

# 2

## Diverse Inclusiveness, Employee Satisfaction

Employee Overview

Compensation and Benefit

Communication and  
Protection of Employee Rights

Key stakeholders :

Employees

Clients

NGOs





## Management Guidelines for Material Topics

### Employee Rights and Diversity and 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 compensation 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.



#### Specific Actions

- A total of 1,478 "Employee Month Activities," including mental health promotions, counseling, training, free health clinics, and marriage mediation were held at 28 campuses; 2.119 million people (person-times) participated in these activities.
- A total of 1,015 babies born to Group employees benefited from our "Childcare Subsidies for 0 to 6 Year-Olds Program," and more than 470 million NTD has been paid out in subsidies over the past three years.
- Implemented labor rights audits at 19 campuses and discovered 238 deficits. Rectification measures have been formulated and confirmed, and we will continue to track and improve upon uncorrected deficits.
- The Group invested a total of 151 million NTD in Foxconn University and provided 69.49 million hours of training. On average, each employee underwent 75.05 hours of training.



#### Evaluation Mechanisms

- 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.
- We conducted employee satisfaction surveys to obtain employee feedback and guide future improvements.

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 various HR assessment activities.



▲ BOSS Zhipin-2022  
Favorite Employer Award



▲ Haitou-2022 Most  
Influential Employer  
Award



▲ 51job-2022 Outstanding Human  
Resource Management Award



▲ HR Magazine-Best Companies To Work For In  
Asia Award



▲ 1111 Job Bank-  
Happy Enterprise  
Gold Award



▲ Zhaopin-2022  
Campus  
Recruitment  
Case Award



▲ Dayee-2022 Model  
Brand Operations  
Employer Award



▲ Zhaopin-2022  
Best Employer in  
China



▲ Prague, Czech Republic-Second place in Best  
Employer of the Decade Award



▲ CommonHealth Magazine-Healthy Corporate  
Citizen Award



## Employee Overview

### Employee Numbers

The Group has a total of 925,890 employees worldwide, including 4,332 people with disabilities and 33,434 people of ethnic minorities. 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 11.50%. No incidents involving discrimination, use of child labor, or forced labor occurred in our campuses in 2022.

Category	Gender	China	Taiwan	Vietnam	India	Other regions in Asia	North America	South America	Europe
Number of employees	Male	489,052	5,448	64,205	36,083	4,847	38,524	3,444	7,691
	Female	274,992	1,604						
Number of permanent employees	Male	-	5,318	61,726	7,661	4,491	35,012	3,386	6,803
	Female	-	1,406						
Number of temporary employees	Male	-	31	-	-	-	-	-	-
	Female	-	17						
Number of non-guaranteed hours employees	Male	-	99	2,479	28,422	356	3,512	58	888
	Female	-	163						
Number of full-time employees	Male	349,791	5,395	-	-	-	-	-	-
	Female	207,836	1,597						
Number of part-time employees	Male	139,261	53	-	-	-	-	-	-
	Female	67,156	7						

Notes :

1. These figures reflect employee numbers as of December 31, 2022
2. We were unable to obtain information on employee gender from other countries/regions apart from China and Taiwan.
3. These classifications may not applicable in certain countries/regions.
4. In China, part-time employees are composed temporary personnel; in Taiwan, part-time employees are composed of external consultants and interns.
5. Group workers who are not employees include personnel from external companies who work in our campuses, such as caterers, security personnel, cleaning staff, and electrical maintenance personnel. Our campuses in Taiwan have a total of 232 workers who are not employees. We have not yet obtained relevant figures for other regions as our campuses are located all over the world.



