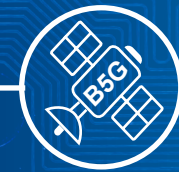
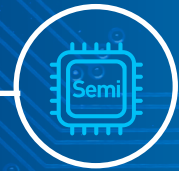
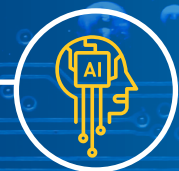


# 2023

## Sustainability Report





*Integrity*

*Diligence*

*Agility*

*Share*

*Collaborate*

*Thrive*

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# Preface

## 0.1 About this Report

Hon Hai Precision Industry Co., Ltd. (hereinafter referred to as “the Group” and “Hon Hai”) issued its first CSR Report in 2009, and renamed these reports “Sustainability Reports” starting in 2022. As a good corporate citizen, we are committed to implementing sustainable actions that serve as our response to the United Nations Sustainable Development Goals (SDGs), as well as disclose all financial and non-financial sustainable governance achievements to our stakeholders to convey our determination in our continuous sustainable development. The Group will continue to issue annual sustainability reports in the future.

### 2023 Annual Report



### 0.1.1 Scope

This Report covers the period between January 1 to December 31 of 2023 (for those stakeholders who are concerned about Hon Hai’s most recent sustainable development, we disclose some information as of June 2024) and contains information on Hon Hai Precision Industry Co., Ltd. (also known as Foxconn Technology Group) and majority-owned subsidiary companies, controlled entities, and all affiliates (hereinafter “affiliated businesses”), encompassing the Group’s offices in Taiwan and campuses in Mainland China, including ABCDES business units and 3F(FIH,FII,FIT) associated business. The scope of this report is the same as for the **2023 Hon Hai Annual Report**. A note is made where global information or data is included. This report is based solely on the activities of the legal entities controlled by the Group. The scope of this report is the same as for our 2022 report, and restatements of information made from the previous reporting period is explained in relevant chapters (for instance, in 2023, Hon Hai restated its previously reported GHG Scope 3 emissions due to the new measurement methodology – please check Chapter 4).

### 0.1.2 Management Procedures

This report was prepared by the Hon Hai Sustainability Committee. Following review by the heads of all departments, the content of this report was independently verified by the AFNOR (a third-party assurance provider with credibility) according to AA1000AS v3 assurance standards and Type I moderate level Account Ability Principles to ensure accordance with the GRI Standards 2021 and SASB disclosure metrics. For more information, please refer to the **Independent Assurance Statement**.



### 0.1.3 Reporting Principles and Guidelines

The Group has compiled and studied important domestic and overseas economic, environmental, social, and other issues of concern to our stakeholders. Following interviews with personnel from various departments, these issues were included in materiality analysis, and the resulting material topics were used as the core disclosures in this report. This report was prepared in accordance with the GRI Standards 2021 published by the Global Reporting Initiative and the SASB Standards.

### 0.1.4 Publication Date

The Group publishes sustainability reports on an annual basis. This is our 16th Sustainability Report. In order to save energy, reduce carbon emissions, and protect the environment and the earth, the Group is fully committed to paperless operations. Similar to previous issues, this report is published in digital form on our official website for reader reference.

Current issue: **Released August 2024**

Previous issue: **Released June 2023**

Next issue: **To be released August 2025**

### 0.1.5 Contact Information

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## 0.2 Letter from our Chairman

On the occasion of our establishment half a century ago, Hon Hai is continuously moving towards our sustainable goals for the next 50 years. The road to a sustainable operation is long and arduous. According to the main enterprise data in the S&P 500 index, the “average lifespan” of a company has been shortened to between 15 and 20 years, indicating how difficult it is for a company to achieve a sustainable operation, and for this reason, Hon Hai has been actively promoting sustainable work. Looking back at 2023, Hon Hai has continuously achieved multiple milestones on its sustainability path, and the results are visible. I hope that through this report, stakeholders who care about Hon Hai can have a systematic and clear understanding of the achievements of the management team and colleagues.

Hon Hai operates in 24 countries and regions, with 205 locations worldwide and approximately 900,000 employees during seasonal peaks. Through building good partnerships and a thriving ecosystem with the global industrial chain, Hon Hai promotes the healthy growth of the local economy and the development of technological innovation. This innovative Build-Operate-Localize, or BOL, business model echoes our main core values.

In 2023, Hon Hai officially established six core values, among which “integrity, diligence and agility” are the inherent traits of Hon Hai employees, while “share, collaborate and thrive” are our practical concepts for working with stakeholders externally. Through the formulation of internal and external core values, combined with the efforts of all employees and stakeholders actively engaging in sustainable actions and reaping the benefits, we can help the enterprise operate steadily and move towards a century-old foundation.

Over the past year, Hon Hai has been committed to the introduction and innovation of smart technology, continuously cultivating three forward-looking technologies and three emerging industries. Based on this, it has extended and launched three smart platforms: “Smart Manufacturing”, “Smart Electric Vehicles”, and “Smart Cities”. These platforms not only improve production efficiency and product quality, but also find a balance between technological innovation and sustainable development. Through the application of artificial intelligence, we continuously optimize the manufacturing process, save energy and resources, promote environmental friendliness, and push the technology manufacturing service industry towards a greener, cleaner, and smarter direction.

Accumulate small streams to form rivers and seas. Explore creativity and unleash wisdom. We held the inaugural “Hon Hai (Foxconn) Sustainability Awards” to recognize teams and individuals who have made outstanding contributions in various areas of sustainable development, and encourage more employees to respond to the Group’s ESG philosophy. Sustainable action partners and colleagues from various campuses around the world, together online and offline, witness creative wisdom, gather ESG willingness, explore innovative development ideas and better solutions in environmental, social and governance aspects, and engrave



sustainable DNA into the Hon Hai culture.

Recently, we completed the first third-party ESG audit, inspecting eight factories in China and India, covering more than 200,000 employees. The independent audit results confirmed that there were no major hidden dangers, such as employee rights and interests (including no forced labor), environment, corporate ethics, supply chain management, and started to gradually improve the risks of each factory. This survey not only enhances Hon Hai’s confidence in ESG promotion, but also ensures that its global operations continue to meet the highest standards through external inspections, while also increasing the company’s transparency and sense of responsibility.

Hon Hai shoulders the mission of leading the industry towards a low-carbon economy and society. Currently, it has received the SBTi net zero target verification and released a net zero carbon emission roadmap, implementing carbon reduction efforts, determination, and ambition through specific action plans. We also promoted green power investment by establishing a green energy investment platform in 2023, developed green energy funds, and issued Sustainability Linked Bonds (SLBs). Based on last year’s results, our green power usage has reached over 60%, and we will continue to leverage our economic influence to drive other companies to invest in energy conservation and carbon reduction, accelerating our transition towards net zero.

Meanwhile, in recent years, Hon Hai has also continued to pay attention to the issue of biodiversity on Earth, responding to initiatives such as the United Nations Convention on Biological Diversity (CBD), and taking “green, ecological, natural, zero emission, and recyclable” as the policy of environmental management. It is committed to reducing adverse impacts on communities, the environment, and natural resources. In 2023, we promoted the “Sustainable Ocean - Recycling Resources” industry academia cooperation program, and worked with more partners to invest in the sustainable use of circular resources and the maintenance of biodiversity.

Employees are important business partners of Hon Hai, and we value workplace happiness and professional development. Recently, we conducted a large-scale sustainable dedication survey with a third-party organization for the first time, establishing more diverse communication channels for employees and promoting the optimization and transformation of corporate culture and organizational behavior. According to the survey, Hon Hai has a high degree of recognition in the aspect of “organizational efficiency”, which means that colleagues can achieve a balance between work and personal life. In the future, we will continue to create a sustainable corporate environment that grows together with our employees.

In addition, as a leading enterprise in technology manufacturing services, Hon Hai aims to cultivate more next-generation technology talents and provide young students with a deeper understanding of the actual operation of technology companies. In 2023, the “Chairman’s Office Internship Program” was launched for the first time, attracting 500 outstanding students to apply and officially admitting 8 young women and men. The internship program has received a lot of positive feedback from the outside world. In the future, we will continue to handle it annually to reserve more promising young talents for the leadership of enterprises and industrial development.

As the world’s largest technology manufacturing service provider, Hon Hai understands the obligation to assist in sustainable supply chain practices and lead suppliers towards a green transformation. In 2024, Hon Hai released its first “Supplier Responsibility Report”, which is also the first responsibility report from the perspective of suppliers among Taiwanese companies. It is hoped that Hon Hai’s cross-industry operation influence will make the value chain pay attention to the importance of sustainable operation. In the future, it will be published regularly in the third quarter of each year and will become the annual ESG driving achievement report for the Group’s over 10,000 suppliers.

Preface	
Corporate Governance, Smart Innovation	Diverse Inclusiveness, Employee Engagement
Healthy Workplace, Safety Adherence	Green Solutions, Circular Economy
Business Sustainability, Beneficial Partners	Social Contribution, Win-Win Strategy
Appendix	





The dual-E equation of “sustainable operation=EPS+ESG” for Hon Hai’s operations can gain the favor and trust of the capital market, based on the efforts of many partners, including employee contributions, customer trust, supply chain partner cooperation, shareholder support, and supervision from local governments of various operations. Hon Hai has bases all over the world and has a responsibility to care for neighboring communities and maintain close cooperative relationships, driving sustained economic growth. We hope to bring innovative cooperation models through the core values of “share, collaborate and thrive”, with a focus on social sustainability responsibility. While pursuing economic growth, we aim to create a friendly environment, optimize the ecology, and collaborate with industry chain partners to take more firm and powerful steps towards sustainable development.

We also hope that you, who have read this report, will continue to believe in Hon Hai. We will continue to write a new chapter in our belief to “innovate for the good.”

Hon Hai Technology Group  
Chairman Young Liu  
August 2024

*Young Liu*



## 0.3 Awards

**Fortune Magazine -**  
27th out of the world's  
top 500 companies

**Forbes Magazine -**  
116th out of the world's  
top 2000 companies

**Corporate Governance  
Evaluations -**  
6~20%

**Clarivate Analytics -**  
Top 100 Global  
Innovators award for the  
7th consecutive year

**Institutional Investor -**  
Best IR Team and Best  
Executive Team No.1,  
and Best ESG No.2

**IR Magazine Award -**  
"Best IR Event" and "Best  
Innovative Shareholder  
Communication"

**WeQual Awards -**  
2023 Asia Pacific  
Women Leader of the  
Specialist category

**Brandon Hall Group  
Excellence Awards -**  
3 Gold, 2 Silver, 3 Bronze

**Best Employer Award  
(Taiwan) -**  
1111 Job Bank "2023 Happy  
Company", IMA "IT Matters  
Awards"

**Best Employer Award  
(Mainland China) -**  
6 Influential  
Employer Awards

**Ram Charan Management  
Practice Award -**  
Award of Excellence

**Best Employer of the Year  
(Overseas) -**  
Foxconn Czech Republic for  
the 10th consecutive year

**Association of Sustainable  
Social Enterprise of Taiwan  
(ASSET) -**  
Social Innovation Award

**Institute of Public and  
Environmental Affairs  
(IPE) CITI -**  
No.1 for the Greater  
China region

**Institute of Public and  
Environmental Affairs  
(IPE) CATI -**  
No.1 for the Greater  
China region

**Sustainalytics -**  
10.5 Low Risk

**MSCI ESG Rating -**  
BB grade

**CDP -**  
Climate Change (A-),  
Supplier Cooperation (A),  
Water Security(B)

**SBTi -**  
Overall Net-Zero Target,  
Near-Term Targets and  
Long-Term Targets have  
been validated

**LEED -**  
Taiwan Neihu Building  
received "Gold-Level  
Certification for Existing  
Buildings"

**UL 2799 -**  
Huyue Factory Obtains  
Platinum-Level Certification

**World Economic  
Forum (WEF) -**  
6 Global Lighthouse Awards

**Ministry of Culture -**  
16th Arts & Business  
Awards

**Taipei Computer  
Association -**  
2024 Smart City Innovation  
Application Award



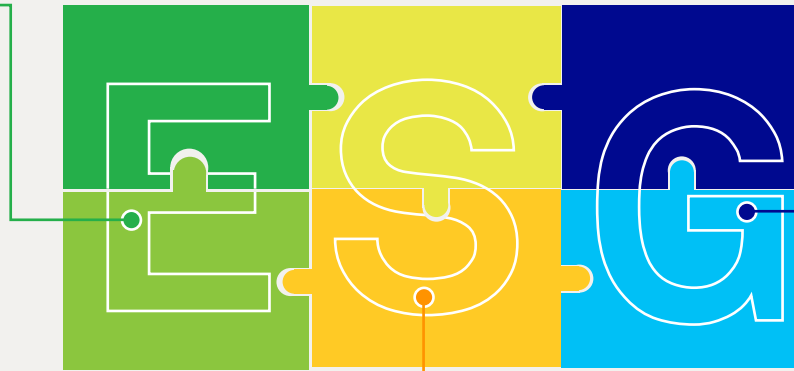
## 0.4 Sustainability Issues at a Glance

### 0.4.1 Overview of Sustainability Issues Disclosed

#### Environment

##### Green Solutions, Circular Economy

<b>Climate change responses</b>	Self-defined Topic	Not SASB material topic
<b>Energy and greenhouse gas management</b>	GRI 302, 305	Not SASB material topic
<b>Water resource management</b>	GRI 303	TC-ES-140a
<b>Waste management</b>	GRI 301, 306	TC-ES-150a TC-ES-410a
<b>Hazardous substances management</b>	Self-defined Topic	Not SASB material topic
<b>Biodiversity*</b>	GRI 304	Not SASB material topic



#### Social

##### Diverse Inclusiveness, Employee Engagement

<b>Talent attraction and retention</b>	GRI 401, 404	TC-ES-310a
<b>Employee rights and diversity and equality</b>	GRI 402, 405, 406, 407, 408, 409	Not SASB material topic
<b>Healthy Workplace, Safety Adherence</b>		
<b>Occupational health and safety</b>	GRI 403	TC-ES-320a
<b>Social Contribution, Win-Win Strategy</b>		
<b>Community Engagement*</b>	GRI 413	Not SASB material topic

#### Governance



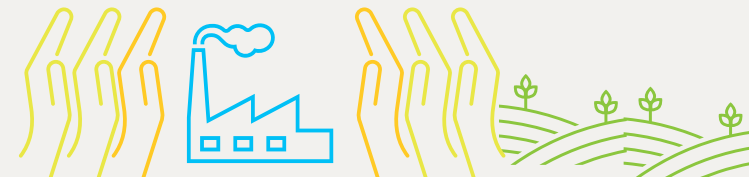
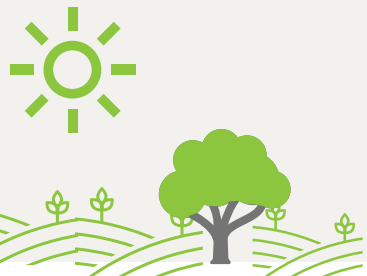
##### Corporate Governance, Smart Innovation

<b>Corporate governance and risk Management</b>	Self-defined Topic; GRI 2	Not SASB material topic
<b>Financial performance</b>	GRI 201	Not SASB material topic
<b>Ethical management and legal compliance</b>	GRI 205, 206	Not SASB material topic
<b>Innovative development and low-carbon technologies</b>	Self-defined Topic	Not SASB material topic
<b>Information security and customer privacy</b>	GRI 418	Not SASB material topic

##### Business Sustainability, Beneficial Partners

<b>Supply chain management</b>	GRI 308, 414	TC-ES-320a
<b>Procurement practices and management</b>	Not GRI material topic	TC-ES-440a
<b>Product Lifecycle Management*</b>	GRI 301, 306	TC-ES-410a

\*The topics that are not in the scope of the materiality matrix



## 0.4.2 Featured Key Performance Indicators (KPIs) 2023 Overview



### Environment

- The **SBTi** has validated our near-term target.
- Greenhouse gas categories 1 and 2 **decreased by 51.08%** compared with the base year of 2020.
- The Group's energy-saving target for 2023 was 4.5%. The actual energy-saving rate was **5.90%**. The energy saving achieved value has exceeded the target value for **four consecutive years**.
- The Group's total installed renewable energy capacity reached 325.82MW, and the usage of renewable energies reached 5,396.05 GWh and renewable energy usage ratios were **60.96%**.
- We invested 2.89 billion NTD in 1,818 energy-saving projects. Total energy savings were 518,847 MWh, equal to total carbon reductions of 309,648 tCO<sub>2</sub>e, an energy saving benefit of **1.54 billion NTD**



### Social

- Share of women in all management positions achieved **21.55%**;
- Invested **148 million NTD** in Foxconn University and provided 56.62 million training hours in total;
- 98.6% of employees are union members;
- Conducted 35 RBA Validated Audit Process (VAP) in own operations globally;
- Sustainability employee engagement score achieved 82.
- Hon Hai Education Foundation invested **114.26 million NTD** in supporting the community, focusing on helping disadvantaged groups and technology education.
- Held a huge number of social welfare activities among global entities with 186,156 hours of volunteer services.



### Governance

- The Group was awarded the "Top 100 Global Innovators Award" for **seven consecutive years**. The Group was also awarded the Asia IP Elite for **eight consecutive years**.
- The Group has accumulated **82,942 global patent applications** as of 2023.
- Conducted 26 RBA Validated Audit Process (VAP) among tier-1 suppliers;
- The Group compiled a "**Responsibility Standard**", which is to clearly explain the requirements and practices in the CoC and is aligned with RBA
- A total of **186 suppliers** completed carbon inventories, resulting in carbon reductions of 484,000 tCO<sub>2</sub>e from 2022 to 2023.
- The Group conducted the social impact assessment for suppliers with the improvement plan in Human Rights management and the improvement rate of 76%.





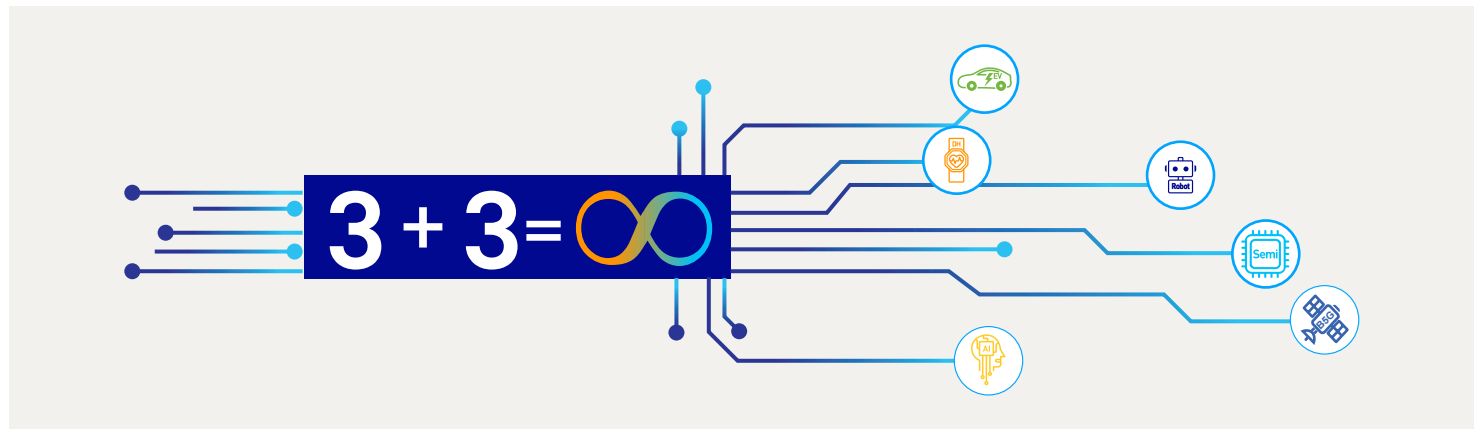
## 0.5 Sustainable Operational Goals and Strategies

Sustainable Management = EPS + ESG

The Group believes that true industry leaders are not only leaders in a business sense, but also leaders of society. We have incorporated the United Nations Sustainable Development Goals in our operational strategies and proposed a






new philosophy: “Sustainable management = EPS + ESG.” Implementing ESG concepts lowers hidden costs for enterprises during corporate restructuring, upgrading, and product promotion processes. Advanced deployments in ESG trends can also create business opportunities such as environmentally friendly green electric vehicles and energy storage systems actively being developed under the Group’s “3+3” strategy.

In the future, the Group will keep abreast of international ESG trends and execute advanced deployments while exerting our influence on sustainability issues as we work with all value chain partners and various stakeholders to achieve the SDGs for the joint achievement of sustainable management and a brighter future.



## 0.5.1 Goals and Progress

### E Mid-Term and Long-Term Target in Environment

<b>Core strategy</b>	<b>Green Solutions</b>	Smart environmental protection is deeply rooted in our core strategy, driving clean production and green energy manufacturing.	<b>Core SDGs</b>	    	<b>Please refer to Chapter 4</b>
	<b>Circular Economy</b>	Enhancing resource utilization efficiency Committed to creating a zero-waste ecological park			

Mid-Term and Long-Term Target	2022	2023			
	Progress	Progress	Target	% Complete	Status
Achieve net-zero emissions by 2050. (Reduce 63% by 2035, 42% by 2030, 21% by 2025, based on 2020 standard)	5.13%	51.08%	12.6%	100%	Completed
Use at least 50% green power by 2030.	8.28%	60.96%	17%	100%	Completed
Reduce water intensity by 6% by 2025.	15%	15%	3%	100%	Completed
Reach 60% of the plastic recycling ratio in all campuses by 2025.	40%	36%	50%	72%	In Progress
Awarded at least 5 campuses with UL 2799 Gold-Level Certification of Zero Waste by 2025.	2	4	3	100%	Completed
100% Set up a monitoring system for industrial wastewater discharge by 2025.	85.2%	93%	90%	100%	Completed
Set up air quality monitoring systems in at least 3 campuses by 2025.	1	1	1	100%	Completed
0 piece major environmental pollution incident.	0	0	0	100%	Completed


Regarding the plastic recycling ratio in all campuses: Starting from 2022, a medium- to long-term goal for plastic recycling has been set, which is to promote the plastic recycling business in the factory area year by year. The transition period for business transformation takes time. The Group will start to develop management measures and guide business units to act in plastic recycling operations.

- Preface
- Corporate Governance, Smart Innovation
- Diverse Inclusion, Employee Engagement
- Healthy Workplace, Safety Adherence
- Green Solutions, Circular Economy
- Business Sustainability, Beneficial Partners
- Social Contribution, Win-Win Strategy
- Appendix





## S Mid-Term and Long-Term Target in Society

Core strategy	<b>Employee Satisfaction</b>	Safety, health, and equitable development Cultivating and empowering employees to enhance their rights and benefits	Core SDGs	    	Please refer to chapter 2, 3 and 6
	<b>Win-Win Strategy</b>	Nurturing the generation of technology education Practicing charitable initiatives to fulfill social responsibilities			

Mid-Term and Long-Term Target	2022	2023			
	Progress	Progress	Target	% Complete	Status
Diversity and inclusion at work, attract and hire more diverse talent, offer equal employment opportunities, ensure zero incidents of unfair employment practices.	0	0	0	100%	Completed
Value the voice of employees, continuously improve the working environment, increase the professional talent retention rate to 88%.	81.9%	88.61%	84.8%	100%	Completed
Comply with the conventions and guiding principles of the UN's International Bill of Human Rights and encourage all value chain partners to promote jointly. The frequency of human rights audits, conducted on all the campuses of the Group and its supply chain manufacturers, should increase from 30 times per year (current policy) to more than 50 times per year.	39	243	36	100%	Completed
Ensure that no severe labor rights incidents that might damage the reputation of the Group and its clients.	0	0	0	100%	Completed
Cultivate creative thinking and good working behavior in the workplace and encourage professional development for employees to foster the creation of good products and unique technologies contributing to the greater good. Offer ≥ 60-hour professional training courses annually for professional, technical people.	86.06	92.6	52	100%	Completed








Mid-Term and Long-Term Target	2022	2023			
	Progress	Progress	Target	% Complete	Status
Maintain the record of 0 cases of occupational diseases caused by chemical agents.	0	0	0	100%	Completed
DIFR (Disabling Injury Frequency Rate) aims at $\leq 0.14$ times / 1,000,000 employee hours of exposure, which is above the industry standard.	0.127	0.203	0.21	100%	Completed
Reduce DISR (Disabling Injury Severity Rate) to $\leq 6.88$ days / 1,000,000 employee-hours of exposure.	5.48	8.136	7.8	95.7%	In progress
Assist high-risk suppliers to implement ISO 45001 Occupational Health and Safety Management Systems; implementation rate aims at $\geq 70\%$ .	41.20%	67%	43%	100%	Completed
Initiate incentive programs to encourage volunteer services; accumulated service hours aim at $\geq 5,000$ hours for the Campuses in Taiwan.	284	3357	2145	100%	Completed





## G Mid-Term and Long-Term Target in Governance

<b>Core strategy</b>	<b>Business Sustainability</b>	Operational Innovation, Transparent Governance Deepening Sustainable Partnerships for Mutual Benefit	<b>Core SDGs</b>	    	Please refer to Chapter 1 and Chapter 5
	<b>Corporate Governance</b>	Establishment of sound corporate governance and a culture of corporate integrity			

Mid-Term and Long-Term Target	2022	2023			
	Progress	Progress	Target	% Complete	Status
Information transparency: 10% increase in annual disclosure of corruption and violations of laws and regulations via employee app.	18%	Increased 5%	≥5%	100%	Completed
Disclose information addressing the Group's tax policy.	Disclosure	Disclosed via company website and sustainability report	Disclosure	100%	Completed
> 50% of board members are not concurrently employees or managers of Hon Hai.	67%	75%	>50%	100%	Completed
Increase female boards of directors from 11% to 30%.	22%	25%	>20%	100%	Completed
The performance evaluation of the board of directors, Audit committee and Remuneration committee increased to an average of 4.8 points; the board of directors and functional committees take performance evaluations conducted by external experts every three years.	Completed	Completed	Conduct performance evaluations annually: external evaluations have been conducted in the past three years	100%	Completed
Keep improving ISO 27001 and assist business units to establish cyber security systems.	Completed	Completed	Introduce consistency in management activities, covering all central information units and central units	100%	Completed



Mid-Term and Long-Term Target	2022	2023			
	Progress	Progress	Target	% Complete	Status
Conduct security tests annually for 10 critical systems to ensure zero major cyber security incidents.	Completed	Completed	Develop penetration testing operation specifications /information security incident notification process	100%	Completed
All key electronics suppliers have FMD (Full Materials Declaration) on the RoHS-REACH intelligent management platform.	Completed	Completed	100%	100%	Completed
Increase the number of designated electronics suppliers, achieving Zero Waste to Landfill from 3 to 25.	10%	15	≥15	100%	Completed
Increase the number of critical electronics suppliers using 100% renewable energy to manufacture Hon Hai's products from 3 to 45.	12%	24	≥22	100%	Completed
Evaluate and select key electronics suppliers every year. For the suppliers with the poorest ESG performances, Hon Hai reserves the right to reduce annual order quantity or value by 2-5%.	List suppliers with poor performance	≥5%	Reduce annual order quantity or value by 2-5%.	100%	Completed
Conduct evaluation on all designated suppliers' ESG performance (including green product, carbon management, social and environmental responsibilities).	100%	100%	100%	100%	Completed
Coverage rate of designated mechanical supplier audits (conducted every 3 years) reaches 90%.	73%	85.6%	85%	100%	Completed
Conflict minerals inquiry response from designated suppliers reaches 100%, ensuring zero use of conflict minerals.	100%	100%	100%	100%	Completed



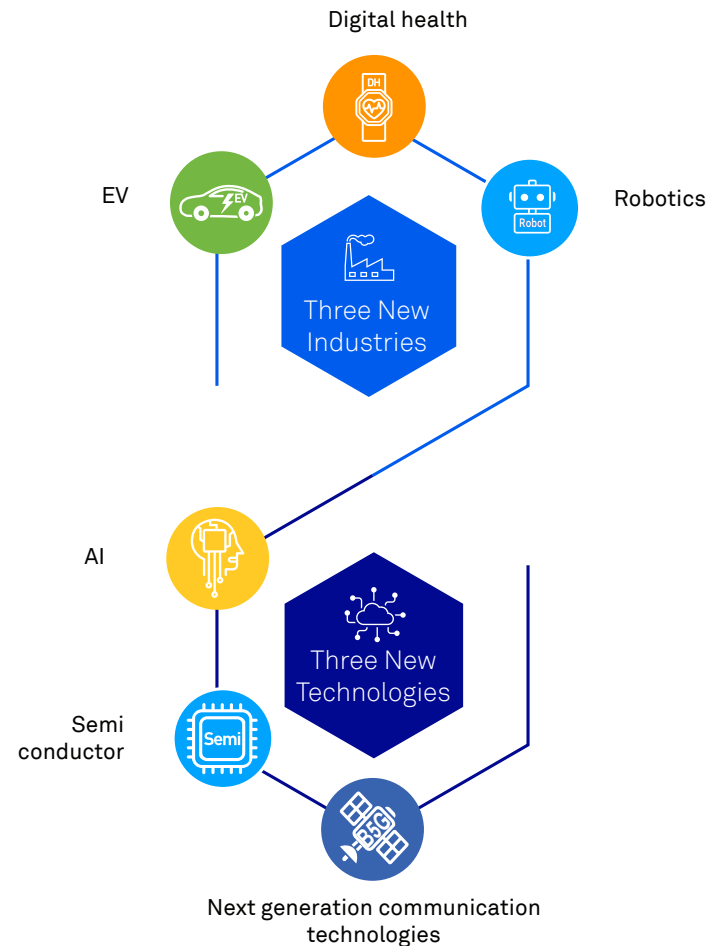


### 0.5.2 Relationship Between the Overall Environment and Our Operating Strategies

As we continue to expand our reach, we are also working to discover new drivers for growth. The Group selects electronics products with growth potential and stable profitability based on the principles of “right customers, right product, and right timing,” and therefore maintained steady revenue growth even during the coronavirus pandemic. Thanks to continuous developments in global 5G infrastructures, many of our clients have begun launching new consumer products that will drive the next wave of growth. The coronavirus pandemic boosted work-from-home, home entertainment, and other stay-at-home economy needs, increasing demand for cloud servers and network communications, resulting in significant growth for tablet computers, laptops, and game consoles. We believe that the stay-at-home economy, enterprise IT spending, and communications infrastructure will continue to drive ICT (Information and Communication Technology) growth in the post-pandemic era.

However, the ICT industry is gradually reaching saturation and growth is slowing. Based on our evaluations of future industrial environments, we believe automation, chips, digitalization, and intelligent systems are technologies that will develop rapidly, and new energies, automation, and enhancement of individual values will be the main trends of the future. We therefore incorporated our existing capabilities in precision manufacturing and officially announced our three industries and three core technologies for the future in November 2019 to power our next stage of growth, with the three industries being “electric vehicles, digital health, and robotics.” These three future industries have a large market size, totaling more than US\$1.4 trillion. Additionally, the average compound annual growth rate (CAGR) for these industries all exceed 20%. These opportunities for growth align well with our own industrial expertise and advantages. Our three core technologies are “artificial intelligence, semiconductors, and next-generation communication technologies”; all key technologies which serve as our core competitive

advantages for the three industries as we develop leading technologies and products 3-5 years ahead of their time, helping the Group to realize its F3.0 transformation to new industries goal.






### 0.5.3 Response to International Initiatives

United Nations Sustainable Development Goals (SDGs)

As a leader in technology services, the Group has established operating locations all over the world, and therefore resolving global sustainable development issues is one of our critical issues. The Group utilizes its core capabilities and resources to respond to the SDGs established by

the United Nations, which serve as the Group’s objectives for achieving sustainable management.

The Group adhered to the “Sustainable Management = EPS+ESG” principle for identifying major SDGs and refining targets. Our six main ESG strategies respond to the SDGs, and we work with our upstream suppliers, corporate businesses, and downstream customers to implement them and work jointly toward our 2030 Agenda.

SDGs	SDG Sub-Goals	Corresponding ESG Targets and Strategies	Response Strategies and Actions
	1.2, 1.3, 1.4	Win-Win Strategy	<ul style="list-style-type: none"> <li>We voluntarily initiated a variety of community activities for community contribution and epidemic prevention to improve the living standards of our surrounding communities and maintain health and safety. We hosted multiple activities over 186,156 hours.</li> <li>Organized the Foxconn Scholarship Program for five consecutive years, benefiting a total of 7,912 students, and distributing a total of 286 million NTD to economically disadvantaged students.</li> </ul>
	3.4	Employee Engagement	<ul style="list-style-type: none"> <li>Held 370 sports competition trials, 1,084 various cultural events and sports activities, 721 mental health activities, and 167 legal education activities, serving 602,000 employees.</li> <li>Provide routine food safety monitoring and risk identification services for the “Food Safety Laboratory” of the Group. In 2023, a total of 3,370 items were sampled, 10,830 test items were completed, and the sampling pass rate increased to 97.1%.</li> <li>Health promotion: Through the Group’s internal APP, a total of 105 articles were promoted in 2023, with a total of 18,844 views.</li> </ul>
	4.1, 4.3, 4.5, 4.7	Employee Engagement, Win-Win Strategy	<ul style="list-style-type: none"> <li>Pertaining to the foundation of Foxconn University in 2022, In 2023, the Group provided employees with 65.63 million hours of training (online + offline), with a total of 30.41 million people trained in 2023.</li> <li>CoC/anti-corruption compulsory courses: “Introduction to the Code of Conduct (CoC)” with an average study completion rate of 95.1%; “Anti-Corruption (Uprightness)” with an average study completion rate of 95.5%.</li> <li>Launched the Starlight Project in its second year, serving a total of 569 disadvantaged students in 2023 and investing NTD 42.49 million.</li> <li>The Group has established the “Hon Hai Technology Award”. There was total of 22 winners in 2023. Each winner received a bonus of NTD\$250,000 and an internship opportunity at Hon Hai.</li> </ul>

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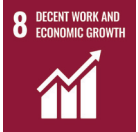
Business Sustainability, Beneficial Partners

Social Contribution, Win-Win Strategy

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SDGs	SDG Sub-Goals	Corresponding ESG Targets and Strategies	Response Strategies and Actions
	5.1, 5.4, 5.5	Diverse and Inclusive, Talent attraction and Retention	<ul style="list-style-type: none"> <li>• Promoted diversity and gender equality, share of women in management positions achieved 21.55%, gender pay gap among all management level is no more than 20%.</li> <li>• Implemented “Childcare Subsidies for 0 to 6 Year Olds” program with subsidy policy for supporting pregnant mothers as well as baby-sitting rooms, total 171,282,070 NTD of subsidies in 2023.</li> <li>• Emphasized women’s rights and interests, set up women’s support groups such as the Warm Heart Station, and set up female employee committee in the Shenzhen plant.</li> </ul>
	6.3, 6.4	Circular Economy	<ul style="list-style-type: none"> <li>• Actively engaged in wastewater recycling actions that reused treated domestic wastewater in production processes and environmental greening; we recycled a total of 5.96 million tons of water, equivalent to 7.0% of our total water usage.</li> </ul>
	7.2, 7.3	Green Solutions	<ul style="list-style-type: none"> <li>• In 2023, Group’s total installed renewable energy capacity reached 325.82MW, and the usage of renewable energies reached 5,396.05 GWh and renewable energy usage ratios were 60.96%.</li> <li>• In 2023, we invested 2.89 billion NTD in 1,818 energy-saving projects encompassing transformation of energy-saving production processes, improvement of air-conditioning systems/air compressors/lighting equipment, and other improvements. Total energy savings were 518,847 MWh, equal to total carbon reductions of 309,648 tCO<sub>2</sub>e, energy saving benefit of 1.54 billion NTD.</li> </ul>
	8.2, 8.5, 8.7, 8.8	Business Sustainability Talent attraction and Retention	<ul style="list-style-type: none"> <li>• Ranked Taiwan’s biggest business in terms of revenue; revenue for 2023 was 6.162 trillion NTD, equivalent to 26% of Taiwan’s GDP</li> <li>• Added principles of equal employment, respect for human rights, employee diversity, bans on child labor, and prohibition of forced coercion of employees to the talent recruitment protocols and activities of the Group.</li> <li>• Provision of equal compensation and opportunities for advancement to all male, female, and disabled employees, with no exceptions.</li> </ul>



SDGs	SDG Sub-Goals	Corresponding ESG Targets and Strategies	Response Strategies and Actions
	9.4, 9.5	Business Sustainability, Corporate Governance	<ul style="list-style-type: none"> <li>• Rapidly launched two more self-developed EV models and our first self-developed mass-produced EV with our trademark efficiency, demonstrating our determination to be a global automobile manufacturer.</li> <li>• The Group is the only enterprise in the world that holds 6 WEF Global Lighthouse certifications, the highest number of awards held by any company in the world, demonstrating our solid capabilities and ability to lead the industry.</li> <li>• Utilized the Group's core capabilities as well as internal and external resources to promote technology education and provide learning resources for teachers as well as college, high school, vocational school, and junior high school students, including quantum computing camps for high school and vocational school students.</li> </ul>
	12.2, 12.4, 12.5, 12.7	Circular Economy	<ul style="list-style-type: none"> <li>• In 2023, the Huyue Campus, the corporate headquarters in Tucheng, New Taipei City, which has been established for 35 years, obtained the "Platinum-Level Certification", the highest level of UL 2799 Zero Waste to Landfill.</li> <li>• We encourage our suppliers to obtain Zero Waste to Landfill certifications, assisted 15 suppliers in obtaining UL 2799 Zero Waste to Landfill verification.</li> <li>• Required all suppliers to strictly comply with local environmental protection regulations, launched a green procurement policy that required all suppliers to fully establish self-assessment procedures for RoHS 10 substances, and banned discharges of untreated hazardous materials and supplies.</li> <li>• Established a management system for chemicals and hazardous substances to assess and track chemical usage, ensuring that said chemicals do not cause environmental or human damage.</li> </ul>
	13.3	Green Solutions	<ul style="list-style-type: none"> <li>• In 2023, we invested 2.89 billion NTD in 1,818 energy-saving projects encompassing transformation of energy-saving production processes, improvement of air-conditioning systems/air compressors/lighting equipment, and other improvements. Total energy savings were 518,847 MWh, equal to total carbon reductions of 309,648 tCO<sub>2</sub>e, energy saving benefit of 1.54 billion NTD.</li> </ul>
	14.2	Circular Economy	<ul style="list-style-type: none"> <li>• The "Sustainable Ocean - Recycling Resources" project, an industry-academia collaboration with the National Taiwan Ocean University, promotes the recycling of waste building materials into fish and algae reefs, restores seabed ecology to enhance biodiversity, and converts land-based waste into useful of marine resources.</li> </ul>

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SDGs	SDG Sub-Goals	Corresponding ESG Targets and Strategies	Response Strategies and Actions
	15.2	Circular Economy	<ul style="list-style-type: none"> <li>Released the “Hon Hai Technology Group Biodiversity and No Deforestation Commitment”.</li> </ul>
	16.2, 16.3, 16.6, 16.B	Business Sustainability, Corporate Governance, Diverse and Inclusive	<ul style="list-style-type: none"> <li>Adopted a zero-tolerance policy for regulatory violations, strictly prohibiting all forms of corruption, bribery, theft of corporate funds, and profit from illicit activities. All employees receive at least two hours of anti-corruption training annually.</li> <li>Established of the Hon Hai Code of Conduct (CoC), Standards of Responsibility, Human Rights Charter, and other related regulations to commitment respecting human rights.</li> <li>Rejection of all forms of human trafficking and employment of slave labor, coerced labor, forced labor to repay debt, indentured labor, and prison labor.</li> <li>No discrimination of employees on the basis of gender, age, nationality, place of birth, ethnic background, language, disability, marriage, pregnancy, sexual orientation, religion, political views, or union membership. Child labor is also prohibited.</li> <li>Prevention of all forms of corruption, discrimination, and unfair practices during the procurement process; strict prohibitions on supplier use of child labor and forced labor or prison labor; and strict adherence to fair operating principles.</li> </ul>



## Science Based Targets Initiative (SBTi)



In January 2021, Hon Hai (Foxconn) submitted an ambitious 1.5°C carbon reduction commitment to the SBTi, using 2020 carbon emission data as a baseline to establish the Group’s

scientific carbon targets. In April 2023, the Group achieved validation for its near-term targets by SBTi, and in April 2024, it obtained validation for its long-term and net-zero targets.

## RBA Code of Conduct



**Responsible Business Alliance**  
Advancing Sustainability Globally

As a member of the international business community and RBA (Responsible

Business Alliance) the Group’s “**Code of Conduct**” is based on the five aspects of the RBA Code of Conduct, and was formulated rigorously and prudently to include content related to many international initiatives, including responsible mineral procurement, anti-corruption, and anti-slavery, thereby aligning with international trends and ensuring comprehensiveness of our ESG implementations.

## CDP Global Environmental Disclosure Platform



Since 2010, Hon Hai (Foxconn) has been a member of CDP, measuring and disclosing environmental information to assess, manage, and mitigate the impact of climate change on the company. In 2023, the company’s

ratings improved across three categories: Climate Change (A-), Supplier Engagement (A), and Water Security Management (B). Particularly noteworthy, its ratings for Climate Change and Supplier Engagement achieved leadership levels.

## Climate Action 100+



The Group formally responded to the three goals proposed by the Climate Action 100+ Steering Committee. We not only comply with Nationally Determined Contributions (NDCs) and carbon emission policies of local

governments, but also continue to strengthen climate change governance, implement actions on GHG emissions, and disclose information in accordance with Task Force on Climate-related Financial Disclosures (TCFD) recommendations to ensure that the GHG emissions throughout the Group’s value chain remain consistent with the targets of the Paris Agreement as we strive to realize our goal of zero GHG emissions by 2050.

## Task Force on Climate-Related Financial Disclosures (TCFD)

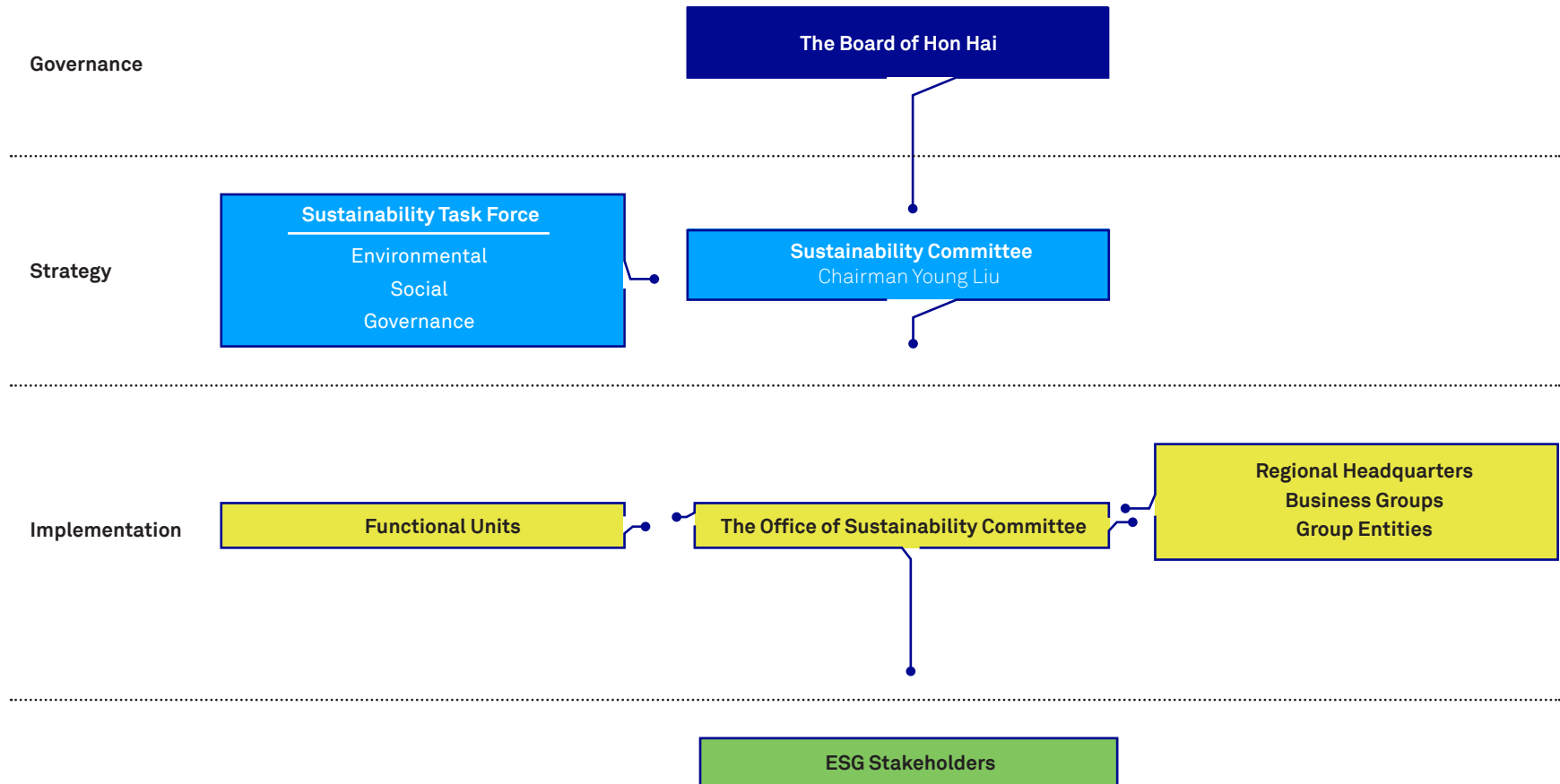


In 2022, the Group officially became a TCFD supporter and pledged to implement TCFD guidelines. The Group assessed links between climate change and business activities using

the TCFD framework, and has conducted scenario analyses incorporating risk management and climate impacts to further evaluate the resilience of our responses to climate change. Relevant information has been disclosed in our Net Zero Vision Report. For more information on the Group’s responses to TCFD disclosure requirements, please refer to “4.2.1 List of TCFD Framework”, our **TCFD Net Zero Vision Report**, and our upcoming TCFD Report in 2024



## 0.6 ESG implementation structure



The promotion and implementation of ESG is overseen and managed by the Board of Directors. The Board of Directors has established the Sustainability Committee. For details, please refer to “1.2 Sustainability Committee”.

## 0.7 Company overview

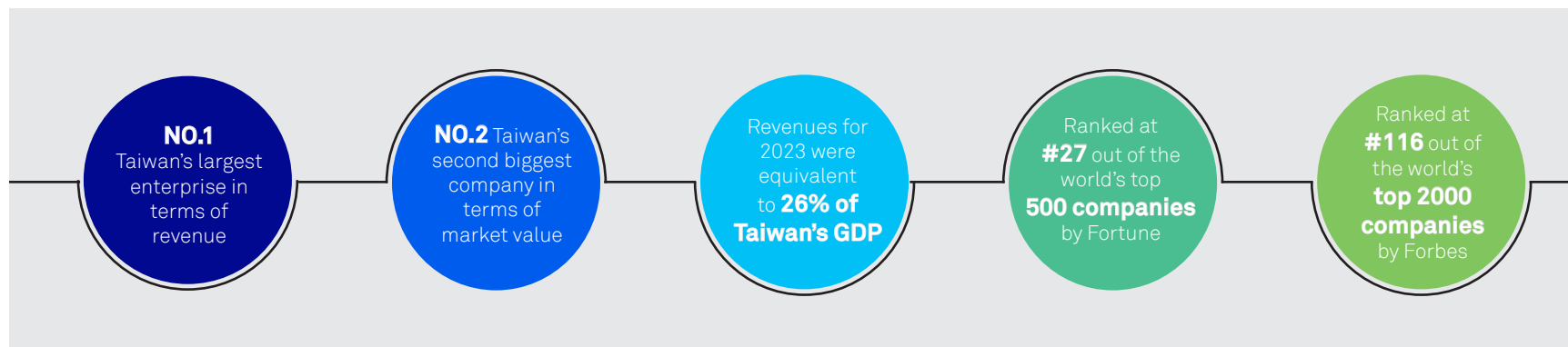
### 0.7.1 Company profile

Company Name	Hon Hai Precision Industry Co., Ltd. (hereinafter "Group")
Headquarters	No. 2, Zihyou Street, Tucheng Industrial Park, Tucheng District, New Taipei City, Taiwan
Ticker Symbol	2317.TW
Date of Establishment	February 20, 1974
Geographical Distribution	The Group is headquartered in Taiwan, and has established business locations all over the world to serve our customers in China, the US, Canada, Mexico, Brazil, the Czech Republic, India, Vietnam, and many other locations. (Please refer to our <a href="#">website</a> for further details.)
Number of Group Employees Worldwide	749,039
Paid-In Capital	138.6 billion NTD
2023 Revenues	6.162 trillion NTD

### Group Vision: Work with Leading Clients Around the Globe to Build Smart Living Platforms.

As a leading global manufacturer in the computer, communications, and consumer electronics (3C) industry, the Group supplies the most competitive manufacturing technologies and solutions, and we continue to serve our clients, employees, and other stakeholders around the globe. Established in 1974 and under the guidance of founder Terry Gou, we have developed a Group strategy composed of "time to market," "time to volume," and "time to money," as well as the innovative "IIDM-SM" strategy, namely a comprehensive integration, innovation, design, manufacturing, sales, and marketing services solution for the 3C industry. We established a foundation in the molds industry and gradually grew from a local OEM company to an international high-tech services provider. The Group is responsible for supplying nearly 40% of electronic products worldwide.

The Group's revenue for 2023 was 6.162 trillion NTD, lower than 2022, due to being affected by the general environment, inventory adjustments and slow demand for end products after the epidemic. Revenue from cloud networks, computer terminals, and consumer intelligence declined slightly from the previous year, while revenue from components and other products was approximately the same.



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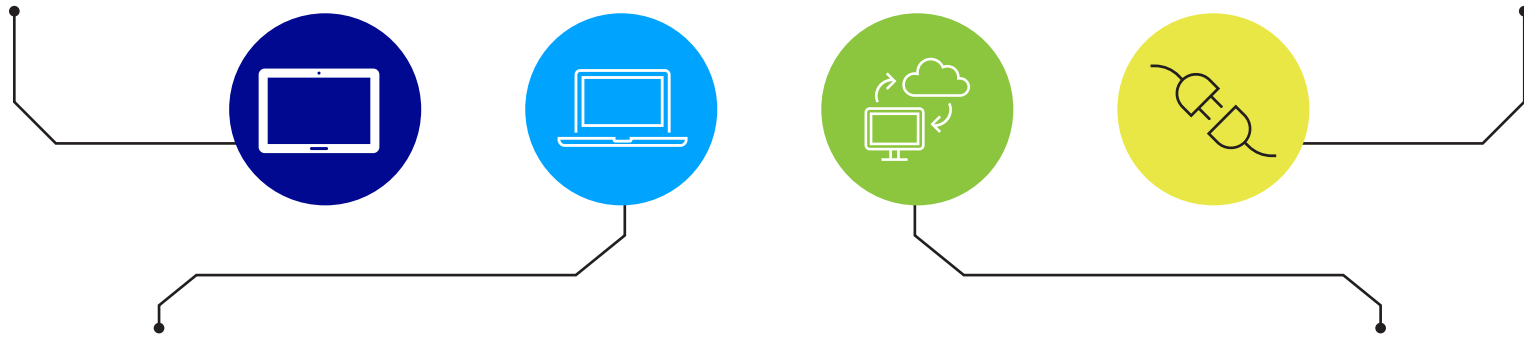
## Product Categories

### Smart Consumer Electronics (Smartphones, TVs, and game consoles)

Consumer electronics for personal use, encompassing consumer electronics products and communications products within the scope of 3C product categories as defined by external parties.

### Components and Others (Connectors, mechanical parts, and services)

Includes key components and technical components for the supply chain as well as logistics warehousing, software development, healthcare services, and integrated services.



### Computing Products (Computers and tablets)

Includes electronic computing equipment required for work and daily life, as well as electronic computing products required for office and workplace use, encompassing computing products within the scope of 3C product categories as defined by external parties.

### Cloud and Networking Products (Servers and network communications products)

Cloud infrastructure required for network communication and cloud storage by enterprise and individual users.

## 0.7.2 Management Policies

The Group not only commits to further development of precision manufacturing and vertical integration, but still strives for innovation, and continues the core transformation from “brawns” to “brains” by following the roadmap from “Foxconn 1.0” Existing business optimization; “Foxconn 2.0” Digital transformation; and “Foxconn 3.0” Transformation to new industries, striving towards the goal of continuous improvement and solid progress.



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### 0.7.3 Global operations

The Group is dedicated to enhancing research design and engineering solution capabilities to develop a global footprint that is based in Asia and expanded to other parts of the world. “2 R&D Clusters” refers to the adoption of a strategy that centers on R&D in Greater China and the US; “3 Design and Manufacturing Zones” refers to give priority to the mainland China region in terms of strategic deployment , establishing design and manufacturing in Asia, the Americas, and Europe with at least two manufacturing bases; “Global Assembly and Delivery” refers to complements of global assembly and delivery to ensure that we convey values to clients with optimal timing, quality and quantity.

#### R&D Clusters

The adoption of a strategy that centers on R&D in Greater China and the US.



#### Design and Manufacturing Zones

Give priority to the mainland China region in terms of strategic deployment, establishing design and manufacturing in Asia, the Americas, and Europe with at least two manufacturing bases.



#### Global Assembly and Delivery

Complements of global assembly and delivery to ensure that we convey values to clients with optimal timing, quality and quantity.



# 1 Corporate Governance, Smart Innovation

## Material issues in this chapter:

- Financial Performance
- Corporate Governance and Risk Management
- Ethical Management and Legal Compliance
- Information Security and Customer Privacy
- Innovation Development and Low-carbon Technology



The Group has established a sound corporate governance structure, consisting of directors and independent directors jointly responsible for corporate governance and sustainability strategy. This structure effectively safeguards the rights of all stakeholders and demonstrates our corporate values.

## Key KPIs and achievements/Honors in 2023

- 1 In October 2023, the Board of Directors approved that the Nomination Committee should be expanded into the Corporate Governance and Nomination Committee.
- 2 FoxTron (TWSE: 2258), the first pure electric vehicle concept stock in Taiwan and a joint venture between Hon Hai and Yulon, was officially listed on the Growth Enterprise Market (GEM) in November 2023.
- 3 The Group was awarded the “Top 100 Global Innovators Award” for seven consecutive years. The Group was also awarded the Asia IP Elite for eight consecutive years.

Commitment to SDGs



### Major GRI standards mapped:

GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021, GRI 201: Economic Performance 2016, GRI 205: Anti-corruption 2016, GRI 206: Anti-competitive Behavior 2016, GRI 410: Security Practices 2016, GRI 418: Customer Privacy 2016





## 1.1 Corporate Governance

### 1.1.1 Governance Structure Overview

The Group has established a Board of Directors consisting of directors and independent directors jointly responsible for corporate governance and management strategy in accordance with laws and regulations. In addition to upholding shareholder rights, the Board of Directors is also guided by principles that protect the rights of other stakeholders, including employees, clients, shareholders/investors, public associations, suppliers/contractors, government institutes, NGOs, and the media.

The general managers of each business group adhere to the guiding principles of the Board of Directors in directing the operations of each business group. Internal directors of the Group receive no additional compensation. According to the regulations governing the Board of Directors, individual directors should excuse themselves from Group affairs when there is a conflict of interest. Directors' remuneration levels are derived from remuneration levels for equivalent management positions held at the listed companies of the Group.

The Group's Board of Directors comprises seven directors, including four independent directors and two female directors. All members are ethnically Taiwanese and from the Republic of China.

The Board of Directors has extensive academic background and work

experience in engineering, finance, and other fields and fully implements diversity concepts in its Board structure. Chairman Liu Young-Way, who represents the company externally and serves as the Group President, is responsible for supervising all senior affairs.

The Group insists on transparency in operations, emphasizes shareholder rights, and believes that a sound and efficient Board of Directors can establish a strong foundation for corporate governance. The Board plays a supervisory and guiding role in our sustainable corporate management strategy. The Sustainability Committee reports quarterly to the Board regarding the execution of ESG policies and initiatives.

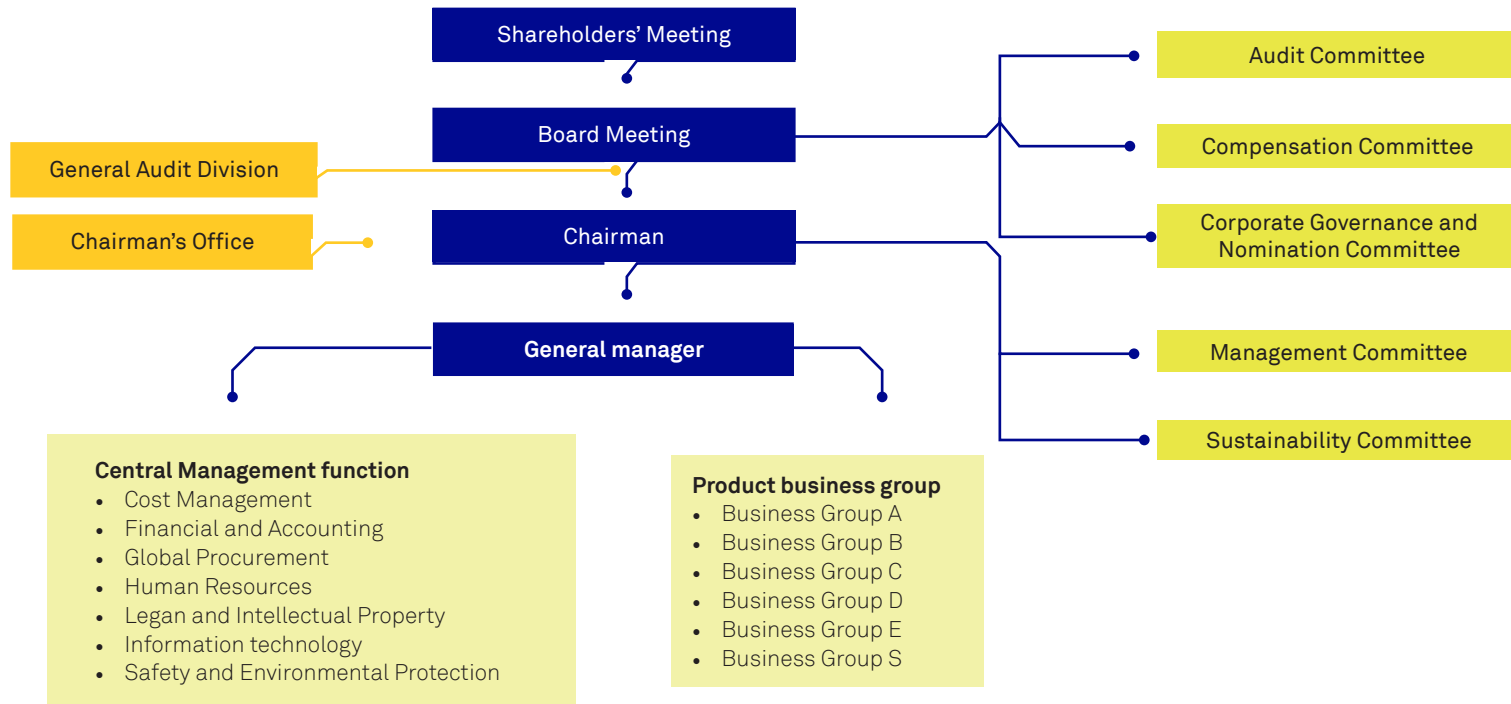
In the future, we will continue to enhance the directors' knowledge of sustainable development. To this end, the Group hosts mandatory training for directors each year. Key events within the Group are disclosed at annual shareholders meetings and investor conferences.

Additionally, to safeguard the rights of shareholders and other stakeholders, strengthen Board functions, and enhance information transparency, the Group has established the "Corporate Governance Code of Practice." **Please refer to the link**

In 2023, the Group ranked in the top 6% to 20% of companies in the 9th Corporate Governance Evaluations.

Directors  
Biographies





## 1.1.2 Committees and Composition

The Group has established the Audit Committee, Compensation Committee, Corporate Governance and Nomination Committee, Employee Welfare Committee and Labor Retirement Reserve Supervision Committee. Other functional committees will be established as needed in the future.

The Group established an Audit Committee in July 2016 in compliance with the Securities and Exchange Act. Committee members elect a convener amongst themselves; the current Committee convener is Independent Director Hwang, Tsing-Yuan. The Committee convened three times in 2023.

A Compensation Committee was established in September 2011 in accordance with corporate governance principles to strengthen salary and remuneration systems for directors and managers. The three Committee members were appointed by the Board. The main responsibility of the Committee is to assist the Board in assessing and reviewing the performance of directors and managers in relation to sustainable development objectives set out by the Group, and to review policies, systems, standards, and structures for Compensation. Independent Director James Wang serves as Committee convener. The Committee convened four times in 2023.

Annual Shareholders Meeting





The Company established the Nomination Committee in March 2022. On October 27, 2023, the Board of Directors approved that the Nomination Committee should be expanded into Corporate Governance and Nomination Committee. Under the authorization of the Board of Directors, good-natured administrators should exercise due care in performing the following functions and powers and submit the suggestions to the Board of Directors for discussion. The Committee is comprised of three directors elected by the Board, the convener Hwang, Tsing- yuan, James Wang and Liu, Len-yu. All Committee members possess professional capabilities and expertise in diverse fields such as business management, operations and manufacturing, engineering technologies, finance and accounting, financial investment, brand channels, and marketing.

### 1) Non-executive chairperson/Lead director




There are 1 executive and 6 non-executive members on the Board of Directors. The Group's CEO is an executive director. There is no non-executive chairperson or lead director.

### 2) Independence

The Group's Board of Directors is comprised of seven directors, including four independent directors. The Audit Committee has 5 directors, and 100% of them are independent. The Compensation Committee has 3 directors, and 100% of them are independent. The Nomination Committee has 3 directors, and 100% of them are independent.

### 3) Tenure of members on the governance body

Each director serves for a term of three years and can be reelected for a consecutive term. Among the 4 independent directors, 3 have served for less than 3 years while 1 has served for 3 years or more. The average tenure is 4.4 years (taking 2023 as the current year).

				
<b>Name of Directors with their date of first appointment</b>	<b>Liu, Young-Way</b> June 21, 2019	<b>Wang, Charng-yang</b> May 31, 2022	<b>Dr. Christina Yee-ru Liu</b> June 1, 2020	
				
	<b>James Wang</b> January 31, 2018	<b>Hwang, Tsing- yuan</b> June 8, 2007	<b>Liu, Len-Yu</b> May 31, 2022	<b>Chen, Yue-min</b> May 31, 2022
				<b>Average tenure</b> 4.4

### 4) Number of other significant positions and commitments held by each member, and the nature of the commitments

Please refer to P19-20 of Hon Hai 2023 Report

### 5) Gender, race and nationality

The Group's Board of Directors includes two female directors, Christina Yeeru Liu and Chen Yue-min. All members are ethnically Taiwanese and from the Republic of China.

### 6) Stakeholder representation

The Group encourages shareholders to participate in corporate governance engagement. In addition to our shareholders' meetings, we have established targeted and effective ways to contact our shareholders. This is so our managers and independent directors can receive shareholder feedback, understand shareholder issues of concern, and provide clear explanations for corporate policies to gain shareholder support.



