



# 2022

## Sustainability Report



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## About this Report

Hon Hai Precision Industry Co., Ltd. (hereinafter referred to as "the Group" and "Hon Hai") issued its first CSR Report in 2009, and renamed these reports "sustainability reports" starting in 2022. 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 disclose all financial and non-financial sustainable governance achievements to our stakeholders to convey our determination in continued sustainable development. The Group will continue to issue annual reports in the future.

### Scope

This Report covers the period between January 1 to December 31 of 2022 and contains information on Hon Hai Precision Industry Co., Ltd. (also known as Foxconn Technology Group; hereinafter referred to as "the Group" or "Hon Hai") and majority-owned subsidiary companies, controlled entities, and all affiliates (hereinafter "affiliated businesses"), encompassing the Group's offices in Taiwan and campuses in China, including ABCDES business units and 3F(FIH \ FII \ FIT) associated business. The scope of this report is the same as for the 2022 Hon Hai Annual Report. 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 2021 report and no significant changes have been made to company information.

### Management Procedures

This report was prepared by the Hon Hai 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 Account Ability Principles to ensure compliance with the GRI Standards Core option and SASB disclosure metrics. For more information, please refer to the [Independent Assurance 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 included in materiality analysis, and the resulting material topics were used as the core disclosures in this report. This report was prepared in accordance with the Core option of the GRI standards published by the Global Reporting Initiative and the SASB Standards.

### Publication date

The Group publishes sustainability reports on annual basis. This is our 15th 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 our [official website](#) for reader reference.

- Current issue : Released June 2023
- Previous issue : Released June 2022
- Next issue : To be released June 2024

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## Letter from our Chairman

As one of the top 20 enterprises in the world, Hon Hai has 173 campuses and offices around the world and employs more than one million employees during seasonal peaks. In addition to being a multinational company and huge economic entity, we are also an important corporate citizen subject to public attention and benchmarking. In an era filled with constant change, it is our responsibility as a corporate citizen to promote positive economic growth and sustainable environmental development through innovation.

Hon Hai proposed 6 major ESG strategies and formulated 32 long-term goals in 2022. Since then, all of our employees have made every effort to advance towards these goals. We clarified division of labor by establishing three ESG teams that respectively oversee environmental sustainability, social participation, and corporate governance. These teams work with relevant departments and lead all employees in building diverse, inclusive, happy, development-oriented, healthy, and safe workplaces. We also implement eco-friendly measures to build green, smart, and circular economies as well as lead our entire supply chain in making progress on green issues. We use smart technological innovations to drive economic growth while making social and environmental contributions to create mutual prosperity.

Hon Hai has set clear sustainability targets and is on track to achieve sustainable management. In terms of smart green technologies, we actively invest in electric vehicles and work with industries all around the globe to reduce reliance on fossil fuels, reduce carbon emissions, and jointly achieve net zero goals. We hope our efforts in the electric vehicle industry can promote industrial aggregation, generate mutual prosperity for our supply chain, drive economic growth in local communities, and create more job opportunities as we work to form sound partnerships worldwide and create prosperous economic ecosystems within global industry chains.

Employees are Hon Hai's most important business partners. This marks the third year of our Childcare Subsidies for 0 to 6 Year Olds Program. We have created the best workplace environment for employees to care for their children and employee postpartum retention rates reached 90%. Our corporate contributions help to alleviate the increasingly serious issues of declining birth rates and labor shortages in Taiwan while also enhancing future national and industrial competitiveness.

Hon Hai attaches great importance to talent cultivation. We established the "Foxconn Technology Awards" in line with core development needs. In 2022, we awarded 250,000 NTD and priority internships to 18 winners. Additionally, we plan to host our first "Summer Internship Program" in 2023 to give students a chance to serve as interns at our core central units, experience corporate environments, and obtain practical industrial experience. We will also provide priority hiring opportunities to these interns and encourage them to formally become Hon Hai employees.

This April, we officially obtained verification for our SBTi 1.5 °C targets, indicating that our commitments and efforts in response to climate change have garnered international recognition. In future, we will continue to advance toward our goals and enhance corporate sustainability and competitiveness. We have released our TCFD Net Zero Vision Report and actively work to reduce greenhouse gas emissions and increase usage of green energies through energy-saving operations as well as construct, purchase, and invest in green electricity equipment. This year, Hon Hai joined forces with the financial industry to establish a green energy investment platform which uses an innovative model to provide funds and resources supporting future green energy developments. We combined industrial electricity demands, the financial expertise of investment institutes, and developer green power supplies to achieve mutual benefits for all.

As part of our contributions to environmental sustainability, we seek to maintain sound and diverse ecosystems, and have identified potential issues that require our help. We worked with National Taiwan Ocean University to invest in marine environmental protection as well as sustainable and circular resource utilization, transforming land waste into useful marine resources, thereby restoring marine ecosystems and enhancing biodiversity.

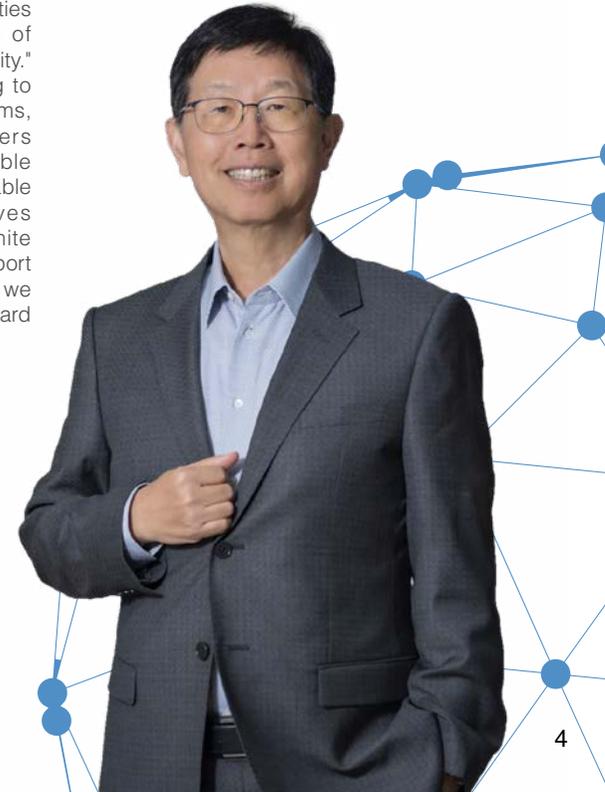
As the biggest technological manufacturing service provider in the world, we are working to ensure that our supply chains and industries understand the importance of sustainable management. The Internet now makes it possible to disclose our corporate information using diverse, public, and transparent methods. We maintain sound interactions with our stakeholders through management of our Facebook, LinkedIn, Twitter, and YouTube accounts, and we also continue to optimize our corporate website to build diverse communication channels that enable smooth information flows and motivational impacts.

Our ability to generate record-high revenues is based on the efforts of multiple parties, including the dedication of our employees, the trust of our clients, the collaborations with our supply chain partners, the support from our shareholders, and the supervision of local governments. Hon Hai operations are spread out all over the globe and we have a responsibility to care for local communities and maintain close collaborative relations to drive continued economic growth. We also consider it our duty to continue investments in environmental sustainability, social participation, and corporate governance.

We fulfill our social and sustainability responsibilities through our innovative collaboration model of "Share, Collaborate, and Achieve Mutual Prosperity." We pursue economic growth while contributing to environmental protection, optimizing ecosystems, and working with our industry chain partners and economic peers to move toward sustainable development and achieve our vision of "Sustainable Management = EPS+ESG." Hon Hai believes that sustainable management can create infinite opportunities for the future. We hope that this report can inspire your continued trust in Hon Hai as we continue to set high standards and advance toward a brighter future.

Hon Hai Technology Group  
Chairman Young Liu  
June 2023

*Young Liu*



# Awards



## Sustainalytics (Global)

10.4 Low Risk



## Forbes Magazine (USA)

Ranked at **#94** in the world's top 2000 companies



## Global Corporate Sustainability Award (Global)

Sustainability Reporting- Gold Award  
Two Best Practice Awards, Environmental and Governance



## Common Wealth Magazine Sustainable Citizen Award (Taiwan)

Ranked at **#25** in Large Enterprise category



## MSCI ESG Rating (Global)

B Grade



## Clarivate Analytics (Global)

Received Top 100 Global Innovators award for the **sixth** consecutive year



## Asia-Pacific Sustainability Action Awards (Asia-Pacific)

Received **7** awards



## Corporate Governance Evaluations (Taiwan)

6~20%



## FTSE4Good FTSE Russel (Global)

Constituent of Taiwan ESG Index



## World Economic Forum (WEF) (Global)

Obtained **5** Global Lighthouse awards, the highest number of awards held by any enterprise in the world



## Fortune Magazine (USA)

Ranked at **#20** in the world's top 500 companies



## Major human resource evaluations (Global)

Received awards from **10** human resource evaluation institutes



## Taiwan Corporate Sustainability Award (Taiwan)

Received **eight** awards, including the Top Ten Sustainability Model Enterprises Award in Taiwan and Sustainability Report Platinum Award



## Institute of Public and Environmental Affairs (China)

Received **first** rank in Green Supply Chain CITI Evaluation for the Greater China region  
Received **second** rank in the CATI Evaluation Report (IT Industry)



## CSR & ESG Award under the Electronic Technology Industry category by Global Views Monthly (Taiwan)

**Top prize**



## Institutional Investor (Asia)

Received **seven** awards, including our Chairman Young Liu awarded No 1 for Best CEO, No 1 for Best IR Team and Best IR Professional, No 2 for Best ESG

# ESG (Environmental, Social, and Governance) Achievements for 2022



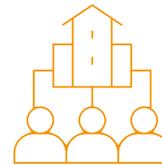
## Environment

- Supported the Science Based Targets initiative and received verification on our science-based carbon reduction targets.
- Implemented **1,877** energy-saving projects with total carbon reductions of **306,204** tCO<sub>2</sub>e.
- Achieved actual energy-saving rate of **5.74%** and successfully met our annual target for energy savings.
- Our Longhua Factory obtained **UL 2799 Gold-Level Certification**, becoming the world's first comprehensive eco-park.
- Assisted a cumulative **123** suppliers in implementing carbon inventories and 59 suppliers in completing verification, resulting in carbon reductions of **225,500** tCO<sub>2</sub>e from 2021 to 2022.
- 12** key electronics suppliers signed a renewable energy agreement committing to use **100%** renewable energies to produce Group products.
- Assisted a cumulative **10** suppliers in obtaining UL2799 Zero Waste to Landfill certification.



- In 2022, employee salaries and benefits were approximately **333 billion** NTD, and we hosted **24,823** employee activities attended by **2.114 million** participants.
- A total of **1,015** babies born to Hon Hai employees benefited from the Group's "Childcare subsidies for 0 to 6 year olds program" and more than **470 million** NTD have been paid out in subsidies over the past three years.
- Invested a total of 151 million NTD in Foxconn University and provided 69.49 million hours of training, resulting in an average of 75.05 hours of training for each Group employee, helping **1,873** employees graduate with undergraduate degrees and above.
- Hosted health and safety training courses for employees and contractors which were attended by **754,906** participants, as well as **121** health promotion activities.
- Invested a total of **118 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.

## Social



## Governance



- Our revenues reached **6.62 trillion** NTD, making us Taiwan's biggest company in terms of revenues, equivalent to **29%** of Taiwan's GDP.
- Taiwan's **second biggest** company in terms of market value.
- Group operations supply nearly **40%** of electronic products worldwide.
- Rapidly launched two more self-developed EV models and our first self-developed mass-produced EV with our trademark efficiency.
- Accumulated a total of **61,489** global patents, ranking at **#17** in the world in terms of patent numbers.
- Provided intellectual property incentives to encourage innovative development from our colleagues, distributed **16.34 million** NTD in incentives to **4,561** people, and utilized our patent start-up program to support collaborations with two start-up companies.
- Our Taoyuan Namkam Factory obtained ISO 22301 Business Continuity Management System verification.
- Obtained ISO 37001 Anti-Corruption Management System verification to strengthen corporate operations and ethical management.
- Obtained ISO27001 Information Security Management System verification and hosted **468** information security training courses to establish a culture focused on information security.
- Assisted and supported **32** suppliers in improving environmental violations; and assisted and supported **148** 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

## Company Profile

Company Name	Hon Hai Precision Industry Co., Ltd. (hereinafter "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 <a href="#">website</a> for further details.)
Number of Group Employees Worldwide	925,890
Paid-In Capital	138.6 billion NTD
2022 Revenues	6.627 trillion 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, we have 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 2022 reached a record high of 6.627 trillion NTD, achieving 11% of growth compared to the previous year. Our four main product lines (cloud and networking products, computing products, smart consumer electronics, components and other products) all maintained positive growth.



## 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 components and technical components for the supply chain 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, striving towards the goal of continuous improvement and solid progress.



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.

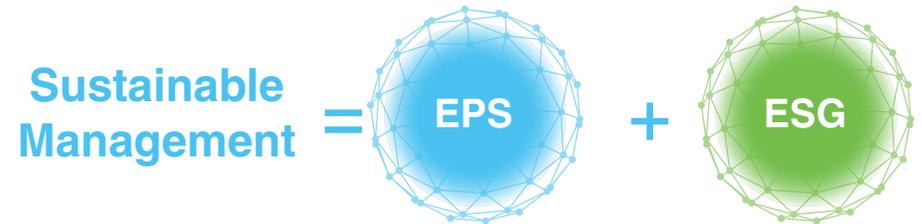


The Group has utilized digital technology to increase the efficiency and effectiveness of operations. For example, we have optimized our website and related platforms for improved communications with our shareholders and investors. We have also established a supply chain management platform to streamline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



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.



## E Mid-Term and Long-Term Target in Environment



2022  
implementation

<b>Green Solutions</b>	Smart environmental protection is deeply rooted in our core strategy, driving clean production and green energy manufacturing.	<b>Core SDGs</b>						Please refer to chapter 5
<b>Circular Economy</b>	Enhancing resource utilization efficiency Committed to creating a zero-waste ecological park		2 items	<b>Completed</b>	6 items			
<b>Total completed</b>	75%		<b>In Progress</b>					

Mid-Term and Long-Term Target	2022			
	Target	Progress	Percent Complete	Status
Achieve net-zero greenhouse gas emissions by 2050, with a baseline year of 2020. By 2025, aim to reduce emissions by 21%. By 2030, aim to reduce emissions by 42%. By 2035, aim to reduce emissions by 63%.	-8.4%	5.13%	-61%	In Progress
By 2030, strive to have renewable energy account for over 50% of the energy consumption.	13%	8.28%	59%	In Progress
By 2025, aim to reduce water intensity by 6%.	1.595	1.38	100%	Completed
By 2025, strive for a plastic circularity rate within the manufacturing facilities of over 60%.	40%	40%	100%	Completed
By 2025, aim to achieve a minimum of 5 manufacturing facilities with Gold-level verification (UL 2799) for zero landfill waste.	2	2	100%	Completed
By 2025, strive for a 100% implementation rate of industrial wastewater discharge water quality monitoring systems in the manufacturing facilities	85%	85.2%	100%	Completed
By 2025, establish at least 3 demonstration manufacturing facilities with air quality monitoring systems	0	1	100%	Completed
Number of significant environmental pollution incidents (unit : cases)	0	0	100%	Completed

## S Mid-Term and Long-Term Target in Society



2022  
implementation

<b>Employee Satisfaction</b>	Safety, health, and equitable development Cultivating and empowering employees to enhance their rights and benefits	<b>Core SDGs</b>		Please refer to chapter 2、3&6	
<b>Win-Win Strategy</b>	Nurturing the generation of technology education Practicing charitable initiatives to fulfill social responsibilities				
<b>Total completed</b>	91%				<b>In Progress</b>

Mid-Term and Long-Term Target	2022			
	Target	Progress	percent complete	Status
Foster a culture of inclusivity and attract talent from all backgrounds, providing equal employment opportunities while ensuring zero incidents of unfair employment practices.	0	0	100%	Completed
Value employee feedback and continuously improve the quality of the work environment to promote talent retention, with the goal of achieving a high retention rate for skilled professionals.	83.2%	81.9%	98%	In Progress
Adhere to United Nations international human rights conventions, guidelines, and declarations, extending these principles to all workers in the value chain, promoting their collective adherence. Increase the annual labor rights audits within the group, including all campuses and suppliers in the supply chain, from the existing 30 to over 50 per year.	30	39	100%	Completed
Maintain a record of zero major labor rights incidents that could harm the company's and customers' reputation.	0	0	100%	Completed
Cultivate innovative thinking and work habits, encourage continuous learning and growth among employees, and create products and technologies that contribute to human well-being. Aim for an average of 60 hours of professional training per year for each skilled professional.	48	86.06	100%	Completed
Maintain a record of zero cases of occupational diseases caused by chemical exposure.	0	0	100%	Completed
Set a target of achieving a disability injury frequency rate $\leq 0.14$ incidents per million working hours, significantly surpassing industry standards.	0.2	0.127	100%	Completed
Reduce the severity rate of disability injuries to $\leq 6.88$ days per million working hours.	8.97	5.48	100%	Completed
Provide guidance to high-risk contractors to implement ISO 45001 Occupational Health and Safety Management System certification, with a target implementation rate of $\geq 70\%$ .	30%	41.2%	100%	Completed
Embrace the concept of shared prosperity and promote employee social service rewards, setting a target of accumulating $\geq 5000$ hours of volunteer service in Taiwan facilities.	715	384	54%	In Progress

## G Mid-Term and Long-Term Target in Governance



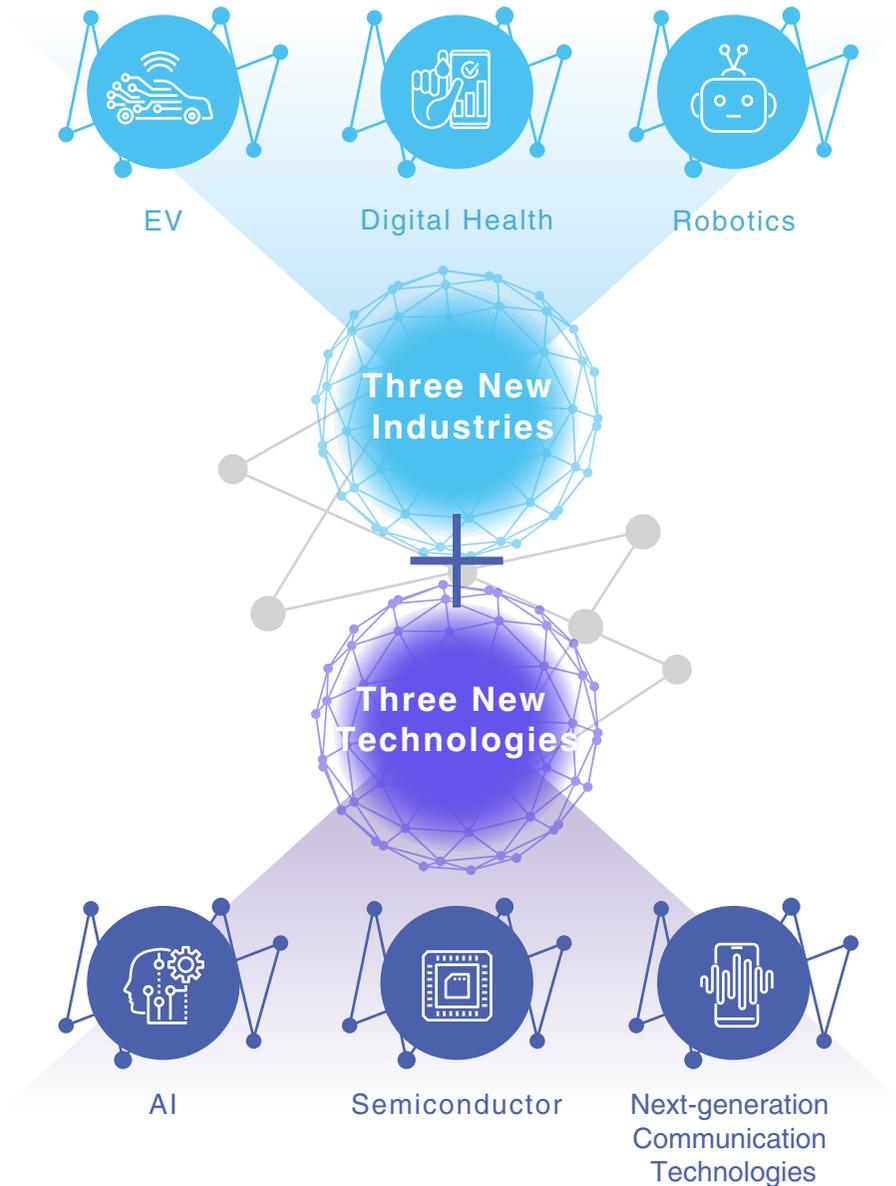
<p><b>Business Sustainability</b></p> <p><b>Corporate Governance</b></p> <p><b>Total completed</b></p>	Operational Innovation, Transparent Governance Deepening Sustainable Partnerships for Mutual Benefit	<p><b>Core SDGs</b></p> <p><b>In Progress</b></p>					<p>Please refer to chapter 1&amp;4</p>
	Establishment of sound corporate governance and a culture of corporate integrity		0 items	<b>Completed</b>		17 items	
	100%						

Mid-Term and Long-Term Target	2022			
	Target	Progress	percent complete	Status
Utilize the group's app to publicly disclose cases of corruption and violations, with an annual growth rate of 10% in the number of disclosures	0.02	0.18	100%	Completed
Disclose company tax policies	Public disclosure	Public disclosure	100%	Completed
Establish a principle where over 50% of the board members are not concurrently employed by or executives of Hon Hai	>50%	67%	100%	Completed
Increase the proportion of female directors on the board from the current 11% to 30%	>20%	22%	100%	Completed
Raise the performance evaluation targets for the board, directors, audit committee, and compensation committee to an average score of 4.8	Conduct performance evaluations annually	Conducted performance evaluations	100%	Completed
Conduct an external performance evaluation of the board and functional committees once every three years	External evaluations have been conducted in the past three years	External evaluations have been conducted in the past three years	100%	Completed
Continuously improve the ISO 27001 information security management system to assist business units in establishing security systems	Obtain certification for the office areas and data centers of the Central Information Plant in Tucheng and Kaoshiung Soft Plant.	certified	100%	Completed
Conduct 10 significant system penetration tests annually to ensure no major cybersecurity incidents with low impact cases	Establish Hon Hai's Blue Team and improve the cybersecurity incident classification table	Established Hon Hai's Blue Team and enhance the cybersecurity incident classification table	100%	Completed
Electronic key suppliers must implement full substance declarations on the RoHS and REACH management platforms	Achieving a RoHS declaration coverage rate of 100%	100%	100%	Completed
Increase the number of specific electronic waste zero landfill certified suppliers to more than 25	≥ 10	10	100%	Completed
Commit to sourcing 100% renewable energy for the production of Hon Hai products from electronic key suppliers, reaching a minimum of 45 suppliers	≥ 12	12	100%	Completed
Conduct ESG (Environmental, Social, and Governance) performance evaluations annually for electronic key suppliers based on commodity categories	Compile a list of underperforming suppliers	Compile a list of underperforming suppliers	100%	Completed
Assess the coverage rate of performance evaluations for specific electronic suppliers implementing ESG initiatives (including carbon neutrality, zero waste, and green products)	≥ 95%	100%	100%	Completed
Evaluate the performance of specific institutional suppliers in implementing ESG initiatives, covering green products, social and environmental responsibilities, and carbon management	=100%	100%	100%	Completed
Conduct audits with a coverage rate of at least 90% every three years for institutional suppliers	≥ 70%	73%	100%	Completed
Ensure a response rate for conflict minerals investigations from electronic key suppliers	=100%	100%	100%	Completed
Ensure a response rate for conflict minerals investigations from institutional suppliers	=100%	100%	100%	Completed

## 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 (Information and Communication Technology) 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 our critical issues. 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	SDG Sub-Goals	Corresponding ESG Targets and Strategies <small>(Please refer to P11-12 for information on promotion targets)</small>	Response Strategies and Actions
	1.2 \ 1.3 \ 1.4	Win-Win Strategy	<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 694 activities over a total of 53,782 hours.</li> <li>Organized the Foxconn Scholarship Program for five consecutive years, benefiting a total of 5,062 students, and distributing a total of 230 million NTD to economically disadvantaged students.</li> </ul>
	3.4	Employee Satisfaction	<ul style="list-style-type: none"> <li>Hosted 121 health promotion activities including health lectures, fitness center events, sports classes, and online health lessons.</li> </ul>
	4.1 \ 4.3 \ 4.5 \ 4.7	Employee Satisfaction, Win-Win Strategy	<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 1,873 people have graduated from the university, and 77% of graduates received degrees related to their current positions.</li> <li>Established a technology education system for Taiwan and compiled the first quantum science manga in Taiwan.</li> <li>Organized many education projects for disadvantaged groups and rural areas to provide appropriate resources and opportunities for exploring self-potential to achieve learning and growth.</li> </ul>
	6.3 \ 6.4	Circular Economy	<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 4,796 thousand tons of water, equivalent to 5.24% of our total water usage.</li> </ul>
	7.2 \ 7.3	Green Solutions	<ul style="list-style-type: none"> <li>The Group achieved a total installation capacity of 397.2MW in 2022. Total global usage of clean energies reached 816 million kWh, and clean energy usage ratios were 8.28%.</li> <li>12 key electronics suppliers signed a renewable energy agreement committing to use 100% renewable energies to produce Group products.</li> <li>Successfully achieving the Group's annual energy-saving goal for 2022 by achieving an actual energy-saving rate of 5.74%.</li> </ul>

SDGs	SDG Sub-Goals	Corresponding ESG Targets and Strategies <small>(Please refer to P11-12 for information on promotion targets)</small>	Response Strategies and Actions
	8.2、8.5、8.7、8.8	Business Sustainability	<ul style="list-style-type: none"> <li>Ranked Taiwan's biggest business in terms of revenue; revenues for 2022 exceeded 6.627 trillion NTD, equivalent to 29% 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>
	9.4、9.5	Business Sustainability, Corporate Governance	<ul style="list-style-type: none"> <li>Rapidly launched two more self-developed EV models and our first self-developed mass-produced EV with our trademark efficiency, demonstrating our determination to be a global automobile manufacturer.</li> <li>The Group is the only enterprise in the world which holds 5 WEF Global Lighthouse certifications, the highest number of awards held by any company in the world, 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 quantum computing camps for high school and vocational school students, and compilation of the first quantum science manga in Taiwan.</li> </ul>
	12.2、12.4、12.5、12.7	Circular Economy	<ul style="list-style-type: none"> <li>Longhua Campus obtained UL 2799 Gold Level Certification, becoming the world's first comprehensive eco-park; we encourage our suppliers to obtain Zero Waste to Landfill certifications and assisted 10 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>
	13.3	Green Solutions	<ul style="list-style-type: none"> <li>Invested 2.37 billion NTD in 1,877 energy-saving projects, achieving carbon reductions of 306,200 tCO<sub>2</sub>e.</li> <li>Assisted a cumulative 123 suppliers in implementing carbon inventories and 59 suppliers in completing verification, resulting in carbon reductions of 225,500 tCO<sub>2</sub>e from 2021 to 2022.</li> </ul>
	16.2、16.3、16.6、16.B	Business Sustainability, Corporate Governance	<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



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.



