

FIT Hon Teng Limited

鴻騰六零八八精密科技股份有限公司

(Incorporated in the Cayman Island 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



2021

Environmental, Social and Governance Report



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Chapter 1. About This Report

This report is the 2021 Environmental, Social and Governance Report (the “ESG Report”, or the “Report”) released by FIT Hon Teng Limited (“FIT”, the “Company”, or “we”). The Report describes the work done and performance achieved by FIT in implementing the concept of sustainable development and fulfilling its corporate social responsibility in the financial year of 2021.

This Report has been prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) of the listing rules of the Stock Exchange of Hong Kong Limited (hereinafter referred to as “SEHK”).

The Report is prepared based on the following basic principles:

- (I) **Materiality:** The Report shall disclose environmental, social and governance matters that have material impact on the investors and other stakeholders.

Response from FIT: we disclosed in the Report the process to identify ESG factors, including the method of identifying important stakeholders and evaluating material issues. According to the communication with stakeholders and the results of the materiality issue assessment, we identified ESG-related important factors and focused on disclosing the corresponding policies, initiatives and performance in the report. For details, please refer to Chapter 4 of this Report: Analysis of Material Issues.

- (II) **Quantitative:** KPIs need to be measurable so that the effectiveness of ESG policies and management systems can be assessed and validated. Quantitative information should be accompanied by a narrative explaining its purposes and impacts with comparative data where applicable.

Response from FIT: we disclosed environmental and social data in accordance with the requirements of the SEHK’s ESG Reporting Guide, and disclosed the methods and assumptions used in the Report where appropriate. For details, please refer to Chapter 11 of this Report: Appendix.

(III)**Balance:** The Report should provide an unbiased view of the Company's performance on ESG, and should avoid any selections, omissions or misleading presentations that may inappropriately influence the readers in their decision making.

Response from FIT: we undertake that the information disclosed in the Report is true, objective, without exaggerated or fictitious content, and can help investors make fair and effective decisions.

(IV)**Consistency:** The Company should use consistent methodologies to allow for meaningful comparisons of ESG data over time. The Company should disclose in the ESG report any changes to the methods used or any other relevant factors affecting a meaningful comparison.

Response from FIT: we used a statistical method which is consistent with that used in 2020 for calculation, disclosure and comparison with 2020 data in the Report. For details, please refer to Chapter 11 of this Report: Appendix.

REPORTING PERIOD

The reporting period of this ESG Report is from January 1, 2021 to December 31, 2021 (the "Reporting Period", the "Year", or "2021"). This Report is an annual report.

We have prudently selected entities to be disclosed in the Report. The final in-scope entities are selected based on the relevance of entity business with ESG and the degree of impact. Entities covered include FIT's operating entities' in Mainland China, Taiwan, Vietnam, USA, etc., Belkin International, Inc. and its subsidiaries ("Belkin").

For detailed information and notes on the changes of reporting scope, please refer to the Reporting Scope in Chapter 11: Appendix of this Report.

Chapter 2. Chairman's Letter and Report Summary

We have endured changes in our climate, but one thing remains the same which is our dedication to continuously improving our ESG efforts. Here at FIT, every day we strive to maintain a balance between economic development and social responsibility – an authentic desire to connect the world with innovative products while remaining conscious that every action has an impact on the planet we live on.

In 2021 FIT formulated energy-saving and emission-reduction targets for 2022 which include energy use, water resources, and greenhouse gas emissions. Even as our operations grow due to customer demands increasing our electricity and natural gas consumption, we actively promoted energy conservation and carried out various energy conservation activities in our facilities to encourage our colleagues to reduce gasoline and steam consumption in our daily operations.

We are proud of the achievements and goals set by our subsidiary company, Belkin International who set a five-year strategic plan for sustainable development, to achieve 100% renewable energy by 2025. These goals will help Belkin further reduce energy consumption, control costs, and reduce the environmental impact during production and operation.

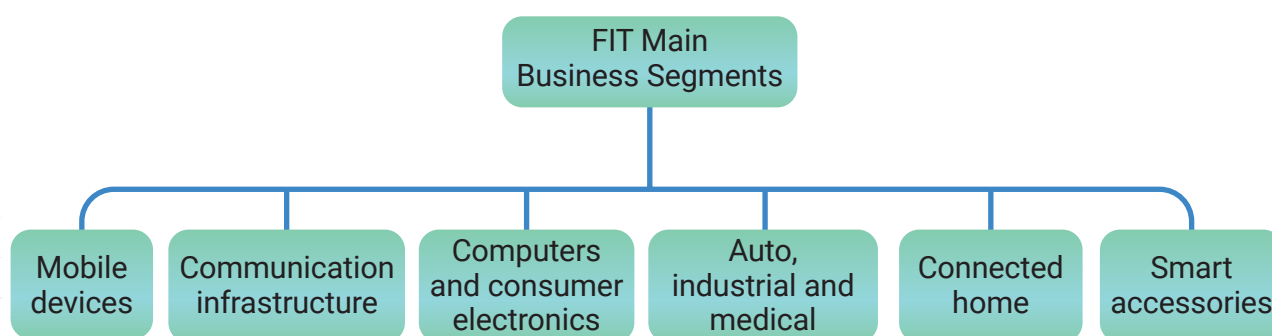
FIT has always adhered to the idea of "safety first", and now in the third year of the pandemic, our commitment to safety remains paramount. We have implemented stringent measures and are fully compliant with all pandemic measures of the countries we operate in. Our dedication to pandemic safety has in no way compromised our focus on other forms of safety as we've reduced our workplace accidents per year. We have always sought to foster a spirit of volunteerism in our workforce and look for ways to give back to the community. To that end, FIT has organized a number of activities over the course of 2021 ranging from blood drives to school supply donations and, along with our subsidiary Belkin, donated money to charitable causes. FIT will continue to pay close attention to the dynamic changes in the community, as well as constantly encourage its subsidiaries to continue participating in public welfare activities and work together with all walks of life to give back to society.

May 31, 2022

Chapter 3. About FIT

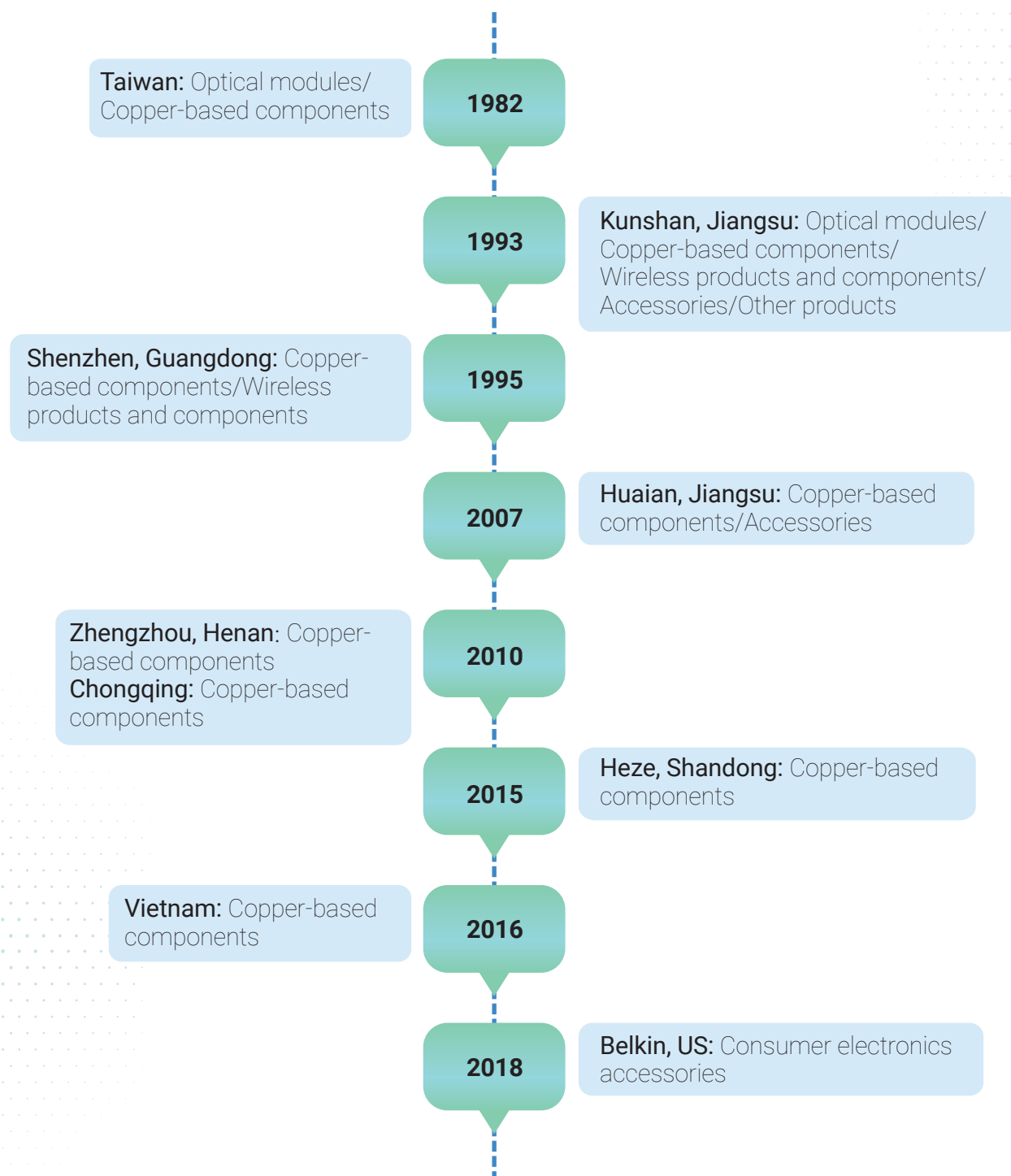
FIT is one of the world's leading interconnect solution providers and one of the few providers of wire-based, fiber-based and wireless interconnection solutions in the world.

Formerly known as the Network Interconnection Business Group (NWInG), a business unit of Hon Hai Precision Industry Co. Ltd. ("Hon Hai"), FIT was founded on October 1, 2013 and is a subsidiary of Hon Hai. Since the early 1980s, Hon Hai has over 30 years of experience in the connector and cable assembly industry. In early 2018, FIT merged with Belkin International (Belkin®, Linksys®, Wemo®, Phyn®) to become one of the global leaders in consumer electronics. Based on its extensive experience in the connector and cable assembly industry over the years, FIT established an exclusive position as the owner and operator of numerous precision manufacturing systems that involve stamping, molding, plating, cable extrusion and assembly processes. As of today, FIT's main business segments are mobile devices, communication infrastructure, computers and consumer electronics, automotive, industrial and medical, connected home and smart accessories.



In recent years, FIT has continued to execute various business strategies to strengthen its leadership in the development and production of interconnect solutions and related products, while continuing to develop and enhance its capabilities in other areas. The Company and its management review and pay attention to the trends of different end markets, insist on change, continuous innovation, and continue to promote the diversification of business development. While continuously pursuing product quality excellence, FIT also actively fulfills its corporate social and environmental responsibilities, pays attention to employee health and safety, and implements the environmental protection policies of energy conservation, emission reduction, and greening, so as to continuously promote the sustainable development of the Company.

The Company's main sites and the respective years of commencement of business are listed below:

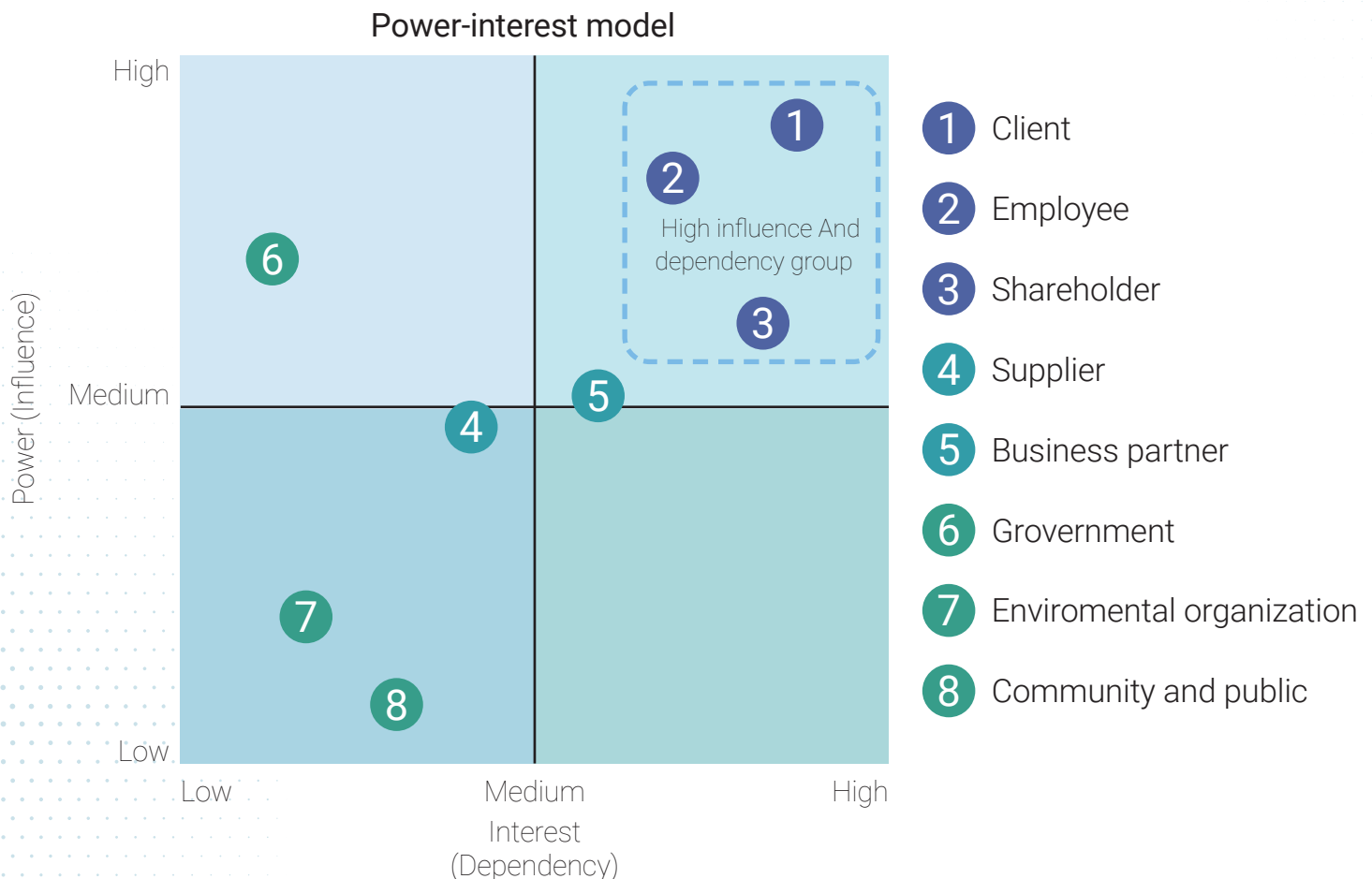


Chapter 4. Analysis of Material Issues

4.1 Communications with stakeholders

Maintaining close communication with stakeholders is an important way for FIT to achieve sustainable development.

To understand the needs of stakeholders, FIT identified eight key stakeholder groups: clients, employees, shareholders, suppliers, business partners, governments, environmental organizations, communities and public. Meanwhile, issues that we believe require special attention were identified in accordance with the relevant standards of SEHK's ESG Reporting Guide, and their impact on FIT was assessed in terms of interest and influence to understand the high influence groups: client, employee, and shareholder.



FIT communicate smoothly with different stakeholders in different ways, such as on-site discussions, telephone interviews, emails, etc. in daily production operations.

On the basis of comprehensive daily communication, we have identified 20 issues that stakeholders are concerned about and made feedback on them. We list them as follows:

Issues of concern	Response from FIT	Stakeholders
Quality control	<ul style="list-style-type: none"> ▶ Continuous improvement of quality inspection ▶ Build a comprehensive quality management system 	Clients
Compliance operations and anti-corruption	<ul style="list-style-type: none"> ▶ Establish internal compliance and anti-corruption policies ▶ Carry out regular audits ▶ Improve anti-corruption reporting channels ▶ Provide anti-corruption training ▶ Cultivate a corporate culture with business ethics and compliance management 	Shareholders/ Governments
Environmental, social and governance	<ul style="list-style-type: none"> ▶ Establish a governance mechanism that the board of directors is ultimately responsible for ▶ Establish a working group and promote ESG practice ▶ Formulate reasonable work plans and goal ▶ Improve internal communication channels and conduct regular follow-up ▶ Develop an effective crisis reporting and handling mechanism 	Shareholders
Customer service	<ul style="list-style-type: none"> ▶ Establishment of customer complaint response mechanism ▶ Formulation of comprehensive after-sales management ▶ Effectively handle customer feedback and opinions 	Clients/Business partners
Supply chain management	<ul style="list-style-type: none"> ▶ Strict supplier registration and qualification mechanism ▶ Continuous supplier evaluation and audit ▶ Promote a greener and environmentally friendly supply concept ▶ Assist suppliers to make progress together 	Suppliers

Issues of concern	Response from FIT	Stakeholders
Emissions management	<ul style="list-style-type: none"> ▶ Set emission reduction targets for waste gas, wastewater, and greenhouse gases, etc.; track and analyze the implementation of the targets ▶ Carry out emission reduction management projects ▶ Carry out relevant training and publicity activities, enhance professional knowledge and skills, and enhance employees' awareness of environmental protection and emission reduction 	Governments/ Environmental organizations
Energy management	<ul style="list-style-type: none"> ▶ Establish a task force team responsible for energy management and establish an energy management system ▶ Set energy-saving goals and carry out energy-saving projects ▶ Carry out energy-saving training and publicity activities to enhance employees' awareness of energy-saving ▶ Carry out energy-saving audits and reviews to promote the effective implementation of energy-saving work 	Governments/ Environmental organizations
Safe production	<ul style="list-style-type: none"> ▶ Establish a safety management organization to promote the implementation of work safety ▶ Set up a complete safety incident handling mechanism ▶ Maintain safety facilities ▶ Carry out drills, audits and training ▶ Improve the management mechanism of hazardous goods 	Shareholders, employees
Occupational health and safety	<ul style="list-style-type: none"> ▶ Carry out occupational hazard testing and identify occupational hazards ▶ Care for employees' health, protect employees who are in special professional roles, and arrange regular physical examinations for employees ▶ Provide sufficient labour protection supplies 	Employees

Issues of concern	Response from FIT	Stakeholders
Intellectual property protection	<ul style="list-style-type: none"> ▶ Carry out market research, conduct risk assessment, control ▶ Understand technology trends and strengthen patent strategy ▶ Apply for patents in time and conduct regular tracking to protect corresponding rights ▶ Participate in communication with associations and organizations to advocate industry advancement 	Shareholders/ Business partners
Protection of customer privacy	<ul style="list-style-type: none"> ▶ Attach great importance to the protection of customer privacy ▶ Sign confidentiality agreements ▶ Strengthen information security awareness and control 	Clients/ Business partners
Water resources management	<ul style="list-style-type: none"> ▶ Set goals to save water and conduct water-saving projects ▶ Conduct water-saving related training ▶ Conduct publicity activities, improve water-saving awareness, etc. 	Environmental organizations
Use and management of packaging	<ul style="list-style-type: none"> ▶ Endeavour to choose environmentally friendly packaging materials for products ▶ Improve the recycling rate of products' packaging materials, etc. ▶ Actively respond to calls from the public and optimize packaging material management 	Business partners
Climate response and management	<ul style="list-style-type: none"> ▶ Pay attention to climate changes and identify major climate events ▶ Improve the emergency response mechanism for climate events ▶ Regularly check whether the equipment is operating properly ▶ Prepare emergency supplies related to climate events ▶ Regularly carry out special activities such as emergency drills and training to improve actual response capabilities 	Shareholders/ Suppliers

Issues of concern	Response from FIT	Stakeholders
Employee training and development	<ul style="list-style-type: none"> ▶ Establish a talent training mechanism and carry out diversified employee training ▶ Provide fair promotion channels 	Employees
Employee care and welfare	<ul style="list-style-type: none"> ▶ Employee care going deep into their families ▶ Fully establish an internal environment of humanistic care ▶ Balance employees' work and life 	Employees
Pandemic control	<ul style="list-style-type: none"> ▶ Develop a plan for resuming work and production in time ▶ Provide anti-pandemic materials and logistics support ▶ Improve the disinfection and cleaning of the workplace ▶ Carry out anti-pandemic knowledge publicity to enhance employees' awareness of pandemic prevention 	Employees / Shareholders/ Governments/ Communities and public
Employment and labor standards	<ul style="list-style-type: none"> ▶ Comply with laws and regulations ▶ Adhere to a fair and diversified talent recruitment and selection mechanism ▶ Resolutely refuse child labour and forced labour ▶ Set reasonable working hours 	Employees
Giving back to society	<ul style="list-style-type: none"> ▶ Contribute to community development ▶ Organize and participate in public welfare activities ▶ Encourage employees to contribute to community development 	Communities and public
Compensation and incentive system	<ul style="list-style-type: none"> ▶ Provide guarantee for reasonable salary ▶ Provide various employee benefits ▶ Provide reasonable incentives 	Employees

4.2 Assessment of material issues

The list of the Company's material issues in 2021 and the assessment of them are shown in the following diagram/table.



Economics

- ▶ Quality control
- ▶ Compliance operations and anti-corruption
- ▶ Environmental, social and governance
- ▶ Customer service
- ▶ Supply chain management
- ▶ Intellectual property protection
- ▶ Protection of customer privacy

Environment

- ▶ Emissions management
- ▶ Energy management
- ▶ Water resources management
- ▶ Use and management of packaging
- ▶ Climate response and management

Society

- ▶ Safety Production
- ▶ Occupational health and safety
- ▶ Employee training and development
- ▶ Employee care and welfare
- ▶ Pandemic control
- ▶ Employment and labor standards
- ▶ Giving back to society
- ▶ Compensation and incentive system

Chapter 5. Operation of Sustainable Development

5.1 Sustainable Development Governance

In 2021, the Company continued to improve its internal ESG mechanisms, and further strengthened ESG governance for the Company and its employees in a variety of ways.

