

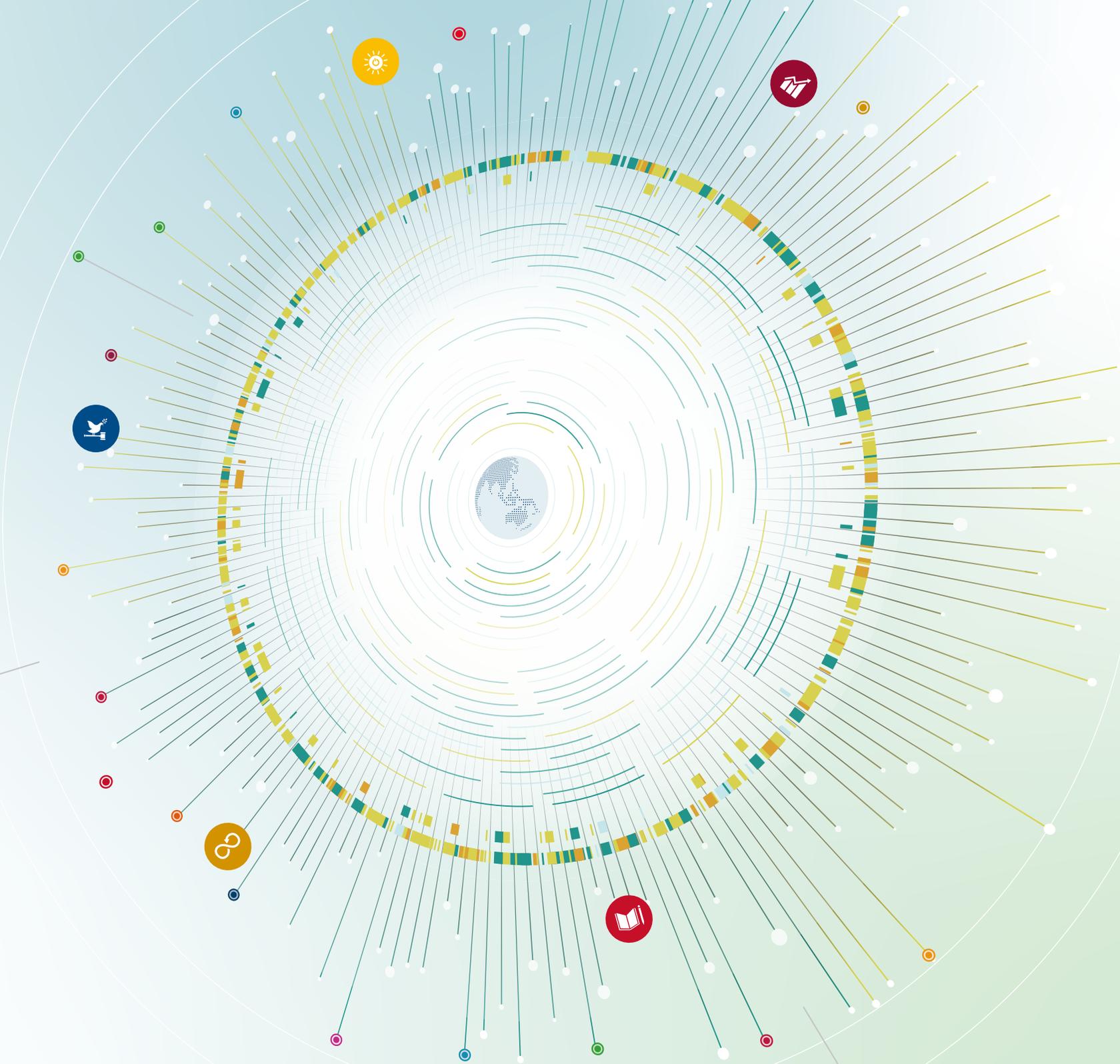
FIH[®]

FIH Mobile Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2038

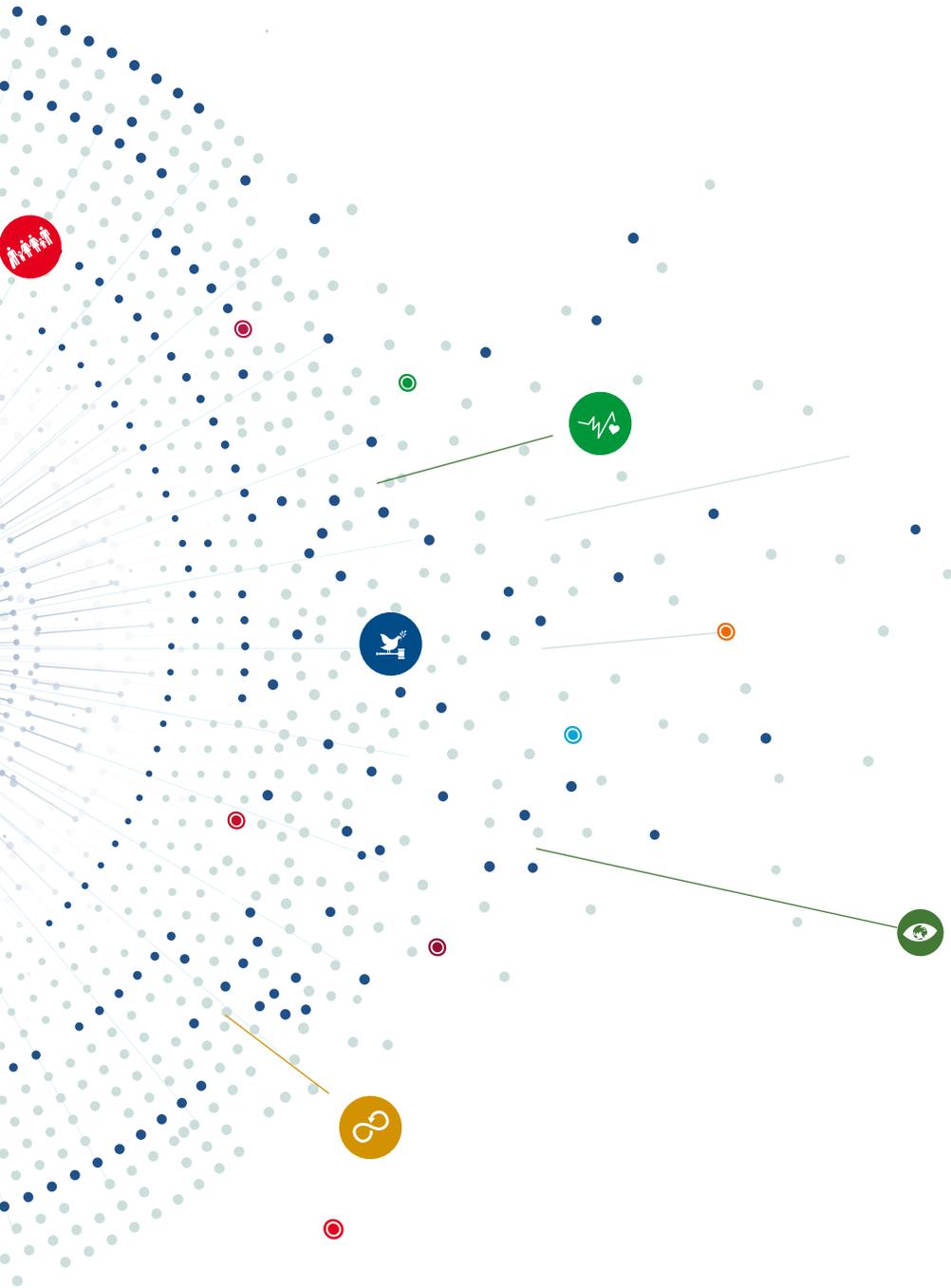
2023

Environmental, Social and Governance Report



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About the ESG Report

This report is the 2023 Environmental, Social and Governance (“ESG”) Report (“this Report”) issued by FIH Mobile Limited (“the Company”) and its subsidiaries (together with the Company, collectively, “the Group”), ensuring the sustainability of the Group’s overall business unit/group operations. This Report is the 8th ESG Report released by the Group since its listing on the Hong Kong Stock Market. In the future, the Group shall continue to publish the report annually to uphold its sustainable development and address stakeholder concerns.

Reporting Period

This Report is prepared annually in alignment with the financial year. The reporting period of this Report covers the Group for the period from 1 January 2023 to 31 December 2023 (“Reporting Period”).

Reporting Boundary

This Report covers the Groups’ material topics and achievements during the Reporting Period from its global operations. The quantitative information provided for the environmental and social key performance indicators (“KPIs”) is based on the Group’s global operations, encompassing Mainland China (“the PRC”), Vietnam, India, the United States, Mexico and Taiwan. However, the relevant laws and regulations disclosed in this Report are based on the Group’s core operations in the PRC, Vietnam and India. These regions are considered to have significant impacts, including the scale of businesses and operations as well as the number of employees, factory units and office units, to reflect the comparatively significant ESG impacts of the Group’s overall business unit/group operations.

The Group’s headquarters and global operations are:

- Headquarters located in Taiwan;
- Five factories located in Langfang, Beijing, Longhua, Yantai and Hengyang in the PRC;
- Three factories located in Andhra Pradesh, Tamil Nadu (Site 2) and Tamil Nadu (Site 3) in India;
- Two factories located in Quế Võ (Guiwu) and Từ Sơn (Fushan) in Vietnam;
- One factories located in Chihuahua, Mexico; and
- One factories located in Dallas Fort Worth, the United States.

Preparation Basis

This Report aims to present the Group’s ESG policies and performance during the Reporting Period in an equitable manner. The selected contents are intended to reflect the impacts of the material ESG factors and aspects that have been identified and validated, as well as the Group’s initiatives and efforts in addressing and tackling these impacts. The Group’s management approach and strategy are outlined in the [“About FIH”](#) section below.

This Report has been prepared in accordance with the “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide set out in Appendix C2 (“ESG Reporting Guide”) to the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”), and SASB Standards (“Electronic Manufacturing Services & Original Design Manufacturing” sector). Additionally, the Task Force on Climate-Related Financial Disclosures (“TCFD”) framework and GRI standards are partially referred to in this report. For the coming year, the Group will adopt ISSB IFRS S1 and S2 to enhance the comprehensiveness and completeness of ESG report.

Publication of the Report

The Publication date: April 19, 2024.

This Report is published on an annual basis. The electronic version of this report is available for browsing or downloading on the [“official website of the Company”](#).



* To align with ISSB’s general requirements, the Reporting Boundary for sustainability-related disclosure shall be the same as the financial reporting. The Group encompasses all subsidiaries whose principal activities involve manufacturing, repairing, and research and development in this Report to ensure comprehensive disclosure. The newly-added subsidiaries include Yantai and Hengyang in the PRC, Chihuahua in Mexico, Dallas Fort Worth in the United States, and the headquarters in Taiwan. In addition, two subsidiaries have been excluded from the Reporting Boundary. The subsidiary in Brazil does not engage in the products manufacturing. Instead, the factory building of this subsidiary is leased to tenants. The subsidiary in Guiyang has been excluded from the Reporting Boundary since FY2023 due to the Group’s business adjustment.

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Letter from our CEO

Recently, the world faced numerous challenges, encompassing economic downturns, inflationary pressures, geopolitical issues, and extreme climate, testing the operational resilience of businesses. In response to these challenges, as a responsible corporate citizen, FIH has actively promoted ESG goals and actions, integrating good governance practices into all aspects of our operations. We believe that a responsible and sustainable pathway is not only a crucial cornerstone for our long-term success but also a fundamental duty to serve the environment and the communities in which we reside.

Adhering to our core values of Care, Confidence, Determination, and Integrity, FIH incorporates these principles into every facet of our operations. I take immense pride in our employees for their unwavering dedication, resilience, and support for one another. Furthermore, in 2023, we published the latest Code of Conduct and Responsibility Standards to reinforce our values of sustainable operation and discipline in sustainable governance, incorporating additional duties we should undertake.

At the same time, aligning with our commitment to sustainable development, FIH works with our parent company, Hon Hai Technology Group, to join the Science Based Targets initiative (SBTi) and set our targets of achieving Net Zero by 2050. In order to accelerate our decarbonisation efforts, we continue to explore various opportunities, including energy-efficiency enhancement, low-emission energy procurement, low-carbon transition, renewable energy system installation, and green investment.

Looking ahead, we will remain steadfast in our commitment to sustainability goals while keeping a pulse on global trends in

sustainable development to ensure our management practices evolve with the times. Additionally, we deeply understand that the driving force behind sustainability comes from the support, collaboration, and shared responsibility of our stakeholders. We pledge to embed transparency and accountability at all levels of our organisation to actualise sustainable governance.

Finally, I extend my sincere gratitude to our employees, customers, suppliers, and all partners for your contributions on FIH's journey towards sustainability. Your active participation is a crucial pillar as we collectively stride towards a more sustainable future.

Sincerely,



CHIH Yu Yang
Chief Executive Officer and Acting Chairman
April 2024



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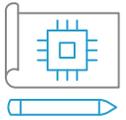
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Manufacturing
11 sites



Research & Development
4 sites



Repair Service
2 sites

Operation Sites



Corporate Information

The Group provides vertically integrated, end-to-end design, development, and manufacturing services that cover handsets, mobile and wireless communication devices, and consumer electronics products. The Group has successfully entered the 5G, AI, IoT (Internet of Internet), and IoV (Internet of Vehicle) fields by utilising its core strengths in hardware and software. The Group has established a global footprint that includes design centres in Taiwan and the PRC, manufacturing sites in the PRC, India, Vietnam, and Mexico, and an After-Market-Service centre in the United States, all with the goal of creating a complete internet and mobile ecosystem for a variety of customers worldwide. Moreover, in response to its commitment of achieving Net Zero in 2050, the Group is taking a proactive approach to put green investing as one of the top priorities. The Group aims to explore industrial investment opportunities in operating efficiency enhancement, low-emission energy sources, and low-carbon transition. By engaging with companies that are devoted to developing eco-friendly technologies and products, the Group continues to help communities, enterprise, countries, and the Group itself to mitigate climate change and promote sustainability.

Company Profile

Company Name FIH Mobile Limited	Established Date April 2002
Geographical Distribution 6 countries/regions	2023 Revenue 6,445.8 US\$ million
Number of Employees 36,657 people	Number of Suppliers 1,497 global suppliers
Ticker Symbol 2038.HK	Manufacturing and Services Space 1,635,551.12 Square meter (m ²)
Headquarters No.4, Minsheng Street, Tucheng District, New Taipei City 23679, Taiwan	

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Group Vision, Mission and Value

As a leader in the worldwide mobile device industry, the Group strives to provide comprehensive smart living experiences to its customers worldwide. Our mission is to attain long-term value creation, business sustainability, a constant pursuit of improvement, innovation, and a global perspective. To promote sustainable long-term business growth, the Group is committed to creating long-term value for its main stakeholders.

The Group aims to establish a solid and stable foundation for sustainable growth and is ready to embrace change through strategic business planning and execution. To ensure global competitiveness within the industry, the Group and its employees are dedicated to achieving success and improving the business.

In pursuit of science and technology breakthroughs, the Group is committed to the research and development of emerging technologies, the acquisition and application of new knowledge, and the protection of intellectual properties. As one of the

global industry leaders, the Group provides customers with advanced, integrated technologies and a strong production scale across its strategic global network.

The Group takes “Care, Confidence, Determination, and Integrity” as its common core values. These values are reinforced by the actions and attitudes of its employees to help create economic growth under the vision of achieving corporate sustainable operation, fulfilling social citizenship responsibilities, and working together with global brand customers to create a comprehensive smart life and enhance the human well-being. The Group always exhibits a strong desire to achieve success, which demonstrates confidence in its ability to do so. It maintains an unwavering commitment to deliver results even in challenging circumstances and consistently follows through on its promises with honesty and integrity.



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Global Code of Conduct and Responsibility Standard

As a member of Hon Hai Technology Group, which is a member of the international business community and the Responsible Business Alliance (“RBA”), the Group acknowledges and is committed to fulfilling its social and environmental responsibilities as a responsible corporate citizen and a global industry leader. This commitment involves integrating good governance practices across all facets of its operations and the Group. The overarching objective of the Group’s policy, FIH Mobile Global Code of Conduct (“the CoC”), concerning ESG and CSR, is to serve as a guiding reference for all levels of the Group’s management and employees. The CoC stands as the cornerstone of the Group, embodying its commitment to ethical business practices, responsible corporate governance, and sustainable operations. By integrating the principles outlined in the CoC into the fabric of the organisation, we solidify its role as the core foundation upon which the Group’s success, integrity, and positive impact on society are built.

The principles outlined in the CoC were derived from three disciplined sources: (a) the member obligations of the industrial associations and the RBA, and the international standard institutes relevant to the Group’s business; (b) the laws governing the national regions where the Group deploys operations; and (c) the internal leadership of the Group, responsible for voluntarily elevating performance standards. The CoC is established with the incorporation of international initiatives, including the policies related to business ethics, labour and human rights, health and safety, environment, management systems, responsible sourcing of minerals, anti-corruption, anti-slavery and community engagement. The formulation of the CoC is partially based on the human rights stipulated in the “Universal Declaration of Human Rights” and the International Labor Organisation’s “Declaration on Fundamental Principles and Rights at Work”, with reference to the requirements of international standards such as ISO 45001 and ISO 14001.

To explicitly interpret the requirements of the CoC and supplement its definitions, the Group has also set the Responsibility Standards (“the Standards”) to ensure that its business is in accordance with ethical, professional, and legal standards in all aspects. This fosters positive relationships with key stakeholders and implements the principles into the Group’s daily operations. In alignment with international trends and the Group’s commitment to promoting social responsibility, all employees and suppliers are required to conduct business operations and work behaviour in accordance with the CoC and the Standards.

Compliance with the CoC is implemented and monitored by the ESG Committee, Internal Audit Department, Human Resources Department, ESG Task Force Team and other relevant functional departments. Auditing, benchmarking, and design programs are performed as validation instruments for the execution of the CoC. Additionally, to ensure the effective implementation and understanding of the CoC, an annual 2-hour CoC training course is compulsory for all managements and employees.

In pursuit of continuous organisational improvement and innovative governance practices, the latest CoC and the Standards, approved by the Board and signed off by the Company’s Chief Executive Officer, were published in December 2023.

> Overview of CoC



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Sustainability as Glance

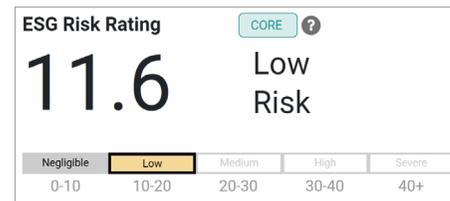
As a responsible company, the Group is striving to make more positive impacts on ESG. Below are the Group's 2023 achievements:

EcoVadis: Bronze Medal & Silver Medal



The Group received the EcoVadis 2024 Bronze Medal. The overall score has shown a significant improvement compared to the previous year, jumping from the 48th percentile among global companies in the industry to the 74th percentile. Additionally, there have been significant advancements in labour rights, ethics, and sustainable procurement practices. Additionally, our Mexico factory demonstrated outstanding ESG practices and was awarded the EcoVadis 2023 Silver Medal.

Sustainalytics: Low Risk



The Group was rated as "low risk" (11.6) in 2023 Sustainalytics ESG Risk rating. The risk score is lower than 12.3 in 2022. In particular, the Group was ranked as the top 4% in the global universe, and the top 12% in the technology hardware industry.

MSCI: B



The Group keeps enhancing our ESG performance and actively addressing the material topics mentioned in MSCI ESG Ratings.

CDP: Awareness Level



In response to our external stakeholders' expectations regarding environmental issues, the Group actively participated in the CDP's questionnaires on Climate Change and Water Security for the first time in 2023 and achieved a satisfactory score on our first attempt since 2015.

ESG Practice Award & 2023 Best ESG Practice Award



Factories in the PRC received "ESG Practice Award" and "2023 Best ESG Practice Award" from the HRise and HR Tech China respectively, in recognition of the Group's ESG efforts and dedication to nurturing a positive workplace culture.

Accredited Health Workplace



The headquarters office in Taiwan has received the Badge of Accredited Health Workplace from the Health Promotion Administration, Ministry of Health and Welfare of Taiwan, in recognition of the Group's effort to maintain a safe workplace and care for the employees' health and well-being.

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Four factories obtained UL 2799
"Zero Waste to Landfill" certification at
Gold and Platinum levels



Four factories, two in the PRC and the other two in Vietnam, have obtained the UL 2799 "Zero Waste to Landfill" certification at Gold and Platinum levels in 2023.

Major factories obtained
ISO 14064



Major factories in the PRC, Vietnam, the United States, Mexico, and the headquarters in Taiwan obtained ISO 14064 certification since 2022. In the future, the Group will continue to carefully monitor the energy usage and reduce carbon emissions, so as to actively manage the Group's impact on climate change, while mitigating potential climate-related risks and implement climate governance.

All factories and the headquarters
obtained ISO 14001 certification



All factories and the headquarters have obtained ISO 14001 certifications. The implementation of environmental management contributes to reducing negative impacts on the environment, enhancing the Group's operational management efficiency.

Major factories obtained
ISO 50001 certification



Major factories in the PRC and Vietnam have obtained ISO 50001 certification. It helps the Group to integrate energy management into their overall efforts to improve quality and environmental management.

Major factories obtained
ISO 45001 certification



Major factories in the PRC, Vietnam, India, the United States and Mexico have obtained ISO 45001 certification. The standard enables the Group to systematically assess hazards and risk control measures. It is significant in reducing workplace incidents and demonstrate occupational health and safety commitment.

All factories and
the headquarters obtained ISO 9001



All factories and the headquarters have obtained ISO 9001 certifications. It helps the Group to improve their performance, meet customer expectations and demonstrate their commitment to quality.

India factories and Taiwan headquarters
obtained ISO 27001



Major factories in India and the headquarters in Taiwan have obtained ISO 27001 certification in 2023. In the future, the Group will continue to establish a safe and reliable information operating environment and ensure the security of the Group's information so as to safeguard the company's business continuity.

Vietnam and India factories
obtained SA 8000



Major factories in Vietnam and India have obtained SA 8000 certification in 2023. The social management system contributes to providing an industry leading place to work and to protect our employee rights relating to forced and child labour, occupational health and safety, discrimination, working hours and management systems.

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ESG Milestones

RBA



Responsible Business Alliance

Advancing Sustainability Globally

As our parent company, Hon Hai Technology Group, is an active member of RBA. The Group also implemented RBA's CoC. Factories in India and the PRC were audited in the RBA Validated Assessment Program (VAP), and are fully in compliance with relevant code of conduct.

ESG Organisation

In July 2022, the Group established the ESG organisations, including the ESG Committee and ESG Task Force Team, to comprehensively promote the Group's sustainable strategy and management.

Board of Directors

Appointed a female independent non-executive director in 2023.



ESG report

The Group's first ESG report was compiled and issued in 2017 to disclose our ESG practices to our stakeholders.



SBTi



As a member of Hon Hai Technology Group, the Group adheres to our parent company's GHG reduction targets with ambitious 1.5°C scenario, which were submitted to SBTi in 2021 and were validated by SBTi in 2023.

The Group and our parent company hold the same target aiming to reduce GHG emissions by 42% by 2030 compared to the base year of 2020.

TCFD



The Group has started to disclose climate-related information with reference to TCFD recommendations since 2023.

CDP



The Group joined the CDP (Carbon Disclosure Project) to measure and disclose our environmental information. In 2023, we first time responded to CDP's Climate Change and Water Security Questionnaires since 2015, and obtained a satisfactory score.

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Sustainability Governance

The Group assesses ESG progress applying both external and internal approaches, develops global policies, sets internal targets and guidelines, reviews action plans and oversees the implementation of activities to achieve the targets.

ESG Committee

The ESG Committee, also known as the Sustainability Committee, operates under the authority of the Company's Chief Executive Officer. It is composed of Chief Executive Officer, Chief Financial Officer, ESG Head, Human Resources Head, Internal Audit Head and Spokesperson. The ESG Committee is primarily responsible for establishing and implementing the Group's ESG-related development plan, (which is integrated with its operational strategy), monitoring ESG-related performance, strategies, policies, targets, regulations and quarter progress of the Group, and reporting on ESG-related matters to the Board quarterly. In addition, the ESG committee is responsible for monitoring the communications with stakeholders, and coordinating resources integration among ESG Committee, internal business units and functional units.

ESG Task Force Team

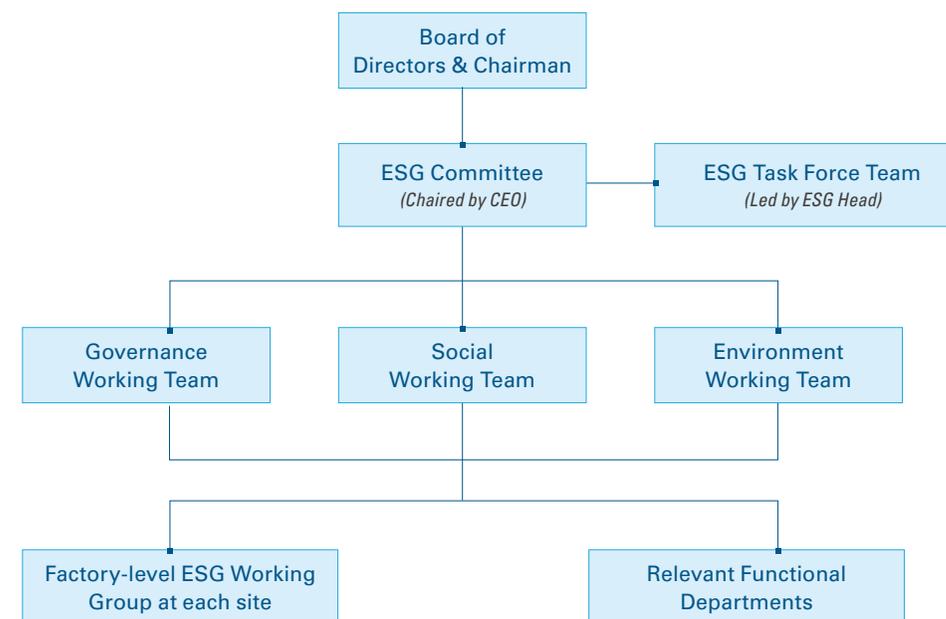
The ESG Task Force Team, led by the ESG Head, operates under the ESG Committee and is responsible for implementing ESG standards and measures. The ESG Task Force Team is responsible for identifying material ESG issues, conducting gap analyses, and implementing proposals for improvement. Additionally, it collaborates with the Sustainability Development Office of Hon Hai Technology group, the parent company, to jointly promote sustainable development affairs. Besides, the ESG Task Force Team assists all factories in addressing the Group's significant ESG issues and evaluation conducted by customers and third parties. Along with establishing communication and coordination channels for stakeholders, it is also principally responsible for formulating the Group's ESG policy. Furthermore, the ESG Task Force Team has been collaborating with Enterprise Risk Management ("ERM") Team for evaluating ESG-related risk and providing solutions to strengthen the company's resilience to those risks. It also works with Internal Audit Team to regularly audit ESG matters.

