveness and related issues. Meetings are held biannually to review and decide on information security policies, ensuring the effectiveness of security management measures, with over 35 meetings conducted.

The company overall planning the formulation, execution, risk management, and compliance checks of security policies under the information department. An information supervisor and several professionals enhance management capabilities, with audits conducted annually to address deficiencies and reduce internal cybersecurity risks, and reports on information security management and execution results are provided to the board each year.

The following table outlines the information security organizational structure:



Information Security Risk Management and Continuous Improvement Structure

Action

Review and continuous improvement

- Review and improve cyber security measures
- Cyber threat intelligence and technical proficiency
- Cyber security violation and handling
- Cyber security training and dissemination

Plan

Cyber security risk management

- Cyber security risk assessment
- Cyber security risk management and countermeasures formulation
- Comply with the global standards of

Check

Cyber security monitoring management

- Continuous cyber security monitoring Information security performance evaluation
- Cyber security attack simulation and
- quantitative exercise

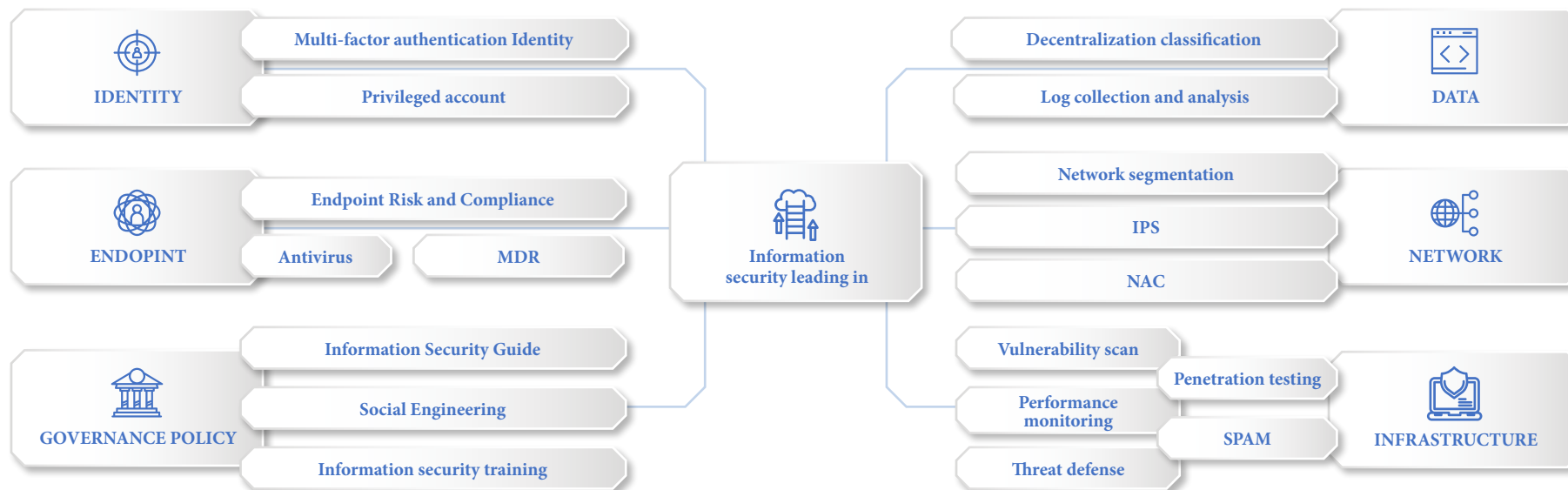
DO

Cyber security precautions

- Account and authority management
- Endpoint security
- Internet security
- Information Security Monitoring and Operations
- Education training and advocacy

SINCERE UMEC

Information Security Management Plan



Identity Security	Implement two-factor authentication to strengthen account verification security for external access.	Data Security	Define access permissions based on units and grant corresponding functionalities according to privileges for each system.
	Regularly inventory privileged accounts.		Utilize a centralized management platform to maintain audit trails.
Endpoint Security	Establish MDR services for core servers and computers to continuously monitor for 24/7 protection against malicious attacks.	Network Security	Implement Network Access Control (NAC) to block external devices from connecting.
	Implement control measures for endpoint antivirus, asset inventory, and installation permissions based on computer categories.		Enhance firewall controls to prevent virus propagation across zones.
Policy Governance	Establish a cybersecurity audit team to set and review cybersecurity policies and goals, with regular reports to the board.	Infrastructure (Monitoring, Operations)	Establish a system and network monitoring platform, along with anomaly alert services.
	Conduct regular cybersecurity training and email social engineering drills to enhance employee awareness.		Regularly perform vulnerability scans, patch security flaws, and conduct penetration testing.
			Implement email protection filters to enhance email security.

SINCERE UMEC

Information Security Implementation Measures

UMEC assesses information security-related risks based on internal incident management processes and adopts risk management solutions for regular reviews, and has established a multi-layer defense network that includes firewalls, intrusion detection, antivirus systems, vulnerability scanning, and patch management. Regular penetration testing by external security vendors ensures the continuous enhancement of security capabilities. In 2023, the total investment exceeded NT\$3.6 million.

The company implements the following measures:

1. Strengthen firewall zone management with access rules for Server and production areas, and activate IPS intrusion protection.
2. Enable VPN dual-factor authentication to enhance account verification security for external access.
3. Network access and computer management through Pixis and Forescout compliance platforms to strengthen endpoint access security.
4. Cloud backup for core systems.

Through these security measures, UMEC did not experience any significant security incidents or complaints regarding customer privacy breaches or data loss in 2023.

Information Security Implementation Results

Policy	▪ In 2023, the company added and revised 7 information security regulations.
Outsourced Security Services	▪ Established MDR 24/7 monitoring services for core systems to block malicious attacks. ▪ Conducted penetration testing and vulnerability remediation for external systems.
Training and Promotion	▪ In 2023, 176 new employees participated in information security training with a completion rate of 100%. ▪ The annual online information security awareness training included topics on internet security and social engineering scams, with 88 employees participating and a completion rate of 73.86%. This training specifically targeted employees who received two or more scam emails (MailSpam triggered) within the past three months. ▪ The company executed 6 phishing email simulations, testing participants with emails that included opening emails, clicking links, opening attachments, and phishing links. Each user received five simulation emails. The results showed a total email open rate of 13.2%, a link click rate of 5.0%, and an attachment open rate of 5.8%, with over 700 participants.



CHAPTER

3

PROFESSIONAL SERVICES

3.1 Major Products and Services	49
3.2 Product Quality Management	53
3.3 Supply Chain Management	61

PROFESSIONAL SERVICES

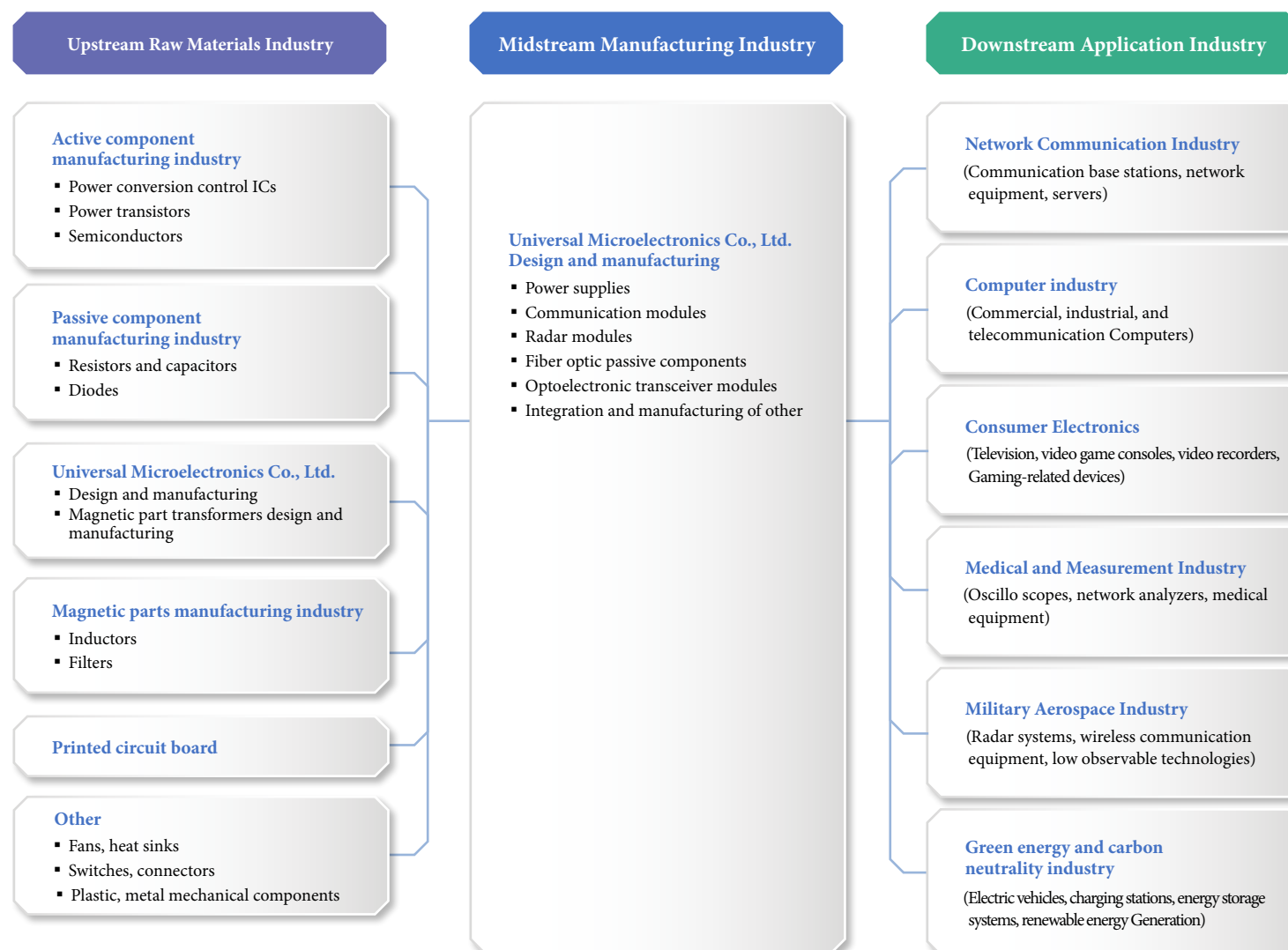
3.1 Major Products and Services

Industry Chain

With the recovery of the global information and electronics market, expansion in the communications sector, and the rapid development of personal computers, the demand for electronic components has increased, driven by strong demand for smartphones, fax machines, and electronic stabilizers. Looking ahead, as key materials are successfully developed by the industry and government, and automation and breakthroughs in technology continue, significant growth is anticipated in the communication electronic components industry. Future development will align with trends in network and fiber optic communications.

The electronics industry can be broadly categorized into information, networking communications, and consumer electronics. UMEC's main products include electromagnetic components, switch mode power supplies, information and communication product manufacturing, and optical communication components.

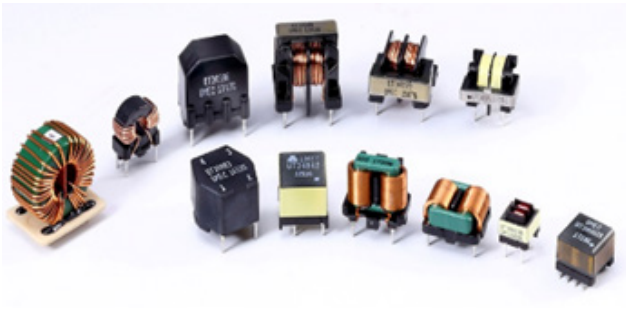
The correlation between the company's products and the overall industry is shown in the table below:



PROFESSIONAL SERVICES

■ Products and Services

UMEC's production bases are in the Taichung headquarters, Shenzhen, Longyan in China, and Vietnam. In 2023, the company's product structure is primarily composed of information and communication products (50.89%), power supplies (39.54%), and electromagnetic components (8.85%), with a small quantity of optical communication products (0.29%) and other products (0.43%). The table below describes UMEC's main products:

Electromagnetic Components	Optical Active and Passive Components
Their application areas include communications, networking, and power. This encompasses various inductive components used in switch-mode power supplies and various inductive components used in information and communication devices. 	The main products include HDMI, DVI, KVM, QSFP, SFP+, USB AOC cables, and optical passive components. 
Information Communication Products	Power Supply Units
This involves using surface mount technology to attach ICs, transistors, and other active and passive components onto circuit boards, followed by assembly operations to give these boards their unique functions. Their application scope includes the information industry, communications industry, consumer electronics, medical-grade electronics, automotive electronics, and radar products. Examples of OEM and ODM products include engineering telephones, sonar and fish finders, marine tow motor navigation systems, vehicle-mounted radar for two- and four-wheelers, industrial automation control systems, GPS, Bluetooth, and IoT modules. 	Their application areas cover communications, networking, industrial control, and consumer electronics. (A) Servers and Networking Power Supplies: High-end AI servers, white-box servers, and power for networking and data storage devices. (B) Adapters: Power for ice machines, laptops, LCD monitors, printers, PoE power, medical devices, USB Type-C PD chargers, and smart home applications. (C) AC/DC & DC/DC: Widely used in various data center equipment, server computers, workstation computers, networking systems, electric vehicles, railway systems, and aerospace equipment. 

PROFESSIONAL SERVICES

The table shows the production values of various products by UMEC in 2023.

Product Category	Production Value	Capacity (thousand units)	Output (thousand units)	Output Value (thousand NTD)
Electromagnetic Components		40,000	21,800	161,504
Power Supplies		7,000	3,297	850,694
Information Communication Products		5,000	3,320	1,609,218
Optical Communication Products		50	25	17,975
Total		52,050	28,442	2,639,391

Product Sales Proportion

UMEC's sales distribution is primarily focused on exports, with domestic sales as a secondary focus, covering major regions such as Taiwan, China, the United States, and Japan. The company applies the equity method for long-term strategic investments. When a strategic investment's value is no longer significant, it may be reclassified as a financial investment. The investment policy aims to enhance group capacity, key technologies, and marketing services, while maximizing overall benefits through strategic distribution based on each plant's advantages.

The following table shows the product sales proportion for 2023:

Product/Service Regional Sales Proportion		
Sales Region	Domestic/Foreign Sales	Sales Volume (New Taiwan Dollars in thousands)
Asia	Foreign	932,504
Americas	Foreign	2,189,155
Taiwan	Domestic	1,322,208
Others	Foreign	159,914
Total		4,603,781

Product/Service Revenue Proportion		
Product Type	Product	Sales Volume (NTD Thousand)
Electromagnetic Components, Power Supplies	Electromagnetic Components, Power Supplies	2,227,780
Information Communication Products	Information Communication Products	2,342,820
Optical Communication Products	Optical Communication Products	13,437
Others	Others	19,744
Total		4,603,781

PROFESSIONAL SERVICES

▪ Main Customer Groups

UMEC's main customer industries include the network communication industry, computer industry, consumer electronics, medical measurement industry, military aerospace industry, and green energy carbon neutrality industry. Customer types include consumers of electronic products, business professionals, small to medium-sized enterprises, and large corporations.

The main business of its subsidiaries primarily serves the parent company, with revenue sources mainly from the parent company. Intercompany revenue pricing follows OECD rules and establishes appropriate transfer pricing policies. In the future, the company will continue to focus on long-term strategic investments while prudently evaluating various investment plans.

The company combines its expertise in passive components, power supply, automotive, and marine electronics to develop products that meet market demands and trends, such as electrification, artificial intelligence computing, and next-generation communication architectures, to maximize revenue and profits. Besides developing OEM/ODM and standard products, the company actively promotes market diversification and risk dispersion strategies. By collaborating with existing marketing channels, sales representatives, and distributors, the company gathers market and industry intelligence from various regions and uses customer co-development to grasp technology trends, serving as a basis for market assessment.

Therefore, the company adopts a strategy of product diversification and broad market expansion to respond to the economic characteristics of different regions and seasonal cycles in the industry, effectively grasping market dynamics and industry development to achieve risk dispersion goals.



PROFESSIONAL SERVICES

3.2 Product Quality Management

■ Management Policy

Material Topic: Customer Health and Safety (referring to product safety regulations, product quality)			
Sustainability Standards (Topics) Addressed	GRI 416 Customer Health and Safety	Main Affected Parties	UMEC (causing) Business Partners (facilitating) Suppliers (or contractors/subcontractors) (facilitating) Industry Peers (facilitating) Customers (directly related)
Significance of this Topic	UMEC aims to reduce the environmental impact of its components and materials while meeting international environmental regulations and customer demands. The company adheres to industry-related laws, such as compliance with international RoHS regulations, to prevent harmful substances in products, thereby protecting both the environment and consumer health.		
Influence and Impact (Positive/Negative)	■ Positive Impact: 1. The company complies with restrictions on hazardous substances, avoiding harmful components in products and implementing safe raw materials, circular economy practices, and carbon reduction to minimize environmental impact. 2. Improved GPM system management and incoming material RoHS testing enhance customer confidence in products. 3. High-quality products extend lifespan, reduce resource consumption, and waste generation. 4. Increased consumer confidence and purchasing willingness boost sales and economic growth while reducing costs associated with recalls and lawsuits. 5. Protecting consumer health and safety enhances corporate image and competitiveness. ■ Negative Impact: 1. Pollutants and regulated substances exceeding limits may have direct or indirect environmental impacts. 2. Customer concerns about products threatening life and property can lead to decreased sales and potential lawsuits. 3. Non-compliance with RoHS regulations may result in financial losses, damage to reputation, and legal penalties.		
Policy/Strategy	■ UMEC focuses on meeting customer needs by providing high-value products and systematic solutions. ■ The company adheres to international environmental regulations, such as compliance with RoHS, to prevent harmful substances in products and protect the environment and consumer health. ■ UMEC is committed to fulfilling its environmental responsibilities, actively implementing requirements for hazardous substance management and pledging to contribute to environmental protection.		

PROFESSIONAL SERVICES

Goals and Targets	▪ Short-term goals (1-3 years): Continuously strengthen product inspection quality and ensure product durability and reliability. ▪ Mid-to-long-term goals (3-5 years): Maintain compliance with RoHS and REACH regulations, establishing standards that meet regulatory and customer requirements to provide customers with safe products, thereby enhancing corporate image and increasing customer confidence in products.
Management Evaluation Mechanism	▪ The company adheres to safety regulations such as IEC 62368-1, IEC 60335-1, UL 1310, and RoHS 2.0. It conducts annual evaluations of product management effectiveness using the PDCA cycle, in line with ISO 9001 quality management standards, to continuously improve management processes and enhance service quality. ▪ Regular audits are conducted each year on key raw material suppliers.
Performance and Adjustments	▪ In 2023, the company obtained UL/CB safety certification, and all products met safety certification standards. ▪ There were no violations of RoHS regulations in 2023. ▪ The company had no incidents of violating customer health and safety or related product and service safety regulations, and it continued to actively pursue additional safety certifications. ▪ The average customer satisfaction score in 2023 was 84.5 points.
Preventive or Remedial Measures	▪ UMEC is committed to high-quality products and services, implementing comprehensive customer satisfaction quality management, including customer service management procedures, customer satisfaction surveys, and complaint handling processes to accurately identify issues and responsibilities. ▪ A GPM system is established to analyze material components for harmful substances, ensuring compliance with RoHS regulations. The company has also acquired EDXRF and PY-GCMS for incoming material inspections, along with annual training for relevant personnel. ▪ Annual customer satisfaction surveys focus on product quality, pricing, delivery, and service to inform strategic planning and continuous improvement.

