

Preface

ABOUT THIS REPORT

This annual Social and Environmental Responsibility (SER) Report issued by Foxconn Technology Group (hereinafter "Foxconn" or "Group" or "company") is part of Foxconn's commitment to good corporate citizenship and is intended to communicate developments over the past year regarding our efforts to promote sustainability throughout our operations.

Foxconn will continue to publish the SER Report in English and Chinese annually. This report is being released in June 2017, while the previous report was released in June 2016. The tentative release date for next year's report is June 2018.

Please visit: www.foxconn.com for more information on this report.

REPORTING PRINCIPLES

This report is prepared with reference to the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). Please refer to the Appendix for an index on alignment with the GRI G4 indicators.

REPORTING PERIOD AND SCOPE

This report covers the period from January 1 to December 31, 2016 and SER initiatives by the Foxconn Technology Group (also known as Hon Hai Precision Industry Co., Ltd) and its majority-owned subsidiary companies, controlled entities, and affiliates, hereinafter referred to as "Foxconn". The report is based solely on the activities of the legal entities that are controlled by the Foxconn Technology Group and the scope and parameters of this report are the same as those included in the 2015 report.

REPORTING SOURCE

The data contained in this report includes information compiled by all relevant departments and units within Foxconn, including Investor Relations, Human Resources, Procurement, Health and Safety, Environmental Protection, Training and Development, the Foxconn University, the Taiwan Yonglin Foundation, and the Foxconn Labor Union, among others.

ASSURANCE

Prepared by the Global SER Committee at Foxconn, this report was independently reviewed by the Bureau Veritas Certification with reference to AA1000 stakeholder engagement standards. This report adheres to the G4 "Core" guidelines, as verified by Bureau Veritas Certification (Taiwan). The verification report is included in this report.

CONTACT DETAILS

If you wish to provide feedback on the 2016 SER report, please contact us at:

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COMPANY NAME

Foxconn Technology Group "Foxconn"

FOUNDED

February 20, 1974

PARENT COMPANY

Hon Hai Precision Industry Co., Ltd. (Ticker Code 2317.TW)

HEADQUARTERS

No. 2 Zihyou Street, Tucheng District
New Taipei City, Taiwan, Republic of China

NUMBER OF EMPLOYEES

873,000 (as of December 31, 2016)

REVENUE IN 2016

TWD 4.358 trillion

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Letter from Founder and CEO

Foxconn's vision has always been to provide technological products and solutions that bring convenience each and every day to people in all walks of life throughout the world. We view investing in innovation – be it in the way we manage our significant workforce or in the development and application of technology in our operations, and leveraging technology to better the lives of those around us – as part of our responsibility as a global industry leader. We believe that by investing in innovation, we are securing the future of our company and our employees, and our continued success as a sustainable business.

Against this backdrop, we have identified strategic areas, such as the Internet of Things, Big Data, cloud computing, smart lives, Industry 4.0 and automation, with the advanced development and application of robotics engineering, that will enable us to remain at the core of our industry's global ecosystem. In addition, we are forming strategic alliances to create an 8K-5G ecosystem, which will be supported by our vertically integrated "silicon to solution" portfolio and supply chain, to deliver intelligent display technology for use in all aspects of smart lives. We are also working to realize our "Plus Internet" strategy, in which our company aims to achieve more intelligent manufacturing through the development and application of the latest technologies and tools made possible by the proliferation of the Internet.

As part of the people-centric approach we take to our development, we are focused on continually enhancing everything we do at Foxconn in a way that supports our pledge to be socially and environmentally responsible and a good corporate citizen. This includes the work our teams are carrying out to ensure that sustainability can be seen and is applied across all aspects of our Group's business and operations.



We recognize that much of the success of Foxconn is made possible by the hard work and commitment of our employees. To deliver on our promise to be a fair and equal employer, we continue to ensure that we are providing our employees with a positive working environment that is among the best in our industry. We are also investing in the future of our employees by offering continuing education and training programs, such as courses available at the Foxconn University and other professional and personal development opportunities.

In addition, we take very seriously our obligation to provide a healthy and safe workplace for all of our employees. As part of that initiative, we have been investing in a number of innovative technological areas, including industrial Internet applications, robotics and automation, and ergonomics, to accelerate intelligent manufacturing, maximize efficiency and drive sustainability in our manufacturing operations, and with training, allow our employees to continuously focus on higher value-added elements of our operations.

As an industry leader, we uphold the highest standards across our Group in order, among other things, to promote corporate responsibility throughout our supply chain. That is why we have put in place a systematic approach towards ensuring green and sustainable procurement management practices – including employee occupational health and safety, energy efficiency and carbon management and restricting the use of conflict minerals – at all organizational and product group levels, and that is why our vendors and suppliers are also complying with these practices and standards.

We believe that protecting and minimizing the negative impact of our operations on the environment is a fundamental responsibility as a sustainable business and global industry leader. In line with this belief, we have implemented measures in areas such as environmentally friendly product design, carbon emission reduction, process management, energy and resource management, and supply chain management as well as in the application of innovative, energy-efficient and green technologies to all areas of our manufacturing operations.

We are focused on continually enhancing everything we do at Foxconn in a way that supports our pledge to be socially and environmentally responsible and a good corporate citizen.

Foxconn is also continuously improving our capabilities in reducing waste in our operations and in our supply chain. In this regard, we are particularly pleased with the success of our campuses in Guanlan, Chengdu and Taiyuan, which have adopted a "zero waste" circular economy model, where up to 90% of the waste produced is reused, with the remaining 10% being used to generate electricity.

At Foxconn, we have a strong record of contributing to the communities where we operate. We support good causes and actively participate in social and community-based programs. We are also investing in tomorrow's talent through initiatives to bridge the knowledge gap and promote science, technology, engineering and mathematics education. We do so to create an environment that promotes care and respect for the underprivileged and that enriches the lives of stakeholders inside and outside our company.

In 2016, we made continuous investments in applying innovation to support the realization of our social and environmental responsibility goals and significant progress has been realized across our business and operations. Looking ahead, we will continue to fulfill our promise to safeguard the interests of all our stakeholders and to build a sustainable ecosystem for Foxconn's development.

Sincerely,

Terry Gou
Founder and Chief Executive Officer
Foxconn Technology Group

Letter from Chairman, Global SER Committee

As a leading global consumer electronics manufacturer, Foxconn is investing heavily in the advancement of intelligent manufacturing and the transformation in information technology services. At the same time, we are also investing in delivering on our commitments to the communities where we operate. In line with this, we recognize the importance of corporate social and environmental responsibility (SER) and the critical role it plays in the development of sustainable enterprises, healthy industries and a harmonious society. As a responsible corporate citizen, we are committed to continuously enhancing our corporate governance structure, and ensuring that our company's vision and business strategy are fully aligned with the needs and expectations of our global stakeholders.

At Foxconn, we believe that our employees play an important role in the company's success and an engaged workforce and a positive workplace are essential for creativity and innovation to flourish. In line with this, we are actively promoting and investing in the welfare of our employees and providing an environment that nurtures talent development and encourages a positive work-life balance.

Workplace safety has always been a top priority of the company and we take proactive and preventive measures to minimize workplace risks. As part of our commitment to providing a healthy and safe work environment for our employees, we have developed a comprehensive safety training strategy and program to reinforce employee safety awareness as well as their capabilities in observing and implementing safe practices at the workplace. In addition, our employee health and safety policies and standards meet all relevant international and local laws and regulations.

Foxconn strives to create a sustainable supply chain that sets a positive example for our industry and serves as a model for other enterprises. To ensure consistency in the way Foxconn and our suppliers manage areas such as occupational health and safety and energy and carbon efficiency, we require that our suppliers comply with Foxconn's SER Code of Conduct and protocols. We also require suppliers to conduct due diligence or audits to ensure that no conflict minerals are used in any part of our supply chain.



We view environmental sustainability and meeting all our environmental goals and responsibilities as another top priority. That is why we have put in place a systematic approach towards integrating green and sustainable practices throughout our operations. This includes efforts to increase recycling and reuse of waste material at our "zero waste" facilities. Those operations leverage the sustainable and natural life-cycles of resources to minimize the negative impact of what we do on the environment. As part of our focus on sustainability, in 2016, we continued expanding the use of photovoltaic power generators in our campuses, which increases energy efficiency, reduces emissions, and supports the development of renewable energy.

Through philanthropic initiatives and participation in social activities, Foxconn continually contributes to the local communities where we operate. Those contributions include investments in many different fields of community development, including healthcare and education, as part of our promise to enrich lives and create a better society for future generations.

Sincerely,

Jacob Chen
Chairman, Global SER Committee
Foxconn Technology Group

Executive Summary

Our continuous commitment towards social and environmental responsibility

As the world's largest consumer electronics manufacturer, Foxconn Technology Group (Foxconn) has an unwavering commitment towards maintaining our position as a socially and environmentally responsible corporation. In doing this, we strive to balance our business goals with our role as a global industry leader, driving and promoting sustainable development. That means that we always apply a strategic and systematic approach towards aligning our business, values and practices with what our stakeholders need and expect from an industry leader.

Since our company was founded in 1974, we have been driving innovation in the development and application of sustainable technological solutions and products in all aspects of our business and operations. This includes investing in our employees, safeguarding their health and safety, ensuring a green and sustainable supply chain, promoting environmental sustainability across our operations, and encouraging social participation and other contributions to the needs of our local communities.

Our approach to social and environmental responsibility (SER) is guided by:

- Obligations we have as a member of global industry associations and international standards institutes which are relevant to Foxconn's business
- Laws and regulations covering locations where Foxconn has operations
- The Foxconn management team who make decisions regarding any need to revise or enhance performance standards
- The codes of conduct of our customers who require us to be in compliance with the high standards they set

As an active member of such industry organizations as the Electronic Industry Citizenship Coalition (EICC), Foxconn is dedicated to fulfilling our

responsibilities as a good corporate citizen and promoting social and environmental responsibility across our value-chain and the global technology industry. In addition, Foxconn is committed to accelerating technological development while also placing emphasis on building a caring organizational culture and conducive environment in the markets where we operate. In doing so, our goal is to create a long-lasting business that enables us to deliver on our commitment towards sustainability, stability, and technological advancement.

All aspects of Foxconn's business and operations are guided by our Social and Environmental Responsibility Code of Conduct (CoC), which is regularly communicated to all employees and monitored by Foxconn's Global SER Committee. The CoC, which sets out Foxconn's standards relating to Business Ethics, Labor Rights, Health and Safety, Environment Management System, and Restrictions on the Use of Conflict Minerals, ensures that our company upholds a corporate culture of integrity.

Safeguarding the interests of all our stakeholders, internal and external, is a top priority for Foxconn, and we work closely with them to address environmental, economic and social issues impacting them. As the global technology industry evolves, Foxconn is continuously investing in innovation across our operations in order to achieve sustainable business growth and to ensure that we continue to mitigate and minimize the negative impact of what we do on the environment. We have dedicated teams, under the Global SER Committee, that focus on promoting close collaboration with our stakeholders in driving the development and implementation of proactive and comprehensive measures as part of our SER efforts.

True to our promise of delivering technological products and solutions that bring convenience to people's everyday lives, we continue to focus on advancing the development of such technology areas as Industry 4.0, cloud computing, the Internet of Things, Big Data, smart lives, robotics and automation. We are also investing in our "Plus Internet" strategy, in which our company aims to realize more intelligent manufacturing through the development and application of the latest technologies and tools made possible by the proliferation of the Internet.

CREATING A POSITIVE AND SUSTAINABLE WORKPLACE FOR EMPLOYEES

At Foxconn, we recognize the important role our employees play in the company's success. We firmly believe that a committed workforce and a positive workplace help to drive innovation and creativity. As such, we place a priority on investing in the welfare of our employees and on providing an environment that promotes talent development and employee work-life balance. In line with this commitment, we also encourage our employees to participate actively in social and philanthropic initiatives.

As an equal opportunity employer, Foxconn treats all employees equally and fairly, provides merit-based promotion and remuneration and promotes workplace diversity across all of our campuses. In addition, our company endeavors to offer employment opportunities to the local workforce in each market where we operate as part of our efforts to enhance our employee localization rate. We have a global workforce of 873,000 employees, seasonally adjusted, including more than 2,000 employees with disabilities and 50,000 people from ethnic minorities. Female employees make up 36%

of our workforce. In terms of education, 61.9% of our employees are high school or technical school graduates, or hold higher education qualifications.

Our merit-based promotion and remuneration system ensures that our employees are fairly assessed and rewarded for good performance through competitive wages and other incentives, including annual bonuses and time-based incentives. Across all of our campuses, entry-level employees receive wages that are higher than the local minimum wage.

Being a people-oriented company, the safety and rights of our employees are of the highest priority at Foxconn. Foxconn has established an employee insurance system, which includes both personal and group insurance coverage as well as one-off emergency assistance funds. In addition, Foxconn signs a collective bargaining agreement with the Labor Union in China every year to ensure that employee rights are protected, with nearly 96% of our employees covered by this agreement.

Foxconn also advocates active and healthy lifestyle practices and encourages work-life balance among our employees. We continue to invest in improving campus infrastructure and recreational facilities to promote the well-being of our employees. Round-the-clock professional counseling and other support services are also available to help employees address any work-related or personal challenges they may be facing. In addition, Foxconn treats families of our employees as part of the Foxconn community. In line with this approach, we ensure that our working environment provides peace of mind to expectant mothers who are able to continue working while enjoying benefits and facilities catered to female employees and expectant mothers, including sharing

sessions for pregnant employees, breastfeeding rooms, and reading areas.

We actively support the integration of theory with practical experience and we have established Foxconn University, a leading corporate university, to provide employees with opportunities in continuing education and training and skills development. Foxconn University has extensive partnerships with renowned educational institutions, and also cooperates with think-tanks to conduct scientific research and personnel training, and to promote technology and knowledge sharing. In addition, Foxconn University also conducts internships, cadre training, scholarships and many other education, training and development programs. In 2016:

- Foxconn University offered courses in management, general education, technology, on-the-job training, industrial engineering, and degree courses, completing over 6.02 million training hours for an accumulated total of over 34.68 million trainees.
- 5,550 employees were enrolled in formal degree courses at the University, which has partnerships with some 60 renowned universities, and 5,960 employees graduated with degrees from the University.
- Over RMB 8.85 million in scholarship funds were disbursed to 2,721 employees to support their continuing education efforts.

PRIORITIZING WORKPLACE SAFETY AND OCCUPATIONAL HEALTH

As a global industry leader, Foxconn is committed to ensuring the health and safety of all our employees across all of our operations around the world. As part of this commitment, Foxconn continues to invest in creating a safe and healthy working environment that is among the best in

our industry by implementing comprehensive measures and policies to systematically ensure and enhance workplace safety and occupational health.

Foxconn's employee health and safety policies and standards meet all relevant international and local laws and regulations, including OHSAS 18001 and SA8000. We are continuously enhancing our company's health and safety measures, and we have successfully obtained OHSAS 18001 and CNS15506 certifications issued by international third parties.

In 2016, Foxconn received several awards for our occupational health and safety programs, including "Special Award for Outstanding Employee Health and Safety" from the Labor Affairs Department of the New Taipei City Government for our occupational health and safety efforts and results. Foxconn also received certification from the Occupational Safety and Health Administration of Taiwan's Ministry of Labor, for our record of 5.98 million working hours with "no significant operational incidents".

Foxconn is leveraging our capabilities in cloud computing to provide employees and their family members with comprehensive and tailored healthcare programs, including remote healthcare counseling, complimentary health checks, medical assistance, health awareness and risk assessment, and professional health advisory services.

In addition, Foxconn's innovative "health to you (h2u)" cloud platform utilizes Big Data technology to consolidate health-related data and provide health alerts and advice to our employees, enabling them to access accurate information about their health and address any concerns promptly.

Foxconn has developed the “71g” app, a weight management platform that allows employees to lose weight in a safe and relaxed manner.

To achieve our goal of “100% Safety at Work” and “zero injuries, occupational diseases, or accidents”, Foxconn continuously identifies ways to apply advanced technologies to monitor and eliminate potentially hazardous workplace practices. An internal professional assessment team and a labor supervision committee conduct screening and monitoring of our manufacturing facilities to detect and prevent the occurrence of safety hazards in workplace. In addition, to further enhance risk evaluation systems and provide work-related safety education and training to employees, the Foxconn Industrial Ergonomics Centre (FieC) has dedicated teams looking into ways to leverage and apply ergonomic theories and industry best practices to our operations and to support our goal to create a positive working environment for employees.

Foxconn is also investing in the automation of some of the manufacturing tasks associated with our operations. Across all of our facilities, we are applying automation technologies to maximize efficiency and to replace more mundane and repetitive tasks, and through training, also enable our employees to focus on other aspects of our operations. As our manufacturing processes and the products we produce become more technologically advanced, automation is playing an increasingly important role in our operations. As part of our long-term growth strategy, we will continue to use both manpower and automation in our manufacturing operations.

DRIVING AND MANAGING SUSTAINABILITY IN OUR GLOBAL SUPPLY CHAIN

Foxconn strives to build a sustainable supply chain and we ensure that our company and suppliers abide by environmental laws and regulations as well as Foxconn’s Social and Environmental Responsibility Code of Conduct and protocols. We have set up specialized divisions, including procurement, to study the environmental requirements of regulators, customers, industry and other stakeholders. This includes compliance with RoHS 2.0, REACH, and restrictions on the use of conflict minerals. The results of those efforts are translated into actionable internal measures that are integrated and applied within our operations, and shared with our suppliers to ensure that the high standards we set for ourselves are also followed by our suppliers.

Foxconn requires suppliers to fulfill their social and environmental responsibilities and implement sustainability practices, in addition to adhering to the Supplier Code of Conduct. Across all organizational and product group levels, we have put in place sustainable procurement requirements to create a sustainable supply chain. All suppliers are also required to ensure that downstream suppliers fulfill requirements to restrict the use of hazardous substances, encourage the deployment of carbon emission reduction solutions and other environmentally friendly practices, and reinforce capabilities in making eco-friendly products. We also enforce stringent materials sourcing and supplier management standards, including setting targets for reducing greenhouse gas emissions that must be met by suppliers. Foxconn systematically monitors all aspects of our operations and our supply chain, and also conducts supplier audits and training to ensure alignment with sustainability requirements.

In addition to applying strict compliance control on incoming materials from suppliers, Foxconn also places attention on the product sourcing process to ensure all of our output is environmentally friendly. As part of this commitment, Foxconn has set up a Design for Environment (DfE) program to integrate green design concepts and technology into our product design process, and introduced a sustainable product management system, which requires selecting materials and suppliers that adhere to our company’s guidelines on eliminating hazardous substances from all products, starting from the design stage.

As a socially responsible company, Foxconn takes proactive measures to restrict the use of conflict minerals. Together with our customers, we have collaborated with RCS, a leading raw materials supply chain audit company, to conduct audits on our company’s Conflict-Free Sourcing Initiative (CFSI) downstream supply chain suppliers, and to optimize our system for managing the use of conflict minerals.

INTEGRATING GREEN AND SUSTAINABLE PRACTICES ACROSS OUR BUSINESS AND OPERATIONS

Environmental sustainability is a priority for Foxconn and we take a systematic approach towards integrating green and sustainable practices in our operations, implementing measures in the areas of environmentally friendly product design, carbon emission reduction, process management, energy and resource management, and supply chain management. We do so with the goal of enhancing environmental protection and minimizing the negative impact of our operations on the environment, and boosting energy efficiency and resource management, and

to ultimately create a healthy and positive industry ecosystem, while building an eco-culture through the innovation and application of new technologies.

Environmental conservation is one of Foxconn’s key operating principles and as part of our effort to create a sustainable business, we invest in improving our capabilities in processing waste, wastewater and emissions. At our certified “zero waste” facilities, we explore ways to adapt to sustainable and natural life-cycles of resources used, and, in doing so, increase recycling and reuse of waste materials, including transforming waste into usable resources through design and technology. Our facilities in Guanlan, Chengdu and Taiyuan have adopted a “zero waste” model where up to 90% of the waste produced is reused, with the remaining 10% being used to generate electricity.

We have set an overall carbon dioxide emission reduction target of 24% – a significantly higher target than the minimum reduction of 18% outlined in the Chinese government’s 13th Five Year Plan. In addition, Foxconn also invests significantly in the development and application of energy-efficient technologies. In 2016, we invested RMB 160 million into this area, initiating 1,472 new energy-efficiency projects. This has generated a total energy savings of 467 million kWh, which translates to energy savings of 6.1%, and RMB 330 million in cost savings.

Foxconn also actively advocates the development and use of renewable and green energy within our manufacturing operations and across our campuses. We have set up energy management centers that are forecast to reduce energy use by 39.05 million kWh and realize savings of RMB 273.3 million each year. In addition, the photovoltaic power generators we have in many campuses, such

as those in Guangdong, Guangxi, Hainan, Hubei, Henan, Jiangsu, and Tianjin, have a total installed capacity of photovoltaic power generation of 51.5MW, and an annual power generation capacity of 66.43 million kWh.

CONTRIBUTING TO THE LOCAL COMMUNITY AS A LONG-TERM PARTNER

As a good corporate citizen, Foxconn and our employees share a culture of supporting good causes and giving back to society. We actively participate in social and community-based programs, including sponsoring and hosting philanthropic activities and volunteer programs. Foxconn and the Yonglin Foundation, a charity organization set up by our CEO, Mr. Terry Gou, have contributed to a number of philanthropic activities to promote care and respect for the disadvantaged, advance healthcare and medical development, drive charitable programs, and bridge the education gap between those living in urban and rural areas.

The National Taiwan University Cancer Center – established in 2015 with the support and contributions from our CEO Mr. Gou, the Yonglin Foundation, and Nantworks, a U.S.-based pharmaceutical company specializing in cancer research, are jointly creating a world-class cancer research platform that leverages “GPS” (Genomic, Proteomic, and Spectrometry) cancer research technology, clinical test data, and big data and computing capabilities.

Foxconn and the Yonglin Foundation have a shared goal of supporting fledgling startups in the healthcare sector. In 2016, the Foundation

established H. Spectrum, the only non-profit organization in Taiwan focusing exclusively on healthcare, medical, digital health and biotech innovation. Through H.Spectrum, Foxconn hopes to inspire development in the biomedical startup community and establish Taiwan as a focal point for biomedical development in Asia and around the world.