Three working teams are also in place for executing E (Environment), S (Social) and G (Governance) aspect's affairs. The Environmental Working Team, Social Working Team and

Governance Working Team are responsible for different aspects under ESG Committee. Each working team is led by the respective heads of the Energy and Industrial Safety Management Office, Human Resources Department, and Internal Audit Department. They are also responsible for establishing the short-term, mid-term and long-term targets and liaising with different factories and departments to execute ESG projects.

To fully promote the Group's ESG culture and manage related affairs, each of the Group's global factories has designated ESG supervisors and contact windows that collaborate with the ESG Task Force Team and individual working teams. The ESG contact windows at each site not only work together to implement the Group's ESG policies but are also responsible for monitoring and recording their ESG performance indicators. They regularly report the current status and work progress to headquarters to align with the Group's ESG-related development plans.

> ESG Organisation of FIH



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Sustainable Operational Goals and Strategies

As awareness of ESG issues rises on the global agenda, including customers' decarbonisation pledges and requests in the supply chain, the Group's business strategy is firmly grounded on values of sustainable development. A robust corporate governance is essential to drive sustainable initiatives whilst taking the interests of all significant internal and external stakeholders, namely employees, customers, suppliers, shareholders/investors, government, non-governmental organisations ("NGOs")/charities partners and media into account.

The Group is committed to the United Nations Sustainable Development Goals ("UNSDGs") and has taken active steps to achieve sustainable management. To this end, the Group has been developing ESG development strategies and plans, as well as enhancing specific targets in the three key areas of Environment, Social and Governance.



E



Lead global industries in realising the targets of the Paris Agreement

Vision

- Green Solution - Drive green manufacturing; Produce smart environment solutions
- Circular Economy – Optimise resource utilisation; Maximise efficiency to build a zero-waste operation

Goals	Progress
■ Achieve net-zero greenhouse gas emissions by 2050.	<input type="checkbox"/>
■ Using 2020 as the base year, reduce emissions by 21% before 2025; reduce emissions by 42% before 2030; and reduce emissions by 63% before 2035.	<input type="checkbox"/>
■ Half of the Group's factories obtain the UL 2799 "Zero Waste to Landfill" certification at Gold level by 2030.	<input type="checkbox"/>
■ Reduce water consumption intensity by 6% before 2025, using 2020 as the base year.	<input type="checkbox"/>
■ Achieve 100% installation* of industrial wastewater discharge and water quality monitoring system by 2025.	<input type="checkbox"/>

* This target applies to the factories producing considerable industrial wastewater in the manufacturing process.

■ Achieved Ongoing No Progress

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S



Protect employee interests and welfare, and build better social environments

Vision

- Employee Satisfaction - Create a safe and fair workplace; Nurture and empower our employees
- Win-Win Strategy - Educate future generations on science and technology; Give back to society through corporate social responsibility programs and philanthropy efforts

Goals	Progress
■ Maintain zero major labour rights violation incident every year.	●
■ Maintain zero occupational diseases caused by chemical agents every year.	●
■ Constantly improve the workplace environments to retain talent key talent and maintain employee retention rate of 88% for indirect labour (IDL).	●
■ Provides an average of 30 hours in professional training courses for professional and technical personnel.	●

● Achieved ○ Ongoing □ No Progress

G



Implement ethical management, complete corporate governance, and protect the rights of our stakeholders

Vision

- Corporate Governance - Manage with integrity and trust; Build a good corporate governance environment
- Business Sustainability - Embrace operational excellence and transparency; Deepen partner relations for sustainable growth

Goals	Progress
■ At least half of the directors cannot be concurrently serving as the Group's employees or managers.	●
■ At least 1 female Board director.	●
■ Conduct 10 major IT system vulnerability scanning every year to ensure zero impact from significant information security incidents.	●
■ Assist at least 80% of high-risk suppliers (supplying hazardous chemicals) in obtaining ISO 45001 certification.	●
■ Conduct ESG performance evaluation (covering green products, social and environmental responsibilities, and carbon management) for specific suppliers and increase the coverage to 100%.	●
■ Require full materials declarations by all key electronics suppliers on RoHS and REACH management platforms.	●
■ By 2025, at least 10 of specific electronics suppliers with the UL 2799 "Zero Waste to Landfill" certification.	●
■ By 2025, at least 15 of key electronics suppliers that commit to use 100% of renewable energy for production of the Group's product.	●
■ Achieve 100% survey response rates regarding use of conflict minerals from suppliers to ensure that no conflict minerals are used.	●
■ Increase the proportion of audits conducted on mechanical parts suppliers every 3 years to 90%.	●

● Achieved ○ Ongoing □ No Progress

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Stakeholder Engagement and Materiality Assessment

In preparation for this ESG Report, an independent consultant was commissioned to conduct a stakeholder engagement exercise. The exercise identified the Group's key stakeholders in accordance with the five major principles defined in the AA1000 Stakeholder Engagement Standard ("SES") and followed the reporting principles of GRI Standards to evaluate the significance of material issues every year in terms of their impact on the economy, environment, and other social challenges. This approach aims at understanding stakeholders' views on the Group's initiatives, performance and future strategies in relation to ESG issues. Engagement through an online survey would be conducted with stakeholders each year, to obtain their views on the Group's ESG disclosure. In January 2024, an online survey was distributed to a group of key external and internal stakeholders including shareholders/investors, customers, employees, suppliers, NGOs and media of the Group to gather views and suggestions on various ESG issues. The stakeholders were also invited to express their views and expectations on the Group's ESG performance. The Group believes that effective negotiation with stakeholders is the most crucial goal of communication. The Group also provides multiple communication channels for daily stakeholder engagement to understand their needs and concerns, thus disclosing transparent information and notifying updates to stakeholders at the same time. Please refer to "[Stakeholder Identification and Communication](#)" section.

Materiality Assessment

According to the ESG Reporting Guide of HKEX and the reporting principles of GRI Standards, the Group, as a listed issuer, is encouraged to identify and disclose information on ESG issues that are deemed "material" to its operations. To determine material ESG issues for disclosure in this ESG Report, FIH applies a three-step approach for materiality assessment with the assistance of the independent consultant.

Step 1: Identification

Through benchmarking analysis of the Group's primary activities, major peer companies and sustainability standards, both the Group and the independent consultant conducted desktop research to understand our peers' disclosure practices and to feed into our consideration to identify the most relevant industry related ESG issues, potential impacts and Key Performance Indicators ("KPIs") for the Group. The analysis encompassed business relationships in the value chain, as well as risks and challenges of the industry in terms of the external legal environment, economy, environment, and human rights factors. A list of 22 material issues were identified for materiality assessment. A group of key internal stakeholders, including shareholders and employees, and key external stakeholders, such as customers, suppliers, communities, NGO partners and media were also invited to participate in an online survey to gather their viewpoints on material issues important to them and FIH. Please refer to the "[Stakeholder Identification and Communication](#)" section for more details.

Step 2: Prioritisation

The results from step 1 were consolidated, analysed and assessed by the independent consultant to conduct materiality assessment for the Group. Stakeholders were also invited to rank the importance of the 22 identified material issues in respect of the Group's businesses and operations. The ESG issues were prioritised in terms of their importance to both the business and stakeholders.

Step 3: Validation

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

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During the Reporting Period, the Group updated the list of material topics in accordance with the assessment based on domestic and foreign sustainability development guidelines, as well as peer's ESG issues. We placed increased emphasis on risk management for ESG issues and employees' well-being and rights to address stakeholders' concerns on these matters.

> FIH Materiality Matrix 2023



-  **Customers**
 1. Product Quality
 2. Customer Service
 3. Protection of Customer Privacy
 4. Data Security
-  **Operation**
 5. Compliance Operations
 6. Anti-corruption
 7. Ethical Operation
 8. Supply Chain Management
 9. Intellectual Property Protection
 10. Technology Innovation and R&D
 11. Risk Management for ESG issues
-  **Employment**
 12. Occupational Health and Safety
 13. Employee Training and Development
 14. Employee Rights and Diversity and Equality
 15. Employee Wellbeing and Benefit
-  **Environment**
 16. Emissions Management
 17. Energy Management
 18. Water Resources Management
 19. Climate Change Mitigation and Adaptation
 20. Waste Management and Reduction
 21. Hazardous Waste Management and Reduction
-  **Community**
 22. Community Investment

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Stakeholder Identification and Communication

	Employees	Customers
Stakeholder		
Importance	Employees are greatest asset of the Group, contributing significantly to the group's competitiveness.	Customers are the primary source of economic creation for the Group, and the Group is committed to providing the highest quality products and services according to customer needs.
Communication Channels & Frequency	<ul style="list-style-type: none"> ■ Quarterly labour-management meeting ■ employee hotlines and mailboxes (ext.) 512-60210 / 512-64649 ■ Satisfaction survey ■ Publish regular news update and collect feedback questionnaire ■ Hold cultural and sports team building activities ■ Provide regular trainings and seminars on various ESG and OHS issues ■ Provide welfare and benefits 	<ul style="list-style-type: none"> ■ Quarterly or annually ESG activities ■ Irregular customers visit and audit ■ Set up customer feedback and complaint hotline ■ Conduct customer satisfaction survey and complaint return visit ■ Perform customer demand research
Concern Issues & Expectations	<ul style="list-style-type: none"> ■ Employee rights and diversity equality ■ Integrity management and regulatory compliance ■ Occupational health and safety ■ Fair employment opportunities ■ Progressive career development channel ■ Sufficient welfare and compensation 	<ul style="list-style-type: none"> ■ Information security and customer privacy ■ Innovative R&D and low-carbon technologies ■ Climate change response strategies ■ High quality products
Response Method and Outcome	<ul style="list-style-type: none"> ■ Recruit people with disabilities to work in the group and try our best to help disadvantaged groups ■ Set up funds for employees in difficulties ■ Establish a barrier-free communication system ■ Set up a 24-hour hotline to allow employees to express their opinions or provide suggestions 	<ul style="list-style-type: none"> ■ Maintain close communication with customers, protect customer privacy, and always be open to customer audits ■ Report to customers on the ESG situation and the ESG management status of upstream suppliers ■ Continuously improve customer service by providing high-quality, and economically innovative products and services ■ Actively save energy and reduce carbon emissions, and provide customers with low-carbon emission products

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	Suppliers	Shareholders/ Investors
Stakeholder		
Importance	Suppliers provide raw materials and services for the group's production. The Group will collaborate with suppliers to jointly create a sustainable supply chain.	Shareholders and investors are essential to the Group, providing vital financial resources, strategic guidance, and market credibility that fuel growth and contribute to the Group's long-term success.
Communication Channels & Frequency	<ul style="list-style-type: none"> ■ Supplier management platform ■ Conduct supplier screening and assessments ■ Set up supplier feedback mailbox ■ Organise regular supplier meetings to understand manufacturer's opinion 	<ul style="list-style-type: none"> ■ Hold regular Shareholders' Meetings ■ Regularly publish the Group's annual report and ESG report ■ Establish investor-relationship communication channels ■ Participate in performance evaluations ■ Participate in investment strategy meetings and seminars ■ Respond questions from shareholders and investors ■ Provide comments through Shareholders' Mailbox
Concern Issues & Expectations	<ul style="list-style-type: none"> ■ Supplier management ■ Procurement practices and management ■ Integrity management and regulatory compliance ■ Integral and transparent procurement ■ Close communication and collaboration in new business opportunities 	<ul style="list-style-type: none"> ■ Corporate governance and risk management ■ Financial performance ■ Innovative R&D and low-carbon technologies ■ Sustained growth in market value ■ Good company reputation ■ Open and transparent corporate information
Response Method and Outcome	<ul style="list-style-type: none"> ■ Hold annual supplier conference ■ Hold irregular ESG audits to communicate the group's requirements for the supply chain ■ Establish an ESG management platform to enable suppliers to learn RBA standards and group ESG related requirements 	<ul style="list-style-type: none"> ■ The Group informs shareholders/investors about the company's prospects, market trends, growth strategies, profitability, and ESG performance through shareholder meetings and other forums

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	Government	Charities/ NGO Partners	Media
Stakeholder			
Importance	Governments shape the regulatory environment, provide infrastructure and resources, and influence economic conditions, all of which significantly impact the Group's business landscape.	NGOs and charities are important partners for the Group, collaborating to address local communities' issues through various approaches.	Media serves as a crucial bridge between the Group and stakeholders. By timely conveying information, it helps stakeholders understand the Group's up-to-date status and contributes to building the Group's public image.
Communication Channels & Frequency	<ul style="list-style-type: none"> ■ Irregular correspondence, mail and telephone communication ■ Unscheduled on-site audit ■ Establish public-relationship communication channels 	<ul style="list-style-type: none"> ■ Irregular telephone communication ■ Annual ESG activities and evaluations ■ Annual NGOs meeting ■ Establish public-relationship communication channels ■ Charitable donations ■ Participate in voluntary community services ■ Publish service activity summary and photos on social media 	<ul style="list-style-type: none"> ■ Immediate press releases ■ Respond to media related questions ■ Establish public-relationship communication channels ■ Company website
Concern Issues & Expectations	<ul style="list-style-type: none"> ■ Integrity management and regulatory compliance ■ Corporate governance and risk management ■ Financial performance 	<ul style="list-style-type: none"> ■ Integrity management and regulatory compliance ■ Social care ■ Occupational Health and Safety ■ Climate change response strategies ■ Support of community development 	<ul style="list-style-type: none"> ■ Innovative R&D and low-carbon technologies ■ Integrity management and regulatory compliance ■ Timely updates on Company's performance, annual operation condition and operation goals for the new year ■ Highlights of initiatives on material issues
Response Method and Outcome	<ul style="list-style-type: none"> ■ Communicate with local government agencies through visits, meetings and documents ■ Actively respond to government policies and provide advice ■ Provide relevant reports regularly according to local government regulations 	<ul style="list-style-type: none"> ■ Collaborative activities with NGOs ■ Advocating related environmental issues with NGOs ■ Holding activities with charitable organisations to give back to society and local communities 	<ul style="list-style-type: none"> ■ Regularly accepting media interviews ■ Publishing press releases to present the current situation and future development of the Group ■ Publishing press releases on FIH website ■ Integrating media comments to report to the group management team as a reference for improving group operations

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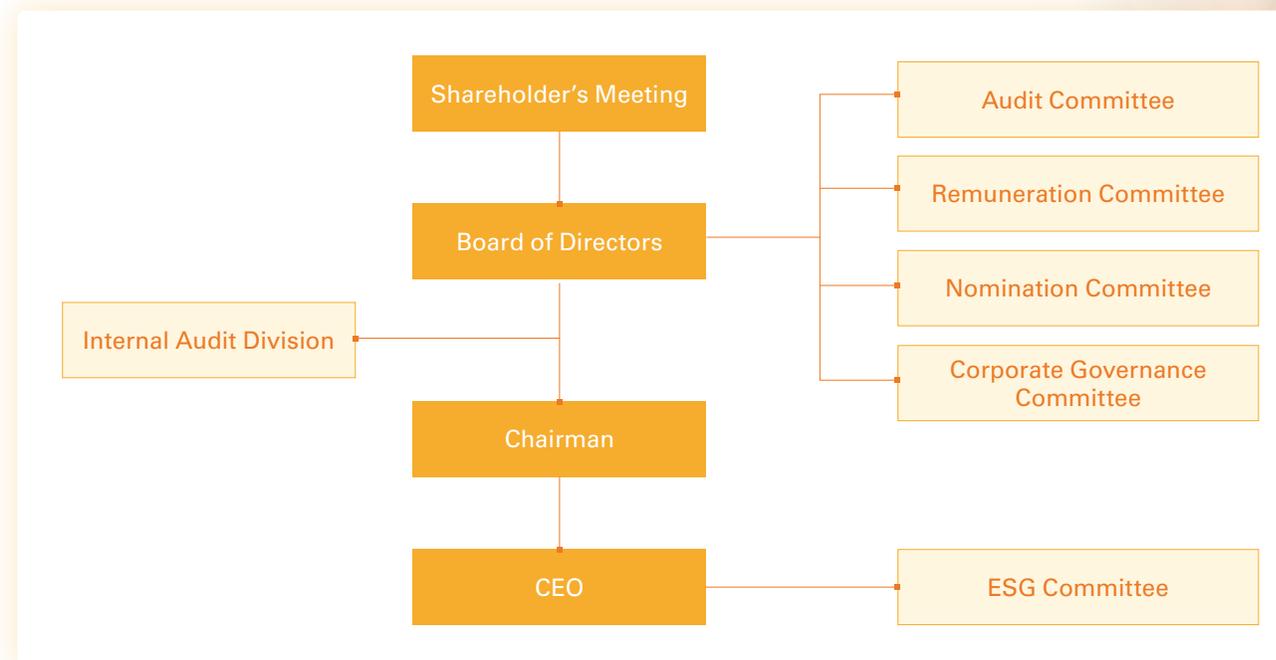
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Corporate Governance

Group Structure and the Board of Directors

The Board oversees the Group's business and ESG-related strategy, as well as the Group's enterprise risk management, including ESG-related risks. The Board has overall responsibility for the Group's ESG-related strategy and reporting. Specifically, it oversees and assesses the Group's ESG-related performance, issues, goals and targets, as well as the materiality assessment on a quarterly basis. Recognising the impact on the company's financial situation, reputation, and long-term objectives, the Group places great importance on maintaining a sound governance system. For more information on the Company's profile of directors and senior management and corporate governance, please refer to our "[Annual Report 2023](#)" and the "[Company website](#)".



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Committee	Principle Duties	Members' Details	Frequency of Meeting
 Audit Committee*	<ul style="list-style-type: none"> Reviews the Group's financial reporting and accounting policies and practices as well as financial controls, internal controls and enterprise risk management systems and provide advice and comments to the Board. Advises on the appointment, re-appointment and removal of external auditor, and approves the remuneration and terms of engagement of the external auditor. Reviews and monitors the independence and objectivity of external auditors and the effectiveness of the audit process. 	<ul style="list-style-type: none"> 3 members All are independent non-executive directors 	The Committee convened six times in 2023.
 Remuneration Committee	<ul style="list-style-type: none"> Provides recommendation to the Board on policy and structure for the remuneration of the directors and senior management. Considers and reviews the remuneration of the directors and senior management by reference to corporate goals and objectives. Provides recommendations to the Board on the remuneration packages of directors and senior management. 	<ul style="list-style-type: none"> 3 members All are independent non-executive directors 	The Committee convened three times in 2023.
 Nomination Committee	<ul style="list-style-type: none"> Reviews the Board's structure, size and composition annually and provides suggestions for any proposed modifications. Provides recommendations to the Board regarding the appointment or reappointment of directors and succession planning for directors, particularly the Chairman of the Board and the Company's Chief Executive Officer (CEO). Evaluates the independence of the independent non-executive directors. Identifies qualified individuals for Board members and recommends nominees for directorships in accordance with the Nomination Policy and the Board Diversity Policy. Reviews the Nomination Policy and the Board Diversity Policy to ensure its effectiveness, relevance to the Company's needs and alignment with the current regulatory requirements and adherence to good corporate governance practice, and discusses any proposed changes to the existing Policy for the consideration of the Board. 	<ul style="list-style-type: none"> 3 members All are independent non-executive directors 	The Committee convened two times in 2023.
 Corporate Governance Committee	<ul style="list-style-type: none"> Develops and reviews the Company's policies and practices on corporate governance and to make recommendations to the Board. Oversees the training and professional development of the directors and senior management. Reviews and monitors the Company's policies and practices on compliance with legal and regulatory requirements. Develops, reviews and monitors the CoC and compliance manual applicable to employees and the directors, and reviews the Company's compliance with the CG Code. 	<ul style="list-style-type: none"> 2 members All are executive directors 	The Committee convened one time in 2023.

* The Company has established and maintained an audit committee in accordance with the requirements of the Listing Rules, particularly the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "CG Code")

Directors' Remuneration

The remuneration payable to the directors of the Company is determined by the Board from time to time in accordance with the directors' remuneration policy of the Company ("[🔗 Directors' Remuneration Policy](#)"). The Company's remuneration committee assists the Board in formulating and regularly reviewing compensation's policies, systems, standards, and structures, as well as the directors and executives' all aspect of performance. The review process takes various factors into consideration including the Group's multidimensional performance including ESG performance, the directors' duties and responsibilities, the directors' contributions to the Company and the current market conditions. The details of the directors and the chief executive's remuneration payable is disclosed in "[🔗 the Company's 2023 Annual Report](#)".

Board Diversity Policy

The Group recognises the significance of board diversity as a crucial element in maintaining competitive advantages, achieving strategic objectives, and ensuring

long-term sustainable development. In order to foster a diverse composition of the Board in terms of skills, knowledge, abilities and experience, the Group has implemented the Board Diversity Policy since 2013. At present, the Board of Directors consists of seven members, three of whom are executive directors, one is non-executive director and three are independent non-executive directors. The Board demonstrates diversity in terms of age, ethnicity, tenure, profession and background. The Company will continue to have due regard to the various aspects of diversity (including gender) in the consideration of potential candidates for the Board in accordance with the Board Diversity Policy.

In 2023, the Group appointed two new independent non-executive directors, possessing years of experience in finance, operational management, crisis management and corporate governance, as well as expertise in ESG. Notably, the Group successfully achieved the Board's target of appointing at least one female director. The nomination committee will continue to exert efforts to identify and recommend suitable candidates to the Board for consideration as directors to enhance the Board's professionalism and diversity, including gender diversity. For comprehensive details regarding the principal duties and members of each committee, please refer to "[🔗 Corporate Governance Report](#)," which forms part of the Company's 2023 Annual Report and "[🔗 the Company's website](#)".



Integrity, Ethics and Compliance

The Group's commitment to business ethics is encompassed in the CoC and the Standard, and its dedication to ethical business practices is demonstrated through the comprehensive approach taken by the internal audit department. The internal audit department formulates its annual audit plan covering various aspects of business ethics, and provides audit reports to the Group's CEO, CFO, and senior management for review on a monthly to bi-monthly basis. Additionally, the internal audit department also consolidates annual and semi-annual audit reports for the Audit Committee's oversight. In 2023, the internal audit team completed business ethics audits for the operational sites in China and will implement routine business ethics audits for other operational sites in subsequent years.

Furthermore, to actively promote awareness on integrity and business ethics, all employees within the group, including both full-time and temporary employees, receive education and training on integrity and anti-corruption policies during orientation. The completion of this training is a prerequisite for finalising the onboarding process. After becoming a member of the Group, all employees are also required to take 2-hour course on the CoC annually.

Anti-corruption and Whistle-blowing Policies

The Group upholds a corporate culture of integrity and dignity in management and expects all of its directors, management, and employees to adhere to high ethical standards. It is committed to full compliance with applicable national and international anti-corruption, anti-bribery, anti-extortion and anti-money-laundering laws and regulations. Regarding anti-corruption practices, the Group's CoC outlines the types of conduct strictly prohibited, and all directors, management, and employees are obligated to abide by this CoC. As stated in the CoC, corruption, bribery, embezzlement, or improper activities are strictly forbidden. The Group maintains a zero-tolerance policy towards any activities or behaviours that contravene the anti-corruption policy. All levels of management and employees are mandated to undergo a compulsory anti-corruption training every year. Moreover, the Group regularly provides pertinent refreshers and updates, together with pertinent information and resources, to its directors, officers, and employees in order to keep them informed on the most recent anti-corruption policies and initiatives of the Group. During the Reporting Period, the Group organised a series of training sessions of anti-corruption to board members and employees, covering topics including CSR regulations, types of misconduct, definition of

bribery, individual liabilities, and consequences of bribery. Furthermore, all partnerships with suppliers, vendors and customers must strictly comply with the anti-corruption policy.

According to the Group's whistle-blowing policies and the related procedures, which are detailed below, the internal audit function, under the supervision and management of the Group's Chief Internal Auditor, is to handle any claims of improper business conduct and bribery. The internal audit function of the Group independently reviews the risks associated with the Group over various operations and activities and evaluates their overall adequacy, effectiveness, and compliance with the Group's policies, plans and procedures.

Additionally, the Group has set forth its whistle-blowing policies and procedures that are applicable to the Group's key stakeholders, including employees, suppliers, and customers. Local language versions of promotional posters have been posted in each factory area, including India, Vietnam, the PRC, etc. Through designated hotlines and other means, fraudulent acts, unethical acts or improper business conduct can be raised. Whistle-blower identities are safeguarded without risk of reprisal, victimisation, subsequent discrimination, or any other unfavourable prejudice. All complaints will be handled confidentially, fairly, and professionally by the Group's Chief Internal Auditor for further investigation and appropriate follow-up actions. Relevant persons could make their reports to any of the following:

1. Mailbox

- 117@foxconn.com
- renrenjubao@163.com
- jubaofoxconn@gmail.com
- hfj.justice@foxconn.com

2. SMS

- +86 183-1699-4246 (PRC)
- +886 906-586-086 (Taiwan)

3. Social Media

- 18316994246(Wechat)
- 0906586086 (LINE)

4. WeChat

- FIH Report Centre

5. Written

- No.4, Minsheng Street, Tucheng District, New Taipei City 23679, Taiwan

During the Reporting Period, there was no legal case regarding corrupt practices brought against the Group or its employees, involving inappropriate exchange of interest between suppliers and employees. In addition, Group's internal audit function reviewed the anti-corruption and whistle-blowing policies, and confirmed that the Group complied with the Hong Kong Stock Exchange's relevant guidance and expectations in all material respects.

