

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

2022

Environmental, Social and Governance Report



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CONTENTS

Chapter 1. About This Report	1
Chapter 2. Chairman's Letter and Report Summary	3
Chapter 3. About FIT	4
Chapter 4. Analysis of Material Issues	7
4.1 Communications with stakeholders	7
4.2 Materiality assessment	8
4.3 Responding to topics	10
Chapter 5. Operation of Sustainable Development	11
5.1 Sustainable development governance	11
5.2 Compliance and anti-corruption management	16
Chapter 6. Safety First	18
6.1 Production safety	18
6.2 Occupational health and safety	26
Chapter 7. Quality Oriented	31
7.1 Insistence on the improvement of product quality	31
7.2 Customer first	36
7.3 Intellectual property protection	38
7.4 Continuous improvement of supply chain management	40
Chapter 8. People-Oriented	44
8.1 Labor policy and compliance	45
8.2 Employee compensation and benefits	46
8.3 Development and training	50
Chapter 9. Green Operation	53
9.1 Resource usage	54
9.2 Water resources management	60
9.3 Emission management	64
9.4 Climate change	70
Chapter 10. Caring with Love	76
Chapter 11. Appendixes	78



Chapter 1. About This Report

This report is the 2022 Environmental, Social and Governance Report (the "ESG Report", or the "Report") published 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 2022.

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 "HKEX").

The Report is prepared based on the following basic principles:

- 1. Materiality:** The Report shall disclose environmental, social and governance ("ESG") 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.



- 2. 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 disclose environmental and social data in accordance with the requirements of the ESG Report Guide and disclose the methods and assumptions used in the report. Please refer to Chapter 11 of this Report: Appendix for details.

- 3. Balance:** The Report should provide an unbiased view of the Company's performance in 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.

- 4. 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 changes (if any) to the methods used or any other relevant factors affecting a meaningful comparison.

Response from FIT: we use a statistical method which is consistent with that used in 2021 for calculation, disclosure and comparison with data in the Report. If the calculation method and parameters used have any update, we will add footnotes to the relevant information for clarification. For details, please refer to Chapter 11 of this Report: Appendix.

Reporting period

The reporting period of this ESG Report is from January 1, 2022 to December 31, 2022 (the "Reporting Period", the "Year", or "2022"). 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, Sound Solutions International Ltd. ("SSI") and its subsidiaries, 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

As a global manufacturing industry leader, it is clear to us at Foxconn Interconnect Technology ("FIT") that our commercial success can only be as viable as our commitment to environmental, sustainability and governance goals. We are deeply committed to running high quality operations that have maintained our leadership position for years, putting us in a position to achieve business growth as we continuously expand into new sectors in automobile, next-generation communications and networking, and human connections through acoustic experiences.

In 2022 as the world continued to face headwinds of inflationary pressures and repeated Covid outbreaks that disrupted the entire industry's supply chain, we relied on our unyielding determination to remain laser-focused on our corporate governance structures and disciplined management systems so that our teams could focus on transformational corporate excellence.

FIT is a people-first organization and attaches importance to the professional development, health and safety of its employees. The company's efforts in production and equipment safety have been recognized by the government and we are increasing our efforts to promote employee diversity at all levels of the company, including the Board. In 2022, FIT made significant financial contributions to the well-being of its employees. FIT operations span a wide spectrum of communities around the world which do not all have the same access to disaster assistance, disability care, and health protection.

FIT understands the critical impact of greenhouse gas emissions on climate change. The company is committed to reducing its greenhouse gas emissions by 42% by 2030, and achieving net zero by 2050. We also participated in the Zero Waste Project in 2022, diverting 100% of our waste in Shenzhen and Kunshan factories from landfill, and obtaining a UL2799 platinum certification. Our Shenzhen plant was recognized at the highest level of "Green Trustworthy Enterprises" among over 800 enterprises, and our Chongqing plant won the title of "Integrity Enterprise" in an environmental protection credit rating. But our work doesn't stop here. We are systematically auditing each location to continue this momentum across our entire operations.

Included in our people-first ideology are our customers and the products and services we provide to them. In 2022 we received various honors and awards in product quality management including premier service provider, Apple Quality Service Excellence Team Award, Microsoft honor of quality and Honor's Sail Award.

Defining progress as conscientious global corporate citizens and industry leaders, it is the intention and commitment of FIT to focus on building a responsible, sustainable, and innovative path to the future. Our corporate advantage will remain our dedication to our core values to ourselves and to the communities around us.

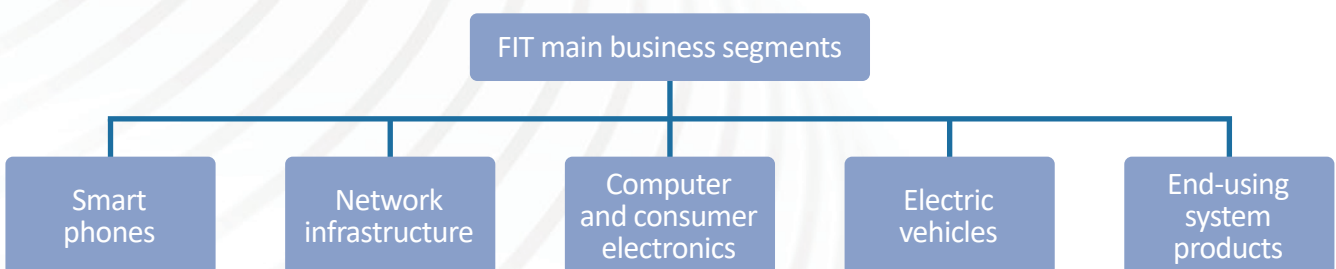
Chairman LU Sung-Ching (盧松青)



Chapter 3. About FIT

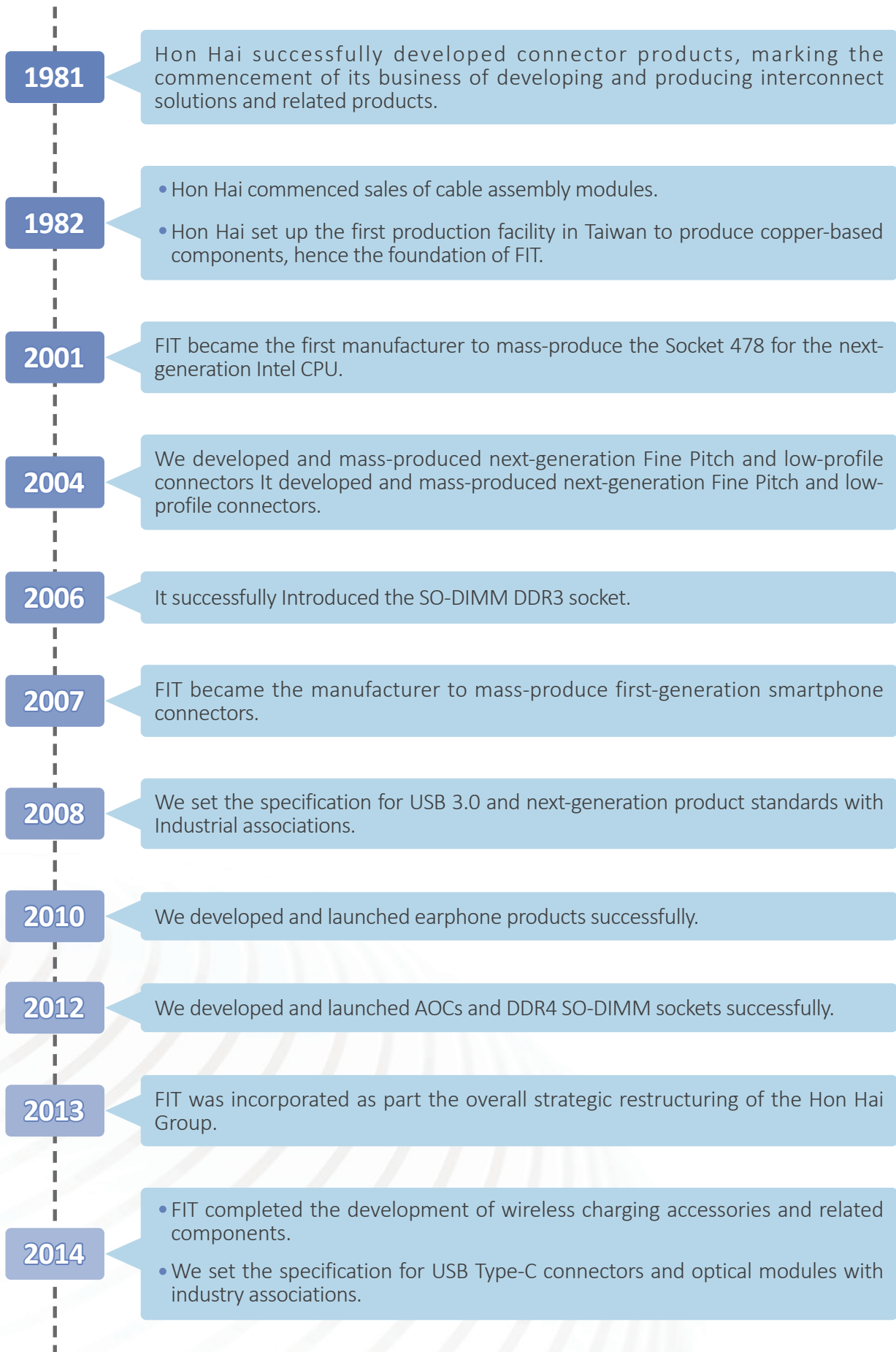
FIT is one of the leading interconnect solutions providers and one of the few providers of wired-based, fiber-based and wireless interconnect solutions. FIT's long-term strategy is embedded in consumer insights, industry trends, design, research and development ("R&D"), manufacturing, supply chain based on FIT's developed advantages. FIT brings new experience to the users and is a pioneer in technological trends around the world.

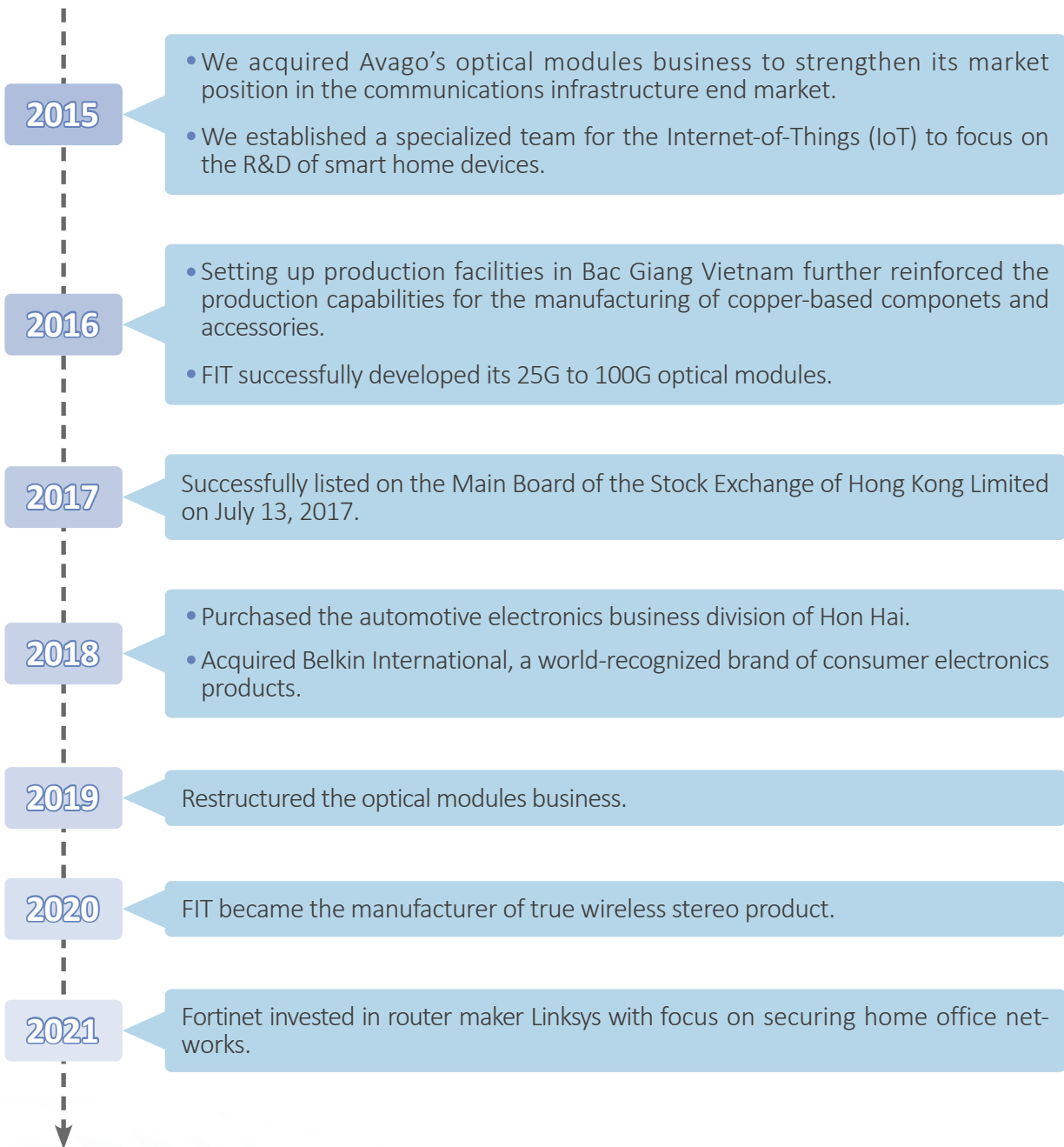
FIT was founded on October 1, 2013. It is a subsidiary of f Hon Hai Precision Industry Co. Ltd. ("Hon Hai"), formerly known as the network connectivity product group, NWInG (Network Interconnection Business Group). Since the early 1980s, Hon Hai has entered the connector and cable assembly industry. With more than 30 years of hard work and extensive experience, the Group has developed numerous precision manufacturing systems that involve stamping, molding, cable extrusion and assembly process. FIT's main business segments are smart phones, network infrastructure, computers and consumer electronics, electric vehicles, end-using system products.





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





In 2022, FIT implemented a "3+3 strategy" (three key industries, three core technologies) and a 5G AIoT transformation to strengthen its leadership position in related products and services while enhancing the competitiveness of other businesses. The Company and its management review and pay attention to the trends of various end markets and continue to launch new business development in a spirit of innovation. In pursuit of product excellence, FIT also values the sustainability of the Company and actively fulfils corporate social and environmental responsibilities, by paying attention to employee health and safety, implementing the environmental protection policies of energy saving, emission reduction and greening.

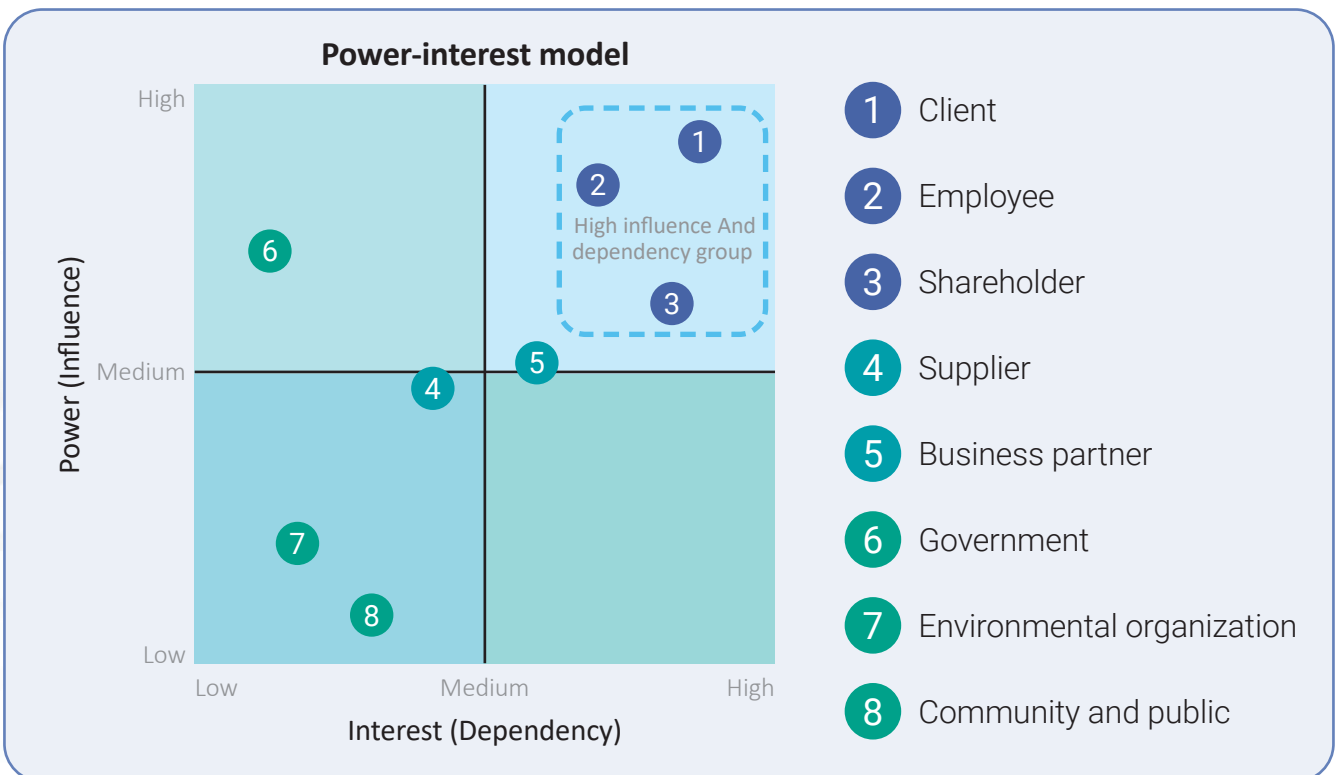
The Responsible Business Alliance ("RBA") is the world's largest industry alliance dedicated to the practice of corporate social responsibility in the supply chain. Currently, every FIT site has joined RBA and they need to comply with their Code of Conduct and pass regular validation.



Chapter 4. Analysis of Material Issues

4.1 Communications with stakeholders

Gathering opinion and expectations of stakeholders helps identify current ESG risks and opportunities. It also forms the basis for establishing FIT's ESG strategies and initiatives. The Power-interest Model is used to assess the influence and the dependence of FIT's different stakeholders. FIT identified eight key stakeholders: clients, employees (management and general staff), shareholders, suppliers, business partners, governments, environmental organizations, communities and public, while clients, employees, and shareholders are high influence groups.



FIT actively maintains daily communication with different stakeholders in various ways, including on-site discussions, telephone interviews, e-mail, media and social media etc. in daily production operations.



4.2 Materiality assessment

In conducting the materiality assessment, stakeholders provide their opinion and expectations on identified material ESG issues and summarize the results into a materiality matrix.

