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2020



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Letter from the Chairman



Dear stakeholders,

While pursuing operational growth, Unimicron deeply recognizes that sustainability is a necessary ingredient for innovation, integrity, and inclusion, as well as a driving force to help stakeholders realize value creation. Therefore, we hope to combine the strengths of our industry chain to jointly face sustainability issues and seek solutions to become a world-class PCB leader.

The impacts of the COVID-19 pandemic, the China-United States trade war, changes in raw material prices and exchange rate changes in 2020 have added many uncertainties to the global economy, but the booming electronics-related industries with the huge business opportunities of 5G, High Performance Computing (HPC), Artificial Intelligence of Things (AIoT) and big data development continue to drive the growth in the PCB industry.

Our operations set new records in 2020 with net income after-tax of NT\$5.462 billion, earnings per share of NT\$3.74, and a market capitalization of NT\$94.6 billion, a record high for years. In addition to the outstanding operating results, Unimicron has also made some achievements in sustainability. Unimicron has been selected as a constituent stock of the "Taiwan Employment 99 Index" and the "Taiwan Sustainability Index" in 2020, and has become the first PCB manufacturer in Taiwan to achieve platinum certification under the Water Stewardship Standard (AWS Standard). The Company has also been awarded the Gold Award or higher in the Corporate Sustainability Report for seven consecutive years, which is a testament to our efforts and persistence in sustainability. In addition, we continue to strive for sound governance, environmental sustainability and social inclusion, and attempt to simultaneously disclose industry indicators through the Sustainability Accounting Standards Board (SASB). In terms of R&D innovation, we have increased our R&D expenses year by year in recent years, up 51% from the previous year; the number of patents granted has reached 90, also up from 2019, and we will invest NT\$12 million in 2020 to jointly develop new high-frequency and high-speed technologies with ITRI to drive industrial innovation.

In terms of environmental sustainability, in addition to achieving AWS Platinum certification, we have introduced Task Force on Climate-related Financial Disclosures (TCFD) to identify the opportunities and risks associated with climate change and to analyze the transformation scenarios and financial impacts. At the same time, wastewater treatment efficiency continued to improve, with discharge intensity per unit of revenue reduced by approximately 2% compared to the previous year. In terms of social inclusion, we continue to invest a lot of resources internally to provide a more satisfying work environment for our employees, and evaluate the return on investment in training resources, while the retention rate of unpaid parental leaves has increased by 4.22% compared to the previous year, and the number of people under ergonomic hazard prevention and control has reached 12,092. We have also received the Sports Enterprise Certification from the Sports Administration and the National Occupational Safety and Health Award- Enterprise Benchmarking Award in 2020.

In order to deepen sustainable development to the core of our operations, we have set long-term goals and defined six SDGs, development strategies and performance indicators related to Unimicron's core competencies. In order to meet the six SDGs, Unimicron will continue to reduce emissions and waste from production and operations to protect the natural ecosystem; establish a climate change adaptation program to help the city adapt to climate change and recover from disasters; develop green and sustainable products to mitigate the impact of climate change, set greenhouse gas reduction targets, improve energy efficiency, and mitigate the negative impact of the greenhouse effect on the ecosystem. We actively work with community partners to reduce the harmful impact of urban areas on the environment, implement green procurement, implement sustainable supply chain management, enhance our ability to negotiate with customers, and assist our suppliers in continuously improving and monitoring operational disruptions that may be caused by climate change risks. We establish long-term partnerships with suppliers with excellent environmental performance, require important suppliers to cooperate with the audits under the RBA Code of Conduct, and provide guidance to suppliers to meet the RBA and other supply chain management requirements.

Chairman, Unimicron

Note: Unimicron supports Sustainable Development Goals (SDGs) which include SDG 11, SDG 12, SDG 13, SDG 15, SDG 16, SDG 17.

Unimicron deeply recognizes that sustainability is a necessary ingredient for innovation, integrity and inclusion, and a driving force to help stakeholders create value. By actively integrating the strengths of the industry chain and aiming to solve sustainability issues, we are committed to becoming a World-Class PCB Leader.

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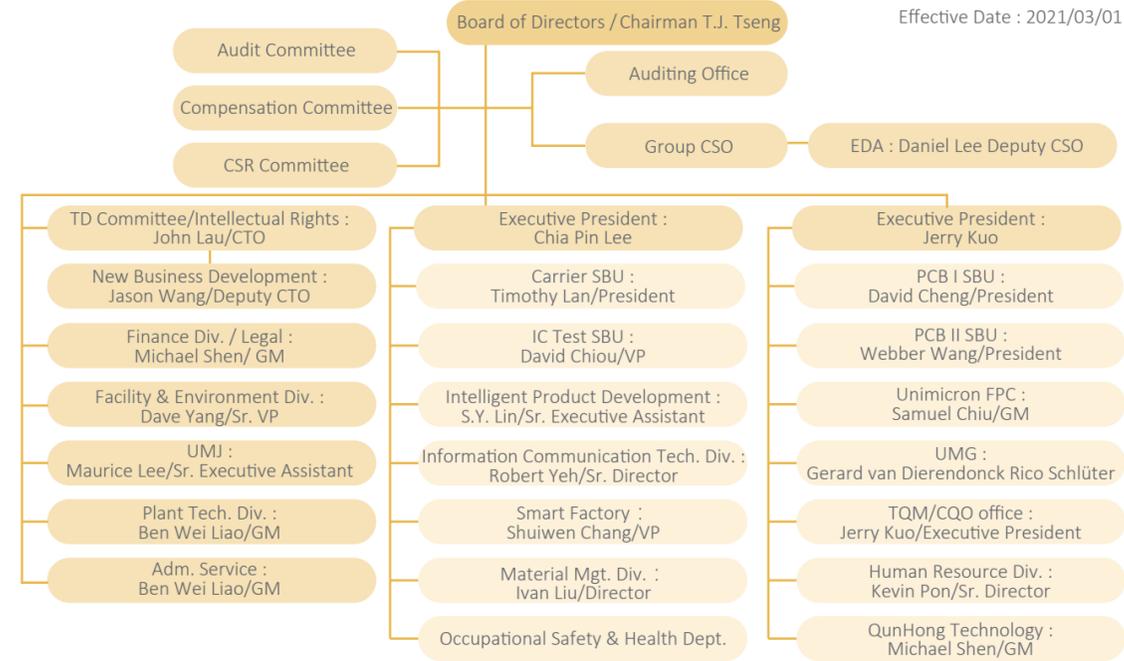
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Organizational Chart of Unimicron

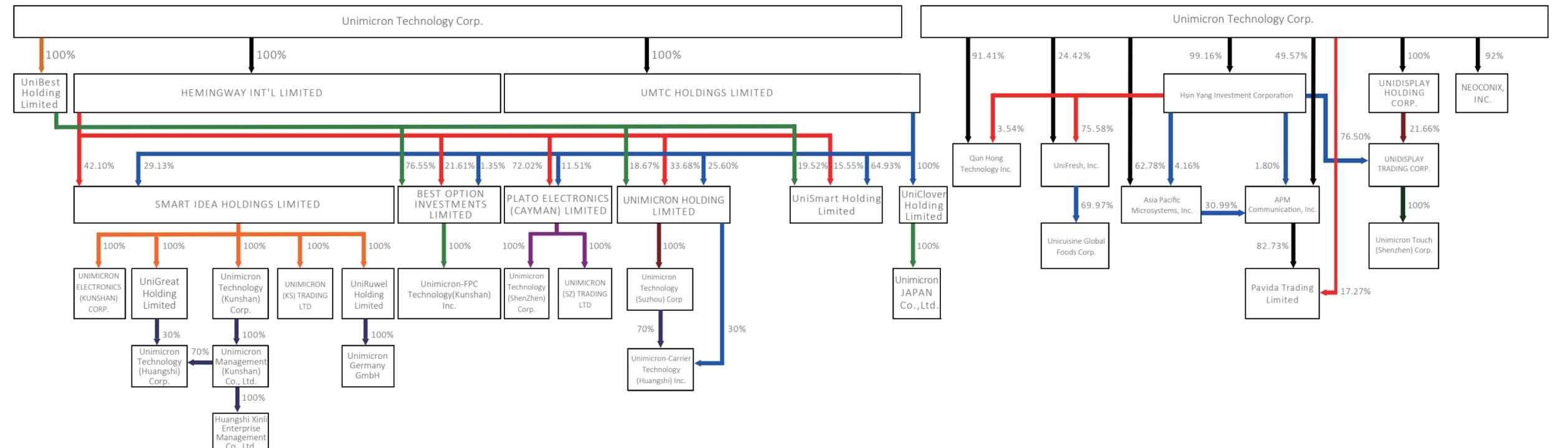


Overview of Unimicron

Company Name	Unimicron (Stock code : 3037)	
Date of Establishment	1990.01.25	
Headquarters	No.179, Shanying Rd., Guishan Dist., Taoyuan City 333, Taiwan (R.O.C.)	
Total Capital	NT\$ 15.05 billion	
Consolidated Sales Revenue	NT\$ 87.89 billion	
Boundary and Scope of the Report	Taiwan Facilities	Taoyuan : Shanying Plant, Luzhu Plant, Hejiang Plant, Chungyuan Plant, and QunHong Technology Inc. Hsinchu : Hsinfeng Plant and Zhongxing Plant
	Mainland China Facilities	South China : Unimicron (Shenzhen) East China : Unimicron (Kunshan), Unimicron-FPC (Kunshan), and Unimicron (Suzhou) Central China : Unimicron (Huangshi)
No. of Employees	29,912*	
Corporate Vision	Becoming the world's top-notch high-tech Company with high value-added, high service quality, high productivity and emphasizes on innovative services.	
Primary Products and Services	Production, processing and sales of Printed Circuit Board (PCB), High Density Interconnect (HDI) board, Flexible Printed Circuit (FPC) board, Rigid-flex circuit board, Carrier board, and IC testing and burn-in systems.	
Output Volume	43,456,159 sqft	
Plant Area	Taiwan Facilities	349,838 m ²
	QunHong Technology Inc. : Overseas Facilities	60,116 m ² : 341,407.5 m ² Total: 751,361.5 m ²
Self-Manufactured (%)	100%	

* : The scope of the report is based on the total number of employees in the group as of December 31, 2020 (Not including Germany and Japan).

Proportion and the Status of the Shareholding of the Affiliated Enterprises



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Products and Services

Unimicron mainly consists of three SBUs including Printed Circuit Board (PCB), Carrier, and IC testing systems. We are now the world's second-largest PCB and Carrier manufacturer in terms of revenue, and the main supplier of mobile High-Density Interconnect (HDI) and Carrier boards. Unimicron's main production bases are in Taiwan (Taoyuan and Hsinchu), South China (Shenzhen), Central China (Huangshi), and East China (Kunshan and Suzhou). Our Mainland China plants focus on mass production, whereas Taiwan Facilities offer high-end products. Unimicron has business divisions and representative offices in America, Europe and Asia, and production bases in Germany and Japan to provide comprehensive services to our customers nearby.

2020

Ranking	PCB supplier	2020 Revenue
1	Zhen Ding	4,442
2	Unimicron	3,117
3	Nippon Mektron	2,594
4	Dongshan Precision	2,523
5	TTM	2,105
6	Compeq	2,063
7	Tripod	1,891
8	Shennan Circuits	1,664
9	PSA Group	1,557
10	SEMCO	1,504

2019

Ranking	PCB supplier	2019 Revenue
1	Zhen Ding	3,889
2	Unimicron	2,781
3	TTM	2,689
4	Nippon Mektron	2,555
5	Dongshan Precision	2,140
6	Compeq	1,820
7	Tripod	1,763
8	Shennan Circuits	1,522
9	PSA Group	1,396
10	SEMCO	1,383

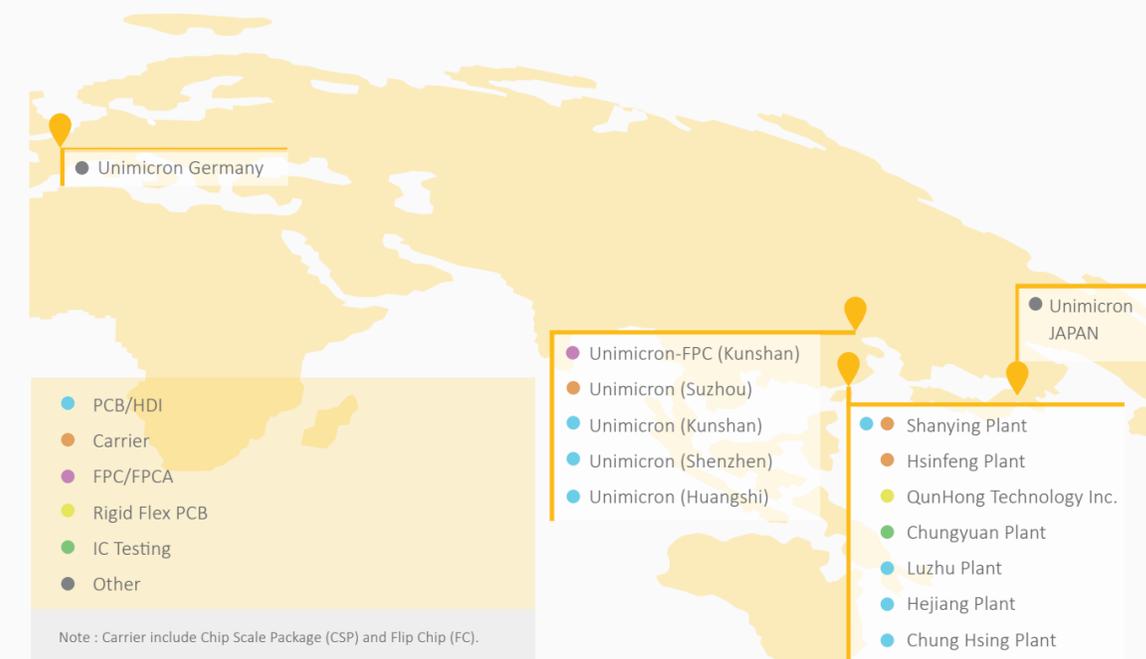
Source : Prisma PCB Q4 2020. Unit: US\$ million.
Note that the ranking in 2020 is different from the ranking in the 2019 CSR Report because the 2019 CSR Report is based on estimated values.

Industry Overview and Global Market Sales

PCBs are key components of various electronic products, which are used in computers, communications, and various consumer electronic products and devices, and in recent years, they are widely used in automotive, industrial, medical, military, and aerospace fields, etc. Therefore, the development of this industry is driven by modern technological advances and is closely related to the demand for various end products.

Benefiting from the development of the 5G industry and high-speed computing applications, the global demand for PCB and IC substrates has increased. However, due to factors such as the COVID-19 epidemic and the US-China trade war, it has also brought new challenges to the global PCB industry. In 2020, in response to the development of 5G technology, the Company's IC substrates made significant progress in operational performance, due to the development of 5G technology, optimization of customer product portfolio and continuous improvement in yield rate. Although the substrate-like PCBs and HDI are still affected by seasonal risks, revenue will improve with the increase in applications and the launch of new models in the peak season in the second half of the year. The fire incident in October 2020 mainly affected the CSP plant at the Shanying Plant site, whose monthly revenue accounted for approximately 6% of the Group's consolidated revenue. Despite this impact, the revenue and operating income increased significantly in 2020.

As for 2021 outlook, the ongoing impact of the COVID-19 epidemic, the US-China trade war, the changes of raw material price and exchange rate fluctuation, increase uncertainties in macroeconomics. The new momentum of future 5G, HPC, AIoT, Big Data and the vigorous development of electronics-related industries will drive the continues growth of PCB industry.



Various Development Trends of Products

Terminal electronic products are designed with multi-performance integration, high-speed computing, large screen, energy-saving and miniaturization as the mainstream application. The growth potential of market application products comes from network communication products such as servers and data centers, automotive electronic control equipment driven by electric vehicles and the intelligentization of vehicles, and new applications such as 5G and AIoT in the future. With the launch of high-speed computing products and 5G-related devices, the demand for high-end substrate manufacturing processes has increased significantly, enhancing customers' design freedom and product reliability, and enabling continuous improvement and upgrading of product signal transmission stability, speed and low-latency technologies. The demand for FPC and RF products mainly benefited from the trend of multifunctional, light and thin handheld electronic devices. Customers' designs largely adopt FPC unique features such as lightness, thinness, and flexural strength to connect the signal transmission between the modules and the motherboard in a limited space, to effectively reduce the internal space and weight of the device.

As the complexity of terminal products increases, the packaging technology's requirements for high frequency, high performance, and low power consumption make the chip design move toward high I/O density and fine pitch, high heat dissipation, and superior electrical characteristics, which in turn drive the related Carrier requirements of 3D system packaging, embedded components, ultra-fine lines, low power consumption, and others. Some products are affected by market competition and structural changes, and the demand for low-cost solutions cannot be ignored. However, in terms of overall technology trends, in conjunction with the next generation of process development in the semiconductor industry, the Carrier industry continues to develop relevant high-level processes and cooperate with customers to expand product applications.

Major Products' Sales by Region

Unit : NT\$ thousands

Year	2018		2019		2020	
Sales regions	Amount	%	Amount	%	Amount	%
Domestic	16,574,136	22%	18,586,998	23%	18,516,445	21%
Exports						
Asia	52,964,511	70%	56,470,465	67%	62,665,798	71%
Americas	1,508,351	2%	2,099,195	3%	2,094,416	3%
Other	4,685,782	6%	5,378,895	7%	4,616,162	5%
Subtotal	59,158,644	78%	63,948,555	77%	69,376,376	79%
Total	75,732,780	100%	82,535,553	100%	87,892,821	100%

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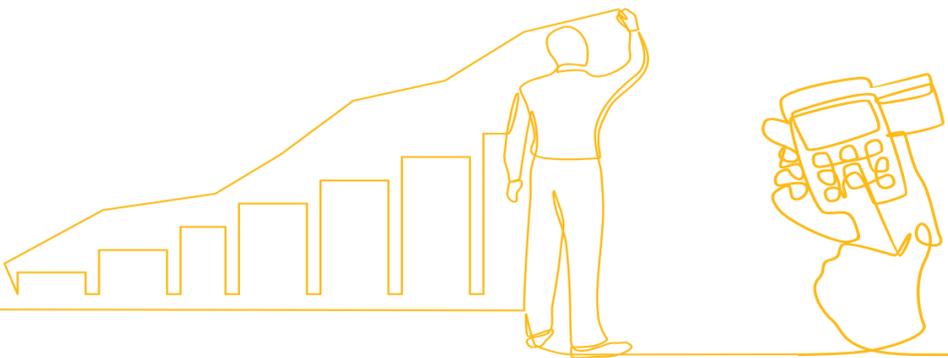
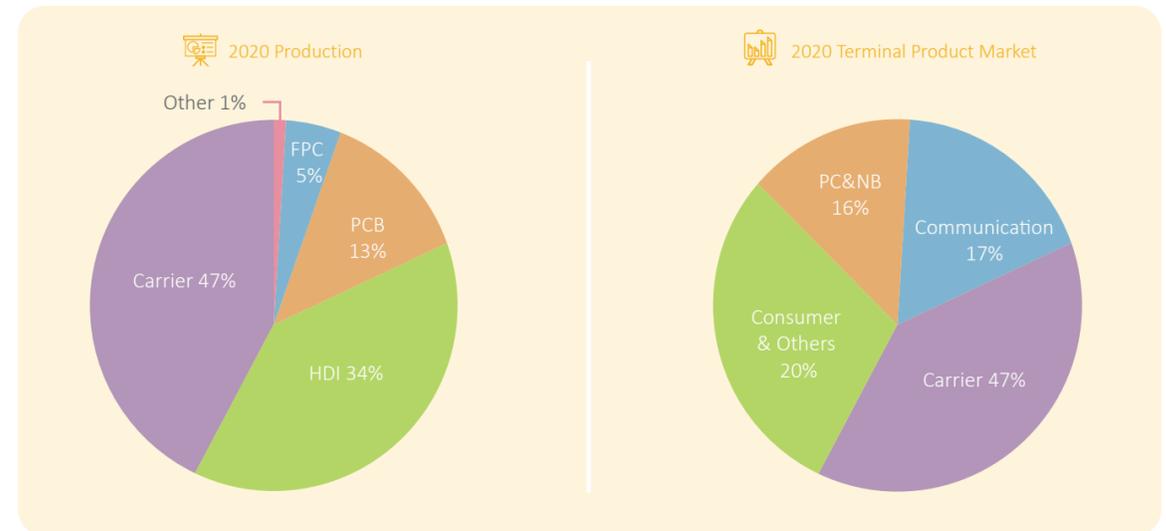
Financial Performance

Unimicron's consolidated revenue for 2020 is NT\$ 87,893 million and consolidated net income is NT\$5,318 million. Unimicron is a professional manufacturer of PCBs. According to Prismark's production value data, Unimicron's consolidated PCB revenue will account for approximately 4.5% of the global PCB production value in 2020.

Year	2017	2018	2019	2020
Global PCB output value (unit : USD million)	58,843	62,396	61,311	65,219
Market share of Unimicron's consolidated PCB operating revenue	3.6%	4.0%	4.3%	4.5%

Note : The source of the global PCB output value data is Prismark Institute's research report in February 2020.

In 2020, in response to the development of 5G technology, the Company's IC substrates made significant progress in operational performance, due to the development of 5G technology, optimization of customer product portfolio and continuous improvement in yield rate. Although the substrate-like and HDI are still affected by seasonal risks, revenue will improve with the increase in applications and the launch of new models in the peak season in the second half of the year. Our products are key components of various electronic products, which are used in computers, communications, and various consumer electronic products and devices, and in recent years, they are widely used in automotive, industrial, medical, military, and aerospace fields, etc.



Financial Performance by Year

Year	2020	2019	2018	2017	Unit	Note
Debt to asset ratio	57.42	56.12	55.4	55.2	%	Consolidated
(Earnings per share) EPS	3.74	2.24	1.15	0.28	NT\$	Consolidated
Non-consolidated income tax (expense) benefit	-773	(-557)	(310)	128	NT\$ million	
Consolidated income tax (expense)	-917	(763)	(452)	(385)	NT\$ million	
Non-consolidated total assets	100,419	86,091	81,726	79,434	NT\$ million	
Consolidated total assets	124,710	110,202	104,616	104,236	NT\$ million	
Capital	15,047	15,047	15,049	15,291	NT\$ million	paid-in
Non-consolidated total revenue	54,076	47,405	43,682	38,732	NT\$ million	
Consolidated total revenue	87,893	82,536	75,733	64,993	NT\$ million	
Non-consolidated net profit before tax	6,235	3,817	2,016	286	NT\$ million	
Consolidated net profit before tax	6,234	4,038	2,282	1,077	NT\$ million	
Total market capitalization	94,603	54,140	29,194	26,239	NT\$ million	Based on the stock price at the end of each year (Calculated based on annual average price)
Non-consolidated operating expense	5,212	4,180	3,581	2,823	NT\$ million	
Consolidated operating expense	8,859	7,811	7,002	5,896	NT\$ million	
Retained earnings	25,707	21,877	19,840	18,797	NT\$ million	
Employee benefit expense	21,546	19,037	17,064	14,580	NT\$ million	Consolidated
Average employee revenue	2.81	2.71	2.74	2.35	NT\$ million	Consolidated
Dividend (per share)	1.4	1.1	0.8	0.5	NT\$	
Donation expenses	4.7	2.6	5.1	4.5	NT\$ million	Individual

Note : Total market capitalization = average stock price × weighted average number of shares.

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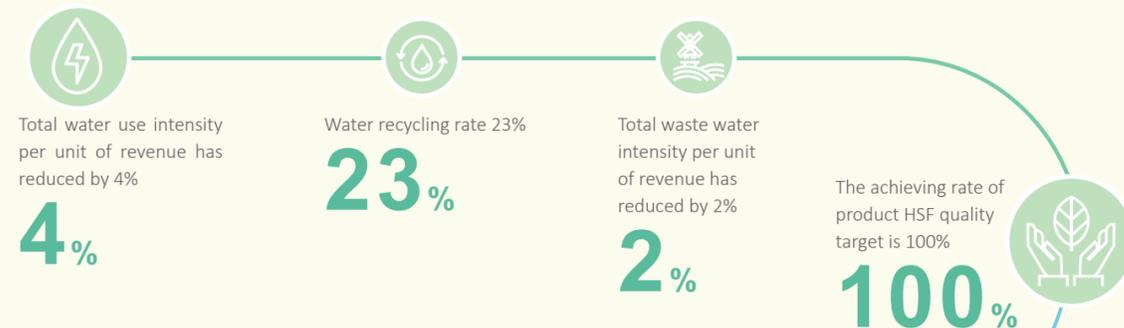
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2020 Sustainability Highlights

Contributions to Environmental Sustainability



Solid Governance Quality



Social Prosperity Concept



Awards Won in 2020

Unimicron attaches great importance to sustainable development and invests resources in all aspects. We look forward to leading our employees, shareholders, and society towards a better future through our efforts. Therefore, by participating in various external sustainability assessments, Unimicron tries to understand our inputs and achievements in sustainable development through external perspectives, in order to respond to the needs and expectations of stakeholders, and allow us to march towards sustainability.

Award type : Social Responsibility

Award-winning individual/plants	Award	Award issuing unit
Unimicron	2020 Gold Award of the "Corporate Sustainability Report Award" for the electronic information manufacturing industry	Taiwan Institute for Sustainable Energy
Unimicron (KunShan)	"The charity and social welfare enterprise" for pandemic prevention and control	Xinhe and Xinwu Community Residents Committee, Zhangpu Town, Kunshan City
	2019 "The enterprise for R&D investment of Kunshan" – Top 10	Science and Technology Bureau of Kunshan
	"Advanced Enterprise" of Vocational Skill Level in Kunshan	The Human Resources and Society Security Bureau of Kunshan New & Hi-tech Industrial Development Zone
	"The Advanced Enterprise" for Talent Introduction of Kunshan New & Hi-tech Industrial Development Zone	Kunshan County Committee of the Communist Party of China, Kunshan Municipal People's Government
Unimicron-FPC (Kunshan)	The 10th anniversary of Kunshan New & Hi-tech Industrial Development Zone- "Outstanding Contribution Award"	The management committee of Kunshan New & Hi-tech Industrial Development Zone
	International Committee of the Red Cross gives a pennant of "Care for public welfare, donate blood to fight the pandemic"	The Blood Donation Leading Group office of Kunshan
	"2020 Safety Enterprise"	Tongxin Police Station of Kunshan Public Safety Department
	2019-2020 "The Workers' Center Paradigm" of Kunshan City	Kunshan City Federation of Trade Unions
	"2020 The Class-A for Labor Security Credit Unit"	CPC Kunshan Human Resources And Society Security Bureau Committee
	"2020 Harmonious Labor Relations Enterprise"	Kunshan Municipal People's Government
Unimicron (Huangshi)	"Outstanding Contribution Award" for the prevention and control coronavirus	Huangshi Federation of Industry & Commerce
	Awarded as Integrity Model Enterprise in the comprehensive evaluation of the first integrity model enterprises	The Social Credit System Construction Leading office of Huangshi
	"Love Donation Certificate"	Suzhou Social Welfare Institute
Unimicron (Suzhou)	"The Best Enterprise of Sexual Health Education"	Suzhou Industrial Park Women's Work Committee
	"2019 Economic Contribution Award"-foreign investment Top 30	Suzhou Industrial Park Working Committee, Suzhou Industrial Park Management Committee
	"2019 Economic Contribution Award"- International Trade Top 30	Suzhou Industrial Park Working Committee, Suzhou Industrial Park Management Committee
	"Excellent Enterprise for Safety and Public Welfare"	Work Safety Supervision Bureau, SIP High end Manufacturing and International Trade Zone
	"Vocational Skills Level Certification of Pilot Enterprises"	Human Resource Management Service Center of Suzhou Industrial Park
	2019 Suzhou Industrial Park-"Excellence Enterprise in CSR"	Working Committee Management Committee Office of Suzhou Industrial Parke

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Award type : Safety and Health

Award-winning individual/plants	Award	Award issuing unit
Unimicron	"Certificate of Appreciation for Guishan Family"	Guishan Industrial Area Management Center
	"2020 National Occupational Safety and Health Award"- Enterprise Benchmarking Award	Occupational Safety and Health Administration, Ministry of Labor
	"2020 Certificate of Participation in National Workplace Safety and Health Week"	Occupational Safety and Health Administration, Ministry of Labor
	"Certificate of Appreciation for Taiwan Occupational Safety and Health Management System (TOSHMS) "	Occupational Safety and Health Administration, Ministry of Labor
Shanying Plant	"Certificate of Appreciation for Industrial Workplace Environment Improvement Plan"	Industrial Development Bureau, Ministry of economic affairs
Precision S1 Plant	Obtained three-year "OSH Management System performance recognition in 2020"	Occupational Safety and Health Administration, Ministry of Labor
Hejiang Plant	"2020 Cumulative Disaster-Free Working Hours Certificate"	Industrial Safety and Health Association
Hejiang II Plant	"2020 Cumulative Disaster-Free Working Hours Certificate"	Industrial Safety and Health Association
Wenhua Plant	"2020 Cumulative Disaster-Free Working Hours Certificate"	Industrial Safety and Health Association
Chung Hsing Plant	"2020 Cumulative Disaster-Free Working Hours Certificate"	Industrial Safety and Health Association
Chungyuan Plant	"2020 Cumulative Disaster-Free Working Hours Certificate"	Industrial Safety and Health Association
Precision S1 Plant	"2020 Cumulative Disaster-Free Working Hours Certificate"	Industrial Safety and Health Association
Unimicron (Shenzhen)	"2020 Blood Donation Contribution Award"	Taiwan Merchant Association Shenzhen
	"Certificate of Appreciation for 2019 Shenzhen International Circuit Board Procurement Exhibition"	Taiwan Printed Circuit Association/Shenzhen Printed Circuit Association
Unimicron (Suzhou)	Video Contest of Douyin "I am a Safety Ambassador "- TOP 3	Suzhou Industrial Park High-tech Zone Safety Supervision Bureau
	"Benchmark Enterprise for Safety and Public Welfare"	



Award type : Environmental Protection

Award-winning individual/plants	Award	Award issuing unit
Unimicron (Shenzhen)	"Green Enterprise"	Shenzhen Green Industry Promotion Office
Unimicron (Suzhou)	Receive a subsidy of 50,000 CNY for the establishment of Energy Management System	Suzhou Industrial Park
	Gained the Environment Challenge Fund 35,000 CNY	Suzhou Industrial Park
Luzhu II Plant	2019 River Adoption- Superior Award	Taoyuan City Government
Unimicron	"2019 Green Procurement Outstanding Unit of Taoyuan City"	Taoyuan City Government
QunHong Technology Inc.	"Green Procurement Outstanding Unit Award"	Taoyuan City Government

Association Participation



Organization	Title
Taiwan Printed Circuit Association (TPCA)	Member/Managing Director/ Convener of Environmental Safety Committee
China Printed Circuit Association (CPCA)	Executive Director
Huangshi Economic-Technological Development Area Electronic Information Industry Association	Vice President
Suzhou Printed Circuit Association (TPCA)	Member
Organization	Title
Regional Joint Defense organization of Guishan Industrial Park	Vice President/Member
Guishan Industrial Park Manufacturer Promotion Association	Director
Suzhou Industrial Park Multinational Company Investment Enterprise Association	Director of the Fifth
Taiwan Merchant Association Shenzhen	Member/Director
Taiwan Compatriot Investment Enterprises Association of Kunshan (Branch of National New & High-Tech Industrial Development Zone)	Standing Supervisor
Kunshan National New & High-Tech Industrial Development Zone Safety Production Association	Governing Unit
Taiwan Compatriots Investment Enterprise Association of Huangshi City	Executive Vice President
Organization	Title
Hsinchu County Nurses Association	Committee Member
Taoyuan City Nurses Association	Committee Member
Zhongxin Culture and Education Foundation	Director
Taoyuan City Fire Protection Association	Consultant
Hsinchu County Fire Protection Association	Consultant
North Advancement Association, Taiwan Occupational Safety and Health Management System (TOSHMS)	Committee Member
Taoyuan City Police Association	Vice Chairman
Taoyuan City Government Labor Safety and Healthy Family	Committee Member
Taiwan Printed Circuit Foundation (TPCF)	Consultant
Kunshan Volunteer Federation	Member
China Green Development Alliance, China Environmental Press	Governing Unit

Unimicron urged the Taiwan Printed Circuit Association (TPCA) to develop industry-specific equipment safety regulations for PCB industry production equipment since 2016, hoping to create a green, safe and sustainable PCB industry. Oven, electroplating and etching standards have been completed, and screen printing and laminating related safety standards are being developed and are expected to be completed by 2021.

In order to play an active role in protecting the global environment, through the TPCA's Environmental Safety and Health Committee and as the convener, Unimicron invited the head of the Sustainable Development Section of the Industrial Development Bureau, the Industrial Technology Research Institute and the Taoyuan City Environmental Protection Bureau to discuss the subsequent treatment of the "melamine boards" used in the manufacturing process, from waste to recyclable wood, not only to solve the problem of waste reduction but also to increase the benefits of material reuse, achieving the reuse of resources and turning waste into gold.

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Special Report - Circular Economy



Background

Unimicron frequently brings materials and equipment into the site every month, so there are many discarded wooden pallets in Plants. According to statistics from July to December 2020, the average number of wooden pallets per month is 995. However, these pallets cannot be reused due to the load-bearing capacity and material restrictions, and the Company must consign vendors to scrap them. The monthly cost of wood pallet disposal is NT\$ 940,000 on average.



Main Goals

The dismantled wood pallets are sorted according to the characteristics of the material, and in cooperation with external vendors, they are made into various kinds of recycled furniture according to the characteristics of the wood material.



Implementation Content

We also introduce the Company's Standard Operating Procedure (SOP) and quality management concept and assist the vendor to decompose the wood pallets in the Plant, and then sort them according to the main assembly materials, secondary assembly materials and reinforcement materials. After removing all defective materials, we carry out the front manufacturing process such as polishing and sawing, and then process the wood into a usable state, making recycled furniture such as wooden chairs, wooden tables, bunk beds and closets, according to the needs of the Company's dormitories.



Innovative Features

Emphasis is placed on the green recycling economy, and wood pallets are recycled to be made into furniture products.



Resources Invested

The research and development of plant technology has introduced a variety of standardized documents and quality control management to improve the recycling rate of wood pallets and produce various kinds of standardized furniture, which can also reduce the number of trees cut down for furniture and indirectly achieve the effect of protecting forestry.

