

Sustainability REPORT

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Sustainability REPORT

ABOUT THIS SUSTAINABILITY REPORT

Unisem (M) Berhad (“Unisem” or the “Company”) presents this Sustainability Report (this “Report”) for the financial year ended 31 December 2024 (“FY2024”). This Report is one of the three fundamental components of Unisem’s FY2024 Integrated Annual Report (“IAR24”).

SCOPE AND BASIS OF SCOPE

The Report covers the sustainability commitments, practices, progress, and performance of Unisem and its subsidiaries’ (the “Group”) as follows:

NAME OF ENTITY	LOCATION OF OPERATIONS
Unisem (M) Berhad	Simpang Pulai, Perak, Malaysia
Unisem Advanced Technologies Sdn Bhd (“UAT”)	Simpang Pulai, Perak, Malaysia
Unisem Chengdu Co., Ltd. (“Unisem Chengdu”)	Chengdu, Sichuan, People’s Republic of China

Note: Unisem (M) Berhad and UAT are collectively referred to as “Unisem Malaysia”

These key operating sites at Unisem Malaysia and Unisem Chengdu represent the Group’s core revenue-generating operations and employ the Group’s entire workforce. There were no significant changes to the Group’s operations and supply chain during the financial year.

For clarity, this Report does not include our recently constructed plant in Gopeng, Perak, Malaysia, as the site has not come into full operation.

Unless expressly mentioned in this Report, the scope referred to above is relevant to all sustainability subjects covered in this Report.

Reporting Framework and Standards

This Report has been prepared:

- in accordance with sustainability disclosure requirements of the Main Market Listing requirements (“MMLR”);
- in accordance with the GRI Standards;
- in alignment with the Sustainability Accounting Standards Board (“SASB”) Standards for the Semiconductor Industry;
- incorporating alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”);
- incorporating elements of the Responsible Business Alliance and its Code of Conduct; and
- taking into consideration the ESG assessment criteria relevant to the FTSE4Good Bursa Malaysia Index.

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Assurance

Unisem has sought assurance for the data reported in this Report, comprising of :

- (i) an internal review by the Group's internal auditors; and
- (ii) an independent limited assurance in accordance with recognised assurance standards for selected indicators.

INDEPENDENT ASSURANCE BY BEYONDGOOD CONSULTANCY

Type of Assurance	Independent Limited Assurance	
Scope	Operation assessed: <ul style="list-style-type: none"> • Unisem Malaysia • Unisem Chengdu 	
Assurance Report	Please refer to page 165 for the Independent Limited Assurance Statement provided	
Subject Matters covered	Climate Change & Air Emissions	Scope 1 emission in metric tonnes of CO _{2e}
		Scope 2 emission in metric tonnes of CO _{2e}
		Scope 3 emission in metric tonnes of CO _{2e}
	Energy Management	Total energy consumption in joules or multiples
		Type of energy consumption in joules or multiples

External assurance was sought on the Group's reported Greenhouse Gas ("GHG") emissions. The comprehensive review of GHG data by the sought expertise did not uncover any assumptions or calculation errors at the GHG data level, signifying that the corporate carbon footprint has not been materially misstated. The thorough analysis adheres to the principles of good scientific practice.

INTERNAL REVIEW BY THE INTERNAL AUDITOR

Type of Assurance	Internal Review
Scope	Operation assessed: Unisem Malaysia and Unisem Chengdu
Assurance Report	Please refer to page 165 for the Internal Audit Review Limited Assurance Statement provided

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INTERNAL REVIEW BY THE INTERNAL AUDITOR

Subject Matters covered	Occupational Health and Safety	No. of employees trained on health and safety standards No. of major and minor work-related accidents Injury frequency rate for industrial accidents Fatality rate Loss time incident/severity rate
	Customer Satisfaction	Satisfaction of key customers
	Growing the Business and Supply Chain Management	Economic value table Proportion of local hires amongst employees Audit of key direct material suppliers and key service agents Status of implementation of corrective action Summary of key material supplier's RBA audit Proportion of direct material spending on local suppliers
	Technology and Innovation	R&D Expenditure
	Effluents and Waste Management	Percentage of e-waste recovered Recycling rate of hazardous waste generated Total waste generated, diverted from disposal and directed to disposal
	Customer Privacy and Data Protection	No. of substantiated complaints concerning breaches in customers privacy or data loss * Total hazardous waste and non-hazardous waste by category of directed to and diverted from disposal.
	Anti-Corruption	No. and % of anti-corruption training Corruption risk assessment Number of confirmed corruption incidents Summary of incidents and cases report
	Employee Development and Diversity	No. of permanent and fixed-term contract by employee gender Percentage of permanent and fixed-term contract by employee Number of employees by gender, age range and employee category Ratio of basic by gender No. of training hours by employee category Percentage of employees achieving minimum 6 training hours Proportion of employees within minimum 6 hours of training each year Average training hours per employee Average training cost per employee Average training hour per employee-by-employee category and gender Employee climate satisfaction Total number of employees turnover by category New hire and turnover headcount and % by age

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INTERNAL REVIEW BY THE INTERNAL AUDITOR

Subject Matters covered		
	Human and Labour Rights	Total hours and % of employees trained on labour standards and human rights issues
		No. of substantiated complaints concerning human rights violations
	Water Consumption	Total water withdrawal, water discharge and water consumption
		Proportion of water recycled over water withdrawn
		Water consumption intensity
		Compliance with air effluents and wastewater discharge regulations
		Summary of resource conservation outcomes
	Local communities	Total amount contributed where the target beneficiaries are external to Unisem
		Total number of beneficiaries of the investment in communities
		New hire and turnover headcount and % by age
	Noise Monitoring	* Boundary Noise Level (dBA)

Note : * Included as a new additional scope in the internal audit review

In addition to reviews by the internal auditor and external assurance providers, the Group's sustainability and reporting procedures include internal validations, assessments, and third-party audits conducted by customers, with no material findings reported from these reviews and assessments

Contact

Further information regarding Unisem's policies and management processes is available on Unisem's corporate website at www.unisemgroup.com and queries regarding this report can be directed to our Corporate Affairs Vice President, Ms Ruth Chin, or the Senior Independent Director, Puan Nelleita binti Omar, at the following address:

Unisem (M) Berhad

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No. 10, Jalan P. Ramlee
50250 Kuala Lumpur, Wilayah Persekutuan
Malaysia

Tel : +603 2072 3760
Fax : +603 2072 4018
Email : investor@unisemgroup.com

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SUMMARY OF KEY PERFORMANCE AND IMPACTS

Sustainability Performance Highlights

The Board of Unisem leads the Group's management of sustainability matters and has identified the following 7 key performance indicators to measure the sustainability performance of the Group. These Sustainability Key Performance Indicators are reported to the Board on an annual basis.

Our key sustainability performance for FY2024 is summarised as follows:

UNISEM'S SUSTAINABILITY KEY PERFORMANCE INDICATORS	FY2024 TARGETS	FY2024 PERFORMANCE	
Occupational Health and Safety	Injury frequency rate < 1.50	0.80	✓
Customer satisfaction	90%	90%	✓
Growing the business	To achieve revenue growth	9.8%	✓
Supply chain management	14 suppliers' audits to be conducted	18	✓
Technology and innovation	To achieve target project completion dates	All target dates achieved	✓
Effluents and waste management	52% Recycling rate of hazardous waste generated	58 %	✓
	Effluent waste discharge compliance with regulatory standards	Compliant	✓
Climate Change & Air Emissions	10% reduction in GHG emission intensity compared to base year 2020	10% reduction	✓

Sustainability REPORT

Unisem's contribution to the SDGs

Unisem actively endorses the United Nations General Assembly's Sustainable Development Goals (SDGs) in pursuit of the worldwide 2030 Agenda for Sustainable Development. Our commitment to the SDGs is reflected in our business principles, strategies, and sustainability management practices.

SDGs

UNISEM'S ACTIVITIES/INITIATIVES



3 GOOD HEALTH AND WELL-BEING

Safeguarding safe and healthy working environment

One of Unisem's focuses is to create a safe and healthy working environment for the employees. This includes integrating health and safety practices throughout the manufacturing process, ensuring a comprehensive approach to employee and community well-being. Our commitment extends beyond physical health to encompass human rights, labour standards, occupational safety and environmental stewardship.



5 GENDER EQUALITY

Achieve Gender Equality

Unisem is actively contributing to the achievement of Sustainable Development Goal 5, "Gender Equality," by promoting women's participation in the Group, including at the Board and Management level. We actively embrace diversity and uphold the principle of no-discrimination throughout our employment practices.

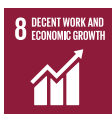


6 CLEAN WATER AND SANITATION

Enhanced water treatment and reducing water consumption

Unisem treats its wastewater beyond compliance standards before effluent is discharged. It also reuses/recycles water in its system to reduce water withdrawal. The Group also has targets to further reduce its water consumption intensity as part of its pursuit of operational efficiency.

In FY2024, we achieved an 85% reduction in water consumption intensity against the base year of FY2020.



8 DECENT WORK AND ECONOMIC GROWTH

Supporting vulnerable communities

One of Unisem's key focuses in its corporate social responsibility activities is on supporting vulnerable communities. We continue to support communities including the elderly, orphans, people with disabilities, as well as those in poverty. We extend our gratitude for both in-kind and cash donations and have also set up a "Charity corner" for all levels of employees to participate in volunteerism.

Our Corporate Social Responsibility ("CSR") donations and contributions in FY2024 amounted to approximately **RM98k** and **community investment of RM1.0mil**.

Good employment practices

Unisem adopts good employment practices that are in line with the RBA Code of Conduct, respecting the dignity and human rights of our employees, in addition to fair employment practices without discrimination.

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SDGs

UNISEM'S ACTIVITIES/INITIATIVES



Driving innovation and technology in the OSAT industry

Unisem collaborates with customers including global leaders to innovate solutions and spearhead development in the semiconductor and electronics industry, including driving Industry 4.0. Continuous innovation and striving to stay at the forefront of the industry continue to be key focuses in Unisem's long-term strategy.



Driving responsible consumption across supply chain

Through adherence to the RBA Code of Conduct and regular audits on key suppliers, Unisem ensures the Group operates in an environmentally and socially sustainable way and also supports sustainable business practices in its supply chain.

We have audited 25 key direct material suppliers for their environmental and social compliance, at least once in the past two years.



Climate Change Commitment Statement

Unisem recognises the critical importance of addressing climate change. As a leading and responsible entity in the semiconductor industry, we acknowledge our role in mitigating the impacts of climate change and in contributing to a sustainable future.

The Group has set a target to achieve Net Zero by 2050, and is carrying out ongoing efforts to meet these targets.



Driving Responsible in the Anti-Corruption Activities

Unisem is committed to fostering a culture of transparency, accountability and ethical conduct within the Group. We have implemented a robust Code of Ethics ("COE"), defining acceptable and unacceptable behaviours. In addition, the Group-wide Anti-Bribery and Anti-Corruption ("ABAC") Policy and Whistleblowing, Ethics & Compliance Policy ("WBEC Policy") is communicated to employees ensuring that they are aware of the consequences of corruption, promoting ethical business practices and a shared commitment to integrity.

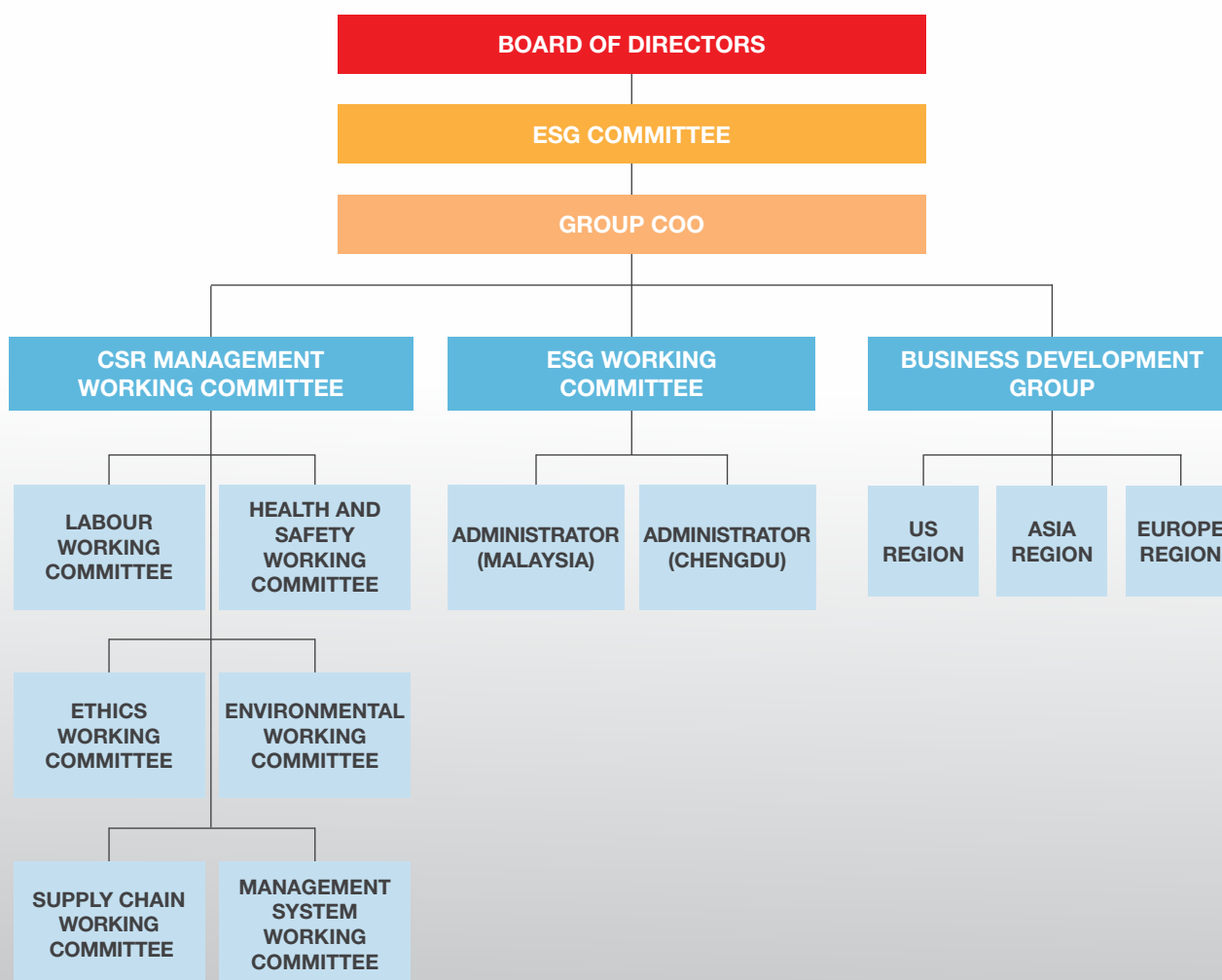
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SUSTAINABILITY GOVERNANCE

Unisem’s Board of Directors (the “Board”) is responsible for ensuring the sustainability of the organisation. The Board ensures the strategic plan of the company supports long-term value creation, incorporating sustainability considerations including economic, environmental, and social aspects. The Board also ensures there is a robust governance framework to align accountability, implementation, and performance of the Group’s business sustainability.

The following section illustrates Unisem’s governance structure in the context of sustainability management. For a thorough understanding of the Group’s comprehensive corporate governance structure, please refer to the **Corporate Governance Report** and **Corporate Governance Overview Statement**.

UNISEM SUSTAINABILITY GOVERNANCE STRUCTURE



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The Board receives support from the ESG Committee (“ESGC”) which is currently chaired by Unisem’s Senior Independent Director.

The ESGC is a Board-level committee, and it assists the Board in appraising the strategies, initiatives, and assessments proposed by the Senior Management, including the materiality assessment outcome, associated sustainability risk, policies and strategies to address the sustainability matters, and other sustainability initiatives.

The Senior Management is also responsible for executing the strategies and initiatives approved by the Board, while the progress and performance are periodically reported to the ESGC which subsequently presents to the Board. The sustainability key performance indicators (“KPIs”) disclosed in the **Sustainability Performance Highlights** section are reported to the Board for its assessment of the Group’s overall sustainability performance.

Through the ESGC, the Board is also appraised on the integrity of the Group’s management of sustainability matters through any significant findings from the internal auditor’s review, the outcome of independent limited assurance, and other audits.

On top of sustainability strategies and initiatives, the Senior Management also ensures sustainability considerations are integrated into the Group’s risk management process and that the Group’s stakeholder engagement processes effectively and adequately communicate sustainability strategies, priorities, targets and performance, as relevant, to internal and external stakeholders. The summary and key findings are escalated to the Board.

Management-level Leadership and Accountability

For Unisem Malaysia and Unisem Chengdu facilities, dedicated ESG Working Committees (“ESGWC”) are in place to oversee and monitor the implementation of sustainability strategies, management performance, and the attainment of sustainability objectives at these operational sites. The ESGWC is further responsible for conducting annual reviews of stakeholder management and materiality assessments specific to each operating site.

In the context of the Group’s management of Environmental, Social, and Governance (“ESG”) matters, the Group Chief Operating Officer (“GCOO”) serves as a crucial link between the Group’s Management and the ESGWC. The GCOO takes on a leadership role in guiding the ESGWCs, which are specifically tasked with overseeing the management of ESG matters at the various sites within the organisation. This includes the handling of sustainability issues, engagement with stakeholders, and the pursuit of objectives, targets, and key performance indicators (“KPIs”). The GCOO plays a pivotal role in ensuring the overall coordination and success of these ESG initiatives, providing regular reports to the ESGC to maintain transparency and accountability in the Group’s sustainability efforts.

In enabling dedicated focus on managing and reviewing specific topics aligned with the RBA Code of Conduct, we have CSR Management Working Committees (“CSRMWC”) (previously known as RBA Working Committees) including the Labor Working Committee, Ethics Working Committee, Health and Safety Working Committee, Environmental Working Committee, Supply Chain Management Committee, and the Management System Working Committee. These committees, in conjunction with relevant managerial positions throughout the chain of command, assume the responsibility of disseminating sustainability strategies, priorities, and objectives to employees to ensure comprehensive understanding and consistent implementation across the organisation.

Through the GCOO, the Board maintains oversight over the CSRMWCs and their performance concerning sustainability matters at the operational sites. Furthermore, sustainability performance is a key factor taken into consideration in the evaluation and assessment of Directors and Senior Management, including those who serve as members of the CSRMWCs.

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WORKING COMMITTEE/GROUP	RESPONSIBILITIES
Labour Working Committee	Monitoring and ensuring the following aspects of labour rights are upheld: <ul style="list-style-type: none"> • Freely chosen employment • Child labour avoidance • Working hours • Wages and benefits • Humane treatment • Non-discrimination and non-harassment • Freedom of association
Ethics Working Committee	Overseeing the systems and tools in place to ensure: <ul style="list-style-type: none"> • Privacy is upheld • Protection of identity and non-retaliation • Business integrity/appropriate disclosure of information is in place • Fair business conduct, including in advertising and competition • Intellectual property is protected and respected
Health and Safety Working Committee	Overseeing the health and safety of the working environment: <ul style="list-style-type: none"> • Chemical/Protective Personal Equipment (“PPE”) management • Hazard Identification, Risk Assessment and Risk Control • Emergency response testing • Permit/test report • Accident complaint investigation • Workplace inspection/ Audit • Machinery/work instruction • Exposure to radiation/X-ray monitoring • Health and Safety Management in accordance with ISO45001:2018 standard
Environmental Working Committee	Monitoring and ensuring the following aspects of environmental management are upheld: <ul style="list-style-type: none"> • Management of chemical substances and chemical control • Waste management • Emergency response drills and procedures • Legal requirements, measurement, and monitoring of waste and chemical substances • Environmental Management System, to ensure it is in accordance with ISO14001:2015 standard
Supply Chain Management Working Committee	Monitoring and ensuring the following aspects of supply chain management are managed: <ul style="list-style-type: none"> • Company CSR Commitment • Material Restrictions • Responsible sourcing of minerals • Supplier Responsibility

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WORKING COMMITTEE/GROUP	RESPONSIBILITIES
<p>Management System Working Committee</p>	<p>Overseeing the systems and controls in place that support the tasks of the other committees:</p> <ul style="list-style-type: none"> • Monitor updates in applicable laws, regulations and customer requirements, including requirements of the RBA Code of Conduct • Establish and periodically assess objectives, targets and improvement programs for social and environmental performance • Communicate policies and practices at Unisem <p>Conduct self-assessments, including internal audits - Unisem's CSR internal auditors ("Unisem's CSR auditors") conduct cross audits on the 6 working committees to ensure full compliance to the latest RBA version. These CSR internal auditors are selected from the respective 6 working committees.</p>
<p>Business Development Group</p>	<p>Implements the Group's and site's business strategy by:</p> <ul style="list-style-type: none"> • Attracting new customers • Expanding business with existing customers • Achieving annual revenues and business growth plans and objectives. • Managing Regional Sales, Marketing, Technical Program Management ("TPM") as well as Customer Service organisations • Research and development ("R&D") programs

Internal Audit

The Group's management of its sustainability-related matters and issues are integrated into its risk management and internal controls system. The independent audit function conducts audits including sustainability-related aspects such as compliance practices, anti-bribery and corruption, whistleblowing and complaints, occupational health and safety, human rights, environmental compliances, and others.

Additional details regarding the internal audit function can be found in our Audit and Risk Management Committee Report and the Statement on Risk Management and Internal Control.

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OUR APPROACH TOWARDS SUSTAINABILITY

Unisem views sustainability in the context of business sustainability, taking into consideration the long-term value creation for stakeholders. This allows the Group to identify matters that are crucial to business sustainability, i.e. which are also key to our Strategic Priorities and business strategies, as well as identifying areas where we shall be mindful of our corporate responsibility and minimise the impact on the environment and society.

Materiality assessment is used to determine the topics or matters that are key to Unisem's business sustainability and the outcome is illustrated in a Materiality Matrix. As of the Group's latest Materiality Matrix, we have identified 7 Material Matters that are considered key to the Group's value creation and Strategic Priorities. They are referenced in Unisem's IAR24.

In addition to the 7 Material Matters, this Report discussed the sustainability matters illustrated in our latest Materiality Matrix. Details of the materiality assessment are disclosed in the following section.

Materiality Assessment and Materiality Matrix

The Group's materiality assessment includes consideration of the definition for a material sustainability matter as prescribed by the MMLR, i.e. a sustainability matter which:

- significantly reflects Unisem's economic, environmental, and social impact; or
- substantively influences the assessments and decisions of Unisem's stakeholders; or
- falls under the common material sustainability matters as set out in Annexure PN9-A of Bursa Malaysia Sustainability Reporting Guide - 3rd Edition.

We also consider how the matters affect the long-term value of Unisem and their importance to our business strategies.

Materiality assessments generally include the participation of selected Senior Management to assess matters or topics from a business perspective. In addition, stakeholders' views and concerns are also taken into account either directly, such as from surveys or specific engagements for selected stakeholders to participate in the materiality assessment, or indirectly, through Management's understanding of stakeholders during day-to-day business operations.

The materiality assessment for each operating site, namely Unisem Malaysia and Unisem Chengdu, is conducted by their respective ESGWC. In addition to previously identified sustainability concerns, the ESGWCs also take into account emerging sustainability risks and opportunities, as well as significant concerns raised by stakeholders. The outcomes of these assessments are reviewed by the ESGC and the Board. This review includes relevant targets, management progress and performance, and, where necessary, prompt intervention and action plans.

Every two years, we conduct a comprehensive materiality assessment, seeking input from selected stakeholders through various engagement tools to evaluate the priority of sustainability matters in relation to economic, environmental, social and governance impacts. We also actively solicit feedback from our employees, recognising their valuable input as a key driver of business and operational considerations.

The last comprehensive review was conducted in FY2023 with the next review scheduled for FY2025.

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The Group’s materiality matrix is presented below:



Unisem Group’s Materiality Matrix (FY2024)

STAKEHOLDERS

Unisem has a broad range of stakeholder groups that influence, or are affected by, the Group and our activities. Our key stakeholder groups include shareholders, financiers and investors, government agencies and regulators, customers, employees, community and non-governmental organisations (“NGO”), suppliers and contractors as well as the media. They were identified based on their different levels of influence over and dependence on our business.