The Group has commissioned a professional stock agency to handle shareholder affairs so that shareholders' meetings can be convened legally, effectively, and safely. We have also established an Investor Relations Department dedicated to its handling of shareholder suggestions and disputes.

### 7) Effectiveness and competences

The board meeting attendance rate is listed in the table below:

	BoD	Audit Committee	Compensation Committee	Nomination Committee
Meetings held	8	8	4	1
Liu, Young-Way	8			
Wang, Charng-yang	7			
Dr. Christina Yee-ru Liu	8			
James Wang	8	8	4	1
Hwang, Tsing- yuan	8	8	4	1
Liu, Len-Yu	8	8		
Chen, Yuemin	8	8		

- Mandates**

Please refer to P19-20 of Hon Hai 2023 Report

- Performance review**

The Group established the “Regulations governing the performance evaluation of the Board of Directors and functional committees” on November 12, 2020. In 2023, the Board of Director’s internal performance evaluation utilized an internal questionnaire method for self-evaluation.

- Roles and Responsibilities**

The Chair initiates the board evaluation each year and oversees the

evaluations to ensure they are conducted according to accepted governance practice.

External professional independent institutions or external teams of experts or scholars are hired to perform evaluations at least once every three years.

- Evaluation Procedure**

Please refer to 2023 Annual report **page 37**.

- Evaluation Result**

The results of this process were reported to the Board of Directors and functional committees on March 14, 2024, and are used in reference to individual directors’ remuneration and nomination for reelection. The results of the performance evaluation of the Board of Directors for 2023 are as follows:

(1) The overall average score of the self-assessment of the Board of Directors is 4.96 points (out of 5); the overall average score of the self-assessment of directors is 4.91 points (out of 5), which indicates that the overall performance of the Board of Directors is still operating effectively.

(2) The overall average score of the audit committee’s self-evaluation is 4.97 points (out of 5).

(3) The overall average score of the compensation committee’s self-evaluation is 4.91 points (out of 5)

On November 12, 2020, the Board of Directors of the Company established “Rules for Performance Evaluation of Board of Directors”, which provides that the Company will conduct regular performance evaluations on an annual basis, and that such evaluations will be conducted at least once every three years by a team of outside professional and independent organizations or outside experts and scholars, and that the measurement orientations of the functional committees will be clearly defined. The





organization and the advisors conducting the evaluation have no business relationship with the Company to ensure their independence. They conducted evaluations through questionnaires and online video interviews covering eight major aspects: board composition, guidance, authorization, supervision, communication, internal control and risk management, self-discipline, and others. The Company's most recent annual performance evaluation of the Board of Directors' performance was conducted by the directors' self-assessment, using internal questionnaires. The internal performance evaluation of the Company's Board of Directors for the most recent year was conducted by the directors through a self-assessment and internal questionnaire.

The board performance evaluation is conducted every three years. In November 2022, the Company appointed Taiwan Corporate Governance Association to conduct the external board performance evaluation for 2022 (period from December 1, 2021, to November 30, 2022). Taiwan Corporate Governance Association issued the board performance evaluation report on January 12, 2023. The report on recommendations and expected measures was presented to the board on March 15, 2023.

• **Election process**

At the beginning of the election, the Chairman shall appoint several scrutineers and several tellers to carry out the relevant tasks.

The directors of the Company shall be elected in accordance with the quota set forth in the Company's Articles of Incorporation by the person who receives the greater number of votes representing the right to vote. If two or more persons receive the same number of votes representing the same number of voting rights and the quota is exceeded, the persons who receive the same number of votes representing the same number of voting rights shall be determined

Director election Regulations



by the drawing of lots, and the Chairman of the Board of Directors shall draw the lot on behalf of the person who is not present.

The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system stipulated in Article 192-1 of the Company Act.

Independent directors and non-independent directors shall be elected together, and the number of independent directors and non-independent directors entitled to be elected shall be calculated separately, and the person who receives the greater number of votes representing the number of election rights shall be elected orderly.

**Election ballots are issued by the Board of Directors on a one-person-one-vote basis.**

- **Competencies relevant to the impact of the organization**

Please refer to 2023 Annual report **page 19**

**1.1.3 Communication of critical concerns**

**1) Conflicts of interest**

Effort made by directors in preventing Conflict of Interests when required:

(1) On January 18, 2023, the proposal for distribution of performance bonus to managers in 2022 was recused by the manager, Chairman Liu, Young-Way and Director Wang Cheng-Yang who did not participate in voting. The proposal was approved by other attending directors without objection.

(2) On March 15, 2023, with respect to the removal of directors from non-competition restrictions, Chairman Liu, Young-Way as a stakeholder, recused himself from voting and did not participate in voting. The motion



was approved by other attending directors without objection.

(3) In the 2022 distribution of remuneration to managers and employees on October 27, 2023, the manager, Chairman Liu, Young-Way and Director Wang Cheng-Yang recused themselves from voting

## 2) Communication of critical concerns

Critical concerns include concerns about the organization’s potential and actual negative impacts on stakeholders, and concerns about the organization’s business conduct in its operations and its business relationships.

The Group employs a comprehensive management and control system to clearly identify, measure, and control the various kinds of critical concerns it faces. The system is executed by the Group by following policies approved by the Board. Through cooperation with the Group’s operating units, the finance department is responsible for identifying, and evaluating these critical concerns.

### 1.1.4 Collective knowledge

The Group provides continuing education for the board of directors, in order to advance the collective knowledge, skills, and experience of the board on sustainable development. Please refer to the table “Continuing education of the Company’s directors in 2023” in Hon Hai’s 2023 Annual Report (P55-57)

### 1.1.5 Remuneration

#### 1) Policies

**The Company’s remuneration policy:**

#### Directors and managers:

(a) The Company’s Articles of Incorporation do not provide for remuneration for directors. No remuneration is paid to all directors.

(b) The remuneration and attendance fees for directors (including independent directors) were distributed in accordance with the “Regulations for the Distribution of Remuneration for Directors” adopted by the Board of Directors.

(c) Directors (including independent directors) received fixed remuneration and attendance fees. No variable remuneration was paid by the Company.

(d) For directors or their representatives who were employees of the Company or its associates or employees who have a vested relationship with the Company, no remuneration and attendance fees were paid to them.

(e) Managers’ compensation includes fixed salaries, performance bonuses, and employees’ remuneration, and the salaries are determined based on industry standards and managers’ positions, ranks, education (work experience), expertise, and duties. Bonuses are distributed based on each business unit’s contribution to the Company’s profit. Employees’ remuneration is set based on the business performance of individual managers.

(f) According to Article 28 of the Articles of Incorporation, if the Company has any profit for the current year, 5% to 7% of the profit shall be set aside for employee remuneration. The managers’ remuneration is evaluated on a regular basis in accordance with the “Regulations for the Distribution of Remuneration for Managers,” which specify that the managers’ remuneration shall be distributed based on each business unit’s contribution to the Company’s profit presented in the income statement.





The remuneration policy for managers is adjusted occasionally according to the actual management conditions and relevant laws and regulations.

#### Employees:

(a) Adhering to the principles of legality, fairness, justice, and equality, the Company offers employees the best work environment and competitive remuneration packages in a voluntary, honest, and reliable manner. The salary system meets the legal requirements, and the overall remuneration is higher than the general level in the industry.

(b) The Company has established a compensation system that includes performance bonuses and employee bonuses. As the Company grows, the compensation system allows the Company to share its operating profits with employees based on their performance.

The Company has formulated the retirement and pension plans for employees according to the Labor Standards Act and the Labor Pension Act, including:

#### Qualification for the Labor Pension Act: defined contribution plan

(a) The Company grants 6% per month: according to the Monthly Appropriation Scale of the Labor Pension issued by the Bureau of Labor, the Company appropriates 6% of the worker's monthly wage to his/her personal pension fund account.

(b) Voluntary employee pension contribution: workers may also voluntarily contribute within 6% of their wage to the labor pension

#### 2) Process

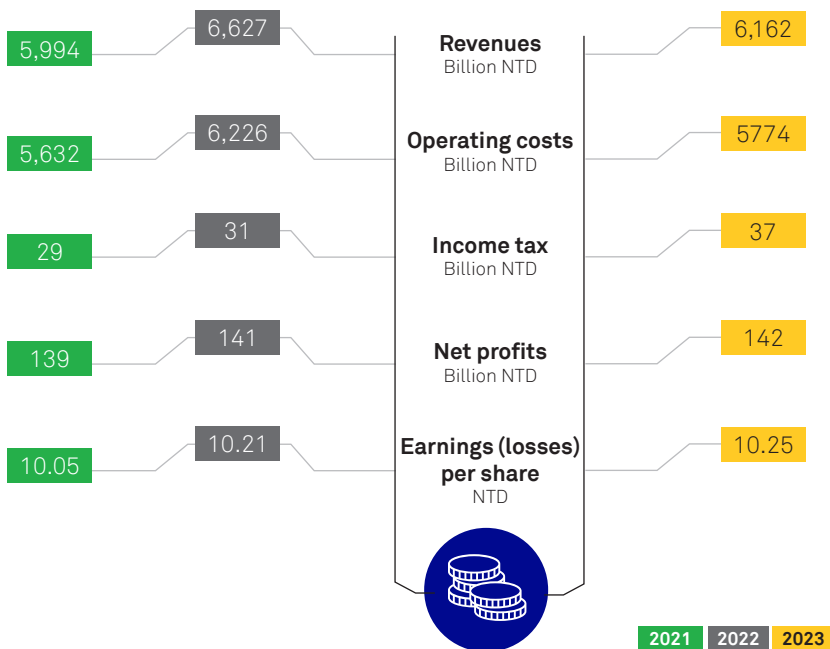
The annual general meeting in 2024 approved the remuneration report for fiscal year 2023 with 82.51% of the votes cast.

#### 3) Annual total compensation ratio

**Please refer to the remuneration section in the annual report. We are in the process of disclosing annual total compensation ratio.**

### 1.1.6 Financial performance

Corporate governance practices play a pivotal role in shaping the strategic direction and operational decisions of our company, influencing our overall financial performance and long-term sustainability. The factors that materially influence the financial performance of our company includes board role and composition, transparency, etc. These factors are essential in attracting external capital for maintaining a high growth rate and for reducing asymmetric information between insiders (shareholders and managers) and outsiders (investors and stakeholders). To be more specific, a higher independence rate on the board of directors reduces our cost of capital and improves our financial performance. Emphasizing enhanced transparency in corporate governance disclosures will further build trust and credibility among stakeholders.

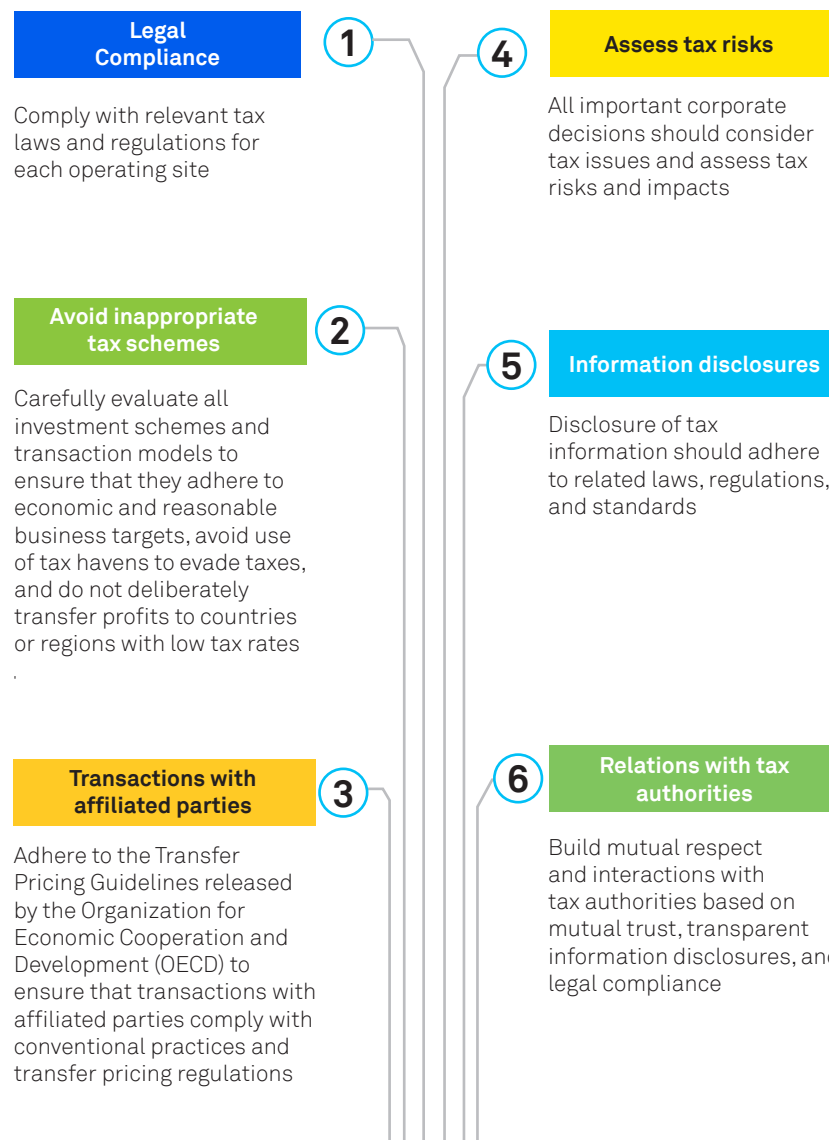


### 1.1.7 Tax Policy

The Group strives to comply with both the spirit and the letter of the tax laws and regulations where it operates.

#### 1) Tax strategy and governance

All subsidiaries included in our consolidated financial statements adhere to our “Tax Policies and Management Regulations” which were established following Board approval. The Board is the highest authority for tax management and is responsible for approving tax policies, supervising tax management mechanisms, and ensuring that said mechanisms are operating effectively.





## 2) Tax reporting

The Company and its subsidiaries are responsible for filing various tax returns at different levels and obtaining appropriate approvals. They are required to review and examine all tax returns and issues in detail and retain supporting information for the Company's records or for access by external authorities. The Company and its subsidiaries diligently evaluate the tax effects of significant transactions and decisions and depending on the business needs, appoint or consult with external professional advisors.

## 3) Effective tax rate

The effective tax rate is 19.48%.

## 1.2 Sustainability Committee

As an ethical and responsible enterprise, the Group strives to be a good corporate citizen and promote sustainable development as we drive our operations, build our competitiveness, and realize value creation. The Group Global CSR Committee was established in March 2007 and was renamed the Sustainability Committee in 2022. The Sustainability Committee reports periodically to the chairman, and, starting from 2023, reports implementation results of corporate sustainability action plans to the Board at least once every quarter.

We aim to solidify the Group's spirit of sustainability, strengthen decision-making and promotion, expand associated coverage, and strengthen supervisory mechanisms that assess whether action plans can be carried out.

### 1.2.1 Role of the highest sustainability governance body and of senior executive development strategies

The Committee is headed by Group Chairman Young Liu. It has established a promotion office staffed with a dedicated team responsible for the compilation of sustainability systems and regulations, monitoring of sustainability policies and plans, regular follow-up and evaluation of sustainability execution and performance, and review of sustainability reports, as well as promotion and internalization of sustainable development within the Group's corporate culture.

The Sustainability Committee regularly reports the sustainability Implementation results and future work plans to the Chairman and to the Board of Directors on a quarterly basis. Proposals include (1) identifying sustainability issues that require attention and formulating corresponding action plans; (2) sustainability-related issues (3) Supervising the implementation of sustainable operation matters and evaluating the implementation. The Board of Directors also evaluates the success of the strategies and the implementation's progress and will urge adjustments when needed.

- **Oversight and sustainability reporting approval**

The Group established the Group Sustainability Policies and Code of Conduct to serve as the highest principle for promoting corporate sustainability.

The Group has established procedures for preparing and assuring the sustainability report and incorporated it into the internal control system according to the regulations of the Taiwan Stock Exchange.

Our comprehensive commitment to the implementation of Group sustainability policies is monitored by the Sustainability Committee. We submit our Sustainability Report to the Board of Directors and



hold quarterly ESG meetings with the Board of Directors to report ESG milestones to the Directors and Independent Directors. Each year, the Directors also hold ESG engagement meetings with investors to demonstrate the Board’s support for and oversight of ESG performance.

- **Review of the effectiveness of our process**

The “Sustainability Committee” is a cross-departmental communication function that integrates the top and bottom levels of the organization. The Group has established an ESG team to identify sustainability issues that are critical to company operations and stakeholders’ concerns. Work is conducted through monthly meetings, formulating strategies and work guidelines, planning and implementing solutions, and tracking the effectiveness of implementation to ensure that the sustainable development strategy is implemented in daily management.

The Group’s Sustainability Committee has developed an audit mechanism to ensure the consistency and continuous improvement of the Group’s global operations under the guidance of the Global Sustainability Policy. The Group has established a comprehensive and systematic audit

system based on self-audit, specialized audit and third-party audit. The Sustainability Committee convenes personnel from dedicated units including human resources, safety management, hygiene management, environmental management, and administrative affairs. Internal audits for labor, ethics, health and safety, environment, and management systems are conducted at each campus in accordance with RBA standards to ensure compliance with sustainability policies and guidelines. We perform annual audits to ensure that the Group’s sustainability policies and guidelines are implemented and executed at all campuses.

- **Delegated responsibilities**

Each business group under the Group has established subcommittees and a dedicated ESG team composed of more than 1,000 people from campuses worldwide to interact closely with clients, the government, and all sectors of society. Together, we aim to enhance corporate transparency as part of our comprehensive commitment to implementing Group sustainability policies, which are monitored by the Sustainability Committee.





## The First Hon Hai Foxconn Sustainability Awards

In 2023, the first in-house sustainability awards will be held to recognize teams and individuals who have made outstanding contributions in all dimensions of sustainability and to encourage more employees to adopt the Group's ESG philosophy.

Nearly 300 entries were received from all over the world since the call for entries was launched. After a rigorous selection process, 44 winners were selected. Through the finalists' entries, we are able to see that all units have made the best use of their strengths in the process of ESG development, and have demonstrated the focus of the Group's attention and commitment:

**Environment:** energy saving and carbon reduction, water management, waste management, noise reduction, pollutant reduction, green product design, etc.

**Social:** Employee growth and health, employee feedback and resolution channels to understand employees' needs, human factors engineering improvements, care for disabled employees, socially disadvantaged groups, etc.

**Corporate Governance:** Supply chain supervision and management measures, the establishment of green supply chain, digital/intelligent management, information security, anti-corruption.

In the award ceremony, the Chairman of the Board of Directors recorded a special video to encourage everyone, and the spokesperson and the heads of each ESG team, including the Chief of Environmental Protection, the Chief of Human Resources, and the Chief of Audit, appeared on the scene at the Longhua Park in Shenzhen, as well as the persons in charge of ESG work in various fields. The heads of business groups, and the sustainability partners of the 205 factories in 24 countries and regions around the globe, gathered together through online and offline to

celebrate the grand ceremony and to show that Hon Hai attaches great importance to and is committed to the development of sustainable development. The program will be continued in the future.

The program will continue to be held in the future, so that sustainable management is deeply rooted in the Group's DNA.





## 1.3 Ethical management

The Group upholds a corporate culture of integrity and ethical management, adopts a zero-tolerance policy toward any behaviors and activities violating laws and regulations, and fully complies with international and domestic anti-corruption and anti-bribery regulatory requirements.

The Group has established effective internal control systems and organizes annual training for employees, with the intention to thoroughly implement corporate integrity and ethical management.

- The Group provides new employees with training in employee guidelines, management policies, corporate ethics, and codes of conduct on their first day to communicate employee rights and obligations. All employees must sign the Company's Honesty, Integrity and IP Protection Agreement, Confidentiality Agreement, and IP Confidentiality Agreement when entering the company.
- The Group also require our suppliers and other collaborators to sign our Partner Commitment Statements before initiating all collaborations and rigorously implement the strictest anti-corruption policies for all partners.

The Group did not incur any legal violations relating to anti-competition, anti-trust monopolization, in 2023.

### 1.3.1 Code of Conduct

#### Hon Hai Policies and Code of Conduct

As an RBA member, the Group adheres to all RBA codes of conduct, promotes and implements sustainability regulations, and audits relevant suppliers to ensure they comply with the Group's sustainability

policies and Code of Conduct. (For more information on Supplier Social and Environmental Responsibility Code of Conduct that we require our suppliers to comply with, please refer to Chapter 5 on Hon Hai's Sustainable Supply Chain Management)

The Group upholds principles of fairness, honesty, and integrity when participating in competition and conducting business. We have also established a legal compliance system at all of our campuses worldwide. As an RBA member, we not only actively participate in RBA activities and assume our member obligations but also work with our peers in the electronics industry and our various partners in compliance and promotion of sustainability.

The Group's Sustainability Committee used the RBA Code of Conduct as a basis to formulate the first version of the Group Code of Conduct (CoC) in June 2008, which encompasses eight main aspects: ethics, labor and human rights, health and safety, environment, management systems, responsible sourcing of minerals, anti-corruption policies, and anti-slavery policies. In 2023, Hon Hai adopted the CoC as its purpose and continued to revise and update it according to the latest contents of the RBA.

The Group also compiled a "Responsibility Standard" to clearly explain the requirements and practices in the CoC, emphasizing the spirit of freedom of choice and the non-use of child labor. All regulations are signed by the Group's senior management to ensure the effectiveness of implementation.

The Group's top executives signed off on and began fully implementing the revised Code of Conduct, actively fulfilling the Group's corporate social responsibilities. Our Code of Conduct training course is mandatory for all employees the Group each year, and we continue to promote Code of Conduct compliance to existing employees.





### Code of Conduct (CoC)



### Hon Hai Responsibility Standards



### Responsible Sourcing of Minerals

The Group adheres to international standards and governmental and nongovernmental regulations on conflict minerals. The Group does not accept or use conflict minerals in any operations. The Group requires suppliers to trace the origin of products potentially containing conflict minerals, including gold (Au), tantalum (Ta), tin (Sn), and tungsten (W), and to provide all relevant information regarding the sources of those minerals. We require all our downstream suppliers to comply with legal regulations prohibiting the use of conflict minerals, and violators are excluded from the Group's list of suppliers.



### Anti-Corruption Policies

The Group upholds a corporate culture of integrity and is committed to full compliance with local and international anti-corruption and anti-bribery laws and regulations. The Group has a zero-tolerance policy toward activities or behaviors that violate anti-corruption policies. Corruption, bribery, embezzlement, and improper activities are

strictly prohibited. All employees undergo at least two hours of compulsory anti-corruption training every year. In addition, all partnerships with suppliers, vendors, and customers must strictly comply with our anti-corruption policy. The Group implements anti-corruption actions yearly while promoting the "Employee Statement of Integrity" to all employees.

Employees who engage in corrupt behaviors or who obtain improper gains through participation in joint corruption are rigorously investigated and handled. Employees, clients, and suppliers can also report grievances through the following channels: Email for external communications: renrenjubao@163.com; jubaofoxconn@gmail.com Email for internal communications: hfj.justice@foxconn.com Phone number for external communications: +86-183-1699-4246 (Mainland China); +886-906- 586-086 (Taiwan)



### Anti-Slavery Policies

The Group does not accept human trafficking or employment that involves any form of slavery, forced labor, debt bondage, indentureship, or prison labor and does not provide payment to any persons who transport, hide, recruit, transfer, or receive personnel who are controlled by threats, compulsion, coercion, abduction, fraud, or other means of control.



## Monitoring of Anti-competitive behavior

In 2023, there were no legal proceedings regarding anti-competitive behavior.

## Mechanism for Reporting Grievances

The Group encourages reporting of any illegal behaviors, protects the confidentiality of informants, and allows for anonymous reporting to ensure that the identities of whistle-blowing suppliers and employees are kept confidential. The Group's point of contact immediately notifies dedicated units upon receiving reports and organizes a special team to investigate the suspected malpractice described in said report. The Group keeps informant identities and report content confidential and provides the results of its investigations via email. Address: No. 2, Zihyou Street, Tucheng Industrial Park, Tucheng District, New Taipei City Phone: +886-2-2268-3466 ext.560-117 Email: hfj.justice@foxconn.com

## 1.3.2 Anti-corruption practice in Focus

### 1.3.2.1 Hon Hai's anti-corruption mechanism

If we discover corruption in employees who have not actively reported such behaviors, they will be severely penalized by the law and Group regulations. We encourage our employees to report any corruption through the above channels, and we keep all informants' personal information strictly confidential.

(1) all employees sign the "Integrity and Intellectual Property Rights Agreement," "Confidentiality Agreement," and "Intellectual Property Rights and Confidentiality Agreement" when they join the Group.

(2) The Group requires suppliers or other counterparties to sign a "Vendor's Commitment," which regulates the integrity of business policies as a prerequisite for cooperation.

(3) Online training courses, offline staff counseling, and on-site audits of suppliers.

The anti-corruption course led by the Fraud Prevention Department has been made mandatory for all employees, with over 4.5 million attending. Nine offline training sessions have been conducted for key personnel, and more than 100 on-site corruption awareness programs have been undertaken for vendors.



### 1.3.2.2 Anti-Corruption Procedures

#### 6-step Procedures

**1** Departmental Operations Inventory. The assessment unit assesses the following items.

**2** Identify Stakeholder Needs and Expectations. The assessment unit evaluates the following items.

**3** Identification of Corruption and Bribery Risks in Operations. The assessment unit conducts risk identification of operations involving corruption and bribery risks in Step 1.

**4** Impact Assessment. The assessment unit assesses the impact level of the identified corruption and bribery risk scenarios.

**5** Control Level Assessment. The assessment unit assesses the risk control level of the identified corruption and bribery risk scenarios.

**6** Residual Risk Assessment. The assessment unit conducts a residual risk assessment of the identified corruption and bribery risk scenarios.

#### Anti-corruption channels

In addition, there are several channels for the Group to communicate anti-corruption policies and procedures:

-  **(1) BELIEVE (Xiang'Xin) APP:** Through WeChat and the Group's internal APP, 14 tweets on anti-corruption were published to the global operating bases.
-  **(2) Email: Survey reports were sent to business group executives.**
-  **(3) Advocacy at meetings:** New employees training (Longhua), Group initiative meeting.

#### Anti-Corruption Training

More than 80% of the management staff in Mainland China and Taiwan have received training courses on "Anti-Corruption" and "Code of Conduct".

#### 1.3.2.3 Operational impacts of anti-corruption

The affected units include: Central Legal Affairs - fraud prevention department, Central Human Resources, Central Cost Management, Central Procurement - cost management department, Central Procurement - institutional procurement department, General Administration of International Accounting, Central Financial Affairs, etc.

Central units and suppliers in Mainland China, Taiwan, Vietnam, and the United States are being phased in anti-corruption assessments.



### 1.3.3 Internal Control and Audits

The Group's internal audit unit is subordinate to the Board and dedicated to internal audit tasks. In accordance with company size, business conditions, management needs, and other relevant regulations, the Group appoints an audit officer and an appropriate number of competent internal auditors.

#### 1.3.3.1 Internal Audit Operations

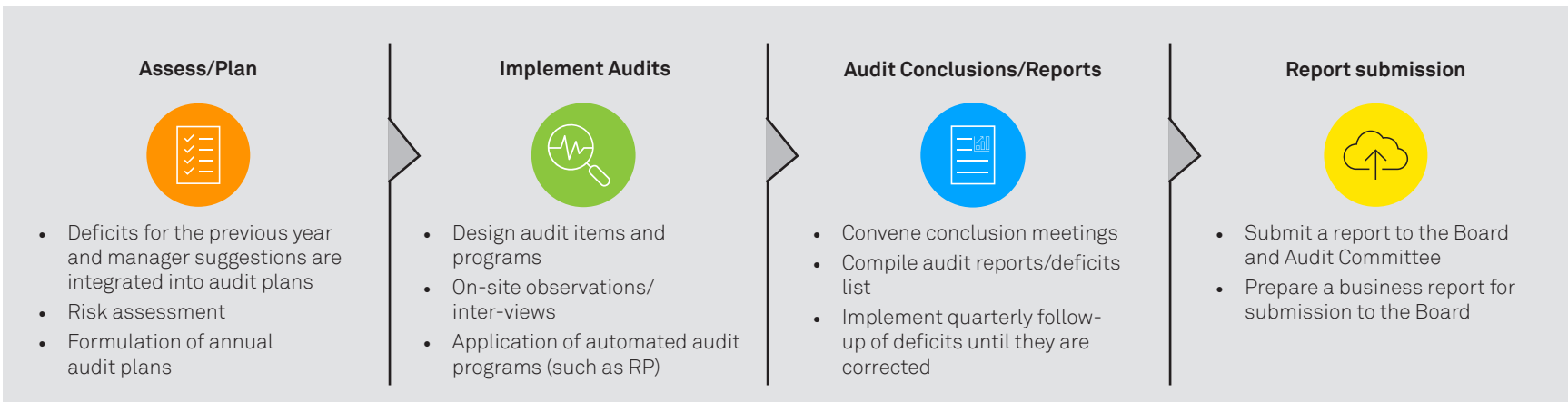
The appointment and dismissal of internal audit managers must be approved by the Audit Committee and be submitted to the Board for resolution. Additionally, to ensure that the qualifications of internal auditors adhere to regulatory criteria and enhance personnel functions, the Group requires internal auditors to undergo continued training for a specific number of hours.

In 2023, the Group had 21 full-time internal auditors. The internal audit education and training hours totaled 2,341 hours. The certifications that internal auditors attained include CIA (Certified Internal Auditors), CEAP (Certified ERP Audit Professional), CPA (American Institute of Certified Public Accountants), CCSA (Certification in Control Self-Assessment), CISA (Certified Information System Auditors), Corporate Sustainability Manager, and Greenhouse Gas Inventory Lead Inspector, etc.

#### 1.3.3.2 Internal Audit Procedures

##### Internal audit procedures

Internal auditors adhere to principles of independence and adopt an objective and fair viewpoint when implementing their duties and ensuring that they complete due diligence procedures. Audit managers regularly report audit matters to the Audit Committee and the Board.





Internal audit units periodically conduct risk assessments and formulate plans that specify audit items, times, processes, and methods. Relevant audits are implemented by these plans. Additionally, auditors conduct routine audits and planned audits on both a regular and irregular basis while urging all internal units and subsidiaries to conduct regular self-assessments regarding the effectiveness of internal control systems.

Audit results are attached to working papers and related materials to compile audit reports to ensure that our internal control systems continue to be effectively implemented. The Group's internal self-assessment procedures are conducted using digital platforms. The self-assessment managers in each unit assess the design and effective implementation of internal control systems based on internal control risk databases.

Internal audit units review self-assessment reports from all units and subsidiaries and improvements of internal control defects and abnormal items discovered by audit units to provide a reference for the Board and the CEO when evaluating the effectiveness of internal control systems and issuing statements on internal control.

Internal control defects and abnormalities discovered by internal auditors during internal audit procedures, listed in statements on internal control, discovered during self-assessments, or found through CPA review should be disclosed in audit reports.

### Violations and the process for handling violations

Following the submission of said reports, relevant items are tracked through quarterly follow-up reports to ensure that associated units have adopted appropriate improvement measures. The results of follow-up are listed as important performance indicators for all units. Following the submission of audit reports and follow-up reports, completed audit items are submitted to the Audit Committee for review before the end of the following month.

If internal auditors discover major violations or find the company to be

at risk of severe damage, they immediately prepare and submit a report, as well as notify the Board and Audit Committee. In 2023, in terms of fraud violations, we received 435 reported cases, 100 supplier-related violations, and 195 employee-related fraud violations.

The Group has a three-step process for handling violations.

#### Internal action

Steps : 1

**Disciplinary action:** Depending on the nature and seriousness of the fraudulent behavior, the employee involved will be subject to administrative action, such as warning, demerit, dismissal, etc.

**Financial penalties:** Require the employee to return the illegal gains.

**Role Adjustment:** To adjust the role of the employee concerned to prevent him/her from continuing to engage in the work that may lead to fraud.

#### Legal action

Steps : 2

If the fraudulent behavior involves a crime, the case will be reported to the authorities and the person responsible will be held criminally liable according to the law. At the same time, civil lawsuits will also be filed to require the personnels involved to compensate for the losses caused by the fraudulent behavior.

#### Optimization and improvement

Steps : 3

**Improve internal audit system:** Focusing on the problems and weaknesses exposed in fraud cases, we will improve the internal audit system in a timely manner and strengthen the risk prevention and monitoring mechanism.



**Steps : 3**

**Optimization and improvement**

Enhance training and education: Organize staff to participate in anti-fraud training and education activities to improve their legal awareness and professional ethics and enhance their ability to identify and resist fraudulent acts.

Establishment of a reporting mechanism: Establish a sound fraud reporting mechanism and encourage employees to actively report fraudulent behavior. At the same time, the legitimate rights and interests of the reporter are protected from infringement.

Continuous Supervision and Inspection: Strengthen the supervision and inspection of the daily operation process to timely discover and correct possible fraudulent behaviors or risks and hidden dangers.

**Certifications and events**

Additionally, the Group has obtained the ISO 37001:2016 Anti-Bribery Management System certification. It uses the PDCA framework to consolidate anti-bribery policies, executive responsibilities, risk assessments, disclosures of gifting information, personnel training, management of business partners, cross-functional audits, and corrections and continuous improvements in financial and non-financial mechanisms to realize internal controls of corporate operations and ethical management as well as enhance awareness of anti-bribery and anti-corruption concepts in our employees.



Delta Electronics and HH's meeting on ESG



Green supply chain seminar



With scholars who have been invited to the United Nations Climate Change Conference



At the 28th United Nations Climate Change Conference



With EY



A workshop on sustainability in the autumn of 2023





## 1.4 Risk Management

### 1.4.1 Risk description and risk mitigation

Risk and opportunity are two sides of the same coin. If risks can be prevented and impacts minimized in advance, risks can be transformed into opportunities. Faced with rapidly evolving external environments, identifying risks and enhancing response capabilities has become an essential aspect of operational management for the Group, allowing us to keep abreast of future opportunities and realize our vision of sustainable development. The Group is focused on its leading manufacturing, sales, and tech research and development businesses and does not engage in high-risk, high-leverage investments.

The overall risk management policy for the Group is focused on the

unpredictability of financial markets and operational aspects and seeks to reduce any hidden negative effects stemming from the group's financial status and operational performance.

Apart from market risks, which are primarily controlled by external factors, all other risks can be managed internally or eliminated through operational procedures. Therefore, our management goal is to reduce such risks to zero.

Market risks must be closely analyzed, and the recommendations, implementations, and processes stemming from such analyses shall take external trends, internal operations, and the actual effects of market fluctuations into account as appropriate, then adjust overall operations to achieve optimal benefit.

Please find a list of all types of risks in the table chart below:

Risks	Term (ST/MT/LT)	Risk description	Risk mitigation
<b>Current Risks</b>			
<b>Market Risks</b>	LT	The Group is a multinational electronics contract manufacturer. The primary source of foreign exchange risk from operational activities stems from nonfunctional accounts receivable in foreign currencies and differences in account establishment times for accounts receivable that are affected by exchange rates for functional currencies. A feature of contract manufacturers is that revenue and expenditures are calculated primarily on foreign currency; therefore, after matching assets and liabilities, the foreign exchange risk of the remaining sum is reduced. In addition, although some developing countries we invested in have relatively sizeable foreign exchange fluctuations, these make up only a tiny proportion of Group finances, and the foreign exchange risk from these countries remains manageable.	The Group has established policies that require companies within the Group to manage the foreign exchange risks of their functional currencies. The effects of each functional currency on the primary reporting currency are uniformly managed by the central financial department of the Group

Risks	Term (ST/MT/LT)	Risk description	Risk mitigation
<b>Current Risks</b>			
<b>Credit Risk</b>	LT	According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The Group assesses the credit quality of the customers by taking into account their financial position, past experience, and other factors in conducting its internal risk management.	The Group has established credit limits and channels for clients based on credit evaluation mechanisms, and we will continue to evaluate the status of our accounts receivable. The status of each client and industry is evaluated monthly by the transactions unit of each financial department and advanced preparations are made for any contingencies.
	ST	Liquidity risk is the risk that the Group will not have sufficient cash to meet its financial commitments promptly	The Group only works with mature financial products that are simple in structure, simply priced, transparent, and have numerous market participants, prices, and competing brokers. The Group's funds are placed in high-liquidity instruments, and a diversity of revenue sources will be cultivated to avoid systemic risks from financial markets.
<b>Procurement and sales consolidation</b>	MT	Procurement risks occur when purchasing or sourcing products, services or resources becomes unreliable.	The Group cooperates with like-minded, high-quality suppliers to manage global economic strategies, which not only reduces our procurement and sales risks in single markets but also assists our suppliers in reducing possible risks from independent responses to risks stemming from industrial changes. We continue to establish strategic bases in critical global markets and advantageous regions to fulfill our clients' global delivery needs.
	LT	Information security risk is the potential danger or harm arising from unauthorized access, use, disclosure, disruption, modification, or destruction of digital information. This risk can originate from various sources, including cyber threats, data breaches, malware, and other security incidents	We have established risk assessment guidelines relating to information security risks. We implement risk controls and continuous improvements at the organizational and technical levels to reduce corporate information security risks, formulating protection mechanisms for confidential information that adhere to legal regulations, client needs, and corporate management while conducting regular reviews of information security risks for effective information security management.
<b>R&amp;D and Technology</b>	LT	Technology risk is a business risk defined as the potential for a technology failure to disrupt a business.	The Group focuses on establishing leadership in high-tech products by effectively gathering outstanding R&D talents and investing the best R&D resources to achieve continuous development and mass production of advanced technologies and processes. We also actively submit patent applications.

Preface  
 Corporate Governance, Smart Innovation  
 Diverse Inclusiveness, Employee Engagement  
 Healthy Workplace, Safety Adherence  
 Green Solutions, Circular Economy  
 Business Sustainability, Beneficial Partners  
 Social Contribution, Win-Win Strategy  
 Appendix





Risks	Term (ST/MT/LT)	Risk description	Risk mitigation
<b>Current Risks</b>			
<b>Corporate Image</b>	LT	Corporate image risk generally refers to the potential damage an organization is vulnerable to. It includes public reputation and image, negative publicity, ethical breaches, product failures, or poor customer service.	The Group focuses on the balanced expansion of all global businesses, assists strategic partners and clients in avoiding risks, and facilitates the global promotion of corporate, social, and environmental responsibilities. The Group has established an international crisis management plan. It will continue to run simulations for major emergencies in the foreseeable future while formulating relevant plans to ensure the protection of shareholder rights and customer interests.
	MT	Operational risk is the risk of losses caused by flawed or failed processes, policies, systems or events that disrupt business operations.	To prevent risks stemming from losses due to unintentional mistakes, intentional concealment, or damage by internal operating personnel, the Group's organizational structure is designed in order to avoid personnel from concurrently holding posts in transaction execution, confirmation, and delivery; personnel responsible for evaluation, supervision, and control are drawn from different departments and report to the Board or high-level executives who are either not responsible for transactions or who hold decisional responsibility in their respective departments.
<b>Emerging Risks</b>			
<b>US-China trade war</b>	LT	In October 2023, the U.S. Department of Commerce announced the final rules on semiconductor export controls to China, further tightening export restrictions on artificial intelligence-related chips and semiconductor manufacturing equipment to China based on previous temporary rules. It may affect our orders and revenue as Hon Hai mainly engages in semiconductor business.	We timely capture the latest international regulations and conduct in-depth research to improve compliance in the international trade market, actively communicate with the international community, and respond to international trade protection risks.
	LT	After the end of Taiwan election in 2024, Cross-Strait relations suddenly became tense. Mainland China restricts the import of certain goods from Taiwan. Hon Hai headquarters in Taiwan and our business in the value chain may be affected.	We are active in policy influence and positively mitigate the situation and impact. We also enhance the diversification in operating locations, suppliers, etc., to strengthen business continuity.



Risks	Term (ST/MT/LT)	Risk description	Risk mitigation
<b>Other Risks</b>			
<b>Suppliers Management</b>	LT	Supplier risk management identifies, assesses, and manages risks that could arise from working with third-party suppliers.	Through economic, environmental and social risk assessment and audit verification, we ensure that our suppliers fulfill their corporate social responsibilities and reduce operational risks. Implement due diligence management and do not accept minerals originating from conflict-affected and high-risk areas to realize a conflict-free supply chain. Established a supplier management cycle that includes four stages: evaluation and certification, performance monitoring, auditing and counseling, and merit rewards and elimination.
	LT	long-term or short-term hazard experienced in the workplace that may lead to damage	We have established an occupational safety and health management system with "Hazard Identification, Risk Assessment and Risk Control Planning Procedures", which focuses on hazard identification, risk assessment and risk control for occupational hazards and manufacturing processes, and effective preventive and control measures are taken for all risks through the PDCA continuous cycle, so as to carry out risk identification and control at source in order to ensure the safety of production and occupational health and safety of employees.
	LT	the possibility of undesirable effects on human health or the environment by chemicals.	We have established internal rules and regulations to ensure risk control throughout the entire lifecycle and ensure the safe use of chemicals in all aspects to create safer and more reliable products. Formulate and publicize the list of prohibited, restricted and controlled substances. Establish the "Group Chemical/ Substance Risk Assessment" standard, requiring each unit to set up a professional risk assessment team consisting of the industrial safety management department, production department, and product research and development department, to conduct a comprehensive risk assessment of chemicals used at least once a year, and to take corresponding control measures according to their risk levels.

Preface  
 Corporate Governance, Smart Innovation  
 Diverse Inclusion, Employee Engagement  
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 Business Sustainability, Beneficial Partners  
 Social Contribution, Win-Win Strategy  
 Appendix





Regarding external and internal risks, the Group has established appropriate risk management mechanisms and firewalls according to internal organizational procedures such as the “Operational Procedures for Work and Financial Transactions Involving Special Companies and Other Companies Within the Group,” “Operating Procedures for Business and Financial Transactions,” “Supervisory Procedures for Affiliate Companies,” “Endorsement Guarantee Operation Procedures,” “Fund Lending and Others’ Operating Procedures,” and “Procedures for Acquiring or Disposing of Assets.”

We employ a comprehensive risk management and control system that identifies, evaluates, and controls the various risks we face, including market risks (foreign exchange, interest rate, and price risks), product, and operational risks.

### 1.4.2 Risk governance

In order to implement a consistent risk management culture, the Group has developed a corporate risk management framework and improved the corporate risk management process (review and implementation) through a professional risk management team and the introduction of relevant tools and methodologies. In 2024, the Group has already begun to build a risk management organization, which is expected to be disclosed in the Sustainability Report next year.

### 1.4.3 Risk Management Process

#### 1) Risk review and risk exposure

Risk management tasks shall be conducted according to policies approved by the Board of Directors and in close collaboration with other operational units in the Group to identify, evaluate, and avoid relevant risks. The Board of Directors has listed risk management principles in writing and has provided written policies for specific areas and items.

#### 2) Risk management process audit

We are developing our risk management process audit this year. After we finish creating it, we will disclose it in next year’s sustainability report.

## 1.5 Information security management

### 1.5.1 Information Security Governance

#### 1.5.1.1 Information Security Governance Committee

On February 8, 2022, the Company established the Information Security Governance Committee, which is chaired by the Chairman and composed of the Chief Information Officer, Chief Officer of Specific Subsidiaries, Senior Officer of Corporate Information and Network Management, and Head of Hon Hai Research.

The Company’s top managers from finance, human resources, legal affairs, and auditing staff attend the Security Governance Committee, which designates the person in charge of each information security project, provides the necessary support for project implementation, reviews the results of the information security project; and regularly reports information security governance issues, directions and information security governance results to the board of directors.

Two dedicated teams have been established under the Committee and have been tasked with the following responsibilities:

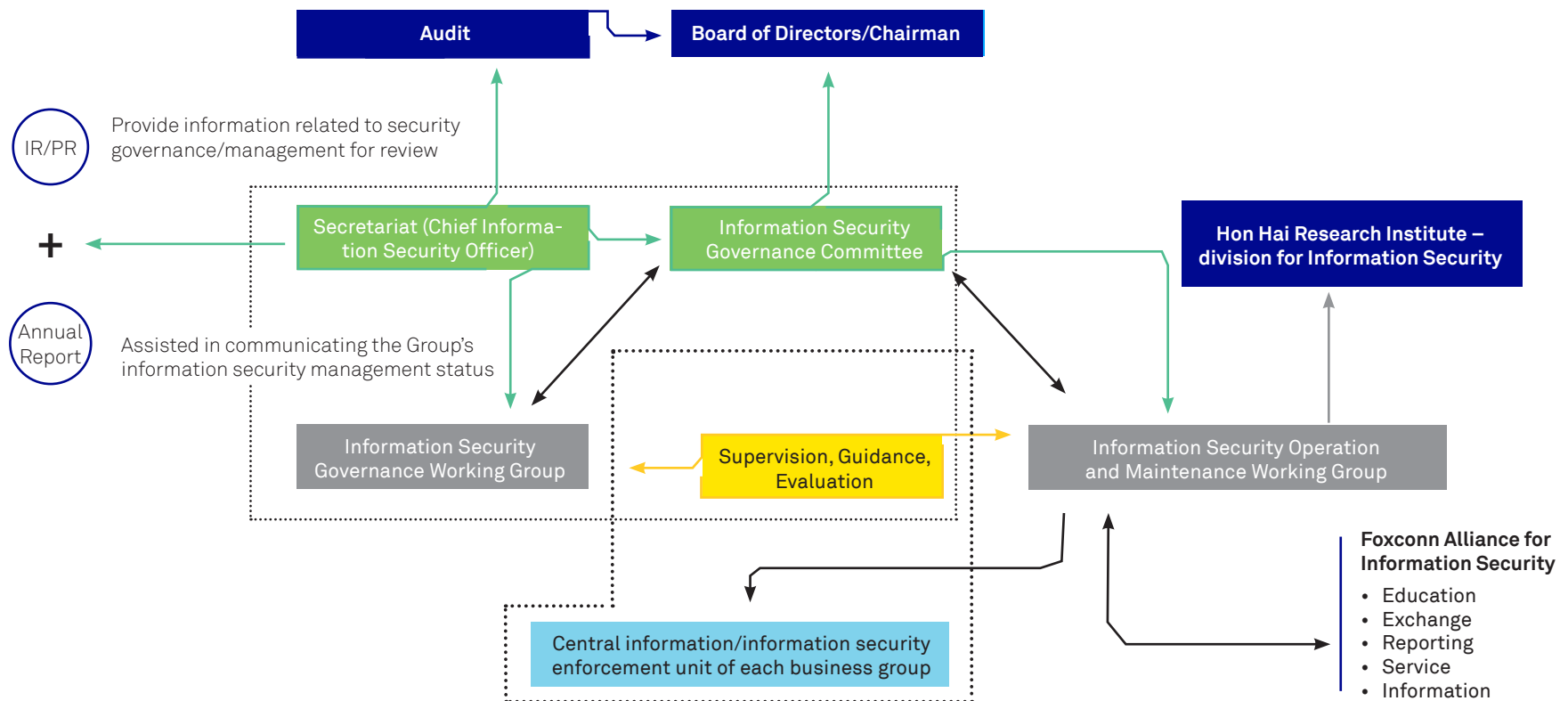
- Information Security Governance Team: Formulation of information security governance strategies, guidelines, information security policies, and related procedures to ensure legal compliance.
- Information Security Maintenance Team: Construction and maintenance of information security frameworks, equipment,

protection mechanisms, and risk assessment mechanisms to ensure the effectiveness of information security actions.

Hon Hai Research Laboratories serves as the secretariat to assist the committee in grasping information security threats and evaluating and verifying emerging information security technologies.

Mr. Lee Wei-Pin, CEO of Hon Hai Research Institute and the Chief

Information and Security Officer, and the subordinate Cyber Security Research Institute, was the dedicated unit in charge of information security. He established the best practices of the Group's information security, helped to pay attention to the integrated international trends of information security governance, risk and compliance, and fully cooperated with the Chief Information Officer to lead Hon Hai to establish the best example of information security in the global high-tech industry.





**Some crucial projects in 2023 include:**

- Conduct hacking simulation attacks on target systems in the form of red team drills to detect unknown application system weaknesses and verify the blue team’s defense and response capabilities.
- Realize Single Sign-On (SSO) and Multi-Factor Authentication (MFA) with the Group’s cell phone software.
- Through AI-based network traffic analysis and phased deployment of network security threat intelligence, combined with website vulnerability scanning mechanism, DDoS defense mechanism, Web Application Firewall (WAF), open-source software management platform, and group penetration testing services, and with information security event management system, reduces the risk of internal and external network security risks and achieve the goal of information security joint defense. Next, we will select two solutions to demonstrate the implementation of the strategies.

- We use vulnerability scanning and analysis software that conducts security assessments on target hosts or networks (e.g., websites, network devices). It identifies potential vulnerabilities exposed to the internet and provides reports detailing security weaknesses or vulnerabilities present. These reports include information on identified security vulnerabilities, links to detailed explanations, and recommended solutions. We proactively identify and analyze potential security vulnerabilities, actively remediate them to reduce the attack surface, enhance compliance, and effectively prevent information security incidents.
- Next-Generation Firewall to analyze various malicious activities on the network and block them in real time (e.g., malware, malicious packets, exploitation of system vulnerabilities, etc.) It offers advanced threat protection before, during, and after an attack.
- In 2023, Next-Generation Firewalls blocked 287 million times per month.

**1.5.1.2 Information Security Governance Mechanism**

(1) Holding regular meetings: Information Security Governance Committee meetings have been held monthly to assess and understand the current information security situation comprehensively. The management has participated in more than 450 information security conferences throughout the year.

(2) Establishment of ransomware response standard guidelines: Due to the impact of ransomware in recent years, the Company has formulated response measures for significant information security incidents

to provide employees with a basis for handling information security incidents to improve employees’ awareness of information security risks, conduct information security risk inspections regularly to ensure the effectiveness of information security management measures.

(3) Establishment of information security vulnerability investigation mechanism

(4) Establishment of the Group Information Security Self-Evaluation Form

(5) Planning and investment in information security insurance



(6) Establishment of a joint defense mechanism for information security: The Company has joined TWCERT/CC Taiwan Information Security Alliance and Taiwan Information Security Executive Alliance.

## 1.5.2 Information security infrastructure, processes and personnel

### 1.5.2.1 Security Management Framework

Hon Hai uses ISO/IEC 27001 as its information security management framework to implement the Information Security Management System (ISMS). The Group also uses the NIST Cybersecurity Framework and the Cyber Defense Matrix (CDM) to review the existing situation, make further improvements, and introduce the corresponding technical resources.

Based on the ISO/IEC 27001 international information security management system certification (validity period: July 7, 2022, to July 6, 2025), information security control measures are properly implemented through setting goals and continuous improvement:

#### (1) Endpoint security

- Identification: Conduct the vulnerability scanning test.
- Protection: The operating systems of endpoints such as external equipment and mobile devices, must be updated with patches, and antivirus software must be installed to scan.
- Detection: Establish endpoint detection and response mechanisms for critical computers and core systems, strengthen monitoring of malware behaviors, and introduce MDR, SSC, and NDR resources.

#### (2) Application Security

- Identification: Continue strengthening the application security control

mechanism and open source software management mechanism, and integrate them into the development process and platform.

- Protection: Introduce WAF and establish a group single sign-on platform (SSO). Key application systems require multi-factor authentication (MFA).
- Detection: Introduction of MDR, SSC, and NDR resources.

#### (3) Network Security

- Identification: Penetration testing is carried out on a yearly basis. The penetration testing uses ISO/IEC27001 as the information security management framework; we analyze the current status through the NIST Cybersecurity Framework and the Cyber Defense Matrix. The targets or scope for testing are based on the list of critical domains (websites) provided. Simulate hacker attack methods targeting core business operations to test and validate the company's cybersecurity strength. Real attack scenarios are simulated to assess the security of the network and system, and to identify possible security loopholes within the Group to improve the Group's security defense capabilities.

- Protection: Continue strengthening intelligence and information systems, next-generation firewalls, application system firewalls, and DDoS defenses.

- Detection: Intrusion detection system, network detection and response system, online behavior monitoring solutions, and implementation of abnormal reporting and handling.

#### (4) Data security and protection

- Protection: Secure access is provided by remote computers, and data is encrypted and controlled adequately with data labels based on classification levels. The audit trail can be effectively tracked through





the platform. E-mail anti-virus and anti-spam control, flexible policy adjustment based on external malicious e-mail

### 1.5.2.2 Security Risk Management Processes

#### (1) Risk Monitoring: Ransomware notification and whistleblowing process

- Take the ransomware notification process as an example:
- According to the Group's SOG process, when an incident occurs, the incident unit immediately notifies the technical team (IT), who then inform the ERC Secretariat. Subsequently, the ERC team is activated immediately by the ERC Secretariat in order to quickly respond to the incident and internal and external responses.
- The central IT and external consultants form an IR team to immediately analyze, handle, and recover from the incident. At the same time, the IR team immediately reports the incident's status to the ERC team. Based on the report status, ERC assigns the appropriate team to provide contingency recommendations and handling.
- After resolving the incident, all relevant teams participate in the review to propose improvement measures to enhance future defense and response capabilities.

Regarding the whistleblowing process, the Central Information Security Office maintains the whistleblower's confidentiality. Suppose the reported security incident is confirmed to be a valid report. In that case, Central Information notifies the Human Resources Department of the unit after the security incident has been resolved (the whistleblower's personal wish should be solicited in advance and some personal information should be withheld appropriately). The unit's Human Resources Department aims to give the whistleblower an appropriate incentive.

According to the Employee Handbook, if a timely report is made about a violation of regulations or a case that is detrimental to the Company's interests and if the report is verified, the employee will be given a small merit award.

#### (2) Incident response process

##### Business Continuity Plan

In addition, based on the results of the Business Impact Analysis (BIA), the Group has established an implementation plan for business continuity management of critical business operations to ensure that in the event of a major incident and disruption, the management can quickly ensure the safety of employees and the resumption of normal business operations.

To formulate a targeted and effective business continuity plan, the Group has conducted a survey of the critical business and planned an internal business continuity plan (BCP) based on the comprehensive consideration of the Recovery Time Objective (RTO) and Recovery Point Objective (RPO) of the business function.

The Group conducts tests/exercises at least once a year. A total of 113 systems were exercised/tested in 2023 and the exercise/test results are as expected.

##### 1.5.2.3 Personnel: Security training for all employees

According to the Company's regulations, general training is set at least 30 hours per year, and information security training is at least 8 hours per year.



## 1.5.3 Information Security Risk Assessment and Targets

### 1.5.3.1 External verification and vulnerability analysis

#### 1) Certification and Verification

Certification: 6 central units and 6 business units (covering 15 factories) have passed the ISO/IEC 27001 international information security management system certification.

Our IT infrastructure and information security management systems were verified by an external verification provider in the previous fiscal year.

#### 2) Vulnerability analysis

Through the Managed Detection and Response (MDR) solution, we conduct comprehensive security assessments of endpoints. By utilizing AI technology and professional judgment, we shift from passive security detection to proactive threat hunting, establishing a solid endpoint protection chain.

The vulnerability management service is used to identify high-risk system vulnerabilities and application vulnerabilities present in endpoint hosts including AD Server, Mail Server, File Server, Database, Antivirus Server, WSUS, Critical Operation Host, and Key Personnel Host.

We provide a monthly “MDR Endpoint Vulnerability List” to central and business units. The list includes information such as vulnerability descriptions, and recommended remediation measures.

Using “IT Vendor Risk Management Solutions,” we gather data on company assets exposed to the Internet, including hosts, domains, service ports, and websites, through non-intrusive information analysis techniques.

By leveraging honeypot mechanisms, threat intelligence integration, and vulnerability search engines, we analyze risk categories including network security, DNS health, patching cadence, endpoint security, IP reputation, application security, hacker chatter, information leakage, and social engineering. This analysis enables us to generate a visual security score.

Issues are promptly reported to relevant personnel for remediation through an incident reporting process. Our company's overall score on this platform is currently 97, which is higher than the manufacturing industry average.

As part of the vulnerability analysis, a third-party external party conducts regular, annual simulated hacking attacks on the company's critical systems to detect unknown application vulnerabilities and validate the company's defense and response capabilities. The cycle lasts three months, from 2023/4/1 to 2023/6/30 (Initial Test, Improvement, Retest).

### 1.5.3.2 Information Breaches

Among the whole group in 2023, there were no incidents where our operations were affecting customer privacy, and we received no complaints or regulatory penalties regarding personal information breaches. No major cyberattacks impacting corporate operations or involving privacy infringements occurred in 2023. We have conducted:

- 25477 complete security analysis and threat blocking of endpoints through hosted detection and response solutions
- 241 technical security risk assessments
- 807 system security vulnerability assessments
- 2212 web vulnerability assessments
- 2290 static code security analyses
- Penetration testing completed at least once a year





<b>In 2023</b>	management staff attended 108 training sessions and 277 hours (including online training, totaling 3,728 attendances).
	IT personnel participated in 236 training sessions and 557 hours (including online training, totaling 4,128 attendances).
	General employees attended 452 training sessions and 818 hours (including online training, totaling 243,290 attendances).
	new hires attended 174 training sessions and 415 hours (including online training, totaling 234,077 attendances).
	external visitors attended 42 training sessions and 127.5 hours attended (including online training, totaling 36,127 attendances).

### 1.5.3.3 Targets

- Short-term goal: using the ISO/IEC 27001 review as a starting point to establish a robust information security governance structure. In addition to compliance with standards and regulations, we ensure that all departments in the organization understand and appreciate information security, and establish corresponding policies and

procedures to promote the cultivation of an information security culture.

- Medium-term goal: In addition to optimizing the information security protection management program, we will strengthen the implementation of information security governance. This includes risk assessment and management, formulating information security strategies and guidelines, and ensuring rational resource allocation. We will further develop and improve the information security governance framework to ensure effective management and control of information security throughout the organization.
- Long-term objectives: In terms of long-term objectives, we strive to establish a dynamic information security governance mechanism that can continuously respond to changing threats and technological trends. This includes establishing a mechanism to regularly review and improve information security policies and processes to ensure that they are aligned with organizational goals and business needs. We continue to enhance the level of information security governance to meet future challenges.

MT/LT Goals	2023 Achievement Status	2024 Goals
Continuously Improve ISO 27001 Information Security Management System	Introduced consistency in management activities. (Description: Focusing on the protection of centralized information critical systems, established, implemented and maintained the same information security practices and passed external certification, and promoted and trained the centralized units on the existing information security management practices to ensure that the relevant information security activities could be operated continuously and consistently.)	Promote the introduction of the ISO27001 information security system in the business groups, and implement three educational trainings with a total of 21H hours in each business group.
Conduct 10 penetration tests of critical systems annually to ensure that there are no major information security incidents with low impact.	Conducted hacking simulation attacks on target systems in the form of red team drills to detect unknown application system weaknesses and verified blue team's defensive response capability	Complete 5 major system penetration tests and learn to deal with them through incident analysis to ensure that the number of low-impact major case incidents is zero.



## 1.6. Innovative R&D policies and strategies

### 1.6.1 Strategies and Policies

#### 1) Strategy Overview:

The Group continues to focus on delivery of smart technology solutions through Innovative Integrated Design and Manufacturing (IIDM) services, and is committed to creation of smart manufacturing solutions that provide our supply chain with integrated software and hardware options for our global customers.

The Group actively transforms, upgrades, and promotes the transition from brawn-intensive industries to brain-intensive strategies of “F1.0, F2.0, and F3.0”. Under our F3.0 transformation to new industries goal, the Group actively invests in three emerging industries (“electric vehicles, digital health, and robotics industries”) and three technologies (“artificial intelligence, semiconductors and next-generation communication technologies”), setting “3+3” as a long-term development strategy while supplying solutions to our clients and serving as a comprehensive provider of intelligent life products.

Among them, electric vehicles and semiconductors will be one of the primary growth drivers of the Company in the future.

- In the development of these two industries, we will continue to expand the fields of overseas markets, components, and software;
- We also continue to expand our global manufacturing with local partners to allocate the best resources through our innovative business model – BOL Model (Build, Operate and Localize).

- Hon Hai uses the Contract Design and Manufacturing Service (CDMS) business model to perform professional division of labor. Customers can focus on product differentiation and brand building, while Hon Hai focuses on design, spare parts, and the manufacturing of vehicles. As the competition in the electric vehicle market is getting fiercer and fiercer, CDMS can bring the best Time to Market and Time to Cost. Therefore, more and more OEMs have recognized our business model.

#### 2) R&D Policy

In recent years, the Group has invested a large number of resources in R&D. **A total of 110.0 billion NTD was invested in R&D in 2023** (1.8% of revenues in 2023).

Following years of development, the Group now has a professional research and development network with sites in Asia, America, and Europe.

The network is staffed by a top-level elite research and development team with a proprietary innovation platform that has accumulated numerous core technologies and key technologies with broad competitive potential. This buildup of core technologies has allowed the Group to achieve major breakthroughs in nanotechnology, metallurgy, plastics, ceramics, and heat conductors, and established the Group’s industrial leadership in precision machinery, molding, semiconductors, cloud computing, liquid crystal displays, tri-network integration, computers, wireless communications, and Internet technology, thereby making us the most important technology corporation in the field of integrated optomechanics.

In 2023, the Group became the only private enterprise in Taiwan to receive the “Clarivate Top 100 Global Innovators” award for seven consecutive years. We are also the only enterprise in the world to receive six World

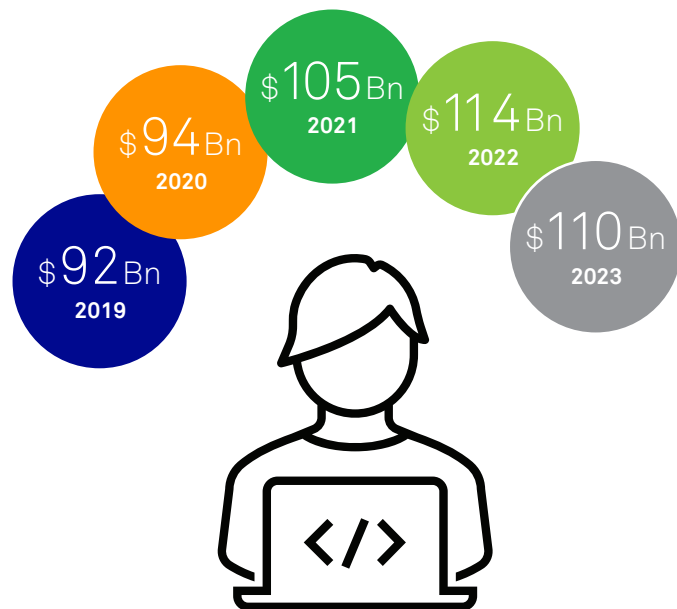




Economic Forum (WEF) Global Lighthouse certifications. The Group once again verified its leading position in the global technology manufacturing industry.

Looking to the future, the Group will continue to promote a corporate culture of innovation to create synergies, reduce repetitive R&D efforts, activate intellectual property assets, and strengthen strategies for new technologies, while formulating and implementing new measures (including new IP incentive measures) in response to the latest industrial trends and Group development policies, so as to build our R&D capabilities, enhance IP quality, and maximize the impacts of our R&D achievements.

