



Universal Electronics Inc. (UEI)

Report Related to: *Bill S-211, An Act to enact the Fighting Against Forced Labor and Child Labor in Supply Chains Act and to amend the Customs Tariff (“Forced Labor in Canadian Supply Chains”)*

May 21, 2024

Forward Looking Statements

This report may contain forward-looking statements that are made pursuant to the Safe-Harbor provisions of the Private Securities Litigation Reform Act of 1995. Words and expressions reflecting something other than historical fact are intended to identify forward-looking statements. These forward-looking statements involve a number of risks and uncertainties, including those related to UEI’s Ethics and Sustainability program, human rights due diligence processes, supply chain due diligence processes, labor-related policies and procedures, human rights-related policies and procedures, and other factors described in UEI’s filings with the Securities and Exchange Commission. The actual results that UEI achieves may differ materially from any forward-looking statement due to such risks and uncertainties. UEI undertakes no obligations to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this release. This report, and related information available on our website are not incorporated by reference into any report or document we file with the SEC.

About Universal Electronics Inc.

For over 37 years, UEI is the global leader in wireless universal control solutions for home entertainment and smart home applications. We design, develop, manufacture, ship and support products used by leading brands in video service providers, consumer electronics, security, climate control, hospitality, and retail markets. Our more than 4,100 employees worldwide design, develop, manufacture, ship, and support millions of innovative products each year which are used by the world’s leading brands in the consumer electronics, subscription broadcast, security, home automation, hospitality, and climate control markets. Additional information about our business is available in our latest Form 10-K filing.

Steps to prevent and reduce risks of forced labor and child labor

UEI has taken the following steps in the previous fiscal year to prevent and reduce the risk that forced labor or child labor as described in Subsection 11(1):

- Mapping supply chains
- Conducting an internal assessment of risks of forced labor and/or child labor in the organization's activities and supply chains
- Contracting an external assessment of risks of forced labor and/or child labor in the organization's activities and supply chains
- Developing and implementing an action plan for addressing forced labor and/or child labor
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily
- Addressing practices in the organization's activities and supply chains that increase the risk of forced labor and/or child labor
- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labor and/or child labor in the organization's activities and supply chains
- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labor and/or child labor in their activities and supply chains
- Developing and implementing child protection policies and processes
- Developing and implementing anti-forced labor and/or -child labor contractual clauses
- Developing and implementing anti-forced labor and/or -child labor standards, codes of conduct and/or compliance checklists
- Auditing suppliers
- Monitoring suppliers
- Developing and implementing grievance mechanisms
- Developing and implementing training and awareness materials on forced labor and/or child labor
- Engaging with supply chain partners on the issue of addressing forced labor and/or child labor

Our Global Human Rights Policy is aligned with internationally recognized human rights principles defined by the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. The UEI Ethics Line is an avenue that employees, partners, or other stakeholders can use if they witness or suspect any human rights violations. Our Human Rights Due Diligence procedure incorporates international labor and human rights standards into UEI's social and ethical management system, including evaluating and addressing human rights concerns in our supply chain. We provide training to our employees to identify signs of forced labor and other unlawful labor practices and how to report it. Our Supplier Code of Conduct outlines requirements for our suppliers to respect basic human rights and to not engage in any involuntary or forced labor. We require suppliers to adhere to our Supplier Code of Conduct. We require relevant suppliers to complete the Responsible Business Alliance (RBA) self-assessment questionnaire (SAQ) and conduct on-site and virtual audits for ethics and sustainability topics. We can request an on-site audit using the RBA online system for suppliers identified as high-risk.

Requirement (a) – Structure, activities and supply chains

Universal Electronics Inc. was incorporated under the laws of Delaware, USA in 1986 and began operations in 1987. The principal executive offices are in Scottsdale, Arizona, USA. We design, develop, manufacture, ship and support control and sensor technology solutions and a broad line of universal control systems, audio-video ("AV") accessories, wireless security and smart home products that are used by the world's leading brands in the video services, consumer electronics, security, home automation, climate control and home appliance markets. Distribution methods for our control solutions vary depending on the sales channel. We distribute remote control devices, ICs, home security sensors, connected thermostats and AV accessories directly to video and security service providers and OEMs, both domestically and internationally. We also distribute home security sensors and connected thermostats to pro-security installers and hospitality system integrators in the United States and Europe through a network of national and regional distributors and dealers. We currently operate vertically integrated manufacturing and assembly factories in the People's Republic of China (PRC), Vietnam, Mexico and Brazil and use selected third-party manufacturers and suppliers in Asia. We are a large consumer of integrated circuits. We utilize third-party suppliers as well as third-party employment or labor agencies. We require these suppliers and agencies to adhere to our Supplier Code of Conduct.

As outlined in question 4 of the "Questionnaire" component of the "Report requirements," UEI is a "corporation," that "produces goods outside Canada, sells goods in Canada and outside Canada, distributes goods in Canada and outside Canada, imports into Canada goods produced outside Canada, and controls an entity engaged in producing goods in Canada or outside Canada, or importing into Canada goods produced outside Canada." For additional information about UEI's structure, activities, and supply chains, please see the UEI Form 10K available on our website.

Requirement (b) – Policies and due diligence processes

UEI currently has policies and due diligence processes in place related to forced labor and child labor. The following elements of the due diligence process have been implemented in relation to forced labor and/or child labor as outlined in question 6.1 of the "Questionnaire" component of the "Report requirements."