As a Group, we aim to maintain constructive channels of communication with our key stakeholder groups. Various engagement channels of different natures are established to cater for different purposes, such as communication, discussions, reviews or assessments, making reports, etc. Different formats may also be used to optimise the effectiveness and adequacy of engagements.

Continual interaction with stakeholders holds significance as it allows us to gain a deeper understanding of their perspectives. Beyond fostering strong relationships, this ongoing engagement enables us to grasp stakeholders’ views and concerns regarding issues that could influence their decisions and evaluations.

The key stakeholder’s engagement group, engagement approach, areas of focus on stakeholders and our responses are disclosed in the **Creating Value For Stakeholders** in Unisem’s Integrated Annual Report FY2024.

[Click here or go to page 54 for Creating Value For Stakeholders](#)

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SUSTAINABILITY RISKS AND OPPORTUNITIES

In addition to initiatives and programs to manage the Group’s sustainability matters, we also integrate sustainability considerations in our risk management process to identify associated risks which may affect the Group’s or functions’ objectives from the perspectives of strategy, operations, culture, technology, reputation, and others. Identified sustainability risks are further managed and monitored via the Group’s Enterprise Risk Management (“ERM”) processes.

For a detailed understanding of the Group’s ERM Framework and pertinent corporate governance practices, please refer to our Statement of Risk Management and Internal Control, as well as the Corporate Governance Overview Statement.

*[Click here or go to page 44 for Statement on Risk Management and Internal Control](#)
[Click here or go to page 23 for Corporate Governance Overview Statement](#)*

The table below provides a summary of Unisem’s sustainability concerns and their connections to the Strategic Priorities and associated risks.

Sustainability Matters	Key Capitals	Linkage to Unisem’s Strategic Priorities	Description	Associated risks	Addressed in reporting section
Occupational Health and Safety	HC		<p>Creating a healthy, safe and conducive working environment for employees and people who visit our sites, particularly by minimising any health and safety-related risks that could arise.</p> <p>A safe working environment is also important for achieving operational efficiency and operational continuity.</p>	<ul style="list-style-type: none"> • Non-compliance • Employee safety and health risk 	<p>How We Do Business, SR24</p> <p>Our People, SR24</p>
Customer Satisfaction	SRC		<p>Improving customers’ experience with the company’s products and services through soliciting feedback.</p> <p>Customer satisfaction also serves as an indicator that we can keep up with the market’s requirements and demand, as well as an indicator of the quality of our relationships with customers.</p>	<ul style="list-style-type: none"> • Inadequate or ineffective engagement with customers • Unable to deliver or keep up with customers’ demands or requirements • Lack of trust in relationship with customers 	<p>Our Focus on Customers, SR24</p>
Growing the Business			<p>Continue expanding into new markets, increasing sales, developing new products or services, and or diversification of products and services and onboard new customers to create economic value and distribution to stakeholders.</p>	<ul style="list-style-type: none"> • Competition risk • Unable to expand market presence • Adverse economic conditions 	<p>Managing Our Business, SR24</p> <p>Our Focus on Customers, SR24</p> <p>Our People, SR24</p>

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Sustainability Matters	Key Capitals	Linkage to Unisem's Strategic Priorities	Description	Associated risks	Addressed in reporting section
Supply Chain Management	FC SRC	Strategic Priority A Strategic Priority B Strategic Priority D	Promoting responsible and sustainable procurement practices including assessing suppliers and their environmental and social impacts in accordance with the established criteria	<ul style="list-style-type: none"> • Non-compliance by supply chain partners • Subpar suppliers or supplies • Unable to deliver to customers on time • Disruptions in the supply chain for direct materials • Impact on profit margin 	How We Do Business, SR24
Technology and Innovation	MC IC	Strategic Priority A Strategic Priority B Strategic Priority C	<p>Technology and innovation drive improvements in efficiency and productivity. By introducing new technologies, automation, and streamlined processes, we can optimise operations, reduce costs, and increase output.</p> <p>Technology and innovation are crucial for us to keep up with the fast-paced development in the semiconductor industry.</p>	<ul style="list-style-type: none"> • Product and technology unable to keep up with industry trends • Unable to deliver or keep up with customers' demands or requirements • Inadequate investment in capability and R&D • Loss of key skills, experience, or knowledge 	<p>Managing Our Business, SR24</p> <p>Our People, SR24</p>
Effluents and Waste Management	NC	Strategic Priority A Strategic Priority D	Efforts to reduce, reuse, recycle and responsibly disposal of waste, in addition to responsibly and efficiently recover materials which, otherwise, may incur high environmental or social costs to extract and produce.	<ul style="list-style-type: none"> • Non-compliance • Environmental disaster and pollution 	The Environment, SR24
Climate Change and Air Emissions	NC	Strategic Priority A Strategic Priority D	Reduction of environmental footprint through more efficient use of energy, thereby lowering our emissions across our operations.	<ul style="list-style-type: none"> • Possibility of the introduction of emission trading or tax scheme affecting profit margin 	The Environment, SR24
Customer Privacy and Data Protection	SRC	Strategic Priority B Strategic Priority D	Safeguarding the company information and intellectual property from cyber threats including protecting customers' sensitive information and preventing data breaches.	<ul style="list-style-type: none"> • Non-compliance • Data breaches • Unauthorised access and use of information • Key information not up to date • Cyber security threats 	Our Focus on Customers, SR24
Anti-Corruption	SRC	Strategic Priority B Strategic Priority D	Promoting ethical business and transparency by avoiding all forms of corruption such as bribery.	<ul style="list-style-type: none"> • Non-compliance • Anti-corruption culture and policies not communicated effectively to employees and business associates • Corporate liability risk 	How We Do Business, SR24

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Sustainability Matters	Key Capitals	Linkage to Unisem's Strategic Priorities	Description	Associated risks	Addressed in reporting section
Product Stewardship	SRC	Strategic Priority A	Minimising the health, safety, environmental, and social impacts of a product and its packaging throughout all lifecycle stages, while also maximising economic benefits	<ul style="list-style-type: none"> Non-compliance 	How We Do Business, SR24
Employee Development and Diversity	HC IC	Strategic Priority B Strategic Priority D	Efforts in recruiting and retaining talent as well as enhancing the overall productivity of our workforce and ensuring fair treatment to all employees with dignity and without any form of discrimination based on gender, race, religion, age, nationality, disability, etc.	<ul style="list-style-type: none"> Lack of professional and personal development for employees Loss of key skills, experience, or knowledge Employee compensation is not commensurate with statutory employee contribution 	Our People, SR24
Human and Labour Rights	HC	Strategic Priority A Strategic Priority B Strategic Priority D	Ensuring the protection of human and labour rights across our value chain.	<ul style="list-style-type: none"> Non-compliance Labour disputes 	How We Do Business, SR24 Our People, SR24
Energy Management	NC FC	Strategic Priority A Strategic Priority D	Ensuring efficient energy use is one way of protecting the environment. Effective energy management and planning also help to optimise profit margin.	<ul style="list-style-type: none"> Power failure and disruption to operations Impact on profit margin 	The Environment, SR24
Water Consumption	NC	Strategic Priority A Strategic Priority D	Efficient use of water and conservation of water resources.	<ul style="list-style-type: none"> Water shortage Contamination of water used in production 	The Environment, SR24
Local Communities	SRC	Strategic Priority D	Supporting communities that are economically disadvantaged through engagement programmes that create a positive social impact.	<ul style="list-style-type: none"> Noise affecting the local community (Unisem Malaysia) 	Our People, SR24

In the following sections of this report, material sustainability matters will be addressed across various themes, as outlined below:

- How We Do Business;
- Managing Our Business;
- Our Focus on Customers;
- Our People; and
- The Environment.

Sustainability REPORT

HOW WE DO BUSINESS



Doing business responsibly and ethically is fundamental to us. We also expect responsible and ethical business culture to be demonstrated along the Group's value chain, including in our products, services, and supply chain.

Relevant Sustainability Matters

- Anti-Corruption
- Human and Labour Rights
- Occupational Health and Safety
- Product Stewardship
- Supply Chain Management

Sustainability Performance Highlights

- 100% of Directors and employees received communication on anti-corruption
- No fines, penalties, or settlements relating to corruption
- Target to audit 14 suppliers achieved - FY2024: 18 suppliers audited
- No significant environmental or social impacts identified in association with key direct material suppliers

Relevant SDGs:



INTEGRITY AND SUSTAINABLE BUSINESS INITIATIVES

In all our endeavours, we are dedicated to adhering to relevant laws and regulations, and to the stipulations set forth in the RBA Code of Conduct.

UNISEM'S CORPORATE SOCIAL RESPONSIBILITY ("CSR") POLICY

- Uphold the human rights of workers, treat them with dignity and respect as understood by the international community.
- Minimise adverse effects on the community, environment, and natural resources.
- Safeguard the health and safety of the public in our manufacturing operations.
- Ensure employees are provided with a safe and healthy working environment.
- Ensure our systems comply with applicable laws, regulations, and customer requirements.
- Support charity and community initiatives relevant to our stakeholders.
- Engage with supplies whose policies are in line with Unisem's CSR Policy.

UPHOLDING BUSINESS ETHICS

Code of Ethics (“COE”)

Unisem’s Code of Ethics (“COE”) operates as a pivotal communication tool, effectively conveying the principles that govern the company’s business practices to directors, employees, and affiliates. Beyond its communicative role, the COE holds a critical position as it is intricately aligned with the RBA Code of Conduct. This alignment signifies more than mere coherence; it underscores Unisem’s commitment to ethical business standards that transcend internal boundaries. By ensuring that the COE is in harmony with the RBA Code of Conduct, Unisem not only communicates its ethical framework but also actively participates in a broader commitment to responsible and sustainable business practices, reinforcing the Company’s dedication to ethical conduct throughout its operations and stakeholder interactions.

Prior to joining the Group, all directors and employees are obligated to acknowledge and commit to the COE. Employees receive communication of the COE on an annual basis, and business associates are expected to abide by it when representing or engaging in work for Unisem.

Key topics addressed by the COE:

- Prohibition of child labour and forced labour;
- Maintaining a workplace free of harassment and discrimination;
- Supporting the rights to freedom of association and collective bargaining;
- Elimination of excessive working hours;
- Supporting the rights to minimum wage;
- Providing a safe and hygienic workplace;
- Compliance with environmental laws and regulations;
- Proper handling and disposal of waste, including hazardous waste; and
- Business integrity including zero tolerance towards bribery, corruption, fraud, extortion, or embezzlement.

The COE is subject to annual review.

Anti-Corruption and Bribery

Unisem has established a comprehensive Group-wide Anti-Bribery and Anti-Corruption (“ABAC”) Policy, reflecting the Group’s unwavering commitment to a zero-tolerance approach towards bribery and corruption. The Policy is established by the Board’s approval, underscoring the policy’s significance, with overall compliance falling under the purview of site Chief Operating Officer (“COO”) and General Managers. The ABAC Policy applies to directors, employees, and affiliates, encompassing agents, suppliers, contractors, and business partners. The ABAC Policy is reviewed annually.

We adopt a risk-based approach towards managing corruption and bribery risks, ensuring resources are allocated and utilised efficiently. The process is supported by a corruption risk assessment conducted by the Ethics Working Committees at both Unisem Malaysia and Unisem Chengdu sites, and the assessments are further integrated into the Group’s risk management processes to manage, monitor, and report the performance of corruption risk management. The corruption risk assessment aims to identify areas with exposure to corruption and bribery risks considering the industry environment, functions, personnel and their positions, and type of transactions. The outcome of the risk assessment guides our corruption-related internal controls, particularly areas with higher risk exposures. Stringent processes guide our operations, spanning procurement, manufacturing, sales, marketing, and finance, incorporating measures to uphold business ethics and prevent corruption.

Both our operations in Malaysia and Chengdu have gone through corruption risk assessments.

	FY2022	FY2023	FY2024
Percentage of operations covered by corruption risk assessment	100%	100%	100%

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We assess our business associates for bribery and corruption risks, including having a due diligence process for new suppliers, manage our risks through periodic reassessments, adherence to relevant policies, and others. Unisem actively communicates to stakeholders to ensure its anti-corruption stance and expectations are communicated. Business associates categorised as high-risk or involved in high-risk sectors receive periodic communication regarding Unisem's anti-corruption stance and business ethics expectations. We also ensure employees are aware of the Group's anti-corruption policies and processes through periodic communication. Our communication channels, including emails, meetings, and our corporate website, are available in multiple languages - primarily English, Bahasa Malaysia, and Chinese - depending on the audience. In addition, annual refresher training on anti-corruption is provided to all directors and employees.

All Directors and employees of Unisem Group have been communicated and trained on anti-corruption, through our eLMS (E-Learning program) in FY2024.

Directors and employees communicated and trained on the Group's anti-corruption	Unisem Malaysia		Unisem Chengdu	
	Number	Percentage	Number	Percentage
FY2024				
Board of Directors	11	100%	N/A	N/A
Senior Management and Management Executive, Non-Executives, and Operators	84	100%	57	100%
	3,124	100%	3,173	100%
Total	3,219	100%	3,230	100%
FY2023				
Board of Directors	11	100%	N/A	N/A
Senior Management and Management Executive, Non-Executives, and Operators	87	100%	52	100%
	3,067	100%	2,572	100%
Total	3,165	100%	2,624	100%
FY2022				
Board of Directors	12	100%	N/A	N/A
Senior Management and Management Executive, Non-Executives, and Operators	89	100%	46	100%
	3,268	100%	2,695	100%
Total	3,369	100%	2,741	100%

The Group refrains from making charitable donations or contributions to political parties, and it does not reimburse employees for political contributions made in their personal capacity. No political contributions were made in FY2024.

We are pleased to report that in FY2024 there were no reported incidents of corruption, cases of non-compliance with the Group's anti-corruption policies, or instances of fines or penalties:

Number of confirmed corruption incidents	FY2022	FY2023	FY2024
Unisem Malaysia	0	0	0
Unisem Chengdu	0	0	0

Click [here](#) to ABAC Policy or visit our website at <https://www.unisemgroup.com/company-info/corporate-social-responsibility>

Conflict of Interest

The upholding of integrity in Unisem includes managing conflict of interest situations. Conflict of interest situations may arise when Directors or employees hold conflicting interests within the Group, have close personal relationships with suppliers or customers, or other circumstances that may jeopardise their position to act in the interest of the Group. Our COE deals with conflicts of interest situations by establishing principles for managing conflict of interest situations in Unisem Group.

Upon commencing employment, all Unisem Directors and employees must declare any conflict of interest for the Group's assessment and further mitigation, if required. In addition, managers and above and personnel in identified functions are required to submit annual declarations for annual reassessment of conflict of interest, if any, to safeguard the Group's interest and integrity. The Human Resources Department oversees this process and reports to the site COO.

During the financial year under review, the Board has further strengthened the process for identifying and managing conflict of interest for Directors and Senior Management, in alignment with the enhancements to the MMLR in relation to conflict of interest. A Conflict of Interest Policy was established, placing emphasis on ensuring the objectivity of Directors and Senior Management when carrying out their duties and making decisions in the best interest of the Group's business. The Conflict of Interest Policy also stipulates the responsibilities of the Board, the ARMC, Directors, and Senior Management in relation to identifying and assessing conflict of interest situations, as well as the responsibilities of the Directors and Senior Management to periodically declare any actual, apparent, and potential conflict of interest situations.

Unisem's Whistle Blowing Channel

In addition to the grievance channels managed by the Human Resources Department to facilitate the resolution of workplace disputes or disagreements, Unisem has instituted a whistleblowing mechanism through its Whistleblowing, Ethics & Compliance Policy ("WBEC Policy"). This mechanism enables internal and external stakeholders to confidentially report instances of serious unethical or unlawful behaviors. Examples of issues that can be reported include significant violations of the COE, labour standards, human rights, safety and health, non-discrimination and equal opportunity, environmental management, business ethics, anti-corruption, and others.

The WBEC Policy offers guidance on how to make a report, outlines the handling and resolution process, and ensures protection for the whistleblower against retaliation.

The WBEC Policy is developed based on the following key principles:

- Confidentiality - confidentiality of the reported matter and the person making the report will be protected;
- Anonymous reporting - anonymous reporting is not prohibited; and
- Non-retaliation - no retaliation or unfair treatment will be tolerated against whistleblowing reports made in good faith.

A summary of the incidents and cases reported in the past 3 financial years is as follows:

Types of cases	No. of cases		
	FY2022	FY2023	FY2024
Workplace grievances from employees	2	0	1
Whistleblowing from employees	1	1	0
Whistleblowing from external parties	0	0	0

Click [here](https://www.unisemgroup.com/company-info/corporate-social-responsibility) to WBEC Policy or visit our website at <https://www.unisemgroup.com/company-info/corporate-social-responsibility>

All the above cases had been fully resolved.

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OUR RBA OBLIGATIONS

RBA stands as the world’s largest industry coalition devoted to corporate social responsibility across global supply chains and is endorsed by leading brands in the electronics, retail, and automotive sectors. The RBA Code of Conduct draws upon international norms and standards, including the Universal Declaration of Human Rights, International Labour Organization (“ILO”) International Labor Standards, Organisation for Economic Co-operation and Development (“OECD”) Guidelines for Multinational Enterprises, and International Organisation for Standardisation (“ISO”) and Social Accountability (“SA”) Standards. RBA standards are organised into six pillars: Labor, Ethics, Safety and Health, Environment, Supply Chain, and Management Systems.

The RBA Code of Conduct serves as a pivotal guiding document for Unisem’s policies and practices. It also serves as the fundamental for the establishment of our CSR Management Working Committees (“CSRMWC”) which are responsible for overseeing the management of the topics of labor, health and safety, environment, ethics, management systems, and supply chain, including monitoring and reviewing the respective initiatives and key performance indicators. Unisem’s policies and business practices are closely aligned with the RBA Code of Conduct. Adherence to the RBA Code of Conduct is a crucial prerequisite for establishing a business relationship with our customers.

RBA Performance

Unisem’s alignment with the RBA Code of Conduct is assessed through two types of assessments. The Self-Assessment Questionnaire (“SAQ”) serves as an RBA self-assessment tool, enabling us to conduct an annual self-assessment and communicate the results to our customers. Meanwhile, the biennial Validated Assessment Program (“VAP”) constitutes an RBA third-party auditing process. The audit findings and results of the VAP are available for viewing by key customers and potential customers.

Our SAQ and VAP results for the last 3 years are as follows:

	Year	SAQ	SAQ Score*	SAQ Risk Rating**	VAP	VAP Score***	Level of Risk
Unisem Malaysia	FY2021	Completed in January 2021	93.4		Completed in Dec 2021	183.7 (Silver Status)	Low
	FY2022	Completed in January 2022	93.4		Completed in Dec 2022	180.2 (Silver Status)	Low
	FY2023	Completed in January 2023	93.5				
	FY2024	Completed in March 2024		Low	In progress (pending finalise audit result)		
Unisem Chengdu	FY2021	Completed in January 2021	93.8		Completed in Nov 2019	177.1 (Silver status)	Low
	FY2022	Completed in January 2022	94.6		Completed in Jun 2022	180.5 (Silver Status)	Low
	FY2023	Completed in January 2023	94.8		Completed in Jul 2024	181.5 (Silver Status)	Low
	FY2024	Completed in April 2024		Medium			

Note:

* The SAQ assessment method has been updated and the outcome of SAQ assessment focuses on SAQ Risk Rating. We will report SAQ Risk Rating from FY2024 onwards.

** The new revised SAQ Risk Rating published in RBA-online was introduced in FY2024 based on risk level by operation and country specific.

*** No VAPs were conducted for Unisem Malaysia in FY2023. VAP is only required once every 2 years. Full score of VAP is 200.

PRODUCT STEWARDSHIP

Certain semiconductor components may contain hazardous substances, such as heavy metals. In the use of such materials, we exercise diligence and ensure we comply with international regulations and customer requirements on the use of safe materials. This reinforces our acknowledgement of our responsibility in products that extend beyond our facilities, considering product life cycles and their impact on people and the environment.

By adopting specific manufacturing and processing methods, we can minimise the use and content of toxic materials, consequently reducing risks to consumers and environmental harm. Moreover, the materials utilised in the services we offer are contingent on the specifications provided by our customers.

We have comprehensive compliance procedures to ensure adherence to all relevant environmental laws, regulations, and standards related to hazardous substances in our manufacturing processes. Assessments are carried out to identify significant environmental and social risks associated with the materials we procure and we take into account safety and ethical considerations in our evaluation of supply chain partnerships. These procedures form part of our management systems that is aligned with international standards in addressing environmental and social impacts.

Our compliance procedures and measures also support our compliance with the European Union's Restriction of Hazardous Substance ("RoHS") Directive, which our production process and suppliers are obligated to comply with.

In addition to collaborations on other sustainability-related matters, we also have collaborations with our business partners in the area of product stewardship, especially on the use of materials. With customers, we collaborate to meet their standards for product stewardship and safety; with suppliers, we collaborate to facilitate their compliance with requirements such as the RoHS Directive and review the ongoing compliance of the supplies received.

Regulations and customer requirements & descriptions	Measures taken by Unisem
RoHS Directive - Restriction on the use of ten substances including lead	<ul style="list-style-type: none"> • We ensure compliance through annually conducted review and analysis, supported by documentation such as declaration letters, Certification of Compliance and Safety Data Sheets. • We engage with suppliers to facilitate their compliance. Once every two years, suppliers are required to perform a self-assessment and submit the relevant compliance documentation. • Each batch of supplies received is accompanied by the relevant test reports and certificates.
Business partner certification schemes - Restriction on the use of hazardous substances including lead and lead compound	<ul style="list-style-type: none"> • Each Unisem site has obtained third-party certification on the Sony Green Partner certification schemes.

SUPPLY CHAIN MANAGEMENT

Responsible Supply Chain Management

Effective supply chain management is crucial for our business and any major supply chain disruptions will have serious repercussions such as missed deliveries, shipment commitments, lost reputation and integrity, and impact on customer relationships. We aim to build a supply chain that is reliable, trustworthy, and shares the same ethical beliefs with respect to environmental management and human rights. This includes aligning the supply chain with our corporate responsibility values. This commitment is explicitly outlined in our CSR Policy and COE which is accessible in multiple languages including English, Bahasa Malaysia, and Chinese. The CSR Policy and COE are available on Unisem's corporate website.

The Group disseminates a Business Ethics Letter to key direct material suppliers and service providers to communicate the Group's business ethics expectations on an annual basis, in addition to active engagements with key direct material suppliers on their acknowledgement and endorsement of Unisem's Supplier Code of Conduct. Key direct material suppliers and service providers are required to affirm their commitment to the RBA Code of Conduct through a Letter of Conformance.

Conflict-free Minerals

We adhere to a Conflict Minerals Policy, prohibiting the procurement and utilisation of conflict minerals such as tantalum, tin, tungsten, and gold within its supply chain. The direction is aligned with global initiatives to mitigate armed conflicts associated with resource extraction from regions including the Democratic Republic of Congo and neighbouring countries. The Conflict Minerals Policy is communicated to all pertinent suppliers and is accessible on our corporate website.

The Group has due diligence procedures to offer reasonable assurance regarding the responsible sourcing of tantalum, tin, tungsten, and gold used in our products in alignment with the Organisation for Economic Co-operations and Development ("OECD") Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We have also adopted the Responsible Minerals Initiative ("RMI") Conflict Mineral Reporting Template ("CMRT") as a data tool for reporting and assessing the smelters within the Group's supply chain. Suppliers are required to complete the RMI CMRT with written confirmation.

Fair Procurement Practices

Unisem's procurement and tendering procedures are governed by the Group Procurement Policy to ensure equitable management of our supply chain in accordance with our responsible supply chain policies. Suppliers are evaluated based on objective criteria, considering alignment with the Group's interests and values, in addition to evaluation of pricing, delivery timeliness, and the quality of products and services. To protect the interest of the Group, we also assess suppliers for potential conflicts of interest and implement measures to protect our procurement process from collusion and price fixing.

