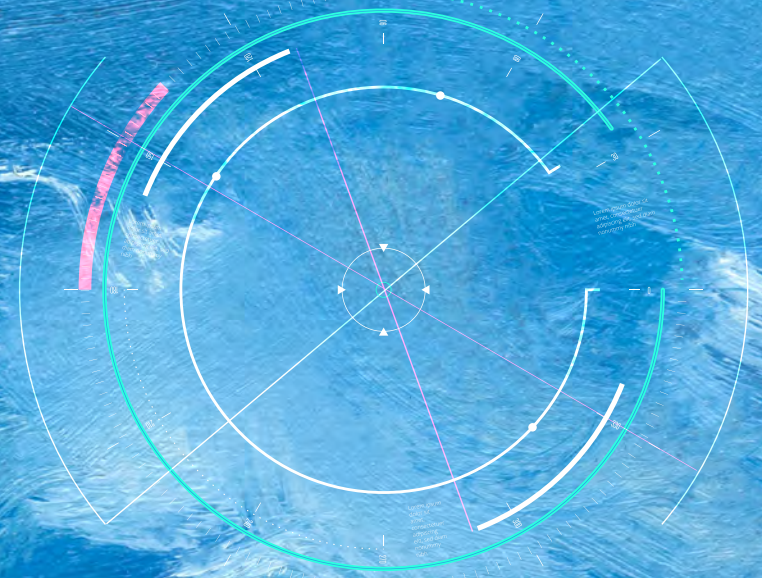




2021 Hon Hai Sustainability Report



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About this Report

Hon Hai Precision Industry Co., Ltd. (hereinafter referred to as “the Group”) issued its first CSR Report in 2009. As a good corporate citizen, we are committed to implementation of sustainable actions that serve as our response to the United Nations Sustainable Development Goals (SDGs), and we also disclose all financial and non-financial performance results of sustainable governance to our stakeholders to convey our determination in continued sustainable development. The Group will continue to issue annual Sustainability reports in the future.

Scope

This report covers the period between January 1 to December 31 of 2021 and contains information on Hon Hai Precision Industry Co., Ltd. (also known as Foxconn Technology Group; hereinafter referred to as “the Group”) and its majority-owned subsidiary companies, controlled entities, and affiliates, including the Group’s offices in Taiwan and Campuses in China. A note is made where global information or data is included. This report is based solely on the activities of the legal entities controlled by the Group. The scope of this report is the same as for our 2020 Hon Hai CSR Report and no significant changes have been made to company information.

Management Procedures

This report was prepared by the Sustainability Committee. Following review by the heads of all departments, the content of this report was independently verified by the British Standards Institution (BSI) according to AA1000AS v3 assurance standards and Type I moderate level AccountAbility Principles to ensure compliance with the GRI Standards Core option and SASB disclosure metrics. For more information, please refer to the [Independent Verification Statement](#).

Reporting Principles and Guidelines

The Group has compiled and studied important domestic and overseas economic, environmental, social, and other issues of concern to our stakeholders. Following interviews with personnel from various departments, these issues were broken down for materiality analysis, and the resulting material issues were used as the core disclosures in this report. This report was prepared in accordance with the Core options of the GRI standards published by the Global Reporting Initiative and the SASB Standards.

Publication date

The Group publishes Sustainability Reports annually, and this is our 14th Sustainability Report. In order to save energy, reduce carbon emissions, and protect the environment and the earth, the Group is fully committed to paperless operations. Similar to previous issues, this report is published in digital form on the [official website](#) for reader reference.

Current issue: Published June 2022

Previous issue: Published June 2021

Expected release date for next issue: June 2023

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Letter from our Chairman

Global economic and social developments have been severely challenged by extreme weather, pandemics, and trade conflicts in recent years. As the world's largest technology manufacturing service provider and a member of society, we continue to make environmental, social, economic contributions while pursuing operational performance and innovations in core technologies. Group operations adhere to our Double-E formula of "Sustainable Management = EPS + ESG," and we continue to promote green ecosystem cycles, human-oriented care, and smart living while controlling risks and obtaining opportunities to realize sustainable management across the globe.

As a Fortune 500 company with the highest corporate revenues in Taiwan, we continually promote ESG from five aspects which are organizational positioning, international alignment, target setting, audits and verification, and transparent communications as a corporate citizen, through corporate social responsibilities, and by achieving sustainable corporate management as an industry leader.

We formulated 6 ESG strategies which are Green Solutions, Circular Economy, Employee Satisfaction, Win-Win Strategy, Group Sustainability, and Corporate Governance and 32 long-term targets in 2022 to serve as a cornerstone for consolidation with our core capabilities and provide clear indicators for adherence across the entire Group to enhance environmental sustainability, social participation, and corporate governance.

We emphasize development of green solutions and actively invest in electric vehicle (EV) and energy storage systems, building an open EV platform (MIH) with technical specifications available to all partners to form an EV ecosystem with hardware and software components, reducing R&D barriers and accelerating progress in the EV industry. Our goal is to decrease speed time to market and lower costs for eco-friendly EVs to provide better accessibility and environmental contributions.

The Group aligns with international trends in the face of increasingly severe climate issues. We support the Climate Action 100+ initiative, committed to a net zero emissions target by 2050, participated in CDP, and have submitted an application for the SBTi 1.5°C target. We became a founding member of the Taiwan Alliance for Net Zero Emission and pledged to achieve net zero emissions in our offices in Taiwan by 2030 and in our production bases by 2050. We further implemented the Task Force on Climate-related Financial Disclosures (TCFD) framework and issued a TCFD Net Zero Vision Report to disclose our efforts in achieving net zero emissions.

The Group attaches great importance to employee issues, and nine of our long-term targets are directly related to employee interests. We have clear indicators for talent selection, utilization, retention, and cultivation, as well as rigorous standards for employee health and safety that enhance employee satisfaction. The Group shares the burden of employee childcare through the "Childcare Subsidies for 0 to 6 Year-Olds" and achieved a postpartum reinstatement rate of 90%. In terms of social welfare, we donated vaccines following the spread of the pandemic last year and prioritized vaccination for our employees in different regions. We co-organized AI camps for rural junior high schools to cultivate next-generation talent and bridge urban-rural gaps in technology education. We also recently formed a volunteer club, enabling more of our employees to participate in social welfare activities.

For corporate governance, we established a Nomination Committee under the Board this year and nominated five independent directors (more than half of Board members) for Board re-election; the number of female directors was increased from one to two. We also established information security and anti-corruption measures to protect our corporate interests. We also incorporated our suppliers in our long-term ESG goals and plan to track supplier performance on green products, environmental protection, use of renewable energies, carbon management, zero waste to landfill operations, and other CSR aspects.

We followed our F1.0, F2.0, and F3.0 strategic path for transformation to new industries and focused on ESG investments, working with our supply chain and other major enterprises to achieve smart, green, and eco-friendly actions, as well as establish responsible manufacturing standards and win-win strategies. We understand that our revenues are built on the efforts of our employees, the contributions from our supply chain partners, the trust of our clients, and the support of the general public. Corporate sustainability is a long and hard road, but we strongly believe that our solid capabilities enable us to lead all employees, supply chain partners, and industry peers in continued investments for environmental sustainability, social participation, and corporate governance, creating unlimited possibilities for the future.

Hon Hai Precision Industry Co., Ltd.
Chairman
June 2022

Young Liu



Awards in 2021

- Sustainalytics** 10.4 Low Risk
- World Economic Forum (WEF)** The only company in the world to obtain **4** Global Lighthouse awards
- Taiwan Corporate Sustainability Award** Received **7** awards
- MSCI ESG Rating** BB Grade
- Greater China Business Sustainability Index** Achiever Awards Ranked among **Top 20** companies in Taiwan
- Corporate Citizen Award** Ranked **25th** in Large Enterprise category
- FTSE4Good** Constituent of Taiwan ESG Index
- Global Corporate Sustainability Award** Special Award for Pandemic Response Sustainability Reporting Award
- Corporate Governance Evaluation** 6~20%
- Fortune Magazine** Ranked **22nd** out of the world's top 500 companies
- 2021 Harvard Business Review** Digital Transformation Revolution Award Smart Manufacturing **Leader Award**
- Ministry of Education Sports Administration** Sports Activist Awards
- Forbes Magazine** Ranked **94th** out of the world's top 2000 companies **Top 1** company in Taiwan on World's Best Employers list
- Asia Responsible Enterprise Awards** Social Contribution Award
- Nomination activities hosted by job banks** Received **4** job bank awards
- Clarivate Analytics** Received Top 100 Global Innovators award for the **5th** consecutive year
- Institute of Public and Environmental Affairs (IPE)** Received **1st** place in Green Supply Chain CITI Evaluation for Great China Area, and **4th** place in the Corporate Climate Action CATI Evaluation Report (IT Industry)

ESG Achievements for 2021



E Environment

- Supported Science Based Targets initiative (SBTi) and conducted carbon inventories using the Carbon Trust framework in preparation for submission of SBTi goals in 2022.
- Initiated TCFD project and became a TCFD Supporter.
- Became a founding member, committee member, and supervisor of Taiwan Alliance for Net Zero Emission.
- Implemented 1,587 energy-saving projects with total carbon reductions of 320,925 tCO₂e and energy-saving benefits equivalent to 1.3 billion NTD.
- Consolidated and virtualized servers, increasing our cloud computing power by 20 times and reducing carbon emissions by 702 tCO₂e each year.
- Achieved actual energy-saving rate of 5.56% and successfully met our annual target for energy savings.
- Longhua Campus obtained UL 2799 Gold Level certification, and our Hengyang and Kunshan Campuses received the highest Platinum Level certification.
- Assisted 98 suppliers in implementing greenhouse gas inventories and 51 suppliers in completing ISO 14064-1 verification, resulting in carbon reductions of 99,296.93 tCO₂e.
- Tried use of renewable energies at 5 suppliers.
- Assisted 3 suppliers in obtaining UL 2799 Zero Waste to Landfill verification.



S Social

- Employee entry rates in the Taiwan region were maintained at 15% and turnover rates are declining year over year; average employee entry and exit rates in the China region were maintained between 5% to 6%, demonstrating healthy talent turnover; and reinstatement rates and retention rates following childcare leave were close to 100%, demonstrating our ability to retain outstanding talent.
- In 2021, employee salary and benefits expenses were approximately 303.1 billion NTD, and we hosted 4,865 employee activities attended by 1.686 million participants.
- A total of 1,020 babies born to Hon Hai employees benefited from the Group's "childcare subsidies for 0 to 6 year-olds" program and more than 310 million NTD has been paid out in subsidies over the past two years.
- Invested a total of 151 million NTD in Foxconn University and provided 73.08 million hours of training, resulting in an average of 77.2 hours of training for each Group employee; we facilitated graduations of 1,010 employees with undergraduate degrees and above.
- Hosted health and safety training courses for employees and contractors which were attended by 1,183,524 participants. Hosted 51 health promotion activities attended by 18,745 employees.
- Procured 15 million BNT coronavirus vaccines for Taiwan in collaboration with TSMC and Tzu Chi Foundation.
- Invested a total of 129 million NTD in social welfare projects focused on supporting the disadvantaged, rural education, technology education, diversified education, and support for physical education, with a focus on community contributions.



G Governance

- Our revenues were 5.99 trillion NTD, equivalent to 27% of Taiwan's GDP, making us Taiwan's biggest company in terms of revenue
- Taiwan's second biggest company in terms of market value
- Group operations supply nearly 40% of electronic products worldwide
- Launched three self-developed EV models with our trademark efficiency
- Filed a total of 159,710 patents worldwide, 92,414 of which have been approved, making us the top 18th company in the world in terms of patent numbers
- We encourage innovative development from our colleagues and have distributed 9.2 million NTD in incentives to 2,017 people.
- Implemented ISO 22301 Business Continuity Management System and completed training of 30 seed personnel.
- Implemented ISO 37001 Anti-Corruption Management System to strengthen corporate operations and ethical management.
- Implemented ISO 27001 Information Security Management System and hosted 494 information security training courses to establish a culture focused on information security.
- Assisted and supported 47 suppliers in improving environmental violations; and assisted and supported 124 suppliers with high environmental impacts to report and disclose Pollutant Release and Transfer Register (PRTR) data.
- Achieved digital transformation through digital experiences, smart decision-making, digital acceleration, information security, and operational benefits.

Company Overview

Group Vision Work with Leading Clients Around the Globe to Build Smart Living Platforms



Company Profile

Company Name	Hon Hai Precision Industry Co., Ltd. (hereinafter "the Group")
Headquarters	No. 2, Zihyou Street, Tucheng Industrial Park, Tucheng District, New Taipei City, Taiwan
Ticker symbol	2317.TW
Date of establishment	February 20, 1974
Geographical distribution	The Group is headquartered in Taiwan, and has established business locations all over the world to serve our customers in China, the US, Canada, Mexico, Brazil, the Czech Republic, India, Vietnam, and many other locations. (Please refer to our website for further details.)
Number of Group employees worldwide	946,111
Paid-in capital	138.6 billion NTD
2021 revenues	5,994.1 billion NTD

As a leading global manufacturer in the computer, communications, and consumer electronics (3C) industry, the Group supplies the most competitive manufacturing technologies and solutions, and we continue to serve our clients, employees, and other stakeholders around the globe. Established in 1974 and under the guidance of founder Terry Gou, the Group has developed a Group strategy composed of "time to market," "time to volume," and "time to money," as well as the innovative "IIDM-SM" strategy, namely a comprehensive integration, innovation, design, manufacturing, sales, and marketing services solution for the 3C industry. We established a foundation in the molds industry and gradually grew from a local OEM company to an international high-tech services provider. The Group is responsible for supplying nearly 40% of electronic products worldwide.

Under the leadership of Chairman Young Liu, the Group's revenues for 2021 reached 5.99 trillion NTD. Gross profits increased by 20%, reaching 362.1 billion NTD; net operating profits increased by 34%, reaching 149 billion NTD; net profits increased by 37%, reaching 139.3 billion NTD. All three indicators rose over the year. Our EPS was 10.05 NTD, marking a 14-year high since our establishment in 2008.



Product Categories



Smart Consumer Electronics
(Smartphones, TVs, and game consoles)

Consumer electronics for personal use, encompassing consumer electronics products and communications products within the scope of 3C product categories as defined by external parties.



Cloud and Networking Products
(Servers and network communications products)

Cloud infrastructure required for network communication and cloud storage by enterprise and individual users.



Computing Products
(Computers and tablets)

Includes electronic computing equipment required for work and daily life, as well as electronic computing products required for office and workplace use, encompassing computing products within the scope of 3C product categories as defined by external parties.



Components and Others
(Connectors, mechanical parts, and services)

Includes key supply chain components and technical components as well as logistics warehousing, software development, healthcare services, and integrated services.



Management Policies

The Group not only commits to further development of precision manufacturing and vertical integration, but still strives for innovation, and continues the core transformation from “brawns” to “brains” by following the roadmap from “Foxconn 1.0” Existing business optimization; “Foxconn 2.0” Digital transformation; and “Foxconn 3.0” Transformation to new industries focusing on electric vehicles, digital health, and robotics. These three phases seem to focus on completely separate disciplines, but are deeply intertwined and are crucial to us in order to achieve our everlasting commitment for better results.



F1.0 Existing business optimization

The Group has implemented the four key areas of “governance structure, sharing system, margin maximization, and lean management” under our principle of “strengthening the core while enriching the branches,” drawing up clear divisions of labor between our parent company, subsidiaries, and sub-groups as we actively promote real-time internal sharing of various information and experiences. Additionally, the Group has implemented systematic procedures in the procurement process, eliminating potential abuses caused by human factors, reducing unnecessary costs, and increasing shareholder profits, thereby achieving margin maximization and lean management.



F2.0 Digital transformation

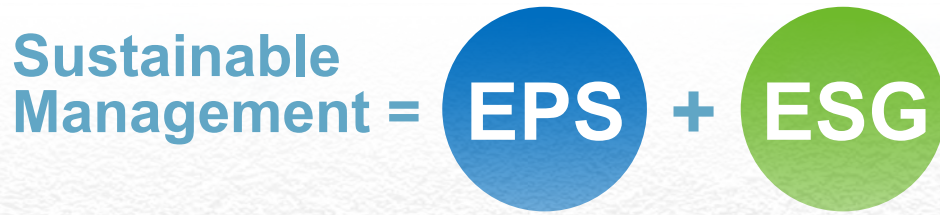
The Group has utilized digital technology to increase the efficiency and effectiveness of operations. For example, we have optimized our website and related platforms for improved communications with our shareholders and investors. We have also established a supply chain management platform to streamline upstream and downstream information transparency. This increase in information transparency enhances supplier management, and enables us to achieve increased agility and timeliness to satisfy changes in customer demands. The Group has established several big data databases and takes an objective statistical approach to management, effectively formulating smart, automated strategic procedures. Additionally, in terms of both manufacturing and performance, the Group has embraced a scientific, metrics-based approach. This has enabled us to achieve “Increased Quality and Efficiency, and Decreased Cost and Inventory”, maximizing returns for the Group.



F3.0 Transformation to new industries

The Group will leverage R&D capabilities and investments in new industries to achieve the restructuring and upgrades of our “Foxconn 3.0” goal. As mentioned above, we will be investing in “electric vehicles, digital health, and robotics industries,” and also “artificial intelligence, semiconductors and next-generation communication technologies,” forming our key “3+3” (industry and technology) strategy. Using electric vehicles as an example, the Group has a formidable global supply chain, and possesses key component manufacturing capabilities, structural R&D capabilities, and system integration services. This unique set of proficiencies allow the Group to vertically consolidate services, and also provide services on smart platforms. The Group will maintain its core ethos of sharing, and continue its dedication to innovative technologies to propel the sustainable development of our automotive ecosystem.

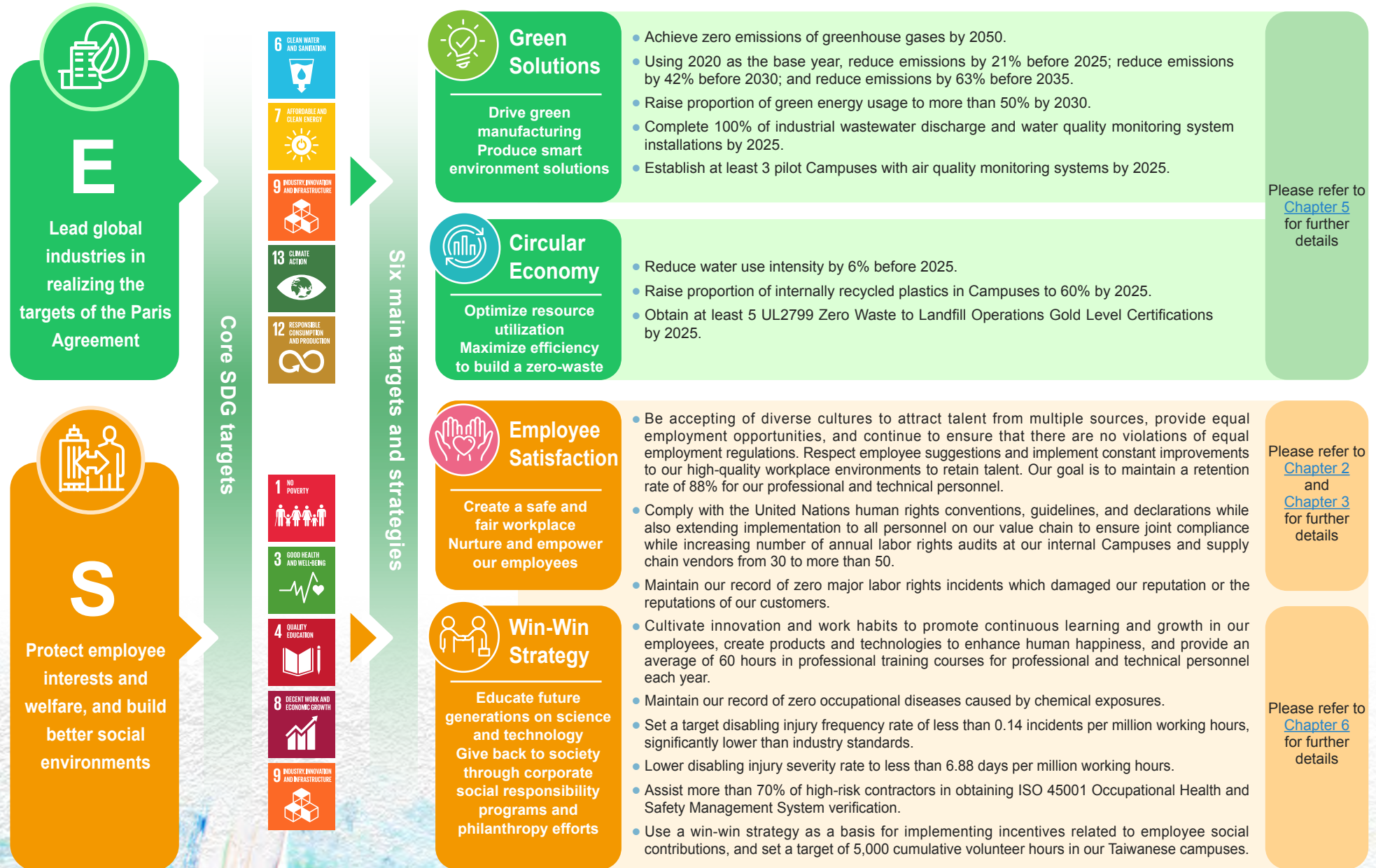
Sustainable operational goals and strategies



The Group believes that true industry leaders are not only leaders in a business sense, but also leaders of society. We have incorporated the United Nations Sustainable Development Goals in our operational strategies and proposed a new philosophy: “Sustainable management = EPS + ESG.” Implementing ESG concepts lowers hidden costs for enterprises during corporate restructuring, upgrading, and product promotion processes. Advanced deployments in ESG trends can also create business opportunities such as environmentally friendly green electric vehicles and energy storage system which are actively being developed under the Group’s “3+3” strategy.

In the future, the Group will continue to keep abreast of international ESG trends and execute advanced deployments while exerting our influence on sustainability issues as we work with all value chain partners and various stakeholders to achieve the SDGs for joint achievement of sustainable management and a brighter future.

Goals and Visions



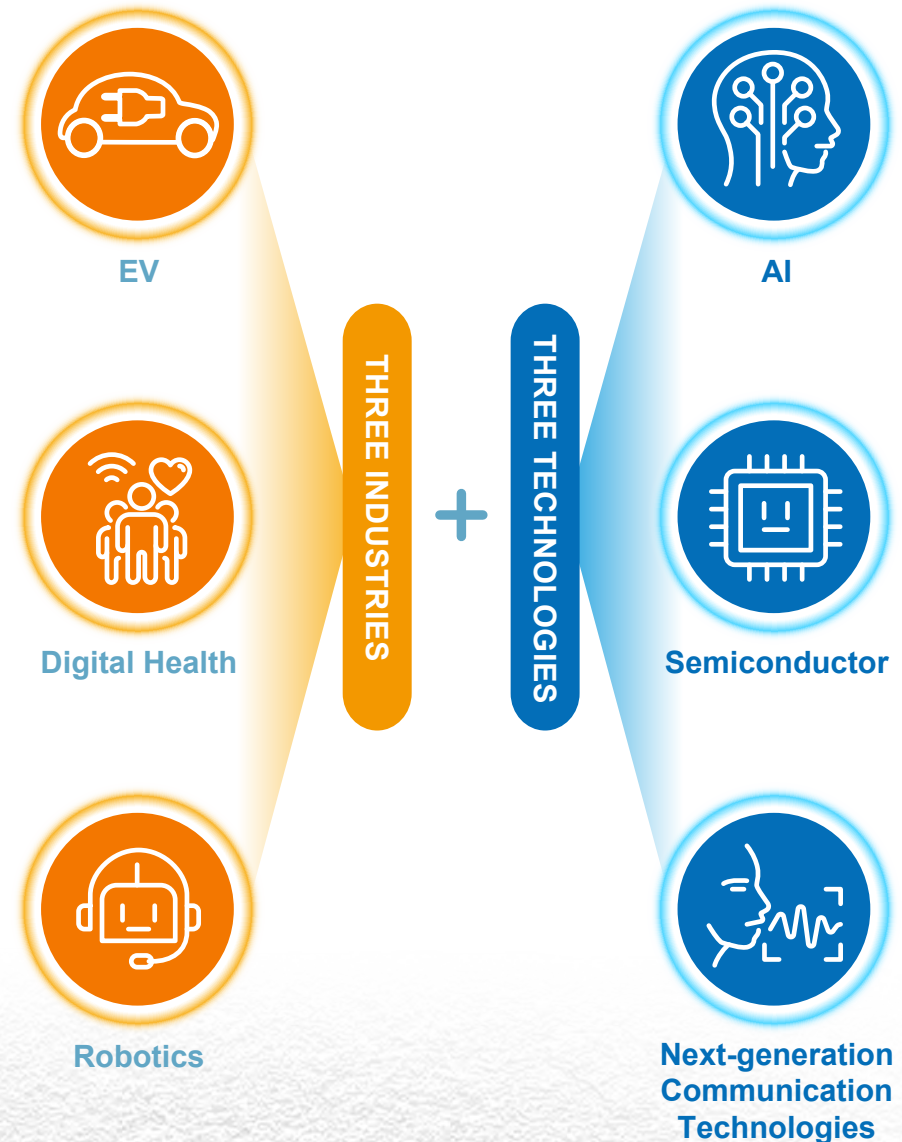
Goals and Visions



Relationship between the overall environment and our operating strategies

As we continue to expand our reach, we are also working to discover new drivers for growth. The Group selects electronics products with growth potential and stable profitability based on the principles of “right customers, right product, and right timing,” and therefore was able to maintain steady revenue growth even during the coronavirus pandemic. Thanks to continued developments in global 5G infrastructures, many of our clients have begun launching new consumer products that will drive the next wave of growth. The coronavirus pandemic boosted work-from-home, home entertainment, and other stay-at-home economy needs, increasing demand for cloud servers and network communications, resulting in significant growth for tablet computers, laptops, and game consoles. We believe that the stay-at-home economy, enterprise IT spending, and communications infrastructure will continue to drive ICT growth in the post-pandemic era.

However, the ICT industry is gradually reaching saturation and growth is slowing. Based on our evaluations of future industrial environments, we believe automation, chips, digitalization, and intelligent systems are technologies that will develop rapidly, and new energies, automation, and enhancement of individual values will be the main trends of the future. We therefore incorporated our existing capabilities in precision manufacturing and officially announced our three industries and three core technologies for the future in November 2019 to power our next stage of growth, with the three industries being “electric vehicles, digital health, and robotics.” The market size for each of these three industries could reach more than three trillion USD. Additionally, the average compound annual growth rate (CAGR) for these industries all exceed 20%. These opportunities for growth align well with our own industrial expertise and advantages. Our three core technologies are “artificial intelligence, semiconductors, and next-generation communication technologies”; all key technologies which serve as our core competitive advantages for the three industries as we develop leading technologies and products 3-5 years ahead of their time, helping the Group to realize its F3.0 transformation to new industries goal.







Response to International Initiatives

United Nations Sustainable Development Goals (SDGs)

As a leader in technology services, the Group has established operating locations all over the world, and therefore resolving global sustainable development issues is one of the critical issues of the Group. The Group utilizes its core capabilities and resources to respond to the SDGs established by the United Nations, which serve as the Group’s objectives for achieving sustainable management.

The Group adhered to the “Sustainable Management = EPS+ESG” principle for identification of major SDGs and refinement of targets. Our six main ESG strategies respond to the SDGs, and we work with our upstream suppliers, corporate businesses, and downstream customers to implement the SDGs and work jointly toward our 2030 Agenda.

SDGs	Corresponding ESG Targets and Strategies (Please refer to P.11、12 for information on promotion targets)	Response Strategies and Actions
	<p>Win-Win Strategy</p> 	<ul style="list-style-type: none"> • We voluntarily initiated a variety of community activities for community contribution and epidemic prevention to improve the living standards of our surrounding communities and maintain health and safety. We hosted 650 activities staffed by more than 640 volunteers. • Organized the Foxconn Scholarship Program for five consecutive years, benefiting a total of 2,969 students, and distributing a total of 180 million NTD to economically disadvantaged students.
	<p>Employee Satisfaction</p> 	<ul style="list-style-type: none"> • Faced the challenges of the COVID pandemic using six advanced strategies and seven measures for epidemic prevention while also producing masks for internal Group usage. • Initiated procurement of coronavirus vaccines for donation to competent authorities, effectively solving Taiwan’s vaccine crisis and increasing single-dose coverage from 42.6% in September to more than 80%. • Hosted 51 health promotion activities attended by 18,745 employees, including health lectures, fitness center events, sports classes, and online health lessons.

SDGs	Corresponding ESG Targets and Strategies (Please refer to P.11、12 for information on promotion targets)	Response Strategies and Actions
	<p>Employee Satisfaction, Win-Win Strategy</p>	<ul style="list-style-type: none"> • Founded Foxconn University to serve as our headquarters for talent development and innovation cultivation while training in multiple fields. A total of 3,062 people have graduated from the university, and 1,010 graduate theses have been published. • Established a technology education system for Taiwan and compiled the first AI textbook and AI manga in Taiwan. • Organized many rural education projects to provide appropriate resources and opportunities for exploring self-potential to achieve learning and growth.
	<p>Circular Economy</p>	<ul style="list-style-type: none"> • Actively engaged in wastewater recycling actions that reused treated domestic wastewater in production processes and environmental greening; we recycled a total of 5,786 thousand tons of water, equivalent to 6.60% of our total water usage.
	<p>Green Solutions</p>	<ul style="list-style-type: none"> • Increased installation capacity by installing and purchasing rooftop and ground-mounted solar stations while also directly purchasing other clean energies. The Group achieved a total installation capacity of 260.20MW in 2021. Total global usage of clean energies reached 483.8791 million kWh, and clean energy usage ratios were 5.17%. • Tried use of renewable energies at 5 suppliers.
	<p>Business Sustainability</p>	<ul style="list-style-type: none"> • Ranked Taiwan's biggest business in terms of revenue; revenues for 2021 exceeded 5.99 trillion NTD, equivalent to 27% of Taiwan's GDP. • Added principles of equal employment, respect for human rights, employee diversity, bans on child labor, and prohibition of forced coercion of employees to the talent recruitment protocols and activities of the Group. • Provision of equal compensation and opportunities for advancement to all male, female, and disabled employees, with no exceptions.

SDGs	Corresponding ESG Targets and Strategies (Please refer to P.11、12 for information on promotion targets)	Response Strategies and Actions
	<p>Business Sustainability, Corporate Governance</p>	<ul style="list-style-type: none"> Published three self-developed electric vehicles, putting together ten years of R&D in Taiwan's automobile industry, and displaying our determination to become a global force in the new automobile manufacturing industry. The Group is the only enterprise in the world which holds 4 WEF Global Lighthouse certifications, demonstrating our solid capabilities and ability to lead the industry. Utilized the Group's core capabilities as well as internal and external resources to promote technology education and provide learning resources for teachers as well as college, high school, vocational school, and junior high school students, including training camps for quantum computing teachers and high school and vocational school students, and compilation of the first AI high school textbook in Taiwan.
	<p>Circular Economy</p>	<ul style="list-style-type: none"> Longhua Campus obtained UL 2799 Gold Level Certification, becoming the world's first comprehensive eco-park; our Hengyang and Kunshan Campuses also received the highest Platinum Level UL 2799 Zero Waste to Landfill Operations Certification; and we assisted 3 suppliers in obtaining UL2799 Zero Waste to Landfill verification. Required all suppliers to strictly comply with local environmental protection regulations, launched a green procurement policy that required all suppliers to fully establish self-assessment procedures for RoHS 10 substances, and banned discharges of untreated hazardous materials and supplies. Established a management system for chemicals and hazardous substances to assess and track chemical usage, ensuring that said chemicals do not cause environmental or human damage.
	<p>Green Solutions</p>	<ul style="list-style-type: none"> Invested 1.75 billion NTD in 1,587 energy-saving projects with total energy savings of 520,982 MWh, total carbon reductions of 320,925 tCO₂e, and energy-saving benefits equivalent to 1.3 billion NTD. Assisted 98 suppliers in implementing greenhouse gas inventories and 51 suppliers in completing ISO 14064-1 verification, resulting in carbon reductions of 99,296.93 tCO₂e.
	<p>Business Sustainability, Corporate Governance</p>	<ul style="list-style-type: none"> Adopted a zero-tolerance policy for regulatory violations, strictly prohibiting all forms of corruption, bribery, theft of corporate funds, and profit from illicit activities. All employees receive at least two hours of anti-corruption training annually. Rejection of all forms of human trafficking and employment of slave labor, coerced labor, forced labor to repay debt, indentured labor, and prison labor. No discrimination of employees on the basis of gender, age, nationality, place of birth, ethnic background, language, disability, marriage, pregnancy, sexual orientation, religion, political views, or union membership. Child labor is also prohibited. Prevention of all forms of corruption, discrimination, and unfair practices during the procurement process; strict prohibitions on supplier use of child labor and forced labor or prison labor; and strict adherence to fair operating principles.

RBA Code of Conduct



Responsible Business Alliance

Advancing Sustainability Globally

The Group's "Code of Conduct" is based on the five aspects of the RBA (Responsible Business Alliance) Code of Conduct, and was formulated rigorously and prudently to include content related to many international initiatives, including responsible mineral procurement, anti-corruption, and anti-slavery, thereby aligning with international trends and ensuring comprehensiveness of our ESG implementations. As a member of the international business community and RBA, the Group strives to implement social responsibilities, ensuring that our employees and suppliers around the world can carry out Group operations based on ESG and Code of Conduct principles.



[the Group Code of Conduct](#)

Climate Action 100+



The Group formally responded to the three goals proposed by the Climate Action 100+ Steering Committee. We not only comply with Nationally Determined Contributions (NDCs) and carbon emission policies of local governments, but also continue to strengthen climate change governance, implement actions on GHG emissions, and disclose information in accordance with Task Force on Climate-related Financial Disclosures (TCFD) recommendations to ensure that the GHG emissions throughout the Group's value chain remain consistent with the targets of the Paris Agreement as we strive to realize our goal of zero GHG emissions by 2050.

CDP Global Environmental Disclosure Platform



The Group joined CDP in 2015 and began using measuring and disclosing environmental information to assess, manage, and reduce the impacts of climate change on corporate operations. Our overall responses to the CDP climate change questionnaire in 2021 were scored at the management level, while the three items of climate governance, Scope 1 & 2 emissions, and emission reduction initiatives were scored at the leadership level.

Task Force on Climate-Related Financial Disclosures (TCFD)



The Group officially became a TCFD supporter in 2021 and pledged to implement TCFD guidelines. The Group assessed links between climate change and business activities using the TCFD framework, and has conducted scenario analyses incorporating risk management and climate impacts to further evaluate the resilience of our responses to climate change.

For more details on Group responses to TCFD disclosure requirement, please refer to [Chapter 5: Climate Change](#).

Science Based Targets Initiative (SBTi)



In January 2021, the Group committed to the Science Based Targets Initiative (SBTi) Business Ambition for 1.5°C initiative, and disclosed our commitment on SBT and CDP websites. The Group uses appropriate methodologies to formulate SBT-recognized science-based targets. We expect to obtain verification and approval for our targets before 2023.

Global Operations

The Group is dedicated to enhancing research design and engineering solution capabilities to develop a global footprint that is based in Asia and expanded to other parts of the world. “2 R&D Clusters” refers to the adoption of a strategy that centers on R&D in Greater China and the US; “3 Design and Manufacturing Zones” refers to establishing design and manufacturing in Asia, the Americas, and Europe with at least two manufacturing bases; “Global Assembly and Delivery” refers to complements of global assembly and delivery to ensure that we convey values to clients with optimal timing, quality and quantity.



2 R&D Clusters

The adoption of a strategy that centers on R&D in Greater China and the US.



3 Design and Manufacturing Zones

Establishing design and manufacturing in Asia, the Americas, and Europe with at least two manufacturing bases.



Global Assembly and Delivery

Complements of global assembly and delivery to ensure that we convey values to clients with optimal timing, quality and quantity.



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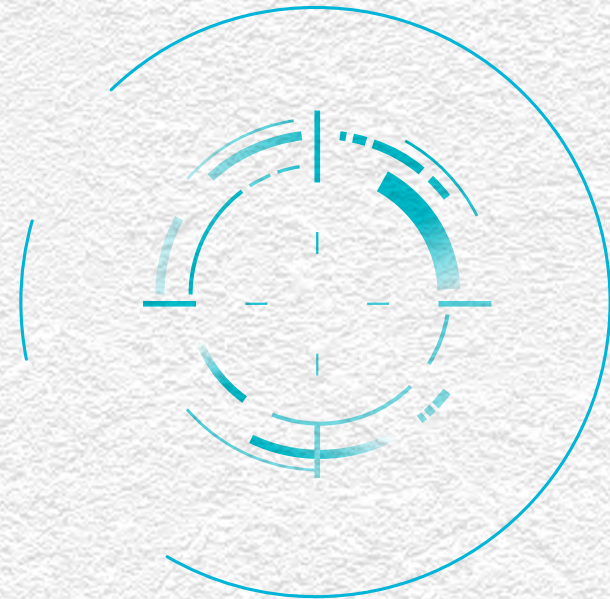
Corporate Governance, Smart Innovation

Corporate Governance	P21
Ethical Management	P30
Innovation Management and Patents	P34
Sustainability Committee	P40
Stakeholder Identification, Communication, and Responsibilities	P41



Key Response Stakeholders :

- Employees
- Clients
- Shareholders / Investors
- Suppliers / Contractors
- Government
- Media
- Non-government Organizations



Corporate Governance, Smart Innovation

Management approach for issues

Financial performance, information security and client privacy, corporate governance and risk management, ethical management and legal compliance, innovative development and low-carbon technologies



Meaning to the Group

Establishment of sound corporate governance and a culture of corporate integrity which effectively safeguards the rights of all stakeholders and demonstrates our corporate values. The Group endeavors to sustain a culture of integrity and ethical management, and adopts a zero-tolerance policy toward any behaviors or activities that violate local and international laws. The Group is also working to consolidate its leadership in the technology industry and continues to invest in research and development of advanced technologies.



Policies and Commitments

The Group complies with all domestic and overseas regulatory requirements and strives to protect shareholder interests, strengthen Board functions, empower functional committees, respect stakeholder interests, and enhance information transparency. Additionally, in order to achieve our F3.0 goal of transformation to new industries, the Group focuses on the “3+3” development strategy and works to lead all industries toward a future smart society.



Grievance Mechanism

Please see section [Stakeholder Identification, Communication, and Responsibilities](#) for details.



Evaluation of the Management Approach

- Organized annual management review meetings to discuss ways of strengthening performance and track target achievement rates for continued excellence.
- Audited the Group’s corporate governance procedures in accordance with annual audit plans.



Specific Actions

- Continue to improve corporate governance performance, protect shareholder and stakeholder interests, strengthen Board function, and enhance information transparency.
- The Group has accumulated a total of 159,710 global patent applications and received approval for 92,414 patents.
- Published three self-developed EV models with our trademark efficiency.
- We provide intellectual property incentives to encourage innovative development from our colleagues and have distributed 9.2 million NTD in incentives to 2,017 people.



Goals and Targets

Short-term goals

- Continue to refine ISO 27001 Information Security Management System and assist our businesses in establishing information security systems.
- Conduct 10 major system penetration tests every year to ensure zero impacts from significant information security incidents.
- Use the Group app to publicly announce incidents of corruption, illegal behaviors, and violations, and increase the number of disclosed incidents by 10% each year.



Mid- to long-term goals

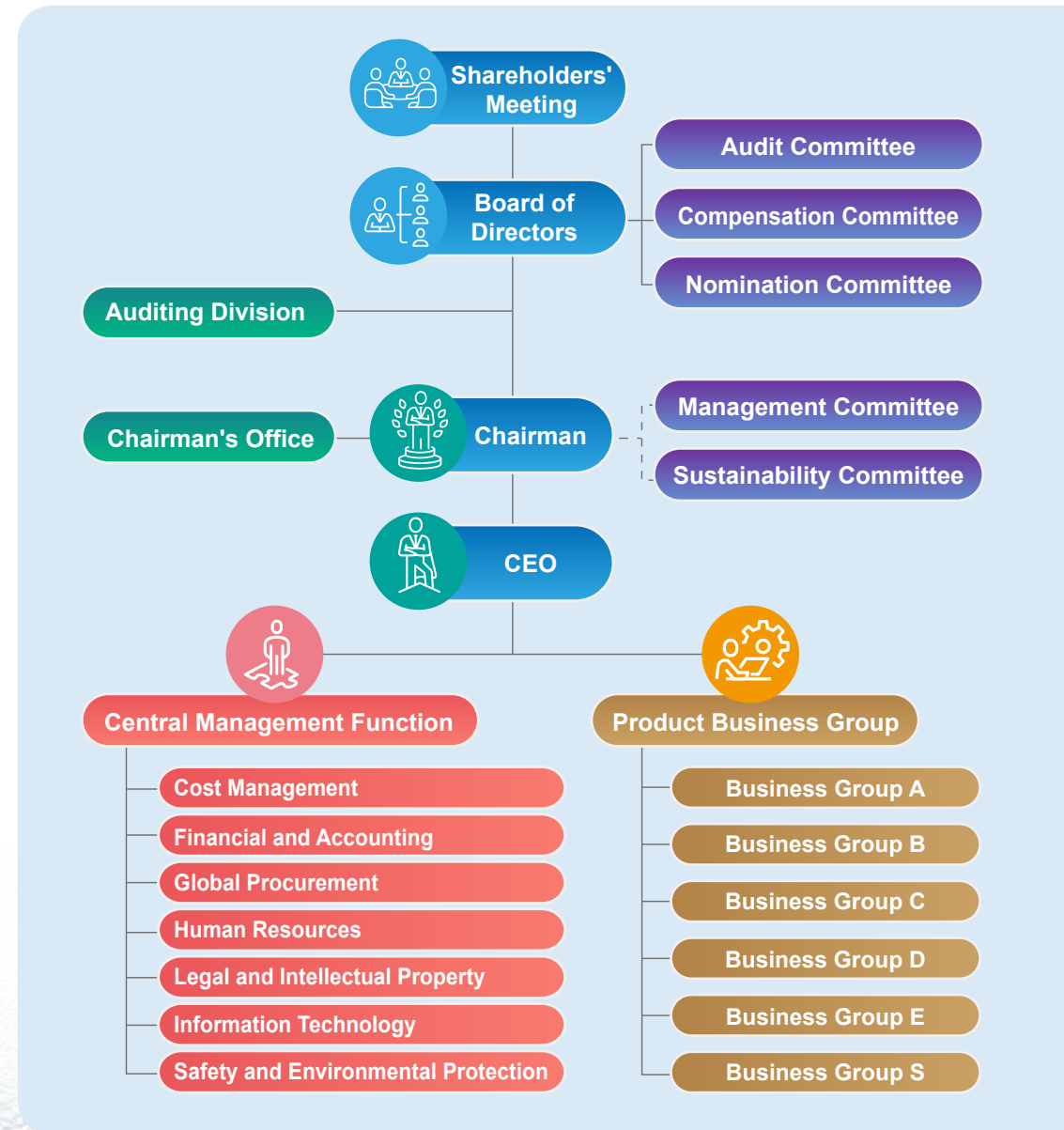
- Establish a principle where fewer than half of Board directors cannot be concurrently serving as Group employees or managers.
- Increase the proportion of female Board directors from the current 11% to 30%.
- Raise average performance evaluation scores for the Board, Audit Committee, and Compensation Committee to 4.8, and commission external professional teams to conduct performance evaluations of the Board and functional committees once every three years.
- Publicly disclose Group tax policies.

