

2022

ESG INSIGHT





Environment








E Mid-Term and Long-Term Target in Environment

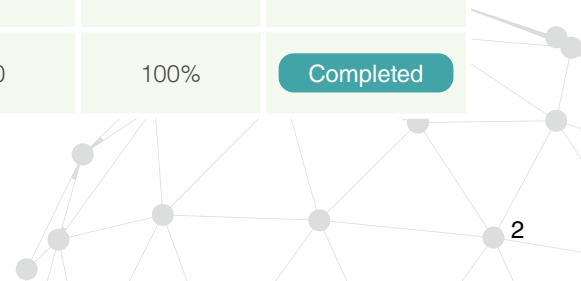


2022
implementation

Green Solutions	Smart environmental protection is deeply rooted in our core strategy, driving clean production and green energy manufacturing.
Circular Economy	Enhancing resource utilization efficiency Committed to creating a zero-waste ecological park
Total completed	75%

CoreSDGs	    
In Progress	<div>2 items</div> <div>Completed</div> <div>6 items</div>

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



Responding to climate change, Hon Hai has set clear strategic environmental goals on several aspects, including net zero emissions, green energy, water conservation, environmental protection, waste reduction and recycling.

The Group aligns with international trends in the face of increasingly severe climate issues. We adhere to UN SDGs and support the Climate Action 100+ initiative and participated in Carbon Disclosure Project. Our overall responses to the CDP climate change questionnaire in 2022 were scored at the management level. In water safety was scored at the management level. In 2022, we received a B ranking on the climate change questionnaire and a B- ranking on the water security questionnaire.



New in
2022

Submitted an application for the SBTi 1.5° C target and be validated and approved by 2023.

Foxconn Group's 3 Climate Targets

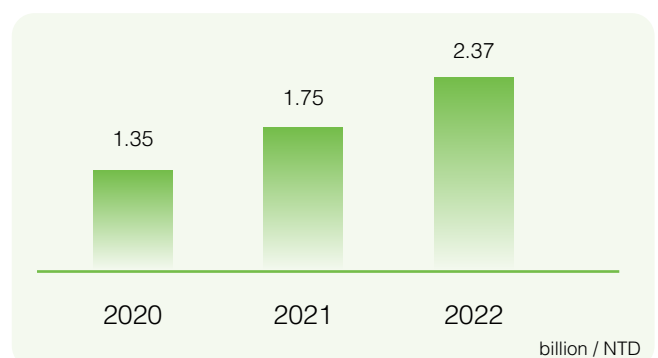
1. Comply with NDCs or carbon emission policies of local governments where Group campuses are located.
2. Align GHG emissions of our value chain with the Paris Agreement and realize our goal of zero GHG emissions by 2050.
3. Respond to and act upon the three targets proposed by the Climate Action 100+ steering committee:
 - Strengthen climate change governance;
 - Implement actions relating to GHG emissions within the Group's value chain;
 - Provide disclosures in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD)

Key Environmental Metrics

No major environmental protection violations in 2022.

Investment on Energy-Saving Projects

Invested in energy-saving projects encompassing transformation of energy-saving production processes, improvement of air-conditioning systems/air compressors/lighting equipment, and other improvements.



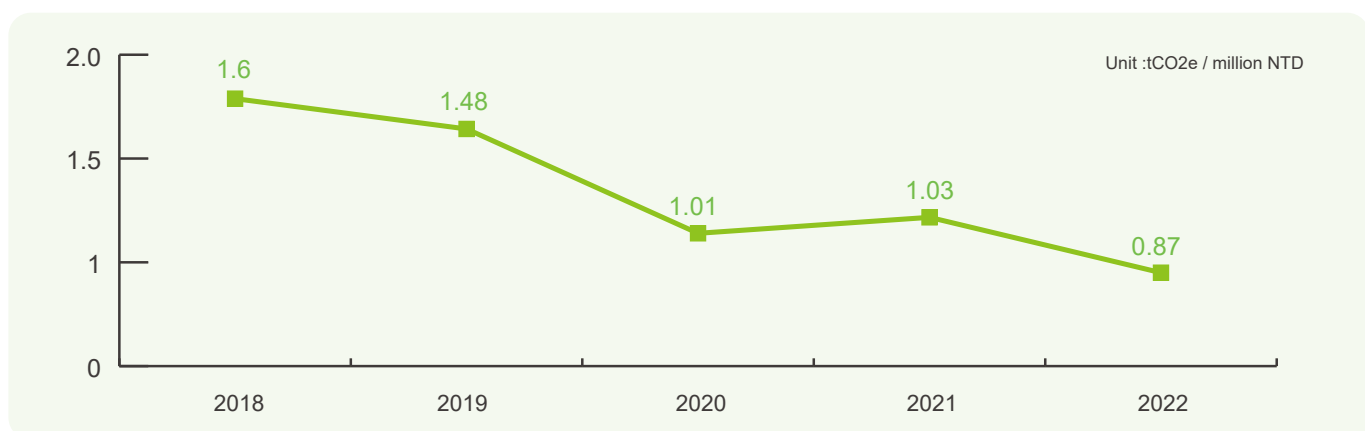
Patents for Low-Carbon and Clean Technologies

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

GHG Emissions

GHG Emissions	Unit	2020	2021	2022
GHG Emission Scope 1	tCO ₂ e	152,602	237,946	222,295
GHG Emission Scope 2		5,265,000	5,982,836	5,535,324
GHG Emission Scope 3		24,025,738	28,742,200	Compiling
GHG Emission Intensity	tCO ₂ e/ million NTD	1.01	1.03	0.87