Building a Responsible Supply Chain via Engagement

In upholding integrity in the supply chain, we aim to acquire a comprehensive understanding of suppliers including identifying instances of non-compliance in the areas of environmental, social, and ethics, such as:

- Human rights and labour standards, including safety and health standards, working hours, and freedom of association;
- Environmental management issues, including climate change and emissions, energy use, water use, biodiversity impacts, pollution management, waste management and reduction, resource use and integrated supply chain management; and
- Business ethics challenges or violations, such as anti-corruption.

We conduct various engagements with supply chain business partners to build a responsible supply chain, including communicating pertinent policies and RBA standards, evaluations or audits of key direct material suppliers, and having sessions and discussions with suppliers to address gaps in meeting regulations and requirements including those which will come into effect.

All new suppliers are screened via Unisem’s due diligence process which considers environmental, social, and ethical aspects, from corruption and bribery to labour practices.

Environmental and Social Assessment in Supply Chain

All key direct material suppliers and service providers undergo holistic sustainability assessment via the RBA SAQ and VAP Operations manual for suppliers’ audit, as follows:

SAQ	Suppliers Audit
<ul style="list-style-type: none"> • Self-assessment • Part of Unisem’s due diligence process and conducted by all key direct material suppliers 	<ul style="list-style-type: none"> • Conducted physical or virtual audits based on the RBA VAP Operations Manual for key direct material suppliers and services provider
<ul style="list-style-type: none"> • Aims to identify high-risk areas and potential gaps against the RBA Code of conduct 	<ul style="list-style-type: none"> • Audit focus and frequency depend on conformance level in past audits and overall performance against RBA standards and Unisem policies and standards

We conduct these assessments collaboratively, in coordination with our suppliers’ assessments and audits through our ISO14001-certified Environmental Management System. Suppliers are required to address audit findings and submit corrective action plans using the Corrective Action and Preventive (“CAPA”) template. Unisem’s audit team subsequently follows up to verify the implementation of the action plans before considering the audit findings resolved.

Suppliers Audit

We have a network of 25 shared key direct material suppliers, with whom our direct material spending comprises 85% of the Group’s total direct material procurement. Our supplier audit strategy has a target to cover 80% of the 25 key direct suppliers in every two years. In addition, we also perform audits on our key service agents.

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In FY2024, we performed audits on 11 key material suppliers and 8 key service agents. Our audit targets for FY2025 were 10 key material suppliers and 4 key service agents.

Year	Target number of audits to be conduct		Number of audits completed	
	Key Material Suppliers	Key Service Agents	Key Material Suppliers	Key Service Agents
FY2023	10	4	9	5
FY2024	11	4	11	7
FY2025	10	4		

The highlights of the key corrective actions arising from the key direct material supplier audits conducted in FY2024 are as follows:

RBA Category	Summary of key corrective actions
Labour	<ul style="list-style-type: none"> To maintain documentation as evidence of monitoring for compliance to 60 working hours per week and at least 1 day off per week. To conduct refresher training for employees against discipline requirements and practices. Enhance due diligence process for new hires.
Occupational Safety and Health	<ul style="list-style-type: none"> Conduct periodic work inspections and enhance awareness of health and safety practises. The fire drill should involve all shift workers and be conducted at least once a year. Develop/enhance risk assessment documentation.
Management Systems	<ul style="list-style-type: none"> To review and encourage the performance of RBA VAP Third Party Audits and follow audit schedule. To update the RBA organisation chart to include the Supply Chain Management element. Update documentation to align with the latest RBA Code of Conduct.
Supply Chain Management	<ul style="list-style-type: none"> To communicate RBA requirements including indirect suppliers such as transporters, security, scheduled waste disposal vendors, labor agents and canteen workers. To update conflict mineral statement to include Cobalt.

We follow up and monitor the implementation of correction action plans by the key direct material suppliers, and the status of implementation of the corrective actions as on 31 December 2024 is summarised as follows.

Status of Implementation of Corrective Action as of 31 December 2024	Audit Findings from FY2022 Audits	Audit Findings from FY2023 Audits	Audits Findings from FY2024 Audits
Implemented and verified by Unisem	100%	95%	98%

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Self-Assessment Questionnaire (“SAQ”)

All 25 key direct material suppliers are expected to undergo self-assessment via the RBA SAQ process. A summary of the outcome as of 31 December 2024 is as follows.

	FY2022	FY2023	FY2024
Total number of shared key material suppliers	25	25	25
Environmental Impact			
Number of suppliers assessed for environmental impacts*	25	25	25
Note: *assessed at least once in the past 3 years			
Number of suppliers identified as having significant actual and potential negative environmental impacts	0	0	0
Description of the significant and actual environmental impact identified	Not applicable	Not applicable	Not applicable
Percentage of suppliers identified as having significant actual and potential negative environmental impact with which improvements were agreed upon as a result of assessment*	0% (0 / 25)	0% (0 / 25)	0% (0 / 25)
Note: *does not include closed cases where agreed-upon improvements have been implemented and verified by Unisem’s audit team			
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment	0%	0%	0%
Social Impact			
Number of suppliers assessed for social impacts	25	25	25
Number of suppliers identified as having significant actual and potential negative social impacts	0	0	0
Description of the significant and actual environmental impact identified	Not applicable	Not applicable	Not applicable
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment*	0% (0 / 25)	0% (0 / 25)	0% (0 / 25)
Note: *does not consider closed cases where agreed-upon improvements have been implemented and verified by Unisem’s audit team			
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment	0%	0%	0%

Our contribution to the local economy and society

The Group contributes to the local economy through its business activities including the procurement of goods and services, providing local employment, and making corporate social responsibility contributions to the community. Where feasible and economically viable we procure local, which helps to support local businesses and minimise emissions associated with transportation.

	The proportion of direct material spending on local suppliers (%)		
	FY2022	FY2023	FY2024
Unisem Malaysia	23.3%	23.5%	21.3%
Unisem Chengdu	39.2%	37.9%	27.7%
Unisem Group	32.5%	33.9%	25.8%

Note: * In relation to direct material spending, "local" is defined as the country in which the respective site is located.

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MANAGING OUR BUSINESS



In striving towards generating long-term values for stakeholders and shareholders, our focuses include maintaining competitiveness, strengthening our market positions, looking out for growth opportunities, and enhancing our capabilities, capacity, products, and solutions.

Relevant Sustainability Matters

- Growing the Business
- Technology and Innovation

Sustainability Performance Highlights

- Achieved positive growth of 9.8% during the period
- Distributed economic value of RM416.7m in wages and salaries; RM18.7m in corporate tax; and RM129.0m in dividends
- Achieved FY2024 target for Technology Road Map
- Completed all 3 R&D projects in Technology Road Map

Relevant SDGs:



BUSINESS PERFORMANCE

The Group continues to develop and adjust its business and markets, considering opportunities for market expansion, diversification, as well as the onboarding of new customers to expand our clientele.

The following section summarises the Group's overall revenue growth for FY2024.

KPI	To achieve revenue growth		
	On-going growth of annual revenue		
Target			
Performance	FY2022 13.6%	FY2023 -19.2%	FY2024 9.8%

For FY2024, we achieved a 9.8% revenue growth, reflecting strong market support and confidence in our products and services. We aim to maintain this momentum by seizing market opportunities and strengthening customer engagement. Details of the Group's financial performance and strategies on business growth are discussed in the Chairman's Letter to Shareholders, Management Discussion & Analysis, and the Audited Financial Statements of Unisem's Integrated Annual Report FY2024.

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MANAGING OUR BUSINESS

Economic Value Generated and Distributed

Economic value generated and distributed can be used to illustrate the generation of economic value arising from the Group's business and operations and their distribution to the various stakeholder groups. The economic value generated and distributed by Unisem for the financial year is as follows:

Economic value generated and distributed	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000
Revenue	1,781,838	1,439,686	1,580,873
Local Procurement (Local: i.e., Malaysia for Unisem Malaysia and China for Unisem Chengdu)	191,237	207,009	151,908
Wages and salaries	404,756	379,986	416,691
Corporate tax paid	11,527	20,727	18,650
Community Investments, Donations, and Non-Commercial Sponsorships	102	80	1,106
Dividends paid	96,785	129,046	129,046
Research and Development	8,954	8,074	8,029
Retained Earnings	1,127,126	1,070,225	991,112

Local Employment

Our operations also contribute to the local economy through the creation of employment opportunities. In Perak, Malaysia, Unisem stands as one of the largest private sector employers.

	Proportion (%) of local hires amongst employees	
	Senior Management	Non-Senior Management
Unisem Malaysia	94.3%	70.3%
Unisem Chengdu	68.4%	99.9%

Note: * In relation to local employment, "local" means Malaysian for Unisem Malaysia and Mainland China Chinese for Unisem Chengdu.

QUALITY AND LEAN OPERATIONS

One of our Strategic Priorities - Pursuit of Operational Excellence and Quality of Products and Services - hinges on our ability to enhance and maintain operational quality and efficiency. Ongoing investments are allocated and made in efforts to heighten productivity and consistently optimum operational efficiency and quality.

Our operations and processes are aligned with International Quality Management Systems standards, including ISO 9001:2015, IATF 16949:2016, and the newly certified ISO 26262 as of FY2024. These certifications ensure standardised and consistent procedures across our operations, supported by robust standard operating procedures, error detection mechanisms, and a commitment to continuous improvement. Regular reviews and audits, including internal reviews and independent audits, are conducted periodically to ensure alignment with these standards.

Beyond compliance, we also undergo processes to identify potential areas for improvement to continuously refine our processes to gain greater competitiveness among our peers.

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MANAGING OUR BUSINESS

People Development and Innovation

The Group provides comprehensive training for employees, encouraging innovation as well as equipping employees with the skills necessary to run operations efficiently. We conduct regular engagement sessions with employees for development, including enhancing their problem-solving capabilities, fostering operational continuous improvement through techniques like Plan-Do-Check-Act (“PDCA”), Design of Experiment, Technical Excellence, Poka Yoke, and Root Cause Analysis (“RCA”). The participation of employees in these engagements enables the Group to understand operational challenges from the working level and facilitates more holistic improvements that are practical and viable for the employees. In addition, our shopfloor employees also undergo rigorous training and certification in accordance with ISO and automotive standard requirements.

Embracing the Kaizen concept and initiatives since 2004, Unisem actively promotes continuous improvement. Employees are incentivised to participate in Kaizen, Technical Excellence projects, and Lean Big Win Initiatives, fostering strong engagement. These initiatives provide a platform for employees to cultivate and showcase their innovative skills, contributing to an integrated work culture where ideas are shared, and development is collective. Furthermore, they offer an opportunity to identify talents and skills, supporting the sustainability of our human and intellectual capital.

PUSHING OUR TECHNOLOGICAL BOUNDARIES

In addition to competitiveness in terms of operational excellence, the fast-paced development in the semiconductor industry means higher pressure for OSAT businesses to keep up with technology to have the capabilities to support the technological development of the market and customers. This includes having the capability to develop solutions to address environmental and social risks such as a safer working environment and more environmentally-friendly processes or products.

We place significant emphasis on investing in technologies that helps us sharpen our edges in areas aligned with our Strategic Priorities, including business and product expansion, capturing in-trend products such as those related to AI, cloud-computing, and EVs, amongst others. These considerations are incorporated in the Group’s Technology Road Map which is reviewed regularly and sets out the Group’s Research and Development (“R&D”) focuses during the year. The Technology Road Map also takes into consideration market and industry trends and the future plans and innovation requirements of customers.

We have completed all 3 projects targeted for completion in FY2024.

KPI	Progress of projects scheduled in Unisem Group’s Technology Road Map
Target	Meeting the project completion timeline as scheduled
Performance	Completed all 3 projects targeted for completion in FY 2024

Projects	Descriptions	Challenges	Target for Production Readiness	Progress as at 31 Dec 2024
Completed projects				
Stacked Die Thin BGA	Establish MCU, Flash, and Memory application capabilities and production at the Ipoh factory.	<ul style="list-style-type: none"> Thin and big die size die bond handling Thin memory wafer grinding without polishing 	Quarter 3 of 2024	Qualification completed. Preproduction now

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MANAGING OUR BUSINESS

Projects	Descriptions	Challenges	Target for Production Readiness	Progress as at 31 Dec 2024
Completed projects				
FC-SOT563 & 583	Development of a new package serving as an alternative sourcing option out of China (“OOC”).	<ul style="list-style-type: none"> New equipment is required 	Quarter 4 of 2024	Qualification completed. Preproduction now
New Concept MEMS Microphone	A new concept developed in collaboration with IDM customers to achieve enhanced SNR performance.	<ul style="list-style-type: none"> New equipment is required 	Quarter 2 of 2024	Qualification completed. Production now
Existing projects				
Power Stacked Module Packages	A new innovation in power module packaging addresses the need for thicker inductors required in high-power management devices. However, the mold thickness has traditionally limited the ability to increase inductor thickness. This new package introduces a breakthrough concept to overcome this limitation.	<ul style="list-style-type: none"> Limited suppliers with capability Adoption of a new package in the market New equipment and tool is needed. 	Quarter 4 of 2025	Completed samples build. Pending for customer update on the application design in status.
Reversed SLP	Redirecting heat from the traditional PCB board toward the top surface using an external heat sink or air cooling, designed to meet specific end-customer application requirements.	<ul style="list-style-type: none"> Not a traditional assembly LF material and process flow. 	Quarter 4 of 2025	Concept phase done. Pending for customer engagement.
3mils SLP Lead Frame	Continue developing thinner packaging solutions for the RF market while advancing and expanding the LF design rules	<ul style="list-style-type: none"> LF cost slightly higher Limited supplier can provide the capability 	Quarter 4 of 2025	Concept phase.
New projects				
SOIC-WB High Density	Introducing a new high-density SOIC-WB package as an alternative sourcing option OOC, specifically designed for automotive applications, particularly in Power Management products.	<ul style="list-style-type: none"> Additional equipment is necessary 	Quarter 1 of 2026	Discussion with customer on the investment sharing
3D Package Power Package	Developing a new 3D package tailored for higher power management devices, primarily targeting high-end GPU applications.	<ul style="list-style-type: none"> Additional equipment is necessary Adoption in the market 	Quarter 2 of 2026	Discussion with customer on the concept phase

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MANAGING OUR BUSINESS

Projects	Descriptions	Challenges	Target for Production Readiness	Progress as at 31 Dec 2024
New projects				
Compression Mold	Assessing compression molding for BAW filter SiP, large FC dies in LGA or BGA packages, wafer-level molding, and other related processes.	<ul style="list-style-type: none"> Additional equipment is necessary, involving high capital expenditure 	Quarter 4 of 2025	Under the internal purchase justification process
TSSOP High Density	Introducing a new high-density TSSOP package as an alternative sourcing option OOC.	<ul style="list-style-type: none"> Additional equipment is necessary 	Quarter 1 of 2026	Under the internal purchase justification process

The highlights of Unisem's key projects and R&D technological achievements during the year are summarised below:

1. Successfully introduced Stacked Die Thin BGA to expand the capability of Ipoh factory on MCU, Flash & Memory application. This will further entice more similar application customers to Unisem Simpang Pulai to growth the business revenue.
2. Successfully introduced new packages into Unisem portfolio i.e. FC-SOT563 & 583, which are widely being used and accepted in China market.
3. Successfully qualified Unisem Chengdu with a new concept of MEMS Microphone with the world Tier 1 customer with the best SNR (Sound to Noise Ratio) performance.
4. A total of 9 new processes and materials were qualified in 2024 to meet customer needs. To date, Unisem has obtained 31 patents up to date.

R&D Expenditure

Unisem Group invested about RM8.0 million in R&D programs, representing close to 1% of the Group's revenue, in FY2024.

Unisem Group	Unisem Group R&D Expenditure		
	FY2022	FY2023	FY2024
Unisem Group R&D expenditure (RM'000)	8,954	8,074	8,029
R&D expenditure as a percentage of Unisem Group revenue (%)	1%	1%	1%

SAFEGUARDING OUR IT SYSTEMS

Our business environment is highly digitised, processing confidential data including intellectual property, personal information, and customer data. We are responsible for keeping this information of the business and its stakeholders safe, to safeguard stakeholders and ensuring business continuity.

Our IT Support function is tasked to oversee the processes and controls safeguarding Unisem's IT systems and infrastructure. Policies, procedures, and tools (such as anti-virus software, firewall, email filtering, etc.) are deployed, evaluated, and reviewed from time to time to ensure they are functioning effectively. Cybersecurity management is also integrated into Unisem's risk management process which enables it to be systematically assessed, managed, monitored, and enhanced.

This year, we continued to engage external, professional consultants to support our review and monitoring of IT systems, including assessing the level of security and identifying weaknesses, ongoing monitoring of performance, and enhancement of IT controls. All gaps and weaknesses in IT security will continue to be addressed and improved on an ongoing basis.

Sustainability REPORT

OUR FOCUS ON CUSTOMERS

Unisem embraces a customer-centric approach in delivering our products and services. What distinguishes us is our core differentiation strategy centred around customer intimacy. We strive to grow alongside our customers and keep up with the market and industry through ongoing development and evolution. This symbiotic relationship is grounded in trust and a dedicated commitment to safeguarding customer interests, including data privacy and confidentiality.

Relevant Sustainability Matters

- Growing the Business
- Customer Satisfaction
- Customer Privacy and Data Protection

Sustainability Performance Highlights

- Achieved 90% score for customer satisfaction target
- No fines or complaints received from outside parties or regulatory bodies

Relevant SDGs:



SERVING OUR CUSTOMERS

Customer Relationship Management

Unisem prides itself as a customer-centric organisation, building customer satisfaction and loyalty by offering extraordinary services and quality products. Long-term partnerships with our clients are central to our business strategy, where the sustainability and continuity of our business depends on our ability to keep up with our clients and markets in this fast-paced industry.

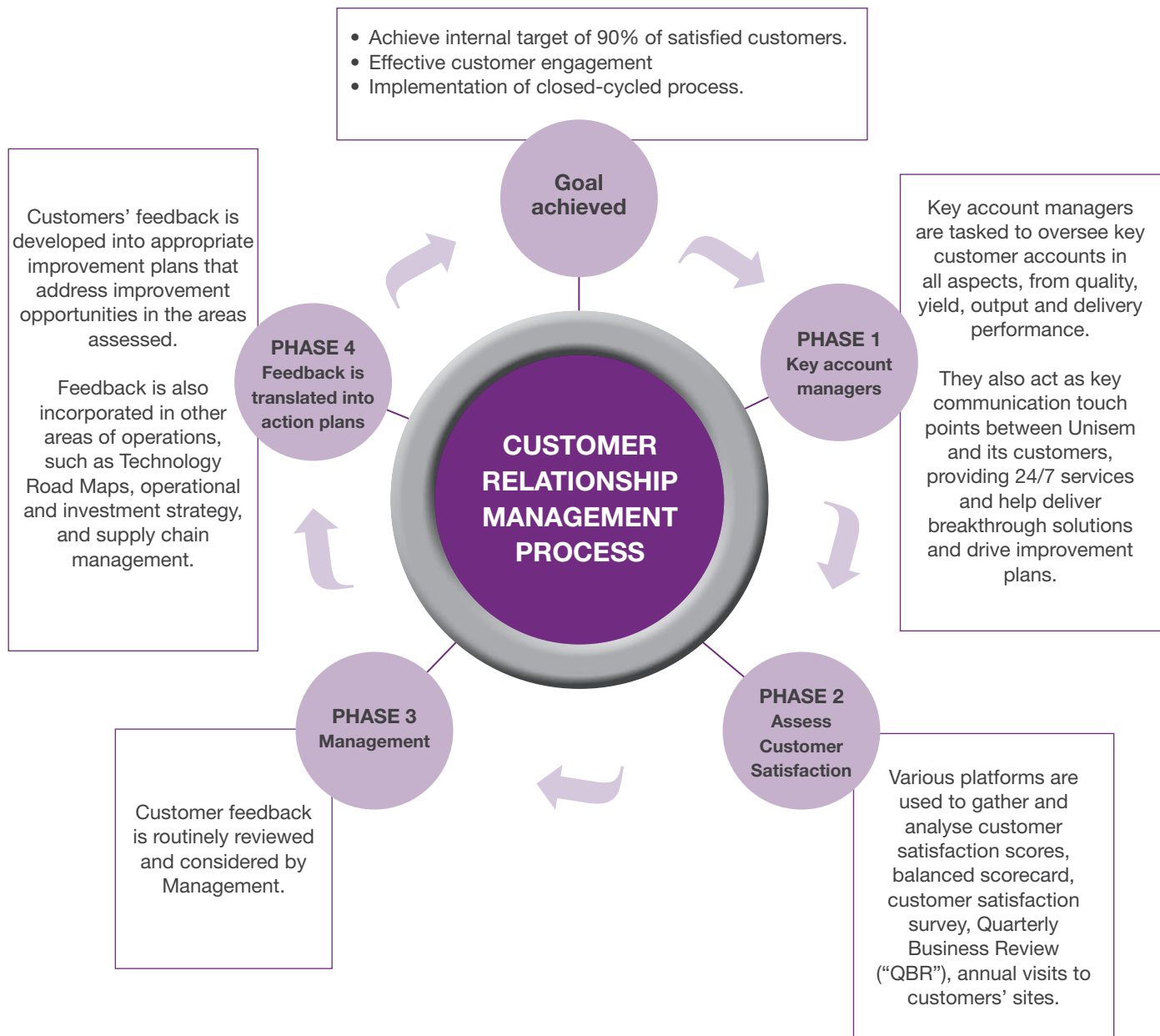
Unisem's dedicated customer account managers and teams deliver focused and attentive support to our key accounts. These account managers play a strategic role in fostering long-term collaborative business partnerships, bridging alignment and capabilities between Unisem and its customers, as well as business associates within the supply chain. Operating globally, Unisem's customer management teams offer 24/7 services to ensure comprehensive support. These teams undergo regular professional and technical training, reinforcing our commitment to being a one-stop solution provider.

The Group has a Customer Relationship Management process to engage, serve, and manage customers including assessing their satisfaction and improving our service. Through the process, we gain insights into our customers' needs, including specified yield and performance levels, enabling us to provide tailored advice and breakthrough solutions. Regular meetings are conducted with customers to keep them informed of the development and production progress. Customer feedback is integral to our continuous improvement process and we actively seek their feedback through performance scorecards, amongst other engagement methods.

Sustainability REPORT

OUR FOCUS ON CUSTOMERS

Unisem's Customer Relationship Management process is summarised in the following diagram.



Sustainability REPORT

OUR FOCUS ON CUSTOMERS

Engagement and Collaboration with Customers

Customer satisfaction levels are evaluated using formal balanced scorecards and internally developed customer satisfaction surveys, benchmarked against our baseline Key Performance Indicators (“KPIs”). Highlights of our significant customer engagement activities are as follows.

Customer Engagement Platforms	Frequency	Details
Balanced scorecard	Quarterly	<p>Around 80% of key customers evaluate Unisem’s performance via their own balanced scorecard. Evaluation results are usually shared with Unisem to identify areas where we can further improve or grow together.</p> <p>Unisem does not set a general performance target for the purpose of this Report due to the different assessment criteria used by each key customer.</p>
Customer satisfaction survey	Annually	<p>Unisem uses an internally developed survey form to assess the satisfaction of the other 20% of its key customers who do not use a balanced scorecard approach.</p> <p>Unisem targets to achieve a Customer Satisfaction score of 80% for 90% of key customers.</p>
Quarterly Business Review (“QBR”)	Quarterly	<p>QBR is conducted by key customers to convey their report card on their suppliers’ performance, business opportunities, and roadmaps</p>
Meeting with customers	Annually	<p>Top management and the technology and marketing teams meet with key customers located in the United States of America, Europe, and Asia to strengthen customer relationships and align our Technology Road Map.</p>

During the financial year under review, Unisem Group achieved a score of 90%, meeting our target and reflecting significant improvement from the previous year’s score of 81%. Areas for improvement were thoroughly reviewed with customers, leading to the development of action plans. Taskforces were established to address specific issues as needed.