PROFESSIONAL SERVICES

■ Management Policy

Material Topic: Marketing and Labeling (Sales, Product Labeling Laws)			
Sustainability Standards (Topics) Addressed	GRI 417 Marketing and Labeling	Main Affected Parties	UMEC (causing) Industry Peers (facilitating) Business Partners (directly related) Customers (directly related)
Significance of this Topic	UMEC strictly prohibits the use of hazardous substances during its manufacturing processes and requires suppliers to meet environmental management requirements. Suppliers must not use or contain banned substances or hazardous materials. The company ensures that products from design to manufacturing and shipping are free from contamination. All products and packaging materials comply with relevant EU regulations.		
Influence and Impact (Positive/Negative)	▪ Positive Impact: Complying with restrictions on hazardous substances protects customer interests and enhances their confidence by avoiding false or exaggerated claims.	▪ Negative Impact: Failure to follow labeling regulations and making false or exaggerated claims may lead to loss of customer confidence, reluctance to purchase, and perceptions of dishonesty or irresponsibility, ultimately resulting in decreased sales.	
Policy/Strategy	▪ Our company follows relevant regulations and international standards for marketing and labeling products and services. We provide customers with certificates or declarations that comply with regulations such as EU REACH, RoHS environmental regulations, WEEE directives, EuP directives, and halogen-free requirements.	▪ We uphold honest, fair, and transparent business practices, emphasizing integrity, enhancing product value, optimizing diversified production facilities and supply chain management, and cultivating core customer relationships to continuously improve our competitiveness and market leadership.	
Goals and Targets	▪ Short-term goals (1-3 years): (1). Zero violation incidents. (2). Formulate and implement marketing strategies: Adjust the ratio of standard products to customized products to achieve the best balance between sales volume and profit. (3). Achieve production policies: Rationally allocate existing production facilities, continuously optimize production processes to maximize capacity efficiency, enhance productivity and activation, maximize investment benefits through on-site management, reduce production costs, and strengthen international product competitiveness.	▪ Mid to long-term goals (3-5 years): Continue to design and produce in accordance with international regulatory standards and customer requirements, complying with regulations such as EU CE, REACH, RoHS, and US FCC.	
Management Evaluation Mechanism	▪ To effectively manage the marketing and labeling theme, ISO 9001 and ISO 14001 international management systems have been implemented. According to safety standards IEC 62368-1, IEC 60335-1, UL 1310, and the ISO 9001 internal management review process, an annual effective evaluation of quality management through PDCA is conducted.	▪ External system: EU RoHS and REACH regulations. ▪ Internal system: Supplier management measures are specified in internal management documents.	
Performance and Adjustments	▪ In 2023, there were no violations of product and service information labeling regulations or incidents, which also aligns with the company's short-term goals. Moving forward, the average management of customer satisfaction surveys will continue.		
Preventive or Remedial Measures	▪ To maintain competitiveness and understand customer satisfaction with the company's products and services, UMEC has established a customer satisfaction survey procedure within its management system. This procedure covers four aspects: product quality, pricing, delivery, and service, using survey results for strategic planning and continuous improvement to meet genuine customer needs and enhance competitiveness. If customers do not provide satisfaction ratings, proactive surveys will be conducted to gather feedback for further improvement.	▪ Understand and comply with all applicable laws and regulations. ▪ Regularly conduct labeling checks and assessments. ▪ Provide labeling training for employees. ▪ Establish an effective labeling management system.	

PROFESSIONAL SERVICES

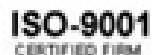
■ Product Safety

UMEC adheres to the principles of honesty, transparency, and integrity, continuously enhancing product value and supply chain resilience while strengthening long-term partnerships with core customers. The following table summarizes the company's core principles and specific strategies in areas such as ethical operations, product development, diversified production, and customer relations, ensuring sustained competitiveness and stable growth in a rapidly changing market environment.

Honesty and Fairness	The company should provide product information to consumers honestly and fairly, avoiding deception or misleading statements.
Transparency	The company should transparently disclose product information to consumers, including composition, performance, safety, and risks.
Integrity	The company should provide complete product information, including all important details, without concealing or misleading disclosures.
Integration of Development Capabilities to Enhance Product Line Value	Each product line, beyond its original range, challenges senior R&D personnel to develop higher-spec products and collaborates across divisions to provide customers with subsystem integration services, enhancing the added value of products.
Optimization of Diverse Production Facilities and Supply Chain	In response to the rapid changes in the international political and economic landscape, the company is implementing diversification projects for its supply chain and production facilities, aimed at strengthening supply chain resilience and risk management. (1). The localization of alternative materials requires that they be produced in different geographic locations from the primary materials. (2). Strengthen the standardization of product processes and unify equipment training across production facilities to enhance the ability to maintain continuous production of mass-produced products under risk conditions.
In-depth Management of Core Customer Relationships	The company forms project teams to serve core customers, with the goal of accelerating the mass production timelines for key client projects to expand sales and profits.

Product Labeling

UMEC provides complete product and manufacturer information to protect customer rights. This information includes usage instructions, international certification marks, and local environmental labels. When applying for safety regulations, the company strictly follows labeling content specifications, which cover product model, company trademark and name, electrical specifications (e.g., input voltage/current/frequency, output voltage/current), and safety symbols from various countries. All products comply 100% with safety assessment standards, ensuring global market compliance and safety based on business needs.



PROFESSIONAL SERVICES

To ensure the stability and safety of products, the company conducts electromagnetic compatibility (EMC) testing based on regional requirements and sells products in those countries after obtaining the necessary certifications. Testing covers various standards, including Taiwan BSMI, US FCC, EU CE, UK UKCA, Canada ICES, Korea KC, Russia EAC, and Australia RCM, with regulatory symbols labeled on the products.

In marketing and labeling products and services, the company adheres to relevant regulations and international standards, providing certificates or declarations that comply with EU CE, REACH, RoHS, WEEE, EuP directives, US FCC, and halogen-free requirements. The company establishes a management specification for restricted substances to meet RoHS requirements, preventing harmful substances from mixing with UMEC green products and setting forth compliance measures with suppliers to protect the environment and reduce ecosystem impact.

Specific requirements are as follows:

RoHS Requirements	▪ UMEC distinguishes between the following two levels to meet customer demands: » S: Must comply with the latest Sony SS-00259 requirements. » HF: Must meet halogen-free requirements. (For details, please refer to E00-ST-004 Product Restricted Substance Management Specification. https://www.umec.com.tw/file/RoHS/c7E00-ST-004-(%E5%85%A8).pdf))
Halogen-Free Requirements	▪ UMEC refers to IEC 61249-2-21 to define halogen-free: » Total chlorine (Cl) content must be less than 900 ppm. » Total bromine (Br) content must be less than 900 ppm. » Total halogen (chlorine + bromine) must not exceed 1,500 ppm.
Compliance with EuP Directive Requirements	▪ According to the EU EuP Directive (2005/32/EC), for "Energy Using Products" (EuP), a set of ecological design operating systems is established that considers the entire product lifecycle. This aims to continuously improve the environmental impact of products and fulfill the company's social responsibility.

PROFESSIONAL SERVICES

To fulfill its corporate responsibility to the environment and contribute to its protection, the company commits to the following in managing hazardous substances:

1. Educate all employees on international environmental regulations and ensure understanding of the HSF hazardous substance list.
2. Comply with global environmental laws and customer requirements, urging stakeholders to adhere to the company's HSF policy.
3. Control material usage in all stages according to international regulations and customer HSF requirements.
4. Continuously improve the effectiveness of HSF management implementation and conduct regular reviews of its applicability.
5. Evaluate the adoption of alternative materials and zero-pollution process controls to prevent pollution.
6. Conduct regular audits of hazardous substance management performance and pursue ongoing improvements.
7. Provide sufficient resources to ensure the company develops HSF products and operational processes.
8. Human-Centered: Prioritize the health and safety of customers and take all necessary measures for protection.
9. Transparency: Transparently disclose health and safety risks associated with products or services to customers, offering ample information for informed decision-making.
10. Responsibility: Assume responsibility for the health and safety of products or services and bear corresponding liabilities.
11. RoHS environmental policy aims to comply with environmental laws, protect ecological environments, eliminate and reduce hazardous substances, and uphold the responsibility of protecting the planet.

The following table presents the company's safety certifications and their explanations:

Item	Certification Category	Purpose
SAFERY Safety Regulations	CB	▪ International Certification System
	UL/CUL	▪ USA/Canada Safety
	CE(LVD)	▪ EU Safety report
	CNS 14336-1	▪ Taiwan Safety report
EMC Electromagnetic Compatibility	FCC/ICES	▪ USA/Canada EMC
	CE(EMC)	▪ EU EMC
	UKCA(EMC)	▪ UK EMC
	KCC(EMC)	▪ KOREA EMC
	RCM(EMC)	▪ AUSTRALIA EMC
	BSMI(EMC)	▪ TAIWAN EMC
	NCC	▪ TAIWAN RF equipment Certification
	TELEC	▪ Japan RF equipment Certification
TG-XXXXXXX Electromagnetic Series	RoHS 2.0 (2011/65/EU & 2015/863/EU)	▪ Establish a management specification for restricted substances to meet RoHS requirements and prevent UMEC green products from mixing with harmful substances. ▪ Set the UMEC restricted substance specifications and collaborative items for suppliers to promote compliance with regulations, protect the Earth's environment, and reduce impact on ecosystems. ▪ UMEC RoHS categorizes into two levels to meet customer requirements: ▪ S: Must comply with the latest Sony SS-00259 requirements. ▪ HF: Must comply with halogen requirements.
IG-XXXXXXX Electromagnetic Series		
UPXXXXXXG Power Series		
PX-XXXXXXX OEM Series		
PX-XXXXXXX OEM Series		
PDG-XXXXXX Optical Communication Series		
UPXXXXXXG Power Series	IEC623681、IEC60335-1、UL1310	▪ The following series of UMEC products comply with the RoHS 2.0 regulations (2011/65/EU & 2015/863/EU).
UMXXXXXXG Power Series		

PROFESSIONAL SERVICES

In 2023, all products from the company achieved ISO quality verification and safety certification. The following table lists the current management system certifications for the products:

Management System Certification Item Statistics		
Product or Service Name	Safety Regulation Certification	Percentage of Products or Services Evaluated for Customers (%)
Electromagnetic Components, Power Supplies, Information Communication Products, and Optical Communication Products.	ISO 9001 : 2015	100
	IECQ QC 080000	100
Information Communication Products	IATF 16949 : 2016	100
Electromagnetic Components, Power Supplies, Information Communication Products, and Optical Communication Products.	ISO 14001	100
	ISO 45001	100
PowerSupplies/MES/DMS.Photonics Products	ISO 9001 Quality Management System Certification	100
Blind spot detection module	IATF 16949 Global Automotive Industry Quality Management System Certification	100
Notes: 1. Percentage = (Total amount of products or services assessed for customers / Total amount of products or services provided to customers) * 100. 2. For management system certification certificates, please refer to Appendix Five: Management System Certification.		

In 2023, UMEC did not violate any product and service safety labeling and marketing regulations, nor did any violations or fines occur. The company will continue to comply with relevant regulations and standards, ensuring product and service compliance and safety through strict oversight.

PROFESSIONAL SERVICES

Customer Satisfaction

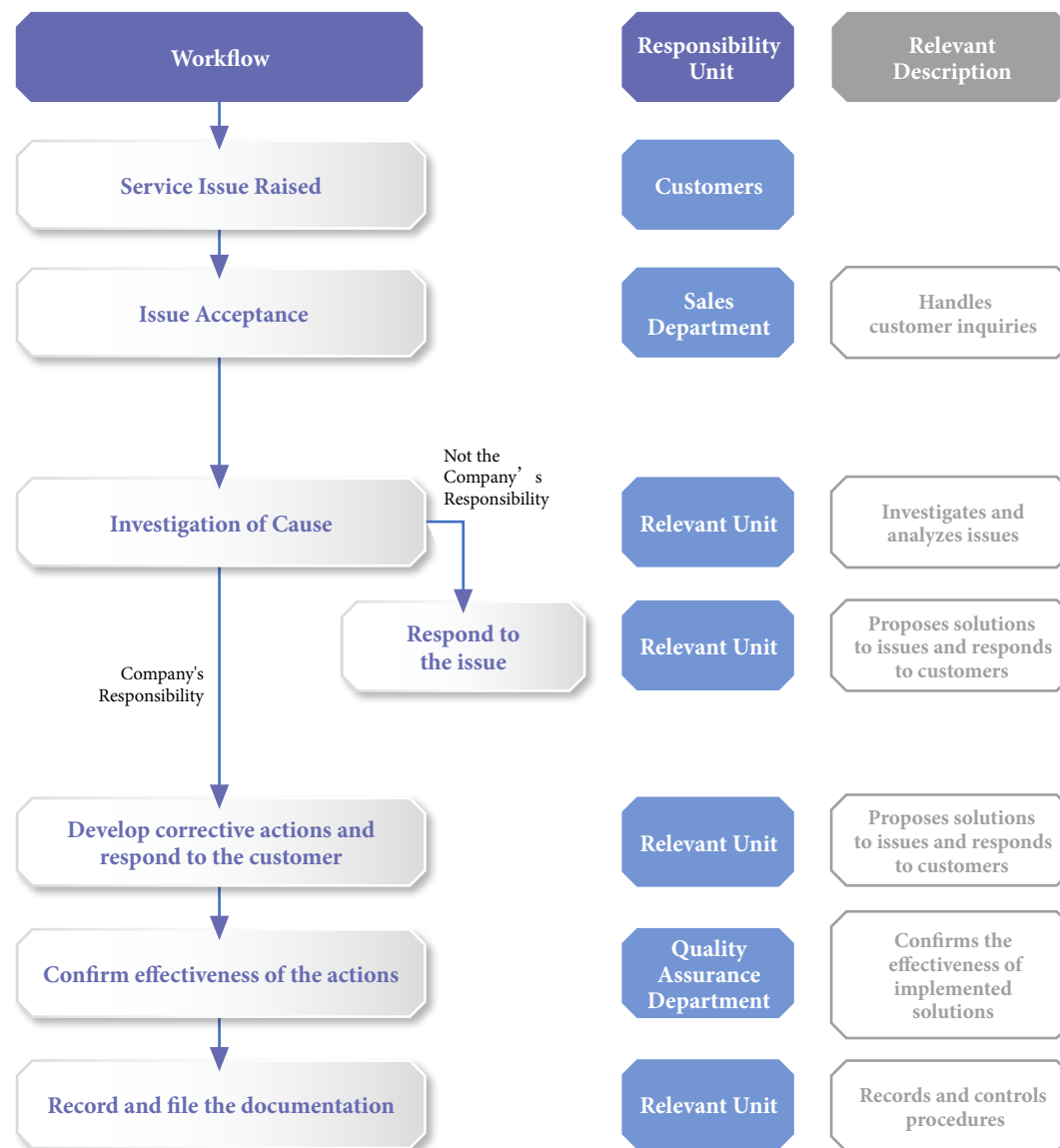
UMEC focuses on technology, quality, service, and marketing as its four core pillars. Based on the industrial environment and market supply-demand conditions, the company develops competitive products that meet target market demands while continuously improving product quality to enhance customer satisfaction.

To effectively manage customer satisfaction, the company has implemented international management systems such as ISO 9001, TL 9000, and IATF 16949 for quality management. It has established customer service management procedures, customer satisfaction survey procedures, and customer complaint handling procedures, focusing on product quality, price, delivery, and service. Based on the types of customer complaints, response and closure time targets are set, and the effectiveness of the PDCA cycle is assessed to ensure rapid problem resolution.

The results of customer satisfaction surveys serve as a basis for strategic planning and continuous improvement. By communicating and visiting customers, the company gains insights into the competitive advantages and disadvantages of its peers, capturing customer needs and issues during the product design phase to strengthen resources and competitiveness further. Additionally, the company actively invites industry experts to provide consultations, accurately grasping end-market demands, surpassing competitors, and meeting customer expectations to enhance overall competitiveness. In 2023, the customer satisfaction score was 84.5 points.

In response to the ever-changing industry trends, the company actively strengthens internal quality management, regularly reviewing and improving to continuously keep pace with industry trends and customer dynamics. For quality issues during the product warranty period, the company provides prompt and effective return, repair, and delivery services to protect customer interests. Through ongoing optimization of product and service quality, the company not only increases customer satisfaction but also effectively reduces waste in the manufacturing process, achieving a reduction in environmental impact and realizing the goal of sustainable corporate development.

Customer Complaint Handling Procedures



PROFESSIONAL SERVICES

3.3 Supply Chain Management

■ Management Policy

Material Topic: Supplier Environmental Assessment			
Sustainability Standards (Topics) Addressed	GRI 308 Supplier Environmental Assessment	Main Affected Parties	UMEC (causing) Suppliers (or contractors/subcontractors) (directly related)
Significance of this Topic	Selecting suppliers that meet sustainability standards and have environmental management practices is a key factor for the company's sustainable operation. By implementing sustainable management and enhancing risk control from the source, the company conducts an environmental assessment of suppliers after analyzing stakeholder communication, concerns, and impact levels, determining the relative importance of this topic for the organization.		
Influence and Impact (Positive/Negative)	■ Positive Impact: 1. Ensuring supply chain compliance can effectively reduce fines and legal risks, lower operational costs, enhance the company's environmental image in the market, and attract more customers. 2. Ensuring suppliers comply with environmental regulations helps reduce pollutant emissions and promotes environmental protection. ■ Negative Impact: 1. Non-compliant suppliers may expose the company to legal liabilities and fines, increasing operational costs and damaging the company's reputation, affecting market competitiveness and customer trust. 2. Suppliers with low resource efficiency may lead to resource waste and increased environmental burden.		
Policy/Strategy	The company is committed to implementing excellent corporate social responsibility policies, using innovative technology and quality as the foundation to manufacture world-class products. It focuses on the most rational and effective use of resources to generate maximum profit, promote sustainable development, and continuously care for the world, benefiting society, and sharing profits with the community.		
Goals and Targets	■ Short-term goal (1-3 years): Each year, select 15 major manufacturers for on-site evaluation audits. ■ Mid to long-term goal (3-5 years or more): Complete evaluations of over 135 manufacturers.		
Management Evaluation Mechanism	■ The company conducts on-site audits for new manufacturers based on ISO standards and supplier management policies. ■ For existing major manufacturers, 15 are selected for on-site audits, which include evaluating the suppliers' implementation of RBA/EHS (Environmental, Health, and Safety) management practices.		
Performance and Adjustments	■ The company has incorporated RBA/EHS into its supplier evaluation process. According to the supplier management policy, a score of 80 or above is required for a supplier to be deemed qualified, ensuring sustainable business development. In 2023, evaluations for 15 major manufacturers were completed.		
Preventive or Remedial Measures	■ Manufacturers that fail to pass the supplier evaluation are not included in the list of qualified suppliers. ■ To address the increasing requirements that existing suppliers cannot meet, the company actively seeks alternative suppliers that comply with the standards.		

PROFESSIONAL SERVICES

■ Management Policy

Material Topic: Procurement Practices			
Sustainability Standards (Topics) Addressed	GRI 204-1 Procurement Practices	Main Affected Parties	UMEC (Causing Suppliers (or Contractors/Outsourcing) (Directly Related)
Significance of this Topic	Establishing a long-term stable supply chain is crucial for ensuring the company's stability in production and operations. After communicating with stakeholders and analyzing their concerns and impact levels, this topic is deemed relatively important for the company.		
Influence and Impact (Positive/Negative)	■ Positive impacts 1. Green procurement reduces harmful substance use and emissions, improving environmental quality and promoting sustainable development. 2. Sourcing from certified suppliers minimizes environmental impact. 3. Localized procurement lowers transportation costs, enhancing profitability. 4. Emphasizing corporate social responsibility boosts human rights protection and reduces inequality/discrimination. 5. Encouraging suppliers to meet social responsibility standards enhances the overall social responsibility image. ■ Negative impacts: 1. Purchasing from uncertified suppliers may result in financial or reputational losses and potential legal issues. 2. Suppliers unable to meet green procurement standards may face business pressures, impacting employee job stability in the short term.		
Policy/Strategy	■ The company's procurement policy focuses on a sustainable supply chain and green procurement. ■ Localization of procurement: Local suppliers are prioritized for component sourcing, except for those designated by customers. ■ Management of restricted substances: All qualified suppliers are required to sign the "Product Restricted Substance Management Specifications" and provide REACH compliance declarations, with green standards specified on purchase orders.		
Goals and Targets	■ Short-term goals (1-3 years): Increase the proportion of localized procurement and ensure compliance with green procurement standards. ■ Medium to long-term goals (3-5 years): Enhance localized procurement and improve local sourcing at the subsidiary in Vietnam, while ensuring adherence to green procurement standards.		
Management Evaluation Mechanism	■ To ensure the reliability of finished products by stabilizing the quality of green materials, HSF suppliers are required to continuously ensure the integrity of material and component inspection shipments and HSF system documentation, with periodic or ad-hoc audits conducted. ■ New suppliers must undergo a review before adoption to ensure product compliance and uninterrupted supply capability, identifying potential operational risks while reviewing environmental substances, including compliance with RoHS, REACH, and halogen-free product requirements, as well as conducting carbon emissions assessments. ■ According to the company's supplier management guidelines, evaluations are conducted for new and major manufacturers, incorporating RBA/EHS into the evaluation scope, with scores needing to exceed 80 to be considered qualified suppliers. ■ Suppliers ranking in the top 50 by transaction amount are evaluated semi-annually, establishing a supplier rating system to enhance cooperation across various aspects. ■ Maintaining high-quality supplier relationship management improves the company's competitive ability and serves as a reference for procurement strategy formulation.		
Performance and Adjustments	■ In 2023, there were a total of 649 component suppliers, with 581 being domestic suppliers and 68 being foreign suppliers.		
Preventive or Remedial Measures	■ Suppliers that have not passed the evaluation or do not meet green procurement standards are not included in the list of qualified suppliers. ■ Purchases are made from alternative suppliers that meet green procurement standards.		

