



## About this Report

Hon Hai Precision Industry Co., Ltd. (hereinafter referred to as "the Group" and "Hon Hai") issued its first CSR Report in 2009, and renamed these reports "sustainability reports" starting in 2022. As a good corporate citizen, we are committed to implementation of sustainable actions that serve as our response to the United Nations Sustainable Development Goals (SDGs) and disclose all financial and non-financial sustainable governance achievements to our stakeholders to convey our determination in continued sustainable development. The Group will continue to issue annual reports in the future.

### Scope

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

### Management Procedures

This report was prepared by the Hon Hai Sustainability Committee. Following review by the heads of all departments, the content of this report was independently verified by the British Standards Institution (BSI) according to AA1000AS v3 assurance standards and Type I moderate level Account Ability Principles to ensure compliance with the GRI Standards Core option and SASB disclosure metrics. For more information, please refer to the [Independent Assurance Statement](#).

### Reporting Principles and Guidelines

The Group has compiled and studied important domestic and overseas economic, environmental, social, and other issues of concern to our stakeholders. Following interviews with personnel from various departments, these issues were included in materiality analysis, and the resulting material topics were used as the core disclosures in this report. This report was prepared in accordance with the Core option of the GRI standards published by the Global Reporting Initiative and the SASB Standards.

### Publication date

The Group publishes sustainability reports on annual basis. This is our 15th Sustainability Report. In order to save energy, reduce carbon emissions, and protect the environment and the earth, the Group is fully committed to paperless operations. Similar to previous issues, this report is published in digital form on our [official website](#) for reader reference.

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

### Contact Information

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## Letter from our Chairman

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

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

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

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

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

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

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

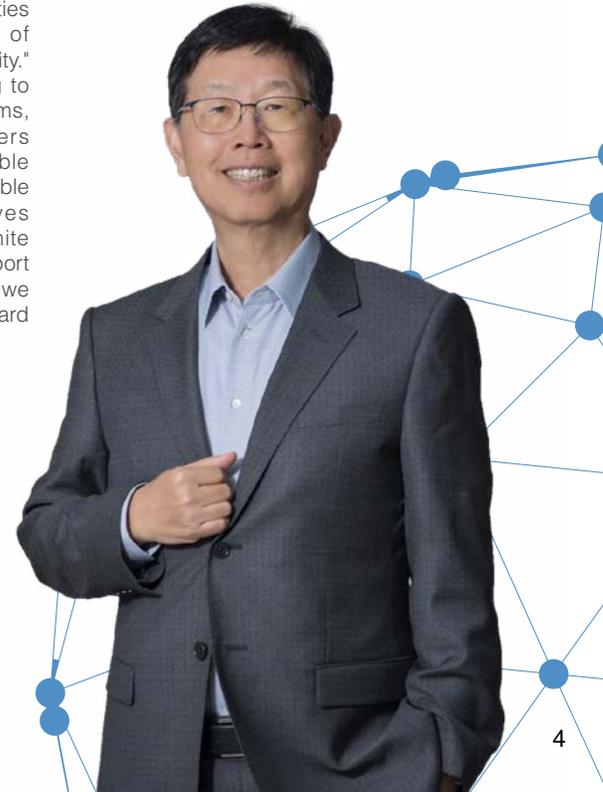
As the biggest technological manufacturing service provider in the world, we are working to ensure that our supply chains and industries understand the importance of sustainable management. The Internet now makes it possible to disclose our corporate information using diverse, public, and transparent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