Economic Benefits

The benefit of saving the cost of disposing wood pallets and reducing the cost of purchasing dormitory furniture reached NT\$3.81 million.

Environmental Benefits

This technology can be transferred to interested companies to reduce the waste of wood pallets and standardize furniture production in the future by using this standardized operation to achieve the concept of the circular economy.

Social Benefits

The pallets that originally would be scrapped are remade into furniture products that can be sold, reducing the waste of raw materials and achieving the concept of circular economy and green sustainability.



Special Report - Value of Orange^N



Background

The average annual output of oranges is 146,000 metric tons in Taiwan, and there is often a problem of overproduction and slow sales. Our Unicusine Eatery also follows the trend of introducing fresh fruit juicers and providing employees with freshly squeezed juices, but the problem that follows is that disposal of pomace.

The Plant Technology R&D team of Unimicron hopes to increase the reuse rate of pomace to increase its value, and design the orange recycling chain. The orange pomace and off-grade bread are fermented to make orange beer, and the fermented orange pomace is reprocessed into orange jam. In addition to being sold directly, orange jam can also be made into orange bread. The unsold orange bread can be made into bread whiskey, and the vinasse from the mix with pomace and bread is made into compost for soil improvement, which is friendly to the land and protects the environment. In 2020, 60 kg of pomace was used for trial production of orange beer and orange jam.



Main Goals

Promote the concept of simple recycling and environmental sustainability.



Implementation Content

The orange pomace and scrap bread are fermented to make orange beer. The fermented pomace and bread mixed with the lees are used to replace some of the feed to raise chickens in the Yangmei farm. In addition, the mature chickens are provided to the Bistro 181 as special ingredients, the kitchen waste could be made into organic compost to exchange the orange fruit with orange farmers, which is then provided to the Unicusine Eatery as raw material for fresh juice.



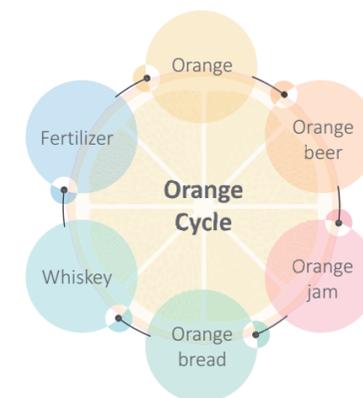
Innovative Features

Emphasize the recycling of resources, and provide the products to Bistro 181 as ingredients, so that more people can taste the special flavor.



Resources Invested

Use processing equipment to add value to the N-th power of oranges.



Economic Benefits

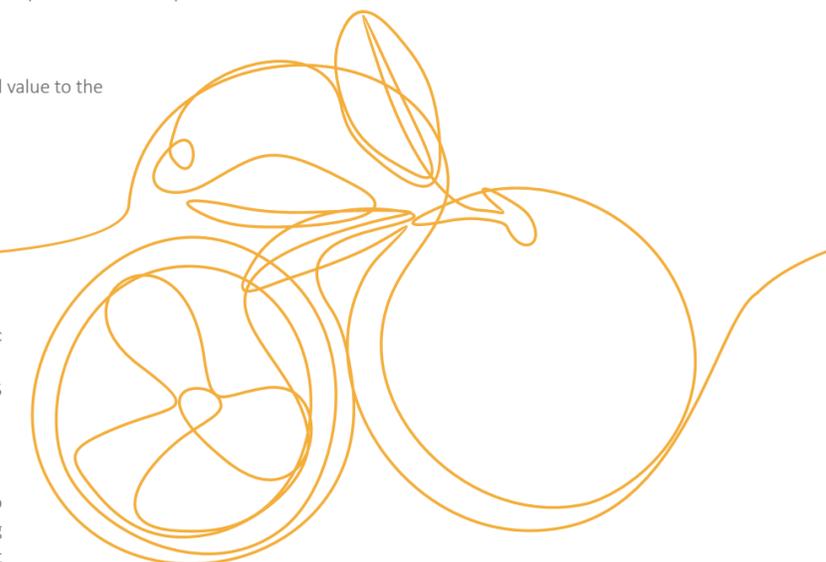
From Aug. 2020, We had produced 700 kg of organic fertilizer and revenue of NT\$ 8,750 has been obtained (The output value is calculated at NT\$ 250/20 kg).

Environmental Benefits

Unimicron hopes to transfer this technology to interested manufacturers. In addition to solving the problem of Taiwan's abundance of oranges, it can also reduce the disposal cost of orange waste and achieve the goal of a green economy and sustainable environment.

Social Benefits

In addition to reducing waste disposal costs, the residues of all final products can be used as soil conditioners and fertilizers, which is friendly to the land.



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01. Solid Corporate Governance

1.1 Sustainable Operation

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1.1 Sustainable Operation

1.1.1 Three Pillars and Seven Commitments of CSR

To further strengthen the spirit of corporate sustainability, we have formulated a Corporate Social Responsibility Policy with “Planet, People, and Performance” as the three pillars, along with seven commitments. We create positive value for employees, shareholders and all stakeholders, and gradually implement the corporate vision of a world-class, high-tech Company with high added value, high quality, high productivity and an emphasis on innovative service. We also pursue customer, employee, and shareholder satisfaction, and fulfill our social responsibility, thereby ensuring our sustainable growth.

Three Pillars

Spirit



Caring for the Planet

We have established the Environmental Safety and Health Committee, and each plant has appointed environmental management representatives to participate. The Company implements the concept of complete pollution prevention in compliance with local regulations, and implements the action blueprint to actively seek and promote full-range environmental action in the plants. Unimicron aims to be customers’ best partner and insists on providing high-quality and environmentally friendly products.



Respecting People

Unimicron adheres to the principles of fairness and diversified employment, treats all employees equally, and takes the right person in the right place as the main consideration. The only considerations are finding the appropriate candidate for the appropriate position, and creating fair and diverse employment opportunities for all operation sites to promote local economic growth. Unimicron raises the Company’s growth momentum through various recruitment channels. We have established complete recruitment standards and mechanisms to ensure that employees can develop their talents and perform jobs they are apt for through appropriate tests and interviews. Unimicron adheres to the principle of “taking from society and giving back to society,” with long-term investment, combining internal and external resources of the group and cooperating with stakeholders, to actively promote the three main social welfare pillars of local participation, caring for the disadvantaged, and diversity and equality. The Company hopes to exert positive social influence, drive continuous progress of the society, bring warmth to more people, and exert more positive influence.



Pursuing Performance

Economic aspect : Maintain close cooperative relations with the material and equipment suppliers around the world, and have close cooperation with domestic and foreign research units and academia. Develop products that meet market trends and customer needs; win customer satisfaction and trust through effective R&D resources and high interaction with customers, to ensure that products are in the leading position in the world. Provide excellent quality, reasonable prices, and competitive delivery service to satisfy customers.

Environmental aspect : Reduce carbon emissions from production by improving the efficiency of energy and resource usage to reduce operational risks. Reduce raw material consumption and environment discharge by improving waste reuse rate and the efficiency of wastewater treatment to reduce operating costs and impacts on the environment. Through green procurement and manufacturing, products of the Company comply with non-hazardous substance regulations and customer specifications as well as stakeholders’ expectations to strengthen environmental protection and reduce operational risks.

Social aspect : Through the operation and consistent improvement measures of the Occupational Safety and Health (OSH) management system, the Company’s OSH performance is improved. Formulate labor policies in accordance with the labor laws and regulations of the location of the operating base; cooperate with global customers and international standards and regulations, to build an equal, safe and stable employment and development environment.

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Seven Commitments

- To implement corporate governance, enhance information transparency, and protect and respect the interests of shareholders and stakeholders.
- To promote Company management with high ethical standards, and require all employees to fully abide by laws and integrity codes, respect human rights, protect intellectual property rights, and prevent improper profit-sharing from harming the interests of the Company, customers and suppliers.
- To strictly abide by the local labor laws and regulations, customer requirements and international norms, such as the Responsible Business Alliance (RBA) Code of Conduct, to ensure the satisfaction of fair employment, humane treatment, employee communication, working conditions, etc.
- To establish a supplier management system and specifications, and communicate with them regularly to establish a stable and sustainable win-win strategic partnership, as well as to expand the procurement of eco-friendly products and ban the use of conflict minerals products.
- Based on the concept of “taking from society and giving back to society”, we participate in community outreach and emergency relief activities to share love, give back to the community, and fulfill social responsibilities.
- In accordance with the Hazardous Substances Free (HSF) quality policy, we continue to cultivate our technology and innovation to meet customer and market needs, and actively invest in green and low-cost processes in order to consolidate our core competitiveness.
- We comply with OSH, environmental protection and energy policies; implement the operation of environmental and hazardous substance management systems; operate in compliance with environmental protection and industrial safety regulations; respond to green environmental campaigns of “reduce usage, reuse, and recycle”; implement energy conservation and waste reduction; and create a safe and comfortable working environment.

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1.1.2 Implementing the SDGs

Through the materiality analysis process, we link and rank major issues and SDGs, distinguish three different levels, and identify 17 SDGs most relevant to Unimicron’s core operations to formulate sustainability commitments and goals. The highest level is those linked to the Company’s core business and can meet the sustainability goals of SDGs through the formulation of management policies. The second is risk management, which aims to reduce the negative impact that the Company may have on global sustainable development in the course of its operations. Therefore, Unimicron has established a management and measurement mechanism to mitigate various potential impacts.

Those SDGs that are not directly related to the Company's current development are defined as the lowest level but may evolve into Company-related sustainability issues in the future due to the development of the international situation, and therefore they will continue to be concerned. In response to the 6 SDGs, Unimicron analyzed the SDGs relevant with Our Three Pillar X Seven Commitments to the investment of the resource more effectively.

Unimicron Strategy

Linking core competence

The Company’s core business and competence can be linked to SDGs, and by formulating development strategies and performance indicators, it can actively achieve the sustainability goals expected by the SDGs.



Reducing the impacts

Focusing on reducing risk and impact, the Company establishes a management and measurement mechanism, continues to pay attention to the sustainable impact that may be caused by the Company's operations, and decides on mitigation actions.



Continuing to follow trends

It is a potential sustainable issue in the future, and has no obvious direct connection with the Company's current development. In the short term, the Company will mainly pay attention to international development.



Three Pillars X Seven Commitments

- Reduce the impact of emissions and waste generated by production and operations in urban areas. 
- Establish climate change adaptation plans to assist cities’ capabilities in climate change adaptation and post-disaster recovery. 
- Develop green and sustainable products to mitigate the impact of climate change. Set greenhouse gas (GHG) reduction targets, improve energy efficiency, and slow down the negative impact of the GHG effect on the ecosystem. 
- Reduce the impact of each operation site on the natural environment and resources, protect the natural ecosystem, and live in harmony with nature. 
- Implement the concept of legality and tolerance in all operating locations, so that all products can comply with the sustainable spirit of the environment and society. 
- Work with community partners to reduce the harmful effects of cities on the environment. Implement sustainable management of the supply chain and enhance the ability to negotiate with customers. Assist suppliers in continuous improvement and monitoring of possible operational disruptions caused by climate change risks. Established long-term partnerships with suppliers with excellent environmental performance. 

To implement green procurement and establish long-term partnerships with suppliers with excellent environmental performance.

Require important suppliers to cooperate with audits for the RBA Code of Conduct, and coach suppliers to meet the requirements of RBA and supply chain management.

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Economy

01

Technology and R&D

Maintain close cooperation with 1st tier materials and equipment suppliers, and work closely with domestic and overseas research institutes and academia. We also work with the best industry peers to develop products that meet market trends and customer demands. Through effective R&D resources and great customer interactions, we win the satisfaction and trust of our customers, and ensure our products' leading position in the world.

Actively develop the technology needed to build high-frequency and high-speed products. Dominate the 5G niche market with excellent signal transmission, good heat dissipation, and highly reliable technology platforms.

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : ETS fine line development: L/S=5/5um	L/S=5/5	✓	L/S=5/5 Complete dry film selection
KPI 2 : Fine bump pitch development: 80um bump pitch	80	Customers temporarily postpone the development of 80, and Unimicron can reach 90	POC for 80um pitch w/via bump
KPI 3 : Extreme Body Size development: >100mm×100mm	100*100	✓	9/2/9 mimic TV sample build
KPI 4 : 2.1D development: L/S=2/2um	Parameter setting	✓	2/2um L/S Cpk>1.07
KPI 1 : The percentage of 5G technology import mass production: 100%	10%	✓	30%

02

Product Quality

Provide excellent quality, reasonable prices, and competitive delivery service to satisfy customers.

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : Number of returns by customers for HSF non-compliance: 0 case	0 case	✓	0 case
KPI 2 : Overall customer satisfaction	P: 4.5 points C: 3.5 points	✓	P : 4.6 points C : 3.5 points

03

Customer Relationship Management

Establish good relationships with customers through regular visits and satisfaction surveys to keep tabs on customer needs and market trends, comply with customer specifications, and adjust the Company's business strategy and development direction.

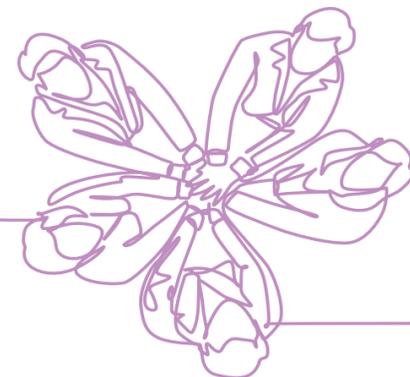
Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : Number of critical deficiencies in CSR/RBA audit: 0	P: 0 case C: 0 case	✓	0 case
KPI 2 : Number of customer privacy violations: 0	P: 0 case C: 0 case	✓	0 case

04

Professional Ethics

Combine the risk management and policy for ethics and revise the Unimicron Corporate Social Responsibility Assessment Form of Group-wide.

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : Complete the RBA Commitment Letter for Taiwan and Mainland China	2 files	✓	2 files
KPI 2 : Renew the Unimicron Corporate Social Responsibility Audit Form in Mainland China	10 files	✓	10 files
KPI 3 : Renew the Unimicron Corporate Social Responsibility Audit Form in Taiwan	2 files	✓	2 files
KPI 4 : Adjust the principles in accordance with feedbacks from each plant	1 file	✓	1 file



Environment

01

GHG Management

Reduce carbon emissions from production by improving the efficiency of energy and resource usage to reduce operational risks.

02

Waste Management

Reduce raw material consumption and environment discharge by improving waste reuse rate and the efficiency of wastewater treatment to reduce operating costs and impacts on the environment.

03

Green Products

Through green procurement and manufacturing, products of the Company comply with non-hazardous substance regulations and customer specifications as well as stakeholders' expectations to strengthen environmental protection and reduce operational risks.

04

Water Resources Management

Improve the efficiency of water usage and water recovery through the production process and equipment improvement to reduce water cost.

05

Energy Resource Management

Enhance equipment and production capacity cycle efficiency, improve the efficiency of energy and resource usage, and reduce cost consumption with project management mechanisms and data analysis.

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : Maintain the intensity of GHG emissions per unit of revenue below 12	12	✓	Maintain the intensity of GHG emissions per unit of revenue below 12

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : Maintain waste recycling rate above 90%	90%	✓	Maintain waste recycling rate above 90%
KPI 2 : The total copper ion intensity of wastewater discharge per unit of revenue	0.15	✓	The total copper ion intensity of wastewater discharge per unit of revenue is below 0.15

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : Customer's HSF quality satisfaction	4.3	✓	4.3
KPI 2 : Real-time update completion rate of regulations	100%	✓	100%
KPI 3 : XRF inspection compliance rate of incoming materials and finished products	100%	✓	100%
KPI 4 : Supplier's HSF quality audit compliance rate	100%	✓	100%

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : Maintain the intensity of water resource consumption per unit of revenue below 310	310	✓	Maintain the intensity of water resource consumption per unit of revenue below 310

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : Maintain the intensity of electricity consumption per unit of revenue below 18	18	✓	Maintain the intensity of electricity consumption per unit of revenue below 18

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Society

01

Employee Development and Training
Provide a comprehensive training system and career development direction, and attract and retain top talents, so as to expand and maintain the productivity and competitiveness of the Company.

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : The achievement rate for Human Resource maturity of each plant is 82%	82.55%	(Note 1)	75%
KPI 2 : Course planning completion rate (execution rate and level of satisfaction) is 88%	Number of courses offered Cumulative : 15 lessons Satisfaction: 90%		Number of courses offered Cumulative: 15 lessons Satisfaction: 90%

02

Talent Attraction and Retention
Talent is the key to Company success in the global market. Innovative products, technologies and services can only be realized by brilliant talent.

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : DL/IDL registration number 4,500	DL 3,700 persons IDL 800 persons	(Note 2)	DL 2,900 persons IDL 800 persons
KPI 2 : Excellent engineers retention rate: 90%	90%		90%

03

Occupational Safety and Health
Through the operation and consistent improvement measures of the occupational OSH management system, the Company's OSH performance is improved, avoiding major accidents that may affect shipping and cause losses to the Company.

Long-term goals(2023)	Target in 2020	2020 Achievement status	Target in 2021
KPI 1 : Receiving industrial safety and health-related awards: 5 awards	4 cases		4 cases
KPI 2 : Implement the prevention and reduction of three industrial safety disasters: 0 major disasters	0 case		0 case
KPI 3 : Control FSI (Frequency-Severity Indicator): 50% lower than the three-year average of the PCB FSI (if the value is higher than 0.1, the target is 0.1)	Below 0.1		Below 0.1
KPI 4 : Completion of the Group's OSH performance evaluation: 100% participation	100%		100%



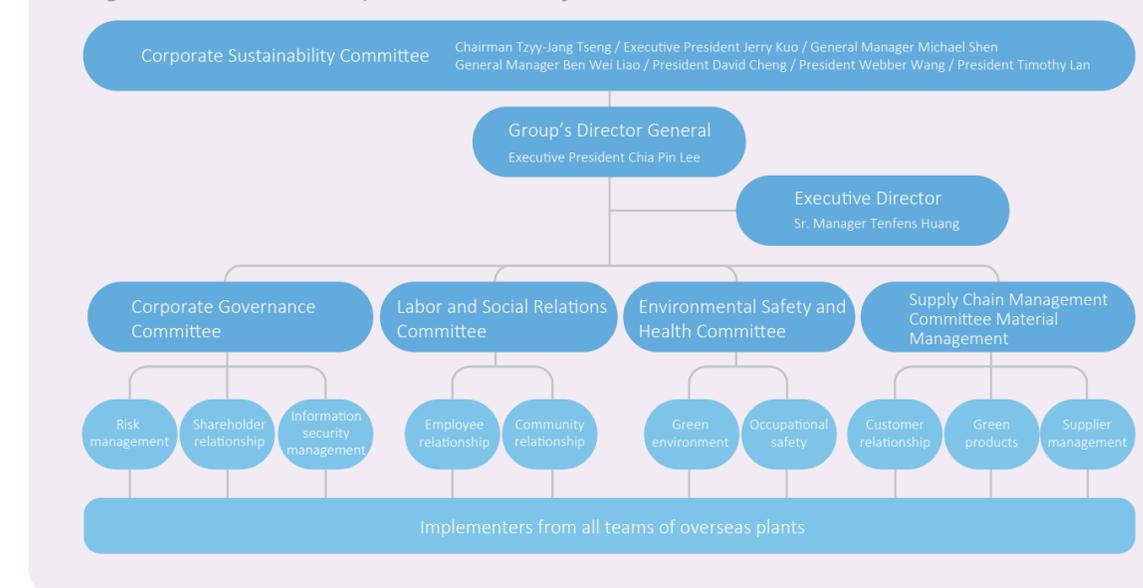
Note 1 : Achievement rate of People Capability Maturity of each plant in 2020 is 72.96%: Due to the expansion of YM and S2A, the manpower of Carrier's plants assists the adjustment, and there are many new employees in the new plants. Thus, the target of 2021 is revised down to 75%.
Note 2 : Due to the 1028 incident, the 2021 target was revised downward. The manpower was adjusted from the end of 2020 to the beginning of 2021. Manpower recruitment is temporarily suspended, so the target number of employees reporting for duty in 2021 is revised downward.

1.1.3 Corporate Sustainability Committee

Unimicron is committed to emphasize and invest in corporate social responsibility. Other than setting up the "Corporate Sustainability Committee", we have also established a dedicated unit, the Corporate Sustainability Task Force, under the CEO's Office. It has 3 dedicated staff responsible for planning, coordinating, and communicating the operations of the functional committees under the "Corporate Sustainability Committee" and CSR-related business audits. This demonstrates our commitment towards corporate social responsibility.

The Chairman of the Board and the presidents of the subsidiaries serve as supervising advisors of the "Corporate Sustainability Committee," and the unit heads are responsible for the operation of the four subordinate functional committees. The members of each functional committee are the department representatives of all the operating units of the Company, and are responsible for confirming the management guidelines and implementation of CSR issues. To ensure the full implementation of sustainability focuses and commitments, we conduct a validation analysis of the overall strategy, direction, and objectives through semi-annual regular review meetings, and propose review and improvement measures for the unachieved project items. The Committee is also responsible for reviewing content of the annual report, which is finally approved by the Chairman of the Board. In addition, to further strengthen the Board's participation in the sustainability management mechanism and decision-making, the Board of Directors decided in August 2017 to officially include the report of the Corporate Sustainability Committee's results in the Board meeting agenda for the first quarter of each year, as to acknowledge CSR implementation results of the previous year.

Organizational Chart of Corporate Sustainability Committee



Overseas Corporate Sustainability Committee of Unimicron Group



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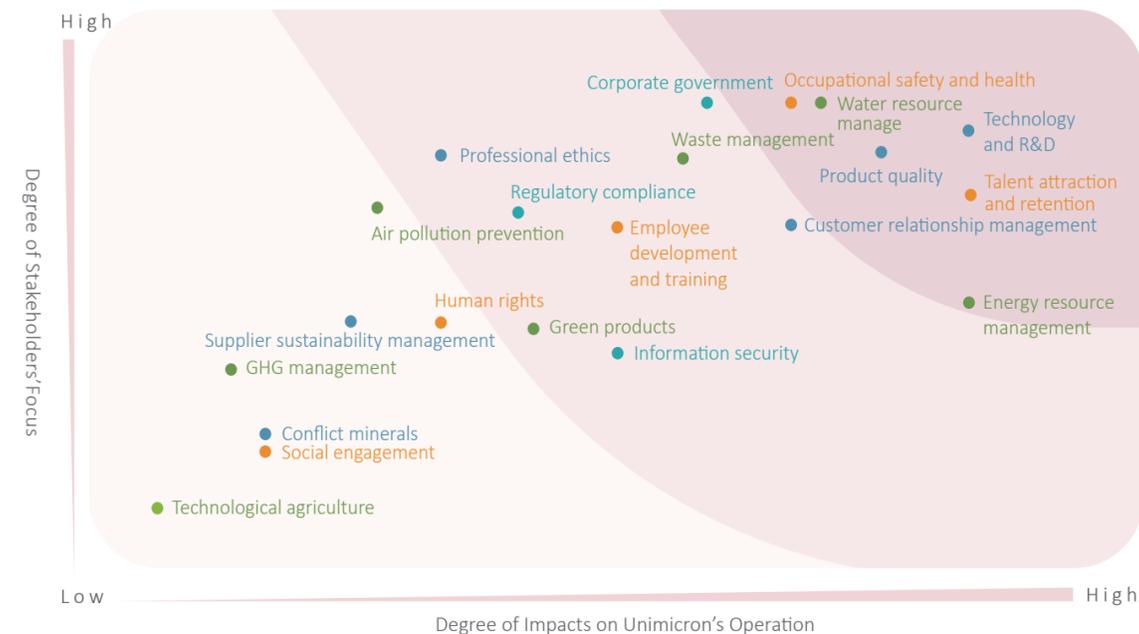
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Major CSR Milestones



1.1.4 Materiality Analysis Six Steps of the Analysis Process

To achieve effective communication between the report and stakeholders and reflect the impact of the operation process on the economy, environment and society, Unimicron establishes a systematic analysis framework based on six major steps and decides on the materiality issues, boundaries of data collection, and stakeholders of the 2020 CSR report. At the same time, it establishes a risk management mechanism for major issues and builds the Company's operational resilience and sustainable value to meet the expectations of stakeholders on Unimicron.



Major Issues and Impact Boundaries

Aspect	Major issues	Corresponding GRI	SDGs	Impact boundaries			Chapter / Page
				Procurement	Production and manufacturing	Customer's use	
Economic	Corporate government	102-04 Governance					Corporate Governance Framework / P.30
	Professional ethics	Anti-corruption and anti-competitive behavior		✓	✓		Ethical Corporate Management / P.31
	Customer relationship management	Unimicron specific				✓	Innovative Technology R&D / P.42
	Technology and R&D	Unimicron specific		✓	✓		Green Product Management / P.45
	Product quality	Economic performance			✓	✓	About Unimicron / P.08
	Regulatory compliance	Environmental compliance and Socioeconomic compliance			✓		Ethical Corporate Management / P.31
	Information Security	Customer privacy			✓	✓	Complaint Mechanism and Handling / P.49
Environmental	Water resource management	Water and effluents			✓		Water Resources Management / P.65
	Energy resource management	Energy			✓		Energy Management / P.63
	Air pollution prevention	Emissions			✓		Inventory and Reduction / P.61
	Green products	Customer health and safety			✓	✓	Green Product Management / P.46
Social	Occupational safety and health	Occupational health and safety			✓		Occupational Safety and Health Management / P.86
	Talent attraction and retention	Market presence, employment, employee diversity and equal opportunity			✓		Human Resource Status / P.73
	Employee development and training	Training and education			✓		Talent Cultivation / P.82

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Stakeholder Communication

Customers



The most concerned issues in each aspect

- Corporate governance
- GHG management
- OSH management

Communication channels

Audit, hazardous substance questionnaire to customers, guarantee letter, questionnaire survey, and RBA

Communication frequency

Regularly
Irregularly

Concerned content

- Company's risk management assessment/contingency plan/risk mitigation plan
- Statutory and regulatory requirements of RoHS/REACH SVHC
- Guarantee that products are free of harmful substances
- Product requirements for hazardous substance disclosure
- Obtain OSH Management System certificate
- Emergency response measures (including fire escape) verified through the OSH
- Implementation of OSH Disaster Prevention
- GHG emission management measures

Unimicron responses

- Conduct risk surveys to various responsible units in accordance with the "Risk Management Operating Procedures" and present them in the Continuity Operation Plan Report
- Confirm the compliance of the 3rd party's lab test report of the customer's product materials
- Provide a letter of guarantee
- Continue to pass the verification of the occupational safety management
- Continue implementation of the three occupational safety "actual" and project audits
- Set GHG reduction plans and targets and disclose them
- Annual fire maintenance reporting and training drills

Shareholders/Investors



The most concerned issues in each aspect

- Corporate governance
- Water resource management
- Talent attraction and retention

Communication channels

Shareholders' meetings, institutional investor conferences, annual reports, investment forum, telephone, Market Observation Post System

Communication frequency

Regularly
Irregularly

Concerned content

- Publicly disclose information to enable external investors could be better informed the operating conditions
- The impact of climate change and water risks on the Company's operations and countermeasures
- Major occupational safety incidents
- Major violation notices

Unimicron responses

- Self-organize institutional investor conferences twice a year, and participate in at least one public forum organized by others
- Disclose CDP-related information regularly and include the impact of water intake and drainage into operational risk management
- The OSH Management System continues to operate and improve
- Continue implementation of the three occupational safety and project audits

Employees



The most concerned issues in each aspect

- Corporate governance
- Water resource management
- OSH management

Communication channels

Suggestion box, Company's website, bulletin Board, employer/Employee meetings, welfare committee, health management center, training and education, and internal supervisors

Communication frequency

Regularly
Irregularly

Concerned content

- Comprehensive health management
- IECQ QC 080000: 2017 revision of requirements for hazardous substance process management system
- Regulations and HSF requirements by customers
- Whether the concentration of hazardous chemicals is harmful to health
- No occupational injured
- The actual implementation of accident response and evacuation
- Water risk management

Unimicron responses

- Through various health promotion events and services, the physical and mental health of each employee is cared for, creating a friendly workplace to work safely and happily
- Keep records of education and training provided to employees of Unimicron
- Conduct environmental testing strategy planning and testing regularly
- Improve intrinsic safety of machines and standardize safety operations
- Perform emergency drills regularly
- Formulate water resources management plans and goals to strengthen water efficiency and cost

Suppliers/Contractors



The most concerned issues in each aspect

- Corporate governance
- Waste management
- OSH management

Communication channels

Supplier conferences, Audits, Supplier Management Platform, E-mail, Training and education

Communication frequency

Monthly
Irregularly

Concerned content

- Announcement of the RBA Code of Conduct and co-prosperity recognition of Unimicron CSR Implementation Achievements and Supplier CSR Sustainability
- Understand Unimicron's requirement of hazardous substance-free management
- Whether the supplier meets the customer's RBA requirements
- Penalties and orders cancellation due to violations of OSH

Unimicron responses

- Organize supplier conferences, provide a supplier consulting platform, and promote suppliers to meet the requirements of the customer's RBA Code of Conduct
- Arrange to perform supplier RBA audits every year and continue to track supplier improvement measures
- Issue requirements of hazardous substances free management
- Sign the guarantee letter of non-use of hazardous substances
- Chemical suppliers are required to provide correct SDS and GHS materials in Chinese and English, and contractors are required to participate in the Company's basic plant entry training, hazard notification, and agreement organization, in order to reduce and prevent the risk of violations of OSH

Government



The most concerned issues in each aspect

- Corporate governance
- Water resource management
- OSH management

Communication channels

The official document, On-site audits, Regular reporting and notification

Communication frequency

Irregularly

Concerned content

- Compliance with fire and OSH laws
- Major occupational safety or fire incidents
- Participate in OSH seminars
- Reduce water usage

Unimicron responses

- Continue to operate and improve the occupational safety management system
- Implement occupational safety and fire risk management practices and emergency response
- Inspection, registration and reporting for reference of OSH, fire protection, buildings
- Water use control, strengthen water use efficiency and reduce consumption

Community/Industrial Zone Management Center/NGO



The most concerned issues in each aspect

- Ethics
- GHG management
- Human rights

Communication channels

The official document, Company website, and telephone

Communication frequency

Irregularly

Concerned content

- Focus on the proximity hazards for fire incidents
- Assist in the operation and development of OSH in the industry
- Participate in OSH seminars
- Participate in regional mutual aid groups
- Reduce GHG emissions

Unimicron responses

- Continue to operate and improve the occupational safety management system
- Proactively participate in related activities of associations
- Proactively participate in OSH seminars
- Proactively participate in regional mutual aid groups
- Continue to implement GHG reduction measures and disclose them regularly

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Impact Assessment of Major Issues and Risk Assessment

Unimicron hopes that the promotion of corporate social responsibility will not only have an impact on society, but will also have positive impacts on the Company's revenue, innovation, operational risks, customer satisfaction, and employee cohesion. Therefore, we identify the impacts of each major issue on Unimicron's operations individually, so that we have a clear understanding of how we can promote corporate social responsibility and how it is linked to our business objectives. Sustainable development can be incorporated as part of decision-making, as we gradually move towards a sustainable future.

Aspect	Materiality issue	Importance to Unimicron's operations					Potential risk	Possible opportunity	Corresponding strategies
		Increase in revenue	Reduction in cost	R&D and innovation	Customer's satisfaction	Employee coherence			
Economic aspect	Corporate governance	✓			✓	✓	Losing potential customers	Increasing the stability of customer cooperation opportunities	Improve corporate governance efficiency, continue to innovate and adhere to product quality, abide by all relevant regulations, and maintain customer loyalty
	Technology and R&D	✓		✓	✓		Loss of competitiveness in product technology	Increasing of competitiveness in product technology	
	Product quality	✓			✓		Decline in customer satisfaction and order volume	Increase customer satisfaction and increased the order quantity	
	Customer relationship management	✓			✓				
	Professional ethics				✓	✓	<ul style="list-style-type: none"> Increase the non-compliance with laws and decrease stakeholder's trust 	<ul style="list-style-type: none"> Gain customers' trust Enhancing the Company's positive image 	
	Regulatory compliance				✓	✓	<ul style="list-style-type: none"> Fined by the competent authorities 		
Environmental aspect	Information security				✓		<ul style="list-style-type: none"> Decline in customers' trust/satisfaction Leak data of Company or customer 	<ul style="list-style-type: none"> Increase the trust and satisfaction of customers 	
	Green products			✓	✓		<ul style="list-style-type: none"> Risks of decreasing customer satisfaction and compensation due to violation of customers' regulations and laws 	<ul style="list-style-type: none"> Gain customers' trust Enhancing the Company's positive image 	
	Air pollution prevention		✓		✓			<ul style="list-style-type: none"> Reduce environmental pollution Enhancing corporate image Improve customers' satisfaction 	
	Water resource management		✓				<ul style="list-style-type: none"> Increase the risk of non-compliance with laws and decrease stakeholder's trust 		
	Waste management	✓	✓						

Aspect	Materiality issue	Importance to Unimicron's operations					Potential risk	Possible opportunity	Corresponding strategies
		Increase in revenue	Reduction in cost	R&D and innovation	Customer's satisfaction	Employee coherence			
Social aspect	Occupational safety and health		✓				<ul style="list-style-type: none"> Affect customer orders The penalty imposed by the competent authority Employee will be injured at work Business interruption caused by disasters 	<ul style="list-style-type: none"> Gain customers' trust Improve CSR image Affect the performance of OSH Improve employee unity, cohesion and retention Creating Profit 	
	Employee development and training				✓	✓	<ul style="list-style-type: none"> Work efficiency cannot be improved Increase in a quality abnormal rate Loss of competitiveness in product technology 	<ul style="list-style-type: none"> Improve potential talents, given them leading development opportunities, and at the same time strengthen the Company's human resource quality Employees' career and work quality can be continuously improved. Thus, each of Unimicron's employees has the best function, strengthening individual and business productivity 	
	Talent attraction and retention		✓					<ul style="list-style-type: none"> The operation efficiency was lower than the customer required The high turnover rate causes heavy workload and employees' low morale 	<ul style="list-style-type: none"> Knowledge and experience could be transferred effectively Increase the acceptance of employees that could improve the Company's positive development Retained outstanding talents for the Company, creating more productivity and value

✓ Highly correlated ✓ Moderately related

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1.2 Corporate Governance

Policy	Commitment	Division	Resources Invested	Grievance Mechanism	Goals	Actions
Corporate Governance Code	<ul style="list-style-type: none"> • Build an effective corporate governance structure • Protect the interests of shareholders • Strengthen the functions of the Board of Directors • Exert the functions of the Audit Committee • Respect the rights and interests of stakeholders • Improve information transparency 	Corporate Governance (Finance Department)	All group	Whistleblower line and mail	Strengthen the functions of the Board of Directors and improve information transparency	Corporate Governance self-evaluation fractions ≥ 80

1.2.1 Corporate Governance Framework

Unimicron implements corporate governance based on the Company's vision of "a world-class high-tech Company with high added value, high quality, high productivity, and an emphasis on innovation and service" and "pursuing customer, employee, shareholder satisfaction and social responsibility". The Company follows the six criteria in the implementation of specific actions.