**Group R&D Expenses in the past 5 years (Unit: NTD)**



## 1.6.2 Patents

As a primary holder of numerous patents and commercial partners of other patent holders, the Group is actively engaged in protecting the novel technologies and intellectual property used in its global operations. Our performance in various indicators improved over the previous year, particularly in terms of “influence indicators,” demonstrating that external parties have recognized our R&D and patent strategies.

### 1) Abundant patent accumulation and pipeline

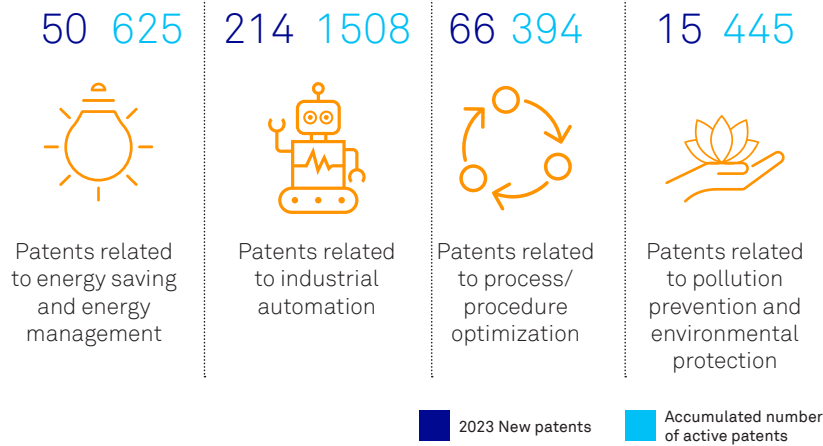
The Group has accumulated a total of **82,942** global patent applications as of 2023, encompassing computer components, 5G communications, semiconductors, robotics, and other domains, making it possible for us to meet the rigorous requirements of different clients. More than 20% of patents obtained over the past two years are associated with “3+3” technologies.

In 2023, there were **2,253 patents proposed**, including 927 patents related to our “3+3”. In addition, there were **3,764 patents approved** in the Group. Regarding geographical distribution, there were 1,368 patents in China, 900 patents in Japan, 620 patents in the US, 545 patents in Taiwan, and 140 patents in Europe.

Our patent fees reached NTD 206,943,861 in 2023.



Patents related to low-carbon technologies (2023) are shown in the table below.



The Group was awarded the “Top 100 Global Innovators Award” for seven consecutive years. The Group was also awarded the Asia IP Elite for eight consecutive years.



## 2) People-oriented property training

Additionally, we provide intellectual property training to our new employees and organize irregular training activities each year to enhance awareness of intellectual properties in our R&D personnel across all levels. Education and training activities are highly diversified according to the target group, purpose, theme and format.

- All employees are required to receive basic intellectual property training upon joining the company, and Central Intellectual Property is constantly updating and optimizing the content of its courses.
- The Chairman’s directive is that senior executives should understand intellectual property rights (especially patents) and conduct the patent proposal process. In addition to providing training programs, Central Intellectual Property also assists executives in the proposal process.
- RD’s education and training is mainly conducted by the intellectual property department of each business unit, and the contents include basic knowledge of intellectual property, interpretation of patents, proposal writing, case sharing, investigation of specific technologies, protection of trade secrets, and application of intellectual property information system.... etc.
- For R&D units in the 3+3 area, the Central Intellectual Property conducts special patent education and training to strengthen further the knowledge and skills of core technology R&D colleagues in patent law and practice. The total number of sessions exceeded 20, with more than 800 participants.
- Coordinate with external patent service providers to explain in detail the meaning of laws and regulations and how to respond to them in practice when providing patent services, so as to assist colleagues in “learning by doing” and acquiring hidden knowledge related to patents.





### 3) Strategic Collaboration with Startups

Technology innovation and promotion is at the center of our social influence strategy. During 2023, Hon Hai has licensed high-quality certified patents and disclosed to new start-ups for a period without any charges to reduce the upfront R&D costs of them. Meanwhile, we also leveraged our rich experience in intellectual and financial promotion and management to provide free consultation for new start-ups.

In addition, through the cooperation between Hon Hai and CSEs of industrial gas pedals and incubators, new start-up teams with innovative technology are introduced to relevant units within the Group in order to facilitate technological cooperation. Below are some major achievements we have made this year:

- We have signed with five startups and are in the process of signing contracts with a number of other startups to assist Taiwan startups in recognizing and cultivating proper intellectual property concepts.
- We have signed contracts with three gas pedals and incubation centers to help start-ups and SMEs grow and create market opportunities.

### 1.6.3 Innovation on low-carbon technologies



#### Electric Vehicle

The International Energy Agency (IEA) stated that EVs hold advantages over traditional vehicles in terms of zero emissions, higher internal combustion efficiency, and major carbon-reducing potential combined with use of low-carbon electricity (or renewable energies), and therefore all countries are actively developing EVs in line with national carbon reduction policies and goals.

According to the International Energy Agency, almost 14 million new electric cars were registered globally in 2023, bringing their total number on the roads to 40 million. Electric car sales in 2023 were 3.5 million higher than in 2022, a 35% year-on-year increase. This is more than six times higher than in 2018, just 5 years earlier. The Group understands EVs' huge market and carbon reduction potential, and has therefore incorporated EVs in our "3+3=" development strategy. Future EV growth opportunities are also highly integrated with our industrial experience and advantages. The Group discovered three major challenges facing the traditional automotive industry high development costs, long lead times, and insufficient resources. In order to promote the development of electric vehicles, the Group built an open Electric Vehicle (EV) platform (MIH) with technical specifications available to all partners to form an EV ecosystem with hardware and software components, thereby resolving the issue of insufficient EV resources in various countries. The Group and Yulon jointly formed Foxtron to integrate Yulon's automobile development platform with our global supply chain and advantages in technological manufacturing, design, and development, thereby providing a total solution to target clients worldwide.

FoxTron (TWSE: 2258), the first pure electric vehicle concept stock in Taiwan and a joint venture between Hon Hai and Yulon, was officially listed on the Growth Enterprise Market (GEM) in November 2023.





The Group believes that over the next five years, EVs have the potential to become the next trillion-dollar industry. We have established development plans and schedules which include establishment of an industrial fund for alternative fuel vehicles, as well as development and manufacturing of lithium iron phosphate batteries, and seek to establish global strategies, adapt to local conditions, utilize local resources, and work with local governments and corporate partners to adopt BOL (Build, Operate, and Localize) models for continuous expansion and to increase our influence in the global EV industry.

Hon Hai has developed 6 EV models. The MODEL C is the first model built on Hon Hai's open EV platform and is positioned as the intrinsically optimized electric SUV with pure electric nature. The MODEL C's four core features are: shape, space, power and energy consumption. MODEL C, as the first EV built on the MIH open platform, has gone directly from last year's concept prototype to this year's production vehicle, fully demonstrating Hon Hai's automotive manufacturing capabilities.

The MODEL E, jointly developed by Hon Hai and Italian design firm Pininfarina, is a technologically innovative luxury flagship sedan that can meet the needs of middle and high-end consumers.

MODEL T is a stylish urban bus. Its high rigid body design and protection meets the Federal Transit Administration (FTA) regulations and standards. In addition, the MODEL T has equipped with multiple safety assistance systems such as inner wheel differential warning system, blind spot detection, electronic rearview mirror, and also completed acceleration endurance test and rigid strength test, ensuring the safety of drivers and passengers alike.

The brand-new concept prototype MODEL B crossover is the mainstream for the younger generation. It is based on the MODEL C platform, but with changes to the platform size and a new body design. Its S-duct design, the streamlined roof, and the innovative air curtain on the D-pillar greatly reduces air turbulence. This allows the MODEL B to achieve an excellent

drag coefficient of 0.26. The design of the mass-produced version retains the most popular technological simplicity and aerodynamic styling. It adopts a new generation of centralized EEA architecture, which will be able to support more functional smart cockpits or intelligent control driving modes.

The MODEL V is the result of the vertical integration of Hon Hai and MIH alliance partners. It is the first electric pickup designed and developed in Taiwan. With a payload of up to 1 ton and a towing capacity of 3 tons, its dynamic performance has the ability to traverse all terrains.

MODEL N subverts the image of traditional vans with innovative thinking, combines the concept of sustainable environmental protection promoted by the new energy generation, and has more humanized and considerate designs.



### Global Lighthouse

The "Global Lighthouse" project is an initiative launched by the WEF in collaboration with McKinsey & Company to select leading global enterprises that made impressive progress in consolidated applications of advanced Fourth Industrial Revolution technologies. As of June 2024, 153 WEF 4IR Lighthouses have been identified from different industry sectors globally, including 17 Sustainability Lighthouses. The Group is a leading global provider of electronics manufacturing services, and is the only enterprise in the world with 6 WEF Global Lighthouse certifications, the highest number of certifications held by a single enterprise, demonstrating our solid capabilities and ability to lead the industry.

The Group has invested in building lighthouse factories, accumulating 6 WEF Global Lighthouse factories by 2023, making full use of different technological innovations to establish a transformation system, realizing a 7~90.7% increase in production efficiency, a 0.3~18% increase in production yields, an 11~100% improvement in manpower streamlining,





a 15~35% increase in OEE of equipments, and a 3.4~22% drop in single-chip energy consumption, which will not only achieve a reduction in production, efficiency, quality and cost, but also achieve a reduction in energy consumption, energy saving and electricity consumption, and an increase in green power ratio in a sustainable manner. In addition to production, efficiency, quality, and cost, the Group also achieves a reduction in energy consumption, saves energy and electricity, and increases the proportion of green electricity.



### Smart City

CityGPT™, Hon Hai's GenAI Smart City Platform Solution, revolutionizes urban management by seamlessly integrating cross-domain data sources into a smarter city brain. In this era of digital transformation, city governments must dismantle data silos to effectively meet the diverse needs of their citizens. With over 50 years of expertise in ICT system integration and cutting-edge GenAI technology, Hon Hai harnesses the power of CityGPT™ to drive comprehensive and sustainable urban development.

CityGPT™ unveils a groundbreaking data service platform that unifies and amplifies data, seamlessly delivering it to essential service systems to meet the needs of pivotal players in the smart city ecosystem. By leveraging platform services to unlock the full potential of data, CityGPT™ shatters development barriers, supercharges efficiency in crafting smart city solutions, ignites innovation, generates unparalleled business value, and elevates urban life quality to new heights.

Key focus areas include smart transportation, smart health, smart tourism, smart harbor, and smart building. These services not only enhance the quality of life for residents but also promote economic development and social progress within the city.



### Smart Transportation

- **Information Integration:** Connecting various information nodes to address the diverse needs of intelligent transportation, life, and entertainment.
- **Future Capabilities:** Includes tracking the carbon footprint of transportation and serving as an urban brain service platform.
- **Features:** CityGPT electric bus wizard, intelligent bus stops, Model T bus interactive advertisements and user super APP.



### Smart Health

- **Citizen-Centered:** Centered on citizens, hospital-based, and technology-driven healthcare.
  - **Diagnostic Aids:** Utilizing the CoDoctor series of diagnostic aids for easy measurement of physiological symptoms.
- **Cloud Integration:** Connecting the Hon Hai Health Cloud with hospitals' Intelligent Healthcare Centers for end-to-end cloud integration and virtual-real interaction.
- **Professional Support:** Assisting healthcare professionals with real-time monitoring and interpretation through CoDoctor AI.
- **Accessibility:** Enabling citizens to locate nearby medical institutions and CoDoctor Diagnostic Test Stations via CityGPT™.
- **Remote Services:** Providing remote medical services through the CoDoctor terminal for video consultations and continuous healthcare support.



### Smart Tourism

- **Integration:** Integrating smart city and tourism applications by partnering with outstanding companies via the CityGPT™ platform.



- **Visitor Experience:** Offering visitors a new level of travel experience with AR glasses and metaverse technology during sightseeing.



### Smart Harbor

- **Business Integration:** Integrating port-related business and management innovations.
- **Automation:** Automating container delivery operations with the self-driving container truck IGV system connected to TOS.
- **Efficiency and Safety:** Enhancing port efficiency, safety, and sustainability.



### Smart Building

#### (a) Smart Building Management Platform

- **Compatibility:** Works with any brand without the need to replace existing equipment.
- **Visualization:** Provides 2D and 3D visualizations.
- **Inter-System Alerts:** Facilitates mutual alerts between various systems.
- **Big Data Analysis:** Offers improvement suggestions through big data analysis.

#### (b) Smart Energy Management Platform

- **Data Visualization:** Manages data with visualizations.
- **Cloud Control:** Enables real-time control across multiple points via the cloud.
- **Energy Efficiency Analysis:** Compares and analyzes energy-saving results.

- **ISO Compliance:** Adheres to international ISO standards.
- **ESG Data Export:** Allows data export for ESG information disclosure.

#### (c) AI Digital Twin Application

- **No Extra Sensors Needed:** Operates without additional sensors.
- **Reduced Maintenance Costs:** Lowers hardware maintenance costs.
- **Rapid Modeling:** Enables quick modeling.
- **Optimized HVAC Control:** Enhances air conditioning control.

#### (d) Municipal Carbon Management

- **Carbon Data Repository:** Establishes a comprehensive government carbon emissions database.
- **Citizen-Friendly Carbon App:** Develops the CityGPT for citizen access to carbon data.
- **Near-Zero Demonstrations:** Provides near-zero carbon demonstrations and references for private buildings and communities.
- **AI Integration:** Implements AI in public service carbon emission management.

## 1.7 Stakeholder identification, communication, and responsibilities

The Group identified stakeholders and material topics in accordance with the AA1000 Stakeholder Engagement Standards (AA1000 SES) and determined the environmental, economic, and social material topics of concern to our stakeholders so we could respond to their demands and expectations. Members of the Sustainability Committee





assessment team identified stakeholders based on their importance and relevance to Group operations, confirming our eight stakeholder groups to be employees, clients, shareholders/investors, public associations, suppliers/contractors, government institutes, NGOs, and the media. In order to strengthen communication with all stakeholders, the Group has established various communication channels with our stakeholders to listen to their feedback, understand their expectations toward the Group, and learn from their strengths. Selection of stakeholders, communication frequencies, issues of concern, and responses from the Group are shown in the table below.

### 1.7.1 The list of stakeholders (internal and external)

The Group actively participates in governmental, public association and school meetings and activities, and is committed to fulfilling its corporate social responsibility in environmental management, supporting community environmental protection activities to raise the awareness of environmental protection among external stakeholders, and cooperating with governmental, non-governmental organizations and other stakeholders to promote environmental protection. In terms of a more detailed description, please refer to chapter 4.

	Employees	Clients	Public Associations	Suppliers/Contractors
Importance to the Group	Employees are the most important Group assets and help to enhance Group competitiveness.	Clients are our main revenue source. The Group provides the best products and services based on client needs.	Joining and actively participating in relevant associations and related activities helps HONGHAI to connect with the international community.	Suppliers provide the raw materials needed for production; we work to grow alongside our suppliers and jointly build sustainable supply chains
Communication Channels and Frequency	We communicate non-periodically with our employees through channels including employee hotlines, seminars, mailboxes, satisfaction surveys, and counseling	<ul style="list-style-type: none"> <li>• Quarterly and annual ESG activities</li> <li>• Non-periodic client visits and audits</li> <li>• Customer Satisfaction Surveys (see Note 1)</li> <li>• Conference calls</li> <li>• Quarterly and annual audits</li> </ul>	<ul style="list-style-type: none"> <li>• Regular and irregular communication meetings and public forums/symposiums.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual supplier conferences</li> <li>• Supplier management platform</li> <li>• External grievance channels</li> </ul>
Issues of Concern	<ul style="list-style-type: none"> <li>• Employee rights and diversity and equality</li> <li>• Ethical management and legal compliance</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Information security and customer privacy</li> <li>• Innovative development and low-carbon technologies</li> <li>• Employee rights and diversity and equality</li> </ul>	<ul style="list-style-type: none"> <li>• Three major ESG orientations</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Procurement practices and management</li> <li>• Ethical management and legal compliance</li> </ul>



	Employees	Clients	Public Associations	Suppliers/Contractors
Responses and Results	<ul style="list-style-type: none"> <li>We employ those with mental and physical disabilities and expend our best efforts to help disadvantaged groups.</li> <li>We have also established an employee emergency fund, employee mutual assistance fund, and employee condolence fund to help employees in need.</li> <li>The Group has established an accessible communication system. We have established a 24-hour helpline that allows our employees to express their opinions and provide suggestions, and we have also set up a counseling center and employee care center to provide mental support and promote healthy growth for our employees.</li> </ul>	<ul style="list-style-type: none"> <li>We keep in close contact with our clients, protect their privacy, and are open to client reviews at all times.</li> <li>We report the management of Group, supplier, and ESG matters to our clients.</li> <li>We continuously strengthen our client services and provide fast, convenient, highly efficient, excellent, economical, and innovative products and services.</li> <li>We also implement energy-saving and carbon-reducing actions in response to current trends and provide our clients with products for reducing carbon emissions.</li> </ul>	<p>In 2005, the Group joined the Responsible Business Alliance (RBA) and became an official member. Besides RBA, please find a list of other associations that we have joined:</p> <ul style="list-style-type: none"> <li>Taiwan Alliance for Net Zero Emission-Founding Member</li> <li>Taiwan Electrical and Electronic Manufacturers' Association - First Class Member</li> <li>Taiwan Association of Machinery Industry - Member</li> <li>Taipei Computer Association - Member</li> <li>Taiwan Transportation Vehicle Manufacturers Association - First Class Member</li> <li>Monte Jade Science &amp; Technology Association of Taiwan - Member</li> <li>Cross-Strait CEO Summit - Corporate Member</li> <li>SINOCON Industrial Standards Foundation - Director/Member</li> </ul>	<ul style="list-style-type: none"> <li>We host annual supplier conferences and conduct non-periodic ESG audits to convey our supply chain requirements to our suppliers.</li> <li>We have also established a ESG management platform which allows our suppliers to learn about RBA regulations and Group ESG requirements.</li> </ul>
	Shareholders/Investors	Government Agencies	NGOs	Media
Importance to the Group	Any party (including legal entities or individuals) that has invested in or has an interest in investing in the Group.	The Group's operating bases actively adhere to all local governmental regulations, and we prohibit legal violations in all forms.	In-depth exchanges with nongovernment organizations enable communication regarding issues of concern within the local community.	The Group maintains good relations with all media outlets to facilitate communication of Group information.
Communication Channels and Frequency	<ul style="list-style-type: none"> <li>Annual shareholders meetings</li> <li>Quarterly investor conferences</li> <li>Annual release of Group annual reports and sustainability reports</li> <li>Establishment of spokesperson platform</li> <li>Non-periodic investor conferences/investor forums</li> </ul>	<ul style="list-style-type: none"> <li>Non-periodic correspondence via official documents, email, and telephone communications</li> <li>Participation in policy forums, seminars, and public hearings</li> <li>Communications for drafting industry standards</li> <li>Monetary Contributions (see note 2)</li> <li>Non-periodic on-site inspections</li> </ul>	<ul style="list-style-type: none"> <li>Non-periodic conference calls</li> <li>Annual ESG activities and evaluations</li> </ul>	<ul style="list-style-type: none"> <li>Timely transmission of press releases</li> <li>Non-periodic press conferences</li> </ul>

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	Shareholders/Investors	Government Agencies	NGOs	Media
Issues of Concern	<ul style="list-style-type: none"> <li>• Corporate governance and risk management</li> <li>• Financial performance</li> <li>• Innovative development and low carbon technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical management and legal compliance</li> <li>• Corporate governance and risk management</li> <li>• Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical management and legal compliance</li> <li>• Occupational health and safety</li> <li>• Climate change responses</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Innovative development and low-carbon technologies</li> <li>• Ethical management and legal compliance</li> </ul>
Responses and Results	<ul style="list-style-type: none"> <li>• The Group shares company prospects, market trends, growth strategies and profitability information, and ESG implementation through shareholders meetings, investor conferences, and other meetings.</li> </ul>	<ul style="list-style-type: none"> <li>• We communicate with local governmental institutes through visits, meetings, and official documents, and actively propose suggestions in response to government policies.</li> <li>• We don't make monetary contributions to political campaigns, political organizations, trade associations and other tax-exempt groups, etc. (please refer to the data chart below)</li> <li>• We regularly provide relevant reports or responses in accordance with local regulatory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in international ESG forums and discussion of ESG issues with NGOs.</li> <li>• Participation in NGO activities such as CDP and Climate Action 100+.</li> <li>• We work with NGOs to promote environmental issues (such as RoHS and WEEE).</li> </ul>	<ul style="list-style-type: none"> <li>• We use non-periodic media interviews and press releases to convey information on Group operations and future developments, and also publish our press releases on our official website.</li> <li>• We compile issues of concern to the media and news items in our reports to the Group's management team, and these are used as references for enhancing Group operations.</li> </ul>

<b>Method Applied</b>	Regular & Ad hoc satisfaction surveys
<b>Frequency</b>	Annually Business Review
<b>Aspects of Satisfaction Survey</b>	Three major aspects including multiple major components (Product; Technology; Quality; Response; Delivery; Cost; Service; Global ESG practice, etc.)
<b>Coverage</b>	Covers all customers, accounting for 100% of HH's revenue
<b>Results</b>	82% of customers are satisfied with HH's services
<b>Targets</b>	5% improvement in satisfaction rate for the next two reporting periods (using 80% as a threshold)

Note 1 Method and Results of Hon Hai Customer Satisfaction Survey in 2023



Contribution spending	FY 2020	FY 2021	FY 2022	FY 2023
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns/organizations/candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g., think tanks)	0	0	0	0
Other (e.g., spending related to ballot measures or referendums)	0	0	0	0
Total Contribution	0	0	0	0

Note 2 Monetary Contributions for Policy Influence 2020-2023 (Unit: thousand NTD)

## 1.7.2 Key engagement results and response

The Group attaches great importance to all stakeholder feedback, which is used as a reference for operational plans. We continue to make advances in ESG and other aspects and have proposed corresponding actions and

projects. A brief excerpt of engagement results is provided below. Stakeholders with other suggestions and feedback are welcome to contact our team.

### Stakeholders Engagement



	Environmental	Social	Governance
Q	Hon Hai is committed to reaching RE100 by 2040 and net zero greenhouse gas emissions for the entire value chain by 2050, do you have any specific carbon reduction plans and paths?	How will the Group implement Code of Conduct (CoC) and standards of responsibility globally? How is the Group progressing in achieving these standards?	How does Hon Hai audit its suppliers and conduct corrective actions? And if there are still deficits, how does the group deal with that?





	Environmental	Social	Governance
<b>A</b>	<p>Hon Hai's energy-saving target for 2023 was 4.5%. The actual energy-saving rate was 5.90%, successfully achieving our annual energy-saving goal. In 2023, the Group's renewable energy usage ratio was 60.96%.</p> <p>The group commits to reaching net-zero greenhouse gas emissions across the value chain by 2050 from a 2020 base year. Near-Term Targets: to reduce absolute scope 1 and 2 GHG emissions by 42% by 2030 from 2020 (100% of base year) and to reduce absolute scope 3 GHG emissions by 42% within the same timeframe. Long-Term Targets: to reduce absolute scope 1 and 2 GHG emissions by 90% by 2050 from 2020 (100% of the base year) and to reduce absolute scope 3 GHG emissions by 90% within the same timeframe.</p> <p>Please refer to 4.2 Climate Change and Energy Management.</p>	<p>The Group has implemented new "Code of Conduct" and "Standards of Responsibility," which are consistent with the Code of Conduct issued by the Responsible Business Alliance (RBA) .</p> <p>The Group ensures the implementation of its CoC by integrating it into its internal control system, business strategies, company culture, education and training and daily operations.</p> <p>For Instance, the Group requires each employee to complete the "Code of Conduct" In 2023, the Group's proportion of trained employees was 95.1%.</p> <p>Please refer to Chapter 2 - Diverse Inclusiveness, Employee Engagement</p>	<p>The Group has further targeted high-risk suppliers and suppliers with poor ESG performance for further auditing and counseling, including quality, manufacturing process, social and environmental responsibility, green product certification and greenhouse gas audits. In addition, the Group implements focused management for major suppliers, utilizing the "Supplier Compliance Management Platform" to conduct regular online surveys and on-site audits.</p> <p>If zero-tolerance deficiencies are found, the supplier will be immediately disqualified. For non-zero-tolerance defects, depending on the severity of the defects, the Group will require the supplier to submit an improvement plan and implement improvement measures within a limited period of time. Failure to do so will result in the supplier being placed on the restricted list of poor performers.</p> <p>Please refer to 5.1.5 Audit and Guidance for details.</p>
<b>Q</b>	<p>Hon Hai is committed to reaching RE100 by 2040 and net zero greenhouse gas emissions for the entire value chain by 2050, do you have any specific carbon reduction plans and paths?</p>	<p>How will the Group implement Code of Conduct (CoC) and standards of responsibility globally? How is the Group progressing in achieving these standards?</p>	<p>How does Hon Hai audit its suppliers and conduct corrective actions? And if there are still deficits, how does the group deal with that?</p>
<b>A</b>	<p>Hon Hai's energy-saving target for 2023 was 4.5%. The actual energy-saving rate was 5.90%, successfully achieving our annual energy-saving goal. In 2023, the Group's renewable energy usage ratio was 60.96%.</p>	<p>The Group has implemented new "Code of Conduct" and "Standards of Responsibility," which are consistent with the Code of Conduct issued by the Responsible Business Alliance (RBA) .</p>	<p>The Group has further targeted high-risk suppliers and suppliers with poor ESG performance for further auditing and counseling, including quality, manufacturing process, social and environmental responsibility, green product certification and greenhouse gas audits. In addition, the Group implements focused management for major suppliers, utilizing the "Supplier Compliance Management Platform" to conduct regular online surveys and on-site audits.</p>



	Environmental	Social	Governance
<b>Q</b>	Does Hon Hai have a plan to introduce biodiversity while operating sustainably?	What remedial measures does the Group have to deal with human rights disputes?	We noticed that Hon Hai intended to promote the use of renewable energy by its suppliers. Please introduce the specific promotion measures and the latest progress from the management level perspective.
<b>A</b>	Hon Hai focuses on the international biodiversity trend and released the “Hon Hai Technology Group Biodiversity and No Deforestation Commitment”. The group collaborates with the National Taiwan Ocean University on the “Sustainable Oceans - Recycling Resources” plan, which aims to promote the recycling of waste-building materials into fish reefs and algae reefs. Through a systematic recycling system and French 3D printing technology, the waste building materials are transformed into fish reefs and algae reefs suitable for different species to survive in and placed in the sea to improve the living environment of marine organisms. By regularly releasing fish fry, it aims to cultivate biological resources, enhance biodiversity, and convert land-based waste into helpful marine resources. Please refer to 4.6 Biodiversity.	Risk assessments and annual audits are conducted based on regulations and company policies, and responsible units are required to address identified issues promptly to ensure employee rights and welfare. Relevant regulations and guidelines are also in place for dispatched workers and interns to protect the rights of all employees. For detailed information, please refer to Chapter 2 - Human Rights Policies.	The Group has been working closely with third parties to promote the use of renewable energy in the supply chain, setting up benchmark suppliers and creating a zero-carbon supply chain with end customers. The Group’s long-term goal is to encourage more than 45 major suppliers to commit to using 100% renewable electricity in the production of Hon Hai products by 2025. In 2022, the Group has already formulated a Renewable Energy Commitment for suppliers, and by the end of 2023, the Group had already encouraged a total of 24 major suppliers to sign up to the agreement. Please refer to 5.2 Sustainable Supply Chain Management and 5.3 Promotion of Mutual Growth for details.





	Environmental	Social	Governance
Q	Does the carbon emission data disclosed by Hon Hai include the scope 3 emissions?	We would like to understand the Group's current audit program and the effectiveness.	Is there a dedicated mechanism for board members to supervise ESG implementation? Do the members of the board of directors have appropriate background and expertise, and corresponding abilities?
A	Using 2020 as the base year, we have completed the data for 2020-2022. Due to the broad scope of the Group's operations, we are still in the process of collecting Scope 3 GHG emissions data for 2023 and plan to disclose this information by the end of 2024. Please refer to 4.2 Climate Change and Energy Management and 5.2.2.7 Supplier Energy and Carbon Reduction Management.	The Group has globally conducted both internal and external audits in human rights, occupational health and safety and other relevant employee rights topics, following the RBA's Validated Assessment Program (VAP). For detailed information, please refer to Chapter 2, Human Right Management.	The Group has established a Sustainability Committee to manage ESG-related work across the organization, under the supervision and management of the board of directors and chairman. The Sustainability Committee reports its execution results to the board of directors on a quarterly basis. The Group has established the "Corporate Governance Practice Guidelines" to guide board members in formulating diversification policies and ensuring their implementation. The Group also has a Nomination Committee responsible for nominating and reviewing the qualifications of board candidates. The current composition of the board is considered diverse, with backgrounds and work experience in science, technology, finance, and other relevant fields. Additionally, the Group conducts annual director education and training to continuously enhance directors' capabilities in various aspects of ESG.

## 1.8 Scope of material issues and materiality analysis

### 1.8.1 Materiality Assessment

The Group adheres to GRI guidelines and the four principles of inclusiveness, materiality, responsiveness, and impact in identifying and analyzing material economic, environmental, and social (including human rights) topics and their positive and negative impacts. These topics are used to review the Group's sustainability conditions, calibrate

strategies and long-term goals for sustainable management, and promote continuous enhancement of all organizations to create shared value for society and the Group. The Group will conduct materiality assessment annually

#### 1) Materiality assessment

The Group compiled sustainability topics relating to international regulations and standards, industrial regulations and standards, industry peers, and the Group's annual targets. These were narrowed down to 17 topics following internal discussion:



The Group adopted the expert evaluation method and distributed questionnaires to internal senior executives and external stakeholders to survey the “economic, environmental, and social (including human rights)” impact levels of the 17 topics, including positive and negative impact levels and probabilities of occurrence, which were given ranks of 1 to 5 from low to high.

After internal senior executives and stakeholders filled out questionnaires, the Sustainability Committee analyzed the quantitative results of the 17 topics. Following weighted calculations and internal discussion, our 15 material topics were determined to be Financial Performance, Waste

Management, Energy and GHG Management, Hazardous Substances Management, Climate Change Adaptation, Corporate Governance and Risk Management, Purchasing Practices and Management, Water Management, Employee Rights and Diversity, Supplier Management, Ethical Management and Legal Compliance, Information Security and Customer Privacy, Talents Attraction and Retention, Occupational Health and Safety, and Innovation Development and Low-carbon Technology. Compared with the previous year, five new material topics (Waste Management, Purchasing Practices and Management, Water Management, Supplier Management, and Talents Attraction and Retention) were included.

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Finalized material topics	Ranking
Financial Performance	1
Waste Management	2
Energy and GHG Management	3
Hazardous Substance Management	4
Climate Change Adaptation	5
Corporate Governance and Risk Management	6
Purchasing Practices and Management	7

Finalized material topics	Ranking
Water Management	8
Employee Rights and Diversity	9
Supplier Management	10
Ethical management and legal compliance	11
Information Security and Customer Privacy	12
Talents Attraction and Retention	13
Occupational Health and Safety	14
Innovation Development and Low-carbon Technology	15




Material Topics	Topic Description	Positive Impacts	Negative Impacts	Stakeholders affected by the impact/effect.	Relevant Chapter
 <p><b>1. Financial Performance</b> ↑ 4</p>	<p>The results of the group's operating income, costs, net profit, earnings per share (EPS), assets/liabilities, taxes, etc., the degree of impact on the economy, environment and society, and the probability of positive/negative impact.</p>	<p>Sustainability management can improve the financial performance of the Group by reducing cost of capital, etc.</p>	<p>In the short term, the company needs to invest a certain amount of financial capital and human capital, in order to achieve long-term sustainability.</p>	<p>Shareholder/ Investor Customer</p>	<p>Chpt1- Corporate governance</p>
 <p><b>2. Waste Management</b> ↑ 2</p>	<p>The positive/negative impact and probability of occurrence of plans and measures for the reduction and treatment of general waste and hazardous waste on the economy, environment and society.</p>	<p>Better management of waste reduces the impact of business operations on the environment</p>	<p>The waste management process might not be efficient enough, so some negative impacts might not be mitigated</p>	<p>Customer Supplier/Contractor Government Agency</p>	<p>Chpt4-Environmental Management Chpt4-Waste Management</p>






Material Topics	Topic Description	Positive Impacts	Negative Impacts	Stakeholders affected by the impact/effect.	Relevant Chapter
 <p><b>3. Energy and GHG Management</b> ↑ 5</p>	The group's relevant reduction plans and measures for energy, clean energy, greenhouse gases and air pollution, and the positive/negative impact and probability of occurrence on the economy, environment and society.	Reduces the environmental impact of the Group's operations and promotes low-carbon transition	Carbon costs might be incurred, which increases the total cost of the Group	Customer Supplier/Contractor Government Agency Non-Governmental Organizations	Chpt4-Climate Change and Energy Management
 <p><b>4. Hazardous Substance Management</b> ↑ 6</p>	The group's control and use of chemicals and hazardous substances, the positive/negative impacts and likelihood of occurrence on the economy, environment and society.	Better management of hazardous substance reduces the impact of business operations on the environment	There might be harm to employees and the environment if the hazardous management process is not carefully enough	Employee Customer Supplier/Contractor	Chpt4-Environmental Management Chpt4-Air pollution management Chpt4-Product Stewardship
 <p><b>5. Climate Change Adaptation</b> ↓ 2</p>	The group's strategy to respond to climate change, such as the Climate Action 100+ net-zero emissions target and commitment, the positive/negative impact and probability of occurrence on the economy, environment and society.	Improved climate change adaptation strengthens our competitiveness and is a key component of our low-carbon transition journey	Excessive climate change adaptation might associate with high costs and negatively affect the Group's operations in the short term	Customer Supplier/Contractor Government Agency Non-Governmental Organizations	Chpt4-Climate Change and Energy Management
 <p><b>6. Corporate Governance and Risk Management</b> ↑ 1</p>	Hon Hai's implementation and management of the composition and responsibilities of the board of directors, internal audit, company equity structure and shareholder rights, investor relations, risk management, etc., and the degree of positive/negative impact and probability of impact on the economy, environment and society.	Sound corporate governance strengthens the Group's operational and financial performance.	A corporate governance structure that focuses on short-term interests harms shareholders' interests	Customer Government Agency	Chpt1- Corporate governance; Chpt1-Risk Management





Material Topics	Topic Description	Positive Impacts	Negative Impacts	Stakeholders affected by the impact/effect.	Relevant Chapter
 <p><b>6. Corporate Governance and Risk Management</b> ↑ 1</p>	<p>Hon Hai's implementation and management of the composition and responsibilities of the board of directors, internal audit, company equity structure and shareholder rights, investor relations, risk management, etc., and the degree of positive/negative impact and probability of impact on the economy, environment and society.</p>	<p>Sound corporate governance strengthens the Group's operational and financial performance.</p>	<p>A corporate governance structure that focuses on short-term interests harms shareholders' interests</p>	<p>Customer Government Agency</p>	<p>Chpt1- Corporate governance; Chpt1-Risk Management</p>
 <p><b>7. Purchasing Practices and Management</b> ↑ 8</p>	<p>The group's policy for purchasing raw materials, eliminating conflict minerals, green procurement (such as reducing material consumption, choosing degradable, renewable materials, and easily recyclable materials) and local procurement, etc., and the extent of their impact on the economy, environment and society, and Probability of positive/negative impact.</p>	<p>Help select suppliers and improve the product quality of the Group</p>	<p>Too strict purchasing criteria puts pressure on suppliers and business partners</p>	<p>Supplier/Contractor</p>	<p>Chpt5-Sustainable Supply Chain Impacts</p>
 <p><b>8. Water Management</b> ↑ 6</p>	<p>The group's water usage and discharge (including wastewater), as well as related reduction plans and measures, have positive/negative impacts and probability of occurrence on the economy, environment and society.</p>	<p>Better management of water resources reduces the impact of business operations on the environment</p>	<p>The water management process might not be efficient enough, so some negative impacts might not be mitigated</p>		<p>Chpt4-Environmental Management Chpt4-Water Resource Management</p>





Material Topics	Topic Description	Positive Impacts	Negative Impacts	Stakeholders affected by the impact/effect.	Relevant Chapter
 <p><b>9. Employee Rights and Diversity</b> ↓ 8</p>	<p>The group's promotion and management of employee diversity, gender equality, anti-discrimination, human rights issues and employee rights have positive/negative impacts and probability of occurrence on the economy, environment and society.</p>	<p>Build human capital and increase the Group's competitive advantage</p>	<p>Employee costs affect business operations</p>	<p>Employee Customer Supplier/Contractor</p>	<p>Chpt2-Protection of Employee Rights and Employee Communication; Chpt2-Compensation and Benefits; Chpt2-Diversity and inclusion;</p>
 <p><b>10. Supplier Management</b> ↑ 2</p>	<p>The impact of the group's supply chain management strategies, guidelines, management and auditing, and promoting suppliers' implementation of social responsibilities (such as RBA guidelines, ROHS, REACH, human rights, greenhouse gas reduction, etc.) on the economy, environment and society and the probability of positive/negative impacts.</p>	<p>Help select suppliers and improve the product quality of the Group</p>	<p>Too strict purchasing criteria puts pressure on suppliers and business partners</p>	<p>Customer Supplier/Contractor</p>	<p>Chpt5-Policies for Sustainable Management of Suppliers</p>
 <p><b>11. Ethical management and legal compliance</b> ↓ 5</p>	<p>The management of anti-corruption, unfair competition, antitrust and monopoly behavior, compliance with laws and regulations (economic, social and environmental), etc., the degree of impact on the economy, environment and society and the probability of positive/negative impact.</p>	<p>The compliance with the code of conduct aligns with the interests of stakeholders</p>	<p>Legal costs occur when the Group violates anti-corruption/anti-competitive laws, etc.</p>	<p>Government Agency</p>	<p>Chpt1-Ethical management</p>




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Material Topics	Topic Description	Positive Impacts	Negative Impacts	Stakeholders affected by the impact/effect.	Relevant Chapter
 <p><b>11. Ethical management and legal compliance</b> ↓ 5</p>	<p>The management of anti-corruption, unfair competition, antitrust and monopoly behavior, compliance with laws and regulations (economic, social and environmental), etc., the degree of impact on the economy, environment and society and the probability of positive/negative impact.</p>	<p>The compliance with the code of conduct aligns with the interests of stakeholders</p>	<p>Legal costs occur when the Group violates anti-corruption/anti-competitive laws, etc.</p>	<p>Government Agency</p>	<p>Chpt1-Ethical management</p>
 <p><b>12. Information Security and Customer Privacy</b> ↓ 10</p>	<p>The positive/negative impact and probability of the group's information security policies and systems, information risk control, and customer confidentiality management measures (such as customer data confidentiality, customer product specifications) on the economy, environment, and society.</p>	<p>Protect sensitive data and intellectual property</p>	<p>The breach of information security or the leakage of customer information causes damage to customer trust.</p>	<p>Customer</p>	<p>Chpt1-Information Security Management</p>



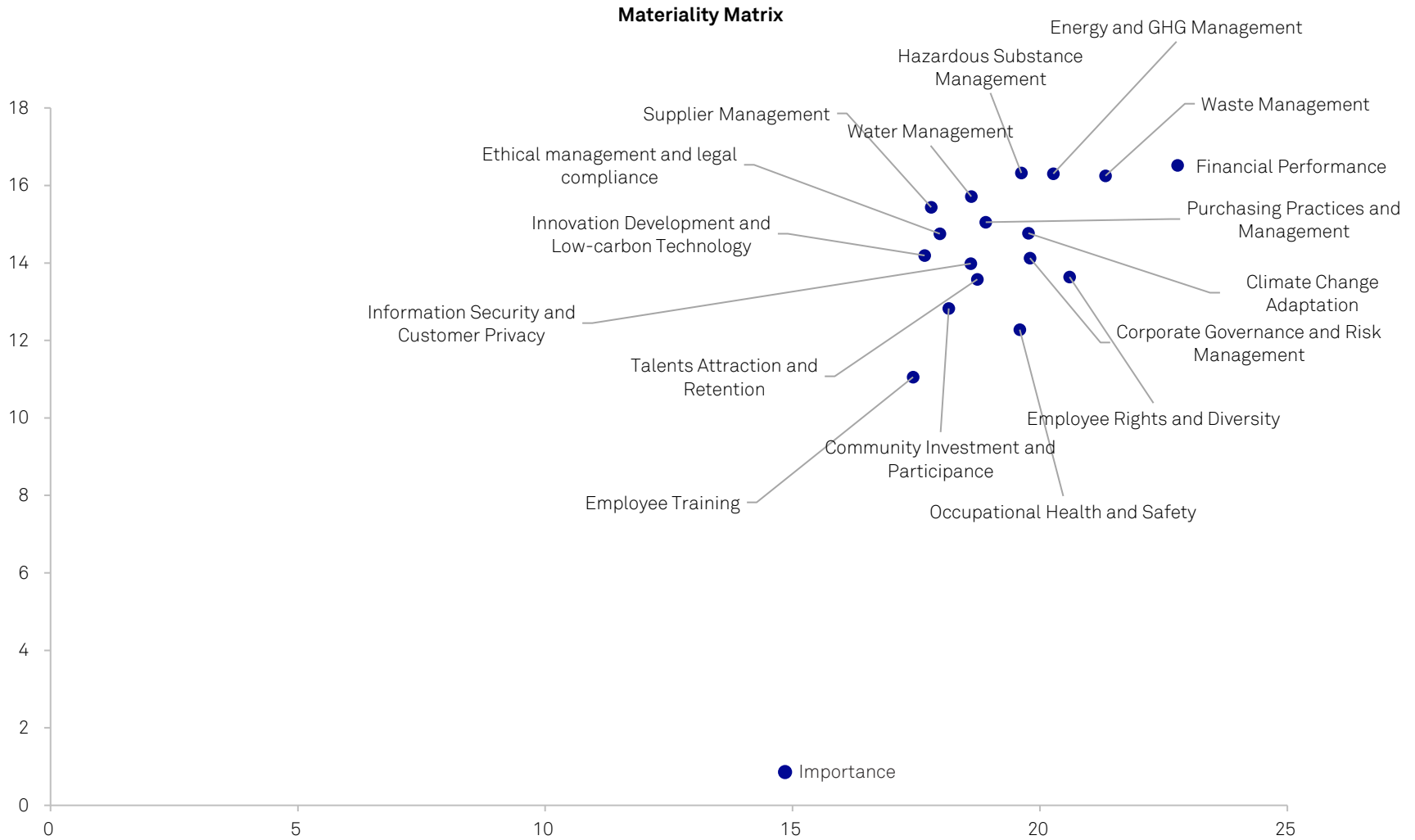
Material Topics	Topic Description	Positive Impacts	Negative Impacts	Stakeholders affected by the impact/effect.	Relevant Chapter
 <p><b>13. Talents Attraction and Retention</b> ↑ 4</p>	The positive/negative impact and probability of the group's employee recruitment rate, turnover rate, performance appraisal, salary and welfare policies, etc. on the economy, environment and society.	Build human capital and increase the Group's competitive advantage	Employee costs affect business operations	Employee	Chpt2-Talent attraction and retention
 <p><b>14. Occupational Health and Safety</b> ↓ 10</p>	The promotion and management of occupational health and safety management policies for group employees and contractors have positive/negative impacts and probability of occurrence on the economy, environment and society.	Attract best talents to enhance the competitiveness of the Group	Manpower costs might be increased	Employee	Chpt3-Occupational Safety and Health Chpt3-Employee Health Promotion
 <p><b>15. Innovation Development and Low-carbon Technology</b> ↓ 6</p>	The promotion and management of innovative R&D and low-carbon technology policies and directions (such as F3.0 transformation and upgrading), R&D expenses, R&D results and performance, patent applications, etc., and the extent and occurrence of positive/negative impacts on the economy, environment and society probability of impact.	Technology innovation improves the Group's competitiveness and keeps the Group ahead of our competitors	Technology innovation needs a large amount of capital and resources, which means higher costs	Customer	Chpt1-Innovative R&D Policies and Strategies

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## 1.8.2 Materiality Matrix



# 2 Diverse Inclusiveness, Employee Engagement

## Material issues in this chapter:

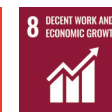
- Employee Rights and Diversity
- Talents Attraction and Retention

“ Employees are the Group’s most important assets. Through implementation of incentive systems and performance appraisals, we encourage continuous self-enhancements and personal career advancements in our employees. We provide competitive compensation to all employees to boost their morale and enhance our operational performance.

## Key KPIs and achievements/Honors in 2023

- 1 Continuously promoted diversity in the Group level, female management ratio reached 21.55%, kept focus on Diversity, Equity, Inclusion (DEI).
- 2 Focused on employee stability and well-being, received 82 scores by “Sustainability Engagement Survey” participated with 18,000 employees. Under the continuous promotion of workplace improvement initiatives, the turnover rates of Hon Hai Precision Industry Co., Ltd. dropped to 11.43%.
- 3 Demonstrated a high level of commitment to the development of human resources: invested 172 million NTD in training, provided 56.62 million hours in total; also, there are various offline courses and 71,000 online courses, with an average of 75.60 hours of training per employee.
- 4 Launched several joint audits on labor protection, living and occupational safety, food safety and hygiene, union standardization and employee care; Improved the auditor selection mechanism; established course, assessment and certification system with a total of 798 participants, and comprehensively certified 53 auditors. Audited 24 factories, 270 deficiencies items, with a rectification rate of 100%.

Commitment to SDGs



### Major GRI standards mapped:

GRI 401, GRI 402, GRI 404, GRI 405, GRI 406, GRI 407, GRI 408, GRI 409, GRI 410



## 2.1 Diversity and Inclusion

### 2.1.1 Diverse and Inclusive Policies

The Group upholds principles of fairness, impartiality, and equality as part of our commitment to building diverse, inclusive, and employee-friendly workplace environments. We ensure consistent compensation, promotion, and training for all employees, actively fostering create culture of mutual respect. Our recruitment and staffing efforts prioritize diversity, including persons with disabilities, gender diversity, ethnic and racial minorities.

#### Freely Chosen Employment

The Group strictly prohibits forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery, or human trafficking. All work must be voluntary, allowing workers the freedom to leave or terminate their employment without penalty provided reasonable notice is given in accordance with their contracts.

#### Staffing Agencies

The Group conducts pre-screening due diligence to ensure that staffing agencies comply with relevant laws, regulations, the Code, and the Standards. We guarantee that employees hired through staffing agency companies receive the same treatment as those directly employed by the company, including equal pay for equal work, rest days and vacation time.

The Group has established an “Labor Dispatch Service Agreement” with Labor Dispatch Service Provider used by all campuses. The Agreement stipulates the responsibilities and duties of both parties, and guarantees equal pay for equal work, equal work environments, and work safety measures. According to the agreement, we are obliged to provide education and training for labor dispatching suppliers, conduct annual regular

audits on labor dispatch service providers, and terminate the contract if the relevant agreements are violated materially. We also conduct annual audits on staffing agencies and continue to survey employee entry & exit conditions to reduce possible risks.

Our management measures include on-site audits, employee interviews, and written reviews. We not only ensure implementation of our policies which prohibit discrimination and forced labor, but also publicly release our reports and announce grievance channels; we have further integrated these actions with employee training to protect our staff from discrimination based on different job characteristics.

#### Foreign Workers

The Group ensures that all foreign workers possess valid legal work permits, adhering to the strictest applicable local regulations. We also ensure that foreign workers receive, understand, sign, and retain a copy of their employment contract in their mother tongue or a familiar language prior to leaving their country of origin.

The Group also mandates “zero-fee” principle in its Responsibility Standards-- All employees shall not be required to pay employer or intermediary fees in order to obtain employment and/or continuing employment opportunities. This includes recruitment, applications, skill tests, placement, processing, renewal and/or recurring costs of any kind.

#### Maternity Rights of Female Workers

The Group is committed to protecting rights and health of female workers. This includes providing health protection at work, maternity leave, social benefits, breast-feeding breaks, and protection against dismissal and discrimination based on maternity. Female workers are entitled to have a period of maternity leave that meets or exceeds legal requirements and are guaranteed the right to return to the same or equivalent position with

the same pay rate upon conclusion of their maternity leave.

For more details, please refer to **Hon Hai Responsibility Standards**.

## 2.1.2 Diverse and Inclusive Employee Composition

The Group employs a total of 749,039 individuals worldwide, including

4,241 people with disabilities and 26,572 individuals of ethnic minorities. We uphold principles of talent localization, ensuring that our campuses are primarily staffed by local residents. At our campuses in China, approximately 56,693 of management personnel are Chinese nationals. This reflects our commitment to fostering local leadership and promoting diversity within our global operations.

**Table 2-1: Workplace diversity by nationalities**

Categories	Definition	Gender	Mainland China	Taiwan	Vietnam	India	Mexico	Europe	North America	Other	Global	
Number of employees	Total number of employees	Male	280,411	11,099	40,359	2,132	14,220	4,361	3,736	1,722	358,040	
		Female	172,281	4,795	29,557	9,110	15,258	2,942	2,180	3,127	239,250	
Contract Type	Permanent employees, and a breakdown	Male	131,074	11,099	6,958	2,132	14,071	3,755	2,324	1,722	173,135	
		Female	70,450	4,795	4,688	9,110	15,219	2,299	1,235	3,127	110,923	
	Temporary employees, and a breakdown	Male	149,337	0	33,401	0	149	606	826	0	184,319	
		Female	101,831	0	24,869	0	39	643	735	0	128,117	
	Non-guaranteed hours employees, and a breakdown	Male	0	0	0	0	0	0	0	586	0	586
		Female	0	0	0	0	0	0	0	210	0	210





Categories	Definition	Gender	Mainland China	Taiwan	Vietnam	India	Mexico	Europe	North America	Other	Global
Employment Type	Full-time employees, and a breakdown	Male	280,411	11,092	40,359	2,132	14,220	4,361	2,788	1,722	357,085
		Female	172,281	4,795	29,557	9,110	15,258	2,942	1,404	3,127	238,474
	Part-time employees, and a breakdown	Male	0	7	0	0	0	0	948	0	955
		Female	0	0	0	0	0	0	776	0	776
Non-Direct Employment	Dispatched employees	Male	73,350	989	589	1,196	0	0	0	0	76,124
		Female	38,849	725	333	35,718	0	0	0	0	75,625
	Outsourcing and supplier staff, consultants, and contractors	Male	0	197	479	2,060	0	0	0	0	2,736
		Female	0	0	316	515	0	0	0	0	831

Note:

1. Based on the number of people at the end of the year on December 31, 2023.
2. Data coverage: The Group
3. Others include catering, security, cleaners, electrical and mechanical maintenance, etc.
4. Impacted by economic context, inventory adjustment and post-pandemic slow-down of end product demand growth, there's decline in production compared to 2022, resulting in lower demand of labors and lower number of employees.

**Table 2-2: Workplace diversity by age and gender**

Number	Gender	Mainland China	Taiwan	Vietnam	India	Mexico	Europe	North America	Other	Global	Percentage
Under 30 years old	Male	148,643	2,237	27,525	6,320	5,110	985	664	643	192,127	25.65%
	Female	67,083	1,820	20,025	36,731	4,465	466	379	1,168	132,137	17.64%
30-50 years old	Male	199,997	8,109	12,638	2,387	6,241	2,826	1,721	880	234,799	31.35%
	Female	143,795	3,317	10,570	2,582	7,279	1,864	834	1,737	171,978	22.96%
Over 50 years old	Male	5,121	1,756	23	128	2,869	474	1,498	200	12,069	1.61%
	Female	252	369	57	8	3,514	688	820	221	5,929	0.79%

Note:

1. Based on the number of people at the end of the year on December 31, 2023.
2. Data coverage: all types of employees among the Group, including dispatched employees.

**Table 2-3: Workplace diversity by minorities**

Minorities	Number	Percentage	Management positions percentage
Zhuang	13,867	2.5%	0.7%
Hmong	3,609	0.6%	0.2%
Tujia	3,078	0.5%	0.6%
Yao	2,280	0.4%	0.2%
Dong	1,860	0.3%	0.1%
Other	8,384	1.5%	1.0%

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Healthy Workplace, Safety Adherence

Green Solutions, Circular Economy

Business Sustainability, Beneficial Partners

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	Minorities	Number	Percentage	Management positions percentage
<b>Taiwan</b>	Indigenous	10	0.06%	0.00%
<b>The U.S.</b>	Native Hawaiian or other Pacific Islander	15	0.25%	0.00%
	American Indian	31	0.52%	0.00%
	Alaska Native	13	0.22%	0.00%
	Asian	656	11.09%	31.72%
	Black or African American (not Hispanic or non-Latino)	652	11.02%	19.70%
	Hispanic/Latino	288	4.87%	5.27%
	More than two ethnic groups	147	2.48%	1.26%
	Not disclosed/not applicable	66	1.12%	0.00%
<b>Europe (Czech)</b>	Mongolia	661	9.05%	0.00%

Note:

1. Based on the number of people at the end of the year on December 31, 2023.

2. Data coverage: The Group

3. Management positions include junior, middle and senior managers.

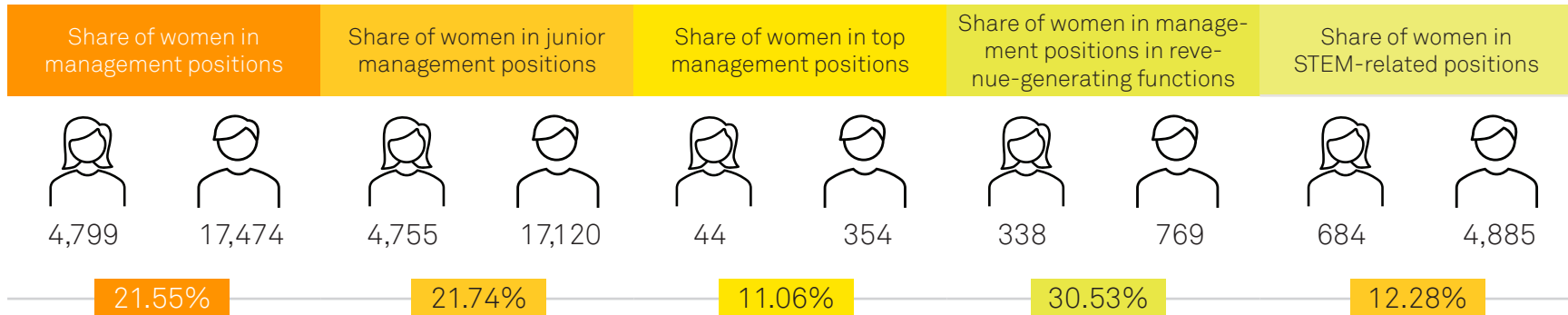
4. Calculation methods: percentages of minorities = number of minority / numbers of employees by country/region; management position percentages = number of minorities in management positions / all management positions by country/region.

5. Race/ethnicity of employees in the U.S. is disclosed according to the EEO-1 Survey: Asian, Black/African American, Hispanic/Latino, White, Other (Native American/Mixed Race), More than Two Races, or Not Disclosed/Not Applicable.

As an electronics manufacturing company, the Group has a higher proportion of male employees and male executives. We therefore consider

the proportion of female executives to be an indicator of workplace diversity.

**Table 2-4: Share of women in management positions**



Note:

1. Based on the number of people at the end of the year on December 31, 2023.
2. Data coverage: Taiwan and Mainland China
3. Junior management positions: Below planning control level or managerial level (inclusive)
4. Top management positions: At the presiding officer level or deputy general manager level (inclusive) or above, and maximum two levels away from the chairperson, CEO or a position at the same level
5. STEM refers to Science, Technology, Engineering, and Mathematics.

### 2.1.3 Equal Workplace Opportunities

For matters relating to recruitment, promotion, performance evaluations, salaries, and training opportunities, we do not discriminate on the basis of gender, age, nationality, birthplace, ethnicity, language, disabilities, marital status, pregnancy, sexual orientation, religion, political affiliation, or union membership. We also prohibit child laborers from engaging in work. Hon Hai works to ensure employee rights are safeguarded and that they are treated with dignity and respect. The Group endeavors to create an equitable workplace where every employee is treated equally. We ensure equitable compensation and advancement prospects based on individual performance and achievements.

#### 2.1.3.1 Anti-discrimination and Anti-harassment

##### Anti-discrimination and Anti-harassment Policies

The Group is committed to ensuring a workforce free from harassment and unlawful discrimination. We prohibit harsh and 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; There is no tolerance for threats of such treatment.

Hon Hai does not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression,





ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

Workers are provided with reasonable accommodation for religious practices. Additionally, workers or potential workers are not subjected to medical tests, including pregnancy or physical exams that could be used in a discriminatorily. The Group has written procedures and systems to implement its anti-harassment and anti-abuse policies. Dedicated personnel are responsible for supervising and implementing these policies and procedures. The Group effectively communicates its non-discrimination and non-harassment policies to all employees and supervisors, including information on hazardous positions, workplace adjustments for non-hazardous positions and voluntary physical examinations.

The Group provides relevant information and training to all employees during induction and continually reinforces this knowledge through regular re-training. Employees who receive or handle complaints related to harassment and abuse must be formally trained in resolving such complaints. Security personnel are trained in the prevention of harassment and abuse specific to their positions and responsibilities.

To ensure that all employees comply with ESG and CSR policies, the Group requires each employee to complete the “Code of Conduct” and “Chapter on Employee Human Rights” compulsory training courses every year. The course content includes ethics, employee human rights, occupational health & safety and other topics. In 2023, the Group’s proportion of trained employees was 95.1%. The Group improves employee training rates and completion rates through a mechanism that links annual employee promotions with mandatory training courses on sustainability policies. Relevant systems and regulations are published on the company’s internal website for employees to review at any time.

## Incidents of Discrimination and Harassment

The Group has formulated “Measures to Prevent, Complain and Punish Sexual Harassment in the Workplace” and related procedure for handling both sexual and power harassment. The procedure includes dedicated reporting lines, mailboxes, and other response channels, which are regulated by a tiered system of accepting complaints and the establishment of a Complaint Handling Committee, to ensure that complaints are investigated and scrutinized in an impartial and objective manner. In 2023, the Group filed and investigated 2 cases of sexual harassment. After investigation and interviews, collection of relevant supporting information, and joint examination and resolution by the Complaint Handling Committee, the Group penalized those who committed misconduct and provided the complainants with in-house or external third-party counseling and other resource support for victims. And there are no confirmed incidents of discrimination in Group level.

In addition, the Group invites external experts to organize online courses on gender equality laws and regulations, to raise employees’ awareness of gender equality and protect their rights through training. Through a systematic management mechanism and the establishment of communication channels between employers and employees, the Group maintains a quality working environment free from discrimination and harassment for its employees.

## Internal Complaints and Grievance Procedures

The Group has established detailed internal complaints and grievance methods to address incidents of discrimination or harassment. Employees can report such incidents to designated individuals through the internal reporting channels. The Group assures that no retaliation will occur against those who report harassment in good faith.

For major employee incidents, such as sexual harassment complaints and major disciplinary violations by employees, the Group has set up



the “Personnel Review Committee on Great Incidents of Employee” as the supreme principle for handling such incidents and has incorporated a review and examination mechanism to avoid handling bias or abuse of power. Confirmed incidents of discrimination or harassment will be addressed in accordance with the Group’s disciplinary regulations and documented in the employee’s personnel files. Similarly, individuals who make false accusations will face disciplinary action, which will also be recorded in their personnel files. Additionally, the Group will maintain

comprehensive documented records of all relevant events to ensure transparency and accountability.

### 2.1.3.2 Gender Equality

The Group strives to build an equal and inclusive workplace by providing various measures that exceed the standards set forth by laws and regulations for gender equality.

**Table 2-5: Gender pay indicators**

Number	Gender	Average Salary (thousand NTD)	Ratio of Average Salary	Median Salary (thousand NTD)	Ratio of Median Salary
Senior Executive (base salary only)	Male	3,223	1:0.56	2,160	1:0.83
	Female	1,800		1,800	
Senior Executive (base salary only + other cash incentives)	Male	16,795	1:1.25	14,967	1:1.40
	Female	20,939		20,939	
Management Level (base salary only)	Male	1,316	1:0.84	1,280	1:0.81
	Female	1,110		1,031	
Management Level (base salary only + other cash incentives)	Male	3,477	1:0.76	2,832	1:0.81
	Female	2,641		2,295	
Non-management level (base salary only)	Male	851	1:0.84	805	1:0.89
	Female	719		720	
Non-management Level (base salary only + other cash incentives)	Male	1,632	1:0.80	1,476	1:0.85
	Female	1,309		1,248	

Note:  
 1. Based on the end of the year on December 31, 2023.  
 2. Data coverage: Hon Hai Precision Industry Co., Ltd.,





### 2.1.3.3 Caring for Disadvantaged Employees

The Group has been adhering to a people-oriented philosophy in providing various solutions for employees with disabilities. We provide refined services in job development and recruitment, modification of working and living environments, and on-the-job education, etc. Besides, we apply Disability Equality Index (DEI) for evaluation and improvement, creating a diversified, fair and inclusive corporate culture. The group has formulated standards for evaluating the adaptability of positions, conducted regular evaluations and developed more positions for employees with disabilities.

Through “IE + Human Factors technology”, the Group improves the working and living conditions to meet and exceed the basic needs of disabled employees in both work and life, establishes a barrier-free learning environment and a diversified, fair, and inclusive workplace, and promotes their sense of well-being as well as engagement. Meanwhile, we create a total solution for disabled service from the aspects of disabled characteristics analysis, job adaptability assessment, recruitment and training, and humanized work and life environment improvement.

#### Sunshine Training Center on Hon Hai E-Learning Platform

On E-learning, we set up a special area of Sunshine Training Center to produce barrier-free courseware for employees with disabilities in various business units to start on-the-job training, on-the-job training and thematic training; on offline, we set up a Sunshine Training Room to create a barrier-free teaching environment to provide competency training for new employees, work skills training and practical training for on-the-job staff to enhance their skills, and to seamlessly connect with the production line to serve the disabled through cooperation, promotion and data analysis and feedback in various business units.

In addition to training disabled employees, the Group is also committed to enabling more employees to learn about people with disabilities and promoting their understanding and care for people with disabilities around

them, thereby contributing to the Group’s culture of love. In collaboration with the various business groups, the Group promoted the “Learning Star” series of thematic training for persons with disabilities, which attracted 120,986 disabled employees and recognized 33 outstanding trainees, thereby fostering the growth of disabled employees; and the Group also promoted the topic of knowledge related to persons with disabilities during the National Day of Assisting the Disabled, International Day of Persons with Disabilities and other festivals for persons with disabilities, with 257,791 disabled employees learning about the topic, thereby facilitating the Group’s employees to understand and care for persons with disabilities. On the National Day for the Disabled and other holidays for the disabled, a total of 257,791 learners were enrolled to promote the Group’s staff’s care and concern for employees with disabilities, and employees with disabilities actively participated in the learning of various topics on the online platform, with a cumulative total of more than 400,000 learners.



“Learning Star” series of thematic training

## Sunshine Training Room

The Group has also set up the Sunshine Training Room to carry out on-the-job and in-service competency training and production skills training, and has conducted 15 training sessions for more than 600 trainees.