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

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

Hon Hai Technology Group  
Chairman Young Liu  
June 2023

*Young Liu*





# Awards



## Sustainalytics (Global)

10.4 Low Risk



## Forbes Magazine (USA)

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



## Global Corporate Sustainability Award (Global)

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



## Common Wealth Magazine Sustainable Citizen Award (Taiwan)

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



## MSCI ESG Rating (Global)

B Grade



## Clarivate Analytics (Global)

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



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

Received **7** awards



## Corporate Governance Evaluations (Taiwan)

6~20%



## FTSE4Good FTSE Russel (Global)

Constituent of Taiwan ESG Index



## World Economic Forum (WEF) (Global)

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



## Fortune Magazine (USA)

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



## Major human resource evaluations (Global)

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



## Taiwan Corporate Sustainability Award (Taiwan)

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



## Institute of Public and Environmental Affairs (China)

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



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

**Top prize**



## Institutional Investor (Asia)

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



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



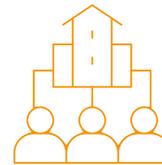
## Environment

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



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

## Social



## Governance



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



# Company Overview

## Company Profile

Company Name	Hon Hai Precision Industry Co., Ltd. (hereinafter "Group")
Headquarters	No. 2, Zihyou Street, Tucheng Industrial Park, Tucheng District, New Taipei City, Taiwan
Ticker Symbol	2317.TW
Date of Establishment	February 20, 1974
Geographical Distribution	The Group is headquartered in Taiwan, and has established business locations all over the world to serve our customers in China, the US, Canada, Mexico, Brazil, the Czech Republic, India, Vietnam, and many other locations. (Please refer to our <a href="#">website</a> for further details.)
Number of Group Employees Worldwide	925,890
Paid-In Capital	138.6 billion NTD
2022 Revenues	6.627 trillion NTD



As a leading global manufacturer in the computer, communications, and consumer electronics (3C) industry, the Group supplies the most competitive manufacturing technologies and solutions, and we continue to serve our clients, employees, and other stakeholders around the globe. Established in 1974 and under the guidance of founder Terry Gou, we have developed a Group strategy composed of "time to market," "time to volume," and "time to money," as well as the innovative "IIDM-SM" strategy, namely a comprehensive integration, innovation, design, manufacturing, sales, and marketing services solution for the 3C industry. We established a foundation in the molds industry and gradually grew from a local OEM company to an international high-tech services provider. The Group is responsible for supplying nearly 40% of electronic products worldwide.

Under the leadership of Chairman Young Liu, the Group's revenues for 2022 reached a record high of 6.627 trillion NTD, achieving 11% of growth compared to the previous year. Our four main product lines (cloud and networking products, computing products, smart consumer electronics, components and other products) all maintained positive growth.



## Product Categories



**Smart Consumer Electronics**  
(Smartphones, TVs, and game consoles)

Consumer electronics for personal use, encompassing consumer electronics products and communications products within the scope of 3C product categories as defined by external parties.



**Cloud and Networking Products**  
(Servers and network communications products)

Cloud infrastructure required for network communication and cloud storage by enterprise and individual users.



**Computing Products**  
(Computers and tablets)

Includes electronic computing equipment required for work and daily life, as well as electronic computing products required for office and workplace use, encompassing computing products within the scope of 3C product categories as defined by external parties.



**Components and Others**  
(Connectors, mechanical parts, and services)

Includes key components and technical components for the supply chain as well as logistics warehousing, software development, healthcare services, and integrated services.

## Management Policies

The Group not only commits to further development of precision manufacturing and vertical integration, but still strives for innovation, and continues the core transformation from "brawns" to "brains" by following the roadmap from "Foxconn 1.0" Existing business optimization; "Foxconn 2.0" Digital transformation; and "Foxconn 3.0" Transformation to new industries, striving towards the goal of continuous improvement and solid progress.



The Group has implemented the four key areas of "governance structure, sharing system, margin maximization, and lean management" under our principle of "strengthening the core while enriching the branches," drawing up clear divisions of labor between our parent company, subsidiaries, and sub-groups as we actively promote real-time internal sharing of various information and experiences. Additionally, the Group has implemented systematic procedures in the procurement process, eliminating potential abuses caused by human factors, reducing unnecessary costs, and increasing shareholder profits, thereby achieving margin maximization and lean management.

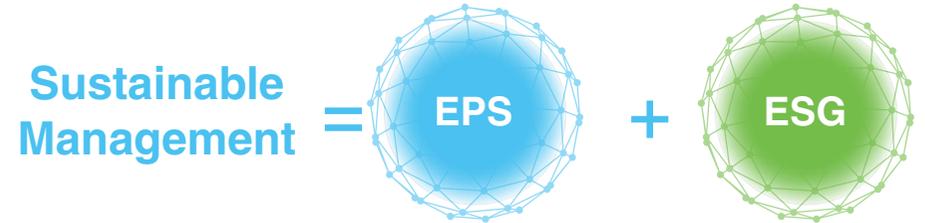


The Group has utilized digital technology to increase the efficiency and effectiveness of operations. For example, we have optimized our website and related platforms for improved communications with our shareholders and investors. We have also established a supply chain management platform to streamline upstream and downstream information transparency. This increase in information transparency enhances supplier management, and enables us to achieve increased agility and timeliness to satisfy changes in customer demands. The Group has established several big data databases and takes an objective statistical approach to management, effectively formulating smart, automated strategic procedures. Additionally, in terms of both manufacturing and performance, the Group has embraced a scientific, metrics-based approach. This has enabled us to achieve "Increased Quality and Efficiency, and Decreased Cost and Inventory", maximizing returns for the Group.