PROFESSIONAL SERVICES

■ Raw Material Usage

UMEC places great importance on product quality, based on green procurement activities. To ensure that product quality meets green environmental regulations, the company strictly prohibits the use of hazardous substances in its processes and requires suppliers to comply with environmental management requirements, avoiding banned substances. This aims to ensure that products from design to manufacturing and delivery meet the conditions of not using, contaminating, or mixing harmful substances, thereby reducing the environmental impact of products and services. All products and their packaging comply with EU regulations. In the manufacturing process, the company recycles and reuses packaging trays for its self-produced XTMR & Choke products; however, other products and services do not utilize recycled materials.

In 2023, the total weight of raw materials used by the company was 1,020,593 kg, of which renewable materials accounted for 72%. The following is a detailed table of material usage:

Raw Material Name	Unit	Recyclable	2021	2022	2023
Metal Materials	KG	Yes	366,238	428,584	33,324
Plastic Materials		Yes	1,161,573	768,224	531,964
Electronic Components		No	458,782	315,013	287,980
Packaging and Transportation Materials		Yes	479,845	448,015	167,325
Note: The raw materials are the total weight of the top four materials used by UMEC.					

■ Conflict Minerals

UMEC upholds the principle of honest business operations and maintains fair, trustworthy, and transparent dealings with suppliers. Both parties are prohibited from directly or indirectly providing, promising, requesting, or receiving any improper benefits, as well as engaging in dishonest, illegal, or obligatory violations. Any manipulation, concealment, or abuse of information obtained through duties, or making false statements regarding important matters, is strictly prohibited to safeguard both parties' legal rights.

The company actively promotes the Responsible Business Alliance (RBA) Code of Conduct and conducts periodic audits based on the supplier audit checklist (D) for RBA/EHS (Environment, Health, Safety) items to ensure a safe working environment in the supply chain, respect for employees, environmentally friendly business operations, and compliance with ethical standards to achieve sustainable development goals. Additionally, the company requires that all supplier products meet green environmental quality requirements and do not contain conflict minerals sourced from the Democratic Republic of Congo and surrounding regions (such as tantalum, tin, gold, tungsten, cobalt, and mica).

To further enhance the stability of the supply chain, the company not only ensures that component materials do not come from conflict mineral areas but also implements a diversified procurement strategy by introducing at least two suppliers. Management is based on the risks associated with the factory locations to mitigate supply risks.

Currently, the company has signed the Responsible Business Alliance Code of Conduct with key suppliers and has obtained a "Commitment to Limited Harmful Substances" certificate from 649 collaborating suppliers, which serves as one of the criteria for supplier selection.

PROFESSIONAL SERVICES

Supplier Evaluation

UMEC aims to establish a supply chain that protects the environment, human rights, safety, health, and sustainable development. In selecting suppliers, considerations extend beyond quality and price to include environmental protection and corporate social responsibility. All procurement activities must comply with the company's established procurement management procedures and regulations.



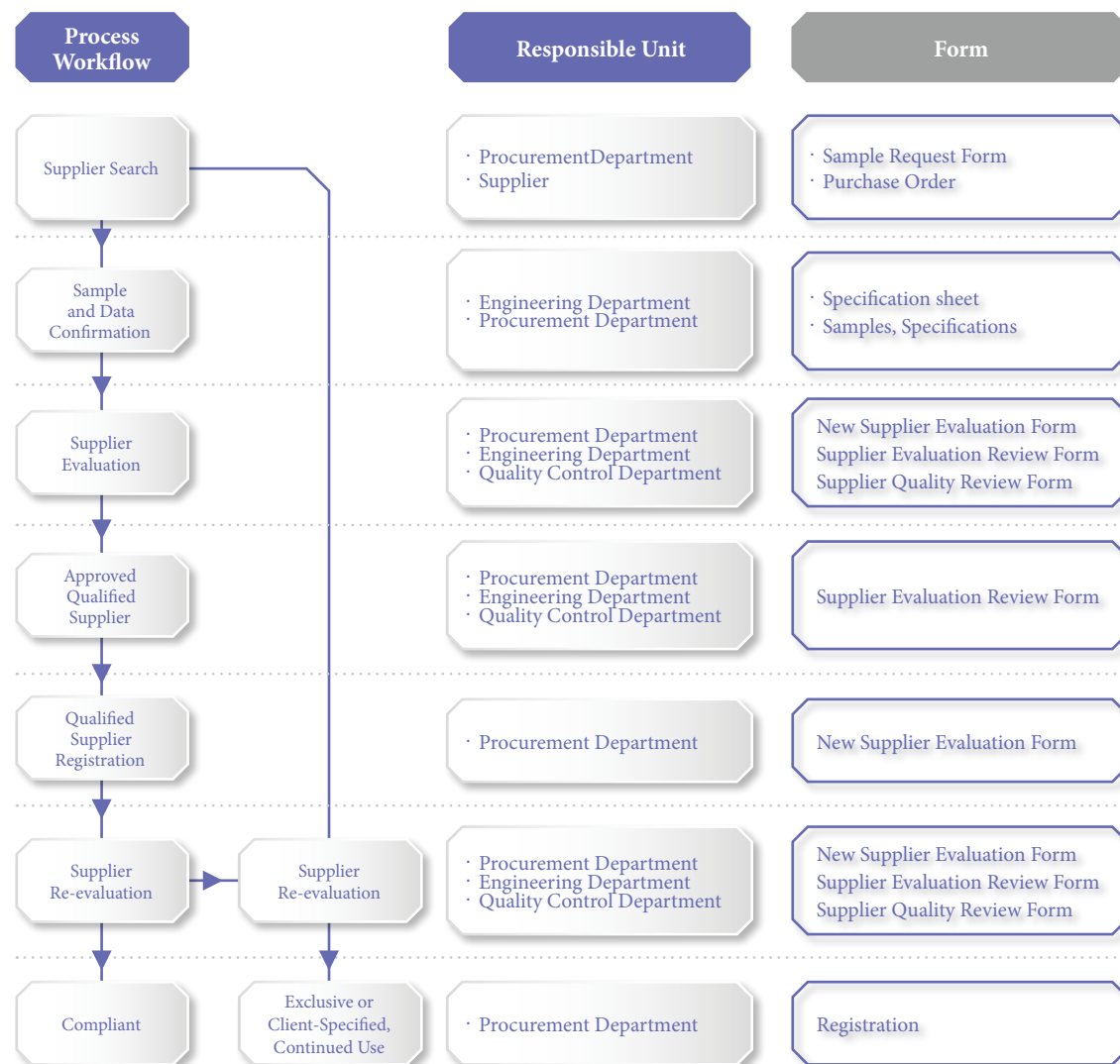
Supplier Evaluation

UMEC has established a "Supplier Code of Conduct" to meet the evolving demands for sustainable development, incorporating five major aspects: labor, health and safety, environment, ethical standards, and management systems. At the same time, a "Supplier Audit Checklist" has been developed, which includes RBA (Responsible Business Alliance) and EHS (Environment, Health, Safety) management requirements as part of the audit standards. Audit members write a "Supplier Audit Improvement Report" for cause analysis and provide improvement recommendations.

The company conducts written and on-site evaluations of suppliers every six months, composed of engineering, quality assurance, and procurement teams. This evaluation focuses on "key suppliers of the year" or those rated C or below in previous assessments. The evaluation criteria include quality, on-time delivery rate, price advantage, and service cooperation, with ratings divided into five levels (A to E).

The company's audit process and scoring levels are described as follows:

Supplier Audit Process



PROFESSIONAL SERVICES

Responsible Units for Supplier Evaluation and Scoring Levels	
Scoring Units	▪ Delivery: Quality Assurance ▪ Service and Cooperation: Quality Assurance, ICP Engineering, Power Engineering, Procurement ▪ Delivery Date: Procurement ▪ Price: Procurement
Scoring Levels	A : 95~100 B : 80~94 C : 65~79 D : 60~64 E : Under 60

For new suppliers/manufacturers, the company requires passing an on-site audit to qualify for transactions, which includes RBA standards. The company currently collaborates with suppliers that fully meet audit criteria. Additionally, annual on-site audits are conducted for existing key suppliers based on the top 50 by transaction volume, focusing on those with more than 3 non-conformances and a defect rate exceeding 1%. Approximately 10-15 suppliers are targeted for on-site audits. Non-compliant suppliers must provide improvement reports. There were no suppliers rated as non-compliant in 2023.

The percentage of rejected suppliers that have terminated the contract is 0% in 2023. UMEC will listed as rejected suppliers and won't buy any material or products if they cannot cooperate with improvements measures.

The following table outlines the company's supplier audit items:

Item	Audit Coverage Items
General Quality and Green Management	System quality, documentation records, handling packaging storage, labeling traceability, inspection testing, non-conformance control, customer management, education and training, green management.
Automotive Quality Control	Control plan, process method, quality performance, internal audit, non-conformance control, parts approval, management responsibility, education and training, supplier management, measurement system analysis, risk management, regulatory safety.
Engineering Management	Equipment and technology, process control and engineering changes, high-risk engineering management (plating/soldering).
Procurement Management	Credit assessment, management aspect assessment, cost delivery assessment.
EHS Management	RBA/EHS (Environment, Health, Safety) management.
Comprehensive Scoring: 1.Meets UMEC quality audit requirements: 80%~100%. 2.Improvement required: Below 70%~80%. 3.Qualification as a qualified supplier revoked: Below 70%.	

By conducting supplier evaluations, the company ensures quality and delivery performance while assessing suppliers' cross-functional decision-making capabilities. This includes verifying the suppliers' financial health, ethical standards, environmental and safety management systems, and other social responsibilities. Additionally, the complexity of the procured products, materials, services, and technologies is considered, alongside an assessment of suppliers' capacities in areas like personnel, equipment, manufacturing, design development, change management, logistics, and customer service. Compliance with environmental regulations, including RoHS, REACH, and halogen-free requirements, is also reviewed, along with carbon emission surveys to determine the suitability of suppliers for qualification.

PROFESSIONAL SERVICES

Local Procurement

UMEC's procurement mainly falls into labor, finance, and engineering categories, with raw materials for products being the bulk of procurement. In 2023, the company collaborated with 742 suppliers, with domestic procurement accounting for 91%. This principle prioritizes local suppliers, supporting them while saving transportation costs and reducing carbon emissions, contributing to the local economy and environmental protection.

The following table presents the number of suppliers and the proportion of procurement amounts over the past three years:

Contract Type	Procurement Area	2021		2022		2023	
		Number of Suppliers	Percentage of Total Procurement Amount (%)	Number of Suppliers	Percentage of Total Procurement Amount (%)	Number of Suppliers	Percentage of Total Procurement Amount (%)
Labor (Contracting and Services)	Domestic	121	100	130	100	59	100
	Foreign	0	0	0	0	0	0
Total		121	100	130	100	59	100
Materials (electronic components, PCBs, wires, adhesives, packaging)	Domestic	369	67.90	364	48.28	581	77.97
	Foreign	94	32.10	111	51.72	68	22.03
Total		463	100	475	100	649	100
Engineering (construction and equipment)	Domestic	23	100	16	100	34	100
	Foreign	0	0	0	0	0	0
Total		23	100	16	100	34	100
Note: "Domestic" refers to locations within Taiwan; "Foreign" refers to areas outside Taiwan (e.g., the United States, China, etc.).							



CHAPTER

4

SUSTAINABLE
ENVIRONMENT

4.1 Task on Climate-Related Financial Disclosures	68
4.2 Sustainable Environment and Resource Management	71
4.3 Water Usage Situation	75
4.4 Waste Management	76

SUSTAINABLE ENVIRONMENT

4.1 Task Force on Climate-Related Financial Disclosures

In the 2023 Global Risks Report released by the World Economic Forum (WEF), five key risk themes were identified, including economic, environmental, geopolitical, social, and technological risks. These risks impact economic stability, natural ecosystems, human health, safety, and digital rights, highlighting the interconnections among them.

In response to increasingly severe environmental issues, geopolitical tensions, and shortages of energy materials, UMEC continues to reference the framework of the Task Force on Climate-related Financial Disclosures (TCFD) to establish a climate change governance mechanism. This allows for the assessment of existing and potential operational risks, ensuring the company maintains resilience for long-term stability and sustainable development in the face of these challenges. The following sections will detail specific measures the company has taken to address climate-related financial risks.

■ Climate Change Governance Unit

UMEC's climate change governance unit is chaired by the Chairman of the Board, leading discussions among various functional leaders on the potential risks of climate change to the company and corresponding response strategies. Due to the uniqueness of climate change issues, the board has appointed a "Sustainability Information Disclosure Group" to identify climate risks and opportunities, as well as manage and promote related response measures and programs. Furthermore, the "Intelligent Automation Technology Department" is responsible for driving energy efficiency improvements, while manufacturing departments like engineering and R&D enhance product energy efficiency and develop products and services to mitigate and respond to climate change, providing technical support for the company's sustainable operations.

Board members have long been attentive to climate change issues and deeply understand their importance and potential impact. When reviewing significant capital investment cases, the board incorporates climate change factors into decision-making considerations to ensure the company's investment strategy balances sustainable development and risk management.

■ Climate Change Risk and Opportunity Assessment

The financial risks associated with climate change cover a broad range of issues and impacts. To effectively address these, the company holds quarterly ESG meetings to facilitate communication and collaboration among departments, sharing information and discussing progress on climate-related topics. The meetings involve various functional and business leaders to ensure comprehensive understanding of climate agendas and to enhance the company's resilience against climate change risks.

■ Climate Risk Assessment

To address operational risks, the company convenes management meetings to review from time to time and adjust response measures, effectively identifying potential risks and opportunities.

The company will continue to closely monitor global industry trends and climate change, adjusting development goals and strategies as needed to minimize potential risks and ensure stable business growth.

SUSTAINABLE ENVIRONMENT

■ Assessment Results of Climate Risks and Opportunities

The company identifies operational risks and opportunities according to short-term (2024-2025), medium-term (2026-2028), and long-term (2029-2033) timelines. Through management meetings, it has consolidated three transitional risks, one physical risk, and three opportunities, which will be explained further.

Risks	Short-term	Risks include the imposition of carbon taxes and related regulations, uncertainty in laws and policies, rising raw material costs, voluntary standards, and renewable energy regulations.
	Medium-term	Consumer shifts towards low-carbon products, changes in customer supplier selection criteria, requirements to reduce indirect greenhouse gas emissions, increased severity of extreme weather events, costs of transitioning to low-carbon technologies, mandatory regulations for products and services, rising average temperatures, international industry standards, changes in rainfall patterns, and significant fluctuations in weather conditions, along with customer demands for altered product specifications.
	Long-term	Replacement of products and services with other low-carbon products and services, rising average sea levels, and greenhouse gas reduction requirements imposed by suppliers.
Opportunities	Short-term	Utilization of more efficient production and distribution processes, recycling, using low-emission energy, supportive policy incentives, adopting new technologies, participating in carbon trading markets, developing or expanding low-carbon products and services, developing climate adaptation and insurance solutions, diversification of operations, and forming new market partnerships.
	Medium-term	Participating in renewable energy programs and improving energy efficiency.
	Long-term	Reducing water resource usage, developing and innovating new products and services, and increasing resource alternatives and diversity.

Type	Risk and Opportunity Issues	Impact Timeline	Content	Financial Impact	Cost/Expense Measures
Transition Risk	Market Risk	Short-term (1-5 years)	Rising energy costs may increase production costs	Cost Increase	- Establish renewable energy facilities. - Improve production processes. - Purchase energy-efficient equipment to replace old, high-energy-consuming
			Raw Material Cost Increase		Seek alternative suppliers for raw materials to reduce dependence on a single supplier.
	Technology Risk	Mid- to Long-term (5-10 years)	Increased costs for carbon reduction equipment installation	Cost Increase	Seek relevant regulatory policies, such as government subsidies or tax exemptions related to carbon reduction, to lower the initial investment
	Policy and Regulation	Short-term (1-5 years)	Uncertainty regarding government implementation of carbon emissions, carbon trading systems, carbon tax collection, and related regulatory policies.	Cost Increase	Closely monitor regulatory dynamics and proactively plan strategies to minimize risks.
Substantial Risk	Climate Risk	Medium to Long-term (5-10 years)	Extreme weather leading to disruptions in production and supply chains.	Revenue Increase	Seek diverse suppliers to mitigate the risk of sudden disruptions.
Opportunity	Resource Efficiency	Medium to Long-term (5-10 years)	Reduction in paper usage	Revenue Increase	Adjust service processes to gradually transition to paperless operations, thereby reducing carbon emissions associated with printing.
	Products and Services	Medium to Long-term (5-10 years)	Development of low-carbon products and services	Revenue Increase	Increase company revenue through continuous innovation in customer service solutions.
	Adaptability	Medium to Long-term (5-10 years)	Participation in renewable energy projects and adoption of energy-saving measures	Revenue Increase	Enhance the company's image and market value through participation in renewable energy initiatives.

SUSTAINABLE ENVIRONMENT

■ Risk Strategy

UMEC has established a sustainable environmental protection policy focused on pollution prevention and reduction, resource efficiency, energy conservation, and monitoring climate change information along with internal greenhouse gas inventories. This aims to mitigate risks associated with climate change and seize potential opportunities.

■ Scenario Analysis

The company has conducted three scenario analyses concerning water scarcity issues in manufacturing. In direct operations, apart from its water-saving goals, it evaluates current and future water scarcity risks based on IPCC AR4 scenarios (2 °C warming) to enhance regional water resilience. Results are incorporated into financial impact assessments, considering both water and electricity generation efficiency.

■ Carbon Pricing Basis

Although the company has not yet implemented an internal carbon pricing mechanism, it continues to monitor regulatory timelines and references the carbon fee standards set by the Environmental Protection Administration (NT\$300 to 500 per ton of CO₂e) to establish an internal carbon pricing foundation. This encourages production and R&D units to assist in energy-saving and carbon-reduction efforts.

■ Greenhouse Gas Inventory Plan and External Assurance

In 2023, the company continued ISO 14064-1 greenhouse gas inventory covering the Taiwan headquarters, manufacturing Plant 2, and the subsidiary in Vietnam (UMEC Vietnam Co., Ltd.). An annual third-party verification is conducted by SGS, with a verification statement expected by November 2024.

According to the process plan, the inventory scope will expand to Vietnam and China subsidiary (JA-LONG) by 2024, gradually achieving comprehensive greenhouse gas inventory goals.

■ Indicators and Goals

In response to the challenges posed by the "climate emergency," the company actively seizes opportunities for transformation, aiming for a shift toward a low-carbon green economy to mitigate climate impacts. To concretely practice its commitment to sustainable development, the company promotes relevant measures and sets energy-saving and carbon-reduction targets to protect the Earth's environment and pursue a sustainable path.