## 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 measuring and disclosing environmental information to assess, manage, and reduce the impacts of climate change on corporate operations. In 2022, we received a B ranking on the climate change questionnaire and a B- ranking on the water security questionnaire.

## Task Force on Climate-Related Financial Disclosures (TCFD)



[2022 HON HAI Technology Group \(Foxconn\) TCFD Net Zero Vision Report](#)

In 2022, the Group officially became a TCFD supporter 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. Relevant information has been disclosed in our Net Zero Vision Report.

For more information on the Group's responses to TCFD disclosure requirements, please refer to "Climate Change" and our "Net Zero Vision Report"

## 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 have obtained verification of our SBT near-term targets, submitted our net zero commitments to SBTi, and are in the process of planning our 2050 net zero pathway.



## 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 give priority to the mainland China region in terms of strategic deployment, 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

Give priority to the mainland China region in terms of strategic deployment, 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



# 1

## Corporate Governance, Smart Innovation

Corporate Governance  
Ethical Management  
Innovation Management and Patents  
Sustainability Committee  
Stakeholder Identification, Communication, and Responsibilities  
Scope of Material Issues and Materiality Analysis

### Key stakeholders :

Employees	Media
Clients	NGOs
Shareholders/investors	
Suppliers/Contractors	
Government agencies	





## Management Guidelines for Material Topics

Financial Performance, Information Security and Customer 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.



### 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 61,489 global patents and ranks at #17 in the world in terms of patent numbers.
- Rapidly launched two more self-developed EV models and our first self-developed, mass-produced EV with our trademark efficiency.
- Provided intellectual property incentives to encourage innovative development from our colleagues, distributed 16.34 million NTD in incentives to 4,561 people, and utilized our patent innovation program authorizing patents and collaborations with two start-up companies.



### Evaluation Mechanisms

- Hosted annual shareholders meeting and quarterly investor conferences to share ESG governance performance with external stakeholders.
- Organized annual management review meetings to discuss ways of strengthening performance and tracking target achievement rates for continued excellence.
- Audited the Group's corporate governance procedures in accordance with annual audit plans.

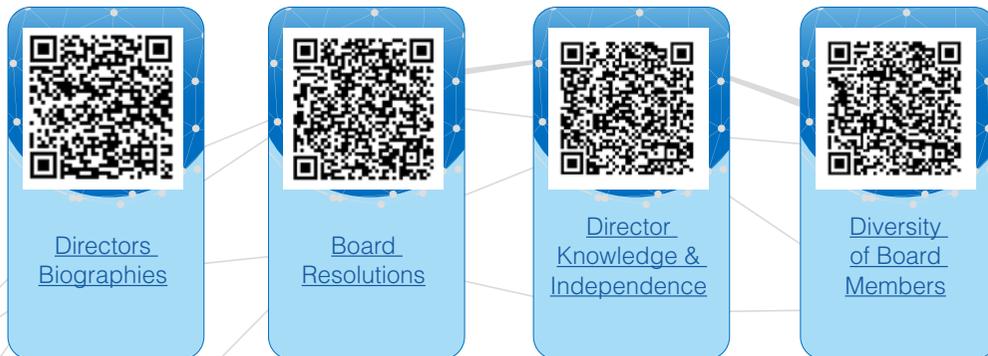


# Corporate Governance

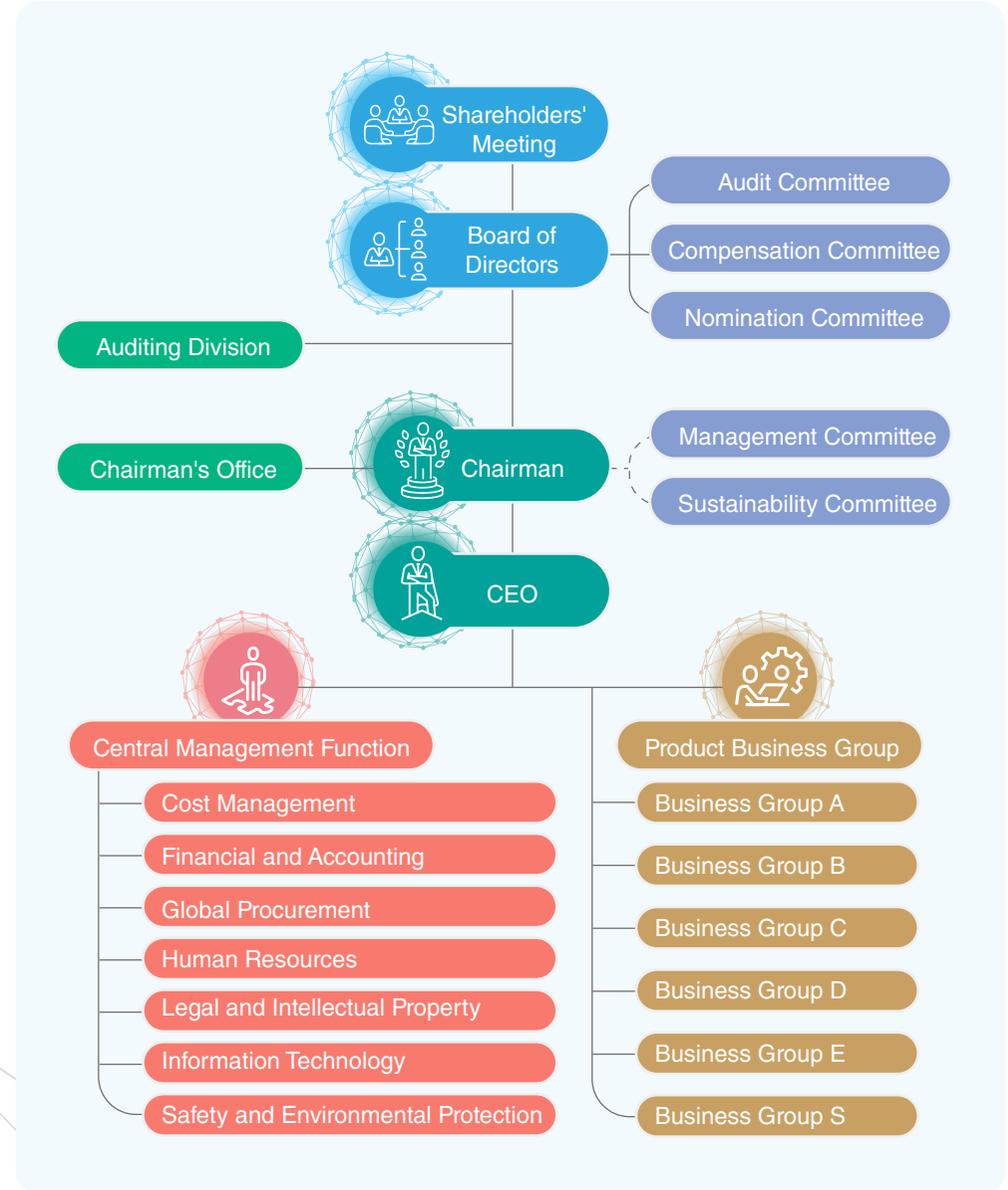
## Group Structure and the Board of Directors

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 non-governmental 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. 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 directors is directly derived from the relevant remuneration for the management positions held at 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 company externally and also serves as Group President, is responsible for the supervision of all important affairs.



## Company Organizational





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 future, we will continue to enhance director knowledge of sustainable developments. The Group hosts mandatory training for directors each year. Please refer to our 2022 Annual Report for more information on director training. Key events within the Group are disclosed at annual shareholders meetings and investor conferences.

Additionally, 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 2022, the Group ranked in the top 6% to 20% of companies in the 9th Corporate Governance Evaluations.



[2022 Annual Report](#)

For more information on our Corporate Governance Code of Practice and remuneration (including salaries, bonuses, retirement pensions, and education and training hours) for directors (including independent directors), general managers, and vice presidents, please refer to our 2022 Annual Report.



[Annual Shareholders Meeting](#)



[Investor Conferences](#)

### 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 Committee convened three times in 2022.

### Compensation Committee

A Compensation Committee was established in September 2011 in accordance with corporate governance principles to strengthen salary and remuneration systems 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 regarding the sustainable development objectives set out by the Group, as well as review of policies, systems, standards, and structures for Compensation. Independent Director James Wang currently serves as Committee convener. The Committee convened twice in 2022.

### Nomination Committee

To strengthen director selection mechanisms and build a Board with diverse and professional members, the Board approved the establishment of a Nomination Committee in March 2022. The Nomination Committee is composed of three directors elected by the Board, and more than half of Committee members must be independent directors. All Committee members possess professional capabilities and expertise in diverse fields such as business management, operations and manufacturing, engineering technologies, finance and accounting, financial investment, brand channels, and marketing. The main responsibilities of the Committee include nominating and reviewing director candidate qualifications, reviewing Board operations, formulating and amending functional committee charters, and reviewing the Group's Corporate Governance Best Practice Principles. The Committee convened twice in 2022.

### 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 Best Practice Principles](#)





## Financial Performance

The Group's revenues for 2022 reached 6,6219 trillion NTD, a record high, and achieved annual growth of 10.47%. Our four main product lines (cloud and networking products, computing products, smart consumer electronics, components and other products) all maintained positive growth.

		2020	2021	2022
Revenues	Billion NTD	5,358	5,994	6,627
Operating costs	Billion NTD	5,055	5,632	6,226
Employee compensation and benefits	Billion NTD	281	303	333
Income tax	Billion NTD	26	29	31
Net profits	Billion NTD	102	139	141
Earnings (losses) per share	NTD	7.34	10.05	10.21



## Tax Policies

The Group strives to achieve sustainable management and innovative transformation while fulfilling social responsibilities, promoting local economic development, ensuring legal compliance, and implementing tax governance and risk controls. All subsidiaries included in our consolidated financial statements adhere to our "Tax Policies and Management Regulations," which were established following Board approval. The Board is the highest authority for tax management and is responsible for approving tax policies, supervising tax management mechanisms, and ensuring that said mechanisms are operating effectively.

### I. Legal compliance

Comply with relevant tax laws and regulations for each operating site

### II. Avoid inappropriate tax schemes

Carefully evaluate all investment schemes and transaction models to ensure that they adhere to economic and reasonable business targets, avoid use of tax havens to evade taxes, and do not deliberately transfer profits to countries or regions with low tax rates

### III. Transactions with affiliated parties

Adhere to the Transfer Pricing Guidelines released by the Organization for Economic Cooperation and Development (OECD) to ensure that transactions with affiliated parties comply with conventional practices and transfer pricing regulations

### IV. Assess tax risks

All important corporate decisions should consider tax issues and assess tax risks and impacts

### V. Information disclosures

Disclosure of tax information should adhere to related laws, regulations, and standards

### VI. Relations with tax authorities

Build mutual respect and interactions with tax authorities based on mutual trust, transparent information disclosures, and legal compliance



## 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 and 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." We employ 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), product risks, and operational 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 must be closely analyzed, and the recommendations, implementations, and processes stemming from such analyses 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

<p>Financial Considerations</p>	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 currencies. 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 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 currencies. 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.



<p>Operational Considerations</p>	Procurement and Sales Consolidation	The Group cooperates with like-minded high-quality suppliers to manage global economic strategies, 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 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. We have since obtained ISO 22301 certification.
<p>Strategic Considerations</p>	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.

Notes :

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

**Taoyuan Namkam Campus obtained ISO 22301 Business Continuity Management System Certification**



Our Taoyuan Namkam Campus obtained ISO 22301 Certification in 2022, indicating successfully implementation of the Business Continuity Management (BCM) System. During the verification process, the E business group at our Namkam Campus piloted the BCM system within wireless router and related component assembly and manufacturing units. It took a year to conduct analysis of operational impacts, establish risk assessment and identification systems, and formulate corresponding strategies and options. We enhanced organizational and personnel response and recovery capabilities through continued testing and drills to strengthen the effectiveness of our management mechanisms.

The Group aims to use this certification process as an example for continued promotion of the ISO 22301 Business Continuity Management System in other business groups to prevent risks, improve current systems, ensure product and service stability, and continue optimization to achieve sustainable management goals. We also consider this an important indicator of ESG and corporate governance.



## Information Security Management

### Information Security Policy

To ensure effective information security management by our information security organizations, we convene monthly meetings and review information security tasks such as relevant plans, implementations, audits, and actions using the PDCA management cycle. The Group has adopted the ISO 27001 Information Security Management System framework, implemented the Information Security Management System (ISMS), and continued to maintain validity of ISO 27001 Information Security Management System certification.

We continue to strengthen information security protections and implement digital transformation. We have established information security targets and strategies, personal information protections, and network segmentation principles and standards, systemic monitoring measures for information security, information security for cloud services, identity authentication, access management, and other multi-layered information security protections. We also protect the confidentiality, integrity, and availability of important corporate assets through regular cyberattack simulations, penetration tests, and other drills.

The Group has formulated regulations to manage control of organizations, personnel, entities, and technologies. We regularly review and implement information security measures, education and training, promotions, and other improvements based on the results of performance indicators, risk management, and information audits to ensure that important and confidential information is not leaked.

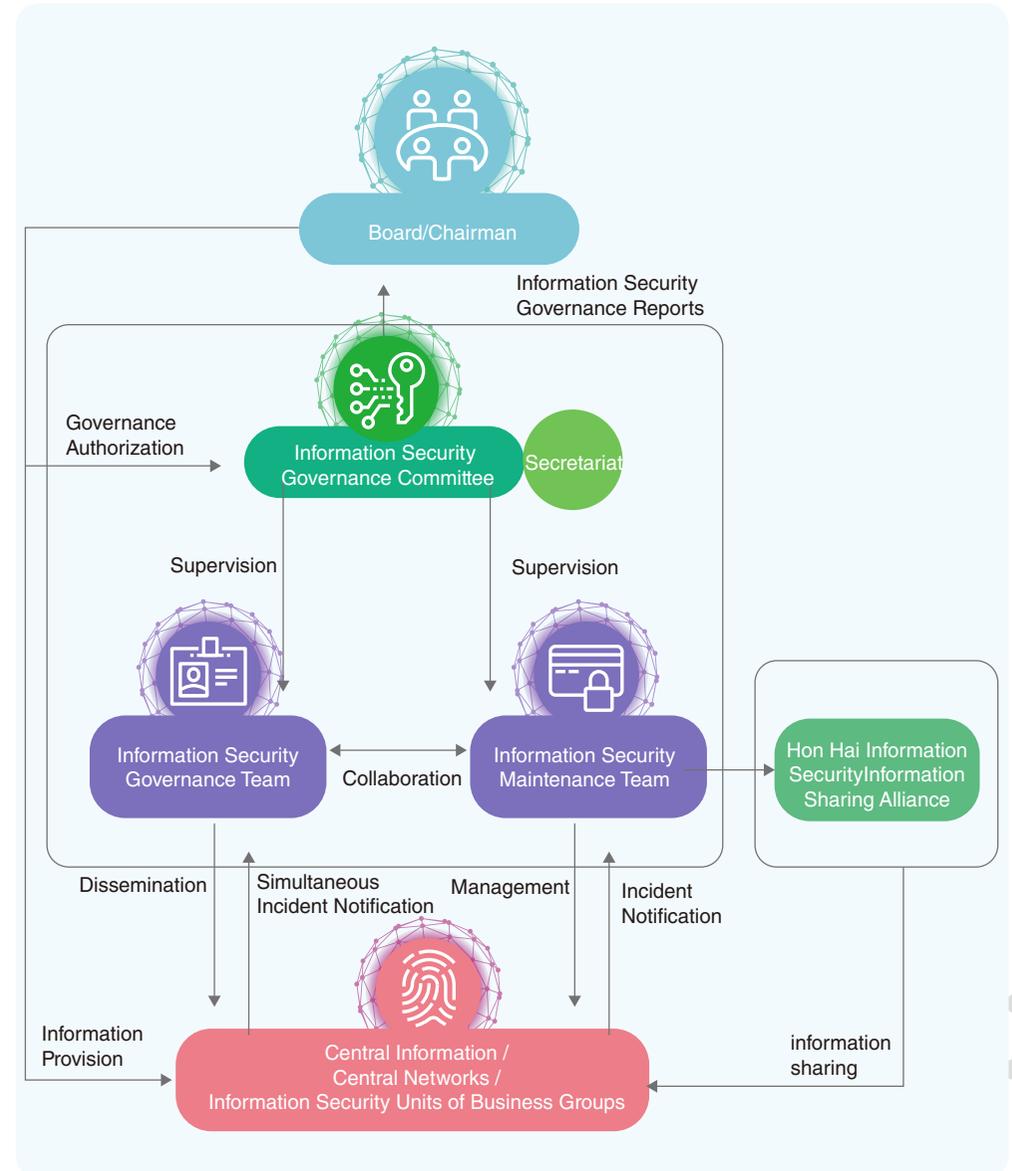
### Information Security Unit

In order to satisfy the information security needs of clients and safeguard client privacy and intellectual property rights, we have established an Information Security Committee under the Board which is headed by our chairman; members are composed of the highest authorities, highest-ranking corporate information managers, and highest-ranking network managers at specific subsidiaries, as well as the highest authority at the Hon Hai Research Institute. The highest-ranking finance, human resources, legal, and audit managers attend meetings as necessary according to project content. The Committee assigns leaders for 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.

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 Organizational Chart





## Information Security Risk Management

We have established risk assessment guidelines relating to information security risks. We implement risk controls by assessing impact severity and probability of occurrence for risks from important information assets and core systems at the organizational level in terms of value, vulnerability, and threats. At the technical level, we conduct reviews of information security technologies for system and software architecture, vulnerability scanning and reviews, and settings and maintenance. We lower threats to corporate information security through risk management and continued improvements and have formulated protection mechanisms for confidential information that adhere to legal regulations, client needs, and corporate management.

We have established relevant regulations stipulating corresponding measures for major information security incidents to serve as a basis for handling information security incidents. To strengthen employee understanding of information security risks, we conduct regular audits of information security risks to ensure the effectiveness of information security management measures. No major cyberattacks impacting corporate operations or involving infringements of privacy occurred in 2022.

## Specific Management Plans

### 1. Cybersecurity

- Utilize network segmentation principles and standards which prevent computer viruses and malicious attacks from spreading to different campuses.
- Design cyberattacks simulations and drills, techniques, and management of red, blue, and purple teams.
- Continue to strengthen intelligence systems, next-generation firewalls, application system firewalls, intrusion detection systems, DDoS defenses, network detection and response systems, and online behavior monitoring solutions for exception reporting and handling.

### 2. Endpoint security

- Update patches for external devices, mobile devices, and other endpoint operating systems; install anti-virus software; and implement scans.
- Establish endpoint detection and response mechanisms for important computers and core systems to strengthen monitoring of malware behaviors.

### 3. Application security

- Continue to strengthen application security controls, management of open source software, and integration with development processes and platforms.
- Establish single sign-on (SSO) platforms and require multi-factor authentication (MFA) for important application systems.

### 4. Information security and protections

- Use data annotations to add encryptions and appropriate controls for data based on confidentiality levels, and utilize platforms to implement effective tracking of audit trails.
- Anti-virus and anti-spam email controls, and flexible adjustments on policy based on the content of external malicious emails.

### 5. Information security notification and awareness enhancements

- Strengthen monitoring of internal threats, external threats, and software vulnerabilities, and implement immediate information security notification and handling procedures.
- Regularly organize training and promotion to strengthen employee awareness.
- Strengthen employee vigilance against social engineering attacks and phishing websites.

### 6. Standard guidelines for ransomware responses

- Formulate emergency response regulations for ransomware.
- Established stakeholder communication and collaboration agreements in response to information security incidents.
- Established information security indicators to measure effectiveness of Group responses.
- Promoted team responses, communications, and collaborations to strengthen ransomware response capabilities.

## Resources invested in information security management

- Management personnel participated in more than 429 information security meetings throughout the year.
- Completed risk assessments and information security technical audits for 248 items related to core systems.
- A total of eight units and business groups within the Group completed annual information security audits and information security maturity assessments.
- Added and amended 244 information security regulations.
- A total of 6 units and business groups within the Group encompassing 15 campuses obtained ISO 27001 Information Security Management System certification.
- Joined the TWCERT/CC Taiwan information security alliance and the Taiwan Chief Information Security Officer Alliance.
- Hon Hai Research Institute worked with National Taiwan University of Science and Technology to provide special training for Group IT personnel, transforming them into information security professionals. A total of 20 people completed training in 2022 and we plan to continue this collaboration to meet our talent training needs.



# 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" prior to initiation of all collaborations and rigorously implement the strictest anti-corruption policies for all partners.

In order to thoroughly implement corporate integrity and ethical management, the Group has established effective internal control systems and organizes annual training for employees. The Group did not incur any legal violations relating to anti-competition, anti-trust and monopolization, or corruption in 2022.

## 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 the section on 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 Group each year, and we continue to promote Code of Conduct compliance to existing employees.



**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. 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.

**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 undergo 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 report grievances through the following channels:  
Email for external communications: renrenjubao@163.com; jubaofoxconn@gmail.com  
Email for internal communications: hfj.justice@foxconn.com  
Phone number for external communications: +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 we 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  
Phone: +886-2-2268-3466 ext.560-117  
Email: hfj.justice@foxconn.com

## Internal Controls and Audits

Professional Certifications	Internal Audit Training
CIA (Certified Internal Auditors), CEAP (Certified ERP Audit Professional), CPA (American Institute of Certified Public Accountants), CCSA (Certification in Control Self-Assessment), CISA (Certified Information System Auditors)	2,401 hours

## 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 appoints 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.



### Assess/Plan

- Deficits for the previous year and manager suggestions are integrated into audit plans
- Risk assessment
- Formulation of annual audit plans



### Implement Audits

- Design audit items and programs
- On-site observations/interviews
- Application of automated audit programs (such as RPA)



### Audit Conclusions/Reports

- Convene conclusion meetings
- Compile audit reports/deficits list
- Implement quarterly follow-up of deficits until they are corrected



### Report submission

- Submit a report to the Board and Audit Committee
- Prepare a business report for submission to the Board

Internal control defects and abnormalities 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 has obtained the ISO 37001 : 2016 Anti-Bribery Management System certification and uses the PDCA framework to consolidate 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.



▲ ISO 37001 certification ceremony



▲ New Taipei City Government Ethics Department-Corporate Governance Information Exchange and Sharing Seminar



▲ New Taipei City Smart City Integrity Platform Enterprise Services Cross-Domain Forum



▲ Executive Yuan Directorate General of Budget, Accounting and Statistics-Promotion and Development of ESG and Internal Audits Event



▲ Invited to be the keynote speaker at the 2022 Asian Confederation of Institutes of Internal Auditors Annual Conference



▲ 2022 IIA International Conference-Chicago



# 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 amount of resources in R&D. A total of 114.2 billion NTD was invested in R&D in 2022 (1.7% of revenues in 2022). 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 2022, the Group became the only private enterprise in Taiwan to receive the "Clarivate Top 100 Global Innovators" award for six consecutive years. We are also the only enterprise in the world to receive five 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				
2018	2019	2020	2021	2022
84	92	94	105	114



### Hon Hai Technology Day (HHTD)

On Hon Hai Tech Day (HHTD) in 2022, we publicly launched two new self-developed EVs : The Model B crossover SUV and the Model V all-terrain electric pickup, demonstrating our commitment to development of electric vehicles. We also displayed the Model C, which has gone into mass production and is expected to be delivered to customers in 2023 by our brand clients in Taiwan. The Group exhibited EPS electric power steering systems, solid-state batteries, and key semiconductor components, and further announced that we would adopt the contract design and manufacturing services (CDMS) business model for the EV industry over the next ten years.

Additionally, to lower EV market entry barriers, we publicly launched the HHEV.OS to simplify software creation and shorten development times. HHEV.OS possesses excellent scalability, conforms to automotive safety regulations, and ensures instant and reliable transmissions. The HHEV.OS software platform allows EV designers to focus on the most valuable aspects of software development and accelerate product time to market. The Group will submit a request to MIH asking for HHEV.OS to be included in MIH open platform standards.

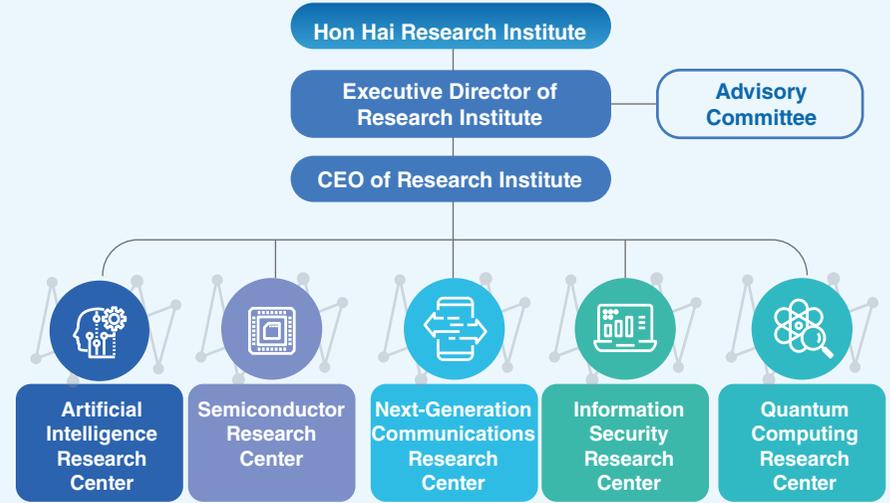


[Watch the full video for the HHTD event](#)



## 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 2021 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.



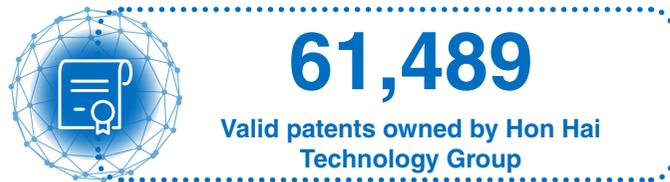
## Patents

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 60,000 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 was awarded the "Top 100 Global Innovators Award" for six consecutive years. Our performance in various indicators have improved over the previous year, particularly in terms of "influence indicators," demonstrating that our R&D and patent strategies have been recognized by external parties.

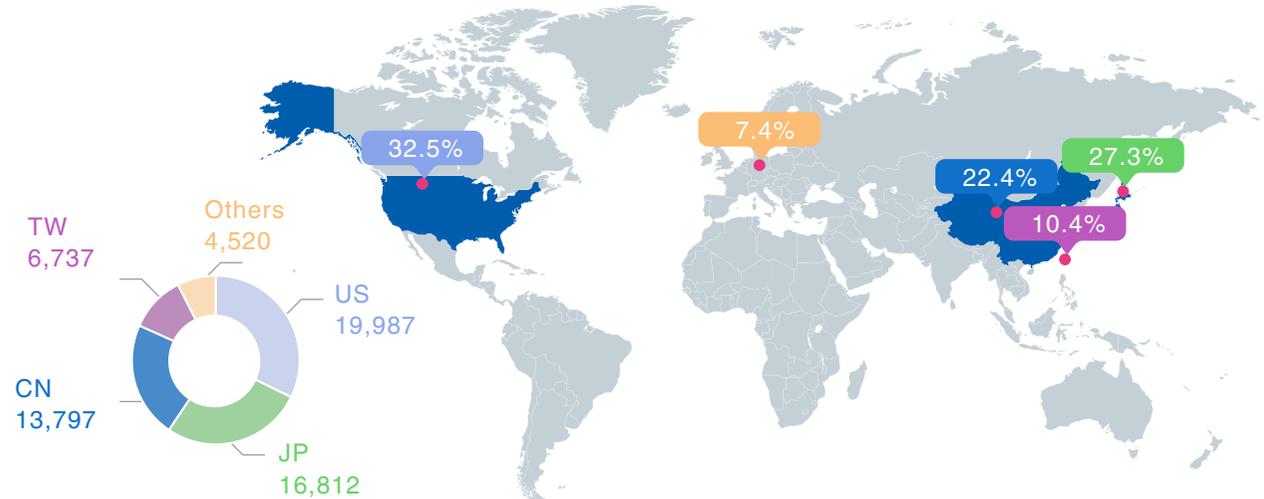


The Group has accumulated a total of 61,489 global patent applications as of 2022, and was ranked at #17 in the "Top 100 Global Patent Holders for 2022" by IFI Claims. Additionally, we provide intellectual property training to our new employees and organize irregular training activities each year to enhance awareness of intellectual properties in our R&D personnel across all levels. We hosted over 50 activities in 2022 which were attended by more than 25,000 people (in person and online).