Corporate Governance

Group Structure and the Board of Directors

The Group has established a Board of Directors consisting of directors and independent directors jointly responsible for corporate governance and management strategy in accordance with laws and regulations. In addition to upholding shareholder rights, the Board of Directors is also guided by principles that protect the rights of other stakeholders, including employees, clients, suppliers, governments, and nongovernmental organizations. The general managers of each business group adhere to the guiding principles of the Board of Directors in directing the operations of each business group. Internal directors of the Group receive no additional compensation, and, according to the regulations governing the Board of Directors, individual directors should recuse themselves from Group affairs when there is a conflict of interest. The remuneration of the board of directors is directly derived from the relevant remuneration for the management positions held by the listed companies of the group.

The Group's Board of Directors currently comprises nine directors, including five independent directors and two female directors. We have also established an Audit Committee and Compensation Committee, and the establishment of a Nomination Committee was approved by the Board on March 16, 2022. Each director has extensive academic backgrounds and work experience in engineering, finance, and other fields, and we fully implement concepts of diversity in Board structure. Each director serves for a term of three years and can be reelected for a consecutive term. Chairman Young Liu, who represents the external face of the company and also serves as Group President, is responsible for the supervision of all important affairs.



[Directors Biographies](#)

[Board Resolutions](#)

[Independence of Independent Directors](#)

[Diversity of Board Members](#)

The Group insists on transparency in operations, emphasizes shareholder rights, and believes that a sound and efficient Board of Directors can establish a strong foundation for corporate governance. Under these principles, an Audit Committee and Compensation Committee have been established to assist the Board of Directors in carrying out its supervisory duties. The Board of Directors plays a supervisory and guiding role in our sustainable corporate management strategy, and the Sustainability Committee reports annually to the Board of Directors regarding execution of ESG policies and initiatives. In order to safeguard the rights of shareholders and other stakeholders, strengthen Board functions, and enhance information transparency, the Group has established the “Corporate Governance Code of Practice.” In 2021, the Group ranked in the top 6% to 20% of the 8th Corporate Governance Evaluations.

2021 Annual Report

[For more information on our Corporate Governance Code of Practice and remuneration \(including salary, bonuses, retirement pension, and education and training hours\) for directors \(and independent directors\), general managers, and vice presidents, please refer to our 2021 annual report.](#)



Audit Committee

The Group established an Audit Committee in July 2016 in compliance with the Securities and Exchange Act. The Committee is comprised of all independent directors, who serve three-year terms as Committee members. Committee members elect a convener from amongst themselves; the current Committee convener is Independent Director James Wang. The “Organizational Charter of the Audit Committee” states that the Committee must convene at least once every quarter. The Committee convened 16 times in 2021.

Remuneration Committee

A Compensation Committee was established in September 2011 in accordance with corporate governance principles, and to strengthen the salary and remuneration system for directors and managers. The three Committee members were appointed by the Board. The main responsibility of the Committee is to assist the Board in assessing and regularly reviewing the performance of directors and managers in achieving the sustainable development objectives set out by the Group, as well as review of policies, systems, standards, and structures for salaries and remuneration. Independent Director James Wang currently serves as Committee convener. The “Organizational Charter of the Compensation Committee” requires the Committee to convene at least twice a year. The Committee convened twice in 2021.

Shareholder Rights and Equality

The Group encourages shareholders to participate in corporate governance. Apart from our shareholders’ meetings, we have also established more effective ways to contact our shareholders so that our managers and independent directors can receive shareholder feedback, understand shareholder issues of concern, and provide clear explanations for corporate policies to gain shareholder support.

The Group has commissioned a professional stock agency to handle shareholder affairs so that shareholders’ meetings can be convened legally, effectively, and safely. We have also established an Investor Relations Office for dedicated handling of shareholder suggestions and disputes.



[Corporate Governance Code of Practice](#)



Financial Performance

Under the leadership of Chairman Young Liu, the Group's revenues for 2021 reached 5.99 trillion NTD. Gross profits increased by 20%, reaching 362.1 billion NTD; net operating profits increased by 34%, reaching 149 billion NTD; net profits increased by 37%, reaching 139.3 billion NTD. All three indicators rose over the year. Our EPS was 10.05 NTD, marking a 14-year high since our establishment in 2008.

Item	Unit	2019	2020	2021
Operating revenue	Billion NTD	5,343	5,358	5,994
Operating costs	Billion NTD	5,027	5,055	5,632
Employee compensation and benefits	Billion NTD	306	281	303
Income tax	Billion NTD	44	26	29
Net profits	Billion NTD	115	102	139
Earnings (losses) per share	NTD	8.32	7.34	10.05

NO.1

Taiwan's largest enterprise terms of revenue

All three indicators rose over the year



[2021 Annual Report](#)



[Group Financial Summary](#)

Risk Management

Risk and opportunity are two sides of the same coin. If risks can be prevented and impacts minimized in advance, risks can be transformed into opportunities. Faced with rapidly evolving external environments, identification of risks and enhancement of response capabilities has become a key aspect of operational management for the Group, allowing us to keep abreast of future opportunities to realize our vision of sustainable development.

The Group is focused on its main businesses relating to manufacturing, sales, and tech research and development, and does not engage in high-risk, high-leverage investments. Regarding external and internal risks, the Group has established appropriate risk management mechanisms and firewalls according to internal organizational procedures such as the "Operational Procedures for Work and Financial Transactions Involving Special Companies and Other Companies Within the Group," "Operating Procedures for Business and Financial Transactions," "Supervisory Procedures for Affiliate Companies," "Endorsement Guarantee Operation Procedures," "Fund Lending and Others' Operating Procedures," and "Procedures for Acquiring or Disposing of Assets." The Group employs a comprehensive risk management and control system that identifies, evaluates, and controls the various risks we face, including market risks (foreign exchange risk, interest rate risk, and price risk) and product risks.

Management Goals

1. The overall risk management policy for the Group is focused on the unpredictability of financial markets and operational aspects, and seeks to reduce any hidden negative effects stemming from the financial status and operational performance of the Group.
2. Apart from market risks, which are primarily controlled by external factors, all other risks can be managed internally or eliminated through operational procedures, and therefore our management goal is to reduce such risks to zero.
3. Market risks shall be closely analyzed, and the recommendations, implementation, and processes stemming from such analysis shall take external trends, internal operations, and the actual effects of market fluctuations into account as appropriate, then adjust overall operations to achieve optimal benefit.

Management Systems

1. Risk management tasks shall be conducted according to policies approved by the Board of Directors and in close collaboration with other operational units in the Group to identify, evaluate, and avoid relevant risks.
2. The Board of Directors has listed risk management principles in writing and has provided written policies for specific areas and items.



Scope of Risk Management and Response Strategies

Financial Considerations	Market Risks	The Group is a multinational electronics contract manufacturer. The primary source of foreign exchange risk from operational activities stems from non-functional accounts receivable in foreign currencies and differences in account establishment times for accounts receivable that are affected by exchange rates for functional currency. A feature of contract manufacturers is that both revenues and expenditures are calculated mostly in foreign currency; therefore, after matching assets and liabilities, the foreign exchange risk of the remaining sum is reduced. In addition, although some developing countries we have invested in have relatively large foreign exchange fluctuations, these make up only a small proportion of Group finances and the foreign exchange risk from these countries remain manageable. The Group has established policies that require companies within the Group to manage foreign exchange risks of their functional currency. The effects of each functional currency on the primary reporting currency are uniformly managed by the main financial department of the Group.
	Credit Risks	The Group has established credit limits and channels for clients based on credit evaluation mechanisms, and we will continue to evaluate the statuses of our accounts receivable. The status of each client and industry is evaluated monthly by the transactions unit of each financial department and advanced preparations are made for any contingencies.
	Liquidity Risks	The Group only works with mature financial products that are simple in structure, simply priced, transparent, and have numerous market participants, prices, and competing brokers. The funds of the Group are placed in high-liquidity instruments and diversity of revenue sources will be cultivated to avoid systemic risks from financial markets.
Operational Considerations	Procurement and Sales Consolidation	The Group cooperates with like-minded high-quality suppliers to manage our global economic strategy, which not only reduces our procurement and sales risks in single markets, but also assists our suppliers in reducing possible risks from independent responses to risks stemming from industrial changes. We continue to establish strategic bases in important global markets and advantageous regions so as to fulfill the global delivery needs of our clients.
	Information Security	We have established risk assessment guidelines relating to information security risks. We implement risk controls and continued improvements at the organizational and technical levels to reduce corporate information security risks, formulating protection mechanisms for confidential information that adhere to legal regulations, client needs, and corporate management while also conducting regular reviews of information security risks for effective information security management.
	R&D and Technology	The Group focuses on establishing leadership in high-tech products by effectively gathering outstanding R&D talents and investing the best R&D resources to achieve continued development and mass production of advanced technologies and processes. We also actively submit patent applications.
	Corporate Image	The Group focuses on balanced expansion of all global businesses, assists our strategic partners and clients in avoiding risks, and also facilitates global promotion of corporate, social, and environmental responsibilities. The Group has established a global crisis management plan and will continue to run simulations for major emergencies in the foreseeable future while formulating relevant plans to ensure protection of shareholder rights and customer interests.
	Operational Interruption Risks	To prevent asset losses, interruption of operations, and other force majeure events or accidents, the Group purchased various insurance policies following a thorough evaluation of management costs and insurance fees to transfer risk to other risk-bearing institutions. The Group implemented the ISO 22301 business continuity management system in 2021 to manage operational risks through active responses to emergency events, thus ensuring continued operations and rapid recovery during crisis periods. Additionally, the Group invited third-party institutes to conduct seed training courses in 2021. A total of 30 people have completed training.
Strategic Considerations	Operational Risks	To prevent risks stemming from losses due to unintentional mistakes, intentional concealment, or damage by internal operating personnel, the Group's organizational structure is designed to prevent personnel from concurrently holding posts in transaction execution, confirmation, and delivery; personnel responsible for evaluation, supervision, and control are drawn from different departments and report to the Board or high-level executives who are either not responsible for transactions or who hold decisional responsibility in their respective departments.
	Technological Changes	In recent years, the Group has actively committed to development of strategic technologies and is attentive of industrial changes. In future, we will continue to implement research and development aligned with market trends and client needs.
	R&D and Technology	The Group focuses on establishing leadership in high-tech products by effectively gathering outstanding R&D talents and investing the best R&D resources to achieve continued development and mass production of advanced technologies and processes. We also actively submit patent applications.

Note:

1. For information on occupational health and safety risks, please refer to the chapter "[Safety Audits and Risk Identification.](#)"
2. For information on supply chain risks, please refer to the chapter "[Policies for Sustainable Management of Suppliers.](#)"
3. For information on climate change risks and opportunities, as well as TCFD recommendations and analysis results, please refer to the chapter "[Climate Change.](#)"

Information Security Management

Information Security Unit

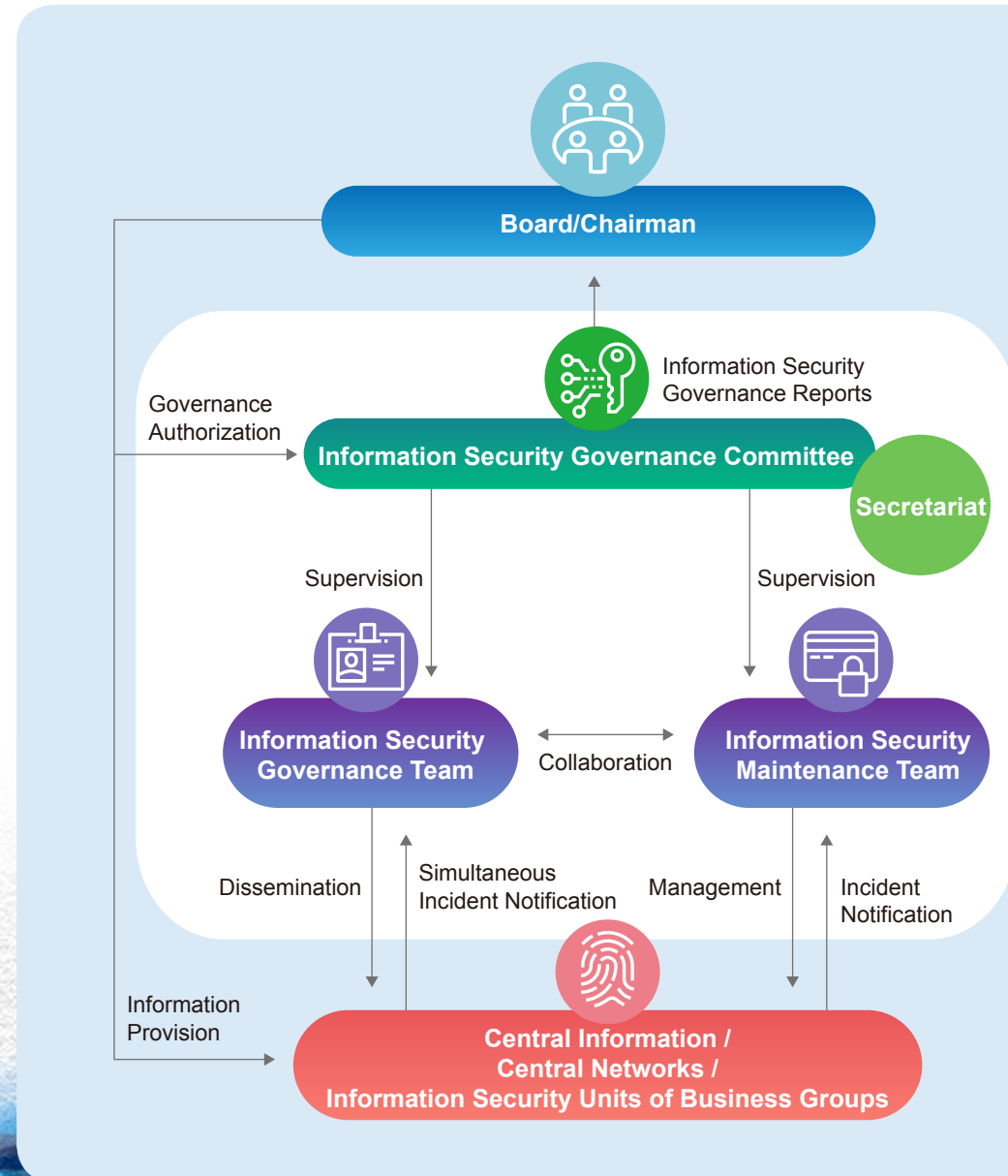
In order to satisfy the information security needs of clients and safeguard client privacy and intellectual property rights, the Group has established an Information Security Committee headed by our Chairman, with members composed of the highest authorities and highest corporate information and network managers at our subsidiaries, as well as the highest authority at the Hon Hai Research Institute. The highest finance, human resources, legal, and audit managers of each company attend meetings as necessary according to project content. The Committee assigns leaders of information security projects, provides necessary project support, reviews project results, and regularly reports on information security governance issues, directions, and governance results to the Board. The Hon Hai Research Institute informs the Committee of information security risks and helps to assess and verify new information security technologies on behalf of the Committee in its capacity as Committee secretariat. An Information Security Governance Team and Information Security Maintenance Team have been established under the Committee and have been tasked with the following responsibilities:

Information Security Governance Team:

Formulation of information security governance strategies, guidelines, information security policies, and related procedures to ensure legal compliance.

Information Security Maintenance Team:

Construction and maintenance of information security frameworks, equipment, protection mechanisms, and risk assessment mechanisms to ensure effectiveness of information security actions.



Information Security Policy

The information security policy of the Group seeks to “maintain the confidentiality, integrity, usability, and legality of corporate information; and avoid the misuse, leakage, alteration, destruction, or loss of assets due to human error, intentional damage, or natural disaster, which could affect corporate operations or harm corporate interests.” The Group has implemented the ISO 27001 Information Security Management System, which allows for effective enforcement of our information security policy, better protection of client information and corporate intellectual property, strengthened response capabilities to information security incidents, and establishment of information security policy evaluation parameters.

Information Security Risk Management

The Group actively implements information security strategies and has established regulations governing policy systems, organizational responsibilities, workforce security, document control, asset management, communications and process management, storage control, physical environments, systems development and maintenance, continuous operational management, security incident management, and regulatory compliance. In terms of technology, we have established Internet firewalls, intrusion detection systems, email security systems, auto-detect updates for operating systems, anti-virus systems, Internet authorization systems, security monitoring systems, and vulnerability scanning systems. The Group has established key business continuity management procedures and implementation plans in accordance with Business Impact Analysis (BIA) results to ensure that our executives can protect employee safety and restore business operations as soon as possible when operational interruptions occur. The Group has formulated a targeted and effective business continuity plan, conducts investigations of key businesses, and has established internal Business Continuity Planning (BCP) based on consolidated consideration of Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs). We also conduct drills at least once a year for continued enhancement of our business continuity capabilities. No major incidents that impacted corporate operations or infringed upon client privacy occurred in 2021.

Information Security Training for Employees

The Group provides basic information security training for all new hires as part of the orientation process, conducts regular information security training sessions for current staff, and deploys posters and videos to strengthen information security awareness among employees. The Group has established notification mechanisms on our internal information platforms to ensure that our colleagues can report discovered or encountered incidents. Our human resources department provides appropriate rewards to incident informants. Employees who provide timely reports of substantiated violations or incidents that damage our corporate reputation are rewarded with a commendation in accordance with the employee handbook. We organized 494 information security training courses for our managers, IT personnel, general employees, and external personnel in 2021.



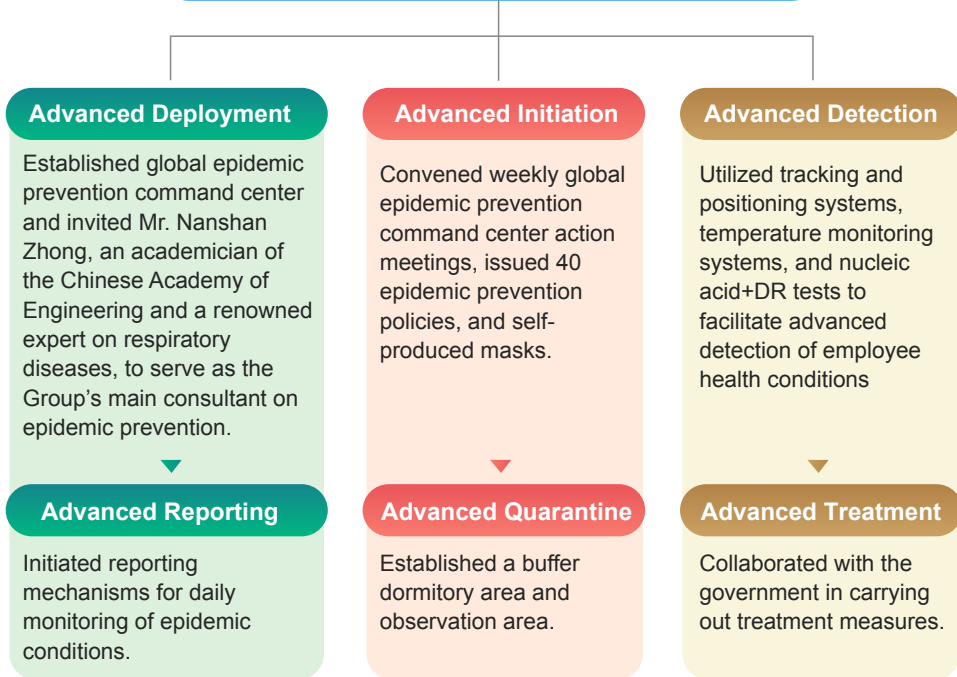
COVID-19 Epidemic Prevention Measures

In response to the COVID-19 pandemic, we set the health and safety of employees and their families as our highest guiding principle and initiated the internal Business Continuity Planning (BCP) project. Chairman Young Liu personally supervised the epidemic prevention command center and headed weekly epidemic prevention meetings where responsible personnel reported directly to the Chairman and Group epidemic prevention strategies were determined.

Under the leadership of our Chairman, we minimized epidemic impacts on our labor losses through a comprehensive control mechanism which delivered epidemic information, distributed epidemic prevention materials, and implemented dynamic management measures. We therefore received a GCSA Special Award for Pandemic Response in 2021.



The Group's Six Advanced Strategies



The Group's Seven Epidemic Prevention Measures

- 1 Epidemic Prevention Measures**

 - Establishment of epidemic prevention organizational structures
 - Establishment of epidemic prevention command center meetings
 - Establishment of processes for handling confirmed cases
- 2 Epidemic Prevention Resources**

 - Inventory management of epidemic prevention resources
 - Establishment of body temperature monitoring equipment
- 3 Cleaning and Disinfection Resources**

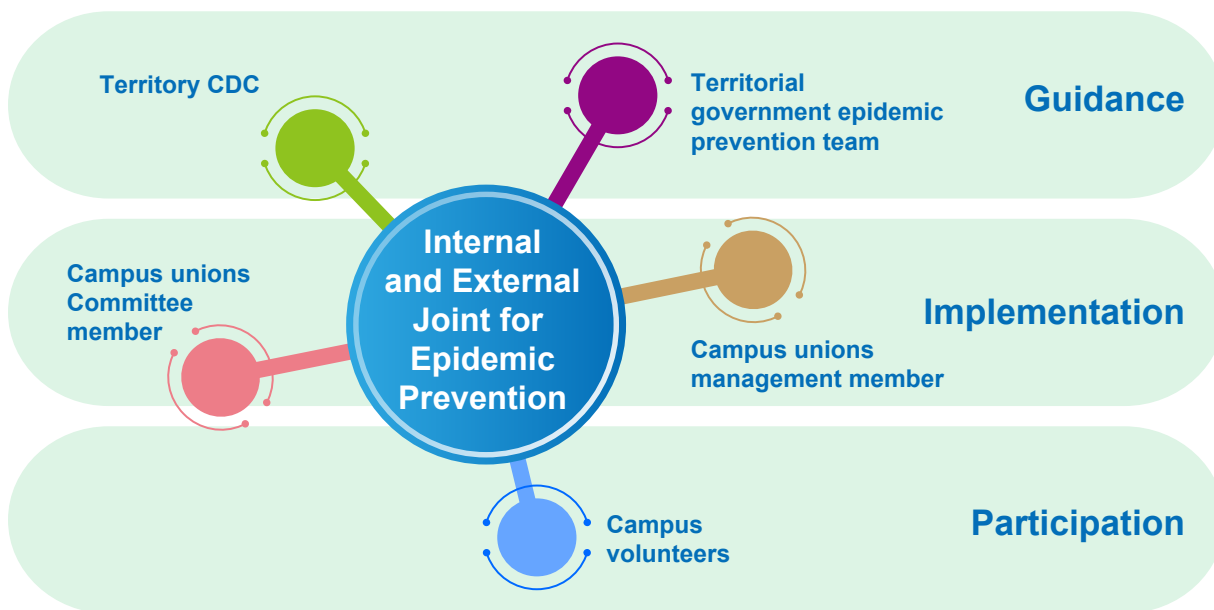
 - Disinfection and management of public areas
 - Disinfection and management of shared surfaces and objects
 - Management of campus air conditioning, ventilation, and sanitation
- 4 Employee Checks**

 - Daily health management through the iCivet platform
 - Monitoring of abnormal body temperatures and health conditions
 - Monitoring of key targets (employees returning from epidemic areas)
 - Monitoring, management, and notification
- 5 Internal Management**

 - Campus entry management systems
 - Logistics management procedures for Group vehicles
 - Management of external personnel
 - Establishment of epidemic prevention
- 6 Education and Training**

 - Epidemic prevention education and training courses
 - Conducted epidemic prevention quizzes for all campus employees
 - Online and offline announcement of epidemic prevention
- 7 Employee Care**

 - Active care for employees through managers
 - Health management
 - Epidemic prevention



We organized 89 remote audits for 28 campuses relating to 8 items and discovered 212 deficits, 212 of which were tracked and rectified, achieving a rectification rate of 100%. Voluntary audits conducted at 28 campuses revealed 2712 deficits, 2712 of which were rectified, achieving a rectification rate of 100%.



Epidemic Prevention Audits

1. Audit organization	Campus unions
2. Audit personnel	Full-time and part-time committee members
3. Audit method	Regular audits focusing on peak traffic periods conducted from Monday to Saturday
4. Audit scope	First-line/third-line gates, observation areas, buffer dormitory (apartment) areas, canteens, production lines, smoking areas/commercial areas, and other public areas
5. Audit standards	The Group's "Campus Epidemic Prevention Audit Procedures and Standards" has listed 160 items under 10 main categories

The Group has continually adhered to a path of sustainable development which facilitates harmonious coexistence with the environment and mutual prosperity with society. As a preeminent global electronics company, the Group takes a leading role in stabilizing society and the environment as per its standing as a world-class enterprise. At the beginning of the COVID-19 epidemic, we knew that enterprises would play an essential role in building a complete epidemic prevention network. Enterprises must participate in national and social epidemic prevention teams and systems to guarantee the safety of every community and family, and to overcome associated challenges.

An epidemic outbreak occurred in Taiwan in May 2021, and the local government imposed a Level 3 alert. However, the situation was aggravated by Taiwan's vaccine shortage. To resolve Taiwan's vaccine crisis, the Group immediately assessed the situation and actively participated in negotiations to purchase and donate vaccines. Founder Terry Gou voluntarily submitted a BNT vaccine donation plan to relevant authorities which received unanimous support from all Board directors, and official application documents for donation of BNT vaccines were submitted to the Ministry of Health and Welfare on June 1, with all vaccines provided to the Ministry of Health and Welfare. Following discussion with the Taiwanese government, the Group was officially authorized to purchase 5 million BNT vaccines on June 18, and relevant contracts were successfully signed. A total of 15 million vaccines were purchased in collaboration with TSMC and Tzu Chi Foundation.

Vaccine delivery commenced in September 2021 and final delivery was completed on January 27, 2022, effectively solving Taiwan's vaccine crisis and increasing single-dose coverage from 42.6% in September to more than 80%;

Seven weeks have passed from proposal of our BNT vaccine donation plan to the competent authority on May 23, submission of relevant documents to the Food and Drug Administration on June 1, and official authorization by the Executive Yuan on June 18. During this time, I understood that I shouldered heavy responsibilities and would run into many challenges. However, I and my vaccine procurement team held on to hope and worked to complete legal procurement and donation procedures in the shortest time possible. My team and I share the public's anticipation and anxiety regarding vaccines. Today, we are delighted to finally have a response to public expectations, but we will not relax as we still need to continue tracking vaccine arrival times and amounts. We believe that this batch of vaccines delivered directly from the original German manufacturers can help the general public in Taiwan increase confidence and gain respite during the pandemic. Pandemic conditions overseas are still severe, and it is possible that we will experience a second and third wave of infections in Taiwan, so we should all continue to adhere to epidemic prevention regulations. Unity is the antidote to adversity. Godspeed to Taiwan, and I look forward to ending this pandemic.

— Founder Terry Gou

What Taiwan needs most right now is vaccines. We place full trust in our founder Terry Gou and actively negotiated vaccine imports through the Yonglin Foundation to provide resources needed for Taiwan's epidemic prevention system and fulfill our social responsibilities. The Group knows that enterprises must be involved in the construction of complete epidemic prevention networks in Taiwan, and must participate in community epidemic prevention teams and systems to guarantee the safety of every community and family so as overcome these challenges.

— Chairman Young Liu



Image source: Taiwan Central Epidemic Command Center

Ethical Management

The Group upholds a corporate culture of integrity and ethical management, adopts a zero-tolerance policy toward any behaviors and activities violating these regulations, and is committed to full compliance of international and domestic anti-corruption and anti-bribery regulatory requirements. All employees must sign the “Honesty, Integrity & IP Protection Agreement,” “Confidentiality Agreement,” and “IP Confidentiality Agreement” when entering the company. The Group also provides new employees with training in employee guidelines, management policies, corporate ethics, and codes of conduct on their first day to clearly communicate employee rights and obligations. We also require our suppliers and other collaborators to sign “Partner Commitment Statements” and rigorously implement the strictest anti-corruption policies for all partners, it is a prerequisite for cooperation.

In order to thoroughly implement corporate integrity and ethical management, the Group has established effective internal control systems and organizes annual training for employees. Training relating to ethical management issues in 2021 included courses on insider trading, the Trade Secrets Act and general legal information, operating procedures for communications networks, and introduction to corporate information security policies. A total of 1,316 people participated in these courses, which allowed our employees to constantly keep abreast of the latest regulatory changes, thereby preventing them from violating laws or making similar mistakes. The Group did not incur any legal violations relating to anti-competition, anti-trust and monopolization, or corruption in 2021.

Group Code of Conduct

In 2005, the Group joined the Responsible Business Alliance (RBA) and became an official member. As an RBA member, the Group adheres to all RBA codes of conduct, promotes and implements sustainability regulations, and audits relevant suppliers to ensure that they also comply with the Group’s sustainability policies and Code of Conduct.

(For more information on The Group’s Supplier Social and Environmental Responsibility Code of Conduct that we require our suppliers to comply with, please refer to Chapter [Policies for Sustainable Management of Suppliers.](#))

The Group upholds principles of fairness, honesty, and integrity when participating in competition and conducting business, and we have also established a legal compliance system at all of our Campuses worldwide. As an RBA member, we not only actively participate in RBA activities and assume our member obligations, but also work with our peers in the electronics industry and our various partners in compliance and promotion of sustainability. The Group’s Sustainability Committee used the RBA Code of Conduct as a basis to formulate the first version of the Group Code of Conduct (CoC) in June 2008, which encompasses eight main aspects: ethics, labor and human rights, health and safety, environment, management systems, responsible sourcing of minerals, anti-corruption policies, and anti-slavery policies. The Group’s top executives signed off on and began fully implementing the revised Code of the Conduct, actively fulfilling the Group’s corporate social responsibilities. Our Code of Conduct training course is mandatory for all recruits that enter the company each year, and we continue to promote Code of Conduct compliance to existing employees.



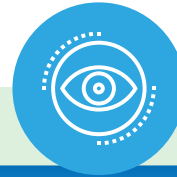
[Group Code of Conduct](#)



Responsible Sourcing of Minerals

The Group adheres to international standards and governmental and non-governmental regulations on conflict minerals. The Group does not accept and does not use conflict minerals in any operations. The Group requires suppliers to trace the origin of products potentially containing conflict minerals, including gold (Au), tantalum (Ta), tin (Sn), and tungsten (W), and to provide all relevant information regarding the sources of those minerals. In addition, the Group's downstream suppliers are required to fulfill their due diligence on conflict-free minerals pursuant to the relevant international standards and regulations. We require all our downstream suppliers to comply with legal regulations prohibiting use of conflict minerals, and violators are excluded from the Group's list of suppliers.

Conflict minerals



Anti-Corruption Policies

The Group upholds a corporate culture of integrity and is committed to full compliance with local and international anti-corruption and anti-bribery laws and regulations. The Group has a zero-tolerance policy towards activities or behaviors that are in violation of anti-corruption policies. Corruption, bribery, embezzlement, and improper activities are strictly prohibited. All employees are inducted with at least two hours of compulsory anti-corruption training every year. In addition, all partnerships with suppliers, vendors, and customers must strictly comply with our anti-corruption policy. The Group implements anti-corruption actions every year while also promoting the "Employee Statement of Integrity" to all employees. Employees who engage in corrupt behaviors or who obtain improper gains through participation in joint corruption are rigorously investigated and handled. Employees, clients, and suppliers can also actively report grievances through the following channels:

External mailboxes: renrenjubao@163.com ;
jubaofoxconn@gmail.com
 Internal mailbox: HF.J.Justice@foxconn.com
 External hotlines: +86-183-1699-4246 (China);
 +886-906-586-086 (Taiwan)

If we discover corruption in employees who have not actively reported such behaviors, they will be severely penalized in accordance with the law and Group regulations. We encourage our employees to report any corruption through the above channels and keep all personal information of informants strictly confidential.



Anti-Slavery Policies

The Group does not accept human trafficking or employment that involves any form of slavery, forced labor, debt bondage, indentureship, or prison labor, and does not provide payment to any persons who transport, hide, recruit, transfer, or receive personnel who are controlled by threats, compulsion, coercion, abduction, fraud, or other means of control.



Mechanism for Reporting Grievances

The Group encourages reporting of any illegal behaviors, protects the confidentiality of informants, and allows for anonymous reporting to ensure that the identities of whistle-blowing suppliers and employees are kept confidential. The Group's point of contact immediately notifies dedicated units upon receiving reports and organizes a special team to investigate the suspected malpractice described in said report. The Group keeps informant identities and report contents confidential, and provides the results of its investigations via email.
 Address: No. 2, Zihyou Street, Tucheng Industrial Park, Tucheng District, New Taipei City, Taiwan
 Phone: +886-2-2268-3466 ext.560-117
 Email: hf.justice@foxconn.com

Internal Controls and Audits

1 Professional Certifications

CIA, CEAP, CPA, CCSA, CISA

2 Internal Audit Training

2,115 hours

3 Total Number of Internal Control Self-Assessment Activities

20,022 activities

4 Digital Transformation

- **Quick-screening for subsidiaries:** Set specific financial indicators for different subsidiaries, automatically monitor abnormal indicators through our system, and allow auditors to track subsidiary financial risks and strengths through cloud technology.
- **Continued auditing platform:** Conduct continued auditing and analysis procedures through computers to quickly and accurately convey data analysis results to auditors for enhancement of auditing efficiency.
- **Process automation:** Reduce routine inspection times by more than 50% through the use of robots that conduct repetitive and tedious tasks, and utilize the surplus time to increase inspection frequency and inspection scope, thereby enhancing audit quality.

Internal Audit Organizations

The internal audit unit of the Group is subordinate to the Board and is dedicated to internal audit tasks. In accordance with company size, business conditions, management needs, and other relevant regulations, the Group has appointed an audit officer and an appropriate number of competent internal auditors. The appointment and dismissal of internal audit managers must be approved by the Audit Committee and be submitted to the Board for resolution. Additionally, to ensure that the qualifications of internal auditors adhere to regulatory criteria and enhance personnel functions, the Group requires internal auditors to undergo continued training for a specific number of hours.

Internal Audit Operations

Internal auditors adhere to principles of independence and adopt an objective and fair viewpoint when implementing their duties and ensuring that they complete due diligence procedures. Audit managers regularly report audit matters to the Audit Committee and the Board.

Internal audit units periodically conduct risk assessments and formulate audit plans which clearly specify audit items, times, processes, and methods. Relevant audits are implemented in accordance with these plans. Additionally, auditors conduct routine audits and planned audits on both a regular and irregular basis while urging all internal units and subsidiaries to conduct regular self-assessments regarding the effectiveness of internal control systems. Audit results are attached to working papers and related materials for compilation of audit reports to ensure that our internal control systems continue to be effectively implemented.

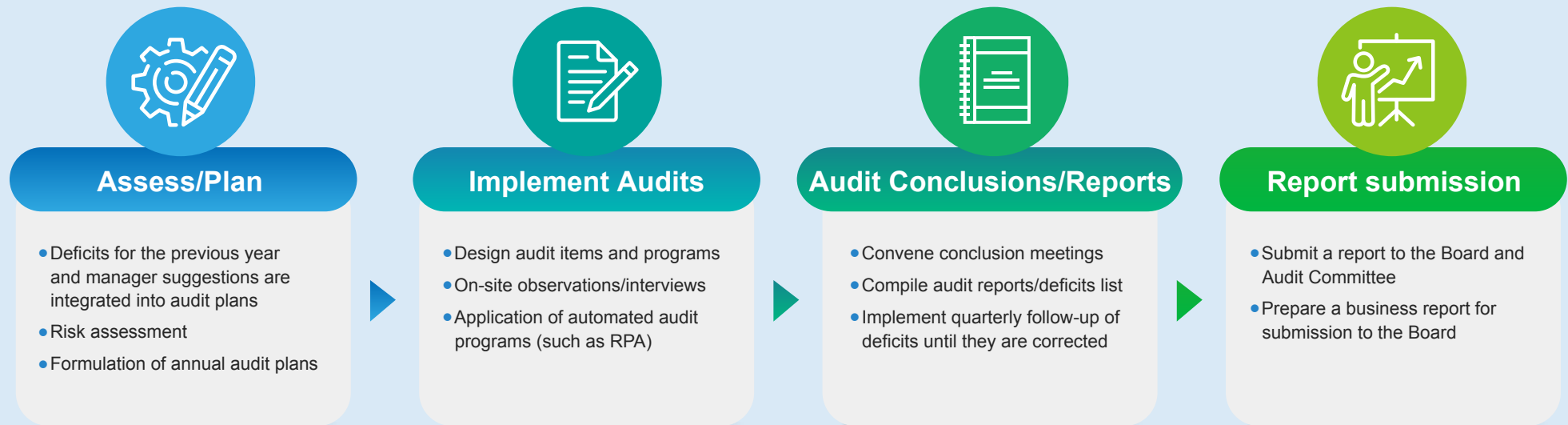
The Group's internal self-assessment procedures are conducted using digital platforms. The self-assessment managers in each unit assess design and effective implementation of internal control systems based on internal control risk databases. Internal audit units review self-assessment reports from all units and subsidiaries, as well as improvements of internal control defects and abnormal items discovered by audit units, to provide a reference for the Board and the CEO when evaluating the effectiveness of internal control systems and issuing statements on internal control.

Internal control deficits and abnormal items discovered by internal auditors during internal audit procedures, listed in statements on internal control, discovered during self-assessments, or discovered through CPA review should be disclosed in audit reports. Following submission of said reports, relevant items should be tracked through quarterly follow-up reports to ensure that associated units have adopted appropriate improvement measures, and the results of follow-up should also be listed as important performance indicators for all units. Following submission of audit reports and follow-up reports, completed audit items should be submitted to the Audit Committee for review before the end of the following month. If internal auditors discover major violations or find the company to be at risk of serious damage, they should immediately prepare and submit a report, as well as notify the Board and Audit Committee.

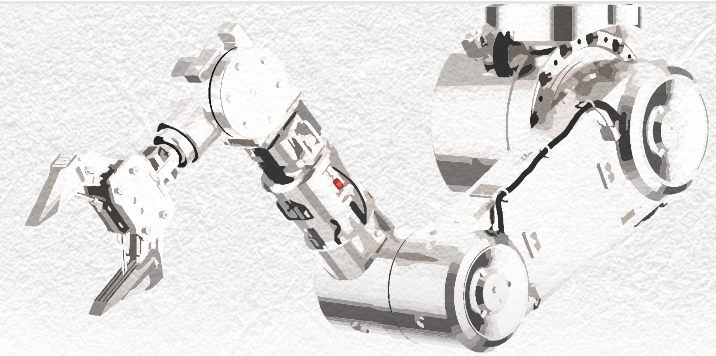
Additionally, the Group plans to implement the ISO 37001:2016 Anti-Bribery Management System and use the PDCA framework to consolidate our anti-bribery policies, executive responsibilities, risk assessments, disclosures of gifting information, personnel training, management of business partners, cross-functional audits, and corrections and continued improvements in financial and non-financial mechanisms to realize internal controls of corporate operations and ethical management as well as enhance awareness of anti-bribery and anti-corruption concepts in our employees.



The Group's Chief Audit Executive attends the "Internal Audits and Responses to ESG Trends" seminar, which enhanced ESG awareness in internal audit units. The Chief Audit Executive helped to organize this event.



Innovation Management and Patents



Innovative R&D Policies and Strategies

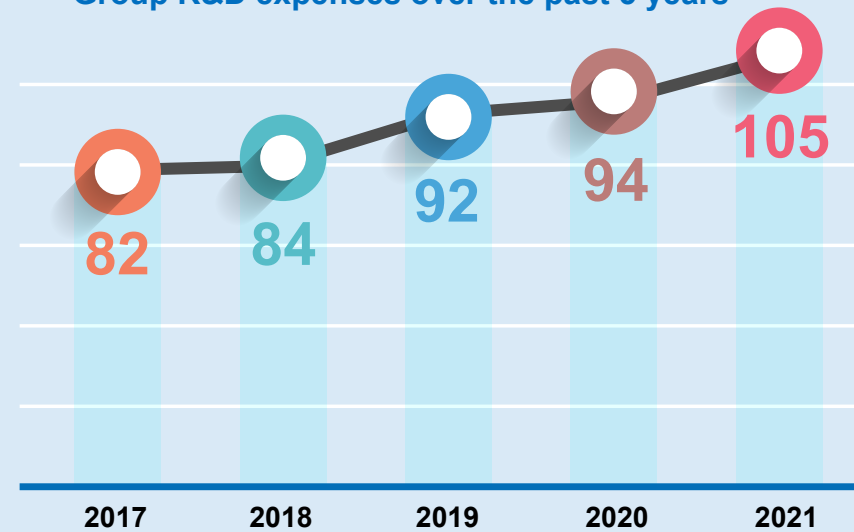
The Group continues to focus on delivery of smart technology solutions through Innovative Integrated Design and Manufacturing (IIDM) services, and is committed to creation of smart manufacturing solutions that provide our supply chain with integrated software and hardware options for our global customers. Under our F3.0 transformation to new industries goal, the Group actively invests in three emerging industries (“electric vehicles, digital health, and robotics industries”) and three technologies (“artificial intelligence, semiconductors and next-generation communication technologies”), setting “3+3” as a long-term development strategy while supplying solutions to our clients and serving as a comprehensive provider of smart life products

In recent years, the Group has invested a large number of resources in R&D. A total of 105 billion NTD was invested in R&D in 2021 (1.75% of revenues in 2021). Following years of development, the Group now has a professional research and development network with sites in Asia, America, and Europe. The network is staffed by a top-level elite research and development team with a proprietary innovation platform that has accumulated numerous core technologies and key technologies with broad competitive potential. This buildup of core technologies has allowed the Group to achieve major breakthroughs in nanotechnology, metallurgy, plastics, ceramics, and heat conductors, and established the Group’s industrial leadership in precision machinery, molding, semiconductors, cloud computing, liquid crystal displays, tri-network integration, computers, wireless communications, and Internet technology, thereby making us the most important technology corporation in the field of integrated optomechatronics.

In 2021, the Group became the only private enterprise in Taiwan to receive the “Clarivate Top 100 Global Innovators” award for five consecutive years. We are also the only enterprise in the world to receive four World Economic Forum (WEF) Global Lighthouse certifications. The Group once again verified its leading position in the global technology manufacturing industry.