The table below outlines the company's planned goals related to climate and greenhouse gases:

Climate-Related Management Goals	
Short-term (1-3 years)	Utilize more efficient production and distribution processes, promote recycling, use low-emission energy, leverage supportive policy incentives, adopt new technologies, participate in carbon trading markets, develop or expand low-carbon products and services, create climate adaptation and insurance solutions, diversify operations, and establish new market partnerships.
Mid-term (3-5 years)	Participate in renewable energy projects and enhance energy efficiency.
Long term (more than 5 years)	Reduce water resource usage, develop and innovate new products and services, and promote resource alternatives and diversity.
Greenhouse Gas Management Goals	
2024	Reduce carbon emissions by 4%.
2030	Reduce carbon emissions by 30%.
2050	Achieve international carbon emission standards.

SUSTAINABLE ENVIRONMENT

4.2 Sustainable Environment and Resource Management

■ Management Policy

Material Topic: Energy			
Sustainability Standards (Topics) Addressed	GRI 302 Energy	Main Affected Parties	UMEC (causal) Suppliers (or Contractors/Outsourcing) (facilitating) Industry Peers (facilitating) Customers (facilitating)
Significance of this Topic	Energy management is a key strategy and driver for sustainable business operations. Systematic management facilitates environmental performance by saving energy, implementing carbon reduction measures, and minimizing negative impacts on the environment.		
Influence and Impact (Positive/ Negative)	▪ Positive impacts (1). Responsible energy management can reduce operational cost risks. (2). Systematic management promotes environmental performance by saving energy, implementing carbon reduction, and minimizing negative impacts on the environment.	▪ Negative impacts: (1). Failing to continuously monitor regulations on renewable energy installations and carbon fees may lead to government penalties, increasing costs. (2). Poor implementation of systematic management may hinder energy savings and carbon reduction efforts, increasing negative impacts on the environment.	
Policy/Strategy	▪ Actively promote resource reuse efficiency initiatives. ▪ The emission policy is focused on "social responsibility, sustainable development, and moving towards international standards."		
Goals and Targets	▪ Energy Management Goals » Short-term goal (1-3 years): Reduce electricity consumption by 1-2% annually. » Mid-term goal (3-5 years): Reduce electricity consumption by 1-1.5% annually. » Long-term goal (over 5 years): Reduce electricity consumption by 1-1.2% annually.	▪ Greenhouse Gas Management Goals - Based on 2022 as the reference year: » Short-term goal (1-3 years): Reduce greenhouse gas emissions by 5% within five years. » Mid-term goal (3-5 years): Reduce greenhouse gas emissions by 25% by 2030. » Long-term goal (over 5 years): Achieve zero greenhouse gas emissions at all operational sites by 2050.	
Management Evaluation Mechanism	According to the internal management review procedures of ISO 14001 and ISO 14064-1, an annual evaluation of the effectiveness of emission management using the PDCA (Plan-Do-Check-Act) cycle is conducted.		
Performance and Adjustments	In 2023, energy-saving measures included: ▪ Replacing traditional lights with flat panel lights, saving 6,570 kW. ▪ Changing fixed-frequency air compressors to variable frequency, saving 24,679 kW. ▪ In 2024, replacing fixed-frequency exhaust motors on floors 1-5 of the office building with variable frequency motors, saving 25,676 kW. ▪ Solar power generation amounted to 377,276 kW. Compared to the 2022 baseline, a 5% reduction in greenhouse gas emissions is expected, with an estimated 8% reduction achieved through energy-saving measures in 2023.		
Preventive or Remedial Measures	By annually reviewing overall energy consumption and carbon reduction effectiveness, the company formulates reduction strategies. The company is also actively procuring renewable energy and seeking collaboration with relevant entities for communication and partnership.		

SUSTAINABLE ENVIRONMENT

■ Energy Management

UMEC actively promotes and completes greenhouse gas inventory operations each year to address the impacts of climate change. The primary energy sources used in daily operations include electricity, gasoline, diesel, and natural gas. Electricity is mainly used for office power, production equipment, and air conditioning; gasoline is used for official vehicles; diesel fuels trucks, forklifts, and emergency generators; and natural gas is used for employee dining.

The company understands the importance of effective energy utilization in mitigating climate change. Through annual greenhouse gas inventories, the company effectively tracks and manages its internal energy use for continuous improvement. The following table shows energy usage over the past two years:

Quantitative Indicators	Unit	2022	2023
Electricity Consumption	kWh/year	6,804,988	6,571,835
	GJ	24,497.96	23,658.606
Gasoline Consumption	L/year	5,327.96	6,631.84
	GJ	173.99	216.576
Diesel Consumption	L/year	18,346.16	16,279.11
	GJ	644.80	572.521
Natural Gas (LNG) Consumption	m ³	6,013	6,578
	GJ	201.40	220.33
Total Energy Consumption GJ		25,518.15	24,668.033
Organization Specific Metric		Operating Revenue (NTD thousand)	Operating Revenue (NTD thousand)
Organization Specific Metric Value		4,834,189	4,603,781
Energy Intensity (GJ / Operating Revenue (NTD million))		0.0053	0.0054

Notes:

1. The greenhouse gas inventory covers: Sheh Fung Screws Co., Ltd. (Taichung headquarters and manufacturing Plant 2).
2. The energy consumption results for the past two years are based on the ISO 14064-1:2018 greenhouse gas inventory standard, verified by a third party, and a verification statement was obtained.
3. The calorific value of electricity is converted as 1 kWh = 0.0036 GJ.
4. Conversion coefficients are based on the Ministry of Economic Affairs' announced "Energy Product Unit Calorific Value Table": gasoline 7,800 kcal/L; diesel 8,400 kcal/L; natural gas 8,000 kcal/m³.
5. Organization-specific metric values refer to consolidated revenue in NTD thousands.

SUSTAINABLE ENVIRONMENT

■ Greenhouse Gas Management

The company follows ISO 14064-1:2018 standards for greenhouse gas inventory at the Taichung headquarters and manufacturing Plant 2. In 2023, total emissions were 4,206.0185 tons CO₂e, with scope one emissions at 256.0778 tons CO₂e, scope two at 3,246.4865 tons CO₂e, and scope three at 703.4542 tons CO₂e. The company will continue efforts to reduce carbon emissions and promote more environmental and sustainable development measures. The following table shows the greenhouse gas emissions and intensity over the past two years:

Quantitative Indicator	Unit	2022	2023
Scope 1: Direct GHG Emissions	tons CO ₂ e	257.1963	275.2996
Scope 2: Indirect GHG Emissions	tons CO ₂ e	3,763.0217	3,246.4865
Scope 3: Other Indirect GHG Emissions	tons CO ₂ e	736.9539	700.1349
Total emissions = Scope 1 + Scope 2	tons CO ₂ e	4,020.2180	3,521.7861
Total emissions = Scope 1 + Scope 2 + Scope 3	tons CO ₂ e	4,757.1719	4,221.9210
Organization Specific Metric		Operating Revenue (NTD thousand)	Operating Revenue (NTD thousand)
Organization Specific Metric Value		4,834,189	4,603,781
Greenhouse gas emission intensity (tons CO ₂ e / Organization Specific Metric Standard)		0.00083	0.00076
Notes: 1. The scope of greenhouse gas inventory covers UMEC (the Taichung headquarters and manufacturing Plant 2). 2. The emission results for the past two years are based on the ISO 14064-1:2018 greenhouse gas inventory standard and have been verified by a third-party verification agency to ensure data accuracy and compliance. 3. Scope 1 refers to direct emissions from sources owned or controlled by the company, including fixed and mobile combustion emission sources. Emission calculations are based on carbon emission coefficients published by the Ministry of Environment's IPCC. 4. Scope 2 refers to indirect emissions from purchased energy, such as electricity, with carbon emission coefficients announced by the Ministry of Economic Affairs' Energy Administration. The 2022 electricity carbon emission coefficient = 0.495 kgCO ₂ e/kWh; the 2023 coefficient = 0.494 kgCO ₂ e/kWh. 5. Scope 3 includes other indirect emissions, which were included in the inventory for 2023, such as emissions from purchased goods and emissions from the disposal of solid and liquid waste. 6. Greenhouse gas emission types include carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), and hydrofluorocarbons (HFCs). 7. Organization Specific Metric Values refer to consolidated revenue in NTD thousands. 8. The formula for calculating greenhouse gas emission intensity is: (Scope 1 + Scope 2) / Operating Revenue (NTD thousands). Due to significant fluctuations in Scope 3 external energy, only Scope 1 and Scope 2 are summed to calculate emission intensity.			

2023 Direct, Indirect, and Other Indirect Greenhouse Gas Emissions Statistics Explanation			
GRI Standards	ISO 14064-1 Classification	Item Name	Other Indirect Greenhouse Gas Emissions (tons CO ₂ e)
Scope 1	Category 1	Direct emissions from fixed combustion	13.0187
		Direct emissions from mobile combustion	59.4141
		Direct fugitive emissions caused by greenhouse gas releases in anthropogenic systems	202.8668
Scope 2	Category 2	Input power/energy	3,246.4865
Scope 3	Category 4	Purchased goods	664.1249
		Disposal of solid and liquid waste	36.0100
Total			4,221.9210

SUSTAINABLE ENVIRONMENT

■ Energy Conservation Achievements

UMEC has long been committed to energy conservation and carbon reduction, closely monitoring domestic and international policies and regulations. The goal is to reduce energy consumption and carbon emissions, thereby minimizing environmental impact during operations.

The following measures have been implemented over the years:

Local Procurement	Except for specified suppliers, the company primarily procures raw materials from local suppliers or agents to reduce long-distance transportation and carbon emissions.
Consolidated Shipping	Foreign raw materials (including those from China) are generally consolidated in Hong Kong before being shipped to Taiwan to lower environmental impact.
Green Product Announcement	- UMEC's RoHS classification has two levels to meet customer requirements: » S: Must comply with the latest Sony SS-00259 standards. » HF: Must meet halogen-free requirements. - Actively promote the announcement of the company's own brand green products., with the following achievements: » AC/DC adapter passed the Type III Environmental Product Declaration (EPD) certification in 2009. » AC/DC adapter received Carbon Footprint Declaration (CFD) certification in 2010. » AC/DC adapter passed the Carbon Footprint Declaration (TEEM) certification in 2010.
Fire Extinguisher Replacement	UMEC has been gradually replacing old fire extinguishers with new dry powder ones to reduce ozone-depleting substances (ODS).
Employee Transportation Management	Advocate for bus routes to pass by the company to enhance public transportation convenience and reduce carbon emissions from private vehicles.
Scrap Electrical Equipment Management	Sorting and recycling.
EDigitalization	Use electronic documents and e-signature processes to replace paper communication.
Company Lighting Equipment	When installing or replacing lighting fixtures, energy-saving and high-efficiency lighting and electronic ballasts are used. Fixtures with lower usage are removed, and natural light is utilized. Zoning controls are implemented to save lighting energy. In areas like corridors and passageways where lighting needs are lower, fixtures can be set to alternate activation, reduce the number of bulbs, or utilize motion-sensor controls with LED fixtures, ensuring no safety concerns.



SUSTAINABLE ENVIRONMENT

Under the government's encouragement for companies to utilize renewable energy, the company actively responded by installing solar power systems on the rooftop in 2022. By 2023, the solar energy generation reached 377,276 kW.

Additionally, to enhance energy efficiency, the company plans to replace the constant-frequency exhaust motors on floors 1 to 5 with variable-frequency motors in 2024. The power consumption will decrease from 103 kW to 89.5 kW, achieving a 13.1% improvement and saving 25,676 kWh. The company will also replace the constant-frequency nitrogen air compressor with a variable-frequency one, achieving a 25% energy-saving rate. These measures aim to reduce carbon dioxide emissions.

The following table summarizes the company's energy-saving and carbon-reduction initiatives in 2023:

Item	Electricity Savings in 2023
Traditional lights replaced with flat-panel lights	6,570 kW
Constant-frequency air compressor replaced with variable-frequency	24,679 kW
Solar power generation	377,276 kW
Total	408,525 kW

4.3 Water Usage Situation

Water Resource Management

The operations of UMEC are located in the Nantun District of Taichung, Taiwan, where water resource risk is considered low to moderate. The main water source is the Liyutan Reservoir. The company emphasizes water conservation and environmental issues, implementing water-saving measures and appointing dedicated staff to manage energy and water resources. Monthly reports on water usage are submitted to improve consumption efficiency, with a commitment to achieving maximum benefit from water resources.

Here are the company's water usage statistics for the past three years:

Year	2021	2022	2023
Water Withdrawal (Million Liters)	23.8	25.97	25.62
Water Discharge (Million Liters)	18.25	18.98	20.60
Water Consumption (Million Liters)	5.55	6.99	5.02
Internal Recycled Water (Million Liters)	5	5	5
%Water Recovery Rate (%)	17.36	16.14	16.33
Organization Specific Metric (Unit)	Operating Revenue (NTD thousand)	Operating Revenue (NTD thousand)	Operating Revenue (NTD thousand)
Organization Specific Metric Value	4,040,354	4,834,189	4,603,781
Water Intensity	0.0000059	0.0000054	0.0000056

Notes:
 1. The scope of the greenhouse gas inventory includes UMEC (the Taichung operations headquarters and manufacturing Plant 2).
 2. Water consumption = Water intake - Water discharge.
 3. The internal recycling water amount refers to closed-loop recycled water, with no consumption.
 4. Water reuse rate = Internal recycling water amount / (Water intake + Internal recycling water amount) * 100%.
 5. The organization specific metric value is the consolidated revenue in NTD thousand.
 6. Water intensity calculation is: Water intake (million liters) / Organization Specific Metric value.

Wastewater Discharge Situation

UMEC's wastewater discharge and water quality testing results for the past three years are as follows. Through the company's energy-saving measures, such as pressure reduction supply, ongoing advocacy for water conservation among staff, and increased inspections to address leaks promptly, effective reductions in water resource usage have been achieved. The company will continue to implement water-saving measures to maintain sustainable water resource usage.

Testing Item	2021		2022		2023	
	Discharge Standard (ppm)	Annual Average Monitoring Value (ppm)	Discharge Standard (ppm)	Annual Average Monitoring Value (ppm)	Discharge Standard (ppm)	Annual Average Monitoring Value (ppm)
BOD	30	2.3	30	2	30	2
COD	480	33.7	480	25.5	480	154

SUSTAINABLE ENVIRONMENT

4.4 Waste Management

Management Policy

Material Topic: Waste			
Sustainability Standards (Topics) Addressed	GRI 306 Waste	Main Affected Parties	UMEC (causal) Suppliers (or contractors/outsourcers) (facilitating) Industry peers (facilitating) Customers (facilitating)
Significance of this Topic	Pollution prevention is a globally recognized issue, and effective waste management not only ensures compliance with regulations but also reduces environmental impact.		
Influence and Impact (Positive/Negative)	▪ Positive impacts: (1). Effective waste management and disposal can prevent government fines, benefiting the company's finances. (2). The waste generated, primarily general household waste, is managed by qualified removal agencies, which transport it to local incineration facilities, avoiding government penalties. (3). Utilizing qualified and professional waste removal services effectively manages waste, reducing environmental impact from operations. ▪ Negative impacts: (1). Economic growth can lead to increased production and, consequently, more waste generation. (2). Failing to track and select qualified waste removal agencies can result in improper waste handling, causing environmental burdens and penalties.		
Policy/Strategy	The company has established a waste management procedure.		
Goals and Targets	▪ Short-term goals (1-3 years): Reduce waste generation and continue voluntary reduction management. ▪ Mid-term goals (3-5 years): Lower environmental pollution risk, actively invest in pollution control and waste management and regularly review the effectiveness of pollution control, and recycle over 50%. ▪ Long-term goals (5+ years): Plan to monitor pollutant emission concentrations and annual emission amounts to reduce pollutants and carbon emissions.		
Management Evaluation Mechanism	▪ Continue promoting raw material improvements to reduce pollution emissions. ▪ Implement waste classification measures to strengthen resource recycling. ▪ Engage qualified removal agencies to transport waste to local incinerators for processing. ▪ Reuse waste plastics, waste paper, and waste wood by entrusting them to specialized handling; final disposal of liquid waste is through landfill, and mixed metals are processed physically.		
Performance and Adjustments	▪ The proportion of renewable energy in 2023 is 5.74%.		
Preventive or Remedial Measures	▪ Continue assisting the government and industry in addressing complex waste issues, regularly tracking waste treatment volumes to ensure effective utilization of industry characteristics in implementing sustainability initiatives.		

SUSTAINABLE ENVIRONMENT

Waste Treatment

UMEC primarily generates mixed metal waste during operations, totaling 13.410 tons in 2023, all of which is recyclable. The company employs waste reduction measures, storing waste in recovery warehouses and outsourcing sorting to professional waste management companies. These third-party firms utilize GPS tracking systems to ensure compliance with the Basel Convention by not transporting waste abroad.

In 2023, there were no significant violations of environmental regulations or penalties incurred. The following table shows the company's waste management situation in 2023:

Waste Composition	Hazardous/Non-hazardous	Leaving the site	
Item		Waste Generated (tons)	Treatment Method
C-0301 (Waste liquid with flash point < 60C(excluding alcoholic waste with ethanol volume less than 24%))	Non-hazardous	2.450	Incineration (excluding energy recovery)
D-2527 (Other mixed metal waste treated physically)	Non-hazardous	13.410	Recycling
Employee household waste	Non-hazardous	78	Incineration (excluding energy recovery)
Total		93.86	-
Note: "Leaving the site" refers to waste exiting the physical boundary or administrative control of the reporting organization.			



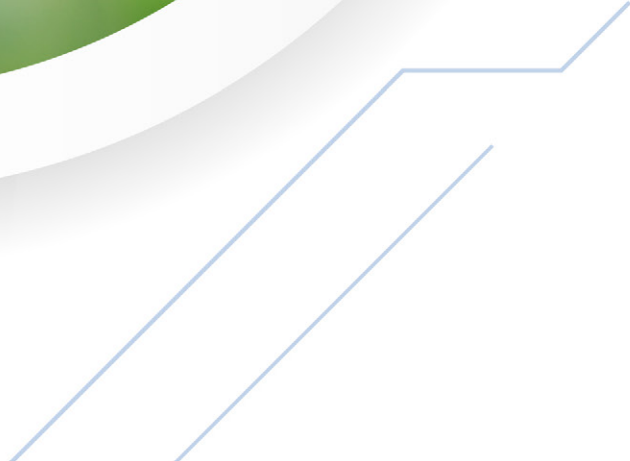
CHAPTER

5



SOCIAL
CO-PROSPERITY

5.1 Talent Composition	81
5.2 Talent Development	84
5.3 Employee Benefits and Compensation	86
5.4 Safe Workplace	92
5.5 Caring for Society	100



SOCIAL CO-PROSPERITY

Management Policy

Material Topic: Labor and Employment Relations			
Sustainability Standards (Topics) Addressed	GRI 401 Labor and Employment Relations	Main Affected Parties	UMEC (causing) Employees and Other Workers: (directly related)
Significance of this Topic	Talent is the cornerstone of organizational development, and quality talent drives corporate growth and competitiveness. A stable and effective team is essential for the company's continuous growth. UMEC views all employees as vital assets, emphasizing good communication, providing excellent working conditions, and employee benefits. By focusing on the selection, cultivation, and retention of talent, the company aims to achieve sustainable growth in the long term.		
Influence and Impact (Positive/Negative)	▪ Positive Impact: A good labor-management relationship can help the company attract talent and stabilize operations. ▪ Negative Impact: If there are no relevant human rights policies or benefits provided, it may lead to talent loss, resulting in operational losses and a talent gap.		
Policy/Strategy	▪ The company adheres to labor regulations, ensuring compliance and promoting positive labor-management interactions while monitoring regulatory changes for necessary adjustments. ▪ It provides guidance to management and employees to prevent legal risks and maintain operational legality. ▪ The company is committed to providing employees with an equal and safe work environment, regularly reviewing benefits, enhancing communication, and fostering unity to build harmonious labor relations, adapting to labor law amendments as needed.		
Goals and Targets	▪ Short-term goals (1-3 years): 1. Regular communication between labor and management, holding at least one meeting each quarter. 2. Continuously monitor regulatory updates and ensure internal compliance. ▪ Medium-term goals (3-5 years): Enhance flexibility in internal systems and regulations while adhering to compliance amidst market and industry developments. ▪ Long-term goals (5+ years): Continue improving flexibility in internal systems and regulations, ensuring compliance with evolving market and industry trends.		
Management Evaluation Mechanism	▪ The company has established an assessment system in its management regulations and work rules, stipulating that all personnel must undergo evaluations as per the regulations. ▪ Regular employee evaluation meetings are held twice a year.		
Performance and Adjustments	▪ To maintain smooth communication between labor and management, the company regularly holds labor-management meetings according to the established guidelines. In 2023, four meetings were held (one each quarter). ▪ The company continues to monitor regulatory developments to avoid any violations. In 2023, there were no incidents of discrimination, sexual harassment, human rights violations, forced overtime, or social impact incidents. ▪ The company's turnover rate decreased by 18% in 2023 compared to 2022, indicating improved employee satisfaction.		
Preventive or Remedial Measures	▪ Through labor-management meetings, communication, negotiation, and dispute resolution are promoted, helping to reduce the risk of labor conflicts and avoid financial losses from workplace accidents. ▪ Necessary training and development opportunities are provided to enhance employees' professional skills and career advancement prospects.		