At the same time, to innovate corporate value, we have set five goals for the period from 2021 to 2024, including "creating blue ocean markets and products in collaboration with customers," "developing 5G products and preparing for 6G technology," "building an A+ management team," "establishing a new generation of intelligent production plants," and "innovating corporate governance and realizing a sustainable vision" to implement sustainable corporate governance.

Operation of the Board of Directors

Unimicron's Board of Directors is comprised of 9 directors, including 3 independent directors. There are 5 directors between age 51 to 60 and 4 directors above 60 years old. The term of a director is three years. The selection of the directors is in accordance with the Company's provisions on the "Regulations for Election of Directors". Unimicron has adopted a nomination system. The candidates will be elected at the Shareholders' Meeting and cumulative voting will be used. A shareholder is entitled to one vote per share multiplied by the number of directors to be elected. The votes can be cast to one candidate or distributed to multiple candidates. The number of directors to be elected is in accordance with the stipulations of the Company's Articles of Association and related announcements. The candidate with the most vote will be designated as the director, followed by independent directors. For information on board members, please refer to the information on P.4-P.5 of the 2020 Annual Report .



Board Governance Principles

The board of directors meets at least once a quarter, in compliance with the Company's "Rules and Procedures of Board of Directors Meetings," to review business performance and discuss major investment issues and future development strategies, etc. A total of 9 board meetings were convened in 2020, with an average attendance rate of 98%. The major issues passed at the board meeting will be immediately disclosed in the "Market Observation Post System." The "Rules and Procedures of Board of Directors Meetings" clearly stipulate the guidance on recusal due to conflicts of interest. If the director himself/herself or his/her legal representative has an interest in the meeting matter, the director or the legal representative shall provide an explanation on the matter at the said board meeting. If it may be harmful to the Company's interests, they shall not participate in the discussion and voting, shall be recused during discussion and voting, and shall not represent other directors in exercising their voting rights.



Unimicron's shareholders are also able to exercise their voting rights at the shareholders' meeting by e-voting. In 2020, the voting rights exercised by electronic voting accounted for 50.42% of Unimicron's total issued shares and accounted for 62.68% of the attendance rate of the shareholders' meeting in the current year.

Director Diversity

The Board of Directors of the Company is composed of directors with different professional backgrounds, including management, finance and accounting, chemicals, physics, etc. The members include presidents and CFOs of listed companies, and operators of technology and investment companies, providing professional advice and opinions from a wide range of industry experience, which is very helpful to the Company's operation plan and direction. The Board of Directors is the highest governing body of the Company and its main responsibilities include reviewing operational performance, preventing conflicts of interest and implementing regulatory compliance. The Board of Directors meets at least once a quarter and operates in accordance with the Company's "Rules and Procedures of Board of Directors Meetings." Currently, there are three independent directors (including one female director) on the Board of Directors, all of whom are appointed for a term of no more than three years, and more than half of the directors are not managerial officers of the Company. The Company places emphasis on the independence and gender equality of its Board of Directors and has set a target of having at least three independent directors and at least one female director, and continues to maintain a 100% achievement rate of this target.

To enhance the functions of directors, we also encourage directors to actively participate in refresher courses and arrange training sessions from time to time. The Company has consigned the Securities and Futures Market Development Foundation to conduct a 3-hour educational training course of "Advanced Practice Seminar for Directors and Supervisors (Including Independent Directors)" "5G Key Technology and Application Opportunities" in 2020. In 2020, directors have received 75 hours of training, with an average of 8 hours per director, covering 5G technology and applications, corporate governance, global trend analysis, financial report preparation, information security trends, corporate risks, regulatory practices, international market views, corporate sustainability, etc., to strengthen the functions of the Board of Directors. In 2020, there are 7 directors participated in ethics and integrity-related training, reaching 78%.

Functional Committees

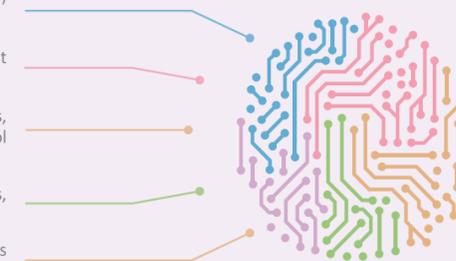
To enable the Board to implement the monitoring, auditing and management functions, Unimicron has a "Remuneration Committee" and an "Audit Committee" under the Board of Directors, effectively performing the duties of each functional committee, and implementing the powers and responsibilities of management and supervision. For details concerning members of the Board of Directors and important resolutions, please refer to the information on P.22-P.23 and P.36-P.37 of the 2020 Annual Report .

Board Performance Evaluation Linked with Sustainability Performance

To improve the effectiveness of the Board of Directors, Unimicron's financial department (stock affairs) will collect the operating information of the Board of Directors before mid-January each year, send the questionnaire to all directors (including independent directors) by email for self-evaluation, and collect and compile the questionnaires from directors at the end of January. The results of the performance evaluation of the Board of Directors are reported to the directors regularly before the first quarter of each year, and the implementation of the performance evaluation of the Board of Directors and the evaluation method are disclosed in the annual report. In addition to the internal evaluation, every three years, the Finance Department (Stock Affairs) will issue a RFA to request an external evaluation agency or experts to evaluate the performance of the Board of Directors.

When evaluating directors' compensation or remuneration each year, the Human Resources Department's payroll section determines individual directors' compensation based on the results of their performance evaluations, and the linkage between the Board's remuneration and sustainable performance is as follows:

- Establish the Company's core values (discipline, mission, honor, vision, etc.) and be able to clearly set all of the Company's strategic goals
- Scrupulously integrate the risk assessment and control of the management into the Company's decision-making process
- Scrupulously evaluate and monitor the Company's existing or potential risks, and discuss the implementation and tracking status of the internal control system
- Have regular and efficient performance evaluation on the Board of Directors, Board members, and functional committees
- Understand and monitor the Company's accounting system, financial status and financial reports, audit reports and their tracking status



Internal Control

Unimicron's Audit Office formulates an audit plan based on the enterprise's annual risk, conducts routine and irregular internal audits and control, and has one audit supervisor and 6 full-time auditors. In 2020, Unimicron conducted audit on 53 operation type audits and found deficiencies in 11 operation types. Quarterly tracking and reviews were conducted for those deficiency items, and the completion rate of tracking and review improvement was 100%. The audit supervisors shall attend the board meeting of directors to report the audit results regularly to the board of directors and the audit committee, in order to implement the effectiveness of the internal control system.

1.2.2 Ethical Corporate Management

Code of Conduct

Unimicron upholds the principle of compliance to operate the business, and has formulated the "Legal and Other Requirements Identification Procedure" and the "Guides to the US Antitrust Law." In addition to regular inspections by the legal affairs unit, it also requires all business management units to conduct regular system reviews and improvements, and cooperate with the auditing operations of the audit unit to ensure full implementation of regulatory requirements. Under strict management, in 2020, Unimicron was never punished by a large fine (more than NT\$1 million) by the competent authorities due to violation of regulations. There was no corruption and anti-competitive behavior-taking place in 2020.

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Professional Ethics Guidelines

Unimicron has "Integrity Regulations" and "Professional Ethics Guidelines and Code of Conduct" for all employees, clearly set rules for the employment of relatives and associated suppliers, and upholds integrity in dealing with customers. Unimicron will also ensure the implementation of the mechanism through the following measures every year, and the relevant practices cover in Taiwan Facilities and Mainland China Facilities.



- The "Company Integrity Regulations" are taught during the training of new recruits, and the relevant terms are included in the employment contract.
- Supervisors above the manager level sign the "Employee Integrity Code Compliance Contract" every year, and the signing rate in 2020 reached 100%.
- Every year, we conduct "Integrity Survey" and "Investment and Employment Status of Employees and Relatives in the Company, Associating Suppliers, or Competitors" for personnel above the engineer/administrator level of each unit. Respondents who accepted the survey of employment of relatives and integrity regulations in 2020 were personnel in engineering management positions in Taiwan, whereas personnel in Mainland China different for each plant; the number of people surveyed was 4,770 from Taiwan Facilities and 15,768 from the Overseas Facilities, without any violations.

If employees find any violations of ethical management, they can submit an anonymous whistleblowing report or complaint to the Unimicron Audit Team or the Human Resources Department via telephone or suggestion box in accordance with the provisions of the Integrity Code. The undertaking unit will set up a special project team to investigate. If the whistleblowing report involves a director or senior executive, the undertaking unit shall report it to the independent director or supervisor of the Group. There were no integrity-related reporting cases received and no related corruption and bribery cases occurred in 2020.

Legal Compliance

Information Disclosure

In compliance with the regulations of the competent authorities, investors can access Company-related information through the Market Observation Post System. In addition to disclosing Unimicron's basic information, technology R&D, and corporate social responsibility, the Company's website also has an investor relations section, providing relevant documents and regulations on the Company's financial information and corporate governance. We hold Institutional Investor Seminars every quarter to explain the consolidated financial results, operational status, and prospects of each quarter. We also provide relevant information and video recordings on the Company's website and the "Market Observation Post System" for the reference of investors. The Company also communicates with investors through various investor meetings, overseas visits, and investor relations' points of contact. In 2020, Unimicron participated in 15 external and self-organized Institutional Investor Seminars and participated in more than 200 institutional investor interviews and meetings.

None of material nature or penalties by competent authorities for major environmental protection, occupational health and safety, and Labor/management relations/human rights in 2020. In addition, all committed violations had been improved to ensure that none of its we are prone to risks of violation.



Market Observation Post System

Provide access to Unimicron-related information



Investor Relations Zone

Provide written documents and regulations related to the Company's financial information and corporate governance



Institutional Investor Conference

Regularly hold an institutional investor conference every quarter to explain quarterly consolidated financial figures, operating conditions and future prospects



Stakeholders Zone

Provide special feedback channels for major stakeholders to implement communication and negotiation with stakeholders

Training of Laws and Regulations

There are many integrity management regulations in Unimicron, and we hold relevant training courses every year. The Company also provides reminders of relevant regulations from time to time, and has a consultation channel so that the regulated objects can understand the laws and regulations and comply with them accordingly.

Course title	Participants	Plants	Number of employees that should be trained	Number of employees trained	Total number of employees that should be trained	Total number of employees trained
Professional ethics best practice principles		Taiwan	13,984	13,950	14,173	14,138
		Mainland China	189	188		
RBA	All of the Company's employees must be trained (Including Taiwanese employees stationed in Mainland China who have been employed for 3 months)	Taiwan	13,984	13,950	14,173	14,138
		Mainland China	189	188		
Integrity best practice principles		Taiwan	13,984	13,950	14,173	14,138
		Mainland China	189	188		
Antitrust Law	1. Supervisors with job level 11 and higher 2. PCB and Carrier's business/strategic market : Employees with job level 7 and higher in plants in Taiwan and Mainland China	Taiwan	172	129	194	144
		Mainland China	22	15		
Analysis of the law and ethics of business secrets	Job level 5 (inclusive) and higher in Taiwan (including DL and Taiwanese employees stationed in Mainland China). Employees with job level 5 and higher(Not included DL) in QunHong Technology Inc.	Taiwan	4,232	4,112	4,411	4,289
		Mainland China	179	177		
Advocacy of the ethical corporate management best practice principles	Job level 5 (inclusive) and higher in Taiwan (including DL and Taiwanese employees stationed in Mainland China). Employees with job level 9 and higher (Not included DL) in QunHong Technology Inc.	Taiwan	3,880	3,763	4,059	3,940
		Mainland China	179	177		
Prevention of insider trading	Job level 5 (inclusive) and higher in Taiwan (including DL and Taiwanese employees stationed in Mainland China)	Taiwan	4,232	4,112	4,411	4,289
		Mainland China	179	177		

Note 1 : RBA, professional ethics best practice principles, and integrity best practice principles have all been planned to be included in new employees' training courses to implement the training mechanism and increase the training rate. Some expatriates and senior executives have not been trained. We will strengthen course promotion and reminder operations, and provide expatriates with training opportunities to increase the training completion rate.

Note 2 : From August 2020, the training recipients of each course will be divided and integrated according to the position level in the Company, and the training will be carried out in August. Training on Antitrust law was completed in the first half of 2020 and will be integrated into the unified refresh training program in August 2021.

Note 3 : Those who had not participated in the training course in the current year would be included in the list of training course for next year.

Note 4 : The scope of the above table includes QunHong Technology Inc.

Note 5 : The plants in Mainland China will strengthen advocacy and training toward training completion of 100% in Aug. 2021.

Note 6 : There are 16,186 employees in Taiwan and 13,726 employees in Mainland China.

Note 7 : Please refer to the Unimicron CSR website to see more information.

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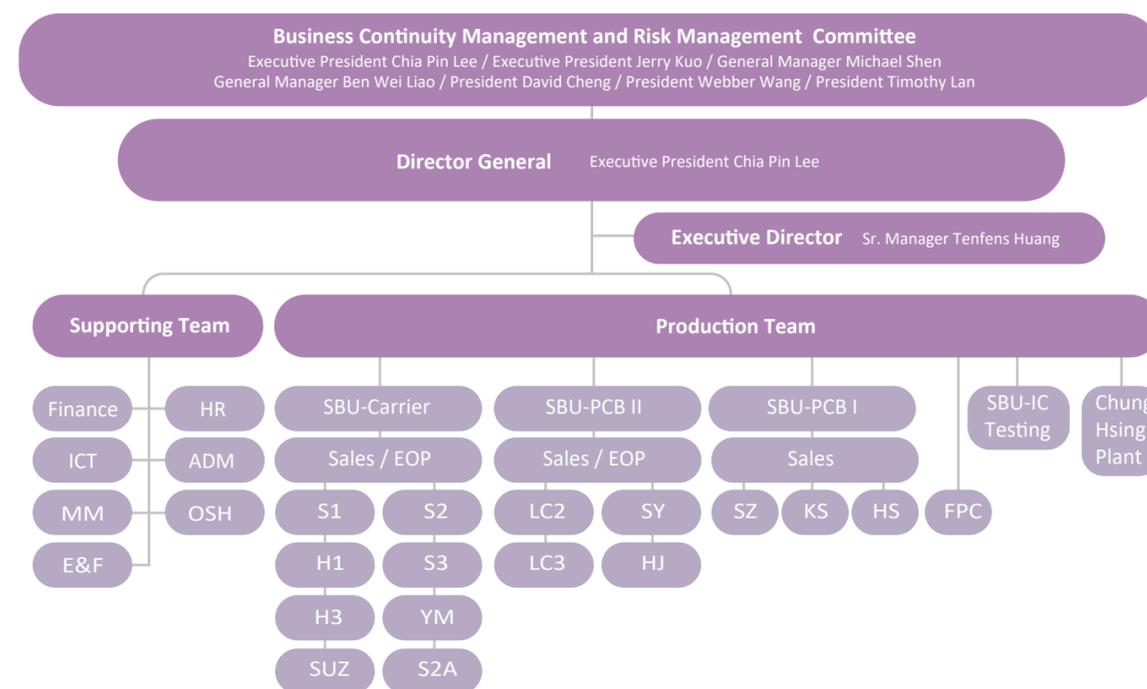
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1.2.3 Risk Management

Business Continuity and Risk Management

In response to several risks that may influence operation, “Unimicron established Business Continuity Management and Risk Management Committee” in 2021, which in charge of relevant integration, planning, assessment, and mitigation plan with the resource from Unimicron Group to cut down or reduce the impact of unexpectedly serious situations and speed up recovery to normal operation. The main duties involved:

- Organization and Planning : Based on the concept of business continuity to build risk management mechanism.
- Risk Assessment : Review various potential risks at least once a year, classify them and score them according to the established risk index. Then, prioritize mitigation and response plans for those with higher assessed risks, and regularly report to the Board of Directors as the main goal for future improvement.
- Risk mitigation and Contingency Plan : Formulate the organization and resource planning of the corresponding crisis management team for each type of risk.
- Drill Plans and Continuous Improvement : Each department under its jurisdiction will conduct single or comprehensive drills according to plans for emergencies such as material interruption, lack of work, information system failure, natural disasters or man-made destruction, and make recommendations for review and improvement.



To avoid losses caused by risks, Unimicron carries various insurances (such as property insurance, operation interruption insurance, installation engineering insurance, marine insurance, fire insurance, etc.) to ensure that when a risk occurs, Unimicron still has enough capability and resources to carry out the follow-up business recovery matters, and indeed take up the commitments to customers.

In response to the COVID-19 pandemic in early 2020, Unimicron has operating bases all over the world, and immediately established an internal cross-departmental command center, composed of six major units to perform epidemic prevention work according to their powers and responsibilities. The Executive President serves as the commander and the command center is responsible for gathering epidemic prevention information, grasping supplier information, and holding weekly review meetings to grasp the status of each operating base, reduce operational risks, and ensure operations without interruption, and at the same time provides the information required by employees and customers at each base to protect the rights and interests of internal and external stakeholders.

Unimicron has set up the “Guidelines for Unimicron COVID-19 Prevention Plan”, which developed contingency plans such as visitor entry, route planning, office area, and emergency response to confirm medical treatment.

We set up Uni life APP so that employees can quickly access government epidemic prevention news, epidemic prevention knowledge, internal epidemic prevention announcements, and abnormal temperature notification process. In addition, employees can conveniently fill out health declarations and monitor body temperature twice a day, to strengthen the epidemic prevention energy of all employees.



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Risk Incident Response

There were three fire incidents in the Company recently. Among them, the fire incidents at Mainland Plant on September 7, 2020 and the Taiwan Facility on February 4, 2021 were both caused by improper construction fire control. The fire at the Taiwan Facility on October 28, 2020 investigated by the competent authorities was likely caused by a problem with the exhaust system of the manufacturing process. For these three fire incidents, the Company has proposed improvement measures for the fire prevention and personnel response of the plant, and will regularly track and review the progress of the improvements. The strengthened fire-related risk control mechanisms include :

- Re-examine and review the risk and opportunity identification items in the ISO 45001 management system, and prioritize the elimination, replacement and engineering improvement as the means of choice for the unacceptable high-risk items.
- Evaluate and improve the material and design of the manufacturing process's exhaust systems.
- Evaluate and improve fire control and monitoring in the plant.
- Strengthen the integrity of fire protection zoning maintenance and improve the fire protection capacity of buildings.
- Strengthen the emergency response capability within the plant and establish a fire response assessment mechanism.
- Hire external technical experts to enhance the ability to find abnormal events and risk reduction solutions.
- Strengthen the function of the first-level specialized unit for occupational safety and improve the speed of analysis and response to all occupational safety-related abnormalities.



1.2.4 Information Security

Protecting customers' intellectual property rights and business information is the focus of our business and business ethics management. Through control via the ISO 27001 management system, Unimicron received no customer complaints for infringement of customer privacy rights or loss of customers' information, and no punishment of huge fines for products or services violating the law in 2020.

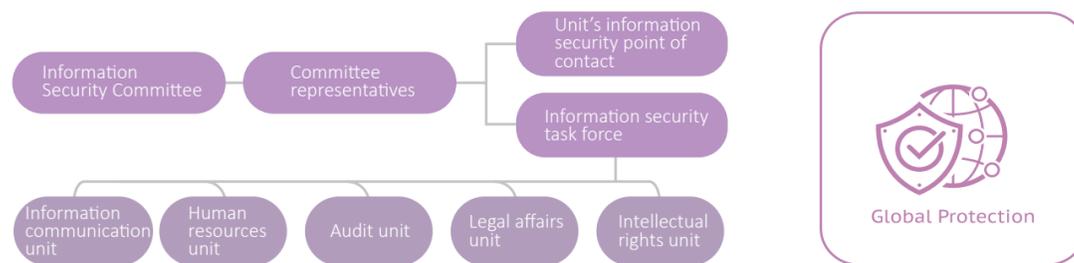
Information Security Goals

In order to maintain the confidentiality, integrity and availability of the Company's information assets, and to protect the privacy of customers and personal data, Unimicron has formulated an information security policy and hopes to achieve the following goals through the joint efforts of all employees in the Company :

- Confidentiality : Ensure that only authorized personnel can obtain information and avoid information leakage
- Integrity : Ensure that information is not subject to unauthorized tampering and the correctness of information processing methods
- Availability : Ensure that authorized users can obtain information and use related assets when needed

Information Security Committee

Unimicron manages the Company-level information protection mechanism through the Information Security Committee to protect customer privacy. Through the acquisition of relevant international certifications, internal information security advocacy and drills, data inventory and drills, and data access control and information security early warning mechanisms, we regularly provide information security reports to the chairman of the board and senior managers of business units, to reduce information security risk.



International Security System Certification

Unimicron's Taiwan and Mainland China Facilities have obtained ISO 27001 Information Security Management System certification, with a coverage rate of 100%, and have established complete information security standards and management procedures to ensure the security of the information environment.

Data Inventory and Classification

Unimicron has completed the advocacy and inventory of the Company's business secret information in 2020 so as to effectively declare the scope of the Company's confidential information.

Internal Information Security Advocacy and Drill

We hold regular information security advocacy and testing for employees, we issued 8 times announcements in 2020, hold an unannounced social attack drill (phishing email), and conduct a companywide e-Learning information security course in the fourth quarter of each year to deepen employees' information security awareness through actual experience.

Stage	Number of people tested	Ratio to be hacked	Measures to strengthen information security awareness
First test	Employees with Email accounts	Open malicious link and enter account password: 3.1% (5.25% in 2019)	For employees who failed the exam, Unimicron has completed the second propaganda and arranged a test
Retest	Employees who failed the first test	Open malicious link and enter account password: 0%	Employees will actively report abnormal emails

Data Access Control and Information Security Warning

Use computer access control tools to lock computer transmission media (email, USB, FTP, web, file folder, etc.). If it is needed for work, a separate application for activation is needed and it must be supervised by the information security early warning mechanism. All file access and data transmission abnormalities are detected and alarmed by the system, and the information security committee is notified to perform related audits, reports and handling. In 2020, compared with the number of incidents during the initial establishment of the Information Security Committee in 2017, the abnormal incidents dropped by 70%.

Information Security Specific Management Plan

To protect customers' intellectual property rights and confidential corporate documents, in addition to a comprehensive information security policy and annual ISO/IEC 27001 Information Security Management System certification, we completed the multi-facet strengthening of our equipment defense and detection capabilities in the second half of 2020, including external/inter-plant/intra-plant firewalls, network abnormal traffic detection and analysis systems, and other traffic monitoring equipment. In addition, it is equipped with privileged account management, regular system vulnerability scanning and repair, data backup and quick recovery mechanism, system network security enhancement, USB management, handheld mobile camera device management, information classification and confidentiality system, printing control, employee information security training and penetration and phishing drills, etc., to enhance internal and external attack prevention detection and recovery capabilities and properly maintain customer data and information security. Nearly 100 million attempts per month by external hackers have been blocked externally, causing no damage to system data.

In order to implement Unimicron's information security policy, we have fully implemented the mobile device access control to the plant, ensuring that information will not be arbitrarily carried out. In addition, Unimicron develops specific management solutions related to the five major aspects of terminal computer management, computer room management, anti-virus and anti-hacking management, system and network security management, and education and training to properly maintain customer data and information security.

Education and Training

Through physical and digital E-based courses, regularly conduct 3 education training and verification of "information security," "trade secret protection" and "patent and copyright protection" to employees, in order to establish employees' awareness of sensitive information protection, and implement trade secrets inventory and classification management every year to protect Company and customer data.

System and Network Security Management

According to the vulnerability database defined by Computer Emergency Response Team (CERT) and Security Content Automation Protocol (SCAP), conduct two system vulnerability scans and vulnerability repairs every year.

Terminal Computer Management

Use the computer access control system to perform 3 software and hardware asset (hardware change notification, software authorization, and software function restriction) and 6 access behaviors (USB, CD burning, network storage, printing, Bluetooth, and wireless network card) control.

Information Facility Room Management

Use the following three sets of systems to support each other to construct a secure physical computer room environment and to protect the system and customer data security:

- Central access control system : Control the entrance and exit of the computer room, allowing only authorized employees to access, while retaining the entry and exit records.
- CCTV system : Have 24-hour full-area video monitoring of the computer room, and through the sensing mechanism, automatically send out alarm when an abnormal intrusion occurs.
- Environmental control system : Monitor the environment (temperature, humidity, power) of the computer room 24 hours a day.

Anti-virus and Antihack Management

Use network firewalls and hacker intrusion detection and defense systems to detect, block and alert about external threats, and with the help of external information security organizations, providing Security Operation Center (SOC) services, provide 24-hour round-the-clock information security incident analysis mechanism. Strengthening machine protection, we have introduced the management mechanism of machines' virus-free certificates. The machine will be connected to the network only after the vendors have provided virus-free certificates and the machine has been tested by Unimicron to be virus-free, and the antivirus audits are regularly conducted on the machines.



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Information Security Training Course

Course title	Participants	Number of persons completed training / Number of persons to receive training	Course hours	Completion rate (%)
Information security advocate		4,411 / 4,552	1hour	96.90
Law and ethics of business secrets	Position at the appointment rank of grade 5 or above in Taiwan or Taiwanese employees stationed in Mainland China (including DL)	4,411 / 4,552	1hour	96.90
Trade secret advanced course		4,411 / 4,552	1hour	96.90
Intellectual property rights		4,411 / 4,552	1hour	96.90

Note : There is a discrepancy between the training status on the information security and the data for 100% training completion rate at the end of 2020, mainly due to the difference in the training recipients. The objects of the statistics at the end of 2020 are the employees at grade 5 or higher who have assumed office for 3 months or more as of August 2020. The CSR report is targeted at employees at grade 5 and higher who have assumed office by the end of 2020. Thus, there is a gap in the training completion rate.

Information Security Incident Notification Process

When an information security incident occurs, employees should immediately notify the unit head following the "Unimicron's Information Security Incident Notification Management Procedures," and the unit head will report to the information security officer, who will, following internal regulations, determine whether the information security incident is a major abnormal event, whether it is a breach of confidentiality, and whether it involves a first-level supervisor. After classification, it shall be reported to the supervisor at that level and the responsible unit, please see the information below.



A major information security incident occurred in 2020. It was caused by suspected virus infection in some information communication systems, but no data was lost. In order to enhance the Company's overall information security capabilities, the following enhancement measures have been completed:

Network Traffic control
Strengthen internal and external cross-plant firewalls and abnormal traffic detection and analysis capabilities, and implement endpoint computer data output record checking

Account Control
Enhance multi-factor authentication and authorization control of jump hosts

Backup Optimization
Improve data backup and fast recovery framework

Governance Policy
Enhance vulnerability scanning, 24-hour service and information security monitoring

	2018	2019	2020
Number of major information security concerns	0	0	1
Total number of breaches of customer privacy	0	0	0
Total number of customers affected by data breaches	0	0	0
Total monetary value of significant fines for non-compliance with information security concerns	0	0	0



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2.1.1 Products and Quality

Unimicron's main business items are engaged in development, manufacturing, processing and sales of Printed Circuit Boards (PCB), High-Density Interconnect Printed Circuit Boards (HDI PCB), Flexible Printed Circuits (FPC), rigid-flex PCB, Carriers and IC test and burn-in system. The main products are the manufacturing and processing of PCBs (including Carriers) and IC testing and burn-in, etc.

PCB
Substrates are used for assembling electronic components that the main purpose is to connect each electronic component to form an electric circuit on the PCB so that it can function and relay transmissions. The applications of PCBs are very wide-ranging including but not limited to computers and related industries, communications, consumer electronics, automotive parts, aerospace, precision instruments, and industrial products. Since PCBs do not have uniform specifications that can be roughly distinguished by softness and the number of layers. They can be classified by softness, i.e., flexible and rigid-flex boards, and by the number of layers, i.e., single-layer boards, double-layer boards, and multi-layer boards.

PCBeam™
Unimicron has obtained a patent from US Neoconix to manufacture PCBeam™. It is high-speed (>40Gbps), ultra-thin, and easily customizable, following the trends of modern electronic products. It can be used in fields such as Board-to-Board, Board to Flex, Board to Device (Socket), and its markets include industries such as consumer electronics, healthcare, industrial use, and high-speed communications. The PCBeam™ team provides a range of customized solutions to customers, breaking the current restrictions on connector designs and making our products more competitive.

IC Substrate
Their main function is to hold the IC chip and connect the signal between the chip and the PCB through the internal circuits of the IC substrate. Their main purpose is to protect the electric circuit, set the wires in place and dissipate heat. Depending on the packaging technology, IC substrates can be divided into Ball Grid Array (BGA), Chip Scale Package (CSP), and Flip Chip (FC).

Quality Management

Unimicron is committed to providing high-quality and reasonable-priced products and competitive delivery and services. It has a quality policy of "customer-oriented, quality first and continuous breakthrough," integrating high-quality culture into the core of the Company to meet customer expectations and achieve the vision of "a world-class high-tech Company with high value-added, high quality, high productivity, and emphasis on innovation and services."

- Commitment, support and leadership of senior managers
- Adopt refined policy management to move towards becoming a world-class Company
- Adopt best practices
- Construction of the quality management system

- Company-wide participation in continuous improvement
- Application and management of process flow and quality information
- Employees' education, training and growth
- Customer satisfaction management

Total Quality Management (TQM) is deemed as an important part of Unimicron's operations. We use customer-oriented management to promote team cooperation and cross-departmental management. The TQM Committee was established in 1966 to conduct total quality management, and a total of four sub-committees have been added over time to promote full-rounded, flawless quality management.



TQM Committee's Functions

- Customer-oriented management
- Continuous improvement
- Promote team cooperation
- Take care of both processes and results

- Policy management and daily management
- Making quality products is everyone's responsibility
- Promote cross-departmental management
- Emphasize "prevention is more important than inspection" and "do it right the first time"

To expand the application range of our products, we are committed to the establishment and implementation of the ISO 9001:2015 Quality management system, and promote the IATF 16949 Automotive Quality Management System and the QC 080000 Hazardous Substance Process Management System, pursue continuous quality improvement to enhance competitiveness, and drive all employees to improve their work performance, achieving the goal of overall quality improvement.

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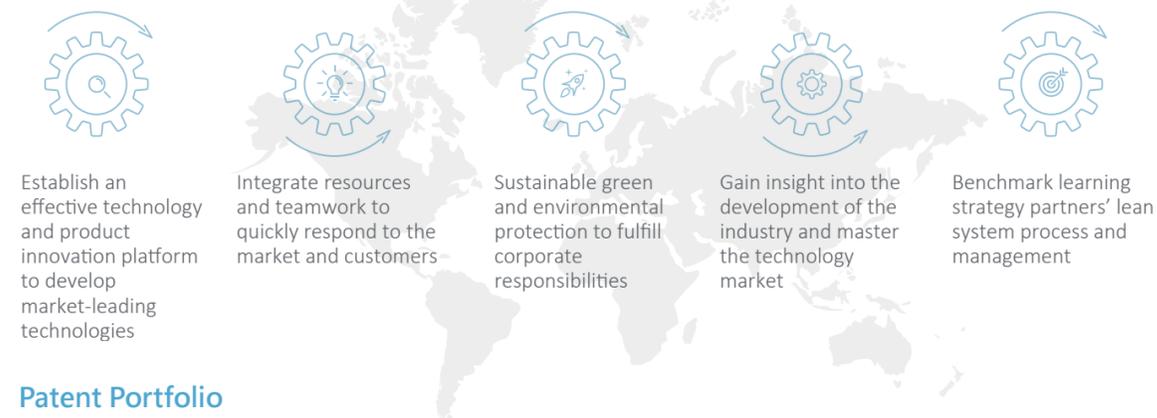
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2.1.2 Innovative Technology R&D

To continuously enhance the value of the Company, Unimicron actively takes the reference to and participates in the formulation of the technical blueprint for the international industry, and formulates five major strategies to meet the needs of various future products. Through the three strategies of patent portfolio, technological development and technological cooperation, we actively invest in environmental protection and low-cost manufacturing processes, and establish an industry centered on technological innovation and intellectual autonomy, to open up new business opportunities through innovation.



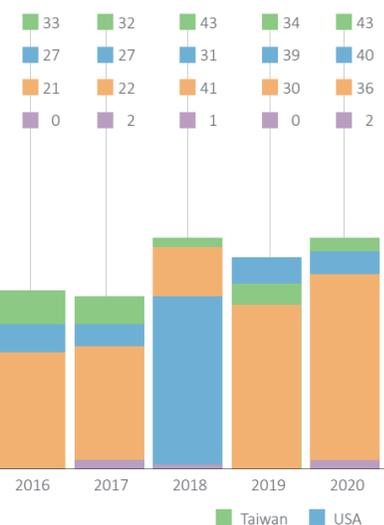
Patent Portfolio

With Unimicron's strategy to stay rooted in Taiwan and expand globally, we have set up R&D centers in Taoyuan and Hsinchu, with different R&D strategies that are focused on developing technologies to satisfy customers' needs and developing innovative technologies for the next three to five years. In addition to introducing advanced equipment and recruiting R&D talents of the industry, Unimicron has also invested heavily in research and development. Currently, the annual investment in research and development is about 2-3% of the annual income. The R&D expenditures invested in the past three years has grown exponentially, yielding patents for various products and technical capabilities.

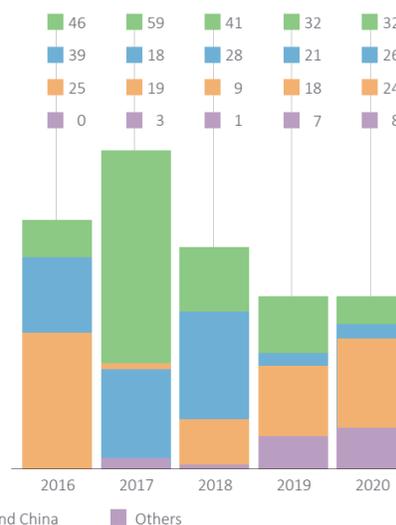
Year	2016	2017	2018	2019	2020
R&D expenses (NT\$)	398,827,260	491,819,932	636,963,488	647,989,503	978,596,689

Note: The increase of 2020 patent fee mainly was invested by new facilities and expansion of organization.

