

**FOXCONN**  
鴻海科技集團

# 2020 ESG INSIGHT



# ENVIRONMENTAL

Hon Hai Technology Group, or Foxconn, has been operating under the guideline of “Sustainable Management =EPS+ESG” in 2020. The Group has formulated development strategies and implemented new measures while reducing energy consumption and carbon emissions through innovative technologies based on rigorous standards in response to climate issues, yet is still simultaneously active in participation of the **Carbon Disclosure Project** and **Climate Action 100+**, pledging to achieve a target of **zero emissions by 2050**.



Foxconn takes a systematic approach towards integrating green and sustainable practices into 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.

*Conducted external audits for management systems such as ISO 14001, ISO 50001, and ISO 14064-1.*

## Key Environmental Metrics:

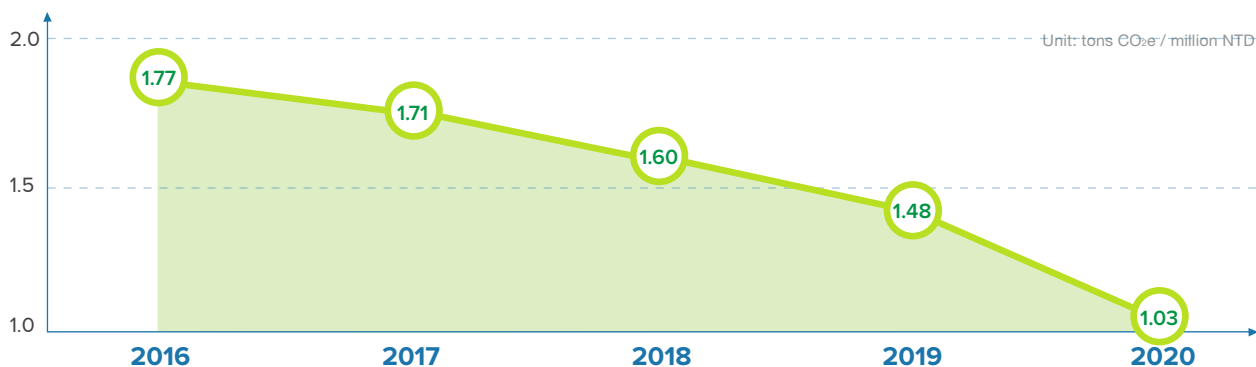
### GHG Emissions

	Unit	2018	2019	2020
Scope1	tCO <sub>2</sub> e		117,384	152,602
Scope2		7,543,459	8,335,373	5,265,000
Scope3				102,140

Notes:

- Emissions factors for natural gas and heat were derived from China's "Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Electronic Equipment Manufacturing Enterprises (Trial)"; emission factors for diesel and gasoline were taken from the UK's "2020 Government Greenhouse Gas Conversion Factors for Company Reporting"; emission factors for electricity used the electricity emission factor for China (0.6167kg CO<sub>2</sub>e/kWh) taken from the IEA Emission Factors 2020.
- The Global Warming Potential (GWP) used in the table was taken from the "IPCC Fourth Assessment Report (2017)."
- GHGs include carbon dioxide.
- We used the financial control criteria to compile GHG volumes.
- The Company began Scope 3 disclosures in 2020.

### GHG Emissions Intensity



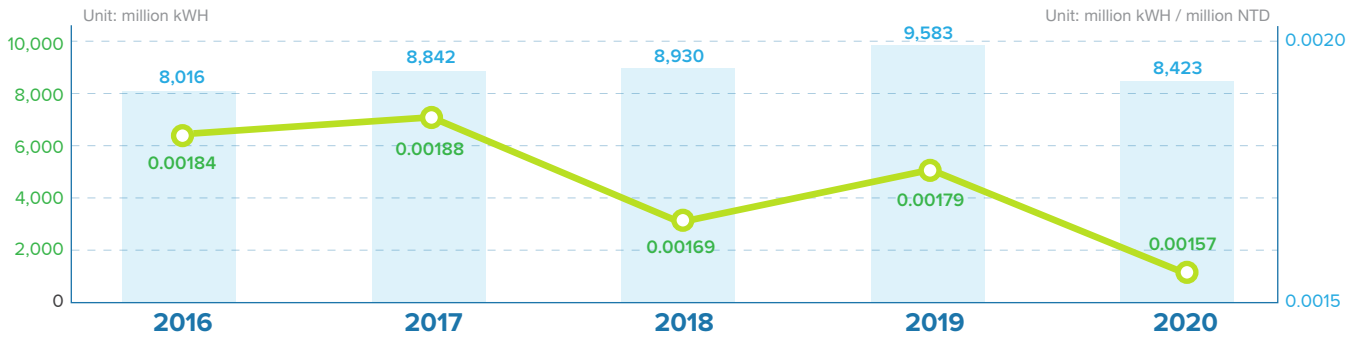
Notes: Carbon emissions per unit of revenue for 2016-2020 encompass Scope 1, Scope 2, and Scope 3 carbon emissions.

### Energy Management

	Unit	2019	2020
Power	GJ	34,506,661	30,323,209
Natural Gas		1,810,860	2,619,245
Gasoline		143,014	17,784
Diesel		86,714	1,534,003
LPG		451	0
Steam		0	2,275,336
Heated Water		0	612,085
<b>Total Consumption</b>			<b>36,548,395</b>

- Electricity heating value is calculated as 860 kcal/kWh.
- Natural gas heating value is calculated as 9,310 kcal/cubic meters.
- Gasoline heating value is calculated as 10,300 kcal/kg.
- Diesel heating value is calculated as 10,200 kcal/kg.
- Liquefied petroleum gas heating value is calculated as 12,000 kcal/kg.
- Steam heating value is calculated as 900Mcal/t.
- The above heating values are taken from the Chinese national standards ("General Principles for Calculation of Comprehensive Energy Consumption"; GB/T2589-2008).
- For detailed energy metrics in their respective units, please refer to P102 of the 2020 Hon Hai CSR Report.

