

FIH[®] 富智康[®]

FIH Mobile Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2038

Environmental, Social and
Governance Report

2021



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Environmental, Social and Governance Report

ABOUT THE ESG REPORT — REPORTING STANDARD AND SCOPE

This Environmental, Social and Governance (“ESG”) Report highlights the stance and various efforts of FIH Mobile Limited (“Company”) and its subsidiaries (together with the Company, collectively, “Group”) in ensuring the sustainability of the Group’s overall business unit/group operations. It has been prepared in accordance with the ESG Reporting Guide set out in Appendix 27 (“ESG Guide”) to the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). The scope of this ESG Report covers the Group for the period from 1 January 2021 to 31 December 2021 (“Reporting Period”). This ESG Report aims to provide a balanced presentation of the Group’s ESG policies and performance during the Reporting Period. In particular, the selected contents aim to reflect the impacts of the identified and validated material ESG factors and aspects as well as the Group’s initiatives and efforts in addressing and tackling these impacts. Aligned with the ESG Guide, the Group’s ESG management approach and strategy are described in the “Sustainability Governance” section below. In this ESG Report, the quantitative data provided for the social key performance indicators (“KPIs”) are based on the Group’s global operations, whereas the quantitative data provided for the environmental KPIs as well as relevant laws and regulations that have a significant impact on the Group are based on the Group’s operations in Mainland China (“PRC”), India and Vietnam (collectively, “Environmental Reporting Boundary”), which are considered (in terms of the scale of businesses and operations as well as the number of employees, factory units and office units) to reflect the comparatively significant ESG impacts of the Group’s overall business unit/group operations.

SUSTAINABILITY GOVERNANCE

The Group’s business strategy is firmly grounded on values of sustainable development as awareness of environmental and social issues arise on the global agenda. A sound governance system is essential to drive sustainable initiatives whilst taking into account the interests of all key stakeholders, internal and external, namely employees, customers, suppliers, the community, shareholders/investors and non-governmental organisations (“NGOs”).

As an active member of the Responsible Business Alliance (“RBA”), 鴻海精密工業股份有限公司 Hon Hai Precision Industry Company Limited (English name is for identification purposes only) as the ultimate controlling shareholder of the Company together with its subsidiaries and associates (collectively, “Hon Hai Technology Group”) is dedicated to fulfilling its responsibilities as a good corporate citizen and a global industry leader and to integrating good governance practices in all aspects of its operations. As a member of the Hon Hai Technology Group, the Group’s operations are guided by the Hon Hai Technology Group’s Corporate Social Responsibility (“CSR”) Global Code of Conduct Policy (“CSR Code”)ⁱⁱ, which sets out the Group’s standards relating to ethics, labour and human rights, health and safety, environment, management systems, responsible sourcing of minerals, anti-corruption as well as anti-trafficked and forced labour.

Compliance with the CSR Code is monitored by the Hon Hai Technology Group’s Global CSR Committee and, in relation to the Group, the Company’s Chief Executive Officer and his delegates (currently the Company’s head of human resources and her designated CSR team). Each year, they conduct evaluations and audits against the Group’s operations.

ⁱ Please refer to the version effective from 1 January 2022 onwards.

ⁱⁱ The CSR Code is presented in the Hon Hai Technology Group’s website. Please click this [weblink](#) for more information.

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The Company's Board of Directors ("Board") has overall responsibility for the Group's system of internal controls and enterprise risk management ("ERM") and reviewing its effectiveness and (as to the ESG aspect) for the Group's ESG-related strategy and reporting, and in particular, evaluating and determining the nature and extent of the risks (including ESG-related risks) it is willing to take in achieving the Group's business and strategic objectives (including, as to the ESG aspect, implementing the Group's ESG-related strategy and reporting), ensuring that an adequate and effective system of internal controls and ERM is in place within the Group. In particular, the Board oversees the Group's management in the context of the Group's ERM and internal controlsⁱⁱⁱ ("Designated Management") in (among other things) the design, implementation and monitoring of the internal control and ERM system on an on-going basis, so that (among other things) the Group's business and strategic objectives (including, as to the ESG aspect, implementation of the ESG-related strategy and reporting) can be achieved and risks (including ESG-related risks) associated can be identified, evaluated, managed and mitigated at an acceptable level. In addition, the Group's ERM team^{iv} ("ERM Team", together with the Designated Management, collectively constituting the Company's ESG working group) will regularly review risk assessment reports (which cover, among other things, review of progress on ESG-related goals and targets) to ensure the adequacy of action plans and appropriate business processes or control systems to manage the Group's risks, including ESG-related risks. All the risk assessment results will be consolidated in a Group-level risk assessment report to the Company's Chief Financial Officer who will then represent the Designated Management and report on an annual basis the operational adequacy and continuing effectiveness of the internal control and ERM system (including the relevant ERM matters which cover, among other things, ESG-related issues and factors, if any) to the Company's audit committee (which is discharging the Board's responsibility of overseeing and evaluating the adequacy and continuing effectiveness of the Group's internal control and ERM system as delegated by the Board). For more details about the Group's ESG-related risk management and internal control systems, please refer to "Accountability and Audit" set out in the Corporate Governance Report, which forms part of the Company's 2021 Annual Report as issued and published simultaneously upon the issuance and publication of this ESG Report. For more details about the Group's corporate governance practices, please refer to the aforesaid Corporate Governance Report.

STAKEHOLDER ENGAGEMENT AND PEER BENCHMARKING

In preparation for this ESG Report, an independent consultant was commissioned to conduct a stakeholder engagement exercise with the aim of understanding stakeholders' views on the Group's initiatives, performance and future strategies in relation to ESG issues. In 2021, an online survey was distributed to a group of key external and internal stakeholders (including customers, suppliers, NGOs and employees) of the Group to gather views and suggestions on various ESG issues. The stakeholders were also invited to rank the importance of ESG topics and express their views and expectations on the Group's ESG performance. In addition, the independent consultant reviewed the ESG disclosures of the Group's major local and international industry peer companies which gave an indication of the most relevant industry-related ESG issues and KPIs for the Group.

iii The Designated Management comprises the Company's Chairman/Acting Chairman, Chief Executive Officer, Chief Financial Officer and Chief Operating Officer as well as the Group's business heads of its major factories in the PRC, India, Vietnam and the United States of America, who collectively as a body is designated for the purpose of assisting the Board with the Group's overall policies on ERM and internal controls.

iv The ERM Team comprises the Company's heads/leaders of human resources, supply chain services, product safety, security and liability, quality and reliability, manufacturing and corporate engineering, finance, legal, information technology, strategic planning, investment management, sales and collection management, environment and health and safety departments/divisions, who collectively as a body represents key functions of the Group for monitoring and execution of the ERM processes in accordance with the enterprise risk assessment and management planning operation procedures, which set out (among other things) the enterprise risk assessment and management principles and procedures, the quantifiable assessment standards and evaluations, the respective roles and responsibilities of the ERM Team and the supporting divisions and handling officers at the headquarters and business unit levels as well as the ERM system operation details.

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MATERIALITY ASSESSMENT

According to the ESG Guide, a listed issuer is encouraged to identify and disclose information on ESG issues that are “material” to its operations where materiality is defined as the threshold at which ESG issues determined by the Board are sufficiently important to stakeholders that they should be reported. To determine material ESG issues for disclosure in this ESG Report, a three-step materiality assessment was conducted by the independent consultant.

- **Step 1: Identification**

The independent consultant reviewed the ESG disclosures of the Group’s major local and international industry peer companies which gave an indication of the most relevant industry-related ESG issues and KPIs for the Group. A group of key external and internal stakeholders of the Group were also invited to complete an online survey to rank the importance of ESG issues and KPIs in respect of the Group’s businesses and operations.

- **Step 2: Prioritisation**

Results from step 1 were consolidated, analysed and assessed by the independent consultant to identify a prioritised list of potentially material ESG issues and KPIs for the Group.

- **Step 3: Validation**

Validation of the potentially material ESG issues and KPIs as per the prioritised list was conducted by the Group’s Chief Internal Auditor with the Designated Management and the ERM Team respectively to come up with a final list of material ESG issues and KPIs after having taken into account their relative relevance in relation to the Group’s operations. The validation results as represented in the final list of material ESG issues and KPIs were communicated to, and then considered and approved by, the Board.

A consolidated list of material disclosures and KPIs are included in the HKEX ESG Guide Content Index which can be found at the end of this ESG Report.

ENVIRONMENTAL STEWARDSHIP

Environmental sustainability is a top priority for the Group. The Group has put in place a systematic approach towards integrating green and sustainable practices in its operations, implementing measures in the areas of environmentally-friendly product design, greenhouse gas (“GHG”) emission reduction, process management, energy and resource management and supply chain management to minimise the negative impact of the Group’s operations on the environment and natural resources, with the aim of attaining the international standards laid down by the ISO14001 environmental management system and the European Eco-Management and Audit Scheme.

