



# FIT Hon Teng Limited

鴻騰六零八八精密科技股份有限公司

*(Incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited)*

**Stock Code: 6088**

# 2018

Environmental,  
Social and  
Governance Report



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# Chapter 1 Basic Principles of Reporting

This report is the 2018 Environmental, Social and Governance Report (“ESG Report”) released by FIT Hon Teng Limited (“FIT”). The report details the work and performance achieved by FIT in implementing the concept of sustainable development and fulfilling its corporate social responsibility in 2018.

This report has been prepared in accordance with Appendix 27, Guidelines for Environmental, Social and Governance Reporting of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “Main Board Listing Rules”). On this basis and combined with FIT’s original system of sustainable development (or corporate social responsibility) and relevant internal operational processes, appropriate adjustments and enrichments have been made.

The Report is prepared mainly based on the following basic principles:

- (1) Importance principle — The Report should disclose ESG matters which would exert significant influence on investors and other stakeholders.
- (2) Quantification principle — KPIs need to be measurable so that the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative explaining its purpose and impacts with comparative data where applicable.
- (3) Balance principle — The Report should provide an unbiased picture of the issuer’s performance, and should avoid any selections, omissions, or presentation format that may inappropriately influence the readers of the report on their decision making or judgments.
- (4) Consistency principle — The report should use consistent methodologies of statistics disclosure to allow for meaningful comparisons of ESG data in future. The Company should disclose in the ESG report any changes (if any) to the methods of statistics or any other relevant factors affecting a meaningful comparison.

## REPORTING PERIOD

The reporting period of this ESG Report is from January 1, 2018 to December 31, 2018. This report is an annual report.

## REPORTING SCOPE

Given the scale, staff number and revenue distribution of the Company and its affiliated entities, according to the importance principle, the entity covered in this report is FIT, which refers to the operating entities of FIT located in mainland China, Taiwan and Vietnam, as well as the United States and Singapore, Belkin International, Inc. and its subsidiaries, and FIT CHB Holdco, Inc. and its subsidiaries.



# Chapter 2 Chairman Letter

To shareholders,

On behalf of the FIT Hon Teng (FIT) board, I am pleased to announce that by defining our environmental, social and governance (ESG) KPIs, we have identified areas of improvement and implemented a progressive corporate strategy in economic improvement, environment management and corporate culture. We will further enhance our ESG initiatives through ongoing investments in product innovation and quality of products and services.

It has been a year of diversification as we shift from production for OEMs to consumer markets, acquiring Belkin International, Inc. and thereby accessing consumer electronics accessories (Belkin), wireless connection tech (Linksys), home automation (Wemo), smart water solutions (Phyn).

Looking ahead, we will leverage our newly acquired Belkin International, Inc. and their strong ESG practices in addition to the strategies implemented by us to achieve our social responsibility goals.

## ECONOMIC IMPROVEMENT

With a focus on safe production and security management, we have been committed to providing safety improvements in operating machinery, organizing fire drills and establishing a defined contingency plan that involves command systems, fire management practice and first aid knowledge.

Through renewing operation compliance strategies, supply chain systems and intellectual property protection protocol, we have established a progressive flow of communication, resulting in successful execution and heightened returns.

## ENVIRONMENT MANAGEMENT

Changes in eco management have resulted in overall monetary savings, reduction of gas exhaustion, sulfuric acid, hydrogen chloride, and carbon dioxide emission and decreased water usage since 2017.

We are pleased to announce the establishment of our Energy Management committee, dedicated to further implementing global environmental management through our facilities and practices, and keeping us accountable for sustainable operations worldwide.

## CORPORATE CULTURE

Our mission is to support employee career development, occupational health and safety, rights protection, general care and compensation. We currently employ approximately 40,000 employees, all having access to educational lectures and training programs, support for earning certificates in related fields, pathways to higher education and promotion opportunities.



## Chapter 2 Chairman Letter

We have introduced employee care events including family days, charity events to promote respecting mothers and health of women overall, monthly symposiums addressing employee efficiency, and trainings on appropriate workplace activities.

We remain dedicated to enhancing a positive influence on the community through holding blood donation activities, hosting clean-up days, advocating for clean campuses, and carrying out welfare activities in various cities globally.

Corporate culture is the core of FIT's unyielding entrepreneurial spirit, and we are committed to improving our culture continuously, which we believe can deliver outstanding achievements.

## REPORT

This report outlines the accomplishments from 2018 and we look forward to your continued support in further establishing these strategies to deliver satisfactory growth and long-term value for our shareholders.

**LU Sung-Ching**

*Chairman*



# Chapter 3 Corporate Profile

FIT Hon Teng Limited (referred to as “FIT” or “We” in this report) is a global solution provider, aiming to building connectivity and realizing a better world. Our vision is to connect people, their devices, and the experiences they love through innovative technologies, products and services. With unsurpassed capabilities in consumer insights, industry trends, design, development, research, manufacturing engineering, production, supply chain, and go-to-market planning, FIT serves products of international brands and proprietary brands covering B2C and B2B and stands at the forefront of global technology trends delivering compelling user experiences to consumers<sup>1</sup>.

Formerly known as the Network Interconnection Business Group (NWInG), a business unit of network connection products of Hon Hai Precision Industry Co. Ltd., FIT was established on October 1, 2013. Since Hon Hai Technology Group (鴻海科技集團) entered the market of connector and cable assembly products at the beginning of 1980's, it operated in the field of connectors over 30 years and formed a highly vertically integrated precision manufacturing system which integrated stamping, moulding, plating, cable extrusion and assembly.

As a leader in providing interconnection solution plan and related products, FIT constantly pursues proprietary innovation and pays attention to intellectual property protection. Before and after the reorganization, the Company has obtained more than 10,000 patents accumulatively from various countries over years. FIT considers developing worldwide specifications of products as its own task and we have become the member of over 30 international standards associations. We have led and developed a number of standards for connectors (for example, we work with the association to set up the new generation of high speed USB standard for USB 3.0 connectors, the specification for USB Type-C connectors and the specification for SFF8639 and etc.).

With advanced technologies of research and development and manufacturing and the advantages in automation and analysis and detection capabilities, FIT has become an intimate partner of many well-known international customers.

In line with our continuous innovative spirit, FIT keeps pursuing excellent product quality and proactively fulfilling its social and environmental responsibilities. We concern about health and safety of employees and implement environmental policies of “Energy Conservation, Emission Reduction, Greening and Recycling”. We strive for self-transcendence and enhancing corporate green competitiveness in order to become a top global supplier of connector and cable components.

<sup>1</sup> Learn more at <http://www.fit-foxconn.com/Home/CompanyProfile>.



## Chapter 3 Corporate Profile

Location	Main components, modules and accessories produced	The year of commencement of production/acquisition
<b>Taiwan, China</b>	Optical modules Copper-based components	1982
<b>Mainland China</b>		
Kunshan, Jiangsu Province	Optical modules Copper-based components Wireless products and components Accessories Other products	1993
Shenzhen, Guangdong Province	Copper-based components Wireless products and components	1995
Huai'an, Jiangsu Province	Copper-based components Accessories	2007
Zhengzhou, Henan Province	Copper-based components	2010
Chongqing	Copper-based components	2010
Heze, Shandong Province	Copper-based components	2015
<b>Vietnam</b>		
Bac Giang	Copper-based components	2016
<b>United States</b>		
Belkin	Accessories of consumer electronic products	2018

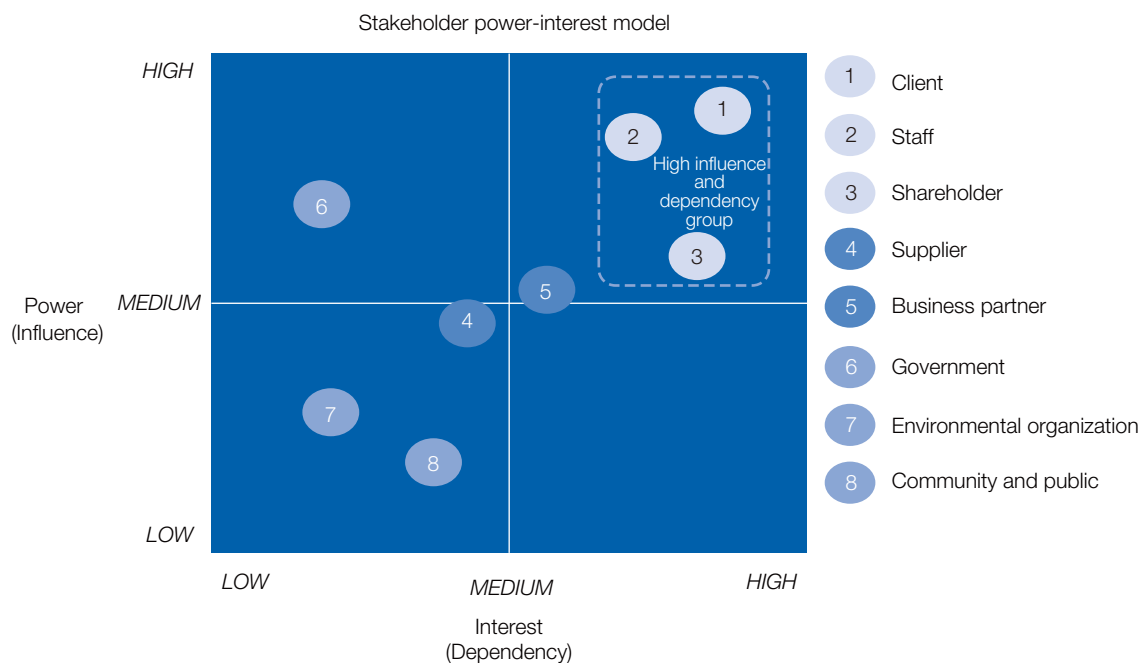
# Chapter 4 Analysis of Substantive Issues

## 4.1 IDENTIFICATION AND ANALYSIS OF SUBSTANTIVE ISSUES

The focus of this report is based on the substantive issues concerned by the stakeholders. To this end, in order to have a better understanding on the needs and concerns of stakeholders, FIT has analyzed the stakeholders and identified important stakeholders. On this basis, FIT has analyzed and sorted the substantive issues concerned by the stakeholders, and finally confirmed 15 important and relatively important substantive issues.

### Identification and analysis of stakeholders

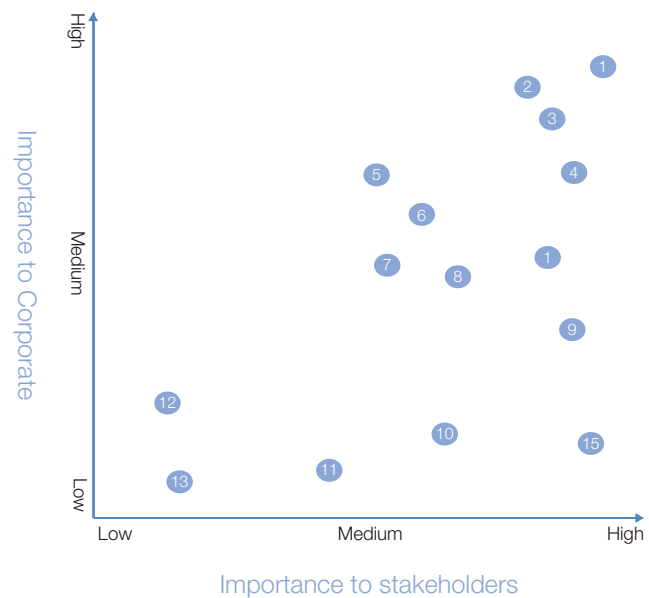
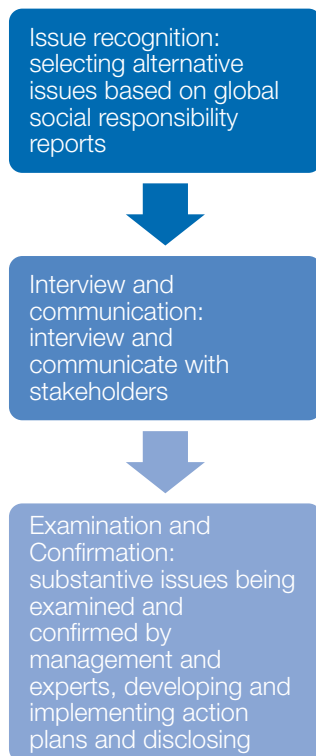
According to the relevant guidelines and standards such as the HKEx ESG Reporting Guidelines, FIT utilized the stakeholder power-interest model to evaluate the influence and dependency of different stakeholders.



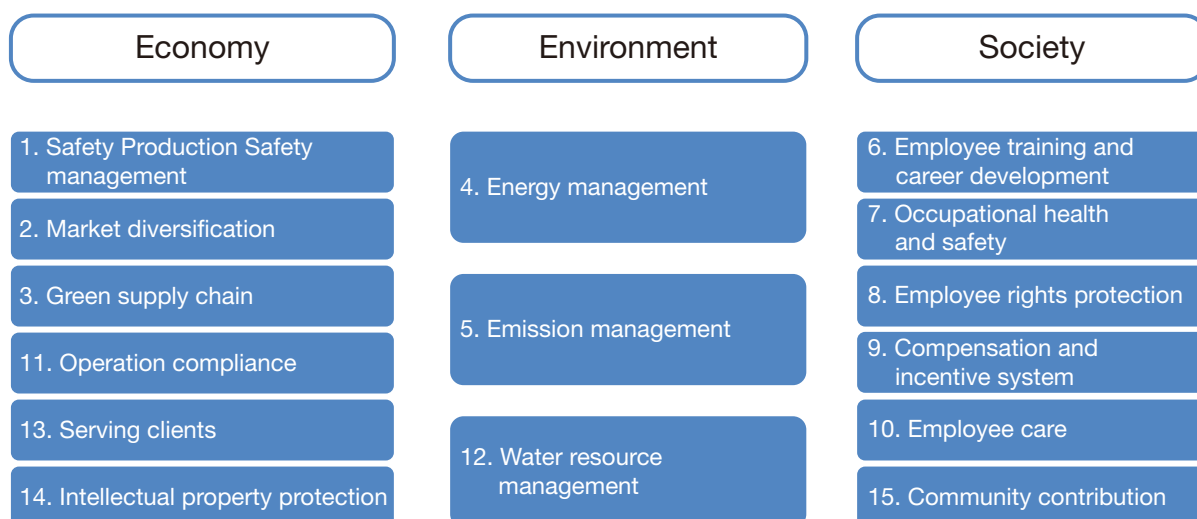


### 4.2 EVALUATION OF SUBSTANTIVE ISSUES

Based on the intense study of annual hot issues, policies of different countries, industry trends in 2018 together with the actual development of the Company and continuous communication with various stakeholders, FIT identified and screened out substantive issues that were important to both the Company and the stakeholders from the two dimensions including “important to the enterprise” and “important to stakeholders”. Based on the sorted issues, FIT confirmed the substantive matrix as below and summarized the scores for the 15 substantive issues from three aspects including economy, environment and society. Safe production management system, market diversification, and green supply chain management were identified as the three most important substantive issues for FIT in 2018.