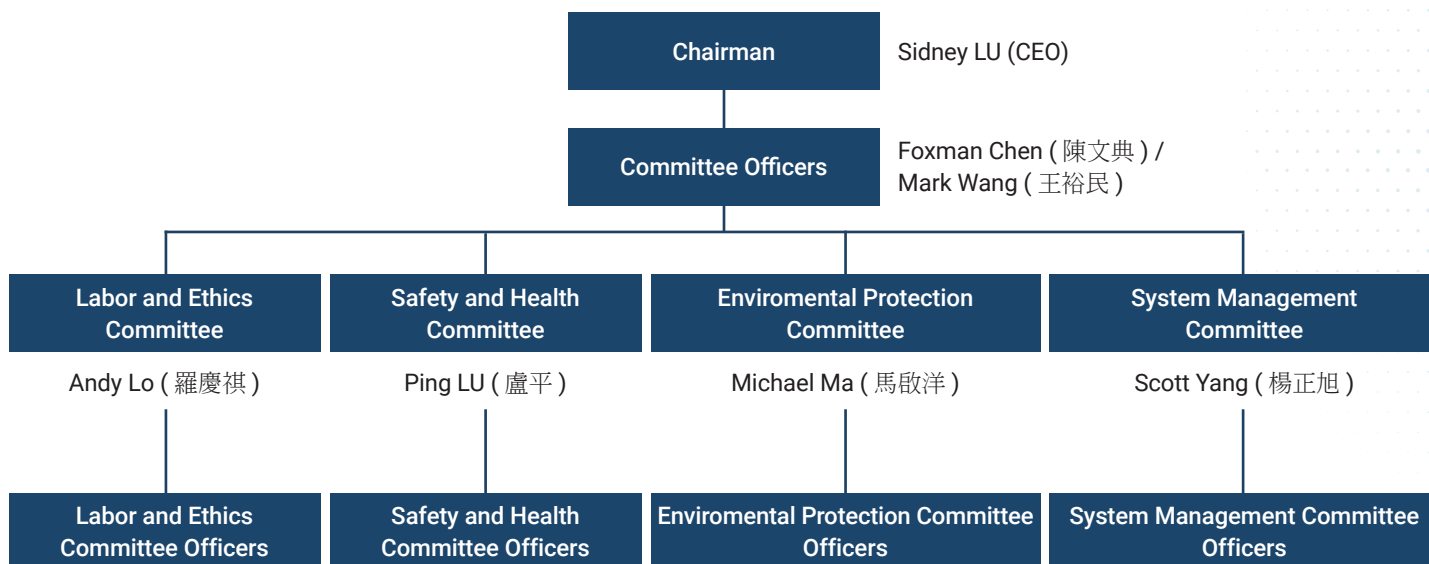
FIT's Social and Environmental Responsibility Committee (the "SER Committee") consists of sub-committees such as Labor and Ethics, Safety and Health, Environmental Protection, System Management, and Fraud Prevention. Under the direction of the Environmental, Social and Governance (ESG) Committee, established in 2020, an annual meeting is held to review the Company's ESG efforts for the year and to discuss how the Company can improve in the coming year. The Company's ESG Committee is composed of at least three members and currently consists of Mr. PIPKIN Chester John (Executive Director), Mr. CURWEN Peter D (Chairman of the ESG Committee and Independent Non-Executive Director) and Mr. CHAN Wing Yuen Hubert (Independent Non-Executive Director).

The Company's Board of Directors authorizes the ESG Committee members to manage the Company's ESG-related matters, and their responsibilities include:

1. Accept regular reports from the Company's SER Committee;
2. Monitor how the Company communicates with its stakeholders, and ensure that there are appropriate communication policies to promote the relationship between the Company and its stakeholders;
3. Review the work of the SER Committee; and
4. Review important ESG plans and make recommendations to the Board for approval, including but not limited to: ESG-related risk assessment, goals, annual ESG reports, ESG emergency response, etc.

The ESG Committee regularly monitors the Company's ESG efforts, reviews the Company's ESG performance for the year, and ensures that the Company's ESG governance structure is running smoothly in accordance with the guidelines set out in the ESG Committee Terms of Reference. This not only ensures that FIT employees are working efficiently, but also helps the Company achieve its ESG objectives for the year to stand out in the industry.

FIT SER Committee



Strengthening ESG work

The Company sets ESG targets and plans corresponding work in accordance with the ESG Reporting Guide issued by the SEHK and the guidance of the SER Committee. Practical environmental targets, including water and electricity conservation, use of recycled materials (paper, plastic, wood, and metal), emission control, and reduction of greenhouse gas emissions have been defined. For 2022 ESG-related targets, please refer to "Table 6 FIT 2022 ESG Targets" in Chapter 11.

The Company's "ESG Emergency Reporting Mechanism" clarifies the definition and level of ESG crisis events, emergency responses and reporting procedures, and the reporting levels of different events. Employees are also trained on how to respond in emergencies during new employee training, and are provided with crisis contact information for guidance.

FIT will continue to strengthen the Company's ESG development and expand the Company's dedication to compliance and integrity by constantly monitoring and providing appropriate guidance to employees.

5.2 Compliance and Anti-corruption Management

The Company has a whistle-blowing policy in place to strengthen the Company's management and supervision so that all employees can develop a unified awareness of compliance management and integrity. The FIT Board of Directors is ultimately responsible for the Company's compliance development, while the management is in charge of the design and implementation of compliance management. There are also different departments established to ensure the smooth development of compliance and anti-corruption efforts within the Company.

In order to familiarize employees with the importance of anti-corruption, the Company developed the "Code of Conduct for Combating Corruption, Promoting Integrity, Prosperity, and Eliminating Maladies" as a guideline for the Company's directors and employees. New employees are specifically trained in this area and are provided with careful guidelines in the "Employee Handbook" covering topics such as the process for handling reports, compliance operations, anti-corruption behaviour, and corresponding disciplinary actions. The Company also developed the "Xiangxin" app to help promote anti-corruption efforts internally. During the Reporting Period, the Company has provided employees with relevant anti-corruption training in production sites in Mainland China, Taiwan, and Vietnam. The total number of trainees who attended the online training was 15,366 with a total training time of 15,366 hours, the average training time is 1 hour and training was conducted online. In addition, the Company has strict requirements for business partners, including requiring suppliers to sign a letter of commitment (with anti-corruption-related clauses) and conducting periodic social responsibility assessments for suppliers.

FIT strongly encourages employees to report any suspected misconduct to the Company, and offers internal whistleblowing channels. FIT employees can report any violation committed by organizations or individuals in the business through various channels such as written mail, telephone hotline, e-mail, QQ, WeChat, etc. In response to the anti-corruption situation of suppliers, the Company also has corresponding reporting channels, including e-mail, telephone hotline, QQ, WeChat and other channels to report violations in the organization's business process. The Internal Audit Department and the Legal Department are responsible for investigating the reported cases, and will set up an investigation team after receiving the reported information. The investigation team would collect actual relevant data and information through investigations, and may assist in handling the transfer of evidence to legal bodies for prosecution. The Company takes every reported incident seriously and ensures that each case is properly handled. Anonymous reports can also be submitted by staff if they do not wish to have their identity revealed, in which the Company will ensure that the identity of whistleblowers will be kept confidential at all times.

In 2021, FIT had no material non-compliance cases against anti-corruption related laws and regulations, and there were no concluded corruption-related legal cases.

Case: FIT mainland factories receives various honors in 2021

The Zhengzhou plant was awarded the Responsible Business Alliance certification silver medal qualification issued by the Responsible Business Alliance (RBA), one of the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. On top of that, the Zhengzhou plant has also received the "Zhengdong New District's Innovative Industry Development Outstanding Contribution Unit Award" from Zhengdong New District Management Committee of Zhengzhou.

Kunshan Plant won the Outstanding Taxpaying Enterprise in February 2021, issued by the Kunshan High-tech Zone Working Committee and Kunshan High-tech Zone Management Committee.

The Huai'an factory area was awarded the Authorized Economic Operator (AEO) enterprise certificate issued by the Nanjing Customs of the People's Republic of China, the "Top 50 Huai'an Enterprises in 2020" issued by the Huai'an Municipal People's Government, and the 2020 Major Contribution Award issued by the Huai'an Economic and Technological Development Zone Management Committee through the Huai'an Economic and Technological Development Zone Working Committee of the Communist Party of China.



In the coming years, FIT will continue to comply with all applicable laws and regulations and relevant international standards. It will also fully implement the anti-corruption, anti-commercial bribery and compliance practices at the Company level, and strengthen the construction of an anti-corruption management system, in order to enhance the anti-corruption and compliance awareness of all staff, and remove any form of violation.

5.3 Anti-pandemic Topic: Continuous pandemic prevention work

After the outbreak of the COVID-19 pandemic in 2020, in order to adapt to the changes brought about by the epidemic, FIT has made adjustments in all aspects, and abides by the epidemic prevention policies and relevant requirements introduced by the local operation, and actively carries out epidemic prevention work to minimize the impact of the epidemic on production and danger to employees. Each plant has imposed a series of prevention and control measures, such as distributing various anti-epidemic materials and logistical support, regular internal disinfection, strengthening personnel control, posting posters for epidemic prevention propaganda in the plant, and formulating plans for resumption of work and production, etc., to ensure the health and safety of the Company's employees at work during the epidemic.

Work plan adapted to the pandemic

Employees are required to have their temperature checked before starting work to ensure they are healthy before they can start work at the factory. Once employees notice that they have symptoms of COVID-19, they would need to be isolated according to the requirements of the local government. The Company has arranged for them to stay in the buffer isolation area, and the front-line staff of buffer epidemic prevention will deliver meals to the door of their dormitory every day and assist them. Doctors monitor the body temperature of employees under buffer observation, and evaluate their physical conditions after 14 days. Only after confirming the health and safety of employees would they be asked to return to work. The Company also conducts all-employee surveys through various methods such as telephone contact, questionnaire surveys, and network software to understand the physical conditions of employees, and conduct nucleic acid tests for them in batches.

The Company also provided administrative rewards to those who have contributed to the resumption of work and production, hoping to stimulate and encourage employees' work performance during the epidemic, thereby improving their work attitude and promoting the Company's production progress.

Distribution of epidemic prevention materials and logistical support

As the epidemic continues, FIT insists on distributing various anti-epidemic materials to employees, such as masks, thermometers, disinfectants, protective equipment, goggles, hand sanitizers, etc. Each plant also regularly checks various anti-epidemic materials to ensure that there is sufficient inventory to meet the daily needs of employees and production, and will distribute materials in accordance with the guidelines mentioned in the Company's anti-epidemic meeting.

Internal disinfection work

In order to ensure that employees can work safely in a safe environment during the epidemic, FIT has carried out cleaning and disinfection work in public facilities such as elevators and public toilets in each factory area, which can not only improve the hygiene of public places in each factory area, but can also strengthen the cleaning work for key areas such as green maintenance belts, septic tanks, and air conditioning ports.

Since some spaces in the factory use central air conditioners, in order to prevent cross-infection caused by the return air, the Company closed the internal circulation air outlet and the air return valve, and regularly check the area of the fresh air intake to ensure that there are no pollutants around the fresh air intake. In addition, the Company also assign relevant cleaning personnel to clean and disinfect it every week, including all filters, surface coolers, heaters, humidifiers, condensation pans, outlet and return air vents, etc. in the air-conditioning system that will possibly collect dust and breed bacteria. For closed places where windows cannot be opened, the relevant person in charge of the factory area will also use a circulating air disinfecting device for air disinfection according to the actual situation.

Strengthen crowd control

During the epidemic, the Company implemented the management of personnel going in and out, and ensured the health of employees before entering the factory to report to work. In addition, infrared temperature detection equipment is set up at the gate of each factory to detect the body temperature of each employee, and various anti-epidemic supplies such as temperature guns, disinfectants, hand sanitizers, disposable gloves, etc. are provided to help employees do a good job in epidemic prevention.



In addition, according to the needs of epidemic prevention and control, the Company has added an independent smoking area to the original public street smoking area. In addition to the original configuration of ashtrays, isolation belts, and smoking area signs, yellow grid lines are also set up to implement a one-person-one-grid system to reduce possible infection.

Publicity of Pandemic prevention

In order to further improve the work of epidemic prevention and control, FIT uses various online and offline channels to publicize knowledge about epidemic prevention, and provides employees with knowledge to maintain their own safety.

- Online:** FIT uses different media to broadcast publicity and education tips on epidemic prevention to employees during their free time, such as during meals and breaks. In addition, the Company also advocates online learning of knowledge about epidemic prevention and resumption of work and production on its internal education and training platform "Fu Xue Bao Dian", so that all employees can receive and comply with epidemic prevention requirements.
- Offline:** FIT puts up various promotional posters in various living places such as restaurant exits, living area entrances and exits, toilets, and various floors in each factory area to show employees the correct way to wear masks and wash hands properly, and display them on public streets. Banners were hung at the passages of people, such as basketball courts, to remind employees to pay attention to epidemic prevention.

Case: Training Required for Belkin Office Reopening

Belkin, a subsidiary of FIT, complies with Occupational Safety and Health Administration (OSHA) requirements that all U.S. employees must complete epidemic prevention training before returning to the workplace. The training contents include: personal safety guidelines and vaccination information, Company guidelines information, and rules for returning to the workplace.

Case: FIT Labour union invited CDC to provide epidemic prevention supervision

In response to the FIT epidemic prevention and control, the FIT labour union invited the China Centre for Disease Control and Prevention (CDC) to conduct epidemic prevention supervision, provided various aspects of epidemic prevention knowledge in daily life, production process and sanitation of work environment to further improve the employees' self-awareness of their surrounding and prevent the spread of the viruses.



In future production and operation, FIT will continue to adhere to the principle of "putting safety and health first", and work together with employees, partners, governments, shareholders and various stakeholders to actively overcome any difficulties that may arise.

Chapter 6. Taking Pride in Green

FIT has always concerned itself with the importance of preserving nature, as well as green and sustainable development for its stakeholders, and established internal departments and formulated policies to regulate the use of resources, the management of waste and carbon emissions. Meanwhile, the Company strictly complies with the environmental laws and regulations of each operating location, such as the Environmental Protection Law of the People's Republic of China, Measures for Energy Conservation Review of Fixed Asset Investment Projects, and 2021 Implementation Plan for Energy Efficiency Benchmarking Activities in plants in Mainland China, the Basic Law on the Environment in Taiwan, the Law on Energy Conservation and Efficient Use and the Water Resources Law in Vietnam, as well as the National Environmental Policy Act (NEPA) in the United States.

During the reporting period, there were no material non-compliance cases against environmental laws and regulations noted during operation.

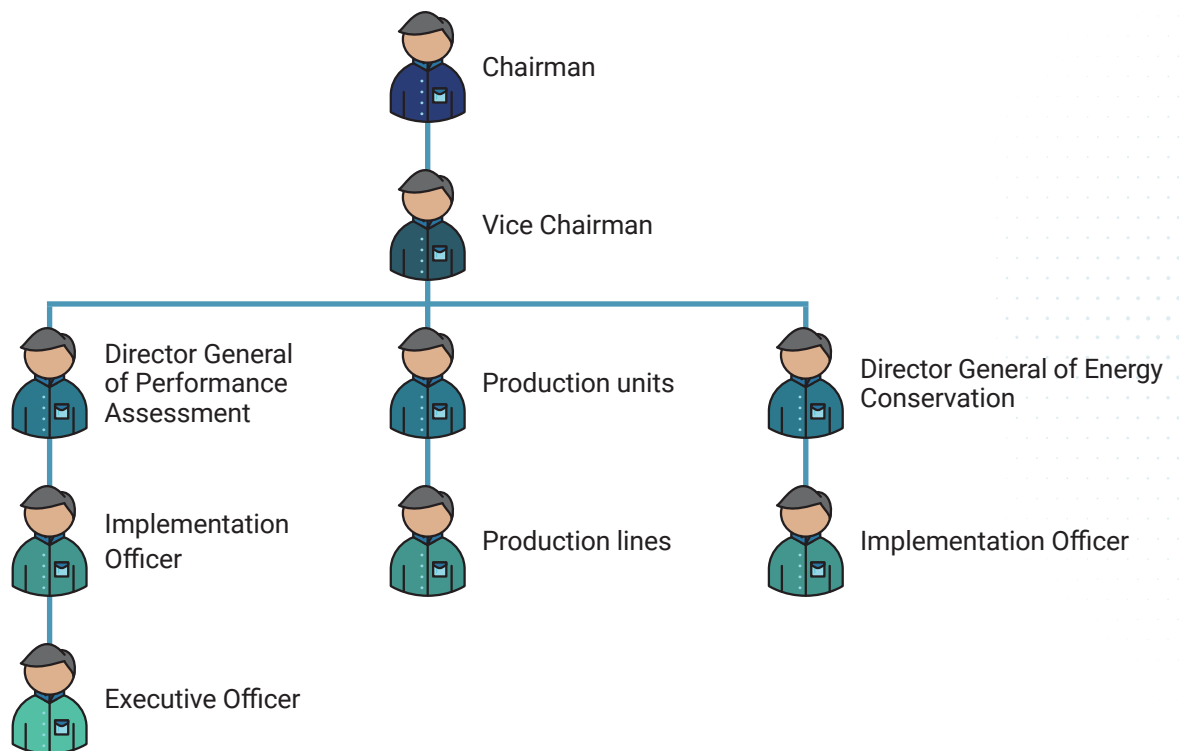
Same as last year, under the leadership of FIT's SER Committee, the Company formulated environmental goals for different environmental issues such as energy use, waste, water resources and greenhouse gases. For details, please refer to the Chapter 11: Appendixes.

6.1 Resource usage

To deeply integrate the concept of sustainable use of resources into the Company's structure, in 2021 the Company's major energy consumption included electricity, steam, natural gas, gasoline and diesel, while the main packaging materials included paper, wood and plastic. FIT actively promotes environmental protection measures, and follows the Energy and Resource Control Operating System, the Energy Conservation Management Assessment and Scoring Rules and other relevant rules to ensure efficient use of energy and realize efficiency maximization and waste minimization.

The Company organized different departments in different regions to better promote internal energy management, such as the Energy Conservation Technology Development Committee in Mainland China and Vietnam factories, and the Sustainability Department of Belkin. The Committee is composed of directors from different factories or fields, whose main responsibilities include regularly following up on the progress of the Company's energy saving goals in different factories, conducting energy audits and management, reviews and improvements on a regular basis, continuously promoting energy saving projects, and promoting various energy saving methods for employees. To ensure clear communication and rapid information transfer, a two-way communication channel is implemented from management to production units and from the production units to management through the Energy Conservation Technology Development Committee, which ensures that any problems encountered at work can be reported to the Energy Conservation Technology Development Committee quickly to ensure that the work can be carried out smoothly.

Take the Energy Conservation Technology Development Committee in Vietnam as an example. Its organizational structure and communication channels are shown in the following diagram.



FIT sets energy saving plans and targets for each year, and regularly reviews these targets based on actual production data and operations from previous years to ensure that the Company's energy saving plans meet the established targets. Depending on the production areas and fields, different energy saving programs are planned according to the production needs and all employees are encouraged to participate. These arrangements, together with regular meetings, are able to further expand the energy saving efforts.

In addition, Belkin, a subsidiary of FIT, also set a five-year strategic plan for sustainable development, to achieve 100% renewable energy by 2025. These goals will help Belkin to further reduce energy consumption, control costs, and reduce environmental impact during production and operation. At the same time, it has also set other sustainable goals with reference to the UN's Sustainable Development Goals 12 (Responsible Consumption and Production), 13 (Climate Action) and 16 (Peace, Justice and Strong Institutions) to achieve a better, more sustainable future.



Audit and management

To ensure that energy saving efforts are conducted smoothly, FIT conducts regular energy saving audits for each production area. The monthly audits are conducted by the emission reduction teams of each production area. The audit results are then centrally collected and submitted to the FIT Energy Conservation Technology Development Committee for further investigation. The audits cover the following dimensions.

Economic operation
management of the
lighting facilities

Energy-saving
management of
office equipment

Energy-saving
management of
water dispensers

Economic operation
management of air
conditioning

Economic operation
management of air
compressors

Energy-saving
management of
natural gas equipment
and pipelines

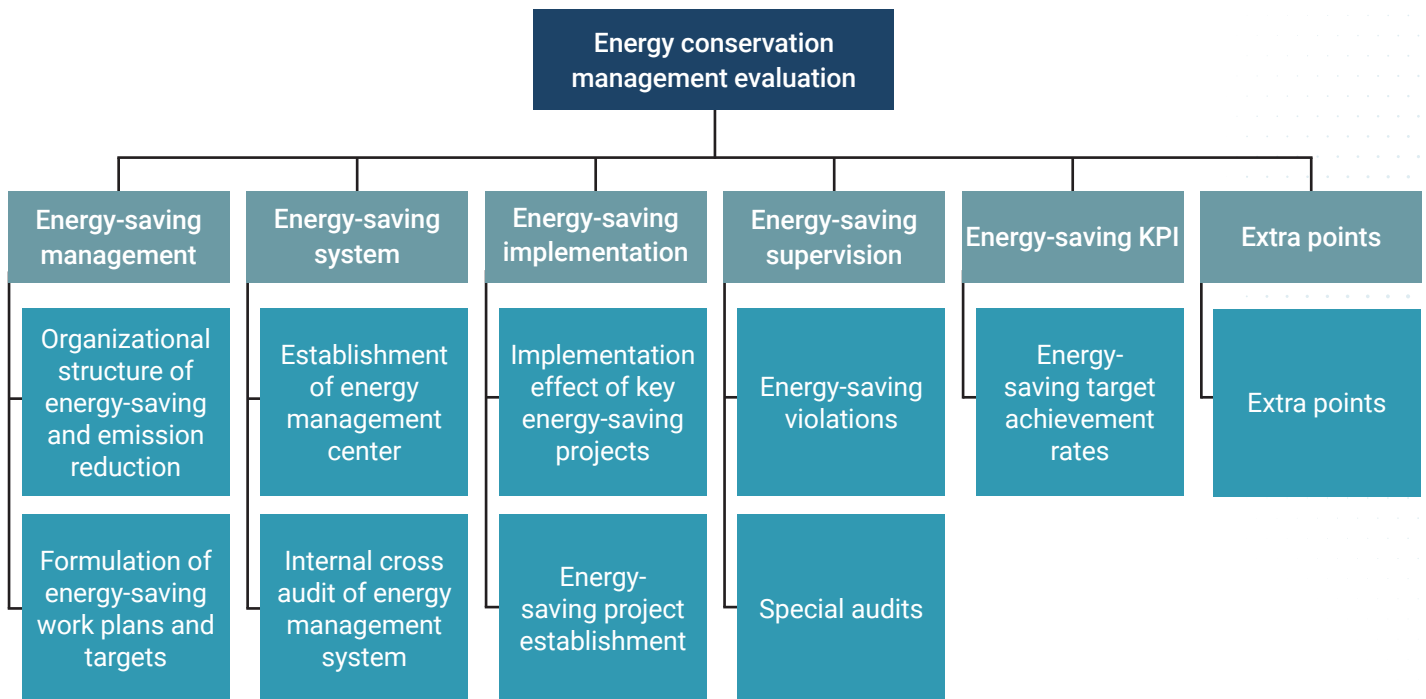
Energy saving
management in
workshops

Energy-saving
management of
elevators and
overhead cranes

Economic operation
management of
transformers, etc.

Review and improvement

To comprehensively assess the implementation of energy-saving management and the achievement of energy-saving targets, FIT has carried out regular energy management evaluation. The contents cover six dimensions, including energy-saving management, energy-saving system, energy-saving implementation, energy-saving supervision, energy-saving KPI and extra point items. The indicators include the organizational structure of energy-saving and emission reduction, the formulation of energy-saving work plans and targets, the implementation effect of key energy-saving projects, energy-saving project establishment, energy-saving violations, special audits, energy-saving target achievement rates, etc. FIT offers different rewards for better-performing production areas, hoping that these benefits will continue to encourage employees to reach consensus and work together to achieve energy saving goals.



Publicity and training

Through energy conservation posters and regular employee training sessions, FIT employees are constantly reminded of the importance of energy conservation and environmental protection. At the same time, in order to integrate energy-saving behaviours into daily habits of employees, energy conservation signs are posted on all energy-consuming equipment and relevant office facilities, general lighting in the factory was replaced with LED energy-conservation lights, and employees are constantly reminded to do various checks before leaving the office, such as turning off all power supplies, unplugging unnecessary power equipment, and using fans to reduce the use of air conditioners.

Case: FIT provides environmental/emission related courses to employees

In 2021, FIT have provided employees with a series of training courses on the operation and management of wastewater equipment, mastering the hazardous properties of various pollutants, the operation and management of waste gas equipment, and environmental pollutant treatment technology. A total of 11 courses were held, and each course had 12 participants.