KPI	Satisfaction of key customers		
	90% of key customers with customer satisfaction score of 80%		
Target	FY2022	FY2023	FY2024
Performance	92%	81%	90%

We appreciate the recognition by our customers, demonstrated through the following outstanding awards and best supplier appreciations:

- NVT FY2024 Best Suppliers for Unisem Chengdu; and
- Hynitron FY2024 Excellent Core Partner Award for Unisem Chengdu.

We have setup a new regional office in Singapore to act as a regional hub and marketing arm to services customers. The regional hub will allow Unisem Group to manage our businesses and customers from difference regions or countries in one central location in Singapore.

Sustainability REPORT

OUR FOCUS ON CUSTOMERS

PROTECTING OUR CUSTOMERS' PRIVACY AND DATA

Cybersecurity risks have emerged as a more notable and significant risk for businesses around the world, and are expected to be around in the future. In Unisem, we continue to commit to safeguarding customers' proprietary information, intellectual assets, and data, by ensuring systems and controls are in place to manage the ongoing threats to cybersecurity, protecting customers' sensitive information, and preventing leaks, threats or loss of customer information.

Unisem has a dedicated "IT Acceptable Use Policy" to regulate the responsible use of data, covering aspects such as data access, transfer, and management. We also provide regular reminders to employees emphasising the importance of responsibly handling and protecting customers' data and informing them of the consequences of breaches or violations.

The key Internal controls implemented by Unisem to govern customer privacy and data protection are summarised as follows:

Key internal controls implemented by Unisem to protect customer privacy and data

To protect the confidentiality of proprietary information, all employees are required to comply with the Unisem COE and sign a Non-Disclosure Agreement

Adhering to strict protocols in ensuring all proprietary information in e-waste is scrapped prior to disposal. Ensuring the secured scrap disposal process for the disposal of defective products and e-waste complies with the Group's internal scrap procedures

Securing all computers, laptops, and workstations are equipped with password-protected screensaver, anti-virus software, Security Endpoint Protection Software, and firewall

Protecting the confidentiality of information of all parties through the signing of Non-Disclosure Agreements between Unisem and its contractors, suppliers, and service providers.

Provision of training to employees to enhance skillsets on data protection and security

We are pleased to report that there were no fines or complaints received from external parties or regulatory bodies in FY2024. Additionally, there were no reported incidents of leaks, theft, or loss of customer data that came to our attention.

Number of substantiated complaints concerning breaches in customers' privacy or data loss	FY2022	FY2023	FY2024
Unisem Malaysia	0	0	0
Unisem Chengdu	0	0	0

Sustainability REPORT

OUR PEOPLE

“We Care, We Can” is our tagline and our principle in Unisem’s relationship with its employees.

We are committed to ensuring the safety of our people, including employees and visitors, to shield them from any harm or injury arising from our business operations.

The Group’s human capital management is pivotal for nurturing talents and skills to support Unisem’s growth, and we are proud that our efforts to cultivate and nurture in-house talents have proven successful, thanks to our strategic geographic location.

We strictly comply with applicable labor laws, regulations, and international labor standards. At the same time, we hold our key material suppliers to similar, high standards.

With respect to contributions to the community, we strive to maximise our positive impact and actively engage with the local community where feasible.

Relevant Sustainability Matters

- Growing the Business
- Technology and Innovation
- Occupational Health and Safety
- Employee Development and Diversity
- Human and Labour Rights
- Local Communities

Sustainability Performance Highlights

- All employees trained on labour standards and human rights issues
- 3.65 employee satisfaction score in FY2024 against a target of 3.80
- No incidents of significant human rights or labour standards violations
- 81.2% employees having minimum 6 hours training against a target of 75%
- Kept injury frequency rate in target range at below 1.50 - FY2024: 0.80
- 14.5% and 30.2.% annual turnover rate for Unisem Malaysia and Unisem Chengdu in FY2024 against targets of 25.0% and 45.0%, respectively
- 784 employees received long service awards in FY2024

Relevant SDGs:



UPHOLDING HUMAN RIGHTS AND LABOUR STANDARDS

Unisem is always committed to protecting and respecting human rights across its business operations. In addition, we believe that fair and ethical treatment contributes positively to productivity and promotes a healthy working culture. We proactively address human rights risks within our operations and supply chain through comprehensive processes of risk identification, assessment, and management.

Our commitment is explicitly outlined in our CSR Policy and Code of Ethics (“COE”). Our commitment to human rights and labour standards is also aligned with the RBA Code of Conduct and is seamlessly integrated into our human capital management principle encapsulated in “We Care, We Can”



The Labor Working Committees of the respective sites are responsible for supervising the overall labor practices and human rights across our operating sites, including in the supply chain and significant investment agreements and contracts (such as crucial arrangements for the sourcing of key materials or manpower).

The management of labor and human rights practices are risk-based - risks assessments or reviews are conducted at least annually; and internal controls and processes are integrated into the Group’s business operations, particularly within Unisem’s employment practices and process, and those of key suppliers.

The personnel responsible for managing manpower are periodically updated and trained on acceptable human rights and labor standards, ensuring these standards are upheld within our operations. In addition, we also provide briefing to employees informing them of their rights at work and how to escalate or make reports in the event of a violation via our annual Humane Treatment briefing.

Sustainability REPORT

OUR PEOPLE

Such briefing or training may be conducted through new employees' orientation programs and refresher courses with topics on humane treatment and labor standards.

	FY2022	FY2023	FY2024
Total hours trained on labour standards and human rights issues	3,123	2,855	3,060
Percentage of employees trained on labour standards and human rights issues	100%	100%	100%

We screen new and existing suppliers through due diligence and regular reviews to obtain a sufficient understanding of our supply chain and prevent adverse human rights impacts in the value chain. In addition, human rights and labor practices form part of the criteria of SAQ and VAP assessments. The Supply Chain Management Working Committee oversees the social performance and risk management of the supply chain.

Independent internal audits from the CSR Working Committee are also carried out on our operations to identify any existing gaps. Any instances of human rights violations or labor-related issues can be reported in accordance with the guidance in the WBEC Policy.

Following our third-party assessments and audits in FY2024, we noted no concerning risks relating to human rights violations within our operations. There were no incidents of human rights violations or significant breaches of labor practices reported.

Number of substantiated complaints concerning human rights violations	FY2022	FY2023	FY2024
Unisem Malaysia	0	0	0
Unisem Chengdu	0	0	0

EMPLOYEE DIVERSITY

Equal Treatment and Opportunities

Our principles of equality and no discrimination are incorporated in the COE and aligned with the RBA Code of Conduct.

Unisem upholds equal employment opportunities and non-discrimination in its business and operations, especially in our hiring and employment practices such as recruitment, promotion, disciplinary actions, etc. Upholding non-discrimination means that no individual shall be treated unfairly based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, or marital status.

We believe that the upholding of equal opportunities and no discrimination is fundamental to creating shared value for our employees and society, and it is also aligned with our business values.

		Male		Female	
		Permanent	Fixed-term Contract	Permanent	Fixed-term Contract
Unisem Malaysia	FY2024	1,173	9	1,096	930
	FY2023	1,152	17	1,170	815
	FY2022	1,146	16	1,285	910
Unisem Chengdu	FY2024	469	1,313	570	878
	FY2023	402	964	520	738
	FY2022	356	962	469	954

Sustainability REPORT

OUR PEOPLE

In Unisem Group, we emphasise the realisation of employees' abilities through appropriate job and position allocation. In this regard, we believe that disabilities in any person shall not prohibit the demonstration and enhancement of their abilities and their contribution to the Group. We also strive to incorporate inclusivity in our business and operation, as well as enhancing accessibility at our offices and sites. As at 31 December 2024, the Group has 5 employees with disabilities.

Percentage of permanent and contract-based employees		FY2022	FY2023	FY2024
Unisem Group	Full-time permanent employees	53%	56%	51%
	Full-time contract-based employees	47%	44%	49%

In Unisem Malaysia, approximately 29% of our workforce are contract-based employees, the majority of whom are foreign nationals. We give special attention to this employee category, ensuring human rights and labor standards assessments and reviews are conducted to prevent discrimination and guarantee the same basic human rights as for all other employees. In addition, we provide accommodation to these foreign employees and ensure the living conditions and amenities at the accommodations are according to standards. All non-Executives and Operators at Unisem Malaysia are represented by an in-house union irrespective of their nationality, and they are covered under collective bargaining agreements reviewed by the union every three years. Professional expatriates at Unisem Chengdu are primarily employed on a contract basis.

We do not have part-time employees in both Unisem Malaysia and Unisem Chengdu.

Number (Percentage)*	< 30 years old		30 - 50 years old		> 50 years old		Total	
	M	F	M	F	M	F	M	F
Board members	0	0	3	1	4	3	7 (64%)	4 (36%)
	0 (0%)		4 (36%)		7 (64%)		11	
Senior Management	0	0	17	2	33	2	50 (93%)	4 (7%)
	0 (0%)		19 (35%)		35 (65%)		54	
Management	0	0	41	14	25	7	66 (76%)	21 (24%)
	0 (0%)		55 (63%)		32 (37%)		87	
Executives	113	61	395	259	56	16	564 (63%)	336 (37%)
	174 (19%)		654 (73%)		72 (8%)		900	
Non-Executives	723	91	825	357	45	17	1,593 (77%)	465 (23%)
	814 (39%)		1,182 (58%)		62 (3%)		2,058	
Operators	421	1,405	259	1,161	11	82	691 (21%)	2,648 (79%)
	1,826 (55%)		1,420 (42%)		93 (3%)		3,339	
Total**	2,814 (44%)		3,330 (52%)		294 (4%)		6,438	

Note:

* The percentage of employees in certain age group / gender in relation to the total number of employees in the employee category

** Excluding figures in "Board members" category

For historical data of employees in percentage by age group / gender in relation to employee's category, refer to our Performance Data Table

Sustainability REPORT

OUR PEOPLE

The Group's total employees increased by about 11% to 6,438 mainly in Operators and Non-Executives to support the increased revenue growth this year.

The proportion of female employees is higher in the Operators category while the proportion of male employees is higher in the category of non-Executives and above. This is attributed to the job nature of the semiconductor manufacturing environment where female production operators are more suited to the dexterity requirement. For non-Executives and above, the diversity spread leans towards more male employees mainly due to limited proportion of women engineers in the field, especially mechanical, electronic and electrical, and computer engineering.

Nevertheless, we guarantee equitable remuneration for all employees, providing compensations and benefits that align with their competency, capabilities, roles and responsibilities, free from discrimination or gender bias. The wider gap observed between male and female employees at the Management level and above is influenced by the higher number of male Management personnel, as explained earlier.

Ratio of basic salary	Female			Male		
	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Unisem Malaysia						
Senior Management and Management	0.70	0.60	0.47	1.00	1.00	1.00
Executives and Non-Executives	1.03	1.00	0.99	1.00	1.00	1.00
Operators	1.25	1.05	0.98	1.00	1.00	1.00
Unisem Chengdu						
Senior Management and Management	0.63	0.63	0.62	1.00	1.00	1.00
Executives and Non-Executives	0.97	1.02	1.13	1.00	1.00	1.00
Operators	1.06	1.03	1.10	1.00	1.00	1.00

OCCUPATIONAL HEALTH AND SAFETY

Workplace safety and health is upheld through our CSR Policy and Safety and Health Policy which serve as fundamental policies for all our operations.

Health and safety management systems aligned with international standards are in place to enable risk identification and assessment, control monitoring and review, and continuous improvement. All our facilities are certified with ISO 45001:2018 Occupational Health and Safety Management System.

We view safety and health policies and procedures seriously. Employees are expected to adhere to the Group's safety and health policies and procedures. In addition, employees are also encouraged to escalate any safety and health concerns to mitigate risks and hazards as soon as possible. Any serious violations or breaches of the Group's safety and health policies and procedures can be reported via our reporting mechanisms outlined in the WBEC Policy.

Our Occupational Safety and Health Management System

The Health and Safety Working Committee of each operating site is led by the senior management from the respective Facility Departments and comprises members including other Management personnel and representatives of workers involved in day-to-day operations. The participation of worker-level representatives allows us to more effectively pinpoint risk areas and challenges in control implementation.

The Health and Safety Working Committees carry out their responsibilities guided by the Safety and Health Policy, overseeing and monitoring health and safety management, carrying out relevant risk assessments, ensuring the implementation of health and safety action plans, compliance, audits and investigations, and managing complaints and grievances.

The risk assessment follows a Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) approach, where hazards and risk areas are identified considering the nature of tasks, past incidents, competency of personnel in operational activities and monitoring, and existing controls. The process also drives process improvement and initiatives, such as automation initiatives to reduce human contact. HIRARC is conducted annually or as required.

Meetings are generally held monthly. The Health and Safety Working Committee works together with the respective site COOs to provide updates on the committee’s activities and outcomes, such as HIRARC review outcomes, progress of action plans, and management performance of risk indicators. Overall safety performance is also reported to the ESGWC annually.

Incident Response

We have policies and procedures to guide employees the appropriate response and actions in the event of incidents. In the event of incidents or accidents, employees shall prioritise their own safety, promptly removing themselves and others from potentially hazardous situations that could lead to injury or illness. Subsequently, they must report immediately to the designated safety officer or individuals in charge of the initiation of emergency responses.

All incidents will be accurately reported, documented, and thoroughly investigated. Corrective actions will be developed, implemented and followed-up until they are satisfactorily resolved. The Health and Safety Committee and the site COO shall be responsible for overseeing and monitoring the resolution.

The Group assures employees that there will be no retaliation for genuine responses and incident reporting carried out in accordance with established policies and procedures. This commitment, including the protection of employees who remove themselves from their work positions to ensure their safety and health, is explicitly outlined in our COE and WBEC Policy.

Incident Response and Reporting of Unsafe or Unhealthy Work Conditions:



Employee Safety and Health Monitoring and Support

We provide healthcare benefits to employees including health screenings, health and safety talks, and access to medical treatment via panel clinics.

In Unisem Chengdu medical facilities are conveniently situated close to industrial parks where our facilities are at. In Unisem Malaysia, we maintain an in-house 24-hour clinic staffed with experienced industrial nurses and visiting doctors for medical consultation and treatment. When needed, Unisem seeks advice from these healthcare professionals to identify and manage occupational safety and health risks arising from our operations.

Safety and Health Training

The Group actively promotes awareness regarding both occupational and non-occupational health and safety among employees. These include training related to the Group's safety and health management system and processes and other training to enhance employees' general safety and health knowledge.

We prioritise additional efforts to ensure that employees exposed to higher safety and health risks receive comprehensive training to effectively prevent, manage, and navigate workplace hazards. Our health and safety training programs encompass:

- Customised training for distinct employee groups, targeting specific work activities and the associated health and safety risks.
- General safety and health training, fostering awareness and providing education to employees on both occupational and non-occupational health and safety matters.

Annual safety and health training programs are developed by the Facility Departments taking into consideration HIRARC assessment, incident reports, developments or changes in the operating environment, regulatory environment, and the industry, as well as the overall health and safety performance of the Group.

The topics covered by our safety and health training in FY2024 are summarised as follows:

- Radiation safety and protection
- Machine testing
- Chemical and electrical safety precautions
- Ergonomic and material handling
- Fire and gas Emergency Response Program ("ERP") procedures
- Hazardous Substance Process Management ("HSPM")
- Occupational health awareness
- Enterprise safety production management
- Electrostatic protection system
- Safety and fire protection
- Work injury promotion and training
- X-R safety precaution for X-R Handler, X-R Operator and X-R ERT
- Chemical Spillage, Handling & Storage
- Fire Prevention
- ISO Requirement for hazard identification risk assessment risk control
- Safety Culture
- Hazard Identification, Risk Assessment and Risk Control ("HIRARC")

Number of employees trained on health and safety standards	FY2022	FY2023	FY2024
Unisem Group	-*	6,625	5,896

Note: * Data collection began in FY2023.

Workplace Safety Performance

In FY2024, the Group recorded 3 major and 9 minor occupational accidents and no fatalities arising from occupational health and safety incidents.

	FY 2022	FY 2023	FY 2024
Fatality rate	0	0	0
Loss Time Incident/Severity Rate ("LTIR")*	15	6	5
Major Occupational Accidents**	9	4	3
Minor Occupational Accidents***	6	9	9
Total Recordable Work-Related Injuries	15	13	12

Note:

* Lost Time Incident/Severity Rate is calculated as $[(\text{total no. of lost work days} / \text{total no. of man-hours worker}) * 1,000,000]$

** Major work-related accidents - accidents causing employees to be on medical leave for more than four days; and

*** Minor work-related accidents - accidents causing employees to be on medical leave for at least one day to up to four days.

All recordable accidents were investigated to identify the root causes of the incidents. Where required, action plans were developed and implemented to improve safety controls, such as enhancement to procedures, facility maintenance or upgrades, and further training.

We carry out initiatives for the ongoing enhancement of our safety environment, including on-site management and storage of chemicals, personal protective equipment, rigorous workplace inspections, stringent radiation and monitoring protocols, and comprehensive assessment of machinery and work procedures.

We are pleased to report no recorded cases with high consequence work-related injury* during the reporting period.

During the financial year under review, we recorded 14 mild or moderate temporary hearing impairment cases with our employees. In response to these cases, we re-emphasised the proper use of hearing PPE as well as conducting regular hearing checks and tests on employees working in the relevant facilities.

Note: * Work-related is an injury that results in a fatality or an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months. (GRI 403-- Occupational Health and Safety 2018)

Injury Frequency Rate

We target to maintain our injury frequency rate below 1.50 accidents per million hours worked. We are pleased to report that, in FY2024, our injury frequency rate was recorded at 0.80.

KPI	Injury frequency rate for industrial accidents		
	Injury frequency rate for industrial accidents below 1.50 accidents per million hours worked*		
Target			
Performance	FY2022 1.03	FY2023 0.93	FY2024 0.80

Note: *Injury frequency rate is calculated as $[(\text{total no. of work-related accidents} / \text{total no. of man-hours worker}) * 1,000,000]$, as in line with definition by the Malaysian Department of Occupational Safety and Health ("DOSH")

COMMUNICATIONS AND ENGAGEMENTS WITH EMPLOYEES

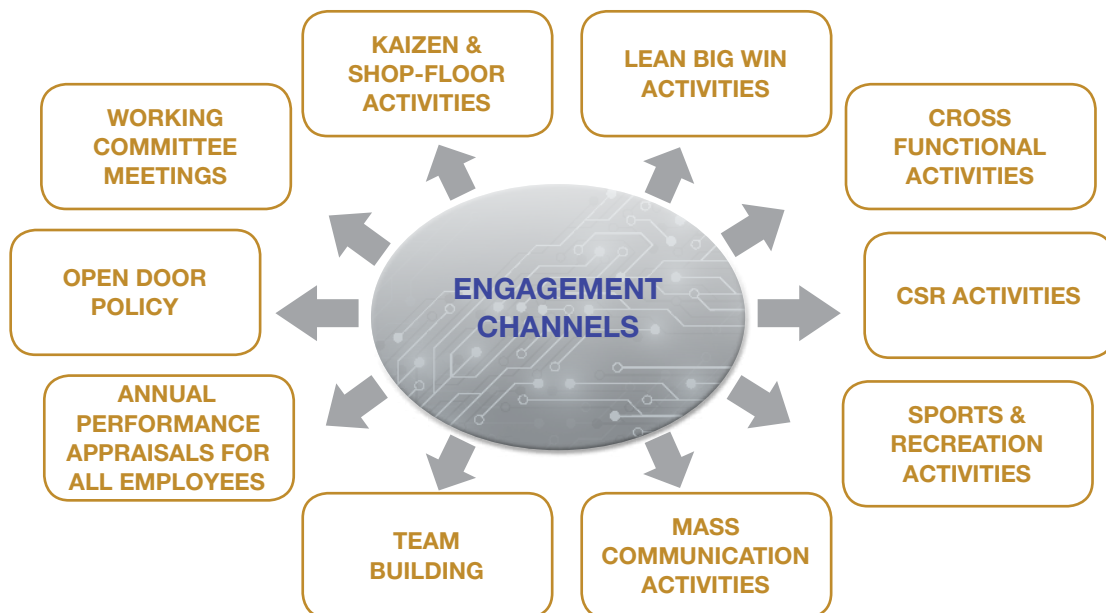
At Unisem, our employees are an integral part of our human capital and a crucial stakeholder group with shared interests and dependencies. Guided by our core belief and mindset encapsulated in “We Care, We Can”, we are committed to fostering a mutually beneficial relationship with our employees. In this partnership, we strive to align our interests as closely as possible and maintain transparent communication regarding our objectives and strategies.

Unisem maintains a spectrum of engagement channels, each tailored to specific objectives. These platforms not only serve to motivate employees to actively contribute to our strategic pursuit of operational excellence and continuous improvement but also function as vital feedback conduits. They enable us to gain deeper insights into our employees’ experiences and the challenges they may encounter at work. Moreover, these channels play a pivotal role in nurturing team coordination and fostering a strong team spirit, ultimately facilitating enhanced integration among various functions within the Group.

The outcomes and significant issues desired from these employee engagements play a pivotal role in shaping our business decisions. Prior to implementing substantial operational changes that could significantly impact our employees, we ensure timely and transparent communication. When deemed necessary and appropriate, we also engage in consultation with our employees in the event of significant decisions.

Furthermore, our commitment extends beyond safeguarding the fundamental rights of our employees in areas such as human rights, labour standards, and occupational safety and health. We are equally dedicated to supporting our employees by offering initiatives that improve their livelihoods and foster personal and professional development.

A summary of Unisem’s key employee engagement activities is as follows:



Grievance Mechanisms

The Human Resources Department oversees an internal grievance reporting mechanism through which employees can voice their concerns or seek clarification on the Management's decisions and workplace dynamics. This mechanism is designed to facilitate open communication, enabling employees to address workplace disputes and disagreements, with the objective of fostering mutual understanding, aligning interests as much as possible, and developing resolutions to maintain a healthy working relationship among employees, the Management, and the Group.

In addition to addressing day-to-day concerns, our grievance mechanism is committed to handling more severe issues, including serious misconduct and breaches of laws and regulations. Instances such as misappropriation of funds or data, bribery, or kickback arrangements fall under the purview of our whistleblowing mechanism. This ensures that employees have a secure and confidential means to report significant violations, contributing to the maintenance of a transparent and accountable organisational culture.

Click here to view the WBEC Policy or visit our website at <https://www.unisemgroup.com/company-info/corporate-social-responsibility>

EMPLOYEE WELFARE

Our talent attraction and retention strategies are complemented by competitive employee benefits and welfare. We offer competitive compensation and benefit packages that are benchmarked against industry practices and market conditions. In addition to medical insurance, social security coverage, and other benefits mandated by the law, we also provide addition insurance coverage and other benefits which we believe would support the livelihood of employees. These key compensation and benefits are summarised as follows.

COMPENSATION AND BENEFITS			
Benefits Required by Law		Insurance / Medical Coverage	
Unisem Chengdu	Unisem Malaysia	Unisem Chengdu	Unisem Malaysia
<ul style="list-style-type: none"> • social insurance • housing funds • annual, sick, marriage, funeral, maternity and paternity leave 	<ul style="list-style-type: none"> • minimum wages order • contribution to the employees' provident fund, in line with local regulations • contribution to employees' social security • provision of annual leave and other leaves 	<ul style="list-style-type: none"> • social insurance • commercial insurance 	<ul style="list-style-type: none"> • personal accident insurance coverage • child delivery subsidies • medical benefits for outpatient, specialist and hospitalisation

Unisem aims to cultivate a supportive work environment that offers career satisfaction, fair remuneration, work-life balance, and ongoing personal and professional development, offering employees welfare and various elements to support a long-term relationship between the Group and its employees. The Group also conduct ongoing engagements with employees to gain insights into employees' needs and how the Group is able to support them.

At our operating sites, we established services, facilities and amenities to provide a conducive and comfortable working environment, including universally accessible car parks for individuals with disabilities, dedicated mother's rooms, recreation and sports facilities, and ample resting areas including dedicated spaces for female employees. Sports and recreation programs are held from time to time to encourage active lifestyles and work-life balance.