## Chapter 4 Analysis of Substantive Issues



### Communication process with different stakeholders

Stakeholders	Concerned substantive Issues	Corporate communication mechanism
<b>Clients</b>	Safe production management system Serving customer Intellectual property protection	Establishing safe management system Improving customer service system Developing strict protection measures
<b>Staff</b>	Training and development of employees Occupational health and safety Employee interests protection A compensation and incentive system Employee care	Establishing training mechanism Continuous comprehensive caring Adhere to the talent concept of "diversification and openness" Establishing a comprehensive compensation and incentive system Focusing on alternate work with rest of the staff

## Chapter 4 Analysis of Substantive Issues

Stakeholders	Concerned substantive Issues	Corporate communication mechanism
<b>Shareholders</b>	Market diversification Compliant operation	Strengthening international cooperation Strengthening compliant operation
<b>Suppliers</b>	Green supply chain management	Strict supplier management standards
<b>Partners</b>	Market diversification	Strengthening international cooperation
<b>Government</b>	Compliant Operation	Strengthening compliant operation
<b>Environmental organization</b>	Energy management Emission management Water resource management	Establishing an energy management committee Establishing a control system Reducing consumption of water conservation
<b>Community</b>	Contributing to the society	Participating in public benefit activities

# Chapter 5 Governance Mechanism of Sustainable Development

## VISION OF SUSTAINABLE DEVELOPMENT

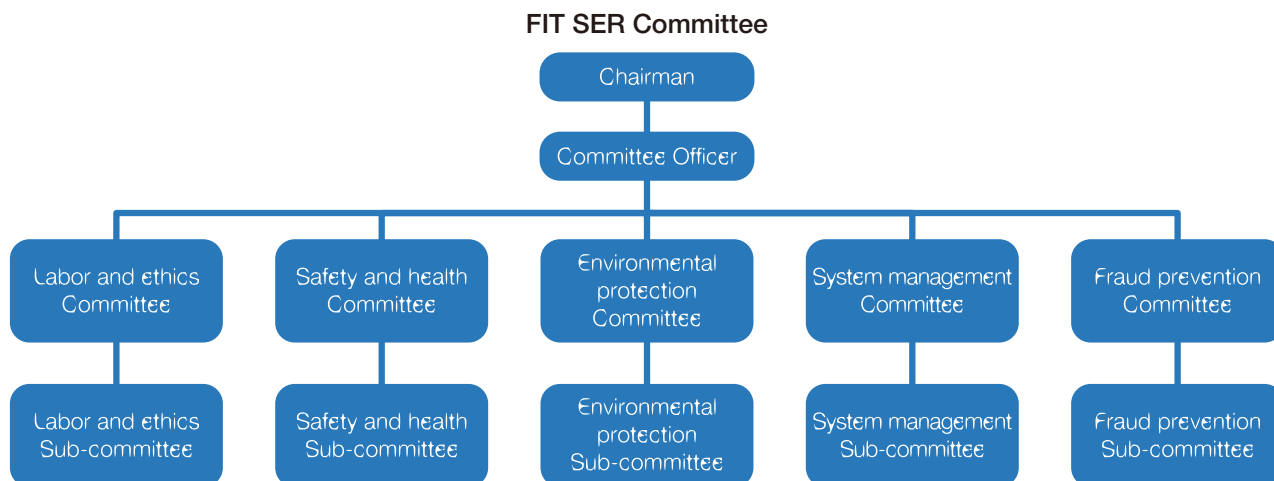
The Company pays great attention to the sustainable development of the Company and treats it as the operation concept. The Company hopes to build up connectivity, achieve a better world, and strive to build a better future from the economic, environmental and social aspects.

## POLICIES AND STRATEGIES OF SUSTAINABLE DEVELOPMENT

The Company believes that longer-term value can be created by building a sustainable business. The Company follows the requirements and principles of *Environment, Society and Governance Report Guideline* as the guideline to fulfill the sustainable development and applies it to several aspects including environmental protection, employees, and safety production. The Company regularly reviews the policies and strategies of sustainable development to ensure that the content is appropriate and applicable to the corresponding business.

## GOVERNANCE OF SUSTAINABLE DEVELOPMENT

FIT sets up an environmental, social and governance working committee (SER Committee) to provide continuous support to the Company's sustainable development management. SER committee comprises of labor ethics committee, safety and health committee, committee of environmental protection and energy conservation, system management committee and fraud prevention committee, covering various aspects such as human resource, environment health and safety (EHS), system management, compliance, etc. SER committee leads the design of sustainable development strategies, initiatives and action plans, guides and practices FIT's social responsibility affairs, and ensures the further implementation of social responsibility work by improving assessment indicators. The working committee holds regular meetings to report the work results to the Management and the Board of Directors and improve the specific work of social responsibility.



## Chapter 5 Governance Mechanism of Sustainable Development

FIT communicates openly with key stakeholders to listen to the opinions of each other about the most concerned environmental, social and governance issues. In consideration of the diversified businesses of the Company, FIT gets reach of different types of stakeholders, including employees, customers, shareholders, suppliers, local communities, governments, etc. We regularly communicate with our key stakeholders of the Group by various means (such as meetings, interviews, opinion surveys and work visits) to listen to the opinions of each other on environmental, social and governance aspects.

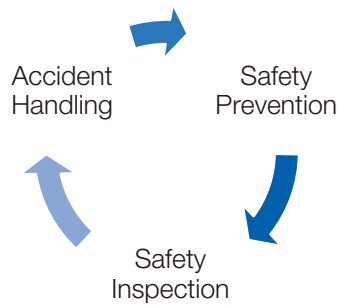
### RISK MANAGEMENT AND CONTROL

The Management of FIT participates in the preparation of the Company's environmental, social and governance reports, including assessing and confirming risks related to the sustainable development strategies, and ensuring that effective risk management and internal control systems have been in place. The Company has appointed relevant business functions to hold regular internal discussions to identify and assess the importance of such matters to our stakeholders. The Management has confirmed the effectiveness of the social responsibility risk management and internal control system to the Board of Directors. According to the general disclosure requirements of the Environmental, Social and Governance Guidelines, relevant identified major environmental, social and governance matters have been included in this report to disclose the sustainable development performance of FIT in the operation in a balanced principle.

# Chapter 6 Sustainable Operations

## 6.1 SAFE PRODUCTION

Safe production is the focus of enterprise management and the fundamental guarantee for healthy development. Only by ensuring the safety, can the Company sustainably survive and develop. FIT has attached importance to safe production management for a long time. In order to establish a comprehensive safety management system, FIT complies with the requirement of OHSAS18001 (Occupational Health and Safety Management System), and develops a series of internal documents such as *Environmental Safety and Health Management Manual*, *Operating System of Safe Production Control*, *Operating System of Environmental Safety and Health Audit Control*, which guide and standardize daily production operations. FIT has established a comprehensive safe production management system including safety prevention, safety inspection, accident handling, etc., which integrates safe production concepts into daily production operations. Making “Safety First” as our everlasting priority.



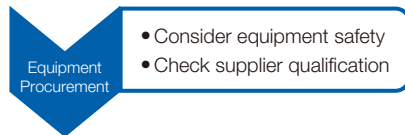
### 6.1.1 Prevention before Occurrence

Accident prevention is an indispensable part of the Company’s safe production management system. The Company’s safety prevention management covers production equipment, hazardous chemicals, fire safety, special operations, etc. To ensure that safety accidents are minimized, FIT has developed a series of safe production protection regulations and measures.

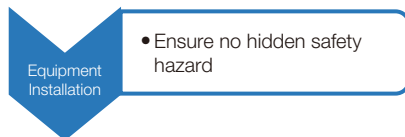


## Chapter 6 Sustainable Operations

### ➤ Equipment safety management



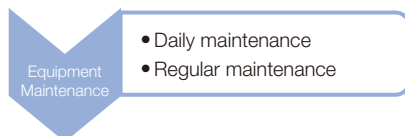
The Company has developed *the Measures for Equipment Safety Control Operation* to standardize the management of equipment procurement, installation, utilization, maintenance and renovation.



When purchasing equipment, the Company strictly considers the safety of the equipment, inspects the qualifications of special equipment suppliers, and ensures the safety of equipment;



When installing equipment, the Company follows the environmental safety and health control operating system to ensure no hidden safety hazard during the process of installation;



When using equipment, relevant employees use the equipment correctly according to the equipment utilization instructions and operation procedures, and establish equipment operation records. The equipment management personnel post warning signs on the equipment in factory, prompting staff to pay attention to safety and standard operation;

The equipment management personnel formulate an equipment repair and maintenance plan according to the life cycle and the utilization condition of the equipment, perform daily maintenance and regular inspection on the equipment in factory, and ensure that the production equipment are in good and safe running status.

#### **Case: Posting Warning Labels on the Equipment in Factory**

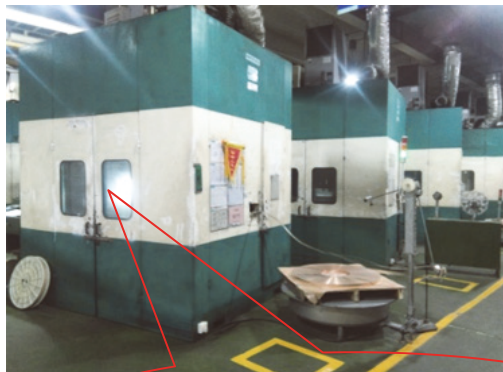
Warning labels are posted on the equipment in factory according to the utilization requirements of the equipment, prompting the staff not to approach in order to reduce personal injury and accident losses.



### **Case: Punch Cover Isolation**

During the equipment improvement, Kunshan Park of FIT puts safety concept into practical action and effectively improves the safety coefficient of the equipment.

Production processes of Kunshan Park of FIT include stamping, forming, assembly, plating, etc. Among all the processes, once there is a work-related injury, it could cause material personal injury. In order to prevent the occurrence of such accidents, considering the process characteristics, all punches are isolated from the outer cover with their switch connected in parallel. Such practice not only reduces the noise decibel during the machine operation but also avoids possible injury accidents when the personnel touch the machine. Personnel do not need to enter inside during the machine operation. When the door opens during repair or maintenance, the machine stops running immediately to ensure the safety of personnel.



When the door is opened,  
the machine stops working immediately

### ➤ **Hazardous Chemical Safety Management**

FIT is cautious about the hazardous chemicals usage involved in the Company's production processes. The Company has formulated documents such as *Controls of Chemicals' Safety and Technical Instructions* and *Controls of Hazardous Wastes* to regulate the storage, usage and disposal of chemicals and hazardous chemicals. The relevant control operation methods to distinguish hazardous chemicals from other materials and store independently are strictly followed within the factory. Staff are trained to be familiar with operation standards and strictly follow the procedures so that safe usage of hazardous chemicals can be ensured in every procedure.

## Chapter 6 Sustainable Operations

### ➤ Fire Safety Management

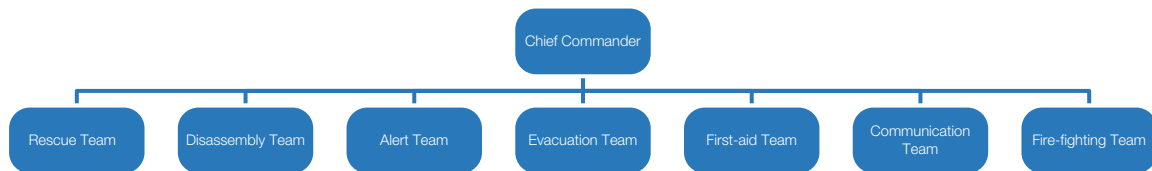
In accordance with the fire prevention guidelines of various countries, the Company formulates internal *Fire Control Operating Systems* and *Fire Emergency Response Procedures*, and establishes a sound fire control system.

Each site/unit of the Company is equipped with fire equipment that meets the standards, including fire extinguishers, lightings, etc. Regular inspections, maintenance and replacement are performed to ensure that the equipment will function properly in emergency situations. The Company posts clear evacuation route maps in the workplace so that the factory personnel can understand the evacuation route clearly and intuitively and apply it in emergencies.

The picture below shows the fire-fighting equipment which is deployed in the production area of Kunshan factory in mainland China. The fire equipment is deployed in the production area, and a striking evacuation route map is posted in the corridor to ensure that remediation and evacuation can be carried out at the earliest convenience in the event of a fire accident, and therefore reducing any property damage and personal injury.



In order to minimize the damage to the Company, staff life and property safety arising from any fire accident, the Company also sets up a fire emergency response team to formulate fire contingency plans. The fire emergency response team consists of the chief commander, rescue team, disassembly team, alert team, first-aid team, communication team, fire-fighting team and evacuation team. The team members of fire emergency response team have passed the course training and have been qualified. They have the fundamental knowledge of hazard control in fire site, and understand the usage of fire extinguishers and fire protection equipment, as well as the first-aid knowledge for the injured at the site of accident, thus ensuring that the evacuation can be carried out in an orderly and effective manner when danger happens, and therefore, minimizes damage or loss.