We provide various training programs according to needs of disabled employees, including photography skills, text processing, first aiders, etc., with a total of 153 participants and 61 of whom successfully obtained corresponding certificates. Meanwhile, the Group assessed the living environment of employees, introduced 440 facilities such as flashing doorbells and emergency call facilities, created a barrier-free teaching and learning environment, and provided a variety of training content and accessible courseware. We actively organize activities for people with disabilities, in 2023, over 2000 employees with disabilities received mental health counseling, 5 hidden MSD posts are improved, 3 auxiliary facilities such as sound and light switching devices are introduced. More than 200,000 participants attended the International Day of Persons with Disabilities in 2023.



AI Audiovisual Teaching

Competency Enhancement Training



We provide various training programs according to needs of disabled employees, including photography skills, text processing, first aiders, etc., with a total of 153 participants and 61 of whom successfully obtained corresponding certificates. Meanwhile, the Group assessed the living environment of employees, introduced 440 facilities such as flashing doorbells and emergency call facilities, created a barrier-free teaching and learning environment, and provided a variety of training content and accessible courseware. We actively organize activities for people with disabilities, in 2023, over 2000 employees with disabilities received mental health counseling, 5 hidden MSD posts are improved, 3 auxiliary facilities such as sound and light switching devices are introduced. More than 200,000 participants attended the International Day of Persons with Disabilities in 2023.





The 3rd Shenzhen “Disabled and Healthy” Entrepreneurship and Innovation Competition for the Disabled: Silver Award

## 2.2 Talent Attraction and Retention

### 2.2.1 Recruitment

#### 2.2.1.1 Recruitment Principles and Processes

Employee recruitment at the Group is conducted through open recruitment and on-campus recruitment channels, and dedicated job fairs hosted for people with disabilities. Our recruitment principles and processes integrate concepts of equal opportunities, respect for human rights, and workplace diversity. We strictly prohibit the use of child labor and forced labor.

The Group attracts talent through competitive salaries and benefits, rewards for outstanding performance, and appropriate personnel rotations. To maintain a low turnover rate, we actively work to understand and address the reasons for employee resignation. Additionally, the continuous addition of new personnel helps to promote diversity within the Group.

**Table 2-6: New Hires and Turnover rates**

		2019	2020	2021	2022	2023
	New hires rate	14.40%	12.80%	16.90%	17.52%	16.43%
	Total	18.60%	12.70%	11.80%	18.20%	11.43%
Turnover Rate	Voluntary separation (e.g. resignation, retirement)	16.60%	11.80%	10.20%	16.70%	10.45%

1. Based on the end of the year on December 31, 2023.
2. Data coverage: Hon Hai Precision Industry Co., Ltd..
3. New hire rate = total number of new hires in the year / (total number of new hires in the year + initial number of employees at the beginning of the year), calculated as a proportion of new hires based on the total number of employees as of January 1st each year.
4. Turnover rate = total number of employees who left the company during the year / (total number of employees who left the company during the year + the number of employees at the end of the year) The percentage of employees who left the company is calculated based on the total number of employees as of December 31 of the year.

**Table 2-7-1: New employee hires**



#### Total number of new employee hires

Taiwan		Mainland China	
4,608	2019	545,639	
4,274	2020	517,987	
4,978	2021	395,936	
4,596	2022	399,186	
4,524	2023	221,582	

1. Based on the end of the year on December 31, 2023.
2. Data coverage: Mainland China and Taiwan

**Table 2-7-2: New employee hires and recruitment Costs**



**Total number of new employee hires**

Total Number of New Employee Hires		Average Hiring Cost/FTE (TWD)	
149	2019	40,961.1	
139	2020	37,807.9	
182	2021	28,094.6	
221	2022	29,733.7	
120	2023	39,549.0	

1. Based on the end of the year on December 31, 2023.  
 2. Data coverage: Central Unit in Headquarter, Taiwan  
 3. Average hiring costs include internal and external recruiting costs such as interviews, agency fees, advertising, job fairs, travel and relocation costs.  
 4. FTE: Full-Time Equivalents is the number of working hours that represents one full-time employee during a fixed time period, such as one month or one year. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees.

**Table 2-8: Breakdown of new employee hires and turnover**

Age	Gender	Mainland China	Taiwan	Total
New hires	Male	99,293	1,241	100,534
	Ratio	0.668	0.555	0.666
	Female	37,854	1,162	39,016
	Ratio	0.564	0.638	0.566
30-50 years old	Male	51,093	1,281	52,374
	Ratio	0.255	0.158	0.252
	Female	33,290	671	33,961
	Ratio	0.232	0.202	0.156

Age	Gender	Mainland China	Taiwan	Total
New hires	Male	31	143	174
	Ratio	0.006	0.086	0.026
	Female	21	26	47
	Ratio	0.083	0.070	0.076
Total	Number	221,582	4,524	226,106
	Ratio	0.392	0.258	0.388

Age	Gender	Mainland China	Taiwan	Total
Employee turnover	Male	122,183	558	122,741
	Ratio	0.822	0.249	0.813
	Female	46,341	410	46,751
	Ratio	0.691	0.225	0.664
30-50 years old	Male	86,768	900	87,668
	Ratio	0.434	0.111	0.421
	Female	53,419	414	53,833
	Ratio	0.371	0.125	0.366
Over 50 years old	Male	429	249	678
	Ratio	0.084	0.150	0.100
	Female	2,222	53	2,275
	Ratio	8.817*	0.144	0.100
Total	Number	311,362	2,584	313,946
	Ratio	0.551	0.148	0.539

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	Age	Gender	Mainland China	Taiwan	Total
Internal hires	Under 30 years old	Male	NA	0	0
		Female	NA	1	1
	30-50 years old	Male	NA	27	27
		Female	NA	8	8
	Over 50 years old	Male	NA	32	32
		Female	NA	0	0
Total			NA	68	68

1. Based on the end of the year on December 31, 2023.
2. Data coverage: Mainland China and Taiwan
3. New hire rate = Total number of new hires in the year by groups / the number of employees at the end of the year by groups.
4. Turnover rate = Total number of employees who left the company during the year by groups / the number of employees at the end of the year by groups.
5. \* this high employee turnover ratio in Mainland China due to most of them are dispatched employees who sign temporary contracts to fulfil seasonal needs.

## 2.2.2 Return to the Workplace

### 2.2.2.1 Protection of Maternity Rights

#### Paid Parental Leave

The Group is committed to ensuring that female workers are entitled to a period of maternity leave that meets or exceeds the legal requirements. Female workers are guaranteed the right to return to the same or an equivalent position with the same pay rate at the end of her maternity leave. Additionally, the Group provides paid vacation time for all employees to support a balanced and inclusive workplace.

#### Paid Leave Policy in Taiwan

##### Paid Vacation for Primary Caregivers (Mothers)

The Group offers paid vacation to support the needs of primary caregivers during pregnancy, after childbirth and during the adoption of a child. This is in line with our commitment to gender equality in the workplace. Also, in accordance with the “Gender Equality in the Workplace Act”, employees employed for over six months and raising a child under 3 years old may apply for a leave of absence without childcare pay. This application can be made by the employee or by the employee’s spouse and is exempt from the requirement to submit proof of employment of the spouse.

##### Paid Vacation for Non-Primary Caregivers (Fathers)

Similarly, non-primary caregivers, usually fathers, can apply for leave without pay under the same conditions. They can apply for this leave to support their spouse’s needs during pregnancy, after the birth of a child, and during the adoption or foster care of a child.

##### Period of Parental Leave without Pay

Employees also can apply for leave without pay until the child reaches 3 years old, but the duration should not be over two years. If employees are raising children under the age of three at the same time, the periods of leave without pay could be combined, but the total period must not exceed two years for the youngest child. The period of leave without pay must not be less than six months for each application.

By implementing these policies, the Group promotes a balanced and family-friendly work environment by ensuring that both primary and non-primary caregivers receive the necessary support during the critical childcare period.



Due to different requirements of various provinces, the Group has no uniform paid parental leave provisions in Mainland China. Instead, we strictly follow regulations of these provinces, and commitment to provide paid parental leave periods and relevant support for parental no less than requirements by local governments.

### Protection for Mothers

In accordance with the provisions of the Occupational Safety and Health Act, for female employees who are pregnant and breastfeeding, occupational medicine physicians and nurse practitioners provide health management measures including workplace assessment, hazard prevention, and health guidance to protect their health and safety. Meanwhile, the Group also provides friendly workplace environments such as nursing hygiene and health counseling, setting nursing rooms, priority meal lanes, and reserved seats for them on shuttles and so on.

In 2023, a total of 50 employees were assessed for maternity protection in the Group's Mother Protection Assessment, all of which were managed at the first level, with 100% tracking and caring rate, including 24 employees in pregnancy health assessment and 26 employees in postpartum health assessment.

### Childcare Subsidies for 0 to 6 Year Olds

To support employees in balancing their work and personal lives, the Group launched the "Childcare Subsidies for 0 to 6 Year Olds" program in early 2020, setting a precedent in Taiwan. This comprehensive program provides subsidies to expectant mothers before, during and after pregnancy, including a monthly subsidy of 15,000 NTD and taxi commute allowances of 15,000 NTD for three months prior to the expected delivery date. Expectant mothers are given priority access when wearing an identification badge, including priority for elevators, meal pickups, and shuttle buses.

Besides, the Group has 5 cooperative childcare organizations covering 156 kindergartens or branches, supporting the healthy and happy growth of Hon Hai babies, providing strong protection for employees' families and careers.

In 2023, 1,860 Hon Hai babies and over 171,282,070 NTD has been disbursed in subsidies. These measures help employees feel more secure and contribute to higher employee retention rates. For details, please see

<https://www.honhai.com/zh-tw/press-center/press-releases/latest-news/1013>



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### 2.2.2.2 Employee Retention and Parental Leave

Due to the comprehensive level of care provided by the Group, reinstatement rates following parental leave were close to 100%, and retention rates were close to 75% in recent years. To further enhance retention rates, the Group conducts exit interviews to understand and address the specific reasons for employee terminations.

In terms of retention policies, the Group actively engages with entry-level personnel to understand the needs of employees, implement employee care initiatives, and provide effective communication channels. We have established sound communication channels and platforms to ensure continuous dialogue between employees and management. Environmentally, we strive to improve basic facilities, refine working conditions, and foster harmonious work conditions across all units and organizations.

### 2.2.2.3 Reinstatement Rates Following Parental Leave and Retention Rates

**Table 2-9: Reinstatement Rates Following Parental Leave and Retention Rates**

		2022			2023		
		Male	Female	Total	Male	Female	Total
<b>Return to work rate</b>	Employees eligible to be reinstated	9,155	15,970	25,125	6,062	18,350	24,412
	Employees reinstated	9,075	15,819	24,894	6,009	18,300	24,309
	Reinstatement rates	99%	99%	99%	99%	100%	100%
<b>Retention rates</b>	Employees who have returned to work	6,736	14,386	21,122	9,076	15,824	24,900
	Employees who are still employed after returning to work for 1 year	5,711	12,014	19,068	6,599	10,002	16,601
	Retention rates	85%	84%	90%	73%	63%	67%

Note:  
 1. Based on the end of the year on December 31, 2023.  
 2. Data coverage: Mainland China and Taiwan

## 2.3 Compensation and Benefits

### 2.3.1 Compensation System

The Group attracts and retains exceptional talent through a competitive remuneration structure and rewards employee performance with a reasonably designed relevance between the Company's operating

performance and employee salaries. Our compensation system not only complies with local laws but also references external market research reports. The Group is committed to upholding principles of legality, fairness, impartiality, equality, voluntary actions, and honest credibility, regularly reviews salary standards, and our compensation performance exceeds industry standards, providing a stable workplace environment, compensation, and benefits for our employees.



In compliance with local government regulations, we initiate payments for social insurance and provident funds for Chinese employees who sign formal employment contracts with the Group from their first day of work. All insurance benefits at our campuses adhere to local social insurance regulations. In Taiwan, we offer labor insurance, health insurance, and group insurance in accordance with government mandates. Our employees at international campuses are insured per local government regulations.

We have set up incentive program to share the fruits of success with employees, to motivate them and to enhance their loyalty and sense of belonging to the company. For employees who have made higher contributions, besides the current year's bonus, they will receive an additional bonus 1 year or 2 years later, which aims for talents retention. Employees will receive the forecasted amount of the bonus if they still work for the Group. This kind of advance notice of bonus not only enables employees and the Group to focus on long-term goals together, but also enhances employees' motivation and loyalty, which is conducive to our overall financial stability and long-term development.

### 2.3.2 Employee Welfare Program

The Group has maintained the Company's original intention to care for employees, spread kindness and compassion, and empower employees so they may realize their passion for work as well as enjoy happiness in their lives.

#### 2.3.2.1 Employee Benefits

Hon Hai is dedicated to promoting a healthy work-life balance by offering a range of flexible work arrangements. These include flexible working hours, work-from-home options, and part-time working opportunities. Our policies are designed to accommodate the diverse needs of our workforce, enhancing employee satisfaction and productivity. These initiatives reflect our commitment to creating an adaptable and supportive workplace environment, ensuring all employees can effectively balance

their professional and personal responsibilities.

We have implemented a series of employee welfare measures to promote and protect the health of our employees and their families, including the aforementioned social insurance and group insurance; pensions; subsidies for weddings, funerals, and other special occasions; travel allowances; year-end party raffles; and other subsidies. The Group hopes to establish a comprehensive employee care network that allows all employees to achieve career advancements while working worldwide. In 2023, the Group's employee salary and benefits expenses were approximately 8.27 billion NTD.

In 2023, the Headquarter in Taiwan of the Group held various activities, enriching employees' free time. 4,104 employees participated in the Mid-Autumn Festival Charity Selection with a satisfaction rate of 84.82%; 4,350 employees participated in the New Year Souvenir Selection with a satisfaction rate of 77%; and all employees participated in the Year-End Celebrity Activity, with an overall satisfaction rate of over 70%. Foxconn Labor Union in Mainland China carries out holiday care activities to send gifts and blessings to employees during traditional festivals including Mid-Autumn Festival, Dragon Boat Festival and Chinese New Year. In 2023, RMB 110.368 million was invested to send 1.069 million holiday gifts to employees.

#### Working Hours

Hon Hai recognizes that unreasonable overtime for workers will result in reduced productivity, increased turnover, and increased injury and illness rates. Except in emergencies or under some unusual situations, a workweek shall be not more than 60 hours per week, including overtime. Workers shall be allowed at least one day off every seven days worked as stipulated in the RBA CoC. Employees shall have at least one day of rest in every seven-day period, except in the case of an emergency or exceptional circumstances. The number of consecutive working days shall not exceed 6 days.

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## Work-Life Balance

To promote work-life balance for employees, we strive to provide integrated sports stadiums, basketball courts, swimming pools, libraries, banks, retail shopping areas, bookshops, gymnasiums, and other recreational facilities. Hon Hai offers work-from-home arrangements and flexible work options to meet the demands of business units and employees.

### 2.3.2.2 Family Benefits

The Group is committed to supporting the wellbeing of our employees by offering comprehensive family and care support benefits. We provide on-site childcare facilities and financial contributions to external childcare services, ensuring that employees can work with peace of mind. Our workplaces are equipped with dedicated breastfeeding and lactation facilities, fostering a supportive environment for new mothers.

Additionally, we offer paid family and care leave beyond standard parental leave allowing employees to care for a child, spouse, partner, dependent, parent, sibling, or other designated relations with physical or mental health conditions. These initiatives underscore Hon Hai's dedication to fostering a supportive and inclusive workplace.

The Group actively plans activities for employees' families to participate in improving their family members' recognition of the company and increasing employees' sense of engagement. In 2023, Hon Hai Chengdu campus in Mainland China held a Family Open Day Program, hosting more than 600 employees and their family members from 150 families; In Taiwan, 2,800 people (including spouses) of Hon Hai Precision signed up for 2023 Baseball Family Day with a 96.78% satisfaction rate; 2,407 people (including spouses) signed up for 2023 Movie Family Day with a 94.57% satisfaction rate.

### Family Open Day Program in Chengdu Campus, Mainland China



## 2.4 Talent Development Training

### 2.4.1 Talent Learning Development

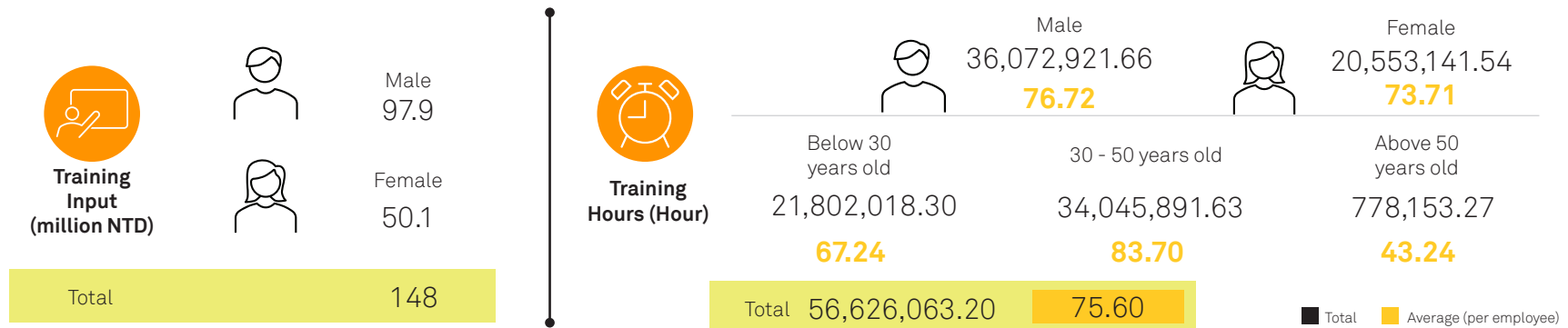
The Group formulates employee promotion qualification training and assessment standards, establishes a fair, just and open mechanism for talent promotion, development, cadre selection and appointment, encourages employees to continue learning, and comprehensively improves cadres' professional quality and capabilities; accelerates individual and team training, and recruits outstanding talents from Discover high-potential leaders among individuals and grassroots managers; create opportunities, accelerate training and promotion, and create a talent echelon for the new era. The Group's extensive skills and knowledge training resources are available to all employees, including dispatched employees, who can participate in these courses of their own choice.

In 2023, the Group invested a total of 148 million NTD in Foxconn University and provided 56.62 million hours of training. On average, each employee underwent 75.6 hours of general, management, technical/professional, and academic training.

In terms of academic education, Foxconn University began collaborating with 41 colleges and universities to implement on-the-job academic programs at 13 campuses, providing our employees with convenient channels to receive on-the-job training to enhance comprehensive skills and professional capabilities. The Group worked with many colleges and universities to provide continuous learning opportunities for our employees.

In 2023, 2,064 employees graduated from these programs, and 865 graduation theses were published, 80.30% of which related to current employee job duties, achieving a win-win situation in terms of Group and employee career development.

**Table 2-10-1: Training and Development Inputs in 2023**



Note:

1. Based on the end of the year on December 31, 2023.

2. Data coverage: The Group

3. The Group provides various e-learning classes through Foxconn University, and employees among global entities can use these materials, which lowers average training inputs.

4. Average training hours is calculated by total hours training by groups / total number of employees of this group (including dispatched employees)




**Table 2-10-2: Training Hours by Management level 2023**

	Breakdown of Total Training Hours (Hour)		
	Mainland China	Taiwan	Vietnam
Senior Manager (Vice President or above)	1,062.4	4,794.2	2,14,352.8
Mid-level Manager (Director to Senior Assistant Vice President)	30,867.6	66,545.5	2,159,940.7
Junior Manager (Senior Manager and below)	18,187,364.4	912,618.0	1,062.4
Non-management	47,129,797.7	118,122.4	30,867.6

Note:  
 1. Based on the end of the year on December 31, 2023.  
 2. Data coverage: The Group

**Table 2-11: Training and Development Inputs: Breakdown by Course**  
 (Including Online Learning and Offline Teaching)

Course Category	Training Hours	Users
General Education	30,697,986	14,525,439
Management	5,729,061	2,315,615
Technology/Professional	19,694,906	9,064,689
Academic Education	504,110	336,153
Total	56,606,063	26,241,896

Note:  
 1. Based on the end of the year on December 31, 2023.  
 2. Data coverage: The Group

**Table 2-12: Training at Foxconn University**

Item	2022	2023	
Number of Graduates	Bachelor and below	1,867	2,055
	Master	6	9
	PhD	0	0
	Total	1,873	2,064
Number of Graduation Thesis	757	865	
Percentage related to current positions	77.24%	80.30%	

Note:  
 1. Based on the end of the year on December 31, 2023.  
 2. Data coverage: The Group

## 2.4.2 Continuous Development of Talents

The Group is dedicated to the continuous development of talent through comprehensive employee development programs. The Group implements a wide range of initiatives aimed at upgrading employee skills and facilitating career transitions. Our programs include specialized training sessions, certification courses, and leadership development workshops designed to enhance the skills and capabilities of our workforce. To ensure continued employability, besides regular CoC refresher training and anti-corruption training, the Group offers transition assistance programs that provide career counseling, job placement services and reskilling opportunities. These programs support employees in managing career transitions, whether resulting from retirement or termination of employment. We ensure that our employees are well-equipped to navigate their career paths and contribute effectively to the organization's success.

The Group established Foxconn University to cultivate talent, integrate theory with practical experience, promote knowledge application and lifelong learning, and enhance mutual learning. The university serves as our incubator for cultivating talent and innovation and has the



responsibility of enhancing human capital development, transformation to new industries, development of corporate culture, and establishment of operational programs within the Group. To encourage employee learning, the Group links employee training credits with annual performance appraisals and references this information when considering employee promotions and bonus distributions.

The Group is making transformations towards the “3 industries” and “3 technologies.” In order to actively cultivate the human capital needed for the digital era, we have established an E-Learning named “Fortune Learning Codex” to expand our many learning resources and channels, support the Group’s long-term growth, and meet the lifelong learning needs of our employees.

“ Fortune Learning Codex E-Learning”, which has professional, general, and management courses taught by internal and external lecturers, allowing our employees to enjoy varied training resources without constraints on time and place. Additionally, the “ Fortune Learning Codex E-Learning” analyzes employee learning behaviors and majors; data analysis results and customized information presentations are used to provide a personalized experience for employees.

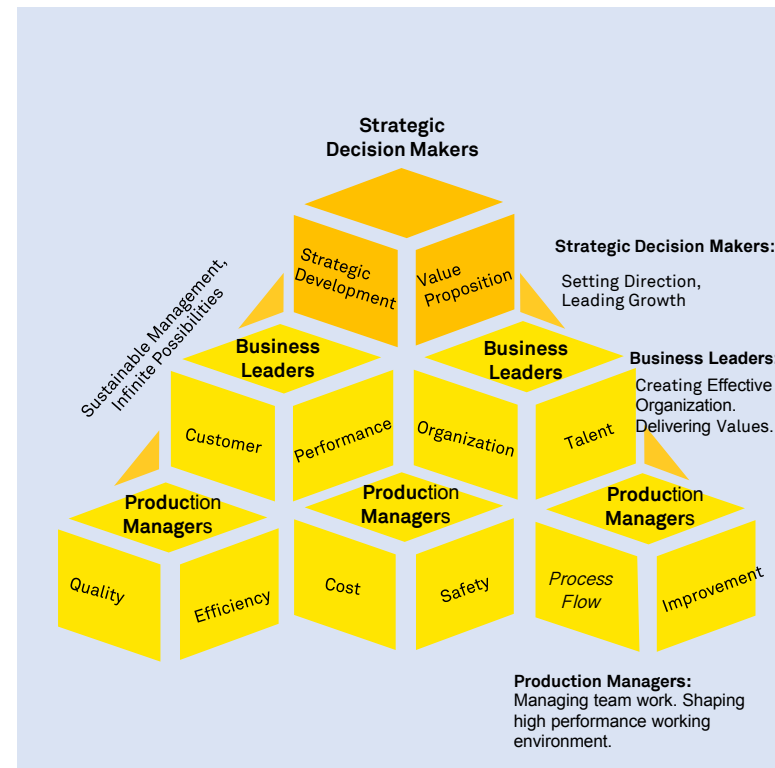
### Talent for Sustainable Management

To develop robust individuals and teams, the Group identifies high-potential leaders at the grassroots level from its pool of outstanding individuals and managers. Hon Hai creates opportunities and provides in-depth training resources for talent, accelerating their experience and promotion opportunities, thus building talent for the future.

The Group attaches great importance to the close connection between its talent and positions within the company and is committed to organically combining the growth of its talents’ personal abilities with the development of the company. For example, self-management

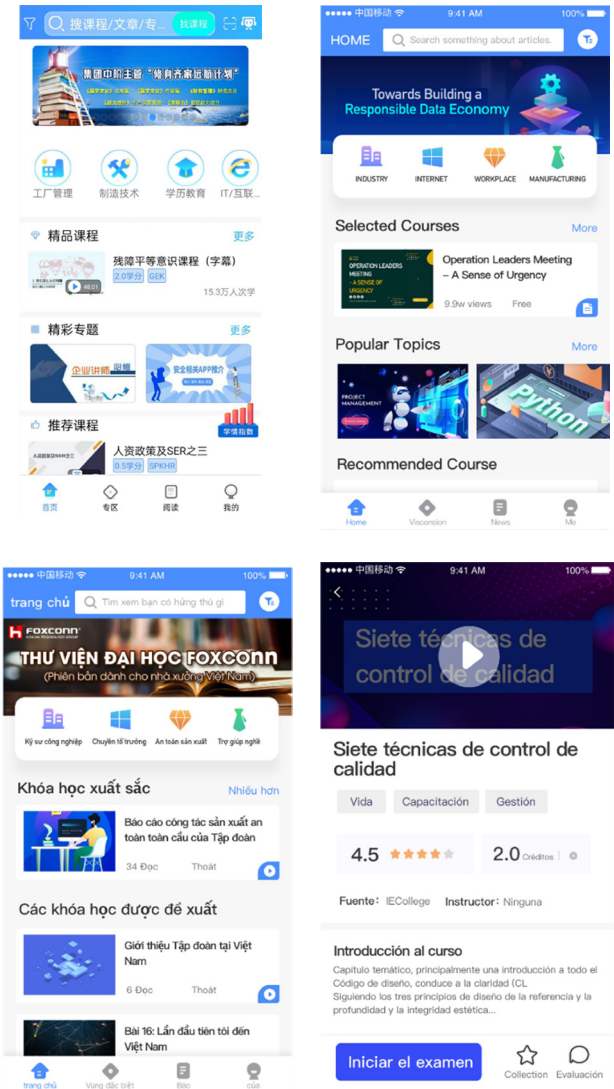
training cultivates employees’ professional skills and expertise, leading to improved work efficiency and output. For training, employees are taught advanced manufacturing technology and management skills, with the aim of reducing the Group’s communication costs and improving its production efficiency.

**Figure 2-1: Most Valuable Work: Talent Ladder for Sustainable Management**



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Note: E-learning supports Chinese, English, Vietnamese, and Spanish interfaces, allowing accessibility for global employees

Figure 2-2: Talent echelon training and results





## Create an Employer Brand with Multiple Global Honors

In the Human Capital Management Excellence Award 2023 (Spring) by Brandon Hall Group announced on August 18, Foxconn University won three gold medals, one silver medal and one bronze medal for its “Excellence Achievements”. Specifically, Foxconn University won the Best Strategy Award for Corporate Learning University (Gold Award), the Best Application of Mobile Learning Award (Gold Award), the Advanced Technology Implementation Award (Gold Award), the Best Learning Plan to Support Enterprise Business Strategy Change Award (Silver Award) and Best Leadership Development Award (Bronze Award), Foxconn University was again honored with the Best Content Creation Technology Award (Gold) by the Brandon Hall Awards for Technical Excellence (Fall) competition in December, 2023.



In 2023, the Group received multiple awards globally for continuous investments in employer branding. The most iconic awards are listed below:



2023 Best Employer Brand Management Model Award by Dayi, one of the most popular recruitment platforms in Shenzhen, Mainland China



2023 Most Influential Employer by Haitou, one of the most influential platforms in Mainland China for campus recruiting



2023 Outstanding Human Resources Management Award by 51 Job, one of the most popular recruitment platforms in Mainland China



Shenzhen University Best Employer Award for College Students



2023 China's Top 50 Best Employers in Shenzhen by Zhilian Zhaopin, one of the most popular recruitment platforms in Mainland China



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### 2.4.3 Performance Appraisal

The Group is committed to upholding principles of legality, fairness, impartiality, equality, voluntary actions, and honest credibility. Our compensation system not only aligns with local laws but also incorporates

insights from external market research. We regularly evaluate our salary standards, ensuring our compensation performance surpasses industry benchmarks, this provides a stable work environment, competitive pay and comprehensive benefits for our employees.

#### **New Policies for Performance Appraisal**

The Group performance management system adheres to the principles of fairness, impartiality, and objectivity, and conducts appraisals of work results and performance for all employees at least once a year, which serves as the basis for personnel management such as staff training, salary adjustment, promotion, incentives and rewards, and career development.

#### Equal Participation Opportunities

Every employee has equal opportunities to participate in goal setting and performance appraisal regardless of their nationality, gender, or other status or background. At the same time, considering the diverse backgrounds, abilities and contributions of employees, the Group encourages them to set diverse performance goals to minimize unfair treatment of specific or disadvantaged groups.

#### Goal Management and Execution

The Group promotes goal setting and management with OKRs. At the beginning of the year, the senior management of the Group sets the Group's top-level vision and goals, which are then taken up by each unit according to their roles and responsibilities, and then developed into departmental goals, and individual goals. The Group provides training resources and a comprehensive system platform for goal setting to

help employees understand the principles and process of goal setting, and to reach a consensus on clear goals that are consistent with the overall goals. In the process of goal implementation, the system ensures regular and irregular two-way communication between supervisors and direct employees.

#### Performance Appraisal

In the performance appraisal stage, employees first self-assess the achievement of their goals, and then their supervisors evaluate their performance based on their work results, work attitude, and demonstration of their functions. The Group has established a consensus resolution mechanism for performance calibration to enhance the consistency of the scoring standards for performance appraisal, reduce appraisal bias, and improve the fairness of the appraisal process. The process emphasizes fairness and objectivity and is not influenced by an individual's personal background.

#### Performance Communication

Supervisors are encouraged to provide feedback to their subordinates in an inclusive manner that emphasizes respect and support in the appraisal process. Employees concerned about their performance appraisal results can file a grievance with their business unit supervisor or the HR department, etc.

In 2023, entry-level salaries of the Group’s employees were above local minimum wage requirements, and performance appraisals were conducted for the entire workforce.

**Table 2-13: Percentage of employees receiving regular performance and career development reviews**

Number	Number of employees subject to regular performance		Actual number of performance appraisal recipients		Percentage
Employees receiving regular performance and career development reviews	Under 30 years old	Male	1,852	1,852	100.0%
		Female	1,572	1,572	100.0%
	30-50 years old	Male	7,505	7,505	100.0%
		Female	2,878	2,878	100.0%
	Over 50 years old	Male	1,742	1,742	100.0%
		Female	345	345	100.0%

Note:

1. Based on the end of the year on December 31, 2023.

2. Data coverage: Employees in Taiwan, excluding dispatched employees.

## 2.5 Protection of Employee Rights and Employee Communication

### 2.5.1 Solid Labor-management relations

#### 2.5.1.1 Labor-management Policies

Hon Hai is dedicated to fostering positive labor-management relations. We have established robust procedures and systems to ensure open communication, mutual respect, and collaboration between management and employees. Our policies include regular dialogue sessions, grievance mechanisms, and employee feedback channels to address and resolve

workplace issues promptly. Additionally, we support the formation of employee representative bodies and encourage active participation in decision-making processes. These initiatives help maintain a harmonious work environment, promote employee satisfaction, and drive organizational success.

The Group has formulated “Hon Hai Code of Conduct,” “Hon Hai Responsibility Standards,” “Hon Hai Management Measures for Employee Opinion Response and Grievance Regularization of Work,” “Hon Hai Work Rules” and “Hon Hai Collective Agreement.”

For more policy details, please see the following link:  
[Hon Hai Responsibility Standards](#)





## Labor Protection and Services for Daily Living

### Internal Audit

The Labor Protection Supervisory Committee established under the Group's Labor Union has formed project teams composed of professional talent in human resources, safety, health and safety, environmental protection, and general affairs. These teams conduct inspections of ethical, health and safety, environmental, and management systems at all campuses to ensure that they comply with the law, the RBA Code of Conduct, and corporate policy.

All campuses are required to fill out self-assessment questionnaires (SAQs) and risk assessments for on-site review. To ensure the protection of employee rights, the Group does not consider investigations to be concluded until campuses have proposed corrective action programs (CAPs), and improvement plans for all discovered deficits within specified time limits. 24 campus inspections were done in 2023 and 270 deficits were discovered. Rectification measures have been formulated and confirmed, and we will continue to track and improve upon uncorrected deficits. The Group also emphasizes the working conditions of interns and strives to ensure that all interns get the treatment they deserve.

### Third-Party Audits

Continuing to promote the implementation of concept of "EPS + ESG = Sustainable Management," the Group launched a third-party ESG audit mechanism at the end of 2023. The audits were conducted by BSI and LRQA (formerly ELEVATE) using qualified auditors who passed third-party assessment and had corporate social responsibility audit experience and qualifications. The third-party ESG audits include records of the management procedure documents, and implementation status of issues related to human rights, occupational safety and health, environment and supplier management. The procedure applied to on-site investigations, interview employees in various positions (including direct and indirect

employees) and various groups.

Until 12 June 2024, the Group has completed eight major manufacturing campuses in China and India, covering Zhengzhou, Chengdu, Guanlan, Hengyang, Andhra Pradesh, and Tamil Nadu. In this audit, China adopted the RBA VAP 7.1 standard that is common in the electronics industry; while India adopted the ERSA 3.0 standard that integrates various industries including electronics. There are significant non-Compliance in labor rights (including forced labor), occupational health and safety, management procedures, document record-keeping and implementation. The Group will carry out risk assessments of overseas factories in Southeast Asia, Europe, and the United States.

In the future, the Group will continue to strengthen its understanding of the implementation of international and local regulations, organize review meetings, request the relevant units to make improvements, update non-compliant equipment, adjust operating procedures, and strengthen the promotion and implementation of policies to deepen the intensity and breadth of improvements. The Group plans to carry out risk assessments of overseas factories in Southeast Asia, Europe, and the United States.

For details, please see following link: <https://www.foxconn.com/en-us/press-center/events/csr-events/1355>



### 2.5.1.2 Union and Labor-management Meetings

Hon Hai is committed to maintaining constructive and transparent relationships with labor unions and employee representatives. We regularly hold union and labor management meetings to foster open dialogue and collaboration on workplace issues and policies. These meetings serve as a platform for discussing employee concerns, negotiating terms of employment, and jointly addressing challenges. By engaging in these regular discussions, we ensure that both management and employees have a voice in shaping a fair and equitable work environment. This collaborative approach is based on mutual respect and understanding while enhancing overall workplace harmony and productivity.

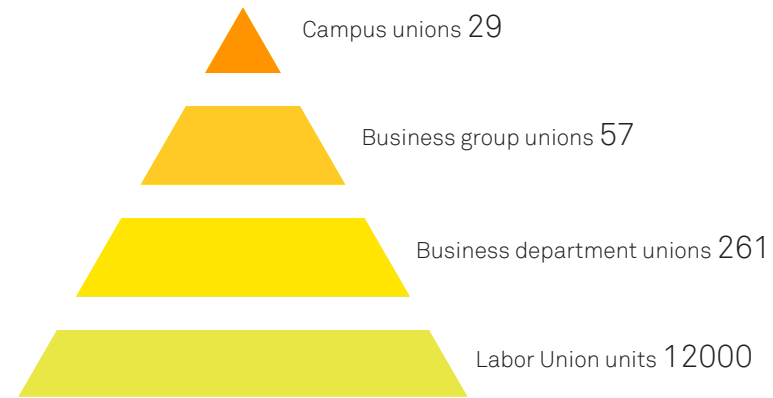
Our “Hon Hai Collective Agreement” protects employee rights and states that employees should be notified 30 working days in advance of bylaws and major decisions related to their vital interests. Relevant articles on consultations and negotiations are stipulated in the “Summary of the Collective Consultation Letter” and the “Reply on the Collective Bargaining of the Trade Unions Association of the Company.”

Additionally, to protect freedom of association for our employees, the employee handbook clearly stipulates employee rights. The Group has established a Labor Union encompassing employee unions with four management levels and five ranks. Labor Union Unit leaders are elected in a bottom-up, open, and democratic manner by union members from voluntary candidates, and union representatives at all levels are elected at member representative conferences. Employees are asked about their willingness to join unions when they enter the Group and are allowed to join voluntarily.

Furthermore, the Group promotes intelligent transformation within our labor unions to form comprehensive smart systems such as the Intelligent Union Establishment Project Team, which uses “Internet + Union” cloud service models to link desktops and apps, establishing a comprehensive service platform that encompasses union constructions, labor protection,

employee discounts, skills training, and employee grievances

In 2023, 98.6% of our employees were Labor Union members. The Labor Union signed the “Foxconn Technology Group Collective Agreement,” which covers the 87 legal entities and provides basic protection of employee rights. In 2023, held 21 labor delegates meetings to vote on employee rights and obligations issues.



## 2.5.2 Human Right Management

### 2.5.2.1 Human Right Policies

The Group adheres to principles of legality, fairness, impartiality, equality, voluntary actions, honesty, and credibility. We actively adhere to United Nations International human rights conventions, guidelines, and declarations, extending these principles to all workers in the value chain, promoting their collective adherence. Hon Hai has established work rules based on relevant national labor and human resource regulations to protect the legal rights of our employees.





As one of the world’s largest manufacturing companies and a Responsible Business Alliance (RBA) member, the Group is committed to ensuring respect and protection of human rights in global operations and supply chain. The goal is to identify, manage and minimize human rights risks and to continually raise the bar on social responsibility. The Group has developed “Chapter on Employee Human Rights” with respect to international requirements such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), The Ten Principles of The United Nations Global Compact, the Universal Declaration of Human Rights (UDHR) and the International Covenant on Civil and Political Rights (ICCPR) as well as the requirements of the laws and regulations of the countries in which the Group operates. The policy applies to the scope of operational activities, products, services, and other value chains of IFE and all subsidiaries and organizations, and covers employees, customers, suppliers, partners, joint ventures, and other stakeholders to ensure fair respect for all employees.

The Group has implemented “Code of Conduct” and “Standards of Responsibility,” which are consistent with the Code of Conduct issued by the Responsible Business Alliance (RBA) and adopt the quantitative requirements from high-standard customers, thus demonstrating a higher commitment to the protection of human rights. These include prohibition of forced labor, prohibition of child labor and protection of underage workers, maternity and health protection for female workers, diversity, equal opportunity and anti-discrimination/harassment, humane treatment, wages, and benefits, working hours, freedom of association, freedom of speech, and food and accommodation for employees. The Group ensures the implementation of its policies through a series of internal management systems, and continuously improves the management performance through internal audits and education and training, and integrates them into its business strategies, company culture and daily operations. Any violation of the Code’s requirements will be subject to different disciplinary actions depending on the violation.

**For detailed policy details, please see following link  
(Chapter on Employee Human Rights)  
and (Hon Hai Responsibility Standards)**

### **2.5.2.2 Human Rights Due Diligence Process**

The Group is deeply committed to respecting and upholding human rights throughout our operations and supply chain.

Hon Hai’s materiality assessment identifies that the Group’s potential human rights issues, include human trafficking, forced labor, debt bondage, indentureship, child labor, prison labor, freedom of association, the right to collective bargaining, equal remuneration, discrimination, and others. Groups at risk of human rights issues covers own employees (including dispatched workers and interns), women, children, indigenous people, migrant workers, third-party employees, and local communities.

To fulfill our social responsibilities, the Group avoids minerals sourced from high-risk conflict and human rights disaster areas in the Democratic Republic of Congo and its surrounding countries, aiming to reduce human rights supply chain risks.

Our human rights due diligence process is comprehensive and continuous, involving regular risk assessments, monitoring and remediation measures. We have integrated human rights considerations into our business practices, supplier engagements, and investment decisions. Our efforts include strict policies against forced and child labor, ensuring fair working conditions, and maintaining compliance with global standards. These measures help us proactively identify and mitigate potential human rights impacts, ensuring ethical standards across the Group.



### 2.5.2.3 Human Rights Assessments

The Group deeply understands and manages human right issues with high responsibility, strictly follows the PDCA (Plan-Do-Check-Act) management process and adheres to the core concept of continuous improvement to promote the optimization and upgrading of human rights protection work. To this end, the Group has established a Sustainability Committee, under which a dedicated ESG-S team has been set up to focus on human rights issues. The ESG-S team which is composed by working groups organized by the Group’s central, business groups, subsidiaries and campuses around the world strictly follows the due diligence process and, through a systematic approach, carries out detailed identification, scientific assessment, rigorous monitoring, and implementation of effective preventive and mitigation measures for potential human rights-related risks.

Through the RBA management mechanism, the Group internally implements self-assessment questionnaires annually to identify and assess risks. In 2023, the self-assessment scores of each product group globally were between 89.6 and 98, all of which are low-risk factory areas. In addition, we followed the RBA’s Validated Assessment Program (VAP) to conduct on-site audits. In 2023, the Group conducted 35 VAP audits globally. There are no major hidden risks in human rights and occupational health and safety.

**Table 2-14: 2023 Hon Hai VAP Audit Checklist**

Data collection scope:2023/1/1-2023/12/31

	Mainland China	Northeast Asia	Southeast Asia	Europe	America	India
Number of Audits	21	0	6	1	7	0
Certificate Level-Platinum	0	0	0	1	3	0
Certificate Level- Gold	0	0	1	0	0	0
Certificate Level- Silver	16	0	3	0	1	0





#### 2.5.2.4 Mitigation Measures for Human Rights Risks

In line with industry best practices, the Group implements comprehensive mitigation measures to address human rights risks. We conduct rigorous risk assessments and regular audits to identify potential human rights violations within our operations and supply chain. We ensure compliance with international labor standards, provide training on human rights policies for employees and suppliers, and establish grievance mechanisms for reporting violations.

The Group identifies human rights risks and implements appropriate management measures at following 3 perspectives:

**Regulations:** The Group has established the “Code of Conduct” and the “Hon Hai Responsibility Standards” as the highest standards of the Group, and has formulated sufficient and effective labor management policies and procedural documents to address human rights risks, to ensure that the Group’s policies comply with the requirements of laws and regulations, to protect the rights and benefits of employees, and to achieve the stability and sustainability of employment. (Detail refers to 2.5.2.1)

**Communication:** To enhance the human rights awareness and sense of social responsibility of all employees, a series of comprehensive and in-depth training programs on human rights topics are carefully developed, including labor rights education for new employees upon joining the company, basic training on corporate social responsibility, and mandatory training on the Code of Conduct. To ensure that the training is widely accessible and efficient, the Group has adopted a digital and multilingual training strategy. Training materials are carefully produced in electronic format and translated into various languages of our employees’ workplaces, eliminating language barriers, and enabling all employees to easily access learning resources and gain in-depth understanding of the relevant knowledge.

Internally, the Group has established a comprehensive complaint channel, conducted regular employee interviews, and reported and communicated with the Group on the employment situation of the Group regularly. (Detail 2.5.3)

Externally, the Group has established effective communication channels with stakeholders and invited investors and ESG organizations to visit our factories every year to check the actual working and living environment and patterns of our employees.

**Supervision:** The Group has mobilized the Group, labor unions, and customers to regularly supervise and audit the implementation of human rights policies (Detail 2.5.1.1) to ensure that the policies are effectively implemented, and employees’ rights and interests are protected.

Additionally, the Group has collaborated with stakeholders to foster transparency and continuously improve our human rights practices, ensuring ethical and responsible business conduct globally. The Group attaches significant importance to the management of human rights risks and adopts various measures to mitigate human rights risks. For every topic of human rights, including anti-discrimination, anti-harassment, child labor, forced labor, working conditions etc., we assigned directly responsible managers who will oversee and implement relevant policies. Meanwhile, we provide targeted measures for specific human right risks:

**Table 2-15: Human Rights Risk Identified and Mitigation Measurements**

Topics of Concern	Identified Risk	Remedies (Immediate actions)	Mitigation Measurements
Non-Discrimination/ non-harassment		Immediate review of the incident: Upon receipt of a report of discrimination or unfair treatment, an internal investigation is initiated to ensure that the incident is dealt with swiftly and that the situation does not escalate.	
	Differential treatment based on gender, age, health, pregnancy, region, nationality, ethnicity, religion, etc.	Suspend the person involved in the incident from relevant duties: During the investigation, the person involved in the incident will be temporarily excluded or isolated from any work activities that may further affect the victim.	Commitment to prohibit any form of discrimination All employees receive training on the Group's Code of Conduct
	Unequal pay for the same work.	Provide support and counseling: Provide necessary psychological support and legal counseling to affected employees to ensure that they understand their rights and receive the necessary help. Ensure the incident is handled appropriately: Ensure that the Group's business philosophy, cultural values and management system, and the realization of fairness and justice, enhance corporate governance.	Provide female, mentally and physically challenged, and foreigner-friendly workplaces in accordance with government regulations Provide basic salary protection in accordance with local government regulations

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Topics of Concern	Identified Risk	Remedies (Immediate actions)	Mitigation Measurements
<p>Prohibition of Child Labor/ Protection of Underage Workers</p>	<p>Recruitment of child laborers.</p> <p>Arranging underage workers to work overtime or at night.</p> <p>Arranging for underage workers to work in overweight, toxic, hazardous or dangerous jobs.</p>	<p>Immediate Review and Response: If child labor or improper placement of underage workers is detected, the relevant work arrangement will be stopped immediately, and an internal investigation will be initiated.</p> <p>Legal and Administrative Measures: Individuals or departments that violate this policy shall be subject to penalties or administrative measures in accordance with the law to ensure strict enforcement of company policies and laws.</p> <p>Employee support and education: Provide necessary support to affected underage workers, including psychological counseling and legal assistance, and re-educate the employees involved to reiterate the Company's policies and legal requirements.</p> <p>Enhance supervision and prevention: Strengthen supervision of the recruitment process to ensure that the age and working conditions of all employees comply with legal requirements and company policies.</p>	<p>Strictly comply with national laws and regulations, industry standards, customer requirements, etc. regarding the prohibition of child labor and the protection of underage workers.</p> <p>Use identification equipment to verify the authenticity of the personnel system set up to automatically calculate the age, such as under the legal age, the system will take the initiative to prompt the social insurance system will first check, such as under 16 years of age will not be insured.</p> <p>Relevant policies are included in the new employee orientation training and annual update training materials, so that every new and on-the-job supervisor and employee can be familiar with the company's prohibition of child labor and the protection of underage workers.</p>



Topics of Concern	Identified Risk	Remedies (Immediate actions)	Mitigation Measurements
Eliminate Forced Labor	Recruit involuntary labor	<p>Immediate review and investigation: Once a report of forced labor is received, an internal investigation will be initiated to determine the facts and deal with the matter promptly.</p> <p>Shall return fees and identification immediately: If a deposit or withholding of documents is found, immediately request that it be returned to the employee to ensure their personal freedom and rights.</p>	<p>All new employees must sign labor contracts and complete orientation training in accordance with the law.</p> <p>Commitment not to use any form of coercion, collateral, contractual bondage or involuntary prison labor.</p>
	Collecting deposits and keeping identifications	<p>Stop compulsory behavior: Immediately terminate and adjust work arrangements for any form of involuntary overtime or improper labor demands.</p>	<p>Prohibit slavery or labor trafficking for exploitation.</p> <p>Communicate with candidates during recruitment to confirm that all employees are voluntary.</p>
	Forced overtime	<p>Provide a safe reporting channel: Ensure that employees can safely and anonymously report forced labor or any form of wrongdoing and protect them from retaliation.</p>	<p>Do not permit the withholding of employee identification or deposits as a condition of employment.</p>
	Sexual harassment or assault	<p>Promote freedom of separation: If an employee is prevented from applying for separation, the Human Resources Department or labor union should immediately intervene to ensure that the employee is free to leave the company.</p>	<p>Pay wages or benefits on time without delay for any reason.</p> <p>Employees may report suspected forced labor or harassment anonymously without fear of retaliation.</p>
	Employees are not free to leave the company		<p>If an employee's application to leave the company is blocked, the employer or labor union will immediately intervene to coordinate and handle the matter according to the employee's wishes.</p>

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Topics of Concern	Identified Risk	Remedies (Immediate actions)	Mitigation Measurements
Wages and Benefits	<p>Withholding or Defaulting on Wages and Benefits.</p> <p>Withholding wages as a condition of employment</p>	<p>Immediate Verification and Payment: Upon receiving a report from an employee that wages or benefits have been withheld or are in arrears, verification is conducted immediately. If the report is confirmed, all payments due should be processed and paid immediately.</p> <p>Communication and Transparency: Clearly explain to affected employees the reasons and measures taken to ensure transparency and build trust.</p> <p>Financial Audit: Conduct a financial audit to identify systemic issues or operational failures and prevent similar issues from occurring in the future.</p> <p>Enhance Policy Enforcement: Ensure that all finance and HR staff strictly enforce payment policies and pay wages and benefits on time as required.</p>	<p>The company pays employees for overtime work at a rate higher than the regular hourly rate, and deductions from wages as a disciplinary measure are prohibited. Provide employees with paychecks in their native or familiar language in a timely manner each pay period.</p>
Working Hours	<p>More than 7 consecutive days of attendance</p> <p>Working hours exceed 60 hours per week</p>	<p>Immediate adjustment of work schedules: Once it is found that there are cases of working continuously for more than seven days or working more than 60 hours per week, the work schedules of the relevant employees will be adjusted immediately to comply with the company's policies and legal requirements.</p> <p>Corrective action and compensation by responsible departments: Responsible departments must immediately implement necessary improvement measures and provide appropriate compensation to affected employees, such as paying overtime or providing time off.</p> <p>Improvements for violations of work hour management or forced labor: If there is any violation of work hour management or forced labor, the department responsible will be asked to make improvements immediately and return the rights and benefits to the employees.</p>	<p>Enhance the monitoring of the HR or work hour system to ensure that all employees' work hour records are accurate and set up or review the early warning system to avoid the recurrence of similar problems.</p> <p>Provide training to management on working hours management to ensure they understand the company's policies and relevant laws and regulations and comply with them effectively</p>



Topics of Concern	Identified Risk	Remedies (Immediate actions)	Mitigation Measurements
Respect for Employees' Freedom of Association	Restrictions on the legitimate rights and interests of employees to freely associate, organize and negotiate with others.	Immediately review and amend policies: Review existing policies and management practices to ensure that they do not directly or indirectly restrict employees' freedom of association, and immediately amend any provisions that do not comply with freedom of association.	Formulate rules for the management of freedom of association and collective bargaining/labor-management meetings and will not try to control the activities of labor unions, labor-management meetings, or other social organizations.
		Communicate and educate: Widely publicize the importance of freedom of association and the company's policies to management and employees to ensure that all employees are aware of their rights.	In accordance with local laws and regulations, organize labor unions in our global plants and allow employees to freely participate in the organization of welfare activities, employee rights protection, and emergency relief programs to attract employee participation.
		Establishment of a monitoring mechanism: Establish an independent monitoring organization or committee to oversee the implementation of freedom of association within the company and to handle related complaints and grievances.	Set up labor dispute mediation committees to assist employees with administrative relief in labor disputes.
		Support autonomous operation: Support and promote the autonomous operation of labor unions or labor-management meetings and ensure that the election and operation of employee representatives are fair and unimpeded.	Smooth employee communication and complaint channels, and regularly collect employee opinions and respond to them appropriately.

- Management Policies:
- Code of Conduct Policy
  - Responsibility Standards
  - Work Rules
  - Employee Handbook
  - Collective Labor Contract
  - Recruitment and Appointment Practices
  - Recruitment Management Regulations for Group Teachers
  - Recruitment Management Regulations for Group Basic Manpower
  - Preventive Plan against Unlawful Infringement in the Performance of Duties
  - Management Regulations on Personnel Review of Important Employee Incidents
  - Emergency Response to Employee Safety Irregularities and Information Reporting Work Regulations
  - Management Regulations on the Use of Labor Dispatch Workers and Labor Dispatch Service Agreement of the Group

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**Case Study on Controversial Events**

**Forced Labor**

**Description**

1. In March 2020, the Australian Strategic Policy Institute (ASPI) released a report claiming that 82 companies, including Foxconn, “benefit from forced labor of Uyghurs.
2. February 4, 2023, an insider of Hon Hai Group claimed that a worker saw one of his colleagues take a pay cut because he spent too much time drinking water.
3. Media reports suspected that Foxconn India reject married women in recruitment

**Cause Analysis**

With 205 factory offices around the world and close to one million employees during peak production periods, the Group is one of the world’s largest manufacturing companies and is subject to the attention of stakeholders in the supply chain, investors/shareholders, the media, and the government. It is easy for ideas and voices with different views and understanding to emerge, leading to incidents of non-factual statements.

**Remedial Measures**

1. The Group has a mechanism for dealing with major incidents. The Group notified the corresponding Department and factory in the first instance to maintain consistency of information and interact with the progress of the investigation of the incident.
2. Immediately initiate an investigation and, if confirmed, require the responsible unit/responsible person to immediately stop the wrong practice. If the incidents are confirmed, request the responsible unit/responsible person to stop the wrong practice immediately, and formulate preventive measures to prevent the occurrence of similar incidents.
3. Communicate fully with employees, investigate their intentions, and work with relevant parties to properly respond to their needs.

**Management Improvement Measures**

- Systems:** The Group develops adequate and effective policies and procedures to ensure that no form of forced labor is used, and through annual reviews and revisions, ensuring that the policy meets the requirements of the latest regulations and standards.
- Communication:**
1. Provide employees with clear information on anti-compulsory labor through systematic training to ensure that employees can immediately understand the Group’s labor policy.
  2. Establish a smooth internal and external communication channel and introduce an external third-party care hotline to ensure that employees can provide timely feedback on this issue and minimize misunderstandings.
  3. Regularly report to the Group and other relevant units on the labor situation of the relevant groups.
- Supervision:** The Group actively cooperates with labor unions, and customers, which regularly monitor and audit the implementation of the policy against forced labor to ensure that the policy is effectively implemented, and employees’ rights and interests are protected.

**Case Study on Controversial Events**

## Labor Dispatch Management / Working Conditions

### Description

1. In September 2019, China Labor Watch (CLW) claimed that the number of temporary workers at Foxconn Zhengzhou exceeded 10%.
2. Hengyang Plant: dispatched workers were employed in non-compliance with regulations in 2018 and 2019; and interns were employed in non-compliance with regulations in 2019.

### Cause Analysis

Due to the characteristics of the Group's industries and customer demands, the Group may adjust its operational needs on a proactive basis at any time, resulting in different labor demand situations during the initial stage of plant construction and seasonal production peaks in various regions; and most job seekers are also inclined to work flexibly to earn a desirable salary level.

### Remedial Measures

1. Adjust labor demand to maintain a stable labor demand and reduce short-term bursts of labor demand caused by fluctuations in demand.
2. To mobilize the Group's sister factories to carry out staggered employment to reduce the short-term demand for short-term employment caused by high bursts of demand.
3. Immediately initiate a survey and communicate with employees to understand their work and living environment needs and improve them when incidents are confirmed.

### Management Improvement Measures

- Systems:** 1. Continuously analyze the trends of the labor market, establish long-term stable partnership with suppliers and partners, and jointly develop labor management strategies to ensure the stability and sustainability of employment.
2. Continuously create a good working and living environment, career development opportunities for talents, increase employees' sense of belonging, job satisfaction and loyalty, further enhance the retention of regular employees, and reduce the demand for temporary workers.
- Communication:** 1. Improve employee grievance system and channels, conduct regular employee interviews, and identify related risks.
2. Continue to report the number of dispatched employees to the client/group regularly and maintain close communication with the government and other relevant external organizations.
- Supervision:** Supervise the legal compliance of the employment situation through annual audits and interviews with employees to ensure that the management policies are implemented and realized to the employees.





## Case Study on Controversial Events

**Description**

1. November 16, 2020, which was Covid-19 period, some dispatching companies did not pay the full amount of the dispatching workers' return fee in time, which caused some dispatching workers to make collective demands.
2. November 22, 2022, some new colleagues in Zhengzhou Campus filed a request due to the doubt of work allowance.

**Cause Analysis**

During certain periods (e.g. epidemics), the labor market is under great pressure of supply, and dispatching companies formulate various welfare policies, such as rebate policies, to gain an advantage in the labor market. Due to the variety of policies, individual dispatching companies were negligent in their management and failed to follow up on the progress of welfare implementation in a timely manner, resulting in failure to meet the expectations of employees.

**Remedial Measures**

1. Immediately report to the Group/government/customer and maintain real-time communication and interaction with the incident handling information.
2. Concentrate on employee counseling, one-on-one communication, and urge the dispatching company to make the payment on-site according to the evidence provided by the employees.
3. Conduct a full investigation of all dispatched workers' fee reimbursement, verify and deal with abnormal feedback from dispatched workers one by one, and according to the wishes of the employees, coordinate with the local government to provide the necessary services to the organization's employees properly.

## Dispatch Company Management / Compensation and Benefits

**Management Improvement Measures**

**Systems:** 1. Continuously improve labor management policies to protect workers' rights to receive labor compensation in accordance with the law. Regularly review and improve the existing labor management policy every year to ensure that it is fair and reasonable and complies with all applicable labor laws and regulations/external standards.

2. For high-risk factories (e.g. Chengdu Plant): (1) The rebate policy is formulated unified, and all dispatched workers sign a rebate agreement when they join the company to ensure that employees are aware of the amount of the rebate and the terms and conditions of the agreement.

(2) Starting from January 2021, the factory uses the tripartite co-management account to monitor the timeliness and accuracy of the rebate payments to the dispatched employees, to ensure that the dispatched employees' salaries are paid on time and in full.

**Communication:** 1. Develop a dedicated function module for dispatched workers in the Group's internal APP, which enables dispatched workers to inquire in detail about their attendance/working hours, payroll standards, working hours, conditions and amounts of post allowance, etc., thereby increasing the transparency of communication.

2. Smooth internal communication channels and introduce an external third-party care hotline to accept employee supervision, handle abnormal feedback in a timely manner, and protect employee rights and interests.

**Supervision:** Strengthen the supervision of rebate management of dispatching companies and impose penalties, such as fines and disqualification of suppliers, for irregularities like the private promise of rebates by dispatching companies.



### 2.5.3 Employee Communication and Grievance

The Group actively establishes and maintains a variety of diversified and open communication bridges to listen to the voices of employees and promote labor harmony through two-way communication. The Group has established the “Regulations on Employee Feedback and Complaints”, the “Regulations on Prevention and Control of Sexual Harassment in the Workplace, Complaints, and Punishment”, the “Regulations on Personnel Review of Important Employee Incidents”, as well as the “Regulations on Employee Rights and Interests and Protection of Foxconn Technology Group” formulated by the labor union of the Mainland China.

In terms of employee communication, the Group has also fully demonstrated its global localization by adopting different and effective communication methods in each of its operating regions based on different cultural backgrounds. For example, in Mainland China and Vietnam, the Group uses the Care Hotline as the main channel for responding to employee opinions; in Taiwan, employees use the employee portal and internal app to reflect their suggestions; in Mexico, employees tend to use the physical mailboxes and E-channels in the factory to give feedback and suggestions; in India, employees tend to use the physical mailboxes in the factory, as well as visit the Employee Care Centers in the factory. In 2023, more than 8,000 visits to the employee care centers for consultation services or feedback.

The Group has set up labor representative committees at each of its local operations and held regular meetings, comprising senior executives and

employee representatives from each plant, to discuss issues such as key company initiatives and employees’ opinions. In 2023, 109 labor union meetings or labor-management meetings were held.

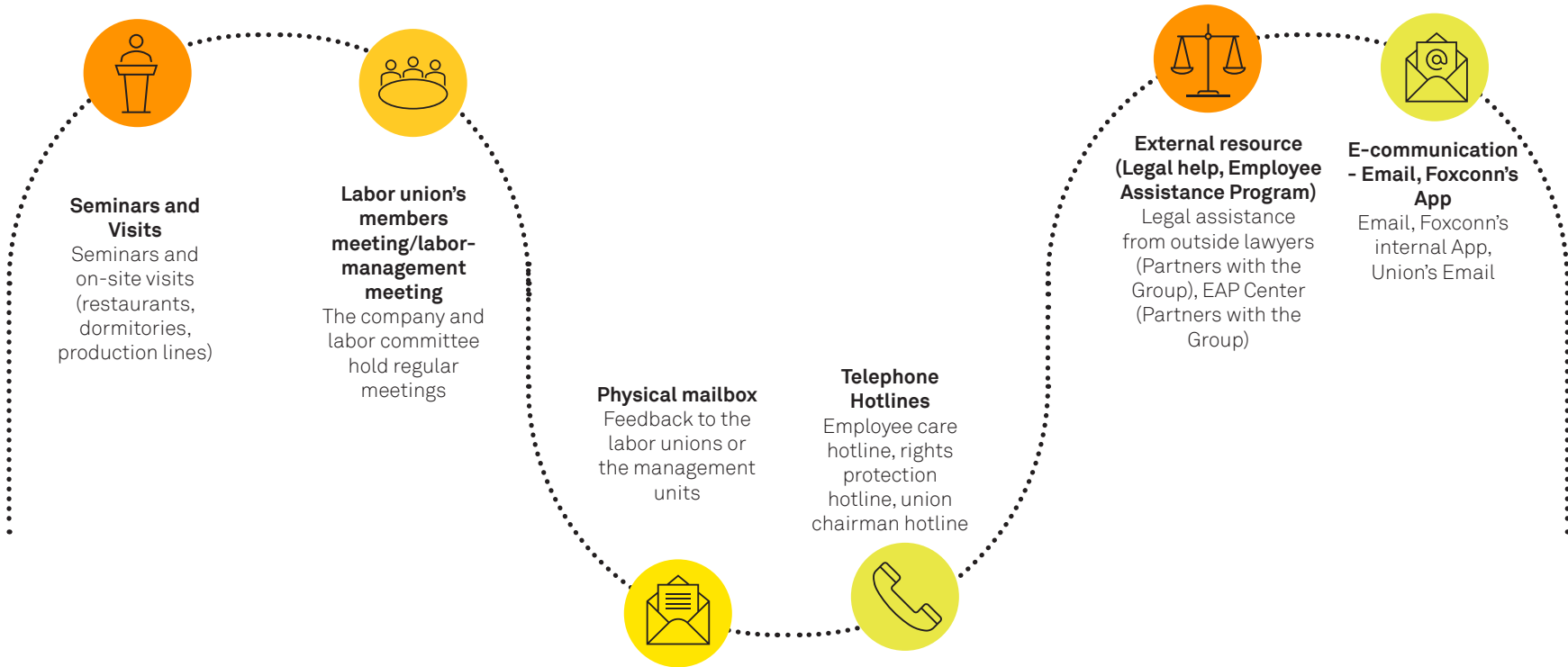
To widely obtain the preferences and intentions of employees, the Group also use its internal app questionnaire survey system or employee seminars to inquire about their satisfaction with the food and beverage, working environment and safety, etc. And these results will serve as a reference for the optimization of employee services and management, with 11 online questionnaire surveys and 1,884 seminars (including cafeterias, dormitories and production lines, etc.) in total. The Group has set up communication and complaint channels in each plant to care for employees and protect their rights, including union mailboxes, chairman hotlines, rights hotlines, employee care centers, etc.