Patents for Low-Carbon and Clean Technologies

	Number of patents approved in 2022	Cumulative number of active patents
Energy-saving and energy management patents	60	746
Industrial automation patents	284	1,404
Process/procedure optimization patents	58	392
Pollution control and environmental protection patents	21	398



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 2022, we distributed 16.34 million NTD in incentives to 4,561 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 authorized free patent 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. This sharing mechanism enables the Group to support start-up companies and promote a culture of friendly patent sharing, generating more value for the industry.

In 2022, we compiled 1,400 high-quality patents and signed collaboration contracts to aid developments of two start-up companies, respectively authorizing them to use our artificial intelligence patents and air purifying design patents.



## Achievements in Low-Carbon Technologies

### Electric Vehicles

The International Energy Agency (IEA) stated that EVs hold advantages over traditional vehicles in terms of zero emissions, 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 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.



▲ We continue to implement sustainable actions related to carbon reductions, and our Model T shuttle bus has commenced operations at our headquarters

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



### New EVs launched on 2022 Hon Hai Tech Day



▲ Model B is an urban crossover vehicle that combines aesthetics with handling performance



▲ Model C is the first self-developed electric vehicle in Taiwan which has commenced mass production



▲ Model V is the first self-developed electric pickup in Taiwan



MIH Platform



Foxtron Website



## The Group organized the first EV forum to accelerate cultivation of industry talents and talent recruitment

The Group hosted the "New Species. New Talent. Creating the Future | 2023 Electric Vehicle Industry Intercollegiate Talent Exchange Forum" in December 2022, inviting representatives from industry, government, and academic institutes to discuss EV industry prospects in Taiwan, accelerate cultivation of industry talents, and further create more future opportunities for the EV industry in Taiwan.

The Group organized an "EV joint recruitment zone" booth at the event for joint talent recruitment and consultations so those interested in joining or learning about the EV manufacturing industry could quickly understand the job vacancies of different units and submit their resumes. The popular and futuristic-looking Model T electric bus provided shuttle services from the Xindian MRT station to the venue on the day of the event. We hope that these promotions increase interest and investment in Taiwan's EV industry and create infinite possibilities.



## 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. As of 2022, there are a total of 132 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 5 WEF Global Lighthouse certifications, the highest number of certifications held by a single enterprise, demonstrating our solid capabilities and ability to lead the industry.

The Group received a new Lighthouse Factory certification in 2022 for the Shenzhen Guanlan Campus, which received great acclaim from WEF for "large-scale deployments of 37 Fourth Industrial Revolution cases enabling agile new product incorporations, accelerated capacity enhancements, and smart production in response to demand for rapid releases of new smartphones and rigorous quality standards." We increased incorporation times for new products by 29% and capacity enhancements in mass production by 50% while also lowering defect rates by 56% and manufacturing costs by 30%.

Introduction of innovative technologies improved quality and efficiency, reduced costs and storage needs, and also realized digital transformations enabling achievement of carbon reductions and material recycling, reducing environmental impacts and providing innovative solutions for green manufacturing.



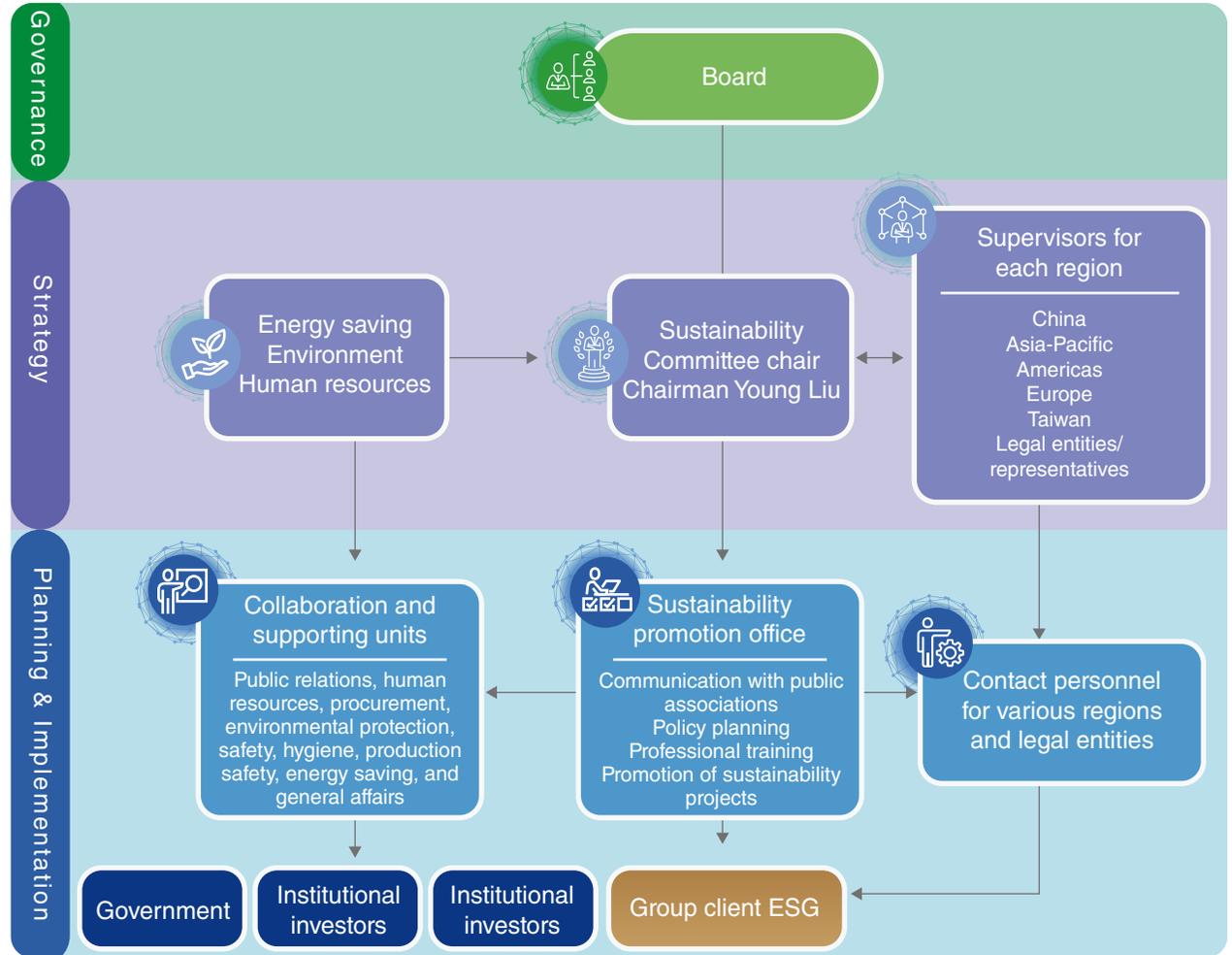


## Sustainability Committee

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, starting from 2023, reports implementation results of corporate sustainability items to the Board at least once every quarter.

The Group 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.



▲ The Group has established an ESG sustainability monitoring system to manage ESG performance



# Stakeholder Identification, Communication, and Responsibilities

The Group identified stakeholders and material topics in accordance with the AA1000 Stakeholder Engagement Standards (AA1000 SES) and determined the environmental, economic, and social material topics 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.

	<b>Employees</b>	<b>Clients</b>	<b>Suppliers/Contractors</b>
<b>Importance to the Group</b>	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.
<b>Communication Channels and Frequency</b>	We communicate non-periodically with our employees through channels including employee hotlines, seminars, mailboxes, satisfaction surveys, and counseling	<ul style="list-style-type: none"> <li>• Quarterly and annual ESG activities</li> <li>• Non-periodic client visits and audits</li> <li>• Conference calls</li> <li>• Quarterly and annual audits</li> </ul>	<ul style="list-style-type: none"> <li>• Annual supplier conferences</li> <li>• Supplier management platform</li> <li>• External grievance channels</li> </ul>
<b>Issues of Concern</b>	<ul style="list-style-type: none"> <li>• Employee rights and diversity and equality</li> <li>• Ethical management and legal compliance</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Information security and customer privacy</li> <li>• Innovative development and low-carbon technologies</li> <li>• Employee rights and diversity and equality</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Procurement practices and management</li> <li>• Ethical management and legal compliance</li> </ul>
<b>Responses and Results</b>	<ul style="list-style-type: none"> <li>• We employ those with mental and physical disabilities and expend our best efforts to help disadvantaged groups.</li> <li>• We have also established an employee emergency fund, employee mutual assistance fund, and employee condolence fund to help employees in need.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• We keep in close contact with our clients, protect their privacy, and are open to client reviews at all times.</li> <li>• We report the management of Group, supplier, and ESG matters to our clients.</li> <li>• We continuously strengthen our client services and provide fast, convenient, highly efficient, excellent, economical, and innovative products and services.</li> <li>• We also implement energy-saving and carbon-reducing actions in response to current trends and provide our clients with products for reducing carbon emissions.</li> </ul>	<ul style="list-style-type: none"> <li>• We host annual supplier conferences and conduct non-periodic ESG audits to convey our supply chain requirements to our suppliers.</li> <li>• We have also established a ESG management platform which allows our suppliers to learn about RBA regulations and Group ESG requirements.</li> </ul>



**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 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**

- 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

- 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

- Non-periodic conference calls
- Annual ESG activities and evaluations

- Timely transmission of press releases
- Non-periodic press conferences

**Issues of Concern**

- Corporate governance and risk management
- Financial performance
- Innovative development and low-carbon technologies

- Ethical management and legal compliance
- Corporate governance and risk management
- Financial performance

- Ethical management and legal compliance
- Occupational health and safety
- Climate change responses

- Financial performance
- Innovative development and low-carbon technologies
- Ethical management and legal compliance

**Responses and Results**

The Group shares company prospects, market trends, growth strategies and profitability information, and ESG implementation through shareholders meetings, investor conferences, and other meetings.

- 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.

- 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).

- 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.



## 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.

	Environmental	Social	Governance
Q	What is the group's strategy to achieve net-zero carbon emissions by 2050?	What is the group's definition of "forced labor" internally? MSCI has referred to human rights incidents of forced labor within the company. How does the company respond to this? What measures has the company taken? How will the company avoid similar allegations in the future?	The mechanism for board oversight of ESG implementation is not clear. When will a supervision mechanism be established? Does the board have a member dedicated to overseeing ESG or climate change-related issues?
A	The Group has already undergone verification of its recent targets by the Science Based Targets initiative (SBTi) and has made a commitment to achieve net-zero emissions through SBTi. The key strategic plans for energy conservation and carbon reduction include implementing energy-saving policies and regulations, promoting green manufacturing systems, conducting industrial energy audits, implementing vocational skill enhancement programs, achieving full coverage of energy management system certification, and implementing key energy-saving projects. For detailed information, please refer to Chapter 5 - Climate Change.	The Group places the highest priority on safeguarding employee rights, and therefore has established a code of conduct. Risk assessments and annual audits are conducted based on regulations and company policies, and responsible units are required to address identified issues promptly to ensure employee rights and welfare. Relevant regulations and guidelines are also in place for dispatched workers and interns to protect the rights of all employees. For detailed information, please refer to Chapter 2 - Human Rights Policies.	The Group has established a Sustainability Committee to manage ESG-related work across the organization, under the supervision and management of the board of directors and chairman. The Sustainability Committee reports its execution results to the board of directors on a quarterly basis. Additionally, the Sustainability Committee has an Environmental Subgroup responsible for climate change initiatives across the Group, also under the supervision of the board of directors and chairman. For detailed information, please refer to Chapter 1 - Sustainability Committee and Chapter 5 - Climate Change.
Q	As the supply chain is a major source of carbon emissions in the Hon Hai value chain, what is the next phase of planning after the carbon inventory? How will the supply chain be guided to reduce carbon emissions?	Regarding the Zhengzhou incident at the end of 2022, what does the company consider to be the main causes? What measures will be taken in the future to prevent similar incidents?	Is the compensation of the company's management linked to ESG key performance indicators?
A	The supplier's net-zero carbon pathway is divided into four stages : carbon inventory, carbon reduction, use of renewable energy, and comprehensive carbon neutrality. From 2021 to 2022, suppliers achieved a total reduction of 225,500 tons of CO <sub>2</sub> e through the implementation of carbon reduction plans, self-built photovoltaic solar energy projects, and green energy procurement. For detailed information, please refer to Chapter 4 - Supplier Energy and Carbon Reduction Management.	The Group initiated immediate communication and response measures following the incident. For detailed information on the company's response and explanation, please refer to Chapter 2 - Protection of Employee Rights.	ESG key performance indicators have been incorporated into the compensation metrics for the company's management. The Compensation Committee assists in formulating and regularly reviewing the policies, systems, standards, and structures of director and executive compensation, as well as evaluating the performance of directors and executives in various aspects of sustainable development within the Group. For detailed information, please refer to Chapter 1 - Corporate Governance.
Q	What is the current progress of the Task Force on Climate-related Financial Disclosures (TCFD) project, and what is the expected timeline and content for disclosing the Net Zero Vision Report?		Is there a desire to enhance the expertise of board members in any particular aspect, or is the current composition considered sufficiently diverse?
A	The Group has adopted the recommendations of the TCFD and will issue an annual Net Zero Vision Report covering the four core areas of governance, strategy, risk management, and targets. For detailed information, please refer to Chapter 5 - Climate Change. <a href="#">2022 HON HAI Technology Group (Foxconn) TCFD Net Zero Vision Report</a>		The Group has established the "Corporate Governance Practice Guidelines" to guide board members in formulating diversification policies and ensuring their implementation. The Group also has a Nomination Committee responsible for nominating and reviewing the qualifications of board candidates. The current composition of the board is considered diverse, with backgrounds and work experience in science, technology, finance, and other relevant fields. Additionally, the Group conducts annual director education and training to continuously enhance directors' capabilities in various aspects of ESG.

Contact information for stakeholder communications personnel



## Scope of Material Issues and Materiality Analysis

The Group adheres to GRI guidelines and the four principles of inclusiveness, materiality, responsiveness, and impact in identifying and analyzing material economic, environmental, and social (including human rights) topics and their positive and negative impacts. These topics are 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.

### Compiled topics of concern-17 topics of concern

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

Economic	Environmental	Social (including human rights)
<ul style="list-style-type: none"> <li>Corporate governance and risk management</li> <li>Financial performance</li> <li>Ethical management and legal compliance</li> <li>Innovative development and low-carbon technologies</li> <li>Information security and customer privacy</li> <li>Supply chain management</li> <li>Procurement practices and management</li> </ul>	<ul style="list-style-type: none"> <li>Climate change responses</li> <li>Energy and greenhouse gas management</li> <li>Water resource management</li> <li>Waste management</li> <li>Hazardous substances management</li> </ul>	<ul style="list-style-type: none"> <li>Talent attraction and retention</li> <li>Employee rights and diversity and equality</li> <li>Employee training</li> <li>Occupational health and safety</li> <li>Community investment and participation</li> </ul>

### Quantified impact levels of the 17 topics

The Group adopted the expert evaluation method and distributed questionnaires to internal senior executives to survey the "economic, environmental, and social (including human rights)" impact levels of the 17 topics, including positive and negative impact levels and probabilities of occurrence, which were given ranks of 1 to 5 from low to high.

### Confirmed material topics

After internal senior executives filled out questionnaires, the Sustainability Committee analyzed the quantitative results of the 17 topics. Following weighted calculations and internal discussion, our 10 material topics were determined to be employee rights and diversity and equality, information security and customer privacy, climate change responses, occupational health and safety, financial performance, ethical management and legal compliance, corporate governance and risk management, energy and greenhouse gas management, innovative development and low-carbon technologies, and hazardous substances management. Compared with the previous year, one new material topic (hazardous substances management) was included.

Ranking	Aspect	Topic	Positive Impact Rank	Negative Impact Rank	Sum of Ranks
1	Social	Employee rights and diversity and equality	2	1	3
2	Governance	Information security and customer privacy	1	3	4
3	Environmental	Climate change responses	3	5	8
4	Social	Occupational health and safety	4	4	8
5	Governance	Financial performance	5	9	14
6	Governance	Ethical management and legal compliance	6	8	14
7	Governance	Corporate governance and risk management	13	2	15
8	Environmental	Energy and greenhouse gas management	9	7	16
9	Governance	Innovative development and low-carbon technologies	12	6	18
10	Environmental	Hazardous substances management	8	10	18
11	Environmental	Water resource management	10	12	22
12	Governance	Supply chain management	10	13	23
13	Social	Community investment and participation	7	16	23
14	Environmental	Waste management	15	11	26
15	Governance	Procurement practices and management	14	14	28
16	Social	Employee training	15	15	30
17	Social	Talent attraction and retention	17	17	34



Material Topic	GRI Disclosures	SASB Disclosures	Corresponding Sections	ESG Impact Description <sup>(Note)</sup>	
Employee rights and diversity and equality	Self-defined topic	TC-ES-310a.1	Chapter Two : Communication and Protection of Employee Rights	Employee rights and diversity and equality mainly have positive and negative social impacts. Protection of employee rights enhances operational efficiency and lack of these protections may affect our corporate reputation, leading to other negative issues.	
Information security and customer privacy	GRI 418	(Not SASB material topics)	Chapter One : Corporate Governance	Information security and customer privacy mainly have positive and negative governance impacts. If our information security measures meet with client approval, this can help to maintain our sales relationships, and lack of these measures may affect our corporate reputation, leading to other negative issues.	
Climate change responses	Self-defined topic		Chapter Five : Climate Change	Climate change responses mainly have positive and negative environmental impacts. With increasing global emphasis on climate change issues, advance climate mitigation and adaption measures help to enhance operational competitiveness, and lack of these measures will result in non-compliance with government and client requirements, affecting our operations.	
Occupational health and safety	GRI 403	TC-ES-320a.1	Chapter Three. Healthy Workplace, Safety Adherence	Occupational health and safety mainly has positive and negative social impacts. Protection of employee and contractor occupational health and safety enhances operational efficiency and lack of these protections may affect our corporate reputation, leading to other negative issues.	
Financial performance	GRI 201	(Not SASB material topics)	Chapter One : Corporate Governance	Financial performance mainly has positive and negative governance impacts. Financial performance is the foundation of sustainable development, and therefore the Group must focus on this issue to meet stakeholder expectations.	
Ethical management and legal compliance	GRI 205 GRI 206		Chapter One : Ethical Management	Ethical management and legal compliance mainly have positive and negative governance impacts. Ethical management and legal compliance are the Group's most fundamental corporate social responsibility, and therefore the Group must focus on this issue to ensure that operations meet stakeholder expectations.	
Corporate governance and risk management	Self-defined topic		Chapter One : Corporate Governance	Corporate governance and risk management mainly have positive and negative governance impacts. Sound corporate governance and risk management aids promotion of ESG tasks, and lack of these systems may affect our corporate reputation, leading to other negative issues.	
Energy and greenhouse gas management	GRI 302 GRI 305		Chapter Five : Climate Change	Energy and greenhouse gas management mainly have positive and negative environmental impacts. Energy and greenhouse gas management are priority tasks for climate mitigation, and all global stakeholders are required to achieve the 2050 net zero emissions target.	
Innovative development and low-carbon technologies	Self-defined topic		Chapter One : Innovation Management and Patents	Innovative development and low-carbon technologies mainly have positive and negative governance impacts. Promotion of innovative development enhances operational efficiency and increases revenues.	
Hazardous substances management	Self-defined topic		Chapter Five : Chemicals Management	Hazardous substances management mainly has positive and negative environmental impacts. Improper management and disposal of chemical used during operational processes may damage surrounding environments and societies, and therefore the Group must focus on this issue.	
Supply chain management	(Not GRI material topics)		TC-ES-320a.2 TC-ES-320a.3	Chapter Four : Business Sustainability, Beneficial Partners	Supply chain management mainly has positive and negative environmental, social, and governance impacts. The Group has established ESG targets related to supplier management to demonstrate our industrial leadership while working on ESG tasks.
Procurement practices and management			TC-ES-440a.1	Chapter Four : Business Sustainability, Beneficial Partners	Procurement practices and management mainly have positive and negative environmental, social, and governance impacts. The Group prohibits use of conflict minerals and other restricted chemicals to ensure protection of human rights and compliance with other social issues.
Water resource management		TC-ES-140a.1	Chapter Five : Management of Water Resources	Water resource management mainly has positive and negative environmental impacts. Group operations mainly use municipal water and discharged wastewater. Improper management and disposal of water resources may affect our corporate reputation, leading to other negative issues.	
Waste management		TC-ES-150a.1 TC-ES-410a.1	Chapter Five : Waste Management	Waste management mainly has positive and negative environmental impacts. Domestic and hazardous waste are generated during operational processes, and improper management and disposal may damage surrounding environments and societies, so the Group must focus on this issue.	

Note : Impacts include both positive and negative impacts, as well as actual and potential impacts

# 2

## Diverse Inclusion, 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	-	-
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						
Number of temporary employees	Male	-	31	-	-	-	-	-	-																																																										
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	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.

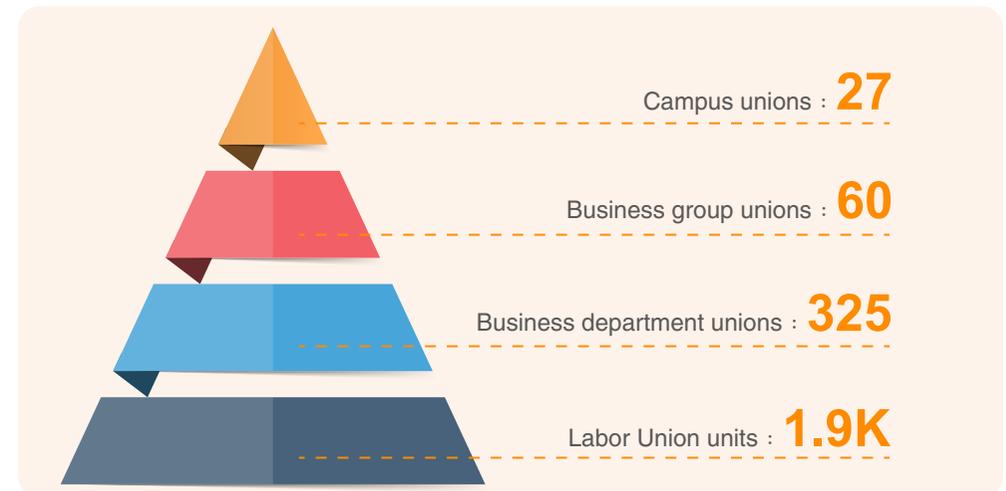
## Protection of Employee Rights

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

1. 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.
2. 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.
3. The Group will continue to communicate with employees and the government to prevent similar incidents of violence from reoccurring.





## Training

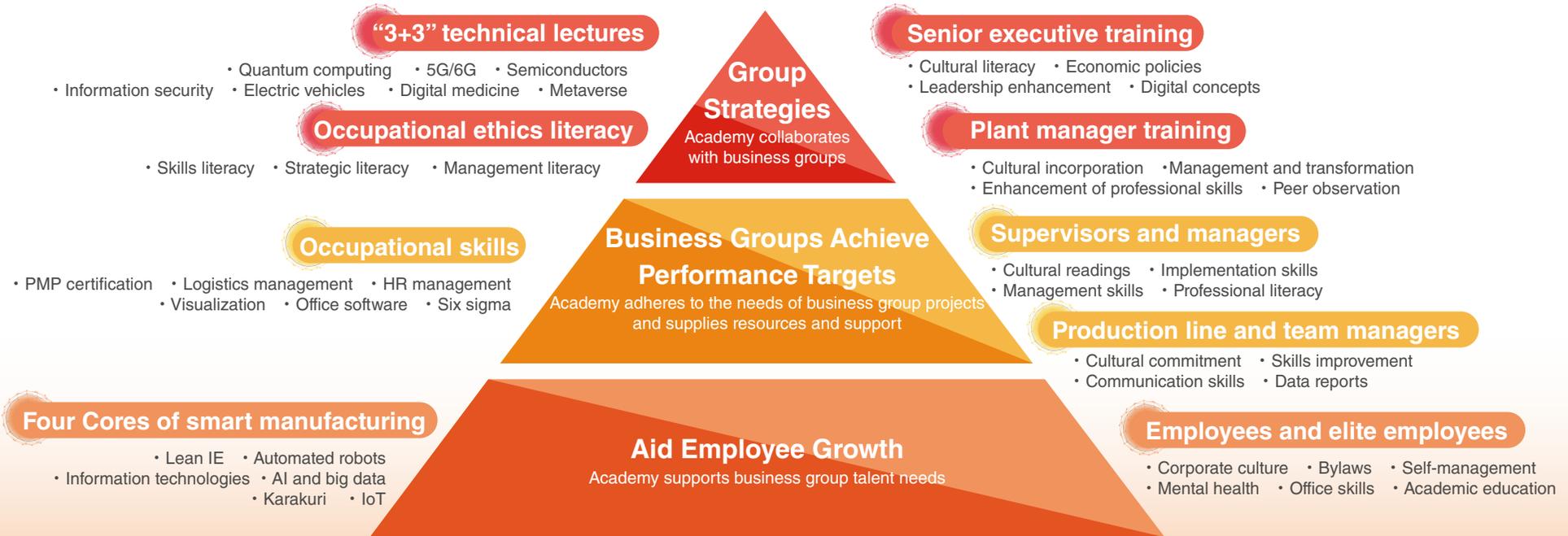
The Group is making transformations towards the "3 industries" and "3 technologies." In order to actively cultivate the human capital needed for the digital era, we have established an E-Learning zone to expand our many learning resources and channels, support the Group's long-term growth, and meet the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

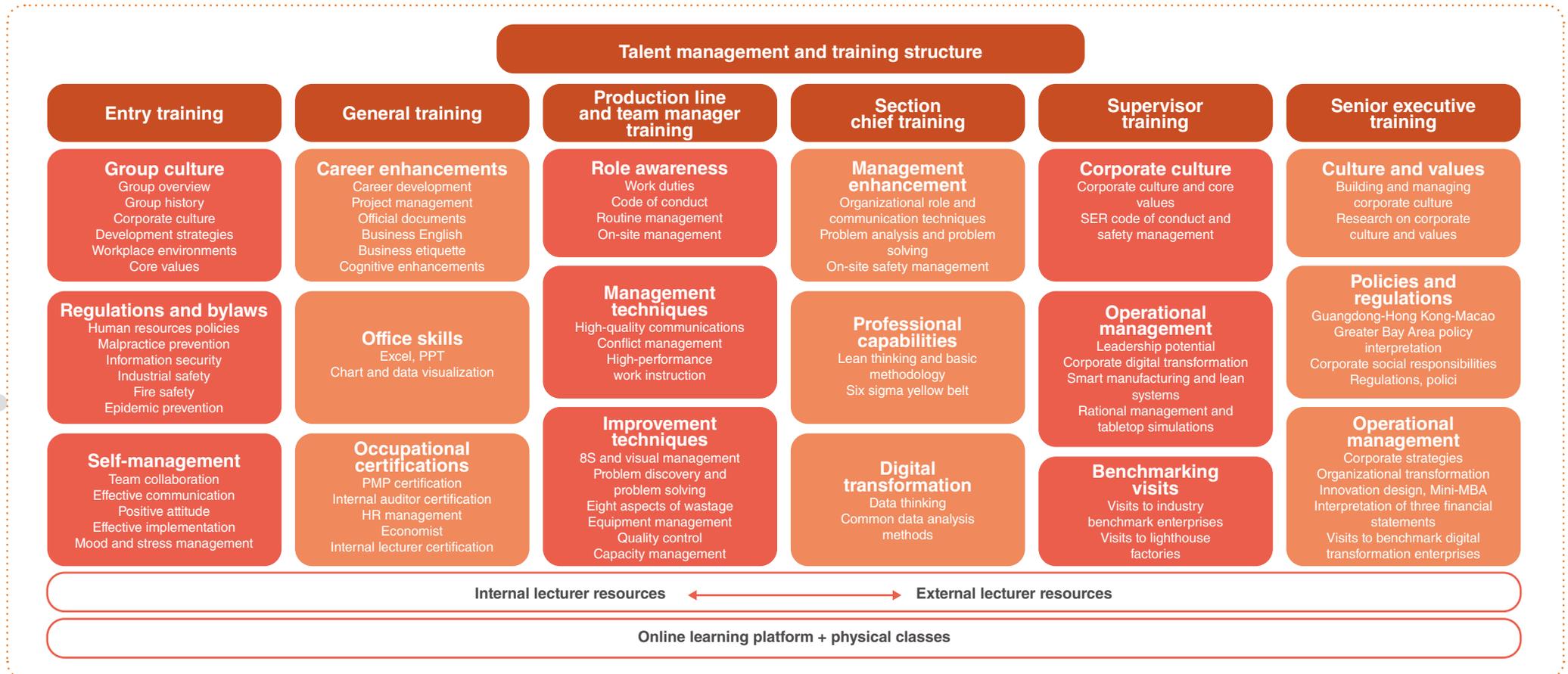
missions within the Group. To encourage employee learning, the Group links employee training credits with annual performance appraisals, and references this information when considering employee promotions and bonus distributions.