In this connection, the Group actively monitors the following principal areas: energy management and GHG emission reduction, air pollution control, water treatment and utilisation and waste management, to ensure that the Group’s operations comply with the CSR Code towards achieving environmental sustainability. As a result of the Group’s efforts, all of the Group’s manufacturing plants in the PRC, India and Vietnam have attained the ISO14001 environmental management system. In particular, environmental protection facilities in the Group’s manufacturing plants have been periodically upgraded, enhancing the processing and management capacity of wastewater, air emissions, general waste and recycled materials.

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Energy Management and Greenhouse Gas Emission Reduction

The Group works to achieve the Hon Hai Technology Group's global energy-efficiency goals, which are set annually and communicated to its business units/groups. In furtherance of the Group's efforts to enhance its efficient use of resources, the Group has set the target to reduce the Environmental Reporting Boundary's electricity consumption and GHG emissions respectively (based on intensity value, rather than absolute value) by 2% year-on-year by 31 December 2022. The attainment of these goals and targets is facilitated by the continuous operation of the Group's policies, systems and measures, including the following: the implementation and maintenance of the ISO50001 energy management system which drives progress using the model of continual improvement; the Group monitors, reviews and evaluates the energy use of each business unit/group and rewards top performers; by leveraging a range of energy-saving and GHG emission reduction technologies, the Group actively promotes energy efficiency management and renewable energy utilisation and hence corresponding GHG emission reduction.

While all lighting and air conditioning systems adhere to high energy efficiency and GHG emission reduction standards, the Group is also adopting a phased approach to replace existing equipment with energy-saving and GHG emission reduction models. During the Reporting Period, major technology upgrades have been made in certain production facilities in Beijing, Guiyang, Langfang and Longhua, the PRC, each of which obtained the ISO50001 energy management system certification, including the introduction of a variety of energy-saving and GHG emission reduction equipment such as light steam engines and energy-efficient air guns as well as other technology upgrades. The Group's continual efforts resulted in reduction of energy consumption and GHG emissions during the Reporting Period as more particularly described as follows:

Energy-saving and GHG Emission Reduction Initiatives	Results Achieved	
	Energy Saved	GHG Emissions Mitigated
Adopted light steam engines in place of conventional steam pipelines to produce steam	Reduced 621,000 tonnes of natural gas	N/A
Replaced obsolete lights with LED (light-emitting diode) light fixtures (in pursuit of greater energy efficiency)	Saved 604,000 kWh ^v	529 tonnes of CO ₂ e ^{vi}
Upgraded air conditioners, air handling units and ancillary water pumps	Saved 1,390,000 kWh	1,218 tonnes of CO ₂ e
Installed industrial curtains at the entrances of production facilities	Saved 210,000 kWh	184 tonnes of CO ₂ e
Installed solar photovoltaic panels to utilise renewable energy	Saved 64,471 kWh	58 tonnes of CO ₂ e
Procured energy-efficient air guns in place of conventional air guns	Reduced 1,050,000 m ³ vii of compressed air usage	N/A

v kWh: Kilowatt hour.

vi CO₂e: Carbon dioxide equivalent, a metric measure used to compare emissions from various greenhouse gases.

vii m³: Cubic metre.

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Apart from consciously enhancing energy efficiency management and GHG emission reduction within the Group, the Group also contributes to the Hon Hai Technology Group's GHG emission reduction efforts by working continuously with suppliers on GHG emission reduction measures. In particular, suppliers are required to adhere to the Group's GHG emission reduction policies and establish systems, at the organisational and product levels, to monitor GHG emissions. Please see the "The Group's Value Chain — Supply Chain Management" and "The Group's Value Chain — Sustainable Product Management" sections below for more details on the Group's supplier green product management.

Air Pollution Control

The Group's operations do not have material impact on the environment from air emissions during the Reporting Period. The Group closely controls and monitors any air pollutants which may be generated during the manufacturing and transportation processes. The functioning of air pollutant emission systems is also under routine examination. Please refer to the Performance Data Table for the data on the Group's air emissions.

Water Treatment and Utilisation

In furtherance of the Group's efforts to enhance its efficient use of resources, the Group has set the target to reduce the Environmental Reporting Boundary's water consumption (based on intensity value, rather than absolute value) by 6% year-on-year by 31 December 2022. The attainment of this target is facilitated by the continuous operation of the Group's policies, systems and measures, including the following: the Group actively promotes the reduction and reuse of wastewater and adopts the use of reclaimed water throughout its production lines in order to reduce the impact of manufacturing on the environment; the Group strictly complies with local laws and regulations regarding wastewater discharge; wastewater is closely monitored and controlled before discharge; the functioning of wastewater handling systems is also under routine examination; industrial wastewater is treated with a vacuum distillation system; the Group is committed to conserving water resources through the on-going optimisation of production processes. During the Reporting Period, up to an average of 550 m³ of wastewater discharge per month was reduced.

Also, at certain facilities in Langfang, the PRC, aside from installing water-saving devices such as smart sensors and water efficient taps, discharge from cooling towers is treated by reverse osmosis and reused for flushing purposes. Greywater is also collected, treated and reused for flushing at dormitories. As a result, during the Reporting Period, a total of 46,500 m³ of greywater were reused, and the Group's systems had the capacity to produce an average of 550 to 700 m³ of reusable water per day.

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Waste Management

The Group's solid waste management guidelines provide directions on how to differentiate, control, reduce, dispose of, transport, store and recycle solid waste as well as chemicals and hazardous materials. All relevant waste is treated and disposed of in compliance with relevant environmental laws and regulations. In particular, the Group strictly complies with local laws and regulations regarding sludge disposal, and only engages collectors licensed by the local authorities for the collection of sludge, and also utilises sludge drying to reduce outsourced sludge collection costs. As a result of the sludge treatment, the weight of the sludge disposed of in the landfill during the Reporting Period was reduced by 796 tonnes. In addition, the Group works to maximise waste recycling, and leverages design and technology to transform waste into usable resource inputs. To avoid the unnecessary generation of waste, old wooden and plastic pallets were collected, cleaned and reused at the Group's production facilities in Langfang, the PRC and Vietnam. During the Reporting Period, instead of disposal, 893,668 kg^{viii} of wooden pallets and 103,860 kg of plastic pallets were reused. In an endeavour to demonstrate leadership in driving circular economy, the Group has set the target to convert at least 1,000 tonnes of the Environmental Reporting Boundary's food waste through a waste-to-energy process to generate biogas by 31 December 2022. The attainment of this target is facilitated by the continuous operation of the Group's policies, systems and measures, including the foregoing, particularly the treatment of food waste collected from kitchens and dining halls of the Group's factories.

Environmental Permits and Reporting

The Group complies with relevant laws and regulations in obtaining, maintaining and renewing the requisite environmental permits and with the requirements on the use and reporting relating to relevant permits.

Recycled Materials

The Group actively promotes the use of environmentally-friendly materials and has conducted research to develop and design environmentally-friendly products that are sustainable. The Group's efforts in the recycling of waste and the use of renewable materials not only create economic benefits, but also effectively utilise resources and hence reduce the environmental impact. The Group generally utilises packaging materials (using materials such as paper and plastic) for finished products in accordance with its customers' specific instructions and requirements, where the volume of packaging materials corresponds with the volume of finished products of its customers (particularly major customers) and hence revealed (indirectly one way or the other) commercially sensitive information of the Group and its customers. Accordingly, specific information on types and volume of materials used represents commercially sensitive information of the Group and its customers. Notwithstanding this, the Group strives to reduce the environmental impacts of packaging materials by actively engaging and collaborating with its suppliers and customers.

Product Content Restrictions

The Group complies with relevant laws and regulations as well as the instructions of its customers regarding the non-use of restricted or hazardous substances as well as the recycling and processing of relevant wastes.

viii kg: Kilogram.

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Employee Awareness

The Group actively pursues a variety of environmental activities to raise employee awareness of environmental conservation, and to educate and increase the engagement of employees in doing their part to protect the environment.

Compliance with Relevant Laws and Regulations

The Group operates in compliance with relevant laws and regulations that have a significant impact on the Group relating to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. To ensure continued compliance, the Group has adopted a “Law Identification Procedure”, an internal evaluation and audit of compliance with relevant environmental laws and regulations. Please refer to the “Relevant Laws and Regulations” section below for more details.