To provide employees with all-round support in their work and life, the Group has also cooperated with external organizations to introduce professional lawyers and the professional team of the third-party Employee Assistance Center (EAPC), to allow employees to seek help with a balance of convenience and confidentiality. There are 6 types and 26 mechanisms of employee communication and grievance channels worldwide. In 2023, the Group organizes 229 legal awareness activities.





## Communication and Grievance Channels



The Group provides 24/7 year-round communications hotlines that be called if assistance is needed:

Employee care hotline 78585

Spiritual care hotline 25885

Marriage mediation hotline 18675578585

**Table 2-16: Employee voice channels: number of cases and case closure rates in 2023**

Type	Description	Unit	Numbers
1.Labor union's members meeting/ labor-management meeting	The company and labor committee hold regular meetings	Number of cases	109
2.Seminars and Visits	Seminars and on-site visits (restaurants, dormitories, production lines)	Number of cases	1884
3.Physical Mailboxes	Feedback to the labor unions or the management units	Number of cases	382
		Case closure rates	90%
4.Telephone Hotlines	Employee care hotline, rights protection hotline, union chairman hotline	Number of cases	115,900
		Case closure rates	90%
5. e-communication: Email, Foxconn's App	Email, Foxconn's internal App, Union's Email	Number of cases	203
		Case closure rates	99%
6. External resource (Legal help, Employee Assistance Program)	Legal assistance from outside lawyers (Partners with the Group), EAP Center (Partners with the Group)	Number of cases	1066

## 2.5.4 Employee Happiness and Wellbeing

### Employee Engagement Survey

The Group conducts a global employee engagement survey and takes actions on important issues based on survey results to increase employee rapport annually.

In 2023, we distributed surveys to employees from 28 factories of Mainland China and 19 factories in Taiwan, with the participation of 18,000 employees (about the seating capacity of Madison Square Garden). The

overall sustainability engagement score was 82% and the cooperation score was 81%. This result means that colleagues can “achieve a balance between work and personal life”, employees are “realizing their potential” and the aspect of “participation and voice” is even higher than the standards of the global high-tech industry.

The Employee Engagement Survey covers 14 aspects, including vision inspiration, integration of multiple elements, understanding of goals, trust in leadership, teamwork, support from supervisors, agile transformation, participation, organizational efficiency, potential for practice, ability enhancement, and reasonable rewards. In addition, employees are





encouraged to provide real feedback on their work experience and proposing improvement measures and programs based on the survey data. The survey data is used as a basis for proposing improvement measures and solutions to continuously enhance employee recognition

of the company, optimize employee workplace experience, and create a sustainable corporate environment where employees can grow together.

**Overall Sustainability Engagement Score : 82%**

**Scope: Mainland China and Taiwan**

**Score**

Sustainability Engagement	Coverage rate (= number of persons surveyed/ number of persons should be included)		48%
	Gender	Male	82
		Female	82
	Age	<30 years old	78
		30-50 years old	84
		>50 years old	87
	Management Positions	Senior Manager (Associate or above)	90
		Mid-level Manager (Manager or above)	87
		Junior Manager (Associate or above)	85
	Non-management positions		79

\*1 Junior management positions: Administrator 7 or Assistant Manager level (inclusive) or less

\*2 Top management positions: Administrator 14 or Assistant Vice President (inclusive) or above

## 2023 Global Employee Activities or Practices (Typical)



### Taiwan - Hon Hai Good Baseball-Baseball Family Day

Baseball Family Day invites employees, family members and friends to the baseball field to celebrate the event, arousing everyone's passion for sports games and creating fond memories together.



### Vietnam - Foxconn Talent Show

Encourage employees to show their talents and create a stage for them to communicate with each other to create a positive culture of work-life balance.



### Mainland China – Construction of Female Warming MicroStation

Factories in Mainland China are equipped with the staff houses and pantries, providing female employees with physiological supplies, such as sanitary pads, brown sugar and ginger tea, as well as other necessary assistance.



### USA - Family Day

Encourage employees to show their talents and create a stage for them to communicate with each other to create a positive culture of work-life balance.





**Mexico - Employees anniversary celebration**

Celebrate our employees who have been with us for 5, 10 and 15 years through a recognition event. In 2023, we had 175 people celebrating their anniversaries.



**Czech-Minority (Mongolia) Integration Program**

Employee Resource Group (ERG) Continues to help Mongolian employees better integrate into the Czech community since 2018



**Slovakia - Foxconn Beekeeping Program**

Bees are losing their natural habitat due to climate change, deforestation, and intensive agriculture. Foxconn employees and the local community beekeeping industry have launched a beekeeping program that combines volunteerism and environmental conservation.



**India - International Yoga Day**

Every year, the India factories organize at least two yoga events on International Yoga Day (6/21), inviting nearly 100 employees to participate. This is the longest day of daylight in the northern hemisphere for employees to experience the benefits of yoga for their physical, mental and spiritual well-being.

# Engagement and Wellbeing

## Construction of Micro-Stations for Female Employees

### Background

In an effort to enhance the working conditions and well-being of female employees, unions from 24 entities collectively invested 1,818 million yuan from union funds. The objective was to construct micro-stations specifically for female employees in various union service locations, such as Workers' Homes, Workers-Friendly Stations, factory floor tea rooms, and production workshops.

### Implementation

The initiative led to the construction of 433 micro-stations, which now serve 223,000 female employees. A significant 63.7% of these stations were strategically located near workshops to maximize accessibility and convenience. In 2023, the Group invested about \$1.818 million in microsite facilities and the provision of free care items for free pick-up by female colleagues, etc. to support women's needs in a practical manner. Also, the micro-stations provide essential amenities and a comfortable environment, directly benefiting 161,000 employees by 2023.

### Impact and Coverage

The construction of these micro-stations has had a profound positive impact on the female workforce, enhancing their comfort and productivity. This initiative has received widespread media coverage, being featured in prominent press outlets such as the China Workers' Network, Henan Workers' Daily, and Southern Workers' Daily, among others.

### Conclusion

The investment in micro-stations underscores the commitment of the unions and the Group to the welfare of female employees. By providing well-equipped and accessible spaces, this project has significantly improved the workplace environment for a substantial portion of the workforce. The extensive media coverage further highlights the initiative's success and the positive reception from the broader community.





## Case Study: Concentrate Efforts and Boost Morale through Caring Services

### Background

In alignment with long-term ESG goals and considering the production and operation context, the Group has initiated a “6+1” caring services program. This program aims to boost employee morale and welfare through targeted initiatives.

### Implementation

The “6+1” program encompasses:

- Six Welfares: Shows, health services, care packages, surprises, talent development, and knowledge enhancement.
- One Cultural Tour: Organized cultural excursions.

A collaborative effort by 29 industrial park trade unions led to 3,416 “six gifts” activities, reaching 514 apartments, restaurants, and buildings, and involving 499,500 participants. Additionally, pilot cultural tours were conducted in Shenzhen, Zhengzhou, Chengdu, Taiyuan, and Kunshan, with 19 tours and 11,000 participants.

### Impact

The Group also allocated special funds for commendations and front-line condolences during peak production periods. These caring services have significantly contributed to improving employee morale and creating a supportive workplace environment.

### Conclusion

By implementing the “6+1” caring services, the Group has successfully concentrated efforts to enhance employee well-being and morale. This comprehensive approach, covering welfare activities and cultural engagement, underscores the Group’s commitment to long-term ESG goals and employee satisfaction.





## Advanced Honors

In 2023, with the hard work of all employees and support provided by the Group, our efforts had been recognized by outstanding honors. 143 entities and 257 employees were selected to win national /

provincial /municipal honors; among them, Yin Zhaozhao and Fan Zicheng won the honorary title of “National May 1st Labor Medal”, and the Mechanical and Electrical Engineering Section of the Hengyang Factory Affairs Department of Business Group B and the iDPBG (TY) CSD Product Manufacturing Department won the honorary title of “National Worker Pioneer”.



# 3 Healthy Workplace, Safety Adherence

## Material issues in this chapter:

- Occupational Health and Safety
- Hazardous Substance Management

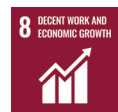
“ We provide a safe and healthy workplace environment that enables our employees to be relaxed and comfortable. As this also helps to improve operational performance, the Group has always been committed to compliance with international occupational health and safety management systems and standards in our realization of corporate social responsibilities.

## Key KPIs and achievements/Honors in 2023

- 1 110 entities, including all main business groups and 98% of employees, obtained ISO 45001 Occupational Health and Safety Management Systems.
- 2 Provided many high-quality health examination organizations and subsidized the high cost of health examination for employees, with an annual budget of up to NTD 96 million, servicing 3,075 employees.
- 3 31 subsidiaries of the Group obtained IECQ QC080000 system certification.
- 4 Obtained the 2023 Award Badge of Accredited Healthy Workplace by Health Promotion Administration



Commitment to SDGs



Major GRI standards mapped:  
GRI 403.1-9



## 3.1 Occupational Safety and Health

The Group complied with international occupational health and safety management systems and local laws in formulating our occupational health and safety policies, which are applicable to all employees and suppliers/contractors. We are committed to a goal of zero injuries, occupational diseases, and accidents as we work to build the best workplace environment for all employees.

To fully implement our occupational health and safety policies, we established a fire safety unit, labor safety unit, the Central Health, and other functional units. Additionally, the collective agreement signed by our Labor Union also covers issues relating to health and safety, protection of employee health and safety rights, and enhancement of health and safety management at all campuses. The Group has established quantifiable goals, implemented management plans, introduced advanced detection and monitoring systems, executed source prevention and control systems, heightened employee drills, awareness, and emergency response capabilities, and carried out a variety of safety inspections to improve upon hidden hazards and create the best workplace environment for all employees.

We continue to invest in resource planning and the creation of a safe and healthy working environment by using our cloud computing advantages, food safety cloud services, and healthcare cloud services to build a healthcare network that aims to combine smart technology with precision healthcare. We aim to protect Group employees and their families all around the world through food safety and physical health monitoring capabilities.

### 3.1.1 Occupational Health and Safety Management

#### 3.1.1.1 Occupational Health and Safety Policies

Hon Hai recognizes that a safe and healthy work environment enhances

the quality of products and services, consistency of production, worker retention and morale, and minimizing work-related injury and illness. The company is committed to obtaining and promptly renewing all necessary health and safety permits and complying with national or local regulations to establish a safe and healthy working environment.

For details of OHS policies, please see following link:  
[Hon Hai Code of Conduct](#)

#### 3.1.1.2 Occupational Safety and Health Management System

##### Occupational Safety and Health Management System

The status by the end of 2023, is that the Group's 110 entities, including all main business groups and 98% of employees, have all implemented ISO 45001 Occupational Health and Safety Management Systems and have been verified by third-party institutes. These management systems are applicable to all Group employees and all suppliers and contractors working on Group campuses.

The Group convenes global production safety meetings each month which are headed by our chairman, requiring general managers of all business groups and all campus managers to attend the meetings online. The highest safety authority presents weekly reports covering global production safety information, Group production safety conditions, regional production safety conditions, and production safety knowledge while also deploying major production safety tasks throughout the Group and solving major problems within the Group.

The Group has established a Health and Safety Committee composed of labor and management representatives, which convenes quarterly to review our occupational health and safety performance for continuous optimization of occupational health and safety management systems. We have also established Production Safety Management Organizations





at all campuses which convene weekly production safety meetings for discussion and analysis of production safety conditions at all campuses and subsequent implementation of all production safety tasks.

The Group actively promotes employee participation in the occupational safety and health management system:

- 1) Established production safety organization in all units and has set up directly responsible managers to collect and sort out issues related to occupational safety and health from employees. Occupational safety and health meetings are held regularly to resolve relevant issues.
- 2) Established multiple channels for communicating with employees in accordance with certificated occupational safety management systems in all units. Employees can report hidden dangers and get rewards through team meetings, factory director's mailbox, emails, workshop bulletins, employee hotlines, and emergency rescue with full participation drills, etc.
- 3) Established an employee safety incentive and evaluation system and a hidden fault reporting system to fully mobilize the enthusiasm of employees to participate in safety work.

The Group has established a contractor safety management system, which requires all contractors to sign a safety management agreement with the legal person corresponding to the group's business, clarify their respective safety management responsibilities, and accept the group's safety production training and inspection and assessment. Unqualified contractors are not allowed to undertake the work. In terms of the group's business, a total of 5,728 safety management agreements were signed in 2023.

In the future, the Group plans to develop a *Production Safety Supervision Information Platform*, and the basic functional modules and put them

into trial operation in 2 pilot factories, Longhua and Guanlan.

### **Safety Audits and Risk Identification**

With the goal of “zero injuries, zero occupational diseases and zero accidents” and the realization of the vision of “establishing a safe and healthy working environment”, the Corporate Production Safety Division promotes the steady improvement of safety levels through the following main channels.

All units carried out risk identification and risk assessment procedures according to risk types and unit characteristics for formulation of scientific safety risk identification algorithms and methodologies. Safety risk identification procedures were carried out for different job positions to compile and classify safety risks, following which the LEC assessment method was used to determine risk levels. Safety risks are categorized from high to low as major risk, relatively high risk, medium risk, and low risk, and are labeled using four different colors (red, orange, yellow, or blue).

Safety risk categories and levels are used to establish a safety risk database and a risk assessment matrix visualized with four colors (red, orange, yellow, or blue). Management of risks is implemented according to risk levels. For example, major risks are controlled by business groups, which are responsible for formulating control measures, while medium risks are controlled by team leaders. We continue to optimize and advance our occupational health and safety management system using the PDCA cycle.



**Figure 3-1: Risk management process**



**Table 3-1: Management for OHS Risks**

Risk Level	Actions and Strategies	Identified Results	Key Risks and Consequences	Management Measures
Particularly Serious Risk	Immediately stop work, notify the highest supervisor of the factory, and wait until the risk is eliminated or reduced.	No "Particularly Serious Risk" or "Serious Risk" in current operations, including workplace and factories.		
Serious Risk	Notify the highest supervisor of the business group and immediately take emergency measures to reduce the risk.			

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Risk Level	Actions and Strategies	Identified Results	Key Risks and Consequences	Management Measures
Major Risk	1. Take immediate measures to reduce the risk; 2. Review and optimize existing control measures and management programs to ensure that risks are effectively controlled;	Major Risk” exists in some of the operation sites, while the others are “General Risk”. See Table 3-2: Summary of Risk Assessment for Hon Hai Group in 2023	Machinery Safety: Mechanical Injury, Physical Strike	<ol style="list-style-type: none"> <li>1. Training mechanical risk evaluators to enhance self-developed equipment safety design and safety evaluation capabilities.</li> <li>2. Establishing equipment safety regulations; only accepting equipment satisfying regulations to avoid unsafe equipment from being put into production.</li> <li>3. Implementing a safety review system for equipment updating.</li> </ol>
			Electrical safety: fire, electric shock	<ol style="list-style-type: none"> <li>1. Annually commissioned third-party electrical inspection for 10 years and older plants.</li> <li>2. Quarterly temperature check of electrical equipment/facilities by equipment personnel using cloud thermal imaging camera.</li> </ol>
			Chemical safety: fire, poisoning, burns.	<ol style="list-style-type: none"> <li>1. Innovating technology to avoid using chemicals or using low-risk chemicals to replace high-risk chemicals.</li> <li>2. Introducing automation and remote operation equipment.</li> <li>3. Enhancing on-site ventilation and emergency response.</li> <li>4. Using tools instead of manual operation.</li> </ol>
			Fire Operation: Fire	<ol style="list-style-type: none"> <li>1. Strictly implementing the “Fire Operation Application System”.</li> <li>2. Establishing a whitelist system for manufacturers and sign the “Safe Production Management Agreement” to clarify the safety responsibilities of both parties.</li> <li>3. AI video monitoring at the operation site, automatic alarm for abnormality, and signal transmission to the fire monitoring center.</li> <li>4. Guardian training, three level audits covering factories, business groups, business units.</li> </ol>
			Manual Transportation: Smash/ Bruise Injury of employees	<ol style="list-style-type: none"> <li>1. Strictly implementing the “Code of Practice for Safe Management of Moving Operations”, and commission a professional company to move when the weight inside the workshop exceeds 800KG / the weight outside the workshop exceeds 500KG or more.</li> <li>2. Use software to predict the risk of manual transportation - NLE (lifting equation) to reduce occupational hazards.</li> </ol>
Go up and down the stairs: Falls, Slips and Tumbles (STFs)	<ol style="list-style-type: none"> <li>1. Stairways, slopes, thresholds, and transition areas are posted with prominent warning signs/voice alerts.</li> <li>2. Installing anti-slip mats on staircases; installing voice alerts in staircase corners.</li> <li>3. Monitoring and auditing employee behavior on stairs and include in departmental safety assessment.</li> </ol>			



Risk Level	Actions and Strategies	Identified Results	Key Risks and Consequences	Management Measures
General Risk	1. Strengthening management to ensure the effective implementation of various measures; 2. Continuously publicizing and training to enhance risk identification and disposal capabilities.		Fire Emergency Training	Creating a barrier for the Group to extinguish fires on its own in the early stages of a fire, and strengthening the fire-fighting abilities of employees, firefighters, and emergency response organizations. -First barrier: Promote hands-on fire extinguisher training for all employees to put out fires nearby. -Second barrier: each production building is equipped with a backpack fine water spray fire extinguisher, placed at the main entrance on the first floor, each unit firefighters to extinguish the fire in their own building, the time to extinguish the fire is no more than 1 minute. -Third barrier: the on-site emergency response team rushed to the scene to implement fire extinguishing; fire extinguishing time shortened to within 4 minutes

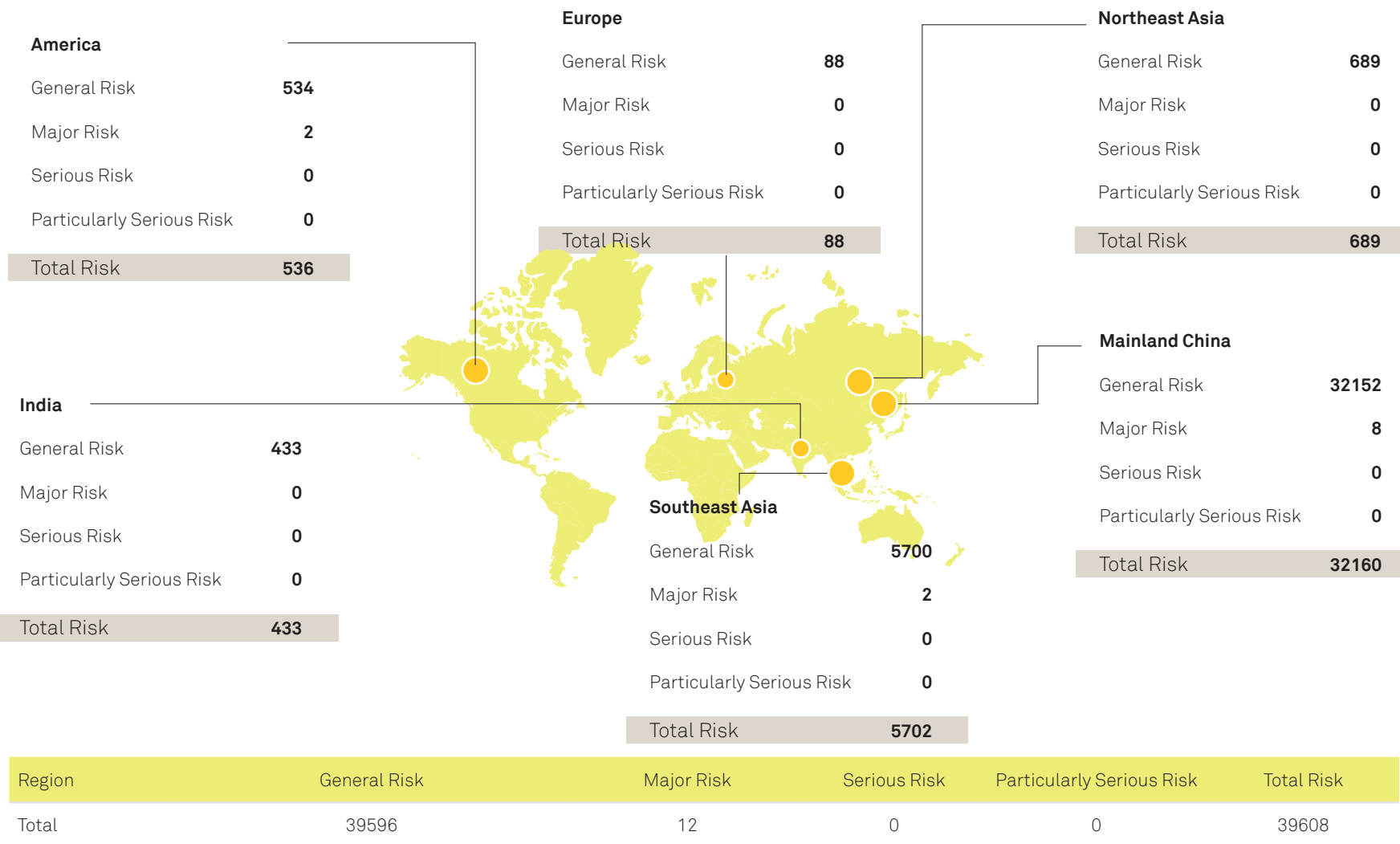
Relevant management regulations:  
 Occupational safety risk identification management specification  
 Safety education and training management specification  
 Safety inspection operation and hidden danger management specification  
 Equipment safety management specification  
 Change operation management specification  
 Supplier production safety management specification  
 Hazardous chemicals safety management specification  
 Building construction / maintenance safety management specification  
 Production safety incident management specification  
 Accident emergency response management specification

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**Table 3-2: Summary of Risk Assessment for Hon Hai Group in 2023**



Note:  
 1. Based on the end of the year on December 31, 2023.  
 2. Data coverage: The Group



## Occupational Hazard Management

Each major unit in the Group has compiled specifications for occupational hazard identification and risk assessment. Regularly conducts hazard identification, risk assessment, and risk management and control.

The Group regularly organizes physical examinations for occupational diseases for employees who are exposed to risks, including contractors. In 2023, 106,671 employees received occupational physical examinations among six major regions of the Group. No occupational diseases due to chemical exposure occurred. There were three employees of Hon Hai Precision Industry Co., Ltd working with heavy metals, organic chemistry, noise, and ionizing radiation, to ensure their health and safety, besides physical examinations, the Group arranged occupational medicine doctors and conducted evaluations regularly. In 2023, annual budget for health checks was up to NT\$96 million, and the physical examination cover rate rose to 86.7%.

## Respond to Emergencies

The Group attaches great importance to responding to emergencies. According to Article 1 of the Production Safety Chapter of the Group's Employee Handbook, Employee Safety Rights and Obligations, employees have the right to take emergency evasive measures. The Group emphasizes this clause in daily employee training, new employee training and contractor training, and informs employees and contractors of their rights to refuse illegal instructions and to take emergency measures. In the event of an emergency, such as a large fire risk, personal safety risk, employees and contractors have the right to evacuate the site immediately, and the company or personnel will not be held responsible for any resulting losses. In 2023, 4,270 employees completed 5 emergency evacuation drills; contractors completed a total of 454 drills.

## Health and Safety Training and Drills

The Group has formulated the “Safety Education and Training System” and “Group Supplier Production Safety Management Measures” to clearly define corresponding training requirements for both group employees and contractor employees. Each unit develops and implements safety training plans at the beginning of the year annually.

In 2023, all units of the group have carried out production safety training for new employees, special operations personnel, construction guardians, safety management personnel, on-site auditors, factory directors, suppliers, etc. with a total of 64,349,971 hours of training.

**Table 3-3: Health and Safety Trainings**

Items	Training Hours
Pre-job safety education at the factory level, workshop level, and team level for new employees (including dispatched workers).	50,648,252
On-the-job certification training for employees in hazardous positions, including combustible dust, hazardous chemicals, lithium batteries, etc.	912,514
Safety training for suppliers/construction manufacturers entering the factory.	129,652
Special operators and special equipment operators to get certification required by the government	367,919
Improve the professional capabilities of safety management personnel	3,303,052
Others training, such as on-the-job personnel training, KYT training	8,988,582





## Occupational Accident Management

The Group has constructed a Job Safety Analysis (JSA) system, which guides more front-line employees to participate in safety analysis. By systematically identifying and evaluating potential risks at work and formulating targeted control measures, the system improves employees' safety awareness and independent prevention capabilities, effectively protecting the safety and health of the organization and employees.




In addition, we have updated the new version of the workplace accident investigation report form by adding six new parts, including basic information about accident investigation team members, self-reports of accident parties/eyewitnesses, accident handling process, scene pictures/diagrams, investigation findings, and root cause analysis.

### 3.1.2 Statistics on Disabling Injuries

#### 3.1.2.1 Fatalities

The Group sets "100% safety and zero hidden dangers" as the main safety target and has formulated the Production Safety Incident Management System to clearly stipulate the processes and responsibilities for incident reports, incident investigations, and investigative personnel levels. Upon the occurrence of any incident, we require on-site personnel and unit managers to file an immediate report and record said incident in our Industrial Accidents Declaration System. Then, an incident investigation team is responsible for the investigation, handling, and compilation of incident reports is instantly established.

**Table 3-4: Summary of Fatalities**

	 Employees	 Dispatched employees	 Contractors
2020	1 0.0005	1 0.0011	NA NA
2021	4 0.0024	0 0	NA NA
2022	1 0.0006	0 0	NA NA
2023	1 0.0007	0 0	2 0.0070

■ Percentage (%)

Note:

1. Based on the end of the year on December 31, 2023.
2. Data coverage: The Group

#### 3.1.2.2 Lost-Time Injury Frequency Rate (LTIFR)

In 2023, analyses of work-related injuries showed that special energy-intensive machine adjustment operations, require employees to abandon the equipment safety devices and expose their limbs to the dangerous area of the operating machine to adjust the machine. If effective protection/alternative measures are not taken, serious consequences will occur. We found that insufficient risk assessment, failure to formulate effective countermeasures, and inadequate operational supervision accelerate this risk.

Therefore, the Group has formulated and implemented the *Approval and Review System for Special Energy Adjustment Operations*. Meanwhile, the special operation risk assessment team conducts a comprehensive assessment of the *Special Operation Application Approval Form* submitted

by the operating unit. After the operation application is approved, the authorization is reviewed on-site by the supervisor or acting head at or above the class level before each operation, and the supervisor or

the personnel assigned supervise the whole process on-site. After the operation is completed, the supervisor can only leave when the safety of process is confirmed, and the devices will be restored.

**Table 3-5: Summary of Lost-Time Injury Frequency Rate**

			2020	2021	2022	2023
High-consequence work-related injuries (excluding fatalities)	Employees	Number	0	0	0	0
		Ratio%	0	0	0	0
	Contractors	Number	0	0	0	0
		Ratio%	0	0	0	0
Recordable work-related injuries	Employees	Number	267	189	191	267
		Ratio%	0.1187	0.1151	0.1118	0.1877
	Contractors	Number	17	8	15	25
		Ratio%	0.0191	0.0136	0.0208	0.0345
Total number of hours worked	Employees	Hours	1,913,011,143	1,642,760,216	1,707,962,880	1,422,748,800
	Contractors	Hours	889,596,240	589,180,800	720,378,100	724,880,083

Note:

1. Based on the end of the year on December 31, 2023.
2. The aforementioned rates are calculated on a basis of 1,000,000 working hours.
3. Contractors include both contractors and dispatched employees.
4. Rate of high-consequence work-related injuries (excluding fatalities) = Number of high-consequence work-related injuries (excluding fatalities) \* 1,000,000 / Number of hours worked.
5. Rate of recordable work-related injuries = Number of recordable work-related injuries (excluding fatalities) \* 1,000,000 / Number of hours worked.
6. Data coverage: Mainland China.





## 3.2 Chemicals Management

### Management of Hazardous Chemical Substances and Workplace Monitoring

The Group strictly abides by the chemical safety regulations of local governments in various countries and the restricted substance specifications of customers. Based on the whole process monitoring, it adheres to the 5 principles of “no design, no procurement, no input, no produce, no output” for hazardous substances.

The Group strictly abides *The Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive (RoHS)*, *Registration, Evaluation Authorization and Restriction of Chemicals (REACH)*, *The Persistent Organic Pollutants (Amendment) (No. 2) Regulations (POP)*, *Toxic Substances Control Act (TSCA)*, *AfPS GS 2019:01 PAK (PAH)* etc.

To effectively control the use of hazardous chemicals, the Group has established a Chemical Management Committee to coordinate the Group’s chemical management work:

- Dynamically follow up on environmental protection/health laws, regulations/standards of various countries, and regularly review the compliance with chemical regulations to facilitate timely updating of internal specifications.
- Actively respond to customers’ chemical substance management

needs that are higher than legal and regulatory requirements and ensure that products meet customer requirements.

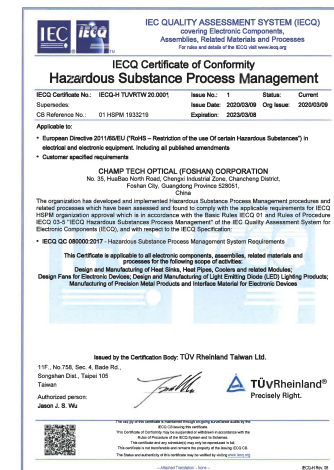
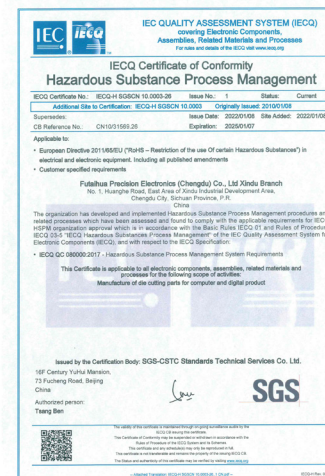
- Formulate various internal rules and regulations, integrate risk management, and control throughout the entire life cycle, and comprehensively protect chemical products, ensuring the safety of product use and create safer and more reliable products.
- Develop and publish lists of prohibited, restricted and controlled substances.
- Comprehensively identify all chemicals used in production, non-production, including wastewater treatment, equipment and facility operation consumption, cleaning operations, etc. as well as laboratories, and uniformly manage the use, dosage, type, hazard, and product ingredient information of chemicals.
- Establish the Audit Office, which conducts regular inspections on the use and replacement of chemicals in factories around the world annually (no less than three times for factories in mainland China, no less than once for factories in Europe and the United States, and no less than twice for other factories). Also, it closely supervises the implementation of each unit situation, to ensure compliance during the use of chemicals, record non-conforming items in the hidden danger electronic management system, order rectification within a time limit, and review them when due.



**Table 3-6: Management of Hazardous chemicals**

Risk levels	Management measures
Level 4	Refer to the occupational safety management documents established by the International Labor Organization or other countries and develop special management methods through expert guidance.
Level 3	Isolation, such as closed processes, workspace planning, area marking, trained essential workers can enter
Level 2	Engineering controls, such as local air change/exhaust ventilation, no entry for non-essential personnel
Level 1	Overall ventilation, non-essential personnel are not allowed to enter

As of 31 December 2023, 31 subsidiaries of the Group had obtained IECQ QC080000 system certification. We will continue to promote this management system in other subsidiaries.



### 3.3 Employee Health Promotion

The Group's health services cover three major areas: medical assistance, health education guidance, and nutrition and food safety. The Group has established a multi-disciplinary team consisting of physicians, nurse practitioners, pharmacists, dietitians, exercise coaches, and physical therapists, and has set up a food safety laboratory to regularly sample and inspect employees' food and beverages, so as to provide employees with services covering medical care, nutrition, food safety, and exercise, and to fully develop an "integrated health care" employee service model

(Overseas and other factories provide a remote service model), and the service venues include the Health Management Center, Healthy Life Hall, factory area, consultation room, and food safety laboratory. And the services are provided in the form of platforms, audio-visual, live broadcasting, literature and propaganda, factory tours, and remote services that integrate online and offline.

Through the Group's APP, employees can also keep abreast of the Group's internal health knowledge, covering topics such as epidemic prevention, health, medical care, food safety, nutrition, etc., so as to enhance their self-health awareness and to fulfill the promise that "what is taken





from Hon Hai's resources will be utilized by Hon Hai's staff" in the most practical way.

**Figure 3-2: Health Support for Employees**



### 3.3.1 Mental Health and Workplace Stress

The Foxconn Labor Union Employee Care Center has a psychological consultation room and a spiritual hotline 25885 (Love Me, Help Me). In addition to this, professional psychological counselors provide free 7\*24-hour mental health services throughout the year. The services include marriage and romantic relationships, stress relief, individual psychological consultation, psychological crisis intervention, marriage and family dispute mediation, group psychological counseling, mental health assessment, mental health training, mental health knowledge education, etc.

In 2023, the Group's mental health work continues to focus on the two directions of "maintaining stability and peace of mind" and "empowering growth". A total of 1,291 mental-related activities have been carried out, including employee mental health publicity, mental health counseling, group counseling, mental health training, free health clinics, and marriage and family dispute mediation, serving 462,000 employees.

### 3.3.2 Health Initiatives

The Group attaches significant importance to employee health promotion and protects the physical health of employees. In order to enable employees to strike a balance between work and physical and mental health, and to implement the concept of preventive medicine, Hon Hai Precision Industry Co., Ltd. provides a number of high-quality health examination organizations and subsidizes the high cost of health examination for employees, with an annual budget of up to NTD 96 million, servicing 3,075 employees of Taiwan in 2023. In addition, the health services provided by the Group cover three major aspects, including medical assistance, health education guidance, and nutrition and food safety, and the service venues include health management centers, healthy life halls, factory consultation rooms, and food safety laboratory.

#### Popularize Health Knowledge

The Group has carried out 1,626 issues of health and anti-fraud knowledge popularization through pictures, texts, posters, audio, and video, etc., covering 679,000 employees. Meanwhile, we organized knowledge competitions, free clinics, lectures and other health-themed activities around physical health, mental health, occupational health, financial health, and other contents 626 events, 93 legal education activities, serving 741,000 employees.





### Organize Cultural Events

In 2023, the 20 factories held 370 sports competition trials, 1,084 various cultural events and sports activities, 721 mental health activities, and 167 legal education activities, serving 602,000 employees.

The “Integration /Endeavor /Win-win” Foxconn 2023 Comprehensive Employee Sports Games was launched to implement the concept of green energy saving and use an innovative online torch relay. 201,698 employees from 35 factories participated in the online torch relay and received digital certificates; 617 athletes from 27 factories participated in 34 sports events in eight categories including football, basketball, table tennis, and swimming.



### Maintain a Healthy Position

In 2023, the Group built 233 new employee service stations and added 1,467 new health equipment. 965 health popularization activities such as occupational health training, safety experience, and physical examination result interpretation and counseling were carried out based on employee service stations, serving 521,300 employees.



### Promote Habit Formation

In 2023, the Group identified health experts among employees and produced 35 health videos titled “Good Habits Development” and published 166 articles on health knowledge, with 163,000 views. Also, we promoted the “Union Calls You for Breakfast” check-in activity, with 49,000 visits in 29 parks. Participate. There are 162 various health activities held, serving 98,000 employees.





### 3.3.3 Health Management for Food Safety

The Group attaches significant importance to the issue of food safety in staff meals and has carried out a series of activities on the topic of food safety in its main plants in Taiwan.

#### Risk Analysis

The Group has formulated “Food Safety Guidelines” to monitor the food and beverage supply in Taiwan’s major factories and conducted risk assessments based on the number of meals served, the amount of food ingested, the degree of harm, and the types of substandard samples or processes that have been detected in the past. Monthly sampling and testing frequency of 22 categories of raw materials, meals and environmental equipment is set, and food safety risk control measures are implemented to continuously monitor employee food safety throughout the year.

#### Sampling and Testing

“Food Safety Laboratory” from the Corporate Employee Health and Wellness is regularly accredited by the National Accreditation Foundation (TAF) and operates under the ISO 17025 quality management system. The Laboratory has passed the *E. coli* and *Staphylococcus aureus* Scope of accreditation and provides the Group with routine food safety monitoring and risk identification services. In 2023, a total of 3,370 samples were taken and 10,830 tests were completed, raising the sampling pass rate to 97.1%.

#### Strictly Selected Manufacturers

In accordance with regulatory requirements and the Good Hygiene Practice (GHP), we have established a supplier quality control system and conducted legal and quality audits of long-term suppliers, employee gifts, and food and beverage companies with group activities. In 2023,

a total of 90 food suppliers were audited, with a compliance rate of 97.8%. Meanwhile, the Group observes safe water, sanitation, and hygiene services (WASH): committed to the safe management of water resources, ensuring safe and hygienic water at our workplaces and in local communities, safeguarding the health and safety of our employees and community residents, and providing pure water to our employees.

#### Supplier Audit Counseling

According to the classification of suppliers’ manufacturing processes, the Group has set up management and audit methods to conduct process risk analysis, traceability, and health and safety audits, and regularly provide food safety education to suppliers to enhance their safe operation skills, to comply with healthy food hygiene regulations and reduce food risks. In 2023, the number of audits totaled 128, and the average score was raised to 88.0, with an average improvement rate of more than 70%.

#### Food Safety Education

Quarterly communication and exchanges with food and beverage suppliers and management units in each factory, with topics covering common deficiencies in factory food and beverage operations, good practices, and analysis of the latest news and current events, as well as analysis of the causes of food poisoning and how to prevent it. At the same time, we conduct course satisfaction surveys and post-course tests to collect participants’ wishes for the course topics and feedback on the course content. In 2023, a total of 4 courses were held, with 107 participants and a 97.2% satisfaction rate.



# 4 Green Solutions, Circular Economy

## Material issues in this chapter:

- Climate Change Adaptation
- Energy and GHG Management
- Water Management
- Waste Management
- Hazardous Substance Management
- Innovation Development and Low-carbon Technology

“ Green manufacturing is the cornerstone of Hon Hai’s sustainable operations. The Group is committed to continuously increasing resource reuse and reducing greenhouse gas and wastewater emissions, waste generation and chemical use to improve our ecological efficiency and protect the environment. We attach great importance to the impact of our operations on the environment and are determined to become a global environmental benchmark company.

## Key KPIs and achievements/Honors in 2023

- 1 In 2023, our near-term target has been validated by the SBTi; greenhouse gas categories 1 and 2 decreased by 51.08% compared with the base year 2020.
- 2 The Group’s energy-saving target for 2023 was 4.5%. The actual energy-saving rate was 5.90% and renewable energy usage ratios rose to 60.96%. The energy-saving value achieved has exceeded the target value for four consecutive years.
- 3 Nanning, Hengyang and Kunshan Campuses received the Platinum-Level UL 2799 Zero Waste to Landfill Certification. Longhua Campus has obtained UL 2799 Gold-Level Certification in 2023 and the Platinum-Level in June 2024.

### Major GRI standards mapped:

GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306

### Commitment to SDGs



## 4.1 Environmental Management

### Meaning to the Group

Following the UN's adoption of the Paris Agreement, climate change has become a focus for all governments and enterprises. As a world-class company, the Group considers it obligated to lead the industry toward a low-carbon economy and society.

### Policies and Commitments

The Group proposed the 1.5°C carbon reduction initiative, put forward three climate targets, and continues to advance energy and carbon reduction measures and other environmental impacts to mitigate the impacts of climate change, thereby achieving our responsibilities of protecting the environment and caring for the planet as we exert our influence on global industrial chains.

### Specific Actions

- The Group's energy-saving target for 2023 was 4.5%. The energy-saving rate was 5.90%, successfully achieving our annual energy-saving goal.
- In 2023, we invested 2.89 billion NTD in 1,818 energy-saving projects encompassing the transformation of energy-saving production processes, improvement of air-conditioning systems/air compressors/lighting equipment, and other improvements. Total energy savings were 518,847 MWh, equal to total carbon reductions of 309,648 tCO<sub>2</sub>e, an energy saving benefit of 1.54 billion NTD.
- In 2023, the Group's total installed renewable energy capacity reached 325.82MW, and the usage of renewable energies reached 5,396.05 GWh, and renewable energy usage ratios were 60.96%.
- Optimized production processes to reduce water consumption at the

source and actively implemented wastewater recycling procedures.

- In 2023, the Group obtained 21 UL 2799 Zero Waste to Landfill certifications in various locations worldwide, including China, Vietnam, and India. These include 20 platinum-level and 1 gold-level certificate, with 4 certificates at the campus level.
- The Group conducts annual environmental protection training for employees, including energy efficiency training, waste reduction training, and water efficiency training to improve employees' awareness of low-carbon environmental protection.

### Evaluation Mechanisms

- Our environmental protection division conducted quarterly and annual energy reduction evaluations to achieve our energy and carbon reduction goals.
- We conducted external audits for management systems such as ISO 14001, ISO 50001, and ISO 14064.
- We held management review meetings each year to discuss and track our environmental protection targets and communicate with internal stakeholders such as business groups and employees to understand actual situations and facilitate continuous improvements.

#### 4.1.1 Environmental Policy

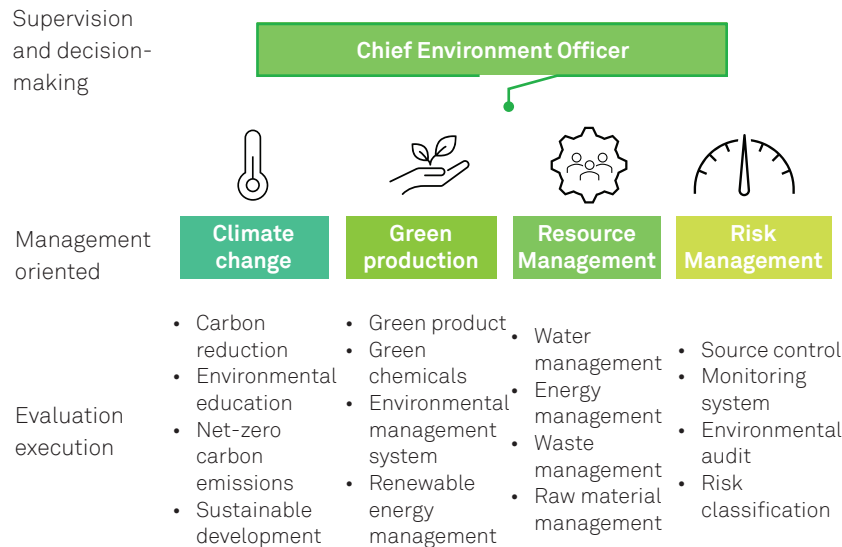
Hon Hai Group commits to strictly comply with all relevant environmental laws, regulations, and other requirements, actively participate in environmental affairs, correctly identify and manage potential risks before mergers and acquisitions, during factory construction and operation, ensure company interests, achieve established goals and targets, or aim to exceed relevant standards, and continuously improve and prevent pollution.





This policy applies to the operational activities, products, services, and other value chain scope of Hon Hai and all its subsidiaries and organizations and covers stakeholders such as employees, customers, suppliers (including waste processors and logistics providers), partners, joint ventures, etc., to ensure environmental compliance and effective communication of policies. (For more information on environmental policy, please refer to the company website).

### Hon Hai Environmental Protection Organization Chart



### Production Operations

## 4.1.2 Environmental Management System

We have given priority to environmental protection principles since our establishment. The Group has implemented and completed verification of ISO 14001 Environmental Management Systems at all campuses

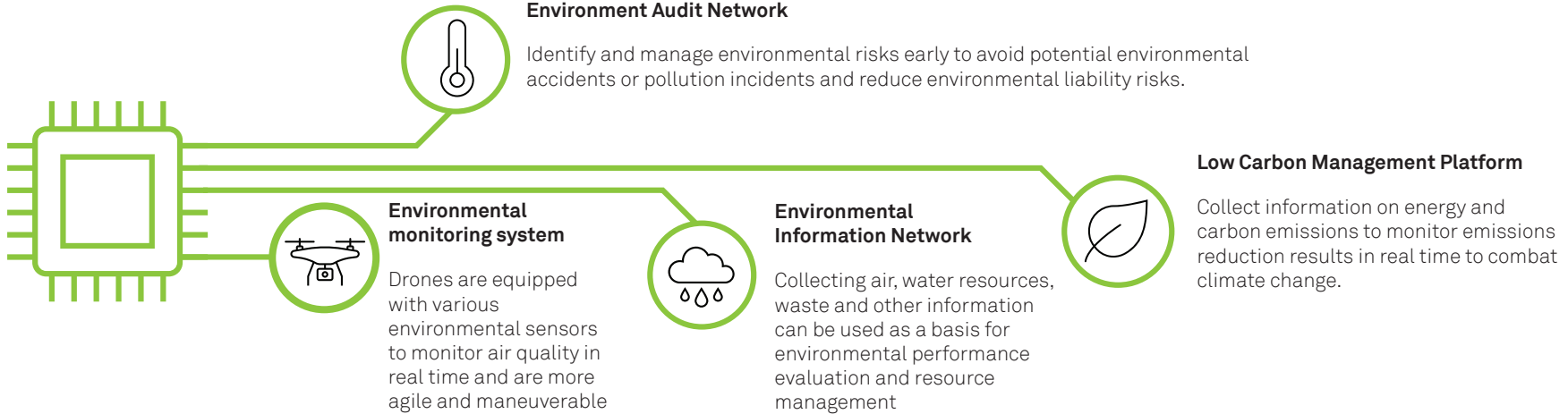
starting from the construction phases. We also use the “Plan, Do, Check, and Action (P-D-C-A) model” to promote continuous improvements. We confirmed environmental considerations arising from our production processes, activities, and services; assessed all environmental concerns and their impacts on the environment; and compared their severity and other factors through comprehensive evaluations to ensure prior identification of major potential factors, then formulated improved measures and operating processes that reduced and prevented the impacts from these factors. Additionally, we simultaneously operate environmental treatment facilities and campus production processes to ensure that our wastewater, exhaust emissions, and waste materials comply with local regulatory requirements. The Group has no significant environmental incidents in 2023 with fines exceeding USD 10,000.

In 2023, the Group committed 2 minor violations of the Taiwan Waste Disposal Act. Subsequent improvement measures include Developing and publishing management procedures, conducting regular employee training and meetings, and strengthening on-site audit tracking.

All the Group's production campuses obtained ISO 14001 certification during the reporting period. To realize our low-carbon and green manufacturing targets, we gradually implemented green campus and green supply chain management measures into our operational locations in accordance with green manufacturing standards in China and were recognized as national/ provincial green campuses. Currently, the Group has obtained a total of 23 green factory certificates in mainland China.

The Group utilizes its self-developed environmental protection system to collect data on energy, water, waste, exhaust gas, etc. to facilitate the Group's long-term management in tracking environmental related information of each plant and identifying environmental costs to support decision makers in making environmentally friendly decisions and improving environmental performance.

### Comprehensive management in E-field



**Data integration**      **Strategic analysis**      **Real-time monitoring**      **Management evaluation**



ISO 14001 Certificate of Fu Tai Hua Industry (Shenzhen) Co., Ltd



ISO 50001 Certificate of Bharat FIH Private Limited



ISO 14064 Certificate of Hongfujin Precision Industry(Wuhan) Co., Ltd



Fu Tai Hua Industry(Shenzhen) obtained national-level green factory



Hongfujin Precision Industry(Wuhan) obtained zero waste factory

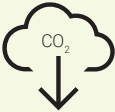


### 4.1.3 Environmental Protection Training and Actions

Employees' environmental management level and environmental awareness are improved through diversified environmental training. The training content covers courses such as mitigating climate change, green product management, and circular economy management. In 2023, there were 561 training videos and 4,319,872 attendances. Environmental Q&A

activities are also held offline to increase employees' learning motivation. In addition, as the Group's factories cover the world, considering local culture and retaining language characteristics, local language production of publicity helps to convey information more effectively, enhance the audience's understanding and acceptance, and improve the overall effect of publicity.

#### Environmental protection training in 2023

Number	Course modules	Course keywords	Number of courses	Number of courseware	Number of learners	Number of attendances
1	 Environmental protection and ecological management	Environmental protection, biodiversity, climate change, sustainable development, disaster prevention, environmental monitoring, environmental impact assessment, ecological restoration	106	224	513,989	2,034,217
2	 Carbon Management and green manufacturing	Carbon emissions, carbon inventory, carbon management, carbon neutrality, carbon peak, dual carbon, low carbon, green low carbon, energy conservation and emission reduction, carbon credits, carbon trading, carbon capture and storage (CCS), green power, green energy, renewable energy, energy management, industrial energy conservation, clean energy, renewable energy technology, energy efficiency, smart grid, green manufacturing, clean production, energy conservation and environmental protection, environmental protection licensing, ecological design, green supply chain management, green building, green logistics	166	238	418,812	1,194,552
3	 Resource management	Water resources management, solid waste management, soil management, waste gas management, garbage classification, zero waste, resource recovery and reuse, resource conservation, water pollution control, soil remediation, waste treatment technology	21	41	137,102	326,617
4	 Policies, regulations and standards	Environmental regulations, environmental policies, environmental standards, environmental certification, international environmental agreements, environmental management systems	35	35	126,727	330,899

Number	Course modules	Course keywords	Number of courses	Number of courseware	Number of learners	Number of attendances
5	Technology and Innovation	Environmental technology innovation, new environmentally friendly materials, green chemistry, environmentally friendly equipment, environmental big data, intelligent environmental protection	3	3	181,886	381,384
6	Social Responsibility and Public Participation	Corporate social responsibility (CSR), public environmental awareness, environmental education, community participation, environmental welfare activities, environmental ethics	8	20	19,739	52,203
Total			339	561	1,398,255	4,319,872

Note: based on the online learning course platform.



The Group supports the Paris Agreement and covers all operating sites and engages in lobbying activities and provides advice to regulatory authorities and trade associations, adhering to the position of “limiting the increase in global average temperature to 1.5°C above pre-industrial levels”, and reports the results to all directors. The Group actively participates in discussions and activities with governments, public associations, schools, etc., is committed to fulfilling corporate social responsibilities

in environmental management, supports community environmental protection activities to enhance the environmental protection awareness of external stakeholders, and works with governments, non-governmental organizations and other interests. Cooperate with others to jointly promote environmental protection. Through participation in expos and forum speeches, industry, government, academia, and research will get together to discuss experiences in sustainability and energy transformation. It will also promote exchanges of net-zero solutions among all industry sectors and help the society successfully transform. Hon Hai has also been transforming toward net-zero carbon emissions and energy in recent years. By participating in relevant ESG exchange activities, it has deepened the group’s role in low-carbon transformation, energy conservation and carbon reduction.

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Case: The Environmental Protection Bureau of the Kaohsiung City Government and Hon Hai Technology Group cooperated to organize the “Industrial ESG and Smart Net-Zero City Seminar”, focusing on intelligent carbon reduction. Representatives from various sectors of industry, government, and academia are invited to share their experiences, in order to achieve the vision of building an intelligent net-zero city. Hon Hai shares its dual-E equation for sustainable business operations and explains its net-zero path and policies,

including waste, green buildings, green electricity, and supply chain carbon reduction achievements.

Case: Participation in the Taiwan Institute for Sustainable Energy (TAISE) will bring together industry, government, academia, and research to explore the experience of sustainability and energy transformation, as well as to promote the exchange of net-zero solutions among various industry sectors to assist in the society’s low-carbon transformation. In recent years, Hon Hai has also been actively transforming towards net-zero carbon emissions and energy, and by participating in related ESG exchange activities, the Group has deepened its role in low-carbon transformation, energy conservation and carbon reduction.



## 4.2 Climate Change and Energy Management

The UN climate change report for 2021 stated that the climate actions adopted by various countries are insufficient for curbing global warming. Secretary-General Guterres urged all countries to adopt more aggressive measures to achieve the 1.5°C carbon reduction target proposed by the Paris Agreement. For this reason, the UNFCCC COP26 focused on the 1.5°C target.

### The Group’s three climate targets:

- Comply with NDCs or carbon emission policies of local governments where Group campuses are located.
- Align GHG emissions of our value chain with the Paris Agreement and realize our goal of zero GHG emissions by 2050.
- Respond to and act upon the three targets proposed by the Climate Action 100+ steering committee:

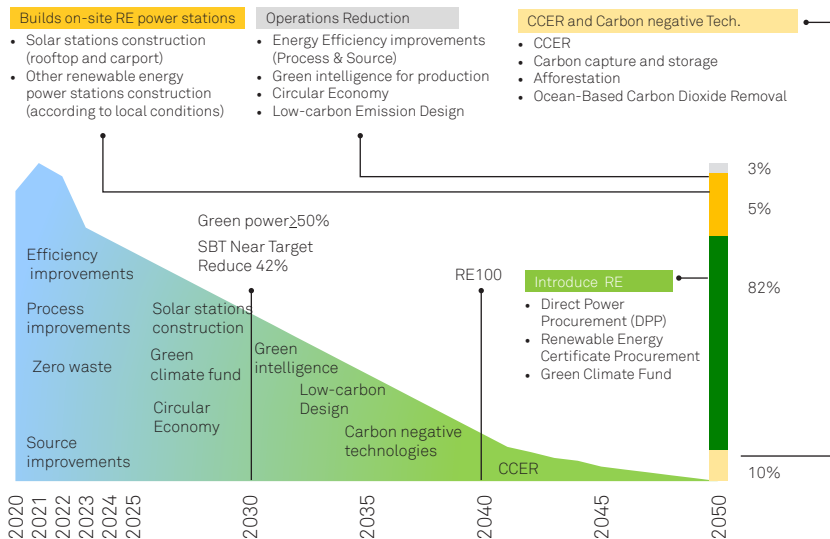
- (1) Strengthen climate change governance;
- (2) Implement actions relating to GHG emissions within the Group’s value chain;
- (3) Provide disclosures in accordance with the Task Force on Climate Related Financial Disclosures (TCFD).

As a leader in the global electronics technology industry, Hon Hai supports the goal of limiting temperature rise to 1.5°C in the Paris Climate Agreement. In 2020, we proposed the goal of achieving net-zero



emissions in the value chain by 2050, and it is one of the three primary climate goals of the Group. After SBTi approved Hon Hai's 2023 near-term goal, it continued to promote the path toward the net-zero goal. As of April 2024, the net-zero goal was officially approved by SBTi, becoming the third company in Taiwan's high-tech hardware equipment industry and the seventh company in Taiwan to have its net zero goal approved by SBTi.

After Hon Hai committed to net zero emissions in 2020, it actively adopted the strict standards set by SBTi and other organizations, formulated climate action goals through scientific-based methods, and further formulated a net zero carbon emissions roadmap. Our zero-carbon emission path prioritizes carbon reduction in our own operations ( $\geq 3\%$ ) and building our own renewable energy power stations onsite ( $\geq 5\%$ ). After prioritizing carbon reduction in our own operations, we will combine other carbon reduction strategies, such as introducing renewable electricity ( $\leq 82\%$ ) and carbon sinks and negative carbon technologies ( $\leq 10\%$ ), to actively implement various action plans to move towards our net zero goal.



## 4.2.1 List of TCFD Framework

The Group emphasizes the urgency of climate risk management to ensure sustainability. We have implemented the Task Force on Climate-Related Financial Disclosures (TCFD) using the four main frameworks of governance, strategy, risk management, and metrics and targets for transparent disclosures of crucial climate risks, opportunities, and current management. We released our first net-zero Vision Report in 2023 during the first phase to detail our climate governance, strategies, risk management, and targets and metrics. Currently, we are in the second phase, conducting analyses and discussions of climate scenarios, as well as quantitative financial impacts. The third phase will integrate results from the first and second phases to generate standardized forms and processes that extend the scope of climate-related financial assessments to the whole world. We also plan to release a net-zero Strategy Report.





Category	Item	Implementations
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	The board supervises the Group's overall management of climate issues and confirms the Group's progress on climate-related goals each year. The sustainability committee under the board reports ESG issues, including climate issues, to the board of directors every quarter.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>TCFD Core Working Group includes the Sustainability Committee and Group central management units. It coordinates and communicates climate issues with internal and external stakeholders, identifies response measures to climate issues, formulates implementation strategies for climate issues, and categorizes and assesses the materiality of climate-related risks and issues:</p> <ul style="list-style-type: none"> <li>• Policies and laws (Management and implementation related to all climate-related policies and regulations around the world, including those associated with carbon trading, carbon taxes, and energy conservation and carbon reduction)</li> <li>• Market (Management and implementation related to stakeholders, changes in market demand and supply, and low-carbon R&amp;D and innovation)</li> <li>• Physical risks (Management and implementation related to extreme weather events, increased average temperatures, enhanced resource usage efficiency, and prevention and responses to climate-related disasters)</li> </ul>
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Please refer to 2022 HON HAI Technology Group (Foxconn) <b>TCFD Net Zero Vision Report</b> , page 15-17, "Analysis of major climate-related risks and opportunities for Hon Hai".
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Please refer to 2022 HON HAI Technology Group (Foxconn) <b>TCFD Net Zero Vision Report</b> , pages 15-17, "Analysis of major climate-related risks and opportunities for Hon Hai".
	c) Describe the resilience of the organization's strategy, considering different climate-related scenarios, including a 2°C or lower scenario.	Please refer to 4.2.2.2 "Qualitative Climate Scenario Analysis". Results from quantitative climate scenario analysis will be disclosed in our 2023 TCFD Report later in 2024.

Category	Item	Implementations
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	The TCFD Core Working Group are coordinating units for climate risk management. They are responsible for organizing and coordinating relevant units and departments in conducting risk identification and assessments, as well as compiling climate-related risks and opportunities for the Group so that the Sustainability Committee can convene training sessions and identification meetings.
	b) Describe the organization's processes for managing climate-related risks.	Hon Hai owns diverse businesses and operations all over the globe. The operational risks faced by different businesses and operational locations vary greatly. In order to effectively reduce the impacts of various risks on Hon Hai operations, we have established a hierarchical risk management process based on risk levels and unit functions, as well as built complete climate risk management processes at the Group, business/entity, and factory levels according to different management hierarchies and impacts from risk issues.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	The TCFD Core Working Groups distribute questionnaires to stakeholders (investors and clients) and conduct composite analyses to summarize the Group's significant climate risks and opportunities, existing achievements, and countermeasures. Senior managers review the final identification results so that major climate-related risks and opportunities can be incorporated into the Group's risk controls and response procedures.
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Please refer to 4.2.3 "Energy Management", 4.3 "Water Resource Management", 4.4 "Waste Management".
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Please refer to 4.2.2.1 "Greenhouse Gas Emissions".
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Please refer to 4.2.2.4 "Targets and Actions".

## 4.2.2 Greenhouse Gas Emissions and Management

Our verified scope 1 and 2 greenhouse gas emissions in 2023 were 2,679,235.18 tCO<sub>2</sub>e, a decrease of 51.08% compared with the base year

2020 (5,476,802 tCO<sub>2</sub>e). In 2023, the renewable energy usage ratios rose to 60.96%. The Group continued actively implementing carbon reductions and utilizing renewable energies. We will continue to work toward net-zero GHG emissions in our value chain by 2050.

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### 4.2.2.1 Greenhouse Gas Emissions

#### Group Scope 1 and Scope 2 GHG Emissions in 2023

	Unit	Mainland China	Other Asia	Overseas Campuses	Group Total
Scope 1	ton CO <sub>2</sub> e	232,247.90	10,181.64	15,678.64	258,108.18
Scope 2	ton CO <sub>2</sub> e	1,928,758.14	420,584.14	71,784.72	Location-based 5,442,507.49 Market-based 2,421,127.00
Total	ton CO <sub>2</sub> e	2,161,006.04	430,765.78	87,463.36	Location-based 5,700,615.67 Market-based 2,679,235.18

Scope 1	Total emissions (ton CO <sub>2</sub> e)	Intensity (ton CO <sub>2</sub> e/million TWD)	Veri-fication Institute	Veri-fications
Parent company	1,549.99	0.00045	PWC	Limited assurance
Subsidiaries	256,558.19	0.095		
Total	258,108.18	0.042		

Scope 2	Total emissions (ton CO <sub>2</sub> e)	Intensity (ton CO <sub>2</sub> e/million TWD)	Veri-fication Institute	Veri-fications
Parent company	20,649.44	0.006	PWC	Limited assurance
Subsidiaries	2,400,477.56	0.88		
Total	2,421,127.00	0.39		

## Group Scope 3 GHG Emissions

Category	2020 Total Emissions (t CO <sub>2</sub> e)	2021 Total Emissions (t CO <sub>2</sub> e)	2022 Total Emissions (t CO <sub>2</sub> e)
1a: Purchased goods and services (product)	17,128,052.67	21,639,991.35	20,430,782.99
1b: Purchased goods and services (non-product)	1,078,767.84	248,474.04	475,194.58
2: Capital goods	139,603.50	172,929.21	276,738.21
3: Fuel and energy related activities	1,208,633.97	1,877,942.48	1,877,769.80
4: Upstream transportation and distribution	500,147.16	619,590.16	395,257.45
5: Waste generated in operations	201,605.60	25,567.95	22,515.96
6: Business travel	53,524.66	43,388.73	40,887.37
7: Employee commuting	253,406.57	280,360.15	237,520.17
8: Upstream leased assets	360,938.16	76,294.48	59,296.85
9: Downstream transportation and distribution	0.00	0.00	0.00
10: Processing of sold products	0.00	0.00	0.00
11: Use of sold products	207,280.89	2,528,849.18	2,356,359.34
12: End-of-life treatment of sold products	60,828.38	76,245.99	11,187.28
13: Downstream leased assets	6,785.15	28,576.10	19,305.58
14: Franchises	0.00	0.00	0.00
15: Investments	1,413,787.48	1,123,990.83	972,552.25
Total	22,613,362.03	28,742,200.63	27,175,367.83

Note 1: Under the verification of SBTi targets this year, the base year data is recalculated as the acquisition of mergers and acquisitions of companies and the update of calculation methodology.

Note 2: The emissions consolidation approach is a financial control approach.

Note 3: Greenhouse gases include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, SF<sub>6</sub>, and NF<sub>3</sub>, using global warming potential values based on a 100-year time horizon.

Due to the Group's widespread operational scope, we are still compiling data on Scope 3 GHG emissions for 2023 and aim to disclose this information by the end of 2024.

### 4.2.2.2 Qualitative Climate Scenario Analysis

The Group plans to analyze and discuss climate scenarios and quantify the financial impacts of climate-related risks. This report first discloses

the preliminary qualitative climate scenario analysis results.

We assessed the potential transition risks faced by the Group by using NGFS orderly scenarios and NDC (Nationally Determined Contribution)





scenarios. We also evaluated the potential physical risks faced by the Group by using the Intergovernmental Panel on Climate Change RCP 2.6 and RCP 8.5 scenarios combined with the geographical elements of the operating locations. Further, we are conducting a quantitative climate

scenario analysis to assess the financial impacts of transition risk by using NDC and RCP 2.6 scenarios. We will disclose the results in our 2023 TCFD Report later in 2024.