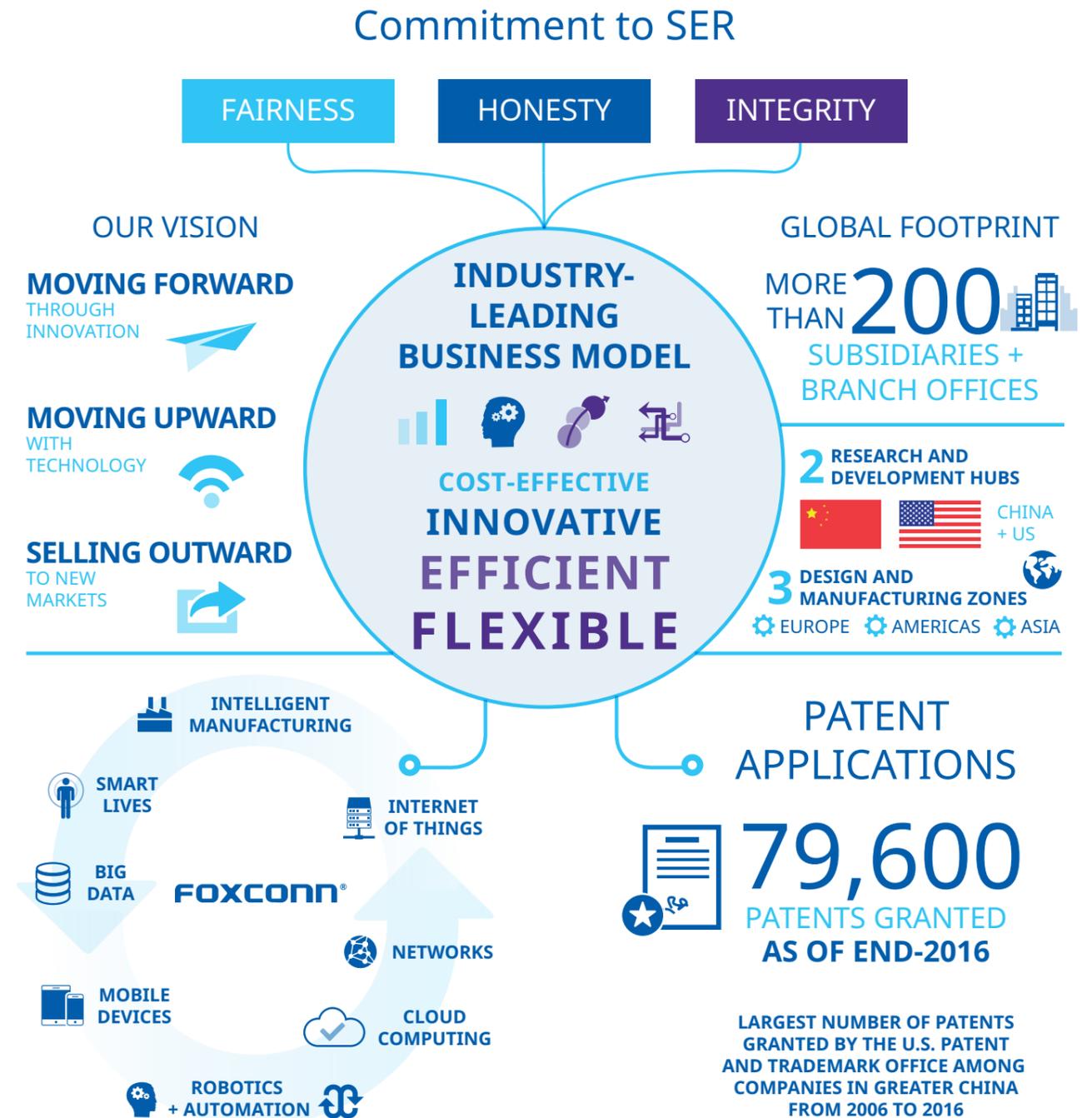
In addition, Foxconn also contributes to efforts to support victims affected by natural disasters. Following the severe earthquake that swept Southern Taiwan in February 2016, the Yonglin Foundation and Foxconn immediately donated TWD 200 million to regions and districts that were impacted, and provided manpower support in Tainan with the help of Asia Pacific Telecom. In addition, our CEO, Mr. Gou, donated TWD 10 million to families affected by a historic cold spell that hit Taiwan in January. The donations benefited 10,000 people and equipped families in the countryside and the mountainous region with cotton quilts and sleeping beds.

Through a partnership with the Yonglin Education Foundation, Foxconn has been providing academic support to underprivileged children for many years. The “Yonglin Hope Primary School Project” provides remedial education for underprivileged children, and supports the development of learning materials. In addition, the Foundation has also set up a Yonglin Center for the Certification of Remedial Teachers and Research in Kaohsiung Formosa Boulevard Station and Taipei Syntrend Creative Park as part of its efforts to spur development in adaptive and multi-faceted learning.

1

CORPORATE PROFILE

We are guided by our vision to provide technological products and solutions that bring convenience to the everyday lives of people around the world, and our business strategy of “industry+technology+e-commerce”.

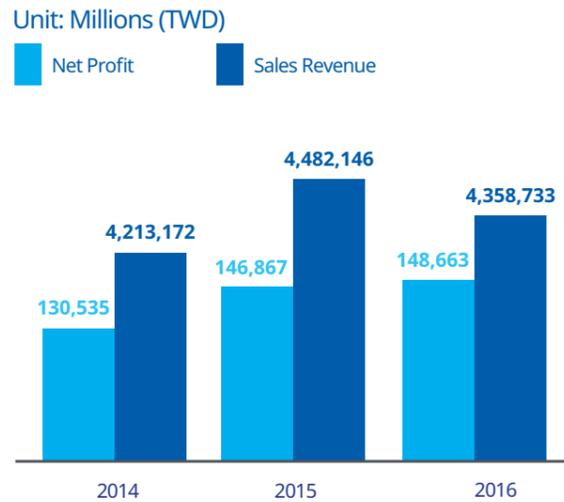


Corporate Profile

Company Overview

Since the Group's establishment in Taiwan in 1974 and our initial investment in China in 1988, Foxconn has expanded rapidly to become the world's largest electronics manufacturing services (EMS) provider. Foxconn has a global, seasonally adjusted workforce of 873,000 employees, and our customers include many of the world's major electronics and information technology companies. In 2015, the value of Foxconn's manufacturing accounted for 3.7 percent of the total value of China's imports and exports. The company recorded a revenue of TWD 4.358 trillion and profit of TWD 148.663 billion in 2016.

FOXCONN SALES REVENUE AND NET PROFIT GROWTH FOR THE PAST 3 YEARS



Information processing technology is a cornerstone of Foxconn's sustainable business strategy. Foxconn adopts an industry-leading e-enabled Components, Modules, Moves and Services (eCMMS) business model that enables our company to provide innovative, efficient, cost-effective, and flexible one-stop integrated service solutions to leading electronics product companies operating throughout the global computer, communications and consumer electronics (3C) industry.

Foxconn will continue deepening our efforts to "move forward", "move upward" and "sell outward", as part of the next phase of the company's growth and development. "Moving forward" encapsulates our continuous efforts in driving innovation in product design and the user experience and in investing in research and development (R&D). "Moving upward" captures Foxconn's strategy of leveraging our expertise in both software and hardware as well as physical and virtual technology, and in the integration of cloud architectures. Lastly, "selling outward" represents an expansion into new markets and establishing new business opportunities in high-growth areas such as e-commerce. Furthermore, we will continue to invest in the development and growth of strategic areas including cloud computing, mobile devices, Internet of Things, Big Data, smart lives, networks, and robotics and automation, creating links across the value chain and promoting positive and sustainable ecosystems.

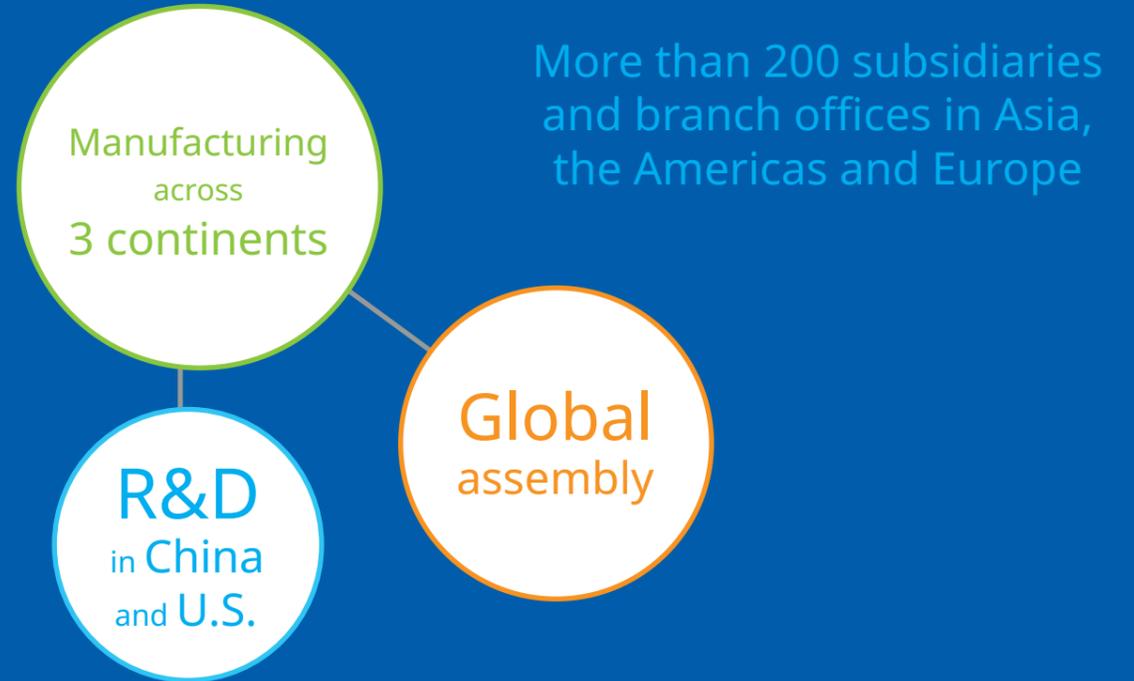
In manufacturing, Foxconn will leverage Big Data analytics to strengthen our capabilities in precision manufacturing, optimize our productivity, enhance value-added, and move beyond an on-demand business model, to achieve intelligent manufacturing and realize our goal of achieving "Industry 4.0."

In addition, in technology services, Foxconn has been leveraging cloud, Big Data and services to move into different types of commerce. As part of our roadmap to build a smart world through leveraging the Internet of Things, we are combining the "six flows" – three "virtual" flows of information, technology, and capital, with the three "physical" flows of human capital, goods, and processes – to create a holistic, 360° approach to serving our customers and consumers.

Foxconn will also continue to invest in growing our global operations, catalyzing technology development and application and recruiting talent to ensure that the company remains at the core of the ICT ecosystem.

GLOBAL FOOTPRINT

Foxconn continuously invests in enhancing our capabilities in R&D, design and engineering services. With China as the center of the Group's business and development, Foxconn has continued to expand our already significant footprint to countries across the world. Our international operations and global expansion are guided by the needs of our customers and our strategy of having two R&D clusters, one in Greater China and the other in the United States, and three design and manufacturing zones across Asia, the Americas and Europe, with Mainland China at the center, and operations that enable global assembly and delivery to our customers worldwide. Foxconn currently has more than 200 subsidiaries and branch offices in Asia, the Americas, and Europe.



PATENT APPLICATIONS

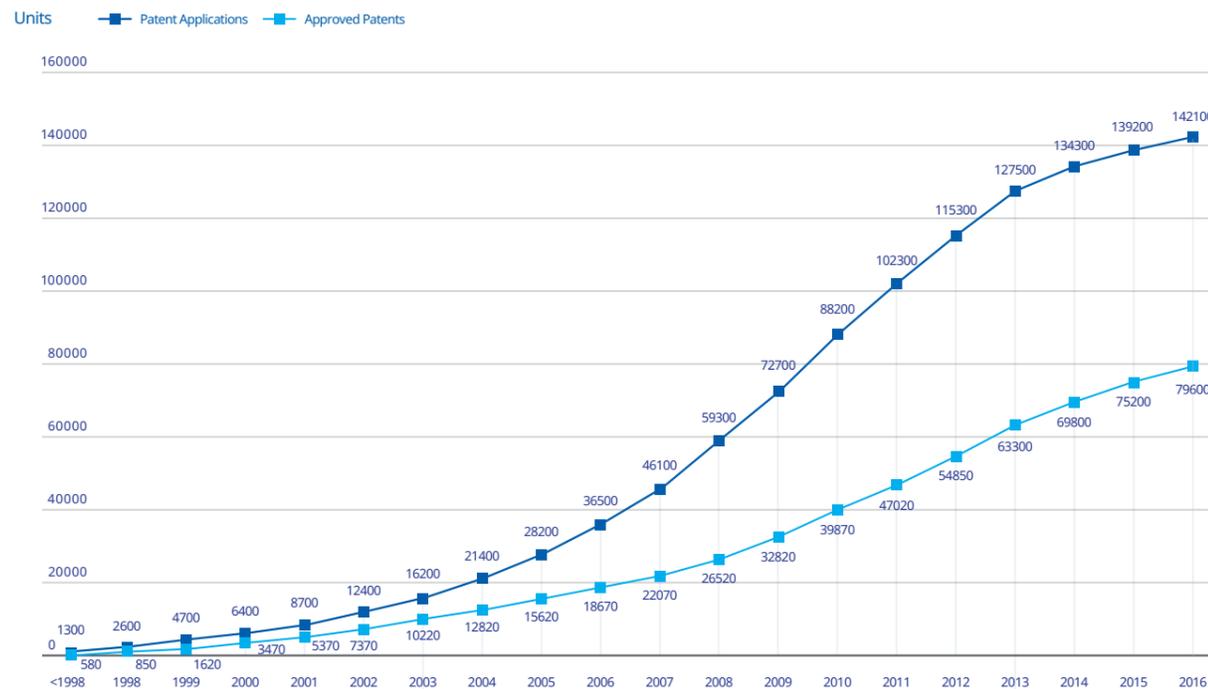
Foxconn is committed to investing in research and innovation and, as a major patent owner and business partner of other global patent owners, our company vigorously defends the innovation and intellectual property rights of companies around the world.

Foxconn has established a professional R&D and patent development network and innovative patent management platforms in Asia, the Americas and Europe, with effective technological integration across regions. These efforts have proven to be successful as evidenced by our company’s growth in many cutting-edge technology areas, such as nanotechnology, plastics, ceramics and heat transfer technology. Our company also continues to augment our industry-leading capabilities in precision machinery, molding, semiconductors, cloud computing services, liquid crystal displays, networks, computing, and wireless

telecommunications, among other areas. This has enabled us to become a leading electronics companies in the optoelectronics industry.

As of the end of 2016, Foxconn has submitted 142,100 patent applications (52,800 in Mainland China), of which 79,600 have been granted (28,400 in Mainland China). In 2016, Foxconn was ranked third in the number of domestic patent applications in Taiwan, and first in the number of patent notices issued. For 11 consecutive years between 2006 and 2016, Foxconn was granted the largest number of patents by the U.S. Patent and Trademark Office among companies headquartered in Greater China. In 2016, Foxconn received 803 patents in the US, ranking 44th among companies worldwide and third among companies headquartered in Greater China.

FOXCONN ACCUMULATED PATENT APPLICATION AND APPROVED PATENTS



TECHNOLOGY RESPONSIBILITY

Our operations and business practices focus on creating and maintaining a harmonious technological environment through innovation and growth. Foxconn’s business strategy of “industry+technology+e-commerce” ensures that we develop and integrate a channel focus into our operations. To deliver on this strategy, Foxconn will continue to drive and implement a holistic and systematic alignment of our design, production, sales and after-sales service systems and processes – from core components upstream to downstream sales channels to support greater value-add across our 3C business chains. Foxconn is also committed to accelerating the advancement of technology and building a caring organizational culture and conducive environment in markets where we operate. In doing so, we create a long-lasting business that is in line with our focus on “sustainability, stability, development, technology, and international”.



FUTURE PROSPECTS

Foxconn’s vision has always been to provide technological products and solutions that bring convenience to the everyday lives of people around the world.

As a leader in all areas of information processing, Foxconn’s current technology development framework covers the entire spectrum of “11 screens, three networks and two clouds”. By this we mean that the end-products and devices Foxconn provides cover a wide range of 11 screens, ranked from screens that are held nearest to end-users to screens displayed at a distance, including wearable, smartphone, tablet, notebook, desktop computing, portable TV, digital whiteboard, digital signage, electric vehicle, and robots. The network products and solutions we offer are widely applied in the three realms of the Internet, Internet of Things and Smart Grid. We also enable our customers to tap opportunities that extend beyond cloud computing to the edges of the network in what is now called “fog computing”.

We are leveraging smart data to offer consumers a better Internet+ experience in eight aspects of everyday life: work, education, entertainment, family and social interaction, security, health, environmental protection, and transportation. Through these efforts, we hope to create a more harmonious society and establish an Internet-based and Big Data-centered “six flow” enterprise.

Foxconn is also investing in our “Plus Internet” strategy, in which our company aims to drive the advancement of the industry and to realize more intelligent manufacturing through the development and application of the latest technologies and tools made possible by the proliferation of the Internet. We will do this in partnership with our customers and with the shared goal of fulfilling consumer demand for technology when and how they want it.

Corporate Management

CORPORATE ORGANIZATION AND BOARD OF DIRECTORS

Foxconn's Board of Directors comprises members responsible for our company's corporate governance. In addition to safeguarding shareholders' interests, the Board adheres to the guiding principles of collaboration and partnership with Foxconn's employees, customers, suppliers, local communities, and government agencies. The Group's Vice President is responsible for communicating and implementing the guiding principles set forth by the Board of Directors to the entire Group, including our affiliates. General Managers are responsible for executing strategic directions from the Board to ensure smooth and efficient business operations. Board members receive no compensation for serving on the Board and they recuse themselves in the event of any conflict of interest and they derive compensation from bonuses that are in direct proportion to Foxconn's performance. Hon Hai Precision Industry Co., Ltd. is the largest listed company in the Group, with three independent directors. Terry Gou is the Chairman of the Board and also CEO of the Group. Foxconn's operations are privately funded, with no financial assistance received from any government. For further details, please refer to the Foxconn 2016 Annual Report.

FOXCONN AUDIT COMMITTEE

In compliance with Taiwan's Securities and Exchange Act, Foxconn established an Audit Committee in July 2016. The committee comprises independent directors serving a three-year term and a committee chairman selected among the members. The current convener of the committee is independent director Mr. Kai-Fu Lee. The committee's main responsibilities include:

1. Regulate or amend the company's internal management system according to Article 14-1 of the Securities and Exchange Act
2. Assess the effectiveness of the company's internal management system
3. Regulate or amend the process by which significant financial decisions are handled, including derivative trades, asset transactions,

capital loans, endorsements or guarantees according to Article 36-1 of the Securities and Exchange Act

4. Audit potential conflicts of interest associated with the Chairman of the Board
5. Audit significant financial transactions involving assets or derivatives
6. Audit significant capital loans, endorsements or guarantees
7. Audit the raising, issuing or private placement of equity securities
8. Authorize the appointment, removal, and compensation of the auditor
9. Authorize the appointment and removal of the financial, accounting and internal auditing directors
10. Verify and authorize annual and half-yearly financial reports
11. Audit other significant decisions pertaining to the Group and related entities

According to the organizational procedures of the Audit Committee, it is mandatory for the committee to meet at least once every quarter. The current committee has held three meetings to date, including two meetings in 2016, and the attendance rate of the committee members was 78%.

COMPENSATION COMMITTEE

Foxconn established a Compensation Committee in September 2011 in order to optimize the pay structure for company directors and managers. The committee consists of three committee members appointed by the Board and its main responsibility is to assist the Board in assessing the compensation and evaluation system for company directors and managers. The current committee comprises independent directors, and its convener and committee chair is appointed from within the committee. Mr. Kai-Fu Lee is currently the convener of the committee.

According to the organizational procedures of the Compensation Committee, the committee is required to assemble at least twice a year. The current committee has held three meetings, of

which two were held in 2016, and the attendance rate of the committee members was 78%.

FOXCONN GLOBAL SOCIAL AND ENVIRONMENTAL RESPONSIBILITY COMMITTEE

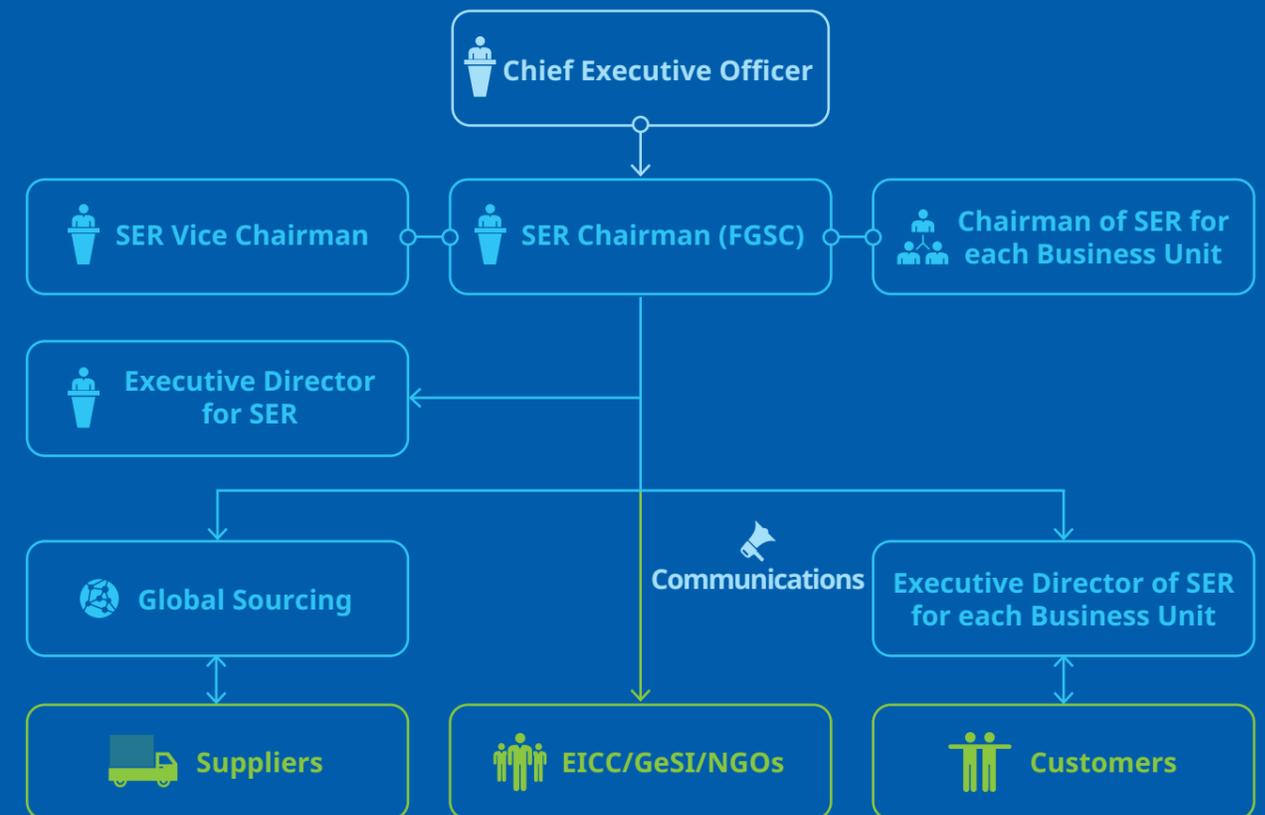
Foxconn has an unwavering commitment towards being a socially responsible corporation, balancing our business goals with our role as a global industry leader in driving corporate social and environmental responsibility, and achieving sustainable development. Since March 2005, Foxconn has been a member of the Electronic Industry Citizenship Coalition (EICC) and we have worked with that organization to promote SER within the industry.