▶ Step 1: Identify topics

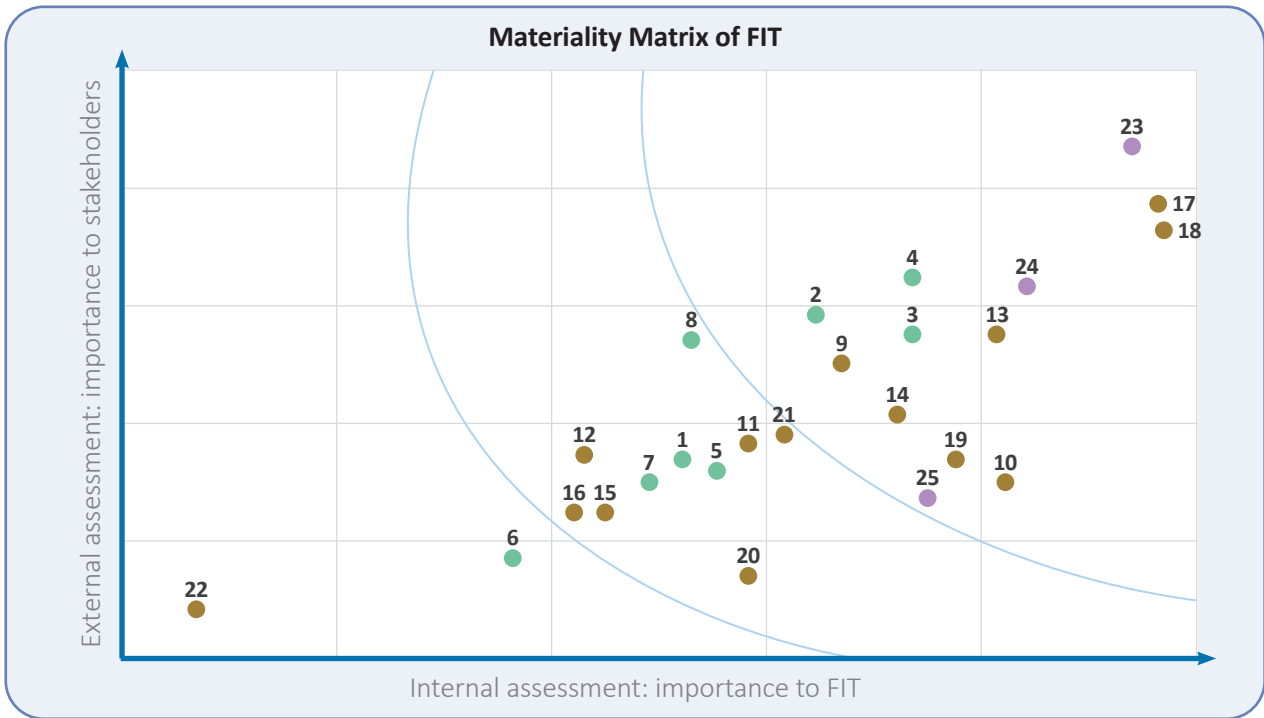
In 2022, we initiated the identification of material issues. On top of the ESG material issues of the previous year, we also reviewed the latest ESG trends, peer practices, as well as reporting standards and frameworks (e.g., GRI standards and SASB) to update the ESG topic list with 25 ESG issues.

Six new material ESG topics were added, including Greenhouse gas emissions, Waste management, Product sustainability, Human rights, Green procurement and Responsible investment. We removed the issue of Pandemic control from the material topic list as part of the review this Year.

▶ Step 2: Prioritize topics

Stakeholder engagement is an important component of the materiality assessment. Regular evaluation and update of topics as well as gathering of feedback from stakeholders help identify ESG topics that have significant impact on FIT. The purpose of engagement is to understand the expectations and interests of stakeholders, and to understand the economic, environmental and social impact of the FIT's business.

We engaged a third-party consultant to conduct four focus group interviews with key internal stakeholders (department representatives of various business units) through a quantitative assessment to understand their concerns and insights that can help the business achieve sustainable development. The interviews also enhanced the acknowledgement of FIT's strengths in sustainable development, areas for improvement, and corresponding supporting programs to effectively identify, mitigate, and manage ESG-related risks or opportunities, and to continuously enhance the Company's sustainable performance. The rating of 25 issues was submitted by stakeholders, and weighting was applied to focus points of their respective departments, concluding with a materiality matrix. The matrix presents the prioritized topics to develop more sustainably.



Environmental

- 1. Emissions management
- 2. Greenhouse gas emissions
- 3. Waste management
- 4. Energy management
- 5. Water resources management
- 6. Use and management of packaging
- 7. Climate response and management
- 8. Product sustainability

Social

- 9. Employment and labor standards
- 10. Compensation and incentive system
- 11. Employee care and welfare
- 12. Human rights
- 13. Occupational health and safety
- 14. Employee training and development
- 15. Supply chain management
- 16. Green procurement
- 17. Safety production
- 18. Quality control
- 19. Customer service
- 20. Intellectual property protection
- 21. Protection of customer privacy
- 22. Giving back to society

Governance

- 23. Environmental, social and governance
- 24. Compliance management and anti-corruption
- 25. Responsible investment

► **Step 3: Review and confirm the assessment results**

The results of the evaluation of material issues have been validated within FIT and the Board acknowledges the result at a Board meeting. FIT is committed to planning ESG tasks based on the materiality assessment results to respond to the identified material issues in actions.



4.3 Responding to topics

Based on the material issues mentioned by stakeholders in the focus group interviews, FIT has responded to the following in its operations:

Issues of concern	FIT's response
Environmental, social and governance	<ul style="list-style-type: none"> • Establish Social and Environmental Responsibility Committee (the "SER Committee") • Conduct ESG risk assessment • Develop ESG policies and goals • Conduct monthly meetings to review working progress and performance related to ESG • Submit periodic reports to the Board • Develop effective mechanisms for crisis reporting and handling
Waste management	<ul style="list-style-type: none"> • Participate in zero waste landfill programs • Participate in UL Certification
Energy management	<ul style="list-style-type: none"> • Hon Hai has submitted a set of science-based targets, and FIT has been able to meet the Hon Hai's objectives through the implementation of energy saving and carbon reduction promotion programs (e.g., setting up solar panels and replacing energy-consuming air conditioning units etc)
Greenhouse gas emissions	<ul style="list-style-type: none"> • Participate in clean energy programs
Climate response and management	<ul style="list-style-type: none"> • Submit Carbon Disclosure Project ("CDP") 2022 Climate Change Survey • Start to disclose climate-related issues with reference to the recommendations of Task Force on Climate-Related Financial Disclosures ("TCFD")
Quality control	<ul style="list-style-type: none"> • Implement a "3+3 Strategy" • Enhance R&D and quality control of new products • Build a comprehensive quality control system
Supply chain management	<ul style="list-style-type: none"> • Strict vendor access mechanisms • Ongoing supplier assessments and audits • Set green procurement targets • Assist suppliers in achieving sustainable development goals, including net zero emissions
Intellectual property protection	<ul style="list-style-type: none"> • Strengthen the patent strategy by implementing the "3+3 Strategy" • Timely apply for and regular track filing of patents • Take timely actions such as warning, licensing negotiations, and necessary litigation if there are signs of competitor infringement • Promote industrial progress by participating in associations and organizations' exchanges
Employee care and benefits	<ul style="list-style-type: none"> • Establish FIT's labor unions • Carry out various employee caring activities, such as setting up an employee-care center • Help employees achieve work and life balance
Employment and labor standards	<ul style="list-style-type: none"> • Promote employee diversity • Further increase the women representation at all levels and the Board



Chapter 5. Operation of Sustainable Development

5.1 Sustainable development governance

The Company further enhanced its oversight of ESG matters through internal ESG mechanisms.

To ensure that the Board of Directors has full responsibility on ESG matters, including strategies and reporting, the Company established the ESG Committee ("the Committee") in 2020. The Committee has been authorized by the Board to manage ESG-related matters in accordance with its terms of reference. The 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 Committee and Independent Non-Executive Director) and Mr. TRAINOR-DEGIROLAMO Sheldon (Non-Executive Director). The Committee reviews the Company's ESG performance for the Year, discusses ways to improve and plans for ESG management policies and strategies for the coming year in an annual meeting.

Its responsibilities include:

1. Accept the regular report from the Company's SER Committee;
2. Monitor how the Company communicates with its stakeholders and ensures that appropriate communication policies are in place to promote the relationship between the Company and its stakeholders;
3. Review the work of the SER Committee regularly;
4. Review important ESG initiatives and make recommendations to the Board for approval, including, but not limited to, ESG-related risk assessment, ESG-related objectives, annual ESG report, ESG emergency response, and more.



FIT has also set up the SER Committee, consisting of Labor and Ethics Sub-Committee, Safety and Health Sub-Committee, Energy Conservation Sub-Committee, System Management Sub-Committee and Fraud Prevention Sub-Committee. Its responsibilities include:

- ▶ Develop ESG policies and goals related to the above Sub-Committees and ensure effective implementation to the executive leaders
- ▶ Conduct ESG Risk Assessment
- ▶ Hold monthly meetings to review ESG performance
- ▶ Report to the Committee on a regular basis

Senior leaders attend the monthly meetings of the SER Committee and review the regular reports from the SER Committee.



Honour and recognition of FIT in 2022

FIT is rated as low ESG risk by Sustainalytics

Morningstar Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world. FIT's ESG risk is rated as low and also the lowest among peers by Sustainalytics, with significant improvement in ESG management compared to last year .





Honour and recognition of FIT in 2022

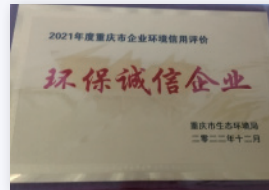
FIT receives A rating in Hang Seng Corporate Sustainability Index Series

The Hang Seng Corporate Sustainability Index Series evaluates a corporate's maturity in managing 7 Aspect Subjects covering ESG, FIT is accredited with A rating in 2022, with top 20% position as compared with peers.



FIT Shenzhen and Chongqing factories are recognized as "Green Trustworthy Enterprises"

In the first environmental protection credit assessment by the Shenzhen Municipal Government, the Shenzhen factory was recognised as the highest level of the "Green Trustworthy Enterprise" among over 800 enterprises. The Chongqing factory also won the title of the "Integrity Enterprise" in environmental protection credit rating.



FIT Huaian factory is awarded the title of the "2022 Outstanding Enterprises in Ecological and Environmental Protection"

In January 2023, Huaian factory was selected as one of the corporates in attaining the "Outstanding Enterprises in Ecological and Environmental Protection" by Huaian Economic & Technological Development Zone of Huaian Ecological Environment Bureau.



FIT Zhengzhou factory is awarded the "2021 and 2022 City's Advanced Unit of Safety Production"

FIT Zhengzhou factory is awarded the "2021 and 2022 City's Advanced Unit of Safety Production" by the Safe Production Committee of Zhengzhou Province



▶ ESG risk identification

The Company conducted an ESG risk assessment and identified 35 ESG risks (10 medium risks and 25 low risks) through benchmarking with companies in the same industry, combined with professionals' experiences and the help of nearly 30 departments in all areas. Among them, 7 risks relate to governance, 15 risks relate to the environment and 13 risks relate to society. The following are the top 10 ESG risks of medium level identified by FIT after collecting and analysing the internal feedback:

- Inadequate emission management system risk
- ESG regulatory risk
- Untimely monitoring of emission data risk
- Information transmission and communication risk
- Compliance operation risk
- External regulatory risk
- Hazardous waste management risk
- Development of emission reduction projects
- Improper ESG governance structure Risk
- Product quality risk

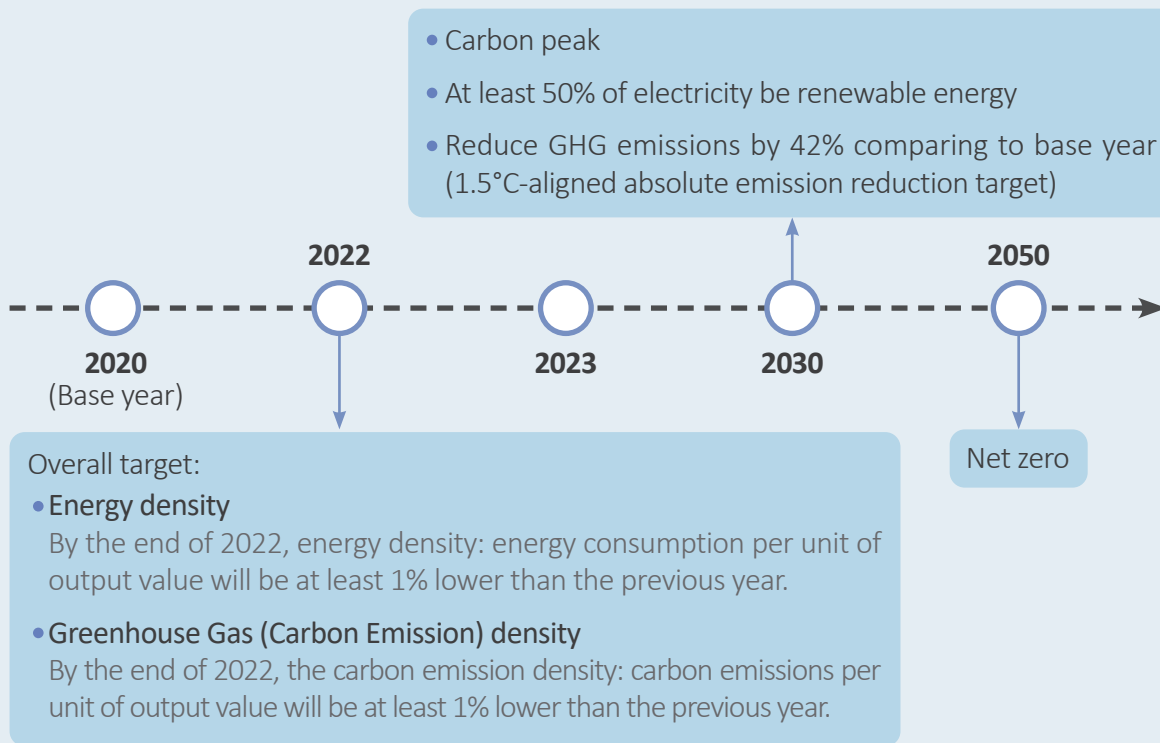


► Strengthening ESG work

The Company's "ESG Emergency Reporting Mechanism" clarifies the definition and level of ESG crisis events, emergency responses and reporting procedures, and the reporting 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.

To demonstrate the commitment to the environment, the Company sets ESG targets and plans corresponding work under 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.

2022 FIT Energy Saving and Emission Reduction Initiative - Step toward Net Zero



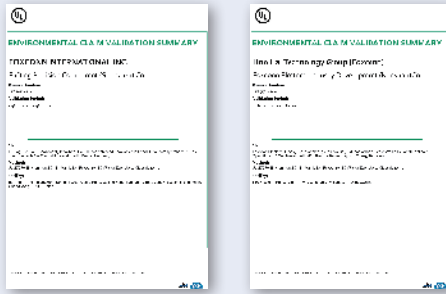
FIT's parent company, Hon Hai actively participates in the Climate Action 100+ and International CDP and is committed to achieving net zero emissions by 2050. Hon Hai has also submitted to the Science Based Targets initiative ("SBTi"), where a commitment is made to reduce greenhouse gas emissions by 42% by 2030 compared to base year 2020. It is currently being reviewed by SBTi and is expected to be approved by 2023.

FIT fully supports Hon Hai in achieving its target by 2030. We have set overall targets on energy density and carbon emissions density by 2022 as compared with 2021, and both targets have been achieved and made satisfactory progress. FIT regularly evaluates the environmental performance, systematically records the progress of each plant, and takes the next step in planning.



FIT continues to drive energy-saving and emission reduction initiatives through industrial restructuring upgrades, product restructuring, increased investment in new technologies for energy savings, etc. Each plant will review the monthly target progress for energy savings and emission reduction and report to the Sub-Committee and the Executive Director of the Energy Conservation Technology Development Committee. Each quarter, the Energy Saving Committee will evaluate the performance of each plant and award the plant with outstanding contribution.

To achieve these goals, in addition to the energy saving and emission reduction initiatives, each FIT factory has implemented other policies and programs, including:

<p>Zero waste to Landfill and Resource Recovery of Waste</p>	<ul style="list-style-type: none"> • FIT Kunshan and Baoke factories: participated in Zero Waste Program <ul style="list-style-type: none"> ◦ Obtained UL2799 Platinum Certification (Zero Waste to Landfill, UL ECVP 2799)  <ul style="list-style-type: none"> • Plans to include other plants to participate in UL certification
<p>Water Management and Recycle of Wastewater</p>	<ul style="list-style-type: none"> • Participated in Clean Water Program • Strict wastewater management and monitoring <ul style="list-style-type: none"> ◦ FIT Kunshan: Zero discharge of nickel-containing water ◦ FIT Yunchung, Vietnam: commissioned in 2021 membrane biological reactor ("MBR") process
<p>Green Energy</p>	<ul style="list-style-type: none"> • Participated in Clean Energy Program • Plan to obtain a green certificate • Actively involved in Direct Power Purchase Agreement ("DPPA")
<p>CDP</p>	<ul style="list-style-type: none"> • First submission on CDP 2022 Climate Change Questionnaire • Plans to include Water Security Questionnaire next year

In order to fulfil corporate social responsibility and create long-term value, FIT is determined to further enhance ESG performance in the course of production and operations by improving ESG governance and providing guidance to employees.



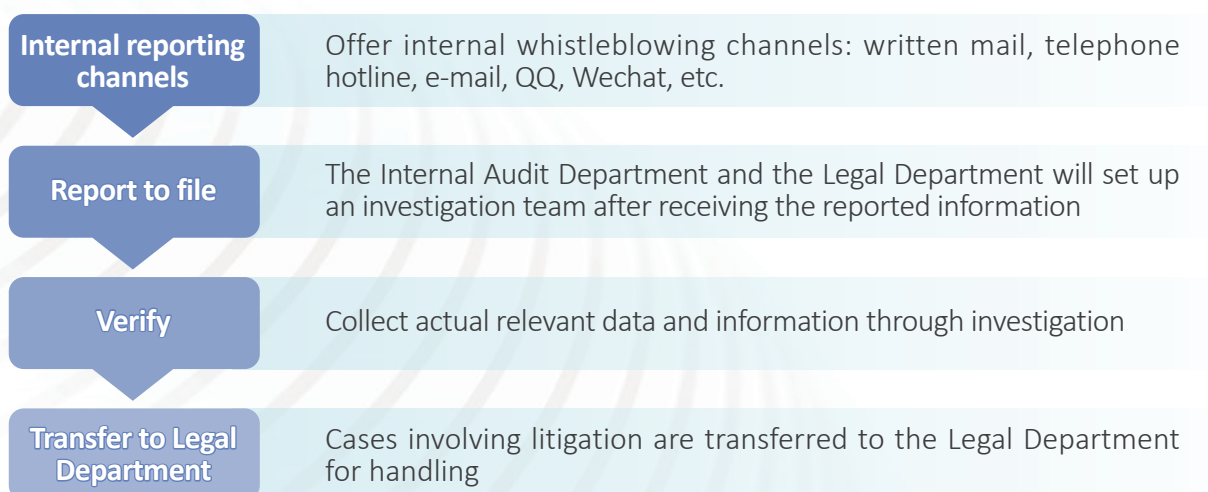
5.2 Compliance and anti-corruption management

FIT adheres to the principles of compliance and integrity, ensuring strict compliance with relevant legal regulations. The Company developed the "Code of Conduct for Anti-Corruption, Integrity, Prosperity and Elimination of Disadvantages" and provided careful guidelines in the "Employee Handbook" to strengthen the culture of internal integrity and safeguard the healthy and sustainable development of the Company. The Board of Directors of FIT is ultimately responsible for the Company's compliance development, while the management is in charge of the design and implementation of compliance management. The Internal Audit Department and the Legal Department, which are mainly responsible for combating corruption, regularly conducting audits and risk assessments to identify and address compliance operation and corruption risks. In 2022, the Internal Audit Department completed all internal audits of 14 legal persons and 133 operations and tracked the improvement of control deficiencies identified.

In 2022, FIT had no material non-compliance cases against anti-corruption related laws and regulations, and there were no active corruption-related legal cases. FIT will continue to comply with all applicable laws and regulations and relevant international standards. The Company will also strive to strengthen anti-corruption and anti-commercial bribery policies and optimize its anti-corruption management system to enhance the professional ethics of employees and minimize any form of violation.

► Whistleblowing system

To effectively prevent violation of law and regulation, FIT established a whistleblowing policy to encourage employees to report any suspected misconduct through various internal reporting channels. The Company takes every reported incident seriously and ensures that each case is investigated independently, objectively and impartially. For reasons concerning the safety of whistleblowers, the company accepts anonymous reports from employees. The Company will ensure that the identity of the whistleblower is kept confidential at all times and that the whistleblower will not be discriminated against. The following is the process of the Company for handling internal reports:





FIT also has strict requirements for business partners. The Company requires suppliers to sign a commitment (including anti-corruption provisions) and conducts regular social responsibility assessments on suppliers. In response to corruption, the company also offers corresponding reporting channels, including e-mail, telephone hotline, QQ, WeChat, etc. for reporting irregularities in the course of operation to safeguard the interests of both parties.

► Publicity activities and training

FIT values the occupational ethics of employees. The Company regularly carries out publicity activities and training to further promote the culture of integrity. The Internal Audit Department created teaching materials on anti-corruption and implemented a training program at staff level on anti-corruption awareness before the end of 2022 . The training content included recent handling of fraud by FIT, common fraud cases, integrity-related regulations, how Internal control can prevent corruption, reporting channels, etc. The following are the publicity activities and training carried out for combating corruption and promoting a culture of integrity:

Publicity and training in fighting corruption and promoting a culture of integrity		
New employee training	The "Employee Handbook" defines anti-corruption behaviour, compliance practice and penalties of violation.	
"Xiangxin" APP	Employees can obtain anti-corruption information through the "Xiangxin" APP to enhance the awareness of compliance with relevant laws.	It covers topics such as common fraud cases, procedures of handling corruption, integrity-related regulations, role of internal control in preventing fraud, reporting channels, etc.
Online courses	The Mainland China, Taiwan, and Vietnam factories provide anti-corruption awareness training for all key positions.	