## Number of Employees in China and Taiwan

Gender Distribution		Age Distribution		Education Level Distribution	
Male	64%	Under 30	37%	Junior high school or below	39%
		30-50	62%	High school or vocational high school	42%
Female	36%	Over 50	1%	College/undergraduate	19%
				Graduate and above	1%

## Distribution of New and Terminated 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.

			2020	2021	2022
Taiwan	New hire rates		12.80%	16.90%	17.52%
	Turnover rates	All	12.70%	11.80%	18.20%
		Voluntary termination rates	11.80%	10.20%	16.70%
China	New hire rates		6.50%	6.10%	5.80%
	Turnover rates	All	5.80%	5.70%	5.56%
		Voluntary termination rates	5.60%	5.50%	5.39%

Note : New hire rates and turnover rates were calculated using the total number of employees on December 31 for each year.

## 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 termination. 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 China and Taiwan

	2020			2021			2022		
	Female	Male	Total	Male	Female	Total	Male	Female	Total
Reinstatement rates	99.84%	99.57%	99.67%	99.37%	99.43%	99.41%	99.00%	99.00%	99.00%
Retention rates	81.00%	83.89%	82.74%	88.99%	86.59%	87.37%	84.70%	83.50%	84.10%

## 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 compensation, 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 33,434 minority-group employees in different regions, including members of the Zhuang and Miao tribes. These employees accounted for 3.6% of all employees in 2022 and receive equal treatment in terms of compensation, promotion, and training. Among employees who are members of the top five minority groups, 6.5% hold executive positions.

### Proportion of Female Executives for 2022

All executives	21.23%	Executive positions relating to revenue generation	42.54%
Junior executives	21.78%	Executive positions relating to R&D and engineering	14.79%
Senior executives	9.88%	Note : Senior executives include vice presidents and above; junior executives include managers and lower ranks.	



# Compensation and Benefits

## Compensation System

The Group adheres to principles of legality, fairness, impartiality, equality and voluntary actions, honesty, and credibility. Our compensation system not only complies with local laws but also references external market research reports. We regularly review our salary standards, and our compensation performance exceeds industry standards, providing a stable workplace environment, compensation, 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 2022, 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. Additionally, the ratio of total compensation for the highest-paid individual to the median total compensation for all other employees was 56.6.

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 and rank. The ratio of employees who underwent appraisals was 100%. The Group adjusts compensation 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. Our Board approved the distribution of 8.17 billion NTD in employee compensation in 2022.

## 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 2022, the Group's employee salary and benefits expenses were approximately 333 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 24,823 employee events attended by 2.114 million participants to enrich employee lives.

## Childcare Subsidies for 0 to 6 Year Olds

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.

In 2022, a total of 778 employees applied to participate in this program; 1,015 babies born to Group employees benefited from the program; and more than 470 million NTD has been paid out in subsidies. These subsidies make employees feel more secure when facing childbirth and also raise employee retention.



## 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 2022, please refer to our 2022 annual report.



# Protection of Employee Rights and Employee Communication

## Human Rights Policies

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 19 campus inspections were carried out in 2022 and 238 deficits were discovered. Rectification measures have been formulated and confirmed, and we will continue to track and improve upon uncorrected deficits. The Group also emphasizes the working conditions of interns and strives to ensure that all interns get the treatment they deserve.

## 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; we have further integrated these actions with employee training to protect our staff from discrimination based on different job characteristics.