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



## Comprehensive Talent Development System

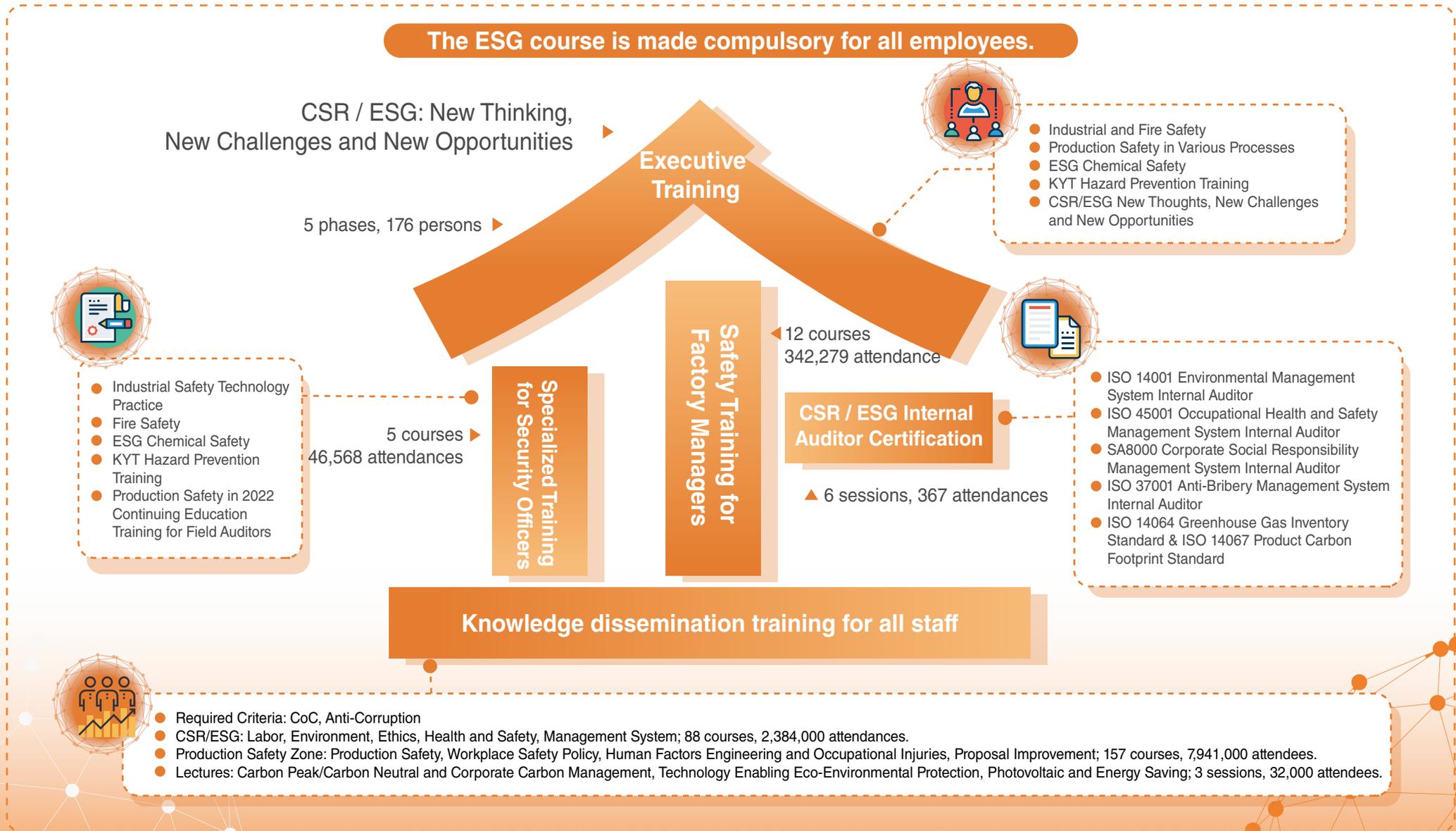


In 2022, the Group invested a total of 151 million NTD in Foxconn University, and provided 69.49 million hours of training. On average, each employee underwent 75.05 hours of general, management, technical/professional, and academic training. In terms of academic education, Foxconn University began collaborating 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

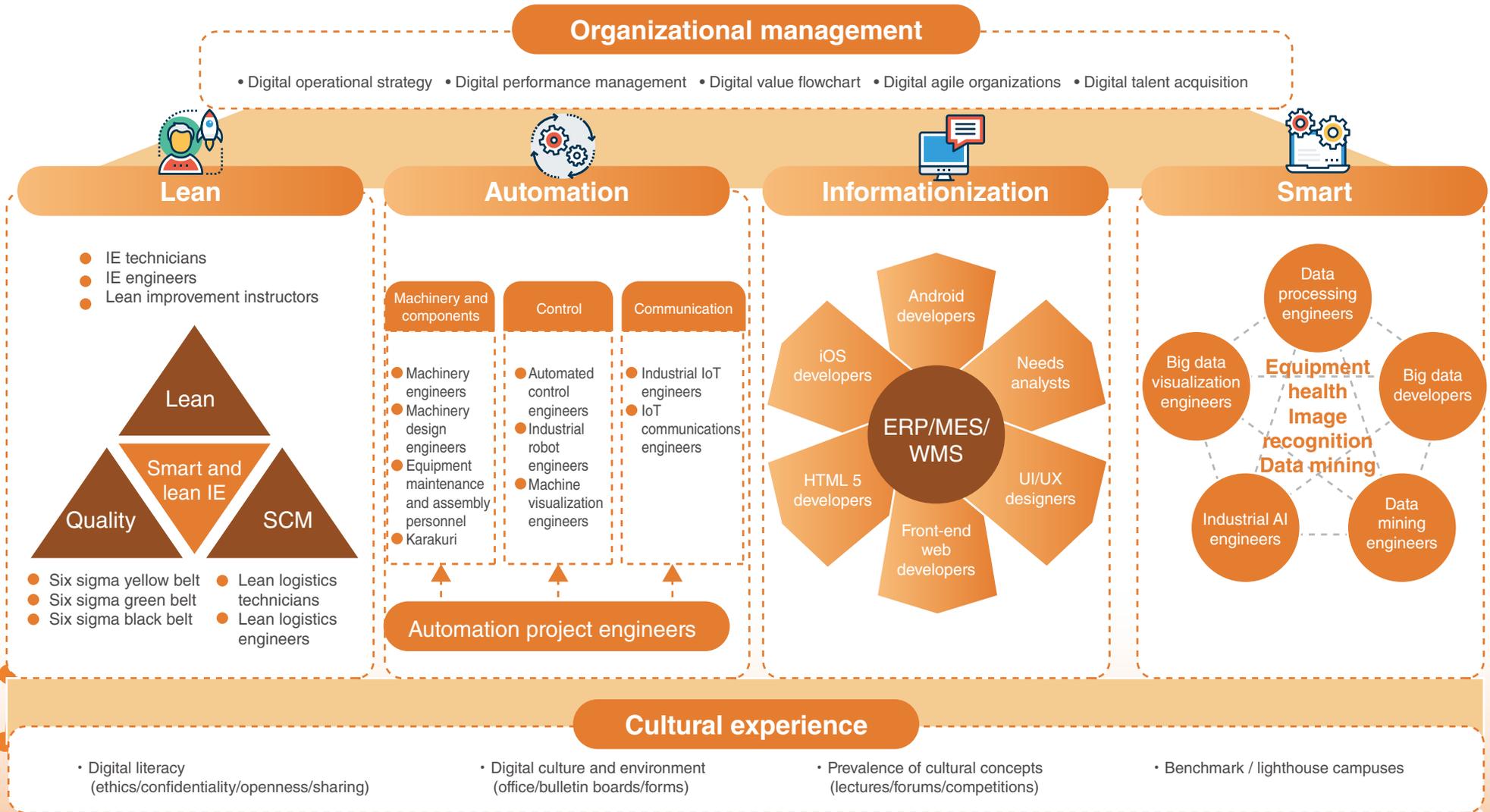
Course Category	Hours	Number of Participants
General education	41,392,259	21,728,701
Management	6,414,089	2,765,416
Technical/professional	20,952,873	10,059,354
Academic education	732,000	488,000
Total	69,491,221	35,041,471

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

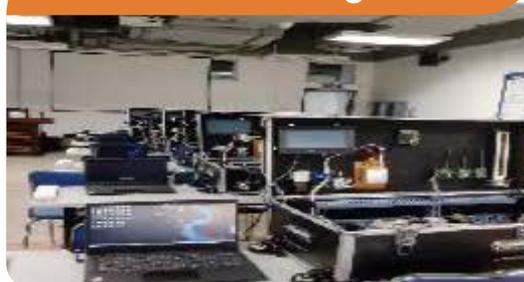
### Robotics training



**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**

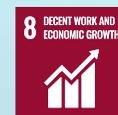
- Big data architects
- Big data analysts
- Data visualization

# 3 Healthy Workplace, Safety Adherence

Occupational Health and Safety  
Employee Health Promotion

Key stakeholders :

Employees  
Suppliers/Contractors  
Government agencies  
NGOs





## Management Guidelines for Material Topics

### 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.



#### Specific Actions

- Our Huyue Campus participated in the zero hazard working hours challenge and accumulated 12,236,697 hours of zero hazards by the end of 2022; our Dingpu Campus accumulated 2,636,758 hours of zero hazards.
- Investigated a total of 25,339 hidden dangers and achieved a rectification rate of 100%. Organized production safety training attended by 301,061 employees and contractors.
- Organized firefighting skills contests, safety knowledge contests, safety knowledge quizzes, and fire drills for employees and contractors over a total of 754,906 hours.
- Handled and collected a total of 118 safety innovation and improvement proposals.
- Hosted 121 health promotion activities, including health lectures, fitness center events, sports classes, and online health lessons.



#### Evaluation Mechanisms

- Our campuses implement daily, monthly, and specific safety audits. We communicate with internal employees and external contractors to ensure that all internal and external workers abide by our occupational safety regulations.
- 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.

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/contractors, 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.

## Occupational Safety and Health

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 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



▲ We received the "New Taipei City Industrial Safety Award : Excellent Unit Award" and "New Taipei City Industrial Safety Award : Individual Dedication and Commitment Award" from the New Taipei City government in 2022.

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 and strengthen 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 2022, 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 12,236,697 hours of zero hazards at the end of 2022, while our Dingpu Campus accumulated 2,636,758 hours of zero hazards.

## 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 disaster and epidemic prevention systems. We manage safety equipment at our campuses through establishment of industrial safety clouds and other modules which ensure that all campuses have sufficient security hardware, software, and management mechanisms.

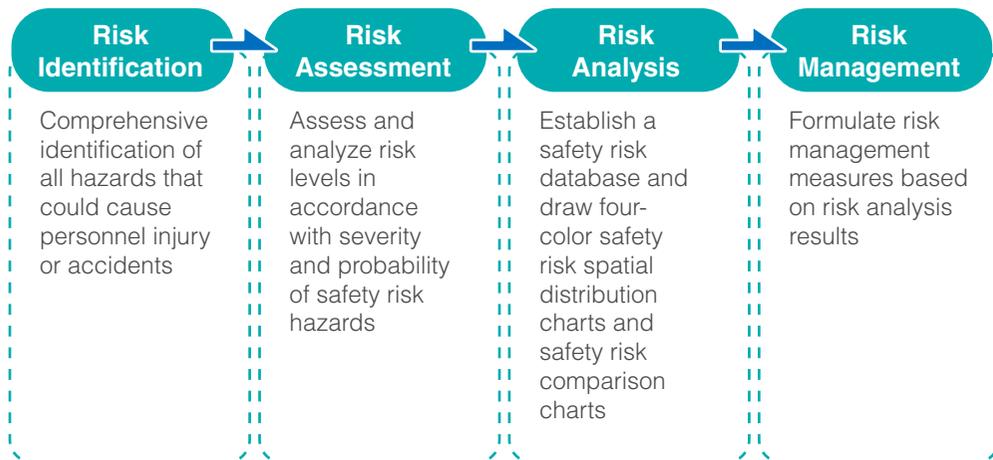




## Safety Audits and Risk Identification

The Group formulated the "Hazard Identification, Risk Assessment, and Risk Controls Planning Procedures" for management of 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 affecting personnel safety (such as severe fires or incidents) 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 pre-production 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."

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 25,339 hidden dangers in 2022. We uploaded information on all hidden dangers following audits, requested that rectifications be completed within specific time limits, and achieved a rectification rate of 100%. These hidden dangers were publicly shared with all campuses during our "Global Epidemic Prevention, Safe Production, and ESG Action Meeting." All campuses were asked to extrapolate on this information to ensure that similar hidden dangers did not reoccur.





Risk categories	Item description	Identified hidden hazards
Class C warehouses and information security	Storage safety of Class C materials and control of information servers.	226
Hazardous items and safety of flammable gases	Storage safety of hazardous materials, transportation safety, usage safety, and waste handling.	1,414
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.	1,760
Fire safety	Requirements for use of fire-resistance construction materials, construction safety requirements, maximum fire resistance of construction components, and fire prevention segments.	5,336
Operations and equipment safety	Management of firefighting control rooms, firefighting power sources, automated warning systems, firefighting pools and pumps, and automated firefighting systems.	6,592
Electrical safety	Safety management and requirements for all sites using electricity and specific sites within the Group.	6,868
Management and training	Management of training and emergency responses.	3,143

## Statistics on Disabling Injuries

We set "100% safety and zero hidden dangers" as our main safety target and 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 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 2022 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

## 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 2022, we received a total of 226 effective hidden hazard reports and distributed 68,000 NTD in rewards. Over the past five years, we have received a total of 1,193 reports and distributed 460,000 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.

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. Our contractors incurred no high-consequence work-related injuries. The Group will continue to strengthen contractor operational safety and prevent accidents through safety announcements, education and training, and audits.



		Fatalities as a result of work-related injuries		High-consequence work-related injuries (excluding fatalities)		Recordable work-related injuries		Near misses		Total number of hours worked
		Incidents	Rate	Incidents	Rate	Incidents	Rate	Incidents	Rate	
Full-time employees	2022	1	0.0006	0	0.0000	225	0.1312	41	0.0239	1,714,711,800
	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
Contract employees	2022	0	0.0000	0	0.0000	15	0.0208	9	0.0125	720,378,100
	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

## Notes :

- The aforementioned rates are calculated on a basis of 1,000,000 working hours.
- Rate of fatalities as a result of work-related injury = Number of fatalities as a result of work-related injury / Number of hours worked \* 1,000,000
- Rate of high-consequence work-related injuries (excluding fatalities) = Number of high-consequence work-related injuries (excluding fatalities) \* 1,000,000 / Number of hours worked
- Rate of recordable work-related injuries = Number of recordable work-related injuries (excluding fatalities) \* 1,000,000 / Number of hours worked
- The Group began recording near misses in 2021.
- The figures above are only for the China/Taiwan region.

## Innovation Evaluations and Promotions

To reduce potential safety issues in operational sites and prevent 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 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/business units/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 118 safety innovation and improvement proposals in 2022. Following assessments based on compliance, innovation within the Group, professionalism, and promotional value, a total of 27 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, stamping, anodes, wave soldering, lithium batteries, cranes, hot work, and smart controls. In February 2023, the "Group Global Safe Production Work Report" shared ten outstanding innovative safety improvement proposals with our chairman and senior executives related to improvements in switch cabinet packaging and manual modification procedures, improvements in warehousing safety for lithium batteries, a smart anti-charging safety feature for lithium batteries, an anti-tipping safety feature for cleaning crane baskets, and a safety feature for overheated CNC machines.

## 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 plans. 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 2022, Group campuses hosted production safety training for new employees, special operators, construction supervisors, safety management personnel, on-site audit personnel, campus managers, and suppliers. Total training hours amounted to 301,061 hours.

Item	Training hours
Preparatory three-level (factory, process, and production floor levels) safety education for new employees (including temporary workers)	293,287
Certification training for personnel with dangerous jobs involving combustible dust, hazardous chemicals, and lithium batteries	1,208
Advanced capability training for safety management personnel	1,007
Safety training for suppliers/contractors prior to factory entry	566
Training for special operations personnel and special equipment operators	2,460
Other training	2,533

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 2022, we hosted firefighting skills contests, safety knowledge contests, safety knowledge quizzes, and fire drills over a total of 754,906 hours. In 2022, we received 2,774 fire safety assessment applications across our campuses. Our overall approval rate was 93%, an increase of 87% over the previous year.



## 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/contractors to comply with environmental, occupational health and safety, and safety laws and regulations. Suppliers/contractors are also required to possess nationally recognized certificates of personnel qualifications and safe production certifications before they can become qualified Group suppliers/contractors.

The Group requires all suppliers/contractors 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/contractor personnel. We supervise and inspect suppliers/contractors and penalize those with hidden hazards in accordance with our management procedures. Suppliers/contractors 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/contractors completely abide by our safety management regulations.

The Group convenes collaborator meetings each quarter to inform our suppliers/contractors of Group requirements. Suppliers/contractors have to undergo training and testing procedures before they can enter our campuses, and we check relevant information such as the preparation of personal protective equipment and information on company supervisors. We also organize health lectures for our suppliers/contractors. Suppliers/contractors are required to swipe access cards when entering and exiting campuses. The Group conducts irregular inspections of supplier/contractor safety procedures. Issues are reported to our supervisors each month, and our system delivers notifications and requests improvements from responsible units. To enhance supplier/contractor epidemic prevention awareness and ensure the health and safety of relevant workers during the pandemic, the Group provided PPE and training for suppliers/contractors and convened quarterly supplier/contractor negotiation meetings. Additionally, suppliers/contractors are required to complete relevant training and all project applications.

### Contractor Hazard Notification Training and Quizzes



For more information on supplier training associated with chemicals/hazardous substances, please refer to [CH4 Business Sustainability, Beneficial Partners](#)



## 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 72 million NTD). The health services provided by the Group encompass the three main aspects of medical assistance, health education and guidance, and nutrition and food safety. Our service venues include health management centers, fitness centers, factory consultation offices, and food safety laboratories. We hosted 121 health promotion activities in 2022, including health lectures, fitness center events, sports classes, and online health lessons.



▲ "2022 I Sports Enterprise" certification from the Sports Administration, Ministry of Education

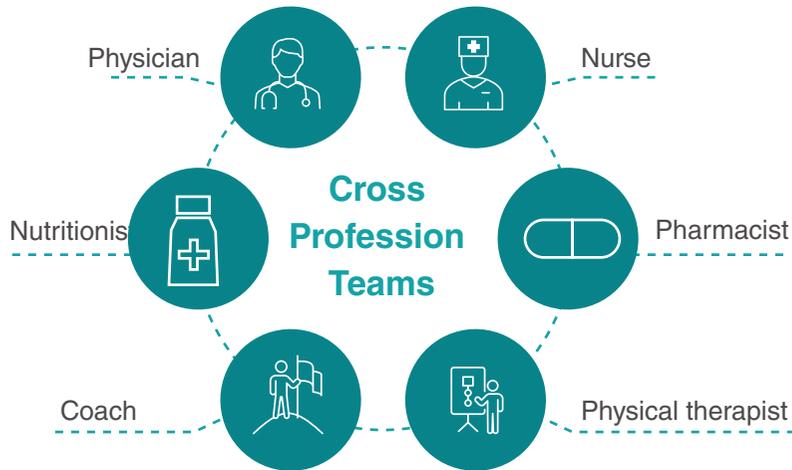


▲ "2022 Influenza Prevention Alliance Gold Award" from the Taiwan Immunization Vision and Strategy

## 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. 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 on-site 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. We conduct comprehensive assessments of catering units and select legitimate, rigorous, and high-quality suppliers. We also require our caterers to provide traceability records for full management of food sources. 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, guidance, and food safety training relevant catering units to ensure improvements if abnormalities are discovered. Our food safety training includes courses on COVID-19 operational requirements and pollution prevention. The Group's food safety laboratory has obtained ISO 17025 certification, strengthening incident handling efficiency and risk prevention capabilities. Food safety inspection procedures are conducted in accordance with quality system regulations to provide safe foods for our employees and ensure rigorous control of food safety.

Item	Description
Sampling checks	The Group tests all ingredients and monitors ingredient conditions using a real-time notification platform. In 2022, sample checks were conducted on 4,201 ingredients. A total of 13,246 items were tested and we achieved a pass rate of 96.4%.
Visits and consultations	We visited our catering units 70 times over the year. The average assessment score was 86.5 and we achieved an improvement rate of 76.7%.
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 70 suppliers throughout the year, achieved a compliance rate of 98.6%, and eliminated one food supplier with inadequate hygiene conditions.
Food safety education	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 2022.



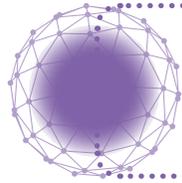
# 4 Business Sustainability, Beneficial Partners

Policies for Sustainable Management of Suppliers  
Sustainable Supply Chain Impact  
Promotion of Mutual Growth

## Key stakeholders :

Clients  
Suppliers/Contractors  
Government agencies  
NGOs  
Media





## Management Guidelines for Material Topics

Supplier Management, Procurement Practices and Management



### Meaning to the Group

- The Group is actively engaged in 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 actions such as environmental protection, energy conservation, and carbon reduction to create a sustainable supply chain.



### Specific Actions

- Encouraged our suppliers to implement net zero actions. A total of 123 suppliers completed carbon inventories, resulting in carbon reductions of 225,500 tCO<sub>2</sub>e from 2021 to 2022. Additionally, 12 key electronics suppliers signed a renewable energy agreement committing to use 100% renewable energies to produce Group products.
- Encouraged our suppliers to implement zero landfill actions. A total of 10 suppliers have obtained UL2799 Zero Waste to Landfill Operations certification, 39 suppliers have formulated and executed carbon reduction plans, and 75 key suppliers have been registered on our supplier green management platform and completed zero waste performance evaluations.
- Assisted 32 suppliers in improving environmental violations, and helped 148 suppliers with high environmental impacts to report and disclose Pollutant Release and Transfer Register (PRTR) data.
- Hosted two seminars promoting supplier green product management which were attended by 267 suppliers, 75 key suppliers have been registered on our supplier green management platform and completed green product management performance evaluations, and we also encouraged these suppliers to complete RoHS+HF Declarations of Conformity on the RoHS-REACH platform.
- Completed conflict minerals surveys for 2002 suppliers, achieving a response rate of 100%. No use of conflict minerals was discovered.
- Encouraged 43 suppliers to undergo CSR Code of Conduct reviews; 16 of these suppliers underwent third-party RBA VAP audits.



### Evaluation Mechanisms

- We host management review meetings every year to discuss continued strengthening of supplier management performance, track target achievements, and continuously improve performance.
- We communicate with suppliers on different ESG issues and work to understand our performance through ESG audit and assessment results.



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 2022, the Institute of Public and Environmental Affairs (IPE) awarded us first place in the Greater China area in the Green Supply Chain Corporate Information Transparency Index (CITI) Evaluation and second place in the IT Industry category. We also ranked fourth in the Climate Action Transparency Index (CATI) Evaluation for the IT Industry.

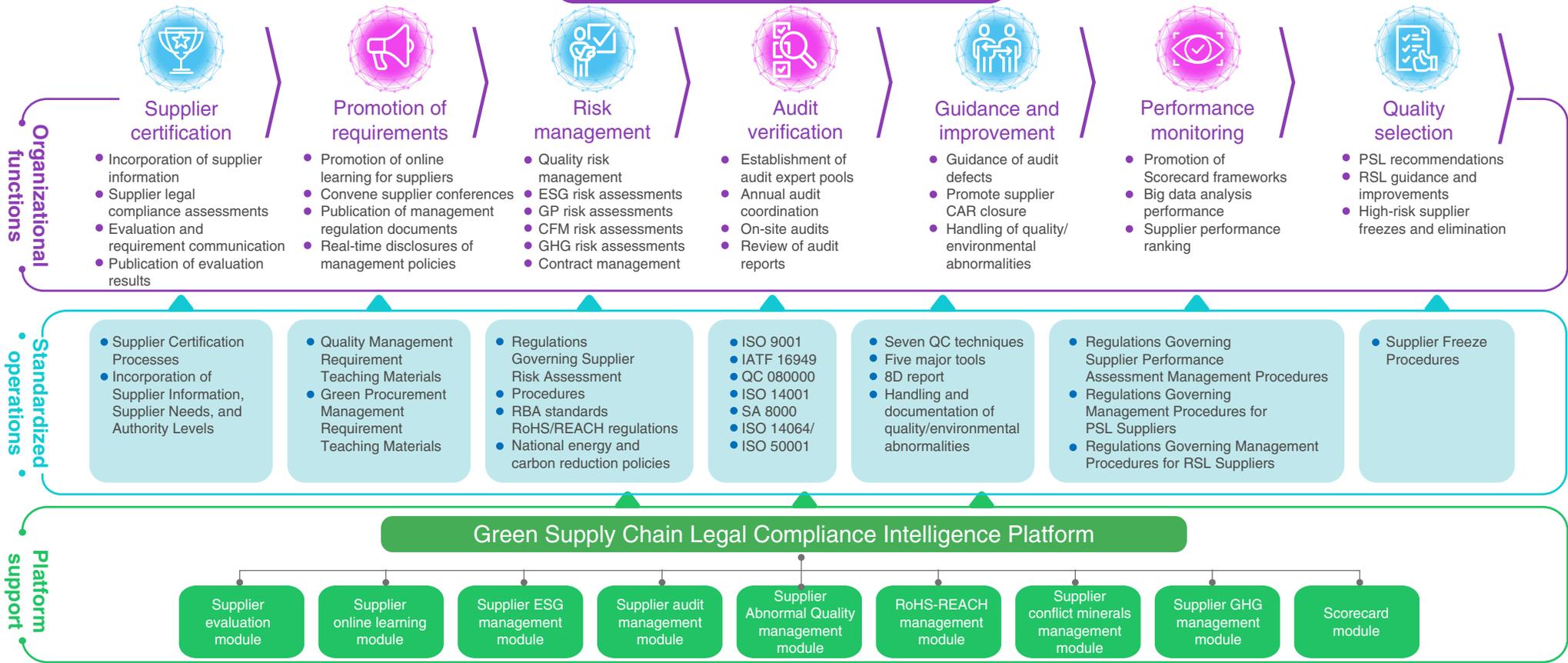


# Policies for Sustainable Management of Suppliers

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.