FIT appointed external parties to provide anti-corruption training for our Board members. FIT also offers anti-corruption training to its employees across different business units. During the Reporting Period, 17,232 employees of Mainland China, Taiwan, Vietnam, SSI and SS Precision in total received the anti-corruption training, with the average training time per employee being 1 hour. 742 employees of Belkin also attended anti-corruption training during the Reporting Period.



Chapter 6. Safety First

6.1 Production safety

The Company adopts the principle of "Safety first, prevention is key, take comprehensive measures, and promote safety" into our safety management approach, ensuring strict compliance with safety-related regulations within the regions in which we operate, including Mainland China, Taiwan, Vietnam, and the United States, etc. We adhere to legislation 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 in addition to the Law on the Prevention and Control of Labour Safety in Production and Occupational Health and Fire Prevention Law of Vietnam.

During the Reporting Period, there were no material non-compliant cases against occupational health and safety regulations.

The Company's efforts in production and equipment safety have been recognized by the Municipal Government. Among them, Kunshan factory received the "Special Equipment Safety Monitoring Workstation" and a Special Award from the Kunshan Market Supervision Bureau. We will continue to make efforts and invest in keeping our productions safe.





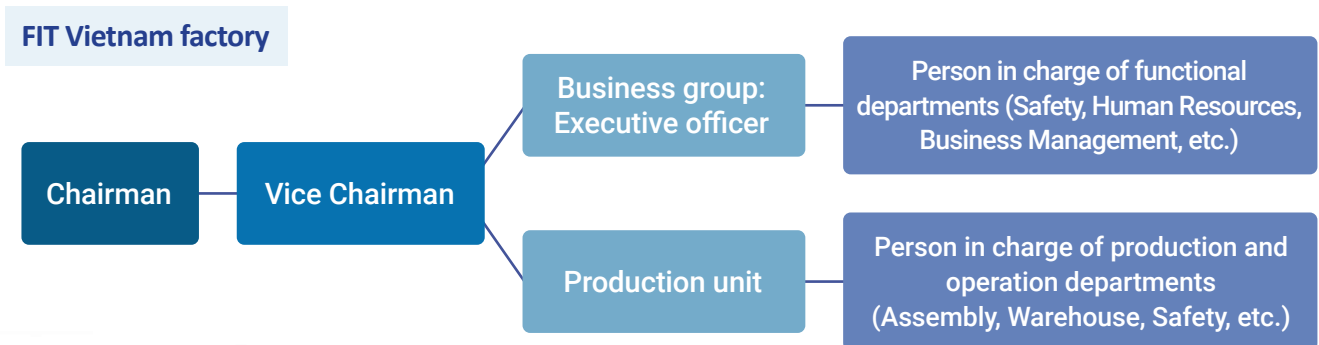
► Establishment of the Safety Committee

Our Mainland China, Vietnam, and Belkin factories have established Safety Committees to coordinate, guide, manage, and supervise safe production within our facilities based on operational needs. The Safety Committee meets regularly and we have an established reporting mechanism in place to strengthen the monitoring of safety performance. Safety Departments, responsible for the daily implementation of health and safety work, are also established at each of our operating site.

The functions of the Safety Committee are as follows:

- Formulate, update and implement policies on safe production (for example: operational guidelines, safety management programs, disaster prevention and management, emergency response plans, etc.)
- Comply and maintain with the requirements of the international accreditations acquired
- Provide regular support to audit work and to identify risks and develop corrective action plans based on inspection results
- Plan and implement safety training

The followings are the organizational structure of the Safety Committee in our Mainland China and Vietnam factories:



Belkin also establishes a Safety Committee, comprising of employees in warehouses, production, and offices.



▶ Production safety incident handling

The Company acknowledges the importance of standardized operational procedures in handling safety incidents. Each of our operational site has established the "Group Work Injury Management Rules" based on their operating conditions. Employees can follow established procedures to report safety incidents in a timely manner. As soon as a report has been received, the Accident Investigation Team will initiate an in-depth investigation in accordance with legal requirements and internal policies based on the severity of the incident.

On safety prevention, regular meetings and case sharing based on safety risks identified in the production process and investigations of past incidents form the basis of corrective and prevention programs. After a comprehensive review of safety risks within the production, FIT Baoke Factory formulated a total of 16 contingency plans which cover two major areas of emergency preparedness, namely fire incidents and special accidents to enhance the readiness of employees in handling emergency situations. In contrast, Belkin's "Emergency Response Plan" categorises safety events according to different safety levels with established sets of emergency radio codes (i.e., red for evacuation, blue for medical emergencies, gray for tornadoes, etc.).



▶ Audit

Industrial safety is a top priority for FIT. In 2022, safety audits were conducted regularly at all of our factories, encompassing areas such as chemical safety, fire safety, and equipment safety, with an aim to minimize existing and potential safety risks. Departments involved in the audit include the Safety Committee as well as the local fire services team. Upon discovering any deficiencies in the system, relevant departments will propose a corrective action plan in a timely manner as well as follow up on corrective actions that require a longer period of time to complete. The relevant departments will report updates and status of the corrective action to the Safety Committee. In addition, the Company welcomes any comments or suggestions from front-line staff, and will review and update the production safety policy with reference to the recommendations.

Case: Inspection work at FIT's Huai'an factory

In 2022, 220 site inspections were conducted at the Huai'an factory, including 6 audits by Government officials and 3 unscheduled audits. The scope of the audits covered various checking of on-site and surrounded service units. The factory conducted safety checking on a weekly basis, 309 findings were checked annually, and the rectification of potential dangers had been addressed to the central Safety Department.



Replacement of the damaged door closer



Replacement of the damaged power distribution box cover

► Safety production management measures

Fire safety



Facility inspection

- FIT sites conduct regular fire and emergency facilities inspections to ensure fire-safety equipment are in good condition.



Drills

- Enhance the ability of staff to respond to incidents, FIT sites establish fire emergency response teams and conduct fire evacuation drills on a regular basis.
- After the fire drills have been completed, the teams will submit a report to summarize and review the deficiencies of the fire safety procedure, the effectiveness of the drill, and proposed improvement measures.



Corrective actions

- FIT encourages all sites and staff to actively suggest improvements on fire-safety and to propose firefighting projects to facilitate identification of potential fire-safety risks in a timely manner.

Hazardous chemicals

FIT has established hazardous chemicals management systems, to standardize the safe transport, handling, usage and storage of hazardous substances. The systems include the "Hazardous Chemicals Safety Management System" and the "Emergency Plan for Hazardous Chemicals" for the Mainland China, Taiwan, and Vietnam factories and the "Hazard Communication Program" for Belkin.



Transportation

- ▶ Vehicles carrying hazardous chemicals must hold a relevant permit issued by the local transportation authorities. High-risk chemicals are transported separately from the general materials and the same vehicle does not transport hazardous chemicals with conflicting properties or requiring different firefighting methods



Handling

- ▶ The Company has established warehouses for hazardous chemicals which are equipped with emergency equipment such as flammable gas concentration alarms, flame detectors, smoke detectors, eyewashers, etc.
- ▶ Chemicals need to undergo strict inspection and classification before storage, and operators must be certified.



Usage

- ▶ The managers and operators of each FIT factory must undergo pre-job training. Only after learning relevant safety knowledge and having the ability to deal with emergencies, they will obtain a certificate for hazardous chemicals operation and start to work.
- ▶ Provide guidance to employees on correct operation and usage through various channels including posters, banners, and promotional videos.
- ▶ Ensure that employees are equipped with adequate protective equipment, such as gloves, masks, protective clothing, etc., to protect their safety and health.



Storage

- ▶ The design and planning of the storage of hazardous chemicals comply with safety standards in each production location, such as pressure relief, anti-static, temperature and humidity measurement, firefighting facilities, etc.
- ▶ The Company will divide, classify and store the hazardous chemicals according to the nature of the chemicals, and strict standards are set, such as the storage distance of stacks, walls and columns between hazardous chemicals.
- ▶ Adhere labels with details, such as names of chemicals and warnings on the containers where hazardous chemicals are stored.



Day-to-day security management

- ▶ Specialized management personnel are responsible for strict safety control over the warehousing of hazardous chemicals.
- ▶ Create an information sheet of hazardous chemicals that is maintained and updated by the security director or other designated personnel.
- ▶ 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.
- ▶ Cooperate in the special actions with the local government (e.g. "Two Fights and One Rectification" for hazardous chemicals in Shenzhen) to standardize the safety management for hazardous chemicals.



Case: Safety work highlights at each FIT factory

Fire drill at Huai'an factory

On December 6, 2022, the EMS of FIT Huai'an factory conducted a fire safety drill. The purpose of the drill was to let employees have practices on emergency evacuation, learn relevant knowledge and skills of emergency rescue, and practically use fire extinguishers to do onsite firefighting. The participants were all people from Building D6D7. Supervisor attached great importance to the drill, and had done sufficient publicizing to employees before the drill. The drill involved evacuation of people, rescue of the injured person, firefighting, etc.; employees reacted quickly when evacuating, and the time spent on evacuation reached the expected time. The emergency plan exercise had become a routine work of FIT Huai'an factory every year, and the factory will continue to improve the emergency evacuation work in the future.





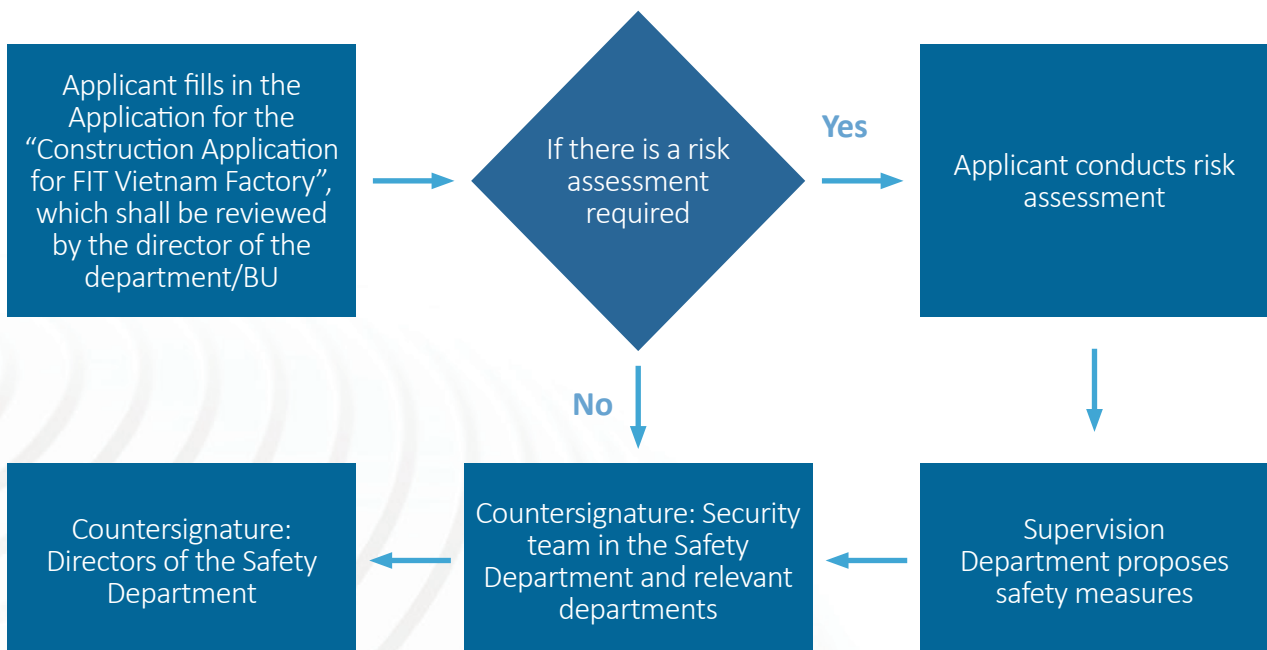
Upgrade and optimize the intelligent systems of fire safety in FIT Baoke factory

The following features are available after the upgrade:

- Monitor the on-site system in real time, automatically send alert messages and instantly obtain the live surveillance video to quickly confirm the situation
- Connect the flammable gas and harmful gas alarms in the chemical warehouse to the industrial safety cloud system, which enables automatic and early warning notifications

► 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 for the heads of safety related departments to examine and approve for ensuring 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 by the Company to illustrate the content, duration and other information related to the construction. The on-site construction equipment and materials must be stacked neatly and firmly, leaving evacuation and emergency access. For special works with high risks, such as fire work, aerial work, hoisting work, and work in confined space, the Company requires the construction party to obtain special work permits first and set 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.

▶ 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. 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, as well as regular safety education programs. In addition, the Company organizes annual training for all employees,

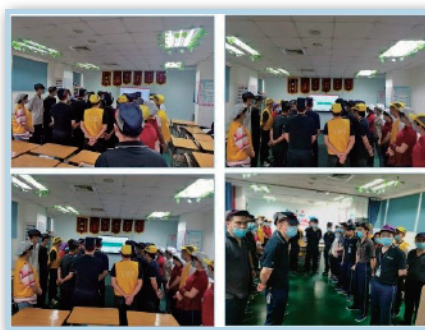


which takes various forms such as lecture, case sharing, and drill to enable employees to understand the hazards existed, responsibilities of relevant departments, incident handling, self-rescue and mutual rescue methods for various accidents, and the knowledge to use various equipment and tools, so 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: New employee safety training program in FIT Baoke factory

The Baoke factory arranged a new employee safety training program for new employees, requiring new employees to sign safety responsibility letter, promise to comply with the local safety regulations and Code of Practice. New employees are required to pass the safety training assessment for obtaining the operational certificate. The factory also provides safety production training for existing employees every year, to promote safe operation and awareness of disease prevention.



6.2 Occupational health and safety

FIT always puts the occupational health and safety of employees in the first place, and has taken a series of measures to maintain the health and safety of employees, which include the testing of occupational hazards, regular occupational health check-ups, issuance and inspection of labor 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. FIT has set targets for employee fatality and occupational health and safety at work and has achieved the targets of zero occupational disease due to exposure to chemicals.



The following are the data on work-related fatalities and injuries from 2020 to 2022:

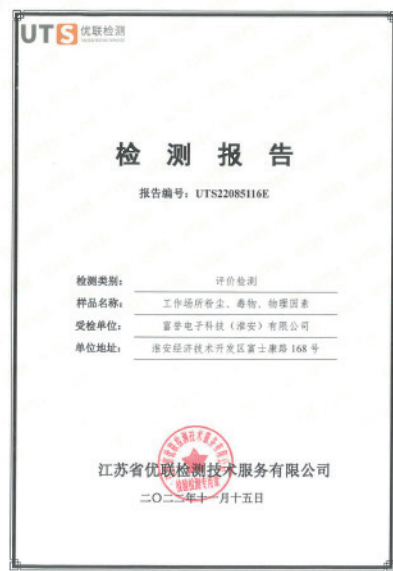
	2022	2021	2020
Work-related fatalities	0	2	2
Rate of work-related fatalities (%)	0	0.0035	0.0027
Proportion of work-related death(%) [●]	0	1.92	2.35
Work-related injuries	112	104	85
Workdays lost due to work-related injuries	4,691.00	4,645.50	3,244.50

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

▶ Investigation of occupational hazards

FIT takes measures to prevent and cope with the potential impact of occupational hazards on employees, and to prevent and deal with them. FIT regularly carries out on-site investigation of occupational hazards for identifying high-risk processes including moulding, stamping, electroplating, assembly, production of moulds and cables, and others. At the same time, the Company tests occupational hazards once a year for specific positions and new projects. The testing is mainly about industrial dust, chemical toxicants and physical hazards. The Company conducts an annual observation of labour environment in various work areas to ensure compliance with legal and regulatory standards. We mitigate employee exposure to occupational hazards through technology and labor protection supplies. 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. The Company also formulates the "Employee Occupational Health and Safety Focus Program" to protect the health and safety of employees.

In addition, FIT conducts semi-annual evaluations on work positions in workplaces with high risks. It also organizes site-wide inspections on a monthly basis to strengthen occupational safety control.





Case: FIT Vietnam factory improves the safety of electric forklift trucks

Preventing industrial accidents caused by the electric forklift trucks helps ensure the safety of personnel and property. The FIT Vietnam factory has implemented the improvement project of electric forklift trucks by installing safety devices on the truck (including Vietnamese voice alerts in truck reversing and speed-limiting software). The installation has been completed to make the truck safer when moving in the factory.

The factory has actively responded to local requirement from government. The production units utilized bulletin boards to promote safety knowledge and put posters and safety signs on the prominent positions in the factory.



▶ 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 every year. Employees with abnormal results in pre-job medical check-ups will be reassigned the position immediately; 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, exposed 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 arrange social insurance, handle subsidies and annual leave procedures according to law, and arrange 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 Chongqing factory

In 2022, employees of special work positions (dust, noise, chemicals) completed the occupational health checks-up, and more than 288 workers who were in contact with occupational hazards in the factory were examined. No abnormal health conditions were found.

► Issuance and inspection of labour protection supplies

In order to provide a health and safe working environment for employees and to prevent accidents from happening, the Company provides applicable labor 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.

► 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: Vocational & Health Training in FIT Chongqing factory

In 2022, the Chongqing factory regularly conducted online training on health and safety skills. The training target is mainly personnel who have contact with occupational hazards. The training content includes introduction of occupational diseases, handling of noise, dust, toxic substances, etc. All personnel need to complete and pass the knowledge and skill tests. This training helps employees understand the hazards existed in the workplace, raise awareness of occupational hazards, and respond to hazards properly in the course of their work.



► Epidemic control

The epidemic has lasted for more than three years starting from 2020. In order to cope with the changes brought from the epidemic, FIT regularly reviewed and adjusted its control measures to minimize the impact caused by the epidemic to production and employees. Each factory 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 awareness in the plant, and formulating plans for resumption of work and production, etc.

Epidemic prevention measures

Work plan adapted to the epidemic:

Arrange the infected employees to stay in the quarantine area under doctors' observation; only after confirming the health and safety of employees would they be asked to return to work

Distribution of preventive materials and logistical support:

Regular distribute of various kinds of preventive items such as masks, thermometers, disinfectants, protective equipment, goggles, hand sanitizers, etc.

Internal disinfection work:

Carry out comprehensive cleaning and disinfection works in factories, at the time to strengthen the cleaning work in key areas such as green maintenance belts, septic tanks, air-conditioning vents etc.

Publicity of epidemic prevention:

Disseminate knowledge of epidemic prevention and resumption of work on the internal education and training platform and display posters in the living areas of various factories, to raise the awareness of employees in disease prevention.

Case: Flexible working arrangement in FIT Taiwan

Since April 2022, there has been an epidemic outbreak in Taiwan. FIT Taiwan values health of employee and therefore to refine the guideline of home office management. FIT Taiwan adopted a 14-days work-from-home policy, which is beyond the government's 7-day arrangement.



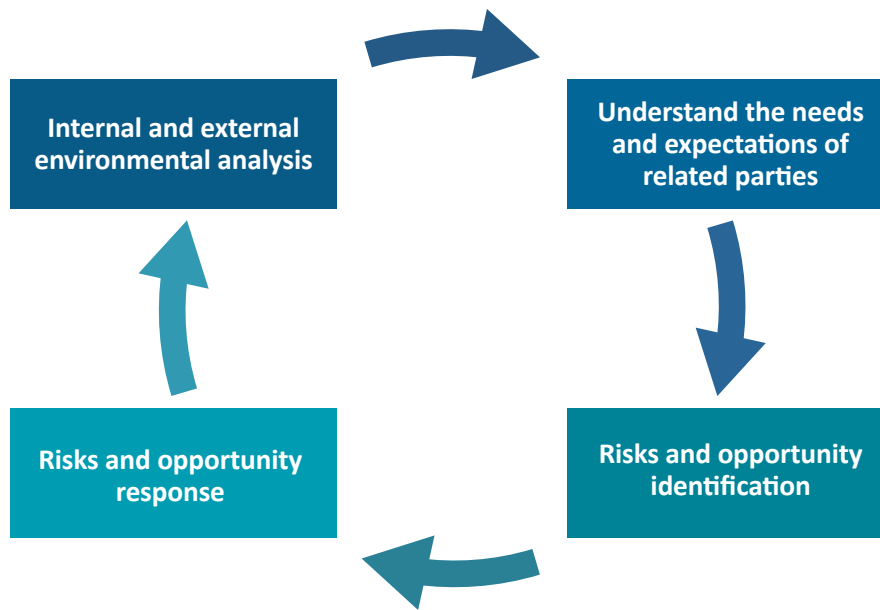
Chapter 7. Quality Oriented

7.1 Insistence on the improvement of product quality

Keeping up with industry trends and improving product quality is great concern for FIT. To ensure that the products and services are in line with international and industry's standards. FIT has implemented corresponding measures internally, such as continuous improvement of the quality management system and conducting regular quality certification to commit the whole-process controls on products. Meanwhile, FIT maintains constant communication with its customers to improve the quality of product and services and meet the Company's expectations towards products.