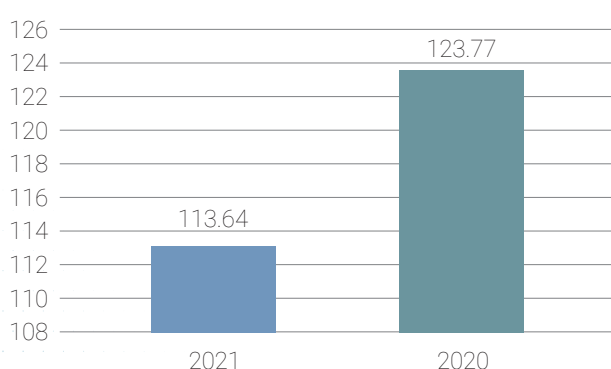


Major energy usage

The energy directly or indirectly related to the production and operation of FIT is mainly electricity, as well as natural gas, steam, gasoline and diesel. In 2022, we continue to review and summarize energy conservation and emission reduction work to ensure the smooth implementation of the annual energy conservation and emission reduction target plans.

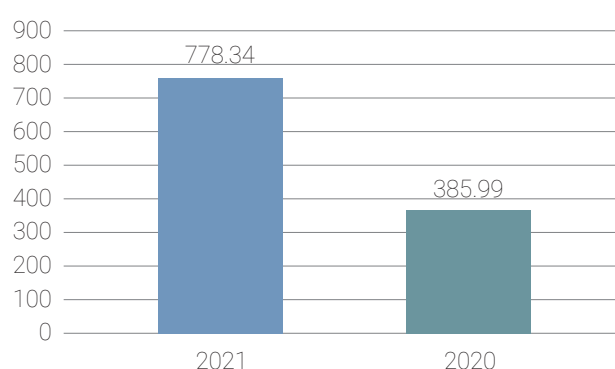
During the Reporting Period, FIT's electricity consumption intensity has decreased by 8.18%, and its natural gas consumption intensity has increased by 101.6% compared with 2020. Natural gas has a relatively large growth rate mainly due to the expansion of factories in Mainland China, new workshops requires greater use of natural gas as a cleaner energy source. In addition, compared with 2020, our gasoline consumption intensity has slightly increased by 6.5%, while steam consumption intensity has decreased by 18.6% compared to 2020. In 2021, FIT has achieved preliminary results in energy saving. The specific energy consumption data and comparison are shown in the figure below. For other energy consumption data, please refer to Chapter 11: Performance and data table in the appendix.

Electricity consumption intensity comparison of FIT between 2021 and 2020



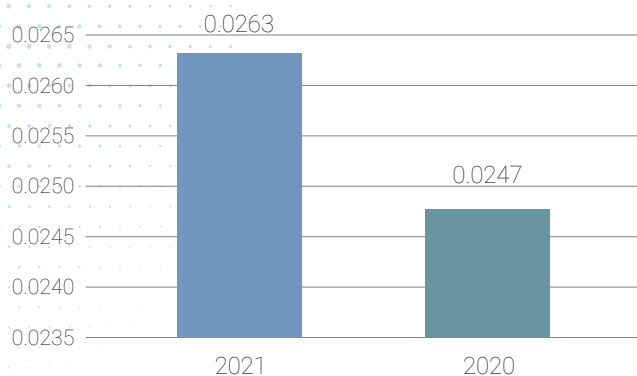
Electricity intensity, MWh per million USD

Natural gas consumption intensity comparison of FIT between 2021 and 2020



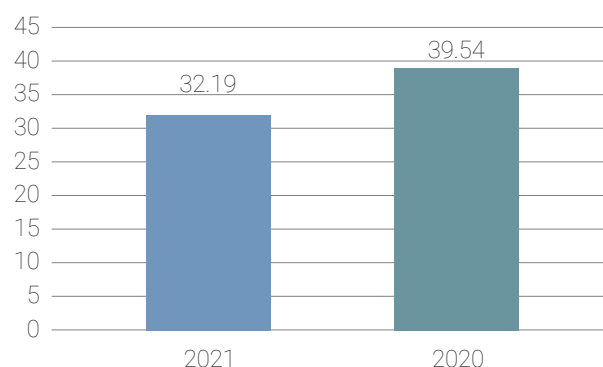
Natural gas intensity, m³ per million USD

Gasoline consumption intensity of FIT between 2021 and 2020



Gasoline intensity, ton per million USD

Steam consumption intensity comparison of FIT between 2021 and 2020



Steam intensity, ton per million USD

Case: FIT Vietnam adopts natural energy

FIT Vietnam has planned to cooperate with Apple Inc. in promoting clean energy RE100 for the period of 2020-2025, and has plans to install natural energy in the Vietnam factory.

Case: FIT Mainland factories obtained ISO 50001 Energy Management System Certification

FIT mainland factories including Chongqing, Dianjia, Fuding, Dianfa, and Fuyu have obtained ISO 50001 Energy Management System Certification respectively--- a third-party verification that identifies risks and opportunities for reducing energy use and enhancing energy efficiencies.



Other resource usage

In terms of packaging materials, FIT's product packaging is mainly based on paper materials and plastic materials, such as cartons, cardboards, labels, foam, tapes, etc. Other packaging materials also include wooden materials and metal materials. In 2021, FIT consumed a total of 21,329.98 tons of paper packaging, 10,347.58 tons of plastic packaging materials and 3,439.04 tons of wooden packaging materials.

In order to allow customers to enjoy the high quality of FIT products, it is inevitable to use packaging materials, but FIT still tries its best to reduce the use of single-use plastic packaging and promote the progress of packaging materials recycling in various factories. Using Belkin, a subsidiary of FIT, as an example, Belkin stated in its 2019 sustainability goals that it would reduce the use of single-use plastics by 25% in 2025, and use at least 30% of RPET (Recycled PET plastic: Recycled Polyethylene terephthalate) environmentally friendly material. At present, Belkin has excluded all plastic packaging in all products, and uses 100% recycled plastic bottles and Forest Stewardship Council (FSC) certified paper materials in screen-protected retail packaging. Recycle partners of Belkin in the US are also 100% landfill free, so as to maximize the recycling scale of resources/materials.

Case: Belkin reduces plastic content

In terms of production, Belkin has greatly reduced the content of plastics in various newly developed products, including 90% and 81% of the plastic content in charging cables and wireless charging bases, respectively, so as to reduce the harm of single-use plastics. In terms of recycling, Belkin so far has collected 22,667 tons of electronics and 8,988 tons of packaging material. In 2021, Belkin has achieved its goal of reducing 25% plastic packaging, which translates to over 100 tons of single use plastic removed from the supply chain.



Compared with last year, FIT's paper packaging materials have decreased significantly by 40%, while plastic packaging materials have increased by 15.9%. For specific packaging material consumption, please refer to Chapter 11: Performance and Data Sheet in the Appendix.

FIT has been focusing on energy conservation and environmental protection topics for a long time. In the future, it will continue to improve energy efficiency, improve energy management systems, increase employees' awareness of energy conservation, and continue to use environmentally friendly materials in the production and operation process to actively contribute to environmental protection.

6.2 Water resource management

FIT understands that water is a very precious resource and therefore attaches great importance to adopting strict water management methods. Programs such as target setting and water conservation training are implemented to improve the application rate of water resources, thus strengthening the awareness and habit of water conservation among employees. Different promotional activities are carried out to remind all employees, clients, suppliers, and other business partners of the importance of water conservation, in the hope that they can also contribute to the Earth by developing various habits of water conservation.

Target setting

The Company adheres to the concept of water conservation, ensures the effective promotion of water resources management, and sets water resource use goals. Taking into account the Company's production needs during the Reporting Period and the impact of the external environment, the target of each factory will be set according to the local production volume. At the same time, each plant area will appoint a person in charge to conduct regular inspections to ensure that the Company can achieve the set water use goals.

Promotion on water-saving

In order to promote the awareness and habits of water conservation to the society, while strengthening water resources management, the Company reminds all employees, suppliers, customers and other business partners to understand the importance of water conservation by strengthening publicity, encouraging them to develop the good habit of saving water, cherishing water and protecting water.

Case: Concentrated water reuse project

FIT's Zhengzhou plant has added a pure water storage tank, re-installed the water supply pipeline that connects to the workshop, and uses the automatic constant pressure system to supply the electroplating production workshop for the pre-treatment of the electroplating machine, degreasing, cleaning and toilet water purposes. The concentrated water reuse project was completed in early December 2019. It is estimated that the electroplating production process will save about 50,000 tons of tap water annually, a total of 96,733 tons of water had been saved in 2021.

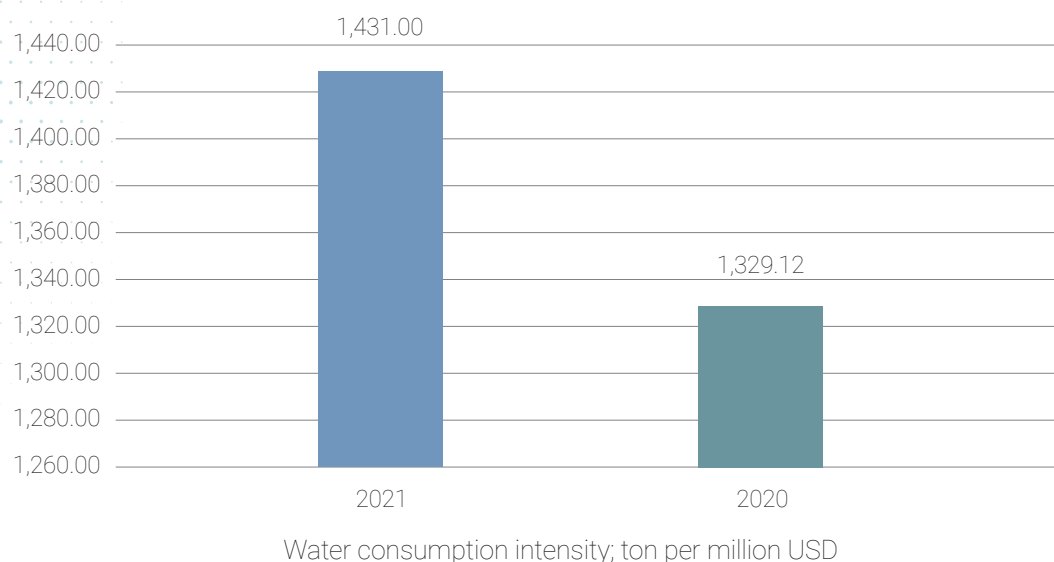
Carry out water-saving projects

In response to the Company's water-saving policy and promoting the effective implementation of water-saving goals, FIT's factories actively carried out water-saving technical transformation projects, improved the water resources utilization rate by improving the technological process, and promoted the effective development of the Company's water-saving work.

Water resources use

In 2021, FIT's total annual water consumption intensity was 1,431.00 ton/ million USD, compared to 1,329.12 tons/ million USD in 2020. Specific water consumption information and comparisons are shown in the following chart, and for additional data, please refer to the performance and data tables in Chapter 11: Appendixes.

Water consumption intensity comparison of FIT between 2021 and 2020



6.3 Emissions management

In terms of emission control, the Company is concerned with its responsibility to protect the ecosystem and hopes to do its utmost to substantially reduce environmental pollution caused by the Company.

Different production areas strictly abide by the laws and regulations of the relevant countries and regions, such as the 2006 IPCC Guidelines for National Greenhouse Gas Inventory and Emission Standard of Pollutants for Electroplating of China, regulations on exhaust gas, wastewater and waste in Vietnam, such as QCVN 40:2011/BTNMT, QCVN 19:2009/BTNMT, Decree No. 38/2015/ND-CP on Management of Waste and Discarded Materials, and other relevant regulations. Meanwhile, FIT has also formulated the Wastewater Management and Control Operating System, Exhaust Management and Control Operating System, Waste Management and Control Operating System, and obtained ISO14001 and ISO14064 certification.

The Company has carried out different control measures for emissions.

Wastewater management and monitoring

FIT's wastewater mainly includes industrial wastewater and household wastewater. Industrial wastewater is mostly generated from production and support processes such as manufacturing processes, surface treatment and water purification, while household wastewater is mostly generated from living facilities such as dormitories, commercial areas, restaurants, and toilets. Based on the Waste Water Management and Control Operating System formulated by the Company, FIT made stricter specifications on wastewater disposal, measurement, supervision, and abnormality and emergency treatment. The Company will impose appropriate penalties on the personnel causing the pollution.

Case: FIT Kunshan plant achieved “zero discharge” of nickel-containing water

In 2019, the Kunshan plant invested about RMB 45 million in the upgrading of waste water facilities. After the wastewater system has been upgraded, the whole process of wastewater treatment can be fully monitored and controlled properly, while testing other functions such as warning alarms etc. Currently, the system has been in trial operation for more than 4 months, and the operation has been in stable condition.

In terms of monitoring wastewater, each production area has established relevant measurement functions in accordance with the environmental regulations of its location. For example, the FIT production areas in Mainland China have set up a functional discharge monitoring system, which can accurately monitor all the discharge data, including the amount of wastewater effluent and the quality of wastewater. At the same time, the system also has an early warning setting, which can immediately send out a warning message once it detects any abnormality.

In addition, the Company has set up wastewater recycling operations in each production area, which not only saves water, but also reduces the pollution caused to the environment.

Case: FIT Mainland's factory formulated "Emission Standards for Major Pollutants in the electroplating industry"

Jiangsu Province has issued a draft of the "Emission Standards for Major Pollutants in the Electroplating Industry", which adjusted the discharge standards for wastewater and exhaust gas, and Kunshan factory complies with such requirement. FIT Huai'an wastewater treatment facilities are expected to be upgraded and have planned ahead of schedule to cope with regulatory updates.



Case: FIT Vietnam's Sewage Plant

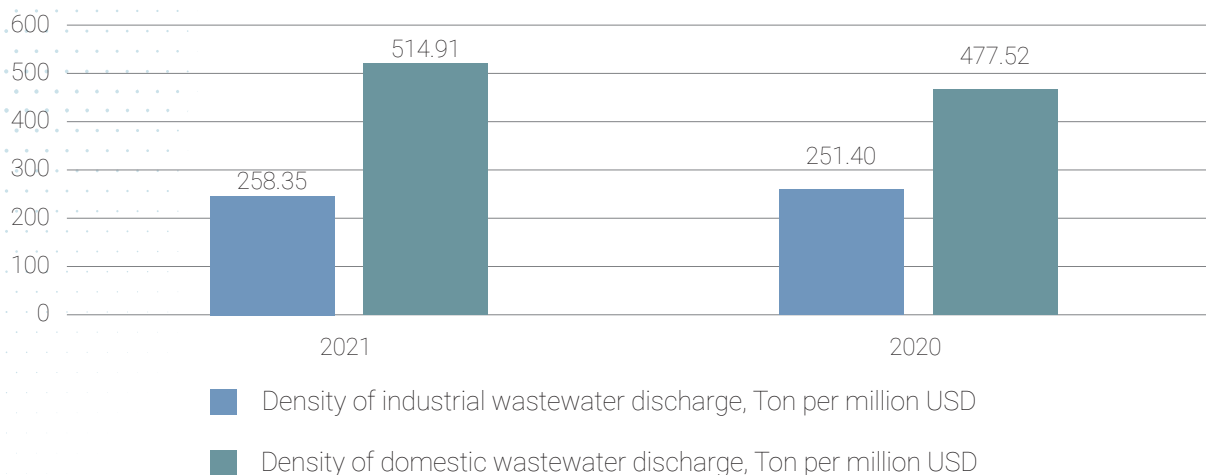
In 2021, the sewage treatment plant in FIT Vietnam has been commissioned. The sewage treatment plant is the only state-of-the-art sewage treatment system in the Northern Vietnam that uses the MBR process. It is equipped with an automatic detection system and an independent laboratory. The water quality treatment fulfils the A grade-standard – reuse standard.



At the same time, the FIT Vietnam sewage plant had the honour to be listed by the Bac Giang Provincial Committee as one of the best enterprises in the environmental protection business of Bac Giang Province. The sewage plant was also featured in the local newspaper.

In 2021, FIT's total industrial wastewater discharge intensity increased compared to the year before, with an intensity of 258.35 tons/million USD; its total domestic wastewater discharge intensity also increased compared to 2020, with an intensity of 514.91 tons/ million USD. Specific discharge data and comparisons are shown in the following chart, and for additional discharge data please refer to the performance and data tables in Chapter 11: Appendixes.

Comparison of FIT wastewater emission intensity between 2021 and 2020



Exhaust management and monitoring

The exhaust produced by FIT includes process exhaust and general exhaust, mainly including nitrogen oxides, cyanide, sulphuric acid mist, etc. Process exhaust refers to the harmful gas produced by the factories during the production process, while general exhaust is generated by the operation of production supporting service equipment and living activities, such as the operations of generator sets and restaurants.

The Company assigns different responsibilities to different departments for exhaust treatment in accordance with the guidelines of the Exhaust Management and Control Operating System. At the same time, the Company also promptly adjusts its policies in accordance with changes in external policies, production and operation. In terms of production, FIT established and maintains exhaust collection and transmission pipelines in accordance with relevant environmental protection requirements (including regular equipment inspection, and unblocking and repairing of pipelines), continuously improves and updates existing production and service equipment, and does its utmost to avoid accidents that can cause environmental pollution.

After exhaust emission, the Company takes corresponding supervision and control measures, and carries out measurement of exhaust. When measuring, the department in charge fulfils legal requirements in accordance with local laws and often carries out analysis of exhaust treatment.

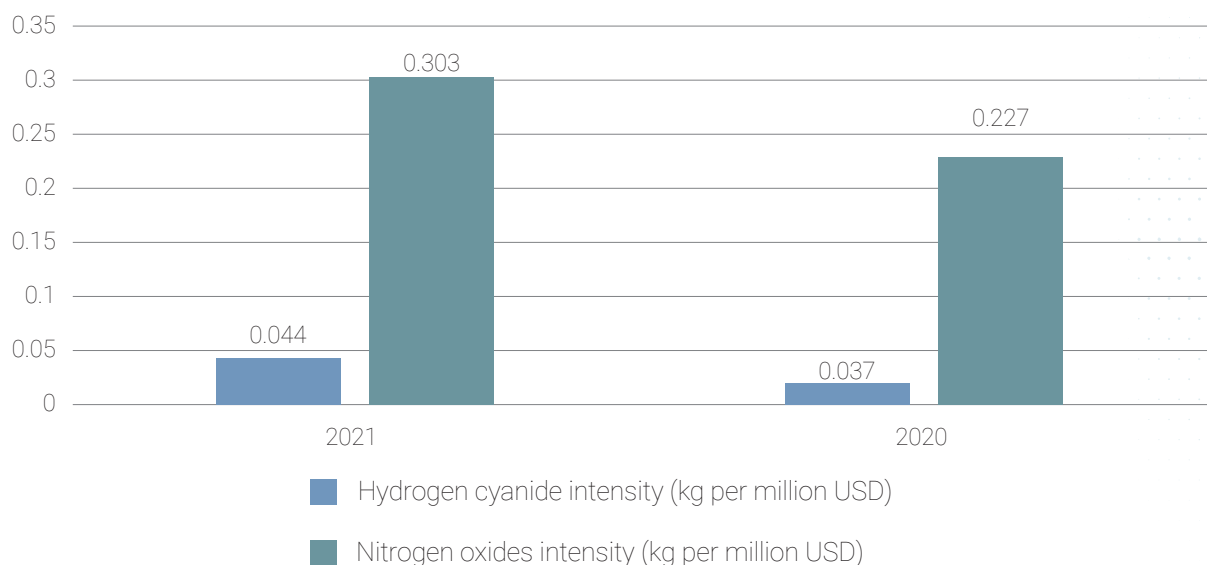
Case: FIT Mainland China's investigation, collection and disposal of volatile organic compound (VOC)

FIT has conducted inspection of volatile organic compound manufacturing in various production parks in Mainland China, such as the Huai'an plant, and Kunshan has carried out comprehensive inspection, collection and disposal tasks; the Zhengzhou plant has completed a comprehensive inspection and is currently under construction, while the Shenzhen location has completed all tasks targeting the injection of moulding waste gas. Currently all facilities are put into use, and all emission tests met the requirements of emission standards.



During the Reporting Period, there was a slight change in FIT's exhaust emissions compared to 2020. For example, in 2021, the emission intensity of hydrogen cyanide was 0.044 kg/million USD, which has increased by 18.9% compared to 2020; while the emission intensity of nitrogen oxides was 0.303 kg/million USD, which has increased by 33.5% compared to 2020. Specific emissions data and comparisons are shown in the following chart, and for additional emissions data please refer to the performance and data tables in Chapter 11: Appendixes.

Comparison of FIT hydrogen cyanide and nitrogen oxides emission intensity between 2021 and 2020



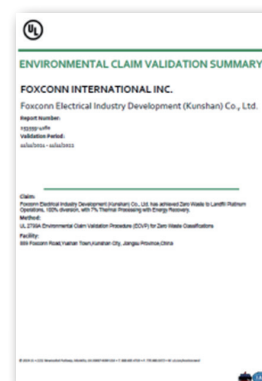
Waste treatment

The production of waste is inevitable in the production process, but FIT believes that well managed waste can greatly reduce the impact of waste on the environment. In terms of waste disposal, the Company has formulated the Waste Management and Control Operating System, and Hazardous Waste Management and Control Practice, which include information about different kinds of waste, such as the identification of various kinds of waste, as well as the collection, disposal, and classification schemes. During the production process, the Company first collects the waste and then carefully sorts it to ensure that some materials can be recycled and that toxic materials are disposed of in an appropriate manner. Once the waste is sorted, it is handed over to external suppliers for further processing, including recycling, taking to landfill and incineration, which reduces the environmental impact of the waste.

In terms of waste disposal, the Company monitors from time to time the amount of waste at each site and how it is disposed of, and considers what FIT can do better in this regard, such as reducing incineration practices, recycling materials other than those now commonly available on the market, such as paper, plastics and metals, and avoiding environmentally damaging raw materials or processes as much as possible in the production process.

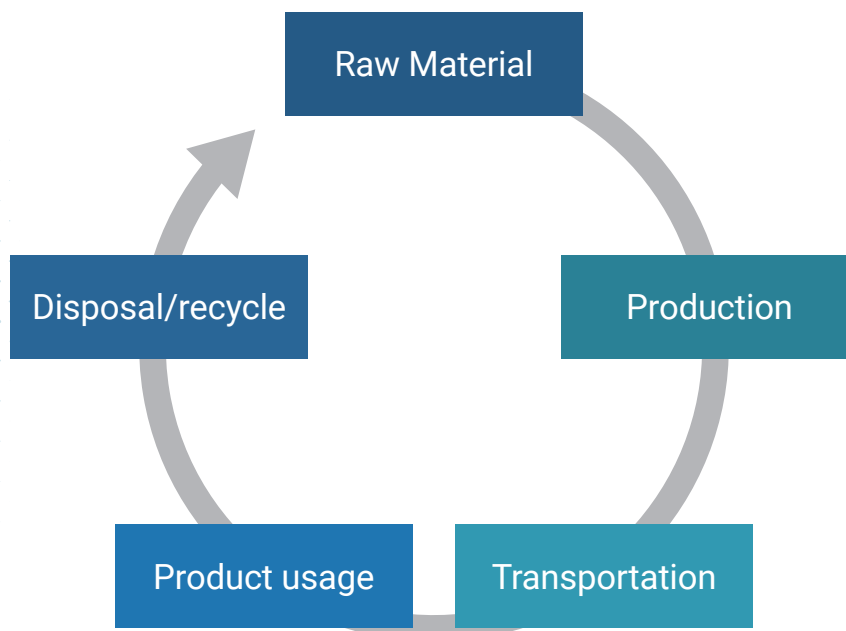
Case: FIT Mainland participates in zero waste project (ZWP)

With assistance and motivation from Apple Inc., the FIT Mainland China region has participated in the Zero-waste project. A project team has been formed by the Environmental Engineering Department, and led by various business units of different factories. Currently, the Shenzhen and Kunshan factories have successfully obtained UL2799 platinum certification, the Huai'an factory is currently in the process of certification, and it is planned that the rest of the factories be fully implemented and certified in Mainland China.