SOCIAL CO-PROSPERITY

■ Management Policy

Material Topic: Occupational Safety and Health, Training and Education			
Sustainability Standards (Topics) Addressed	GRI 403 Occupational Safety and Health GRI 404 Training and Education	Main Affected Parties	UMEC (Causing) Suppliers (or Contractors/Outsourcing) (Directly Related) Business Partners (Directly Related) Employees and Other Workers (Directly Related)
Significance of this Topic	Employee safety is one of the company's primary responsibilities. Promoting employees' physical and mental well-being, enhancing safety awareness, and establishing a safe, healthy, and comfortable work environment are the greatest concerns for the company. Through effective occupational safety and health practices and educational training, the company aims to eliminate hazards in operations, ensuring employee safety and allowing them to focus more on their work.		
Influence and Impact (Positive/Negative)	■ Positive impacts: 1. Effective training helps employees quickly grasp job essentials, enhancing efficiency and enabling smoother operational processes, leading to higher overall operational efficiency. 2. Conducting human rights training prevents potential violations against employees. ■ Negative impact: Without sound management practices, emergencies may result in penalties for non-compliance, and could lead to injuries or property loss.		
Policy/Strategy	■ Comply with environmental health and safety regulations, fulfill corporate social responsibility, and implement competency training by planning annual training programs that align employee growth with corporate development, encouraging participation from all staff. ■ Promote green and eco-friendly practices, protect environmental resources, eliminate hazardous working conditions, and ensure employee safety. Continuously improve management performance to foster sustainable business development.		
Goals and Targets	■ Short-term goals (1-3 years): (1). Achieve a training program completion rate of over 80%. (2). Maintain zero occupational illnesses, zero major occupational accidents, and reduce work injury incidents by 3% compared to the previous year. ■ Mid to long-term goals (3-5 years): (1). Achieve a satisfaction score of over 80 for education and training courses. (2). Collaborate with suppliers/contractors to promote workplace health and safety, emphasizing both physical and mental well-being, and create a "healthy workplace" environment.		
Management Evaluation Mechanism	■ The company conducts an annual evaluation of the effectiveness of its occupational health and safety management using the ISO 45001 internal management review process. ■ Training program completion rate. ■ Post-training satisfaction survey. ■ Post-training learning reflections. ■ Satisfaction with education and training courses.		
Performance and Adjustments	■ In 2023, the company's training program completion rate was 88%. ■ There were 2 occupational accidents (both minor injuries), and discussions were held with the operations supervisor to revise hazard identification and risk assessment procedures to prevent recurrence. ■ All departments reported medium or lower-risk hazards, with no incidents of high or medium-high risk. ■ The company assisted 9 suppliers/contractors in improving their work environments and enhancing safety and sustainability awareness through training. ■ A total of 252 training sessions were conducted, with 764 participants and 4,961 total training hours.		
Preventive or Remedial Measures	■ Every six months, the company conducts labor environment assessments and implements annual health checks for employees, promoting a sustainable and healthy workplace. ■ In the event of an occupational accident, the company will assist injured employees in applying for insurance compensation and will adjust their job duties based on their recovery status.		

SOCIAL CO-PROSPERITY

5.1 Talent Composition

Employee Structure

UMEC provides a diverse and inclusive work environment, ensuring recruitment is free from gender bias and offering equal development opportunities for all employees. In 2023, the company employed a total of 764 employees, with women making up 55% and men 45%, reflecting its commitment to gender equality. Additionally, the company's non-employee workers were security personnel in 2023, contracted under service agreements. There were 4 contracted security personnel with no significant changes compared to the previous year.

Below is the hiring situation for 2023:

Contract Type		Female	Male	Total
Labor Contract	Regular Employees	423	340	763
	Temporary Employees	0	1	1
Labor Type	Full-time Employees	423	340	763
	Part-time Employees	0	1	1

Notes:

- Employee count is based on the number of active employees as of December 31, 2023.
- Employee: Individuals who have a labor relationship with the organization according to national laws (in Taiwan, those with labor insurance).
- Full-time Employee: An individual with an indefinite contract.
- Temporary Employee: An individual with a fixed-term contract.
- Full-time Employee: An individual whose working hours conform to the Labor Standards Act, defined in Taiwan as not exceeding 8 hours per day and 40 hours per week.
- Part-time Employee: Employees excluding full-time workers.
- The calculation uses a headcount/full-time equivalent method.
- This report indicates no "unguaranteed employees" and "no dispatched personnel" at the place.

UMEC prioritizes hiring local residents in Taiwan to strengthen relationships with the community and enhance job stability. All first-level managers in the company are 100% local residents, promoting local employment development and demonstrating commitment to the community. The distribution of employee positions over the past three years is shown below:

Year			2021	2022	2023
Position/Gender		Age	Number	Number	Number
Senior Executives	Male	Under 30	1	1	1
		31-50	53	59	51
		Over 51	66	66	65
	Female	Under 30	0	0	0
		31-50	13	14	16
		Over 51	12	12	13
Executives total			145	152	146
Non-senior executives	Male	Under 30	105	98	88
		31-50	119	107	111
		Over 51	24	22	25
	Female	Under 30	103	169	169
		31-50	198	194	187
		Over 51	35	35	38
Non-senior executives total			584	625	618
Regular employee total			729	777	764
Note: The number of employees is calculated as of December 31 of the current year					

Note: The number of employees is calculated as of December 31 of the current year

SOCIAL CO-PROSPERITY

The company strictly adheres to labor laws during the hiring process to ensure employee rights. The following table shows the new hire and turnover rates over the past three years:

New Hire Rates Over the Last Three Years												
Year	2021				2022				2023			
Gender	Male		Female		Male		Female		Male		Female	
Age\Item	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)
30Under 30	50	47	41	40	53	53	117	69	32	36	59	35
31-50	26	15	73	35	46	28	72	35	38	23	43	21
Over 51	4	4	1	2	2	2	1	2	4	4	0	0
Total New Hires	195				291				176			
Total Employees	728				787				764			
Overall New Hire Rate (%)	26.79				36.98				23.04			
Notes: 1. The number of new employees does not exclude those who leave mid-way. 2. The new hire rate for male (female) employees in that age group = number of new male (female) employees in that age group in the year / total number of employees at year-end. 3. The overall new hire rate = total new hires in the year / total number of employees at year-end.												

Turnover Rates Over the Last Three Years												
Year	2021				2022				2023			
Gender	Male		Female		Male		Female		Male		Female	
Age\Item	Number	New Hire Rate (%)	Number	Age\Item	Number	New Hire Rate (%)	Number	Age\Item	Number	New Hire Rate (%)	Number	Age\Item
30Under 30	44	42	47	40	47	59	51	30	40	45	51	30
31-50	35	20	84	40	53	32	75	36	36	22	61	30
Over 51	9	10	5	11	4	5	2	4	11	12	0	0
Total number of departures	224				232				199			
Total number of employees	728				787				764			
Overall turnover rate (%)	30.77				29.48				26.05			
Notes: 1. Define categories of employees who have left the company: resignation, dismissal, retirement, or death due to work-related incidents. 2. The turnover rate for male (female) employees in the age group = number of departures for that age group for the year / total number of employees at the end of the year. 3. The overall turnover rate = number of departures for the year / total number of employees at the end of the year.												

SOCIAL CO-PROSPERITY

▪ Diversity in Employment

UMEC has always respected the rights of minority and disadvantaged groups and is committed to promoting workplace diversity and inclusion. The company hires a certain number of employees from these groups each year, ensuring fairness regardless of age or gender.

Over the past three years, UMEC has continued to implement policies that provide job opportunities for candidates from diverse backgrounds, reinforcing corporate culture and laying a solid foundation for sustainable development.

The table below shows UMEC's employment of diverse groups over the past three years:

Year			2021	2022	2023
Item/Gender		Age	Number	Number	Number
Minority and disadvantaged groups	Male	Under 30	1	1	0
		31-50	2	2	2
		Over 51	4	4	5
	Female	Under 30	2	1	1
		31-50	6	6	3
		Over 51	1	1	1
Total			16	15	12

SOCIAL CO-PROSPERITY

5.2 Talent Development

■ Talent Development Plan

Talent development is the foundation of sustainable business operations at UMEC. The company believes that "the driving force of corporate growth lies in continuous innovation and the development of talent value." Guided by this core philosophy, UMEC annually implements comprehensive training programs for new hires to enhance their understanding of corporate culture and provides ongoing job-related training for current employees to improve their knowledge and skills. Through this talent cultivation mechanism, UMEC aims to foster innovation and sustainable growth.

Employee Cultivation, Management Policy	
Echoing the key consideration of "Training and Education"	
Importance	Talent is a critical asset and core competitive advantage.
Management Goals	Cultivate and motivate employees to excel in management functions and become outstanding talents.
Management Measures	Plan and allocate training budgets to establish a comprehensive education and training system.

To cultivate the correct work attitude and operational methods among employees and to inspire their potential, the company has established a "Training and Education Regulation." Additionally, the company has implemented the TTQS (Talent Development Quality Management System) for human resource management, ensuring it maintains competitive strength in the fiercely competitive global market while continuously creating and demonstrating high-performance business results.

In 2023, the company actively promoted employee continuing education and training, with a total of 252 courses held, 764 trainees, and 4,961 total training hours. The following table shows the specific results of the company's education and training in 2023:

Item/Category		Management		Non-Management		Direct Personnel		Indirect Personnel	
Unit/Gender		Male	Female	Male	Female	Male	Female	Male	Female
Total Number	Person	117	29	224	394	63	263	278	160
Total Training Hours	Hours	478	241	1,883	2,359	548	1,722	1,813	878
Average Training Hours	Hours/Person	4.09	8.31	8.41	5.99	8.70	6.55	6.52	5.49
Training Cost	NT\$	148,133	65,760	143,858	49,096	2,523	7,072	289,468	107,784
Notes: 1.(Total number of management + total number of non-management) = total number of operating location personnel. 2.(Total number of direct personnel + total number of indirect personnel) = total number of operating location personnel.									

SOCIAL CO-PROSPERITY



Leadership KPI and Team Performance Skills Course



RoHS Training Course



Introduction to Basic Principles of Motor Design

■ Fair Performance Management System

In addition to year-end, production, and special bonuses, UMEC provides corresponding rewards based on the operating conditions of the year. Our company is 100% compliant with the provisions of the Labor Standards Act and implements performance management through a transparent and open performance appraisal system to stimulate the maximum work potential of employees.

According to company regulations, all employees who have been employed for more than three months must undergo regular evaluations, with an evaluation frequency of once per quarter, totaling four times a year. The assessment content covers work ability, conduct, and diligence, and scores are assigned accordingly. In 2023, 100% of all employees (management, non-management, direct personnel, and indirect personnel) received performance evaluations. Based on the evaluation results, 57 employees were promoted due to outstanding performance. In 2023, a total of NTD 50,140,060 in bonuses was awarded to recognize employees for excellent performance.

■ Security Personnel Training

UMEC's security personnel are dispatched by YI-KONG SECURITY. In addition to conducting the "Security Personnel Training Program" annually as required by the Ministry of the Interior, YI-KONG SECURITY provides 4 hours of professional training for security personnel every month. The training content includes traffic control training, sharing actual cases occurring in the duty area, prevention advocacy against recurrence, and dissemination of company rules and labor law regulations, among others, to ensure that security personnel also comply with relevant social behavior norms and enhance their professional capabilities.

For newly assigned or substitute security personnel, the company provides 6 hours of pre-employment training, with supervisors from the dispatch company participating in management at the company and proposing management strategies based on actual circumstances to respond to various potential situations. Additionally, the company conducts specialized training for all employed security personnel, which includes an introduction to operational processes, regulations for personnel and vehicle entry and exit management, access control, and fire alarm operation.

In terms of human rights, the company conducts annual human rights education training for security personnel and outsourced contractors, and provides 1 to 4 hours of educational courses each year on the "Gender Equality in Employment Act," covering measures to prevent sexual harassment, complaint and disciplinary procedures, with the aim of preventing incidents of sexual harassment, gender discrimination, or violations of human rights during the execution of duties. For new security personnel, the company also implements 1 hour of pre-employment education on sexual harassment prevention, complaint procedures, and disciplinary measures to ensure all personnel are familiar with relevant policies and preventive measures.

SOCIAL CO-PROSPERITY

5.3 Employee Benefits and Compensation

Employee Rights and Human Rights Protection Policy

Human Rights Policy

UMEC adheres to internationally recognized labor human rights and the standards of the Responsible Business Alliance (RBA), as well as the labor laws of its operational locations and international human rights principles, covering freedom of association, the right to collective bargaining, care for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment and job discrimination. In its human resources policies, the company balances institutionalization with humanization, ensuring that employment, compensation, education and training, performance evaluation, promotion and demotion, dismissal, and retirement are free from differential treatment based on factors such as gender, race, socioeconomic status, age, political affiliation, marital and family status, ensuring equality and fairness.

The company strictly complies with domestic and international labor and human rights regulations and treats all employees fairly, including:

1. Establishing labor conditions according to government labor regulations.
2. Complying with the Employment Service Act to provide open, fair, and just job opportunities to all job seekers.
3. Establishing multiple complaint channels so that employees who feel their rights have been violated or improperly handled can file complaints at any time and from any place.
4. Emphasizing sexual harassment prevention advocacy and providing employees with clear complaint channels to ensure their rights.
5. Regularly holding labor-management meetings and related forums to provide employees with direct communication and feedback opportunities.

Complaint Channels

To protect labor rights, UMEC provides an effective and transparent complaint mechanism, ensuring that the complaint process is straightforward and that employee complaints are appropriately addressed.

To fulfill its responsibility of safeguarding human rights, the company has established relevant management policies and procedures, which include:

1. Presenting the company's human rights policy or statement.
2. Assessing the impact of the company's operational activities and internal management on human rights and establishing corresponding handling procedures.
3. Regularly reviewing the effectiveness of the company's human rights policy or statement.
4. Disclosing the procedures for handling affected stakeholders in the event of human rights violations.

The following table outlines the complaint channels available to employees:

Contact Window	MA, JONG-JYR, Senior manager (Spokesperson)
Complaint Email	kevin_mar@umec.com.tw
Communication Hotline	(04)235-900-96 Ext.1200
Dedicated Webpage	Employees can refer to the company's internal service webpage for relevant regulations, procedures, and other announcements. For related feedback, please contact the management department.

Working Hours and Overtime Regulations

UMEC strictly adheres to labor regulations and industry standards to govern employees' working hours and places a high priority on their health and quality of life. Employees' normal working hours must not exceed 8 hours per day, and the weekly working hours must not exceed 40 hours. In case of overtime needs, the total hours of overtime plus normal working hours must not exceed 12 hours, and the company will provide overtime pay or compensatory time off to protect employees' rights.

Through the aforementioned human rights measures, UMEC continues to maintain a safe, healthy, and friendly working environment, and strictly prohibits any form of sexual harassment and discriminatory behavior. In 2023, the company did not have any incidents of discrimination in violation of regulations, nor were there any cases of forcing employees to work overtime or additional hours.

SOCIAL CO-PROSPERITY

Employee Benefits

UMEC is a “human oriented” family. The company sees employees as their families and values the interaction with them. Since the establishment of the "Employee Welfare Committee" in 1994, the company has planned various welfare measures, including holiday and birthday vouchers, employee travel, wedding and funeral subsidies, designated stores, employee dormitories, meal allowances, discounts at designated medical institutions, regular health check-ups, emergency assistance for employees, and group insurance.

Currently, while the company does not have a collective agreement with employees, to promote good labor-management relations, labor cooperation, and improve work efficiency, the company has established an internal labor-management communication and negotiation mechanism within its business units. Regular labor-management meetings and related seminars are held quarterly to provide employees with direct channels for communication and expressing opinions.

Additionally, to boost employee morale, the company encourages employees to form clubs. Currently, internal clubs include a basketball club, badminton club, and parent-child club, among others. Through annual events, employees can relax, cultivate interests, engage in recreational activities, and broaden their horizons outside of work.

The following table shows the main benefits provided to employees by the company:

1	Year-end bonus, incentive bonus, employee patent application rewards, employee proposal rewards.	6	Employee continuing education, various volunteer services, and recreational activities.
2	Birthday vouchers, May First vouchers, Mid-Autumn Festival vouchers.	7	Regular health check-ups and discounts at designated medical institutions.
3	Participation in labor insurance, national health insurance, labor retirement pension, and employee group insurance, as well as emergency assistance for employees.	8	Designated stores and group purchasing platforms.
4	Wedding gifts, funeral condolences, maternity leave, prenatal leave, pregnancy check-up leave, accompanying birth-giving leave, parental leave, and birth subsidies.	9	Employee uniforms, employee cafeteria, employee meal subsidies, employee dormitories, provision of newspapers and magazines, parking lots for cars and motorcycles, fitness centers, and 24-hour bank ATMs.
5	Year-end banquet and lottery, birthday celebrations, club subsidies, department meal subsidies, domestic and international travel subsidies.		

Employee Benefits



SOCIAL CO-PROSPERITY



SOCIAL CO-PROSPERITY

Minimum Notice Period for Operational Changes

To ensure the protection of employees' rights, Universal Microelectronics Co., Ltd. (UMEC) adheres to the relevant regulations of the Labor Standards Act. In the event of significant operational changes or the termination of the employment relationship with employees, the termination of the labor contract will comply with government regulations, with the notice period as follows:

1. For employees who have worked for more than 3 months but less than 1 year, a notice must be given 10 days in advance.
2. For employees who have worked for more than 1 year but less than 3 years, a notice must be given 20 days in advance.
3. For employees who have worked for more than 3 years, a notice must be given 30 days in advance.

Retirement System

UMEC has established an "Employee Retirement Plan" in accordance with the Labor Standards Act and the Labor Pension Act to ensure that employees can work with peace of mind during their employment and secure their livelihood after retirement. Employees who meet the criteria of the retirement plan are entitled to receive retirement benefits according to the law.

The company has established a "Labor Retirement Reserve Fund Supervisory Committee," which regularly allocates contributions to a dedicated retirement reserve fund account at Taiwan Bank on a monthly basis and monitors the execution of the contributions. As of March 31, 2024, the balance of the retirement fund account is NTD 158,139,000, and employees can check and verify the contribution amounts on their monthly pay slips to ensure they are aware of their retirement savings status.

Additionally, to facilitate knowledge transfer and promote business development, the company rehires retired employees and provides pre-retirement benefits, encouraging them to share their past work experiences and assist in cultivating junior employees, thereby enhancing the job satisfaction and career development of retired employees. In 2023, the company rehired 2 retired employees.

