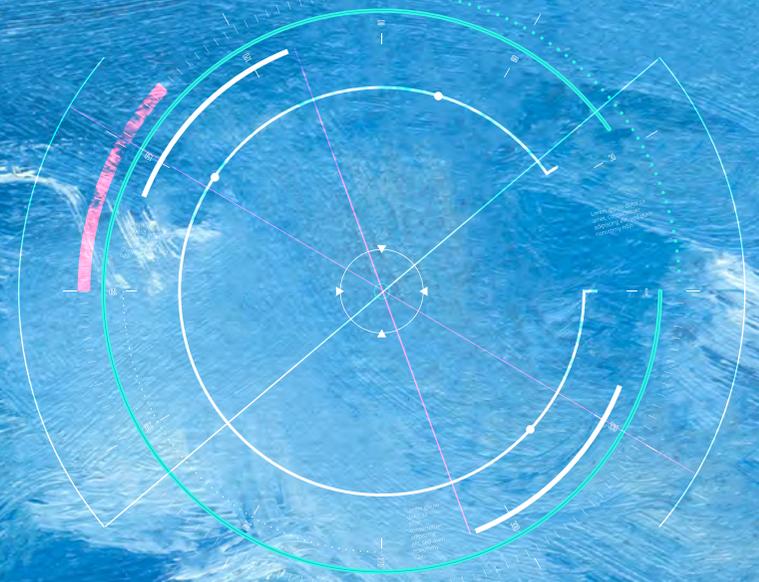




# 2021 Hon Hai Sustainability Report



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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 14<sup>th</sup> 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

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

# 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 tCO<sub>2</sub>e 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 tCO<sub>2</sub>e 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 tCO<sub>2</sub>e.
- 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

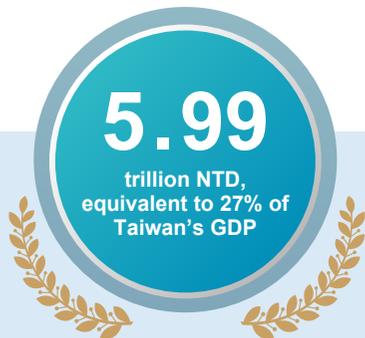


### Company Profile

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 <a href="#">our website</a> 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

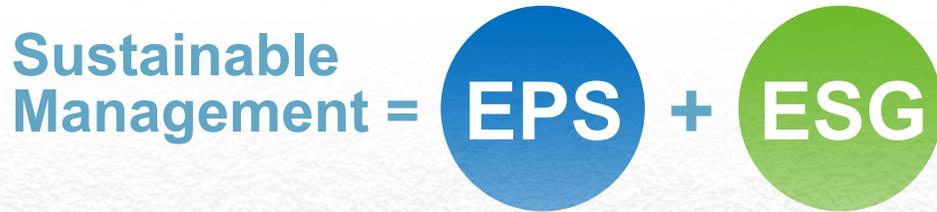
The Group has utilized digital technology to increase the efficiency and effectiveness of operations. For example, we have optimized our website and related platforms for improved communications with our shareholders and investors. We have also established a supply chain management platform to streamline 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

**G**

Implement ethical management, complete corporate governance, and protect the rights of our stakeholders

Core SDG targets

Six main targets and strategies

**Business Sustainability**

Embrace operational excellence and transparency  
Deepen partner relations for sustainable growth

**Corporate Governance**

Manage with integrity and trust  
Build a good corporate governance environment

- Establish a principle where fewer than half of Board directors cannot be concurrently serving as the Group's 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.
- Continue to refine the 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.
- Conduct performance appraisals of specific supplier ESG items (including green products, social and environmental responsibilities, and carbon management), and increase coverage to 100%.
- Require full materials declarations by all key electronics suppliers on RoHS and REACH management platforms.
- Increase the number of specific electronics suppliers with Zero Waste to Landfill Operations verifications from the current 3 to more than 25.
- Increase the number of key electronics suppliers that commit to use 100% of renewable energies for production of Foxconn products to more than 45.
- 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.
- Increase three-year audit coverage of specific institutional suppliers to 90%.