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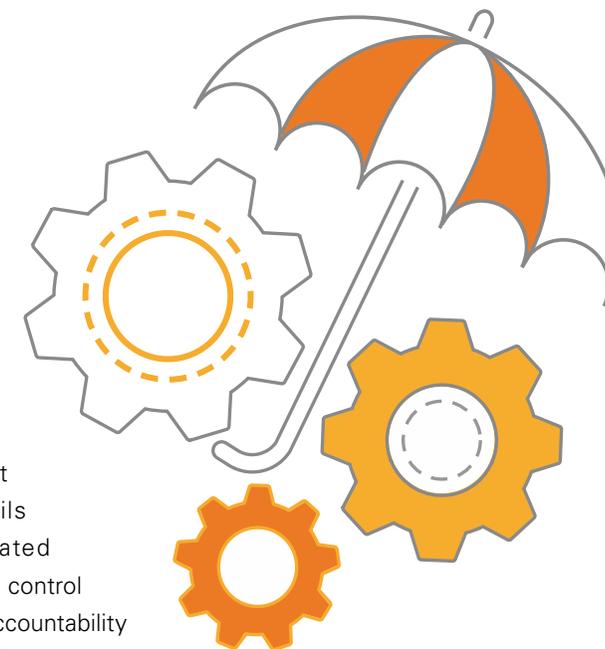
Risk Management

The Company's Board of Directors is ultimately responsible for the Group's internal control and ERM systems and its effectiveness, including evaluating and determining the nature and extent of the risks. It is prepared to take action to achieve the Group's business and strategic objectives and to ensure that the Group has an adequate and effective system of internal controls and ERM. Furthermore, the Board specifically oversees the Group's management within the framework of the Group's ERM and internal controls ("Designated Management"), including the design, implementation, and ongoing monitoring of the internal control and ERM system, in order to meet the Group's business and strategic objectives and to define, evaluate, manage, and mitigate the identified risks to an acceptable degree. To ensure risk management and internal control systems are integrated into strategy development, the Group's ERM team provided comprehensive risk management training to the Board of Directors, equipping them with essential skills for effective risk management. Throughout the training, the Board members were guided through key aspects of risk management, including crisis prevention, crisis preparedness, and early crisis detection. The Board members also learned about crisis mitigation and resolution strategies, focusing on the implementation of recovery and continuity plans. The training also highlighted the importance of learning from crises through evaluation to improve future risk management practices. Overall, the training provided a coherent and comprehensive approach to enable the Board to assess, understand, and cope with any serious situation.

The Group has implemented an E-system that allows all risk assessment units to conduct assessments using a standardised and systematic method since 2010. This system not only enhances work efficiency but also provides better support for data collection, risk assessments, and analysis. The Risk Management Division, in collaboration with the IT department, manages and maintains the E-system, and regularly optimises it to meet the needs of various users and processes.

Additionally, the Group's ERM Team regularly reviews risk assessment reports to ensure proper program execution, business process monitoring and control of the Group's risk exposures, including those ESG-related factors identified by the ESG Committee. The

results of all risk assessments are consolidated into a Group-level risk assessment report and submitted to the Company's Chief Financial Officer. An annual update is also presented to the Audit Committee. For more details about the Group's ESG-related risk management and internal control system, please refer to the "Accountability and Audit" section of the Company's 2023 Annual Report.



Furthermore, under the ERM system, the Group strategically diversifies the locations of our factories. This approach helps mitigate the risk of overreliance on a single region and enhances the resilience of our supply chain, especially in the face of geopolitical challenges. By avoiding concentration in one place, the Group reduces potential disruptions and enhances its ability to adapt to changing geopolitical dynamics.

Labelling and Advertising

The Group provides packaging and product information labelling services in accordance with its customers' instructions and applicable laws and regulations of the relevant exporting and importing jurisdictions, allowing its customers to track down relevant manufacturing plants for product returns or other product-related inquiries. Since the Group does not sell its products to end consumers directly, the Group needs not promote its products and services by advertising, whereas product advertising activities are conducted by the Group's customers.

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Information Security Management

The Group is committed to protecting information security, privacy, sensitive information and intellectual property rights of main stakeholders with whom the Group does business with, including suppliers, customers, consumers and employees. To ensure effective information security management by the information security teams, the Group has adopted the ISO 27001 Information Security Management System framework, implemented the Information Security Management System (ISMS), and continued to maintain validity of ISO 27001 Information Security Management System certification. In 2023, Taiwan headquarters and major factories in India obtained ISO 27001 certification which validates the Group's commitment on information security.

The information security management reinforces the Group's capacity to safeguard networks, computer data, systems, equipment, and client privacy within the Group. Additionally, the Group has two specialised teams, namely Information Security Governance Team and Information Security Maintenance Team, operating under the oversight of Hon Hai Technology Group's Information Security Committee. These teams are dedicated to preserving client privacy and intellectual property rights, addressing information security issues, and are entrusted with the following responsibilities respectively:

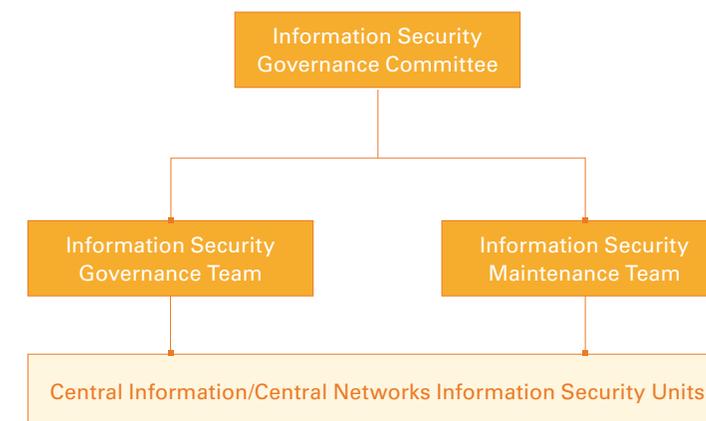


Information Security Policy

As stated in the international information security standard ISO 27001, the continuous quality improvement process of planning, implementation, monitoring, and improvement is used to achieve the information security goal of "establishing a safe and reliable information operating environment, and ensuring the security of the Group's computer data, systems, equipment, and networks, and protecting the confidentiality, integrity, availability, authentication and non-repudiation of company and customer information assets, so as to ensure the company's business continuity".

Network and System Security

The Group has adopted various technological measures to enhance cybersecurity. These include internet firewalls, intrusion detection systems, email security systems, auto-detect updates for operating systems, anti-virus systems, and security monitoring systems. In the event of potential cyber threats, the Group's Information Technology department promptly issues alert emails to affected staff to minimise exposure. Additionally, the Group conducts vulnerability scanning for all major IT systems twice a year to ensure zero impacts from significant information security incidents. This thorough scanning covers over 300 systems, including PLM, Mail, ERP, Financial, HR, QC, BC, B2B/EDI, MES, IE, SCM, and approximately 1400 important computers. In 2023, the diligent cybersecurity efforts yielded positive results, with no major incidents impacting business operations or violated client privacy.



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Information Security Training for Employees

As part of the onboarding process, the Group offers all new hires the basic information security training. Existing employees also receive the regular information security training sessions from the Group. Training covers key areas such as high-intensity password policy, regular computer system updates, and antivirus status checks, and recognising phishing emails with suspicious links or attachments. Posters and videos are also distributed to further raise the employee awareness of information security.



Data Privacy

During operation, the Group periodically collects sensitive data for various purposes from the major stakeholders, including suppliers, customers, and employees. Regarding the collection, holding, processing, use, transfer, and disposal of such data, the Group is aware of its responsibilities and strictly complies with relevant laws and regulations. Personal information is gathered only for legitimate and relevant reasons, and appropriate measures are taken to ensure the accuracy of personal information kept by the Group.

The Group strives to protect personal data from unauthorised access and abuse. Employees are contractually obligated to protect any sensitive or confidential information they have access to during their employment. We carefully protect customers' information. In the event of an accident, we are committed to cooperating with the client to investigate and reinforce the training and regulations to mitigate the risks involved.

Intellectual Property Rights

The Group remains committed to ongoing investment in innovative technology research and development to create outstanding value for customers. As of December 2023, the Group has accumulated a total of 1,646 patent applications worldwide, including 543 in software and 1,103 in areas related to antenna design, mobile devices, and other hardware. With 1,419 patents granted, distribution primarily spans regions such as the United States, the PRC, Taiwan, and Europe. As the Group has relied in part on its capacity to provide customers with technologically sophisticated manufacturing and production processes, as well as innovative mechanical product designs and developments, and has thus safeguarded its and its customers' respective intellectual property rights ("IPR").

The Group values intellectual property rights and endeavours to ensure that none of the products or services it provides involve any violation of IPR. We understand the importance of protecting intellectual property while facilitating the transfer of technology and know-how. To achieve this, we have implemented stringent measures to safeguard customer and supplier information. According to the CoC, we require the signing of intellectual property non-disclosure agreements with our employees, customers, and suppliers to further strengthen IPR protection. Employees are not allowed to disclose any known or managed protected information to competitors or any third parties without the direct authorisation by the disclosing party. Furthermore, the policy prohibits infringement through copying or cribbing, whether directly or indirectly, of the intellectual property and trade secrets of the Group, stakeholders or third parties. Procedures for the Group's legal department to review and determine the appropriate legal actions in the event of a potential violation are also included in the policy.



Environmental Stewardship

Environmental Management

Maintaining environmental sustainability is the Group's primary priority. In order to minimise the negative effects of the Group's operations on the environment and natural resources, the Group has adopted a systematic approach to incorporating green and sustainable practices into its operations. These measures include environmentally friendly product design, greenhouse gas ("GHG") emission reduction, process management, energy and resource management, and supply chain management. The Group aims to meet international standards set forth by the ISO 14001 environmental management system, European Eco-Management and Audit Scheme. Furthermore, as a member of the Hon Hai Technology Group, the Group has been included into Hon Hai Technology Group's climate change-related commitment and targets, including the Science Based Targets initiative (SBTi) and Climate Action 100+. By joining the SBTi and Climate Action 100+, the Group is committed to acting upon strengthening climate change governance, implementing GHG emissions reduction within the value chain, disclosing in accordance with the TCFD framework, and aligning with the Hon Hai Technology Group's SBTi target of achieving net-zero emissions by 2050.

To make sure that the Group's operations comply with the CoC, the Group proactively monitors the following critical areas: air pollution control, energy management, GHG

emission reduction, waste management, water treatment and utilisation. The CoC aligns with Hon Hai Technology Group's environmental stewardship and regulation that work towards environmental sustainability. According to the CoC, the Group has put in place particular policies and guidelines which are strictly adhered to across its supply chain, which includes the procurement, production, and delivery process. To reduce energy usage and enhance energy efficiency, the Group has also formulated the "Audit Procedures for Energy-Saving Management" for continued implementation and transformation of energy-saving technologies. With the Group's deliberate efforts, the Group's headquarters in Taiwan, all of the manufacturing factories in the PRC, India, Vietnam, the United States, and Mexico have achieved ISO 14001 environmental management system certification. Specifically, our manufacturing plants have regularly upgraded their environmental protection facilities, improving the ability to process and manage air emissions, wastewater, general waste and recycled materials. In order to create a situation where all parties benefit—the Group, the targeted companies, and the sustainable development of the environment and society, the Group internally invests in energy-saving and carbon-reduction technology and equipment. Simultaneously, the Group pursues external investment projects in industries related to environmental protection technology.

	Short-term	Medium-term	Long-term
Target	<ul style="list-style-type: none"> Reduce carbon emissions by 21% by 2025 compared with 2020 Lower the electricity consumption (absolute value) by 4.2% annually Extend on-site solar power generation 100% installation rate of industrial wastewater discharge and water monitoring system by 2025 Reduce water consumption intensity by 6% by 2025 against 2020 baseline 	<ul style="list-style-type: none"> Reduce carbon emissions by 63% by 2035 compared with 2020 Provide Scope 3 emissions disclosure Implement TCFD Framework 	<ul style="list-style-type: none"> Achieve net-zero GHG emissions
Progress	<p>In 2023, carbon emissions were reduced by 57.68% compared with the baseline.</p> <p>In 2023, electricity consumption was lowered by 64.45% compared with the baseline.</p>		
	<ul style="list-style-type: none"> Four factories, two in the PRC and the other two in Vietnam have obtained the UL 2799 "Zero Waste to Landfill" certifications at Gold and Platinum Levels, respectively. As of the end of the current period, these four factories are still within the valid certification period In 2023, factories in Langfang, Beijing, Longhua, Fushan, and Guiwu have extended the onsite solar power generation, resulting in a total of 8.86 million kWh electricity generated In 2023, all factories producing considerable industrial wastewater have installed the industrial wastewater discharge and water monitoring system 	<ul style="list-style-type: none"> In 2023, the Scope 3 emissions in base year have been calculated The Group is planning to implement TCFD framework 	

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Compliance with Relevant Laws and Regulations

The Group operates in compliance with relevant laws and regulations that have a significant impact on the Group relating to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. To guarantee continued compliance, the Group has put in place a "Law Identification Procedure," which is an internal evaluation and audit of adherence to relevant environmental laws and regulations. Furthermore, the Group complies with relevant laws and regulations in obtaining, maintaining, and renewing the requisite environmental permits and with the requirements on the use and reporting relating to relevant permits.

In order to maintain compliance, the Group has established well-managed documental processes for controlling environmental permits. As stipulated in the CoC, adequate and effectively recorded processes should be developed and implemented for the control of environment-related permits, and a control tracking mechanism for the expiration and updated dates of various permits should be executed. Any changes that may alter the

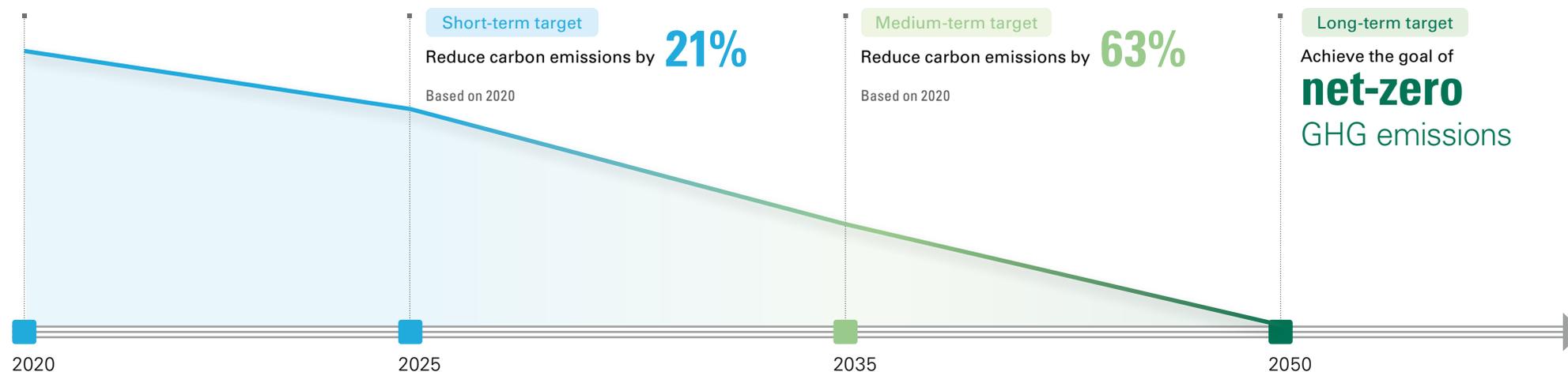
status of registration and result in a change in the content of an approved environmental permit should be reported to the relevant local and national regulatory authorities. All environmental permits, approval documents, registrations, and licenses required by regulations should be available for review and within the validity period, including but not limited to exhaust gas emissions, sewage discharge, stormwater discharge, storage and use of hazardous materials, and treatment of waste.

Please refer to the "[Relevant Laws and Regulations](#)" section below for more details.

Energy Management and Greenhouse Gas Emission Reduction

The Group strives to meet its energy-efficiency targets, which have been delivered to the Group's business units and relative departments. Being included in the scope of Hon Hai Technology Group's SBTi target, which was submitted in 2022, the Group is committed to reducing carbon emissions:

> Decarbonisation Pathway of FIH



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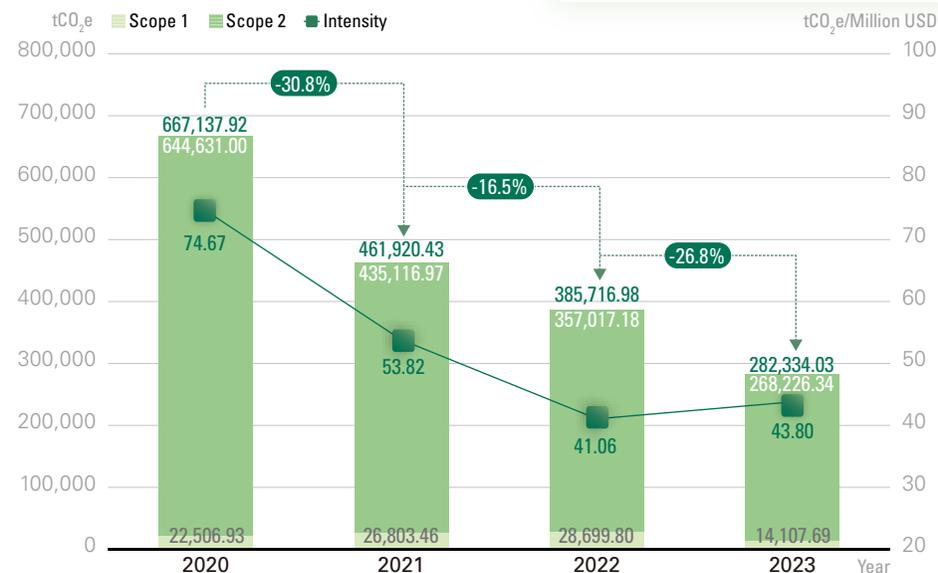
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The Group has set a target that is compatible with the SBTi target to lower the absolute value of GHG emissions by 4.2% annually compared to the baseline in 2020. From 2022 to 2023, Scope 1 and Scope 2 GHG emissions have been abated by 26.8%. In addition, the Group has reduced Scope 1 and Scope 2 GHG emissions by 57.68% compared to the emissions in 2020. Remarkably, our short-term goal on the decarbonisation pathway, which is to reduce 21% of GHG emissions before 2025, has been achieved in 2021. The GHG emissions decline continuously every year.

Reduced Scope 1 and Scope 2 GHG reduction by **57.68%**

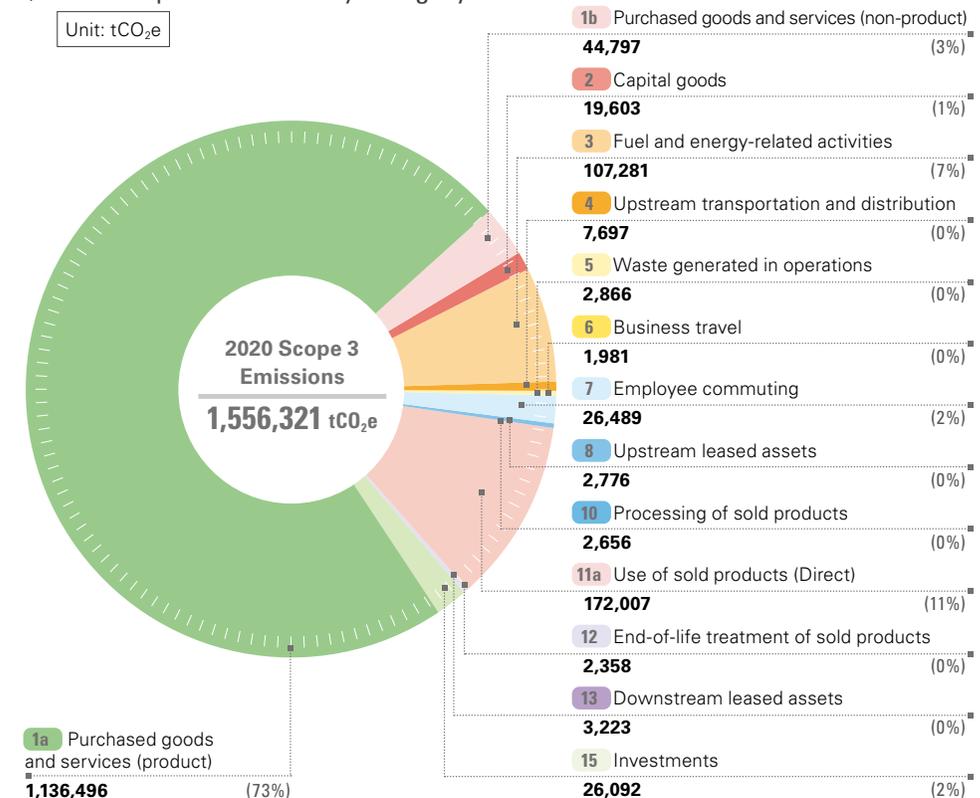
> 2020-2023 Scope 1+2 emissions



The Group's 2020 Scope 3 emissions account for 1,556,321 tCO₂e. Scope 3 emissions from 2021 to 2023 are under inventory and will be disclosed in the coming years' ESG report. Owing to the industrial characteristics, most of the commodities are designated by the clients. Therefore, the Group only takes 10% of Category 11 (Use of sold products) emissions into account since the Group only has less than 10% right to decisions on the raw materials and commodities.

Additionally, the Group excludes Category 9 (Downstream Transportation and Distribution) and Category 14 (Franchises) from Scope 3 emissions. Category 9 is omitted because the predominant delivery method is transported by the customers, making data collection challenging. As GHG emissions constitute less than 5% of the total, Category 9 calculations are therefore disregarded. Category 14 encompasses emissions stemming from franchise operations, which are under licenses to distribute goods or services of another company within designated areas. Given we are in the manufacturing industry, Category 14 calculations are not relevant and pertinent solely to the retail sector.

> 2020 Scope 3 Emissions by Category



The Group disclose the Scope 1 and 2 emissions for this financial year and Scope 3 emissions for 2020. Please see the "Environmental Performance Data" for more detailed information.

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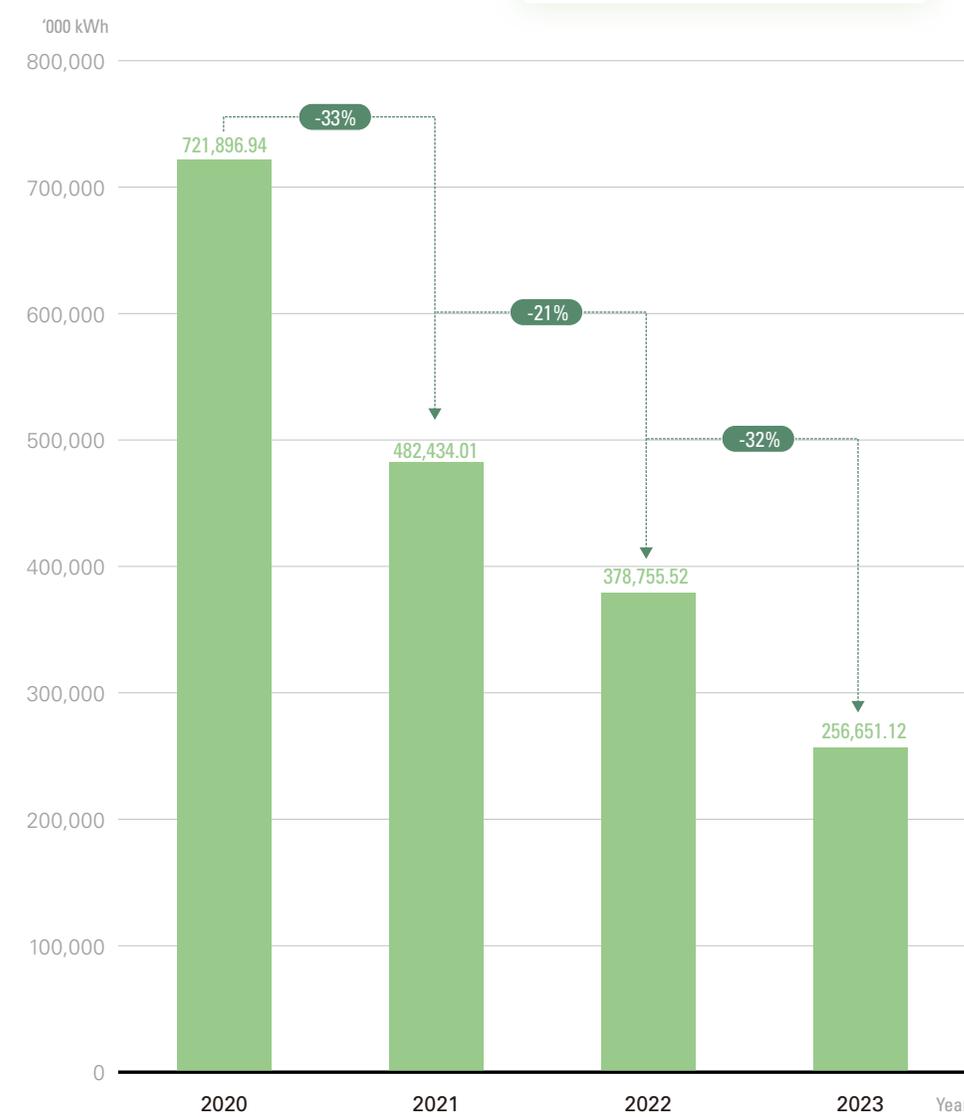
To enhance resource efficiency going forward, the Group has set a target to lower the absolute value of GHG emissions and electricity consumption by 4.2% annually compared to the baseline for 2020. The Group has effectively accomplished GHG emissions reduction by 57.68% and electricity consumption by 64.45%. Through policies, systems, and measures, such as the implementation and maintenance of the ISO 50001 energy management system, the Group actively promotes energy efficiency management, the use of renewable energy, and the corresponding reduction of GHG emissions. The Group also monitors, reviews, and evaluates the energy use of each business unit/group, rewarding top performers, and utilising a variety of energy-saving and GHG emission reduction technologies.

In order to reduce GHG emissions from our electricity consumption, 5 factories of the Group have installed solar panels and 4 factories have purchased renewable energy including solar and wind power to substitute the fossil fuel-based electricity. The impact of these sustainability efforts is substantial, with renewable energy accounting for more than 25% of the total electricity consumption in our factories located in Hengyang, Langfang, Longhua, and India. Notably, factories in Hengyang have achieved RE100 status by utilising 100% wind power. This remarkable achievement underscores our commitment to reducing carbon emissions and embracing cleaner energy sources. Furthermore, factories in Longhua and Mexico have gone extra mile by acquiring renewable energy certificates ("RECs") as an alternative way to use renewable energy. These certificates serve as concrete proof that the electricity they consume is derived from renewable energy resources and supplied to factories through the grid. These comprehensive approaches, combining the installation of solar panels, the procurement of renewable energy, and the acquisition of RECs, exemplifies our commitment to reducing GHG emissions and adopting sustainable practices within our operations. In the future, we will progressively increase the proportion of renewable energy in our overall energy mix.