SOCIAL CO-PROSPERITY

Parental Leave

UMEC is committed to creating a work environment that promotes both physical and mental well-being, while also caring for employees' family needs. The company follows the regulations of the Labor Standards Act and the Gender Equality in Employment Act to implement an employee parental leave system, ensuring that employees can balance work and family life. Through this system, employees are provided with support and flexibility during childbirth, so that employees can give birth with peace of mind, take care of newborns, and take leave without pay when employees need it, without worrying about losing their job opportunities. UMEC believes that these measures help establish a more harmonious employee relationship and enhance employee job satisfaction. The following table shows the parental leave situation over the past three years:

Year	2021			2022			2023		
Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees eligible for unpaid parental leave A	6	10	16	6	6	12	3	5	8
Employees applied for unpaid parental leave in the current year B	6	10	16	6	6	12	3	5	8
Employees who should be reinstated after unpaid parental leave in the current year. C	1	9	10	0	5	5	2	4	6
Employees who have been reinstated after unpaid parental leave in the current year. D	0	7	7	0	4	4	1	4	5
The number of employees who were actually reinstated in the previous year (E)	0	1	1	0	7	7	0	4	4
The number of employees who were actually reinstated in the previous year and has been reinstated for 12 months (F)	0	1	1	0	5	5	0	2	2
Reinstatement rate in the current year % (D/C)	0	78	70	-	80	80	50	100	83
Retention rate in the current year % (F/E)	-	100	100	-	71	71	-	50	50

Notes:

1. The number of employees who should be reinstated = the number of employees expected to be reinstated after unpaid parental leave in that year.
2. The number of employees who remained in year N = the number of employees who were actually reinstated and are still employed as of December 31 of year N.
3. The rate of reinstatement after unpaid parental leave in the current year % = the actual number of employees reinstated after unpaid parental leave in the current year / the number of employees who should be reinstated after unpaid parental leave in the current year (D/C).
4. The rate of retention after unpaid parental leave in the current year % = the number of employees who were reinstated after unpaid parental leave in the previous year and have worked for one year / the actual number of employees reinstated after unpaid parental leave in the previous year (F/E).

SOCIAL CO-PROSPERITY

Salary Structure

Universal Microelectronics Co., Ltd. adopts a competitive salary and benefits policy, conducting annual salary surveys to measure the salary levels of various positions in the market and overall economic indicators, ensuring that compensation is attractive. The company strictly adheres to the principle of fairness, and the salary system does not differ based on gender, race, religion, political stance, marital status, or union affiliation.

In 2023, the standard salary of male basic-level personnel is 1.5 times the minimum wage of NT\$26,400 in Taiwan, while the standard salary of female basic-level personnel is 1.2 times. This salary difference is mainly related to the type of position, years of service, professional skills, and nature of work, rather than gender or other factors.

Furthermore, the company makes appropriate salary adjustments each year based on market conditions and employee performance. In 2023, the total compensation ratios compared to salaries are as follows:

Position Type	Number		Salary Ratio		Compensation Ratio	
	Female	Male	Female	Male	Female	Male
Management	29	117	1	1.26	1	1.47
Non-Management	394	224	1	1.10	1	1.20
Direct Personnel	263	63	1	0.91	1	0.94
Indirect Personnel	160	278	1	1.24	1	1.48

Notes:

1.The number of employees is calculated based on the number of employees in service as of December 31, 2023.

2.The female-to-male salary compensation ratio (annual salary ratio) is defined as “average annual salary of females in that category / average annual salary of males in that category.”

In 2023, the ratio of the total annual compensation of the highest-paid individual at UMEC to the median total annual compensation of other employees (excluding the highest-paid individual) was 7.7. The increase in the total annual compensation of the highest-paid individual, compared to the increase in the total annual compensation of other employees (excluding the highest-paid individual), was 0.14. This is primarily due to the fairness of the company's compensation structure, which reasonably controls the increase in compensation for senior management and employees to avoid excessive pay gaps. At the same time, it ensures that the compensation increases for entry-level and mid-level employees are consistent with market trends to attract and retain top talent.

SOCIAL CO-PROSPERITY

5.4 Safe Workplace

Occupational Health and Safety Management

UMEC promotes workplace safety, prevents accidents, improves working conditions, and maintains the health and safety of employees and contractors/customers. Since 2010, the company has implemented the OHSAS 18001 Occupational Health and Safety Management System and completed the transition to the ISO 45001 version in 2020. The applicable scope includes the Taichung operations headquarters, Manufacturing Plant 2, and various subcontractors. The company continues to identify occupational health and safety regulations at all operating locations, standardize management and training, and establish safety operating procedures. Regular risk assessments, audits, and evaluations of implementation effectiveness and continuous improvement are conducted to strengthen the operation of the occupational health and safety management system.

The scope of the company's occupational health and safety management includes production and non-production areas, equipment, and routine and non-routine operational activities. It also manages and protects external units involved in operations, such as meal suppliers, security personnel, and equipment maintenance providers, regarding activities conducted within the company's facilities and equipment. As of the end of December 2023, the total number of employees under occupational health and safety management protection was 764.

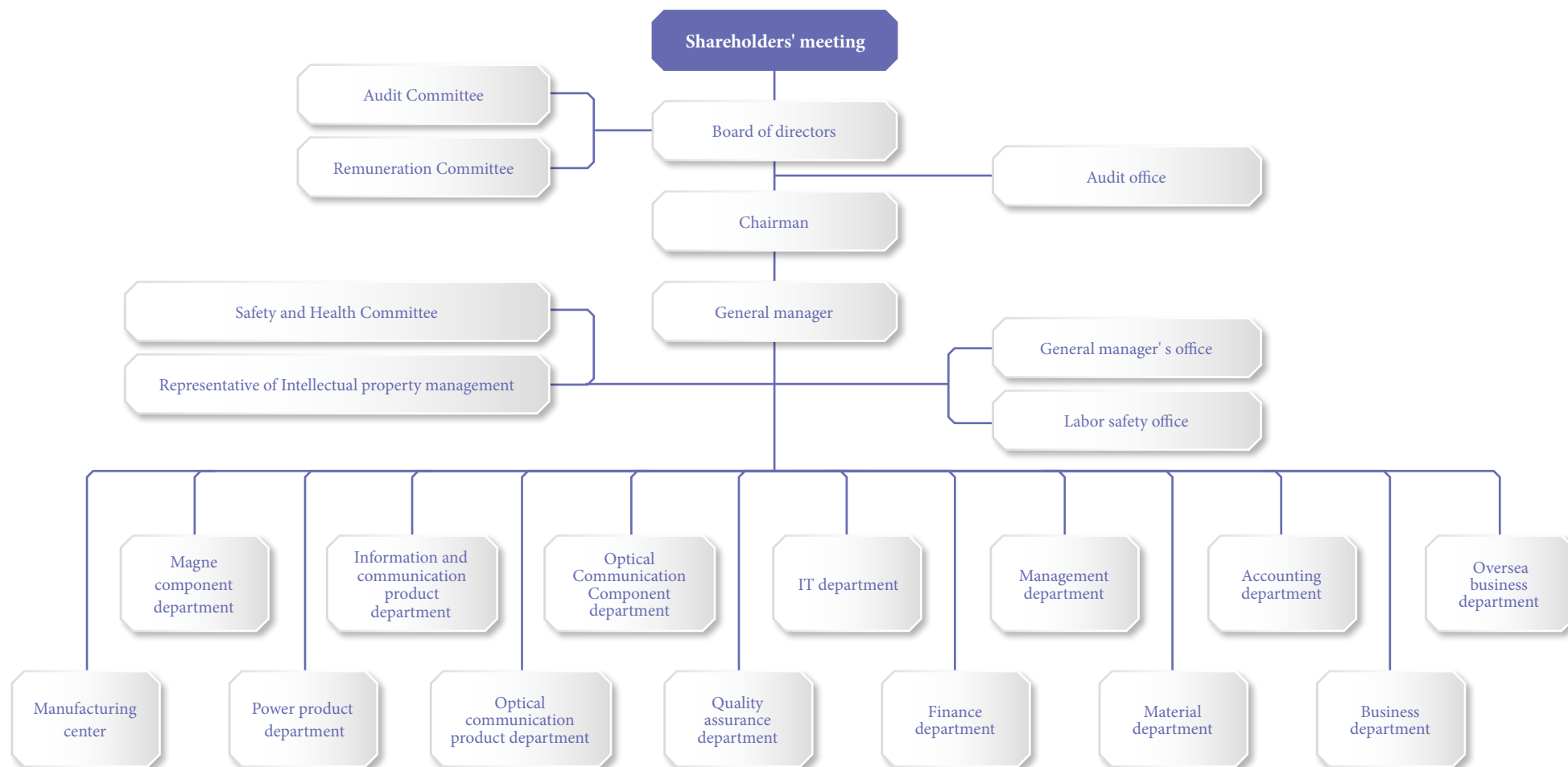
Safety and Health Committee

UMEC establishes a "Safety and Health Committee" in accordance with the "Occupational Health and Safety Management Regulations." Its responsibilities include formulating safety and health policies, making recommendations regarding management systems, and reviewing and coordinating matters related to safety and health.

The "Safety and Health Committee" consists of 16 members, including the chairperson (General Manager), the executive secretary (Deputy Manager), and members (department heads/unit supervisors/occupational safety personnel/labor representatives). Among them, the labor representatives are elected by employees, totaling 6 individuals, which accounts for 38% of the committee's membership. The committee holds regular meetings once a quarter to jointly discuss, coordinate, plan, and make decisions on occupational health and safety-related issues, ensuring employee participation, consultation, and communication.

SOCIAL CO-PROSPERITY

Organizational Chart of the Safety and Health Committee



SOCIAL CO-PROSPERITY

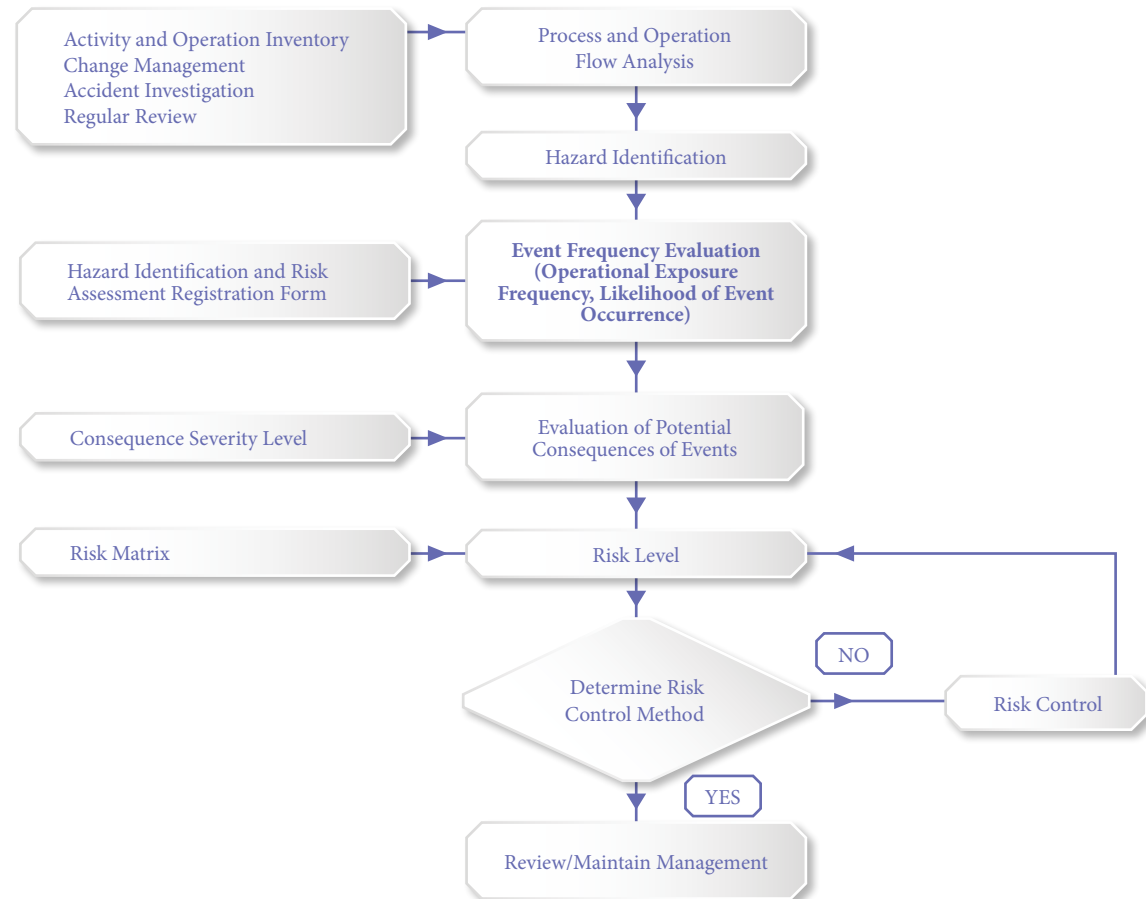
Occupational Safety Risk Assessment

UMEC has established the "UMEC Safety and Health Hazard Identification and Risk Assessment Procedure" to continuously identify, evaluate, and control risks, minimizing them to the lowest possible level. This procedure identifies and assesses various types of hazards, including physical, chemical, and ergonomic hazards that may arise from raw materials, machinery and equipment, working environments, and personnel activities involved in operations or services. Reasonable, effective, and feasible control measures are implemented to reduce the impact on the safety and health of company personnel, contractors, and relevant third parties. The execution status of occupational safety and health measures is reported to labor representatives from various internal organizations at the monthly safety meetings and quarterly Safety and Health Committee meetings.

For all operational activities conducted by employees, workers, contractors, and visiting guests within the plant, as well as the operation of machinery and the use of chemicals, risk identification is conducted annually in accordance with the "Hazard Identification and Risk Evaluation Control Procedure." Quantitative risk scores are defined based on the severity and frequency of accidents that may occur during various operational activities, machinery operation, or chemical use. If the risk level reaches three (moderate risk), existing protective measures should be reviewed and prioritized for improvement to reduce the risk. If the risk level reaches four (or higher), it is classified as high risk, requiring immediate cessation of operations and a thorough review of the adequacy of existing protective measures or implementation of improvement plans to enhance contingency capabilities. In 2023, all departments reported hazards as moderate risk or lower, with no high-risk incidents occurring.

The flowchart for UMEC's safety and health hazard identification and risk assessment process is shown below:

Flowchart for Safety and Health Hazard Identification and Risk Assessment Process

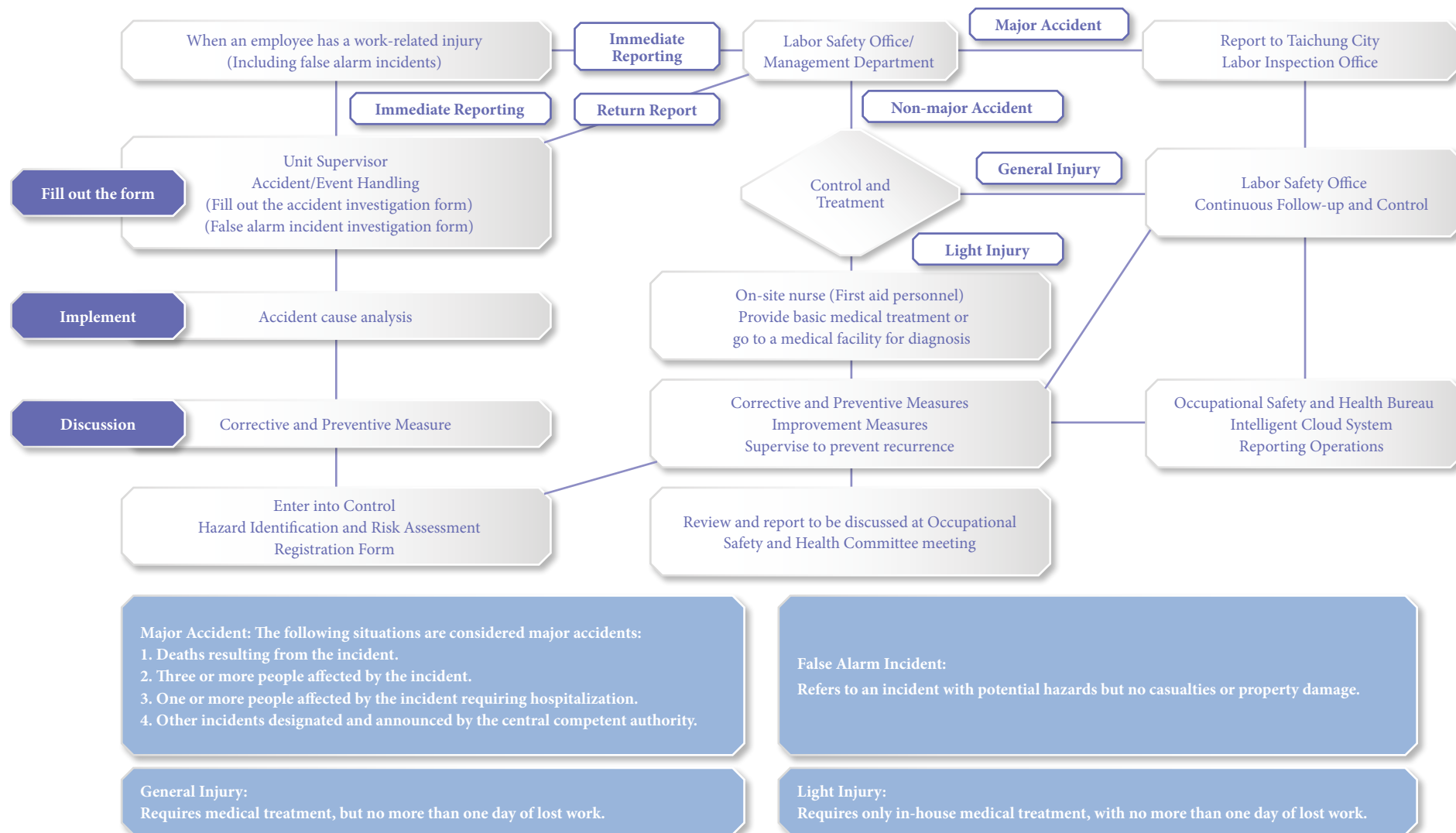


When UMEC employees encounter immediate hazards while performing their work tasks, they have the autonomy to stop or leave the site immediately. The company will strictly maintain the confidentiality of the reporter regarding any incidents reported by employees, ensuring that no improper disciplinary actions are taken against them as a result.

SOCIAL CO-PROSPERITY

The flowchart for UMEC's accident investigation management process is shown below:

Flowchart for Accident Investigation Management Process



SOCIAL CO-PROSPERITY

UMEC employees have any concerns regarding work safety and health, they can call the Labor Safety Office for consultation and reporting.

Contact Unit	Labor Safety Office
Contact Phone	(04) 235-900-96 ext. 1202, 1205, 1218, or 1200
Contact Email	Email: 1020@umec.com.tw

■ Occupational Safety and Health Implementation Results

In 2023, the company experienced 2 occupational accidents, both resulting in minor injuries (related to handling items and falling down stairs). To prevent the recurrence of such incidents, the company will continue to strengthen occupational safety and health education and training for both new and existing employees, enhancing their awareness of operational safety. Additionally, during handling operations, the company encourages employees to make good use of auxiliary tools such as trolleys to reduce the risk of operational injuries.

In 2023, there were no fatalities resulting from occupational injuries or diseases, nor were there any recordable cases of occupational diseases. The outcomes of the occupational safety and health implementation in 2023 are shown in the table below:

Regulatory Identification	- Regularly identify and track compliance with occupational safety and health regulations in the plant. - A total of 51 changes to occupational safety and health regulations were made to enhance the "Occupational Safety and Health Management Measures."
Management System	The company completed ISO 45001:2018 occupational safety and health management system certification in July.
Education and Training	- The completion rate for safety and health education training courses for new employees is 100%. - The completion rate for safety and health education training (refresher) courses for specific personnel is 100%.
Hazard Identification	The company has conducted safety and health hazard identification for the work environment and types of work, completing a total of 388 items, with 0 items classified as high risk.
Chemical Management	- Priority is given to managing chemical declarations. - The company conducted labor operational environment monitoring in May and November.
Contractor Management	Contractors performed 2 operations classified as moderate risk (risk level three) within the plant, with a compliance rate of 100% with the plant's operational standards.
Implementation Audit	- A total of 5 suggested improvement items were raised during internal audits. - All suggested items were improved within the stipulated time frame.
Emergency Response	- Two fire evacuation drills were conducted. - Two fire extinguisher training sessions were conducted.