Our new Gopeng Plant is equipped with bicycle lanes and walkways that provide a "walkable" and low-carbon factory compound. This forms part of our investments in enabling a safe and conducive workplace environment.

Sustainability REPORT

OUR PEOPLE

FACILITIES AND PRIVILEGES

Unisem Malaysia

- | | |
|--|--|
| <ul style="list-style-type: none"> • surau • 24-hour canteen • mini mart operated by Koperasi Pekerja-Pekerja Unisem (M) Berhad • gated parking space • library • in-house clinic with full-time industrial nurses • dedicated lactation room for breastfeeding mothers | <ul style="list-style-type: none"> • hostel for operators who do not have homes in Ipoh • dedicated parking spaces for our special needs employees (those with disabilities) and pregnant women • dedicated rest area for female workers • at Unisem Malaysia, employees are entitled to a salary advance of up to 35% of their monthly salary during festive periods. Flexible working hours are also made available to support a healthy work-life balance |
|--|--|

Unisem Chengdu

- | | |
|--|---|
| <ul style="list-style-type: none"> • gated parking space • dedicated lactation room for breastfeeding mothers • hostel for operators who do not have homes in Chengdu | <ul style="list-style-type: none"> • dedicated parking spaces for our special needs employees (those with disabilities) and pregnant women • dedicated rest area for female workers |
|--|---|

SPORTS & RECREATION

List of Activities / Event Organised

Unisem Malaysia

- National Day celebration with surrounding schools in Simpang Pulai District, Ipoh
- University Student Visit
- Chinese New Year celebration - Lion Dance
- PAFID Food Fair and Charity Run
- Inter-department activities - Bowling Competition, ESG poster Competition,
- Eco Green Market co-activities with Majlis Daerah Batu Gajah “MDBG”
- Tree planting program co-activities with MDBG

Unisem Chengdu

- Inter-department sport activities - Badminton, yoga, running, handicraft, reading and football
- Sport Day
- Health talk
- Annually Appreciation Dinner
- University Student Visit
- Technical Improvement Commendation Conference

EMPLOYEE DEVELOPMENT

Continuous growth and development of our employees is a crucial factor driving the success of our strategic priorities and long-term objectives, ranging from abilities and skillsets to operate efficiently, manage relationships with business partners, innovate, and keep up with the industry. Comprehensive and ongoing employee development and training programs continued to be one of Unisem’s key focuses in human capital management. Our commitment extends to providing opportunities and support for the holistic personal and professional development of every employee.

In addition to training that aims to equip employees with the requisite skills and knowledge to effectively fulfil their roles and responsibilities, we also offer training that focuses on nurturing new talents to further the career and professional development of our employees.

Our training programs encompass both technical and non-technical aspects, including training that focuses on functional competencies, professional needs, operational job requirements, industry demands, and the development of essential interpersonal, team, and leadership skills, amongst others. Management and supervisory level personnel are also provided with training that aims to enhance their capabilities in managing people and teams, addressing complex workplace issues, and their leadership skills.

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Environmental and social topics are also regularly included in our training programs, including topics such as carbon emissions, human rights, ethics, and labor practices. These topics are increasingly important in light of global awareness and integration into operations and the supply chain. Our objective is to develop an ethical, environmentally, and socially conscious workforce, beyond technical proficiency.

Training need is identified through collaborative efforts between the Training Department and the heads of relevant departments, taking into consideration the needs of the business and operations, industry trends, the performance of the Group, functions, and individuals, and individual career aspirations. We derive these considerations from our various employee engagement activities such as annual performance appraisals for all employees and informal discussions with employees as well as business performance reviews and Management meetings to ensure our training program facilitates a holistic development of our workforce. Training schedules are developed and reviewed annually and monitored for implementation.

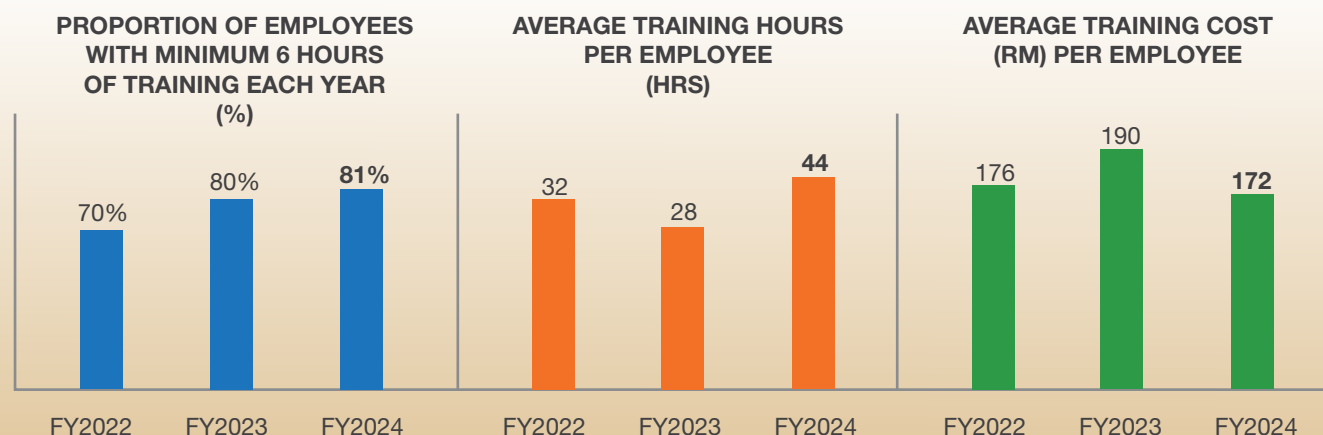
The Group's employee training hours by employee category are summarised as follows:

Total number of training hours – by employee category	FY2022	FY2023	FY2024
Senior Management and Management	1,446	4,071	4,008
Executives	23,556	30,050	33,945
Non-Executives	46,142	44,181	73,275
Operators	126,737	83,214	169,593

We have set a target to provide at least 6 hours of training to at least 75% of our employees in the positions of Non-Executives and above. In FY2024, 81.2% of Unisem's workforce completed at least 6 hours of training, highlighting our commitment to supporting professional growth and skill development.

	FY2022	FY2023	FY2024
Percentage of employees achieving minimum 6 training hours	69.8%	79.5%	81.2%

Note: Operators are not included in the target for training hours because operators are employed on a short-term basis (contract duration of 2 years on average)



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Overall, we recorded a total of 280,821 training hours in FY2024 breakdown as follows:

Average training hour per employee - by employee category	FY2022	FY2023	FY2024
Senior Management	1.24	3.31	17.41
Management	16.28	45.30	35.26
Executives	30.67	35.27	37.72
Non-Executives	25.42	22.74	35.61
Operators	37.50	23.39	50.79

Average training hour per employee - by gender	FY2022	FY2023	FY2024
Male	35.19	38.32	46.60
Female	30.57	22.36	41.08
Total training hours	197,880	161,516	280,821
Total man-hours worked	14,604,120	13,975,392	15,025,614

Training programs and topics

The following table summarises the types of training programs we provided to employees in FY2024.

Types of Training Programmes	Description of Training
New Employee Program	To familiarise new employees with all aspects of the business, including operations, strategies and expectations. This programme also includes quality, environmental, health and safety awareness as well as our expectations for ethical conduct.
Quality Courses	Focusing on the need to build quality and reliable products and subsequently on-time delivery to customers.
Technical Courses	Keeping abreast with the latest, state-of-the-art equipment and methodologies
Employee Rights and Remuneration Strategies	Ensuring relevant personnel are well-informed on the amendments to the Employment Act 1955 and the associated rights of employees, and talent retention strategies through remuneration packages.
Safety and Health	Complying with legal and occupational regulations and workplace safety and health
Environmental and Climate Change	Heightening awareness and caring for the environment to make our surroundings a better place to live-in. Includes understanding science-based target approach to manage climate change risks and carbon reporting.

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Types of Training Programmes	Description of Training
Ethics, Anti-Corruption & Disciplinary	Educating employees on our COE, anti-corruption and disciplinary measures.
Soft Skills - Motivational/ Leadership/Supervisory	Development of leadership skills and personal effectiveness of our staff to better manage the complex and diverse people management challenges.
Statistical - Design of Experiment, Statistical Process Control, Statistical Method etc	Performing statistical techniques and analysis to promote engineering excellence in process and product development for engineering staff.
IT Courses - Network Security, Programming	Continuous enhancement of IT security platforms and systems.
Specific Requirements (e.g. RBA / TS16949/ ISO14001 / ISO45001 / SST / X-Ray etc.)	Catering to the needs of customers, regulatory agency/government and international standards. Includes updates pertaining to the RBA Code of Conduct and updated requirements.

MEASURING EMPLOYEES' SATISFACTION

Employee Climate Survey ("Survey")

We have various channels, including formal and informal channels, to seek employees' feedback. We actively encourage employees to provide constructive feedback and suggestions to enhance the Group's working environment, operations, and relationship with employees.

One of our key channels is the Employee Climate Survey which is conducted in both Unisem Malaysia and Unisem Chengdu, respectively. The survey is a confidential platform for employees to express their views, including in the aspects of Management's leadership, job satisfaction, career development, top-bottom communication.

The survey outcome will be analysed to determine areas in which the Group performed well and required improvement. Improvement initiatives will then be developed and assigned to the respective personnel in-charge, implemented, and monitored. The outcome will also be shared with the site COO and relevant Management personnel such as heads of functions and departments will be informed.

The Group achieved an employee satisfaction score of 3.65 out of 5.0, for the Employee Climate Survey conducted in FY2024. We identified key areas for improvement include enhancing the quality and variety of canteen food and services to better align with employee preferences and dietary needs, improving management skills, and strengthening reward and recognition practices. Addressing these areas will help boost employee satisfaction and overall workplace morale.

KPI	Employee Climate Survey		
	To achieve employee satisfaction score of >3.80 out of 5.0		
Target			
Performance	FY2022 3.71	FY2023 3.75	FY2024 3.65

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New Hire and Retention

Competition for workers remains tough, with greater mobility across industries and locations. We continued to carry out hiring strategies and strengthen retention efforts. This involves offering competitive benefits and prioritising initiatives aimed at bolstering overall employee satisfaction. On the other hand, we continuously review our processes and streamline our workforce allocation on positions requiring manpower while investing in automation technologies to resolve the workforce shortage issue that continues to be faced by the industry.

The table below shows the Group's total number of employees' turnover by category:

Employee Category	FY2022	FY2023	FY2024
Senior Management and Management	2	18	9
Executives	119	83	67
Non-Executives	425	303	248
Operators	2,146	908	1,116
Total	2,692	1,312	1,440

The new hire rates and turnover rates of Unisem Malaysia and Unisem Chengdu by age group and gender, respectively, are as follows:

FY2024	< 30 years old	30 - 50 years old	> 50 years old	Male	Female	Total
New Hire Headcount (New Hire Rate)*						
Unisem Malaysia	475 (33.0%)	83 (5.5%)	9 (3.5%)	196 (9.7%)	371 (31.4%)	567 (17.7%)
Unisem Chengdu	1,198 (87.2%)	357 (19.6%)	1 (2.6%)	999 (56.1%)	557 (38.5%)	1,556 (48.2%)
Turnover Headcount (Turnover Rate)*						
Unisem Malaysia	309 (21.5%)	129 (8.5%)	26 (10.2%)	157 (13.3%)	307 (15.2%)	464 (14.5%)
Unisem Chengdu	726 (52.8%)	247 (13.6%)	3 (7.9%)	598 (33.6%)	378 (26.1%)	976 (30.2%)

Note: * New Hire Rate and Turnover Rate are calculated using the total number of employees, with respect to the corresponding category (i.e. age or gender), at the respective sites at the end of the financial year as denominators

For historical data on new hire headcount (new hire rate), refer to our Performance Data Table

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KPI	Annual turnover rates			
	Target*	Unisem Malaysia	Annual turnover rate below 25%	
	Unisem Chengdu	Annual turnover rate below 45%		
Performance		FY2022	FY2023	FY2024
	Unisem Malaysia	27.2%	14.0%	14.5%
	Unisem Chengdu	64.9%	33.2%	30.2%

Note: * Annual turnover rate targets are different for Unisem Malaysia and Unisem Chengdu due to cultural and country differences.

The slight improvement in employee turnover in Unisem Chengdu can be attributed to the economic slowdown, which may have led employees to prioritise job stability and delay seeking new opportunities. We recognise and appreciate the dedication and hard work of our employees. Every year, we grant long service awards to employees upon their milestone anniversaries - the 5th, 10th, 15th, 20th, 25th, and 30th years of service. We are also proud to highlight that, since inception, we have not had a single retrenchment exercise.

In FY2024, 784 employees received Unisem's long service awards. We will continue to work on creating a supportive working environment and fostering long-term relationships with our employees.

LOCAL COMMUNITIES

Both Unisem Malaysia and Unisem Chengdu operate within local industrial parks, with Unisem Malaysia having residential developments in proximity to the industrial park and our facilities. In defining our "local community" we extend our consideration beyond immediate surroundings to encompass the broader local economy and communities at the state and national levels. Unisem always believes that fostering a positive relationship between the business and the communities will promote a better corporate reputation, thus helping in the growth of business in the long run.

Our local community engagement approach and framework are guided by the following objectives:

1. **Responsible Corporate Citizenship:** We aspire to be recognised as a responsible corporate citizen who actively reinvests in the societies and communities where we operate.
2. **Promoting Awareness of the Less Fortunate:** We aim to promote recognition and awareness of the less fortunate within the community, fostering a sense of social responsibility.
3. **Wellbeing Support:** We are committed to supporting programs that enhance the overall wellbeing of the community, with a specific focus on the wellbeing of our employees residing in the community.

In Unisem we have designated personnel serving as contact points and established grievance channels. These channels are easily accessible to the local community, providing a platform for them to raise concerns and feedback. This proactive engagement underscores our commitment to maintaining open lines of communication and addressing any issues that may arise, contributing to a positive and mutually beneficial relationship with our local community.

Youth Development

In Unisem, our commitment to fostering talent is exemplified through our ongoing trainee programs, conducted in collaboration with local universities and polytechnic institutions. These programs serve as a dynamic platform for engaging with young talents and cultivating their interest in our industry.

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Our trainee programs, spanning 3 to 6 months, encompass various functions including Assembly, Final Test, Quality Assurance, Engineering, Maintenance, Finance, Management Information Systems, and Human Resources. These initiatives provide trainees with invaluable real-life, hands-on experiences, enriching their understanding of our industry and enhancing their career prospects.

In FY2024, our internship program in Unisem Group successfully accommodated 419 trainees. Notably, this effort resulted in the identification of 49 exceptionally talented individuals, whom we subsequently offered full-time employment. By actively participating in the development of the next generation of professionals, we contribute to the growth of both our industry and the wider community. This initiative underscores our commitment to providing meaningful opportunities for emerging talents and solidifying our position as an employer of choice. Our Graduate Engineer Program was introduced in last year with the recruitment of the 4th phase of fresh graduates from the local universities in FY2024. Graduates were put through a series of functional and process rotations from operators to engineering and cross functional roles. All graduate engineers are assigned experienced and competent mentors to guide them throughout the program.

Contribution to Society

The Group acknowledges its corporate responsibility to support and uplift the local communities, especially those vulnerable and in need. Unisem's initiatives take various forms including monetary contributions, donation of goods, and employee volunteerism.

Unisem Group's community and social contribution programs prioritise the promotion of education, safety and health, civic activities, sports and recreation, and this focus is subject to annual review considering alignment with the evolving community needs and considering the engagement outcomes of the Group's initiatives. Our community contribution directions are also developed in alignment with our motto - "WE CARE, WE CAN".

In FY2024, we established a practice to develop a CSR Event Calendar to plan the CSR events for the year, in accordance with our community investment strategy. The calendar schedules our monthly CSR activities, ESG sharing or briefing sessions including on ethics, compliance, and safety matters, health talk, and Earth Day participation, amongst others.

Unisem Malaysia continued to carry out its "Charity corner" initiatives to encourage employees' contribution of items, where the daily necessity required by the local community is listed on a dedicated corner and employees will volunteer to purchase any of the listed items. In FY2024, we continued to contribute donations and goods to support vulnerable communities including orphanages, homes for people and children with disabilities, homes for the elderly, schools, and sports events.

In addition to donations, we also organised visits to some of these charitable homes to engage with residents. On one hand, this helps to promote awareness among employees of the needs of the society; on the other, these activities enables residents to meet and socialise with different people. Our employees also supported and participated in some activities organised by local schools such as food fair, charity run, and "gotong-royong".

In addition to collecting about RM98,000 contribution in cash and in-kind by the Group and by the employees, we have contributed approximately 86 hours in participants' volunteering hours.

	FY2022	FY2023	FY2024
Total amount contributed where the target beneficiaries are external to Unisem (MYR'000)	108	80	1,118
Total number of beneficiaries of the investment in communities	35	26*	666*

Note : *Effective data collection began in FY2024, as beneficiary information was only gathered starting at the end of FY2023

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We adopt a precautionary approach to address any potential adverse environmental effects resulting from our operations, recognising the challenging nature of reversing environmental impacts. Our goal is to minimise our environmental footprint, a commitment explicitly outlined in Unisem's CSR Policy, guiding our business decisions and processes.

Relevant Sustainability Matters

- Energy Management
- Climate Change and Air Emission
- Water Consumption
- Effluents and Waste Management

Sustainability Performance Highlights

- Achieved our target of 10% reduction in GHG emission intensity - FY2024: 10% reduction
- Missed our target of 10% reduction in energy intensity - FY2024: 8% increased
- Exceeded our target of 10% reduction in water consumption intensity by 85% reduction
- Recycled 58% of hazardous waste compared to a target of 52%
- Compliant with air emissions laws and regulations
- Compliant with effluents and wastewater discharge regulations

Relevant SDGs:



OUR ENVIRONMENTAL MANAGEMENT APPROACH

Unisem has established an Environmental Policy that stipulates the Group's commitment to the conservation of natural resources, energy efficiency, environmental pollution reduction, proper handling of hazardous substances, and initiatives for recycling and reuse. The Environmental Policy governs the environmental management and operations of all our sites, on top of adherence to environmental management matters promulgated by the RBA Code of Conduct. All the Group's operations covered in this Report are certified with ISO14001:2015 Environmental Management System. Our sites are also subject to regular independent audits, including SAQ, VAP, customer audits, and internal audits.

The Environmental Working Committee at each site oversees and reviews environmental management, ensuring compliance with environmental laws, regulations, codes, and standards, along with Unisem's commitments. Environmental performance is assessed by the Site Working Committees ("SWCs") and reported annually to the Board through the ESG Committee.

See how we are assessed for environmental impacts. Click [here](#) or go to page 105 for Our RBA Obligations.

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Like social matters, key supply chain partners are required to adhere to the RBA Code of Conduct as well as to comply with applicable environmental laws and regulations in relation to environmental matters. The Supply Chain Management Working Committees of the respective sites are responsible for overseeing periodic supplier audits and the overall environmental performance of the supply chain.

See how we manage our supply chain. Click [here](#) or go to page 107 for Supply Chain Management.

Unisem recognises its role in global efforts to mitigate climate change and contribute to a sustainable future. We are supportive of the Paris Agreement's to limit well below 2°C above pre-industrial levels and to limit the temperature increase to 1.5°C above pre-industrial levels.

Unisem Group has established a Climate Change Commitment Statement to outline our commitment to achieving Net Zero by 2050, actively working to reduce our direct and indirect emission intensity in the medium term, with the ambition of reducing absolute emissions in the long term.

To realise our climate goals, we have devised a multi-faceted approach as per the table below:

Key Aspect	Description
Environmental Stewardship	Unisem's commitment to responsible resource utilisation, energy efficiency, pollution mitigation, and hazardous substance management. Full certification of operational sites with ISO14001:2015 and alignment with RBA Code of Conduct.
Climate Change Commitment	Acknowledgment of the importance of addressing climate change. A commitment to achieving carbon neutrality by 2050, with active plans to reduce direct and indirect emission intensity.
Renewable Energy Integration	Exploration of avenues for transitioning to a low-carbon energy supply, including on-site renewable energy and collaboration with ecosystem partners.
Energy Efficiency and Conservation	Implementation of energy-efficient technologies across operations, including efficient cooling, lighting, solar power, ventilation systems, and continuous improvement in energy intensity metrics
Sustainable Supply Chain Management	Collaboration with suppliers to encourage sustainable practices, prioritising those with strong environmental commitments. Efforts to minimise the environmental impact of collective operations.
Water Stewardship	Continuous exploration of innovative technologies to reduce emissions and enhance energy efficiency. Partnerships with service providers and organisations for the deployment of climate-friendly technologies.

Key Aspect	Description
Employee Engagement and Education	Employee education and training on climate change, sustainability, and their role in achieving climate goals. Opportunities for employees to contribute ideas and expertise to sustainability initiatives.
Transparency and Reporting	Commitment to transparent reporting of progress towards climate goals, including relevant indicators for stakeholders and adherence to evolving regulatory recommendations.

Click here to view our Climate Change Commitment Statement or visit our website at <https://www.unisemgroup.com/company-info/corporate-social-responsibility>

Any violations or breaches can be reported via the WBEC Policy. We are pleased to report that there were no significant cases of non-compliance with environmental laws or regulations or fines in FY2024.

Unisem Group's Environmental Roadmap

We chart the Group's environmental targets initiatives using a 5-year Environmental Roadmap that highlights our priorities in various environmental topics including climate change, water, waste, compliance, knowledge, and certification. The priorities are established by considering global trends, available technologies, stakeholder input from customers and regulators, and advice from environmental experts.

The Environmental Roadmap focuses on the following objectives:

1. Enhancement of awareness and education of stakeholders on environmental compliance;
2. Identification of continuous improvement projects in the reduction of industrial waste and water management;
3. Climate change - achieving Net Zero by 2050; and
4. Compliance with environmental regulatory and international standards.