Looking to the future, the Group will continue to promote a corporate culture of innovation to create synergies, reduce repetitive R&D efforts, activate intellectual property assets, and strengthen strategies for new technologies, while formulating and implementing new measures (including new IP incentive measures) in response to the latest industrial trends and Group development policies, so as to build our R&D capabilities, enhance IP quality, and maximize the impacts of our R&D achievements.

Group R&D expenses over the past 5 years



Unit: Billion NTD

Hon Hai Technology Day (HHTD)

Hon Hai published three self-developed EV models on the second HHTD hosted on October 18, 2021: the Model C SUV, the Model E sedan, and the Model T electric bus, thereby displaying our determination to become a global force in the new automobile manufacturing industry. Attending guests were amazed by the official unveiling of these vehicles and recognized the Group's transformation to new industries, R&D capabilities, and speed of development.

[For more information on the Group's electric vehicles, please refer to the section on Achievements in Low-Carbon Technologies](#)

During the HHTD 21 session, we explained the progress of our “3+3” platform and the Group's plans to become a software-driven enterprise in the future. We also unveiled collaboration plans for our smart automotive gateway devices, smart cockpits, autonomous driving technology, and other software applications.

In consideration of the overwhelming response to our vehicles and products displayed on HHTD, we launched a virtual reality on our GOXR app to align with current metaverse trends and bring a different exhibition experience to our users. Users entered GOXR on their phones or tablets to experience online tours that offered a better understanding of our latest developments in EV software and hardware.



[Watch the full video for the HHTD event](#)



[Download link for GOXR app](#)



Hon Hai Research Institute

The establishment of the Hon Hai Research Institute is an important step in the Group's development strategy, moving us closer to our F3.0 transformation to new industries goal. The Group established the Hon Hai Research Institute in 2020 to focus on development of prospective technologies over the next 3–7 years, thereby strengthening the Group's technological and product innovations, supporting enhancements in core competitiveness, and moving us from “brawn” to “brains” while acting as a cradle for cultivating new technologies and patents within the Group, thus supplying the Group with competitive innovative capabilities and serving as a foundation for sustainable development and growth. Each research center has average of 40 R&D professionals as well as top experts in artificial intelligence, semiconductors, next-generation communications, information security, and quantum computing, who serve as advisory members for the Hon Hai Research Institute.

In 2021, the five research centers of the Hon Hai Research Institute published 40 academic papers, 26 popular science articles, and submitted applications for 8 patents. Our advisory committee selected and awarded millions in award money to the top three academic papers focusing on type III semiconductors, quantum computing, and smart automotive IoT to strengthen the Group's grasp on prospective technologies and product innovation capabilities, thereby attracting more scientific talents to join Hon Hai Research Institute.



Patents

As a primary holder of numerous patents and commercial partner of other patent holders, the Group is actively engaged in protecting the novel technologies and intellectual property used in its global operations. The Group currently holds more than 40,000 global patents encompassing computer components, 5G communications, semiconductors, robotics, and other domains, making it possible for us to meet the rigorous requirements of different clients. More than 20% of patents obtained over the past two years are associated with “3+3” technologies.

The Group has received recognition over the four key domains of the “Top 100 Global Innovators Award” for five consecutive years. Our patent approval rate was ranked in the first quartile of the Top 100 Global Innovators in 2021. In the past five years, the Group has submitted applications for more than 25,000 patents and more than 10,000 patents have been approved. Over the past three years, the Group has obtained more than 200 patents simultaneously held in China, America, Japan, and Europe, the four main markets in the

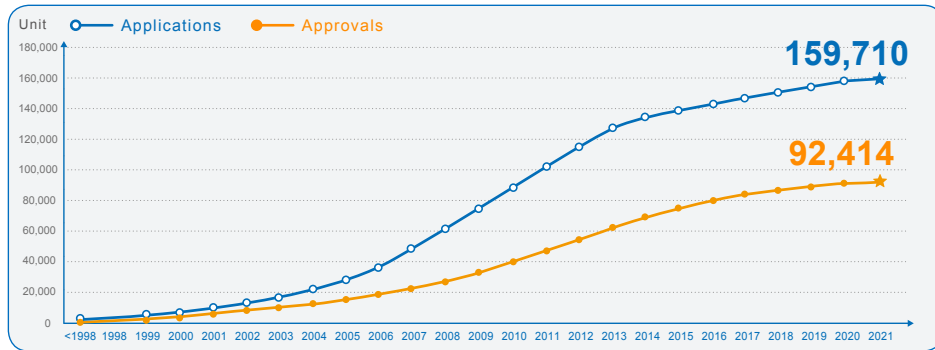
world. In addition to continuous efforts in our existing domains of consumer electronics, cloud technologies, and data, we also focus on transformation to other industries and our 3+3 industries and technologies, which serve as important progress indicators for relevant institutes.

The Group accumulated a total of 159,710 global patent applications and received approval for 92,414 patents in 2021. We were ranked at 18th place in the “Top 100 Global Patent Holders for 2021” by IFI Claims. Our patent application and approval numbers have been at the forefront of Taiwan industries for 19 consecutive years (from 2003 to 2021). We obtained 560 patents worldwide in 2021 and were ranked at 3rd place.

Additionally, we provide intellectual property training to our new employees and organize irregular training activities each year to enhance awareness of intellectual properties in our R&D personnel across all levels. We hosted a total of 36 activities in 2021.



Cumulative patent application and approval numbers



Intellectual Property Incentives

The Group provides specific rewards for invention patents, utility model patents, IC designs, trade secrets, and software copyrights. Bonuses are given at the proposal and approval stages in accordance with legal regulations. Additionally, we select outstanding patents from patents approved each year and provide higher bonuses to associated inventors to encourage active innovation in our R&D personnel. In 2021, we distributed 9.2 million NTD in incentives to 2,017 people.

Patent Support and Innovation Plan

Many start-up companies possess a considerable amount of creative energies but often overlook infringement risks, establishment of appropriate intellectual property management mechanisms, and correct presentation of R&D results for patent applications due to limits in manpower and funds, resulting in extensive R&D efforts without good use of patent systems, thereby putting themselves at risk. The Group selected over 1,000 high-quality patents and authorized these for free use at start-up companies for specified periods of time, lowering initial development costs. We also provided free consultation to collaborating start-ups based on our expertise in patent application and management. We hope this sharing mechanism enables the Group to support start-up companies and promote a culture of friendly patent sharing, thereby generating more value for the industry.



[Plan Description](#)



[List of Patents](#)

Patents for Low-Carbon and Clean Technologies

	Number of patents approved in 2021	Cumulative number of active patents
Energy-saving and energy management patents	81	754
Industrial automation patents	267	1,064
Process/procedure optimization patents	54	315
Pollution control and environmental protection patents	29	305



[Management Plan for Intellectual Properties](#)

Achievements in Low-Carbon Technologies

Electric Vehicles

The International Energy Agency (IEA) stated that EVs hold advantages over traditional vehicles in terms of zero emission, higher internal combustion efficiency, and major carbon-reducing potential combined with use of low-carbon electricity (or renewable energies), and therefore all countries are actively developing EVs in line with national carbon reduction policies and goals. Although mass production processes of EVs are still in the initial stages, the number of EVs in the world have grown from 17,000 in 2010 to 6.6 million in 2021, and many Western countries have announced bans on petrol cars starting from 2030, so the number of EVs are expected to grow over the next three to five years.

The Group understands the huge market and carbon reduction potential of EVs, and has therefore incorporated EVs in our “3+3=∞” development strategy. Future EV growth opportunities are also highly integrated with our industrial experience and advantages. The Group discovered three major challenges facing the traditional automotive industry: high development costs, long lead times, and insufficient resources. In order to promote development of electric vehicles, the Group built an open Electric Vehicle (EV) platform (MIH) with technical specifications available to all partners to form an EV ecosystem with hardware and software components, thereby resolving the issue of insufficient EV resources in various countries. The Group and Yulon jointly formed Foxtron to integrate Yulon’s automobile development platform with our global supply chain and advantages in technological manufacturing, design, and development, thereby providing a total solution to target clients around the world.



[MIH Platform](#)



[Foxtron Website](#)

The Group published three self-developed EV models on the second HHTD hosted on October 18, 2021: the Model C SUV, the Model E sedan, and the Model T electric bus. We put together ten years of R&D in Taiwan's automobile industry in the space of one year, and displayed our determination to become a global force in the new automobile manufacturing industry.

The Group believes that over the next five years, EVs have the potential to become the next

trillion-dollar industry. We have established development plans and schedules which include establishment of an industrial fund for alternative fuel vehicles, as well as development and manufacturing of lithium iron phosphate batteries, and seek to establish global strategies, adapt to local conditions, utilize local resources, and work with local governments and corporate partners to adopt BOL (Build, Operate, and Localize) models for continued expansion and to increase our influence in the global EV industry.



Model T

The Model T E-Bus is an intelligent and stylish urban bus positioned as a smart transportation tool. The high-rigidity bus body is equipped with safety designs and offers sound protection.



Model E

The Model E, jointly developed by the Group and Italian design company Pininfarina, is a technologically innovative and luxurious flagship car which fulfills the needs of middle and high-class consumers.



Model C

The Model C is equipped with 0.27 low wind resistant designs, takes 3.8 seconds to accelerate from 0 to 100 kilometers per hour, and has a range of 700 km.

Make all buses in Taiwan fully electric by 2030

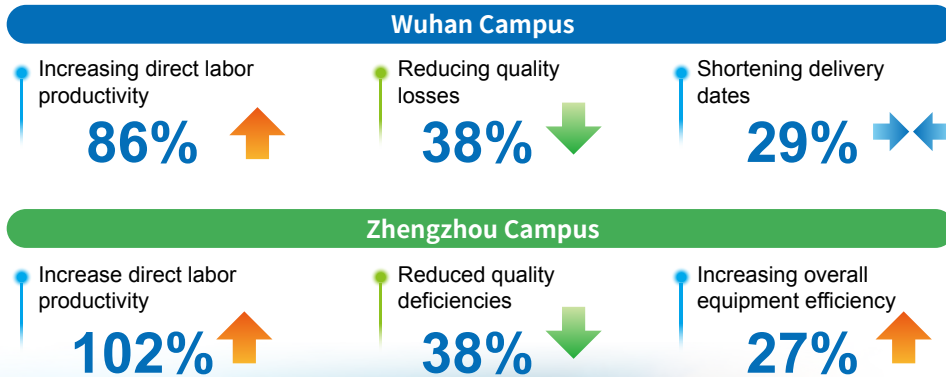
In July 2021, the Group signed a MOU with SanDi Group and used MIH as a foundation to develop the first electric bus (E-bus), which was integrated with SanDi passenger transportation systems and charging facilities. More than 600 vehicles belonging to SanDi are gradually being replaced with E-buses. We officially launched the Model T E-bus in March 2022. In future, we plan to use automotive IoT as a basis for transforming Model T E-buses into public service platforms, fulfilling various needs related to smart transportation, daily life, and entertainment to create an indispensable public transportation tool for smart cities. We plan to deliver E-buses to transportation companies in Tainan in May 2022 so that the Model T can provide bus services in Tainan.



Global Lighthouse

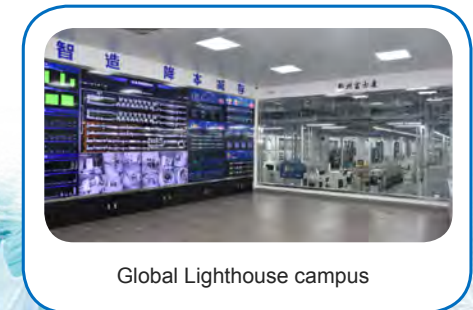
The “Global Lighthouse” project is an initiative launched by the WEF in collaboration with McKinsey & Company to select leading global enterprises that made have impressive progress in consolidated applications of advanced Fourth Industrial Revolution technologies. Currently, there are a total of 90 WEF global lighthouses around the world. The Group is a leading global provider of electronics manufacturing services, and is the only enterprise in the world which holds 4 WEF Global Lighthouse certifications, demonstrating our solid capabilities and ability to lead the industry.

In this round of evaluations, the WEF selected our Wuhan Campus mainly as it was able to fulfill client needs for greater customization and facilitate faster product delivery times. The campus used cutting-edge advanced analysis technologies and flexible automation technologies to redesign our manufacturing systems, increasing direct labor productivity by 86%, reducing quality losses by 38%, and shortening delivery dates by 29% to enable delivery within 48 hours.



In response to shortages in technical personnel, stabilization of industrial quality, and uncertain needs, the Zhengzhou Campus adopted automation systems to increase direct labor productivity by 102% and reduced quality deficiencies by 38% through use of digital and AI technologies, while also increasing overall equipment efficiency by 27%.

Chairman Young Liu stated: “Digital transformation is an important stage in the Group’s transition from ‘brawn’ to ‘brains.’ The most important part of digital transformation is to be ‘people-oriented.” The Group cultivates digital transformation talent through a series of internal training to adjust employee thinking at different levels. Apart from building “people-oriented” core values, the Group has also enhanced R&D capabilities and implemented digital transformation cases. Our Global Lighthouse certifications are an example of our significant achievements and implements in digital transformation.

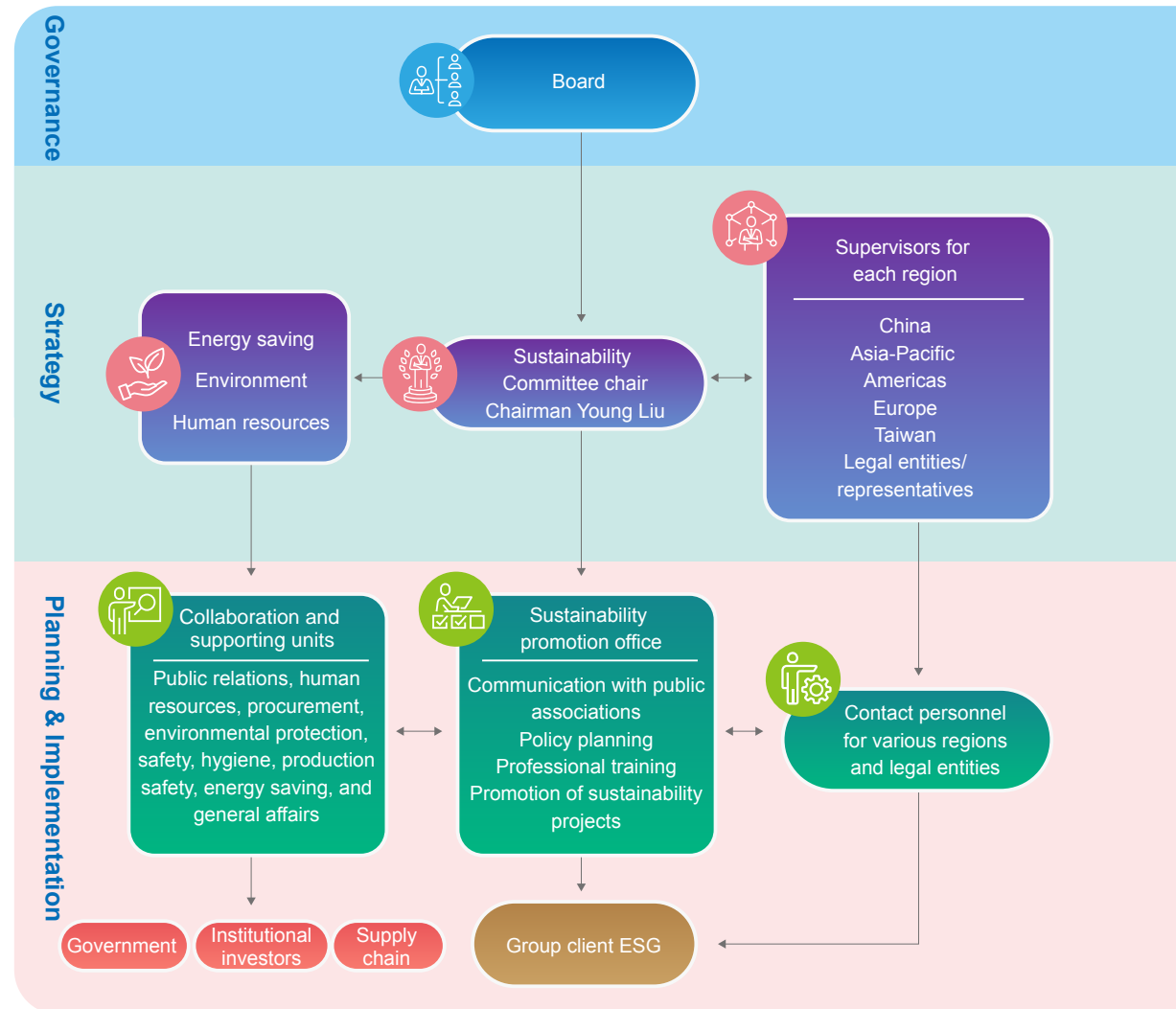


Sustainability Committee

As an ethical and responsible enterprise, the Group strives to be a good corporate citizen and promote development of sustainability even as we pursue profits, drive our operations, build our competitiveness, and realize our goal of sustainable management. The Group Global CSR Committee was established in March 2007 and was renamed the Sustainability Committee in 2022. The Committee is headed by Group Chairman Young Liu, and has established a promotion office staffed with a dedicated team responsible for compilation of sustainability systems and regulations, monitoring of sustainability policies and plans, regular follow-up and evaluation of sustainability execution and performance, and review of sustainability reports, as well as promotion and internalization of sustainable development within the Group's corporate culture. Additionally, each business group under the Group has established promotion sub-committees as well as a dedicated ESG team composed of more than 1,000 people from Campuses all around the world to interact closely with clients, the government, and all sectors of society, enhancing corporate transparency as part of our comprehensive commitment to implementation of Group sustainability policies which are monitored by the Sustainability Committee. The Sustainability Committee reports periodically to the Chairman and implementation results of corporate sustainability items are reported to the Board at least once a year.

The Group has established the Group sustainability Policies and Code of Conduct to serve as the highest principle for promoting corporate sustainability. We hope that raising the management level and the objective professionalism provided by our directors can solidify the Group's spirit of sustainability, strengthen decision-making and promotion, expand associated coverage, and strengthen supervisory mechanisms that assess whether action plans can be carried out.

The Sustainability Committee organizes internal audit activities each year and convenes personnel from dedicated units including human resources, safety management, hygiene management, environmental management, and administrative affairs. Internal audits for labor, ethics, health and safety, environment, and management systems are conducted at each campus in accordance with RBA standards to ensure compliance with sustainability policies and guidelines. We conduct internal campus audits each year to ensure that the Group's sustainability policies and guidelines are implemented and executed at all Campuses.



Stakeholder Identification, Communication, and Responsibilities

Stakeholder Identification and Communication

The Group identified stakeholders and material issues in accordance with the AA1000 Stakeholder Engagement Standards (AA1000 SES) and determined the environmental, economic, and social material issues of concern to our stakeholders so we could respond to their demands and expectations. Members of the Sustainability Committee assessment team identified stakeholders based on their importance and relevance to Group operations, confirming our seven stakeholder groups to be employees, clients, shareholders/investors,

suppliers/contractors, government institutes, NGOs, and the media. In order to strengthen communication with all stakeholders, the Group has established various communication channels with our stakeholders to listen to their feedback, understand their expectations toward the Group, and learn from their strengths. Selection of stakeholders, communication frequencies, issues of concern, and responses from the Group are shown in the table below.

	Employees	Clients	Suppliers/Contractors
Importance to the Group	Employees are the most important Group assets and help to enhance Group competitiveness.	Clients are our main revenue source. The Group provides the best products and services based on client needs.	Suppliers provide the raw materials needed for production; we work to grow alongside our suppliers and jointly build sustainable supply chains.
Communication channels and frequency	We communicate non-periodically with our employees through channels including employee hotlines, seminars, mailboxes, satisfaction surveys, and counseling	<ul style="list-style-type: none"> • Quarterly and annual ESG activities • Non-periodic client visits and audits • Conference calls • Quarterly and annual audits 	<ul style="list-style-type: none"> • Annual supplier conferences • Supplier management platform • External grievance channels
Issues of concern	<ul style="list-style-type: none"> • Employee rights and diverse equality • Ethical management and legal compliance • Occupational health and safety 	<ul style="list-style-type: none"> • Information security and customer privacy • Innovative development and low-carbon technologies • Employee rights and diverse equality 	<ul style="list-style-type: none"> • Supply chain management • Procurement practices and management • Ethical management and legal compliance
Responses and results	<ul style="list-style-type: none"> • We employ those with mental and physical disabilities and expend our best efforts to help disadvantaged groups. • We have also established an employee emergency fund, employee mutual assistance fund, and employee condolence fund to help employees in need. • The Group has established an accessible communication system. We have established a 24-hour helpline that allows our employees to express their opinions and provide suggestions, and we have also set up a counseling center and employee care center to provide mental support and promote healthy growth for our employees. 	<ul style="list-style-type: none"> • We keep in close contact with our clients, protect their privacy, and are open to client reviews at all times. • We report the management of Group, supplier, and ESG matters to our clients. • We continuously strengthen our client services and provide fast, convenient, highly efficient, excellent, economical, and innovative products and services. • We also implement energy-saving and carbon-reducing actions in response to current trends and provide our clients with products for reducing carbon emissions. 	<ul style="list-style-type: none"> • We host annual supplier conferences and conduct non-periodic ESG audits to convey our supply chain requirements to our suppliers. • We have also established a ESG management platform which allows our suppliers to learn about RBA regulations and Group ESG requirements.


	Shareholders/investors	Government agencies	NGOs	Media
Importance to the Group	Any party (including legal entities or individuals) that has invested in or has an interest in investing in the Group.	The Group's operating bases actively adhere to all local governmental regulations, and we prohibit legal violations in all forms.	In-depth exchanges with non-government organizations that enable communication regarding issues of concern within the local community.	The Group maintains good relations with all media outlets to facilitate communication of Group information.
Communication channels and frequency	<ul style="list-style-type: none"> • Annual shareholders' meetings • Quarterly investor conferences • Annual release of Group annual reports and sustainability reports • Establishment of spokesperson platform • Non-periodic investor conferences/ investor forums 	<ul style="list-style-type: none"> • Non-periodic correspondence via official documents, email, and telephone communications • Participation in policy forums, seminars, and public hearings • Communications for drafting industry standards • Non-periodic on-site inspections 	<ul style="list-style-type: none"> • Non-periodic conference calls • Annual ESG activities and evaluations 	<ul style="list-style-type: none"> • Timely transmission of press releases • Non-periodic press conferences
Issues of concern	<ul style="list-style-type: none"> • Corporate governance and risk management • Financial performance • Innovative development and low-carbon technologies 	<ul style="list-style-type: none"> • Ethical management and legal compliance • Corporate governance and risk management • Financial performance 	<ul style="list-style-type: none"> • Ethical management and legal compliance • Occupational health and safety • Climate change responses 	<ul style="list-style-type: none"> • Financial performance • Innovative development and low-carbon technologies • Ethical management and legal compliance
Responses and results	<ul style="list-style-type: none"> • The Group shares company prospects, market trends, growth strategies and profitability information, and ESG implementation through shareholders' meetings, investor conferences, and other meetings. 	<ul style="list-style-type: none"> • We communicate with local governmental institutes through visits, meetings, and official documents, and actively propose suggestions in response to government policies. • We regularly provide relevant reports or responses in accordance with local regulatory requirements. 	<ul style="list-style-type: none"> • Participation in international ESG forums and discussion of ESG issues with NGOs. • Participation in NGO activities such as CDP and Climate Action 100+. • We work with NGOs to promote environmental issues (such as RoHS and WEEE). 	<ul style="list-style-type: none"> • We use non-periodic media interviews and press releases to convey information on Group operations and future developments, and also publish our press releases on our official website. • We compile issues of concern to the media and news items in our reports to the Group's management team, and these are used as references for enhancing Group operations.



[Contact information for stakeholder communications personnel](#)

Key Engagement Results and Responses

The Group attaches great importance to all stakeholder feedback, which is used as a reference for operational plans. We continue to make advances in ESG and other aspects and have proposed corresponding actions and projects. A brief excerpt of engagement results is provided below. Stakeholders with other suggestions and feedback are welcome to contact our team.



Diverse communication channels to encourage feedback from our employees

We provide 26 communication mechanisms in 6 categories to enable employees and their family members to contact and communicate with the Group in a timely manner

We encourage active proposal of outstanding projects by our employees:

- E: Energy-saving incentive mechanisms that offer financial incentives to teams and individuals that submit outstanding projects which enhance energy efficiency.
- S: Implement safety innovations and improvements, and publicly commend employees who propose occupational health and safety projects
- G: Intellectual property incentive mechanisms that offer financial incentives for patents, designs, and inventions.



Host quarterly investor conferences to share future prospects

The Group organizes regular investor conferences presided over by our Chairman, who personally shares current operating conditions and information on future profitability.



Enhance supplier ESG competitiveness to achieve mutual growth

Occupational safety training and promotion

Organized 1,631 occupational safety training and emergency drills for suppliers and contractors in 2021

Guided greenhouse gas inventories and verifications

Assisted 98 suppliers in implementing greenhouse gas inventories and 51 suppliers in completing ISO 14064-1 verification in 2021.



Respond to international initiatives and share ESG practices



Harvard Business Review



Cathay Sustainable Finance and Climate Change Summit



Wealth Magazine ESG Forum



Be attentive of social needs and create a better society

Foxconn Scholarship Program

The Group launched the Foxconn Scholarship Program in 2017 to provide economically disadvantaged students with opportunities for realizing their dreams.

Student A: He had a difficult upbringing but felt that others were more disadvantaged than him, so he often volunteered to teach children in rural areas to can give back to society.

Cultivate Prospective Technological Talent in Rural Areas

In order to cultivate prospective talent, the Group compiled the first AI textbook and manga in Taiwan, providing learning opportunities for children in rural areas and helping them to grasp future trends.

The Group hosted AI camps in rural areas and taught students to manually build their own autonomous robot cars and write programs to control these cars. It was the first time these students had built robots and written code, which they felt was refreshing and highly enjoyable

Scope of Material Issues and Materiality Analysis

The Group communicates with stakeholders through a variety of channels and compiles their focuses for initial identification of important issues based on inclusiveness, sustainability, importance, and comprehensiveness. We conducted assessments based around the two axes of “economic, environmental, and social impacts” and “level of concern for stakeholders” in accordance with AA1000 Materiality Test criteria. We then ranked these issues by level of importance to generate a materiality matrix which was used to review the Group’s sustainability conditions, calibrate strategies and long-term goals for sustainable management, and promote continued enhancement of all organizations to create shared value for society and the Group.

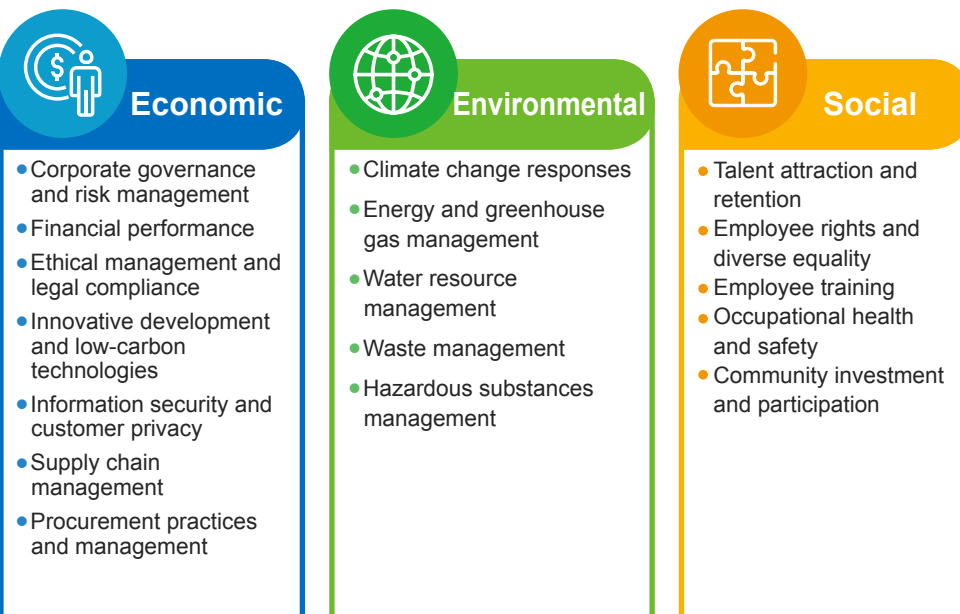
Step 1 Identification

1. Stakeholder identification - 7 stakeholder

We used the five principles of the AA1000 SES (Stakeholder Engagement Standard 2015) to identify stakeholders, which included seven groups: employees, clients, suppliers/contractors, shareholders/investors, government institutes, NGOs, and the media.

2. Compilation of issues of concern - 17 issues of concern

The Group compiled sustainability issues relating to international regulations and standards, industrial regulations and standards, industry peers, and the Group’s annual targets. These were narrowed down to 17 issues following internal discussion.



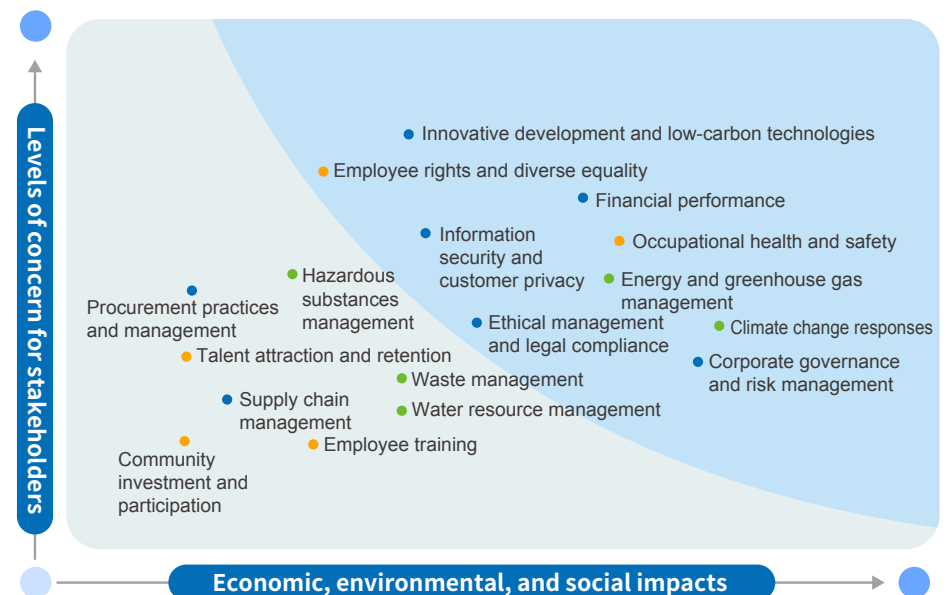
Step 2 Ranking material issues

3. Analyzed levels of impact on internal and external stakeholders for the 17 issues - 114 questionnaires

The Group used surveys to conduct material analysis of “the issues of concern to our seven major stakeholders.” Additionally, senior executives within the Group assessed the “economic, environmental, and social impacts of the 17 issues,” which were ranked on a scale of 1 to 5 from lowest to highest. We collected a total of 114 questionnaires in 2021.

4. Confirmation of material issues - 13 major material issues

We analyzed “levels of concern for stakeholders” and “economic, environmental, and social impacts” for all issues to generate the Group’s materiality matrix. Following identification, analysis, and internal discussion and confirmation by our Sustainability Committee, our material issues were determined to be: financial performance, occupational health and safety, climate change responses, energy and greenhouse gas management, information security and client privacy, corporate governance and risk management, ethical management and legal compliance, innovative development and low-carbon technologies, employee rights and diverse equality, supplier management, procurement practices and management, water resource management, and waste management.



Step 3 Defining material issues for 2021

5. Confirmation and review of material issues in 2021

Following rigorous identification processes, the material issues for 2021 were determined to be those at the top right of the matrix. These were the 13 material issues (4 of which were SASB material issues) with higher levels of concern for stakeholders and higher levels of economic, environmental, and social impacts. The boundaries for these material issues are as follows:

● : Direct impacts ○ : Generated impacts
▲ : Directly linked to the impact through business relationships

Material issues	Themes from GRI Standards	SASB Disclosed Theme	Corresponding Sections	Scope						
				The Group	Clients	Suppliers/ Contractors	Shareholders/ Investors	Government Institutes	NGOs	Media
Financial performance	GRI 201	(Not SASB material issue)	Ch1: Corporate Governance	●	▲		○			
Occupational health and safety	GRI 403	TC-ES-320a.1	Ch3: Healthy Workplace, Safety Adherence	●		○				
Climate change responses	Self-defined theme	(Not SASB material issue)	Ch5: Climate Change	●					▲	
Energy and greenhouse gas management	GRI 302 GRI 305		Ch5: Climate Change	●	▲			▲	▲	
Information security and client privacy	GRI 418		Ch1: Corporate Governance	●	▲					
Corporate governance and risk management	Self-defined theme		Ch1: Corporate Governance	●			○	○		○
Ethical management and legal compliance	GRI 205 GRI 206 GRI 307		Ch1: Ethical Management Ch5: Environmental Management System	●			○	○		
Innovative development and low-carbon technologies	Self-defined theme		Ch1: Innovation Management and Patents	●	▲			▲		
Employee rights and diverse equality	GRI 412		TC-ES-310a.1	Ch2: Communication and Protection of Employee Rights	●					▲
Supply chain management	(Not GRI material issue)	TC-ES-320a.2 TC-ES-320a.3	Ch4: Business Sustainability, Beneficial Partners	●		○				
Procurement practices and management		TC-ES-440a.1	Ch4: Business Sustainability, Beneficial Partners	●	▲	○				
Water resource management		TC-ES-140a.1	Ch5: Water Resource Management	●				○		
Waste management		TC-ES-150a.1 TC-ES-410a.1	Ch5: Waste Management	●	▲				○	

Note: A comparison of GRI and SASB material issues for 2021 and 2020 shows that newly emerged issues were “energy and greenhouse gas management,” “information security and client privacy,” “procurement practices and management,” “water resource management,” and “waste management.”

2

Diverse Inclusiveness, Employee Satisfaction

Employee Overview	P49
Remuneration and Benefits	P53
Communication and Protection of Employee Rights	P55
Education and Training	P58

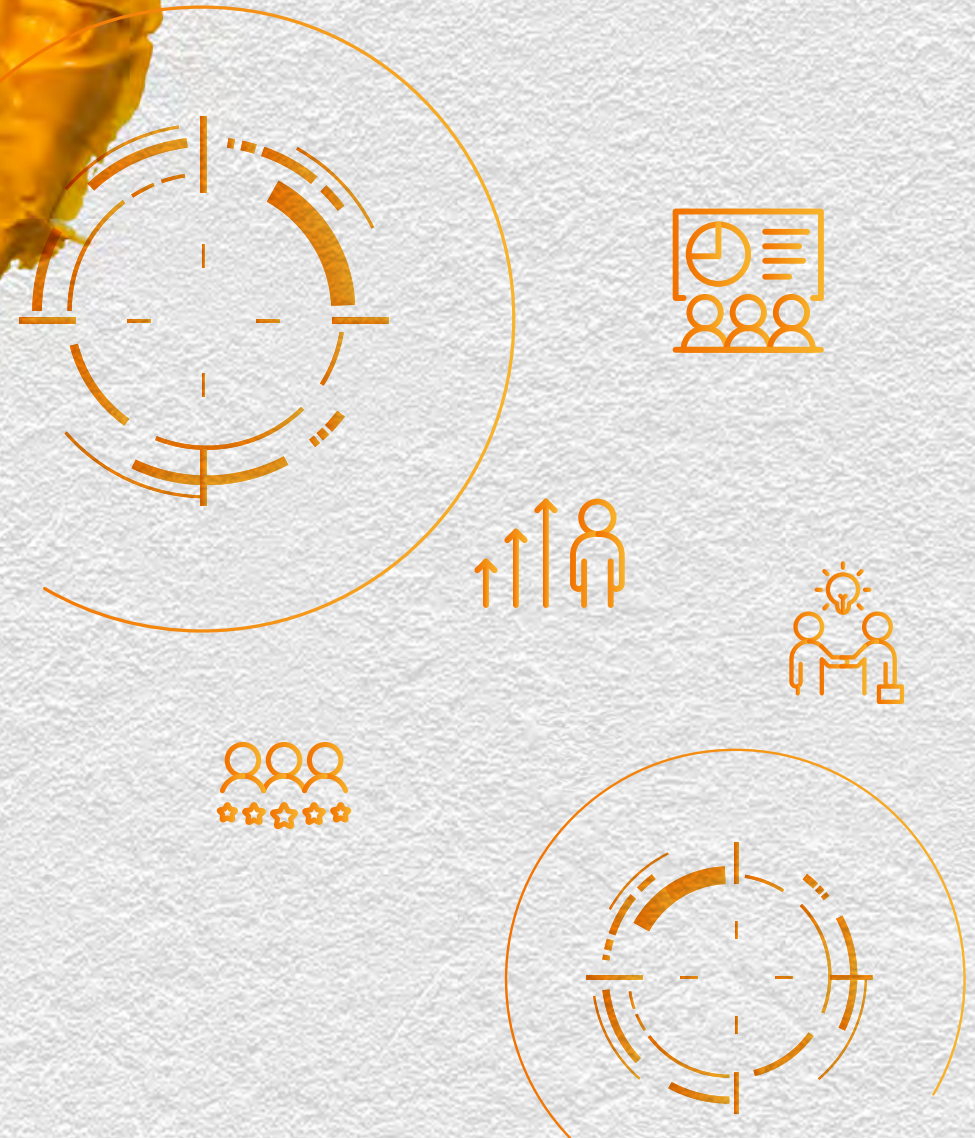


Key Response Stakeholders :

Employees

Clients

Non-government Organizations



Diverse Inclusiveness, Employee Satisfaction

Management approach for issues Employee rights and diverse equality



Meaning to the Group

Employees are the Group's most important assets. Through implementation of incentive systems and performance appraisals, we encourage continued self-enhancements and personal career advancements in our employees. We provide competitive remuneration to all employees to boost their morale and enhance our operational performance.



Policies and Commitments

The Group adheres to principles of legality, fairness, impartiality, equality, voluntary actions, honesty, and credibility. We actively protect the basic human rights of our employees and abide by national laws, the RBA Code of Conduct, and various international human rights conventions while providing competitive, safe, and comfortable work environments for all our employees.



Grievance Mechanism

Please see section [Stakeholder Identification, Communication, and Responsibilities](#) for details.



Evaluation of the Management Approach

- We hold management review meetings each year to discuss and track our target achievement rates.
- We convened personnel from our Human Resources, Safety, Hygiene, Environmental Protection, and General Affairs units to conduct Labor Protection Supervision Audits relating to labor, ethics, health and safety, environment, and management systems.



Specific Actions

- Hosted 27 activities over 13 categories for our "Happy & Charming Women" event series for a total of 32,000 participants.
- A total of 1,020 babies born to Group employees benefited from our "Childcare Subsidies for 0 to 6 Year-Olds Program," and more than 310 million NTD has been paid out in subsidies over the past two years.
- Implemented labor rights audits at 23 Campuses and discovered 194 deficits, 176 of which have been rectified, achieving a rectification rate of 90.7%.
- The Group invested a total of 151 million NTD in Foxconn University and provided 73.08 million hours of training. On average, each employee underwent 77.2 hours of training.



Goals and Targets

Short-term goals

Comply with the United Nations human rights conventions, guidelines, and declarations while also extending implementation to all personnel on our value chain to ensure joint compliance. Increase number of annual labor rights audits at our internal Campuses and supply chain vendors from 30 to more than 50.

Mid- to long-term goals

- Be accepting of diverse cultures to attract talent from multiple sources, provide equal employment opportunities, and continue to ensure that there are no violations of equal employment regulations. Respect employee suggestions and implement constant improvements to our high-quality workplace environments to retain talent. Our goal is to maintain a retention rate of 88% for our professional and technical personnel.
- Maintain our record of zero major labor rights incidents causing damage our reputation or the reputations of our customers.
- Cultivate innovation and work habits to promote continuous learning and growth in our employees, create products and technologies to enhance human happiness, and provide an average of 60 hours in professional training courses for professional and technical personnel each year.

The Group adheres to principles of legality, fairness, impartiality, equality, voluntary actions, honesty, and credibility. We actively comply with the UN Declaration of Human Rights, the RBA Code of Conduct, and national regulations, and enhance our human resource policies, protect legal rights of our employees, and provide healthy and safe work environments in accordance with local regulatory requirements. For matters relating to recruitment, promotion, performance evaluations, salaries, and training opportunities, we do not discriminate on the

basis of gender, age, nationality, birthplace, ethnicity, language, disabilities, marital status, pregnancy, sexual orientation, religion, political affiliation, or union membership. We also prohibit child laborers from engaging in work. The Group strives to provide a fair working environment where all employees are treated equally. We provide equal salaries and promotion opportunities based on employee merits.