The Company cultivates the employees' awareness of fire protection by holding regular training on fire-fighting knowledge as well as encouraging the employees to report safety risk timely and paying attention to the protection of personal and property safety. Publicity of fire safety management and fire protection awareness is embedded throughout the day-to-day operation of the Company. The Company also develops a comprehensive emergency drill plan and conducts drills on a regular basis to ensure the drill plan is effective. In 2018, a total of 96 fire drills<sup>2</sup> were conducted in the Company's production parks, including 88 in the production park of mainland China, 6 in the production park of Taiwan, and 2 in the production park of Vietnam.

**Case: Kunshan Park of Foxconn Interconnect Technology actively organized fire drills**

On September 25, 2018, the Company organized all the in-service employees in A/B building of Kunshan Park to perform fire drills, and the skills of drills included emergency response, personnel evacuation, personnel and materials rescue, and restoration after a disaster.



This fire drill not only tests the effectiveness of the comprehensive fire-fighting system, but also improves the emergency response capabilities of emergency response teams among different units in the factory. The drill makes the members of the teams more certain about their own responsibilities and strengthens the fire safety awareness and emergency response capability in emergency situations of employees.

<sup>2</sup> The statistical scope of fire drills of the Company covered the production facilities in mainland China, Taiwan, China and Vietnam.

## Chapter 6 Sustainable Operations

### **Case: China Taiwan Park of Foxconn Interconnect Technology organized a grouping self-defense fire drill**

On November 16, 2018, China Taiwan Park organized a self-defense fire drill, with a total of 128 employees participating in it. The fire drill included initial fire identification, initial fire suppression through fire extinguishers and indoor fire hydrants, personnel evacuation and rescue of injured colleagues. This fire drill helped employees to be familiar with self-rescue and emergency response measures in the event of fire, and raised the awareness of fire protection for all the employees.

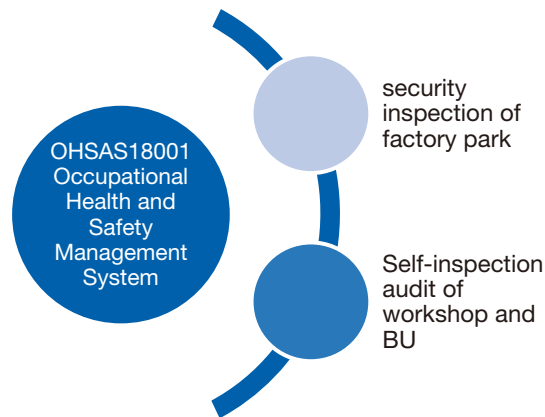


#### ➤ **Employment with Certificates**

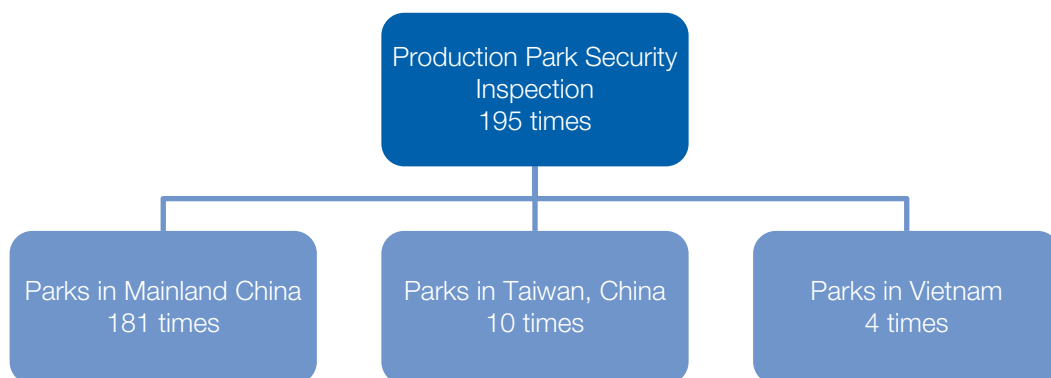
The Company has established *Measures for Special Operations Management* and *Operation Measures for Management and Control of Safe Employment Certificates*. Special operations personnel of the Company have to participate in specific safety operation training and obtain operation qualifications before employment. The Company centrally manages the licensed personnel, regularly reminds and urges licensed personnel to participate in relevant courses and update the validity of their certificates. Special operations personnel strictly follow the operation specifications, pay attention to protection, and prevent losses and injuries caused by improper behavior.



### 6.1.2 Security Check



The Company continually conducts multi-dimensional and comprehensive security inspections throughout the year. The inspections include safety inspections of factory park, as well as self-inspections of workshop and BU. After the completion of safety inspection, inspectors will issue rectification notices and rectification plan of hidden hazards, and will follow up on the rectification results to ensure the identified issues are improved timely. In 2018, the Company carried out 195 safety inspections at production park level, including 181 safety inspections at park level in mainland China, 10 safety inspections at park level in parks of Taiwan, China and 4 safety inspections at park level in parks of Vietnam<sup>3</sup>. A total of 2,488 hidden hazards were identified and rectified at the end of 2018. In addition, self-inspections have been performed by each workshop in the parks according to the actual operation conditions and the identified hidden hazards have been rectified timely.



<sup>3</sup> According to the law of Vietnam, the frequency of security check for stable factory with high level of security is 1 time/year for site and 2 times/year for workshop.



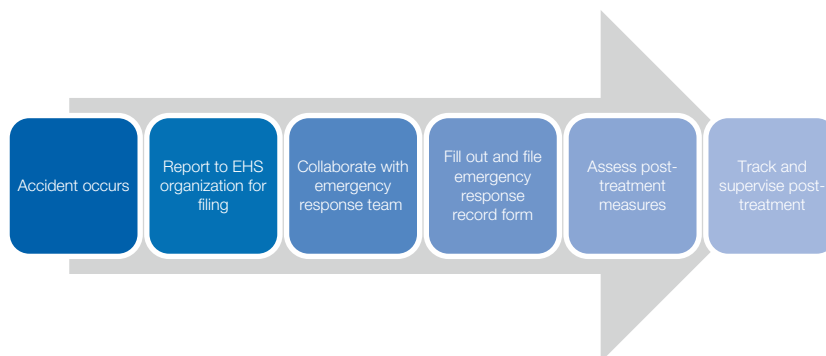
## Chapter 6 Sustainable Operations

### 6.1.3. Accident Handling

The Company has established a sound accident handling mechanism and set up an emergency response team. When an emergency accident occurs in the Company, the unit being affected cooperates with the emergency response team to handle the emergency situation according to the Company's contingency plan in a timely manner.

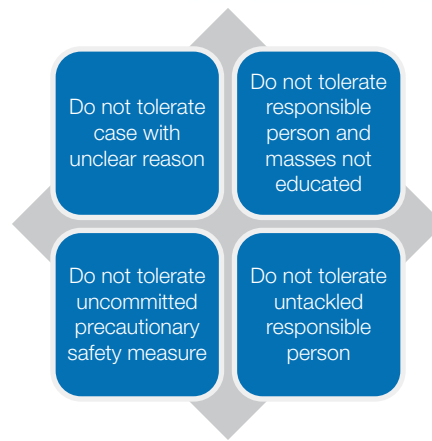
The affected unit will report the accident to the EHS unit of the factory for filing immediately. The EHS unit will report the accident to FIT 'Industrial Safety Accident Reporting Management System' within 2 hours after the accident occurred. Work-related accidents which are identified as 'slight injury', 'general accident' or above are reported to the Central Fire Protection and Industrial Safety Department of the Company for further handling and investigation.

The affected unit needs to fill out the emergency response record to document the incident, location, cause, process, processing results, improvement measures, and lessons learned. The emergency response record form shall be submitted to EHS unit for filing and, if necessary, be reported to the environmental safety and health management representative for approval. Relevant EHS unit is required to conduct safety and environmental sanitation assessments of the post-treatment measures of the emergency accident as well as track and supervise the post-treatment work.



The Company pay highly attention to safety incidents and treat employees' safety as priority. The Company established *Accidental Emergency Response Procedures for casualties* and set up an accidental injury emergency response team, which includes chief commander, emergency treatment team, accident investigation team, alert and support group, and communications group. In the event of accidental personal injury happened in daily production operations, the affected unit, together with accidental injury emergency response team and health management function, immediately carry out emergency treatment, actively avoid any serious consequences caused by improper first-aid treatment and reduce the impacts of accidents on employees' safety and health.

During the reporting period, the total number of work injuries in FIT's factories was 100, among which 3 employees were dead. Average 28.48 working days were lost per injured employee, totaling 2,847.5 days. The number of work-related deaths in 2018 was two more than that in 2017. Both cases were due to the traffic accidents arising from the violation of traffic rules by the employees during commutes. Therefore, we actively communicated with the local government and set up traffic protection barriers in the middle of the road which was not a pedestrian access. In 2018, we also organized and encouraged employees to actively participate in the training courses on 'Enhancing Employees' Traffic Awareness', aiming to develop employees' awareness of traffic safety and remind employees to follow traffic rules. At the same time, the Company also conducts regular inspections around the factory area to promptly remind and advise employees who do not comply with traffic rules to reduce the chance of accidents.



FIT requires relevant persons to rescue and treat injured employees immediately after the accident, help injured employees to conduct work injury identification and compensation assistance and conduct in-depth investigation, analysis and treatment of work injury incidents according to the 'Four Intolerance' Principle. FIT learns from accidents, investigates and improves potential safety hazards, continuously promotes safe production management, and creates a safe and healthy working environment for employees.

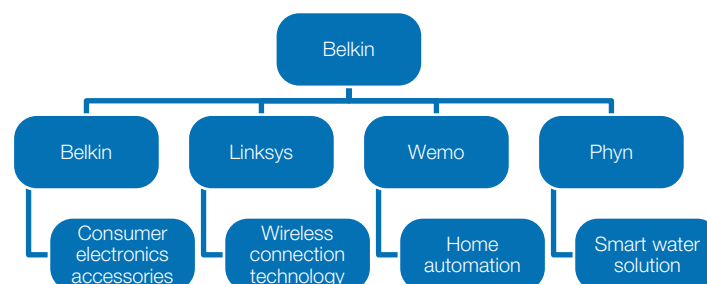
## 6.2 MARKET DIVERSIFICATION

Since the establishment of the Company in 2013, FIT not only has excellent performance in the industries of communications infrastructure and connectivity solutions, but also is committed to the transformation and expansion of the industries. FIT attaches great importance to cooperation with international players in the industry, actively invests in the development of new products and new technologies, and gradually explores new industrial fields. In 2015, FIT completed the acquisition of Avago and became the market leader in optical modules. In 2018, FIT acquired Belkin, a leading global brand in consumer electronics, and obtained further achievement in the diversification of the market composition. From copper conductors to high-speed fiber optics, wired transmission to wireless connectivity, components to peripheral accessories, FIT always adheres to development and keeps pace with the times.

To date, FIT's industry has covered communications infrastructure, mobile and wireless devices, computers and consumer electronics, automotive, industrial and medical industries, smart homes, etc. FIT has gradually shifted from behind-the-scenes OEMs to consumer markets.

### Case: FIT acquired Belkin

On September 20, 2018, the Company completed the acquisition of Belkin.



## Chapter 6 Sustainable Operations

Belkin's four brands, Belkin, Linksys, Wemo and Phyn, are committed to helping consumers all over the world to realize the power of technology and make their lives better, easier and more fulfilling. Belkin is committed to a people-oriented design philosophy. From our user testing to prototyping process, we strictly comply with laws and regulations, manufacturing and warranty plans. Belkin realizes that its operations and services would impact our environment and has created environmental objectives aimed at reducing this impact.

The Belkin brand includes accessories for a broad range of electronics products with a focus on smartphones, tablets, Ultrabook and wearable devices, connecting people to the technology they love whether they are at home, at work or on the go. The Linksys brand takes the lead in introducing wireless connectivity since its inception in 1988 with its leading innovation and engineering strategies, best-in-class technology, and design and customer service. Linksys enables a connected lifestyle for people at home, at work and on the move, and with its award-winning products, simplifies home control, entertainment, security and Internet access through innovative features and a growing application and partner ecosystem. Wemo is an award-winning home automation brand and its products let users control their devices from anywhere via the Wemo app. Phyn brings intelligent water solutions to the market that help people protect their homes, conserve water and save money. Built upon nearly a decade of research and patented technological innovation, Phyn is poised to change the way consumers interact with water and help solve the major challenges threatening the world's supply of clean, healthy water.

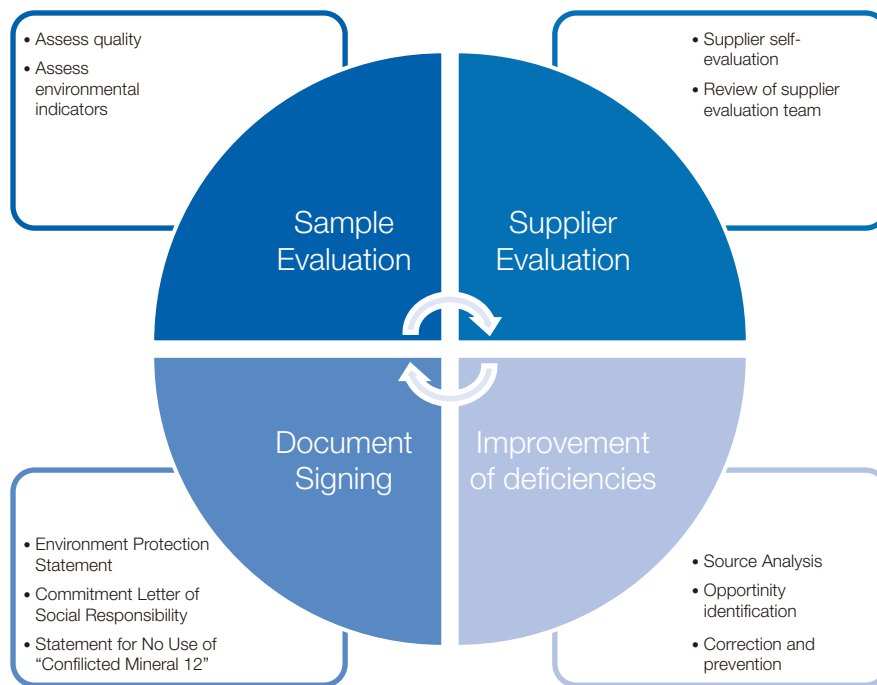
In 2018, FIT completed the acquisition of Belkin (Belkin®, Linksys®, Wemo®, Phyn®), to become a global consumer electronics leader. Today, this team leads in connecting people with technologies at home, at work and on the go, including the accessories ("Connected Things" — Belkin brand) and the smart home ("Connected Home" — Linksys, Wemo and Phyn brands) markets.