HUMAN CAPITAL — THE GROUP’S GREATEST ASSET

Employees are the Group’s most important assets, and the Group is fully committed to continuing to provide employees with an industry-leading working environment, and protecting the rights and interests of its employees, with the aim of attaining the standards prescribed by the United Nations’ Declaration of Human Rights, the RBA, the International Labour Organisation, and the Ethical Trading Initiative as well as the requirements laid down by relevant local laws and regulations.

As at 31 December 2021, the Group had a total of 73,993 (31 December 2020: 70,381) employees. Please refer to the Performance Data Table for more details. Total staff costs incurred during the Reporting Period amounted to US\$444 million (full-year 2020: US\$476 million).

Recruitment and Dismissal

The Group appreciates the need for diversity in the workforce, and recruits employees using an unbiased screening process while maintaining respect for the rights and confidentiality of applicants. In accordance with relevant laws and regulations, the employment of child workers is strictly prohibited, and that of underage workers is highly restricted by the Group. In relation to the Group’s operations in the PRC, the Group has adopted the identity authentication system of the PRC Public Security Bureau as part of the Group’s procedures to identify and restrict child workers. Additionally, the Group requires all job applicants to provide proof of age to ensure compliance with relevant laws and regulations. Forced labour (including, but not limited to, prison, indentured, and bonded labour) is strictly prohibited by the Group. In this respect, a whistle-blowing system is in place for employees to report on any suspected child and forced labour cases. If such cases are discovered and confirmed after investigation, the Group will pursue appropriate actions, including but not limited to initiating disciplinary actions, commencing legal proceedings and/or reporting to appropriate governmental/regulatory authorities. Furthermore, training is provided regularly to the Group’s staff who are responsible for recruitment to ensure compliance with relevant laws and regulations. The Group respects employees’ human rights and prevents any actions that inhibit freedom such as the retention of employees’ identity cards and passports, impounding wages, restriction on the time in and out of factories, and forced overtime. Self-evaluations are conducted regularly to ensure compliance with relevant laws and regulations and customers’ contractual requirements related to the Group’s operations.

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Pursuant to the Group's employment contracts and policies applicable to its employees generally, the Group reserves the right to terminate such employment contracts in compliance with the corresponding governing laws if (among other things) such employees breach the material employment terms and conditions (such as their breach of anti-corruption, fraud, extortion or money-laundering obligations) or violate applicable local laws and regulations giving rise to criminal convictions.

Employee Wages and Benefits

The Group offers a comprehensive and competitive remuneration policy, which is reviewed by the management on a regular basis. In general, the Group's merit-based remuneration policy rewards its employees for good performance, contributions and productivity. The Group treats all employees equally and fairly, and evaluates employee performance (including determining promotions and wage increments) objectively based on merit, ability and competence. To encourage employee retention, the Group has implemented annual bonuses, time-based/performance-based incentives and other incentive programmes. In particular, the Company has adopted a share scheme and a share option scheme, respectively, as described in the Report of the Directors which forms part of the Company's 2021 Annual Report, pursuant to which (among other things) the Board (or its duly authorised officer(s) or delegate(s)) may, at its/their absolute discretion, offer share awards or share options (as the case may be) to the eligible employees of the Group and other eligible persons upon and subject to the respective terms and conditions set out therein. The share option scheme complies with the requirements of Chapter 17 of the Listing Rules. In addition, the Company has obtained approval from the Company's shareholders at its annual general meeting held on 28 May 2021 for the implementation and operation of two share option schemes of its subsidiaries, namely Mobile Drive Technology Co., Ltd. and Bharat FIH Limited (formerly known as Rising Stars Mobile India Private Limited and then Bharat FIH Private Limited). For more details, please refer to the aforesaid Report of the Directors. The Group has also introduced non-monetary rewards (including housing incentives) for employees with exceptional performance and contributions. Employees also enjoy insurance coverage provided by the Group. For more details, please refer to the aforesaid Report of the Directors.

Emoluments to Directors

The emoluments payable to the directors of the Company are determined by the Board from time to time with reference to the Company's performance, their duties and responsibilities with the Company, their contributions to the Company and the prevailing market practice as well as the recommendations from the Company's remuneration committee.

Training and Development

Employees are appraised on an annual basis in order to assess performance and arrange specific on-the-job training to further their growth and development. Based on the Group's operational needs and business goals, the Group evaluates and explores the needs of its employees through systematic and professional means so as to formulate suitable talent development plans and educational courses for employees. The Group provides on-going training on various areas such as occupational safety, regulations, technical skills, management skills and social and environmental responsibility in order to enhance employees' knowledge and performance. In addition, a number of employees participate in relevant continuous development activities through different means as appropriate, including but not limited to attending briefings and/or training sessions and/or reading materials relating to a

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variety of subject matters such as the Group's business operations, general economy and business, manufacturing or technology industry, and applicable legal and regulatory requirements. Please refer to the Performance Data Table for more details. In particular, as to the Company's continuing connected transactions ("CCTs"), the Company's Chief Financial Officer and the Group's accounting departments under his supervision have implemented the Group's CCTs policy. In addition, the Group's accounting departments have been organising training sessions for the Group's relevant employees who are and will be involved in CCTs-related work (including the accounting departments of the Company's subsidiaries in different jurisdictions) to provide information on the background of the CCTs, the CCTs categorisation, the applicable regulatory and related compliance requirements laid down by the Listing Rules, such employees' respective CCTs-related roles and responsibilities and updates on the CCTs policy (if any). During the Reporting Period, 2 CCTs training sessions were organised for a total of more than 72 participating employees. Moreover, please see the "The Group's Value Chain — Anti-corruption and Whistle-blowing Policies" section below for anti-corruption training provided to directors, officers and employees.

Anti-discrimination

The Group is an equal opportunity employer and its employment policies require that recruitment, promotion, performance evaluation, wages assessment, training opportunities and retirement must be people-oriented, lawful, fair and without discrimination based on (among other things) gender, age, nationality, race, religion, family status, political affiliation, disability, sexual orientation and union membership. The Group also promotes diversity in the workplace. In particular, the Group is committed to protecting female employees' rights and health, especially in terms of maternity and pregnancy. All female workers are entitled to a set of maternity benefits, including paid maternity leave and breast-feeding breaks.

Occupational Safety and Health

The Group abides by the "safety first" policy. Its focus is to deploy proactive and preventive measures in order to eliminate and reduce occupational risks and to provide a healthy and safe working environment for its employees. Safe and sustainable operations are the cornerstone of corporate growth and a fundamental principle in its approach towards the well-being of its employees. The Group has established and maintained an advanced detection and monitoring system, implemented control and prevention mechanisms, and conducted regular safety inspections to continuously eliminate and prevent any workplace hazards. Seminars on health and safety are organised to reinforce employee awareness of safety policies and capabilities in handling machinery and hazardous materials. For the protection of front-line employees, the Group proactively introduces safety equipment such as on-site industrial ventilation systems and "Emergency Eyewash". The Group also regularly identifies potential occupational health and safety risks through third-party audits. In addition, the Group provides facilities for complimentary health checks for its employees.

The Group has been investing in the automation of various manufacturing tasks associated with its operations to improve industrial safety and occupational hygiene. Across all of its facilities, the Group has continued to leverage automation and other innovative manufacturing technologies to replace high-risk or repetitive tasks and enable its employees to focus on high value-added elements in the manufacturing process. The Group continuously assesses potential occupational health and safety risks associated with the manufacturing process of new products to identify relevant preventive measures and procedures to safeguard employees' health and safety.

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The Group's employee health and safety policies and standards comply with relevant international and local laws and regulations, including the requirements under the ISO45001 (an international occupational health and safety management system), and the SA8000 (an auditable social certification standard for workplaces across all industrial sectors), which also includes guidelines on working hours and rest periods. In particular, the working hours and rest periods (or overtime pay and/or paid holidays in lieu) of the Group's employees follow the labour standards suggested in the RBA Code of Conduct and comply with applicable local laws and regulations. Working time arrangements are effectively managed to promote work-life balance among the Group's employees. Please refer to the Performance Data Table for more details.

Moreover, at the level of the Hon Hai Technology Group, a group collective agreement signed by its labour union (comprising, among others, the Group's labour union) covers (among other things) the protection of employee health and safety rights and the enhancement of health and safety management at all factories.

Care for Employees

The Group considers a steady and harmonious labour relationship to be the foundation for a sustainable development of an enterprise. In order to achieve and enhance such a relationship, the Group has continuously invested in improving the infrastructure of manufacturing plants and the dormitory environment for employees. Recreational facilities provided to the employees include integrated sports stadiums, basketball courts, swimming pools, libraries, parks, gymnasiums, banking, and retail facilities to support a healthy lifestyle and promote work-life balance among employees. In September 2021, the labour union of the Group's industrial park in Langfang, the PRC organised several activities for employees who have provided long services to the Group in commendation for their long-term commitments and contributions to the Group.