In March 2007, Foxconn established the Group's Global SER Committee (FGSC) with Foxconn

Technology Group vice chairman Jacob Chen appointed as the chairman of the committee. In addition, the committee has established independent and professional bodies and separate SER teams within the business groups to ensure that social and environmental responsibility is fully integrated into the company's corporate culture and that our SER policy is adhered to, implemented, and monitored by the FGSC. Every year, the FGSC conducts evaluations and audits of the various business groups to ensure that the SER policy is integrated across Foxconn's operations and at every manufacturing facility.

As of 2016, Foxconn has established a team of more than 1,000 SER professionals to work with customers, government agencies, and the community, to fully carry out Foxconn's SER duties and responsibilities.

FOXCONN GLOBAL SER COMMITTEE ORGANIZATIONAL CHART



As a member of the EICC, Foxconn abides by the EICC's code of conduct and is committed to adopting and promoting SER policies and practices throughout our operations. As part of this commitment, Foxconn also conducts regular audits of our suppliers to ensure that suppliers comply with all relevant policies and codes of conduct.

FOXCONN'S CODE OF CONDUCT

Foxconn emphasizes fairness, honesty and integrity in all of our business activities. The Group also adheres to the principles of fair competition and we have implemented this throughout our operations. As a member of the EICC, Foxconn takes on the responsibility of promoting and abiding by corporate social responsibility guidelines and actively participates in the coalition's activities with our partners and suppliers in the information technology industry.

In June 2008, Foxconn published the first version of Foxconn's Code of Conduct (CoC). In 2016, the FGSC finalized the CoC with the endorsement of every one of our Group's vice presidents. In addition, CoC education and training is mandatory for all new employees while all employees are required to receive regular training and abide by the CoC. Foxconn's Code of Conduct encompasses seven major areas, including code of ethics, labor rights, health and safety, environment, management system, restriction on the use of conflict minerals, and anti-corruption.

Ethics

- Business Integrity
- Disclosure of Information
- No Improper Advantage
- Fair Business, Advertising, and Competition
- Maintenance of Confidentiality and Anonymity
- Community Engagement
- Protection of Intellectual Property
- Protection of Privacy
- Non-retaliation



Labor Rights

- Freely Chosen Employment
- Child Labor Prohibition and Young Workers Protection
- Protection of Maternity Rights and Health of Female Workers
- Non-discrimination
- Fair and Humane Treatment
- Wages and Benefits
- Working Hours
- Freedom of Association



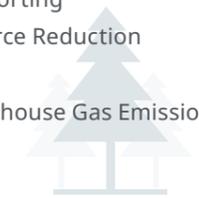
Health and Safety

- Machine Safety
- Industrial Hygiene
- Occupational Safety
- Emergency Preparedness and Response
- Occupational Injury and Illness
- Ergonomics
- Dormitory and Canteen
- Health and Safety Communication



Environment

- Product Content Restrictions
- Chemicals and Hazardous Materials
- Wastewater and Solid Waste
- Air Emissions
- Environmental Permits and Reporting
- Pollution Prevention and Resource Reduction
- Stormwater Management
- Energy Consumption and Greenhouse Gas Emissions



Management System

- Corporate Commitment
- Management Accountability and Responsibility
- Legal and Customer Requirements
- Risk Assessment and Risk Management
- Performance Objectives, Implementation Plan, and Measures
- Training
- Communication
- Worker Feedback and Participation
- Audits and Assessments
- Corrective Action Process
- Documentation and Records
- Supplier Responsibility



Restriction on the Use of Conflict Minerals

Foxconn adheres to international standards and governmental and non-governmental regulations on conflict minerals. Foxconn does not accept, and does not use, conflict minerals in our operations. Foxconn 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 to our company. In addition, Foxconn's downstream suppliers are required to fulfill their due diligence on conflict-free minerals pursuant to the relevant international standards and regulations.



Anti-Corruption Policy

Foxconn upholds a corporate culture of integrity and management with dignity. Foxconn is committed to being in full compliance with national and international anti-corruption and anti-bribery laws and regulations. In February 2013, Foxconn published our "Anti-Corruption Code of Conduct", which describes the types of conduct that are strictly prohibited and clearly informs all employees that they are required to abide by the Code of Conduct. It states clearly that employees and suppliers shall report and clarify any alleged misconduct and that employees will receive a reward for reporting the issue should investigations confirm any misconduct. In addition, an anti-corruption team investigates any allegations of improper business conduct.

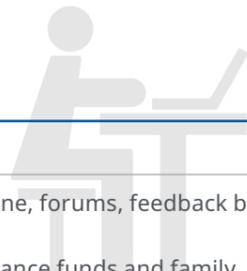


Stakeholder Engagement

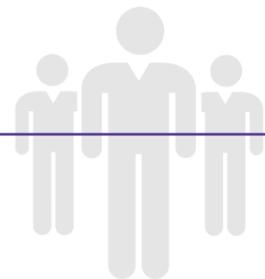
CLASSIFICATION OF STAKEHOLDERS AND MODES OF COMMUNICATION

Foxconn's stakeholders are identified based on the AA1000 Stakeholder Engagement Standards, which enables our company to have an accurate understanding of and address the different environmental, economic and social issues faced by our stakeholders. Members from Foxconn's SER Committee and other relevant personnel have identified key stakeholders for the Group through a stakeholder engagement assessment, which evaluates five core components, including both the dependence and influence of the stakeholder on Foxconn, responsibility of our Group towards the stakeholder, level of stakeholder interest, and feedback provided to our company. Based on this assessment, Foxconn has identified employees, customers, suppliers, the community, shareholders and investors, and NGOs as our key stakeholders. Foxconn has developed various communication channels to engage with our stakeholders to better understand their expectations of Foxconn and to learn from their best practices and feedback.

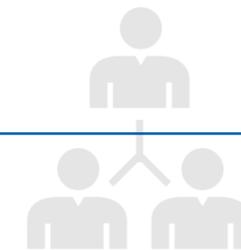
The following table shows Foxconn's key stakeholders and how Foxconn communicates with each stakeholder group on key matters related to social and environmental responsibility.



Stakeholders	Employees
Criteria	All employees are treated equally and fairly
Communication Channels and Frequency	<ul style="list-style-type: none"> • Communications include: employee hotline, forums, feedback boxes, satisfaction surveys, and counseling • Other programs include employee assistance funds and family assistance funds
Topics and Issues of Interest	<ul style="list-style-type: none"> • Employee remuneration and benefits • Communication with and compassion for employees • Education and training for employees • Occupational safety • Law-abiding operations
Efforts and Outcomes	We ensure that employees have avenues to share their views and provide their feedback in order to provide a positive work environment and to enhance their sense of belonging. In addition to providing communication channels, Foxconn has established employee assistance and support systems and programs such as a 24-hour hotline, an employee care center, and on-campus counseling services to help employees manage personal and work-related challenges and to support their health and mental well-being.

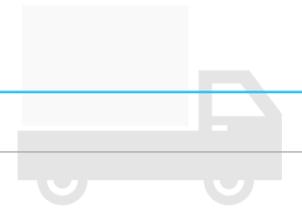


Stakeholders	Customers
Criteria	Respect for customers' needs
Communication Channels and Frequency	<ul style="list-style-type: none"> • Quarterly and annual SER conferences • Customer visits and audits, telephone conferences, and quarterly and annual audits
Topics and Issues of Interest	<ul style="list-style-type: none"> • Supplier SER evaluation • Corporate reputation • Operational integrity • Law-abiding operations
Efforts and Outcomes	Foxconn maintains effective communications with customers, protects their privacy, facilitates their on-site inspections, and is prepared to brief them on the status of SER compliance of our company and related suppliers. Our goal is to provide customers with high-quality, innovative technology and services that are efficient and provide flexibility, as well as peace of mind knowing that Foxconn has rigorous efforts to reduce carbon emissions in the manufacturing process.



Stakeholders	Suppliers
Criteria	Prioritize through the 80/20 principle
Communication Channels and Frequency	<ul style="list-style-type: none"> • Supplier management • Supplier management platform
Topics and Issues of Interest	<ul style="list-style-type: none"> • Management of suppliers • Law-abiding operations
Efforts and Outcomes	Foxconn organizes an annual meeting with suppliers and conducts supplier audits at unscheduled intervals, so as to effectively convey Foxconn's requirements to our supply chain. Foxconn has also created an online SER management platform for suppliers to learn about the EICC regulations and Foxconn's policies regarding SER.

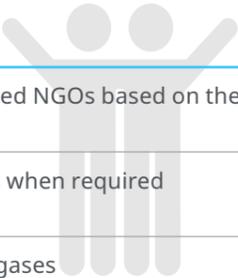
Stakeholders	Community
Criteria	Focusing on and starting from the local community in our global operations
Communication Channels and Frequency	<ul style="list-style-type: none"> • Annual, quarterly, monthly activities and plans
Topics and Issues of Interest	<ul style="list-style-type: none"> • Community care and charitable projects • Cultural promotion
Efforts and Outcomes	Each campus organizes environmental activities, and has jointly pledged our commitment to advocating "energy and emission reduction, green business practices, and recycling" to inspire local community members to protect their own environment. Foxconn also actively assists disadvantaged members of society; this includes recruiting them to join our workforce. Foxconn promotes cultural development among the youth through its rural education resource development program, which aims to train teachers working in remote areas, and the Yonglin Hope Primary School project, which provides children from families in economic need with academic support. Lastly, Foxconn organizes fundraisers to support education programs.





Stakeholders	Shareholders/Investors
Criteria	Any party that has invested, or has an interest in investing, in Foxconn, including corporations and individuals
Communication Channels and Frequency	<ul style="list-style-type: none"> Prospects of the listed company, its financials and SER progress.
Topics and Issues of Interest	<ul style="list-style-type: none"> Corporate governance and operational management of company Operational integrity Law-abiding operations
Efforts and Outcomes	Foxconn has established a spokesperson platform and conducts investor meetings, investor forums and investor roadshows. Foxconn also releases annual financial and SER reports for investors' reference.

Stakeholders	NGOs
Criteria	We engage with professional and well-respected NGOs based on the nature and importance of the issue
Communication Channels and Frequency	<ul style="list-style-type: none"> Conference calls at unscheduled intervals when required Annual SER activities and evaluations
Topics and Issues of Interest	<ul style="list-style-type: none"> Management of energy and greenhouse gases Waste management Supplier management
Efforts and Outcomes	Foxconn participates in the global dialogue on SER where we discuss SER topics with NGOs. Foxconn also participates in SER-related activities organized by NGOs, such as carbon and water disclosure activities organized by the Carbon Disclosure Project (CDP). Foxconn also aims to continue to make progress on environmental issues such as RoHS, halogen free (HF) and water pollution, in partnership with NGOs.



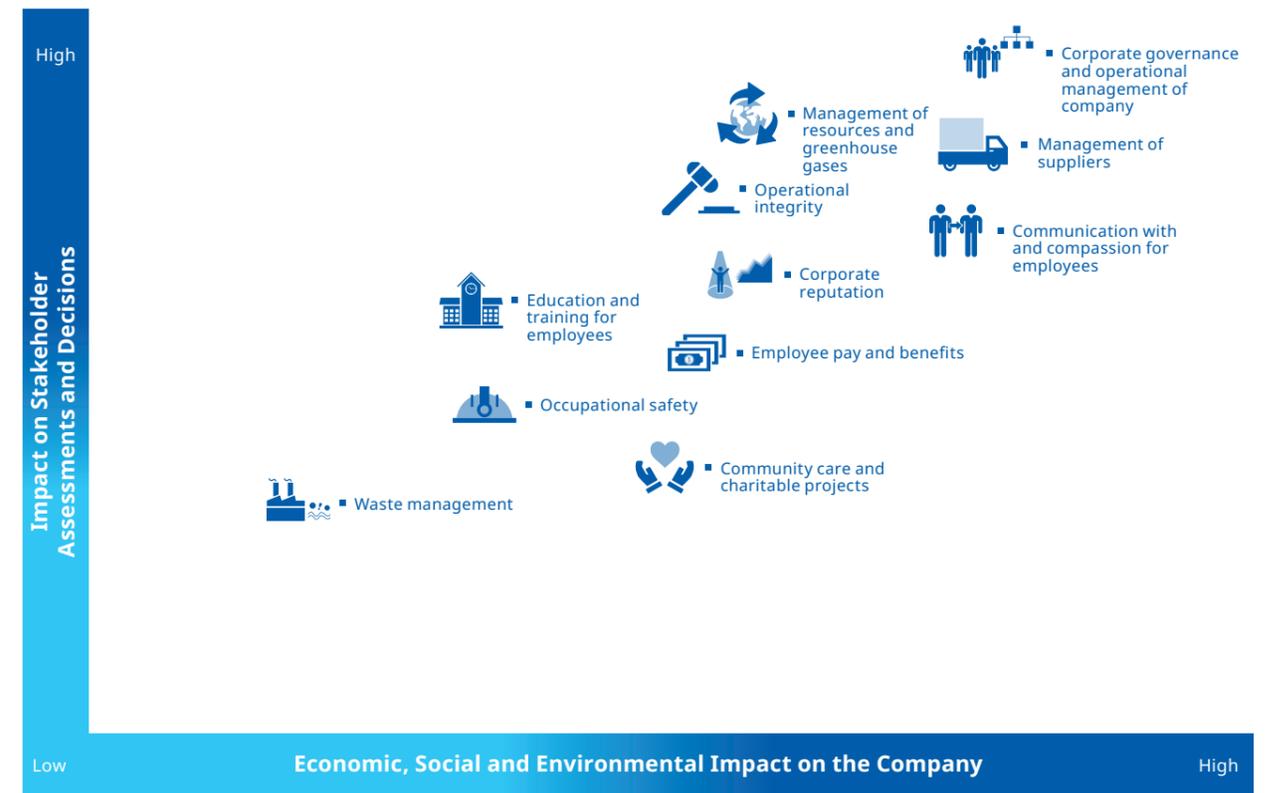
CLASSIFICATION AND ANALYSIS OF SIGNIFICANT STAKEHOLDER ISSUES

Foxconn engages with our stakeholders across multiple communication channels to understand and identify SER-related issues that are of interest to them. The issues and insights are aggregated and distilled, based on considerations such as materiality, comprehensiveness, relevance and impact to

stakeholders in the sustainability context, to enable Foxconn to develop an initial classification of significant stakeholder issues. Foxconn's SER Committee conducts further analysis and assessment of the issues based on the AA1000 Materiality Test guidance, and develops a Materiality Matrix based on two criteria: impact on stakeholder assessments and decisions; and economic, social and environmental impact on the company.

MATERIALITY MATRIX

TOP SER/STAKEHOLDER ISSUES



SER topics that are of top priority in our stakeholder communications include: corporate governance and operational management of company, supplier management, communication with and compassion for employees, energy and greenhouse gases management, operational integrity, and corporate reputation. Other topics that we regularly engage

with stakeholders on include: employee remuneration and benefits, education and training for employees, occupational safety, and community care and charitable projects. We also discuss topics such as waste management as part of our Group's SER communications and information disclosure.

Key SER Topics and Relevant Stakeholders

Material Issues	Sub-issues	Chapter Containing Response	Boundary					
			Internal	Supplier	Client	Shareholder/ Investor	Community	NGOs
Corporate Governance and Operational Performance	EC Economic Performance	Chp. 1 - Company Profile	○			○		
Supplier Management	EN Supplier Environmental Assessment	Chp. 4 - Supply Chain Management	○	○				
	LA Supplier Assessment for Labor Practices	Chp. 4 - Supply Chain Management	○	○				
	HR Supplier Human Rights	Chp. 4 - Supply Chain Management	○	○				
Communication with and Compassion for Employees	LA Labor/ Management Relations	Chp. 2 - Employees	○					
	LA Labor Practices Grievance Mechanisms	Chp. 2 - Employees	○					
Energy and Climate Change	EN Emissions	Chp. 5 - Environment	○					○
	EN Energy	Chp. 5 - Environment	○					○
	EN Overall	Chp. 5 - Environment	○					○
Business Integrity	SO Anti-Corruption	Chp. 1 - Company Profile	○		○	○		
Market Presence	EC Market Presence	Chp. 2 - Employees	○		○			
	HR Non-Discrimination	Chp. 2 - Employees	○		○			
	HR Child Labor	Chp. 2 - Employees	○		○			
	HR Forced or Compulsory Labor	Chp. 2 - Employees	○		○			
Employee Remuneration and Benefits	LA Employment	Chp. 2 - Employees	○					
	LA Equal Remuneration for Women and Men	Chp. 2 - Employees	○					
Education and Training for Employees	LA Training and Education	Chp. 2 - Employees	○					
Occupational Health and Safety	LA Occupational Health and Safety	Chp. 3 - Health & Safety	○					
Community Care and Charitable Projects	SO Local Communities	Chp. 6 - Social Participation	○				○	
Waste Management	EN Waste Management	Chp. 5 - Environment	○					○

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EMPLOYEES

Employees are Foxconn's most important asset and we treat all employees equally and fairly. We provide opportunities for merit-based promotion and compensation, as well as support their development through world-class training programs.

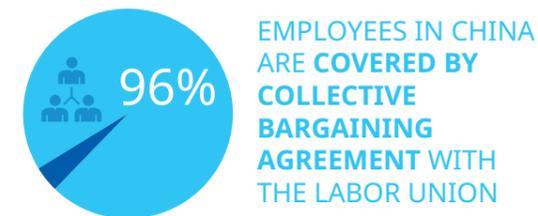
Overview of workforce



EDUCATION LEVELS



COMPETITIVE WAGES + BENEFITS



EACH CAMPUS RECRUITS AT WAGES HIGHER THAN THE LOCAL MINIMUM WAGE

EDUCATION + TRAINING IN YEAR OF 2016



THE FOXCONN UNIVERSITY



6.02 MILLION+ TRAINING HOURS FOR 34.68 MILLION TRAINEES
RMB 8.85 MILLION SCHOLARSHIP FUNDS DISBURSED FOR 2,721 STUDENTS

Employees

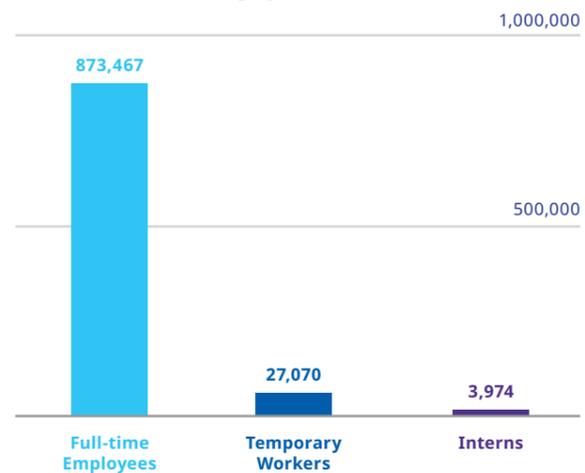
Foxconn's committed and driven employees are our greatest asset. Foxconn abides by the United Nations' Declaration of Human Rights, EICC standards and local laws and regulations on the protection of the rights and interests of all employees. Foxconn is a responsible and equal opportunity employer, and our employment policies require that recruitment, promotion, wages, training opportunities, and retirement must be people-oriented, lawful, fair, and without discrimination based on gender, age, nationality, religion, political affiliation, birthplace, country of origin, language, disability, gender identity or union membership. Foxconn treats all employees equally and fairly, and evaluates employee performance based on merit and ability. We also provide opportunities for merit-based promotion and compensation, as well as on-the-job training for all employees.

Overview

Foxconn recruits employees through social and educational institutions using an unbiased screening process while maintaining respect for the rights of applicants and our commitment to promote diversity in the workforce. Foxconn prohibits the employment of child labor and forced labor. As of end-December 2016, Foxconn had a seasonally adjusted workforce of 873,000 employees including 2,173 disabled persons and 50,520 persons from minority groups. In addition, there were no cases of workplace discrimination, child labor or forced labor at Foxconn. Foxconn endeavors to provide employment opportunities to the local workforce in each market where we operate and we strive to achieve a high employee localization rate.

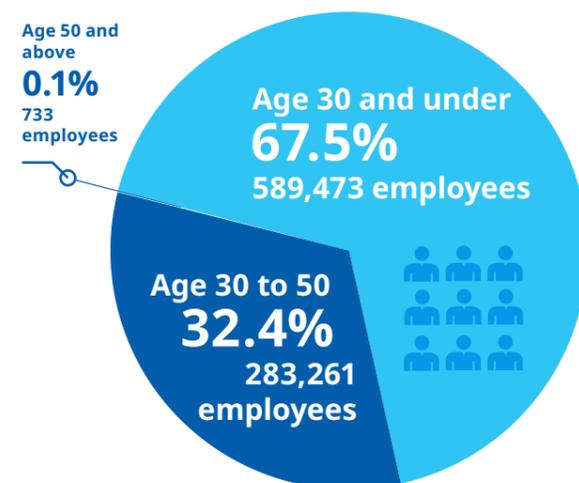
Classification and Distribution of Employees

Over 97% of Foxconn's employees are in job positions that are lawfully recognized as formal positions, and they are considered full-time employees. Foxconn also hires a number of temporary workers and part-time employees based on our manufacturing cycles and business needs.