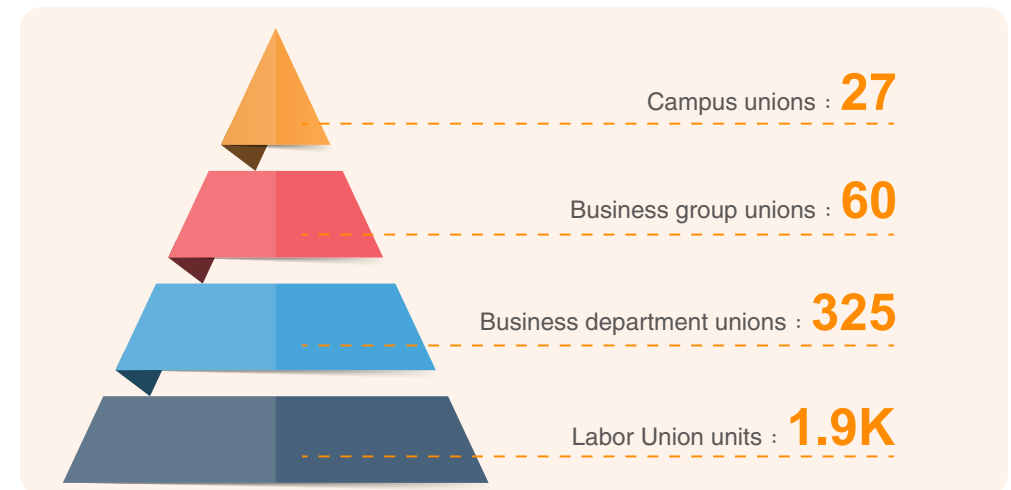
## Protection of Employee Rights

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 2022, 98.1% 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 2022, our 14 campus unions convened a total of 14 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.

### 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

### Employee Month Activities

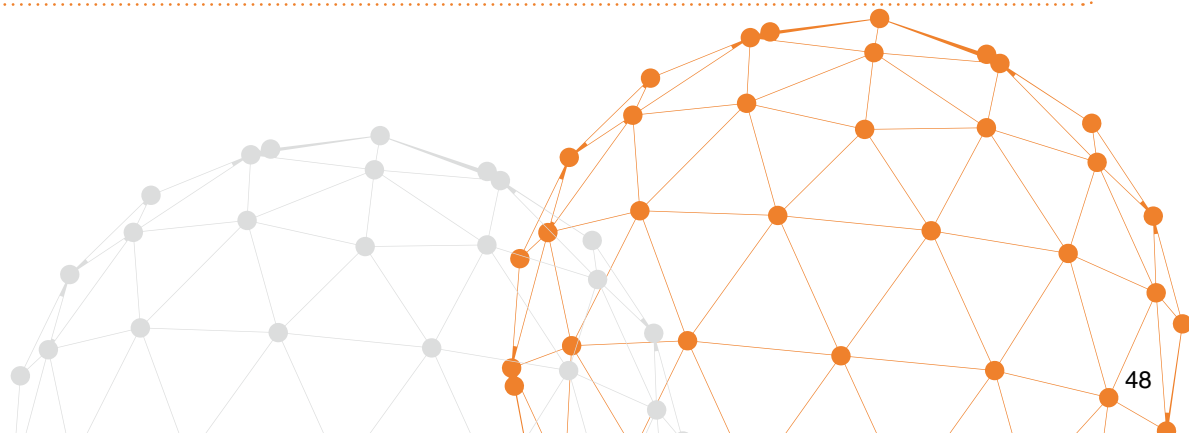
In 2022, the Group implemented mental health promotions focused around the two themes of "maintaining stability and security" and "empowering growth," and planned themed monthly activities. A total of 1,478 "Employee Month Activities," including mental health promotions, counseling, training, free health clinics, and couples mediation were held at 28 campuses; 2.119 million people (person-times) participated in these activities.

### Employee Satisfaction Surveys

We distributed surveys to employees in key campuses (including temporary employees) and collected a total of 51,983 responses, 38,608 of which were valid, achieving a validity rate of 74.3%. Our surveys included questions on catering, safety, accommodation, entertainment, and work environments. The overall average satisfaction score was 60.1. Satisfactory levels were highest for safety, followed by work environments, accommodation, entertainment, and catering. The Group will continue to improve and review operations to enhance employee engagement.

### Zhengzhou Foxconn incident on November 23, 2022

- On the evening of the 22nd, a number of new recruits at our Zhengzhou Campus requested clarification of an issue associated with work allowances. Our managers emphasized that all allowances would be provided in accordance with contract clauses and continued to communicate with all affected employees.
- We hereby declare that all Internet rumors stating new recruits were placed in accommodations with Covid-positive colleagues at our Zhengzhou Campus are false. All dormitories are sterilized and approved by government units before new recruits can move in, and no new recruits were asked to room with existing employees.
- The Group will continue to communicate with employees and the government to prevent similar incidents of violence from reoccurring.