Awards and recognitions received from nomination activities hosted by job banks



Haitou
2021 Most Influential Employer Award



51job
2021 Outstanding Human Resource Management Award



Happy Enterprise Award Ceremony



Dayee
2021 Model Brand Operations Employer Award

Employee Overview

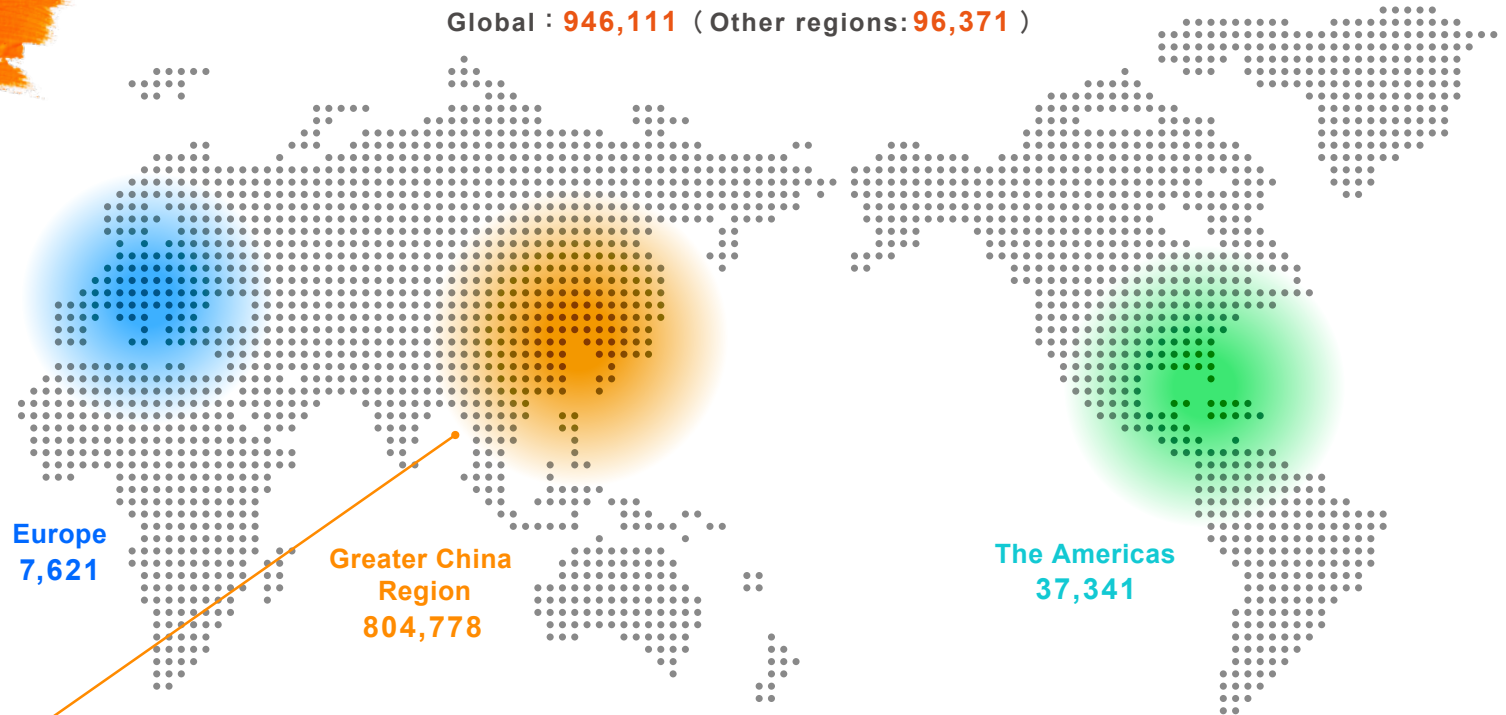
Employee Numbers

The Group has a total of 946,111 full-time and part-time employees worldwide, including 3,850 people with disabilities and 47,918 people of ethnic minorities. In terms of gender distribution, 63% of our employees are male and 37% are female. Most of our employees are aged between 30 to 50 years old.

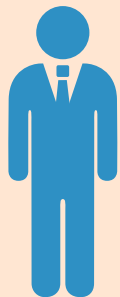
The Group upholds principles of talent localization, so employees at our Campuses are mostly composed of local residents. The proportion of senior management personnel (ranked at director level or above) at our campuses in China who are Chinese nationals is approximately 11.70%. No incidents involving discrimination, use of child labor, or forced labor occurred in our Campuses in 2021.

Global employee distribution map for 2021

Global : 946,111 (Other regions: 96,371)



Number of Greater China Employees in 2021



Full-Time Employees
357,018

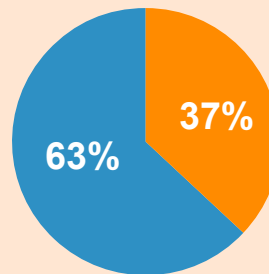
Part-Time Employees
151,340



Full-Time Employees
215,059

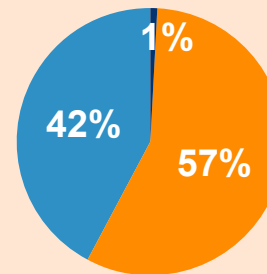
Part-Time Employees
81,361

Distribution of Gender



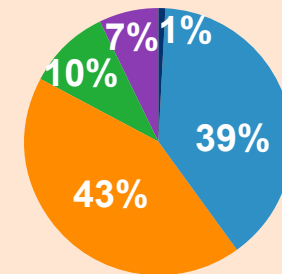
● Male ● Female

Distribution of Age



● Under 30 ● 31-50 ● Above 51

Distribution of Education



● High school or vocational high school ● Junior high school and under
● Associate's degree ● Bachelor's degree ● Master's degree and above

Distribution of New and Exited Employees

Employee recruitment at the Group is conducted through open recruitment and on-campus recruitment channels, as well as several job fairs hosted specifically for people with disabilities. Concepts relating to equal opportunities, respect for human rights, and workplace diversity have been integrated into our talent recruitment principles and processes. We prohibit use of child labor and forced labor. We attract talent through competitive salaries and benefits, rewards for outstanding performance, and appropriate personnel rotations. In order to maintain a low turnover rate, the Group actively works to understand and improve upon the reasons for employee resignation. Furthermore, the continued addition of new personnel helps to promote diversity within the Group.

Taiwan region

Employee entry rates in the Taiwan region over the past three years were 14.4%, 12.8%, and 16.9%; employee exit rates were 18.5%, 12.7%, and 11.8%. Employee exit rates for 2021 in the Taiwan region decreased compared with previous years, and voluntary employee exit rates for the past three years due to resignation or retirement were 16.6%, 11.8%, and 10.2%.

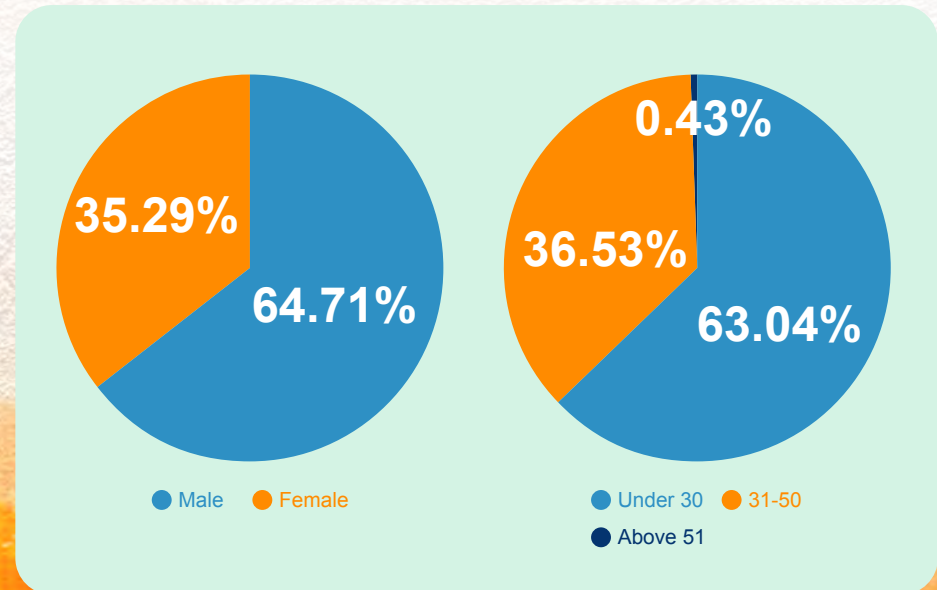
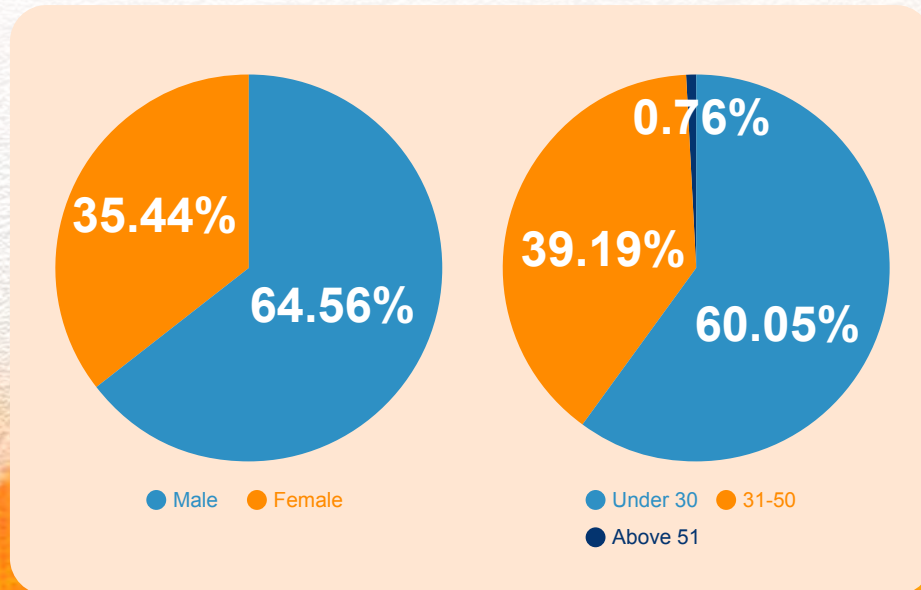
China region

Average monthly employee entry rates in the China region over the past three years were 7.6%, 6.5%, and 6.1%; average monthly employee exit rates were 5.6%, 5.8%, and 5.7%; and voluntary employee exit rates for the past three years due to resignation or retirement were 5.4%, 5.6%, and 5.5%. The Group's average employee entry and exit rates in the China region were maintained between 5% to 6%, demonstrating healthy talent turnover.

Proportion of New and Exited Employees in the Greater China Region

Entry Rates

Exit Rates



Reinstatement Rates Following Parental Leave and Retention Rates

Due to the comprehensive level of care provided by the Group, reinstatement rates following parental leave and retention rates in recent years were close to 100%. In order to further enhance retention rates, the Group conducts interviews with exiting employees to understand and improve upon the specific reasons for resignation. In terms of retention policies, the Group actively communicates with entry-level personnel to understand the true needs of

employees, implement employee care, provide good communication channels, and establish sound communication platforms. In terms of environmental aspects, we continue to improve basic facilities, refine working environments, and build harmonious work atmospheres between all units and organizations.

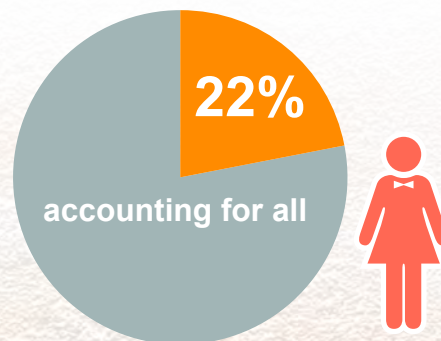
	Reinstatement rates following parental leave and retention rates in the Greater China region								
	2019			2020			2021		
	Male	Female	Total	Female	Male	Total	Male	Female	Total
Reinstatement rate	99.5%	99.1%	99.3%	99.8%	99.6%	99.7%	99.4%	99.4%	99.4%
Retention rate	88.6%	78.3%	82.8%	81.0%	83.9%	82.7%	89.0%	86.6%	87.4%

Workplace Diversity

The Group upholds principles of fairness, impartiality, and equality as part of our commitment to build diverse, inclusive, and employee-friendly workplace environments that provide consistent remuneration, promotion, and training for all employees, and we actively create a diverse and inclusive culture of mutual respect in the workplace. As an electronics manufacturing company, the Group has a higher proportion of male employees and male executives. We therefore consider the proportion of female executives to be an indicator of workplace diversity. Two female directors were elected to our Board in 2022, accounting for 22% of all directors, thereby strengthening Board diversity and corporate governance.

The Group has also hired 47,918 minority-group employees in different regions, including members of the Zhuang and Miao tribes. These employees accounted for 5.0% of all employees in 2021 and receive equal treatment in terms of remuneration, promotion, and training. Among employees who are members of the top ten minority groups, 2.4% hold executive positions.

Two female directors



Proportion of Female Executives for 2021

All executives	20.3%
Junior executives	20.8%
Senior executives	6.5%
Executive positions relating to revenue generation	35.2%
Executive positions relating to R&D and engineering	13.9%

Note: Senior executives include vice presidents and above; junior executives include managers and lower ranks.

“Happy & Charming Women” Event Series

We hosted a variety of invigorating activities to celebrate the grace and creativity of our female employees. For example, we organized 27 activities over 13 categories for our “Happy & Charming Women” event series themed around International Women’s Day (March 8) for a total of 32,000 participants.



Emphasize leadership and set good examples

Hosted activities to commend outstanding female employees and selected 33 outstanding female employees to serve as representatives at symposiums, set good examples for others, and create an atmosphere conducive to learning.

Strengthen employee services and provide comprehensive care for women

Implemented the “Five Gifts” (flowers, cards, health, care, and presents) activity. As an example, the “Gift Health to Charming Women” activity mainly encompassed free health clinics, parent-child education, fun games, and wishing walls.

Care for female employee families through innovative work models

Innovated work models based on the different social roles of our female employees and implemented activities to promote happiness and deliver warmth. For example, we invited the husband of a female employee to write an open letter to his wife so she could feel the love from her family.



Remuneration and Benefits

Remuneration System

The Group adheres to principles of legality, fairness, impartiality, equality and voluntary actions, honesty, and credibility. Our remuneration system not only complies with local laws but also references external market research reports. We regularly review our salary standards, and our remuneration performance exceeds industry standards, providing a stable workplace environment, remuneration, and benefits for our employees.

We commence payments of social insurance and provident funds according to local government regulations for Chinese employees who sign formal employment contracts with the Group on the day they start working with the company. All insurance benefits at our Campuses comply with local social insurance regulations. In Taiwan, we provide our employees with labor insurance, health insurance, and group insurance in accordance with government regulations. Our employees at overseas Campuses are all insured according to local government regulations. In 2021, starting salaries for entry-level employees at all our Campuses were 10-25% higher than local minimum wage requirements. There were no differences between the basic salaries of our male and female employees.

In order to establish effective incentive mechanisms and adopt a forward-looking approach for employee management, the Group formulated the “Regulations Governing Annual Promotion Procedures for Group Employees.” We conducted annual performance reviews and appraisals on new employees who passed their probationary period and regular full-time employees regardless of gender or rank. The ratio of employees who underwent appraisals was 100%. The Group adjusts remuneration according to promotions and personnel performance, with no differences between male and female employees. We have also established bonuses, dividends, and incentives based on personnel performance. The Board approved the distribution of 8.1 billion NTD in employee remuneration in 2021.

Number and remuneration of non-supervisor full-time employees

Item	2020	2021	Difference between 2020 and 2021
Number of non-supervisor full-time employees	3,567 ^(Note)	3,611 ^(Note)	1.23%
“Average salaries” for non-supervisor full-time employees	2,417,000 NTD	2,558,000 NTD	5.83%
“Median salaries” for non-supervisor full-time employees	1,662,000 NTD	1,829,000 NTD	10.05%

Note: Only includes employees from Hon Hai Precision Industry Co., Ltd. in Taiwan.

Employee Welfare Program

We have implemented a series of employee welfare measures to promote and protect the health of our employees and their families, including the aforementioned social insurance and group insurance; pensions; subsidies for weddings, funerals, and other special occasions; travel allowances; year-end party raffles; and other subsidies. The Group hopes to establish a comprehensive employee care network that allows all employees to achieve career advancements while working all around the world. In 2021, the Group's employee salary and benefits expenses were approximately 303.1 billion NTD.

To promote work-life balance for employees, all our Campuses have been fitted with integrated sports stadiums, basketball courts, swimming pools, libraries, banks, retail shopping areas, bookshops, gymnasiums, and other recreational facilities. Group employees can freely participate in the activities of nearly 210 employee clubs. We organized a total of 4,865 employee events attended by 1,686,000 participants to enrich employee lives. In 2021, our activity subsidies amounted to 310 million NTD.

Retirement System

The Group's retirement system, including employee retirement applications, pension payments, and employee pension reserves, adheres to local laws and regulations. We have also established a Supervisory Committee of Labor Retirement Reserve in Taiwan. To ensure the rights of Group employees, Committee members are re-elected every three years and are responsible for reviewing pension reserves, savings, expenditures, and pension payments.

Designated banks ensure that pension fund assets adhere to entrusted ratios and amounts set by the fund's annual investment plans, are categorized according to monthly labor pension reserve fund or individual pension contributions, and are not used for assignments, seizures, offsetting, or guarantees. The Group takes custody of and invests pension fund assets in domestic and overseas listed, over-the-counter, and private equity securities or real estate securities following the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. Fund utilization is monitored by the Supervisory Committee of Labor Retirement Reserve.



[For more information on the distribution of employee pensions in 2021, please refer to our 2021 annual financial report.](#)

Childcare Subsidies for 0 to 6 Year-Olds Amounted to 310 Million NTD over Two Years

To allow employees to live and work with peace of mind, the Group began promoting a maternity policy and announced an optimized childcare subsidy program, "Childcare Subsidies for 0 to 6 Year-Olds," in early 2020, setting a precedent in Taiwan. The Group provides a comprehensive range of subsidies to expectant mothers before, during, and after pregnancy, including a monthly subsidy of 15,000 NTD and taxi commute allowances of 15,000 NTD for three months prior to the expected delivery date. Expectant mothers who wear an identification badge during their pregnancy are given priority when riding elevators, picking up meals, or when taking shuttle buses. This policy has been implemented for two full years. A total of 1,020 babies born to Group employees benefited from the program in 2021 and more than 310 million NTD has been paid out in subsidies over the past two years. These subsidies make employees feel more secure when facing childbirth and also raise employee retention.



Commendation from Father of Three: A Helping Hand for Childcare

"Before our second child was born, I was worried about where I would get the money for childcare." A 37-year-old technical manager said that it was lucky he decided to work at the Group as his child became a member of the Foxconn family and received subsidies under the "Childcare Subsidies for 0 to 6 Year-Olds" program, relieving a lot of the stress he and his wife felt as parents!

Communication and Protection of Employee Rights

Human Rights Policy

The Group has established work rules based on relevant labor and human resource regulations to protect the legal rights of our employees. As an RBA member, the Group referenced the RBA Code of Conduct, the Universal Declaration of Human Rights (UDHR), and the standards of the International Labour Organization (ILO) when formulating our Corporate Social Responsibility Code of Conduct, which discloses our human rights policies



for labor protection that safeguard employee rights and provide them with dignity and respect. The Group conducts annual risk assessments and audits based on law and Group policies, and we also require relevant units to implement timely improvements to ensure the rights and benefits of our employees.

Labor Protection and Services for Daily Living

The Labor Protection Supervisory Committee established under the Group's Labor Union has formed project teams composed of professional talent in the fields of human resources, safety, health and safety, environmental protection, and general affairs. These teams conduct inspections of ethical, health and safety, environmental, and management systems at all Campuses to ensure that they comply with law, the RBA Code of Conduct, and corporate policy. All Campuses are required to fill out self-assessment questionnaires (SAQs) and risk assessments for on-site review. To ensure protection of employee rights, the Group does not consider investigations to be concluded until Campuses have proposed corrective action programs (CAPs) and improvement plans for all discovered deficits within specified time limits. A total of 23 campus inspections were carried out in 2021 and 194 deficits were discovered, mainly relating to non-systemic issues such as machinery safety measures, working hours, proportion of temporary workers, and occupational safety. No major deficits were discovered. To date, 176 of discovered deficits have been corrected, and said corrections have been confirmed by the Labor Protection Supervisory Committee, resulting in a rectification rate of 90.7%. We will continue to improve upon and track the remaining deficits. The Group has established a reward system for reporting hidden safety issues and encourages all employees to monitor safety problems.

The Group also emphasizes the working conditions of interns and strives to ensure that all interns get the treatment they deserve. In 2021, we conducted 23 audits on campus intern working conditions, and our Labor Union conducted irregular surveys of employee concerns and needs, the results of which were submitted to dedicated personnel for handling. In 2021, we surveyed a total of 120 matters which were all resolved. Employee needs included improvement matters (60.8%) and prevention matters (39.2%).

Examples of corrected deficits

Description	Corrective Actions	Evidence of Correction
Inconsistent warning labels of high temperatures on maintenance equipment	Placed "Hot Surface, Do Not Touch" labels on all heated surfaces and placed "Hot Surface, Beware of Burns" labels on all work stations to warn relevant personnel and all employees to be careful.	
Inadequate protection on rotational pulleys of packaging and assembly lines, constituting a trapping hazard	<ol style="list-style-type: none"> Placed protective shields at rotation areas and extended plastic strips to comply with production safety needs. Simultaneously checked and corrected other lines. This safety item has been included in routine checks. 	

The Group commissioned third-party teams to conduct satisfaction surveys on entry-level staff to better understand the needs of our full-time and part-time employees in terms of workplace environments, safety, transportation, food, lodging, and entertainment. We continue to track all improvements on these items. In 2021, the Group surveyed 65,000 employees in the China region. Survey results showed that employee satisfaction rates at our main Campuses increased year over year, and had risen by 20% compared with the previous year. In terms of post-survey corrections, the Group is implementing plans to enhance dormitory environments. We analyzed survey results and invited our employees to fully participate in our plans, further raising satisfaction rates by around 10% after corrections were completed, enabling us to interact positively with our employees. We will continue to conduct satisfaction surveys in future.

Monitoring and Management of Staffing Agencies

To ensure that our temporary employees enjoy the same level of protection granted to full-time employees, the Group has signed an “Agreement for Dispatching Temporary Personnel” with staffing agencies used by all Campuses. The Agreement stipulates the responsibilities and duties of both parties, and guarantees equal pay for equal work, equal work environments, and work safety measures. We conduct irregular audits on staffing agencies and continue to survey employee entry and exit conditions to reduce possible risks. Our management measures include on-site audits, employee interviews, and written reviews. We not only ensure implementation of our policies which prohibit discrimination and forced labor, but also publicly released our reports and announced grievance channels, then integrating these actions with employee training to protect our staff from discrimination based on different job characteristics.

Protection of Employee Rights

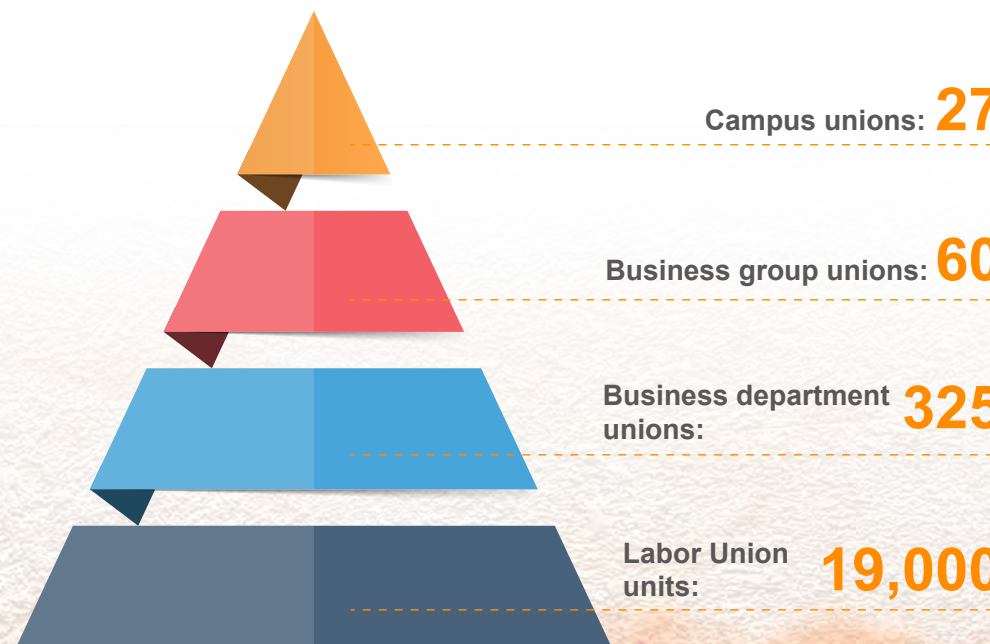
Our latest “Group Collective Agreement” protects employee rights and states that employees should be notified 30 working days in advance of bylaws and major decisions related to their vital interests. Relevant articles on consultations and negotiations are stipulated in the “Summary of the Collective Consultation Letter” and the “Reply on the Collective Bargaining of the Trade Unions Association of the Company.” Additionally, to protect freedom of association for our employees, the employee handbook clearly stipulates employee rights.

The Group has established a Labor Union encompassing employee unions with four management levels and five ranks. Labor Union Unit leaders are elected in a bottom-up, open, and democratic manner by union members from voluntary candidates, and union representatives at all levels are elected at member representative conferences. Employees are asked about their willingness to join unions when they enter the Group, and are allowed

to join voluntarily. In 2021, 95% of our employees were union members. The Labor Union signed the “Foxconn Technology Group Collective Agreement,” which covers the 96 legal entities of the Group and provides basic protection of employee rights. In 2021, the Labor Union gathered our 19 unions and convened 21 labor delegates meetings to vote on issues relating to employee rights and obligations.

Furthermore, the Group promotes intelligent transformation within our labor unions to form comprehensive smart systems such as the Intelligent Union Establishment Project Team, which uses “Internet + Union” cloud service models to link desktops and apps, establishing a comprehensive service platform that encompasses union constructions, labor protection, employee discounts, skills training, and employee grievances.

Labor Union Organizational Chart



Employee Communication and Grievance Channels

In order to collect more employee feedback and suggestions, listen to employee voices, and quickly resolve employee difficulties, the Labor Union has integrated all resources to establish employee care, rights protection, and assistance hotlines, as well as office phone lines for various functional departments. Integration of labor union mailboxes, union chairman mailboxes, union chairman hotlines, rights protection hotlines, assistance hotlines, union websites, and 26 other rights protection mechanisms in 6 categories make it possible for Group employees, employee family members, and suppliers to contact unions, providing employees with convenient and efficient 24-hour services that protect the rights of our employees at work and in their daily lives.

The Group established a project team in 2021 to upgrade our most important communication channel, the 78585 hotline. The upgraded hotline is more intelligent and enables quicker acceptance of calls so that grievances can be handled with more efficiency. The hotline played a pivotal role in providing support for mental health during the pandemic. Over the year, we received 153,000 employee calls and provided psychological counseling to 2,120 employees.

Communication and Grievance Channels

Dispute Mediation	Committee on labor dispute mediation
Seminars and Visits	Seminars and on-site visits (restaurants, dormitories, production lines)
Mailboxes	Mailboxes for feedback to labor unions and union chairman
Telephone Hotlines	Employee care hotline, rights protection hotline, union chairman hotline
Legal Aid	Corporate lawyers
Website Visits	Union network, employee care center

The Group provides 24/7 year-round communications hotlines that can be called if assistance is needed.

- Employee care hotline 78585
- Spiritual care hotline 25885
- Marriage mediation hotline 18675578585

Achievements

78585 employee care hotline

responded to **192,184** calls, achieving an in-call grievance handling rate of **92.97%** and a grievance resolution rate of **99.57%**

25885 spiritual care hotline

handled **1,040** psychological consultations. We hosted **22** mental health counseling sessions attended by **510** participants

health training sessions

112 sessions, **5,500** participants

mediated labor dispute

163 cases, achieved a mediation success rate of **84.7%**

handled violations

19,877 cases, rejected **21** cases

provided legal consultations

166 cases



Employee care meeting

Education and Training

The Group is making transformations towards the “3 industries” and “3 technologies.” In order to actively cultivate the human capital needed for the digital era, we have established an e-Learning zone to expand our many learning resources and channels, support the Group’s long-term growth, help meet the lifelong learning needs of our employees.

The Group established Foxconn University to cultivate talent, integrate theory with practical experience, promote knowledge application and lifelong learning, and enhance mutual learning. The University serves as our incubator for cultivating talent and innovation, bearing the important responsibility of enhancing human capital development, transformation to new industries, development of corporate culture, and establishment of operational missions within the Group. To encourage employee learning, the Group links employee training credits with annual performance appraisals, and references this information when considering employee promotions and bonus distributions.

Human resource development and training strategies

Work guidelines --- Top-level strategies Targeted performance Growth support



- Talent development platform:**
1. Build an environment conducive for learning to form a learning-oriented organization
 2. Complete digital and professional learning platform
 3. Continue to develop professional courses and class materials

Comprehensive talent development system

Talent management and training structure



<p>Entry training</p> <p>Group culture</p> <ul style="list-style-type: none"> Group overview Group history Corporate culture Development strategies Workplace environments Core values 	<p>General training</p> <p>Career enhancements</p> <ul style="list-style-type: none"> Career development Project management Official documents Business English Business etiquette Cognitive enhancements 	<p>Production line and team manager training</p> <p>Role awareness</p> <ul style="list-style-type: none"> Work duties Code of conduct Routine management On-site management 	<p>Section chief training</p> <p>Management enhancement</p> <ul style="list-style-type: none"> Organizational role and communication techniques Problem analysis and problem solving On-site safety management 	<p>Supervisor training</p> <p>Corporate culture</p> <ul style="list-style-type: none"> Corporate culture and core values SER code of conduct and safety management 	<p>Senior executive training</p> <p>Culture and values</p> <ul style="list-style-type: none"> Building and managing corporate culture Research on corporate culture and values
<p>Regulations and bylaws</p> <ul style="list-style-type: none"> Human resources policies Malpractice prevention Information security Industrial safety Fire safety Epidemic prevention 	<p>Office skills</p> <ul style="list-style-type: none"> Excel, PPT Chart and data visualization 	<p>Management techniques</p> <ul style="list-style-type: none"> High-quality communications Conflict management High-performance work instruction 	<p>Professional capabilities</p> <ul style="list-style-type: none"> Lean thinking and basic methodology Six sigma yellow belt 	<p>Operational management</p> <ul style="list-style-type: none"> Leadership potential Corporate digital transformation Smart manufacturing and lean systems Rational management and tabletop simulations 	<p>Policies and regulations</p> <ul style="list-style-type: none"> Guangdong-Hong Kong-Macao Greater Bay Area policy interpretation Corporate social responsibilities Regulations, policies, and bylaws
<p>Self-management</p> <ul style="list-style-type: none"> Team collaboration Effective communication Positive attitude Effective implementation Mood and stress management 	<p>Occupational certifications</p> <ul style="list-style-type: none"> PMP certification Internal auditor certification HR management Economist Internal lecturer certification 	<p>Improvement techniques</p> <ul style="list-style-type: none"> 8S and visual management Problem discovery and problem solving Eight aspects of wastage Equipment management Quality control Capacity management 	<p>Digital transformation</p> <ul style="list-style-type: none"> Data thinking Common data analysis methods 	<p>Benchmarking visits</p> <ul style="list-style-type: none"> Visits to industry benchmark enterprises Visits to lighthouse factories 	<p>Operational management</p> <ul style="list-style-type: none"> Corporate strategies Organizational transformation Innovation design Mini-MBA Interpretation of three financial statements Visits to benchmark digital transformation enterprises

Internal lecturer resources ← → External lecturer resources

Online learning platform + physical classes

Training items for 2021

Training items and associated data for 2021

Group strategies

- “3+3” section: 114 courses (202 class materials) and 61,000 learners
- “Production safety training” themed courses: 90 courses (156 class materials) and 4,530,000 learners

Corporate culture

- Senior executive strategic training: 1,825 participants
- Mid-level executive management training: 18,000 participants
- Entry level executive skills training: 55,860 participants

New employees

- New technician training: 2,005 participants
- Elite employee training: 1,952 participants from 19 overseas factories

Elite employee training

- Senior executive class: 71 participants (2 terms)
- Outstanding plant manager class: 122 plant managers (4 terms)

Four Cores of smart manufacturing

- Smart manufacturing academy: 68 new courses (574 class materials) 506 outstanding proposals, 211,000 learners
- Certification training: 49 classes attended by 1,772 participants, 830 of whom obtained certification
- Themed training: 67 classes attended by 5,792 participants

Online and physical training platform

- Added 8,223 class materials to the platform for 860,000 personnel
- Assisted all business groups in organizing 1,300 safety/epidemic prevention/new employee training courses for 830,000 employees
- Employees with disabilities: Conducted job appropriateness assessments for 1,390 employees and recruited 657 employees for specific job positions
- Academic education: 3,537 current attendees, 204 in technical schools, 2,209 in colleges, 1,086 in universities, and 38 in master’s and doctoral programs

In 2021, the Group invested a total of 151 million NTD in Foxconn University, and provided 73.08 million hours of training. On average, each employee underwent 77.2 hours of general, management, technical/professional, and academic training. Each female employee received an average of 77.2 hours of training, while male employees received an average of 77.1 hours of training. In terms of academic education, Foxconn University began collaborating with 41 colleges and universities to implement on-the-job academic programs at 19 Campuses, providing our employees with convenient channels to receive on-the-job training for the enhancement of comprehensive skills and professional capabilities. The Group worked with many colleges and universities (including NTU, NTHU, NCTU, Wuhan University, and Xidian University) to provide continued learning opportunities for our employees. In 2021, a total of 7,255 employees were enrolled in these programs and 3,062 employees graduated from these programs, including 1,010 employees with bachelor’s degrees or above. A total of 1,010 graduation theses were published, 80% relating to current employee job duties, achieving a win-win situation in terms of Group and employee career development.

Course categories, course hours, and participant numbers

Course categories	Hours	Number of participants
General education	38,926,237	18,901,033
Management	3,664,432	1,497,448
Technical/professional	22,552,426	10,138,039
Academic education	812,320	1,218,480
Total	73,087,033	35,379,732

We established the "Four Core" talent cultivation system for intelligent manufacturing in accordance with our "F3.0 Transformation to new industries" goal, providing online and offline training for our employees to build an intelligent and digital culture while cultivating talent for the future.

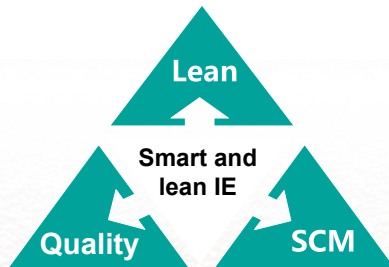
Talent training structure for Four Cores of smart manufacturing

Organizational management

- Digital operational strategy
- Digital performance management
- Digital value flowchart
- Digital agile organizations
- Digital talent acquisition

Lean

- IE technicians
- IE engineers
- Lean improvement instructors



- Six sigma yellow belt
- Six sigma green belt
- Six sigma black belt
- Lean logistics technicians
- Lean logistics engineers

Automation

- Machinery and components**
- Control**
- Communication**

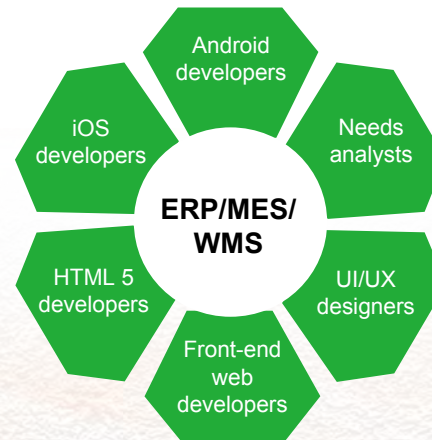
- Machinery engineers
- Machinery design engineers
- Equipment maintenance and assembly personnel
- Karakuri

- Automated control engineers
- Industrial robot engineers
- Machine visualization engineers

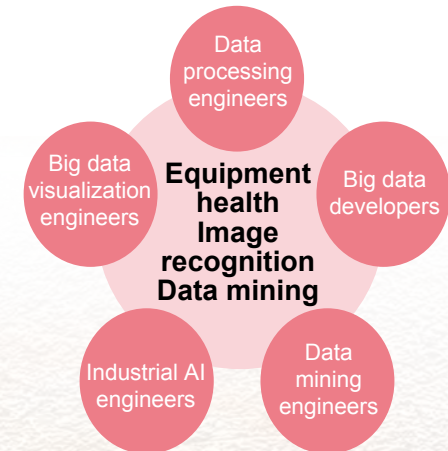
- Industrial IoT engineers
- IoT communications engineers

Automation project engineers

Informationization



Smart



Cultural experience

- Digital literacy (ethics/confidentiality/openness/sharing)
- Digital culture and environment (office/bulletin boards/forms)
- Prevalence of cultural concepts (lectures/forums/competitions)
- Benchmark / lighthouse campuses

Lean
(337 participators)

Automation
(647 participators)

Informationization
(288 participators)

Smart
(500 participators)

Training for “Four Cores” of smart manufacturing

Lean training



Training items

- IE technicians
- IE engineers
- Lean improvement instructors

Karakuri training



Training items

- Training items
- Training in lean techniques and skills
- Lego smart manufacturing simulations
- 3D component models

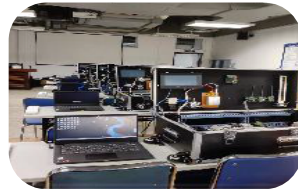
Robotics training



Training items

- Software simulations
- Robot drills
- Tracking modules
- High-speed positioning modules
- Display modules

IoT training



Training items

- Industrial IoT & key IoT certifications
- IoT assembly personnel/engineers
- Industrial IoT deployment personnel/engineers

Automation training



Training items

- Industrial software training
- Data communications training
- Automation hardware installation and adjustment training

Informationization and AI



Training items

- Big data architects
- Big data analysts
- Data visualization

Foxconn E-Learning Zone

To provide multiple learning resources and channels that fulfill employee needs for lifelong learning, the Group has established an “e-Learning zone” which contains professional, general, and management courses taught by internal and external lecturers, allowing our employees to enjoy an abundance of training resources without constraints on time and place. Additionally, the “e-Learning zone” utilizes data analysis methods to provide a personalized experience for employees by utilizing comprehensive data on learner viewing behaviors, learning behaviors, and majors, as well as comparison and filtering of phrase vectors and other processing methods.

Platform functions

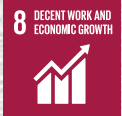
- Course resources**
 Offers a comprehensive course framework and a variety of multimedia learning resources.
- Dedicated services**
 Dedicated learning platforms for business groups that ensure confidentiality of public information
- Learning assistant**
 Learning missions/timely reminders/smart analysis/learner leaderboard
- Live streams**
 Supports livestream classes/timely interactions, discussions, and Q&A

3

Healthy Workplace, Safety Adherence

Occupational Health and Safety P65

Employee Health Promotion P72



Key Response Stakeholders :

- Employees
- Suppliers / Contractors
- Government
- Non-government Organizations



Healthy Workplace, Safety Adherence

Management approach for material issues

Occupational health and safety



Meaning to the Group

We provide a safe and healthy workplace environment that enables our employees to be relaxed and comfortable. As this also helps to improve operational performance, the Group has always been committed to compliance with international occupational health and safety management systems and standards in our realization of corporate social responsibilities.



Policies and Commitments

The Group has invested much effort into the management of employee health and safety. Apart from complying with laws and regulations, the Group pursues a goal of zero accidents, injuries, and occupational diseases through principles of “risk assessment, full participation, continuous improvement, and zero hazards” to build a safe and healthy work environment.



Grievance Mechanism

Please see section [Stakeholder Identification, Communication, and Responsibilities](#) for details.



Evaluation of the Management Approach

- Our Campuses implement daily, monthly, and specific safety audits.
- We have conducted external audits such as ISO 45001.
- Management representatives convene management review meetings each year to discuss and review our occupational health and safety performance.



Specific Actions

- Our Huyue Campus participated in the zero hazard working hours challenge and accumulated 11,216,809 hours of zero hazards by the end of 2021; our Dingpu Campus accumulated 2,369,469 hours of zero hazards.
- Investigated a total of 22,625 hidden dangers and achieved a rectification rate of 100%.
- Organized production safety training attended by 1,287,074 employees and contractors.
- Organized firefighting skills contests, safety knowledge contests, safety knowledge quizzes, and fire drills attended by 1,131,192 employees and contractors.
- Handled and collected a total of 111 safety innovation and improvement proposals.
- Hosted 51 health promotion activities attended by 18,745 employees, including health lectures, fitness center events, sports classes, and online health lessons.



Goals and Targets

Short-term goals

Accumulate more than 12,000,000 hours with no operational incidents at Huyue Campus, and more than 2,800,000 hours with no operational incidents at Dingpu Campus.

Mid- to long-term goals

- Create the best work environment for all employees by achieving our goal of zero accidents, injuries, and occupational diseases.
- Achieve a target disabling injury frequency rate of less than 0.14 incidents per million working hours by 2030, significantly lower than industry standards.
- Lower disabling injury severity rate to less than 6.88 days per million working hours by 2030.
- Assist more than 70% of high-risk contractors in obtaining ISO 45001 Occupational Health and Safety Management System verification by 2030.



Occupational Health and Safety

The Group complied with international occupational health and safety management systems and local laws in formulating our occupational health and safety policies, which are applicable for all employees and suppliers, and we are committed to a goal of zero injuries, occupational diseases, and accidents as we work to build the best workplace environment for all employees. To fully implement our occupational health and safety policies, we established a fire safety unit, labor safety unit, health and hygiene unit, and other functional units. Additionally, the collective agreement signed by our Labor Union also covers issues relating to health and safety, protection of employee health and safety rights, and enhancement of health and safety management at all Campuses. We established quantifiable goals; implemented management plans; introduced advanced detection and monitoring systems; executed source prevention and control systems; heightened employee drills, awareness, and emergency response capabilities; and carried out a variety of safety inspections to improve upon hidden hazards and create the best workplace environment for all employees.

The Group continues to invest in resource planning and the creation of a safe and healthy working environment by using our cloud computing advantages, food safety cloud services, and healthcare cloud services to build a healthcare network that aims to combine smart technology with precision healthcare. We seek to protect Group employees and their families all around the world through food safety and physical health monitoring capabilities.

The Group's 16 main business groups have all implemented ISO 45001 Occupational Health and Safety Management Systems and have been verified by third-party institutes. These management systems are applicable to all Group employees and all suppliers and contractors working in Group Campuses. The Group convenes global epidemic prevention and production safety meetings each month which are headed by our Chairman. The general managers of all business groups and all campus managers attend the meetings online. The highest safety authority presents weekly reports mainly covering global production safety information, Group production safety conditions, regional production safety conditions, and production safety knowledge (including research on domestic and overseas safety management and technology case studies, safety management tools, and methodologies) while also deploying major production safety tasks throughout the Group and solving major problems within the Group. A total of 56 reports were presented throughout the year to build a culture of safety in the Group. The Group has established a Health and Safety Committee composed of labor and management representatives, which convenes quarterly to review our occupational health and safety performance for continued optimization of occupational health and safety management systems. We have also established Production Safety Management Organizations at all Campuses, which convene weekly production safety meetings for discussion and analysis of production safety conditions at all Campuses and subsequent implementation of all production safety tasks.

The Group assists employees and units responsible for managing occupational health and safety in communicating relevant issues through internal platforms, industrial safety officers in all units, and labor representatives. We also organize "health and safety month" activities each year, strengthening employee safety awareness and safety conditions of work environments through "online scavenger hunts," "themed lectures," "spreading positive energies," and "emergency response" activities, thus establishing sound occupational health and safety systems for employee participation, consultation, and communication. In 2021, our Huyue Campus participated in the zero hazard working hours challenge following establishment of the "Implementation Guidelines for Zero Hazard Work Hours in Business Institutes" and accumulated 11,216,809 hours with no operational incidents, while our Dingpu Campus accumulated 2,369,469 hours with no operational incidents.

For information on our epidemic prevention measures in response to the COVID-19 pandemic, please refer to the section on [epidemic prevention measures](#).