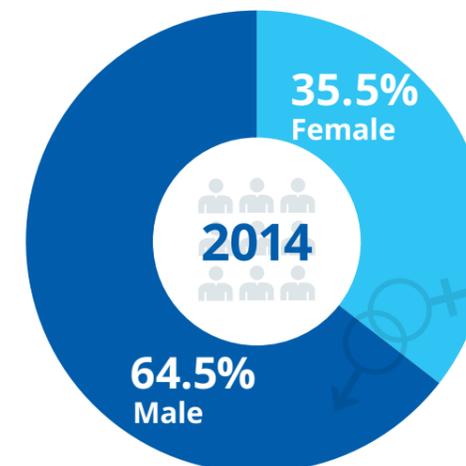
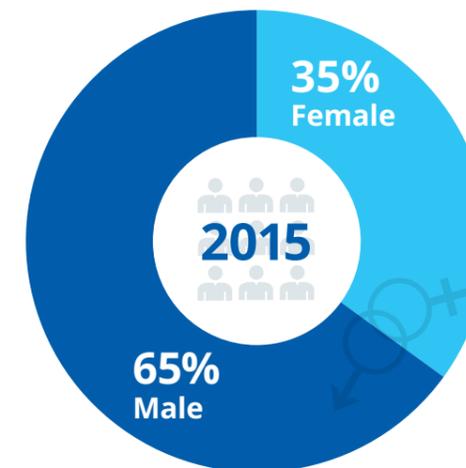
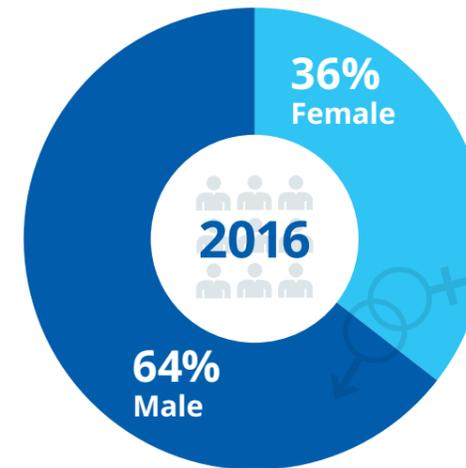


Foxconn has a relatively young workforce, with 68% of our employees being under the age of 30. The following chart illustrates a breakdown of the employee population by age:

FOXCONN EMPLOYEE AGE DISTRIBUTION

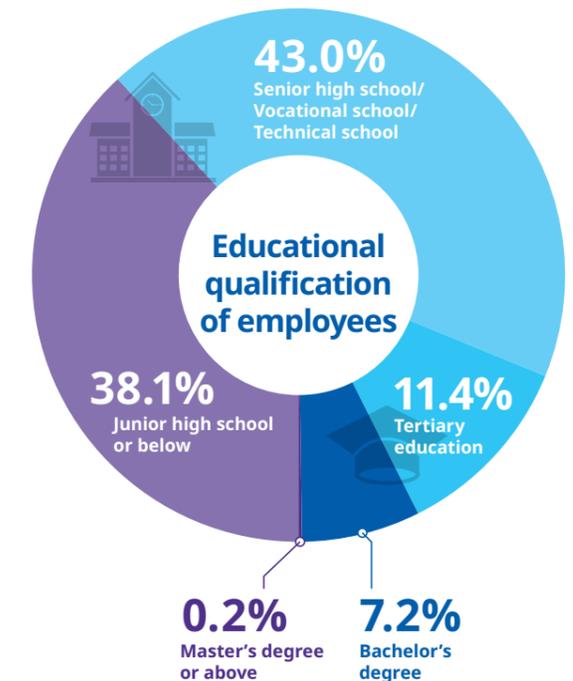


The gender ratio of employees has remained consistent over the past three years, with male employees making up 64% of our workforce, and female employees making up the remaining 36% in 2016, as shown below:



In terms of level of education, 61.9% of our employees are high school or technical school graduates, or higher:

EDUCATIONAL QUALIFICATION OF EMPLOYEES



Wages and Benefits

Foxconn is committed to providing remuneration based on merit to all our employees. Each of our campuses recruits employees at wages that are higher than the local minimum wage. Foxconn treats and evaluates all employees fairly based on their ability when determining promotions and wage increments, with no differentiation between remuneration of male and female employees. Foxconn also provides all employees with legally stipulated insurance that is in compliance with local laws and regulations. Additionally, Foxconn signs a collective bargaining agreement with the Labor Union in China every year to ensure that employee rights are protected, with nearly 96% of employees being covered by this agreement.

Foxconn has developed an incentive system that is aligned with that of a modern business and leading global enterprise, and adopts a forward-thinking approach to employee evaluation and compensation. Foxconn employees are evaluated based on business performance, work ability, and potential. In addition, to encourage employee retention, Foxconn has implemented annual bonuses, time-based incentives, and other incentive programs. Employees also receive monetary gifts for traditional holidays, such as the Mid-Autumn Festival and the Dragon Boat Festival.

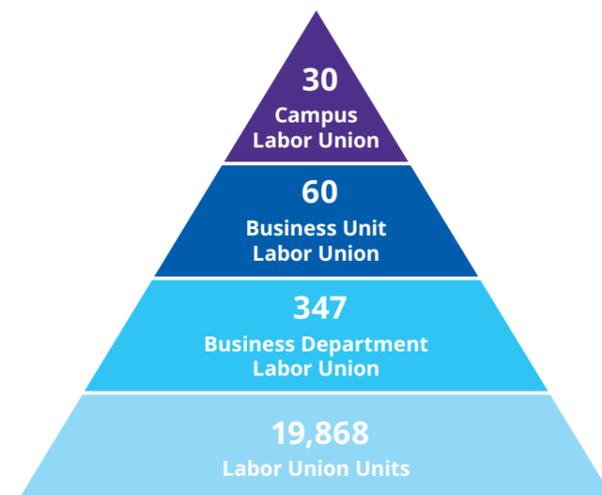
Being a people-oriented company, Foxconn considers employees as our most important asset. As such, the company has established a "5+2+1 employee insurance system", whereby employees are provided with five basic guaranteed provisions, two sets of condolence money in the event of accidents, and a commitment to protect any employee from hardship due to sickness or accidents. The details of our employee insurance program are as follows:

1. Foxconn invests in employee insurance, providing support to employees in times of emergency, such as accidents, hospitalization, outpatient or emergency medical fees. The company also offers group insurance benefits for employees in China, covering, for example, both personal and work-related situations and allows employees to claim reimbursement for any medical fees that they incur and that are not covered by the social security card at designated hospitals. All employees, regardless of their positions, are eligible for group insurance benefits. In 2016, employee assistance was disbursed to 167,000 employees and amounted to RMB 44.02 million.
2. Foxconn separately disburses one-off emergency assistance funds, such as financial assistance for employees who are hospitalized. The details for the funds and the corresponding distribution for 2016 are as follows:

Type of Assistance	Number of People	Amount (Unit: RMB1,000)
For disadvantaged employees	285	4,300
For relatives of employees	1,400	6,324
For hospitalized employees	1,932	572
For employees affected by natural disaster	168	522
For one-off incident	60	491
Total	3,845	12,209

Communications and Employee Rights Protection

The Foxconn Labor Union in Mainland China (hereinafter referred to as the Labor Union) was established in 2007. In the last 10 years, the Labor Union has established 30 campus unions, 60 business group unions, 347 business department unions and 19,868 trade union groups, covering four levels of employee unions. The leaders of each level of the Labor Union are elected by its group members. With the aim of increasing employee satisfaction, strengthening the role of the Union, and promoting innovative offerings, the Labor Union introduced the "4.0 age" concept by bringing the organization online in 2016.



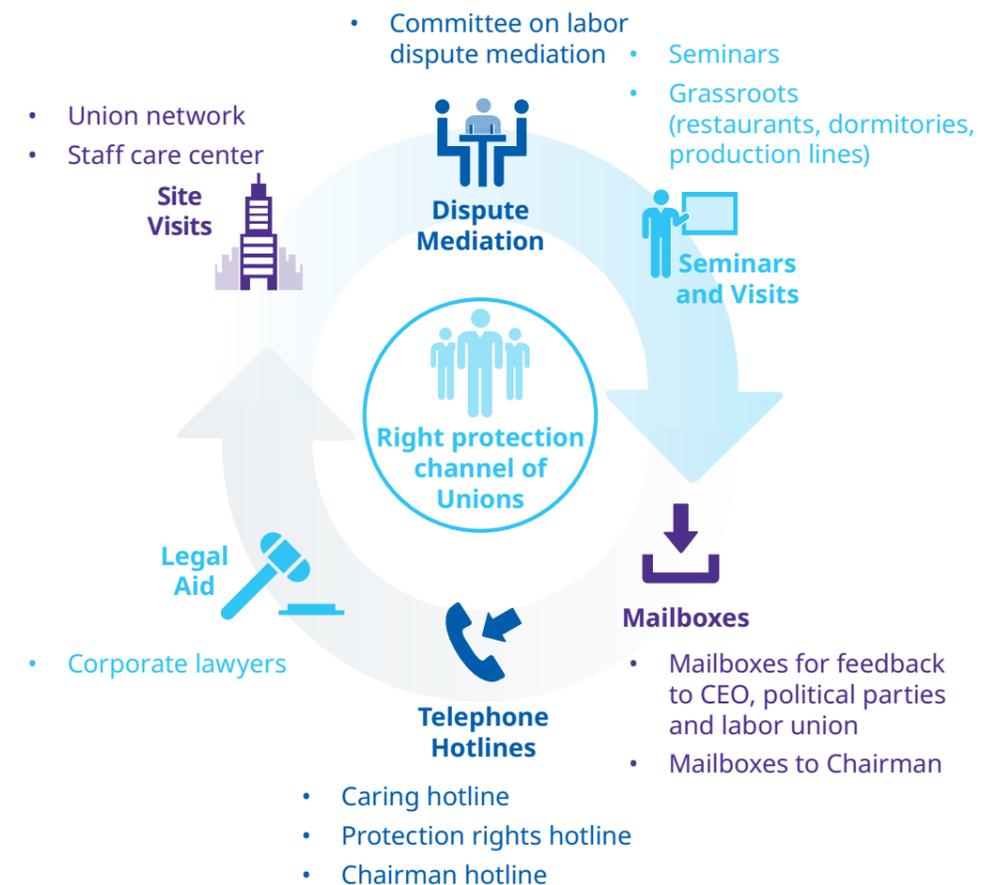
The Labor Union has instituted an integrated system to care for, protect the rights of, and support our employees. This includes hotlines at all of our campuses, and dedicated phone numbers to reach key business functions and departments, for employees to share feedback, and to provide employees with care and counseling services. By integrating 26 employee rights protection mechanisms into six categories, including mailboxes to the union, the Chairman and political stakeholders, as well as hotlines to the Chairman, rights protection and assistance, and online websites, employees are able to communicate with the unions and the company's management team directly.

A care center has also been established to provide round-the-clock service to employees, via immediate response to employee feedback and requests for assistance. In 2016, Foxconn received a total of 45,000 employee feedback submissions, with a successful case resolution rate of 96%. A total number of 290,000 calls were received on the employee hotline, with

a successful and immediate case resolution rate of 90%. In addition, 6,012 sessions of employee outreach activities were held and participated 2.21 million employees, while 739 employee representatives forums, which resolved 16,000 cases were held for 34,000 employees, and 1,606 cases of legal aid and 5,633 cases of counseling were recorded.



Skills enhancement training session



Employee Skills Enhancement

Foxconn is proactive in educating workers from rural backgrounds and in improving their skill set to enhance their quality of life. In 2016, the company organized 997 skills-based training sessions and 884 social skills training sessions, which were attended by 156,000 employees and 163,000 employees respectively. The company also distributed a total

of RMB 5.88 million in scholarship funds to 3,912 employees and organized 1,489 skills competitions in which 189,000 employees participated. Foxconn plans to further invest RMB 1 billion in the next five years on initiatives such as developing engineers and technology specialists, and promoting skills enhancement for self-employed entrepreneurs.



Social skills sessions



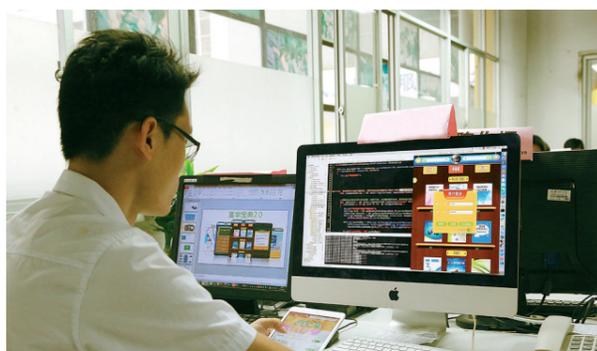
Qualification-based training



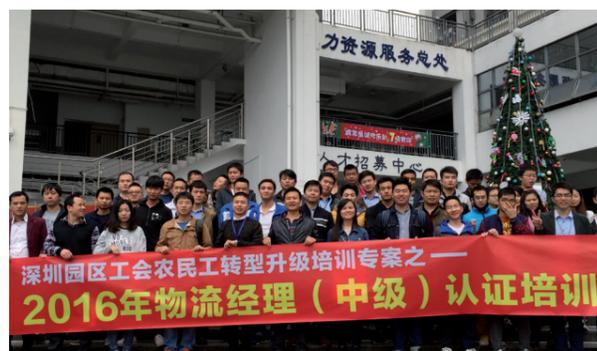
Technical competitions



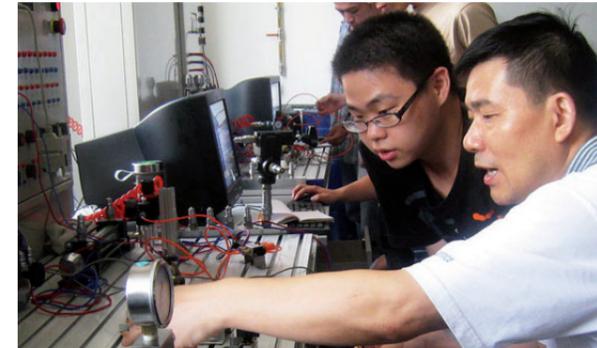
Training for 3C store managers



App development training



Training for logistics managers



Training for electrical engineering/
numerical control



Staff arts exhibition

Employee Care Initiatives

In addition to enhancing employee remuneration, Foxconn also places an emphasis on supporting healthy lifestyle practices and promoting work-life balance among employees. Every year, our company makes significant investments in improving campus infrastructure and the living environment for employees. These include providing recreational facilities, such as integrated sports stadiums, basketball courts, swimming pools, libraries, parks, gymnasiums, banking, and retail services.

In 2016, Foxconn also organized extracurricular activities to encourage work-life balance and employee well-being. Foxconn has set up some 250 societies, such as choirs, calligraphy clubs, photography clubs, basketball clubs, and dancing clubs, for our employees, and 3,474 activities were held by the various societies in 2016. Employees can also participate in various cultural, entertainment and sports activities based on their individual interests and preference to enrich their life outside of work.

In addition, Foxconn organized activities to encourage parent-child interaction, in which 57,000 people participated. The company also arranged 90,000 train tickets for employees during the Chinese New Year period, reimbursed employees a total of RMB 1.12 million for their children's kindergarten education, and held 1,254 sessions to promote the mental health and well-being of employees. There are also regular volunteer activities, such as tree planting, blood donations,



Counseling sessions



Fitness lessons



New year family activities for overseas workers



Overseas staff ball



Employee group wedding



Overseas staff ball



Christmas party for overseas employees

and care visits to the underprivileged, to encourage employees to do their part to contribute to local communities.

As part of our commitment to employee welfare, Foxconn has established online games societies in 17 of its campuses. In 2016, 1,601 online games competitions were organized, with total participation of 90,000 employees. The finals were broadcast live on prominent websites such as qq.com, attracting 3.32 million viewers.



Online gaming competitions



Online gaming competitions



Online gaming competitions

Support for Expectant Mothers

Foxconn places a priority on enabling expectant mothers to strike a balance between family and work. Caring for the mental and physical well-being of expectant mothers is important to our company, and we have taken active measures to create the best working environment for pregnant employees.

In our efforts to support social and health initiatives carried out by the local government and community, Foxconn has organized various activities and provided different services for female employees, in particular expectant mothers, at all our campuses in Mainland China. These include talks and sharing sessions for pregnant employees, and the provision of waiting rooms, breastfeeding rooms, reading areas, and eating areas for the exclusive use of expectant mothers.

In Taiwan, Foxconn introduced an initiative for expectant mothers among our employees in 2015. Under this program, expectant mothers can receive TWD 160,000 in maternity benefits and subsidies as part of our company's efforts to provide financial, well-being and healthcare support to our employees. Pre-natal care services and personalized counseling are also offered, as well as breastfeeding rooms and other facilities. In addition, Foxconn prioritizes workplace and traffic safety for mothers. Our company also provides birth subsidies. In 2016, the New Taipei City Government ranked Foxconn's breastfeeding rooms in our Taiwan campuses as number one among corporate breastfeeding facilities and the facilities have also been recognized by the New Taipei Health Department for three consecutive years.



Foxconn receiving commendation from New Taipei City government for its breastfeeding facilities



Award from New Taipei City Government that ranked Foxconn's breastfeeding rooms as number one among corporate breastfeeding facilities



Badge from New Taipei City Government recognizing excellent breastfeeding facilities



Lessons for expectant mothers

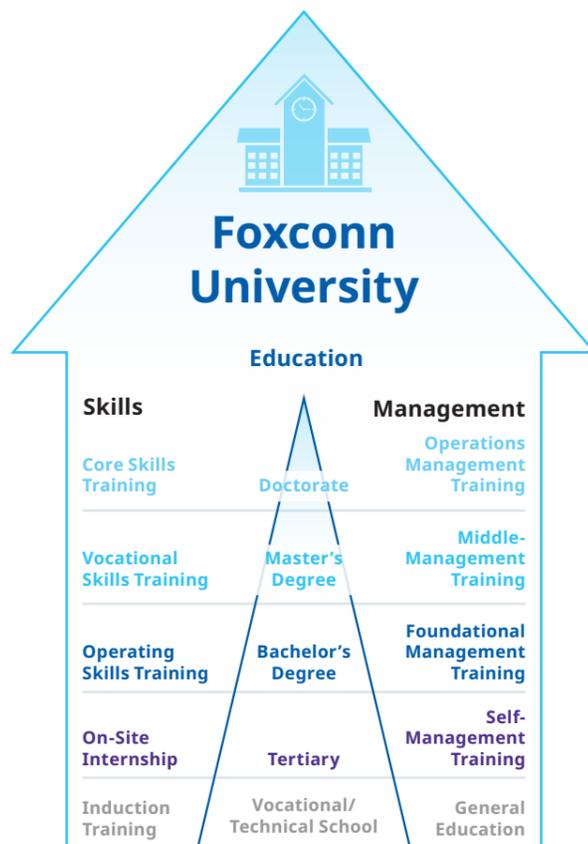


Rest lounge for expectant mothers

Education and Training

The Foxconn University aims to provide training to all our employees to support the integration of theory with practical experience, to promote knowledge application and lifelong learning, and to encourage employees to interact with and learn from one another.

As a leading corporate university, Foxconn University's mission is to realize the potential of our employees. The University develops and administers degree courses, knowledge management programs, management skills courses, industrial engineering courses, general education, on-the-job training, and technical skills development courses. The University has partnerships with renowned educational institutions, such as Stanford University, University of Houston, Tsinghua University, and Peking University, among others, and think-tanks to provide a comprehensive educational program that serves to support the professional development of our employees.



Induction training for new employees



Instructor conducting training sessions



Foreign language training



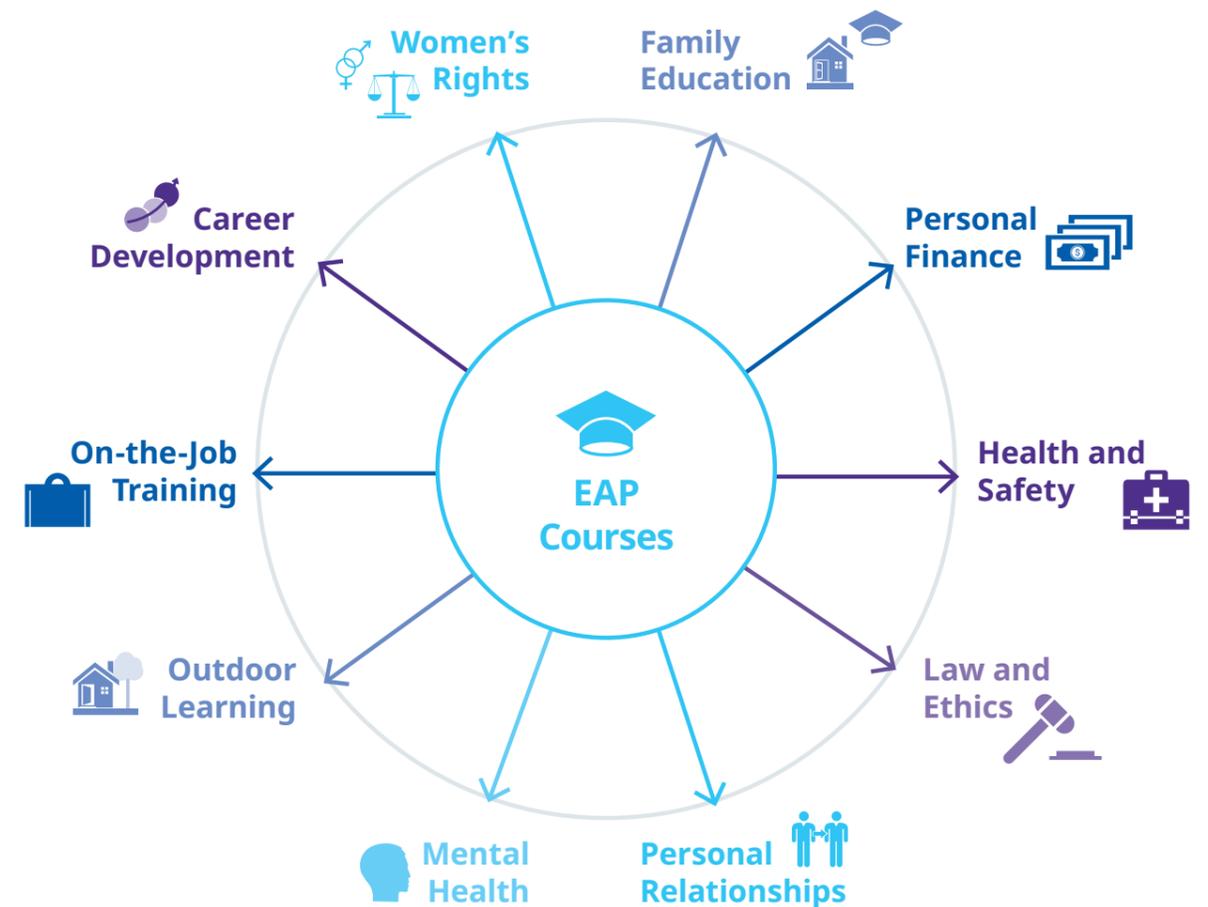
16年富士康科技集团“一马当先”中阶主管特训营

Training camp for middle management

In 2016, the Foxconn University offered courses in management, general education, technology, on-the-job training (OJT), industrial engineering, and degree courses, completing over 6.02 million training hours for an accumulated total of over 34.68 million trainees.