Number of Unimicron's patent applications by year



Number of Unimicron's patent granted by year



Technological Development

In response to major future industry trends, Unimicron will continue to invest in research and development, and cultivate high-end product technology platforms, such as 5G high-frequency high-speed PCB products, ultra-small distance pitch LED module development, Cool PCB (High Thermal Conductive) module development, Nick-Free surface Finished (NF) new technology development, and high-end Photovia PCB technology development.

After years of technology deployment and investment in research and development, results have been achieved. In the 5G IoT product development project, Unimicron developed cavity PCB materials and its design, making it one of the best solutions for IoT products with System in Package (SiP) technology. After the cavity PCB board material and its design technology mature, huge business opportunities are expected to take place. At this stage, facing that the fifth-generation (5G) mobile communications are about to enter the global commercial stage in 2021, Unimicron focuses on the R&D fields of high-frequency AiP circuit boards, mobile phone boards and array antennas, optoelectronic communication boards for optical modules, and high-speed circuit boards for various server switches and routers.

Relying on its expertise and experience in large panel manufacturing of PCBs/IC Carriers, Unimicron is equipped with the existing Coreless technology, based on the platform innovative multilayer film wiring technology, to integrates materials and equipment manufacturers in the semiconductor and panel industries to form a research and development alliance. It develops the advanced packaging technology of Panel-level Fan-Out (PFO) with RDL first (Die last) and ultra-fine circuit lines (2μm/2μm line width/line spacing) to break industrial problems and technical challenges of Fan-Out Panel Level Package (FOPLP), driving the development of the overall industrial chain.

In addition, in response to the future trend of high-density multi-functional chip systemization, based on the original platform of ultra-fine circuit technology, we adopted Multichip Heterogeneous Integration Packaging Technology, and the packaging size will be expanded from 20mm x 20mm to 55mm x 55mm. Embedded Trace Substrate (ETS) Carrier board technology continues to break through the bottleneck of fine lines and establishes a technology platform of L/S: 6/8 μm, laying the foundation for the next communication generation. We continuously develop the platform of L/S 5/5 μm for laying the foundation of the future. As for the development of thick-board PCB technology, Unimicron took the lead in developing the Transient Liquid Phase Sintering (TLPS) docking technology platform board with a board docking alignment degree of <60μm, quickly extending the thick-board technology from 3.6 mm to 7.2 mm.

Item	Difference analysis between 2020 and the previous year
2/2 μm Fan-out technology	Completed development and reliability verification of Multichip (three-chip) Heterogeneous Integration Packaging Technology with the structure of 4RDLs (min. L/S=2/2 μm), package size of 20mmx20mm
New technology development of ETS fine line	Fulfill the ETS fine line L/S 6/8μm technical platform, continuously increase quality yield and develop the platform of L/S 5/5um
TLPS docking technology platform development	Development of 5G small cell station products, superimposed as 16 ELIC and 12L ELIC using TLPS docking technology platform

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Technological Cooperation

Unimicron recognizes the important role value chain cooperation plays in driving the industry towards sustainable innovation. In addition to working with international manufacturers to develop next-generation high-end IC Carriers and interacting with customers, the Company also understands customer needs for technology and next-generation products, and keeps tabs on the blueprint for customers' future products. We strengthen cross-sector cooperation among domestic industries, create our industry and equipment products, strengthen research and development relationships between industry, academia and research institutes, drive the industry to set new specifications, and promote industrial restructuring or optimization. We will continue to meet customer expectations with the best quality and service model, lead the overall industry chain forward, and create more value.

Strengthen research and develop relationships between industry, academia and research institutes	In 2020, we adopted Multichip Heterogeneous Integration Packaging Technology; expand the size from 20mm x 20mm to 55mm x 55mm. With the successful development of this project, we will provide further information for the industry's reference, which may help strengthen cross-field cooperation among Taiwan's industries.
Develop our independent industry and equipment products	Many large-scale companies in the semiconductor industry have supplies from major manufacturers from Japan, South Korea, Europe and the United States. We cooperate with material manufacturer (e.g. 5G material manufacturer) to create self-development skills. Thus, the technology of equipment and materials can be self-sufficient in the domestic industry, forming a complete supply chain, increasing the overall output value of the semiconductor industry, and strengthening the overall output value of the domestic semiconductor industry to be against the emerging red supply chain.
Strengthen research and development relationships between industry, academia and research institutes	Unimicron has long-term collaboration plans with domestic universities such as Tsing Hua University. In 2020, the amount of cooperation reached NT\$8.8 million. Unimicron hopes to effectively use the research results of academia to shorten the learning curve. At the same time, it also activates the research capability of domestic research institutes and academia and promotes basic sciences.
Drive the industry to set new specifications	The 5G IoT product development plan and ultra-small pitch LED module development plan of Unimicron's R&D Department are all new plans. The industry has not established a standard for product quality certification or testing. With Unimicron's investment, once the next generation of product quality certification or testing is achieved, new specifications can be set for the industry (such as the board warpage must be less than 25 μm), thus forming an entry threshold for technology that prevents other competitors from easily entering this field and protects the Company's commercial interests. Unimicron is also willing to share these plans with the industry.
Promote industrial restructuring or optimization	In 2020, we invested NT\$ 12 million and collaborated with Industrial Technology Research Institute (ITRI) to develop new high-frequency and high-speed technology. It is hoped that through the cooperation of various manufacturers, the synergy effects can be used to improve the competitiveness and profit of the industry.

R&D Cooperation Plan

Unimicron continuously collaborates with Suppliers, Academia, and Government to ensure that the product is in the leading position in the world.

 Cooperation with Suppliers

To ensure that the product is in the leading position in the world, we maintain close cooperation with excellent material and equipment suppliers, introduce high-performance materials and cutting-edge equipment for new product development, and cooperate with domestic equipment firms. Especially, 5G higher-frequency communications and the Low Df material process of high frequencies signal loss need to cooperate with material suppliers early.

 Cooperation with Academia

We work closely with domestic and overseas research institutes and academia, which includes joining the System Packaging Consortium of Industrial Technology Research Institute (ITRI), Germany IZM, and Georgia Institute of Technology (the U.S.) to co-develop a number of new products and technology. We work closely with a number of well-known universities such as Taiwan National University, National Tsing Hua University, National Chiao Tung University, National Central University, Yuan Ze University, Chang Gung University, and Chung Hua University. We have also established a cross-disciplinary research and development program to accumulate research and development at National Tsing Hua University and Yuan Ze University. From 2016 to 2020, we had invested NT\$45.72 million.

 Cooperation with the Government

We received tax exemptions, investment tax credits and incentives for equipment, and subsidies through Industrial TDP from the government. From 2016 to 2019, Unimicron had two "A+ Industrial Innovation R&D Programs" (A+ program) approved by the Ministry of Economic Affairs and we are leading one of the programs to collaborate with four other companies. Unimicron received more than NT\$ 86.46 million in subsidy from the government to develop panel-level ultra-fine pitch Fan-out technology. We will adopt Multichip Heterogeneous Integration Packaging Technology and expand the package sizes to apply in 5G high frequency and high-speed communication that reduce Insertion Loss and improve electrical performance.

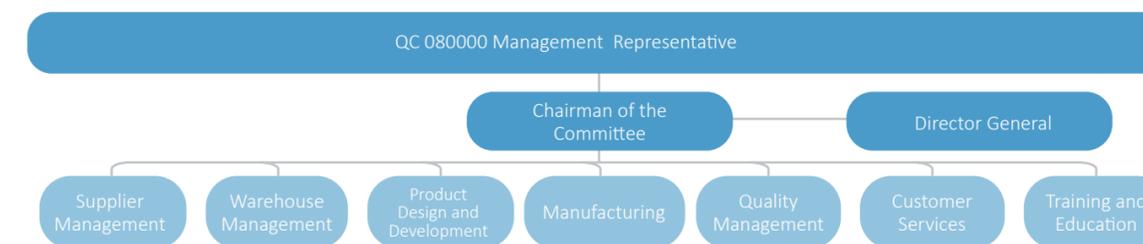
2.1.3 Green Product Management

Unimicron is committed to the implementation of green product management with the three principles of "compliance with green specifications and requirements", "green procurement", and "green supply chain", and sets the quality target of HSF. The use of environmentally hazardous substances on products is strictly prohibited, which extends to Quality Management, Procurement, Products, R&D, Manufacturing, Sales and other departments to consider green materials amid the process design. The purchased raw materials meet the requirements of international laws and regulations such as Restriction of Hazardous Substances (RoHS), Registration, Evaluation, Authorization, and Restriction of Chemical (REACH), Packaging Materials Directive, China RoHS, California 65 Act, Montreal Convention, etc. In terms of products, the requirements of RoHS and REACH are met 100%. The principles of green products and continuous improvement are implemented, so as to satisfy customers and comply with the requirements on green materials by international environmental protection specifications. Likewise, we fulfill our social responsibility of environmental protection.

<p>Policy HSF Quality Policy</p> <p>Commitment Green products that 100% comply with international regulations, industry standards and customers' requirements</p> <p>Actions</p> <ul style="list-style-type: none"> • Source management • Process management • Customer-end management 	<p>Division Green Product (Management) Committee</p> <p>Grievance Mechanism Audit Office's Customer Complaint Mailbox System</p> <p>Resources Invested</p> <ol style="list-style-type: none"> 1. Establish a testing report management system 2. Establish an announcement and return system of suppliers' hazardous substance declaration documents 3. Set up hazardous substance testing equipment (XRF) 	<p>Goals</p> <ol style="list-style-type: none"> 1. The procurement rate of green materials (compliance with RoHS) is 100% 2. The compliance rate of suppliers' testing reports by third notary units is 100% 3. Products' RoHS inspection compliance rate is 100% 4. Finished goods' XRF inspection compliance rate is 100% 5. Incoming materials' XRF inspection compliance rate is 100% 6. The outsourced inspection compliance rate is 100% 7. Customers' HSF quality satisfaction: 4.55 (out of 5 points)
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Green Product Committee

Based on QC 080000 IECQ Hazardous Substances Process Management (HSPM), Unimicron established the Green Product Committee to set HSF quality policy and targets. The hazardous materials are completely controlled by the processes of quality planning, supply chain, material flow, manufacturing, and quality assurance to ensure that the products meet the requirements of customers, comply with relevant regulations and green product specifications, and meet the quality and customer satisfaction requirements.



HSF Quality Policy

To implement the four major principles of HSF quality policy, Unimicron has established various indicators to regularly track performance and achievement rates, in order to ensure that the policies are implemented and meet customer needs. From 2013 to 2020, the achievement rate of all HSF quality indicators was 100%, and there were no returns from customers due to HSF noncompliance.



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HSF Quality Indicators and Performance

Indicator	Target in 2020	2020 achievement rate	Target in 2021
Number of returned goods due to inconformity with HSF	0	100%	0
Real-time update completion rate of international/customer regulations on hazardous substances	100%	100%	100%
The pass rate of hazardous substance inspection conducted internally from incoming to shipping and by a commissioned third-party certification body	100%	100%	100%
Deficiency improvement rate of regular and irregular HSF internal/external audit	100%	100%	100%
Completion rate of HSF regular training	100%	100%	100%

Hazardous Substance Survey

“100% Green Products in Accordance with International Regulations, Industry Standards and Customer Requirements” is Unimicron’s commitment to green products. In response to and to comply with the requirements of the directives of the RoHS and REACH, Unimicron carried out source and finished product management according to the specifications of the management systems, and requested suppliers to conduct hazardous substance surveys to ensure that the raw materials were in accordance with the management of hazardous substances by RoHS and REACH.

Green Product Management Mechanism



2.2 Customer Relations

Management Approach

Policy

Three principles of quality policy : customer orientation, dedicated to Quality, and continuous breakthrough

Commitment

Jointly commit towards sustainability to create common prosperity

Actions

- Compliance with CSR regulations: Reduce critical deficiencies in customer CSR/RBA audits
- Strict compliance with customer privacy requirements: No cases of customer complaints due to an infringement of customer privacy or loss of customer information

Division

CSR Customer Service Implementation Officer

Grievance Mechanism

Telephone, E-MAIL, and communication software

Resources Invested

- Business Unit
- Plant Manufacturing Department
- Plant Product Department
- Plant Quality Control
- Customer Service Department
- Human Resource
- Environmental Safety
- Corporate Sustainability Committee

Goals

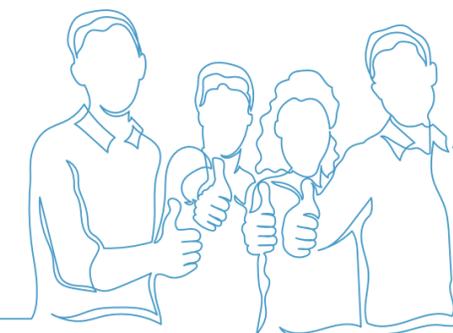
1. Number of critical deficiencies in CSR/RBA audit: 0
2. Number of customer privacy violations: 0
3. Average satisfaction score of PCB >3.5 points (target); Average satisfaction score of Carrier >3 points (target)

Other Response Measures

Reply of major deficiencies & confirmation of improvement effects

2.2.1 Customer Services

As a world-class supplier of the PCB and Carrier industry, Unimicron’s customers are located all over the world. The goal of Unimicron is to become the best business partner for our customers, and we are committed to technological innovation and providing the best products. Unimicron uses several communication channels and actively communicates to understand customer’s needs. We are committed to providing perfect services and establishing a relationship of customer satisfaction and trust.



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Customer Relationship Management

PCB Customer Relationship Management

Customer Satisfaction Survey

To implement market-oriented ideas, we fully understand and satisfy the needs and expectations of our customers through customer satisfaction surveys, as a way to improve service/HSF quality, and as a basis to adjust the Company's business strategy and development direction

Customer Service Management

To provide fast, efficient and thoughtful service to customers, and with the hopes of improving customer satisfaction and loyalty, this procedure is implemented for various types of services



VIP Customer Service Team Member Evaluation

The leader of each department of the VIP customer service team needs to regularly evaluate and review the skills of members, and educate or adjust the members' abilities to reach the requirements and improve the service and competitiveness of the VIP customer service team

Customer Complaint Management

To enhance our customer service, we conduct immediate investigations on the problems raised when using our products and take appropriate measures to improve the satisfaction towards our products and services

Carrier Customer Relationship Management

Customer Satisfaction Survey

In order to make customer satisfaction requirements consistent with the Company's business management objectives, we keep tabs on customer needs and market trends based on customer satisfaction surveys, as a way to improve service quality and as a basis to adjust the Company's business strategy and development direction

Sales Return

To provide customers with complete services by clearly and effectively handling customer's returns



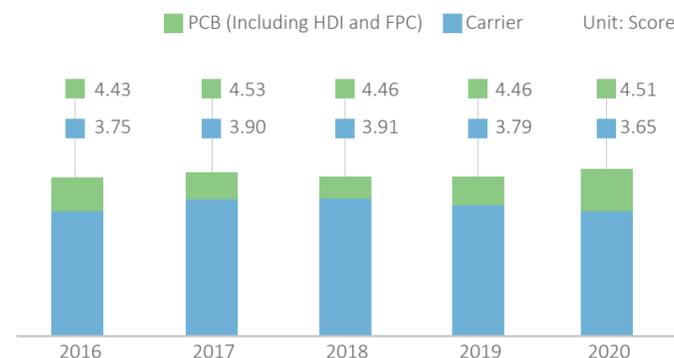
Customer Complaint Management

Establish customer complaint classification corresponding to the management procedures of the plant-managing unit to reduce customer complaints and provide timely responses, as to improve customer satisfaction. Continue improving quality to meet customer needs



2.2.2 Satisfaction Survey

In order to understand customer needs and provide quality services, Unimicron actively conducts customer satisfaction surveys every year, and based on customer satisfaction survey results, we keep tabs on customer needs and market trends, as a way to improve service quality and as a basis to adjust the Company's business strategy and development direction. To truly grasp customer expectations, the plants in Taiwan, South China, and East China conduct customer satisfaction evaluations for VIP customers every 6 months and important customers every year. The survey items include price, delivery date, technology, quality, HSF quality, customer service, etc. Customer satisfaction is scored on a 5-point scale. If an item of the PCB (HDI and FPC) scores an average below 3.5 (target value) and the Carrier scores an average below 3 (target value).

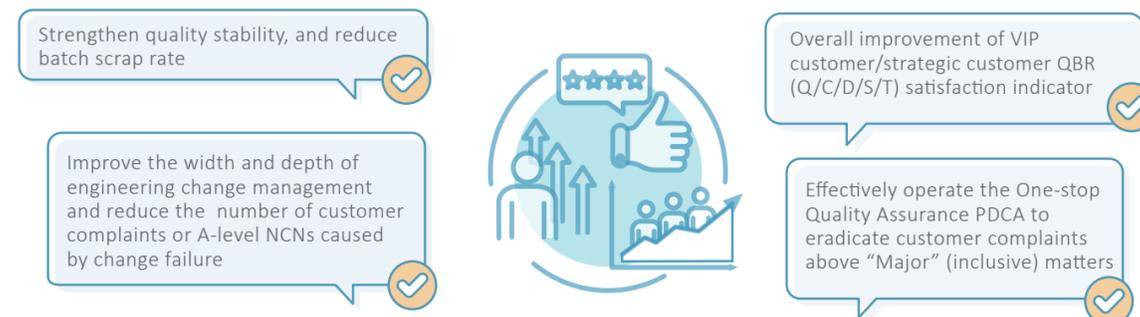


Explanation of Declines in 2020 Satisfaction

Item	Difference in scores from the previous year	Description	Improvement Plan
Customer Satisfaction of PCB Division	+0.05	1. The technical services of important products met customers' needs 2. The annual quality requirements had increased	Continue to maintain good communication with customers on new technologies and respond to customers' related needs immediately
Customer Satisfaction of Carrier Division	-0.14	As the overall demand from customers exceeds the supply capacity and the specific product should be reserved for strategic customers who are directly investing in product or equipment	Not only Continuously explain market conditions and Company strategies but also provide relevant plans and suggestions to customers

To improve customer services, in addition to the results of the customer satisfaction survey, we shall, after summarization and analysis of the customer Quarterly Business Review (QBR) score sheets, discuss the improvement plan and the promotion of relevant response measures in the meeting. These shall be included in the relevant departments' performance management indicators to refine standards for each service, build competitive advantages, and win the trust of customers.

The protection of customers' intellectual property rights and business information is the focus of our business and business ethics management. In addition, in order to protect the privacy of customer and personal information, Unimicron adheres to the relevant regulations of the information security policy and has implemented specific management programs such as terminal computer management, data center management, anti-virus and anti-hacking management, education and training, and network security system management. Unimicron has not been complained by customers for infringement of customer privacy or loss of customer information in 2020.



2.2.3 Complaint Mechanism and Handling

Unimicron pays considerable attention to the opinions given by our customers. We view customer complaints and comments as opportunities to assist us in continuous improvement. Thus, Unimicron has built a complete mechanism to ensure the effective communication, processing and response of customer complaints and opinions through a comprehensive, systematic and standardized processing procedure, in order to protect customer rights and interests.



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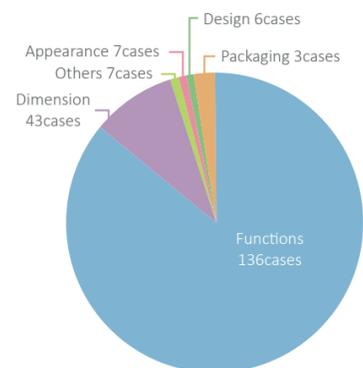
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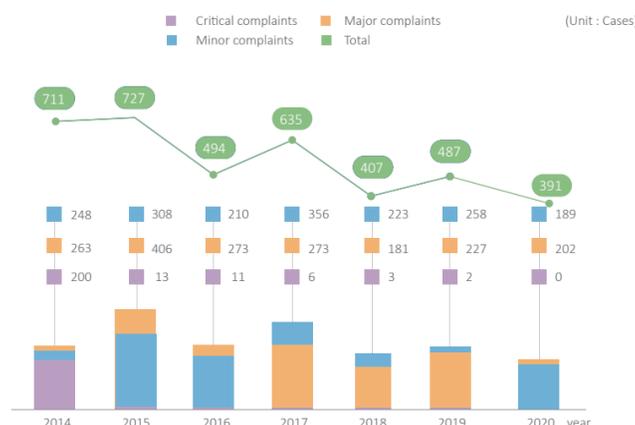
Unimicron categorized customer complaints into three types - "Critical", "Major" and "Minor" - based on their severity level, with which the cases are reported, handled and have their progress tracked accordingly. It is expected that all complaints can be handled and responded to in a proper way, with the most efficient use and allocation of resources.

In 2020, Unimicron received a total of 0 "Critical" and 202 "Major" customer complaints about PCB products, 27 cases less than the previous year. The main reason for the decrease in customer complaints was the problem of abnormal functions, which decreased by 72 cases compared with 2019. The main reason for these customer complaints consisted in functional problems. After the improvement made in the plants and the timely reply and solution before the customer's requested deadline, all the cases have been closed and there have been no recurrences.

2020 Major Customer Complaint Issues for PCB products

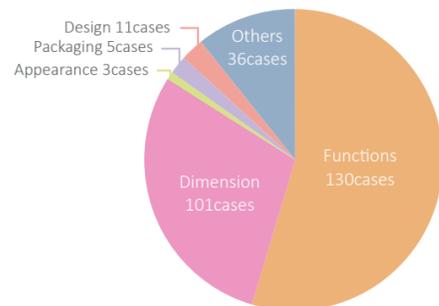


Complaint trend for PCB (HDI and FPC) products



In 2020, Unimicron received a total of 0 "Critical" and 286 "Major" customer complaints about Carrier products, 42 cases increase than the previous year. Among them, the main reason for the increase in customer complaints was the problem on a dimension by 29 cases compared with 2019, the dimension of Bump void increased the most that we have planned the strategies for, reduce the defective fraction of copper and revise the testing method and effectively detecting the issue. With the effort, all cases have been closed and there have been no recurrences.

2020 Major Customer Complaint Issues for Carries products



Complaint trend for Carrier products



2.3 Supply Chain Management

2.3.1 Sustainable Supply Chain

Policy	Division	Goals
Fulfill the Responsible Business Alliance's "RBA Code of Conduct" as the basic principle for conducting business activities	<ul style="list-style-type: none"> Corporate Sustainability Committee CSR Supply Chain Subcommittee Materials management Quality management and Unimicron's internal units 	Upstream and downstream supply chain management meeting the requirements of quality/cost/delivery/service/technology and CSR management system
Commitment	Grievance Mechanism	Other Response Measures
Sustainability and co-prosperity, providing total quality (TQM) that meets customers' satisfaction	Audit Office's complaint hotline 0930-351-557	Unimicron follows customers' requirements and is committed to the improvement and refinement of the CSR management system. In addition to self-requirements, it also hopes that suppliers can co-prosper and maintain sustainability with Unimicron. Regarding the risk management of sustainable business operations, in addition to the continuous implementation of supply chain Q/C/D/S/T management, we began to include the RBA Code of Conduct, regulations and other supply chain potential risks in the assessment items at the end of 2018.
Actions	Resources Invested	
<ol style="list-style-type: none"> Meet customers' requirement Advocacy to suppliers/Supplier evaluation/Supplier audit/Supplier assessment 	<ul style="list-style-type: none"> Organize a supplier conference On-site audit of CSR suppliers and deficiency counseling materials Daily advocacy 	

Supply Chain Overview

Unimicron's suppliers mainly include seven categories of raw material suppliers, equipment, engineering suppliers, waste disposal companies, on-site companies (such as security), human resources brokers, and land, sea and air freight forwarders. In which, both raw material and equipment suppliers are the most important supplier categories, totaling 747 companies.

For the major raw material suppliers and equipment suppliers (including strategy key suppliers) involved in the manufacturing of our products, we have developed sound quality management and CSR management model for corporate social responsibility, financial risks, conflict minerals, and Business Continuity Plan to meet the principles of corporate sustainable development. At the same time, we have established positive partnerships with suppliers to oversee their CSR-related risks, strengthen audit management, and coach and assist in improvement, all to lead the overall supply chain towards a sustainable future.

2020 Supply Chain Management

Supplier profile analysis	Raw material supplier	Equipment supplier
Management policy	For raw material supply partners, adopt comprehensive Q/C/D/S/T management strategies and major supplier RBA supply chain management strategies, in order to ensure that the quality of supply meets customer expectations	Initial technical exchanges, joint development, equipment maintenance and provision of major suppliers RBA Code of Conduct management strategies
Importance	Provide Unimicron with timely and appropriate amounts of raw materials to manufacture products that meet customer requirements	Provide advanced equipment and technology to assist Unimicron in producing high-quality products with a positive yield rate that meets customer requirements
Number of suppliers per procurement category (suppliers)	477	270
Proportion of suppliers per procurement category (%)	64%	36%
Percentage of transaction amount per procurement category (%)	49%	51%

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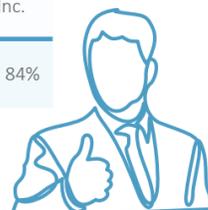
Sustainable Supplier Management

Unimicron promises to establish a supplier management system and specifications, and communicate with them every year to establish a stable and sustainable development of a win-win strategic partnership. In order to promote the sustainable management of suppliers and build a more resilient supply chain, Unimicron has included aspects of supply chain risks, continuity operations, finances, conflict minerals, etc. in the CSR sustainable supply chain management issues and jointly mitigates supply chain risks. In addition, a cross-departmental "Supply Chain Management Committee" assists suppliers in improving and upgrading quality systems, environmental protection, green procurement, and plant safety through regular coaching and auditing, building supplier sustainability.

Unimicron integrates the management system with the procurement process in promoting sustainable supplier management, and requires raw material and equipment suppliers to sign a "Supplier Corporate Social Responsibility Letter of Commitment". The content of this commitment letter is based on the RBA Code of Conduct, the International Labor Organization Convention and the Social Responsibility SA 8000 standards, and the content covers ethics, human rights, and environmental considerations. In Taiwan, participating suppliers accounted for 97% of the transaction amount in 2020 and completed signatories reached 75% of the participating signatories. 100% of the supplier commitment statements of the plants in Mainland China (Unimicron (Shenzhen)/Unimicron (Kunshan)/Unimicron (Huangshi)/Unimicron (Suzhou)/Unimicron-FPC (Kunshan)) have been signed. The suppliers of QunHong Technology Inc. have also been signed 84%. In response to the new version of the 2021 RBA Code of Conduct, we renewed the "Supplier Corporate Social Responsibility Letter of Commitment" and invited suppliers to commit, signed and comply with the new code.

2020 Signature rate of Supplier Commitment Statement

Raw material suppliers	Plants in Taiwan	Plants in Mainland China (Unimicron (Shenzhen)/Unimicron (Kunshan)/Unimicron (Huangshi)/Unimicron (Suzhou)/Unimicron-FPC (Kunshan))	QunHong Technology Inc.
RBA Commitment Letter	75%	100%	84%



Statement Aspects of the Supplier Commitment Letter

- Commitment to the non-usage of illegally mined raw materials
- Environmental hazardous substances non-use declaration
- Business ethics compliance statement
- Warranty of non-infringement
- Statement of social responsibility

Sustainable Supplier Risk Management Framework

In order to strengthen the sustainability risk management of the supply chain, Unimicron gradually strengthens the sustainability performance of the supply chain, especially through four steps to review and improve the sustainability risks faced by the supply chain. First, we conduct a risk review to examine possible risk issues in procurement, and then through risk assessment, we quantify and classify risks, identify major key risks, and implement risk mitigation measures after the results are analyzed. Through the deployment of risk mitigation measures, supplemented by the establishment of standard operating procedures (SOPs), we finally communicate and cooperate with suppliers, through the establishment of recovery plans to require supplier attributes (single-supplier) to conduct tier 2 suppliers or second-origin certification programs to gradually reduce the sustainability risks.

Procurement Risk Management Procedures

We integrate supply chain risk management into daily procurement operations and construct a Procurement Risk Management Procedure under the supply chain risk management framework. Using the PDCA cycle process, we continuously review the risk status and compile the risk index through the results of quantitative risk analysis. At the same time, the risk heat map is drawn, and the risk occurrence frequency and the degree of impact are used as the assessment basis to formulate the periodic review of the mitigation plan and to implement control of the supply chain's sustainability risk.



Purchase Risk Assessment Factors		
Risk type	Risk factor (Tier 1)	Risk factor (Tier 2)
Internal risk	Purchasing risk	Integrity requirements
External risk	Regulatory risk	<ul style="list-style-type: none"> • Supplier CSR risk • Supplier infringement • Hazardous Substances risk
Supply chain risk	Business continuity risk	Supply disruption
	Cost risk	Raw material price
	Supplier conflict minerals management risk	Management of conflict minerals
	Financial risk	Financial data monitoring

Supplier Sustainability Risk Assessment

To improve the sustainable development of the supply chain, Unimicron has set CSR evaluation criteria for new suppliers that meet the screening requirements, and requires new suppliers to complete the "Unimicron Corporate Social Responsibility Audit Form." For existing suppliers, we encourage the top 50 suppliers in annual transactions to actively participate in self-assessment. At the same time, for key suppliers, we also proactively send out RBA Self-Assessment Questionnaires (SAQ), which will be reviewed by the supply chain management team with on-site audit, and follow-up risk management and control is conducted. As of the end of 2020, the response rate of the supplier self-evaluation questionnaire was 94%.

Supplier Sustainability Audit and Advocacy

In 2020, we conducted a total of 48 on-site audits for important suppliers, including 11 Unimicron's and 1 QunHong's suppliers in Taiwan and 36 suppliers in Mainland China. Although the suppliers still have deficiencies, none of the suppliers are included in the high-risk level internally recognized by Unimicron. The main audit deficiencies of suppliers in Taiwan and Mainland China are in the aspects of labor, health and safety, material supplier risk management, and general rules (employee and supplier education and training). Unimicron requires audited suppliers to complete or propose improvement plans within the improvement deadline. The improvement completion rate of 12 Unimicron's and QunHong's suppliers was 38%, and that of 34 suppliers in Mainland China was 100%.

It is expected to conduct interviews and provide considerable assistance to suppliers that have not completed the deficiencies improvement or drafted plans in the second half of 2020. Unimicron will continue to require suppliers to implement audit deficiencies improvements and continue to coach suppliers to comply with the RBA Code of Conduct, to reduce supply chain risks and promote supply chain growth. Based on the actual audit and improvement delay scores, two suppliers with excellent performance in the audit results in 2019 (need to cooperate with the on-site audit and complete the improvement) will be selected from them to be awarded the top "Sustainable Co-Prosperity Award" at the 2020 Supplier Conference, as the model for other suppliers to learn from.

Supplier CSR Audit Process



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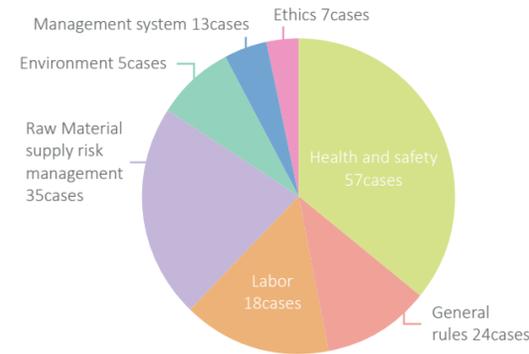
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Aspects of Supplier Audit

- Labor
- Health and Safety
- Environment
- Ethics
- Management System
- Raw Material Supply Risk Management
- General Rules



2020 List of Non-Conforming Items of Suppliers in Taiwan



Deficiency item	Item (cases)	Percentage(%)
Labor	18	12%
Health and safety	57	36%
Environment	5	3%
Ethics	7	4%
Management system	13	8%
Raw Material supply risk management	35	22%
General rules	24	15%
Total	159	100%

Note 1: In terms of supplier audit results on labor, there are no violations of child labor in Taiwan, but three suppliers may be involved in the risk of violating forced labor regulations. Deficiency contents include the application procedure for resignation and taking custody of passports of foreign migrants. Relevant suppliers have completed these improvements and revised their operating procedures and management measures. The cases have been closed. There are no major deficiencies in the environmental aspect.
Note 2: Major deficiencies refer to the issues that are deemed as "Critical" in the audit standards and need to be improved within seven days.

2020 List of Non-Conforming Items of Suppliers in Mainland China



Deficiency item	Item(cases)	Percentage(%)
Labor	44	23%
Health and safety	98	52%
Environment	29	15%
Ethics	0	0%
Management system	1	1%
Raw Material supply risk management	10	6%
General rules	6	3%
Total	188	100%

Note 1: In terms of supplier audit results on labor, there are no violations of child labor or forced labor in Mainland China. There are no major deficiencies in the environmental aspect.
Note 2: Major deficiencies refer to the issues that are deemed as "Critical" in the audit standards and need to be improved within seven days.

