

Letter from our Chairman

Ladies and gentlemen,

Last year (2019) was a year filled with challenges and rapid transformations for Hon Hai Precision Industry Co., Ltd. (hereinafter “the Group”), but we upheld our principle of “giving back what we have taken from society” in the face of external international trade disputes and internal management changes, and continued to promote and strive for smart living, green ecosystems, and betterment of society.

I would like to gratefully inform all of you that your support have provided us with the capabilities to invest in society and ecological environments. Our revenue performance for 2019 was particularly outstanding, exceeding 5.3 trillion NTD and making us the biggest company in Taiwan in terms of revenue. We understand that greater success brings greater responsibility, which is why we are ever mindful of our social responsibilities.

The Group’s vision is to work with leading clients around the globe to build smart living platforms. We hope to transition into a smart manufacturer during this process and do what we can for environmental protection through smart technologies. We have therefore established energy consumption and GHG emission databases for big data analysis, intelligent management, and achievement of our energy and GHG reduction targets. We also integrated systematic arrays to maximize our energy expenditure savings.

Because energy and GHG reduction are considered such important goals within the Group, we proposed 2,115 measures for improving energy consumption in 2019. Modifications to our air-conditioning systems and lighting equipment alone helped us save 1.27million kWh in electricity usage and 3.88 million NTD in expenditures. Additionally, our 900 million NTD investments in energy-saving renovations saved us 514.7 million kWh in electricity usage and almost 1.4 billion NTD in expenditures.

Furthermore, we installed rooftop and ground-mounted solar stations at our factories in China, achieving a total capacity of 224.37 MW and generating 250 million kWh of electricity each year. Our total green electricity consumption, including power consumption from other renewable and clean energy sources, reached 950 million kWh and accounted for 10% of our total energy consumption in China. In future, we hope to further reduce our power consumption expenditures and increase our usage of green energies through innovative technologies and applications.



In addition to caring for the planet, we also care for our employees as we believe that they are our most important assets. Providing a healthy, safe, comfortable, and friendly workplace environment and comprehensive employee benefits is the duty and obligation of company management. In 2019, The Group paid 12.2 billion NTD in employee salaries and related benefits, including healthcare expenditures for employees and their families.

In response to declining birth rates, we encourage fertility in our employees and invested 17.95 million NTD in childbirth and childcare benefits, providing care for 484 babies born to our employees.

The Group's employee care has garnered acclaim from various sources. We not only received seven awards from various employer brand selection activities hosted by major job search companies in China and Taiwan, but also won the Happy Enterprise Award in the technology industry category and was ranked 143 on the Forbes World's Best Employers 2019.

As we know that not every child can rely on parental support or grow up in economically secure families, we supported the "Taiwan Hope Primary School" and the "Foxconn Scholarship Program" through our Foxconn Education Foundation. In 2019, we provided 33 million NTD in scholarships to 330 undergraduate, master's, and doctoral students from disadvantaged backgrounds, giving 100,000 NTD to each. Over the past three years, we have paid out more than 100 million NTD in scholarships and benefited nearly 1,500 students. The "Taiwan Hope Primary School" used more than 100 million NTD to provide after-school support for 8,000 disadvantaged primary school students in 2019 and improved the grades of 90% of students.

The Group leads the industry in various core technologies and strives to

stand at the forefront of the industry in fulfillment of corporate social responsibilities. We help our suppliers understand the regulations and standards they should adhere to so that they can learn and grow with us. In 2019, we collaborated with external institutes to provide CSR training for our suppliers, thus enhancing CSR awareness and capabilities of their senior management and employees. We also formulated social and environmental management regulations for our suppliers and required them to uphold our four major management guidelines of regulatory compliance, risk assessment, audit verification, and continued improvement. We committed to build a comprehensive responsible supply chain in the electronics industry and jointly fulfill our corporate social responsibilities.

The Group has been overcoming challenges for more than 45 years. We understand that our current success is built on the efforts of our employees, the contributions from our suppliers, the trust of our clients, and the support of the general public, which is why we do our best to give back to society even while pursuing earnings growth for the company. The path of corporate social responsibility is filled with burdens. However, we believe that every journey of a thousand miles begins with the first step, as long as we take effort to stay on the right path, we will inevitably see in front of us the beautiful achievements we thought to be far away.

Let us all continue to work together to maintain these efforts. Thank you.

Chairman Young Liu
Hon Hai Precision Industry Co., Ltd.



Young Liu