Employees are encouraged to participate in various cultural, entertainment and sport activities organised by the Group according to their individual interests. There are also regular volunteer activities such as blood donation, tree planting and visits to the underprivileged for employees to contribute to their local communities.

Compliance with Relevant Laws and Regulations

The Group operates in compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare including maternity and paternity leave, safe working environment, protecting employees from occupational hazards, and preventing child and forced labour. To ensure continued compliance, the Group has implemented a "Law Identification Procedure", an internal evaluation and audit of compliance with relevant laws and regulations including those related to occupational health and safety and labour. Please refer to the "Relevant Laws and Regulations" section below for more details.

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THE GROUP'S VALUE CHAIN

Supply Chain Management

The Group requires its Procurement Division and all of its over 3,000 suppliers to comply with the Group's social and environmental responsibility guidelines and to adhere to and implement the following policies:

- Prohibit corruption, fraud, extortion, money-laundering, discrimination, unfair or non-competitive practices throughout the procurement process by signing a letter of undertaking that they will adhere to the principles of fair competition and transparency; and
- Prohibit discrimination based on country of origin, race, culture or politics, among other things, in the supplier verification, evaluation and optimisation process.

As part of its supplier verification process, the Group conducts CSR risk assessments of new suppliers on five key areas (including product quality, green products, social and environmental responsibility, commodity and financial health) on an annual basis along with continuous on-site supplier audits. For the Group's existing suppliers, they are required to have a sustainable and hazardous materials and product management system in place, with third-party certification, so that they can observe sustainable supply chain practices and implement such practices throughout the value chain from product sourcing to risk management and auditing.

A progressive grading approach is adopted via a Scorecard Platform, in which points are awarded or deducted based on performance in order to motivate suppliers to take actions to improve their standards to fulfil the Group's requirements. Based on their performance, suppliers are included in the Group's "Approved Supplier List", "Preferred Supplier List" and "Rejected Supplier List", which are updated periodically.

All suppliers are required to live up to the CSR Code, and the CSR performance of suppliers is a fundamental criterion in the Group's selection process. The Group maintains a supplier CSR management system platform that follows the RBA management model which encompasses four phases in the management of suppliers, namely introduction, assessment, verification and continuous improvement.

To ensure that the Group's suppliers observe sustainable supply chain practices and to support them in the implementation of such practices throughout the value chain, the Group incorporates a list of environmental criteria into its procurement standards, including low GHG and energy consumption, a high level of recyclability, and green logistics. Suppliers are also required to sign a declaration form committing themselves to adherence to the social, environmental and ethical standards set out in the RBA Code of Conduct, the Hon Hai Technology Group's Standards of Environmental Protection Technology and the Garmin Conflict Minerals Statement.

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Sustainable Product Management

The Group's commitment to sustainability can be seen across its entire supply chain, from product design to material sourcing and procurement measures. The Group has set up specialised divisions to study the environmental requirements of regulators, customers, industry and other key stakeholders, including compliance with the "Product Quality Law of the People's Republic of China", the European Union's "Restriction on Hazardous Substances Directive" (RoHS) and the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation, restrictions on the use of conflict minerals as well as Halogen-Free (HF) certifications and GHG emission reduction expectations. The results of these efforts are translated into actionable internal measures that can be integrated and applied within the Group's operations.

Under the Design for Environment programme set up by the Hon Hai Technology Group, the Group integrates the five key principles — environmentally friendly, energy and resource efficiency and reduction, recyclability, and ergonomics — into its product design process. The Group requires suppliers to ensure that downstream suppliers fulfil obligatory requirements in order to restrict the use of toxic and hazardous substances, encourage the deployment of GHG emission reduction solutions and other environmentally-friendly practices, and bolster capabilities in making eco-friendly products. It also monitors all aspects of the operations process via systematic platforms to ensure alignment with sustainability such as using recyclable materials wherever possible. If the Group's customers suspect any environmentally-abnormal substances/materials in the products, the Group will immediately upon notification initiate its recall procedures which provide for (among other things) the segregation of the suspected products, inventory and substances/materials for further investigations.

The Group adheres to international standards and governmental and non-governmental regulations on conflict minerals. The Group does not accept, and does not use, conflict minerals in its operations. The Group requires suppliers to trace the origin of products potentially containing conflict minerals, including gold (Au), tantalum (Ta), tin (Sn) and tungsten (W), and to provide all relevant information regarding the sources of those minerals to the Group. In addition, the Group's downstream suppliers are required to fulfil their due diligence on conflict-free minerals pursuant to relevant international standards and regulations. As a member of the Hon Hai Technology Group, the Group also follows the Hon Hai Technology Group's approach to responsible mineral procurement management and its details could be found in the "Supply Chain Management" Section of the Hon Hai Technology Group's Corporate Sustainability Report 2020 — please click this [weblink](#).

Labelling and Advertising

The Group provides packaging and product information labelling services in compliance with its customers' respective instructions and applicable laws and regulations of the relevant exporting and importing jurisdictions, particularly enabling its customers to trace relevant manufacturing plants for product-return or other product-related enquiries. Since the Group does not sell its products to end consumers directly, the Group needs not promote its products and services by advertising, whereas product advertising activities are conducted by the Group's customers.

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Data Privacy

During its operations, personal data from the Group's key stakeholders such as suppliers, customers and employees are collected from time to time for different purposes. The Group recognises its responsibilities and strictly complies with relevant laws and regulations in relation to the collection, holding, processing, use, transfer and disposal of such data. Personal data are collected only for lawful and relevant purposes, and appropriate steps are taken to ensure that personal data held by the Group are accurate.

The Group strives to protect personal data from unauthorised access and abuse. Its employees are contractually responsible for safeguarding any confidential or sensitive information to which they have had access during their employment.

Intellectual Property Rights

The Group has depended in part on its ability to provide its customers with technologically sophisticated manufacturing and production processes and innovative mechanical product designs and developments, and accordingly, has been protecting its and its customers' respective intellectual property rights ("IPR").

The Group respects IPR and strives to ensure that the products and services it provides do not involve any act of IPR infringement. The Group's policy on IPR protection stipulates that employees are prohibited from revealing any protected information, known or managed, to competitors or any third parties without the direct authorisation by the disclosing party. The policy also clearly prohibits infringement through copying or cribbing, whether directly or indirectly, of the intellectual property and trade secrets of the Group, stakeholders or third parties. Incorporated within the policy are procedures for the investigation of possible violations, and review by the Group's legal department to decide on the appropriate legal actions.

Customer Complaint Handling Procedures

The Group highly values feedback received from customers regarding its product and service qualities. The Group has established customer complaint handling procedures to respond to product-related and service-related complaints in a systematic manner. Once the factory/business units receive complaints from customers, they will verify the complaint information followed by a check on the production process to investigate into the circumstances underlying and leading to the complaint. If the complaint is evidenced to be valid, the factory/business units will propose remedial measures to customers and conduct performance tracking. After customer complaint cases are closed, the cases are filed for record tracking and continuous enhancement purposes. During the Reporting Period, the Group did not receive any product-related and/or service-related complaints.

Anti-corruption and Whistle-blowing Policies

The Group upholds a corporate culture of integrity and management with dignity and expects all of its directors, officers and employees to observe high standards of ethical behaviour. It is committed to full compliance with applicable national and international anti-corruption, anti-bribery, anti-extortion and anti-money-laundering laws and regulations. The code of conduct and the code of ethics administering appropriate and prohibited individual behaviour within the Group are implemented and apply to its directors, officers and employees by way of policies, rules and principles. In relation to anti-

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corruption, the Group's "Anti-Corruption Code of Conduct" describes the types of conduct which are strictly prohibited and clearly informs all its directors, officers and employees that they are required to abide by this Code. To keep its directors, officers and employees^{ix} abreast of the Group's latest anti-corruption policies and measures, the Group distributes relevant refreshers and updates as well as the related information and materials to its directors, officers and employees on a regular basis. During the Reporting Period, the anti-corruption training provided to directors, officers and employees covered topics including CSR regulations, types of misconduct, definition of bribery, individual liabilities and consequences of bribery as well as an overview of the Group's whistle-blowing policies. In addition, the Group requires (as a prerequisite to the establishment of business relationship) its suppliers and customers to strictly enforce high standards of anti-corruption.

The Group has an internal audit function that is under the supervision and management of the Group's Chief Internal Auditor to handle investigation in relation to any allegations of improper business conduct and bribery according to the Group's whistle-blowing policies and the related procedures as described below. The Group's internal audit function independently reviews the risks associated with and internal controls of the Group over various operations and activities and evaluates their overall adequacy, effectiveness and compliance with the Group's policies, plans and procedures.