Safety and Hazard Prevention Center

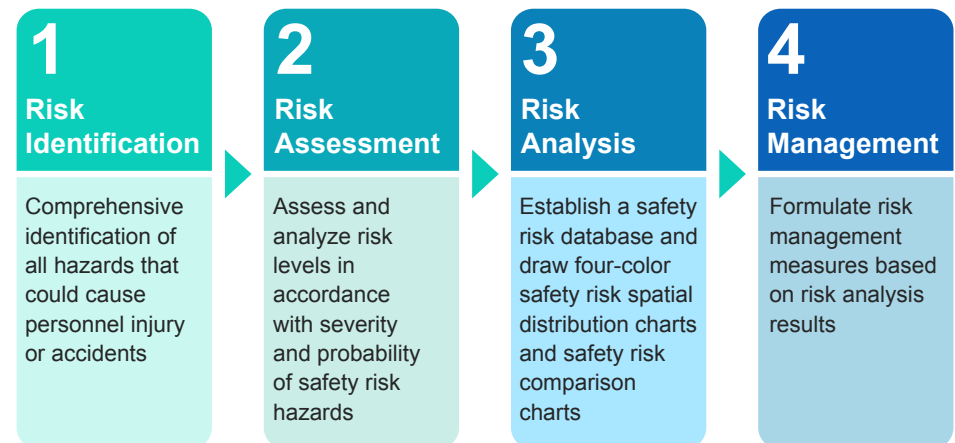
The Group has established a Safety and Hazard Prevention Center in Taiwan which collects safety information from all Campuses in real time. We have also set up typhoon response and epidemic prevention teams to provide relevant and timely information regarding typhoons, epidemics, and other natural disasters; training is provided for response personnel to strengthen our disaster and epidemic prevention systems. We manage safety equipment at our Campuses through the establishment of industrial safety clouds and other modules, which ensure that all Campuses have sufficient security hardware, software, and management mechanisms. We used infrared thermal scanners to inspect electric distributors and other electrical equipment at our Campuses and established an infrared thermal imaging promotion team composed of 21 seed personnel who regularly compile inspection reports, uncover problems, and improve upon them to effectively reduce fire hazard risks in our Campuses.



Safety Audits and Risk Identification

The Group formulated the “Hazard Identification, Risk Assessment, and Risk Controls Planning Procedures” for management of our occupational health and safety management systems. The first article in the production safety chapter of the Group’s Employee Manual, “Employee safety rights and duties,” stipulates that employees have the right to refuse illegal commands and the right to adopt emergency risk prevention measures. Interpretations of this article were provided during routine employee training and training for new employees; employees were informed that they had the right to refuse illegal commands and adopt emergency risk prevention measures. When emergencies such as severe fires or incidents that may impact personnel safety occur, employees and contractors have the right to immediately depart from the scene, and do not bear responsibilities for any corporate or personnel damages incurred.

All units carried out risk identification and risk assessment procedures according to risk types and unit characteristics for formulation of scientific safety risk identification algorithms and methodologies. Safety risk identification procedures were carried out for different job positions to compile and classify safety risks, following which the LEC assessment method was used to determine risk levels. Safety risks are categorized from high to low as major risk, relatively high risk, medium risk, and low risk, and are labeled using four different colors (red, orange, yellow, or blue). Safety risk categories and levels are used to establish a safety risk database and a risk assessment matrix visualized with four colors (red, orange, yellow, or blue). Management is implemented according to risk levels. For example, major risks must be controlled by business groups, which are responsible for formulating control measures, while medium risks are controlled by team leaders. We continue to optimize and advance our occupational health and safety management system using the PDCA cycle.





Our main business groups have formulated regulations for identification of occupational hazards and risk assessments, and all business groups carry out regular hazard identification, risk assessment, and risk control procedures. The Group has formulated the “Regulations for Implementation of Process Safety Assessments and Final Inspections” and requires all new/converted/expanded processes to undergo safety assessments. Hazardous processes must pass assessments and verifications conducted by campus-level industrial safety teams and general processes must pass assessments and verifications conducted by business group industrial safety teams before commencing production to ensure a safe, healthy, and eco-friendly workplace environment for our employees.

The Group has formulated safety assessments and verification procedures for various newly established, converted, and expanded manufacturing processes and hazardous processes. Manufacturing processes are categorized based on production procedures for analysis and assessment of dangerous and hazardous factors; manufacturing processes include preproduction preparation stages, in-production stages, post-production equipment maintenance, hazardous substances produced during production processes, and supplementary systems (such as exhaust systems, ventilation, dust removal systems, and exhaust gas and wastewater treatment). The Group adopts effective preventive control measures to identify and control risks at the source, thereby ensuring safe production processes and occupational health and safety for employees. We adhere to the principle of “design first, then assess, and then commence work.” In 2021, we received 1,064 pre-production assessment applications, 811 current-status assessment applications, and 964 verification assessment applications for hazardous processes at our Campuses, making a

total of 2,839 applications, 2,774 of which were approved, and 65 of which were rejected, achieving an approval rate of 97.7%.

The Group implemented the “Twelve Major Production Safety Violations” rectification plan and statistically analyzed the main reasons for various accidents that had occurred at the Group over the past ten years to compile the violations that could cause severe hazards or immediate accidents. We used these results to formulate the “Twelve Major Production Safety Violations” and associated severe penalties. The Group disseminated the “Twelve Major Production Safety Violations” by placing 13,377 posters throughout campus buildings, broadcasting videos a total of 3,068 times in public areas, assisting 830,000 people in completing online training courses, implementing a total of 4,366 safety training courses for new employees and daily pre-work team meetings, hosting 136 offline safety activities, and conducting 793 violation audits.

The Group hired employees with expertise in safety management who hold safety engineer licenses to establish professional audit teams that conduct daily, monthly, and specific safety audits for electrical safety, management of combustible materials, maintenance of information control precision machining, and management of hazardous chemicals for promotion of safety production processes at all our Campuses in China. We investigated a total of 22,625 hidden dangers in 2021 and achieved a rectification rate of 100%. The Labor Protection Supervision Committee of our Labor Union exerts its supervisory duties and regularly monitors and audits all Campuses to implement our occupational health and safety policies and commitments.

Risk categories	Item description	Identified hidden hazards
Class C warehouses and information security	Storage safety of Class C materials and control of information servers.	276
Hazardous items and safety of flammable gases	Storage safety of hazardous materials, transportation safety, usage safety, and waste handling.	1,837
Process safety	Management of polishing, grinding, cutting, drilling processes that may involve flammable dust, paint, covered processes, SMT processes, and washing of flammable and explosive solvents.	1,461
Fire safety	Requirements for use of fire-resistance construction materials, construction safety requirements, maximum fire resistance of construction components, and fire prevention segments.	5,519
Operations and equipment safety	Management of firefighting control rooms, firefighting power sources, automated warning systems, firefighting pools and pumps, and automated firefighting systems.	5,616
Electrical safety	Safety management and requirements for all sites using electricity and specific sites within the Group.	5,574
Management and training	Management of training and emergency responses.	2,342

Reward system for reporting hidden hazards relating to fire and industrial safety

To further strengthen safety management, the Group has formulated the “Regulations of Rewards for Reporting Hidden Fire and Industrial Safety Dangers,” which state that employees can report hidden dangers or safety recommendations through letters, phone calls, emails, or our corporate app. Reports substantiated by relevant units are rewarded, and informants and related information are kept confidential. In 2021, we received a total of 259 effective hidden hazard reports and distributed 78,000 NTD in rewards. Over the past five years, we have received a total of 1,193 reports and distributed 45.93 million NTD in rewards.



Employees can submit their reports through the following two ways

1. Employees can report non-compliance with standard operating procedures to the production safety supervision and management department, upon which the industrial safety department will retrieve relevant CCTV footage and admonish violators according to regulations. Information on informants is not disclosed, and therefore informants suffer no retribution.
2. Potential occupational hazards can be reported to the occupational health and safety managerial departments of each business unit by calling our hotline or through direct reports. On-site safety audit personnel will investigate situations reported by employees and provide feedback to relevant employees. To encourage such reports from our employees, informants of substantiated hidden dangers are rewarded and not punished.

Key tasks in 2021

ESG

Released the Group’s chemical management policies and promoted ESG in chemical management.



Removed all prohibited chemicals from our Campuses in China and reduced restricted substances by 97%.



Promoted safety management of electric heating processes involving electrical plating and anodes to eliminate major fire hazards.





Promoted safety management of molding, robotics, and automation equipment to eliminate major occupational hazards.

Statistics on Disabling Injuries

The Group sets “100% safety and zero hidden dangers” as our main safety target. We have formulated the “Production Safety Incident Management System” to clearly stipulate the processes and responsibilities for incident reports, incident investigations, and investigative personnel levels. Upon the occurrence of any incident, we require on-site personnel and unit managers to file an immediate report and record said incident in our “Industrial Accidents Declaration System,” following which an incident investigation team responsible for the investigation, handling, and compilation of incident reports is instantly established.

Analysis of work-related injuries for 2021 showed that the stamping, machining, forming/die-casting processes held the highest risks within the Group. Additionally, upgrading of automated machinery, adjustments of equipment and facilities, and complex maintenance environments increased risks of crush and collision incidents. The most common injuries

were mechanical injuries, other injuries, and physical impacts, with the main reasons for injuries being ineffective shutdown of machinery due to mechanical failure, failure to execute LOTO (lockout and tagout) procedures when repairing equipment, and placing all or some body parts in hazardous regions during machinery adjustments and repairs. To eliminate these hazards and reduce risks, we implemented improvement procedures including strict execution of operational safety regulations for equipment maintenance, periodic inspections of safety facilities, ensuring that our equipment and facilities are in good and effective working condition, continued strengthening of LOTO implementations, and hosting safety training for professional equipment operators. In consideration of our 13 recordable contractor work-related injuries (including 2 fatalities), we will also strengthen contractor operational safety and prevent accidents through safety announcements, education and training, and audits.

		Fatalities caused by work-related injuries		Severe work-related injuries (excluding fatalities)		Recordable work-related injuries		Near misses		Total working hours
		Incidents	Ratio	Incidents	Ratio	Incidents	Ratio	Incidents	Ratio	
 Full-time employees	2021	4	0.0024	0	0.0000	189	0.1151	14	0.0085	1,642,760,216
	2020	1	0.0005	0	0.0000	227	0.1187	N/A		1,913,011,143
	2019	1	0.0005	2	0.0011	391	0.2074	N/A		1,885,132,142
 Contract employees	2021	0	0.0000	0	0.0000	8	0.0136	0	0.0000	589,180,800
	2020	1	0.0011	0	0.0000	17	0.0191	N/A		889,596,240
	2019	0	0.0000	0	0.0000	21	0.0360	N/A		583,468,080

Notes:

1. The aforementioned ratios are calculated on a basis of 1,000,000 working hours.
2. The Group began calculating near misses in 2021.
3. The figures above only encompass the Greater China region.

Safety Innovations and Improvement Projects

To reduce potential safety issues in operational sites and prevent the occurrence of safety incidents, the Group continues to introduce technology transformations that facilitate safety optimization through improved processes, material substitution, foolproof equipment, and other safety technologies and mechanisms. Additionally, the Group is planning to build a production safety warning and emergency response system which will be used for real-time monitoring of fire alarm systems at all Campuses and buildings. The project is currently in the software development stages and is expected to provide substantial supervision that will enable thorough implementation of production safety tasks. We continue to promote the implementation of safety guidelines and training for our five highly hazardous production processes. We have carried out safety innovation and improvement projects to improve various manufacturing processes and reduce waste processing risks. Our safety technologies and management standards were significantly increased.

The Group established a production safety information management platform which integrates the Internet and intelligent big data analytics to build a foundation of production safety information related to our technology, process, equipment, and other human, machinery, materials, legal, and environmental aspects. We use big data processing technologies to provide risk warnings, safety performance appraisal, analyses of personnel / accidents / hidden dangers / materials, and a variety of other valuable production safety information. Advantages and disadvantages of risk controls are interpreted from multiple dimensions including the administrative organization aspect (campuses / business groups / factories), geographical aspect (Campuses / buildings / floors), and professional capabilities aspect (operational risks / supply chain risks / management performance) for one-stop management and comprehensive monitoring of routine operations and fire safety tasks through the Group's dashboard, management website, and mobile application. A prototype of the platform has been designed, and the system is currently undergoing development.

Shared platform for safety improvement and innovation

To encourage active participation of all units in innovative safety technologies and management procedures, as well as submission of practical and valuable safety innovation proposals, the Group formulated the “Procedures for Implementing Fire and Industrial Safety Management Evaluations,” which served as a basis for the establishment of our shared platform for safety improvement and innovation proposals. We encourage all units to continue enhancing safety management and safety technology standards so as to ensure employee occupational health and safety. Outstanding improvement proposals are uploaded to the Group’s internal website for promotion to other Campuses. We collected a total of 111 safety innovation and improvement proposals in 2021. Following assessments based on compliance, innovation within the Group, professionalism, and promotional value, a total of 21 proposals were deemed to possess promotional value after they were revised in accordance with suggestions for improvements. These projects encompassed innovative improvements of technologies and management processes relating to CNC, painting, molding, welding, hoisting, wet dust collection, dissemination of safety knowledge, and smart controls. In January 2022, our production safety report for China shared six outstanding innovative safety improvement proposals with our Chairman and senior executives related to improvements in QR code camera locations for robotic security doors, cooling systems for CNC spindles, addition of oil throwers on robot RGV carts, safety of sliding tables for extrusions in machining Campuses, addition of wireless video monitoring systems on cranes, and storage of magnesium shavings.

Health and Safety Training and Drills

The Group strives to build a harmonious campus environment where all personnel is focused on safety. To enhance employee and contractor safety awareness and capabilities, the Group has formulated “Safety Training Systems” and “Procedures for Management of Supplier Production Safety” with clear stipulations for Group employee and contractor training. The Group formulates training plans at the beginning of each year and conducts training in accordance with said plan. We have established three educational systems at the campus, process, and production floor levels and implement training based on plans formulated at the beginning of the year to provide various forms of safety training for our employees.

In 2021, Group Campuses hosted production safety training for 1,287,074 new employees, special operators, construction supervisors, safety management personnel, on-site audit personnel, campus managers, and suppliers.



Item	Participants
Preparatory three-level (factory, process, and production floor levels) safety education for new employees (including temporary workers)	1,183,524
Certification training for hazardous chemicals workers	34,861
Safety training for suppliers/contractors prior to factory entry	37,544
Government-mandated certification training for special operations personnel and special equipment operators	7,096
Advanced capability training for safety management personnel	20,208
Certification training for on-site production safety auditors	3,841

To ensure that employee and contractors can respond in a timely fashion upon occurrence of emergencies and avoid employee safety incidents, the Group conducts emergency training and drills, with no fewer than two fire response drills each year and no fewer than two drills a year to practice responses to chemical leakage/poisoning incidents, suffocation/poisoning in confined spaces, electric shocks, and incidents involving personnel trapped in elevators. We achieved a completion rate of 100% for our planned drills. Our Campuses regularly organize safety promotion activities in June and November each year. In 2021, we hosted firefighting skills contests, safety knowledge contests, safety knowledge quizzes, and fire drills for a total of 1,131,192 participants. In 2021, we received 3,008 fire safety assessment applications across our Campuses, with 2,020 one-time directly approved, 593 returned for revisions, and 395 directly rejected (illegal buildings). Our one-time direct approval rate was 67.15% and overall approval rates were 86.87%.



Health and Safety of Suppliers and Contractors

To strengthen supplier safety management, eliminate illegal behaviors, and prevent accidents from occurring, the Group formulated the Procedures for Management of Supplier Safety and required all suppliers to comply with environmental, occupational health and safety, and safety laws and regulations. Suppliers are also required to possess nationally recognized certificates of personnel qualifications and safe production certifications before they can become qualified Group suppliers.

The Group requires all suppliers to undergo relevant safety training before entering Campuses. Resident personnel are required to complete additional safety training once every six months and attend emergency drills, which is why Group plans for emergency drills encompass supplier personnel. We supervise and inspect suppliers and penalize those with hidden hazards in accordance with our management procedures. Suppliers who do not comply with our requirements have to cease work on all projects or are expelled from our Campuses, thereby ensuring that our suppliers completely abide by our safety management regulations.

The Group convenes collaborator meetings each quarter to inform our contractors of Group requirements. Contractors have to undergo training and testing procedures before they can enter our Campuses, and we also check relevant information such as the preparation of personal protective equipment and information on company supervisors. We also organize health lectures for our contractors. Contractors are required to swipe access cards when entering and exiting Campuses. The Group conducts irregular inspections of contractor safety procedures. Issues are reported to our supervisors each month, and our system delivers notifications and requests improvements from responsible units. In 2021, we discovered 37 deficits and hidden hazards during contractor audits and required our contractors to improve upon these within specified time limits. All items were successfully improved. To enhance contractor epidemic prevention awareness and ensure the health and safety of relevant workers during the pandemic, the Group provided PPE and training for contractors and convened quarterly contractor negotiation meetings. Additionally, contractors are required to complete relevant training and all project applications.

Contractor hazard notification training and quizzes

[Basic information](#)

[Quiz-General affairs](#)

[Quiz-Engineering](#)



Employee Health Promotion

Health Promotion Activities

To provide a balance between work, physical health, and mental health for our employees, as well as implement the concepts of preventive medicine, the Group provides subsidies for health checks at a number of excellent institutes (with an annual budget of 95 million NTD). Even though the pandemic affected health check numbers, almost 80% of our employees underwent health checks in 2021. Due to active care by our nurses, the ratio of employees who have not undergone health checks for three years continued to decrease, and fell to 0.7% in 2021. To ensure employee safety in workplace environments, we also provide entry, on-the-job, and exit health checks for special operations personnel to avoid occupational hazards. Furthermore, to promote employee health, we hosted 51 health promotion activities in 2021 attended by 18,745 employees, including health lectures, fitness center events, sports classes, and online health lessons.

Online Health Classes

To maintain our health promotion services during the pandemic, we provided health promotion resources accessible to our expatriate and overseas employees; organized online health classes themed around the four topics of nutrition, exercise, LOHAS, and food safety; and used a variety of online videos to build a healthy environment and promote development of healthy habits. In 2021, we hosted 21 online themed activities for a total of 5,048 participants. Our surveys indicated that 99% of our employees supported organization of further activities and average satisfaction reached 98%.



Health and Care

The Group has established a multidimensional team composed of doctors, nurses, pharmacists, nutritionists, exercise coaches, and physical therapists to build a “Comprehensive Health and Care” service model for our employees that offers on-site medical, nutritional, sports, and physical care; integrated individualized health and disease management; and comprehensive planning services (we also provided remote services during the pandemic). Employees can also obtain internal health knowledge encompassing epidemic prevention, health, medical care, food safety, and nutrition through the iCivet channel to enhance their health awareness (a total of 992 articles were released in 2021, garnering a total of 828,058 views). These services embody our commitment to “use Group resources on Group personnel.”



Starting in 2013, we installed H2U Health ATMs with health monitoring devices in all stairwells of Group offices and Campuses. We are currently on the fifth generation of these devices. Employees can use these ATMs to measure, understand, and manage their health indicators.



Food Safety and Nutritional Diet

To ensure that our employees and contractors can enjoy clean and safe foods, we have formulated procedures for monitoring food safety which are thoroughly implemented to provide safe foods for our employees. Our food safety procedures include the “Handling Procedures for Food Safety Incidents” which regulates food safety issues, strengthens incident handling efficiency, and prevents risks. We also require our caterers to provide traceability records for full management of food sources. The Group’s high-standard food safety laboratory obtained ISO 17025 verification in 2021. All food safety inspection procedures are conducted in accordance with quality system regulations, and we offer routine food safety monitoring and risk identification services.

The Group conducts thorough inspections of employee canteen ingredients and caterer operations. This, paired with our real-time notification platform, allows us to monitor food safety in real time and provide counseling and guidance for improvements to relevant catering units if abnormal processes are discovered. To strengthen food safety awareness of catering units, we provided courses relating to food safety such as courses on COVID-19 operational requirements and pollution prevention to ensure both epidemic prevention and food safety. We also conducted thorough evaluations on suppliers to select those that complied with legal requirements, adhered to strict procedures, and provided good quality products, to ensure food safety for Group employees.

Item	Description
Sampling checks	The Group conducts sample checks on all foods and completed a total of 9,419 checks. This, paired with our with our real-time notification platform, allows us to monitor food safety in real time, and our pass rates were 99.3%.
Visits and consultations	We visited our catering units 103 times over the year. The average assessment score was 88.1 and we achieved an improvement rate of 70.7%.
Supply chain management	We used supplier evaluations to select suppliers that complied with legal requirements, adhered to strict procedures, and provided safety food products. We completed audits on 52 suppliers throughout the year, achieved a compliance rate of 86.5%, and eliminated one food supplier with inadequate hygiene conditions.
Food safety education	In 2021, we provided online food safety classes for a total of 304 participants covering ractopamine (leanness-enhancing agent) testing, pesticide residue testing, and heavy metal testing.
Handling of Food Safety Incidents	We formulated our Handling Procedures for Food Safety Incidents based on our food safety targets, which are rigorously implemented. We also formulated regulations to prevent risks relating to food safety issues. We implemented strict traceability measures on ingredients relating to African swine fever, ractopamine pork, and American beef. We incurred no major food safety incidents in 2021.

Food Safety Lab

The Group has invested more than 100 million NTD in establishing a “food safety lab” that adheres to national standards. We hired food safety professionals to head inspections and adopted various measures to ensure employee food safety. We are not in the food industry, but are the first major cross-Strait technological enterprise to establish employee food safety inspection institutes. We have already completed construction on and obtained CMA and ISO 17025 certification for our Zhengzhou and Taipei labs.

Testing supplemented with audits and traceability measures enabled us to build a complete food safety supply chain. We not only continue to expand the testing capabilities of our labs, but have also established professional food safety audit teams to conduct health and safety audits on catering production environment and dining environments. We are also planning to establish a food safety database which provides integrated analysis of ingredients, foods, and audit targets, thereby helping us to filter high-quality suppliers and foods, strengthen food safety measures, and enhance food safety standards.

Management of Nutrition in Employee Meals

The Group has formulated regulations relating to food content and nutrition of campus meals to ensure compliance with healthy dietary conditions. We established clear plans and regulations regarding calorie counts, nutrients, and meal content, and restrict the use of processed and pickled foods. Additionally, we offer clear nutrient information to our employees while also helping them to learn about portion sizes and selection of healthy foods. Nutritionists formulated healthy menus for those requiring additional health and care to control calorie intake and adjust nutrient ratios. A total of 642 healthy menus were formulated in 2021.

Food Safety Cloud Implementation Guidelines



餐點名稱	營養分析
滷雞麵飯	674 kcal
韓式豬肉飯	804 kcal
素食-紅燒豆干	615 kcal
雙拼飯	753 kcal
宮保雞麵飯	710 kcal
素高麗炒米粉	709 kcal

4

Business Sustainability, Beneficial Partners

Policies for Sustainable Management of Suppliers P77

Sustainable Supply Chain Impact P82

Promotion of Mutual Growth P88



Key Response Stakeholders :

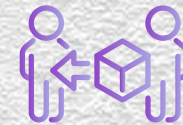
Clients

Suppliers / Contractors

Government

Non-government Organizations

Media



Business Sustainability, Beneficial Partners

Management approach for issues

Supplier management, Procurement practices and management



Meaning to the Group

The Group is actively engaged in the implementation of supply chain management practices to develop efficient long-term collaborative relationships with suppliers, as well as environmental, social and governance risk assessments and audit verifications which allow joint fulfillment of corporate social responsibilities by suppliers. This serves to strengthen the resilience of our supply chain, reduce operational risk, and ensure sustainable management.



Policies and Commitments

The Group requires suppliers to comply with local laws and regulations and the Group's Supplier Social and Environmental Responsibility Code of Conduct. Furthermore, the Group fully considers social responsibilities and environmental benefits and gives priority to environmentally friendly products and services, seeking to balance both economic and environmental benefits. The Group continuously optimizes and improves green procurement standards and management systems and works with upstream and downstream manufacturers to implement ESG such as environmental protection, energy conservation, and carbon reduction to create a sustainable supply chain.



Grievance Mechanism

Please see section [Stakeholder Identification, Communication, and Responsibilities](#) for details.



Evaluation of the Management Approach

- We host management review meetings every year to discuss how to continuously strengthen the management performance of suppliers and track objective achievements to continuously improve performance.



Specific Actions

- Completed conflict minerals surveys for 1,569 suppliers with response rates of 100%. No use of conflict minerals was discovered.
- Assisted and supported 47 suppliers in improving environmental violations, and assisted and supported 124 suppliers with high environmental impacts to report and disclose Pollutant Release and Transfer Register (PRTR) data.
- Hosted green product management seminar for suppliers and invited 232 suppliers to attend. Assisted 18 suppliers in obtaining third-party QC080000 system verification and 5 suppliers in establishing RoHS 2.0 testing capabilities. Added "Supplier Green Product Management Performance Evaluation" module in RoHS and REACH intelligent management platform.
- Promoted supplier net zero actions, assisted 98 suppliers in implementing greenhouse gas inventories and 51 suppliers in completing ISO 14064-1 verification, resulting in carbon reductions of 99,296.93 tCO_{2e}. Trialed use of renewable energies at 6 suppliers and assisted 7 suppliers in implementing UL 2799 Zero Waste to Landfill Operations verification.



Goals and Targets

Short-term goals

- Conduct annual screenings of key electronics suppliers, and reduce annual procurement amounts or total procurement amounts by 2-5% for suppliers with poor ESG achievements.
- Achieve 100% survey response rates regarding use of conflict minerals from suppliers to ensure that no conflict minerals are used.

Mid- to long-term goals

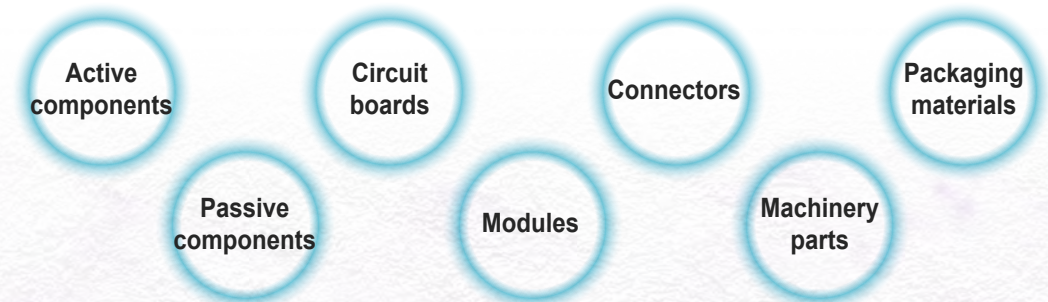
- Require full materials declarations by all key electronics suppliers on RoHS and REACH management platforms.
- Conduct performance appraisals of specific supplier ESG items (including green products, social and environmental responsibilities, and carbon management), and increase coverage to 100%.
- Increase three-year audit coverage of specific institutional suppliers to 90%.
- Increase the number of key electronics suppliers that commit to use 100% of renewable energies for production of Foxconn products to more than 45.
- Increase the number of specific electronics suppliers with Zero Waste to Landfill Operations verifications from the current 3 to more than 25.

Policies for Sustainable Management of Suppliers

Supplier Management System

The Group is the largest electronics manufacturer in the world, with many brand clients and suppliers from all over the globe. The Group realizes corporate social responsibilities by shouldering heavy responsibilities and influencing sustainable developments within supply chains. The Group and its suppliers work together to enhance capabilities in sustainability issues, and a comprehensive and systematic Responsible Supply-Chain Management (RSM) system has been established to achieve digital management and internal data sharing. Each stage of supplier development, qualification assessment, performance evaluation, and elimination of under-performers is managed and controlled to ensure that suppliers meet the requirements of the Group so that we can grow alongside our suppliers.

Our raw material suppliers are further divided into electronic materials and component suppliers, and materials are respectively classified by product into active components, passive components, circuit boards, modules, connectors, machinery parts, and packaging materials.



[Supplier Social and Environmental Responsibility Code of Conduct](#)

As a leading global electronics manufacturer, the Group actively works with suppliers to carry out various sustainable actions as well as guide suppliers in continuous improvement of social, environmental, and economic aspects to enhance our sustainability and competitiveness as we strive to realize sustainable development in our supply chain. The Group fully considers social responsibilities and environmental benefits and prioritizes environmentally friendly, energy-saving, low-carbon, and easy-to-reuse supply chain products to create products and services that balance both economic and environmental benefits, thereby creating virtuous cycles in our industry and supply chain. In 2021, the Institute of Public and Environmental Affairs (IPE) awarded the Great China Area's 1st place in the Green Supply Chain Corporate Information Transparency Index (CITI) Evaluation, and 4th place in the Climate Action Transparency Index (CATI) Evaluation for the IT Industry.

Green Supply Chain 2021 CITI Evaluation Annual Report

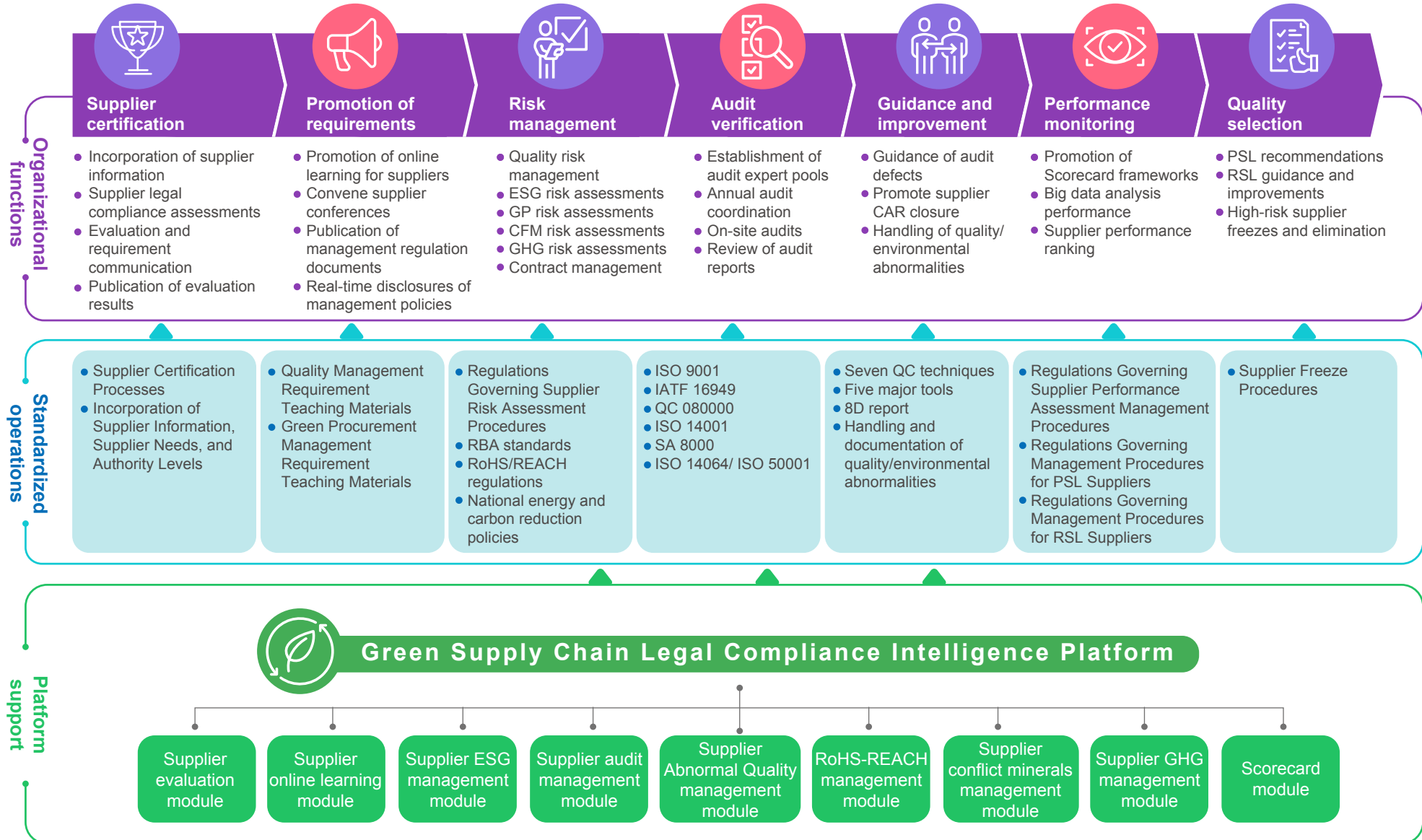


Climate Action Transparency Index, CATI





Supplier Management System Structure



Supplier Management Processes

The Group adopts a circular mechanism for supplier management processes which includes the four major stages of regulatory compliance, risk assessment, audit verification, and continued improvement. We implement social and environmentally responsible management structures in our supplier management processes and conduct data analysis of supplier compliance with social and environmental responsibilities to assist suppliers in improving vulnerabilities, thereby enhancing their social and environmental performance.

Circular Mechanisms of Supplier Management Policies and Processes



STEP 1

Regulatory Compliance

The Group has compiled the “Green Procurement Management Manual” and “Supplier Management Manual” to serve as basic guidelines for supplier management at Group units. New suppliers must pass risk assessments for social and environmental responsibilities and sign “Procurement Contracts” and “Environmental and Social Responsibility Commitments” to ensure that they comply with our “Supplier Social and Environmental Responsibility Code of Conduct” and “Supplier Green Management Requirements.”

Additionally, all suppliers are required to sign “Vendor Commitments” and “Proactive Supplier Declarations,” and pledge not to request, offer, or conduct any bribery actions or provide improper benefits to Group affiliates, related persons, and/or designated personnel. Additionally, suppliers also pledge not to directly or indirectly benefit Group employees, related persons, and/or designated personnel. Suppliers must understand and strictly abide by the Group’s requirements for responsible supply chains.

STEP
2

Risk Assessment

New supplier evaluations are an important part of our management system. The Group collects the following information from new suppliers: basic information cards, component recognition certificates, environmental protection and social responsibility commitments, and due diligence for conflict minerals. We then use our “Supplier Evaluation System” to conduct ESG (Environmental, Social, and Governance) risk assessments of supplier quality, green products, social and environmental responsibility, and product environmental impact to determine risk levels, the production capacities of new suppliers, and their enthusiasm for transactions with the Group. In 2021, all 66 of our new suppliers in the electronics procurement category passed environmental and social selection standards.

STEP
3

Audit Verification

The Group conducts quality, process, social and environmental responsibilities, green products, and greenhouse gas audits for medium- and high-risk suppliers. Audit or post-audit improvement results must meet the requirements of the Group before suppliers can be included in our list of qualified suppliers. The Group also increases management oversight for our top 15 suppliers in the commodity category and suppliers that were not designated by our clients. Regular online surveys and on-site audits of suppliers are conducted through our supplier management platform. If zero-tolerance deficits are found during audits, suppliers will lose the right to be selected for new cases; for non-zero-tolerance deficits, suppliers will be allowed to provide improvement plans and measures within a stipulated deadline based on the severity of the deficit. Reviews are carried out for serious issues. Suppliers who do not complete improvements within allotted times will be included in our list of suppliers restricted for poor performance.

In 2021, we conducted audits on a total of 86 major suppliers. Audit results for these suppliers only contained non-zero-tolerance deficits, and improvement plans and measures were required within a time limit. The Group will continue to track and improve upon these supplier deficits.

Group Supplier Risk Assessment Processes




Suppliers are strictly prohibited from conducting any of the following zero-tolerance actions:

- Use of child labor
- Use of forced labor/prison labor
- Discharge of untreated toxic and hazardous substances or materials
- Actions and working environments that can cause immediate physical harm to employees
- Providing false information to the Group
- Retaliation against employees who provide factual information

ESG-Related Basic Requirements for New Suppliers

- Management System**
Passed ISO 14001, ISO 45001, ISO 14064, and QC 080000 system certification
- ESG Risk Assessment**
Working hours, salary and benefits, environmental assessment approval, environmental violations, dangerous procedures, and management systems
- ESG Audit**
We use the RBA VAP Audit Checklist when conducting audits

Results of supplier ESG (governance, social, and environmental) audit assessments in 2021

Aspects and Standards		Audited suppliers	Pass Rate
 Suppliers Audit Items	QPA & QSA & SCM (Involving ISO 9000, IATF 16949)	84	98%
	GP (Involving QC 080000, RoHS, REACH)	30	93%
	GHG (Involving ISO 14064)	11	73%
	CSR (Involving RBA, ISO 14001, ISO 45001)	44	82%



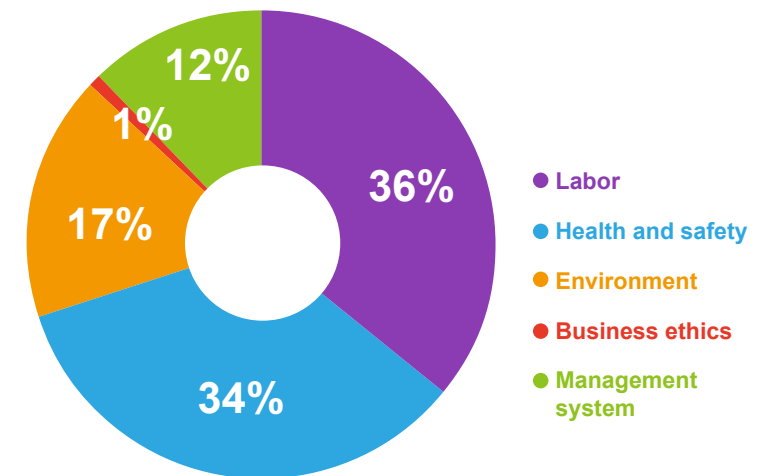
Notes:

- QPA: Commodity Quality Process Assessment
- QSA: Quality System Assessment
- SCM: Supplier Chain Management Assessment
- GP: Green Product Assessment
- GHG: Greenhouse Gases
- CSR: Corporate Social Responsibility

The Group's supplier ESG audits are conducted using RBA VAP tools. Dedicated supply chain management personnel in the Group's procurement department formed audit teams with experts in the Human Resources, Industrial Safety, Environmental Protection units. Audits encompass five aspects: Labor, Health and Safety, Ethics, Environment, and Management System.

The Group encourages suppliers to complete third-party RBA VAP audits; suppliers that have completed said audits within the past two years can share their audit reports with the Group to be exempt from repeated audits conducted by our audit teams. In 2021, a total of 7 suppliers in the electronics procurement category shared their RBA VAP audit reports with the Group.

Distribution of ESG audit deficits in 2021



Note: Audits conducted in 2021 found no incidents relating to child labor, forced labor, or prohibitions of employee freedom of association.

STEP 4

Continuous Improvement

The Group requires suppliers to improve upon audit deficits and uses the Scorecard system to conduct effective monitoring of supplier performance. Up to 30 points can be deducted from suppliers due to poor implementation of social and environmental responsibilities, causing them to be placed on the Restricted Supplier List (RSL). For RSL suppliers, the Group will continue to encourage implementation of improvements through a series of measures, such as repeated deductions from performance scores, review meetings with senior executives of said supplier, and official letters to the supplier's CEO to encourage improvement of deficits. The Group assists suppliers in implementing improvements. If suppliers do not complete improvements within stipulated time limits following guidance provided by the Group, we may consider reducing and restricting the use of the supplier for new cases or even cancel the collaborative relationship.

Supplier performance (Scorecard) review



Average six-month total scores ≥70	Average six-month quality scores ≥70	Supplier's GP risk is low	Supplier's financial risk is low	Not listed as RSL over past year
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A score of <60 on one or more items for three consecutive months	Major quality, GP, and CSR abnormalities	Failure to pass audits or non-improvement of major defects
------------------------------------------------------------------	------------------------------------------	------------------------------------------------------------

PSL (Preferred Supplier List)

- Allocate higher proportion of orders
- Recommendation for new ODM projects
- The Group strategic partner

RSL (Restricted Supplier List)

- Reduction of orders
- Prohibition of usage in new ODM projects
- Freeze

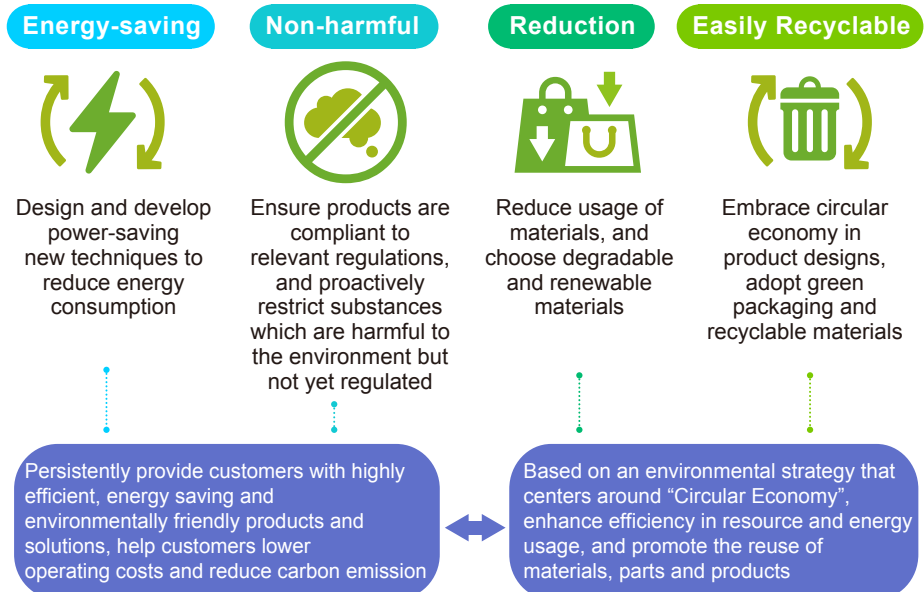
Sustainable Supply Chain Impact

Design of Environmentally Friendly Products

The Group not only strictly requires supplier raw materials to comply with environmental protection laws, but is also attentive to environmental protection concepts at the initial stages of product design. We adhere to green design concepts and incorporate environmental factors and pollution prevention measures during the design and development stages to minimize product environmental impacts.

The Group strictly complies with environmentally friendly product cycles and relevant environmental protection directives and requirements. We researched and formulated environmentally friendly product designs that adhered to four axes: "energy-saving, non-harmful, reduction, and easily recyclable." We assist all Group business units in improving design processes for environmentally friendly products and establish environmentally friendly design mechanisms.

Green Product Designs within the Group

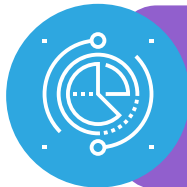


Green Product Management

The Group promotes development of green products as part of our pursuit for sustainable development. Internally, the Group promotes comprehensive green product management and has established a dedicated unit and dedicated personnel to collect and research various environmental requirements (RoHS, REACH, and HF) from existing legislation, clients, the industry, and society. We have established green product management guidelines, supplier green product management mechanisms and platforms, corresponding management regulations, and standards for restriction of hazardous substance usage, and we regularly

host supplier seminars to communicate the latest Group green product requirements to our entire supply chain and assist our suppliers in enhancing green product management capabilities. We track the green credentials of our raw materials starting from our upstream suppliers, prohibit use of chemical substances restricted by the green product regulations of different countries and regions, and require our suppliers to disclose the amounts of hazardous substances contained within their products, thereby reducing use of hazardous chemicals in products and facilitating full disclosure of product substances to our end customers.