## GHG Emissions Intensity



## Development and Usage of Clean Energy

	Unit	2018	2019	2020
Total installed capacity of clean energies	MW	215	224	257
Generated power	10,000 kWh	11,029	25,202	28,497
Direct purchases of clean energies at China factories		0	0	553
Direct purchases of clean energies at overseas factories		0	0	507
Purchased clean energy environmental attributes		40,000	70,000	75,300
<b>Total clean energy usage</b>		<b>51,029</b>	<b>95,202</b>	<b>104,856</b>
Generated power	%	5.71%	9.93%	12.45%

## Water Management

	Unit	2018	2019	2020
<b>Total Water Consumption</b>	Thousand tons	<b>100,625*</b>	<b>97,700</b>	<b>86,737</b>
Recycled Water		3,776	4,470	7,029
Recycling Rate	%	3.75%	4.58%	8.10%

\*2018 figures only includes total water consumption of Mainland China campuses.

## Wastewater Management

	Unit	2018	2019	2020
Domestic Wastewater	Thousand tons	n/a	78,160	69,389
Industrial Wastewater		n/a	10,481	12,273
<b>Total wastewater Discharge</b>		<b>34,917*</b>	<b>88,641</b>	<b>81,662</b>

\*2018 figures only includes total water consumption of Mainland China campuses, and are consolidated as total wastewater discharge.

## Environmental Goals and Achievement Rates

The Group proposed the 1.5°C carbon reduction initiative, put forward three climate targets, and continues to advance energy and carbon reduction measures and other environmental impacts that mitigate the impacts of climate change, thereby achieving our responsibilities of protecting the environment and caring for the planet as we exert our influence on global industrial chains.

### No major environmental protection violations in 2020.

#### Short-term goals

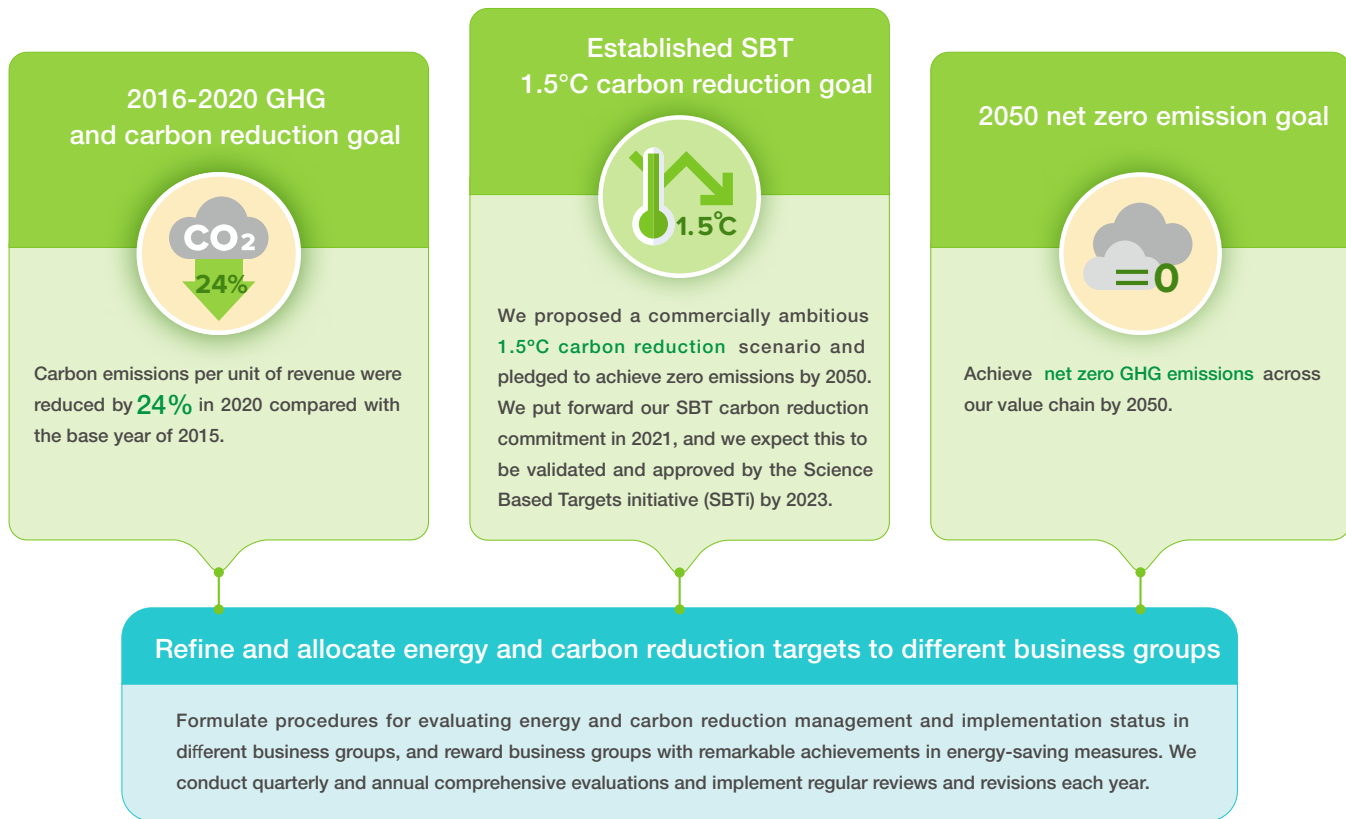
- Adhered to NDCs and carbon emissions policies of local governments and complied with international and local environmental protection laws, incurring zero violations.
- Proposed commercially ambitious 1.5°C carbon reduction scenario, which we expect to be validated and approved by the Science Based Targets initiative (SBTi) by 2023.
- Respond to and act upon the 3 goals proposed by the Climate Action 100+ Steering Committee:
  - Strengthen climate change governance.
  - Take action toward the group's greenhouse gas (GHG) emissions across the value chain.
  - Provide disclosures in accordance with the Climate-Related Financial Disclosure Recommendations (TCFD).
- Achieved waste conversion rates of 100% and lowered incineration rates to less than 10%.

#### Mid- to long-term goals

- GHG emissions across the value chain are consistent with the goals of the Paris Agreement and aim to achieve the goal of net zero GHG emissions by 2050.
- Achieve zero waste factories.



## The Group's short-, mid-, and long-term goals



- In 2020, CO<sub>2</sub> emissions per unit of revenue reduced 4.44%, and reduced 23.27% compared with 2015, achieving the Group's intermediate climate goals.
- Assisted 88 suppliers in implementing greenhouse gas inventory control and 58 suppliers also obtained ISO 14064-1 verification successfully with the Group's guidance.