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.

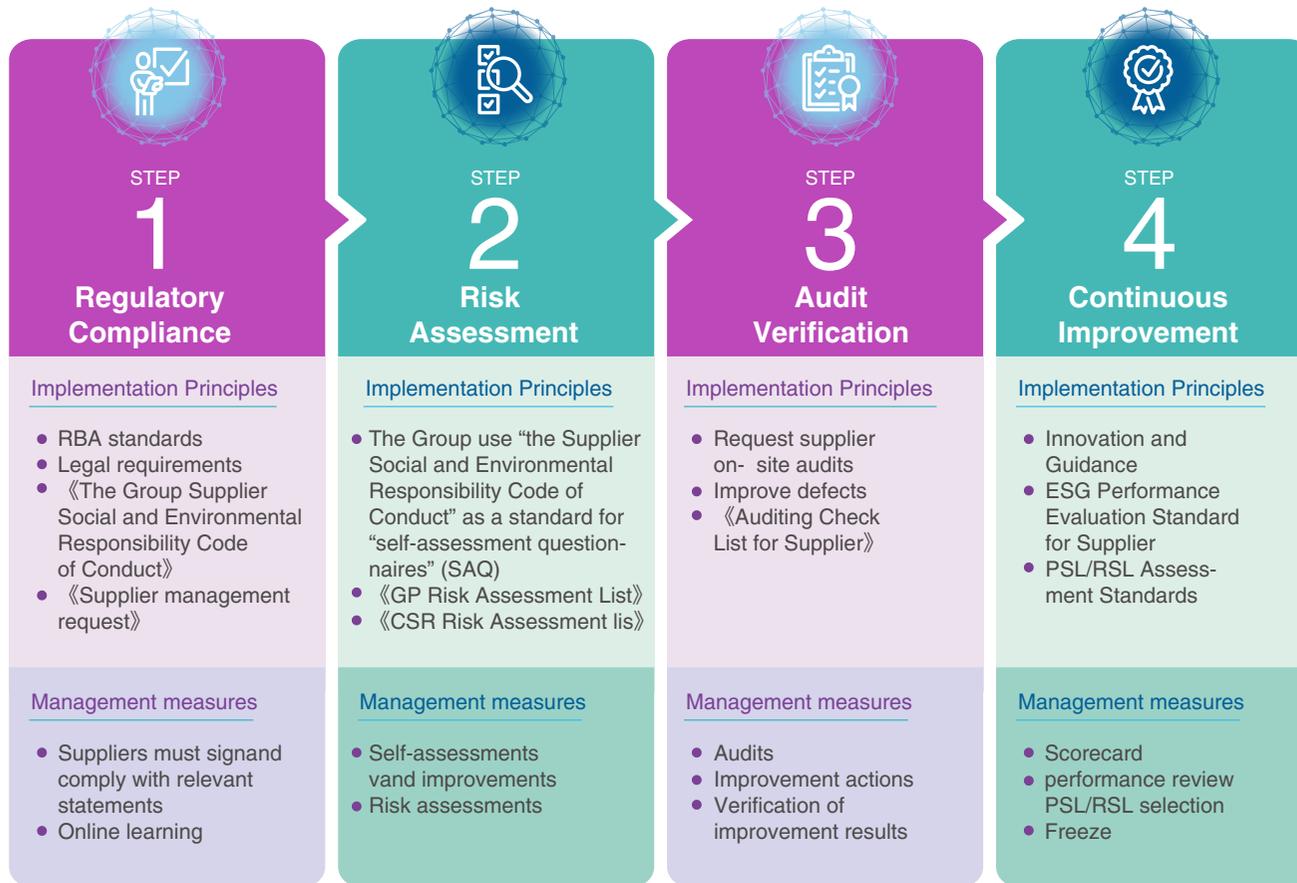
## Supplier Management System Structure



## 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.

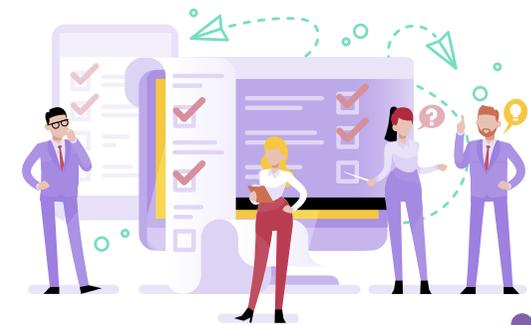
### ○ Circular Mechanisms of Supplier Management Policies and Processes



## 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 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. 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.





## 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, production capacities of new suppliers, and their enthusiasm for transactions with the Group. In 2022, all 25 of our new suppliers in the electronics procurement category passed environmental and social selection standards.

### Group Supplier Risk Assessment Processes



## 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 projects; 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 deficits. Suppliers who do not complete improvements within allotted times will be included in our list of suppliers who were restricted for poor performance.

In 2022, we conducted audits on a total of 107 major suppliers and discovered 1,833 deficits (including 662 major deficits and 1,171 minor deficits). The Group required suppliers to provide deficit improvement plans and measures within allotted times. As of year-end 2022, improvements have been implemented for a total of 1,604 deficits (including 536 major deficits and 1,068 minor deficits), achieving an improvement rate of 88%. The Group will continue to track the remaining supplier deficits until improvements have been completed.

### 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 audit assessments in 2022

Aspects and Standards		Audited suppliers	Pass Rate
Supplier Audit Items	QPA & QSA & SCM (Involving ISO 9000, IATF 16949)	96	98%
	GP (Involving QC 080000, RoHS, REACH)	44	100%
	GHG (Involving ISO 14064)	5	100%
	ESG (Involving RBA, ISO 14001, ISO 45001)	43	90%

Notes :

QPA : Commodity Quality Process Assessment

QSA : Quality System Assessment

SCM : Supplier Chain Management Assessment

GP : Green Product Assessment

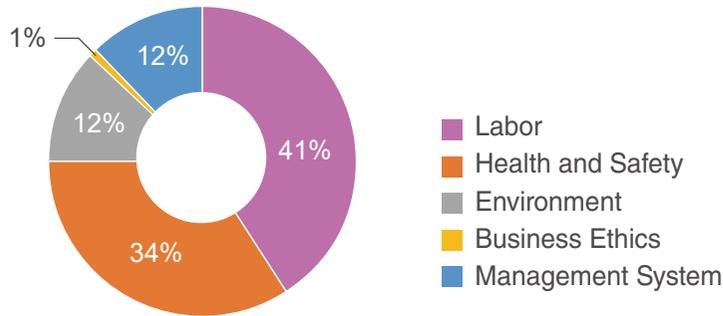
GHG : Greenhouse Gas

ESG : Environmental Social Governance

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 2022, a total of 16 suppliers in the electronics procurement category shared their RBA VAP audit reports with the Group.

◎ Distribution of ESG audit deficits in 2022



Audits conducted in 2022 found no incidents relating to child labor, forced labor, or prohibitions of employee freedom of association.

Continuous Improvement

To motivate continued supplier enhancement of ESG management and performance, the Group launched ESG evaluations for key suppliers in 2022. Priority evaluation items included net zero emissions, zero waste, and green products. The Group formulated supplier ESG performance evaluation standards using international ESG evaluation indicators, relevant standards, and client requirements. In 2022, we added an ESG performance evaluation module on our online supplier green management platform, allowing suppliers to conduct self-assessments and upload verifications, thereby enabling objective evaluations of supplier ESG performance. We determine supplier ESG rankings based on annual supplier performance. Suppliers with excellent ESG performance are rewarded and we guide suppliers with poor ESG performance in making improvements. Suppliers who do not implement said improvements will be placed on the Group's Restricted Supplier List.

In 2023, the Group added "worker human rights" to supplier ESG evaluation items. We plan to gradually expand the scope of supplier evaluations.



▲ Supplier Green Management Platform



# Sustainable Supply Chain Impacts

## Green Product Management

### Policies and Commitments

The Group has implemented comprehensive internal management of green products, adhering to the "Principle of Five Noes" ("No design, No procurement, No inflow, No manufacturing, No outflow") for green product management across our supply chain. Of these, "no procurement" is the key to green product development.

We prohibit use of chemical substances restricted by the green product regulations of different countries and regions, reduce the amounts of hazardous substances contained within products, and fully disclose all product substances.

Targets	Results
Require 75 key electronics suppliers to fully disclose all production materials on our supplier green management platform by 2025.	In 2022, 75 of our key electronics suppliers completed green product management performance evaluations on our supplier green management platform and also completed 100% of RoHS Declarations of Conformity.

### Management Mechanisms

The Group 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 also 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. We require our suppliers to establish QC 080000 Hazardous Substance Process Management System requirements and self-testing capabilities for hazardous substances, and have also extended our material declaration and

green product compliance management requirements to our upstream supply chain.

Additionally, the Group has formulated green product management guidelines and established a supplier green product management platform. We implement management mechanisms for key processes including assessments, audits, verifications, performance evaluations, and eliminations of underperformers starting from new suppliers. These mechanisms, combined with CITI, DJSI, and other internationally renowned ESG evaluation institute indicators, are used to implement management of supplier green product performance from five dimensions. We also regularly convene supplier green product management seminars to convey the latest Group requirements to our entire supply chain and track green compliance of raw materials starting with our upstream suppliers.

### Digital Transformation and Management Outcomes

Our supplier green management platform was launched in September 2022 to digitalize evaluations of supplier green product management performance, enabling quantification of evaluation results as well as real-time tracking and analysis. Supplier green product performance evaluation rankings can be obtained for multiple dimensions. Suppliers with excellent ESG performance are rewarded and suppliers with poor ESG performance are placed on our Restricted Supplier List. Visualization of evaluation indicators enable continued promotion of supplier improvements and enhancement of green product management performance.

In 2022, 75 of the Group's key electronics suppliers completed green product performance evaluations, and we continue to guide 15 suppliers in increasing their green product performance rankings. Our evaluation results indicate that 64 suppliers have implemented the QC 080000 Hazardous Substances Management System and obtained third-party certification, 23 suppliers have established self-testing capabilities for ten RoHS 2.0 substances, and 32 suppliers have established green product management platforms and systemic procedures.





## 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."

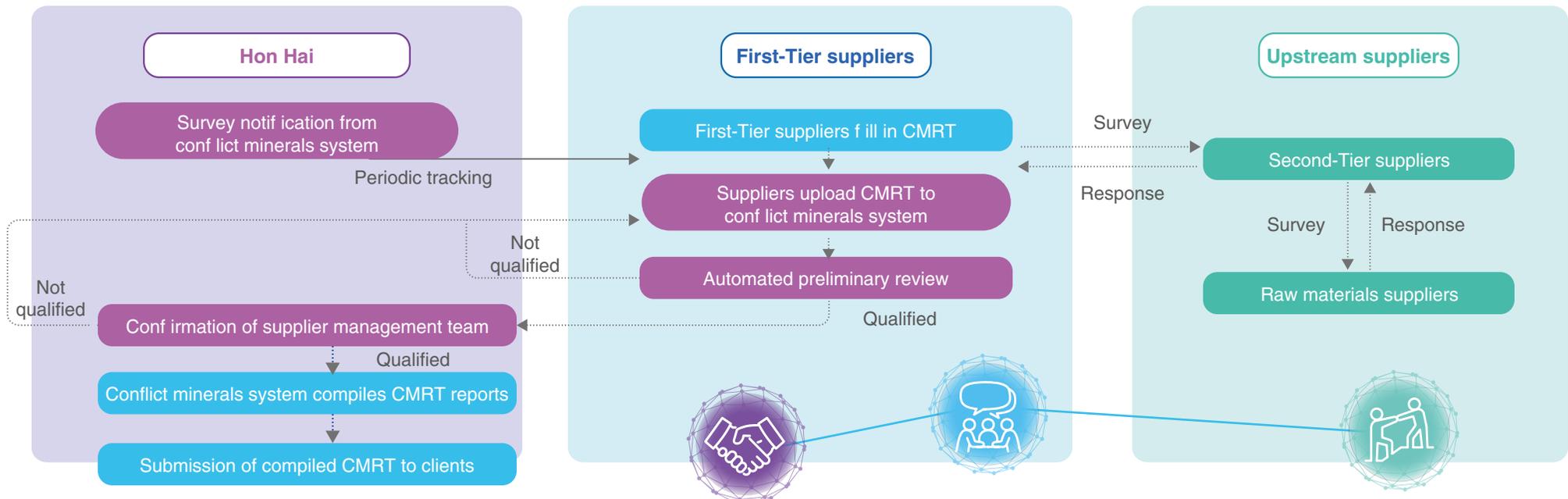
The Group does not accept or use tantalum, tin, tungsten, gold, or cobalt sourced from the Democratic Republic of Congo and its surrounding high-risk conflict areas. As part of this commitment, we hereby declare :

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 the CMRT and EMRT 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 EMRT (Extended Minerals Reporting Template). 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.

Flowchart of Management Operations for Conflict Minerals





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 time. Platform data was used to develop a digital dashboard used for tracking supplier usage of conflict minerals and for disclosure to end customers.

In 2022, the Group completed conflict minerals investigations for 2,002 suppliers through our conflict minerals management platform. Supplier response rates were 100%. We compared supplier smelters/refineries against the list of qualified smelters released by RMI, and non-RMAP smelters/refineries discovered during the course of these investigations were required to complete RMAP compliance within a specified time limit or face elimination from our supply chain. As of 2022, 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 241 tantalum, tin, tungsten, gold smelters/refineries in 2022, all of which were included in the list of qualified smelters released by RMI. Most of these smelters were located in Asia :

Area	Tantalum	Tin	Tungsten	Gold	Cobalt	Total
Asia	30	49	32	82	12	205
Europe	0	3	0	7	4	14
Africa	2	4	3	6	3	18
Australia	2	0	1	0	1	4
Total	34	56	36	95	20	241

The United States passed the "Dodd-Frank Act" in 2011 and the European Union passed the "Conflict Minerals Regulation" in 2017. Since then, regulatory supervision of conflict minerals has expanded. Apart from use of tantalum, tin, tungsten, gold, or cobalt, ESG issues such as human rights and environmental damage incurred during mining processes are also receiving attention. As lithium and nickel are important materials for battery electrodes, the Group launched a pilot plan which used the RMI Pilot Reporting Template (PRT) to conduct due diligence on lithium and nickel use at 10 battery suppliers. We discovered that these suppliers worked with 13 lithium smelters/refineries and 18 nickel smelters/refineries. The Group will continue to help suppliers in encouraging these smelters and refineries to obtain Responsible Minerals Assurance Process (RMAP) certification.

## Environmental Compliance 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 25 new suppliers in 2022. 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 2022, we assisted 32 suppliers with environmental violations in removing their records. To protect the public's right to know about their surrounding environments, the Group guided 148 suppliers in filling out PRTR (Pollutant Release and Transfer Register) data for public disclosure on the IPE website in 2022.





## 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.
4. In compliance with Group net zero policies, we have formulated a net zero pathway for suppliers as well as promoted supplier energy-saving transformations and use of green electricity to achieve net zero goals.

### ◎ The Group's Net Zero Pathway for Suppliers

**1. 碳盤查**  
鴻海官網披露減碳目標  
2050年 實現溫室氣體淨零排放  
2025年 降低 21%  
2030年 降低 42%  
2035年 降低 63%  
— 以2020年為基準年 —  
備註：集團減碳目標涵蓋上游供應商  
信息來源：https://www.honhai.com

**2. 碳減排**  
• 冰水主機節能  
• 高耗能生產設備節能  
• 空壓機餘熱回收

**3. 可再生能源使用**  
• 購買綠電  
• 投建光伏太陽能項目

**4. 全面碳中和**  
• 植樹造林  
• 碳捕捉

The Group has always emphasized supplier carbon reduction actions and worked with suppliers on low-carbon pathways. We continue to build our expertise in comprehensive management mechanisms for supplier carbon management. Continued promotion of digital management and regular disclosures of supplier carbon reduction achievements help to satisfy client and stakeholder expectations.

### ◎ The Group's Supplier GHG Management Mechanisms

**政策與要求宣導**  
供應培訓  
• 國家政策與法規要求解讀  
• 集團管理政策及要求宣導  
• 供應商ESG實踐案例分享

**推動供應商碳管理項目**  
碳盤查  
• 登錄碳管理系統披露年度碳盤查數據  
• 要求廠商在官網/年報披露年度碳排放數據  
(網址: https://ghg.foxconn.com/GP\_GHG/LOGIN.jsp)

碳減排  
• 登錄碳管理系統提交重要耗能設備節能改造方案  
• 簽署可再生能源協議, 將電子檔上傳碳管理系統

淨零碳評價  
• 每月登錄供應商綠色管理平臺更新淨零碳自評資料  
網址: https://gen.foxconn.com/portal/index

向終端客戶提供供應商碳管理數據, 符合客戶期望  
Dell, Google, Microsoft

對外披露集團供應商淨零碳管理成果  
永續報告書, TCFD報告書

Our suppliers are required to attend our annual seminars. We have established a self-developed supplier carbon management system and require our 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, achievements of annual carbon reduction targets, and updated data from net zero evaluations. 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.

### ◎ Annual carbon emissions, carbon reduction, and estimated future carbon emission volumes of key supplier



Annual carbon emissions, carbon reduction, and estimated future carbon emission volumes of key suppliers

The Group plans to assist 175 suppliers in conducting energy and carbon reduction tasks by 2025. In 2022, the Group assisted 123 suppliers in completing carbon inventories and 59 suppliers also completed ISO 14064-1 verification. From 2021 to 2022, our suppliers implemented carbon reduction plans, installed photovoltaic equipment, and purchased green electricity, lowering total carbon emissions by 225,500 tCO<sub>2</sub>e.

Additionally, we predict that clean energies will become a major trend in the future and a critical advantage for suppliers seeking to achieve net zero emissions. Therefore, the Group will actively work with suppliers to promote use of renewable energies within our supply chain, set an example for our suppliers, encourage our suppliers to commit to use of renewable energies when producing Group products, significantly decrease carbon emissions generated during production processes, and work with our end clients to build a zero emissions supply chain. Our long-term aim is to have more than 45 key electronics suppliers pledge to use 100% renewable energies to produce Hon Hai products by 2025. We formulated the supplier "Commitment to Renewable Energies" in 2022 which was signed by 12 of our key electronics suppliers.



We extended net zero management items to our supply chain by formulating supplier net zero performance evaluation mechanisms in 2022, using our supplier green management platform to conduct monthly net zero management performance evaluations on 75 key suppliers, and continuing to enhance supplier net zero management.

### Supplier Net Zero Evaluation Indicators



In 2022, the Group launched a pilot supplier carbon reduction program which included preliminary carbon inventory analysis and on-site energy conservation guidance. Our consultants and experts provided feasibility plans for five electronics suppliers; total carbon reductions are expected to reach 27,500 tCO<sub>2</sub>e if suppliers execute all energy conservation and transformation plans.

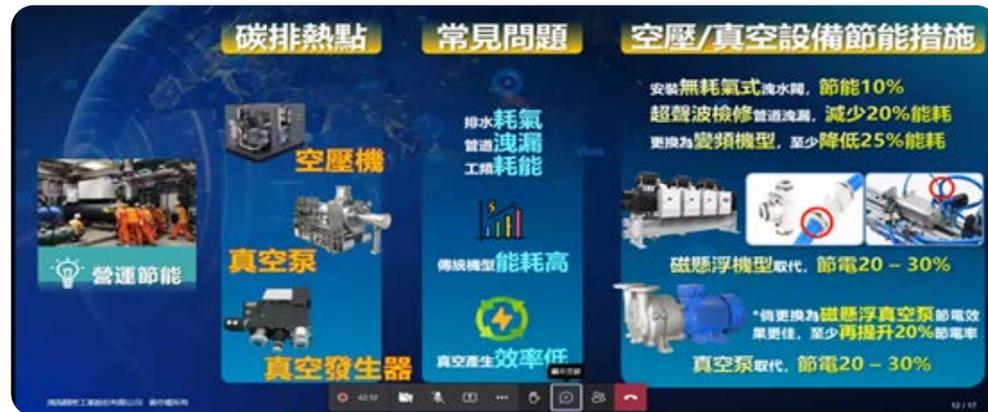
### Snapshot of Group's Carbon Reduction Coaching Team's On-site Communication with Suppliers



# Promotion of Mutual Growth

## Net Zero and Zero Waste Management Training Seminar for Electronics Suppliers

The Group hosted the online "Net Zero and Zero Waste Management Training Seminar for Electronics Suppliers" on July 21, 2022, sharing outstanding Group energy-saving transformations and zero waste management experiences in "Zero Waste Factories." We also announced our green supplier management policies and requirements, and invited a third party (UL) to introduce zero landfill knowledge to our suppliers. A total of 61 electronics suppliers attended the seminar.



## Supplier Carbon Reduction Achievement Conference

The Group hosted the online "Supplier Carbon Reduction Achievement Conference" on December 14, 2022. At the conference, we introduced common carbon emission hotspots and recommended solutions. We also invited three suppliers with novel carbon reduction techniques that had achieved significant results to share their specific practices and case studies. The aim of the conference was to facilitate technical exchanges and help suppliers brainstorm optimal solutions. A total of 146 suppliers attended the conference.



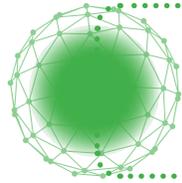
# 5 Green Solutions, Circular Economy

Climate Change  
Environment Management System  
Water Resources Management  
Waste Management  
Chemicals Management

## Key stakeholders :

Employees  
Clients  
Shareholders/investors  
NGOs





## Management Guidelines for Material Topics

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.



### Specific Actions

- The Group's energy-saving target for 2022 was 4.2%. The actual energy-saving rate was 5.74%, successfully achieving our annual energy-saving goal.
- Invested 2.37 billion NTD in 1,877 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 306,204 tCO<sub>2</sub>e.
- In 2022, Group's total installed capacity reached 260.55MW, and the usage of renewable energies reached 816.13 million kWh and renewable energy usage ratios were 8.28%.
- Optimized production processes to reduce water consumption at the source and also actively implemented wastewater recycling procedures.
- Nanning Campus obtained UL2799 Zero Waste to Landfill Operations Platinum-Level Certification and Shenzhen Longhua Campus obtained UL2799 Zero Waste to Landfill Operations Gold-Level Certification and Longhua Campus is making strides toward a zero-waste campus.



### Evaluation Mechanisms

- Our environmental protection 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 environmental protection targets, and communicate with internal stakeholders such as business groups and employees to understand actual situations and facilitate continued improvements.

The UN climate change report for 2021 stated that the climate actions adopted by various countries are insufficient for curbing global warming. 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 NDCs or 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, strategy, risk management, and metrics and targets for transparent disclosures of key climate risks, opportunities, and current management. During the first phase, we released our first Net Zero Vision Report in 2023 to detail our climate governance, strategies, risk management, and targets and metrics. 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.

Category	Item	Implementations
Governance	1. Describe board and management oversight and governance of climate-related risks and opportunities.	The Board is responsible for supervising management of climate change issues and the ESG team established under the Sustainability Committee is responsible for planning and implementation of said issues.
Strategy	2. The short-term, mid-term, and long-term impacts of climate-related risks and opportunities on the organization's businesses, strategies, and financial planning.	We segregate various risk management organizations according to the duties of each functional unit, which are responsible for relevant risk identification and assessment, and for subsequent formulation of corresponding management plans according to the levels and priorities of identified risks and opportunities. For more information on the material short-term, mid-term, and long-term impacts of climate risks and opportunities on the Group's businesses, strategies, and financial planning, please refer to our 2020 Net Zero Vision Report.
Strategy	3. Financial impacts from extreme weather events and transformation actions.	The main financial impacts from extreme climate events and transformation actions are mainly increases in operational costs. Please refer to our 2020 Net Zero Vision Report for additional information.
Risk Management	4. Processes for identifying, assessing, and managing climate-related risks, and how they are integrated into overall risk management.	The Group has established a hierarchical risk management process based on risk levels and unit functions. We have built complete climate risk management processes at the Group, business/entity, and factory level according to different management levels and impacts from risk issues.
Strategy	5. Use scenario analyses to assess the resilience of climate change risks, and disclose relevant scenarios, parameters, assumptions, analysis factors, and main financial impacts.	Our first phase was to incorporate the TCFD framework in 2022; for the second phase, we plan to analyze and discuss climate scenarios, as well as quantify the financial impacts of climate-related risks.
Strategy	6. Transformation plans to manage climate-related risks, including the content of said plan, as well as metrics and targets used to identify and manage physical risks and transition risks.	The Group has established the two core concepts of "clean production" and "resource management" aligned with three major climate goals, formulating corresponding net zero and carbon reduction management and monitoring mechanisms for our value chain. The Group is taking gradual steps to achieve net zero through actions mitigating climate change, value chain management, promotion of smart and green transformations, creation of emerging industries, enhancing operational resilience, and other core concepts.
Metrics and Targets	7. If internal carbon pricing is used as a planning tool, the basis for pricing mechanisms should be disclosed.	The Group has not introduced internal carbon pricing.
Metrics and Targets	8. If climate-related targets have been established, included activities, scope of greenhouse gas emissions, scheduled progress, and annual achievements should be disclosed. If carbon offsets or renewable energy certificates (RECs) are used to achieve targets, the source and quantity of carbon offset credits or quantity of RECs should be disclosed.	The Group aims to achieve net zero greenhouse gas emissions by 2050 using 2020 as the base year, reducing emissions by 21% before 2025; by 42% before 2030; and by 63% before 2035.
Metrics and Targets	9. Greenhouse gas inventories and verifications	Please refer to "Scope 1 and Scope 2 GHG Emissions in 2022"

Our verified scope 1 and 2 greenhouse gas emissions in 2022 were 5,757,620 tCO<sub>2</sub>e, an increase of 5.13% compared with base year 2020 (5,476,802 tCO<sub>2</sub>e), 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 2022

Unit : tCO<sub>2</sub>e

	China	Taiwan	Vietnam	India	North America	South America	Europe	Total
Market-Based								
Scope 1	208,377	1,032	975	565	7,975	1,975	1,397	222,295
Scope 2	4,909,236	196,881	236,913	71,729	99,058	2,032	19,476	5,535,324
Total	5,117,613	197,913	237,888	72,294	107,033	4,007	20,873	5,757,620

Note : Scope 2 emissions are market based.