The Group will leverage R&D capabilities and investments in new industries to achieve the restructuring and upgrades of our "Foxconn 3.0" goal. As mentioned above, we will be investing in "electric vehicles, digital health, and robotics industries," and also "artificial intelligence, semiconductors and next-generation communication technologies," forming our key "3+3" (industry and technology) strategy. Using electric vehicles as an example, the Group has a formidable global supply chain, and possesses key component manufacturing capabilities, structural R&D capabilities, and system integration services. This unique set of proficiencies allow the Group to vertically consolidate services, and also provide services on smart platforms. The Group will maintain its core ethos of sharing, and continue its dedication to innovative technologies to propel the sustainable development of our automotive ecosystem.

## Sustainable Operational Goals and Strategies



The Group believes that true industry leaders are not only leaders in a business sense, but also leaders of society. We have incorporated the United Nations Sustainable Development Goals in our operational strategies and proposed a new philosophy: "Sustainable management = EPS + ESG." Implementing ESG concepts lowers hidden costs for enterprises during corporate restructuring, upgrading, and product promotion processes. Advanced deployments in ESG trends can also create business opportunities such as environmentally friendly green electric vehicles and energy storage system which are actively being developed under the Group's "3+3" strategy.

In the future, the Group will continue to keep abreast of international ESG trends and execute advanced deployments while exerting our influence on sustainability issues as we work with all value chain partners and various stakeholders to achieve the SDGs for joint achievement of sustainable management and a brighter future.



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



2022  
implementation

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

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

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



2022  
implementation

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

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

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



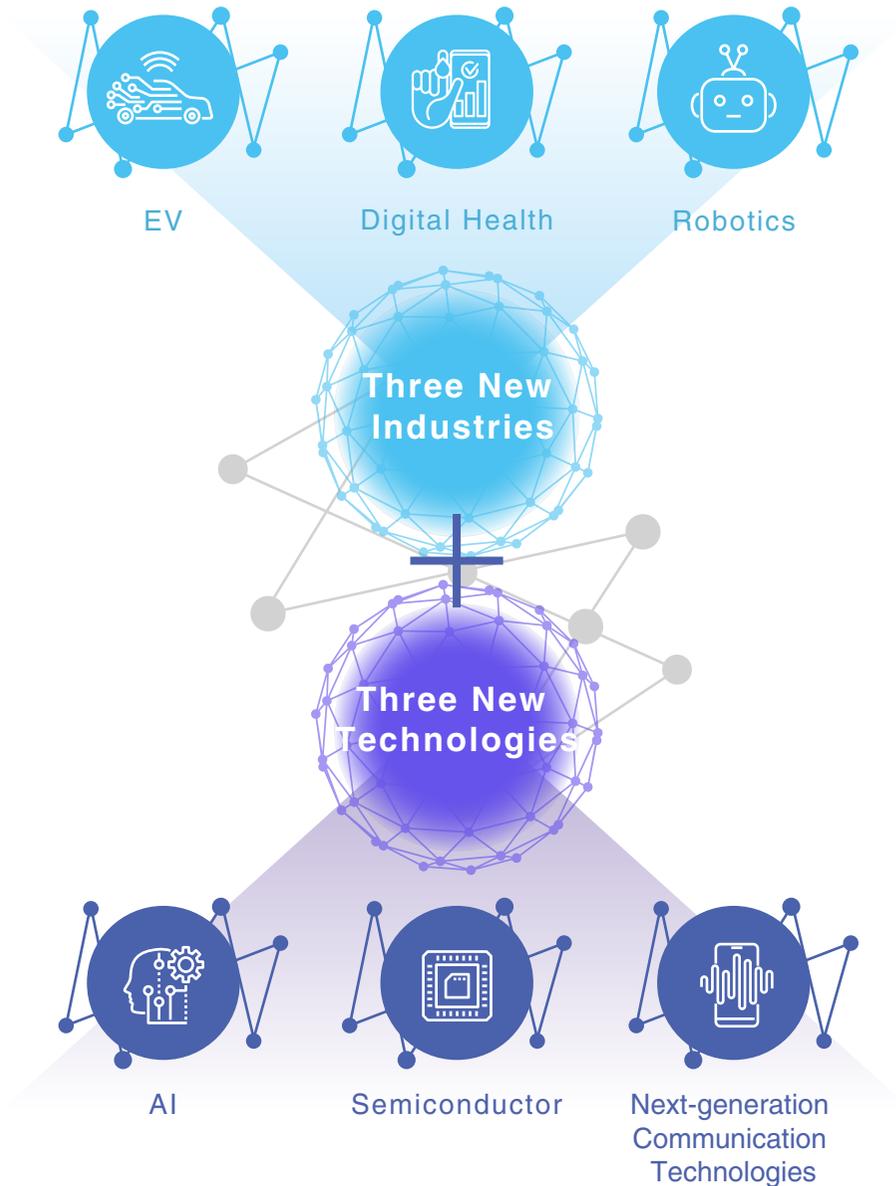
<p><b>Business Sustainability</b></p> <p><b>Corporate Governance</b></p> <p><b>Total completed</b></p>	Operational Innovation, Transparent Governance Deepening Sustainable Partnerships for Mutual Benefit	<p><b>Core SDGs</b></p>					<p>Please refer to chapter 1&amp;4</p>
	Establishment of sound corporate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