Course	Hours (Unit: 1,000 hours)	Accumulated Number of Trainees (Unit: 1,000)
General education	4,218	14,082
Management	108	3,859
Technical skills	1,469	8,213
OJT	35	729
IE	41	4,529
Degree courses	152	3,266
Total	6,023	34,678

In addition, the University conducts induction training for new employees as well as training sessions on the Employee Assistance Program (EAP), mental health and well-being, women's healthcare, and calligraphy, among others. Foxconn organized 151 such training sessions for 30,000 participants in 2016.





Graduation ceremony for the class of 2016 and opening ceremony for the class of 2017

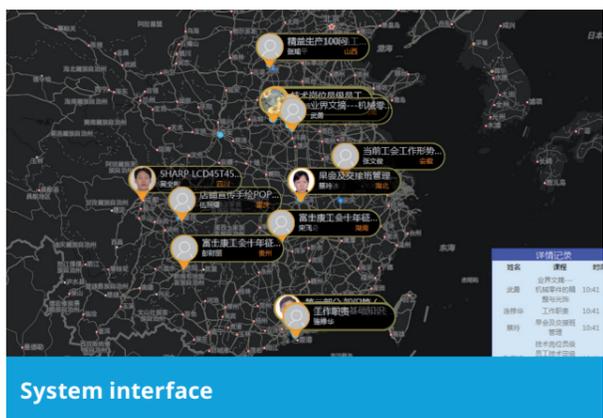
Since the Foxconn University was established in 2001, we have partnered with 60 renowned academic institutions, including Tsinghua University, Peking University, Zhejiang University, Xi'an Jiaotong University, and Harbin Institute of Technology, to promote continuing education among our employees. In 2016, 5,550 new students enrolled at the University, and 5,960 employees graduated. To encourage employee enrollment in continuing education programs, Foxconn has implemented a number of scholarship schemes, including a business group committee scholarship for training, a labor union scholarship fund for specialized training, a college-level scholarship fund, a continuing education fund, and promotion for those employees who graduate from the continuing education programs. In 2016, the scholarship funds disbursed a total amount of RMB 8.85 million for 2,721 students.

The Foxconn University has established an online learning app, which allows employees to prepare for lessons, and complete exams/questionnaires. Since its launch in December 2015, the app has generated 1.15 million users, and accumulated hours spent on

the app totaled 8,538 hours. The University conducts analysis on the data gathered through the app regarding our employees' educational and training needs to continually refine and improve the education experience it offers to our employees.



Foxconn education app



System interface

3

HEALTH AND SAFETY

Foxconn places a priority on ensuring the health and safety of all our employees across all of our global operations, and adopts a proactive and systematic approach towards enhancing our working environment.

TECHNOLOGY + COMPASSION FOR EMPLOYEES = A COMPREHENSIVE HEALTHCARE PROGRAM

BUILT ON



HEALTH AND WELLNESS PROGRAMS

- TO EMPLOYEES AND THEIR IMMEDIATE FAMILY MEMBERS:
- HEALTH CHECK SUBSIDIES EACH YEAR: TWD10,000 TO EMPLOYEES, TWD5,000 TO FAMILY MEMBERS
- "71G" APP SUPPORTS EMPLOYEES IN WEIGHT MANAGEMENT

ANNUAL HEALTH CHECK-UP SERVICE FOR ALL EMPLOYEES

SAFETY

- FOOD SAFETY: INVESTED OVER RMB 10 BILLION IN FOOD SAFETY MEASURES + TEST CENTERS IN TAIWAN AND MAINLAND CHINA CAMPUSES
- WORKPLACE SAFETY: 5.98 MILLION "NO SIGNIFICANT OPERATIONAL INCIDENTS" WORKING HOURS
- INDUSTRIAL SAFETY: CONDUCTED 32 ENHANCEMENT PROCEDURES

SAFETY TRAINING

- ESTABLISHED THREE-TIER SAFETY EDUCATION SYSTEM
- TAIWAN: 5,758 TRAINEES COMPLETED WORKSHOPS
- CHINA: 35,000 EMPLOYEES COMPLETED 349 TRAINING SESSIONS

AUTOMATION

ENABLING EMPLOYEES TO FOCUS ON HIGHER VALUE-ADDED ELEMENTS IN MANUFACTURING

Health and Safety

Foxconn takes our responsibilities as a leading consumer electronics manufacturer very seriously and our employee health and safety policies and standards meet applicable international and local laws and regulations, including OHSAS 18001, an international occupational health and safety management system, and SA8000, an auditable social certification standard for workplaces across all industrial sectors.

Foxconn recognizes that a healthy employee will contribute to the well-being of a family and society and is committed to the health, well-being, and safety of all our employees. As part of this commitment, we adhere to the goal of “complying with regulations, assessing risks regularly, promoting full employee participation, achieving continuous improvement, and zero injuries and accidents”.

Our company has established an advanced detection and monitoring system, implemented control and prevention mechanisms, reinforced employee awareness of safety policies and capabilities in handling hazardous materials, and conducted safety inspections to continuously eliminate any workplace hazards, and to fulfil our responsibilities as an employer in creating a safe and conducive working environment for all our employees.

Healthcare and Wellness

Foxconn continues to invest in creating a safe and healthy working environment and provides our employees with a comprehensive healthcare program that leverages and integrates our technological capabilities in cloud computing with care and compassion for employees.

Our comprehensive and innovative model of healthcare support includes remote healthcare counseling, complimentary health checks, medical assistance and referrals, and designated days off for better health and wellness. Foxconn also offers extensive wellness programs to the family members of our employees. These programs range from health awareness to risk assessment, prevention and screening, health management and improvement, and lifestyle optimization, as well as medical treatment and referral. Such initiatives are part of Foxconn’s commitment and goal of supporting “healthy Foxconn families for a happy and harmonious Foxconn.”

Employee Health Management

As an electronics manufacturer with industry-leading technological capabilities, the Health and Hygiene department at Foxconn developed a digital healthcare platform, health to you (h2u), to provide our employees with round-the-clock healthcare support. Through the use of various platforms such as the mobile app “71g”, the healthcare service website, employee health measurement and assessment kiosks, as well as portable smart health measurement equipment (including Bluetooth 4.0 blood pressure meters and Bluetooth 4.0 weighing machines), our employees can collect and access their health information anytime and anywhere. The digital healthcare platform receives instant transmission of employees’ self-measured health statistics through their input to the customer healthcare management (CHM) system of Foxconn’s Tele-Care Center, and based on an employee’s health statistics, a professional health management team provides customized consultation and advice, enabling a safe and convenient healthcare experience.

INTRODUCTION OF THE “71G” WEIGHT MANAGEMENT PLATFORM

Foxconn developed the “71g” App, a weight management platform that allows employees to lose weight in a safe and relaxed manner. The App uses IoT, Big Data, online health technologies and combines games (such as cycling with the use of a fitness bike) with fitness, making weight loss more enjoyable. The fitness bike is equipped with a sensor to measure cycling data and calories burnt and the 71g platform can track users’ diet records, which can be used by a nutritionist to develop weight loss plans based on holistic user information tracked by the App.

Programs for Family Members of Employees

Foxconn treats families of our employees as part of the company’s community and the company provides them with comprehensive healthcare support. In line with our goal to build “healthy Foxconn families”, the company offers health check-up subsidies of TWD 10,000 to employees in our Taiwan campuses, and TWD 5,000 to their immediate family members every year, in addition to the annual health check-up service provided to all employees. Foxconn’s Health and Hygiene department also introduced a “Pink Health” program for female employees and their female family members, for the prevention and early detection of breast cancer, the most common cancer among women.



Employee health management and assessment kiosks



Employee health management and assessment kiosks



“71g” app

Occupational Disease Prevention

Protecting the mental and physical health of our employees is a top priority for Foxconn. An employee health check-up center has been established to provide complimentary annual health checks and assessments for employees, and to enable employees to monitor their health prior to, during, and after, their work shifts. The center has provided an accumulated total of 420,000 health checks and 110 occupational health and safety training sessions for our employees to date.



Occupational health training sessions



Health check-ups

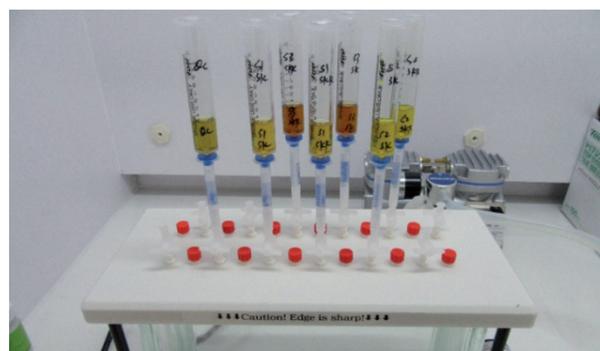
Food Safety

To ensure the health and well-being of all our employees, Foxconn actively tests the food we provide to our employees and uses organic ingredients where possible.

The company has invested over RMB 10 billion in implementing food safety measures and establishing food safety test centers that operate in strict adherence to international standards in our Taiwan and Mainland China campuses. With over 20 professional food inspectors and over 70 pieces of the most advanced inspection equipment, the centers are equipped to conduct over 40 types of tests for micro-organisms, heavy metals, food additives, and pesticides, among others. The centers conduct risk assessments on the food served in the campuses and undertake regular inspections and random audits to ensure the safety of the food served to our employees. Some of the food ingredients provided to the Taiwan campuses are from the Kaohsiung YongLin Organic Farm. In addition, Foxconn requires all suppliers to display valid certification when supplying food to our campuses.



Food sample testing procedures



Food sample testing procedures

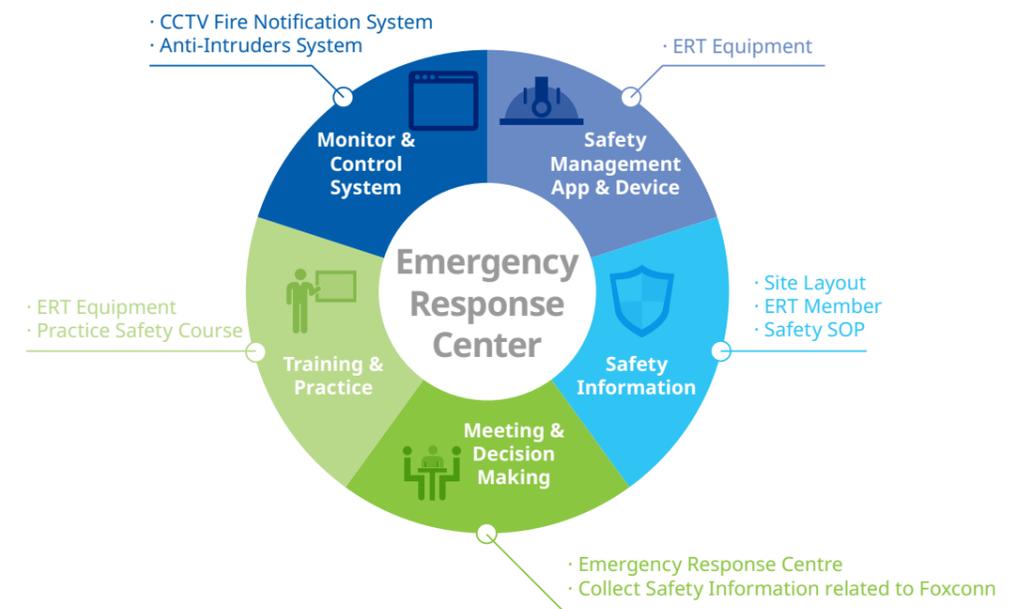
Safe Working Environment

Foxconn is committed to achieving the goal of “zero injuries, occupational diseases or accidents” and in 2016, we continued to enhance our comprehensive health and safety management system, which has successfully obtained OHSAS 18001 and CNS15506 certifications issued by Societe Generale de Surveillance S.A (SGS), a Swiss-based inspection, verification, testing, and certification company.

Foxconn has obtained a certification for the company’s record of 5.98 million “no significant operational incidents” working hours since our company began participating in the “No Occupational Incident Working Hours Record” program issued and organized by the Occupational Safety and Health Administration of Taiwan’s Ministry of Labor. In May 2016, Foxconn also received the “Special Award for Outstanding Employee Health and Safety” from the Labor Affairs Department of the New Taipei City Government for our occupational health and safety efforts and results.

Industrial Safety

Foxconn has established a safety and hazard prevention center at the company’s headquarters in Tucheng, Taipei, which is focused primarily on promoting the exchange of safety information across campuses, providing real-time information on typhoon and other natural disasters as well as providing crisis management training to employees in order to reinforce the Group’s crisis prevention systems. In addition, infrared thermographic devices are deployed to monitor the operations of electrical equipment (such as distributors) at campuses and comprehensive training for dedicated personnel is conducted to ensure they are familiar with the use of such devices. In 2016, 288 test reports were completed by 16 personnel. These measures have significantly reduced the risk of wind and fire-related incidents and damages at Foxconn campuses.



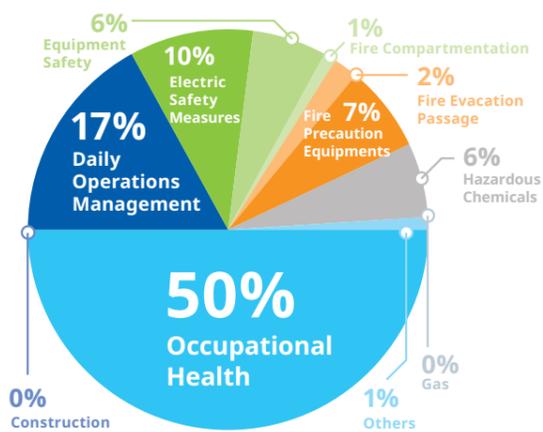
Foxconn promotes the shared goal of “100% Safety at Work” and “zero injuries, occupational diseases or accidents” at all of our campuses and with all of our employees, and we have put measures in place to ensure employees are working in safe environments. In 2016, there were no fire-related incidents and nine industrial accidents at the company’s facilities across China, a decrease compared to 2015.

In addition, Foxconn has created an internal professional assessment team to conduct daily and monthly safety checks across the company’s facilities in China. Over the past year, a total of 44,000 safety non-conformances were identified, of which 43,000 were successfully addressed, achieving a resolution rate of 99.1%. We continue to make every effort to resolve the remaining non-conformances. In addition, the Foxconn Labor Supervision Committee conducts biannual audits and assessments of campuses to ensure that the company’s safety policy is fully adhered to and implemented, and that all employees are working in a safe environment.

STATISTICS ON GROUP EXPLOSIONS/FIRE/INDUSTRIAL ACCIDENTS IN THE PAST 3 YEARS

	2014	2015	2016
Explosions	0	0	0
Fires	1	3	0
Industrial Accidents	38	16	9

DISTRIBUTION OF POTENTIAL RISKS IDENTIFIED IN 2016



To ensure workplace safety and effective prevention of accidents, Foxconn continuously reviews and identifies opportunities to introduce advanced technologies to improve our operations and processes – for instance, in the sourcing of less hazardous raw materials, proper and routine maintenance of machines, and enhancement of production flows. In 2016, a total of 32 enhancement procedures were implemented to enhance the safety of manufacturing processes involving the use of oil sprays and solvents, and to implement specific guidelines for the handling of five high-risk processes: anodizing, plating, liquid painting, powder coating, and polishing. The company has set up a centralized storage and handling policy for all hazardous chemicals, focusing on limiting storage amounts and eliminating or minimizing the risk of chemical-related accidents. Stringent guidelines on areas such as sourcing and disposal of chemicals have also been communicated to employees to ensure that they are aware of and observe these safety guidelines.



Safety training and education programs



Safety training and education programs

Ergonomics

In order to prevent and minimize the occurrence of occupational accidents and injuries, improve working conditions, and boost efficiencies, the company established the Foxconn Industrial Ergonomics Centre (FieC) to leverage and apply ergonomic theories and industry best practices to our operations and workplace. FieC aims to promote and enhance the management of risk evaluation systems and provide work-related safety education and training to employees.

FieC has made 10 recommendations for future enhancement based on our vision of creating a positive working environment for employees. Together with our customers, we have also established standards and guidelines related to ergonomics as it applies to our workplace and operations.

As part of the ergonomics program, ergonomics requirements are first applied in the product development stage, before being expanded and applied to all product lines at the mass production stage – significantly improving working conditions while reducing production costs.

Foxconn’s campuses in Taiwan operate in accordance with the requirements of Taiwan’s Occupational

Safety and Health Act. As part of this commitment, FieC is collaborating with Foxconn’s Occupational Safety and Health Administration department to introduce the “ergonomic office project” in our Taiwan campuses, which aims to promote the concept of preventive care. By integrating various occupational safety and health function groups located in the Taiwan campuses and leveraging resources from within the Group, FieC conducts on-site evaluations focusing on ergonomics-related risks of several product lines and offices in the Taiwan campuses, and provides recommendations on improvements based on the results of those evaluations.

At Foxconn’s Mainland China campuses, we adhere to the principle of being people-oriented, sustainable, and efficient and the company has implemented occupational safety measures in the workplace. In 2016, Foxconn distributed 40,000 ergonomics-related pamphlets to educate employees, organized ergonomics-themed promotional activities, which were attended by 21,000 employees, and encouraged employees to suggest improvements, generating 7,276 pieces of feedback. In addition, the company made 16,000 improvements to work stations, tools, and robotic equipment, through ongoing site evaluations and optimized 179 high risk work stations. Through these actions, the company was able to boost efficiency and generate savings of up to RMB 63 million.



Health and Safety Awareness Training

At Foxconn, we are committed to promoting health and safety, and educating and engaging employees on this important topic so they understand and actively participate in ensuring the safety of our workplaces. We have developed a comprehensive safety training strategy and program in order to reinforce employee safety awareness as well as their capabilities in observing and implementing safe work practices. A three-tier safety education system – at the facility level, process/production line level and team level – for employees has been established, and safety education workshops have been designed and conducted for each level with a focus on different areas in the manufacturing process. Foxconn also carries out a number of safety and hygiene training programs for all staff levels across the Group each year. Highlights of our safety training initiatives include:

- In Taiwan, the company conducted a number of health and safety activities, including fire extinguisher training, and seminars and simulations related to fire accidents, which were attended by an accumulated total of 6,923 trainees. In addition, a total of 5,758 trainees completed workshops in health and safety.
- In China, a total of 35,000 employees participated in 349 training sessions, ranging from fire evacuation training to occupational health and safety training, dust-related maintenance work and other hazardous chemicals management training. In addition, a total of 13 types of safety workshops and specialized training, such as electrical handling, soldering, fork truck control and escalator maintenance, were also provided to employees in order to prepare them for related certification examinations.



Robotic engineering

Automation

Foxconn is leveraging, and continues to explore ways to leverage, automation and control technology to replace heavy, high risk, and repetitive work, in order to enable our employees to focus on higher value-added elements in the manufacturing process. Foxconn has been investing in the automation of manufacturing tasks associated with our operations for many years and these efforts have led to an increase in the use of automation equipment and also an increase in the level of expertise among our employees.

Foxconn takes a long-term view towards the research and development and application of automation and robotic engineering in the manufacturing process. As our manufacturing processes and the products we produce become more technologically advanced, automation is playing an increasingly important role in our operations. As part of our long-term growth strategy, we will continue to use both manpower and automation in our manufacturing operations.

In June 2016, Foxconn participated in the 47th International Symposium on Robotics (ISR 2016) in Munich, Germany and was presented with the 2016 Engelberger Robotics Award for the company's effort and contribution in the robotics field. The award, established by the Robotics Industries Association (RIA), is the most prestigious honor in the robotics industry. Foxconn has successfully created an ecosystem for automation within the company, and will continue our automation efforts in the future.