## Energy

- The Group's energy-saving target for 2020 was 4.50%. The actual energy-saving rate was 5.18%, a reduction of 26.06% compared with the base year, successfully achieving the Group's mid- to long term energy-saving goals (the energy saving rate of 22% by 2020 goal in CSR report).
- The Group invested 1.356 billion NTD in 1,751 energy-saving projects. It achieves total energy savings of 506 million kWh and energy-saving benefits equivalent to 1.339 billion NTD.
- Total global usage of clean energies reached 1,048.56 million kWh, and pure energy usage ratios were 12.45%.

## Water, Chemicals, and Processes

- Actively engaged in wastewater recycling actions - treated domestic wastewater is reused in production; a total of 7,029 thousand tons of water was recycled, equivalent to 8.1% of our total water usage.
- By 2030, aim to improve water quality by minimizing release of hazardous chemicals, materials, and untreated wastewater.
- The Group's chemical safety policies, such as tracking of hazardous chemicals in our products and phasing out limited chemicals, entail periodical supplier qualification review from production license to manuals and trainings, delisting of unqualified suppliers, safety data sheets (SDS) compliance, storage guidance compliance, and random, daily spot safety inspections.
- Ramping up proactive measures on chemical safety issues such as elimination of certain chemical substances from our manufacturing processes, and the use of GreenScreen® framework and US EPA Safer Choice Program to assess alternative substances. We replaced all hazardous substances (GreenScreen®Benchmark 1 and 2) used during our final production processes with environmentally friendly alternatives.



New goal and new actions: The Group signed a memorandum of cooperation with UL, a global safety certification company, in January 2021 to make our Shenzhen Longhua Factory a “zero waste” demonstration site. Waste is managed through the cloud, tracking waste volumes and conversion rates real-time for efficient and quantitative implementation. Eventually this will be carried out throughout the Group, echoing the latest core value of “sustainable management=EPS+ESG”.

## Climate Risks and Opportunities

### Climate Risks



#### Transformation Risks Enhanced Emissions-reporting Obligations

##### Financial Impacts: Increased operating costs

The Group is legally required to report, disclose, and comply with environmental laws. We continually lower our carbon emissions to reduce legal impacts on the Group, increasing our operating costs.

##### Group Responses

To achieve China's Work Plan for Controlling Greenhouse Gas Emission during the 13th Five-Year Plan Period, we set 2015 as our base year and planned to achieve an energy-saving rate of 22% by 2020. The Group has invested large amounts of human and financial resources in improving energy-saving technologies. In 2020, we invested 1.356 billion NTD in 1,751 energy-saving projects with total energy savings of 506 million kWh and energy-saving benefits equivalent to 1.339 billion NTD.

### Climate Opportunities



#### Use of Public-sector Incentives

##### Financial Impacts: Reduced indirect operating costs

China's “Made in China 2025” initiative plans to complete the construction of thousands of green factories by 2020 with financial support from the central government and financial institutes while also providing support for key projects in different regions, indicating that green manufacturing has become a future trend.

##### Group Responses

Our own goal of transformation to new industries, supplemented with financial support from local governments, helped to accelerate the Group's transformation processes. Additionally, we have formulated the “Action Plan for Evaluations of Green Factory Construction Projects” and are working to build and obtain certification for green factories. As of 2020, 19 of our legal entities have obtained the honorary title of “National Green Factory,” and 1 legal entity obtained the honorary title of National Green Supply Chain Management Corporation.”



#### Use of Lower-emission Sources of Energy

##### Financial Impacts: Reduced indirect operating costs

Most of our clients are brand enterprises, many of which are requiring suppliers to improve their environmental performance. We consider it our duty to make continued advances in environmental performance, including gradual increases of clean energies. We increased our installation capacity for clean energies and generated power for internal usage to reduce operating costs.



#### Physical Risks

##### Increased severity of extreme weather events such as cyclones and floods

##### Financial Impacts: Increased operating costs

Some of our factories are in areas with extreme weather risks, which could cause operational interruptions, damage to facilities, or impact the Group's delivery schedules, increasing operating costs.

##### Financial Impacts: Increased indirect operating costs

Some of our factories are in areas with extreme weather risks. If production capacities fall or are interrupted, if product delivery is interrupted, or if our supply chains are impacted, this could cause reduced production capacity due to insufficient component amounts, which in turn affect our delivery schedules.

##### Group Responses

To achieve China's Work Plan for Controlling Greenhouse Gas Emission during the 13th Five-Year Plan Period, we set 2015 as our base year and planned to achieve an energy-saving rate of 22% by 2020. The Group has invested large amounts of human and financial resources in improving energy-saving technologies. In 2020, we invested 1.356 billion NTD in 1,751 energy-saving projects with total energy savings of 506 million kWh and energy-saving benefits equivalent to 1.339 billion NTD.



#### Use of More Efficient Production

##### Financial Impacts: Reduced operating costs

As a leading global technology company, we strive to improve energy efficiency and have commenced various energy-saving projects. To achieve China's Work Plan for Controlling Greenhouse Gas Emission during the 13th Five-Year Plan Period, we set 2015 as our base year and planned to achieve an energy-saving rate of 22% by 2020. We reduce operating costs for the Group through continued improvement of production and energy usage efficiencies.

##### Group Responses

We fully utilize our technological advantages to expand application of IoT and energy usage through implementation of incentive measures, energy-saving audits, and enhancements of energy-saving technologies, thereby continuing to improve our production and energy usage efficiencies. In 2020, we invested 1.356 billion NTD in 1,751 energy-saving projects with total energy savings of 506 million kWh and energy-saving benefits equivalent to 1.339 billion NTD.

##### Group Responses

In 2020, the Group achieved a total installed capacity of 257MW and generated 284.97 million kWh per year through self-generated and purchased energies. Total global usage of clean energies reached 1,048.56 million kWh in 2020, and clean energy usage ratios were 12.45%.

# SOCIAL ASPECT

The fundamental principles of labor rights, health and safety, and anti-slavery are detailed in Foxconn Code of Conduct which can be found on the Company's website.