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

## Relationship Between the Overall Environment and Our Operating Strategies

As we continue to expand our reach, we are also working to discover new drivers for growth. The Group selects electronics products with growth potential and stable profitability based on the principles of "right customers, right product, and right timing," and therefore was able to maintain steady revenue growth even during the coronavirus pandemic. Thanks to continued developments in global 5G infrastructures, many of our clients have begun launching new consumer products that will drive the next wave of growth. The coronavirus pandemic boosted work-from-home, home entertainment, and other stay-at-home economy needs, increasing demand for cloud servers and network communications, resulting in significant growth for tablet computers, laptops, and game consoles. We believe that the stay-at-home economy, enterprise IT spending, and communications infrastructure will continue to drive ICT (Information and Communication Technology) growth in the post-pandemic era.

However, the ICT industry is gradually reaching saturation and growth is slowing. Based on our evaluations of future industrial environments, we believe automation, chips, digitalization, and intelligent systems are technologies that will develop rapidly, and new energies, automation, and enhancement of individual values will be the main trends of the future. We therefore incorporated our existing capabilities in precision manufacturing and officially announced our three industries and three core technologies for the future in November 2019 to power our next stage of growth, with the three industries being "electric vehicles, digital health, and robotics." The market size for each of these three industries could reach more than three trillion USD. Additionally, the average compound annual growth rate (CAGR) for these industries all exceed 20%. These opportunities for growth align well with our own industrial expertise and advantages. Our three core technologies are "artificial intelligence, semiconductors, and next-generation communication technologies"; all key technologies which serve as our core competitive advantages for the three industries as we develop leading technologies and products 3-5 years ahead of their time, helping the Group to realize its F3.0 transformation to new industries goal.



## Response to International Initiatives

### United Nations Sustainable Development Goals (SDGs)



As a leader in technology services, the Group has established operating locations all over the world, and therefore resolving global sustainable development issues is one of our critical issues. The Group utilizes its core capabilities and resources to respond to the SDGs established by the United Nations, which serve as the Group's objectives for achieving sustainable management.

The Group adhered to the "Sustainable Management = EPS+ESG" principle for identification of major SDGs and refinement of targets. Our six main ESG strategies respond to the SDGs, and we work with our upstream suppliers, corporate businesses, and downstream customers to implement the SDGs and work jointly toward our 2030 Agenda.