Robotic engineering

4

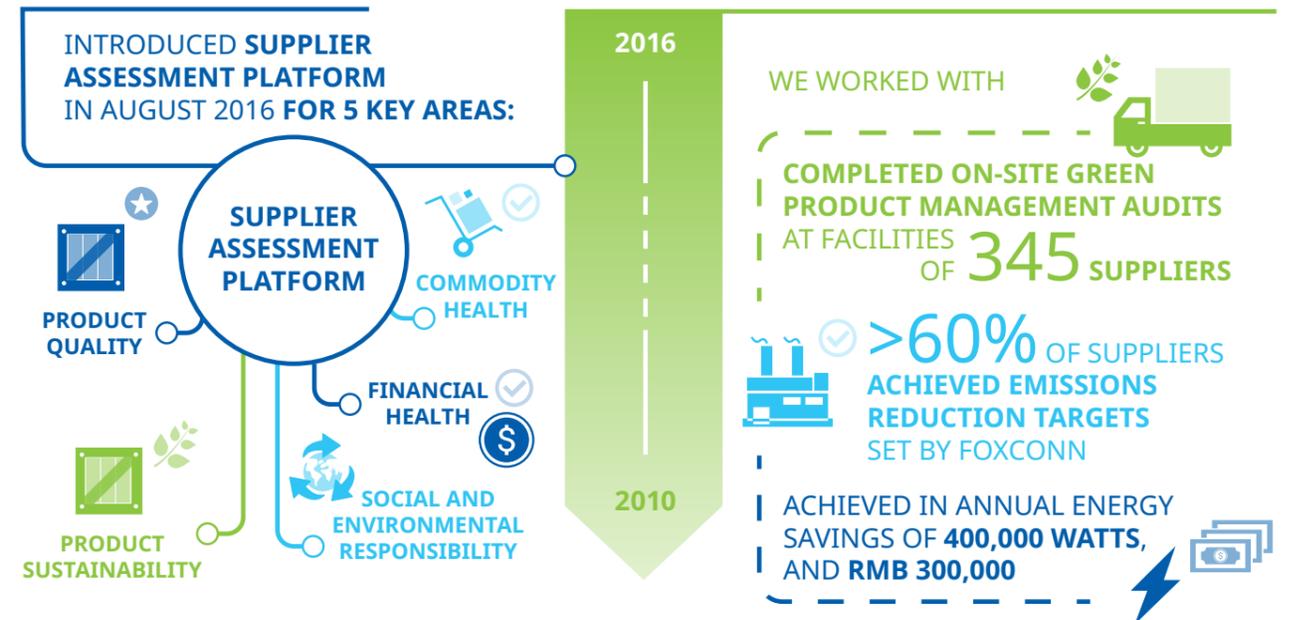
SUPPLY CHAIN

Foxconn is committed to complying with environmental laws and regulations and welcomes audits by third-parties to ensure that we continuously meet our environmental and social responsibilities including promoting supply chain sustainability.

Our procurement process when using raw materials, products, and services



DESIGN FOR ENVIRONMENT (DfE) PROGRAM MODEL



Supply Chain Management

Foxconn requires that all suppliers comply with local laws and regulations and Foxconn's social and environmental responsibility guidelines. The company also requires that our Procurement Division and suppliers adhere to and implement the following policies:

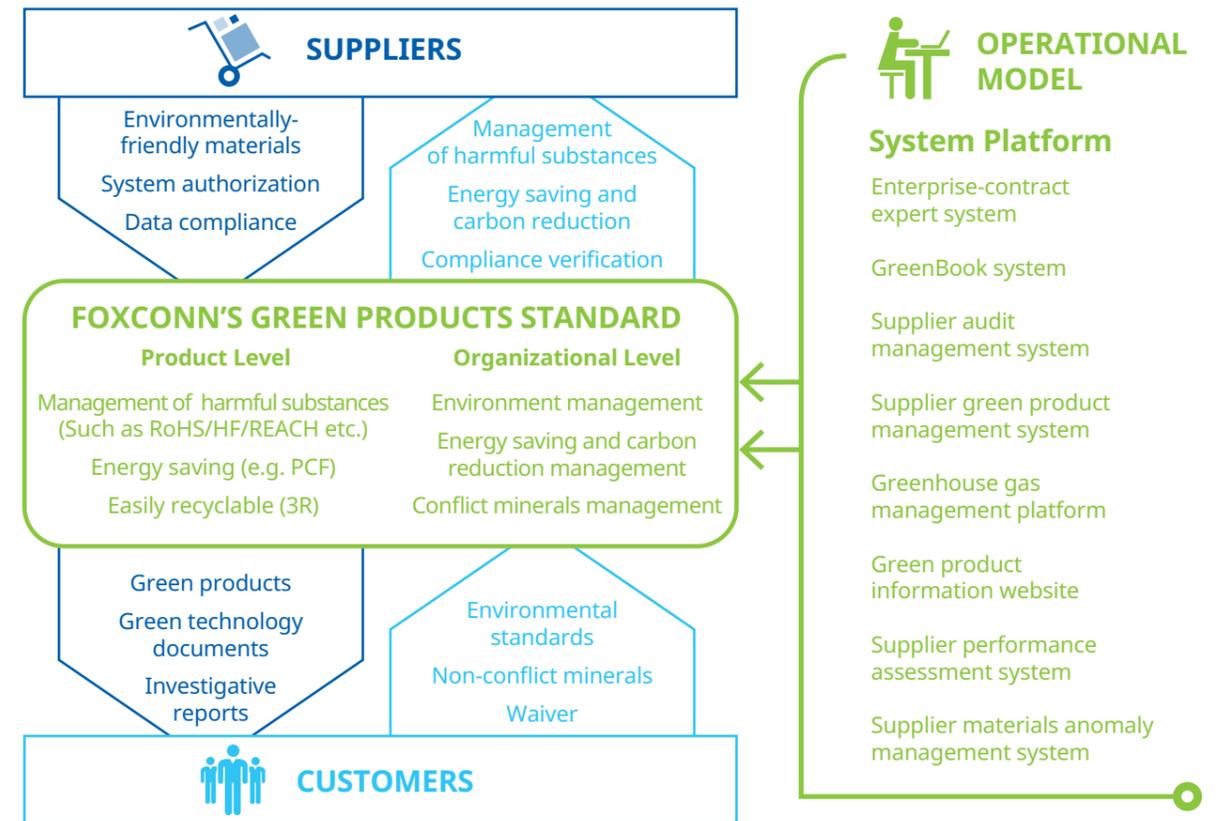
- Prohibit corruption, discrimination, unfair or non-competitive practices throughout the procurement process by signing a "Letter of Undertaking" that they will adhere to the principles of fair competition and transparency.
- Prohibit discrimination based on country of origin, race, culture, or politics.
- All suppliers are required to live up to Foxconn's standards and criteria for social and environmental protection, and abide by these guidelines in their day-to-day operations.

The company has set up specialized divisions to study and integrate environmental requirements (e.g. Restriction of Hazardous Substances (RoHS), Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), Halogen-Free (HF), restriction of conflict materials, and carbon emission reduction, among others) of regulators, customers, the industry, and society, and we work to translate the findings into actionable internal measures that can be integrated and applied within our operations. In addition, the Group requires suppliers to ensure upstream suppliers fulfil obligatory requirements in order to restrict the use of hazardous substances, encourage the deployment of carbon emission reduction solutions and other environmentally-friendly practices and solutions, and boost capabilities in making eco-friendly products. To ensure alignment with sustainability requirements, Foxconn monitors all aspects of the operations process via system platforms such as the Scorecard Platform on which all suppliers are assessed. Through these platforms, Foxconn has established a systematic approach towards creating a sustainable supply chain, and managing and monitoring the design, procurement, production, logistics and recycling aspects of products according to different product life cycles.



Supplier Green Product Management

At Foxconn, we emphasize five principles – innovation-driven, sustainable development, quality of service, structural optimization, and talent-oriented – and this forms the basis of our approach to procurement where we actively promote sustainability with our suppliers. Foxconn comprehensively implements and executes sustainable procurement requirements across organizational and business group levels. The company takes environmental conservation, energy efficiency, health and safety, and recyclability into consideration during the procurement process and when using raw materials, products, and services. In addition, Foxconn adopts a systematic approach to sustainability and has amassed a large amount of data related to sustainability through a sustainable procurement platform which was launched in 2005.



ADHERING TO INTERNATIONAL ENVIRONMENTAL REGULATIONS AND INCREASING GREEN COMPETITIVENESS

In 2016, REACH officially published the 16th edition of its SVHC (Substance of Very High Concern) list, which currently includes 173 substances. Foxconn has also updated the company's procurement regulations accordingly and distributed related documents to all of our sub-divisions and affiliate groups. In addition, in 2015, four types of phthalate were added to the RoHS 2.0 Appendix II Amendment (2015/863/EU) regarding restricted materials, taking the full list to 10 harmful substances. In line with this amendment, Foxconn has made the following revisions to our company policies to ensure we are in full compliance with legal and customer requirements:

1. In accordance to the requirements set out by our customers and the European Union's Restriction of Hazardous Substances 2.0 (RoHS), all Foxconn business groups and affiliates must equip themselves with the ability to test for the four new types of phthalate.

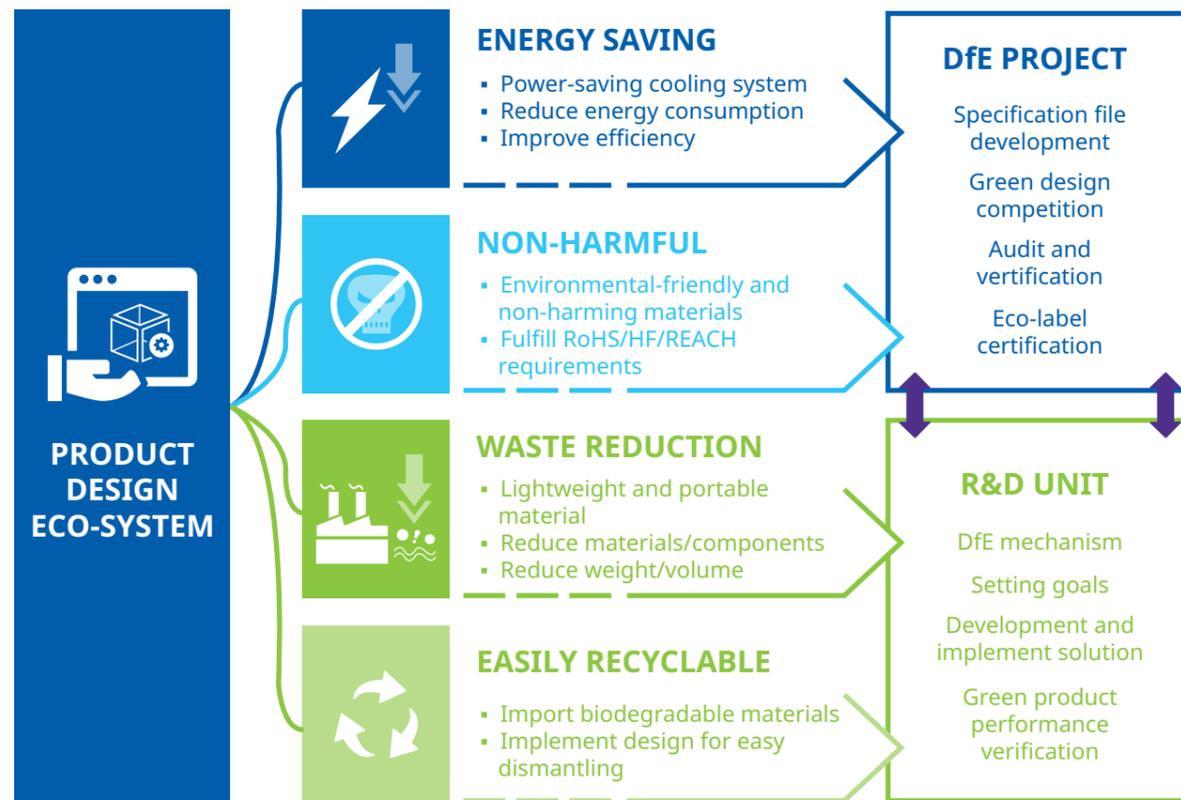
2. All relevant testing departments (e.g. quality control, chemical testing laboratories) are required to add phthalate into the testing criteria.
3. Foxconn will adopt and apply the new green procurement regulations in collecting sustainability and environment-related information.
4. All business groups and affiliates are required to prepare for and adopt the new measures brought about by the RoHS 2.0 amendment, in anticipation of related customer requests.
5. All new products should specify adherence to the European Union's RoHS 2.0 regulations in the product specifications or relevant technical documents.
6. All relevant departments should continue to monitor the use of phthalates in electronic products to ensure that Foxconn-manufactured products fulfill industry and customer requirements.

Environmentally-friendly Product Design

According to a survey by the German Environment Agency (UBA), over 80% of a product's environmental impact over its life cycle is determined during the design phase. As such, in addition to applying strict compliance control on incoming materials from suppliers, Foxconn also places priority and attention on the product sourcing process to ensure that products are environmentally-friendly. As part of this commitment, Foxconn has introduced a sustainable

product management system, which requires selecting materials and suppliers that adhere to the company's guidelines on eliminating toxic and hazardous substances from all products, starting from the design stage. Foxconn has also set up the Design for Environment (DfE) program to integrate green design concepts and technology into our product design process.

DESIGN FOR ENVIRONMENT (DfE) PROGRAM MODEL



The Foxconn Green Product Task (FGPT) Committee developed a DfE document, which was finalized in December 2016, to guide the product design process adopted by the company's R&D departments and to ensure that the designs comply with the relevant environmental laws and regulations and are aligned

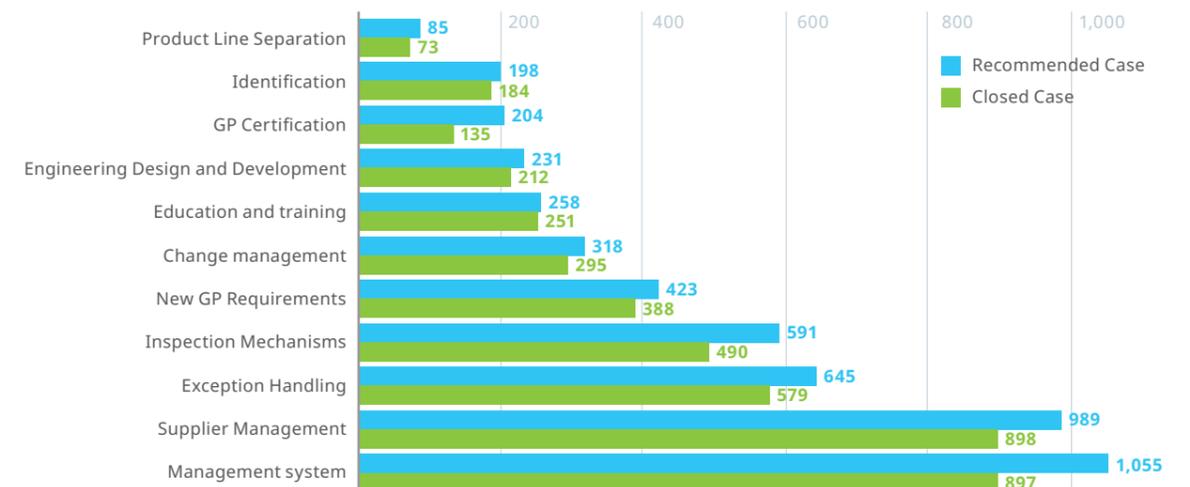
with industry and customer requirements. Five key design principles – environmentally friendly, energy and resource efficiency and reduction, recyclability, and ergonomics – form the basis of product design under the DfE program.

Management of New Suppliers

Foxconn strictly manages our new suppliers according to the company's supplier verification process. The process takes into account risk assessments related to the supplier's product quality, product sustainability, commodity, financial health, as well as the results of audits on the supplier, and places an emphasis on the supplier's environmental risk assessment. Through this process, Foxconn is able to evaluate the supplier's productivity and commitment towards the business relationship. This also allows us to build effective long-term relationships with suppliers, contributing to the company's sustainable operations.

Since August 2016, Foxconn has developed and established a comprehensive supplier assessment platform that enables risk assessment of five key areas: product quality, green products, social and environmental responsibility, commodity and financial health. The platform supports online assessment, approval and queries, boosting efficiency while reducing error rates. Foxconn also provides assistance to suppliers who do not meet the company's requirements to support them in improving their performance.

IDENTIFICATION AND RECTIFICATION OF GAPS DURING SUPPLIER AUDITS (2010 – 2016)



Existing Supplier Management

SUPPLIER GREEN PRODUCT MANAGEMENT

As part of Foxconn's social and environmental responsibility, we are committed to ensuring that suppliers observe sustainable supply chain practices and to supporting them in the implementation of such practices throughout the value-chain, from product sourcing to risk management and auditing. Foxconn requires that all suppliers have in place, and continuously refine, a sustainable and hazardous materials and product management system that is certified by a third-party to systematically enhance capabilities in green and sustainable product management. In addition, Foxconn has established a green platform where users can easily access data relating to the suppliers' green management system, including contract signing, the overall green product (GP) risk of the supplier's factories, system certification, hazardous substances testing capacity, and on-site audit status, among others.

Foxconn continuously reinforces our green supplier management strategy, including our approach to managing high-risk and medium-risk suppliers. From 2010 to 2016, we have completed on-site green product management audits at 345 of our suppliers' facilities. The following chart illustrates the key audit areas, non-conformance and resolution rate:

We adopt a progressive grading approach – a scoring method in which points are awarded or deducted based on performance – in order to motivate suppliers who have not met or are unable to meet our requirements in relation to green products to take actions to improve their standards. We continuously evaluate suppliers’ performance, request senior executives to attend on-site investigations and reviews, issue formal letters of complaints to their senior management, and flag non-compliance issues to customers, to encourage our suppliers to fulfil Foxconn’s requirements, and also those of our customers. Actions such as reallocation or termination of orders are taken against underperforming suppliers who repeatedly fail to make the necessary improvements.

SUPPLIER SER MANAGEMENT

Foxconn has integrated SER into our selection process for suppliers, and has a team dedicated to monitoring the SER performance of our suppliers. Our one-stop supplier SER management system platform was developed based on the EICC management model, which encompasses four phases in the management of suppliers: introduction, assessment, verification and continuous improvement.

Foxconn conducts SER risk assessment of our suppliers regularly, evaluating their operating environment as well as their labor rights, and health and safety performance. As part of the company’s social and environmental responsibilities, the company also conducts regular on-site audits on underperforming suppliers to determine their gaps and to ensure that they comply with Foxconn’s social and environmental policies. As of December 31, 2016, 458 on-site supplier audits have been conducted and no cases of severe non-conformance including the use of child labor or forced labor have been discovered.

CONFLICT MINERALS MANAGEMENT

The use of conflict minerals is an issue that has received attention worldwide, and Foxconn shares the global community’s concern. As a socially responsible company, Foxconn has taken proactive steps related to

this issue to support our clients in complying with the regulations set forth by the United States Securities and Exchange Commission regarding conflict minerals, and places a high priority on the management of this issue with our suppliers.

In 2016, in collaboration with our customers, Foxconn invited RCS, a leading raw materials supply chain audit company, to conduct audits on the company’s Conflict-Free Sourcing Initiative (CFSI) downstream suppliers. Based on the results of the audit and subsequent guidance by RCS Global, Foxconn has taken the following steps to optimize our system for managing our conflict minerals policies:

1. Updated the company statement on the use of conflict minerals to include the following:
 - a. Suppliers must develop a management system based on the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”.
 - b. Suppliers are required to trace the origins of “3TG” (Tungsten, Tantalum, Tin, and Gold) in their supply chain and regularly provide updates to Foxconn on the use and sources of 3TG through the Conflict Mineral Reporting Template (CMRT). It is also mandatory for the suppliers to ensure that they work with conflict-free smelters, as verified by Conflict-Free Source Initiative (CSFI) or similar organizations (e.g. London Bullion Market Association and Responsible Jewellery Council).
2. Updated the company’s information system on conflict mineral management according to the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”.
3. Upgraded the company’s conflict mineral management platform, including areas such as optimizing the automatic CMRT supplier survey and audit functions and strengthening of the smelter management system. The system automatically identifies smelters that require follow-up based on CMRT reports submitted by suppliers and CFSI regulations. In addition, a risk assessment function and complaint channel was included into the system.

Foxconn continues to receive supplier reports based on the CMRT, developed by CFSI, on our conflict mineral management platform. This year’s reports show that there was no use of conflict minerals originating from the Democratic Republic of Congo or other conflict-affected areas by any suppliers.

In order to comply with our customers’ “conflict-free” requirements, Foxconn proactively encourages our upstream suppliers to work with smelters that are part of the Conflict-free Smelter (CFS) program. For suppliers working with non-CFS smelters, Foxconn has either requested for those smelters to receive CFS verification or urged suppliers to remove them from their supply chain.

In 2017, Foxconn will continue to actively promote the use of smelters in the CFS program with our downstream suppliers, as part of the company’s efforts to keep conflict minerals out of our supply chain.

MANAGEMENT OF SUPPLIERS’ EMISSION LEVELS

Foxconn attaches significant importance to reducing carbon emission and works continuously to achieve the targets of “energy reduction, emissions reduction, sustainability, and reusability”. The company proactively encourages and works closely with our suppliers to engage in activities that promote lower energy use and carbon emission. As a result, over 60% of Foxconn’s suppliers achieved the emission reduction targets. The following table shows Foxconn’s emission reduction targets for 2016 through to 2020:

EMISSION REDUCTION TARGETS FOR 2016 TO 2020 (REDUCTION RATE COMPARED TO BASE YEAR)

Year	2016	2017	2018	2019	2020
Emission Reduction Target (Base year: 2014 and earlier)	19%	22%	28%	32%	35%
Emission Reduction Target (Base year: 2015 and after)	3%	5%	12%	18%	22%

In 2016, the company’s procurement department created a pilot project in collaboration with relevant energy reduction teams to provide guidance to suppliers on ways to reduce emissions. An example of the company’s efforts is the introduction of a central air-conditioning management system to one of our suppliers. The system comprises three components – remote controller, central controller and monitoring center – and utilizes the dual mode technology of power line carriers and wireless microwave to achieve centralized and automated air conditioning control. Through the implementation of power line carrier solutions, and leveraging dynamic networking technology, the system has generated annual energy savings of 400,000 watts, or RMB 300,000. The system also has the added benefits of being wireless, test-free, stable and low maintenance, as well as offering data security.

Foxconn will continue to leverage our experience and capabilities in emission reduction to assist our suppliers in reducing energy use, lowering costs, and enhancing their reputation as sustainable and responsible enterprises.