## Zero tolerance and prohibition of:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Regulatory violations</li> <li>• Corruption</li> <li>• Bribery</li> <li>• Theft of corporate funds</li> <li>• Profit from illicit activities</li> </ul> | <ul style="list-style-type: none"> <li>• Trafficking or any form of slavery</li> <li>• Child labor or forced labor</li> <li>• Indentured labor</li> <li>• Forced labor to repay debt</li> <li>• Prison Labor</li> </ul> |
|--|---|

**All employees receive at least two hours of anti-corruption training annually.**

## Support for and integrated into the Group's recruitment principles and processes:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Equal opportunities / equal employment</li> <li>• Respect for human rights</li> <li>• Workplace diversity</li> <li>• Non-discrimination policy</li> <li>• Responsible sourcing of minerals</li> </ul> | <ul style="list-style-type: none"> <li>• Anti-corruption Policies</li> <li>• Anti-trafficked &amp; forced labor</li> <li>• Health and safety principles</li> <li>• Rotating safety inspections of all factories</li> </ul> |
|--|--|

**No incidents involving discrimination, use of child labor, or forced labor occurred in our factories in 2020.**

## Human Capital

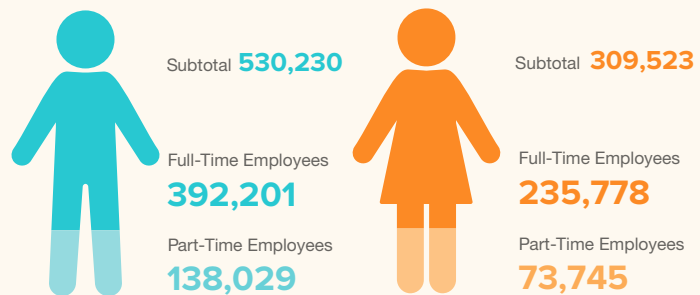
	Unit	2018	2019	2020
Greater China	Persons	n/a	812,968	839,753
Americas		n/a	29,305	31,833
Europe		n/a	7,639	7,672
Other Regions		n/a	62,298	90,438
Employees with disabilities		1,702	6,220	4,258
Ethnic minorities		58,544	49,600	46,684
<b>Total Employees</b>		<b>863,000</b>	<b>912,210</b>	<b>969,696</b>
Female Percentage	%	36%	37%	37%
Male Percentage		64%	63%	63%

## Greater China Region Employee Dimensions

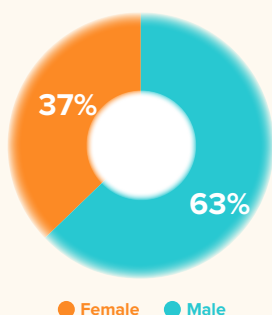
### Number of Greater China Employees in 2020

Full-Time Employees: **627,979**

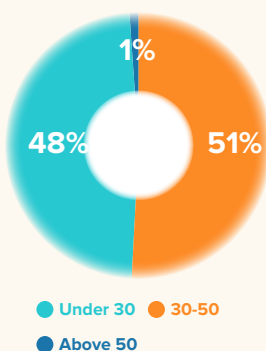
Part-Time Employees: **211,774**



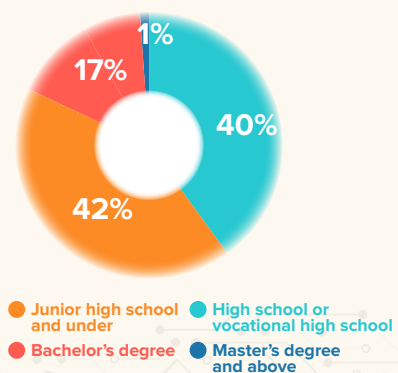
Distribution of Gender



Distribution of Age



Distribution of Education



## Employee Turnover

	Unit	2018	2019	2020
<b>Employee Entry Rates</b>	%			
Taiwan Region		13.9%	14.4%	12.8%
China Region		7.5%	7.6%	6.5%
<b>Employee Exit Rates</b>				
Taiwan Region		18.9%	18.5%	12.7%
China Region	6.7%	5.6%	5.8%	

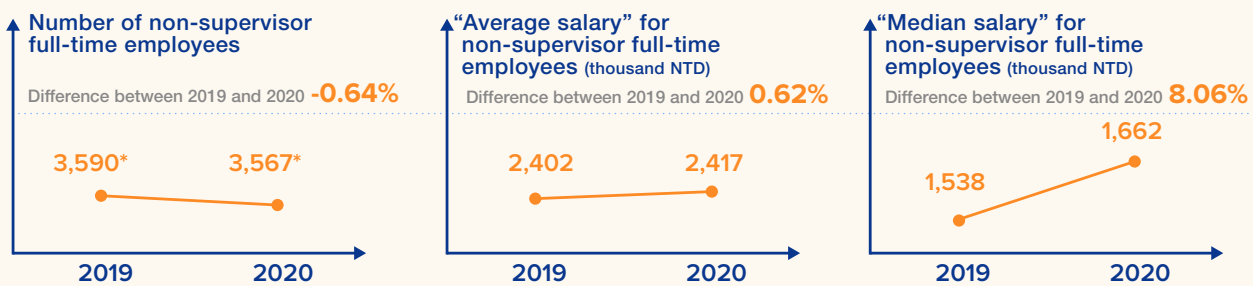
Note: Scope for 2019 and 2020 metrics account for 89.1% and 86.6% of total employees respectively.

## Remuneration

The Group formulated the “Regulations Governing Annual Promotion Procedures for Group Employees” to evaluate employee performances, development potential, and training needs. In 2020, we’ve conducted across-the-board annual performance reviews and appraisals. The Group adjusts remuneration according to promotions and personnel performance, with no differences between male and female employees. We regularly review our salary standards, and our remuneration performance exceeds industry standards, providing a stable workplace environment, remuneration, and benefits for our employees.

**In 2020, 100% of employees underwent performance reviews and appraisals, and the Board approved the distribution of NT\$ 6 billion employee remunerations in 2020.**

### Number and remuneration of non-supervisor full-time employees



\* Only includes employees from Hon Hai Precision Industry Co., Ltd. in Taiwan.



**1:1 Basic Salary Between Male / Female Employees**

## Energy-Saving Incentives

To enhance employee emphasis on climate change and internalize relevant concepts into the core cultures of each department, the Group formulates “Appraisal Items and Scoring Guidelines for Energy Management” each year. Appraisal items includes:

- Energy management
- Energy reduction systems
- Implementation of energy-saving measures
- Supervision of energy
- Reduction measures
- Energy-saving KPIs

Detailed quantitative scores are presented for each item, and those ranking within the top 3 for the quarter/year or other teams that obtained high scores are awarded bonuses and incentives. We provide group and individual cash rewards for outstanding energy-saving technological transformation projects that enhance energy efficiency.