Findings and Improvement Actions of 2020 Supplier Audit

Classification	RBA classification	Main findings	Improvement action
Labor	<ul style="list-style-type: none"> • Free choice of employment • Compensation and benefits • Non-discrimination 	<ul style="list-style-type: none"> • Keeping the passports of foreign employees and requiring employees to give their notice a certain amount of days before resigning does not comply with regulations • Deducting salary as a means of punishment • Items on the interview resume that involve discrimination 	<ul style="list-style-type: none"> • Immediately return foreign employees' passports and amend the number of days of notice before resigning to comply with regulations • Amend the penalty for deducting salary • Revise the item on the resume that involves discrimination to comply with regulations
Health and safety	<ul style="list-style-type: none"> • Occupational safety • Occupational hygiene • Health and safety communication 	<ul style="list-style-type: none"> • Insufficient OSH staff; insufficient emergency personnel • Insufficient hazard labeling and Globally Harmonized System of Classification and Labelling of Chemicals (GHS) • The contents of the first aid kit have expired 	<ul style="list-style-type: none"> • Strengthen self-management and maintenance • Hire more necessary OSH personnel (including emergency personnel) • Renew the form for "Effective date"
Environment	<ul style="list-style-type: none"> • Pollution prevention and resource reduction 	<ul style="list-style-type: none"> • Temporary storage of waste does not comply with the management and regulation of clearing and transportation 	<ul style="list-style-type: none"> • Make improvements according to regulations and implement waste management
Ethics	<ul style="list-style-type: none"> • Fair business, advertising and competition 	<ul style="list-style-type: none"> • There is a requirement to declare fair trade / competition (antitrust), but there is a lack of detailed education 	<ul style="list-style-type: none"> • Advocate relevant regulations and recommend internal lecture records for at least two years (decree amendments)
Management system	<ul style="list-style-type: none"> • Management accountability and responsibility 	<ul style="list-style-type: none"> • No publicity and training of the RBA Code of Conduct 	<ul style="list-style-type: none"> • Provide relevant teaching materials for training and request to return training records
Raw Material supply risk management	<ul style="list-style-type: none"> • Supplier RBA Code of Conduct compliance and its supply chain-related communication 	<ul style="list-style-type: none"> • List those who do not comply with the supply chain's RBA Code of Conduct in the Supply Chain Management Procedures 	<ul style="list-style-type: none"> • Suppliers should establish supplier management procedures that require their supply chain to commit to and sign the RBA Code of Conduct
General rules	<ul style="list-style-type: none"> • CSR/RBA training 	<ul style="list-style-type: none"> • Lack of CSR/RBA knowledge 	<ul style="list-style-type: none"> • Establish a contact person that all employees (include the management level) understand CSR/RBA

CSR Audit Practices and Number of Plants Audited in Taiwan by Year

Year	Practice	Implementation results
2018	As of 2020, 152 copies of the "Unimicron Corporate Social Responsibility Assessment Form" have been issued and 137 copies have been recovered (including the number of on-site audits by year)	On-site audit 12 companies (re-audit 6 companies + initial audit 6 companies (including equipment suppliers))
2019		
2020		
Target in 2021		On-site audit 12 companies (re-audit 9 companies + initial audit 3 companies (including equipment suppliers))

In 2020, based on the supplier audit plan, we expect to audit 12 key suppliers including re-audits of 9 suppliers to confirm the effectiveness of suppliers' improvements and continuous implementation. We also selected 3 suppliers that have not received on-site audits for auditing operations in order to implement and advocate the supply chain's compliance with the RBA Code of Conduct.

Construct a Supplier Communication Platform and Capacity Building

Unimicron follows international standards and regulations such as the RBA Code of Conduct, ISO 14001, ISO 45001, QC 080000, and bans on conflict minerals. We have also established comprehensive supplier management systems and regulations and hosted regular Supplier Conferences based on environmental, human rights, safety, and health principles outlined in the above international standards to promote CSR. We launch campaigns on quality/green products, work safety, and CSR supplier management, and communicate with suppliers to create a win-win partnership.

Unimicron plans to hold a supplier conference every year. However, the COVID-19 outbreak affects, that the supplier conference had changed the way to outreach sustainable issues by online supplier platform, include quality, industrial safety, environmental protection issues, green procurement, information security, sustainable supply chain management, CSR implementation results, and the RBA Code of Conduct. In addition, the Mainland China facilities had affected by COVID-19 so we adopt the plan with "Supplier Commitment Letter" and Email for propaganda to the supply chain. In response to the RBA 7.0, we will renew the training materials on the supply chain online platform.

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- CSR Supply Chain Management
- OSH Communication and Consultation
- Green Procurement HSF Management Requirements

Note : In 2020, due to the COVID-19 pandemic, we had suspended the Annual Supplier Conference and held by digital learning.



Local Procurement

Unimicron adheres to the principle of sustainable corporate social responsibility and hopes to promote the sustainable development of the entire supply chain. Therefore, to promote operational activities and local economic development, Unimicron actively implements localization of materials, and supports the development of local suppliers, all to reduce unnecessary air and water freight costs, as well as the carbon footprint generated during material transportation. In 2020, the local procurement ratio of raw materials purchased by Unimicron in Taiwan was 73%. QunHong Technology Inc. had a local procurement ratio of 83%, and Mainland China facilities had a local procurement ratio of 84%.

Percentage of Local Procurement Amount

Year	2018	2019	2020
Taiwan Facilities	68%	67%	73%
QunHong Technology Inc.	82%	81%	83%
Mainland China Facilities	81%	84%	84%



Recycle of Trays

Meanwhile, we also recycle packaging materials. The trays used for Carrier shipments are collected by Unimicron's suppliers from the customers for reuse purposes. Unimicron gives priority to procurement of reused trays. In 2020, the purchase of recycled trays accounted for approximately 51% of the usage.

Year	2016	2017	2018	2019	2020
Recycled tray procurement ratio (%)	49	42	40	52	51

2.3.2 Conflict Minerals Management

Unimicron complies with the RBA Code of Conduct and works together with customers promising not to use metals extracted from armed conflict areas, illegal mining, and mining in poor working environments. Meanwhile, we require our suppliers to fulfill their social and environmental responsibility and trace the sources of metal materials such as gold (Au), tin (Sn), tantalum (Ta) and tungsten (W) contained in all products to ensure that these metals are not from conflict mining areas or blood mining areas. We also require all of our suppliers to communicate this requirement to their upstream suppliers in order to eradicate such behavior through the use of market mechanisms. We have also brought out our influence on the supply chain by requesting smelters to be certified by the Minerals Assurance Process (RMAP), as to fulfill our commitments with practical actions. All smelters and refineries of 3TGs have used by Unimicron's Taiwan facilities have obtained the RMAP certification and meet the RBA requirements. The conflict minerals used in plants in Mainland China and QunHong Technology Inc. all meet the RBA requirements.

In response to Responsible Minerals Initiative (RMI) regulations, the mining management of the metal "cobalt" has been added to the scope of conflict minerals. Therefore, we actively promote and incorporate them into the training materials of the supplier conference. In addition to requiring all suppliers of 3TGs raw materials (gold/tin/tantalum/tungsten) to comply with the RMAP certification requirement for smelters, at the same time, suppliers of raw materials that contain "cobalt" are required to participate in the RMAP certification plan.

The Distribution of the Countries Where the Refineries and the Smelters Are Located



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Unimicron takes the “Planet, People and Performance” as the three main pillars of sustainable actions to formulate and promote various programs, and formulates short, medium and long-term goals. The concepts of pollution source reduction and clean production are incorporated into all of the Company’s operations, and the Company actively promotes various resource and energy reduction measures. We have continued to realize Unimicron’s commitment towards environmental sustainability based on the “Unimicron Environmental Sustainable Development Blueprint” along with each plant’s actual conduct in the year. As the Company has an environmental management system with clear duties and responsibilities and strong execution, it can thoroughly consider the environmental impacts and risks that may be caused by production activities; design accordingly to internalize environmental management into daily operational activities; and reduce execution risk through standardization. There were no major environmental violations in 2020 (with a fine of more than NT\$ 1 million). There were 2 incidents that were not a major violation, and after review and confirmation, all deficiencies have been corrected and there is no danger of another violation. Regarding the channels for complaints and suggestions related to environmental issues, stakeholders could report through the CSR website mailbox, CSR@unimicron.com.

3.1 Implementing the TCFD Recommendations

3.1.1 Core Framework

The Financial Stability Board (FSB) established Task Force on Climate-Related Financial Disclosures (TCFD). The climate-related risks and opportunities have become the most important sustainability issues to Unimicron, so we should assess and manage the connection of operation strategies instead of only focus on the step of identification. In the past, the capital market only focused on economic indicators, but now more information is used as a reference for investment decisions. For pursuing a clear and efficient platform for negotiation with stakeholders by TCFD framework. TCFD concerns that transition and physical risks may affect demand for products and services and every type of sector could effectively for financial disclosures. We realized that the disclosure of climate-related financial risks should be present to businesses and financial markets.



Governance

To keep the Board informed of climate-related issues, Unimicron reports to the Board once a year through the Corporate Sustainability Committee. The Board may take climate-related issues into account when reviewing guidance strategies, major action plans, risk management policies, annual budgets and business plans, as well as setting organizational performance targets, monitoring execution and implementing/monitoring major capital expenditures.



Strategy

The Company’s highest internal management committee responsible for climate-related matters is the Corporate Sustainability Committee. The Chairman of the Board and the president of each business group serve as steering members of the Corporate Sustainability Committee, and the unit heads are responsible for the operation of its four committees. The committees are composed of representatives from all operating units of the Company and are responsible for confirming the management criteria and implementation of CSR issues. The committees’ responsibilities include evaluating and/or managing climate-related issues and conducting Key Performance Indicators management reviews.



Risk Management

Based on the scope and status of climate change impacts, physical and transition risks are scored according to their probability of occurrence and severity (impact level), and are classified into different quadrants based on their scores. Projects with high frequency and severity of occurrences require a risk mitigation plan analysis, which is updated every six months to ensure its effectiveness.



Metrics & Targets

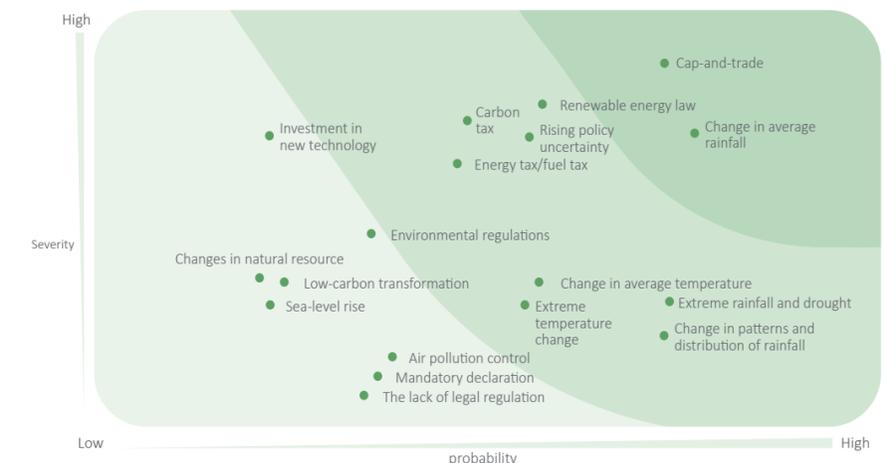
- Greenhouse gas management : Maintain the intensity of GHG emissions per unit of revenue below 12.
- Water resources management : Maintain the intensity of water resource consumption per unit of revenue below 310.
- Energy and resource management : Maintain the intensity of electricity consumption per unit of revenue below 18.



3.1.2 Risk and Opportunity Identification

The relevant departments in the Corporate Sustainability Committee identify and analyze the potential climate change risks and opportunities within their business areas. Based on the occurrence probability (7 levels) and severity (5 levels) of each risk and opportunity, a matrix is drawn to capture significant risks and opportunities, and management methods are developed to reduce, transfer or avoid potential impacts.

Unimicron Climate Change Risk Matrix



Degree of risk	Source of risk	Type	Possible occurrence time	Impact on Unimicron	Management
High probability X High severity	Cap-and-trade	Transition	Medium term	Shenzhen City, Mainland China, took the lead in launching carbon emissions trading in June 2013. Unimicron (Shenzhen) began to join the Shenzhen carbon trading mechanism in 2014. If the GHG emission increased, the operating expenses will increase	The cumulative carbon surplus as of 2019 is 161,200 tons of CO ₂ e, which is currently reserved, not for trading, and the remaining carbon credits will be used to offset the annual carbon emissions of Unimicron Technology (Shenzhen) Corp. In the future, the Company will continue to inventory and monitor the greenhouse gas emissions of the plants annually to comply with regulatory requirements
	Change in average rainfall	Physical	Short term	Rainfall is mostly concentrated in some areas, leading to water shortages	1. Conduct regular water monitoring 2. Convene contingency meetings during drought 3. Contingency teams carry out relevant drought preparations
Medium probability X High severity	Carbon tax	Transition	Medium term	A carbon tax would increase the costs of operation	Continuously pay attention to the changes in laws and establish measures to fulfill compliance requirements
	Energy tax / Fuel tax	Transition	Long term	Energy tax/fuel tax would increase the costs of operation	Continuously pay attention to the changes in laws and establish measures to fulfill compliance requirements
	Renewable energy law	Transition	Medium term	The installation / use of renewable energy in Taiwan facilities will increase the company's capital expenditure as required by law in accordance with the renewable energy development regulations	The installation / use of renewable energy in Taiwan facilities, as required by law in accordance with the renewable energy development regulations, will increase the Company's capital expenditure
High probability X Medium severity	Rising policy uncertainty	Transition	Medium term	1.Greenhouse Gas Reduction and Management Act 2.Renewable Energy Development Act	Continuously concern the evolution of regulations and evaluate the contents of the draft
	Extreme temperature change	Physical	Short term	As the rising average temperature in the summer, to maintain the temperature and humidity conditions in the plant, more air conditioning systems need to be turned on to meet the production demand	Improve the efficiency of the air conditioning system and add inverters with control, reducing energy use and reducing greenhouse gas emissions
	Change in patterns and distribution of rainfall	Physical	Short term	Rainfall is mostly concentrated in some areas, leading to water shortages	1.Regularly monitor water shortage tendencies 2.The emergency response meeting shall be held during the drought period 3.Emergency response team shall prepare for a drought
	Extreme rainfall and drought	Physical	Short term	If the number of typhoons landfalling in Taiwan decreases and the number of days without rainfall increases, water shortages will occur	1.Regularly monitor water shortage tendencies 2.The emergency response meeting shall be held during the drought period 3.Emergency response team shall prepare for a drought
	Change in average temperature	Physical	Short term	As the rising average temperature in the summer, to maintain the temperature and humidity conditions in the plant, more air conditioning systems need to be turned on to meet the production demand	Improve the efficiency of the air conditioning system and add inverters with control, reducing energy use and reducing greenhouse gas emissions

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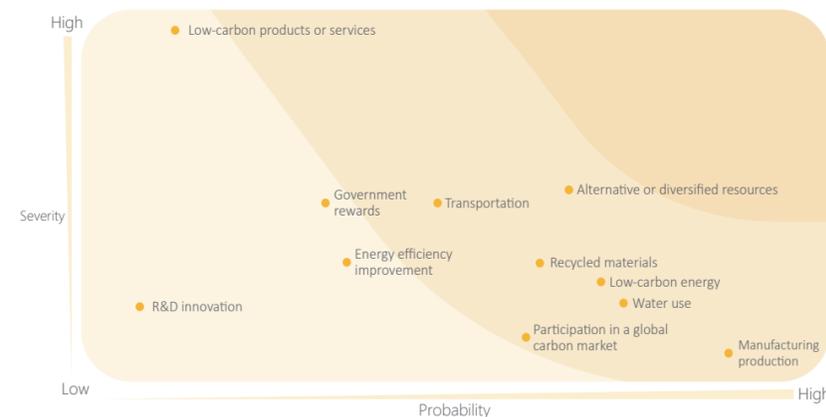
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Unimicron Climate Change Opportunity Matrix



Degree of risk	Source of risk	Possible occurrence time	Impact on Unimicron	Management
High probability x Low severity	Manufacturing production	Long term	1.The reduction of the product defect rate could reduce the cost of scrap 2.Reduce the consumption of other chemicals that could reduce the cost of chemicals	Use new Chemicals in electroplating process
	Low-carbon energy	Medium term	Changing the fuel of boilers from fuel oil, diesel, etc. to cleaner natural gas that can effectively reduce the GHG emissions generated	Plan the installation and purchase of green energy according to law and policy, continuously improve low-carbon energy-saving and pay attention to the development trend of law and policy, and carry out green energy planning
	Water use	Short term	Increase the efficient use of water resources that can reduce dependence on raw water	Recycle the water used for manufacturing, and divert the recycled water back to the relevant system after monitoring the quality of the recycled water
Medium probability x Medium severity	Alternative or diversified resources	Short term	Stable the resource of supplies	Effective cost management
	Transportation	Short term	Shorten the material feeding time	Route optimization

3.1.3 Transition on Scenario Analysis and Financial Implications

Based on the results of the climate risk identification, Unimicron uses three different warming scenarios, namely 1.5°C, NDC and BAU, to make parametric assumptions and financial impact estimates for the transition and physical risk factors. Among them, 1.5°C and NDC are the scenarios with a higher transition risk, so the risk factors are assumed to include carbon tax, total control and carbon penalty, and market. In the high-temperature scenario of BAU, we make simulations with the changes of temperature and rainfall. In the simulations of all three scenarios, the financial impacts are mainly in the form of cost increase and revenue decrease; the financial impact is the highest in the lowest temperature of the 1.5°C scenario, and the financial impact is the lowest in the BAU scenario.

		1.5°C	NDC	BAU
Parameters				
Transition risk	Carbon tax (NT\$)	3,800 / tons CO ₂ e	100/tons CO ₂ e	-
	Carbon Cap and penalty (NT\$)	1,500 / tons CO ₂ e	100/tons CO ₂ e	-
	Market	By 2050, lose green business opportunity	-0.1%/year	-
Physical risk	Degree	-	-	By 2050, the mean temperature will be +0.5 ~ 2.7°C
	Raining	-	-	By 2050, the mean daily rainfall will be -47 ~ +63 mm
The aspect of financial impacts		Increasing costs Decreasing in revenue	Increasing costs Decreasing in revenue	Increasing costs Decreasing in revenue
The value of financial impacts (NT\$)		6 billion ~ 9 billion	1.2 billion ~ 1.5 billion	1.6 billion ~ 16 billion

Note 1 : As the baseline year of 2019, the carbon emission of 1.5°C scenario will decrease 4.2% by linearly decreased every year.
 Note 2 : As the baseline year of 2019, the carbon emission of the NDC scenario will decrease 1.46% every year before 2030, and will decrease 2.32% every year from 2031 to 2050.
 Note 3 : The BAU scenario does not reduce the emissions of GHG, so Scope 1 emission (4.62%/year) and energy consumed (Taiwan 6.23%/year and Mainland China 2.25% / year) will increase continuously.

3.2 GHG Emission

The 2020 annual GHG inventory is conducted following the ISO 14064-1:2018 standards. The boundary includes all plants in Taiwan and Mainland China, and the base year varies with the characteristics of each plant. The total emissions of Scope 1 and 2 in 2020 were 963,928 tons of CO₂e, an increase of 8% compared to 2019. There is an increase of 1.2% shown by the calculation of the intensity value per million revenue. The main reason for the increase in carbon emissions and intensity is that Unimicron (Huangshi) in Mainland China began to collect GHG data by the expansion of the inventory boundary in 2020. To reduce GHG emissions caused by direct energy use, Luzhu II Plant and QunHong Dacheng Plant in Taiwan have changed the boiler oil system to natural gas fuel.

3.2.1 Inventory and Reduction

GHG Emissions and Intensity

Scope	Unit	Area	2016	2017	2018	2019	2020
1	Tonne of CO ₂ equivalent	Taiwan	16,350	16,026	18,546	17,835	20,047
		Mainland China	13,156	10,358	8,631	10,785	9,900
Subtotal			29,506	26,384	27,177	28,620	29,947
2	Tonne of CO ₂ equivalent	Taiwan	414,532	434,028	520,861	519,528	520,922
		Mainland China	316,853	292,250	263,579	346,605	413,060
Subtotal			731,385	726,278	784,439	866,133	933,982
1+2	Tonne of CO ₂ equivalent	Taiwan	430,882	450,054	539,406	537,363	540,969
		Mainland China	330,009	302,608	272,210	357,390	422,960
Total			760,891	752,662	811,616	894,753	963,929
1+2	Tonne of CO ₂ equivalent /million revenue	Taiwan and Mainland China	12.15	11.58	10.72	10.84	10.97
3	Tonne of CO ₂ equivalent	Taiwan	320	731	837	880	320,205
		Mainland China	314	540	314	11,889	49,710
Total			634	1,271	1,151	12,768	369,915

Note 1 : The above data does not include Chungyuan Plant and Chung Hsing Plant in Taiwan.
 Note 2 : The 2019 data of emission, subtotal and total in Mainland China is revised.
 Note 3 : Scope 2 is the use of electricity, and the emission factors in Taiwan are 0.528 (2016), 0.529 (2017), 0.554 (2018), 0.533 (2019) and 0.509 (2020) kg of CO₂e / kWh.
 Note 4 : Scope 2 is the use of electricity. The emission factors for Mainland China are 0.8112 (2016), 0.7035 (2017), 0.7035 (2018), 0.7035 (2019), 0.7921 (2020) tons of CO₂e / kWh in the Eastern China, 0.9229 (2019) and 0.8587 (2020) in Central China, and 0.8959 (2016), 0.8959 (2017), 0.5271 (2018), 0.5271 (2019) and 0.5271 (2020) tons of CO₂e/kWh in the Southern China.
 Note 5 : The unit of revenue is NT\$.
 Note 6 : QunHong Technology Inc. followed the ISO 14064-1:2006 standards and has verified by a fair third party in 2020. The others followed the ISO 14064-1:2018 standards and obtained third-party certificate.
 Note 7 : Due to the changes in the scope of the Scope 3 inventory, emissions have increased significantly.

Base Year of GHG Emissions for Each Plant

Area	Plants	Base year	Emissions (tonne of CO ₂ equivalent)
			Scope 1 and 2
Taiwan	Unimicron	2020	466,612
	QunHong Technology Inc.	2018	76,446
Mainland China	Unimicron (Shenzhen)	2019	53,315
	Unimicron (Kunshan)	2020	135,612
	Unimicron-FPC (Kunshan)	2020	36,840
	Unimicron (Suzhou)	2020	119,678
	Unimicron (Huangshi)	2020	78,996

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Energy Saving Plan

The reduction plan over the years has been mainly focused on electricity and gasoline. Improving efficiency is the top priority of the implementation of energy-saving projects in Unimicron's Taiwan facilities. To reduce the risks of future energy price fluctuations and restrictions, we shall also actively promote energy-saving and electricity-saving actions in various plants. Each plant will continue to promote projects, such as rectifier improvement, variable-frequency energy saving, production deployment, equipment energy-saving mode setting, etc.

Results of Past Reduction Plans

Reduction item	2017	2018	2019	2020
Annual electricity saving (kWh)	30,423	181,934	26,281	12,057
Annual electricity saving (billion joules)	109,523	31,498	94,615	43,406
Annual GHG reduction (tons of CO ₂ e / kWh)	17,944	10,789	14,039	6,501

- Improve production processes and increase efficiency to reduce ineffective energy consumption
 - Replace equipment and upgrade systems to improve energy efficiency
 - Improve management and behavior patterns to avoid wasting resources
 - Production adjustment
- Implementation projects in Unimicron's Taiwan facilities

Note 1 : The emission factor for electricity use in Taiwan is 0.529 (2017), 0.528 (2018), 0.533 (2019), and 0.509 (2020) kg of CO₂e/kWh.

Note 2 : The emission factors for Mainland China are 0.8112 (2016), 0.7035 (2017), 0.7035 (2018), 0.7035 (2019), and 0.7921 (2020) tons of CO₂e/kWh in the Eastern China, 0.9229 (2019) and 0.8587(2020) tons of CO₂e/kWh in Central China, and 0.8959 (2016), 0.8959 (2017), 0.5271 (2018), 0.5271 (2019), and 0.5271 (2020) tons of CO₂e / kWh in the Southern China.

3.2.2 Participation in Carbon Trading

Shenzhen City, Mainland China, took the lead in launching carbon emissions trading in June 2013. For companies included in the key energy consumption statistics (monthly emissions > 10,000 tons of carbon emissions, Unimicron (Shenzhen)'s has an average of 15,000 tons/month in 10-12 years) must conduct compulsory carbon emissions trading (i.e., emission control units). Therefore, Unimicron (Shenzhen) begins to join the Shenzhen carbon trading mechanism in 2014. As of 2019, the cumulative carbon emissions were approximately 718,600 tons. Based on industrial value-added, retrospectively, the due quota in 2019 was about 99,300 tons, and the total cumulative quota was about 879,800 tons from 2014 to 2019. After offset, there is still a balance of 161,200 tons, which is temporarily retained without trading. Since 2016, Unimicron (Shenzhen)'s annual carbon emissions have exceeded the carbon emission quotas, and the remaining carbon emission quotas in the future will be used to offset Unimicron (Shenzhen)'s annual carbon emissions. Due to the impact of the pandemic, the 2020 carbon trading mechanism was temporarily closed and data will be disclosed after government agencies operation.



3.3 Energy and Resource Consumption

3.3.1 Raw Materials

Unimicron always aims to provide high-quality and environmentally friendly products to our customers around the world. Our procurement philosophy for raw materials is also mainly based on environmental friendliness. The three major raw materials used for product production are substrates, potassium gold cyanide, and film. The usage in 2020 was about 2.926 million sheets/13.114 million PNL, 2,926 kg and 176,000 rolls/3.594 million PNL, respectively. There are 100% virgin materials, and no recycled materials are used. At the same time, we also promote the recycling of packaging materials. For the trays used when the Carrier is shipped, we will give priority to the purchase for repeated use, and after shipping to customers, trays will be recycled by Unimicron's suppliers for reuse. In 2020, the purchased quantity of recycled trays accounted for approximately 51% of the total purchased trays.

Main Raw Material Usage

Type	Area	Unit	2014	2015	2016	2017	2018	2019	2020
Substrate	Taiwan	Sheet	3,256,432	1,465,202	1,306,665	1,062,604	1,012,188	1,236,896	1,446,932
		PNL	3,516,572	3,011,416	3,432,666	3,706,742	4,082,477	3,940,471	3,956,729
	Mainland China	Sheet	2,438,560	1,975,013	1,984,420	1,787,085	1,608,995	1,586,119	1,478,611
		PNL	6,623,648	6,126,228	5,262,779	6,434,883	7,813,582	9,120,964	9,157,368
	Total	Sheet	5,694,992	3,440,215	3,291,085	2,849,689	2,621,183	2,823,015	2,925,543
		PNL	10,140,220	9,137,644	8,695,445	10,141,625	11,896,059	13,061,435	13,114,097
Potassium Gold Cyanide	Taiwan	Kg	2,959	1,419	1,378	1,369	1,363	1,177	1,232
	Mainland China	Kg	1,818	1,645	1,777	1,732	1,886	1,878	1,694
	Total	Kg	4,777	3,064	3,155	3,101	3,249	3,055	2,926
Prepreg	Taiwan	Roll	50,099	40,759	157,115	137,072	93,157	98,444	116,903
		PNL	2,909,184	2,052,812	2,431,719	1,943,241	2,525,704	2,292,503	2,573,127
	Mainland China	Roll	37,380	37,448	119,552	44,992	53,245	58,707	58,917
		PNL	6,084,456	3,873,073	2,410,550	1,003,492	1,170,074	1,315,514	1,020,782
	Total	Roll	87,479	78,207	276,667	182,064	146,402	157,150	175,820
		PNL	8,993,640	5,925,885	4,842,269	2,946,733	3,695,778	3,608,017	3,593,909

3.3.2 Energy Management

The fossil fuel used by Unimicron in 2020 includes gasoline (0.0024 X 10⁹ million joules), diesel fuel (0.0166 X 10⁹ million joules), and natural gas (0.3906 X 10⁹ million joules), and indirect energy is electricity (5.6 X 10⁹ million joules) and steam (0.0001 X 10⁹ million joules); the total energy consumption is 6.0 X 10⁹ million joules, and the consumption intensity is 0.68 X 10⁵ million joules/million revenue. Among them, the direct energy consumption was the highest in natural gas that is used for heating equipment in boiler equipment and kitchen, and the indirect energy consumption is the highest in purchased power. Starting from 2019, the plant's liquefied petroleum gas used for kitchen has been replaced by electricity in Mainland China. Since 2014, the Group has gradually changed the fuel of boilers from diesel to cleaner natural gas. As of 2020, the total consumption of diesel fuel has been reduced by 75% compared with 2014. The total consumption of electricity is 17.68 kWh/million revenue and has been reduced by 0.1% compared with 2019.

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Energy Consumption

Type	Unit	Area	2016	2017	2018	2019	2020
Gasoline	KL	Taiwan	9	13	15	11	11
		Mainland China	167	119	112	87	60
		Total	176	132	127	98	71
Diesel fuel	KL	Taiwan	450	411	182	77	128
		Mainland China	269	302	532	332	335
		Total	719	713	714	409	463
Fuel oil	KL	Taiwan	450	488	512	0	0
		Mainland China	0	0	0	0	0
		Total	445	488	512	0	0
Natural gas	m ³	Taiwan	6,147,126	6,005,930	7,531,420	7,881,489	7,780,200
		Mainland China	2,328,477	2,119,135	2,528,663	3,126,236	2,926,580
		Total	8,475,603	8,125,065	10,060,083	11,007,725	10,706,780
Liquefied petroleum gas	Kg	Taiwan	0	0	0	0	0
		Mainland China	90,14	68,200	64,620	0	0
		Total	90,14	68,200	64,620	0	0
Electricity	kWh	Taiwan	784,638	872,660	940,182	974,724	1,023,422
		Mainland China	370,880	373,535	439,656	401,664	530,285
		Total	1,155,518	1,246,195	1,379,837	1,376,388	1,553,707
Steam	Tons	Taiwan	0	0	0	0	0
		Mainland China	13,277.60	14,488	19,654	20,362	27,912
		Total	13,277.60	14,488	19,654	20,362	27,912

Note 1: The above data does not include Chung Hsing Plant and Chungyuan Plant in Taiwan.

Note 2: The data resource of calculation factor from The 2015 Energy Statistical Annual Reports issued by Bureau of Energy, Ministry of Economic Affairs and the 2017 China Energy Statistical Yearbook. The heating of various energy sources is as follows: gasoline (Taiwan: 32,635,200 KJ/KL, and Mainland China: 33,379,250 KJ/KL), diesel fuel (Taiwan: 35,145,600 KJ/KL, and Mainland China: 36,040,940 KJ/KL), fuel oil (Taiwan: 40,166,400 KJ/KL), natural gas (Taiwan: 35,564 KJ / m³, and Mainland China: 38,931 KJ / m³), liquefied petroleum gas (Mainland China: 50,179 Kg / m³), electricity (Taiwan and Mainland China: 3,600,000 KJ/MWh), and steam (Mainland China: 2,762.9 KJ / ton).

Electricity Consumption Intensity

Area	Unit	2016	2017	2018	2019	2020
Taiwan and Mainland China	kWh / Million revenue	18.45	19.17	18.22	17.69	17.68

Note 1: The above data does not include Chung Hsing Plant and Chungyuan Plant.

Note 2: The unit of revenue is NT\$.

3.3.3 Water Resources Management

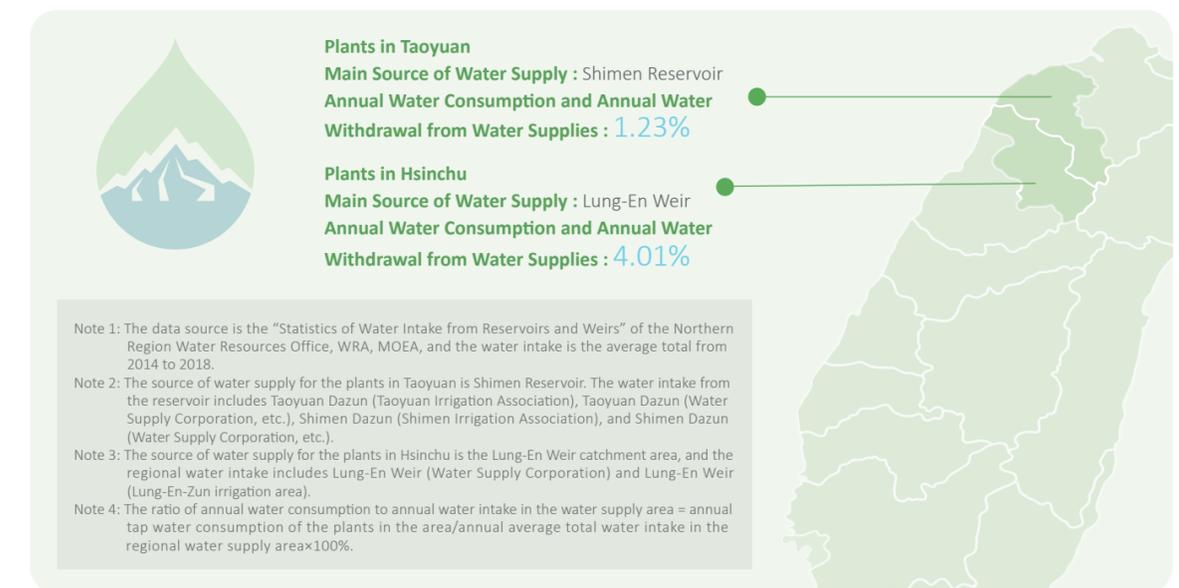
Limited by the industry's characteristics of relying on stable water resources, water source and volume have become one of the most important keys to the continued operation of Unimicron. There are significant differences in rainfall and flow volume in the current high-water period and low-water period in Taiwan, and many meteorological and hydrological extremes have occurred. In response to the risk of a water shortage caused by Taiwan's topography and climate change, the use and retention of water resources had been evaluated at the initial stage of establishing each of Unimicron facilities. Storage tanks have been set up, and the water storage capacity of each regional reservoir and the water consumption status of each plant is monitored and managed in normal times to ensure that the plant does not have an immediate water shortage crisis due to lack of water resources, and the ability to withstand water shortages is improved. To effectively manage the use of water resources, mitigate impacts to environmental ecology and continuously enhance the water resource use efficiency, the Shanying plants implemented the world's only sustainable water management standards from Alliance for Water Stewardship Standard (AWS) and became the first Taiwanese PCB manufacturer achieving platinum certification according to the evaluation of SGS Taiwan Ltd.

All of Unimicron facilities are not located in areas with frequent water shortages and drought, and the main water source is tap water. Unimicron's Taiwan facilities still also use well water and rainwater. In 2020, the water consumption of each plant accounts for a small proportion of the water supply in the water intake area, and there is no significant impact on the water intake area (>5%).