## Training

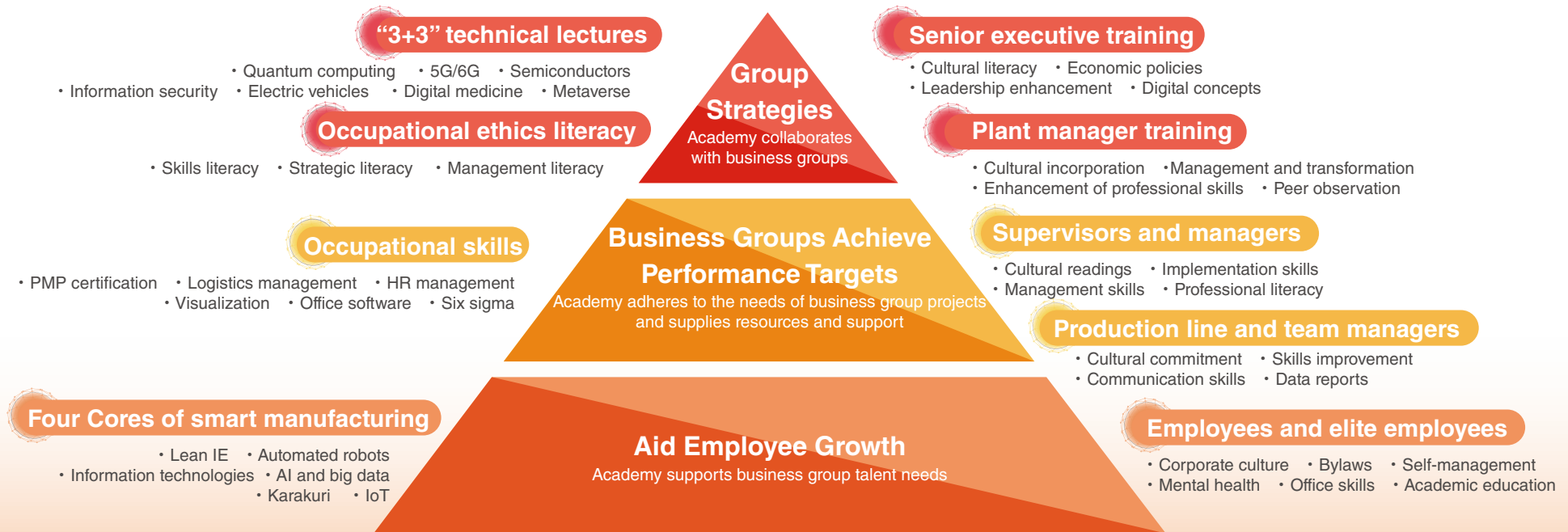
The Group is making transformations towards the "3 industries" and "3 technologies." In order to actively cultivate the human capital needed for the digital era, we have established an E-Learning zone to expand our many learning resources and channels, support the Group's long-term growth, and meet the 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, and bears the important responsibilities 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.

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" analyzes employee learning behaviors and majors; data analysis results and customized information presentations are used to provide a personalized experience for employees.