> 2020-2023 electricity consumption

Reduced electricity consumption by **64.45%**



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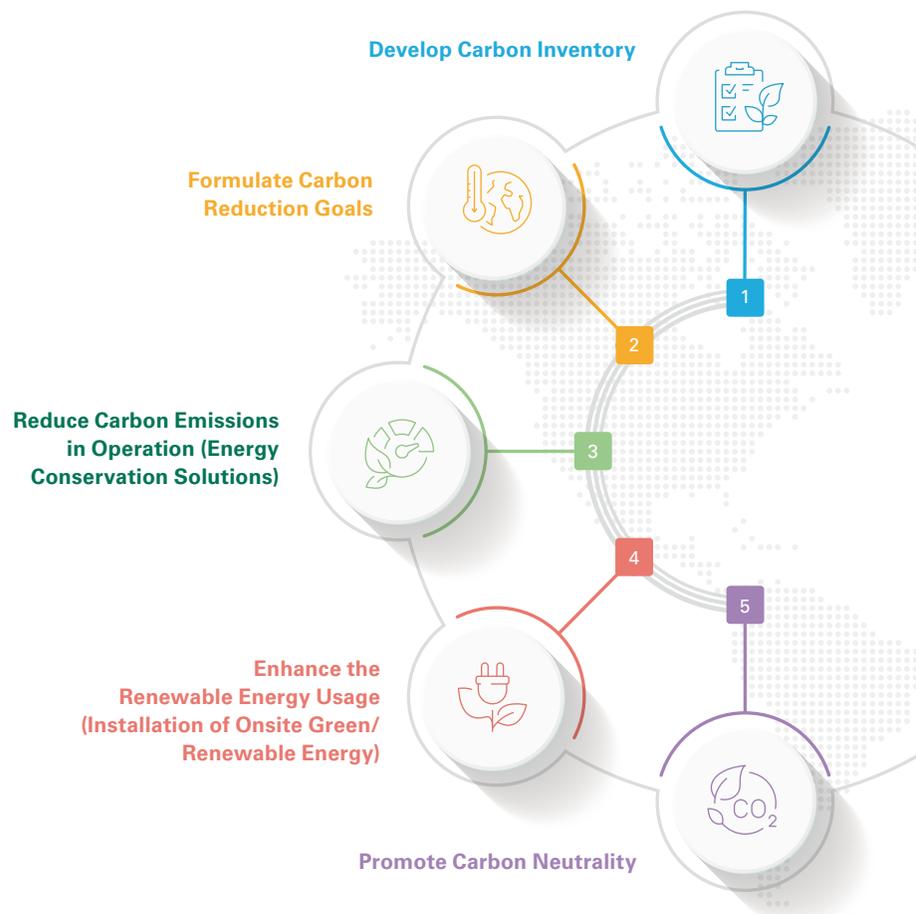
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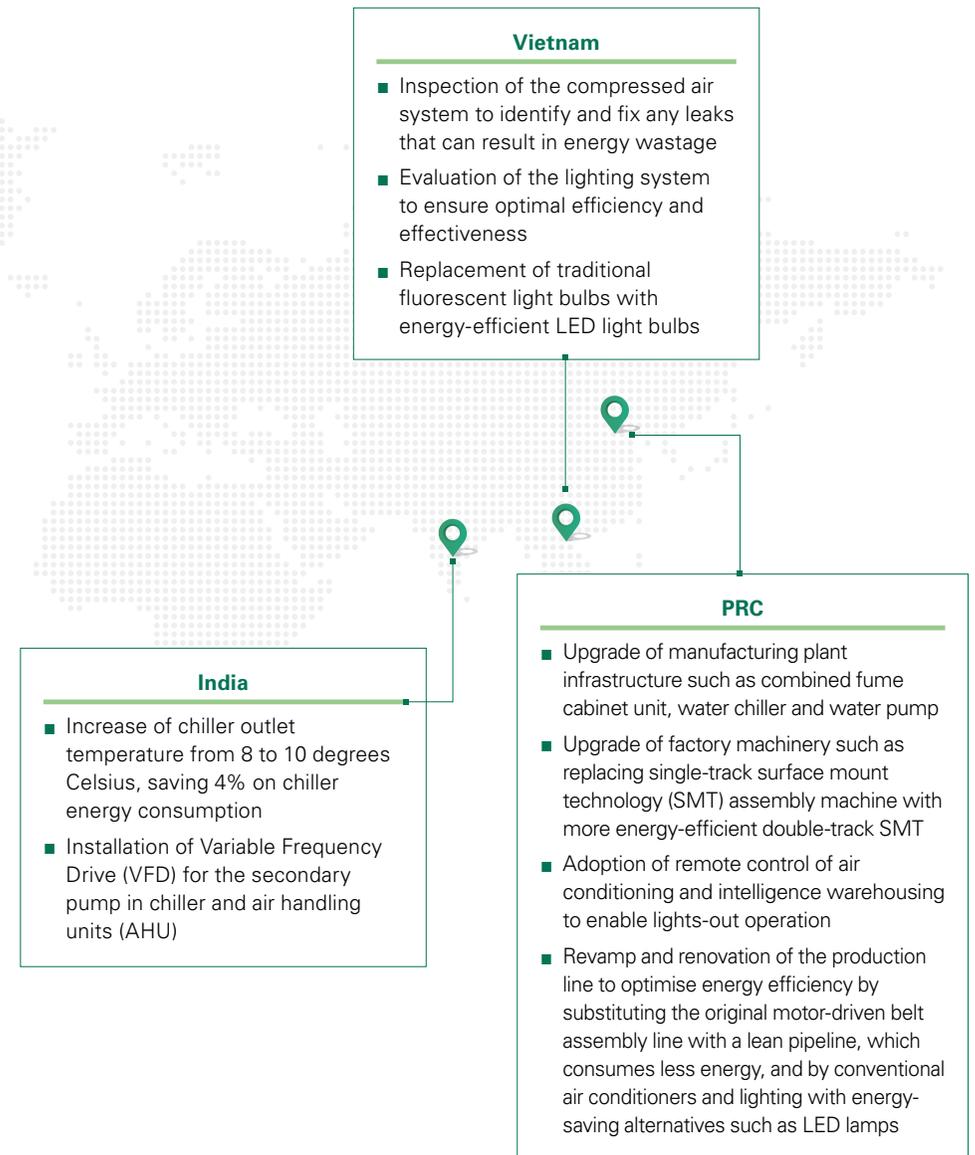
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To achieve the carbon neutrality goal, the Group has established the following five major strategies and approaches:



In addition to maintaining high adherence to high energy efficiency and GHG emission reduction standards of all lighting and air conditioning systems, the Group is adopting a phased approach to replace existing equipment with energy-saving and GHG emission reduction models. Many manufacturing factories have installed energy-saving, GHG emission reduction equipment, and other technological advancement, described as follows:

> Technology and actions adopted to reduce energy consumption or carbon emissions in operation:



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Notably, the Group is continuously seeking opportunities to invest in renewable energy. We have been engaging in negotiations with sustainable energy companies to underscore our firm dedication to investing in renewable energy and facilitating the transition to sustainable energy. The investment in renewable energy could potentially have long-term positive impacts financially and environmentally, fostering innovation, reducing carbon emissions, and securing renewable energy for the Group.

During this Reporting Period, manufacturing factories in Langfang, Longhua, Beijing, Hengyang, Yantai, Fushan, the United States, Mexico, and headquarters in Taiwan, were certified with the ISO 14064 GHG Emissions Accounting and Verification. To reduce GHG emissions and improve energy efficiency, the Group purchased photovoltaic power and installed solar photovoltaic power generation systems on the roofs of some of its manufacturing plants in the PRC and Vietnam. In 2023, the Group plans to expand its solar power generation and has hired professionals to conduct site investigations and project planning. In addition to expanding onsite renewable energy capacity, the Group has explored opportunities to purchase green and renewable energy, such as:

 In Longhua and Mexico, we have made significant strides by purchasing green electricity certificates (GEC) and international renewable energy certificates (I-RECs) respectively, which contribute to more than 20% of our total electricity consumption. These certificates serve as tangible proof of our commitment to sourcing electricity from renewable sources.

 Additionally, we have established partnerships with third-party windmills in Langfang, Hengyang, and India, enabling us to secure renewable energy from these sources. This strategic approach has resulted in a noteworthy reduction in GHG emissions. Specifically, in Langfang, we have achieved a reduction of 12,276.94 tonnes of GHG emissions annually, while in India, our efforts have led to a reduction of 11,663.17 tonnes per annum.

In general, 8 energy-saving initiatives were launched among the manufacturing plants, which include LED lighting and curtain installation, facilities upgrading, use of renewable energy from solar panels and wind turbines, and participation in worldwide energy-saving activities. These projects resulted in a total energy savings of over 63 million kWh.

The Group's continual efforts resulted in the reduction of energy consumption and GHG emissions during the Reporting Period as more particularly described as follows:

Energy-saving and GHG Emission Reduction Initiatives	Results Achieved	
	Energy Saved (kWh)	GHG Emissions Reduction (tCO ₂ e)
Replaced obsolete lights with LED light fixtures in pursuit of greater energy efficiency	2,639,170.70	1,995.69
Upgraded air conditioners, air handling units and ancillary water pumps	5,965,213.97	5,219.08
Installed industrial curtains at the entrances of production facilities	346,992.00	206.98
Installed solar photovoltaic panels to utilise renewable energy	10,099,068.40	6,094.76
Procured wind energy from third-party	43,723,262.43	26,781.46
Upgraded single-track reflow oven to double-track reflow oven	357,177.60	338.93
Participated in Earth Hour to turn off non-essential electric lights for one hour	406.00	0.33
Changed motor assembly lines into lean pipelines	95,040.00	90.18

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Solar Panel Project

The Group is aggressively increasing the installation capacity by acquiring more rooftop solar stations this year. Our Beijing factory has installed a rooftop photovoltaic power plant with an installation capacity of 3.84 MW, with a total power generation of 3.54 million kWh in 2023, while our Langfang factory has a total power generation of 6.15 million kWh in 2023.

The Group has also been expanding the rooftop solar systems in other factories. Our Vietnam factories have completed part of their solar system installation, with a total power generation of around 0.4 million kWh.



Heat Pump Upgrade

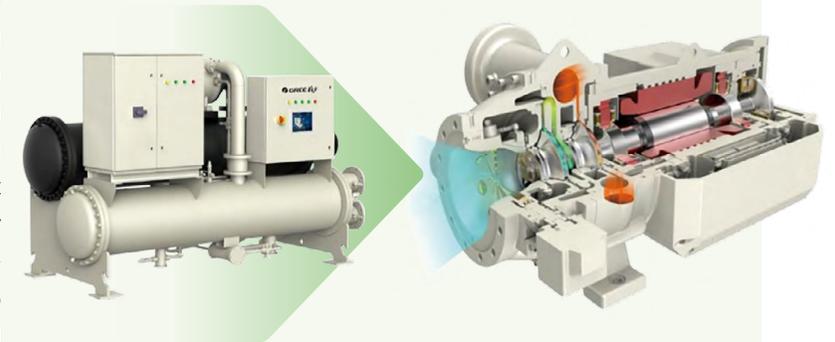


The Langfang factory replaced its steam heating system with low-temperature heat pump units, resulting in a significant reduction of 770,000 kWh in energy consumption and cost savings of RMB 790,000. The upgrade of the equipment enhances the factory's energy efficiency and provides a more sustainable and cost-effective heating solution for operations.



Magnetic Bearing Centrifugal Chillers

The Longhua factory has replaced the conventional chiller with magnetic bearing centrifugal chillers. It saved 1.45 million kWh of energy through its exceptional cooling capacity and efficient control. The new system is designed without a complex oil circuit and mechanical gears, which results in low maintenance costs and low noise levels. The new system represents a significant step towards achieving our energy-saving and sustainability goals.



The Group contributes to the Hon Hai Technology Group's efforts to reduce GHG emissions by closely working with suppliers on GHG emission reduction initiatives. Suppliers are obligated to follow the Group's GHG emission reduction policies and establish monitoring systems for GHG emissions at both the organisational and product levels. Please see the "[The Group's Value Chain — Supply Chain Management](#)" and "[The Group's Value Chain — Sustainable Product Management](#)" sections below for more details on the Group's supplier green product management.

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Air Pollution Control

Any air pollutants that may be produced during the manufacturing and transportation processes are strictly controlled and monitored by the Group. The air pollutant emission systems are regularly examined for their functioning. Some manufacturing plants have replaced their diesel-powered operational vehicles with electric vehicles to minimise air pollution. The Group also procured glue that contains volatile substances with low VOCs for manufacturing. Please refer to the “[Performance Data Table](#)” for the data on the Group’s air emissions.

The Group has implemented robust air pollution control measures throughout its manufacturing processes. These measures include:

1. Utilisation of Advanced Exhaust Gas Treatment Facilities

To further minimise pollutant emissions and ensure compliance with stringent environmental regulations, the Group employs advanced exhaust gas treatment facilities. This comprehensive approach involves a pre-treatment stage, zeolite wheel concentration adsorption with regenerative catalytic oxidizer (RCO) or regenerative thermal oxidizer (RTO) to give an effective volatile organic compounds (VOCs) treatment.

Adopting advanced exhaust gas treatment to further lower the concentration of the gas emissions



2. Regular Monitoring

The Group conducts regular monitoring activities to uphold air quality standards. A professional environmental monitoring third party is entrusted with the task of monitoring emissions to ensure accuracy and reliability.

Regular monitoring to ensure the accuracy of the exhaust gas emissions meeting the criteria



3. Environmental Information Disclosure

The Group prioritises transparency and actively discloses environmental information. The Group utilises a pollution source monitoring system as an information management and sharing platform which allow the sharing of environmental performance data, promoting accountability and raising public awareness.

Environmental information disclosure

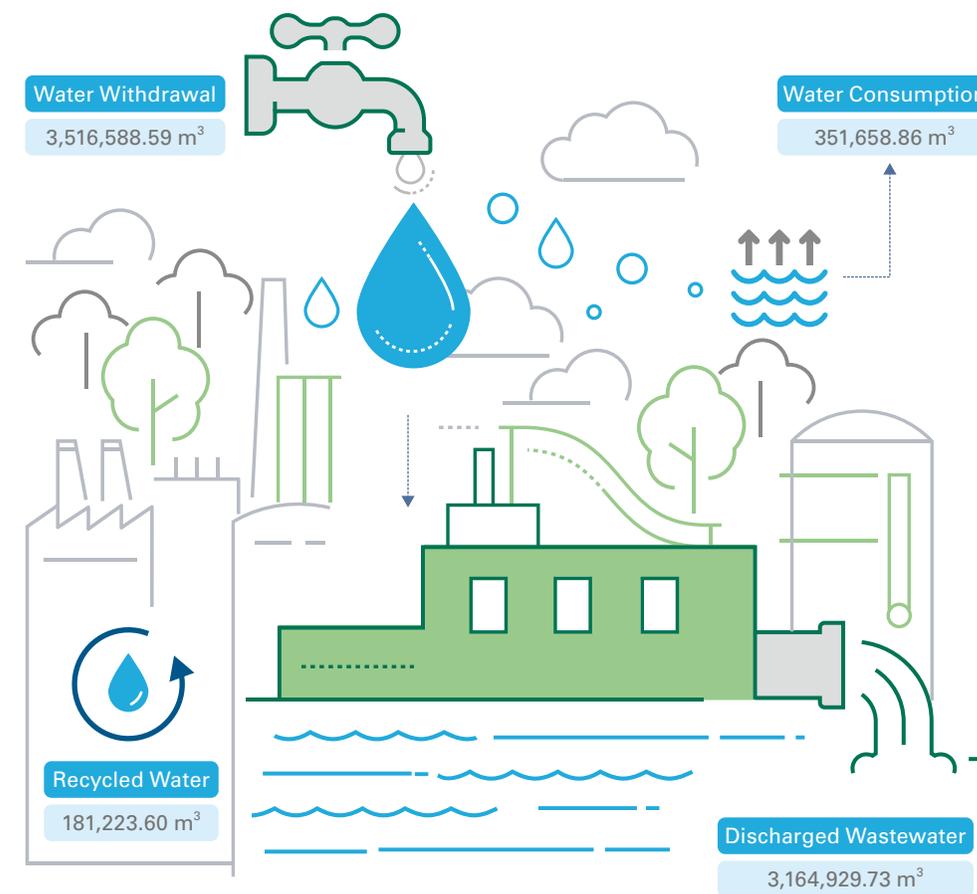
选择方案版本	当前值	限值	保存方案	同步许可证
(0) C07-1F 涂装车间废气排气筒(DA024)	苯系物浓度	排放标准	排放标准	排放标准
(0) C01-3F 化学部废气排气筒(DA012)	苯 (苯气)	排放标准	排放标准	排放标准
(0) C01-3F 涂装车间废气排气筒(DA005)	苯系物浓度	排放标准	排放标准	排放标准
(0) C05-3F 涂装车间废气排气筒(DA031)	颗粒物	排放标准	排放标准	排放标准
(0) C05-1F 涂装车间废气排气筒(DA006)	苯 (苯气)	排放标准	排放标准	排放标准

Water Treatment and Utilisation

The Group fully adheres to local laws and regulations regarding wastewater discharge. All wastewater is characterised, monitored, controlled, and treated as required prior to discharge or disposal. The Group would conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance. Besides, effective wastewater treatment facilities are installed to reduce the concentration of pollutants generated by each factory to comply with regulatory requirements. Monitoring of wastewater discharges would also be conducted according to the local regulations, or at least once per month if not specifically required by regulations, to ensure that discharges are in compliance with applicable legal and regulatory requirements. In 2023, the Group achieved a 100% implementation rate of industrial wastewater discharge monitoring systems in place. Industrial wastewater is treated using a vacuum distillation system, and the functioning of wastewater handling systems is inspected regularly.

The Group has set a target to lower the water consumption (based on intensity value rather than absolute value) by 6% by 2025 against the 2020 base year, to increase water consumption efficiency. During the Reporting Period, the target of water consumption intensity was not achieved due to the decrease in revenue. However, the water consumption (absolute value) is 31.10% lower than the base year. The efforts will continue to be focused on further reducing water consumption and striving to meet the established target in the coming years through the Group's policies, systems, and measures. The Group actively supports wastewater reduction and reuse, and uses reclaimed water across its production lines, to reduce the environmental impact during operation. The Group is dedicated to preserving water resources by continuously improving its production processes.

In addition to installing water-saving devices such as smart sensors and water-efficient taps, discharge from cooling towers is treated by reverse osmosis and reused for flushing purposes. Besides, greywater is collected, treated, and reused for flushing at dormitories and watering plants. The Group also recognises the possibility of water stress and reduces freshwater consumption by purchasing reclaimed water.



The Group achieved the target of a **100%** implementation rate of industrial wastewater discharge monitoring systems in 2023.



With 2020 as the base year, the Group has set the target to reduce water consumption intensity by **6%** by 2025.

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Water Treatment / Recycling

The Group puts forward both large-scale water treatment facilities and installs small-scale water-saving appliances to enhance the overall water efficiency in operations. The Group has established wastewater treatment plants in factories located in India, Vietnam, Mexico and the PRC.

Our India factories installed more than 120 aerator filters in water taps to save water consumption of more than 200 litres per hour. The wastewater treatment plant at the India site can supply 16% of the factory's water use.

In Vietnam, condensed water from the air handling unit is reused for the cooling tower of the chiller and air compressor system to reduce water consumption.

In Mexico, the Group operates a wastewater treatment plant which recovers 10,500m³ of wastewater in 2023. The sewage goes through primary treatment tanks and then passes through a tertiary process with ozone. The treated water is then reused in irrigation processes of green areas and bathrooms. Sludge produced during the wastewater treatment is also internally treated and utilised as fertilisers in green areas.



In the PRC, wastewater that contains heavy metals is treated to meet the local standards for reuse. Organic wastewater is treated by membrane bioreactors and is reused as flushing water. In Langfang, the total volume of reused water in 2023 amounted to around 92,000m³. Meanwhile, the total volume of reused water in 2023 amounted to around 120,000m³ in Beijing, accounting for 39.76% of the total water consumption at the site.

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Waste Management

Solid waste, chemicals, and hazardous materials should all be differentiated, controlled, reduced, disposed of, transported, stored, and recycled in line with the Group's solid waste management principles. All relevant waste is treated and disposed of in compliance with related environmental laws and regulations. In particular, the Group strictly complies with local laws and regulations regarding sludge disposal. In order to reduce the cost of outsourced sludge collection, the Group adopts sludge drying and only engages qualified collectors who are licensed by the local authorities.

The Group strives to optimise waste recycling and convert waste into useful resource inputs by leveraging design and technology. At the Group's manufacturing facilities, old wooden and plastic pallets were collected, cleaned and reused to avoid unnecessary waste generation. Factories in India achieved a 100% recycling of all non-hazardous waste, while factories in Mexico and Vietnam set a target of obtaining a 90% waste recovery rate. During the Reporting Period, around 8,286 tonnes of industrial waste were recycled instead of being disposed

of. In an endeavour to demonstrate leadership in driving a circular economy, the Group has processed around 956 tonnes of food waste through anaerobic decomposition (biodegradable) and biological composting, in order to achieve harmless and resourceful treatment.

Factories in the Longhua and Fushan were validated by UL 2799 "Zero Waste to Landfill" certification with Gold Level by having a 99% and 97% diversion rate of waste. Furthermore, factories in Guiwu and Hengyang achieved Platinum Level for UL 2799 "Zero Waste to Landfill" with a 100% diversion rate. As of the end of the current period, these four factories are still within the valid certification period. Meanwhile, Langfang and Beijing factories are working in the process of acquiring this certification and aim to achieve the goal in 2024. This certification signifies the Group's dedication to waste management practices and demonstrates its efforts to minimise waste generation and promote sustainable waste disposal methods. The Group will receive UL 2799 "Zero Waste to Landfill" certification for half of the factories by 2030.

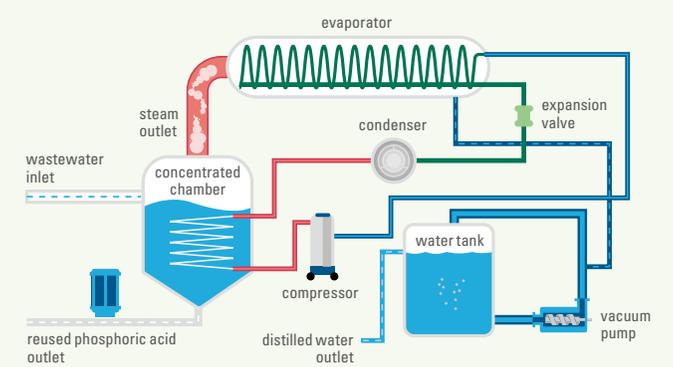
Case Study **UL2799 "Zero Waste to Landfill"**

Factories in Longhua and Fushan sites obtained the Gold Level for UL 2799 "Zero Waste to Landfill", while factories in Guiwu and Hengyang achieved the Platinum Level. During the Reporting Period, the certificates of these four factories are still valid. The factories in Longhua and Fushan have attained 99% and 97% diversion, with 8% and 7% thermal processing with energy recovery, while the factories in Guiwu and Hengyang have attained 100% diversion, with 4% and 8% thermal processing with energy recovery. To handle hazardous waste at these facilities, a range of chemical treatments is employed based on their specific chemical properties. These treatments include processes like distillation for nano equipment, desiccation, precipitation, and neutralisation.

<p>VALIDATED</p> <p>FOXCONN LONGHUA CAMPUS HAS ACHIEVED ZERO WASTE TO LANDFILL GOLD OPERATIONS, 99% DIVERSION, WITH 8% THERMAL PROCESSING WITH ENERGY RECOVERY.</p> <p>UL.COM/ECV UL 2799A</p> <p>GOLD</p>	<p>VALIDATED</p> <p>FUSHAN TECHNOLOGY (SHENZHEN) LIMITED LIABILITY COMPANY HAS ACHIEVED ZERO WASTE TO LANDFILL GOLD OPERATIONS, 97% DIVERSION, WITH 7% THERMAL PROCESSING WITH ENERGY RECOVERY.</p> <p>UL.COM/ECV UL 2799A</p> <p>GOLD</p>	<p>VALIDATED</p> <p>FUNING PRECISION COMPONENT CO., LTD. HAS ACHIEVED ZERO WASTE TO LANDFILL PLATINUM OPERATIONS, 100% DIVERSION, WITH 4% THERMAL PROCESSING WITH ENERGY RECOVERY.</p> <p>UL.COM/ECV UL 2799A</p> <p>PLATINUM</p>	<p>VALIDATED</p> <p>HENGYANG FUTAIHONG ELECTRONIC INDUSTRIAL CO., LTD. HAS ACHIEVED ZERO WASTE TO LANDFILL PLATINUM OPERATIONS, 100% DIVERSION, WITH 8% THERMAL PROCESSING WITH ENERGY RECOVERY.</p> <p>UL.COM/ECV UL 2799A</p> <p>PLATINUM</p>
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Reuse Phosphoric Acid

The implementation of a phosphoric acid reuse facility in the anodizing process has proven to be beneficial. By concentrating the phosphorus-containing wastewater and subsequently reusing the phosphoric acid, the discharge of liquid waste is significantly reduced. Consequently, this practice leads to a decrease in the generation of hazardous waste, resulting in lower hazardous waste disposal costs for the Group. Moreover, these initiatives enhance the Group's environmental competitiveness, demonstrating its commitment to sustainable practices.



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Product Content Restrictions

Adhering to all applicable laws, regulations, and customer requirements, the Group ensures the prohibition or restriction of specific substances in products and manufacturing processes, including proper labelling for recycling and disposal purposes aligning with legal and customer-driven initiatives. To guarantee the safety of both humans and the environment, the Group takes proactive measures in identifying, labelling, and managing chemicals, waste, and other materials that pose potential hazards. These measures encompass the safe handling, movement, storage, utilisation, recycling, reuse, and disposal of such substances.

Recycled Packing Materials

The Group is actively promoting the utilisation of eco-friendly products through research endeavours aimed at designing and developing sustainable eco-friendly products. Our dedication to waste recycling and the incorporation of renewable materials not only yields economic benefits but also optimally utilises resources, thereby mitigating the environmental impact. Throughout the production of finished products, we generally package our products in accordance with customers' requirements, utilising appropriate packaging materials and quantities such as paper and plastic. However, as the specific information regarding the type and quantity of packaging materials used is considered commercially sensitive for both the Group and its customers, these details will not be divulged. Nonetheless, we are actively engaged in reducing the environmental footprint of packaging materials by collaborating with our suppliers and customers. Efforts have been made to reduce the usage of single-use plastic within the Group's factories by replacing or minimizing packaging materials during production, including the use of wooden pallets, plastic pallets, and paper shells at manufacturing facilities. Additionally, plastics that are deemed non-recyclable due to quality control requirements or process limitations are collected and processed by certified recycling contractors.