The Group has also established its whistle-blowing policies and the related procedures which apply to all members of staff and suppliers. Complaints concerning fraudulent acts, unethical acts or improper business conduct can be raised through established hotlines and other channels. Whistle-blower identities are protected without fear of reprisal, victimisation, subsequent discrimination or any other unfavourable prejudice. All complaints will be handled confidentially, timely, fairly and professionally by the Group's Chief Internal Auditor for further investigation and appropriate follow-up actions.

As a result, during the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Compliance with Relevant Laws and Regulations

The Group operates in compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided, methods of redress, bribery, extortion, fraud and money laundering. To ensure continued compliance, the Group has implemented a "Law Identification Procedure", an internal evaluation and audit of compliance with relevant laws and regulations including those related to anti-corruption, customer data protection and intellectual property rights. Please refer to the "Relevant Laws and Regulations" section below for more details.

ix Full-time employees only, exclusive of part-time/temporary employees.

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COMMUNITY CONTRIBUTION

The Group embraces a culture of sharing, contributing and giving back to the community. It actively participates in social and community-based programmes, including sponsoring and hosting philanthropic activities and volunteer programmes. As a responsible corporate citizen, the Group is committed to doing its part in creating an inclusive community, providing support to the underprivileged and promoting care and respect for people with disabilities.

The Group has, in the financial year ended 31 December 2021, made donations for charitable or other purposes to a total amount of approximately US\$614,000.

Caring for Underprivileged

The Group recognises that creating a caring environment is important for nurturing a supportive community. With this in mind, the Group organised and participated in activities which provided support to the underprivileged, particularly during the challenging times of the novel coronavirus (COVID-19) pandemic. In June and July 2021, the Group made financial and in-kind contributions, including food packs, healthcare products and other pandemic-fighting supplies, in support of a range of local governments' special relief measures in Vietnam and India.



Fushan Technology (Vietnam) Limited Liability Company (being a member of the Group) contributed VND (Vietnamese Dong) 700 million (roughly US\$30,378) to the national vaccine fund in Quê Võ, Vietnam

Donations to over 1,800 families affected by the COVID-19 pandemic in North Chennai, India



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Caring for People with Disabilities

The Group is dedicated to supporting different social segments in the communities that it serves. In July 2021, the Group partnered with the labour union of the Group's industrial park in Langfang, the PRC to organise a fitness walking activity specifically designed for its employees with disabilities. Through this caring programme, the Group continued to show appreciation and respects to people with disabilities who have formed an integral part of the Group's workforce, contributing to the operations of the Group and the development of the community.



Fitness walking activity in Langfang, the PRC

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PERFORMANCE DATA TABLE^{x xi}

HKEX Key Performance Indicators “KPIs”		Unit	Year 2021	Year 2020
A.	Environmental			
A1.1	The types of emissions and respective emissions data			
	Nitrogen oxides (NOx) emissions	kg	161.45	65.59
	Sulphur oxides (SOx) emissions	kg	5.37	2.28
	Particulate matter (PM) emissions	kg	11.00	4.83
A1.2	Greenhouse gas emissions in total and intensity			
	Direct (Scope 1) emissions	tonnes of CO ₂ e	29,150.76	25,570.39
	Energy indirect (Scope 2) emissions	tonnes of CO ₂ e	353,126.37	286,649.53
	— in total (Scope 1 and 2 emissions)	tonnes of CO ₂ e	382,277.13	312,219.92
	— in intensity (Scope 1 and 2 emissions)	tonnes of CO ₂ e/FTE ^{xii}	8.39	6.61
A1.3	Hazardous waste produced in total and intensity			
	Chemical waste — Sludge			
	— in total	tonnes	57,220.01	87,679.08
	— in intensity	tonnes/FTE	1.26	1.86
	Chemical waste — Waste oil			
	— in total	tonnes	2,706.80	4,985.58
	— in intensity	tonnes/FTE	0.06	0.11
	Fluorescent tubes			
	— in total	kg	2,449.00	220.00
	— in intensity	kg/FTE	0.054	0.005
	Medical waste			
	— in total	kg	125.70	70.50
	— in intensity	kg/FTE	0.003	0.001
	Other waste ^{xiii}			
	— in total	tonnes	96,548.84	152,835.18
	— in intensity	tonnes/FTE	2.12	3.24
	Packaging			
	— in total	tonnes	24,744.00	23,587.02
	— in intensity	tonnes/FTE	0.54	0.50

x As to the environmental KPIs, performance data are collected from the Group’s operations in the PRC, India and Vietnam, whereas as to the social KPIs, performance data are collected from the Group’s global operations.

xi The quantitative data were prepared on the basis of HKEX’s “How to Prepare an ESG Report”: [Appendix 2: Reporting Guidance on Environmental KPIs](#) and [Appendix 3: Reporting Guidance on Social KPIs](#) as issued and published in March 2020. Consistent methodologies have been adopted for the performance data calculations since the Company’s issue and publication on 12 April 2017 of its first ESG Report 2016 (forming part of the Company’s Annual Report 2016).

xii FTE: Full-time equivalent employees. The total number of full-time equivalent employees involved in the Group’s operations in the PRC, India and Vietnam as at 31 December 2021 is 45,582.

xiii Includes waste cloths, electronic waste, solvent, waste ink, cutting fluid, paint process wastewater, resin, acidic compounds and alkaline compounds.

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HKEX Key Performance Indicators “KPIs”		Unit	Year 2021	Year 2020
A1.4	Non-hazardous waste produced in total and intensity			
	General waste			
	— in total	tonnes	518,145.10	580,625.13
	— in intensity	tonnes/FTE	11.37	12.30
	Food waste			
	— in total	tonnes	482,034.65	27,648.25
	— in intensity	tonnes/FTE	10.58	0.59
	Wastewater			
	— in total	tonnes	1,309,815.10	1,253,690.09
	— in intensity	tonnes/FTE	28.74	26.55
	Materials recycled in total and intensity			
	Biodegradable waste			
	— in total	kg	0	368,490.00
	— in intensity	kg/FTE	0	7.80
	Metal			
	— in total	kg	1,924,064.00	1,964,829.00
	— in intensity	kg/FTE	42.21	41.61
	Mixed recycle			
	— in total	kg	2,137,223.67	4,475,200.00
	— in intensity	kg/FTE	46.89	94.77
	Nylon			
	— in total	kg	5,200.00	5,024.00
	— in intensity	kg/FTE	0.11	0.11
	Paper			
	— in total	kg	2,326,626.00	2,862,286.00
	— in intensity	kg/FTE	51.04	60.61
	Plastic			
	— in total	kg	4,295,816.00	2,350,800.05
	— in intensity	kg/FTE	94.24	49.78
	Wood			
	— in total	kg	1,140,650.00	1,202,020.00
	— in intensity	kg/FTE	25.02	25.45
	Materials reused in total and intensity			
	Plastic pallet			
	— in total	kg	103,860.00	139,000.00
	— in intensity	kg/FTE	2.28	2.94
	Wooden pallet			
	— in total	kg	893,668.00	451,620.00
	— in intensity	kg/FTE	19.61	9.56

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HKEX Key Performance Indicators “KPIs”		Unit	Year 2021	Year 2020
A2.1	Energy consumption by type in total and intensity			
	Purchased electricity			
	— in total	'000 kWh	412,877.47	338,989.08
	— in intensity	'000 kWh/FTE	9.06	7.18
	Fuel (Diesel, Petrol, LPG ^{xiv} , PNG ^{xv} and CNG ^{xvi})			
	— in total	'000 kWh	13,862,650.44	18,073,971.90
	— in intensity	'000 kWh/FTE	304.13	382.74
A2.2	Water consumption in total and intensity			
	— in total	m ³	4,386,921.00	3,116,261.00
	— in intensity	m ³ /FTE	96.24	65.99
B.	Social			
	Employment and Labour Practices^{xvii}			
B1.1^{xviii}	Total workforce by gender			
	Male	No. of people	41,486	34,214
	Female	No. of people	32,507	36,167
	Total workforce by employment type			
	Full-time	No. of people	47,091	50,394
	Part-time/temporary	No. of people	26,902	19,987
	Total workforce by age group			
	Under 30	No. of people	42,321	44,915
	30–50	No. of people	30,897	24,829
	Above 50	No. of people	775	637
	Total workforce by geographical region			
	<i>In alphabetical order</i>			
	Brazil	No. of people	5	5
	Hong Kong Special Administrative Region of the PRC	No. of people	9	9
	India	No. of people	14,995	18,578
	Mexico	No. of people	1,319	1,788
	PRC	No. of people	51,071	42,998
	Taiwan	No. of people	1,335	1,191
	The United States of America	No. of people	185	179
	Vietnam	No. of people	5,074	5,633

xiv LPG: Liquefied petroleum gas.

xv PNG: Piped natural gas.

xvi CNG: Compressed natural gas.

xvii Employees (who are/were in a direct employment relationship with the Group) only, exclusive of other categories of workers such as “contractors”, “interns”, “volunteers”, etc. No significant portion of the Group’s activities and operations was performed by workers who were not employees of the Group.

xviii The total workforce is presented as of 31 December 2021.