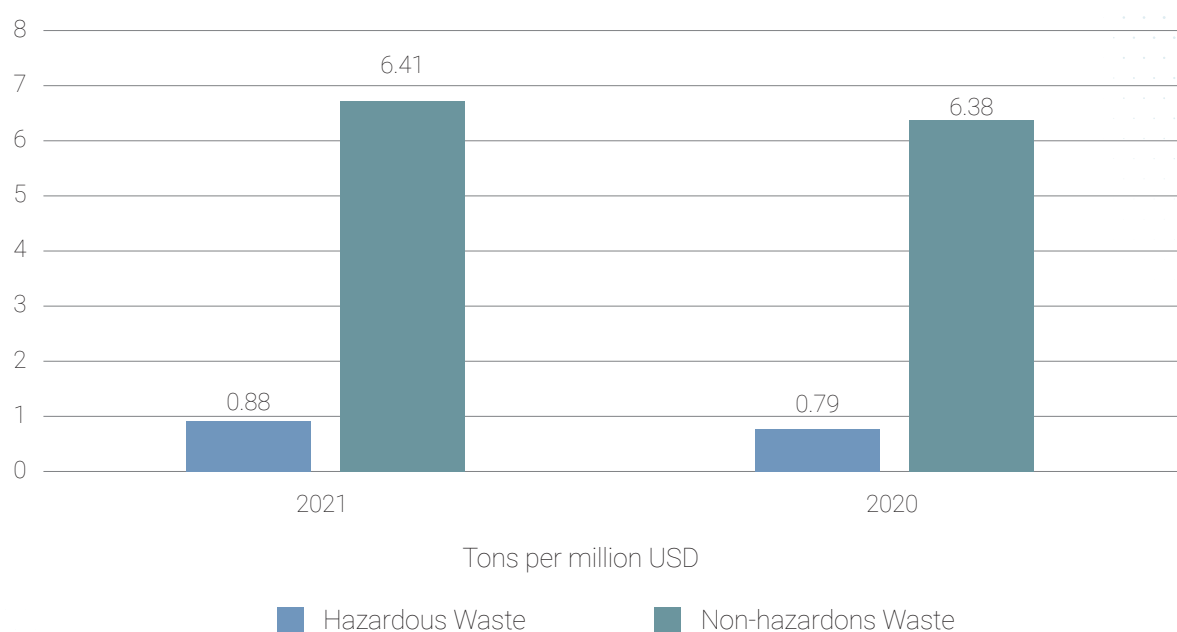
The Company also set up waste collection points and posters around each production area and has established hazardous waste warehouses to reduce exposure to hazardous waste in the course of production, activities or services. The warehouse is constructed in strict accordance with sun-proof, rain-proof, and seepage-proof requirements, and is equipped with epoxy seepage-proof ground, anti-leakage cofferdam, collection ditch, and collection pool, which are connected to the wastewater treatment system. Chemicals need to undergo rigorous inspection before being put into storage. The warehouse is also equipped with eye washers, protective equipment, and first aid kits to deal with emergencies. In addition to standardizing the management of waste warehouses, the Company has also strengthened training for employees to enhance their awareness of safety and environmental protection, as well as to ensure their operational compliance.

In addition, Belkin, a subsidiary of FIT, has developed a list of restricted substances, eliminating hazardous chemicals and replacing them with alternatives that are safer for the environment. In order to further reduce waste materials in the production of products, "Life Cycle Assessment" (LCA) will be used in product design to analyse the product from raw materials, production, transportation, product use and maintenance to disposal or recycling. These different stages can bring various impacts on the environment, including energy use, resource consumption, and waste discharge at different stages.



In 2021, FIT's hazardous waste emissions and non-hazardous waste emissions both showed an increase compared to 2020, only slight changes were recorded. Specific emissions information and comparisons are shown in the following chart, and for additional emissions information please refer to the performance and data tables in Chapter 11: Appendixes.

Comparison of FIT's hazardous and non-hazardous waste emission intensity between 2021 and 2020



6.4 Greenhouse gas management is aiming at reduction of severe disasters

FIT understands that greenhouse gases (such as carbon dioxide (CO₂), water vapor (H₂O), and Ozone (O₃)) are released into the atmosphere during the production process, causing greenhouse gases to rise continuously and resulting in increasingly severe global warming. Therefore, the Company does its utmost to reduce the carbon emissions generated in the course of operations.

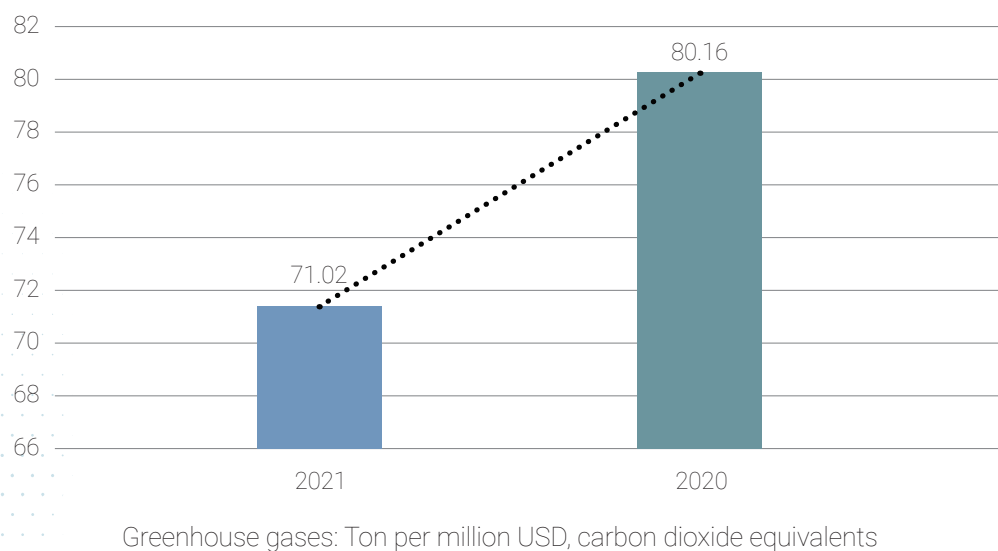
The Company formulates and strictly implements emission reduction plans every year according to the actual situation, and assigns personnel to regularly monitor the progress of emission reduction in the production areas. Currently, the Company's greenhouse gas management has obtained the ISO 14064 certification. As of the end of the Reporting Period, FIT factories in Mainland China have successfully achieved and even exceeded the emission reduction targets. Regarding scopes 1 and 2 greenhouse gas emission, the Group has planned to utilize the Group's Turbo Carbon system to collect quarterly data in various fields, which can also save time and cost of FIT's data collection. The Turbo Carbon system can automatically calculate carbon emissions in various areas and generate online carbon emissions analysis reports. In addition, FIT has plans to submit the CDP climate change questionnaire in 2022.

In 2020, Shenzhen Fuding Corporation had a deficit of 19,888 tons of carbon allowances, for which RMB 810,000 was paid to the Shenzhen carbon trading agency to purchase additional carbon allowances; by June 2021, the carbon quota compliance work for 2020 has been completed.

Belkin has also set strategic targets for sustainable development: realizing net zero CO₂ emissions by balancing carbon emissions with carbon removals (usually through carbon offsets) or eliminating carbon emissions altogether, and planning to achieve 100% carbon neutrality in Scope 2 emissions by 2025. Currently, Belkin has reduced greenhouse gas emissions by 50% and uses 25% renewable energy in its operations.

During the Reporting Period, FIT's total greenhouse gas emission intensity has decreased significantly from 80.16 tons of CO₂ equivalent/ million USD in 2020 to 71.02 tons of CO₂ equivalent/million USD in 2021. Please refer to Chapter 11: Appendixes for additional data regarding GHG emissions.

Comparison of FIT Greenhouse gas emission intensity between 2021 and 2020



FIT will continue to monitor its direct emissions, work collaboratively with the management of supplier chains to regulate carbon emissions, with the goal of carbon neutrality by 2050.

Chapter 7. Safety First

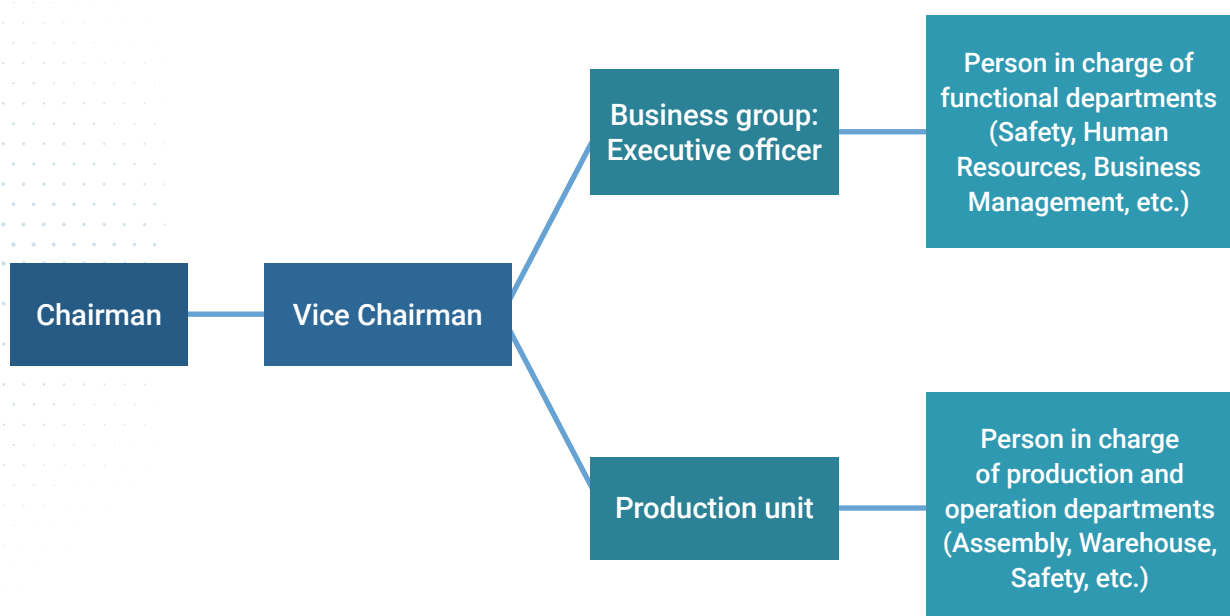
7.1 Production Safety

Production safety is crucial to FIT's operations. FIT complies with the safety-related laws and local policies of operating sites in Mainland China, Taiwan, Vietnam, the United States, etc., such as the Work Safety Law of the People's Republic of China, Fire Prevention Law of the People's Republic of China, Regulations on Safety Supervision of Special Equipment, and Vietnam's Law on the Prevention and Control of Labour Safety in Production and Occupational Health and Fire Prevention Law. The following sections will introduce the safety committees in mainland China, Vietnam and Belkin in detail.

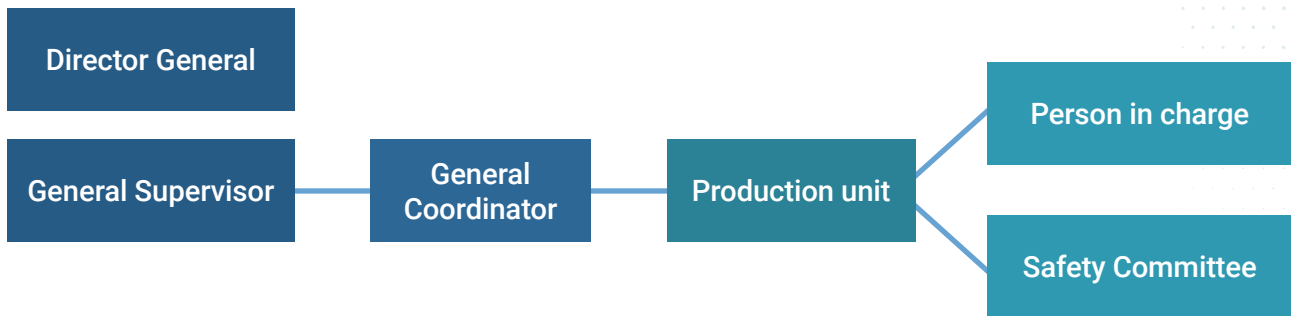
During the Reporting Period, there were no material non-compliance cases against occupational safety related laws and regulations.

Establishment of Safety Committee

FIT Vietnam has set up a Safety Committee, whose main responsibilities are comprehensive management of the factory's safety-related work, examination and approval of the standards for safety policies and safety management programs, supervision of the implementation of production safety responsibility system, promotion of production technology achievements, carrying out safety publicity, education and inspection, handling of all kinds of production safety accidents, research and analysis, etc. The organizational structure of the Safety Committee is shown in the following diagram:



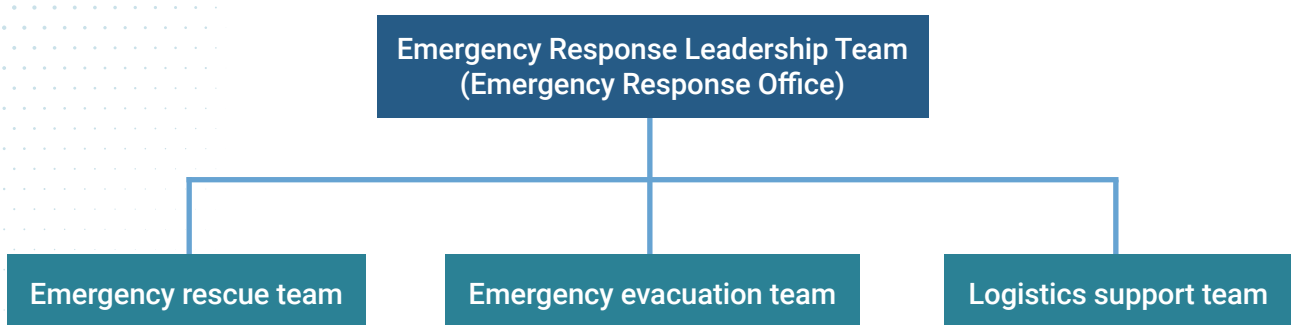
FIT's factories in Mainland China have set up an organizational structure for promoting industrial safety, whose main responsibilities are the comprehensive management of the Company's safe production and operations, including the formulation and implementation of safe production related policies, the formulation of emergency response plans and the guidance to relevant departments for implementation, the planning and supervision of safety and health facilities, the planning and implementation of labour safety and health education and training, etc. It can be summarized as the diagram below.



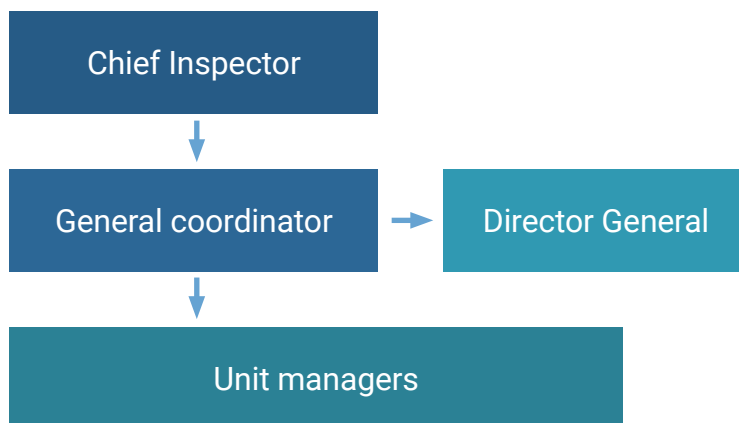
Belkin has also set up a Safety Committee, which is mainly composed of warehouse, manufacturing and office employees, and meets once per month. The Safety Committee is responsible for monitoring the Occupational Health & Safety (OH&S) conditions within buildings, which responsibility includes identifying potential hazards, establishing controls to mitigate or eliminate these hazards, reviewing accident history, recommending and implementing changes to the OH&S policy.

Handling of production safety accidents

For emergencies that may occur during production and operations, the Company has established and enforced strict procedures for accident notification and handling, such as the Emergency Response Management Specifications of FIT Vietnam and the Comprehensive Emergency Plan for Production Safety Accidents for FIT's factories in Mainland China. Taking specific factories in mainland China as an example, the Huai'an Factory has set up an internal safety control organization. Once any accidents occur, employees will comply with the "Group Work Injury Management Rules", which include mechanism and procedures for handling work injury accidents.



The structure of the Industrial Safety Control Organization of Huaí'an Factory in 2021 is shown in the following diagram as reference:



In addition, Belkin has added a chapter on Emergency Action Plan in its OH&S Policy, listing a series of measures to handle production accidents, including formulating emergency radio codes, accident response mechanism, and detailed response measures for different accidents, such as gas leakage and electric shock, to guide its employees in effectively addressing all types of emergencies. Typically in the event of an emergency, Belkin will announce codes over the radio. For example, red code is for evacuation, blue for medical emergencies, and grey for tornado. At the same time, all chatter is to be silenced and associates are to wait for further instructions. In case of casualties, the persons in charge on site must also call 911 and notify the Security Desk. After taking the injured to the ambulance, the persons in charge should contact HR which will notify emergency contacts if need be.

Fire Safety

Each FIT factory carries out regular inspections of fire and emergency facilities to detect and eliminate malfunctions in a timely manner, so as to minimize the loss of Company's properties and personnel caused by fires. FIT continuously promoted fire safety management throughout the year, preventing fire s and explosions through regular inspections of firefighting facilities (For example, check whether the number of the firefighting facilities matches, check whether there is any firefighting facility that needs to be repaired or replaced) and safety drills to ensure that the Company's business is conducted safely.

Fire drill

In order to enhance the self-rescue ability and emergency handling ability of all employees when emergency occurs, each FIT factory carries out regular fire drills to help employees get familiar with the fastest escape routes. In addition, fire emergency response teams are set up in each factory to guide employees to escape from the designated positions during fire drills. After each drill, each team will submit a report for the review, summary and improvement suggestions for the drill.

Case: FIT's Huai'an factory fire safety training

On September 8 2021, FIT Huai'an Factory conducted fire safety training. The purpose of the training is to let employees learn fire laws and regulations, practice firefighting and evacuation drills, and learn the 12 Safety Red Lines. The training participants included the public security personnel of the factory and the management personnel for hazardous chemicals. After the training, each participant must complete an exam to prove their familiarity with the training content. The pass rate for the exam is as high as 100%. In 2021, Huai'an Park organized a total of 35 fire drills and evacuated 20,309 people.



Risk assessments are carried out regularly at the beginning of each year, and safe production work for the following year is planned at the end of the year. The factory provides various training courses for employees, including the "New Work Safety Law" training, "Fire Safety Training", "Occupational Hygiene and First Aid Knowledge Training" held on September 14, 2021. At the same time, the factory also established the "Group Work Injury Management Rules", which stipulate in detail the mechanism and procedures for handling work injury accidents. The group's "12 Safety Red Lines" are posted within the factory area to organize staff to facilitate employees to learn its content.



Special projects

FIT encourages all factories and employees to actively put forward rectification suggestions for firefighting, and carries out various firefighting special projects to make timely improvements in response to identified safety hazards.

Construction Safety

In order to strengthen the management of construction safety and environmental protection, as well as reducing casualties and property losses during construction, FIT Vietnam formulated the Code of Practice for Construction Safety Management to clarify the responsibilities of construction-related business units and personnel, and to comprehensively improve the supervision of construction safety. Before starting a new construction project, FIT must conduct the corresponding risk assessment and have it examined and approved by the heads of safety-related departments to ensure construction compliance. The following is FIT's construction application process:



Before Construction

The Company implements a set of strict management procedures for construction, and any contractors must abide by the internal management regulations of the factory. For example, contractors must wear valid identifications, uniforms and other personal protective equipment that comply with the Company's regulations before entering the construction site to prevent injuries. In addition, relevant persons in charge should carry out construction safety advocacy, clarify construction safety measures, and conduct safety education and training to the contractors. Contractors need to sign the Engineering Safety and Environmental Protection Agreement once a year, and will also sign the Construction Commitment and the Record of Construction Safety Education and Training before each project is carried out, to ensure that they fully understand the risks and safeguard measures before construction.

Under construction

Safety billboards will be prominently placed at the construction site to illustrate the content, duration and other information related to the construction. The construction equipment and materials on site must be stacked neatly and firmly, leaving evacuation and emergency access. For special works like fire work, aerial work, hoisting work, and work in confined space, the Company requires the construction party to obtain special work permits first and sets detailed construction standards to avoid injuries. At the same time, there will be supervisors on site to ensure timely correction of any incorrect behaviours during construction.

Supervision and monitoring

Each construction project of FIT must have a supervisor designated by the construction department to be responsible for the safety of the project. For special operations, the supervisors will supervise throughout the whole process. They must participate in the Company's safety training, and only after they are qualified can they acquire the certificate of construction safety training and start to work. The personnel in the Safety Department of FIT Vietnam conduct random safety audits on construction projects. If any irregularities or safety hazards are found on site, they will be dealt with according to the Penalty Standards for Violations by Construction Personnel, and the construction will be improved or suspended in accordance with Company regulations.

Handling hazardous chemicals

The Company has established warehouses for hazardous chemicals, which are equipped with flammable gas concentration alarms, flame detectors, smoke detectors, eyewashers and other emergency equipment. At the same time, warehouse safety management chemicals must undergo strict inspection before storage, and must be sorted in categories after storage; operators must be certified to work; newly imported chemicals must be subject to safety assessment, and only after passing the assessment can they be purchased and imported for use. FIT cooperates with the local government of each factory area. For example, the Shenzhen government promotes the special action of "Two Fights and One Rectification" for hazardous chemicals, which requires the standardization of the safety management of hazardous chemicals, and the factory has complied with this requirement strictly.

Safety of hazardous chemicals

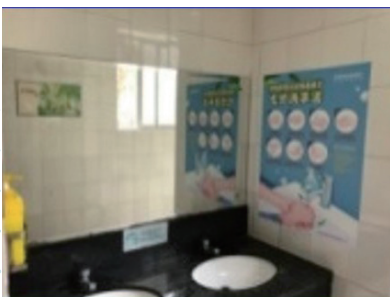
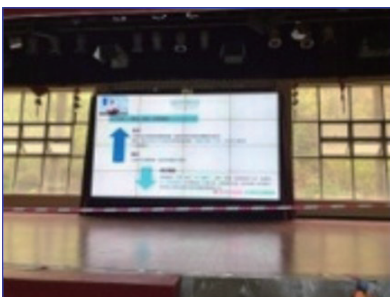
FIT insists on safe production and implements strict control over various hazardous chemicals involved in the production process. In order to prevent accidents and protect lives and property of employees, the Company has developed and follows a series of management systems for hazardous chemicals, such as the Hazardous Chemicals Safety Management System and the Emergency Plan for Hazardous Chemicals for the factories in Mainland China, Taiwan, and Vietnam, as well as Belkin's Hazard Communication Program. The internal management systems regulate the transportation, loading and unloading, use and storage of hazardous chemicals, which fully guarantee the compliance and safety of hazardous chemicals operations.