► Risk assessment

FIT regularly adjusts the operational and strategic objectives of product quality for identifying and evaluating factors that have existing and potential impact on quality management systems. 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 R&D, production, storage to 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 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 ISO09001, 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 quality control system :

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 from the product quality control to production processes, such as developing trend management.

RFC Response Flow Checklist

- This plan is a set of specific, sequential workflows that defines and remedies process or equipment problems.

VDCS Vendor 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 System

- This system is used for the maintenance 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 recording customer feedback, customer visits and customer filing. For details, please refer to Chapter 7.2 of this Report.



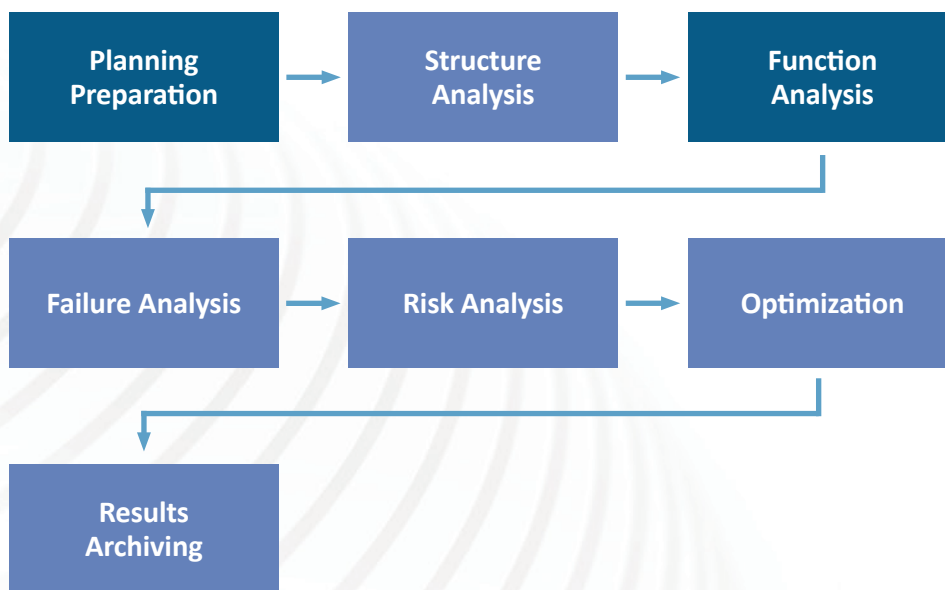
In 2022, the Company received the following honors and awards in product quality management:



"Improvement of Quality Management Award" by Huawei

▶ Product development control

In order to strengthen the 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.



Case: FIT rolls out E-bike as exclusive design products

FIT launched its first Ebike - Display & Advanced Controller in 2022 and improved user experience with technological research. FIT was also one of the Design Concept winners in the Red Dot Award, being recognized for its outstanding design capability.



► 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 received by FIT in each region is listed below. For more information about FIT's system certification, please refer to Chapter 11: Appendixes (Table 5: FIT Certification List):

Related certifications	Main content
Mainland China	
ISO9001	Quality Assurance System
IATF16949	Quality management system of automobiles
Taiwan	
ISO9001	Quality Assurance System
IATF16949	Quality management system of automobiles
ISO 26262 (new international certification obtained in 2022)	Road vehicles – Functional safety
Vietnam	
ISO9001	Quality Assurance System
IATF16949	Quality management system of automobiles



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.

7.2 Customer first

“Providing Quality Services 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. Through creating a smooth communication channel between customers and the Company, FIT is able to address product defects, and further improve product quality and service standards in a timely manner.

▶ Handling customers' complaints

Customer feedback helps FIT continuously improve product quality ,service and the service feedback processes. 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. FIT's employees listen patiently to customers' opinion, set up projects for follow-up, put forward improvement plans, respond to their needs or suggestions promptly, and maintain communication after the closure of the complaint, thereby continuously improving our product quality and service. The following is FIT's process of handling customer complaints:

Acknowledge of customers' complaints

Upon the receipt of complaints from customers, the person in charge confirms the complaints according to the "Complaint Database Failure Analysis Integration Category".

Record customers' complaints

According to “Operating System for Handling Customer Complaints Promptly”, the person in charge needs to set up projects for follow-up within a specified amount of time, propose improvements plans, and respond to customer needs or recommendations.



Store complaints and feedback

Keep each customer's complaints and feedback in the "Customer Complaint Database" and "Customer Visiting Management System" ("CVN").

Analyze the complaints

For complaints that have been handled, the "Complaint Database Failure Analysis Integration Category" provides detailed analysis on the complaints for teams' initial root cause analysis and risk assessment, to ensure that deficiencies at the production and management levels can be improved.

In 2022, FIT received a total of 112 complaints from customers; Belkin received a total of 438,674 complaints from customers, and the overall complaint handling rate was 96.9%. We will continue to improve the quality of our products and services. Meanwhile, we will respond and put forward improvement plans proactively based on the customer needs, opinions and complaints.

- 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

▶ Customer Privacy Protection

FIT always strives to improve customer privacy by complying with the laws and regulations relating to customer information and privacy protection. In addition, the Company also formulates and complies 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:

- ▶ Sign confidentiality agreements with customers
- ▶ Organize training and education courses on customer privacy protection to strengthen employees' awareness on information security
- ▶ Formulate information leakage remediation plans
- ▶ Establish confidential project incident-handling teams
- ▶ Unless authorized by the customer, the Company will not disclose customer information to others, and will not disclose or sell any data of customers and potential customers

In 2022, the Company did not have 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.



7.3 Intellectual property protection

Innovation and intellectual property are key assets of FIT. FIT deploys a "3+3 strategy" with establishment of new industry, new technological strategy, and transformation of 5G AIoT. In 2022, FIT enhances the patents deployment in automotive, high speed and frequency, audio, wireless charging and component products related to 5G. In terms of technology, FIT conducts regular monitoring of the latest published patents for major technology-leading customers for their understanding the technological development of products. Combining the trends of product technological development for key customers, FIT strengthened high-speed connectors such as FPIO, QSFP DD, and storage connectors such as EDSFF, Fakra, R&D and production planning of key automotive products for Ethernet connectors such as MTD.

The Company is aware of the important role of social responsibilities by protecting our own intellectual property and also preventing infringement of other's intellectual property rights. Therefore, the Company strictly adheres to and applies the relevant international intellectual property rights management standards and has also formulated its own "Intellectual Property Application Procedures" to regulate the work of the Company in relation to managing the works of intellectual property.

The Company engages professionals to conduct patent investigations during the R&D stage to avoid any infringement. For Apple projects that have stricter requirements, FIT ensures that the work is conducted according to the customers' requirements. In the course of R&D, the Company signs agreements and contracts related to intellectual property rights with some customers to protect the interests of both parties. The Company also provides patent incentives to motivate its employees to be involved in this area.

In addition, the Company has a patent working group for day-to-day management, including patent evaluation from product R&D results, active patent application and renewal to obtain legal protection. The Company also uses technical asset operation system to help improve the efficiency and standards of internal application and management of intellectual property rights. The Company maintains a high level of attention for legally protected intellectual property rights and similar products in the market and regularly conducts information security risk assessments. If there are any signs of infringement from competitors, FIT promptly takes countermeasures, such as warning, licensing negotiations, litigation if necessary, and so on to actively safeguard the rights and interests that we should have. There were no disputes concerning intellectual property rights in 2022.



FIT is actively involved in the technology standardization, promoting the development of innovative technologies and intellectual property rights. The following are the achievements made by Mainland China and Taiwan in 2022:

Mainland

- (1) Diancha factory, as a committee member of the TC166, participated in the review of Mainland China's national standards in 25 electrical connectors.
- (2) Diancha factory, as a committee member for the Council of the Electronic Component Industry Association of Mainland China ("Council"), voted on the four corporate standards set by the Council in 2022; successfully selected as member representative of the 9th general association; and selected as expert group for the 9th branch.
- (3) SSI develops provincial-level projects and works with Jiangsu University to directional cultivate talents.

Taiwan

- (1) JEDEC Association continues to develop and improve DDR5, DDR6 specifications, FIT participates in the design and performance testing of socket.
- (2) At the USB-IF Association, FIT participates in the comprehensive design and performance testing of USB Type-C connectors and cables.
- (3) At the PCI-SIG Association, FIT participates in the development of the M.2-1A socket specification and is involved in the continued development and testing of the CEM6.0 socket.

The Company has been actively engaged in patent operations in recent years, including the ongoing licensing of patents such as USB Type-C that FIT has developed advantages. Through these endeavors, the Company is recognized by the industry in the work of intellectual property rights:

Diancha

FIT2022 honor and reward:

1. Diancha factory is awarded "Innovation of the Year Award- Outstanding Contribution to Patent Innovation"
2. Diancha factory is recognized by the Market Supervisory Authority of Suzhou Province as "The First Batch of Intelligent Property Rights Enterprises in Suzhou Province to Nurture Projects with Industrial Advantages"
3. Diancha factory is selected as "Kunshan Intellectual property Protection Standard Company"
4. Diancha factory passes the review of "National Intellectual property Rights Advantage"

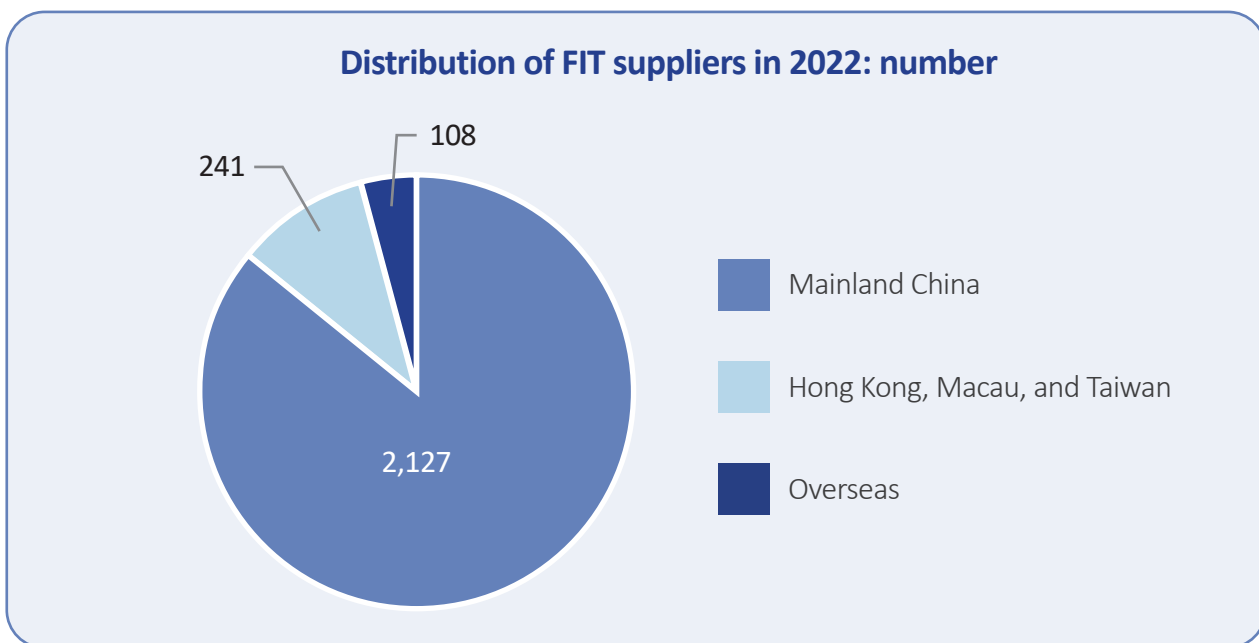
As of December 31, 2022, FIT (excluding Belkin) has earned more than 3,131 patents worldwide, and over 658 patents are under review, and Belkin has acquired 274 patents worldwide with 9 additional patents that are under review.



7.4 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, it can strengthen the cooperative relationship with suppliers and industry organizations, and 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 2,476 suppliers located in Asia, the Americas, and Europe, of which 2,368 suppliers are located in Mainland China, in Hong Kong SAR, Macau SAR and Taiwan, and 108 suppliers are located overseas, with the distribution of suppliers as shown below. For the data on other suppliers, please refer to Chapter 11 Appendixes (Table 1 : Performance and Data).



► Comprehensive supplier management system

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 strengthen the supplier management by regulating 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.



Supplier Admission

When doing procurement, FIT considers business needs, actual economic benefits, and whether suppliers can meet the standards for environmental management substance control. Suppliers are required to submit proof of eligibility and the Company will select the most appropriate supplier in terms of audit status, compliance of the corresponding system, effectiveness of risk management, etc. If the supplier can meet the Company's requirements, it will be included in the list of qualified supplier.

Daily Management of Suppliers

Newly added suppliers are required to enter into agreements to undertake the obligations of the supplier during cooperation and to protect the interests of the Company. In addition, the Company conducts on-site inspections in accordance with internal standard processes.

Supplier Evaluation

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 conflicts etc. The survey completion rate of Mainland China's operations reached 100%.

Monthly Performance Audit

- Evaluate through scorecard.
- Cover quality, supply chain support, technical support, etc.
- If suppliers score below 70 points for three consecutive months, they will be included in the supplier review.

Annual Audit

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

Environmental Risk Evaluation

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



Environmental Substance Investigation

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

Supplier SER Risk Assessment

- 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

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

Supplier Termination Management

Continuous optimizing the supply chain can help FIT reduce potential quality and SER risk, and enhance our 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. 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.

► Identify the environmental and social risks of suppliers

FIT is committed to establishing a sound supply chain on environmental and social risk management. The Company enters agreements with suppliers on integrity, commitment to social responsibility and sustainable quality management system. They are also required to comply with the "Supplier Code of Conduct". Belkin conducts regular social, environmental and quality assessments, covering the following dimensions with more detailed indicators. Belkin rates the supplier based on its performance.



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. FIT carries out regular audits on the supplier's systems such as QSA/GP/SER in terms of product responsibility, environment and social environment. The Company also informs the supplier on the procurement system the applicable requirements for all products (such as RoHS, REACH, etc.). SSI and SS Precision require suppliers to provide corresponding MSDS, MCF, and RoHS test reports (valid for 1 year) for each product on the customer system.

► Further promote supplier growth

In order to enhance the quality and skills of suppliers, the Company maintains constant communication with suppliers by regularly conducting 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 recognises outstanding suppliers as an encouragement for them.



Chapter 8. People-Oriented

Employees are the cornerstone of FIT's long-term development, and FIT believes in building a people-oriented work environment, such as providing equal opportunities and adequate resources to help employees develop in the Company the long run. At the same time, the Company also provides employees with reasonable remuneration and benefits, helps them develop, and creates a harmonious and caring work environment.

The Company has strictly complied with all labor-related laws and regulations in all places of operation, such as the "Labor Law" and the "Labor Contract Law" in Mainland China, the "Labor Standards Law", the "Gender Work Equality Law", and the "Employment Services Law" in Taiwan, Vietnam's "Labour Law", the United States' labor and employment policies, etc., with clear internal regulations, including the "Employee Handbook", the "Non-discrimination Controlling Operation Measures", the "Remuneration and Welfare management Regulations", the "Prohibition of Use of Child Labor management Regulation", etc. They were established to regulate the work management and protect the rights and interests of employees.

During the Reporting Period, the Company did not significantly violate labor laws and regulations.



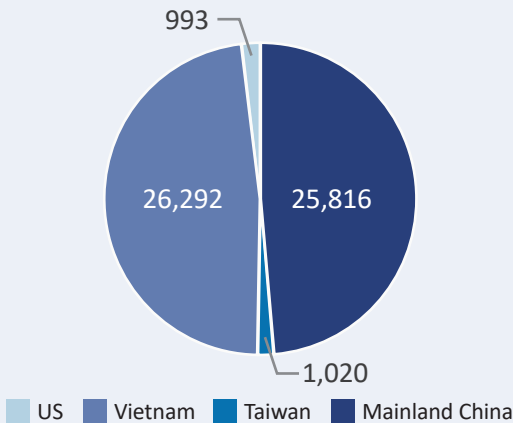
8.1 Labor policy and compliance

FIT adheres to the relevant laws and regulations and has formulated the "Regulations on the Management of Employee Recruitment Operations", the "Regulation on the Management of Basic Manpower Recruitment Operations", the "Regulations on the Labor Protection Management of Group Female Employees" and the "Regulations on the Prohibition of the Use of Involuntary Labor" in production sites in Mainland China, Taiwan, and Vietnam. At the same time, FIT has adopted various recruitment methods, including campus recruitment, social recruitment, internal recommendation, etc., to adhere the principles of fair, equal and non-discriminatory. The Company conducts campus recruitment every spring and fall, mainly for fresh graduates with bachelor's degree or above in key universities. In addition to local talents, FIT recruits employees from different regions who meet the Company's standards. FIT insists on not discriminating based on factors such as gender, age, nationality, ethnicity, religious and other factors to ensure respect for and inclusion of the different backgrounds, experiences, skills, etc. of employees.

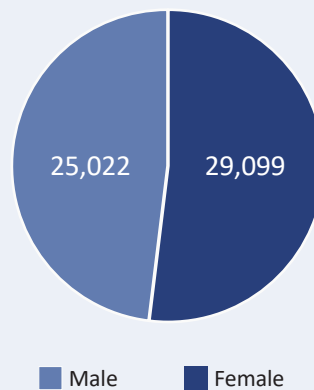
The followings are the employee data as at the end of the Reporting Period and please refer to Chapter 11 Appendixes (Table 1: Performance and Data).

Total number of active employees: 54,121

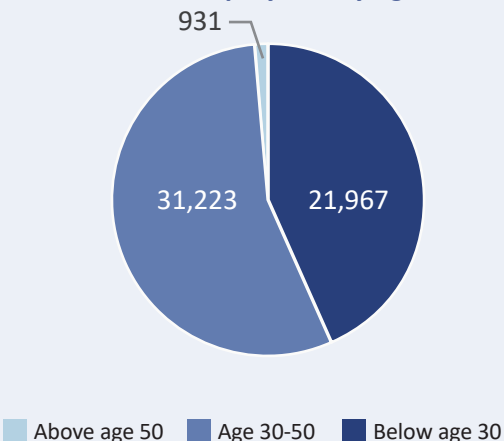
Total employees- By region



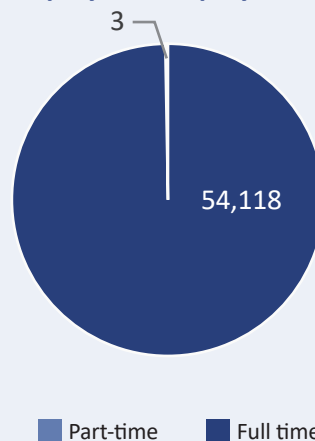
Total employees - by gender



Total employees- by age



Total employees- employment type





To promote employee diversity, FIT has introduced various initiatives, including the establishment of employee affinity groups, social groups and diversity committees. The initiatives also target to recruitment, training and guidance programs. The Company also introduces new responsibilities at the management and the Board level. FIT plans to further increase the number of employees at all levels and the number of female Board representatives in the coming years.

Proportion of female in senior management



In addition, FIT provides employment opportunities for people with disabilities on the basis of meeting the job needs. The Mainland China's factories have set a target of 0.30% employment rate for disabled workers in 2023 and the target has also been achieved in 2022. FIT will provide employees with a certain amount of care and assistance in their lives, including occasional condolences and arranging more convenient staff dormitories for them to create a healthy and regulated employment environment.