## 6.3 GREEN SUPPLY CHAIN MANAGEMENT

The green supply chain is significant for FIT and the entire electronics industry. Different from traditional supply chain, green supply chain management model is based on the concept of circular economy. Therefore, the Company regards sustainable development as the specific implementation goal, integrates environmental management and ecological benefits into the operation of the enterprise, and utilizes cyclical and reversible ecological management model to enhance the environmental benefits of the enterprise.

FIT has established *Substance Control Operation System of Product and Material Environmental Management*. During procurement, the procurement unit strictly follows the requirement to select green suppliers. The document also puts forward a series of requirements for qualified supplier admission, which includes four stages, namely, sample evaluation, supplier evaluation, improvement of deficiencies, and document signing and information review.



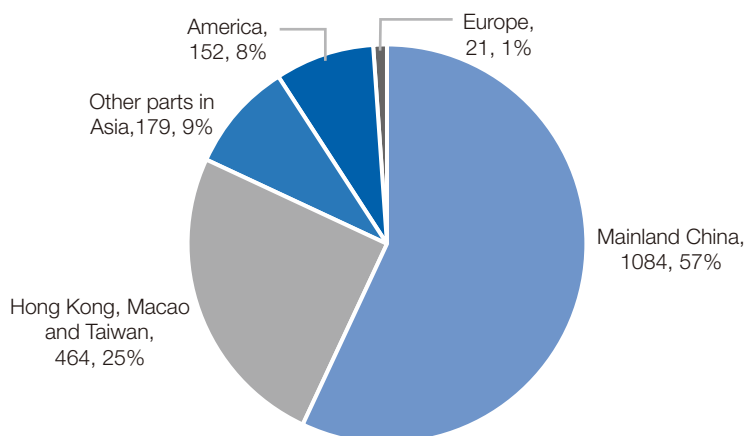
- **Sample evaluation:** When carrying out sample evaluation, FIT assessed whether the quality and environmental indicators of the samples meet the requirements according to the relevant assessment process of green supplier sample assessment and control.

## Chapter 6 Sustainable Operations

- **Supplier evaluation:** FIT conducts supplier self-evaluation and corporate on-site assessment for the proposed new suppliers that have passed the sample evaluation. The supplier assessment team of the Company participates in implementing the on-site assessment. FIT conducts comprehensive consideration on suppliers, including supply chain and quality management, social and environmental responsibility management to assess whether the suppliers can meet the requirements of green responsibility supply chain system. When the supplier has significant deficiencies in social and environmental responsibility management, FIT will veto its application.
- **Improvement of Deficiencies:** As for the proposed new suppliers that have passed the assessment, FIT will grant them an improvement period of 1~6 months based on their respective evaluation results. FIT guides the suppliers to perform source analysis on deficiencies in the evaluation, identify improvement opportunities as well as take targeted corrective and preventive actions, which aim to enhance their ability of environmental protection and responsibility management.
- **Document signing and information review:** As for the suppliers that have completed the improvement of deficiencies within the specified period, FIT will sign related procurement documents with them, including Environment Protection Statement, Commitment Letter of Social Responsibility, Statement for No Use of “Conflicted Mineral 12”. The above documents will be collected and reviewed by FIT.

FIT considers building a sustainable supply chain as a long-term project. It advocates and requires suppliers to fulfil their social responsibilities and increase their awareness of sustainable development based on supply chain management. In 2018, FIT purchased materials needed for production from 1,900 suppliers in Asia, Americas and Europe.

The distribution of suppliers cooperated with FIT



## 6.4 COMPLIANT OPERATION

In order to promote a incorrupt corporate culture and create an upright corporate atmosphere, FIT constantly promotes anti-corruption work of honesty, integrity and against corruption. FIT has no tolerance towards bribery and corruption, and continuously strengthen the construction of the anti-corruption and anti-commercial bribery system. All employees are required to study and follow *Code of Conduct of Anti-corruption* while partners are required to study and sign Integrity Agreement.

FIT provides reporting channels and encourages informed reporting of any violations. As a key channel of anti-corruption information source, whistle blowing plays an unreplaceable and important role in the anti-corruption work. FIT established various reporting channels such as letter, email, phone calls to guarantee unhindered reporting channels. During the on-boarding training, staff are educated on types of misconduct as well as the Company's anti-fraud policy and reporting channels in order to raise the awareness of anti-corruption and ensure the acknowledgement of reporting channels. The senior management of the Company arranges project auditors to timely keep the reporting information confidential to protect the reporters and keep them from other worries. At the same time, incentives are granted to the whistleblowers based on the corruption amount to encourage the incorrupt atmosphere.

## 6.5 SERVING CLIENTS

FIT establishes and follows the requirements on product quality inspection and sales return operating system to perform the product quality check and confirmation, and to properly deal with returns. Reasons of return are analyzed to review and improve the ability of product quality control. In this reporting period, the Company has no product recall incident occurred due to reasons of safety and healths.

### Listen to Customer Feedback

FIT has a professional sales and marketing team focusing on the business development and customer service in Asia, North America and Europe respectively. FIT's sales and marketing staff will visit existing and potential customers from time to time and closely communicate with the customers on our current product types and development plans via face-to-face communication, emails, or calls. At the same time, the sales and marketing team also does its best to collect the customers' feedback on the solutions and products supplied by FIT and assist us to understand and respond to the requirements of design, aftersales service and other requirements proposed on our solutions.

In 2018, FIT received a total of 1,207,615 customer complaints<sup>4</sup>, including 1,207,402 customer complaints related to Belkin<sup>5</sup>. Among the remaining 213 customer complaints, 41 cases were not caused by FIT. Customer complaints were handled in accordance with the *Timely Handling and Operating System of Customer Complaints*. FIT treats customer complaints as a valuable opportunity for obtaining real feedbacks from the customers and improving existing businesses. Therefore, the Company actively responds to customer complaints and makes proper handling and scientific analysis in order to obtain favorable references. The Quality Assurance Department of each BU of the Company has set up the complaint channel for

<sup>4</sup> The number of complaints contains data for Belkin in 2018.

<sup>5</sup> Due to selling products directly to consumers, the complaint data of Belkin is higher.



## Chapter 6 Sustainable Operations

customers. They follow the operating process of *Timely Handling and Operating System of Customer Complaints*. When the Quality Assurance Department receives customer complaints, we will require the customers to provide related details of deficiencies or visit the customers in person to clarify related details of deficiency, such as the names of defective products, the contents of deficiencies and defective rate, etc., and collect the corresponding defective samples or their pictures from the customers. After confirming the responsibility of the incidents of customer complaints, we will accept and process customer complaints and make follows-up statistical analysis.

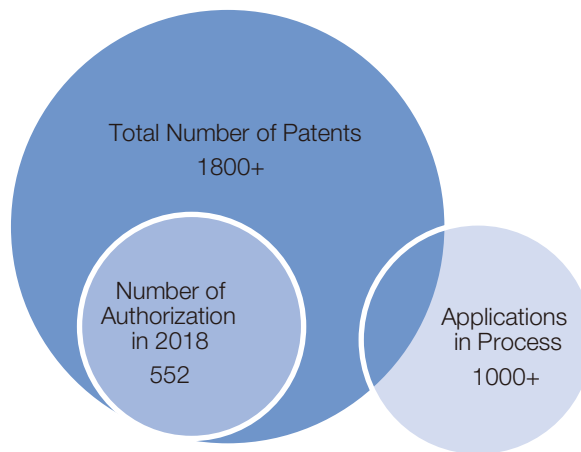
### Protect Customer Information

As interconnection solution products and services provided by FIT are custom made, the Company would come into contact with related information of the customers during the production, R&D and launch process of new products. FIT has formulated and implemented control measures of *Security Control Operating System of Confidential Projects* to comply with the confidentiality obligation under the client contracts and protect business secrets of the customers. Key measures include:

1. All the entities within FIT shall collect the security requirements of confidential projects from the customers, adopt and implement business secret management measures, and take all the system control measures to protect the confidentiality of information.
2. FIT shall include the business secrets of the customers in the agreed contents when it enters into a Non-Disclosure Agreement of Intellectual Property with each new employee, and provide training courses of confidentiality management to all the new employees.
3. Use information management system to reasonably authorize employees to access the business secrets of the customers when necessary, prohibit any unauthorized person to access them and check the effectiveness and vulnerabilities of the system on a regular basis.
4. Establish and regularly review the safety emergency plan, execute the emergency plan when an accident of data leakage occurs, and set up a confidential project accident handling team to track and confirm the accidents as well as review and improve the current practice.

### 6.6 PROTECTION OF INTELLECTUAL PROPERTY

Owning numerous intellectual properties, FIT is committed to protecting its intellectual properties via strict measures, including seeking protection arising from patents, trademarks, copyrights and business secrets. Meanwhile, FIT may also initiate legal proceedings in respect of product ownership or proprietary design, trademarks or business secrets to protect its rights when necessary.



FIT determines whether its creative achievements need to be legally protected as intellectual property based on the actual demands and the investigation result of intellectual property from Intellectual Property Department, and also provides a complete workflow system. For example, the inventors shall fill out the “Patent Application Form” and “Patent Technology Disclosure”, laying a solid foundation for rights protection by the Company in future.

Since the reorganization, FIT has accumulated more than 1,800 patents worldwide in addition to more than 1,000 patents which are under approval process. During the reporting period, FIT was granted 552 intellectual properties, which actively protect the Company’s interests of intellectual properties.

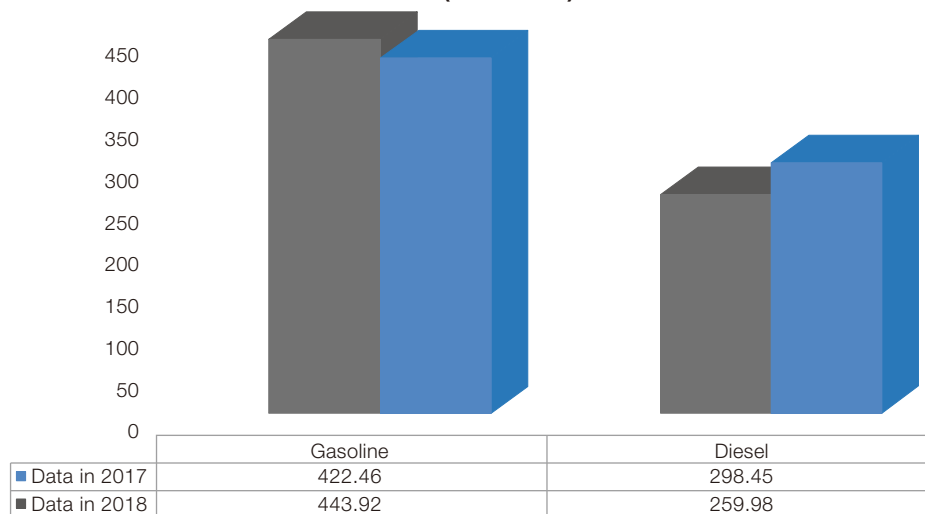
# Chapter 7 Green Production

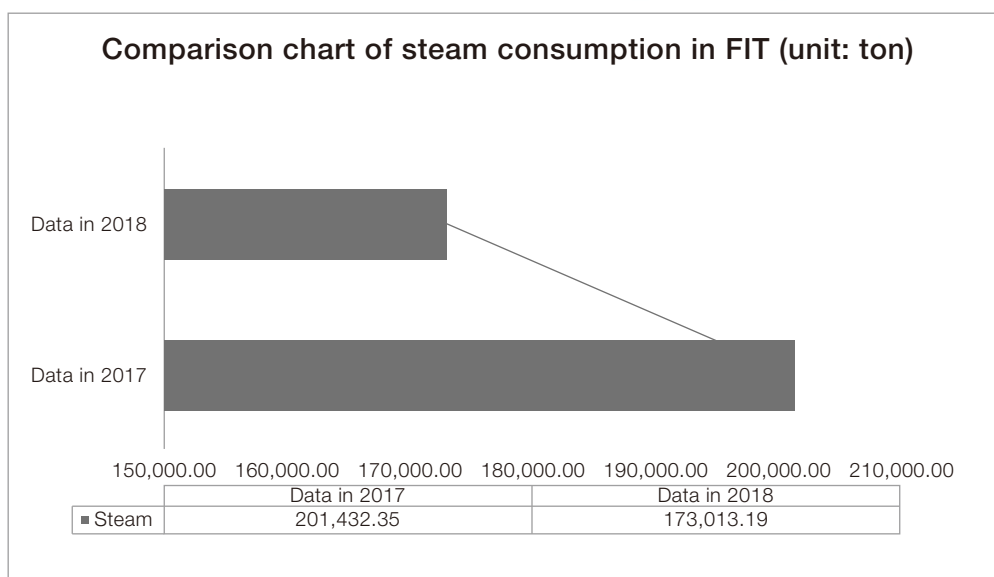
In order to ensure sustainable business development, enterprises should pay attention to environmental protection requirements besides to business development. With the deepening concepts of environmental protection, eco-economy and green economy, enterprises should constantly adjust and optimize current production models to meet the requirements of relevant environmental protection departments, and to reduce the negative impacts on the environment during the production and operation.

FIT actively practices green operation, takes environmental responsibilities of social citizen, responds to the calls of the governments of various countries and the requirements in environmental protection of international customers. Relevant environmental goals are set according to the work guidelines covering “energy conservation, emission reduction, greening and recycling”. The principle is actively implemented in daily operation to ensure the realization of environmental protection goals.