GHG Emission Intensity

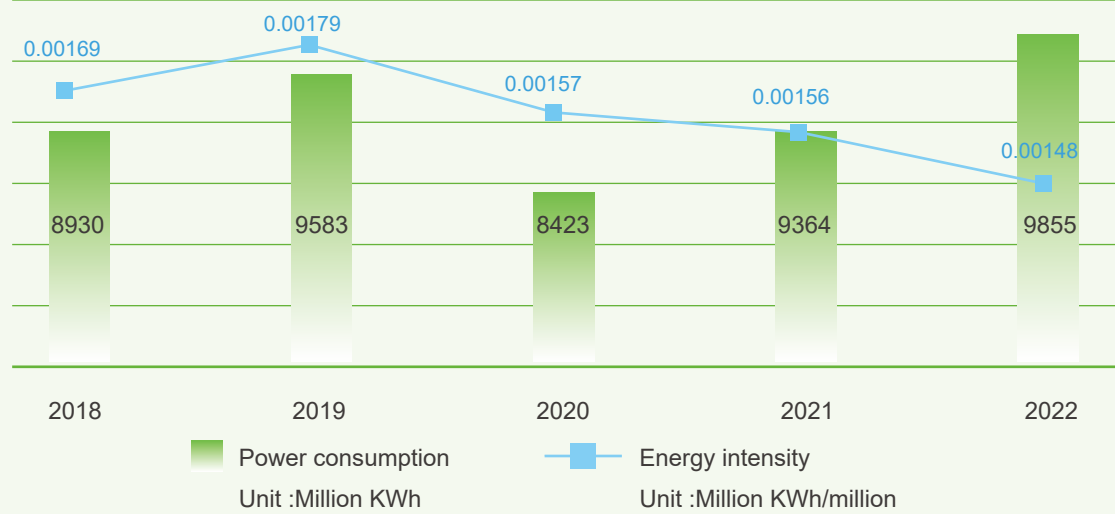


Energy Management

Energy Management	Unit	2020	2021	2022
Power consumption	GJ	30,323,209	33,710,756	35,483,303
Natural gas		2,619,245	3,627,479	3,145,702
Gasoline		17,784	126,349	78,340
Diesel		1,534,003	145,308	78,359
LPG		0	499,005	52,728
Steam		2,275,336	0	0
Heated Water		612,085	0	0
Total		37,381,662	38,108,897	38,838,433

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

Energy Intensity



Clean Energy Usage

Clean Energy Usage	Unit	2020	2021	2022
Total installed capacity of clean energies	Mw	257	260	260.55
Generated power	10,000kWh	28,497	29,661	28,969.08
Direct purchases of clean energies in Chinese plants		553	3,627	3,139.42
Direct procurement of clean energies from overseas plants		507	15,100	3,410.62
Renewable energy certificates from power trading and purchases of clean energies (in Chinese campuses)		-	-	46,094.00
Purchases clean energies environmental attributes		75,300	-	3,410.62
Total Clean Energy usage		104,857	48,388	81,613.11
Proportion of clean energy usage	%	12.45%	5.17%	8.28%

Water Resource Management

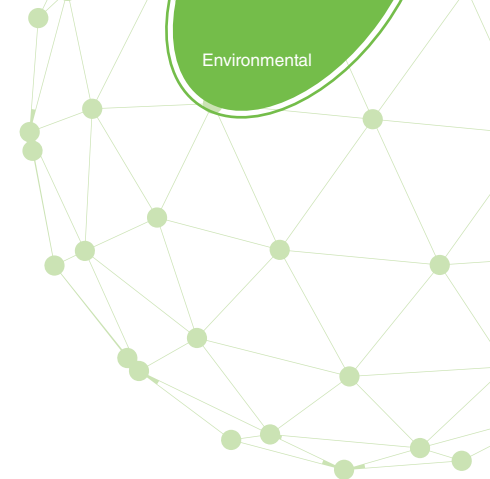
Water Management	Unit	2020	2021	2022
Water withdrawal	Thousand tons	86,737	87,706	91,471
Discharge Volumes		-	82,030	87,269
Total Water Consumption		-	5,677	4,202
Recycled water	%	8.1%	6.60%	5.40%
Intensity of water withdrawal	Ton/million TWD	-	14.6	13.8

Notes:

1. We began including our Campuses in Mexico in our figures for South America starting in 2021.
2. Domestic wastewater volumes for some Campuses were estimated to be 0.8 times total water withdrawal volumes

2022 Waste Management

Waste Management	Unit	2022
Domestic Waste	tons	52,957
General Waste		588,461
Hazardous Waste		141,950
Total Waste		783,368



Climate Change Response and Management

The Group emphasizes the urgency of climate risk management to ensure sustainability. We have implemented TCFD using the four main frameworks of governance, strategy, risk management, and metrics and targets for transparent disclosures of key climate risks, opportunities, and current management.



Phase 1

Release our first Net Zero Vision Report in 2023 to detail our climate governance, strategies, risk management, and targets and metrics



Phase 2

Aim to conduct analyses and discussions of climate scenarios, as well as quantitative financial impacts



Phase 3

- Integrate results from the first and second phases to generate standardized forms and processes that extend the scope of climate-related financial assessments to the whole world
- Release a Net Zero Strategy Report.

Chemicals Managements

Hazardous Chemicals:

For effective control, chemicals used in all Campuses for production, non-production, and laboratory processes are compared with lists of prohibited, restricted, and controlled substances to identify hazardous substances and through the "Group Chemicals/Substances Management Regulation" we continually replace and reduce the use of hazardous substances.

Chemical inventory results over past three years:

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

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

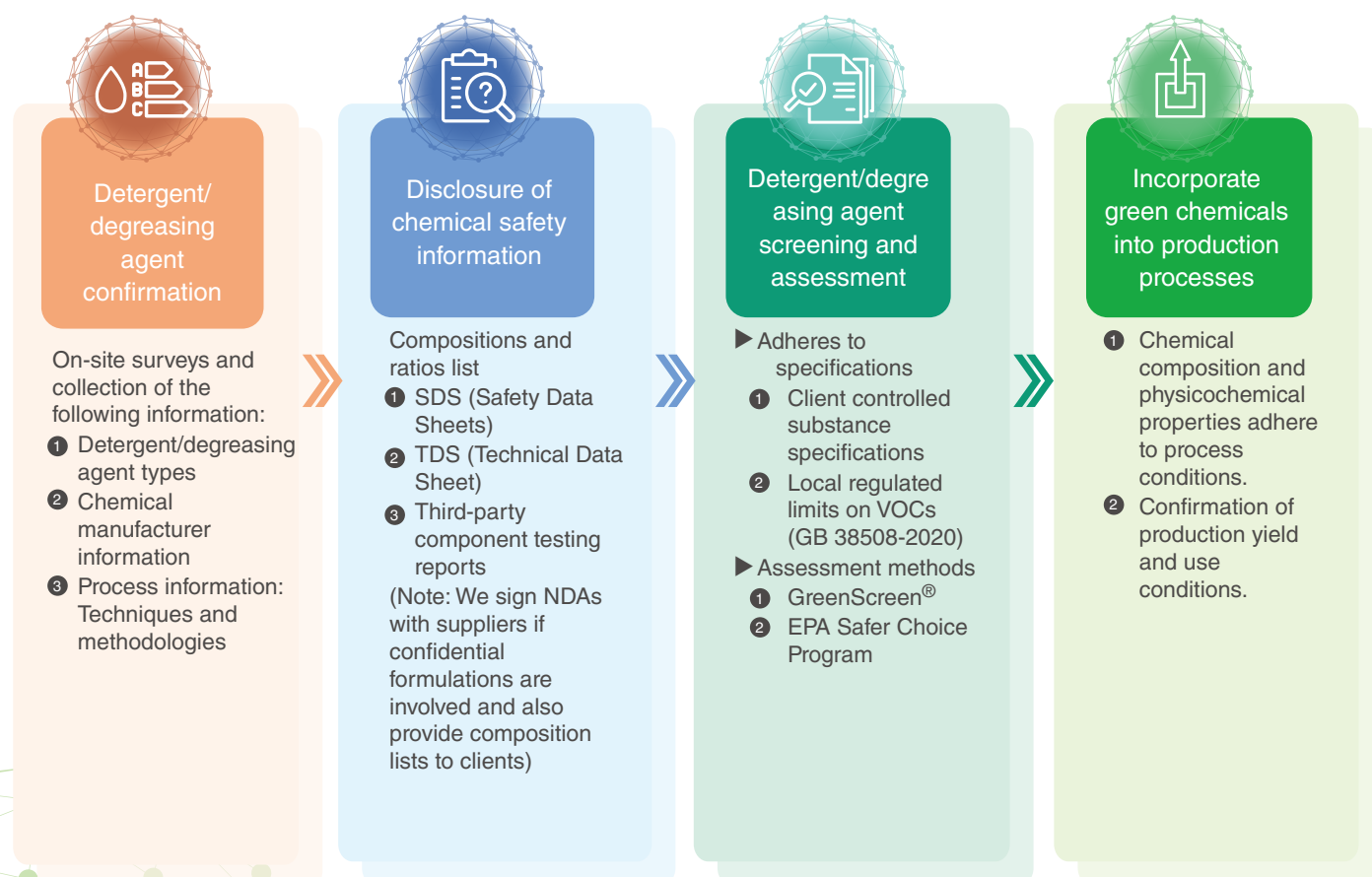


VOC Reduction Actions in 2022

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

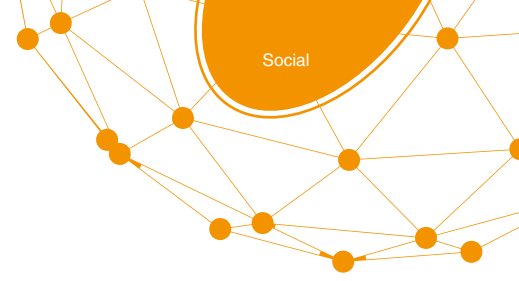
VOC Reductions	Reduction Achievements
Replacement of flux agents	Used the methanol-free F6812 flux agent to replace EF-6103, lowering methanol content from 38.1% to 0%.
Lowered VOCs in covered production lines	Ink production requires A/B agents with respective VOC emission rates of 8.7% and 3.3%. We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

Project Implementation Schedule





Social



S Mid-Term and Long-Term Target in Society



Core
strategy

2022
implementation

Employee
Satisfaction

Safety, health, and equitable development
Cultivating and empowering employees to enhance their rights and benefits

Win-Win Strategy

Nurturing the generation of technology education
Practicing charitable initiatives to fulfill social responsibilities

Total completed

91%

CoreSDGs



In Progress

2 items

Completed

8 items

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 ≤ 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 ≤ 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 ≥ 5000 hours of volunteer service in Taiwan facilities.

715

384

54%

In Progress

Human Rights and Workforce

Our Principle of Social and Environmentally Responsible Code of Conduct (available on our Company website) is founded upon the standards of RBA Code of Conduct, the Universal Declaration of Human Rights (UDHR), and the standards of the International Labour Organization (ILO). The Group conducts annual risk assessments and audits based on law and Group policies, and we also require relevant units to implement timely improvements to ensure the rights and benefits of our employees.



Zero tolerance and prohibition of:

- Regulatory violations
- Corruption
- Bribery
- Theft of corporate funds
- Profit from illicit activities
- Trafficking or any form of slavery
- Child labor or forced labor
- Indentured labor
- Forced labor to repay debt
- Prison Labor



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

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

- Equal opportunities/ equal employment
- Respect for human rights
- Workplace diversity
- Non-discrimination policy
- Responsible sourcing of minerals
- Anti-corruption Policies
- Anti-trafficked & forced labor
- Health and safety principles
- Rotating safety inspections of all factories



No incidents involving discrimination, use of child labor, or forced labor occurred in our Campuses in 2022.

Human capital

	2020	2021	2022
Greater China	839,753	804,778	771,056
Americas	31,833	37,341	41,968
Europe	7,672	7,621	7,691
Other Regions	90,438	96,371	105,135
Total Employees	969,696	946,111	925,890
Employees with Disabilities	4,258	3,850	4,332
Ethnic minorities	46,684	47,918	33,434
Female Percentage	37%	37%	36%
Male Percentage	63%	63%	64%

The proportion of senior management personnel (ranked at director level or above) who are Chinese nationals is approximately 11.70% at our factories in China. The Group also employs a total of 33,434 ethnic minorities from all regions, accounting for 3.6% of its workforce in fiscal 2022, and their salaries, promotions and education rights are no different from the general workforce. Among the top five ethnic minorities, 6.5% hold supervisory positions.

	Male	Female	Under 30	31-50	Above 50
Full-time employees	355,186	209,433	37%	62%	1%
Part-time employees	139,314	67,163			

Note: Only includes employees in Greater China, the total amount is 771,096

Percentage of female employees in all executive positions in 2022

All executives	21.23%
Junior executives	21.78%
Senior executives	9.88%
Executive positions relating to revenue generation	42.54%
Executive positions relating to R&D and engineering	14.79%

Employee Turnover

	2020	2021	2022
New Hire Rates			
Taiwan	12.8%	16.9%	17.52%
China	6.5%	6.1%	5.8%
Turnover Rates			
Taiwan	12.7%	11.8%	18.2%
China	5.8%	5.7%	5.56%

Note: New hire rates and turnover rates were calculated using the total number of employees on December 31 for each year.

Distribution of New and Exited of Greater China Employees in 2022

	Male	Female	Under 30	31-50	Above 50
Entry Rates	65.9%	34.1%	58.7%	41.3%	0.0%
Exit Rates	65.2%	34.8%	59.2%	40.2%	0.6%

Employee compensation

To establish an effective incentive mechanism and to encourage employees to stay in service for a long time, the Group has established the "Code of Practice for the Promotion of Group Employees". The amount of employee compensation approved by the Board of Directors for 2022 is NT\$8.17 billion.



Equal remuneration for male and female employees

Number and remuneration of non-supervisor full-time employees

	2020	2021	2022	Difference between 2021 and 2022
Number of non-supervisor full-time employees(person)	3,567	3,611	3,522	-2.46%
"Average salary" for non-supervisor fulltime employees (thousand NTD)	2,417	2,558	2,538	-0.78%
"Median salary" for non-supervisor fulltime employees (thousand NTD)	1,662	1,829	1,768	-3.34%

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

Energy-Saving Incentive Mechanisms

"Appraisal Items and Scoring Guidelines for Energy Management" is used in our Chinese Campuses. In 2022, we awarded NTD 278,000 to 4 teams and 10 individuals with outstanding energy-saving contributions.

Employee Welfare

The Group's well-developed employee care network also promotes work-life balance with integrated facilities at each of the Group's plants.