Regarding the labor standards, the Company prohibits the employment of child labor and all forced labor, ensuring that all labor activities are in conformity with relevant legal policies. The Company complies with relevant provisions to prevent child labor and involuntary labor, such as the "Administrative Regulations on Special Protection of Juvenile Workers", the "Administrative Regulations on Prohibition of the Use of Child Labor", the "Special Protection Operation Measures for Juvenile Workers" and "Administrative Measures for the Prevention and Correction of Child Labor" etc.

In terms of arrangements of working hours, FIT places great emphasis on the employee's work life balance, such as the FIT Vietnam factory has developed the "Working Hours Management Measures" and "Overtime Management Operation Measures" to regulate reasonable work and rest time. FIT operates an 8-hour work system, appropriate shifts and breaks to ensure the working hours meet the requirements of the local laws and regulations. For employees who need to work overtime, they are entitled to overtime pay or the right to rest overtime to protect the employee's willingness and right to take leave.

8.2 Employee compensation and benefits

FIT continues to optimize and improve the Company's remuneration system to retain talents. The Company strictly adheres to the remuneration management policies of the operational sites and to make regular adjustments in accordance with local remuneration-related regulations as well as referencing the practices of the same industry.



At the same time, FIT also provides employees with competitive remuneration and benefits that are linked to their position value and personal contribution to attract and retain talents. Vietnam's factory has launched the "Talent Retention Award " to assess employees who have reached a certain working level, and if they meet the criteria, they will be rewarded with an additional monthly allowance. The factories in Mainland China set up "Continuous Service Full Attendance Allowance" to give corresponding bonus incentives to employees who have been employed for 1 month, 3 months and 6 months respectively, to encourage new and old employees to continue to develop in FIT. Taiwan factory sets up the allowance for special job.

The Company provides statutory holidays to employees in accordance with local policies, such as paid annual leave, marriage leave, maternity leave, sick leave, bereavement leave, etc. In addition, FIT provides employees with the following protection and benefits:



In order to protect the interests of its employees, FIT has established trade unions across factories of Mainland China and Vietnam. When FIT establishes trade unions, it complies with the laws and regulations of the "Trade Union Law of the People's Republic of China", the "China Trade Union Regulations", and the "Labor Law of the People's Republic of China". The basic functions of trade unions are to safeguard employees' rights and interests, enhance employee status participate in enterprise management, and enhance employees' skills. Trade unions can be divided into the following groups:





► Activities of FIT trade union

As a bridge between the Company and its employees, the FIT trade union continues to play its part in 2022 by maintaining close communication and interaction with its employees, actively organizing various activities and fighting for interests of its employees. Every year, the FIT trade unions conduct activities for its employees, such as cultural events, company opening days, festivals and birthday celebrations, to enhance the sense of belonging of its employees to the Company. At the same time, the employee's leisure life is enriched, allowing the employees to achieve work-life balance.

Stylistic activity

Case: FIT Zhengzhou basketball friendly match

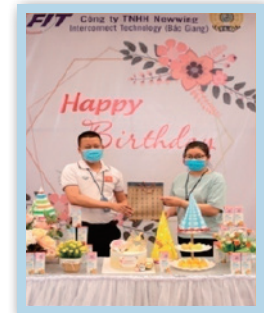
FIT Zhengzhou trade union values the physical and mental health of its employees. Regular employees activities are organized, such as basketball friendly match with the hope that employees can strike a balance between work and life.



Festival, birthday celebration

Case: FIT Vietnam employee birthday party

FIT Vietnam labor union holds a birthday gathering for employees on their birthday month. Activities include games, games to give out gifts, photo taking, etc. to enrich the lives of employees and enhance their sense of belonging.



Parent-child activities

Case: FIT Shenzhen children day

FIT Baoke Union hopes to share family moments with its employees and family members by holding parent-child activities during their working hours.





► Employee care and support program from FIT

One of the goals of the FIT trade union is to support employees facing financial challenges. In 2022, the FIT trade union (Mainland China) invested approximately RMB 2 million in supporting its employees. In 2023, the targeted amount for the support was RMB 2.5 million. The assistance programs include employee assistance, family disaster assistance, funeral condolences, material illness condolences, and care for disabled employees.

Support employees who face actual difficulties

Case: FIT Shenzhen factory cares for employees with disability

In 2022, the FIT Shenzhen factory distributed solatium and condolences to disabled employees.



A caring event

Case: The care activities from FIT Huai'an factory

The Huai'an trade union offers sympathy and care for nearly 1,000 workers that are exposed in high-temperature working environment in August 2022.



Employee care

Case: FIT Mainland China's factory has employee care center

FIT concerns about the physical and mental health of its employees, the factories in Mainland China set up an employee care center with numbers of professional counselors to provide mental counselling and guidance to its employees. The center also has a personalized counselling and counselling hotline which can provide immediate assistance on telephone to help employees solve problems at work.



Employee care center of Kunshan factory

Case: FIT Taiwan medical benefits

FIT Taiwan factory has purchased health and group insurance for each employee, and a health check subsidy (from NT\$10,000) is provided each year. FIT Taiwan also arranges on-site doctors regularly to conduct various types of health checks for its employees and to safeguard their health and well-being.

In addition, the Company actively creates a physically and mentally healthy working environment for its employees, including a juice bar and coffee bar for employees to refresh themselves while they are on break. In-house fitness equipment is also provided to improve their fitness after work.



8.3 Development and training

FIT adheres to the "People-oriented" concept and always attaches importance to the professional development of its employees. Therefore, the Company strives to establish a diversified and comprehensive training system and adapt training programs regularly to meet the business needs. The Company has set targets for staff development and training, covering the percentage of receiving training and training hours, and is committed to reviewing the progress of targets in different operational sites.

The Company provides appropriate training for employees in different regions, positions and levels, including new employee training, new cadre and "elite class" training, on-the-job employee training, special job training, instructor mechanism, and language training for promoting self-improvement and enhance the employees' job and management skills, the Company's training system and related cases are shown 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 techniques, 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

Covers 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 certifications.

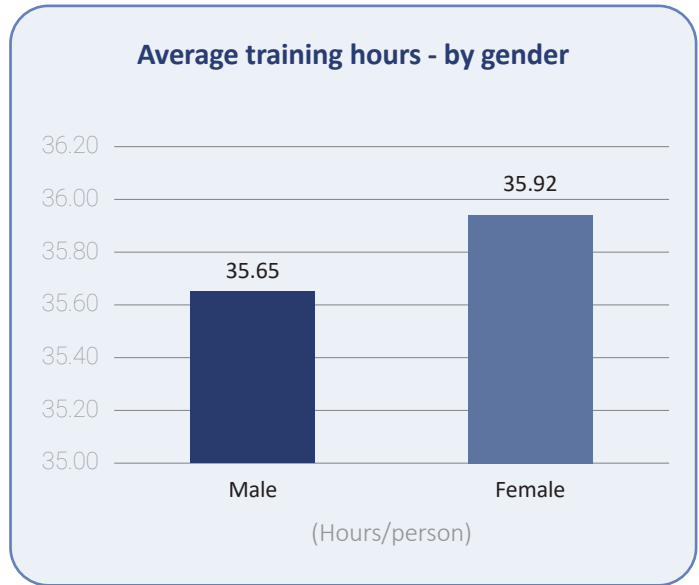
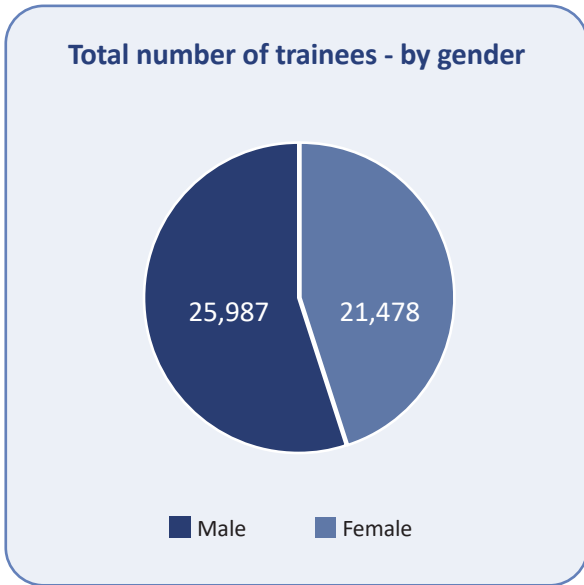
Lecture Series

The corporate lecturer series consist of lectures given by external and internal lecturers. The application procedures for internal lecturers are application for internal lecturer qualification and certification, coaching training, evaluation of trial lecture, and awarding the internal lecturer certificate. The Company's lecturer series not only enriches the form of training, but also raises the overall quality and occupational competitiveness of employees.

Language Training

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

In the event of the outbreak of COVID-19 pandemic, the Company launched an online E-learning training platform to facilitate employees to select courses, conduct training and receive assessment through the online platform. The total training time of FIT employees in 2022 is 1,697,881 hours, the total number of employees trained is 47,465, the average training hours per person is 35.77 hours, and for details, please refer to Chapter 11 Appendixes (Table 1: Performance and Data).



In addition, the Company helps upgrade the qualifications of its employees. For example, the factories of Mainland China cooperate with local schools (Henan University, Tianjin University, Wuhan University, etc.) to offer undergraduate and postgraduate programs. The Company's adherence to the core value of "People-Oriented" creates an environment for employees to learn to grow and realize their own values and enhances the Company's competitive advantage to win both employees and businesses.

Case: Training program

For meeting future operational needs, appropriate training courses for employees at all levels are provided, such as new employee training, on-the-job employee training, special work position training, and group leader training. The training covers rules and regulations for personnel, corporate social responsibility training, information technology, communication and interpersonal relationships, quality awareness, etc. Employees are required to pass the assessment in order to complete the training.



Offline training of Huai'an factory



Chapter 9. Green Operation

Companies rely on natural resources for the production of goods and the provision of services. Therefore, environmental protection is an important part of FIT and the Company has been working hard to reduce environmental damage in the course of operations. In response to the Group's goal to achieve net zero by 2050, the corresponding departments of the Company actively refine environmental policies to regulate the use of resources, management of waste and carbon emissions. The Company also strictly complies with local environmental laws and regulations in all regions, including but not limited to:

Mainland China

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

Taiwan

The Basic Law on the Environment

Vietnam

The Law on Energy Conservation and Efficient Use and the Water Resources Law

United States

National Environmental Policy Act

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



Regular environmental audits ensure that sites comply with environmental laws and regulations. The audits cover energy use, water resources, emissions management, etc. Energy saving and emission reduction teams of each production site collect data and submit it to FIT's Energy Saving Committee for further investigation. When a deficiency is found, the departments concerned will promptly propose improvement plans. At the same time, each site regularly provides training to its employees, covering topics of environmental pollution handling techniques, hazardous waste classification, harmful effects of pollutants and environmental laws, to enhance professional skills and competencies of employees.

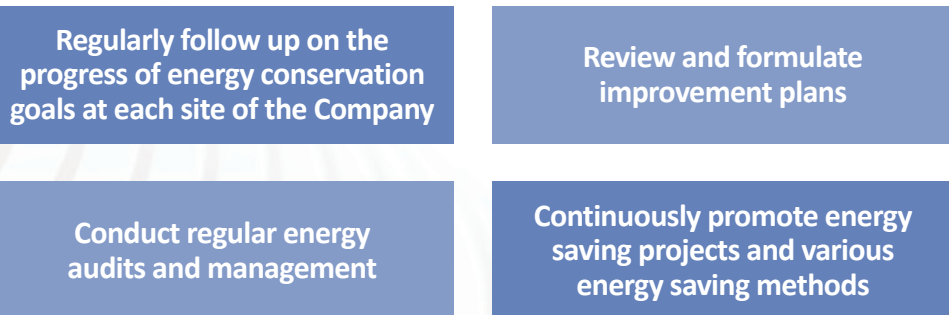
Under the leadership of the SER Committee, the Company established environmental goals for different environmental indicators such as energy use, waste, water resources and greenhouse gases. For the environmental goals, please refer to Chapter 11 Appendixes (Table 6: FIT 2022 Environmental Goals).

9.1 Resource usage

Energy consumption is one of the major environmental issues. FIT sites actively promote energy conservation measures to achieve sustainable development. FIT develops and follows guidelines such as the "Energy Resource Control Operating System, the "Energy Conservation Management Assessment and Scoring Rules" to ensure efficient use of energy and realize efficiency maximization.

► Strengthen the governance of energy saving

In order to effectively promote energy management, FIT Mainland China and Vietnam factories have set up an Energy Conservation Technology Development Committee (the "Energy Conservation Committee") and Belkin's Sustainability Department in accordance with business needs. The Energy Conservation Committee is composed of directors from different factories or fields whose main responsibilities are as follows:



To facilitate communication and information transfer, the Energy Conservation Committee has implemented a two-way communication channel to ensure that employees can report incidents to the Energy Conservation Committee quickly and smoothly.

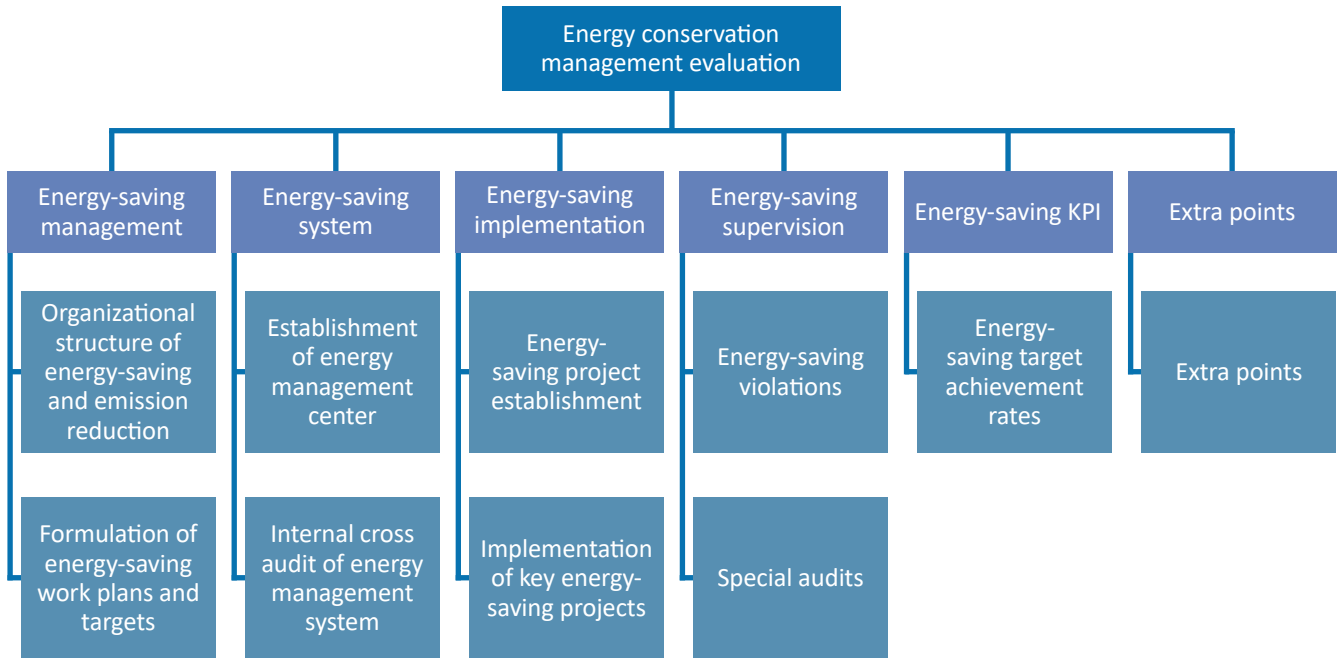


FIT sites of Mainland China implement energy conservation and technology transformation program

FIT formulates energy-saving plans and targets annually and makes regular adjustment with reference to the production and operations in previous years. The Energy Conservation Committee allocates smaller targets to production sites and targets are further broken down to monthly targets to facilitate monitoring, while the business unit or strategic business unit work towards achieving the energy-saving targets. Each FIT site develops its corresponding energy-saving projects in accordance with production needs and all employees are encouraged to participate actively. Regular meetings are also held to review the achievement rates of energy-saving target. The following are the energy-saving and technology transformation initiatives at each FIT site:

Site	Key energy-saving projects	Energy-saving goals
Huaiian	<ul style="list-style-type: none"> • Modification of air compressor pipe • Replacement of existing lighting system by LED lights • Improvement in electroplating process 	5%
Kunshan	<ul style="list-style-type: none"> • Modification of air compressor pipe • Enhancement of existing air conditioning's energy efficiency 	
Zhengzhou	<ul style="list-style-type: none"> • Improvement in electroplating and assembling process • Enhancement of existing production equipment's energy efficiency 	
Shenzhen	<ul style="list-style-type: none"> • Power generation by solar energy • Improvement in electroplating process 	

The energy-saving and emission reduction teams at each site conducts monthly audits on the progress of energy-saving work. Audit results are then reported to the site's Sub-Committee and the Energy Conservation Committee for further review. At the end of 2022, each FIT's Mainland China factory has achieved 5% energy savings during the Reporting Period. To comprehensively assess the implementation of energy-saving management and the achievement of energy-saving targets, FIT has carried out regular energy management evaluation covering multiple dimensions and indicators. The Company offers different awards for better-performing production sites to encourage employees to step up efforts in energy saving.



► Publicity and training

FIT places great importance to employees' awareness of energy saving in order to cultivate an environmentally responsible culture. The Company continues to implement various publicity activities and training to instil the importance of energy conservation and environmental protection, and to promote the development of energy-saving habits at work among employees. Publicity and training on energy conservation covers the following:

Publicity

- Post energy-saving posters and responsibility signs in the factory and office areas
- Arrange training courses on energy conservation
- Replace the general lighting in the factory with LED lights
- Remind employees to do various checks before leaving the office, such as turning off all power supplies, unplugging unnecessary power equipment, and increasing the use of fans

Training

Case: FIT provides environmental protection related courses to employees

FIT regularly provides employees with a range of training courses on operation and management of wastewater equipment, hazardous properties of pollutants, operation and management of waste gas equipment and environmental pollutants treatment techniques. All trainees are required to pass an examination and practical test, to demonstrate the understanding of relevant knowledge and requirements.





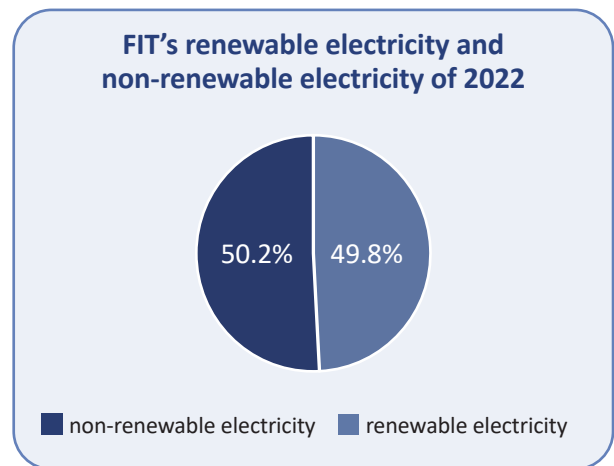
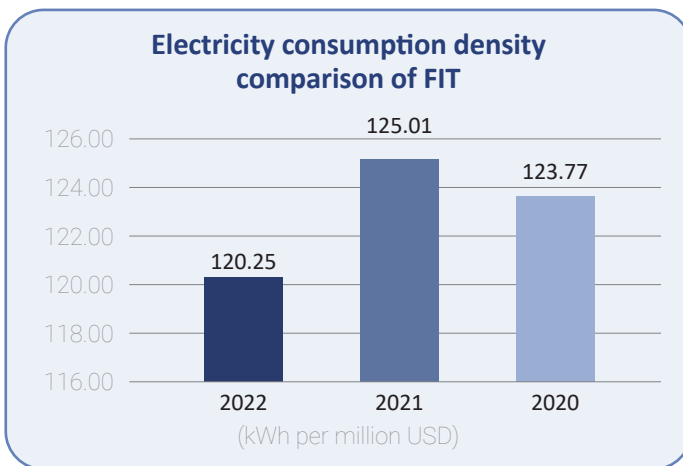
► Use of major energy sources

The energy directly or indirectly related to the production and operations of FIT is mainly derived from electricity, natural gas, steam, petrol and diesel. In 2022, we continued to review and drive energy saving and emission reduction efforts to ensure that annual energy saving and emission reduction targets are achieved.