Category	Description	Measures
Current Regulation	The Group mainly operates in mainland China. The Shanghai Stock Exchange has issued sustainability reporting guidelines and requires companies to disclose sustainable development information, which has increased our compliance costs in the short term.	Research relevant laws and regulations, conduct internal training, improve the level of information disclosure, and maintain communication with regulatory authorities.
Emerging Regulation	Under the orderly scenarios, the introduction of climate-related regulations is accelerating, and relevant international or domestic energy regulations may affect the electricity price from upstream in the supply chain, increasing the Group's operating costs in medium term.	Continuously reduce carbon emissions through operations (energy efficiency improvement, process improvement, raw material recycling, etc.), self-built renewable energy power stations (solar energy construction on factory roofs, ground carport roofs, etc.), green power procurement, and green investment (establishing green can develop funds to increase investment in sustainable environment) and other means and action strategies to reduce carbon emissions.
Technology Risk	In order to cope with climate change, the Group needs to invest in new technologies and may encounter investment errors or technical bottlenecks, resulting in investment losses.	Comprehensively take stock of the correlation between the company's core technologies and climate-related products and services, introducing key talents to make new technology investments more consistent with operational strategies.
Legal Risk	As governments and regulatory authorities worldwide pay more attention to climate issues, changes in existing laws and regulations and the emergence of new climate-related laws and regulations may turn private protests against high-emitting and polluting companies into litigation.	The Group strictly abides by the environmental laws and regulations of the places where it operates, and there have been no significant environmental regulation incidents in the past four years.
Market Risk	Customers' awareness of environmental protection has increased, and they have different considerations when choosing products or services. Products with high energy consumption and high carbon emissions may face elimination.	Develop the electric vehicle market: The planning and layout of the Group's global electric vehicle strategy includes adopting the BOL business model and cooperating with local governments to achieve local construction, local operation and industry localization; expanding the number of electric vehicle factories, etc. Recycled aluminum: Work with suppliers to promote recycled aluminum cooperation projects to reduce carbon emissions caused by raw material mining. Under the traditional manufacturing model, each ton of aluminum will produce 15 tons of CO <sub>2</sub> e emissions, while recycled aluminum produces only 2.8 tons of carbon emissions per ton. Hon Hai had planned to reduce carbon dioxide emissions by 110,100 tons of CO <sub>2</sub> e in 2023 through the recycled aluminum cooperation project.

Category	Description	Measures
Reputational Risk	Due to the rising awareness of sustainability globally or regionally, failure to respond effectively to climate change risks will affect the Group's reputation and damage brand value.	While strengthening climate risk management, we effectively identify and actively communicate with internal and external stakeholders and work with partners across the value chain for sustainable development.
Acute Physical Risk	Extreme weather, such as heavy rains, is becoming more frequent, and floods and urban waterlogging may disrupt base operations and affect the Group's business continuity.	All operating bases shall reserve flood control sandbags, fire extinguishers and other materials based on their geographical location. To adapt to physical risk, we make an annual and natural disaster emergency plan and carry out regular drills to enhance employee safety and improve business continuity. Risk transfer is carried out by purchasing various types of commercial insurance.
Chronic Physical Risk	Under the RCP 8.5 scenario, a rise in long-term sea level may eventually destroy operational bases located in coastal locations. Rising average temperatures will also affect our employees' health.	Altitude, geology and other factors are considered when selecting locations for all new operation bases. The Group has many factories, and environmental and climate conditions, such as sunshine, vary from location to location. We strengthen employee training and design green buildings according to local conditions.

#### 4.2.2.3 Internal Carbon Price

In response to greenhouse gas emissions regulations and to drive energy efficiency, we launched a carbon pricing pilot program in 2023, starting with an assessment of our subsidiary Foxconn Industrial Internet Co., Ltd. (Fii) and a benefits assessment through a carbon fee payment to incentivize internal divisions to implement low-carbon investments and emissions reduction measures.

**Objective:** To incorporate “carbon costs” into production, operation, investment, and other management considerations and objectively evaluate the impact of carbon costs.

**Method:**

1. The Group selects Fii, whose carbon emissions belong to the critical management objects and conducts internal carbon

pricing pilot operations.

2. The project was executed starting in the third quarter of 2023, and we will learn from our experience to expand our execution in the future.
3. “Shadow price” is adopted, and the prices are determined based on carbon trading prices in various regions.

#### 4.2.2.4 Targets and Actions

As a global leader in the electronics technology industry, the Group supports the goal of limiting temperature increases to less than 1.5°C as proposed by the Paris Agreement. In November 2020, the Group was the first Taiwanese enterprise to propose the goal of a net-zero emissions supply chain by 2050. In January 2021, we submitted our statement of carbon reduction commitment to achieve the 1.5°C target to the Science Based Targets Initiative (SBTi). In June 2021, we joined the Taiwan Alliance





for net-zero Emissions, composed of industry leaders in Taiwan, thereby exerting our industrial influence and leading global industries in achieving the 1.5°C target of the Paris Agreement as we work toward a zero carbon and sustainable society.

The Group commits to reaching net-zero greenhouse gas emissions across the value chain by 2050 from a 2020 base year. Near-Term Targets: to reduce scope 1 and 2 GHG emissions by 42% by 2030 (100% of base year) and to reduce absolute scope 3 GHG emissions by 42% within the same timeframe. Long-Term Targets: to reduce absolute scope 1 and 2 GHG emissions by 90% by 2050 (100% of the base year) and to reduce absolute scope 3 GHG emissions by 90% within the same timeframe.

The Group's net-zero plan includes carbon reduction projects.

Carbon emission reduction program 1: Expand the rooftop solar power generation system installation at the Huyue Campus, increasing the capacity of the power generation device from 63.6 kWp to 716.9 kWp. The Group implements the Energy Efficiency Program (EEP), introduces high-efficiency energy-saving technologies and equipment, and encourages production lines to more actively review and manage energy-using equipment and system energy consumption to improve the efficiency and effectiveness of energy use in the industrial sector and reduce carbon emissions at the operational level.





Carbon emission reduction program 2: Reducing carbon emissions in scope 3 - transportation and distribution through intelligent logistics and on-time delivery.

- **Manufacturing Digital Supply Chain Management (MDS):** A digital supply chain solution that utilizes automated and intelligent devices to collect information and data in the background.
- **JusLink supply chain real-time collaboration platform:** achieving end-to-end collaboration and visualization of the entire supply chain process, all links, and multiple roles, as well as controllable states in the whole process.
- **Intelligent Warehouse:** The design of the ASRS stacker crane three-dimensional warehouse reduces personnel walking distance and improves warehouse floor efficiency.

In addition, Hon Hai has increased its investment in green energy funds such as the Green Energy Development Fund and the Harmonious Green Industry Fund, investing in the fields of renewable energy and permanent carbon removal, and is committed to achieving sustainable energy goals, promoting the low-carbonization of production and operation processes, and striving to achieve net-zero Goals provide clear path direction.

#### Energy-Saving Incentive Mechanisms

To enhance employee emphasis on climate change and internalize relevant concepts into the core cultures of each department, we formulated annual “Appraisal Items and Scoring Guidelines for Energy Management” for use in our Chinese campuses. Appraisal items included energy management, energy reduction systems, implementation of energy-saving measures, supervision of energy reduction measures, and energy-saving KPIs. Detailed quantitative scores were presented for each item, and those ranking within the top three for the quarter/year and units that obtained high scores on specific items were awarded

bonuses and incentives. We provide team and individual cash rewards for outstanding energy-saving technological transformation projects that enhance energy efficiency. In 2023:

1. For the annual energy-saving management work assessment and evaluation, the bonus amount is CNY 5,500, including 1 gold award, with a bonus of CNY 2,000; 1 silver award, with a bonus of CNY 1,500; 2 bronze awards, with a bonus of CNY 1,000. The Contribution Award is an honorary award. Prize money was awarded to 4 teams.
2. In the energy efficiency level benchmarking competition, the total bonus amount is CNY 14,700, including 1 Outstanding Benchmark Award, with a bonus of CNY 3,000; 2 Excellent Benchmark Awards, with a bonus of CNY 2,000; 3 Excellence Awards, with a bonus of CNY 1,500; and 4 winning prizes, with a bonus amount of CNY 800, distributed to 10 teams.

### 4.2.3 Energy Management

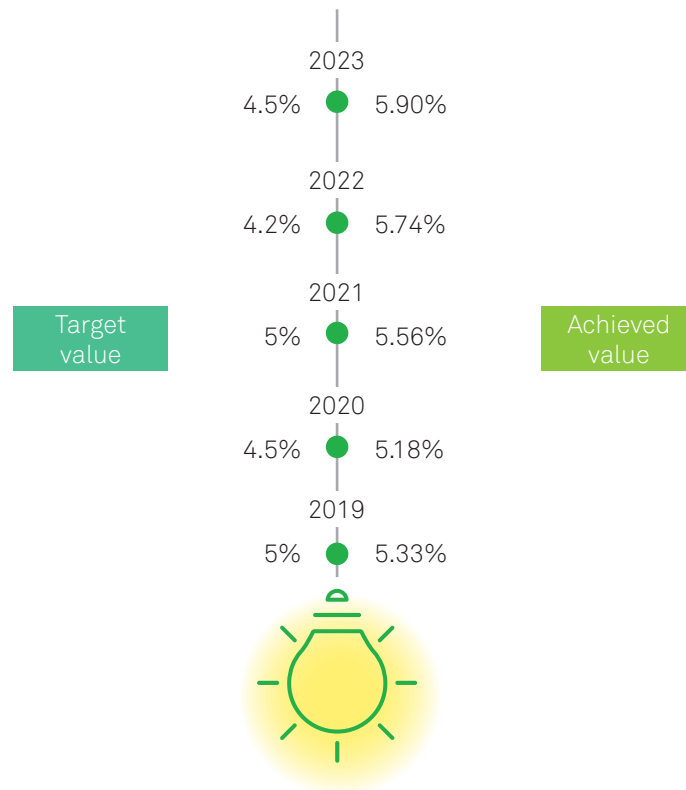
We systematically manage our energy use by implementing the ISO 50001 Energy Management System and third-party verifications to identify risks and opportunities for reducing energy use and enhancing energy efficiencies. Additionally, the Group has formulated the “Audit Procedures for Energy-Saving Projects” and “Audit Procedures for Energy-Saving Management” for continuous implementation and transformation of energy-saving technologies. We are also actively developing new energy and carbon reduction technologies, products, and business models, exploring our energy-saving potential, and promoting transformation and upgrades to increase benefits. Furthermore, in line with global energy transformation and low-carbon economic development goals, we continue to increase installation capacity by installing and purchasing rooftop and ground-mounted solar stations. We also directly purchase other clean energies to raise our usage volumes and ratios of clean energy while reducing GHG emissions.





#### 4.2.3.1 Achievement of Energy-Saving Targets for 2020-2023

At the beginning of each year, the Group formulates energy-saving goals and communicates these to business subgroups. Incentive measures are also implemented to enhance the development of energy-saving technologies in each subset. The Group's energy-saving target for 2023 was 4.5%. The actual energy-saving rate was 5.90%, successfully achieving our annual energy-saving goal.



#### 4.2.3.2 Global Energy Consumption in 2023

Hon Hai has 205 factories and offices in 24 countries and regions worldwide. Factory electricity is one of the primary sources of carbon emissions. Hon Hai is committed to achieving 100% global use of green electricity in its factories to fulfill our environmental commitment to the environment by 2040. The Group closely monitors policies of various countries, grasps the current status of power supply and grid infrastructure, and actively lays out green energy power supply.

We adhere to the concept of “energy conservation, carbon reduction, and green development,” promote energy-saving projects, carry out the “Fifteen Green EEP Projects,” and formulate rectification standards and audit methods for equipment improvement, such as lighting, motors, air conditioning, air compressors, and boilers.

In 2023, we held a factory-side exchange meeting to benchmark energy-saving standards and jointly promote carbon reduction. The conference covers the Chinese Mainland, Vietnam, Brazil and India and is held every fortnightly, totaling 40 sessions. At the end of the year, we conducted an on-site energy audit, and the total energy-saving effect in the Chinese Mainland reached 518,847MWh, with an energy-saving rate of 5.90% reaching the annual energy-saving goal. We also hold energy-saving benchmarking competitions to showcase carbon reduction achievements and motivate employees, awarding honor medals and bonuses.



In addition, the Group has actively built its solar energy system to increase the proportion of green electricity and has been put into operation in mainland China, Taiwan, and Vietnam. In 2023, despite the expansion of enterprises and increased production capacity, the Group's annual electricity consumption still decreased by 11%, demonstrating our unremitting efforts in energy conservation. In the future, we will continue to promote energy-saving projects to achieve net-zero emissions by 2050.

Group non-renewable consumption

Area	Purchased Electricity		Fossil Fuels					Energy Consumption			
	Total Electricity Consumption		Natural Gas	Gasoline	Diesel	Liquefied Petroleum Gas (LPG)					
	GWh	GJ	Thousand m <sup>3</sup>	GJ	m <sup>3</sup>	GJ	m <sup>3</sup>	GJ	ton	GJ	GJ
Mainland China	7,735.22	27,939,607.17	77,480.80	3,029,654.29	3,402.72	108,487.72	1,212.71	43,640.14	0	0	31,121,389.33
Other Asia	785.95	2,838,862.55	453.74	17,741.95	73.71	2,349.97	1,559.24	56,110.13	162.06	8,167.82	2,923,232.41
Overseas Campuses	226.84	819,362.27	4,323.74	169,066.71	662.35	21,117.45	297.03	10,688.80	1,461.08	73,638.66	1,093,873.89
Group Total	8,748.02	31,597,831.99	82,258.27	3,216,462.95	4,138.78	131,955.14	3,068.98	110,439.07	1,623.14	81,806.48	35,138,495.63

Note 1: Heating values for all energy sources were calculated using local coefficients.  
 Note 2: The revenue in 2023 is 6.162 trillion NTD. The energy consumption intensity is 5.702 GJ/million NTD.

In 2023, the Group's total installed renewable energy capacity reached 325.82MW, the usage of renewable energies reached 5,396.05 GWh, and

the renewable energy usage ratio was 60.96%.

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#### 4.2.3.3 Work Plan and Measures for Energy and Carbon Reduction Measures

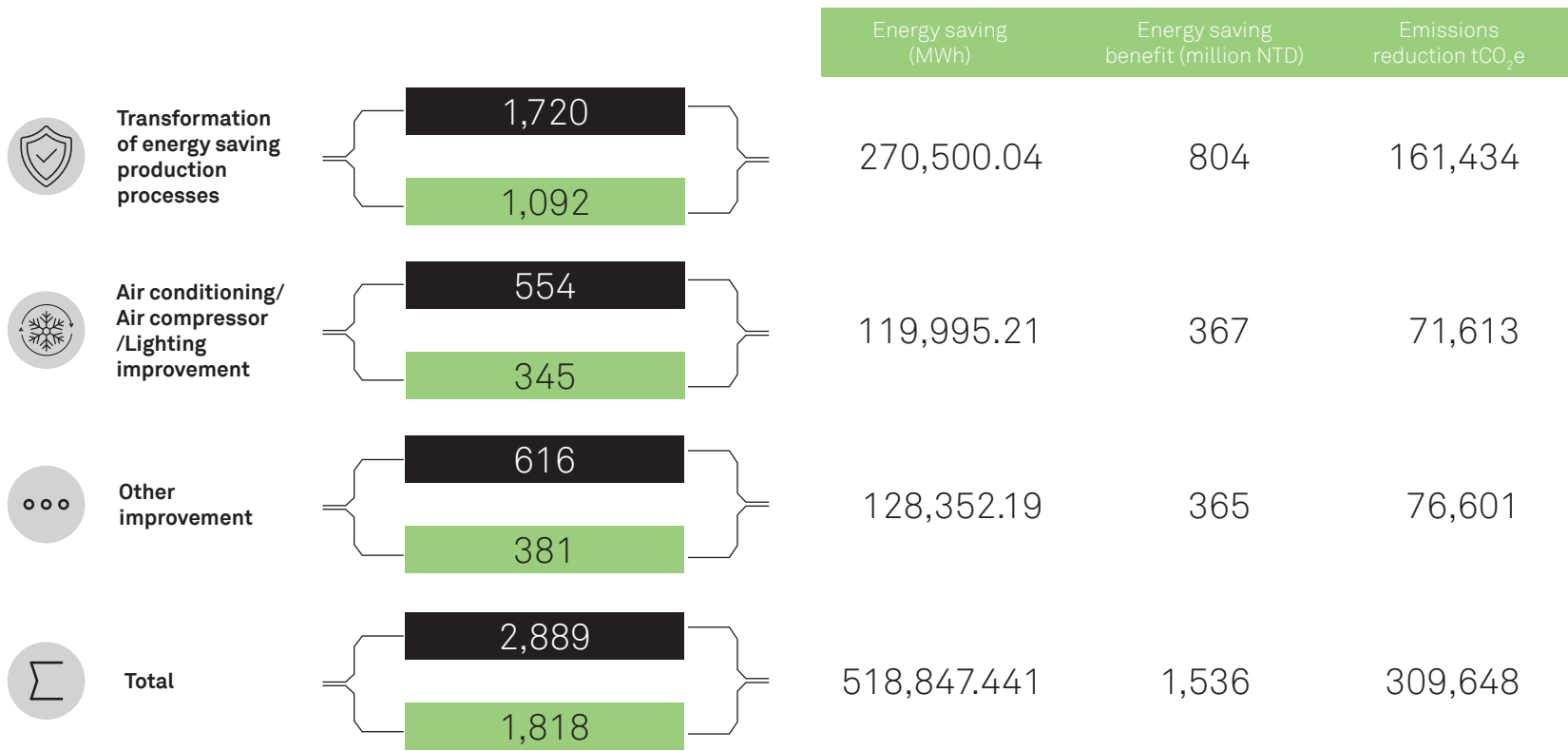
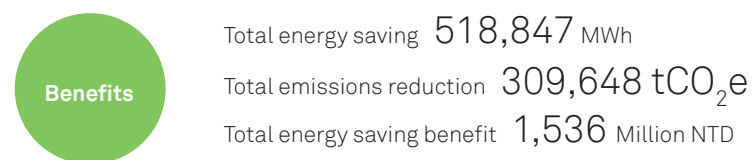
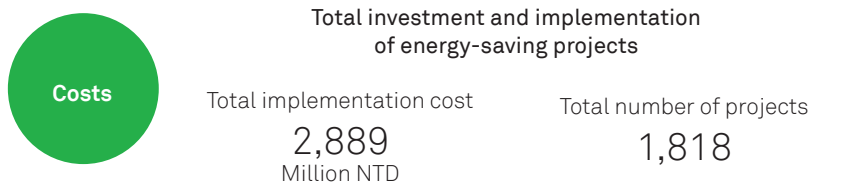
Key tasks	Description/Requirements	Purpose/meaning
Implement energy-saving policies and regulations.	We use governmental policies and regulations as a basis for mandatory tasks such as promoting energy and carbon reduction measures, coordinating management; implementing energy management plans, reporting energy usage, obtaining certification for energy management systems, establishing energy management centers, auditing energy usage, formulating energy-saving plans; compiling energy-saving self-assessments, and evaluating new, converted, and expanded energy-saving projects.	We respond to governmental laws and policies through supervision and evaluation measures, which help improve our credit ratings.
Promotion of green manufacturing systems	We continue to implement our "Action Plan for Evaluations of Green Campus Construction Projects," promoting key campuses' establishment, and applying for national certifications related to green manufacturing facilities, supply chains, campuses, and products.	We have established green manufacturing management systems and applied for certifications to enhance our corporate brand image and obtain government funding and incentives.
Diagnosis of industrial energy-saving measures	We diagnose main processes, key energy usage systems, key technologies and equipment, as well as promote technical consultations and technological transformations and upgrading.	Explore energy-saving potential and promote implementation of energy-saving measures to reduce costs and enhance efficiency.
Action plan for enhancing professional skills	We host training for professional skills, job skills, and new apprenticeships, and organize training for entry-level workers, mid-level workers, senior-level workers, technicians, and senior technicians.	Enhance climate change awareness in employees and cultivate professional energy and carbon reduction talent.
Full certification of energy management systems	We encourage Group entities to obtain and maintain ISO 50001: 2018 systems and commence implementing systematic energy and carbon reduction tasks.	Improve energy management systems to ensure long-term implementation of energy management mechanisms.
Execute key energy-saving projects.	We focused on optimizing processes, upgrading and replacing equipment, and installing power generators that use renewable energies.	Reduce energy waste, improve energy efficiency, achieve annual energy and carbon reduction targets, and complete government and Group evaluations of energy and carbon reduction targets.

#### Energy-Saving Technological Transformations

Hon Hai continues to identify energy-saving opportunities throughout production and operation. In 2023, we invested 2.89 billion NTD in 1,818 energy-saving projects encompassing the transformation of energy-

saving production processes, air-conditioning systems/air compressors/lighting equipment, and other improvements. Total energy savings were 518,847 MWh, equal to total carbon reductions of 309,648 tCO<sub>2</sub>e and an energy-saving benefit of 1.54 billion NTD.

### Implementation results of the Group's energy-saving renovation projects in mainland China in 2023:



■ Implementation cost (million NTD) ■ Amount

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### Development and Usage of Clean Energy

Clean energy has become one of the most critical international issues, and governments from all countries have formulated clean energy usage targets to reduce the usage of high-pollution fuels while making strides toward low-carbon energy structures. As a leader in the electronics industry, the Group must promote low-carbon developments. Therefore, the Group is actively increasing installation capacity by installing and purchasing rooftop and ground-mounted solar stations and purchasing other clean energies directly.

### Green Power Investment

1. Before the asset purchase, due diligence is conducted, communication is performed with relevant parties, and data compliance and consistency are confirmed on-site.
2. In March 2024, the Group announced that it signed an agreement with Albamen Capital Partners to establish a green energy asset management company and plans to launch a green energy development fund to expand the green energy business in mainland China jointly, assist the Group's sustainable development through direct investment in the green power industry, and thereby obtain green power rights.
3. In January 2024, the Group invested in mainland green funds, including the Yibin Harmonious Green Industry Fund. Outsiders believe Hon Hai's participation in this private equity fund will expand its involvement in mainland China's green energy and other ESG technology and industrial investment targets.
4. The Group signed a memorandum of cooperation with CDIB Capital in March 2023, planning to jointly establish Kaihong Energy, hoping to lead capital investment in the sustainable development of the green energy industry, provide corporate green power, and at the same time create relatively stable investment income.

5. The Group promotes the “Industrial Upgrading and Innovation Platform of the Industrial Bureau of the Ministry of Economic Affairs-Hon Hai Low-Carbon Supply Chain Transformation Promotion Plan” to encourage the electronic information industry toward low-carbon transformation.

### Green Building



When constructing new factories, the Group should avoid selecting locations sensitive to biodiversity or high-risk areas susceptible to climate change, such as water scarcity/flooding. Construction should be carried out in accordance with local laws and regulations, and environmental impact assessments should be completed before obtaining government approval.

In the design phase of the new factory building, green building designs such as energy conservation and water conservation will be considered, and the use of renewable energy and energy-saving equipment will be promoted. The Group has obtained LEED energy and environmental leading design certification in multiple places, such as the Neihu Campus and the SMART Campus in the United States, which have received LEED gold certification, and the A2 building of Longhua Campus in mainland China and the BELKIN design headquarter have also won the LEED silver award. The Hon Hai Neihu Building has obtained the LEED Gold



certification for existing buildings, which is a case of efforts to optimize existing buildings.

### Provide Electric Buses



The Group actively provides shuttle services using electric buses. Currently, it has connected the surrounding campuses of the Group's Tucheng headquarters and the Shenzhen campus during daily working hours, effectively reducing the use of fossil fuels and improving air quality.

## 4.3 Water Resource Management

Municipal water is the primary water source used in all our campuses. We do not impact surrounding water sources. Our campuses conduct reviews of water-saving plans and water facilities each year to reduce water consumption. Additionally, we actively promote recycling and reuse of water resources, and have incorporated renewable/biodegradable components into our production materials to reduce environmental impacts of production processes effectively. Following the identification of water resource risks, we began promoting various water-saving measures and reducing the discharge of standard wastewater to achieve our goals relating to practical usage of water resources, reduce wastewater discharge, and decrease environmental impacts.

Following water management principles, the Group actively promotes water conservation, technological innovation and pollution prevention.

### Water management principles

- **Water conservation:** Reduce water resource consumption from the source design as much as possible during production.
- **Technological innovation:** Introduce advanced water conservation and treatment technologies to improve recycling efficiency.
- **Pollution prevention:** Adopt effective and best available technologies and equipment to reduce pollution and environmental damage.

Hon Hai regards water resource management as the core of its commitment to environmental protection. It strictly adheres to national laws and local policies and is committed to reducing water usage density. Through special training to improve the operational skills of employees in the wastewater treatment plant, there were no illegal incidents of water intake and drainage in 2023.

Hon Hai actively carries out water resource management planning, identifies water risks, formulates water management strategies and goals, and implements digital management of environmental protection systems, collecting and monitoring data for policy formulation. This measure not only strengthens regulatory and law enforcement efforts but also helps to detect and stop environmental damage in advance and hold violators accountable.

We actively communicate with stakeholders on water resources-related issues and disclose information about the Group's water management by submitting external questionnaires (such as CDP water resources questionnaires, etc.) or supplier management questionnaires. The Group discloses the water use situation in water-stressed areas in relevant questionnaires. In 2023, the CDP water resources questionnaire was rated B grade.

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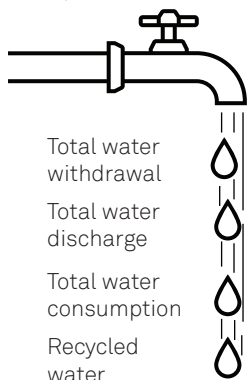


### 4.3.1 Achievement of the target of reducing water usage intensity per unit of revenue in the past four years

Category	Unit	2023	2022	2021	2020
Water usage	Thousand m <sup>3</sup>	85,234.8	91,470.7	87,706.0	86,737.0
Data coverage	%	100	100	100	100
Revenue	Billion NTD	6,162.2	6,627.0	5,994.2	5,358.0
Water intensity	Thousand m <sup>3</sup> / Billion NTD	13.83	13.80	14.63	16.19
Reduction target value	Absolute value or proportion	3%	1.50%	1%	Base year
Actual reduction value	Absolute value or proportion	15%	15%	10%	0
Meet the target	-	Yes	Yes	Yes	Base year

### 4.3.2 Water Consumption

Group water resources usage in 2023 (unit: thousand m<sup>3</sup>)



	Mainland China	Other Asia	Overseas Campuses
Total water withdrawal	80,769.00	3,647.16	818.64
Total water discharge	67,411.53	2,917.73	654.91
Total water consumption	13,357.47	729.43	163.73
Recycled water	5,010.76	847.12	108.62

Note:

- 1) Total water consumption = Total water withdrawal - Total water discharge.
- 2) The group will disclose the water usage in water stress areas in the CDP water questionnaire before the end of 2024.
- 3) The discharge of domestic sewage in some campuses is calculated based on local conditions multiplied by a coefficient.

As a leader in the electronic contract manufacturing industry, Hon Hai is committed to providing customer integration services, mainly involving traditional processes such as assembly, CNC, SMT, etc. Due to industrial characteristics, generating a large amount of cutting oil and emulsion waste liquid with high COD concentration is easy. At present, our water supply mainly comes from municipal water. We have developed three primary strategies to promote using recycled and recycled water to reduce water consumption. The Group set an annual water reduction target of 5% in 2023 and achieved the target this year.

Firstly, we introduced recycled water as the source. Secondly, we widely use water-saving equipment, such as water-saving toilets and faucets. Finally, we introduced reduction and reuse equipment, constantly seeking water-saving opportunities. We have successfully cooperated with local recycled water plants to introduce recycled water for people's livelihoods and industry in Lankao and Beijing, effectively reducing municipal water consumption.



In addition, we will use water for two main categories: office dormitory water and process water. We have promoted water-saving toilets and faucets for office and dormitory water use. For process water use, we have introduced waste liquid reduction equipment and developed resource revitalization projects to achieve the goal of a “cradle-to-cradle” circular economy, reducing at least 20,000 tons of high-concentration waste liquid to outsourced treatment. We have achieved the reuse of at least 5.96 million tons of wastewater through reclaimed water equipment and applied it to greening and flushing systems, further developing green manufacturing.

### 4.3.3 Wastewater Management

The Group has set a goal that by 2025, the establishment rate of the industrial wastewater discharge water quality monitoring system in the factory area must reach 100% to achieve real-time monitoring of the water quality discharge status at the discharge outlet and to set an early warning function superior to the discharge water standard for real-time supervision.

We firmly believe in the original intention of “taking it from society and using it for society.” Therefore, we extend water resource management to the upstream and downstream river basins of the factory area, cultivating employees’ awareness of cherishing water resources and environmental protection. For example, we organize river patrols, call on employees and family members to participate together in carrying out beach cleaning activities, promote public participation in environmental protection, and jointly protect the water ecological environment to promote balance.



Call on employees to carry out beach cleaning activities.

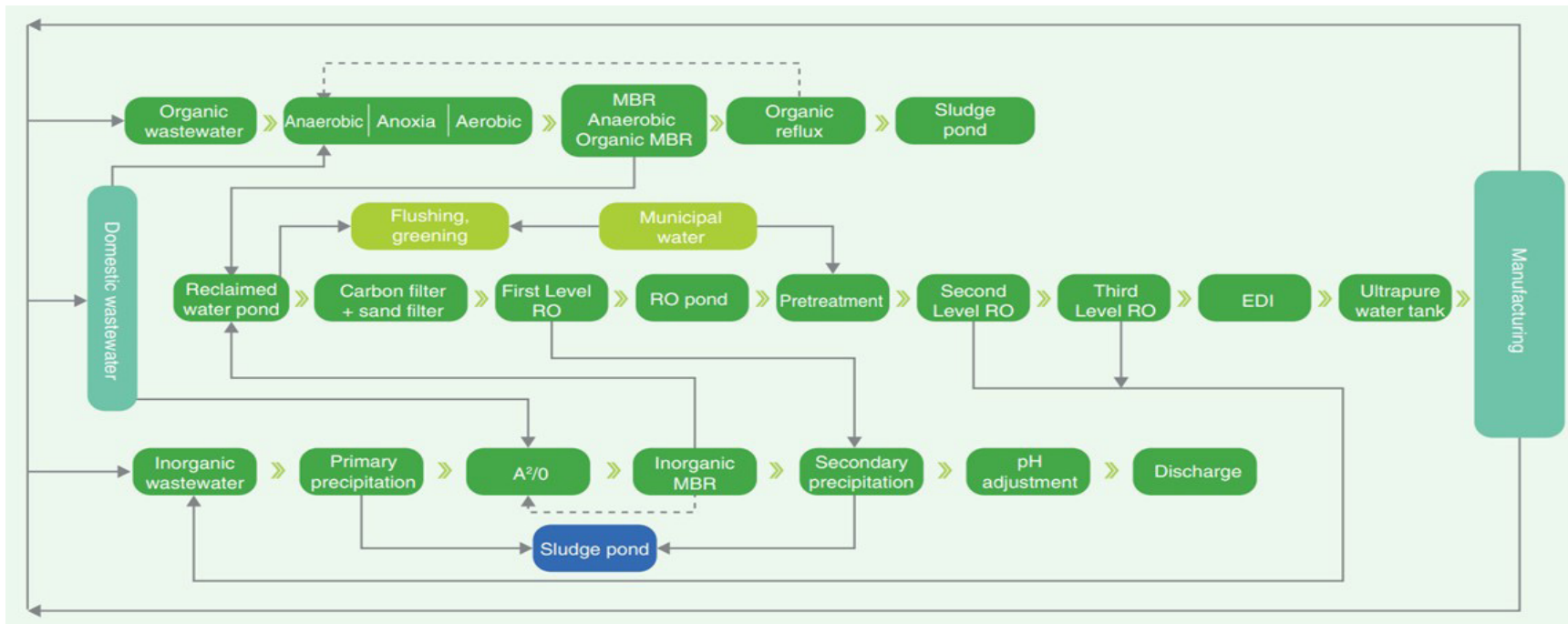




The Group continues to Identify and analyze opportunities to improve water efficiency across all production and operation sites and works to optimize production processes to reduce water consumption at the source. We also actively implement wastewater recycling procedures and reuse treated domestic wastewater in production processes and environmental greening, significantly reducing our impact on external environments. Additionally, to ensure that our wastewater does not cause environmental pollution, all campuses have wastewater treatment facilities regularly inspected and maintained by dedicated personnel. Discharged wastewater complies with sewage standards and is periodically inspected by qualified external institutes. The online monitoring of the discharge outlet of the wastewater plant is connected

to the Environmental Protection Bureau for real-time management and control of water quality monitoring. In addition, local Environmental Protection Bureau personnel visit the factory occasionally for inspections to improve environmental compliance.

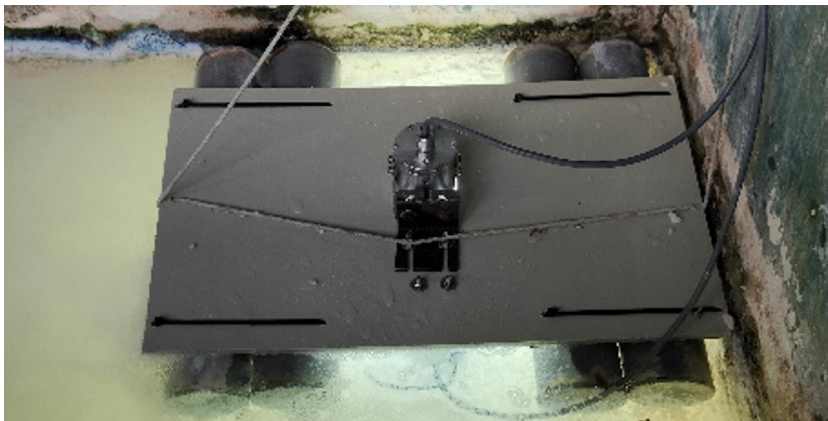
Lankao Campus has obtained AWS Gold-level certification for water management. In recent years, the Zhengzhou Campus has not only made efforts in water quality and quantity but has also begun to pay attention to the impact of the Campus on critical water-related areas. It should obtain at least AWS Gold certification by the end of the year. In the future, we will further expand relevant certifications to achieve more sustainable development goals.



Wastewater Management and Water Reuse System



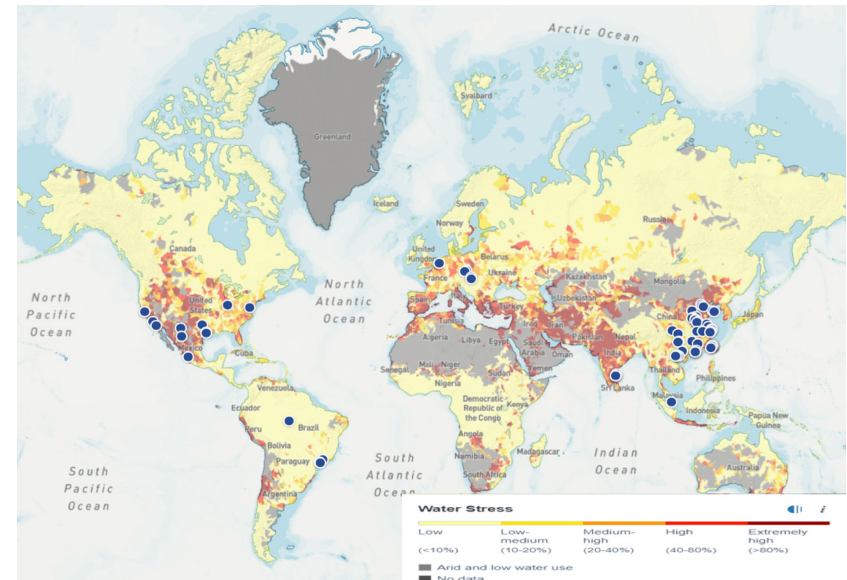
Longhua Campus has introduced AI flocculation technology to reduce human judgment and human operation risks and accurately reduce operating costs.



### 4.3.4 Water Stress Assessment

In 2023, we introduced the Aqueduct water resource risk assessment tool developed by the World Resources Institute (WRI) for our global operating sites, conducting water risk analysis on water resource usage, identifying water stress risk, and quantifying water risk.

The evaluation results present a clear risk distribution map, with extreme-high risk accounting for 28%, high-risk areas accounting for 7%, medium-high risk areas accounting for 15%, medium-low risk areas accounting for 30%, and low-risk areas accounting for 20%. Based on the result, we have taken relevant water protection measures and promoted the reduction of water usage and water resource conservation to both employees and suppliers, in order to mitigate the impact on the environment during the production process.





## 4.4 Waste Management

Since the industrial age, large amounts of solid waste have been generated due to the needs of manufacturing processes and private individuals. Waste that is not correctly disposed of can enter the soil, water sources, and the air, cause pollution to the environment and produce large amounts of waste that take a long time to decompose, affecting future generations. Waste has become an environmental issue of increasing importance. Because of this, the Group has implemented “zero waste” policies at all key campuses in China to gradually reduce amounts of incinerated and landfill waste, ensuring compliance with maximum limits of 100% waste conversion rates and 10% incineration rates. Our “zero waste” policies have become our most important strategies. These policies minimize generated waste through source reduction of raw materials; we are also actively engaged in recycling and reuse inner and outer packaging materials in our operations, enhancing waste recycling and reuse rates.



### 4.4.1 Waste Generation, Recycling and Disposal

Group total amount and disposal methods of waste in 2023 (Unit: thousand tons)

	Landfill	Incineration (with energy recovery)	Incineration (without energy recovery)	Compost	Anaerobic decomposition	Recycled	Others
Mainland China	9.30	52.09	6.52	18.23	11.36	475.84	10.84
Other Asia	1.98	4.59	0.49	2.80	0.10	34.76	5.41
Overseas Campuses	6.86	1.55	1.08	0.70	1.20	41.40	6.35



Group total amount and disposal methods of hazardous waste in 2023 (unit: thousand tons)

Landfill	3.93
Anaerobic decomposition	0.003
Recycled and reused	91.52
Incineration (with energy recovery)	12.77
Incineration (without energy recovery)	1.15
Compost	0.00
Others	2.69
Total	112.07

Based on orders and production conditions, the Group set a 2023 waste reduction target of 5% compared to last year and achieved the target this year.

#### 4.4.2 Waste Management Programs

Hon Hai Electronics ranks first globally in the field of OEM services, with a market share of over 40%. The total number of employees worldwide reaches approximately 0.9 million during seasonal peak periods. Therefore, the types of waste generated by the Group are diverse, and after evaluation, they can be mainly classified into three categories: household waste, industrial waste, and hazardous waste.

In order to achieve the Group's long-term goal of obtaining at least 5 UL 2799 zero waste to landfill certifications by 2025, the Group actively implements recycling projects within the campus area to reduce the use of raw materials from the source, minimize waste generation and improve

the recycling and reuse rate of internal and external packaging materials. Gradually reduce the valuable waste generated from outsourced incineration and landfills. In 2023, the Group achieved this goal ahead of schedule and has obtained 21 zero-waste certificates, with 37 legal entities certified.

The Group has formulated waste management principles

Reduction: Minimize the generation of waste in the production process.

Reuse: Promote the reuse of waste and reduce disposable items.

Recycling: Strengthen the separation and recycling of waste and ensure the effective use of recyclable resources.

Harmless treatment: Harmless treatment of non-recyclable waste to mitigate the impact on the environment.

Legal Disposal: Strengthen the management of waste transportation and transfer to reduce damage to the ecological environment.

Promoting circular economy principles for waste minimization through source reduction and resource utilization, specific implementation measures such as advocating for a household waste classification and collection system, implementing plastic restrictions, extending product life, optimizing product design and improving production efficiency, and promoting internal recycling and utilization. It also advocates green consumption and manufacturing, implanting waste reduction awareness into the DNA of employees, and actively achieving sustainable resource utilization. The Group's Plastic Application Center is responsible for recycling the Group's plastic pallets and has obtained multiple plastic UL 2809 certifications.





product packaging, etc., to reduce waste generation. We also explore the best solutions for recycling and disposal of waste. Our core goal is to build zero-waste campuses that implement “zero landfill” policies.

Hon Hai has utilized its self-developed environmental data collection system for real-time tracking. We have signed memorandums of cooperation with UL international verification institutes and aim to build “Zero Waste Pilot Campuses” through the incorporation of digital waste management using cloud technologies and quantitative systems that enable waste reduction. Apart from tracking improvements, we have also extended these policies throughout the corporation to achieve our “Zero Waste Campuses” goal, building upon our philosophy of “Sustainable Management=EPS+ESG” and setting an example for the industry.

As of December 2023, Nanning, Hengyang and Kunshan Campuses received the highest Platinum-Level UL 2799 Zero Waste to Landfill Certification. Shenzhen Longhua Campus obtained UL 2799 Zero Waste to Landfill Gold-Level Certification.

To ensure the legal and practical disposal of waste, avoid environmental pollution, open and fair bidding processes for waste disposal, strictly review the legal qualifications of waste disposal manufacturers, select waste disposal manufacturers with the lowest risk for cooperation, and conduct regular inspections to ensure the legal disposal of waste handled by outsourced manufacturers.

### Zero Waste Factories

“Circular economy” is a crucial strategy in the Group’s promotion of sustainable development and enhancement of resource usage efficiency. We allocate funds and human resources to assess the types and quantities of waste generated during the production and operation, and formulate plans to reduce waste generation. We start by optimizing production processes, reducing defective product rates, simplifying



### Interact with stakeholders

**Program 1:** Holding plastic restriction campaign in India highlights the Group’s active promotion of plastic restriction



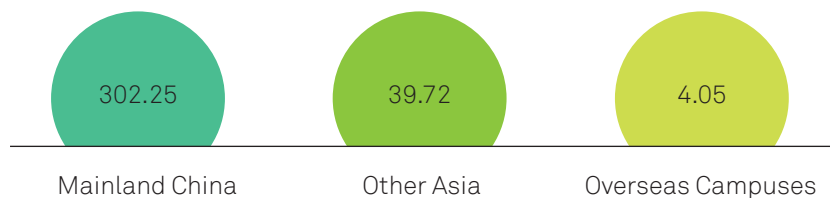
**Program 2:** Holding painting activity for waste warehouse employees in Nanning to enhance their awareness of waste management

## 4.5 Air Pollution Management

The Group has established comprehensive scientific air pollution management regulations. Based on the composition and characteristics of exhaust emissions, we select the best available technologies and actively adhere to all government air pollution management measures. We have formulated practical and feasible contingency measures, regularly maintain and improve treatment facilities for exhaust emissions, and ultimately achieve exhaust emissions 100% adhere to discharge standards.

### 4.5.1 Group Volatile Organic Compounds Emissions in 2023

Unit: tons



### 4.5.2 Air Pollution Mitigation Measures

Before the production and operation process, the Group will obtain the environmental impact assessment license from the local government, install waste gas treatment equipment that meets the production industry, conduct regular inspection and maintenance, environmental sampling and monitoring, and regulate waste gas emissions in compliance with regulations. In terms of air treatment, the Group has the following management principles, including source reduction, process optimization, technological innovation and end-of-pipe management measures, and is committed to minimizing the impact of atmospheric pollutants on the environment.

Source control	Process optimization	Technological innovation	End-of-pipe management
Prioritize production design principles that reduce pollutant emissions.	Strengthen control measures in the production process and optimize production processes.	Support the research and development and application of environmental protection technologies and equipment to improve the level and efficiency of air pollution control.	Adopt effective and best available technologies and equipment to reduce pollutant emissions.





For the Group's internal emissions, we confirm the treatment technologies used based on factors such as the composition, characteristics, and concentration of the emissions and after passing the environmental impact assessment by the local environmental protection bureau, such as activated carbon, scrubbers, and regenerative thermal oxidizers (RTOs).

### Enhancing treatment efficiency: Multistage processing

In order to improve the treatment efficiency of exhaust emissions, we implement multi-stage treatments for different processes using composite treatment measures that can be adjusted flexibly based on the components of different exhaust emissions for better adaptation to actual emissions treatment conditions.

### Innovative measures: Smart environmental protection monitoring platform

The Group has created an intelligent environmental protection monitoring platform to establish a real-time monitoring mechanism that meets government requirements and lowers disaster risks. The platform enables centralized information monitoring, real-time air quality monitoring, instant notifications and feedback for abnormality handling, risk classifications, and the creation of visual maps. The factories set up exhaust gas treatment equipment according to the characteristics of the production line to ensure compliance with the emission requirements required by the Environmental Protection Agency. In addition to regular inspections of exhaust outlets, we also introduce a drone factory patrol project to facilitate immediate preventive inspections and prevent air pollution before it occurs.



Yantai Campus uses a regenerative thermal oxidizer (RTO) to oxidize and decompose volatile organic compounds (VOCs) in exhaust gas.



The Group has set an environmental goal of establishing at least three air quality system monitoring demonstration factories by 2025. In 2023, Longhua Campus has completed one of the target factories.

**The method is as follows:**

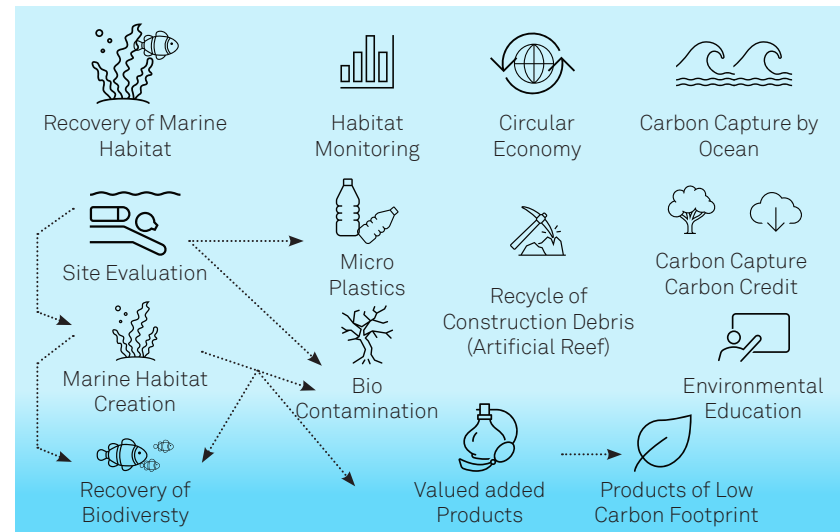
Longhua uses drones to inspect and sense real-time air quality pollutant concentrations in the factory area, including PM2.5 (fine suspended particles), PM10 (suspended particles), O<sub>3</sub> (ozone), CO (carbon monoxide), SO<sub>2</sub> (sulfur dioxide), NO<sub>2</sub> (nitrogen dioxide), VOCs (volatile organic compounds), and OU (odor). Real time environmental data is collected on the environmental monitoring system for visual analysis, strengthening the independent inspection and management of air quality in the factory area, implementing digital audits and timely warnings, effectively controlling pollution, and intelligently tracking changes in air quality emission concentrations.

## 4.6 Biodiversity

Hon Hai Technology Group pays attention to the international trend of biodiversity. It releases the “**Hon Hai Technology Group Biodiversity and No Deforestation Commitment**” publicly committing to the company’s determination to operate sustainably, demonstrating the company’s core value of protecting the ecological environment and at the same time, implementing the United Nations’ sustainable development goals:SDG 14 conserves marine ecology, SDG 15 conserves terrestrial ecology, and SDG 17 promotes partnerships to achieve goals and maintains biodiversity to fulfill its responsibility to protect the environment and care for the earth.

Hon Hai actively practices actions to maintain biodiversity and responds to initiatives such as the United Nations Convention on Biological Diversity (CBD). It has always taken “green, ecological, natural, zero emissions, and recyclable” as its environmental management policy, identifying products parks, and minimizing the impact on the surrounding ecological

environment to reduce the adverse effects on communities, environment, and natural resources.



Project structure diagram

**Actions for Sustainable Marine Recycling Resources**

The Group collaborates with the National Taiwan Ocean University on the “Sustainable Oceans - Recycling Resources” plan, which aims to promote the recycling of waste-building materials into fish reefs and algae reefs. Through a systematic recycling system and French 3D printing technology, the waste building materials are transformed into fish reefs and algae reefs suitable for different species to survive in and placed in the sea to improve the living environment of marine organisms. By regularly releasing fish fry, it aims to cultivate biological resources, enhance biodiversity, and convert land-based waste into helpful marine resources.





The plan also covers multiple environmental sustainability projects, including AI deep learning, coral resource investigation and restoration technology development, carbon reduction new technology research and development, marine plastic particle monitoring and recycling technology, and the use of marine bioactive substances in biomedicine. Through the education courses of National Taiwan Ocean University, colleagues and family members of Hon Hai will also participate in the sustainable ocean plan.

The Hon Hai Biodiversity Restoration Plan is based on the guidance of the competent authority, using locally native seedlings for breeding and cultivation, including fish, corals, algae, and shellfish. From 2023 to 2024, three biodiversity restoration fish fry release events were held at the Meiyuan Mountain Fishery Port Intermediate Breeding Base, Heping Island Geopark, and New Taipei Marine Resources Restoration Park. The released fish species are the *Brachycephalus brevis*, sea bream, and striped sea bream, all of which were released through shore release, totaling 15,000. By releasing fish fry, the restoration area's ecological resources and sustainable cycle environment will be improved. The above species selection should be carried out annually in the future. At least one species will be released, and nine seedling proliferation and release events are expected to be jointly achieved with the Group personnel within three years, totaling at least 45,000 seedlings.



The Group's personnel participated in the seed propagation process and completed the deployment form assessment. It is planned to use the intertidal zone abalone pool as a demonstration point to deploy 3D-printed fish and algae reefs for preliminary experiments and regularly monitor the overall effect. A total of 350 m<sup>3</sup> has been completed, and it should be expanded further into the sea by 2025. The artificial reefs will be used in the sea, and 3D printing technology will transform waste into specially designed artificial reefs, making it a home for marine life.

### Implanting biodiversity and sustainable DNA

Hon Hai conducts marine science education with the core of “purifying the sea, knowing the sea, nearshore, and entering the sea”. Marine environmental education conveys the concepts and practical experiences of biological resource restoration, circular economy, water safety, and microplastic hazards. In 2023, it completed nine ecological education activities with Group employees and National Taiwan Ocean University, totaling 578 people. The activities include introducing marine protected areas, a basic understanding of algae, ecological environment, value-added application of algae, understanding of coral and coral species, habitats, habits, marine waste, fish fry release, beach cleaning, fishing village tours, algae and fish feeding education, geological park inspections, and water safety lectures.



We start from the location of Hon Hai headquarters and take concrete actions to convert onshore construction waste into seabed resources to restore Taiwan’s indigenous species, maintain biodiversity, and create marine carbon sinks to fulfill our responsibility to protect the environment and cherish the earth. This innovative act of killing three birds with one stone can restore biodiversity, reduce waste, and achieve the goal of carbon sequestration to slow down the Earth’s slowdown.

Hon Hai has also participated in the 2023 Asia Pacific Sustainability Expo and demonstrated the action and results of the sustainable vision.





### Tree planting activities

We insist on achieving the goal of zero net deforestation by avoiding excessive deforestation. Our business department has taken action to strengthen the implementation of biodiversity restoration strategy plans. Overseas campuses cooperate with local associations to participate in tree-planting activities. Some business units also invited employees' families to participate in this event, reflecting the joint efforts to protect biodiversity and prevent deforestation. For example, overseas campuses collaborate with the non-profit organization One Tree Planted to plant trees and obtain certification.



## 4.7 Sustainable Raw Materials

### 4.7.1 Packaging Materials

#### Objectives:

- Reduce consumption of resources such as energy, water, and raw materials.
- Reduce waste generation and recover and recycle waste as much as possible.
- Avoiding the generation of waste polluting the environment as much as possible and disposing of unrecyclable waste in an environmentally friendly manner.
- Adopting environmentally friendly materials as well as designs, technologies and raw materials which can save energy and reduce waste.

In the case of the overseas plants of the Group's subsidiaries, plastic and paper packaging material is reduced through reengineering while maintaining quality, safety, and longevity. The screen protector envelopes were redesigned to reduce 40% of plastic usage; the product guide was also redesigned to reduce paper consumption by 90%, and the screen protection application system can reduce 80% plastic usage.



Progressively improve the consumption of packaging materials by referring to international certifications and guidelines:

- Forest Stewardship Council (FSC) certified paper materials
- Chain-of-custody certification
- The sustainable packaging guidelines from the Australia Packaging Covenant Organization (“APCO”)

## 4.7.2 Plastic and Metal Raw Materials

Natural resources refer to the stock of renewable and non-renewable natural resources on Earth, which, when combined, bring benefits or services to humanity. Hon Hai is well aware of the interconnection between the use of raw materials and climate change and is gradually collecting statistics on the use of raw materials, as well as tracing country of origin information for raw materials to lay the foundation for improving efficiency and recycling rates.

According to the total procurement volume, the three major raw materials prioritized for management by the Group are steel/iron, plastic, and aluminum.

### The Group’s material usage in 2023

Unit: tons

	Plastic	Aluminum	Iron/steel	Cobalt	Nickel	Lithium
Total amount of recycled and reused materials	10,614	8,120	17,611	N/A	N/A	N/A
Total amount of materials	43,597	8,120	159,804	N/A	N/A	N/A
Main countries of origin	China	China	China, Australia	/	/	/

## 4.8 Hazardous Substance Management

The Group strictly follows the chemical safety regulations of local governments in various countries and the restricted substance specifications of customers. It also establishes a chemical management committee to coordinate the Group’s chemical management work. We

have hierarchical control over chemical substances involved in the production and operation process, and commit to minimizing, controlling and eliminating the impact of harmful substances on employee health and the environment and moving toward the goal of “zero harm, zero pollution”.





### Latest regulatory compliance status

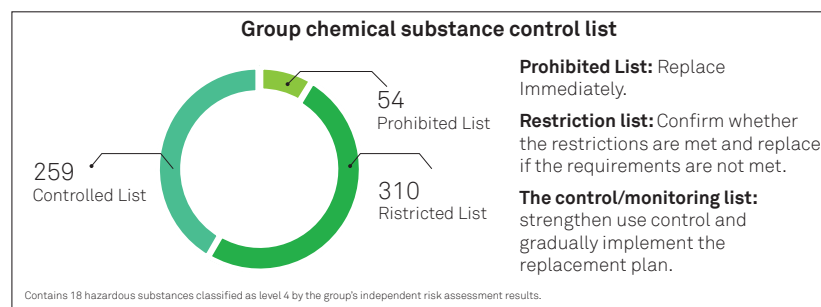
On January 23, 2024, the European Chemicals Agency (ECHA) officially announced the 30th batch of 6 SVHCs on its official website, because dibutyl phthalate (DBP) among the six substances is included in the Group in the 2022 Control list, so the other five substances will be integrated into the existing group chemical control list.

On March 21, 2024, the European Commission adopted a revised draft of POPs that tightened the HBCDD (hexabromocyclododecane) limit. The draft requires HBCDD as a flame retardant ingredient at a concentration lower than or equal to 75 mg/kg (original 100 mg/kg). The Group completed the inventory and management of raw materials in April 2024 and started control earlier than the regulations.

We will also continue to track and pay attention to regulatory updates and

update the Group's chemical control list in real-time.

The Group established the “Group Chemical Substance Control List” based on relevant laws and regulations, customer requirements, and the Group's independent risk assessment results.



### 4.8.1 The Group's Chemical Usage in the Past Three Years

	2021			2022			2023		
	Production use/tons	Non-production use/tons	Laboratory use/ tons	Production use/tons	Non-production use/tons	Laboratory use/ tons	Production use/tons	Non-production use/tons	Laboratory use/ tons
China	100,364	35,093	21	85,689	43,038	65	87,150	22,157	13
South-east Asia	621	5	0	4,534	789	0	3,223	576	0.14
North-east Asia	680	297	0.25	1,264	452	1.5	788	511	1
India	210	40	0	168	65	0	186	48	0.1
America	167	159	0	586	418	0.25	804	236	0.3
Europe	19	4	0	71	5	0	25	5	0
Total/tons		137,681			137,144			115,724	



## 4.8.2 Full Life Cycle Management of Hazardous Substances

### (1) Design

We adhere to green design concepts and comply with the “General Guidelines for Product Eco-Friendly Designs” and “General Guidelines for Eco-Friendly Product Design Evaluations.” Our eco-friendly product designs adhere to the four main requirements: “harm-free, energy-saving, waste reduction, and easy to recycle.” During the product design and development stages, we systemically consider the environmental/health impacts of all stages, from selection of raw materials, production, sales, use, recycling, and treatment; minimize use of materials containing toxic and hazardous substances; reduce generated and discharged pollutants; and strive to minimize product environmental/health impacts.

### (2) Procurement

To ensure “no procurement” of materials with hazardous substances, the Group formulated the “Green Procurement Management Manual” and “Supplier Management Manual.” Also, it used our hazardous chemical management platform to incorporate green product management requirements into all supplier management processes.

The Group has formulated supplier environmental protection and social responsibility commitment forms that suppliers must sign as part of their commitment to Group standards for environmentally friendly products. We also require our suppliers to submit the “Environmental Management Substance Composition or Component Breakdown Form” and declare the hazardous substances contained within products or components. EU RoHS 10 controlled substance directives require suppliers to submit periodically updated third-party test reports for corresponding materials, which must also pass Group verification.

### (3) Login

The Group adhered to the “Global Chemical Unified Classification and Labeling Regulations,” “Chemical Classification and Management Manual,” and “Guidelines for Registration of Existing Chemical Substances,” and other industry standards/regulations in formulating our internal “Chemicals/Substances Registration Management Regulations” and we also referenced RoHS, REACH, TSCA, POPs, and other international chemical control regulations to formulate the Group’s controlled chemicals lists (prohibited substances list, restricted substances list, and controlled substances list). Chemicals that enter campuses are strictly reviewed, classified, and managed, and we also establish corresponding disposal processes.

### (4) Assessment

We have established the “Chemicals/Substances Risk Assessment Regulations” and require all units to form professional risk assessment teams composed of members from the industrial safety management, production, and product development departments. We conduct at least one comprehensive risk assessment of all chemicals each year and adopt corresponding control measures based on risk grades to maintain risks within acceptable levels.

We determine hazard groups, dispersion conditions, and usage of existing chemicals to confirm risk grades and corresponding management methods. New chemicals must undergo the procedures listed in the “Chemicals/Substances Registration Management Regulations” to verify that they comply with the Group’s controlled hazardous substances list, following which we conduct risk assessments.





## (5) Use

To manage their hazard characteristics, the Group register all chemicals used in production and non-production processes. New or updated chemicals with uncertain hazard properties are required to undergo comprehensive safety assessments, classification, labeling, and segregated management of eco-friendly materials and equipment, and compliance confirmation of hazardous substances to prevent the production of non-eco-friendly products.

Operational sites for hazardous chemicals reference relevant FM standards, and we have established extraordinary storage cabinets and anti-leakage measures. Chemical use strictly adheres to standard operating procedures, and we have established emergency drills and on-site disposal plans to ensure employee health and safety.

## (6) Outputs

The Group has established a large-scale testing institute with 24 professional laboratories in different fields and eight branch institutes. Our chemical analysis laboratory is responsible for testing and verification of hazardous substances. The lab is equipped with more than 50 types of chemical analysis equipment (including ICP-MS, ICP-OES, GCMS, PYGCMS, and LCMSMS equipment). The lab obtained CNAS certification in 2006 and has testing capabilities for RoHS2.0, REACH, halogen, VOCs, and other hazardous substances.

Since its founding, the lab has completed more than 550,000 tests of hazardous substances and assisted business units in monitoring chemicals used in all processes from material selection, material inputs, manufacturing processes, finished products, wastewater, exhaust emissions, and treatment of solid wastes to protect the health and safety of personnel working on Group materials, products, and waste, and also to ensure that all processes adhere to environmental requirements.

### 4.8.3 Hazardous Substances Replacement Plan

The Group identified 100% of the chemicals used, actively managed hazardous substances, and deployed reduction plans for restricted/monitored substances in advance. In addition, the Group will regularly disclose the “Hazardous Substance Improvement List” on the company’s official website.

#### 4.8.3.1 Progress and effectiveness of hazardous substance replacement in 2023

Improvement methods include material substitution (replacing high and no/low hazards), process changes, and other methods. For example:

Replaced Substances	Replacement Achievements	Completion Time
Deinking agent GC-006	The cleaning process uses a cleaning agent containing diethylene glycol dimethyl ether to remove ink from the product's surface, which has a low flash point and a risk of combustion and explosion. The wet polishing process is used instead of the cleaning process, and flammable solvents are not used to improve work safety.	August 2023
HW-10709 environmentally friendly cleaning agent replaces RC-105 cleaning agent	The use of borax-containing cleaning agents in the cleaning process can cause poisoning if they accumulate in the human body. Using HW-10709 environmentally friendly cleaning agent achieves boron-free improvement and is environmentally friendly.	July 2023
DM-0318 water-based alternative Class A cleaning agent	The glue valve in the dispensing process is cleaned using ultrasonic heating with alcohol, a Class A flammable liquid with low flash point and easy volatility. DM-0318 water-based cleaning agent is used, and it is not flammable.	October 2023
Lubricant replacement	The lubricating oil used for circulating cooling of the CNC machine spindle contains SVHC isopropylated phosphate grease, which Morlina5 can replace without SVHC to reduce the risk of contact for anode operators.	November 2023
Ultrapure water + ultrasound replaces chemicals.	When polishing/wiping optical lens molds, manual use of chemical agents such as WD-40 is required. Ultra-pure water and ultrasound are used instead of manual wiping, ensuring that personnel do not contact the agents, making it safer.	November 2023
Ferrous sulfate solution replaces SPS micro-etching solution	The pre-treatment SPS micro-etching solution undergoes an irreversible reaction, generating copper ions discharged with wastewater. Using ferrous sulfate solution, recycling regeneration and pure copper extraction are achieved through electrolysis, which is pollution-free and more environmentally friendly.	September 2023
Ink KA2218 replaces YM-A.	Masking process medication ink, harmful to skin contact, replacing with KA2218 ink, low hazard, safer.	September 2023

#### 4.8.3.2 2023 VOCs Reduction Action

Develop a reduction plan for high VOCs used in the production process, especially cleaning agents, coatings, adhesives, inks, etc., and promote the use of environmentally friendly solvents such as water-based cleaning agents, water-based coatings, UV coatings, hot melt adhesives, UV inks, etc. Encourage using solvents certified by environmental labels to reduce the generation of VOCs at the source. For example:

VOCs Reductions	Reduction Achievements
Improvement of VOCs at the dispensing station	The original adhesive 508B has a VOC content of 23.4%. By introducing adhesive 6158, the VOC content can be reduced to 4.5%, and the total annual emissions can be reduced by 1 ton.
Replacement of cleaning agents	The original cleaning agent, YC336 has a VOC content of 80.8%. By introducing cleaning agent C-16A, the VOC content can be reduced to 34.7%, and the total annual emissions can be reduced by 5 tons.

Preface  
 Corporate Governance, Smart Innovation  
 Diverse Employment, Inclusiveness, Engagement  
 Healthy Workplace, Safety, Adherence  
 Green Solutions, Circular Economy  
 Business Sustainability, Beneficial Partners  
 Social Contribution, Win-Win Strategy  
 Appendix





### 4.8.3.3 Improve Innovation Evaluations and Promotions

We encourage all units to actively replace/reduce the use of hazardous substances and enhance the management of dangerous substances. The Group has established incentive and assessment mechanisms based on

professional, technical, and promotional indicators. In 2023, we received 66 outstanding innovative improvement proposals from our campuses worldwide and distributed 127,976 NTD in rewards. Outstanding cases were shared with all units worldwide.