2022 employee salaries and benefits cost approximately NTD 333 billion.

Retirement

The Group handles retirement applications, pension payments and contributions to employee retirement funds in accordance with local laws. A Labor Retirement Reserve Supervisory Committee has been established in Taiwan and is re-elected every three years to review the amount of employee retirement reserve contributions, deposits and payments to ensure the rights and interests of the Group's employees. Information on the payment of pensions to employees in 2022 can be found in the Group's 2022 annual report.

Maternity Allowance, Parental Leave, and Retention

In 2022, a total of 778 employees applied to participate in this program; 1,015 babies born to Group employees benefited from the program; and more than 470 million NTD has been paid out in subsidies. These subsidies make employees feel more secure when facing childbirth and also raise employee retention.

Reinstatement Rates Following Parental Leave and Retention Rates in China and Taiwan

	2020			2021			2022		
	Female	Male	Total	Male	Female	Total	Male	Female	Total
Reinstatement rates	99.84%	99.57%	99.67%	99.37%	99.43%	99.41%	99.00%	99.00%	99.00%
Retention rates	81.00%	83.89%	82.74%	88.99%	86.59%	87.37%	84.70%	83.50%	84.10%

Training and Education

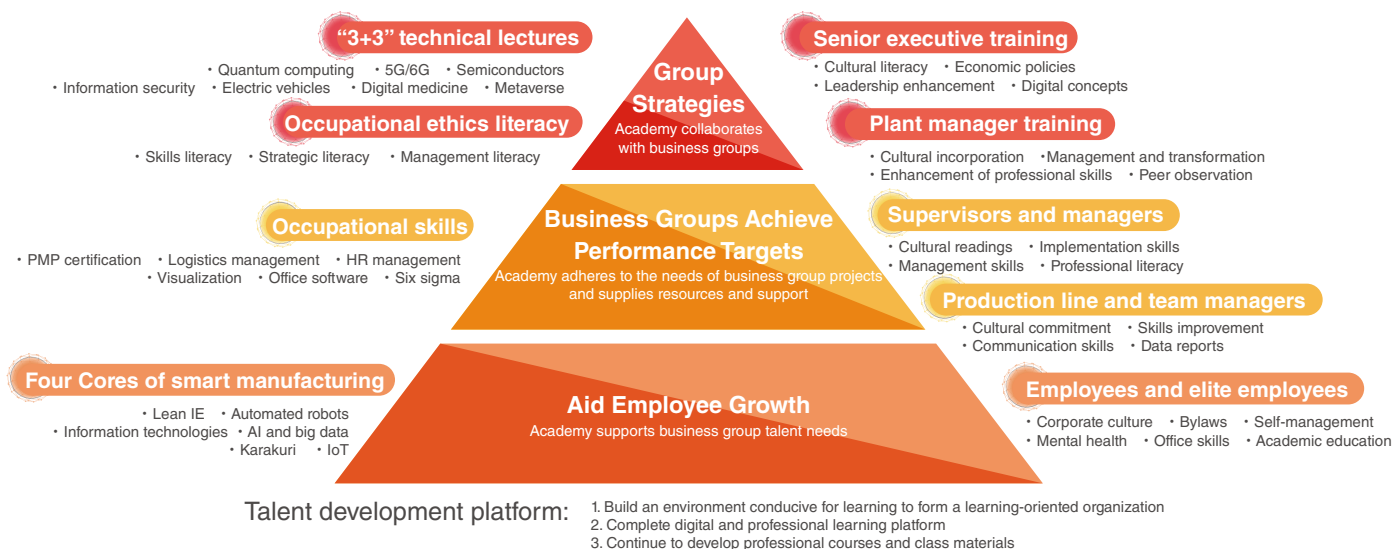
Training courses are provided to all new recruits and continued annual compliance training for existing employees. In 2022, the Group invested a total of 151 million NTD in Foxconn University, and provided 69.49 million hours of training. On average, each employee underwent 75.05 hours of general, management, technical/professional, and academic training. In terms of academic education, Foxconn University began collaborating with 41 colleges and universities to implement on-the-job academic programs at 19 Campuses, providing our employees with convenient channels to receive on-the-job training for enhancement of comprehensive skills and professional capabilities.

Course Categories, Course Hours, and Participant Numbers

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

Training Metrics	Unit	2020	2021	2022
Average training per female employee	Hour / Person	1.8	2.1	2.0
Average training per male employee		1.7	2.0	2.0
Average training per employee		1.8	2.0	2.0
Graduated employees	Person	3,722	3,062	1,873
Graduates whose programs relate to current job duties	%	82%	80%	77%

Human Resource Development and Training Strategies

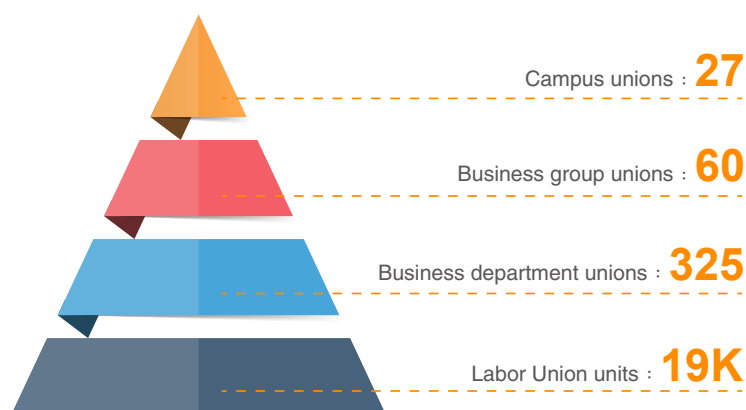


Labor Management

Labor Protection

Our Labor Union was established in 2007 in accordance with local regulations and currently encompasses employee unions with four management levels and five ranks. Labor Union Unit leaders are elected in a bottomup, open, and democratic manner by union members from voluntary candidates and union representatives at all levels are elected at member representative conferences. Employees are asked about their willingness to join unions when they enter the Group, and are allowed to join voluntarily. The Labor Union signed the "Foxconn Technology Group Collective Agreement," which covers the 96 legal entities of the Group and provides basic protection of employee rights, such as 30 workdays notification in advance of major decisions related to their vital interests. In 2022, our 14 campus unions convened a total of 14 labor delegates meetings to vote on issues relating to employee rights and obligations.

Labor Union Organizational Chart



2022 investigations-no major deficits discovered

- 19 campus inspections
- 238 deficits (non-systemic issues such as machinery safety measures, working hours, proportion of temporary workers, and occupational safety)
- Rectification measures have been formulated and confirmed, and we will continue to track and improve upon uncorrected deficits.