SOCIAL CO-PROSPERITY

Occupational Safety Training

To ensure occupational safety and health in the work environment, UMEC focuses on training employees to develop work habits that avoid human errors and enhance their understanding and response capabilities regarding safety and health culture. The company's environmental safety and health education and training emphasize improving employees' safety awareness and operational skills. Various occupational safety and health-related training programs are provided to ensure the safety of employees during work while enhancing their understanding and awareness of occupational safety and health. The following table summarizes the participation of employees in occupational safety and health education training in 2023:

Training Item Name	Number of Trainees	Training Cost (NTD)
Type A Occupational Safety and Health Business Supervisor	2	3,400
Occupational Safety and Health Management Personnel	2	5,600
Fire Prevention Management Personnel	1	3,200
Education and Training for Supervisors of Hazardous Operations	1	1,000
Safety and Health Education Training for Forklift Operators (over 1 ton)	3	2,000
First Aid Personnel Education and Training	12	13,300
On-the-job Safety and Health Education Training	120	0
General Employee Safety and Health Education Training (New Employees)	80	0
Total	221	28,500
Notes: 1.The on-the-job safety and health education training is an internal training program of the company; thus, the cost is 0. 2.The company currently prioritizes on-the-job education and training for employees in manufacturing centers with higher operational risks, and the courses for office employees will be coordinated and scheduled subsequently.		

Supplier/Contractor Work Safety

UMEC upholds a "human oriented" safety culture, committed to controlling safety risks and creating a fundamentally safe work environment by integrating environmental and social responsibilities into its business philosophy. Based on this foundation, to understand the sustainability of the supply chain, the company conducts an annual sustainability risk survey and assessment of suppliers to ensure sustainable development within the supply chain.

The company performs sustainability risk assessments of suppliers based on the "Supplier Evaluation Form" and "Sustainability Self-Assessment Questionnaire." All new suppliers must submit a self-assessment form for the company's review. This procedure aims to ensure that the supply chain possesses the potential for sustainable development and encourages suppliers to progress toward environmental friendliness, labor safety, and ethical standards. The company requires suppliers to comply with the "Code of Conduct for Suppliers (Contractors) of UMEC" to ensure that their work environments meet safety standards. Additionally, the company encourages suppliers to require their downstream suppliers, contractors, and service providers to acknowledge and adopt these standards, further expanding the influence of sustainable development.

Regarding environmental protection, safety, and health requirements, all suppliers and contractors must comply with the relevant regulations set forth by the company, which have been publicly available on the company's official website for reference and are clearly stipulated in the procurement management procedures as compliance requirements for suppliers.

Moreover, the company actively assists suppliers and contractors in improving their work environments, enhancing safety and health awareness, and fostering a sense of sustainable management. The Safety and Health Office provides environmental safety and health education training to suppliers and contractors. In 2023, a total of 9 suppliers/contractors received this type of training, which included the promotion of the company's safety and health regulations and an explanation of occupational accident responsibilities. At the same time, future management requirements and key points were communicated through briefings to ensure that all suppliers align with the company's sustainable development goals, strengthening the safety and sustainability of the work environment.

SOCIAL CO-PROSPERITY

Employee Health Check

UMEC is highly concerned about the health and safety of its employees and contractors (such as cleaning staff, meal service personnel, etc.), focusing on creating an inherently safe working environment. The company actively promotes the physical and mental health of both employees and contractors, while engaging with stakeholders to continuously reduce occupational health and safety risks. Each year, the company plans comprehensive health checks that exceed regulatory standards and regularly tracks the health status of employees. Additionally, for statutory special operations, the company considers environmental monitoring data to identify potential health risks and arranges health checks for special operations involving dust, ionizing radiation, etc., thus gaining a comprehensive understanding of employees' health status and providing a basis for self-health management, achieving a preventive rather than remedial effect, and ensuring the safety of the work environment. To further protect employee health, the company offers health checks that surpass regulatory requirements, available to all employees who have been with the company for more than three months, demonstrating its commitment to employee health care.

General Health Check	
Check Items	Physician consultation, physical examination, Body Mass Index (BMI), vision check, hearing check, waist measurement, urine routine check, blood routine check, liver function check, blood sugar check, kidney function check, blood lipid check, metabolic system screening, chest X-ray
Number of Check-ups (persons)	650
Cost of Check-ups (NTD thousand)	227.5
Special Health Check	
Check Items	Dust, ionizing radiation, tetrachlorethylene
Number of Check-ups (persons)	28
Cost of Check-ups (NTD thousand)	0
Notes: 1. Employee health checks are for employees who have been with the company for more than three months, with some employees who have not yet reached three months counted for physical examinations. 2. Foreign employees, due to regular health checks coordinated with migrant workers, are not subjected to repeated checks and are counted based on the reports from the intermediary company. 3. Those who have conducted their own health checks, with the scope covering employee health check items, are counted based on their health check reports.	

Employee Health Check



SOCIAL CO-PROSPERITY

■ Other Health Promotion Activities

UMEC places great importance on the physical and mental health of its employees. To this end, the company actively establishes a comprehensive health consultation service, providing employees with professional support channels at any time. All employees and workers under the company's supervision, such as security staff, cleaning personnel, and construction workers, have access to mental and physical health consultation services.

The company invites physicians to provide on-site services on a regular monthly basis; in 2023, there were approximately 72 instances of on-site consultation services. Additionally, nursing staff regularly conduct assessments of employee health check records and proactively offer care and consultation services based on risk attributes, serving about 110 individuals. Employees can also schedule health consultations at any time through email or phone, ensuring that health needs receive timely responses and care.

The company adheres to the "Four Major Plans for Labor Health Protection" established by the Ministry of Labor, which includes the "Maternal Health Protection Plan for the Workplace," "Human Factors Hazard Prevention Plan," "Abnormal Workload Prevention Plan," and "Prevention Plan for Illegal Infringement in the Line of Duty." Corresponding internal procedures have been established to ensure the safety and health of employees:

Maternal Health Protection Plan	To safeguard the health of female and maternal workers, a "Maternal Health Protection Plan for the Workplace" has been established, which provides a "Maternal Health Hazard Assessment and Work Suitability Arrangement Form" for the assessors to fill out. This form is then submitted to healthcare personnel for evaluation and suitable work arrangements.
Human Factors Hazard Prevention Plan	To address employee concerns related to abnormal working hours, human factors engineering, and workplace violence, the company has established the "Abnormal Workload Prevention Plan" and "Human Factors Hazard Prevention Plan." Risk assessments and needs surveys are conducted using various scales, and relevant databases are created for comparison, ensuring appropriate measures are taken for at-risk workers.
Prevention Plan for Abnormal Workload-Induced Illness	
Prevention Plan for Illegal Infringement in the Line of Duty	To protect employees from illegal infringement while performing their duties, the company has formulated a "Prevention Plan for Illegal Infringement in the Line of Duty," enhancing employees' awareness and skills for self-protection. The company regularly conducts violence prevention training for employees, providing necessary response measures and resources, as well as establishing an anonymous reporting mechanism, allowing employees to seek help promptly when encountering illegal infringements, thereby ensuring a safe working environment.

SOCIAL CO-PROSPERITY

5.5 Caring for Society

UMEC is located in the Taichung Industrial Park, where it conducts biannual factory perimeter noise source testing, and the results consistently comply with relevant regulations. Additionally, the company implements regular inspections for the storage of waste and chemicals to ensure that no chemical leaks occur, thus safeguarding the nearby residents from any adverse effects of the company's operations.

Adhering to the philosophy of giving back to society, UMEC actively participates in various charitable and social care activities, encouraging employees to join in these efforts, thereby uniting the company's team spirit to give back to the community and society. Through these ongoing efforts, the company aims to inject continuous vitality and care into this warm land.

UMEC also actively supports local culture and educational initiatives, assisting various organizations in promoting artistic and cultural activities. These include partnerships with organizations such as the TAIYUAN Cultural Foundation, Taichung Civic Concert Band, and Taichung City Symphony Orchestra, along with donations to the Taichung First High School Education Foundation, Taiwan Reading Culture Foundation, Huashan Social Welfare Foundation, Taiwan Action Bodhisattva Education Association, Chinese Legacy Think Tank Association, Taichung Education Foundation, and the Taichung Rotary Club, among other educational and welfare institutions. Furthermore, the company strongly supports local public safety and donated equipment to the Industrial Park Police Station of the Taichung City Sixth Precinct in 2023, contributing to local security efforts.

In 2023, the company donated a total of NTD 2,183,000 to support these social and cultural activities, hoping to bring more positive impacts to society and promote the development of culture, education, and social welfare in Taichung City. Through these tangible actions, UMEC continues to promote corporate social responsibility and contribute to a better future.

Name of public welfare activity	Amount (NT\$)	Name of public welfare activity	Amount (NT\$)
Taichung Rotary Club	501,000	Republic of China Taichung First Senior High School Alumni Association	60,000
Chinese Rotary Education Foundation	400,000	Chinese Legacy Think Tank Association	50,000
TAIYUAN Cultural Foundation	300,000	Taichung NCKU Alumni Association	32,000
Taichung Education Foundation	300,000	Taichung City Great Taichung Police Friends Association	20,000
Taichung Lifeline Association	150,000	Taichung City Symphony Orchestra	20,000
Taichung Civic Concert Band	100,000	National Kaohsiung University of Science and Technology	20,000
Genio Dance Group	100,000	Taichung City Ling Sheng Temple Foundation	10,000
MINISTRY OF HEALTH AND WELFARE DONATION A/C	100,000	Taiwan Light of Love Association	6,000
Wuping County Industrial Park Management Committee	13,000	Longyan City Association of Taiwan Investment Enterprises on the Mainland	1,000
Total			2,183,000

SOCIAL CO-PROSPERITY

Taichung Girl's Senior High School
Cultural and Educational Foundation

Chinese Rotary Education Foundation



Taichung Rotary Club in Taichung City



CHAPTER

6

APPENDIX

Appendix I: GRI Sustainability Reporting Standards (GRI Standards) Comparison Table	103
Appendix II: Sustainability Accounting Standards Board (SASB) Index	112
Appendix III: Taiwan Stock Exchange "Operating Procedures for the Preparation and Declaration of Sustainability Reports for Listed Companies"	114
Appendix IV: Climate-Related Information for Listed Companies	115
Appendix V: Management System Certification	118

APPENDIX

Appendix I: GRI Sustainability Reporting Standards (GRI Standards) Comparison Table

Statement of Use	Universal Microelectronics Co., Ltd. (UMEC) has reported in accordance with the GRI Standards for the period from January 1, 2023, to December 31, 2023, as referenced in the GRI content index table.
GRI Use	GRI 1: Foundation 2021

■ GRI 2 General Disclosures

GRI Standards Category/Topic	Number	GRI Standards Disclosure Content	Corresponding Section	Page Number	Omission/ Remarks
Organizational and Reporting Practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	2.1 GET TO KNOW UMEC	20	
	2-2	Entities included in the sustainability reporting	About This Report	4	
	2-3	Reporting period, frequency, and contact point	About This Report	4	
	2-4	Information recompiled	About This Report	4	
	2-5	External assurance/verification	About This Report	4	
Activities and workers					
GRI 2: General Disclosures 2021	2-6	Activities, value chain, and other business relationships	2.1 GET TO KNOW UMEC 3.1 MAIN PRODUCTS AND SERVICES	20 49	
	2-7	Employees	5.1 TALENT COMPOSITION	81	
	2-8	Workers who are not employees	5.1 TALENT COMPOSITION	81	

APPENDIX

GRI Standards Category/Topic	Number	GRI Standards Disclosure Content	Corresponding Section	Page Number	Omission/ Remarks
Governance					
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	2.1 GET TO KNOW UMEC 2.2 CORPORATE GOVERNANCE	20 24	
	2-10	Nomination and selection of the highest governance body	2.2 CORPORATE GOVERNANCE	24	
	2-11	Chair of the highest governance body	2.2 CORPORATE GOVERNANCE	24	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.2 CORPORATE GOVERNANCE	24	
	2-13	Delegation of responsibility for managing impacts	2.2 CORPORATE GOVERNANCE	24	
	2-14	Composition of the highest governance body and its committees	2.2 CORPORATE GOVERNANCE	24	
	2-15	Statement of the highest governance body	2.2 CORPORATE GOVERNANCE	24	
	2-16	Communication of critical concerns	2.2 CORPORATE GOVERNANCE	24	
	2-17	Collective knowledge of the highest governance body	2.2 CORPORATE GOVERNANCE	24	
	2-18	Evaluation of the highest governance body's performance	2.2 CORPORATE GOVERNANCE	24	
	2-19	Remuneration policies	2.2 CORPORATE GOVERNANCE	24	
	2-20	Process to determine remuneration	2.2 CORPORATE GOVERNANCE	24	
	2-21	Annual total compensation ratio	5.3 EMPLOYEE BENEFITS AND COMPENSATION	86	
Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	MESSAGE FROM THE MANAGEMENT	6	
	2-23	Policy commitments	5.3 EMPLOYEE BENEFITS AND COMPENSATION	86	
	2-24	Embedding policy commitments	5.3 EMPLOYEE BENEFITS AND COMPENSATION	86	
	2-25	Processes to remediate negative impacts	3.3 SUPPLY CHAIN MANAGEMENT 5.3 EMPLOYEE BENEFITS AND COMPENSATION	61 86	
	2-26	Mechanisms for seeking advice and raising concerns	2.4 INTEGRITY AND COMPLIANCE	38	
	2-28	Membership associations	2.1 GET TO KNOW UMEC	20	
Stakeholder discussion					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	1.1 STAKEHOLDER IDENTIFICATION AND COMMUNICATION	9	
	2-30	Collective bargaining agreements	5.3 EMPLOYEE BENEFITS AND COMPENSATION	86	No union established

APPENDIX

■ Material Topic Disclosure

GRI Number	Issue	Industry Code Number	Number	GRI Standards Disclosure Content	Corresponding Section	Page Number	Omission/Remarks
GRI 3: MATERIAL TOPICS 2021	Management Policy	-	3-1	Process to determine material topics	1.2MATERIAL TOPICS IDENTIFICATION AND ANALYSIS	15	
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-2	List of material topics	1.2MATERIAL TOPICS IDENTIFICATION AND ANALYSIS	15	
Material Topic: Regulatory Compliance							
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-3	Management of material topics	2.4INTEGRITY AND COMPLIANCE	38	
GRI 2: General Disclosures 2021	-	-	2-27	Compliance with laws and regulations	2.4INTEGRITY AND COMPLIANCE	38	
Material Topic: Economic Performance							
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-3	Management of material topics	2.3OPERATIONAL PERFORMANCE	34	
GRI 201: Economic Performance 2016	Economic Performance Topic Disclosures 2016		201-1	Direct economic value generated and distributed	2.3OPERATIONAL PERFORMANCE	34	
			201-2	Financial implications and other risks and opportunities due to climate change	4.1CLIMATE-RELATED FINANCIAL RISKS	68	
			201-3	Defined benefit plan obligations and other retirement plans	5.3EMPLOYEE BENEFITS AND COMPENSATION	86	
			201-4	Financial assistance received from government	2.3OPERATIONAL PERFORMANCE	34	
Material Topic: Procurement Practices							
GRI 3: Material Topics 2021	Management Policy		3-3	Management of material topics	3.3SUPPLY CHAIN MANAGEMENT	61	
GRI 204	Economic Performance Topic Disclosures 2016		204-1	Proportion of spending on local suppliers	3.3SUPPLY CHAIN MANAGEMENT	61	
Material Topic: Supplier Environmental Assessment							
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-3	Management of material topics	3.3SUPPLY CHAIN MANAGEMENT	61	
GRI 308	GRI 308: Supplier Environmental Assessment 2016		308-1	New suppliers that were screened using environmental criteria	3.3SUPPLY CHAIN MANAGEMENT	61	
			308-2	Negative environmental impacts in the supply chain and actions taken	3.3SUPPLY CHAIN MANAGEMENT	61	

APPENDIX

Material Topic: Energy							
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-3	Management of material topics	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71	
GRI 302	Energy Topic Disclosures 2016		302-1	Energy consumption within the organization	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71	
			302-2	Energy consumption outside of the organization	-	-	
			302-3	Energy intensity	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71	
			302-4	Reduction of energy consumption	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71	
			302-5	Reductions in energy requirements of products and services	-	-	
Material Topic: Waste							
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-3	Management of material topics	4.4WASTE MANAGEMENT	76	
GRI 306	Waste Topic Disclosures 2002		306-1	Waste generation and significant waste-related impacts	4.4WASTE MANAGEMENT	76	
			306-2	Management of significant waste-related impacts	4.4WASTE MANAGEMENT	76	
GRI 306	Waste Topic Disclosures 2002		306-3	Waste generated	4.4WASTE MANAGEMENT	76	
			306-4	Waste diverted from disposal	4.4WASTE MANAGEMENT	76	
			306-5	Waste directed to disposal	4.4WASTE MANAGEMENT	76	
GRI 306	Effluents and Waste Topic Disclosures 2016		306-3	Serious leakage	-	-	No leakage or other incidents occurred. °
Material Topic: Customer Health and Safety (referring to product safety standards and product quality)							
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-3	Management of material topics	3.2PRODUCT QUALITY MANAGEMENT	53	
GRI 416	Customer Health and Safety 2016		416-1	Assessment of the health and safety impacts of product and service categories	3.2PRODUCT QUALITY MANAGEMENT	53	
			416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.2PRODUCT QUALITY MANAGEMENT	53	

APPENDIX

Material Topic: Occupational Health and Safety, Training and Education							
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-3	Management of material topics	SOCIAL CO-PROSPERITY	78	
GRI 403	Occupational Health and Safety 2018		403-1	Occupational health and safety management system	5.4SAFE WORKPLACE	92	
			403-2	Hazard identification, risk assessment, and incident investigation	5.4SAFE WORKPLACE	92	
			403-3	Occupational health services	5.4SAFE WORKPLACE	92	
			403-4	Worker participation, consultation, and communication on occupational health and safety	5.4SAFE WORKPLACE	92	
			403-5	Worker training on occupational health and safety	5.4SAFE WORKPLACE	92	
			403-6	Promotion of worker health	5.4SAFE WORKPLACE	92	
			403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4SAFE WORKPLACE	92	
	Occupational Health and Safety 2018		403-8	Workers covered by an occupational health and safety management system	5.4SAFE WORKPLACE	92	
			403-9	Work-related injuries	5.4SAFE WORKPLACE	92	
			403-10	Work-related ill health	5.4SAFE WORKPLACE	92	
GRI 404	Training and Education 2016		404-1	Average hours of training per year per employee	5.2Talent Development	84	
			404-2	Programs for upgrading employee skills and transition assistance programs	5.2Talent Development	84	
			404-3	Percentage of employees receiving regular performance and career development reviews	5.2Talent Development	84	
Material Topic: Labor Relations							
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-3	Management of material topics	SOCIAL CO-PROSPERITY	78	
GRI 401	Employment 2016		401-1	New employee hires and employee turnover	5.1TALENT COMPOSITION	81	
			401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	5.3EMPLOYEE BENEFITS AND COMPENSATION	86	
			401-3	Parental leave	5.3EMPLOYEE BENEFITS AND COMPENSATION	86	

APPENDIX

Material Topic: Customer Privacy (Information Security)							
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-3	Management of material topics	2.6Cybersecurity Risk Management	43	
GRI 418	Customer Privacy 2016		418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6Cybersecurity Risk Management	43	
Material Topic: Marketing and Labeling (Sales, Product Labeling Laws)							
GRI 3: MATERIAL TOPICS 2021	Management Policy		3-3	Management of material topics	3.2PRODUCT QUALITY MANAGEMENT	53	
GRI 417	Marketing and Labeling 2016		417-1	Requirements for product and service information and labeling	3.2PRODUCT QUALITY MANAGEMENT	53	
			417-2	Incidents of non-compliance concerning product and service information and labeling	3.2PRODUCT QUALITY MANAGEMENT	53	
			417-3	Incidents of non-compliance concerning marketing communications	3.2PRODUCT QUALITY MANAGEMENT	53	

Custom Topics	Number	GRIGRI Standards Disclosure Content	Corresponding Section	Page Number	/Omission/Remarks
Material Topic: Corporate Governance					
GRI 3 Management Policy	3-3	Management of material topics	2.2CORPORATE GOVERNANCE	24	

APPENDIX

■ Topic-specific Disclosures

Specific Topic Standards- 200 Series (Economic Topics)					
Market Position					
GRI 202 Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.3EMPLOYEE BENEFITS AND COMPENSATION	86	
	202-2	Proportion of senior management hired from the local community	5.1TALENT COMPOSITION	81	
Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	5.5Caring for Society	100	
	203-2	Significant indirect economic impacts	5.5Caring for Society	100	
Anti-corruption					
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2.4INTEGRITY AND COMPLIANCE	38	
	205-2	Communication and training about anti-corruption policies and procedures	2.4INTEGRITY AND COMPLIANCE	38	
	205-3	Confirmed incidents of corruption and actions taken	2.4INTEGRITY AND COMPLIANCE	38	
Anti-competitive					
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.4INTEGRITY AND COMPLIANCE	38	
Tax					
GRI 207: Tax 2019	207-1	Approach to tax	2.3OPERATIONAL PERFORMANCE	34	
	207-2	Tax governance, control, and risk management	2.3OPERATIONAL PERFORMANCE	34	
	207-3	Stakeholder engagement and management of concerns related to tax	2.3OPERATIONAL PERFORMANCE	34	
GRI 2072019	207-4	Country-by-country reporting	-	-	There is currently no country-by-country report required.