Transportation of hazardous chemicals

FIT's factories require that vehicles carrying hazardous chemicals must hold relevant licenses issued by local transportation authorities. Under normal circumstances, high-risk chemicals and general materials are transported separately, and the same vehicle does not transport hazardous chemicals with conflicting properties or requiring different firefighting methods, so as not to affect emergency handling.

Use of hazardous chemicals

Managers and operators of hazardous chemicals in FIT's factories must undergo pre-job training. Only after learning relevant safety knowledge and having the ability to deal with emergencies, can they obtain a certificate for hazardous chemicals operation and start to work. Belkin also conducts safety related training for its employees, informing them of the operation rules for hazardous substances in the work area, the proper usage of the Hazard Communication Program, and the correct way to release hazardous chemicals in the work area, etc.



Various posters, banners and promotional films in the factory

In addition, the Company will also equip employees with certain protective equipment, such as gloves, masks and protective clothing, in the process of using hazardous chemicals to protect their safety and health.

Storage of hazardous chemicals

The Company attaches importance to the classification and management of hazardous chemicals, and has established independent warehouses outside the production line. The design and planning of the warehouses are in line with local safety standards, containing pressure relief, anti-static, temperature and humidity measurement, firefighting facilities, etc., so as to prevent different safety accidents. The Company also stores the hazardous chemicals in separate warehouses by categories and divisions according to their properties, and strict standards are set for the distance of stacks, walls and columns between hazardous chemicals.

At the same time, there are full-time management personnel in the warehouses for daily safety management whose responsibilities include familiarity with the business knowledge of the classification, nature, and management of high-risk chemicals, as well as their daily maintenance, etc. Once an abnormality is found in high-risk chemical warehouses, the management personnel will promptly inform the relevant persons in charge and organize on-site personnel to deal with it in time.



Belkin has also taken strict storage measures for hazardous chemicals to protect the health of employees, such as putting on labels with contents, names of chemicals and warnings on the containers where hazardous chemicals are stored, and establishing safety data sheets for hazardous chemicals, which are maintained and updated by the safety director or other designated personnel.

Safety training

FIT attaches great importance to safety culture and regularly organizes various safety training to enhance employees' awareness of safe production and improve their capability in safety emergency response.

In order to continuously improve the emergency handling capability of employees, FIT's factories conduct safety education and training to ensure that employees have the necessary knowledge and skills in safe production. The safety education and training include special training for new employees, personnel changing job types, personnel doing special work, personnel doing dangerous work, and key personnel in charge, and regular safety education programs. In addition, the Company organizes annual training for all employees, which takes various forms such as lecture, table-top exercise, and drill to enable employees to understand the hazards existing in the Company, responsibilities of relevant departments, on-site disposal schemes, self-rescue and mutual rescue methods for various accidents, and the way to use various equipment and tools, so as to improve the employees' handling ability through effective training.

FIT also organizes regular emergency drills every year. The participants cover all members of the emergency rescue organization, and the contents are mainly emergency warning, information reporting, emergency command, rescue, injury rescue, management after emergency, etc. The persons in charge will prepare evaluation and summary after each drill and identify problems according to the effect of the drill to continuously improve the safety training process for employees and the Company's safety management system.

Case: FIT Baoke Factory Fire / Industrial Safety Council system and regular drills

At the beginning of each year, FIT Baoke Factory will prepare a safety training plan for all units in the factory, which stipulates that the training hours for new employees should not be less than 24 hours, and the hours for current employees' safety education and training should not be less than 8 hours. The training targets are front-line employees and management personnel. The Company has established various accident emergency plans and conducts regular drills. All employees of the Company must participate in the drills to improve their ability to deal with accidents.



At the same time, the factory has established various emergency response cases, including:

- Fire accident emergency plan;
- Special accident emergency plan:

Special contingency plans for fire and explosion accidents; special contingency plans for hazardous chemical accidents; special contingency plans for special equipment accidents; on-site accident handling plans: on-site handling plans for poisoning and suffocation accidents; on-site handling plans for electric shock accidents; on-site handling plans for mechanical injury accidents; on-site handling plan for object strike accident; on-site handling plan for falling-from-height accident; on-site handling plan for lifting injury accident; on-site handling plan for scalding accident; on-site handling plan for slope collapse and landslide accident; on-site handling plan for vehicle injury accident; drowning injury accident; on-site handling plan for container explosion accident; on-site handling plan for freight elevator (elevator) accident; on-site handling plan for limited space operation accident; on-site handling plan for cyanide poisoning accident; other injury (frost bite) accident site handling plan; other injury (stabbing and cut) accident site handling plan.



Case: Baoke Park received honorary certificate in National Crisis Management Approach Competition

In 2021, Baoke Park won the honorary certificate of advanced enterprise in Longhua Division of the National Crisis Management Approach Competition.



The numbers of work-related fatalities, injuries, and workdays lost due to work-related injuries each year from 2019 to 2021 is shown below.

	2021	2020	2019
Work-related injuries	104	85	122
Work-related fatalities	2	2	0
Rate of Work-related fatalities (%)	0.0035	0.0037	0
Proportion of work-related death*	1.92%	2.35%	0
Workdays lost due to work-related injuries	4,645.50	3,244.50	3,659.25

* Proportion of work-related death = Work-related fatalities/ work-related injuries

7.2 Occupational health and safety

FIT always puts the occupational health and safety of employees in the first place, constantly improving its management system, and striving to do the best in the prevention and control of occupational illness. The Company has taken a series of measures to maintain the health and safety of employees, which mainly include the testing of occupational hazards, regular occupational health check-ups, issuance and inspection of labour protection supplies, and provision of occupational hazards warnings, comprehensively and effectively ensuring employees' health and improving their safety awareness. The Company's occupational health and safety management system has met the requirements of ISO45001.

In the Reporting Period, there was no violation of any occupational hazard requirements.

Testing of occupational hazards

FIT pays attention to the impact of occupational hazards on employees, and takes measures to prevent and deal with them. Citing FIT's factories in Mainland China as an example, FIT regularly carries out on-site investigation of occupational hazards in high risk positions including moulding, stamping, electroplating, assembly, production of moulds and cables, and others. At the same time, the Company tests occupational hazards (mainly industrial dust, chemical toxicants and physical hazards) once a year for specific positions and new projects. Every three years, FIT conducts an assessment on occupational hazards status, and then posts the result on the bulletin boards and imposes rectification requirements for the unqualified items.



FIT conducts a monthly test for work positions in the highly toxic workplaces and a semi-annual control evaluation to further strengthen the intensity of occupational safety control. In 2021, the Company has carried out safety project improvement work for positions such as electroplating and moulding.

Occupational health check-ups

Regular health check-ups are crucial for ensuring the health of employees. Every year, each factory provides employees with health and safety check-ups. FIT's factories in Mainland China organize pre-job, on-the-job, and off-the-job health check-ups for employees each year. Employees with abnormal results in pre-job medical check-ups will be reassigned to more suitable positions right away; those with abnormal results in on-the-job health check-ups will be arranged for re-examination; and those with occupational contraindications will be issued post transfer orders and supervised. FIT's factory in Vietnam provides health and safety check-ups once a year for ordinary workers, and at least once every six months for workers engaged in heavy, hazardous and dangerous work. In addition, FIT Vietnam has established a system of Occupational Illness Physical Examination Standards to safeguard the health and related rights of employees. Meanwhile, for employees who have been diagnosed with occupational illness, the Company will file reports on their physical examination results and cases, and the Human Resources Department will pay social insurance, handle subsidies and annual leave procedures according to law, and arrange for such employees to have occupational health check-ups on a regular basis to continuously monitor their health status.

Belkin also conducts annual physical examinations for its employees to help them understand their physical conditions and to provide support to them for pursuing good health.

Case: Occupational on-the-job health check-ups in Huai'an Factory

In 2021, FIT Huai'an Factory has conducted health check for employees of various positions, including 2,811 current staff, 1,360 incoming employees, and 343 exiting employees. Employees with abnormal results have been timely reached out to and transferred to other positions when necessary. The factory has also conducted occupational hazard detection in 2021, and a total of 813 issues have been detected.

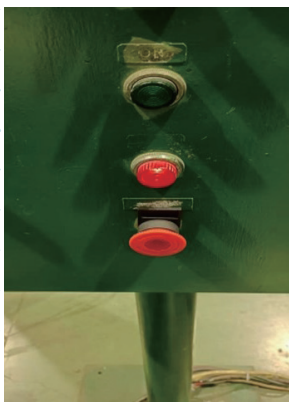
Issuance and inspection of labour protection supplies

In order to provide a healthy and safe working environment for employees and to prevent accidents from happening, the Company provides applicable labour protection supplies for employees according to the work category. Taking factories in Mainland China and Vietnam as an example, the factories provide protective equipment such as goggles, protective clothing, apron, safety shoes, earplugs, safety helmets, gloves, and respirators for employees, and conduct basic operational training on the use of these items to guide employees on how to choose protective equipment that can meet the needs of self-protection, as well as to help employees improve the ability to protect themselves, protect others and deal with emergencies.

In addition, FIT also carries out relevant maintenance of occupational health protection facilities and conducts regular occupational health inspection according to different job requirements, so as to ensure the health and safety of employees.

Case: Huai'an Factory Inspection Work

As of the end of November in 2021, a total of 55 inspections have been carried out at the Huai'an Factory. The factory conducts safety inspections every week, and reports potential dangers and rectifications to the Group Fire Safety Headquarters. The inspection items include operation and equipment safety and fire safety. During the process, the factory inspected the fire-fighting facilities and equipment. It was observed that the cable emergency stop button was damaged. After rectification, the factory replaced the damaged button and updated the firefighting equipment.



Damaged button has been replaced



Firefighting equipment has passed internal audit

Provision of occupational hazard warnings

FIT factories require employees to sign a notification of occupational hazards when entering the factory, set up warning signs and notification cards of occupational hazards on site, make annual declarations of occupational health factors, offer occupational health training courses, etc., so as to ensure that employees have a full understanding of the relevant occupational hazards before work, and to strengthen their occupational hazard prevention awareness.

Case: Baoke Factory Automatic Alarm Fire Protection System

The Baoke factory has established a fire protection and public security system. The system automatically sends alarm information, and at the same time, the automatic alarm system is linked to a camera. When the system alarm goes off, the on-site screen will automatically pop up. In addition, the factory has connected the concentration alarms of combustible gas and harmful gas in the chemical warehouse to the public security system to achieve the function of automatic SMS notification of alarm information, thereby improving the timeliness of alarms and the efficiency of accident handling, and reducing the potential harm caused by the accidents. Once an accident happens, it must be reported within two hours. Accidents with serious injuries or above should be reported immediately. After the accident occurs, investigation and handling will be conducted in accordance with the "Four Principles of Never Letting Go of Accidents".

Case: Zhengzhou Zhongmou Factory

The handling of work-related accidents must comply with the Group's newly revised construction management-related documents and construction and maintenance safety control procedures. Zhengzhou Zhongmou Factory sets up factory monitoring every year in accordance with the requirements of the functional departments of Zhengzhou East District Government, and accept regular supervision. The factory signs a safety production responsibility letter every year, organizes regular inspections every month, and accepts inspections from the Group, other third-party authoritative organizations and the government from time to time. In 2021, more than 20 factory safety inspections have been carried out. In 2021, 2 minor injuries occurred in the Zhongmou Factory, which have been recorded into the Group's work injury management system. In 2021, the Zhongmu Factory was severely affected by the flood and the epidemic in Zhengzhou. During this period, no one was injured in the entire factory. At the same time, under the leadership of the government and factory supervisors, the factory has resumed work steadily, quickly and effectively.

According to the unified requirements of the group, the Zhongmou Factory has made many improvements to the electroplating and moulding processes. For example: the improvement of the feeding port of the moulding machine to prevent personnel from entering accidentally or mishandling damage caused by disoperation when taking out materials. All improvements have been completed at present.

The Company established occupational disease work plans at the beginning of each year, and conducts on-site investigations on occupational hazards in the factory to identify occupational hazards and high-risk positions. The following are photos of drinking water monitoring conducted by the Municipal Health Supervision Bureau on November 30, 2021:



7.3 Identification of and Response to major climate events

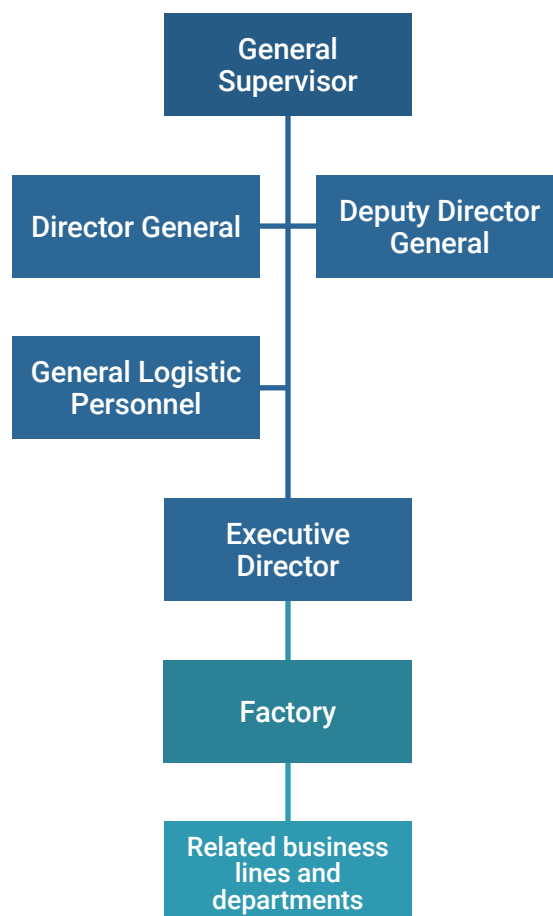
Climate change has gradually become a global issue in recent years. FIT continuously focuses on the risks and opportunities posed by major climate events, and implemented various management measures to respond. In order to cope with the potential or existing impacts of extreme weather on the Company, FIT has formulated the Major Climate Management System, which provides guidance for the Company to prevent and control impacts from extreme weather, and is applicable to the factories in the Chinese Mainland, Taiwan and Vietnam, and Belkin.

Identification of and development of response plan against major climate events

The Company identified and assessed major climate events which may have significant impacts, such as typhoons, rainstorms, snowstorms, floods, high temperatures, and acid rain, and evaluated their potential impacts, such as production shutdown, disruption of operational systems, and asset and life loss. According to the results of assessment, the Company developed response plans for different climate events to reduce the potential impacts on the Company.

The Company pays attention to climate events that may affect the Company in various ways, including learning from experience, studying external reports, and following up on notifications issued by local governments. On this basis, the Company coordinates all departments to prevent disasters and promote safety concepts, and regularly perform comprehensive inspections of the safety hazards that exist in factories. Once an incident occurs, the responsible personnel will quickly return the scene to normal conditions to minimize the impacts of extreme weather on production, and collects and analyses the impact of disasters to provide experience for subsequent response.

The following is the organizational structure of the "Major Climate Response Management Group" established by the factory in mainland China. The main responsibilities include collecting data on and analysing climate change, holding meetings according to the specific situation, initiating emergency response during a disaster, arranging post-disaster resumption work, reviewing the work implementation status under the disaster circumstance, and conducting statistical analysis of the disaster situation.



Case: FIT Baoke Factory's newly added typhoon emergency plan

In 2021, Baoke Factory added and improved the emergency plan for typhoons, and conducted emergency drills at the same time.

Case: FIT Vietnam Factory's major climate response

The Company conducts regular safety investigations, including inspection of sandbags in low areas of the wharf, regular cleaning of drainage filters, and regular inspections of plant drainage ditches and rainwater ditches on the roof of the plant to ensure smooth drainage. In order to ensure the normal work of flood prevention, the emergency team timely replenished sandbags and ensured that all sandbags were intact.

Case: Kunshan factory carried out pre-flood sandbag inspection

The Company carries out regular safety checks to avoid unnecessary losses in case of emergency disasters. During the Reporting Period, the Kunshan factory carried out the pre-flood sandbag inspection, and found that some sandbags were damaged or missing. In order to ensure the normal work of flood prevention, the emergency team timely replenished sandbags and ensured that all sandbags were secured.



Before



After

The Company continues to pay attention to climate change, conducts regular risk assessment, actively identifies the impact of climate change on the Company and employees, constantly improves the corresponding control measures, and provides training courses to employees to promote the sustainable development of the Company.

Chapter 8. Quality Oriented

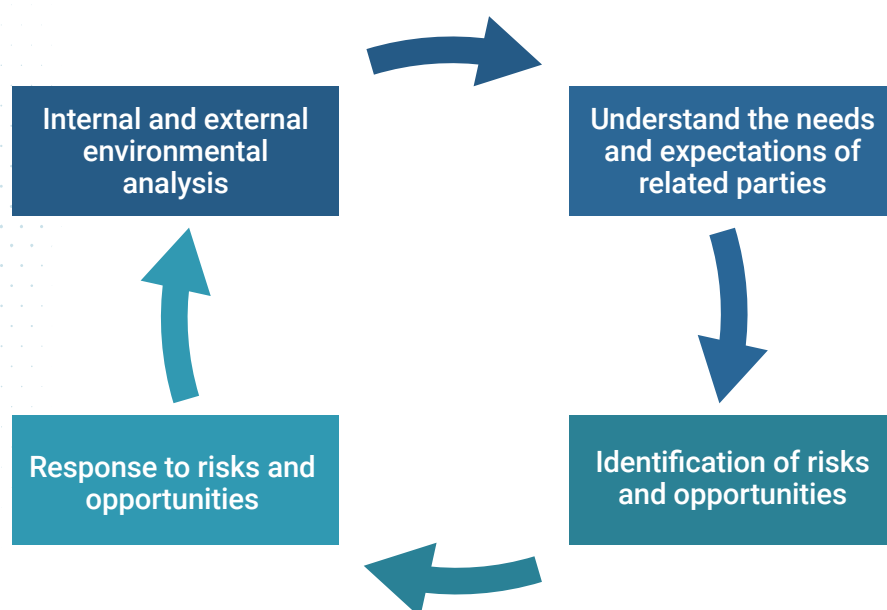
8.1 Insistence on the improvement of Product quality

FIT has always had high standards for its products, while meeting the customer's needs and their expectations towards the Company's products. On the other hand, it ensures that the products and services are in line with international and industry's standards, while maintaining constant communication with its customers to improve the quality of product and services. In order to keep up with the industry trend and continuously optimize the services provided, FIT has implemented corresponding measures internally, such as continuous improvement of the quality management system, regular quality certification, commitment to achieve whole-process control, and continuously making improvements of its products.

During the Reporting Period, there were no material non-compliance cases against product, service, privacy, and intellectual property related laws and regulations.

Risk Assessment

FIT cares a great deal about quality management, and regularly identifies operational and strategic objectives in order to control the internal and external factors that may impact the quality management system. The Company requires each production unit to conduct internal and external environmental analysis of various laws and regulations, technologies, market, resources and other external factors that may affect FIT products and services where the production units are located, as well as internal factors related to product design and manufacturing capabilities such as corporate culture, operational performance, and organizational knowledge. According to changes in environmental factors, FIT seeks to understand the needs and expectations of related parties on this basis, identifying and managing risks and opportunities. FIT identifies various potential risks from multiple perspectives, such as product safety, effectiveness, compliance, customer requirements, etc., and properly reviews the necessary measures to deal with risks and opportunities in order to avoid or reduce the adverse effects on the Company, while continuously improving the quality of products and services to ensure effective operation of the quality management system.



Quality inspection

The Company has established the "Quality Assurance Manual", which clearly specifies the regulation of a series of product quality management processes, from research and development, to production, storage, and delivery. In addition, the Company has also established a quality technical committee to promote the establishment of and continuously improve the Company's quality management system through the setup of a quality assurance supervisor position in each subordinate production unit. In order to further improve the quality of the Company's products, FIT regularly conducts internal and external analysis, which includes environmental analysis, risk assessment, quality testing, etc., ensuring that the Company complies with the requirements of ISO9001, IATF6949, ISO13485 and other international and industry standard systems.

On top of that, FIT carries out rigorous quality inspection at manufacturing sites of various production units of the products that they supply, such as systems, components, materials, etc. Each product business unit tests the compliance of products and services at appropriate stages according to the necessary conditions formulated in the Company's product quality plan and product inspection specifications to ensure that customers' requirements can be continuously met. At the same time, the Company also carries out strict inspections in the stages of development, sample delivery, mass production, manufacturing, warehousing and delivery.

For products that have been sold, FIT also established corresponding processes for after-sales and recall. FIT takes every request for return and exchange seriously, and focuses on responding to the situation of product quality problems, timely processing returns/exchanges for customers, or recalling products when necessary, so as to minimize the damage caused to the customers. On this basis, FIT also analyzes the reasons, and continues to conduct self-review, with the purpose to improve the process of subsequent production management in order to avoid the recurrence of similar problems.

In addition, the Company strictly controls product quality with the help of diversified systems and plans, which are categorized into internal and external parts, as listed below:

- **Internal part:** Quality management system, statistical process control system, abnormal response plan, supplier defect improvement system, product traceability management system, total production management system, etc.
- **External part:** Customer complaint database, customer visit system, customer file database, etc.

The relevant internal quality management systems (aspects) are listed below:

QMS

Quality Management System

This system integrates all quality data through an electronic system, implements paperless operation, and checks businesses based on previous warning and automatic data analysis.

SPC

Statistical Process Control

This system performs preventive quality management of different influencing factors within the product quality control to production processes, such as developing trend management.

RFC

Response Flow Checklist

This plan is a set of specific and sequential workflows used to define and correct problems of the manufacturing process or equipment.

VDCS

Vender Defect Correction Sheet

When a defect occurs in a material, this system can conduct the cause analysis and propose improvement measures to manage suppliers, and carry out return and seek compensation.

SFC

Shop Flow Control

This system can perform full management, query and traceability of product production.

TPM

Total Production Management

This system is used for the maintainence of mould and spare parts.

The external quality management systems include "Operating System for Timely Handling of Customer Complaints", "Customer Visiting Management System", and "Customer Complaint Management System". For details, please refer to section 8.2 of this report.