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Initiatives	Programs	Unisem Environmental Roadmap (5-year Plan)				
		FY2023	FY2024	FY2025	FY2026	FY2027
Climate Change	Energy Saving Program (Scope 2 emission)	Assessment for Green Building Certification in Malaysia – Simpang Pulai Plant	Obtain Green Building Certification in Malaysia - Gopeng Plant	Obtain Green Building Certification in Malaysia - Simpang Pulai Plant	N/A	N/A
		Reduction in energy intensity by 5% against 2020 baseline	Reduction in energy intensity by 10% against 2020 baseline	Reduction in energy intensity by 10% against 2020 baseline	Reduction in energy intensity by 15% against 2020 baseline	Reduction in energy intensity by 15% against 2020 baseline
		Reduction in GHG intensity by 5% against 2020 baseline	Reduction in GHG intensity by 10% against 2020 baseline	Reduction in GHG intensity by 10% against 2020 baseline	Reduction in GHG intensity by 15% against 2020 baseline	Reduction in GHG intensity by 15% against 2020 baseline
		Replacement of old chilled water management system to energy saving system in Simpang Pulai Plant, Malaysia. (Improve HVAC)	Replacement of old chilled water management system to energy saving system in Simpang Pulai Plant, Malaysia. (Improve HVAC)	N/A	N/A	N/A
		Improve HVAC chilled water system COP (Coefficient of performance) by retrofitting old chiller set up c/w incorporating control algorithm to ensure chillers operates at optimum efficiency in Chengdu Plant, China.	Improve HVAC chilled water system COP (Coefficient of performance) by retrofitting old chiller set up c/w incorporating control algorithm to ensure chillers operates at optimum efficiency in Chengdu Plant, China.	NA	N/A	N/A

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Unisem Environmental Roadmap (5-year Plan)						
Initiatives	Programs	FY2023	FY2024	FY2025	FY2026	FY2027
Climate Change	Energy Saving Program (Scope 2 emission)	NA	Reduction on energy usage by recycling sawing water for cooling tower usage - Chengdu Plant Phase 1	Reduction on energy usage by recycling sawing water for cooling tower usage - Chengdu Plant Phase 2	Reduction on energy usage by recycling sawing water for cooling tower usage - Chengdu Plant Phase 3	N/A
		NA	Upgrade and retrofit compressed air network pipeline at Chengdu Plant Phase 1 to improve the system efficiency and eliminate distribution pressure losses.	Upgrade and retrofit compressed air network pipeline at Chengdu Plant Phase 2 to improve the system efficiency and eliminate distribution pressure losses.	Upgrade and retrofit compressed air network pipeline at Chengdu Plant Phase 3 to improve the system efficiency and eliminate distribution pressure losses.	N/A
		Installation of solar streetlight at employees' car park - Simpang Pulai plant, Malaysia	Installation of solar energy harvesting system for main guard house in Simpang Pulai plant, Malaysia.	Installation of solar streetlight at perimeter road - Simpang Pulai plant, Malaysia.	NA	N/A
		N/A	Installation of solar energy harvesting system in Malaysia - Gopeng Plant Phase 1	NA	NA	N/A
Air Emission		Compliance with Air Emission Standard	Compliance with Air Emission Standard	Compliance with Air Emission Standard	Compliance with Air Emission Standard	Compliance with Air Emission Standard

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Unisem Environmental Roadmap (5-year Plan)						
Initiatives	Programs	FY2023	FY2024	FY2025	FY2026	FY2027
Water Management	3 R Programs - Reuse, Reduce & Recycle	N/A	Implement Reverse Osmosis System for De-Ionised and chilled water – Simpang Pulai Plant Phase 1, Malaysia	Implement Reverse Osmosis System for Delonised and chilled water – Simpang Pulai Plant Phase 2, Malaysia	Upgrade compressed air network pipeline at Simpang Pulai Plant Phase 3, Malaysia to improve the system efficiency and eliminate distribution pressure losses.	N/A
		Reduction in Water Withdrawal Intensity by 5% against 2020 baseline	Reduction in Water Withdrawal Intensity by 10% against 2020 baseline	Reduction in Water Withdrawal Intensity by 10% against 2020 baseline	Reduction in Water Withdrawal Intensity by 15% against 2020 baseline	Reduction in Water Withdrawal Intensity by 15% against 2020 baseline
		N/A	To recycle sawing water for cooling tower usage – Chengdu Plant Phase 1, China	To recycle sawing water for cooling tower usage – Chengdu Plant Phase 2, China	To recycle sawing water for cooling tower usage – Chengdu Plant Phase 3, China	N/A
		N/A	Rainwater harvesting system for process cooling tower in - Gopeng plant Phase 1, Malaysia.	Rainwater harvesting system for process cooling tower - Simpang Pulai Plant Phase 1, Malaysia.	Rainwater harvesting system for process cooling tower - Simpang Pulai Plant 2, Malaysia	Rainwater harvesting system for process cooling tower - Simpang Pulai Plant Phase 3, Malaysia.
Industrial Waste Reduction	3 R Programs - Reuse, Reduce & Recycle	Hazardous Waste recycling 52%	Hazardous Waste recycling 52%	Hazardous Waste recycling 55%	Hazardous Waste recycling 60%	Hazardous Waste recycling 60%
		Non-Hazardous Waste recycling 60%	Non-Hazardous Waste recycling 60%	Non-Hazardous Waste recycling 60%	Non-Hazardous Waste recycling 65%	Non-Hazardous Waste recycling 70%
	Effluent Waste Management	Compliance with Industrial Effluent Standard	Compliance with Industrial Effluent Standard	Compliance with Industrial Effluent Standard	Compliance with Industrial Effluent Standard	Compliance with Industrial Effluent Standard

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		Unisem Environmental Roadmap (5-year Plan)				
Initiatives	Programs	FY2023	FY2024	FY2025	FY2026	FY2027
	Certification in environmental related competencies	Full compliance with competent personnel requirement - Scrubber, Wastewater Schedule Waste, Dust Collector, Sewage Treatment Plant	Full compliance with competent personnel requirement - Scrubber, Wastewater Schedule Waste, Dust Collector, Sewage Treatment Plant	Full compliance with competent personnel requirement - Scrubber, Wastewater Schedule Waste, Dust Collector, Sewage Treatment Plant	Full compliance with competent personnel requirement - Scrubber, Wastewater Schedule Waste, Dust Collector, Sewage Treatment Plant	Full compliance with competent personnel requirement - Scrubber, Wastewater Schedule Waste, Dust Collector, Sewage Treatment Plant
Education / Development Awareness / Certification		ISO14001, ISO45001 & QC080000 awareness and legal compliance register	ISO14001, ISO45001 & QC080000 awareness and legal compliance register	ISO14001, ISO45001 & QC080000 awareness and legal compliance register	ISO14001, ISO45001 & QC080000 awareness and legal compliance register	ISO14001, ISO45001 & QC080000 awareness and legal compliance register
	Heighten Awareness of employees & stakeholders on Environmental Matters & Management	N/A	Training for Internal auditors on Environmental Matters & Management Compliance	N/A	Training for Internal auditors on Environmental Matters & Management Compliance	N/A
		Training on environmental related subjects for Board, employees and related stakeholders	Training on environmental related subjects for Board, employees and related stakeholders	Training on environmental related subjects for Board, employees and related stakeholders	Training on environmental related subjects for Board, employees and related stakeholders	Training on environmental related subjects for Board, employees and related stakeholders
Compliance with Standards / Product Stewardship	Compliance and Declaration on Green requirements (e.g.: RoHS, REACH and other customer requirements) and continuous improvement in order to promote environmentally friendly products	ISO14001, ISO45001, QC080000 & ISO 14064 Certification Sony Green Partner RBA Compliance Customer Compliance QBR				

ENERGY MANAGEMENT, CLIMATE CHANGE, AND AIR EMISSIONS

Efficient use of energy is a key focus area in our emissions management. Electricity is our primary source of energy and is also a significant contributor to the Group's Scope 1 and 2 Emissions. Electricity cost also has a notable significance to our profit margins.

Our energy management strategy focuses on pursuing energy efficiency through maintenance and upgrades of equipment and lighting systems. We have invested in heat recovery systems and control systems to optimise our energy use.

On the other hand, we also identify opportunities to replace energy from non-renewable sources with renewable energy, such as buying electricity that is derived from a higher percentage of renewable sources for Unisem Chengdu.

Our newly completed plant in Gopeng is equipped with a PV power generation system which is expected to relatively reduce our reliance on non-renewable energy. Solar-powered energy will be included in future reports when production begins in the Gopeng Plant.

Energy Consumption and Energy Intensity

In Unisem Group, energy consumption primarily involves:

- **Diesel and Petrol** - mainly used in company vehicles and fleet (e.g. forklifts and company cars);
- **Natural gas** - used in boilers and generator sets;
- **Liquified Petroleum Gas** - used in the kitchen for meal preparation;
- **Purchased electricity** - constituting more than 95% of the Group's energy consumption and GHG emissions. Electricity for Unisem Chengdu is supplied under a renewable energy contract with an electricity company in China, where approximately 59% of electricity purchased is derived from renewable energy. The Group does not engage in the sale of electricity, heating, cooling, or steam. The Group's energy consumption is summarised in the following table.

Annual energy consumption Energy source (GJ)	FY2022	FY2023	FY2024		
Liquid Petroleum Gas ("LPG")	-*	942	1,140		
Diesel	1,304	347	446		
Petrol	1,921	2,775	1,966		
Natural Gas	24,165	24,198	20,861		
Purchased Electricity	747,731	746,038	783,217		
Total Energy Consumed	775,121	774,301	807,630		
Breakdown by operating site:					
Unisem Malaysia	441,972	427,158	414,895		
Unisem Chengdu	333,149	347,143	392,735		
Breakdown by type of energy:					
Renewable Energy	-*	189,884	25%	196,858	24%
Non-Renewable Energy	-*	584,417	75%	610,772	76%

Note: * Data collection began in FY2023.

Energy consumption is reported in compliance with the latest GRI 302 Energy Reporting Standard, which establishes guidelines for organisations to disclose their energy-related impacts and management practices.

Energy efficiency is measured via energy consumption intensity, i.e. energy consumption (in GJ) for every USD'000 in sales:

	FY2020	FY2022	FY2023	FY2024
FY2024 Target				10% reduction in energy consumption intensity
Energy Consumption Intensity* (GJ/USD'000 Sales)	2.15	1.91	2.45	2.32
Reduction against base year 2020**	baseline	11.1% reduction	13.7% increase	8% increase

Note:

* The calculation of energy consumption intensity was revised in FY2023. Prior to that, "number of units produced" was used as the denominator.

** FY2020 is selected as a base year, in alignment with the base year for the 5-year Environmental Roadmap for FY2023-2027.

Energy consumption intensity improved due to higher sales efficiency, while total energy consumed rose 4.7% from increased production and energy inefficient older facility equipment. Enhancing energy efficiency remains a focus.

GHG Emissions and GHG Emission Intensity

In alignment with our climate change commitment, Unisem has been making efforts to enhance its GHG emissions reporting. In addition to reflecting our commitment to contribute to global efforts combating climate change, emission reporting has also increasingly become a compliance matter and indication of long-term business sustainability.

This year, we expanded our reporting scope to include Scope 3 Category 1 - Purchase of Goods and Services and Category 6 - Business Travel in our emissions reporting. Unisem Group's FY2024 GHG emissions reporting covers the following:

- Scope 1 (Direct);
- Scope 2 (Indirect), including location-based and market-based;
- Scope 3 (Other Indirect) Category 1 - Purchase of Goods and Services (focusing on direct materials only);
- Scope 3 (Other Indirect) Category 4 - Upstream Transportation and Distribution;
- Scope 3 (Other Indirect) Category 6 - Business Travel; and
- Scope 3 (Other Indirect) Category 7 - Employee Commuting (focusing on employees travelling to work in transportation arranged by the company).

Emissions reported are mainly arising from the consumption of energy and electricity and include CO₂, CH₄, and N₂O. Our measurement approach aligns with the GHG Protocol, incorporating relevant tools and Global Warming Potential ("GWP") values from the 2014 IPCC Fifth Assessment Report.

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('000 tCO _{2e})	FY2022	FY2023	FY2024
Direct (Scope 1) GHG emissions			
Unisem Malaysia	0.1	0.5	2.6
Unisem Chengdu	1.7	1.9	2.1
Total Direct (Scope 1) GHG emissions	1.8	2.4	4.7
Indirect (Scope 2) GHG emissions (Market Based)			
Unisem Malaysia (Market Based)	82.1	67.4	65.4
Unisem Chengdu (Market Based)	62.7	49.2	56.9
Total Indirect (Scope 2) GHG emissions (Market Based)	144.8	116.6	122.3
Indirect (Scope 2) GHG emissions (Location Based)			
Unisem Malaysia (Location Based)	N/A	92.9	88.5
Unisem Chengdu (Location Based)	N/A	47.0	55.7
Total Indirect (Scope 2) GHG emissions (Location Based)	N/A	139.9	144.2
Direct and Indirect (Scope 1 and Scope 2) GHG emissions			
Unisem Malaysia	82.2	67.9	68.0
Unisem Chengdu	64.4	51.1	59.0
Total Direct and Indirect (Scope 1 and Scope 2) GHG emissions	146.6	119.0	127.0
Total Indirect GHG emissions (Scope 3)			
Unisem Malaysia - Category 1 - Purchase of Goods and Services	N/A	N/A	13.2
Unisem Malaysia - Category 4 - Upstream Transportation and Distribution	N/A	0.1	0.3
Unisem Malaysia - Category 6 - Business Travel	N/A	N/A	0.1
Unisem Malaysia - Category 7 - Employee Commuting	N/A	0.2	0.1
Unisem Chengdu - Category 1 - Purchase of Goods and Services	N/A	N/A	19.5
Unisem Chengdu - Category 4 - Upstream Transportation and Distribution	N/A	N/A	0.5
Total Indirect GHG emissions (Scope 3)	N/A	0.3	33.7
Total GHG emissions (Scope 1, 2 & 3)			
Unisem Malaysia	N/A	68.2	81.7
Unisem Chengdu	N/A	51.1	79.0
Total GHG emissions (Scope 1, 2 & 3)	N/A	119.3	160.7

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We measure GHG emissions intensity, measured as the GHG emissions (tCO_{2e}) for every USD'000 in sales.

	FY2020	FY2022	FY2023	FY2024
FY2024 Target				10% reduction on GHG Emission Intensity
GHG Emissions Intensity*/** (tCO _{2e} /USD'000 Sales)	0.407	0.362	0.376	0.365
Reduction against FY2020***	baseline	11% reduction	8% reduction	10% reduction

Note:

* GHG emission intensity includes only Scope 1 and Scope 2 emissions

** The calculation of GHG emissions intensity has been revised in FY2023. Prior to that, "number of units produced" was used as the denominator.

*** FY2020 is selected as a base year, in alignment with the base year for the 5-year Environmental Roadmap for FY2023-2027.

Total scope 1 and scope 2 GHG emission intensity was reduced by 10% compared to the baseline, driven by increased use of renewable energy at our China plant and higher sales in US Dollar, which improved overall efficiency. This highlights significant progress in our sustainability efforts and commitment to reducing environmental impact.

The Group continues to explore ways to reduce our reliance on fossil-based power and work towards our long-term targets of Net Zero by 2050. The PV power generation system at the Gopeng Plant helps us to set out a path towards operations with cleaner energy, and we will continue to emphasise energy and emissions efficiency in our future expansion projects.

Other Air Emissions

Laws, regulations, and the RBA Code of Conduct govern various other air emissions including volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products generated from operations. We are committed to complying with the environmental standards and maintaining and pursuing improvements in our environmental management efforts.

Unisem has systems and processes to monitor and manage these emissions. We have facilities such as scrubber and carbon absorption treatment systems to treat the emissions and ensure emissions released to the atmosphere are within regulated limits. Regular maintenance and checks are conducted, and it is a standard practice to perform daily air quality monitoring. Any non-compliance will be highlighted immediately and addressed. In addition, annual independent reviews and verification are conducted on air quality performance by third-party contractors.

KPI & Target	FY2022	FY2023	FY2024
	Compliance with Air Emission Laws and Regulations		
Unisem Malaysia	Compliant	Compliant	Compliant
Unisem Chengdu	Compliant	Compliant	Compliant

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The air quality of both of our operating sites, based on data required by applicable local environmental regulations and measured at the points of discharge, is presented in the following table.

Types of air pollutant	Unit	Local Regulations and/or Standards	FY2022	FY2023	FY2024
Unisem Malaysia (based on Malaysian Laws, Regulations and Guidelines)					
Nitric acid	mg/Nm ³	30	0.6	0	0
Sulphuric acid	mg/m ³	5	0	0.1	0.02
Hydrochloric acid	mg/Nm ³	5	1.1	0	0
Hydrogen sulfide	mg/Nm ³	5	0	0	3.8
Oxides of nitrogen	mg/Nm ³	0.6	0	0.3	0
Sulphur dioxide	mg/Nm ³	30	Insignificant	1.7	0
Solid particles	mg/Nm ³	5	0	0	0
Particulate concentration	mg/m ³	80.0	19.1	5.3	1.61

Types of air pollutant	Unit	Local Regulations and/or Standards	FY2022	FY2023	FY2024
Unisem Chengdu (based on Chinese Laws, Regulations and Guidelines)					
Volatile organic compounds (VOCs)	mg/m ³	60.0	1.3	1.6	1.4
Sulphur oxides (SO _x)	mg/m ³	45.0	1.2	2.0	3.0
Sulphur dioxide (SO ₂)	mg/m ³	50.0	6.6	7.2	2.5
Nitrous oxides (Nox)	mg/m ³	150.0	24.6	25.6	16.8
Hydrogen fluoride (HF)	mg/m ³	9.0	0.5	0	0

Note: Unisem Ipoh does not emit Nox or Volatile Organic Compounds in its operations while Unisem Chengdu does not emit particulate matters

MANAGING WASTE AND EFFLUENTS

Unisem fully acknowledges its responsibility to properly manage waste to minimise the negative impacts to the environment and the detrimental effects on air, water, and soil quality as well as risks of hazardous material exposure to employees and the surrounding communities. Effective waste management is essential for workplace safety and health, particularly when dealing with hazardous waste. Unisem Group ensures proper and effective management systems are in place to manage our waste responsibly.

In addition to ensuring compliance, we focus our efforts in optimising material use, minimising waste generation, and reducing landfill disposal. This is also in line with our strategic priority to achieve operational excellence through building comprehensive and responsible materials management and handling.

The types of waste generated in our operations include the following:

Hazardous waste	<p>Unisem generates hazardous waste from its operations, which includes electrical and electronic waste (E-waste), spent solvents, spent cleaning solutions, sludges from wastewater treatment plants, and spent cyanide solutions.</p> <p>A notable portion of the hazardous waste is E-waste, specifically categorised as waste electrical and electronic equipment (“WEEE”). E-waste, being one of the fastest-growing waste streams in modern society, includes defective wafers, ICs, frames, and waste gold wires within the Group’s operations. Managing these hazardous materials responsibly is a key focus to ensure compliance with environmental regulations and contribute to sustainable waste management practices.</p>
Non-hazardous waste	<p>Non-hazardous waste generated from our operations includes domestic trash, such as paper, plastic, cardboard boxes, etc. Some of these wastes are recoverable or recyclable.</p>

Unisem integrates controls into its operational processes to effectively handle, segregate, store, and manage waste. When selecting waste contractors, consideration is given to their capability to achieve high recovery or recycling rates. Standardised waste management monitoring and data collection processes are implemented at Unisem Malaysia and Unisem Chengdu.

The Facility Department at each operating site plays a pivotal role in overseeing daily waste management activities and ensuring compliance with laws, regulations, and relevant policies. This department maintains comprehensive records detailing how waste is managed, including recycling, reuse, or disposal amounts.

To further ensure compliance, waste contractors are subject to assessments, including Supplier Assessment Questionnaires (“SAQ”) and Validated Audit Process (“VAP”). Internal audits on our operations are also conducted, assessing the adequacy and effectiveness of Unisem’s environmental management systems, with findings reported to the Board. This multifaceted approach underscores Unisem’s commitment to robust waste management and environmental responsibility.

Hazardous Waste and Recycling

Unisem has established policies and procedures to ensure the safe handling and disposal of hazardous waste, aligning with applicable laws, regulations, and industry codes and standards. Rigorous training is provided to relevant employees, emphasising the use of appropriate personal protective equipment (PPE) and the storage of waste at dedicated locations before disposal. Licensed waste contractors are engaged for the disposal of hazardous waste, and their performance is regularly assessed and reviewed.

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E-waste constitutes a significant portion of hazardous waste, accounting for approximately 32% and 11% at Unisem Malaysia and Unisem Chengdu, respectively. Unisem collaborates with licensed contractors who collect and process e-waste offsite to recover valuable e-waste materials such as aluminium, gold, silver, and copper. Detailed reports on the actual recovery rates for each batch of e-waste collected and processed by the contractors are submitted to Unisem, enabling us to understand the e-waste management practices along the value chain.

In FY2024, our average e-waste recovery rates for both Unisem Malaysia and Unisem Chengdu are 100%.

	Percentage of e-waste recovered		
	FY2022	FY2023	FY2024
Unisem Malaysia	100.0	100.0	100.0
Unisem Chengdu	100.0	100.0	100.0

In our efforts to avoid the disposal of hazardous waste, we have been exploring opportunities with vendors to recover or recycle other hazardous waste apart from e-waste. This year, Unisem Chengdu engaged a vendor who can treat and recycle sludge and solvents, and that has contributed to the overall increase in our hazardous waste recycling rate this year.

KPI	Recycling Rate of Hazardous Waste Generated*		
	To achieve 52% recycling rate of total hazardous waste generated		
Target			
Performance	FY2022 52%	FY2023 49%	FY2024 58%

Note: * For the purpose of this KPI, waste reused is also considered as recycled.

Non-Hazardous Waste and Recovery

In our management of non-hazardous waste, we emphasise enabling the recycling and reusing of materials from waste generated. The Group's non-hazardous waste primarily consists of paper, cardboard, and plastics. We practise active waste sorting and separation, and the recyclable or recoverable waste is entrusted to waste contractors for offsite recovery, with detailed reports on the actual recovery rate provided for each batch of waste handled and processed.

We collaborate with vendors in our waste management efforts. Since 2019, we worked with vendors to transition from paper reels to reusable plastic reels, which are returned to vendors for their reuse. Arising from this initiative, we saved 15 tonnes or 14,585 units of paper reels in FY2024.

Apart from our operations, we also promote a responsible waste management mindset among employees by providing recycling bins for general paper, recyclable plastics, and tin cans on our premises.

In FY2024, 66% of non-hazardous waste generated was successfully recovered through reuse or recycling.

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Summary of how waste is handled

The following table summarises how we handled our waste, whether they are subsequently recovered or disposed of.

	FY2022			FY2023			FY2024		
	Waste Generated (MT*)	Waste Diverted from Disposal (MT*)	Waste Directed to Disposal (MT*)	Waste Generated (MT*)	Waste Diverted from Disposal (MT*)	Waste Directed to Disposal (MT*)	Waste Generated (MT*)	Waste Diverted from Disposal (MT*)	Waste Directed to Disposal (MT*)
Unisem Malaysia									
Hazardous waste									
E-waste	151	151	0	105	105	0	99	99	0
Other hazardous waste	246	112	134	290	121	169	211	113	98
Total hazardous waste	397	263	134	395	226	169	310	212	98
Non-hazardous waste									
Total non-hazardous waste	656	270	386	508	259	249	479	214	265
Total waste generated	1053	533	520	903	485	418	789	426	363
Unisem Chengdu									
Hazardous waste									
E-waste	52	52	0	48	48	0	23	23	0
Other hazardous waste	207	27	180	175	30	145	183	63	120
Total hazardous waste	259	79	180	223	78	145	206	86	120
Non-hazardous waste									
Total non-hazardous waste	642	432	210	348	169	179	824	642	182
Total waste generated	901	511	300	571	247	324	1,030	728	302
Unisem Malaysia & Unisem Chengdu									
Total hazardous waste	656	342	314	618	304	314	516	298	218
Total non-hazardous waste	1,298	702	596	856	428	428	1,303	856	447
Total waste generated	1,954	1,044	910	1,474	732	742	1,819	1,154	665

Note: * 1 MT = 1,000 kg

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FY2024				
Unisem Malaysia and Unisem Chengdu		Diverted from Disposal* (MT)^		Directed to Disposal** (MT)^
Hazardous waste	Preparation for reuse	0	Incineration	129
	Recycling	298	Landfilling	88
	Other recovery options	0	Other disposal operations (chemical treatment)	1
	Total	298	Total	218
Non-hazardous waste	Preparation for reuse	0	Incineration	
	Recycling	856	Landfilling	447
	Other recovery options	0	Other disposal operations	0
	Total	856	Total	447
Total		1,154		665

Note:

* All waste diverted from disposal is handled and managed by vendors offsite

** All waste is disposed by licensed vendors offsite

^ 1 MT = 1,000 kg

For historical data on total waste generated and disposal method, refer to our Performance Data Table.

WATER USE AND EFFLUENT DISCHARGED

We are committed to responsible water management and we strive to maintain ongoing engagement with local authorities to address any potential environmental impacts.

Our operations are water intensive and are heavily reliant on a consistent water supply for various processes in our operations, such as Process Chilled Water ("PCW") for cooling, Ultra-Pure Water ("UPW") for cleaning in wet-processing processes, and Deionised Water ("DI") for cleaning and rinsing semiconductor products and components. Water is also used in offices and for general maintenance activities such as cleaning and domestic consumption.

Unisem Malaysia and Unisem Chengdu are not located in water-stressed areas. Our primary water source is municipal water and water withdrawal is not known to have any strain on municipal water supply. We maintain active engagement with the relevant municipal government agencies to stay within permissible water withdrawal limits and to stay informed about any concerns relating to water-related impacts.

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The Group's water withdrawal, water discharge, and water consumption for the financial year under review are summarised as follows.