- Embedding responsible business conduct into policies and management systems
- Identifying and assessing adverse impacts in operations, supply chains and business relationships
- Ceasing, preventing, or mitigating adverse impacts
- Tracking implementation and results
- Communicating how impacts are addressed

Our Global Human Rights Policy is aligned with internationally recognized human rights principles defined by the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. Our Supplier Code of Conduct outlines requirements for our suppliers to respect basic human rights and to not engage in any involuntary or forced labor. We are a member of the Responsible Business Alliance (RBA) and have adopted the RBA Code of Conduct, which establishes standards to ensure that working conditions are safe, that employees are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. Our Human Rights Due Diligence procedure, a component of our Sustainability

Compliance Management System Procedure, defines the overarching process for UEI’s Human Rights due diligence system. The procedure aims to incorporate international labor and human rights standards into UEI’s social and ethical management system, including evaluating and addressing human rights concerns in our supply chain.

Requirement (c) – Forced labor and child labor risks

UEI has identified parts of our activities and supply chains that carry a risk of forced labor or child labor being used and will continue to strive to identify emerging risks. The following risks have been identified in relation to forced labor and/or child labor as outlined in question 8.1 of the “Questionnaire” component of the “Report requirements.”

- The locations of activities, operations, or factories
- The types of products it sources
- The raw materials or commodities used in its supply chains
- The use of outsourced, contracted, or subcontracted labor

UEI has identified the following sectors and industries that represent a risk to forced labor or child labor risks in activities and supply chains as outlined in question 9 of the “Questionnaire” component of the “Report requirements.”

- Mining, quarrying, and oil and gas extraction
- Manufacturing
- Professional, scientific, and technical services

Universal Electronics supports ending the violence and human rights violations in the mining of certain minerals from a location described as the “Conflict Region,” which is situated in the Democratic Republic of the Congo (DRC) and surrounding countries. We have conducted a good faith reasonable country of origin inquiry (RCOI) regarding minerals included in our products during 2023 to determine whether any of the minerals originated in the conflict region and/or whether any of the minerals may be from recycled or scrap sources. Where applicable, we have conducted additional due diligence regarding the sources of the Subject Minerals. We utilize third-party suppliers as well as third-party employment or labor agencies. We require suppliers to adhere to our Supplier Code of Conduct which prohibits forced labor. We require relevant suppliers to complete the Responsible Business Alliance (RBA) self-assessment questionnaire (SAQ) and conduct on-site and virtual audits for ethics and sustainability topics. We can request an on-site audit using the RBA online system for suppliers identified as high-risk.

Requirement (d) – Remediation measures

UEI has not identified forced labor or child labor in our activities and supply chains.

Requirement (e) – Remediation of loss of income

UEI has not identified loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in our activities and supply chains.

Requirement (f) – Training

UEI provides training to employees on forced labor and child labor, and it is mandatory. We mandate compliance training covering topics such as the Responsible Business Alliance (RBA) Code of Conduct which includes human rights topics, anti-bribery measures, harassment prevention, cybersecurity, and privacy, among others. These training courses are assigned based on roles and legal requirements. To better enforce our zero tolerance of forced labor, we provide training to our employees to identify signs of forced labor and other unlawful labor practices and how to report it directly to management or through the UEI Ethics Line. These trainings are done through a combination of e-learning platforms and onsite classroom training. The UEI Ethics Line is a crucial avenue for individuals to report their concerns. Operated by an independent third party, the Ethics Line is distributed to all employees through onsite training and company-wide communications, and the link is available to all stakeholders on our website.

Requirement (g) – Assessing effectiveness

UEI currently has policies and procedures in place to assess effectiveness and ensure that forced labor and child labor are not being used in our activities and supply chains. The following methods have been implemented as outlined in question 17.1 of the “Questionnaire” component of the “Report requirements.”

- Setting up a regular review or audit of the organization’s policies and procedures related to forced labor and child labor
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labor and -child labor clauses

UEI conducts regular audits in line with Responsible Business Alliance (RBA) standards, including the sourcing and use of critical materials. Our Global Ethics and Sustainability department evaluates the findings from on-site audits of suppliers, including assessments through the RBA Validated Assessment Program (VAP) and supplier self-assessment tools, while overseeing supplier adherence through RBA and internal assessment thresholds. Our human rights-related policies and procedures are reviewed at least annually by our Global Ethics and Sustainability function. We also track suppliers' attestation to our Supplier Code of Conduct. We place great importance on the compliance with local labor laws and regulations within our own operations. At our manufacturing facilities, we are committed to protecting our workers through established management systems. We conduct regular internal audits in line with RBA and engage in 3rd Party SMETA and RBA Audits in our factories and monitor ethics-related key performance indicators. These metrics are communicated to leadership through regular management reviews.



Approval and attestation

Universal Electronics Inc. (UEI)

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At Universal Electronics Inc, we take our commitment to ethical business practices and compliance with all applicable laws and regulations very seriously. In response to the *Forced Labor in Canadian Supply Chains* disclosure requirement under *Bill S-211, An Act to enact the Fighting Against Forced Labor and Child Labor in Supply Chains Act and to amend the Customs Tariff*, we hereby attest to the following:

I, Richard A. Firehammer, Jr., have performed a comprehensive examination of the report pertaining to forced labor in our supply chains as required by Bill S-211. I affirm that the report meets all criteria outlined in the legislation.

We are steadfast in our dedication to eradicating forced labor and safeguarding human rights, continuously working to guarantee the integrity of our supply chains by preventing any instances of exploitation or mistreatment. We acknowledge the significance of transparency and accountability and are committed to collaborative efforts to address any identified concerns and foster meaningful progress.

Sincerely,

Richard A. Firehammer, Jr.
Senior Vice President, General Counsel and Head of Global Compliance
Universal Electronics Inc.