According to the Company's work in quality management during the Reporting Period, FIT has received the following honors and established the following standards (examples) in product quality management in 2021:

Customer Recognition of FIT in 2021 :

1. Winston 2020-2021 Excellent Service provider Award
2. Apple Quality Service Outstanding Team Award
3. Microsoft Quality Honor Award
4. Honorary award from Yang Fan sailing



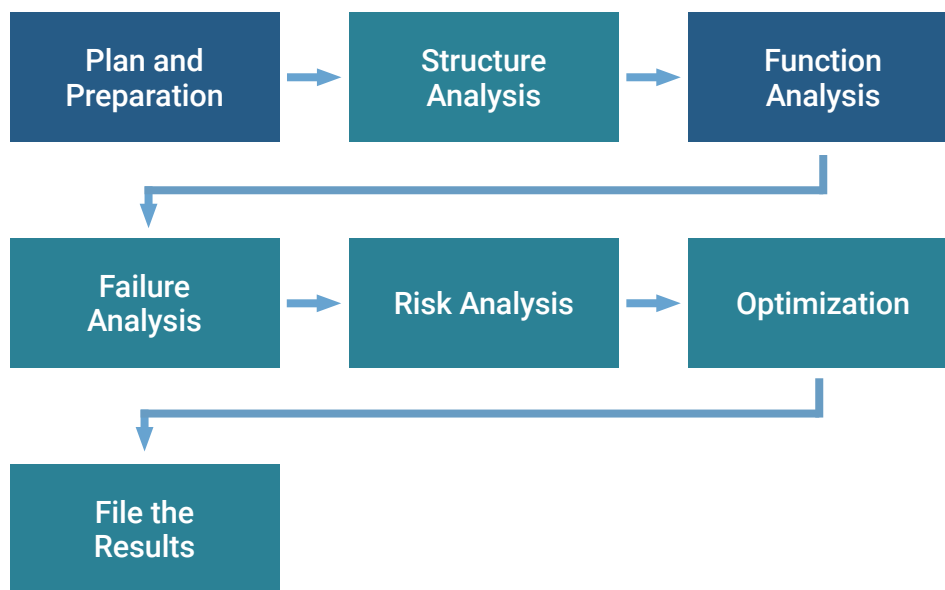
*Winston 2020-2021
Excellent Service
provider Award*



*Honorary award from
Yang Fan sailing*

Product Development Control

In order to strengthen the Research and Development ("R&D") of new products, FIT introduced a new version of the Failure Mode and Effects Analysis ("FMEA") standard from Verband der Automobilindustrie from Germany ("VDA") and Automotive Industry Action Group ("AIAG") in 2020. On the basis of the old version of AIAG, the new version of FMEA standard adopts a hierarchical structure analysis of data, and also adopts a seven-step analysis method. Relying on this new method, the Company can develop and promote online software, establish a technical database, and reduce the cost of design failure.



In 2021, FIT completed the operation method education and training for relevant personnel, and will continue to review customized projects in the future.

Case: FIT Kunshan factory 5G AIoT event

In April 2021, FIT Kunshan factory collaborated with Alpha Networks Inc. to display the first 5G AIoT and other products in the United States.



Quality Management System Certification

FIT complies with established quality assurance agreements and relevant applicable laws and regulations to ensure that products always meet customers' requirements, safety standards and regulatory requirements in Mainland China, Taiwan, Vietnam, the United States and other countries or regions.

The quality control certification status of FIT in each region is listed below (For more information about FIT's system certification, please refer to Chapter 11: Appendixes):

Relevant certification	Main content
Mainland China	
ISO9001	Quality Assurance System
ISO13485	Medical devices——quality management system of medical devices
IATF16949	Quality management system – implemented for organization of production parts and related service conditions in the automotive industry
Taiwan	
ISO9001	Quality Assurance System
ISO13485	Medical devices——quality management system of medical devices
IATF16949	Quality management system – implemented for organization of production parts and related service conditions in the automotive industry
Vietnam	
ISO9001	Quality Assurance System

These high-standard quality management systems urge us to strictly regulate raw materials, personnel, facilities, production processes, packaging, transportation, and quality control, etc., to ensure that FIT can meet the relevant quality requirements of various countries and regions. At the same time, we truthfully mark the quality standards that the products meet on the packaging or product labels, and promise not to falsify or forge them, so as to provide customers with real and clear information related to product quality.

During the Reporting Period, FIT did not have a large number of product recalls due to product quality, safety, or health issues, and there was no incident that violated relevant laws and regulations. At present, no personal injury or property damage has been reported for the period.

In future production and operation, FIT will continue to hold itself to high standards, strictly control product quality, avoid any violation of the above management standards, and provide customers with the highest-quality products and services.

8.2 Customer First

"Providing quality service to customers" is the basis for the long-term development of FIT. FIT maintains the concept of customer satisfaction as priority, appreciating the value of customer consultation, feedback, complaints, and customers' needs and expectations for the Company, while creating a smooth communication channel between customers and the Company in a timely manner to address product defects, and further improve product quality and service standards.

Handling Customers' Complaints

FIT is devoted to continuously improve customer satisfaction and the service feedback process. FIT formulated the "Operating System for Handling Customer Complaints Promptly" to distinctly standardize the handling procedures to be followed for addressing customers complaints, and require relevant personnel to strictly implement it. According to FIT's internal regulations, during the lifecycle process, when a customer submits a complaint about the Company's product quality, product-related environmental management substances, product delivery, product use, etc., it must be processed within a specific time period. The purpose is to find out the true causes of the problems and further implement the targeted correction and prevention strategy, assuring that the customer complaints can be properly addressed and similar problems can be prevented from recurring.

The Company set up a "Customer Complaint Database" to gather complaints and feedbacks, which are properly handled by specialized staff. In order to avoid incidents that have been previously dealt with, the Company also set up an improvement team to perform further preliminary cause and risk assessment, ensuring that appropriate improvements are being made to improve all FIT production and management.

In order to reduce the incidence of repeated customer complaints, the Company established Failure Mode and Effects Analysis" (FMEA) to analyze in-detail customer complaints and collect information. After receiving a customer complaint, the first action is to verify whether there are repeated cases or control failure, which can help the Company identify weak links and weaknesses in management. On top of that, FMEA can also provide R&D, automation and other units with customer complaint data, so that relevant units can further understand the relationship of customer complaints to the same series of products, thereby improving the system in a timely manner and prevent similar problems from recurring.

In addition, the Company also established the "Customer Visiting Management System", which is used to record and update the information when customers visit, such as the customer's satisfaction with the Company's products and management system, any suggestions or improvements, etc. The Company's employees listen carefully to customer's opinions, set up projects to follow up and put forward improvement plans, timely solve customers' needs or suggestions, and maintain communication with customers after the closing of a case, to achieve continuous service improvement.

In 2021, FIT received a total of 98 complaints from customers; Belkin received a total of 406,256 complaints¹ from customers. The number of complaints decreased significantly compared to 2020, which is due to our efforts to continuously enhance product quality and services, focusing on customer needs, opinions and complaints, as well as active response and improvement. Overall, the Company settled 96.86% of total complaints.

Customer Privacy Protection

FIT always strictly comply with laws and regulations related to customer information and privacy protection, always striving to improve customer privacy protection. In addition, the Company also formulated and comply with the "Security Control Operating system for Confidential Projects", which clearly stipulates that the relevant information of customers and suppliers is only to be used for matters related to FIT operations, and strictly prevents the loss or illegal use of customer information. Its major measures include signing confidentiality agreements with customers, organizing training and education courses on customer privacy protection to strengthen employees' awareness of information security prevention, formulating information leakage remediation plans, and establishing confidential project incident-handling teams. Unless authorized by the customer, the Company does not disclose customer information to others, and does not disclose or sell any data of customers and potential customers.

In 2021, the Company never had any major customer privacy violations. In the coming years, FIT will continue to protect customer information security, respect customer privacy, continuously improve customer satisfaction, and actively create and maintain a compliant, safe and high-quality market competition and operating environment.

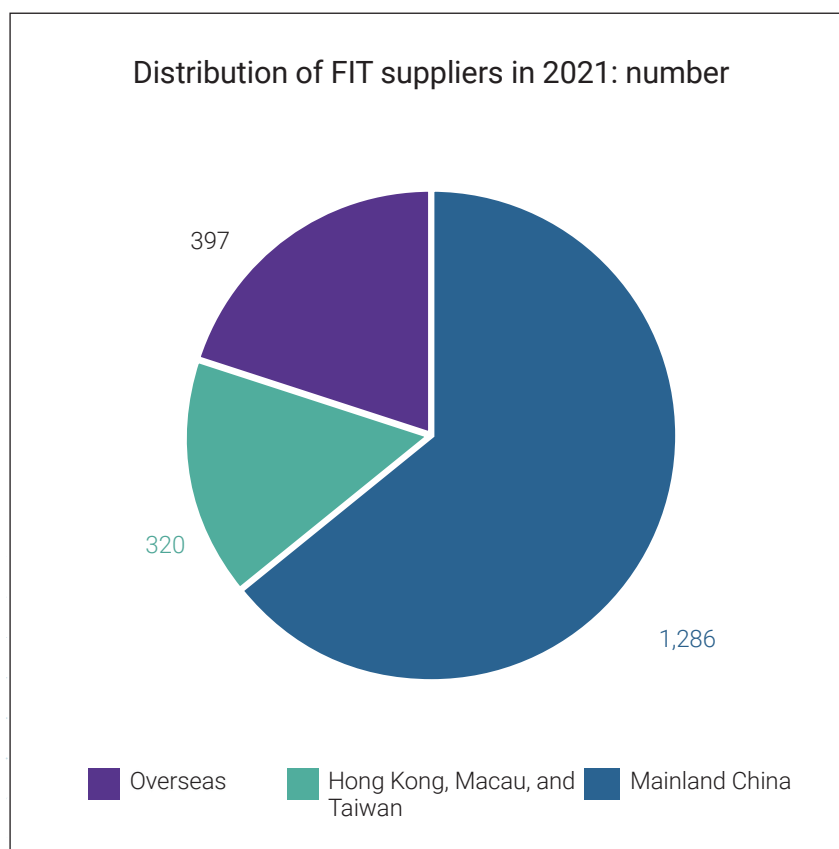
In the future production and operation process, FIT will continue to aim for high quality as the standard, strictly monitor the quality of products, do its best to continue to provide customers with the highest quality products and services, and avoid any illegal situations.

¹ As Belkin directly faces consumers and receives complaints directly from consumers, there is a large number of complaints. As FIT directly faces corporate customers and receives complaints from corporate customers, there are relatively few complaints

8.3 Continuous Improvement of Supply Chain Management

FIT believes that efficient management of its suppliers can greatly help FIT prevent the risks of cooperation, further improve the quality of products and service efficiency, and establish a good brand reputation. Therefore, by improving the management of the supply chain to strengthen the cooperative relationship with suppliers and industry organizations, as well as improving its own social and environmental governance, these can enhance the Company's sustainable development capabilities and achieve a win-win situation.

During the Reporting Period, FIT purchased materials required for production from 2,003 suppliers located in Asia, the Americas, and Europe, of which 1,286 suppliers are located in Mainland China, 320 suppliers are located in Hong Kong SAR, Macau SAR and Taiwan, and 397 suppliers are located overseas, with the distribution of suppliers as shown below. For the data on other suppliers, please refer to the Performance and Data table in Chapter 11: Appendix.



For suppliers, FIT established a set of standardized management system, including procurement planning and implementation, supplier access, supplier daily management, supplier evaluation and elimination, and other aspects of environmental investigation and risk assessment in order to identify possible issues in the process and develop improvement measures based on the audit and evaluation results.

Comprehensive Supplier Management System

In order to ensure that procurement activities and supplier management comply with applicable rules, each of FIT's factories and operating sites established a relatively comprehensive supply chain management system. For example, FIT in Mainland China, Taiwan and Vietnam formulated several documents such as "Operating System for Procurement Quality Control", "Operating System for Vendor Quality Control", and "Measures for Control of Green Supplier Selection and Assessment", etc. Such documents help regulate the working criteria for supplier selection, daily management and evaluation, supplier elimination and withdrawal, etc., and require every staff member in charge to strictly implement the supplier management system in accordance with relevant regulations. FIT's subsidiary Belkin also carries out internal social responsibility audits to measure a supplier's work on human rights, labour laws, and employee health and safety.

The following is an introduction of the supplier management system of factories in Mainland China, Taiwan and Vietnam, and the supplier management work carried out by Belkin.

- **Supplier Admission:**

When selecting suppliers, besides considering business needs and actual economic benefits, FIT also chooses suitable suppliers based on aspects of audit status, its compliance with corresponding systems, and its effectiveness of risk management. Simultaneously, each purchasing unit also considers whether suppliers can meet the standards for environmental management substance control. Suppliers who fail to meet the relevant system certification and management system qualifications will not be included in the list of qualified suppliers by FIT.

- **Supplier Evaluation and Daily Management:**

FIT established a detailed supplier evaluation system, which includes monthly performance appraisal of suppliers, annual audit of suppliers, supplier environmental management risk assessment, environmental substance investigation, supplier social and environmental responsibility (SER) risk assessment, supplier Conflict Mineral surveys, etc.

monthly performance audit

- 1.Evaluate through scorecard.
- 2.Cover quality, supply chain support, technical support, etc.
- 3.If suppliers score below 60 points for three consecutive months, they will be included in the supplier review.

annual audit

- 1.Combine supplier transaction status, abnormal quality and environmental protection, customer complaint status, and risk level,etc.
- 2.The audit cycle of the same supplier does not exceed 12 months.

environmental risk evaluation

- 1.Include the supplier's manufacturing origin, management system, industry status, environmental compliance, supplier's goodwill, etc.;
- 2.Evaluate risk level based on the results: high, medium, and low.

environmental substance investigation

- 1.Namely SVHCs substance investigation;
- 2.The company conducts investigations on suppliers to find out whether their products contain corresponding environmental management substances.

supplier social environmental responsibility risk assessment

- 1.Include the basic attributes of the supplier, the supplier management system, such as ISO14001, ISO45001, the supplier's labor, ethics, health and safety, and environmental performance

supplier conflict mineral investigation

- 1.Investigate whether relevant metals are involved in supplier's products.
- 2.The results are divided into non-conformity, conditional conformity and full conformity.
- 3.Take corresponding control measures for supplier companies with different results.

• Supplier Termination Management:

In order to continuously optimize the supply chain and enhance the Company's competitiveness, FIT regularly identifies suppliers with poor competitiveness and high risks, such as those with excessive environmental management substances, those that have been rated as unqualified and reconfirmed as unqualified, and those that violate quality and procurement contractual terms, etc., while avoiding potential factors such as quality, environmental management, and SER risks. According to the evaluation results, the Company begins a freezing process for these suppliers and sets a deadline for them to make improvements and implements elimination control.

On top of that, FIT's subsidiary Belkin asserts the importance of establishing sound supply chain management, requiring its suppliers to comply with its Supplier Code of Conduct and conduct regular review work. When collaborating with new suppliers, Belkin conducts a series of social, environmental and quality assessments of its suppliers (also applicable to existing suppliers), which include dimensions such as supplier standards, labour practices, health and safety, and environmental protection. Belkin established more detailed indicators under each dimension, and scores the suppliers based on their performance. At the same time, Belkin's Supplier Quality Assurance Team (SQA Team) also conducts regular on-site visits to suppliers' locations to review whether or not there are any abnormalities and identify areas for improvement in a timely manner. The SQA team has the ultimate veto power to halt production or operations if critical issues have been identified in the event that a supplier fails to perform or performs poorly.

Supplier Guidelines	Labor Practices	Health and Safety	Environment Protection
<ul style="list-style-type: none"> ▶ supplier commitment ▶ management accountability ▶ risk assesment and management ▶ goals and plans ▶ training ▶ audit and evaluation ▶ file and record 	<ul style="list-style-type: none"> ▶ child labor ▶ youth employment ▶ forced labor ▶ discrimination ▶ operating hours ▶ salary and benefits 	<ul style="list-style-type: none"> ▶ fire safety ▶ equipment safety ▶ first aid and medical services ▶ chemical safety ▶ working conditions ▶ personal protective equipment ▶ food preparation and services 	<ul style="list-style-type: none"> ▶ environmental laws and regulations ▶ environmental impact assessment ▶ whether the waste discharge meets the standards ▶ storage of hazardous waste

FIT strongly complies with green supply concept. Not only does it pay attention to the impact of suppliers on the environment during the process of supplier management, but it also promotes the importance of selection of more environmentally friendly, green products and services in the daily procurement processes. In addition to complying with the "Operating System for Procurement Quality Control" and other systems, the relevant procurement personnel also implement the "Green Supplier Selection and Evaluation Control Operation Measures". FIT compels suppliers to improve product quality while taking into account green, safety and social security to achieve sustainable supply and development.

Further promote Supplier Growth

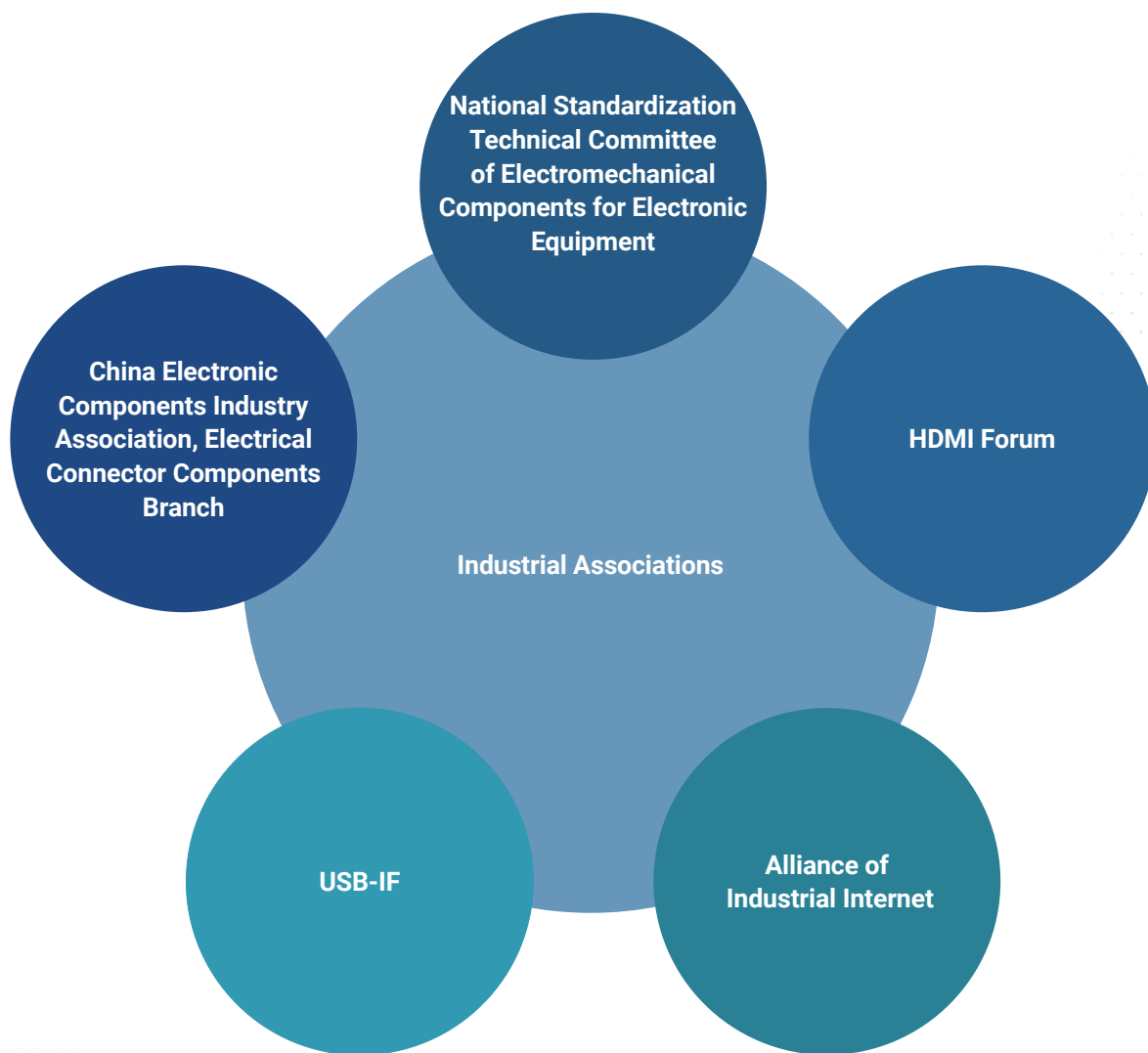
In order to improve the quality and skills of suppliers, the Company also regularly conducts training and coaching for suppliers to achieve quality goals. Using factories in Mainland China as an example, the Company organizes annual supplier exchange conferences and invites outstanding suppliers to attend. The conference includes the advertisement of the Company's important agenda, reports on supplier quality improvement, experience sharing, etc., and awards given to outstanding suppliers for encouragement. In addition, the Company also conducts regular audits on its suppliers, covering supply chain management, quality management, process audits, etc., provides solutions to suppliers, and assists them to achieve better outcomes in environmental, social and governance.

8.4 Intellectual Property Protection

FIT attaches great importance to innovation and intellectual property development, and considers the protection of its own and business partners' intellectual properties as an important aspect of social responsibility. The Company strictly follows international guidelines relating to intellectual property management, and formulated the "Intellectual Property Application Procedures" to standardize the Company's related work in intellectual property management.

During the process of research and development, the Company uses professionals to conduct market research, relevant risk assessment and control and avoidance design similarities, in order to reduce the risk of infringing others' intellectual property rights and increasing R&D costs. For new R&D results, the Company also actively applies for patents to obtain legal protection. In addition, the Company uses a technical asset operation system, which greatly improves the efficiency and level of internal application and management of intellectual property rights. For the IP rights that are protected by law, the Company maintains a high level of attention and regularly conducts information security risk assessments. If there are any signs of infringement, the Company promptly takes countermeasures in order to actively protect the Company's rights and interests, such as warnings and lawsuits.

At the same time, FIT attaches great importance to exchanges and cooperation with technical standardization associations such as China's National Standardization Technical Committee of Electromechanical Components for Electronic Equipment, Alliance of Industrial Internet, China Electronic Components Industry Association, Electrical Connector Components Branch, USB-IF, JEDEC, HDMI Forum, Gen-Z Consortium, PCI-SIG, etc., in major countries such as China and the United States. While researching and developing new technologies, the Company also actively assists the technical groups of various associations to formulate product specifications and parameters, reviews the specifications and provides feedback as a member of the association, and is committed to creating a good environment for intellectual property management and maintenance. For example, FIT participates in the design of USB Type-C connectors and the development of JEDEC's Power Connector, and provides electrical performance test data to assist the association's working group in formulating specifications.



In recent years, the Company was actively engaged in patent operations, such as from the previous USB 3.0 connector to the current USB Type-C connector. At the same time, in view of future development trends, FIT launched patent layouts for 5G connectors, high-speed I/O connectors, backplane connectors, etc., some of which are authorized under license agreements.

As of December 31, 2021, FIT (excluding Belkin) has accumulated more than 2,761 patents around the world, and more than 775 patents are under review. Belkin has accumulated a total of 362 patents around the world and has another 29 patents under review. During the Reporting Period, the number of granted intellectual property rights of FIT (excluding Belkin) was about 500. In the coming years, FIT will continue to strengthen the development, coverage and protection of intellectual property rights, and promote technological innovation and development in the industry.

Chapter 9. People Oriented

FIT attaches great importance to the health and safety of employees, and believes that creating a people-oriented working environment for employees, and providing equal opportunities and sufficient resources, are conducive to the long-term development of employees in the company. At the same time, the company also provides employees with reasonable remuneration and benefits, assists employees in their development, and creates a harmonious and caring working environment.

In 2021, the company insisted on abiding by labor laws and regulations around the world, such as the "Labor Law" and "Labor Contract Law" in mainland China, the "Labor Standards Law", "Gender Work Equality Law", and "Employment Services Law" in Taiwan, Vietnam's "Labor Law", the United States' labor and employment policies, etc., and set up clear rules and regulations within the Company, including the "Employee Handbook", "Non-discrimination Controlling Operation Measures", "Remuneration and Welfare Management Regulations", "Prohibition of Use of Child Labor Management Regulations", etc., to standardize labor management and safeguard employees' rights and interests.

During the Reporting Period, there was no material non-compliance against labor laws and regulations, as well as those relating to prevention of child and forced labour.