Employee Communication and Grievance Channels

In order to collect more employee feedback and suggestions, listen to employee voices, and quickly resolve employee difficulties, the Labor Union has integrated all resources to establish employee care, rights protection, and assistance hotlines, as well as office phone lines for various functional departments. Integration of labor union mailboxes, union chairman mailboxes, union chairman hotlines, rights protection hotlines, assistance hotlines, union websites, and 26 other rights protection mechanisms in 6 categories make it possible for Group employees, employee family members, and suppliers to contact unions, providing employees with convenient and efficient 24-hour services that protect the rights of our employees at work and in their daily lives.

Employee Month Activities

In 2022, the Group implemented mental health promotions focused around the two themes of "maintaining stability and security" and "empowering growth," and planned themed monthly activities. A total of 1,478 "Employee Month Activities," including mental health promotions, counseling, training, free health clinics, and couples mediation were held at 28 campuses; 2.119 million people (person-times) participated in these activities.

Employee Satisfaction Surveys

We distributed surveys to employees in key campuses (including temporary employees) and collected a total of 51,983 responses, 38,608 of which were valid, achieving a validity rate of 74.3%. Our surveys included questions on catering, safety, accommodation, entertainment, and work environments. The overall average satisfaction score was 60.1. Satisfactory levels were highest for safety, followed by work environments, accommodation, entertainment, and catering. The Group will continue to improve and review operations to enhance employee engagement.

Response to Controversies

Zhengzhou Foxconn incident on November 23, 2022

1. On the evening of the 22nd, a number of new recruits at our Zhengzhou Campus requested clarification of an issue associated with work allowances. Our managers emphasized that all allowances would be provided in accordance with contract clauses and continued to communicate with all affected employees.
2. We hereby declare that all Internet rumors stating new recruits were placed in accommodations with Covid-positive colleagues at our Zhengzhou Campus are false. All dormitories are sterilized and approved by government units before new recruits can move in, and no new recruits were asked to room with existing employees.
3. The Group will continue to communicate with employees and the government to prevent similar incidents of violence from reoccurring.

Communication and Grievance Channels

Committee on labor dispute mediation

Seminars and on-site visits (restaurants, dormitories, production lines)

Mailboxes for feedback to labor unions and union chairman

Employee care hotline, rights protection hotline, union chairman hotline

Corporate lawyers

Union network, employee care center

The Group provides 24/7 year-round communications hotlines that can be called if assistance is needed.

- Employee care hotline 78585
- Spiritual care hotline 25885
- Marriage mediation hotline 18675578585

Supply Chain Management

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

Supplier Management Policies and Processes

The Group and its suppliers work together to enhance capabilities in sustainability issues, and a comprehensive and systematic Responsible Supply-Chain Management (RSM) system has been established to achieve digital management and internal data sharing.



STEP 1 Regulatory Compliance

Implementation Principles

- RBA standards
- Legal requirements
- 《The Group Supplier Social and Environmental Responsibility Code of Conduct》
- 《Supplier management request》

Management measures

- Suppliers must sign and comply with relevant statements
- Online learning



STEP 2 Risk Assessment

Group Suppliers Risk Assessment Processes



Implementation Principles

- The Group use "the Supplier Social and Environmental Responsibility Code of Conduct" as a standard for "self-assessment questionnaires" (SAQ)
- 《GP Risk Assessment List》
- 《CSR Risk Assessment List》

Management measures

- Self-assessments and improvements
- Risk assessments



STEP3 Audit Verification

Suppliers are strictly prohibited from conducting any of the following zero-tolerance actions:

- Use of child labor
- Use of forced labor/prison Labor
- Discharge of untreated toxic and hazardous substances or materials
- Actions and working environments that can cause immediate physical harm to employees
- Providing false information to the Group
- Retaliation against employees who provide factual information

New Supplier Requirements

Management System	ESG Risk Assessment	ESG Audit
Passed ISO 14001, ISO 45001, ISO 14064, and QC 080000 system certification	Working hours, salary and benefits, environmental assessment approval, environmental violations, dangerous procedures, and management systems.	We use the RBA VAP Audit Checklist when conducting audits.

Results of supplier ESG (governance, social, environmental) audit assessments in 2022

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

Notes:

QPA: Commodity Quality Process Assessment

QSA: Quality System Assessment

SCM: Supplier Chain Management Assessment

GP: Green Product Assessment

GHG: Greenhouse Gases

ESG : Environmental Social Governance

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

The Group encourages suppliers to complete third-party RBA VAP audits; suppliers that have completed said audits within the past two years can share their audit reports with the Group to be exempt from repeated audits conducted by our audit teams.

Implementation Principles

- Request supplier on-site audits
- Improve defects
- 《Auditing Check List for Supplier》

Management measures

- Audits
- Improvement actions
- Verification of improvement results



STEP4 Continuous Improvement

We determine supplier ESG rankings based on annual supplier performance. Suppliers with excellent ESG performance are rewarded and we guide suppliers with poor ESG performance in making improvements. Suppliers who do not implement said improvements will be placed on the Group's Restricted Supplier List.

Implementation Principles

- Innovation and Guidance
- ESG Performance Evaluation Standard for Supplier
- PSL/RSL Assessment Standards

Management measures

- Scorecard performance review
- PSL/RSL selection
- Freeze

Green Product Design and Management

The Group has implemented comprehensive internal management of green products, adhering to the "Principle of Five Noes" ("No design, No procurement, No inflow, No manufacturing, No outflow") for green product management across our supply chain. Of these, "no procurement" is the key to green product development. We prohibit use of chemical substances restricted by the green product regulations of different countries and regions, reduce the amounts of hazardous substances contained within products, and fully disclose all product substances.

Targets

Require 75 key electronics suppliers to fully disclose all production materials on our supplier green management platform by 2025.

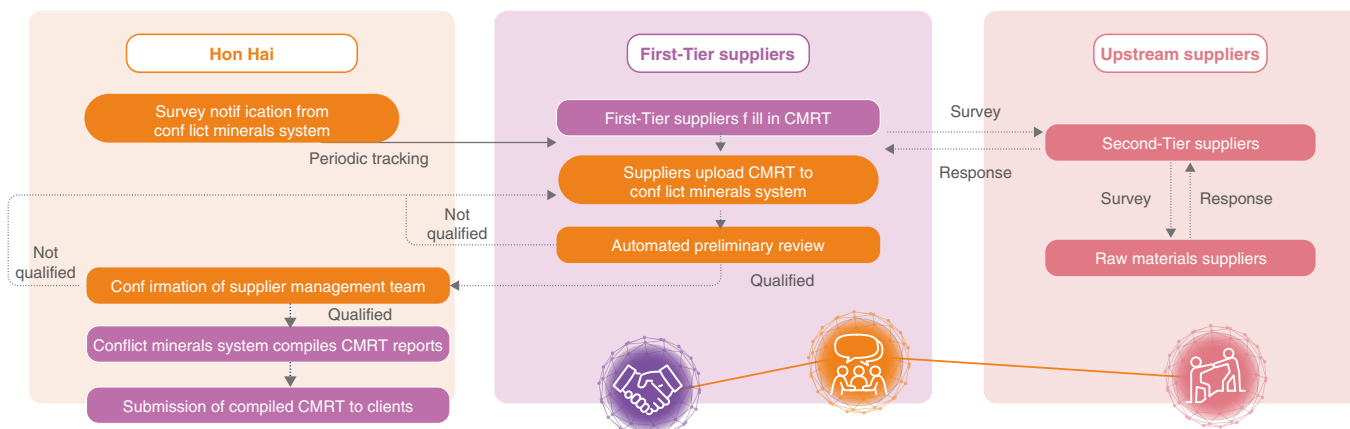
Results

In 2022, 75 of our key electronics suppliers completed green product management performance evaluations on our supplier green management platform and also completed 100% of RoHS Declarations of Conformity.