		FY2022	FY2023	FY2024
Unisem Malaysia	Water Withdrawal by source (thousand m³)			
	*^Third-party water: Municipal water	2,024	1,860	1,945
	Water Discharge by destination (thousand m³)			
	^Third-party water: Municipal drainage	1,416	1,744	1,763
	Water Consumption (thousand m³)	608	116	182
Unisem Chengdu	Water Withdrawal by source (thousand m³)			
	^^Third-party water: Municipal Water	1,650	1,496	1,866
	Water Discharge by destination (thousand m³)			
	^^Third-party water: Municipal Water	1,465	1,344	1,793
	Water Consumption (thousand m³)	185	154	73
Unisem Malaysia and Unisem Chengdu	Water Withdrawal by source (thousand m³)			
	Third-party	3,674	3,356	3,811
	Water Discharge by destination (thousand m³)			
	Third-party	2,881	3,088	3,556
	Water Consumption (thousand m³)	793	268	255

Note:

* Classification based on GRI 303: Water and Effluents 2018

^ Freshwater (<1,000 mg/L Total Dissolved Solids) classified based on GRI 303: Water and Effluents 2018

^^ Other water (>1,000 mg/L Total Dissolved Solids) classified based on GRI 303: Water and Effluents 2018

Water Reuse and Recycling Initiatives

We aim to strike a balance between operational efficiency and cost efficiency, minimising water impact, and allocating available resources effectively. This includes making ongoing efforts to identify opportunities to reduce, recycle, or reuse water in operations.

Our facilities in Unisem Malaysia and Unisem Chengdu are installed with efficient water management systems, including sophisticated rinse water collection systems and dedicated drainage which enables the reuse of lightly UPW for industrial purposes and irrigation. This water does not contain hazardous substances and is entirely safe. Unisem Chengdu's production facility is also equipped with a reverse osmosis system to process water for reuse in production.

In FY2024, we recycled and reused approximately 14% of the withdrawn water in Unisem Malaysia and 22% in Unisem Chengdu. Overall, this amounted to about 689 mega-litres of water. Unisem Chengdu recycled a greater percentage of water from higher plant utilisation and production.

	The proportion of water recycled over water withdrawn (%)		
	FY2022	FY2023	FY2024
Unisem Malaysia	5%	16%	14%
Unisem Chengdu	8%	9%	22%

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Water consumption intensity

We aim to achieve 10% of water consumption intensity, which is measured by water consumption (m3) per USD1,000 in sales, in FY2024 using FY2020 as a baseline. The improvement in water consumption intensity, from an 83% reduction to an 85% reduction, highlights Unisem’s ongoing commitment to sustainable water management practices. This progress underscores the effectiveness of implemented strategies and reinforces the organisation’s dedication to its Climate Change Commitment Statement.

	FY2020	FY2022	FY2023	FY2024
Water Consumption Intensity (m³/USD’000 Sales)	4.86	1.96	0.85	0.73
Reduction against FY2020**	Baseline	60% reduction	83% reduction	85% reduction

Note:

* Calculation of water consumption intensity has been revised in FY2023. Prior to that, “number of units produced” was used as the denominator.

** FY2020 is selected as a base year, in alignment with the base year for the 5-year Environmental Roadmap for FY2023-2027.

Effluent Quality

Wastewater

Water plays a crucial role in various processes at Unisem, such as cleaning and cooling during activities like cutting, sawing, and plating. Consequently, wastewater is generated as a byproduct of these processes. It’s important to note that Unisem only discharges treated effluent, ensuring compliance with rigorous standards. This commitment to treating wastewater before discharge aligns with Unisem’s dedication to environmental responsibility and regulatory compliance in managing water resources.

Unisem’s wastewater is characterised by the presence of chemicals, metals, and various organic and inorganic compounds. This includes potentially harmful elements such as heavy metals (e.g., lead and copper), hydrogen peroxide, hydrofluoric acid, ammonia concentrations, and other pollutants. If discharged untreated, these substances can pose environmental risks and disrupt the ecosystems of water bodies into which they are released.

To ensure responsible wastewater management, both Unisem operating sites adhere to local environmental laws and regulations. In Malaysia, this includes compliance with Standard B under the Environmental Quality Act (Industrial Effluents) Regulations 2009, and in China, adherence to the Integrated Wastewater Discharge Standard (GB8978-1996).

The Facility Department at each operating site plays a crucial role in overseeing effluent management, conducting daily monitoring to verify compliance with relevant laws and regulations. Qualified and certified employees, trained by local authorities, manage and maintain on-site wastewater treatment facilities. These facilities undergo regular maintenance and checks by professional service providers.

Unisem monitors over 20 indicators to assess effluent quality, including acidity level, biological oxygen demand (“BOD”), chemical oxygen demand (“COD”), total suspended solids, copper (Cu) concentration, nickel (Ni) concentration, and ammonia concentration. Periodic independent checks on effluent quality are conducted by externally accredited laboratories or government-appointed third parties, reinforcing Unisem’s commitment to rigorous environmental standards and the protection of water resources.

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KPI & Target	Compliance with effluents and wastewater discharge regulations:		
	<ul style="list-style-type: none"> • Standard B under EQA (Industrial Effluents) Regulation 2009 • Integrated Wastewater Discharge Standard (GB8978-1996) 		
Performance	FY2022	FY2023	FY2024
Unisem Malaysia	Compliant	Compliant	Compliant
Unisem Chengdu	Compliant	Compliant	Compliant

Resource Conservation Outcomes

Guided by our Environmental Roadmap, we attained various achievements in FY2024 including the savings or avoidance of resources highlighted in the following table.

Initiatives	Description	2024 Target	Progress as of 31 December 2024	Reduction Achieved in FY2024
LED Lighting Conversion	Conventional lighting is progressively converted to a more energy-efficient alternative i.e., LED Lighting	Unisem Chengdu - Production Line and Street Light	100% completed	Electricity: 622,179 kWh GHG Emission: 327tCO ₂
Solar Light Conversion	Street light and car park conventional light is progressively converted into a solar street light	Unisem Malaysia Plant compound and car park area	100% completed	Electricity: 12,702 kWh GHG Emission: 10tCO ₂
Retrofitting of chilled water system	Improving the output efficiency of chiller efficiency by (1) re-engineering the plant room chilled water delivery system; (2) decommissioning aged chiller and replacing with high-efficiency units; and (3) incorporating live remote monitoring and control features	Unisem Malaysia - Simpang Pulai Phase 2 & 3 Chiller System	100% completed	Electricity: 2,597,587 kWh GHG Emission: 2,047 tCO ₂
Upgrade Air Conditioning System	Reduce city water consumption and reduce energy consumption by diverting EOL-used chilled water to the cooling tower	Unisem Chengdu - Phase 1 Completion in 2023 Phase 2 Completion in 2024	Phase 1 and Phase 2 completed	Electricity: 143,154 kWh GHG Emission: 75t CO ₂ Water: 50,602m ³
Electrical Control Unit (ECU) fan retrofit for P1-AHU air cabinet	Replacement of AHU and MAU snailed fans with EC fan module	Unisem Chengdu - Complete one set in Sept 2024, Complete 49 sets in May 2025	Completed one set	Electricity: 756 kWh GHG Emission: 0.40tCO ₂
P1 - Cooling tower ECU fan retrofit	Replacement of cooling tower fans with EC fan module	Unisem Chengdu - Complete one set in Sept 2024, Complete 6 sets in May 2025	Completed one set	Electricity: 320 kWh GHG Emission: 0.17tCO ₂
				Electricity: 3,376,698kWh
Total				GHG Emission: 2,460tCO ₂ Water: 50,602m ³

NOISE MONITORING

Unisem recognises that the boundary noise levels of its operating facilities in Unisem Malaysia and Unisem Chengdu are subject to local laws and regulations. Given the establishment of residential areas near Unisem Malaysia, the noise generated by plant operations may impact the local community, necessitating effective management and control within permissible limits.

It's worth noting that, according to the Guidelines for Siting and Zoning of Industry and Residential Areas (2012) issued by the Department of Environment, semiconductor industries are permitted to operate within specified buffer zones. In the case of Unisem Malaysia, the existing buffer zones deviate from the standard guidelines due to the development of residential areas approximately 17 years after the commencement of business activities in 1992.

Unisem is committed to addressing noise concerns in compliance with regulations and ensuring responsible operational practices to minimise any adverse impacts on the local community. This includes implementing measures to manage and control noise levels within acceptable limits as defined by local laws and regulations.

In response to the lower revised regulated limit, Unisem Malaysia has undertaken measures to build a noise barrier and diverting air emission duct to the roof. We continue to regularly monitor and mitigate boundary noise to ensure we keep noise impact within the regulated levels. Our performance against the regulated limits is as follows:

	Day				Night			
	Regulated limit	FY2022 Average	FY2023 Average	FY2024 Average	Regulated limit	FY2022 Average	FY2023 Average	FY2024 Average
Unisem Malaysia	65*	66	66	64	60*	65	66	62
Unisem Chengdu	65	58	54	55	55	50	47	46

Note : * Regulatory limits standards reduced from 75 to 65 for daytime limit and from 75 to 60 for nighttime limit in FY2024.

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PERFORMANCE DATA TABLE FOR THE GROUP

Indicator	Unit	FY2022	FY2023	FY2024	Target
Growing the Business					
Revenue	RM'000	1,781,838	1,439,686	1,580,873	
Revenue Growth	%	13.6%	-19.2%	9.8%	To achieve revenue growth
Wages and Salaries	RM'000	404,756	379,986	416,691	
Corporate Tax Paid	RM'000	11,527	20,727	18,650	
Community Investments, Donations, and Non-Commercial Sponsorships	RM'000	102	80	1,118	
Dividend Paid	RM'000	96,785	129,046	129,046	
Research and Development Expenditure	RM'000	8,954	8,074	8,029	
Retained Earnings	RM'000	1,127,126	1,070,225	991,112	
Anti-corruption					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Board of Directors	Number	12	11	11	
Senior Management and Management	Number	135	139	141	
Executives, Non-Executives and Operators	Number	5,963	5,639	6,297	
Bursa C1(b) Percentage of operations assessed for corruption-related risks	%	100	100	100	
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	Zero confirmed incidents of corruption
Whistleblowing cases	Number	3	1	0	
SAQ Risk Rating - Unisem Malaysia	Risk rating	N/A	N/A	Low	
SAQ Risk Rating - Unisem Chengdu	Risk rating	N/A	N/A	Medium	
VAP Score - Unisem Malaysia	Rating %	180.2	N/A	In progress	
VAP Score - Unisem Chengdu	Rating %	180.5	181.5	N/A	

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PERFORMANCE DATA TABLE FOR THE GROUP (CONT'D)

Indicator	Unit	FY2022	FY2023	FY2024	Target
Occupational Health and Safety					
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	
Bursa C5(b) Lost Time Incident/ Severity Rate ("LTIR")	Rate	15	6	5	
Bursa C5(c) Number of employee trained on health and safety standards	Number	-	6,625	5,896	
Total hours worked	Hours	14,604,120	13,975,392	15,025,614	
Number of lost time injuries	Number	15	13	12	
Injury frequency rate	Rate	1.03	0.93	0.80	< 1.50
Customer Privacy and Data Protection					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer	Number	0	0	0	Zero complaints received concerning breaches, leaks, thefts or losses of customer privacy and data
Energy Management					
Bursa C4(a) Total energy consumption	GJ	775,121	774,301	807,630	
Energy Consumption Intensity	GJ/USD'000 Sales	1.91	2.45	2.32	
Reduction of energy consumption intensity against 2020	%	11.7% reduction	13.7% reduction	8% increased	Reduce energy intensity by 10% from the 2020 baseline in 2024; 15% reduction by 2027
Climate Change and Air Emissions					
Bursa C11(a) Scope 1 emissions in tonnes of CO _{2e}	000'tCO _{2e}	1.8	2.4	4.7	
Bursa C11(b) Scope 2 emissions in tonnes of CO _{2e}	000'tCO _{2e}	144.8	116.6	122.2	
Bursa C11(c) Scope 3 emissions in tonnes of CO _{2e}	000'tCO _{2e}	-	0.3	33.6	
Greenhouse Gas emission intensity	tCO _{2e} /USD'000 Sales	0.36	0.38	0.36	
Reduction against FY2020	%	11% reduction	8% reduction	10% reduction	Reduce GHG emission intensity by 10% from 2020 baseline by 2025; 15% reduction by 2027
Compliance with air emission laws and regulations		Compliant	Compliant	Compliant	Compliance with air Emission Laws and Regulations

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PERFORMANCE DATA TABLE FOR THE GROUP (CONT'D)

Indicator	Unit	FY2022	FY2023	FY2024	Target
Customer Satisfaction					
Customer Satisfaction Index	%	92%	81%	90%	90%
Employee Development and Diversity					
Bursa C6(a) Total hours of training by employee category					
Senior Management and Management	Hours	1,446	4,071	4,008	
Executive	Hours	23,556	30,050	33,945	
Non-Executive	Hours	46,142	44,181	73,275	
Operator	Hours	126,737	83,214	169,593	
Percentage of employees achieving minimum 6 training hours	%	69.8%	79.5%	81.2%	>75% of employee with minimum 6 hours of training per annum
Average training hours per employee	Hours	32	28	44	
Average training cost per employee	RM	176	190	172	
Average training hour per employee by employee category					
Senior Management and Management	Hours	10.71	29.72	28.42	
Executive	Hours	30.67	35.27	37.72	
Non-Executive	Hours	25.42	22.74	35.61	
Operator	Hours	37.50	23.39	50.79	
Average training hour per employee by gender					
Male	Hours	35.19	38.32	46.60	
Female	Hours	30.57	22.36	41.08	
Employee satisfaction score	Rate	3.71	3.75	3.65	>3.80 out of 5.0
Bursa C6(c) Total number of employee turnover by category					
Senior Management and Management	Number	2	18	9	
Executive	Number	119	84	67	
Non-Executive	Number	425	304	248	
Operator	Number	2,146	910	1,116	
Age group					
Under 30	%	41.3%	43.3%	43.7%	
Between 30-50	%	53.4%	51.8%	51.7%	
Above 50	%	5.3%	4.9%	4.6%	

Sustainability REPORT

PERFORMANCE DATA TABLE FOR THE GROUP (CONT'D)

Indicator	Unit		FY2022	FY2023	FY2024	Target
Number of employee by gender and age group by employee category						
Bursa C3(a) Percentage of employee by gender and age group by employee category						
Gender group by employee category						
Board members	Male	%	67%	64%	64%	
Board members	Female	%	33%	36%	36%	
Senior Management	Male	%	92%	92%	93%	
Senior Management	Female	%	8%	8%	7%	
Management	Male	%	81%	78%	76%	
Management	Female	%	19%	22%	24%	
Executive	Male	%	60%	61%	63%	
Executive	Female	%	40%	39%	37%	
Non-Executive	Male	%	76%	75%	77%	
Non-Executive	Female	%	24%	25%	23%	
Operator	Male	%	16%	19%	21%	
Operator	Female	%	84%	81%	79%	
Age group by employee category						
Board members	Under 30	%	0%	0%	0%	
Board members	Between 30-50	%	42%	45%	36%	
Board members	Above 50	%	58%	55%	64%	
Senior Management	Under 30	%	0%	0%	0%	
Senior Management	Between 30-50	%	28%	34%	35%	
Senior Management	Above 50	%	72%	66%	65%	
Management	Under 30	%	0%	0%	0%	
Management	Between 30-50	%	54%	63%	63%	
Management	Above 50	%	46%	37%	37%	
Executive	Under 30	%	16%	22%	19%	
Executive	Between 30-50	%	75%	70%	73%	
Executive	Above 50	%	9%	8%	8%	
Non-Executive	Under 30	%	35%	35%	40%	
Non-Executive	Between 30-50	%	62%	62%	57%	
Non-Executive	Above 50	%	4%	3%	3%	
Operator	Under 30	%	52%	56%	55%	
Operator	Between 30-50	%	44%	41%	42%	
Operator	Above 50	%	3%	3%	3%	

Sustainability REPORT

PERFORMANCE DATA TABLE FOR THE GROUP (CONT'D)

Indicator	Unit	FY2022	FY2023	FY2024	Target
Percentage of permanent and contracts employees by gender and age group					
Bursa C6(b) Percentage of employees that are contractors	%	47%	44%	49%	
Percentage of employees that are permanent	%	53%	56%	51%	
Human and Labour Rights					
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	Zero confirmed incidents of discrimination/human rights issue
Total hour trained on labour standards and human rights issue	Hours	3,123	2,855	3,060	
Proportion of employees trained on human rights issue	%	100.0%	100.0%	100.0%	
Supply Chain Management					
Supplier Audit for Key direct material suppliers and labour and services agent	Number	14	14	18	No. of Suppliers audit to conduct for the year
Status of Implementation of Corrective Action	%	100	95%	98%	
Bursa C7(a) Proportion of spending on local suppliers	%	32.5%	33.9%	26.3%	
Key Material Suppliers that were screened using environmental criteria	%	100%	100%	100%	
Key Material Suppliers assessed for environmental impacts	Key material suppliers only Number	25	25	25	
Key Material Suppliers that were screened using social criteria	%	100%	100%	100%	
Key Material Suppliers assessed for social impacts	Key material suppliers only Number	25	25	25	

Sustainability REPORT

PERFORMANCE DATA TABLE FOR THE GROUP (CONT'D)

Indicator	Unit	FY2022	FY2023	FY2024	Target
Effluents and Waste Management					
Percentage of e-waste recovered	%	100%	100%	100%	
Recycling Rate of Hazardous Waste Generated	%	52%	49%	58%	≥52% recycling rate of total hazardous waste generated
Bursa C10(a) Total waste generated	Metric Tones	1,954	1,474	1,819	
Bursa C10(a)(i) Total waste diverted from disposal	Metric Tones	1,044	732	1,154	
Bursa C10(a)(ii) Total waste directed to disposal	Metric Tones	910	742	665	
Effluents discharge compliance		Compliant	Compliant	Compliant	Compliance with local authority requirement
Local Communities					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR'000	108	80	1,118	Continuing Provide Support on communities and contribution on CSR programme
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	35	26	666	
Compliance with regulated limit on noise impact		Compliant	Compliant	Compliant	Compliance with Noise Impact Laws and Regulations
Water Consumption					
Bursa C9(a) Total volume of water used	MegaLitres	793	268	256	
Total water withdrawal by source	MegaLitres	3,674	3,356	3,811	
Total water discharge by destination	MegaLitres	2,881	3,088	3,555	
Proportion of water recycled over water withdrawn	%	13%	25%	18%	
Water consumption intensity	m ³ /sales	1.96	0.85	0.73	
Reduction against FY2020	%	60% reduction	83% reduction	85% reduction	Reduce water consumption intensity by 10% compared to the base year FY2020; 15% reduction by 2027
Technology and Innovations					
Progress of Project Scheduled in Technology Road Map		Achieved	Achieved	Achieved	To achieve target project completion dates
Research and Development Expenditure	%	1%	1%	1%	

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OTHER SUSTAINABILITY DATA AND REFERENCES

Parental Leave	FY2022	FY2023	FY2024
Unisem - Malaysia and Chengdu			
Total number of employees that were entitled to parental leave – by gender			
Male	2,165	2,123	2,952
Female	2,076	1,975	3,451
Total number of employees that took parental leave – by gender			
Male	96	140	165
Female	70	134	168
Total number of employees that returned to work in the reporting period after parental leave ended – by gender			
Male	96	140	156
Female	68	133	166
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work – by gender			
Male	80	94	134
Female	87	59	100
Return to work rates of employees that took parental leave – by gender			
Male	100%	100%	95%
Female	97%	99%	99%
Retention rates of employees that took parental leave and were still employed 12 months after their return to work – by gender			
Male	92%	98%	96%
Female	88%	87%	75%

Sustainability REPORT

ASSURANCE AND INTERNAL AUDIT REVIEW STATEMENTS

Letter of Independence Limited Assurance Statement

Introduction and Objectives of Work

BeyondGood Consultancy has been engaged by Unisem (M) Berhad (Unisem) to provide limited assurance of its selected Greenhouse Gas (GHG) data. This limited assurance statement applies to the related information in the scope of work described below (Subject Matter).

Scope of Work

This GHG information in Unisem's 2024 Sustainability Report ("the Report") is the sole responsibility of the management of Unisem. BeyondGood Consultancy was not involved in the drafting of the Report.

Our sole responsibility was to provide independent limited assurance of the accuracy of the Subject Matter in reference to the most common GHG accounting and reporting standards which are the GHG Protocol, ISO 14064-1 and the GRI 305: Emissions 2016 Standard as also a standard that requires companies to report to external emissions (Scope 1), energy indirect emissions (Scope 2), other indirect (Scope 3) greenhouse gas (GHG) emissions.

Organisational and Operational Boundaries

Unisem consolidates its facility-level GHG emissions and renewables by the organisation accounts for all GHG emissions from facilities over which it has financial or operational control, where it aids transparency or comparability over time and provides a breakdown of the GHG emissions by:

- Business unit or facility (Unisem Ipo, UAT ("Unisem Malaysia") & Unisem Chengdu)
- Country (Malaysia and China)
- Type of source: fuel, processes, and purchased electricity
- Type of activities: fleet fuel (e.g., diesel and petrol used in forklifts and company cars) and natural gas used in boilers and generator sets, operations energy consumption; indirect GHG emissions from direct materials, employee commuting, business travel, upstream freight transportation and distribution.
- Greenhouse Gas Emissions (Scope 1, Scope 2 location-based and market-based, and Scope 3, Category 3).

BeyondGood Consultancy reviewed Unisem's company carbon footprint data related to the manufacturing operations by its fiscal year 2024. Our limited assurance on Unisem's carbon footprint - Scope 1, 2 & 3 related Carbon Footprint for Fiscal Year 2024 does not extend to any other information included in the Report.

Summary

This review checks the transparency of data and calculations, appropriateness of supporting GHG-related data and assumptions, and overall plausibility of the calculated corporate annual carbon footprint comprised of emissions derived from Unisem's operations in fiscal year 2024. This review and verification focus on Scope 1, 2, and Scope 3 emissions. The review and verification furthermore in accordance with ISO 14064-3: Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas assertions.

The review of the corporate annual carbon footprint has considered the following criteria:

- The system, boundaries, and functional unit are clearly defined
- Assumptions and estimations made are appropriate
- Selection of data is appropriate, and methodologies used are adequately disclosed

Unisem's includes greenhouse gas emissions from manufacturing operations resulting from the following:

- Direct GHG emissions (Scope 1 / Category 1 of ISO 14064-1) from industrial gases, direct fugitive emissions from refrigerants, air conditioning, and fire suppression systems, mobile and stationary combustion.
- Indirect GHG emissions from purchased electricity (Scope 2 / Category 2 of ISO 14064-1) including the renewable energy and non-renewable electricity purchases, by location and market-based calculations.
- Indirect GHG emissions from direct materials, employee commuting to work with company buses, business travel, upstream freight transportation and distribution (Scope 3 / Category 3 of ISO 14064-1).

Based on the process and procedures conducted, there is no evidence that the Greenhouse Gas (GHG) assertion with regard to corporate carbon footprint is not materially correct and is not a fair representation of GHG data and information and has not been prepared in accordance with the relevant International Standard on GHG quantification, monitoring, and reporting.