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HKEX Key Performance Indicators “KPIs”		Unit	Year 2021	Year 2020
B1.2^{xix}	Employee turnover rate by gender			
	Male	%	41.27	54.48
	Female	%	28.48	24.45
	Employee turnover rate by age group			
	Under 30	%	38.72	57.10
	30–50	%	31.75	21.63
	Above 50	%	23.61	0.19
	Employee turnover rate by geographical region			
	<i>In alphabetical order</i>			
	Brazil	%	0	0
	Hong Kong Special Administrative Region of the PRC	%	0	22.22
	India	%	7.14	2.58
	Mexico	%	134.19	96.87
	PRC	%	42.99	120.63
	Taiwan	%	12.06	8.82
	The United States of America	%	30.27	11.17
	Vietnam	%	27.00	23.84

^{xix} Full-time employees only, exclusive of part-time/temporary employees. Turnover includes voluntary resignation or retirement and termination due to dismissal or death.

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HKEX Key Performance Indicators “KPIs”	Unit	Year 2021	Year 2020	Year 2019
B2.1^{xx} Number and rate of work-related fatalities occurred in each of the past three years				
— By number	No. of people	0	4	3
— By rate	%	0	0.006	0.004
HKEX Key Performance Indicators “KPIs”	Unit	Year 2021	Year 2020	
B2.2^{xxi} Lost days due to work injury				
	Days	1,524.50	1,711.00	
B3.1^{xxii} The percentage of employees trained by gender				
Male	%	100	100	
Female	%	100	100	
The percentage of employees trained by employee category				
Senior Management	%	100	100	
Middle Management	%	100	100	
General Staff	%	100	100	
B3.2^{xxiii} Average training hours completed per employee by gender and employee category				
Male	Hours	41.85	39.73	
Female	Hours	51.64	31.88	
Senior Management	Hours	41.12	71.26	
Middle Management	Hours	71.30	64.24	
General Staff	Hours	49.39	29.40	

xx Full-time employees only, exclusive of part-time/temporary employees.

xxi Count of lost days begins with over 3 consecutive lost days.

xxii Full-time employees only, exclusive of part-time/temporary employees.

xxiii Full-time employees only, exclusive of part-time/temporary employees.

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HKEX Key Performance Indicators “KPIs”		Unit	Year 2021	Year 2020
Operating Practices				
B5.1	Number of top 100 suppliers by geographical region^{xxiv} (in terms of the locations of the suppliers’ respective headquarters)			
	<i>In alphabetical order</i>			
	British Virgin Islands	No. of suppliers	/	1
	Cyprus	No. of suppliers	1	1
	Finland	No. of suppliers	/	1
	Hong Kong Special Administrative Region of the PRC	No. of suppliers	20	15
	India	No. of suppliers	6	6
	Japan	No. of suppliers	/	1
	Malaysia	No. of suppliers	/	1
	Netherlands	No. of suppliers	1	1
	PRC	No. of suppliers	31	43
	Singapore	No. of suppliers	6	2
	South Korea	No. of suppliers	2	2
	Taiwan	No. of suppliers	24	20
	The United States of America	No. of suppliers	9	6
B6.2	Number of product- and service-related complaints received			
		No. of cases	0	10
B7.1	Number of concluded legal cases regarding corrupt practices brought against the Group or its employees and outcomes of the cases			
		No. of cases	0	0

xxiv The above table relates to the top 100 suppliers (out of over 3,000 suppliers) of the Group during the Reporting Period. The Group’s purchases from such top 100 suppliers in the aggregate accounted for more than the majority of the Group’s total purchases during the Reporting Period. Also, to provide similar information relating to all the other suppliers of the Group and/or the number of suppliers where the Group’s practices relating to engaging suppliers are being implemented would lead to particulars of excessive length. Accordingly, in the Company’s opinion, the above disclosure is sufficient for the present purposes.

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RELEVANT LAWS AND REGULATIONS

The laws and regulations (as amended from time to time) that the Group considers to be the most relevant to the Group in terms of a significant impact on the Group relating to the following aspects include, but are not limited to, the corresponding relevant laws and regulations below as well as other applicable laws and regulations in the PRC, India and Vietnam:

Aspect	Relevant Laws and Regulations
Aspect A1: Emissions Air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	<p>PRC: the “PRC Civil Code”, the “Environmental Protection Law of the People’s Republic of China”, the “Energy Conservation Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, the “Law of the People’s Republic of China on the Prevention and Control of Water Pollution”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste”, the “Law of the People’s Republic of China on the Prevention and Control of Soil Pollution” and the “Regulations on the Administration of Pollutant Discharge Permits”^{xxv}.</p> <p>India: the “Factories Act”, the “E-Waste (Management) Rules”, the “Hazardous and Other Wastes (Management and Transboundary Movement) Rules”, the “Environment Protection Act”, the “Environment Protection Rules”, the “Environment Impact Assessment Notification”, the “Bio-Medical Waste (Management) Rules”, the “Batteries (Management and Handling) Rules”, the “Factories Rules”, the “Water (Prevention and Control of Pollution) Act”, the “Water (Prevention and Control of Pollution) Cess Rules”, the “Plastic Waste (Management) Rules”, the “Manufacture, Storage, and Import of Hazardous Chemical Rules”, the “Air (Prevention and Control of Pollution) Act”, the “Noise Pollution (Regulation and Control) Rules”, the “Coastal Regulation Zone Notification”, the “Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations”, the “Public Liability Insurance Act”, the “Petroleum Act”, the “Petroleum Rules”, the “Atomic Energy Act” and the “Atomic Energy (Radiation Protection) Rules”.</p> <p>Vietnam: the “Law On Environmental Protection No. 72/2020/QH14” with effect from 1 January 2022, the “Decree No. 08/2022/ND-CP Detailing Of A Number Of Articles of The Law On Environmental Protection” with effect from 10 January 2022, the “Decree No. 55/2021/ND-CP dated 24 May 2021 On Prescribing Amendments and Supplements To Several Articles of Government’s Decree No. 155/2016/ND-CP On Penalties For Administrative Violations Against Environmental Protection Regulations”, the “Decree No. 53/2020/ND-CP On Environmental Protection Charge For Wastewater”, the “Decree No. 80/2014/ND-CP On The Drainage And Treatment Of Wastewater” and the “Decree No. 155/2016/ND-CP On Penalties For Administrative Violations Against Regulations On Environmental Protection”.</p>

^{xxv} The “Regulations on the Administration of Pollutant Discharge Permits” were promulgated on 24 January 2021 and came into force on 1 March 2021, which established a comprehensive licensing management system that captures water, air, soil, solid waste and other pollutants, imposed more severe penalties on the violators, and provided that criminal liabilities may be pursued for severe violations. On the other hand, the “Regulations on the Administration of Pollutant Discharge Permits” streamlined administrative procedures and reduced the burden of the enterprises, especially those with insignificant pollutant discharges.

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Aspect	Relevant Laws and Regulations
Aspect B1: Employment Compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	PRC: the “PRC Civil Code”, the “Labour Law of the People’s Republic of China”, the “Provisions on Prohibition of Child Labour”, the “Regulation on Labour Security Supervision”, the “Labour Contract Law of the People’s Republic of China”, the “Social Security Law of the People’s Republic of China”, the “Regulation on the Administration of Housing Accumulation Funds”, the “Interim Regulation on the Collection and Payment of Social Insurance Premiums”, the “Interim Provisions on Labour Dispatch” and the “Trade Union Law of the People’s Republic of China” ^{xxvi} .
Aspect B4: Labour Standards Preventing child and forced labour	India: the “Factories Act”, the “National and Festival Holiday Act”, the “Contract Labour (Regulation and Abolition) Act”, the “Minimum Wages Act”, the “Payment of Wages Act”, the “Payment of Bonus Act”, the “Equal Remuneration Act”, the “Trade Unions Act”, the “Industrial Employment (Standing Orders) Act”, the “Industrial Disputes Act”, the “Bonded Labour System (Abolition) Act”, the “Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act”, the “Employees’ Compensation Act”, the “Employees’ Provident Funds and Miscellaneous Provisions Act”, the “Employees’ State Insurance Act”, the “Maternity Benefit Act”, the “Payment of Gratuity Act”, the “Building and Other Construction Workers Welfare Cess Act”, the “Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act”, the “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act”, the “Passport (Entry into India) Act”, the “Foreigners Act”, the “Registration of Foreigners Act”, the “Registration of Foreigners Rules”, the “Apprentices Act”, the “Rights of Persons with Disabilities Act”, the “Child and Adolescent Labour (Prohibition and Regulation) Act”, the “Transgender Persons (Protection of Rights) Act” and the state-specific labour welfare fund acts.