📁
 Case Study

Recycled Plastic

In an effort to minimise the consumption and disposal of single-use plastics, the Group actively incorporates reusable wooden trays, plastic trays, and cardboard boxes into its production processes. This strategic approach aims to reduce reliance on disposable plastics. Furthermore, the Group takes proactive measures to recycle and process plastic scraps and secondary plastics generated during manufacturing, transforming them into recycled plastic boxes and trays. The production of recycled plastic products involves a comprehensive process. Raw materials are crushed, heated, extruded, granulated, and packaged to create sustainable alternatives. Plastic trays and boxes primarily serve as moulds and component carriers within the production processes, ensuring efficient and effective manufacturing operations. In 2023, the Group successfully manufactured a total of 146,300 plastic cases, showcasing its commitment to sustainable practices and the utilisation of recycled materials. By implementing these initiatives, the Group actively contributes to reducing single-use plastics and promoting an environmentally friendly approach within the industry.

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Preserve Natural Ecology and Biodiversity

Preserving biodiversity and natural ecology is the Group's top priority. None of the Group's manufacturing facilities are situated in proximity to any biological reserves to minimise the impact on the surrounding ecological environment. All manufacturing facilities are equipped with waste storage facilities and qualified chemical warehouses. As a member of Hon Hai Technology Group, the Group adheres to the "Hon Hai Technology Group Biodiversity and Non-Deforestation Commitment", in response to the UN Convention on Biological Diversity, comply with the forest regulations in places where we operate and strive for zero net deforestation.



Tree Planting Event



In March 2023, the Group organised a tree planting to preserve natural ecology and biodiversity. The event brought together a total of 28 employees and the tree species carefully chosen to support local biodiversity and thrive in the specific climate conditions. The Group demonstrated the commitment to environmental stewardship together with the efforts of employees. The campaign added green spaces to the urban areas and improved nearby air quality.

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Employee Awareness

The Group is actively involved in various environmental initiatives to raise employee awareness of environmental conservation and foster engagement in environment protection efforts. In alignment with its social and environmental obligations, the Group offers a wide range of educational activities to promote employees' understanding of environmental preservation. In 2023, factories in the PRC held environmental events on June 5th, observed as "Environment Day" to provide an opportunity for employees to acquire knowledge of environmental issues and enhance their awareness of planet conservation. Besides, the Group organised an edutaining weekend event for employees and their families in Taiwan with the aim of enhancing their physical well-being and fostering a connection with nature. The event offered a perfect blend of education and entertainment, providing participants with an opportunity to not only improve their fitness but also to delve into the marvels of the natural world. To ensure a comprehensive experience, two professional ecological guides were invited to provide some insightful and detailed explanations about the local ecosystems, enabling participants to develop a profound understanding and heightened appreciation for the significance of biodiversity.

June 5th, Environment Day



To promote environment-related knowledge and raise the environmental awareness of all employees, proactive measures have been taken to conduct environmental education campaigns. One such initiative was the "June 5th, Environment Day" to disseminate environmental conservation messages through various channels. One of the key activities was the Environment Day signature event, where banners with environmental protection slogans were displayed. Each individual signed their name on the banners as a symbolic gesture of their commitment to environmental protection. By visual attraction and physical engagement, this activity effectively involves employees and motivates employees' active participation in advocating for environmental preservation.

Hiking with Ecological Professionals

In 2023, the Group orchestrated a hiking expedition for its employees, intending to heighten environmental consciousness. Two expert ecological guides were enlisted to impart their knowledge, leading participants through a range of ecosystems, identifying different species, and emphasising their significance within the local habitat. Through lively discussions and hands-on experiences, attendees attained a profound comprehension of nature's intricate equilibrium and the importance of safeguarding biodiversity. This hiking endeavour not only spotlighted the splendour of the natural realm but also instilled a sense of duty among participants to play an active role in its preservation.



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Climate Change

Climate change impacts all economies across the globe and has profound effects on global sustainable development. The Group dedicates to mitigating and adapting to the risks and opportunities arising from climate change. We adopt the TCFD-recommended framework to identify the Group's climate-related risks and opportunities in developing effective strategy, indicators, and targets for management, as well as publicly disclose our work plans in accordance with the four core elements of TCFD framework: "Governance", "Strategy", "Risk Management" and "Metrics and Targets".

Governance

Board Oversight

The Board is responsible for overseeing the management of climate-related risks and opportunities, as part of its oversight of the Group's material ESG issues and key risks. The Board considers these risks when reviewing our corporate strategy and ensures that an adequate and effective system of internal controls and enterprise risk management (ERM) is in place within the Group.

The Role of Management

The Group's ERM Team and ESG Team are responsible for monitoring and managing climate-related risks. They oversee the Group's sustainable transition and develop a Net Zero pathway to mitigate the effects of climate-related risks and explore opportunities. Additionally, they identify, evaluate, and mitigate the significant climate risks that could impede the Group's climate-related business and strategic objectives. Furthermore, the ERM Team and ESG Team support the Board in managing climate-related risks by identifying climate-related issues and assessing their impact on the Group.

For more details about the role of the Board and Management in assessing and managing sustainability-related risks and opportunities, please refer to "[Sustainability Governance](#)" in this Report.

Strategy

The ERM team conducted preliminary analysis to identify both the Group's physical and transition risks. Moreover, the Group has initiated proactive analyses of potential impacts and is preparing for risk management measures. A summary of the key climate-related risks and opportunities is provided in the table below.

Physical Risk	Potential Business Impact	Response Strategies
 Acute Physical Risks Increasing intensity and frequency of extreme weather events (typhoons, heavy rainfall, floods, heatwaves, earthquakes, snowstorms, etc)	Threat to the Group's employee safety and business (including manufacturing operations, supply chain, energy resources, and logistics); damage to assets and liabilities (leading to the increase of capital expenditures and operating costs); increase in insurance premiums	<ul style="list-style-type: none"> Establish emergency response plans and conduct periodic disaster drills, e.g. "Emergency Action Plan and Management Measures on Natural Disaster", "Emergency Plan for Earthquake for Assembly Plant" and "Emergency Action Plan and Management Measures on Typhoon and Extreme Rain" Consider potential impacts of natural disasters during the project reviewing process During personnel recruitment and production operations, take relevant measures to prevent floods and extremely hot and cold temperatures Minimise personnel outings during thunderstorms and high/low temperatures
 Chronic Physical Risks Longer-term shifts in climate conditions (such as changes in precipitation patterns, extreme variability in weather patterns, rising mean temperatures, rising sea levels)	Disruptions to supply chain operations and transportation due to droughts and floods; operating costs increased from raised temperature (which could increase energy consumption by equipment); detriments to assets due to low-lying land submerged from rising sea levels	<ul style="list-style-type: none"> Promote energy-saving and GHG emission reduction initiatives In reaction to extreme weather, all sites are prepared with Emergency Preparation and Contingency Plan; enhanced alarm system; guarding plan; regular check on the location of sites and machinery; and elevation in low-lying areas to minimise damage and interruption due to flood

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Transition Risk	Potential Business Impact	Response Strategies
 Policy and Legal Risks	Implementation of climate-related laws, regulations, and policy changes leading to increase the price of materials and energy; increased compliance cost due to stricter climate-related regulations imposed by the government; risk of litigation for failing to avoid or minimise adverse impacts on the climate	<ul style="list-style-type: none"> Establish carbon reduction goals and map out decarbonisation pathway; participate in renewable energy projects Adhere to local green building regulations and closely monitor its regulatory development
 Technology Risks	Increased operating cost due to substitution of company's existing technologies during transition; increased costs of R&D from alignment with the global transition to a low carbon economy with innovations in energy efficiency technology	<ul style="list-style-type: none"> Implement energy saving and carbon reduction actions to production process, upgrade energy-efficient equipment; strengthen investment in R&D of clean technology
 Market Risks	Market share loss from revenue instability stemming from change in market preference; substitution of existing products and services during transition and obsolete or write down of inventories as a result of changes in market demand	<ul style="list-style-type: none"> Improve energy efficiency of customers' products and develop low-carbon products and services
 Reputational Risks	Potential difficulty of attracting and retaining customers, employees, business partners and investors; increased stakeholder concern or negative stakeholder feedback	<ul style="list-style-type: none"> Improve transparent disclosure on GHG emission; support green innovation and GHG reduction activities

The Group has taken several measures to manage the identified potential climate risks, such as conducting property damage assessments and upgrading energy management systems. In order to strengthen operational resilience and pursue potential business growth, the Group is actively searching for climate-related opportunities.

We acknowledge that climate-related risks and impacts will keep evolving due to ever-changing external circumstances. We will further our work by conducting detailed climate physical risk assessment and transition risk assessment to identify and understand the impacts of climate-related risks on the Group's business with the climate change scenario analysis underway. The results are expected to strengthen our strategy to prioritise and manage climate-related risks and develop appropriate plans for long-term climate mitigation actions.

Risk Management

The Group emphasises the importance of climate risk assessment and management in improving business resilience. The Group adopts integrated risk management and follows the ERM risk management procedures that incorporate environmental considerations into risk management procedures to help identify, assess, and manage climate-related risks. To enhance our readiness for emerging climate-related risks, we regularly monitor and review our risk management approach.

The Board oversees the Group's risk management framework including risk management framework, policies, and procedures, and ensures high effectiveness and performance at both the management and business unit levels.

Metrics and Targets

The Group plans to implement the TCFD framework and adhere to it in the future. The Group intends to conduct climate risk analysis and update its operational strategy and management policies based on further quantitative chronic and physical climate risk analysis.

We are committed to devising action plans to further enhance the disclosure of financial implications associated with climate-related risks and opportunities. The Group has been working integration of climate-related risks into our corporate strategy, governance, and disclosure during FY2024 will provide further performance metrics for our assessment of likelihood and impact within the ERM. The results are expected to strengthen our efforts to prioritise, quantify, and manage climate-related risks and other enterprise risks.

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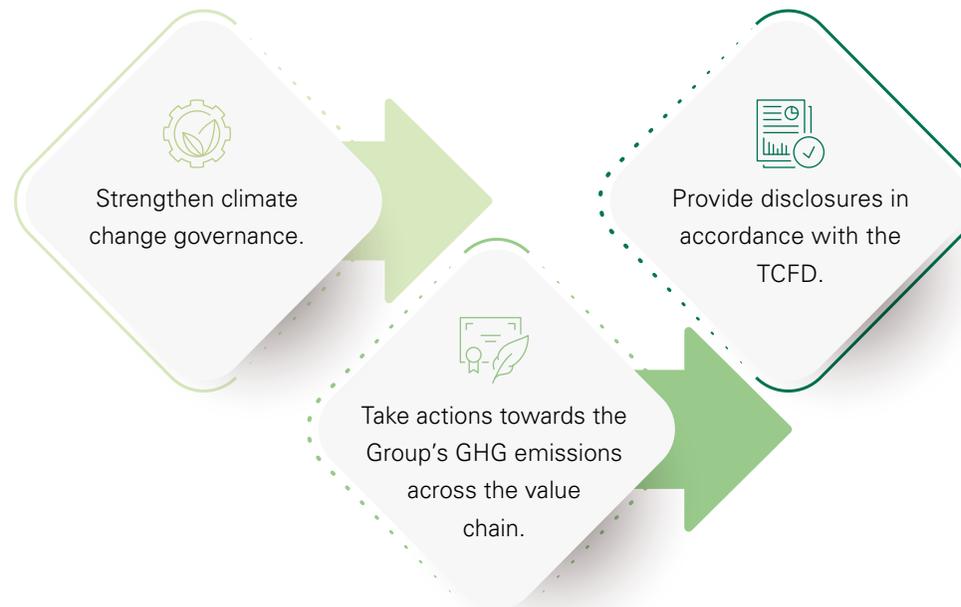
The Group has proposed three climate targets to pave the way for a future of low-carbon economies and society:

Comply with Nationally Determined Contributions (“NDCs”) or the carbon emission policies of local governments where the Group’s factories locate.

The Group’s GHG emissions policies across the value chain are consistent with the goals of the Paris Agreement.

The Group aims to achieve the goal of net-zero GHG emissions by 2050.

The Group aims to take actions to fulfil the following 3 goals:



As the Group continues to advance energy and carbon reduction measures for climate change impacts, and exerts our influence on global industrial chains, we are moving closer to meeting our three climate targets and fulfilling our responsibilities of protecting the environment.

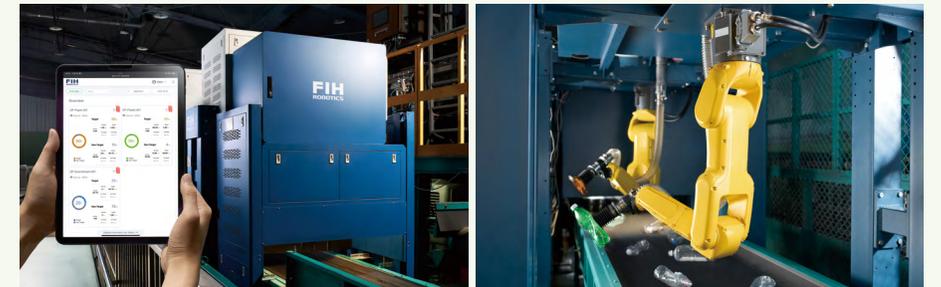
Sustainability Innovation and Investment

To consistently provide customers with highly efficient, energy saving and environmentally friendly products and solutions, as well as assist them in lowering their operational costs and carbon emissions, the Group strives to expand its investment in green and clean technology.



the 3rd Generation AI-Sorting Recycle Robot

The Group revolutionised labour-intensive recycling industries and advanced sustainability by merging its AI technology with extensive experience in hardware/software integration. The 3rd generation AI-Sorting Recycle Robot of the Group is a symbol of cutting-edge technology in waste management. The latest AI robot has reached new heights, now capable of identifying and sorting over 34 types of recyclable materials while maintaining an impressive recognition and successful pick-up rate. In addition, the robot can distinguish and arrange recyclables according to brand and colour, and analyse data in real-time to track recycling efficiency. Positioned to enhance FIH Robotics’ market leadership in Taiwan and embark on a journey into the North American market, the Group is thrilled to announce its participation in the 2024 Waste Expo, where the newest product will showcase its innovative capabilities to the recycling world. In all, the 3rd generation robot serves as a testament to the company’s unwavering commitment to innovation, offering advanced AI functionalities to enhance the precision and efficiency of recycling processes as well as support the circular economy, accelerating progress towards a brighter and more sustainable future aligning with the Group’s vision.



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04 PEOPLE-ORIENTED

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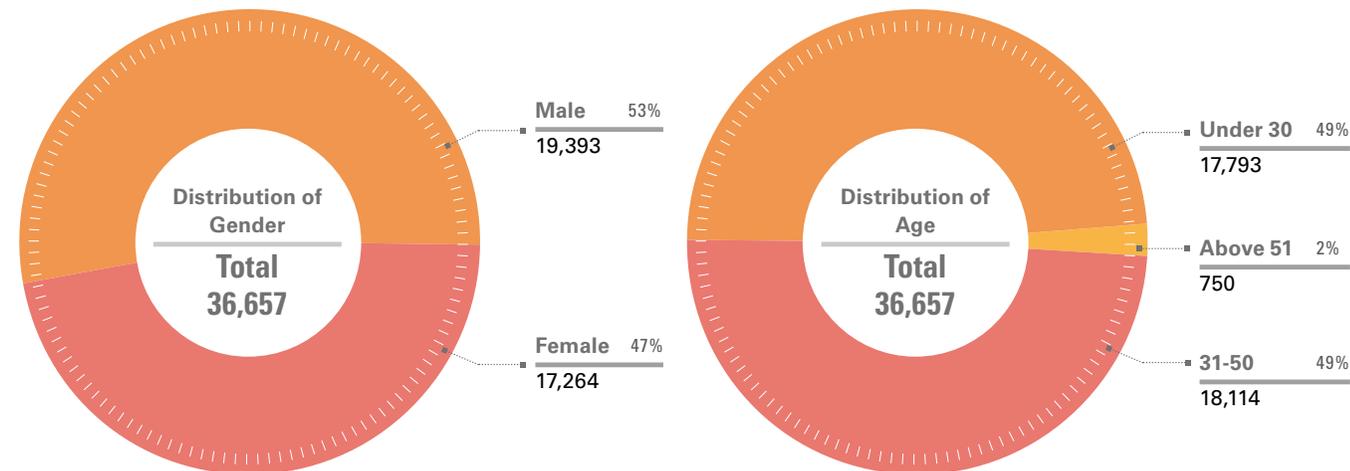
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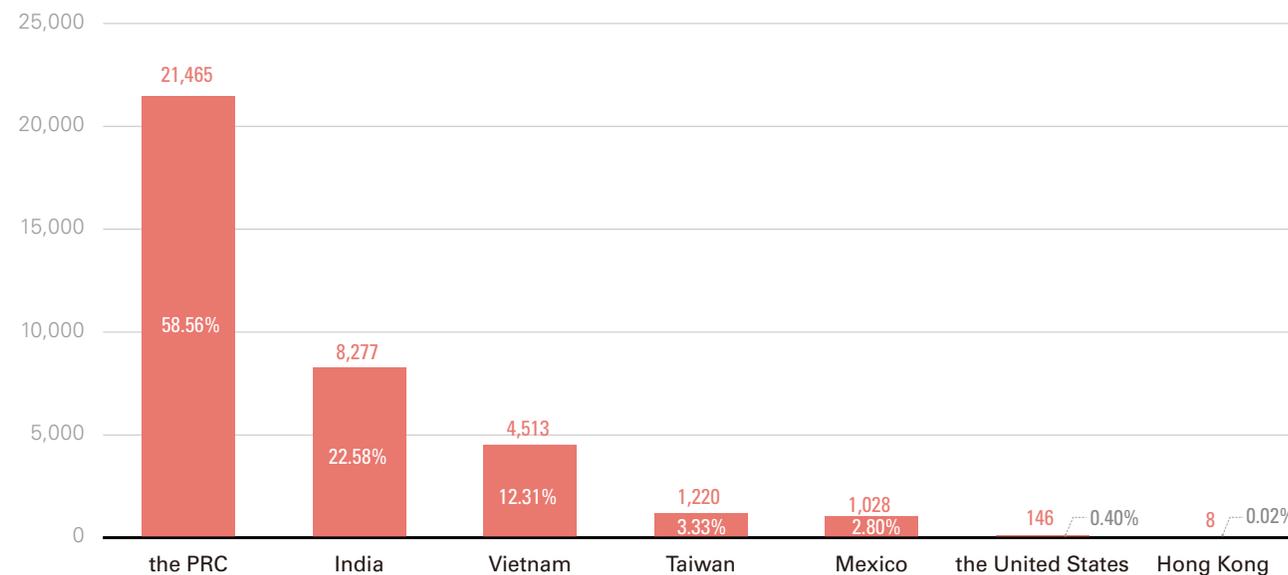
Human Capital

The Group believes that employees are crucial to its success and considers employees as its most valuable assets. With the goal of meeting the standards set by the United Nations' Universal Declaration of Human Rights, the RBA, the International Labour Organisation and the Ethical Trading Initiative, as well as the local laws and regulations, the Group is fully committed to fostering an industry-leading positive work environment for its employees while safeguarding their rights and interests. As stipulated in the CoC, the Group upholds the human rights of its employees and treat them with dignity and respect, as understood by the international community. An effective grievance mechanism has been established in order to better protect labour rights and to implement timely remedies and corrective actions.

As of 31 December 2023, the Group had a total of 36,657 employees. In terms of gender distribution, our workforce consists of 53% male employees and 47% female employees. Regarding age distribution, the majority of our employees fall within the age group of under 30 and 30 to 50 years old. The Group highly values talent localisation, meaning that the majority of our employees are residents of the local area. For further details, please refer to the "[Performance Data Table](#)". Total staff costs incurred during the Reporting Period amounted to US\$270 million.



> Distribution of Nationality



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Compliance with Relevant Laws and Regulations

The Group operates in compliance with applicable laws and regulations that have significant impacts on various aspects, including compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and non-harassment, as well as other benefits and welfare such as maternity and paternity leave, ensuring a safe working environment, protecting employees from occupational hazards, and preventing child and forced labour. To ensure compliance with these laws and regulations, the Group has implemented a thorough internal evaluation and audit process known as the "Law Identification Procedure". This procedure assesses the Group's compliance with relevant laws and regulations, including those related to occupational health and safety and labour practices. Please refer to the "[Compliance with Relevant Laws and Regulations](#)" section below for more details.

Employee Right, Diversity and Equality

Recruitment and Dismissal

The Group upholds the principles of legality, fairness, impartiality, equality, voluntary actions, honesty, and credibility in all aspects of its operations. Apart from the CoC, the Group also adheres to the UN Universal Declaration of Human Rights, the RBA Code of Conduct, and national regulations, as well as improving our human resource policies, protecting the legal rights of our employees, and providing a healthy and safe work environments in accordance with local regulatory requirements. According to the CoC, for matters relating to recruitment, promotion, performance evaluations, salaries, and training opportunities, the Group does not discriminate on the basis of gender, age, nationality, birthplace, ethnicity, language, disabilities, marital status, pregnancy, sexual orientation, gender identity and expression, religion, political affiliation, covered veteran status and union membership. The Group also strictly prohibits child labour from engaging in work. The Group adheres to the local labour laws on employee salaries, including minimum wages, working overtime and employee benefits to establish and maintain compensation and benefit policy, with ensuring that all employees are treated

with respect and dignity. The Group also ensures that all employees receive equal salaries and promotion opportunities based on their performance and merit. To enhance the employee management, the Group would conduct probation examinations on new employees to determine their employment status, including continue hiring, extension of probationary period and dismissal.

The Group highly values the importance of diversity in the workplace, and it employs a fair and unbiased hiring process that ensures the respect and protection of applicants throughout the entire application process. In compliance with relevant laws and regulations, the Group prohibits the hiring of child labour and imposes strict restrictions on the employment of underage workers. As stipulated in the CoC, a proper age documentation and verification management system should be established and implemented to prevent any instances of child labour. The system would cover operations, labour dispatch companies, and eligible education plans. Regarding the Group's operations in the PRC, the Group has implemented the PRC Public Security Bureau's identity authentication system as part of its measures to identify and prevent the child labour. Furthermore, as a requirement for all job applicants, proof of age must be provided to ensure compliance with relevant laws and regulations. The Group strictly prohibits any form of forced labour, including but not limited to prison, indentured, and bonded labour.

Whistleblowing

The Group has established a whistleblowing system that allows employees to report any suspected cases of child labour or forced labour. In the event where such cases are discovered and verified after an investigation, the Group will take appropriate actions, which may involve but not limited to initiating disciplinary measures, commencing legal proceedings, and/ or reporting to the appropriate governmental/ regulatory authorities. Internal audit of forced labour and child labour is conducted every year by the Group and all factories. If any misuse of child labour is discovered, it will be reported to the local labour department immediately. With the assistance of the labour department, the child worker will be returned to their guardian, and appropriate support will be provided.

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Employee Right

In addition, the Group provides regular training for all employees to ensure compliance with applicable laws and regulations. As part of its commitment to protecting employees' human rights, the Group prohibits actions that limit their freedom, such as unlawfully retaining employees' identity cards and passports, impounding wages, imposing restrictions on entry and exit times at factories, and enforcing forced overtime. The Group has also established effective grievance mechanism to protect labour rights, which applies to all employees including temporary, migrant, student, contract, direct employees and any other type of worker. The labour and human rights are enlisted in the CoC, which includes freely chosen employment, child labour prohibition and young workers protection, protection of maternity rights and health of female workers, non-discrimination and non-harassment, humane treatment, wages and benefits, working hours and freedom of association. Besides, in accordance with the RBA Code of Conduct, our employees are given at least one day off for every six working days and must not work exceed 60 hours a week, including overtime. Self-evaluations are regularly conducted to ensure compliance with relevant laws and regulations, as well as customer contractual requirements related to the Group's operations. According to the Group's employment contracts and policies that are applicable to all of its employees, the Group reserves the right to terminate such employment contracts in accordance with the relevant governing laws if employees violate the material employment terms and conditions (such as their breach of anti-corruption, fraud, extortion, or money-laundering obligations) or local laws and regulations giving rise to criminal conduct.

Furthermore, the Group emphasises its unwavering commitment to a work environment that upholds dignity and respect for every individual. The Group stringently prohibits any form of harsh or inhumane treatment, including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, and verbal abuse of workers, as well as any threats of such behaviours. To enforce these standards, the Group has established and clearly communicated comprehensive Disciplinary Policies and Procedures, ensuring that all employees are aware of and understand these guidelines. The Group also provides ongoing training, access to confidential reporting mechanisms, and support services for those affected by inappropriate behaviour. This approach is dynamic, with a continuous commitment to reviewing and enhancing its policies to reflect best practices in workplace conduct, thereby maintaining a respectful, safe, and dignified work environment for all employees.

In the end of 2023, the Group published the "Chapter on Employee Human Rights" to uphold and promote our commitment to respect human rights.

Anti-discrimination

The Group upholds the principle of equal employment opportunities. Our employment policies and FIH Social Accountability Management Manual mandates that recruitment, promotions, performance evaluations, wages assessment, training opportunities, and retirement must be people-oriented, lawful, fair and without discrimination based on gender, age, nationality, race, gender identity and expression, religion, family status, political affiliation, disability, sexual orientation, covered veteran status and union membership. Additionally, the Group promotes workplace diversity, with an emphasis on safeguarding female employees' rights and health, especially during maternity and pregnancy.

All female employees are guaranteed comprehensive maternity benefits, which encompass paid maternity leave and designated lactation breaks. The termination of a female employee's contract during pregnancy or maternity leave is explicitly prohibited. Furthermore, female employees are entitled to a period of maternity leave in accordance with local legal requirements, and they have the assurance of returning to their previous position or a comparable one, while receiving the same level of compensation, upon completion of their maternity leave. Appropriate measures are implemented to ensure the safety of pregnant women and nursing mothers by avoiding work conditions with high hazards and minimising or eliminating health and safety risks associated with their job responsibilities. The Group also supports nursing mothers by providing reasonable accommodations. Additionally, the Group encourages the reporting of any unlawful activities, safeguards the anonymity of informants, and allows for anonymous reporting to protect the identities of suppliers and employees who come forward.