## 7.1 ENERGY MANAGEMENT

**Comparison of gasoline and diesel consumption in FIT**  
(unit: ton)





Energy is an important material basis of national economy and social development. FIT focuses on the construction of energy management system and incorporates energy efficiency into the framework of management methods so as to make better use of existing energy assessments, optimize energy management, and achieve maximum compatibility between quality control and environmental management. During the reporting period, there was no significant difference in the consumption of gasoline of FIT compared with 2017. The consumption of diesel fuel (including generator diesel and vehicle diesel) reduced by about 12%, and the consumption of steam reduced by about 14%. Some achievements have been made in energy conservation.

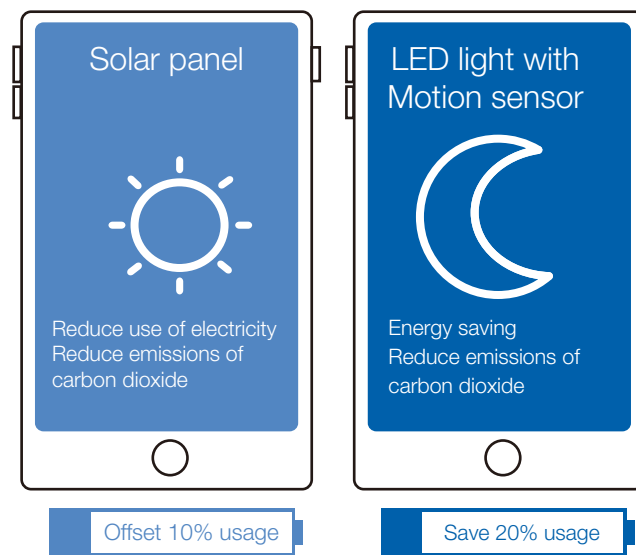
***Energy saving case: The factory in Vietnam installed frequency conversion devices of ice water machines.***

The factory area of FIT in Vietnam installed a water pump to reduce the load of two overloaded water pumps, and also installed a frequency converter of cold water pump for central air conditioner to save power consumption, thus saving RMB43,110 per year on average.

## Chapter 7 Green Production

### ***Energy saving case: Energy implemented an energy saving plan***

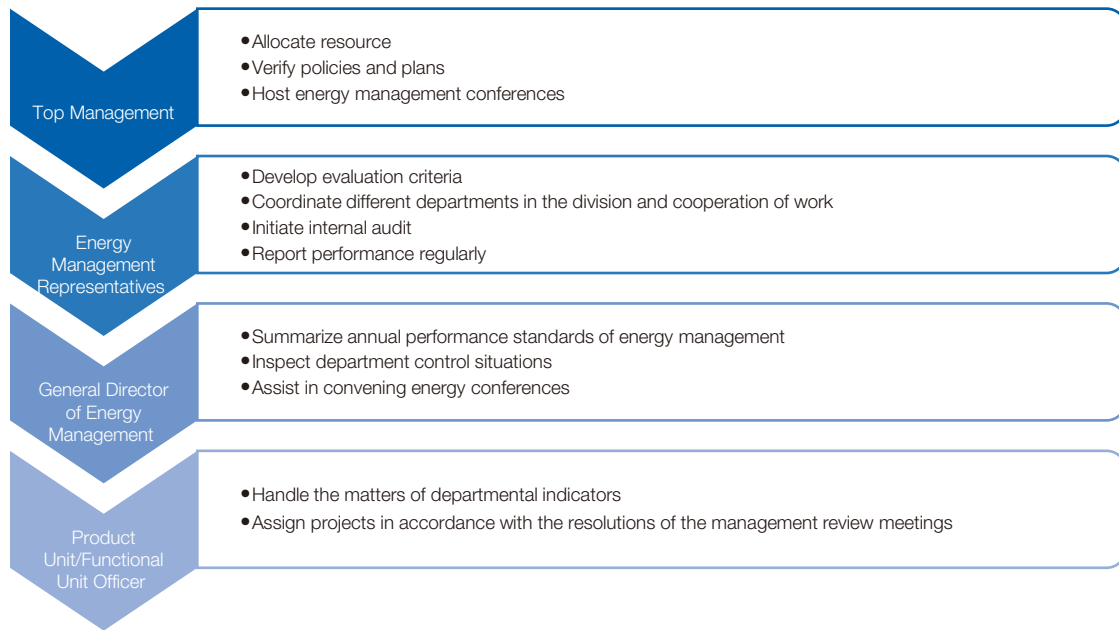
Belkin installed solar battery panels on the roofs of its two main buildings, which can offset its annual consumption by about 10%. At the same time, Belkin transformed the lighting facilities into LED lights with motion sensors at its distribution centers around the world and saved about 20% of power energy every year.



### **Establish the Energy Management Committee**

FIT's Energy Conservation Technology Development Committee actively promotes energy management construction and sets up the Energy Management Committee. In 2018, each factory area of FIT established the "Work Planning of Energy Conservation and Emission Reduction of FIT" based on the Company's planning. This plan was decomposed to each factory area as the basis for annual energy conservation and emission reduction target. The Company encourages different types of energy conservation and emission reduction projects, regularly conducts performance review of energy conservation and emission reduction, and provides incentives for outstanding projects in quarterly and annual review.

Chart: Function Distribution of Energy Management Committee



### Energy Review

FIT develops and follows the *Control Operating System of Energy Resource*, which stipulates that the management representatives from each factory area who are familiar with energy laws and regulations to form an energy review team and take the responsibility for implementing evaluation and recording results. Its work mainly includes:

#### 1. Analyze Energy Usage and Consumption

The review team is responsible for analyzing energy supply and consumption, which includes collecting information of existing energy, prices and quality, and assessing the past and current energy use and consumption based on monthly, quarterly and annual energy consumption and efficiency data.

##### — Identify Major Areas of Energy Usage and Consumption

Based on collected data, the review team determines the energy consumption area, draws the energy consumption distribution map, and analyzes the energy usage that accounts for a large proportion of energy consumption or has great potential in energy performance improvement to determine the Company's main usage of energy.

##### — Main Equipment Assessment

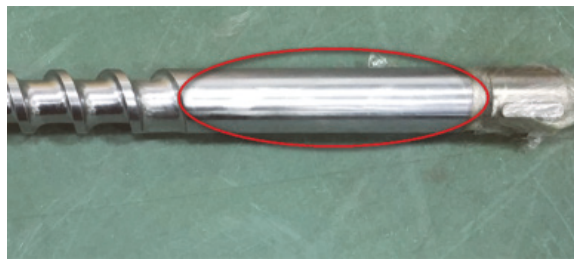
By considering the characteristics of various energy-using equipments and the variables affecting the usage of main energy, the Company has established a benchmark for major energy-using equipments. The Company formulates relevant equipment operation specifications for major equipments, and prioritizes improvement for energy-using equipment in consideration of the Company's financial, operational, business conditions, energy-saving technical selectivity and the feasibility of use of renewable energy.



## Chapter 7 Green Production

### ***Energy saving case: the energy saving improvement case of replacing tube groups of molding machines by Huai'an Fuyu Factory***

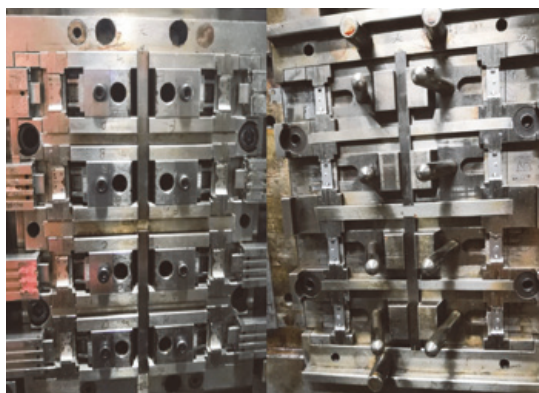
There are 24 molding machines in Huai'an AEC molding workshop with long molding process and high energy consumption. FIT technicians shorten the storage and injection time when modeling by increasing the diameter of the molding machine tube group (increasing from 18mm to 30mm). Consequently, the molding cycle of each machine reduced from 28s to 17.5s, and the production capacity in 2018 increased by 37.5% compared with that in 2017.



According to one-week on-site records, the power consumption of a molding machine is 1,093.3kwh per week. 24 molding machines can save about 491,985kwh per year, contributing greatly to the Company's power saving.

### ***Energy saving case: expanding from 4 cavities to 8 cavities, the energy saving improvement plan of molding equipments of Kunshan Power Plant***

By expanding cavities from 4 CAV to 8 CAV in 2018, Kunshan Power Plant improved its production capacity, reduced working hours, and lowered the number of running machines, achieving the objective of energy saving and consumption reducing.



After the improvement, the original 3 sets of machines were reduced to 2 sets of machines for production, saving 234,710.78KWH of electricity and RMB56,500 per year after deducting the cost.

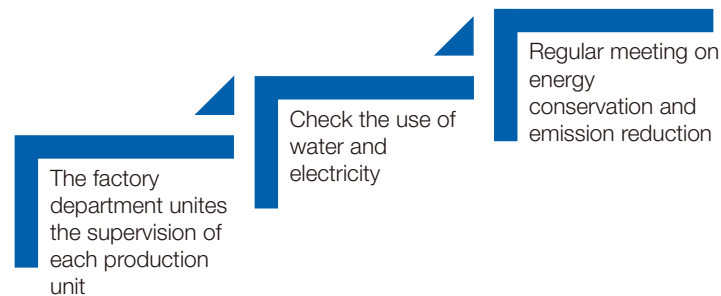
### 2. Education and training for energy management

FIT has formulated education and training plans for energy management. Energy-consuming equipment operators must participate in relevant trainings and obtain corresponding professional qualifications before they are on duty. In 2018, related employees of FIT participated in a 36-hour one-time energy management course offered by the Technical Committee. The course, which covers technologies of carbon emission, energy management, energy audit and energy saving, allows participants to deepen their understanding on how to adapt to the characteristics of the Company's energy system and make plans to adapt to the company's strategic development.

### 3. Internal audit and evaluation

FIT performs internal audit during the energy planning period to meet the objective of energy management system, and further analyzes the causes and develops and implements feasible corrective and preventive measures for noncompliance and potential noncompliance.

At the same time, top management regularly convenes management review meetings, reviews the implementation performance of the energy management system and raises improvement suggestions.



## 7.2 EMISSION MANAGEMENT

### 7.2.1 Exhaust gas

The exhaust gas produced by FIT includes the process exhaust gas and the general exhaust gas. Different from the general exhaust gas produced by manufacturing supporting services and living facilities, the process exhaust gas is the harmful gas produced by the Company during production. FIT has implemented strict control measures over the harmful substances in these exhaust gases, aiming to reduce the volume of exhaust gas generated during production, minimize its impacts on environment and prevent damages to employees' health.

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FIT has developed the *Exhaust Gas Control Operation System*, which clarifies the main task of relevant functions in different stages of exhaust gas treatment, and makes specific guidelines for entire operation process, including the generation, collection, transportation, disposal and measurement of exhaust gases and handling of abnormal conditions.

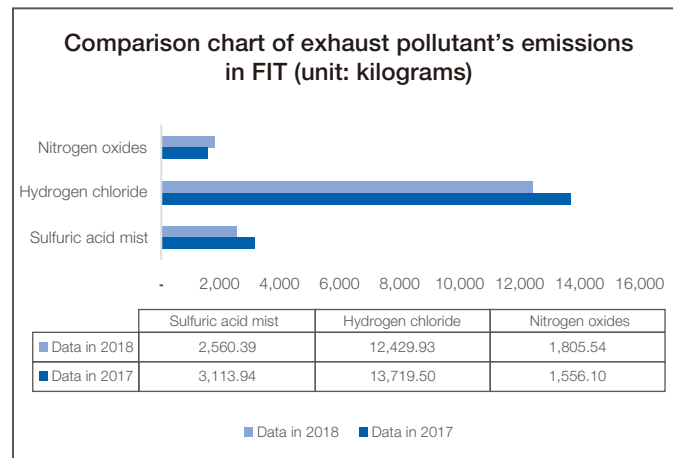
### — Responsibilities of relevant departments in exhaust gas treatment

The main responsibilities of the exhaust generating unit are to identify and regulate the sources of exhaust gas, as well as reduce the emission of exhaust gas according to specified target indicators and management schemes. The function unit of environmental engineering is mainly responsible for dealing with exhaust gas, conducting daily management of the facilities as well as measuring and reporting the quality of exhaust gas on a regular basis. The EHS undertaking units of the factory areas/product business unit is mainly responsible for summarizing the emission sources of exhaust gases of this factory area/product business unit.

### — Strict control over all stages of exhaust gas treatment

- 1. Exhaust gas identification:** After the exhaust gas generating unit identifies the exhaust gas, it lists the sources, emission volume, and regulatory standards in the exhaust gas management list, and ensures that the information is up-to-date.
- 2. Exhaust gas transmission:** considering the particularity of the exhaust gas, FIT has established a specific pipeline for transporting exhaust gas, and stipulates the function unit of environmental engineering to strictly control the engineering quality of the transmission pipeline.
- 3. Exhaust gas treatment:** When treating the exhaust gas, it is stipulated that exhaust gas generating unit shall give priority to exhaust gas reduction measures such as technical process improvement and cyclic utilization. All the production units should firstly use cleaning technology and service devices with high energy efficiency and low contaminant emission. In the course of actual treatment of exhaust gas, we not only deals with organized exhaust gas emissions, but also considers unorganized exhaust gas emissions.
- 4. Exhaust gas monitoring:** After the exhaust gas treatment, the function unit of environmental engineering regularly carries out self-supervised measurement on the performance of the exhaust gas treatment to ensure the outcome of exhaust gas treatment.
- 5. Abnormal situation handling:** When the testing result exceeds the standard, the responsible unit should cooperate with relevant units to conduct an investigation and carry out correction and prevention according to Control Operating System of Environmental Safety and Health Correction and Prevention Measures.

With the efforts we made in 2018, the total volume of exhaust gas decreased by about 1,200 kilograms or 6% compared with 2017, and the emissions of sulfuric acid mist and hydrogen chloride, which took up the largest portion, significantly reduced by 17% and 9% respectively. In the future, FIT will continue to explore effective ecological environmental protection measures, and further reduce the air pollution caused by production and operation activities.