#### Improvement Proposals

##### Improvement of Anodized Acid Recycling

The anode mass production line consumes approximately 445 tons of chemical acid each year, resulting in a large amount of waste acid and wastewater discharge. Additionally, chemical acid has strong corrosion and high treatment agent costs.

Establish a chemical acid recycling system (ion exchange resin + evaporator), using a resin bed to remove aluminum ions from waste acid and wastewater. Then, through evaporation concentration, the ideal proportion of chemical acid is recovered, and finally, it is added for use through manual blending. After verification, the recovery rate of the chemical polishing solution can reach 95%, and there is no significant difference in polishing gloss compared to the original solution. It is estimated that the cost of chemical and wastewater acid treatment will be saved by 4.42 million yuan per year, achieving cost reduction and emission reduction.



Ion exchange resin

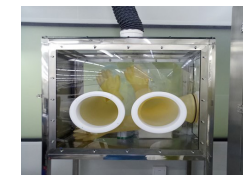


Evaporator

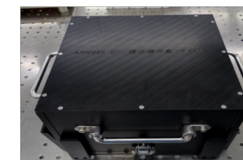
##### Improvement of adhesive odor dissipation

The glue in the dispensing process is manually packaged with PPE inside the machine and then transported to various equipment. During the packaging and transportation process, the smell of the glue evaporates severely.

Through technical means and management process improvement, independent packaging platforms and exhaust facilities are set up during the packaging process to isolate the work site and reduce the impact of odor; self-made "sealed fixture box" during transportation and standardized transportation SOP to ensure that glue does not leak during transportation and effectively prevent odor from escaping.



Distribution table



Sealed fixture box

#### 4.8.3.4 Personnel Cultivation and Corporate Culture

To strengthen employees' and contractors' understanding of chemicals, the Group formulates detailed training plans each year. It continues to invest in chemical safety training for employees and contractors, encompassing green material management policies, client requirements, and implementation requirements for the latest laws and regulations. We also organize at least two annual chemical emergency drills each year, as well as training on personal protective equipment for on-site vendors and contractors with chemical exposure risks.



#### 4.8.3.5 External Collaborations to Strengthen Industrial Actions

In addition to being the first to use green chemicals, Hon Hai also actively responds to government actions and international initiatives, actively participates in formulating regulations and standards, assists in establishing industry standards with its own experience, and practices the social responsibility of world-class enterprises.

#### Limits for Volatile Organic Compounds and Specific Harmful Substances in Cleaning Agents for Microelectronics and Electronic Assembly

At the invitation of the Shenzhen Government, the Group collaborated with the Shenzhen Institute of Metrology and Quality Testing to participate in the development and draft review meeting of the Limits for Volatile Organic Compounds and Specific Harmful Substances in Cleaning Agents for Microelectronics and Electronic Assembly, reviewing improvement suggestions and suggestions.

The specification successfully passed expert review in June 2023 and was published online by the Shenzhen government on January 4, 2024. It should be released before the end of June 2024 and officially implemented by the end of December 2024.





### Technical Specification for Low Volatile Organic Content Coatings

In December 2023, the Shenzhen Ecological Environment Bureau revised the Technical Specification for Low Volatile Organic Content Coatings (SZJG54-2017), and the Group was invited to participate in the draft revision. In order to leverage the first mover advantage and advance layout, the internal BG/BU jointly reviewed the modification opinions of the technical specification to respond to industry shocks in advance.

The technical specifications are still being revised.



## 4.9 Product Stewardship

### 4.9.1 Product Design Criteria

When designing new products, the Group fully considers environmental factors, such as renewable, non-toxic and harmless raw materials, low-energy production processes, simplified packaging and the use of low-carbon transportation methods. The product should be environmentally friendly and durable, helping reduce customers' consumption of natural resources and energy. We also consider the recyclability and reuse rate at the end of the product's life cycle to make the product life cycle as low-carbon and environmentally friendly as possible.

The Group is gradually introducing the product life cycle into its consumer offerings on a pilot basis. For example, our subsidiary, FIT Electronic Inc. (FIT), is fully aware of monitoring the whole life cycle of product development and exploring R&D. Consider product quality and monitor product risks through advanced product quality planning methods and international material data systems. In 2023, Hai Duong factory in Vietnam won the Kefico Outstanding Cooperation Award.

#### Product Risk Assessment

In addition to conducting extensive market research and industry benchmarking before the launch of products and services, identifying and assessing environmental and social risks in the entire product lifecycle are also included. Each site is required to conduct an impact analysis from external and internal factors ranging from technologies, environmental regulations, customer preference, resource availability, to corporate culture and production capacity that may impact products. Further understand stakeholder concerns and expectations, identify

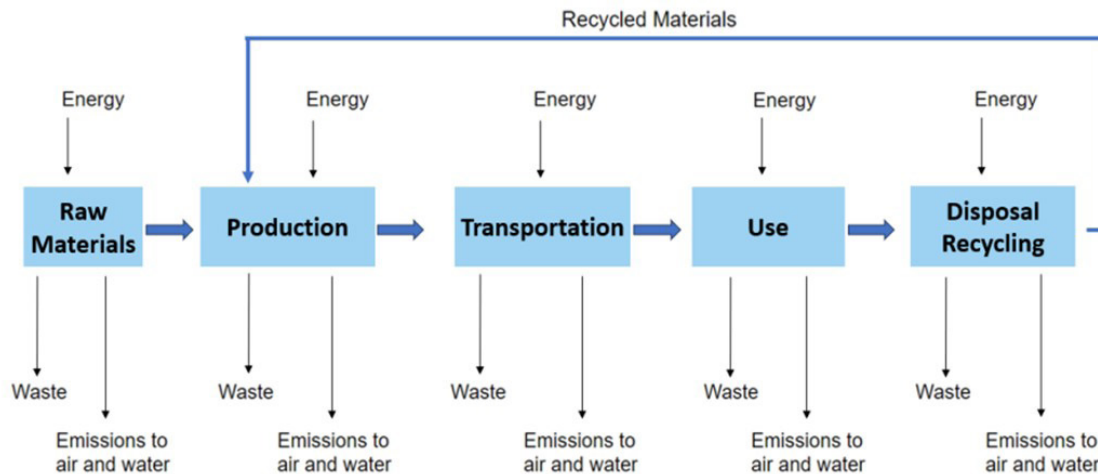


and manage emerging risks and opportunities, review and adjust current objectives and measures in a timely manner, and identify risks from multiple perspectives covering compliance, product sustainability and safety, and changes in customer needs. Continuously invest in the effective operation of product risk assessment and management system introduction to ensure immediate response to potential risks and opportunities in the market.

#### 4.9.2 Life Cycle Assessment

The Group's subsidiary Belkin, for example, carries out carbon footprint studies of its products in accordance with the ISO 14040 and ISO 14044 standardization through the Life Cycle Assessment (LCA) method. Data on energy, water, and material consumption of a given product at different stages (i.e., from raw material development, production, transportation, product use and maintenance, to disposal or recycling) are collected step-by-step. The results of the analysis can be used as a basis for modifying the product design.

**Life Cycle Assessment (LCA)**  
Measuring the environmental footprint of our value chain



# 5 Business Sustainability, Beneficial Partners

## Material issues in this chapter:

- Issue 1 – Procurement practice and management
- Issue 2 - Supply Chain Management

“ A sustainable supply chain is at the center of our key developments with our strategic cooperation partners. The challenges of geopolitics and broken chains underscore the importance of sustainable supply chain management strategies and executive performance. On this basis, the Group aims to develop efficient and collaborative relationships with suppliers in the long term, which will be illustrated via environmental, social, and governance risk assessments as well as audit verifications. This contributes greatly to the resilience of our supply chain, operational risk mitigation, and sustainable management overall.

## Key KPIs and achievements/Honors in 2023

- 1 In 2023, 150 significant suppliers attended the ESG risk assessment, which increased by 100% compared to that of 2022.
- 2 A total of 186 suppliers completed carbon inventories, resulting in carbon reductions of 484,000 tCO<sub>2</sub>e from 2022 to 2023.
- 3 The Group conducted the social impact assessment for suppliers with the improvement plan in Human Rights management and the improvement rate of 76%.

Major GRI standards mapped:

GRI 308, GRI 414

Commitment to SDGs



## 5.1 Policies for Sustainable Management of Suppliers

### 5.1.1 Supplier Management Guidance

#### 5.1.1.1 Hon Hai's Supply Chain

The Group aims to develop efficient and collaborative relationships with suppliers in the long term, which will be illustrated via environmental, social, and governance risk assessments as well as audit verifications. This contributes greatly to the resilience of our supply chain, operational risk mitigation, and sustainable management overall.

As a leading global electronics manufacturer, the Group thrives to achieve sustainability and competitiveness in supply chain development.

The Group has established the supplier's code of conduct named Foxconn Supplier Social and Environment Responsibility Code of Conduct as well as Hon Hai Group Biodiversity and Non-Deforestation Commitment to comply with local laws and regulations.



**Supplier Social and Environmental Responsibility Code of Conduct**

Responsible Supply-Chain Management, a comprehensive and systematic supply-chain management system, has been established among Hon Hai and its suppliers, followed by specific guidance in ESG standards.

- **Carbon Reduction and Environmental Protection**

1. Requirements on the suppliers to quantify greenhouse gas emissions on a regular basis via setting emission reduction targets and adopting energy-saving and carbon reduction measures.
2. Waste management regulations and improvement on the waste diversion rate through the implementation of 3R (Reduce/Reuse/Recycle) to realize zero waste to landfill.
3. Requirements on the suppliers' production processes to prevent environmental pollution and implement environmental management compliance.

- **Social Responsibility and Green Compliance**

1. Requirements on the suppliers to comply with the Foxconn Supplier Code of Conduct on Social and Environmental Responsibility to strictly prohibit any behavior that violates human rights and ensure workplace health and safety.
2. Requirements on the due diligence management with zero tolerance on the illegal minerals originating from conflict-affected and high-risk areas to realize a conflict-free supply chain.
3. Enhancement of the supplier's green product management capability via not accepting products containing chemical substances controlled by the relevant laws and regulations on green products of various countries and regions and reducing the amount of hazardous chemical substances used in products to realize the declaration of all substances in products.

- **Data-driven Transformation and Optimization**

1. Establishment in terms of ESG performance evaluation standards for suppliers, including regular assessments with rewards or adjustments on high-performing or poor-performing suppliers.





### 5.1.1.2 Specific Actions

- Encouraged our suppliers to implement net zero actions. A total of 186 suppliers completed carbon inventories, resulting in carbon reductions of 484,000 tCO<sub>2</sub>e from 2022 to 2023.
- Additionally, 24 key electronics suppliers signed a renewable energy agreement committing to use 100% renewable energies to produce Group products.
- Encouraged our suppliers to implement zero landfill actions. A total of 15 suppliers have obtained UL 2799 Zero Waste to landfill certification, 41 suppliers have formulated and executed waste reduction plans, and 75 key suppliers have been registered on our supplier green management platform and completed zero waste performance evaluations.
- Assisted 30 suppliers in improving environmental violations and helped 145 suppliers with high environmental impacts to report and disclose Pollutant Release and Transfer Register (PRTR) data.
- Encouraged 75 key suppliers to complete the Declarations of Conformity on the RoHS-REACH platform.
- Conducted supplier ESG evaluations which were attended by 150 suppliers, including 75 key suppliers via the ESG management platform.
- Recycled 22,800 tons of commodity raw materials (aluminum, plastics, packaging materials).

- Completed conflict minerals surveys for 1975 suppliers, achieving a response rate of 100%. No use of conflict minerals was discovered.
- Encouraged 210 suppliers to undergo CSR Code of Conduct reviews; 26 of these suppliers underwent third-party RBA VAP audits.

### 5.1.1.3 Supply Chain Oversight

The Group has assigned specific supervisors who sit under the Group's Sustainability Committee to oversee the full supply chain to effectively implement sustainable management for the supply chain and integrate Hon Hai's global procurement systems.

### 5.1.1.4 Achievement and Awards

In 2023, the Institute of Public and Environmental Affairs (IPE) awarded us first place in the Greater China area in the Green Supply Chain Corporate Information Transparency Index (CITI) Evaluation and second place in the IT Industry category. We also ranked first in the

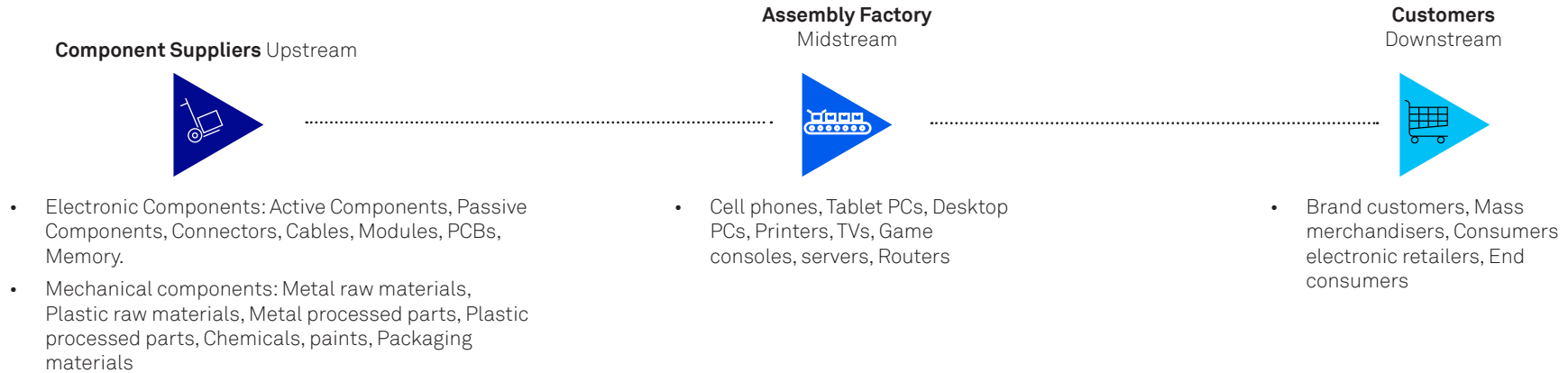
Climate Action Transparency Index (CATI) Evaluation in the Greater China area and third place for the IT Industry.

## 5.1.2 Supplier Management Process

The Group is a leading company in electronics manufacturing. The upstream of the entire industry chain consist of component suppliers, while the downstream consists of various customer groups.



## Hon Hai's full supply chain



The supplier management process consists of four major phases: Evaluation and Certification, Performance Monitoring, Audit and Guidance, and Quality Selection.

1. Evaluation and Certification	2. Performance Monitoring	3. Audit and Guidance	4. Quality Selection
<p>The Group specifies the ESG standards in supplier contracts, strengthening their sense of responsibility, helping reduce operational risks, and enhancing the emphasis on environmental protection and social responsibility of its supply chain. In addition to contractual requirements, a comprehensive evaluation of suppliers is performed via the "Supplier Evaluation System, and only those that meet the criteria can become qualified suppliers</p>	<p>To drive suppliers to continuously improve their ESS management performance, the group has implemented programs in the order as follows:</p> <ol style="list-style-type: none"> <li>1. Launched the ESG performance assessment for Significant Suppliers, with the first group of assessment items including net-zero emissions, zero waste, and green products.</li> <li>2. Added labor rights assessment items in alignment with international evaluation indicators, relevant standards, and client requirements.</li> <li>3. The "Supplier ESG Management Platform" included the function of ESG performance assessment, which assesses the ESG performance of suppliers through the self-assessment and uploading of supporting evidence by suppliers.</li> <li>4. Pushed the underperforming suppliers in terms of ratings and rankings to improve their performance.</li> </ol>	<p>Audit and guidance are enforced at the Group for "high-risk suppliers" and suppliers with poor ESG performance. Significant Suppliers are subject to focused management. Also, subject to the severity of non-conformities, suppliers may be disqualified or required to submit corrective action plans and execute corrective measures within a specified timeframe. Those that fail to correct in time shall be added to the Restricted Supplier List.</p>	<p>Suppliers are classified as suppliers with excellent ESG performance and suppliers with poor ESG performance on the basis of the rankings in the order of respective annual performances. Suppliers with excellent ESG performance shall be rewarded, while suppliers with poor ESG performance will be subject to reduction in the annual procurement amount. quantity, or allocation by 2-5% as well as to guidance for correction. Those that fail to cooperate will be placed on the Group's Restricted Supplier List.</p>





### 5.1.3 Evaluation and Certification

New suppliers must fulfill the guidance that the Group held up for the supplier management, which includes “Supplier Social and Environmental Responsibility Code of Conduct” and “Supplier Management Requirements” by signing “Procurement Contracts” and “Environmental and Social Responsibility Commitments”.

Additionally, 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 also pledge not to directly or indirectly benefit Group employees, related persons, and/or designated personnel.

The OECD Guidelines have been applied with “Conflict Minerals Mineral Value Chain Related Supplier Due Diligence Framework” under a five-step process to plan and implement a conflict minerals management system and specific processes for due diligence.

#### 5.1.3.1 Supply Chain Risk Assessment

The Group conducts ESG (Environmental, Social, and Governance) risk assessments of supplier quality, green products, social and environmental responsibility under “Supplier Evaluation System” for the new suppliers based on the collected data from the following aspects: basic information cards, component recognition certificates, environmental protection and social responsibility commitments, and due diligence for conflict minerals. For strategic suppliers, audits are conducted on quality, production processes, social and environmental responsibility, green product certifications, and greenhouse gas emissions.

The ESG criteria accounts for 30% weight in the new supplier comprehensive evaluation form. A supplier must meet the threshold score(60 points) in the comprehensive evaluation to pass verification

and become a qualified supplier of the Group. In 2023, a total of 31 new suppliers passed the sustainability screening criteria and became qualified suppliers of the Group.

Suppliers are strictly prohibited from conducting any of the following zero-tolerance actions	ESG-Related Basic Requirements for New Suppliers
<ul style="list-style-type: none"> <li>• Use of child labor</li> <li>• Use of forced labor/prison Labor</li> <li>• Discharge of untreated toxic and hazardous substances or materials</li> <li>• Actions and working environments that can cause immediate physical harm to employees</li> <li>• Providing false information to the Group</li> <li>• Retaliation against employees who provide factual information</li> </ul>	<p><b>Management System</b> Passed ISO 14001, ISO 45001, ISO 14064, and QC 080000 system Certification</p> <p><b>ESG Risk Assessment</b> Working hours, salary and benefits, environmental assessment approval, environmental violations, dangerous procedures, and management systems</p> <p><b>ESG Audit</b> We use the RBA VAP Audit Checklist when conducting audits</p>

To ensure the sustainability of the Group’s supply chain, Hon Hai requires all suppliers to sign “the Supplier Social and Environmental Responsibility Code of Conduct” as a standard for self-assessment questionnaires. By doing so, the Group reinforces the suppliers’ sense of responsibility and transparency, which in return helps reduce operational risks, and enhances the supply chain’s focus on environmental protection and social responsibility.



### International Regulations



### Corporate Regulations

1. Responsible Business Alliance Code of Conduct (hereinafter referred to as the “RBA Code of Conduct”)
2. The “SER Code of Conduct for Suppliers” (hereinafter referred to as the “SER Code of Conduct”)
3. The labor, health and safety, environmental protection, and business ethics laws and regulations of the locations where they are located, conform to the national and international regulations applicable to the Group’s cooperation
4. The Group’s policy of not accepting and not using any illegal conflict materials from the Democratic Republic of Congo and its adjoining countries.
5. The net-zero carbon policies and regulations of the countries or regions where the Company is located.

### 5.1.4 Performance Monitoring

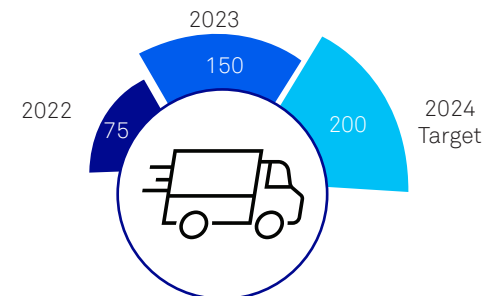
The Group launched ESG performance evaluation for key suppliers in 2022, with targets including net-zero carbon, zero-waste, green products, as well as 2023 newly added Labor and Human Rights. The Group develops ESG performance evaluation metrics for suppliers based on international ESG evaluation indicators, relevant standards, and customer requirements. The ESG performance evaluation function module for the online supplier green management platform in 2022 aims to evaluate suppliers’ ESG performance objectively and fairly through

suppliers’ self-assessment while encouraging continuous improvement among poor-performance suppliers. The supplier’s ESG performance score is a bonus item for the supplier’s comprehensive performance. ESG performance can add up to 20 points (20% weight) to the comprehensive score of suppliers. Suppliers with good ESG performance are more likely to be included in the group’s PSL (Preferred Supplier List) and given more contract awarding.

The Group has addressed four major material topics on supply-chain management including net-zero carbon, zero-waste, green products, as well as 2023 newly added Labor and Human Rights. In 2023, the Group had 150 significant suppliers in their ESG risk assessments, which increased 100% compared to that of 2022. Through integrating the client’s requests and benchmarking against ESG rating standards by the third vendor, the Group has implemented related management systems and training sessions.

For the top three suppliers that passed over 60% of the key indicators in the risk assessment, the suppliers are rewarded according to the related policy. On the other hand, the last three suppliers in the risk assessment face a reduction of budget unless continuous improvements are made accordingly.

### Number of significant suppliers completed risk assessments





### 5.1.5 Audit and Guidance

The Group conducts quality, process, social and environmental responsibilities, green products, and greenhouse gas audits for high-risk suppliers. In addition, the Group also increases management oversight for our key suppliers via regular online surveys and on-site audits of those suppliers. Once zero-tolerance deficits are detected, suppliers will lose the right to be selected for new projects; for non-zero-tolerance deficits, suppliers will be required to provide improvement plans and measures within a stipulated deadline based on the severity of the deficit. Suppliers who do not complete improvements within a specific timeframe will be added to our restricted list of poor-performance suppliers.

In 2023, we conducted audits on a total of 210 major suppliers and discovered 1,700 deficits (including 504 major deficits and 1,196 minor deficits). The Group required suppliers to provide deficit improvement plans and measures within allotted times. As of year-end 2023, improvements have been carried out for a total of 1,291 deficits (including 333 major deficits and 958 minor deficits), achieving an improvement rate of 76%. The Group will continue to track the remaining supplier deficits until improvements have been completed.

#### Hon Hai Improvement Timeframe Requirements



### 2023 Supplier ESG Audit Results

Aspects & Standards	Supplier Audited	Pass Rate
<b>Audit Items</b> <ul style="list-style-type: none"> <li>QPA &amp; QSA &amp; SCM (involving ISO 9000 or IATF 16949)</li> </ul>	210	97%
<ul style="list-style-type: none"> <li>GP (involving QC 080000, RoHS, or REACH)</li> </ul>	155	100%
<ul style="list-style-type: none"> <li>SER &amp; GHG (involving RBA, ISO 14001, ISO 45001, ISO 14064, or ISO 50001)</li> </ul>	210	92%

QPA: Commodity Quality Process Assessment • QSA: Quality System Assessment • SCM: Supplier Chain Management Assessment • GP: Green Product Assessment  
SER: Social and Environmental Responsibility • GHG: Greenhouse Gas

As a member of the RBA (Responsible Business Alliance), Hon Hai not only integrates the RBA Code of Conduct into the company’s Code of Conduct and Responsibility Standards, but also formulates the “Hon Hai Supplier Social and Environmental Code of Conduct” (the latest version of which is formulated with reference to the RBA Code of Conduct, Version 7.0, which will come into effect in January 2021) in accordance with the RBA Code of Conduct, to further extend the social and environmental responsibility to the supply chain.

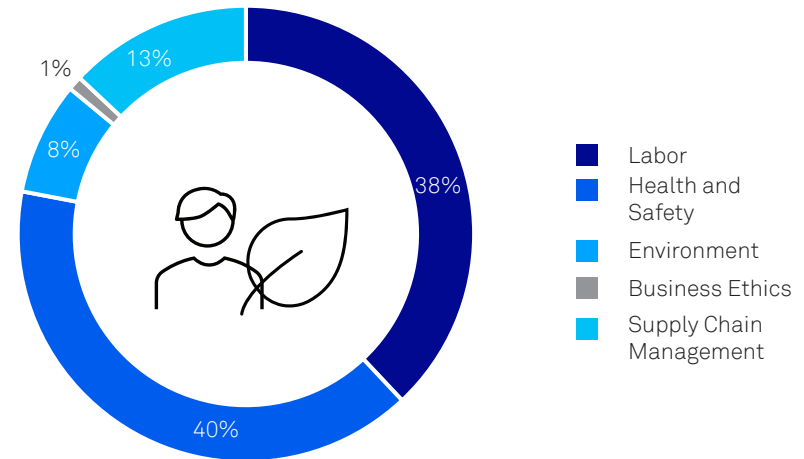
The Group applied SER audit verification via RBA VAP tools. Dedicated supply chain management personnel from the Group’s procurement department conducted the audits with experts in the Human Resources, Industrial Safety, and Environmental Protection units. Audits encompass five aspects: Labor, Health and Safety, Ethics, Environment, and Management System.



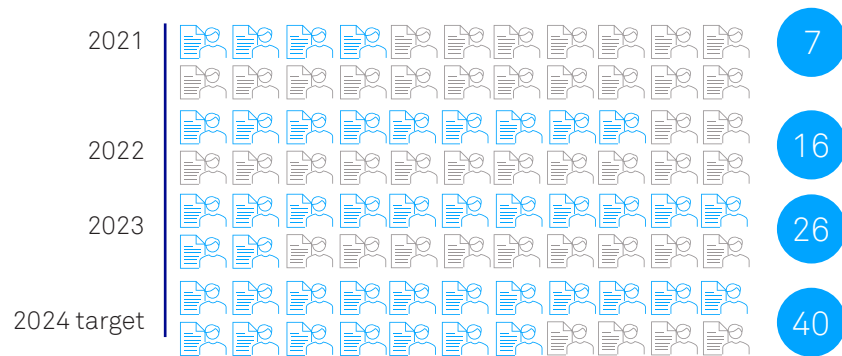
Meanwhile, the Group encourages suppliers to complete third-party RBA VAP audits; suppliers that have completed said audits within the past two years can share their audit reports with the Group to be exempt from repeated audits conducted by our audit teams.

In 2023, the Group completed on-site SER audits via RBA VAP tools for a total of 210 suppliers. Meanwhile, a total of 26 suppliers in the electronics procurement category completed their third-party RBA VAP audits and shared their RBA VAP audit reports with the Group. Among all the participants, 20% out of all the tier-1 suppliers have completed RBA VAP audits. In addition, 33% out of tier-1 suppliers who have high-risk facilities have completed the audits via RBA VAP tools. Upon audits, the non-conformance rate with the RBA VAP is 0%, meanwhile, the associated corrective action rate is 100% among all the Group's tier-1 supplier facilities.

Distribution of ESG audit deficits in 2023

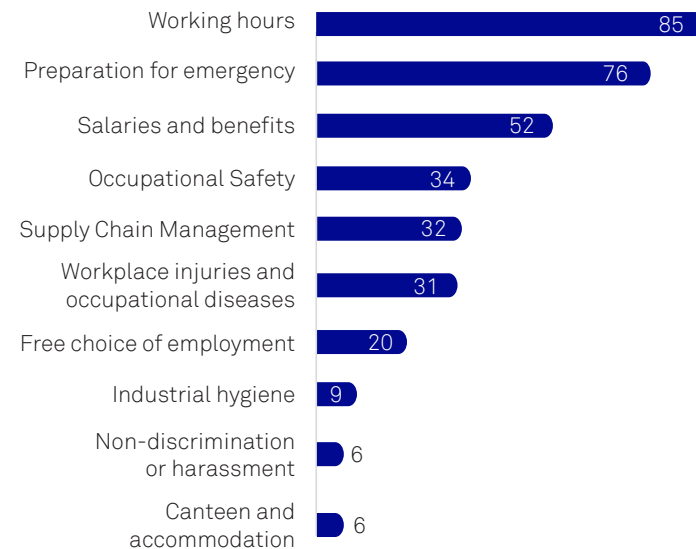


Number of suppliers who have RBA VAP audit reports via the third-party



As a result, the following deficiencies have been detected in supplier audits: labor 38%, health and safety 40%, environment 8%, business ethics 1%, and supply chain management 13%.

Number of non-compliances





Among the SER audits, the top three topics that are against compliance are working hours, emergency preparedness, and salary and benefits. In response to the detected non-compliance topics, the Group's procurement supplier management team will follow up further and supervise those suppliers to make improvements accordingly.

In June 2024, the Group has completed independent, third-party audits of eight major manufacturing campuses in China and India, aiming to strengthen sustainability in its global supply chain practice.

As a result, no significant non-compliance was found in the area regarding supply chain management. In the latest round, the on-site audits were conducted by BSI and LRQA (formerly ELEVATE), where China adopted the RBA VAP 7.1 standard, and India adopted the ERSA 3.0 standard to integrate various industries including electronics.

### 5.1.6 Continuous Improvement

To motivate continuous supplier enhancement of ESG management and performance, the Group launched ESG evaluations for key suppliers in 2022.

In addition, the Group developed supplier ESG performance evaluation standards using international ESG evaluation indicators, relevant standards, and client requirements, including areas in net zero emissions, zero waste, and green products.

Given the top three issues identified by SER audits, the Group continuously follows up with the suppliers to come up with their corrective action plans and jointly supervises the process.

Non-conformity category	Major non-conformities identified	Corrective Action Plans
<b>Working Hours</b>	<ol style="list-style-type: none"> <li>Working over 60 hours per week</li> <li>Working 7 consecutive days (or more)</li> <li>No overtime control mechanism</li> </ol>	<ol style="list-style-type: none"> <li>Recruit more employees to increase production capacity.</li> <li>Introduce automation to reduce manual work.</li> <li>Set up working hours alerts and improve overtime approval processes.</li> </ol>
<b>Emergency Preparedness</b>	<ol style="list-style-type: none"> <li>Fire protection facilities maintenance not in place</li> <li>Not all employees involved in firefighting/evacuation drills</li> </ol>	<ol style="list-style-type: none"> <li>Commission professional organizations to regularly maintain and inspect fire protection facilities.</li> <li>Develop firefighting/evacuation drill plans and organize regular drills for all corporate personnel.</li> </ol>
<b>Compensation and Benefits</b>	<ol style="list-style-type: none"> <li>Not giving employees sufficient leave in accordance with local laws and regulations</li> <li>Not purchasing social insurance for all employees</li> </ol>	<ol style="list-style-type: none"> <li>Formulate/revise leave systems in accordance with local laws and regulations and rigorously enforce the system.</li> <li>Purchase social insurance for employees in a timely manner and conduct social insurance knowledge training for employees.</li> </ol>

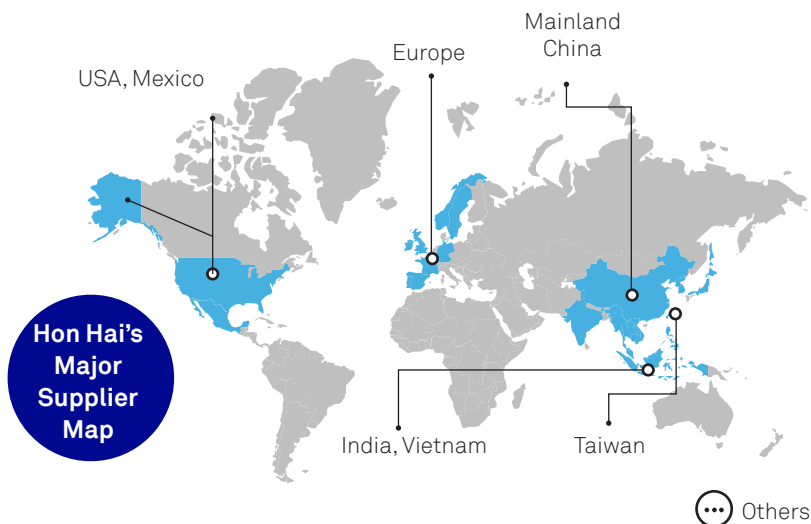
## 5.2 Sustainable Supply Chain Management

### 5.2.1 Supply Chain Overview

#### 5.2.1.1 Supplier Distribution

The Group has applied a comprehensive global supply chain system with suppliers in different regions to provide more convenient and full services to our customers.

The suppliers of Hon Hai are located in various countries and regions across Asia (Mainland China, Taiwan, India, Vietnam, etc.), America (Mexico, etc.) and Europe.



#### 5.2.1.2 Significant Suppliers

For significant suppliers, the Group conducts screenings regarding

the suppliers' aspects from environmental impacts, social impacts, governance, and business relevance based on the specific risk methodologies from country, sector, and commodity perspectives. Hon Hai Screening Criteria for Significant Suppliers

#### Hon Hai Screening Criteria for Significant Suppliers



##### Environmental Aspects

GHG emissions, Environmental Compliance, Waste Management



##### Social Aspects

Labor rights, OHS, Hazardous substance control



##### Governance Aspects

Business continuity management, ethical management, compliance with audits and assessments



##### Business-related Aspects

Procurement amount ranking, supplier size and reputation, client-designated supplier



##### Country-specific risk

Whether the supplier's manufacturing location is situated in a country or region that is subject to high risks due to geopolitical conflicts



##### Sector-specific risk

Whether the sector of the supplier belongs, is at risk from labor-intensive practices, highly polluting processes



##### Commodity-specific risk


Whether the suppliers, especially the major electronics suppliers under the commodity category fail the ESG performance evaluation within the Group





suppliers. Given the differences in procurement amounts, the Group has classified tier-1 suppliers as those who directly supply goods, materials, or services to the Group, which results in 181 tier-1 suppliers in total. Meanwhile, 19 suppliers have been identified as non-tier-1 suppliers in 2023.

### 5.2.2 Supplier Environmental Impact Management

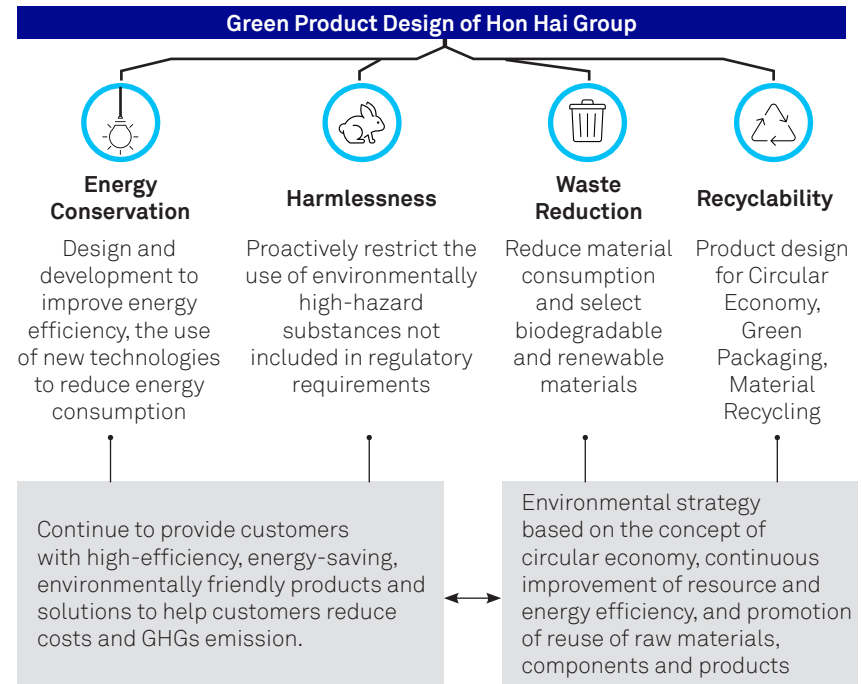
Aspects	Screening Item	Criteria
 Environmental	Environmental Management Compliance	No environmental violations have seen, or violations have been corrected, in the past three years (with no environmental regulatory records on the IPE platform)
	Environmental Approval Documents and Licenses	Obtain environmental impact assessment (EIA) opinions, approval documents, and discharge permits from the environmental protection authorities of the government in line with the laws
	Waste Compliance	Hand over hazardous waste to qualified service providers for disposal
	GHGs	Conduct carbon inventory for annual carbon emissions of 3,000 metric tons or more in accordance with ISO 14064.
	System Certification	Set up an environmental management system in line with the ISO 14001 standard.

#### 5.2.2.1 Sustainable Product Design

While monitoring the compliance of suppliers' raw materials under the related environmental laws and regulations, the Group also pays attention to the environmental design of its products. The Group always adheres to the concept of green design and incorporates environmental factors and pollution prevention measures into product design at the beginning of the design and development stage to minimize the impact of products on the environment.

Under the requirements of the product environmental life cycle and

related environmental standards, the Group has established four major requirements in terms of product environmental design, including "harmless, energy-saving, volume reduction and easy recycling". In addition, the Group also assists various business units in improving the development process of product design to establish a comprehensive mechanism of sustainable product design.



#### 5.2.2.2 Green Product Management

##### Policies and Commitments

The Group has applied the comprehensive internal management of green products, adhering to the "Principle of Five Noes" ("No design, No procurement, No inflow, No manufacturing, No outflow") for green product



management across our supply chain. Among those, “no procurement” plays a dominant role in green product development.

Meanwhile, we prohibit the use of chemical substances restricted by the green product regulations of different countries and regions while reducing the amounts of hazardous substances contained within products to achieve the full disclosure of all product substances.

### Management Mechanism

A dedicated team consisting of specialized personnel has been established by the Group to collect and research various environmental requirements (RoHS, REACH, and HF) from the existing legislation, clients, industry, and society.

### Hon Hai’s Green Product Screening Criteria

Aspects	Screening Criteria
 Environmental Protection and Social Responsibility	Supplier Environmental Protection and Social Responsibility Commitment Forms; Specification for Hazardous Substances and Materials Management ESD-AORH-001; environmental protection standards of the terminal clients
 Product	REACH Candidate List of Substances of Very High Concern Declaration Form; Environmental Management Substance Composition or Component Breakdown Form; RoHS 10 controlled substances directive requires suppliers to submit periodically updated third-party test reports for corresponding materials
 Organizational Structure	QC 080000 Hazardous Substance Process Management System requirements; Self-testing capabilities for hazardous substances; Extension on the material declaration and green product compliance management requirements to our upstream supply chain

Apart from that, the Group has established green product management guidelines as well as a supplier green product management platform. We have implemented management mechanisms for key areas including supplier appraisal and assessment, audits, verifications, performance evaluation, as well as merit rewards for high-performance suppliers and elimination of the poor ones. Combined with the indexes of internationally renowned ESG rating organizations, such as CITI and DJSI, the mechanism is utilized by the Group to implement green product performance management of suppliers in five dimensions.

For green product management, the Group has explicitly requested suppliers to provide parts and components that comply with the RoHS requirements. To enhance the transparency of the Group’s end-product RoHS management, the Group is constructing a “Supplier ESG Management Platform - Product RoHS Compliance Declaration Module”, through which third-party RoHS inspection reports or declarations of compliance for parts and components will be collected from suppliers, and an “End-product RoHS Compliance Technical Document” will be generated. In order to minimize the impact of the products on the environment, third-party RoHS test reports or declarations of compliance are collected from suppliers in this platform to generate “end-product RoHS compliance technical documents”, which will be strictly scrutinized by the respective units for green product management of each business group, and ultimately confirmed by the Group’s Chemical Management Committee and disclosed in the module as “Product RoHS Compliance Declarations” publicly.

In addition, we regularly hold seminars on green product management for suppliers to disseminate the Group’s latest requirements to the entire supply chain and trace the green compliance status of raw materials from upstream suppliers.



### Digital Transformation and Management Outcomes

In September 2022, our supplier ESG management platform was launched, realizing the digitalization of suppliers' green product management performance evaluation, with quantifiable evaluation index data for real-time tracking and analysis. Having said that, the suppliers' green product performance evaluation rankings can be obtained in multiple dimensions. As a result, suppliers with better performance are rewarded while those with worse performance are included on our Restricted Supplier List.

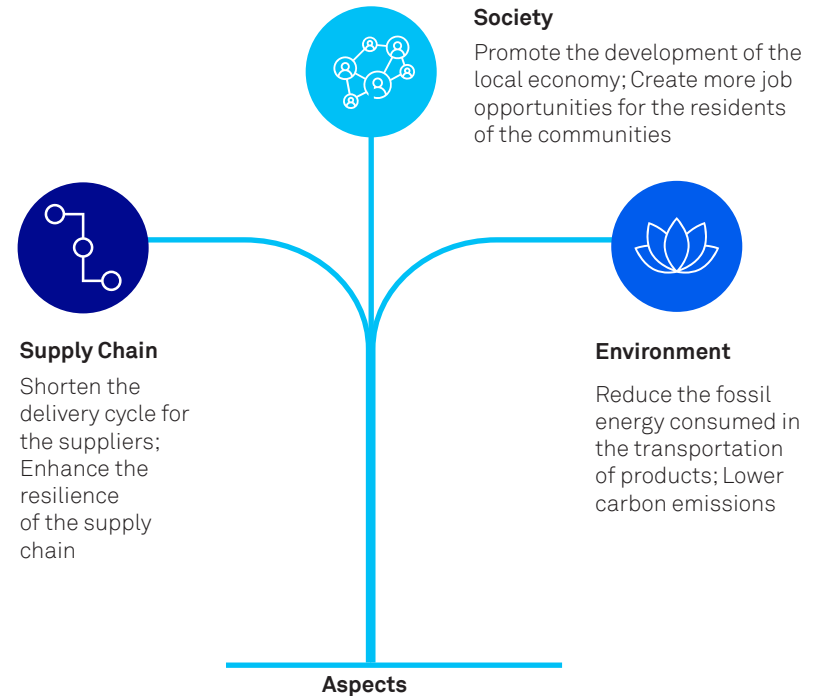
Meanwhile, the Group continuously motivates suppliers to enhance their green product management performance through the visualization of evaluation indicators.

In 2022, the Group formulated the "Evaluation Criteria for Suppliers' Green Product Performance" and implemented green product management performance evaluation for 75 key suppliers through the suppliers' ESG management platform. In 2023, the Group has continued to guide 150 significant suppliers to complete green product performance evaluation.

### 5.2.2.3 Onsite Procurement

The Group prioritizes the procurement from the local suppliers regarding the raw materials and components under the same circumstance. In addition, we encourage suppliers to invest and build factories in the same locations where the Hon Hai production parks are located.

#### Benefits from Onsite Procurement



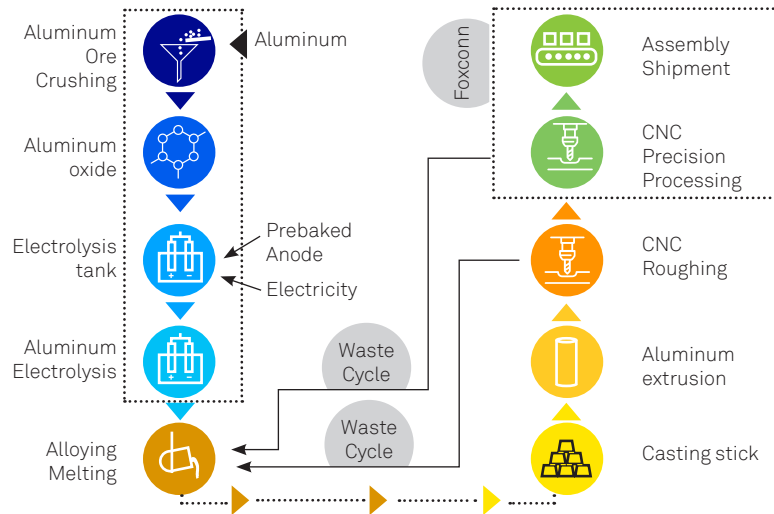




In addition, our central procurement and supply chain management departments have already convened suppliers for systematic training based on the framework laid out in this program to enhance their professional skills and technologies.

### Waste Recycling

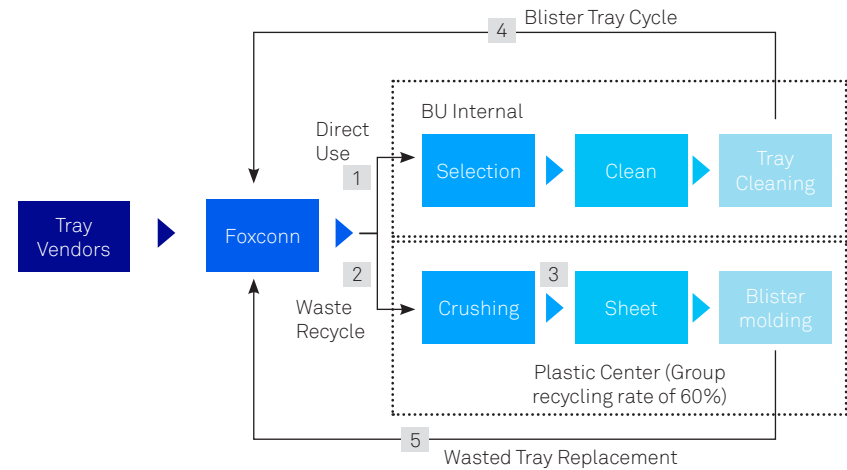
The Group proactively promotes the recycling of commodity raw materials and reduces carbon emissions caused by raw material extraction. Through on-site collaboration with suppliers, the Group has launched a recycled aluminum project that recycle 8,120 tons of aluminum by 100% by 2023 to reduce carbon dioxide emissions by 110,100 tons of CO<sub>2</sub>e.



### Recycling of Plastic Trays

Although the plastic trays have been reused many times, which are in high demand during the production process of the Group, they generate a large amount of plastic waste.

As a result, the Group has launched the recycling project of blister trays to realize the recycling target which is to reduce 4,560 tons of plastic purchases and 6,384 tCO<sub>2</sub>e emissions in 2023.



Apart from the plastic trays, the Group also promotes the internal recycling of plastic raw materials by sorting, crushing, and pelletizing plastic rejects, trimmings and scraps generated during the production process into recycled plastics, which will be reintroduced into the production process, reducing the purchase of plastic raw materials by 10,095 tons in 2023.

### PRTR Online Platform

The Group actively encouraged suppliers to disclose PRTR (Pollutant Release Transfer Data) on the IPE platform, which consists of the amount of general business waste and hazardous waste, the amount of recycling, and the reduction target for next year. Meanwhile, the Group urged suppliers to achieve the goal of the compliance management of business waste as well as reduce the amount of business waste each year.



In 2023, the Group supported 145 suppliers to fill in the PRTR data, who contributed to a total of 187,840 tons of general utility waste and 527,145 tons of hazardous waste, and the amount of general utility waste utilized in a consolidated manner amounted to 134,822 tons.

In addition, 42 suppliers publicly disclosed their reduction targets for general utility waste and hazardous waste in 2023. Upon the successful attainment of these targets, it will result in reducing 7,791 tons of general utility waste and 2006 tons of hazardous waste.

### 5.2.2.5 Responsible Mineral Procurement Management

In order to fulfill its social responsibility to avoid human rights disasters caused by minerals originating from conflict zones in the Democratic Republic of Congo, its neighboring countries as well as other high-risk areas, and to reduce the risk of the supply chain management, the Group has issued the Group Responsible Minerals Sourcing Management Process statement and established the risk management process of suppliers' responsible minerals procurement from mineral smelters/refineries to mitigate and remediate the respective risks,

The Group does not accept or use tantalum, tin, tungsten, gold, cobalt, or other minerals originating from the conflict zones of the Democratic Republic of Congo and its neighboring countries as well as other high-risk areas. As part of this commitment, the Group hereby declares:

- Suppliers are required to fulfill their social and environmental responsibilities.
- Suppliers shall ensure that the components and products supplied to the Group do not use minerals such as tantalum, tin, tungsten, gold, cobalt, etc., which originate from the conflict zones of the Democratic Republic of the Congo and its neighboring countries as well as other high-risk areas.

- Suppliers shall establish a responsible minerals procurement management system per the OECD Due Diligence Guidance on Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas
- Suppliers shall conduct traceability of relevant minerals involved in the supply chain, regularly use CMRT, EMRT, etc. to fully disclose to the Group the use of tantalum, tin, tungsten, gold, cobalt, and other minerals in products and their source information. Meanwhile, the suppliers shall ensure the use of minerals in compliance with the Responsible Mineral Initiative (RMI) Responsible Minerals Assurance Process (RMAP). (Responsible Minerals Initiative, RMI) Responsible Minerals Assurance Process (RMAP) smelters or refineries.
- Suppliers are expected to require the same with their upstream vendors.

As a member of the RMI organization, the Group regularly monitors its release of the latest requirements and conducts annual supplier due diligence using the CMRT (Conflict Minerals Reporting Template, CMRT) and EMRT (Extended Minerals Reporting Template) survey tools it has developed. We conduct annual supplier due diligence surveys and require that the mineral smelters/refineries used by our suppliers are RMAP (Responsible Minerals Assurance Process) certified.

At the supplier selection stage, the Group informs the suppliers of "Hon Hai's Management Requirements for Suppliers", "Supplier Responsible Mineral Procurement Management Regulations" and "Hon Hai's Statement on Responsible Mineral Procurement" and requires them to sign a "Statement of Environmental and Social Responsibility". Suppliers are required to undertake complying with the Group's Responsible Mineral Procurement Policy and to submit qualified CMRT reports in order to be qualified to become the Group's qualified suppliers.

In accordance with the OECD's five-step process, the Group has

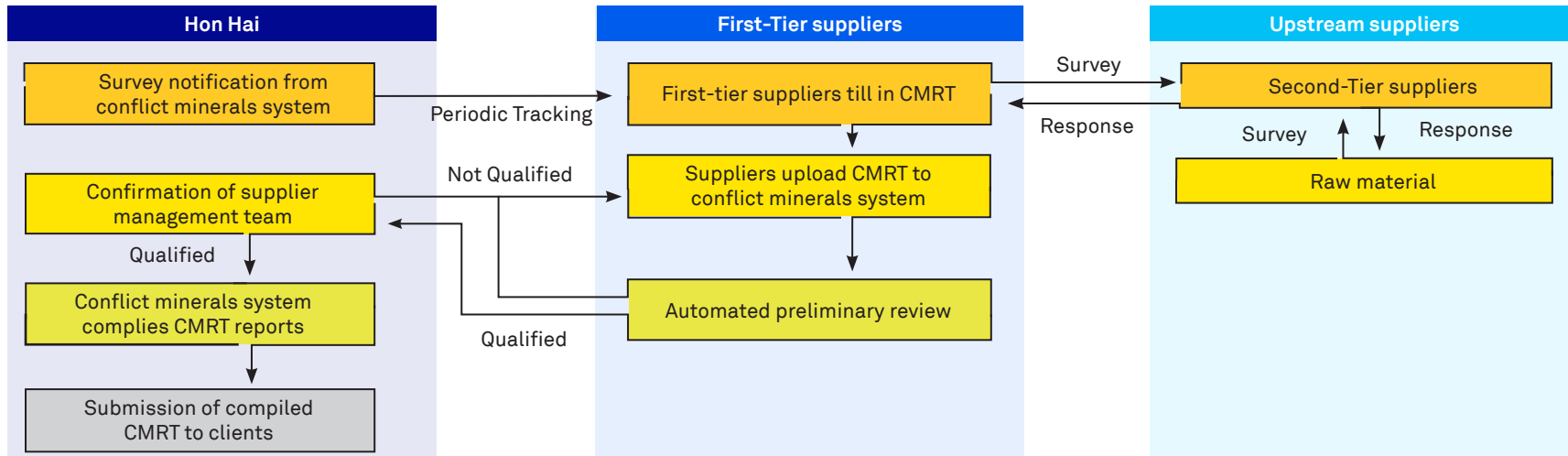




formulated the “Due Diligence Framework for Suppliers Related to the Mineral Value Chain of Conflict Minerals” to plan and implement the conflict minerals management system and specific processes for due diligence. Meanwhile, we support our employees, suppliers as well as other stakeholders to communicate with us about conflict minerals

issues, concerns, or non-compliance through the online platform our procurement department provided. In addition, the Group has developed the Conflict Minerals Management System Platform, which enables each business unit to collect, review, and summarize suppliers’ due diligence reports for the point-in-time data.

**Flowchart of Management Operations for Conflict Minerals**



In 2023, the Group completed conflict minerals due diligence surveys on 1,975 tier-1 non-semiconductors suppliers through the platform, with a response rate of 100%. We compared the smelter or refinery information returned by suppliers with the list of certified smelters published by RMI, and if we found smelters or refineries that had not been certified to the Responsible Minerals Assurance Process (RMAP), we would urge the suppliers to have these smelters or refineries RMAP certification or remove them from the supply chain within a set timeframe. By the end

of 2023, the Group has not yet discovered any deliveries from suppliers containing minerals such as 3TG, cobalt, and mica from conflict zones as well as other high-risk areas.

	3TG	Cobalt, Mica
Number of vendors surveyed	1,975	1,432
Number of vendors responded	1,975	1,432
Passing rate	100%	100%



The Group has conducted audits on the collaborated 272 smelters/refineries in 2023, of which 261 are on RMI's published list of RMAP certified smelters by third party organizations (CONFORMANT status), with the remaining 11 are in the process of participating in third party RMAP certification (ACTIVE status).

Country	Cobalt	Gold	Mica	Tantalum	Tin	Tungston	Total
North America	1	4		1	1		<b>7</b>
Aisa	28	45	4	22	43	22	<b>164</b>
Africa	10	23		9	18	6	<b>66</b>
South America		1					<b>1</b>
Europe	5	16		3	5	3	<b>32</b>
Australia	1	1					<b>2</b>
<b>Total</b>	<b>45</b>	<b>90</b>	<b>4</b>	<b>35</b>	<b>67</b>	<b>31</b>	<b>272</b>

### 5.2.2.6 Environmental Compliance Management

The Group attaches great importance to environmental compliance management in the supply chain, and we continue to require our suppliers to ensure compliance with local laws and regulations and to pass ISO 14001 certification.

When introducing the new suppliers, the Group will assess their environmental risk, and require them to provide compliance documentation. If any environmental violations are found, the supplier will lose its status as a qualified supplier.

The Group works with IPE to monitor supplier performance using Azure Maps and provide support and improvement programs for identified

environmental issues. In 2023, we have driven 30 environmentally non-compliant suppliers to successfully improve in removing their records. Meanwhile, we are actively promoting environmental management in the upstream supply chain, encouraging more suppliers to pay attention to their environmental performance and take ownership of their management.

### 5.2.2.7 Supplier Energy and Carbon Reduction Management

#### Net Zero Policy and Requirements

The Group has actively responded to the Paris Agreement's 1.5°C pathway by setting its own net-zero emissions target, participating in the CA100+ climate initiative, and committing to net-zero emissions in the value chain by 2050. In addition, the Group has formulated the following supplier net-zero emissions policy and requirements:

- Suppliers are required to commit to achieving net zero emissions by 2050, set scientific carbon reduction targets (SBTs), and take proactive and effective measures to ensure that the targets are met, or, if the end customer has more stringent requirements, the customer's requirements shall prevail.
- Suppliers are required to conduct annual internal carbon inventories in accordance with ISO 14064/GHG Protocol standards and disclose third-party verified carbon emission data and carbon reduction results on the supplier's ESG management platform.
- Suppliers are required to implement energy-saving and carbon reduction projects (e.g. construction of solar energy, use of renewable energy, implementation of energy-saving retrofit programs and zero waste to landfill, etc.) to reduce carbon emissions and ultimately achieve net zero emissions. The Group assesses the performance of suppliers based on these projects, which are used as a basis for appraisals of suppliers.



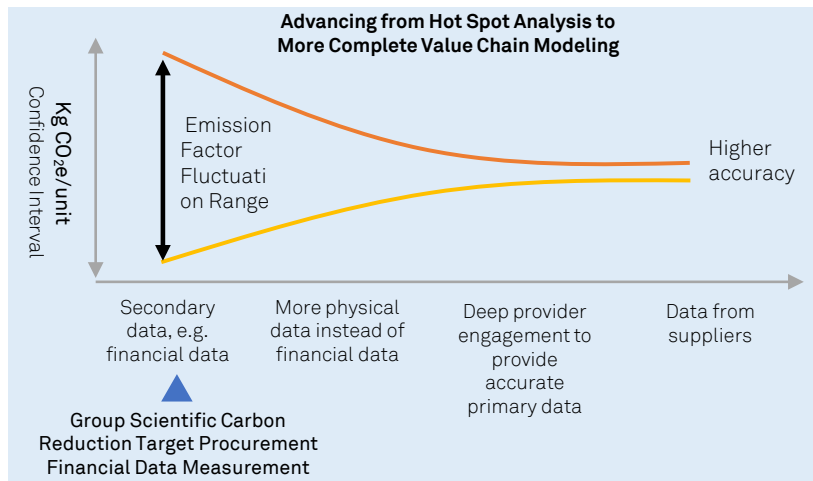


- Suppliers are encouraged to offset unavoidable carbon emissions through afforestation or carbon capture.

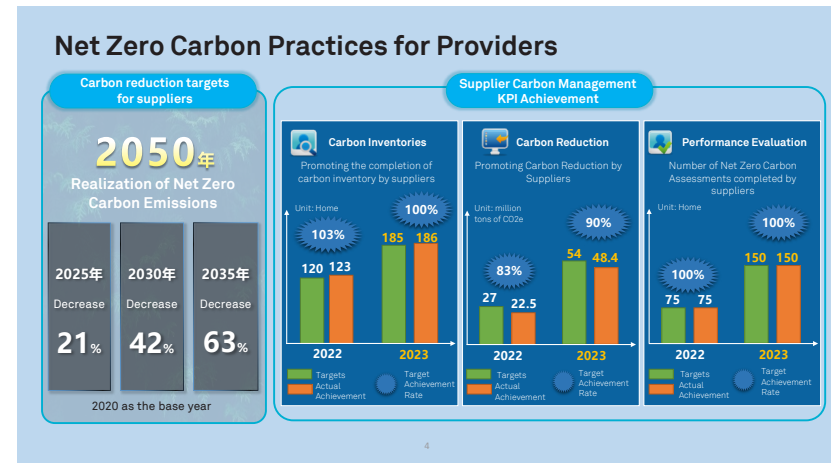
### Net Zero Roadmap and Actions

In response to the Group's commitment to net-zero emissions in the value chain by 2050, we have launched a scientific carbon target and conducted a carbon footprint measurement in 2021. Meanwhile, the Group has established the "Supplier Carbon Reduction Implementation Program" to motivate suppliers to achieve the target.

Due to the complexity of the Scope 3 calculation methodology, the Group's Scope 3 base year emissions data is currently based on the financial statement. More specifically, we aggregate suppliers' data through the system and provide in-depth support to work with them to collect more accurate data.



In line with the Group's Scope 3 Net Zero Carbon Emission Pathway, our main strategy for support of carbon reduction among suppliers is to promote energy-saving retrofits, photovoltaic solar energy as well as green power. The Group has set a goal of achieving net zero carbon emissions across its value chain by 2050. Therefore, it requires suppliers to achieve a 42% reduction in carbon emissions by 2030. To achieve this target, the Group has set carbon management KPIs to promote carbon reduction among suppliers in three areas: carbon inventory, carbon emission reduction and performance evaluation.



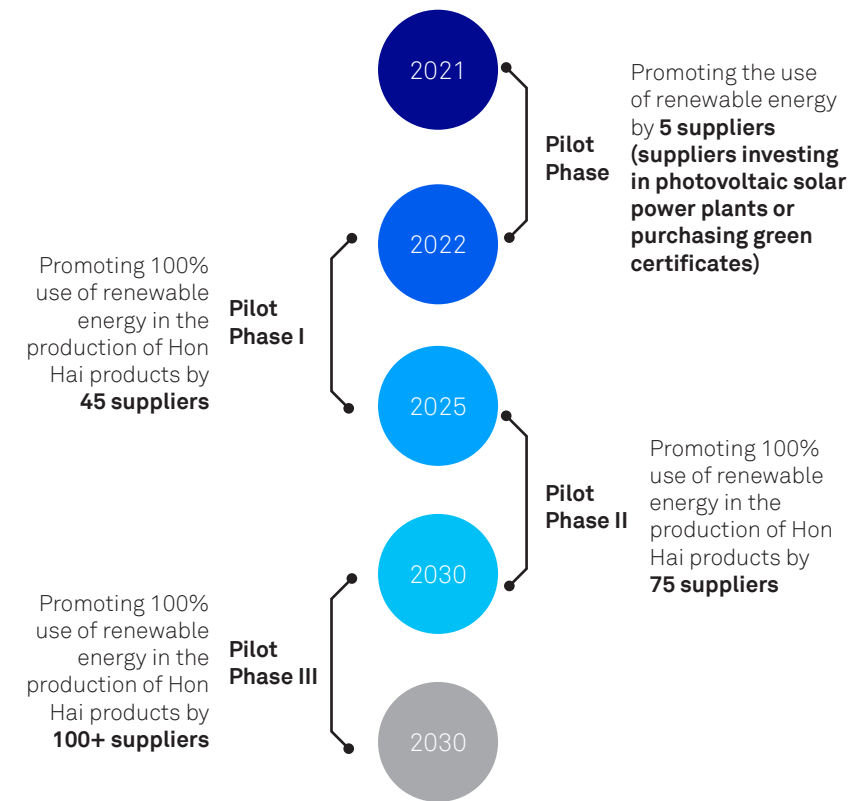
In 2023, the Group supported 186 suppliers to complete the 2022 carbon inventory, and the total carbon reduction achieved by the suppliers through the implementation of carbon reduction programs, self-built PV and green power procurement amount to 484,000 tCO<sub>2</sub>e. To extend the net-zero carbon management program to the supply chain more efficiently, the Group formulated the "Net-Zero Carbon Performance Evaluation Criteria for Suppliers" in 2022 and conducted the respective

evaluation for 75 significant suppliers through the ESG management platform. By the end of 2023, the Group has promoted 150 significant suppliers to complete monthly performance evaluations.




Renewable energy plays a dominant role in the Group's future development. Therefore, the Group will work closely with third parties to promote the use of renewable energy in the supply chain, set up benchmark suppliers, and create a zero-carbon supply chain with end customers. The Group's long-term goal is to support more than 45 significant suppliers to commit to using 100% renewable electricity during the production process by 2025.

In 2022, the Group formulated a Renewable Energy Commitment for suppliers, and by the end of 2023, the Group had already supported a total of 24 major suppliers to sign up for the agreement.





### 5.2.3 Supplier Social Impact Management

Aspects	Screening Item	Criteria
 <b>Social</b>	Conflict Minerals	Submit a qualified conflict minerals due diligence report
	Salaries Payment	Disburse wages and overtime pay to employees in accordance with the laws
	Social Insurance	Purchase social insurance policies for all employees in accordance with the laws
	Working hours	The employee working hours conform with the RBA Code of Conduct
	System Certification	Establish an occupational health and safety management system in line with the ISO 45001 standard

#### 5.2.3.1 Management Mechanism

Apart from the environmental screening criteria, the Group has further focused on the “high-risk suppliers” as well as suppliers with poor ESG performance for further auditing and counseling, including quality, manufacturing process, and social responsibility. In addition, the Group conducts online surveys and on-site audits for the social impact of the suppliers based on the “Supplier Compliance Management Platform”. If zero-tolerance deficiencies are found, the supplier will be immediately disqualified. For non-zero-tolerance defects, depending on the severity of the defects, the Group will require the supplier to submit an improvement plan and implement improvement measures within a limited timeframe. Failure to do so will result in the supplier being placed on a restricted list of suppliers.