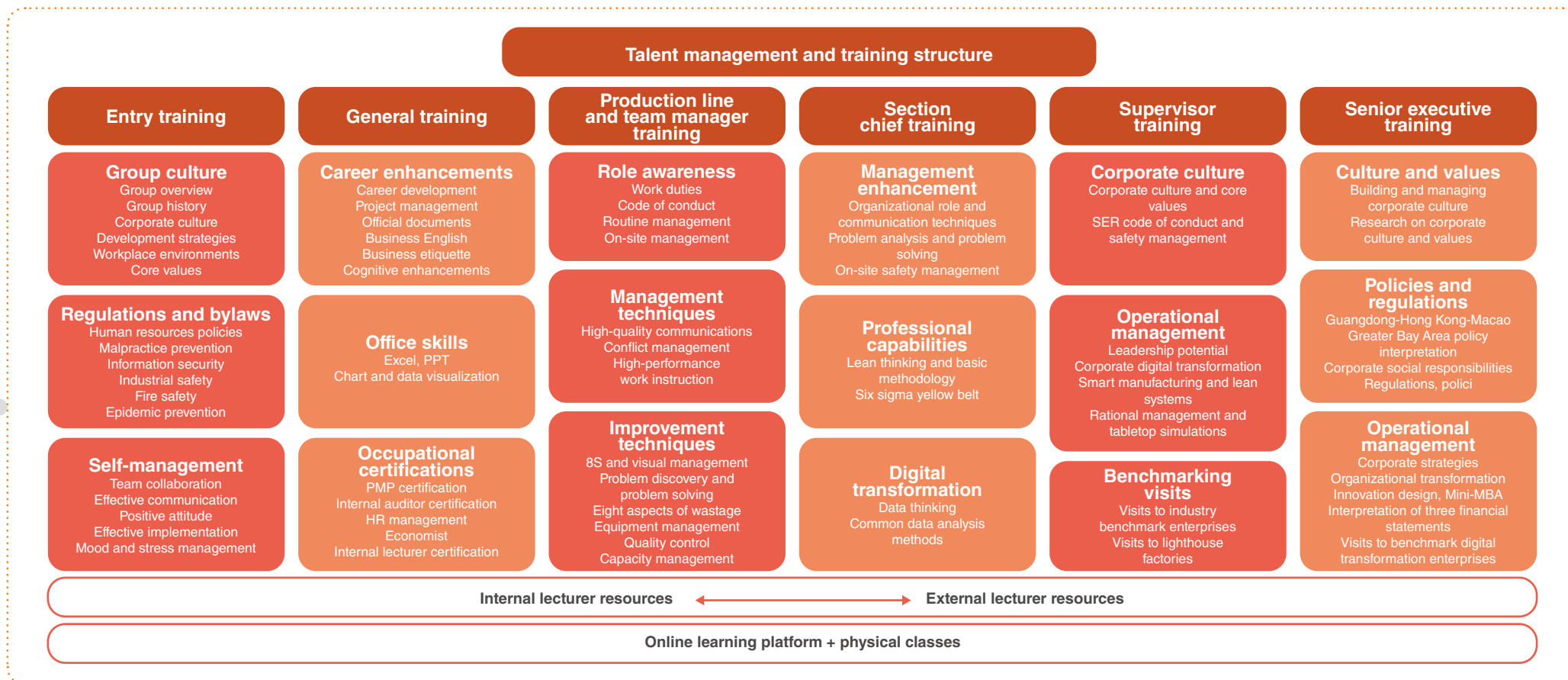
### Human Resource Development and Training Strategies