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Data reported by Unisem is as follows:

Location	Activity	LCOA	LCOB	LCM	LMO	L. Religiements
Global	Total Direct GHG emissions (Scope 1)	4058.953	1342.768	9.028	0.000	4.867
Unisem Malaysia	Direct Emissions	35.008	31.008	0.000	0.000	0.000
Unisem Malaysia	Direct Fugitive Emissions	2383.005	0.000	0.000	0.000	2.822
Unisem Malaysia	Direct Emission/Process Combustion	82.828	58.461	0.004	0.001	0.000
Unisem Malaysia	Direct Emission/Stationary Combustion	98.225	58.225	0.000	0.000	0.000
Unisem Malaysia	Direct Emission/Mobile Combustion	801.148	0.000	0.000	0.000	1.224
Unisem Malaysia	Direct Emission/Other Combustion	7.400	7.400	0.000	0.000	0.000
Unisem Malaysia	Direct Emission/Other Combustion	1151.759	1151.076	0.002	0.002	0.000
Global	Total Indirect GHG emissions from Purchased Electricity (Scope 2, Location-based)	148137.003	No data available	No data available	No data available	0.000
Unisem Malaysia	Purchased electricity (Location-based)	88561.128	No data available	No data available	No data available	0.000
Unisem Malaysia	Purchased electricity (Market-based)	59575.875	No data available	No data available	No data available	0.000
Global	Total Indirect GHG emissions from Purchased Electricity (Scope 2, Market-based)	122215.253	1244.852	0.017	1.119	0.000
Unisem Malaysia	Purchased electricity (Market-based)	45381.268	No data available	No data available	No data available	0.000
Unisem Malaysia	Purchased electricity (Market-based)	77834.607	No data available	No data available	No data available	0.000
Unisem Malaysia	Purchased electricity (Market-based)	38979.378	No data available	No data available	No data available	0.000
Global	Total Indirect GHG emissions from Other Indirect Emissions (Scope 3)	34676.488	471.272	0.010	0.547	0.000
Unisem Malaysia	Category 1: Freight, air, sea and rail	13189.018	No data available	No data available	No data available	No data available
Unisem Malaysia	Category 2: Business Travel	58.473	58.000	0.000	0.002	0.000
Unisem Malaysia	Category 3: Employee commuting to work with company bus	100.482	100.972	0.006	0.001	0.000
Unisem Malaysia	Category 4: Business Travel	1852.728	No data available	No data available	No data available	No data available
Unisem Malaysia	Category 5: Business Travel	302.886	486.744	0.003	0.015	0.000

Reviewed Data and Plausibility Check

A verification and sampling plan as required by ISO 14064-3 has been established in the course of this review and verification, defining the level of assurance, objectives, criteria, scope, and materiality of the verification.

As part of this review and verification, Unisem disclosed the following data to BeyondGood Consultancy:

- Energy sources data for FY2024, including LPG, diesel, petrol, and natural gas purchased records by month for both business units and facilities for Unisem Malaysia and Unisem Chengdu, China.
- Purchased electricity records by month for both business units and facilities for Unisem Malaysia and Unisem Chengdu, China.
- Purchased electricity contract agreement for Unisem Chengdu, China on the renewable and non-renewable energy supply.

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Records of upstream freight transportation GHG emissions for Unisem Malaysia are based on the weight-over-distance method, using emission factors from the EPA Emission Factors for Greenhouse Gas Inventories (last updated June 8, 2024) provided by suppliers.

- Employees commuting to work with company bus record by suppliers based on Distance method, emission intensity of bus source is EPA Emission Factors for Greenhouse Gas Inventories - Last Modified: June 8, 2024, of Business Travel and Employee Commuting according to GHG Protocol year by month for Unisem Malaysia.
- Calculation methodology and emission factors for the company's carbon footprint and methodological changes implemented in 2024.
- The total company carbon footprint for the fiscal year 2024.

Details of the Carbon Footprint Including:

- The breakdown of the metric tonnes CO₂ equivalent; metric tonnes CO₂, metric tonnes CH₄, metric tonnes N₂O and metric tonnes refrigerants if applicable.

The data undergoes rigorous verification through expert manual review and is based on emissions factors and methods that are scientifically validated with oversight from a panel of respected environmental scientists.

This review was done remotely.

Findings

The methodological changes implemented with the 2024 data are confirmed to lead to an improvement in terms of accuracy and real-time platform representation of the results.

All questions raised in the course of the review were answered by Unisem and related evidence was provided where needed.

Further improvements of applied data models have been discussed with Unisem and are under consideration for future methodological reviews.

Conclusions

We observe from year to year an improvement of the assessment approach in terms of the granularity of the used calculation data. This year several additional components are modelled with more accurate data from Unisem's suppliers and with updated calculation models.

The review has not found assumptions or calculation errors on the GHG data level that indicate the corporate carbon footprint has been materially misstated. The excellent analysis meets the principles of good scientific practice.

Attestation:

C. P. P. P.
Chin-Ling, Lu
Technical Reviewer
BeyondGood Consultancy 201803235059 (002853480-X)
Malaysia, Feb 22, 2025

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19 February 2025

Unisem (M) Berhad
1, Persiaran Pujali Jaya 9,
Bandar Pujali Jaya,
31300 Ipoh, Perak.

STRICTLY CONFIDENTIAL

Dear Sir/Mam,

UNISEM (M) BERHAD
INTERNAL AUDIT REVIEW OF THE SUSTAINABILITY REPORTING PROCESS

Baker Tilly Monteiro Heng Governance Sdn Bhd ("Baker Tilly" or "we") has been engaged to perform an outsourced function to provide internal audit services for the review of Unisem (M) Berhad ("Unisem" or "the Group")'s Sustainability Reporting Process for the audit period from 1 January 2024 to 31 December 2024 for reporting to the Audit Committee ("AC").

Scope

The key operating sites at Unisem Ipoh and Unisem Chengdu Co., Ltd ("Unisem Chengdu") represent the Group's core revenue generating operations and employ the Group's entire workforce. The boundary of the internal audit review includes Unisem's operation in Unisem Ipoh and Unisem Chengdu.

Subject Matter

The subject matters covered by the internal audit review are listed in the table below, as presented in the Sustainability Report Financial Year 2024:

Sustainability Matters	Subject Matters
Occupational Health and Safety	Number of employees trained on health and safety standards Number of major and minor work-related accidents Injury frequency rate for industrial accidents Fatality rate

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Sustainability Matters	Subject Matters
Customer Satisfaction	Loss time incident/ severity rate Satisfaction of key customers
Growing the Business	Economic value table
Supply Management	Proportion of local hires amongst employees Audit of key direct material suppliers and key service agents Status of implementation of corrective action Summary of key material supplier's RBA audit Proportion of direct material spending on local suppliers
Technology and Innovation	Research and Development Expenditure
Effluents and Waste Management	Percentage of e-waste recovered Recycling rate of hazardous waste generated Total waste generated, diverted from disposal and directed to disposal Total hazardous waste and non-hazardous waste by category of directed to and diverted from disposal
Customer Privacy and Data Protection	Number of substantiated complaints concerning breaches in customers privacy or data loss
Anti-Corruption	Number and percentage of anti-corruption training Corruption risk assessment Number of confirmed corruption incidents Summary of incidents and cases report
Employee Development and Diversity	Proportion of permanent and fixed-term contract by employee gender Percentage of permanent and fixed-term contract by employee Number of employees by gender, age range and employee category Ratio of basic by gender Number of training hours by employee category Percentage of employees achieving minimum 6 training hours Proportion of employees within minimum 6 hours of training each year Average training hours per employee Average training cost per employee Average training hour per employee-by-employee category and gender Employee climate satisfaction
Human and Labour Rights	Total number of employees turnover by category New hire and turnover headcount and percentage by age Total hours and percentage of employees trained on labour standards and human rights issues
Water Consumption	Number of substantiated complaints concerning human rights violations Total water withdrawal, water discharge and water consumption Proportion of water recycled over water withdrawal Water consumption intensity Compliance with air effluents and wastewater discharge regulations Summary of resource conservation outcomes
Local communities	Total amount invested where the target beneficiaries are external to Unisem
Noise Monitoring	Total number of beneficiaries of the investment in communities Boundary Noise Level (dBA)

Limitation of Use of this Letter

This letter is prepared solely for the Audit Committee of the Group in accordance with the terms outlined in our engagement letter with the Group. To the fullest extent permitted by law, we hereby declare that we do not accept nor assume responsibility and disclaim any liability to any party for the content of this letter. Any reliance placed on this report by any third party shall be done at their own risk.

B. T. H.
Baker Tilly Monteiro Heng Governance Sdn Bhd
(Company No. 351771-X)

Kuala Lumpur
Date:

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GRI CONTENT INDEX

Statement of use	Unisem (M) Berhad has reported in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	INFORMATION/ LOCATION	PAGE NUMBER
General Disclosures			
GRI 2: General Disclosures 2021	The organisation and its reporting practices		
	2-1 Organisational details	Legal name: Unisem (M) Berhad	8
		Nature of ownership: Public Limited Liability Company	8
		Location of its headquarters: Malaysia	8
		Countries of operation: Malaysia and China	8
		SR24: About this Sustainability Report	85
	2-2 Entitles included in the organisation's sustainability reporting	SR24: About this Sustainability Report	85
	2-3 Reporting period, frequency and contact point	Reporting period: 1 January 2024 to 31 December 2024	85
		Frequency: annually	2
		Publication date: 28 March 2025	-
		Contact Point: SR24 : Contact	88
	2-4 Restatements of information	There are no reinstatement of significant sustainability-related information in this Report	
	2-5 External assurance	SR24: About This Sustainability Report : Assurance	86 - 88
Activities and workers			
2-6 Activities, value chain and other business relationships	SR24 : Our People : Employee Diversity	123 - 125	
2-7 Employees	SR24 : Our People : Employee Diversity	123 - 125	
2-8 Workers who are not employees	SR24 : Our People : Employee Diversity	123 - 125	
Governance			
2-9 Governance structure and composition	IAR 24 : Corporate Governance Overview Statement	23 – 38	
2-10 Nomination and selection of the highest governance body	IAR 24 : Corporate Governance Overview Statement	27 – 28, 36 – 38	

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GRI CONTENT INDEX (CONT'D)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	INFORMATION/ LOCATION	PAGE NUMBER
General Disclosures			
GRI 2: General Disclosures 2021	Governance		
	2-11 Chair of the highest governance body	IAR 24 : Corporate Governance Overview Statement	26
	2-12 Role of the highest governance body in overseeing the management of impacts	IAR 24 : Corporate Governance Overview Statement	26
	2-13 Delegation of responsibility for managing impacts	IAR 24 : Corporate Governance Overview Statement SR 24 : Sustainability Governance	23 – 38 92 – 95
	2-14 Role of the highest governance body in sustainability reporting	IAR 24 : Corporate Governance Overview Statement SR 24 : Sustainability Governance	23 – 38 92 – 95
	2-15 Conflicts of interest	IAR 24 : Audit and Risk Management Committee Report SR 24 : How We Do Business : Conflicts of Interest	43 104
	2-16 Communication of critical concerns	IAR 24 : Corporate Governance Overview Statement SR 24 : Creating Value for Stakeholders	23, 33 – 34 54
	2-17 Collective knowledge of the highest governance body	IAR 24 : Corporate Governance Overview Statement	29 – 31
	2-18 Evaluation of the performance of the highest governance body	IAR 24 : Corporate Governance Overview Statement	36 – 38
	2-19 Remuneration policies	IAR 24 : Corporate Governance Overview Statement	31 – 32
	2-20 Process to determine remuneration	IAR 24 : Corporate Governance Overview Statement	31 – 32
	2-21 Annual total compensation ratio	Not provided due to confidentiality constraints ¹	-
	Strategy, policies and practices		
2-22 Statement on sustainable development strategy	IAR 24 : Unisem's Strategic Priorities and Highlights	59 – 63	
2-23 Policy commitments	SR 24 : How We Do Business	101 – 107	

¹ Disclosure for GRI 2-21-a, b & c on Annual total compensation ratio - Disclosure omitted as salary and compensation of employees are confidential information for BESHOM.

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GRI CONTENT INDEX (CONT'D)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	INFORMATION/ LOCATION	PAGE NUMBER
General Disclosures			
GRI 2: General Disclosures 2021	Strategy, policies and practices		
	2-24 Embedding policy commitments	SR 24 : How We Do Business	101 – 107
	2-25 Processes to remediate negative impacts	SR 24 : Material Matters	53 – 57
		SR 24 : Occupational Health and Safety	126
		SR 24 : Communications and Engagements with Employees	130
		SR 24 : Local Communities	136
	2-26 Mechanisms for seeking advice and raising concerns	SR 24 : Upholding Business Ethics	104
	2-27 Compliance with laws and regulations	SR 24 : Upholding Business Ethics	103
		SR 24 : Upholding Human Rights and Labour Standards	123
		SR 24 : Our Environmental Management Approach	140
2-28 Membership associations	SR24 : About this Sustainability Report	85	
Stakeholder engagement			
2-29 Approach to stakeholder engagement	IAR 24 : Creating Value for Stakeholders	54 – 57	
2-30 Collective bargaining agreements	SR 24 : Our People : Employee Diversity	124	
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR 24 : Our Approach Towards Sustainability	96
	3-2 List of material topics	SR 24 : Our Approach Towards Sustainability : Materiality Assessment and Materiality Matrix	96 – 97
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : How We Do Business : Anti-Corruption and Bribery	102
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	SR 24 : How We Do Business : Anti-Corruption and Bribery	102
	205-2 Communication and training about anti-corruption policies and procedures	SR 24 : How We Do Business : Anti-Corruption and Bribery	103
	205-3 Confirmed incidents of corruption and actions taken	SR 24 : How We Do Business : Anti-Corruption and Bribery	103

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GRI CONTENT INDEX (CONT'D)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	INFORMATION/ LOCATION	PAGE NUMBER
Anti-corruption			
GRI 415: Public Policy 2016	415-1 Political contributions	SR 24 : How We Do Business : Anti-Corruption and Bribery	103
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : How We Do Business : Product Stewardship	106
Product Stewardship			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : How We Do Business : Product Stewardship	106
Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : How We Do Business : Supply Chain Management	107
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	SR 24 : How We Do Business : Supply Chain Management	107 – 110
	308-2 Negative environmental impacts in the supply chain and actions taken	SR 24 : How We Do Business : Supply Chain Management	107 – 110
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	SR 24 : How We Do Business : Supply Chain Management	107 – 110
	414-2 Negative social impacts in the supply chain and actions taken	SR 24 : How We Do Business : Supply Chain Management	107 – 110
Growing the Business			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : Managing Our Business	112
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SR 24 : Managing Our Business : Business Performance	112, 113
	201-4 Financial assistance received from government	IAR 24 : Financial Statements : Notes to Financial Statements	205 – 206
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	SR 24 : How We Do Business: Supply Chain Management	109
		SR 24 : Managing Our Business: Business Performance	113

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GRI CONTENT INDEX (CONT'D)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	INFORMATION/ LOCATION	PAGE NUMBER
Technology and Innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : Managing Our Business : Pushing Our Technological Boundaries	114 – 116
Customer Satisfaction			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : Our Focus on Customers	117 – 120
Customer Privacy and Data Protection			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : Our Focus on Customers : Protecting Our Customers' Privacy and Data	120
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR 24 : Our Focus on Customers : Protecting Our Customers' Privacy and Data	120
Labour Rights			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : Our People	121 – 122
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	SR 24 : Our People : Employee Diversity	124
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	SR 24 : Our People : Upholding Human Rights and Labour Standards	123
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR 24 : How We Do Business: Supply Chain Management SR 24 : Our People : Upholding Human Rights and Labour Standards	107 – 110 122
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	SR 24 : How We Do Business: Supply Chain Management SR 24 : Our People : Upholding Human Rights and Labour Standards	107 – 110 122 – 123
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR 24 : How We Do Business: Supply Chain Management SR 24 : Our People : Upholding Human Rights and Labour Standards	107 – 110 122 – 123

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	INFORMATION/ LOCATION	PAGE NUMBER
Labour Rights			
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	SR 24 : How We Do Business: Supply Chain Management SR 24 : Our People : Upholding Human Rights and Labour Standards	107 – 110 122 – 123
	412-2 Employee training on human rights policies or procedures	SR 24 : Our People : Upholding Human Rights and Labour Standards	123
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	SR 24 : How We Do Business: Supply Chain Management SR 24 : Our People : Upholding Human Rights and Labour Standards	107 – 110 122 – 123
Employee Welfare			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : Our People : Employee Welfare	130 – 131
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	IAR 24 : Financial Statements	216
GRI 401: Employment 2016	401-2 Benefits provided to full- time employees that are not provided to temporary or part-time employees	SR 24 : Our People : Equal Treatment and Opportunities Note: Unisem Group does not have part-time employees	124 – 125
	401-3 Parental leave	SR 24 : Other Sustainability Data and References: Parental Leave	164
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : Our People : Occupational Health and Safety	125 – 128
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR 24 : Our People : Occupational Health and Safety : Our Occupational Safety and Health Management System	125 – 126
	403-2 Hazard identification, risk assessment, and incident investigation	SR 24 : Our People : Occupational Health and Safety	126

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Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	SR 24 : Our People : Occupational Health and Safety	126
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR 24 : Our People : Occupational Health and Safety	125 – 126
	403-5 Worker training on occupational health and safety	SR 24 : Our People : Occupational Health and Safety	127
	403-6 Promotion of worker health	SR 24 : Our People : Occupational Health and Safety	126 – 127
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 24 : Our People : Occupational Health and Safety	126 – 127
	403-8 Workers covered by an occupational health and safety management system	SR 24 : Our People : Occupational Health and Safety	125
	403-9 Work-related injuries	SR 24 : Our People : Occupational Health and Safety	128
	403-10 Work-related ill health	SR 24 : Our People : Occupational Health and Safety	128
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : Our People : Local Communities	136 – 137
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	SR 24 : Managing Our Business : Business Performance	113
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	SR 24 : Managing Our Business : Business Performance	113
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	SR 24 : The Environment : Noise Monitoring	157

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	INFORMATION/ LOCATION	PAGE NUMBER
Energy Management and Greenhouse Gas Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : The Environment	138 – 149
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	SR 24 : The Environment : Energy Management, Climate Change, and Air Emissions	145 – 146
	302-3 Energy intensity	SR 24 : The Environment : Energy Management, Climate Change, and Air Emissions : Energy Consumption and Energy Intensity	145 – 146
	302-4 Reduction of energy consumption	SR 24 : The Environment : Energy Management, Climate Change, and Air Emissions : Energy Consumption and Energy Intensity	145 – 146
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR 24 : The Environment : Energy Management, Climate Change, and Air Emissions
305-2 Energy indirect (Scope 2) GHG emissions		SR 24 : The Environment : Energy Management, Climate Change, and Air Emissions	146 – 148
305-3 Other indirect (Scope 3) GHG emissions		SR 24 : The Environment : Energy Management, Climate Change, and Air Emissions	146 – 148
305-4 GHG emissions intensity		SR 24 : The Environment : Energy Management, Climate Change, and Air Emissions	146 – 148
305-5 Reduction of GHG emissions		SR 24 : The Environment : Energy Management, Climate Change, and Air Emissions	146 – 148
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		SR 24 : The Environment : Energy Management, Climate Change, and Air Emissions	148 – 149

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Effluents and Waste Management			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	SR 24 : The Environment : Managing Waste And Effluents	149 – 153
	306-2 Management of significant waste-related impacts	SR 24 : The Environment : Managing Waste And Effluents	149 – 153
	306-3 Waste generated	SR 24 : The Environment : Managing Waste And Effluents	149 – 153
	306-4 Waste diverted from disposal	SR 24 : The Environment : Managing Waste And Effluents	149 – 153
	306-5 Waste directed to disposal	SR 24 : The Environment : Managing Waste And Effluents	149 – 153
Water Consumption			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 24 : The Environment : Water Use and Effluent Discharged	153 – 155
	GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	SR 24 : The Environment : Water Use and Effluent Discharged
	303-2 Management of water discharge-related impacts	SR 24 : The Environment : Water Use and Effluent Discharged	153 – 155
	303-3 Water withdrawal	SR 24 : The Environment : Water Use and Effluent Discharged	153 – 155
	303-4 Water discharge	SR 24 : The Environment : Water Use and Effluent Discharged	153 – 155
	303-5 Water consumption	SR 24 : The Environment : Water Use and Effluent Discharged	153 – 155

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SASB ALIGNMENT INDEX

General	Accounting Metric	SASB Code	Content Reference
Activity metric	Total production	TC-SC-000.A	Total number of units produced in FY2024 is 6,934 million number of units
Activity metric	Percentage of production from owned facilities	TC-SC-000.B	100% of the units produced are from facilities owned by Unisem Group.

Topic	Accounting Metric	SASB Code	Summary
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions and	TC-SC-110a.1	(1) Gross global Scope 1 (Direct) emissions amounted to 4.7 tonnes of CO ₂ equivalent.
	(2) amount of total emissions from perfluorinated compound		(2) n/a, we do not use a significant amount of perfluorinated compounds.
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TC-SC-110a.2	<p>Unisem Group's Scope 1 emissions are relatively low amongst its total Scope 1 and 2 emissions, i.e. less than 4%, and majority of emissions are derived from energy use, particularly purchased electricity.</p> <p>The Group aims to reduce overall Scope 1 and 2 emissions by targeting to reduce emissions intensity via reduction in energy intensity.</p> <p>We have targets to reduce energy intensity and emissions intensity by 10% against the FY2020 baseline.</p> <p>The Group is also exploring alternative sources of energy including renewable sources to potentially reduce emissions arising from fossil-based energy.</p>
Energy Management in Manufacturing	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	TC-SC-130a.1	(1) Total energy consumption by the Group is 807,630 GJ (2) Total grid electricity purchased amounted to 783,217 GJ, i.e. 97.0% of total energy consumption. (3) Total renewable energy consumption is 196,858 GJ, i.e. 24% of total energy consumption.

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SASB ALIGNMENT INDEX (CONT'D)

Topic	Accounting Metric	SASB Code	Summary
Water Management	(1) Total water withdrawn	TC-SC-140a.1	(1) Total water withdrawn by the Group is 3,811K m ³
	(2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress		(2) Total water consumed by the Group is 255K m ³ Unisem Group has facilities located in: <ul style="list-style-type: none"> • Simpang Pulai, Perak, Malaysia; • Gopeng, Perak, Malaysia; and • Chengdu, Sichuan, PRC. All locations are not High or Extremely High Baseline Water Stress regions.
Waste Management	(1) Amount of hazardous waste from manufacturing	TC-SC-150a.1	The Group generated 516 MT of hazardous waste from its production activities. 58% of this hazardous waste from manufacturing was recycled.
	(2) percentage recycled		Approximately 41% of this recycled hazardous waste was e-waste, which was handled by third party contractors compliant with applicable laws and regulations.
Workforce Health & Safety	Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards	TC-SC-320a.1	Unisem Group assesses, monitors, and reduces exposure of employees to human health hazards via its occupational safety and health management system, which includes: <ol style="list-style-type: none"> Governance structure - Health and Safety Working Committee to oversee safety and health identification, assessment, management, and reporting processes; Risk-based approach - HIRARC reviews to identify hazards and risks SOPs incorporating health and safety internal controls Incident response and risk management procedures Training and awareness
	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	TC-SC-320a.2	There were no legal proceedings associated with employee health and safety violations reported during FY2024, i.e. there were no associated monetary losses.

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SASB ALIGNMENT INDEX (CONT'D)

Topic	Accounting Metric	SASB Code	Summary
Recruiting & Managing a Global & Skilled Workforce	Percentage of employees that require a work visa	TC-SC-330a.1	<p>(1) Unisem Group discloses the following data by location, i.e. Unisem Malaysia and Unisem Chengdu. 29.4% of Unisem Malaysia's employees are foreign nationals. 0.2% of Unisem Chengdu's employees are foreign nationals.</p> <p>In Unisem Malaysia, ongoing efforts are undertaken to attract local employees to reduce reliance on foreign workers and to develop local talent pool.</p> <p>(2) 49.8% and 50.2% of the Group's employees are employed in Malaysia and China, respectively.</p>
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	TC-SC-410a.1	Unisem Group complies with RoHS Directive on restriction on the use of ten substances including lead.
	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	TC-SC-410a.2	Unisem Group does not produce end products or consumer products and hence this metric is not applicable.
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-SC-440a.1	<p>Unisem Group has a Group Policy on Conflict Minerals which prohibit the use of conflict minerals including tantalum, tin, tungsten, cobalt and gold from conflict areas.</p> <p>Due diligence processes are in place to facilitate the responsible sourcing of conflict free minerals in the Group's production and supply chain. Further, the Group adheres to the RBA Code of Conduct and it requires suppliers to adhere to the same.</p>
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	TC-SC-520a.1	There were no legal proceedings associated with anti-competitive behaviour regulations reported during FY2024, i.e. there were no associated monetary losses.