Water Assessment Results

	Upstream	Unimicron	Downstream
The Potential Impact of Water Use	1. Increase in quantity of water discharge 2. Heavy metals in the discharged water	1. Large quantity of water intake 2. Large quantity of water discharge containing heavy metal	The downstream manufacturers are packaging plants, which are not high water-consuming industries, and thus it is judged to have no impact
The Type of Impact	1. Legal compliance 2. Water and soil pollution, biodiversity, and human health	1. Conflict of interest with stakeholders in shared water resources 2. Water and soil pollution, biodiversity, and human health	The downstream manufacturers are packaging plants, which are not high water-consuming industries, and thus it is judged to have no impact
Mitigation Measures	1. Obtain discharge permits issued from local governments under the law and complete reporting 2. Implement wastewater treatment and discharge water monitoring management, reducing the impact of pollution in the watershed	1. Monitor the water use situation in the plant and back up the water supply from other sources. Reduce water resource consumption by recycling water for production. Communicate with stakeholders in times of water shortage 2. Use water discharge monitoring and management to effectively reduce the impact of pollution in the watershed	The downstream manufacturers are packaging plants, which have no impacts of water intake/ discharge, and it is judged to not need mitigation measures

Annual Water Consumption and Annual Water Withdrawal from Water Supplies



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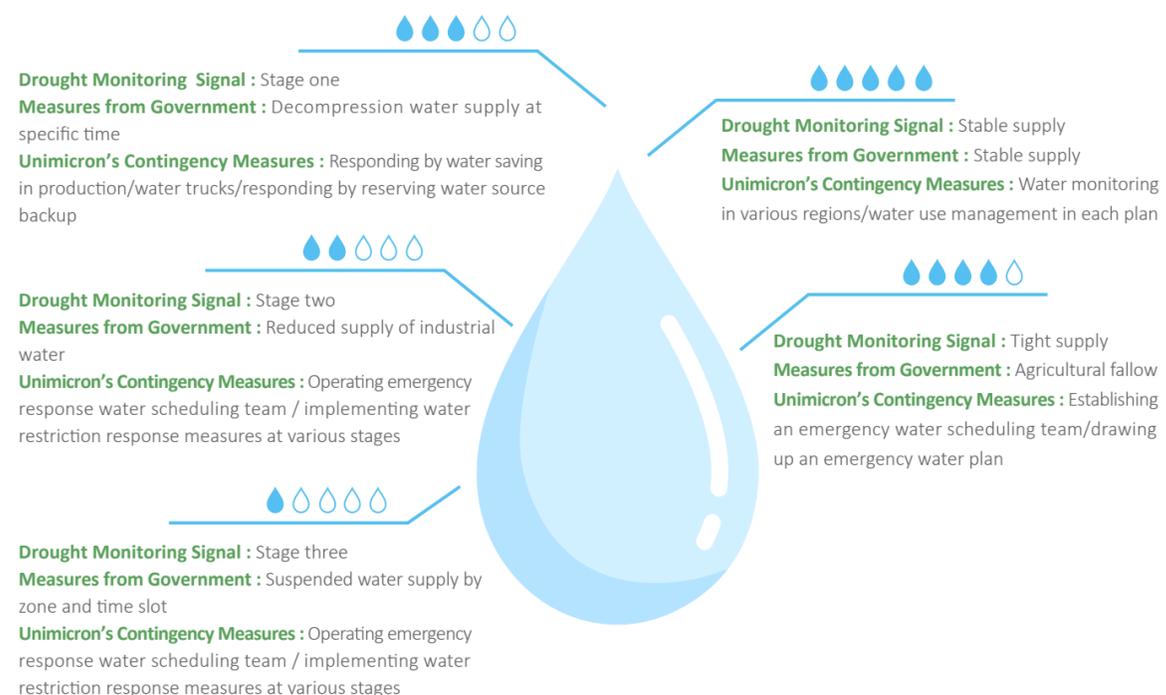
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We cooperate with government policies to regulate water use. Although losses and disasters caused by insufficient water sources or excessive rainfall in the areas where the plants are located seldom occur, we still establish contingency measures for water resources dispatch for drought periods. We actively carry out water resources standardization and management through the tracking of regime lights. The emergency response water dispatch team is in charge of water trucks, water tanks, water sources, and other matters regarding water resources dispatching, to ensure uninterrupted operations.



In 2020, the percentage of water resources used in Unimicron's Taiwan facilities was about 73.3%, while use amounted to 5.2% for the plants in South China and 21.5% for the 4 plants in East and Central China. The total water consumption in 2020 was 20,564,217 m³. The rainwater ratio was extremely low at 0.02%, whereas the total percentage of water consumption from wells and tap water accounted for 25% and 75%, respectively.

The average amount of well water used in the past 5 years is about 5.72 million m³ and the average amount of tap water used in the past 5 years has been maintained at about 13.5 million m³. In 2020, the use of recovered rainwater was about 4,122 m³, which was used to water green areas in substitution of tap water. We hope to save and allocate water by means of rainwater storage and utilization. From the perspective of the total water use intensity per unit of revenue, the trend has been decreasing over the past 5 years. It decreased by 4% in 2020 compared with 2019 and 10% over the past 5 years. The improvement in water efficiency is significant.



Water Consumption and Intensity

Type of raw materials	Unit	Area	2016	2017	2018	2019	2020
Rainwater	m ³	Taiwan	2,394	1,741	2,605	2,297	1,122
		Mainland China	0	0	0	0	3,000
		Subtotal	2,394	1,741	2,605	2,297	4,122
Well water	m ³	Taiwan	5,954,861	5,162,935	5,843,627	6,586,375	5,173,482
		Mainland China	0	0	0	0	0
		Subtotal	5,954,861	5,162,935	5,843,627	6,586,375	5,173,482
Tap water	m ³	Taiwan	7,103,851	7,975,816	8,768,336	8,717,858	9,903,294
		Mainland China	4,545,804	5,008,294	4,944,526	4,937,470	5,483,319
		Subtotal	11,649,655	12,984,110	13,712,862	13,655,328	15,386,613
	Total		17,606,910	18,148,786	19,559,094	20,244,000	20,564,217
Water consumption intensity (Ton / NT\$ million)	m ³ / Million revenue	Taiwan and Mainland China	281	279	258	245	234

Note 1 : The above data does not include Chung Hsing Plant and Chungyuan Plant in Taiwan.
 Note 2 : Calculation method of rainwater recovery: average annual rainfall in each region x catchment area.
 Note 3 : The water sources of the Kunshan and Suzhou plants are Yangcheng Lake and Taihu Lake, and the water sources of the Shenzhen plant are Songgang Wuzhipa Reservoir.
 Note 4 : Total water consumption = rainwater + well water + tap water.
 Note 5 : The unit of revenue is NT\$.

Under climate change, climatic characteristics such as temperature and rainfall will change. In addition to increasing temperature, rainfall will also be unevenly distributed in time and space. For example, the increase in rainfall during the high-water period and the decrease in the rainfall during the low-water period have led to a larger monthly difference in river flow, which may further lead to an imbalance in the water supply and demand system. Unimicron continuously improves water-saving technology to increase water efficiency and rainwater recovery storage tanks are installed in each plant to reduce consumption of water resources. In addition, we continuously add water-recycling systems to reduce consumption of water resources by recycling low-polluting water sources produced in various processes and treating them to replace water used for industrial production. The recycling rate of water resources in 2020 was 23% (4,708,998 cubic meters), and the average recycling rate in the past five years was 17%.

Water Resource Recovery Ratio

Area	2016	2017	2018	2019	2020
Taiwan	11%	9%	10%	9%	9%
Mainland China	23%	25%	36%	62%	62%
Total	14%	13%	17%	16%	23%

Note 1 : The above data does not include Chung Hsing Plant and Chungyuan Plant in Taiwan.
 Note 2 : Recovery rate (%): Total water recovered/Total water consumption.
 Note 3 : The main water sources include tap water, well water, and rainwater.
 Note 4 : The total amount of water recovered is reclaimed water.



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Wastewater Treatment

In 2020, the total wastewater discharge was about 18.96 million metric tons, which is 4% lower than in 2019, and the discharge intensity per unit of revenue was reduced by 2%. In 2020, the wastewater discharges from our plants in Taiwan and Mainland China were 14.59 million metric tons and 4.37 million metric tons respectively, accounting for 77% and 23% of the total discharge. The wastewater discharge from each of Unimicron facilities is discharged into the designated stream or into the local exclusive sewage treatment plant after being treated by the wastewater treatment facility and confirmed to meet the effluent standards. After treatment, the wastewater from our plants in Taiwan will be legally discharged into the streams and incorporated into the local sewage treatment plants, including Nankan River, Laojie River, Dongmen River, and Xinfeng River. The wastewaters from our plants in Mainland China are discharged to the local exclusive sewage treatment plants, and after treatment, they are finally legally discharged to Maozhou River, Wusong River, and Taicangtang.

The wastewater discharged from our plants in Taiwan and Mainland China does not pose any threat to local river basin ecology or natural water bodies. To confirm the results of wastewater treatment, we actively review and improve the plants' wastewater pollution prevention system. At present, the discharge levels of our plants in Taiwan and Mainland China are far below the approved standards of local regulations. We take the initiative to publish quarterly third-party testing data of wastewater discharge and explain the wastewater treatment process on the Company's official website. The wastewater discharge standards in Taiwan have been tightened following future environmental protection laws and regulations. The efficiency of existing wastewater treatment facilities is under evaluation and the current conditions can meet future emission standards. To avoid the impacts of stricter environmental protection laws and regulations, we will continue to invest in efficiency improvement and expansion of wastewater treatment facilities, reduce source pollutants, and develop internal wastewater discharge control standards that are superior to laws and regulations to reduce impacts from environmental pollution, operations, and production.

Wastewater Discharge Volume and Discharge Intensity

Area	Destination of discharge	Unit	2016	2017	2018	2019	2020
Taiwan	Groundwater body + Local sewage treatment plant	m ³	8,038,160	12,350,424	11,426,257	14,379,609	14,593,639
Mainland China	Local sewage / treatment plant		10,835,433	3,636,009	3,829,977	3,897,744	4,371,183
Total			18,873,593	15,986,433	15,256,234	18,277,353	18,964,822
Total wastewater discharge intensity		m ³ / Million revenue	301	245	201	221	216

Note 1: The above data does not include Chungyuan and Chung Hsing Plant.

Note 2: The revenue unit is NT\$.

3.4 Pollution and Hazardous Substances

3.4.1 Air Pollutant Control

The air pollutants produced in the PCB manufacturing process mainly include acid, alkaline waste gas, and volatile organic waste gas. All of them can be treated by high-efficiency air pollution prevention and treatment equipment so that the pollutant content detected by Unimicron over the years is lower than the government's environmental protection laws and regulations. The results of the air pollution prevention and control research and development over the years include: Rectification of the previous stage of the acid scrubber, the removal of sulfuric acid mist can reach 75-96%, and the removal efficiency of hydrochloric acid mist can reach 91-98%; the use of the high vapor pressure of organic waste gas and the low vapor pressure of ice brine, combined with the newly designed scrubber body structure to effectively supplement the organic waste gas, the removal efficiency can reach 90%. Due to the use of natural gas to replace diesel fuel in the Luzhu II Plant and QunHong Dacheng Plant in Taiwan, the emission of sulfur oxides was effectively reduced by 78% in 2020 compared with 2018.

We changed calculation method of emission at the request of the local environmental protection agency, resulting in an increase of volatile organic compounds by 110% and NOx by 76% compared to the previous year. The total air pollution emission intensity per unit of revenue in 2020 was 2.89 kg/million revenue on average, an increase of 93% from the previous year's revenue.

Air Pollutant Emissions and Intensity

Pollutant	Unit	Area	2016	2017	2018	2019	2020
Nitrogen oxides	Kg	Taiwan	6,349	4,059	4,106	2,498	13,277
		Mainland China	7,853	6,192	13,410	11,919	12,101
		Total	14,202	10,251	17,516	14,417	25,378
	Kg / Million revenue	Taiwan and Mainland China	0.23	0.16	0.23	0.17	0.29
Sulfur oxides	Kg	Taiwan	4,235	4,642	4,638	0	121
		Mainland China	1,539	894	4,136	433	1,461
		Total	5,774	5,536	8,774	433	1,582
	Kg / Million revenue	Taiwan and Mainland China	0.09	0.09	0.12	0.01	0.02
Volatile organic compound	Kg	Taiwan	36,694	30,545	40,144	100,323	216,603
		Mainland China	7,880	8,390	5,937	4,183	2,942
		Total	44,574	38,935	46,081	104,506	219,545
	Kg / Million revenue	Taiwan and Mainland China	0.71	0.60	0.61	1.27	2.50
Particulate matter	Kg	Taiwan	11,105	3,186	4,589	2,760	1,996
		Mainland China	6,282	4,506	3,161	1,484	5,431
		Total	17,387	7,692	7,750	4,244	7,427
	Kg / Million revenue	Taiwan and Mainland China	0.28	0.12	0.10	0.05	0.08

Note 1: The revenue unit is NT\$.

Note 2: The above data does not include Chungyuan and Chung Hsing Plant.

Note 3: The 2020 emission was increasing because the emission calculation method was changed in Taiwan by the requirements of the local environmental protection agency.



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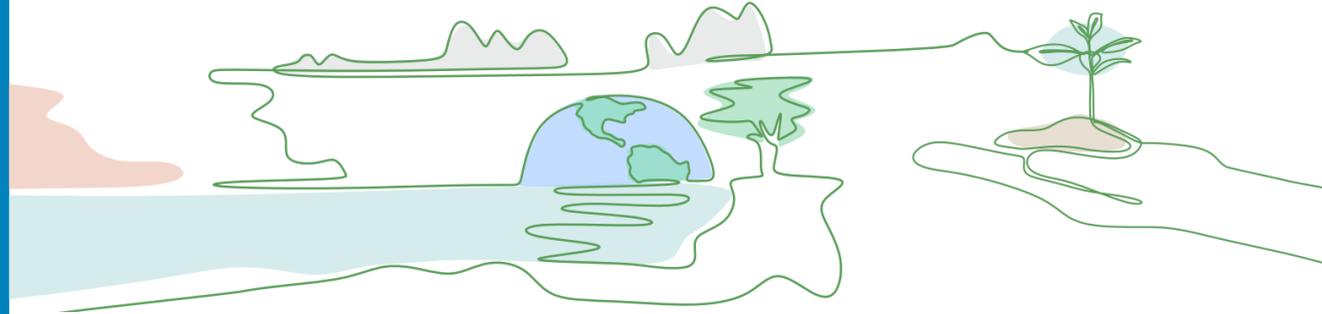
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3.4.2 Waste Output and Reduction



The waste produced is divided into two categories: general industrial waste and hazardous industrial waste. In 2020, the output of general industrial waste was approximately 40,000 tons, an increase of 8.3% over 2019; the hazardous industrial waste was 76,000 tons, a decrease of approximately 6.9% over 2019. In terms of total waste output intensity per unit of revenue, it was 1.31 metric tons/million revenue in 2020, which was 0.8% higher than that of 1.30 metric tons/million revenue in 2019. The output intensity in the past 5 years is decreased by 9%.

Since solid waste and high-concentration waste liquid will be generated during the manufacturing process of PCBs, improper handling will cause harm to the environment. Therefore, we pay great attention to the operation of the waste management system inside and outside the plants, as well as the storage, removal and disposal of waste, and carefully prevent pollution and harm. Especially in waste management, we screened qualified firms, have a strict firm review, and audit mechanism in place for the commissioned firms. Internally, we reduce the waste of raw materials in the process to conduct source reduction. Since Unimicron is not the manufacturer of end products, it is not easy to track the final disposal methods or the recycling status of the products used, so we cannot quantify the relevant data.

Waste Output and Intensity

Category	Sub-category	Unit	Area	Output				
				2016	2017	2018	2019	2020
General business waste	Reusable	Tonne	Taiwan	18,719	19,826	21,676	21,456	24,958
	Non-reusable		Mainland China	19,918	11,697	6,815	9,591	9,499
			Total	2,925	2,050	3,223	2,102	2,369
				9,017	1,825	3,090	3,322	2,683
				50,579	35,398	34,804	36,471	39,509
Hazardous business waste	Reusable	Tonne	Taiwan	15,542	15,988	14,729	15,469	22,088
	Non-reusable		Mainland China	39,631	40,184	54,988	52,301	50,519
			Total	51	412	1,286	659	629
				1,464	1,143	1,388	2,381	2,470
				56,688	57,727	72,391	70,810	75,706
General + Hazardous business waste	Reusable and Non-reusable	Tonne	Taiwan and Mainland China	37,237	38,275	40,914	39,686	50,044
				70,029	55,256	66,281	67,595	65,170
	Total				107,266	93,531	107,195	107,281
Total waste output intensity	Reusable and Non-reusable	Tonne / Million revenue	Taiwan and Mainland China	1.71	1.44	1.42	1.30	1.31
				Total				1.71

Note 1 : The disposal methods for the not reusable are incineration or landfill.
Note 2 : The revenue unit is NT\$.
Note 3 : The above data does not include Chungyuan and Chung Hsing Plant.



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Management Approach

Policy	Commitment	Division	Resources Invested	Grievance Mechanism	Goals	Actions
Health Management	Achieve work-life balance	Human Resource	<ul style="list-style-type: none"> 7 on-site physicians 20 nurses Funding for health promotion activities 	<ul style="list-style-type: none"> Employee suggestion box Labor-management meeting E-MAIL Grievance hotline Satisfaction survey questionnaire 	90% health promotion satisfaction	<ul style="list-style-type: none"> Interview with resident physicians Job redesign project Massage service Female employee care program Health promotion activities Four types of cancer screenings Disease prevention vaccination Health lecture
New Employee Care	Concern for new employee adaptation	Human Resource	Contact of employee relation project	<ul style="list-style-type: none"> Employee suggestion box Labor-management meeting E-MAIL Grievance hotline New employee survey questionnaire 	90% retention rate of outstanding personnel	<ul style="list-style-type: none"> New overseas employee caring interview New engineer caring interview Team Consensus Camp (Winning camp) Establish a counseling mechanism

Unimicron Won the "2020 Exercise Enterprise Certification"

Unimicron is committed to promoting employees' sports atmosphere. Through such measures as holding road running races, three-on-three basketball games, badminton games, physical fitness courses, establishing sports clubs, setting up gymnasiums and sports fields, etc., it establishes employees' sports atmosphere and habits. In addition, Unimicron has won the "2020 Exercise Enterprise Certification" on November 11th from the Sports Department at the Ministry of Education. The Company attaches great importance to the physical and mental health of employees, actively realizes the CSR of caring for employees, and promotes various physical and mental health plans, including various sports events, health topic lectures, stress relief and psychological counseling measures. Physical and mental happiness are the goals of Unimicron to the health promotion activities. In addition to the fitness center, the gym has all kinds of fitness and weight training equipment, and is equipped with table tennis, billiards, badminton, and basketball courts. Hence, employees can store work energy while decompressing. Moreover, they improve their healthy lifestyle, promote employee communication, adjust the body, and mind which would create a wonderful life.



In the future, we will continue to hold diversified sports activities and lectures, encourage the establishment and subsidies of sports clubs. In addition, we will improve the health and vitality of employees, and reflect the LOHAS workplace.



Unimicron's business locations can be found all over the world. In this highly competitive industry, talent is the key to a Company's success in the global market. We support and respect the principles and spirit of the "International Labor Organization Tripartite Declaration of Principles," "United Nations Universal Declaration of Human Rights", "The United Nations Global Compact," and follow the "RBA Code of Conduct" and other related international norms, as well as the labor laws and regulations of the locations where our operations are located, the "Unimicron Labor Policy" is formulated and related measures are implemented to create a happy workplace and provide employees with a place where they can fully utilize their abilities.



- **Fair Employment** - Prevent discrimination during recruitment, employment, evaluation and promotion
- **Humane Treatment** - Maintain equal opportunities and dignity for all employees
- **Employee Communication** - Encourage employees to express opinions, and protect the rights those who file a complaint
- **Integrity Code** - Uphold the principles of integrity and honesty
- **Improving Employee Working Conditions** - Offer a sound compensation and welfare system, and strengthen occupational training to enhance employees' competitiveness

4.1 Talent Recruitment and Retention

4.1.1 Human Resource Status

Unimicron adheres to the principles of fairness and diversified employment. In terms of recruitment, employment, evaluation, and promotion, employees of different age, gender, race, religion, political views, marital status, labor union affiliation, and backgrounds are treated fairly and equally, where the only considerations are finding the appropriate candidate for the appropriate position, and creating fair and diverse employment opportunities for all operation sites to promote local economic growth. In 2020, the total number of employees of Unimicron in Taiwan and Mainland China was 29,912.

As industrial production is semi-automated, some processes still rely on manual and labor-intensive work, and workers in some operations are exposed to chemicals. Therefore, the proportion of male employees is higher than that of female employees. Additionally, foreign employees in Unimicron's Taiwan facilities are from the Philippines; as the Philippines is an English-speaking country, it is relatively easier to communicate. The educational background of most of the employees in Mainland China facilities is below senior high school/occupational school mainly because 79% of employees of Mainland China facilities are direct technical staff.

Employment Status

Category/Item/Region		Taiwan				Mainland China			
Category	Item	Male	Female	Total	Ratio to the total	Male	Female	Total	Ratio to the total
Number of employees	Number of people	9,906	6,280	16,186	100%	8,454	5,272	13,726	100%
Non-fixed-term contract employees	Direct labor	5,072	3,212	8,284	51.18%	6,641	4,205	10,846	79.02%
	Indirect labor	3,010	1,264	4,274	26.41%	1,813	1,067	2,880	20.98%
Fixed-term contract employees	Foreign employees	1,682	1,693	3,375	20.85%	0	0	0	---
	Student trainees	49	25	74	0.46%	0	0	0	---
(Dispatched) Contract worker		93	86	179	1.11%	0	0	0	---
Age	Under the age of 30	2,770	1,899	4,669	28.85%	3,765	2,125	5,890	42.91%
	Aged 30-50	6,823	4,111	10,934	67.55%	4,593	3,145	7,738	56.37%
	Over 50 years old	313	270	583	3.60%	96	2	98	0.71%
Employee position distribution	Manager level	1,060	221	1,281	7.91%	468	246	714	5.20%
	Technical staff	8,754	5,698	14,452	89.29%	7,773	4,749	12,522	91.23%
	Other employees	92	361	453	2.80%	213	277	490	3.57%

Note 1: Management level: Above the section manager level.
 Note 2: Technician: Employees directly related to production (non-supervisory technical/engineering staff).
 Note 3: Other employees: Non-supervisory employees/clerical staff.
 Note 4: Student trainee: It refers to the student who is employed in contractual relationship with a school's cooperative education, combined with the two-way flow of education and industry, to cultivate a student's vocational skills while taking educational courses.
 Note 5: Direct labor: Front-line employees; indirect labor: Other employees.

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Item	2018		2019		2020	
	Taiwan	Mainland China	Taiwan	Mainland China	Taiwan	Mainland China
Number of local residents as senior executives	91	3	128	3	140	4
Total senior executives	93	31	130	41	142	40
Ratio (%)	97.85	9.67	98.46	7.32	98.59	10

Note 1 : Senior executives refer to Senior Director Level (inclusive) or higher employees. Local residents refer to nationals of the plant locations.
Note 2 : In 2019, the number of local residents as senior executives in Mainland China was wrongly placed, and the number was corrected to 3, and the proportion (%) was 7.32.

Item	2018		2019		2020	
	Taiwan	Mainland China	Taiwan	Mainland China	Taiwan	Mainland China
Ratio of female employees (%) of total labor force	40.03	37.93	39.40	37.89	38.80	38.41
Ratio of female supervisors (%) (out of all supervisors)	18.61	21.07	17.41	24.58	17.15	20.53
Ratio of executive female supervisors (%) (out of all executive supervisors)	8.61	6.45	8.46	4.88	8.45	5.00
Ratio of entry-level female supervisors (%) (out of all entry-level supervisors)	19.86	25.47	18.71	30.43	18.39	24.67

Note: All supervisors refer to manager level (inclusive) or higher. Entry-level supervisors refer to manager level.

4.1.2 Talent Retention

Unimicron has a comprehensive recruitment standard mechanism that combined various recruitment channels, continuously recruits talents, and injected continuous momentum to offer students good opportunities and implement CSR

Main Talent Recruitment Channel

- Job Bank
- Campus recruitment
- Summer internship opportunities
- Industry-university cooperation

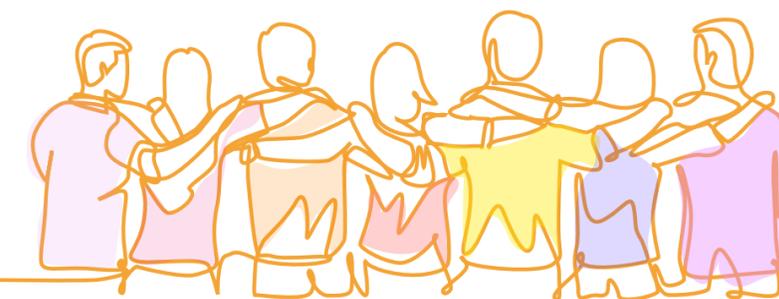
For new recruits, Unimicron has counselors to provide work and technical assistance, and through various methods to help newcomers integrate and adapt to the new environment faster

- Regularly talk to new recruits to understand their adaptation to the environment
- Assist in completing professional certifications such as license identification, etc.
- Discover new employees' learning problems, react, and communicate with them

2020 New Hires

Area	Taiwan			Mainland China				
	Category	Gender	Number of new hires	Number of current employees	New hire rate	Number of new hires	Number of current employees	New hire rate
Under the age of 30		♂	924	2,770	33.36%	2,986	3,765	79.31%
		♀	514	1,899	27.07%	1,580	2,125	74.35%
Aged 30-50		♂	1,438	4,669	30.80%	4,566	5,890	77.52%
		♀	1,016	6,823	14.89%	1,542	4,593	33.57%
Over 50 years old		♂	1,439	10,934	13.16%	2,642	7,738	34.14%
		♀	19	313	6.07%	3	96	3.13%
		♂	5	270	1.85%	0	2	0.00%
		♀	24	583	4.12%	3	98	3.06%

Note : Employment rate = Annual total new hires (non-fixed-term new hires employed for longer than three months)/Number of current employees (non-fixed-term employees) at year-end (December 31).



In terms of the management of departing employees, after the employee requests to resign, the relevant supervisor shall immediately interview the employee, and the Human Resources Department will conduct a one-on-one interview to understand the reasons for the employee's departure, and make work adjustments or care as needed. If the Company has major operational changes, the advance notice shall be given in accordance with the labor laws and regulations. Unimicron facilities comply with the "Labor Standards Act" and notice should be given 10 to 30 days in advance based on length of service in Taiwan, whereas notice should be given 30 days in advance in Mainland China in accordance with the "Labor Contract Law".

Employee Turnover Statistics

Regarding the turnover rate, through our management and planning, the turnover rate in Mainland China has been decreasing over the years in the past three years, which also shows that Unimicron's investment in human recruitment and retention has been recognized by employees and has retained outstanding talents for the Company, creating more productivity and value.

Item	2018		2019		2020	
	Taiwan	Mainland China	Taiwan	Mainland China	Taiwan	Mainland China
Overall turnover rate	11.90%	42.15%	10.35%	32.92%	11.31%	26.48%
Voluntary turnover rate	11.59%	41.95%	9.61%	32.78%	10.11%	26.47%

Note : Turnover rate = Annual total number of turnovers (irregular employees who leave the Company after working for more than 3 months)/year-end (December 31) number of employees (irregular employees).

2020 Turnover Statistics

Area	Taiwan			Mainland China				
	Category	Gender	Number of employees departing	Number of current employees	Turnover rate (%)	Number of employees departing	Number of current employees	Turnover rate (%)
Under 30 years old		♂	506	2,770	18.27%	1,360	3,765	36.12%
		♀	280	1,899	14.74%	767	2,125	36.09%
30-50 years old		♂	786	4,669	16.83%	2,127	5,890	36.11%
		♀	692	6,823	10.14%	875	4,593	19.05%
Over 50 years old		♂	295	4,111	7.18%	620	3,145	19.71%
		♀	987	10,934	9.03%	1,495	7,738	19.32%
		♂	24	313	7.67%	8	96	8.33%
		♀	34	270	12.59%	5	2	250.00%
		♂	58	583	9.95%	13	98	13.27%
		♀						

Note : Employee turnover rate = Annual total number of employees departing (non-fixed-term resigning employees employed for longer than three months)/Number of current employees (non-fixed-term employees) at year-end (Dec. 31).

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Retention Plan

Optimize Compensation Competitiveness and Ensure the Retention of Outstanding Talents

- Compensation adjustment due to excellent performance
- Retention bonus

Strengthen the Rotation Mechanism and Cultivate T-Shaped Talents

T-shaped talents represent the width of their knowledge and depth of technique and know-how. The combination of the two accounts for deeper professional understanding, a broader knowledge base, and cross-disciplinary abilities

Retention Strategies

Year-End Bonus

Performance Retention Bonus

Annual Compensation Adjustment

Key Performance Employee Contract Payment

Stock-Based Compensation

Employee Remuneration

Patent Bonus

Achievement Bonus

Mutual Benefits of Cooperation between Schools and Employers

In 2020, Unimicron cooperated with 10 schools in total, with 207 students. In the future, Unimicron will uphold the spirit of CSR, continue to develop cooperation with schools, recruit outstanding talents, and create a win-win.

Schools	Minghsin University of Science and Technology	Hwa Hsia University of Technology	St. John's University	Ming Chi University of Technology	National Taipei University of Technology
Ranking by the number of students in industry-academia collaboration	1	2	3	4	5



Benefits for Unimicron

- Industry-university cooperation provides an excellent medium that Unimicron has a stable human source
- Give students good learning opportunities, reduce the gap between industry-university and improve training efficiency



Benefits for Student

- We provide a good workplace to the students for the learning environment and full care measures such as safe and convenient accommodation, counselors for work and life, consultation interviews, and internship opportunities
- Students can get work experience early to improve their work competencies

4.1.3 Compensation and Benefits

To attract more talents, Unimicron sets incentive systems to attract and retain outstanding employees. The Company conducts performance evaluations on all employees every year as a reference for compensation adjustment and promotion. We also participate in external compensation and benefits surveys every year to regularly review the relation between compensation/benefit measures and the market, and adjust employees' salaries promptly to let more talented employees create value for Unimicron.

Compensation-Performance Link

Unimicron's salary level is based on employees' professional knowledge and skills, job mastery, academic background, work experience, and individual performance, all combined with the Company's operating objectives to determine their overall compensation. There is no difference in salary regardless of gender, race, religion, political views, marital status, etc. To promote cohesion of the Company, in addition to the basic salary and annual salary adjustment, Unimicron also flexibly adjusts salaries according to the Company's current operating conditions to improve morale and encourage outstanding employees. To improve employees' work performance, understand the capabilities, and work adaptability of the organization's members, we perform two employee performance assessments every year, so that supervisors can effectively feedback to subordinates through objective evaluations and continue to teach subordinates to improve their work capability, to achieve the department's goal and the Company's overall goal.

2020 performance assessment	Number of persons	Ratio (%)
Interim	12,005	100%
End of period	12,875	100%

Note 1 : Assessment subject: It refers to the permanent employees after the probation period is completed.
Note 2 : Those who have applied for resignation, those who have not to be reinstated for leave without pay, and those who have been employed for less than 3 months in the assessment period do not need to participate in the assessment.
Note 3 : The supervisor of the previous unit will assess those who have changed their positions for less than three months; otherwise, the supervisor of the current unit will assess those who have changed their positions for three months or more.

Female and Male Employees Basic Salary Ratio in Various Positions

Area	Unimicron's Taiwan Facilities		Southern China-Unimicron (Shenzhen)		Eastern China-Unimicron (Suzhou)		Eastern China-Unimicron-FPC (Kunshan)		Central China-Unimicron (Huangshi)	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Position	1.03	1	---	---	---	---	---	---	---	---
Vice president level or higher	1.03	1	---	---	---	---	---	---	---	---
Director	0.93	1	---	---	---	---	---	---	---	---
Manager level	0.95	1	1.04	1	1.25	1	0.99	1	0.85	1
General	0.92	1	1.06	1	1.05	1	0.94	1	0.87	1

Female and Male Employees Compensation Ratio in Various Positions

Area	Unimicron's Taiwan Facilities		Southern China-Unimicron (Shenzhen)		Eastern China-Unimicron (Suzhou)		Eastern China-Unimicron-FPC (Kunshan)		Central China-Unimicron (Huangshi)	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Position	1.76	1	---	---	---	---	---	---	---	---
Vice president level or higher	1.76	1	---	---	---	---	---	---	---	---
Director	0.99	1	---	---	---	---	---	---	---	---
Manager level	0.92	1	1.06	1	1.09	1	0.98	1	0.88	1
General	0.9	1	1	1	1.04	1	0.91	1	0.87	1

Note 1 : The basic compensation is the basic monthly compensation, excluding the variable remuneration; remuneration is the total annual compensation. Statistics do not include expatriates because the senior executives (Senior Director level or higher) of the Mainland China facilities are all-male Taiwanese.
Note 2 : Because there are 22 male directors above the vice president level and only 1 female director in Taiwan, there is a discrepancy in compensation.

Initial Salary for Entry-level Personnel to Local Initial Salary Ratio

Area	Ratio of basic starting salary for Unimicron's general employees	Local initial salary ratio
Taiwan Facilities	1.03	1
Southern China-Shenzhen	1.05	1
Eastern China-Suzhou	1.61	1
Eastern China-Kunshan	1.23	1
Central China-Huangshi	1.37	1

Note 1 : The basic salary includes the base salary and other allowances, excluding overtime pay.
Note 2 : Basic wages are represented by region due to their difference in each plant in Mainland China.

Information on Compensation of Full-time Employees in Non-Management Positions

Item	Year		
	2019	2020	Increase and decrease in ratio
Total full-time non-managerial staff numbered (people)	10,693	10,863	1.6%
Average compensation (NT\$)	727,269	753,000	3.6%
Median compensation (NT\$)	614,268	646,000	5.2%

Note : Not include QunHong Technology Inc.

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Employee Benefits

Unimicron attaches great importance to the physical and mental balance of employees. In the workplace, varieties of welfare systems are planned. In addition to providing various insurance benefits and pension fund contributions following local laws and regulations, it also provides group insurance that is superior to that required by law to ensure the safety of employees at work and life, and dependents can be included in the plan at their own expense. Unimicron also values employees' leisure life, and regularly organizes parties and family day activities to promote parent-child interactions between families and enhance employee morale.

Unimicron has, according to the statutory pension system, set aside pensions for each employee, and 100% of employees participate in the pension plan. According to the "Labor Standards Act" and the "Labor Pension Act" in Taiwan, employees who joined the Company before June 30, 2005 (inclusive) are entitled to the old pension seniority system. Unimicron deposits the escrow amount as stipulated by relevant laws and regulations, and commissions actuaries at the end of each year to conduct calculations and ensure that the retirement reserve appropriated is enough to satisfy and safeguard the rights and benefits of the employees' future pensions.