#### 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

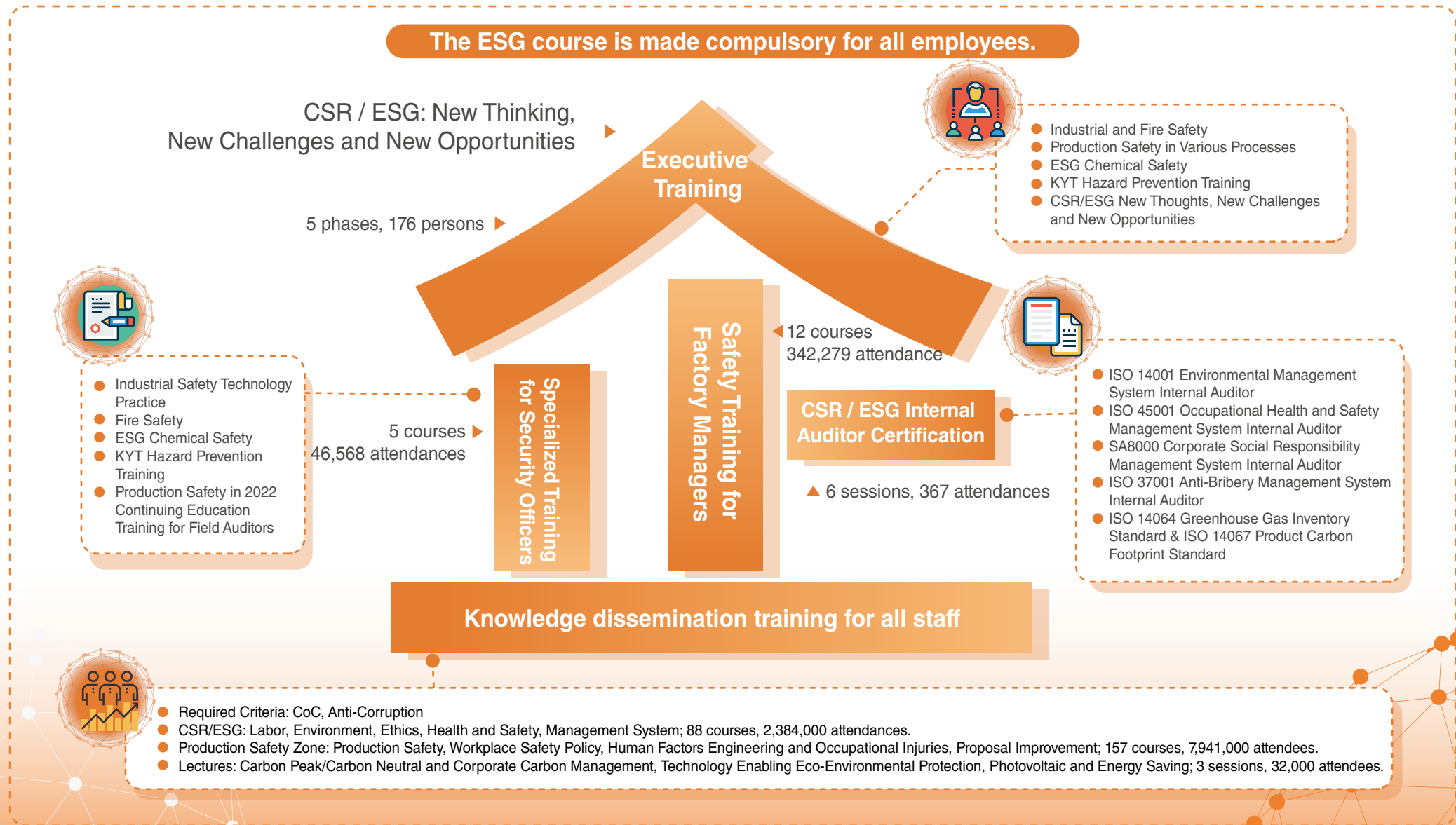


In 2022, the Group invested a total of 151 million NTD in Foxconn University, and provided 69.49 million hours of training. On average, each employee underwent 75.05 hours of general, management, technical/professional, and academic training. In terms of academic education, Foxconn University began collaborating 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 enhancement of comprehensive skills and professional capabilities. The Group worked with many colleges and universities to provide continued learning opportunities for our employees. In 2022, a total of 1,873 employees graduated from these programs and a total of 757 graduation theses were published, 77% relating to current employee job duties, achieving a win-win situation in terms of Group and employee career development.