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	Internal Reporting Email	fih-hb-ias@mail.foxconn.com
	Reporting Phone Number	0316-5898888-79208 (North China Region) 0755-28129588-62807 (South China Region) +86-755-28129588-62807 (Overseas Region)
	The Group's APP	iProud "員寶"

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Employee Wellbeing and Benefit

The Group has established a comprehensive and competitive remuneration policy, subject to regular review by the management. The Group's merit-based remuneration policy generally recognises and rewards employees for their exceptional performance, contributions, and high productivity. Employee performance is assessed based on their skills, merits and competence, which will impact their promotion and wage increments. In order to retain talents, the Group has implemented various incentive programs including annual bonuses, time-based and performance-based rewards. Besides, supervisors would conduct employee performance evaluation, offering employees advice and directions for future development. In particular, the Company has adopted a share scheme and a share option scheme, so as its subsidiary Bharat FIH Limited. The share option scheme complies with the requirements of Chapter

17 of the Listing Rules. Throughout the Reporting Period, the Group's retention rate for indirect labour (IDL) was 91%, reflecting efforts to retain key talent and maintain employee satisfaction.

Furthermore, the Group extends comprehensive insurance coverage to its employees, alongside a variety of non-compensation benefits, including group insurance, regular health check-ups, unpaid parental leave, childbirth incentives, cash birthday reward, and subsidies for pregnancy, weddings, funerals, and other special occasions. Each factory within the Group has implemented its own incentive schemes to recognise and reward outstanding performance and long-term service. These schemes include excellent performance awards, long-service awards, pay-for-performance initiatives, and year-end bonuses. For more details about the benefits, please refer to "Report of the Directors", which forms part of the Company's 2023 Annual Report.



Childcare Subsidy Program

The Group has established a childcare subsidy program, aiming to relieve the pressures associated with raising children and to allow employees to work with peace of mind. The program offers a wide range of subsidies to expectant mothers, covering various stages from pregnancy to post-pregnancy.

These subsidies include the transportation allowance, maternity allowance, childcare allowance, nutritional supplement package, and collaboration with a childcare agency for taking care of employee's children aged 0 to 3 years old. This comprehensive approach plays a crucial role in enhancing employee retention by providing a sense of security and support during and after childbirth.



Healthcare Program

The Group prioritises the health and welfare of our employees, offering a comprehensive healthcare benefits program. Full-time employees who have been with the Group for over a year are eligible for annual health check-ups, with package coverage tailored to different employee categories. To further support the well-being of employees and their families, our insurance coverage now extends to include spouses and children, who can enjoy discounted prices for various services. Additionally, employees have the option to voluntarily enrol in an additional insurance coverage plan that can be customised to their specific needs and preferences. When employees embark on business trips, they are provided with travel insurance. Furthermore, we offer massage services to employees, helping to alleviate muscle tension, promote relaxation, and reduce stress levels.



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Training and Development

Employees undergo annual evaluations to assess their performance and receive ongoing training to enhance their growth and development. The Group evaluates and explores the needs of its employees through systematic and professional means according to the Group's operational needs and business goals. This enables the Group to formulate suitable talent development plans and educational courses for employees. As stipulated in the CoC, the Group provides ongoing training encompassing a wide range of topics. These include occupational safety, regulatory compliance, technical and management skills, and social and environmental responsibility, all aimed at augmenting the employees' expertise and performance.

To promote talent development and facilitate lifelong learning, the Hon Hai Technology Group established Foxconn University, a learning institution that extends its benefits

to the employees of FIH as well. The university plays a vital role in nurturing talent, fostering innovation, and facilitating the application of knowledge. It holds significant responsibilities in developing human capital, driving the transition to new industries, shaping corporate culture, and establishing operational objectives across the Group. In order to promote employee learning, the Group associates training credits with annual performance evaluations, taking this information into account when evaluating employee promotions and distributing bonuses.

Moreover, a significant number of employees engage in various development activities as deemed appropriate, including but not limited to attending briefings, training sessions, and reading materials, encompassing a wide range of subject matters. These include the Group's business operations, general economy and business, manufacturing or technology industry, and applicable legal and regulatory



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requirements. The Group has established compulsory management training programs for individuals poised for promotion to management positions. The Group also offers a spectrum of courses across different fields, encouraging employees to broaden their knowledge. This includes technical expertise, regulatory trends, ESG principles, as well as physical and mental health and legal knowledge. To facilitate accessible and flexible learning, the Group established the E-Learning zone called “富學寶典”. It features a wide range of professional, general, and management courses delivered by both internal and external instructors, allowing employees to access abundant training resources without limitations on time or location. Furthermore, the “E-Learning zone” analyses employees’ learning behaviours and preferences, utilising data analysis findings to deliver personalised information and enhance the learning experience. On average, each employee underwent 54 hours of briefings and/or training sessions and/or reading materials.

To comply with regulatory requirements, the Company’s Chief Financial Officer and the Group’s accounting departments have collaborated to develop a comprehensive continuing connected transaction (CCTs) policy. In addition, the Group’s accounting departments have been conducting training programs for employees involved in CCTs-related tasks, including those in our subsidiary companies across various jurisdictions. The training sessions are comprehensive, covering the background of CCTs, categorisation, applicable regulatory and related compliance requirements as per Listing Rules, employees’ specific responsibilities and updates on the CCTs policy. During the Reporting Period, 3 CCTs training sessions were organised for a total of more than 99 participating employees in the PRC and India.

Besides, in order to ensure an effective implementation of Group’s policy and guideline, the Group has organised an annual compulsory course of “Corporate Social Responsibility and Employee Code of Conduct”. This course mandates the participation of all employees, requiring them to undergo a minimum of two hours of training each year. Please see the “Sustainable Governance Practitioner — Anti-corruption and Whistle-blowing Policies” section for anti-corruption training provided to directors, officers, and employees.



Employee Professional Sharing

In order to foster a diverse learning and knowledge sharing environment, the Group encourages our employees to become internal professional lecturers. This sharing program not only encourages employees to share their expertise and experiences but also provide a wide-range learning opportunities for all colleagues. The Group builds up a platform for employees to take on the role of teachers. Additionally, in celebration of Teacher’s Day, the Group organised internal lecturer appreciation events to publicly commend outstanding instructors. Gratitude is expressed through thank-you letters to acknowledge employees for their selfless contribution of professional technical knowledge.

2023年度專業課程講師群

DMS

- 鄧宏信 Matt, 林宜慶 Yi Ching, 許哲文 Eric, 吳宏振 Harner
- 潘元良 Nicolas, 何夢豪 Kevin, 陳威廷 Roger, 蘇志鴻 Ivan

MVS

- 許永亮 Tom, 何思翰 Ken, 柳至樂 Good, 盧木清 Eddy, 呂麗蓮 Rita, 涂秋裕 Sam
- 謝明達 Harry, 莊基濤 Scott, 段尚宏 Matt, 胡明雄 Bear, 江貴雄 Gary, 蔡人慶 Brian

DUI

- 周振哲 Randy, 張睿茂 Sosa, 黃復智 Junn, 李俊冠 Vito, 楊琳貴 Dic
- 黃銳鈞 Sunny, 游瑞勝 Sam, 張維銘 Jimmy, 唐正雄 Ivan, 林柏州 PoChou, 張信魁 Bake

SW

- 殷振軒 Husan, 陳木安 Anti, 吳佩玲 Peggy, 李宜學 Bob, 張志堅 JetKane, 邱國智 Johnny
- 黎柏琦 Bakee, 劉廷楷 Helli, 紀良治 Jerry, 張志偉 David, 鄭秀敏 Misty, 鄭志強 Tony
- 謝東村 Eric, 官振杰 Jed, 柯國仁 Ken, 林坤世 Tommy, 彭自強 Alvin, 李建毅 Alvin
- 洪志憲 Allan, 胡玲毅 Esther, 李聰賢 Albert, 林德成 Iderson, 陳翼汶 Troy, 張家豪 JiaHao

周邊

- 楊守義 Saul, 彭怡卿 Grace, 鄭文瀾 Evon, 王文欣 Alice, 邱敏敏 Amanda, 鄧宗琳 Irene

HAPPY TEACHER'S DAY

感謝所有豐富FIH專業知識/技術寶庫的講師們



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Occupational Safety and Health

The Group is committed to following a “safety first” policy, placing utmost importance on employing proactive and preventive measures to mitigate occupational risks. The primary objective is to ensure a healthy and safe working environment for all employees. Ensuring safe and sustainable operations serves as the foundation of corporate growth and principle guiding the Group’s commitment to employee well-being. The Group has provided employees with appropriate workplace health and safety information and training in the language of the employees or in a language the employees can understand for all identified workplace hazards that employees are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information are clearly posted in the manufacturing facilities or placed in a location identifiable and accessible by employees. To mitigate workplace hazards, the Group has implemented an advanced detection and monitoring system, established control and prevention mechanisms, and conducted regular safety inspections. At the Hon Hai Technology Group level, a collective agreement signed by its labour union, including the Group’s labour union, specifically addresses the protection of employee health and safety rights, as well as the enhancement of health and safety management across all factories.

The Group upholds employee health and safety as a top priority, ensuring compliance with relevant international and local laws and regulations. This includes adhering to ISO 45001 (Occupational Health and Safety Management Systems) and SA 8000 (an auditable social certification standard for workplaces across all industrial sectors), which encompass guidelines on working hours and rest periods. Moreover, the Group demonstrates its

commitment by dedicating ample resources to Environmental, Health, and Safety (EHS), fostering a healthy and safe working environment for its employees. An EHS Committee has been established to address occupational safety and health concerns.

To ensure the compliance with relevant standards and regulations, the Group conducts internal audits and management reviews of its environmental, occupational health, and safety management system at least once a year. Quarterly internal audits and safety performance evaluations at each factory and assessments on labour security supervision would also be conducted.

To address occupational injury and illness concern, the Group has developed and implemented effective first aid procedures, considering the severity of medical emergencies. Trained and certified first aiders are assigned to ensure adequate coverage across all shifts and areas. In addition, a written procedure for the investigation of occupational injuries and diseases must be established to include notification, cause analysis, corrective action, and incident reporting. Tracking and auditing mechanisms are also in place for the implementation of corrective measures. Furthermore, psychological needs would be addressed through counselling or emotional management. The Group has integrated health promotion into its management system, and includes emergency medical procedures in its response plans. Education and training are provided on occupational injuries and diseases to ensure all employees are informed and prepared. In the event of a notified or suspected case of occupational disease, subsequent discussion of occupational risk, consultation on occupational disease, discussion of causality, and health management would be conducted.

The EHS Committee is responsible for:



Elimination of occupational risks by providing employees a healthy and safe working environment with proactive and preventive measures;



Comprehensive management of the factory’s safety-related works, examination and approval of the standards for safety policies and safety management programs;



Supervision of the implementation of production safety responsibility system, promotion of production technology achievements;



Carrying out safety publicity, education and inspection; and



Handling of all kinds of production safety accidents and research and analysis.

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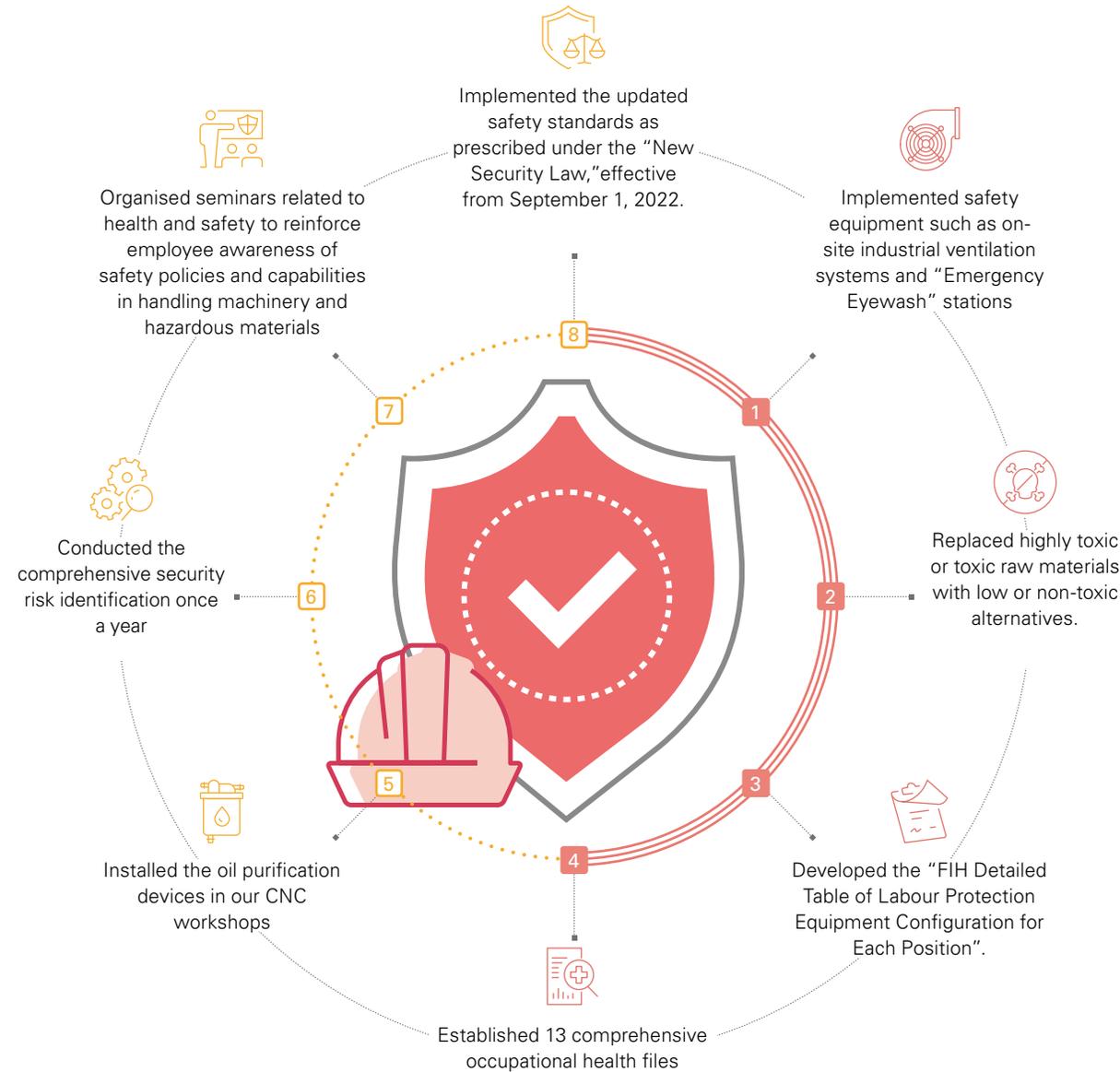
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Besides, to ensure the safety of front-line employees, the Group takes the following proactive measures:



Health and Safety Training (Drill and lecture)

In order to provide a safe and healthy working environment, the Group has been providing health and safety training to enhance the safety awareness and competence of our staff. The Group formulates a training plan at the beginning of each year and conducts regular and pre-employment training accordingly, including occupational health training, work-related injury prevention training and other specialised training promoted by the Group. Safety trainings are also provided to the supervisors at least once a year to strengthen safety leadership.

To ensure that employees can respond in a timely manner upon the occurrence of emergencies, the Group conducted emergency drills. These exercises are designed to refine skills in team communication, emergency command, team action and response, emergency treatment, and production recovery processing capability.

Furthermore, in the PRC's factories, June is set as the "health and safety month" in an effort to promote the awareness and culture of health and safety in workplace. During that month, employees gathered to formulate the monthly health and safety plan, including summarising the responsibility, enhancing the management, sharing the experience and knowledge of health and safety. Besides, the Group would also organise various types of safety trainings, safety knowledge quizzes through our WeChat official page and training courses. In addition, occupational disease hazard assessment was also conducted to identify several hazard intensity and concentration nonconformities at the factory in Beijing.

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To improve industrial safety and occupational hygiene, the Group has continuously devoted resources to automating various manufacturing tasks associated with its operations, such as using industrial manipulators and laser markings to replace manual polishing and marking operation. This allows employees to focus on high-value-added elements in the manufacturing process. Our ongoing commitment to integrating automation and other advanced manufacturing technologies in all facilities focuses on substituting tasks that are either high-risk or repetitive, further enabling our employees to engage in more complex and rewarding activities.

Furthermore, the Group regularly assesses potential occupational health and safety risks associated with the manufacturing process of new products to identify appropriate measures and procedures to ensure the health and safety of our employees. Particularly, the working hours and rest periods (or overtime pay and/or paid holidays in lieu) of the Group's employees follow the labour standards suggested in the RBA Code of Conduct and the Group always complies with relevant laws and regulations. Working time arrangements are effectively managed to promote work-life balance among the Group's employees. Please refer to the "[Performance Data Table](#)" for more details.



Care for Employees

The Group perceives a stable and harmonious employment relationship as the cornerstone of sustainable business development. To cultivate and enhance this relationship, the Group consistently dedicates substantial investment in the infrastructure of our manufacturing facilities and the working environment for employees to support a healthy lifestyle and promote work-life balance lifestyle.

The Group places a high priority on the physical and mental wellbeing of our employees. Beyond daily medical support and health measures, we regularly organise physical and mental health workshops, covering topics such as addressing headaches, understanding chronic fatigue syndrome, managing workplace stress, recognising and adapting the occupational burnout, and more. These workshops were attended by a total of 586 individuals in the Reporting Period, with an average satisfaction rating of 9.7 out of 10. Furthermore, the Group integrated charitable and family-friendly initiatives by organising various health outdoor activities such as hiking events, beach clean-ups, and cookie-making workshops, and invited our employees' families to participate. These workshops and events were designed to foster positive health values among our employees.



Case Study

「益起健走」 Ecological Activity

To provide employees with a chance to relax and ease their minds from work stress, the Group organised the 「益起健走」 ecological activity which was designed to prioritise employee wellness. By stepping outside their usual routines and immersing themselves in nature, employees not only fostered physical fitness but also nurtured their mental wellbeing. The activity was expertly led by professional eco-guides who shared their knowledge about the diverse species encountered during the excursion. Our employees gained a profound understanding of biodiversity and the invaluable ecosystem services it provides. Through this activity, the Group endeavours to cultivate a stronger connection between employees and the environment, ultimately promoting their overall wellness.

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Community Contribution

Sharing, giving, and community involvement form key pillars of the Group's culture. The Group is dedicated to making meaningful contributions to the community through our active involvement in social and community-based initiatives. This includes sponsoring and hosting philanthropic activities and volunteer programmes. As a responsible corporate citizen, the Group is dedicated to fostering an inclusive community by providing support to the underprivileged and promoting care and respect for the needy.

In the financial year ending 31 December 2023, the Group made charitable donations amounting to approximately US\$410,161.

Caring for the Underprivileged

In line with its commitment to social responsibility, the Group has consistently demonstrated its dedication to the underprivileged by organising and engaging in events that provide vital support and foster a sense of unity within the community. During the

Reporting Period, we extended our support to the underprivileged in India and Taiwan by participating in fund raising event.

In Taiwan, numerous underprivileged children face the challenge of being left unattended at home after school or lacking guidance from adults who can assist them with their studies. The Group has joined the "Hon Hai Starlight Program" to provide support to the disadvantaged children on their schoolwork and receive better education. The Group organised a stationery collection campaign, aiming to support the education of underprivileged children in remote villages. The primary objective of the project was to foster a sense of encouragement, instilling hope and motivation for these children's ongoing learning journey. Indeed, the project targets at those who have benefited from the Hon Hai Starlight Project since its establishment in 2022. The headquarters in Taiwan has also partnered with Hon Hai Sustainability Unit and Step30 to donate old shoes to the needy in Africa, which not only provide comfort but also prevent jiggers, a parasitic flea.



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Caring for People with Disabilities

Driven by our commitment to fostering an inclusive community, we have consistently fulfilled our corporate social responsibility through a diverse range of community outreach initiatives. The Group remains dedicated to supporting various social segments within the communities it serves. The Group partnered with “愛不囉嗦 (Down Syndrome Foundation)”, to organise a baking workshop on the eve of Father’s and Mother’s Day. Participants explored the fun of baking while learning about the working environment of people with Down syndrome. By actively engaging in this activity, we not only strengthened the bonds between participating family members but also deepened their understanding of the challenges faced by individuals with mental and physical disabilities. This event played a vital role in dispelling stereotypes associated with sheltered workshops. With the unwavering support of our employees, the Group aspires to inspire

people with disabilities, fostering a sense of empowerment and striving towards the creation of an inclusive community that embraces and celebrates diversity.

Enhancing Well-being and Awareness of Hygiene

Recognising the challenges faced by the underprivileged, particularly in developing countries, we have implemented a range of programs aimed at providing comprehensive support to the local community in India. One of the programmes organised in 2023 are the Integrated Village Development Programme in Tamil Nadu, which has played an important role in bolstering their infrastructure, education, health and sanitation for the local community. Besides, the Group helped to build a large-scale washroom facility in Kattimedu Village, Tamil Nadu, catering to the needs of around 280 local female students, in an effort to improve their health and hygiene.



CHAPTER

05

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The Group is actively engaging in implementing effective supply chain management practices while fostering long-term cooperative relationships with suppliers to improve efficiency. By conducting comprehensive risk assessments and audits encompassing economic, environmental, and social factors, the Group actively promotes the our suppliers' sustainable development. This approach not only enhances the resilience of our supply chain but mitigates operational risks, enabling us to achieve our sustainable management objectives. All the suppliers of the Group are required to comply with local laws, regulations, and Hon Hai Technology Group's Supplier Social and Environmental Responsibility Code of Conduct (SER CoC).

In addition, the Group prioritises the purchase of environmentally friendly products and services and strives to balance economic and environmental benefits by considering social responsibility and environmental sustainability in the procurement process. The Group continues to optimise and enhance our green procurement standards and management systems, collaborating with upstream and downstream manufacturers to create a sustainable supply chain prioritising environmental protection, energy conservation, carbon reduction, zero waste, and green product management.

Compliance with Relevant Laws and Regulations

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

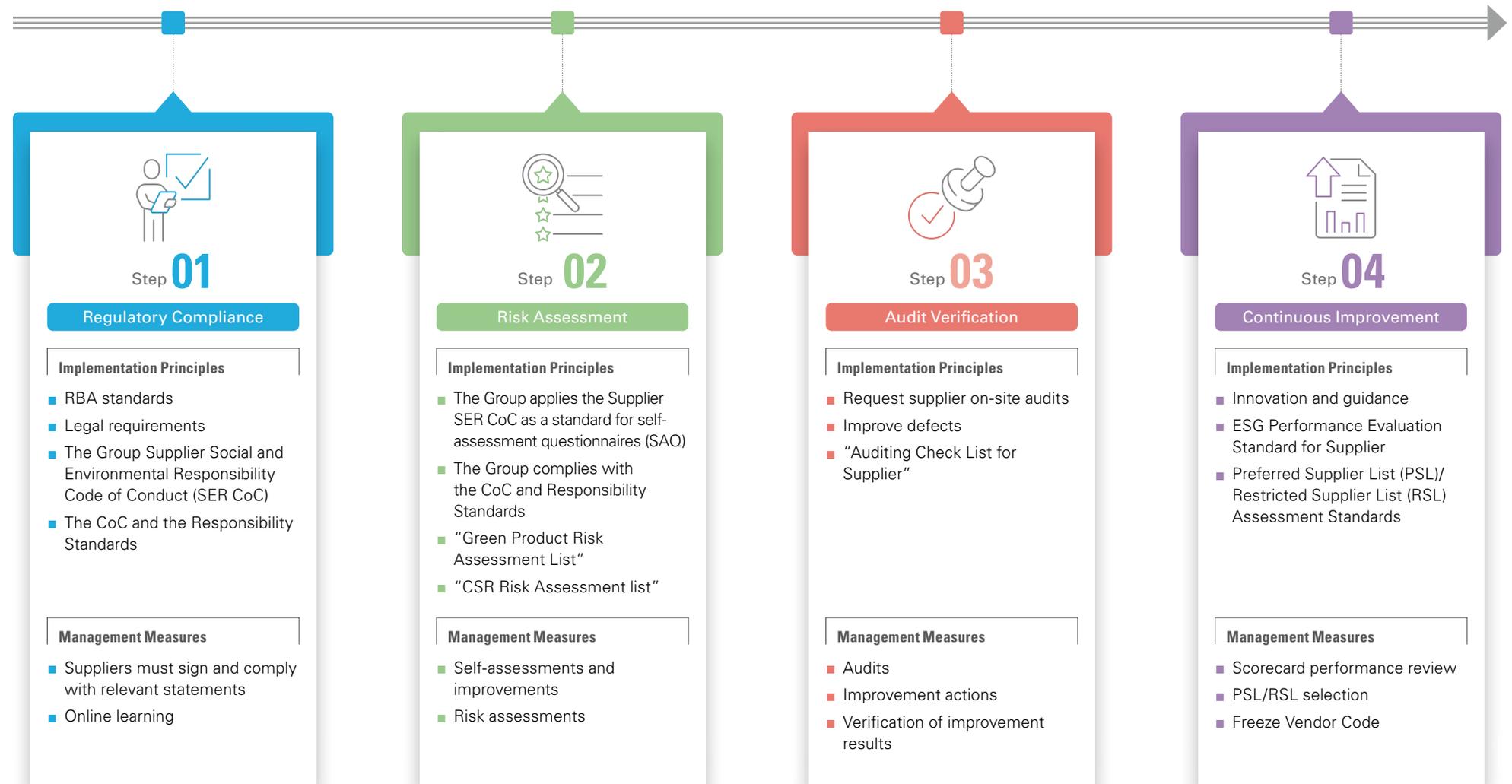
Supply Chain Management

The Group has established ESG goals and targets for supply chain management aiming to enhance supplier performance at each stage of the supplier management process.

Supply Chain Management ESG Goals and Targets	Progress in 2023
Assist at least 80% of high-risk suppliers (supplying hazardous chemicals) in obtaining ISO 45001 Certification.	95%
Conduct performance appraisals of specific supplier ESG items (including green products, social and environmental responsibilities, and carbon management), and increase the coverage to 100%.	100%
Require full materials declarations by all key electronics suppliers on RoHS and REACH management platforms.	100%
By 2025, increase the number of specific electronics suppliers with the UL 2799 "Zero Waste to Landfill" certification to at least 10.	8 suppliers
By 2025, increase the number of key electronics suppliers that commit to using 100% renewable energy for the production of FIH's products to at least 15.	10 suppliers
Achieve 100% survey response rates regarding the use of conflict minerals from suppliers to ensure that no conflict minerals are used.	100%
Increase the proportion of audits conducted on mechanical parts suppliers every 3 years to 90%.	94%

The Group has introduced a circular mechanism for its supplier management processes, comprising four main stages: regulatory compliance, risk assessment, audit verification and continuous improvement. The Group has implemented social and environmental management structures within our supplier management processes, analysing supplier social and environmental compliance data to assist suppliers in reducing vulnerabilities and enhancing social and environmental performance.