**In 2020, we awarded 3.47 million NTD to 11 teams and 6 individuals with outstanding energy-saving contributions.**

## Employee Welfare

2020  
Employee Salary and Benefit Expenses  
**10.7**  
billion NTD

2020  
Activity Subsidies  
**228**  
million NTD

We have implemented a series of employee welfare measures to promote and protect the health of our employees and their families, including social insurance and group insurance; pensions; subsidies for weddings, funerals, and other special occasions; travel allowances; year-end party raffles; and other subsidies.

## Maternity Allowances, Parental Leave, and Retention

In 2020, the Group increased maternity allowances with childcare subsidies.

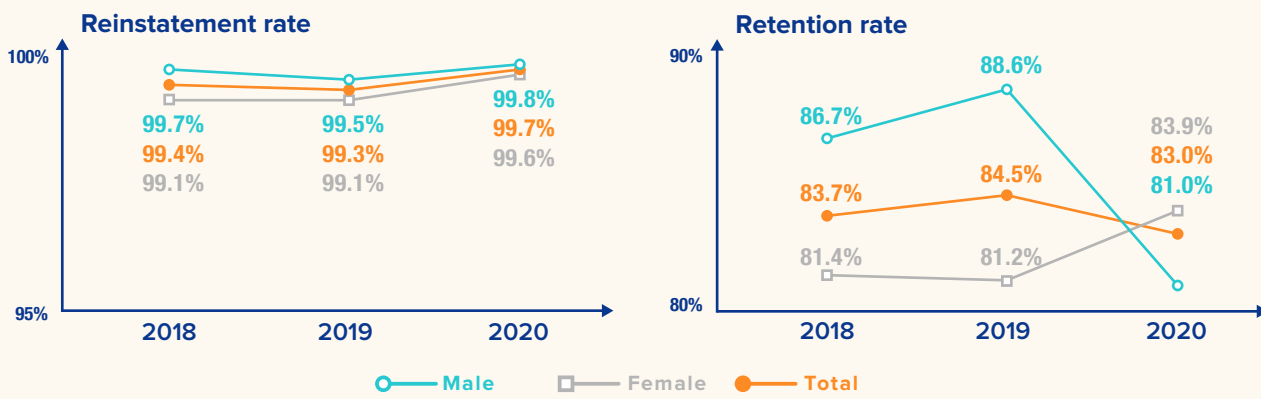
From	To
70,000 NTD Maternity allowance with childcare subsidies for employee offspring aged <b>0 to 3</b>	70,000 NTD Maternity allowance with childcare subsidies for employee offspring aged <b>less than 7 years old</b>

The amendment offers a wider range of benefits adding tax allowances, maternity subsidies and travel allowances, among others. Each child receives subsidies amounting to approximately 1.305 million NTD. We believe these care measures has led to high reinstatement rates following parental leaves.

**In 2020, we distributed a total of 176 million NTD to 1,210 employees.**

Reinstatement rates following parental leave and retention rates in recent years were close to 100%. In order to further enhance retention rates, the Group conducts interviews with exiting employees to understand the specific reasons for resignation and use these as a basis for improvement.

### Reinstatement rates following parental leave and retention rates in the Greater China region



## Training and Education

Foxconn University was founded in 2001 to serve as our headquarters for talent development and innovation cultivation, as well as a booster for the Group's transformation to new industries and a disseminator for our corporate culture and business philosophies.



**By the end of 2020, the Group has invested a total of 406 million NTD in Foxconn University and provided 64.16 million hours of training to a total of 35.98 million people.**

## 2020 Training Metrics

	Unit	2020
Average training per female employee	Hours	1.8
Average training per male employee		1.7
<b>Average training per employee</b>		<b>1.8</b>
Graduated from the program with bachelor's degree or above	Persons	983
<b>Graduated employees</b>		<b>3,722</b>
Graduates whose programs relate to current job duties	%	82%

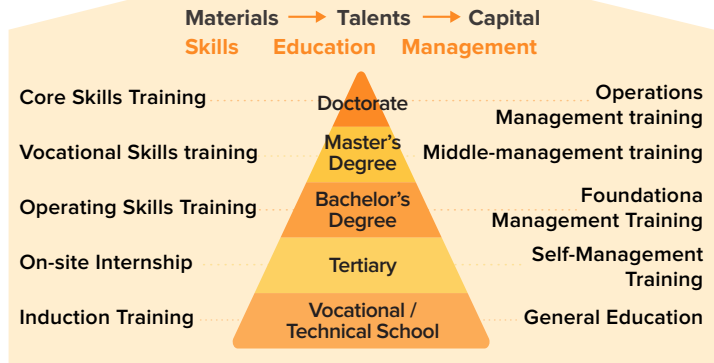


**Foxconn University collaborates with 42 colleges and universities to implement on-the-job academic programs at 19 factories.**

**Course categories, course hours, and participant numbers**

Courses	Hours	No. of participants
General education	30,655,153	14,023,271
Management	6,364,608	2,625,914
Technical	22,190,481	10,116,497
On-job training	4,665,394	2,302,659
Industrial networks	1,234	11,689
Academic education	287,880	6,909,120
<b>Total</b>	<b>64,164,750</b>	<b>35,986,150</b>

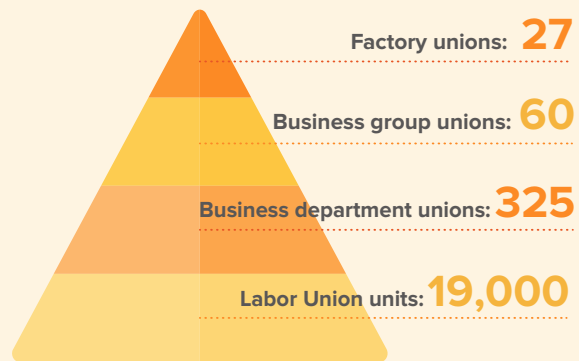
**Foxconn University**



**Labor management**

Employee union and rights protection: Our latest "Group Collective Agreement" protects employee rights and states that employees should be notified 30 working days in advance of major decisions related to their vital interests. Our Labor Union was established in 2007 in accordance with local regulations and currently encompasses employee unions with 4 management levels and 5 ranks. The Labor Union signed the "Foxconn Technology Group Collective Agreement," which covers the 131 legal entities of the Group and provides basic protection of employee rights. In 2020, the Labor Union convened 13 labor delegates meetings to vote on issues relating to employee rights and obligations.