^{xxvi} The “Trade Union Law of the People’s Republic of China” was amended on 24 December 2021 and such amendments became effective on 1 January 2022, enhancing the participation of trade union representatives in issues affecting the vital interests of employees to better protect the legitimate rights and interests of employees.

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Aspect	Relevant Laws and Regulations
	<p>Vietnam: the “Labour Code No. 45/2019/QH14” with effect from 1 January 2021, the “Decree No. 135/2020/ND-CP On Retirement Age” with effect from 1 January 2021, the “Decree No. 145/2020/ND-CP Detailing And Guiding The Implementation Of The Labour Code On Working Conditions And Labour Relations” with effect from 1 February 2021, the “Decree No. 152/2020/ND-CP On Foreign Workers Working In Vietnam And Recruitment And Management Of Vietnamese Workers Working For Foreign Employers In Vietnam” with effect from 15 February 2021, the “Law On Social Insurance No. 58/2014/QH13”, the “Decree No. 58/2020/ND-CP On Rates Of Compulsory Insurance Contributions To The Occupational Accident And Disease Benefit Fund”, the “Decree No. 143/2018/ND-CP Elaborating On Law On Social Insurance And Law On Occupational Safety And Hygiene Regarding Compulsory Social Insurance For Employees Who Are Foreign Nationals Working In Vietnam”, the “Law On Employment No. 38/2013/QH13”, the “Decree No. 28/2015/ND-CP Detailing The Implementation Of A Number Of Articles On Unemployment Insurance Of The Law On Employment”, the “Circular No. 28/2015/TT-BLDTBXH Guiding Article 52 Of The Law On Employment And The Decree No. 28/2015/ND-CP”, the “Law On Health Insurance No. 25/2008/QH12”, the “Law Amendments To The Law On Health Insurance No. 46/2014/QH13”, the “Decree No. 115/2015/ND-CP Guiding The Law On Social Insurance Regarding Compulsory Social Insurance”, the “Circular No. 59/2015/TT-BLDTBXH Guiding The Law On Social Insurance On Compulsory Social Insurance” and the “Decree No. 12/2022/ND-CP On Administrative Penalties For Violations Arising From Labour, Social Insurance And Sending Vietnamese Workers Abroad Under Contracts” with effect from 17 January 2022.</p>
Aspect B2: Health and Safety Providing a safe working environment and protecting employees from occupational hazards	<p>PRC: the “PRC Civil Code”, the “Work Safety Law of the People’s Republic of China”^{xxvii}, the “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”, the “Fire Protection Law of the People’s Republic of China”^{xxviii} and the “Criminal Law of the People’s Republic of China”^{xxix}.</p>

xxvii The “Work Safety Law of the People’s Republic of China” was amended on 10 June 2021 and such amendments became effective on 1 September 2021, which improve the work safety responsibility system and impose more stringent penalties on relevant illegal activities (in the event of an extremely serious accident, the fine imposed on the liable entity may be up to RMB (Renminbi) 100 million).

xxviii The “Fire Protection Law of the People’s Republic of China” was amended and such amendments became effective on 29 April 2021, but the amendments would not have a significant impact on the Group’s business operations.

xxix The Amendment (XI) to the “Criminal Law of the People’s Republic of China” was passed on 26 December 2020 and became effective on 1 March 2021. The Amendment (XI) raised higher requirements on the work safety of enterprises, added the crime of dangerous operation in the field of work safety which stipulated for the first time that the criminal liabilities shall be pursued for the illegal activities with real danger even though no casualty/death accidents or other serious consequences have occurred.

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Aspect	Relevant Laws and Regulations
	<p>India: the “Factories Act”, the “Tamil Nadu Fire Service Rules”, the “Tamil Nadu Fire Force Act”, the “Air (Prevention and Control of Pollution) Act”, the “Water (Prevention and Control of Pollution) Act”, the “Tamil Nadu Factories Rules”, the “Tamil Nadu Lift and Escalators Rules”, the “Employees’ Compensation Act”, the “Explosive Rules”, the “Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act”, the “Explosives Act”, the “Boilers Act”, the “Epidemic Diseases Act”, the “Gas Cylinders Rules”, the “Motor Vehicles Act”, the “Tamil Nadu Motor Vehicles Act”, the “Tamil Nadu Motor Vehicles Rules”, the “Static and Mobile Pressure Vessels (Unfired) Rules”, the “Disaster Management Act” and the “Disaster Management (National Institute of Disaster Management) Rules”.</p> <p>Vietnam: the “Law On Occupational Safety And Hygiene No. 84/2015/QH13”, the “Decree No. 143/2018/ND-CP Elaborating On Law On Social Insurance And Law On Occupational Safety And Hygiene Regarding Compulsory Social Insurance For Employees Who Are Foreign Nationals Working In Vietnam”, the “Circular No. 36/2019/TT-BLDTBXH Promulgating The List Of Machinery, Equipment, Materials And Substances Subject To Strict Occupational Safety and Health Requirements”, the “Decree No. 23/2018/ND-CP On Compulsory Fire and Explosion Insurance” as amended by the “Decree No. 97/2021/ND-CP” with effect from 23 December 2021, the “Circular No. 06/2020/TT-BLDTBXH On Promulgation Of List Of Occupations Bound By Strict Requirements For Occupational Safety And Health”, the “Decree No. 58/2020/ND-CP Regulating Rates Of Compulsory Insurance Contributions To The Occupational Accident And Disease Benefit Fund”, the “Decree No. 88/2020/ND-CP Elaborating On Some Articles Of The Law On Occupational Safety And Health On Compulsory Insurance For Occupational Accidents And Occupational Diseases”, the “Law On Fire Prevention And Fighting No. 27/2001/QH10”, the “Law Amending And Adding A Number Of Articles Of The Law On Fire Prevention And Fighting No. 40/2013/QH13”, the “Labour Code No. 45/2019/QH14”, the “Decree No. 145/2020/ND-CP” as more particularly described above, the “Circular No. 18/2021/TT-BLDTBXH dated 15 December 2021 On Regulations For Hours Of Work and Hours Of Rest Applicable To Employees Doing Seasonal Production Work And Processing Of Goods Under Orders” with effect from 1 February 2022, the “Circular No. 04/2014/TT-BLDTBXH Guiding Implementation Of Regulations On Personal Protective Equipment”, the “Circular No. 14/2013/TT-BYT Guiding Medical Examination”, the “Circular No. 25/2013/TT-BLDTBXH On Provision Of Perquisites For Workers In Harmful Or Dangerous Environments” and the “Decree No. 144/2021/ND-CP For Regulations On Sanction Of Administrative Violation In Social Security, Order And Safety, Prevention And Fighting Of Social Evils, Fire, Rescue And Domestic Violence” with effect from 1 January 2022.</p>

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Aspect	Relevant Laws and Regulations
Aspect B6: Product Responsibility Health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	<p>PRC: the “PRC Civil Code”, the “Product Quality Law of the People’s Republic of China”, the “Trademark Law of the People’s Republic of China” and the “Advertising Law of the People’s Republic of China”^{xxx}.</p> <p>India: the “Bureau Indian Standards Act”, the “Legal Metrology (Packaged Commodities) Rules”, the “Legal Metrology Act”, the “Intellectual Property Rights (Imported Goods) Enforcement Rules”, the “Customs Act”, the “Consumer Protection Act”, the “Customs (Import of Goods at Concessional Rates of Duty) Rules”, the “Information Technology Act”, the “Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules”, the “Copyright Act”, the “Trademarks Act”, the “Designs Act”, the “Patents Act”, the “Customs Tariff Act”, the “Indian Telegraph Act”, the “Indian Telegraph Rules”, the “Indian Wireless Telegraph Act”, the “Department of Telecommunications Notifications”, the “Procedure for Mandatory Testing and Certification of Telecommunication Equipment”, the “Bureau of Indian Standards Rules”, the “Food Safety and Standards (Packaging and Labelling) Regulations”, the “Food Safety and Standards Rules” and the “Indian Contract Act”.</p> <p>Vietnam: the “Law On Product And Goods Quality No. 05/2007/QH12”, the “Decree No. 119/2017/ND-CP On Penalties for Administrative Violations Against Regulations On Standards, Measurement And Quality Of Goods”, the “Decree No. 43/2017/ND-CP On Good Labels”, the “Law On Advertising No. 16/2012/QH13”, the “Decree No. 38/2021/ND-CP dated 29 March 2021 On Prescribing Penalties For Administrative Violations Involving Cultural And Advertising Activities”, the “Law On Intellectual Property No. 50/2005/QH11”, the “Law Supplementing The Law On Intellectual Property No. 36/2009/QH12”, the “Law Amendments To Some Articles Of Law On Intellectual Property No. 42/2019/QH14”, the “Decree No. 103/2006/ND-CP Detailing and Guiding A Number Of Articles Of The Law On Intellectual Property With Respect To Industrial Property”, the “Decree No. 122/2010/ND-CP of 31 December 2010, Amending And Supplementing A Number Of Articles Of The Government’s Decree No. 103/2006/ND-CP of 22 September 2006, Detailing And Guiding A Number Of Articles Of The Law On Intellectual Property Regarding Industrial Property”, the “Civil Code No. 91/2015/QH13” and the “Law on Cyber Information Security No. 86/2015/QH13”.</p>

^{xxx} The “Advertising Law of the People’s Republic of China” was amended and such amendments became effective on 29 April 2021, but the amendments would not have a significant impact on the Group’s business operations.