Improvement in Sustainability Rankings

As the world's largest EMS manufacturer, Foxconn abides by the relevant environmental regulations and responds to the recommendations set forth by environmental NGOs. The company also requests that our suppliers comply with environmental laws. In 2016, Foxconn continued to work with the Institute of Public and Environmental Affairs (IPE), a renowned China-based environmental NGO, to improve the environmental performance of our supply chain based on IPE's supply chain environmental management regulations. Foxconn achieved the following:

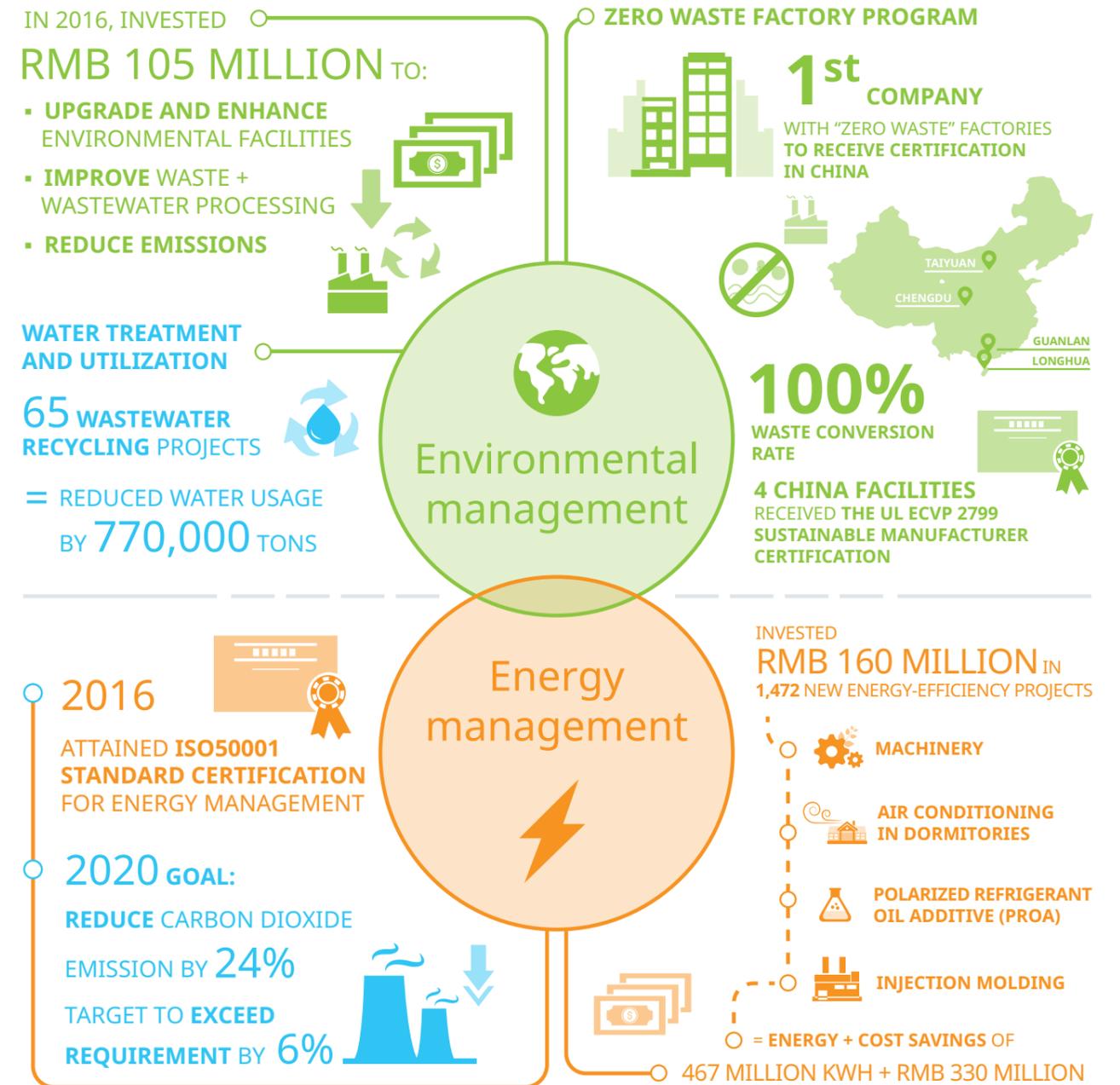
1. Encouraged suppliers to enhance compliance with environmental laws, and to act on violations submitted by the public to the IPE website (www.ipe.org.cn), if they are found to be true.
2. Requested suppliers with pollution risk to release pollutant figures on IPE's Pollutant Release and Transfer Register (PRTR).
3. Collaborated with customers to share experience with and encourage suppliers to improve their environmental performance.

In addition to sharing information on our environmental supply chain management process with IPE on a regular basis, Foxconn also works with IPE on a range of environmental issues and we have received acknowledgement from the NGO for our efforts in sustainable procurement. In October 2016, IPE published its annual Corporate Information Transparency Index (CITI), in which Foxconn was ranked 6th with a total of 53.5 points, a rating improvement of 4.5 points against that in 2015.

5

ENVIRONMENT

Foxconn applies green technologies across all aspects of our manufacturing operations, while also achieving sustainable growth. We invest significantly in efforts to uphold the highest standards in green manufacturing, energy efficiency and environmental protection, and are committed to championing a new global eco-culture.



Environment

Environmental sustainability is a top priority for Foxconn and we have put in place a systematic approach towards integrating green and sustainable practices in our operations, implementing measures in the areas of environmentally friendly product design, carbon emission reduction, process management, energy and resource management, and supply chain management, to minimize the impact of what we do on the environment.

Environmental Management

Since the company's inception, Foxconn has made environmental conservation a key operating principle to ensure that waste and pollutant emission levels meet the requirements of local laws and regulations and that the environment is not compromised by our operations. In 2016, Foxconn invested a total of RMB 105 million on 236 enhancements to the company's environmental facilities and on improvements to our capabilities in processing waste, wastewater and emissions at our campuses.

- Waste water treatment and utilization:** Foxconn seeks to reduce water consumption and optimize water usage. Our company also actively promotes the reuse of wastewater and adopts the use of reclaimed water throughout our production lines to reduce the impact of manufacturing on the environment. In 2016, a total of RMB 2.3 million was invested into 65 wastewater recycling projects, reducing water usage by 770,000 tons of industrial wastewater and generating savings of RMB 32.3 million. In addition, the company recycled 246,000 tons or 11% of industrial wastewater produced.
- Air pollution control:** We continue to implement the ERCO exhaust gas cleaning system to enhance our capability in processing exhaust gas and to meet international emissions standards.
- Waste disposal:** A total of 9.58 million of hazardous waste was treated and disposed of in compliance with environmental laws and regulations in 2016.

- Recycled materials:** Foxconn actively promotes the use of environmentally friendly materials, and conducts research to develop environmentally friendly products that are sustainable.

Foxconn has also organized a series of activities aimed at raising environmental awareness among our employees. On June 5, 2016, the company hosted a one-day event – “green workplaces are everyone’s responsibility” – in all of our Mainland China campuses to promote the benefits of a low carbon and sustainable lifestyle.

Zero Waste Facility

Industrialization has led to an increase in solid waste, which not only impacts the environment, but is also a significant issue for the industry and society-at-large. As part of our efforts to overcome these challenges, Foxconn aims to reduce the amount of waste the company creates for landfills and incinerators and we are also striving towards the goal of zero waste.

In 2016, Foxconn implemented the “zero waste” program, which aims to achieve a 100% waste conversion rate and a waste incineration rate of up to 10%, in our main campuses in Shenzhen, Chengdu and Taiyuan. As part of the program, we are also working towards reducing waste at source and achieving a higher recycling rate of packaging material in order to improve the overall recycling rate of waste materials. In addition, waste management units responsible for coordinating the daily management and statistical tabulation of waste disposal as well as promoting waste reduction, was established to support recycling efforts at the facilities.

To ensure that waste is managed effectively and in accordance with laws and regulations, Foxconn implemented a set of internal waste management guidelines for tenders for waste management vendors.

The company strictly follows a tender process that is fair and transparent and we ensure that the vendors that are evaluated to be of the lowest legal and

compliance risk are selected. In addition, Foxconn regularly audits our waste management vendors to ensure that they comply with all relevant laws.



In 2016, a total of four Foxconn facilities in China received the UL ECVP 2799 Sustainable Manufacturer certification, becoming the first company with “zero waste” factories to receive this certification in the country. The facilities adopt a zero waste model where over 90% of the waste produced is reused, with the remaining 10% being used to generate electricity. This model not only reduces

environmental impact, but also optimizes resource use and protects the environment, representing an important milestone in our commitment to green and sustainable business development.

The table below shows the rates of waste conversion in each of the “zero waste” facilities:

	Guanlan Facility	Taiyuan Facility	Longhua Facility	Chengdu Facility
Recycling Rate (%)	94.5	92.1	97.1	97.4
Incineration Rate (%)	5.5	7.9	2.9	2.6
Conversion Rate (%)	100	100	100	100

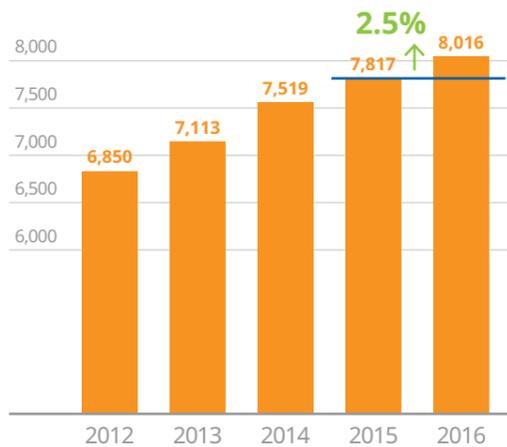
Climate Change

Foxconn adopts a proactive approach in understanding and addressing the issues surrounding climate change and we participate in the international dialogue on how to tackle this important issue. Foxconn invests significant resources to analyze and develop solutions to climate change, and adopts international standards as the basis for our Group's energy and carbon resource management, and in the development of strategies to adapt to and mitigate climate change challenges.

ENERGY MANAGEMENT

As Foxconn's operations continue to grow, the Group's electricity consumption in 2016 was 8,016 million kWh (equivalent to 28,857,600 million kilojoules), an increase of 2.5% as compared with 2015. Below is a breakdown of Foxconn's electricity consumption across all business units over the past five years:

ELECTRICITY USAGE FROM 2011 TO 2016 (MILLION KWH)

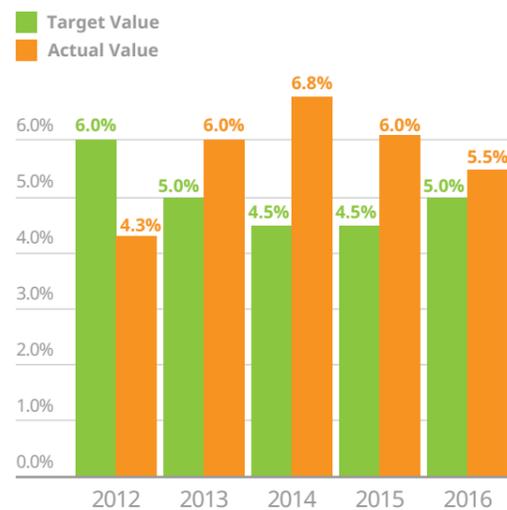


As Foxconn's production plants are mostly concentrated in Mainland China, we are guided by the national 13th Five-Year Plan in planning our business operations. We develop energy-efficiency goals at the beginning of each year, and communicate these

targets to every branch and unit within our company so that they implement comprehensive energy-efficiency technologies and contribute towards realizing the Group's overall goals.

In addition, Foxconn also invests significantly in the development and application of energy-efficiency technologies. In 2016, Foxconn invested RMB 160 million into this area, initiating 1,472 new energy-efficiency projects, covering energy-efficient machinery, air conditioning in dormitories that can be remotely controlled, injection molding enhancing servers to increase energy efficiency, Polarized Refrigerant Oil Additive (PROA) technologies for centralized air-conditioning and refrigerator compressors, among others. Foxconn's investment has resulted in total energy savings of 467 million kWh (equivalent to 1,681,200 million kilojoules), which translates to energy savings of 6.1%, and around RMB 330 million in savings. The chart below shows our progress in achieving our energy-efficiency targets over the last five years:

COMPARISON OF ENERGY-EFFICIENCY TARGETS AND ACTUAL ENERGY SAVINGS



ENERGY MANAGEMENT SYSTEM ISO50001 CERTIFICATION

Foxconn actively promotes the adoption of energy management across the company. In 2016, 35 of the Group's legal entities attained ISO50001 certification, an energy management certification standard. Foxconn's approach to energy management is integrated into the operations of all our manufacturing facilities, where we have not only been able to successfully reduce energy consumption, but also effectively manage resource costs. Through continuous enhancement on our system and effective management, we expect to achieve total annual reduction in energy consumption of 120 million kWh and CO₂ emission of 110,000 tons.

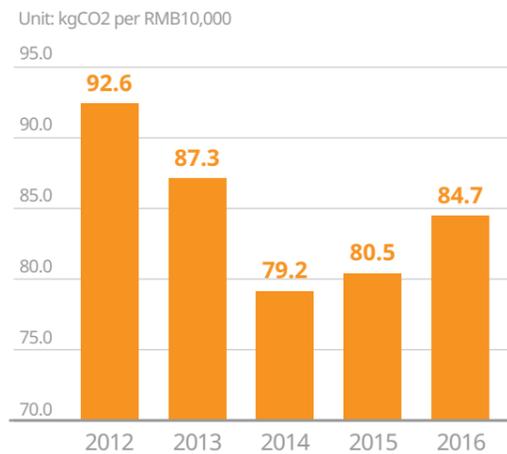
Foxconn has been investing in the establishment of energy management centers in order to digitalize energy management, run online simulations of industrial energy supply systems and introduce a range of new technologies to the process. As such, the company has created an emissions monitoring system to provide digital data and analysis of, and rating on, energy management and usage, enabling Foxconn to further boost energy efficiency. In 2016, six of the Group's legal entities have completed the construction of energy management centers, resulting in projected energy reduction of 39.05 million kWh/year and savings of RMB 27.33 million. In addition, the company has also developed an initial set of monitoring indicators to use across all energy management centers to enhance the mechanism for the interoperability of the systems, enabling the realization of digital monitoring.



CARBON ASSET MANAGEMENT

In accordance with China's 13th Five-Year Plan, which requires the reduction of carbon dioxide emissions by 18%, Foxconn has set a carbon dioxide emission reduction target of 24%, based on the company's 2020 carbon dioxide emission per unit of output against the average in 2015. Foxconn's carbon dioxide emission output in 2016 was 84.7 kilograms of carbon dioxide per RMB 10,000, which translates to a 5.4% increase against the average in 2015. The graph below illustrates the rate of reduction of carbon dioxide emissions per unit of output by Foxconn over the past five years:

CARBON DIOXIDE EMISSIONS PER UNIT OUTPUT FROM 2011-2016



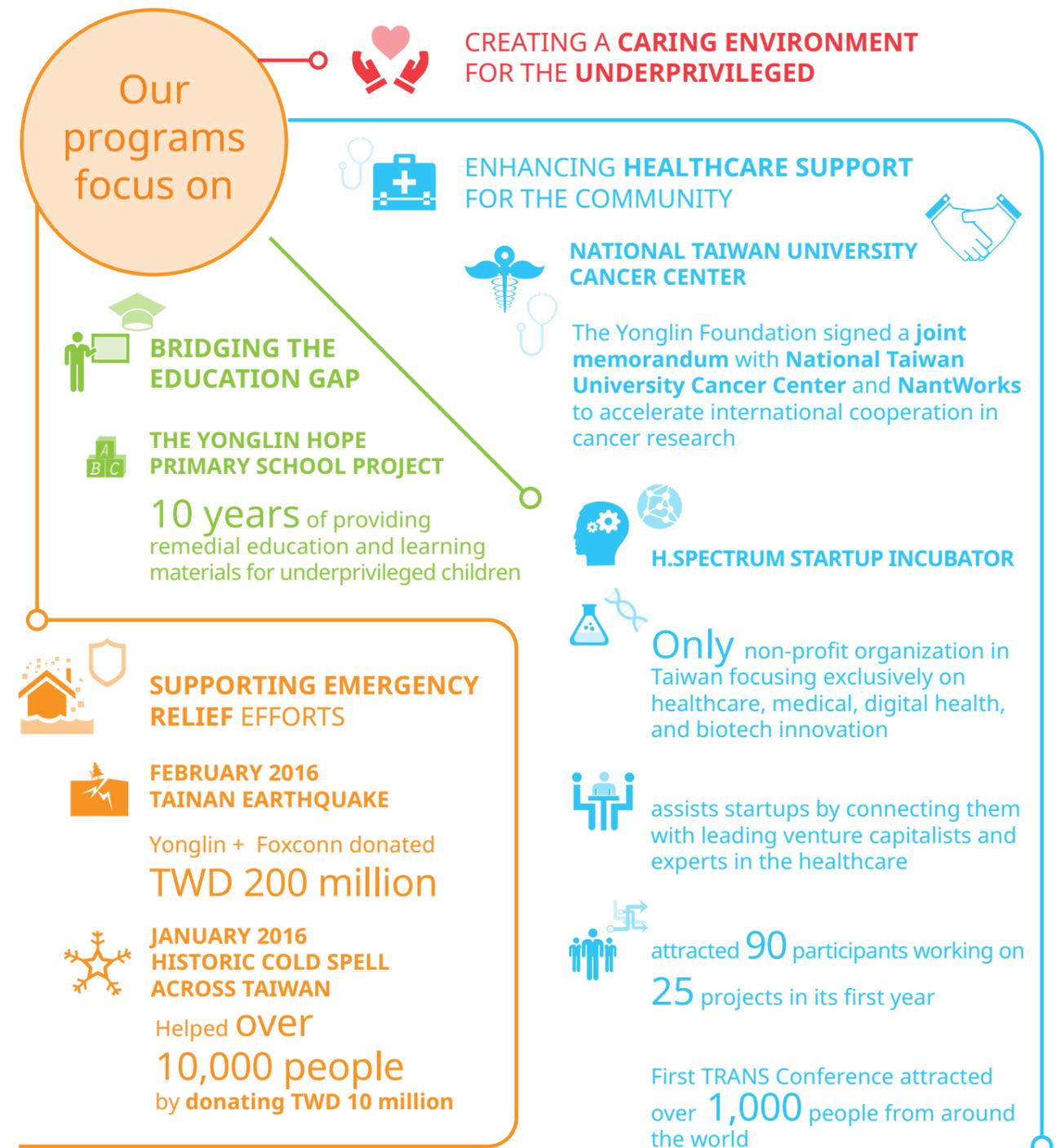
Foxconn actively advocates the development and use of renewable and green energy. In 2012, Foxconn implemented a 2MW building integrated photovoltaic (BIPV) system, which is connected to the electricity grid, in our Longhua campus. Solar energy systems have been installed on the roof tops of three multi-story industrial buildings, each with a roof-top area of 8,760 m², and a total installed area of 13,914 m². As of December 31, 2016, the 2MW BIPV project has generated a cumulative total of 10.08 million kWh, saving 3,830 tons of coal, and realizing up to 9,538 tons in carbon dioxide reduction.

Furthermore, Foxconn has applied our global experience and expertise in setting up photovoltaic power generators to the design of location-specific and campus-specific solar energy plans. We currently have photovoltaic power generators in Guangdong, Guangxi, Hainan, Henan, Jiangsu, and Tianjin, with a total installed capacity of photovoltaic power generation of 51.5MW, and an annual power generation capacity of 66.43 million kWh. In 2016, the company signed an agreement with the city government of Nanyang to build a 100MW ground-mounted photovoltaic power plant. 80% of construction is now complete, and the power plant is forecast to produce 120 million kWh of electricity, reducing carbon dioxide emission by 114,000 tons in its first year.

6

SOCIAL PARTICIPATION

Foxconn embraces a culture of sharing, contributing and giving back to the community and we actively participate in social and community-based programs to support social causes.



Social Participation

In addition to our commitment to sustainable innovation and growth, Foxconn also embraces a culture of sharing, contributing and giving back to the community in all our operations globally. The company actively participates in social and community-based programs, including sponsoring and hosting philanthropic activities and volunteer programs. We have participated in philanthropic projects, such as the Yonglin Hope Primary School and the Yonglin Cedar Forest Organic Farm, both of which have been running for seven years or more, as part of our long-term commitment to care for, encourage and enable underprivileged groups to build confidence, knowledge and life skills. As a responsible corporate citizen, we are committed to doing our part in advancing medical and healthcare, promoting education, and leveraging our Group's efforts in technological development for the benefit of the community, and in do so, fulfill our responsibilities and support sustainable social development.

Care for the Vulnerable

CANCER MOON SHOOT 2020

The Yonglin Foundation signed a joint memorandum with National Taiwan University Cancer Center and NantWorks, a U.S.-based pharmaceutical company specializing in cancer research. Under this agreement, NantWorks is sharing its "GPS" (Genomic, Proteomic,

Spectrometry) cancer research technology and clinical test data with the National Taiwan University Cancer Center, while the Yonglin Foundation is offering its Big Data and computing capabilities for the establishment of a cancer research platform.

The parties aim to accelerate international cooperation in cancer research, and create a world-class cancer research platform with capabilities such as clinical gene and protein research, and Big Data analytics.

"ROBOHON WITH YOU" – ROBOHON'S CHRISTMAS VISIT TO THE NATIONAL TAIWAN UNIVERSITY CHILDREN'S HOSPITAL

The Yonglin Foundation launched its first "RoBoHon with You" initiative, which aims to bring joy and happiness to pediatric patients and relieve some of the stress of their caregivers by staging performances by RoBoHon,

a robot smartphone by Sharp, at the National Taiwan University Children's Hospital. With its laser projection and voice capabilities, RoBoHon can also project images, including maps of the hospital, and provide direction to key points within the hospital through spoken commands. To meet visitor needs, the voice command function will be added to give directions to other areas such as toilets, pharmacies, examination rooms, and wards.

TAINAN EARTHQUAKE RESCUE AND FUNDRAISING EFFORTS

On February 6, 2016, a severe earthquake struck southern Taiwan, causing widespread damage in the region. The Yonglin Foundation and Foxconn Technology Group donated TWD 200 million to impacted regions and districts, and provided manpower to support recovery efforts in Tainan, with the help of Asia Pacific Telecom.

In order to maintain effective communication between social workers and affected families, the Yonglin Foundation collaborated with Asia Pacific Telecom and coordinated with the Tainan City Bureau of Social Affairs to provide free smartphones and 40 registered phone numbers with a pre-paid one month plan for social workers in Tainan for disaster relief purposes. Asia Pacific Telecom also provided free calling and mobile phone charging services as well as replacement phones for use in 12 other store locations near Tainan to provide communications services to people affected by the earthquake.