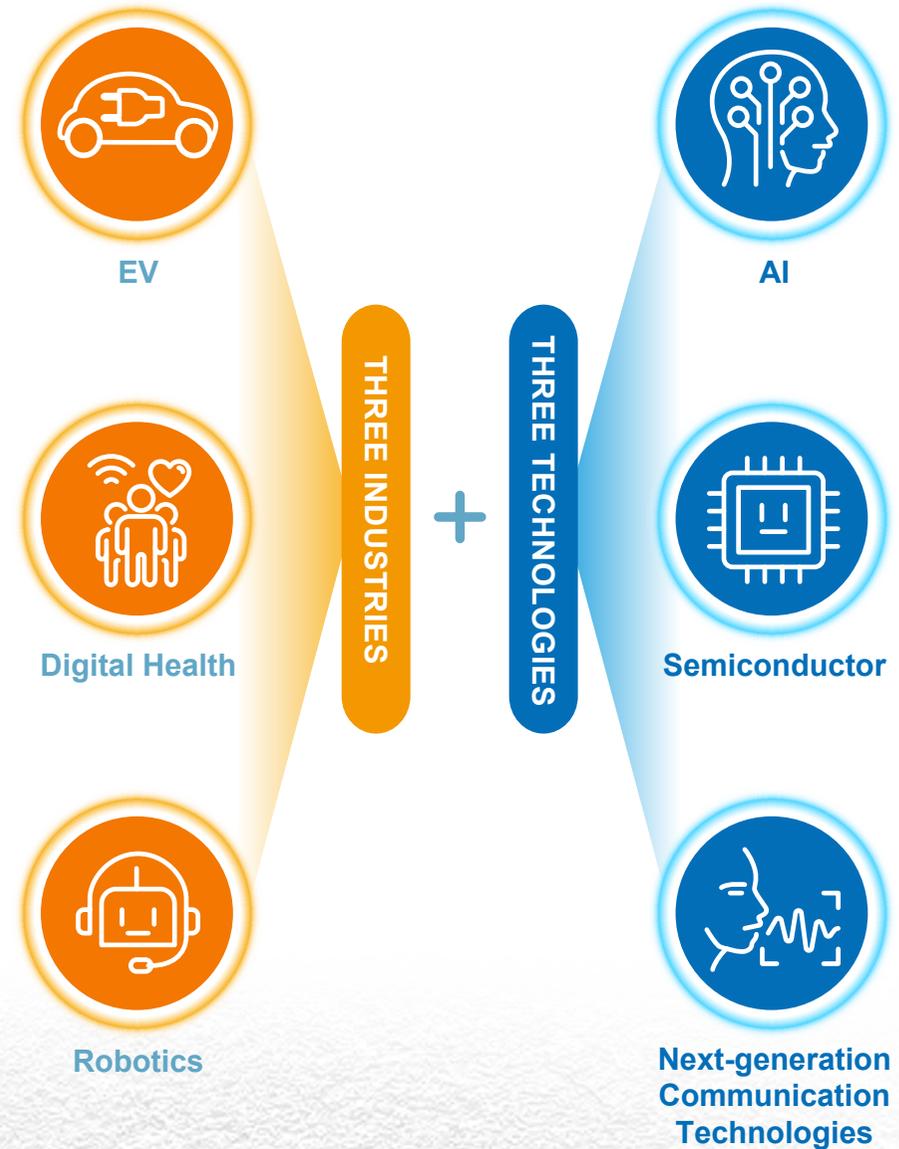
Please refer to [Chapter 1](#) and [Chapter 4](#) for further details



## 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"> <li>• 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.</li> <li>• 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.</li> </ul>
	<p>Employee Satisfaction</p> 	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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%.</li> <li>• Hosted 51 health promotion activities attended by 18,745 employees, including health lectures, fitness center events, sports classes, and online health lessons.</li> </ul>

SDGs	Corresponding ESG Targets and Strategies (Please refer to P.11、12 for information on promotion targets)	Response Strategies and Actions
	<p><b>Employee Satisfaction, Win-Win Strategy</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Established a technology education system for Taiwan and compiled the first AI textbook and AI manga in Taiwan.</li> <li>• Organized many rural education projects to provide appropriate resources and opportunities for exploring self-potential to achieve learning and growth.</li> </ul>
	<p><b>Circular Economy</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
	<p><b>Green Solutions</b></p>	<ul style="list-style-type: none"> <li>• 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%.</li> <li>• Tried use of renewable energies at 5 suppliers.</li> </ul>
	<p><b>Business Sustainability</b></p>	<ul style="list-style-type: none"> <li>• Ranked Taiwan's biggest business in terms of revenue; revenues for 2021 exceeded 5.99 trillion NTD, equivalent to 27% of Taiwan's GDP.</li> <li>• 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.</li> <li>• Provision of equal compensation and opportunities for advancement to all male, female, and disabled employees, with no exceptions.</li> </ul>

SDGs	Corresponding ESG Targets and Strategies (Please refer to P.11、12 for information on promotion targets)	Response Strategies and Actions
	<p><b>Business Sustainability, Corporate Governance</b></p>	<ul style="list-style-type: none"> <li>Published three self-developed electric vehicles, putting together ten years of R&amp;D in Taiwan's automobile industry, and displaying our determination to become a global force in the new automobile manufacturing industry.</li> <li>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.</li> <li>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.</li> </ul>
	<p><b>Circular Economy</b></p>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>
	<p><b>Green Solutions</b></p>	<ul style="list-style-type: none"> <li>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 tCO<sub>2</sub>e, and energy-saving benefits equivalent to 1.3 billion NTD.</li> <li>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<sub>2</sub>e.</li> </ul>
	<p><b>Business Sustainability, Corporate Governance</b></p>	<ul style="list-style-type: none"> <li>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.</li> <li>Rejection of all forms of human trafficking and employment of slave labor, coerced labor, forced labor to repay debt, indentured labor, and prison labor.</li> <li>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.</li> <li>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.</li> </ul>

## 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.