Responsible Mineral Procurement Management

The Group has developed a management platform for conflict minerals. All our business units use this platform to collect, review, and compile supplier conflict minerals due diligence reports, and the data is stored and tracked over time. In 2022, the Group completed conflict minerals investigations for 2,002 suppliers through our conflict minerals management platform. Supplier response rates were 100%. The Group worked with a total of 241 tantalum, tin, tungsten, gold smelters/refineries in 2022, all of which were included in the list of qualified smelters released by RMI. Most of these smelters were located in Asia:

Flowchart of Management Operations for Conflict Minerals



In 2022, the Group completed conflict minerals investigations for 2,002 suppliers through our conflict minerals management platform. Supplier response rates were 100%. Not yet discovered supplier products containing tantalum, tin, tungsten, gold, or cobalt from conflict areas in the Democratic Republic of Congo and surrounding countries.

Energy and Carbon Reduction

The Group's Net Zero Pathway for Suppliers



Supplier Net Zero Evaluation Indicators



In 2022, the Group launched a pilot supplier carbon reduction program which included preliminary carbon inventory analysis and on-site energy conservation guidance. Total carbon reductions are expected to reach 27,500 tCO₂e

Occupational Health and Safety

The Group's 16 main business groups have all implemented ISO 45001 Occupational Health and Safety Management Systems and have been verified by third-party institutes

		Fatalities as a result of work-related injuries		High-consequence work-related injuries (excluding fatalities)		Recordable work-related injuries		Near misses		Total number of hours worked
		Incidents	Rate	Incidents	Rate	Incidents	Rate	Incidents	Rate	
Full-time employees	2022	1	0.0006	0	0.0000	225	0.1312	41	0.0239	1,714,711,800
	2021	4	0.0024	0	0.0000	189	0.1151	14	0.0085	1,642,760,216
	2020	1	0.0005	0	0.0000	227	0.1187	N/A		1,913,011,143
Contract employees	2022	0	0.0000	0	0.0000	15	0.0208	9	0.0125	720,378,100
	2021	0	0.0000	0	0.0000	8	0.0136	0	0.0000	589,180,800
	2020	1	0.0011	0	0.0000	17	0.0191	N/A		889,596,240

Notes:

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

The Group strives for safety and zero accidents as its goal and has taken various measures to strengthen the safety of employees as much as possible. The main current measures include:

1. Strengthen the main responsibility of management and awareness for production line employees
 - Business group/department supervisors (deputy general manager and above, production-related supervisor) completes at least 1 safety inspection on a monthly basis.
 - Factory directors (or equivalent) holds at least 1 hour occupational safety meeting on a weekly basis.
 - Production line lead organizes the on-duty operators to hold a pre-shift safety publicity meeting for at least 3 minutes every day.
 - In the daily safety audit of the park and the central quarterly safety audit, cumulative number of significant implicit safety hazards are used as a mechanism for subsequent actions, including:
 - A written report signed by the general manager to the director of fire and operational safety;
 - Director of fire and operational safety interview with the supervisor responsible implicit hazards, and;
 - Head of the unit responsible for the implicit hazard to submit an improvement report at the Global Epidemic Prevention and Operational Safety meeting, etc.;
2. Carry out targeted safety projects for high-risk sources of danger
 - Eliminate major sources of work-related injury hazards, and promote the safe management and control of molding, robots, and automation equipment.
 - Comprehensive risk identification, location and equipment with high risk of mechanical injury, and comprehensively post warning signs and operation signs.
3. Use information technology to improve early warning and disposal of risks
 - Establish the "Group Operational Safety Supervision Information Platform", integrate the offline safety management process forms and safety related information of each site; and through the platform, conduct smart big data analysis and calculation for early warning, to assist supervisors in safety management and decision-making.



Governance

G Mid-Term and Long-Term Target in Governance



2022
implementation

Business Sustainability

Operational Innovation, Transparent Governance
Deepening Sustainable Partnerships for Mutual Benefit