Area	Retirement plan	Pension contribution ratio	Pension participation ratio
Taiwan	Pension in the old system: Corporate Pension Account	Employer 2% ; Employee 0%	0.5%
	Pension in the new system: Individual Pension Account	Employer 6% ; Employee 0~6%	99.5%
Mainland China	Endowment insurance (Employee' account)	(Southern China) Employer 14~15%; employee 8%	100%
		(Eastern China) Employer 13~16%; employee 8%	
		(Central China) Employer 16%; employee 8%	

Benefit Measures Provided by Unimicron

 Established lactation room for female staff	 Birthday gift vouchers and subsidies for weddings and funerals provided by the Employee Welfare Committee	 Monthly meal allowance for employees' restaurant	 Family day year-end party	 Pension contribution
 Employees' dividend system	 Labor and health group insurance	 Gifts and bonuses for the three major festivals	 Gym and leisure center	 Massage services provided by visually impaired masseurs
 NT\$ 41,161,925 The total subsidy in 2020 from the Welfare Committee allowance	 100% The coverage of General employee health checkup	 NT\$ 9,829,203 The total discounts for employees of Sunrise Charity Convenience Store	 NT\$ 1,720,532 The total subsidy amount of on-the-job education recommended by supervisor	 3,795 The total person-times of visually impaired massage service
 NT\$ 782,825 The total subsidy amount of employees' self-application since 2016	 NT\$ 639,418 The amount of club subsidy reached	 213 The total person-times of people received pregnancy care and postpartum care	 100% Free group insurance	

Statistics on Parental Leave in Taiwan

Item	Gender	2018	2019	2020
Number of applicants qualified for parental leave (A)	Male	709	464	508
	Female	486	333	378
Actual number of applicants (B)	Male	1,195	797	886
	Female	32	48	21
Application rate (B/A)	Male	99	108	93
	Female	131	156	114
Number of applicants qualified for reinstatement (C)	Male	4.51%	10.34%	4.13%
	Female	20.37%	32.43%	24.60%
Actual number of reinstatements (D)	Male	10.96%	19.57%	12.87%
	Female	32	44	19
Reinstatement rate (D/C)	Male	124	100	87
	Female	156	144	106
Number of reinstatements in the previous year (E)	Male	24	23	14
	Female	85	69	59
Retention rate (F/E)	Male	109	92	73
	Female	75%	52.27%	73.68%
Number of people reinstated for one year in the previous year (F)	Male	68.55%	69.00%	67.82%
	Female	69.87%	63.89%	68.87%
Retention rate (F/E)	Male	32	24	23
	Female	89	85	69
Retention rate (F/E)	Male	121	109	92
	Female	25	18	18
Retention rate (F/E)	Male	71	71	61
	Female	96	89	79
Retention rate (F/E)	Male	78.13%	75.00%	78.26%
	Female	79.78%	83.53%	88.41%
Retention rate (F/E)	Male	71.07%	81.65%	85.87%

Note 1: Mainland China does not implement the system of parental leave without pay, so it is not included in the statistics.
Note 2: The number of applicants qualified for parental leave is estimated based on the number of maternity/paternity leave applications made within the past 3 years.



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4.2 Human Rights and Labor Relations

To establish a culture of equality, tolerance, and open communication, Unimicron will continue to adhere to a fair and respectful attitude to implement labor policies and their spirit. We will also conduct relevant training to ensure respect for human rights.

4.2.1 Human Rights Management

Unimicron believes that every person should be treated fairly and with respect and has publicly pledged its support for the “UN Guiding Principles on Business and Human Rights, the “ILO Declaration on Fundamental Principles and Rights at Work”, “UN Universal Declaration of Human Rights” and “Responsible Business Alliance” to establish relevant regulations.

Human Rights Issue	Unimicron’s Document
Free Choice of Employment	<ul style="list-style-type: none"> Working Rules Professional Ethics Guidelines and Code of Conduct Personnel Employment Process Management Measures for Foreign Migrant Workers
Young Workers	<ul style="list-style-type: none"> Working Rules Personnel Employment Process Safety and Health Protection Measures for Women and Workers under the Age of 18
Working Hours	<ul style="list-style-type: none"> Working Rules Working Time Regulations Attendance and Leave Regulations
Compensation and Benefits	<ul style="list-style-type: none"> Salary Regulations for Domestic Employees Salary Regulations for Overseas Employees Measures for Administrative Rewards and Punishments
Humane Treatment	<ul style="list-style-type: none"> Working Rules Measures for Administrative Rewards and Punishments Grievance and Sexual Harassment Handling Measures
Non-Discrimination	<ul style="list-style-type: none"> Working Rules Personnel Employment Process Grievance and Sexual Harassment Handling Measures
Freedom of Association	<ul style="list-style-type: none"> Labor Human Rights Corporate Social Responsibility Code Professional Ethics Guidelines and Code of Conduct Labor-Management Meeting Implementation Measures

Human Rights Related Training

Course title	Participants	Number of employees that should be trained	Number of employees trained	Training rate (%)	Total hours (man-hour)
Sexual Harassment Prevention Act of Gender Equality in Employment	The entire Company (for employees employed for longer than three months, including staff in Taiwan and the Taiwanese staff dispatched to Mainland China)	14,173	14,139	99.76%	12,982
Code of Business Ethics		14,173	14,138	99.75%	14,138

Note 1 : There are 16,186 employees in Taiwan and 13,726 employees in Mainland China.
 Note 2 : The above courses have been planned among the newcomer-training course to implement the training mechanism and increase the training rate. Some of our employees who are dispatched overseas and senior executives have not been trained. We will strengthen our promotion and urge them to complete these courses. We also provide training opportunities to our dispatched employees for advancing towards our goal of achieving 100% training rate
 Note 3 : The training rate of courses such as the “Sexual Harassment Prevention Act”/“Act of Gender Equality in Employment, and Code of Professional Ethics” does not include that of the subsidiary, QunHong Technology Inc.
 Note 4 : Some employees will be rearrange training in next year who are unfinished training yet because of the annual training in August.
 Note 5 : In August 2021, we will strengthen the promotion and training in Mainland China and strive to popularize overseas facilities.

4.2.2 Employee Relations and Communications

Unimicron values its communication with employees and provides diverse communication channels for all employees so that they can give feedback or consult at any time. We also provide an exclusive e-mail address for anonymous appeals and complaints to assist employees in solving a wide range of problems and provide comprehensive assistance.

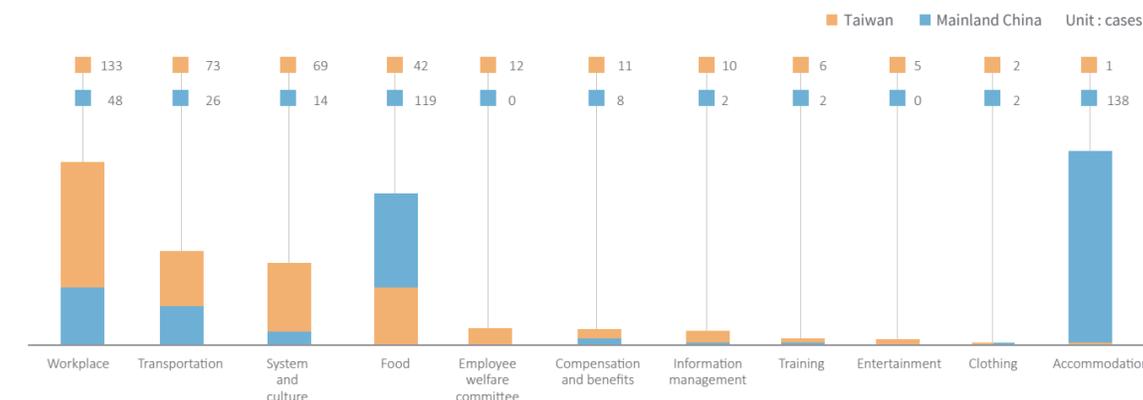


To understand the work and living conditions of expatriate employees in Mainland China facilities and to improve their retention rate, the Company conducts surveys 3 months and 18 months after their dispatch. In addition, a forum is held every quarter to solving issues related to living conditions, it invites department heads to participate in the forum, care for employees’ problems and suggestions regarding work and local life, and provide relevant assistance. With regard to employee feedback and questions, Unimicron invites relevant departments to respond and follow up on those cases. Taking Unimicron’s Taiwan facilities as an example, in 2020, a total of 364 cases were formally submitted through the employee communication channel, while 359 cases were submitted in Mainland China facilities, and 100% of them have been solved. The contents of the appeal cases were mostly about the living/workplace, and the conditions have been improved and the responses sent back to the employees through the communication channel.

Unimicron currently has no labor union, but conducts bilateral communication by means of regular employer/employee meetings, and respects the right of all employees to participate in collective negotiation and peaceful gatherings. Upon conclusion, important matters and the advocated matters of the employer/employee meeting shall be sent to all units, so that each employee can accurately and simultaneously understand the Company’s latest policies and handling of related issues, all to enhance employees’ cohesion and professionalism.

Employees’ Feedback in 2020

Area	Complaints	Appeals	Suggestions	Inquiries	Total
Taiwan	124	7	180	53	364
Mainland China	296	3	51	9	359



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4.3 Occupational Development and Training

4.3.1 Talent Cultivation

According to the needs of new employees, general employees, and management positions, Unimicron's educational training system has planned different training structures. In addition to implementing an educational training plan, and based on the needs of operating strategies, we also design leadership and management relevant training for existing and potential leaders. Together with the planning for and execution of the rotation and promotion systems, Unimicron has managed to increase the number of potential talents. Facing the impact of the COVID-19 pandemic, Unimicron continues to stand firm and cultivate professional talents, and to respond immediately by expanding diversified learning methods and actively implementing digital transformation, building organizational strength, and enhancing competitiveness through practical actions.

In terms of the investment in education and training resources in 2020, the total amount of employee training totaled NT\$ 12 million. Under the intensive supervisor training, 51% of personnel above the manager level are promoted internally, showing Unimicron's effort in the cultivation and promotion of talents.



Employees' Average Training Hours

Area	Gender	Item	2018	2019	2020
Taiwan	♀	Training hours	83,003	155,860	179,206
		Number of employees	5,804	6,290	6,341
		Average training hours	14.3	24.8	28.3
	♂	Training hours	180,722	302,803	299,258
		Number of employees	8,695	9,674	9,845
		Average training hours	20.8	31.3	30.4
Average training hours per person			17.5	28.0	29.6
Mainland China	♀	Training hours	92,695	180,620	74,494
		Number of employees	4,355	5,354	5,231
		Average training hours	21.3	34.0	14.2
	♂	Training hours	157,686	282,442	131,591
		Number of employees	7,128	8,776	8,302
		Average training hours	22.1	32	15.9
Average training hours per person			21.7	33	15.2

Note 1: Average training hours per person = training hours/ number of employees.
Note 2: Suspension of some training courses due to coronavirus (COVID-19).

2020 Employee Training Hours

Area	Position	Taiwan			Mainland China		
		Total hours	Number of people	Average training hours per person	Total hours	Number of people	Average training hours per person
Taiwan	Vice president level or higher	573.4	44	13.0	56.5	2	28.3
	Director	2,504.7	86	29.1	208.0	10	20.8
	Manager level	38,032.2	812	46.8	6,531.1	183	35.7
	General staff	258,147.5	8,964	28.8	172,410.4	6,085	28.3
	Direct labor	149,890.9	6,896	21.7	126,940.8	5,016	25.3
	Indirect labor	149,366.7	3,010	49.6	52,265.3	1,264	41.3
Mainland China	Vice president level or higher	28.0	4	7.0	---	---	---
	Director	213.5	34	6.5	23.0	2	11.5
	Manager level	1,514.5	114	13.3	835.5	37	22.6
	General staff	129,834.8	8,150	15.9	73,635.9	5,192	14.2
	Direct labor	70,365.3	6,494	10.8	38,983.4	4,167	9.4
	Indirect labor	61,225.5	1,808	33.9	35,511.0	1,064	33.4

Note: The statistics of facilities in Taiwan and Mainland China include both fixed-term and non-fixed-term contract workers.

A Comprehensive System for Employee Orientation Training

For new employees to be familiar with the environment, know their job content, and quickly adapt to the corporate culture, the designated training development unit shall hold regular pre-employment training for new employees, and the training frequency and hours shall be adjusted flexibly according to the actual needs. The pre-employment training is oriented towards six major aspects and amounts to a total of 12 hours.

Besides, we also hold a series of courses for new employees, including statistical process control, seven techniques for problematic quality management, certification of professional licenses, and winning teamwork training. By holding dynamic competitions, Unimicron enables employees to understand the Company's business philosophy, values, and goals, and to further connect their values to the team values.

Resources Invested for New Employee Trainings

Area	Item	2018	2019	2020
Taiwan	Training cost (NT\$)	2,370,000	2,212,853	2,337,316
	Training hours (hours)	2,324	2,307	3,593
Mainland China	Training cost (NT\$)	390,000	514,372	1,408,708
	Training hours (hours)	41,031	17,184	25,122

Note 1: The scope of courses includes employee pre-employment training, SPC, QC and winning camp training; the internal lecturer's fee is excluded from the training cost.
Note 2: The cost depends on the number of the courses offered and the training hours, not the number of participants.
Note 3: The number of new employees means the number of new employees still on the job at the end of the year.



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4.3.2 Talent Development

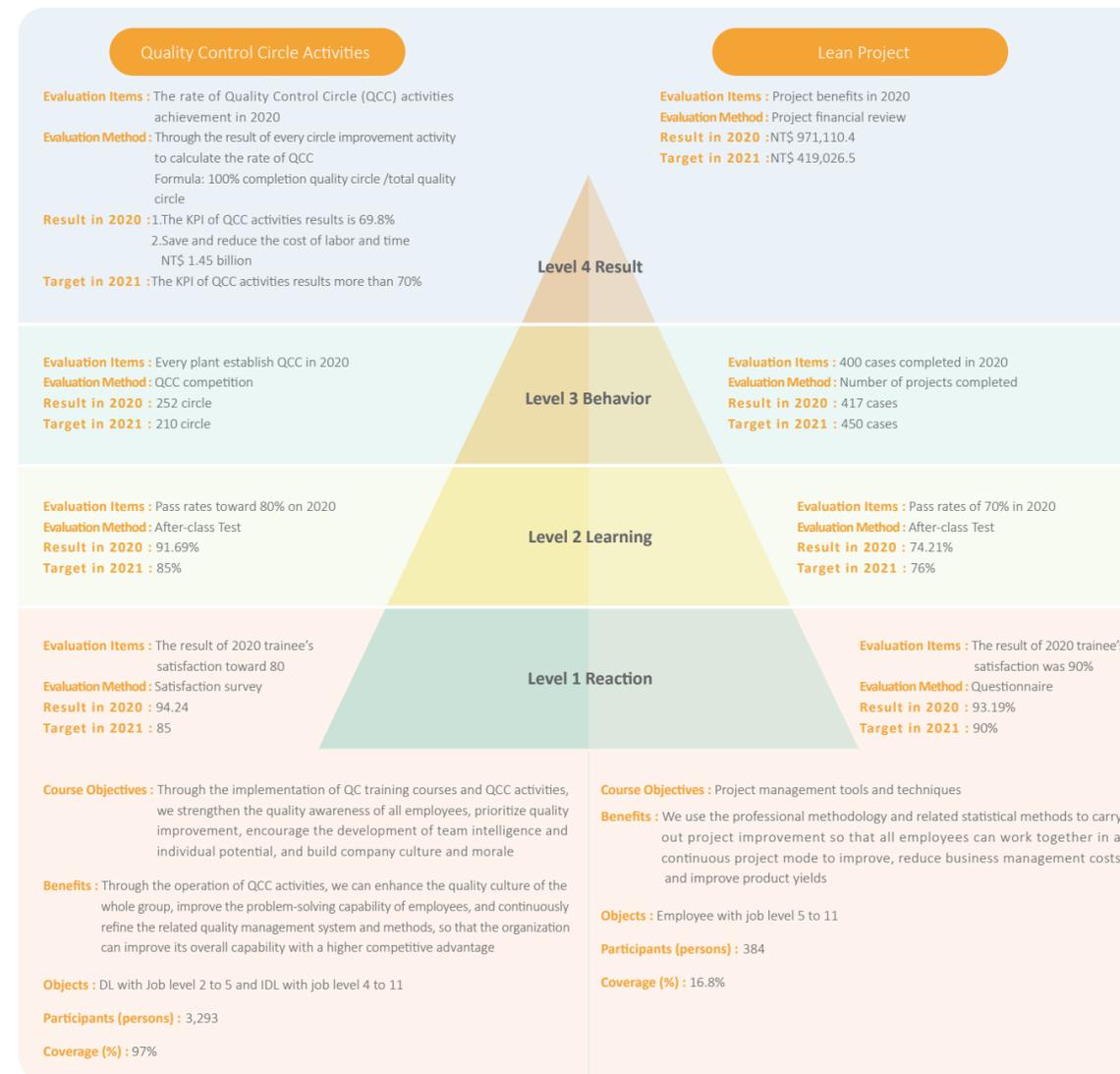
Unimicron plans a comprehensive training system and career orientation, and provides multi-learning channels to give employees the opportunity to participate in cross-disciplinary and cross-technology project cooperation. The Company strengthens employee interaction, and employees can learn from each other through teamwork and brainstorming. A diverse, independent, high-quality learning culture is formed so that employees' careers and work quality can be continuously improved, each employee is able to perform their duties to their best, and the productivity of individuals and the Company can be enhanced.

We provide complete training resources for both direct and indirect employees, and plan training blueprints for the four major job categories, years of experience, and job functions. In addition to providing key training to employees at all levels according to the training blueprint, we also plan and execute courses across 5G technology fields and smart plants in response to industry needs, cultivating engineers' capability with new technologies and ensuring effective transfer of knowledge and experience through various learning channels.

We regularly track data on the effectiveness of education and training, and review the effectiveness of training and employees' learning through the Kirkpatrick Model and Human Capital ROI indicators, in order to continuously refine, respond to the rapid changes in the industry and accelerate employees' improvement in functions. In 2020, the overall Human Capital ROI for training is 14.15.

In 2021, we will continue to update our domestic and overseas e-learning systems to optimize the learning environment for our employees, with the aim of providing accurate and effective training to facilitate their progressive growth and development in their work, as well as to developing multiple functions and stimulating their potential.

Function Development Project



4.4 Occupational Safety and Health

Management Approach

Policy	Division	Goals
Occupational Safety and Health, Environmental Protection and Energy Policy	Occupational Safety & Health Division	<ul style="list-style-type: none"> Zero fines Zero major incidents
Commitment	Grievance Mechanism	Other Practices
Initiative and compliance	<ul style="list-style-type: none"> Employee suggestion mailbox Labor-management meeting E-mail Grievance hotline Quarterly Occupational Safety and Health Committee 	Regularly track the implementation of the management policy, and when necessary, propose necessary PDCA improvement measures to ensure that the goals set by the management policy can be achieved on time.
Actions		
Various management plans and implement the EHS month		

2020 Safety and Health Funding/Labor Input in Taiwan

Item	Results
Funding (NT\$)	274,658,768
Safety officer (people)	535
OSH project input (NT\$)	32,354,037
OSH advocacy (Including physical meetings/lectures, promotional materials/posters, texts/emails/electronic media)	1,602

International System Certification

The comprehensive OSH management mechanism is constructed on the spirit of self-management and systematic conduct. In this regard, we actively implement OHSAS 18001 management system in each plant, and realize the spirit of PDCA continuous improvement through e-management interfaces to improve system efficiency.

Implementation and Results

Region	Implementation and Results
Taiwan	<ol style="list-style-type: none"> 100% obtained ISO 45001:2018 certification, and regularly verified by a third-party certification agency every year According to the CNS 45001:2018 of the Republic of China, certified by the TOSHMS Precision S1 Plant obtained the Elite Award of the Cumulative Disaster-free Working Hours Obtained the Goal Achievement Certificate of the Cumulative Disaster-free Working Hours (1) Shanying Wenhua Plant (2) Hejiang Plant (3) Chungyuan Plant (4) Hejiang II Plant (5) Precision S1 Plant (6) Chung Hsing Plant Precision S1 Plant had obtained the three-year OSH Management System performance recognition from the OSH Administration of the Ministry of Labor
Mainland China	<ol style="list-style-type: none"> 100% obtained OHSAS 18001: 2007 certification, and regularly verified by a third-party certification agency every year Unimicron (Shenzhen) won the 2020 Blood Donated Activity Contribution Award from Shenzhen Taiwan Business Association Unimicron (Shenzhen) got a Certificate of Appreciation for the 2019 Shenzhen International Circuit Board Procurement Exhibition from TPCA/Shenzhen Printed Circuit Association Unimicron (Suzhou) obtained Video Contest of Douyin "I am a Safety Ambassador" – Top 3 from Suzhou Industrial Park High-tech Zone Safety Supervision Bureau Unimicron (Suzhou) obtained Benchmark Enterprise for Safety and Public Welfare from Suzhou Industrial Park High-tech Zone, Safety Supervision Bureau

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4.4.1 Occupational Safety and Health Management

Creating a good, safe, healthy, and comfortable workplace is Unimicron's philosophy when implementing OSH. We consistently invest in relevant resources to promote and conduct various measures and actions. We also continue to improve our management systems in response to the concerns of competent authorities, customers, and employees toward OSH, and actively share our management practices and results with the industry to implement the shared value of OSH. Unimicron won the 2020 National Occupational Safety and Health Award issued by the Ministry of Labor, and Executive President Chia Pin Lee received the award on behalf of the Company.

Implementation and Results

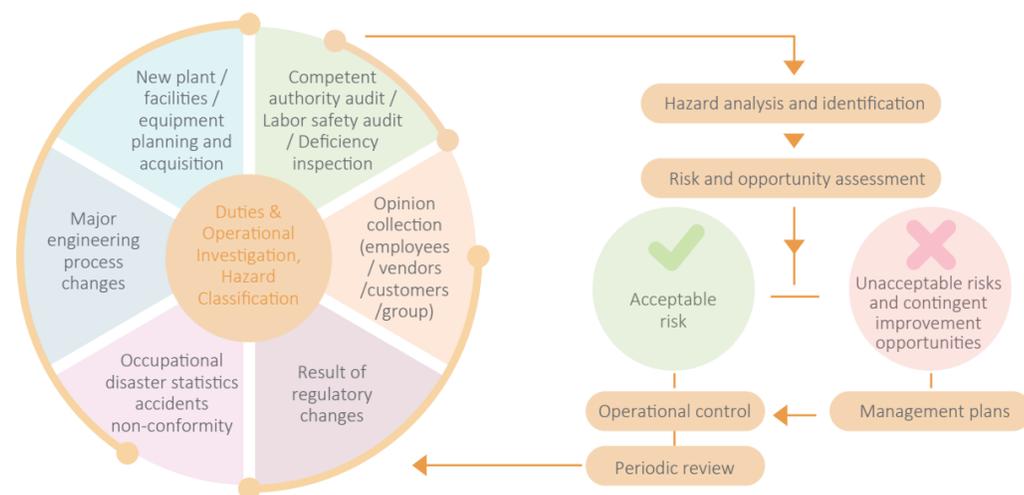


All OSH management personnel in each of Unimicron facilities are full-time permanent personnel, and all Taiwan facilities have established OSH management units and personnel in compliance with "Occupational Safety and Health Act" and relevant regulations; the person in charge of each workplace and supervisors at all levels will direct and supervise the implementation of safety and health management matters according to their responsibilities and powers following the work items planned by the OSH management unit, and coordinate and guide the relevant personnel to implement. All workers in the Company perform related matters following the OSH management standards. The operational scope of Unimicron's OSH Management System includes production, non-production sites, areas, equipment, and routine and non-routine operation activities in the operation area under the jurisdiction of the Company. It also includes all activities involving off-site units entering the Company's plants and workplace; facilities and equipment provided by off-site units and operated in the Company; and all activities involving contractors (including catering suppliers and raw material suppliers) entering the jurisdiction of the Company to engage in operational activities.



All personnel responsible for the Identification of OSH Hazard and Risk Assessment have taken OSH System training and have passed assessments. When any work activity changes or if abnormalities occur, they should be able to re-execute hazard identification and risk assessments. If risk assessment is classified as an unacceptable OSH risk (major/high risk) with major negative impacts, there will be an improvement plan based on elimination, replacement, engineering improvement, administrative management, and personal protective equipment to seek the best method of risk reduction and perform continuous improvement.

OSH Hazard Identification and Risk Assessment Operation Process



All employees of the Company are expected to comply with the standards set by the results from the hazard identification and risk assessment process. According to the "Occupational Safety and Health Act", the Company shall protect workers from revenge that may affect their right to work or promotion during their employment, or protect them from being discriminated against if they report or notify incidents, hazards, risks, or opportunities; leave work conditions that are likely to cause harm or disease; or report hazards or dangerous situations to worker representatives, employers, or regulatory authorities. Unimicron has established the OSH Committee and regularly holds committee meetings in Taiwan facilities and Mainland China facilities. Both employer and employees participate in meetings, which involve the requirements of the "Occupational Safety and Health Act" such as communication, participation, consultation, and related matters. The ratio of the labor representatives in the committee is superior to regulatory requirements in Taiwan facilities, with an average ratio of 58%. The ratio of the labor representatives in Mainland China facilities also reached 51%, showing how much we value employees' opinions and participation.

Proportion of Labor Representatives

Plants	Ratio of labor representatives	Regulatory requirements
Shanying	67%	33.3%
Hejiang	46%	33.3%
Luzhu	43%	33.3%
Hsinchu	62%	33.3%
QunHong Technology Inc.	56%	33.3%
Mainland China	51%	---

Note :

- The Shanying includes Shanying Plant, Precision S1 Plant, Precision S2 Plant, Precision S3 Plant, and Shanying Wenhua Plant.
- The Hejiang includes Hejiang Plant, Hejiang II Plant, and Zhongli Plant.
- The Luzhu includes Luzhu II Plant, Luzhu III Plant, and Dayuan Plant.
- The Hsinchu includes Hsinfeng I Plant and Chung Hsing Plant.
- QunHong Technology Inc. includes QunHong Dacheng Plant and QunHong Renyi Plant.
- Mainland China includes Unimicron (Kunshan), Unimicron-FPC (Kunshan), Unimicron (Suzhou), Unimicron (Shenzhen), Unimicron (Huangshi).

To avoid work-related incidents, Unimicron continues to implement high-risk work safety assessment and safety observation and evaluation in all facilities, strengthen occupational incident prevention and improvement projects, and educate and strengthen employees' awareness of self-safety. There are 64 types of specific hazardous workplaces, including noise, ionizing radiation, manganese, lead, nickel and fine dust in Unimicron facilities in Taiwan and Mainland China, and regular specific workplace health checks are carried out every year.

Taiwan Facilities

Special Health Check-ups : 11,651 people

Second-Level Management of Special Health Check-Ups : All of 4,162 employees in second-level management have completed the health education courses

Fourth-Level Management of Special Health Check-Ups : All of 93 employees in fourth-level management have been interviewed by the on-site physicians to complete the reconfirmation of work competence

Mainland China Facilities

Special Health Check-Ups : 5,355 people

Employees with Abnormality : All of 85 employees have been tracked and improvement has been made

There were no severe occupational injuries in Unimicron in 2020. The Disabling Injury Severity Rate (SR) in Taiwan increased by 183% compared with 2019, due to employee's fall that needs a long time to recover. The Disabling Injuries Frequency Rate (FR) increased by 33% compared with 2019, the main reason for the increase was that employees' insufficient safety awareness has caused many minor injuries. According to analysis, there were 46 cases of Taiwanese facility workers who asked for more than one day of leave due to work injuries. The main types of incidents were 12 cases (26%) of crush injuries, 8 cases (17%) of falls/slips/trips, 5 cases (11%) of injuries due to impacts, and 4 cases (9%) of chemical contact injuries in 2020. Regarding the overall prevention of injuries, we will continue to promote safety culture and proactive safety protection for all employees every year during Safety and Environment Month, and implement a six-hour OSH retraining course for injured employees, who must pass tests and assessments.

The Group's Work Injury

Year	Disabling Injuries Frequency Rate (FR) each year			Disabling Injury Severity Rate (SR) each year		
	Employees in Group-wide	Employees in Taiwan	Employees in Mainland China	Employees in Group-wide	Employees in Taiwan	Employees in Mainland China
2018	0.76	0.79	0.74	6	7	5
2019	0.95	0.96	0.94	11	6	17
2020	0.99	1.28	0.68	21	17	24

Note 1 : Disabling Injuries Frequency Rate (FR) = Number of disabling injuries × 10⁶/Number of hours worked.
Disabling Injuries Severity Rate (SR) = (Number of disabling injuries × number of workdays lost) × 10⁶/Number of hours worked.
The number of disabling injuries is defined as the number of cases in which a worker could not resume work after an occupational injury for more than one day (inclusive). The total number of workdays lost is defined as the number of days in which the worker could not resume work after an occupational injury for more than one day (inclusive).
The total number of days lost does not include the calendar days of the day of the injury and the day of resuming work.

Note 2 : The definition of high-consequence injury includes fatalities, or does not or is not expected to recover fully to pre-injury health status within 6 months.

Note 3 : Disabling Injuries Frequency Rate (FR) and Disabling Severity Rate (SR) of contractors and dispatch were 0 from 2018 to 2020.

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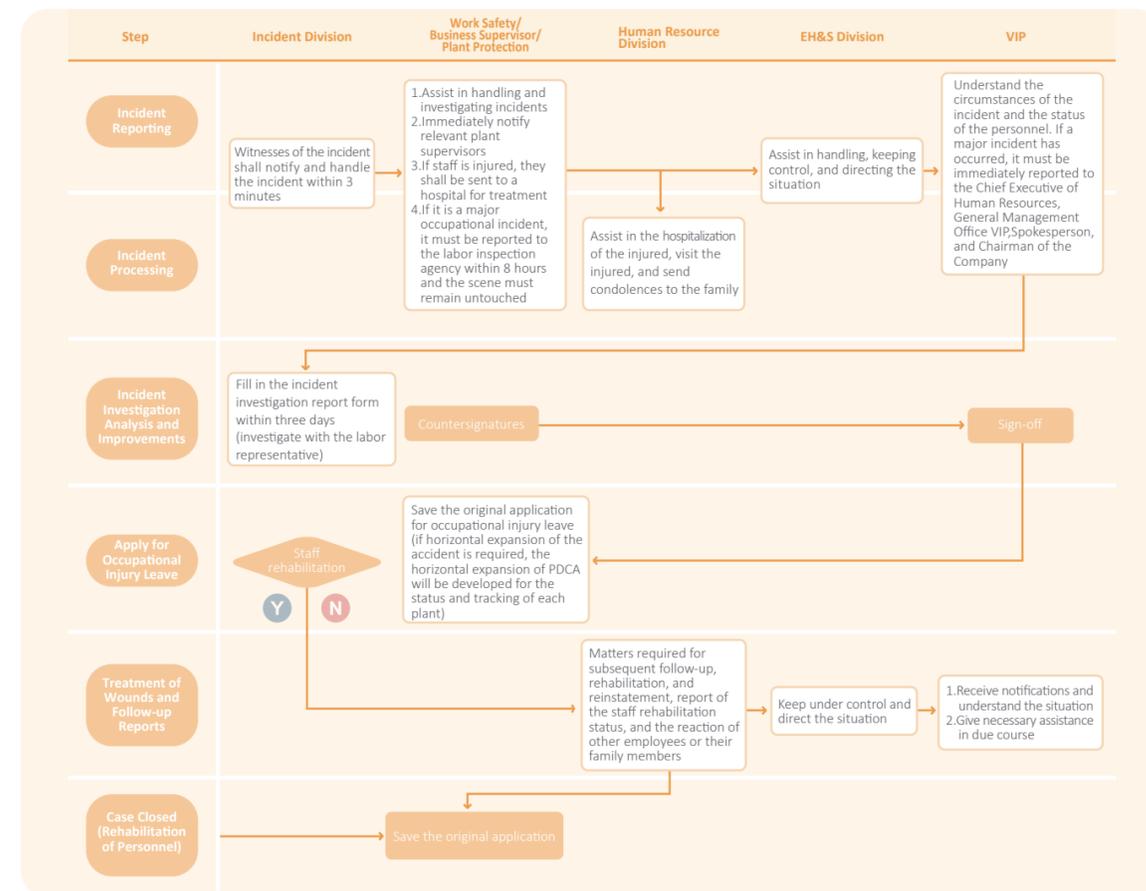
In 2020, Unimicron had a recordable number of occupational injuries (including work-related injuries, Merbromin, and false alarms) totaling 10,766 cases. The information is based on the severity and frequency of occupational disasters. The OSH of the accidents will be improved and placed under performance review in order of occurrence.

2020 The Group's Recordable Occupational Injury Statistics

Category	Area	Work hours (hours)	Recordable occupational injuries (cases)	Recordable work-related Injury Rate (IR) (%)
Employees	Taiwan	35,706,588	3,202	18
	Mainland China	34,843,466	7,564	43
	Total	70,550,054	10,766	31
Contractors	Taiwan	1,677,752	0	0
	Mainland China	588,224	0	0
	Total	2,265,976	0	0
Dispatch	Taiwan	1,432	0	0
	Mainland China	0	0	0
	Total	1,432	0	0

Note: Injury rate (IR) = Number of recordable work-related injuries/number of hours worked x 200,000

Unimicron has established a notification, investigation, and improvement process for occupational incidents in accordance with the Occupational Safety Management System. The incident investigation shall include the hazard identification, risk assessment of the incident operation process, and the improvement measures needed for the OSH Management.



To cultivate OSH culture in the workplace, Unimicron encourages all employees to actively participate in the sustainable activities of OSH. Unimicron has one OSH officer in each plant and each unit, with an average of one OSH officer per 56 employees. There were 535 OSH officers in Taiwan facilities and Mainland China facilities in 2020, showing how much we value our OSH culture. To put the culture into practice, OSH officers convene monthly meetings to carry out bilateral communication, promotion and counseling, and promote various OSH activities to strengthen employees' awareness towards OSH.

Each year we set the annual OSH education and training plans for employees (including contractors). Apart from physical courses, we also provide relevant courses on the e-learning platform, enabling employees to study online at the Unimicron E-College. In addition, to prevent all types of emergency, each plant and unit shall implement emergency drills for disasters such as fire, chemical disaster, occupational disaster, fire safety, and natural disaster (e.g., earthquake and flood) each year, to enhance all staff's emergency response capability and ensure the stability of operations.