**Labor Union organizational chart**



**In 2020, 98% of our employees were union members.**

**Activities organized by the union to achieve mutual wins**

**Employee representative meetings** Hosted **114** sessions attended by **4,918** participants who raised **729** queries. Query resolution rate was **99.03%**.

**Labor delegates WeChat group** Discussed a total of **79** issues relating to feedback on questions, policy consultations, and lost & found items; reported **35** good deeds

**Committee member service days** Organized **18** sessions at factories, employee homes, dormitories, and canteens to assist **2,800** people

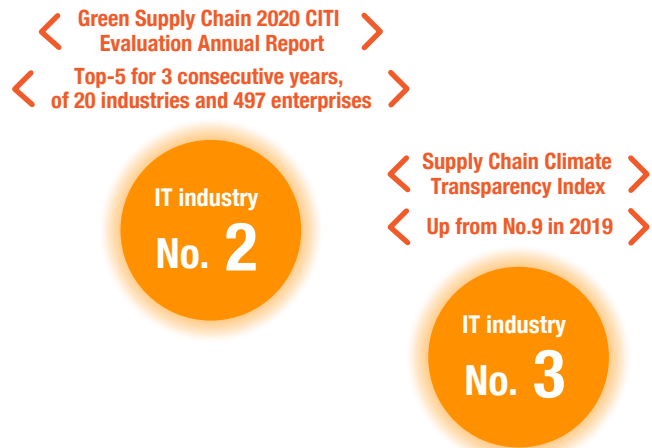
**Management meetings** Hosted **25** sessions attended by **1,291** participants who raised **103** queries. Query resolution rate was **100%**.



## Supply Chain Management

The Group is committed to building sustainability in supply chains with its partners. Adhering to the Responsible Supply-Chain Management (RSM) procedure, the Group actively participates in the discussion of issues relating to social and environmental responsibilities of its supply chains. We conduct annual audits of suppliers to ensure supplier compliance with our Supplier Social and Environmental Responsibility Code of Conduct and may request improvements based on audit results. Our raw material suppliers are further divided into electronic materials and component suppliers, and materials are respectively classified by-product into active components, passive components, circuit boards, modules, connectors, machinery parts, and packaging materials.

Following Foxconn's code of conduct and social environmental policy, suppliers are required to comply with local laws and regulations in the process of purchasing and trading.



### Strongly Prohibit

<ul style="list-style-type: none"> <li>• Use of child labor</li> <li>• Use of forced labor/prison labor</li> <li>• Discharge of untreated toxic and hazardous substances or materials</li> <li>• Providing false information to the Group</li> </ul>	<ul style="list-style-type: none"> <li>• Retaliation against employees who provide factual information</li> <li>• Actions and working environments that can cause immediate physical harm to employees</li> </ul>
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For full details of the Group's supplier management procedures and policies, please see Page 79 to 92 of the 2020 Hon Hai CSR Report.

## Supplier Management Processes



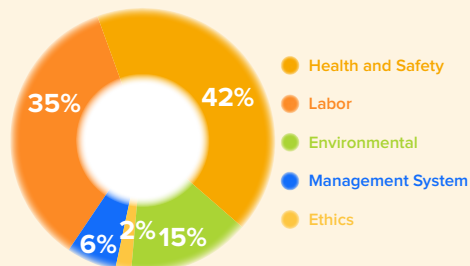
## ESG Assessments of Suppliers

Increase of ESG assessments of suppliers in 2020 led to a favorable pass rate with some room for improvement mostly around health and safety. While we score supplier performance across 5 major aspects: quality, cost, service, delivery, and corporate social, environmental responsibility (including use of conflict mineral). Up to 30 points can be deducted from suppliers due to poor implementation of social and environmental responsibilities out of 100, causing them to be placed on the Restricted Supplier List (RSL).

### Results of supplier ESG (Environmental, Social, and Governance) audit assessments in 2020

Aspects and Standards	Audited suppliers	Pass Rate
QPA & QSA & SCM (Involving ISO 9000, IATF 16949)	50	92%
GP (Involving QC 080000, RoHS, REACH)	31	93%
GPD Supplier Audit Items		
GHG (Involving ISO 14064)	6	84%
CSR (Involving RBA, ISO 14001, ISO 45001)	53	86%

### Distribution of CSR audit deficits in 2020



Note: Audits conducted in 2020 found no incidents relating to child labor, forced labor, or prohibitions of employee freedom of association.

For RSL suppliers, the Group will continue to encourage implementation of improvements through a series of measures, such as repeated deductions from performance scores, review meetings with senior executives of said supplier, and official letters to the supplier's CEO. This encourages suppliers to meet the Group and clients' requirements. If suppliers do not complete the improvements within stipulated time limits following guidance provided by the Group, the Group will consider reducing and restricting the use of the supplier for new cases and may even terminate the orders.

### Green Product Management Requirements for Suppliers

GP (Green Products) audits show our efforts to ensure compliance with controversial materials sourcing policy and, as the largest electronics manufacturer in the industry, with various environmental requirements including RoHS, REACH, and HF.

The Group's management of supplier green products stems from the two dimensions of supplier management structures and product compliance, and we continually encourage our suppliers to enhance their GP management standards.



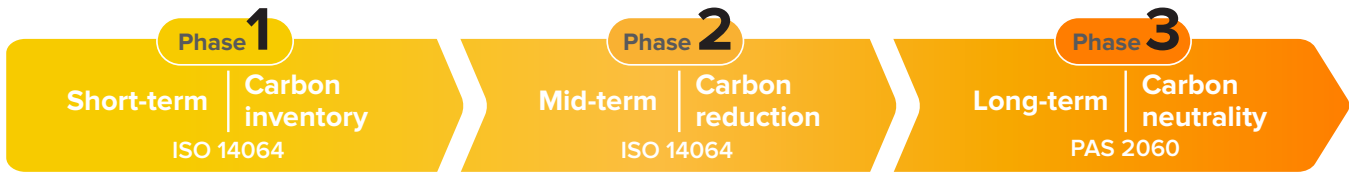
### Responsible Mineral Procurement Management

The Group has established management processes for supplier procurement of responsible minerals and issued the "Statement on Responsible Mineral Procurement". As a member of the RMI (Responsible Mineral Initiative), the Group is attentive to updates on responsible mineral sourcing released by the RMI and has adopted the CMRT (Conflict Minerals Reporting Template) and CRT (Cobalt Reporting Template) responsible reporting templates developed by the RMI. The Group has not yet discovered supplier products containing minerals from conflict areas in the Democratic Republic of Congo and surrounding countries.