In 2022, FIT has achieved preliminary results in energy saving. The specific energy consumption data and comparison are shown in the figure below. For all environmental performance and data, please refer to Chapter 11 Appendixes (Table 1: Performance and Data).

Electricity consumption

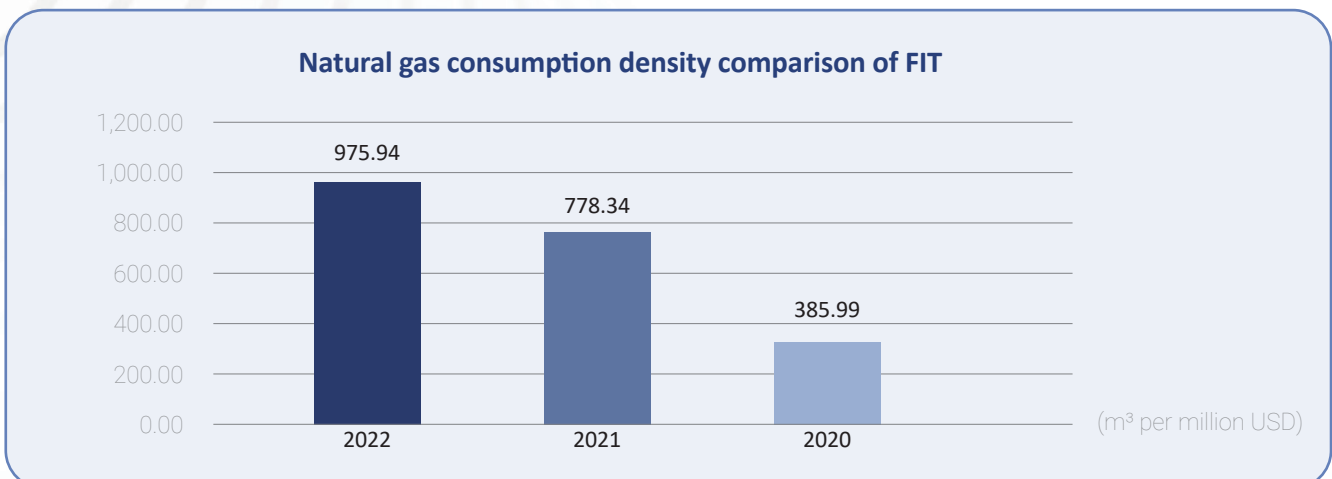
The data of FIT's electricity consumption consists of renewable energy and also non-renewable energy. This Year, we separated the data collection of renewable electricity and non-renewable electricity to gain a clear understanding and analysis on the performance. FIT's renewable electricity and non-renewable electricity in 2022 totalled 271,100.44 thousand kWh and 273,682.84 thousand kWh accounting for 49.8% and 50.2% in total electricity respectively. In the future, FIT will continue to adopt the same method of data collection and analysis.



The electricity density of FY2022 has reduced by 3.81% compared with FY2021.

Natural gas consumption

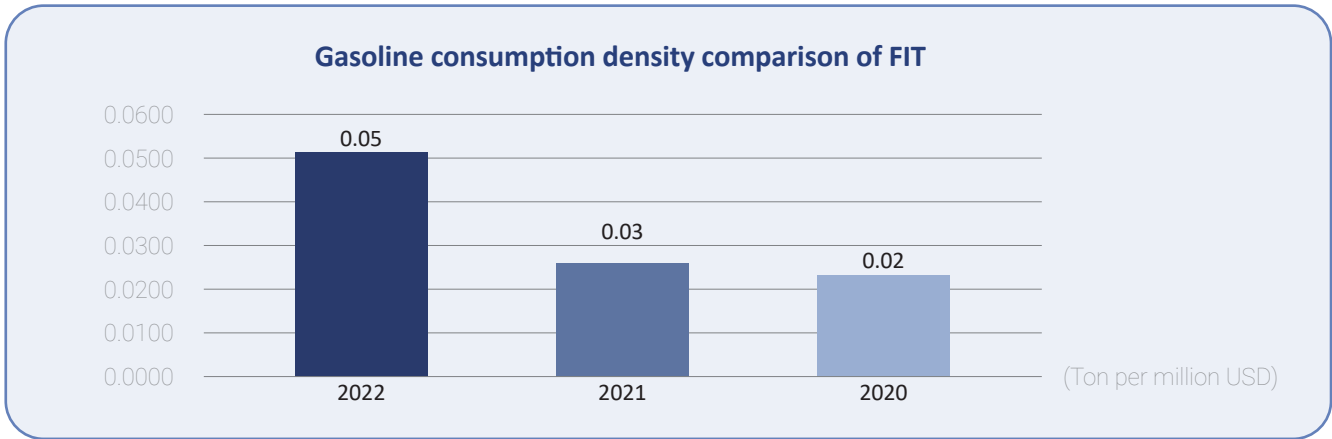
Natural gas consumption density of FY2022 has increased by 25.39% compared to FY2021, which was mainly due to the production and operation needs of the Shenzhen factory.





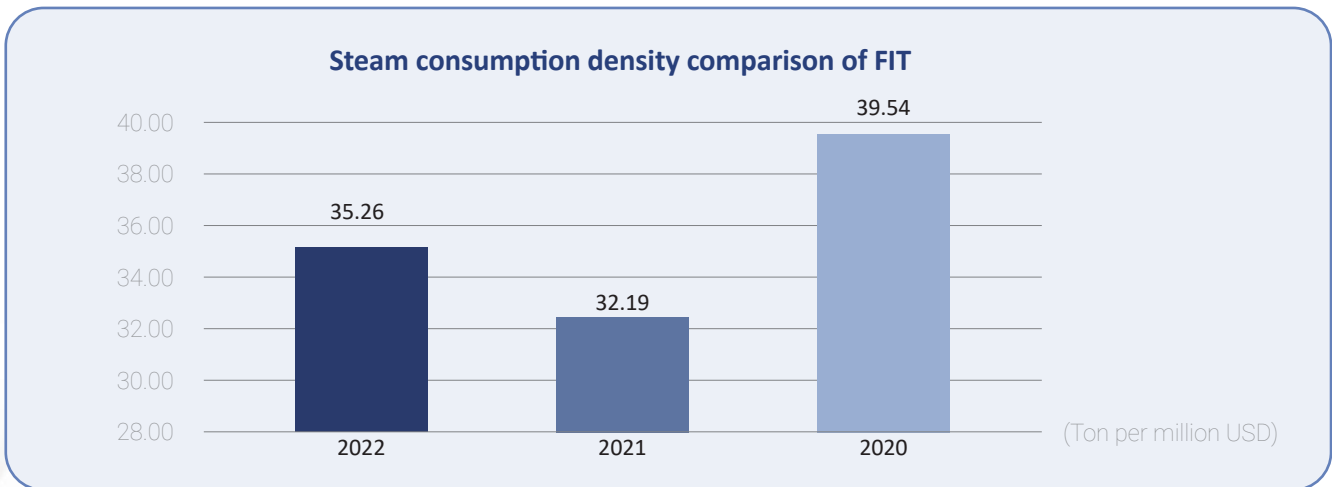
Gasoline consumption from mobile source

Gasoline consumption density of FY2022 has increased by 66.67% compared to FY2021, mainly due to the production and operation needs of FIT Vietnam factory.



Steam

The steam consumption density of FY2022 has increased by 9.54% compared to FY2021, the main reason is the increase of steam consumption in Huai'an factory compared with last year.



Case: Sound Solutions International is driving carbon neutrality

In line with Apple's strategy to improve environmental performance, Sound Solutions International plans to introduce 100% renewable energy usage to help customers achieve carbon neutrality throughout the global manufacturing supply chain and the product life cycle by 2030.

Case: The energy management system of FIT Mainland China factories have obtained international certification

FIT Mainland China factories including Chongqing, Diancha, Fuding, Dianfa, and Fuyu have developed a clear framework for continuous improvement in energy management and obtained ISO 50001 Energy Management System Certification.



► Other resource usage

In terms of packaging materials, FIT's product packaging materials is mainly made of paper, plastic, woods and metals. In order to allow customers to enjoy high quality of FIT products, the use of packaging materials is inevitable but FIT strives to reduce the use of single-use plastic packaging and encourage the recycling of packaging materials at various sites. Taking Belkin as an example, Belkin is on target to reduce 25% single-use plastics and using at least 30% of RPET (recycled PET plastic: Recycled Polyethylene terephthalate) environmentally friendly materials. As of today, Belkin has achieved a 59% single-use plastic packaging reduction since 2019, transitioned screen protection retail packaging to use 100% recycled plastic made from water bottles and Forest Stewardship Council ("FSC") certified paper, and the removal of plastic clamshell packaging on all legacy packaging. Belkin also works with global recycling partners of electronic waste and packaging materials to maximize the recycling scale of resources.



In 2022, FIT consumed a total of 12,507.30 tons of paper packaging materials, 11,001.98 tons of plastic packaging materials and wooden packing material 4,333.39 tons. Compared to last year, FIT's paper packaging materials have decreased significantly by 41.4%, while plastic packaging materials have increased slightly by 6.3%. Belkin has strived to reduce the use of plastic packaging materials.

FIT places great importance on energy saving and emission reduction and the efficient use of resources. We will continue to fulfil our environmental protection responsibilities in the future through strengthening the energy management system, enhancement on energy efficiencies and adopting the use of more environmentally friendly materials in the course of our operation.

9.2 Water resources management

FIT acknowledges the issues around water shortage and therefore places great importance on water management. To ensure the systematic management of water resources, the Company has set water resource use goals and launched a series of water-saving projects to improve water efficiency. The Company also strengthened the publicity to raise consumers, suppliers and other business partners' awareness on water conservation, which in turn helps develop a habit of conserving water and using water resources responsibly.

Region	Relevant regulations
Mainland China	Emission Standard of Pollutants for Electroplating of China
Vietnam	QCVN 40:2011/BTNMT



► Domestic water

In response to the Company's policy of conserving water, FIT's factories set water-saving targets in accordance with local production needs and impacts of the external environment. Factories actively carried out water-saving technical transformation projects to improve the water resources utilization rate and promote the effective development of the Company's water-conservation work. To ensure water resources are effectively managed and achievement of water use goals, each site conducts regular inspections and review the progress of the water-saving projects.

Water-saving technology improvement project

Case: Zhengzhou launches a concentrated water reuse project to improve water efficiency

FIT Zhengzhou factory constructs a pure water storage tank, re-installs the water supply pipeline that connects to the workshop, and uses an automatic constant pressure system to supply water to the electroplating production workshop for the pre-treatment of the electroplating machine, degreasing, cleaning and toilet water purposes. The project has saved a total of 92,843 tons of water in 2022.



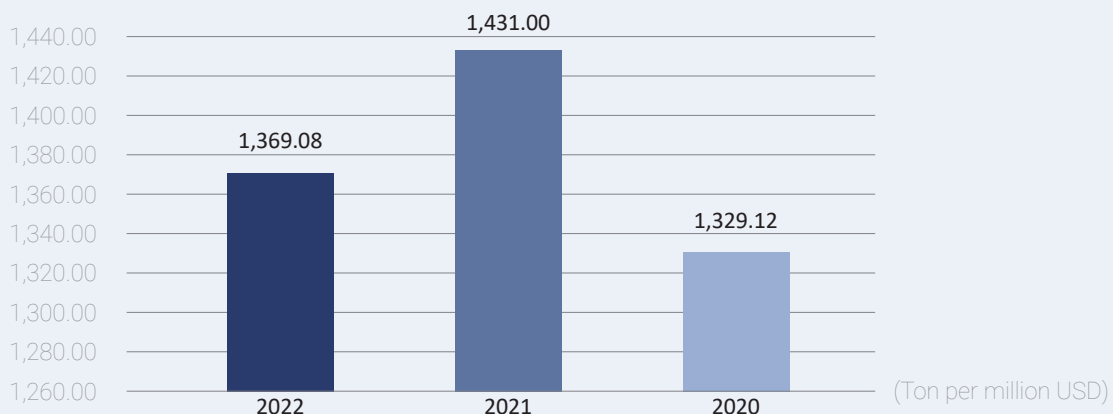
Case: FIT Vietnam factory implements wastewater recycling

The Vietnam factory reuses wastewater discharged from the pure water machine in the energy centre after wastewater treatment for cooling towers in the factory. A total of 16,652 tons of water has been saved annually and the pollution caused to the environment is also reduced.

Use of water resources

The water density of FY2022 has reduced by 4.33% compared with FY2021.

Water consumption density comparison of FIT



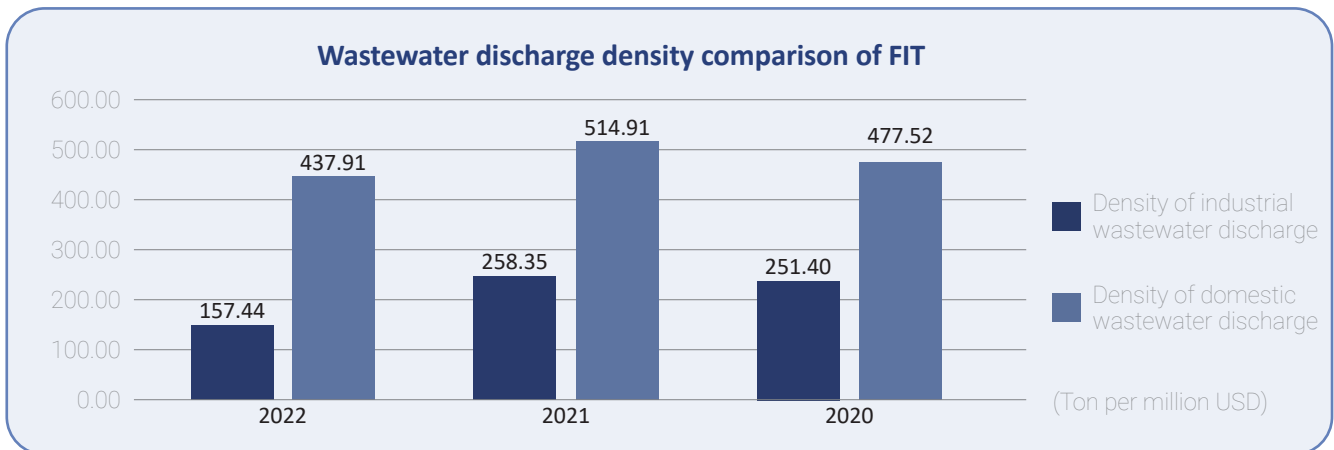


► Wastewater management and monitoring


In addition to improving water efficiency, FIT concerns about the proper discharge of wastewater produced during its operation and the compliance with all applicable regulatory requirements. Industrial wastewater is mostly generated from production and support processes including the manufacturing processes, surface treatment and water purification, while domestic wastewater is mostly generated from living facilities such as dormitories, commercial areas, restaurants, and toilets. In this regard, FIT formulated the "Wastewater Management and Control Operating System", which strictly regulates the disposal, measurement, supervision, and abnormality and emergency treatment of wastewater. In response to behaviours causing environmental pollution, the guideline has outlined the procedures for rectification and improvement.

Wastewater discharge

Industrial wastewater and domestic wastewater discharge density of FY2022 has decreased by 39.06% and 14.95% respectively compared to FY2021.



Site	Type of wastewater	Wastewater management project
Kunshan	Industrial wastewater	<p><i>Case: Intelligent wastewater treatment system</i></p> <p>Kunshan factory has implemented an upgrade and transformation project for its wastewater treatment facilities. The system has been in operation for over a year with several highlights:</p> <ul style="list-style-type: none"> • Achieve “zero discharge” of nickel-containing water • Increase rate of water reuse • Enable real-time monitoring, remote control, anomaly alerts, automated measurement and analysis






Site	Type of wastewater	Wastewater management project
Huai'an	Industrial wastewater	<p>In order to comply with regulatory requirements, Huai'an factory adopted separated collection, treatment and centralized discharge of wastewater. The factory also introduced a chemical precipitation process in wastewater treatment. Real-time monitoring system was installed in the drains to better track the sewage discharge and water quality metrics.</p>
Vietnam	Domestic wastewater	<p><i>Case: Adoption of advanced sewage treatment systems</i></p> <p>The sewage treatment plants in Vietnam introduced an anaerobic treatment system ("AAO") and MBR processes, equipped with automatic detection system and an independent laboratory. The water quality treatment meets the A-grade standard—reuse standard and is able to treat about 1,000 m³ of domestic sewage daily.</p>  <p>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.</p>
Shenzhen, Huaian		<p>For wastewater monitoring, each site is equipped with relevant measurement tools in accordance with the local environmental regulations. FIT Mainland China sites have installed an intelligent emission monitoring system, the system enable real-time and accurate monitoring of all sewage data, including sewage discharge and sewage water quality. The system is also linked with a warning system that sends alerts as soon as an anomaly is detected. FIT Shenzhen and Huai'an factories comply with the local requirement of sewage discharge as required under a sewage discharge permit and connecting the domestic sewage to the municipal sewage treatment plant, which is subjected to close monitoring by the local government.</p>



► Advocacy and training

FIT factories provide employees with comprehensive training programs covering water sample collection, operation and management of sewage treatment systems, types of hazardous waste, hazardous properties of pollutants and environmental laws, etc, to enhance the professional skills and competencies of employees in handling waste. 14 trainees who attended passed the training.



9.3 Emission management

FIT values environmental protection and strives to reduce environmental pollution in the course of its operations. To ensure compliance with laws and requirements in relevant regions, FIT has formulated the Exhaust Management and Control Operating System, Waste Management and Control Operating System, and obtained ISO14001 and ISO14064 certifications.

Region	Category	Relevant regulations and industry guidelines
Mainland China	Greenhouse gases	2006 IPCC Guidelines for National Greenhouse Gas Inventory, Emission Standard of Pollutants for Electroplating of China
Vietnam	Exhaust and waste	QCVN 19:2009/BTNMT, Decree No. 38/2015/ ND-CP on Management of Waste and Discarded Materials

The Company has carried out different control measures for emission control.

► Exhaust management and monitoring

The exhaust produced by FIT includes process exhaust and general exhaust, and contains pollutants including nitrogen oxides, cyanide, sulphuric acid mist, etc. Process exhaust refers to the harmful gas produced by the factories during the production process (e.g. the operations of generator sets), while general exhaust is generated by the operation of production supporting service equipment and domestic activities such as restaurants. The "Exhaust Management and Control Operating System" formulated by the Company, outlining and assigning the responsibilities to different departments for emission management. The Company promptly adjusts the policies in accordance with changes in local policies and operations. FIT implements source control to minimize the impact from exhaust emissions by using low volatile organic compound ("VOC") content raw materials. At the same time, exhaust collection and transmission pipelines are established in accordance with relevant environmental requirements and to conduct regular safety assessments, including equipment inspection, unblocking and maintenance. To prevent exhaust gas leakage, cofferdam is constructed around the electroplating facilities. In accordance with Pollutant Discharge Permits, each factory is required to appoint a third party to conduct a regular inspection of the concentration of pollutants and the total amount of emissions from the exhaust vent.



Case: FIT Mainland China and Vietnam factories both achieve VOCs reduction

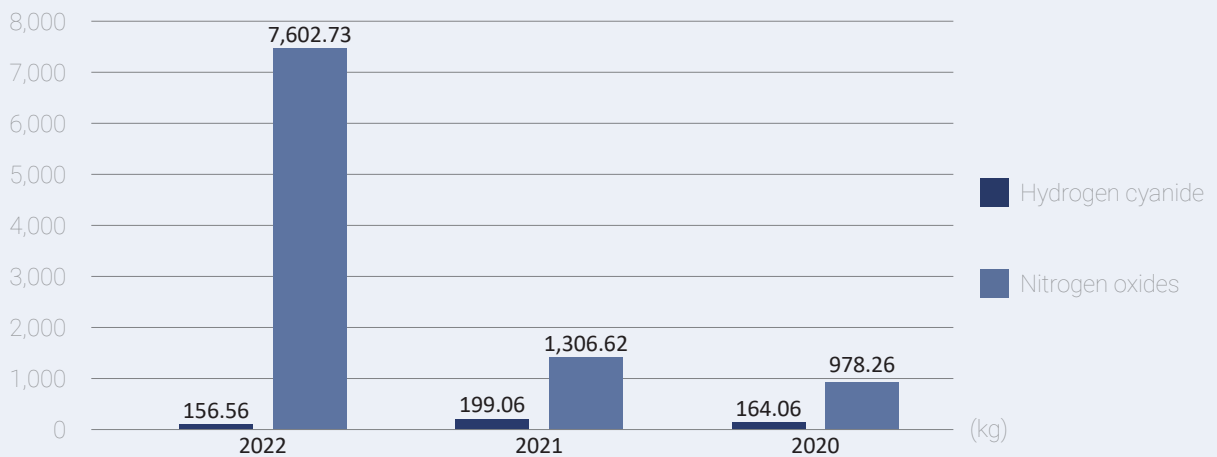
To comply with the legal requirements and minimize emissions from VOCs, FIT factories conduct comprehensive inspection on the recovery of VOCs emissions. Currently, all facilities are in operation and all emission tests meet the requirements of relevant emission standards, achieving our reduction targets.