> Circular Mechanisms of Supplier Management Policies and Processes



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1. Regulatory Compliance

The Group strictly adheres to Hon Hai Technology Group's "Supplier Social and Environmental Responsibility Code of Conduct ("SER CoC")" and "Supplier Green Management Requirements". Furthermore, the Group established the CoC in December 2023 guiding suppliers and other stakeholders to adhere to the Group's core values and incorporate CSR and sustainability into them, including guidance to supplier ethics, labour and human rights, health and safety, environment and management systems, responsible sourcing of minerals, and anti-corruption etc. The Group's downstream suppliers are required to comply with this CoC policy to the same level of standards which the supply-chain partners and industrial associations set for the industry. Additionally, new suppliers must pass risk assessments for social and environmental responsibilities and sign "Procurement Contracts" and "Environmental and Social Responsibility Commitments" to ensure that they comply with our "SER CoC" and "Supplier Management Requirements". These compliances serve as the fundamental

guidelines for all suppliers, and the Group's selection process considers suppliers' CSR performance as a primary factor. To promote sustainable supply chain practices throughout the value chain, the Group has included a list of environmental criteria in its procurement standards. The Group mandates that its Procurement Division and all 1,497 suppliers comply with the Group's SER CoC.

Last but not least, all suppliers are required to sign "Vendor Commitments" and "Proactive Supplier Declarations," and pledge not to request, offer, or conduct any bribery actions or provide improper benefits to Group affiliates, related persons, and/or designated personnel. Suppliers are also committed to refraining from providing direct or indirect benefits to the Group's employees, related persons, and/or designated personnel. Suppliers must understand and are strictly abide by the Group's requirements for responsible supply chains.

1,497 suppliers comply with the Group's SER CoC by implementing the following policies:



Prohibit corruption, fraud, extortion, money laundering, discrimination, unfair or non-competitive practices throughout the procurement process by signing a letter of undertaking that they will adhere to the principles of fair competition and transparency.



Prohibit discrimination based on country of origin, race, culture, or politics, among other things, in the supplier verification, evaluation and optimisation process.



Comply with the Group's Supplier SER Risk Assessment and Management Measures for environmental performance such as low GHG emissions and energy consumption, high recycling rate, and green logistics, passing the on-site sampling inspection, no violation of SER laws and regulations, and no environmental violation record in the screening system.

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2. Risk Assessment

The Group requires its current suppliers to establish a robust system for managing sustainable and hazardous materials and products, supported by third-party certification. This requirement ensures their adherence to sustainable supply chain practices and enables the implementation of such practices across the value chain. From product sourcing to risk management and auditing, suppliers are expected to integrate sustainability into their operations and uphold high standards throughout the supply chain.

Evaluating new suppliers is a crucial aspect of our management system. The Group collects the following information from new suppliers: basic information cards,

component recognition certificates, environmental protection and social responsibility commitments, and due diligence for conflict minerals. Our Supplier Evaluation System is used to assess suppliers in terms of quality, green products, social and environmental responsibility and environmental impact of products to determine ESG risk levels, the production capabilities of new suppliers and their enthusiasm for transactions with the Group on an annual basis, along with continuous on-site supplier audits. In 2023, all new suppliers have been reviewed and passed our Supplier SER Risk Assessment.

> **Group Supplier Risk Assessment Processes**



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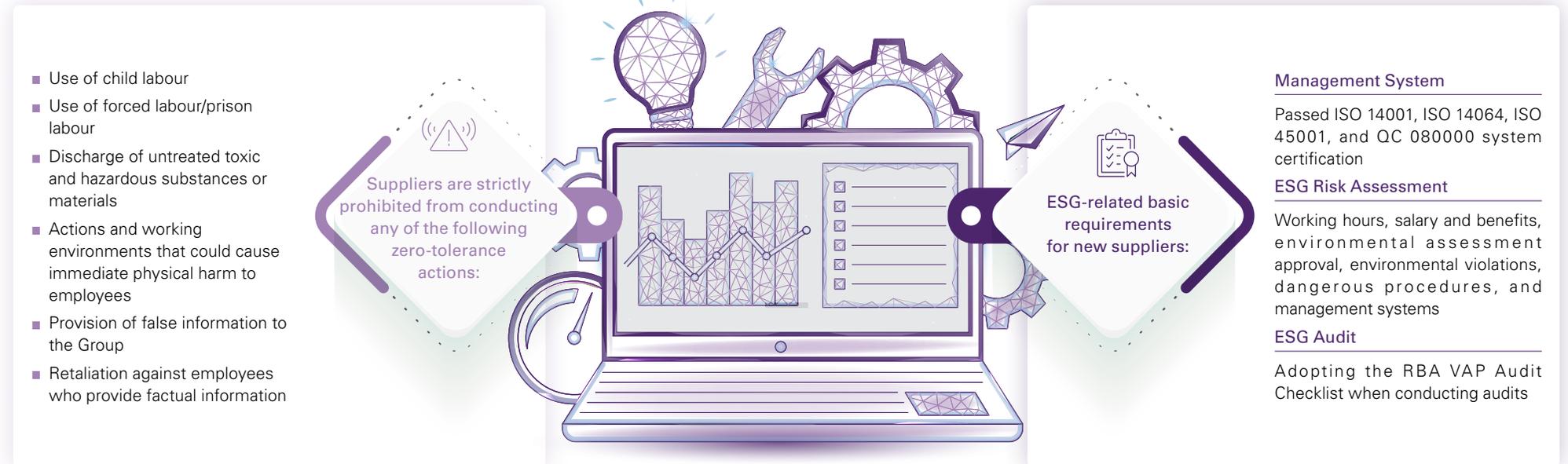
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3. Audit Verification

The Group conducts quality, process, social and environmental responsibilities, green products, and greenhouse gas audits for medium-risk and high-risk suppliers. Suppliers must meet the Group's requirements for audit or post-audit improvement results before being included in our list of qualified suppliers. Additionally, the Group enhances the oversight of our top 15 commodity suppliers and suppliers that are not designated by our customers. Since 2023, we have begun conducting CSR Business Ethics Internal Control Audit on newly added suppliers and completed audits on 5 suppliers. Regular online surveys and on-site audits of suppliers are conducted through our supplier management platform. In the event of zero-tolerance deficits identified during audits, suppliers will forfeit their eligibility for selection in new cases. For non-zero-tolerance deficits, suppliers will have the opportunity to submit improvement

plans and measures within a specified timeframe, determined by the severity of the deficit. We also conduct reviews for serious issues. Suppliers who fail to complete the required improvements within the given timeframe will be added to our list of restricted suppliers due to poor performance.

In the Reporting Period, the Group conducted audits on a total of 122 major suppliers, enhanced by 50% from 2022. The audit results for these suppliers revealed only non-zero-tolerance deficits, for which improvement plans and measures were mandated within a specified time limit. The Group remains committed to closely monitoring and addressing these deficits, ensuring that suppliers take the necessary steps to rectify any shortcomings.



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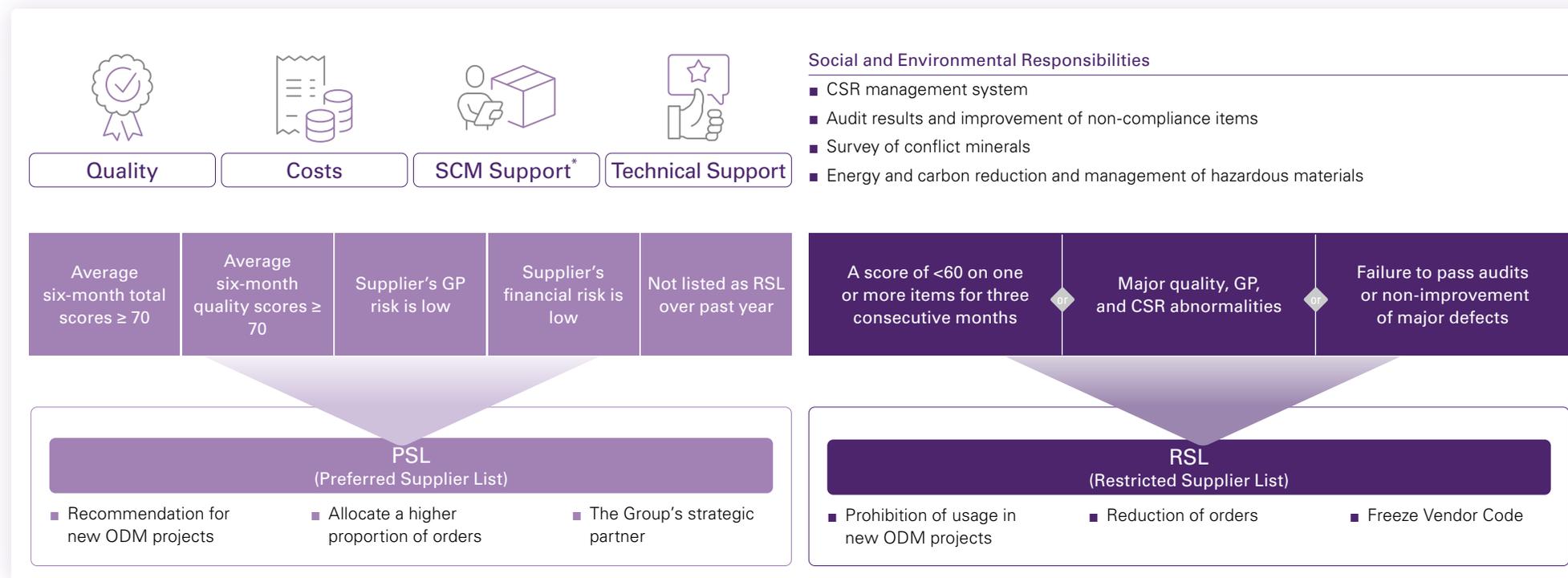
4. Continuous Improvement

The Group requires suppliers to address audit deficits and monitors suppliers' performance through the Scorecard system. Priority evaluation items include net-zero emissions, zero waste, and green products. The Group has formulated supplier ESG performance evaluation standards using international ESG evaluation indicators, relevant standards, and client requirements. The Scorecard Platform incentivises suppliers to meet the Group's requirements by using a progressive scoring methodology that raises or lowers scores based on their performance. Performance-based assessments are conducted on suppliers to periodically update the Group's 'Approved Supplier List', 'Preferred Supplier List (PSL)' and 'Rejected Supplier List (RSL)'.

The Group provides guidance to suppliers in the implementation of their correction plans. Failure to complete improvements within the specified timeframe may prompt the Group to take further action including reducing, limiting or restricting the supplier's involvement in new cases, or even terminating the collaborative relationship.

With a significant emphasis on its supplier relationships, the Group actively engages with them in various ways and at different levels throughout the year. The goal is to create an environment where suppliers and strategic partners can build better working relationships.

> **Supplier Performance (Scorecard) Review**



* SCM: Supply Chain Management

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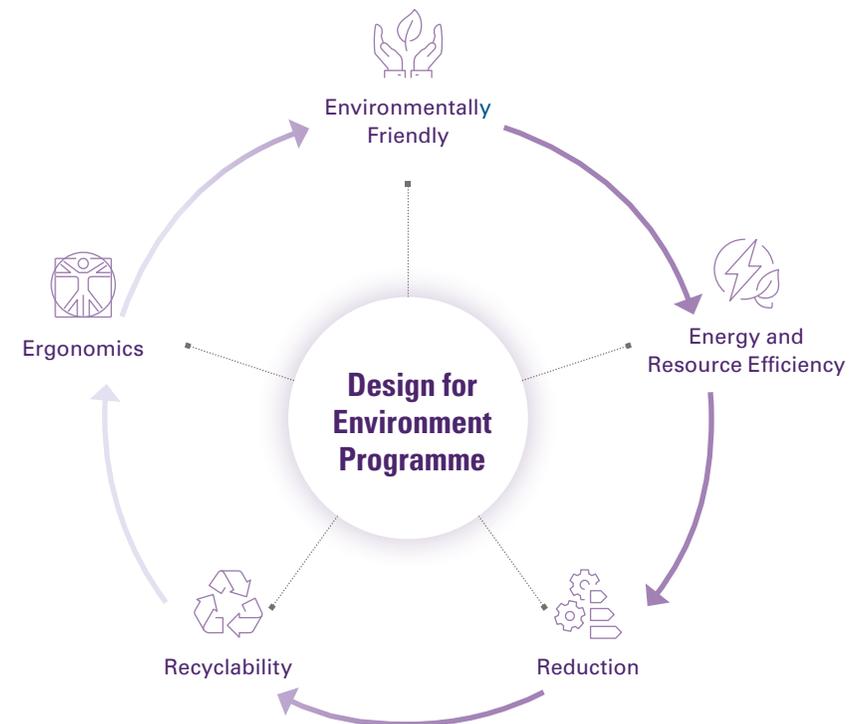
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Sustainable Product Management

The Group is committed to sustainability throughout its entire supply chain, from product design and material sourcing to procurement measures. To fulfil the environmental requirements set by the regulators, customers, industry, and other stakeholders, the Group has established specialised divisions. These divisions ensure compliance with various regulations, including the “Product Quality Law of the People’s Republic of China”, the European Union’s “Restriction on Hazardous Substances Directive” (RoHS) and the European Union’s Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation, restrictions on the use of conflict minerals as well as Halogen-Free (HF) certifications and GHG emission reduction expectations. The outcomes of these endeavours are transformed into practical internal measures that can be effectively incorporated and implemented within the Group’s operations.

The Group established a Chemical Management Committee, comprising the safety division, procurement division, human resources division, environmental protection division, and testing centre representatives, taking several measures to enhance the safe use and storage of chemicals, safeguarding the well-being and assets of its employees while preventing accidents. These measures include the “Specification for Safety Management of Hazardous Chemicals”, “Specifications for Chemical Substance and Materials Management”, and “Material Safety Data Sheet (MSDS) Management Process”. Additionally, the Group has developed the “Specification for Chemical Substance Replacement” and “Specification for Chemical Substance Classification Management” to gradually substitute hazardous substances. These efforts aim to protect the health, safety, and property of the Group’s personnel while minimising any adverse impact on the natural environment.

Under the Design for Environment programme set up by the Hon Hai Technology Group, the Group integrates five key principles — environmentally friendly, energy and resource efficiency, reduction, recyclability, and ergonomics — into its product design process. The Group requires its suppliers to ensure that their downstream suppliers comply with mandatory regulations to limit the use of toxic and hazardous substances, promote the deployment of GHG emission reduction solutions and other environmentally friendly practices, and strengthen their capabilities to manufacture eco-friendly products, such as the utilisation of recyclable materials when possible. The Group has formulated the “Foxconn Supplier GHG Management Process”, which lists out the Group’s



expectations on suppliers’ GHG management. For example, suppliers shall conduct a GHG management system according to ISO 14064-1 and verify the GHG emission data by a third party, thus obtaining energy management system certification. Suppliers shall also actively participate in the carbon trading market, use renewable energy, and formulate carbon reduction and neutrality targets. To ensure alignment with sustainability goals, the Group also monitors all aspects of the operational process through systematic platforms. The “FIH Supplier Quality Management and Green Procurement Platform” was developed in 2023 in response to digital transformation that contains a supplier ESG Scorecard. The Platform conducts digital management in terms of suppliers’ material compliance and manufacturing compliance. It served FIH India, Vietnam and other BUs, with more than 3,300 visits/times and managed more than 200 suppliers. If environmental-abnormal substances or materials are found in the Group’s products, the Group will immediately initiate its recall procedures upon notification, including the segregation of suspected products, inventory, and substances/materials for further investigation.

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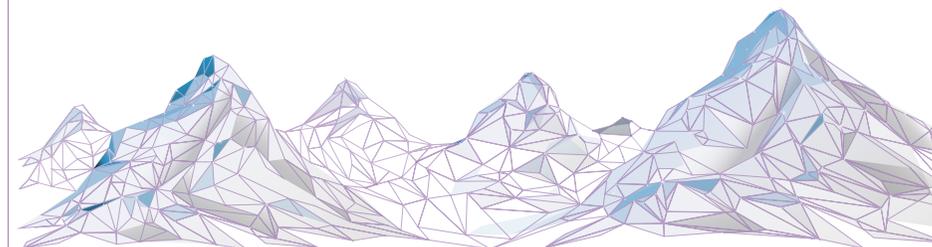
Responsible Mineral Procurement Management

Being one of the members of Responsible Minerals Initiative (“RMI”), Hon Hai Technology Group has made its commitment to responsible mineral procurement management. As a member of the Hon Hai Technology Group, the Group has formulated “FIH Social Accountability Management Manual” and “Environmental Protection and Social Responsibility Commitment” to outline management requirements for responsible mineral procurement. The “FIH Social Accountability Management Manual” pledges FIH’s commitment to adhering to international and industrial provisions on conflict minerals, provides definitions of the Group’s identified conflict minerals, and illustrates its requirements on suppliers regarding minerals traceability and due diligence. Additionally, the Group has issued the “Supplier Responsible Mineral Sourcing Management Process” and has introduced management processes for sourcing responsible minerals. The Group does not accept and use conflict minerals in its operations and does not directly purchase raw materials from smelters or refineries. However, purchased components may still potentially contain minerals from conflict areas, where the Group has been striving to reduce the risk of supplier chain conflict minerals through the formulation of the “Supplier Responsible Minerals Sourcing Management Process” to further eliminate possible conflict minerals obtained indirectly.

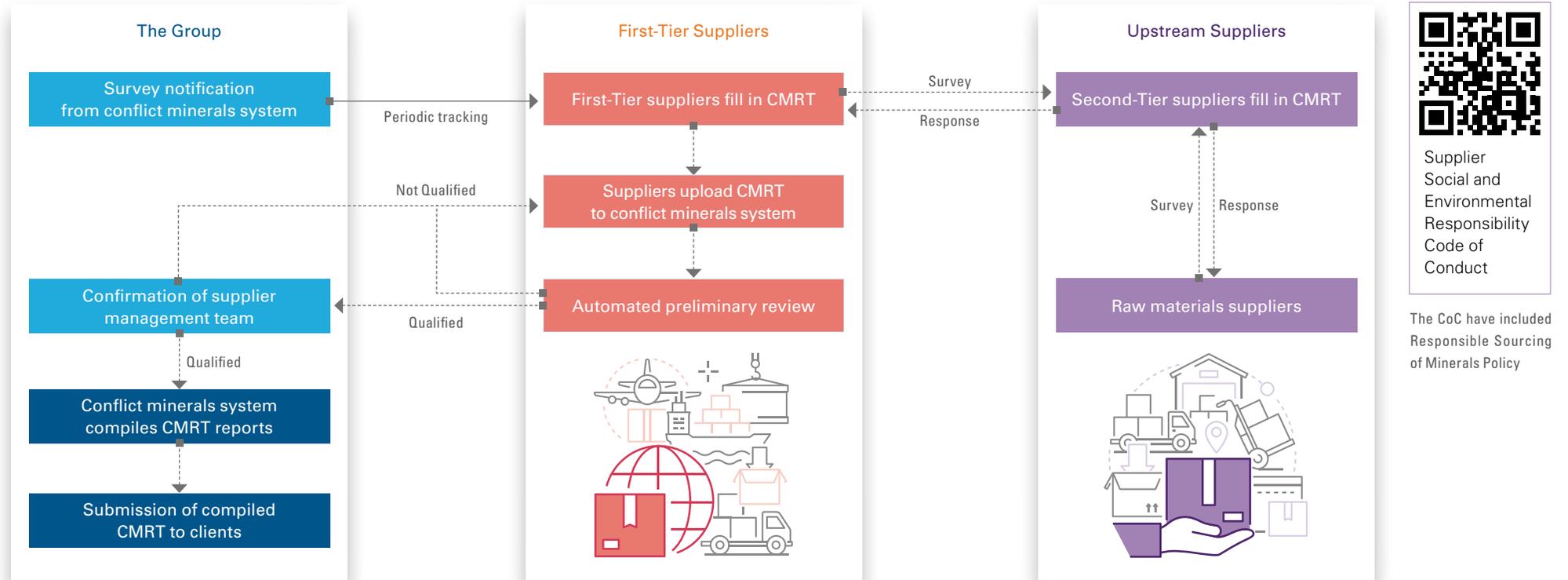
The Group conducts a due diligence process on suppliers following Conflict Minerals Reporting Template (“CMRT”) and Cobalt Reporting Template (“CRT”) and requires new suppliers to use smelters or refineries that adhere to the Responsible Minerals Assurance Process (“RMAP”). Our suppliers need to trace the origin of products that may contain conflict minerals, such as gold (Au), tantalum (Ta), tin (Sn), and tungsten (W), and provide us with comprehensive information about the sources of these minerals to avoid sourcing minerals from regions fraught with high-risk conflict and human rights crises, such as the Democratic Republic of Congo and its surrounding conflict-prone areas. New suppliers must sign the “Environmental Protection and Social Responsibility Commitment” form, pledging to comply with the Group’s responsible mineral procurement policies, and submit verified CMRT reports before becoming a qualified Group supplier.

As part of the commitment, we hereby declare:

1. Suppliers are required to fulfil their social and environmental responsibilities.
2. Suppliers should ensure that they are working with smelters or refineries which adhere to the Responsible Minerals Assurance Process (RMAP) of the Responsible Mineral Initiative (RMI).
3. Suppliers must ensure that the components and products provided to the Group do not contain tantalum (Ta), tin (Sn), tungsten (W), gold (Au), or cobalt (Co) sourced from the Democratic Republic of Congo and its surrounding high-risk conflict areas by using the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) to fully disclose.
4. Suppliers should establish responsible mineral procurement management systems following the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
5. Suppliers should require the same of their upstream vendors.



> Flowchart of Management Operations for Conflict Minerals



The Group has implemented a conflict minerals management platform for the business units. The Supplier Quality Management department is responsible for monitoring conflict minerals use and conducting reviews annually. This platform serves as a centralised system to collect, review, and consolidate supplier conflict minerals due diligence reports. Data gathered through the platform is then stored and tracked over the long term. Additionally, the data is used to create a digital dashboard to track the use of conflict minerals by suppliers and to disclose this information to end customers. The Group completed a total of 246 supplier surveys through the Conflict Minerals Management System Platform in 2023, with the supplier response rate reaching 100%.

During the Reporting Period, 151 suppliers completed conflict minerals investigations through our conflict minerals management platform and no supplier was found to use any conflict minerals. The Group requires our suppliers to encourage non-RMAP smelters/refineries discovered during these investigations to achieve RMAP compliance within a specified timeframe or face elimination from the supply chain. The Group did not identify any supplier products containing tantalum, tin, tungsten, gold, or cobalt from conflict countries and surrounding areas.

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Product Quality Control

While the Group focuses on improving the environmental friendliness of products, it also pays attention to the quality and safety of the products. High-quality and high-reliability products are always the priority of our continuous efforts and represent our responsibility to all customers. The Group has established an overall quality control management system and requires each business unit to establish a target. The Quality Assurance department of each business unit is responsible for quality control management. By the end of the Reporting Period, all production and operation sites have acquired ISO 9001:2015 quality management system certification.

Customer Relationship Management

The Group values the opportunities to engage with our customers. Nurturing enduring relationships with valuable clients is crucial for the growth of the Group. We persistently enhance product performance, address the unique requirements of our diverse customer base through personalised services, and prioritise maintaining close and consistent communication with them.

The Group places significant emphasis on customer communication. Regular customer satisfaction surveys have been conducted, and satisfaction survey questionnaires are distributed to our key customers by our business groups across different business units. By doing so, we can promptly gather customer feedback and prioritise our focus on product quality, quality of service, delivery performance, and responsiveness, to comprehend customers' overall evaluation of the Group. Thereby, we can effectively adjust our industrial production capacity, optimise product performance, and enhance our sensitivity to meet the diverse needs of our customers. Additionally, each business group establishes annual customer satisfaction goals to build better customer relationship management. If we did not achieve the customer satisfaction goals, the relevant business group would be required to provide improvement plans and implement remedial measures based on the feedback. Proactive actions have been taken to ensure that the Group meets the customer requirements to the highest degree possible.

Customer Complaint Handling Procedures

Feedback received from customers regarding the quality of its products and services is highly valued by the Group. To address customer complaints about both products and services appropriately, the Group has established the customer complaint handling procedures. Once the business units receive complaints from customers, they will verify the complaint information followed by a check on the production process to investigate into the circumstances underlying and leading to the complaint. The business units will provide remedial measures to customers and conduct performance tracking if the complaint is found to be valid. Cases pertaining to consumer complaints are submitted for record-keeping and ongoing improvement once they are closed. During the Reporting Period, the Group received 61 cases—a comparatively low rate of product-related and/or service-related complaints. Please refer to the “[Performance Data Table](#)” for more details.