**In 2020, the Group completed conflict minerals investigations for 2,629 suppliers through our conflict minerals management platform with 100% response rate.**

### Supplier Energy and Carbon Reduction Management

We announced at the end of 2020 that GHG emissions policies across the value chain are consistent with the goals of the Paris Agreement and we aim to achieve the goal of net zero greenhouse gas emissions by 2050. Therefore, we are planning to advance the carbon emissions management measures for our supply chains and commence carbon neutrality measures. Full details of the Group's supplier energy and carbon reduction management can be found on Page 89 and 90 of the 2020 Hon Hai CSR Report.



Encourage suppliers to conduct internal carbon emissions inventory according to ISO14064-1 standards.

Encourage suppliers to formulate carbon reduction targets, implement carbon reduction plans, and review achievement progress.

Encourage suppliers to formulate and implement carbon neutrality plans to gradually achieve specified targets.

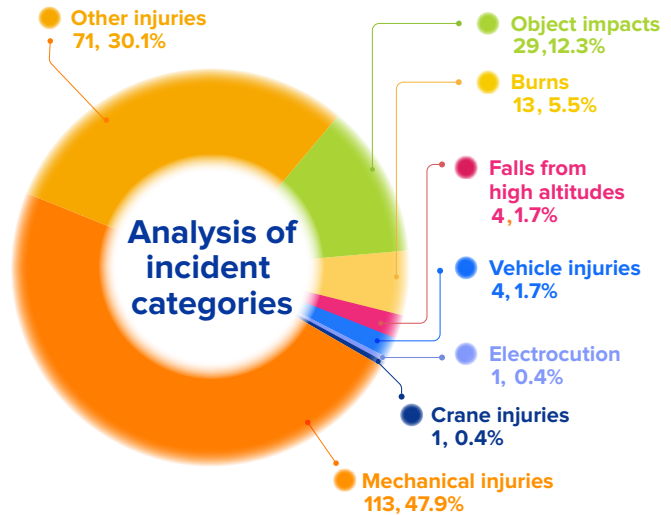
**In 2020, the Group encouraged 165 suppliers to conduct annual energy and carbon reduction actions and assisted 88 suppliers in implementing greenhouse gas inventories; 58 suppliers also completed ISO 14064-1 verification.**

### Health and Safety

Foxconn follows OHSAS 18001 and CNS15506 and other relevant internal policies. A keen focus on strict detection and monitoring measures to prevent and control has led to lower health and safety risks compared to 2019 statistics.

**Dingpu Factory**  
2,008,986 hours  
with no operational incidents

**Huyue Factory**  
10,310,561 hours  
with no operational incidents



	Fatal incidents caused by occupational injuries		Severe occupational injuries (excluding deaths)		Recorded occupational injury rate		Total work hours
	Incidents	Ratio	Incidents	Ratio	Incidents	Ratio	
2020	2	0.0007	0	0	244	0.0871	2,802,607,383
2019	1	0.0004	2	0.0008	412	0.1669	2,468,600,222
2018	1	0.0004	0	0	486	0.1800	2,700,273,339

Note: Ratios are calculated on a basis of 1,000,000 work hours.

Analysis of occupational injuries for 2020 showed that the stamping, machining, forming/diecasting processes held the highest risks within the Group. Additionally, upgrading of automated machinery, adjustments of equipment and facilities, and complex maintenance environments increased risks of crush and collision incidents. The most common injuries were mechanical injuries, other injuries, and physical impacts: the two fatal incidents were caused by mechanical injuries and physical impacts. Therefore, the Group carried out comprehensive reviews and formulated safety operating manuals for mechanical injuries, object impacts, falls from high altitudes, and other high-risk factors, emphasizing the thorough implementation of safety devices for mechanical facilities, periodic inspections, and strengthened risk identification and hazard notification for personnel of all positions to ensure multiple layers of prevention and management. We also strengthened safety training for and supervision of safety operational procedures by entry-level managers to ensure timely discovery and elimination of dangerous behaviors.

Due to the outbreak of the COVID-19 in 2020, changes were made to the Group's production conditions, resulting in increased movement of factory personnel; inadequate safety training and safety warnings resulted in increased occupational injuries for temporary workers. In the future, the Group will strengthen the education and training of temporary workers relating to safety operations regulations and skills. In consideration of our 5 recorded contractor occupational injury incidents, we will also strengthen contractor operational safety through safety announcements, education and training, and audits.

For full details on our epidemic prevention measures in response to the COVID-19 pandemic, please refer to Page 26 to 27 of the 2020 Hon Hai CSR Report.

# GOVERNANCE ASPECT

## Board Oversight

The Group complies with all domestic and overseas regulatory requirements and strives to protect shareholder interests, strengthen Board functions, empower functional committees, respect stakeholder interests, and enhance information transparency.

Foxconn's Board of Directors is comprised of 9 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 stakeholders such as employees, customers, suppliers, local communities, government agencies and NGOs. The chairman of the Board of Directors shall be elected from among the directors. The chairman of the Board of Directors shall represent the Company in external matters and oversees the overall management of the Company. 3 of the 9 members are Independent Directors.

The term of office of the current Board of Directors is from July 1, 2019 to June 30, 2022. The number of Independent Directors is 33%. Among the 9 Directors, concurrently an employee of the Company accounts for 22.22%. The Company places great emphasis on gender diversity of the Board and is currently at 11% female representation.

The Board has established diversity policies in "Corporate Governance Practical Principles", as disclosed on our website.



**Directors Biographies**



**Board of Directors Resolutions**



**Director and Supervisor Professional Knowledge & Independence Check Matrix**



**Diversity of Directorsmembers**

Title	Name	Gender	Tenure	Audit Committee	Compensation Committee	Attendance / Term (Note)
Chairman	Liu, Young-Way	M	2	-	-	100%
Vice Chairman	Jay Lee	M	2	-	-	100%
Director	Terry Gou	M	47	-	-	62.5% (by proxy)
Director	Lu, Fang-ming	M	17	-	-	100%
Director	Lu, Sung-ching	M	21	-	-	100%
Director	Christina Yee-ru Liu	F	1	-	-	100% (since appointment)
INED	James Wang	M	3	Chair	Chair	100%
INED	Kuo, Tei-Wei	M	2	Member	Member	100%
INED	Kung, Kuo Chuan	M	2	Member	Member	100%
Average Attendance Rate						95.8%

Note: 6 meetings were held by the Board of Directors in 2020 and 8 meetings were held since appointed for the latest term.