Due to the widespread operational scope of the Group, we are still compiling data on Scope 3 GHG emissions for 2022, and aim to disclose this information at the end of 2023. The Group has completed inventory of Scope 3 GHG emissions for 2021, which amounted to 28,742,200.63 tCO<sub>2</sub>e.

Scope 1	Total Emissions (tCO <sub>2</sub> e)	Intensity (tCO <sub>2</sub> e/ thousand NTD)	Verification Institute	Verifications
Parent Company	9.90	2.60E-09	-	-
Subsidiary	222,285.10	7.87E-05	-	-
Total	222,295	3.35E-05	-	-

Scope 2	Total Emissions (tCO <sub>2</sub> e)	Intensity (tCO <sub>2</sub> e/ thousand NTD)	Verification Institute	Verifications
Parent Company	11,217.00	2.95E-06	-	-
Subsidiary	5,524,107	1.96E-03	-	-
Total	5,535,324	8.35E-04	-	-

Note : Intensities were calculated using revenues for the year and the unit used was NTD.

## 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. We 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 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 2022 was 4.2%. The actual energy-saving rate was 5.3%, successfully achieving our annual energy-saving goal.

### ⦿ Achievement of Energy-Saving Targets for 2018-2022

	2018	2019	2020	2021	2022
Target value	5%	5%	4.5%	5%	4.2%
Achieved value	5.77%	5.33%	5.18%	5.56%	5.74%

### ⦿ 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; formulating 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 supervision 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 manufacturing facilities, 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 2022

	Purchased power		Natural gas/Liquefied natural gas (NG/LNG)		Gasoline		Diesel		Liquefied petroleum gas		Energy consumption
	kWh	GJ	m <sup>3</sup>	GJ	m <sup>3</sup>	GJ	m <sup>3</sup>	GJ	Tons	GJ	GJ
China	8,642,255,996	31,117,721	76,658,768	2,988,090	2,240	69,550	1,462	51,821	0	0	34,227,182
Taiwan	361,565,976	1,301,872	432,584	16,862	34	1,061	14	498	14	723	1,321,016
Vietnam	375,158,616	1,350,814	-	-	1	16	316	11,186	41	2,081	1,364,097
India	114,708,174	413,024	-	-	-	-	67	2,372	131	6,566	421,961
North America	263,984,668	950,516	3,162,394	123,267	101	3,136	181	6,416	298	14,972	1,098,307
South America	39,748,119	143,119	2,400	94	10	310	106	3,757	565	28,387	175,667
Europe	57,277,967	206,238	446,110	17,389	137	4,267	65	2,309	-	-	230,203
Total	9,854,699,517	35,483,303	80,702,256	3,145,702	2,523	78,340	2,211	78,359	1,049	52,728	38,838,433

Notes : 1. Heating values for all energy sources were calculated using local coefficients.

## Electricity Usage in 2018-2022

	Unit	2018	2019	2020	2021	2022
Power consumption	Million kWh	8,930	9,583	8,423	9,364	9,855
Energy intensity (Power consumption/revenues)	Million kWh/million NTD	0.00169	0.00179	0.00157	0.00156	0.00148

### Energy-Saving Technological Transformations

In 2022, we invested 2.37 billion NTD in 1,877 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 495,796 MWh, equal to total carbon reductions of 306,204 tCO<sub>2</sub>e.

### 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 included energy management, energy reduction systems, implementation of energy-saving measures, supervision of energy reduction measures, and energy-saving KPIs. Detailed quantitative scores were presented for each item, and those ranking within the top three for the quarter/year and units that obtained high scores on specific items were awarded bonuses and incentives. We provide team and individual cash rewards for outstanding energy-saving technological transformation projects that enhance energy efficiency. In 2022, we awarded 278,000 NTD to 4 teams and 10 individuals with outstanding energy-saving contributions.

Inputs		Outputs
We calculated our total investments and commenced our energy-saving projects Total investments : 2.37 billion NTD Total number of projects : 1,877		Total energy savings : 495,796 MWh Total carbon reductions : 306,204 tCO <sub>2</sub> e
Transformation of energy-saving production processes	Invested amount : 1.79 billion NTD Number of projects : 1,877	Total energy savings : 330,306 MWh Total carbon reductions : 203,997 tCO <sub>2</sub> e
Air-conditioning systems/air compressors/lighting equipment	Invested amount : 440 million NTD Number of projects : 492	Energy savings : 83,645 MWh Carbon reductions : 78,725 tCO <sub>2</sub> e
Other improvements	Invested amount : 140 billion NTD Number of projects : 150	Energy savings : 38,021 MWh Carbon reductions : 23,482 tCO <sub>2</sub> e

## 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 2022, our total installed capacity was 260.55 MW and we generated 289.6908 million kWh in a year. Our usage of clean energies reached 816.1311 million kWh, equivalent to 2,938,601 GJ, achieving a clean energy usage ratio of 8.28%.

### Clean Energy Usage for 2022

	Unit	China	Taiwan	Vietnam	India	North America	South America	Europe	Total
Total installed capacity of clean energies	MW	259.61	0.74	0.06	-	0.1368	-	-	260.55
Generated power	10,000 kWh	28,847.72	109.59	5.74	-	6.03	-	-	28,969.08
Direct purchases of clean energies at Chinese campuses	10,000 kWh	3,139.42	-	-	-	-	-	-	3,139.42
Renewable energy certificates from power trading and purchases of clean energies in Chinese campuses	10,000 kWh	46,094.00	-	-	-	-	-	-	46,094.00
Purchases of other clean energies (wind power or biomass)	10,000 kWh	-	236.00	-	1,118.85	193.68	1,798.70	63.39	3,410.62
Total clean energy usage	10,000 kWh	78,081.14	345.59	5.74	1,118.85	199.71	1,798.70	63.39	81,613.11
Proportion of clean energy usage	%	8.29%	0.96%	0.02%	9.75%	0.76%	45.25%	1.11%	8.28%

### Clean Energy Usage Volumes and Proportions for 2020-2022

	Unit	2022	2021	2020
Total clean energy usage	10,000 kWh	81,613	48,388	104,857
Proportion of clean energy usage	%	8.28%	5.17%	12.45%

### Signed an MOU for green power procurement to achieve 50% renewable energy usage in Taiwan campuses by 2030

The Group signed a green power procurement MOU with Shinfox Energy. We planned to purchase 2.36 million kWh of green electricity in 2022, then gradually increase our procured volumes every year, and we expect to accumulate 70 million kWh of green electricity by 2030, equivalent to around 35,140 tons of carbon emissions, the amount that would be absorbed by 2.92 million trees. We mitigate the impacts of climate change through practical actions.





## 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

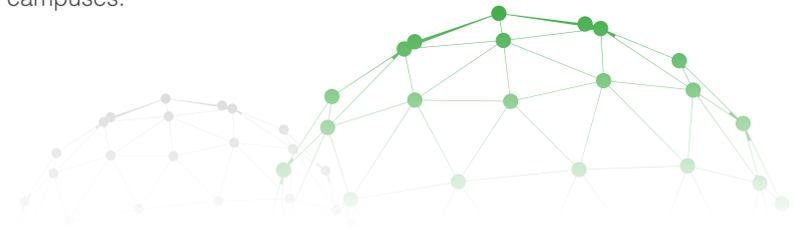
campus production processes to ensure that our wastewater, exhaust emissions, and waste materials comply with local regulatory requirements. We incurred no major environmental protection violations in 2022.

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, and were recognized as national/provincial green campuses.



## 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. 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, reduce wastewater discharge, and decrease environmental impacts.



Unit : Thousand tons

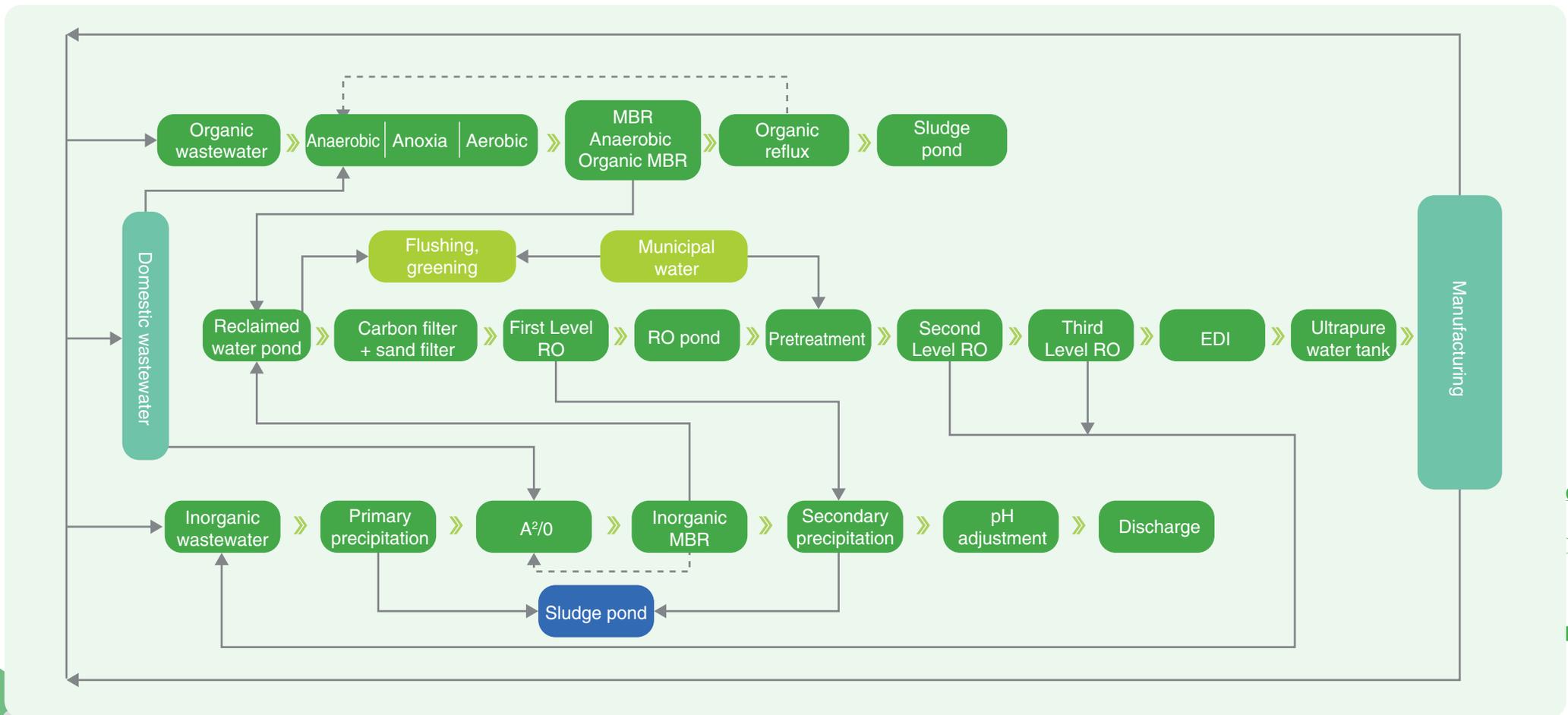
		China	Taiwan	Vietnam	India	North America	South America	Europe	Total
Water withdrawal	Municipal water	85,505	848	1,542	762	386	4	78	89,124
	Ground water	2,064	-	-	-	224	58	-	2,346
		87,568	848	1,542	762	610	62	78	91,471
Discharge	Total water withdrawn	70,055	678	1,058	610	488	45	32	72,966
	Domestic wastewater	13,887	293	17	-	67	-	41	14,303
	Industrial wastewater	83,941	971	1,075	610	555	45	73	87,269
Recycled water	Total discharge	4,287	-	483	67	107	-	-	4,944
	Recovery ratio	4.90%	0.00%	31.30%	8.81%	17.55%	0.00%	0.00%	5.40%

Note : Domestic wastewater volumes in China, Taiwan, India, and North America were calculated using water consumption volumes multiplied by 0.8.

## 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 2022.

### Wastewater Management & 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

		China	Taiwan	Vietnam	India	North America	South America	Europe	Total
Waste categories	Total hazardous waste	139,416	58	1,814	32	447	166	17	141,950
	Total solid waste	433,420	1,445	31,184	74,825	30,392	2,628	14,567	588,461
	Total domestic waste	42,573	2,296	3,855	490	3,264	119	360	52,957
	Total kitchen waste	29,602	160	1,842	933	2,191	357	0	35,085
Disposal methods	Landfill	6,333	0	11	475	5,957	59	243	13,078
	Recycling and reuse	537,576	1,224	35,976	75,199	29,885	2,267	13,491	695,619
	Anaerobic / Composting decomposition	27,019	119	3	559	290	420	6	28,416
	Incineration	54,680	2,306	1,829	47	42	374	1,080	60,358
	Other (such as physical or chemical treatment/storage/production of solid fuels)	19,403	310	876	0	120	150	123	20,982

## Zero Waste Factories

"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 "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 Nanning Campuses for accurate tracking of waste processes and volumes. System response rates were 100%. In 2022, our Shenzhen Longhua Campus obtained UL 2799 Gold-Level Certification, becoming the world's first comprehensive eco-park. During the certification period, our waste conversion rate was 99% and energy recovery rate from incineration was 7%, fulfilling the criteria for gold-level certification. In future, we will continue to increase our conversion rates and work to achieve platinum-level certification.



## Air Pollution Governance

The Group has established comprehensive scientific air pollution management regulations. We select the best available technologies based on the composition and characteristics of waste emissions and actively adhere to all government air pollution management measures. We have formulated practical and feasible contingency measures, regularly maintain and improve treatment facilities for waste emissions, and ultimately achieve waste emissions that 100% adhere to discharge standards.

### Current status of the Group's waste gas treatment

In respect of the Group's internal emissions, we initially consider the appropriate treatment method based on the composition, characteristics and concentration of the emissions, and finally decides on the treatment technique to be used by taking into account the economic and practical situation.

According to the data, the activated carbon adsorption method is currently the most popular treatment method used by the Group for the following two main reasons :

1. Most of the Group's internal emissions have already met the emission standards without treatment, so in order to further optimize and regulate the emissions, the simple activated carbon adsorption process is usually chosen. To further optimize and regulate emissions, simple activated carbon technology is usually chosen;
2. The activated carbon adsorption method is less costly due to a combination of economic factors and the actual situation.

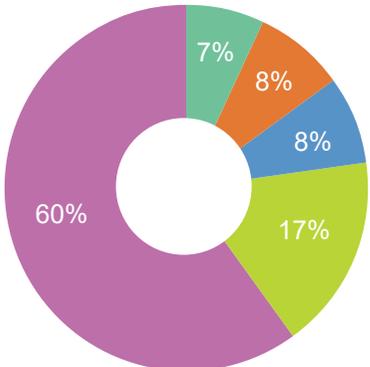
### Installation of automatic monitoring equipment

For example, at our plants in Mainland China, the Group strictly complies with relevant laws and regulations and cooperates with environmental protection government agencies to install automatic pollution source monitoring equipment at the emission outlets of key pollution sources.

The installation of automatic pollutant source monitoring equipment, an automatic monitoring system capable of automatic data monitoring and network uploading, and the timely disclosure of pollutant emission data to the community in accordance with regulations not only fulfilled the Group's corporate obligations, but also enhanced the Group's own environmental image and environmental credibility, as well as fulfilled the Group's corporate social responsibility to protect the environment.





<p>Management of exhaust pipes : Scientific numbering</p>	<p>We have carried out comprehensive inventory of all pollutants at our Shenzhen Longhua Campus and numbered all exhaust pipes using scientific codes to ensure that all pipes have a unique number code and are linked to our systems for timely tracking of waste emission concentrations. We plan to gradually implement this framework at all campuses to form a scientific exhaust pipe management system.</p>
<p>Waste emission treatment : Diverse processes</p>	<p>Analysis of our survey results show that the Group's main waste emissions come from cleaning, spraying, dispensing, and other manufacturing processes.</p>  <ul style="list-style-type: none"> <li><span style="color: green;">■</span> RTO</li> <li><span style="color: orange;">■</span> Dosing + Washing</li> <li><span style="color: blue;">■</span> Ultrasonic Tunnel Cleaning</li> <li><span style="color: yellow;">■</span> other</li> <li><span style="color: purple;">■</span> absorption</li> </ul>
<p>Enhancing treatment efficiency : Multi-stage processing</p>	<p>In order to improve the treatment efficiency of waste emissions, we implement multi-stage treatments for different processes using composite treatment measures that can be adjusted flexibly based on the components of different waste emissions for better adaption to actual emissions treatment conditions.</p>

### Innovative measures : Smart environmental protection monitoring platform

The Group has created a smart environmental protection monitoring platform to establish a real-time monitoring mechanism that meets government requirements and lowers disaster risks. The platform enables centralized information monitoring, real-time monitoring of air quality, instant notifications and feedback for abnormality handling, risk classifications, and creation of visual maps.

The environmental protection monitoring platform is composed of a sensor layer, a data integration layer, and decision-making layer. All three layers are intertwined and complement each other. With the help of this smart environmental protection monitoring platform, we are able to compile environmental protection information, manage different classifications of environmental pollution risks, implement digital audits and real-time warnings to reduce environmental impacts, effectively control pollution, intelligently track carbon emissions, and display emission concentration changes in an intuitive manner.





# Chemicals Management

Employee health and safety is the foundation of the Group. We strictly abide by chemical safety regulations of all local governments and client requirements related to restricted substances. We monitor all processes and adhere to the five-noes principle of "no design, no procurement, no inputs, no manufacturing, no outputs." We classify and manage chemical substances used in production and operational processes, and work to minimize reductions, control, and eliminate impacts of hazardous substances on employee health and safety as we move toward our goal of "zero hazards and zero pollution."

No chemical leakages or other related incidents occurred in 2022.



## Chemical Management Regulations

The Group strictly abides by 23 international regulations and national standards in China, including the 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); AfPS GS 2019 : 01 PAK (PAH); California Proposition 65; Limits for Volatile Organic Compounds Content in Cleaning Agents; Limit of Volatile Organic Compounds Content in Adhesive, and 23 projects of Chinese national standards.

To effectively control chemical usage, the Group has established a Chemical Management Committee to coordinate chemical management tasks within the Group, including :

- Dynamic adherence with environmental protection/health laws and regulations/standards of different countries as well as regular review of compliance with chemical regulations so internal regulations can be updated in a timely manner.
- Active responses to client proposals regarding chemical substance management that exceed legal regulations to ensure that our products adhere to client requirements.
- Formulated a series of internal bylaws, including "Specification for Hazardous Substances and Materials Management," "Chemical/Substances Management System Regulations," "Chemicals/Substances Registration Management Regulations," "Chemicals/Substances Risk Assessment Regulations," "Chemicals/Substances Classification and Management Regulations," "Chemicals/Substances Replacement Management Regulations," "Hazardous Chemicals Safety Management Regulations," and "Process Safety

Assessments and Verification Implementation Management Regulations" to incorporate risk controls throughout our product life cycles and provide comprehensive protections for safe chemical usage to manufacture safe and reliable products.

- Formulated and released prohibited, restricted, and controlled chemicals lists.
- Conducted comprehensive inventory of all chemicals used in production processes, non-production processes (including wastewater management, operating equipment and facilities, cleaning procedures, and so on), and laboratories, and implement unified management of chemical purposes, usage volumes, types, hazard levels, and content information.
- Established an audit team which conducts annual audits of chemical usage and replacement conditions in all campuses around the world (no fewer than three audits a year for Chinese campuses, no fewer than one audit a year for European and American campuses, and no fewer than two audits a year for other campuses), closely monitors implementations by all units, ensures compliance of chemical usage, records non-compliance and hidden danger items in our electronic management system, requires corrections within specific time limits, and conducts reviews following said time limits.

Established "Chemical and Substance Control List" based on related regulations, client requirements, and the Group's self-conducted risk assessment results.

- Inclusion in the Prohibited List : immediate phase-out
- Inclusion in the restriction list : confirm whether the restriction conditions are met, and replace if not.
- Inclusion in the control/monitoring list : to strengthen the use control and gradually implement the phase-out plan

We have identified 100% of the chemicals used, proactively managed hazardous substances and deployed elimination plans in advance for substances under restriction/monitoring. In addition, we will regularly disclose the "Hazardous Substances Improvement Checklist" on the Company's official website.

## Hazardous Substances Replacement Progress and Achievements in 2022

Improvement methods include substance replacement (using no/low-hazard substances to replace high-hazard substances) and process changes, including

Replaced Substances	Replacement Achievements	Completion Time
Paint remover	Dichloromethane is harmful to human health	February 2022
Fungicides	Fungicides used for wastewater treatment contain PCP, which is harmful to human health	April 2022
Used FSA-C-03 detergent to replace FSA-C-01	Cleaning processes use detergents that contain boron, which can poison humans if accumulated. We therefore replaced these agents with boron-free FSA-C-03.	April 2022
Used FTY-C01 surfactant to replace Ram-HZ	The surfactant used for anode processes contained the SVHC substance polyoxyethylene ether. We therefore replaced it with the non-SVHC surfactant FTY-C01 to lower exposure risks of anode personnel and reduce environmental pollution	November 2022
Replaced BTEX chemicals	Our PCBA processes use the UV glue PC-40 which contains toluene and xylene, substances that are harmful to human health. We therefore replaced it with NG T7 to reduce occupational health hazards.	April 2022
Used EC326 detergent to replace acetone	Dispensing stations use acetone (a class A or B, flammable, and explosive substance with a low flash point) for cleaning, which carries a high explosive risk. We therefore used EC326, a class C non-flammable detergent, to replace this class A/B detergent.	May 2022
Used a copper surface micro-etching solution to replace sulfuric acid and hydrogen peroxide mixture	PCB pre-processing procedures use sulfuric acid, a high-risk precursor chemical, which we replaced with a copper surface micro-etching solution which contains 15% sulfuric acid, greatly lowering risks compared with the original formula.	September 2022
Used carbon dioxide foaming machines to replace ST-710 detergent	Used eco-friendly carbon dioxide foaming machines to clean production materials, replacing ethylene glycol ether solutions, resulting in no solvent residuals and no secondary pollution.	October 2022

## VOC Reduction Actions in 2022

We formulated reduction plans for VOCs used in production processes (detergents, coating agents, adhesives, and inks) and promoted use of water-based detergents, water-based coating agents, UV coating agents, hot-melt adhesives, UV inks, and other eco-friendly solvents. We encourage use of solvents with environmental certification labels to reduce generation of VOCs at the source, including

VOC Reductions	Reduction Achievements
Replacement of flux agents	Used the methanol-free F6812 flux agent to replace EF-6103, lowering methanol content from 38.1% to 0%.
Lowered VOCs in covered production lines	Ink production requires A/B agents with respective VOC emission rates of 8.7% and 3.3%. We replaced these agents with water-based UV eco-friendly inks, lowering overall VOC emission rates to 3.7%.
Used cutting fluid to replace cutting oil	Replaced flammable, oil-based cutting oil used in CNC processing procedures with non-flammable, water-based cutting fluid to eliminate fire hazards and reduce VOC emissions, and promoted use of this agent to all campuses with CNC processing procedures.

Chemical inventory results over past three years :

Year	Production use/tons	Non-production use/tons	Laboratory use/tons	Total usage/tons
2020 年	/	/	/	106,556
2021 年	102,061	35,598	22	137,681
2022 年	92,312	44,766	66	137,144

Note : The figures for 2020 only included data from China; figures for 2021 and 2022 included global data.

In February 2023, the EU released an amendment to the POPs Regulation which included PFHxS in Attachment I, Section A of said Regulation. This amendment would take effect 20 days after being passed, and would increase the number of POPs prohibited/restricted substances from 28 items to 29 items. The Group completed inventory of raw materials in March 2023, meeting these regulations ahead of schedule.

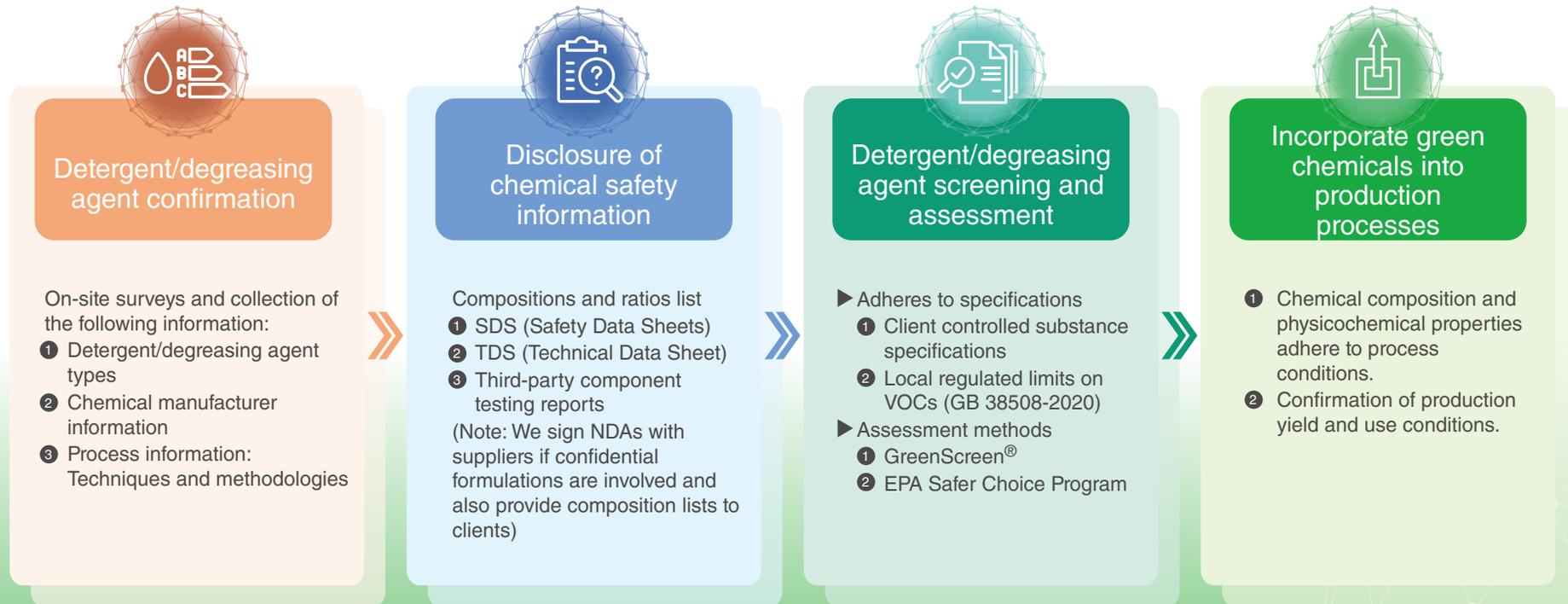
ECHA officially released the 28th batch of 9 SVHC items on its corporate website in February 2023. We will continue to track and keep informed of regulatory updates, and incorporate these new substances into the Group's existing list of controlled substances.

## Source Management : Green Chemicals

The Group collaborated with clients to increase transparent disclosures of chemical composition and safe chemical usage. 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.