APPENDIX

Specific Topic Standards-300 Series (Environmental Topics)					
Materials					
GRI 301: Materials 2016	301-1	Materials used by weight or volume	3.3SUPPLY CHAIN MANAGEMENT	61	
	301-2	Recycled input materials used	-	-	
	301-3	Reclaimed products and their packaging materials	3.3SUPPLY CHAIN MANAGEMENT	61	
Water and Effluents					
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.3Water Usage	75	
	303-2	Management of water discharge related impacts	4.3Water Usage	75	
GRI 3032018	303-3	Water withdrawal	4.3Water Usage	75	
	303-4	Water discharge	4.3Water Usage	75	
	303-5	Water consumption	4.3Water Usage	75	
Biodiversity					
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	-	The area where our company is located is not in an ecological protection zone or a national conservation area.
	304-2	Significant impacts of activities, products and services on biodiversity	-	-	
	304-3	Habitats protected or restored	-	-	
	304-4	IUCNIUCN Red List species and national conservation list species with habitats in areas affected by operations	-	-	
Emissions					
GRI 3052016GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71	
	305-2	Energy indirect (Scope 2) GHG emissions	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71	
	305-3	Other indirect (Scope 3) GHG emissions	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71	
	305-4	GHG emissions intensity	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71	
	305-5	Reduction of GHG emissions	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71	
	305-6	ODSEmissions of ozone-depleting substances (ODS)	-	-	UMEC complies with the Montreal Protocol and has never purchased substances that deplete the ozone layer.
	305-7	NOxSOxNitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71	

APPENDIX

Standards: 400 Series (Social Subjects)					
Labor/Management Relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.3EMPLOYEE BENEFITS AND COMPENSATION	86	
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1TALENT COMPOSITION	81	
	405-2	Ratio of basic salary and remuneration of women to men	5.3EMPLOYEE BENEFITS AND COMPENSATION	86	
Non-discrimination					
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	5.3EMPLOYEE BENEFITS AND COMPENSATION	86	
Freedom of Association and Collective Bargaining					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.3EMPLOYEE BENEFITS AND COMPENSATION	86	
Child Labor					
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	-	-	-
Forced or Compulsory Labor					
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.3EMPLOYEE BENEFITS AND COMPENSATION	86	
Security Practices					
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	5.2Talent Development	84	
Rights of Indigenous Peoples					
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	-	-	-
Local Communities					
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	5.5Caring for Society	100	
	413-2	Operations with significant actual and potential negative impacts on local communities	5.5Caring for Society	100	
Supplier Social Assessment					
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.3SUPPLY CHAIN MANAGEMENT	61	
	414-2	Negative social impacts in the supply chain and actions taken	3.3SUPPLY CHAIN MANAGEMENT	61	
Public Policy					
GRI 415: Public Policy 2016	415-1	Political contributions	-	-	-

APPENDIX

Appendix II: Sustainability Accounting Standards Board (SASB) Index

Topic	Code	Accounting Metric	Measurement Unit	2023 Disclosure Status	Corresponding Section	Page Number
Energy Management	RT-EE-130a.1	(1) Total energy consumption (2) Proportion of electricity consumed from the grid (3) Percentage of energy consumption from renewable sources	Billion Joules (GJ), Percentage (%)	- Proportion of electricity consumed from the grid: 93% - Proportion of electricity consumed from the grid: 93% - Renewable energy: 5.74%	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71
Hazardous Waste Management	RT-EE-150a.1	Total hazardous waste and percentage of hazardous waste recycled	Metric tons (t), Percentage (%)	- Hazardous waste weight: 2.450 tons. - Hazardous waste weight: 2.450 tons.	4.4WASTE MANAGEMENT	76
	RT-EE-150a.2	Number of leaks, total amount of leaks and recovery amount of hazardous waste	Quantity, kilograms (kg)	- Number of hazardous waste leaks: 0. - Total amount and recovery of hazardous waste leaks: No leaks occurred.	4.4WASTE MANAGEMENT	76
Product Safety	RT-EE-250a.1	Number of recalls and total number of recalled products	Quantity	- Number of recalls: 0. - Total number of recalled products: 0.	3.2PRODUCT QUALITY MANAGEMENT	53
	RT-EE-250a.2	Total financial losses due to product safety-related legal actions	Amount	Total financial losses from product safety-related lawsuits: 0	3.2PRODUCT QUALITY MANAGEMENT	53
Product Lifecycle Management	RT-EE-410a.1	IEC 62474Percentage of products, by revenue, containing IEC 62474 declarable substances	Percentage (%)	The company has not fully incorporated the IEC 62474 framework yet, but after excluding substances not applicable to company products, our RoHS and halogen-free products comply with IEC 62474 requirements. As for Substances of Very High Concern (SVHC), approximately 80% of our products contain such substances, accounting for 88.14% of the company's revenue. In compliance with SCIP (Substances of Concern In articles as such), the company provides relevant substance data to customers for their own SCIP reporting. (For more details on quality control, refer to Section 3.2 Product Quality Management)	3.2PRODUCT QUALITY MANAGEMENT	53
	RT-EE-410a.2	ENERGY STARPercentage of qualifying products that meet ENERGY STAR standards (by revenue)	Percentage (%)	Since 2010, the Power product series of UMEC no longer requires compliance with ENERGY STAR® standards due to the U.S. EPA's cancellation of the External Power Supply Energy Star program.	-	-
	RT-EE-410a.3	Revenue from products related to renewable energy and energy efficiency	Amount	1,820,560 (Unit: NTD thousand)	-	-

APPENDIX

Raw Materials Traceability	RT-EE-440a.1	Describe the risk management practices for sourcing critical conflict minerals	N/A	To further enhance supply chain stability, the company ensures that components are not sourced from conflict mineral areas and implements a diversified procurement strategy with at least two suppliers. Additionally, risk management is carried out based on the location of the factories to mitigate supply risks. The company also adheres to various national electronic waste recycling policies to promote recycling and reuse.	3.3SUPPLY CHAIN MANAGEMENT	61
Business Ethics	RT-EE-510a.1	Describe policies and practices for preventing (1) corruption and bribery, (2) anti-competitive behavior	N/A	The company has established policies such as the "Code of Integrity," "Corporate Governance Practices," "Code of Ethics," and "Anti-Insider Trading Procedures," which are published on the website. Additionally, the company's "UMEC Employee Integrity Guidelines" prevent employees from engaging in private dealings with vendors and clients.	2.4INTEGRITY AND COMPLIANCE	38
	RT-EE-510a.2	Total monetary losses from legal proceedings related to bribery or corruption	Amount	Total losses from legal proceedings related to bribery or corruption: 0.	2.4INTEGRITY AND COMPLIANCE	38
	RT-EE-510a.3	Total monetary losses from legal proceedings related to anti-competitive regulations	Amount	Total losses from legal proceedings related to anti-competitive regulations: 0	2.4INTEGRITY AND COMPLIANCE	38

Activity Indicators	Code	Measurement Unit	2023 Disclosure Status	Corresponding Section	Page Number
Production Quantity of Each Product Type	RT-EE-000.A	Quantity	- Main product output is as follows: » Electromagnetic components: 21,800 thousand units. » Power supplies: 3,297 thousand units. » Information communication products: 3,320 thousand units. » Optical communication products: 25 thousand units.	3.1MAIN PRODUCTS AND SERVICES	49
Number of Employees	RT-EE-000.B	Quantity	Total number of employees in 2023: 764	5.1TALENT COMPOSITION	81

APPENDIX

Appendix III: Taiwan Stock Exchange "Operating Procedures for the Preparation and Declaration of Sustainability Reports for Listed Companies"

Industry: Electronic Components Industry Enhanced Disclosure of Sustainability Indicators Comparison Table

No.	Indicator	Indicator Type	Unit	2023 Disclosure Status	Corresponding Section	Page Number
1	Total Energy Consumption, Percentage of Purchased Electricity, and Renewable Energy Usage Rate	Quantitative	Gigajoules (GJ), Percentage (%)	- Energy consumption: 25,518.15 GJ. - Percentage of electricity from the grid: 93%. - Renewable energy: 5.74%	4.2SUSTAINABLE ENVIRONMENT AND RESOURCE MANAGEMENT	71
2	Total Water Withdrawal and Total Water Consumption	Quantitative	Thousand Cubic Meters (m)	- Total water withdrawal: 25.620 thousand cubic meters. - Total water consumption: 5.020 thousand cubic meters. (1 million liters = 1 thousand cubic meters)	4.3 Water Usage	75
3	Weight of Hazardous Waste Generated and Recycling Percentage	Quantitative	Tons (t), Percentage (%)	- Weight of hazardous waste: 2.450 tons. - All hazardous waste is incinerated, not recyclable.	4.4WASTE MANAGEMENT	76
4	Explanation of Occupational Injury Categories, Number of Cases, and Rate	Quantitative	Rate (%), Quantity	- Categories of occupational injuries: 2 occupational injuries (both minor injuries) in 2023. - Number of occupational injuries: 2 people. - Occupational injury rate: 0.79%.	5.4SAFE WORKPLACE	92
5	Disclosure on Product Life Cycle Management: including the weight of discarded products and e-waste, and the percentage of recycling	Quantitative	Tons (t), Percentage (%)	- End-of-life management of electronic products: Most of UMEC's products are B2B, and there are difficulties in collecting relevant data. - Management of scrap items in the manufacturing process: Electronic waste is collected approximately every three months, weighing about 3 to 5 tons (the recycling rate is 0%).	-	-
6	Description of Risk Management Related to Key Materials	Qualitative Description	Not Applicable	To further enhance supply chain stability, the company ensures that component materials do not come from conflict mineral areas and implements a diversified procurement strategy by introducing at least two suppliers. It also manages risks based on factory locations to spread supply risks, and complies with national e-waste recycling policies for recycling and reuse.	3.3 Supply Chain Management	61
7	Monetary Losses from Legal Actions Related to Anti-competitive Behavior Regulations	Quantitative	Reporting Currency	Monetary losses due to legal actions related to anti-competitive behavior regulations: 0	2.4INTEGRITY AND COMPLIANCE	38
8	Major Product Output by Product Category	Quantitative	Varies by Product Type	- Major product output is as follows: - Electromagnetic components: 21,800 thousand units. - Power supplies: 3,297 thousand units. - Information Communication Products: 3,320 thousand units. - Optical Communication Products: 25 thousand units.	3.1MAIN PRODUCTS AND SERVICES	49

APPENDIX

Appendix IV: Climate-Related Information for Listed Companies

Item	Corresponding Section	Page Number
1. Explain the board of directors' and management's oversight and governance of climate-related risks and opportunities.	4.1CLIMATE-RELATED FINANCIAL RISKS	68
2. Explain how the identified climate risks and opportunities affect the business, strategy, and finances (short, medium, and long-term).	4.1CLIMATE-RELATED FINANCIAL RISKS	68
3. Explain the impact of extreme weather events and transition actions on finances.	4.1CLIMATE-RELATED FINANCIAL RISKS	68
4. Explain how the identification, assessment, and management process of climate risks is integrated into the overall risk management system.	4.1CLIMATE-RELATED FINANCIAL RISKS	68
5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and key financial impacts used.	-	-
6. If there is a transformation plan to manage climate-related risks, explain the plan content, and the indicators and targets used to identify and manage physical and transition risks.	-	-
7. If internal carbon pricing is used as a planning tool, explain the basis for pricing.	-	-
8. If climate-related goals are set, explain the activities covered, the greenhouse gas emission scope, planning timelines, annual progress, etc.; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related goals, explain the source and quantity of carbon offset amounts or the number of RECs.	-	-
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans (to be filled in 1-1 and 1-2).	4.1CLIMATE-RELATED FINANCIAL RISKS(1-11-2)(Please refer to Appendix 1-1 and 1-2 for details))	68

APPENDIX

- 1-1 The latest two years' greenhouse gas inventory and assurance status
- 1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions (tons CO ₂ e), intensity (tons CO ₂ e/million NTD), and data coverage scope for the most recent two years.					
- The parent company should start disclosing 2025 inventory information from 2026. - Consolidated financial statements should start disclosing 2026 inventory information from 2027.					
Description					
UMEC follows the ISO 14064-1 greenhouse gas inventory standard issued by the International Organization for Standardization (ISO) to establish a greenhouse gas inventory mechanism. The company conducts annual inventories to fully understand its greenhouse gas emissions and usage, covering the scope of UMEC's Taichung headquarters and Manufacturing Plant 2. The greenhouse gas inventory data for the past two years was compiled according to the operational control approach, summarizing the greenhouse gas emissions of operational locations. The inventory results are as follows:					
Year		2022		2023	
		Emission (tons CO ₂ e)	Intensity (tons CO ₂ e/NTD million)	Emission (tons CO ₂ e)	Intensity (tons CO ₂ e/NTD million)
Parent company	Scope 1: Direct Greenhouse Gas Emissions	257.1963		275.2996	
	Scope 2: Indirect Greenhouse Gas Emissions	3,763.0217		3,246.4865	
	Scope 3: Other Indirect Greenhouse Gas Emissions	736.9539		700.1349	
	Subtotal	4,757.1719	0.98	4,221.9210	0.92
Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., indirect emissions from purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions from activities that are not part of energy indirect emissions but are from sources owned or controlled by other companies). Note 2: The scope of direct emissions and energy indirect emissions should follow the timetable specified in Article 4-1, Paragraph 2 of the "Regulations for the Preparation and Disclosure of Sustainability Reports by Listed Companies" (hereinafter referred to as the "Regulations") by the Taiwan Stock Exchange. Information on other indirect emissions may be voluntarily disclosed. Note 3: Greenhouse gas inventory standard: ISO 14064-1 issued by the International Organization for Standardization (ISO). Note 4: The intensity of greenhouse gas emissions is calculated based on the operating revenue (NTD million).					

1-1-2 Greenhouse Gas Assurance Information

This section describes the assurance situation for the past two years, including the scope of assurance, assurance provider, assurance standards, and the assurance opinion.

According to the regulations of the "Sustainability Development Roadmap for Listed Companies," the following assurance coverage is required:
- The parent company should begin performing assurance for the 2028 annual greenhouse gas inventory starting from 2027. - Consolidated financial reports, including subsidiaries (Subsidiary A and Subsidiary B), should begin performing assurance for the 2029 annual greenhouse gas inventory starting from 2028.
The company and some of its subsidiaries in the consolidated financial report (including Subsidiary A and Subsidiary B) have confirmed the performance of their greenhouse gas inventories in the past two years as follows:
The greenhouse gas inventory for Universal Microelectronics Co., Ltd. has been assured by the third-party verification agency SGS Taiwan Inspection Technology Co., Ltd. The assurance standards were based on ISO 14064-1:2018, ISO 14064-3:2006 (Global Warming Potential (GWP) referenced from IPCC 2021 Sixth Assessment Report GWP values).
Note 1: The timetable should follow the schedule specified in Article 4-1, Paragraph 3 of the "Regulations for the Preparation and Disclosure of Sustainability Reports." Note 2: The assurance agency must comply with the regulations set by the Taiwan Stock Exchange and the Securities and Futures Bureau of the Republic of China (Taiwan) for assurance agencies conducting sustainability report assurance.

APPENDIX

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

This section outlines the base year for greenhouse gas reduction, the reduction targets, strategies, specific action plans, and the progress made towards achieving these targets.

Greenhouse Gas Reduction Base Year and Targets
The base year for greenhouse gas emissions is 2022: - Short-term Target (1–3 years): Reduce greenhouse gas emissions by 5% within 5 years. - Medium-term Target (3–5 years): Reduce greenhouse gas emissions by 25% before 2030. - Long-term Target (5+ years): Achieve zero greenhouse gas emissions at all operational sites before 2050.
Greenhouse Gas Reduction Strategies and Specific Action Plans
Compared to the 2022 base year, the company plans to reduce 5% of its greenhouse gas carbon emissions. In 2023, the company implemented energy-saving and carbon-reduction strategies to reduce greenhouse gas emissions, with an estimated reduction of approximately 8%. - About 100 lighting equipment in Manufacturing Plant 2 have been gradually replaced (fluorescent lamps replaced by LEDs), which is expected to reduce greenhouse gas carbon emissions by 2%. - Installation of variable-frequency air compressors in Manufacturing Plant 2: The Manufacturing Plant 2 has added a variable frequency air compressor (the original fixed frequency air compressor has been adjusted to standby), which is expected to reduce greenhouse gas carbon emissions by 3%.
Achievement of Reduction Targets
In 2023, the company saved 408,525 kWh of electricity. The energy-saving and carbon-reduction achievements are as follows: - Replacement of traditional lights with panel lights: 6,570 kWh. - Replacement of fixed-frequency air compressors with variable-frequency compressors: 24,679 kWh. - Solar power generation equipment: 377,276 kWh.
Note 1: The timeline should be followed as stipulated in Article 4-1, Paragraph 4 of the " Regulations. " Note 2: The base year should correspond to the year of the completed greenhouse gas inventory according to the consolidated financial reports. For example, as per Article 4-1, Paragraph 2 of the " Regulations, " companies with a capital of more than NT\$10 billion should complete the greenhouse gas inventory for the 2024 fiscal year by 2025, and thus the base year is 2024. If the company has already completed the consolidated financial report inventory for an earlier year, that earlier year may be used as the base year. Additionally, the base year data may be calculated using a single year or an average of multiple years.

APPENDIX

Appendix V:
Management System
Certification

• External Certifications

Hazardous Substance Process
Management System
IECQ QC 080000Automotive Industry Quality
Management System
IATF 16949 (Taiwan)Automotive Industry Quality
Management System
IATF 16949:2016 (China)Quality Management System
ISO 9001 (Taiwan)Quality Management System
ISO 9001:2015 (China)Quality Management System
ISO 9001:2015 (Vietnam)

APPENDIX

Environmental Management System
ISO 14001:2015 (Taiwan)Environmental Management System
ISO 14001:2015 (China)Environmental Management System
ISO 14001:2015 (China)Environmental Management System
ISO 14001:2015 (Vietnam)Occupational Health and Safety
Management Standard
ISO 45001 (Taiwan)

2023

**UNIVERSAL
MICROELECTRONICS
CO., LTD.**

**SUSTAINABILITY
REPORT**