SDGs	SDG Sub-Goals	Corresponding ESG Targets and Strategies <small>(Please refer to P11-12 for information on promotion targets)</small>	Response Strategies and Actions
	1.2 \ 1.3 \ 1.4	Win-Win Strategy	<ul style="list-style-type: none"> <li>We voluntarily initiated a variety of community activities for community contribution and epidemic prevention to improve the living standards of our surrounding communities and maintain health and safety. We hosted 694 activities over a total of 53,782 hours.</li> <li>Organized the Foxconn Scholarship Program for five consecutive years, benefiting a total of 5,062 students, and distributing a total of 230 million NTD to economically disadvantaged students.</li> </ul>
	3.4	Employee Satisfaction	<ul style="list-style-type: none"> <li>Hosted 121 health promotion activities including health lectures, fitness center events, sports classes, and online health lessons.</li> </ul>
	4.1 \ 4.3 \ 4.5 \ 4.7	Employee Satisfaction, Win-Win Strategy	<ul style="list-style-type: none"> <li>Founded Foxconn University to serve as our headquarters for talent development and innovation cultivation while training in multiple fields. A total of 1,873 people have graduated from the university, and 77% of graduates received degrees related to their current positions.</li> <li>Established a technology education system for Taiwan and compiled the first quantum science manga in Taiwan.</li> <li>Organized many education projects for disadvantaged groups and rural areas to provide appropriate resources and opportunities for exploring self-potential to achieve learning and growth.</li> </ul>
	6.3 \ 6.4	Circular Economy	<ul style="list-style-type: none"> <li>Actively engaged in wastewater recycling actions that reused treated domestic wastewater in production processes and environmental greening; we recycled a total of 4,796 thousand tons of water, equivalent to 5.24% of our total water usage.</li> </ul>
	7.2 \ 7.3	Green Solutions	<ul style="list-style-type: none"> <li>The Group achieved a total installation capacity of 397.2MW in 2022. Total global usage of clean energies reached 816 million kWh, and clean energy usage ratios were 8.28%.</li> <li>12 key electronics suppliers signed a renewable energy agreement committing to use 100% renewable energies to produce Group products.</li> <li>Successfully achieving the Group's annual energy-saving goal for 2022 by achieving an actual energy-saving rate of 5.74%.</li> </ul>

SDGs	SDG Sub-Goals	Corresponding ESG Targets and Strategies <small>(Please refer to P11-12 for information on promotion targets)</small>	Response Strategies and Actions
	8.2、8.5、 8.7、8.8	Business Sustainability	<ul style="list-style-type: none"> <li>Ranked Taiwan's biggest business in terms of revenue; revenues for 2022 exceeded 6.627 trillion NTD, equivalent to 29% of Taiwan's GDP.</li> <li>Added principles of equal employment, respect for human rights, employee diversity, bans on child labor, and prohibition of forced coercion of employees to the talent recruitment protocols and activities of the Group.</li> <li>Provision of equal compensation and opportunities for advancement to all male, female, and disabled employees, with no exceptions.</li> </ul>
	9.4、9.5	Business Sustainability, Corporate Governance	<ul style="list-style-type: none"> <li>Rapidly launched two more self-developed EV models and our first self-developed mass-produced EV with our trademark efficiency, demonstrating our determination to be a global automobile manufacturer.</li> <li>The Group is the only enterprise in the world which holds 5 WEF Global Lighthouse certifications, the highest number of awards held by any company in the world, demonstrating our solid capabilities and ability to lead the industry.</li> <li>Utilized the Group's core capabilities as well as internal and external resources to promote technology education and provide learning resources for teachers as well as college, high school, vocational school, and junior high school students, including quantum computing camps for high school and vocational school students, and compilation of the first quantum science manga in Taiwan.</li> </ul>
	12.2、12.4、 12.5、12.7	Circular Economy	<ul style="list-style-type: none"> <li>Longhua Campus obtained UL 2799 Gold Level Certification, becoming the world's first comprehensive eco-park; we encourage our suppliers to obtain Zero Waste to Landfill certifications and assisted 10 suppliers in obtaining UL2799 Zero Waste to Landfill verification.</li> <li>Required all suppliers to strictly comply with local environmental protection regulations, launched a green procurement policy that required all suppliers to fully establish self-assessment procedures for RoHS 10 substances, and banned discharges of untreated hazardous materials and supplies.</li> <li>Established a management system for chemicals and hazardous substances to assess and track chemical usage, ensuring that said chemicals do not cause environmental or human damage.</li> </ul>
	13.3	Green Solutions	<ul style="list-style-type: none"> <li>Invested 2.37 billion NTD in 1,877 energy-saving projects, achieving carbon reductions of 306,200 tCO<sub>2</sub>e.</li> <li>Assisted a cumulative 123 suppliers in implementing carbon inventories and 59 suppliers in completing verification, resulting in carbon reductions of 225,500 tCO<sub>2</sub>e from 2021 to 2022.</li> </ul>
	16.2、16.3、 16.6、16.B	Business Sustainability, Corporate Governance	<ul style="list-style-type: none"> <li>Adopted a zero-tolerance policy for regulatory violations, strictly prohibiting all forms of corruption, bribery, theft of corporate funds, and profit from illicit activities. All employees receive at least two hours of anti-corruption training annually.</li> <li>Rejection of all forms of human trafficking and employment of slave labor, coerced labor, forced labor to repay debt, indentured labor, and prison labor.</li> <li>No discrimination of employees on the basis of gender, age, nationality, place of birth, ethnic background, language, disability, marriage, pregnancy, sexual orientation, religion, political views, or union membership. Child labor is also prohibited.</li> <li>Prevention of all forms of corruption, discrimination, and unfair practices during the procurement process; strict prohibitions on supplier use of child labor and forced labor or prison labor; and strict adherence to fair operating principles.</li> </ul>