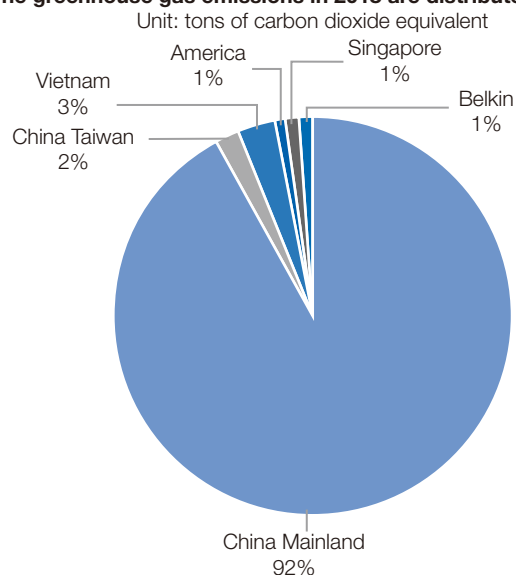


### 7.2.2 Carbon dioxide Improving carbon footprint

FIT continues to pay attention to the impact of greenhouse gases on the environment and controls the generation and emission during operations. 93% of the Company's greenhouse gas emissions comes from production and operation activities in mainland China, while 99.32% of which is generated from indirect emissions of outsourced energy. The total emission of greenhouse gases in mainland China in 2018 was 418,765.48 tons of carbon dioxide equivalent, representing a reduction of 5% from 441,762.30 tons of carbon dioxide equivalent in 2017. The reduction in the emission of greenhouse gas is inseparable from the effective management of FIT.

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**The greenhouse gas emissions in 2018 are distributed by region**



2018	China Mainland	China Taiwan	Vietnam	America	Singapore	Belkin
Scope 1	2,867.55	11.83	0.23	787.99	203.09	4,615
Scope 2	415,897.93	16,432.53	9,140.28	1,837.44	615.47	0
<b>Total emissions by region</b>	<b>418,765.48</b>	<b>16,444.36</b>	<b>9,140.51</b>	<b>2,625.42</b>	<b>818.56</b>	<b>4,615</b>

Note: "Scope 1" and "Scope 2" are independent ranges of emission and deduction of greenhouse gas (direct and indirect)<sup>6</sup>

FIT has appointed specific implementation officers for examination and emission reduction of greenhouse gases, whose work mainly includes establishing the planning of examination and emission reduction action of greenhouse gases, leading related persons to implement work and supervising the implementation. Meanwhile, the implementation officers also help the training unit to plan and perform the training and management of examination and emission reduction system of greenhouse gases.

<sup>6</sup> Scope 1: It covers the direct emission of greenhouse gases from operations that are owned or controlled by the Company, which mainly come from the following activities: 1) Combustion of fuels in fixed source devices; 2) Combustion of fuels in mobile sources (e.g. motor vehicles and ships); 3) Hydrofluorocarbons ('HFC') and Perfluorocarbons ('PFC') emissions during the use of refrigeration and air conditioning equipment and other fugitive emissions; and 4) Assimilation of CO<sub>2</sub> into biomass through activities e.g. planting of trees.

Scope 2: It covers the indirect emission of greenhouse gases in the course of production resulting from the consumption of purchased or acquired electricity, heating, cooling and steam consumed within the Company for production process.

In addition, FIT has also developed the *Control Operating System of Examination and Emission Reduction of Greenhouse Gases* to systematically manage the emission of greenhouse gases. FIT requires the specific officers to differentiate emission from direct greenhouse gas emission (such as fixed combustion sources) and indirect greenhouse gas emission (such as emission from purchased electricity energy) based on the emission sources, and record in the greenhouse gas examination list. We select suitable quantitative methods based on the characteristics of integrated emission sources of FIT and related information of cost considerations to calculate, analyze and finalize the examination report of greenhouse gases. The main contents of the examination report are: organization profile, organizational boundaries, reported GHG emissions, operating boundaries, GHG quantitative method explanation, base year setting explanation, internal and external verification results explanation, reduction targets/indicators and reduction performance, etc.

### 7.2.3 Wastes

Following *Hazardous Waste Operation License Management Measures*, FIT has established guidelines such as *Waste Control Operating System* to regulate the processes of classification, storage and treatment of waste and hazardous waste. Effective implementation is guaranteed in daily operations so as to reduce the generation of hazardous waste as well as its negative impact on the environment, in order to ensure that waste disposal is in compliance with the related regulations and customer's requirements, and ultimately achieve continuous improvement of the environment.

#### — Develop and maintain waste list

FIT requires all the units to develop, regularly confirm and maintain the waste list, the contents of which include the name of waste, source of waste, production process, type of waste (hazardous or general waste), monthly produced amount of waste, disposal of waste, and the name of the waste disposal supplier, etc. For hazardous waste, the function unit of environmental engineering obtains the declaration information timely and submits to the local environmental protection ministry for filing.

#### — Strictly control waste collection process

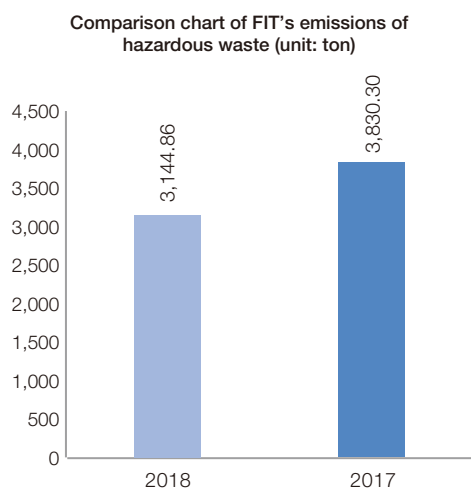
Waste generating units collect, sort, label and manage wastes strictly according to waste types and store them in appropriate containers based on their physical and chemical characteristics. The containers must be labelled with the type of waste, proper hazard warnings, and the date of generation. For hazardous waste, inspections should be carried out weekly to ensure the containers are intact to prevent and control any leakage of wastes, and at the same time the label is complete and its information is accurate.



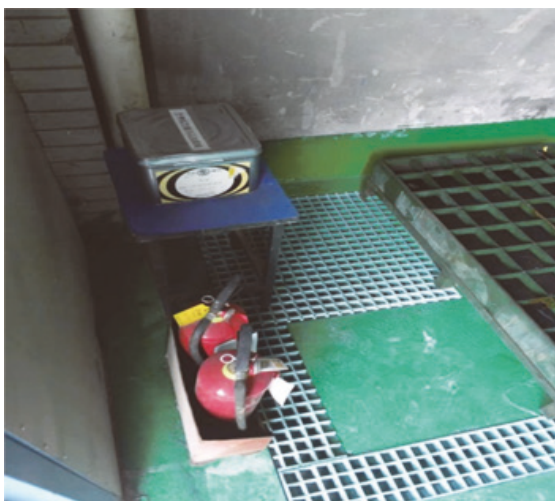
## Chapter 7 Green Production

### — Strict treatment of wastes

FIT disposes wastes according to different waste types, and selects waste disposal suppliers with relevant qualifications strictly in compliance with relevant laws and regulations in the course of selecting waste disposal suppliers. For the disposal of hazardous wastes, the function unit of environmental engineering manages suppliers and develop and implement the supplier audit plan to ensure eligibility.



Picture: Hazardous waste storage



Picture: Hardened ground and anti-secondary-leakage trench

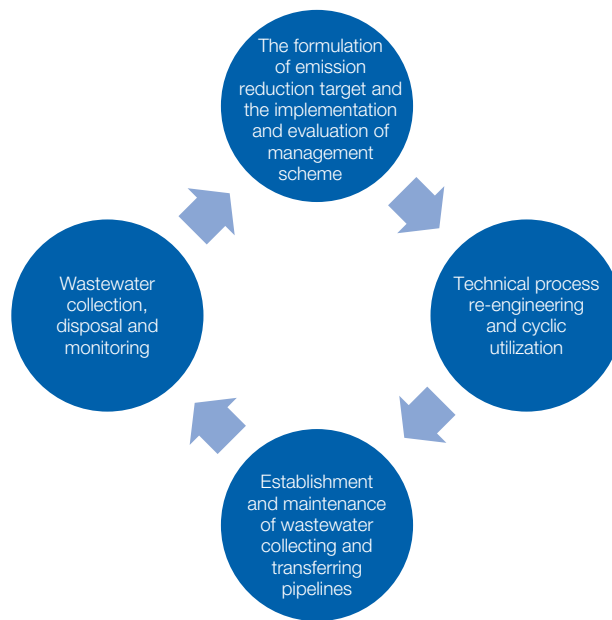
The ground of existing hazardous waste storage are all hardened, and is set to be waterproof, windproof, anti-infiltration and anti-secondary-leakage trench, gathering tank.



### 7.2.4 Wastewater

According to ISO14001 combined with production needs and customer requirements, FIT formulates and follows management systems such as the *Wastewater Control Operating System* to enhance the Company's control over production and domestic wastewater from research, production, and service activities and reduce adverse impacts on surrounding environment and employees' health by the emissions of wastewater and other pollutants, in order to maximize the utilization of water resources and minimize the impacts on the environment. All the sewages of the Company will be sent to the sewage treatment station for treating. The undisposed sewage or the disposed sewage not meeting sewage discharge standards shall not be discharged.

The wastewater treatment process of FIT can be divided into:



#### — Technical process improvement and cyclic utilization

FIT prefers to using the method of technical process improvement and cyclic utilization of water resources to optimize the utilization efficiency of water resources in production operation, living and working, and achieve the decontamination and reduction of wastewater.

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### Case: recycling and reusing of cyanide-containing wastewater

Cyanide removal system



UV sterilization system



#### Key technologies

1. Pharmaceutical cyanide removal system: Rapidly destroy cyanide and make it non-toxic and treatable.
2. UV sterilization system: Quickly and effectively kill all kinds of bacteria and completely solve the problem of mold breeding of traditional recycled water.

#### Improved efficiency:

Reduce wastewater discharge by 60 tons per day.

#### — Wastewater measuring

The Environment Engineering Department of FIT establishes related wastewater measurement systems in accordance with the requirements of national and local environmental protection regulations (such as the Integrated Wastewater Discharge Standard GB8978), and regularly monitors and measures water quality treatment according to the laws. The treatment methods include internal inspection, external inspection and supervisory inspection, aiming to ensure that pollutants indicators in the sewage of each stage meet relevant requirements of laws and regulations.

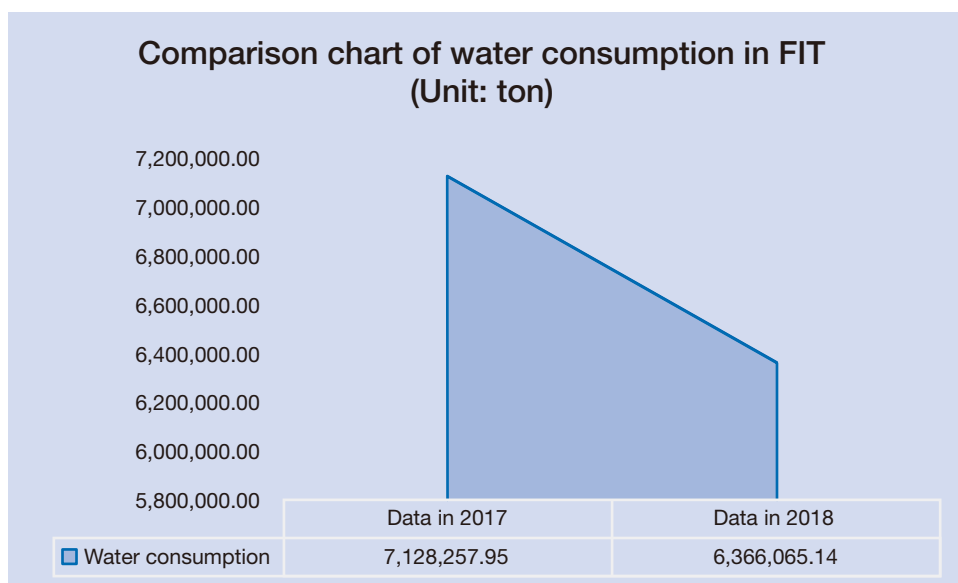
#### — Abnormal situation handling

When the testing result exceeds the standard, the relevant unit will investigate, correct and prevent it according to the *Control Operating System of Environmental Safety and Health Correction and Prevention Measures*.

When wastewater treatment facility breaks down, such as broken transmission pipelines of wastewater, the relevant unit will correct and prevent it according to the *Control Operating System of Preparation and Response of Environmental Safety and Health Emergency* and related regulations.

## 7.3 WATER RESOURCES MANAGEMENT

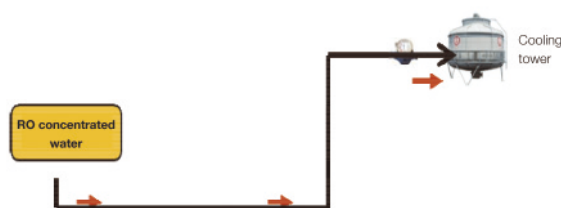
The increasing shortage of water resources has become a global problem. FIT attaches great importance to the protection of water resources and treatment of sewage, actively practices its social responsibilities, and strictly controls the use of water resources. FIT strictly monitors and analyzes its water consumption, and sets water resources reduction goal each year. It strives to reduce the consumption of water resources through process improvement and optimization, creating the recycling value of water resources for the Company.



In 2018, the annual water consumption of FIT was 6,380,291.53 tons. Excluding the impact of Belkin, FIT's total annual water consumption is 6,366,065.14 tons, representing a decrease of approximately 762,192.81 tons or 11% compared with 2017, which was resulted from the various measures the Company has taken to save water, laying a good foundation for future water resources cycle development.

### **Case: The recycling project of RO concentrated water of the factory in Vietnam**

The factory area of FIT in Vietnam makes use of recycled RO concentrated water instead of running water to cool down the tower and saved 12 tons of water every day.