## Audit Committee & Compensation Committee

Name	Gender	Tenure	Audit Committee		Compensation Committee	
			Committee Title	Attendance	Committee Title	Attendance
James Wang	M	3	Chair	100%	Chair	100%
Kuo, Tei-Wei	M	2	Member	100%	Member	100%
Kung, Kuo Chuan	M	2	Member	100%	Member	100%
Average Attendance Rate				100%		100%

Note: In the most recent year, the Audit Committee and Compensation Committee held 8 and 4 meetings respectively.

## Skill Matrix

Name	Position	INED Tenure		Industry Knowledge				professional Competency			
		<3 Years	>3 Years	MFG	Brand & Channel	Technical Research	Financ. Invnt.	ENGR. Tech.	INFO. ENGR.	Financ. ACCTG.	MCTG.
Liu, Young-Way	Chairman			●				●			
Jay Lee	Vice Chair.			●		●		●			
Terry Gou	Director			●				●			
Lu, Fang-ming	Director			●				●			
Lu, Sung-ching	Director			●				●			
Christina Yee-ru Liu	Director						●			●	
James Wang	INED	●			●					●	●
Kuo, Tei-Wei	INED	●				●			●		
Kung, Kuo Chuan	INED	●					●			●	

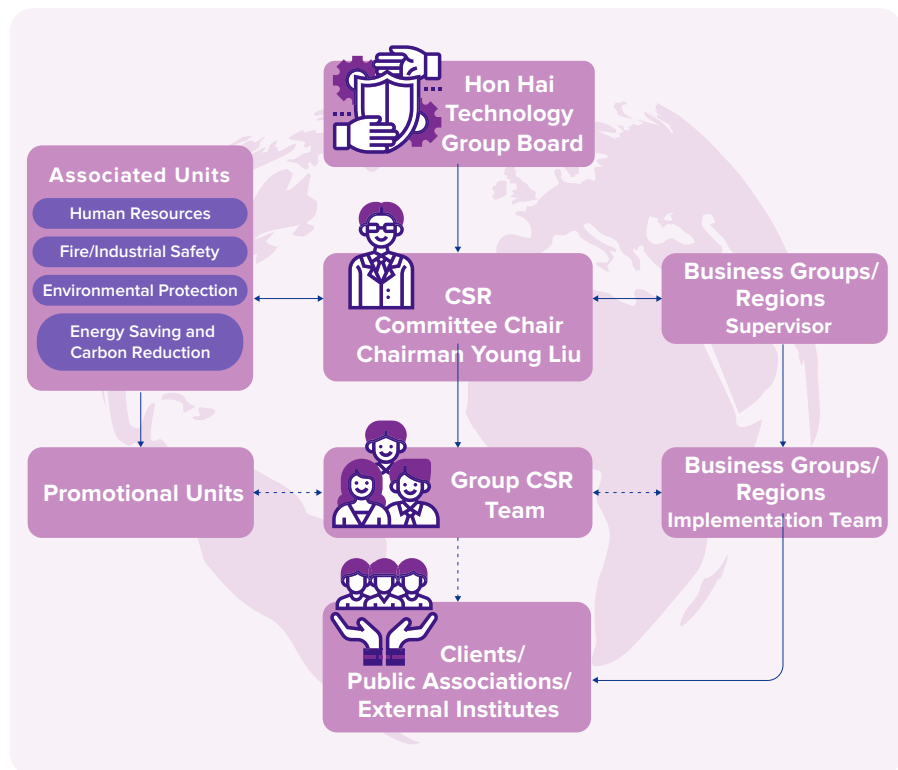
## The Group Code of Conduct



## Global CSR Committee

The Group Global CSR Committee was established in March 2007 and is headed by Group Chairman Young Liu. Additionally, each business group under the Group has established CSR sub-committees, reporting to the main committee, to implement the Group's CSR policies. The Group has established a dedicated CSR team composed of more than 1,000 people from factories all around the world to interact closely with clients, the government, and all stakeholders to enhance corporate transparency.

Every year, the Committee conducts evaluations and audits of the various business groups to ensure that the CSR policy is integrated across Foxconn's operations and at every manufacturing facility.



## Corporate Integrity and Ethical Management

The Group has established effective internal control systems and organizes annual training for employees. Training relating to ethical management issues in 2020 included courses on insider trading, the Trade Secrets Act and general legal information, operating procedures for communications networks, and introduction to corporate information security policies.

**Total of 1,316 people participated in these courses.**

**The Group did not incur any legal violations relating to anti-competition, anti-trust and monopolization, or corruption in 2020.**

## Internal Audit Operations



Internal audit units periodically conduct risk assessments and formulate audit plans which clearly specify audit items, times, processes, and methods. Relevant audits are implemented in accordance with these plans. Additionally, auditors conduct routine audits and planned audits on both a regular and irregular basis while urging all internal units and subsidiaries to conduct regular self-assessments regarding the effectiveness of internal control systems. Audit results are attached to working papers and related materials for the compilation of audit reports to ensure that our internal control systems continue to be effectively implemented. The Chief Audit Executive of the Group serves as the chairman of the Internal Audit Association, who executes corporate governance, and formulates subsequent corporate governance plans.



## Information Security Management

The Group has also established Information Security Committee where business unit heads are the ex officio members joined by information security managers and department managers. The Committee regularly convenes to establish and review information security management targets and policies. The committee, in response to information security risks, has established Internet firewalls, intrusion detection systems, email security systems, auto-detect updates for operating systems, anti-virus systems, internet authorization systems, security monitoring systems, and vulnerability scanning systems.

In addition, internal and external auditors perform two audits on corporate information security management systems for the Group each year and reviews of information security operations, risk management, and incident improvement are conducted every year. The results of these audits and reviews are then presented to the Information Security Committee to facilitate the management and reduction of information security risks.

For full details of the Group's information security management, please refer to Page 25 of the 2020 Hon Hai CSR Report.

## Whistleblower / Grievance Reporting System

The Group encourages reporting of any illegal behaviors, protects the confidentiality of informants, and allows for anonymous reporting to ensure that the identities of whistleblowing suppliers and employees are kept confidential. The Group's point of contact immediately notifies dedicated units upon receiving reports and organizes a special team to investigate the suspected malpractice described in said report. The Group keeps informant identities and report contents confidential and provides the results of its investigations via email.