OUTREACH EFFORTS DURING COLD SPELL

In January 2016, a historic cold spell swept across the Northern Hemisphere, affecting the whole of Taiwan. Temperatures in the countryside and mountainous regions fell to 2 degrees Celsius or below, and many disadvantaged families did not have the necessary equipment or protection to cope with the harsh and cold weather.

Upon hearing about the situation, Yonglin Foundation Founder Terry Gou immediately donated TWD 10 million to provide families with cotton quilts and sleeping beds, benefitting over 10,000 people. The Foundation is grateful for the assistance received from the Taiwan Fund for Children and Families, and Taiwan-based media and logistics and airline companies, who, in three days, completed the procurement, inspection, and distribution of the materials to the families in need.



RoBoHon projecting a map of the Children's Hospital



Children at the RoBoHon with You initiative



Yonglin Foundation donating quilts to help those living in remote areas affected by the cold spell



Yonglin Foundation donating quilts to help those living in remote areas affected by the cold spell



"Platform for the Fight Against Cancer" Signing Ceremony

ASSISTANCE FOR CHILDREN WITH HEARING AND DEVELOPMENTAL DISABILITIES

Mountainous and countryside regions in Taiwan often lack the resources to support children with developmental or hearing disabilities, and their plight is made harder by the high transport costs to cities that have such resources. In collaboration with Ms. Delia Tseng, wife of Foxconn CEO Mr. Gou, the

Yonglin Foundation donated TWD 6 million to assist disadvantaged families, especially those who do not qualify for government support, with children who have developmental or hearing disabilities. In addition, the foundation and Ms. Tseng assisted with the fundraising efforts of the Children's Hearing Foundation to provide families experiencing financial difficulties with hearing aids and subsidies to lessen their burden.

YONGLIN CEDAR FOREST ORGANIC FARM

The "Yonglin Cedar Forest Organic Farm" was established in 2010 to support the Taiwanese government's rebuilding efforts following Typhoon Morakot that hit southern Taiwan in 2009. In the seven years of its operation, the farm has organized a variety of activities, ranging from organic farming and organic meals tastings to guided tours. The farm has also collaborated with Taiwan Edison Creative Technology, a company focused on new energy technology, in developing a wind power research program to improve crop productivity through plant lighting in order to create new energy applications and nurture new crop cultivation techniques. The Foundation has also



Yonglin Cedar Forest Organic Farm

commissioned a professional team to equip residents of the reconstruction area with organic farming techniques. In addition, the farm has worked with the Eden Social Welfare Foundation, which supports disabled people, to bring members from the group to the farm to participate in agricultural activities and learn related skills. These activities not only helped enhance the physical capabilities of the participants but also their work attitude as well as communications and interpersonal skills. The program has benefited 13,638 participants and has employed 326 people. In 2016, the farm sold 565 tons of organic food products.

PROMOTION OF "FLY, KITE FLY"

In January 2016, Yonglin Foundation Founder Mr. Gou purchased the rights to "Fly, Kite, Fly", a film about the conservation of the Black Kite in Taiwan, where the bird's numbers have dwindled, and gifted all primary and secondary schools in Taiwan a DVD of the movie. The Foundation organized public screenings around Taiwan, in conjunction with Syntrend Creative Park and Asia Pacific Telecom, as a way to promote awareness about the importance of environmental conservation.



Public screening of "Fly, Kite Fly"



One of the student's letter to CEO Mr. Gou

Filmed across six countries, "Fly, Kite, Fly" took Director Liang Chieh-Te 23 years to produce. The movie follows the life of the "Kite Man" Shen Zhen Zhong and his lifelong affiliation with animals. It exposes the harm that pesticide and over-exploitation have brought to the Black Kite ecosystem, and encourages viewers to reflect on current food security issues as well as how humans can best cohabitate the earth with other animals.

The Yonglin Foundation will also continue to support the Yonglin Cedar Forest Organic Farm after the initial seven-year rebuilding program. The program will help ensure that the land is looked after in a sustainable manner and will support the local community – humans and animals alike.

FOXCONN RECEIVES AWARDS AT THE CHINA CHARITY FESTIVAL

Foxconn has been participating in and presented with awards at the China Charity Festival for the fifth consecutive year, since 2012. At the 2016 China Charity Festival, Foxconn was presented the "2016 Group Charity Award" and the "Annual Charity Project Award." Founded in 2011, the China Charity Festival has become the most influential charity event in China. It selects outstanding charitable projects through surveys and recommendations from media partners and charitable associations based in China.

To date, Foxconn has received over 400 awards and certificates recognizing the company's charitable efforts in China. The company has also received such awards as the "Most Charitable Foreign-Owned Corporation" and the "China Charity Awards" by the China's Ministry of Civil Affairs.



Foxconn awarded the Annual Charity Award for the fifth consecutive year

COMMUNITY OUTREACH AT FOXCONN'S CAMPUSES IN EUROPE

Understanding the importance of community outreach, Foxconn also organized a number of charitable activities, including the Sponsoring Competition 2016 and Fishing Union SHIMO, at our campuses in the Czech Republic and other countries in the region. The Sponsoring Competition 2016 attracted the interest of environmental, community and educational organizations, and other organizations committed to protecting the rights of the disadvantaged, while the Fishing Union SHIMO encouraged holistic, all-round development of children and stronger family ties through fishing.



Sponsoring Competition 2016



Fishing Union SHIMO – Supporting fishing contests for children

Cultural Activities

H.SPECTRUM STARTUP INCUBATOR AND TRANS CONFERENCE 2016

Founded by the Yonglin Foundation in 2016 to identify new medical talents, H.Spectrum is a startup incubator focusing on the healthcare sector. For the first year running in 2016, the incubator attracted 90 participants working on 25 projects. In August 2016, H.Spectrum organized the 2016 TRANS Conference, which attracted the participation of over 40 groups of healthcare startups from around the world. With over 1000 people attending the event, it created a high level of attention amongst the global medical community. Through this event and other efforts, H. Spectrum hopes to inspire talent exchange across industries, position Taiwan as a focal point for healthcare and medical innovation, and bring innovation to the healthcare startup ecosystem in Asia.

H.SPECTRUM STARTUP INCUBATOR

H.Spectrum is Taiwan's only non-profit organization focusing exclusively on healthcare, medical, digital health, and biotech innovation. Supported by the Yonglin Foundation, H.Spectrum is a training program that assists startups in tackling challenges by connecting them with leading entrepreneurs, venture capitalists, marketers, and experts in the healthcare industry. Through its efforts, the incubator hopes to create more healthcare startup success stories in Taiwan within the next three years, attract international resources, and accelerate the development of the industry.

In the first six months of the training program, 90 participants joined the weekly interactive sessions at the Yonglin Biomedical Engineering Center. The program also invited representatives from 20 renowned startups and other successful entrepreneurs from around the world to share their experience with the participants, and teach the participants the basics of managing a startup, including areas such as patent laws, equity



H.Spectrum participants

distribution, proposal development, and brand development. The youth participants were then provided with the opportunity to develop their ideas and business models from scratch based on market research and product analysis. Proposals related to elderly care, innovative at-home care, personal drug management apps, and automatic identification of medical image were developed. Optimization of the nasogastric tube, among others, were presented, tried and tested.

In particular, the HOMESEEN project, which helps patients with dementia, has been developed into a service with fee-paying users. Over the past year, H.Spectrum has provided developers of HOMESEEN with legal and financial support, as well as guidance on patent development, business model development, and research and development.



H.Spectrum participants presenting what they have achieved

H.Spectrum seeks to inspire conversations in the Taiwan biomedical startup community by offering constructive advice related to the healthcare industry and bringing together people to exchange ideas and points-of-view. Through its efforts, the organization hopes that Taiwan will become a focal point for biomedical development in Asia and around the world.

TRANS CONFERENCE 2016

In August, H.Spectrum organized TRANS Conference 2016, Taiwan's first conference focused exclusively on biomedical topics. Held at the Huashan 1914 Creative Park, the two-day conference gathered biomedical startups and experts worldwide.

The event attracted over 1,000 participants, including biomedical professionals, renowned

entrepreneurs from the 2016 Forbes 30 under 30 list, and international media. Over 40 biomedical startup teams from around the world, including the U.S., the Netherlands, Hong Kong, Mainland China, Japan, and Korea, also participated and set up booths at the event. With the aim of gaining international exposure and investment, the teams showcased their innovative products, such as wearables, cloud platforms for biomedical data, health management apps and new and breakthrough medical equipment.

The TRANS Conference received recognition by the Taiwanese authorities for bringing together expertise, capital and ideas, and putting Taiwan on the global map as a leader in biomedical innovation.



TRANS Conference 2016



Participating startups



Teams presenting proposals on stage



Professional judges

YONGLIN HOPE PRIMARY SCHOOL

Over the past 10 years, the Yonglin Hope Primary School Project has been promoting self-motivated learning to those in need by providing remedial education and developing learning materials for underprivileged children in Taiwan. With the aim of continuing to enhance remedial education programs and also promoting education research and certification in teaching, the Foundation has also set up a Yonglin Center for Certification of Remedial Teachers and Research in the Kaohsiung Formosa Boulevard Station and the Taipei Syntrend Creative Park. These initiatives are a part of the foundation's larger efforts to spur development in adaptive and multi-faceted learning. The Yonglin Education Foundation and the Hon Hai Education Foundation are also supporting eight partners in developing and executing holistic educational plans involving science, programming, design, reading and comprehension, filming and virtual reality.



Syntrend creative park education information centre



Yonglin Service Car

EXHIBITION AT THE NANNING CAMPUS IN CONJUNCTION WITH NANNING COLLEGE FOR VOCATIONAL TECHNOLOGY

In November 2016, the Nanning campus in Mainland China organized an exhibition in conjunction with the Nanning College for Vocational Technology, and attracted the participation of those in the startup community called "Cloud Coffee". Cloud Coffee has been setting up startup communities in various Foxconn campuses around Mainland China since 2015, and currently has branches in 12 campuses, including Zhengzhou and Chengdu. At Nanning, the exhibition showcased 52 projects that the startups and students from the Nanning College for Vocational Technology have been working on, including a smart extension cord, smart wireless Bluetooth device, smart home control system and internet+ sewage management system.

The event was held at the "Three Innovations" accelerator within the Nanning campus. The accelerator aims to provide a platform for innovative individuals and companies to test their ideas and find like-minded partners, while providing support that Foxconn offers in bringing products to the market.



Product exhibition at the Nanning Campus



Product exhibition at the Nanning Campus

Independent Verification Statement



INDEPENDENT VERIFICATION STATEMENT

Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by HON HAI PRECISION IND. CO., LTD. to conduct an independent verification of its 2016 HON HAI CSER Annual Report. This Verification Statement applies to the related information included within the scope of work described below.

This information and its presentation in the 2016 HON HAI CSER Annual Report are the sole responsibility of the management of HON HAI PRECISION IND. CO., LTD. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent verification on the accuracy of information included.

Scope of work

HON HAI PRECISION IND. CO., LTD. requested Bureau Veritas to verify the accuracy of the following:

- Data and information included in the 2016 HON HAI CSER Annual Report for the 1st January, 2016 to 31st December, 2016.

Evaluation against Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines

Based on our work, it is our opinion that 2016 HON HAI CSER Annual Report has been prepared in accordance with the GRI Reporting Framework including appropriate consideration of the Reporting Principles to meet the requirements of GRI in accordance 'core' option.

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period and scope;
- Positional statements (expressions of opinion, belief, aim or future intention by HON HAI PRECISION IND. CO., LTD.) and statements of future commitment;
- any information hyperlinked from the web-based report via http://ser.foxconn.com/SelectLanguageAction.do?language=1&jump=/cser/Annual_Report.jsp.

Methodology

As part of its independent verification, Bureau Veritas undertook the following activities:

- Review of documentary evidence produced by HON HAI PRECISION IND. CO., LTD.;
- Review performance data listed in report with sampling basis;
- Review of HON HAI PRECISION IND. CO., LTD. systems for quantitative data aggregation and analysis.





Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Verification of Sustainability Reports, based on current best practice in independent assurance. For this assignment, we have used the Assurance Standard AA1000AS (2008)¹ Type 1 with Moderate assurance.

The work was planned and carried out to provide limited, rather than absolute assurance and we believe it provides an appropriate basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated;
- It is our opinion that HON HAI PRECISION IND. CO., LTD. has established appropriate systems for the collection, aggregation of quantitative data of employment, health and safety management, supply chain management, environment, and social participation.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social, and Environmental Management with more than 180 years history in providing independent assurance services. Bureau Veritas is also listed on the Euronext Paris stock exchange (Stock symbol: BVI), and 2016 revenue is Euros 4.55 billion.

No member of the assurance team has a business relationship with HON HAI PRECISION IND. CO., LTD., its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities.

Bureau Veritas Certification Taiwan

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14 Jun., 2017



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Date: 14/Jun./2017

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Date: 14/Jun./2017

¹ Published by AccountAbility: The Institute of Social and Ethical Accountability <http://www.accountability.org>



Checklist of Global Reporting Initiative (GRI) G4 Reference Items

General Standard Disclosure

Guideline	Reporting Angle	Chapter
Strategy and Analysis		
G4-1	Statement of the top-level decision makers of the organization	Letter by Founder and CEO, and Letter by Chairman of Global SER Committee
Organization Overview		
G4-3	Name of the organization	1.1
G4-4	Key brands, products and services	1.1
G4-5	Location of headquarters	1.1
G4-6	Operations network	1.1
G4-7	Proprietary rights and forms of law	1.1
G4-8	Markets served	1.1
G4-9	Size of organization	1.1
G4-10	Total number of employees by employment, gender, and region	2.2
G4-11	Percentage of employees under the protection of collective bargaining agreement	2.3
G4-12	Supply chain of the organization	4.1/4.2/4.3
G4-13	Major changes in scale of company during the reporting period	Preface
G4-14	Organizational policy-making	1.2
G4-15	Participation in economic, environmental and social conventions, principles and other initiatives	1.2
G4-16	Participation in institutions and international organizations	1.2
Scope of the Report		
G4-17	Organizational entities covered by the report	Preface
G4-18	Report content, scope and determining principles	Preface
G4-19	Report content identification process	Preface
G4-20	Scope of content: internal	Preface
G4-21	Scope of content: external	Preface
G4-22	Restatement of the report	Preface
G4-23	Major differences compared to previous report	Preface
Stakeholder Engagement		
G4-24	Stakeholder list	1.3
G4-25	Stakeholder selection criteria	1.3
G4-26	Approach to stakeholder engagement	1.3
G4-27	Response to stakeholder issues	1.3

General Standard Disclosure

Guideline	Reporting Angle	Chapter
Report Overview		
G4-28	Period of the report	Preface
G4-29	Date of the previous report	Preface
G4-30	Report period	Preface
G4-31	Contact information	Preface
G4-32	Report content index	Preface
G4-33	External certifications of the report	Preface
Organization Governance		
G4-34	Organization governance structure	1.2
Moral Principles		
G4-56	Moral principles of the organization	1.2

Specific Standard Disclosure

Guideline	Reporting Angle	Chapter	
Economic Level			
Economic performance	G4-EC1	Direct economic value of production and allocation	1.1
	G4-EC3	Coverage of the organization's defined benefit plan obligations	2.3
	G4-EC4	Financial aid from the government	1.2
Market performance	G4-EC5	Percentage range of starting salaries by gender and the corresponding local minimum wage at key operating sites	2.3
Indirect economic impact	G4-EC7	Impact of infrastructure investment and services for public interest	6.1/6.2
Environmental Level			
Energy	G4-EN3	Internal energy consumption	5.3
	G4-EN5	Energy intensity	5.3
	G4-EN6	Energy consumption reduction	5.3
	G4-EN7	Reduction in energy demand of products and services	5.3
Water	G4-EN10	Total amount and percentage of water recycled	5.1
Exhaust emissions	G4-EN15	Direct emission of greenhouse gases (category 1)	5.3
	G4-EN18	Emission intensity of greenhouse gases (GHG)	5.3
	G4-EN19	Reduction of greenhouse gas emission	5.3
Sewage and waste	G4-EN22	Total amount of sewage discharge	5.1
	G4-EN23	Total weight of waste by category and disposal method	5.1/5.2
	G4-EN24	Total number of occasions and volume of serious leakages	5.1
Compliance with laws and regulations	G4-EN29	Amount of fine and the number of non-economic penalties for violating environmental laws and regulations	5.1
Overall situation	G4-EN31	Total amount of environmental spend and investment by category	5.1
Environmental assessment of suppliers	G4-EN32	Percentage of new suppliers that completed environmental assessment	4.3
	G4-EN33	Percentage of suppliers with significant negative environmental impact that took measures to improve or end such impact	4.3

Specific Standard Disclosure

Guideline	Reporting Angle	Chapter	
Social Level: Labor and Decent Job			
Employment	G4-LA1	Total labor force by age, gender, and region	2.2
	G4-LA2	Benefit exclusively for full-time employees (not for temporary or part-time employees) by major operating sites	2.3
Labor relations	G4-LA4	Minimum period of notice of major operational changes, including expalantion in the collective agreement	2.3
Occupational safety and health	G4-LA6	Percentage of industrial injury, occupational disease, employee absence by region and gender, and the number of work-related deaths	3.7
Training and education	G4-LA9	Annual average training hours of employees by gender and employee type	2.5/2.8
	G4-LA10	Improvement in the continued employability of employees and support for employees in skills management and lifelong learning for job transfer	2.5/2.8
Diversification and equal opportunity	G4-LA12	Composition of management-level employees and other types of employees by gender, age, racial minorities and other diversity criteria	1.2/2.2
Men and women enjoy equal pay for equal work	G4-LA13	Ratio of male and female basic salary, and salary by employee types and regions	2.3
Assessment of suppliers' labor practice	G4-LA14	Percentage of new suppliers that completed labor practice assessment	4.3
	G4-LA15	Percentage of suppliers with significant or potential negative labor practices that took measures to improve or end such practices	4.4
Complaint mechanism of labor practice	G4-LA16	Number of labor practice-related complaints resolved by official complaint mechanism	2.4
Social Level: Human Rights			
Investment	G4-HR2	Total hours employees spent on human rights policies and program training and the percentage of employees who completed training	2.8
Non-discrimination	G4-HR3	Total number of discrimination cases and the rectification measures taken by the organization	2.1
Freedom of association and collective bargaining	G4-HR4	Operating sites and key suppliers of which potential risk related to freedom of association and collective bargaining was identified, and measures taken to protect employee rights	2.3
Underage labor	G4-HR5	Operating sites and key suppliers of which significant risk of underage labor was identified, and measures taken to prevent and eliminate underage labor	2.1
Forced labor	G4-HR6	Operating sites and key suppliers of which significant risk of forced labor issue was identified, and measures taken to eliminate forced labor	2.1
Assessment	G4-HR9	Percentage and total number of operating sites that underwent human rights inspection and impact assessment	2.4
Human right assessment of suppliers	G4-HR10	Percentage of new suppliers that completed human rights assessment	4.3
	G4-HR11	Percentage of suppliers required to improve or end negative impact of significant human rights issues	4.4
Human right complaint mechanism	G4-HR12	Total number of human rights-related complaints resolved by the official complaint mechanism	2.4
Social Level: Social			
Anti-corruption	G4-SO4	Percentage of employees who participated in anti-corruption policy training	2.8
	G4-SO5	Measures taken for anti-corruption cases	1.2
Social impact assessment of suppliers	G4-SO9	Percentage of new suppliers that completed social impact assessment	4.3
	G4-SO10	Percentage of suppliers with significant or potential negative social impact that have taken measures to improve or end such impact	4.4
Social impact complaint mechanism	G4-SO11	Number of social impac- related complaints resolved by the official complaint mechanism	2.4

Glossary

Chapter 1

3C	Computer, Communications, Consumer Electronics
Au	Gold
CoC	Code of Conduct
CDP	Carbon Disclosure Project
eCMMS (Business Model)	e-enabled Components, Modules and Services Business Model
EICC	Electronic Industry Citizenship Coalition
FGSC	Foxconn Global SER Committee
HF	Halogen-Free
ICT	Information and Communications Technology
NGO	Non-Governmental Organization
R&D	Research and Development
RoHS	Restriction of Hazardous Substances
SER	Social and Environmental Responsibility
Sn	Tin
Ta	Tantalum
W	Tungsten

Chapter 2

EAP	Employee Assistance Program
OJT	On-the-job training

Chapter 3

CNS	Chinese National Standards
CHM	Customer healthcare management
FieC	Foxconn Industrial Ergonomics Centre
h2u	Foxconn Digital Healthcare Platform: health to you
ISR 2016	47 th International Symposium on Robotics
OHSAS • OHSAS 18000	Occupational Health & Safety Advisory Services • An international occupational health and safety management system specification, which comprises two parts, 18001 and 18002
SAI • SA8000 (Standard)	Social Accountability International • An auditable social certification standards for decent workplaces, across all industrial sectors
SGS	Societe Generale de Surveillance S.A • A Swiss-based inspection, verification, testing and certification company

Chapter 4

3TG	Tungsten, Tantalum, Tin, and Gold
AVL	Approved Vendor List
CFS	Conflict-free Smelter
CFSI	Conflict-free Sourcing Initiative
CMRT	Conflict Mineral Reporting Template
DfE	Design for Environment
EICC	Electronic Industry Citizenship Coalition
EU	European Union
FGPT	Foxconn Green Product Task
GP	Green Product
HF	Halogen-Free
IPE	Institute of Public and Environmental Affairs
NGO	Non-Governmental Organization
OECD	The Organisation for Economic Co-operation and Development
PRTR	Pollutant Release and Transfer Register
R&D	Research and Development
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RoHS	Restriction of Hazardous Substances
SER (Management Framework)	Social and Environmental Responsibility Management Framework
SVHC	Substance of Very High Concern
UBA	German Environment Agency

Chapter 5

BIPV	Building integrated photovoltaic
ERCO	Electrical Regenerative Catalytic Oxidizer
ISO • ISO50001	International Organization for Standardization • A standard that provides a framework of requirements for organizations to: <ul style="list-style-type: none"> - Develop a policy for more efficient use of energy - Fix targets and objectives to meet the policy - Use data to better understand and make decisions about energy use - Measure the results - Review how well the policy works - Continually improve energy management
kWh	Kilowatt-Hour
MW	Megawatt
PROA	Polarized Refrigerant Oil Additive
UL	Underwriters Laboratories

Chapter 6

NTU	National Taiwan University
GPS	Genomic, Proteomic, Spectrometry

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