## Chapter 7 Green Production

### **Case: Electroplating hardware washing water overflow improvement scheme**

**Improvement scheme:** Due to the long residence time of electroplated products washed, the products are corroded and turned to yellow after nickel plating. In order to reduce the corrosion of the products due to excessive nickel washing water concentration and solve the problem of continuous overflow of nickel washing water, FIT modified the plating machine process, which closed the water flow and replenish to the nickel tank, thereby shortening the residence time of the products in nickel washing.

**Improved efficiency:** By modifying the plating machine process, the used water flow is recycled to replenish nickel tank, saving 35 tons of electroplating pure water per day and about RMB11,550 per month<sup>7</sup>, as well as reducing the discharge of wastewater.



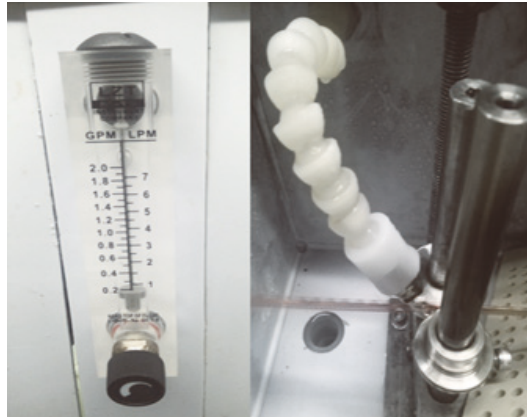
*Picture: Before improvement: directly drained after nickel washing*



*Picture: After improvement: Increase pumping, water is recycled to nickel tank after nickel washing*

<sup>7</sup> It shall be translated based on the central exchange rate between TWD and RMB from Bank Of China on December 31, 2018.

### *Case: electroplating machine atomizing waterjet water saving improvement*



#### **Before Improvement:**

Plating machine using tap water/pure water waterjet (ordinary waterjet) without flowmeter; the engineer adjusted the water flow according to experience; the waterjet displacement was 0.8L/MIN.

#### **After improvement:**

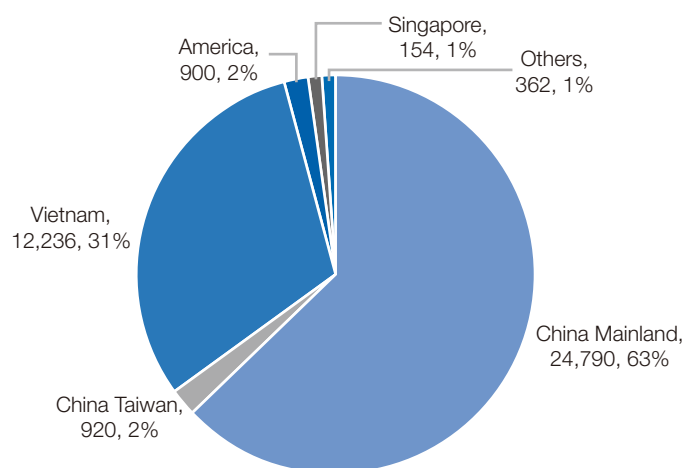
The machine tap water/pure water waterjet was replaced by atomized waterjet; the pipeline was equipped with a flow meter; the engineer adjusts the water flow according to the flowmeter scale; the waterjet displacement is 0.3L/MIN.

The FIT technicians improved the waterjet of the electroplating machine and replaced the ordinary waterjet with the atomized waterjet, saving the water consumption of the waterjet about 103.68 tons per day.

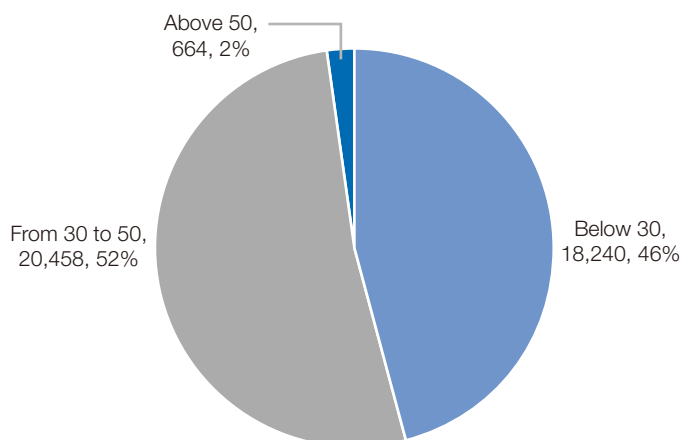
# Chapter 8 People Priority

FIT values diversified development of employees. With the rapid development of the Company, we are devoted to providing development space for more outstanding talents and helping employees enhance self-value. The Company holds a “diversified and open” point of view on talents. The Company has built a co-creating and win-win talent management mechanism. As of the end of the reporting period, FIT had a total of 39,362 in-service employees. Among them, based on region, there are 24,790 employees in mainland China, 920 employees in Taiwan China, and 13,652 employees outside China. Based on gender, there are 16,238 male employees and 23,124 female employees. Based on age, there are 18,240 employees under the age of 30, 20,458 employees between the ages of 30 and 50, and 664 employees over the age of 50. At present, these adventurous employees have become the core of the development of the Company.

**Number of employees in 2018 which distributed by region**



**Number of employees in 2018 which distributed by age**





## 8.1 TRAINING AND DEVELOPMENT OF EMPLOYEES

FIT has formulated and followed the *Education and Training Management System* to carry out education and training. The Human Resources Training Unit (hereinafter referred to as “HRTU”) and the Technology Development Committee have cooperated to establish a professional employee education and training system. HRTU, as the main responsible unit for employee education and training, summarizes the need for education and training in each factory area and formulate the annual and monthly plan of education and training. Accordingly, HRTU provides appropriate training for the employees of each function and position based on the plan to equip the employee with necessary professional knowledge and management skills. The Company’s training mechanism is shown in the following chart:



The on-boarding training for new employees aims to convey the Company’s values, codes of conduct and job responsibilities to each new employee, and to guide them to quickly adapt to the corporate environment and their role.

Professional qualification training for on-duty employees provides employees with corresponding professional skill courses, such as required knowledge and skills, teaching and application of professional knowledge as well as its related technical introduction and promotion, technical training as required by the customers and supplier technical seminars.

**Case: Shenzhen factory set up the course of “technical evaluation of product competitors”**





## Chapter 8 People Priority

In December 2018, the internal lecturers of FIT conducted training on “technical evaluation of product competitors” for 48 participants. The lecturer mainly focused on the development of electroplating technology in the industry, analyzed the technical cases of competitors in electroplating and determined their technical pros and cons to improve the skill level of electroplating engineering technicians.

In addition, FIT also sets up training for anti-corruption, social responsibility and education. For social responsibility training, FIT has carried out education training on energy management. Employees with relevant requirements must have the required qualifications. The operators of the main energy-consuming equipment must be trained before they are on-duty. In 2018, employees of the energy-saving departments of FIT participated in an energy management course consisting of 36 hours set up by the Technical Committee. These courses covered carbon emissions, energy management and audit, and energy-saving technologies.

### ***Case: Some factory areas in mainland China carried out training programs***

In 2018, Kunshan, Huai'an, Shenzhen, Zhengzhou and Chongqing sites actively promoted employee training programs, among which Huai'an site had the most outstanding achievements, helping 164 employees to upgrade from high school to junior college. FIT expects employees to improve their academic qualifications, encourages employees to participate in various educational courses in their spare time, and also sets up relevant educational courses internally. Employees will receive financial subsidies after obtaining relevant qualification diplomas, hereby leading employees to increase their personal ability to meet the needs of professional development.

### ***Case: The employees of FIT attending further education in Tianjin University***



The Company cooperates with many domestic universities to provide academic education for in-service employees. In 2018, the employees of FIT attended an on-the-job academic education course in Tianjin University, which helped them to improve and enhance their self-value. The students expressed that they gained a lot in respect of their thinking and business level after carefully experiencing and thinking of this stage of learning.

## 8.2 OCCUPATIONAL HEALTH AND SAFETY

### Occupational Disease Prevention

FIT cares about the impact of working environment on the employees' health and safety. Therefore, we have developed and followed *Occupational Disease Prevention and Control Operating System*. We concern about the employees' occupational disease prevention, health examination and protective equipment distribution and expect to minimize or avoid occupational hazards and ensure the safety and health of every employee.

Besides to optimizing technological process, providing protective equipment, and monitoring the health of employees, the Company also guides employees to realize the occupational disease risks that their current positions may face, enhance their awareness of self-protection and prevent occupational diseases actively. In this regard, the Company places high priority on occupational health training, conducts targeted occupational health trainings for the employees of different workshops and processes and provides health examinations and on-site evaluation of occupational diseases.

In addition, the Company also issues hazardous factor notifications to new employees in order to let them be aware of occupational environmental risks. The Company conducts three to four identifications of occupational disease hazard sources per year and one on-site evaluation of occupational diseases every 3 years.



The picture shows that the Company posts warnings in the factory areas with severe noise to remind the employees to wear ear protectors in order to prevent damage to the hearing capability of the employees.

### Health Examination

FIT puts the care for employees into practice, regularly arranges health examinations for employees before, during and after employment, and bears all the costs of health examinations. Regular health examinations, occupational health examinations, and health examinations for important leaders timely intervene in the health of employees to reduce morbidity. Health examinations also help employees to understand their health conditions and arrange work tasks and plans more effectively and reasonably.

### 8.3 PROTECTION OF EMPLOYEE INTERESTS

#### Fair Employment

As of the end of the reporting period, FIT has a total of 39,362 employees in the factories and offices in mainland China, Taiwan, Vietnam, the United States and Singapore, of which approximately 58.75% were female. FIT always sticks to the principle of fair employment, and opposes discrimination. We practices equal starting salary for employees of different genders, follows equal minimum salary standards, and provides equal pay for equal work. With the increasing diversification of the Company, FIT hopes to build up a work environment full of respects and without any discrimination for our employees. Therefore, regardless of skin color, nationality, race, age and gender, FIT is willing to provide equal employment opportunities. Meanwhile, the Company also offers indiscriminate salaries and benefits for the disabled employees and gives special care and attention to their lives, which enables the disabled employees to find their own work positioning and truly achieve the purpose of fair employment.

#### Open Recruitment

FIT has established an open and standard recruitment system based on the *Employee Recruiting Operation Regulations* and the *Non-Discrimination Management Measures*, and made rigorous and meticulous requirements on the specifications of recruitment personnel and recruitment process. FIT adopts on-site recruitment, school transmission and government-assisted recruitment as the main recruitment channels, while formal labor market and agencies are also utilized to transmit human resources, thus providing a broad recruitment platform for potential employees. The best use of talents is achieved based on the consideration of the features of different types of work and professional diversification.

#### Fair Promotion

FIT has established a fair and just promotion system for the employees. Based on the annual performance and comprehensive ability of the employees, we perform employee assessment according to the human resources assessment scheme and grant salary increase and post promotion to the employees who have passed the assessment, in order to provide a fair and smooth promotion channel for the employees. Under the transparent system, the employees' enthusiasm for work has been enhanced and a large number of outstanding talents have been successfully recruited and retained.

#### Prohibition of Child Labor and Forced Labor

In order to protect the physical and mental health of minors and safeguard the legal interests of the employees, the Company has strictly followed the *Labor Law and the Provisions on the Prohibition of Using Child Labor* of each country and formulated a series of management measures on preventing and correcting the use of child labor and forced labor to standardize the recruitment process and prohibit and prevent the occurrence of child labor and forced labor.

### 8.4 EMPLOYEE CARE

FIT pays attention to the work-life balance of the employees. Starting from enhancing the employees' sense of belonging, we improve the organization of labor union and strive to build a people-oriented corporate culture so that the employees can feel the warmth of the big family of FIT.

### *Case: FIT held the activities of Family Day*



In 2018, Kunshan Park held 3 activities of Open Family Day, welcoming a total of 280 employees and 800 family members to make a close contact with the Company and its culture, and bringing the Company's sense of honor and pride to the employees' families.

### *Case: The public benefit activity of hiking on Mother's day*



A warm May and a beautiful and happy city. In the afternoon on May 10, 2018, we held a public benefit activity of hiking named "Walking into a Happy City and Getting Close to the Nature of Mother's Day" in Shenzhen factory of FIT, with an objective to create a good atmosphere of respecting and thanking mother, advocate healthy and progressive working manner of women, and let the mothers who participated in the activity stretch their bodies and minds and empty their minds.



## Chapter 8 People Priority

The communication channels within FIT are smooth. All kinds of management information is timely communicated to employees in the form of monthly meetings and symposiums, which result in a better cooperation among different departments and a reduction in waste of resources such as manpower, property, time, etc., thereby improving operation efficiency and achieving intended goals.

### ***Case: Huai'an Park of FIT held symposiums***



In 2018, FIT held 61 symposiums for representatives in Huai'an Park with a total of 2,475 participants and 255 collected comments. Currently, 224 comments have been addressed while 31 are still under processing.

### ***Case: Vietnam Factory of FIT organized symposiums***



Vietnam Factory of FIT organizes symposiums for about 50 employees each month to help the employees deal with problems occurred in their work or life, such as condolence allowances, the calculation method of overtime pay, insurance arrangement and other issues to improve the satisfaction of the employees with the Company and enhance the work efficiency.

***Case: US office area conducted sexual harassment preventive trainings***

In order to protect the interests of the employees, we conducted a training on preventing sexual harassment lasting for two hours in the US office of FIT. In this training, we explained the meaning of sexual harassment, how to avoid it, how to report it, and how to make the employees more respectful of each other.

## 8.5 COMPENSATION AND INCENTIVE SYSTEM

In terms of compensation, FIT actively understands the overall salary level and development trend of the market of the same industry, formulates the *Regulations on Compensation and Welfare Management* in combination with the development strategies of the Company, and provides new employees with competitive basic salary that is higher than the local minimum salary. In order to attract, motivate and retain outstanding talents, FIT has established an overall compensation strategy. In May 2018, we granted equity incentives to 1,502 key leadders. Meanwhile, in terms of the salary structure design, FIT adjusted the employees' salary in a timely manner by considering the Company's performance and individual performance.