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Aspect	Relevant Laws and Regulations
Aspect B7: Anti-corruption Bribery, extortion, fraud and money laundering	<p>PRC: the "Interim Provisions of the State Administration for Industry and Commerce on the Prohibition of Commercial Bribery", the "Regulation of the State Administration for Industry and Commerce on Prohibiting Infringement upon Trade Secrets", the "Anti-Unfair Competition Law of the People's Republic of China", the "Anti-Money Laundering Law of the People's Republic of China" and the "Criminal Law of the People's Republic of China".</p> <p>India: the "Prevention of Corruption Act", the "Benami Transactions (Prohibition) Act", the "Prevention of Money Laundering Act" and the "Indian Penal Code".</p> <p>Vietnam: the "Law On Anti-Corruption No. 36/2018/QH14", the "Decree No. 59/2019/ND-CP Elaborating On A Number Of Articles And Measures For Implementation Of The Law On Anti-Corruption" as amended by the "Decree No. 134/2021/ND-CP" with effect from 15 February 2022, the "Law On Anti-Money Laundering No. 07/2012/QH13", the "Decree No. 116/2013/ND-CP Detailing Implementation Of A Number Of Articles Of The Law On Anti-Money Laundering As Amended By Decree No. 87/2019/ND-CP", the "Criminal Code No. 100/2015/QH13" and the "Law On Amendments To The Criminal Code No. 12/2017/QH14".</p>

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HKEX ESG GUIDE CONTENT INDEX^{xxxi}

Aspect	HKEX KPI	Description	Page Number of this ESG Report/Remarks
A. Environmental			
A1 Emissions	A1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P.4–8, 24
	A1.1	The types of emissions and respective emissions data	Refer to Performance Data Table
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
	A1.5	Description of emissions target(s) set and steps taken to achieve them	P.5–6
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	P.7

^{xxxi} This Content Index follows the version of the ESG Guide effective from 1 January 2022 onwards.

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Aspect	HKEX KPI	Description	Page Number of this ESG Report/Remarks
A2 Use of Resources	A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	P.4–7
	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)	Refer to Performance Data Table
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	P.5–6
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	P.6
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	The Group generally utilises packaging materials for finished products in accordance with its customers' specific instructions and requirements, where the volume of packaging materials corresponds with the volume of finished products of its customers (particularly major customers) and hence revealed (indirectly one way or the other) commercially sensitive information of the Group and its customers. Accordingly, specific information on types and volume of materials used represents commercially sensitive information of the Group and its customers.
A3 The Environment and Natural Resources	A3	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	P.4–8
	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	P.4–8

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Aspect	HKEX KPI	Description	Page Number of this ESG Report/ Remarks
A4 Climate Change	A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	As mentioned in the “Sustainability Governance” section above, the ERM Team (through the operation of the Group’s system of internal controls and ERM) is basically responsible for (among other things) identifying, evaluating, managing and mitigating at an acceptable level the significant risks (including ESG-related risks) faced by the Group that threaten the achievement of its business and strategic objectives (including, as to the ESG aspect, implementing the Group’s ESG-related strategy and reporting). During the Reporting Period, the ERM Team identified and evaluated a few climate-related issues which had impacted or might impact the Group (such as interruption of manufacturing operations, supply chain, energy resources and logistics due to increasing intensity and frequency of extreme weather events (e.g. typhoon, heavy rain, snowstorm, flood, etc.); substitution of existing products, services and/or technologies during transition; increase in capital expenditures and operating costs due to damages to assets and facilities; threats to employee safety; increase in insurance premiums due to possible recurring extreme weather events; potential implementation of climate-related regulation and policy changes; global transition to a low-carbon economy with innovations in energy efficiency, etc.), and then concluded that such climate-related issues were not significant vis-à-vis the Group. Furthermore, as to the materiality assessment conducted by the independent consultant in respect of the Reporting Period as more particularly described in the “Stakeholder Engagement and Peer Benchmarking” and “Materiality Assessment” sections above, the materiality assessment results have showed that Aspect A4: Climate Change and KPI A4.1 have been ranked an overall “low” level of materiality for the present purposes, which is in line with the ERM Team’s aforesaid conclusion.
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	

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Aspect	HKEX KPI	Description	Page Number of this ESG Report/ Remarks
			<p>Following the United Nations' adoption of the Paris Agreement and confirmation of global carbon reduction targets, as a leader in the global electronics and technology industries, the Hon Hai Technology Group has committed to a goal of net zero GHG emissions by 2050, and has proposed three climate targets to pave the way for a future of low-carbon economies and societies. For more details, please click this weblink for the Hon Hai Technology Group's Corporate Sustainability Report 2020. In support and furtherance of the Hon Hai Technology Group's three climate targets within the Group, the ERM Team, whilst identifying and evaluating (among other things) climate-related risks and opportunities, will continue to work with the Global CSR Committee for the enhancement of on-going climate change adjustments and mitigation strategies, including advancement of energy and carbon reduction measures towards mitigation of adverse effects and impacts of climate-related risks.</p>

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Aspect	HKEX KPI	Description	Page Number of this ESG Report/ Remarks
B. Social			
Employment and Labour Practices			
B1 Employment	B1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P.8–11, 25–26
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Refer to Performance Data Table
	B1.2	Employee turnover rate by gender, age group and geographical region	Refer to Performance Data Table
B2 Health and Safety	B2	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P.10–11, 26–27
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Refer to Performance Data Table
	B2.2	Lost days due to work injury	Refer to Performance Data Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	P.10–11

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Aspect	HKEX KPI	Description	Page Number of this ESG Report/ Remarks
B3 Development and Training	B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P.9–10
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Refer to Performance Data Table
	B3.2	The average training hours completed per employee by gender and employee category	Refer to Performance Data Table
B4 Labour Standards	B4	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P.8, 11, 25–26 Also, the Group abides by relevant employment ordinances and statutory requirements of Hong Kong. No relevant cases of non-compliance were recorded.
	B4.1	Description of measures to review employment practices to avoid child and forced labour	P.8
	B4.2	Description of steps taken to eliminate such practices when discovered	P.8

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Aspect	HKEX KPI	Description	Page Number of this ESG Report/ Remarks
Operating Practices			
B5 Supply Chain Management	B5	General Disclosure	P.12–13
		Policies on managing environmental and social risks of the supply chain.	
	B5.1	Number of suppliers by geographical region	Refer to Performance Data Table
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P.12–13 As to the number of suppliers where the practices are being implemented, refer to Performance Data Table (B5.1).
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	P.12–13
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	P.12–13

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Aspect	HKEX KPI	Description	Page Number of this ESG Report/ Remarks
B6 Product Responsibility	B6	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P.13–15, 28
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Due to the nature of the Group's business, this KPI is considered not material for the present purposes, particularly when the Group does not sell its products to end consumers directly.
	B6.2	Number of products and service related complaints received and how they are dealt with	P.14 and refer to Performance Data Table
	B6.3	Description of practices relating to observing and protecting intellectual property rights	P.14
	B6.4	Description of quality assurance process and recall procedures	P.13
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	P.14

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Aspect	HKEX KPI	Description	Page Number of this ESG Report/ Remarks
B7 Anti-corruption	B7	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P.14–15, 29
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Refer to Performance Data Table
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	P.14–15
	B7.3	Description of anti-corruption training provided to directors and staff	P.15
Community			
B8 Community Investment	B8	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P.16–17
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	P.16–17
	B8.2	Resources contributed (e.g. money or time) to the focus area	P.16–17