Three Management Stages for Supplier Products



Management of all processes is the foundation

Management of all processes and adherence to the “principle of five noes”:

No design

No procurement

No inflow

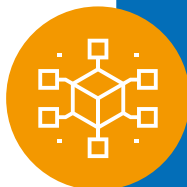
No manufacturing

No outflow



Supplier management is the key

We implement management mechanisms including assessments, verifications, audits, performance evaluations, and eliminations of under-performers starting from new suppliers, and require thorough execution of green product management in all supplier management processes to build a green product management chain that links all processes from suppliers to clients. The Group has formulated Supplier Environmental Protection and Social Responsibility Commitment Forms which suppliers are required to sign as part of their commitment to Group standards for environmentally friendly products. The scope of this commitment includes but is not limited to the Group’s “Specification for Hazardous Substances and Materials Management ESD-A0RH-001” and the environmental protection standards of our clients. We also require our suppliers to submit the “REACH Candidate List of Substances of Very High Concern Declaration Form” and the “Environmental Management Substance Composition or Component Breakdown Form.” Additionally, the EU RoHS 10 controlled substances directive requires suppliers to submit periodically updated third-party test reports for corresponding materials.



Digital transformation is the core

The Group launched the RoHS-REACH intelligent management platform in November 2020 as part of our pursuit toward digital transformation, and launched Version 2.0 of the platform in 2021 to include a new module for supplier green product management evaluation and ranking which incorporates indicators from internationally renowned ESG evaluation institutes and encompasses assessments for five dimensions: system management, test management, process management, disclosure management, and upstream management. The current system serves as an intelligent management platform for supplier green products and includes “material compliance management,” “supplier compliance management,” and “supplier management, evaluation, and ranking” functions. This digital management process allows us to maintain control of all aspects. Platform services encompassed 10 business groups, 47 business divisions, and was used for management of 749 suppliers in 2021.



Responsible Mineral Procurement Management

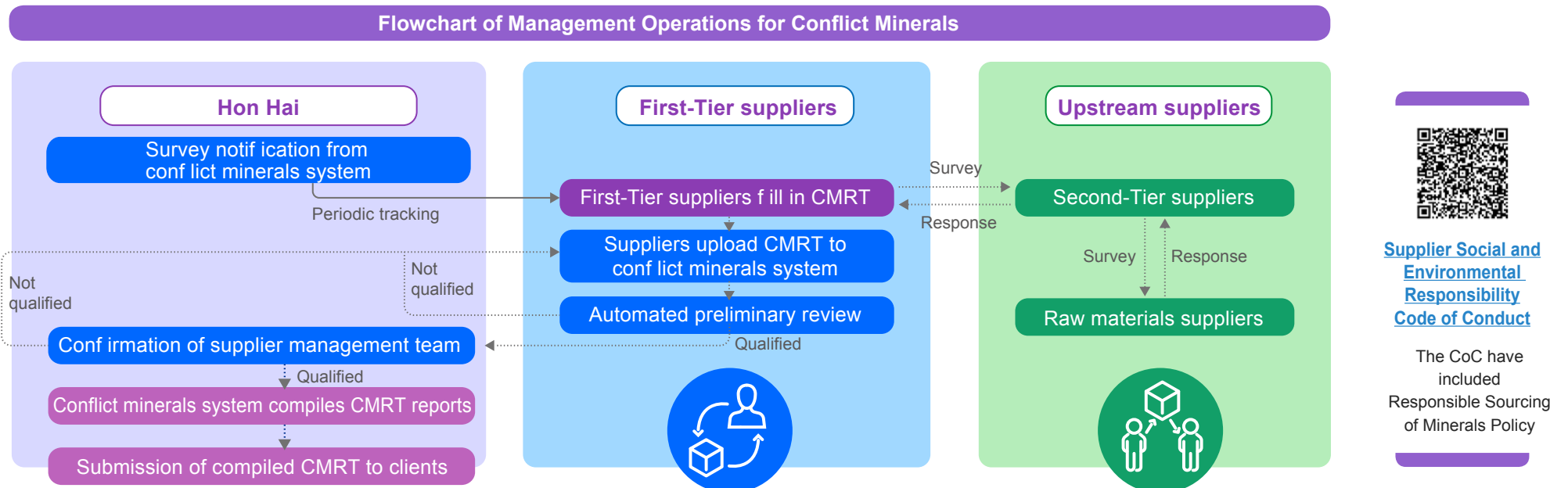
The Group does not directly purchase raw materials from smelters or refineries, but purchases components that possibly contain conflict minerals. To fulfill our social responsibilities, we avoid minerals sourced from high-risk conflict and human rights disaster areas in the Democratic Republic of Congo and its surrounding countries to reduce supplier management risks. The Group has established management processes for supplier procurement of responsible minerals and issued the “Statement on Responsible Mineral Procurement.”

The Group does not accept or use tantalum, tin, tungsten, gold, or cobalt sourced from the Democratic Republic of Congo and its surrounding high-risk conflict areas. As part of this commitment, we hereby declare:

1. Suppliers are required to fulfill their social and environmental responsibilities.
2. Suppliers must ensure that the components and products provided to the Group do not contain tantalum, tin, tungsten, gold, or cobalt sourced from the Democratic Republic of Congo and its surrounding high-risk conflict areas.

3. Suppliers should establish responsible mineral procurement management systems in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
4. Suppliers must trace the sources of minerals used in their supply chains and regularly use CMRT and CRT to fully disclose to the Group the content and sources of the tantalum, tin, tungsten, gold, and cobalt used in their products. Additionally, suppliers should ensure that they are working with smelters or refineries which adhere to the Responsible Minerals Assurance Process (RMAP) of the Responsible Mineral Initiative (RMI).
5. Suppliers should require the same of their upstream vendors.

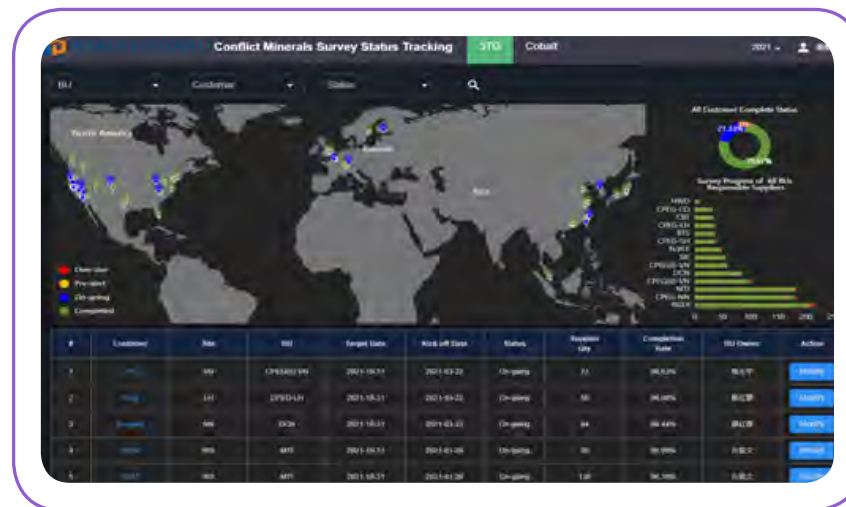
As a member of the RMI, the Group is attentive to updates on responsible mineral sourcing released by the RMI and has adopted the CMRT (Conflict Minerals Reporting Template) and CRT (Cobalt Reporting Template) developed by the RMI. We conduct due diligence on our suppliers and require new suppliers to use smelters/refineries that adhere to the RMI RMAP (Responsible Minerals Assurance Process). Suppliers also have to sign the “Environmental Protection and Social Responsibility Commitment” form, pledge to comply with the Group’s responsible mineral procurement policies, and submit verified CMRT reports before they can become a qualified Group supplier.



The Group has developed a management platform for conflict minerals. All our business units use this platform to collect, review, and compile supplier conflict minerals due diligence reports, and the data is stored and tracked over the long term. Platform data was used to develop a digital dashboard used for tracking supplier usage of conflict minerals and for disclosure to end customers.

In 2021, the Group completed conflict minerals investigations for 1,569 suppliers through our conflict minerals management platform. Supplier response rates were 100%. We require our suppliers to encourage non-RMAP smelters/refineries discovered during the course of these investigations to complete RMAP compliance within a specified time limit or face elimination from the supply chain. The Group has not yet discovered supplier products containing tantalum, tin, tungsten, gold, or cobalt from conflict areas in the Democratic Republic of Congo and surrounding countries.

The Group worked with a total of 252 smelters in 2021, all of which were included in the list of qualified smelters released by RMI. Most of these smelters were located in Asia:



Aspect	Ta Tantalum	Sn Tin	W Tungsten	Au Gold	Co Cobalt	Total
Asia	19	33	26	46	13	137
Europe	5	5	6	26	4	46
North America	1	0	0	4	1	6
South America	0	0	0	1	0	1
Africa	10	14	7	29	1	61
Australia	0	0	0	1	0	1
Total	35	52	39	107	19	252

Environmental Management

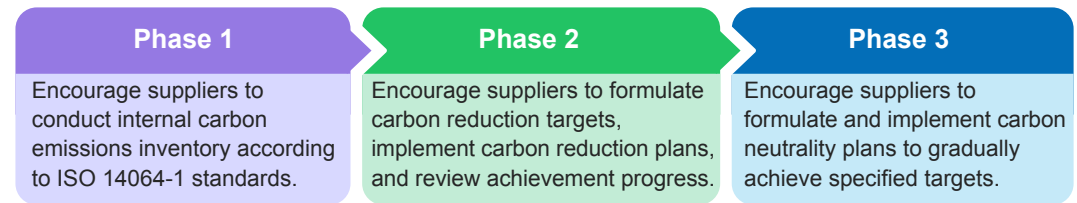
The Group has always emphasized environmental management for suppliers and requires suppliers to strictly abide by local environmental protection laws and regulations, establish and maintain an effective environmental management system, and obtain ISO14001 certification. When engaging a new supplier, the Group will assess the environmental risk of its manufacturing plants and review relevant legal certification documents for supplier manufacturing environments. If the supplier is found to have incurred zero-tolerance violations relating to “discharge of untreated toxic and hazardous substances or materials,” or if environmental violations are not improved upon, the supplier will lose its status as a qualified supplier. The Group conducted environmental risk assessments on 66 new suppliers in 2021. All suppliers were found to comply with Group requirements.

The Group fully understands the importance of public monitoring for environmental compliance relating to supply chains. Therefore, we actively collaborate with external parties such as the Institute of Public Environmental Affairs (IPE). We use the IPE Blue Map application to monitor supplier environmental compliance performance and provide improvement counseling for suppliers that incur environmental violations. Violation records are removed from the Blue Map website for suppliers following environmental reviews and verification of rectification effectiveness. In 2021, we assisted 47 suppliers with environmental violations in removing their records. We also extended environmental management to our upstream suppliers. In 2021, we required 6 pilot suppliers to continue enhancing their own environmental performance, track environmental risks in their supply chain, review the environmental compliance of their supply chains, and remove violation records from the Blue Map website. To protect the public's right to know about their surrounding environments, the Group guided 124 suppliers in filling out PRTR (Pollutant Release and Transfer Register) data for public disclosure on the IPE website in 2021.

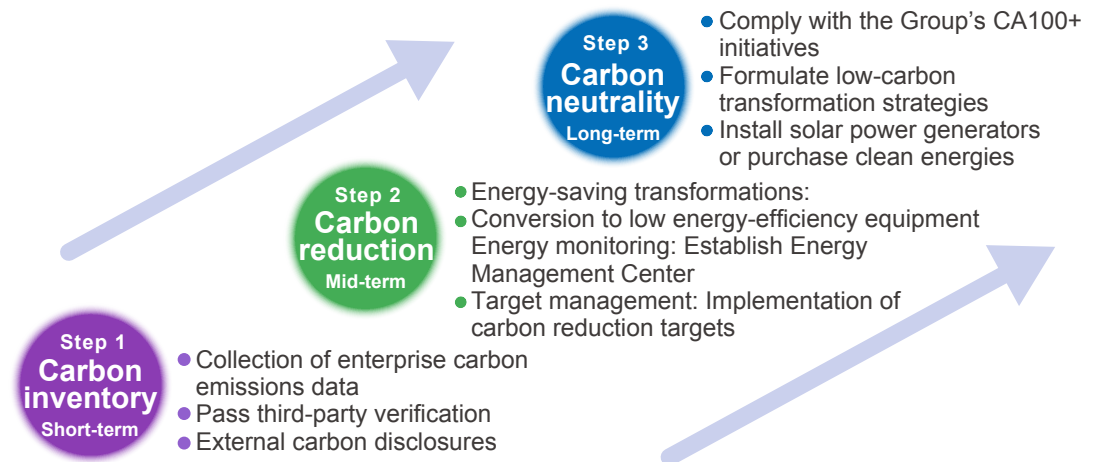
Supplier Energy and Carbon Reduction Management

In response to the 1.5°C carbon reduction initiative of the Paris Agreement, all countries around the world have actively formulated net zero emissions targets and taken corresponding actions. The Group actively adheres to the Paris Agreement and participates in Climate Action 100+ by committing to net zero emissions across our value chain by 2050. As an important component of our value chain, suppliers are required to take immediate action to reduce their carbon emissions. The Group has therefore formulated the following supplier net zero policies and requirements:

1. Apart from committing to achieve net zero emissions by 2050, suppliers are required to formulate long-term carbon reduction targets, take active and effective measures to ensure that said targets are met, and meet client requirements for end clients with stricter standards.
2. Suppliers are required to disclose third-party verified carbon emissions data and carbon reduction achievement on digital carbon management platforms each year.
3. Suppliers are required to implement energy and carbon reduction measures (such as installation of solar power equipment, use of renewable energies, and zero waste to landfill operations), reduce carbon emissions, and realize net zero emissions targets. The Group conducts appraisals of supplier energy and carbon reduction achievements, the results of which serve as a basis for adjusting supplier transactions and eliminating poorly performing suppliers.



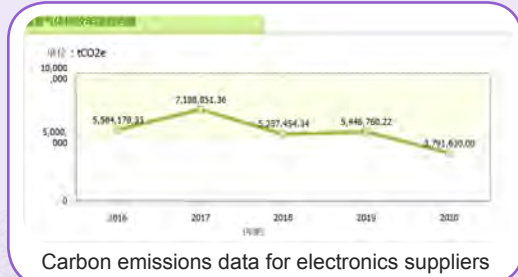
The Group's energy and carbon reduction strategy for suppliers



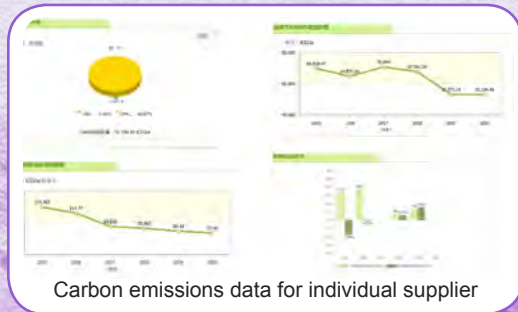
The Group has established a supplier carbon management system and requires suppliers to upload carbon emission volumes and relevant data each year, including annual carbon emission volumes (categorized by Scope 1 and Scope 2 emissions), carbon emissions per unit of output, and achievements of annual carbon reduction targets. Compilation and analysis of this data allows for a clearer understanding of annual supplier carbon emissions while enhancing supplier management efficiency and serving as a reference for decision-making.



System screenshot



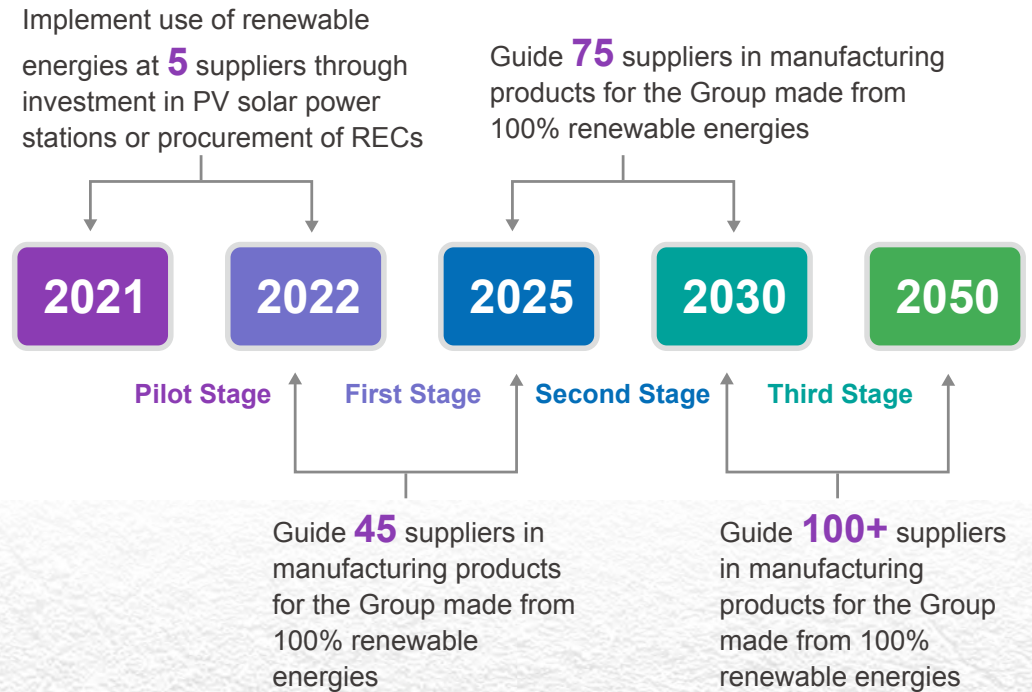
Carbon emissions data for electronics suppliers



Carbon emissions data for individual supplier

The Group plans to assist 165 suppliers in conducting energy and carbon reduction tasks by 2025. In 2021, the Group assisted 88 suppliers in implementing greenhouse gas inventories through our "Supplier Carbon Management System"; 51 suppliers also completed ISO 14064-1 verification. Suppliers implementing carbon reduction plans lowered their carbon emissions by 99,296.93 tCO2e in 2021.

Additionally, we predict that clean energies will become a major trend in the future. Therefore, the Group will actively work with collaborating suppliers to promote use of renewable energies within our supply chain, set an example for our suppliers, and work with our end clients to build a zero-emissions supply chain.



Promotion of Mutual Growth

Participation in Setting Of National Standards for Green Supply Chains

The Group actively participates in green manufacturing projects and setting of green manufacturing standards in China, sharing our green supply chain management experiences with all parties to establish a resource-conserving and environmentally friendly procurement, production, marketing, recycling, and logistics green supply chain for the industry. Two national standards took effect in March 2021, and another set of standards are currently under review by the Standardization Administration of China.

National standards for management of green supply chains are as follows:

- “Green manufacturing—Green supply chain management in manufacturing enterprises—Control of purchase” (GB/T 39258-2020)
- “Green manufacturing—Green supply chain management in manufacturing enterprises—Specifications of informatization management platform” (GB/T 39256-2020)
- “Green supply chain management specifications for electronic information manufacturing enterprises” (20202950-T-469)

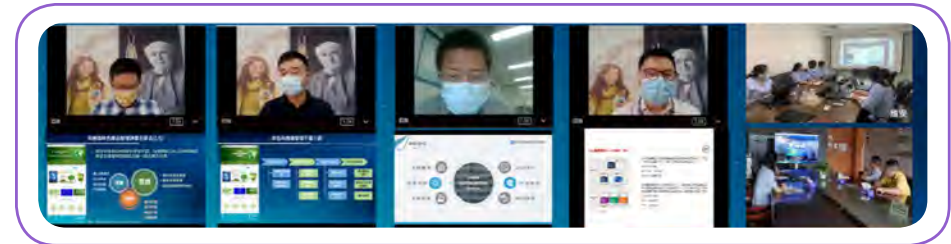
Carbon Neutrality Policy Dissemination Meeting

The Group invited external collaborating units to host an online carbon neutrality policy dissemination meeting for promotion of Group net zero emissions policies and requirements, interpretation of and responses to global carbon neutrality trends, and introduction of PV solar power solutions. A total of 53 suppliers and 122 participants attended the meeting, and the Group officially announced the renewable energy scheme for pilot suppliers. A total of 5 suppliers have implemented or plan to implement renewable energies (including installation of rooftop PV equipment, procurement of green electricity, and investment in solar power plants) as of the end of December. The Group plans to guide 45 suppliers in manufacturing products using 100% renewable energies by 2025.



Green Product Management Seminar for Suppliers

To ensure that green product management of all Group business units and suppliers can instantly and effectively respond to changes in environmental protection laws, the Group hosted two online green product management seminars for suppliers in collaboration with a well-known third-party electronics technology standards research institute. The themes for the seminars were “Hon Hai/Foxconn ESG supplier green product management and digital transformation,” “Interpretation of new regulations for control of hazardous chemicals in electronics products and case studies of recalled products,” “Interpretation of regulations for restricted substances in automotive materials,” and “Introduction to ESG reports.” We invited 10 of our business groups, 39 green product management departments within these business groups, 232 suppliers, and a total of 457 participants to participate in these events.



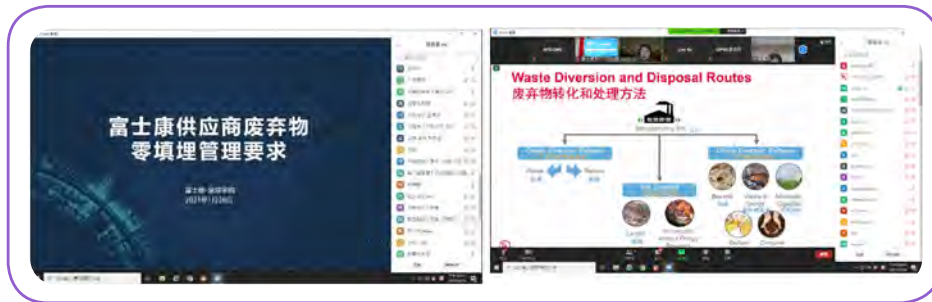
Green Supply Chain Seminar for Suppliers

To clearly convey the Group's requirements for green supply chains and environmental management to our suppliers, we hosted a green supply chain seminar to share our practical experiences in filling out PRTR information. We also invited IPE-recognized third-party institutes to discuss improvements in environmental violations and removal of environmental violation records from a professional perspective. A total of 256 management representatives from 157 suppliers attended the seminar.



Dissemination of Zero Waste to Landfill Operations Project

In addition to building “zero waste Campuses,” the Group has extended zero waste concepts to our supply chain to enable joint growth alongside suppliers. We have initiated a pilot “zero waste to landfill operations” project for our suppliers and hosted a “supplier zero landfill operations seminar” which was attended by 30 major suppliers. During the seminar, the Group shared information regarding trends in development of zero landfill concepts, brand client requirements, UL2799 Zero Waste To Landfill Operations Certification, and Turbo Waste systems, as well as Hon Hai/Foxconn management requirements related to zero waste to landfill operations concepts.



We have assisted three suppliers in obtaining UL 2799 Zero Waste to Landfill Operations Certification and four suppliers are in the process of obtaining certification (these suppliers are scheduled to obtain certification in 2022). The Group plans to use its previous pilot experiences to assist more suppliers in obtaining Zero Waste to Landfill Operations certification. This item is listed as a long-term goal for supply chain and ESG management.

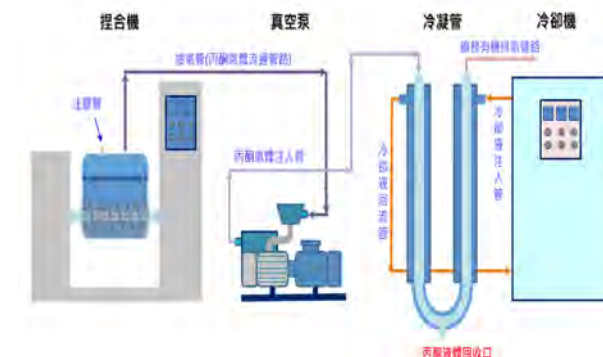
Our zero waste to landfill operations project not only conserves resources, protects the environment, and enhances supplier reputations, but also generates economic benefits, reduces production and operational costs, and enhances core competitiveness. For example, one of our passive components suppliers in Suzhou, Jiangsu implemented the zero waste to landfill operations project, and increased resource usage efficiency and reduced material costs through its “improvement of lead frame utilization plan” and “acetone recycling and reduction plan,” heightening the environmental competitiveness of its products.

Improvement of lead frame utilization plan

063T L/F廢料對比▼

系列	項目	Before (一體料片)	After (1/2分片)
063T	L/F系地圖		
	單顆鋼面積 (mm²)	228 mm²/PCS	136mm²/PCS
	L/F尺寸 (長寬厚)	77.6*17.6*0.2mm	82.2*9.65*0.2mm
	L/F總重 (含鋼料)	2.832g	1.623g
	L/F淨重 (不含鋼料)	0.805g	0.805g
	廢料佔比 (%)	71.5%	50.4%

Acetone recycling and reduction plan



5

Green Solutions, Circular Economy

Climate Change	P93
Environmental Management System	P99
Water Resource Management	P100
Waste Management	P102
Chemicals Management	P103



Key Response Stakeholders :

Employees

Clients

Shareholders / Investors

Non-government Organizations



Green Solutions, Circular Economy

Management approach for issues

Climate change responses, energy and greenhouse gas management, water resource management, waste management



Meaning to the Group

Following the UN's adoption of the Paris Agreement, climate change has become an issue of focus for all governments and enterprises. As a world-class company, the Group has a duty to lead the industry towards a low-carbon economy and society.



Policies and Commitments

The Group proposed the 1.5°C carbon reduction initiative, put forward three climate targets, and continues to advance energy and carbon reduction measures and other environmental impacts to mitigate the impacts of climate change, thereby achieving our responsibilities of protecting the environment and caring for the planet as we exert our influence on global industrial chains.



Grievance Mechanism

Please see section [Stakeholder Identification, Communication, and Responsibilities](#) for details.



Evaluation of the Management Approach

- Our energy and carbon reduction division conducted quarterly and annual energy reduction evaluations to achieve our energy and carbon reduction goals.
- We conducted external audits for management systems such as ISO 14001, ISO 50001, and ISO 14064-1.
- We held management review meetings each year to discuss and track our energy and carbon reduction targets.



Specific Actions

- The Group's energy-saving target for 2021 was 5%. The actual energy-saving rate was 5.56%, successfully achieving our annual energy-saving goal.
- Invested 1.75 billion NTD in 1,587 energy-saving projects encompassing transformation of energy-saving production processes, improvement of air-conditioning systems/air compressors/lighting equipment, and other improvements. Total carbon reductions were 320,925 tCO₂e and energy-saving benefits were equivalent to 1.3 billion NTD.
- The Group's usage of clean energies reached 483,879.1 MWh, and clean energy usage ratios were 5.17%.



Goals and Targets

Short-term goals

- Reduce carbon emissions by 21% in 2025 compared with 2020
- Complete 100% of industrial wastewater discharge and water quality monitoring system installations by 2025
- Establish at least 3 pilot campuses with air quality monitoring systems by 2025
- Raise proportion of internally recycled plastics in campuses to 60% by 2025
- Reduce water use intensity by 6% before 2025

- Obtain at least 5 UL 2799 Zero Waste to Landfill Operations Gold-Level Certifications by 2025
- Propose commercially ambitious 1.5°C carbon reduction scenario, which we expect to be validated and approved under the Science Based Targets initiative (SBTi) by 2023.
- Adhere to NDCs and carbon emissions policies of local governments and comply with international and local environmental protection laws to incur zero violations.

Mid- to long-term goals

- Raise proportion of green energy usage to more than 50% by 2030
- Reduce carbon emissions by 42% in 2030 and 63% in 2035 compared with 2020
- Align GHG emissions of our value chain with the Paris Agreement and realize our goal of zero GHG emissions by 2050.
- Strive to build "Zero Waste Campuses"

The UN climate change report for 2021 stated that the climate actions adopted by various countries are insufficient for curbing global warming. For this reason, Secretary-General Guterres urged all countries to adopt more aggressive measures to achieve the 1.5°C carbon reduction target proposed by the Paris Agreement. For this reason, the UNFCCC COP26 will be focused on the 1.5°C target.

As a global leader in the electronics technology industry, the Group supports the goal of limiting temperature increases to less than 1.5°C as proposed by the Paris Agreement. In November 2020, the Group was the first Taiwanese enterprise to propose the goal of a net zero emissions supply chain by 2050. In January 2021, we submitted our statement of carbon reduction commitment for achievement of the 1.5°C target to the Science Based Targets initiative (SBTi). In June 2021, we joined the Taiwan Alliance for Net Zero Emission, which was composed of industry leaders in Taiwan, thereby exerting our industrial influence and leading global industries in achieving the 1.5°C target of the Paris Agreement as we work towards a zero carbon and sustainable society.

The Group's three climate targets

1

- Comply with NDC or the carbon emission policies of local governments where Group Campuses are located.

2

- Align GHG emissions of our value chain with the Paris Agreement and realize our goal of zero GHG emissions by 2050.

3

- Respond to and act upon the three targets proposed by the Climate Action 100+ steering committee:
 - (1) Strengthen climate change governance;
 - (2) Implement actions relating to GHG emissions within the Group's value chain;
 - (3) Provide disclosures in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD).

Climate Change

The Group emphasizes the urgency of climate risk management to ensure sustainability. We have implemented Task Force on Climate-Related Financial Disclosures (TCFD) using the four main frameworks of governance, strategies, risk management, indicators and goals for transparent disclosures of key climate risks, opportunities, and current management. During the first phase, we aim to release our first Net Zero Vision Report in 2022 to detail our climate governance, strategies, risk management, and indicators and goals. During the second phase, we aim to conduct analyses and discussions of climate scenarios, as well as quantitative financial impacts. The third phase will integrate results from the first and second phases to generate standardized forms and processes that extend the scope of climate-related financial assessments to the whole world. We also plan to release a Net Zero Strategy Report.

Governance

The Group has formed a TCFD team which is responsible for coordinating and communicating climate issues with internal and external stakeholders, identifying response measures to climate issues, and formulating implementation strategies for climate issues. Our accounting department is responsible for annual review and updating of financial impacts relating to climate issues. All our business groups and functional units related to carbon reduction cooperate with climate response measures and implementation strategies through periodic tracking of the latest climate indicators and items.

Strategies

In 2021, the Group officially became a TCFD supporter and committed to implementation of TCFD guidelines. Starting from the end of 2021, we began assessing links between climate change and business activities using the TCFD framework, and have conducted a series of scenario analyses incorporating risk management and climate impacts to further disclose the resilience of our responses to climate change.

In terms of energy usage, the Group implements energy-saving and green energy measures and has established six main work energy-saving specifications, namely compliance with policies and regulations, skills improvement, promotion of green frameworks, promotion of energy management and certification, energy-saving diagnoses, and implementation of energy-saving tasks. Our energy-saving technologies encompass improvements in process energy usage, improvements in air-conditioning/lighting systems, and other improvements. In terms of green electricity, we increased installation capacity by installing and purchasing rooftop and ground-mounted solar stations, while also directly purchasing other clean energies.

The Group has formulated a three-stage energy and carbon reduction strategy for suppliers encompassing carbon inventory, carbon reduction, and finally carbon neutralization. We conduct carbon inventory, promote ISO 14064-1 verification, and utilize renewable energies in our supply chain alongside our collaborating suppliers, working with our end clients to build a zero-emissions supply chain.

We adhere to the Group's F3.0 transformation to new industries goal and actively invest in prospective technologies to provide low-carbon solutions and services. We are currently working to improve designs at the source to reduce energy usage, reduce carbon emissions, do no harm, and recycle resources. We have developed and designed low-carbon products to minimize environmental impacts. The International Energy Agency (IEA) stated that electric vehicles have significant carbon reduction potential, but we discovered three major challenges facing the traditional automotive industry: high development costs, long lead times, and insufficient resources. In order to promote development of electric vehicles, the Group built an open Electric Vehicle (EV) platform (MIH) with technical specifications to resolve the issue of insufficient EV resources in various countries.

Risk Management

In response to urgent climate risks and weather warnings, we conduct on-site prevention and management actions in accordance with Group regulations. For long-term climate risks, we used our analysis results to compile major climate risks and opportunities for the Group, take stock of information and management strategies related to climate risks and opportunities, implement related measures, and transfer risks through commercial insurance policies. We implement emergency responses to climate risks in accordance with Group regulations.



Indicators and Goals

In response to global climate change impacts, we proposed net zero emissions targets using 2020 as out base year, set scheduled milestones for 2025 and beyond, and simultaneously released related information on our corporate website, including:

The Group's short-, mid-, and long-term targets

Short-term

Reduce carbon emissions by **21%** in 2025 compared with 2020

Mid-term

Achieve net zero emission in the offices of our Taiwanese campuses by 2030

Reduce carbon emissions by **42%** in 2030 compared with 2020

Reduce carbon emissions by **63%** in 2035 compared with 2020

Long-term

Achieve **Net Zero Emission** in our value chain by 2050

Refine and allocate energy and carbon reduction targets to different business groups

Formulate procedures for evaluating energy and carbon reduction management and implementation status in different business groups, and reward business groups with remarkable achievements in energy-saving measures. We conduct quarterly and annual comprehensive evaluations while also implementing regular reviews and revisions each year.

Our verified Scope 1 and 2 greenhouse gas emissions in 2021 were 6,220,782 tCO₂e, an increase of 14.8% compared with 2020 (5,417,602 tCO₂e), mainly due to revenue growth and economic expansion, which raised electricity usage and carbon emissions. However, the Group continued to be active in implementing carbon reductions and utilizing renewable energies. We will continue to work toward net zero GHG emissions in our value chain by 2050.

Scope 1 and Scope 2 GHG emissions in 2021						
	Unit	Asia	South America	North America	Europe	Total
Scope 1 GHG emission	tCO ₂ e	229,943	1,222	6,076	705	237,946
Scope 2 GHG emission	tCO ₂ e	5,907,005	801	72,508	2,521	5,982,836
Total	tCO ₂ e	6,136,948	2,023	78,584	3,226	6,220,782

Due to the widespread operational scope of the Group, we are still compiling data on Scope 3 GHG emissions for 2021, and aim to disclose this information at the end of 2022. The Group has completed inventory of Scope 3 GHG emissions for 2020, which amounted to 24,025,738 tCO₂e.

Notes:

1. Emissions factors for natural gas and heat were derived from China’s “Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Electronic Equipment Manufacturing Enterprises (Trial)”; emission factors for diesel and gasoline were taken from the UK’s “2020 Government Greenhouse Gas Conversion Factors for Company Reporting”; emission factors for electricity used the electricity emission factor for China (0.6167 kgCO₂e/kWh) taken from the IEA Emission Factors 2020.
2. The Global Warming Potential (GWP) used in the table was taken from the “IPCC Fourth Assessment Report (2017).”
3. GHGs include CO₂, CH₄, and N₂O.
4. We used the financial control criteria to compile GHG emission.

Energy Management

We systematically manage our energy use through implementation of the ISO 50001 Energy Management System and third-party verifications to identify risks and opportunities for reducing energy use and enhancing energy efficiencies. Additionally, the Group has formulated the “Audit Procedures for Energy-Saving Projects” and “Audit Procedures for Energy-Saving Management” for continued implementation and transformation of energy-saving technologies, and are also actively developing new energy and carbon reduction technologies, products, and business models, exploring our energy-saving potential, and promoting transformation and upgrades to increase benefits. Furthermore, in line with goals relating to global energy transformation and low-carbon economic development, we continue to increase installation capacity by installing and purchasing rooftop and ground-mounted solar stations. We also directly purchase other clean energies to raise our usage volumes and ratios of clean energy while reducing GHG emissions.

At the beginning of each year, the Group formulates energy-saving goals and communicates these to our business subgroups. Incentive measures are also implemented to enhance the development of energy-saving technologies in each subgroup. The Group’s energy-saving target for 2021 was 5%. The actual energy-saving rate was 5.56%, successfully achieving our annual energy-saving goal.

Achievement of energy-saving targets for 2017-2021					
	2017	2018	2019	2020	2021
Target value	5%	5%	5%	4.50%	5%
Achieved value	7.23%	5.77%	5.33%	5.18%	5.56%

Work plan for energy and carbon reduction measures

Key tasks	Description/requirements	Purpose/meaning
Implement energy-saving policies and regulations	We use governmental policies and regulations as a basis for mandatory tasks such as promoting energy and carbon reduction measures; coordinating management; implementing energy management plans; reporting energy usage; obtaining certification for energy management systems; establishing energy management centers; auditing energy usage; formulate energy-saving plans; compiling energy-saving self-assessments, and evaluating new, converted, and expanded energy-saving projects.	We respond to governmental laws and policies through supervisory and evaluation measures which help to improve our credit ratings.
Promotion of green manufacturing systems	We continue to implement our “Action Plan for Evaluations of Green Campus Construction Projects,” promote establishment of key Campuses, and apply for national certifications relating to green Campuses, green supply chains, green Campuses, and green products.	We have established green manufacturing management systems and applied for certifications to enhance our corporate brand image and obtain government funding and incentives.
Diagnosis of industrial energy-saving measures	We diagnose main processes, key energy usage systems, key technologies and equipment, and promote technical consultations and technological transformations and upgrading.	Explore energy-saving potential and promote implementation of energy-saving measures to reduce costs and enhance efficiency.
Action plan for enhancing professional skills	We host training for professional skills, job skills, and new apprenticeships, and organize training for entry-level workers, mid-level workers, senior-level workers, technicians, and senior technicians.	Enhance climate change awareness in employees and cultivate professional energy and carbon reduction talent.
Full certification of energy management systems	We encourage Group entities to obtain and maintain ISO 50001:2018 systems as well as commence implementation of systematic energy and carbon reduction tasks.	Improve energy management systems to ensure long-term implementation of energy management mechanisms.
Execute key energy-saving projects	We focused on optimizing processes, upgrading and replacing equipment, and installing power generators which use renewable energies.	Reduce energy waste, improve energy efficiency, achieve annual energy and carbon reduction targets, and complete government and Group evaluations of energy and carbon reduction targets.

Global energy consumption in 2021

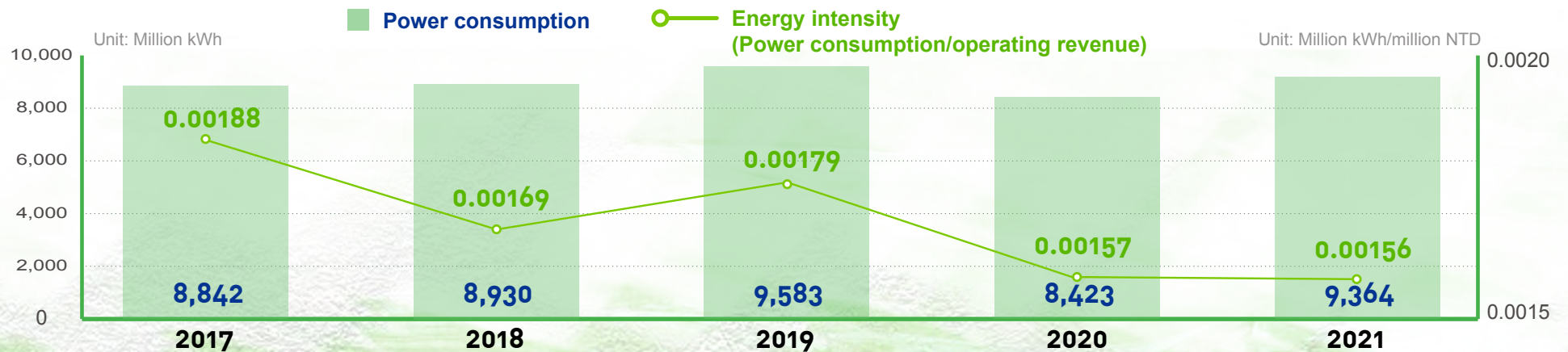
	Purchased power		Fuel							Energy consumption	
	Power consumption		Natural gas		Gasoline		Diesel		Liquefied petroleum gas		
	Million kWh	GJ	m ³	GJ	m ³	GJ	m ³	GJ	Tons	GJ	GJ
Asia	9,191	33,088,438	90,858,115	3,540,892	4,042	126,349	2,627	95,351	9,931	498,854	37,349,884
South America	8	28,921	0	0	0	0	478	17,348	3	151	46,420
North America	153	552,141	1,874,489	73,052	0	0	897	32,568	0	0	657,761
Europe	11	41,256	347,310	13,535	0	0	1	42	0	0	54,833
Total	9,364	33,710,756	93,079,914	3,627,479	4,042	126,349	4,004	145,308	9,934	499,005	38,108,897

- 1. Electricity heating value is calculated as 860 kcal/kWh
- 2. Natural gas heating value is calculated as 9,310 kcal/cubic meters
- 3. Gasoline heating value is calculated as 10,300 kcal/kg

- 4. Diesel heating value is calculated as 10,200 kcal/kg
- 5. Liquefied petroleum gas heating value is calculated as 12,000 kcal/kg
- 6. Steam heating value is calculated as 900Mcal/t

- 7. The above heating values are taken from the Chinese national standards ("General Principles for Calculation of Comprehensive Energy Consumption"; GB/T2589-2008)

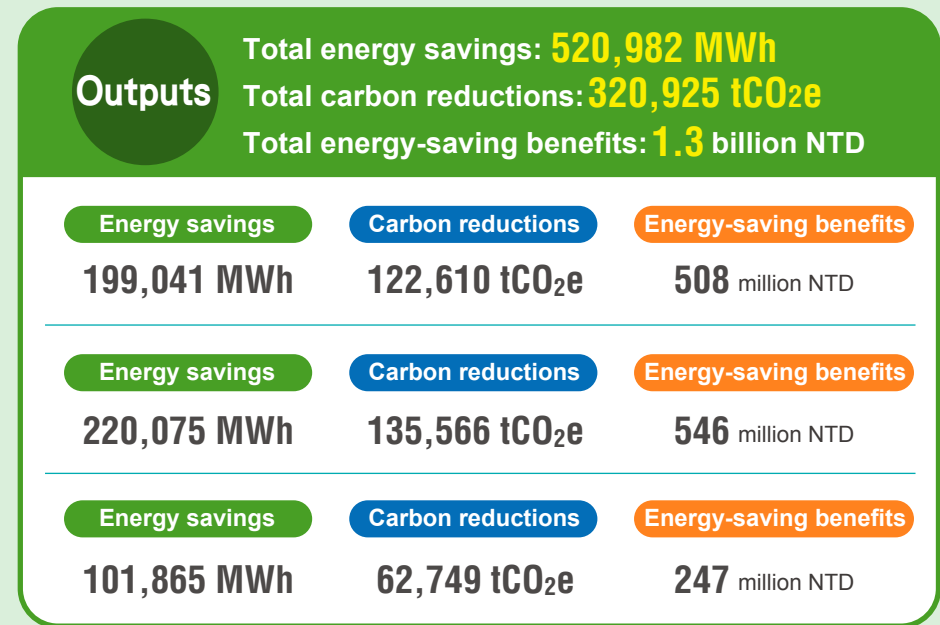
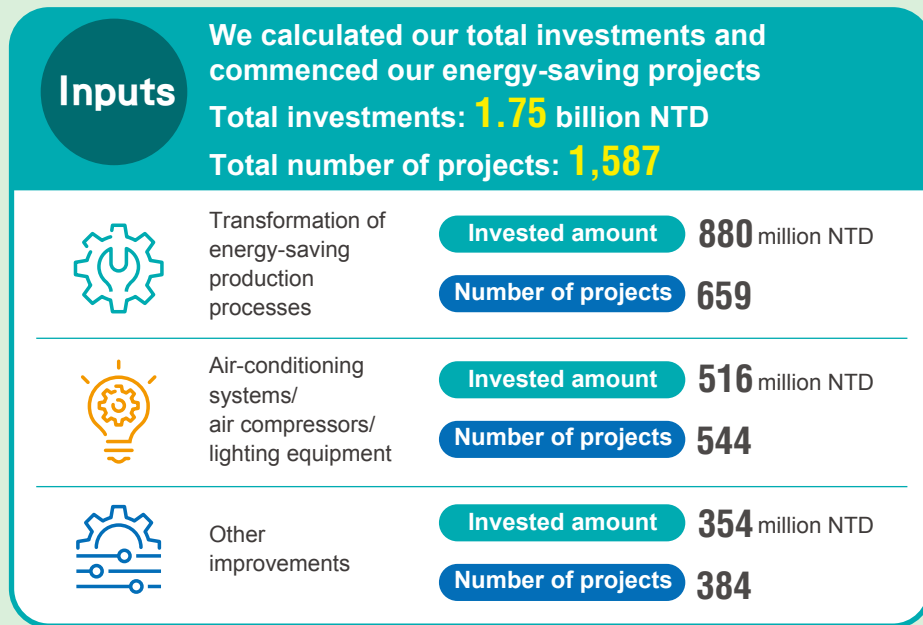
Electricity usage in 2017-2021



Energy-Saving Technological Transformations

In 2021, we invested 1.75 billion NTD in 1,587 energy-saving projects encompassing transformation of energy-saving production processes, improvement of air-conditioning systems/air compressors/lighting equipment, and other improvements. Total energy savings

were 520,982 MWh, equal to total carbon reductions of 320,925 tCO₂e, and energy-saving benefits were equivalent to 1.3 billion NTD.