Exhaust emissions

Below chart represents the emission of hydrogen cyanide and nitrogen oxide. The significant increase in nitrogen oxides was mainly due to increased fuel consumption of FIT Vietnam's leased vehicles, accounting for 33% of the total fuel consumption in 2022.

Hydrogen cyanide and nitrogen oxides emission comparison of FIT





▶ Greenhouse gas management

FIT understands the rise in concentrations of greenhouse gases, such as carbon dioxide (CO₂), water vapor (H₂O) and ozone (O₃) intensify global warming. Although it is inevitable to avoid the generation of greenhouse gas emission,, as a responsible enterprise, the Company prioritizes the reduction of emissions in the course of its operations. Currently, the Company's greenhouse gas management system is accredited to the ISO 14064 certification.

The Group is committed to :

- Using at least 50% of electricity from renewable energy sources and reducing its GHG emissions by 42% by 2030; and
- Achieving the goal of net zero by 2050.

FIT sets the below short-term environmental targets:

- Reducing at least 1% of energy density and GHG emissions density of FY2022 as compared with FY2021.

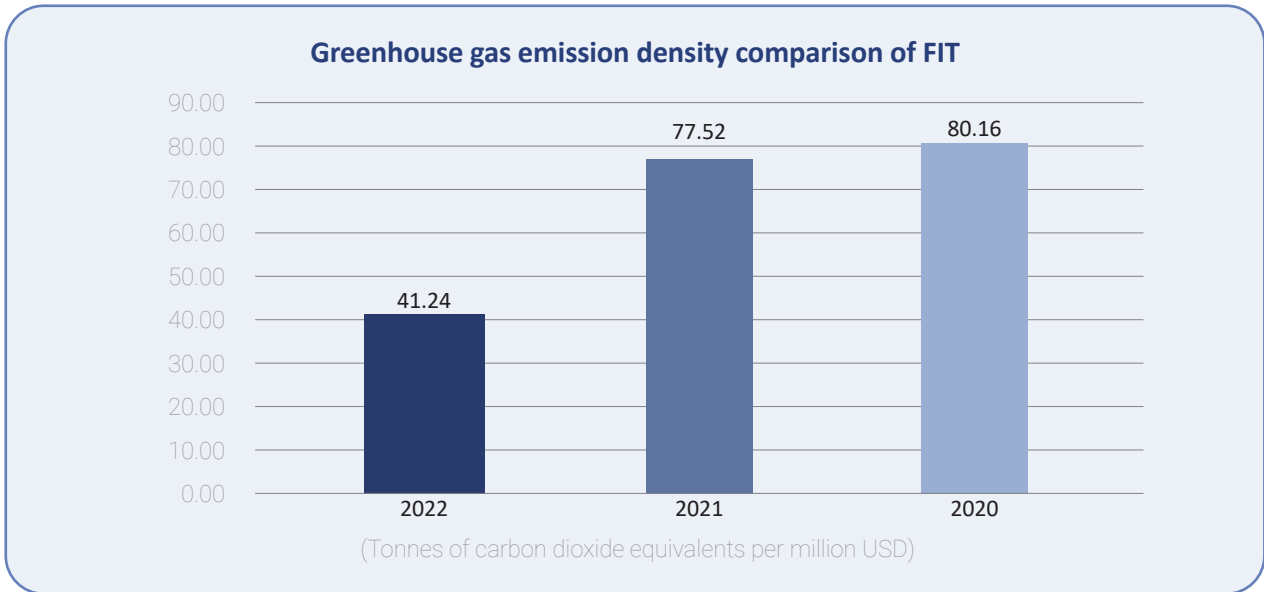
FIT regularly monitors the performance against the targets for achieving. As at the end of the Reporting Period, FIT has achieved the goals on energy density and GHG emissions density. In response to greenhouse gas emissions, SSI has been actively reducing the use of air-conditioning by requiring departments to maintain air-conditioners at specified temperatures. Meanwhile, SSI expanded the carpools for electric vehicles to encourage employees to take low-carbon commuting options.

Greenhouse gas emissions

In order to meet operational needs, FIT Vietnam factory has increased the use of leased vehicles and as a result, the consumption of fuel accounted for 33% of the total fuel consumption, resulting in a significant increase in scope 1 emissions. To help offset the greenhouse gas emissions produced, FIT initiated carbon compensation measures and planted 13,825 trees in 2022 which helped remove 318 tons of carbon dioxide equivalent. The Company conducts comprehensive tree management including regular tree maintenance.



The GHG emissions density of FY2022 has decreased 46.80% as compared with FY2021



Purchasing and self-generating renewable energy are key measures of FIT's carbon reduction roadmap. With purchased and self-generated renewable energy (e.g solar power), FIT's renewable electricity represents 49.8% of the total electricity, which significantly reduced the overall scope 2 emissions generated by FIT in 2022.

To achieve the goal of net zero by 2050, FIT will continue to monitor its direct and indirect emissions, and work collaboratively with supply chain partners to minimize carbon emissions resulting from FIT's activities.



► Waste treatment

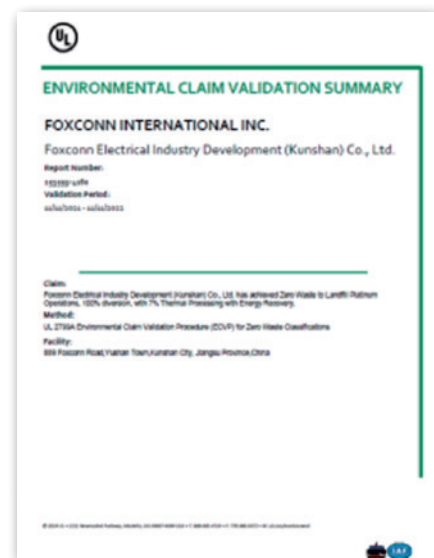
FIT is committed to strengthening its waste management policy and has formulated the "Waste Management and Control Operating System", and the "Hazardous Waste Management and Control Practice", which set out procedures on the identification, collection, disposal and classification of different kinds of waste. The Company regularly monitors the waste generation volume, refines waste disposal methods and carries out improvement plans in accordance with the actual situation.

Type of waste	Waste disposal method
Non-hazardous waste	<ul style="list-style-type: none"> Collect waste centrally and sort out the recyclable materials Waste materials are handed over to external contractors for further processing, including recycling, landfill or incineration, to minimize the environmental impact of the waste
Hazardous waste	<ul style="list-style-type: none"> Handle by a qualified professional Employees handling the waste is required complete relevant training to ensure the practice complies with the Company standard

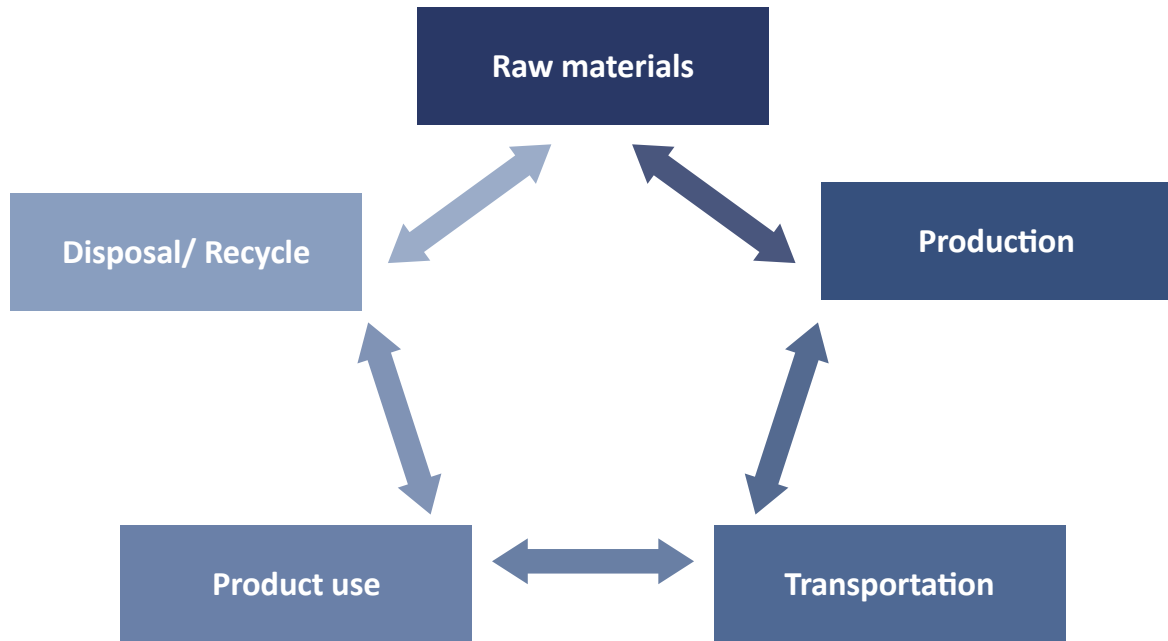
Case: FIT Mainland China factories participate in zero waste project

In line with Apple's waste management policy, FIT participated in Zero Waste Project in 2022. Apple requires suppliers to divert 100% of their waste from landfill, with a maximum of 10% sent to a waste-to-energy facility, in order to attain the Zero Waste-to-Landfill certification through Underwriters Laboratories (UL).

A project team was formed by the Environmental Engineering Department and led by various business units of different factories. Currently, Shenzhen and Kunshan factories have passed the annual validation this year and obtained UL2799 platinum certification. We target to extend the project to other factories in Mainland China and obtain relevant certifications.



At Belkin, a list of restricted substances was developed to prevent hazardous chemicals from entering our products and subsequently harming the environment. In addition, Belkin has integrated Life Cycle Assessments in the product design stage to analyse the use of materials from raw materials extraction, production, transportation, product use and maintenance to disposal or recycling.



Hazardous and non-hazardous waste

Hazardous waste and non-hazardous waste density of FY2022 has reduced by 14.77% and 21.84% respectively compared to FY2021.



FIT has started collecting data on waste recycling this year and will continue to monitor the data quality in order to enhance future disclosure.



9.4 Climate change

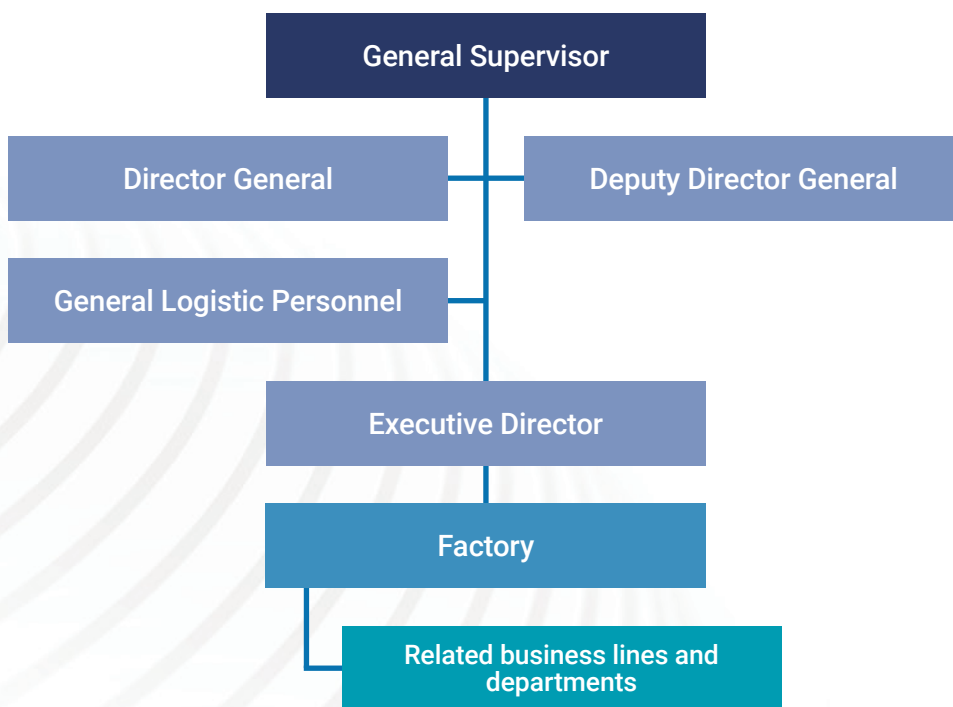
Attention towards the topic of climate change is growing among the society and also poses potential significant risks towards our business. FIT strives to embed climate change mitigation factors into our strategies and operations. Climate-related works are the focus of FIT in 2022. We conducted our first comprehensive climate-risk assessment across our business, including upstream and downstream processes. We have aligned our climate-related disclosure with reference to the requirements of the TCFD with an aim to enhance disclosure transparency in reflecting our efforts in minimizing the impacts caused by climate change to our business. Our disclosure covers the 4 core pillars of governance, strategy, risk management, and metrics and targets.



Governance

The Board has oversight of climate-related issues by receiving regular updates from established governance structures that are targeted to manage sustainability related matters, including climate change.

As part of enhancing our governance structure, we established "Major Climate Response Management Group" (the "Management Group") to effectively address climate-related issues across the factory in Mainland China. General Supervisor, as the highest governance body of the Management Group, is responsible for consolidating and reporting progress made with respect to climate change to top management, while top management reports to the Board to facilitate their further planning of climate works for FIT . The below is the organizational chart of the Management group:





The Management Group is responsible for:

- Collecting data for climate analysis
- Conducting regular risk assessment of business impacts (production shutdown, disruption of operational systems, and asset and life loss) towards physical climate risks, including typhoons, rainstorms, snowstorms, floods, high temperatures, and acid rain etc.
- Initiating emergency response mechanism, such as resumption work of post-disasters
- Reviewing the effectiveness of implementation under disaster conditions

The Management Group of Mainland China demonstrates our commitment to strengthening climate-related governance structures and we will explore extending this structure to our other business units in the future.

The Environmental Protection Committee is one of the sub-committees of SER Committee, which is responsible for tracking environmental performance of factories to ensure achieving the targets made by the FIT.

To enhance the knowledge and awareness of management on climate-related issues, TCFD workshops were organised in 2022. Participants include our major internal stakeholders, representatives of major departments and factories as well as Belkin and FIT international sales team. The workshops facilitated management representatives to brainstorm on the climate risks and opportunities that are exposed to FIT and initiate discussions on how to prioritize and mitigate these risks.

Strategy

Businesses, strategy, and financial planning to address climate change

Application and usage of renewable energy

Our manufacturing imposes significant environmental impacts, including the generation of emissions. Therefore, FIT strives to minimize scope 2 GHG emission by reducing the reliance on non-renewable energy. It can be achieved through increasing the ratio of purchasing renewable electricity and installing renewable applications for self-generating electricity. The data was well-tracked starting from 2022 and will be used going forward to monitor our progress and achievements:

Factory	Data of 2022 (kWh)
Self-generated Renewable Electricity	
Huai'an [•]	6,851,276
Shenzhen	2,681,000
Purchased Renewable Electricity	
Diancha [•]	17,631,434
Dianfa [•]	121,243,047
Huai'an [•]	118,135,545
SS Precision [•]	4,558,143

- The sites only use renewable energy for its operations.



Development of electric vehicles ("EV") business

Developing our EV business was identified as business opportunities under a changing climate. Given the increasing demand from the market and shifting consumer preferences towards more sustainable products, potential revenue opportunities can be created for FIT by developing EV and self-designed products that enable energy efficiency solutions. The development also aligns with our "3+3 Strategy", while EV mobility acts as one of the 3 key industries to drive profit growth in the following years.

Understanding of our customers

Customers and clients in the market are becoming more aware of sustainability or environmental issues and their expectations towards the management these issues and their potential risks are growing. FIT acknowledges the need to address their expectation and attaches great importance to brand building through increasing communication for better understanding of the needs of our customers. FIT sale teams are trained to ensure that accurate and non-misleading information are delivered as a measure of mitigation of greenwashing risk.

Scenario analysis

A comprehensive climate risk assessment covering physical and transition risks was conducted in 2022 by a third-party consultant.

1. Physical risk assessment

The scope of the physical risk assessment included 20 own sites and 4 main supplier sites based on the materiality for physical risks screening. Two climate scenarios of Representative Concentration Pathway (RCP) ^ 8.5 (business as usual and pessimistic) and RCP 4.5 (optimistic) at up to the year 2060, and 2040 for the assessment of water stress were applied. RCP 8.5 a conservative scenario used to ensure all vulnerabilities are captured for further assessment. The implications of selecting the RCP 8.5 scenario were set as below to:

- Allow to consider all possible areas of exposure under "worst case" position
- Set baseline scenario in the absence of climate change policy interventions
- Take reference of global condition, such as: significant population growth, slowly income growth, and greater fossil fuel consumption due to technological and energy efficiency changes, rise of GHG emissions and concentrations
- Remain industry standard practice for assessing physical risks



Our scenario analysis focused on assessing acute and chronic physical risks, including:

Acute	Chronic
Riverine flooding	Changing temperature (air)
Cyclones	Heat stress
Droughts	Water stress
Heatwaves	Changes in precipitation patterns
Wildfires	

^ Various models and tools provided by organizations such as the World Resource Institute ("WRI"), Climate Analytics, and the Intergovernmental Panel on Climate Change ("IPCC") were used.

2. Transition Risk Assessment

Transition risks and opportunities were identified based on screening of climate external drivers impacting FIT's value chain, analyzing data collected from FIT, results from stakeholder engagement of FIT (2 brainstorming workshops and 6 interviews) and conducting desktop research. References were made to internationally recognized sources including the International Energy Agency ("IEA"), the International Institute for Applied Systems Analysis ("IIASA")'s Shared Socioeconomic Pathways ("SSP"), the Network for Greening the Financial System ("NGFS")'s Scenario Data Explorer, the WRI and The IPCC AR6 Atlas (containing CMIP5 & CMIP6), and others in prioritization process. For the transition risk assessment, low-carbon transition scenarios align with the Paris Agreement that limit peak warming to below 2°C by the end of the 21st century were applied. These low-carbon transition scenarios require significant development of negative emission options by 2100 to keep temperatures below the 2°C limit or even in line with 1.5°C pathway.

Upon completion of the potential physical and transition risk impact and opportunity screening using the climate models, stakeholder engagement, and desktop research, a list of physical and transition risks relevant to FIT were identified for further review and presented to management for further analysis.



A total of 13 climate-related risks and opportunities ("CRO") were concluded, with at least half of identified CRO (top 6) being considered as material. An overview is provided as below:

Climate Change focus area	Risk or opportunities	Description
Extreme weather events	Risk	Risk of extreme weather events, including floods, cyclones, heatwaves and wildfires, are associated with the full value chain of FIT by affecting FIT’s upstream and downstream logistics, damaging assets, resulting in business downtime and raising costs for disaster emergency preparedness. The impacted area basically covers FIT’s main operation sites.
Renewable energy	Opportunities	Renewable energy opportunities associated with the expanded use of renewable energy in FIT factories as well as other facilities, such as office buildings, staff dormitories and warehouses, can help FIT save energy costs, reduce the exposure to regulation on energy consumption control, and support FIT in achieving its carbon reduction target. The combination of increased demand from a growing economy and population and the cost of decarbonization through coal phase-out and oil phase-out lead to higher prices for energy such as electricity, natural gas and heavy fuel oil.
Market demand change	Opportunities	A market demand increase in low carbon and high-efficiency products, particularly EV and energy efficient digital consumer goods and digital infrastructure, create opportunities for FIT which can increase the sales and revenue of relevant products.
Carbon pricing	Risk	Risks associated with carbon pricing mechanisms, whether directly or indirectly affecting FIT. For example, Mainland China’s Emissions Trading System (ETS) which applies to the power sector could result in pass through costs to FIT. The gradually matured ETS in Vietnam and EU Carbon border adjustments mechanism lead to higher procurement and compliance costs.
Energy price change	Risk	The combination of increased demand from a growing economy and population and the cost of decarbonization through coal phase-out and oil phase-out leads to higher energy prices such as electricity, natural gas and heavy fuel oil.
Temperature changes	Risk	Temperature changes lead to heat stress and rising mean temperature, mainly affecting FIT’s operation within the value chain. Heat stress creates inadequate working conditions and lowers labor productivity, causes blackouts or brownouts in hydropower-dependent areas, requires extra costs for high-temperature allowance to staff in Mainland China. Rising mean temperature leads to increased hours of air conditioner use and increases costs for FIT.