In terms of welfare, FIT specially provides commercial insurance welfare programs in order to care about personal health and safety of the employees, such as:

1. **Supplementary protection for work-related injuries:** providing strengthened safeguard in addition to social employment injury insurance for the employees injured or disabled at work;
2. **Disease treatment assistance:** providing disease treatment assistance for the employees (the portion not covered by social insurance);
3. **Personal accident insurance:** providing personal accident insurance for all the employees.

# Chapter 9 Contributing to the Society with Love

While focusing on economic development, public welfare undertaking has always been the direction that FIT adheres to. The Company actively takes the responsibility of corporate citizenship. In 2018, the Company continued to actively participate in and organize various social activities to help people in need and to contribute to the society. Such activities include voluntary blood donation activities, community cleaning, poverty alleviation and education assistance, etc.

## VOLUNTARY BLOOD DONATION

In order to promote the corporate love culture and fulfill social responsibilities, FIT educates and leads the employees of all sites to actively pay attention to life and health as well as provides blood support for social medical care.

On November 9th 2018, Zhengzhou Factory of FIT carried out a voluntary blood donation activity, and a total of about 150 persons participated in this activity; On September 7th 2018, Shenzhen Factory of FIT carried out a voluntary blood donation activity, and a total of about 50 persons participated in this activity.



Picture: Blood donation activity of Zhengzhou factory



Picture: Blood donation activity of Shenzhen factory

## STAFF ACTIVITY

FIT launched a staff activity day with a theme of "protect water resources and protect the mother river" on May 26th 2018. On that day, more than 50 employees visited Kunshan Wastewater Treatment Plant for learning and conducted an activity of "picking up and cleaning" for the rubbish scattering along the riverside of Lou River of Kunshan. We made contributions to the society through practical actions.



## Chapter 9 Contributing to the Society with Love



Picture: Staff cleaning activities

Vietnam Factory of FIT is located in Yunzhong Industrial Park, Bac Giang Province, Vietnam. As of the end of this reporting period, a total of 12,236 employees work in this site. Although the local scenery is beautiful, the inconvenient geographical factors have caused the slow development of local society. Therefore, FIT continued to vigorously carry out public welfare activities in 2018, hoping to do its best to provide local families the greatest help.

### POVERTY ALLEVIATION AND EDUCATION ASSISTANCE

On January 27, 2018, the representatives of the leaders and the labor union of Vietnam Factory of FIT overcame the winding mountain roads, rowed boats through the streams, and held a charity event with a theme of “Warmth of New Year — Based on Love”. They sent meaningful New Year gifts and brought warmth to the poor families in the highlands.



## Chapter 9 Contributing to the Society with Love

On September 8, 2018, the labor union of Vietnam Factory of FIT held a charity event with a theme of “Nabai — Happy School Opening” at Nabai Community, Anle Village, Shandong County. We aim to provide children a spacious and clean campus and make them feel that going to school every day is fun.



# Chapter 10 Appendix

**TABLE 1: PERFORMANCE AND DATA**

**Environment — Resource Consumption<sup>8</sup>**

Category		Unit	2018	2017
<b>Energy Consumption</b>	Electricity	MWh	480,322.48	470,035.67
	Diesel (fixed combustion source)	Ton	231.55	229.74 <sup>9</sup>
	Diesel (mobile combustion source)		28.43	68.72 <sup>10</sup>
	Gasoline (mobile combustion source)		443.92	422.46 <sup>11</sup>
	Natural gas		904,992.59	/ <sup>12</sup>
	Steam		173,013.19	201,432.35
<b>Solid Waste</b>	Hazardous waste	Total	3,144.86	3,830.30
	Non-hazardous waste		75,971.62 <sup>13</sup>	18,370.97
	Total waste		79,116.48	22,201.27
	Discharge density of hazardous waste	Calculated by site area	2,393.97	3,160.43
	Discharge density of non-hazardous waste		57,831.98	15,158.14
	Discharge density of hazardous waste	Calculated by the number of employees	79.90	83.95
	Discharge density of non-hazardous waste		1,930.08 <sup>14</sup>	402.65
<b>Water Consumption</b>	Water Consumption	Total	6,380,291.53	7,128,257.95
	per person	Consumption	162.09	156.24

<sup>8</sup> FIT completed the acquisition of Belkin in September 2018. The 2018 information in the Performance and Data Sheet contains Belkin's 2018 full year information.

<sup>9</sup> Our report data released in 2017 is re-stated based on actual conditions.

<sup>10</sup> Our report data released in 2017 is re-stated based on actual conditions.

<sup>11</sup> Our report data released in 2017 is re-stated based on actual conditions.

<sup>12</sup> This is new data for 2018.

<sup>13</sup> The substantial increase of non-hazardous waste is due to the addition of three projects from the Vietnam plant in 2018.

<sup>14</sup> This increase is due to the increase in non-hazardous waste and the decrease in the number of employees in 2018.

## Chapter 10 Appendix

### Environment — Resource Consumption<sup>8</sup> (continued)

Category		Unit	2018	2017
Packaging Material	Type	Paper	24,388.53 <sup>15</sup>	4,352.62
		Plastic	65,586.01 <sup>16</sup>	4,890.01
		Wood	1,936.27	2,497.40
		Metal	506.72	286.24
	Packaging material consumption			
	Total	Ton	92,417.53	12,026.27

<sup>15</sup> The substantial increase of paper packaging is due to the addition of three projects from the Vietnam plant in 2018.

<sup>16</sup> The substantial increase of plastic packaging is due to the addition of three projects from the Vietnam plant in 2018.

## Environment — Emissions

		Emissions	Unit	2018	2017
<b>Exhaust Gas Emissions</b>	Production emissions data	Hydrogen cyanide	Kg	165.98	136.07
		Ammonia		998.73	615.81
		Sulphur acid mist		2,560.39	3,113.94
		Hydrogen chloride		12,429.93	13,719.50
		Chromic acid mist		6.60	8.21
		Nitrogen oxide		1,805.54	1,556.10
	Average concentration of emissions of industrial wastewater	Ammonia nitrogen	g/ml	1.71	2.17
		Chemical oxygen demand		34.81	25.70
		Total phosphorus		0.09	0.12
		Total chromium		0.0017	0.01
		Tin		0.01	0.01
		Suspended matter		15.62	8.49
		Nickel		0.11	0.11
		Cyanide		0.0015	0.00
<b>Wastewater Pollutant Emissions</b>	Total discharge of industrial wastewater		Ton	1,212,048.7	1,112,836.69
	Average concentration of emissions of domestic wastewater — Mainland China	Ammonia nitrogen	g/ml	3.04	21.21
		Chemical oxygen demand		45.98	102.57
		Total phosphorus		0.45	3.46
		Suspended matter		12.76	7.02
	Average concentration of emissions of domestic wastewater — China Taiwan	Ammonia nitrogen	g/ml	0.26	0.00
		Chemical oxygen demand		44.80	142.00
		Total phosphorus		0.03	0.00
		Suspended matter		0.35	29.00

## Environment — Emissions (continued)

		Emissions	Unit	2018	2017
Average concentration of emissions of domestic wastewater — Vietnam	Ammonia nitrogen			98.87	72.51
	Chemical oxygen demand		g/ml	304.02	398.73
	Total phosphorus			9.31	7.53
	Suspended matter			45.03	129.43
Total discharge of domestic wastewater			Ton	2,044,268.5	2,183,290.80
<b>Greenhouse Gases</b>	Total GHG emissions		Ton of CO <sub>2</sub> equivalent	452,409.34	463,278.00

## Social Responsibility

				2018	2017	
				Total	Total	
				Unit		
Employee Structure	Number of employees	Total	person	39,362 <sup>17</sup>	45,625	
	Gender	Female	person	23,124	27,074	
		Male		16,238	18,551	
	Age	Below 30 years old	person	18,240	24,830	
		30 to 50 years old		20,458	20,340	
		Above 50 years old		664	455	
	Geographic distribution	Mainland China	person	24,790	28,630	
		Taiwan		920	788	
		Vietnam		12,236	15,454	
		US		900	248	
		Singapore		154	135	
		Others		362	370	
	Employee Turnover rate	Gender	Female	%	22.20%	20.73%
			Male		16.55%	15.23%
Age		Below 30 years old	%	25.24%	25.84%	
		30 to 50 years old		12.38%	10.04%	
		Above 50 years old		0.48%	0.07%	
Work-related Injuries	The number of work-related injuries	person	100	62		
	The number of work-related fatalities	person	3	1		
	Lost days due to work injury	day	2,847.5	2,519		

<sup>17</sup> The decrease of the data is due to the business and personnel adjustments in 2018.



## Chapter 10 Appendix

### Social Responsibility (continued)

		Unit	2018 Total	2017 Total
Staff Training	Total training hours	hour	856,116.50	2,534,151.00
	Rank	Senior management	8,257.00	23,136.70
		Middle-level management	25,522.00	116,675.40
		Grass-roots employees	822,337.50	2,394,339.00
	Total number of trainees		35,594	72,877
	Rank	Senior management	384	449
		Middle-level management	1,043	1,964
		Grass-roots employees	34,167	70,464
	Average hours <sup>18</sup>	hour/ person	24.05	35.00
	Rank <sup>19</sup>	Senior management	21.50	52.00
		Middle-level management	24.47	59.00
		Grass-roots employees	24.07	34.00
Customer Complaints	Products and services complaints	piece	1,207,615	296
	Safety and health-led recalls		0	0
Intellectual Property	Matters relating to intellectual property disputes	piece	3	4
	Number of successful wins	%/piece	/ <sup>20</sup>	4

<sup>18</sup> The average number of hours per person refers to the average training time per person participating in the training.

<sup>19</sup> The data refer to average training time for each of the senior, middle-level and grass-roots employees involved in the training.

<sup>20</sup> Related cases are still in process.

## Social Responsibility (continued)

				2018	2017
				Total	Total
Unit					
Number of Supplier	Total			1,900	1,263
	Geographic region	Mainland China	unit	1,084	565
		Hong Kong, Macau, China Taiwan		464	320
		Overseas		352	378
Community Contributions	Employee Help and Support	Total Amount	RMB	1,306,363 <sup>21</sup>	956,711.20

<sup>21</sup> The community charitable donation of Belkin in 2018 is USD25,000, and it is exchanged according to the US dollar and RMB exchange rate from the State Administration of Foreign Exchange on December 31, 2018.

TABLE 2: ESG GUIDE CONTENT INDEX

HKEX ESG GUIDE CONTENT INDEX			
Aspect	Disclosures	Reporting chapter	Pages
<b>A.</b>	<b>Environmental</b>		
<b>A1</b>	<b>Emissions</b>	Green production	
A1.1	The types of emissions and respective emissions data	Green production	33
A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green production	35
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green production	55
A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green production	55
A1.5	Description of measures to mitigate emissions and results achieved	Green production	34
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Green production	38
<b>A2</b>	<b>Use of resources</b>	Green production	
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Green production	55
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Green production	55
A2.3	Description of energy use efficiency initiatives and results achieved	Green production	28
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Green production	41
A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	Green production	56

## HKEX ESG GUIDE CONTENT INDEX

Aspect	Disclosures	Reporting chapter	Pages
A3	<b>The environment and natural resources</b>	Green production	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Green production	28, 31, 34, 37, 41
<b>B.</b>	<b>Social</b>		
B1	<b>Employment</b>	People first	
B1.1	Total workforce by gender, employment type, age group and geographical region	People first	59
B1.2	Employee turnover rate by gender, age group and geographical region	People first	59
B2	<b>Health and safety</b>	Sustainable Operations	
B2.1	Number and rate of work-related fatalities	Sustainable Operations	59
B2.2	Lost days due to work injury	Sustainable Operations	59
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Sustainable Operations	13, 47
B3	<b>Development and training</b>	People first	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	People first	60
B3.2	The average training hours completed per employee by gender and employee category	People first	60
B4	<b>Labor standards</b>	People first	
B4.1	Description of measures to review employment practices to avoid child and forced labor	People first	48
B4.2	Description of steps taken to eliminate such practices when discovered	People first	48

## Chapter 10 Appendix

### HKEX ESG GUIDE CONTENT INDEX

Aspect	Disclosures	Reporting chapter	Pages
B5	<b>Supply chain management</b>	Sustainable Operations	
B5.1	Number of suppliers by geographical region	Sustainable Operations	61
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Sustainable Operations	23
B6	<b>Product responsibility</b>	Sustainable Operations	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Sustainable Operations	60
B6.2	Number of products and service related complaints received and how they are dealt with	Sustainable Operations	25
B6.3	Description of practices relating to observing and protecting intellectual property rights	Sustainable Operations	27
B6.4	Description of quality assurance process and recall procedures	Sustainable Operations	25
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Sustainable Operations	26
B7	<b>Anti-corruption</b>	Sustainable Operations	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Sustainable Operations	25
B8	<b>Community investment</b>	Give back to the society with love	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Give back to the society with love	52
B8.2	Resources contributed (e.g. money or time) to the focus area	Give back to the society with love	61

## TABLE 3: POSTSCRIPT

In view of the scale, staff number and revenue distribution of the Company and its affiliated entities, according to the principle of importance, the entities covered in this report are FIT, which refers to FIT located in Mainland China, Taiwan and Vietnam, as well as operating entities in the United States and Singapore, Belkin International, Inc. and its subsidiaries and FIT CHB Holdco, Inc. and its subsidiaries, which are the following corporate entities respectively:

- Foxconn Electronics Industry Development (Kunshan) Co., Ltd.
- Foxconn (Kunshan) Computer Connectors Company Limited
- Fuding Precision Components (Shenzhen) Company Limited
- Fuding Precision Industrial (Zhengzhou) Company Limited
- Fumeng Electronics Technology (Heze) Company Limited
- Fuyu Electronics Technology (Huai'an) Company Limited
- Chongqing Hongteng Technology Company Limited
- XingFox Energy Technology Co., Ltd.
- New Wing Interconnect Technology (Bac Giang) Co., Ltd.
- FIT Electronics, Inc.
- Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.
- Foxconn Interconnect Technology (USA), Inc.
- Foxconn Optical Interconnect Technologies Inc.
- Belkin International, Inc. and its subsidiaries.
- FIT CHB Holdco, Inc. and its subsidiaries.