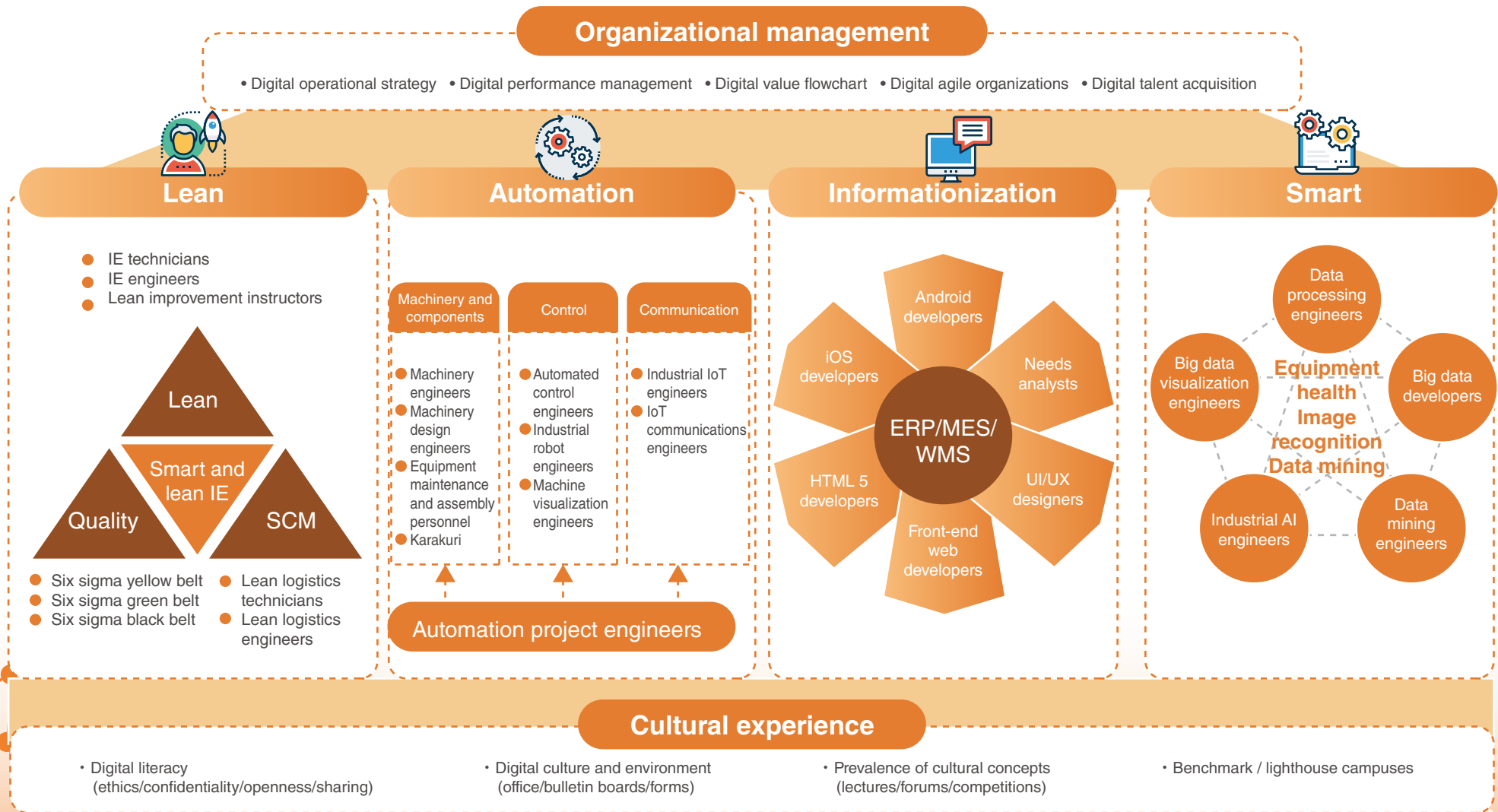
## Course Categories, Course Hours, and Participant Numbers

Course Category	Hours	Number of Participants
General education	41,392,259	21,728,701
Management	6,414,089	2,765,416
Technical/professional	20,952,873	10,059,354
Academic education	732,000	488,000
Total	69,491,221	35,041,471

Training Items for 2022



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.





## 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

### Automation training



#### Training items

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

### 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

### Informationization and AI



#### Training items

- Big data architects
- Big data analysts
- Data visualization