Performance Data Tableⁱ

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Environmental Performance ^{ii iii}	Year 2023	Year 2022	Year 2021	Year 2020
The Types of Emissions and Respective Emissions data (kg)				
Nitrogen oxides (NO _x) emissions	28,384.15	33,251.61	32,338.05	42,747.04
Sulphur oxides (SO _x) emissions	21.87	36.21	9.61	8.18
Particulate matter (PM) emissions ^{iv}	875.30	458.28	12.84	9.24
Greenhouse Gas Emissions in Total (tCO₂e)				
Scope 1 emissions	14,107.69	28,699.80	26,803.46	22,506.93
Scope 2 emissions	268,226.34	357,017.18	435,116.97	644,631.00
Greenhouse Gas Emissions in Intensity (tCO₂e/US\$M)				
Scope 1 and 2 emissions	43.80	41.06	53.82	74.67
Energy Consumption by Type in Total ('000 kWh)				
Purchased electricity	256,651.36	378,755.52	482,434.01	721,896.94
Fuel (Diesel, Petrol, LPG and PNG ^v)	47,492.48	70,682.41	67,300.18	85,708.20
Purchased steam	59,608.73	93,337.98	87,751.55	106,937.08
Renewable energy — solar	10,141.68	12,470.45	10,842.89	11,482.25
Renewable energy — wind	81,935.37	10,282.20	2,305.02	1,691.79

Environmental Performance ^{ii iii}	Year 2023	Year 2022	Year 2021	Year 2020
Energy Consumption by Type in Intensity ('000 kWh/US\$M)				
Purchased electricity	39.82	40.32	56.21	80.80
Fuel (Diesel, Petrol, LPG and PNG)	7.37	7.52	7.84	9.59
Purchased steam	9.25	9.94	10.22	11.97
Renewable energy — solar	1.57	1.33	1.26	1.29
Renewable energy — wind	12.71	1.09	0.27	0.19
Water Utilisation (m³)				
Water withdrawal in total	3,516,588.59	3,797,994.80	5,470,654.31	7,075,010.29
Water consumption in total	351,658.86	379,799.48	547,065.43	707,501.03
Wastewater discharged in total	3,164,929.73	3,418,195.32	4,923,588.88	6,367,509.26
Water Consumption Intensity (m³/US\$M)	54.56	40.43	63.74	79.19
Waste in Total (tonnes)	18,943.71	30,241.24	33,512.10	31,792.08
Hazardous Waste Produced in Total (tonnes)				
Landfill	7.22	43.91	109.78	40.93
Anaerobic decomposition (Biodegradable)	0.00	0.00	0.00	0.00
Recycling	818.15	2,600.57	2,956.86	320.08
Energy Recovery Incineration	211.97	1,073.95	1,054.07	1,795.73
Non-energy Recovery Incineration	35.77	0.00	0.00	0.00
Composting	0.00	0.00	0.00	0.00
Other	63.92	2,933.91	5,174.54	736.33

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

ⁱⁱ Emission factors for energy were adopted from "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEX. Emission factor for natural gas was derived from UK Government GHG Conversion Factors for Company Reporting. Emission factor for countries' electricity was derived from Institute for Global Environmental Strategies (IGES) List of Grid Emission Factors, Energy Administration - Ministry of Economic Affairs, and Carbon Footprint. Emission factor for steam was derived from 工業其他行業企業溫室氣體排放核算方法與報告指南(試行). The Global Warming Potential (GWP) was taken from the "IPCC Fourth Assessment Report (2017)." GHGs include CO₂, CH₄ and N₂O.

ⁱⁱⁱ The 2021 and 2022 figures are re-calculated given the reporting scope has been expanded to cover the global operational factories this year.

^{iv} In 2023, expanding the collection of driving mileage data for shuttle buses and business vehicles across global factory sites led to a significant increase in particulate matter emissions. However, overall fuel consumption significantly decreased, indicating our efforts to reduce transportation emissions.

^v LPG: Liquefied petroleum gas; PNG: Piped natural gas..

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Hazardous Waste in Intensity (tonnes/US\$M)	0.18	0.71	1.08	0.32
Non-hazardous Waste Produced in Total (tonnes)	17,806.67	23,588.89	24,216.84	28,899.01
Landfill	47.93	775.45	1,587.83	913.85
Anaerobic decomposition (Biodegradable)	425.96	1,986.50	1,615.24	1,335.67
Recycling	8,285.67	13,889.58	16,579.20	17,827.84
Energy Recovery Incineration	3,282.27	0.00	0.00	0.00
Non-energy Recovery Incineration	516.89	4,931.05	4,434.57	8,821.65
Composting	529.84	0.00	0.00	0.00
Other	4,718.11	2,006.31	0.00	0.00
Non-hazardous Waste in Intensity (tonnes/US\$M)	2.76	2.51	2.82	3.23
Materials Recycled in Total (tonnes)	9,103.82	16,490.15	19,536.06	18,147.92
Social Performance ^{vi vii}	Year 2023	Year 2022	Year 2021	Year 2020
Total Workforce by Gender (people)^{viii}				
Male	19,393	23,333	41,486	34,214
Female	17,264	20,722	32,507	36,167

Social Performance ^{vi vii}	Year 2023	Year 2022	Year 2021	Year 2020
Total Workforce by Employment Type (people)				
Full-time	23,127	28,824	47,091	50,394
Part-time/Temporary	13,530	15,231	26,902	19,987
Total Workforce by Age Group (people)				
Under 30	17,793	21,290	42,321	44,915
30–50	18,114	21,950	30,897	24,829
Above 50	750	815	775	637
Total Workforce by Geographical Region (people)				
Brazil	0	0	5	5
Hong Kong Special Administrative Region of the PRC	8	9	9	9
India	8,277	9,791	14,995	18,578
Mexico	1,028	913	1,319	1,788
The PRC	21,465	27,592	51,071	42,998
Taiwan	1,220	1,194	1,335	1,191
The United States of America	146	303	185	179
Vietnam	4,513	4,253	5,074	5,633
Total^{ix}	36,657	44,055	73,993	70,381

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

vii The data that was not collected in 2021 and 2022 are presented as N/A.

viii The total workforce is presented as of 31 December 2023.

ix In 2022 and 2023, due to a downturn in overall industry orders in the post-pandemic era, the Group underwent organisational and manpower adjustments. Surplus manpower was prioritised for internal transfers within the group to retain job opportunities. Only a minimal number of layoffs were initiated, with the majority of employees either voluntarily resigning or their contracts expiring. Approximately 52% of the departures were voluntary resignations, while contract expirations or the expiration of dispatched contracts accounted for about 45%, and layoffs and other reasons comprised approximately 3%. For employees whose contracts expired or who voluntarily proposed an early termination of their employment, the Group provided appropriate economic compensation in accordance with legal regulations.

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Social Performance ^{vi vii}	Year 2023	Year 2022	Year 2021	Year 2020
Employee Turnover Rate by Gender (%)^x				
Male	46.83	74.00	41.27	112.07
Female	36.47	59.10	28.48	47.58
Employee Turnover Rate by Age Group (%)^x				
Under 30	75.09	126.24	38.72	89.48
30–50	27.28	38.45	31.75	61.31
Above 50	18.81	18.07	23.61	21.35
Employee Turnover Rate by Geographical Region (%)^x				
Brazil	0.00	0.00	0.00	0.00
Hong Kong Special Administrative Region of the PRC	12.50	0.00	0.00	22.22
India	13.72	69.92	7.14	2.58
Mexico	41.44	76.78	134.19	96.87
The PRC	28.66	71.53	42.99	120.63
Taiwan	12.38	14.42	12.06	8.82
The United States of America	0.68	30.23	30.27	11.17
Vietnam	44.74	62.87	27.00	23.84
Number and Rate of Work-related Fatalities^{xi}				
Number of work-related fatalities (people)	0	0	0	4
Work-related fatality rate (%)	0.00	0.00	0.00	0.006
Lost Days Due to Work Injury (day)^{xii}	1,950.6	2,386.4	1,524.5	1,711.0
Number of Work Stoppages	0	N/A	N/A	N/A
Lost Days Due to Work Stoppages (day)	0	N/A	N/A	N/A

x Full-time employees only, exclusive of part-time/temporary employees. The contracts of part-time employees are formulated according to manufacturing cycles/periods, making it difficult to define their turnover rate. Turnover includes voluntary resignation or retirement and termination due to dismissal or death.

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

Social Performance ^{vi vii}	Year 2023	Year 2022	Year 2021	Year 2020
Total Recordable Incident Rate (TRIR) (%)				
Full-time	1.06	N/A	N/A	N/A
Part-time/Temporary	1.06	N/A	N/A	N/A
Near Miss Frequency Rate (NMFR) (%)				
Full-time	0	N/A	N/A	N/A
Part-time/Temporary	0.71	N/A	N/A	N/A
Disabling Injury Frequency Rate (FR) (%)	0.09	N/A	N/A	N/A
Disabling Injury Severity Rate (SR) (%)	1.68	N/A	N/A	N/A
The Percentage of Employees Trained by Gender (%)				
Male	52.90	52.96	56.07	46.24
Female	47.10	47.04	43.93	48.88
The Percentage of Employees Trained by Employee Category (%)				
Senior Management	2.13	1.77	1.07	0.96
Middle Management	22.79	21.85	16.38	16.03
General Staff	75.08	76.37	82.56	78.12
Average Training Hours Completed Per Employee by Gender (hours)				
Male	56.68	72.74	41.85	39.73
Female	51.52	54.01	51.64	31.88
Average Training Hours Completed Per Employee by Employment Type (hours)				
Senior Management	58.25	58.44	49.39	71.26
Middle Management	86.60	148.98	71.30	64.24
General Staff	44.32	39.72	41.12	29.40

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Number of Product- and Service-related Complaints Received	61	89	0	10
Number of Concluded Legal Cases Regarding Corrupt Practices Brought Against the Group or its Employees and Outcomes of the Cases	0	0	0	0
Number of Top 100 Suppliers by Geographical Region^{xiii}				
Cyprus	1	1	1	1
Finland	1	0	0	1
Hong Kong Special Administrative Region of the PRC	18	21	20	15
India	8	10	6	0
Japan	1	0	0	0
Netherlands	0	0	1	1
The PRC	40	34	31	43
Singapore	3	3	6	2
South Korea	2	2	2	2
Taiwan	22	24	24	20
The United States of America	3	3	9	6
Vietnam	1	2	0	0
The Percentage of Facilities Audited in RBA Validated Audit Process (VAP) (%)				
FIH's Facilities	23.08	N/A	N/A	N/A
FIH's High-risk Facilities	100	N/A	N/A	N/A

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

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

Social Performance ^{vi vii}	Year 2023	Year 2022	Year 2021	Year 2020
The Percentage of Supplier Facilities Audited in RBA Validated Audit Process (VAP) (%)				
FIH's Tier 1 supplier facilities	50.08	N/A	N/A	N/A
FIH's high-risk Tier 1 supplier facilities	100	N/A	N/A	N/A
Non-conformance with the RBA Validated Audit Process (VAP)				
Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (a) priority non-conformances for (i) the FIH's facilities	7.69	N/A	N/A	N/A
Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (b) other non-conformances for (i) the FIH's facilities	100	N/A	N/A	N/A
Associated corrective action rate for (a) priority non-conformances, for (i) the FIH's facilities	100	N/A	N/A	N/A
Associated corrective action rate for (b) other non-conformances, for (i) the FIH's facilities	100	N/A	N/A	N/A
Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (a) priority non-conformances for (ii) the FIH's Tier 1 supplier facilities	0	N/A	N/A	N/A
Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (b) other non-conformances, for (ii) the FIH's Tier 1 supplier facilities	100	N/A	N/A	N/A
Associated corrective action rate for (a) priority non-conformances, for (ii) the FIH's Tier 1 supplier facilities	100	N/A	N/A	N/A
Associated corrective action rate for (b) other non-conformances, for (ii) the FIH's Tier 1 supplier facilities	100	N/A	N/A	N/A

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Disclosed Metrics	Indicator Code	Report Content or Descriptions	Page Number of this ESG Report / Remarks
Water Management			
(1) Total water withdrawn; percentage of each in regions with High or Extremely High Baseline Water Stress	TC-ES-140a.1	(1) 3,516,588.59 m ³ , 62%	Performance Data Table
(2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress		(2) 351,658.86 m ³ , 62%	
Waste Management			
Amount of hazardous waste from manufacturing, percentage recycled	TC-ES-150a.1	(1) 1,137.04 tonnes (2) 72%	Performance Data Table
Labour Practices			
(1) Number of work stoppages and	TC-ES-310a.1	(1) 0	Performance Data Table
(2) total days idle		(2) 0	
Labour Conditions			
(1) Total recordable incident rate (TRIR) and	TC-ES-320a.1	(1a) 1.06	(2a) 0
(2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees		(1b) 1.06	(2b) 0.71
Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	TC-ES-320a.2	(1a) 0% (1b) 0%	(2a) 0% (2b) 0%
(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and	TC-ES-320a.3	(1ai) N/A	(2ai) N/A
(2) associated corrective action rate for (a) priority nonconformances and (b) other non-conformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities		(1aii) N/A (1bi) N/A (1bii) N/A	(2aii) N/A (2bi) N/A (2bii) N/A
Product Lifecycle Management			
Weight of end-of-life products and e-waste recovered; percentage recycled	TC-ES-410a.1	We are not able to disclose this information as it is treated as confidential.	N/A
Materials Sourcing			
Description of the management of risks associated with the use of critical materials	TC-ES-440a.1	Please see the referenced section of the report.	The Group's Value Chain, P.64-66
Activity Metric			
Number of manufacturing facilities	TC-ES-000.A	13	N/A
Area of manufacturing facilities	TC-ES-000.B	1,512,931 m ²	N/A
Number of employees	TC-ES-000.C	36,657	N/A

Relevant Laws and Regulations

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

Aspect	Relevant Laws and Regulations		
Aspect A1: Emissions Air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	PRC: <ul style="list-style-type: none"> “Environmental Protection Law of the People’s Republic of China” “Energy Conservation Law of the People’s Republic of China” “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution” “Law of the People’s Republic of China on the Prevention and Control of Water Pollution” “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste” “Law of the People’s Republic of China on the Prevention and Control of Soil Pollution” “Regulations on the Administration of Pollutant Discharge Permits” 	India: <ul style="list-style-type: none"> “Factories Act” “E-Waste (Management) Rules” “Hazardous and Other Wastes (Management and Transboundary Movement) Rules” “Environment Protection Act” “Environment Protection Rules” “Environment Impact Assessment Notification” “Bio-Medical Waste (Management) Rules” “Batteries (Management and Handling) Rules” “Factories Rules” “Water (Prevention and Control of Pollution) Act” “Water (Prevention and Control of Pollution) Cess Rules” “Plastic Waste (Management) Rules” “Manufacture, Storage, and Import of Hazardous Chemical Rules” “Air (Prevention and Control of Pollution) Act” “Noise Pollution (Regulation and Control) Rules” “Coastal Regulation Zone Notification” “Public Liability Insurance Act” “Petroleum Act” “Petroleum Rules” “Atomic Energy Act” “Atomic Energy (Radiation Protection) Rules” 	Vietnam: <ul style="list-style-type: none"> “Law on Environmental Protection No. 72/2020/QH14” “Decree No. 08/2022/ND-CP on Detailing of a number of Articles of the Law on Environmental Protection” “Decree No. 06/2022/ND-CP on Mitigation of Greenhouse Gas (GHG) Emission and Protection of Ozone Layer” “Circular No. 02/2022/TT-BTNMT on Detailing of a number of Articles of the Law on Environmental Protection and Decree No. 08/2022/ND-CP” “Decision No. 01/2022/QĐ-TTg on Issuing a list of Sectors and Establishments Emitting Greenhouse Gases that must carry out Audit of Greenhouse Gases” “Decree No. 45/2022/ND-CP on Penalties for Administrative Environmental Protection Offenses” “Decree No. 53/2020/ND-CP on Environmental Protection Charge for Wastewater” “Decree No. 80/2014/ND-CP on the Drainage and Treatment of Wastewater”
	Aspect B1: Employment Compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare Aspect B4: Labour Standards Preventing child and forced labour	PRC: <ul style="list-style-type: none"> “PRC Civil Code” “Labour Law of the People’s Republic of China” “Provisions on Prohibition of Child Labour” “Regulation on Labour Security Supervision” “Labour Contract Law of the People’s Republic of China” “Social Security Law of the People’s Republic of China” “Regulation on the Administration of Housing Accumulation Funds” “Interim Regulation on the Collection and Payment of Social Insurance Premiums” “Interim Provisions on Labour Dispatch” “Trade Union Law of the People’s Republic of China” 	India: <ul style="list-style-type: none"> “Factories Act” “National and Festival Holiday Act” “Contract Labour (Regulation and Abolition) Act” “Minimum Wages Act” “Payment of Wages Act” “Payment of Bonus Act” “Equal Remuneration Act” “Trade Unions Act” “Industrial Employment (Standing Orders) Act” “Industrial Disputes Act” “Bonded Labour System (Abolition) Act” “Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act” “Employees’ Compensation Act” “Employees’ Provident Funds and Miscellaneous Provisions Act” “Employees’ State Insurance Act” “Maternity Benefit Act”

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Aspect	Relevant Laws and Regulations		
Aspect B1: Employment Compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare Aspect B4: Labour Standards Preventing child and forced labour	PRC: <ul style="list-style-type: none"> “Law of the People’s Republic of China on the Protection of Women’s Rights and Interests”ⁱ “Regulations on the Handling of Social Insurance”ⁱⁱ 	India: <ul style="list-style-type: none"> “Payment of Gratuity Act” “Building and Other Construction Workers Welfare Cess Act” “Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act” “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act” “Passport (Entry into India) Act” “Foreigners Act” “Registration of Foreigners Act” “Registration of Foreigners Rules” “Apprentices Act” “Rights of Persons with Disabilities Act” “Child and Adolescent Labour (Prohibition and Regulation) Act” “Transgender Persons (Protection of Rights) Act” the other state-specific labour welfare fund acts. 	Vietnam: <ul style="list-style-type: none"> “Law on Employment No. 38/2013/QH13” “Decree No. 28/2015/ND-CP on Detailing the Implementation of a Number of Articles on Unemployment Insurance of the Law on Employment” “Circular No. 28/2015/TT-BLDTBXH on Guiding Article 52 of the Law on Employment and the Decree No. 28/2015/ND-CP” “Law on Health Insurance No. 25/2008/QH12” “Law Amendments to the Law on Health Insurance No. 46/2014/QH13”
	Aspect B2: Health and Safety Providing a safe working environment and protecting employees from occupational hazards	PRC: <ul style="list-style-type: none"> “PRC Civil Code” “Work Safety Law of the People’s Republic of China” “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases” “Fire Protection Law of the People’s Republic of China” “Criminal Law of the People’s Republic of China” 	India: <ul style="list-style-type: none"> “Factories Act” “Tamil Nadu Fire Service Rules” “Tamil Nadu Fire Force Act” “Air (Prevention and Control of Pollution) Act” “Water (Prevention and Control of Pollution) Act” “Tamil Nadu Factories Rules” “Tamil Nadu Lift and Escalators Rules” “Employees’ Compensation Act” “Explosive Rules” “Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act” “Explosives Act” “Boilers Act” “Epidemic Diseases Act” “Gas Cylinders Rules” “Motor Vehicles Act” “Tamil Nadu Motor Vehicles Act” “Tamil Nadu Motor Vehicles Rules” “Static and Mobile Pressure Vessels (Unfired) Rules” “Disaster Management Act” “Disaster Management (National Institute of Disaster Management) Rules”

i Law of the People's Republic of China on the Protection of Women's Rights and Interests was passed on 30 Oct 2022 and became effective on 1 January 2023. This revision further clarifies that employers should guarantee women's fair employment, and has revised female employees' recruitment standards, due diligence, promotion, rest and vacation, and assistance in difficulties.

ii The Regulations on the Handling of Social Insurance shall come into effect on 1 December 2023. This is the first administrative regulation in the field of social insurance handling, with a total of 7 chapters and 63 articles in the Regulations. It is conducive to improving the refinement of social insurance management and service level, enhancing the efficiency of social security governance, better meeting the people's expectations for a high-quality life, and playing a fundamental, stable, and long-term important role in the high-quality development of social insurance handling.

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Aspect	Relevant Laws and Regulations		
Aspect B6: Product Responsibility Health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	PRC: <ul style="list-style-type: none"> “PRC Civil Code” “Product Quality Law of the People’s Republic of China” “Trademark Law of the People’s Republic of China” “Advertising Law of the People’s Republic of China” 	India: <ul style="list-style-type: none"> “Bureau Indian Standards Act” “Legal Metrology (Packaged Commodities) Rules” “Legal Metrology Act” “Intellectual Property Rights (Imported Goods) Enforcement Rules” “Customs Act” “Consumer Protection Act” “Customs (Import of Goods at Concessional Rates of Duty) Rules” “Information Technology Act” “Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules” “Copyright Act” “Trademarks Act” “Designs Act” “Patents Act” “Customs Tariff Act” “Indian Telegraph Act” “Indian Telegraph Rules” “Indian Wireless Telegraph Act” “Department of Telecommunications Notifications” “Procedure for Mandatory Testing and Certification of Telecommunication Equipment” “Bureau of Indian Standards Rules” “Indian Contract Act” 	Vietnam: <ul style="list-style-type: none"> “Law on Product and Goods Quality No. 05/2007/QH12” “Decree No. 119/2017/ND-CP on Penalties for Administrative Violations against Regulations on Standards, Measurement and Quality of Goods” “Decree No. 43/2017/ND-CP On Good Labels” “Law on Advertising No. 16/2012/QH13” “Decree No. 38/2021/ND-CP on Prescribing Penalties for Administrative Violations involving Cultural and Advertising Activities” “Law on Intellectual Property No. 50/2005/QH11” “Law Supplementing the Law on Intellectual Property No. 36/2009/QH12” “Law Amendments to some Articles of Law on Intellectual Property No. 42/2019/QH14” “Decree No. 103/2006/ND-CP on Detailing and Guiding a number of Articles of the Law on Intellectual Property with respect to Industrial Property” “Decree No. 122/2010/ND-CP on Amending and Supplementing a number of Articles of the Government’s Decree No. 103/2006/ND-CP on Detailing and Guiding a number of Articles of the Law on Intellectual Property Regarding Industrial Property” “Civil Code No. 91/2015/QH13” “Law on Cyber Information Security No. 24/2018/QH14” “Decree No. 53/2022/ND-CP on guiding on Law Cyber Information Security No. 24/2018/QH14” “Decree No. 13/2023/ND-CP” on Protection of Personal Data”
	Aspect B7: Anti-corruption Bribery, extortion, fraud and money laundering	PRC: <ul style="list-style-type: none"> “Interim Provisions of the State Administration for Industry and Commerce on the Prohibition of Commercial Bribery” “Regulation of the State Administration for Industry and Commerce on Prohibiting Infringement upon Trade Secrets” “Anti-Unfair Competition Law of the People’s Republic of China” “Anti-Money Laundering Law of the People’s Republic of China” “Criminal Law of the People’s Republic of China” “Anti-monopoly Law of the People’s Republic of China”ⁱⁱⁱ “Regulations on Prohibiting the Abuse of Intellectual Property Rights to Exclude and Restrict Competition”^{iv} 	India: <ul style="list-style-type: none"> “Prevention of Corruption Act” “Benami Transactions (Prohibition) Act” “Prevention of Money Laundering Act” “Indian Penal Code”

iii Anti-monopoly Law of the People’s Republic of China was passed on 24 June 2022 and became effective on 1 August 2022. Added the provisions that operators shall not use data and algorithms, technology, capital advantages and platform rules to engage in monopolistic activities prohibited by this Law.

iv The Regulations on Prohibiting the Abuse of Intellectual Property Rights to Exclude and Restrict Competition shall come into effect on 1 August 2023. This regulation focuses on balancing intellectual property protection and maintaining a fair competition order, focusing on the key and difficult issues of anti-monopoly in the field of intellectual property, strengthening rule guidance, and promoting fair competition and innovative development.

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Aspect	HKEX KPI	Description	Page Number of this ESG Report / Remarks
A. Environmental			
A1 Emissions	A1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Stewardship, P.7, 28; Relevant Laws and Regulations, P.29, 73
	A1.1	The types of emissions and respective emissions data	Refer to Performance Data Table
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
	A1.5	Description of emissions target(s) set and steps taken to achieve them	Environmental Stewardship, P.28-29
A2 Use of Resources	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Environmental Stewardship, P.28, 38
	A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Stewardship, P.7, 29-39
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Environmental Stewardship, P.29-34
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Environmental Stewardship, P.36-37
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	The Group generally utilises packaging materials for finished products in accordance with its customers' specific instructions and requirements, where the volume of packaging materials corresponds with the volume of finished products of its customers (particularly major customers) and hence revealed (indirectly one way or the other) commercially sensitive information of the Group and its customers. Accordingly, specific information on types and volume of materials used represents commercially sensitive information of the Group and its customers.	

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Aspect	HKEX KPI	Description	Page Number of this ESG Report / Remarks
A3 The Environment and Natural Resources	A3	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Stewardship, P.7, 28, 40
	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Environmental Stewardship, P.39-40
A4 Climate Change	A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Stewardship, P.7, 28, 42-44
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Environmental Stewardship, P.42-44
B. Social			
Employment and Labour Practices			
B1 Employment	B1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People-Oriented, P.7, 47; Relevant Laws and Regulations, P.47, 73-74
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Refer to Performance Data Table
	B1.2	Employee turnover rate by gender, age group and geographical region	Refer to Performance Data Table
B2 Health and Safety	B2	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People-Oriented, P.7, 47; Relevant Laws and Regulations, P.47, 74
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Refer to Performance Data Table
	B2.2	Lost days due to work injury	Refer to Performance Data Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	People-Oriented, P.52-54

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Aspect	HKEX KPI	Description	Page Number of this ESG Report / Remarks
B3 Development and Training	B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-Oriented, P.7, 47
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Refer to Performance Data Table
	B3.2	The average training hours completed per employee by gender and employee category	Refer to Performance Data Table
B4 Labour Standards	B4	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People-Oriented, P.7, 47 Relevant Laws and Regulations, P.47, 73-74 Also, the Group abides by relevant employment ordinances and statutory requirements of Hong Kong. No relevant cases of non-compliance were recorded.
	B4.1	Description of measures to review employment practices to avoid child and forced labour	People-Oriented, P.47-48
	B4.2	Description of steps taken to eliminate such practices when discovered	People-Oriented, P.47-48
	Operating Practices		
B5 Supply Chain Management	B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	The Group's Value Chain, P.7, 58
	B5.1	Number of suppliers by geographical region	Refer to Performance Data Table
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	The Group's Value Chain, P.58-66 As to the number of suppliers where the practices are being implemented, refer to Performance Data Table (B5.1).
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	The Group's Value Chain, P.58-66
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	The Group's Value Chain, P.58-66

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Aspect	HKEX KPI	Description	Page Number of this ESG Report / Remarks
B6 Product Responsibility	B6	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	The Group's Value Chain, P.7, 58; Relevant Laws and Regulations, P.58, 75
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Due to the nature of the Group's business, this KPI is considered not material for the present purposes, particularly when the Group does not sell its products to end consumers directly.
	B6.2	Number of products and service related complaints received and how they are dealt with	The Group's Value Chain, P.67 and refer to Performance Data Table
	B6.3	Description of practices relating to observing and protecting intellectual property rights	The Group's Value Chain, P.26
	B6.4	Description of quality assurance process and recall procedures	The Group's Value Chain, P.67
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	The Group's Value Chain, P.26
B7 Anti-corruption	B7	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	The Group's Value Chain, P.7, 58; Relevant Laws and Regulations, P.58, 75
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Refer to Performance Data Table
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	The Group's Value Chain, P.23
	B7.3	Description of anti-corruption training provided to directors and staff	The Group's Value Chain, P.23
Community			
B8 Community Investment	B8	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	People-Oriented, P.7, 55, 56
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	People-Oriented, P.55-56
	B8.2	Resources contributed (e.g. money or time) to the focus area	People-Oriented, P.55-56

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