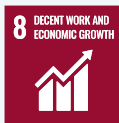
Corporate Governance

Establishment of sound corporate governance and a culture of corporate integrity

Total completed

100%

CoreSDGs



In Progress

0 items

Completed

17 items

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

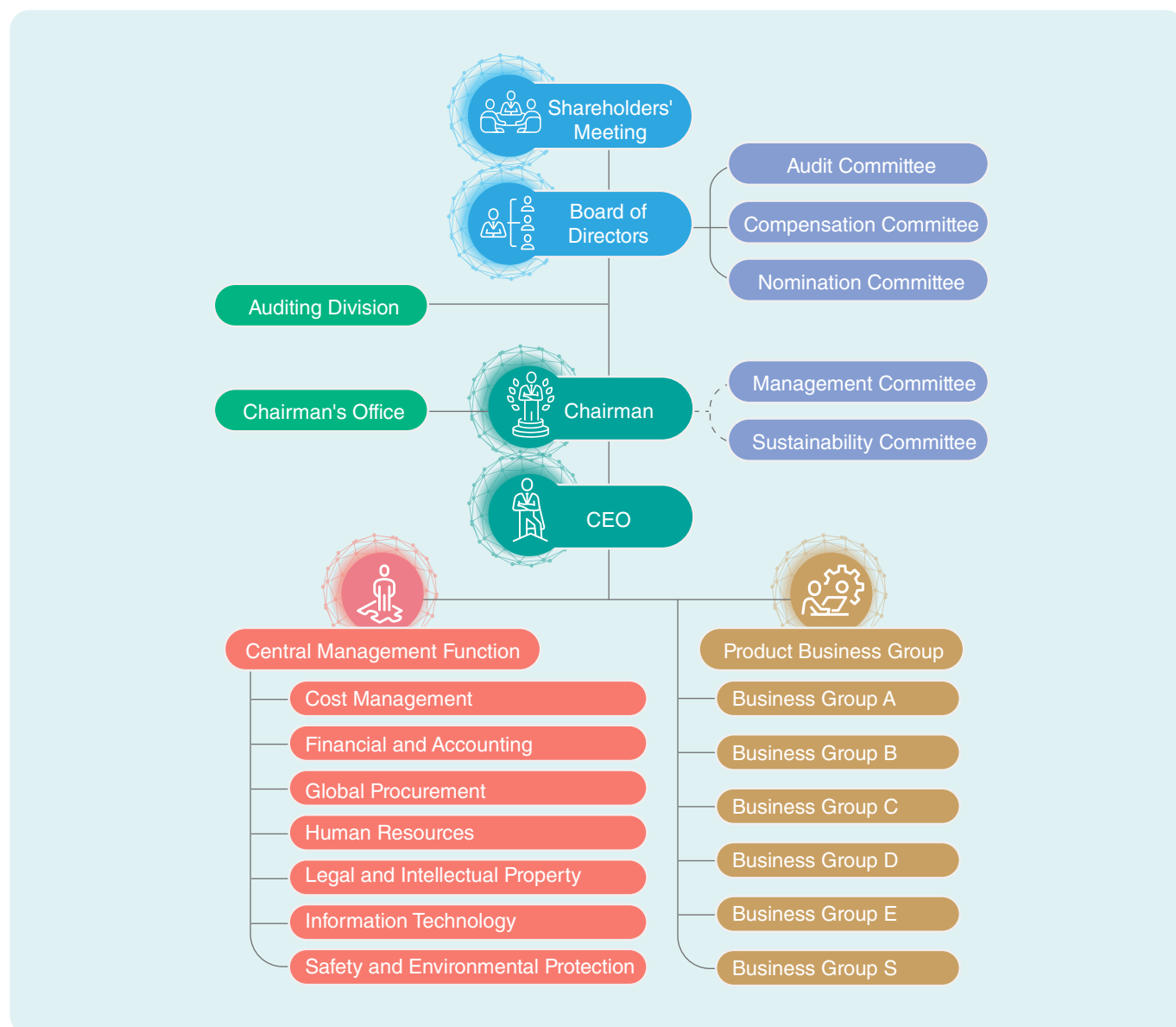
=100%

100%

100%

Completed

Organization Chart



Board of Directors

The Group's latest Board of Directors was newly elected on May 31, 2022 with term of office from July 1, 2022 to June 30, 2025. The Board consists of 9 directors, including 5 independent directors (55% of Board) and 2 female directors (22% of Board). Employees of the Company account for 33.33% of the Board. Please refer to our website or ESG report for Board of Directors' experience and expertise.



Aim to increase female representation on board of directors to 30%.

The Board convened 9 times in 2022 and average attendance rate was 90.8% (including Mr. Terry Guo's attendance by proxy).

Title	Name	Gender	Tenure	Company Position	Concurrent INED positions in publicly traded companies
Chairman	Liu, Young-Way	M	4	CEO	
Director	Terry Gou	M	49	Founder	
Director	Wang, Charng-yang ^{note1}	M	1	President, Business Group A	
Director	Dr. Christina Yee-ru Liu ^{note2}	F	3		
INED	James Wang	M	5		3
INED	Kuo, Tei-Wei	M	4		2
INED	Hwang, Tsing- yuan	M	16		2
INED	Liu ,Len-yu	M	1		5
INED	Chen, Yue-min	F	1		1

note1: Representatives for Hon Jin International Investment Co., Ltd.

note2: Representatives for Hon Jin International Investment Co., Ltd.

Functional Committees

The Audit Committee convened 9 times in 2022 and has average attendance of 100%

The Compensation Committee convened 2 times in 2022 and has average attendance of 100%

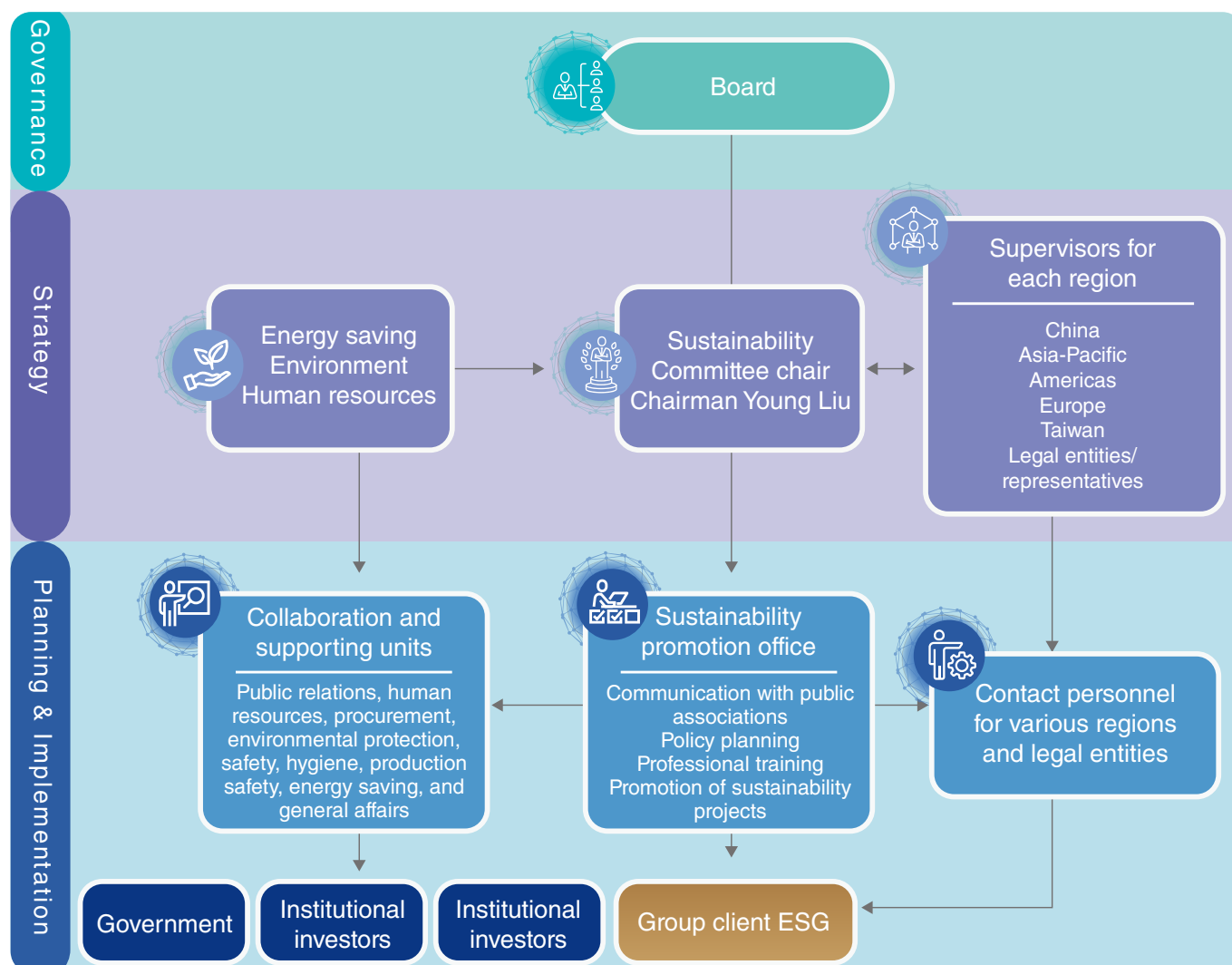
The Nomination Committee convened 2 times in 2022 and has average attendance of 100%