#### 5.2.3.2 Actions and Management Outcomes

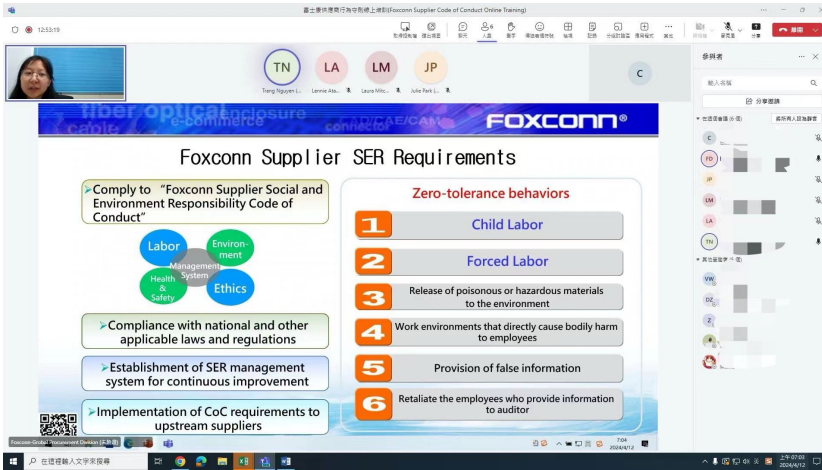
In 2023, the Group audited a total of 210 new suppliers and high-risk qualified suppliers and identified a total of 1,700 deficiencies (including 504 major deficiencies and 1,196 minor deficiencies). The Group required suppliers to provide deficiency improvement plans and measures within the deadline, and as of the end of 2023, suppliers had improved a total of 1,291 deficiencies (including 333 major deficiencies and 958 minor deficiencies). The defect improvement rate of the counseled suppliers was 76%.

#### 5.2.3.3 Human Rights Management on Supplier

The Group’s Employee Rights upholds and promotes the respect for basic human rights, fostering a dignified work environment and culture, to have a positive and long-term social impact. We comply with the laws and regulations of all legal entities and locations worldwide, and proactively protect the human rights of labor providers involved in the supplier’s value chain, including contract employees, interns, and every employee in any form of employment, and extend to partners at all levels of the supply chain.

In response to extend Hon Hai’s human rights values and requirements to the supply chain, the Group has formulated a “Code of Conduct on Social and Environmental Responsibility for Suppliers”, which covers labor, health and safety, environment, business ethics, and management systems, and explicitly requires suppliers to comply with the requirements of the Code of Conduct in their contracts and the “Environmental and Social Commitment Letter”.

In addition, we ensure the implementation of these standards through regular training and examinations, suppliers’ annual social and environmental responsibility audits, and suppliers’ ESG performance evaluations.



**Improvement and Corrective Actions**

1. Contract signing: Suppliers are required to sign an Environmental and Social Responsibility Undertaking (ESU), committing to comply with Foxconn's Supplier SER Code of Conduct (SCoC), which prohibits any form of forced labor in the supply chain, and suppliers are required to implement this requirement to their upstream suppliers.
2. Education and Training: Conduct SCoC training and exams for suppliers and their upstream suppliers through the education and training module of the supplier ESG management platform.
3. Prevention and Supervision: Implement supplier labor rights performance evaluation and supplier SER audits (with labor rights content).
4. External communication: Establish communication channels with NGOs that are concerned about labor rights issues in the supply chain and communicate regularly.

### Case Study

Case Description	An NGO concerned with labor issues accused the Group of labor coercion in its supply chain.
Cause	A subcontractor of a Foxconn supplier was involved in forced labor allegations. However, the supplier did not implement the signed "Commitment on Environmental and Social Responsibility" (CoC) to its upstream suppliers. The Group has not yet established a mechanism to supervise and manage the implementation of CoC by suppliers.
Remediation	<ol style="list-style-type: none"> <li>1. Return the inventory of products delivered by the contractor to the Group to the supplier.</li> <li>2. The supplier replaces the outsourcing company that delivers Foxconn's products.</li> </ol>

## 5.3 Promotion of Mutual Growth

The Group attaches great importance to building partnerships with suppliers in the ESG area, through sustainability capacity building, empowerment workshops, and education and training to help supply chain partners grow and develop sustainably with the Group.

### 5.3.1 Supplier Sustainability Development

In order to continuously enhance suppliers' sustainable capabilities, the Group has formulated ESG evaluation standards for suppliers based on the well-known industry ESG rating indicators and developed an ESG performance evaluation system for suppliers. The evaluation system has been launched since 2022 and has been continuously expanding the number of suppliers evaluated. In 2023, 150 key controlled suppliers have completed the evaluation, including 75 significant suppliers.



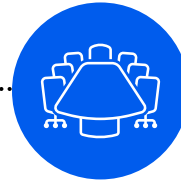
### Low Carbon Supply Chain Transformation Program



**7 Tier-1 Suppliers and 23 Non-tier 1 suppliers**

For tier-1 suppliers, it aims to achieve the carbon reduction target of 10,000 tons of CO<sub>2</sub> within 2 years. In addition, the program helps to meet the Group's customers' demand for carbon reduction as well as the United Nations' goal of sustainable development.

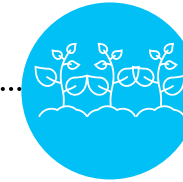
### Net Zero Policy Conference



**257 suppliers**

The program enhances the suppliers' ability of carbon inventory and emission reduction management.

### Green Supply Chain Education



**150 suppliers**

Through a series of specialized ESG training, the group provides in-depth technical support by developing a unified portal for suppliers to access the website at any time to continuously enhance the sustainability skills of suppliers.

## 5.3.2 Low Carbon Supply Chain Transformation Program

In May 2023, Hon Hai was approved by the Taiwan government to jointly promote the low-carbon transformation of the electronics and information technology industry through the "Industry Upgrading Innovation Platform - Hon Hai Low Carbon Supply Chain Transformation Promotion Program" of the Industrial Development Bureau, Ministry of Economic Affairs. This project is mainly undertaken by Hon Hai to lead 7 Tier1 suppliers to achieve the carbon reduction target of 10,000 tons of CO<sub>2</sub>e within two years, and to drive 23 Tier2 suppliers to introduce digital management

platform and carbon inventory tools.

On September 1, 2023, the "Supplier Low Carbon Kick-off Meeting" was held by the Group to announce its pipeline on green and sustainable development. Nearly 30 suppliers who are in the leading position in green transition reached a consensus on carbon reduction targets and inventory tools, and to work together to achieve the goal of net-zero emissions. The Group helps the suppliers to perform carbon inventories, reduce carbon emissions and enhance their carbon management knowledge through this conference by working with a team of experts to provide comprehensive professional guidance and support by integrating



resources and providing in-depth technical support.

Through this project, we explored with our suppliers how to reduce carbon emissions and shared practical experience. This cooperation will not only help to meet our customers' demand for carbon reduction, but also serves as a practical tool to realize the United Nations' goal of sustainable development.



### 5.3.3 Net Zero Policy Conference

In response to major clients' focus on net-zero carbon management in the supply chain, the Group's Central Procurement, in conjunction with the Environmental Protection Department of the business unit, organized a seminar on Supply Chain Net-Zero Carbon Initiative on March 24, 2023, to convey to suppliers the net-zero carbon requirements from our end customers and the Group to their suppliers, aiming to enhance suppliers' ability of carbon inventory and emission reduction management.

Meanwhile, the renowned third parties and professional organizations were invited to share their net-zero carbon solutions and ways to obtain green power with the attending suppliers. The seminar was attended by a total of 257 vendors with 363 participants.

### 5.3.4 Green Supply Chain Education

In 2023, Central Procurement held an online seminar for suppliers on "Green Supply and Sustainable Development" to educate Foxconn's supplier green management policies and requirements, suppliers' net-zero carbon management requirements to 150 suppliers.

In addition, the Group has developed the ESG management platform education and training module to conduct training for suppliers. We provided in-depth capacity support to the client via building up an information platform to provide long-term education to suppliers. By integrating the Group's and customers' requirements for suppliers with a series of specialized ESG training, the platform provides a unified portal for suppliers to access the website at any time to continuously enhance the sustainability skills of suppliers.



# 6 Social Contribution, Win-Win Strategy

## Material issues in this chapter:

- Social Engagement

With the belief that “life knows no limitations”, the Group upholds sustainability for corporate development and complies with sustainable development goals to continuously support socially innovative stakeholders. The sustainable development goals are shared and deeply embedded in the daily work of each employee, aiming to create mutual benefit with the environment to achieve the goal of a sustainable homeland. In addition, the Group is striving to integrate the overall resources and to deploy the core capabilities of our innovative technology, supporting educational efforts for disadvantaged groups, and strengthening the foundation of the Group’s education programs in order to fulfill the Group’s social responsibilities.

## Key KPIs and achievements/Honors in 2023

- 1 In 2023, the Group has awarded 2,850 students for the Hon Hai Scholarship Program, which increased by 36.17% compared to 2022, making the scholarship the biggest scholarship program in Taiwan.
- 2 In 2023, the number of counseling sites was increased to support 22 sites, taking care of 341 junior high school and elementary school students. The program offers them a place to go after school and a place to get warm food for dinner. Overall, 169 students are matched with dedicated teachers for one-on-one classroom counseling with a growth rate of 12.46% in total funding compared to 2022.
- 3 In 2023, the Group’s social investment totaled 94,253,346 NTD with social welfare services over a total of 186,156 hours.

Major GRI standards mapped:

GRI 413

Commitment to SDGs



## 6.1 Social Influence

### 6.1.1 Social Engagement

#### 6.1.1.1 Social Contribution Overview

In the spirit of “what is taken from the community is used in the community”, the total investment of Hon Hai Education Fund in the community in 2023 is NT\$ 94,253,346. Focusing on helping the disadvantaged and technological innovation, the Group has established diversified partnerships with governmental, industrial, academic, and research institutes in Taiwan and overseas.

With the belief of “Caring for local community to build a hopeful future”, the Group has also contributed to a number of social welfare activities, with a total of 186,156 hours of volunteer service. Having said that, we have accomplished 3,357 hours of the mid- to long-term goal of “accredited service hours aim at  $\geq 5,000$  hours for the Campuses in Taiwan.

In addition, Hon Hai has hosted annual stakeholder management review meetings to follow up discussions with the collaborating partners and relevant social welfare units. By actively reviewing both the internal and external stakeholders’ feedback, we make necessary adjustments to the upcoming events to find the most effective ways to deploy our resources and extend the influence we have in our local community.



### Hon Hai's Social Welfare Activities Map



Various Projects include preparing Thanksgiving meals for the locals and regular cleanup activities in the community. (America)



Various Projects include helping the elderly, building animal shelters (Czech)



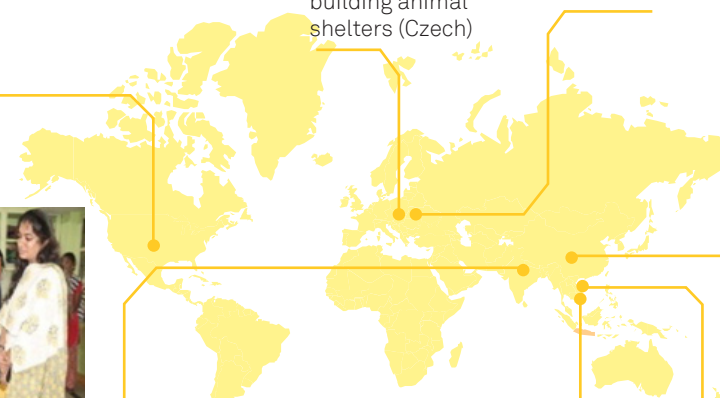
Clean up the local Zobor mountain area (Slovakia)



Theme Project "6+1, helping the clean, helping the disabled, helping the traveling, helping the doctors, helping the students, helping the law and the happiness" (Mainland China)



Visit Specially Challenged Child Home. (India)



Support local healthcare by organizing a number of blood donation activities (Vietnam)



Beautify environment project and second-hand donation activities (Taiwan)



### 6.1.1.2 Key Programs

The Group continues to focus on axis items which include support for the disadvantaged, technology education, and promotion of diversity

education. In the spirit of giving back to the community, we have launched various programs to fulfill the social responsibilities of the Group.

Topics	Aspects	Goal	Key Programs
<b>Support for the Disadvantaged</b>	Cultivation and Care	<ul style="list-style-type: none"> <li>Raise the education level of the disadvantaged.</li> <li>Help the disadvantaged to be free from geographical and resource constraints.</li> <li>Obtain appropriate room for growth and development.</li> <li>Cultivate the children's self-confidence, interest and expertise</li> </ul>	<ul style="list-style-type: none"> <li>Hon Hai Scholarship Program</li> <li>Hon Hai Starlight Program</li> <li>Multi-learning Scholarship Program for Dropouts</li> </ul> <p>Sponsor</p> <ul style="list-style-type: none"> <li>Cheng Zheng Junior High School Therapy Program</li> <li>Support for Special Girl's Program – Yuan Ai Chuang Lu School</li> </ul>
	Diverse Education	<ul style="list-style-type: none"> <li>Cultivate cross-disciplinary application skills and achieve adaptive development</li> <li>Inspire life potential</li> <li>Promote career development.</li> </ul>	<p>Sponsor</p> <ul style="list-style-type: none"> <li>KIST English Course</li> <li>Language Development Sponsorships</li> <li>Assistance to the hearing impaired</li> <li>Art Education Support for students in remote areas</li> <li>Support for Talents Cultivation in remote areas</li> </ul>
<b>Technology Education</b>	Cultivation of Technology Talent	<ul style="list-style-type: none"> <li>Nurture professionals in the field</li> <li>Cultivating the scientific and technological strength of the next generation.</li> </ul>	<ul style="list-style-type: none"> <li>Hon Hai Technology Awards</li> <li>Autotronics Taipei</li> </ul> <p>Sponsor</p> <ul style="list-style-type: none"> <li>Support for AIGO Events</li> <li>BPCEI Physics Olympics Summer Camp</li> </ul>
	Technology & Education	<ul style="list-style-type: none"> <li>Inspire interests in science and technology. Provide appropriate science and technology education for different age groups.</li> </ul>	<ul style="list-style-type: none"> <li>AI Education for Remote Areas</li> <li>AI Workshops for Junior High Schools</li> <li>Quantum Summer Camp</li> <li>"Introduction to AI" Education Program</li> </ul> <p>Sponsor</p> <ul style="list-style-type: none"> <li>PTWA Plan</li> </ul>

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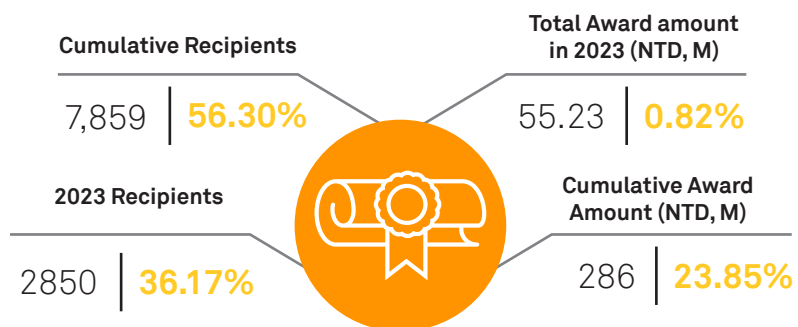
## 6.2 Support for the Disadvantaged

### 6.2.1 Impact Overview

The Group has long been attaching importance to education and cultural literacy improvements. In order to raise the education level of the disadvantaged and eliminate the disparity of resources, to help disadvantaged or remote children to be free from the limitations of geography and resources, we have launched multiple programs and partnered with both internal and external stakeholders to cultivate the children's self-confidence, interests and specialties through diversified forms of teaching and activities.

### 6.2.2 Cultivation and Care

#### 6.2.2.1 Hon Hai Scholarship Program



In 2023, the Group continues to provide support for more targets via expanding the scope and increasing the reward amounts through the Hon Hai Scholarship Program. In 2023, we increased the number of recipients to 2,850 people while the total scholarship amounts increased from 54.78 million NTD to 55.23 million NTD, making us the biggest scholarship program in Taiwan.

SDG1 and SDG4 are the key focus areas for the Hon Hai Scholarship Program. It aims to assist financially disadvantaged young students in pursuing their education with their best efforts. Hence, Hon Hai does not restrict eligibility based on government-issued certificates for low-income or middle-to-low-income households. Instead, if there is a fair third-party recommendation to assist with certification, Hon Hai Scholarship Program welcomes the relevant applications.

Recipients	Not simply giving fish	Bringing together comrades	And providing a means to set sail
<b>College students (Whale)</b>	We provided scholarships to reduce the heavy financial burden of students, allowing them to reduce part-time work and focus more time and efforts on their studies and dreams.	Set up Facebook and LINE groups: We set up Facebook and LINE groups for college recipients so that they could share their thoughts with others who understood them and assist each other as they pursue their dreams.	Provided linkages with scholarship judges and resources across society, including priority enrollment at Foxconn and other renowned brands, giving recipients more chances to sail toward the blue oceans.
<b>Elementary, Junior high, and High schools students (Junior Whale)</b>	Enabling secondary and elementary school students to enjoy normal school lives without worrying about money	Organized motivational sharing sessions for elementary and secondary school winner, enhancing the courage and confidence of scholarship recipients, and helping them become self-reliant in future	Secondary and elementary school students successfully pursue further education, explore opportunities, chase their dreams, and conquer new frontiers.

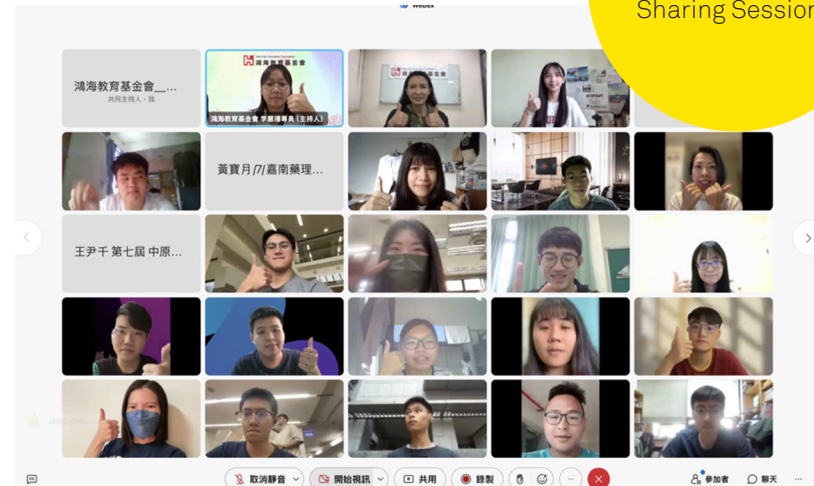


Please refer to the below link for detailed information from the program:  
[https://www.foxconnfoundation.org/plan/scholarship/focus\\_report](https://www.foxconnfoundation.org/plan/scholarship/focus_report)  
[https://www.youtube.com/watch?v=oM\\_9pBz9Mu0](https://www.youtube.com/watch?v=oM_9pBz9Mu0)



The judging panel is composed of professionals from industry, government, academia, media, innovation, physically challenged organizations, NPOs and other sectors.

Hon Hai Scholarship Program Online Sharing Sessions



### 6.2.2.2 Hon Hai Starlight Program

Hon Hai Education Foundation believes that “Life knows no limitations” and that children should be able to become the best and the most beautiful version of themselves. However, poverty greatly hinders a child’s ability to develop a vibrant life style, and directly and profoundly affects the quality of education for disadvantaged children. After further investigation, the Group found the major reasons behind this: 1) There is little cultural stimulation from their families; 2) There is no one at home to supervise their homework or to teach them what they don’t know; 3) Some parents don’t care if their children show up on time for school every day.

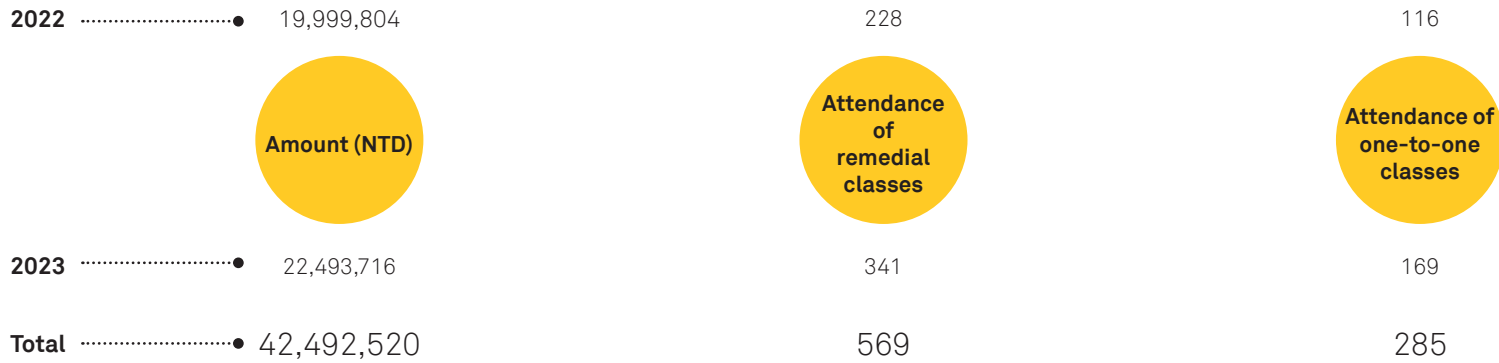
Since 2022, Hon Hai Education Foundation has been organizing” Hon Hai Starlight Program” to provide a safe and warm after-school environment





in cooperation with schools, churches, the Community Development Association with the hope that these children can have a place to go after school. In addition, teachers are recruited to provide one-on-one tutoring via the online platform or in person for more than half of the children, so that they can enjoy one-on-one tutoring and receiving customized teaching to supplement their education.

In total, the Hon Hai Starlight Program invested nearly \$20 million in 2022, \$23 million in 2023, and more expected in 2024 to expand the program's scale and optimize its implementation, and to continue to work with local education bureaus, social bureaus, schools, and the NPO to realize the benefits of substantial cooperation.



### Diverse Curriculum

Issues	Vulnerable families are unable to take care of their children due to lack of financial resources or family structure problems.			Children's motivation to learn is low and they can't find the way to learn.	
Solutions	Onsite Tutorial Classes for the Disadvantaged			One-to-one tutoring	
Approach	After-class care	Academic Counseling	Life Counseling	Customized Remedial Teaching	Specialized Company
Content	Provide a safe place for children after school with a warm meal.	Supervise children's homework and help them solve problems.	Diverse educational programs such as reading, music, sports, and character development.	Customize the teaching content based on child's background and needs	Specialized staff accompanies and counsels the children, cares about their lives, and builds a trusting relationship with them.

Issues	Vulnerable families are unable to take care of their children due to lack of financial resources or family structure problems.			Children's motivation to learn is low and they can't find the way to learn.	
Solutions	Onsite Tutorial Classes for the Disadvantaged			One-to-one tutoring	
Approach	After-class care	Academic Counseling	Life Counseling	Customized Remedial Teaching	Specialized Company
Goal	Support the family functioning	Help children to keep up with the school	Cultivate children's intelligences and correct values	Enhance the learning effectiveness and willingness	Enhance children's motivation and self-confidence

### Teaching Mechanism Upgrade

Our One-on-one tutoring focuses on remedial teaching, emphasizing “remediation first, then refinement,” and focuses on the content of Chinese, English, and mathematics textbooks, without teaching

additional materials or rushing the progress of exams. We customize the teaching content and start from where the students do not know. By patiently teaching the students on what they don't know and filling in the gaps in their learning curve, children will be able to walk on a smooth road and catch up with the school.

Upgrading plans	Screening system for teachers	Comprehensive teaching training	Evaluations on teaching	Customized teaching plans
Content	Collaboration with psychometric experts to design the personality trait questionnaire in order to screen out the teachers who are not suitable for teaching	Arrangement of online teaching training includes courses such as “How to teach Chinese, English and mathematics”, “How to utilize online platform resources” and “How to communicate with disadvantaged children”	Teachers are required to fill out the record sheet after each one-on-one session regarding the performance, learning content and special conditions. A dedicated team will check the record sheet on a daily basis.	We will have Pre-meetings with the one-to-one teacher to get to know the student's background, personality, interests and learning status. The teacher will customize the teaching content based on that.
Results	102 teachers who did not pass the personality trait test were excluded through the questionnaire to prioritize the matching of suitable teachers.”	The number of participants in the teacher training courses was 425, and 90% of the participants considered the training useful for teaching and could help to enrich their teaching knowledge.”	The teachers have been receiving positive comments since the launch of the online teaching management system.	Nearly 90% of the students enjoyed the one-to-one tutorials, 30% of the students showed improvement in their grades, about 70% of the students felt that they had made progress, and more than 75% of the students said that they enjoyed learning more. Meanwhile, 75% of the children's self-confidence has improved, and 88% of the students' learning attitude has improved.

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## Social Impact and Partnerships

The impact of Hon Hai Starlight Program is not only for the benefit of the children and their families, but also make less teenager who may

go astray which bring the whole society one step forward in a better direction, making it more harmonious and safer.

Sharing the burden of the disadvantaged families	Most disadvantaged parents are still willing to take care of their children, but they are just not able to do so. Therefore, when they know that their children can go to the base after school to do homework and enjoy dinner, and even have one-on-one lessons with teachers, they all feel warm and supported, and some mothers are even touched to the point of tears when they hear that their children can have enough to eat at the base.
Helping disadvantaged students to improve	Because the one-to-one teachers allow students to ask as many questions as they want without worrying about the stares of others, and to understand what they don't understand at school, the students have made progress in their studies. At the same time, because they feel that they have made progress, students gradually begin to feel more confident and motivated to learn, and the effect is felt throughout the student's life.
Increasing the support network for education in remote villages	The program not only supports disadvantaged children academically, but also improves their self-confidence and motivation to learn. With the help of the program, these children are not only able to keep up with their studies, but they are also able to realize their potential and have the opportunity to turn their lives around. In addition, the program has successfully overcome the lack of educational resources in remote areas and established a social support network that is not subject to the pressure of geography or time constraints by using a dual-track model of classroom support, both in-person and online.
Promoting social justice and education equality	Through the provision of free tuition and educational support, the Hon Hai Starlight Program reduces the inequality of educational resources and promotes social justice and educational equality. These measures not only improve the educational opportunities for disadvantaged children, but also promote the progress and development of society as a whole. The online tutoring model also overcomes geographical constraints and can be effectively scaled up to help more children. The Hon Hai Education Foundation also regularly reviews external social needs and visits local county and city education bureaus and social bureaus to identify its core competencies and resources, and to revise the direction of investment and goals on a rolling basis.
Cultivating the sense of social responsibility in the next generation:	Through cooperation with universities, the Foundation has attracted a large number of university students to participate in classroom tutoring. In the process of helping disadvantaged children, these young people have not only enhanced their teaching abilities, but also strengthened their sense of social responsibility, and cultivated a group of young talents with a public-spiritedness and a sense of responsibility in the society.



By cooperating with academic institutions, communities, campuses and government departments, the program ensures the quality of teaching

and learning effectiveness, forming a strong service network and expecting to take care of more disadvantaged students

Stakeholders	Engagement content
The local tutoring centers	Local tutorial classes formed by associations, schools, church organizations, and other units, providing after-school care and tutoring for disadvantaged children.
College students and volunteers	Hon Hai recruits aspiring young people to serve as one-to-one classroom teachers to customize the matching and remedial teaching for each child, for example, highly caring schoolchildren are matched with special education backgrounds, and junior high school students are matched with teachers who are strong in mathematics and science, so as to help the children to enjoy learning and make progress in their grades.
Mathematical Sense Lab	Serve as a counseling and assistance center for physical and online tutoring and other related matters to provide professional advice on math teaching and help one-on-one teachers improve their teaching skills.
Sharestart Education Foundation	Founder Mr. Chang Hui-Cheng has been promoting flipped education for a long time, to improve students' lack of motivation, learning difficulties or ineffectiveness, and to guide teachers and students to deeper communication. The program has partnered with the Sharestart Education Foundation to organize an empowerment course to train teachers to deal with untamed children and to help them change their mindsets. Foundation to organize an empowerment course to train teachers to deal with untamed children and to help them change their mindsets. them change their mindsets.
The Taiwan Association for International Talent Development (TAITRA)	The Taiwan International Talent Development Association (TITDA) has long been committed to promoting English education, and the Foundation has partnered with TITDA to provide one-on-one English language tutoring for underprivileged students at Keelung Chung-Bin Junior High School in order to help them improve their English.
Government	Department of Biochemistry, Chiayi University “ (Stakeholders)/ “The Foundation cooperated with Prof. Yi-Ling Yang of the Department of Student Science at Chiayi University, inviting her students to conduct one-on-one practical lessons at a remote school, Min-Ho Junior High School, and Prof. Yang also led the experimental course to enhance the interest of these students in science.
	The Foundation collaborates with the Social Welfare Bureau and the Education Bureau, with the help of the public sector, to screen and recommend suitable and in need of assistance to participate in the program, in order to assist many resource-poor tutorial units.

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The Hon Hai Gathering events (Teachers from the universities with children around)



Students at the base for one on one in-person training



Students at the base for one on one online training



Teachers and students meet and enjoy each other's company to build connections



Practical exercises for teachers and students to familiarize themselves with the operation of the online course

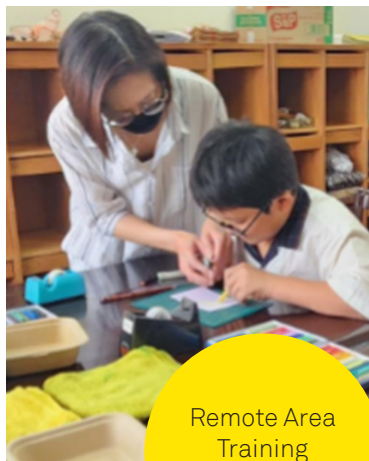


### 6.2.2.3 Multi-learning Scholarship Program for Dropouts

Through the “Professional License Program” and the “Remote Area Training Program”, the Group helps dropout students obtain professional licenses and training to enhance their self-confidence, regain their interest in learning, encourage them to return to school aiming for an optimistic outlook for the students in the future.

The “Professional License Program” is for dropouts referred by the counseling office of the National High School, which arranges diversified learning courses for dropouts. In 2023, three barista licenses and three Harmony Pastel Teacher licenses have been trained.

Meanwhile, the “Remote Area Training Program” is organized by the school counseling office to recommend at-risk dropouts, high-care students, disadvantaged, physically and mentally challenged students, etc. The program has been conducted in small groups. In 2023, 8 schools and 39 students have participated in this program.



Remote Area Training Program



Student Interns for barista license

### 6.2.2.4 Cheng Zheng Junior High School Therapy Program

The therapy program is designed to help the teenagers who have lost themselves in Cheng Zheng Junior High School to cultivate them through various methods such as PA adventure experiences, physical activities, art and writing, and social dramas in the hope of helping those teenagers to improve their self-expression skills, increase their interpersonal skills, and to recover the power of warmth and love from the group.

### 6.2.2.5 Support for Special Girl's Development – Yuan Ai Chuang Lu School

Yuan Ai Chuang Lu School arranges a variety of flexible programs and skills training for female students in elementary and junior high schools. Some of these students are students who have dropped out of school due to family dysfunction, students who are not receiving proper care due to single parenting, intergenerational parenting, or other unfavorable factors, or students who have frequently run away from home due to parental relationships and other family conflicts.

The program provides students with 24-hour comprehensive care, and the diversified curriculum focuses on the children's weakest self-care skills, providing them with appropriate education. Through a number of social activities such as social skills training, emotional management and remedial teaching, etc., the program helps children to develop their potential, increase their self-confidence and motivation to learn, which in turn leads to changes in their attitudes towards interpersonal interactions and learning, and injects more positive development, thus providing dropouts with the care, support, and life care they need to return to school, and providing a diversified alternative education program.



## 6.2.3 Diverse Education Development

### 6.2.3.1 KIST English Course

The Group collaborated with KIST Cheng Chi Education Foundation's summer English workshop for four schools in Taiwan to help 52 disadvantaged students in remote areas receive one-on-one online English tutoring.

The participating students came from low-income, single-parent, and intergenerational upbringing disadvantaged families, who had no one to tutor them at home, and who couldn't keep up with the progress at school, and whose basic English skills fell far short of those of the average students in other urban areas. These students have no one at home to teach them their homework and cannot keep up with their schoolwork. Having said that, they are in need of remedial teaching during the summer vacation. Therefore, the Hon Hai Education Foundation is sponsoring this workshop in the hope that it will help these disadvantaged children to stop being afraid of English. After the intensive summer program, 98% of the students reported that their English had improved.

### 6.2.3.2 Language Development Sponsorships

As one of the long-term sponsors of The Tai Wan International Talent Development Association (TITDA), the Group has been supporting the promotion of equality in English education in Tai Wan.

In Tai Wan, English is the subject with the greatest disparity between urban and rural areas. Compared to metropolitan areas, rural areas face limited language learning resources, fewer qualified English teachers, and fewer opportunities for language immersion. This gap hinders the English proficiency of rural students and limits their ability to compete on a broader scale.

The partnership with the Taiwan International Talent Development Association (TITDA) aims to promote equality in English education by providing English tutoring programs for elementary and middle school children in remote rural areas, and by investing in English education resources and training programs to enhance the English proficiency of underprivileged children and bridge the gap between urban and rural areas in English language learning through practical English teaching.

### 6.2.3.3 Assistance to the hearing impaired

Dandelion Hearing and Speech Association has been established by the Group aiming to help those with hearing impairment.

Through the small class teaching system of the remedial class, a quieter environment as well as teachers with relevant professional backgrounds, we can help students with hearing impairment to get clear answers to their questions, help them to effectively keep up with the school's teaching progress, and regain their enthusiasm and motivation for learning. In addition, we hope to alleviate the burden and sense of helplessness of the parents of underprivileged families in the field of education and remedial classes.

### 6.2.3.4 Art Education Support for students in remote areas

The Hon Hai Education Foundation supports the Qiuye Mang Theatre Company in bringing young volunteers to perform in remote villages to engage with the stakeholders in these areas and communities with the opportunity to watch theatrical performances. Through these arts activities, the Group enables remote children to receive more cultural and intellectual stimulation and enjoy cultural experience opportunities.



### 6.2.3.5 Support for Talents Cultivation in remote areas

To cultivate teaching talents in remote villages, the Hon Hai Education Foundation has sponsored the Sharestart Education Foundation to support the development of the teacher support system, promote the quality of teaching in the education field, upgrade traditional lecture education, and stimulate the teaching empowerment programs.

## 6.3 Technology Education

### 6.3.1 Impact Overview

As the only Taiwan-based company named Clarivate Top 100 Global Innovators for 7 consecutive years, the Group continues to use cutting-edge technologies to produce the best products and encourage knowledge sharing within the industry. The establishment of the Hon Hai Research Institute enables the group to leverage the resources

with renowned institutions, scholars, and experts to promote efforts to engage teachers and students to participate in technology education.

In addition, to embrace the world development trend and the demand for industrial talents, we have advanced the deployment of technology education to provide appropriate science and technology education for different age groups, nurturing professionals in the field, and cultivating the scientific and technological strength of the next generation.

### 6.3.2 Cultivation of Technology Talent

#### 6.3.2.1 Hon Hai Technology Awards

To encourage students in the field of science and technology to pursue their dreams and to cultivate more scientific and technological talents, the Group has organized the “Hon Hai Technology Awards”, which offers applications to students with research achievements in the fields of batteries, electric motors, electrical control, AI, semiconductors, new-





generation communications, low-orbit satellites, information security, and quantum computation, with a focus on topics of electric vehicles, robots, and digital health care to show encouragement and recognition to them.

In 2023, the awards were originally scheduled for 15 winners, but due to the large number of applicants, 22 winners were selected, and each winner got awarded \$250,000 with an internship opportunity to go to Hon Hai to explore more about the industry.

Purpose	Common Practices	Content	Benefits
1. Encourage students in the field of science and technology to actively engage in research 2. Cultivate more scientific and technological talents	Research and Awards	Awarded 250,000 research incentive grants	1. Focus more on scientific and technological research 2. Pursue more advanced professional research capabilities
	Exchanges with the industry	Invite faculty members and professors from the Hon Hai Research Institute for exchanges	1. Stimulate progress 2. Enhance research influence
	Academic Practices	Gain internships within the Hon Hai Group	1. Gain Hands-on experience from the industry

Activity Video link: Hon Hai Technology Award Highlights



2023 Hon Hai Technology Awards Ceremony



Communication between Hon Hai Research Institute and the winners



### 6.3.2.2 Autotronics Taipei

Young students were invited by the Group to visit Autotronics Taipei to learn the EV technology development, aiming to broaden their horizons and to nurture future technological talents. Through the professional explanation by Hon Hai staff, the young students were introduced to the features of various EV models and the technological development of EV key components, EPS electric power steering system, passenger car solid-state battery, electronic control system, silicon carbide

components, etc. By combining what they have learned from the schools and Q&A section with the professionals, the students were able to have a comprehensive understanding of the technology.

In 2023, the Group has invited 211 students from 10 schools and organizations, including NTU, Yang Ming Jiaotong University, National Taiwan University of Science and Technology (NTUST), Bei Yi Women's College, and Normal University High School, to participate in the program.



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### 6.3.2.3 Support for AIGO Events

In 2023, The Group continued to support the AIGO event, the AI Industry Practical Application Talent Hardening Project with partnership from eight major domestic manufacturers and the National Education Administration of the Ministry of Education to organize the “High School AI Rooting Series” to support AI development.

Phase	Phase I: AI Online Course	Phase II: AI Hands-on Experience Sharing	Phase III: Award Ceremony
Comments	Open to all high school students	Aligned with 17 SDGs goals to inspire students and give them hands-on experience	Speech from award winners to share their insights with AI from this experience



### 6.3.2.4 BPCEI Physics Olympics Summer Camp

In order to enhance students' interest in mathematics, science, and chemistry, and to cultivate outstanding science and engineering talents, the Foundation supports the National Taiwan Normal University to organize summer camps for high school students, including the “Sixth Summer Chemistry Competition Exploration Camp”, “Sixth IPhOC Summer Olympia Physics Camp”, and the “2023 Four Schools Combined Science Proficiency Competition Training Camp”, etc. The finalist teams of the Olympia of Natural Sciences were invited to teach classes and share their learning experiences with students.

In 2023, the Hon Hai Education Foundation supported 10 disadvantaged students who are interested in mathematics, science, and chemistry to participate in the summer program free of charge.



## 6.3.3 Technology & Education

### 6.3.3.1 AI Education for Remote Areas

In response to enhance the technological literacy of students in remote areas and to narrow the gap between urban and rural education, the Group invites 10 middle schools from remote areas to teach AI robotics annually. Through the cartoon “Otaku Alliance Battle for the AI Sun Kingdom”, students learned about AI concepts and were allowed to assemble self-propelled vehicles, learn how to write programs, as well as test drive the vehicles on the field. The employees of the Hon Hai Group serve as volunteers to help the students enjoy the fun of learning AI.

In addition, the Hon Hai Education Foundation encourages schools to set up clubs, offer equipment, train teachers, and sponsor counseling with the hope that students from remote areas acquire more technological knowledge and skills. As a result, students from remote areas have better access to further education with more interest in technology-related areas instead of areas more related to their daily lives such as catering and hairdressing.

In 2023, the Group has organized 10 AI-related activities camps in remote areas, benefiting 145 students and 20 teachers. In addition, 8 robotics clubs have been set up, benefiting 141 students, 16 teachers, and 10 volunteers, with a total investment of \$2.5 million. Last but not least, 32 competitions were held in 2023 with 25 prize winners in total.



<https://youtu.be/13L-uplimco>





## AI Support Roadmap

Common Practices	Content	Benefits
Learning Programs	10 AI learning camps	<ol style="list-style-type: none"> <li>1. Understand the basic principles and applications of AI</li> <li>2. Enhance their technological literacy through hands-on work</li> <li>3. Stimulate their interest in and passion for science and technology</li> </ol>
Teacher Training Camp	Teacher Training Camps and Related Clubs	<ol style="list-style-type: none"> <li>1. Enhance teachers' AI and robotics teaching skills and promote the quality of education in remote areas,</li> <li>2. Stimulate students' interest in learning, enhance students' technological literacy, and promote the balanced development of urban and rural education.</li> </ol>
Tutoring Community	Teacher training, equipment donation, tournament support, and exchange platform in the tutoring community	<ol style="list-style-type: none"> <li>1. Create more learning opportunities, enhance students' interests and skills, promote learning interactions and cooperation</li> <li>2. Increase students' self-confidence and sense of achievement and strengthen the competitiveness of the school.</li> </ol>
Participation in competitions	Domestic and international robotics competitions, such as the WRO International Olympia Intelligent Robot League Competition and the START! AI Intelligent Vehicle Competition, etc.	<ol style="list-style-type: none"> <li>1. Reinforce the student's knowledge.</li> <li>2. Enhance students' self-confidence and sense of achievement</li> </ol>

School	Number of competitions	Number of being awarded
New Taipei Municipal Qinxian Junior High		2/6
Taichung Municipal Da-An Junior High School		4/4
Taichung Shan Shui Junior High School		1/2
Taichung Shan Shui Junior High School		4/5
Kaohsiung Dazhou Junior High School		2/2
Kaohsiung Sanlin Junior High School		1/4
Yilan Culture Junior High School		1/2
Nantou Renai Junior High School		8/9
<b>Total</b>	<b>32</b>	<b>25</b>

Number of competitions participated in 2023 Number of competitions being awarded in 2023

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### 6.3.3.2 AI Workshops for Junior High Schools

In response to the AI trend worldwide, the Group has launched the AI workshop to incorporate AI into the curriculum of junior high schools, aiming to cultivate technological talents, and bring students to learn AI knowledge in school, cultivate the capabilities of the next generation in terms of science and technology as well as literacy in the application of artificial intelligence technology.

In 2023, four teachers from different junior high schools in Taipei City utilized the Foundation's AI comics and interactive platforms in their classes. In total, 416 students began to learn AI knowledge in the school curriculum from September onward, and by the end of 2023, the total number of hours of class time had reached 58 hours.

### 6.3.3.3 Quantum Summer Camp

In 2023, School Quantum Summer Camp has entered its fourth year with 100 students being selected to take the online and physical classes simultaneously.

The course covers the development of quantum technology, the foundations and mathematical principles of quantum physics, and the similarities and differences between quantum and classical computation. Through hands-on learning, students will be able to learn simple quantum algorithms, quantum communication protocols, and quantum transmission, as well as learn about the advantages and characteristics of quantum superposition, quantum entanglement, and quantum measurement. The curriculum is designed and taught in such a way that students from high school and above will have the opportunity to clearly understand the advantages of quantum technology and possess the basic quantum knowledge they need.

In cooperation with the Taichung Board of Education, a five-day training

for teachers was organized during the summer vacation, with a total of 12 teachers participating in 40 hours of solid training to deepen their quantum knowledge and practical skills, hoping to provide the younger generation with early access to quantum technology-related content.

### 6.3.3.4 "Introduction to AI" Education Program

In 2023, the Group has launched its AI Education Project, where the project team and the Hon Hai Education Foundation will teach students about artificial intelligence through high school micro-curriculums and electives. 745 students and teachers have participated or benefited from this 18-week-long project.

In the process of implementation, we will work with the published book "Introduction to Artificial Intelligence in Hon Hai" and cooperate with lecturers who have rich experience in industry and academia. The team has standardized a series of courses with customized adjustments, hoping to offer more resources to multiple schools.

### 6.3.3.5 PTWA Plan

Sponsored by the Hon Hai Education Foundation, PTWA was designed to support the development of game-based technology lesson plans, teacher training, and technology courses for rural children, hoping that disadvantaged children can have the opportunity to enhance their technological knowledge and skills through interactive game-based courses.

In 2023, six courses have been organized under PTWA with three teacher training courses and three courses for rural children, training 33 teachers and benefiting a total of 55 students.



# Appendix

## GRI Mapping Table

<b>Statement of use</b>	Hon Hai Precision Industry Co., Ltd has reported in accordance with the GRI Standards for the period 2023/01/01 to 2023/12/31
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	N/A

## GRI 2

GRI standard/ other source	GRI disclosure	Chapter	Reason & explanation for Omission, IF omitted	Chapter ID
GRI 2: General Disclosures 2021	2-1 Organizational details	Preface		0.71
	2-2 Entities included in the organization's sustainability reporting	Preface		0.1.1
	2-3 Reporting period, frequency and contact point	Preface		0.1.4, 0.1.5
	2-4 Restatements of information	Preface		0.1.1
	2-5 External assurance	Preface		0.1.2
	2-6 Activities, value chain and other business relationships	Preface		0.5.2
	2-7 Employees	Chapter2		2.1.2
	2-8 Workers who are not employees	Chapter2		2.1.2
	2-9 Governance structure and composition	Chapter1		1.1.2
	2-10 Nomination and selection of the highest governance body	Chapter1		1.1.2
	2-11 Chair of the highest governance body	Chapter1		1.1.2
	2-12 Role of the highest governance body in overseeing the management of impacts	Chapter1		1.2.1



GRI standard/ other source	GRI disclosure	Chapter	Reason & explanation for Omission, IF omitted	Chapter ID
	2-13 Delegation of responsibility for managing impacts	Chapter1		1.2.1
	2-14 Role of the highest governance body in sustainability reporting	Chapter1		1.2.1
	2-15 Conflicts of interest	Chapter1		1.1.3
	2-16 Communication of critical concerns	Chapter1		1.1.3
	2-17 Collective knowledge of the highest governance body	Chapter1		1.1.4
	2-18 Evaluation of the performance of the highest governance body	Chapter1		1.1.2
	2-19 Remuneration policies	Chapter1		1.1.5
	2-20 Process to determine remuneration	Chapter1		1.1.5
	2-21 Annual total compensation ratio	Chapter1	Gender pay metrics disclosed this year; more granular disclosure will be conducted in future	1.1.5
	2-22 Statement on sustainable development strategy	Preface		0.2
	2-23 Policy commitments	Chapter1		1.3.1, 1.7.1
	2-24 Embedding policy commitments	Chapter1		1.3.1, 1.7.1
	2-25 Processes to remediate negative impacts	Chapter1		1.3.1, 1.3.2.2, 1.3.3.2
	2-26 Mechanisms for seeking advice and raising concerns	Chapter1		1.3.1
	2-27 Compliance with laws and regulations	Chapter1	Disclosure upcoming next year	1.3.1
	2-28 Membership associations	Chapter1		1.7.1
	2-29 Approach to stakeholder engagement	Chapter1		1.7.2
	2-30 Collective bargaining agreements	Chapter2		2.5.1



## GRI Topic Standard

GRI standard/ other source	GRI disclosure	Chapter	Reason & explanation for Omission, IF omitted	Chapter ID
<b>Material Topic disclosures</b>				
<b>Innovative development and low-carbon technologies</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1		1.6.3
Self-defined topic	N/A			
<b>Financial performance</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1		1.1.6
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Chapter 1		1.1.6
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter 1 & Chapter 4		1.6.3; 4.2
<b>Ethical management and legal compliance</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics			1.3.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Chapter 1		1.3.2.3
	205-2 Communication and training about anti-corruption policies and procedures	Chapter 1		1.3.2.1, 1.3.2.2
	205-3 Confirmed incidents of corruption and actions taken	Chapter 1		1.3.3.2
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Chapter 1		1.3.1

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GRI standard/ other source	GRI disclosure	Chapter	Reason & explanation for Omission, IF omitted	Chapter ID
<b>Material Topic disclosures</b>				
<b>Information security and customer privacy</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1		1.5.2.1
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Chapter 1		1.5.2.3
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 1		1.5.3.2
<b>Supply chain management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Chapter 5		5.2.1.2 & 5.2.2
	308-2 Negative environmental impacts in the supply chain and actions taken	Chapter 5		5.1.5
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Chapter 5		5.2.1.2 & 5.2.3
	414-2 Negative social impacts in the supply chain and actions taken	Chapter 5		5.1.5 & 5.2.3.2
<b>Procurement practices and management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 4 & Chapter 5		4.7.2, 5.2.2.5, 5.3
Self-defined topic	N/A			

GRI standard/ other source	GRI disclosure	Chapter	Reason & explanation for Omission, IF omitted	Chapter ID
<b>Material Topic disclosures</b>				
<b>Waste management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 4		4.4
	301-1 Materials used by weight or volume	Chapter 4		4.7.2
GRI 301: Materials 2016	301-2 Recycled input materials used	Chapter 4		4.7.2
	301-3 Reclaimed products and their packaging materials	Chapter 4		4.7.1
	306-1 Waste generation and significant waste-related impacts	Chapter 4		4.4
	306-2 Management of significant waste-related impacts	Chapter 4		4.4.2
GRI 306: Waste 2020	306-3 Waste generated	Chapter 4		4.4.1
	306-4 Waste diverted from disposal	Chapter 4		4.4.1
	306-5 Waste directed to disposal	Chapter 4		4.4.1
<b>Climate change responses</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 4		4.2.2.2
	Self-defined topic	N/A		
<b>Energy and greenhouse gas management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 4		4.2
	302-1 Energy consumption within the organization	Chapter 4		4.2.3.2
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Chapter 4		4.2.2.1

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GRI standard/ other source	GRI disclosure	Chapter	Reason & explanation for Omission, IF omitted	Chapter ID
<b>Material Topic disclosures</b>				
<b>Energy and greenhouse gas management</b>				
GRI 302: Energy 2016	302-3 Energy intensity	Chapter 4		4.2.3.2
	302-4 Reduction of energy consumption	Chapter 4		4.2.3.3
	302-5 Reductions in energy requirements of products and services		<b>Not applicable. The Group is a multinational electronics contract manufacturer.</b>	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Chapter 4		4.2.2.1
	305-2 Energy indirect (Scope 2) GHG emissions	Chapter 4		4.2.2.1
	305-3 Other indirect (Scope 3) GHG emissions	Chapter 4		4.2.2.1
	305-4 GHG emissions intensity	Chapter 4		4.2.2.1
	305-5 Reduction of GHG emissions	Chapter 4		4.2.2
	305-6 Emissions of ozone-depleting substances (ODS)		<b>Information incomplete. The group is conducting data collection and will disclose this information in the future.</b>	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Chapter 4		4.5.1

GRI standard/ other source	GRI disclosure	Chapter	Reason & explanation for Omission, IF omitted	Chapter ID
<b>Material Topic disclosures</b>				
<b>Water resource management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 4		4.3
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Chapter 4		4.3
	303-2 Management of water discharge-related impacts	Chapter 4		4.3.3
	303-3 Water withdrawal	Chapter 4		4.3.2
	303-4 Water discharge	Chapter 4		4.3.2
	303-5 Water consumption	Chapter 4		4.3.2
<b>Hazardous substances management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 3 & Chapter 4		3.2, 4.8
Self-defined topic	N/A	Chapter 3 & Chapter 4		3.2, 4.8
<b>Talent attraction and retention</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2		2.1.1 & 2.3.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Chapter 2		2.2.1.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 2		2.3.2.1 & 2.3.2.2
	401-3 Parental leave	Chapter 2		2.2.2

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GRI standard/ other source	GRI disclosure	Chapter	Reason & explanation for Omission, IF omitted	Chapter ID
<b>Material Topic disclosures</b>				
<b>Talent attraction and retention</b>				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Chapter 2		2.4.1
	404-2 Programs for upgrading employee skills and transition assistance programs	Chapter 2		2.4.2
	404-3 Percentage of employees receiving regular performance and career development reviews	Chapter 2		2.4.3
<b>Employee rights and diversity and equality</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2		2.5.1.1
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Chapter 2		2.5.1.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Chapter 2		2.1.1 & 2.1.2
	405-2 Ratio of basic salary and remuneration of women to men	Chapter 2		2.1.3.2
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Chapter 2		2.1.3.1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Chapter 2		2.5.1 & 2.5.2

GRI standard/ other source	GRI disclosure	Chapter	Reason & explanation for Omission, IF omitted	Chapter ID
<b>Material Topic disclosures</b>				
<b>Employee rights and diversity and equality</b>				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Chapter 2		2.5.2.2 & 2.5.2.3
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Chapter 2		2.5.2.2 & 2.5.2.3
<b>Occupational health and safety</b>				
	3-3 Management of material topics	Chapter 3		3.1.1
	403-1 Occupational health and safety management system	Chapter 3		3.1.1.1 & 3.1.1.2
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 3		3.1.1.2
	403-3 Occupational health services	Chapter 3		3.1.1.2
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter 3		3.1.1.1
GRI 403: Occupational Health and Safety	403-5 Worker training on occupational health and safety	Chapter 3		3.1.1.2
	403-6 Promotion of worker health	Chapter 3		3.3.1 & 3.1.2
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 3		3.1.1.2
	403-8 Workers covered by an occupational health and safety management system	Chapter 3		3.1.1.2
	403-9 Work-related injuries	Chapter 3		3.1.2.2
	403-10 Work-related ill health	Chapter 3		3.1.1.2

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GRI standard/ other source	GRI disclosure	Chapter	Reason & explanation for Omission, IF omitted	Chapter ID
<b>Material Topic disclosures</b>				
<b>Community Engagement</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics			6.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Chapter 6		6.1.1
<b>Biodiversity</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics			4.6
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Chapter 4		4.2.3.3
	304-2 Significant impacts of activities, products and services on biodiversity	Chapter 4		4.6
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	Chapter 4		4.6
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Information unavailable. The biodiversity risk assessment is progress and expected to be disclosed in 2025.	

### SASB Mapping Table

SASB Disclosure Topic	SASB Disclosed Metrics	Indicator Code	Unit of Measure	Report Content	Chapter ID
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	TC-ES-140a.1	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	Total water withdrawn: 85,234.80 thousand m <sup>3</sup> , with 66% coming from areas of high water stress. Total water consumed: 14,250.63 thousand m <sup>3</sup> , with 49% coming from areas of high water stress.	4.3.2
Waste Management	(1) Amount of hazardous waste from manufacturing, (2) percentage recycled	TC-ES-150a.1.	Thousand tons, Percentage (%)	Total amount of waste in 2023 (unit: thousand tons) - Hazardous waste – 112.07 thousand tons (Group-wide)	4.4.1
Labor Practices	(1) Number of work stoppages  (2) total days idle	TC-ES-310a.1	Number	Fatalities (employees:1; dispatched employees: 0; contractors: 2)	3.1.2.1
			Days idle	High-consequence work-related injuries (measured employee numbers, employees: 0; dispatched employees: 0; contractors: 0)	3.1.2.2
Workforce Conditions, Health & Safety	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	Percentage	High-risk facilities are defined as facilities that scored 65% or less on at least five sections of the RBA Self-Assessment Questionnaire, or that exhibit any of the disqualifying priority findings noted by the RBA including bribery  The Group has completed eight major manufacturing campuses in China and India by third-party audit, covering labor rights (including forced labor), occupational health and safety, management procedures, document record-keeping and implementation.	2.5.2

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SASB Disclosure Topic	SASB Disclosed Metrics	Indicator Code	Unit of Measure	Report Content	Chapter ID
Workforce Conditions, Health & Safety	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	TC-ES-320a.1	Rate	Recordable work-related injuries (employees: 0.1877%; dispatched employees: 0.0023%; contractors: 0.08438%)	3.1.2.2
Workforce Conditions, Health & Safety	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority nonconformances and (b) other nonconformances, disaggregated by (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	TC-ES-320a.3	Rate	<p>Until 12 June 2024, the Group has completed eight major manufacturing campuses in China and India.... In this audit, China adopted the RBA VAP 7.1 standard that is common in the electronics industry; while India adopted the ERSA 3.0 standard that integrates various industries including electronics. There are no major hidden risks</p> <p>In 2023, a total of 26 suppliers in the electronics procurement category shared their RBA VAP audit reports with the Group</p>	2.5.2 5.1.5
Product Lifecycle Management	Weight of end-of-life products and e-waste recovered; percentage recycled	TC-ES-410a.1	Number	<p>The entity shall disclose the weight, in metric tons, of end-of-life material recovered, including through reverse logistics services, recycling services, product take-back programs and refurbishment services.</p> <p>The entity shall disclose the percentage of end-of-life material recovered and subsequently recycled.</p>	4.4.1

SASB Disclosure Topic	SASB Disclosed Metrics	Indicator Code	Unit of Measure	Report Content	Chapter ID
Materials Sourcing	Description of how the entity manages the risks associated with the use of critical materials in its products	TC-ES-440a.1	N/A	The Group strictly abides various regulations and constructs a rigorous management procedures for chemical materials. Meanwhile, 31 entities of the Group passed ECQ QC080000 system certification	3.2
Materials Sourcing	Description of how the entity identifies the critical materials that present a significant risk to its operations, and the strategies the entity uses to mitigate the risks	TC-ES-440a.1	N/A	In accordance with the OECD's five-step process, the Group has formulated the "Due Diligence Framework for Suppliers Related to the Mineral Value Chain of Conflict Minerals" to plan and implement the conflict minerals management system and specific processes for due diligence.	5.2.2.5
Materials Sourcing	Description of how the entity conducted audits with regards to the use of critical materials.	TC-ES-440a.1	Number	The Group has conducted audits on the collaborated 272 smelters/ refineries in 2023, of which 261 are on RMI's published list of RMAP certified smelters by third party organizations (CONFORMANT status), with the remaining 12 are in the process of participating in third party RMAP certification (ACTIVE status).	5.2.2.5

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## Climate-Related Information of Hon Hai

No	Item	Implementation
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Refer to "4.2.1 List of TCFD Framework - Governance"
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Refer to "4.2.1 List of TCFD Framework - Strategy"
3	Describe the financial impact of extreme weather events and transformative actions.	Refer to "4.2.1 List of TCFD Framework - Strategy"
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Refer to "4.2.1 List of TCFD Framework – Risk Management"
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Refer to "4.2.2.2 Qualitative Climate Scenario Analysis". The quantitative results will be disclosed in our 2023 TCFD Report later in 2024
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Refer to "4.2 Climate Change and Energy Management - The Group's three climate targets"
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Refer to "4.2.2.3 Internal Carbon Price"
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Refer to "4.2.2.4 Targets and Actions"
9	Greenhouse gas inventory and assurance status, as well as greenhouse gas emission reduction targets, strategies and action plans	Refer to the table and texts below

## Greenhouse gas inventory and assurance status

GHG Emissions	2022		2023		Assurance Body	Description of Assurance Status
	Total Emission (Metric tons CO <sub>2</sub> e)	Intensity (tCO <sub>2</sub> e/\$1 million)	Total Emission (Metric tons CO <sub>2</sub> e)	Intensity (tCO <sub>2</sub> e/\$1 million)		
<b>Scope 1 - Parent</b>	9.90	0.0000026	11,549.99	0.00045	PwC Taiwan	Limited Assurance
<b>Scope 1 - Subsidiary</b>	222,285.10	0.0787	256,558.19	0.095		
<b>Scope 1 total (Group)</b>	222,295.00	0.0335	158,108.18	0.042		
<b>Scope 2 - Parent</b>	11,217.00	0.00295	20,649.44	0.006	PwC Taiwan	Limited Assurance
<b>Scope 2 - Subsidiary</b>	5,524,107.00	0.0196	2,400,477.56	0.88		
<b>Scope 2 total (Group)</b>	5,535,324.00	0.835	2,421,127.00	0.39		

## GHG Emission reduction targets, strategies and action plans

In response to the global trends of decarbonization, the Group is continuously tracking its carbon reduction progress via its Sustainability Committee and supports the goal of limiting temperature rise to 1.5°C in the Paris Climate Agreement. In November 2020, the Group was the first Taiwanese enterprise to propose the goal of a net-zero emissions supply chain by 2050.


In January 2021, we submitted our statement of carbon reduction commitment to achieve the 1.5°C target to the Science Based Targets Initiative (SBTi). In April 2023, the Group achieved validation for its near-term targets by SBTi, and in April 2024, it obtained validation for its long-term and net-zero targets.

Our zero-carbon emission path prioritizes carbon reduction in our own operations (>3%) and building our own renewable energy power stations onsite (>5%). After prioritizing carbon reduction in our own operations, we will combine other carbon reduction strategies, such as introducing renewable electricity (<82%) and carbon sinks and negative carbon technologies (<10%), to actively implement various action plans to move towards our net zero goal.

Our verified scope 1 and 2 greenhouse gas emissions in 2023 were 2,679,235.18 tCO<sub>2</sub>e, a decrease of 51.08% compared with the base year 2020 (5,476,802 tCO<sub>2</sub>e). In 2023, the renewable energy usage ratios rose to 60.96%. The Group continued actively implementing carbon reductions and utilizing renewable energies. We will continue to work toward net-zero GHG emissions in our value chain by 2050.



## Independent Assurance Statement



### Independent Assurance Statement

**Hon Hai Precision Industry Co., Ltd. 2023 Sustainability Report**

AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This verification work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR GROUP and Hon Hai Precision Industry Co., Ltd. (hereinafter referred to as "Hon Hai") are independent entities. AFNOR GROUP hereby provides a summary of Hon Hai Precision Industry Co., Ltd.'s Sustainability Report of 2023 (hereinafter referred to as "the Report") but was not involved in any way in its preparation.

**SCOPE**



Hon Hai Precision Industry Co., Ltd. is responsible for reporting fairly on the economic, environmental and social aspects of operating activities and performance of Taiwan and overseas operating sites in sustainability reports in accordance with the declared sustainability reporting standards.

AFNOR ASIA LTD. is responsible for:

1. Evaluating the accordance of the Report with the Type 1 of AA1000 Assurance Standard (v3) based on the AA1000 Accountability Principles (2018). The reliability verification of the revealed sustainability performance information and data was not included. The verification scopes include sustainability issues, response mechanism, performance information, management systems of information, and the processes of materiality evaluation and stakeholder participation.
2. In accordance with the GRI Standards, we verified the statement options and material topics disclosed in the report compiled by Hon Hai.
3. In accordance with the Task Force on Climate-related Financial Disclosures, we verified the content compiled and disclosed by Hon Hai in the report.
4. In accordance with the Sustainability Accounting Standards Board Standards, we verified the content compiled and disclosed by Hon Hai in the report.

**REFERENCES**

The scope of the assurance includes an assessment of the source adequacy of specific performance information and an assessment of adherence to the following reporting criteria :

◆ **Sustainability Accounting Standards Board Standards**

Based on the results of the review, Hon Hai has made disclosures with reference to the sustainable accounting indicators and activity indicators of the SASB standards. In the future, the organization can continue to collect and report according to disclosure standards and integrate it into the organization's information collection, monitoring and analysis processes.

**ASSURANCE OPINION**

AFNOR GROUP has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by Hon Hai and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization.

In our opinion, the information and data presented in the Report by Hon Hai provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in Hon Hai in 2023 are well represented.


**ASSURANCE LEVEL**

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.


**LIABILITY**

This assurance statement is intended for the use of Hon Hai Precision Industry Co., Ltd. only. AFNOR is not responsible for any other uses. Our responsibility is only based on the scope and methodology described, and to provide stakeholders an independent assurance statement.

For and on behalf of AFNOR :




Patrick Ni  
The Director for Certification and Assessment  
Jul.22.2024



**AA1000  
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000-84/V3-GYEBG**

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