Energy Reduction Audits

For effective implementation of energy and carbon reduction projects, the Group reviews actual performance and benefits, and our Energy Resource Management Committees conducts annual audits and reviews all projects associated with achievement of energy and carbon reduction goals. In 2021, we discovered 21,500 violations in our Chinese Campuses, reduced power wastage by 7,800 MWh, and decreased expenditures by 21 million NTD.

Energy-Saving Incentive Mechanisms

To enhance employee emphasis on climate change and internalize relevant concepts into the core cultures of each department, we formulated annual “Appraisal Items and Scoring Guidelines for Energy Management” for use in our Chinese Campuses. Appraisal items include energy management, energy reduction systems, implementation of energy-saving measures, supervision of energy reduction measures, and energy-saving KPIs. Detailed quantitative scores are presented for each item, and those ranking within the top three for the quarter/year or remaining units that obtained high scores are awarded bonuses and incentives. We provide team and individual cash rewards for outstanding energy-saving technological transformation projects that enhance energy efficiency. In 2021, we awarded 1.57 million NTD to 5 teams and 5 individuals with outstanding energy-saving contributions.

Development and Usage of Clean Energy

Clean energy has become one of the most important international issues, and governments from all countries have formulated clean energy usage targets to reduce usage of high-pollution fuels while making strides toward low-carbon energy structures. As a leader in the electronics industry, the Group has a duty to promote low-carbon developments. Therefore, the Group is actively increasing installation capacity by installing and purchasing rooftop and ground-mounted solar stations, while also directly purchasing other clean energies. In 2021, our Chinese Campuses achieved a total installed capacity of 260.20 MW and generated 296.6083 million kWh per year. Our usage of clean energies reached 483.8791 million kWh, equivalent to 1,741,113 GJ, achieving a clean energy usage ratio of 5.17%.

Clean energy usage for 2019-2021

	Unit	2019	2020	2021
Total installed capacity of clean energies	MW	224	257	260
Generated power	10,000 kWh	25,202	28,497	29,661
Direct purchases of clean energies at Chinese Campuses	10,000 kWh	-	553	3,627
Direct purchases of clean energies at overseas Campuses	10,000 kWh	-	507	15,100
Purchased clean energy environmental attributes	10,000 kWh	70,000	75,300	-
Total clean energy usage	10,000 kWh	95,202	104,856	48,388
Proportion of clean energy usage	%	9.93%	12.45%	5.17%

Environmental Management System

We have given priority to environmental protection principles since our establishment. The Group has implemented and completed verification of ISO 14001 Environmental Management Systems at all Campuses starting from the construction phases, and we also use the “Plan, Do, Check, and Action (P-D-C-A) model” to promote continuous improvements. We confirmed environmental considerations arising from our production processes, activities, and services; assessed all environmental considerations and their impacts on the environment; and compared their severity and other factors through comprehensive evaluations to ensure prior identification of major potential factors, then formulated improved measures and operating processes that reduced and prevented the impacts from these factors. Additionally, we simultaneously operate environmental treatment facilities and campus production processes to ensure that our wastewater, exhaust emissions, and waste materials comply with local regulatory requirements. We incurred no major environmental protection violations in 2021.

Incorporation of VOC work condition monitoring system in Tianjin Campus

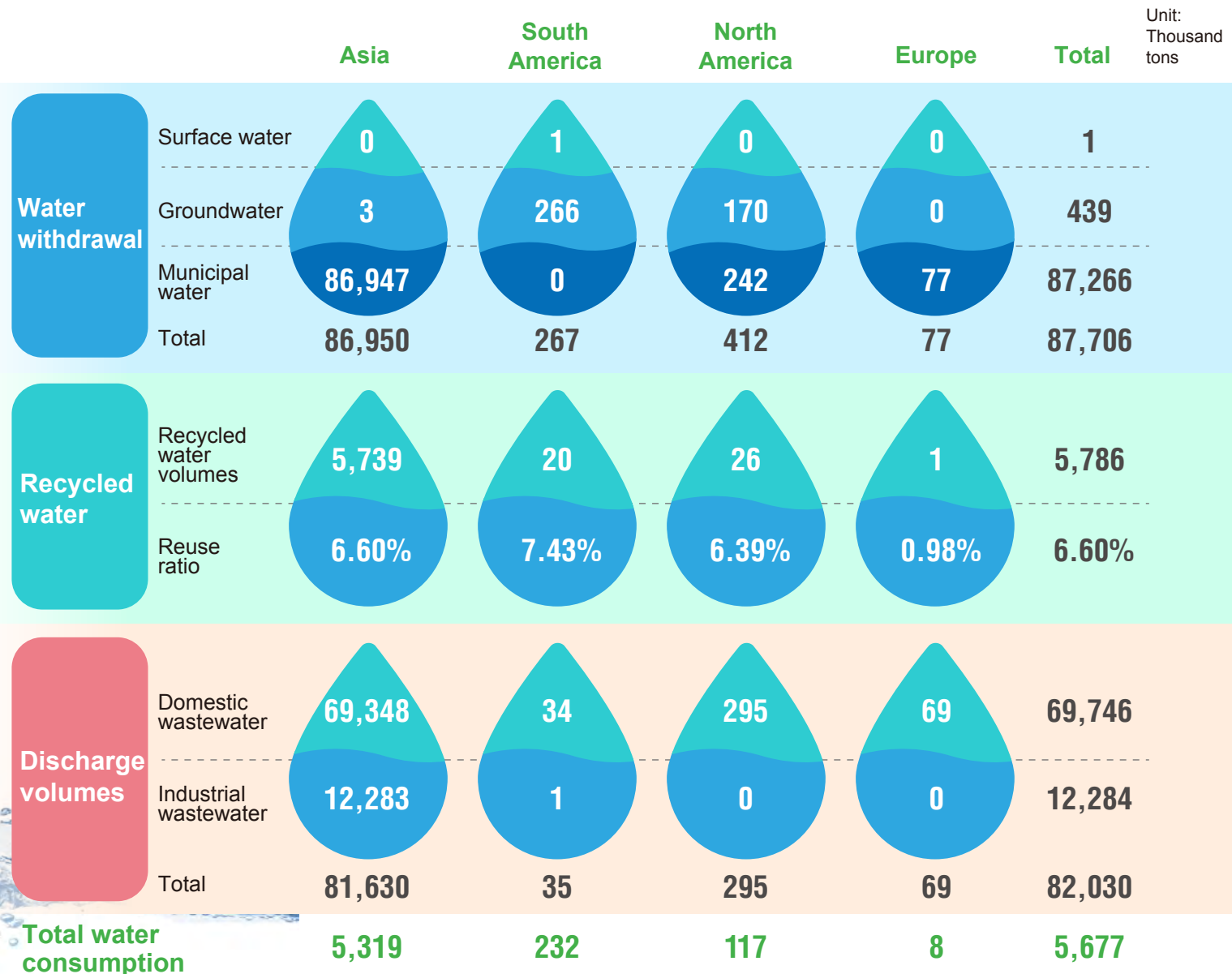
The VOC work condition monitoring system collects real-time electricity usage data from pollution-generation and pollution-prevention equipment, then assesses whether our environmental protection facilities are operating normally according to voltage and current information. Remote monitoring is enabled through mobile apps, and the system provides automatic warnings/notifications when abnormalities occur. Timely discovery and handling of problems help to prevent risks of environmental penalties from abnormal equipment operations and ensure stable and standardized discharge of pollutants.

To realize our low-carbon and green manufacturing targets, we gradually implemented green campus and green supply chain management measures into our operational locations in accordance with green manufacturing standards in China. We conducted self-evaluations to facilitate continued optimization and improvement. Following on-site evaluations by third-party institutes and government evaluations, 24 of our legal entities have obtained the honorary title of “National Green Campus” and 2 legal entities obtained the honorary title of “National Green Supply Chain Management Corporation.”

Water Resource Management

Municipal water is the main water source used in all our Campuses. We do not impact surrounding water sources. Our Campuses conduct reviews of water-saving plans and water facilities each year to reduce water consumption. Additionally, we actively promote recycling and reuse of water resources, and have incorporated renewable/biodegradable components into our production materials to effectively reduce environmental impacts of production processes.

We carried out comprehensive water management plans at our Campuses in China in 2021. Following identification of water resource risks, we began promoting various water-saving measures and reducing discharge of standard wastewater to achieve our goals relating to effective usage of water resources, reduced wastewater discharge, and decreased environmental impacts.



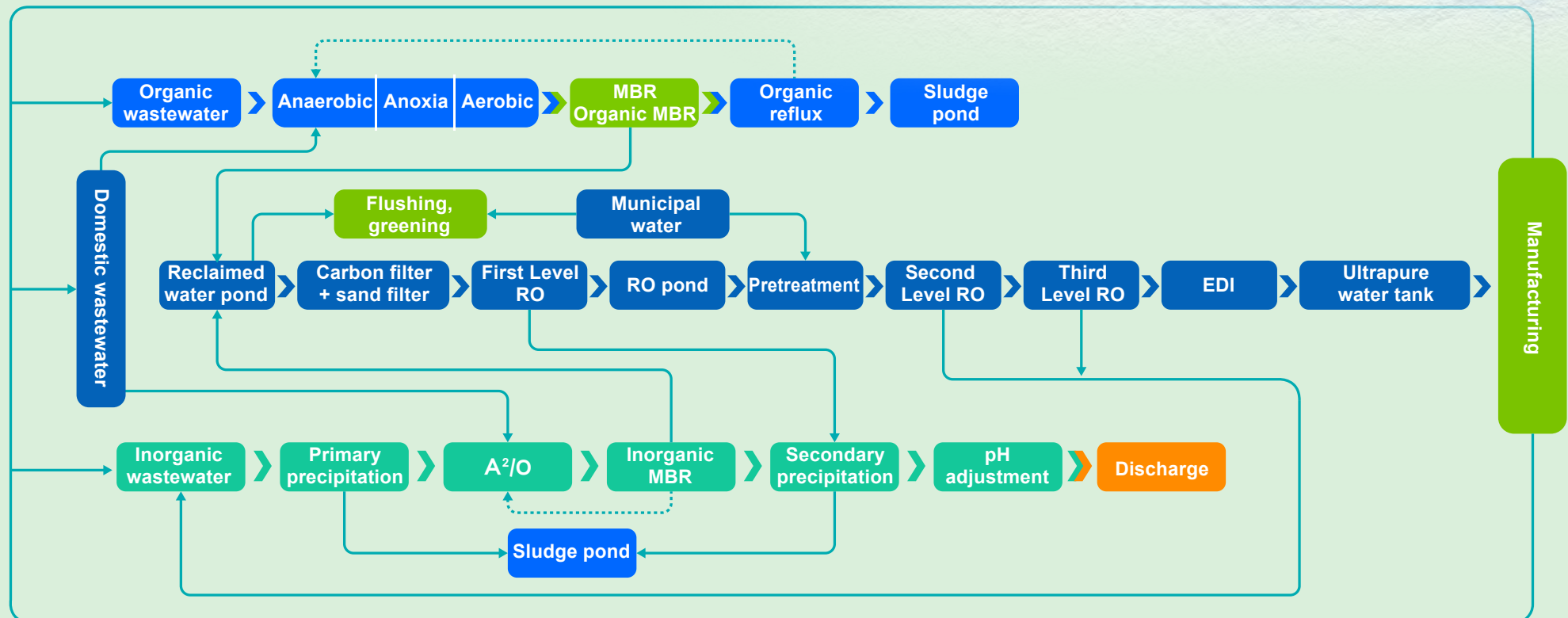
Notes: 1. We began including our Campuses in Mexico in our figures for South America starting in 2021.

2. Domestic wastewater volumes for some Campuses were estimated to be 0.8 times total water withdrawal volumes

Wastewater Management

The Group works to optimize production processes to reduce water consumption at the source. We also actively implement wastewater recycling procedures and reuse treated domestic wastewater in production processes and environmental greening, greatly reducing our impact on external environments. Additionally, to ensure that our wastewater does not cause environmental pollution, all Campuses have wastewater treatment facilities that are regularly inspected and maintained by dedicated personnel. Discharged wastewater complies with sewage standards and is periodically inspected by qualified external institutes. No environmental pollution incidents occurred in 2021.

Water Reuse System



Waste Management

Since the industrial age, large amounts of solid waste have been generated due to the needs of manufacturing processes and private individuals. Waste that is not properly disposed of can enter the soil, water sources, and the air; cause pollution to the environment; and produce large amounts of waste that take a long time to decompose, affecting future generations. Waste has become an environmental issue of increasing importance. Because of this, the Group has implemented “zero waste” policies at all key Campuses in China to gradually reduce amounts of incinerated and landfill waste, ensuring compliance with maximum limits of 100% waste conversion rates and 10% incineration rates. Our “zero waste” policies have become one of our most important strategies. These policies minimize generated waste through source reduction of raw materials; we are also actively engaged in recycling and reuse of inner and outer packaging materials which enhance waste recycling and reuse rates.

To ensure that all waste is legally and effectively disposed of, all Campuses comply with internal waste management procedures to secure bids for waste handling. The legal qualifications of waste disposal companies are reviewed according to open, fair, and impartial principles. We use the above procedures to screen and select waste management vendors with the lowest level of risk to conduct appropriate waste disposal and record-keeping. The Group periodically audits waste disposal vendors to ensure that our waste is handled in compliance with regulatory requirements. All waste managed by external vendors are disposed of using legal processes

Unit: tons

	Asia	South America	North America	Europe	Total
Domestic waste	72,431	202	5,353	266	78,253
General industrial waste	433,463	965	19,271	16,377	470,075
Hazardous industrial waste	444,828	38	8,529	49	453,443
Subtotal	950,722	1,205	33,153	16,692	1,001,771

Zero Waste Campuses

“Circular economy” is a key strategy in the Group’s promotion of sustainable development and enhancement of resource usage efficiency. Our core goal is to build zero waste Campuses that implement “zero landfill” policies. We have signed memorandums of cooperation with UL international verification institutes and aim to build “Zero Waste Pilot Campuses” through incorporation of Turbo Waste management systems, digital management of waste using cloud technologies, and quantitative systems that enable waste reduction. Apart from tracking improvements, we have also extended these policies throughout the entire corporation to achieve our goal of building “Zero Waste Campuses,” building upon our philosophy of “Sustainable Management=EPS+ESG” and setting an example for the industry.

To ensure that our products and the products of our clients meet the highest environmental specifications, we have included our supplier partners in this memorandum of cooperation. Our central procurement and supply chain management departments have already convened suppliers for systematic training based on the framework laid out in this memorandum of cooperation to enhance their professional skills and technologies.

We have incorporated the Turbo Waste system into our Longhua and Yantai Campuses for accurate tracking of waste processes and volumes. System response rates were 100%. Our Longhua Campus has been recognized as a “Model Eco-Park” by the Shenzhen Zero-Waste City Association and has obtained UL 2799 Gold-Level Certification, becoming the world’s first comprehensive eco-park. In 2021, our Hengyang and Kunshan Campuses received the highest Platinum-Level UL 2799 Zero Waste to Landfill Operations Certification.



Chemicals Management

The Group stays informed of global chemical safety issues, adheres to or exceeds domestic chemical laws and standards, adopts rigorous chemical control measures, strengthens awareness and responsibilities of chemical safety in our employees and chemical suppliers, and actively works to build a green, safe, healthy workplace environment to prevent occupational injuries and diseases, ensuring employee and supplier safety and health as part of our progress toward a sustainable future and realization of sustainable management.

The Group referenced key international regulations, client needs, and environmental protection trends when establishing specific management regulations for effective management of hazardous substances. We also considered differences in standards/regulations of different countries when listing controlled hazardous substances (including prohibited substances, restricted substances, and controlled substances) for the Group.



Goals

Zero use of prohibited substances, limited use of restricted substances, and minimized use of controlled substances.



[Chemical Management Policies](#)



Key regulations

We referenced 19 regulations, including EU Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive (RoHS); EU Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH); POPs Regulation; Toxic Substances Control Act (TSCA); List of Priority Chemicals; and China Blue Sky War VOC standards.

After assessing regulatory policies and determining feasibility of economic technologies, we adopted risk control measures to minimize impacts on human health and the environment from production and use of hazardous substances. The Group encourages all units to implement technological innovations that replace or reduce use of controlled substances. Following statistical analyses, the Group actively replaced 44 tons of controlled substances, including methylene chloride (CAS RN: 75-09-2), naphthalene (CAS RN: 91-20-3), methylpyrrolidone (CAS RN: 111-96-6), diethylene glycol dimethyl ether (CAS RN: 972-50-4).

To prevent employee health hazards and environmental pollution from use of hazardous chemicals/substances, we work to eliminate hazardous chemicals from the Group, and have formulated the “Group Chemicals/Substances Management Regulation” which encompasses use of substances from procurement to production processes and waste disposal through PDCA cycles for continued replacement and reduction of hazardous substances. The Group added five prohibited substances in 2020, namely HBCDD, PCP, carbitol acetate, toluene, and xylene (in ink), and reduced usage of prohibited substances to zero in 2021 through procurement bans and formulation changes.

Apart from replacing hazardous substances in accordance with client needs, we also responded to executive strategic plans by compiling information on Group substances that could cause occupational health hazards and environmental hazards, working to eliminate, replace, reduce, or improve usage to minimize use of hazardous substances, thereby enhancing the Group’s chemical management as we work to build a green enterprise.

Control at the Source: Selection of Green Chemicals

The Group previously collaborated with clients to disclose safety information of Final Assembly Test & Pack (FATP) process chemicals and replace these with green chemicals. Starting from the end of 2020, we began collecting information on process detergents, degreasing agents, and SDS certifications from our component vendors to conduct evaluations based on GreenScreen® and the US EPA Safer Choice Program for selection of eco-friendly chemicals to use in our production lines.



Collaborate with Clients to Promote Green Chemicals

In April 2021, the Group collaborated with clients to launch a green chemical promotion project which aimed to increase transparency of disclosed chemical safety information, safe chemical usage, and safer alternatives (green detergents) as part of our gradual transformation to a green and sustainable enterprise.

Project implementations

Disclosures of chemical safety information <ul style="list-style-type: none"> • SDS (Safety Data Sheet) • Third-party component testing report • Chemical information form 	Assessment <ul style="list-style-type: none"> • GreenScreen method • US EPA Safer Choice Program 	Green chemical alternatives <ul style="list-style-type: none"> • Selection of safer detergents • Process incorporation • Usage confirmation
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Expected results and future goals

Establishment of green detergent list	Collect complete detergent information Assess and select safe detergents
Source management (intrinsic safety)	Incorporate green detergents in production processes Reduce environmental and labor hazards
Promotion of machinery and component testing results	Sharing of detergent assessments Implementation in similar processes across campuses

2022 ESG Report and ESG press releases

GreenScreen® Evaluation Methodology

18 indicators

Human Health Group 1 <ul style="list-style-type: none"> • Carcinogenicity • Mutagenicity & Genotoxicity • Reproductive Toxicity • Developmental Toxicity • Endocrine Activity 	Human Health Group 2 <ul style="list-style-type: none"> • Acute Mammalian Toxicity • Systemic Toxicity & Organ Effects • Neurotoxicity • Sensitization • Respiratory Sensitization • Skin Irritation • Eye Irritation 	Environmental Health <ul style="list-style-type: none"> • Acute Aquatic Toxicity • Chronic Aquatic Toxicity • Persistence • Bioaccumulation 	Physical Hazards <ul style="list-style-type: none"> • Reactivity • Flammability
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4 Levels

Benchmark 4	Prefer-Safer Chemical	Preferred use
Benchmark 3	Use but Still Opportunity for Improvement	
Benchmark 2	Use but Search for Safer Substitutes	Replace
Benchmark 1	Avoid-Chemical High Concern	

Regulations for Management of Hazardous Chemicals




Procurement Stage

Procure from enterprises which have obtained certifications for production of hazardous chemicals or licenses for hazardous chemical businesses; obtain technical safety manuals and safety labels when procuring hazardous chemicals; and regularly check that procured chemicals adhere to the scope of the aforementioned documents.

Key review items for supplier chemicals:


- a. Conduct hazard assessments based on SDS information;
- b. Evaluate content of prohibited, restricted, and controlled substances in chemicals according to the “Group Chemicals/Substances Management Regulation”;
- c. Evaluate VOC content in chemicals based on chemical classifications and national standards;
- d. Conduct reviews based on specific requests from important clients.



Transportation Stage

Management of supplier transportation safety:
Drivers and escort personnel are required to obtain qualifications and certifications related to transportation of hazardous cargo issued by transportation authorities; special trucks should be used for cargo transportation and must be accompanied by escort personnel familiar with chemical properties and safety measures. Trucks must also be equipped with necessary safety anti-static and fire-resistant devices.

Management of in-campus transportation safety:
Special transportation vehicles equipped with safety facilities should be used for in-campus transportation, and corresponding firefighting equipment and labor protection items should be provided. Loading and unloading personnel and transportation personnel should receive professional training to help them understand corresponding safety knowledge and emergency responses, and all personnel should obtain qualifications before commencing work.



Storage Stage

Separate, classify, and partition storage based on chemical properties. Specific storage safety measures are as follows: Warehouses with explosion hazards are equipped with pressure reduction facilities; ground surfaces for locations with flammable and explosive substances are made from non-flammable and anti-static materials; warehouses are equipped with anti-leakage troughs; storage locations are equipped with ventilation and temperature control facilities; corresponding firefighting facilities and equipment have been installed; explosion-proof devices have been installed on electrical facilities in warehouses.



Use Stage


Substances in use are stored in specific temporary warehouses; small quantities are stored in dedicated storage cabinets and routine inspection systems have been established; our dedicated storage cabinets strictly observe daily inspection records; full safety assessments must be carried out when using or replacing chemicals with uncertain hazard properties.

Regulations for Management of Hazardous Chemicals



Disposal Stage

Development of chemical suppliers should consider supplier recycling and reuse capabilities for waste hazardous chemicals; all units are required to record and archive waste storage, flow, and handling; commission vendors with waste handling capabilities for waste disposal.



Specific case

Dye powders are used in essential surface dyeing and processing procedures in anode manufacturing. The chemicals contained in these powders pose a hazard to humans and the environment, especially during the weighing, mixing, and addition processes when the powders may scatter, increasing risks of personnel inhalation and exposure. Therefore, it is necessary to regulate safety controls for dye powders. The Group formulated the “Safety Regulations for Dye Powders Used in Anode Production” to protect personnel involved in dyeing, cleaning, and maintenance operations.

Specific safety measures are as follows:

Risk assessments must be carried out before units can commence use of dye powders. We collected comprehensive SDS (safety data sheets), TDS (technical data sheets), and substance testing reports on dye powders; implemented measures for dye storage, processing, mixing, disposal, and risk management; provided employee operational manuals and training; and established risk exposure assessment forms in accordance with regulations.

During production processes, operating personnel are required to undergo training that encompasses theory and practice, obtain qualifications before commencing work, and use necessary personal protection equipment when handling dyes. All units have procured ventilated cabinets for weighing and mixing of powders in accordance with corporate requirements. We also invite professional institutes to conduct ventilation assessments and hazardous substances tests for operating environments with higher risks of personnel exposure.

Chemical Usage

To ensure effective control of hazardous substances, the Group has compiled and collected information on chemicals used in all Campuses for production, non-production, and laboratory processes, and compared these with our lists of prohibited, restricted, and controlled substances to identify hazardous substances. In 2021, we used a total of 138,000 tons of hazardous substances, including 102,000 tons of chemicals used in production processes, 36,000 tons used in non-production processes, and 22 tons used in laboratory processes. According to our inventory and analysis results, the main reasons for increased usage compared with the previous year were:

- 1.Addition of chemical data for non-production processes such as wastewater processing
- 2.Increased production line capacity, which raised usage of chemicals such as cutting fluids in CNC processes and acidic chemicals in anode electroplating processes
- 3.Addition of data on non-hazardous chemicals such as those used in powder coating processes

- 4.Expanded scope of statistical analysis from our Chinese Campuses to all our Campuses around the world

Various regions in China have issued multiple VOC usage standards in response to the Blue Sky War initiative for environmental protection. The Group adhered to the requirements and standards of local governments and inventoried 2,719 tons of chemicals (including inks, industrial coating materials, and detergents). We have improved all 25.4 tons of chemicals exceeding national standard limits in accordance with the ranges set out in the aforementioned regulations. The Group also collaborates with local governments to formulate standards and provided on-site experiences and suggestions associated with limited use of VOCs and specific hazardous substances used in detergents for microelectronics and electronic assembly processes. We also reviewed our own manufacturing processes, assessed usage of water-based or low-VOC solvents, and adopted closed, continuous, and automated production technologies and high-performance equipment to reduce chemical dispersion and discharge during production processes.

Personnel Cultivation and Corporate Culture

To strengthen employee and contractor understanding of chemicals, the Group continues to invest in chemical safety training for our employees and contractors. We also organize at least two annual chemical emergency drills each year as well as training on personal protective equipment for on-site vendors and contractors with chemical exposure risks. In 2021, we organized 398 employee training sessions attended by 58,940 trainees.

Additionally, we encourage all units to actively replace/reduce use of hazardous substances and enhance management of hazardous substances, and we have established incentive and assessment mechanisms based on professional, technical, and promotional indicators.

Optimization and Improvement Cases

1. The anti-adhesive used during plastic extrusion processes contained octamethylcyclotetrasiloxane (CAS RN: 556-67-20), which is classified as a SVHC (Substance of Very High Concern) by EU REACH. This substance is mainly used for ring-opening polymerization of silicone oils with differing polymerization properties, but causes harmful effects on aquatic environments and can potentially impair reproductive capabilities. Relevant units initiated a replacement plan and actively worked with material suppliers, clients, and equipment units to review, verify, and test manufacturing processes. Our new silicone oils no longer contain hazardous substances; all replacements were completed in May 2021 and the new materials are now being used for production.
2. The disinfectant used during water purification processes contained PCP (CAS RN: 87-86-5), a substance which is listed as a persistent organic pollutant under the POPs Regulation. This substance is mainly used for sterilization due to its strong anti-bacterial properties. PCP was listed as a Class I carcinogen in the “Preliminary List of Carcinogens” released by the World Health Organization International Agency for Research on Cancer. Relevant units therefore initiated a plan to replace this disinfectant for reduction of aquatic environment hazards. All replacements were completed in January 2021.
3. The ink used during assembly processes contained toluene (CAS RN: 108-88-3) and xylene (CAS RN: 1330-20-7), According to “GB 38507-2020 Limits of volatile organic compounds (VOCs) in printing ink,” some organic compounds may cause greater harm and impacts to humans and the environment, and therefore the aforementioned two substances should not be included in ink production processes. Relevant units worked to find alternatives following discussions with our clients, suppliers, and associated units. Our new production process was verified and officially launched in August 2021. The new PY series inks contain no hazardous substances.

To reduce and prevent waste and pollution at the source and during production processes, the Group has adopted the “12 Principles of Green Chemistry” to decrease or eliminate hazards to human health and the environment caused by chemicals, and to reduce costs associated with chemicals generated during production and waste disposal. We strive to realize “health-friendly, eco-friendly, and economically friendly” concepts. The Group has released policy documentation on the “Requirements for Dissemination and Promotion of the 12 Principles of Green Chemistry” and requires all units and suppliers involved in chemical production, usage, procurement, and exposure to facilitate organizational training related to the “12 Principles of Green Chemistry” and implement widespread dissemination. These principles should also be adopted during process design and development stages. A total of 375,400 people participated in training, and 2,839 posters were displayed.



Chemical management exchange meeting



Community promotion

Lead the Industry in Promoting Chemical Safety

The Group actively collaborates with external organizations, for example assisting the IPC in formulating detergent regulations for the electronics industry (IPC-1402, scheduled for release mid-2022), representing an important step forward for sustainable electronics manufacturing, protection of worker safety, and reduction of environmental impacts. We also assisted international organization ChemFORWARD in formulating electronics industry detergent standards by collecting relevant health and safety data to build a shared platform for disclosures of green detergents, encouraging our upstream and downstream value chain partners to reduce environmental impacts from chemicals.

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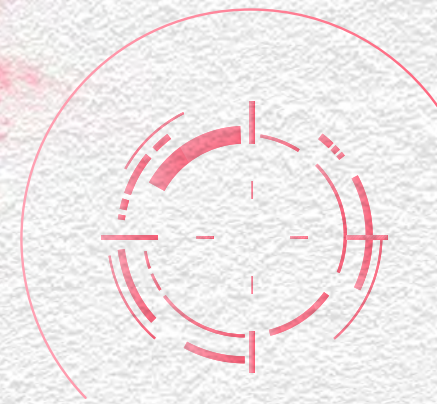
Social Contribution, Win-Win Strategy

Support for the Disadvantaged	P112
Rural Education	P117
Technology Education	P118
Multidimensional Education	P122
Sports Sponsorship	P124
Giving Back to the Community	P126



Key Response Stakeholders :

- Employees
- Non-government Organizations
- Media



Social Participation

Management approach



Meaning to the Group

The Group believes in “caring for local communities to build a hopeful future,” and in the spirit of giving back what we have taken from society, we have participated in many social welfare activities, and look forward to facilitating the creation of a society for the common good, in which everyone can enjoy a safe and prosperous life, and work together to build a sustainable future.



Policies and Commitments

The Group believes that “life knows no limitations,” and therefore works to integrate Group resources and deploy the core capabilities of our innovative technology manufacturing business, support education efforts for disadvantaged groups, provide resources for rural areas, strengthen the foundations for the Group’s technology education programs, promote innovation and multidimensional development, and sponsor sports activities, in order to fulfill the corporate social responsibilities of the Group.



Grievance Mechanism

Please see section [Stakeholder Identification, Communication, and Responsibilities](#) for details.



Evaluation of the Management Approach

- We host annual management review meetings to discuss effective ways to deploy resources and expand the depth and breadth of our social influence in a meaningful way.



Specific Actions

- The Group is focused on axis items which include support for the disadvantaged, rural education, technology education, multidimensional education, sports sponsorship, and giving back to the Community with individual projects for each item.



Goals and Targets

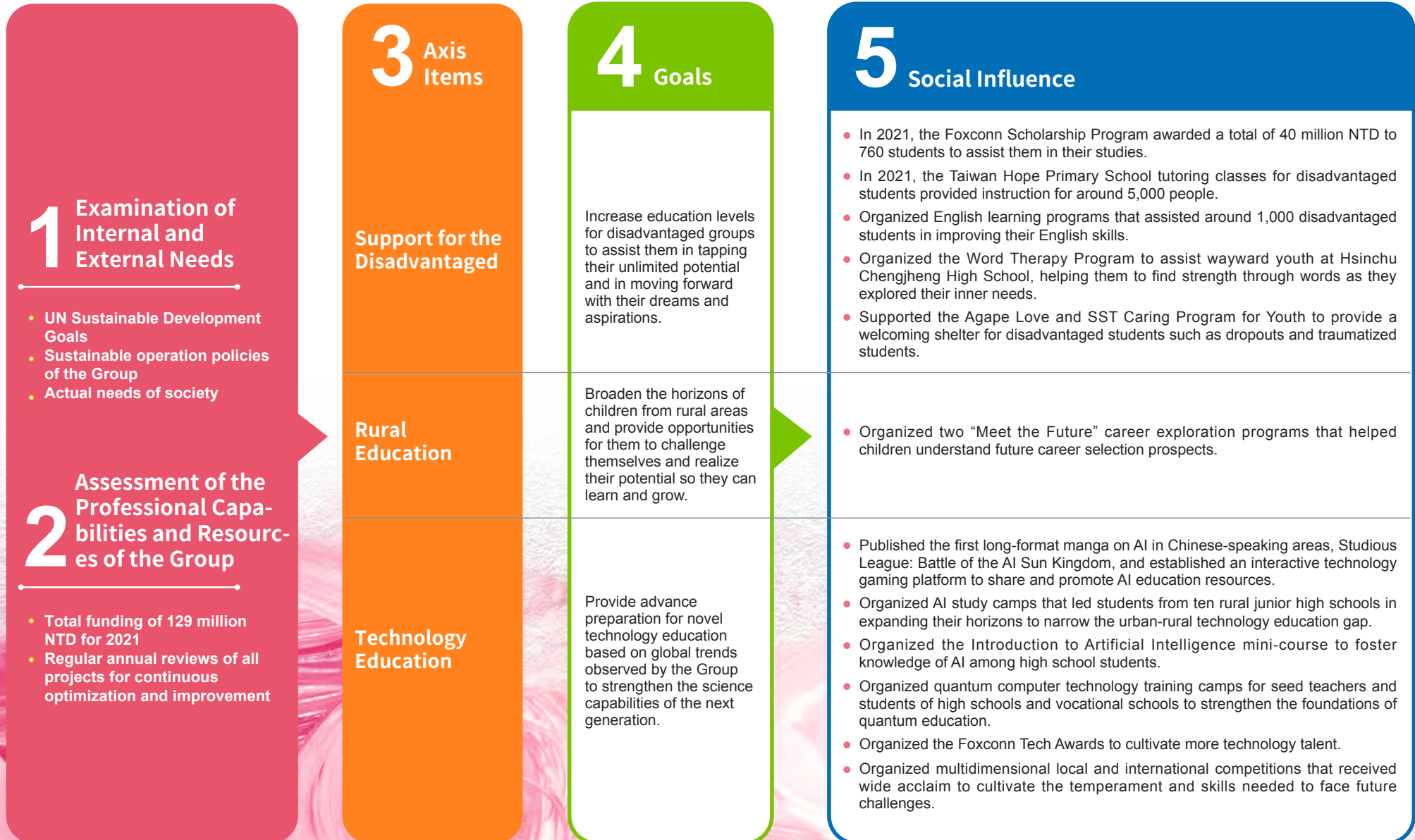
Short-term goals

- Continuous annual support for disadvantaged groups, social welfare initiatives, and other institutions and groups serving rural areas.
- Continuous annual deployment of the professional skills and resources of the Group in support of technology education promotion.
- Encourage students to take up table tennis and identify those with potential, to provide further training for the cultivation of sportspeople that can achieve world rankings, and thereby invigorate the practice of sport.

Mid- to long-term goals

- Become part of the social safety net by assisting socially disadvantaged populations in need of care, and by providing support resources in a timely fashion.
- Strengthen the foundations of technology education to foster scientific talent that can provide technological leadership for the future.
- Promote social service reward guidelines for employees, with a target of ≥ 5,000 hours of cumulative service established for employees at campus locations in Taiwan.

Social Influence of the Group



Social Influence of the Group



Support for the Disadvantaged



GOALS OF THE GROUP

According to statistics from the Ministry of Health and Welfare, more than 650,000 people across Taiwan are listed as being from low-income or middle-low-income households, and there are many other borderline families that are unable to receive governmental support as they do not meet certain criteria. Besides these economically disadvantaged groups, there are other disadvantaged parties that need help due to disabilities or dysfunctional families. In light of this, the Group seeks to provide resources to assist these disadvantaged groups in overcoming their difficulties and realizing their aspirations.

SOLUTIONS PROVIDED BY THE GROUP

The Group works to provide assistance directly to those in need, as well as to support local front-line groups, in order to help disadvantaged groups overcome the limitations imposed by their economic situations, physical or mental disabilities, or family situations, and assist them in moving forward with their dreams and aspirations.

CONTRIBUTIONS TO THE SDGs BY THE GROUP

Foxconn Scholarship Program

2021 recipients	2021 total awards	Cumulative recipients	Cumulative awards
760 students	40 million NTD	2,969 students	180 million NTD

Naming and origins of the Foxconn Scholarship Program:

Legend has it that whales of a particular species are the loneliest whales in the world, because their calls are at an unusual frequency of 52 hertz that is higher than that of other whale species, and thus they cannot be heard by other whales. Even so, these whales continue to breach and call in the hope that they can be seen by the world and that the frequencies of their dreams and aspirations will be heard.

This is why the Group chose to name the Foxconn Scholarship Program for the "Whale", as this is not only in line with the "ocean" concept of the Hon Hai name, but also provides deeper meaning to the scholarships awarded by the Group. Every student has a wide ocean that they hope to explore, just like the whale, but some may find it challenging to proceed with their explorations due to their family environments. In light of this, the Group is willing to support them in their brave efforts to forge ahead, pursue their dreams, and conquer the blue oceans before them.

The Group initiated the Foxconn Scholarship Program in 2017, providing scholarships to college and postgraduate master and doctoral students to help them persist in their studies without undue care or distraction. The Group does not limit recipients by whether they have official government verification of low-income and middle-low-income household status, and also accepts applications from students verified and recommended

by reputable third parties. This year, the number of applicants recommended by reputable third parties rose by 6% over the previous year, reaching 45% of all applicants. The Group also works with other social welfare organizations who provide information on the Foxconn Scholarship Program to students that are truly in need, as well as assist such students in completing the application process.

In response to the impacts of the COVID pandemic, the Foxconn Scholarship Program not only selected 360 recipients to receive scholarships of 100,000 NTD, but also selected an additional 400 students to receive an anti-pandemic bonus awards of 10,000 NTD for a total of 40 million NTD. This is currently the largest scholarship program in Taiwan, and the Group hopes to help even more young students seeking to rise above their circumstances, providing them with opportunities to fulfill their dreams and realize their aspirations without fear. The Group has invested the scholarships with multiple layers of deep significance, and the Foxconn Scholarship Program has been recognized by Enterprise Asia with the 2021 Asia Responsible Enterprise Award (AREA) in Social Empowerment.



2021 Asia Responsible Enterprise Award (AREA) in Social Empowerment

Three recipients in the Foxconn Scholarship Program were invited to join the new AI Artificial Intelligence Interactive Platform Work-Study Program. To see the results and achievements of the platform, please refer to the section titled [AI Technology Interactive Platform-Gaming Platform](#).



[Dedicated link to the Foxconn Scholarship Program](#)

[Click to view the tutorial video on the application process for the Foxconn Scholarship Program](#)

[Click to view recipient thoughts on receiving the scholarship over the years](#)

Quadruple Significance Levels of the Foxconn Scholarship Program

1. Not simply giving a fish

Provides a 100,000 NTD scholarship to reduce the heavy financial burden of students, allowing them to reduce part-time work and focus more time and efforts on their studies and dreams.

2. But also providing a rod

Organize exchange and growth camps with professional instructors invited to give lectures and enhance the capabilities and competitiveness of scholarship recipients in diverse aspects. Chairman Young Liu has also previously shared his personal entrepreneurship experiences.

3. And further bringing together comrades

Besides organizing exchange and growth camps for recipients to meet in person, a Facebook group and LINE group have also been established, allowing recipients to share their thoughts and assist each other as they chase their dreams.

4. While providing a means to set sail

Provide linkages with scholarship judges and resources across society, including priority enrollment in the Foxconn Work-Study Program and provision of employment opportunities, thereby giving recipients more chances to sail toward the blue oceans.

Taiwan Hope Primary School

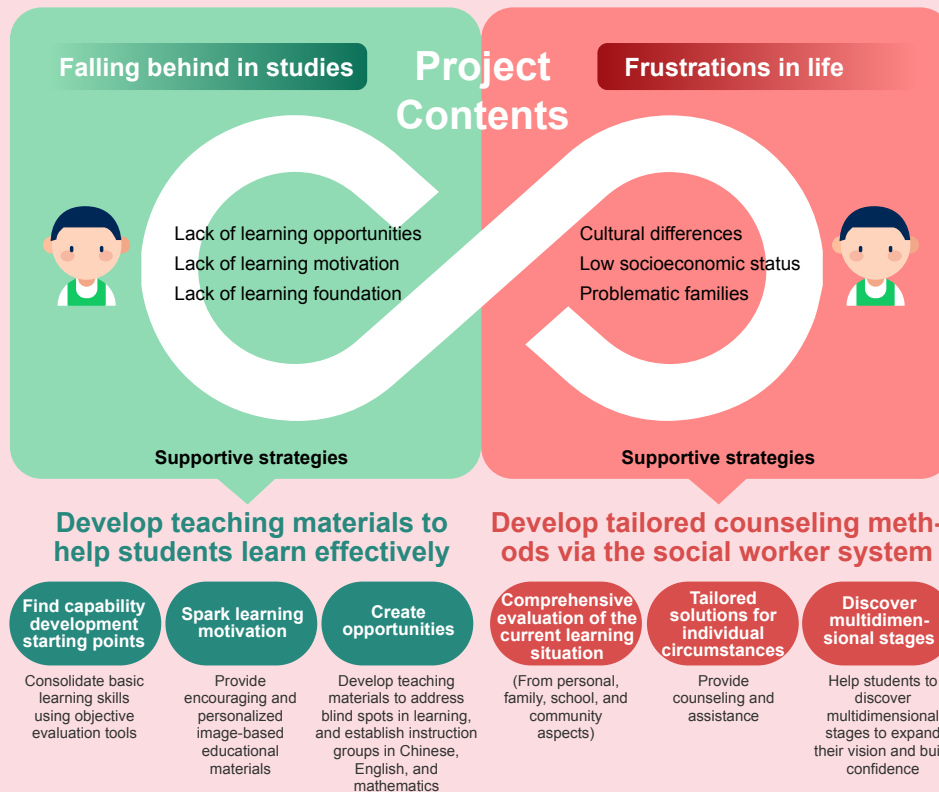
If it were possible, all children would wish that they excelled in their studies and received full marks on every test, but for some children, their family circumstances mean that they have been left to pasture, and they may not have known how to do their homework since a very early age. As a result, they are very frustrated with their studies at school as well. In light of this, the Taiwan Hope Primary School specially offers free after-school tutoring services for elementary school students from economically disadvantaged or dysfunctional families, thereby providing these students a place to do their homework in peace, and where there are teachers to provide extra tutoring as well. It is hoped that with such support, these students will no longer view their studies with trepidation, but will be able to derive confidence from their improving studies and display better overall performance as a result of this.