Name	Gender	Audit Committee	Compensation Committee	Nomination Committee
James Wang	M	Member	Convenor	Member
Kuo, Tei-Wei	M	Member	Member	Member
Hwang, Tsing- yuan	M	Convenor	Member	Convenor
Liu ,Len-yu	M	Member		
Chen, Yue-min	F	Member		

The current term of Audit Committee is from July 7th 2022 to June 30th 2025. The current term of Compensation and Nomination Committee is from August 10st 2022 to Jun 30th 2025.

Sustainability Committee

The Group Global CSR Committee was established in March 2007 and was renamed the Sustainability Committee in 2022. The Committee is headed by Group Chairman Young Liu and has established a promotion office staffed with a dedicated team. The Sustainability Committee reports periodically to the Chairman and implementation results of corporate sustainability items are reported to the Board at least once a year



Information Security Management

The Group has established an Information Security Committee headed by our Chairman. The Committee regularly convenes for management review meetings to establish and review information security management targets and policies. In order to effectively promote information security policies, the information security unit has established affiliate processes and operation, audit, education and training, and emergency response teams which are supervised by senior management personnel from relevant departments to ensure that the information security management system of the Group can operate continuously and stably.

The Group has implemented the ISO 27001 Information Security Management System, which allows for effective enforcement of our information security policy, better protection of client information and corporate intellectual property, strengthened response capabilities to information security incidents, and establishment of information security policy evaluation parameters.

Additionally, internal and external professional auditors perform two audits on corporate information security management systems for the Group each year.



No major incidents that impacted corporate operations or infringed upon client privacy occurred in 2022.









Resources invested in information security management

429 information security meetings	Completed audits for 248 items related to core systems.	8 units and business groups within the Group completed annual information security audits and information security maturity assessments	Added and amended 244 information security regulations
6 units and business groups obtained ISO 27001 Information Security Management System certification	Joined the TWCERT/CC Taiwan information security alliance and the Taiwan Chief Information Security Officer Alliance.	Worked with National Taiwan University of Science and Technology to provide special training for Group IT personnel, transforming them into information security professionals	

Ethical Management

The Group did not incur any legal violations relating to anti-competition, anti-trust and monopolization, or corruption in 2022.

The Group upholds a corporate culture of integrity and ethical management, adopts a zero-tolerance policy toward any behaviors and activities violating these regulations, and is committed to full compliance of international and domestic anti-corruption and anti-bribery regulatory requirements. All employees must sign the "Employee Declaration", "Employee Integrity Commitment", "Honesty, Integrity & IP Protection Agreement," "Confidentiality Agreement," and "IP Confidentiality Agreement" when entering the company. The Group's Sustainability Committee used the RBA Code of Conduct as a basis to formulate the first version of the Group Code of Conduct (CoC), which encompasses eight main aspects.

 Ethics	 Labor and human rights	 Health and safety	 Environment
 Management systems	 Responsible sourcing of minerals	 Anti-corruption policies	 Anti-slavery policies

Whistle-blowing/ 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 whistle-blowing suppliers and employees are kept confidential. The Group's point of contact immediately notifies dedicated units upon receiving reports and organizes a special team to investigate the suspected malpractice described in said report. The Group keeps informant identities and report contents confidential, and provides the results of its investigations via email.

Address: No. 2, Zihyou Street, Tucheng Industrial Park, Tucheng District, New Taipei City

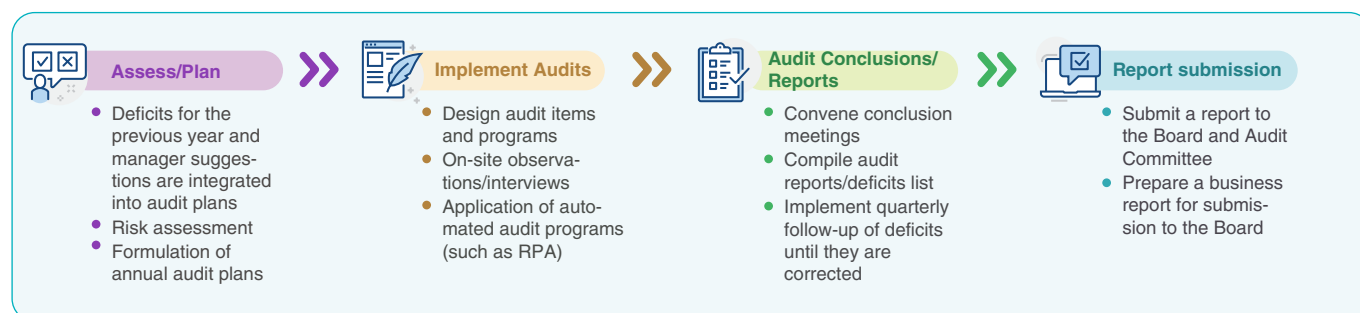
Phone: +886-2-2268-3466 ext.560-117

Email: hfj.justice@foxconn.com

Internal Audit Operations

The Group's internal self-assessment procedures are conducted using digital platforms. The self-assessment managers in each unit assess design and effective implementation of internal control systems based on internal control risk databases. Internal audit units review self-assessment reports from all units and subsidiaries, as well as improvements of internal control defects and abnormal items discovered by audit units, to provide a reference for the Board and the CEO when evaluating the effectiveness of internal control systems and issuing statements on internal control.

Additionally, the Group has obtained the ISO 37001 : 2016 Anti-Bribery Management System certification and uses the PDCA framework to consolidate anti-bribery policies, executive responsibilities, risk assessments, disclosures of gifting information, personnel training, management of business partners, cross-functional audits, and corrections and continued improvements in financial and non-financial mechanisms to realize internal controls of corporate operations and ethical management as well as enhance awareness of anti-bribery and anti-corruption concepts in our employees.



Internal Controls and Audits

Professional Certifications

CIA, CEAP, CPA, CCSA, CISA

Internal Audit Training

2,401 hours




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

Key Engagement Results and Responses

The Group attaches great importance to all stakeholder feedback, which is used as a reference for operational plans. We continue to make advances in ESG and other aspects and have

proposed corresponding actions and projects. A brief excerpt of engagement results is provided below. Stakeholders with other suggestions and feedback are welcome to contact our team.

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