### Project Implementation Schedule



### Case Study

In March 2022, the Group initiated the "Green Chemical" project at the Chengdu Campus and conducted comprehensive investigation and composition analysis of all seven detergents and degreasing agents used in a product process, then assessed their impacts on human health, the environment, and safety. The project lasted for eight months (including the introductory technical verification stage), following which we replaced one anode cleaning and degreasing agent with a safer and green chemical agent (HW-10104), which was officially introduced into production process in November. (This chemical agent passed campus evaluations, and can also be used for stamping and CNC cleaning processes.)

# Management of Hazardous Substance Life Cycles

## 1. Design



We adhere to green design concepts and comply with the "General Guidelines for Product Eco-Friendly Designs" and "General Guidelines for Eco-Friendly Product Design Evaluations." Our eco-friendly product designs adhere to the four main requirements of "harm-free, energy-saving, waste reduction, and easy to recycle." During the product design and development stages, we systemically consider the environmental/health impacts of all stages from selection of raw materials, production, sales, use, recycling, and treatment; minimize use of materials containing toxic and hazardous substances; reduce generated and discharged pollutants; and strive to minimize product environmental/health impacts.

## 4. Assessment



We have established the "Chemicals/Substances Risk Assessment Regulations" and require all units to form professional risk assessment teams composed of members from the industrial safety management, production, and product development departments. We conduct at least one comprehensive risk assessment of all chemicals each year and adopt corresponding control measures based on risk grades to maintain risks within acceptable levels.

We determine hazard groups, dispersion conditions, and usage of existing chemicals to confirm risk grades and corresponding management methods. New chemicals are required to undergo the procedures listed in the "Chemicals/Substances Registration Management Regulations" to confirm that they comply with the Group's controlled hazardous substances list, following which we conduct risk assessments.

Risk levels	Management Measures
Grade 1	Overall air exchange procedures; access control for non-essential personnel
Grade 2	Process controls such as partial air exchanges/ventilation; access control for non-essential personnel
Grade 3	Segregation, including containment processes, planning of operational spaces, area identification; access allowed for trained essential labor
Grade 4	Reference occupational safety management documents established by the International Labour Organization or other countries, and establish specific management methods complying with expert guidance

Note : Grade 4 chemicals have been included in the Group's "Controlled Chemical Substances List"

## 2. Procurement



To ensure "no procurement" of materials with hazardous substances, the Group formulated the "Green Procurement Management Manual" and "Supplier Management Manual," and also used our hazardous chemical management platform to incorporate green product management requirements into all supplier management processes.

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. We also require our suppliers to submit the "Environmental Management Substance Composition or Component Breakdown Form" and declare the hazardous substances contained within products or components. EU RoHS 10 controlled substance directives require suppliers to submit periodically updated third-party test reports for corresponding materials, which must also pass Group verification.

## 5. Use



We register all chemicals used in production and non-production processes to manage their hazard characteristics. New or updated chemicals with uncertain hazard properties are required to undergo comprehensive safety assessments; classification, labeling, and segregated management of eco-friendly materials and equipment; and compliance confirmation of hazardous substances to prevent production of non-eco-friendly products.

Operational sites for hazardous chemicals reference relevant FM standards, and we have established special storage cabinets and anti-leakage measures. Chemical use strictly adheres to standard operating procedures, and we have established emergency drills and on-site disposal plans to ensure employee health and safety.

## 3. Registration



The Group adhered to the "Global Chemical Unified Classification and Labeling Regulations," "Chemical Classification and Management Manual," and "Guidelines for Registration of Existing Chemical Substances," and other industry standards/regulations in formulating our internal "Chemicals/Substances Registration Management Regulations" and we also referenced RoHS, REACH, TSCA, POPs, and other international chemical control regulations to formulate the Group's controlled chemicals lists (prohibited substances list, restricted substances list, and controlled substances list). Chemicals that enter campuses are strictly reviewed, classified, and managed, and we also establish corresponding disposal processes.

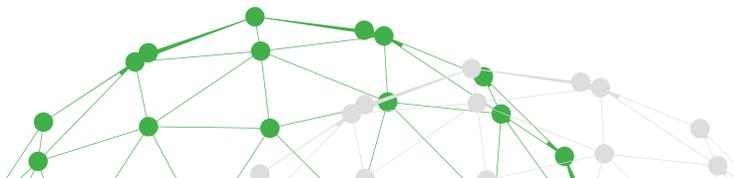
## 6. Outputs



The Group has established a large-scale testing institute with 24 professional laboratories in different fields and 8 branch institutes. Our chemical analysis laboratory is responsible for testing and verification of hazardous substances. The lab is equipped with more than 50 types of chemical analysis equipment (including ICP-MS, ICP-OES, GCMS, PYGCMS, and LCMSMS equipment). The lab obtained CNAS certification in 2006 and also has testing capabilities for RoHS2.0, REACH, halogen, VOCs, and other hazardous substances.

Since its founding, the lab has completed more than 500,000 tests of hazardous substances and assisted business units in monitoring chemicals used in all processes from material selection, material inputs, manufacturing processes, finished products, wastewater, waste emissions, and treatment of solid wastes to protect the health and safety of personnel working on Group materials, products, and waste, and also to ensure that all processes adhere to environmental requirements.

The Group has initiated inventories of materials used in end products. In 2022, 100% of products adhered to RoHS controls, of which 94% have obtained testing reports and 6% of products adhere to client requirements. Additionally, 100% of products adhere to Group REACH controls, of which 17% have obtained testing reports, 16% adhere to client requirements, and 67% have submitted applications to be verified for non-hazardous substances. Furthermore, current information and data obtained from our business groups confirm that Group products contain less than 0.1% of SVHC substances. Detailed inventory reports and product SVHC information have been released on our corporate website.





## IECQ QC080000 Hazardous Substance Process Management System Requirements

The Group used ISO9001 as a foundation for promoting establishment of the IECQ QC080000 Hazardous Substance Process Management System Requirements, ensuring that management of all hazardous substances used in products from client proposals to finished goods have been controlled, enabling us to achieve Hazardous Substance Free (HSF) status.

As of the end of the reporting period, the Group's 26 subsidiaries have obtained IECQ QC080000 system verification, and we continue to promote this management system at our other subsidiaries.



## Chemical Safety and Technical Data Sheet Review

To ensure effective and accurate audits of chemical information, the Group requires suppliers to submit REACH SVHC declaration forms, environmental management substance compositions, and component forms, as well as complete and correct chemical SDS documents. Suppliers are also required to undergo third-level audits for specific items conducted by business group product development departments, business group industrial safety departments, and the Group's central industrial safety department. We use information technologies to collect/review chemical SDS documents, accurately grasp chemical hazard properties and compositions, and provide data to support graded management of chemicals. The Group requires suppliers to update SDS documents once every three years (or within a month if substance classification labels change) and undergo third-level audits conducted by business group product development departments, business groups, and the Group's central industrial safety department prior to initiating use.

The Group is also developing an SDS digital collection platform which used the same material numbers as our procurement systems, allowing us to keep informed of all material compositions and hazard properties.



## Personnel Cultivation and Corporate Culture

To strengthen employees and contractors understanding of chemicals, the Group formulates detailed training plans each year and continues to invest in chemical safety training for employees and contractors encompassing green material management policies, client requirements, and implementation requirements for the latest laws and regulations. We organized 724 hours of training associated with chemicals in 2022. 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.



## Improve Innovation Evaluations and Promotions

We encourage all units to actively replace/reduce use of hazardous substances and enhance management of hazardous substances. The Group has established incentive and assessment mechanisms based on professional, technical, and promotional indicators. In 2022, we received 63 outstanding innovative improvement proposals from our campuses around the world and distributed 46,030 NTD in rewards. Outstanding cases were shared with all units worldwide.

### Improvement Proposals

#### Replacing alcohol with UV sterilizers to clean IC chips

Some products require IC surfaces to be cleaned before coating. Currently, cleaning processes are implemented manually using paper towels and alcohol. However, accidents occur easily as alcohol is flammable and explosive. We use UV sterilizers and ultraviolet cleansing in accordance with product quality needs to reduce risks of ignition and explosion, use of chemicals, and even manufacturing costs. We estimate that we save 770,000 NTD each month in manpower and material costs, amounting to a total of 9.24 million NTD each year.



before improvement  
artificial alcohol test



Improvement plan  
UV furnace ultraviolet disinfection  
instead of artificial alcohol wiping

#### Reductions of cleaning chemicals for molds

Chemicals are used for routine mold repair, maintenance, and cleaning. Due to the large quantities of molds involved, we use large amounts of chemicals which impact operational environments and endanger personnel health.

We therefore implemented oil-free lubrication technologies. Mold components are made of high-strength copper alloys and graphite materials rather than high-carbon chromium bearing steel materials. The surfaces of thimbles and other moving parts are covered with titanium coating to enhance wear resistance and eliminate the need for oiling during use, thereby reducing monthly chemical usage volumes from 36 bottles to 2 bottles, achieving a reduction rate of 94.4%.

## External Collaborations to Strengthen Industrial Actions

### Collaborations with External Industry Associations

In addition to pioneering use of green chemicals, the Group also actively cooperates with external industry associations to establish industry standards based on our own experiences. In March 2021, we were invited by our clients to work with other international enterprises and the IPC in formulating the Standard for Green Cleaners Used in Electronics Manufacturing (IPC-1402), which was released on November 1, 2022. The new standard is mainly focused on regulation of detergents/degreasing agents and cleaning chemicals used in electronics manufacturing processes, providing a standard that adheres to environmental, health, and safety requirements.

### Online Supplier Seminars

In June 2022, the Group's General Procurement Division convened the "Green Product Management Conference," guiding 276 Group suppliers in organizing systemic training on chemical regulations.

In March 2022, the Group invited 64 suppliers to participate in the "Green Supply and Sustainable Development Policies and Requirements Conference" to promote the Group's carbon neutral, zero waste, and green product policies and requirements.

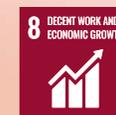


# 6 Social Contribution, Win-Win Strategy

Support for the Disadvantaged  
Technology Education  
Sports Sponsorship  
Community Engagement and Contributions

Key stakeholders :

Employees  
NGOs  
Media





## Management Approach



### Meaning to the Group

- The Group believes in "caring for local communities to build a hopeful future." 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 social responsibilities of the Group.



### 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.



### Evaluation Mechanisms

- We host annual management review meetings. Following discussions with collaborating partners and relevant social welfare units, we incorporate internal and external feedback into our reviews to refine subsequent events, and discuss effective ways to deploy resources and expand the depth and breadth of our social influence.

## Social Influence of the Group

Examine Internal and External Needs	Assess the Professional Capabilities and Resources of the Group	Axis Items	Targets	Social Influence
<ul style="list-style-type: none"> <li>• United Nations Sustainable Development Goals (SDGs)</li> <li>• Hon Hai Sustainable Management Policy</li> <li>• Actual needs of society</li> </ul>	<ul style="list-style-type: none"> <li>• Total funding of 118 million NTD in 2022</li> <li>• Regular annual reviews of all projects for continuous optimization and improvement</li> </ul>	 <p>Support for the disadvantaged</p>	<p>Increase education levels for disadvantaged groups to assist them in tapping their unlimited potential and in moving forward with their dreams and aspirations.</p>	<ul style="list-style-type: none"> <li>• In 2022, the Foxconn Scholarship Program awarded a total of 54.78 million NTD to 2,093 students to assist them in their studies.</li> <li>• Organized the Hung Hai Starlight Program to light up a bright sky for underprivileged children.</li> <li>• In 2022, the Taiwan Hope Primary School tutoring classes for disadvantaged students provided instruction for around 8,500 people.</li> <li>• Organized after-school classes and English classes for disadvantaged students with hearing impairments.</li> <li>• Organized the Word Therapy Program to assist wayward youth at Hsinchu Chengjheng High School, helping them to find strength through words as they explored their inner needs.</li> <li>• Supported the Jiamei Care Association and provided multiple learning channels for junior high school dropouts, helping them obtain certificates, return to school, and advance to high school.</li> <li>• Supported the Agape Love and SST Caring Program for Youth in helping to provide placements and care for disadvantaged students with dysfunctional families and psychological trauma.</li> <li>• Supported the Silver Grass Cultural and Creative Association charity tour and the KIST intensive summer English course to provide learning resources for disadvantaged children.</li> </ul>
		 <p>Technology Education</p>	<p>Provide advance preparation for novel technology education based on global trends observed by the Group to strengthen the science capabilities of the next generation.</p>	<ul style="list-style-type: none"> <li>• Organized the Foxconn Technology Awards to cultivate more technology talent, awarding 18 winners with 250,000 NTD each and an internship at the Group.</li> <li>• Organized a series of AI themed activities to strengthen urban and rural AI education standards, including seed teacher coaching camps, training camps for rural junior high schools, promotion of high school micro-courses, and AI interactive technology platforms.</li> <li>• Published Studios League : Quantum Crisis, the first quantum manga in Taiwan, and hosted a camp for high school students to lay the foundation for quantum education in Taiwan.</li> <li>• Organized multidimensional local and international competitions that received wide acclaim to cultivate the temperament and skills needed to face future challenges.</li> </ul>
		 <p>Support for Sports</p>	<p>Provide systematic long-term training to cultivate outstanding young athletes who can compete on a global stage.</p>	<ul style="list-style-type: none"> <li>• Supported the Yucheng Senior High School Boxing Team and facilitated the cultivation and training of more outstanding talent. Continued to implement our 10-Year Table Tennis Seed Project to support Team Taiwan athletes.</li> <li>• Achieved a stellar record of medals and awards in international competitions.</li> </ul>
		 <p>Social Contributions</p>	<p>Contributed to surrounding communities in the spirit of giving back to society.</p>	<ul style="list-style-type: none"> <li>• Focused on communities around Group campuses and organized 6+1 (cleaning assistance, disability assistance, transportation assistance, medical assistance, learning assistance, legal assistance, and happiness projects) community activities.</li> </ul>



# 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.

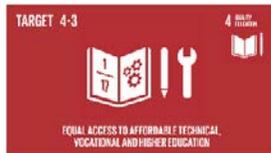


## Solutions Provided by the Group

The Group works to provide assistance directly to those in need, as well as support local front-line groups 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



# Agape Love and SST Caring for Youth Projects

The Taichung Municipal Shan-Shui Primary and Secondary School is the first residential placement school among the newly established alternative education schools in Taiwan, and specializes in the care of students who dropped out of school due to dysfunctional family situations (single-parent families, skipped-generation families, or other disadvantages), or students unable to receive adequate care due to single-parent or intergenerational upbringing, leading to a detrimental impact on learning. Students live and study at the institute, and are guided in returning to conventional schooling as soon as possible. It is necessary to hire professional counselors to provide year-round professional psychological counseling and help for these traumatized and high-risk students.

# Silver Grass Cultural and Creative Association Charity Tour

The Group supported the Silver Grass Cultural and Creative Association's charity tour of rural regions lacking in art and cultural resources. For many children in rural areas, this was the first arts performance they had seen, which opened up their imaginations and created endless possibilities. In 2022, the Silver Grass Cultural and Creative Association performed 37 shows around Taiwan, including at rural elementary schools in Orchid Island, Green Island, Kinmen, and Penghu. The total number of spectators reached 2,341 people.

# KIST Intensive Summer English Course

We collaborated with the KIST Chengzhi Education Foundation to organize summer English workshops at four junior high schools. All participants came from low-income, single-parent, or skipped-generation families. In 2022, a total of 62 disadvantaged schoolchildren from rural regions received one-on-one online English tutoring and presented a self-produced talk show in English at the end of the semester. These students had no one at home to help them with their schoolwork and found it hard to keep up in class. Their fundamental English abilities were also poor compared with their urban peers, so they urgently needed to attend remedial classes during the summer. The Group helped these disadvantaged children so that they were no longer afraid of learning English. After the intensive summer English course, 98% of students stated that their English had improved.



## Foxconn Scholarship Program



### Naming and origins of the Foxconn Whale 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 scholarship program the Foxconn Whale Scholarship Program, as it represents the "whale" as well as the "ocean" concept contained in the Hon Hai name, providing 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.

SDG1 and SDG4 are the key focus areas for the Foxconn Whale Scholarship. It aims to assist economically disadvantaged young students in pursuing their education with peace of mind and concentration. Hon Hai does not restrict eligibility based on government-issued certificates for low-income or middle-to-low-income households. Instead, if there is a fair third-party recommendation to assist with certification, Foxconn Whale Scholarship is open to accepting applications.

In 2022, we expanded the scope and reward amounts for the sixth year of the Foxconn Scholarship Program, providing support for more targets, expanding our scope, and increasing our reward amounts. Elementary school, junior high school, and high school students can now apply for our scholarships, and we increased the number of recipients to 2,093 people a year from several hundred people a year. Total scholarship amounts increased from 40 million NTD to 54.78 million NTD, making us the biggest scholarship program in Taiwan.

### Quadruple Significance Levels of the Foxconn Scholarship Program

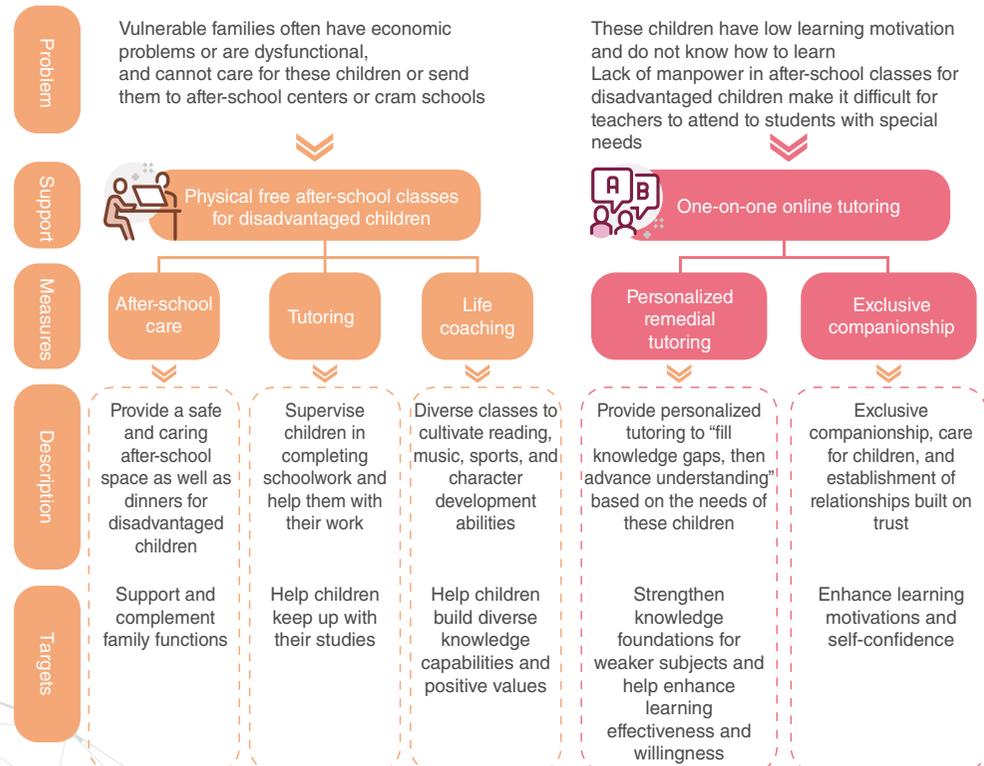
Recipients	1. Not simply giving fish	2. Bringing together comrades	3. And providing a means to set sail
 College students (Whale)	We provided scholarships to reduce the heavy financial burden of students, allowing them to reduce part-time work and focus more time and efforts on their studies and dreams.	Set up Facebook and LINE groups : We set up Facebook and LINE groups for college recipients so that they could share their thoughts with others who understood them and assist each other as they pursue their dreams.	Provided linkages with scholarship judges and resources across society, including priority enrollment at Foxconn and other renowned brands, giving recipients more chances to sail toward the blue oceans.
 elementary, junior high, and high schools Students (Junior whale)	Enabling secondary and elementary school students to enjoy normal school lives without worrying about money	Organized motivational sharing sessions for elementary and secondary school winners, enhancing the courage and confidence of scholarship recipients, and helping them become self-reliant in future	Secondary and elementary school students successfully pursue further education, explore opportunities, chase their dreams, and conquer new frontiers.



## Hon Hai Starlight Program

There are many disadvantaged children in Taiwan who are alone in their homes after school, or who are home with adults that cannot offer them guidance with their homework, which can cause them to fall behind in their studies and eventually give up studying. To help these disadvantaged children with their schoolwork so they could turn their lives around through education, we launched the "2022 Hon Hai Starlight Program."

The Starlight Program has two major features. Firstly, it supports locations for after-school classes so that disadvantaged children have a place to go after school where they can eat dinner and obtain help with their schoolwork. Secondly, we provide "one-on-one online tutoring" as children who are behind in their studies often do not understand what they are being taught in class but are too afraid to ask questions. These dedicated one-on-one teachers let the children ask as many questions as they needed, filling knowledge gaps before furthering their understanding. This program provides disadvantaged children with exclusive tutors so they can change their lives through education and realize their dreams.



The 2022 Hon Hai Starlight Program worked with 17 after-school care units in seven regions (Hualien, Taitung, Keelung, New Taipei City, Changhua, Yunlin, and Kaohsiung), assisting 228 disadvantaged elementary and junior high school students in 2022, including 116 schoolchildren who participated in online one-on-one tutoring.

Online classes often lack warmth and require familiarity with technical controls. We therefore organized a meet-and-greet activity prior to the classes so that the teachers and students could establish emotional connections through face-to-face interactions. We also set up online after-school groups and teacher groups for each location, facilitating timely communications regarding the children between online and offline teachers. These groups also provided a platform for teacher sharing and support.



▲ Meet-and-greet event : 2022 Starlight Meet-and-Greet



We encourage online students to study diligently and have established learning targets. Students with perfect attendance, score improvements of 20 points or more, or those who rank at the first or second place in their class are given award certificates and scholarships after final exams to motivate them to work harder and maintain their good grades. Apart from donating funds to tutoring locations, we also invited volunteers from Hon Hai to serve as online tutors.

Of the 116 students who received online tutoring, 22 students achieved score improvements of 20 points or more on a single subject. Not every child displayed dramatic changes in their scores, but most children felt that they had made progress.



**Achievements-Children (101 schoolchildren)**

Proportion of children who felt that their grades on a subject had improved	Chinese 66%	English 50%	Mathematics 71%
Attitude	I like online tutoring 88%	I like my online tutor 92%	I have become more interested in learning 77%

Cards handwritten by children in this program : Cards & videos of online tutoring

We invited external experts to host teacher training and empowerment courses from time to time to supplement the professional knowledge of online and on-site teachers, and also explain teaching methods and coping strategies. Every semester, we organize sharing sessions between on-site and online teachers which reinvigorate teachers, enable them to learn from each other, and utilize different teaching techniques in the classroom.

Many on-site teachers stated that it is difficult to recruit new teachers in rural areas, and therefore one-on-one online teaching resources helped to lighten their workloads and stress, enabling them to focus on the physical needs of younger or special children who require on-site assistance.

**Teacher Feedback**

**75%** Online tutoring helped the children feel more confident

**79%** The children enjoyed online tutoring

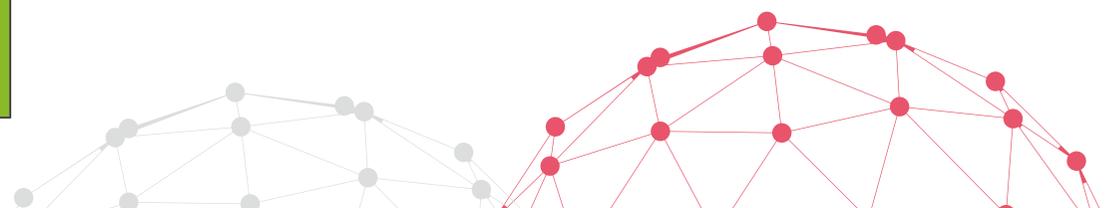
**79%** Online tutoring helped the children with remedial learning

**88%** Online tutoring was beneficial in enhancing learning motivations and attitudes

Feedback from both students and teachers strengthened our belief that everyone has unlimited potential. The children did not know how to change, but were able to change due to the care we provided. We hope that the opportunities of these children are not limited by their family situations. The Starlight Program aims to help all disadvantaged children achieve better futures.



▲ Online tutoring classes





## Taiwan Hope Primary School

Taiwan Hope Elementary School was founded more than ten years ago to help schoolchildren overcome their environmental limitations by building upon past experiences in combination with new frameworks to provide a dual-track tutoring system that encompasses social workers and educators. Our professional after-school team includes tutors, social workers, and educators who provide long-term and stable tutoring and companionship to aid learning in these children. This learning process not only helps the children progress in their studies, but also provides diverse extracurricular educational environments through peer interaction, teacher-student relations, and participation in activities, achieving education equality, popularization, and diversity.

In 2022, the YongLin-Hon Hai Taiwan Hope Elementary School project for underprivileged students established Hope Branch Schools at 13 universities across Taiwan and one private institution. Additionally, an instructional accreditation and research center was established to develop teaching materials, provide teacher training, and promote diverse curriculum through regional resource centers. This initiative aims to comprehensively implement educational principles.



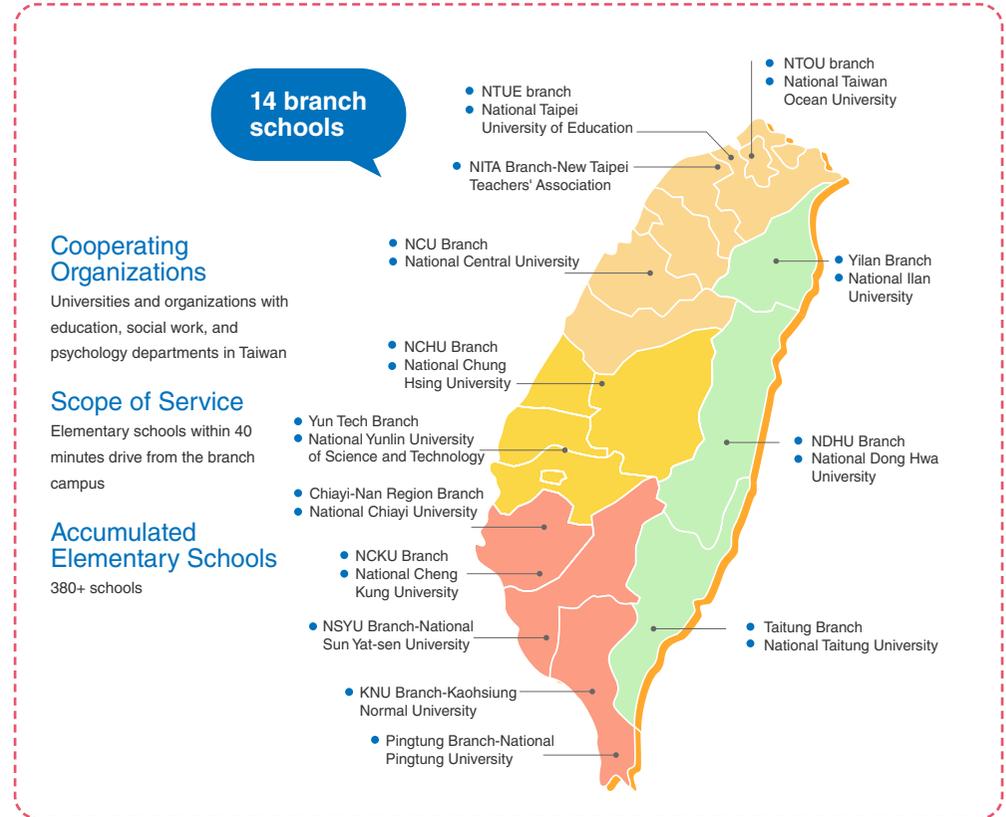
Introductory Video of Hope Primary School



[Hope Primary School](#)

### Teaching Results

Annual number of supported students	Around 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



▲ 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.