[Dedicated link to Taiwan Hope Primary School](#)



[View the introductory video for Taiwan Hope Primary School](#)

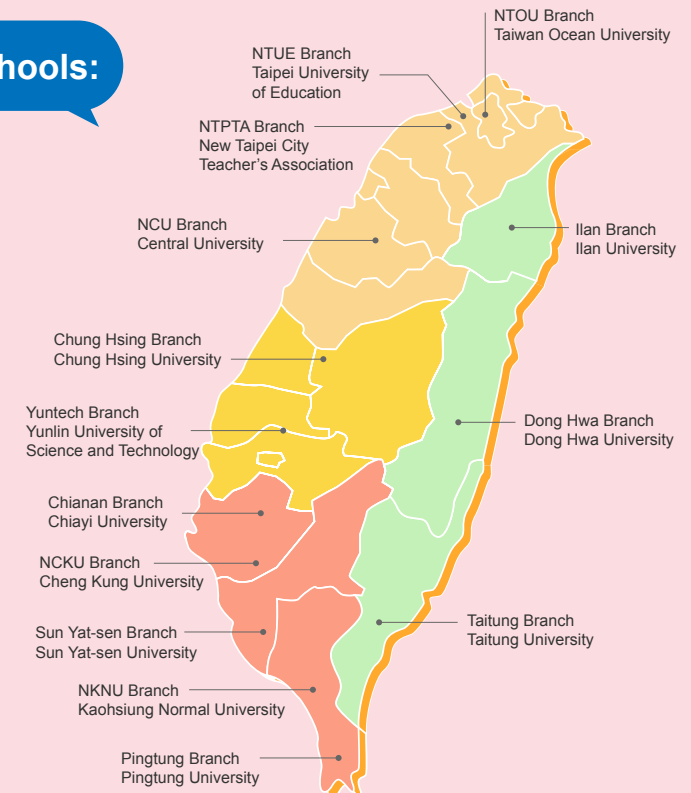


14 branch schools:

Collaborating Organizations: Colleges, universities, and institutions across Taiwan with education, social work, or psychology departments

Serviced Areas: Elementary schools within a 40-minute drive of branch schools

Cumulative Collaborating Elementary Schools: 380+ schools



Teaching Results

Annual number of supported students

About **8,500** person-classes

Cumulative number of supported students

Over **100,000** person-classes

Number of trained instructors

Over **20,000** person-classes

After one semester of after-school tutoring

Over **90%** of schoolchildren saw improvement

The Group commits to help students reach competency in basic subjects, and this commitment aims to cultivate a spirit of preservation in students, while also assisting them to build their abilities and skills. The Group believes that success is not defined by grades alone, but has myriad forms of expression. Therefore, the Group works together with educational partners to provide a diverse curriculum, including LIS, stop-motion animation, Program the world programming courses, and Coding Ocean board games to help schoolchildren gain multidimensional achievements.



Taiwan Hope Primary School continues to plan a rich array of diverse local courses to help children learn and understand their need to learn and study.



Taiwan Hope Primary School uses tools such as virtual reality (VR), coding, and board games to help children learn and focus.

Parents/
Education Industry

Universities/
Educational Staff

Elementary School/
Community

Families of
Schoolchildren

Schoolchildren

Society/General Public

Sharing resources to study together, learning without limitations

Schools/Communities

Connecting local networks, linking schools and communities

Schoolchildren/Families

Dual-track support for social work and after-school tutoring, transforming the lives of schoolchildren

English Learning Program

The Group partnered with Tutor Jr to provide summer learning programs for around 1,000 disadvantaged schoolchildren during the summer holidays. For many students, this was their first experience of interacting with foreign teachers and practicing their English speaking skills. Many teachers reported that the programs helped students greatly. In order to encourage students to make the most of this learning experience, the Group provided a monetary award to commend particularly diligent students at the end of the program.

Word Therapy Program

The Word Therapy Program was established to assist wayward youth in enhancing their language skills and learning how to better express themselves by reading picture books and sharing poetry to find strength through words. The courses combined PA adventure activities, rhythmic body movement training, creative art and writing workshops, and psychodrama methods to integrate members, increasing their willingness to trust others while exploring their inner needs and using creative writing to heal their past traumas. It is hoped that they will be able to make new choices and adopt new behaviors on their future journeys through life, and engage with life as their new and positive selves.

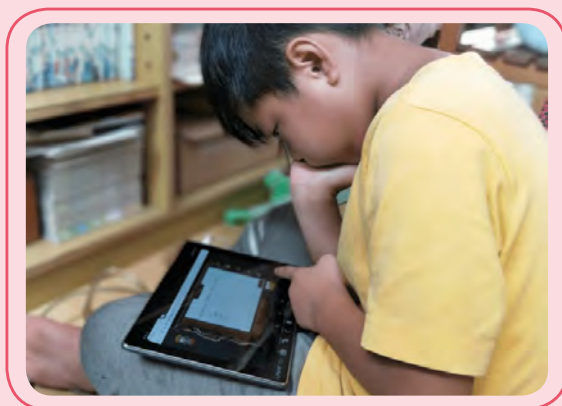
Agape Love and SST Caring for Youth Projects

The Taichung Municipal Shan-Shui Primary and Secondary School represents the first residential placement school among the newly established alternative education schools in Taiwan, and specializes in the care of:

- I. Students who dropped out of school due to dysfunctional family situations, and who have been assessed by their schools and the local Department of Education as being unsuited to standard school instruction.
- II. Students that are unable to receive adequate care (or are suffering from neglect) due to single-parent or intergenerational upbringing, leading to a detrimental impact on learning.
- III. Students that frequently run away from home or school due to complicated parental marital situations or frequent family conflicts.
- IV. Special cases that require emergency counseling from alternative education institutions.

As students at the school all come from the special needs families described above, professional counselors (counseling psychologists and social workers) need to be employed to provide professional psychological counseling and help for traumatized and high-risk students.

In order to ensure the continuation of this project, the Group provides long-term support and sponsorship. In 2021, the Group contracted additional counseling psychologists and social workers to provide third-level professional counseling services to students who could not be effectively helped by second-level interventional counseling, or who had serious adjustment difficulties, deviant behavior, or major violations.



English Learning Program



Word Therapy Program



Agape Love and SST Caring for Youth Projects

Rural Education

GOALS OF THE GROUP

Rural areas are relatively lacking in education resources, and rural children are thus limited in their experiences and perception of the world. The Group hopes to broaden the horizons of students from rural areas and encourage them to challenge themselves, dare to dream, and put in a solid effort to make their dreams come true.

SOLUTIONS PROVIDED BY THE GROUP

The Group proactively seeks to understand the needs of rural areas, and either provides direct assistance or collaborates with local front-line groups to provide aid. The Group is focused on bringing multidimensional education to rural areas so that students can discover their own hidden potential and effectively learn and grow.

CONTRIBUTIONS TO THE SDGS BY THE GROUP



“Meet the Future” Career Exploration Project

To expand the horizons of students from rural areas and help them gain an in-depth understanding of the workings of different professions, thus creating incentives for students to explore and build their future careers and plan their future lives, the Group invites talented members of different professions to visit rural schools and give talks, engage in discussions, provide hands-on training, or participate in interactive games, so that students can understand the knowledge and skills required in different workplaces.

Since the first sessions of the “Meet the Future” Career Exploration Project were held in 2020, a hugely favorable response was received from schools and students in rural areas, and letters from schools all over Taiwan requesting to host Project sessions were received. The Group hopes to sustain this successful experience, but in the face of the COVID pandemic, only 2 sessions were held in 2021, with a total of 250 schoolchildren participating. In future, the Group will continue to sow seeds of hope for students, and help them to welcome a brighter future.



Pingxi Junior High School X Taipei 101 Fireworks Design Director Sidney Lee

[Click to view the video of Pingxi Junior High School X Taipei 101 Fireworks Design Director Sidney Lee](#)

Taipei 101 Fireworks Design Director Sidney Lee was invited to Pingxi Junior High School in New Taipei City to reveal the secrets of the Taipei 101 New Year Fireworks. Students were able to try connecting electronic fuses and gain a hands-on experience of the fireworks production process. Director Lee urged students not to be afraid of failure, but to always stride forth with courage, and to welcome a future as colorful and brilliant as the fireworks he designs.



Pinglin Junior High School X Clinical Psychologist Pei-Yun Hong

[Click to view the video of Pinglin Junior High School X Clinical Psychologist Pei-Yun Hong](#)

Clinical psychologist and multiple bestseller author Pei-Yun Hong was invited to Pinglin Junior High School in New Taipei City to guide students in the life of a clinical psychologist. Students respectively took on the roles of a psychologist and a patient to experience the challenges of psychological work through the process of “chatting.” Dr. Hong encouraged students to always keep an open and curious mind, both now and in the future, and to persist in enhancing their self-understanding.

Technology Education

GOALS OF THE GROUP

As technology continues to develop, what we consider to be “hi-tech” or “sci-fi” today may become a normal part of daily life in the future. Therefore, the Group aims to strengthen the foundations of technology education, shrink the technology gap for the next generation, and help them to happily embrace technology now in order to become leaders of technological development in the future.

SOLUTIONS PROVIDED BY THE GROUP

The Group makes use of its core capabilities and resources and collaborates with renowned institutions, scholars, and experts to promote efforts to engage teachers and students to participate in technology education, with an emphasis on AI and quantum technology. The Group also provides separate resources for teachers, college students, high school students, vocational school students, and junior high school students, and provides opportunities to connect with resources abroad, in order to strengthen the foundations of technology education.

CONTRIBUTIONS TO THE SDGs BY THE GROUP



Promotion of the Introduction to Artificial Intelligence High School Mini-Course

The Group compiled the first AI textbook for high schools and vocational schools, Introduction to Artificial Intelligence, and organized an “Introduction to Artificial Intelligence High School Mini-Course” at seven high schools, including Jianguo High School, Taipei First Girls High School, The Affiliated Senior High School of Taiwan Normal University, Chenggong High School, Zhongshan Girls High School, Lishan High School, and Song-Shan Senior High School. The mini-course provided simple but in-depth instruction to help high school students gain advance knowledge of AI, enabling rapid and deeper learning in college. A total of 80 students selected the mini-course as an elective. Additionally, four high school touring lectures on artificial intelligence were respectively held in Taipei, Taoyuan, Taichung, and Ilan, where the achievements and experiences of organizing the AI mini-course at seven high schools in Taipei City were shared, and preparations were made to connect with more high schools and vocational schools to expand the mini-course offering in 2022. Currently there are at least ten schools that will offer the mini-course in 2022.

In order to assist high school and vocational school teachers across Taiwan with offering AI courses in their own schools, the Group organized a “How to Create AI Courses in High Schools” lecture attended by a hundred teachers from all over Taiwan. The Group announced that a sharing platform would be established to provide teaching materials, lesson plans, and workbooks to teachers, as well as building-block lesson modules that teachers could select and assemble according to their own needs. The Group also expressed a willingness to provide tailored counseling to help teachers create their courses. Currently, teachers from 11 schools, including Taipei First Girls High School, The Affiliated Senior High School of Taiwan Normal University, Wu-Ling Senior High School, and Hsinchu Girls’ Senior High School, have applied to the Ministry of Education for multidimensional elective course numbers for the Introduction to Artificial Intelligence course, and will work with the Group to offer these courses in September 2022.



AI Manga Promotion

In 2021, the Group published the first long-format manga on AI in Chinese-speaking areas, *Studios League: Battle of the AI Sun Kingdom*, which fused expert-reviewed AI concepts and applications with an exciting storyline. The work included appendices that explained key points of knowledge, and also provided QR codes that allowed readers to quickly link to interesting mini-games. Children could imperceptibly gain AI-related knowledge by reading this manga, and the Group has donated this work to 1,341 rural primary and secondary schools across Taiwan (two copies for each school), as well as to institutions that provide tutoring classes for the disadvantaged, including the After School Association of Taiwan and Taiwan Hope Primary School. A total of 3,460 copies were donated, giving disadvantaged children a chance to learn AI-related knowledge.



Studios League: Battle of the AI Sun Kingdom is an AI educational manga that teaches AI concepts through manga, words, and hands-on games.

AI Technology Interactive Platform—Gaming Platform

The Group also provides online educational resources such as the AI Technology Interactive Platform, which can be accessed from QR codes in *Studios League: Battle of the AI Sun Kingdom*. The mini-games on the platform correspond to the ten key points of knowledge in the manga. Incidentally, the Group invited economically disadvantaged recipients of the Foxconn Scholarship Program to design these ten mini-games, with 3 recipients participating in the project. Besides these ten mini-games, the platform also includes slide kits from the Introduction to Artificial Intelligence curriculum that was compiled for high school students in 2019, thereby facilitating the promotion of AI educational resources beyond borders.



[AI Technology Interactive Platform](#)



AI Workshops for Rural Secondary Schools

The Group has organized workshops at ten rural secondary schools across Taiwan that use the manga, *Studios League: Battle of the AI Sun Kingdom*, as a starting point to broaden course content and provide instruction in object detection and image recognition. In these workshops, the manga is used as advance teaching material; students read the manga before listening to instructor explanations on “image recognition” and other key points of knowledge. Instructors then teach students how to construct an auto-driving robot car by themselves, as well as how to program computer code to control their auto-driving cars. Furthermore, the Group also organized a “Pandemic Control Raiders Learning Evaluation Competition” to provide a means for students to self-assess their capabilities, as well as a stage for them to showcase the fruits of their learning. This allowed the entire curriculum to be structured in a way in which students were able to gradually build up their abilities by “reading manga,” “listening to the instructor,” “hands-on practical work,” and “exercising the mind to actually resolve issues,” thereby creating deeper and more tangible impacts of learning on students. This project enabled rural students, who usually have few chances to access technology education, to broaden their horizons and bring them closer to cutting-edge technology while also bridging the urban-rural technology education gap.



Summer Quantum Computing Camp for High School and Vocational School Students

The Group is building on successful collaborations with the NTU-IBM Quantum Computing Center and the Taiwan Association of Quantum Computing and Information Technology for the co-organization of the first Summer Quantum Computing Camp for high school students in 2020, and a second 5-day Summer Quantum Computing Learning Camp for high school students was hosted again in 2021. Almost 300 applicants scrambled to apply for the 2020 Summer Camp within the first week of registration, but attendance was only available for 60 students; after taking into account the wish to expand quantum technology to all interested students within the constraints of the pandemic, an extra 20 on-site slots and 80 online slots were made available for 2021. Besides introductory lectures on quantum computers and quantum technology, students were also able to use IBM systems under the guidance of professional instructors to code their first quantum circuits. Following five days of interesting lectures and intense hands-on practice, participating high school students were able to get a glimpse of the intricacies of the quantum world.



Quantum Computing Seed Instructor Training Camps

The Group hosted the second Quantum Computing Seed Instructor Training Camp in 2021 in partnership with the NTU-IBM Quantum Computing Center and continued to collaborate with the Taipei City Government and Taoyuan City Government. High school and vocational school teachers from Taoyuan were provided with complimentary attendance to facilitate the offering of quantum technology courses in high schools and vocational schools, and to strengthen the foundation of quantum education. Over the span of 10 weeks and 60 hours, the Seed Instructor Training Camp adopted a professional learning community (PLC, a group of professionals that come together to learn and grow) learning format, with one teacher each from the disciplines of mathematics, physics, and information technology coming together to form a 3-person PLC. To facilitate the offering of quantum technology courses in schools, the Group has also begun compiling quantum teaching materials for high schools and vocational schools, and expects to publish these materials in 2022.



Foxconn Technology Awards

The number of applicants to master's and doctoral programs have been declining in recent years, to the point where even doctoral studies at some good departments in good schools have no applicants. To encourage students in science and technology disciplines to pursue their dreams, and to cultivate more technological talent for the nation, the Group organized the "Foxconn Technology Awards"; applications were open to all ROC citizens currently enrolled in local or foreign master's or doctoral programs in the fields of electric vehicles or robotics, with research and achievements related to batteries, electric engineering, electronic control, AI, semiconductors, new-generation communications, information security, and quantum computers. The award was originally set up for 15 awardees but was later expanded to 19 awardees due to the large volume of applicants, with an award of 250,000 NTD given to each awardee. In addition, awardees receive mentorship from executives in related fields at the Group, and can conduct an internship at the Group to gain valuable practical experience in the industry. To date, a total of 3 awardees have taken up internships offers at the Group.



Asia Pacific Conference of Young Scientists (APCYS) Taiwan Trials

The Asia Pacific Conference of Young Scientists (APCYS) is supported by the Association of Asia Pacific Physical Societies (AAPPS), and its primary purpose is to promote the exchange of scientific research works conducted by secondary school students in the Asia-Pacific region, encouraging the younger generation to participate in scientific research activities. The Group worked with Fo Guang University and the NTU Department of Physics to jointly organize trials, from which ten students were selected to attend the 2021 Online Asia Pacific Conference of Young Scientists. The Taiwan team subsequently won 3 gold, 2 silver, and 2 bronze awards, as well as first prize and third prize in the poster awards.



World Robot Olympiad (WRO) Taiwan Trials

The World Robot Olympiad (WRO) is a world-class robotics competition that was begun in 2004 in Singapore, and is organized by the WRO Advisory Council. Contestants are divided into Elementary, Junior, and Senior age groups, and the theme each year is based on a key global issue. For example, the theme for 2021 was "PowerBots," which built on a foundation of environmental protection and requested contestants to use their imaginations to think about how they can resolve the environmental issues faced by the world today. Besides being involved in organization for the WRO Taiwan trials, the Group has begun to provide training courses for contestants selected to represent Taiwan to enhance their competition skills and English expression ability. The Taiwan team subsequently won 1 gold, 2 bronze awards, as well as 2 top-eight placements, demonstrating their dazzling capabilities.



Multidimensional Education

GOALS OF THE GROUP

The Group has a long-term focus on social needs, and listens to the voices of different groups. The Group hopes to help children find their own interests and skills to develop a unique self.

SOLUTIONS PROVIDED BY THE GROUP

The Group actively works with various institutions, and taps into different connections to provide children with diverse learning opportunities, so as to help children discover themselves, develop fortitude, and live exciting lives.

CONTRIBUTIONS TO THE SDGS BY THE GROUP

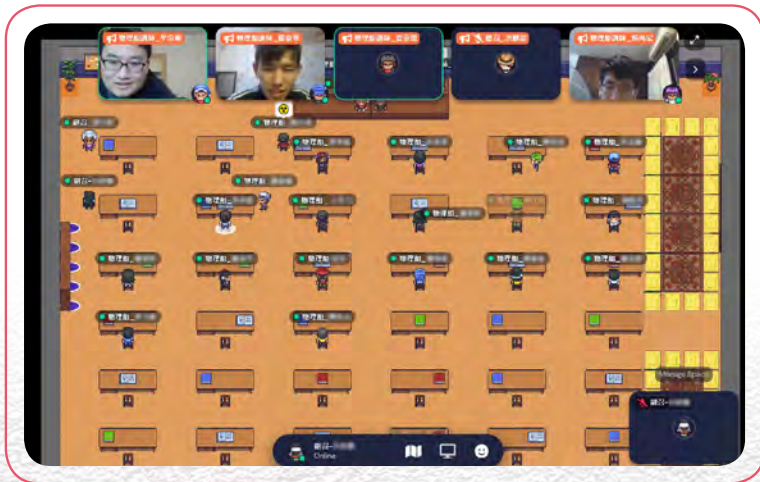


Formula Student Taiwan Competition

Due to the COVID pandemic, students with a love for formula racing were unable to travel abroad for racing tournaments, and therefore banded together to host the “2021 Formula Student Taiwan Exhibition Competition.” These students originally wished to seek partial assistance from the Group, but after evaluation, the Group believed that this event could provide a stage to hone one’s capabilities, and therefore brought the MIH Open EV Platform of the Group and Foxtron Vehicle Technologies on board to interact with students in hopes that the addition of these two institutions could further enhance the capabilities of participating students, thereby facilitating the cultivation of outstanding electric vehicle talent for Taiwan.

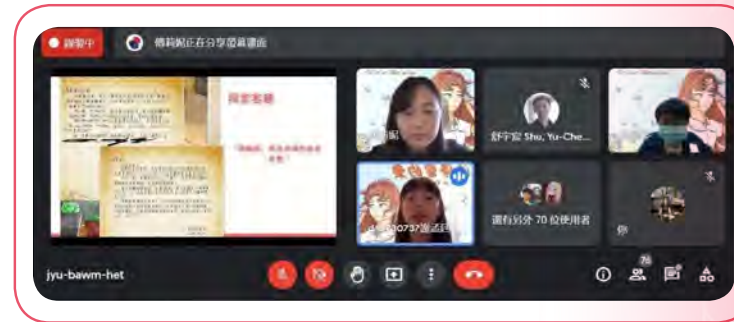
Chemistry Olympiad Exploration Camp and SCMS Training Camp

The Taiwan Normal University Department of Physics Alumni Association found that the larger-scale science competitions such as the SCMS, Olympiads often attended by high school students were only accessible to a select handful of schools that had long-term resources. Many students from other schools struggled to perform well during the competitions due to a lack of resources or competitive experience. However, each school has students worth cultivating, and thus the Alumni Association hosted the Chemistry Olympiad Exploration Camp and SCMS Training Camp to provide students from these other schools with more learning opportunities. The Group provided funds to reduce fees for disadvantaged students and enhance research quality (including the recruitment of instructors from industry and academia, as well as enhancements in lab equipment).



Escape Room Competition and Study Camp for Seed Teachers

Organized the Escape Room Study Camp for Seed Teachers to cultivate the hands-on practical skills and multidisciplinary integration capabilities required by high school and vocational school students. Escape rooms are a popular problem-solving game among the younger generation nowadays, and the Group felt that this game format was perfectly suited to the teaching of “hands-on practical work and multidisciplinary integration.” Therefore, the Group organized an Escape Room Study Camp for Seed Teachers, an Escape Room Summer Study Camp, and a Learning Evaluation Competition. Through the medium of the escape room story and the game experience, high school and vocational school students were able to integrate their subject knowledge to design questions, and were also trained in multidimensional capabilities such as SPARK AR (an augmented reality creation tool), question design, story planning, and presentation skills.



High school and vocational school online problem-solving design camp and achievement competition activity, and escape room seed teacher training camp.

Sports Sponsorship

GOALS OF THE GROUP

By supporting sports organizations in Taiwan, the Group hopes to indirectly cultivate outstanding sportspeople in more sports categories, thereby attracting more support and attention from other enterprises to jointly facilitate the development of sports.

SOLUTIONS PROVIDED BY THE GROUP

The 10-Year Table Tennis Seed Project was initiated in 2013, and established goals for four major stages of development, with the aim of systematically cultivating superior youth talent to play stably at home and gradually move to compete abroad.

In 2021, it was discovered that the Yucheng Senior High School Boxing Team had cultivated several outstanding boxers, but was encountering difficulties in operations due to a lack of funds. The Group therefore provided support, reducing the burden of the Yucheng Senior High School Boxing Team and allowing them to focus on cultivating outstanding.

CONTRIBUTIONS TO THE SDGS BY THE GROUP



Support for the Yucheng Senior High School Boxing Team

The Yucheng Senior High School Boxing Team was established under the framework of Taipei Municipal High School Sport Talent Classes, but 75% of students participating in boxing training came from disadvantaged families, and the school was unable to provide additional funds to support the team, creating operational difficulties for the Boxing Team. However, Coach Hans Lin, who had invested more than 20 years of his time in the Boxing Team, refused give up and continued to train students, cultivating many sportspeople as a result. Huang Hsiao Wen, bronze medalist in the 2020 Olympics, also hailed from the Yucheng Senior High School Boxing Team. In light of this, the Group helped to provide funds for competition training, as well as food and board when participating in competitions, to support the Yucheng Senior High School Boxing Team and assist in continued cultivations for the next outstanding boxer.

10-Year Table Tennis Seed Project

To discover and nurture superior youth sportspeople, the Group initiated the 10-Year Table Tennis Seed Project in 2013, providing 6 million NTD annually for a total of 60 million NTD. Systematic cultivation is provided through long-term professional table tennis training and counseling, with the aim of improving individual performance. This Project has fostered more than 40 sportspeople to date, of which 21 are still undergoing training, and 17 of which have already qualified to represent the Taiwan team.





The goals of the first three stages have already been achieved and even exceeded. For example, the goal of Stage 2 was to nurture players to achieve the top 350 in the world rankings, but in 2018, there were already two players who respectively achieved world rankings of 80 and 123. In addition, sportspeople nurtured in this Project won bronze in the Taipei 2017 Universiade, and also made the team for the 2017 and 2019 World Table Tennis Championships. In addition, three players were selected to the 2021 adult team, representing a quarter of the 12 players on the team, and these excellent results received wide acclaim in the table tennis community.



In the 2020 Tokyo Olympics, Chuang Chih-Yuan represented Taiwan, and although his bid ended at the round of sixteen, his fighting spirit and style was quite moving. In order to cultivate more outstanding sportspeople, the Group has pledged to donate a table tennis training stadium. The results of this Project have been quite exemplary thus far, and the Group hopes that these sportspeople can garner international fame while increasing general awareness and interest in sports and exercise.



Athlete Chuang Chih-Yuan in pre-competition practice during the 2020 Tokyo Olympics.

Giving Back to the Community

GOALS OF THE GROUP

In the spirit of giving back to society, the Group proactively organizes multidimensional activities for surrounding communities, in the hope of establishing a mutually beneficial existence.

SOLUTIONS PROVIDED BY THE GROUP

The Group proactively organizes activities to give back to the community, such as organizing pandemic control activities and recruiting employees to provide volunteer services during the COVID pandemic. It is hoped that these activities can improve the living standards of surrounding communities, and enhance their health and safety.

CONTRIBUTIONS TO THE SDGs BY THE GROUP



Service activities

650 sessions

Volunteers attending community activities

More than **640** people

In the spirit of giving back to society, and to establish a mutually beneficial existence with the community, the Group has organized several multidimensional community activities, including rural revitalization, aid provision for disadvantaged groups, disaster relief, and child education. In 2021, a total of 650 sessions of aid and service for disadvantaged groups was conducted, a portion of which recruited employee volunteers, with over 300 employees participating enthusiastically.

Rural revitalization

The mainland Campuses of the Group support rural revitalization strategies, and have contacted local village chiefs to survey the actual needs of each village, in order to provide projects of love that support the elderly, students, and disadvantaged. Examples include improvements to domestic water use and village committee offices, 100-acre land clearing projects for surrounding hilly grounds, land levelling projects, and construction of irrigations systems and other basic infrastructure.



Disaster relief

In July 2021, severe flooding occurred in Zhengzhou, and the Foxconn Zhengzhou Science Park organized volunteers to bring supplies to the front line and participate in disaster relief and cleanup efforts.



During the COVID pandemic, the Group voluntarily applied to collaborate with local governments, and worked with employees to provide volunteer services to the community such as assisting surrounding communities with PCR testing and vaccination work. In 2021, over 340 employees participated in pandemic prevention and control volunteer activities.



Appendix

Appendix I: GRI Standard Reference

General Disclosures

Disclosure Number	Disclosure	Chapter	Page
GRI 101: Foundation 2016 (does not include any disclosures)			
GRI 102: General Disclosures 2016			
Organizational profile			
102-1	Name of the organization	Company Profile-Company Overview	P.7
102-2	Activities, brands, products, and services	Company Profile-Company Overview	P.8
102-3	Location of headquarters	Company Profile-Company Overview	P.7
102-4	Location of operations	Company Profile-Company Overview	P.7
102-5	Ownership and legal form	Company Profile-Company Overview	P.7
102-6	Markets served	Company Profile-Company Overview	P.18
102-7	Scale of the organization	Company Profile-Company Overview Chapter 1: Corporate Governance-Financial Performance	P.7 P.23
102-8	Information on employees and other workers	Chapter 2: Employee Overview-Employee Statistics	P.49
102-9	Supply chain	Chapter 4: Policies for Sustainable Management of Suppliers-Supplier Management System	P.77
102-10	Significant changes to the organization and its supply chain	No major changes occurred during the reporting period	--
102-11	Precautionary Principle or approach	Chapter 1: Corporate Governance-Risk Management	P.23
102-12	External initiatives	United Nations Sustainable Development Goals (SDGs), RBA Code of Conduct, Climate Action 100+, Carbon Disclosure Project (CDP), Task Force on Climate-Related Financial Disclosures (TCFD), and Science Based Targets initiative (SBTi)	P.14
102-13	Membership of associations	Taiwan Alliance for Net Zero Emission, Monte Jade Science and Technology Association of Taiwan, Taiwan Electrical and Electronic Manufacturers' Association, Taiwan Transportation Vehicle Manufacturers Association, Taiwan Association of Machinery Industry, Taipei Computer Association, Taiwan Mold & Die Industry Association, SINOCON Industrial Standards Foundation	--
Strategy			
102-14	Statement from senior decision-maker	Letter from our Chairman	P.4

Disclosure Number	Disclosure	Chapter	Page
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	Chapter 1: Ethical Management-Group Code of Conduct	P.30
Governance			
102-18	Governance structure	Chapter 1: Corporate Governance-Group Structure and the Board of Directors Chapter 1: Sustainability Committee	P.21 P.40
Stakeholder Engagement			
102-40	List of stakeholder groups	Chapter 1: Stakeholder Identification, Communication, and Responsibilities	P.41
102-41	Collective bargaining agreements	Chapter 2: Communication and Protection of Employee Rights-Protection of Employee Rights	P.56
102-42	Identifying and selecting stakeholders	Chapter 1: Stakeholder Identification, Communication, and Responsibilities	P.41
102-43	Approach to stakeholder engagement	Chapter 1: Stakeholder Identification, Communication, and Responsibilities	P.41
102-44	Key topics and concerns raised	Chapter 1: Stakeholder Identification, Communication, and Responsibilities	P.41
Reporting Practice			
102-45	Entities included in the consolidated financial statements	Chapter 1: Corporate Governance-Financial Performance 2021 Annual Report	P.23
102-46	Defining report content and topic Boundaries	About this Report Chapter 1: Stakeholder Identification, Communication, and Responsibilities	P.3 P.41
102-47	List of material topics	Chapter 1: Stakeholder Identification, Communication, and Responsibilities	P.45
102-48	Restatements of information	There were no restatements of information	--
102-49	Changes in reporting	Chapter 1: Stakeholder Identification, Communication, and Responsibilities	P.41
102-50	Reporting period	About this Report	P.3
102-51	Date of most recent report	About this Report	P.3
102-52	Reporting cycle	About this Report	P.3
102-53	Contact point for questions regarding the report	About this Report	P.3
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	P.3
102-55	GRI content index	Appendix I: GRI Standard Reference	P.127
102-56	External assurance	Appendix IV: Independent Verification Statement	P.134

9 Material Issues

Disclosure Number	Disclosure	Chapter	Page
Material Issues			
Financial performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Chapter 1: Corporate Governance, Smart Innovation Chapter 1: Stakeholder Communication and Responsibilities - Scope of Material Issues and Materiality Analysis	P.20 P.45
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Chapter 1: Corporate Governance-Financial Performance	P.23
Occupational health and safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Chapter 3: Healthy Workplace, Safety Adherence Chapter 1: Stakeholder Communication and Responsibilities - Scope of Material Issues and Materiality Analysis	P.64 P.45
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Chapter 3: Healthy Workplace, Safety Adherence	P.65
		Chapter 3: Occupational Health and Safety	P.65
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 3: Occupational Health and Safety-Safety Audits and Risk Identification	P.66
		Chapter 3: Occupational Health and Safety-Health and Safety Training and Drills	P.70
		Employees can voluntarily depart from work conditions they believe may result in injury or disease without repercussions.	--
	403-3 Occupational health services	Chapter 3: Occupational Health and Safety-Safety Audits and Risk Identification	P.66
		Chapter 3: Employee Health Promotion-Health Promotion Activities	P.72
403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter 3: Occupational Health and Safety	P.67	
403-5 Worker training on occupational health and safety	Chapter 3: Occupational Health and Safety-Health and Safety Training and Drills	P.70	

Disclosure Number	Disclosure	Chapter	Page
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Chapter 3: Employee Health Promotion	P.72
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 3: Occupational Health and Safety-Safety Audits and Risk Identification	P.66
		Chapter 3: Occupational Health and Safety-Safety Innovations and Improvement Projects	P.70
	403-8 Workers covered by an occupational health and safety management system	Chapter 3: Occupational Health and Safety	P.65
Climate change responses			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Chapter 5: Green Solutions, Circular Economy Chapter 1: Stakeholder Communication and Responsibilities - Scope of Material Issues and Materiality Analysis	P.91 P.45
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
Self-defined theme			
Energy and greenhouse gas management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Chapter 5: Green Solutions, Circular Economy Chapter 1: Stakeholder Communication and Responsibilities - Scope of Material Issues and Materiality Analysis	P.91 P.45
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Chapter 5: Climate Change	P.97
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-4 GHG emissions intensity	Chapter 5: Climate Change	P.95
Information security and customer privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Chapter 1: Corporate Governance, Smart Innovation Chapter 1: Stakeholder Communication and Responsibilities - Scope of Material Issues and Materiality Analysis	P.20 P.45
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 1: Corporate Governance	P.26

Disclosure Number	Disclosure	Chapter	Page
Corporate governance and risk management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Chapter 1: Corporate Governance, Smart Innovation Chapter 1: Stakeholder Communication and Responsibilities - Scope of Material Issues and Materiality Analysis	P.20 P.45
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
Self-defined theme			
Ethical management and legal compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Chapter 1: Corporate Governance, Smart Innovation Chapter 1: Stakeholder Communication and Responsibilities - Scope of Material Issues and Materiality Analysis	P.20 P.45
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Chapter 1: Ethical Management	P.30
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Chapter 1: Ethical Management	P.30
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Chapter 5: Environmental Management System	P.99
Innovative Development and Low-Carbon Technologies			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Chapter 1: Corporate Governance, Smart Innovation Chapter 1: Stakeholder Communication and Responsibilities - Scope of Material Issues and Materiality Analysis	P.20 P.45
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
Self-defined theme			
Employee rights and diverse equality			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Chapter 2: Diverse Inclusiveness, Employee Satisfaction Chapter 1: Stakeholder Communication and Responsibilities - Scope of Material Issues and Materiality Analysis	P.47 P.45
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Chapter 2: Communication and Protection of Employee Rights-Human Rights Policies	P.55

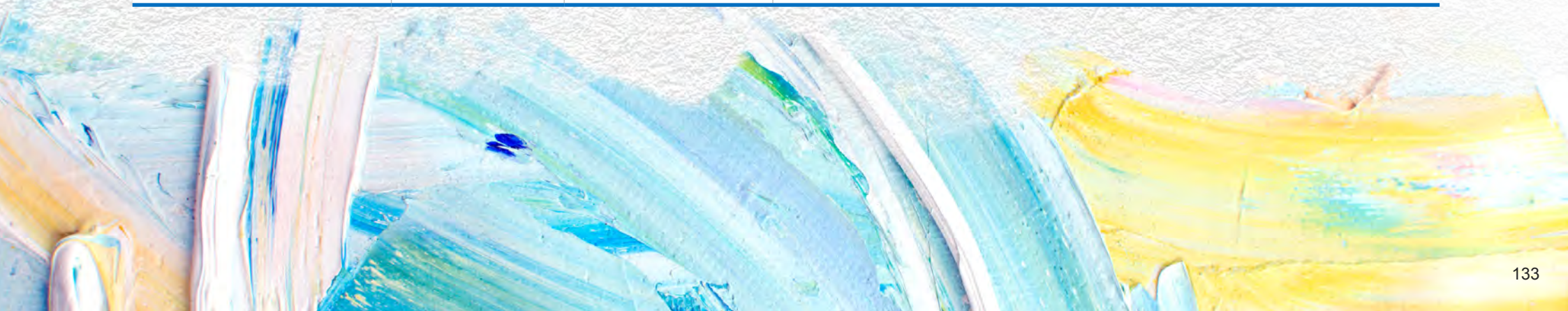
The Group defines substantial environmental incidents as those incurring fines of RMB¥ 100,000 (equivalent to NT\$ 440,000) or more, as fines of more than RMB¥ 100,000 affect the Group's credit rating.

Appendix II: SASB Standard Comparison Table

Disclosed Theme	Disclosed Metrics	Category	Indicator Code	Report Content or Descriptions	Corresponding Sections
Water Management	(1) Total water withdrawn, percentage in regions with High or Extremely High Baseline Water Stress (2) Total water consumed, percentage in regions with High or Extremely High Baseline Water Stress	Quantitative	TC-ES-140a.1	(1) Total volumes of water withdrawn amounted to 87,706 thousand tons, with 49.19% sourced from High Baseline Water Stress regions (2) Total volumes of water consumed amounted to 5,677 thousand tons, with 5.88% sourced from High Baseline Water Stress regions	Chapter 5: Water Management, P.100
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative	TC-ES-150a.1	We generated 453,443 tons of hazardous waste. We are unable to disclose percentages of recycled waste as we are currently working to establish data compilation process, but plan to disclose relevant information in the future.	Chapter 5: Waste Management, P.102
Labor Practices	(1) Number of work stoppages (2) Total days idle	Quantitative	TC-ES-310a.1	(1) No employee strikes or work stoppages occurred in 2021 (2) There were no idle days due to employee strikes or work stoppages in 2021	--
Labor Conditions	(1) Total recordable incident rate (TRIR) and (2) Near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	TC-ES-320a.1	(1) The total recordable incident rates (TRIR) for direct employees and contract employees were 0.1151 and 0.0136, respectively (2) The near miss frequency rates (NMFR) for direct employees and contract employees were 0.0085 and 0, respectively Note: The data above were taken solely from the Greater China region. We are currently working to establish data compilation process for other regions, and plan to disclose global data in the future.	Chapter 3: Statistics on Disabling Injuries, P.69
	Percentage of (1) entity's facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities Percentage of (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative	TC-ES-320a.2	(1) In terms of our facilities, 27% have completed RBA VAP audits and 0% were determined to be high-risk Note: Group entities undergo RBA VAP audits in response to client requests or other requirements. If multiple entities from a single facility have undergone RBA VAP audits, we consider said facility to have completed RBA VAP audits. (2) In terms of key electronics suppliers, 24% supplier facilities have completed RBA VAP audits and 50% were determined to be high-risk Note: We are currently working to establish data compilation process and plan to include data from key institutional suppliers in future.	--
	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities (2) Associated corrective action rate for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	Quantitative	TC-ES-320a.3	(1) In terms of non-conformance rates with RBA VAP audits, the priority non-conformance and other non-conformance rates for our facilities were 0% and 95%, respectively; the priority non-conformance and other non-conformance rates for our key electronics suppliers were 8% and 24%, respectively (2) The RBA VAP associated corrective rate for other non-conformances at our facilities was 100% (no priority non-conformances were discovered at our facilities); the RBA VAP associated corrective rates for priority non-conformances and other non-conformances at our key electronics suppliers were 100% and 88%, respectively.	--

Disclosed Theme	Disclosed Metrics	Category	Indicator Code	Report Content or Descriptions	Corresponding Sections
Product Lifecycle Management	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	TC-ES-410a.1	The Group has carefully reviewed the qualifications of our waste handling and recycling vendors, and we commission qualified vendors to recycle our e-waste products. We are unable to disclose related data as we are currently working to establish data compilation process, but plan to disclose relevant information in the future.	--
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	TC-ES-440a.1	The Group adopts a circular mechanism with incorporated ESG management frameworks for supplier management processes which includes the four major stages of regulatory compliance, risk assessment, audit verification, and continued improvement. We do not accept or use conflict minerals. We have developed a platform for conflict mineral management to ensure that relevant data can be preserved and tracked. This platform has enabled us to complete conflict mineral surveys for 1,569 suppliers. We achieved a 100% survey response rate and did not discover any regulatory violations.	Chapter 4: Statistics on Disabling Injuries, P.69

Disclosed Metrics	Category	Indicator Code	Report Content or Descriptions
Number of manufacturing facilities	Quantitative	TC-ES-000.A	Around 70 locations
Area of manufacturing facilities	Quantitative	TC-ES-000.B	Around 226.04 million square feet
Number of Employees	Quantitative	TC-ES-000.C	946,111



Appendix III: Independent Assurance Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

2021 HON HAI Sustainability Report

The British Standards Institution is independent to Hon Hai Precision Industry Co., Ltd. (hereafter referred to as HON HAI in this statement) and has no financial interest in the operation of HON HAI other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of HON HAI only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by HON HAI. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to HON HAI only.

Scope

The scope of engagement agreed upon with HON HAI includes the followings:

1. The assurance scope is consistent with the description of 2021 HON HAI Sustainability Report.
2. The evaluation of the nature and extent of the HON HAI's adherence to AA1000 AccountAbility Principles (2018) and assessment of sustainability disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the 2021 HON HAI Sustainability Report provides a fair view of the HON HAI sustainability programmes and performances during 2021. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the HON HAI and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate HON HAI's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that HON HAI's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option and SASB Standard(s) were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to HON HAI's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 8 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018), GRI Standards and SASB Standard(s) is set out below:

Inclusivity

This report has reflected a fact that HON HAI has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the HON HAI's inclusivity issues.

Materiality

HON HAI publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of HON HAI and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the HON HAI's management and performance. In our professional opinion the report covers the HON HAI's material issues.

Responsiveness

HON HAI has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for HON HAI is developed and continually provides the opportunity to further enhance HON HAI's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the HON HAI's responsiveness issues.

Impact

HON HAI has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. HON HAI has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the HON HAI's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

HON HAI provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the HON HAI's sustainability topics.

SASB Standards

HON HAI provided us with their self-declaration of in accordance with SASB Standard(s) (Electronic Manufacturing Services & Original Design Manufacturing Sustainability Accounting Standard). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (Electronic Manufacturing Services & Original Design Manufacturing Sustainability Accounting Standard) are reported, partially reported or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the HON HAI's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2021088

2022-06-15

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