9.1 Labor Policy and Compliance

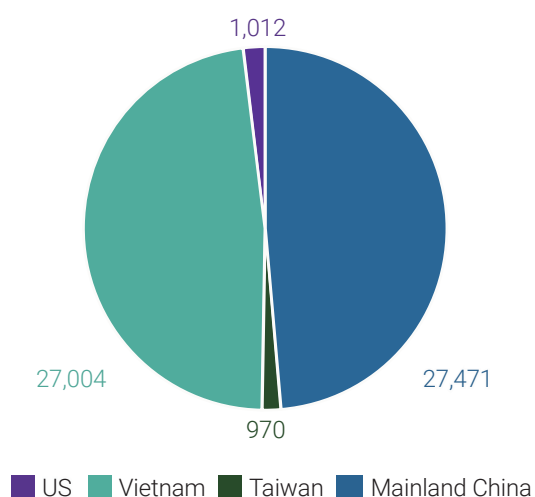
FIT formulated the Regulations on the Management of Employee Recruitment Operations, the Regulations on the Management of Basic Manpower Recruitment Operations, the Regulations on the Labour Protection Management of Group Female Employees and the Regulations on the Prohibition of the Use of Involuntary Labour in production parks in mainland China, Taiwan, Vietnam, etc. At the same time, FIT adheres to the relevant laws and regulations, and recruits talent through different recruitment methods, including campus recruitment, social recruitment, internal recommendation, etc. to gather talent for the company. In the recruitment process, FIT adheres to the principles of fairness, equality and non-discrimination. In addition to dedicating to recruiting local talent, FIT recruits employees from different regions that meet the company's standards, and insists on not discriminating based on factors such as gender, age, nationality, ethnicity, religion, etc., to ensure that employees with different backgrounds, experiences, skills and other differences are mutually respected and understanding towards each other. FIT has plans to further increase female representation in all levels of staff, as well as the female representation of the Board.

FIT has introduced initiatives to support a diverse workforce, including employee affinity groups, diversity councils, and networking groups. Initiatives also goes beyond legal compliance, such as targeted recruitment, training and guidance regarding diversity and mentorship programmes. These diversity initiatives are also imposed in managerial and board-level responsibility.

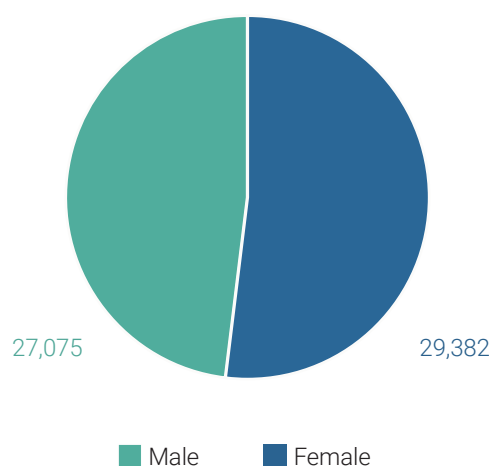
In addition, for people with disabilities, FIT also provides them with certain equal employment opportunities on the basis of meeting job needs. For example, some FIT production plants in mainland China recruited a certain number of disabled employees and provide them with certain care and assistance in terms of their lives, including providing equal pay for equal work, giving special condolences and arranging more convenient staff dormitories for them.

The company always insists on strictly complying with the labor laws and regulations of the countries and regions where it operates, creating a healthy and standardized employment environment, and attracting outstanding talent from different backgrounds from all over the world. As of the end of the Reporting Period, the total number of FIT employees was 56,457. Among them, there were 27,471 employees in mainland China, 970 employees in Taiwan, and 28,016 employees in overseas areas, including 27,004 employees in Vietnam, 1,012 employees in the United States. In terms of gender, there were 27,075 male employees and 29,382 female employees. According to age groups, there were 24,568 employees under the age of 30, 31,106 employees between the ages of 30 and 50, and 783 employees over the age of 50. Specific data charts are shown below, and please refer to Chapter 11: Performance and Data Tables in the Appendix.

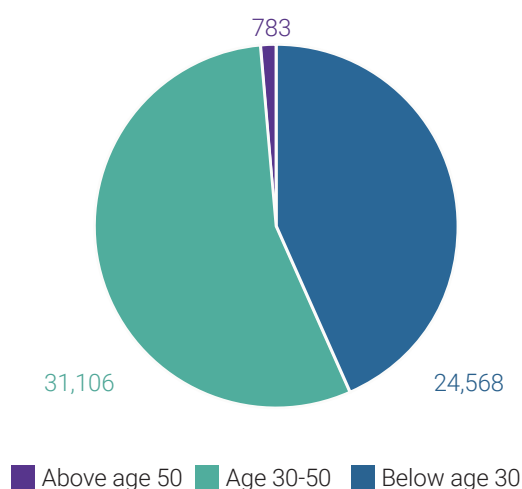
Total employee- By region



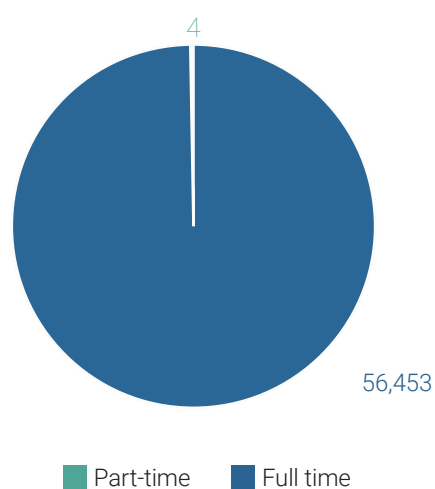
Total employee - by gender



Total employee- by age



Total employee- employment type



The company prohibits the employment of child labor and all forced labor, and ensures that all labor activities are in compliance with relevant laws and regulations. The company follows the relevant regulations on the prevention of child labor and involuntary labor, such as "Administrative Regulations on Special Protection of Juvenile Workers", "Administrative Regulations on Prohibition of the Use of Child Labour", "Special Protection Operation Measures for Juvenile Workers", and "Administrative Measures for the Prevention and Correction of Child Labor" and more.

In terms of time management, FIT cares a lot about the working hours of employees. For example, the FIT Vietnam factory has formulated the "Working Hours Management Measures" and "Overtime Time Management Operation Measures" to regulate reasonable work and rest. Each FIT operating site implements an 8-hour work system, appropriate shifts and rest breaks to ensure that working hours meet the requirements of the laws and regulations of the places of operation, and employees who need to work overtime can enjoy overtime pay or the right to rest overtime. According to local policies, the company provides employees with statutory holidays, such as paid annual leave, marriage leave, maternity leave, sick leave, bereavement leave, etc., to promote the balance between work and life, and to protect the willingness and right of employees to take vacation.

FIT continues to encourage and respect the diversity of talent and protect the rights and interests of employees, and continues to abide by local laws and regulations to promote a fair and equal labor environment and corporate culture.

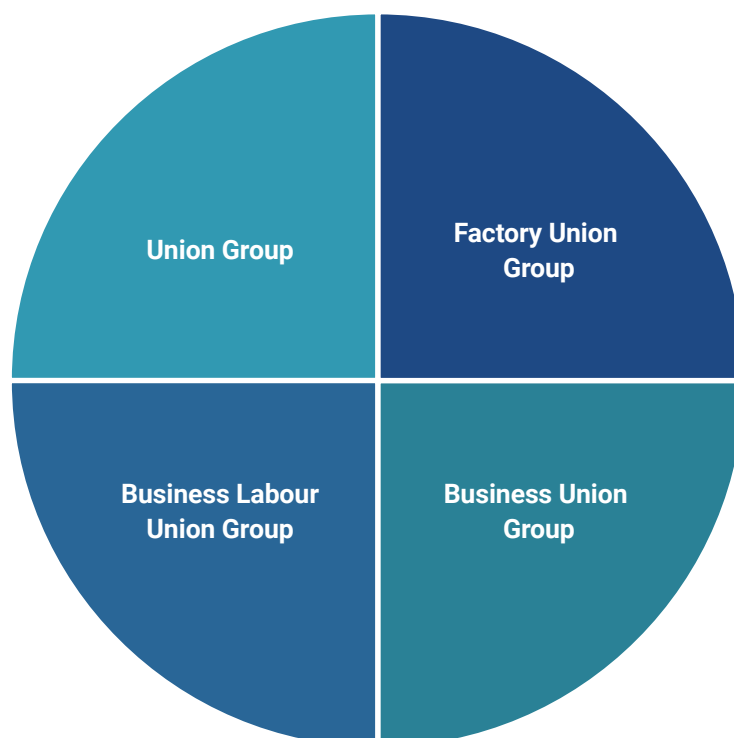
9.2 Employee compensation and benefits

In order to ensure that employees can receive reasonable benefits, FIT is continuously optimizing and improving the company's compensation system for employees. For example, in mainland China, Taiwan and Vietnam, it formulated regulations related to compensation and benefits management. There is also a clear salary and welfare policy. The company strictly abides by the salary management policies of each factory area, refers to the practices of the same industry, and meets the local minimum wage requirements.

At the same time, in order to attract and retain talent, the company launched various allowance and reward plans. The FIT Vietnam factory launched the "Talent Retention Award" to evaluate employees who have reached a certain level. If they meet the standards, they are rewarded with increased monthly allowances. FIT's production plant in mainland China set up "retention bonuses" to give corresponding bonus incentives to employees who have been employed for 3 months, 6 months and one year respectively, to encourage senior employees to continue to grow in FIT. The FIT Taiwan factory also issues special position and hard work bonuses.

On top of that, FIT provides employees with other guarantees and benefits. In mainland China, Taiwan, Vietnam and other regions, in addition to providing employees with salaries, allowances, bonuses, and statutory insurance, the company also provides employees with other insurances, such as employer liability insurance, group medical subsidies, etc., in order to help relieve employees' medical burden. At the same time, the company pays attention to the well-being of its employees. Each FIT factory provides employees with different benefits according to their circumstances, and provides employees with dormitories, meal allowances, holiday gifts (such as Mid-Autumn Festival moon cakes) or allowances, birthday gifts or allowances as needed, marriage and funeral allowances, maternity allowances, condolences to employees in need, etc.; the US office and Belkin also provide employees with gifts, condolences, etc. on demand in accordance with local policies. Under the COVID-19 epidemic, FIT provides employees with various anti-epidemic supplies, including masks, disinfectant supplies, protective equipment, etc., in order to enable employees to perform protective work during the epidemic and also receive appropriate and deserved assurance.

In order to protect the employees' benefits, FIT has established labour unions in various factories in Mainland China and Vietnam. During the establishment of the labour unions, FIT abides by the laws and regulations with China's "Trade Union Law of the People's Republic of China", "China Trade Union Regulations", and "Labour Law of the People's Republic of China". The basic functions of the labour union are to safeguard the rights and interests of its employees, build employee positions, participate in enterprise management, and educate its employees on various skills. The labour unions can be divided into the following groups:



The benefits provided by the FIT union for its employees mainly include investment in the construction of leisure facilities, assist those in need, employee care, and quality improvement. A number of activities are also held every year such as labour union meetings, employee representative forums, education training, cultural and sports activities, festivals and birthday celebration, female worker care activities, skill competition, knowledge competition etc. In terms of employee health protection, the FIT labour union will arrange annual health examinations, such as occupational health examinations, general health examinations, radiation dose testing, occupational hazard factor evaluation and inspection, with the goal to protect the health and safety of its employees.



Case: FIT Labour union caring initiatives

In 2021, the FIT labor union provided help for 13,094 people, total number of caring initiatives was 5,286 times and the total financial support was around RMB 1.2 million. The care programs include care for work and production resumption, assistance for employees with difficulty, assistance for immediate family members, family disaster assistance, hospital visitation funds assistance, newlywed blessing funds assistance, funeral condolences, major illness care, Lunar new year greetings, retirement well wishes, care for disabled employees, and birthday greetings.



Case: China encourages family planning

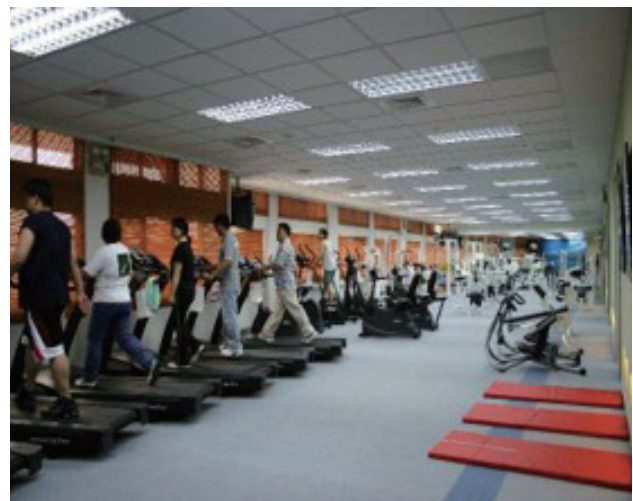
In mainland China, the Chinese government implements a plan to encourage childbirth in recent years. In addition to providing 98 days of maternity leave for female employees who have given birth, the company will also provide 30 to 80 days of maternity incentive leave, male employees can also apply for 15 to 30 days of paternity leave. If the child is under three years old, both parents are eligible to apply for 10 days of parental leave

Case: FIT Taiwan Welfare

Employee benefits include employee health and group insurance. Every year, a health check subsidy (starting at NT\$10,000), and labor insurance will be provided for each employee. FIT Taiwan also regularly arranges mobile doctors to conduct health and multi-functional physical examinations for employees to ensure that employees can receive proper care for their health.



In addition, the company also provides a comfortable and healthy office environment for employees, including: providing juice bars and coffee bars in the company, so that employees can replenish their physical strength when they are tired from work; equipping the company with fitness equipment, which is convenient for employees to work out with, and exercise after work hours.



9.3 Development and Training

FIT attaches great importance to the professional development of employees in the Company. The Company established corresponding training systems and adjusts training plans and programs every year according to business needs. For example, the training in the factories in mainland China, Taiwan and Vietnam includes new employee training, new cadre and "elite class" training, on-the-job employee training, special job training, instructor mechanism, and language training for Vietnamese employees. The training of the Company's operating sites in the United States includes improving employees' work ability, management ability, and professional development-related training. The Company's training system and related cases are listed below.

New employee Training

covers company introduction, corporate culture, safety management, quality management, etc., to help employees quickly integrate work into their lives.

Cadre Training

covers corporate culture, administrative regulations, code of conduct, professional technology, system knowledge, team development, etc.

Incumbent Employee Training

covers professional skills, rules and regulations, quality management, first aid knowledge, safety education, mental health, anti-corruption, etc.

Epidemic Training

Covering the epidemic response plan, disinfection knowledge, etc., to help employees protect themselves and those around them in a safe working environment during the epidemic.

Special Job Training

improves employees' professional skills through training and self-learning, and assists employees in special positions to obtain professional qualification certification.

Lecturer Series

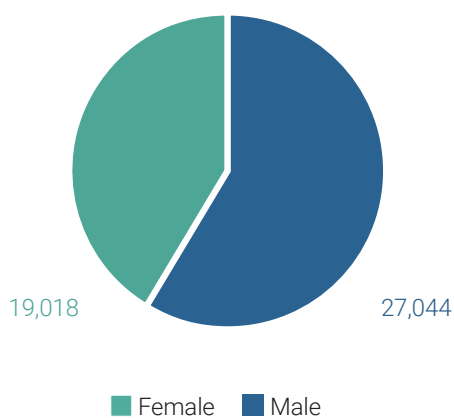
The corporate lecturer series consists of lectures given by external and internal lecturers. The application procedures for internal lecturers is are: application for internal lecturer certification, internal training, internal trial lecture, and awarding the internal lecturer certificate. The Company's lecturer series not only enriches the form of training, but also stimulates the enthusiasm of employees.

Language Training

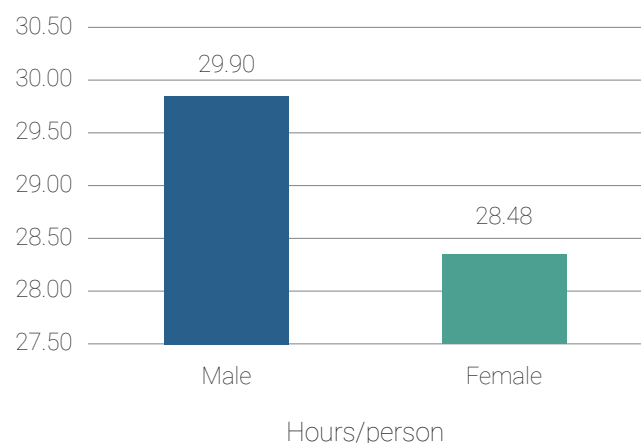
The company also provides language training, including Chinese training and Vietnamese training, to help employees learn basic language skills, improve work efficiency, and solve the needs of common words in production and daily life.

Amid the COVID-19 pandemic, the Company launched an online E-learning training platform so that employees can choose courses, conduct training, and receive assessments through the online platform despite the pandemic. In 2021, the total training time of FIT employees was 1,350,227.50 hours, the total number of employees trained was 46,062 people, and the average number of training hours per person was 29.31 hour per person. For detailed classification and information, please refer to Chapter 11: Performance and Data Table in the Appendix.

Total number of trainees - by gender



Average training hours - by gender



In addition, the Company also assists employees to improve their on-the-job academic education. For example, the factories in mainland China cooperate with local schools and enterprises such as Nanjing University of Aeronautics and Astronautics, Shandong University, Tianjin University, Wuhan University, etc., to provide employees with academic upgrades such as junior college upgrades and undergraduate upgrades to master's degrees. Adhering to the concept of "people-oriented", the Company not only creates an environment conducive to learning and growth and realizing self-worth for employees, but also enables enterprises to enhance their competitive advantages and achieves a win-win situation for employees and enterprises. On-campus recruitment is carried out in spring and autumn every year, and the recruitment targets are mainly full-time graduates with bachelor's degree or above from key colleges and universities across the country.

Case: Promotion plan in FIT Mainland China

The factories in mainland China formulated the "Group Leader Training and Promotion Procedures" and the "Full-time Service Allowance Incentive Policy" to promote talent training in the factories, and provide management allowances for qualified leaders. At the same time, in the annual assessment, we follow standards such as "Job Promotion Submission", "2021 FIT Employee Performance Assessment Operation Plan", "Performance Assessment Form" and other standards, while combining the staff's ability, work contribution, and other factors, excellent performers will be reported for promotion.

Case: FIT Taiwan Training Program

FIT Taiwan provides employees with appropriate training courses in various aspects, such as new employee training, new cadre member training, internal lecturer training, and online e-learning training. The training content includes labor safety and hygiene training, introduction to company and personnel regulations, insider trading, business secrets, general legal affairs, employee welfare introduction and health promotion publicity, education and training, peripheral general affairs service description, information and communication network operation specifications, as well as an introduction to the company's information security policies. Some training courses require employees to complete post-course tests.

9.4 Caring activities

FIT cares about every employee and provides appropriate assistance. Through maintaining smooth communication with employees at all times, holding various celebration activities (such as birthday parties), helping employees in difficulty, and conducting forums, golden idea proposal meetings, unity conferences, talent shows and other channels to carry out multi-level development employee care activities. The company hopes that through these caring activities, employees will have a sense of belonging to the company, and at the same time these activities will enrich the lives of employees, so that employees can achieve a balance between work and life.

Case: FIT Taiwan Basketball Friendship Games

FIT Taiwan arranges social activities for its employees, such as friendly basketball games and other activities. It is hoped that these activities not only allow employees to get along with people outside the Company, cultivate the relationship between employees, but also greatly reduce the stress they feel at work, and more importantly, everyone can enjoy life outside the workplace.



Case: Kunshan factory employee won the title of the most beautiful worker in Suzhou

In April 2021, Lu Ying, an employee of Suzhou FIT, was awarded the title of the most beautiful worker in Suzhou in 2021 by the Suzhou Federation of Trade Unions, the Suzhou Committee of the Communist Youth League and the Suzhou Women's Federation. For this award, Suzhou has organized the event of "the most beautiful workers", focusing on building the city of choice for workers to find jobs and start a business. Workers from a total of more than 380 companies signed up. The finalists of "most beautiful workers" selected cover the fields of economy, science and technology, culture, sports and other industries.

In the future, FIT believes that through the Company's corporate culture of unity, as well as the harmonious cooperation between employees, this could continue to enrich the cultural life of employees, and effectively protect the rights and interests of employees.



Chapter 10. Caring with Love

As a member of society, FIT believes it has the responsibility to give back to society. Therefore it is actively involved in various corporate social responsibility ("CSR") related activities, with the goal of creating a better society and living environment for the community. In 2021, FIT has organized a number of volunteering activities, charity donation projects, social enterprise support etc., hoping to help the local community and those who would benefit from them.

During the Reporting Period, the community public welfare activities carried out by FIT in some countries or regions are as follows:

Case: "6+1" Charity Public Welfare Activity

FIT Mainland China organizes various public welfare activities every year, such as "6+1" charity activities to help the disabled, the elderly, and the weak. Activities include walking, cleaning, schooling, blood donation and other activities. Each FIT factory carries out a series of "six aids and one contribution" activities, encouraging its employees to actively participate and join the volunteer service team. In 2021, FIT Mainland China organized a total of 2 cleaning activities, 2 assistance events for the elderly, 2 assistance activities for the disabled, 2 assistance activities in walking, 4 educational activities, 3 assistance activities for the weak, 4 epidemic prevention activities, 2 voluntary blood donations, and 2 festive activities to celebrate the Lunar New Year.



The Huai'an branch donated schoolbags, children's picture books, and painting sets to Foxconn Experimental Primary School on May 25, 2021



The Huai'an branch organized a park cleaning activity to help maintain the environmental sanitation of the park on May 9, 2021



From July to August 2021, the Huai'an Foxconn branch participated in the gate post activity to help maintain traffic order in the neighbourhood.

The Kunshan branch held voluntary blood donation activities in the Chengbei and Wusongjiang Plants on December 3 and December 7, 2021 respectively, encouraging party members and employees of the park to join the blood donation activities to show the love of colleagues in the park. A total of 131 people participated in blood donation, and the total amount of blood donated was 41,430ml.



On September 16, 2021, the Zhengzhou branch launched the "Love on the Road, Walk with You" Mid-Autumn Festival to show respect to the elderly and help the disabled. The Branch has also visited 17 administrative villages in Baisha Town, East District of Zhengzhou and the disabled party members and low-income households in Xinxiang City Disabled Entrepreneurship Park.



The Chongqing branch launched “Love on the Road, Walk with You” to help the elderly by sending supplies and helping them keep the environment clean.



The Chongqing branch also assisted the park with anti-pandemic related work such as the COVID-19 vaccination and nucleic acid testing site layout and order maintenance.



FIT Business Group's Shenzhen branch sent Spring Festival gifts to community volunteers and central hospital medical workers.



In 2021, FIT's factories in Mainland China donated various items amounting to a total of RMB 4,200,900, and Belkin donated various items amounting to a total of USD 51,350 (for specific donation data, please refer to Chapter 11: Performance and Data Table in the Appendix).

FIT continues to pay close attention to the dynamic changes in the community, as well as constantly encouraging its subsidiaries to continue participating in public welfare activities, and working together with all walks of life to give back to society.