Risk Management

We regard risk identification as our first step and upon completion of the climate risk assessment in 2023, FIT will explore adaptation and mitigating actions on managing the risks that have been identified.

Existing measures on managing physical risks

While a more comprehensive assessment on mitigation actions as a result of the climate risk assessment will be explored further, the following measures are already in place to reduce climate physical risk impacts:

Emergency response measures across factories	
Baoke	Introduce a Typhoon Emergency Plan, with regular drills to raise awareness of staff in responding to extreme weather events.
Kunshan	Carry out inspection of sandbags in the pre-flood season with timely replenishment and ensure all sandbags are intact.
Vietnam	Conduct regular safety check and investigation, which include ensuring the availability of sufficient intact sandbags for low areas of the wharf, clean drainage filters regularly, inspect plant drainage ditches and rainwater ditches on the roof of the factory to ensure no blockages.

Metrics and targets

Followed by Hon Hai's net zero commitment by 2050, metrics and targets associated with GHG emissions are disclosed to assess CRO in line with its strategy and risk management process.

Environmental data are well-documented across our business units for calculating and analysis the scope 1 and 2 GHG emissions and other environmental performance. FIT acknowledges the importance of including scope 3 data, further work on screening material categories will be considered in the future. We align the emission factors used for CDP reporting starting from this year for consistency and update emissions factors wherever information is available on an annual basis.

Setting 2020 as base year, FIT is committed to the below short-, medium- and long-term targets with strict monitoring of the progress at each factory:

- Short term: reduce the GHG emissions density and energy density by at least 1% compared with the last financial year
- Medium term: at least 50% of electricity is from renewable sources as set by our parent company
- Long term: net zero by 2050 as set by our parent company



Chapter 10. Caring with Love





FIT uphold the principle that "Give back to Society Based on What We Have Earned". The Company assumes the social responsibility in the course of business development and is actively involved in corporate social responsibility related activities to help local communities and people in need. During the Year, FIT organized and participated in a number of volunteering activities, charity donations and social enterprise support including educational donations, medical care, anti-epidemic, etc. Staff are also encouraged to join the volunteering service team.

The following is the data on the charitable donations made by FIT for the year 2022. For specific donation data, please refer to Chapter 11 Appendixes (Table 1: Performance and Data).

Charitable Donations			
Donation Items/ Beneficiary	FIT Mainland China	FIT Vietnam	Belkin
Education	RMB 40,000		USD 2,300
Medical		RMB 244,700.88	USD 4,140.50
Environmental			USD 100
Other			USD 2,300
Condolences to the deceased employee's relatives		RMB 45,882.35	
Total	RMB 40,000.00	RMB 290,583.23	USD 8,840.50



During the Reporting Period, the community activities carried out by FIT are as follows:

Areas of contribution		Community public welfare activities	
Community	Volunteering service	<p>Case: FIT Kunshan factory fights the epidemic with the local community</p> <p>From April to May 2022, 381 volunteers from the Kunshan factory assisted voluntarily in the outbreak control for the municipal government, such as setting up nucleic acid testing station and maintaining order. The number of volunteering hours reached 38,903 hours.</p>	
		<p>Case: Belkin's volunteering service</p> <p>In 2022, Belkin provided volunteer service to 11 community groups, including hospitals, heart foundations, women's centres, children's centres, etc. During the Year, the number of volunteer hours and volunteers contributed by Belkin increased by 112.5% and 111% respectively from 2021.</p>	
Education	School support	<p>Case: Belkin supports in school program</p> <p>Belkin was involved in project consulting, student guidance programs and career workshops at a local school.</p>	
Occupation	Career development support	<p>Case: Belkin advocates a diverse workforce</p> <p>Belkin is active in promoting diversity and inclusion in the community, including working with other local companies to develop internship programs promoting diversity, equality and inclusion and organizing an online job fair themed on diversity recruitment.</p>	

FIT will continue working together with subsidiaries on participating in public welfare activities to give back to the community.



Chapter 11. Appendixes

Table 1: Performance and Data

Environment ¹ – Resource Consumption ²				
Category		Unit	2022	2021
Energy Consumption				
Type	Electricity	Thousand KWH	544,783.28	561,301.51 ³
	Diesel (fixed combustion source)		3.82 ⁴	12.23
	Diesel (mobile combustion source)	Ton	162.64 ⁵	30.09
	Gasoline (mobile combustion source)		230.23 ⁵	118.11
	Acetylene	Kg	240.00	NA
	Natural Gas	Cubic meters	4,421,609.70	3,494,900.69
	Steam	Ton	159,641.97	144,555.58
Energy Consumption (density)				
Type	Electricity	Thousand KWH/ Million USD	120.25	125.01 ⁶
	Diesel (fixed combustion source)		0.0008	0.0027
	Diesel (mobile combustion source)	Ton/ Million USD	0.04	0.0067
	Gasoline (mobile combustion source)		0.05	0.03
	Acetylene	Kg/ Million USD	0.05	NA
	Natural Gas	Cubic meter/ Million USD	975.94	778.34
	Steam	Ton/ Million USD	35.26	32.19
Water consumption				
Water consumption	Total	Ton	6,202,758.17	6,425,292.21
Water consumption density	Density	Ton/ Million USD	1,369.08	1,431.00

Category		Unit	2022	2021
Packaging Materials				
Type	Paper	Ton	12,507.30	21,329.98
	Plastic		11,001.98	10,347.58
	Wood		4,333.39	3,439.04
	Metal		0.10	0
Packaging materials consumption	Total		27,842.78	35,116.59
Packaging Materials (density)				
Type	Paper	Ton/ Million USD	2.76	4.75
	Plastic		2.43	2.30
	Wood		0.96	0.77
	Metal		0	0
Total	Total		6.15	7.82

1. The Belkin's environmental data on waste, energy and water consumption are based on estimation due to failure in collecting data for months close to the end of Reporting Period when aggregating data for 2022. The missing data of the months in 2022 are estimated based on applying the percent difference with reference data for respective months in 2021.
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 Announcement of Annual Results for the year ended December 31, 2022.
3. Reinstate the 2021 total electricity consumption due to collecting 2021 electricity data of Zhengzhou as 51,036 thousand kWh.
4. It is due to fewer power outages, generators are less used and diesel is only used in generators.
5. It is due to an increase in leased vehicles in Vietnam for production needs.
6. Due to reinstated total electricity consumption data of FY2021.

Environment – Emissions⁷				
Emissions		Unit	2022	2021
Exhaust Gas Emission				
Production emission data ⁸	Hydrogen cyanide	Kg	156.56	199.06
	Ammonia		334.84	195.21
	Sulphuric acid mist		2,150.25	1,936.56
	Hydrogen chloride		4,150.57	3,805.27
	Chromic acid mist		5.90	6.42
	Nitrogen oxide		7,602.73 ⁹	1,306.62



Emissions		Unit	2022	2021
Wastewater Pollutant Emissions				
Average concentration of emissions of industrial wastewater--- Mainland China	Ammonia nitrogen	Mg/L	1.73	1.70
	Chemical oxygen demand		50.72	34.08
	Total phosphorus		0.07 ¹⁰	0.048
	Total chromium		0.01	0.015
	Tin		0.087	0.052
	Suspended matter		17.26	16.35
	Nickel		0.18	0.093
	Cyanide		0.0086	0.0037
	Total nitrogen ¹¹		17.84	9.15
	Petroleum type		0.03	0.04
Fluoride	0.03	0.02		
Total discharge of industrial wastewater		Ton	713,298.78	1,160,032.50
Industrial wastewater discharge density		Ton/ Million USD	157.44	258.35
Average concentration of emissions of domestic wastewater--- Mainland China	Ammonia nitrogen ¹²	Mg/L	2.97	5.29
	Chemical oxygen demand		38.68	41.22
	Total phosphorus		0.38	0.53
	Suspended matter ¹³		19.96	52.52
	Total nitrogen ¹⁴		11.12	6.79
Petroleum type ¹⁵	0.00	0.06		
Average concentration of emissions of domestic wastewater--- Taiwan	Ammonia nitrogen	Mg/L	33.33	1.38
	Chemical oxygen demand		36.85	43.58
	Total phosphorus		0	NA
	Suspended matter		6.46	1.33
	Total nitrogen		0	NA
Petroleum type	0	0.04		
Average concentration of emissions of domestic wastewater--- Vietnam	Ammonia nitrogen	Mg/L	0.20	0.29
	Chemical oxygen demand		19.00	15.00
	Total phosphorus		2.96	2.18
	Suspended matter ¹⁶		4.50	0.02
	Total nitrogen		12.04	8.57
Petroleum type	0	0.30		

Emissions		Unit	2022	2021
Total discharge of domestic wastewater		Ton	1,982,631.50	2,312,074.82
Domestic wastewater discharge density		Ton/ Million USD	437.91	514.91
Solid waste				
Hazardous waste			3,408.38	3,945.26
Non-hazardous waste	Total	Ton	22,681.98	28,781.37
Total waste			26,090.36	35,688.63
Discharge density of hazardous waste			0.75	0.88
	Density	Ton/ Million USD		
Discharge density of non-hazardous waste			5.01	6.41
Greenhouse Gases				
Total GHG emission			186,847.98	348,083.25 ¹⁷
Greenhouse gas emission 1	Tons of CO ₂ equivalent		14,873.20	8,679.81
Greenhouse gas emission 2			171,974.78 ¹⁸	339,403.44 ¹⁹
Density of greenhouse gas emission 1			3.28	1.93
	Tons of CO ₂ equivalent/ Million USD			
Density of greenhouse gas emission 2			37.96	75.59 ²⁰

7. 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 Announcement of Annual Results for the year ended December 31, 2022.

8. 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".

9. Increase of Nitrogen oxide is due to emissions data from vehicles.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. Revise the total GHG emissions data due to changes of Scope 2 emissions data.

18. As FY2022 starts collecting the renewable energy and non-renewable energy respectively, and the emission factor of renewable energy is 0. Hence, the Scope 2 emissions has significant reduction as compared with last financial year.

19. Due to the revision of total electricity data for FY2021.

20. Due to the revision of total electricity data for FY2021.



Social Responsibility			2022	2021
		Unit		
Employee structure				
Number of employees	Total		54,121	56,457
Gender	Female		29,099	29,382
	Male		25,022	27,075
Full-time/part time	Full-time		54,118	56,453
	Part-time		3	4
Age	Below age 30		21,967	24,568
	Age 30 to 50		31,223	31,106
	Age above 50	person	931	783
Regional distribution	Mainland China		25,816	27,471
	Taiwan		1,020	970
	Vietnam		26,292	27,004
	United States		993	1,012
	Others		/	/
Rank	Senior Management		691	490
	Middle Management		2,401	1,639
	Grassroot Staff		51,029	54,328
Employee turnover rate				
Gender	Female		18.19	17.77
	Male		20.58	21.39
Age	Below age 30		24.01	23.58
	Age 30 to 50		14.08	15.12
	Age above 50		0.15	0.15
Regional distribution	Mainland China	%	26.12	47.06
	Taiwan		14.57	14.95
	Vietnam		38.73	53.16
	United States		12.20	13.14
	Others		/	/



		Unit	2022	2021
Work-related injuries				
Number of work-related injuries		person	112	104
Number of work-related death			0	2
Proportion of deaths due to the Company ²¹		%	0	1.92
Rate of work-related fatalities			0	0.0035
Number of working days lost due to work-related injuries		Workday loss	4,691	4,645.50
Staff training				
Total training hours			1,697,881.60	1,350,227.50
Rank	Senior Management	Hour	24,582.50	15,491.00
	Middle level management		41,733	29,659.50
	Grassroot Staff		1,631,566.10	1,305,077.00
Total number of trainees			47,465	46,062
Total number of trainees- by gender	Female	person	21,478	19,018
	Male		25,987	27,044
Rank	Senior Management		687	491
	Middle level management		2,092	1,646
	Grassroot Staff	44,686	43,925	
Per person			35.77	29.31
Gender	Female	Hour/person	35.92	28.48
	Male		35.65	29.90
Rank	Senior Management		35.78	31.55
	Middle level management		19.95	18.02
	Grassroot Staff	36.51	29.71	
Training ratio: gender	Female		73.81	64.73
	Male		103.86 ²²	99.89
Training ratio: rank	Senior Management	%	99.42	100.20 ²³
	Middle level management		87.13	100.43 ²⁴
	Grassroot Staff		87.57	80.85



		Unit	2022	2021
Customer Complaints				
Product and services complaints		Case	438,786	406,354
Safety and health-related recalls		%	0	0
Intellectual Property				
Matters relating to intellectual property disputes		Piece	0	0
Number of Suppliers				
Total	Total		2,476	2,003
Region	Mainland China		2,127	1,286
	Hong Kong, Macau and Taiwan	Unit	241	320
	Overseas		108	397
Public welfare contribution				
Amount of charitable donations- FIT	Total amount	RMB	330,588.23	4,500,057.00
Amount of charitable donations – Belkin	Total amount	USD	8,840.50	51,350.00

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

22. The differences account for Belkin and Vietnam 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.

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.



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

Fuel type	Nitrogen Oxide		Sulphur Oxide	
	Emission factor	Coefficient unit	Emission factor	Coefficient unit
Gas	4.00	Gas (in kilogram per million joules)	0.02	Gas (in kilogram per million joules)
Petroleum gas	4.00		0.02	

Exhaust emission – vehicle combustion

	Emission Factor of Nitrogen Oxides	Coefficient Unit
Vehicle Type		
Coach	0.0747	g/km
Light truck (<=2.5tons)	0.8850	
Light truck (2.5-3.5 tons)	1.1546	
Light truck (3.5-5.5 tons)	2.4216	
Medium and heavy vehicles (5.5-15 tons)	3.1332	
Medium and heavy vehicles (>=15 tons)	5.6923	
Fuel Type		
Diesel	0.0161	g/L
Gasoline	0.0147	



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
HCFC-22/R22	1,810	
R410A	2,088	
HFC-32	675	

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	2.66134	0.00026	0.0372	L/kg
Vehicle diesel	2.52058	0.00026	0.0370	
Gasoline	2.14805	0.00720	0.0066	

3. Indirect emission

Energy Type	Greenhouse Gas Emission Factor		Note
	CO ₂	CH ₄	
Electricity	0.448	/	US – State of Indiana
Electricity	0.238	/	US – California
Electricity	0.626	/	Mainland China
Electricity	0.556	/	Taiwan
Electricity	0.652	/	Vietnam
Electricity	0.394	/	United Kingdom
Electricity	0.688	/	Australia
Electricity	0.823	/	Hong Kong
Steam	0.00011	/	kg CO ₂ e/ kJ



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

HKEX ESG Reporting Guide Content Index		
Aspect	Disclosures	Reporting Chapter
A1	Emissions	Green Operation
A1.1	The types of emissions and respective emissions data.	Green Operation
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).	Green Operation Performance and Data
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operation 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).	Green Operation Performance and Data
A1.5	Description of emission targets set and steps taken to achieve them.	Green Operation
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.	Green Operation



Aspect	Disclosures	Reporting Chapter
A2	Use of Resources	Green Operation
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Green Operation Performance and Data
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Operation Performance and Data
A2.3	Description of energy use efficiency targets set and steps taken to achieve them.	Green Operation
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.	Green Operation We do not have issue in sourcing water that is fit for the purpose.
A2.5	Total packaging material used for finished product (in tons) and, if applicable, with reference to the per unit produced.	Green Operation Performance and Data
A3	The environment and natural resources	Green Operation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operation
A4	Climate Change	Green Operation
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.	Green Operation
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.	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
B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Oriented Performance and Data
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



Aspect	Disclosures	Reporting Chapter
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
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 Investment	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

In response to market needs and customer requirements, we have enhanced this year's ESG report to include the following metrics referencing to the GRI Standards.

GRI Content Index		
Aspect	Disclosures	Reporting Chapter
Required Criteria		
302-1	Energy consumption within the organization	Green Operation Performance and Data
305-1	Direct (Scope 1) GHG emissions	Green Operation Performance and Data
305-2	Energy indirect (Scope 2) GHG emissions	Green Operation Performance and Data
303-3	Water withdrawal	Green Operation Our withdrawal of water is sourced from the third parties* and not from areas with water stress. *Third party refers to municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent Performance and Data



Aspect	Disclosures	Reporting Chapter
Optional Criteria		
302-3	Energy intensity	Green Operation Performance and Data
302-4	Reduction of energy consumption	Green Operation
301-1	Materials used by weight or volume	Green Operation Performance and Data
303-4	Water discharge	Green Operation 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.
- XingFox Energy (Cayman) Technology Co., Ltd.
- Sound Solutions International 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:

- Fu Meng Electronics Technology (Heze) Co., Ltd.



Table 5: FIT Certification List

Relevant Certification	Main Content
Mainland China	
ISO9001	Quality assurance system
ISO14001	Environmental management system
ISO14064-1	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 of automobiles – implemented for organization of production parts and related service conditions in the automotive industry
Taiwan	
ISO9001	Quality assurance system
ISO14001	Environmental management system
IATF16949	Quality management system of automobiles – implemented for organization of production parts and related service conditions in the automotive industry
ISO26262 <i>(Newly obtained of international standards in 2022)</i>	Road vehicles – Functional safety
Vietnam	
ISO9001	Quality assurance system
ISO14001	Environmental management system
ISO45001	Occupational safety and health management system
QC080000	Hazardous substance process management system
IATF16949	Quality management system of automobiles – implemented for organization of production parts and related service conditions in the automotive industry



Table 6: FIT 2022 Environmental Goals

2022FIT Energy Saving and Emission Reduction Goals			
Type	Unit	2022 Goal	Progress of 2022
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.	Achieved target The energy density by the end of 2022 is decreased by 3.81% compared to the previous year.
Gasoline			The Mainland China factories: total energy consumption by the end of 2022 is decreased by 6.24% compared to the previous year; Vietnam factories: The total energy consumption by the end of 2022 will be increased by 19.88% compared to the previous year.
Diesel	Tons		
Steam			
Water Resource			
Water use	Tons	Overall Objective: by the end of 2022, there will be a decrease of 10% compared to the previous year.	Reduced 3.46% of the overall water use as compared to previous year.
Emission			
<i>Waste gas</i>			
Hydrogen Cyanide		Overall Objective: By the end of 2022, exhaust emissions will be reduced by 10% compared to the previous year.	Due to the increase in leased vehicles for meeting Vietnam factories' operational needs, the overall exhaust emissions increase as compared to the previous year.
Ammonia			
Sulphuric Acid Mist			
Hydrogen Chloride	Kg		
Chromic Acid Mist			
Nitrogen Oxides			
<i>Wastewater</i>			
Industrial Wastewater		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.	Achieved target Industrial wastewater discharge density reduced 39.06% as compared to previous year;
Domestic Sewage	Tons		Domestic wastewater discharge density reduced 14.95% as compared to previous year.



Type	Unit	2022 Goal	Progress of 2022
<i>Waste</i>			
General Waste	Tons	<p>Overall Objective:</p> <p>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.</p>	<p>Achieved target</p> <p>The general waste discharge density reduced 21.84% as compared to previous year.</p>
Hazardous Waste	Tons	<p>Overall Objective:</p> <p>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.</p>	<p>Achieved target</p> <p>The hazardous waste discharge density reduced 14.77% as compared to previous year.</p>
<i>Greenhouse Gas</i>			
Greenhouse Gas (Carbon Emission)	Tons	<p>Overall Objective:</p> <p>Compared with 2019, the carbon dioxide emission density 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.</p>	<p>Achieved target</p> <p>The carbon dioxide emission density is reduced 46.80% as compared to previous year.</p> <p>Belkin strives to achieve Scope 2 greenhouse gas neutrality in 2025.</p>



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	Quantitative Goals: 100% carbon neutral in scope 2 by 2025
Packaging material		
Packaging material	Tons	Quantitative Goals: <ul style="list-style-type: none"> • 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.