## RBA Code of Conduct



The Group's "Code of Conduct" is based on the five aspects of the RBA (Responsible Business Alliance) Code of Conduct, and was formulated rigorously and prudently to include content related to many international initiatives, including responsible mineral procurement, anti-corruption, and anti-slavery, thereby aligning with international trends and ensuring comprehensiveness of our ESG implementations. As a member of the international business community and RBA, the Group strives to implement social responsibilities, ensuring that our employees and suppliers around the world can carry out Group operations based on ESG and Code of Conduct principles.



## Climate Action 100+



The Group formally responded to the three goals proposed by the Climate Action 100+ Steering Committee. We not only comply with Nationally Determined Contributions (NDCs) and carbon emission policies of local governments, but also continue to strengthen climate change governance, implement actions on GHG emissions, and disclose information in accordance with Task Force on Climate-related Financial Disclosures (TCFD) recommendations to ensure that the GHG emissions throughout the Group's value chain remain consistent with the targets of the Paris Agreement as we strive to realize our goal of zero GHG emissions by 2050.

## CDP Global Environmental Disclosure Platform



The Group joined CDP in 2015 and began measuring and disclosing environmental information to assess, manage, and reduce the impacts of climate change on corporate operations. In 2022, we received a B ranking on the climate change questionnaire and a B- ranking on the water security questionnaire.

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



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

In 2022, the Group officially became a TCFD supporter and pledged to implement TCFD guidelines. The Group assessed links between climate change and business activities using the TCFD framework, and has conducted scenario analyses incorporating risk management and climate impacts to further evaluate the resilience of our responses to climate change. Relevant information has been disclosed in our Net Zero Vision Report.

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

## Science Based Targets Initiative (SBTi)



In January 2021, the Group committed to the Science Based Targets Initiative (SBTi) Business Ambition for 1.5°C initiative, and disclosed our commitment on SBT and CDP websites. The Group uses appropriate methodologies to formulate SBT-recognized science-based targets. We have obtained verification of our SBT near-term targets, submitted our net zero commitments to SBTi, and are in the process of planning our 2050 net zero pathway.

## Global Operations

The Group is dedicated to enhancing research design and engineering solution capabilities to develop a global footprint that is based in Asia and expanded to other parts of the world. "2 R&D Clusters" refers to the adoption of a strategy that centers on R&D in Greater China and the US; "3 Design and Manufacturing Zones" refers to give priority to the mainland China region in terms of strategic deployment, establishing design and manufacturing in Asia, the Americas, and Europe with at least two manufacturing bases; "Global Assembly and Delivery" refers to complements of global assembly and delivery to ensure that we convey values to clients with optimal timing, quality and quantity.



### 2 R&D Clusters

The adoption of a strategy that centers on R&D in Greater China and the US



### 3 Design and Manufacturing Zones

Give priority to the mainland China region in terms of strategic deployment, establishing design and manufacturing in Asia, the Americas, and Europe with at least two manufacturing bases



### Global Assembly and Delivery

Complements of global assembly and delivery to ensure that we convey values to clients with optimal timing, quality and quantity