Chapter 11. Appendixes

Table 1: Performance and Data

Environment – Resource Consumption ²				
Category		Unit	2021	2020
Energy Consumption	Electricity	Thousand KWH	510,265.51	534,067.05
	Diesel (fixed combustion source)		12.23 ³	23.03
	Diesel (mobile combustion source)	Ton	30.09	33.10
	Gasoline (mobile combustion source)		118.11	106.53
	Natural Gas	Cubic meters	3,494,900.69 ⁴	1,665,557.87
	Steam	Ton	144,555.58	170,617.27
Energy Consumption (density)	Electricity	Thousand KWH/ Million USD	113.64	123.77
	Diesel (fixed combustion source)		0.0027	0.0053
	Diesel (mobile combustion source)		0.0067	0.01
	Gasoline (mobile combustion source)	Ton/Million USD	0.03	0.02
	Natural Gas		778.34	385.99
	Steam		32.19	39.54

² In the environment-resource consumption data, the density value is calculated based on the production value (operating income). After having comprehensively considered the impact and contribution of the entities covered by the report scope on and to FIT's operations, the operating income is calculated based on the data disclosed in FIT's 2021 annual report.

³ This is mainly due to the decrease in diesel usage in Vietnam factory.

⁴ The increase is mainly due to the use of natural gas as clean energy for production after expansion of factories in mainland China.

Category			Unit	2021	2020
Water consumption	Water consumption	Total	Ton	6,425,292.21	5,735,143.99
	Water consumption density	Density	Ton/Million USD	1,431.00	1,329.12
Packaging Materials	Type	Paper	Ton	21,329.98 ⁵	38,163.62
		Plastic		10,347.58	10,086.37
		Wood		3,439.04	2,465.14
		Metal		0 ⁶	0 ⁷
	Packaging materials consumption	Total	Ton	35,116.59	50,715.13 ⁸
Packaging Materials (density)	Type	Paper	Ton/Million USD	4.75	8.84
		Plastic		2.30	2.34
		Wood		0.77	0.57
		Metal		0	0 ⁹
	Total	Total	Ton/Million USD	7.82	11.75 ¹⁰

⁵ This is because data from Linksys is not in the reporting scope for 2021.

⁶ This is due to the change in the packaging material, hence no metal packaging material was used for 2021.

⁷ This figure has been revised, due to reclassification of packaging materials.

⁸ This figure has been revised, due to reclassification of packaging materials.

⁹ This figure has been revised, due to reclassification of packaging materials.

¹⁰ This figure has been revised, due to reclassification of packaging materials.

Environment - Emissions¹¹

		Emissions	Unit	2021	2020
Exhaust Gas Emission	Production emission data ¹²	Hydrogen cyanide	Kg	199.06	164.06
		Ammonia		195.21 ¹³	566.15
		Sulphuric acid mist		1,936.56	3,527.35
		Hydrogen chloride		3,805.27	4,681.52
		Chromic acid mist		6.42	6.90
		Nitrogen oxide		1,306.62	978.26
Wastewater Pollutant Emissions	Average concentration of emissions of industrial wastewater ¹⁴	Ammonia nitrogen	Mg/L	1.70	2.24
		Chemical oxygen demand		34.08	45.57
		Total phosphorus		0.048 ¹⁵	0.26
		Total chromium		0.015	0.0098
		Tin		0.052	0.08
		Suspended matter		16.35	18.29

¹¹ In the environment - emissions data, the density value is calculated based on the production value (operating income). After having comprehensively considered the impact and contribution of the entities covered by the report scope on and to FIT's operations, the operating income is calculated based on the data disclosed in FIT's 2021 annual report.

¹² The data of production exhaust emissions is mainly from the FIT's production factories in mainland China. The emissions data is based on the "instrument-detected concentration x air volume x production and operation time".

¹³ This is due to the decrease in the testing data of the three factories in Hua'an/Dianfa/Chongqing in 2021, but they are all below the regulatory control standards.

¹⁴ Average concentration of emission of industrial wastewater is the data of FIT's main production factories, i.e. those in mainland China.

¹⁵ The standard limit of total phosphorus in industrial wastewater is 0.5-5.0 mg/L (GB 18918-2002), and the current gap is within the normal fluctuation range.

	Emissions	Unit	2021	2020
Wastewater Pollutant Emissions	Nickel		0.093	0.13
	Cyanide		0.0037	0.0014
	Average concentration of emissions of industrial wastewater ¹⁴	Mg/L	9.15 ¹⁶	15.47
	Petroleum type		0.04	0.17
	Fluoride		0.02	0.02
	Total discharge of industrial wastewater	Ton	1,160,032.50	1,084,810.20
	Industrial wastewater discharge intensity	Ton/ Million USD	258.35	251.40
	Ammonia nitrogen		5.29 ¹⁷	4.63
	Chemical oxygen demand		41.22	41.39
	Average concentration of emissions of domestic wastewater --- Mainland China	Mg/L	0.53	0.49
	Suspended matter		52.52 ¹⁸	18.48
	Total nitrogen		6.79 ¹⁹	5.62
	Petroleum type		0.06 ²⁰	0.09

¹⁶ The standard limit of total nitrogen in industrial wastewater is 20 mg/L (GB 18918-2002), and the current gap is within the normal fluctuation range.

¹⁷ The standard limit of ammonia nitrogen in domestic wastewater is 45 mg/L (GB/T31962-2015 Table 1B), and the current gap is within the normal fluctuation range.

¹⁸ The standard limit of suspended matter in domestic wastewater is 400 mg/L (GB/T31962-2015 Table 1B), and the current gap is within the normal fluctuation range.

¹⁹ The standard limit of total nitrogen in domestic wastewater is 70 mg/L (GB/T31962-2015 Table 1B), and the current gap is within the normal fluctuation range.

²⁰ The standard limit of petroleum type in domestic wastewater is 15 mg/L (GB/T31962-2015 Table 1B), and the current gap is within the normal fluctuation range.

		Emissions	Unit	2021	2020
Wastewater Pollutant Emissions	Average concentration of emissions of domestic wastewater --- Taiwan	Ammonia nitrogen	Mg/L	1.38	1.48
		Chemical oxygen demand		43.58	44.85
		Total phosphorus		NA	NA
		Suspended matter		1.33	1.41
		Total nitrogen		NA	0.37
		Petroleum type		0.04	0.05
	Average concentration of emissions of domestic wastewater --- Vietnam	Ammonia nitrogen	Mg/L	0.29	0.09
		Chemical oxygen demand		15.00	22.00
		Total phosphorus		2.18	0.88
		Suspended matter		0.02 ²¹	4.00
		Total nitrogen		8.57	/
		Petroleum type		0.30	0.30
	Total discharge of domestic wastewater		Ton	2,312,074.82	2,060,487.70
	Domestic wastewater discharge intensity		Ton/ Million USD	514.91	477.52

²¹ The standard limit of suspended matter in domestic wastewater is 400 mg/L (GB/T31962-2015 Table 1B), and the current gap is within the normal fluctuation range.

		Emissions	Unit	2021	2020
Solid waste	Hazardous waste	Total	Ton	3,945.26	3,423.90
	Non-hazardous waste			28,781.37	27,541.04
	Total waste			35,688.63	30,964.94
Discharge density of hazardous waste		Density	Ton/Million USD	0.88	0.79
Discharge density of non-hazardous waste		Density	Ton/Million USD	6.41	6.38
Greenhouse Gases	Total GHG emission	Tons of CO ₂ equivalent		318,885.55	345,845.21
	Greenhouse gas emission 1	Tons of CO ₂ equivalent		8,679.81	7,512.86
	Greenhouse gas emission 2			310,205.74	338,332.34
	Density of greenhouse gas emission 1	Tons of CO ₂ equivalent/Million USD		1.93	1.74
	Density of greenhouse gas emission 2			69.08	78.41

Social Responsibility

			Unit	2021	2020
Employee structure	Number of employees	Total	person	56,457	53,060
	Gender	Female	person	29,382	27,973
		Male		27,075	25,087
	Full-time/part time	Full-time	person	56,453	53,053
		Part-time		4	7
	Age	Below age 30	person	24,568	24,442
		Age 30 to 50		31,106	27,861
		Age above 50		783	757
	Regional distribution	Mainland China	person	27,471	29,389
		Taiwan		970	933
		Vietnam		27,004	21,613
		United States		1,012	795
		Others		/	330
	Rank	Senior Management	person	490	367
		Middle Management		1,639	1,586
		Grassroot Staff		54,328	51,107
Employee turnover rate	Gender	Female	%	17.77%	15.92%
		Male		21.39%	20.29%
	Age	Below age 30	%	23.58%	24.20%
		Age 30 to 50		15.12%	10.97%
		Age above 50		0.15%	0.13%

		Unit	2021	2020
Employee turnover rate	Regional distribution	Mainland China	32.00%	27.38%
		Taiwan	13.00%	11.06%
		Vietnam	34.71%	36.08%
		United States	13.14%	8.83%
		Others	/	19.12%
Work-related injuries	Number of work-related injuries	person	104	85
	Number of work-related death	person	2	2
	Proportion of deaths due to the Company ²²	%	1.92%	2.35%
	Rate of work related fatalities	%	0.0035%	0.0037%
	Number of working days lost due to work-related injuries	Workday loss	4,645.50	3,244.50
Staff training	Total training hours	Hour	1,350,227.50	1,378,590.00
	Rank	Senior management	15,491.00	9,070.50
		Middle level management	29,659.50	25,512.50
		Grassroot staff	1,305,077.00	1,344,008.00
	Total number of trainees	Person	46,062	47,233
	Total number of trainees- by gender	Female	19,018	22,486
		Male	27,044	24,747

²² Proportion of work-related death= Work-related fatalities/work-related injuries.

			Unit	2021	2020
Staff training	Rank	Senior management	Person	491	364
		Middle level management		1,646	1,423
		Grassroot staff		43,925	45,446
	Per person		Hour/person	29.31	29.19
	Gender	Female	Hour/person	28.48	27.97
		Male		29.90	30.29
	Rank	Senior management	Hour/person	31.55	24.92
		Middle level management		18.02	17.93
		Grassroot staff		29.71	29.57
	Training ratio: gender	Female	%	64.73%	80.38%
		Male		99.89%	98.64%
	Training ratio: rank	Senior management	%	100.20% ²³	99.18%
		Middle level management		100.43% ²⁴	89.72%
		Grassroot staff		80.85%	88.92%

²³ The differences account for Belkin employees that completed training in the year, but terminated within the same year. Those individuals are not reflected in the overall headcount, creating the small discrepancy between training completion totals (higher result) and headcount. Hence the number of staff that have received training is greater than the number of total staff.

²⁴ The differences account for Belkin employees that completed training in the year, but terminated within the same year. Those individuals are not reflected in the overall headcount, creating the small discrepancy between training completion totals (higher result) and headcount. Hence the number of staff that have received training is greater than the number of total staff.

			Unit	2021	2020
Customer Complaints	Product and services complaints		Piece	406,354 ²⁵	1,161,049
	Safety and health-related recalls		%	0	0.0254%
Intellectual Property	Matters relating to intellectual property disputes		Piece	0	0
Number of Suppliers	Total	Total	Unit	2,003	1,956
		Mainland China		1,286	1,237
	Region	Hong Kong, Macau and Taiwan	Unit	320	383
		Overseas ^b		397	336
Anti-corruption	Number of closed anti-corruption cases		Piece	0	0
	Number of anti-corruption trainees		Person	15,336	14,387
	Anti-corruption training duration		Hour	15,336.00	14,387.00
Public welfare contribution	Amount of charitable donations- FIT	Total amount	RMB	4,500,057.00	4,724,736.00
	Amount of charitable donations – Belkin	Total amount	USD	51,350.00	173,400.00

²⁵ Previous years included brands under Linksys, however Linksys is not included in the 2021 reporting scope.

Table 2: Data Description

The following calculation standards and conversion factors are used in the disclosure of quantitative data in this report. The relevant factors and calculation standards mainly refer to the content of the "How to Prepare an Environmental, Social and Governance Report" section attached to the Environmental, Social and Governance Reporting Guide, and are also based on the statistical standards of the external environment where each production park is operated.

Exhaust emission – gas combustion

Nitrogen Oxide			Sulphur Oxide	
Fuel type	Emission factor	Coefficient unit	Emission factor	Coefficient unit
Gas	4.02	Gas (in kilogram per million joules)	0.02	Gas (in kilogram per million joules)
Petroleum gas	4.02	Gas (in kilogram per million joules)	0.02	Gas (in kilogram per million joules)

Exhaust emission – vehicle combustion

Vehicle Type	Emission Factor of Nitrogen Oxides	Coefficient Unit
Coach	0.0747	g/KM
Light truck (≤2.5tons)	0.885	g/KM
Light truck (2.5-3.5 tons)	1.1546	g/KM
Light truck (3.5-5.5 tons)	2.4216	g/KM
Medium and heavy vehicles (5.5-15 tons)	3.1332	g/KM
Medium and heavy vehicles (≥15 tons)	5.6923	g/KM
Fuel Type	Emission Factor of Sulphur Oxides	Coefficient Unit
Diesel	0.0161	g/L
Gasoline	0.0147	g/L

Emission of greenhouse gases

Greenhouse gas emissions are divided into Scope 1 and Scope 2. Scope 1 is direct emission, which refers to direct greenhouse gas emissions from businesses owned or controlled by the Company, and carbon dioxide equivalents that can be cut by greening (such as planting trees) are deducted. Scope 2 is indirect emission, which refers to the greenhouse gas emissions caused by electricity, heat, refrigeration and steam purchased by the Company for its own consumption.

1. Direct emission

Refrigerant/ Mixture Model	Global Warming Potential Coefficient	Coefficient Unit
HFC-134a	1,430	Carbon dioxide equivalent
R407C	1,526	Carbon dioxide equivalent
R410A	1,725	Carbon dioxide equivalent

2. Conversion factor of carbon dioxide equivalents that can be deducted per tree : 23kg/tree

Energy Type	Greenhouse Gas Emission Factor			Coefficient Unit
	CO ₂	CH ₄	N ₂ O	
Generator diesel	2.614	2.39X10 ⁻⁵	7.4X10 ⁻⁶	L/Kg
Vehicle diesel	2.614	7.2X10 ⁻⁵	5.06X10 ⁻⁴	L/Kg
Gasoline	2.36	2.03X10 ⁻⁴	1.105X10 ⁻³	L/Kg

3. Indirect emission

Energy Type	Greenhouse Gas Emission Factor		Note
	CO ₂	CH ₄	
Electricity	0.7119	/	North China
Electricity	0.5896	/	East China
Electricity	0.5089	/	South China
Electricity	0.5721	/	Central China
Electricity	0.638	/	Taiwan
Steam	0.3165	/	
Natural gas	2.1622	/	

Unit : Electricity: ton / thousand; Natural gas: ton / thousand cubic meters ; Others: ton/unit.

Employee turnover

The calculation formula of employee turnover rate is:

Employee turnover rate = number of departing employees for the current year / (number of departing employees for the current year + number of incumbent employees at the end of the year)

Staff Training

The calculation formula of training hours per person is:

Training hours per employee = total training hours/ total number of trainees

Training ratio by gender:

Female employees training ratio = number of trained female employees/ total number of female employees

Male employees training ratio = number of trained male employees/ total number of male employees

Table 3: ESG Reporting Guide Content Index

Environment, Social and Governance Content Index		
Aspect	Disclosures	Reporting Chapter
A1	Emissions	Taking Pride in Green
A1.1	The types of emissions and respective emissions data	Taking Pride in Green
A1.2	Direct (Scope 1) and energy indirect (scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Taking Pride in Green Performance and Data
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Taking Pride in Green Performance and Data
A1.4	Total non-hazardous waste produced (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility)	Taking Pride in Green Performance and Data
A1.5	Description of emission targets set and steps taken to achieve them)	Taking Pride in Green
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them	Taking Pride in Green
A2	Use of Resources	Taking Pride in Green
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)	Taking Pride in Green Performance and Data
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Taking Pride in Green Performance and Data
A2.3	Description of energy use efficiency targets set and steps taken to achieve them.	Taking Pride in Green

Aspect	Disclosures	Reporting Chapter
A2.4	Description of whether or not there is any issue in sourcing water that is fit for the purpose, water efficiency targets set and steps taken to achieve them	Taking Pride in Green
A2.5	Total packaging material used for finished product (in tons) and, if applicable, with reference to the per unit produced	Performance and Data
A3	The environment and natural resources	Taking Pride in Green
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Taking Pride in Green
A4	Climate Change	Safety first
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer and the action taken to manage them	Safety first
B1	Employment	People Oriented
B1.1	Total workforce by gender, employment type, age group and geographical region	People Oriented Performance and Data
B1.2	Employee turnover rate by gender, age group and geographical region	People Oriented Performance and Data
B2	Health and Safety	Safety First
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safety First Performance and Data
B2.2	Lost days due to work injury	Safety First Performance and Data
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Safety First

Aspect	Disclosures	Reporting Chapter
B3	Development and Training	People Oriented
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	People Oriented Performance and Data
B3.2	The average training hours completed per employee by gender and employee category	People Oriented Performance and Data
B4	Labour standards	People Oriented
B4.1	Description of measures to review employment practices to avoid child and forced labour	People Oriented
B4.2	Description of steps taken to eliminate such practices when discovered	People Oriented
B5	Supply chain management	Quality Oriented
B5.1	Number of suppliers by geographical region	Quality Oriented Performance and Data
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Quality Oriented
B5.3	Descriptions of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Quality Oriented
B5.4	Descriptions of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Quality Oriented
B6	Product responsibility	Quality Oriented
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Quality Oriented Performance and Data
B6.2	Number of products and service related complaints received and how they are dealt with	Quality Oriented Performance and Data

Aspect	Disclosures	Reporting Chapter
B6.3	Description of practices relating to observing and protecting intellectual property rights	Quality Oriented
B6.4	Description of quality assurance process and recall procedures	Quality Oriented
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Quality Oriented
B7	Anti-corruption	Governance of Sustainable Development
B7.1	Number of corruption lawsuits filed by issuers or their employees and have been closed during the reporting period and results of these lawsuits	Governance of Sustainable Development Performance and Data
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Governance of Sustainable Development
B7.3	Description of anti-corruption training provided to directors and staff	Governance of Sustainable Development
B8	Community	Walk with Love
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Walk with Love
B8.2	Resources contributed (e.g. money or time) to the focus area	Walk with Love Performance and Data

Table 4: Reporting scope

This report covers the following legal entities located in Mainland china, Taiwan, Vietnam, the United States, etc.:

Foxconn Computer Connectors (Kunshan) Co. Ltd.
 Foxconn Electronics Industry Development (Kunshan) Co., Ltd.
 Fu Ding Precision Component (Shenzhen) Co. Ltd.
 Fu Ding Precision Industry (Zhengzhou) Co. Ltd.
 Fu Yu Electronics Technology (Huai'an) Co. Ltd.
 Chongqing Hong Teng Technology Co., Ltd.
 Fu Meng Electronics Technology (Heze) Co., Ltd.
 XingFox Energy (Cayman) Technology Co., Ltd.
 Sound Solutions International, Inc., Ltd.
 FIT Electronic Inc.
 New Wing Interconnect Technology (Bac Giang) Co., Ltd.
 Belkin International, Inc. and its subsidiaries
 Foxconn Interconnect Technology Limited– Taiwan Branch

Note on change of reporting scope

Based on the relevance of entity business with ESG and the degree of impact, we exclude the following operating entities:

Linksys Holdings, Inc. and its subsidiaries (formerly known as FIT CHB HoldCo, Inc)

Based on the relevance of entity business with ESG and the degree of impact, we included the following operating entities:

Sound Solutions International, Inc., Ltd.
 Foxconn Interconnect Technology Limited– Taiwan Branch

Table 5: FIT Certification List

Relevant Certification	Main Content
Mainland China	
ISO9001	Quality assurance system
ISO13485	Quality management systems of medical devices
ISO14001	Environmental management system
ISO14064	Standards and guidelines for the quantification and reporting of greenhouse gas emissions and removal at the organizational level
ISO45001	Occupational safety and health management system
ISO50001	Energy management system
QC080000	Hazardous substance process management system
IATF16949	Quality management system – implemented for organization of production parts and related service conditions in the automotive industry
Taiwan	
ISO9001	Quality assurance system
ISO13485	Quality management systems of medical devices
ISO14001	Environmental management system
IATF16949	Quality management system – implemented for organization of production parts and related service conditions in the automotive industry
Vietnam	
ISO9001	Quality assurance system
ISO14001	Environmental management system
ISO45001	Occupational safety and health management system
QC080000	Hazardous substance process management system

Table 6: FIT 2022 Environmental Goals

2022 FIT Energy Saving and Emission Reduction Goals		
Type	Unit	2022 Goal
Energy use		
Electricity	thousand KWH	Overall Objective: By the end of 2022, energy density (according to output value): energy consumption per unit of output value will be at least 1% lower than the previous year. Among them, The Mainland China factories: total energy consumption by the end of 2022 will be reduced by 5% compared to the previous year; Vietnam factories: The total energy consumption by the end of 2022 will be reduced by 1% compared to the previous year.
Gasoline	Tons	
Diesel	Tons	
Steam	Tons	
Water Resource		
Water use	Tons	Overall Objective: by the end of 2022, there will be a decrease of 10% compared to the previous year.
Emission		
Waste gas		
Hydrogen Cyanide	KG	Overall Objective: By the end of 2022, exhaust emissions will be reduced by 10% compared to the previous year.
Sulphuric Acid Mist	KG	
Nitrogen oxides	KG	
Ammonia	KG	
VOCs	KG	
Wastewater		
Industrial Wastewater	Tons	Overall Objective: By the end of 2022, the wastewater discharge density (according to output value): that is, wastewater discharge per unit of output value will be reduced by 5% compared to the previous year.
Domestic Sewage	Tons	

2022 FIT Energy Saving and Emission Reduction Goals

Type	Unit	2022 Goal
Waste		
General Waste	Tons	Overall Objective: By the end of 2022, the general waste discharge density (according to output value): that is, general waste discharge per unit of output value will be reduced by 5% compared to the previous year.
Hazardous Waste	Tons	Overall Objective: By the end of 2022, the hazardous waste discharge density (according to output value): that is, hazardous waste discharge per unit of output value will be reduced by 5% compared to the previous year.
Greenhouse Gas		
Greenhouse Gas (Carbon Emission)	Tons	Overall Objective: Compared with 2019, the carbon dioxide emission intensity by the end of 2022 (according to output value): that is, emissions per unit of carbon dioxide equivalent should be at least 1% lower than the previous year. Among them, Belkin will also achieve Scope 2 greenhouse gas neutrality in 2025.

The goals that Belkin has set are as follows (set for Belkin alone)

Belkin		
Energy use		
Electricity	Thousand KWH	/
Water Use		
Water Use	Tons	/
Exhaust gas		
No waste gas	NA	/
Wastewater		
No Wastewater	NA	/
Waste		
General Waste	Tons	Qualitative Goals: We acknowledge EU's objective to drive towards a more circular economy. We will explore ways to reduce our e-waste footprint by weight in terms of plastic reduction and recycled content. We will have a validated recycled content in our product to move towards a circular economy by prioritizing key materials such as copper and tin.
Greenhouse gas		
Greenhouse gas (Carbon emission)	Tons	Qualitative Goals: 100% carbon neutral in scope 2 by 2025.
Packaging material		
Packaging material	Tons	Qualitative Goals: Reduce 25% single use plastic packaging by the end of 2025 based on our 2019 benchmark. Transition to FSC certified paper for all retail packaging by the end of 2025. Use 30% recycled content on all plastic packaging where removal of plastic packaging is not viable by the end of 2025.