2020 Occupational Safety Training

	Occupational safety training course	Ten-minute education and training	Work safety officer training	New employee training	Occupational safety on-the-job training	Occupational incident case advocacy	Occupational safety management system training	Occupational safety license training
Taiwan	Number of sessions	425	104	418	169	181	16	181
	Number of participants	161,527	6,257	16,424	8,921	63,355	275	963
	Number of hours	42,488	6,461	98,034	22,957	23,772	1,608	7,660
Mainland China	Number of sessions	341	16	145	105	41	2	50
	Number of participants	126,288	607	6,931	39,818	1,325	40	2,945
	Number of hours	21,061	708	36,388	40,383	66	80	4,434
Total	Number of sessions	766	120	563	274	222	18	231
	Number of participants	287,815	6,864	23,355	48,739	64,680	315	3,908
	Number of hours	63,550	7,169	134,422	63,339	23,838	1,688	12,094

Contractors' OSH Training

Item	Taiwan Facilities	Mainland China Facilities	Total
Number of sessions	180	17	197
Number of participants	5,738	2,961	8,699



Emergency Response Drills and Number of Participants

Item	Taiwan Facilities	Mainland China Facilities	Total
Number of sessions		549	352
Number of participants		20,722	21,728

Drill theme: Emergency response to natural disasters such as equipment fire accidents, fire evacuation drills, chemical spills, work injuries, confined space operations, floods, and earthquakes

OSH/Fire emergency drills	Number of sessions	Number of participants (include supplier)	Number of person-hours (hours)
Drills of whole area evacuation for large-scale incidents	28	14,770	59,080
Drills of whole area evacuation triggered by natural disasters	26	17,466	69,864
Regional fire drills	433	6,447	7,848
Regional contingency drills for chemical incidents	236	1,890	1,758
Regional contingency drills triggered by natural disasters	46	427	427
Regional contingency for chemical leakage	14	120	120
Others (including injury, poisoning, hazards from confinement)	118	1,330	1,246
Subtotal	901	42,450	140,343

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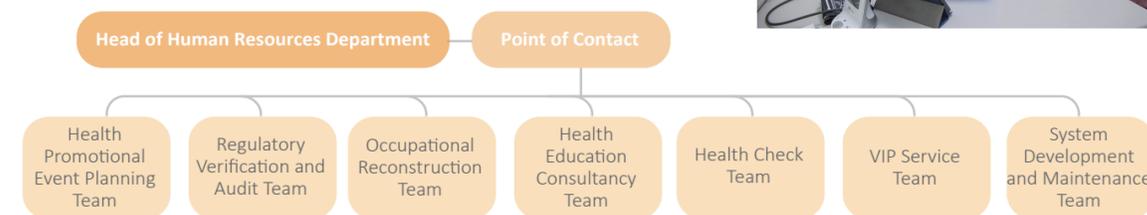
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4.4.2 Health Promotion

Unimicron established the "Health Management Center" in 2014 in Taiwan, with the concept that prevention is more important than treatment. Through various health promotion activities and services, it cares for the physical and mental health of each employee and creates a friendly workplace where safe and happy work is done. Since its establishment, we have 19 full-time nurses and it has provided a total of 416,778 services, taking full care of employees' health issues in the workplace and non-workplaces, and protecting their physical and mental health. In addition, we won the "2020 Exercise Enterprise Certification".



Unimicron Health Management Center

Number of Occupational Specialists Employed : 7 people
Number of Service Sessions : 330 sessions
Total Service Hours : 990 hours

Service Content : Employee health checkups, health education, health consultation and evaluation, health promotion questionnaire, improvement of work hazards in the workplace environment, and evaluation of resumption of work/work assignment after injury or illness
Item : Appointment physician on-site service

2020 Results in Taiwan

Special Protection	Health Care	Health Promotion
<ul style="list-style-type: none"> 213 employees of maternal health care assessment 12,092 employees of ergonomic hazard prevention and control management 12,092 employees of overwork self-test evaluation 3.1% person who overwork at high risk There are 0.34% of persons with ten-year cardiovascular disease prevention management A total of 647 person-times for the three hyper screening consultation 13,000 employees managed by COVID-19 prevention and control APP 	<ul style="list-style-type: none"> 167 supervisors completed the supervisor health checkup 827 employees who participated in the four-cancer prevention and control screening 2,936 people who received work assignments, resume work, and health consultation 330 of site inspections 69 employees who had been concerned for special operation 100% of employees who completed regularly health checkups 2,516 employees who were vaccinated against the flu this year 	<ul style="list-style-type: none"> 3,795 of using onsite massage service 18,178 participants in health knowledge promotion 17,752 employees who completed online health course 5,623 participants in health/mental lecture

2020 Results in Mainland China

Special Protection	Health Care	Health Promotion
<ul style="list-style-type: none"> 408 employees of maternal health care assessment 432 employees of ergonomic hazard prevention and control management 3,343 employees participated in overwork prevention health promotion activities A total of 569 person-times for the three hyper screening consultation 1,395 employees of cardiovascular disease prevention 6,214 employees of employees who joined coronavirus (COVID-19) prevention activity 	<ul style="list-style-type: none"> 194 supervisor had completed the supervisor health checkup 304 people participate in the cancer prevention 2,470 employees who joined employee-friendly workplace activity 3,730 employees who received health consultant service 7,903 employees who completed regularly health checkups 1,718 employees were vaccinated against the flu this year 	<ul style="list-style-type: none"> 3,382 employees who joined health promotion activities 23,946 participants in health knowledge promotion 17,752 employees who participated in online health training 9,418 participants in health/mental lecture

4.4.3 Unimicron's EHS Month

Unimicron always puts safety first. Since 2004, we have held the Environment, Health, Safety Month (EHS Month) event in the third quarter of each year. The CEO attends the opening and closing ceremonies, with participation from Taiwan facilities and Mainland China facilities. It is hoped that the high-level management's declaration and attention on safety shall promote all employees to value and care for the OSH in the workplace.

The 2020 Main Themes of EHS Month

Health	Safety	Environmental
<ul style="list-style-type: none"> Implementation status, participation, and results of the four major plans. The control result of health care management 	<ul style="list-style-type: none"> Being in charge of OSH management participation, environmental protection and occupational safety's continuous improvement performance High-risk operation safety teaching and assessment Environmental safety 6S control Strengthen safety awareness to achieve zero occupational incidents 	<ul style="list-style-type: none"> Display energy conservation (water and electricity) implementation status management Strengthen reasonable waste quantity management and implementation of sorting / discharge mechanism
2018 Health Aspect <ul style="list-style-type: none"> Exception handling must be safe Save water and electricity, and reduce waste Maintain physical and mental health 	2019 Environmental Aspect <ul style="list-style-type: none"> Zero risk of safety Zero waste of resources Zero health abnormality 	
2020 Safety Aspect <ul style="list-style-type: none"> New safety thought Saving resources, preserve nature New health life 		

2020 EHS Month's Evaluation Excellent Division

Awards	Plants in Taiwan	Indirect unit in Taiwan	Plants in Mainland China
High Distinction	S2	Carrier EOP	Unimicron (Huangshi)
Distinction	H3	Material Management Division	Unimicron (Suzhou)
Honorable Mention	Luzhu II Plant	---	---

Active Participation in External Engagement and Experience Sharing

In terms of OSH management, besides our strict internal management, Unimicron also actively participates in OSH activities of external, private organizations, hoping to contribute toward the promotion of OSH in the industry. Unimicron is mainly involved in TPCA and the North District Promotion Association of the TOSHMS, and volunteers for the occupational safety counseling organized by the OSH Administration, Ministry of Labor.

Since 2013, Unimicron serves as the convener of the OSH Committee of the TPCA to assist in relevant guidance, as well as discussion and implementation of relevant plans or projects of the PCB industry. In 2020, Unimicron assisted the North District Promotion Association of the TOSHMS to compile the "Enterprise Epidemic Prevention Management Case Manual", and assisted in project execution, observation and learning activities, etc. In the same year, the Company continued to serve as the promotion officer of the North District Promotion Association of TOSHMS to promote and improve the excellence of the industry's OSH culture through experience sharing and exchange. In order to improve the domestic occupational safety standards and assist the public sector to promote OSH, since 2015, Unimicron has continued to participate in the SME Counseling Volunteer Program of the OSH Administration, Ministry of Labor, to assist the improvement of on-site OSH (including chemical management) and the upgrade of the OSH management systems in small and medium-sized enterprises. In 2020, in cooperation with the Ministry of Labor's guidance of the SMEs to assist small and medium-sized enterprises to establish occupational safety and health management systems for a total of 8 sessions. By the end of 2020, Unimicron had invested a total of 13 people in the volunteer counseling project and assisted in 85 counseling visits.

Achievements

- 2 committee sessions
- 8 forums
- 3 sessions of PCB equipment safety standards
- 2 officer meetings
- 3 educational research and observation
- 2 sessions of case manual compilation



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5.1 Social Value

Policy

Corporate Social Responsibility Policy

Commitment

Based on the concept of "taking from society and giving back to society", we participate in community outreach and emergency relief activities to share love, give back to society, and fulfill social responsibilities

Division

Corporate Sustainability Committee

Grievance Mechanism

CSR mailbox

Actions

- CSR management
- Stakeholder communication/questionnaire survey

Resources Invested

- We inspire Club to engage in charitable activities
- Unimicron set the volunteer leave and inspire employees to engage in charitable activities
- Unimicron has launched the "Sunrise Charity Convenience Store" project at the Shanying Plant that waives all rents and utility bills, provides employees with consumption discounts, and donates all the profits from the convenience store to charity

5.1.1 Pillars of Charity

Responding to Sustainable Development Goals (SDGs), Unimicron adheres to the principle of "taking from society and giving back to society," with long-term investment, combining internal and external resources of the group and cooperating with stakeholders, to actively promote the three main social welfare pillars of local participation, caring for the disadvantaged, and diversity and equality. The Company hopes to exert positive social influence, drive continuous progress of the society, bring warmth to more people, and exert more positive influence.

Pillar	Vision	Promotion content	Unimicron's role
Local Participation	<ul style="list-style-type: none"> • Enhance the sports atmosphere among the local youth • Promote community activities 	<ul style="list-style-type: none"> • Support physical education • Sponsor community events 	<ul style="list-style-type: none"> • Donate to the baseball team every year and 2 players whose grades are in the top 50 of the whole academic year • Sponsor local community activities to expand social influence
Caring for the Disadvantaged	<ul style="list-style-type: none"> • Provide education opportunities to disadvantaged students • Caring local disadvantaged 	<ul style="list-style-type: none"> • Sponsorship to help students • New Year and festival donation 	<ul style="list-style-type: none"> • Provide New Year gift boxes for disadvantaged students to send warmth and love • We had provided materials and cash for those who need of assistance from the local communities in Mainland China facilities
Diversity and Equality	<ul style="list-style-type: none"> • Assist the relatively disadvantaged groups in society to pursue diversity and equality 	<ul style="list-style-type: none"> • Sunrise Charity Convenience Store 	<ul style="list-style-type: none"> • Provide employment opportunities at the Sunrise Charity Convenience Store, provide discounts on employee consumption, and donate all the profits of the convenience store to charity, allowing the cycle of good to be uninterrupted

5.1.2 Social Investments

As a member of the global corporate citizens, Unimicron also pursues fulfilling its responsibilities and actively cares for society and contributes while engaging in business operations. Through the spirit of caring and giving back to society, the Company organizes and participates in many activities, puts in resources, provides diverse and equal opportunities, creates opportunities for people in need, and drives continuous progress in society. Starting from its operating base, Unimicron expands the promotion of caring activities across national borders. Whether in the sponsorship of social outreach or the input of volunteers, Unimicron provides more resources and hopes for local communities and the underprivileged, and infuses positive energy into society.

We have adopted the London Benchmarking Group (LBG) Framework to evaluate the overall status of resources invested that allocative efficiency of resources. In the past three years, Unimicron has invested in society, gradually increase investment in commercial facilitation, to strengthen the connection between operation and resource. In addition, the average percentage of main social investments is 70% by money. We will continually review the resource that input to social with the connection of financial and non-financial information, and fulfill the stakeholder's expectation of creating shared value.

	2018		2019		2020	
	Monetary amount (NT\$)	%	Monetary amount (NT\$)	%	Monetary amount (NT\$)	%
Charitable donation	3,783,454	53.3%	1,328,015	19.6%	2,008,520	17.6%
Community engagement	1,260,909	17.8%	1,280,895	18.9%	1,469,564	12.8%
Commercial facilitation	2,046,621	28.9%	4,174,939	61.5%	7,964,884	69.6%
Total	7,090,985	100.0%	6,783,849	100.0%	11,442,968	100.0%

Note : 1 CNY=4.428 TWD

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	2018		2019		2020	
	Monetary amount (NT\$)	%	Monetary amount (NT\$)	%	Monetary amount (NT\$)	%
Cash donation	5,689,913	80.2%	3,916,807	57.7%	8,667,406	75.7%
Time contribution	400,064	5.6%	202,459	3.0%	274,145	2.4%
Item donation	40,383	0.6%	83,176	1.2%	2,501,417	21.9%
Management fee	960,624	13.6%	2,581,407	38.1%	---	0.00%
Total	7,090,985	100.0%	6,783,849	100.0%	11,442,968	100.0%

Note : 1 CNY=4.428 TWD

5.2 Social Participation

Supporting Physical Education



Unimicron actively supports the national sports of baseball. Since 2014, the Company has started to sponsor the Guishan Junior High School baseball team in Taoyuan City, where the Company is located, and promises to donate NT\$1.8 million to assist the baseball team in various training tasks for five years (2019-2023). Starting from 2019, we will donate NT\$15,000 to 2 students with an excellent academic performance each year as encouragement, looking forward to cultivating more outstanding stars of tomorrow for the country.



Meal Love Delivery Activities



To show the concern for socially vulnerable groups and the poor in Taoyuan County, Unimicron has held "2020 Meal Love Delivery" since June 2020. The Unimicron has cooperated with Zenan Homeless Social Welfare Foundation and An Xin Caring Association to carry out this kind-hearted behavior. Unimicron has prepared numerous of boxed lunch from the own cafeteria and delivered personally to the Foundation and Association by the coworkers from Administration Service Department (ADM). Providing meals with the homeless and social outcasts, Unimicron expects such love delivery can influence other enterprises involving in spreading love and care to the needy people.



Toy Love Delivery Activities



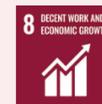
Unimicron has held "2020 Toy Love Delivery" since July 2020. The ADM in Unimicron has cooperated with Taiwan Toy Library Association and Zuntou Elementary School to carry out this kind-hearted behavior, delivering the donation from the colleagues to Zuntou Elementary School personally. In order to make children experience the joy of toys, Unimicron has packed 4 boxes of toys. Unimicron expects such cooperation is able to spread love to every corner from the colleagues. This behavior can not only raise environmental awareness but also share happiness with children.



Diverse Public Welfare



Unimicron has launched the "Unimicron Sunrise Charity Convenience Store" project at the Shanying Plant in 2014. The Sunrise Charity Convenience Store's employees are all from disadvantaged families and people with disabilities assisted by the China Youth Care Association. For the convenience store's operation, Unimicron waives all rents and utility bills, and provides employees with consumption discounts. It also donates all the profits from the convenience store to charity, assisting more people in need and making the cycle of good in the public welfare convenience store uninterrupted. We will continue to invest relevant resources, provide more opportunities to disadvantaged people, and bring more warmth and positive power to society.



Unit: Number of people

People assisted by the Sunrise Charity Convenience store	2018	2019	2020
Single mother	21	29	9
Disabled	7	4	2
Disadvantaged youth	3	10	14
Total	31	43	35



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About This Report

In 2021, Unimicron prepared the Corporate Social Responsibility (CSR) report with the same rigorous attitude, from the three main aspects of the Company's steady management, value chain and circular economy development, and the multi-party interaction and communication with customers, employees and society, to explain our sustainability commitments, goals, management and performance to all stakeholders. The previous CSR report was published in June 2021, and the next report is expected to be released in June 2022.

Compilation Principles

This report is completed based on the core options of the Global Reporting Initiative (GRI) Standards, and the disclosure content has passed the verification under the cores of the GRI Standards and AA1000 AS 2008 TYPE II high assurance standards.

Boundary and Data

The boundary of this report for the information disclosure in the organization is Unimicron's Taiwan facilities (Shanying Plant, Luzhu Plant, Hejiang Plant, Chungyuan Plant, Hsinfeng Plant, and Chung Hsing Plant) and Mainland China (Unimicron (Shenzhen), Unimicron (Kunshan), Unimicron-FPC (Kunshan), and Unimicron (Suzhou), and Unimicron (Huangshi)) and subsidiaries (QunHong Technology Inc.). The information coverage is mainly from January 1, 2020 to December 31, 2020. The impacts affecting the subsidiaries within the organization and the value chain (purchasing, manufacturing, and customer use) outside of the organization are mainly for the disclosure on Unimicron's management, strategic, or future management planning. Therefore, there are no significant changes in information disclosure boundary setting and the supply chain from the previous year. If there are changes in data boundary or measurement calculation method from the previous version, it will be noted in the paragraph or below the figure and table.

Report Management

Management Unit



The management unit of this report is the "Unimicron Corporate Sustainability Committee," with the management serves as the supervising advisors, and the senior executives are responsible for the operation of various subordinate functional committees. The sub-committee team members come from all the operating units, including representatives of finance, investor relations, human resources, environmental protection, safety and health, information, supplies, business, etc., and are responsible for confirming the management guidelines and implementation of CSR issues. The committee annually confirms and analyzes the Company's CSR report and overall strategy, direction and objectives, and reports the implementation results of the review and improvement measures for the unachieved project items to the Chairman of the board.

Internal Audit



All the information disclosed in the report is provided and compiled by Unimicron's various departments. After the basic drafts are produced, through discussion with the external consultant team, the structure compilation and disclosure direction are edited and revised. The finalized version is reviewed by each department head and finally approved by the general manager for the annual report to be published.

External Review



In addition, the financial report data disclosed is the financial report data that has been attested by the PwC Taiwan and presented in the New Taiwan Dollars, accounting firm and is presented in New Taiwan dollar. Greenhouse Gases (ISO 14064-1), Environmental Management System (ISO 14001), Energy Management System (ISO 50001), and Occupational Health and Safety Management System (ISO 45001) have all been verified by a fair third party.

Contact



If you have any suggestions or questions about the content of this report or the company's sustainable development, please contact Tenfens Huang at the Secretariat of the Corporate Sustainability Committee.
Address : No.179, Shanying Rd., Guishan Dist., Taoyuan City 333, Taiwan (R.O.C.)
Telephone : 03-3500386#11390
Email : CSR@unimicron.com



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Disclosure	Topic-specific disclosures	Section title	Page	Note
102-1	Name of the organization	About Unimicron	5	
102-2	Activities, brands, products, and services	About Unimicron	5	
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102-4	Location of operations	About Unimicron	7	
102-5	Ownership and legal form	About Unimicron	5	
102-6	Markets served	About Unimicron	6	
102-7	Scale of the organization	About Unimicron	5	
102-8	Information on employees and other workers	4.1.1 Human Resource Status	73	
102-9	Supply chain	2.3.1 Sustainable Supply Chain	51	
102-10	Significant changes to the organization and its supply chain	About this Report	96	
102-11	Precautionary Principle or approach	1.2.3 Risk Management	34	
102-12	External initiatives	Association Participation	13	
102-13	Membership of associations	Association Participation	13	
102-14	Statement from senior decision-maker	Letter from the Chairman	2	
102-15	Key impacts, risks, and opportunities	1.2.3 Risk Management	34	*
102-16	Values, principles, standards, and norms of behavior	1.2.2 Ethical Corporate Management	31	
102-17	Mechanisms for advice and concerns about ethics	1.2.2 Ethical Corporate Management	32	*
102-18	Governance structure	1.2.1 Corporate Governance Framework	23,30	
102-19	Delegating authority	1.1.3 Corporate Sustainability Committee	23	*
102-20	Executive-level responsibility for economic, environmental, and social topics	1.1.3 Corporate Sustainability Committee	23	*
102-21	Consulting stakeholders on economic, environmental, and social topics	1.1.4 Materiality Analysis	24	*
102-22	Composition of the highest governance body and its committees	1.2.1 Corporate Governance Framework	30	*
102-23	Chair of the highest governance body	1.2.1 Corporate Governance Framework	30	*
102-24	Nominating and selecting the highest governance body	1.2.1 Corporate Governance Framework	30	*
102-25	Conflicts of interest	1.2.1 Corporate Governance Framework	30	*
102-26	Role of highest governance body in setting purpose, values, and strategy	1.2.1 Corporate Governance Framework	30	*
102-27	Collective knowledge of highest governance body	1.2.1 Corporate Governance Framework	30	*
102-28	Evaluating the highest governance body's performance	1.2.1 Corporate Governance Framework	31	*
102-29	Identifying and managing economic, environmental, and social impacts	1.1.4 Materiality Analysis	24	*
102-30	Effectiveness of risk management processes	1.1.3 Corporate Sustainability Committee	23	*
102-31	Review of economic, environmental, and social topics	1.1.3 Corporate Sustainability Committee	23	*
102-32	Highest governance body's role in sustainability reporting	1.1.3 Corporate Sustainability Committee	23	*
102-33	Communicating critical concerns	1.1.3 Corporate Sustainability Committee	23	*
102-40	List of stakeholder groups	1.1.4 Materiality Analysis	26	
102-41	Collective bargaining agreements	Unimicron has not signed collective bargaining agreements.	81	
102-42	Identifying and selecting stakeholders	1.1.4 Materiality Analysis	26	
102-43	Approach to stakeholder engagement	1.1.4 Materiality Analysis	26	
102-44	Key topics and concerns raised	1.1.4 Materiality Analysis	26	
102-45	Entities included in the consolidated financial statements	About this Report	96	
102-46	Defining report content and topic boundaries	1.1.4 Materiality Analysis	24	
102-47	List of material topics	1.1.4 Materiality Analysis	25	
102-48	Restatements of information	No significant changes	-	
102-49	Changes in reporting	1.1.4 Materiality Analysis	25	
102-50	Reporting period	About this Report	96	
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GRI 102: GENERAL DISCLOSURES 2016

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	103-2	The management approach and its components	1.1.4 Materiality Analysis Management policy for each chapter	25,30,45,47,51,72,85,93
	103-3	Evaluation of the management approach	1.1.4 Materiality Analysis Management policy for each chapter	25,30,45,47,51,72,85,93
GRI 201: ECONOMIC PERFORMANCE 2016	201-1	Direct economic value generated and distributed	About Unimicron	9
	201-3	Defined benefit plan obligations and other retirement plans	4.1.3 Compensation Benefits and Rights	78 *
	201-4	Financial assistance received from government	2.1.2 Innovative Technology R&D	44
GRI 202: MARKET PRESENCE 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.1.3 Compensation Benefits and Rights	77
	202-2	Proportion of senior management hired from the local community	4.1.1 Human Resource Status	74
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-2	Significant indirect economic impacts	2.3.1 Sustainable Supply Chain 4.1.3 Compensation Benefits and Rights 5.1.2 Social Investments	51,76,93 *
GRI 204: PROCUREMENT PRACTICES 2016	204-1	Proportion of spending on local suppliers	2.3.1 Sustainable Supply Chain	56 *
GRI 205: ANTI-CORRUPTION 2016	205-2	Operations assessed for risks related to corruption	1.2.2 Ethical Corporate Management	33
	205-3	Communication and training about anti-corruption policies and procedures	No related incidents in 2020	31
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No related incidents in 2020	31
GRI 301: MATERIALS 2016	301-1	Materials used by weight or volume	3.3.1 Raw Materials	63 *
	301-3	Reclaimed products and their packaging materials	3.3.1 Raw Materials	56,63 *
GRI 302: ENERGY 2016	302-1	Energy consumption within the organization	3.3.2 Energy Management	64
	302-3	Energy intensity	3.3.2 Energy Management	64
	302-4	Reduction of energy consumption	3.3.2 Energy Management	63
GRI 303: WATER AND EFFLUENTS 2018	303-1	Interactions with water as a shared resource	3.3.3 Water Resources Management	65
	303-2	Management of water discharge-related impacts	3.3.3 Water Resources Management	65
	303-3	Water withdrawal	3.3.3 Water Resources Management	66
	303-4	Water discharge	3.3.3 Water Resources Management	67
	303-5	Water consumption	3.3.3 Water Resources Management	66
GRI 305: EMISSIONS 2016	305-1	Direct (Scope 1) GHG emissions	3.2.1 Inventory and Reduction	61
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	305-3	Other indirect (Scope 3) GHG emissions	3.2.1 Inventory and Reduction	61
	305-4	GHG emissions intensity	3.2.1 Inventory and Reduction	61
	305-5	Reduction of GHG emissions	3.2.1 Inventory and Reduction	62
GRI 306: EFFLUENTS AND WASTE 2016	306-1	Water discharge by quality and destination	3.3.3 Water Resources Management	67 *
	306-2	Waste by type and disposal method	3.4.2 Waste Output and Reduction	70 *
	306-5	Water bodies affected by water discharges and/or runoff	3.3.3 Water Resources Management	67 *
	307-1	Non-compliance with environmental laws and regulations	3. Green Future	58
	GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	New suppliers that were screened using environmental criteria	2.3.1 Sustainable Supply Chain
308-2		Negative environmental impacts in the supply chain and actions taken	2.3.1 Sustainable Supply Chain	55 *
GRI 401: EMPLOYMENT 2016	401-1	New employee hires and employee turnover	4.1.2 Talent Retention	74
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.3 Compensation Benefits and Rights	78
	401-3	Parental leave	4.1.3 Compensation Benefits and Rights	79
GRI 402: LABOR/MANAGEMENT RELATIONS 2016	402-1	Minimum notice periods regarding operational changes	4.1.2 Talent Retention	75 *

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GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1	Occupational health and safety management system	4.4.1 Occupational Safety and Health Management	85
	403-2	Hazard identification, risk assessment, and incident investigation	4.4.1 Occupational Safety and Health Management	86
	403-3	Occupational health services	4.4.1 Occupational Safety and Health Management	86
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4.1 Occupational Safety and Health Management	87
	403-5	Worker training on occupational health and safety	4.4.1 Occupational Safety and Health Management	89
	403-6	Promotion of worker health	4.4.2 Health Promotion	90
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.1 Occupational Safety and Health Management	86
	403-8	Workers covered by an occupational health and safety management system	4.4.1 Occupational Safety and Health Management	86
	403-9	Work-related injuries	4.4.1 Occupational Safety and Health Management	87
	403-10	Work-related ill health	4.4.1 Occupational Safety and Health Management	87
GRI 404: TRAINING AND EDUCATION 2016	404-1	Average hours of training per year per employee	4.3.1 Talent Cultivation	82
	404-2	Programs for upgrading employee skills and transition assistance programs	4.3.1 Talent Cultivation	82
	404-3	Percentage of employees receiving regular performance and career development reviews	4.1.3 Compensation Benefits and Rights	76
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	Diversity of governance bodies and employees	1.2.1 Corporate Governance Framework 4.1.1 Human Resource Status	30 73
	405-2	Ratio of basic salary and remuneration of women to men	4.1.3 Compensation Benefits and Rights	77
GRI 406: NON-DISCRIMINATION 2016	406-1	Incidents of discrimination and corrective actions taken	No related incidents in 2020	80 *
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	412-2	Employee training on human rights policies or procedures	4.2.1 Human Rights Management	80 *
GRI 413: LOCAL COMMUNITIES 2016	413-1	Operations with local community engagement, impact assessments, and development programs	5.1.2 Social Investments	93 *
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	New suppliers that were screened using social criteria	2.3.1 Sustainable Supply Chain	51 *
	414-2	Negative social impacts in the supply chain and actions taken	2.3.1 Sustainable Supply Chain	54 *
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1	Assessment of the health and safety impacts of product and service categories	2.1.3 Green Product Management	45
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No related incidents in 2020	-
GRI 418: CUSTOMER PRIVACY 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No related incidents in 2020	50
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	419-1	Non-compliance with laws and regulations in the social and economic area	1.2.2 Ethical Corporate Management	31
Technology and R&D	Unimicron specific	Investing in manpower and resources, focusing on technology and R&D to provide leading technology and solutions	2.1.2 Innovative Technology R&D	42
Green products	Unimicron specific	Producing green products that meet international regulations, industry standards and customer requirements	2.1.3 Green Product Management	45

*Voluntary information disclosure

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Topic	Code	Accounting metric	Section title	Page
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	1.2.4 Information Security	37
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	4.1.1 Human Resource Status	73
	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	2.1.3 Green Product Management	46
Product Lifecycle Management	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	The products manufactured by Unimicron are not registered	-
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR* criteria	This indicator can not be applied to Unimicron, which is a non-terminal manufacturer	-
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	There are no statistics	-
Supply Chain Management	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	2.3.2 Conflict Minerals Management	56
Materials Sourcing	TC-HW-000.A	Number of units produced by product category	About Unimicron	5
	TC-HW-000.B	Area of manufacturing facilities	About Unimicron	5
	TC-HW-000.C	Percentage of production from owned facilities	About Unimicron	5

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ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE UNIMICRON TECHNOLOGY CORP.'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2020

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Unimicron Technology Corp. (hereinafter referred to as Unimicron) to conduct an independent assurance of the Corporate Social Responsibility Report for 2020 (hereinafter referred to as the Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during on-site verification (05/May/2021~18/May/2021). SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Unimicron's Stakeholders.

RESPONSIBILITIES

The information in the Unimicron's CSR Report of 2020 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of Unimicron. SGS has not been involved in the preparation of any of the material included in the Report

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Unimicron's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options		Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B	AA1000ASv3 Type 2 (AA1000AP Evaluation only)	High

Assurance has been conducted at a high level of scrutiny.

TWLPP5008 Issue 2104

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Select specific reporting criteria included in the contract

Reporting Criteria Options	
1	GRI Standards (Core)
2	AA1000 Accountability Principles (2018)

- evaluation of content veracity of the sustainability performance information based on the materiality determination at a high level of scrutiny for Unimicron and moderate level of scrutiny for subsidiaries, joint ventures, and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018); and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts. Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Unimicron, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

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AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

Unimicron has demonstrated its commitment to stakeholder inclusivity through formalised commitment from the highest governing body. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

Materiality

Unimicron has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Specific performances related to material topic are recommended to be reported in a more balance way to address stakeholder concerns.

Impact

Unimicron has performed processes to understand, measure, evaluate and manage the organization's impacts that are applied across the organization under the governance of senior management. Qualitative and quantitative monetized measurements are presented to communicate the specific performances. However, the sustainability context of each impact should be described more clearly to allow a better understanding of the potential direct, indirect, positive, and negative impacts.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Unimicron's CSR Report of 2020, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of Unimicron's involvement with the impacts for each material topic (103-1), and the mechanisms for evaluating the effectiveness of the management approach for each material topic. More disclosures on the mechanisms for evaluating the effectiveness of the management approach of the material topic GRI 206 and GRI 418 is recommended.

Signed:

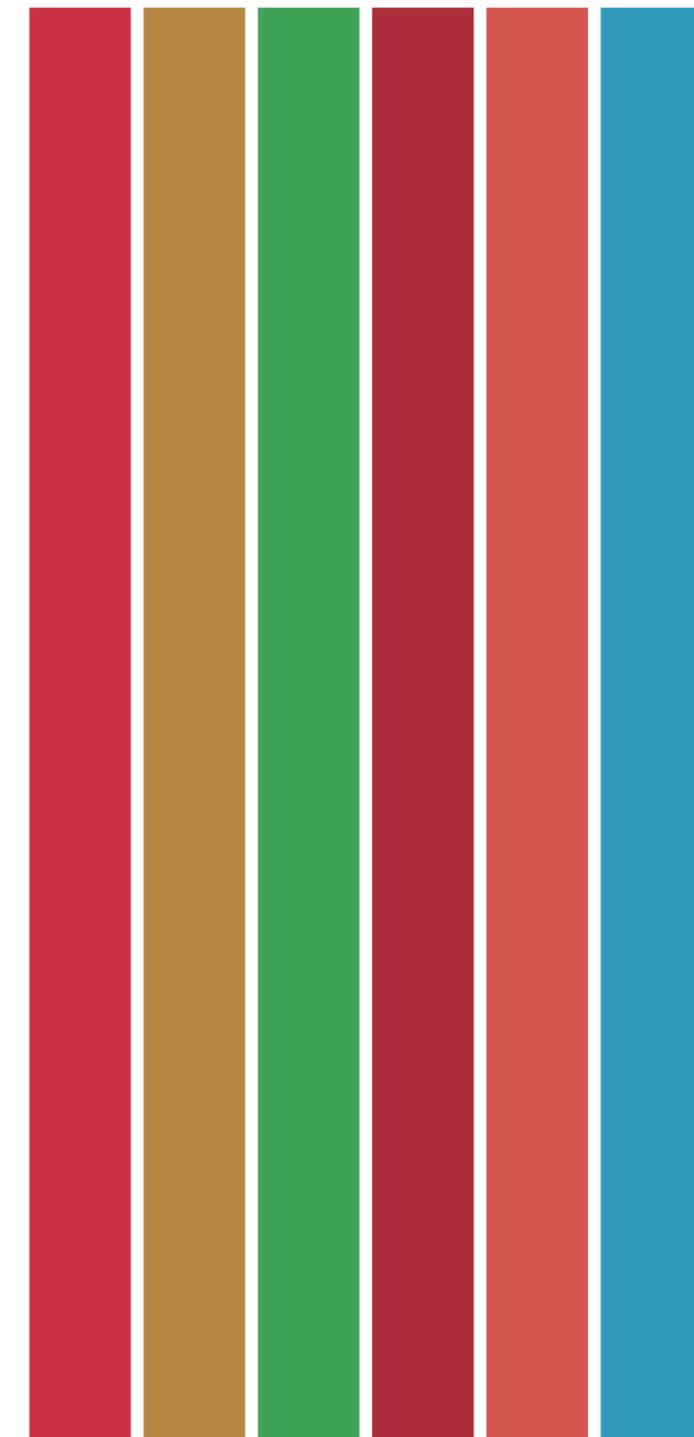
For and on behalf of SGS Taiwan Ltd.



David Huang
Senior Director
Taipei, Taiwan
31 May, 2021
WWW.SGS.COM



TWLPP5008 Issue 2104



Unimicron

Customer satisfaction · Unifresh high-quality vegetables · Urban agriculture



Note : The ESG index constituent refers to the exclusive label of FTSE4Good TIP Taiwan ESG Index constituent.