## After-School Classes and English Classes for Disadvantaged Students with Hearing Impairments

Social and educational resources for the hearing impaired are relatively scarce for children older than 0-6 years old after early intervention. To support education of hearing-impaired children from disadvantaged families, the Group worked with the Dandelion Hearing & Language Association to organize remedial classes for elementary and junior high school schoolchildren with hearing impairments so that they could achieve better lives through education without being restricted by their hearing disabilities. We assisted a total of 238 people in 2022.

### Word Therapy Program

The Word Therapy Program was established to assist wayward youth in strengthening their psychological capabilities, learning to express themselves, and enhancing interpersonal skills through adventure activities, rhythmic body movements, creative art and writing workshops, and social dramas so that they can obtain warmth and love within a group. In 2022, 10 students from Chengcheng High School participated in this course and gradually changed their lives. We hope that they can face future challenges on their life journeys with new choices and practices, and work to create a brand new version of themselves.

## Jiamei Care Association Project

We guided disadvantaged junior high school dropouts in returning to school through our "Professional Certification Course" and "Rural Training Course" so they could complete their middle school education. We also helped these students obtain multiple certificates to better their employment prospects.

In 2022, students in our "Professional Certification Course" obtained 4 floral art certificates, 1 barista certificate, and 5 intermediate Pastel Nagomi Art certificates.

Our "Rural Training Course" worked with junior high schools lacking in resources. The school counselor offices recommended students who were close to dropping out of school, students with special needs, disadvantaged students, and disabled students to participate in our youth gardener therapy camp. We worked with 7 rural schools over the course of the year and assisted 36 students.

The Group has supported this program for three consecutive years, allowing the association to continue implementing its philosophies. We were awarded the 2022 National Award for National Outstanding Dropout Tutoring Units following nomination by the Kaohsiung Education Bureau.





# 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 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



# Foxconn Technology Awards

The number of applicants to graduate 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 graduate 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, LEO satellites, information security, and quantum computers. The award was originally set up for 15 recipients, but was later expanded to 18 recipients due to the large volume of applicants, with an award of 250,000 NTD given to each award winner. In addition, winners could undergo an internship at the Group to gain valuable practical experience in the industry.

Three of the first winners in 2022 successfully obtained internships or employment at the Group. Yuming Huang, who had been studying at National Yang Ming Chiao Tung University when he received the award, stated that he had learned a lot during his internship, especially as he had published many papers in international journals (including the top optoelectronics journal Photonics Research) with researchers at the Hon Hai Research Institute, which were very valuable experiences and achievements for him.



# AI Workshops for Rural Secondary Schools

The Group has organized workshops at ten rural secondary schools across Taiwan that use the manga, Studious 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. We also organized a "Pandemic Control Raiders Learning Evaluation Competition" following these workshops, providing a means for students to self-assess their capabilities, as well as a stage for them to showcase the fruits of their learning, which also gave them a goal that motivated them to learn.

In 2022, we assisted five schools which had participated in these workshops to form social clubs that rooted technology education in daily life. We helped four junior high schools set up new clubs and helped one school strengthen an existing club. The Foxconn Education Foundation sponsored equipment used for training as well as training for teachers to enhance their capabilities. We encouraged the students to participate in various competitions and helped interested students continue to learn after the workshops had concluded.



## 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 in 2022. At least ten schools offered 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. In 2022, 9 schools offered multiple elective courses and 14 schools offered mini-courses to a total of almost a thousand students.

## Junior High School AI Seed Teacher Training Camp

In the new era of artificial intelligence, teachers need to expand their knowledge and skills related to technology so that they can provide students with more materials for learning about AI and Internet of Things. The Group collaborated with the Taipei City and New Taipei City governments to invite creative teams in Taiwan with practical teaching experience to formulate teaching materials related to AI and lesson plans alongside information technology teachers in Taipei and New Taipei to create elective courses or information technology courses for junior high school students. These two cities organized 6 training camps and trained a total of 92 teachers. We aim to organize PAIA artificial intelligence mid-semester student courses at seven technology centers in 2023.

## First Quantum Manga in Taiwan

We released Taiwan's first AI manga in 2021 (Studios League : Battle of the AI Sun Kingdom) and worked Future plc to release a sequel in 2022, the first quantum science manga, Studios League : Quantum Crisis. This manga continued the adventures of the Studios League characters and cleverly incorporated quantum concepts and knowledge so that junior high school and even elementary school students could learn about quantum science by reading manga.

“Being unafraid is an important condition for children to be willing to learn. We hope that this manga allows children to easily learn about quantum science concepts and applications, inspiring their interest.” The Group hopes that learning through the entertainment provided by manga can plant a small seed in the hearts of these children which may sprout and thrive. Perhaps one day, a top quantum scientist will tell everyone that they were inspired by this manga.



## Summer Quantum Computing Camp for High School and Vocational School Students

2022 marks the third year of this camp. We selected 100 students to participate in online and in-person classes from 270 applicants. The courses covered included the history of quantum technology, fundamental quantum physics and mathematical principles, and differences in quantum and classical computing. We also helped students understand basic advantages and characteristics of quantum algorithms, quantum communication protocols, quantum transmission, quantum superposition, quantum entanglement, and quantum measurements through practice. The courses were designed and taught to give high school students a chance to clearly understand the advantages of quantum technology and provide them with fundamental knowledge.

## Support for AIGO Event

The Group offered three online AI courses (Introduction to AI, Basic Architecture of Neural Networks, and Image Recognition) and one practical course. A total of 1095 people from 126 high schools completed these courses. We also assigned corporate lecturers to talk about “Hon Hai EV Voice Recognition and User Experience,” explaining AI applications used in EVs to 98 outstanding students who had completed the courses.



AIGO for High School Students



## FRC Regional Robotics Competition

The FIRST Robotics Competition is the world's most challenging high school robotics competition, and is recognized by more than 100 universities around the world such as MIT and Harvard. Seven-week regional competitions are held around the world every February for around 100,000 high school students.

In the past, Taiwanese students wishing to participate in finals had to expend time and money to travel to other countries so they could join regional competitions to obtain their ticket for the final. However, the pandemic meant that competitors were unable to travel abroad for two years. Hon Hai worked with the New Taipei City government to host the first regional competitions in Taiwan so that students could compete for the final in Taiwan.

In March 2022, Foxconn Education Foundation and the New Taipei City government hosted the first New Taipei City x Hon Hai Regional FRC competition in Taiwan, and also held a special problem-solving event the night before the competition, inviting all team instructors to gather at Syntrend Creative Park to watch the live broadcast from USA as the topics were revealed. We also invited professors from National Taiwan University to brainstorm with experts.

The first regional FRC competition in Taiwan attracted 35 high school teams and more than 1,000 teachers. Four teams were selected to represent Taiwan at the final held in Houston. We provided training to these teams after the final to promote robotics and STEAM education, helping students learn from and collaborate with each other to jointly improve their skills.



## Chemistry Olympiad Exploration Camp and SCMS Training Camp

The Taiwan Normal University Department of Physics Alumni Association found that 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. Foxconn Education Foundation provided funds to reduce fees for disadvantaged students and enhance research quality (including recruitment of industry and academic instructors as well as enhancements in lab equipment). The director of the Hon Hai Research Institute Quantum School also gave a speech and interacted with students at the camp.



## Support for Sports

**Goals of the Group**

The Group has long been attentive of needs in society and listened to opinions from different groups. We hope to help children discover their own interests and skills so they can be their unique selves.

**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 boxers.

**Contributions to the SDGs by the Group**

TARGET 4-7

## Support for the Yucheng Senior High School Boxing Team

Around 80% of students on the Yucheng Senior High School Boxing Team come from disadvantaged families. Coach Hans Lin, who has invested more than 20 years of his time in the Boxing Team, often had to pay training or competition fees out of his own pocket, but cultivated many outstanding sportspeople. For example, Huang Hsiao Wen, a bronze medalist in the 2020 Olympics, was a member of the Yucheng Senior High School Boxing Team. 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. The Yucheng Senior High School Boxing Team participated in the national 2022 President's Cup Tournament and won 3 gold, 1 silver, and 6 bronze medals.

## 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. The 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.

Stage 1 (2013~2015)	Stage 2 (2016~2018)	Stage 3 (2019~2020)	Stage 4 (2021~2022)
Nurture elementary school players to become junior sportspeople.			
Nurture junior high school players to become youth (15 years old) sportspeople.			
Nurture high school players to become youth (18 years old) sportspeople.			
Nurture superior players to participate in the Taiwan team tryouts.	Nurture superior players to participate in the Taiwan team tryouts, with the aim of becoming adult sportspeople.		
Compete in international open matches to rise in the world rankings, with the aim of making the top 400.	Compete in international open matches to rise in the world rankings, with the aim of making the top 350.	Compete in international open matches to rise in the world rankings, with the aim of making the top 200.	Compete in international open matches to rise in the world rankings, with the aim of making the top 150.
Nurture players to compete for Taiwan in international matches.			

Support from the Foxconn Education Foundation has yielded remarkable results. We have completed all our targets for all four stages in advance. Our athletes have won bronze medals at the Taipei 2017 Summer Universiade, silver medals at the Napoli 2019 Summer Universiade, bronze medals at the Asia Championship, bronze medals at the World Junior Championships, gold medals at the Asia Junior Championships, and were selected to participate in the 2017 and 2019 World Table Tennis Championships.

In 2020, during the third stage, three of our athletes were selected to be members of the national team for 2021, making up a quarter of team members (or one-third of team members including Chuang Chih-Yuan), achieving outstanding results and invigorating the table tennis team. In the fourth stage, many of our young athletes achieved excellent results, including Yeh Yi-Tian, the youngest female player to be selected as a member of the national team, as well as other athletes who are working to participate in the 2024 Paris Olympics on behalf of the national team.



# Social Contributions

**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**

TARGET 1-2

ERADICATE POVERTY BY AT LEAST 50%

TARGET 1-4

EQUAL RIGHTS TO OWNERSHIP, BASIC SERVICES, TECHNOLOGY AND ECONOMIC RESOURCES

TARGET 1-3

IMPLEMENT SOCIAL PROTECTION SYSTEMS

TARGET 4-5

ELIMINATE ALL DISCRIMINATION IN EDUCATION

Service activities  
**694 sessions**

Volunteers  
**9,608 people**

Service hours  
**53,782 hours**

In the spirit of giving back to society, and to realize mutual prosperity within communities, the Group organized 6+1 (cleaning assistance, disability assistance, transportation assistance, medical assistance, learning assistance, legal assistance, and happiness projects) community activities for regions around campuses or those who needed these services.

Brand	Service Projects	Key Promotions
Cleaning assistance	Energy and carbon reduction Cleaning activities Disc recycling Waste classification	Promoted UL2799 Zero Waste to Landfill
Disability assistance	Ergonomic engineering Increase employment Enhance capabilities Humanistic care	Helped to promote ergonomic engineering
Transportation assistance	Direct traffic One helmet one belt Vehicle placement Promotion of traffic regulations	Promoted the idea of “Clearing fire lanes to protect lives”
Medical assistance	Epidemic prevention Health lectures Free clinics Blood drives	Established epidemic prevention volunteer services
Learning assistance	Hope Primary School School-enterprise exchanges Parent volunteers Care for children	Provided care to Hope Primary School and annual subsidies of 220,000 NTD to each school
Legal assistance	Fraud prevention Knowledge of Civil Code Legal aid Resident mediation	Promoted “Fraud Prevention for All”
Happiness projects	Polite phrases Civilized employees Good people and things Campus tours	Polite phrases “Hello, Please, Thank you, Sorry, Goodbye”



# 7

## Appendix

Appendix I : GRI Standard Reference

Appendix II : SASB Standard Comparison Table

Appendix III : Independent Assurance Statement

# Appendix I : GRI aStandard Reference

Statement of use :	Hon Hai Precision Industry Co., Ltd has reported in accordance with the GRI Standards for the period 2022/01/01 to 2022/12/31
GRI 1 used :	Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

Disclosure Number	Disclosure Title	Chapter	Omission/Note			Page
			Requirements for omission	Reason	Explanation	

▼ General Disclosures						
GRI 2 : General Disclosures 2021	Disclosure 2-1 Organizational details	Company Profile-Company Overview	-	-	-	P.7
	Disclosure 2-2 Entities included in the organization's sustainability reporting	About this Report	-	-	-	P.3
	Disclosure 2-3 Reporting period, frequency and contact point	About this Report	-	-	-	P.3
	Disclosure 2-4 Restatements of information	No rearrangement of information has occurred.	-	-	-	-
	Disclosure 2-5 External assurance	Appendix III – Independent Third-Party Assurance Statement	-	-	-	P.118
	Disclosure 2-6 Activities, value chain and other business relationships	Company Overview	-	-	-	P.3

Disclosure Number	Disclosure Title	Chapter	Omission/Note			Page
			Requirements for omission	Reason	Explanation	
GRI 2 : General Disclosures 2021	Disclosure 2-7 Employees	Chapter 2-Employee overview	-	-	-	P.44
	Disclosure 2-8 Workers who are not employees	Chapter 2-Employee overview	-	-	-	P.44
	Disclosure 2-9 Governance structure and composition	Chapter 1 : Corporate Governance-Group Structure and the Board of Directors Chapter 1-Sustainability Committee	-	-	-	P.20 P.35
	Disclosure 2-10 Nomination and selection of the highest governance body	Chapter 1 : Corporate Governance-Group Structure and the Board of Directors	-	-	-	P.21
	Disclosure 2-11 Chair of the highest governance body	Chapter 1 : Corporate Governance-Group Structure and the Board of Directors	-	-	-	P.20
	Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	Chapter 1-Sustainability Committee	-	-	-	P.35
	Disclosure 2-13 Delegation of responsibility for managing impacts	Chapter 1-Sustainability Committee	-	-	-	P.35
	Disclosure 2-14 Role of the highest governance body in sustainability reporting	Chapter 1-Sustainability Committee	-	-	-	P.35
	Disclosure 2-15 Conflicts of interest	Chapter 1 : Corporate Governance-Group Structure and the Board of Directors	-	-	-	P.20
	Disclosure 2-16 Communication of critical concern	2022 Annual Report, P.36	-	-	-	-



Disclosure Number	Disclosure Title	Chapter	Omission/Note			Page
			Requirements for omission	Reason	Explanation	
GRI 2 : General Disclosures 2021	Disclosure 2-17 Collective knowledge of the highest governance body	Chapter 1 : Corporate Governance-Group Structure and the Board of Directors	-	-	-	P.20
	Disclosure 2-18 Evaluation of the performance of the highest governance body	Chapter 1 : Corporate Governance-Group Structure and the Board of Directors	-	-	-	P.21
	Disclosure 2-19 Remuneration policies	Chapter 1 : Corporate Governance-Group Structure and the Board of Directors	-	-	-	P.21
	Disclosure 2-20 Process to determine remuneration	Chapter 1 : Corporate Governance-Group Structure and the Board of Directors	-	-	-	P.21
	Disclosure 2-21 Annual total compensation ratio	Chapter 2 : Compensation and Benefit	-	-	-	P.46
	Disclosure 2-22 Statement on sustainable development strategy	Letter from our Chairman	-	-	-	P.4
	Disclosure 2-23 Policy commitments	The Group's Corporate Social Responsibility (CSR) Code of Conduct	-	-	-	P.16
	Disclosure 2-24 Embedding policy commitments	The Group's Corporate Social Responsibility (CSR) Code of Conduct	-	-	-	P.16
	Disclosure 2-25 Processes to remediate negative impacts	Chapter 1 : Ethical Management - Group Code of Conduct	-	-	-	P.27

Disclosure Number	Disclosure Title	Chapter	Omission/Note			Page	
			Requirements for omission	Reason	Explanation		
GRI 2 : General Disclosures 2021	Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Chapter 1 : Ethical Management - Group Code of Conduct	-	-	-	P.27	
	Chapter 1 : Ethical Management - Group Code of Conduct	Disclosure 2-27 Compliance with laws and regulations	-	-	-	-	
	No major changes occurred during the reporting period						
	Disclosure 2-28 Membership 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、Responsible Business Alliance, (RBA)	-	-	-	-	
		Disclosure 2-29 Approach to stakeholder engagement	Chapter 1 : Stakeholder Identification, Communication, and Responsibilities	-	-	-	P.36
		Disclosure 2-30 Collective bargaining agreements	Chapter 2 : Protection of Employee Rights and Employees Satisfaction	-	-	-	P.47



Disclosure Number	Disclosure Title	Chapter	Omission/Note			Page
			Requirements for omission	Reason	Explanation	
<b>▼ Material Topics</b>						
GRI 3 : Material Topics 2021	Disclosure 3-1 Process to determine material topics	Scope of Material Issues and Materiality Analysis	-	-	-	P.39
	Disclosure 3-2 List of material topics	Scope of Material Issues and Materiality Analysis	-	-	-	P.39
<b>▼ Employee rights and diverse equality</b>						
GRI 3 : Material Topics 2021	Disclosure 3-3 Management of material topics	Chapter 2 : Diverse Inclusiveness, Employee Satisfaction	-	-	-	P.42
GRI 405 : Diversity and Equal Opportunity 2016	Disclosure 405-2 Ratio of basic remuneration of women to men	Chapter 2 : Compensation and Benefits	-	-	-	P.46
<b>▼ Information security and customer privacy</b>						
GRI 3 : Material Topics 2021	Disclosure 3-3 Management of material topics	Chapter 1 : Corporate Governance, Smart Innovation	-	-	-	P.19
GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 1 : Corporate Governance-Information Security Management	-	-	-	P.26
<b>▼ Climate change responses</b>						
GRI 3 : Material Topics 2021	Disclosure 3-3 Management of material topics	Chapter 5 : Green Solutions, Circular Economy	-	-	-	P.77
Self-defined topic	-	-	-	-	-	-

Disclosure Number	Disclosure Title	Chapter	Omission/Note			Page
			Requirements for omission	Reason	Explanation	
<b>▼ Occupational health and safety</b>						
GRI 3 : Material Topics 2021	Disclosure 3-3 Management of material topics	Chapter 3 : Healthy Workplace, Safety Adherence	-	-	-	P.55
GRI 403 : Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Chapter 3 : Healthy Workplace, Safety Adherence	-	-	-	P.56
		Chapter 3 : Occupational Health and Safety	-	-	-	P.56
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 3 : Occupational Health and Safety-Safety Audits and Risk Identification	-	-	-	P.57
		Chapter 3 : Occupational Health and Safety-Health and Safety Training and Drills	-	-	-	P.60
	Employees can voluntarily depart from work conditions they believe may result in injury or disease without repercussions.		-	-	-	-



Disclosure Number	Disclosure Title	Chapter	Omission/Note			Page
			Requirements for omission	Reason	Explanation	
GRI 403 : Occupational Health and Safety 2018	403-3 Occupational health services	Chapter 3 : Occupational Health and Safety- Safety Audits and Risk Identification	-	-	-	P.57
		Chapter 3 : Employee Health Promotion- Health Promotion Activities	-	-	-	P.61
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter 3 : Occupational Health and Safety	-	-	-	P.56
	403-5 Worker training on occupational health and safety	Chapter 3 : Occupational Health and Safety- Health and Safety Training and Drills	-	-	-	P.60
	403-6 Promotion of worker health	Chapter 3 : Employee Health Promotion	-	-	-	P.61
	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.57
		Chapter 3 : Occupational Health and Safety- Safety Innovations and Improvement Projects	-	-	-	P.59
	403-8 Workers covered by an occupational health and safety management system	Chapter 3 : Occupational Health and Safety	-	-	-	P.56

Disclosure Number	Disclosure Title	Chapter	Omission/Note			Page
			Requirements for omission	Reason	Explanation	
▼ Financial performance						
GRI 3 : Material Topics 2021	Disclosure 3-3 Management of material topics	Chapter 1 : Corporate Governance, Smart Innovation	-	-	-	P.19
GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed	Chapter 1 : Corporate Governance- Financial Performance	-	-	-	P.22
▼ Ethical management and legal compliance						
GRI 3 : Material Topics 2021	Disclosure 3-3 Management of material topics	Chapter 1 : Corporate Governance, Smart Innovation	-	-	-	P.19
GRI 205 : Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Chapter 1 : Ethical Management	-	-	-	P.27
GRI 206 : Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Chapter 1 : Ethical Management	-	-	-	P.27
▼ Corporate governance and risk management						
GRI 3 : Material Topics 2021	Disclosure 3-3 Management of material topics	Chapter 1 : Corporate Governance, Smart Innovation	-	-	-	P.19

Disclosure Number	Disclosure Title	Chapter	Omission/Note			Page
			Requirements for omission	Reason	Explanation	
<b>▼ Corporate governance and risk management</b>						
GRI 3 : Material Topics 2021	Disclosure 3-3 Management of material topics	Chapter 5 : Green Solutions, Circular Economy	-	-	-	P.77
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	Chapter 5 : Climate Change -Energy Management	-	-	-	P.82
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Chapter 5 : Climate Change	-	-	-	P.80
	305-2 Energy indirect (Scope 2) GHG emissions					P.80
	305-4 GHG emissions intensity					P.80
<b>▼ Innovative Development and Low-Carbon Technologies</b>						
GRI 3 : Material Topics 2021	Disclosure 3-3 Management of material topics	Chapter 1 : Corporate Governance, Smart Innovation	-	-	-	P.19
Self-defined topic	-	-	-	-	-	-
<b>▼ Hazardous Substance Management</b>						
GRI 3 : Material Topics 2021	Disclosure 3-3 Management of material topics	Chapter 5 : Green Solutions, Circular Economy	-	-	-	P.77
Self-defined topic	-	-	-	-	-	-





## Appendix II : SASB Standard Comparison Table

Disclosed Theme	Disclosed Metrics	Appendix 1-14 : Sustainability Disclosure Indicators - Other Electronics Industry	Category	Indicator Code	Report Content or Descriptions	Corresponding Sections
Energy Management	-	Total energy consumption, percentage of purchased electricity, and renewable energy utilization	Quantitative	-	Total Energy Consumption : 38,838,433 GJ Percentage of Purchased Electricity : 91.72% Renewable Energy Utilization : 8.28%	Chapter 5 : Climate Change, P.82
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	Total water withdrawn and total water consumed	Quantitative	TC-ES-140a.1	(1) Total volumes of water withdrawn amounted to 91,470,724 m <sup>3</sup> , with 48.30% sourced from High Baseline Water Stress regions (2) Total volumes of water consumed amounted to 4,201,801 m <sup>3</sup> , with 29.31% sourced from High Baseline Water Stress regions	Chapter 5 : Water Management, P.84
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative	TC-ES-150a.1	We generated 141,950 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.86
Labor Conditions	(1) Total recordable Incident rate (TRIR) (2) Near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Description of Occupational Accident Categories, Number of Incidents, and Rates	Quantitative	TC-ES-320a.1	(1) The total recordable incident rates (TRIR) for direct employees and contract employees were 0.1312 and 0.0208, respectively. (2) The near miss frequency rates (NMFR) for direct employees and contract employees were 0.0239 and 0.0125, 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 : Occupational Health and Safety-Statistics on Disabling Injuries, P.59
	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, 18% 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, 20% supplier facilities have completed RBA VAP audits and 33% 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.	-

Disclosed Theme	Disclosed Metrics	Appendix 1-14 : Sustainability Disclosure Indicators - Other Electronics Industry	Category	Indicator Code	Report Content or Descriptions	Corresponding Sections
Labor Conditions	<p>(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (a) priority nonconformances and (b) other nonconformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities</p> <p>(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</p>	-	Quantitative	TC-ES-320a.3	<p>(1) In terms of non-conformance rates with RBA VAP audits, the priority nonconformance and other non-conformance rates for our facilities were 0% and 100%, respectively; the priority non-conformance and other nonconformance rates for our key electronics suppliers were 0 % and 0%, respectively</p> <p>(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 100%, respectively.</p> <p>Notes : For critical suppliers in the institutional category, it is currently only required to establish a social responsibility management system, and RBA certification is not yet mandatory.</p>	-
Product Lifecycle Management	Percentage of recycled weight of scrapped products and electronic waste	Weight of end-of-life products and e-waste recovered, percentage recycled (including sales of offcuts or other recycling processes)	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	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	TC-ES-440a.1	<p>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, and implements the ESG management structure into process.</p> <p>The group firmly rejects and does not use conflict minerals. The Group has developed a management platform for conflict mineral to achieve long-term data storage and traceability. Completed conflict minerals surveys for 2002 suppliers, achieving a response rate of 100%. No use of conflict minerals was discovered.</p>	Chapter 4 : Supplier Management Processes, P.67
反競爭行為	-	The total amount of monetary losses incurred due to legal disputes related to anti-competitive practices.	Quantitative	-	No legal litigations related to anti-competitive practices in 2022	-

Disclosed Theme	Disclosed Metrics	Appendix 1-14 : Sustainability Disclosure Indicators - Other Electronics Industry	Category	Indicator Code	Report Content or Descriptions	Corresponding Sections																				
Major Product Output	-	Major Product Output by Product Category	Quantitative	-	<p>No legal litigations related to anti-competitive practices in 2022</p> <table border="1"> <thead> <tr> <th>Unit : Thousand Unit \ NTD Thousand Dollars</th> <th>Production Capacity</th> <th>Production Volume</th> <th>production value</th> </tr> </thead> <tbody> <tr> <td>Smart Consumer Electronics</td> <td>2,126,166</td> <td>1,921,842</td> <td>2,756,364,987</td> </tr> <tr> <td>Computing Products</td> <td>428,140</td> <td>386,995</td> <td>934,284,896</td> </tr> <tr> <td>Components and Others</td> <td>2,201,826</td> <td>1,990,230</td> <td>23,810,744</td> </tr> <tr> <td>Cloud and Networking Products</td> <td>6,320</td> <td>5,712</td> <td>6,669,628</td> </tr> </tbody> </table>	Unit : Thousand Unit \ NTD Thousand Dollars	Production Capacity	Production Volume	production value	Smart Consumer Electronics	2,126,166	1,921,842	2,756,364,987	Computing Products	428,140	386,995	934,284,896	Components and Others	2,201,826	1,990,230	23,810,744	Cloud and Networking Products	6,320	5,712	6,669,628	2022 Annual Report, P.109
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Labor Practices	(1) Number of work stoppages (2) total days idle	-	Quantitative	TC-ES-310a.1	<p>(1) No employee strikes or work stoppages occurred in 2022 (2) About Zhengzhou Foxconn incident in 2022 November, please refer to chapter 2 Employee Communication and Grievance Channel, P.48</p>	Chapter 2 Employee Communication and Grievance Channel, P.47																				

Disclosed Metrics	Category	Indicator Report	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	925,890





# Appendix III : Independent Assurance Statement



## INDEPENDENT ASSURANCE OPINION STATEMENT

### 2022 HON HAI Sustainability Report

The British Standards Institution is independent of 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 2022 HON HAI Sustainability Report.
  2. The evaluation of the nature and extent of the HON HAI's adherence to AA1000 AccountAbility Principles (2018) 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.
  3. The assessment of 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.
- This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the 2022 HON HAI Sustainability Report provides a fair view of the HON HAI sustainability programmes and performances during 2022. 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 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.
- 6 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 Abbreviation 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 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). 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.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

#### 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



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